Condensed Interim Consolidated Financial Statements

31 March 2022

The Condensed Interim Consolidated Financial Statements have been approved by Piraeus Financial Holdings S.A. Board of Directors on 11 May 2022 and are available on the web site of Piraeus Financial Holdings S.A. at www.piraeusholdings.gr

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

PIRAEUS
FINANCIAL HOLDINGS

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Condensed Interim Consolidated Financial Statements as at 31 March 2022

Notes to the Condensed Interim Consolidated Financial Statements

Condensed Interim Consolidated Income Statement

€ Million	Note	3 month period ended 31/3/2022	3 month period ended 31/3/2021 As reclassified
CONTINUING OPERATIONS			
Interest and similar income	6	386	459
Interest expense and similar charges	6	(100)	(93)
NET INTEREST INCOME		**286**	**366**
Fee and commission income	7	122	96
Fee and commission expense	7	(20)	(19)
NET FEE AND COMMISSION INCOME		**102**	**77**
Income from non-banking activities	8	12	6
Net gains/ (losses) from financial instruments measured at fair value through profit or loss ("FVTPL")	10	224	77
Net gains/ (losses) from financial instruments measured at fair value through other comprehensive income ("FVTOCI")	11	97	10
Net gains/ (losses) from derecognition of financial instruments measured at amortised cost		(17)	317
Net gains/ (losses) from loss of control over subsidiaries/ disposal of associates and joint ventures	19	281	-
Net other income/ (expenses)		(2)	8
TOTAL NET INCOME		**983**	**860**
Staff costs		(91)	(97)
Administrative expenses		(82)	(89)
Depreciation and amortisation		(30)	(28)
Net gain/ (losses) from sale of property and equipment and intangible assets		-	1
TOTAL OPERATING EXPENSES BEFORE PROVISIONS		**(203)**	**(213)**
PROFIT/ (LOSS) BEFORE PROVISIONS, IMPAIRMENT AND INCOME TAX		**780**	**648**
ECL Impairment losses on loans and advances to customers at amortised cost	4.2	(196)	(932)
Other credit-risk related charges on loans and advances to customers at amortised cost	12	(34)	(43)
Impairment (losses)/releases on other assets		(3)	(5)
ECL impairment (losses)/ releases on debt securities measured at FVTOCI		1	(5)
Impairment on subsidiaries and associates		(2)	-
Impairment of property and equipment and intangible assets		(2)	(1)
Impairment on debt securities at amortised cost		(1)	(16)
Other provision charges/ (releases)		3	2
Share of profit/ (loss) of associates and joint ventures		(4)	(6)
PROFIT/ (LOSS) BEFORE INCOME TAX		**542**	**(358)**
Income tax benefit/ (expense)	13	(22)	(46)
PROFIT/ (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS		**520**	**(404)**
DISCONTINUED OPERATIONS			
Profit/ (loss) after income tax from discontinued operations	9	(1)	(3)
PROFIT/ (LOSS) FOR THE PERIOD		**519**	**(407)**
From continuing operations			
Profit/ (loss) attributable to the equity holders of the parent		521	(404)
Non controlling interest		(1)	-
From discontinued operations			
Profit/ (loss) attributable to the equity holders of the parent		(1)	(3)
Non controlling interest		-	-
Earnings/ (losses) per share attributable to the equity holders of the parent (in €):			
From continuing operations			
- Basic & Diluted	14	0.42	(8.03)
From discontinued operations			
- Basic & Diluted	14	(0.00)	(0.05)
Total			
- Basic & Diluted	14	0.42	(8.08)

The notes on pages 10 to 65 form an integral part of the Condensed Interim Consolidated Financial Statements

Condensed Interim Consolidated Statement of Comprehensive Income

€ Million	Note	3 month period ended 31/3/2022	31/3/2021
CONTINUING OPERATIONS			
Profit/ (loss) for the period (A)		**520**	**(404)**
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	(136)	(30)
Change in currency translation reserve	15	(3)	3
Items that will not be reclassified subsequently to profit or loss			
Change in reserve from equity instruments measured at FVTOCI	15	(1)	18
Other comprehensive expense, net of tax (B)	15	**(140)**	**(9)**
Total comprehensive income/ (expense), net of tax (A)+(B)		**380**	**(414)**
- Attributable to the equity holders of the parent		381	(414)
- Non controlling interest		(1)	-
DISCONTINUED OPERATIONS			
Loss for the period		**(1)**	**(3)**
Total comprehensive expense, net of tax		**(1)**	**(3)**
- Attributable to the equity holders of the parent		(1)	(3)
- Non controlling interest		-	-

Condensed Interim Consolidated Statement of Financial Position

€ Million	Note	31/3/2022	31/12/2021
ASSETS			
Cash and balances with Central Banks		17,962	15,519
Due from banks		713	1,344
Financial assets at FVTPL		792	906
Financial assets mandatorily measured at FVTPL		229	205
Derivative financial instruments		968	591
Loans and advances to customers at amortised cost	16	34,999	36,521
Loans and advances to customers mandatorily measured at FVTPL		78	77
Financial assets measured at FVTOCI	18	1,724	2,366
Debt securities at amortised cost	18	9,013	9,200
Investment property		1,307	1,041
Investments in associated undertakings and joint ventures	19	541	630
Property and equipment		927	890
Intangible assets		265	267
Tax receivables	20	165	160
Deferred tax assets		6,105	6,070
Other assets		3,409	3,453
Assets held for sale	17	186	435
Assets from discontinued operations	9	112	114
TOTAL ASSETS		**79,496**	**79,789**
LIABILITIES			
Due to banks	21	14,843	14,865
Due to customers	22	54,854	55,442
Derivative financial instruments		353	393
Debt securities in issue	23	976	971
Other borrowed funds	24	925	935
Current income tax liabilities		7	5
Deferred tax liabilities		10	10
Retirement and termination benefit obligations		70	75
Provisions		129	136
Liabilities held for sale		-	3
Other liabilities		1,114	1,124
Liabilities from discontinued operations	9	28	28
TOTAL LIABILITIES		**73,307**	**73,987**
EQUITY			
Share capital	26	1,188	1,188
Share premium	26	18,112	18,112
Other equity instruments	26	600	600
Less: Treasury shares	26	(1)	(2)
Other reserves and retained earnings	27	(13,730)	(14,110)
Capital and reserves attributable to equity holders of the parent		**6,169**	**5,788**
Non controlling interest		20	15
TOTAL EQUITY		**6,189**	**5,803**
TOTAL LIABILITIES AND EQUITY		**79,496**	**79,789**

The notes on pages 10 to 65 form an integral part of the Condensed Interim Consolidated Financial Statements

Condensed Interim Consolidated Statement of Changes in Equity

€ Million	Note	Attributable to equity shareholders of the parent entity											
		Share Capital	Share Premium	Contingent Convertible Bonds	Other equity instruments	Treasury shares	Currency Translation Reserve	Reserve from financial assets at FVTOCI	Other reserves	Retained earnings	Total	Non controlling interest	Total
Opening balance as at 1/1/2021		**2,620**	**13,075**	**2,040**	**-**	**(1)**	**(59)**	**281**	**115**	**(10,980)**	**7,091**	**106**	**7,197**
Other comprehensive income/ (expense), net of tax	15	-	-	-	-	-	3	(12)	-	-	(9)	-	(9)
Loss after tax for the period 1/1 - 31/3/2021		-	-	-	-	-	-	-	-	(407)	(407)	-	(407)
Total comprehensive income/ (expense) for the period 1/1 - 31/3/2021		**-**	**-**	**-**	**-**	**-**	**3**	**(12)**	**-**	**(407)**	**(416)**	**-**	**(416)**
Conversion of CoCos into ordinary shares		2,366	-	(2,040)	-	-	-	-	-	(353)	(27)	-	(27)
(Purchases)/ sales of treasury shares		-	-	-	-	1	-	-	-	-	1	-	1
Transfer of the accumulated reserve from equity securities measured at FVTOCI to retained earnings upon disposal		-	-	-	-	-	-	-	-	(16)	(16)	-	(16)
Disposals and movements in participating interests		-	-	-	-	-	-	-	2	-	2	2	4
Balance as at 31/3/2021		**4,986**	**13,075**	**-**		**-**	**(56)**	**269**	**117**	**(11,757)**	**6,635**	**108**	**6,743**
Opening balance as at 1/4/2021		**4,986**	**13,075**	**-**		**-**	**(56)**	**269**	**117**	**(11,757)**	**6,635**	**108**	**6,743**
Other comprehensive income/(expense), net of tax		-	-	-	-	-	2	(125)	-	-	(123)	-	(123)
Loss after tax for the period 1/4 - 31/12/2021		-	-	-	-	-	-	-	-	(2,607)	(2,607)	(1)	(2,608)
Total comprehensive income/ (expense) for the period 1/4 - 31/12/2021		**-**	**-**	**-**		**-**	**2**	**(125)**	**-**	**(2,607)**	**(2,730)**	**(1)**	**(2,731)**
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
Payment to the holders of AT1 capital instrument		-	-	-	-	-	-	-	-	(26)	(26)	-	(26)
(Purchases)/ sales of treasury shares		-	-	-	-	(2)	-	-	-	-	(2)	-	(2)
Transfer of the accumulated reserve from equity securities measured at FVTOCI to retained earnings upon disposal		-	-	-	-	-	-	-	-	78	78	-	78
Disposals and movements in participating interests		-	-	-	-	-	-	-	-	3	3	(93)	(90)
Balance as at 31/12/2021		**1,188**	**18,112**	**-**	**600**	**(2)**	**(54)**	**144**	**118**	**(14,318)**	**5,787**	**15**	**5,803**
Opening balance as at 1/1/2022		**1,188**	**18,112**	**-**	**600**	**(2)**	**(54)**	**144**	**118**	**(14,318)**	**5,787**	**15**	**5,803**
Other comprehensive expense, net of tax	15	-	-	-	-	-	(3)	(137)	-	-	(140)	-	(140)
Profit after tax for the period 1/1 - 31/3/2022		-	-	-	-	-	-	-	-	520	520	(1)	519
Total comprehensive income/ (expense) for the period 1/1 - 31/3/2022		**-**	**-**	**-**	**-**	**-**	**(3)**	**(137)**	**-**	**520**	**381**	**(1)**	**380**
(Purchases)/ sales of treasury shares		-	-	-	-	1	-	-	-	-	**1**	-	1
Disposals and movements in participating interests		-	-	-	-	-	-	-	(1)	-	**(1)**	6	5
Balance as at 31/3/2022		**1,188**	**18,112**	**-**	**600**	**(1)**	**(57)**	**8**	**117**	**(13,798)**	**6,169**	**20**	**6,189**

The notes on pages 10 to 65 form an integral part of the Condensed Interim Consolidated Financial Statements

