Annual Financial Report

31 December 2022

Annual Financial Report publication in accordance with Law 3556/2007 is fulfilled with the publication of relevant zip and ixbrl inline viewer files, available on the web site of Piraeus Financial Holdings S.A. at Financial Statements & Other Information | Piraeus Financial Holdings (piraeusholdings.gr).

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

PIRAEUS FINANCIAL HOLDINGS

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STATEMENT OF ARTICLE 4 PAR. 2 OF LAW 3556/2007

To the best of our knowledge, the full year 2022 financial statements that have been prepared in accordance with the applicable accounting standards give a fair and true view of the assets, liabilities, equity and income statement of Piraeus Financial Holdings S.A. and the group of companies included in the consolidated financial statements, taken as a whole. In addition, the Board of Director's Annual Report for 2022 gives a fair and true view of the evolution, performance and position of Piraeus Financial Holdings S.A. and the group of companies included in the consolidated financial statements, taken as a whole, including the description of the main risks and uncertainties they have to face.

Athens, 16 March 2023

Non-Executive Chairman of BoD	Managing Director (CEO) Executive BoD Member	Non-Executive BoD Member
George P. Handjinicolaou	Christos I. Megalou	Solomon A. Berahas

BOARD OF DIRECTORS' ANNUAL REPORT

Global Economic Environment and Key Developments

The year 2022 was characterized by new and significant challenges for the global economy. While economic activity gradually returned to its pre-pandemic level, favored by the lifting of restrictive measures for Covid-19 in most countries, Russia's invasion of Ukraine and the rise of inflation to a level that the Western world has not faced since the late 1970s created a completely new economic environment, with increased risks and uncertainty.

Particularly in Europe, the impact of the war was not limited to an unprecedented rise in energy prices, but also highlighted the risk of insufficient quantities of natural gas during the winter of 2022-23.

To cope with the significantly higher cost of living, the majority of countries in the Western world implemented measures to support the most vulnerable, especially households, maintaining their expansionary fiscal policy and preventing a large drop in consumer demand. At the same time, in order to tame the very high and persistent inflation, central banks proceeded with a rapid tightening of their monetary policies.

In 2022, the global economy grew at a rate of approximately 3.2% (2021: 6.0%), while for 2023, the International Monetary Fund ("IMF") estimates a slowdown of 2.7%. At the same time, a significant de-escalation of inflation is expected, although it will remain much higher than desired.

In the US, the economic activity growth rate in 2022 is estimated to be 1.6% (2021: 5.7%), while for 2023, it is predicted to be 1.0%. At the same time, inflation rose to 8.1% (2021: 4.7%) and is expected to moderate to 3.5% in 2023, according to IMF forecasts. The Fed increased its monetary policy interest rate by a total of 4.25% in 2022 (from a range of 0.00%-0.25% to a range of 4.25%-4.50%), while according to the estimates of its members, further increases of 75 basis points ("bps") in total are likely in 2023. At the same time, following the end of the quantitative easing program last March, the Fed started to gradually reducing its balance sheet.

In the Eurozone, based on the IMF's estimates, the 2022 growth rate decelerated to 3.1% (2021: 5.2%), while for 2023 it is estimated that it will further moderate to 0.5%. At the same time, a significant de-escalation of inflation is expected, specifically from 8.3% in 2022 to 5.7% in 2023. In 2022, the European Central Bank ("ECB") proceeded with the completion of its quantitative easing programs (Pandemic Emergency Purchase Program/ "PEPP" and Asset Purchase Program/ "APP") and the successive increase of its key interest rates by a total of 2.50%. The ECB continued interest rate hikes in early 2023 with another 50 bps increase in February 2023, and is expected to begin gradually reducing its balance sheet. However, it will continue applying flexibility in reinvesting redemptions coming due in the PEPP portfolio and will reinvest the principal payments from maturing securities purchased under the program until at least the end of 2024.

In China, the zero-tolerance Covid-19 policy significantly affected economic activity, limiting the 2022 growth rate to 3.2% (2021: 8.1%), according to estimates from the IMF. It is estimated that the 2023 growth rate will be 4.4%, positively affected by the more moderate pandemic policy announced in December 2022. Inflation is expected to remain at 2.2%. Therefore, China's central bank is expected to maintain its accommodative monetary policy stance.

(annual % change)	Real Gross Domestic Product ("Real GDP")			Inflation		
	2021	2022*	2023*	2021	2022*	2023*
World	6.0	3.2	2.7	4.7	8.8	6.5
US	5.7	1.6	1.0	4.7	8.1	3.5
Eurozone	5.2	3.1	0.5	2.6	8.3	5.7
China	8.1	3.2	4.4	0.9	2.2	2.2

*Estimate
Sources: Piraeus Bank Research, IMF (2022): "World Economic Outlook", October, p. 9, 42-44.

Developments in the Greek Economy in 2022, Prospects and Risks for 2023

Despite rising inflationary pressures and the strong uncertainty linked to the geopolitical developments and the energy crisis, the Greek economy grew at a solid pace in 2022, with, real GDP increasing by 5.9% on an annual seasonally adjusted basis - largely driven by the positive contribution of the private consumption and investments – while the nominal GDP growth rate reached double-digits at 14.5%. During the same period the unemployment rate declined further to 12.6%, down by 2.7 percentage points compared to the same period a year ago, while employment growth rate reached on average 6.6% on an annual non - seasonally adjusted basis. However, strong inflationary pressures were a key feature of 2022, both in the global markets and in Greece. In 2022, the headline national inflation (Consumer Price Index/ "CPI") reached 9.6% and the harmonized inflation ("HICP") reached 9.3%. The Greek government in order to battle the effects of inflation and support the real economy, undertook a series of fiscal interventions during the course of 2022. These took the form of subsidies of electricity consumption of households and businesses, increase of the heat allowance and extension of the eligible population, subsidies to the gas prices, and other tax cuts and subsidies for the low pensioners and weak households.

Enhanced surveillance of Greece ended on the 20th of August 2022 and the first post-program surveillance ("PPS") report was released on 22 November 2022. In February 2023, the European Commission ("EC") released its Winter Interim Forecast which lifted the outlook for growth and slightly lowered the inflationary projections. For 2023, both the EC and the Ministry of Finance expect that inflationary pressures will remain strong - albeit less intense - and that the real GDP growth rate will decelerate. However, the EC estimates that the growth rate will rebound to 2.2% in 2024. The labor market will show resilience and the unemployment rate will remain unchanged.

	Ministry of Finance [1]		EC [2 3]		
	2022	2023	2022	2023	2024
Real GDP growth rate	5.6	1.8	5.5	1.2	2.2
Inflation (HICP, %)	9.7	5.0	9.3	4.5	2.4
Unemployment Rate	12.7	12.6	12.6	12.6	12.1

1. Ministry of Finance, 2023 Budget introductory report, November 2022
2. Real GDP growth rate & Inflation (HICP, %) as per EC, European Economic Forecast, Winter 2023 Institutional paper 194, February 2023
3. Unemployment rate as per EC, PPS Report, Greece, Autumn 2022 institutional paper 191, November 2022

Based on the 2023 Budget introductory report the headline general government deficit (European System of Accounts/ "ESA" definition) will narrow from 7.5% of GDP in 2021 to 4.1% of GDP in 2022, which corresponds to a primary deficit of 1.6% of GDP in 2022. The headline deficit is expected to decrease further to 2.0% of GDP in 2023, bringing the primary balance to a surplus of 0.7% of GDP. The general government debt to GDP ratio is expected to fall sharply from 194.5% of GDP in 2021 to 168.9% of GDP in 2022, and to remain on a downward trajectory (159.3% of GDP in 2023), supported by the nominal GDP growth rate and the move into a primary surplus position in 2023.

The implementation of the Recovery and Resilience Facility ("RRF") plan, both for its grant component, as well as the private-sector investments through the loan facility, is a key factor for the sustainable growth potentials. Greece stands to benefit from a total envelope of € 30.16 billion (€ 17.43 billion in grants and € 12.73 billion in loans) under the RRF, 25% of which have already been disbursed in pre-financing and the first regular instalment in April 2022[1]. On 25 November 2022 the EC endorsed a positive preliminary assessment of Greece's second payment request for € 3.6 billion, submitted at end-September[2].

Developments in the Greek Banking System

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

The measures that ECB had taken to deal with the negative effects of the pandemic, mainly through the Targeted Longer Term Refinancing Operations ("TLTRO") facility, improved the funding and liquidity status of the system, while deposits continued rising in 2022. In December 2022, private sector deposits reached € 188.7 billion, up 4.9% year on year.

