Consolidated Interim Financial Statements

30 September 2021

The Consolidated Interim Financial Statements have been approved by Piraeus Financial Holdings S.A. Board of Directors on 18 November 2021 and are available on the web site of Piraeus Financial Holdings S.A. www.piraeusholdings.gr

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

PIRAEUS FINANCIAL HOLDINGS

INDEX

Consolidated Interim Financial Statements as at 30 September 2021

Notes to the Consolidated Interim Financial Statements

Consolidated Interim Income Statement

€ Million	Note	9 month period ended		3 month period ended	
		30/9/2021	30/9/2020	30/9/2021	30/9/2020
CONTINUING OPERATIONS					
Interest and similar income	6	1,365	1,367	411	463
Interest expense and similar charges	6	(274)	(259)	(92)	(83)
NET INTEREST INCOME		**1,091**	**1,107**	**319**	**380**
Fee and commission income	7	353	298	134	105
Fee and commission expense	7	(74)	(66)	(32)	(24)
NET FEE AND COMMISSION INCOME		**279**	**231**	**102**	**81**
Dividend income		1	3	1	2
Net gain/ (losses) from financial instruments measured at fair value through profit or loss ("FVTPL")	9	85	22	(6)	13
Net gain/ (losses) from financial instruments measured at fair value through other comprehensive income ("FVTOCI")	25	85	2	6	1
Net gain/ (losses) from derecognition of financial instruments measured at amortised cost	10	320	9	1	-
Net gain/ (losses) from disposal of subsidiaries/ associates and joint ventures		-	(1)	-	-
Net other income/ (expenses)		36	43	9	19
TOTAL NET INCOME		**1,896**	**1,417**	**432**	**496**
Staff costs		(329)	(319)	(95)	(107)
Administrative expenses		(307)	(280)	(105)	(98)
Depreciation and amortisation		(83)	(86)	(28)	(28)
Net gain/ (losses) from sale of property and equipment and intangible assets		1	-	-	-
TOTAL OPERATING EXPENSES BEFORE PROVISIONS		**(719)**	**(686)**	**(228)**	**(234)**
PROFIT/ (LOSS) BEFORE PROVISIONS, IMPAIRMENT AND INCOME TAX		**1,178**	**732**	**204**	**262**
ECL impairment losses on loans and advances to customers at amortised cost	4.2	(4,051)	(726)	(811)	(146)
Impairment (losses)/releases on other assets		(18)	(94)	(4)	(22)
ECL impairment (losses)/ releases on debt securities measured at FVTOCI		(9)	(7)	1	(2)
Impairment on subsidiaries and associates		(23)	-	-	-
Impairment of property and equipment and intangible assets		(4)	(2)	(2)	-
Impairment on debt securities at amortised cost		(16)	(14)	3	(4)
Other provision charges/ (releases)		2	(2)	(3)	(1)
Share of profit/(loss) of associates and joint ventures		2	(19)	9	(4)
PROFIT/ (LOSS) BEFORE INCOME TAX		**(2,941)**	**(133)**	**(603)**	**82**
Income tax benefit/ (expense)	11	(143)	(10)	(32)	(79)
PROFIT/ (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS		**(3,084)**	**(143)**	**(635)**	**3**
DISCONTINUED OPERATIONS					
Profit/ (loss) after income tax from discontinued operations	8	(5)	(7)	(4)	(2)
PROFIT/ (LOSS) FOR THE PERIOD		**(3,089)**	**(150)**	**(639)**	**1**
From continuing operations					
Profit/ (loss) attributable to the equity holders of the parent		(3,085)	(142)	(635)	3
Non controlling interest		1	(1)	-	-
From discontinued operations					
Profit/ (loss) attributable to the equity holders of the parent		(5)	(7)	(3)	(2)
Non controlling interest		-	-	-	-
Earnings/ (losses) per share attributable to the equity holders of the parent (in €):					
From continuing operations					
- Basic	12	(4.26)	(5.38)	(0.51)	0.12
- Diluted	12	(4.26)	(5.38)	(0.51)	0.06
From discontinued operations					
- Basic	12	(0.01)	(0.26)	(0.00)	(0.08)
- Diluted	12	(0.01)	(0.26)	(0.00)	(0.04)
Total					
- Basic	12	(4.27)	(5.64)	(0.51)	0.04
- Diluted	12	(4.27)	(5.64)	(0.51)	0.02

Consolidated Interim Statement of Comprehensive Income

€ Million	Note	9 month period ended		3 month period ended	
		30/9/2021	30/9/2020	30/9/2021	30/9/2020
CONTINUING OPERATIONS					
Profit/ (loss) for the period (A)		**(3,084)**	**(143)**	**(635)**	**3**
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	13	(74)	45	(4)	11
Change in currency translation reserve	13	5	(4)	2	(2)
Items that will not be reclassified subsequently to profit or loss					
Change in reserve from equity instruments measured at FVTOCI	13	(32)	(12)	-	(3)
Other comprehensive income/ (expense), net of tax (B)	13	**(101)**	**29**	**(2)**	**6**
Total comprehensive income/ (expense), net of tax (A)+(B)		**(3,185)**	**(114)**	**(637)**	**9**
- Attributable to the equity holders of the parent		(3,186)	(113)	(637)	9
- Non controlling interest		1	(1)	-	-
DISCONTINUED OPERATIONS					
Profit/ (loss) for the period		**(5)**	**(7)**	**(3)**	**(2)**
Total comprehensive income/ (expense), net of tax		**(5)**	**(7)**	**(3)**	**(2)**
- Attributable to the equity holders of the parent		(5)	(7)	(3)	(2)
- Non controlling interest		-	-	-	-

Consolidated Interim Statement of Financial Position

€ Million	Note	30/9/2021	31/12/2020
ASSETS			
Cash and balances with Central Banks		13,295	8,903
Due from banks		1,361	1,258
Financial assets at FVTPL		1,081	353
Financial assets mandatorily measured at FVTPL		140	146
Derivative financial instruments		614	507
Reverse repos with customers		-	8
Loans and advances to customers at amortised cost	14	33,398	39,624
Loans and advances to customers mandatorily measured at FVTPL		68	50
Financial assets measured at FVTOCI	16	2,791	2,898
Debt securities at amortised cost	16	8,654	4,964
Assets held for sale	15	1,493	181
Investment property		1,130	1,119
Investments in associated undertakings and joint ventures	17	245	268
Property and equipment		957	995
Intangible assets		282	280
Current tax assets	18	178	176
Deferred tax assets	11	6,245	6,337
Other assets		3,375	3,395
Assets from discontinued operations	8	114	112
TOTAL ASSETS		**75,421**	**71,576**
LIABILITIES			
Due to banks	19	13,931	11,376
Due to customers	20	52,233	49,636
Derivative financial instruments		417	460
Debt securities in issue	21	471	471
Other borrowed funds	22	918	933
Current income tax liabilities		4	3
Deferred tax liabilities		31	31
Retirement and termination benefit obligations		114	143
Provisions		203	202
Other liabilities		1,230	1,136
Liabilities from discontinued operations	8	32	31
TOTAL LIABILITIES		**69,585**	**64,423**
EQUITY			
Share capital	24	1,188	2,620
Share premium	24	18,112	13,075
Contingent convertible bonds	24	-	2,040
Other equity instruments	24.2	600	-
Less: Treasury shares	24	-	(1)
Other reserves and retained earnings	25	(14,173)	(10,687)
Capital and reserves attributable to the equity holders of the parent		**5,727**	**7,047**
Non controlling interest		109	106
TOTAL EQUITY		**5,836**	**7,153**
TOTAL LIABILITIES AND EQUITY		**75,421**	**71,576**

Consolidated Interim Statement of Changes in Equity

€ Million	Note	Attributable to the equity shareholders of the parent entity										Non controlling interest	Total
		Share capital	Share premium	Contingent convertible bonds	Other equity instruments	Treasury shares	Currency translation reserve	Reserve from financial assets at FVTOCI	Other reserves	Retained earnings	Total		
Opening balance as at 1/1/2020		**2,620**	**13,075**	**2,040**	**-**	**(1)**	**(54)**	**236**	**118**	**(10,375)**	**7,659**	**115**	**7,773**
Other comprehensive income/ (expense), net of tax	13	-	-	-	-	-	(4)	33	-	-	29	-	29
Loss after tax for the period 1/1 - 30/9/2020		-	-	-	-	-	-	-	-	(149)	(149)	(1)	(150)
Total comprehensive income/ (expense) for the period 1/1 - 30/9/2020		**-**	**-**	**-**	**-**	**-**	**(4)**	**33**	**-**	**(149)**	**(120)**	**(1)**	**(121)**
Transfer between other reserves and retained earnings		-	-	-	-	-	-	(16)	1	15	-	-	-
Disposals and movements in participating interests		-	-	-	-	-	-	-	(5)	4	(1)	(4)	(5)
Balance as at 30/9/2020		**2,620**	**13,075**	**2,040**	**-**	**(1)**	**(58)**	**253**	**113**	**(10,504)**	**7,538**	**110**	**7,648**
Opening balance as at 1/10/2020		**2,620**	**13,075**	**2,040**	**-**	**(1)**	**(58)**	**253**	**113**	**(10,504)**	**7,538**	**110**	**7,648**
Other comprehensive income/(expense), net of tax		-	-	-	-	-	(1)	28	-	(6)	22	-	22
Loss after tax for the period 1/10 - 31/12/2020		-	-	-	-	-	-	-	-	(513)	(513)	(4)	(518)
Total comprehensive income/ (expense) for the period 1/10 - 31/12/2020		**-**	**-**	**-**	**-**	**-**	**(1)**	**28**	**-**	**(519)**	**(492)**	**(4)**	**(496)**
Disposals and movements in participating interests		-	-	-	-	-	-	-	1	-	1	1	2
Balance as at 31/12/2020		**2,620**	**13,075**	**2,040**	**-**	**(1)**	**(59)**	**281**	**115**	**(11,024)**	**7,047**	**106**	**7,153**
Opening balance as at 1/1/2021		**2,620**	**13,075**	**2,040**	**-**	**(1)**	**(59)**	**281**	**115**	**(11,024)**	**7,047**	**106**	**7,153**
Other comprehensive income/(expense), net of tax	13	-	-	-	-	-	5	(106)	-	-	(101)	-	(101)
Profit/ (loss) after tax for the period 1/1 - 30/9/2021		-	-	-	-	-	-	-	-	(3,090)	(3,090)	1	(3,089)
Total comprehensive income/ (expense) for the period 1/1 - 30/9/2021		**-**	**-**	**-**	**-**	**-**	**5**	**(106)**	**-**	**(3,090)**	**(3,191)**	**1**	**(3,190)**
Conversion of CoCos into ordinary shares	24	2,366	-	(2,040)	-	-	-	-	-	(353)	(27)	-	(27)
Share capital increase, net of issue costs	24	1,200	101	-	-	-	-	-	-	-	1,301	-	1,301
Reduction of par value per share	24	(4,936)	4,936	-	-	-	-	-	-	-	-	-	-
Share capital decrease in kind	24	(63)	-	-	-	-	-	-	-	-	(63)	-	(63)
AT1 capital instrument, net of issue costs	24	-	-	-	600	-	-	-	-	(8)	592	-	592
(Purchases)/ sales of treasury shares	24	-	-	-	-	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		-	-	-	-	-	-	-	4	1	5	2	7
Balance as at 30/9/2021		**1,188**	**18,112**	**-**	**600**	**-**	**(54)**	**175**	**120**	**(14,413)**	**5,727**	**109**	**5,836**

Consolidated Interim Cash Flow Statement

€ Million	Note	9 month period ended 30/9/2021	30/9/2020 As restated
Cash flows from operating activities			
Loss before income tax		(2,946)	(140)
Adjustments to loss before income tax:			
Add: provisions and impairment		4,119	845
Add: depreciation and amortisation charge		86	89
Add: retirement benefits and cost of voluntary exit scheme		45	6
Net (gain)/ losses from valuation of financial instruments measured at FVTPL		(3)	19
Net (gain)/ losses from financial instruments measured at FVTOCI		(85)	(2)
(Gains)/ losses from investing activities		-	18
Accrued interest from investing and financing activities		24	19
Cash flows from operating activities before changes in operating assets and liabilities		1,240	854
Changes in operating assets and liabilities:			
Net (increase)/ decrease in cash and balances with Central Banks		(2)	-
Net (increase)/ decrease in financial instruments measured at FVTPL		(503)	395
Net (increase)/ decrease in financial assets mandatorily measured at FVTPL		114	(19)
Net (increase)/ decrease in debt securities at amortised cost		(3,873)	(2,816)
Net (increase)/ decrease in amounts due from banks		(191)	(1)
Net (increase)/ decrease in loans and advances to customers		823	284
Net (increase)/ decrease in reverse repos with customers		8	24
Net (increase)/ decrease in other assets		37	(15)
Net increase/ (decrease) in amounts due to banks		2,555	6,154
Net increase/ (decrease) in liabilities measured at FVTPL		-	1
Net increase/ (decrease) in amounts due to customers		2,417	(262)
Net increase/ (decrease) in other liabilities		(51)	119
Net cash flow from operating activities before income tax payment		2,574	4,718
Income tax paid		(3)	(8)
Net cash inflow from operating activities		**2,571**	**4,710**
Cash flows from investing activities			
Purchases of property and equipment		(50)	(39)
Proceeds from disposal of property and equipment and intangible assets		8	19
Purchases of intangible assets		(23)	(14)
Proceeds from disposal of assets held for sale other than subsidiaries		83	38
Purchases of financial assets at FVTOCI		(3,932)	(1,116)
Proceeds from disposal of financial assets at FVTOCI		4,074	596
Acquisition of subsidiaries, net of cash and cash equivalents, and participation in share capital increases/ decreases		2	-
Acquisition, establishment and participation in share capital (increases)/ decreases of associates and joint ventures		(1)	(28)
Dividends received		12	4
Net cash inflow/ (outflow) from investing activities		**173**	**(541)**
Cash flows from financing activities			
Expenses directly attributable to the conversion of CoCos into ordinary shares	24	(27)	-
Net proceeds from the issue of ordinary shares	24	1,301	-
Net proceeds from the issue of AT 1 capital instrument	24	592	-
Net proceeds from issue/ (repayment) of debt securities and other borrowed funds		(70)	439
Principal and interest portion of lease liability		(25)	(27)
Net cash inflow from financing activities		**1,771**	**412**
Effect of exchange rate changes on cash and cash equivalents		5	(6)
Net increase in cash and cash equivalents (A)		**4,521**	**4,575**
Cash and cash equivalents at the beginning of the period (B)		**9,303**	**3,742**
Cash and cash equivalents at the end of the period (A) + (B)		**13,824**	**8,317**

As of 31 December 2020, the Group modified the manner in which continuing and discontinued operations are presented. In prior periods, such cash flows were presented separately in the cash flow statement, while thereafter, continuing and discontinued operations are presented in aggregate for each cash flow statement line item. Accordingly, the comparative figures have been restated in order to be comparable with the current period.

1 General information

Piraeus Financial Holdings S.A. (hereinafter the "Company") was established in 1916 and its shares are registered and have been listed on the Main Market of the Athens Stock Exchange since 1918.

The Company operates in the form of a Société Anonyme, in accordance with the provisions of Greek Law 4548/2018, as currently in force, as well as the applicable regulatory framework on the operation of listed companies. As a financial holding company, it is directly supervised by the European Central Bank (hereinafter "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 companies of the Company's group, as well as researching, studying and analysing insurance related issues. The Company also provides financial advisory services including planning, development, research, reorganization or resolution, assessment, business strategy, acquisitions, sales, mergers and restructuring of companies, as well as advisory services on private insurance issues.

The Company is incorporated and domiciled in Greece. The address of its registered office is 4 Amerikis str., 105 64 Athens, GEMI number 225501000. The duration of the Company lapses on 6 July 2099. As of 30 September 2021, the headcount of the Company and its subsidiaries, hereinafter the "Group", is 10,749 FTEs, of which 939 FTEs refer to discontinued operations (IMITHEA Single Member S.A.). The Company's headcount as of that date is 31 FTEs.