Condensed Interim Consolidated Cash Flow Statement

€ Million	3 month period ended 31/3/2022	31/3/2021
Cash flows from operating activities		
Profit/ (Loss) before income tax	542	(360)
Adjustments to profit/ (loss) before income tax:		
Add: provisions and impairment	233	985
Add: depreciation and amortisation charge	30	28
Add: retirement benefits and cost of voluntary exit scheme	1	1
Net (gain)/ losses from valuation of financial instruments measured at FVTPL	(15)	(11)
Net (gain)/ losses from financial instruments measured at FVTOCI	(97)	(10)
(Gains)/ losses from investing activities	(277)	6
Accrued interest from investing and financing activities	14	7
Cash flows from operating activities before changes in operating assets and liabilities	432	647
Changes in operating assets and liabilities:		
Net (increase)/ decrease in cash and balances with Central Banks	(230)	(1)
Net (increase)/ decrease in financial assets measured at FVTPL	140	(343)
Net (increase)/ decrease in financial assets mandatorily measured at FVTPL	(26)	(1)
Net (increase)/ decrease in debt securities at amortised cost	(271)	(80)
Net (increase)/ decrease in amounts due from banks	685	(117)
Net (increase)/ decrease in loans and advances to customers	1,237	1,165
Net (increase)/ decrease in reverse repos with customers	-	2
Net (increase)/ decrease in other assets	59	73
Net increase/ (decrease) in amounts due to banks	(94)	32
Net increase/ (decrease) in liabilities measured at FVTPL	-	9
Net increase/ (decrease) in amounts due to customers	(577)	795
Net increase/ (decrease) in other liabilities	(83)	122
Net cash inflow from operating activities	**1,271**	**2,303**
Cash flows from investing activities		
Purchases of property and equipment	(4)	(6)
Proceeds from disposal of property and equipment and intangible assets	5	-
Purchases of intangible assets	(8)	(2)
Proceeds from disposal of assets held for sale	525	40
Purchases of financial assets at FVTOCI	(261)	(2,034)
Proceeds from disposal of financial assets at FVTOCI	889	1,095
Acquisition of subsidiaries net of cash and cash equivalents acquired and participation in share capital increases/ decreases	(87)	2
Proceeds from disposal of associates and joint ventures	3	-
Dividends received	1	-
Net cash inflow/ (outflow) from investing activities	**1,063**	**(904)**
Cash flows from financing activities		
Expenses directly attributable to the conversion of CoCos to ordinary shares	-	(27)
Net proceeds from issue/ (repayment) of debt securities and other borrowed funds	(29)	(29)
Purchases/ sales of treasury shares and preemption rights	1	-
Principal and the interest portion of lease liability	(7)	(7)
Net cash outflow from financing activities	**(35)**	**(62)**
Effect of exchange rate changes on cash and cash equivalents	6	8
Net increase in cash and cash equivalents (A)	**2,305**	**1,345**
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)	**18,173**	**10,649**

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 31 March 2022, the headcount of the Group is 10,355 full time employees (FTEs), of which 942 FTEs refer to discontinued operations (IMITHEA Single Member S.A.) and 161 FTEs refer to held for sale operations.

The Board of Directors of Piraeus Financial Holdings S.A. that approved the Condensed Interim Consolidated Financial Statements of the Group for the period ended 31 March 2022, as of 11 May 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
Arne S. Berggren	Independent Non-Executive BoD Member
Enrico Tommaso C. Cucchiani	Independent Non-Executive BoD Member
David R. Hexter	Independent Non-Executive BoD Member
Solomon A. Berahas	Independent Non-Executive BoD Member
Andrew D. Panzures	Independent Non-Executive BoD Member
Anne J. Weatherston	Independent Non-Executive BoD Member
Alexander Z. Blades	Non-Executive BoD Member
Periklis N. Dontas	Non-Executive BoD Member, Hellenic Financial Stability Fund (HFSF) Representative under Law 3864/2010.

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

2 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 statement line items and has reclassified comparative period figures. Refer to Notes 8 "Income from non- banking activities", 12 "Other credit risk related charges on loans and advances to customers at amortised cost" and 31 "Reclassifications of comparative period figures" for additional 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. Where necessary, the comparative figures have been reclassified to conform to changes in current period's presentation.

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 and its liquidity and capital position. The following were taken into consideration:

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

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

c) the Group's effective liquidity risk management leading to a robust liquidity position as evident by the Liquidity Coverage Ratio (LCR) and the Loans to Deposits ratio (LDR) as of 31 March 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 12.6% as at 31 March 2022 from 46.2% as at 31 March 2021 with the associated cost coming in line with initial estimates, and the further de-risking planned and under-way which targets for the Group to achieve a single-digit NPE ratio in 2022;

e) the capital adequacy of the Group, which exceeded the Overall Capital Requirement (OCR) (refer to the Capital Adequacy section below) and the minimum requirements for own funds and eligible liabilities (MREL) ratio of Piraeus Bank Group as at 1 January 2022, which reached 16.4% and exceeded the binding Intermediate Target of 16.1%, along with the non-dilutive capital enhancement actions that are in progress and expected to be completed in 2022 (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 in the beginning of 2022, and the Group's operations in Ukraine, which comprise a financial institution, namely JSC Piraeus Bank ICB, and investments in real estate assets which represent approximately 0.2% of the total consolidated assets of Piraeus Financial Holdings as of 31 March 2022.

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 31 March 2022, as the Group has adequate resources to continue its operations for a period of 12 months from the reporting date. For this reason the Group continues to adopt the going concern basis of accounting for preparing the financial statements.

Macroeconomic environment

Greece recorded strong growth in 2021, with real GDP increasing by 8.3% (preliminary data) covering almost all of 2020 losses and approaching pre-pandemic levels. The robust recovery in private consumption, the further increase in investments, the sharp increase in exports and the better-than-expected course of tourism contributed positively to the strong recovery on an annual basis.

In 2022, despite maintaining the strong growth dynamics observed in the first two months of the year and while the risks associated with the pandemic have been reduced, rising inflation and uncertainty over the course of the Russia's invasion of Ukraine on 24 February 2022, will be key determinants of business expectations and consumer confidence over the coming months. In the first quarter of 2022 the Economic Sentiment Indicator increased to 113.4 points from 112.6 points in the forth quarter of 2021. In particular, in March, where the index started to reflect the uncertainty created by the war in Ukraine, the decline was still marginal (at 112.1 points from 114.0 points in February) and less intense than the one in the eurozone as a whole, where the index decreased by 7.8 points to 106.7 points. However the index in Greece declined to 105.0 points in April 2022, reaching the respective levels of the eurozone. Based on the National Reform Programme 2022[1] submitted by the Greek Government to the European Commission in April 2022: "The main economic impact of the war is expected to come through the increase in global economic uncertainty and escalation of energy prices (natural gas, heating oil, electricity, fuels and lubricants) and food prices, and the consequent rise in commodity prices, as it is already visible in the latest readings of the Harmonised Index of Consumer Prices (HICP) inflation. As in all member states, in the first quarter of 2022 HICP inflation has soared, reaching to 8% (y-o-y) in March. This is substantially above the 5.5% y-o-y increase recorded in January 2022, and the highest inflation reading since 1995. Looking ahead, HICP inflation is projected to increase by 5.6% (yearly average) in 2022, including a 4.8% impact from the energy and the geopolitical crises. In 2023 HICP inflation is projected to de-escalate down to 1.6%, as the double shock gradually fades out. The impact on the external sector is expected to be less severe, despite sizeable

[1] 2022 European Semester: National Reform Programmes and Stability/Convergence Programmes | European Commission (europa.eu)

energy imports from Russia (21.5% of Greece’s total energy imports in 2021), as Greece’s exports to Russia and Ukraine and tourist receipts from both countries constitute a small fraction of total exports. On the other hand, the indirect effects through spillovers from EU and other trading partners, due to a slowdown in global growth momentum, are expected to be more substantial.”

In the labour market, the seasonally adjusted unemployment rate in February 2022 decreased to 12.8% compared to 16.2% in February 2021 and employment increased by 12.4%. However, the labor market has been affected by the implementation of specific operating constrains to companies and the adoption of measures to protect public health.

The stimulus to economic activity supported by the opening up of the economy following the phasing out of measures against pandemic, has led to the de-escalation of fiscal support to mitigate the negative effects of the health crisis. At the same time, support measures were taken, especially, for the most vulnerable households and businesses, in order to reduce mainly the energy costs of the disposable income. In the first quarter of 2022, the state budget deficit, on a modified cash basis, was reduced to € 3.88 billion against a deficit of € 5.71 billion in the corresponding period of 2021. The primary result was deficit of € 1.65 billion, compared to a primary deficit of € 3.41 billion for the same period in 2021. At the same time, an additional budget of € 2.6 billion was adopted in April as part of the measures taken to address the needs arising from the energy crisis and the consequent rise in commodity prices as a result of recent adverse geopolitical developments.

The deficit of General Government for 2021, according to the European System of Accounts (ESA), amounted to -7.4% of GDP from -10.2% in 2020 and the primary deficit decreased to -5% of GDP in 2021, from - 7.2% in 2020. The gross consolidated General Government debt amounted to 193.3% of GDP, reduced by 13 percentage points compared to 2020 when the debt had reached 206.3% of GDP.

In the January-February 2022 period, the current account deficit recorded an increase of € 2.9 billion year-on-year and stood at € 4.1 billion, due to a deterioration in the balance of goods, which was offset to some extent by an improvement in the other sub-accounts.

Despite the developments and the health crisis, the real estate market is in the last four (4) years of recovery period. In 2021 the residential property prices (the apartment price index as illustrated by Bank of Greece “BoG”) increased by an average annual rate of 7.1%, compared with an average increase of 4.5% in 2020. At the same time, the Net Foreign Direct Investments in the real estate sector increased by 34% in 2021, on an annual basis. Additionally, the office price index was increased by 1.3% in the first half of 2021 on an annual basis, following an increase by 1.2% in 2020.

In the first four months of 2022, Greece continued its access to the international debt markets with two successful Greek Government Bond (GGB) issuances. Specifically, in January 2022 a 10-year GGB was issued, of € 3.0 billion value at a yield of 1.836% and in April 2022 the 7-year GGB of 2020 was reopened at a yield of 2.366% with € 1.5 billion value. The emergency asset purchase program due to the pandemic (PEPP) terminated at the end of March 2022, while according to a decision of the ECB, the Governing Council intends to reinvest the principal payments from maturing securities purchased under the PEPP until at least the end of 2024. In the event of renewed market fragmentation related to the pandemic, PEPP reinvestments can be adjusted flexibly across time, asset classes and jurisdictions at any time. This could include purchasing bonds issued by the Hellenic Republic over and above rollovers of redemptions in order to avoid an interruption of purchases in that jurisdiction, which could impair the transmission of monetary policy to the Greek economy while it is still recovering from the fallout from the pandemic. Net purchases under the PEPP could also be resumed, if necessary, to counter negative shocks related to the pandemic.

At the beginning of April 2022, Greece repaid all of its loan obligations to the International Monetary Fund (IMF) after the early repayment of the remaining loans, amounting to € 1.86 billion. With the third consecutive early repayment from 2019 (repaid early € 2.7 billion at the end of 2019 and another € 3.3 billion in March 2021) Greece repaid loans totaling approximately € 7.9 billion which matured in 2024, reducing the funding cost of sovereign debt. In addition, Greece intends to prepay principal payments originally due in 2023 to Greek Loan Facility (GLF) lenders in an amount of € 2.65 billion. The GLF was part of the first financial support programme for Greece, agreed in May 2010. It consisted of bilateral loans from 14 euro area countries, amounting to € 52.9 billion.

The 13th assessment of the Greek economy was successfully completed in February 2022, under the enhanced supervision regime, in which the country entered in the summer of 2018, after joining the economic and fiscal policy coordination cycle of the European Semester.

A positive development that reflects the strong growth prospects of the economy, was both the upgrade of the Greek sovereign rating on 22 April 2022 from “BB” to “BB+” with stable outlook by S&P Global, and the upgrade on 18 March 2022, by DBRS Morningstar rating agency from “BB” to “BB (high)” with stable outlook. Greece is now just one notch away from securing an investment grade. In addition, on 14 January 2022, the rating agency Fitch upgraded the outlook of the Greek economy to positive from stable, keeping the country's sovereign rating unchanged at “BB”. Moody’s places the country's credit rating at "Ba3", with stable outlook.

On 8 April 2022, Greece received the first installment from the RRF, amounting to € 3.6 billion (€ 1.72 billion in grants and € 1.84 billion in loans). The European Commission positively evaluated the relevant request after the fulfillment of the foreseen 15 milestones. In addition, Greece has already received pre-financing of € 3.96 billion since the beginning of August 2021 (€ 2.31 billion in grants and € 1.65 billion in loans). The second payment request is scheduled to be submitted in the summer, and the disbursement is expected within 2022. In total, more than 170 projects have been included in the RRF by the end of March 2022, with a total budget of over € 8.5 billion.