As at 21 December 2022 Greek banks repaid part of the TLTRO III funding, following the ECB's decision in its 27 October meeting, to recalibrate the TLTRO III terms with effect from 23 November 2022 and until the maturity date or early repayment date of each respective outstanding TLTRO III operation. Following the repayment and as at 31 December 2022, total ECB funding to the Greek banking system had been reduced to € 35.4 billion compared to € 50.8 billion at the end of December 2021[3].

Loans to the domestic private sector presented growth in 2022, following the clean-up of Greek banks' balance sheets and solid new loan origination on the back of an expanding economy. In December 2022, loans to the domestic private sector grew by 5.4% yoy to € 115 billion.

Going forward, credit expansion is expected to be positively affected by the funds of the Next Generation European Union ("EU"), the funding package during the period 2021-2026, sponsored by the EU, which targets to alleviate the impact of the Covid-19 pandemic. The Greek banking system is expected to leverage the EU funds in order to support the Greek economy and lay the ground for sustainable growth rates in the next years. The 6 domestic banking institutions that have signed agreements with the Ministry of Finance for the utilization of the € 12.7 billion loans from RRF have already started absorbing the first tranches and receiving approval for the second tranches. So far, 41 loan contracts have been signed, regarding an aggregate of € 1.8 billion of RRF eligible projects, while 210 projects have been submitted in total to "Greece 2.0", with their budget amounting to € 8.2 billion, out of which € 2.7 billion relates to banking financing.

Since mid-2020, Greek banks have increased their exposure on Greek sovereign debt, which has led to significant gains due to the normalization of Greek sovereign bond yields, on the back of the country's economic recovery. In 2022, Greek sovereign debt yields increased from historical low levels witnessed in August 2021, driven by ECB's decision to cease net asset purchases under

1 EC, PPS Report, Greece, Autumn 2022 institutional paper 191, November 2022

2https://ec.europa.eu/commission/presscorner/detail/en/ip_22_7150

3 https://www.bankofgreece.gr/ekdoseis-ereyna/ekdoseis/anazhthsh-ekdosewn?types=365d253d-456e-488d-b23e-c569ad1fb3ef&mode=preview&years=2022&categories=fincancialStatements

the PEPP at the end of March 2022, along with the increased geopolitical uncertainty, inflationary pressures and tighter monetary policy from major central banks. Greek banks have, to a large extent, weathered the 2022 rise in Greek sovereign bond yields, as the majority of their Greek sovereign bond positions have been classified under amortized cost portfolios, while at the same time derivative hedges have been used extensively to protect the debt securities portfolios from rising yields.

During 2022 all systemic Greek Banks proceeded with the issuance of Senior Preferred Bonds of a total amount of approximately € 2.5 billion, as part of their strategy to increase their minimum requirements for own funds and eligible liabilities ("MREL").

As at 30 September 2022, the Non-Performing Exposures ("NPE") balance of the Greek banking system stood at € 14.6 billion[4] with the NPE ratio standing at 9.7%, compared to 15% a year ago. The main driver of NPE ratio decline has been Hellenic Asset Protection Scheme ("HAPS"), also called "Hercules" plan, which has been instrumental in assisting banks to reduce their NPEs between 2020-22, through securitizations of which the senior tranches bear Government's guarantee; HAPS expired in October 2022, which however does not pose a risk for the undergoing NPE securitizations that have already submitted applications for the Government's guarantee.

Significant developments that are expected to play key role in the Greek banks' priorities during 2023 are:

- The ECB's Governing Council decisions since the July 2022 meeting to raise interest rates cumulatively by 300 bps in total and the prospect for further hikes in the near future. This development is having positive implications on the banks' net interest income and therefore group profits, although it is expected to affect funding costs negatively;
- The deployment of the RRF funds for the financing of Greek businesses that is expected to mobilize € 60 billion in total investments in the country over the next five (5) years;
- The 2023 supervisory Stress Tests that have been launched in January 2023 with the publication of the macroeconomic scenarios. The results will be published by the end of July 2023. The 2023 EU-wide stress test uses a constrained bottom-up approach with some top-down elements. Balance sheets are assumed to be constant. The aim of the EU-wide stress test is to assess the resilience of EU banks to a common set of adverse economic developments in order to identify potential risks, inform supervisory decisions and increase market discipline;
- The establishment of the new MREL by the Single Resolution Board ("SRB"), which became effective from 1 January 2022 and aims to ensure that banks are provided with sufficient own funds and eligible liabilities to guarantee their capacity to absorb losses in adverse scenarios, thus ensuring the continuity of their activity. For Greek Banks, MREL targets have been set according to a transition period, i.e. setting the final binding target by 31 December 2025.

Piraeus Financial Holdings Group Developments

The most important corporate events for Piraeus Financial Holdings Group (hereinafter the "Group") during 2022 and up to the authorization date for issuance of the annual financial statements by the Board of Directors ("BoD"), were the following:

Project Dory - Agreement for the sale of shipping NPEs portfolio

On 4 January 2022, Piraeus Financial Holdings (hereinafter the "Company") announced that its subsidiary Piraeus Bank S.A. (the "Bank") had reached an agreement with an entity affiliated with Davidson Kempner Capital Management LP, for the sale of a shipping NPE portfolio amounting to a gross book value of € 0.4 billion. On 4 March 2022, the sale was completed, and the total

4 https://www.bankofgreece.gr/en/statistics/evolution-of-loans-and-non-performing-loans

agreed consideration of the transaction reached € 0.2 billion, or 53% of the portfolio gross book value. The Transaction was completed after receiving all the required approvals, as well as the consent of the Hellenic Financial Stability Fund (“HFSF”).

Controlling Stake in Trastor Real Estate Investment Company

On 21 January 2022, the Company announced that its subsidiary Piraeus Bank had 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. (hereinafter “Trastor”). The Transaction was completed on 28 February 2022, after receiving the required approvals, as well as the consent of the HFSF. The cash consideration of the transaction amounted to € 98 million (€ 1.25 per share). On 20 June 2022, the period of the mandatory tender offer by the Bank for the remaining 3.25% free float of Trastor’s shares was concluded. Following the completion of the mandatory tender offer, the Bank holds 98.4% of the total shareholding of Trastor.

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

On 16 March 2022, the Company announced that the Bank successfully completed the spin-off of merchant acquiring services to a new company and its subsequent sale to Euronet Worldwide Inc. The total consideration of the transaction amounted at € 300 million.

Piraeus Bank agrees to acquire Iolcus Investments

On 19 July 2022, the Company announced that the Bank completed the acquisition of 100% stake in Iolcus Investments AIFM (“Iolcus”), based on the relevant agreement signed on 5 April 2022, having obtained the necessary regulatory approvals. With the completion of Iolcus’ acquisition, the Bank’s Group assets under management are in the order of c. € 6.9 billion as at 31 December 2022.

Rating Upgrades

On 13 January 2022, DBRS Morningstar assigned first-time public ratings to the Bank, including a long-term issuer rating of “B” and a stable outlook. On 7 December 2022, DBRS upgraded the Bank’s long-term issuer rating and Senior Preferred debt rating to B (high) with a stable outlook.

On 18 February 2022, Fitch Ratings upgraded the Bank’s long-term issuer rating to “B-” from “CCC+”, with a positive outlook, reflecting the progress in improving asset quality and capital. The Bank’s Senior Preferred debt rating was also upgraded by two notches, to “B -“. Further, on 31 January 2023, Fitch Ratings upgraded the Bank’s long-term issuer rating and the Bank’s Senior Preferred debt rating to “B”, maintaining a positive outlook.

On 30 March 2022, Moody’s Investors Service upgraded the Bank’s long-term deposit rating to “B2” from “B3” and maintained a positive outlook, while it upgraded the Company’s long-term issuer rating to “Caa1” (positive outlook) from “Caa3”. Further, on 7 November 2022, Moody’s Investors Service upgraded the Bank’s long-term deposit rating to “Ba3” from “B2” and assigned a stable outlook, while it upgraded the Company’s long-term issuer rating to “B2” (stable outlook) from “Caa1”.

On 19 July 2022, S&P Global Ratings revised the Bank’s outlook to positive from stable and affirmed the “B” long term issuer credit rating. For the Company, the rating agency affirmed the “B“ long term issuer credit rating and maintained the stable outlook.

Synthetic securitizations of performing loans in Greece

The Bank completed in 2022 four (4) synthetic securitizations of performing loans (namely Ermis Triton, Ermis Mortgage, Ermis EIF and Ermis VI), comprising mortgage, corporate/ small-medium enterprises ("SME") and shipping exposures (together the "Transactions"). In the context of the Transactions, the Bank entered into financial guarantee agreements for total € 3.8 billion gross book value securitizations of performing loan portfolios with various international counterparties. The underlying loan portfolios will continue to be presented in the financial position of the Group.

