Condensed Interim Consolidated Financial Statements

30 September 2022

The Condensed Interim Consolidated Financial Statements have been approved by Piraeus Financial Holdings S.A. Board of Directors on 10 November 2022 and they are available on the web site of Piraeus Financial Holdings S.A. www.piraeusholdings.gr

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

PIRAEUS FINANCIAL HOLDINGS

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Condensed Interim Consolidated Financial Statements as at 30 September 2022

Notes to the Condensed Interim Consolidated Financial Statements

Condensed Interim Consolidated Income Statement

€ Million	Note	9 month period ended 30/9/2022	9 month period ended 30/9/2021 As reclassified	3 month period ended 30/9/2022	3 month period ended 30/9/2021 As reclassified
CONTINUING OPERATIONS					
Interest and similar income	6	1,192	1,365	404	411
Interest expense and similar charges	6	(270)	(274)	(73)	(92)
NET INTEREST INCOME		**922**	**1,091**	**332**	**319**
Fee and commission income	7	374	353	126	134
Fee and commission expense	7	(54)	(70)	(16)	(31)
NET FEE AND COMMISSION INCOME		**320**	**283**	**110**	**103**
Income from non-banking activities	8	45	26	18	11
Dividend income		1	1	-	1
Net gains/ (losses) from financial instruments measured at fair value through profit or loss ("FVTPL")	10	343	85	59	(6)
Net gains/ (losses) from financial instruments measured at fair value through other comprehensive income ("FVTOCI")	11	110	85	1	6
Net gains/ (losses) from derecognition of financial instruments measured at amortised cost		(21)	320	(1)	1
Net gains/ (losses) from loss of control over subsidiaries/ disposal of associates and joint ventures	20	285	-	5	-
Net other income/ (expenses)		6	9	(7)	(2)
TOTAL NET INCOME		**2,012**	**1,901**	**516**	**433**
Staff costs		(314)	(329)	(121)	(95)
Administrative expenses		(260)	(278)	(88)	(99)
Depreciation and amortisation		(80)	(83)	(25)	(28)
Net gain/ (losses) from sale of property and equipment and intangible assets		-	1	-	-
TOTAL OPERATING EXPENSES BEFORE PROVISIONS		**(654)**	**(689)**	**(235)**	**(222)**
PROFIT/ (LOSS) BEFORE PROVISIONS, IMPAIRMENT AND INCOME TAX		**1,359**	**1,211**	**282**	**211**
ECL impairment losses on loans and advances to customers at amortised cost	4.2	(422)	(3,962)	(63)	(785)
Other credit-risk related charges on loans and advances to customers at amortised cost	12	(90)	(123)	(28)	(33)
Impairment (losses)/releases on other assets		(16)	(18)	(7)	(4)
ECL impairment (losses)/ releases on debt securities measured at FVTOCI		1	(9)	-	1
Impairment on subsidiaries and associates		(2)	(23)	-	-
Impairment of property and equipment and intangible assets		(3)	(4)	(1)	(2)
Impairment on debt securities at amortised cost		(4)	(16)	(2)	3
Other provision (charges)/ releases		(7)	2	(10)	(3)
Share of profit/ (loss) of associates and joint ventures		(9)	2	-	9
PROFIT/ (LOSS) BEFORE INCOME TAX		**806**	**(2,941)**	**171**	**(603)**
Income tax benefit/ (expense)	13	(78)	(143)	(56)	(32)
PROFIT/ (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS		**728**	**(3,084)**	**115**	**(635)**
DISCONTINUED OPERATIONS					
Profit/ (loss) after income tax from discontinued operations	9	51	(5)	53	(4)
PROFIT/ (LOSS) FOR THE PERIOD		**780**	**(3,089)**	**167**	**(639)**
From continuing operations					
Profit/ (loss) attributable to the equity holders of the parent		729	(3,085)	115	(635)
Non controlling interest		(1)	1	-	-
From discontinued operations					
Profit/ (loss) attributable to the equity holders of the parent		51	(5)	53	(3)
Non controlling interest		-	-	-	-
Earnings/ (losses) per share attributable to the equity holders of the parent (in €):					
From continuing operations					
- Basic & Diluted	14	0.58	(4.26)	0.09	(0.51)
From discontinued operations					
- Basic & Diluted	14	0.04	(0.01)	0.04	(0.00)
Total					
- Basic & Diluted	14	0.62	(4.27)	0.13	(0.51)

The notes on pages 10 to 69 form an integral part of the Condensed Interim Consolidated Financial Statements

Condensed Interim Consolidated Statement of Comprehensive Income

€ Million	Note	9 month period ended		3 month period ended	
		30/9/2022	30/9/2021	30/9/2022	30/9/2021
CONTINUING OPERATIONS					
Profit/ (loss) for the period (A)		**728**	**(3,084)**	**115**	**(635)**
Other comprehensive income/ (expense), net of tax:					
Items that may be reclassified subsequently to profit or loss					
Change in reserve from debt securities measured at FVTOCI	15	(188)	(74)	(12)	(4)
Change in currency translation reserve	15	(7)	5	(5)	2
Items that will not be reclassified subsequently to profit or loss					
Change in reserve from equity instruments measured at FVTOCI	15	(5)	(32)	(2)	-
Change in property revaluation reserve	15	7	-	7	-
Other comprehensive income/ (expense), net of tax (B)	15	**(193)**	**(101)**	**(12)**	**(2)**
Total comprehensive income/ (expense), net of tax (A)+(B)		**535**	**(3,185)**	**103**	**(637)**
- Attributable to the equity holders of the parent		536	(3,186)	103	(637)
- Non controlling interest		(1)	1	-	-
DISCONTINUED OPERATIONS					
Profit/ (loss) for the period		**51**	**(5)**	**53**	**(3)**
Total comprehensive income/ (expense), net of tax		**51**	**(5)**	**53**	**(3)**
- Attributable to the equity holders of the parent		51	(5)	53	(3)
- Non controlling interest		-	-	-	-

The notes on pages 10 to 69 form an integral part of the Condensed Interim Consolidated Financial Statements

Condensed Interim Consolidated Statement of Financial Position

€ Million	Note	30/9/2022	31/12/2021
ASSETS			
Cash and balances with Central Banks		18,297	15,519
Due from banks		791	1,344
Financial assets at FVTPL		738	906
Financial assets mandatorily measured at FVTPL		184	205
Derivative financial instruments	16	1,799	591
Loans and advances to customers at amortised cost	17	36,015	36,521
Loans and advances to customers mandatorily measured at FVTPL		78	77
Financial assets measured at FVTOCI	19	1,408	2,366
Debt securities at amortised cost	19	9,773	9,200
Investment property		1,472	1,041
Investments in associated undertakings and joint ventures	20	670	630
Property and equipment		843	890
Intangible assets		299	267
Tax receivables	21	163	160
Deferred tax assets	13	6,074	6,070
Other assets		3,581	3,453
Assets held for sale	18	472	435
Assets from discontinued operations	9	-	114
TOTAL ASSETS		**82,656**	**79,789**
LIABILITIES			
Due to banks	22	15,456	14,865
Due to customers	23	56,733	55,442
Derivative financial instruments	16	679	393
Debt securities in issue	24	986	971
Other borrowed funds	25	920	935
Current income tax liabilities		5	5
Deferred tax liabilities		10	10
Retirement and termination benefit obligations		65	75
Provisions		152	136
Liabilities held for sale		5	3
Other liabilities		1,292	1,124
Liabilities from discontinued operations	9	-	28
TOTAL LIABILITIES		**76,302**	**73,987**
EQUITY			
Share capital	27	1,163	1,188
Share premium	27	3,555	18,112
Other equity instruments		600	600
Less: Treasury shares	27	(1)	(2)
Other reserves and retained earnings	28	1,009	(14,110)
Capital and reserves attributable to the equity holders of the parent		**6,326**	**5,788**
Non controlling interest		28	15
TOTAL EQUITY		**6,354**	**5,803**
TOTAL LIABILITIES AND EQUITY		**82,656**	**79,789**

Condensed Interim Consolidated Statement of Changes in Equity

€ Million	Note	Share capital	Share premium	Contingent convertible bonds	Other equity instruments	Treasury shares	Currency translation reserve	Reserve from financial assets at FVTOCI	Property revaluation reserve	Other reserves	Non-taxed reserves	Retained earnings	Total	Non controlling interest	Total
		Attributable to the equity shareholders of the parent entity													
Opening balance as at 1/1/2021		**2,620**	**13,075**	**2,040**	**-**	**(1)**	**(59)**	**281**	**-**	**115**	**-**	**(10,980)**	**7,091**	**106**	**7,197**
Restatement due to change in the presentation of Non-taxed reserves [1]		-	-	-	-	-	-	-	-	-	**351**	**(351)**	-	-	-
Restated Opening balance as at 1/1/2021 [1]		**2,620**	**13,075**	**2,040**	**-**	**(1)**	**(59)**	**281**	**-**	**115**	**351**	**(11,331)**	**7,091**	**106**	**7,197**
Other comprehensive income/ (expense), net of tax	15	-	-	-	-	-	5	(106)	-	-	-	-	(101)	-	(101)
Profit / (loss) after tax for the period 1/1 - 30/9/2021		-	-	-		-	-	-	-	-	-	(3,090)	(3,090)	1	(3,089)
Total comprehensive income/ (expense) for the period 1/1 - 30/9/2021		**-**	**-**	**-**	**-**	**-**	**5**	**(106)**	**-**	**-**	**-**	**(3,090)**	**(3,191)**	**1**	**(3,190)**
Conversion of Cocos into ordinary shares		2,366	-	(2,040)	-	-	-	-	-	-	-	(353)	(27)	-	(27)
Share capital increase, net of issue costs		1,200	101	-	-	-	-	-	-	-	-	-	1,301	-	1,301
Reduction of par value per share		(4,936)	4,936	-	-	-	-	-	-	-	-	-	-	-	-
Share capital decrease in kind		(63)	-	-	-	-	-	-	-	-	-	-	(63)	-	(63)
AT1 capital instrument, net of issue costs		-	-	-	600	-	-	-	-	-	-	(8)	592	-	592
(Purchases) / sales of treasury shares		-	-	-	-	1	-	-	-	-	-	-	1	-	1
Transfer between reserves and retained earnings		-	-	-	-	-	-	-	-	1	-	(1)	-	-	-
Transfer of the accumulated reserve from equity securities measured at FVTOCI to retained earnings upon disposal		-	-	-	-	-	-	-	-	-	-	62	62	-	62
Disposals and movements in participating interests		-	-	-	-	-	-	-	-	4	-	1	5	2	7
Balance as at 30/9/2021		**1,188**	**18,112**	**-**	**600**	**-**	**(54)**	**175**	**-**	**120**	**351**	**(14,721)**	**5,770**	**109**	**5,880**
Opening balance as at 1/10/2021		**1,188**	**18,112**	**-**	**600**	**-**	**(54)**	**175**	**-**	**120**	**351**	**(14,721)**	**5,770**	**109**	5,880
Other comprehensive income/(expense), net of tax		-	-	-	-	-	-	(31)	-	-	-	-	(31)	-	(31)
Profit / (loss) after tax for the period 1/10 - 31/12/2021		-	-	-	-	-	-	-	-	-	-	76	76	(2)	74
Total comprehensive income/ (expense) for the period 1/10 - 31/12/2021		**-**	**-**	**-**	**-**	**-**	**-**	**(31)**	**-**	**-**	**-**	**76**	**45**	**(2)**	**43**
Payment to the holders of AT1 capital instrument		-	-	-	-	-	-	-	-	-	-	(26)	(26)	-	(26)
(Purchases)/ sales of treasury shares		-	-	-	-	(2)	-	-	-	-	-	-	(2)	-	(2)
Disposals and movements in participating interests		-	-	-	-	-	-	-	-	(2)	-	2	-	(93)	(93)
Balance as at 31/12/2021		**1,188**	**18,112**	**-**	**600**	**(2)**	**(54)**	**144**	**-**	**118**	**351**	**(14,669)**	**5,787**	**15**	**5,803**

€ Million		Share capital	Share premium	Contingent convertible bonds	Other equity instruments	Treasury shares	Currency translation reserve	Reserve from financial assets at FVTOCI	Property revaluation reserve	Other reserves	Non-taxed reserves	Retained earnings	Total	Non controlling interest	Total
Opening balance as at 1/1/2022		**1,188**	**18,112**	**-**	**600**	**(2)**	**(54)**	**144**	**-**	**118**	**351**	**(14,669)**	**5,787**	**15**	**5,803**
Other comprehensive income/(expense), net of tax	15	-	-	-	-	-	(7)	(193)	7	-	-	-	(193)	-	(193)
Profit/ (loss) after tax for the period 1/1 - 30/9/2022		-	-	-	-	-	-	-	-	-	-	781	781	(1)	780
Total comprehensive income/ (expense) for the period 1/1 - 30/9/2022		**-**	**-**	**-**	**-**	**-**	**(7)**	**(193)**	**7**	**-**	**-**	**781**	**588**	**(1)**	**586**
Share capital decrease in kind	27	(25)	-	-	-	-	-	-	-	-	-	-	(25)	-	(25)
Offset of share premium by writing-off accumulated losses	27	-	(14,557)	-	-	-	-	-	-	-	-	14,557	-	-	-
Payment to the holders of AT1 capital instrument		-	-	-	-	-	-	-	-		-	(26)	(26)	-	(26)
(Purchases)/ sales of treasury shares		-	-	-	-	1	-	-	-	-	-	-	1	-	1
Transfer between reserves and retained earnings		-	-	-	-	-	-	-	-	1	-	(1)	-	-	-
Transfer of the accumulated reserve from equity securities measured at FVTOCI to retained earnings, upon disposal		-	-	-	-	-	-	-	-	-	-	(1)	(1)	-	(1)
Disposals and movements in participating interests		-	-	-	-	-	-	-	-	2	-	-	2	14	17
Balance as at 30/9/2022		**1,163**	**3,555**	**-**	**600**	**(1)**	**(61)**	**(48)**	**7**	**121**	**351**	**640**	**6,326**	**28**	**6,354**

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

Condensed Interim Consolidated Cash Flow Statement

€ Million	9 month period ended 30/9/2022	9 month period ended 30/9/2021 As reclassified
Cash flows from operating activities		
Profit/ (loss) before income tax	858	(2,946)
Adjustments to profit/ (loss) before income tax:		
Add: provisions and impairment	455	4,030
Add: depreciation and amortisation charge	82	86
Add: retirement benefits and cost of voluntary exit scheme	31	45
Net (gain)/ losses from financial instruments measured at FVTPL	404	(3)
Net (gain)/ losses from financial instruments measured at FVTOCI	(110)	(85)
(Gains)/ losses from investing activities	(346)	-
Accrued interest from investing and financing activities	48	24
Cash flows from operating activities before changes in operating assets and liabilities	1,421	1,151
Changes in operating assets and liabilities:		
Net (increase)/ decrease in cash and balances with Central Banks	(875)	(2)
Net (increase)/ decrease in financial instruments measured at FVTPL	245	(503)
Net (increase)/ decrease in financial assets mandatorily measured at FVTPL	(21)	114
Net (increase)/ decrease in debt securities at amortised cost	(1,916)	(3,873)
Net (increase)/ decrease in amounts due from banks	642	(191)
Net (increase)/ decrease in loans and advances to customers	(316)	823
Net (increase)/ decrease in reverse repos with customers	-	8
Net (increase)/ decrease in other assets	(117)	37
Net increase/ (decrease) in amounts due to banks	518	2,555
Net increase/ (decrease) in amounts due to customers	1,301	2,417
Net increase/ (decrease) in other liabilities	88	38
Net cash flow from operating activities before income tax payment	971	2,574
Income tax paid	(1)	(3)
Net cash inflow from operating activities	**970**	**2,571**
Cash flows from investing activities		
Purchases of property and equipment	(77)	(50)
Proceeds from disposal of property and equipment and intangible assets	13	8
Purchases of intangible assets	(46)	(23)
Proceeds from disposal of assets held for sale	536	83
Purchases of financial assets at FVTOCI	(1,544)	(3,932)
Proceeds from disposal of financial assets at FVTOCI	2,383	4,074
Acquisition of subsidiaries net of cash and cash equivalents	(101)	2
Proceeds from disposal of subsidiaries, net of cash and cash equivalents disposed	4	-
Acquisition, establishment and participation in share capital (increases)/ decreases of associates and joint ventures	-	(1)
Proceeds from disposal of associates	3	-
Dividends received	7	12
Net cash inflow from investing activities	**1,177**	**173**
Cash flows from financing activities		
Expenses directly attributable to the conversion of CoCos into ordinary shares	-	(27)
Net proceeds from the issue of ordinary shares	-	1,301
Net proceeds from the issue/ (repayment) of AT 1 capital instrument	(26)	592
Net proceeds from issue/ (repayment) of debt securities and other borrowed funds	(70)	(70)
Principal and interest portion of lease liability	(19)	(25)
Net cash inflow/(outflow) from financing activities	**(115)**	**1,771**
Effect of exchange rate changes on cash and cash equivalents	(6)	5
Net increase in cash and cash equivalents (A)	**2,026**	**4,521**
Cash and cash equivalents at the beginning of the period (B)	**15,868**	**9,303**
Cash and cash equivalents at the end of the period (A) + (B)	**17,894**	**13,824**

The notes on pages 10 to 69 form an integral part of the Condensed Interim Consolidated Financial Statements

1 General information

Piraeus Financial Holdings S.A. (the "Company"), registered under General Commercial Registry ("GEMI") number 225501000, was established in 1916 and its shares are registered and have been listed on the Main Market of the Athens Stock Exchange since 1918.