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

The Board of Directors of Piraeus Financial Holdings S.A., on the approval date of the interim financial statements of the Group as at and for the period ended 30 September 2021 (the "Consolidated Interim Financial Statements"), consists of the following members:

George P. Handjinicolaou	Chairman of the BoD, Non-Executive Member
Karel G. De Boeck	Vice-Chairman of the BoD, Independent Non-Executive Member
Christos I. Megalou	Managing Director & CEO, Executive BoD Member
Vasileios D. Koutentakis	Executive BoD Member
Venetia G. Kontogouris	Independent Non-Executive BoD Member
Arne S. Berggren	Independent Non-Executive BoD Member
Enrico Tommaso C. Cucchiani	Independent Non-Executive BoD Member
David R. Hexter	Independent Non-Executive BoD Member
Solomon A. Berahas	Independent Non-Executive BoD Member
Andrew D. Panzures	Independent Non-Executive BoD Member
Anne J. Weatherston	Independent Non-Executive BoD Member
Alexander Z. Blades	Non-Executive BoD Member
Periklis N. Dontas	Non-Executive BoD Member, 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 Hellenic Financial Stability Fund (hereinafter "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 Consolidated 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 Consolidated Interim Financial Statements should be read in conjunction with the annual consolidated financial statements included in the 2020 Annual Financial Report of the Group, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as endorsed by the European Union (the "EU").

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim period, except for those referred to under Note 2.4, which have been applied on transactions, events or other conditions that incurred in the current period for the first time.

The amounts are stated in Euro, rounded to the nearest million (unless otherwise stated) for ease of presentation. Any differences between the amounts presented in the primary financial statements and the relevant amounts presented in the accompanying notes, are due to rounding. Where necessary, the comparative figures have been restated to conform to changes in current period's presentation.

The Consolidated Interim Financial Statements have been prepared under the historical cost convention, except for financial assets and financial liabilities measured 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 assessed and concluded that the Consolidated Interim Financial Statements have been appropriately prepared on a going concern basis, as the Group has adequate resources to continue its operations for a period of at least 12 months after the reporting date. Management took into account the following:

a) the recovery of economic activity in 2021 and the prospects for a sustainable rate of growth of Gross Domestic Product ("GDP") afterwards that will allow the Greek economy to transition into a higher economic trajectory post the Covid-19 pandemic;

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

c) the Group's robust liquidity position as evident by the Liquidity Coverage Ratio ("LCR") and the Loans to Deposits ratio ("LDR") as of 30 September 2021, disclosed in the Liquidity section below;

d) the actions taken by the Group for the reduction of non-performing exposures (NPEs), having successfully completed the Phoenix, Vega I, II, III and Sunrise I NPE securitizations of total gross book value € 13.1 billion;

e) the capital adequacy of the Group was enhanced by the April 2021 share capital increase of € 1.4 billion of the Company via a non-pre-emptive fully marketed offering, which, along with the € 0.6 billion Additional Tier 1 (hereinafter "AT 1") instrument issued in June 2021 and the non-dilutive capital enhancing actions already completed or under way, will result in a cumulative capital benefit of approximately € 3 billion;

f) the measures taken by the European Commission, the European Banking Authority ("EBA"), the ECB and the Single Supervisory Mechanism ("SSM") since March 2020 to mitigate the effects of Covid-19 in European member state economies, for individuals and firms facing disruptions, through temporary capital and operational relief measures for European Banks; and

g) the measures taken by the Greek Government and the Hellenic Bank Association to mitigate the effects of Covid-19 in affected lenders.

In the context of this assessment, Management considered also 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.

Macroeconomic environment

In the nine months of 2021, the Greek economy according to the available indicators of economic activity and the strong performance shown in the second quarter of the year has entered in a course of robust economic recovery. Following the severe recession of 9.0% in 2020, based on the revised data of the GDP, the Greek economy started to recover in the first half of the year. In the second quarter of 2021 real GDP increased by 16.2% on an annual basis and by 3.4% on a quarterly basis. The recovery of the final consumption, as well as the further increase of both the investments and the sharp change of the stocks, contributed positively to the strong recovery on an annual basis. In the first semester of 2021 the average annual growth rate of GDP stood at 7.0%. Significant revenues from tourism in the third quarter had positively affected the growth rate of the year. Based on preliminary draft state's budget for 2022, real GDP is expected to expand by 6.1% in 2021 and 4.5% in 2022. At the same time, the improvement of the economic climate, the good course in industry, trade and construction activity and the improvement in the labor market, despite the intense inflationary pressures, seem to support a solid recovery of the Greek economy even stronger than the initial forecasts.

In the nine months of 2021, the average Economic Sentiment Indicator ("ESI") stood at 103.2 points, from 97.9 points in the same period of 2020, reflecting the improvement of expectations on all sectors of economic activity and consumers' prospects. Following the relaxation of the healthcare restrictions and the restart of the tourist season, which have assisted in accelerating jobs' creation, the unemployment rate in the second quarter of 2021 decreased to 15.8%, compared to 16.7% in the same period of 2020. However, the labor market has been affected by the implementation of specific operating constrains to companies and the adoption of measures to protect public health. In August 2021, the seasonally adjusted unemployment rate, stood at 13.9% compared to 16.9% in August 2020 and employment increased by 5.9% on an annual basis. In the period January-September 2021, inflation stood at 0.2%. Consumer price growth accelerated in the third quarter of 2021 after several months of decline, reaching 2.2% in September, mainly reflecting rising cost of energy and food prices.

The continuing implementation of fiscal measures for the pandemic led to a state budget deficit, on a modified cash basis, of € 10.1 billion for the period January – September 2021. Overall, the support measures taking into account liquidity aid and corresponding leverage from the banking system, amount to a total value of € 42.7 billion. An amount of € 23.1 billion refers to actions implemented in 2020, while the value of measures for which implementation commenced or is about to commence in 2021 is € 16.7 billion. Finally, the value of measures extending to 2022 approximates € 2.9 billion. Based on the preliminary draft budget for 2022, the general government deficit as a percentage of GDP is expected to drop at 10.0% in 2021 and 3.6% in 2022, from 10.1% in 2020 as per ESA (European System of Accounts). The general government primary deficit from 7.1% in 2020, according to preliminary draft budget is expected to reach 7.4% of GDP in 2021 and 1.1% of GDP in 2022.

The current health crisis finds the Greek real estate market in a critical period, showing significant recovery signs in the past three (3) years. Residential property prices (the apartment price index as illustrated by the Bank of Greece "BoG") increased by 4.6% in the second quarter of 2021, on an annual basis, following an increase of 4.4% in 2020. Commercial property prices (the office price index as illustrated by BoG) increased by 1.2% in 2020, on an annual basis. Also, in 2020 the nominal prime retail prices increased by 2.1% on an annual basis.

In the nine months of 2021, Greece continued its access to the international debt markets with six (6) successful Greek Government Bond (“GGB”) issuances. The issuance activity for the nine months of 2021 concluded in September with the reopening of the books for the 5-year and 30-year bonds. The Public Debt Management Agency raised € 1.5 billion and € 1.0 billion with a reoffer yield of 0.02% and 1.675%, respectively. The sovereign yield spreads over the German Bund decreased further and have been hovering around 100 basis points on the 10-year tenure since end-May 2021. The Greek state has already exceeded its original issuance plan for 2021, raising € 14 billion on the open market. The favorable financing conditions continue to be supported also by ECB’s accommodative monetary policy stance, including purchases of Greek securities under the Pandemic Emergency Purchase Programme (“PEPP”). In addition, the process of the second early repayment of part of the existing loans that Greece has received from the International Monetary Fund (“IMF”), amounting to € 3.3 billion, was completed in March 2021, thus reducing the funding cost of sovereign debt. The State is planning to early repay the last part of IMF loans (€ 1.8 billion) and a part of bilateral Eurozone countries loans (€ 5.3 billion) in the near future.

The 11th assessment of the Greek economy was successfully completed in September 2021, under the enhanced supervision regime, in which the country entered in the summer of 2018, after joining the economic and fiscal policy coordination cycle of the European Semester. The favorable prospects of the economy are reflected in the recent Greek sovereign rating upgrades. In September 2021, DBRS Morningstar and Scope ratings upgraded the Greek sovereign rating by one notch to BB (Positive Outlook) from BB low and to BB+ (Stable Outlook) from BB, respectively. In April 2021, S&P upgraded the rating of Greece to “BB” (Positive Outlook), from “BB-”.

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

The prospects of the Greek economy are particularly positive, as in the following years it will benefit from the easing of fiscal policy in Greece and the Eurozone, favorable liquidity conditions, the reduction of Greek government borrowing costs, as well as the European funds. The strong recovery of the current year depends on the improvement of the epidemic status, the successful completion of the vaccination program, the degree of tourist activity restoration and the utilization of funds under the Recovery and Resilience Fund. It should be mentioned that international tourist arrivals recovered a considerable part of their drop with respect to 2019 levels over the summer season. In January-August 2021, travel receipts increased by 135.7% year-on-year to € 6.6 billion and the number of inbound travellers rose by 79.2%. Furthermore, in August 2021 Greece received € 4.0 billion in pre-financing, equivalent to 13% of the country's grant and loan allocation under the Recovery and Resilience Facility (RRF). According to the latest simulations by the Commission, the GDP level is expected to increase by 2.1-3.3% by 2026, from the combined effect of the grants and loans component of RRF. According to European Commission’s Enhanced Surveillance Report (September 2021), such simulations do not include the possible positive impact from the structural reforms envisaged under the plan. Growth will also be supported by the new EU funding cycle.

The primary risk factors affecting the developments in Greek economy, the domestic banking sector in general and the Group in particular, are the global and domestic macroeconomic and financial market conditions, such as the persistence of inflationary pressures, supply chain volatility and uncertainty, the effects of the spread of Covid-19 variants that could lead to new restrictions, and the impact of market support schemes withdrawal. The velocity of the recovery, as well as the effective utilization of the EU recovery and resilience funds, will be decisive factors in determining the impact of the Covid-19 pandemic to the Greek economy, the banking sector and the Group in particular. Further, geopolitical developments in the wider region and a potential resurgence of migration flows remain an additional source of uncertainty.

Therefore, a potential slow and weak economic recovery, along with persistently high unemployment and possible decline of real estate prices 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.

2021 Covid-19 impact and energy crisis

The nine-month period ended 30 September 2021 was characterized by an accelerating recovery in the global economy and Greece in particular, although the year continued to be affected by the same uncertainties as 2020 due to Covid-19. The outbreak of Covid-19 pandemic has had, and continues to have, a material impact on business and the economic environment in which the Group operates. The business sectors mostly affected are trade, handicraft, manufacturing, transport and supply chain, hotels and food and beverage sectors. Our customers operating in these sectors may be significantly affected and thus may need to be offered with targeted liquidity solutions. In this context, the active moratoria as at 30 September 2021 stood at € 418 million.

With regards to potential risks, while the vaccination program is progressing at a satisfactory pace, a more prolonged pandemic would enhance downside risks to all sectors of the economy, perpetuate debt problems and lead to additional NPE formation. Furthermore, any change in the regulatory stance could potentially result to increased provisioning levels, higher exposures classified as "non-performing" and decreased revenues, which ultimately could adversely affect the Group's financial position, capital adequacy and operating results.

Driven by energy prices, inflation in Greece is expected to remain elevated until mid-2022, before starting to decelerate. The rise in prices is a relatively recent phenomenon in Greece. Until April 2021, inflation was negative, while core inflation became positive in September. Inflation is viewed as a temporary phenomenon and is expected to return to pre-crisis levels towards the end of 2022 and therefore we do not anticipate any material impact in the financial position of the Group.

Liquidity

As at 30 September 2021, Group deposits increased by 5.2% compared to 31 December 2020, to € 52.2 billion, mainly due to the significant increase of private sector deposits.

In 2020, as a response to Covid-19 pandemic's effects on the European economy, the ECB announced easing off the conditions for longer-term refinancing operations (TLTRO III), in order to leverage its use by credit institutions. The Group raised a total of € 13.5 billion as of 30 September 2021 (€ 11.0 billion as of 31 December 2020) under TLTRO auctions and retains sufficient cash buffers. This is facilitated through ECB's decision in April 2020 to waive the eligibility criteria and accept Greek sovereign debt instruments as collateral in Eurosystem credit operations. Funding from the interbank market increased mildly to € 0.3 billion as at 30 September 2021, compared to € 0.1 billion as at 31 December 2020.

The Group's balance sheet deleveraging, coupled with the medium-term customer deposits restoration trend, the restored markets access and the Tier 2 issuances in 2019 and early 2020 as well as the issuance of AT 1 in mid-2021, improved the Group's funding mix and increased its high quality liquid assets ("HQLA") buffer. As at 30 September 2021, the Group's LCR stood at 198.6% (thus, almost double than the regulatory requirement of 100%) and the net LDR at 63.9%.

On 18 March 2020, in order to counter the serious risks to the monetary policy transmission mechanism and the outlook for the euro area posed by the Covid-19 pandemic, the ECB announced a pandemic emergency purchase programme ("PEPP") of private and public sector securities, which has an overall envelope of € 1.85 trillion until March 2022, following the decisions taken on 4 June 2020 and 10 December 2020 to expand its size and timeframe. All asset categories eligible under the existing asset purchase programme (“APP”) are also eligible under the new programme. Under the PEPP, a waiver of the eligibility requirements was granted for securities issued by the Hellenic Republic. Following this decision, the yield of the Greek 10-year sovereign bond fell to historically low levels. This development combined with: a) the lifting of the 2015 imposed cap on the holdings of Greek Government securities for Greek Banks, effective from 6 March 2020; and b) the waiver to accept Greek sovereign debt instruments as collateral in Eurosystem credit operations on 7 April 2020, has created more favorable conditions for Greek Banks to utilize ECB funding and enhance their liquidity position at competitive cost.

Capital adequacy

The Group’s Basel III Common Equity Tier 1 (“CET1”) ratio as at 30 September 2021 stood at 9.90% while the total regulatory capital ratio stood at 14.40% as at the same date. The Overall Capital Requirement (“OCR”) ratio stands at 14.25% in 2021, as set by the SSM through the Supervisory Review and Evaluation Process (“SREP”). However, the measures that the ECB Banking Supervision announced on 12 March 2020, allow Banks to operate temporarily below the level of capital defined by the Pillar 2 Guidance (“P2G”) and the capital conservation buffer (“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”).

In March 2020, the EBA recommended to European Banks on making full use of the flexibility embedded in the regulatory framework in terms of loans classification as non-performing and loss provision expectations for NPEs that are covered by state guaranteed schemes and payment moratoria. By utilising this flexibility, European Banks’ capital adequacy ratios are expected to be burdened in subsequent quarters by a smaller degree compared to a scenario under which this flexibility would not be utilised, thus enabling the maintenance of capital buffers.

Please refer to Note 28 for further details on the Group’s capital adequacy.

2.3 Adoption of International Financial Reporting Standards

The following amendment to existing standards has been issued by the International Accounting Standards Board (“IASB”), has been endorsed by the EU as of the date the Consolidated Interim Financial Statements were issued and is effective from 1 January 2021.

IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (Amendment) *“Interest Rate Benchmark Reform – Phase 2”*. This is the second part of the two-phase project on Interest Rate Benchmark Reform. The amendment aims at reflecting the effects of transitioning from benchmark interest rates, such as interbank offer rates (IBORs) to alternative benchmark interest rates without giving rise to accounting impacts that would not provide useful information to users of financial statements.

The adoption of the amendment did not have a material impact on the Consolidated Interim Financial Statements.

IFRIC Agenda Decision: IAS 19 “Employee benefits” - Attributing benefit to periods of service

In May 2021, the International Financial Reporting Interpretations Committee (IFRIC) issued an agenda decision with regard to the application of IAS 19, on attributing benefits to periods of service. Specifically, the decision requires an entity to attribute benefit only to periods in which the obligation to provide post-employment benefits arises. Based on the said interpretation, a provision should be recognized only for employees with less than 16 years remaining until retirement. The Group is currently assessing the impact of the said IFRIC agenda decision on its financial statements, which is expected to be adopted no later than 31 December 2021 and may result to a retrospective change in the Group's accounting policy. Until a detailed actuarial study is carried out, it is impracticable to provide a reasonable estimate about the effect of the said agenda decision.

2.4 Update to the Group's significant accounting policies disclosed in the 2020 Annual Financial Report

The accounting policies set out below were developed by the Group in the current period and refer to transactions, events or conditions that did not occur previously or were immaterial. As such, they do not constitute changes in existing accounting policies and were applied prospectively.

Costs related to acquisition and holding of financial guarantees

Any costs or fees paid by the Group which are incremental and directly attributable transaction costs to obtain a freestanding financial guarantee or a debt asset with embedded financial guarantee features that is not measured at FVTPL, are capitalized and amortised over the life of the instrument with the effective interest method.