The Greek economy is inevitably experiencing the consequences of the international crisis, as reflected in the imbalances on the front of energy prices and their gradual effects on the economy as a whole. Nevertheless, the solid foundations that have been created through stimulating demand, increasing employment, boosting exports, increasing savings funds, significantly improving the quality of systemic banks' assets and their lending capacity combined with the great potential of significant European Union (EU) funding, they provide credible prospects for rapid economic recovery and sustainable growth. The rapid recovery of the Greek economy from the pandemic is also indicative of the improved resilience of the economy to shocks. The recovery of 2022 depends on the utilization of funds under the RRF, the de-escalation of inflationary pressures, the geopolitical developments, the improvement of the epidemic status and the degree of tourist activity restoration.

The primary risk factors affecting the developments in Greek economy, the domestic banking sector in general and the Group in particular are related to the continuing impact of international geopolitical challenges, the deterioration of supply and demand imbalances, the maintenance of high inflation rates, supply chain volatility, uncertainty in financial markets, and the course of pandemic. The Russian invasion of Ukraine in addition to the humanitarian crisis it has caused in the region, may lead to a possible upsurge of migration flows, while the economic consequences will be mainly linked with the economic activity and inflation - through higher energy and commodity prices - the disruption of international commerce and weaker confidence in households and businesses. The extent of these effects will depend on how the conflict evolves, on the impact of current sanctions and on possible further measures.

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

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

Liquidity

As at 31 March 2022, Group deposits decreased marginally by 1.1% compared to 31 December 2021, to € 54.9 billion, after the significant increase of 11.7% witnessed in 2021 and the usual seasonality observed at the beginning of the year.

In 2020, as a response to Covid-19 pandemic's effects on the European economy, the ECB announced easing off the conditions for targeted longer-term refinancing operations – TLTRO, in order to leverage its use by credit institutions. The Group has raised a total of € 14.5 billion as of 31 March 2022 under TLTRO auctions and retains sufficient cash buffers. This is facilitated through ECB's decision in April 2020 to waive the eligibility criteria and accept Greek sovereign debt instruments as collateral in Eurosystem credit operations. Funding from the interbank market stood at € 0.2 billion as at 31 March 2022, compared to € 0.3 billion as at 31 December 2021.

The Group's balance sheet deleveraging, coupled with the medium-term customer deposits restoration trend, alongside with the restoration of the markets access and the Tier 2 issuances in 2019 and early 2020, as well as the issuance of AT1 Capital instrument and Green Senior Preferred Bond in 2021, improved the Group's funding mix and increased its high quality liquid assets ("HQLA") buffer. As at 31 March 2022, the Group's LCR stood at 211% (thus, double than the regulatory requirement of 100%) and the net LDR at 63.8%.

Furthermore, the ECB decisions for the PEPP (described in the "Macroeconomic environment" section above) that resulted in lowering the Greek 10 year sovereign yield to historically low levels in mid-2021, combined with: a) the lifting of the 2015 imposed cap on the holdings of Greek Government securities for Greek Banks, effective from 6 March 2020; and b) the waiver to accept Greek sovereign debt instruments as collateral in Eurosystem credit operations on 7 April 2020, has created more favorable conditions for Greek Banks to utilize ECB funding and enhance their liquidity position at competitive cost.

Based on the Group's most recent ILAAP assessment, both the LCR and NSFR (Net Stable Funding Ratio) 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 31 March 2022 stood at 11.25% while the total regulatory capital ratio stood at 15.96% as at the same date.

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

However, the measures that the ECB Banking Supervision announced on 12 March 2020, allow Banks to operate temporarily below the level of capital defined by the Pillar 2 Guidance ("P2G") and the CCB, which corresponds to 6.33% CET1 capital requirement for the Group, until 31 December 2022. In addition, Banks are also allowed to partially use capital instruments that do not qualify as CET1 capital, for example AT 1 or Tier 2 debt instruments, to meet the Pillar 2 Requirements ("P2R").

Refer to Note 30 for further details on the Group's capital adequacy.

2.3 Adoption of International Financial Reporting Standards

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

Amendments to Accounting Standards

IFRS 3 (Amendment) "Business Combinations". The amendment updates a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

IAS 16 (Amendment) "Property, Plant and Equipment". The amendment prohibits the deduction from the cost of property, plant and equipment of amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, such sale proceeds and related cost are recognised in profit or loss.

IAS 37 (Amendment) "Provisions, Contingent Liabilities and Contingent Assets". The amendment specifies which costs a company includes when assessing whether a contract is loss making.

Annual Improvements 2018-2020

IAS 1 (Annual Improvement) "Presentation of Financial Statements". The amendment permits a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs.

IFRS 9 (Annual Improvement) "Financial Instruments". The amendment clarifies which fees an entity includes when it applies the '10 percent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability.

IFRS 16 (Annual Improvement) "Leases". The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor.

The adoption of the amendments and annual improvements did not have an impact on the Condensed Interim Consolidated Financial Statements.

3 Critical accounting judgements and key sources of estimation uncertainty

In preparing these 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.

3.1 Key sources of estimation uncertainty

Determination of scenario weights and macroeconomic factors

Macroeconomic factors: As at 31 March 2022, the Group's forecasts of the economic variables across each scenario for 2022 and 2023 are the following:

	2022			2023		
ECL Key drivers Scenario	**Optimistic**	**Base**	**Pessimistic**	**Optimistic**	**Base**	**Pessimistic**
Real GDP growth	7.4	5.4	3.4	5.6	3.6	1.6
Unemployment rates	11.5	13.1	14.1	9.8	12.0	13.8
Price index (Non residential)	5.6	4.4	3.1	6.4	4.6	2.8
Price index (Residential)	7.3	6.4	5.5	7.4	6.0	4.5

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. Management evaluated whether its macroeconomic forecasts should be revised as of 31 March 2022 and concluded that it is too soon to quantify the extent and duration of the impact of the Russia-Ukraine war. Therefore, the Group's forecasts of economic variables have not been revised compared to 31 December 2021. Based on the outcome of sensitivity analysis performed on real GDP growth and unemployment rate projections, an adverse change of these two factors within a reasonable range of possible inputs, is not expected to have a material impact on the ECL allowance of the collectively assessed loans.

Sunrise III portfolio: The Group revised the loss attributed to potential sale of the portfolio to € 120 million, representing its best estimate based on current facts and circumstances as of the impairment assessment date. The probability-weighted estimate of ECL as of 31 March 2022 was determined by incorporating into the range of future possible scenarios a sale expectation, with an assigned probability of 75%. The ECL impact of incorporating a sale scenario with the said probability is € 90 million, of which € 45 million were recognized in the first quarter of 2022. The uncertainties affecting the Group's intent to execute the aspired sale of the portfolio through securitization rely on facts and circumstances that are not within the Group's control and which are mainly focused on the outcome of the regulatory approval process. Had the Group assigned a 100% probability on the sale scenario, the estimated additional loss, before tax, would be higher by € 30 million. The outcome of this uncertainty is expected to be resolved prior to 31 December 2022.

Solar portfolio: Project Solar is a joint securitization process with other Greek financial institutions under the Hellenic Asset Protection Scheme (HAPS). The Group's stake on the joint portfolio is approximately € 0.4 billion. The uncertainties affecting the Group's intent of realizing the cash flows of the portfolio through sale, are similar to those described for Sunrise III above.

On this basis, the Group incorporated into the ECL measurement of the Solar portfolio a sale scenario with a 75% probability weight, resulting to an ECL allowance of € 48 million as of 31 March 2022. Had the Group assigned a 100% probability on the sale scenario, the estimated additional loss, before tax, would be higher by € 16 million. The expected loss attributed to potential sale of the portfolio is a preliminary estimate and may change in the future. The outcome of this uncertainty is expected to be resolved prior to 31 December 2022.

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, except for the financial instruments for which their carrying amount is a reasonable approximation of the fair value.

	Carrying Amount		Fair Value	
	31/3/2022	31/12/2021	31/3/2022	31/12/2021
Financial assets				
Loans and advances to customers at amortised cost	34,999	36,521	34,767	36,556
Debt securities at amortised cost	9,013	9,200	8,004	8,982
Financial liabilities				
Debt securities in issue	976	971	930	964
Other borrowed funds	925	935	899	957

The following methods and assumptions were used to estimate the fair values of the aforementioned financial instruments as at 31 March 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 is not available, using discounted cash flow models based on current market interest rates offered for instruments with similar credit quality and duration.

4.1.2 Financial assets and liabilities measured at fair value

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

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

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

Level 2 inputs comprise observable inputs other than Level 1 quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for the full term of the instrument. An input is observable if it is developed using market data, such as publicly available information about events or transactions, and reflects the assumptions that market participants would use when pricing the asset or liability. Level 2 assets and liabilities include OTC derivatives and securities whose values are determined using pricing models, discounted cash flow methodologies, or similar techniques with inputs that are observable in the market.

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

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

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

Financial instruments measured at fair value and bases of valuation

	31/3/2022				31/12/2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Derivative financial instruments	-	968	-	968	-	591	-	**591**
Financial assets at FVTPL	790	2	-	792	849	57	-	**906**
Financial assets mandatorily measured at FVTPL	109	-	120	229	112	-	93	**205**
Loans and advances to customers mandatorily measured at FVTPL	-	-	78	78	-	-	77	**77**
Financial assets at FVTOCI	1,516	186	22	1,724	2,132	212	22	**2,366**
Financial liabilities								
Derivative financial instruments	-	353	-	353	-	393	-	**393**

Transfers between Level 1 and Level 2

Within the three-month period ended 31 March 2022, € 25 million corporate and bank bonds were transferred from Level 1 to Level 2 due to change in their trading activity. Accordingly, € 26 million of bank bonds were transferred from Level 2 to Level 1. There were no transfers of financial liabilities between Level 1 and Level 2 during the three-month period end 31 March 2022 and the year ended 31 December 2021. Transfers between levels of fair value hierarchy are deemed to have occurred at the end of the reporting period, in which the financial instruments were transferred.

Level 3 financial instruments

Level 3 financial instruments include:

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

b) Financial assets 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 considerations recognized following the disposal of loans and corporate receivables the fair value of which was estimated at € 37 million, for which the models used to estimate their fair value utilize significant unobservable inputs (e.g. discount rate, volatility, expected cash flows etc.)

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

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

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

f) Subordinated notes of the Sunrise I and II, Phoenix and Vega I,II,III securitizations retained by the Group as of 31 March 2022 classified within “Loans and advances mandatorily measured at FVTPL”, which have been valued using multiple valuation techniques incorporating significant unobservable inputs.

During the three-month period ended 31 March 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 measured 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 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	1	(1)	-
Purchases/ additions	26	2	-
Closing Balance as at 31/3/2022	**120**	**78**	**22**

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. All such instruments are categorised within the lowest level of the fair value hierarchy (i.e. Level 3). The fair value measurement of debt securities, including significant inputs on the valuation models, is performed by Middle Office and independently validated by Group Risk Management on a systematic basis.

The Group mainly engages in vanilla derivative products, hence, the valuation models utilised are fairly standard across the industry. Inputs to valuation models are determined based on market observable information wherever possible. Counterparty credit risk-adjustments are applied on all OTC derivatives. The Group calculates a separate Credit Value Adjustment (“CVA”) for each counterparty to which the Group has exposure. The CVA is estimated considering expected exposures generated using simulation techniques (i.e. Monte Carlo simulation), as well as ISDA master netting agreements and collateral postings under CSA contracts. With respect to own credit risk, the Group estimates a Debt Value Adjustment (“DVA”) by applying a methodology symmetric to the one applied for CVA. The bilateral CVA (“BCVA”) is based on implied probabilities of default, derived from credit default swaps (“CDS”) spreads observed in the market, or, if these are not available, from appropriate proxies. As of 31 March 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 Group Risk Management provide the control valuation framework necessary to ensure that the fair values are reasonably determined, reflecting current market circumstances and economic conditions.

