Consolidated Interim Financial Statements

31 March 2021

The Consolidated Interim Financial Statements have been approved by Piraeus Financial Holdings S.A. Board of Directors on 25 May 2021 and are available on the web site of Piraeus Financial Holdings S.A. at www.piraeusholdings.gr

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

PIRAEUS FINANCIAL HOLDINGS

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Consolidated Interim Financial Statements as at 31 March 2021

Notes to the Consolidated Interim Financial Statements

Consolidated Interim Income Statement

€ Million	Note	3 month period ended 31/3/2021	3 month period ended 31/3/2020
CONTINUING OPERATIONS			
Interest and similar income		459	452
Interest expense and similar charges		(93)	(92)
NET INTEREST INCOME		**366**	**360**
Fee and commission income	6	96	94
Fee and commission expense	6	(20)	(23)
NET FEE AND COMMISSION INCOME		**76**	**71**
Net gain/ (losses) from financial instruments measured at fair value through profit or loss ("FVTPL")	8	77	(32)
Net gain/ (losses) from financial instruments measured at fair value through other comprehensive income ("FVTOCI")		10	-
Net gain/ (losses) from derecognition of financial instruments measured at amortised cost	9	317	(2)
Net other income/ (expenses)		14	14
TOTAL NET INCOME		**859**	**412**
Staff costs		(97)	(107)
Administrative expenses		(101)	(91)
Depreciation and amortisation		(28)	(29)
Net gain/ (losses) from sale of property and equipment and intangible assets		1	-
TOTAL OPERATING EXPENSES BEFORE PROVISIONS		**(225)**	**(227)**
PROFIT BEFORE PROVISIONS, IMPAIRMENT AND INCOME TAX		**634**	**185**
ECL Impairment losses on loans and advances to customers at amortised cost	4.2	(961)	(438)
Impairment (losses)/releases on other assets		(5)	(64)
ECL Impairment (losses)/ releases on financial assets at FVTOCI		(5)	(4)
Impairment of property and equipment and intangible assets		(1)	(1)
Impairment on debt securities at amortised cost		(16)	(3)
Other provision charges/ releases		2	-
Share of profit of associates and joint ventures		(6)	(16)
LOSS BEFORE INCOME TAX		**(358)**	**(340)**
Income tax benefit/ (expense)	10	(46)	110
LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS		**(404)**	**(230)**
DISCONTINUED OPERATIONS			
Loss after income tax from discontinued operations	7	(3)	(2)
LOSS FOR THE PERIOD		**(407)**	**(232)**
From continuing operations			
Loss attributable to equity holders of the parent		(404)	(230)
Non controlling interest		-	-
From discontinued operations			
Loss attributable to equity holders of the parent		(3)	(2)
Non controlling interest		-	-
Losses per share attributable to equity holders of the parent (in €):			
From continuing operations			
- Basic & Diluted	11	(8.03)	(8.68)
From discontinued operations			
- Basic & Diluted	11	(0.05)	(0.09)
Total			
- Basic & Diluted	11	(8.08)	(8.77)

The notes on pages 9 to 57 form an integral part of the Consolidated Interim Financial Statements

Consolidated Interim Statement of Comprehensive Income

€ Million	Note	3 month period ended 31/3/2021	31/3/2020
CONTINUING OPERATIONS			
Loss for the period (A)		**(404)**	**(230)**
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	12	(30)	(10)
Change in currency translation reserve	12	3	(3)
Items that will not be reclassified subsequently to profit or loss			
Change in reserve from equity instruments measured at FVTOCI	12	18	(22)
Change in reserve of actuarial gains/ (losses)	12	-	(1)
Other comprehensive expense, net of tax (B)	12	**(9)**	**(36)**
Total comprehensive expense, net of tax (A)+(B)		**(414)**	**(266)**
- Attributable to equity holders of the parent		(414)	(266)
- Non controlling interest		-	-
DISCONTINUED OPERATIONS			
Loss for the period		**(3)**	**(2)**
Total comprehensive expense, net of tax		**(3)**	**(2)**
- Attributable to equity holders of the parent		(3)	(2)
- Non controlling interest		-	-

Consolidated Interim Statement of Financial Position

€ Million	Note	31/3/2021	31/12/2020
ASSETS			
Cash and balances with Central Banks		10,180	8,903
Due from banks		1,397	1,258
Financial assets at FVTPL		676	353
Financial assets mandatorily measured at FVTPL		150	146
Derivative financial instruments		615	507
Reverse repos with customers		6	8
Loans and advances to customers at amortised cost	13	37,431	39,624
Loans and advances to customers mandatorily measured at FVTPL		51	50
Financial assets measured at FVTOCI	14	3,895	2,898
Debt securities at amortised cost	14	4,975	4,964
Assets held for sale		253	181
Investment property		1,120	1,119
Investments in associated undertakings and joint ventures	15	263	268
Property and equipment		986	995
Intangible assets		270	280
Current tax assets	16	162	176
Deferred tax assets		6,299	6,337
Other assets		3,272	3,395
Assets from discontinued operations	7	112	112
TOTAL ASSETS		**72,114**	**71,576**
LIABILITIES			
Due to banks	17	11,408	11,376
Due to customers	18	50,431	49,636
Liabilities at FVTPL		9	-
Derivative financial instruments		478	460
Debt securities in issue	19	470	471
Other borrowed funds	20	922	933
Current income tax liabilities		5	3
Deferred tax liabilities		31	31
Retirement and termination benefit obligations		124	143
Provisions		198	202
Other liabilities		1,305	1,136
Liabilities from discontinued operations	7	32	31
TOTAL LIABILITIES		**65,415**	**64,423**
EQUITY			
Share capital (ordinary shares)	22	4,986	2,620
Share premium	22	13,075	13,075
Contingent convertible bonds	22	-	2,040
Less: Treasury shares	22	-	(1)
Other reserves and retained earnings	23	(11,470)	(10,687)
Capital and reserves attributable to equity holders of the parent		**6,591**	**7,047**
Non controlling interest		108	106
TOTAL EQUITY		**6,699**	**7,153**
TOTAL LIABILITIES AND EQUITY		**72,114**	**71,576**

The notes on pages 9 to 57 form an integral part of the Consolidated Interim Financial Statements

Consolidated Interim Statement of Changes in Equity

€ Million	Note	Attributable to equity shareholders of the parent entity										
		Share Capital	Share Premium	Contingent Convertible Bonds	Treasury shares	Currency Translation Reserve	Reserve from financial assets at FVTOCI	Other reserves	Retained earnings	Total	Non controlling interest	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 expense, net of tax	12	-	-	-	-	(3)	(32)	-	(1)	(36)	-	(36)
Loss after tax for the period 1/1 - 31/3/2020	23	-	-	-	-	-	-	-	(232)	(232)	-	(232)
Total comprehensive expense for the period 1/1 - 31/3/2020		**-**	**-**	**-**	**-**	**(3)**	**(32)**	**-**	**(233)**	**(268)**	**-**	**(268)**
Disposals and movements in participating interests	23	-	-	-	-	-	-	(2)	5	3	-	3
Balance as at 31/3/2020		**2,620**	**13,075**	**2,040**	**-**	**(57)**	**204**	**116**	**(10,604)**	**7,394**	**114**	**7,509**
Opening balance as at 1/4/2020		**2,620**	**13,075**	**2,040**	**-**	**(57)**	**204**	**116**	**(10,604)**	**7,394**	**114**	**7,509**
Other comprehensive income/(expense), net of tax	12	-	-	-	-	(2)	94	-	(6)	86	-	86
Loss after tax for the period 1/4 - 31/12/2020	23	-	-	-	-	-	-	-	(430)	(430)	(6)	(436)
Total comprehensive income/ (expense) for the period 1/4 - 31/12/2020		**-**	**-**	**-**	**-**	**(2)**	**94**	**-**	**(436)**	**(344)**	**(6)**	**(350)**
Transfer between reserves and retained earnings	23	-	-	-	-	-	(16)	1	15	-	-	-
Disposals and movements in participating interests	23	-	-	-	-	-	-	(2)	-	(2)	(3)	(5)
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	12	-	-	-	-	3	(12)	-	-	(9)	-	(9)
Loss after tax for the period 1/1 - 31/3/2021	23	-	-	-	-	-	-	-	(407)	(407)	-	(407)
Total comprehensive income/ (expense) for the period 1/1 - 31/3/2021		**-**	**-**	**-**	**-**	**3**	**(12)**	**-**	**(407)**	**(416)**	**-**	**(416)**
Share capital increase following the conversion of CoCos into ordinary shares	**22**	2,366	-	(2,040)	-	-	-	-	(353)	**(27)**	-	(27)
(Purchases)/ sales of treasury shares		-	-	-	1	-	-	-	-	**1**	-	1
Transfer of the accumulated reserve from equity securities measured at FVTOCI to retained earnings	23	-	-	-	-	-	-	-	(16)	**(16)**	-	(16)
Disposals and movements in participating interests	23	-	-	-	-	-	-	2	-	**2**	2	4
Balance as at 31/3/2021		**4,986**	**13,075**	**-**	**-**	**(56)**	**269**	**117**	**(11,800)**	**6,591**	**108**	**6,699**