Accounting of intragroup distributions in kind by the distributing entity

The Group has expanded its accounting policy on distribution of non-cash financial assets to entities within the Group, which are scoped out from IFRIC 17, to specify that the distribution is recognised directly in equity, at the book value of the assets being distributed. Specifically, in cases where the distribution refers to a previously unrecognised asset (e.g. because the derecognition requirements of IFRS 9 were not met prior to the distribution), the amount to be accounted for directly in equity is determined based on the carrying amount of the on balance sheet assets derecognised and the value of the rights and obligations created as a result of the distribution, in accordance with the recognition and measurement requirements of the applicable standards.

3 Critical accounting judgements and key sources of estimation uncertainty

In preparing the Consolidated Interim Financial Statements, the critical accounting judgements made by Management in applying the Group's accounting policies and the key sources of estimation uncertainty, were similar to those applied to the annual financial statements as at and for the year ended 31 December 2020, 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. 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 – 4-year average	30/9/2021 (2021-2024) %	31/12/2020 (2020-2023) %
GDP growth		
Optimistic	7.0	3.5
Base	5.2	2.0
Pessimistic	3.3	0.5
Unemployment rates		
Optimistic	11.8	13.1
Base	13.7	14.2
Pessimistic	15.9	16.0
Price index (Residential)		
Optimistic	7.3	6.9
Base	5.7	5.9
Pessimistic	4.1	4.6
Price index (Non residential)		
Optimistic	7.3	5.7
Base	5.6	4.6
Pessimistic	3.8	3.4

The expected 4-year average real GDP growth rate as of 30 September 2021, is higher than the respective projection as of 31 December 2020. Following the recession of the Greek economy in 2020 attributable to the Covid-19 pandemic, economic activity is expected to recover in 2021-2024. The unemployment rate is expected to be lower in the coming years, despite the impact of the Covid-19 pandemic, reflecting the fact that the labor market is progressively improving in recent years and employment is following a steady growth path. Both residential and non-residential (offices) price indices are continuing to follow a highly positive path for the next four years, as real estate prices were slightly affected by the shock of Covid-19 pandemic.

As at 30 September 2021, the Group's forecasts of the aforementioned economic variables, across each scenario for 2022 and 2023, are the following:

	2022			2023		
ECL Key drivers Scenario	Optimistic	Base	Pessimistic	Optimistic	Base	Pessimistic
GDP growth	8.1	6.1	4.1	6.1	4.1	2.1
Unemployment rates	13.5	15.2	16.9	9.8	12.5	15.2
Price index (Non residential)	7.8	6.1	4.5	8.1	6.0	3.9
Price index (Residential)	7.9	6.4	5.0	7.6	5.7	3.7

Determination of scenario weights and held-for sale classification

Phoenix and Vega portfolios: The estimation uncertainty recognised as of 31 December 2020 with regard to the said portfolios, was resolved during the second quarter of 2021. Both portfolios were derecognised in June 2021, following fulfilment of all conditions precedent to the completion of the sale transactions, including receipt of the required regulatory approvals. The loss charged in the income statement of the Group, before tax, from the Phoenix and Vega transactions amounted to € 1,569 million. The total impact of the sale transactions for the Group, taking into account the distribution of the shares issued by the Cypriot subsidiary "Phoenix Vega Mezz Ltd" which holds 65% of the mezzanine and 45% of the junior tranches of the aforementioned securitizations, to the Company's shareholders, approximates € 1,632 million. The distribution was approved by the annual general meeting of the Company's shareholders ("AGM") on 22 June 2021 and was completed on 4 August 2021 (refer to Note 24 for further details).

Sunrise II portfolio at a Group level: The said perimeter refers to NPEs with a gross book value of approximately € 2.6 billion (the “Sunrise II Portfolio”). During the third quarter of 2021, Management submitted to the ECB all relevant documentation and applications requesting regulatory approvals, however, no notification on the outcome of ECB’s significant risk transfer evaluation had been provided as of the reporting date. In determining whether the Sunrise II Portfolio meets the held for sale classification criteria, Management assessed the following factors: a) the Company’s successful share capital increase of €1.4 billion that was completed on 29 April 2021; b) the AT 1 issuance of € 0.6 billion which was completed 16 June 2021; c) the submission, on 5 August 2021, to the Greek Ministry of Finance of an application for inclusion of the senior notes issued in the context of the securitization of a nominal amount € 1.2 billion, in the Hellenic Asset Protection Scheme ("HAPS”) pursuant to Law 4649/2019; d) the submission of the Group’s SRT self assessment to the SSM on 9 August 2021; e) the receipt of two binding offers from potential investors in September 2021; and f) in August 2021, the Bank submitted to the SSM its application for share capital reduction, by distributing in kind 95% of the subordinated notes issued in the context of the said securitization. Considering the advanced stage of the securitization, Management concluded that it is more probable than not to receive the outstanding regulatory approvals and on this basis, the aforementioned portfolio was classified as held for sale, at Group level, as of 30 September 2021 and its carrying amount, at Group level, was written down to fair value less cost to sell. The ECL impairment charge recognised in the income statement of the Group for the period ended 30 September 2021, as a result of the aforementioned write-down, amounted to approximately € 622 million.

Sunrise III portfolio: The portfolio comprises NPEs with a gross book value of € 1.0 billion (the “Sunrise III Portfolio”). Given the early stage of the securitization process, no sale scenario was assumed in the ECL measurement as of 30 September 2021. In reaching this conclusion, Management evaluated the following facts and circumstances: a) no securitization SPV has been setup; b) no application or documentation requesting regulatory approval by the ECB had been submitted by the Group; c) no commitments or definitive agreements have been signed with potential investors; and d) no factual or other reasonable and supportable information related to the expected future outcome of the regulatory approval process was available, mainly due to the adverse impact of the Phoenix, Vega, Sunrise I and Sunrise II securitizations, which as of 30 September 2021 amounted to approximately € 3.7 billion. Had the Group assigned a 100% probability on the sale scenario for Sunrise III Portfolio, based on the initially assessed preliminary impact (Sunrise Plan announced on 16th March 2021) which has not yet been revised due to the early stage of the specific securitization, the estimated additional loss before tax, would have been approximately € 0.2 billion. The outcome of this key source of estimation uncertainty is expected to be resolved prior to 31 March 2022.

Dory portfolio: The Sunrise Plan includes a potential outright sale of selected shipping NPEs, namely portfolio “Dory”, with an estimated gross book value of approximately € 0.6 billion. Due to the early stage of the sale process, no sale scenario has been incorporated in the ECL measurement of the portfolios as of 30 September 2021. Had the Group assigned a 100% probability on the sale scenario, the expected additional loss, before tax, would have approximated € 0.1 billion. The outcome of this key source of estimation uncertainty is expected to be resolved prior to 31 December 2021.

4 Financial Risk Management

4.1 Fair values of financial instruments

4.1.1 Financial instruments not measured at fair value

The following table summarises the fair values and carrying amounts of those financial instruments which are not measured at fair value on a recurring basis and their fair value could be materially different from their carrying amount.

	Carrying Amount		Fair Value	
	30/9/2021	31/12/2020	30/9/2021	31/12/2020
Financial assets				
Loans and advances to customers at amortised cost	33,398	39,624	33,744	38,430
Debt securities at amortised cost	8,654	4,964	8,569	5,344
Financial liabilities				
Debt securities in issue	471	471	478	480
Other borrowed funds	918	933	943	767

The following methods and assumptions were used to estimate the fair values of the aforementioned financial instruments as at 30 September 2021 and 31 December 2020:

Loans and advances to customers at amortised cost: Fair value is estimated using discounted cash flow models, taking into account yield curves observable in the market as of the date of the valuation and adjustments for credit risk. Phoenix, Vega I, II, III and Sunrise I loan portfolios were derecognised from the Group's statement of financial position in the nine-month period ended 30 September 2021, while Sunrise II loan portfolio has been classified as held for sale as of 30 September 2021. Please refer to Note 15.

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 over the counter ("OTC") derivatives and securities whose values are determined using pricing models, discounted cash flow methodologies, or similar techniques with inputs that are observable in the market.

Level 3 inputs refer to unobservable inputs, including the entity's own data which are adjusted, if necessary, to reflect the assumptions market participants would use in the circumstances. An input is unobservable if, in the absence of market data availability, it is developed using the best information available about the assumptions that market participants would use when pricing the asset or liability. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques with inputs that require significant management judgement or estimation. OTC complex derivatives transactions or structured securities, which are valued using a non-market standard model, comprising substantial model uncertainty, are classified as level 3 instruments.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. The level of the fair value hierarchy within which the fair value measurement is categorized, is determined on the basis of the lowest input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input as well as model uncertainty are assessed against the entire fair value measurement of the instrument.

The following table presents the fair value of the financial assets and liabilities which are measured at fair value on a recurring basis and continue to be recognised in their entirety on the Group´s Statement of Financial Position at the end of the reporting period, by fair value hierarchy level:

Financial instruments measured at fair value and basis of valuation

	30/9/2021				31/12/2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Derivative financial instruments	-	614	-	**614**	-	507	-	**507**
Financial assets at FVTPL	1,078	3	-	**1,081**	331	22	-	**353**
Financial assets mandatorily measured at FVTPL	67	-	73	**140**	76	-	71	**146**
Loans and advances to customers mandatorily measured at FVTPL	-	-	68	**68**	-	-	50	**50**
Financial assets at FVTOCI	2,628	140	23	**2,791**	2,590	274	35	**2,898**
Financial liabilities								
Derivative financial instruments	-	417	-	**417**	-	460	-	**460**

Transfers between Level 1 and Level 2

Within the nine-month period ended 30 September 2021, € 22 million of corporate bonds were transferred from Level 1 to Level 2 due to change in their trading activity. Accordingly, € 84 million of Greek sovereign and corporate bonds were transferred from Level 2 to Level 1. There were no transfers of financial liabilities between Level 1 and Level 2 during the nine-month period ended 30 September 2021 and the year ended 31 December 2020. Transfers between levels of fair value hierarchy are deemed to have occurred at the end of the reporting period, in which the financial instruments were transferred.

Level 3 financial instruments

Level 3 financial instruments include:

a) Credit impaired loans and advances to customers, which are mandatorily measured at FVTPL because their contractual cash flows are not solely payments of principal and interest (“SPPI”), are valued using an income approach expected cash flow (expected present value) technique incorporating unobservable inputs.

b) Bonds mandatorily measured at FVTPL, including 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; 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., for which the models used to estimate their fair value utilize significant unobservable inputs (e.g. discount rate, volatility, expected cash flows etc.).

c) 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.

d) 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.

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, Phoenix and Vega securitizations retained by the Group as of 30 September 2021 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 September 2021 and the year ended 31 December 2020, there were no transfers into or out of Level 3. The following table presents a reconciliation of Level 3 fair value measurements for the aforementioned periods:

	Reconciliation of Level 3 instruments		
	Financial assets mandatorily measured at FVTPL	Loans and advances to customers mandatorily measured at FVTPL	Financial assets at FVTOCI
Opening balance as at 1/1/2020	**53**	**51**	**92**
Gain/ (loss) recognised in the income statement	(3)	(2)	-
Gain/(loss) recognised in OCI	-	-	(39)
Purchases	22	2	1
Disposals/ Settlements	(2)	-	(18)
Closing Balance as at 31/12/2020	**71**	**50**	**35**
Gain/ (loss) recognised in the income statement	1	(2)	(1)
Recognition of Phoenix, Vega and Sunrise I subordinated notes	-	87	-
Disposals/ Settlements	-	(67)	(12)
FX differences	1	-	-
Closing Balance as at 30/9/2021	**73**	**68**	**23**

Valuation Process and Control Framework

The Group has established appropriate processes and internal controls to ensure that the fair values of its financial assets and liabilities are reasonably estimated. The fair value measurements are validated by functions of the Group that are independent of the risk-taking unit.

The fair values of bonds are determined either by reference to prices for traded instruments in active markets, to external quotations or widely accepted financial models, which are based on market observable or unobservable information where the former is not available, as well as relevant market based parameters such as interest rates, option volatilities, currency rates, etc. The Group may, sometimes, also utilize third-party pricing information, and perform validating procedures on this information to the extent possible or base its fair value on the latest transaction prices available, given the absence of an active market or similar transactions or other market observable inputs. All such instruments are categorised within the lowest level of the fair value hierarchy (i.e. Level 3). The fair value measurement of debt securities, including significant inputs on the valuation models, is performed by Middle Office and independently validated by Group Risk Management on a systematic basis.

The Group mainly engages in vanilla derivative products, hence, the valuation models utilised are fairly standard across the industry. Inputs to valuation models are determined based on market observable information wherever possible. Counterparty credit risk-adjustments are applied on all OTC derivatives. The Group calculates a separate Credit Value Adjustment ("CVA") for each counterparty to which the Group has exposure. The CVA is estimated considering expected exposures generated using simulation techniques (i.e. Monte Carlo simulation), as well as International Swaps and Derivatives Association ("ISDA") master netting agreements and collateral postings under Credit Support Annex ("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.

On a systematic basis adequate control procedures are in place for the validation of these models, including the valuation inputs. The Group's Middle Office and Group Risk Management provide the control valuation framework necessary to ensure that the fair values are reasonably determined, reflecting current market circumstances and economic conditions. Furthermore, under European Markets and Infrastructure Regulation ("EMIR") regulation, the valuation of interbank OTC derivatives is reconciled on a daily basis with counterparties' valuations, under the daily collateral management process.

Quantitative information for the Level 3 fair value measurement as at 30 September 2021 and 31 December 2020

Financial instruments[4]	Fair Value 30/9/2021	Fair Value 31/12/2020	Valuation Technique	Significant Unobservable Input	Range of Inputs 2021 Low	Range of Inputs 2021 High	Range of Inputs 2020 Low	Range of Inputs 2020 High
Financial assets mandatorily measured at FVTPL - Contingent consideration asset	13	13	Monte Carlo simulation	Revenue volatility Discount rate Expected EBITDA	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	83	92	Income, market approach	n/a[1]	n/a[1]	n/a[1]	n/a[1]	n/a[1]
Loans and advances to customers mandatorily measured at FVTPL – Sunrise I subordinated notes	18	-	Income and market approach	Discount rate Comparable transactions	17.3% 22%[5]	17.3% 24%[5]	- -	- -
Loans and advances to customers mandatorily measured at FVTPL – other	50	50	Discounted Cash Flows	Credit risk adjusted expected cash flows	0%[3]	100%[3]	0%[3]	100%[3]

[1] Mainly refers to equity participations of the Group in the share capital of private companies, thus the respective shares are not traded in active markets. In the absence of an active market, the fair value of these securities is estimated using an income or market valuation approach. Given the bespoke nature of the valuation method in respect of each equity shareholding, it is not practicable to quote a range of unobservable inputs. The changes in the value do not materially affect the Group´s results and assets.

[2] The performance targets and forecasted EBITDA of the underlying associates of the Group throughout the earnout calculation period, are commercially sensitive and are not included in the table, given that disclosing them would be detrimental to the Group's interests.

[3] Represented as percentage of the loan's gross carrying amount.

[4] Includes financial instruments with an individual fair value higher than € 10 million at the end of the reporting period.

[5] Represented as percentage of the mezzanine notes' nominal value.

Reasonably possible assumptions, other than the aforementioned used for determining unobservable inputs of Level 3 instruments, would not have a significant effect on the Group's financial assets and liabilities measured at fair value on a recurring basis.

4.2 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 14.