As at 31 December 2022, the Bank has received recognition of significant risk transfer ("SRT") for all four (4) aforementioned loan portfolios.

As a result of the Transactions, the Group reduced its risk weighted assets by € 1.6 billion and thus enhanced its total capital ratio by 80 bps following the respective SRT approvals from the regulatory authorities.

2022 EU-Wide Climate Stress Test Exercise

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

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

Sunrise III – HAPS Application & Agreement for the sale of Sunrise III Portfolio of NPEs amounting to gross book value € 0.5 billion

Further to the HAPS application submitted by the Bank in July 2022 for inclusion of the Sunrise III senior notes within the HAPS, the Bank entered into definitive agreements with Intrum AB (publ) and Waterwheel Capital Management LP for the sale of, in aggregate, 95% of the mezzanine and junior notes of the Sunrise III securitization (the "Transaction").

The Sunrise III portfolio comprises approximately 37 thousand retail and corporate loans with a gross book value of € 0.5 billion as at 31 December 2021. The implied valuation of the Transaction, based on the nominal value of the senior notes and the proceeds from the sale of the mezzanine and junior notes, corresponds to 34.2% of the portfolio gross book value as at 31 December 2021.

The Bank will retain 5% of the mezzanine and junior notes of the Sunrise III securitization, as per the relevant securitization regulatory requirements, as well as the Sunrise III senior notes in their entirety.

Completion of the Transaction is subject to the approval by the Hellenic Republic for granting a guarantee on the senior notes amounting to € 0.16 billion, as well as to the consent of the HFSF.

Solar - Application for inclusion in the HAPS

On 2 August 2022, the Bank together with the other three (3) systemic banks submitted to the Greek Ministry of Finance a joint application for inclusion of the senior notes that will be issued in the context of the Solar securitization, of a nominal amount € 304 million, in HAPS, pursuant to Law 4649/2019. Following the rating and the binding offers received, the allocation for the Bank is at c. € 96 million, nominal amount.

Piraeus Real Estate Management

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

Annual General Meeting (“GM”) of Shareholders

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

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

Distribution-in-kind to the Company’ s shareholders, of the shares issued by SUNRISEMEZZ PLC.

On 20 October 2022, the distribution-in-kind to the Company’s shareholders, of the shares issued by the Cypriot subsidiary “SUNRISEMEZZ PLC” was completed. SUNRISEMEZZ holds 44% of the mezzanine and junior tranches of the Sunrise I and Sunrise II NPE securitizations, in accordance with the respective resolution of the Annual GM. Specifically, SUNRISEMEZZ PLC shares were listed on the EN.A. PLUS segment (Alternative Market) of the Athens Stock Exchange on 31 October 2022.

Strategic joint venture with Natech S.A. & Shnappi’s application for banking license

Following the 6 April 2022 announcement of strategic partnership with Natech S.A. to develop an independent innovative digital bank for customers in Greece and the rest of the European Market for their financial and banking journey, the Company fully covered on 14 July 2022 the share capital increase of the subsidiary namely Shnappi S.A. with € 19 million. Post the completion of the share capital increase, the Company holds 55% of the shareholding capital of Shnappi S.A.. Further, on 31 October 2022, the Company submitted the application for a banking license of Shnappi to the Bank of Greece (“BoG”). Shnappi will launch as a digital-only bank, the only mobile-first bank in the Greek market able to offer consumer credit. Shnappi’s offering will include a full everyday banking platform where users can seamlessly complete digital payments and money transfers.

Preliminary agreement for the Imithea - Euromedica merger

On 22 July 2022, Imithea Single Member S.A., owner of Henry Dunant Hospital, announced that it has reached an agreement in principle for the absorption of the Euromedica Group, with the aim of creating one of the largest health groups in Greece (at that time the Bank owned 100% of Imithea Single Member S.A. and 29.35% of the associate company Euromedica).

Reclassification of debt securities

On 1 October 2022 the Group reclassified debt securities issued by corporations and financial institutions of total nominal value € 700 million, from Fair Value through Other Comprehensive Income ("FVTOCI") to amortised cost, following the change in business model for managing the said asset class. The Group's impact before tax as a result of the reclassification was an increase in closing equity by € 82 million.

Agreement with Resolute for real estate servicing

On 11 October 2022, the Bank reached an agreement with Resolute for the latter to provide the Bank with real estate services in Greece. The agreement refers to real estate servicing, real estate valuation services, and asset and property management of the Bank's own-use and non-core properties in Greece. For the Bank, the transaction is part of its strategy for further cost efficiencies and targeted assets utilization, bringing cost savings of more than € 5 million per annum.

Repayment of € 500 million of a 5-year covered bond

On 31 October 2022, the Bank repaid € 500 million of a 5-year Covered Bond Series bearing a floating coupon of 3-month Euribor + 250bps. The bond was issued under the € 10 billion Covered Bond Programme and was privately placed and fully subscribed by the European Investment Bank, the European Investment Fund and the European Bank for Reconstruction and Development. The funds raised from the issuance were used to finance Greek SMEs from all sectors of the economy.

Piraeus Bank successfully priced a Senior Preferred Bond amounting to € 350 million

In November 2022, the Bank successfully completed the issuance of a € 350 million Senior Preferred Bond at a coupon of 8.25% and a yield of 8.50%, attracting the interest of a large number of institutional investors. The Bond has a maturity of four (4) years, an embedded issuer call option after three (3) years and is listed on the Luxembourg Stock Exchange's Euro MTF market. The issuance is part of the Bank's strategy to increase MREL, which is a supervisory requirement for all banks.

Piraeus Bank contributed to Strix Holdings LP bond loans of total gross book value € 421 million

In November 2022, the Bank contributed into Strix Holdings LP, two (2) bond loans of total gross book value € 421 million (carrying amount € 329 million), in exchange for additional limited partnership interests in Strix Holdings LP. As a result of this contribution, the Bank's cost of investment in Strix Holdings LP increased by an equivalent amount. No gain or loss was recognized by the Group, as a result of the said contribution.

Agreement for the sale of a leasing NPE portfolio (Project Sunshine) amounting to € 0.5 billion gross book value

On 23 December 2022, the Company announced that the Bank had reached an agreement with Bain Capital Credit, for the sale of 100% of the Group's leasing subsidiary Sunshine Leases ("Sunshine"), including a classified as held-for-sale ("HFS") portfolio of leasing NPEs, of a gross book value of € 0.5 billion (the "Transaction"). The total consideration of the Transaction corresponds to approximately 26% of gross book value. The Transaction is subject to the ordinary terms and approvals by the competent Greek authorities.

Voluntary Exits

In accordance with its strategic objectives and transformation priorities, the Group initiated in 2022 a new Voluntary Exit Scheme (“VES”) for a certain group of employees. As a result, a corresponding provision of € 57 million was booked within 2022, increasing equally the staff cost of the Group. The number of full time equivalents that exited during the year 2022, making use of the 2022 VES, as well as the 2021 VES stood at 635.

Mandatory Tender Offers (“MTOs”) for the common shares in MIG and Attica

On 6 February 2023, the Company announced that the Bank acquired 47,242,062 shares in Marfin Investment Group Holdings S.A. (“MIG”), bringing its total shareholding in MIG to 340,308,728, representing 36.22% of the total common shares outstanding. As a result, in line with provisions of L.3461/2006 , the Bank, on 9 February 2023, launched a mandatory tender offer for the remaining common registered voting shares of MIG, with an offer price of € 0.1668 per share. Further, up to 1 March 2023, the Bank had acquired additional MIG shares corresponding to 17.91% of its voting rights, bringing the total voting rights of MIG held by the Bank, at 54.13%. The shareholding acquired in excess of one third of MIG’s outstanding shares is subject to regulatory approval by the Hellenic Competition Commission (“HCC”) and as a result, pursuant to the relevant provisions of antitrust law, the voting rights arising from such shares are not currently exercisable. The highest price paid by the Bank for the acquisition of MIG shares, stood at € 0.2170 per share, therefore the provisions of article 9 para. 2 of Law 3461/2006 shall apply to the tender offer. Following the increase of its shareholding in excess of one third of MIG’s outstanding shares, Piraeus Bank launched on 22 February 2023 a corollary MTO to the shareholders of Attica Holdings S.A. holding a total stake of 20.62%, in order to purchase their shares at a price of € 1.855 per share.