The notes on pages 9 to 57 form an integral part of the Consolidated Interim Financial Statements

Consolidated Interim Cash Flow Statement

€ Million	3 month period ended 31/3/2021	3 month period ended 31/3/2020 As restated
Cash flows from operating activities		
Loss before income tax	(360)	(342)
Adjustments to loss before income tax:		
Add: provisions and impairment	985	510
Add: depreciation and amortisation charge	28	30
Add: retirement benefits and cost of voluntary exit scheme	1	2
Net (gain)/ losses from financial instruments measured at FVTPL	(11)	35
Net (gain)/ losses from financial instruments measured at FVTOCI	(10)	-
(Gains)/ losses from investing activities	6	15
Accrued interest from investing and financing activities	7	13
Cash flows from operating activities before changes in operating assets and liabilities	647	262
Changes in operating assets and liabilities:		
Net (increase)/ decrease in cash and balances with Central Banks	(1)	(1)
Net (increase)/ decrease in financial assets measured at FVTPL	(343)	(227)
Net (increase)/ decrease in financial assets mandatorily measured at FVTPL	(1)	-
Net (increase)/ decrease in debt securities at amortised cost	(80)	(603)
Net (increase)/ decrease in amounts due from banks	(117)	(62)
Net (increase)/ decrease in loans and advances to customers	1,165	1,058
Net (increase)/ decrease in reverse repos with customers	2	11
Net (increase)/ decrease in other assets	73	135
Net increase/ (decrease) in amounts due to banks	32	(415)
Net increase/ (decrease) in liabilities measured at FVTPL	9	-
Net increase/ (decrease) in amounts due to customers	795	(654)
Net increase/ (decrease) in other liabilities	122	(104)
Net cash inflow/ (outflow) from operating activities	**2,303**	**(602)**
Cash flows from investing activities		
Purchases of property and equipment	(6)	(17)
Proceeds from disposal of property and equipment and intangible assets	-	2
Purchases of intangible assets	(2)	(2)
Proceeds from disposal of assets held for sale other than subsidiaries	40	-
Purchases of financial assets at FVTOCI	(2,034)	(335)
Proceeds from disposal of financial assets at FVTOCI	1,095	281
Acquisition of subsidiaries net of cash and cash equivalents acquired and participation in share capital increases/ decreases	2	-
Dividends received	-	2
Net cash outflow from investing activities	**(904)**	**(69)**
Cash flows from financing activities		
Expenses directly attributable to the share capital increase	(27)	-
Net proceeds from issue/ (repayment) of debt securities and other borrowed funds	(29)	491
Cash payments for the principal and the interest portion of the lease liability	(7)	(9)
Net cash inflow/ (outflow) from financing activities	**(62)**	**483**
Effect of exchange rate changes on cash and cash equivalents	8	4
Net increase/ (decrease) in cash and cash equivalents (A)	**1,345**	**(185)**
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)	**10,649**	**3,557**

During the current period the Group amended the presentation of Cash Flow Statement in order to present in total both continuing and discontinued operations. The respective figures for the comparative period have been restated 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 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 L. 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 involving 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 31 March 2021, the headcount of the Company and its subsidiaries, hereinafter the “Group”, is 11,220 full time employees (“FTEs”), of which 952 refer to discontinued operations (IMITHEA Single Member S.A.). The Company’s headcount as of that date is 33 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 (Global Markets SC, Med 100), MSCI (Global SC, EMEA, 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 consolidated interim financial statements as at and for the three-month period ended 31 March 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 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.

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 held at fair value through profit or loss ("FVTPL") or at fair value through other comprehensive income ("FVTOCI"), derivative financial instruments and investment property, which have been measured at fair value.

2.2 Going concern

Conclusion

Management 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 prospects for a recovery of economic activity in 2021 and further acceleration afterwards that will recover a part of the lost GDP following the recession in the Greek economy in 2020 due to the Covid-19 pandemic;

b) the continued recovery of the residential and commercial real estate prices during 2020, despite the Covid-19 pandemic and the expected acceleration in 2021 onwards;

c) the Group's robust liquidity position as evident from the LCR and NSFR ratios as of 31 March 2021, disclosed in the Liquidity section below;

d) the actions taken by the Group for the reduction of non performing exposures (NPEs), having achieved a significant step with the completion of the corporate transformation of Piraeus Bank S.A. by way of hive down of its banking activity sector and its contribution into a new banking entity;

e) the capital adequacy of the Group enhanced by the April 2021 share capital increase of € 1.3 billion of Piraeus Financial Holdings via a non-pre-emptive fully marketed offering, which, along with 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 European Central Bank (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 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

The Covid-19 health crisis and the significant negative impact on economic activity determined the economic developments in 2020. Regarding the first quarter of 2021, despite the mixed picture of economic indicators, a negative growth rate is expected on an annual basis, due to the new constraints in the economy led by deteriorating health conditions. From the second quarter of 2021 Greek GDP is expected to recover. The 9th assessment of the Greek economy was successfully completed in February 2021, under the enhanced supervision regime, which the country entered in the summer of 2018, after joining the economic and fiscal policy coordination cycle of the European Semester.

In the first quarter of 2021, Greece continued its access to the international debt markets with two (2) successful new Greek Government Bond (GGB) issuances, following five issuances of GGBs in 2020. Notably, in January 2021, a 10-year GGB of nominal value € 3.5 billion was issued at a yield of 0.807%. Then in March 2021 a 30-year GGB, the first since 2008, of € 2.5 billion nominal value, was issued, at a yield of 1.956%. At the same time, in March 2021, the process of the second early repayment of part of the existing loans that Greece has received from the IMF, amounting to € 3.3 billion, was completed, thus reducing the funding cost of sovereign debt.

A positive development that reflects the prospects of the economy, was the upgrade of the Greek sovereign rating to “Ba3” (Stable Outlook) in November 2020 by Moody's, from “B1” and the upgrade to “BB” (Positive Outlook) in April 2021 by S&P from “BB-”. Fitch places the country's credit rating at "BB", with stable outlook.

In 2020, real GDP decreased by 8.2%, due to the effects of the Covid-19 pandemic and mainly driven by the decline in exports of services and private consumption. Based on the Stability Programme of the Hellenic Republic for the period 2022-2024 submitted to the Council and to the Commission, real GDP is expected to expand by 3.6% in 2021. The worsening of the health crisis in the first months of 2021, led to the maintenance of the suspension of business activities and the further implementation of fiscal measures to reduce the negative effects. Consequently, in the first quarter of 2021, the State Budget balance on a modified cash basis, presented a deficit of € 5.7 billion. Overall, the support measures taking into account liquidity measures and corresponding leverage from the banking system, amount to a total value of € 40.7 billion, of which € 23.1 billion correspond to measures implemented during 2020, € 15.6 billion to measures under implementation during 2021 and € 2.0 billion correspond to measures extended to 2022.

In March 2021, the Economic Sentiment Indicator (ESI) stood at 96.9 points, recording the highest performance since April 2020, reflecting the improvement of expectations on all sectors of economic activity and consumers' prospects. In 2020, the unemployment rate stood at 16.3% in 2020 compared to 17.3% in 2019. However, the labor market has been affected by the implementation of specific operating rules to companies and the adoption of measures to protect public health. In the first quarter of 2021, inflation stood at -1.6%, reflecting, among others, the impact of insufficient demand. The current health crisis finds the Greek real estate market in a critical period, showing significant recovery signs in the past three (3) years. In the first semester of 2020, commercial property prices (as illustrated by the BoG office price index) increased by 2.0%, on an annual basis. Residential property prices (the apartment price index of the BoG) increased by 4.2% in 2020, on an annual basis.

Moreover, the Greek government presented the National Recovery and Resilience Plan "Greece 2.0" in the context of utilizing the resources of the European recovery instrument "Next Generation EU" (NGEU) for the period 2021-2026. "Greece 2.0" consists of 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. For its implementation, Greece is aiming to utilize resources of € 31.2 billion, of which € 18.4 billion in grants and € 12.7 billion in loans, as disclosed by the Ministry of Finance in May 2021.

The prospects for the Greek economy are 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 Recovery and Resilience Fund. The recovery of 2021 depends on the improvement of the epidemic status, the successful completion of the vaccination program, the restoration of the tourist activity and the utilization of funds under the Recovery and Resilience Fund. 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, mainly due to the effects of Covid-19. The velocity of the recovery as well as the effective utilization of the Next Generation EU funds, will be decisive factors in determining the long-term impact of the Covid-19 pandemic to the Greek economy, the banking sector and the Group. 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. Further, the geopolitical developments in the wider region is an additional risk factor. Management closely monitors the developments and assesses periodically the impact that these might have on the Group's operations and financial performance.

Liquidity

As at 31 March 2021, Group deposits increased by 2% compared to 31 December 2020, to € 50.4 billion, due to the significant increase of private sector deposits.