Loans and advances to customers at amortised cost for the Group as at 30 September 2021 and 31 December 2020 are summarised as follows:

30/9/2021	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	4,765	1,716	425	342	7,248
Less: ECL Allowance for impairment losses	(2)	(23)	(34)	(12)	(71)
Total Mortgages	**4,762**	**1,693**	**391**	**331**	7,178
Consumer, Personal and Other loans					
Gross carrying amount	825	375	365	95	1,659
Less: ECL Allowance for impairment losses	(18)	(36)	(243)	(22)	(320)
Total Consumer, Personal and Other loans	**807**	**338**	**121**	**72**	1,339
Credit Cards					
Gross carrying amount	339	144	51	3	537
Less: ECL Allowance for impairment losses	(2)	(8)	(42)	(1)	(52)
Total Credit Cards	**337**	**136**	**9**	**3**	485
Retail Lending					
Gross carrying amount	5,928	2,235	841	441	9,444
Less: ECL Allowance for impairment losses	(22)	(67)	(319)	(35)	(443)
Total Retail Lending	**5,906**	**2,168**	**522**	**406**	9,001
Loans to Large Corporate					
Gross carrying amount	13,241	1,145	1,945	132	16,462
Less: ECL Allowance for impairment losses	(30)	(35)	(580)	(18)	(664)
Total Loans to Large Corporate	**13,211**	**1,110**	**1,364**	**113**	15,798
Loans to SMEs					
Gross carrying amount	5,233	1,432	2,567	494	9,725
Less: ECL Allowance for impairment losses	(33)	(84)	(922)	(157)	(1,197)
Total Loans to SMEs	**5,199**	**1,348**	**1,645**	**336**	8,528
Loans to Public Sector					
Gross carrying amount	63	2	5	2	73
Less: ECL Allowance for impairment losses	(2)	-	-	-	(2)
Total Loans to Public Sector	**61**	**2**	**5**	**2**	71
Corporate and Public Sector Lending					
Gross carrying amount	18,537	2,579	4,517	628	26,261
Less: ECL Allowance for impairment losses	(66)	(119)	(1,503)	(176)	(1,863)
Total Corporate and Public Sector Lending	**18,471**	**2,460**	**3,014**	**452**	24,398
Loans and advances to customers at amortised cost					
Gross carrying amount	24,464	4,814	5,358	1,068	35,705
Less: ECL Allowance for impairment losses	(88)	(186)	(1,822)	(211)	(2,307)
Total Loans and advances to customers at amortised cost	**24,376**	**4,628**	**3,536**	**857**	33,398

31/12/2020	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Credit impaired Lifetime ECL	POCI Credit impaired Lifetime ECL	Total
Mortgages					
Gross carrying amount	5,264	2,110	3,581	2,490	**13,445**
Less: ECL Allowance for impairment losses	(2)	(31)	(970)	(729)	**(1,732)**
Total Mortgages	**5,262**	**2,079**	**2,611**	**1,761**	**11,713**
Consumer, Personal and Other loans					
Gross carrying amount	891	435	1,106	874	**3,307**
Less: ECL Allowance for impairment losses	(21)	(44)	(707)	(550)	**(1,322)**
Total Consumer, Personal and Other loans	**870**	**392**	**400**	**323**	**1,985**
Credit Cards					
Gross carrying amount	351	110	180	91	**731**
Less: ECL Allowance for impairment losses	(2)	(8)	(155)	(81)	**(246)**
Total Credit Cards	**349**	**102**	**25**	**10**	**485**
Retail Lending					
Gross carrying amount	6,505	2,656	4,868	3,454	**17,483**
Less: ECL Allowance for impairment losses	(25)	(83)	(1,832)	(1,361)	**(3,300)**
Total Retail Lending	**6,481**	**2,573**	**3,036**	**2,093**	**14,183**
Loans to Large Corporate					
Gross carrying amount	7,841	1,151	3,390	368	**12,749**
Less: ECL Allowance for impairment losses	(53)	(64)	(1,216)	(169)	**(1,502)**
Total Loans to Large Corporate	**7,788**	**1,087**	**2,174**	**199**	**11,247**
Loans to SMEs					
Gross carrying amount	5,010	1,603	8,067	2,892	**17,572**
Less: ECL Allowance for impairment losses	(28)	(110)	(3,431)	(1,528)	**(5,097)**
Total Loans to SMEs	**4,981**	**1,493**	**4,636**	**1,365**	**12,475**
Loans to Public Sector					
Gross carrying amount	1,710	-	11	3	**1,724**
Less: ECL Allowance for impairment losses	(1)	-	(4)	-	**(6)**
Total Loans to Public Sector	**1,709**	**-**	**7**	**2**	**1,718**
Corporate and Public Sector Lending					
Gross carrying amount	14,561	2,754	11,468	3,262	**32,045**
Less: ECL Allowance for impairment losses	(83)	(174)	(4,651)	(1,697)	**(6,605)**
Total Corporate and Public Sector Lending	**14,478**	**2,579**	**6,818**	**1,565**	**25,441**
Loans and advances to customers at amortised cost					
Gross carrying amount	21,066	5,409	16,336	6,716	**49,528**
Less: ECL Allowance for impairment losses	(107)	(257)	(6,482)	(3,058)	**(9,904)**
Total Loans and advances to customers at amortised cost	**20,959**	**5,152**	**9,854**	**3,659**	**39,624**

As at 30 September 2021, the gross carrying amount of the Group's loans and advances to customers at amortised cost amounted to € 35,705 million, compared to € 49,528 million as at 31 December 2020, representing a net decrease of € 13,823 million, mainly affected by the following: i) the classification of the Sunrise II Portfolio as held for sale, at a Group level, with a gross carrying amount of € 2,564 million as of the reporting date; ii) the derecognition of the Sunrise I portfolio, with a gross carrying amount of € 6,997 million; and iii) the derecognition of the Phoenix and Vega portfolios, with a gross carrying amount of € 6,667 million (refer to Notes 3 and 15).

The movement of the ECL allowance for impairment losses on loans and advances to customers at amortised cost for the Group, is as follows:

Movement in ECL allowance

	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)	(16)	(2,778)	(1,727)	**(4,522)**
Transfers between stages (net)	27	(37)	10	-	**-**
ECL impairment charge/ (release) for the period (P&L)	6	209	2,790	1,046	**4,051**
Change in the present value of the allowance	-	1	150	79	**230**
Write-off of interest recognised from change in the present value of the allowance	-	(1)	(228)	(92)	**(320)**
Write-offs	(5)	(1)	(208)	(130)	**(344)**
Disposals of loans and advances	(9)	(140)	(2,834)	(1,382)	**(4,366)**
FX differences and other movements	(38)	(86)	(1,562)	(641)	**(2,326)**
ECL allowance as at 30/9/2021	**88**	**186**	**1,822**	**211**	**2,307**

The transfer to/from assets held for sale of € 4,522 million mainly refers to the portfolios Sunrise I, Sunrise II and Sunshine. For the purposes of this disclosure, transfers are deemed to have occurred at the end of the previous reporting period, therefore the said amount reflects the carrying amount of Sunrise I portfolio as of 31 March 2021 and the carrying amount of Sunrise II and Sunshine held for sale portfolios as of 30 June 2021. Line items "ECL impairment charge/(release) for the period (P&L)" and "FX differences and other movements" have been grossed up with the incremental ECL allowance of € 2,121 million recognised upon classification of the aforementioned portfolios as held for sale and subsequent derecognition of Sunrise I.

Movement in ECL allowance

	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 1/1/2020	**117**	**238**	**7,303**	**3,328**	**10,986**
Transfer (to)/ from Held for Sale	-	-	(6)	(1)	(7)
Transfers between stages (net)	59	26	(85)	-	**-**
ECL impairment charge/ (release) for the period (P&L)	(42)	28	593	148	**726**
Change in the present value of the allowance	-	2	263	157	**422**
Write-off of interest recognised from change in the present value of the allowance	-	(2)	(385)	(181)	**(569)**
Write-offs	(2)	(1)	(790)	(264)	**(1,058)**
FX differences and other movements	(21)	(29)	(205)	(39)	**(293)**
ECL allowance as at 30/9/2020	**112**	**261**	**6,688**	**3,148**	**10,208**

The gross modification loss recognized by the Group during the period ended 30 September 2021, for loans with ECL allowance measured at an amount equal to lifetime expected credit losses was € 73 million (30 September 2020: € 138 million). The said loss represents the changes in the gross carrying amount (before ECL allowance) of the loans from immediately before, to immediately after modification. The impact of modification for the Group on the ECL allowance associated with these loans was a release of ECL allowance of € 25 million (30 September 2020: € 74 million). The net impact for the Group on the income statement for the period ended 30 September 2021 was, therefore, € 48 million (30 September 2020: € 64 million). The gross carrying amount (before modification) of the loans whose cash flows were modified during the period ended 30 September 2021 amounted to € 3,895 million for the Group (30 September 2020: € 7,913 million, affected mainly by Covid-19 pandemic).

The gross carrying amount as at 30 September 2021 of loans and advances to customers at amortised cost that have been modified since initial recognition at a time when their ECL allowance was measured at an amount equal to lifetime ECL (Stage 3 and Stage 2) and for which their respective ECL allowance as at 30 September 2021 is measured at an amount equal to 12-month ECL (Stage 1), is € 415 million (30 September 2020: € 578 million).

4.2.2 Receivables from the Greek Public Sector

The following table presents the carrying amount of the Group's receivables from the Greek Public Sector.

	30/9/2021	31/12/2020
Derivative financial instruments	350	401
Debt securities at FVTPL	501	337
Loans and advances at amortised cost	71	1,718
Debt securities at amortised cost	6,133	3,681
Debt securities at FVTOCI	1,964	1,839
Other assets	528	545
Total	**9,548**	**8,522**

The decrease in the carrying amount of line item "Loans and advances at amortised cost" by approximately € 1.6 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.

During the period ended 30 September 2021, the Group purchased GGBs of nominal value € 2.1 billion, which were classified at amortised cost. Refer to Note 16 for further information on material debt securities transactions throughout the reporting period.

5 Segment analysis

The CEO, supported by the members of the Group Executive Committee, is considered the Chief Operating Decision Maker for the purposes of identifying the Group's reportable segments.

The Group manages its business through the following reportable segments:

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

Corporate Banking – Includes Large Corporates, Shipping, SME and Agricultural Core customer segments.

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

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

NPE MU – Includes the management of any NPE lending exposures assessed as non-core business, irrespectively of whether the said exposures are serviced by the Group or third parties. In addition, following the derecognition of Phoenix, Vega I, II, III and Sunrise I securitized portfolios, the retained by the Group senior and subordinated notes are included in this reportable segment. The accrued fees payable to Intrum Hellas Credit Servicing S.A. for servicing the Group's NPE portfolio are recognised within this reportable segment.

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

An analysis of the results and other financial figures per business segment of the Group is presented below.

1/1 - 30/9/2021	«Core» Segments					NPE MU	Group
	Retail Banking	Corporate Banking	PFM	Other	Total		
Net interest income	333	357	111	84	886	206	1,091
Net fee and commission income	164	103	4	-	271	7	279
Net gain/ (losses) from derecognition of financial instruments measured at amortised cost	-	8	316	-	325	(5)	320
Net other income/ (expenses)	6	3	178	14	201	5	206
Total Net Income	**503**	**472**	**610**	**98**	**1,683**	**213**	**1,896**
Total operating expenses before provisions	(326)	(114)	(26)	(165)	(631)	(88)	(719)
Profit/ (loss) before provisions, impairment and income tax	**177**	**358**	**585**	**(67)**	**1,052**	**126**	**1,178**
ECL Impairment losses on loans and advances to customers at amortised cost	(277)	(10)	(1)	(25)	(313)	(3,738)	(4,051)
Impairment (losses) / releases on other assets	-	-	-	(18)	(18)	-	(18)
ECL impairment (losses) / releases on debt securities measured at FVTOCI	-	-	(9)	-	(9)	-	(9)
Impairment on subsidiaries and associates	-	-	-	(23)	(23)	-	(23)
Impairment of property and equipment and intangible assets	-	-	-	(4)	(4)	-	(4)
Impairment on debt securities at amortised cost	-	-	(16)	-	(16)	-	(16)
Other provision charges/ (releases)	(1)	(1)	-	3	2	-	2
Share of loss of associates and joint ventures	-	-	-	2	2	-	2
Profit/ (loss) before income tax	**(101)**	**347**	**558**	**(132)**	**671**	**(3,612)**	**(2,941)**
Income tax benefit/ (expense)							(143)
Profit/ (loss) for the period from continuing operations							**(3,084)**
Profit/ (loss) after income tax from discontinued operations	-	-	-	(5)	(5)	-	(5)
Profit/ (loss) for the period							**(3,089)**
As at 30/9/2021							
Total assets from continuing operations (excluding assets held for sale)	9,518	15,338	26,972	13,150	64,978	8,836	73,814
Total assets from discontinued operations	-	-	-	114	114	-	114
Assets held for sale	32	65	-	21	117	1,376	1,493
Total assets	9,550	15,402	26,972	13,285	65,209	10,212	75,421
Total liabilities	39,192	10,362	15,244	4,433	69,231	354	69,585

1/1 - 30/9/2020	«Core» Segments					NPE MU	Group
	Retail Banking	Corporate Banking	PFM	Other	Total		
Net interest income	349	348	103	16	817	290	**1,107**
Net fee and commission income	135	84	4	1	223	9	**231**
Net gain/ (losses) from derecognition of financial instruments measured at amortised cost	-	(2)	-	-	(2)	11	**9**
Net other income/ (expenses)	6	3	20	36	66	4	**70**
Total Net Income	**490**	**433**	**127**	**53**	**1,104**	**314**	**1,417**
Total operating expenses before provisions	(339)	(102)	(20)	(134)	(595)	(90)	**(686)**
Profit/ (loss) before provisions, impairment and income tax	**151**	**331**	**107**	**(81)**	**508**	**224**	**732**
ECL Impairment losses on loans and advances to customers at amortised cost	(55)	(54)	-	-	(109)	(617)	**(726)**
Impairment (losses) / releases on other assets	-	-	-	(94)	(94)	-	**(94)**
ECL impairment (losses) / releases on debt securities measured at FVTOCI	-	-	(7)	-	(7)	-	**(7)**
Impairment of property and equipment and intangible assets	-	-	-	(2)	(2)	-	**(2)**
Impairment on debt securities at amortised cost	-	-	(14)	-	(14)	-	**(14)**
Other provision charges/ (releases)	-	(3)	-	1	(2)	-	**(2)**
Share of loss of associates and joint ventures	-	-	-	(19)	(19)	-	**(19)**
Profit/ (loss) before income tax	**96**	**274**	**86**	**(195)**	**260**	**(393)**	**(133)**
Income tax benefit/ (expense)							(10)
Profit/ (loss) for the period from continuing operations							**(143)**
Profit/ (loss) after income tax from discontinued operations	-	-	-	(7)	(7)	-	(7)
Profit/ (loss) for the period							**(150)**
As at 31/12/2020							
Total assets from continuing operations (excluding assets held for sale)	10,424	16,380	17,855	13,509	58,167	13,115	**71,282**
Total assets from discontinued operations	-	-	-	112	112	-	**112**
Assets held for sale	2	-	-	-	2	179	**181**
Total assets	10,426	16,380	17,855	13,621	58,282	13,294	**71,576**
Total liabilities	37,364	10,030	12,670	4,037	64,102	321	**64,423**

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 gain/ (losses) from financial instruments measured at FVTPL and FVTOCI amounting to € 170 million and € 24 million for the nine-month periods ended 30 September 2021 and 30 September 2020, respectively.

6 Net interest income

Continuing operations	1/1 - 30/9/2021	1/1 - 30/9/2020
Interest and similar income		
Securities measured at FVTOCI	35	33
Debt securities at amortised cost	60	31
Loans and advances to customers at amortised cost and reverse repos	1,058	1,195
Due from banks	2	16
Negative interest from interest bearing liabilities	94	2
Other interest income	10	9
Total interest income for financial instruments not measured at FVTPL	**1,258**	**1,287**
Financial instruments measured at FVTPL	5	8
Derivative financial instruments	102	72
Total interest and similar income	**1,365**	**1,367**
Interest expense and similar charges		
Due to customers and repurchase agreements	(32)	(73)
Debt securities in issue and other borrowed funds	(55)	(52)
Due to banks	(2)	(3)
Contribution of Law 128/75	(45)	(48)
Negative interest from interest bearing assets	(29)	(6)
Other interest expense	(2)	(2)
Total interest expense from financial instruments not measured at FVTPL	**(166)**	**(185)**
Derivative financial instruments	(108)	(74)
Total interest and similar expense	**(274)**	**(259)**
Net interest income	**1,091**	**1,107**

Line item "Negative interest from interest bearing liabilities" includes an amount of € 47.5 million for the nine-month period ended 30 September 2021, which relates to the additional margin of -0.50% provided in the context of TLTRO III program, considering that the Group met the eligibility criteria for the special reference period from 1 March 2020 to 31 March 2021. The amount was determined based on actual net lending evolution information throughout the said period, indicating that the specified threshold was met.

7 Net fee and commission income

Continuing operations	1/1 - 30/9/2021	1/1 - 30/9/2020
Fee and commission income		
Commercial banking	308	267
Investment banking	25	18
Asset management	20	13
Total fee and commission income	**353**	**298**
Fee and commission expense		
Commercial banking	(69)	(62)
Investment banking	(5)	(4)
Total fee and commission expense	**(74)**	**(66)**
Net fee and commission income	**279**	**231**

a. Fee and commission income

The Group classifies 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 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, for the nine-month periods ended 30 September 2021 and 2020, respectively, per product type and business segment.