Organizational Structure of the Group

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

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

Corporate Banking – includes Large Corporates, Shipping, SME and Agricultural core customer segments.

Piraeus Financial Markets (“PFM”) – includes the Fixed Income, Foreign Exchange, Treasury activities (including the interest rate gap management arising from all banking activities) and Institutional Clients.

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

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

Business segments include internal allocations of income and expense based on an internally approved methodology. These allocations include, among other, the costs of certain support services and functions to the extent that they can be meaningfully attributed to the reportable business segments. Such allocations are made on a systematic and consistent basis and involve a degree of subjectivity. Costs that are not allocated to business segments are included in Corporate Centre (reported under business segment “other”).

Where relevant, income and expense amounts presented, include the results of inter-segment funding along with inter-company and inter-business line transactions. All inter company transactions between business segments are undertaken on arm’s length terms and inter-segment transactions and balances are eliminated within each relevant segment.

Evolution of Volumes and Results of the Group during 2022

The Group has a systemic position in the Greek banking market in terms of total assets, which amount to € 75.7 billion as at 31 December 2022. The Group holds the most extensive footprint in Greece with 389 branches (plus another 16 branches in 2 countries abroad) and a wide customer base of 5.7 million active customers. The branch network in Greece was reduced by 25 units during 2022. As at 31 December 2022, the Group’s headcount totaled 8,604 employees in the continuing operations, of which 8,271 were employed in Greece (reduced by 633 compared to a year ago, mainly due to the implementation of VES).

Balance Sheet

Regarding the financial position of the Group as at 31 December 2022, total assets amounted to € 75.7 billion compared to € 79.8 billion as at 31 December 2021, with the decline attributed to less cash with central banks due to the repayment of a significant amount of the TLTRO facility.

Customer deposits of the Group continued to increase, reaching € 58.4 billion as at 31 December 2022, corresponding to an increase of 5.3% compared to 31 December 2021. The Group holds 28% domestic market share in deposits as at 31 December 2022. Savings deposits constitute 44.2% of the total deposits of the Group with time deposits at 17.7% and current, sight and other deposits at 38.1%. Corporate deposits correspond to 30.2% of the total deposit base with retail deposits at 69.8%. The descending trend in time deposits’ cost ended in 2022, with average time deposits’ cost picking up at 0.29% in 2022 versus 0.14% in 2021. The Group’s loan book in terms of gross balance (grossed up with Purchased Price Allocation adjustment / “PPA adjustment”) consists of corporate and public sector by 77.4%, mortgage by 17.7% and consumer, personal, credit cards and other loans by 4.9%.

Selected Balance Sheet Figures	31/12/2022	31/12/2021	YoY
Gross Loans (grossed up with PPA adjustments)	38,787	38,492	0.8%
Less: Expected credit losses (“ECL”) allowance (grossed up with PPA adjustment)	(1,421)	(1,971)	-27.9%
Net Loans	37,367	36,521	2.3%
Financial Assets	12,523	12,754	-1.8%
Other Assets	25,771	30,514	-15.5%
Total Assets	**75,661**	**79,789**	**-5.2%**
Due to Banks	6,922	14,865	-53.4%
Due to Customers	58,372	55,442	5.3%
Other Liabilities	3,786	3,680	2.9%
Total Liabilities	**69,080**	**73,987**	**-6.6%**
Total Equity	**6,581**	**5,803**	**13.4%**

Utilisation of the Eurosystem funding stood at € 5.4 billion as at 31 December 2022, following the repayment of € 9 billion of the TLTRO facility on the back of the ECB’s decision in its 27 October meeting, to recalibrate the TLTRO III terms. Interbank repo funding remained low at € 298 million as at 31 December 2022.

The Group’s financial assets portfolio has declined marginally to € 12.5 billion as at 31 December 2022, compared to € 12.8 billion as at 31 December 2021, mainly the result of lower balances in the Group’s trading securities book.

Gross loans as at 31 December 2022 amounted to € 38.8 billion compared to € 38.5 billion as at 31 December 2021, while net loans stood at € 37.4 billion as at 31 December 2022, compared to € 36.5 billion as at 31 December 2021, with the Group’s seasonally adjusted net loans to deposits ratio at 61.5%, lower compared to 31 December 2021 (63.3%) driven by the strong deposit increase during 2022.

Group NPEs reduced further to € 2.6 billion as at 31 December 2022, compared to € 4.9 billion as at 31 December 2021. The NPEs over total gross loans ratio for the Group stood at 6.8% as at 31 December 2022 from 12.7% as at 31 December 2021, declining to single digit NPE ratio due to the continuous efforts of the Group to improve its asset quality, mainly through the utilization of the HAPS NPE securitizations. As at 31 December 2022, the Group NPE coverage ratio increased to 54.1% from 40.1% as at 31 December 2021.

Profit & Loss

The Group’s net interest income amounted to € 1,353 million in 2022, presenting a decrease of 4% compared to 2021, attributed to the loss of NPE-related income due to the derecognition of NPEs. Net fee and commission income and income from non-banking activities amounted to € 485 million (income from non-banking activities amount to € 64 million), in 2022, 12.3% higher compared to 2021, driven by strong performance in loan origination, funds transfers and card business, while rental income also comprises a positive driver. Other income rose to € 744 million in 2022 compared to € 682 million in 2021. Both periods were mainly affected by enhanced trading gains in the fixed income portfolio and the one-off profit realization from the long-term partnership for the management of non-core equity participations owned by the Bank in 2021 and the carve-out and sale of the Bank’s merchant acquiring business unit in 2022.

Total net income in 2022 amounted to € 2.6 billion presenting an increase of 2.3% compared to 2021. The Group’s total operating expenses, in 2022 stood at € 889 million, compared to € 892 million in 2021. Excluding the extraordinary cost related to VES for

2021 of € 25 million and € 61 million related to VES and other extraordinary depreciation costs for 2022, total operating expenses amounted to € 827 million in 2022, a reduction of 4.6% versus the comparative period.

Selected Profit & Loss Figures	31/12/2022	31/12/2021 As reclassified[1]	YoY
Net Interest Income	1,353	1,410	-4.0%
Net Fee & Commission Income[2]	485	432	12.3%
Other Income	744	682	9.1%
Total Net Income	**2,582**	**2,523**	**2.3%**
Staff Costs	(446)	(405)	10.1%
-excl. VES costs	(389)	(380)	2.4%
Administrative expenses	(337)	(377)	-10.6%
Depreciation and amortization	(106)	(110)	-3.6%
Total Operating Expenses	**(889)**	**(892)**	**-0.3%**
-excl. VES and other non-recurring costs	(828)	(867)	-4.5%
Profit Before Provisions, Impairment and other credit risk related expenses	**1,693**	**1,631**	**3.8%**
ECL impairment losses and other credit risk related expenses on loans and advances to customers at amortised cost	(615)	(4,284)	-85.6%
Other impairment and provisions	(70)	(56)	25.0%
Share of profit/ (loss) of associates and joint ventures	29	18	61.1%
Profit / (Loss) Before Income Tax	**1,037**	**(2,691)**	**-**
Income tax benefit / (expense)	(140)	(316)	-55.7%
Profit/ (Loss) for the Period	948	(3,014)	-
Profit/ (Loss) attributable to the equity holders of the parent (from Continuing Operations)	899	(3,007)	-
Profit / (Loss) attributable to the equity holders of the parent (from Discontinued Operations)	51	(7)	-
Earnings/ (losses) per share attributable to the equity holders of the parent (from Continuing Operations)	0.72	(3.50)	-

(1) The comparative figures have been reclassified to reflect the amendments in the presentation of income from non-banking activities and of fees payable for having the NPE portfolio managed. Refer to notes 8 and 15 for further information.

(2) The Net Fee and Commission Income also includes income from non-banking activities

As a result of the above, Group's profit before provisions, impairments and other credit risk related expenses in 2022 amounted to € 1.7 billion, compared to € 1.6 billion in 2021, an increase of 3.8%. The results of the period ended 31 December 2022 were burdened by ECL impairment charges on loans plus other credit risk related expenses amounting to € 615 million, whereas the results of the comparative period, were burdened by € 4.3 billion ECL impairment losses on loans.

The Group's profit before income tax in 2022 recovered to profit of € 1.0 billion compared to a loss of € 2.7 billion in 2021, while profit from continuing operations attributable to equity holders of the parent amounted to € 899 million compared to a loss of € 3.0 billion in 2021.