Furthermore, under European Markets and Infrastructure Regulation ("EMIR") regulation, the valuation of interbank OTC derivatives is reconciled on a daily basis with counterparties' valuations, under the daily collateral management process.

Quantitative Information about Level 3 Fair Value Measurements as at 31 March 2022 and 31 December 2021

Financial instruments[4]	Fair Value 31/3/2022	Fair Value 31/12/2021	Valuation Technique	Significant Unobservable Input	Range of Inputs 31/3/2022 Low	Range of Inputs 31/3/2022 High	Range of Inputs 31/12/2021 Low	Range of Inputs 31/12/2021 High
Financial assets mandatorily at FVTPL – Contingent & variable considerations	69	43	Monte Carlo simulation	Revenue volatility Discount rate Expected EBITDA/CF	15% 14% n/a[2]	15% 14% n/a[2]	15% 14% n/a[2]	15% 14% n/a[2]
Financial assets mandatorily at FVTPL and FVTOCI – equity securities, mutual funds	73	72	Income, market approach	n/a[1]	n/a[1]	n/a[1]	n/a[1]	n/a[1]
Loans and advances to customers mandatorily measured at FVTPL – Phoenix, Vega I, II, III and Sunrise I and II subordinated notes	36	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	42	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 mezzanine notes' nominal value.

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

4.2 Credit Risk Management

4.2.1 Loans and advances to customers at amortised cost

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

For the purposes of this disclosure, gross carrying amount is defined as the amortised cost, before adjusting for any loss allowance, grossed up with the PPA adjustment. Similarly, the ECL allowance for impairment losses presented in the following tables includes the PPA adjustment. As such, the gross carrying amount and ECL allowance for impairment losses presented below does not reconcile to Note 16.

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

31/3/2022	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	4,484	1,923	370	338	7,115
Less: ECL Allowance for impairment losses	(3)	(28)	(37)	(14)	(82)
Total Mortgages	**4,481**	**1,895**	**332**	**325**	**7,033**
Consumer, Personal and Other loans					
Gross carrying amount	834	341	224	88	1,487
Less: ECL Allowance for impairment losses	(16)	(36)	(113)	(21)	(186)
Total Consumer, Personal and Other loans	**818**	**306**	**110**	**67**	**1,301**
Credit Cards					
Gross carrying amount	320	120	50	4	495
Less: ECL Allowance for impairment losses	(1)	(6)	(41)	(3)	(51)
Total Credit Cards	**319**	**115**	**9**	**1**	**444**
Retail Lending					
Gross carrying amount	5,638	2,384	644	430	9,096
Less: ECL Allowance for impairment losses	(20)	(69)	(192)	(37)	(318)
Total Retail Lending	**5,618**	**2,315**	**452**	**393**	**8,778**
Large Corporate Lending					
Gross carrying amount	15,176	1,361	1,366	134	18,036
Less: ECL Allowance for impairment losses	(28)	(25)	(483)	(19)	(555)
Total Large Corporate Lending	**15,149**	**1,336**	**883**	**115**	**17,482**
SMEs Lending					
Gross carrying amount	5,519	1,483	2,142	466	9,610
Less: ECL Allowance for impairment losses	(27)	(86)	(924)	(152)	(1,190)
Total SMEs Lending	**5,492**	**1,397**	**1,218**	**314**	**8,420**
Public Sector Lending					
Gross carrying amount	316	-	5	2	323
Less: ECL Allowance for impairment losses	(1)	-	(3)	(0)	(4)
Total Public Sector Lending	**315**	**-**	**2**	**2**	**320**
Corporate and Public Sector Lending					
Gross carrying amount	21,011	2,844	3,513	602	27,970
Less: ECL Allowance for impairment losses	(56)	(112)	(1,410)	(171)	(1,749)
Total Corporate and Public Sector Lending	**20,955**	**2,732**	**2,103**	**430**	**26,221**
Loans and advances to customers at amortised cost					
Gross carrying amount	26,649	5,229	4,157	1,032	37,066
Less: ECL Allowance for impairment losses	(76)	(181)	(1,602)	(209)	(2,067)
Total Loans and advances to customers at amortised cost	**26,573**	**5,048**	**2,555**	**823**	**34,999**

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**

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

Movement in ECL allowance

	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 1/1/2022	91	175	1,508	197	1,971
Transfers between stages (net)	14	2	(16)	-	-
ECL impairment charge/ (release) for the period (P&L)	(26)	8	197	17	196
Change in the present value of the allowance	-	-	14	4	19
Write-off of interest recognised from change in the present value of the allowance	-	(1)	(24)	(6)	(31)
Write-offs	(2)	-	(85)	(2)	(89)
FX differences and other movements	(1)	(4)	8	(1)	2
ECL allowance as at 31/3/2022	**76**	**181**	**1,602**	**209**	**2,067**

Movement in ECL allowance

	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 1/1/2021	107	257	6,482	3,058	**9,904**
Transfer (to)/ from Held for Sale	-	-	(128)	8	**(120)**
Transfers between stages (net)	10	(9)	(1)	-	**-**
ECL impairment charge/ (release) for the period (P&L) (as reclassified)	4	60	634	233	**932**
Change in the present value of the allowance	-	-	74	47	**121**
Write-off of interest recognised from change in the present value of the allowance	-	-	(112)	(53)	**(165)**
Write-offs	(3)	-	(66)	(103)	**(172)**
FX differences and other movements (as reclassified)	(6)	(1)	(29)	(10)	**(47)**
ECL allowance as at 31/3/2021	**112**	**307**	**6,855**	**3,179**	**10,453**

For the reclassifications made during the period ended 31 March 2021, due to comparison purposes in line “ECL impairment charge/ (release) for the period (P&L)” please refer to the Notes 12 and 31.

As explained in Note 3.1, the Group incorporated into the ECL measurement of the Sunrise III and Solar portfolios as of 31 March 2022 a sale scenario resulting to an additional ECL impairment charge of € 93 million.

The gross modification impact recognized by the Group during the period ended 31 March 2022, for loans with ECL allowance measured at an amount equal to lifetime expected credit losses was gain € 4 million (31 March 2021: loss € 19 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 € 10 million (31 March 2021: € 9 million). The net impact for the Group on the income statement for the period ended 31 March 2022 was therefore, gain € 14 million (31 March 2021: loss € 10 million). The gross carrying amount (before modification) of the loans whose cash flows were modified during the period ended 31 March 2022 amounted to € 852 million for the Group (31 March 2021: € 2,363 million). The gross carrying amount as at 31 March 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 31 March 2022 is measured at an amount equal to 12-month ECL (Stage 1), is € 101 million (31 March 2021: € 209 million).

4.2.2 Receivables from the Greek Public Sector

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

	31/3/2022	31/12/2021
Derivative financial instruments	130	296
Debt securities at FVTPL	329	445
Loans and advances at amortised cost	320	1,551
Debt securities at amortised cost	6,598	6,698
Debt securities at FVTOCI	1,031	1,450
Other assets	656	650
Total	**9,064**	**11,090**

The decrease in the carrying amount of line item "Loans and advances at amortised cost" by approximately € 1.2 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 31 March 2022, the Group sold GGBs of nominal value € 471 million, which were classified at FVTOCI. Refer to Note 11 for further information on material debt securities transactions throughout the reporting period.

5 Segment analysis

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

The Group manages its business through the following reportable segments:

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

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

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

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

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

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

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

1/1 - 31/3/2022	"Core" Segments					NPE MU	Group
	Retail Banking	Corporate Banking	PFM	Other	Total		
Net interest income	106	118	28	26	277	9	**286**
Net fee and commission income	57	39	2	2	100	2	**102**
Income from non-banking activities	-	-	-	11	11	1	**12**
Net gain/ (losses) from derecognition of financial instruments measured at amortised cost	-	-	(17)	-	(17)	-	**(17)**
Net other income/ (expenses)	283	1	320	(4)	601	(1)	**600**
Total Net Income	**446**	**157**	**333**	**35**	**972**	**11**	**983**
Total operating expenses before provisions	(108)	(39)	(14)	(30)	(191)	(12)	**(203)**
Profit/ (loss) before provisions, impairment and income tax	**338**	**119**	**318**	**5**	**780**	**(1)**	**780**
ECL Impairment losses on loans and advances to customers at amortised cost	(13)	5	1	(22)	(28)	(167)	**(196)**
Other credit-risk related charges on loans and advances to customers at amortised cost	(7)	(7)	-	(1)	(14)	(20)	**(34)**
Impairment (losses) / releases on other assets	-	-	-	(3)	(3)	-	**(3)**
ECL impairment (losses) / releases on debt securities measured at FVTOCI	-	-	1	-	1	-	**1**
Impairment on subsidiaries and associates	-	-	-	(2)	(2)	-	**(2)**
Impairment of property and equipment and intangible assets	-	-	-	(2)	(2)	-	**(2)**
Impairment on debt securities at amortised cost	-	-	(1)	-	(1)	-	**(1)**
Other provision charges/ releases	-	-	-	3	3	-	**3**
Share of profit/ (loss) of associates and joint ventures	-	-	-	(4)	(4)	-	**(4)**
Profit/ (loss) before income tax	**319**	**117**	**320**	**(27)**	**730**	**(188)**	**542**
Income tax expense							(22)
Profit for the period from continuing operations							**520**
Loss after income tax from discontinued operations	-	-	-	(1)	(1)	-	**(1)**
Profit for the period							**519**
As at 31/3/2022							
Total assets from continuing operations (excluding assets held for sale)	9,527	16,749	30,382	13,441	70,099	9,099	**79,198**
Total assets from discontinued operations	-	-	-	112	112	-	**112**
Assets held for sale	6	15	-	7	28	158	**186**
Total assets	9,532	16,765	30,382	13,560	70,238	9,258	**79,496**
Total liabilities	40,441	12,296	16,048	4,072	72,856	451	**73,307**

1/1 - 31/3/2021 As reclassified	"Core" Segments					NPE MU	Group
	Retail Banking	Corporate Banking	PFM	Other	Total		
Net interest income	112	119	40	9	280	86	**366**
Net fee and commission income	46	25	1	2	75	2	**77**
Income from non-banking activities	-	-	-	4	4	2	**6**
Net gain/ (losses) from derecognition of financial instruments measured at amortised cost	-	-	317	-	317	-	**317**
Net other income/ (expenses)	1	1	94	(2)	95	-	**95**
Total Net Income	**159**	**145**	**453**	**13**	**769**	**91**	**860**
Total operating expenses before provisions	(104)	(39)	(10)	(38)	(191)	(21)	**(213)**
Profit/ (loss) before provisions, impairment and income tax	**55**	**106**	**443**	**(26)**	**578**	**70**	**648**
ECL Impairment losses on loans and advances to customers at amortised cost	(82)	(2)	-	(13)	(97)	(835)	**(932)**
Other credit-risk related charges on loans and advances to customers at amortised cost	(13)	(1)	-	(1)	(15)	(27)	**(43)**
Impairment (losses) / releases on other assets	-	-	-	(5)	(5)	-	**(5)**
ECL impairment (losses) / releases on debt securities measured at FVTOCI	-	-	(5)	-	(5)	-	**(5)**
Impairment of property and equipment and intangible assets	-	-	-	(1)	(1)	-	**(1)**
Impairment on debt securities at amortised cost	-	-	(16)	-	(16)	-	**(16)**
Other provision charges/ releases	-	-	-	2	2	-	**2**
Share of profit/ (loss) of associates and joint ventures	-	-	-	(6)	(6)	-	**(6)**
Profit/ (loss) before income tax	**(40)**	**103**	**422**	**(50)**	**435**	**(793)**	**(358)**
Income tax benefit/ (expense)							(46)
Profit/ (loss) for the period from continuing operations							**(404)**
Loss after income tax from discontinued operations	-	-	-	(3)	(3)	-	**(3)**
Profit/ (loss) for the period							**(407)**
As at 31/12/2021							
Total assets from continuing operations (excluding assets held for sale)	9,584	17,595	29,138	13,439	69,756	9,484	**79,240**
Total assets from discontinued operations	-	-	-	114	114	-	**114**
Assets held for sale	7	7	-	33	47	388	**435**
Total assets	9,591	17,602	29,138	13,586	69,917	9,872	**79,789**
Total liabilities	40,057	12,636	16,199	4,719	73,611	376	**73,987**

In the tables above, interest income is presented for each reportable segment net of interest expense, as the performance of each segment is evaluated on a net interest income basis. Line item "net other income/ (expenses)" incudes also net gains/ (losses) from financial instruments measured at FVTPL and FVTOCI amounting to € 321 million and € 87 million for the periods ended 31 March 2022 and 2021, respectively. The amount of € 600 million presented under line item "net other income/ (expenses)" includes a gain upon loss of control over subsidiaries of € 282 million relating to the disposal of merchant acquiring business unit (refer to Note 19) and it is presented under segment "Retail Banking".