	Total Fee and Commission income					
1/1 - 30/9/2021	Retail Banking	Corporate Banking	Piraeus Financial Markets	Other	NPE MU	Total
Acquiring	39	17	1	-	1	**58**
Asset management/Brokerage	26	1	4	2	-	**33**
Bancassurance	25	3	-	5	1	**34**
Cards Issuance	29	4	-	-	2	**35**
Deposits Commissions	6	1	-	-	-	**7**
Funds Transfer	35	9	-	3	1	**48**
Letters of Guarantee	2	21	-	-	2	**25**
Loans and advances to customers	6	39	-	1	1	**47**
Payments	15	4	1	-	-	**20**
FX fees	12	2	-	-	-	**14**
Other	14	15	-	3	-	**32**
Total	**209**	**116**	**6**	**14**	**8**	**353**

1/1 - 30/9/2020	Total Fee and Commission income					
	Retail Banking	Corporate Banking	Piraeus Financial Markets	Other	NPE MU	Total
Acquiring	31	14	1	-	1	**47**
Asset management/Brokerage	17	1	4	3	-	**25**
Bancassurance	24	4	-	3	1	**32**
Cards Issuance	26	4	-	-	2	**32**
Deposits Commissions	5	1	-	-	-	**6**
Funds Transfer	27	9	-	1	1	**38**
Letters of Guarantee	2	19	-	-	2	**23**
Loans and advances to customers	7	30	-	1	1	**39**
Payments	14	3	1	-	-	**18**
FX fees	12	1	-	-	-	**13**
Other	12	9	-	3	1	**25**
Total	**177**	**95**	**6**	**11**	**9**	**298**

b. Other income

The tables below present other income from contracts with customers of the Group, for the nine-month periods ended 30 September 2021 and 30 September 2020, respectively, which fall within the scope of IFRS 15.

1/1 - 30/9/2021	Other Income				
	Retail Banking	Corporate Banking	Other	NPE MU	Total
Other operating income	-	-	32	5	37
Gain from sale of other assets	-	-	3	-	3
Total	**-**	**-**	**35**	**5**	40

1/1 - 30/9/2020	Other Income				
	Retail Banking	Corporate Banking	Other	NPE MU	Total
Other operating income	-	-	28	5	**33**
Gain from sale of investment property	-	-	2	-	**2**
Gain from sale of other assets	-	-	3	-	**3**
Total	**-**	**-**	**33**	**5**	**38**

8 Discontinued operations

The Group's discontinued operations as at 30 September 2021 and 31 December 2020 comprise solely of IMITHEA S.A.

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

	1/1 - 30/9/2021	1/1 - 30/9/2020
Net other income/ (expenses)	28	24
TOTAL NET INCOME	**28**	**24**
Staff costs	(21)	(21)
Administrative expenses	(9)	(8)
Depreciation and amortisation	(3)	(3)
TOTAL OPERATING EXPENSES BEFORE PROVISIONS	**(32)**	**(31)**
LOSS BEFORE INCOME TAX	**(4)**	**(7)**
Income tax benefit/ (expense)	(1)	-
LOSS AFTER INCOME TAX FROM DISCONTINUED OPERATIONS	**(5)**	**(7)**

B) Assets and liabilities from discontinued operations

	30/9/2021	31/12/2020
ASSETS		
Property and equipment	79	80
Deferred tax assets	10	11
Other assets	25	21
Total Assets	**114**	**112**

	30/9/2021	31/12/2020
LIABILITIES		
Retirement and termination benefit obligations	6	6
Provisions	3	3
Other liabilities	23	22
Total Liabilities	**32**	**31**

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

The Group's net gain/ (losses) from financial instruments measured at FVTPL for the period ended 30 September 2021 comprises mainly trading gains of € 81 million from derivatives.

10 Net gain/ (losses) from derecognition of financial instruments measured at amortised cost

The Group's net gain/ (losses) from derecognition of financial instruments measured at amortised cost is mainly due to the following:

On 13 January 2021, the Group exchanged with the Hellenic Republic seven (7) existing GGBs of total nominal value € 2,824 million and fair value of € 3,577 million maturing throughout 2027 to 2042, for a new 30-year GGB, with a nominal value of € 2,400 million and fair value of € 3,553 million. The difference of € 24 million between the fair value of the GGBs exchanged and the fair value of the GGB received was settled by the Hellenic Republic in cash. The gain recognised from the exchange amounted to € 221 million.

On 1 March 2021, the Group proceeded with the sale of certain Italian sovereign bonds of total nominal value € 1,150 million, which were previously included in the debt securities at amortized cost portfolio. The gain from the aforementioned transaction amounted to € 85 million.

Please also refer to Note 16 for the aforementioned transactions.

11 Income tax benefit / (expense)

Continuing operations	1/1 - 30/9/2021	1/1 - 30/9/2020
Current tax expense	(5)	(8)
Deferred tax expense	(138)	(2)
Income tax expense	**(143)**	**(10)**

Based on Greek Law 4646/2019, corporate income tax rate for legal entities, other than credit institutions, decreased to 24% for tax years as of 2019 onwards. Additionally, under the tax amendments of new Greek Law 4799/2021 corporate income tax rate for legal entities, other than credit institutions, decreases to 22% for tax years as of 2021 onwards.

Withholding tax on dividends acquired as of 1 January 2020 onwards formulates to 5%.

The deferred tax benefit / (expense) for the Group recognised during the periods ended 30 September 2021 and 30 September 2020 is attributable to the following sources of temporary differences between tax base and carrying amount:

	1/1 - 30/9/2021	1/1 - 30/9/2020
Pensions and other post retirement benefits	(8)	(1)
Loans and advances to customers	(81)	(8)
Securities valuation adjustment	-	6
Derivative financial instruments valuation adjustment	(43)	(1)
Investment property fair value adjustment	(1)	-
Depreciation and amortisation	17	5
Amortisation of intangible assets and lease liabilities	27	(8)
Impairment of Greek government bonds (PSI related)	(41)	(41)
Equity participations	4	16
Other temporary differences	(11)	30
Total	**(138)**	**(2)**

As of 30 September 2021 the Group has recognized a deferred tax asset on tax losses carried forward of € 0.6 million (31 December 2020: € 0.6 million). As of 30 September 2021, tax losses carried forward amounted to € 3,228 million (31 December 2020: € 591 million).

As at 30 September 2021, the Group has recognised a deferred tax asset ("DTA") of € 6,245 million (31 December 2020: € 6,337 million) and a deferred tax liability of € 31 million (31 December 2020: € 31 million).

As at 30 September 2021, the DTA of the Group that meets the provisions of article 27 of Law 4172/2013, i.e. is eligible for Deferred Tax Credit ("DTC"), amounted to € 3.6 billion (31 December 2020: € 3.7 billion), of which € 1.1 billion relates to unamortised PSI losses (31 December 2020: € 1.1 billion) and € 2.5 billion relates to temporary differences between the IFRS carrying amount and tax base of loans and advances to customers (31 December 2020: € 2.6 billion).

From the tax year 2021 onwards, par. 3A of article 27 of Greek Law 4172/2013 applies, as added with article 125 of Greek Law 4831/2021, regarding the treatment and the order of offsetting the debit difference as defined in Article 27. It is further provided, according to the provisions of par. 1 of the same article, that any debit difference outstanding at the end of the twenty-year amortization period has not yet been offset, is classified as a loss and carried forward for five years.

12 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.

On 4 January 2021, the Contingent Convertible Securities ("CoCos") were automatically converted into 394,400,000 ordinary shares, hence, HFSF's stake in the share capital of the Company increased from 26.4% to 61.3% at that date. Following the share capital increase of the Company that was completed on 29 April 2021, HFSF's shareholding decreased from 61.3% to 27.0%. The table below shows the basic and diluted earnings/ (losses) per share from continuing and discontinued operations for the Group:

	1/1 - 30/9/2021	1/1 - 30/9/2020	1/7-30/9/2021	1/7-30/9/2020
Profit/(loss) for the period attributable to ordinary shareholders of the parent entity from continuing operations	(3,085)	(142)	(635)	3
Profit/(loss) for the period attributable to ordinary shareholders of the parent entity from discontinued operations	(5)	(7)	(3)	(2)
Profit/(loss) for the period attributable to ordinary shareholders of the parent entity from continuing and discontinued operations	**(3,090)**	**(149)**	**(638)**	**1**
Weighted average number of ordinary shares in issue (Basic earnings/losses)	724,463,488	26,459,396	1,249,495,492	26,456,666
Weighted average number of ordinary shares in issue (Diluted earnings/losses)	724,463,488	26,459,396	1,249,495,492	50,359,696
Basic earnings/(losses) per share in € from continuing operations	(4.26)	(5.38)	(0.51)	0.12
Diluted earnings/(losses) per share in € from continuing operations	(4.26)	(5.38)	(0.51)	0.06
Basic earnings/(losses) per share in € from discontinued operations	(0.01)	(0.26)	(0.00)	(0.08)
Diluted earnings/(losses) per share in € from discontinued operations	(0.01)	(0.26)	(0.00)	(0.04)
Basic earnings/(losses) per share in € from continuing and discontinued operations	**(4.27)**	**(5.64)**	**(0.51)**	**0.04**
Diluted earnings/(losses) per share in € from continuing and discontinued operations	**(4.27)**	**(5.64)**	**(0.51)**	**0.02**

The weighted average number of shares presented in the current period and its comparative has been retrospectively adjusted in order to reflect the reverse split of the Company's ordinary shares at a ratio of 16.5 existing shares of € 6.00 per share exchanged for 1 new share of € 99.00 per share, which was approved by the Extraordinary General Meeting of the Company's shareholders held on 7 April 2021.

In addition, the weighted average number of shares presented in the current period has incorporated the increase of the Company's share capital by € 1,200,000,000 with the issuance of 1,200,000,000 new shares, which was approved by the Company's Board of Directors held on 16 April 2021. Trading of the new shares on the Main Market of the Athens Stock Exchange commenced on 7 May 2021. Refer to Note 24.1 for further information.

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

Continuing operations	1/1 - 30/9/2021			1/1 - 30/9/2020		
	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	(106)	32	(74)	61	(16)	45
Change in currency translation reserve	5	-	5	(4)	-	(4)
Items that will not be reclassified subsequently to profit or loss						
Change in reserve from equity instruments measured at FVTOCI	(46)	13	(32)	(17)	4	(12)
Other comprehensive income/ (expense) from continuing operations	**(147)**	**46**	**(101)**	**40**	**(11)**	**29**

14 Loans and advances to customers at amortised cost

	30/9/2021	31/12/2020
Mortgages	7,244	13,277
Consumer/ personal and other loans	1,641	2,962
Credit cards	536	664
Retail Lending	**9,421**	**16,904**
Corporate and Public Sector Lending	**26,164**	**31,198**
Total gross loans and advances to customers at amortised cost	**35,585**	**48,102**
Less: ECL allowance	(2,187)	(8,478)
Total	**33,398**	**39,624**

A reconciliation of the ECL allowance of loans and advances to customers at amortised cost, as defined in Note 4.2.1, against the values presented in the aforementioned table is provided below, after taking into account the unamortised purchase price allocation adjustment as of the reporting date.

	30/9/2021	31/12/2020
Mortgages (grossed up with PPA adjustment)	7,248	13,445
Less PPA adjustment	(4)	(167)
Mortgages	**7,244**	**13,277**
Consumer/ personal and other loans (grossed up with PPA adjustment)	1,659	3,307
Less PPA adjustment	(18)	(344)
Consumer/ personal and other loans	**1,641**	**2,962**
Credit cards (grossed up with PPA adjustment)	537	731
Less PPA adjustment	(1)	(67)
Credit cards	**536**	**664**
Retail Lending (grossed up with PPA adjustment)	9,444	17,483
Less PPA adjustment	(23)	(579)
Retail Lending	**9,421**	**16,904**
Corporate and Public Sector Lending (grossed up with PPA adjustment)	26,261	32,045
Less PPA adjustment	(97)	(847)
Corporate and Public Sector Lending	**26,164**	**31,198**
Total gross loans and advances to customers at amortised cost (grossed up with PPA adjustment)	35,705	49,528
Less PPA adjustment	(120)	(1,426)
Total gross loans and advances to customers at amortised cost (A)	**35,585**	**48,102**
Less: ECL allowance (grossed up with PPA adjustment)	(2,307)	(9,904)
Less PPA adjustment	120	1,426
Less: ECL allowance (B)	**(2,187)**	**(8,478)**
Net loans and advances to customers at amortised cost (A) + (B)	**33,398**	**39,624**

15 Assets held for sale

As at 30 September 2021, the carrying amount of the Group's assets held for sale amounted to € 1,493 million (31 December 2020: € 181 million) and comprised mainly of loans and advances to customers. Further information on the portfolios classified as held for sale or sold during the current period, is provided below:

Sunrise I

The Sunrise I portfolio consisting of securitised, non-performing denounced loans with a gross book value of approximately € 7 billion was classified as held for sale, at Group level, as at 30 June 2021 and written down to its fair value. An ECL impairment loss of € 1,418 million was charged during the six-month period ended 30 June 2021. The said portfolio was derecognized in September 2021, following the fulfilment of all conditions precedent to the completion of the sale transactions, including receipt of the required regulatory approvals. The total loss before tax charged in the income statement of the Group during the nine-month period ended 30 September 2021 amounted to € 1,444 million (Refer to Note 4.2.1).

Sunrise II

Management classified the Sunrise II Portfolio as held for sale, at Group level, as of 30 September 2021 (Refer to Note 3.1). Following the classification, the Group recognised an ECL impairment charge of approximately € 622 million and the carrying amount of the portfolio, at Group level, was written down to € 1,162 million.

Sunshine

The Sunshine portfolio comprises non-performing leasing exposures with a gross book value of € 523 million. As at 30 September 2021, the portfolio was classified as held for sale, given the advanced stage of the transaction. The classification resulted to an ECL impairment charge of approximately € 55 million. The sale is expected to be completed within the first semester of 2022.

Iris

The sale of partially secured NPE and denounced loans with total legal claims of approximately € 1.7 billion to IRIS Hellas Investments DAC, a consortium comprised of Intrum Holding AB and the European Bank for Reconstruction and Development (EBRD) was completed on 5 February 2021, after obtaining the required regulatory approvals, with a consideration of € 40 million.

Trinity

During 2019 and 2020, the Group commenced the disposal process of total legal claims amounting to € 821 million, arising from NPE corporate loans secured with real estate collaterals. To facilitate the process, these loans were initially broken down into 8 sub-perimeters, namely Trinity I to Trinity VIII. The first three sub-perimeters amounting to total legal claims of € 307 million were disposed in 2020, whilst a portion of Trinity IV sub-perimeter of total legal claims amounting to € 55 million, was disposed in June 2021 for a consideration of € 16 million. Management assessed that the held for sale classification was no longer appropriate for the remaining subperimeters (namely Trinity V, VI, VII and VIII) whereas it concluded that the IFRS 5 criteria, do apply for a new subperimeter of corporate loans secured with real estate collaterals, equivalent to total legal claims of € 23 million, which was subsequently designated as Trinity IX. The disposal of Trinity IX and the disposal of the unsold portion of Trinity IV, out of the initial Trinity perimeter, are expected to be completed during the coming months.

Steel

The sale of corporate loans, equivalent to € 56 million total legal claims was completed in May 2021, with a consideration of € 8 million.

Pivot

The sale of corporate loans of € 191 million total legal claims and corporate receivables with a gross book value of € 228 million was completed in October 2021. The total consideration amounted to € 94 million including a contingent claim, the fair value of which was estimated at € 10 million.

Danube

In June 2021 the Group completed the sale of corporate loans equivalent to € 59 million total legal claims, with a consideration of € 18 million.

Istros

The sale of corporate loans equivalent to € 118 million total legal claims is expected to be completed in November 2021, with a consideration of € 28 million.

Svitlo

As at 30 September 2021, the respective portfolio, which comprises non-performing corporate loans equivalent to € 56 million total legal claims, was classified as held for sale. The sale of the portfolio was completed in November 2021, with a consideration of € 12 million.

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

As at 30 September 2021, the Group's portfolios of debt securities measured at amortised cost and financial assets measured at FVTOCI amounted to € 8,654 million and € 2,791 million, respectively (31 December 2020: € 4,964 million and € 2,898 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.