The Company operates in the form of a Société Anonyme, in accordance with the provisions of Greek Law 4548/2018, as currently in force, as well as the applicable regulatory framework on the operation of listed companies. In addition, as a financial holding company, it is subject to the relevant provisions of Law 4261/2014 as amended and in force and it is directly supervised by the European Central Bank ("ECB").

According to its codified articles of association, the Company's business scope includes, inter alia, activities related to directly and indirectly participating in domestic and/or foreign legal entities and other entities, undertakings and companies established or to be established, of any form and purpose, undertaking or carrying on insurance intermediation and insurance distribution activities on a retainer, pursuant to the provisions of Greek Law 4583/2018, as in force from time to time, for and on behalf of one or several insurance undertakings (insurance agent), providing insurance advisory services to third parties and to the subsidiaries of the Group, as well as researching, studying and analysing insurance related issues. The Company also provides financial advisory services including planning, development, research, reorganization or resolution, assessment, business strategy, acquisitions, sales, mergers and restructuring of companies, as well as advisory services on private insurance issues.

The Company is incorporated and domiciled in Greece. The address of its registered office is 4 Amerikis str., 105 64, Athens. The duration of the Company lapses on 6 July 2099. The Company and its subsidiaries (hereinafter the "Group") provide services in Southeastern and Western Europe. As of 30 September 2022, the headcount of the Group is 9,256 full time equivalents ("FTEs"), of which 198 FTEs refer to operations that are planned to be disposed.

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

The Board of Directors of Piraeus Financial Holdings S.A., that approved the condensed interim consolidated financial statements for the nine-month period ended 30 September 2022 (the ''Condensed Interim Consolidated Financial Statements"), as of 10 November 2022 consists of the following members:

George P. Handjinicolaou	Chairman of the BoD, Non-Executive Member
Karel G. De Boeck	Vice-Chairman of the BoD, Independent Non-Executive Member
Christos I. Megalou	Managing Director & Chief Executive Officer (CEO), Executive BoD Member
Vasileios D. Koutentakis	Executive BoD Member
Venetia G. Kontogouris	Independent Non-Executive BoD Member
Francesca. A. Tondi	Independent Non-Executive BoD Member
Enrico Tommaso C. Cucchiani	Independent Non-Executive BoD Member
David R. Hexter	Independent Non-Executive BoD Member
Solomon A. Berahas	Independent Non-Executive BoD Member
Andrew D. Panzures	Independent Non-Executive BoD Member
Anne J. Weatherston	Independent Non-Executive BoD Member
Alexander Z. Blades	Non-Executive BoD Member
Periklis N. Dontas	Non-Executive BoD Member, Hellenic Financial Stability Fund (HFSF) Representative under Law 3864/2010

According to the Company's articles of association and the current regulatory framework, the members of the Company's Board of Directors are elected by the general meeting of its shareholders and may be re-elected. The term of the members of the Board of Directors may not exceed three (3) years and may be extended until the first ordinary general meeting convened after such term has elapsed. Pursuant to Greek Law 3864/2010, a representative of the HFSF participates in the Board of Directors. If a member of the Board of Directors is replaced, then according to the Law, the respective replacement applies solely to the remaining term of the member being replaced. Pursuant to the Annual General Shareholders' Meeting Resolution on 26 June 2020, the term of the current Board of Directors expires on 26 June 2023.

2 Summary of significant accounting policies

2.1 Basis of preparation

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

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

The amounts are stated in Euro, rounded to the nearest million (unless otherwise stated) for ease of presentation. Any differences between the amounts presented in the primary financial statements and the relevant amounts presented in the accompanying notes are due to rounding.

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

2.2 Going concern

Conclusion

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

a) the recovery of economic activity in 2021, which continued with solid economic growth in 2022, and the prospects for a sustainable rate of growth of Gross Domestic Product ("GDP") in the medium term, taking also into account the deployment of the Recovery and Resilience Facility ("RRF") funds to the Greek economy that are estimated to support GDP growth and will allow the Greek economy's transition into a higher economic trajectory post the Covid-19 pandemic;

b) the continued recovery of the residential and commercial real estate prices during 2021 and 2022 year-to-date, which is expected to continue going forward;

c) the Group's effective liquidity risk management leading to a robust liquidity position as evident by the Liquidity Coverage Ratio ("LCR") and the Loans to Deposits ratio ("LDR") as of 30 September 2022 (refer to the Liquidity section below) as well as Management's assessment of the impact of stress test scenarios, within the Internal Capital Adequacy Assessment Process ("ICAAP") and Internal Liquidity Adequacy Assessment Process ("ILAAP") framework, on the Group's liquidity position and on mandatory liquidity ratios;

d) the actions taken by the Group for the reduction of non-performing exposures ("NPEs"), which have resulted in the NPE ratio dropping to 8.7% as at 30 September 2022 from 16.6% as at 30 September 2021 and 9.1% as at 30 June 2022, with the associated cost coming in line with initial estimates;

e) the capital adequacy of the Group, which exceeded the Overall Capital Requirement ("OCR") (refer to the Capital

Adequacy section below) and the Minimum Requirement for own funds and Eligible Liabilities (“MREL”) ratio of Piraeus Bank Group as at 30 September 2022, which exceeded the Intermediate Target of 16.1% effective from 1 January 2022, along with the non-dilutive capital enhancement actions that are in progress and expected to be completed in 2022 (e.g. synthetic securitizations of performing loans). It is estimated that for the next 12 months the Group’s capital adequacy ratios and the MREL ratio will remain higher than the required minimum regulatory levels;

f) the issuance of Additional Tier 1 (“AT1”) and Senior Preferred debt instruments in 2021 that attracted significant investor demand, indicating the Group’s ability to execute the further planned debt issuances, in line with the Group’s MREL strategy and also considering market conditions;

g) the geopolitical developments, specifically the Russia / Ukraine conflict, and the Group’s operations in Ukraine, which comprise a financial institution, namely JSC Piraeus Bank ICB, and investments in real estate assets which represent approximately 0.2% of the total consolidated assets of Piraeus Financial Holdings as of 30 September 2022;

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

i) the decisions of the Governing Council of the ECB in its July, September and October 2022 meetings to raise interest rates by 200 basis points in total and the prospect for further hikes in the future, which are expected to have a positive impact on net interest income and therefore group profits from the second semester of 2022 onwards.

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

<u>Macroeconomic environment</u>

The Greek economy, following a strong recovery of 8.4% in 2021 which covered almost all of the losses of 2020, within an adverse international environment, maintains its growth momentum for 2022. In particular, in the first half of 2022 the real GDP increased by 7.8% on an annual basis mainly due to the positive contribution of private consumption and investments. Based on Draft State Budget 2023 (Ministry of Finance, October 2022) real GDP is expected to expand by 5.3% in 2022 and 2.1% in 2023.

According to the short-term indicators of economic activity: (a) in August, the seasonally adjusted unemployment rate reached 12.2% (August 2021: 13.7%). Employment on average in the first eight months of 2022 increased by 7.1% on an annual basis against 5.1% in the corresponding period of the previous year, (b) turnover and volume indicators linked to activity in industry, trade, construction and services have maintained an upward trend, (c) in the period from January to August 2022, travel receipts increased to € 12.7 billion, representing 96.4% of the corresponding figure for 2019, (d) in the real estate market, the apartment price index increased in the first semester 2022 by 9.3%, (first semester 2021: 5.7%), while the office price index increased by 2.4% in the second semester of 2021 on an annual basis and by 1.8% in 2021.

Strong inflationary pressures are a key feature of 2022, both in the global market and in Greece. In particular, as of 30 September 2022, headline inflation (CPI) reached 10.1% (30 September 2021: 0.2%). During the same period, harmonized inflation (HICP) reached 9.5%. Based on Draft State Budget 2023, HICP inflation will reach 8.8% in 2022 and 3.0 % in 2023.

During the nine month period ended 30 September 2022, the State Budget deficit, on a modified cash basis, was reduced to € 4.22 billion (€ - 10.15 billion in the corresponding period of 2021), based on the available State Budget execution information. The State Budget Primary Balance amounted to a surplus of € 52 million, against primary deficit of € 5.96 billion incurred at the same period of the previous year. According to the Draft State Budget 2023, the general government deficit according to ESA (European System of Accounts) is estimated at 4.1% of GDP in 2022 and 2.0% in 2023. The primary result is expected to be, a deficit of 1.7% of GDP in 2022 and a surplus of 0.7% in 2023.

European resources from the Recovery and Resilience Fund (“RRF”) will be a key parameter to support the economy. Specifically, the National Recovery and Resilience Plan "Greece 2.0", which includes European funds of € 30.5 billion (€ 17.8 billion in grants and € 12.7 billion in loans). By the end of September 2022, 372 projects amounting to a total budget of € 13.5 billion have been included in the RRF. On 8 April 2022, Greece received the first instalment of € 3.56 billion while having received a pre-financing of € 3.96 billion in August 2021. Further, on 30 September 30 2022, Greece filed for the second payment request from the RRF amounting to € 3.56 billion.

An important milestone was Greece’s exit from the enhanced supervision regime effective from 21 August 2022, decided by Eurogroup on 16 June 2022. Therefore, the monitoring of the country's economic, fiscal and financial position is part of the established post-programme surveillance and in the context of the European Semester. In parallel, in early April 2022, Greece completed its third consecutive early debt repayment to the International Monetary Fund (“IMF”) amounting to € 1.86 billion and paid off total loans of approximately € 7.9 billion due in 2024, thus reducing the cost of public debt financing.

The Greek economy’s development prospects depend on utilization of European funds, de-escalation of inflationary pressures, geopolitical developments, a strong rebound in tourism activities and improvement of the epidemic status. The primary risk factors affecting Greek economy developments, the domestic banking sector in general and the Group in particular relate to the ongoing impact created by international geopolitical challenges, the deterioration of supply and demand imbalances, the maintenance of high inflationary pressures, the supply chain’s volatility, uncertainty in financial markets and the next phases of the pandemic.

Specifically, for the Russia-Ukraine crisis, the Group has developed and implemented, in accordance with the Group’s Compliance Policy provisions, all the necessary measures in order to address the restrictive measures imposed by specific organizations / authorities [i.e. EU, US Treasury (OFAC), United Nations (“UN”), French Ministry of Economics and Finance (MINEFI)].

Therefore, a potential slow and weak economic development, along with persistently high inflation, could potentially have a negative effect on the quality of the Group’s loan portfolio, and subsequently to its profitability and capital adequacy. Management closely monitors the developments and assesses periodically the impact that these might have on the Group’s operations and financial performance. The Group invests in process level and automated controls to help prevent, detect and mitigate cyber threats. The Group’s ability to detect and respond to attacks through round-the-clock security operations center capabilities help reducing the impact of cyber attacks.

Liquidity

As at 30 September 2022, Group deposits rose by 1.2% compared to 30 June 2022, to € 56.7 billion, following the increase of 1.1% incurred in the first semester of 2022.

The ECB’s Governing Council decided to its meetings held in July, September and October 2022 to raise the key ECB interest rates by 50, 75 and 75 basis points, respectively. As a result, the main refinancing rate currently stands at 2.00% and the Deposit

Facility Rate (“DFR”) at 1,50%. This recent development has the potential of adversely affecting cost of funding.

In 2020, as a response to Covid-19 pandemic’s effects on the European economy, the ECB announced easing off the conditions for Targeted Longer Term Refinancing Operations (“TLTRO”), in order to leverage its use by credit institutions. In its 27 October meeting, the ECB recalibrated the TLTRO III terms with effect from 23 November 2022 and until the maturity date or early repayment date of each respective outstanding TLTRO III operation. The interest rate on TLTRO III operations will be indexed to the average applicable key ECB interest rates over this period, while three additional voluntary early repayment dates will be introduced. The recalibration aims to normalize bank funding costs and to remove deterrents to early optional repayment of outstanding TLTRO III funds. Additionally, the ECB’s Governing Council decided to set the remuneration of minimum reserves at the Eurosystem’s DFR compared to the ECB’s main refinancing operations rate that applied so far.

As of 30 September 2022, the Group’s funding under TLTRO auctions amounted to € 14.4 billion. This is facilitated through ECB’s decision in April 2020 to waive the eligibility criteria and accept Greek sovereign debt instruments as collateral in Eurosystem credit operations. Funding from the interbank market stood at € 0.1 billion as at 30 September 2022, stable compared to 30 June 2022.

Regarding the maturity profile of the aforementioned TLTRO funding, an amount of € 0.3 billion matures in 2022, € 11 billion in 2023 and the rest in 2024. The Group has the capacity to repay the upcoming TLTRO maturities due to the ample position of € 18.3 billion in cash and balances with central banks.

The Group’s balance sheet deleveraging, coupled with the medium-term customer deposits restoration trend, alongside the active markets access through Tier 2 issuances (in 2019 and early 2020), as well as AT1 Capital instrument and Green Senior Preferred Bond issued in 2021, improved the Group’s funding mix and increased its high-quality liquid assets (“HQLA”) buffer. As at 30 September 2022, the Group’s LCR stood at 191% (thus, almost double than the regulatory requirement of 100%) and the net LDR at 63.5%.

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

Capital adequacy

The Group’s Basel III Common Equity Tier 1 (“CET1”) ratio as at 30 September 2022 stood at 11.89%, while the total regulatory capital ratio stood at 16.57% as at the same date. As it is further explained in Notes 2.4 and 19, on 1 October 2022 the Group reclassified debt securities issued by corporations and financial institutions of total nominal value € 700 million, from FVTOCI to amortised cost, following the change in business model for managing the said asset class. In this context, the CET1 and total capital ratio increase to 12.15% and 16.82%, respectively on 01st October 2022.

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

Please refer to Note 31 for further details on the Group’s capital adequacy.

2.3 Adoption of International Financial Reporting Standards

The Group reviewed the amendments to existing standards and annual improvements that have been issued by the International Accounting Standards Board ("IASB"), have been endorsed by the EU as of the date the Condensed Interim Consolidated Financial Statements were issued and are effective from 1 January 2022 and concluded that they did not have an impact on the Condensed Interim Consolidated Financial Statements.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

2.4 Update to the Group's significant accounting policies disclosed in the 2021 Annual Financial Report

Debt securities issued by corporations and financial institutions

During the current reporting period, the Group changed its accounting policy for managing debt securities issued by corporations and financial institutions. Specifically, following the change in business model for the aforementioned asset class, that was approved by the Group's Executive Committee on 19 September 2022, and the resulting reclassification of financial assets accounted for on 1 October 2022, all debt securities issued by corporations and financial institutions will be acquired by the Group solely for hold-to-collect purposes and classified at amortised cost, unless they fail the solely payments of principal and interest ("SPPI") test. Please refer to Notes 19 and 34 for further information on the reclassification and its impact on the Group's financial position.

Contribution of subsidiaries that meet the business definition into associates

During the current reporting period the Group expanded its accounting policy for loss of control over a subsidiary or a business (2.4.4/ 2021 Annual Financial Report) to specify that IFRS 10 is applied on contributions of subsidiaries that meet the business definition, into associates. On this basis such contributions are measured at fair value and any resulting gain or loss arising from loss of control over the former subsidiary is recognized in the income statement.