6 Net interest income

Continuing operations	1/1 - 31/3/2022	1/1 - 31/3/2021
Interest and similar income		
Debt securities measured at FVTOCI	10	13
Debt securities at amortised cost	30	16
Loans and advances to customers at amortised cost and reverse repos	270	375
Due from banks	1	1
Negative interest from liabilities to ECB	36	14
Negative interest from other interest bearing liabilities	1	-
Other	1	3
Total interest income for financial instruments not measured at FVTPL	**349**	**422**
Financial instruments measured at FVTPL	7	1
Derivative financial instruments	30	36
Total interest and similar income	**386**	**459**
Interest expense and similar charges		
Due to customers and repurchase agreements	(8)	(12)
Debt securities in issue and other borrowed funds	(23)	(18)
Due to banks	(2)	(1)
Contribution of Law 128/75	(13)	(16)
Negative interest from interest bearing assets	(16)	(7)
Other	(1)	(1)
Total interest expense from financial instruments not measured at FVTPL	**(63)**	**(55)**
Derivative financial instruments	(37)	(38)
Total interest expense	**(100)**	**(93)**
Net interest income	**286**	**366**

Line item "negative interest from liabilities to ECB" includes the funding liabilities of Piraeus Bank S.A. due to ECB, in the context of the TLTRO III program. Specifically, the revenue recorded during the period ended 31 March 2022 in Net Interest Income amounting to € 36 million, includes the additional margin of -0.50% to be provided in the context of TLTRO III program, as the Group estimates that it will meet the eligibility criteria for the additional special interest rate period from 24 June 2021 to 23 June 2022.

7 Net fee and commission income

Continuing operations	1/1 - 31/3/2022	1/1 - 31/3/2021 As reclassified
Fee and commission income		
Commercial banking	105	86
Investment banking	8	5
Asset management	9	6
Total fee and commission income	**122**	**96**
Fee and commission expense		
Commercial banking	(18)	(17)
Investment banking	(2)	(2)
Total fee and commission expense	**(20)**	**(19)**
Net fee and commission income	**102**	**77**

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 periods ended 31 March 2022 and 2021, per product type and per business segment.

	Fee and Commission income					
1/1 - 31/3/2022	**Retail Banking**	**Corporate Banking**	**PFM**	**Other**	**NPE MU**	**Total**
Acquiring	9	5	-	-	-	**14**
Asset management/Brokerage	10	1	2	1	-	**14**
Bancassurance	9	1	-	1	-	**11**
Cards Issuance	11	2	-	-	-	**13**
Deposits Commissions	2	-	-	-	-	**2**
Funds Transfer	13	4	-	1	-	**18**
Letters of Guarantee	1	7	-	-	1	**9**
Loans and advances to customers	2	17	-	1	-	**20**
Payments	5	1	-	-	1	**7**
FX fees	5	1	-	-	-	**6**
Other	4	3	-	1	-	**8**
Total	**71**	**42**	**2**	**5**	**2**	**122**

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

b. Other income

The tables below present other income from contracts with customers of the Group, for the periods ended 31 March 2022 and 2021, which fall within the scope of IFRS 15.

1/1 - 31/3/2022	Other Income				
	Retail Banking	Corporate Banking	Other	NPE MU	Total
Other operating income	-	-	8	-	8
Gain from sale of investment property	-	-	1	-	1
Gain from sale of other assets	-	-	1	-	1
Total	**-**	**-**	**10**	**-**	**10**

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

8 Income from non-banking activities

During the first quarter of 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 31 for the said change in presentation of the comparative figures.

9 Discontinued operations

The Group's discontinued operations as at 31 March 2022 and 2021 comprise solely of IMITHEA Single Member S.A.

On 23 March 2022, the Bank signed a share transfer agreement for the contribution of its entire shareholding in subsidiary IMITHEA Single Member S.A. into Strix Holdings LP. The transaction is subject to approval by the Hellenic Competition Authority.

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

	1/1 - 31/3/2022	1/1 - 31/3/2021
Net other income	6	8
Total net income	**6**	**8**
Staff costs	(4)	(7)
Administrative expenses	(2)	(3)
Depreciation and amortisation	(1)	(1)
Total operating expenses before provisions	**(7)**	**(11)**
Loss after income tax from discontinued operations	**(1)**	**(3)**

B) Assets and liabilities from discontinued operations

	31/3/2022	31/12/2021
ASSETS		
Property and equipment	79	80
Deferred tax assets	9	9
Other assets	24	25
Total Assets	**112**	**114**

	31/3/2022	31/12/2021
LIABILITIES		
Retirement and termination benefit obligations	2	2
Provisions	4	4
Other liabilities	22	22
Total Liabilities	**28**	**28**

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

The Group's net gains/ (losses) from financial instruments measured at FVTPL for the period ended 31 March 2022 mainly comprise of gains of € 266 million from derivatives (31 March 2021: gains of € 93 million) and losses of € 36 million from debt securities, the majority of which relates to government bonds' sales (31 March 2021: losses of € 14 million).

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

The Group's net gains/ (losses) from derecognition of financial instruments measured at FVTOCI for the period ended 31 March 2022 amounted to a gain of € 97 million (31 March 2021: € 10 million) and relates to recycling of valuation adjustments and accumulated impairments upon disposal of debt securities of total nominal value € 677 million. A gain of € 93 million relates to disposal of GGBs of total nominal value € 471 million.

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

During the first quarter 2022 the Group amended the presentation of fees related to the management of the NPE portfolio, such as assets under management ("AUM") fees, as well as success fees, which were prior to the change of presentation mainly included in line items "Administrative expenses" and "ECL Impairment losses on loans and advances to customers at amortised cost", respectively, to the line item "Other credit-risk related charges on loans and advances to customers at amortised cost". For the period ended 31 March 2022, AUM fees and success fees amounted to € 6 million and € 23 million, respectively (for the period ended 31 March 2021: € 13 million and € 30 million, respectively). Finally, protection fees payable by the Group in the context of synthetic securitizations amounted to € 5 million for the first quarter 2022 are included also in line item "Other credit-risk related charges on loans and advances to customers at amortised cost" (31 March 2021: nil). Refer to Note 31 for the said change in presentation of the comparative figures.

13 Income tax benefit / (expense)

Continuing operations	31/3/2022	31/3/2021
Current tax expense	(2)	(2)
Deferred tax benefit / (expense)	(20)	(44)
Income tax benefit / (expense)	**(22)**	**(46)**

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

The corporate income tax rate applicable to financial institutions, remains at 29% for 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 Income Statement is attributed to temporary differences between the tax and accounting base, the effect of which is analysed in the table below:

	1/1 - 31/3/2022	1/1 - 31/3/2021
Pensions and other post retirement benefits	(2)	(5)
Loans and advances to customers	(61)	(12)
Derivatives	13	15
Depreciation of property and equipment	(4)	-
Amortisation of intangible assets and lease liabilities	3	12
Impairment of Greek government bonds (PSI related)	(14)	(14)
Equity participations	71	(15)
Other temporary differences	(26)	(25)
Total	**(20)**	**(44)**

Management of the Group has estimated that the tax losses carried forward of € 11 million for the Group as at 31 March 2022 can be offset by future taxable profits and thus the Group has recognised a DTA amounting to € 2 million (31 December 2021: € 2 million). For these tax losses of € 11 million, there is no predefined time horizon in order for them to be utilized against taxable income.

DTA on tax losses carried forward are recognised only when it is probable that taxable profits will be available, against which these carried forward tax losses can be utilised. On this base, the Group has unused tax losses as at 31 March 2022 of € 1,909 million (31 December 2021: € 2,107 million), for which no DTA was recognized in the Statement of Financial Position.

As at 31 March 2022, the Group has recognised a DTA of € 6,105 million (31 December 2021: € 6,070 million) and a deferred tax liability of € 10 million (31 December 2021: € 10 million).

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

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

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

According to article 82 of Greek Law 4472/2017 credit institutions and other legal entities scoped into the provisions of article 27A of Greek Law 4172/2013 are required to pay an annual fee of 1.5% on the excess amount guaranteed by the Greek State of deferred tax assets arising from the difference between the tax rate applicable under Greek Law 4334/2015 (Gazette A' 80/16/7/2015) retrospectively from 1 January 2015 onwards (29%), and the tax rate applicable on 30 June 2015 (26%). The corresponding amount for the Group for the periods ended 31 March 2022 and 2021, amounted to € 1.6 million, and has been recognized within line item "Net other income/ (expenses)" of the Income Statement.

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 - 31/3/2022	1/1 - 31/3/2021
Profit/(loss) for the period attributable to ordinary shareholders of the parent entity from continuing operations	521	(404)
Loss for the period attributable to ordinary shareholders of the parent entity from discontinued operations	(1)	(3)
Profit/(loss) for the period attributable to ordinary shareholders of the parent entity from continuing and discontinued operations	**520**	**(407)**
Weighted average number of ordinary shares in issue (basic and diluted earnings/losses)	**1,249,734,974**	**50,347,213**
Basic and diluted earnings/losses per share in € from continuing operations	0.42	(8.03)
Basic and diluted earnings/losses per share in € from discontinued operations	(0.00)	(0.05)
Basic and diluted earnings/losses per share in € from continuing and discontinued operations	**0.42**	**(8.08)**

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

Continuing operations	1/1 - 31/3/2022			1/1 - 31/3/2021		
	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	(191)	55	(136)	(44)	14	(30)
Change in currency translation reserve	(3)	-	(3)	3	-	3
Items that will not be reclassified subsequently to profit or loss						
Change in reserve from equity instruments measured at FVTOCI	(1)	-	(1)	25	(7)	18
Other comprehensive income/ (expense) from continuing operations	**(195)**	**55**	**(140)**	**(16)**	**7**	**(9)**

16 Loans and advances to customers at amortised cost

	31/3/2022	31/12/2021
Mortgages	7,111	7,191
Consumer/ personal and other loans	1,472	1,486
Credit cards	494	490
Retail Lending	**9,077**	**9,168**
Corporate and Public Sector Lending	**27,892**	**29,218**
Total gross loans and advances to customers at amortised cost	**36,969**	**38,386**
Less: ECL allowance	(1,970)	(1,864)
Total	**34,999**	**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 securitizations Phoenix, Vega I, II and III, Sunrise I and II, with gross carrying amount of € 6,182 million as at 31 March 2022 (31 December 2021: € 6,236 million) as well as collateralized loan obligations ("CLOs") with a total carrying amount of € 113 million as at 31 March 2022 (31 December 2021: € 93 million), are included within note line "Corporate and Public Sector Lending".