On 12 March, 30 April and 10 December 2020, as a response to Covid-19 pandemic's effects to the European economy, the ECB announced easing of conditions for longer-term refinancing operations (TLTRO III), in order to leverage its use by credit institutions. The Group raised € 7.0 billion in June 2020, € 2.0 billion in September 2020 and € 2.0 billion in 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, to further utilize the TLTRO facilities for refinancing if it decides to do so. As a result, the Group's exposure to the Eurosystem stood at € 11.0 billion as at 31 March 2021, stable from 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 debt issuances in 2019 and early 2020, improved the Group's funding mix and increased its high quality liquid assets (HQLA) buffer. As at 31 March 2021, the Group's Liquidity Coverage Ratio (LCR) stood at 185% (thus, well above the regulatory requirement of 100%) and the net Loans to Deposits Ratio (LDR) at 74%. Moreover, the Net Stable Funding Ratio (NSFR) required threshold of 100%, was fully met by the Group as at 31 March 2021, as it stood at 118.36%.

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 yield 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, creates more favorable conditions for Greek Banks to utilize ECB funding and enhance their liquidity position at competitive cost.

Capital adequacy

The Group's Basel III Common Equity Tier 1 (CET1) ratio as at 31 March 2021 stood at 12.1% while the total regulatory capital ratio stood at 14.2% 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. In addition, Banks are also allowed to partially use capital instruments that do not qualify as CET1 capital, for example, additional Tier 1 or Tier 2 instruments, to meet the Pillar 2 Requirements (P2R).

In March 2020, the EBA recommended European Banks to make 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 26 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 amendement did not have a material impact on the Consolidated Interim Financial Statements.

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 (the "2020 Annual Financial Statements"), except for those presented below.

3.1 Key sources of estimation uncertainty

Determination of scenario weights

Phoenix and Vega portfolios: The probability-weighted estimate of ECL as of 31 March 2021 was determined by incorporating into the range of possible future scenarios a sale expectation with an assigned probability of 50%. During the period ended 31 March 2021, Management submitted to the ECB all relevant documentation and applications requesting regulatory approvals, however, no notification on the outcome of ECB's evaluation had been provided as of the date of the ECL impairment assessment. Uncertainty still remains about the final outcome of the regulatory approval process and corresponding completion of the sale of 30% of the Class B notes and 50% plus 1 of the Class C notes to Intrum AB, nevertheless, to a lower extent compared to 31 December 2020, given that: a) approximately half of the expected time period required for the completion of the regulatory approval process has elapsed and no negative response has been provided by the ECB; and b) the share capital increase of the Company that was announced on 16 March 2021 was successful. On this basis, Management increased the likelihood of a sale scenario to 50% (31 December 2020: NIL). The impact before tax of the said change in accounting estimate during the period ended 31 March 2021 was a loss of € 0.8 billion. Had the Group assigned a higher probability on the sale scenario, i.e. 75% or 100%, the additional loss before tax would have been approximately € 0.4 billion and € 0.8 billion, respectively. The outcome of this uncertainty is expected to be resolved prior to 31 December 2021.

Sunrise I portfolio: No sale scenario was assumed in the ECL measurement of the portfolio, given the early stage of the securitization. The securitization SPV was established on 16 March 2021 while the relevant application and documentation requesting regulatory approval by the ECB was submitted shortly after the end of the reporting period. Therefore, at 31 March 2021 the Group had no factual or other reasonable and supportable information related to the expected outcome of the regulatory approval process, which had not yet commenced at that date. Therefore, no sale scenario was incorporated while determining the ECL allowance of the Sunrise I portfolio. Had the Group assigned a 100% probability on the sale scenario, the additional loss before tax would have been approximately € 1.5 billion. The outcome of this 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	
	31/3/2021	31/12/2020	31/3/2021	31/12/2020
Financial assets				
Loans and advances to customers at amortised cost	37,431	39,624	36,909	38,430
Debt securities at amortised cost	4,975	4,964	4,661	5,344
Financial liabilities				
Debt securities in issue	470	471	480	480
Other borrowed funds	922	933	915	767

The following methods and assumptions were used to estimate the fair values of the aforementioned financial instruments as at 31 March 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.

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

4.1.2 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 substantially the full term of the instrument subject to fair value measurement. 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 bases of valuation								
	31/3/2021				31/12/2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Derivative financial instruments	-	615	-	615	-	507	-	**507**
Financial assets at FVTPL	655	21	-	676	331	22	-	**353**
Financial assets mandatorily at FVTPL	79	-	71	150	76	-	71	**146**
Loans and advances to customers mandatorily at FVTPL	-	-	51	51	-	-	50	**50**
Financial assets at FVTOCI	3,564	309	23	3,895	2,590	274	35	**2,898**
Financial liabilities								
Derivative financial instruments	-	478	-	478	-	460	-	**460**
Liabilities at FVTPL	9	-	-	9	-	-	-	**-**

Transfers between Level 1 and Level 2

Within the period ended 31 March 2021 € 24 million of Greek sovereign and corporate bonds were transferred from Level 1 to Level 2 due to change in their trading activity. Accordingly, € 45 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 period ended 31 March 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 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 Group’s banking subsidiary, i.e. Piraeus Bank S.A., based on the EBITDA of (i) Intrum Hellas Credit Servicing S.A.; (ii) Intrum Hellas REO Solutions S.A.; and (iii) any of their affiliates for a specified period of time after closing, of par value € 32 million, issued by Intrum Holding Spain S.A.U., 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 such as earnings forecasts, comparable multiples, net asset value, adjusted equity and other parameters 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).

During the period ended 31 March 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 period ended 31 March 2021 and the year ended 31 December 2020:

Reconciliation of Level 3 instruments	Financial assets mandatorily at FVTPL	Loans and advances to customers mandatorily measured at FVTPL	Financial assets measured 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	-	-
Gain/ (loss) recognised in OCI	-	-	19
Purchases	-	1	-
Disposals/ Settlements	-	-	(32)
Closing Balance as at 31/3/2021	**71**	**51**	**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 into vanilla derivative products, hence, the valuation models utilised are fairly standard across the industry. Inputs to valuation models are determined based on market observable information wherever possible. Counterparty credit risk-adjustments are applied on all OTC derivatives. The Group calculates a separate Credit Value Adjustment (“CVA”) for each counterparty to which the Group has exposure. The CVA is estimated considering expected exposures generated using simulation techniques (i.e. Monte Carlo simulation), as well as ISDA master netting agreements and collateral postings under

CSA. 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 about Level 3 Fair Value Measurements as at 31 March 2021 and 31 December 2020

Financial instruments[4]	Fair Value	Fair Value	Valuation Technique	Significant Unobservable Input	Range of Inputs 2021		Range of Inputs 2020	
	2021	2020			Low	High	Low	High
Financial assets mandatorily 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 at FVTPL and FVTOCI – equity securities, mutual funds	80	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 at FVTPL	51	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 a fair value higher than € 10 million at the end of the reporting period.*

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 13.

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

31/3/2021	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Credit impaired Lifetime ECL	POCI Lifetime ECL	Total
Mortgages					
Gross carrying amount	5,108	2,105	3,621	2,467	13,302
Less: ECL Allowance for impairment losses	(5)	(91)	(1,177)	(829)	(2,102)
Total Mortgages	**5,103**	**2,014**	**2,445**	**1,638**	**11,200**
Consumer, Personal and Other loans					
Gross carrying amount	887	407	1,128	872	3,294
Less: ECL Allowance for impairment losses	(19)	(48)	(738)	(563)	(1,368)
Total Consumer, Personal and Other loans	**868**	**359**	**390**	**309**	**1,926**
Credit Cards					
Gross carrying amount	331	104	187	91	713
Less: ECL Allowance for impairment losses	(2)	(7)	(160)	(82)	(251)
Total Credit Cards	**329**	**97**	**27**	**9**	**463**
Retail Lending					
Gross carrying amount	6,325	2,616	4,937	3,430	17,309
Less: ECL Allowance for impairment losses	(26)	(146)	(2,075)	(1,473)	(3,721)
Total Retail Lending	**6,300**	**2,470**	**2,862**	**1,957**	**13,588**
Loans to Large Corporate					
Gross carrying amount	8,164	1,128	3,026	366	12,684
Less: ECL Allowance for impairment losses	(53)	(54)	(1,080)	(168)	(1,354)
Total Loans to Large Corporate	**8,111**	**1,074**	**1,946**	**198**	**11,329**
Loans to SMEs					
Gross carrying amount	5,164	1,422	8,151	2,808	17,546
Less: ECL Allowance for impairment losses	(32)	(107)	(3,695)	(1,537)	(5,371)
Total Loans to SMEs	**5,132**	**1,315**	**4,457**	**1,271**	**12,175**
Loans to Public Sector					
Gross carrying amount	331	-	12	3	345
Less: ECL Allowance for impairment losses	(1)	-	(5)	-	(7)
Total Loans to Public Sector	**329**	**-**	**7**	**2**	**338**
Corporate and Public Sector Lending					
Gross carrying amount	13,659	2,550	11,189	3,177	30,575
Less: ECL Allowance for impairment losses	(87)	(161)	(4,779)	(1,705)	(6,732)
Total Corporate and Public Sector Lending	**13,572**	**2,389**	**6,409**	**1,472**	**23,843**
Loans and advances to customers at amortised cost					
Gross carrying amount	19,984	5,166	16,126	6,608	47,884
Less: ECL Allowance for impairment losses	(112)	(307)	(6,855)	(3,179)	(10,453)
Total Loans and advances to customers at amortised cost	**19,872**	**4,859**	**9,271**	**3,429**	**37,431**