Capital

As at 31 December 2022, the Group's total equity amounted to € 6.6 billion, compared to € 5.8 billion as at 31 December 2021, as a result of the recovered profitability of the Group. The Group's Basel III total capital adequacy ratio ("TCR") stood at 17.82% compared to 15.75% on 31 December 2021. The Common Equity Tier 1 ("CET 1") ratio stood at 13.04% vis-à-vis levels of 11.12% at 31 December 2021.

The amount of deferred tax assets included in the Group's regulatory capital in accordance with the provisions of Greek Laws 4172/2013, 4302/2014, 4340/2015, stood at € 3.5 billion as at 31 December 2022, compared to € 3.6 billion as of 31 December 2021. The Group's fully loaded TCR stood at 16.4%, compared to 13.4% as at 31 December 2021 and the fully loaded CET1 at 11.5% versus 8.6% on 31 December 2021.

Following the conclusion of the Supervisory Review and Evaluation Process ("SREP"), the ECB informed the Group of its Overall Capital Requirement ("OCR"), valid for 2023. According to the decision, the Group would have to maintain an overall OCR of 14.50%, 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 of 2.50% under Greek Law 4261/2014, and (d) the transitional Other Systemically Important Institutions ("O-SII") capital buffer of 1.00% under Greek Law 4261/2014.

Share Capital

On 31 December 2022, the share capital of the Group amounted to € 1,163 million divided into 1,250,367,223 common registered voting shares with a nominal value of € 0.93 each. Common shares of the Company are intangible, registered and listed on Athens Stock Exchange.

The number of the outstanding shares of the Company is the following:

Number of outstanding common shares owned by the HFSF / Percentage of total share capital	337,599,150	27.00%
Number of outstanding common shares owned by private investors / Percentage of total share capital	912,768,073	73.00%
Total number of outstanding common shares / Percentage of total share capital	1,250,367,223	100.00%

Pursuant to par. 1, art. 16C of Greek Law 3864/2010 the acquisition of treasury shares is not permitted, without the approval of HFSF, for as long as the HFSF is a shareholder of the Company. The purchases and sales of treasury shares during 2022, as well as the treasury shares owned as 31 December 2022, are related to transactions that are carried out by the Group's subsidiary Piraeus Securities S.A. through its activities, which are derived from its role as a market maker. As at 31 December 2022, Piraeus Securities held 259,798 of the Group's common shares, of total nominal value € 241,612.

The Company's shareholder structure presents great diversity. The total number of the Company's common shareholders was approximately 17,000 as at 31 December 2022. The HFSF held 27% of the outstanding common shares (1,250,367,223 of a nominal value € 0.93 each) and the remaining 73% was held by the private sector and in particular 66% were legal entities and 7% individuals.

Going concern conclusion

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

a) the solid economic growth in 2022, and the prospects for a sustainable rate of growth of GDP in the medium term, taking also into account the deployment of the RRF funds to the Greek economy, the continued recovery of the residential and commercial real estate prices despite of the high level of inflation and energy prices;

b) the Group's effective liquidity risk management leading to a robust liquidity position as evident by the Liquidity Coverage Ratio ("LCR") as of 31 December 2022, as well as Management's assessment of the impact of stress test scenarios, within the Internal Capital Adequacy Assessment Process ("ICAAP") and Internal Liquidity Adequacy Assessment Process ("ILAAP") framework, on the Group's liquidity position and on mandatory liquidity ratios;

c) the capital adequacy of the Group, which exceeded the OCR (including Pillar II Guidance) and the MREL ratio of Piraeus Bank Group, which exceeded the Intermediate Guidance of 19.08%, effective from 1 January 2023. 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;

d) the geopolitical developments, specifically the Russia / Ukraine conflict, and the Group's operations in Ukraine, which comprise a financial institution, namely JSC Piraeus Bank ICB, and investments in real estate assets which represent approximately 0.2% of the total consolidated assets of the Company as of 31 December 2022;

e) the net profit attributable to the equity holders of the parent Company, which recovered significantly in 2022 and amounted to € 899 million, compared to a loss of € 3,007 million in 2021 and the NPE ratio dropping to 6.8% as at 31 December 2022 from 12.7% as at 31 December 2021.

Based on the analysis performed, Management has concluded that that there are no material uncertainties which would cast significant doubt over the ability of the Group and the Company to continue to operate as a going concern for a period of 12 months from the date of approval of the Annual Financial Statements for issuance by the BoD. For this reason, the Group continues to adopt the going concern basis of accounting for preparing the financial statements.

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

Non-Financial Information 2022 (Greek Law 4403/2016)

Group Human Resources ("HR")

In full alignment with the Organization's strategic goals and corporate values, we cultivate a cohesive culture of high performance, continuous growth, inclusion and open communication, with equal opportunities for all.

Learning & Knowledge Sharing: Learning initiatives were designed and developed digitally by using modern design and new technology tools. In total, 409 training programs were carried out in 2022, involving 7,881 participants and a total of 30,229 man-hours of training. 91% of employees participated to at least one training program. At the same time, a new, modern, digital learning platform (Learning Management System) was designed and developed as a single point of contact for all learning initiatives in order to change the training experience of employees, to support personalized training and to strengthen accountability. In December 2022, a pilot project was conducted to a limited number of users and units. The new platform will be launched to the whole organization during first quarter 2023.

Performance Management: During 1st quarter 2022, the 2021 performance cycle "Become & Achieve" was timely completed for 98% of eligible employees. In this context, 97 calibration meetings were held, while 58% of managers received peer & team feedback. In addition, the Objections Committee for performance evaluations of 2020 & 2021 examined 45 cases. The 2022 performance cycle ran on schedule, while the pulse check captured useful insights about the employees' contribution to the team's goals phase.

Talent Management & Development: In 2022, the Regulation for Talent Management was developed while the Become & Achieve platform was redesigned to ensure that the structured process to map talent for the whole organization in 2023 will be feasible via the Become & Grow module.

Succession Planning: Following the identification of potential successors for CEO's direct reports that was completed in 2021, the identification of critical roles across the organization was done in 1st semester 2022 in order to be able to extent the Succession Planning process to the whole organization. The initial identification of potential successors for critical roles was completed by the Head of the pillars, in order to be validated during the performance calibration meeting of the leadership team.

Development Centers: At the same time, specially designed Development Centers were created and implemented to identify the skills and development potential of organization's people. The outcomes of the assessment become the basis for the design of the individual development plan.

A culture of ethics, inclusion and equal opportunities: Within the 1st semester 2022, the revision of the content of the Code of Conduct and Ethics began in order to align it with the current institutional and regulatory framework, but also with the updated policies and regulations of the Group. At the same time, the Whistle Blowing Committee assigned 22 cases to be managed.

With respect to the EQUALL Bank's innovative program, the initiatives for the cultivation of common understanding on issues of inclusion and equal opportunities in the workplace, with the series of speeches "We put an end to prejudices" were completed. The 5 different speeches gathered more than 5,000 participations.

New Policy and Procedure for Preventing and Combating Incidents of Discrimination, Violence and Harassment in the Workplace: Firmly oriented towards ensuring a working environment that promotes respect and zero tolerance for incidents of violence and harassment, the new Policy was signed in October 2022. The new Policy highlights the Group's principles and values and describes and encourages the desired behaviors in the organization. At the same time, the Group is committed to investigate and handle any related complaint with confidentiality and respect for human dignity.

Internal site "yello": The new internal site was launched in February 2022, with a constant flow of topics and the ability for any colleague or unit to contribute with news and useful information. The new site is digital and interactive, accessible from any device, anywhere and anytime, with the ability to submit real time comments or/ and likes. 397 news were posted while approximately 6,500 employees visit it each month. At the same time, through the intranet site, employees are informed about operational news, where about 40 announcements are posted on a daily basis.

Idea Box Competition: In the context of "Act Transformation Program", the 1st Idea Box was completed during 2022. More than 400 ideas that upgrade customer experience and contribute to the creation of the bank of the new era were submitted. Following a structured way and process, the 10 best ideas were distinguished and top 3 were awarded by the Bank's leadership team.

New Leadership Principles & Guidewise: A practical guide was designed to help managers align, motivate, and get closer to their team members through collaborative practices and initiatives, based on the following 3 new Leadership Principles, developed during 2022:

- Different views unite, when expressed openly;
- Development of our people, the key priority;
- Technology driven business with our people at the core.

Anti-bribery and Corruption

The Group is committed to high standards of ethical behavior and operates a zero-tolerance approach to bribery and corruption. In this context, the Group has adopted appropriate measures to protect its reputation in matters of ethical conduct, financial integrity and reliability of its operations. Consequently, all employees receive training for the recognition and avoidance of involvement in bribery, and are encouraged for the awareness and prompt reporting of any case in which bribery is suspected within the administration of the Group.