3 Critical accounting judgements and key sources of estimation uncertainty

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

3.1 Key sources of estimation uncertainty

Macroeconomic factors

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

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

ECL Key drivers Scenario	30/9/2022 (2022-2025) %	31/12/2021 (2021-2024) %
Real GDP growth		
Optimistic	6.5	7.3
Base	4.2	5.6
Pessimistic	2.1	4.0
Unemployment rates		
Optimistic	10.2	11.3
Base	12.2	12.9
Pessimistic	14.1	14.3
Price index (Residential)		
Optimistic	8.6	7.2
Base	6.7	6.1
Pessimistic	4.9	4.9
Price index (Non residential)		
Optimistic	5.5	5.4
Base	3.4	4.1
Pessimistic	1.4	2.7

Following the recession of the Greek economy in 2020 attributable to the Covid-19 pandemic, economic activity recovered in 2021 and is expected to recover further in 2022-2025. The solid foundations that have been created through stimulating demand, increasing employment, boosting exports, increasing savings funds, combined with the benefit from the utilization of European resources, the implementation of the reforms included in the National Recovery and Resilience Plan, the rationalisation of budget surpluses and the relaxation of Greece's fiscal consolidation requirements provide credible prospects for rapid economic recovery and sustainable growth. The unemployment rate is expected to be lower in the coming years, despite the impact of the Covid-19 pandemic, reflecting the fact that the labor market is progressively improving in recent years and employment is following a steady growth path. Both residential and non-residential (offices) price indices are continuing to follow a highly positive path for the next four years.

The Russia-Ukraine war may have an impact on Greek economic activity and inflation through higher energy and commodities prices, contraction of international trade and lower household and business confidence. However, the extent of these effects will depend on the manner of the war progressing, as well as the impact of current and future sanctions. The uncertainty about the scale and time horizon of the resulting economic consequences is expected to resolve later, throughout the year. However, the rapid recovery of the Greek economy from the pandemic is also indicative of the improved resilience of the economy to shocks. The economic growth of 2022 depends on the utilization of funds under the RRF and investments in general, the course of inflationary pressures, the geopolitical developments, the improvement of the epidemic status and the degree of tourist activity restoration.

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

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

Determination of scenario weights

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

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

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

Held-for sale classification

Sunrise III portfolio: The uncertainty relating to the outcome of the regulatory approval process, that affects the Group's intent to execute the aspired sale of the portfolio through securitization, has been significantly reduced during the second quarter of 2022, following the substantial completion of the Bank's three synthetic securitizations i.e., shipping, mortgages, loans to small and medium and large enterprises and other loans that aims to enhance the capital position of the Group. On this basis, the aforementioned portfolio was classified as held for sale and its carrying amount was written down to fair value less cost to sell. The ECL impairment charge recognised in the Condensed Interim Consolidated Income Statement for the nine-month period ended 30 September 2022, as a result of the aforementioned write-down, amounted approximately to € 115 million.

Solar portfolio: Project Solar is a joint securitization process with other Greek financial institutions under the Hellenic Asset Protection Scheme ("HAPS"). The Group's stake in the joint portfolio is € 329 million. During the second quarter of 2022, the transaction progressed significantly. Management assessed and concluded that the IFRS 5 criteria are met. Therefore, the said portfolio has been classified as held for sale and its carrying amount was written down to fair value less cost to sell. The ECL impairment charge recognised in the Condensed Interim Consolidated Income Statement for the nine-month period ended 30 September 2022, as a result of the aforementioned write-down, amounted to € 67 million.

4 Financial Risk Management

4.1 Fair values of financial instruments

4.1.1 Financial instruments not measured at fair value

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

	Carrying Amount		Fair Value	
	30/9/2022	31/12/2021	30/9/2022	31/12/2021
Financial assets				
Loans and advances to customers at amortised cost	36,015	36,521	35,423	36,556
Debt securities at amortised cost	9,773	9,200	7,940	8,982
Financial liabilities				
Debt securities in issue	986	971	896	964
Other borrowed funds	920	935	746	957

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

Loans and advances to customers at amortised cost: Fair value is estimated using discounted cash flow models, taking into account yield curves observable in the market as of the date of the valuation and adjustments for credit risk.

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

4.1.2 Financial assets and liabilities measured at fair value

Fair value is the price that would be received to sell a financial asset or paid to transfer a liability in an orderly transaction between market participants, at the measurement date, under current market conditions.

IFRS 13 establishes a fair value hierarchy that categorises financial instruments into three levels based on the type of inputs to the valuation techniques used, as follows:

Level 1 inputs comprise unadjusted quoted prices in active markets for identical assets and liabilities that the entity can access at the measurement date. Level 1 assets and liabilities include debt and equity securities, as well as derivative contracts that are traded in an active and organized market structure (i.e. exchange listed futures and options). An active market is a market in which transactions for assets or liabilities take place with sufficient frequency and volume to provide information on an ongoing basis and are characterized by low bid/ask spreads.

Level 2 inputs comprise observable inputs other than Level 1 quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for the full term of the instrument. An input is observable if it is developed using market data, such as publicly available information about events or transactions, and reflects the assumptions that market participants would use when pricing the asset or liability. Level 2 assets and liabilities include 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 by hierarchy, of the financial assets and liabilities which are measured at fair value, on a recurring basis, and continue to be recognized, in their entirety, on the Condensed Interim Consolidated Statement of Financial Position at the end of the reporting period.

Financial instruments measured at fair value and basis of valuation

	30/9/2022				31/12/2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Derivative financial instruments	-	1,799	-	1,799	-	591	-	**591**
Financial assets at FVTPL	430	308	-	738	849	57	-	**906**
Financial assets mandatorily measured at FVTPL	102	-	82	184	112	-	93	**205**
Loans and advances to customers mandatorily measured at FVTPL	-	-	78	78	-	-	77	**77**
Financial assets at FVTOCI	1,109	276	23	1,408	2,132	212	22	**2,366**
Financial liabilities								
Derivative financial instruments	-	679	-	679	-	393	-	**393**

Transfers between Level 1 and Level 2

Within the nine-month period ended 30 September 2022, € 174 million and € 36 million of bonds issued by financial institutions, corporations and Greek Government Bonds ("GGBs"), were transferred from Level 1 to Level 2 and from Level 2 to Level 1, respectively, due to change in their trading activity. There were no transfers of financial liabilities between Level 1 and Level 2 during the nine-month period ended 30 September 2022 and the year ended 31 December 2021. Transfers between levels of the fair value hierarchy are deemed to have occurred at the end of the reporting period, in which the financial instruments were transferred.

Level 3 financial instruments

Level 3 financial instruments include:

a) Credit impaired loans and advances to customers, which are mandatorily measured at FVTPL because their contractual cash flows are not SPPI. The said assets are valued using an income approach (present value of expected cash flows) technique incorporating unobservable inputs.

b) Financial assets mandatorily measured at FVTPL, including a) contingent consideration in the form of a performance note payable to the Bank based on the EBITDA of: (i) Intrum Hellas Credit Servicing S.A.; (ii) Intrum Hellas REO Solutions S.A.; and (iii) any of their affiliates for a specified period of time after closing, of par value € 32 million, issued by Intrum Holding Spain S.A.U., b) contingent and variable consideration assets recognized following the disposal of loans and corporate receivables, the fair value of which was estimated at € 10 million, for which the models used to estimate their fair value utilize significant unobservable inputs (e.g. discount rate, volatility, expected cash flows etc.).

c) Mutual funds and closed end funds, which do not meet the definition of an equity instrument under IAS 32 and are mandatorily measured at FVTPL, for which the models used to estimate the fair value are price-based and the price is obtained from the fund manager.

d) Equity securities at FVTOCI and FVTPL, which are not traded in active markets and their fair value is estimated on the basis of the available information using an income or market approach, for which the main inputs used are earnings forecasts, comparable multiples of income economic value, net asset value, adjusted equity and other parameters which are not market observable, as well as estimations that may adjust these values.

e) Contingent convertible instruments for which the trigger of conversion to equity is based on non-market observable triggers (e.g. balance sheet or regulatory capital).

f) Subordinated notes of the Sunrise I and Sunrise II, Phoenix and Vega I,II,III securitizations retained by the Group as of 30 September2022 classified within “Loans and advances to customers mandatorily measured at FVTPL”, which have been valued using multiple valuation techniques incorporating significant unobservable inputs.

During the period ended 30 September 2022 and the year ended 31 December 2021, there were no transfers into or out of Level 3. The following table presents a reconciliation of Level 3 fair value measurements for the aforementioned periods:

	Reconciliation of Level 3 instruments		
	Financial assets mandatorily measured at FVTPL	Loans and advances to customers mandatorily measured at FVTPL	Financial assets at FVTOCI
Opening balance as at 1/1/2021	**71**	**50**	**35**
Gain/ (loss) recognised in the income statement	19	(2)	-
Purchases/Additions	11	-	-
Recognition of Phoenix, Vega I,II,III and Sunrise I and II subordinated notes	-	156	-
Disposals/ Contributions	(9)	(127)	(13)
FX differences	2	-	-
Closing Balance as at 31/12/2021	**93**	**77**	**22**
Gain/ (loss) recognised in the income statement	(32)	1	-
Purchases / Additions	27	-	1
Disposals/ Reductions	(12)	-	-
FX differences	6	-	-
Closing Balance as at 30/9/2022	**82**	**78**	**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 determined by functions of the Group that are independent of the risk-taking unit.

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

The Group mainly engages in vanilla derivative products, hence, the valuation models utilised are fairly standard across the industry. Inputs to valuation models are determined based on market observable information wherever possible. Counterparty credit risk-adjustments are applied on all OTC derivatives. The Group calculates a separate Credit Value Adjustment ("CVA") for each counterparty to which the Group has exposure. The CVA is estimated considering expected exposures generated using simulation techniques (i.e. Monte Carlo simulation), as well as International Swaps and Derivatives Association ("ISDA") master netting agreements and collateral postings under Credit Support Annex ("CSA") contracts. With respect to own credit risk, the Group estimates a Debt Value Adjustment ("DVA") by applying a methodology symmetric to the one applied for CVA. The bilateral CVA ("BCVA") is based on implied probabilities of default, derived from credit default swaps ("CDS") spreads observed in the market, or, if these are not available, from appropriate proxies. As of 30 September 2022 and 31 December 2021, the BCVA was immaterial.

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

Quantitative information for the Level 3 fair value measurement as at 30 September 2022 and 31 December 2021

Financial instruments[4]	Fair Value 30/9/2022	Fair Value 31/12/2021	Valuation Technique	Significant Unobservable Input	Range of Inputs 30/9/2022 Low	Range of Inputs 30/9/2022 High	Range of Inputs 31/12/2021 Low	Range of Inputs 31/12/2021 High
Financial assets mandatorily measured at FVTPL – Contingent & variable considerations	42	43	Monte Carlo simulation	Revenue volatility Discount rate Expected EBITDA/CFs	15% 14% n/a[2]	15% 14% n/a[2]	15% 14% n/a[2]	15% 14% n/a[2]
Financial assets mandatorily measured at FVTPL and FVTOCI – equity securities, mutual funds	62	72	Income, market approach	n/a[1]	n/a[1]	n/a[1]	n/a[1]	n/a[1]
Loans and advances to customers mandatorily measured at FVTPL – Phoenix, Vega I, II, III and Sunrise I and II subordinated notes	33	34	Market approach	Binding quotes from third parties	15%[5]	36%[5]	15%[5]	36%[5]
Loans and advances to customers mandatorily measured at FVTPL – other	45	43	Discounted Cash Flows	Credit risk adjusted expected cash flows	0%[3]	100%[3]	0%[3]	100%[3]

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

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

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

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

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

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

4.2 Credit Risk Management

4.2.1 Loans and advances to customers at amortised cost

For credit risk management purposes, the Group monitors its credit risk exposure on all acquired loans and advances to customers at amortised cost on a gross basis, i.e. the exposure at default is grossed up with the unamortised purchase price allocation adjustment as of the reporting date (the "PPA adjustment").

For the purposes of this disclosure, gross carrying amount is defined as the amortised cost, before adjusting for any loss allowance, grossed up with the PPA adjustment. Similarly, the ECL allowance for impairment losses presented in the following tables includes the PPA adjustment. As such, the gross carrying amount and ECL allowance for impairment losses presented below does not reconcile to Note 17.

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

30/9/2022	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Credit impaired Lifetime ECL	POCI Credit impaired Lifetime ECL	Total
Mortgages					
Gross carrying amount	4,515	1,799	311	320	**6,945**
Less: ECL Allowance for impairment losses	(3)	(26)	(41)	(13)	**(84)**
Total Mortgages	**4,512**	**1,772**	**270**	**306**	**6,861**
Consumer, Personal and Other loans					
Gross carrying amount	865	304	197	79	**1,444**
Less: ECL Allowance for impairment losses	(14)	(28)	(105)	(18)	**(163)**
Total Consumer, Personal and Other loans	**851**	**276**	**92**	**62**	**1,281**
Credit Cards					
Gross carrying amount	399	94	46	3	**542**
Less: ECL Allowance for impairment losses	(1)	(4)	(37)	(3)	**(45)**
Total Credit Cards	**398**	**89**	**9**	**1**	**497**
Retail Lending					
Gross carrying amount	5,779	2,197	554	402	**8,931**
Less: ECL Allowance for impairment losses	(18)	(58)	(183)	(34)	**(293)**
Total Retail Lending	**5,761**	**2,138**	**371**	**368**	**8,639**
Loans to Large Corporate					
Gross carrying amount	17,126	1,043	1,167	105	**19,441**
Less: ECL Allowance for impairment losses	(20)	(12)	(429)	(18)	**(479)**
Total Loans to Large Corporate	**17,106**	**1,031**	**738**	**87**	**18,963**
Loans to SMEs					
Gross carrying amount	6,368	1,236	1,245	287	**9,136**
Less: ECL Allowance for impairment losses	(27)	(78)	(642)	(97)	**(844)**
Total Loans to SMEs	**6,342**	**1,157**	**603**	**190**	**8,292**
Loans to Public Sector					
Gross carrying amount	116	2	5	2	**126**
Less: ECL Allowance for impairment losses	(1)	-	-	-	**(1)**
Total Loans to Public Sector	**116**	**2**	**5**	**2**	**125**
Corporate and Public Sector Lending					
Gross carrying amount	23,611	2,281	2,417	394	**28,703**
Less: ECL Allowance for impairment losses	(47)	(90)	(1,071)	(115)	**(1,323)**
Total Corporate and Public Sector Lending	**23,564**	**2,191**	**1,346**	**279**	**27,380**
Loans and advances to customers at amortised cost					
Gross carrying amount	29,389	4,478	2,971	796	**37,634**
Less: ECL Allowance for impairment losses	(65)	(149)	(1,257)	(149)	**(1,619)**
Total Loans and advances to customers at amortised cost	**29,324**	**4,329**	**1,714**	**647**	**36,015**

31/12/2021	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Credit impaired Lifetime ECL	POCI Credit impaired Lifetime ECL	Total
Mortgages					
Gross carrying amount	4,647	1,803	404	341	**7,195**
Less: ECL Allowance for impairment losses	(3)	(21)	(36)	(12)	**(72)**
Total Mortgages	**4,643**	**1,782**	**368**	**329**	**7,123**
Consumer, Personal and Other loans					
Gross carrying amount	837	352	222	92	**1,503**
Less: ECL Allowance for impairment losses	(17)	(35)	(101)	(22)	**(174)**
Total Consumer, Personal and Other loans	**820**	**317**	**120**	**70**	**1,328**
Credit Cards					
Gross carrying amount	322	115	50	4	**491**
Less: ECL Allowance for impairment losses	(1)	(5)	(40)	(3)	**(48)**
Total Credit Cards	**321**	**111**	**10**	**1**	**443**
Retail Lending					
Gross carrying amount	5,806	2,271	676	436	**9,189**
Less: ECL Allowance for impairment losses	(21)	(60)	(177)	(36)	**(295)**
Total Retail Lending	**5,785**	**2,210**	**498**	**400**	**8,893**
Large Corporate Lending					
Gross carrying amount	15,304	1,171	1,430	113	**18,017**
Less: ECL Allowance for impairment losses	(38)	(22)	(460)	(13)	**(533)**
Total Large Corporate Lending	**15,266**	**1,148**	**970**	**100**	**17,484**
SMEs Lending					
Gross carrying amount	5,353	1,684	2,231	465	**9,733**
Less: ECL Allowance for impairment losses	(31)	(93)	(870)	(147)	**(1,141)**
Total SMEs Lending	**5,322**	**1,592**	**1,361**	**317**	**8,593**
Public Sector Lending					
Gross carrying amount	1,545	-	5	2	**1,553**
Less: ECL Allowance for impairment losses	(1)	-	-	-	**(2)**
Total Public Sector Lending	**1,544**	**-**	**5**	**2**	**1,551**
Corporate and Public Sector Lending					
Gross carrying amount	22,202	2,855	3,666	580	**29,303**
Less: ECL Allowance for impairment losses	(69)	(115)	(1,330)	(160)	**(1,675)**
Total Corporate and Public Sector Lending	**22,132**	**2,740**	**2,336**	**420**	**27,628**
Loans and advances to customers at amortised cost					
Gross carrying amount	28,007	5,126	4,342	1,016	**38,492**
Less: ECL Allowance for impairment losses	(91)	(175)	(1,508)	(197)	**(1,971)**
Total Loans and advances to customers at amortised cost	**27,917**	**4,950**	**2,834**	**820**	**36,521**

Stage 1 exposures presented under note line "Large corporate lending" include collateralised loan obligations ("CLOs") with a gross carrying amount of € 376 million as of 30 September 2022 (31 December 2021: € 93 million). The corresponding ECL, for both periods is immaterial. Refer also to Note 17.