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

	31/3/2022	31/12/2021
Mortgages (grossed up with PPA adjustment)	7,115	7,195
Less PPA adjustment	(3)	(4)
Mortgages	**7,111**	**7,191**
Consumer/ personal and other loans (grossed up with PPA adjustment)	1,487	1,503
Less PPA adjustment	(15)	(17)
Consumer/ personal and other loans	**1,472**	**1,486**
Credit cards (grossed up with PPA adjustment)	495	491
Less PPA adjustment	(1)	(1)
Credit cards	**494**	**490**
Retail Lending (grossed up with PPA adjustment)	9,096	9,189
Less PPA adjustment	(19)	(21)
Retail Lending	**9,077**	**9,168**
Corporate and Public Sector Lending (grossed up with PPA adjustment)	27,970	29,303
Less PPA adjustment	(78)	(85)
Corporate and Public Sector Lending	**27,892**	**29,218**
Total gross loans and advances to customers at amortised cost (grossed up with PPA adjustment)	37,066	38,492
Less PPA adjustment	(97)	(106)
Total gross loans and advances to customers at amortised cost (A)	**36,969**	**38,386**
Less: ECL allowance (grossed up with PPA adjustment)	(2,067)	(1,971)
Less PPA adjustment	97	106
Less: ECL allowance (B)	**(1,970)**	**(1,864)**
Net loans and advances to customers at amortised cost (A) + (B)	**34,999**	**36,521**

17 Assets held for sale

There were no additions to the pool of assets classified as held for sale during the three month period ended 31 March 2022. Additionally, Management has concluded that the IFRS 5 criteria continue to apply to those assets that had been classified as held for sale during previous reporting periods and are yet to be disposed as at 31 March 2022. Further information on the portfolios sold during the period is provided below:

Trinity IVb

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

Dory

The sale of shipping loans of € 699 million total legal claims was completed in March 2022 for a total consideration of € 228 million. This amount includes a variable consideration, the fair value of which was estimated at € 26 million, that is included under the line item "Financial Assets mandatorily measured at FVTPL".

Thalis

Thalis refers to the sale of the Bank's merchant acquiring business via a carve-out of the said business activity into a new legal entity. The assets and liabilities of Thalis perimeter were classified as held for sale on 31 December 2021. The sale was completed in March 2022 for a consideration of € 300 million. Refer to Note 19 for further information.

The variance of € 249 million compared to 31 December 2021 is mainly attributable to the derecognition of Trinity IVb and Dory.

18 Debt securities at amortised cost and financial assets at FVTOCI

As at 31 March 2022, the Group's portfolios of debt securities measured at amortised cost and financial assets measured at FVTOCI amounted to € 9,013 million and € 1,724 million, respectively (31 December 2021: € 9,200 million and € 2,366 million, respectively). The aforementioned investment securities mainly consist of foreign and domestic government bonds, the vast majority of which have a residual maturity higher than 12 months.

During the three month period ended 31 March 2022, the Group purchased debt securities measured at amortised cost of total nominal value € 523 million, of which € 408 million relates to GGBs and € 100 million to foreign government bonds (refer to Note 11 regarding the disposals of debt securities measured at FVTOCI for the three-month period ended 31 March 2022).

Debt securities at amortised cost is classified in Stage 1 in its entirety and the resulting ECL allowance as at 31 March 2022 amounted to € 19 million (31 December 2021: € 19 million). Additionally, an amount of € 1,628 million of debt securities of FVTOCI portfolio is classified in Stage 1 (31 December 2021: € 2,277 million) with an ECL allowance of € 11 million (31 December 2021: € 15), while an amount of € 30 million is classified in Stage 2 (31 December 2021: € 22 million), with a corresponding ECL allowance of € 4 million (31 December 2021: € 2 million) (refer to Note 27 related to the expected credit losses recognised in other comprehensive income during the period).

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 interest rate swaps. Specifically, the total nominal value of government bonds measured at FVTOCI and amortised cost, for which fair value hedge accounting was applied as of 31 March 2022, amounted to € 202 million and € 6,553 million, respectively (31 December 2021: € 460 million and € 6,189 million, respectively). For the three-month period ended 31 March 2022, the impact of fair value hedge accounting on the said debt securities was a loss of € 479 million, of which amount of € 457 million relates to hedged debt securities measured at amortised cost while amount of € 22 million relates to hedged debt securities measured at FVTOCI (31 March 2021: losses of € 64 million and € 7 million, respectively), which was offset by a similar valuation gain of the hedging derivatives.

19 Investments in consolidated companies

The Group's investments in consolidated companies as at 31 March 2022, are provided below:

A. Subsidiaries (full consolidation method)

a/a	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	2016-2021	100.00%
3.	Piraeus Leases Single Member S.A.	Financial leasing	Greece	2016-2021	100.00%
4.	Piraeus Financial Leasing Single Member S.A.	Financial leasing	Greece	2016-2021	100.00%
5.	Dynamic Asset Operating Leasing S.A.	Operating leasing	Greece	2016-2021	100.00%
6.	Geniki Single Member S.A.Financial & Consulting Services	Financial & consulting services	Greece	2016-2021	100.00%
7.	Piraeus Securities S.A.	Stock exchange services	Greece	2016-2021	100.00%
8.	Piraeus Factoring Single Member S.A.	Corporate factoring	Greece	2016-2021	100.00%
9.	Piraeus Capital Management S.A.	Management of venture capital fund	Greece	2016-2021	100.00%
10.	Piraeus Jeremie Technology Catalyst Management Single Member S.A.	Management of venture capital fund	Greece	2016-2021	100.00%
11.	Piraeus Asset Management Single Member M.F.M.C. S.A.	Mutual funds management	Greece	2016-2021	100.00%
12.	Geniki Information Single Member S.A.	Assessment and collection of commercial debts	Greece	2016-2021	100.00%
13.	Achaia Clauss Estate S.A.	Property management	Greece	2016-2021	75.70%
14.	Kosmopolis A' Shopping Centers Single Member S.A.	Shopping center’s management	Greece	2016-2021	100.00%
15.	ND Development Single Member S.A.	Property management	Greece	2016-2021	100.00%
16.	New Up Dating Development Real Estate and Tourism Single Member S.A.	Property, tourism & development company	Greece	2016-2021	100.00%
17.	Picar Single Member S.A.	City Link areas management	Greece	2016-2021	100.00%
18.	P.H. Development	Property management	Greece	2016-2021	100.00%
19.	General Construction and Development Co. S.A.	Property development/ holding company	Greece	2016-2021	66.66%
20.	Entropia Ktimatiki S.A.	Property management	Greece	2016-2021	66.70%
21.	Komotini Real Estate Development Single Member S.A.	Property management	Greece	2016-2021	100.00%
22.	Piraeus Buildings S.A.	Property development	Greece	2010-2021	100.00%
23.	Piraeus Development Single Member S.A.	Property management	Greece	2016-2021	100.00%
24.	Piraeus Real Estate Single Member S.A.	Construction company	Greece	2016-2021	100.00%
25.	Pleiades Estate Single Member S.A.	Property management	Greece	2016-2021	100.00%
26.	Piraeus Agency Solutions Single Member S.A.	Insurance agency	Greece	2016-2021	100.00%
27.	Mille Fin S.A.	Vehicle dealing	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%

a/a	Company	Activity	Country	Unaudited tax years [1]	% Holding
32.	Ianos Properties Single Member S.A.	Property management	Greece	2016-2021	100.00%
33.	Lykourgos Properties Single Member S.A.	Property management	Greece	2016-2021	100.00%
34.	Thesis Hermes Single Member S.A.	Property management	Greece	2021	100.00%
35.	Thesis Agra Single Member S.A.	Property management	Greece	2021	100.00%
36.	Thesis Cargo Single Member S.A.	Property management	Greece	2021	100.00%
37.	Thesis Schisto Single Member S.A.	Property management	Greece	2021	100.00%
38.	Thesis Stone Single Member S.A.	Property management	Greece	2021	100.00%
39.	IMITHEA Single Member S.A. [2]	Organization, operation and management of hospital units	Greece	2016-2021	100.00%
40.	Piraeus Support Services Single Member S.A.	Support services	Greece	-	100.00%
41.	Trastor Real Estate Investment Company	Real estate investment property	Greece	2016-2021	96.75%
42.	Dorida S.A.	Property management	Greece	2017-2021	96.75%
43.	Syzefxis Ltd	Property management	Greece	2016-2021	96.75%
44.	Tirana Leasing Sh.A.	Finance leases	Albania	2018-2021	100.00%
45.	Cielo Consultancy Sh.P.K.	Property management	Albania	2014-2021	99.09%
46.	Beta Asset Management EOOD	Rent and management of real estate	Bulgaria	2013-2021	100.00%
47.	Bulfina E.A.D.	Property management	Bulgaria	2008-2021	100.00%
48.	Bulfinace E.A.D.	Property management	Bulgaria	2008-2021	100.00%
49.	Delta Asset Management EOOD	Real estate development	Bulgaria	-	100.00%
50.	Varna Asset Management EOOD	Real estate development	Bulgaria	2014-2021	100.00%
51.	Asset Management Bulgaria EOOD	Travel - rental services and property management	Bulgaria	2012-2021	100.00%
52.	Besticar Bulgaria EOOD	Receivable's collection	Bulgaria	2012-2021	100.00%
53.	Besticar EOOD	Receivables collection from problematic clients	Bulgaria	2012-2021	100.00%
54.	Emerald Investments EOOD	Property management	Bulgaria	2018-2021	100.00%
55.	Piraeus Nedvizhimi Imoti EOOD	Property management	Bulgaria	-	100.00%
56.	Office Project 2021 EOOD	Property management	Bulgaria	-	100.00%
57.	Vitosha Invest 146 EOOD	Property management	Bulgaria	-	100.00%
58.	Lozenetz Construction EOOD	Property management	Bulgaria	-	100.00%
59.	Mladost Home EOOD	Property management	Bulgaria	-	100.00%
60.	Euroinvestment & Finance Public Ltd	Asset management, real estate operations	Cyprus	2018-2021	90.85%
61.	R.E. Anodus Two Ltd	Holding and investment company	Cyprus	2013-2021	99.09%
62.	Tellurion Ltd	Holding company	Cyprus	2013-2021	100.00%
63.	Tellurion Two Ltd	Holding company	Cyprus	2015-2021	99.09%
64.	Trieris Two Real Estate LTD	Holding, Investment and Real Estate Portfolio Management	Cyprus	2011-2021	100.00%
65.	R.E. Anodus Ltd	Consultancy services for real estate development and investments	Cyprus	2014-2021	100.00%
66.	Lakkos Mikelli Real Estate Ltd	Property management	Cyprus	2018-2021	50.66%

a/a	Company	Activity	Country	Unaudited tax years [1]	% Holding
67.	Philoktimatiki Public Ltd	Land and property development	Cyprus	2018-2021	53.29%
68.	Sunholdings Properties Company Ltd	Land and property development	Cyprus	2018-2021	26.65%
69.	Philoktimatiki Ergoliptiki Ltd	Construction company	Cyprus	2018-2021	53.29%
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.	Priam Business Consultancy SRL	Real estate development	Romania	2014-2021	99.18%
78.	Proiect Season Residence SRL	Real estate development	Romania	2018-2021	100.00%
79.	R.E. Anodus SRL	Real estate development	Romania	2013-2021	99.09%
80.	Rhesus Development Projects SRL	Real estate development	Romania	2014-2021	99.09%
81.	Piraeus Rent Doo Beograd	Operating leases	Serbia	2007-2021	100.00%
82.	Piraeus Real Estate Egypt LLC	Property management	Egypt	2011-2021	100.00%
83.	Trieris Real Estate Management Ltd	Management of Real estate companies	British Virgin Islands	-	100.00%
84.	Piraeus Group Capital Ltd	Debt securities' issuance	United Kingdom	2021	100.00%
85.	Piraeus Group Finance PLC	Debt securities' issuance	United Kingdom	2021	100.00%
86.	Kion Mortgage Finance PLC	SPV for securitization of mortgage loans	United Kingdom	-	-
87.	Praxis I Finance PLC	SPV for securitization of consumer loans	United Kingdom	-	-
88.	Piraeus SNF DAC	SPV for securitization of corporate, mortgage and consumer loans	Ireland	2021	-

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

Note [2]: Classified as discontinued operation (see Note 9).