31/12/2020	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Credit impaired Lifetime ECL	POCI 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**

The movement of the ECL allowance for impairment losses on loans and advances to customers at amortised cost 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	-	-	(128)	8	(120)
Transfers between stages (net)	10	(9)	(1)	-	-
ECL impairment charge/ (release) for the period (P&L)	4	60	664	233	961
Change in the present value of the allowance	-	-	74	47	121
Write-off of interest recognised from change in the present value of the allowance	-	-	(112)	(53)	(165)
Write-offs	(3)	-	(66)	(103)	(172)
FX differences and other movements	(6)	(1)	(59)	(10)	(76)
ECL allowance as at 31/3/2021	**112**	**307**	**6,855**	**3,179**	**10,453**

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**
Transfers between stages (net)	6	39	(45)	-	-
ECL impairment charge/ (release) for the period (P&L)	3	23	273	139	**438**
Change in the present value of the allowance	-	1	91	53	**145**
Write-off of interest recognised from change in the present value of the allowance	-	(1)	(130)	(61)	**(191)**
Write-offs	-	-	(283)	(32)	**(316)**
FX differences and other movements	(16)	(3)	(39)	(15)	**(72)**
ECL allowance as at 31/3/2020	**110**	**297**	**7,171**	**3,411**	**10,990**

As explained in Note 3.1, the Group incorporated into the ECL measurement of the Phoenix and Vega portfolios as of 31 March 2021 a sale scenario resulting to an additional ECL impairment charge of € 0.8 billion.

The gross modification loss recognised by the Group during the period ended 31 March 2021 for loans with ECL allowance measured at an amount equal to lifetime expected credit losses was € 19 million (31 March 2020: € 27 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 € 9 million (31 March 2020: € 21 million). The net impact for the Group on the income statement for the period ended 31 March 2021 was, therefore, € 10 million (31 March 2020: € 6 million). The gross carrying amount (before modification) of the loans whose cash flows were modified during the period ended 31 March 2021 amounted to € 2,363 million for the Group (31 March 2020: € 1,372 million), affected mainly by Covid-19 pandemic. The gross carrying amount as at 31 March 2021 of loans and advances to customers at amortised cost that have been modified since initial recognition at a time when their ECL allowance was measured at an amount equal to lifetime ECL (Stage 3 and Stage 2) and for which their respective ECL allowance as at 31 March 2021 is measured at an amount equal to 12-month ECL (Stage 1), is € 209 million (31 March 2020: € 138 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.

	31/3/2021	31/12/2020
Derivative financial instruments	418	401
Debt securities at FVTPL	654	337
Loans and advances to Public sector at amortised cost	338	1,718
Debt securities at amortised cost	4,864	3,681
Debt securities at FVTOCI	2,316	1,839
Other assets	525	545
Total	**9,116**	**8,522**

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

During the first quarter of 2021, the Group purchased GGBs of total nominal value € 1.9 billion, of which € 1.0 billion and € 0.9 billion, were classified at amortised cost and FVTOCI, respectively. Refer to Note 14 for further information on material debt securities transactions that incurred during the period ended 31 March 2021.

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. 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 - 31/3/2021	"Core" Segments					NPE MU	Group
	Retail Banking	Corporate Banking	PFM	Other	Total		
Net interest income	112	119	40	9	280	86	**366**
Net fee and commission income	46	25	1	1	73	2	**76**
Net gain/ (losses) from derecognition of financial instruments measured at amortised cost	-	-	317	-	317	-	**317**
Net other income/ (expenses)	1	1	94	2	98	3	**101**
Total Net Income	**159**	**145**	**453**	**11**	**768**	**91**	**859**
Total operating expenses before provisions	(105)	(39)	(10)	(38)	(192)	(32)	**(225)**
Profit/ (loss) before provisions, impairment and income tax	**54**	**106**	**443**	**(27)**	**575**	**59**	**634**
ECL Impairment losses on loans and advances to customers at amortised cost	(93)	(3)	-	(13)	(110)	(851)	**(961)**
Impairment (losses) / releases on other assets	-	-	-	(5)	(5)	-	**(5)**
Impairment on debt securities at amortised cost	-	-	(16)	-	(16)	-	**(16)**
ECL impairment (losses) / releases on financial assets at FVTOCI	-	-	(5)	-	(5)	-	**(5)**
Impairment of property and equipment and intangible assets	-	-	-	(1)	(1)	-	**(1)**
Other provision charges/ releases	-	-	-	2	2	-	**2**
Share of profit/ (loss) of associates and joint ventures	-	-	-	(6)	(6)	-	**(6)**
Profit/ (loss) before income tax	**(40)**	**103**	**422**	**(50)**	**435**	**(793)**	**(358)**
Income tax benefit/ (expense)							(46)
Loss for the period from continuing operations							**(404)**
Loss after income tax from discontinued operations	-	-	-	(3)	(3)	-	**(3)**
Loss for the period							**(407)**
As at 31/3/2021							
Total assets from continuing operations (excluding assets held for sale)	10,198	15,195	20,692	13,503	59,587	12,161	**71,748**
Total assets from discontinued operations	-	-	-	112	112	-	**112**
Assets held for sale	1	66	-	21	88	166	**253**
Total assets	10,199	15,260	20,692	13,636	59,787	12,327	**72,114**
Total liabilities	38,002	9,996	12,697	4,393	65,087	327	**65,415**

1/1 - 31/3/2020	"Core" Segments						
	Retail Banking	Corporate Banking	PFM	Other	Total	NPE MU	Group
Net interest income	112	106	30	19	268	92	**360**
Net fee and commission income	42	24	1	2	69	3	**71**
Net gain/ (losses) from derecognition of financial instruments measured at amortised cost	-	(2)	-	-	(2)	-	**(2)**
Net other income/ (expenses)	1	1	(27)	7	(19)	1	**(18)**
Total Net Income	**155**	**129**	**5**	**28**	**317**	**95**	**412**
Total operating expenses before provisions	(107)	(33)	(7)	(49)	(196)	(31)	**(227)**
Profit/ (loss) before provisions, impairment and income tax	**48**	**96**	**(2)**	**(21)**	**121**	**64**	**185**
ECL Impairment losses on loans and advances to customers at amortised cost	(49)	(42)	-	3	(88)	(350)	**(438)**
Impairment (losses) / releases on other assets	-	-	-	(64)	(64)	-	**(64)**
Impairment on debt securities at amortised cost	-	-	(3)	-	(3)	-	**(3)**
ECL impairment (losses) / releases on financial assets at FVTOCI	-	-	(4)	-	(4)	-	**(4)**
Impairment of property and equipment and intangible assets	-	-	-	(1)	(1)	-	**(1)**
Other provision charges/ releases	-	-	-	(2)	(1)	1	**-**
Share of profit/ (loss) of associates and joint ventures	-	-	-	(16)	(16)	-	**(16)**
Profit/ (loss) before income tax	**(1)**	**54**	**(9)**	**(100)**	**(55)**	**(285)**	**(340)**
Income tax benefit/ (expense)							110
Loss for the period from continuing operations							**(230)**
Loss after income tax from discontinued operations	-	-	-	(2)	(2)	-	(2)
Loss for the period							**(232)**
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 € 87 million and € (32) million for the periods ended 31 March 2021 and 2020, respectively.

6 Net fee and commission income

Continuing operations	1/1 - 31/3/2021	1/1 - 31/3/2020
Fee and commission income		
Commercial banking	86	84
Investment banking	5	5
Asset management	6	5
Total fee and commission income	**96**	**94**
Fee and commission expense		
Commercial banking	(19)	(21)
Investment banking	(2)	(2)
Total fee and commission expense	**(20)**	**(23)**
Net fee and commission income	**76**	**71**

a. Fee and commission income

The Group segregates revenue from contracts with customers based on the type of services provided. Management believes that this segregation indicates how the nature, quantity, timing and uncertainty of the Group's income and cash flows are affected by financial factors.

The tables below present commission income from contracts with customers of the Group, for the periods ended 31 March 2021 and 2020 respectively, per product type and per business segments before deducting any associated expenses.