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

Movement in ECL allowance

	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 1/1/2022	**91**	**175**	**1,508**	**197**	**1,971**
Transfer (to)/ from Held for Sale	(1)	(4)	(379)	(83)	**(467)**
Transfers between stages (net)	53	(32)	(21)	-	**-**
ECL impairment charge/ (release) for the period (P&L)	(108)	1	490	39	**422**
Change in the present value of the allowance	-	-	30	8	**38**
Write-off of interest recognised from change in the present value of the allowance	-	(1)	(51)	(11)	**(63)**
Write-offs	(3)	(1)	(241)	(21)	**(266)**
Disposals of loans and advances	-	-	-	(1)	**(1)**
FX differences and other movements	34	9	(79)	22	**(15)**
ECL allowance as at 30/9/2022	**65**	**148**	**1,257**	**149**	**1,619**

Movement in ECL allowance

	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 1/1/2021	**107**	**257**	**6,482**	**3,058**	**9,904**
Transfer (to)/ from Held for Sale	(1)	(16)	(2,778)	(1,727)	**(4,522)**
Transfers between stages (net)	27	(37)	10	-	**-**
ECL impairment charge/ (release) for the period (P&L) (as reclassified)	-	209	2,707	1,046	**3,962**
Change in the present value of the allowance	-	1	150	79	**230**
Write-off of interest recognised from change in the present value of the allowance	-	(1)	(228)	(92)	**(320)**
Write-offs	(5)	(1)	(208)	(130)	**(344)**
Disposals of loans and advances	(9)	(140)	(2,834)	(1,382)	**(4,366)**
FX differences and other movements (as reclassified)	(32)	(86)	(1,479)	(641)	**(2,236)**
ECL allowance as at 30/9/2021	**88**	**186**	**1,822**	**211**	**2,307**

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

Line item "ECL impairment charge/ (release) for the period (P&L)" of the Group for the nine-month period ended 30 September 2022 includes an ECL impairment charge of € 182 million relating to Sunrise III and Solar portfolios (refer to Notes 3.1 and 18).

The gross modification impact recognized by the Group during the period ended 30 September 2022, for loans with ECL allowance measured at an amount equal to lifetime ECL was gain of € 1 million (30 September 2021: loss € 73 million). The said impact 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 € 15 million (30 September 2021: € 25 million). The net impact for the Group on the Condensed Interim Consolidated Income Statement for the period ended 30 September 2022 was, therefore, gain of € 16 million (30 September 2021: € 48 million). The gross carrying amount (before modification) of the loans whose cash flows were modified during the period ended 30 September 2022 amounted to € 1,054 million for the Group (30 September 2021: € 3,895 million). The gross carrying amount as at 30 September 2022 of loans and advances to customers at amortised cost that have been modified since initial recognition at a time when their ECL allowance was measured at an amount equal to lifetime ECL (Stage 3 and Stage 2) and for which their respective ECL allowance as at 30 September 2022 is measured at an amount equal to 12-month ECL (Stage 1), is € 166 million (30 September 2021: € 415 million).

4.2.2 Receivables from the Greek Public Sector

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

	30/9/2022	31/12/2021
Derivative financial instruments	52	296
Debt securities at FVTPL	300	445
Loans and advances at amortised cost	122	1,551
Debt securities at amortised cost	7,250	6,698
Debt securities at FVTOCI	735	1,450
Other assets	780	650
Total	**9,239**	**11,090**

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

During the period ended 30 September 2022, the Group purchased GGBs of nominal value € 1.9 billion, which were classified at amortised cost and it sold GGBs and Greek treasury bills of nominal value € 1.2 billion, which were classified at FVTOCI. Refer to Notes 11 and 19 for further information on material debt securities transactions throughout the reporting period.

5 Segment analysis

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

Retail Banking – Includes Mass, Affluent, Small Businesses, International Business Unit ("IBU"), and Public core customer segments as well as Channels.

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

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

Other – Includes all management related activities not allocated to specific customer segments, the management of real estate owned ("REO") assets, Wealth and Asset Management ("WAM") activities, certain equity participations of the Group, funding transactions approved by the Asset and Liability Management Committee ("ALCO") and intersegmental eliminations.

NPE Management Unit (“NPE MU”) – Includes the management of any NPEs assessed as non-core business, irrespectively of whether the said exposures are serviced by the Group or third parties. In addition, following the derecognition of Phoenix, Vega I, II, III, Sunrise I and Sunrise II securitized portfolios, this reportable segment includes also the senior and subordinated notes issued by the securitization special purpose vehicles and retained by the Group. The accrued fees payable for servicing the Group’s NPE portfolio are recognized within this segment. Furthermore, the respective segment includes also certain equity participations, as well as equity securities classified in either FVTOCI or FVTPL, and certain associates (i.e. STRIX Asset Management and STRIX Holdings Limited).

All intragroup transactions are undertaken on an arm’s length basis and inter-segment transactions and balances are eliminated within each relevant segment.

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

1/1 - 30/9/2022	"Core" Segments					NPE MU	Group
	Retail Banking	Corporate Banking	PFM	Other	Total		
Net interest income	335	329	181	86	931	(9)	**922**
Net fee and commission income	177	123	6	9	315	5	**320**
Income from non-banking activities	-	-	-	41	41	4	**45**
Net gain/ (losses) from derecognition of financial instruments measured at amortised cost	-	-	(17)	(1)	(17)	(4)	**(21)**
Net other income/ (expenses)	283	1	482	(18)	747	(1)	**746**
Total net income/ (expenses)	**794**	**453**	**653**	**117**	**2,017**	**(5)**	**2,012**
Total operating expenses before provisions	(349)	(133)	(44)	(89)	(614)	(39)	**(654)**
Profit/ (loss) before provisions, impairment and income tax	**445**	**321**	**609**	**28**	**1,403**	**(44)**	**1,359**
ECL Impairment losses on loans and advances to customers at amortised cost	(3)	59	1	(7)	50	(471)	**(422)**
Other credit-risk related charges on loans and advances to customers at amortised cost	(21)	(21)	-	-	(42)	(48)	**(90)**
Impairment (losses) / releases on other assets	-	-	-	(16)	(16)	-	**(16)**
Impairment on subsidiaries and associates	-	-	-	(2)	(2)	-	**(2)**
ECL impairment (losses) / releases on debt securities measured at FVTOCI	-	-	1	-	1	-	**1**
Impairment of property and equipment and intangible assets	-	-	-	(3)	(3)	-	**(3)**
Impairment on debt securities at amortised cost	-	-	(4)	-	(4)	-	**(4)**
Other provision (charges)/ releases	1	2	-	(11)	(8)	-	**(7)**
Share of profit/ (loss) of associates and joint ventures	-	-	-	3	3	(12)	**(9)**
Profit/ (loss) before income tax	**422**	**361**	**607**	**(9)**	**1,381**	**(575)**	**806**
Income tax expense							(78)
Profit for the period from continuing operations							**728**
Gain after income tax from discontinued operations	-	-	-	51	51	-	**51**
Profit for the period							**780**
As at 30/9/2022							
Total assets from continuing operations (excluding assets held for sale)	9,648	18,762	32,502	12,169	73,080	9,105	**82,184**
Assets held for sale	11	15	-	10	36	436	**472**
Total assets	9,659	18,776	32,502	12,178	73,115	9,541	**82,656**
Total liabilities	42,007	12,938	16,916	4.,015	75,876	426	**76,302**

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

(2) In the third quarter of 2022, the Group reclassified Private Banking from reporting segment “Retail” into “Other”. This was in line with the establishment of the new division, namely “Wealth and Asset Management”, which is included within reportable segment “Other”. This segment is engaged in the development of clients' wealth and capital management operations. The comparative information has been adjusted accordingly.

1/1 - 30/9/2021 As reclassified	"Core" Segments					NPE MU	Group
	Retail Banking	Corporate Banking	PFM	Other	Total		
Net interest income	322	342	105	119	887	204	**1,091**
Net fee and commission income	161	103	4	8	276	7	**283**
Income from non-banking activities	-	-	-	19	19	7	**26**
Net gain/ (losses) from derecognition of financial instruments measured at amortised cost	-	8	316	-	325	(5)	**320**
Net other income/ (expenses)	5	3	178	(8)	179	1	**180**
Total net income	**487**	**456**	**604**	**138**	**1,686**	**215**	**1,901**
Total operating expenses before provisions	(355)	(126)	(34)	(106)	(620)	(69)	**(689)**
Profit/ (loss) before provisions, impairment and income tax	**132**	**331**	**570**	**32**	**1,065**	**146**	**1,211**
ECL Impairment losses on loans and advances to customers at amortised cost	(246)	(1)	(1)	2	(246)	(3,716)	**(3,962)**
Other credit-risk related charges on loans and advances to customers at amortised cost	(34)	(9)	-	(6)	(49)	(74)	**(123)**
Impairment (losses) / releases on other assets	-	-	-	(18)	(18)	-	**(18)**
Impairment on subsidiaries and associates	-	-	-	(23)	(23)	-	**(23)**
ECL impairment (losses) / releases on debt securities measured at FVTOCI	-	-	(9)	-	(9)	-	**(9)**
Impairment of property and equipment and intangible assets	-	-	-	(4)	(4)	-	**(4)**
Impairment on debt securities at amortised cost	-	-	(16)	-	(16)	-	**(16)**
Other provision (charges)/ releases	(1)	(1)	-	3	2	-	**2**
Share of profit/ (loss) of associates and joint ventures	-	-	-	12	12	(10)	**2**
Profit/ (loss) before income tax	**(148)**	**320**	**543**	**(1)**	**714**	**(3,654)**	**(2,941)**
Income tax benefit/ (expense)							(143)
Profit/ (loss) for the period from continuing operations							**(3,084)**
Loss after income tax from discontinued operations	-	-	-	(5)	(5)	-	**(5)**
Profit/ (loss) for the period							**(3,089)**
As at 31/12/2021							
Total assets from continuing operations (excluding assets held for sale)	9,584	17,595	29,138	13,439	69,756	9,484	**79,240**
Total assets from discontinued operations	-	-	-	114	114	-	**114**
Assets held for sale	7	7	-	33	47	388	**435**
Total assets	9,591	17,602	29,138	13,586	69,917	9,872	**79,789**
Total liabilities	40,057	12,636	16,199	4,719	73,611	376	**73,987**

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. The amount of € 746 million presented under line item “net other income/ (expenses)” mainly includes a gain upon loss of control over subsidiaries of € 282 million relating to the disposal of merchant acquiring business unit (refer to Note 20), presented within reportable segment “Retail Banking”, as well as net gain from financial instruments of € 482 million (mainly presented in Notes 10 and 11), presented within reportable segment “PFM”.

6 Net interest income

Continuing operations	1/1 - 30/9/2022	1/1 - 30/9/2021
Interest and similar income		
Debt securities measured at FVTOCI	26	35
Debt securities at amortised cost	123	60
Loans and advances to customers at amortised cost and reverse repos	848	1,058
Due from banks	5	2
Negative interest from liabilities to ECB	71	93
Negative interest from other interest bearing liabilities	3	1
Other	18	10
Total interest income for financial instruments not measured at FVTPL	**1,095**	**1,258**
Financial instruments measured at FVTPL	13	5
Derivative financial instruments	84	102
Total interest and similar income	**1,192**	**1,365**
Interest expense and similar charges		
Due to customers and repurchase agreements	(30)	(32)
Debt securities in issue and other borrowed funds	(70)	(55)
Due to banks	(7)	(2)
Contribution of Law 128/75	(40)	(45)
Negative interest from interest bearing assets	(39)	(29)
Other	(2)	(2)
Total interest expense from financial instruments not measured at FVTPL	**(188)**	**(166)**
Derivative financial instruments	(82)	(108)
Total interest expense	**(270)**	**(274)**
Net interest income	**922**	**1,091**

Line item “negative interest from liabilities to ECB” includes the interest income recognised from the funding liabilities of Piraeus Bank S.A. due to ECB, in the context of the TLTRO III program. Specifically, the revenue recorded during the period ended 30 September 2022 amounting to € 71 million, was estimated based on the average of the DFR over the life of each TLTRO III operation, except for the period from 24 June 2020 to 23 June 2021 (special interest rate period) and the period from 24 June 2021 to 23 June 2022 (additional special interest rate period), during which the interest rate was 50 basis points lower than the average DFR of the respective period (with a floor rate set at -1.0%), given that the Bank met the lending performance requirements between 1 October 2020 and 31 December 2021.

During the third quarter of 2022, the ECB announced two consecutive interest rate increases in order to reduce the unexpected and extraordinary rise in inflation. Specifically, the Governing Council decided to raise the three key ECB interest rates initially by 50 basis points with effect from 27 July 2022 and subsequently by 75 basis points with effect from 14 September 2022.

7 Net fee and commission income

Continuing operations	1/1 - 30/9/2022	1/1 - 30/9/2021 As reclassified
Fee and commission income		
Commercial banking	329	308
Investment banking	21	25
Asset management	24	20
Total fee and commission income	**374**	**353**
Fee and commission expense		
Commercial banking	(48)	(65)
Investment banking	(5)	(5)
Asset management	(1)	-
Total fee and commission expense	**(54)**	**(70)**
Net fee and commission income	**320**	**283**

a. Fee and commission income

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

The tables below present total fee and commission income from contracts with customers of the Group, for the nine-month periods ended 30 September 2022 and 2021, respectively, per product type and business segment.

	Total Fee and Commission income					
1/1 - 30/9/2022	Retail Banking	Corporate Banking	Piraeus Financial Markets	Other	NPE MU	Total
Acquiring	9	5	-	-	-	**14**
Asset management/Brokerage	24	2	7	6	-	**39**
Bancassurance	25	3	-	9	-	**37**
Cards Issuance	42	6	-	-	1	**49**
Deposits Commissions	6	1	-	-	-	**7**
Funds Transfer	44	12	-	2	1	**59**
Letters of Guarantee	2	24	-	1	1	**28**
Loans and advances to customers	7	59	-	-	1	**67**
Payments	17	4	-	-	-	**21**
FX fees	20	4	1	-	-	**25**
Other	16	9	-	3	-	**28**
Total	**212**	**129**	**8**	**20**	**5**	**374**

1/1 - 30/9/2021 As reclassified	Total Fee and Commission income					
	Retail Banking	Corporate Banking	Piraeus Financial Markets	Other	NPE MU	Total
Acquiring	39	17	1	-	1	**58**
Asset management/Brokerage	22	1	5	6	-	**34**
Bancassurance	25	3	-	5	1	**34**
Cards Issuance	29	4	-	-	1	**34**
Deposits Commissions	5	1	-	-	-	**7**
Funds Transfer	34	9	-	3	1	**48**
Letters of Guarantee	12	2	-	-	-	**14**
Loans and advances to customers	2	21	-	-	2	**25**
Payments	7	39	-	1	1	**48**
FX fees	15	15	-	3	-	**32**
Other	15	4	-	-	-	**19**
Total	**204**	**116**	**6**	**18**	**8**	**353**

b. Other income

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

1/1 - 30/9/2022	Other Income					
	Retail Banking	Corporate Banking	Piraeus Financial Markets	Other	NPE MU	Total
Other operating income	-	-	13	18	-	**31**
Gain from sale of investment property	-	-	-	1	-	**1**
Gain from sale of other assets	-	-	-	3	-	**3**
Total	**-**	**-**	**13**	**22**	**-**	**35**

1/1 - 30/9/2021 As reclassified	Other Income					
	Retail Banking	Corporate Banking	Piraeus Financial Markets	Other	NPE MU	Total
Other operating income	-	-	-	31	1	**32**
Gain from sale of other assets	-	-	-	1	2	**3**
Total	**-**	**-**	**-**	**32**	**3**	**35**

8 Income from non-banking activities

During the nine-month period ended 30 September 2022, the Group amended the presentation of income from non-banking activities, mainly comprising rental income from investment property, previously reported in line item “Net Other income/(expenses)” into line item “Income from non-banking activities”. Refer to Note 32 for the said change in presentation of the comparative figures.