On 13 January 2021, the Group exchanged with the Hellenic Republic seven (7) existing GGBs of total nominal value € 2,824 million, for a new 30-year GGB with a nominal value of € 2,400 million. The exchange was executed at market terms and the Group recognised a gain before tax of € 221 million (Refer to Note 10 for further details on the transaction). On 1 March 2021, the Group sold certain Italian sovereign bonds, which were previously included in the debt securities at amotrised cost portfolio, of total nominal value € 1,150 million and realised a gain before tax of € 85 million.

During the nine-month period ended 30 September 2021, the Group's portfolio of debt securities measured at amortised cost increased mainly due to purchases of Greek and foreign sovereign bonds of nominal value € 2,144 million and € 2,365 million, respectively.

The entire population of debt securities at amortised cost is classified in Stage 1 and the resulting ECL allowance as at 30 September 2021 amounted to € 18 million. Additionally, an amount of € 2,713 million of debt securities classified at FVTOCI is classified in Stage 1 with an ECL allowance of € 14 million, while an amount of € 20 million is classified in Stage 2 with a corresponding ECL allowance of € 2 million.

During the period ended 30 September 2021, the Group applied fair value hedge accounting in order to mitigate its exposure arising from interest rate variability on GGBs and other sovereign bonds by using interest rate swaps. Specifically, the total nominal value of GGBs measured at FVTOCI and amortised cost, for which fair value hedge accounting was applied as of 30 September 2021, amounted to € 460 million and € 3,884 million, respectively. In addition, the total nominal value of other sovereign bonds measured at amortised cost, for which fair value hedge accounting was applied as of 30 September 2021, amounted to € 2,300 million. For the nine-month period ended 30 September 2021, the cumulative impact of fair value hedge accounting on the said debt securities was a loss of € 178 million, which was offset by an equivalent valuation gain of the hedging derivatives.

17 Investments in consolidated companies

The Group's investments in consolidated companies from continuing and discontinued operations as at 30 September 2021, are analysed below:

A. Subsidiaries (full consolidation method)

a/a	Name of Company	Activity	Country	Unaudited tax years [1]	% holding
1.	Piraeus Bank S.A.	Banking activities	Greece	-	100.00%
2.	Piraeus Leasing Single Member S.A.	Financial Leasing	Greece	2015-2020	100.00%
3.	Piraeus Leases Single Member S.A.	Financial Leasing	Greece	2015-2020	100.00%
4.	Piraeus Financial Leasing Single Member S.A.	Financial Leasing	Greece	2015-2020	100.00%
5.	Dynamic Asset Operating Leasing S.A.	Operating Leasing	Greece	2015-2020	100.00%
6.	Geniki Financial & Consulting Services S.A.	Financial & consulting services	Greece	2015-2020	100.00%
7.	Piraeus Securities S.A.	Stock exchange services	Greece	2015-2020	100.00%
8.	Piraeus Factoring Single Member S.A.	Corporate factoring	Greece	2015-2020	100.00%
9.	Piraeus Capital Management S.A.	Management of Venture capital fund	Greece	2015-2020	100.00%
10.	Piraeus Jeremie Technology Catalyst Management S.A.	Management of venture capital fund	Greece	2015-2020	100.00%
11.	ETVA Fund Management S.A.	Management of venture capital mutual funds	Greece	2015-2020	65.00%
12.	Piraeus Asset Management Single Member M.F.M.C. S.A.	Mutual funds management	Greece	2015-2020	100.00%
13.	Geniki Information S.A.	Assessment and collection of commercial debts	Greece	2015-2020	100.00%
14.	DI.VI.PA.KA S.A.	Administrative and managerial body of the Kastoria industrial park	Greece	2015-2020	57.53%
15.	ETVA Development S.A.	Investment and development activities, in accordance with the principles of sustainable development	Greece	2015-2020	65.00%
16.	ETVA Industrial Parks S.A.	Development/ management of industrial areas	Greece	2015-2020	65.00%
17.	Abies S.A.	Property management	Greece	2015-2020	61.65%
18.	Achaia Clauss Estate S.A.	Property management	Greece	2015-2020	75.62%
19.	Euroterra S.A.	Property management	Greece	2015-2020	62.90%
20.	Kosmopolis A' Shopping Centers Single Member S.A.	Shopping center's management	Greece	2015-2020	100.00%
21.	ND Development Single Member S.A.	Property management	Greece	2015-2020	100.00%

a/a	Name of Company	Activity	Country	Unaudited tax years [1]	% holding
22.	New Up Dating Development Real Estate and Tourism Single Member S.A.	Property, tourism & development company	Greece	2015-2020	100.00%
23.	Picar Single Member S.A.	City Link areas management	Greece	2015-2020	100.00%
24.	P.H. Development	Property management	Greece	2015-2020	100.00%
25.	Rebikat S.A.	Property management	Greece	2015-2020	61.92%
26.	General Construction and Development Co. S.A.	Property development/ holding company	Greece	2015-2020	66.66%
27.	Entropia Ktimatiki S.A.	Property management	Greece	2015-2020	66.70%
28.	Euroak S.A. Real Estate	Real estate investment	Greece	2015-2020	53.60%
29.	Komotini Real Estate Development Single Member S.A.	Property management	Greece	2015-2020	100.00%
30.	Piraeus Buildings S.A.	Property development	Greece	2010-2020	100.00%
31.	Piraeus Development Single Member S.A.	Property management	Greece	2015-2020	100.00%
32.	Piraeus Real Estate Single Member S.A.	Construction company	Greece	2015-2020	100.00%
33.	Pleiades Estate Single Member S.A.	Property management	Greece	2015-2020	100.00%
34.	Piraeus Agency Solutions Single Member S.A.	Insurance agency	Greece	2015-2020	100.00%
35.	KPM Energy Single Member S.A.	Energy generation and exploitation through renewable energy resources	Greece	2015-2020	100.00%
36.	Mille Fin S.A.	Vehicle Trading	Greece	2015-2020	100.00%
37.	Multicollection S.A.	Assessment and collection of commercial debts	Greece	2009-2020	51.00%
38.	Piraeus Direct Solutions Single Member S.A.	Financial - telecommunication & IT services	Greece	2015-2020	100.00%
39.	Zibeno I Energy Single Member S.A.	Energy generation through renewable energy resources	Greece	2015-2020	100.00%
40.	Centre of Sustainable Entrepreneurship Excelixi Single Member S.A.	Consulting Services - Hotel - Training & Seminars	Greece	2015-2020	100.00%
41.	PROSPECT M.C.P.Y.	Yachting management	Greece	2015-2020	100.00%
42.	Anemos Ipirou Anonymi Energeiaki Etaireia	Exploitation of wind energy park	Greece	2015-2020	100.00%
43.	Aioliki Beleheri Single Member S.A.	Exploitation of wind energy park	Greece	2015-2020	100.00%
44.	Aiolikon Parko Artas Aetoi E.E.	Exploitation of wind energy park	Greece	2015-2020	100.00%
45.	Aiolikon Parko Evritanias 2 Morforahi E.E.	Exploitation of wind energy park	Greece	2015-2020	100.00%
46.	Aiolikon Parko Evritanias 4 Ouranos E.E.	Exploitation of wind energy park	Greece	2015-2020	100.00%
47.	DMX Aioliki Marmariou - Agathi LLP	Exploitation of wind energy park	Greece	2015-2020	100.00%
48.	DMX Aioliki Marmariou - Rigani LP	Exploitation of wind energy park	Greece	2015-2020	100.00%
49.	Aioliko Parko Josharton - Rodopi 2 E.E.	Exploitation of wind energy park	Greece	2015-2020	100.00%
50.	Thriasio Logistics Center S.A.	Logistic Center	Greece	2018-2020	52.00%
51.	Ianos Properties Single Member S.A.	Property management	Greece	2015-2020	100.00%
52.	Lykourgos Properties Single Member S.A.	Property management	Greece	2015-2020	100.00%
53.	Thesis Hermes Single Member S.A.	Property management	Greece	-	100.00%
54.	Thesis Agra Single Member S.A.	Property management	Greece	-	100.00%
55.	Thesis Cargo Single Member S.A.	Property management	Greece	-	100.00%
56.	Thesis Schisto Single Member S.A.	Property management	Greece	-	100.00%
57.	Thesis Stone Single Member S.A.	Property management	Greece	-	100.00%
58.	IMITHEA Single Member S.A. [2]	Organization, operation and management of hospital units	Greece	2015-2020	100.00%
59.	Tirana Leasing Sh.A.	Finance leases	Albania	2018-2020	100.00%
60.	Cielo Consultancy Sh.P.K.	Real estate SPV	Albania	2014-2020	99.09%
61.	Beta Asset Management EOOD	Rent and management of real estate	Bulgaria	2013-2020	100.00%
62.	Bulfina E.A.D.	Property management	Bulgaria	2008-2020	100.00%
63.	Bulfinace E.A.D.	Property Management	Bulgaria	2008-2020	100.00%
64.	Delta Asset Management EOOD	Real Estate Development	Bulgaria	-	100.00%

a/a	Name of Company	Activity	Country	Unaudited tax years (1)	% holding
65.	Varna Asset Management EOOD	Real estate development	Bulgaria	2014-2020	100.00%
66.	Asset Management Bulgaria EOOD	Travel - rental services and property management	Bulgaria	2012-2020	100.00%
67.	Besticar Bulgaria EOOD	Receivables collection	Bulgaria	2012-2020	100.00%
68.	Besticar EOOD	Receivables collection from problematic clients	Bulgaria	2012-2020	100.00%
69.	Emerald Investments EOOD	Property management	Bulgaria	2018-2020	100.00%
70.	Piraeus Nedvizhimi Imoti EOOD	Real Estate Development	Bulgaria	-	100.00%
71.	Rose Garden - Vitosha First Part EOOD	Real Estate Development	Bulgaria	-	100.00%
72.	Serdika Nord EOOD	Real Estate Development	Bulgaria	-	100.00%
73.	Arigeo Energy Holdings Ltd	Holding company in renewable energy	Cyprus	2015-2020	100.00%
74.	Euroinvestment & Finance Public Ltd	Asset management, real estate operations	Cyprus	2018-2020	90.85%
75.	Piraeus Clean Energy Holdings Ltd	Holding Company	Cyprus	2015-2020	100.00%
76.	Piraeus Equity Partners Ltd	Holding company	Cyprus	2015-2020	100.00%
77.	Piraeus Renewable Investments Limited	Holding company	Cyprus	2017-2020	100.00%
78.	PRI WIND I Limited	Holding company	Cyprus	2017-2020	100.00%
79.	PRI WIND II Limited	Holding company	Cyprus	2017-2020	100.00%
80.	PRI WIND III Limited	Holding company	Cyprus	2017-2020	100.00%
81.	R.E. Anodus Two Ltd	Holding and investment company	Cyprus	2013-2020	99.09%
82.	Tellurion Ltd	Holding company	Cyprus	2013-2020	100.00%
83.	Tellurion Two Ltd	Holding company	Cyprus	2013-2020	99.09%
84.	Trieris Two Real Estate LTD	Holding, Investment and Real Estate Portfolio Management	Cyprus	2011-2020	100.00%
85.	Zibeno Investments Ltd	Holding Company	Cyprus	2015-2020	100.00%
86.	O.F. Investments Ltd	Investment company	Cyprus	2015-2020	100.00%
87.	R.E. Anodus Ltd	Consultancy services for real estate development and investments	Cyprus	2009-2020	100.00%
88.	Lakkos Mikelli Real Estate Ltd	Property management	Cyprus	2018-2020	50.66%
89.	Philoktimatiki Public Ltd	Land and property development	Cyprus	2018-2020	53.29%
90.	Sunholdings Properties Company Ltd	Land and property development	Cyprus	2018-2020	26.65%
91.	Philoktimatiki Ergoliptiki Ltd	Construction company	Cyprus	2018-2020	53.29%
92.	WH South Wind Hellas Ltd	Holding of investments in Renewable Energy Sector in Greece	Cyprus	2017-2020	100.00%
93.	Emadierio Solar Energy & Investments Ltd	Owner of wind park energy license	Cyprus	2017-2020	100.00%
94.	Josharton Ltd	Holding of investments	Cyprus	2017-2020	100.00%
95.	JSC Piraeus Bank ICB	Banking activities	Ukraine	-	99.99%
96.	Akinita Ukraine LLC	Real estate development	Ukraine	2014-2020	100.00%
97.	Sinitem LLC	Sale and purchase of real estate	Ukraine	2013-2020	99.94%
98.	Solum Enterprise LLC	Property management	Ukraine	2012-2020	99.94%
99.	Solum Limited Liability Company	Property management	Ukraine	2018-2020	99.94%
100.	Piraeus Leasing Romania S.A.	Monitoring and collection services for loans disbursed by the company	Romania	2003-2020	100.00%
101.	Daphne Real Estate Consultancy SRL	Real estate development	Romania	2014-2020	99.09%
102.	Priam Business Consultancy SRL	Real estate development	Romania	2014-2020	99.18%
103.	Proiect Season Residence SRL	Real estate development	Romania	2018-2020	100.00%
104.	R.E. Anodus SRL	Real Estate development	Romania	2013-2020	99.09%
105.	Rhesus Development Projects SRL	Real estate development	Romania	2014-2020	99.09%
106.	Piraeus Rent Doo Beograd	Operating Leases	Serbia	2007-2020	100.00%

a/a	Name of Company	Activity	Country	Unaudited tax years (1)	% holding
107.	Piraeus Real Estate Egypt LLC	Property management	Egypt	2011-2020	100.00%
108.	Trieris Real Estate Management Ltd	Management of Trieris Real Estate Ltd	British Virgin Islands	-	100.00%
109.	Piraeus Group Capital Ltd	Debt securities’ issuance	United Kingdom	2020	100.00%
110.	Piraeus Group Finance PLC	Debt securities’ issuance	United Kingdom	2020	100.00%
111.	Axia Finance III PLC	SPE for securitization of corporate loans	United Kingdom	-	-
112.	Axia Finance PLC	SPE for securitization of corporate loans	United Kingdom	-	-
113.	Axia III APC LIMITED	SPE for securitization of corporate loans	United Kingdom	-	-
114.	Estia Mortgage Finance PLC	SPE for securitization of mortgage loans	United Kingdom	-	-
115.	Estia Mortgage Finance II PLC	SPE for securitization of mortgage loans	United Kingdom	-	-
116.	Kion Mortgage Finance PLC	SPE for securitization of mortgage loans	United Kingdom	-	-
117.	Praxis I Finance PLC	SPE for securitization of consumer loans	United Kingdom	-	-
118.	Praxis II APC LIMITED	SPE for securitization of consumer loans	United Kingdom	-	-
119.	Praxis II Finance PLC	SPE for securitization of consumer loans	United Kingdom	-	-
120.	Piraeus SNF DAC	SPE for securitization of corporate, mortgage and consumer loans	Ireland	-	-

Note [1]: In accordance with the Ministerial Decision 1208/20.12.2017 of the Independent Public Revenue Authority, for the entities domiciled in Greece and in the event that no notification of a tax audit has been communicated to the entities by the local tax authorities, their tax position 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 8).

The subsidiaries duly numbered 111 - 120 are special purpose vehicles for securitization of loans and advances to customers and issuance of debt securities. The subsidiary duly numbered 90, although presenting less than 50.00% Group´s shareholding, is included in the Group's subsidiaries' portfolio due to majority presence in the Board of Directors of the company.

Furthermore, as at 30 September 2021 the subsidiaries duly numbered 11, 15, 17, 30, 36-37, 59, 102, 105 and 111-119 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 recognised at cost: a) “Hellenic Information Systems HIS S.A.”, b) “The Museum Single Member Ltd.”, c) “Axia III Holdings Ltd.”, d) “Praxis II Holdings Ltd.” and e) “Kion Holdings Ltd.”. The consolidation of the aforementioned companies would not have a significant effect on the Consolidated Interim Financial Statements 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.