1/1 - 31/3/2021	Fee and Commission income					
	Retail Banking	Corporate Banking	Piraeus Financial Markets	Other	NPE MU	Total
Acquiring	9	5	-	-	-	14
Asset management/Brokerage	8	-	2	-	-	10
Bancassurance	8	1	-	2	-	11
Cards Issuance	8	1	-	-	-	9
Deposits Commissions	2	-	-	-	-	2
Funds Transfer	10	3	-	1	-	14
Letters of Guarantee	1	7	-	-	1	9
Loans and advances to customers	2	9	-	-	1	12
Payments	5	2	-	-	-	7
FX fees	2	-	1	-	-	3
Other	3	1	-	1	-	5
Total	**58**	**29**	**3**	**4**	**2**	**96**

1/1 - 31/3/2020	Fee and Commission income					
	Retail Banking	Corporate Banking	Piraeus Financial Markets	Other	NPE MU	Total
Acquiring	8	4	-	-	1	13
Asset management/Brokerage	7	-	2	1	-	10
Bancassurance	8	1	-	1	1	11
Cards Issuance	9	1	-	-	-	10
Deposits Commissions	1	-	-	-	-	1
Funds Transfer	8	3	-	1	-	12
Letters of Guarantee	1	7	-	-	1	9
Loans and advances to customers	2	7	-	1	-	10
Payments	5	1	-	-	-	6
FX fees	5	1	-	-	-	6
Other	3	2	-	1	-	6
Total	**57**	**27**	**2**	**5**	**3**	**94**

b. Other income

The tables below present other income from contracts with customers of the Group, for the periods ended 31 March 2021 and 2020, which fall within the scope of IFRS 15.

1/1 - 31/3/2021	Other Income				
	Retail Banking	Corporate Banking	Other	NPE MU	Total
Other operating income	-	-	9	2	11
Gain from sale of other assets	-	-	4	-	4
Total	**-**	**-**	**13**	**2**	**15**

1/1 - 31/3/2020	Other Income				
	Retail Banking	Corporate Banking	Other	NPE MU	Total
Other operating income	-	-	7	2	**9**
Gain from sale of investment property	-	-	1	-	**1**
Total	**-**	**-**	**8**	**2**	**10**

7 Discontinued operations

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

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

	1/1 - 31/3/2021	1/1 - 31/3/2020
Net other income/ (expenses)	8	8
TOTAL NET INCOME	**8**	**8**
Staff costs	(7)	(7)
Administrative expenses	(3)	(2)
Depreciation and amortisation	(1)	(1)
TOTAL OPERATING EXPENSES BEFORE PROVISIONS	**(11)**	**(10)**
LOSS AFTER INCOME TAX FROM DISCONTINUED OPERATIONS	**(3)**	**(2)**

B) Assets and liabilities from discontinued operations

	31/3/2021	31/12/2020
ASSETS		
Property and equipment	80	80
Deferred tax assets	11	11
Other assets	21	21
Total Assets	**112**	**112**

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

8 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 31 March 2021 includes trading gains of € 93 million from derivatives and a net loss of € 11 million deriving from realised and unrealised losses on non derivative financial instruments. The comparative period's loss of € 32 million was mainly attributable to adverse market conditions on equity prices and interest rates, due to the outbreak of the pandemic.

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

In 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 25 February 2021, the Group sold certain Italian sovereign bonds of total nominal value € 1,150 million and realised a gain of € 85 million.

10 Income tax benefit / (expense)

Continuing operations	31/3/2021	31/3/2020
Current tax expense	(2)	(1)
Deferred tax benefit / (expense)	(44)	111
Income tax benefit / (expense)	**(46)**	**110**

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 and withholding tax on dividends acquired as of 1 January 2020 onwards decreased from 10% to 5%. The corporate income tax rate applicable to Piraeus Bank S.A. for 2021 and 2020 is 29%.

The deferred tax benefit / (expense) recognised during the period ended 31 March 2021 and 2020 is attributable to the following sources of temporary differences between tax base and carrying amount:

	1/1 - 31/3/2021	1/1 - 31/3/2020
Pensions and other post retirement benefits	(5)	(1)
Loans and advances to customers	(12)	83
Derivative financial instruments valuation adjustment	(3)	18
Depreciation and amortisation	-	3
Amortisation of intangible assets and lease liabilities	12	3
Impairment of Greek government bonds (PSI related)	(14)	(14)
Equity participations	(6)	1
Other temporary differences	(16)	18
Total	**(44)**	**111**

No deferred tax asset has been recognised by the Group on tax losses carried forward. As of 31 March 2021 and 31 December 2020, tax losses carried forward amounted to € 1,677 million and € 591 million, respectively.

11 Earnings/ (losses) per share

Basic earnings/(losses) per share 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 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.

	1/1 - 31/3/2021	1/1 - 31/3/2020
Loss for the period attributable to ordinary shareholders of the parent entity from continuing operations	(404)	(230)
Loss for the period attributable to ordinary shareholders of the parent entity from discontinued operations	(3)	(2)
Loss for the period attributable to ordinary shareholders of the parent entity from continuing and discontinued operations	**(407)**	**(232)**
Weighted average number of ordinary shares in issue (Basic and diluted losses)	**50,347,213**	**26,459,426**
Basic and diluted losses per share in € from continuing operations	(8.03)	(8.68)
Basic and diluted losses per share in € from discontinued operations	(0.05)	(0.09)
Basic and diluted losses per share in € from continuing and discontinued operations	**(8.08)**	**(8.77)**

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. Refer to Note 27 for further information.

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

Continuing operations	1/1 - 31/3/2021			1/1 - 31/3/2020		
	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	(44)	14	(30)	(16)	6	(10)
Change in currency translation reserve	3	-	3	(3)	-	(3)
Items that will not be reclassified subsequently to profit or loss						
Change in reserve from equity instruments measured at FVTOCI	25	(7)	18	(31)	9	(22)
Change in reserve of actuarial gains/ (losses)	(0)	-	-	(1)	-	(1)
Other comprehensive income/ (expense) from continuing operations	**(16)**	**7**	**(9)**	**(51)**	**15**	**(36)**

13 Loans and advances to customers at amortised cost

	31/3/2021	31/12/2020
Mortgages	13,139	13,277
Consumer/ personal and other loans	2,957	2,962
Credit cards	646	664
Retail Lending	**16,743**	**16,904**
Corporate and Public Sector Lending	**29,760**	**31,198**
Total gross loans and advances to customers at amortised cost	**46,502**	**48,102**
Less: ECL allowance	(9,071)	(8,478)
Total	**37,431**	**39,624**

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

In July 2020, the Group securitized the Phoenix and Vega portfolios of total gross book value € 1,924 million and € 4,820 million, respectively, through four (4) SPVs, namely "Phoenix NPL Finance DAC", "Vega I NPL Finance DAC", "Vega II NPL Finance DAC" and "Vega III NPL Finance DAC". All securitizations follow a five-tranche structure; hence, each of the aforementioned SPVs has issued Senior (Class A), Mezzanine (Classes B1 and B2) and Junior (Classes C1 and C2) notes. The Company filed in August 2020 an application seeking inclusion of the Phoenix securitisation under the Hellenic Asset Protection Scheme ("HAPS"), pursuant to Law 4649/2019. The application relates to the provision of a guarantee written by the Greek State on the Phoenix senior notes up to € 950 million. In addition, Piraeus Bank S.A. filed also in February 2021 an application to the inclusion of the Vega securitization under the HAPS. The application relates to the provision of a guarantee written by the Greek State on the Vega senior notes approximately to € 1,404 million. The Group as the sole owner of the notes, controls the aforementioned SPVs and continues to present the securitized loans on its statement of financial position having retained the risks and rewards of ownership of the aforementioned loans in their entirety. The carrying amount of the Phoenix and Vega portfolios as at 31 March 2021 and 31 December 2020 is € 3,037 million and 3,826 million, respectively. The variance is mainly due to additional ECL allowance recognised in the first quarter of 2021 of approximately € 0.8 billion. Refer to Note 3.1 for further information. For the ECL measurement of loans and advances to customers at amortised cost please refer to Note 4.

The following table illustrates the five-tranche securitization structure of the notes issued by the securitization SPVs, along with their allocation between the Company and Piraeus Bank S.A. post hive-down:

Tranches	Contributed to the Piraeus Bank	Retained by the Company
A (Senior)	100%	-
B1 (Mezz)	5%	95%
B2 (Mezz)	5%	95%
C1 (Junior)	5%	95%
C2 (Junior)	5%	95%

In March 2021, in the context of the Sunrise plan, Piraeus Bank S.A. securitized non-performing denounced loans of gross book value amounting to approximately € 7.2 billion. As at 31 March 2021 these notes have been fully retained by Piraeus Bank S.A. and the Group presents the securitized loans on its statement of financial position, having retained the risks and rewards of ownership of the aforementioned loans in their entirety.

Loans and advances to customers classified as held for sale

Chios

In 2018 the Group entered into an agreement for the disposal of legal claims amounting to € 110 million under NPE and denounced corporate loans secured with real estate collaterals. A partial disposal of the said portfolio (Portfolio A), amounting to total claims of € 93 million was completed in August 2019, while the disposal of the remainder (Portfolio B), is expected to be completed in the current year.

Iris

On 18 December 2020, the Group entered into a binding agreement with IRIS Hellas Investments DAC, a consortium comprised of Intrum Holding AB and the European Bank for Reconstruction and Development (EBRD) for the sale of partially secured NPE and denounced loans with total legal claims of about €1.7 billion. The transaction was completed on 5 February 2021, after obtaining the required regulatory approvals, with a consideration of € 40 million.