The prevention, detection and reporting of bribery is the responsibility of all employees and management of the Group as detailed in the Whistle Blowing Policy. For the purposes of the foregoing, the Group has established appropriate communication channels for those reporting on cases of bribery, fraud and corruption or for any potential suspicion, with the utmost confidentiality so as to immediately inform the competent authority. Upon authorization of the Group Audit Committee, the Group Internal Audit has been charged with the management concerning the confidential reporting of staff on issues of bribery, corruption and fraud.

Health, safety & well-being of employees and their families: During 2022, actions and practices that highlight the value of physical and mental health prevention were designed with the aim of supporting employees and their family members, while securing the organization from psychosocial risks. In addition to the fixed measures, calls to the Covid-19 telephone line exceeded 8,000 during its operation. First aid trainings, acuity control measurements and dermatological examinations were organized with more than 540 participations. The personalized consulting support through the 24/7 Help Line and free counselling are active for all employees and their families. Supporting the parental role, the organization granted to new mothers 131 cumulative maternity leave absences.

“Ευ ζην” program: During the holistic program for Mind - Body - Bonds, a total of 60 actions were carried out with more than 7,000 participations. As part of the Group’s commitment to the environment and society, employees participated to beaches clean-up operations in regions of Athens and Thessaloniki, took part in the Race for the Cure and walked for a good cause, donating to Children's Villages SOS and supporting the Emergency Aid Program for children and families in Ukraine.

Benefits Policy: In the context of the harmonization of HR Policies, during 1st quarter 2022, the Benefits Policy was implemented, based on the new levels of responsibility of the Job Family Model.

Variable Incentive Scheme: During the 2nd semester of 2022, the new variable incentive scheme was implemented to employees for the performance year 2021, rewarding employees’ high performance (employees from the level of general manager or higher were excluded according to the law). The new scheme is structured to enhance both the individual and team effort. Variable amounts are awarded based on predetermined, measurable, quantitative, and qualitative criteria that incorporate the Group's medium- and long-term strategy, contribute to the alignment of employees' interests to those of the Group and shareholders.

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

In April 2022, the services provided through IORP were expanded, with the inclusion of the Life Insurance and Medical Care. This expansion will significantly contribute to the improvement of the provided level of service for the insured members.

Digital work card: A comprehensive digital application was designed and implemented for the needs of applying the digital work card in Banks from 1st July, reaching 100% employees’ participation during the first month of application.

Participation in Global Sustainability Initiatives

The Company is a member of the United Nations Global Compact and the United Nations Environment Programme – Finance Initiative (“UNEP FI”). The Group has signed the Collective Commitment to Climate Action (“CCCA” – UNEP FI), aiming to reduce financed emissions and support a transition to a low carbon economy.

The Group has signed the United Nations (“UN”) Declaration "United in the Business of a Better World", supporting global business partnerships with responsibility and transparency, the Women's Empowerment Principles of the UN Global Compact and UN Women and the Commitment to Financial Health and Inclusion of UNEP FI. In addition, Piraeus Asset Management A.E.D.A.K. is a member of the Principles for Responsible Investment (“PRI”).

Piraeus Bank Group is a full member of Hellenic Network of Corporate Social Responsibility (“CSR Hellas”) of the Environmental, Social and Governance (“ESG”) - Sustainability - Governance & Green Banking Steering Committee of the Hellenic Banking Association (“HBA”) and participates in working groups for sustainable banking.

Sustainability Ratings and Distinctions

Piraeus Bank Group is included in the FTSE4Good sustainability index and the Bloomberg Gender Equality Index (“GEI”) which assesses the organization's contribution to gender equality. The Group received a “Management B” rating (A to D scale) in the climate change assessment of the independent non-profit organization CDP, an “A” rating from the MSCI ESG index (AAA to CCC scale). ISS Corporate Solutions rated the Bank with "1 – HIGHER DISCLOSURE" in the environment and society pillars and 2 in the governance pillar (a score of 10 indicates higher governance risk).

The Bank is also the only company from Greece to be included in the 2022 Financial Times list of "Europe's Climate Leaders", as these 400 companies have achieved the largest reduction in Scope 1 and Scope 2 emissions during the period 2015-2020. Finally, the Group is included in the "Ethibel EXCELLENCE Investment Register" and the "Ethibel PIONEER" list.

Commitment to the Principles for Responsible Banking

The Principles of Responsible Banking aim to align the activities of banks with the 17 UN Sustainable Development Goals (“SDGs”) and the Paris Climate Agreement. The overall oversight for their implementation rests with the Group CEO, who is also one of the 19 Heads of banks and insurance companies from around the world participating in the "Leadership Council" of UNEP FI, a new international advisory body, which aims to shape the strategy of the financial sector to achieve the goals of sustainable development. At the same time, the Company has been elected on the Banking Board of UNEP FI. In December 2021, it committed to strengthen financial inclusion by signing the "Commitment to Financial Health and Inclusion" of UNEP FI.

The Bank is actively participating in UNEP FI working groups for the development of new tools to measure the impact of banks on sustainable development. In this context, the "Portfolio Impact Analysis Tool for Banks" has been developed, which estimates the positive and negative impacts of a bank's portfolios on the economy, society, and the environment. The goal is to enhance financing and investments that contribute positively to sustainable development, while at the same time mitigating or offsetting negative impacts.

The Bank conducted the second impact analysis of its portfolio, which concludes that the Bank's financing has positive impacts on the sustainable economic development and society of Greece.

According to the portfolio impact analysis and considering the overall strategic approach of the organization, the areas of sustainable development in which the Group focuses and has established objectives are Climate and Financial Health and Inclusion:

<table>
<tr><th colspan="2">Significant areas of Sustainable Development for Piraeus Bank</th><th>Targets</th></tr>
<tr><td>Economy</td><td rowspan="2">Financial Health & Inclusion</td><td rowspan="2">✓ Support businesses and households
✓ Annual inclusion in the «Bloomberg Gender Equality index»
✓ Upgrading the EQUALL Programme and its actions and increase the number of beneficiaries
✓ Development of new products and services targeted to women</td></tr>
<tr><td>Society</td></tr>
</table>

Environment	**Climate**	✓ Net-zero portfolio by latest 2050, with intermediate targets by 2030 ✓ Net-zero Scope 2 emissions with electricity consumption sourced 100% by Renewable Energy Sources (“RES”) ✓ Achieve Science – Based Targets by 2030

The Group has published its third progress report on the Principles of Responsible Banking.[5]

The Group complies with the Task Force on Climate Related Financial Disclosures (“TCFD Recommendations”), that suggest disclosing detailed financial information on climate change management in four pillars: Governance - Strategy – Risk Management (“RM”) - Measurements and Targets. In 2022, the Bank published its third and most detailed report, following the guidelines issued by the UNEP FI "TCFD Playbook”. The data presented in the report are externally assured.[6]

Science Based Targets Initiative: Target Setting

The Group submitted to the Science Based Targets Initiative (SBTi) in 2022 near term emission reduction targets for 2030. The validation of the targets by SBTi was completed in December 2022. In this context, the Company has set science-based targets for nine asset classes that cover 9% of its total investments and lending activities as of 2019, representing 56% of financed emissions. Additionally, the Company has committed to reduce absolute Scope 1 and Scope 2 emissions 73% by 2030 from a 2019 base year, as well as to continue annually sourcing 100% renewable energy through 2030 for its branches and administrative buildings.

Carbon footprint – Management of carbon dioxide emissions

The Bank is registered under the EU Eco-Management and Audit Scheme (“EMAS”) and its Environmental Management System (“EMS”) is certified in accordance with ISO 14001:2015. The environmental data and Key Performance Indicators (“KPIs”) are reported in the Group’s Sustainability & Business Report[7] and in the Environmental Statement[8], are validated by a third-party assurance agency and are externally assured.

The Group purchases Guarantees of Origin, certifying that 100% of the electricity consumed on the Bank’s premises is derived from RES.

The calculation of its financed emissions (Scope 3[9] cat. 15) is based on the methodologies described in the relevant standard of Partnership Carbon Accounting Financials (“PCAF”) per banking product category, covering all asset classes of the Bank’s portfolio. Specifically, in 2022, the calculation of the Bank’s carbon footprint stemming from its business and investment portfolio includes

[5] https://www.piraeusholdings.gr/~/media/Gr/Idiwtes/Files/unep-fi/20220923_Piraeus_PRB-Reporting-and-Self-Assessment.pdf

[6] Piraeus most recent TCFD report: https://www.piraeusholdings.gr/en/sustainable-banking/environment-and-society/environment/environmental-policy-principles/tcfd-recommendations

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

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

[9] Scope 1 emissions are the direct emissions emitted from sources owned or controlled by the Bank (e.g., heating oil consumption and fuel consumption by company cars). Scope 2 emissions derive from electricity consumption in buildings and Scope 3 is defined as all other indirect emissions that are not included in the Scope 2 category and are related to the Bank's activities, including its financing.

corporate bonds, commercial real estate (loans and investments), equity investments, mortgage loans, corporate loans, energy finance, motor vehicle loans, as well as sovereign bonds and loans.