9 Discontinued operations

On 23 March 2022, Piraeus Bank signed a share transfer agreement for the contribution of its entire shareholding in subsidiary IMITHEA Single Member S.A. into Strix Holdings LP. The transaction was completed in the third quarter of 2022, after having obtained the required approval by the Hellenic Competition Authority. The Group recognised a gain of € 55 million from loss of control over its former subsidiary (Refer also to Note 30).

The profit from discontinued operations for the period ended 30 September 2022 comprises solely of IMITHEA Single Member S.A.

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

	1/1 - 30/9/2022	1/1 - 30/9/2021
Gain from loss of control over subsidiaries	55	-
Net other income	30	28
Total net income	**85**	**28**
Staff costs	(19)	(21)
Administrative expenses	(11)	(9)
Depreciation and amortisation	(3)	(3)
Total operating expenses before provisions	**(33)**	**(32)**
Profit/(loss) before provisions, impairment and income tax	**52**	**(4)**
Provisions and impairment losses	(1)	-
Profit/(loss) before income tax	**51**	**(4)**
Income tax expense	-	(1)
Profit/(loss) after income tax from discontinued operations	**51**	**(5)**

B) Assets and liabilities from discontinued operations

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

	30/9/2022	31/12/2021
LIABILITIES		
Retirement and termination benefit obligations	-	2
Provisions	-	4
Other liabilities	-	22
Total Liabilities	**-**	**28**

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

The Group's net gains/ (losses) from financial instruments measured at FVTPL for the nine-month period ended 30 September 2022 mainly comprise gains of € 410 million from derivatives (30 September 2021: gains of € 81 million) and losses of € 90 million from debt securities, the majority of which is attributable to sales of sovereign bonds (30 September 2021: losses of € 7 million).

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

The Group's net gains/ (losses) from derecognition of financial instruments measured at FVTOCI for the nine-month period ended 30 September 2022 amounted to a gain of € 110 million (30 September 2021: € 85 million) from recycling of valuation adjustments and ECL allowance upon disposal of debt securities of total nominal value € 1,469 million, out of which gains of € 106 million relate to disposal of GGBs and Greek treasury bills, of total nominal value € 1,236 million.

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

In the nine-month period ended 30 September 2022, the Group amended the presentation of fees payable for having its NPE portfolio managed, such as assets under management ("AUM") fees and success fees, previously included in line items "Administrative expenses" and "ECL Impairment losses on loans and advances to customers at amortised cost", respectively, into line item "Other credit-risk related charges on loans and advances to customers at amortised cost". As at 30 September 2022 AUM fees amounted to € 20 million (30 September 2021: € 32 million), while success fees amounted to € 50 million (30 September 2021: € 84 million). Finally, credit protection fees payable by the Group in the context of synthetic securitizations, amounting to € 20 million for the reporting period and they are also classified in line item "Other credit-risk related charges on loans and advances to customers at amortised cost" (30 September 2021: € 7 million). Refer to Note 32 for the said change in presentation of comparatives.

13 Income tax benefit / (expense)

Continuing operations	1/1 - 30/9/2022	1/1 - 30/9/2021
Current tax expense	(7)	(5)
Deferred tax expense	(71)	(138)
Income tax expense	**(78)**	**(143)**

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

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

The deferred tax recognized in the Condensed Interim Consolidated Income Statement is attributable to temporary differences between the tax and accounting base, the effect of which is analysed in the table below:

	1/1 - 30/9/2022	1/1 - 30/9/2021 As reclassified
Pensions and other post retirement benefits	(3)	(8)
Loans and advances to customers	13	(81)
Derivative financial instruments valuation adjustment	(19)	5
Investment property fair value adjustment	(2)	(1)
Depreciation of property and equipment	2	17
Amortisation of intangible assets and lease liabilities	11	27
Impairment of Greek government bonds (PSI related)	(41)	(41)
Equity participations	(5)	4
Other temporary differences	(26)	(60)
Total	**(71)**	**(138)**

Management has estimated that the tax losses carried forward of € 12 million for the Group as at 30 September 2022 can be offset by future taxable profits and thus the Group has recognised a deferred tax asset ("DTA") amounting to € 2 million (31 December 2021: € 2 million). For these tax losses of € 12 million, there is no predefined time horizon for being utilized against taxable income.

DTA on tax losses carried forward is recognised only when it is probable that taxable profits will be available, against which these carried forward tax losses can be utilised. On this base, the Group has unused tax losses as at 30 September 2022 of € 1,911 million (31 December 2021: € 2,107 million), the majority of which pertains to the Company, for which no DTA was recognized in the Condensed Interim Consolidated Statement of Financial Position.

As at 30 September 2022, the Group recognised a DTA of € 6,074 million (31 December 2021: € 6,070 million) and a deferred tax liability of € 10 million (31 December 2021: € 10 million).

As at 30 September 2022, the DTA of the Group that meets the provisions of article 27 of Law 4172/2013, i.e. eligible for Deferred Tax Credit ("DTC"), amounted to € 3,563 million (31 December 2021: € 3,617 million), of which € 1,064 million relates to unamortised PSI losses (31 December 2021: € 1,105 million) and € 2,499 million relates to temporary differences between the accounting and tax base of loans and advances to customers (31 December 2021: € 2,512 million).

Effective from tax year 2021 onwards, par. 3A of article 27 of the ITC applies, as added with article 125 of Greek Law 4831/2021, regarding the treatment and order of offsetting the debit difference defined under article 27 of the ITC. According to par. 1 of the same article, any debit difference outstanding at the end of the twenty-year amortization period is classified as a loss and may be carried forward for five years.

The income tax benefit/ (expense) of the Group's foreign subsidiaries is estimated based on the respective nominal corporate income tax rates applicable in 2022 and 2021 (Bulgaria: 10%, Romania: 16%, Egypt: 22.5%, Serbia: 15%, Ukraine: 18%, Cyprus: 12.5%, Albania: 15% and United Kingdom: 19%).

According to article 82 of Greek Law 4472/2017 credit institutions and other legal entities scoped into the provisions of article 27A of Greek Law 4172/2013 are required to pay an annual fee of 1.5% on the excess amount guaranteed by the Greek State of deferred tax assets arising from the difference between the tax rate applicable under Greek Law 4334/2015 (Gazette A' 80/16/7/2015) retrospectively from 1 January 2015 onwards (29%), and the tax rate applicable on 30 June 2015 (26%). The corresponding amount for the Group for the period ended 30 September 2022, amounted approximately to € 4.6 million, which has been recognized in the Condensed Interim Consolidated Income Statement, within line item "Net other income/ (expenses)".

14 Earnings/ (losses) per share

Basic earnings/(losses) per share ("EPS") are calculated by dividing the profit/(loss) after tax attributable to the ordinary shareholders of the Company by the weighted average number of ordinary shares in issue during the period, excluding the average number of ordinary shares held by the Group.

	1/1 - 30/9/2022	1/1 - 30/9/2021	1/7-30/9/2022	1/7-30/9/2021
Profit/(loss) for the period attributable to ordinary shareholders of the parent entity from continuing operations	729	(3,085)	115	(635)
Profit/(loss) for the period attributable to ordinary shareholders of the parent entity from discontinued operations	51	(5)	53	(3)
Profit/(loss) for the period attributable to ordinary shareholders of the parent entity from continuing and discontinued operations	**780**	**(3,090)**	**168**	**(638)**
Weighted average number of ordinary shares in issue (basic and diluted earnings/losses)	1,249,714,516	724,463,488	1,249,461,039	1,249,495,492
Basic and diluted earnings/(losses) per share in € from continuing operations	0.58	(4.26)	0.09	(0.51)
Basic and diluted earnings/(losses) per share in € from discontinued operations	0.04	(0.01)	0.04	(0.00)
Basic and diluted earnings/(losses) per share in € from continuing and discontinued operations	**0.62**	**(4.27)**	**0.13**	**(0.51)**

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

Continuing operations	1/1 - 30/9/2022			1/1 - 30/9/2021		
	Gross	Tax	Net	Gross	Tax	Net
Items that may be reclassified subsequently to profit or loss						
Change in reserve from debt securities measured at FVTOCI	(263)	75	(188)	(106)	32	(74)
Change in currency translation reserve	(7)	-	(7)	5	-	5
Items that will not be reclassified subsequently to profit or loss						
Change in reserve from equity instruments measured at FVTOCI	(7)	2	(5)	(46)	13	(32)
Change in property revaluation reserve	9	(2)	7	-	-	-
Other comprehensive income/ (expense) from continuing operations	**(268)**	**75**	**(193)**	**(147)**	**46**	**(101)**

16 Derivative financial instruments

The Group's derivative financial instruments mainly comprise currency and interest rate swaps ("IRSs"), forward rate agreements and options, held either for trading or hedging purposes, with a total fair value as of 30 September 2022 of € 1,799 million and € 679 million, for derivative assets and liabilities, respectively (31 December 2021: € 591 million and € 393 million, respectively). Specifically, derivatives assets and liabilities held for trading, with a carrying amount at the end of reporting period of € 751 million and € 679 million, respectively (31 December 2021: € 377 million and € 393 million) relate mainly to IRSs. The fair value of Group's derivative assets held for hedging amounted to € 1,048 million at the end of the reporting period (31 December 2021: € 214 million).

The Group applies fair value hedge accounting in order to mitigate its exposure arising from interest rate variability on GGBs and other sovereign bonds, by using IRSs. The total nominal values of the aforementioned hedging instruments and the hedged sovereign bonds measured at FVTOCI and amortised cost, for which fair value hedge accounting was applied as of 30 September 2022, amounted to € 202 million and € 3,294 million, respectively (31 December 2021: € 460 million and € 6,189 million, respectively). For the nine-month period ended 30 September 2022, the impact of fair value hedge accounting on the said debt securities was a loss of € 1,392 million, of which € 1,340 million and € 52 million relating to hedged items measured at amortised cost and FVTOCI, respectively (30 September 2021: loss of € 178 million, of which € 167 million and € 11 million relating to hedged items measured at amortised cost and FVTOCI, respectively), which was offset by a valuation gain of € 1,414 million of the hedging derivatives (30 September 2021: gain of € 180 million), resulting to a net gain of € 22 million recognised in the Condensed Interim Consolidated Income Statement (30 September 2021: net gain of € 2 million).

17 Loans and advances to customers at amortised cost

	30/9/2022	31/12/2021
Mortgages	6,942	7,191
Consumer/ personal and other loans	1,431	1,486
Credit cards	542	490
Retail Lending	**8,915**	**9,168**
Corporate and Public Sector Lending	**28,299**	**29,125**
Collateralised loan obligations	**376**	**93**
Total gross loans and advances to customers at amortised cost	**37,590**	**38,386**
Less: ECL allowance	(1,575)	(1,864)
Total	**36,015**	**36,521**

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

The Senior Notes of the securitisations Phoenix, Vega I, II and III, Sunrise I and II, with a total gross carrying amount of € 6,109 million as at 30 September 2022 (31 December 2021: € 6,236 million), are included within line item “Corporate and Public Sector Lending”.

A reconciliation of the gross carrying amount and the ECL allowance of loans and advances to customers at amortised cost, as defined in Note 4.2.1, against the values presented in the aforementioned table is provided below, taking into account the unamortised PPA as of the reporting date. For the purposes of this reconciliation, the CLO related figures are presented within line item “corporate and public sector lending”.

	30/9/2022	31/12/2021
Mortgages (grossed up with PPA adjustment)	6,945	7,195
Less PPA adjustment	(3)	(4)
Mortgages	**6,942**	**7,191**
Consumer/ personal and other loans (grossed up with PPA adjustment)	1,444	1,503
Less PPA adjustment	(13)	(17)
Consumer/ personal and other loans	**1,431**	**1,486**
Credit cards (grossed up with PPA adjustment)	542	491
Less PPA adjustment	-	(1)
Credit cards	**542**	**490**
Retail Lending (grossed up with PPA adjustment)	8,931	9,189
Less PPA adjustment	(16)	(21)
Retail Lending	**8,915**	**9,168**
Corporate and Public Sector Lending (grossed up with PPA adjustment)	28,703	29,303
Less PPA adjustment	(28)	(85)
Corporate and Public Sector Lending	**28,675**	**29,218**
Total gross loans and advances to customers at amortised cost (grossed up with PPA adjustment)	37,634	38,492
Less PPA adjustment	(44)	(106)
Total gross loans and advances to customers at amortised cost (A)	**37,590**	**38,386**
Less: ECL allowance (grossed up with PPA adjustment)	(1,619)	(1,971)
Less PPA adjustment	44	106
Less: ECL allowance (B)	**(1,575)**	**(1,864)**
Net loans and advances to customers at amortised cost (A) + (B)	**36,015**	**36,521**

18 Assets held for sale

As at 30 September 2022, the carrying amount of the Group's assets held for sale amounted to € 472 million (31 December 2021: € 435 million), mainly comprising loans and advances to customers. Management concluded that the IFRS 5 criteria continue to apply on all assets classified as held for sale in previous reporting periods and not yet derecognized as of 30 September 2022. Further information on assets classified as held for sale or derecognized during the current period, is provided below:

Held for sale classifications during the period:

Sunrise III and Solar: Management assessed and concluded that the held for sale classification criteria are met. For information on the basis and factors applied by Management in its assessment, refer to Note 3.1. As at 30 September 2022, as a result of the held for sale classification, the carrying amount of the Sunrise III and Solar portfolios was written down to € 170 million and € 105 million, respectively. The ECL impairment losses charged in the Condensed Interim Consolidated Income Statement for Sunrise III and Solar in the nine-month period ended 30 September 2022 amounted to € 115 million and € 67 million, respectively.

Other loan portfolios: The portfolios Eagle, Navy & White and Thea of total carrying amount € 42 million were classified as held for sale.

Assets sold during the period:

Loan portfolios: The Group sold Trinity IV-b, Dory, Wheel and Trinity X.

Merchant acquiring business: On 15 March 2022, the Bank completed the sale of its merchant acquiring business. The Bank's gain from the transaction amounted to € 282 million. Refer to Note 20 for further information.

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

As of 30 September 2022, the Group's debt securities measured at amortised cost and financial assets measured at FVTOCI amounted to € 9,773 million and € 1,408 million, respectively (31 December 2021: € 9,200 million and € 2,366 million, respectively). The aforementioned investment securities mainly comprise foreign and domestic government bonds, the vast majority of which have a residual maturity higher than 12 months.

During the reporting period, the Group purchased debt securities measured at amortised cost of total nominal value € 2,257 million, of which € 1,911 million relates to GGBs and € 300 million to foreign government bonds. The impact of fair value hedge accounting on the debt securities measured at amortised cost was a loss of € 1,340 million, which was offset by the valuation gain of the hedging derivatives (refer to Note 16). The disposals of debt securities measured at FVTOCI during the nine-month period ended 30 September 2022 are disclosed in Note 11.

Debt securities at amortised cost are classified in Stage 1, in their entirety, and the resulting ECL allowance as of 30 September 2022 amounted to € 22 million (31 December 2021: € 19 million). Additionally, debt securities measured at FVTOCI amounting to € 1,327 million are classified in Stage 1 (31 December 2021: € 2,277 million) with a corresponding ECL allowance of € 12 million (31 December 2021: € 15 million), while debt securities measured at FVTOCI amounting to € 21 million are classified in Stage 2 (31 December 2021: € 22 million), with a corresponding ECL allowance of € 2 million (31 December 2021: € 2 million). Refer to Note 28 for the ECL charge recognised in other comprehensive income during the reporting period.

During the third quarter of 2022, Management terminated the business line of acquiring debt securities issued by corporations and financial institutions for the purposes of trading, due to the significant operational restructuring triggered by the acquisition of Iolcus Investments AIFM ("Iolcus"). Specifically, on 18 July 2022, the Bank proceeded with the formation of the new Wealth & Asset Management Division, with the business objective of offering specialized asset management services to its clientele. The Bank's former "Economics & Investment Strategy" Unit comprising the "Investment Strategy", "Portfolios", "Global Economics" and "Greek & Sectoral Economics" functions, was transferred from PFM to "Wealth & Asset Management" and renamed to "Economic Research and Analysis Unit" ("ERAU"). The change was significant to the Group's operations, given that the FTEs transferred along with their responsibilities and roles approximate 40% of PFM's total headcount. The involvement of the Unit in the investment process and ultimately in the trading of the said asset class was pivotal, given that the investment selection and review, as well as certain investment appraisal and selection criteria for corporate and financial issuers were submitted to the delegate Management committees by the "departing" units of ERAU. Following this transfer of personnel, the Bank's ability to timely identify selling opportunities on its non-sovereign and supranational portfolio, efficiently and constantly assess the risk/reward of its investments in this asset class has been restricted, hence, the hold-to-collect and sell business model no longer applies. To this effect, a more passive investment approach that mainly focuses on the credit quality of the issuer and specifically their ability to pay coupons and repay capital at maturity, i.e. a hold-to-collect business model, is more appropriate.