Kalypso

In 2019, the Group classified as held for sale a portfolio of denounced secured corporate loans with total legal claims of approximately € 69 million. The disposal is expected to be completed in the current year.

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. A partial disposal of the portfolio incurred in 2020, amounting to total claims of € 307 million, namely sub-perimeters Trinity I, II and III. The disposal of the remaining portfolio, i.e. Trinity IV – VIII is expected to be completed in the current year.

Steel

During the third quarter of 2020 the Group initiated a process to dispose of a Group's corporate loans, equivalent to € 56 million total legal claims. The transaction is expected to be completed in the current year.

Pivot

During the third quarter of 2020 the Group commenced a process of disposing corporate loans of € 191 million total legal claims and corporate receivables with gross book value of € 228 million. The transaction is expected to be completed in the current year.

Danube

During 2020 the Group initiated an active process to dispose corporate loans equivalent to € 59 million total legal claims. The transaction is expected to be completed in the current year.

14 Debt securities at amortised cost and Financial Assets at FVTOCI

As at 31 March 2021, the Group's portfolios of debt securities measured at amortised cost and financial assets measured at FVTOCI amounted to € 4,975 million and € 3,895 million, respectively (31 December 2020: 4,964 million and € 2,898 million, respectively). The said investment securities mainly consist of foreign and domestic government bonds, the vast majority of which have a residual maturity higher than 12 months.

In 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 9 for further details on the transaction. On 25 February 2021, the Group sold certain Italian sovereign bonds from its amortised cost portfolio of total nominal value € 1,150 million and realised a gain before tax of € 85 million.

During the period ended 31 March 2021, the Group purchased GGBs of nominal value € 1,022 million and € 925 million, which were classified at amortised cost and FVTOCI, respectively. Further, the Group purchased throughout the said period foreign sovereign bonds of nominal value € 600 million and classified them at FVTOCI.

The entire population of debt securities at amortised cost is classified in Stage 1 and the resulting ECL allowance as at 31 March 2021 amounted to € 17 million. The carrying amount of the bonds measured at FVTOCI as at 31 March 2021 is € 3,722 million, of which an amount of € 3,703 million is classified as Stage 1 with a corresponding ECL allowance of € 13 million (Refer to Note 23 for the ECL allowance recognised in OCI during the period).

During the period ended 31 March 2021, the Group applied fair value hedge accounting in order to hedge its exposure arising from interest rate variability on GGBs by entering into new interest rate swaps. Specifically, the total nominal value of GGBs measured at FVTOCI and amortised cost, for which fair value hedge accounting has been applied as of 31 March 2021, amounted to € 660 million and € 1,400 million, respectively. The cumulative fair value hedging adjustment on the GGBs measured at amortised cost as of 31 March 2021 is a loss of € 64 million, while the value of hedging derivative assets increased by an equivalent amount. The corresponding impact of fair value hedge accounting on GGBs measured at FVTOCI is immaterial.

15 Investments in consolidated companies

The investments of the Group in consolidated companies from continuing and discontinued operations are analysed below:

A. Subsidiary companies (full consolidation method) from continuing operations

a/a	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 operations	Greece	2015-2020	100.00%
8.	Piraeus Factoring Single Member S.A.	Corporate factoring	Greece	2015-2020	100.00%

a/a	Company	Activity	Country	Unaudited tax years [1]	% Holding
9.	Piraeus Capital Management S.A.	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 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%
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%

a/a	Company	Activity	Country	Unaudited tax years [1]	% Holding
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 Morforahi E.E.	Exploitation of wind energy park	Greece	2015-2020	100.00%
46.	Aiolikon Parko Evritanias 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.	Thriacio 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%
65.	Piraeus Real Estate Bulgaria EOOD	Construction company	Bulgaria	2007-2020	100.00%
66.	Varna Asset Management EOOD	Real estate development	Bulgaria	2014-2020	100.00%
67.	Asset Management Bulgaria EOOD	Travel - rental services and property management	Bulgaria	2012-2020	100.00%
68.	Besticar Bulgaria EOOD	Receivables collection	Bulgaria	2012-2020	100.00%
69.	Besticar EOOD	Receivables collection from problematic clients	Bulgaria	2012-2020	100.00%
70.	Emerald Investments EOOD	Property management	Bulgaria	2018-2020	100.00%
71.	Piraeus Nedvizhimi Imoti EOOD	Real Estate Development	Bulgaria	-	100.00%
72.	Piraeus Equity Investment Management Ltd	Investment management	Cyprus	-	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%

a/a	Company	Activity	Country	Unaudited tax years [1]	% Holding
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	The exploitation of wind energy park in Greece	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%
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	-	-

a/a	Company	Activity	Country	Unaudited tax years (1)	% Holding
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.	Phoenix NPL Finance DAC	SPE for securitization of mortgage loans	Ireland	-	-
121.	Vega I NPL Finance DAC	SPE for securitization of mortgage loans	Ireland	-	-
122.	Vega II NPL Finance DAC	SPE for securitization of corporate loans	Ireland	-	-
123.	Vega III NPL Finance DAC	SPE for securitization of corporate loans	Ireland	-	-
124.	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 was communicated to the entities by the local tax authorities, their tax position is considered as final after the fifth year following the end of each fiscal year.

Note [2]: Classified as a discontinued operation (see Note 7).

The subsidiaries duly numbered 111 - 124 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 31 March 2021 the subsidiaries duly numbered 11, 15, 30, 36-37, 59, 65, 72, 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) Museum 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 Statement of Financial Position and Income Statement, since the sum of their total net income, total equity and total assets comprises less than 0.02% of the Group’s respective balances, based on their most recent financial statements.

B) Associate companies and joint ventures (equity accounting method) from continuing operations

Associate companies

The associate companies that the Group consolidates through the equity accounting method are provided below:

s/n	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	31.24%
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 Servising	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	2018-2020	27.68%
21.	Perigenis Business Properties S.A.	Property management	Greece	-	20.61%
22.	Trieris Real Estate Ltd	Property management	British Virgin Islands	2018-2020	32.35%
23.	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 considered as final after the fifth year following the end of each fiscal year.

The Group exercises significant influence but does not control any of the companies listed above, inclusive of the companies dully numbered 1 and 9, where the Group's shareholding and voting rights exceed 50%.

The associate company 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 0.15% of the Group's total net income and less than 0.03% and 0.04% of the Group's total equity and total assets, based on the most recent financial statements obtained.

The changes in the portfolio of consolidated companies are presented in Note 25.

Joint ventures

The joint ventures that the Group consolidates through the equity accounting method are the following:

s/n	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%
3.	PHX Phoenix Real Estate Single Member S.A.	Property management	Greece	-	100.00%
4.	VEGA I Real Estate Single Member S.A.	Property management	Greece	-	100.00%
5.	VEGA II Real Estate Single Member S.A.	Property management	Greece	-	100.00%
6.	VEGA III Real Estate Single Member S.A.	Property management	Greece	-	100.00%

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 considered as final after the fifth year following the end of each fiscal year.

16 Current tax assets

	31/3/2021	31/12/2020
Current tax assets	214	229
Accumulated impairment of current tax assets	(53)	(53)
Net amount of current tax assets	162	176

Net current tax assets for the Group as at 31 March 2021 amount to € 162 million (31 December 2020: € 176 million), out of which an amount of € 11 million refers to the Company, € 149 million refers to Piraeus Bank S.A. and € 2 million to other subsidiaries of the Group.

Company

Net current income tax assets comprises the following:

a) Withholding taxes on corporate bonds of € 2 million, withheld in years 2020-2021 which are refundable by the Greek State.
b) Various other tax claims of € 9 million.

Piraeus Bank S.A.

Net current income tax assets comprises the following:

a) Withholding taxes on interest of bonds and treasury bills of € 73 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 € 52 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 € 19 million derived from corporate bonds , which are refundable by the Greek State.

d) Various other tax claims of € 5 million.

17 Due to banks

"Due to Banks" mainly includes funding liabilities of Piraeus Bank S.A. due to the ECB of € 10,965 million, securities sold under agreements to repurchase of € 106 million and other placements with credit institutions of € 140 million (31 December 2020: € 10,978 million, € 96 million and € 96 million, respectively).

18 Due to customers

	31/3/2021	31/12/2020
Corporate		
Current and sight deposits	10,377	10,012
Term deposits	2,739	2,686
Blocked deposits, guarantee deposits and other accounts	313	323
Total (A)	**13,428**	**13,021**
Retail		
Current and sight deposits	5,398	5,135
Savings accounts	21,013	20,243
Term deposits	10,462	11,159
Blocked deposits, guarantee deposits and other accounts	38	43
Total (B)	**36,911**	**36,580**
Cheques payable and remittances (C)	**92**	**35**
Total Due to customers (A)+(B)+(C)	**50,431**	**49,636**

19 Debt securities in issue

	Weighted Interest Rate (%)	31/3/2021	31/12/2020
Covered Bonds - floating rate - Series 4	3m Euribor + 250bp	470	471
Total debt securities in issue		**470**	**471**

The financial terms of 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
31/3/2021													
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	470	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
31/3/2021										
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	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	-	-

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	-	-

The carrying amount of the exposures included in line item "loans and advances to customers at amortised cost", which have been pledged as collateral in the covered bonds programme is € 4,581 million and € 4,621 million, as at 31 March 2021 and 31 December 2020, respectively.