B. Associates and joint ventures (equity accounting method)

B.1 Associates

The Group's associates are the following:

s/n	Name of Company	Activity	Country	Unaudited tax years [1]	% 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	2015-2020	27.80%
4.	Marfin Investment Group Holdings S.A.	Holding company	Greece	2015-2020	31.19%
5.	Omicron Cyclos Ena Symmetohiki S.A.	Holding company	Greece	2015-2020	28.10%
6.	APE Fixed Assets Real Estate Tourist and Development S.A.	Real estate, development/ tourist services	Greece	2015-2020	27.80%
7.	APE Investment Property S.A.	Real estate, development/ tourist services	Greece	2015-2020	28.92%
8.	Olganos Real Estate S.A.	Property management/Electricity production from renewable energy resources	Greece	2015-2020	32.27%
9.	Pyrrichos S.A.	Property management	Greece	2015-2020	50.77%
10.	Exodus S.A.	Information technology & software	Greece	2015-2020	49.90%
11.	Evros' Development Company S.A.	European community programs management	Greece	2015-2020	30.00%
12.	Gaia S.A.	Software services	Greece	2017-2020	26.00%
13.	Crete Scient. & Tech. Park Manag. & Dev. Co. S.A.	Scientific and technology park management	Greece	2015-2020	30.45%
14.	Intrum Hellas REO Solutions S.A.	Real Estate	Greece	2019-2020	19.96%
15.	Intrum Hellas Credit Servicing S.A.	Credit and Loan Servicing	Greece	2019-2020	20.00%
16.	Teiresias S.A.	Interbanking company of development, operation and management of information systems	Greece	2015-2020	23.53%
17.	Trastor Real Estate Investment Company	Real estate investment property	Greece	2015-2020	44.77%
18.	Pireaus Direct Services S.A.	Support & e-commerce services, trade of time renewal cards	Greece	2015-2020	49.90%
19.	Inofita Asopos Business Park Development Company S.A.	Business Park Development	Greece	-	31.36%
20.	ANEK Lines S.A.	Maritime transport - Coastal shipping	Greece	2019-2020	27.68%
21.	Perigenis Business Properties S.A.	Property management	Greece	-	20.61%
22.	Neuropublic S.A.	Development and management of information sustems	Greece	-	5.00%
23.	Trieris Real Estate Ltd	Property management	British Virgin Islands	2018-2020	32.35%
24.	Exus Software Ltd	IT products retailer	United Kingdom	2020	49.90%

Note [1]: In accordance with the Ministerial Decision 1208/20.12.2017 of the Independent Public Revenue Authority, for the entities domiciled in Greece and in the event that no notification of a tax audit was communicated to the entities by the local tax authorities, their tax position is deemed to be final only after a five-year period has elapsed since the end of each fiscal year.

The Group exercises significant influence but does not control any of the companies listed above. This holds even for the companies dully numbered 1 and 9, where the Group's shareholding and voting rights exceed 50%. Significant influence also exists in the companies dully numbered 14 and 22, where the Group's shareholding and voting rights do not exceed 20%.

The associate NGP Plastic S.A., that is immaterial to the Group's financial position and results of operations, is not consolidated but recognised at cost. This non-significant associate accounted for less than 0.21% of Group total net income, less than 0.04% of Group total equity and less than 0.03% of Group total assets, based on the most recent financial statements obtained.

B.2 Joint ventures

The Group's joint ventures are the following:

s/n	Name of Company	Activity	Country	Unaudited tax years [1]	% Holding
1.	AEP Elaiona S.A.	Property management	Greece	2015-2020	50.00%
2.	Peirga Kythnou P.C.	Real estate	Greece	-	50.00%

Note [1]: In accordance with the Ministerial Decision 1208/20.12.2017 of the Independent Public Revenue Authority, for the entities domiciled in Greece and in the event that no notification of a tax audit was communicated to the entities by the local tax authorities, their tax position is deemed to be final only after a five-year period has elapsed since the end of each fiscal year.

Refer to Note 27 for an analysis of significant changes in the portfolio of consolidated companies.

18 Current tax assets

	30/9/2021	31/12/2020
Current tax assets	231	229
Accumulated impairment of current tax assets	(53)	(53)
Net amount of current tax assets	178	176

Net current tax assets for the Group as at 30 September 2021 amounted to € 178 million (31 December 2020: € 176 million), of which € 156 million and € 21 are attributable to Piraeus Bank and the Company, respectively.

Piraeus Bank S.A.

Net current income tax assets comprise the following:

a) Receivables from withholding taxes on interest of bonds and treasury bills of € 72 million relating to financial years 2009, 2011, 2012 and 2013 (tax years 2008, 2010, 2011 and 2012). Under the provisions of Greek Law 4605 (article 93, par.1 and 2), as published at Gazette A' 52 on 1 April 2019, an amendment was introduced into the Greek Corporate Income Tax legislation, clarifying the status of the aforementioned withholding tax receivables of Piraeus Bank S.A., as follows:

- Withholding taxes of € 26 million, in accordance with the provisions of para. 8 of article 12 of Greek Law 2238/1994, for the financial year 2013 (tax year 2012), are offset as a priority when income tax is incurred and to the extent that such income tax is sufficient for the purposes of the above set-off. In addition, an amount of € 7 million, withheld on the same basis, for the financial year 2010 (tax year 2009) is claimed from the Greek State; and

- Withholding taxes of € 39 million, which are subject to the provisions of para. 6 of article 3 of Greek Law 4046/2012 and not offset within five (5) years, are offset with any tax liabilities of Piraeus Bank S.A., in equal instalments within 10 years, starting from 1 January 2020.

b) Withholding taxes of € 51 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 € 26 million derived from corporate bonds, which are refundable by the Greek State.

d) Various other tax claims of € 7 million.

Company

Net current income tax assets comprise the following:

a) Withholding taxes on corporate bonds of € 12 million, withheld in years 2020-2021 which are refundable by the Greek State.

b) Various other tax claims of € 9 million.

19 Due to banks

"Due to Banks" line item mainly includes funding liabilities of Piraeus Bank S.A. due to the ECB of € 13,386 million, securities sold under agreements to repurchase of € 273 million and other placements with credit institutions of € 99 million (31 December 2020: € 10,978 million, € 96 million and € 96 million, respectively). In June 2021 Piraeus Bank received additional funding of € 2,500 million through TLTRO III program and as a result the total borrowing amounted to € 13,500 million (nominal amount) as at 30 September 2021 (31 December 2020: € 11,000 million). During the period ended 30 September 2021, the amount of negative interest from interest bearing funding liabilities which was recorded in Net Interest Income, amounted to € 94 million (refer to Note 6).

20 Due to customers

	30/9/2021	31/12/2020
Corporate		
Current and sight deposits	12,329	10,012
Term deposits	2,135	2,686
Blocked deposits, guarantee deposits and other accounts	366	323
Total (A)	**14,830**	**13,021**
Retail		
Current and sight deposits	5,860	5,135
Savings accounts	22,689	20,243
Term deposits	8,703	11,159
Blocked deposits, guarantee deposits and other accounts	38	43
Total (B)	**37,290**	**36,580**
Cheques payable and remittances (C)	**112**	**35**
Total Due to customers (A)+(B)+(C)	**52,233**	**49,636**

21 Debt securities in issue

	Weighted Interest Rate (%)	30/9/2021	31/12/2020
Covered Bonds - floating rate - Series 4	3m Euribor + 250bp	471	471
Total debt securities in issue		**471**	**471**

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
30/9/2021													
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

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
31/12/2020													
Covered Bonds													
Piraeus Bank S.A.	Floating rate covered bond series 4	Mortgage loans	31-Oct-17	31-Oct-22	EUR	3m Euribor + 250bp/ Quarterly	500	500	-	30	470	471	3m Euribor + 250bp

The 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
30/9/2021										
Covered Bonds										
Piraeus Bank S.A.	Floating rate covered bond Series 3	Mortgage loans	16-Feb-17	16-Nov-21	EUR	1m Euribor + 150bp / Monthly	1,000	500	-	500
Piraeus Bank S.A.	Floating rate covered bond Series 5	Mortgage loans	20-Nov-17	20-Nov-22	EUR	3m Euribor + 150bp / Quarterly	1,000	500	-	500
Piraeus Bank S.A.	Floating rate covered bond Series 6	Mortgage loans	31-Jan-18	31-Jan-23	EUR	3m Euribor + 150bp / Quarterly	1,000	500	-	500
Piraeus Bank S.A.	Floating rate covered bond Series 7	Mortgage loans	11-May-18	11-Feb-22	EUR	3m Euribor + 150bp / Quarterly	1,000	1,000	-	-

Issuer	Description	Underlying Loan Type	Issue Date	Maturity Date	Currency	Weighted Interest Rate/ Coupon Frequency	Nominal value	Outstanding nominal amount	Redemptions	Cancellations
31/12/2020										
Covered Bonds										
Piraeus Bank S.A.	Floating rate covered bond Series 3	Mortgage loans	16-Feb-17	16-Nov-21	EUR	1m Euribor + 150bp / Monthly	1,000	500	-	500
Piraeus Bank S.A.	Floating rate covered bond Series 5	Mortgage loans	20-Nov-17	20-Nov-22	EUR	3m Euribor + 150bp / Quarterly	1,000	500	-	500
Piraeus Bank S.A.	Floating rate covered bond Series 6	Mortgage loans	31-Jan-18	31-Jan-23	EUR	3m Euribor + 150bp / Quarterly	1,000	1,000	-	-
Piraeus Bank S.A.	Floating rate covered bond Series 7	Mortgage loans	11-May-18	11-Feb-22	EUR	3m Euribor + 150bp / Quarterly	1,000	1,000	-	-

On 25 June 2021, Piraeus Bank S.A. completed the partial cancellation by € 500 million of its fully retained covered bond Series 6 (due Jan 2023).

As at 30 September 2021 and 31 December 2020 the carrying amount of loans and advances to customers at amortised cost, that have been pledged as collateral under the terms of the covered bonds programme is € 4,281 million and € 4,621 million, respectively.

22 Other borrowed funds

During the nine-month period ended 30 September 2021, the Group did not proceed with any repurchases of other borrowed funds.

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

23.1 Legal proceedings

The Group is defendant in certain claims and legal actions deriving from the ordinary course of business. For the cases for which a provision has not been recognised, Management is currently unable to estimate the possible losses as:

a) the proceedings are either in early stages or are long outstanding without any certainty of the likelihood and magnitude of the final outcome, or

b) there are significant pending legal issues to be resolved that might significantly change such an assessment.

However, based on Management's judgement and after consultation with the Group's legal counsels, the ultimate disposition of these matters is not expected to have a material adverse effect on the Consolidated Interim Financial Statements. As at 30 September 2021, the Group provided for cases under litigation an amount of € 28 million (31 December 2020: € 30 million) which represents Management's best estimate on the probable loss to be incurred upon finalization of these pending legal cases.

23.2 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. The fiscal years 2017, 2018 and 2019 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 2019 have been completed and the relevant tax audit certificates have been issued. Fiscal year 2020 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 Consolidated Interim Financial Statements.

The unaudited tax years of the Group's subsidiaries, associates and joint ventures, are included in Note 17 and therefore their tax liabilities for these years have not been finalized. The tax authorities have not yet audited the Group's subsidiaries for all fiscal years and consequently their tax positions for those years may not be considered as final.

Additional taxes and penalties may be imposed, for the unaudited years, however, the Consolidated Interim Financial Statements are not expected to be materially affected in this respect.

23.3 Credit commitments

In the normal course of business, the Group enters into contractual credit commitments towards their customers to facilitate their financing needs or obligations. Due to their nature, credit commitments are treated as off-balance sheet items. These credit commitments 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 September 2021 and 31 December 2020, the Group had undertaken the following credit commitments:

	30/9/2021	31/12/2020
Financial guarantees	3,713	3,314
Letters of credit	44	40
Irrevocable undrawn credit commitments	1,031	728
Total commitments	**4,788**	**4,082**

The irrevocable undrawn committed credit facilities are included in the Risk Weighted Assets ("RWA") calculation for capital adequacy purposes under regulatory rules currently in force.

The ECL allowance on credit commitments as at 30 September 2021 amounted to € 113 million for the Group (31 December 2020: € 118 million) and is included within balance sheet line item "Provisions".

23.4 Assets pledged

	30/9/2021	31/12/2020
Due from banks	1,058	874
Financial assets at fair value through profit or loss	1,027	291
Loans and advances to customers	4,944	4,930
Financial assets at FVTOCI	1,817	2,102
Debt securities at amortised cost	8,323	4,900
Other assets	29	29
	17,198	**13,126**

The aforementioned financial assets are mainly pledged either for drawing liquidity from the Eurosystem, under the general terms applying to such agreements, or for margins with regards to a) derivative transactions engaged under ISDA master netting agreements and CSA contracts and b) repo transactions covered by GMRA (Global Master Repurchase Agreement) contracts.

In the context of interbank repurchase agreement (repo) transactions, securities of total nominal value € 223 million (31 December 2020: € 84 million) are used for liquidity purposes. The said amount includes GGBs of nominal value € 216 million (31 December 2020: € 84 million).

In addition to the above, as at 30 September 2021 and 31 December 2020, the subsidiary of the Group, Piraeus Bank had pledged an amount of € 168 million with respect to written guarantee for the non-payment risk of the Greek State, included within balance sheet line item "Due from banks".

24 Share capital and other equity instruments

24.1 Share capital

	Number of shares		
	Issued shares	Treasury shares	Net number of shares
Opening balance at 1/1/2020	**436,659,164**	**(162,022)**	**436,497,142**
Purchases of treasury shares	-	(5,329,090)	(5,329,090)
Sales of treasury shares	-	4,935,791	4,935,791
Balance at 31/12/2020	**436,659,164**	**(555,321)**	**436,103,843**
Opening balance at 1/1/2021	**436,659,164**	**(555,321)**	**436,103,843**
Increase in the number of ordinary shares due to conversion of CoCos	394,400,000	-	394,400,000
Decrease in the number of ordinary shares due to reverse split (16.5:1)	(780,691,941)	-	(780,691,941)
Increase in the number of ordinary shares due to issuance of new shares	1,200,000,000	-	1,200,000,000
Purchases of treasury shares	-	(5,519,464)	(5,519,464)
Sales of treasury shares	-	5,948,236	5,948,236
Balance at 30/9/2021	**1,250,367,223**	**(126,549)**	**1,250,240,674**

The Company's share capital as at 31 December 2020 amounted to € 2,620 million divided into 436,659,164 ordinary registered shares with a nominal value of € 6.00 each.

In November 2020, the Company's Board of Directors, following the final decision of the Governing Council of the ECB not to approve the Company's request to pay in cash to the HFSF the annual coupon of the CoCos for 2020, decided to exercise its discretion under the terms of the CoCos' Bond Issuance Programme dated 2 December 2015 (the "Bond Issuance Programme") and cancel the CoCos' interest payment on 2 December 2020. Since a similar event had occurred in 2018, the CoCos were automatically converted into ordinary registered shares of the Company, as per the Bond Issuance Programme terms and the current legal framework.

The Company notified the HFSF that 4 January 2021 would be set as the conversion date, in accordance with the Bond Issuance Programme and Cabinet Act 36/2015. At the date of conversion, the CoCos were automatically converted into ordinary shares of the Company, with the issuance of 394,400,000 new shares (hereinafter the "New Shares"). The number of New Shares was predetermined and resulted from dividing 116% of the CoCos' total nominal value of € 2,040 million by the Conversion Price, i.e. € 6.00.

The New Shares, after completion of their listing on the Athens Stock Exchange, were credited to the Investor and Securities Accounts of the HFSF in the Dematerialized Securities System (D.S.S.), increasing the HFSF's stake in the share capital of the Company from 26.4% as at 31 December 2020 to 61.3% as at 4 January 2021.

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

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

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

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

Following the above decrease, the share capital of the Company as at 30 September 2021 amounts to € 1,188 million and is divided into 1,250,367,223 common registered voting shares with a nominal value of € 0.95 each.

24.2 Other equity instruments

On 16 June 2021, the Company issued € 600 million fixed rate reset Additional Tier 1 perpetual contingent temporary write-down notes carrying a coupon of 8.75% payable semi-annually in arrears (the "AT 1 Capital Instrument"). The instrument is callable at par at the full discretion of the Company from 16 June 2026 to 16 December 2026 and on any subsequent coupon payment date. On 16 December 2026 and every five years thereafter, the coupon resets to 9.195% plus the then prevailing 5-year mid swap rate. The Company has the right to cancel all or part of any payment of interest in its sole discretion at any time and the nominal amount of the AT 1 Capital Instrument may be written down or cancelled if the Company or its Supervisory Authority determines that the CET1 ratio, as of any date, has fallen below 5.125%. The AT 1 Capital Instrument was classified within equity in its entirety.