The subsidiaries numbered 86 - 88 are special purpose vehicles ("SPVs") for securitization of loans and advances to customers and issuance of debt securities. The investment numbered 68 is a subsidiary due to majority presence in the Board of Directors of the company.

Furthermore, as at 31 March 2022 the subsidiaries numbered 22, 27, 28, 44, 77 and 80 were under liquidation.

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

Disposal of the merchant acquiring business unit

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

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 c. 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 that was recognized in line item “Net other income/ (expenses)” of the income statement.

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

	Post acquisition results up to 31 March 2022 (a)	Results of Trastor for the 3-month period ended 31 March 2022 (b)
Total net income	1	4
Profit before tax	0.5	2

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.

B. Associates and joint ventures (equity accounting method)

B.1 Associates

The Group's associates as of 31 March 2022 are the following:

s/n	Company	Activity	Country	Unaudited tax years (1)	% Holding
1.	Piraeus - TANEO Capital Fund	Close end venture capital fund	Greece	-	50.01%
2.	PJ Tech Catalyst Fund	Close end venture capital fund	Greece	-	30.00%
3.	APE Commercial Property Real Estate Tourist and Development S.A.	Holding company	Greece	2016-2021	27.80%
4.	Marfin Investment Group Holdings S.A.	Holding company	Greece	2016-2021	31.24%
5.	Omicron Cyclos Ena Symmetohiki S.A.	Holding company	Greece	2016-2021	28.10%
6.	APE Fixed Assets Real Estate Tourist and Development S.A.	Real estate, development/ tourist services	Greece	2016-2021	27.80%
7.	APE Investment Property S.A.	Real estate, development/ tourist services	Greece	2016-2021	28.92%
8.	Olganos Real Estate S.A.	Property management/electricity production from renewable energy resources	Greece	2016-2021	32.27%
9.	Pyrrichos S.A.	Property management	Greece	2016-2021	55.95%
10.	Exodus S.A.	Information technology & software	Greece	2016-2021	49.90%
11.	Evros' Development Company S.A.	European community programs management	Greece	2016-2021	30.00%
12.	Gaia S.A.	Software services	Greece	2017-2021	26.00%
13.	Crete Scient & Tech. Park Manag. & Dev. Co. S.A.	Scientific and technology park management	Greece	2016-2021	30.45%
14.	Intrum Hellas REO Solutions S.A.	Real estate	Greece	2019-2021	19.96%
15.	Intrum Hellas Credit Servicing S.A.	Credit and loan servicing	Greece	2019-2021	20.00%
16.	Teiresias S.A.	Interbanking company of development, operation and management of information systems	Greece	2016-2021	23.53%
17.	Pireaus 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	2021	29.35%
24.	Trieris Real Estate Ltd	Property management	British Virgin Islands	2018-2021	32.35%

s/n	Company	Activity	Country	Unaudited tax years (1)	% Holding
25.	Exus Software Ltd	IT products retailer	United Kingdom	2021	49.90%
26.	Strix Holdings LP	Holdings limited partnership	Ireland	-	100.00%
27.	Strix Asset Management Ltd	Asset management	Ireland	-	25.00%

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

Note [2]: Placed under liquidation as of 31 March 2022.

The Group's associate NGP Plastic S.A., is immaterial to the Group's financial position and results of operations, therefore, is not consolidated under the equity method but recognised at cost. This non-significant associate accounted for approximately -0.52% 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 of 31 March 2022 are the following:

s/n	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 29 for an analysis of significant changes in the portfolio of consolidated companies.

20 Tax receivables

	31/3/2022	31/12/2021
Tax receivables	217	212
Accumulated impairment of tax receivables	(51)	(51)
Net tax receivables	165	160

Net tax receivables for the Group as at 31 March 2022 amounted to € 165 million (31 December 2021: € 160 million), of which € 144 million and € 20 million are attributable to Piraeus Bank and the Company, respectively, and € 1 million to other subsidiaries of the Group.

Piraeus Bank S.A.

Net tax receivables comprise the following:

a) Receivables from withholding taxes on interest of bonds and treasury bills of € 67 million relating to financial years 2009, 2011, 2012 and 2013 (tax years 2008, 2010, 2011 and 2012). Under the provisions of Greek Law 4605 (article 93, par.1 and 2), as published at Gazette A' 52 on 1 April 2019, an amendment was introduced into the Greek Corporate Income Tax legislation, clarifying the status of the aforementioned withholding tax receivables of Piraeus Bank S.A., as follows:

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

- Withholding taxes of € 34 million, which are subject to the provisions of par. 6 of article 3 of Greek Law 4046/2012 and not offset within five (5) years, are offset with any tax liabilities of Piraeus Bank S.A., in equal instalments within 10 years, starting from 1 January 2020.

b) Withholding taxes of € 38 million deriving from interest income earned on Greek Government treasury bills, which were withheld after 1 January 2013, such tax receivables are offset against income tax available in the next five (5) financial years from the financial year in which the income tax was withheld. Upon completion of the five-year period, any remaining withholding tax is being offset against current tax liabilities.

c) Withholding taxes of € 33 million derived from corporate bonds, which are refundable by the Greek State.

d) Various other tax claims of € 6 million.

Company

Net tax receivables comprise the following:

a) Withholding taxes on corporate bonds of € 13 million, withheld in years 2020-2021 which are refundable by the Greek State.

b) Various other tax claims of € 7 million.

21 Due to banks

	31/3/2022	31/12/2021
Amounts due to ECB and central banks	14,317	14,348
Interbank deposits	63	90
Securities sold to credit institutions under agreements to repurchase	235	286
Other	228	142
	14,843	**14,865**

Line item "Due to Banks" mainly includes as at 31 March 2022 funding liabilities of Piraeus Bank S.A. due to the ECB of € 14,296 million, securities sold under agreements to repurchase of € 235 million and other placements with credit institutions of € 63 million (31 December 2021: € 14,332 million, € 286 million and € 90 million, respectively). There is also an increase of € 86 million in the "Other" category compared to 31 December 2021, which is mainly due to the consolidation of Trastor as a subsidiary (refer to Note 19). During the period ended 31 March 2022, the revenue recorded in Net Interest Income, amounting to € 36 million, includes the additional margin of -0.50% to be provided in the context of TLTRO III program, as the Group estimates that it will meet the eligibility criteria for the additional special interest rate period from 24 June 2021 to 23 June 2022 (refer to Note 6).

22 Due to customers

	31/3/2022	31/12/2021
Corporate		
Current and sight deposits	13,729	14,231
Term deposits	2,111	2,105
Blocked deposits, guarantee deposits and other accounts	266	283
Total (A)	**16,107**	**16,618**
Retail		
Current and sight deposits	6,435	6,238
Savings accounts	24,507	24,322
Term deposits	7,659	8,186
Blocked deposits, guarantee deposits and other accounts	42	44
Total (B)	**38,643**	**38,791**
Cheques payable and remittances (C)	**104**	**32**
Total Due to customers (A)+(B)+(C)	**54,854**	**55,442**

23 Debt securities in issue

	Weighted Interest Rate (%)	31/3/2022	31/12/2021
Covered Bonds - floating rate - Series 4	3m Euribor + 250bp	470	471
Senior Preferred Bond	3.875%	505	500
Total debt securities in issue		**976**	**971**

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

Issuer	Description	Underlying Loan Type	Issue Date	Maturity Date	Currency	Weighted Interest Rate on Total Outstanding Amount/ Coupon Frequency	Nominal value	Outstanding nominal amount	Redem-ptions	Nominal amount own held by the Bank	Nominal amount held by third parties	Carrying value	Weighted Interest Rate on 3rd Parties
31/3/2022													
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	470	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	-	-	-	505	3.875%

Issuer	Description	Underlying Loan Type	Issue Date	Maturity Date	Currency	Weighted Interest Rate on Total Outstanding Amount/ Coupon Frequency	Nominal value	Outstanding nominal amount	Redempti ons	Nominal amount own held by the Bank	Nominal amount held by third parties	Carrying value	Weighted Interest Rate on 3rd Parties
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	Cancellations
31/3/2022										
Covered Bonds										
Piraeus Bank S.A.	Floating rate covered bond Series 3	Mortgage loans	16-Feb-17	16-Nov-23	EUR	1m Euribor + 150bp / Monthly	1,000	500	-	500
Piraeus Bank S.A.	Floating rate covered bond Series 5	Mortgage loans	20-Nov-17	20-Nov-22	EUR	3m Euribor + 150bp / Quarterly	1,000	500	-	500
Piraeus Bank S.A.	Floating rate covered bond Series 6	Mortgage loans	31-Jan-18	31-Jan-23	EUR	3m Euribor + 150bp / Quarterly	1,000	500	-	500
Piraeus Bank S.A.	Floating rate covered bond Series 7	Mortgage loans	11-May-18	11-Feb-24	EUR	3m Euribor + 150bp / Quarterly	1,000	1,000	-	-

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

As at at 31 March 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 € 4,041 million and € 4,160 million, respectively.

24 Other borrowed funds

During the period ended 31 March 2022, the Group did not proceed with any repurchases or issuances of other borrowed funds.

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

25.1 Legal proceedings

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

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

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

However, based on Management's judgement and after consultation with the Group's legal counsels, the ultimate disposition of these matters is not expected to have a material adverse effect on the Condensed Interim Consolidated Financial Statements. As at 31 March 2022, the Group has established a provision for cases under litigation of € 29 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.

25.2 Pending tax audits

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

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

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

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

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

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

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

The unaudited tax years of the Group's subsidiaries, associates and joint ventures, are included in Note 19 and therefore their tax liabilities for these years have not been finalised. The tax authorities have not yet audited the Group's subsidiaries for all fiscal years and consequently their tax positions for those years may not be considered as final.

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

25.3 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 consist of letters of guarantees, letters of credit and irrevocable undrawn committed credit facilities. Typically, letters of guarantee and letters of credit ensure payment to a third party for a customer's trade transactions or guarantee the performance of a customer to a third party. Irrevocable undrawn committed credit facilities are agreements to lend to a customer as long as there is no violation of the conditions established in the contract. Credit risk on the aforementioned commitments is measured by applying the same Credit Policy, approval process and monitoring procedures to those applied on Loans and advances to customers at amortised cost.

As at 31 March 2022 and 31 December 2021 the Group had undertaken the following credit commitments:

	31/3/2022	31/12/2021
Financial guarantees	3,769	3,764
Letters of credit	65	42
Irrevocable undrawn credit commitments	986	1,050
Total commitments	**4,820**	**4,856**

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

The ECL allowance of the Group on credit commitments as at 31 March 2022 amounted to € 97 million (31 December 2021: € 103 million) and is included in line item "Provisions", in the Condensed Interim Consolidated Statement of Financial Position.