The nominal value of the debt securities affected by the aforementioned change of business model is € 700 million. Such change in the objective of the business model requires reclassification of all affected financial assets from FVTOCI to amortised cost, in accordance with IFRS 9. The reclassification date for the Group was 1 October 2022. Refer to Note 34 for further information on the impact of the reclassification.

As disclosed in Note 2.4, henceforth, debt securities issued by corporations and financial institutions will be acquired by the Group solely for hold-to-collect purposes and classified at amortised cost, unless they fail the SPPI test.

20 Investments in consolidated companies

The Group's investments in consolidated companies as at 30 September 2022, are analysed below:

A. Subsidiaries (full consolidation method)

a/a	Name of Company	Activity	Country	Unaudited tax years (1)	% holding
1.	Piraeus Bank S.A.	Banking activities	Greece	2020-2021	100.00%
2.	Piraeus Leasing Single Member S.A.	Financial Leasing	Greece	-	100.00%
3.	Sunshine Leases Single Member S.A.	Financial Leasing	Greece	-	100.00%
4.	Piraeus Property Real Estate Management Single Member S.A.	Property management	Greece	-	100.00%
5.	Dynamic Asset Operating Leasing S.A.	Operating leasing	Greece	2016-2021	100.00%
6.	Geniki Single Member S.A. Financial & Consulting Services	Financial & consulting services	Greece	2016-2021	100.00%
7.	Piraeus Securities S.A.	Stock exchange services	Greece	2016-2021	100.00%
8.	Piraeus Factoring Single Member S.A.	Corporate factoring	Greece	2016-2021	100.00%
9.	Piraeus Capital Management S.A.	Management of venture capital fund	Greece	2016-2021	100.00%
10.	Piraeus Jeremie Technology Catalyst Management Single Member S.A.	Management of venture capital fund	Greece	2016-2021	100.00%
11.	Piraeus Asset Management Single Member M.F.M.C. S.A.	Mutual funds management	Greece	2016-2021	100.00%
12.	Geniki Information Single Member S.A.	Assessment and collection of commercial debts	Greece	2016-2021	100.00%
13.	Achaia Clauss Estate S.A.	Property management	Greece	2016-2021	75.76%
14.	Kosmopolis A' Shopping Centers Single Member S.A.	Shopping center's management	Greece	2016-2021	100.00%
15.	ND Development Single Member S.A.	Property management	Greece	2016-2021	100.00%
16.	New Up Dating Development Real Estate and Tourism Single Member S.A.	Property, tourism & development company	Greece	2016-2021	100.00%
17.	Picar Single Member S.A.	City Link areas management	Greece	2016-2021	100.00%
18.	P.H. Development	Property management	Greece	2016-2021	100.00%
19.	General Construction and Development Co. S.A.	Property development/ holding company	Greece	2016-2021	66.66%
20.	Entropia Ktimatiki S.A.	Property management	Greece	2016-2021	66.70%

a/a	Name of Company	Activity	Country	Unaudited tax years (1)	% holding
21.	Komotini Real Estate Development Single Member S.A.	Property management	Greece	2016-2021	100.00%
22.	Piraeus Buildings S.A.	Property development	Greece	2010-2021	100.00%
23.	Piraeus Development Single Member S.A.	Property management	Greece	2016-2021	100.00%
24.	Piraeus Real Estate Single Member S.A.	Construction company	Greece	2016-2021	100.00%
25.	Pleiades Estate Single Member S.A.	Property management	Greece	2016-2021	100.00%
26.	Piraeus Agency Solutions Single Member S.A.	Insurance agency	Greece	2016-2021	100.00%
27.	Mille Fin S.A.	Trading of boat vehicles, cars and equipment	Greece	2016-2021	100.00%
28.	Multicollection S.A.	Assessment and collection of commercial debts	Greece	2009-2021	51.00%
29.	Piraeus Direct Solutions Single Member S.A.	Financial - telecommunication & IT services	Greece	2016-2021	100.00%
30.	Centre of Sustainable Entrepreneurship Excelixi Single Member S.A.	Consulting Services - Hotel - Training & Seminars	Greece	2016-2021	100.00%
31.	PROSPECT M.C.P.Y.	Yachting management	Greece	2016-2021	100.00%
32.	Ianos Properties Single Member S.A.	Property management	Greece	2016-2021	100.00%
33.	Lykourgos Properties Single Member S.A.	Property management	Greece	2016-2021	100.00%
34.	Thesis Hermes Single Member S.A.	Property management	Greece	2021	100.00%
35.	Thesis Agra Single Member S.A.	Property management	Greece	2021	100.00%
36.	Thesis Cargo Single Member S.A.	Property management	Greece	2021	100.00%
37.	Thesis Schisto Single Member S.A.	Property management	Greece	2021	100.00%
38.	Thesis Stone Single Member S.A.	Property management	Greece	2021	100.00%
39.	Piraeus Support Services Single Member S.A.	Support services	Greece	-	100.00%
40.	Trastor Real Estate Investment Company	Real estate investment property	Greece	2016-2021	98.32%
41.	Sinoris Single Member S.A.	Property management	Greece	-	100.00%
42.	Piraeus Real Estate Management Single Member S.A.	Property management	Greece	-	100.00%
43.	Iolcus Investments Alternative Investments Funds Managers S.A.	Alternative investments funds management	Greece	2016-2021	100.00%
44.	Shnappi Single Member S.A.	Digital banking products and services	Greece	-	55.00%
45.	Neoris Single Member S.A.	Property management	Greece	-	100.00%
46.	Tirana Leasing Sh.A.	Finance leases	Albania	2018-2021	100.00%
47.	Cielo Consultancy Sh.P.K.	Property management	Albania	2014-2021	99.09%
48.	Beta Asset Management EOOD	Rent and management of real estate	Bulgaria	2013-2021	100.00%
49.	Bulfina E.A.D.	Property management	Bulgaria	2008-2021	100.00%
50.	Bulfinace E.A.D.	Property management	Bulgaria	2008-2021	100.00%
51.	Delta Asset Management EOOD	Real estate development	Bulgaria	-	100.00%
52.	Varna Asset Management EOOD	Real estate development	Bulgaria	2014-2021	100.00%
53.	Asset Management Bulgaria EOOD	Travel - rental services and property management	Bulgaria	2012-2021	100.00%
54.	Besticar Bulgaria EOOD	Receivable's collection	Bulgaria	2012-2021	100.00%
55.	Besticar EOOD	Receivable's collection	Bulgaria	2012-2021	100.00%

a/a	Name of Company	Activity	Country	Unaudited tax years [1]	% holding
56.	Emerald Investments EOOD	Property management	Bulgaria	2018-2021	100.00%
57.	Piraeus Nedvizhimi Imoti EOOD	Property management	Bulgaria	-	100.00%
58.	Infinity Omnia 11 OOD	Hospitality and restaurant business	Bulgaria	-	100.00%
59.	Euroinvestment & Finance Public Ltd	Asset management, real estate operations	Cyprus	2018-2021	90.85%
60.	R.E. Anodus Two Ltd	Holding and investment company	Cyprus	2013-2021	99.09%
61.	Tellurion Ltd	Holding company	Cyprus	2013-2021	100.00%
62.	Tellurion Two Ltd	Holding company	Cyprus	2015-2021	99.09%
63.	Trieris Two Real Estate LTD	Holding, Investment and Real Estate Portfolio Management	Cyprus	2011-2021	100.00%
64.	R.E. Anodus Ltd	Consultancy services for real estate development and investments	Cyprus	2014-2021	100.00%
65.	Lakkos Mikelli Real Estate Ltd	Property management	Cyprus	2018-2021	50.66%
66.	Philoktimatiki Public Ltd	Land and property development	Cyprus	2018-2021	53.29%
67.	Sunholdings Properties Company Ltd	Land and property development	Cyprus	2018-2021	26.65%
68.	Philoktimatiki Ergoliptiki Ltd	Construction company	Cyprus	2018-2021	53.29%
69.	SunriseMezz PLC	Acquiring, holding and managing bonds, shares or other investment instruments	Cyprus	-	100.00%
70.	JSC Piraeus Bank ICB	Banking activities	Ukraine	-	99.99%
71.	Akinita Ukraine LLC	Real estate development	Ukraine	2014-2021	100.00%
72.	Sinitem LLC	Sale and purchase of real estate	Ukraine	2013-2021	99.94%
73.	Solum Enterprise LLC	Property management	Ukraine	2012-2021	99.94%
74.	Solum Limited Liability Company	Property management	Ukraine	2018-2021	99.94%
75.	Piraeus Leasing Romania S.A.	Monitoring and collection services for loans disbursed by the company	Romania	2003-2021	100.00%
76.	Daphne Real Estate Consultancy SRL	Real estate development	Romania	2014-2021	99.09%
77.	Proiect Season Residence SRL	Real estate development	Romania	2018-2021	100.00%
78.	R.E. Anodus SRL	Real estate development	Romania	2013-2021	99.09%
79.	Piraeus Rent Doo Beograd	Operating leases	Serbia	2007-2021	100.00%
80.	Piraeus Real Estate Egypt LLC	Property management	Egypt	2011-2021	100.00%
81.	Trieris Real Estate Management Ltd	Management of Trieris Real Estate Ltd	British Virgin Islands	-	100.00%
82.	Piraeus Group Capital Ltd	Debt securities' issuance	United Kingdom	-	100.00%
83.	Piraeus Group Finance PLC	Debt securities' issuance	United Kingdom	-	100.00%
84.	Praxis I Finance PLC	SPV for securitization of consumer loans	United Kingdom	-	-
85.	Piraeus SNF DAC	SPV for securitization of corporate, mortgage and consumer loans	Ireland	-	-

Note [1]: In accordance with Ministerial Decision 1208/20.12.2017 of the Independent Public Revenue Authority, the tax position of entities domiciled in Greece that have not been notified by the local tax authorities for a tax audit, is deemed to be final only after a five-year period has elapsed since the end of each fiscal year.

The subsidiaries duly numbered 84 - 85 are special purpose vehicles ("SPVs") for securitization of loans and advances to customers and issuance of debt securities. The investment numbered 67 is a subsidiary due to majority presence in the Board of Directors of the company.

Furthermore, as at 30 September 2022 the subsidiaries duly numbered 6, 12, 22, 27, 28 and 46 were under liquidation.

The following subsidiaries, that in aggregate are immaterial to the Group's financial position and results of operations, are not consolidated but recognised at cost: a) "Hellenic Information Systems HIS S.A.", b) "The Museum Ltd" and c) "Kion Holdings Ltd". The full consolidation of the aforementioned companies would not have a significant effect on the Condensed Interim Consolidated Financial Statements since the sum of their total net income, total equity and total assets comprises less than 0.01% of the Group's respective balances, based on their most recent financial statements.

Disposal of the merchant acquiring business unit

On 15 March 2022, the Bank completed the sale of its merchant acquiring business unit (project Thalis) to Euronet Worldwide via a carve-out of the said business activity into a newly established legal entity, after receiving the required approvals, for a total consideration of € 300 million. The Bank's gain from the transaction amounted to € 282 million, included in line item "Net gains/ (losses) from loss of control over subsidiaries/ disposal of associates and joint ventures" of the Condensed Interim Consolidated Income Statement.

Acquisition of Trastor Real Estate Investment Company S.A.

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

The acquisition of Trastor underpins the Group's strategy for accretive return-on-capital actions and entails the following key benefits: i) immediate enhancement of the fee generating pools of the Group, ii) capture of the dynamics of the Greek real estate market, especially in the segments of prime office and logistic spaces where Trastor is mainly focused and iii) strengthening of the Group's capabilities in real estate platforms in Greece.

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

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

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

The table below presents (a) Trastor's post-acquisition total net income and profit before tax that is included in the Condensed Interim Consolidated Income Statement for the nine-month period ended 30 September 2022 and (b) the total net income and profit before tax which would have been included in the Condensed Interim Consolidated Income Statement had the acquisition occurred on 1 January 2022.

	Post acquisition results up to 30 September 2022 (a)	Results of Trastor for the 9-month period ended 30 September 2022 (b)
Total net income	28	31
Profit before tax	21	23

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

The Bank acquired an additional 1.6% stake in Trastor in the context of a Mandatory Tender Offer that was completed in June 2022.

Acquisition of Shnappi Single Member S.A.

On 13 July 2022, the Company fully covered the share capital increase of Shnappi Single Member S.A. ("Shnappi") with € 19 million, in the context of the Group's strategic partnership with Natech S.A. to develop an independent innovative digital bank for customers in Greece and the rest of the European Market. Following the aforementioned share capital increase, the Company holds a 55% controlling stake in Shnappi, hence is a subsidiary of the Group.

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

	Shnappi
ASSETS	
Intangible assets	5
Cash	20
Total Assets	**25**
Shareholders' equity	25
Total liabilities and shareholders' equity	**25**
Goodwill recognized	
Cash consideration	19
Non controlling interest	11
	30
Fair value of identifiable net assets	25
Goodwill	**5**

The resulting goodwill has been recognized within balance sheet line item "Intangible Assets".

Financial statements of subsidiaries

The available annual financial statements of the Group's subsidiaries for the year ended 31 December 2021 are included in the Company's web site at www.piraeusholdings.gr in section Investor Relations, subsection *Financial Data - Financial Statements and Other Information - Consolidated Companies.*

B. Associates and joint ventures (equity accounting method)

B.1 Associates

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

s/n	Name of Company	Activity	Country	Unaudited tax years [1]	% Holding
1.	Piraeus - TANEO Capital Fund	Close end venture capital fund	Greece	-	50.01%
2.	PJ Tech Catalyst Fund	Close end venture capital fund	Greece	-	30.00%
3.	APE Commercial Property Real Estate Tourist and Development S.A.	Holding company	Greece	2016-2021	27.80%
4.	Marfin Investment Group Holdings S.A.	Holding company	Greece	2016-2021	31.23%
5.	Omicron Cyclos Ena Symmetohiki S.A. [2]	Holding company	Greece	2016-2021	28.10%
6.	APE Fixed Assets Real Estate Tourist and Development S.A.	Real estate, development/ tourist services	Greece	2016-2021	27.80%

s/n	Name of Company	Activity	Country	Unaudited tax years [1]	% Holding
7.	APE Investment Property S.A.	Real estate, development/ tourist services	Greece	2016-2021	28.92%
8.	Olganos Real Estate S.A.	Property management/electricity production from renewable energy resources	Greece	2016-2021	32.27%
9.	Pyrrichos S.A.	Property management	Greece	2016-2021	55.95%
10.	Exodus S.A.	Information technology & software	Greece	2016-2021	49.90%
11.	Evros Development Company S.A.	European community programs management	Greece	2016-2021	30.00%
12.	Gaia S.A.	Software services	Greece	2017-2021	24.92%
13.	Crete Scient & Tech. Park Manag. & Dev. Co. S.A.	Scientific and technology park management	Greece	2016-2021	30.45%
14.	Intrum Hellas REO Solutions S.A.	Real estate	Greece	2019-2021	19.96%
15.	Intrum Hellas Credit Servicing S.A.	Credit and loan servicing	Greece	2019-2021	20.00%
16.	Teiresias S.A.	Interbanking company of development, operation and management of information systems	Greece	2016-2021	23.53%
17.	Piraeus Direct Services S.A.	Support & e-commerce services, trade of time renewal cards	Greece	2016-2021	49.90%
18.	ANEK Lines S.A.	Maritime transport - Coastal shipping	Greece	2019-2021	27.68%
19.	Perigenis Business Properties S.A.	Property management	Greece	2020-2021	20.61%
20.	Neuropublic S.A.	Development and management of information systems	Greece	2021	5.00%
21.	Abies S.A. [2]	Property management	Greece	2016-2021	40.14%
22.	ETVA Industrial Parks S.A.	Development/ management of industrial areas	Greece	2016-2021	1.00%
23.	Euromedica Societe Anonyme for provision of Medical Services	Hospital and health services	Greece	-	29.35%
24.	Trieris Real Estate Ltd	Property management	British Virgin Islands	2018-2021	32.35%
25.	Exus Software Ltd	IT products retailer	United Kingdom	-	49.90%
26.	Strix Holdings LP	Holdings limited partnership	Ireland	-	100.00%
27.	Strix Asset Management Ltd	Asset management	Ireland	-	25.00%

Note [1]: In accordance with Ministerial Decision 1208/20.12.2017 of the Independent Public Revenue Authority, the tax position of entities domiciled in Greece that have not been notified by the local tax authorities for a tax audit, is deemed to be final only after a five-year period has elapsed since the end of each fiscal year.