Selected environmental targets: 50% reduction in Scope 1 emissions by 2030; 15% reduction in total electricity consumption (2020-2025); 25% reduction in total heating oil consumption (2020-2025); net zero Scope 2 (market based) emissions from 2020 onwards; continuous utilization of technologies in order to reduce its carbon footprint.

Addressing Climate Change

Every year the Bank applies its proprietary Climabiz tool to estimate in monetary terms (€) the climate risk of business borrowers across different economic sectors mostly vulnerable to climate change. The new methodology adopted by the Group for the 2021 climate risk assessment, is based on the utilization of three climatic Representative Concentration Pathways ("RCP") scenarios of the Intergovernmental Panel on Climate Change ("IPCC").[10]

For 2021, the climate risk assessment was executed with the usage of all three RCP climate scenarios for the first time.

The table below presents the calculation results which includes the percentage of physical risk and transition risk over total climate risk per each RCP climate scenario.

Climate Scenarios	% of Physical Risk percentage over Total Climate Risk	% of Adjusted Transition Risk over Total Climate Risk
RCP2.6	7%	93%
RCP4.5	20%	80%
RCP8.5	44%	56%

The significant differences in the climate risk outputs among the climate scenarios are primarily due to the fluctuations of the transition risk which is driven by the price of carbon emissions allowances. To calculate the cost of direct and indirect emissions (Scope 1, 2 & 3), three different prices of carbon emission allowances €/tCO_2 were used for the period 2020-2030 based on the Network for Greening the Financial System ("NGFS") scenarios.

- For the RCP 2.6 the emissions allowance price of the Net Zero 2050 NGFS scenario was used at 139.9€/t CO_2
- For the RCP 4.5 the emissions allowance price of the Nationally Determined Contributions ("NDCs") scenario was used at 73.5€/t CO_2
- For the RCP 8.5 the emissions allowance price of the Current Policies NGFS scenario was used at 21.4€/t CO_2

Disclosure obligation in accordance with article 8 of the EU Taxonomy Regulation

In 2020, the European Parliament adopted the Taxonomy Regulation, setting out an EU-wide framework -a classification system- that allows investors and undertakings to determine whether certain economic activities are environmentally sustainable. On 6 July 2021, the EC adopted the Commission Delegated Regulation (EU) 2021/2178 supplementing Article 8 of the Taxonomy Regulation (EU) 2020/8522 ("the Disclosures Delegated Act"), which specifies the content, methodology and presentation of information to be disclosed by financial and non-financial undertakings concerning the proportion of environmentally sustainable economic activities in their business, investments or lending activities.

[10] Intergovernmental Panel on Climate Change (IPCC)

The main indicator of alignment is the Green Asset Ratio ("GAR") which enterprises must disclose from 2024 onwards. For a credit institution, GAR is defined as the proportion of its assets invested in taxonomy-aligned economic activities over its total covered assets. The GAR should be calculated based on the on-balance sheet exposures (total covered assets) according to the prudential scope of consolidation for the types of assets and accounting portfolios specified in the Disclosures Delegated Act. Credit institutions should disclose the aggregate GAR for on-balance sheet covered assets, a breakdown for the environmental objective pursued by environmentally sustainable assets, the type of counterparty, and the subset of transitional and enabling activities.

The disclosure requirements for the financial years 2021 and 2022 are limited to Taxonomy eligibility and relevant ratios. Beyond this initiation phase, the sequential step in the disclosure process, relates to the specific Taxonomy alignment, which will apply for the year 2023. This graduated approach is deemed necessary due to the reliance on information that is publicly disclosed by counterparties.

For the years 2021 to 2023, the Group will be disclosing the following information on a consolidated level:

(a) the proportion in the Group's total assets of exposures to Taxonomy non-eligible and Taxonomy-eligible economic activities;

(b) the proportion in the Group's total assets of the exposures to central governments, central banks and supranational issuers and derivatives;

(c) the proportion in the Group's total assets of the exposures to undertakings that are not obliged to publish non-financial information pursuant to Article 19a or 29a of Directive 2013/34/EU;

(d) the proportion of their trading portfolio and on demand inter-bank loans in their total assets; and

(e) qualitative information referred to in Annex XI of the Disclosures Delegated Act.

EU Taxonomy eligibility & non eligibility ratios as a proportion of Group's total assets (%)	**31/12/2022**		**31/12/2021**	
	€ billion	**% of total assets**	**€ billion**	**% of total assets**
1. Exposures to Taxonomy-eligible activities	19.6	26%	17.7	22%
2. Exposures to Taxonomy non-eligible activities	10.5	14%	12.4	16%
3. Exposures to sovereigns, central banks and supranational issuers	12.6	17%	13.2	17%
4. Exposures to derivatives	1.8	2%	0.6	1%
5. Exposures to corporates not subject to non financial reporting directive ("NFRD")	10.2	13%	9.8	12%
6. Trading book	0.5	1%	0.9	1%
7. On-demand interbank exposures	9.5	13%	15.2	19%
Group's total assets	**75.7**		**79.8**	

Regarding the contextual information in support of the quantitative indicators, for the calculation of the aforementioned ratios specific assumptions and proxies were considered on the respective numerators, while limitations were also existent. These proxies were considered in order to offer a best effort estimation of the eligibility ratio incorporating requirements of the Disclosures Delegated Act and taking into consideration the frequently asked questions that the EC published on 20 December 2021 and 2 February 2022, respectively with the intention to cover the Group's total assets and activities depicted by the aforementioned table. In July 2022, a Complimentary Climate Delegated Act including specific nuclear and gas energy activities was published. Until 2023, the Group is required to assess and disclose taxonomy-eligibility and non-eligibility of nuclear and fossil gas related activities.

With the aim to reflect the nature and objectives of the Taxonomy, the Group based the calculation of the eligibility ratio numerator on the NACE codes that currently meet the criteria of Climate Mitigation or Climate Adaptation as published by the EC. This information is available in the Group's business lending portfolio, however there was no sufficient and reliable data on respective eligible activities of counterparties at the time of the publication of this report. Financing activities that were not identified to the specific NACE Codes were only included in the ratio's numerator [2]. This also applies for the investments portfolio as there was not available data relevant to the eligibility regarding the counterparties.

For the estimation of the ratio [5], it was necessary to assume for the scope of this exercise, that all Non-Financial Corporates that comprised the Business Lending Portfolio and were SMEs were not subject to NFRD.

The increase of the eligibility ratio in 2022 compared to the previous year is mainly attributed to the reduction of the total assets stemming from the reduction in the TLTRO III utilization (€ 9 billion) and the enhancement of the perimeter incorporated in the numerator of ratios [2] and [5].

The Group is committed to continuously improve its processes and enhance the availability of data and its proxies in order to upgrade its reporting scope according to the EU Taxonomy.

Furthermore, the Group is taking steps further to enhance the eligible part of its portfolio. Namely new disbursements for RES projects exceeded € 500 million in 2022. The total RES exposure amounted at € 2.4 billion. This particular loan portfolio grew further as the Group's inaugural Green Bond issued in November 2021 had earmarked € 500 million that are allocated to eligible Green Projects according to the Group's Green Bond Framework. In particular, an amount representing 70% of the net proceeds of the Green Bond was allocated to the loans in the renewable energy category. More specifically, loans related to the acquisition, development, manufacturing, construction, operation and maintenance, distribution and transmission of renewable energies such as: Offshore and Onshore Wind, Solar Photovoltaic ("Solar PV"), Small scale Hydropower (<20MW).

Moreover, Sustainability Linked Loans have been accepted by Greek Businesses, new financing contracts were signed in 2022 with large and medium sized enterprises with the total new production balance exceeding € 280 million. Overall, since their inception in June 2020, we have built a portfolio comprising 16 contracts with large and medium sized companies, with an aggregated balance exceeding € 640 million.