25.4 Assets pledged

	31/3/2022	31/12/2021
Cash and balances with Central Bank	230	-
Due from banks	358	1,044
Financial assets at fair value through profit or loss	738	854
Loans and advances to customers	5,811	5,318
Financial assets at FVTOCI	982	1,552
Debt securities at amortised cost	8,589	8,821
Other assets	29	29
	16,736	**17,618**

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

In the context of the interbank repurchase agreement (repo) transactions, securities of a total nominal value of € 249 million (31 December 2021: € 227 million) are used for liquidity purposes. The said amount includes GGBs of nominal value € 245 million (31 December 2021: € 221 million).

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

The decrease of due from banks pledged assets in comparison to 31 December 2021, is mainly attributed to derivatives' transactions (Margin accounts). Furthermore, cash and balances with central banks relate to pledged cash under the coverage of the Bank's credit line by the ECB.

26 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 issuanse 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	-	(5,679,129)	(5,679,129)
Sales of treasury shares	-	6,523,995	6,523,995
Balance at 31/3/2022	**1,250,367,223**	**(411,788)**	**1,249,955,435**

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

The purchases and sales of treasury shares during Q1 2022 and the year 2021, as well as the treasury shares owned as at 31 March 2022 and 2021, relate to transactions that are carried out by the Group's subsidiary Piraeus Securities S.A. through its activities, which derive from its role as a market maker.

27 Other reserves and retained earnings

	31/3/2022	31/12/2021
Legal reserve	84	84
Reserve from financial assets measured at FVTOCI	8	144
Currency translation reserve	(57)	(54)
Other reserves	33	34
Total other reserves	**68**	**208**
Retained earnings	**(13,798)**	**(14,318)**
Other reserves and retained earnings	**(13,730)**	**(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.

	31/3/2022	31/12/2021
Opening balance	**144**	**281**
Losses from the valuation of debt securities	(92)	(74)
Gains/(losses) from the valuation of equity securities	(1)	17
ECL on debt securities	(1)	11
Recycling of valuation adjustments and accumulated impairments upon disposal	(97)	(87)
Transfer to retained earnings	-	(62)
Deferred taxation	55	59
Closing balance	**8**	**144**

Line item “Recycling of valuation adjustments and accumulated impairments upon disposal” relates to GGBs disposals during the period ended 31 March 2022 and it was reflected under line “Net gains/ (losses) from financial instruments measured at fair value through other comprehensive income”.

28 Related party transactions

Related parties are:

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

b) Close family members of Key Management Personnel,

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

d) Group΄s Subsidiaries,

e) Group΄s Associates,

f) Group΄s Joint ventures,

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

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

28.1 Key Management Personnel and other related parties

The table below presents the Group’s related party transactions with Key Management Personnel and the related party referred to in points (b) and (c) above, as well as HFSF. No significant transactions occurred with the HFSF during the period ended 31 March 2022.

(amounts in thousand €)	31/3/2022		31/12/2021	
	Key Management Personnel	Other related party	Key Management Personnel	Other related party
Loans and advances to customers at amortised cost (Gross carrying amount)	3,544	417	3,725	369
Due to customers	3,183	364	3,418	474

(amounts in thousand €)	1/1 - 31/3/2022		1/1 - 31/3/2021	
	Key Management Personnel	Other related party	Key Management Personnel	Other related party
Income	10	9	7	3

Members of the Key Management Personnel benefits

(amounts in thousand €)	1/1 - 31/3/2022	1/1 - 31/3/2021
Short-term benefits	1,438	1,316
Contributions to the Institution for Occupational Retirement, Life and Medical Provision	18	21
Post-employment benefits	23	12

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

The total provision for post-employment benefits to Key Management Personnel as at 31 March 2022 amounted to € 1 million (31 December 2021: € 1 million) and is included in line item "Retirement and termination benefit obligation" 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 31 March 2022 and 31 December 2021 amounted to less than € 0.1 million.

As at 31 March 2022 Key Management Personnel and other related party held 186 thousand Ordinary Shares of the Company (31 December 2021: 185 thousand).

28.2 Associates

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

(amounts in thousand €)	31/3/2022	31/12/2021
Loans and advances to customers at amortised cost (Gross carrying amount)	829,403	910,320
Other assets	4,842	5,818
Due to customers	379,159	400,083
Other liabilities	16,090	29,885

(amounts in thousand €)	1/1 - 31/3/2022	1/1 - 31/3/2021
Total expense and capital expenditure	(31,225)	(50,058)
Total income	10,712	14,262

The ECL allowance for impairment on loans and advances to customers at amortised cost granted from the Group to associates as at 31 March 2022 amounted to € 140 million (31 December 2021: € 124 million). The ECL on loans and advances to customers at amortised cost for the period ended 31 March 2022 amounted to € 17 million (31 March 2021: ECL release of € 5 million).

Letters of guarantee to associates as at 31 March 2022 amounted to € 14 million (31 December 2021: € 17 million).

28.3 Joint ventures

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

(amounts in thousand €)	31/3/2022	31/12/2021
Loans and advances to customers at amortised cost (Gross carrying amount)	53,254	53,244
Due to customers	18,849	3,955

(amounts in thousand €)	1/1 - 31/3/2022	1/1 - 31/3/2021
Total income	42	133

The ECL allowance for loans and advances to customers amortised cost granted from the Group to joint ventures as at 31 March 2022 amounted to € 41 million (31 December 2021: € 41 million).

29 Changes in the portfolio of consolidated companies

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

During the period ended 31 March 2022, the Company did not make any new investment through acquisition or establishment in excess of € 10 million.

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

The changes incurred during the first quarter of 2022, in excess of € 10 million, were the following:

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

On 2 March 2022, Piraeus Bank S.A. acquired another 52% of the equity stake of its associate, namely Trastor Real Estate Investment Company, for a cash consideration of € 98 million, becoming thus its subsidiary, together with its subsidiaries, Dorida S.A. and Syzefxis Single Member S.A. Refer to Note 19 for details on the acquisition.

c) Liquidation and disposal 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.

30 Capital adequacy

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

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

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

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

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

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

The ECB, through the SREP decision on 2 February 2022, informed the Management on the revised Overall Capital Requirement (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% 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 31 March 2022 and 31 December 2021 for the Group, as calculated under the existing regulatory framework, taking into account the relevant transitional period provisions applicable under Regulation 575/2013 and the transitional arrangements applicable under Regulation (EU) 2395/2017 for mitigating the impact of the introduction of IFRS 9 on own funds, were as follows:

	31/3/2022	31/12/2021
Common Equity Tier 1 Capital (CET1)	3,562	3,582
Tier 1 Capital	4,162	4,182
Total regulatory capital	5,053	5,073
Total risk weighted assets (on and off- balance sheet items)	31,670	32,207
CET1 Capital ratio	11.25%	11.12%
T1 Capital ratio	13.14%	12.98%
Total Capital ratio	15.96%	15.75%

As at 31 March 2022, the Total Capital Adequacy ratio for the Group stood at 15.96% and the CET1 ratio stood at 11.25%, covering the minimum Overall Capital Requirement ("OCR") levels.

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.

31 Reclassifications of comparative period figures

The reclassifications reflected in the Condensed Interim Consolidated Income Statement of the period ended 31 March 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	Period ended 31/3/2021		
	As published	Reclassifications	As reclassified
CONTINUING OPERATIONS			
Interest and similar income	459	-	459
Interest expense and similar charges	(93)	-	(93)
NET INTEREST INCOME	**366**	**-**	**366**
Fee and commission income	96	-	96
Fee and commission expense	(20)	1	(19)
NET FEE AND COMMISSION INCOME	**76**	**1**	**77**
Income from non-banking activities	-	6	6
Net gains/ (losses) from financial instruments measured at fair value through profit or loss ("FVTPL")	77	-	77
Net gains/ (losses) from financial instruments measured at FVTOCI	10	-	10
Net gains/ (losses) from derecognition of financial instruments measured at amortised cost	317	-	317
Net other income/ (expenses)	14	(6)	8
TOTAL NET INCOME	**859**	**1**	**860**
Staff costs	(97)	-	(97)
Administrative expenses	(101)	12	(89)
Depreciation and amortisation	(28)	-	(28)
Net gain/ (losses) from sale of property and equipment and intangible assets	1	-	1
TOTAL OPERATING EXPENSES BEFORE PROVISIONS	**(225)**	**12**	**(213)**
PROFIT/ (LOSS) BEFORE PROVISIONS, IMPAIRMENT AND INCOME TAX	**634**	**14**	**648**
ECL impairment losses on loans and advances to customers at amortised cost	(961)	29	(932)
Other credit-risk related charges on loans and advances to customers at amortised cost	-	(43)	(43)
Impairment (losses)/releases on other assets	(5)	-	(5)
ECL impairment (losses)/ releases on debt securities measured at FVTOCI	(5)	-	(5)
Impairment of property and equipment and intangible assets	(1)	-	(1)
Impairment on debt securities at amortised cost	(16)	-	(16)
Other provision charges/ (releases)	2	-	2
Share of profit/ (loss) of associates and joint ventures	(6)	-	(6)
PROFIT/ (LOSS) BEFORE INCOME TAX	**(358)**	**-**	**(358)**
Income tax benefit/ (expense)	(46)	-	(46)
PROFIT/ (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	**(404)**	**-**	**(404)**
DISCONTINUED OPERATIONS			
Profit/ (loss) after income tax from discontinued operations	(3)	-	(3)
PROFIT/ (LOSS) FOR THE PERIOD	**(407)**	**-**	**(407)**
From continuing operations			
Profit/ (loss) attributable to the equity holders of the parent	(404)	-	(404)
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	(8.03)	-	(8.03)
From discontinued operations			
- Basic & Diluted	(0.05)	-	(0.05)
Total			
- Basic & Diluted	(8.08)	-	(8.08)

32 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 31 March 2022 and 31 December 2021 with less than 90 days maturity from the date of their initial recognition.

	31/3/2022	31/12/2021
Cash and balances with Central Banks	17,728	15,514
Due from banks	283	229
Financial assets at fair value through profit or loss	6	61
Financial assets at fair value through other comprehensive income	156	64
	18,173	**15,868**

33 Events subsequent to the end of the reporting period

- On 5 April 2022, the Company announced that its subsidiary Piraeus Bank S.A. reached an agreement with the shareholders of Iolcus Investments AIFM for the acquisition of their 100% stake in the company. The agreed cash consideration of the transaction will reach approximately € 10 million. The transaction underpins Piraeus Bank's strategy for assuming a leading role in asset management in Greece. The transaction is subject to customary conditions precedent, including the receipt of the requisite regulatory approvals.

- Piraeus Bank S.A. signed a memorandum of understanding (MoU) with the company Natech S.A. into forming a strategic joint venture to develop an innovative digital bank, that provides financial and banking services to customers in Greece and the rest of the European Market.

- On 6 April 2022, the Group presented its strategic plan for 2022-2025. The Group's financial ambitions throughout this period include, inter-alia, an expected decrease of NPE ratio from 13% in 2021 to approximately 9% and 3% in 2022 and 2025, respectively. Beyond HAPS transactions, the aspired NPE ratio trajectory includes potential sales of loans in 2024 with a total gross carrying amount of € 0.4 billion. The possibility of these sales occurring as well as the scope of the exposures that may be derecognized through sale in 2024, depend on various factors and future events, most of which are not controlled by the Bank. Provided that all envisaged actions and assumptions made in the context of setting out the strategic plan for 2022-2025, eventually occur without material deviations compared to those initially planned, the preliminary assessment of the impact arising from the aspired NPE sales in 2024 is approximately € 0.1 billion. This assessment will be revised in the future and finalized upon completion of the respective potential transaction.

Athens, 11 May 2022

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

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TRUE TRANSLATION

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 31 March 2022 and the related condensed interim consolidated statements of income, comprehensive income, changes in equity and cash flow for the three-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, 11 May 2022

The Certified Public Accountant

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