Note [2] : Placed under liquidation as of 30 September 2022.

The Group's associate NGP Plastic S.A., is immaterial to the Group's financial position and results of operations, therefore, is not accounted for under the equity method but recognised at cost. The contribution of this non-significant associate is approximately 0.19% of Group's total net income, 0.03% of Group's total equity and 0.03% of Group's total assets, based on the most recent financial statements obtained.

The Group exercises significant influence but does not control any of the companies listed above. This holds even for the entities numbered 1, 9 and 26, where the Group's shareholding and voting rights exceed 50%. Significant influence is also exercised to the companies numbered 14, 20 and 22, where the Group's shareholding and voting rights do not exceed 20%. Strix Holdings LP is a material associate of the Group.

B.2 Joint ventures

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

s/n	Name of Company	Activity	Country	Unaudited tax years (1)	% Holding
1.	AEP Elaiona S.A.	Property management	Greece	2016-2021	50.00%
2.	Peirga Kythnou P.C.	Real estate	Greece	-	50.00%
3.	Sunrise I Real Estate Single Member S.A.	Property management	Greece	2021	100.00%
4.	Sunrise II Real Estate Single Member S.A.	Property management	Greece	2021	100.00%
5.	Sunrise I NPL Finance DAC	SPV for securitization of corporate loans	Ireland	2021	-
6.	Sunrise II NPL Finance DAC	SPV for securitization of corporate loans	Ireland	2021	-

Note [1]: In accordance with Ministerial Decision 1208/20.12.2017 of the Independent Public Revenue Authority, the tax position of entities domiciled in Greece that have not been notified by the local tax authorities for a tax audit, is deemed to be final only after a five-year period has elapsed since the end of each fiscal year.

Refer to Note 30 for an analysis of significant changes in the portfolio of consolidated companies.

21 Tax receivables

	30/9/2022	31/12/2021
Tax receivables	215	212
Accumulated impairment of tax receivables	(52)	(51)
Net tax receivables	163	160

Net tax receivables for the Group as at 30 September 2022 amounted to € 163 million (31 December 2021: € 160 million), of which € 149 million and € 12 million are attributable to Piraeus Bank and the Company, respectively, and € 2 million to other subsidiaries of the Group.

22 Due to banks

	30/9/2022	31/12/2021
Amounts due to ECB and central banks	14,163	14,348
Interbank deposits	63	90
Securities sold to credit institutions under agreements to repurchase	82	286
Other	1,148	142
	15,456	**14,865**

The increase of € 1,006 million in category “Other” is mainly attributed to cash collateral received by the Bank in the context of derivative transactions engaged under ISDA and CSA agreements. During the reporting period, the revenue recorded in Net Interest Income, amounting to € 71 million, was estimated based on the average of the DFR over the life of each TLTRO III operation, except for the period from 24 June 2020 to 23 June 2021 (special interest rate period) and the period from 24 June 2021 to 23 June 2022 (additional special reference period), during which the interest rate was 50 basis points lower than the average DFR of the respective period (with a floor rate set at -1.0%), given that the Bank met the lending performance requirements between 1 October 2020 and 31 December 2021 (refer to Note 6).

During the third quarter of 2022, ECB announced two consecutive interest rate increases in order to reduce the unexpected and extraordinary rise in inflation. Specifically, the Governing Council decided to raise the three key ECB interest rates initially by 50 basis points with effect from 27 July 2022 and subsequently by 75 basis points with effect from 14 September 2022.

23 Due to customers

	30/9/2022	31/12/2021
Corporate		
Current and sight deposits	14,748	14,231
Term deposits	2,303	2,105
Blocked deposits, guarantee deposits and other accounts	304	283
Total (A)	**17,355**	**16,618**
Retail		
Current and sight deposits	7,161	6,238
Savings accounts	24,731	24,322
Term deposits	7,408	8,186
Blocked deposits, guarantee deposits and other accounts	39	44
Total (B)	**39,339**	**38,791**
Cheques payable and remittances (C)	**38**	**32**
Total Due to customers (A)+(B)+(C)	**56,733**	**55,442**

24 Debt securities in issue

	Weighted Interest Rate (%)	30/9/2022	31/12/2021
Covered Bonds - floating rate - Series 4	3m Euribor + 250bp	471	471
Senior Preferred Bond	3.875%	515	500
Total debt securities in issue		**986**	**971**

The financial terms of the debt securities held by third parties as of the end of the reporting period, are as follows:

Issuer	Description	Underlying Loan Type	Issue Date	Maturity Date	Currency	Weighted Interest Rate on Total Outstanding Amount/ Coupon Frequency	Nominal value	Outstanding nominal amount	Redem-ptions	Nominal amount own held by the Bank	Nominal amount held by third parties	Carrying value	Weighted Interest Rate on 3rd Party
30/9/2022													
Covered Bonds													
Piraeus Bank S.A.	Floating rate covered bond series 4	Mortgage loans	31-Oct-17	31-Oct-22	EUR	3m Euribor + 250bp/ Quarterly	500	500	-	30	470	471	3m Euribor + 250bp
Senior Preferred Bond													
Piraeus Bank S.A.	Fixed Rate Senior Preferred Bond	-	3-Nov-21	3-Nov-27	EUR	3.875% / Annual	500	500	-	-	500	515	3.875%

Issuer	Description	Underlying Loan Type	Issue Date	Maturity Date	Currency	Weighted Interest Rate on Total Outstanding Amount/ Coupon Frequency	Nominal value	Outstanding nominal amount	Redempti ons	Nominal amount own held by the Bank	Nominal amount held by third parties	Carrying value	Weighted Interest Rate on 3rd Party
31/12/2021													
Covered Bonds													
Piraeus Bank S.A.	Floating rate covered bond series 4	Mortgage loans	31-Oct-17	31-Oct-22	EUR	3m Euribor + 250bp/ Quarterly	500	500	-	30	470	471	3m Euribor + 250bp
Senior Preferred Bond													
Piraeus Bank S.A.	Fixed Rate Senior Preferred Bond	-	3-Nov-21	3-Nov-27	EUR	3.875% / Annual	500	500	-	-	-	500	3.875%

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	Accumulated Cancellations
30/9/2022										
Covered Bonds										
Piraeus Bank S.A.	Floating rate covered bond Series 3	Mortgage loans	16-Feb-17	16-Nov-23	EUR	1m Euribor + 150bp / Monthly	1,000	500	-	500
Piraeus Bank S.A.	Floating rate covered bond Series 5	Mortgage loans	20-Nov-17	20-Nov-22	EUR	3m Euribor + 150bp / Quarterly	1,000	500	-	500
Piraeus Bank S.A.	Floating rate covered bond Series 6	Mortgage loans	31-Jan-18	31-Jan-23	EUR	3m Euribor + 150bp / Quarterly	1,000	500	-	500
Piraeus Bank S.A.	Floating rate covered bond Series 7	Mortgage loans	11-May-18	11-Feb-24	EUR	3m Euribor + 150bp / Quarterly	1,000	1,000	-	-

Issuer	Description	Underlying Loan Type	Issue Date	Maturity Date	Currency	Weighted Interest Rate/ Coupon Frequency	Nominal value	Outstanding nominal amount	Redemptions	Accumulated Cancellations
31/12/2021										
Covered Bonds										
Piraeus Bank S.A.	Floating rate covered bond Series 3	Mortgage loans	16-Feb-17	16-Nov-23	EUR	1m Euribor + 150bp / Monthly	1,000	500	-	500
Piraeus Bank S.A.	Floating rate covered bond Series 5	Mortgage loans	20-Nov-17	20-Nov-22	EUR	3m Euribor + 150bp / Quarterly	1,000	500	-	500
Piraeus Bank S.A.	Floating rate covered bond Series 6	Mortgage loans	31-Jan-18	31-Jan-23	EUR	3m Euribor + 150bp / Quarterly	1,000	500	-	500
Piraeus Bank S.A.	Floating rate covered bond Series 7	Mortgage loans	11-May-18	11-Feb-24	EUR	3m Euribor + 150bp / Quarterly	1,000	1,000	-	-

As at 30 September 2022 and 31 December 2021, the carrying amount of loans and advances to customers at amortised cost, that have been pledged as collateral under the terms of the covered bonds programme is € 3,903 million and € 4,160 million, respectively.

25 Other borrowed funds

During the nine-month period ended 30 September 2022, the Group did not proceed with any repurchases of other borrowed funds.

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

26.1 Legal proceedings

The Group 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 recognized, either the estimation of the lawyers for the legal cases is favorable for the Group or Management is currently unable to estimate the possible losses, as:

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

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

However, based on Management’s judgement and after consultation with the Group’s legal counsels, the ultimate disposition of these matters is not expected to have a material adverse effect on the Condensed Interim Consolidated Financial Statements. As at 30 September 2022, the Group provided for cases under litigation an amount of € 36 million (31 December 2021: € 29 million) which represents Management’s best estimate on the probable loss to be incurred upon finalization of these pending legal cases.

26.2 Pending tax audits

The Company has been audited by the tax authorities up to and including the year 2010.

For the years 2011 - 2016, tax audits were required for the Company and all Greek Société Anonyme Companies. Such tax audits were conducted by the statutory auditors under Greek Law 2190/1920 according to article 82 of Greek Law 2238/1994 and article 65A of Greek Law 4174/2013 as were in force.

From 2016 onwards, the requirement to obtain a tax audit became optional, however Management has opted for the Company and the Group's Greek subsidiaries to continue being tax audited by the statutory auditors. The Tax Administration retains its right to proceed with a tax audit, within the applicable statute of limitations in accordance with article 36 of Greek Law 4174/2013, as currently in force.

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

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

Fiscal years 2014, 2015 and 2016 have been tax audited by PricewaterhouseCoopers S.A and the tax audit certificates issued were unqualified. The fiscal years 2017, 2018, 2019 and 2020 were tax audited by Deloitte Certified Public Accountants S.A. and the tax audit certificates issued were unqualified.

In regards to the Group's Greek subsidiaries, for which Management elected to conduct a tax audit in accordance with article 65a of Greek Law 4174/2013, the respective tax audits for fiscal year 2020 have been completed and the relevant tax audit certificates have been issued. Fiscal year 2021 of the Company and its Greek subsidiaries is currently being tax audited by Deloitte Certified Public Accountants S.A. and the final outcome of the tax audits is not expected to have a material effect on the Condensed Interim Consolidated Financial Statements.

The unaudited tax years of the Group's subsidiaries, associates and joint ventures, are included in Note 20 and therefore their tax liabilities for these years have not been finalized. The tax authorities have not yet audited the Group's subsidiaries for all fiscal years and consequently their tax positions for those years may not be considered as final.

Additional taxes and penalties may be imposed, for the unaudited years, however, it is not expected to have a material effect on the financial position of the Group.

26.3 Credit commitments

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

As at 30 September 2022 and 31 December 2021, the Group had undertaken the following credit commitments:

	30/9/2022	31/12/2021
Financial guarantees	4,443	3,764
Letters of credit	63	42
Irrevocable undrawn credit commitments	1,502	1,050
Total commitments	**6,008**	**4,856**

The ECL allowance of the Group on credit commitments as at 30 September 2022 amounted to € 92 million (31 December 2021: € 103 million) and is included in line item "Provisions" in the Condensed Interim Consolidated Statement of Financial Position.

26.4 Assets pledged

	30/9/2022	31/12/2021
Cash and balances with Central Banks	305	-
Due from banks	402	1,044
Financial assets measured at FVTPL	658	854
Loans and advances to customers measured at amortised cost	6,777	5,318
Financial assets measured at FVTOCI	642	1,552
Debt securities measured at amortised cost	9,504	8,821
Other assets	29	29
	18,318	**17,618**

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

In the context of interbank repurchase agreement (repo) transactions, securities of total nominal value € 106 million (31 December 2021: € 227 million) are used for liquidity purposes. The said amount includes GGBs of total nominal value € 88 million (31 December 2021: € 221 million).

In addition to the above, as at 30 September 2022 and 31 December 2021 the Bank had pledged an amount of € 168 million, with respect to written guarantee for the non-payment risk of the Greek State, included within balance sheet line item "Due from banks".

The decrease of "due from banks" line item compared to 31 December 2021, is mainly attributable to decreased collateral postings to derivative counterparties. Moreover, cash and balances with central banks, relate to pledged cash under the coverage of the Bank's credit line by the ECB.

Furthermore, it is noted that Bank's minimum reserve requirement, regarding the amount of funds held on average over the current maintenance period in its current accounts to Bank of Greece, amounts to € 563 million.

27 Share capital

	Number of shares		
	Issued shares	Treasury shares	Net number of shares
Opening balance at 1/1/2021	**436,659,164**	**(555,321)**	**436,103,843**
Increase in the number of ordinary shares due to conversion of CoCos	394,400,000	-	394,400,000
Decrease in the number of ordinary shares due to reverse split (16.5:1)	(780,691,941)	-	(780,691,941)
Increase in the number of ordinary shares due to issuance of new shares	1,200,000,000	-	1,200,000,000
Purchases of treasury shares	-	(8,000,128)	(8,000,128)
Sales of treasury shares	-	7,298,795	7,298,795
Balance at 31/12/2021	**1,250,367,223**	**(1,256,654)**	**1,249,110,569**
Opening balance at 1/1/2022	**1,250,367,223**	**(1,256,654)**	**1,249,110,569**
Purchases of treasury shares	-	(16,864,371)	(16,864,371)
Sales of treasury shares	-	16,962,107	16,962,107
Balance at 30/9/2022	**1,250,367,223**	**(1,158,918)**	**1,249,208,305**

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

On 22 July 2022, the annual general meeting of the Company's shareholders ("AGM") approved a share capital reduction in kind of € 25 million by decreasing the nominal value of each ordinary share by the amount of € 0.02, without changing the total number of common shares pursuant to article 31 para. 1 of Law 4548/2018 in conjunction with the provisions of article 17 of Law 4548/2018, and the distribution to the shareholders of shares issued by the Cypriot subsidiary company under the name "SUNRISEMEZZ LTD" held by the Company, with a value corresponding to the value of the Company's share capital decrease.

Following the above decrease, the share capital of the Company as at 30 September 2022 amounts to € 1,163 million divided into 1,250,367,223 common registered voting shares with a nominal value of € 0.93 each.

On 22 July 2022, the AGM approved the offseting of an amount equal to approximately € 14,557 million in the Company's "share premium" account by writing-off accumulated losses carried forward of an equal amount.

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

28 Other reserves and retained earnings

	30/9/2022	31/12/2021
Legal reserve	84	84
Reserve from financial assets measured at FVTOCI	(48)	144
Currency translation reserve	(61)	(54)
Property revaluation reserve	7	-
Other reserves	36	34
Non-taxed reserves	351	351
Total other reserves	**369**	**559**
Retained earnings	**640**	**(14,669)**
Other reserves and retained earnings	**1,009**	**(14,110)**

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

	30/9/2022	31/12/2021
Opening balance	**144**	**281**
Losses from the valuation of debt securities	(152)	(74)
Gains/(losses) from the valuation of equity shares	(8)	17
ECL on debt securities	(1)	11
Recycling of valuation adjustments and accumulated impairments upon disposal	(109)	(87)
Transfer to retained earnings	-	(62)
Deferred taxation	77	59
Closing balance	**(48)**	**144**

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

29 Related party transactions

Related parties are:

a) Members of the Board of Directors and the Executive Committee, the Group's and Company's Chief Internal Auditors and Compliance Officers, and the CEOs of the significant subsidiaries, collectively "Key Management Personnel",

b) Close family members of Key Management Personnel,

c) Companies having transactions with Piraeus Financial Holdings S.A., if those are controlled or jointly controlled by Key Management Personnel and other related party referred to in points (a) and (b) above,

d) Group΄s Subsidiaries,

e) Group΄s Associates,

f) Group΄s Joint ventures,

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

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

29.1 Key Management Personnel and other related party

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

	30/9/2022		31/12/2021	
(amounts in thousand €)	**Key Management Personnel**	**Other related party**	**Key Management Personnel**	**Other related party**
Loans and advances to customers at amortised cost (Gross carrying amount)	3,560	412	3,725	369
Due to customers	8,881	434	3,418	474

	1/1 - 30/9/2022		1/1 - 30/9/2021	
(amounts in thousand €)	**Key Management Personnel**	**Other related party**	**Key Management Personnel**	**Other related party**
Income	35	27	24	18
Expense	36	-	-	1

Benefits to Key Management Personnel

(amounts in thousand €)	**1/1 - 30/9/2022**	**1/1 - 30/9/2021**
Short-term benefits	5,007	4,425
Contributions to the Institution for Occupational Retirement, Life and Medical Provision	71	69
Post-employment benefits	69	36

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

The total provision for post-employment benefits to Key Management Personnel as at 30 September 2022 amounted to € 1 million (31 December 2021: € 1 million) recognised in balance sheet line item "Retirement and termination benefit obligations" in the Condensed Interim Consolidated Statement of Financial Position.