20 Other borrowed funds

During the period ended 31 March 2021, the Group did not proceed with any repurchases of other borrowed funds.

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

21.1 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 31 March 2021, the Group has established a provision for cases under litigation of € 30 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.

21.2 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 certificate became optional, however Management has opted for the Company and the Group's Greek subsidiaries to continue being tax audited by the statutory auditors. The Tax Administration retains its right to proceed with a tax audit, within the applicable statute of limitations in accordance with article 36 of Greek Law 4174/2013, as currently in force.

The fiscal years 2011 and 2012 have been tax audited by PricewaterhouseCoopers S.A., in accordance with article 82 par.5 of Greek Law 2238/1994 and the tax audit certificates issued were unqualified.

The tax audit of fiscal year 2013 has been completed by PricewaterhouseCoopers S.A. and a relevant tax audit certificate with an emphasis of matter on the applicable provisions of Greek Tax Law regarding the acquisition of assets and liabilities of Greek branches of credit institutions domiciled in other countries members of the European Union according to which the above-mentioned transactions are not subject to tax, has been issued and submitted to the Ministry of Finance.

The fiscal years 2014, 2015 and 2016 have been tax audited by PricewaterhouseCoopers S.A and the tax audit certificates issued were unqualified. The fiscal years 2017, 2018 and 2019 were tax audited by Deloitte Certified Public Accountants S.A. and the tax audit certificates issued were unqualified.

In regards with the Group's Greek subsidiaries, for which Management elected to conduct a tax audit in accordance with article 65a of Greek Law 4174/2013, the respective tax audits for fiscal year 2019 have been completed and the relevant tax audit certificates have been issued. The 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 15 and therefore their tax liabilities for these years have not been finalised. 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, although it is not expected to have a material effect on the Consolidated Interim Financial Statements.

21.3 Credit commitments

In the normal course of business, the Group enters into contractual credit commitments towards its customers to facilitate their financing needs or obligations. Due to their nature, the credit commitments are treated as off-balance sheet items. These credit commitments consist of letters of guarantees, letters of credit and irrevocable undrawn committed credit facilities. Typically, letters of guarantee and letters of credit ensure payment to a third party for a customer's trade transactions or guarantee the performance of a customer to a third party. Irrevocable undrawn committed credit facilities are agreements to lend to a customer as long as there is no violation of the conditions established in the contract. The Group, in measuring the credit risk of these credit commitments, applies the same Credit Policy, approval process and monitoring procedures as those applied for the Loans and advances to customers at amortised cost.

As at 31 March 2021 and 31 December 2020 the Group had undertaken the following credit commitments:

	31/3/2021	31/12/2020
Financial guarantees	3,321	3,314
Letters of credit	39	40
Irrevocable undrawn credit commitments	798	728
Total commitments	**4,157**	**4,082**

The irrevocable undrawn committed credit facilities are included in the Risk Weighted Assets calculation for capital adequacy purposes under regulatory rules currently in force. An ECL allowance is measured for letters of guarantee, letters of credit and irrevocable undrawn credit commitments.

The ECL allowance on credit commitments as at 31 March 2021 amounted to € 115 million (31 December 2020: € 118 million) and is included within line item "other provisions".

21.4 Assets pledged

	31/3/2021	31/12/2020
Due from banks	1,004	874
Financial assets at fair value through profit or loss	616	291
Loans and advances to customers	4,900	4,930
Financial assets at FVTOCI	2,972	2,102
Debt securities at amortised cost	4,948	4,900
Other assets	29	29
	14,469	**13,126**

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

In the context of the interbank repurchase agreement (repo) transactions, securities of a total nominal value of € 91 million (31 December 2020: € 84 million) are used for liquidity purposes. The said amount includes Greek government securities of nominal value € 91 million (31 December 2020: € 84 million).

In addition to the aforementioned pledged assets, the Group as at 31 March 2021, with respect to a guarantee written by Piraeus Bank S.A. for the non-payment risk of the Greek State, has pledged an amount of € 168 million (31 December 2020: € 168 million), included within line item “Due from banks”.

22 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
Purchases of treasury shares	-	(2,132,739)	(2,132,739)
Sales of treasury shares	-	2,644,365	2,644,365
Balance at 31/3/2021	**831,059,164**	**(43,695)**	**831,015,469**

The Company's share capital as at 31 December 2020 amounted to € 2,619,954,984 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 Group's financial position is not affected by the conversion of the CoCos to ordinary shares, which is reflected as a reclassification within equity, except for the associated share capital increase costs of € 27 million. The increase of € 2,366.4 million in share capital is combined with a decrease in retained earnings by € 326.4 million and derecognition of the CoCos reserve of € 2,040 million. Following the above, the share capital of the Company as at 31 March 2021 amounted to € 4,986,354,984 divided into 831,059,164 ordinary, registered, voting shares of a nominal value € 6.00 each.

On 7 April 2021, the Extraordinary General Meeting of the Company's shareholders ("EGM") approved a) the reverse split of the common registered shares at a ratio of 16.5 existing shares of € 6.00 per share to be exchanged for 1 new common registered voting share of € 99.00 per share and the reduction of the total number of existing common registered shares of the Company from 831,059,164 shares to 50,367,223; b) the capitalization of € 93.00 from the share premium reserve in order to achieve an integer number of new shares in the context of the aforementioned reverse split; and c) the reduction of the Company's share capital by € 4,935,987,854 through decrease in nominal value from € 99.00 per share to € 1.00 per share without altering the total number of common registered shares of the Company, and 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 by virtue of the EGM resolution dated 7 April 2021, the increase of the Company's share capital by €1,200,000,000 with the issuance of up to 1,200,000,000 new shares with an offering price ranging 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. The share capital increase was completed on 29 April 2021 and the net proceeds raised approximated €1,302 million (i.e. gross proceeds of €1,380 million less share capital expenses of approximately € 78 million). Following the share capital increase, the share capital of the Company amounts to € 1,250,367,223 and is divided into 1,250,367,223 common registered shares, of a nominal value of € 1.00 each. The new shares commenced trading on the Main Market of the Regulated Securities Market of the Athens Exchange on 7 May 2021. Refer to Note 27 for further information.

23 Other reserves and retained earnings

	31/3/2021	31/12/2020
Legal reserve	85	85
Reserve from financial assets measured at FVTOCI	269	281
Currency translation reserve	(56)	(59)
Other reserves	32	30
Total other reserves	**330**	**337**
Retained earnings	**(11,800)**	**(11,024)**

The variance of retained earnings by € (777) million compared to 31 December 2020, excluding the impact of loss after tax for the period ended 31 March 2021 of € 407 million, is mainly attributable to the loss of € 326 million arising from conversion of the CoCos to ordinary shares and the directly associated share capital increase costs of € 27 million, as further explained in Note 22.

The table below shows the movement in “Total Other Reserves”.

Total other reserves movement	31/3/2021	31/12/2020
Opening balance	**337**	**300**
Change in reserve from financial assets measured at FVTOCI	(12)	61
Transfers between reserves and retained earnings	-	(15)
Disposals and other movements	2	(4)
Change in currency translation reserve	3	(5)
Closing balance	**330**	**337**

The table below shows the movement in “Reserve from financial assets measured at FVTOCI“.

FVTOCI reserve movement	31/3/2021	31/12/2020
Opening balance	**281**	**236**
Gains/(losses) from the valuation of debt securities	(39)	95
Gains/(losses) from the valuation of shares	9	(16)
Impairment losses on debt securities	5	6
Recycling of valuation adjustments and accumulated impairments upon disposal	6	(2)
Transfer to retained earnings	-	(16)
Deferred income taxes	7	(22)
Closing balance	**269**	**281**

The table below shows the movement in “Retained earnings“.

Retained earnings movement	31/3/2021	31/12/2020
Opening balance	**(11,024)**	**(10,375)**
Other comprehensive income, net of tax	-	(6)
Loss for the period after tax attributable to the shareholders of the parent entity	(407)	(662)
Loss from the conversion of CoCos to ordinary shares and directly associated share capital increase costs	(353)	-
Transfer between reserves and retained earnings	-	15
Transfer of the accumulated reserve from equity securities measured at FVTOCI to retained earnings	(16)	-
Disposals and movement in participating interest	-	4
Closing balance	**(11,800)**	**(11,024)**

24 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 cumulative 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, collateral and non-payment risk.

24.1 Key Management Personnel and other related parties

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 31 March 2021. As mentioned in Note 22, HFSF’s stake in the share capital of the Company increased from 26.4% as of December 2020 to 61.3 % as of 31 March 2021, due to the Cocos’ conversion on 4 January 2021. Following the share capital increase of the Company that was completed on 29 April 2021, HFSF’s shareholding was reduced from 61.3 % to 27.0 %. Refer to Note 27 for further information.