25 Other reserves and retained earnings

The breakdown of other reserves and retained earnings is provided below:

	30/9/2021	31/12/2020
Legal reserve	86	85
Reserve from financial assets measured at FVTOCI	175	281
Currency translation reserve	(54)	(59)
Other reserves	34	30
Total other reserves	**241**	**337**
Retained earnings	**(14,413)**	**(11,024)**
Other reserves and retained earnings	**(14,173)**	(10,687)

The following table illustrates the movement of the reserve from financial assets measured at FVTOCI. The movement of other reserves and retained earnings is provided in the Consolidated Interim Statement of Changes in Equity.

	30/9/2021	31/12/2020
Opening balance	**281**	**236**
Gains/(losses) from the valuation of debt securities	(30)	95
Gains/(losses) from the valuation of shares	17	(16)
Impairment losses on debt securities	9	6
Recycling of valuation adjustments and accumulated impairments upon disposal	(147)	(2)
Transfer to retained earnings	-	(16)
Deferred income taxes	46	(22)
Closing balance	**175**	**281**

Line item "Recycling of valuation adjustments and accumulated impairments upon disposal" includes an amount of € 82 million which relates to GGBs disposals during the period ended 30 September 2021 and has been reflected in the Consolidated Interim Income Statement under line "Net gain/ (losses) from financial instruments measured at fair value through other comprehensive income ("FVTOCI")".

26 Related party transactions

Related parties are:

a) Members of the Board of Directors and the Group Executive Committee, the Group Chief Internal Auditor, the Group Chief Compliance Officer, 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 the total participating interest (of Key Management Personnel and their close family members) exceeds, cumulatively, 20%,

d) Group´s Subsidiaries,

e) Group´s Associates,

f) Group´s Joint ventures,

g) HFSF, which holds ordinary shares in the share capital of the Company and benefits from the special rights stated in article 10 of Greek Law 3864/2010, as amended and in force.

The Group enters into transactions with the aforementioned entities and individuals under usual market terms and within the normal course of business. Loans and advances granted to related parties and letters of guarantee issued in favor of related parties were made in accordance with the Group's approved credit policies and procedures in terms of interest rates, collaterals and non-payment risk.

26.1 Key Management Personnel and other related party

The table below presents the Group's related party transactions with Key Management Personnel and the related parties referred to in points (b) and (c) above. No significant transactions occurred with the HFSF during the period ended 30 September 2021, other than the CoCos conversion and the HFSF's subscription in the share capital increase that was completed on 29 April 2021. Refer to Note 24.1 for further information on both events and the impact on HFSF's shareholding before and after each transaction.

	30/9/2021		31/12/2020	
(amounts in thousand €)	Key Management Personnel	Other related party	Key Management Personnel	Other related party
Loans and advances to customers at amortised cost (Gross carrying amount)	9,194	112	6,255	38
Due to customers	2,279	440	2,275	120

	1/1 - 30/9/2021		1/1 - 30/9/2020	
(amounts in thousand €)	Key Management Personnel	Other related party	Key Management Personnel	Other related party
Income	24	18	19	6
Expense	-	1	5	-

Benefits to Key Management Personnel		
(amounts in thousand €)	1/1 - 30/9/2021	1/1 - 30/9/2020
Short-term benefits	4,425	3,979
Termination benefits	-	1,040
Contributions to the Institution for Occupational Retirement, Life and Medical Provision	69	-
Post-employment benefits	36	51

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

The total provision for post-employment benefits to Key Management Personnel as at 30 September 2021 amounted to € 2 million (31 December 2020: € 2 million) and is included in balance sheet line item "Retirement and termination benefit obligations".

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 September 2021 amounted to € 6 million (31 December 2020: € 4 million).

As of 30 September 2021, Key Management Personnel and other related party held 277 thousand ordinary shares of the Company, compared to 110 thousand as of 31 December 2020.

26.2 Associates

The Group's related party transactions with its associates are presented below:

(amounts in thousand €)	30/9/2021	31/12/2020
Loans and advances to customers at amortised cost (Gross carrying amount)	876,479	1,107,136
Other assets	3,040	6,787
Due to customers	242,403	127,489
Other liabilities	37,093	65,540

(amounts in thousand €)	1/1 - 30/9/2021	1/1 - 30/9/2020
Total expense and capital expenditure	(132,342)	(147,642)
Total income	34,851	40,011

The ECL allowance for impairment on loans and advances to customers granted from the Group to its associates as at 30 September 2021 amounted to € 118 million (31 December 2020: € 183 million). The ECL measurement on loans and advances to customers at amortised cost for the period ended 30 September 2021 amounted to € 1 million (30 September 2020: € 3 million).

The letters of guarantee to the Group's associates as at 30 September 2021 amounted to € 9 million (31 December 2020: € 11 million).

26.3 Joint ventures

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

(amounts in thousand €)	30/9/2021	31/12/2020
Loans and advances to customers at amortised cost (Gross carrying amount)	53,929	53,793
Due to customers	17	27

(amounts in thousand €)	1/1 - 30/9/2021	1/1 - 30/9/2020
Total income	535	390

The ECL allowance for impairment on loans and advances to customers at amortised cost granted from the Group to joint ventures as at 30 September 2021 amounted to € 41 million (31 December 2020: € 41 million).

27 Changes in the portfolio of consolidated companies

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

On 12 April 2021, in the context of the Phoenix and Vega securitizations, the Company established in Cyprus the wholly owned entity "Phoenix Vega Mezz Plc" and contributed in kind the entirety of its holding in the securitization notes of the Phoenix and Vega SPVs, i.e. 65% of the mezzanine and 45% of the junior tranches amounting to € 63 million. The AGM approved on 22 June 2021 distributing in kind to the Company's shareholders 100% of the shares issued by Phoenix Vega Mezz Plc and held by the Company. Following completion of the aforementioned distribution in kind on 4 August 2021, Phoenix Vega Mezz Plc ceased to be a subsidiary company of the Group (refer also to section b).

Except for the above, during the nine-month period ended 30 September 2021, the company did not make any new investment by acquiring, establishing or increasing its equity stake in any entity, in excess of € 10 million.

b) Significant changes in the Group's subsidiaries, associates and joint ventures during the period:

The changes incurred during the period ended 30 September 2021, in excess of € 10 million, were the following:

Piraeus Bank S.A. proceeded with two capital raising transactions: a) a share capital increase by € 265 thousand through payment in cash, with the issuance of 265 thousand new common registered voting shares of par value € 1.00 each, at an offering price of € 1,000 per share, which was completed on 29 March 2021 (total capital raised € 265 million); and b) a share capital increase by € 1,302 thousand through payment in cash, with the issuance of 1,302,000 new common registered voting shares of par value € 1.00 each, at an offering price of € 1,000 per share, which was completed on 2 June 2021 (total capital raised € 1,302 million). Both transactions were fully subscribed by the Company and the total amount of capital raised was € 1,567 million. The second transaction was funded from the net proceeds of € 1,301 million collected by the Company through its share capital increase, which was completed on 29 April 2021, as it is also highlighted in the report on use of funds raised which is available on the web site of Piraeus Financial Holdings S.A. (refer to Note 24.1 for further information).

On 16 June 2021, Piraeus Bank S.A. issued € 600 million fixed rate reset Additional Tier 1 perpetual contingent temporary write-down notes, which mirrors all material terms of the AT1 Capital Instrument (the "Internal AT1 Capital Instrument"). The instrument was fully subscribed by the Company for an amount equal to the net proceeds from the issue of the AT1 Capital Instrument, i.e. € 595 million. The Bank classified the Internal AT1 Capital Instrument within equity at its nominal value of € 600 million and the difference of € 5 million was recognised directly in retained earnings, as a deemed capital distribution. The reason for issuing the intragroup back-to-back instrument was solely to transfer the net proceeds raised from the AT1 Capital Instrument to the Bank. Given that there is no commercial substance for the counterparties, the Internal AT1 Capital Instrument was accounted for in accordance with IAS 27, at cost, as part of the Company's investment in Piraeus Bank and the carrying amount of the investment increased by € 595 million. There is no impact from the Internal AT1 Capital Instrument on the consolidated financial statements of the Group.

On 2 June 2021, the Extraordinary General Meeting of the Bank's shareholders resolved a share capital reduction of approximately € 36 million by the annulment of 35,867,347 registered voting shares of par value € 1.00 each and distribution to the Company of 95% of the mezzanine and junior notes issued by Sunrise I NPL Finance DAC and owned by the Bank. The said intragroup distribution in kind was completed on 26 July 2021, hence, was accounted for at that date.

On 11 August 2021, the shares of the company "Phoenix Vega Mezz Plc" were admitted for trading on the Alternative Market (E.NA. PLUS) of the Athens Stock Exchange, following the distribution of shares issued by the company under the name "Phoenix Vega Mezz Plc" to the shareholders of Piraeus Financial Holdings S.A., according to the decisions of its Annual General Meeting of 22 June 2021. Hence, Phoenix Vega Mezz Plc ceased to be a subsidiary company of the Group.

On 21 September 2021 the Group's associate Marfin Investment Group Holdings S.A. completed the share capital decrease of € 188 million through respective reduction in the nominal value of its shares for writing off an equivalent amount of accumulated losses.

c) Liquidation and disposal of subsidiaries:

On 12 April 2021 and 20 April 2021, Piraeus Real Estate Bulgaria EOOD and Piraeus Equity Investment Management Ltd, respectively, were removed from the relevant Company Registries. On 28 May 2021, Abies S.A. was set under liquidation.

28 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 and Regulation (EU) No. 575/2013.

The aforementioned regulatory framework requires financial institutions to maintain for the Group a minimum level of regulatory capital related to the undertaken risks. The minimum thresholds for the capital adequacy ratios, as per article 92 of the CRR2, are as follows:

	Group
Common Equity Tier 1 Ratio (CET1)	4.5%
Tier 1 Ratio (T1)	6.0%
Total Capital Ratio (CAD Ratio)	8.0%

Following the activation of the SSM on 4 November 2014, the Group was placed under the direct supervision of the ECB.

According to the latest SREP (Supervisory Review and Evaluation Process), the ECB informed Management about its Overall Capital Requirement ("OCR"), valid for 2021, not taking into account mitigating measures for the Covid-19 pandemic. The Group has to maintain on a consolidated basis, a Total SREP Capital Requirement (TSCR) of 11.25% and an Overall Capital Requirement (OCR) of 14.25%, which includes:

a) the minimum Pillar I total capital requirements of 8% as per article 92(1) of Regulation 575/2013/EU;

b) an additional Pillar II capital requirement of 3.25% as per article 16(2) of Regulation 1024/2013/EU;

c) the fully loaded capital conservation buffer of 2.5% under Greek Law 4261/2014; and

d) the transitional Other Systemic Important Institutions ("O-SII") capital buffer of 0.50% for 2021 under Greek Law 4261/2014.

The capital adequacy ratios as at 30 September 2021 and 31 December 2020 for the Group, as calculated under the existing regulatory framework, taking into account the relevant transitional period provisions applicable under Regulation 575/2013 and the transitional arrangements applicable under Regulation (EU) 2395/2017 for mitigating the impact of the introduction of IFRS 9 on own funds, were as follows:

	30/9/2021	31/12/2020
Common Equity Tier 1 Capital (CET1)	3,277	5,927
Tier 1 Capital	3,877	5,927
Total regulatory capital	4,768	6,816
Total risk weighted assets (on and off- balance sheet items)	33,097	43,097
CET1 Capital ratio	9.90%	13.75%
T1 Capital ratio	11.71%	13.75%
Total Capital ratio	14.40%	15.82%

On 12 March 2020, the ECB announced several measures to address the adverse economic effects resulting from the Covid-19 pandemic on Banks under its supervision. These measures extend temporary support to Banks, so that they may continue to provide necessary funding and address the European economy's increased needs. For these reasons, the ECB allows Banks to temporarily operate below the level of capital defined by the Pillar 2 Guidance ("P2G") and the Combined Buffer Requirement ("CBR"). Banks are also allowed to partially use capital instruments that do not qualify as CET1 capital, for example AT 1 or Tier 2 instruments, to meet the Pillar 2 Requirements ("P2R"). By applying these measures, the Group has to maintain for 2021 a CET1 capital ratio of 6.33%, a Tier1 capital ratio of 8.44% and a Total CAD ratio of 11.25%.

In June 2021, the Group received SRT approval for Ermis 1, an inaugural for the Greek market synthetic securitization transaction of performing SME and corporate loans. The Group also received up to the issuance date of the Consolidated Interim Financial Statements, SRT approval for Ermis 2, another synthetic securitisation transaction, which also constitutes of performing SME and corporate loans. These initiatives are part of a broader strategy by the Management, following its commitment to engage in non-dilutive capital enhancement actions, to strengthen the Group's capital base and facilitate its de-risking activities.

During the second and third quarter of 2021, the Group also received SRT approvals for the Phoenix, Vega and Sunrise 1 securitized NPE loans portfolios, allowing the utilization of the HAPS guarantee that led to a RWA relief of approximately € 4.5 billion.

As of 30 September 2021, the Total Capital Adequacy ratio for the Group stood at 14.40% and the CET1 ratio stood at 9.90%, covering the minimum Overall Capital Requirement ("OCR") levels. Pro-forma for the SRT approval of the Sunrise 2 NPE securitization and the "Thalis" transaction (the carve-out and the sale of the merchant acquiring business unit), the Total Capital Adequacy ratio for the Group stands at 15.94% and the CET1 ratio at 11.30%.

The impact of the Covid-19 pandemic also accelerated the implementation of certain measures introduced in the CRR2, including the RWA relief factors for qualifying SME and infrastructure exposures.

Furthermore, the Group adopted the provisions of Article 473a of Regulation (EU) No 2017/2395, amending Regulation (EU) No 575/2013 relating to the CRR in regards with "transitional arrangements for mitigating the impact of the introduction of IFRS 9 on own funds". These transitional arrangements allowed the Group to add back to its capital base a proportion of the IFRS 9 impact due to ECL allowance during the first five (5) years of use. In addition, according to paragraph 7a that has been added to the said article, the Group replaced the rescaling of all exposure values that are reduced by ECL allowance with a standard risk weight of 100% to be assigned to the amounts added back to CET1 capital.

In addition, Commission Delegated Regulation (EU) 2020/2176 of 12 November 2020 was applied from the end of December 2020 and onwards, allowing financial institutions to measure software assets on a prudential accumulated amortisation basis and risk weight a regulatory defined part instead of fully deducting them from Common Equity Tier 1.

29 Events subsequent to the end of the reporting period

- On 21 October 2021, the Extraordinary General Meeting of the Bank's shareholders resolved a share capital reduction of approximately € 20.5 million by the annulment of 20,520,000 registered voting shares of par value € 1.00 each and distribution to the Company of 95% of the mezzanine and junior notes issued by Sunrise II NPL Finance DAC and owned by the Bank. The said intragroup distribution in kind is expected to be completed in December 2021.

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

- On 3 November 2021, the Group received SRT approval for Ermis 2, a € 1.1 billion synthetic securitization transaction of performing SME and corporate loans. This initiative is part of the broader strategy of the Group to engage in non-dilutive capital enhancement actions, to strengthen the Group's capital base and facilitate its de-risking activities and follows the completion of the Ermis 1 synthetic securitization transaction completed in June 2021.

- On 4 November 2021 the Group initiated a new Voluntary exist scheme ("VES") for targeted groups of employees in central functions and branch locations, in alignment with its strategic objectives and transformation priorities. The cost of the new scheme, which was fully provided since Q2 2021, is estimated to reach approximately € 20 million.

- On 8 November 2021, the Company entered into definitive agreements with Intrum AB (publ) and Serengeti Asset Management LP for the sale of forty-nine percent (49%) and two percent (2%), respectively, of the mezzanine and junior notes from the Sunrise II securitization (the "Transaction"). The implied valuation for the Transaction, based on the nominal value of the senior notes and the proceeds from the sale of the mezzanine and junior notes, corresponds to 47.4% of the gross book value of the portfolio. As discussed in Note 3.1, the Sunrise II Portfolio was classified as held for sale, at Group level, as at 30 September 2021. Subject to required approvals, the Group expects to derecognize the Sunrise II Portfolio in the fourth quarter of 2021.

Piraeus Bank will retain five percent (5%) of the mezzanine and junior notes of the Sunrise II securitization, as per the relevant securitization regulatory requirements and also the senior notes, in their entirety. The Transaction is subject to the ordinary approvals by the competent Greek authorities, as well as to the consent of the HFSF.

Athens, 18 November 2021

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

www.piraeusholdings.gr