The ECL allowance for impairment on loans and advances to customers at amortised cost granted from the Group to Key Management Personnel and other related party as at 30 September 2022 and 31 December 2021 amounted to less than € 0.1 million.

As of 30 September 2022, Key Management Personnel, and other related party held 224 thousand ordinary shares of the Company, compared to 185 thousand as of 31 December 2021.

29.2 Associates

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

(amounts in thousand €)	30/9/2022	31/12/2021
Loans and advances to customers at amortised cost (Gross carrying amount)	848,811	910,320
Other assets	3,710	5,818
Due to customers	355,968	400,083
Other liabilities	17,736	29,885

(amounts in thousand €)	1/1 - 30/9/2022	1/1 - 30/9/2021
Total expense and capital expenditure	(79,027)	(132,342)
Total income	34,866	34,851

The ECL allowance for impairment on loans and advances to customers granted from the Group to its associates as at 30 September 2022 amounted to € 166 million (31 December 2021: € 124 million). The ECL charge on loans and advances to customers at amortised cost for the period ended 30 September 2022 amounted to € 45 million (30 September 2021: € 1 million).

Apart from the above-mentioned transactions, the Group contributed its former subsidiary IMITHEA Single Member S.A. to its associate Strix Holdings LP. The Group recognised from the said transaction a gain of € 55 million (Refer to Note 9 for further details).

Letters of guarantee to associates as at 30 September 2022 amounted to € 15 million (31 December 2021: € 17 million).

29.3 Joint ventures

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

(amounts in thousand €)	30/9/2022	31/12/2021 As restated
Loans and advances to customers at amortised cost (Gross carrying amount)	104,000	103,880
Due to customers	154,018	145,299

(amounts in thousand €)	1/1 - 30/9/2022	1/1 - 30/9/2021
Total income	635	535

The ECL allowance for impairment on loans and advances to customers at amortised cost granted from the Group to joint ventures as at 30 September 2022 amounted to € 41 million (31 December 2021: € 42 million as restated). Letters of guarantee to joint ventures as at 30 September 2022 amounted to € 145 million (31 December 2021: € 60 million).

30 Changes in the portfolio of consolidated companies

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

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

On 13 July 2022, the Company acquired a 55% controlling stake in Shnappi by fully subscribing a share capital increase of € 19 million. Refer to Note 20 for further information.

On 18 July 2022, Piraeus Bank S.A. acquired a 100% shareholding in Iolcus for a consideration of € 10 million, which became a subsidiary of the Group.

Except for the above, during the nine-month period ended 30 September 2022 the Company did not make any new investment through acquisition or establishment of new companies, in excess of € 10 million.

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

The changes incurred during the period ended 30 September 2022, in excess of € 10 million, were the following:

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

On 22 September 2022, the Group lost control over IMITHEA Single Member S.A. Refer to Note 9 for further information.

c) Liquidation, disposal and merging of subsidiaries:

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

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

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

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

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

On 11 July 2022, the liquidation of the subsidiary of the Group, Priam Business Consultancy SRL, was completed.

On 11 August 2022, Bulfina E.A.D., 100% subsidiary company of the Group, disposed of its participation in its subsidiary namely Vitosha Invest 146 EOOD.

On 6 September 2022, Omicron Cyclos Ena Symmetohiki S.A., 28.10% associate company of the Group, was set under liquidation.

31 Capital adequacy

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

- To comply with the capital requirements against risks undertaken, according to the regulatory framework,
- To preserve the Group's ability to continue its operations unhindered, thus to continue providing returns and benefits to its shareholders and ensure the confidence of their customers,
- To retain a sound and stable capital base in order to support the Group's Business Plans, and
- To maintain and enhance existing infrastructures, policies, procedures and methodologies for the adequate coverage of supervisory needs, in Greece and abroad.

The Group currently complies with the CRD IV regulatory framework (Basel III implementation under EU rules), which came into force with Directive 2013/36/EU as transposed into Greek Law 4261/2014 (amended by Law 4799/2021) and Regulation (EU) No. 575/2013 as it is currently in force.

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

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

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

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

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

b) an additional Pillar II capital requirement of 3.0% as per article 16(2) of Regulation 1024/2013/EU;

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

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

The capital adequacy ratios as at 30 September 2022 for the Group, as calculated under the existing regulatory framework, taking into account the relevant transitional period provisions applicable under Regulation 575/2013 and the transitional arrangements applicable under Regulation (EU) 2395/2017 for mitigating the impact of the introduction of IFRS 9 on own funds, were as follows:

	30/9/2022	31/12/2021
Common Equity Tier 1 Capital (CET1)	3,792	3,582
Tier 1 Capital	4,392	4,182
Total regulatory capital	5,285	5,073
Total risk weighted assets (on and off- balance sheet items)	31,892	32,207
CET1 Capital ratio	11.89%	11.12%
T1 Capital ratio	13.77%	12.98%
Total Capital ratio	16.57%	15.75%

As at 30 September 2022, the Total Capital Adequacy ratio for the Group stood at 16.57% and the CET1 ratio stood at 11.89%, covering the minimum Overall Capital Requirement ("OCR") levels.

During the third quarter of 2022, the Group received SRT approval for Ermis V, a synthetic securitization transaction of performing mortgage loans that led to a RWA relief of € 0.4 billion.

The Group has adopted the provisions of Article 473a of Regulation (EU) No 2017/2395, amending Regulation (EU) No 575/2013 relating to the CRR in regards with "transitional arrangements for mitigating the impact of the introduction of IFRS 9 on own funds”. These transitional arrangements allowed the Group to add back to its capital base a proportion of the IFRS 9 impact due to ECL allowance during the first five (5) years of use.

In addition, according to paragraph 7a that has been added to the said article, the Group replaced the rescaling of all exposure values that are reduced by ECL allowance with a standard risk weight of 100% to be assigned to the amounts added back to CET1 capital. In addition, the Group, following the amendment of the article 468 CRR 575/2013 has made use of the temporary regulatory treatment of unrealized gains and losses of sovereign bonds measured at FVTOCI. Based on the said amendment of article 468, institutions may remove from the calculation of their Common Equity Tier 1 items the amount of unrealized gains and losses accumulated since 31 December 2019 accounted for as “fair value changes” of sovereign debt securities, multiplied with a prudential factor of 0.7 for the year 2021 and of 0.4 for the year 2022.

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

32 Reclassifications of comparative period figures

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

€ Million	9 month period ended 30/9/2021		
	As published	Reclassifications	As reclassified
CONTINUING OPERATIONS			
Interest and similar income	1,365	-	1,365
Interest expense and similar charges	(274)	-	(274)
NET INTEREST INCOME	**1,091**	**-**	**1,091**
Fee and commission income	353	-	353
Fee and commission expense	(74)	4	(70)
NET FEE AND COMMISSION INCOME	**279**	**4**	**283**
Income from non-banking activities	-	26	26
Dividend income	1	-	1
Net gains/ (losses) from financial instruments measured at FVTPL	85	-	85
Net gains/ (losses) from financial instruments measured at FVTOCI	85	-	85
Net gains/ (losses) from derecognition of financial instruments measured at amortised cost	320	-	320
Net other income/ (expenses)	36	(26)	9
TOTAL NET INCOME	**1,896**	**4**	**1,901**
Staff costs	(329)	-	(329)
Administrative expenses	(307)	29	(278)
Depreciation and amortisation	(83)	-	(83)
Net gain/ (losses) from sale of property and equipment and intangible assets	1	-	1
TOTAL OPERATING EXPENSES BEFORE PROVISIONS	**(719)**	**29**	**(689)**
PROFIT/ (LOSS) BEFORE PROVISIONS, IMPAIRMENT AND INCOME TAX	**1,178**	**34**	**1,211**
ECL impairment losses on loans and advances to customers at amortised cost	(4,051)	89	(3,962)
Other credit-risk related charges on loans and advances to customers at amortised cost	-	(123)	(123)
Impairment (losses)/releases on other assets	(18)	-	(18)
ECL impairment (losses)/ releases on debt securities measured at FVTOCI	(9)	-	(9)
Impairment on subsidiaries and associates	(23)	-	(23)
Impairment of property and equipment and intangible assets	(4)	-	(4)
Impairment on debt securities at amortised cost	(16)	-	(16)
Other provision (charges)/ releases	2	-	2
Share of profit/ (loss) of associates and joint ventures	2	-	2
PROFIT/ (LOSS) BEFORE INCOME TAX	**(2,941)**	**-**	**(2,941)**
Income tax benefit/ (expense)	(143)	-	(143)
PROFIT/ (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	**(3,084)**	**-**	**(3,084)**
DISCONTINUED OPERATIONS			
Profit/ (loss) after income tax from discontinued operations	(5)	-	(5)
PROFIT/ (LOSS) FOR THE PERIOD	**(3,089)**	**-**	**(3,089)**
From continuing operations			
Profit/ (loss) attributable to the equity holders of the parent	(3,085)	-	(3,085)
Non controlling interest	1	-	1
From discontinued operations			
Profit/ (loss) attributable to the equity holders of the parent	(5)	-	(5)
Non controlling interest	-	-	-
Earnings/ (losses) per share attributable to the equity holders of the parent (in €):			
From continuing operations			
- Basic & Diluted	(4.26)	-	(4.26)
From discontinued operations			
- Basic & Diluted	(0.01)	-	(0.01)
Total			
- Basic & Diluted	(4.27)	-	(4.27)

€ Million	3 month period ended 30/9/2021		
	As published	Reclassifications	As reclassified
CONTINUING OPERATIONS			
Interest and similar income	411	-	411
Interest expense and similar charges	(92)	-	(92)
NET INTEREST INCOME	**319**	**-**	**319**
Fee and commission income	134	-	134
Fee and commission expense	(32)	1	(31)
NET FEE AND COMMISSION INCOME	**102**	**1**	**103**
Income from non-banking activities	-	11	11
Dividend income	1	-	1
Net gains/ (losses) from financial instruments measured at FVTPL	(6)	-	(6)
Net gains/ (losses) from financial instruments measured at FVTOCI	6	-	6
Net gains/ (losses) from derecognition of financial instruments measured at amortised cost	1	-	1
Net other income/ (expenses)	9	(11)	(2)
TOTAL NET INCOME	**432**	**1**	**433**
Staff costs	(95)	-	(95)
Administrative expenses	(105)	6	(99)
Depreciation and amortisation	(28)	-	(28)
Net gain/ (losses) from sale of property and equipment and intangible assets	-	-	-
TOTAL OPERATING EXPENSES BEFORE PROVISIONS	**(228)**	**6**	**(222)**
PROFIT/ (LOSS) BEFORE PROVISIONS, IMPAIRMENT AND INCOME TAX	**204**	**7**	**211**
ECL impairment losses on loans and advances to customers at amortised cost	(811)	26	(785)
Other credit-risk related charges on loans and advances to customers at amortised cost	-	(33)	(33)
Impairment (losses)/releases on other assets	(4)	-	(4)
ECL impairment (losses)/ releases on debt securities measured at FVTOCI	1	-	1
Impairment on subsidiaries and associates	-	-	-
Impairment of property and equipment and intangible assets	(2)	-	(2)
Impairment on debt securities at amortised cost	3	-	3
Other provision (charges)/ releases	(3)	-	(3)
Share of profit/ (loss) of associates and joint ventures	9	-	9
PROFIT/ (LOSS) BEFORE INCOME TAX	**(603)**	**-**	**(603)**
Income tax benefit/ (expense)	(32)	-	(32)
PROFIT/ (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	**(635)**	**-**	**(635)**
DISCONTINUED OPERATIONS			
Profit/ (loss) after income tax from discontinued operations	(4)	-	(4)
PROFIT/ (LOSS) FOR THE PERIOD	**(639)**	**-**	**(639)**
From continuing operations			
Profit/ (loss) attributable to the equity holders of the parent	(635)	-	(635)
Non controlling interest	-	-	-
From discontinued operations			
Profit/ (loss) attributable to the equity holders of the parent	(3)	-	(3)
Non controlling interest	-	-	-
Earnings/ (losses) per share attributable to the equity holders of the parent (in €):			
From continuing operations			
- Basic & Diluted	(0.51)	-	(0.51)
From discontinued operations			
- Basic & Diluted	(0.00)	-	(0.00)
Total			
- Basic & Diluted	(0.51)	-	(0.51)

33 Cash and cash equivalents

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

	30/9/2022	31/12/2021
Cash and balances with Central Banks	17,417	15,514
Due from banks	318	229
Financial assets at fair value through profit or loss	30	61
Financial assets at fair value through other comprehensive income	128	64
	17,894	**15,868**

34 Events subsequent to the end of the reporting period

- As disclosed in Notes 2.4 and 19, on 1 October 2022 the Group reclassified debt securities issued by corporations and financial institutions of total nominal value € 700 million, from FVTOCI to amortised cost, following the change in business model for managing the said asset class. The Group's impact before tax as a result of the reclassification was an increase in closing equity by € 82 million.

- On 11 October 2022, the Company announced, that Piraeus Bank and Resolute Asset Management Group ("Resolute") reached an agreement for the latter providing real estate related services in Greece. In this context, Piraeus Real Estate Management Single Member SA ("PREM") was acquired by Resolute Hellas Single Member SA ("Resolute Hellas"). The agreement refers to real estate servicing, real estate valuation services, and asset and property management of Piraeus' Bank own-used and non-core properties located in Greece.

- The distribution-in-kind to the Company's shareholders, of the shares issued by the Cypriot subsidiary "SUNRISEMEZZ PLC", which holds 44% of the mezzanine and junior tranches of the Sunrise I and Sunrise II NPE securitizations, in accordance with the respective resolution of the AGM, as disclosed in Note 27, was completed as per the envisaged timeline. Specifically, SUNRISEMEZZ PLC shares (ticker "SUNMEZZ") were listed on the EN.A. PLUS segment (Alternative Market) of the Athens Stock Exchange on 31 October 2022.

- On 31 October 2022, Piraeus Bank repaid € 500 million of a 5-year Covered Bond Series bearing a floating coupon of 3M Euribor + 250bps. The bond was issued under the € 10 billion Covered Bond Programme and was privately placed and fully subscribed by the European Investment Bank, the European Investment Fund and the European Bank for Reconstruction and Development.

- In November 2022, the Bank contributed into Strix Holdings LP, two bond loans of total gross book value € 421 million (carrying amount € 329 million), in exchange for additional limited partnership interests. As a result of this contribution, the Bank's cost of investment in Strix Holdings LP increased by an equivalent amount. No gain or loss was recognized by the Group, as a result of the said contribution.

- On 7 November 2022, Moody's upgraded Greek banks, on the back of an improved macroeconomic profile of the country and rising recovery value assumptions. Therefore, Piraeus Bank's senior debt rating was upgraded to "B1" from "B3" and the long-term deposit rating was upgraded to "Ba3" from "B2", with stable outlook from positive. For Piraeus Financial Holdings the long-term rating was upgraded to "B2" from "Caa1" and the subordinate medium-term note program to "B3" from "Caa1", with stable outlook from positive.

Athens, 10 November 2022

CHAIRMAN OF THE BOARD OF DIRECTORS	MANAGING DIRECTOR	GROUP CHIEF FINANCIAL OFFICER
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Independent Auditor's Review Report

To the Board of Directors of Piraeus Financial Holdings S.A.

Review Report on Condensed Interim Consolidated Financial Statements

Introduction

We have reviewed the accompanying condensed interim consolidated statement of financial position of the Group of Piraeus Financial Holdings S.A. (the "Group") as of 30 September 2022 and the related condensed interim consolidated statements of income, comprehensive income, changes in equity and cash flow for the nine-month period then ended, as well as the selective explanatory notes, which together comprise the condensed interim consolidated financial statements.

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

Scope of Review

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

Conclusion

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

Athens, 10 November 2022

The Certified Public Accountant

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