(amounts in thousand €)	31/3/2021		31/12/2020	
	Key Management Personnel	Other related parties	Key Management Personnel	Other related parties
Loans and advances to customers at amortised cost (Gross carrying amount)	6,263	33	6,255	38
Due to customers	2,123	159	2,275	120

(amounts in thousand €)	1/1 - 31/3/2021		1/1 - 31/3/2020	
	Key Management Personnel	Other related parties	Key Management Personnel	Other related parties
Income	7	3	5	3
Expense	-	-	3	-

Members of the Key Management Personnel benefits

(amounts in thousand €)	1/1 - 31/3/2021	1/1 - 31/3/2020
Short-term benefits	1,316	1,246
Termination benefits	-	520
Contributions to the Institution for Occupational Retirement, Life and Medical Provision	21	-
Post employment benefits	12	15

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

The aggregate provision for post employment benefits to Key Management Personnel as at 31 March 2021 amounted to €2 million (31 December 2020: € 2 million) and is included in the carrying amount of retirement and termination benefit obligations.

The ECL allowance for impairment on loans and advances to customers at amortised cost granted to Key Management Personnel and other related parties as at 31 March 2021 amounted to € 4 million (31 December 2020: € 4 million).

As of 31 March 2021 Key Management Personnel holds 110 thousand Ordinary Shares of the Company (31 December 2020: 110 thousand).

24.2 Associates

The balances and transactions with associates are presented below:

(amounts in thousand €)	31/3/2021	31/12/2020
Loans and advances to customers at amortised cost (Gross carrying amount)	892,665	1,107,136
Other assets	5,604	6,787
Due to customers	194,631	127,489
Other liabilities	52,874	65,540

(amounts in thousand €)	1/1 - 31/3/2021	1/1 - 31/3/2020
Total expense and capital expenditure	(50,058)	(44,454)
Total income	14,262	13,853

The ECL allowance for impairment on loans and advances to customers at amortised cost granted to associates as at 31 March 2021 amounted to € 154 million (31 December 2020: € 183 million), while the ECL impairment loss on loans and advances to customers at amortised cost for the period ended 31 March 2021 was a release of € 5 million (31 March 2020: ECL release of € 3 million).

The letters of guarantee written by the Group in favor of its associates as at 31 March 2021 amounted to € 12 million (31 December 2020: € 11 million).

24.3 Joint ventures

The balances and transactions with joint ventures are presented below:

(amounts in thousand €)	31/3/2021	31/12/2020
Loans and advances to customers at amortised cost (Gross carrying amount)	53,873	53,793
Other assets	1	-
Due to customers	95	27

(amounts in thousand €)	1/1 - 31/3/2021	1/1 - 31/3/2020
Total income	133	129

The ECL allowance for loans and advances to customers amortised cost granted to the Group's joint ventures amounted to € 41 million as at 31 March 2021 and 31 December 2020, while the ECL impairment loss on loans and advances to customers at amortised cost for the period ended 31 March 2021 was nil (31 March 2020: ECL release of € 0.4 million).

25 Changes in the portfolio of consolidated companies

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

In February 2021, Piraeus Bank S.A. established the wholly owned subsidiary Thesis Hermes S.M.S.A. with a share capital of € 500 thousand.

On 18 February 2021, the Company established the companies Vega I Real Estate S.M.S.A., Vega II Real Estate S.M.S.A. and Vega III Real Estate S.M.S.A.. The capital contribution of € 25 thousand for each of the companies, corresponding to 100% stake, was paid up for all companies on 26 February 2021. The companies were classified in the joint ventures portfolio.

On 2 March 2021, Piraeus Bank S.A. established the wholly owned subsidiaries Thesis Agra S.M.S.A., Thesis Cargo S.M.S.A., Thesis Schisto S.M.S.A. and Thesis Stone S.M.S.A with a share capital of € 500 thousand each.

b) Significant changes in the Group's participations during the period:

The changes incurred during the period ended 31 March 2021, concerning the Group's participations to subsidiaries, associates or joint ventures in excess of € 5 million, were the following:

Piraeus Bank S.A. proceeded with a share capital increase of € 265 million, which was fully covered by the Company. The transaction was completed on 29 March 2021.

On 30 March 2021, the share capital increase of the 52% subsidiary company of the Group, Thriacio Logistics Center S.A., amounting to € 12 million, was certified. The 65% subsidiary company of the Group, ETVA Industrial Parks S.A. exercised its preemptive right by paying € 10 million and its stake in the share capital remained unchanged.

26 Capital adequacy

The main objectives of Management with respect to capital adequacy are the following:

- To comply with the CRR Regulation 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 CRR Regulation, are as follows:

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 the Management of 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 31 March 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:

	31/3/2021	31/12/2020
Common Equity Tier 1 Capital (CET1)	5,110	5,927
Tier 1 Capital	5,110	5,927
Total regulatory capital	5,999	6,816
Total risk weighted assets (on and off- balance sheet items)	42,391	43,097
CET1 Capital ratio	12.05%	13.75%
T1 Capital ratio	12.05%	13.75%
Total Capital ratio	14.15%	15.82%

On 12 March 2020, the ECB announced several measures to address the adverse economic effects resulting from 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 Common Equity Tier 1 (CET1) capital, for example Additional Tier 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%.

The impact of Covid-19 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.

27 Events Subsequent to the End of the Reporting Period

2021 share capital increase

On 7 April 2021, the Extraordinary General Meeting of the Company's shareholders ("EGM") approved a) the reverse split of the common registered shares at a ratio of 16.5 existing shares of € 6.00 per share to be exchanged for 1 new common registered voting share of € 99.00 per share and the reduction of the total number of existing common registered shares of the Company from 831,059,164 shares to 50,367,223; b) the capitalization of € 93.00 from the share premium reserve in order to achieve an integer number of new shares in the context of the aforementioned reverse split; and c) the reduction of the Company's share capital by € 4,935,987,854 through decrease in nominal value from € 99.00 per share to € 1.00 per share without altering the total number of common registered shares of the Company, and 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 by virtue of the EGM resolution dated 7 April 2021, the increase of the Company's share capital by € 1,200,000,000 with the issuance of up to 1,200,000,000 new shares with an offering price ranging 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 as well as the admission of the new shares to trading on the Main Market of the Regulated Securities Market of the Athens Exchange.

The new shares were offered: a) in Greece, pursuant to a public offer to investors in accordance with Regulation (EU) 2017/1129, the applicable provisions of Law 4706/2020 and the relevant decisions of the Hellenic Capital Market Commission; and b) outside Greece, pursuant to a private placement book building process to qualified investors, eligible counterparties and other institutional investors (including the HFSF). Following the completion of the aforementioned offering and pursuant to the resolution of the Company's Board of Directors dated 23 April 2021, 1,200,000,000 new shares were issued at a price of € 1.15 per share.

The share capital increase was completed on 29 April 2021 and the net proceeds raised approximated € 1,302 million (i.e. gross proceeds of € 1,380 million less share capital expenses of approximately € 78 million). Following the share capital increase, the share capital of the Company amounts to € 1,250,367,223 and is divided into 1,250,367,223 common registered shares, of a nominal value of € 1.00 each. The new shares commenced trading on the Main Market of the Regulated Securities Market of the Athens Exchange on 7 May 2021.

In line with the purpose of the Company's share capital increase and the use of proceeds disclosed in the offering memorandum (i.e. to facilitate the timely execution of the Group's NPE Reduction Plan by allowing it to sustain anticipated losses to be incurred from NPE reduction and ensuring its adequate capital position by strengthening its core capital adequacy ratios), the net proceeds of € 1,302 million were transferred on 24 May 2021 to Piraeus Bank S.A.. The share capital increase of Piraeus Bank S.A. will be completed soon after the approval date of these Consolidated Interim Financial Statements, through issuance of new common shares by Piraeus Bank S.A., which will be fully subscribed by the Company.

Other non-adjusting events

On 27 April 2021, S&P Global Ratings affirmed the 'B-' long-term issuer credit rating on Piraeus Financial Holdings, with stable outlook, while on 11 May 2021, Moody's Investor Services affirmed the 'Caa3' long-term issuer rating on Piraeus Financial Holdings changing the outlook to positive from stable.

On 12 May 2021, pursuant to the provisions of Law 3556/2007 and following relevant notifications received, the Company announced that following the completion of its share capital increase and as of 7 May 2021, the HFSF holds directly 337,599,150 common registered voting shares (corresponding to 27.00% stake), while John A. Paulson (through Paulson & Co. Inc.) and Helikon Investments Limited (through Helikon Long short Equity Fund Master ICAV) hold 232,758,919 (corresponding to 18.62% stake) and 65,217,391 (corresponding to 5.22% stake) common registered voting shares, respectively.

Athens, 25 May 2021

CHAIRMAN OF THE BOARD OF DIRECTORS	MANAGING DIRECTOR	GROUP CHIEF FINANCIAL OFFICER	CHIEF FINANCIAL OFFICER
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