Piraeus AEDAK, the asset management arm of the Bank has been a member of the global initiative Principles for Responsible Investments ("PRI") for more than 3 years. It has incorporated in its strategy the application of the principles of responsible investments. It was the company that launched the first Mutual Fund in the Greek market, which invests in companies that adhere to the principles of ESG. The Group has placed in the market 12 ESG Mutual Funds all compliant with Sustainable Finance Disclosure Regulation ("SFDR"), totaling € 329 million, ranking top in the Greek ESG Asset Management market at the end of December 2022.

Lastly, in Retail Banking, the ESG agenda has unfolded both in the lending and investment products portfolio. The Bank has supported more than thirty thousand (30,000) households in the program "Energy Saving at Home" by supporting the effort to upgrade Greece's aging real estate stock and improving the environmental performance of homes, cutting energy costs. A complete range of financing solutions to meet every "green" small business need is also provided, such as: financing the installation & upgrade of Photovoltaic Stations, net metering and the energy efficiency upgrade of businesses or the purchase of an electric or hybrid car etc. In 2022 new production of this portfolio amounted at € 170 million.

The Group's aim is to gradually align its objectives to be consistent with the EU Taxonomy. Its sustainable finance proposition will be to support our customers' transition and consider the standards and enhancements of the EU Taxonomy.

Group Cultural and Social Initiatives

In respect of the corporate responsibility strategy implemented by the Group, the Bank's Cultural and Social Initiatives Unit is responsible for designing and implementing actions and initiatives for Society and Culture.

Society - Alignment of the Group's actions with key social issues and strengthening of its relations with society.

Culture - Support and promotion of culture, historical knowledge and intellectual creation, preservation and promotion of the Greek cultural heritage and the business activities that generate mutual benefits for both culture and society.

In this context, the Unit designed and carried out the following actions and initiatives:

International Initiatives

- Women's Empowerment Principles ("WEPs") - UN Global Compact - UN Women

Piraeus Bank is the only Greek bank, whose CEO, Mr. Christos Megalou, signed the United Nations WEPs, committed to actions to support women in the workplace, marketplace and society.

- **Bloomberg 2023 GEI**

Following the commitment undertaken by signing the WEPs, the Company is one of the 484 companies that were included for the second consecutive year in Bloomberg's GEI 2023. This is a reference index tracking the performance of companies committed to the transparency of the data they provide and their policy on gender equality issues.

Corporate responsibility actions to promote Gender Equality in society

The EQUALL program

The Group commits, through its actions, to contribute to the formation of a society of equal people. That is why it has created the EQUALL program that initially comprises the following actions:

- Women Founders and Makers – for the reinforcement of women's entrepreneurship

The 1st cycle started in March 2022 and was completed in June 2022, while the 2nd started in October 2022 and was completed in February 2023. The program received 1,424 applications for 100 vacancies, with more than 68% of the participants coming from the Greek regional areas (outside the prefecture of Attica). The 100 beneficiaries received over 76 hours of training.

- Women Back to Work – for women's return to the labor market

The 1st cycle started in March 2022 and was completed in June 2022, while the 2nd started in October 2022 and was completed in February 2023. The program receives 575 applications for 100 vacancies, with more than 70% of the participants coming from the Greek regional areas (outside the prefecture of Attica) and more than 90% of participants accepted into the program being unemployed or underemployed. The 100 beneficiaries received over 96 hours of training.

- Women in Agriculture – for the reinforcement of women's entrepreneurship in the agricultural sector

The 1st cycle started in October 2022 and was completed in February 2023. The program received 163 applications for 50 vacancies, with more than 90% of the participants coming from the Greek regional areas (outside the prefecture of Attica).

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

The 1st cycle started in March 2022 and the 2nd in October 2022. The program received more than 80 applications from schools from all over Greece, representing 3,152 students, with more than 93% of schools being in remote areas (such as Alexandroupoli, Drama, Leipsoi, Florina, Veria, etc.). More than 1,224 students discussed "Profession has no Gender" topics with their mentors.

- Piraeus EQUALL 360°

Aiming at strengthening social equality and women's equal access to business development, the Bank designed and offers "Piraeus EQUALL 360°", a comprehensive bundled products and services package, with preferential pricing and privileges, exclusively for women entrepreneurs. In September 2022, the segment of women agricultural entrepreneurs was added in "Piraeus EQUALL 360°". Since the launch of ''Piraeus EQUALL 360°'' in April 2022, 216 women entrepreneurs have acquired it and €3.1 million in business loans have been disbursed.

- Participation in the "GENERATION 17" initiative to promote UN Sustainable Development Goal #5 - Gender Equality

The Bank participated in the "GENERATION 17" ("Genia 17") initiative for the promotion of the 17 UN SDGs, adopting Goal #5 - Gender Equality. Being the sponsor of Goal #5 – Gender Equality, the Bank created a large-scale mural painted by the internationally renowned street artist, Atek, in a building, housing the Bank services, at 31 Panepistimiou Street in the Municipality of Athens. The mural highlights the contemporary woman, who, trying to maintain her balance between multiple roles, gives prominence to her identity and asserts her right to an equal position in society, without being subjected to any form of exclusion or discrimination. In addition, the Bank has created an informative video and a podcast presenting its actions and initiatives for Gender Equality.

- Creation of Inquiry-Based Learning Centres for students living in remote areas of the country

In 2022, the Bank in collaboration with the Union "Together for the Child" designed and implemented the creation of the innovative Centre for Inquiry-Based Learning at the 10th Primary School of Komotini. A state-of-the-art Inquiry-Based Learning classroom was developed and equipped specifically for science teaching. At the same time, the Bank, through its collaboration with 100 mentors, created the "Train the Trainer" program, with the aim of instructing the 10th Primary School of Komotini teachers for the optimal and effective utilization of the Inquiry-Based Learning Centre. This Centre is the first of a series of actions of the Bank within the framework of the EQUALL program with the aim of equal access to inquiry learning for students living in remote areas of the country.

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

- Piraeus Culture and Creativity 360°

The Group is strongly committed to supporting Art and Culture, vital pillars of Greece's social and economic growth. ''Piraeus Culture and Creativity 360°'' is a comprehensive bundled products and services package with preferential pricing and privileges, designed especially for the Cultural and Creative businesses (Small and Medium-sized). Since its launch in May 2021, ''Piraeus Culture and Creativity 360°'' has been acquired by more than 208 Cultural and Creative businesses, over € 3.1 million of business loans have been disbursed.

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

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

In this context the Group designed and implemented a Bicentennial Actions Program which relates to scientific research, culture, arts, education and comprises:

- 9 anniversary publications;
- 3 cycles of workshops-lectures;
- 9 podcasts;
- 6 travelling exhibitions;
- 4 artistic productions;
- 4 interactive presentation systems of the National Anthem and the Greek Fighters of 1821.

These activities were designed and implemented in collaboration with the National and Kapodistrian University of Athens, the National Historical Museum, the General State Archives, the Institute of Technology and Research, the Greek National Opera, the Takis Sinopoulos Foundation – School of Modern Greek Poetry, the Cultural Foundation of Tinos, the Astronauts Theater Group, the Studio Bauhaus productions and reputable scientists and academics.

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

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

- **Cooperation with the Greek National Opera ("GNO")**

The Group continues its long-standing and creative collaboration with GNO throughout 2022 by sponsoring the performance "Othello" by Giuseppe Verdi. In addition, it lays the foundations for the connection of the new generation with music and theater by renewing the sponsorship of the program "3rd bell opera" for the 3rd consecutive year as well as the educational initiatives "Actions for all the family" comprising 10 workshops with approximately 600 beneficiaries in total (children and parents).

- Collaboration with Athens Concert Hall

The Group is the exclusive sponsor of the spectacular musical theater performance "Robinson Crusoe" for children and adults. The respective production of Athens Concert Hall is carried out with the kind sponsorship of Piraeus Bank Group, which develops actions to support the new generation and culture. During Christmas, the Bank had granted 235 tickets for the performance to the children of ELEPAP, the "Together for the Children" Union, the "Theotokos" Foundation and the employees of the Bank.

Museum Network of the Group Cultural Foundation - Pillar of development for the regions of Greece

The Group's Cultural Foundation has created and is operating a network of nine thematic museums in various regions of Greece, contributing to the economic growth and prosperity of the country. It promotes the tangible and intangible cultural heritage of the country and through it the developmental dimension of culture and the formation of relationships of trust at the local level. At the same time, it undertakes initiatives to increase jobs and create business opportunities for residents of the regions.

The Museums of the Foundation are "museums without walls", serving local communities, harmoniously integrated into them, acting as pillars of cultural and economic development. A study carried out by the Foundation for Economic and Industrial Research in 2019 on the economic and social impact of the operation of Piraeus Bank Group Cultural Foundation ("PIOP") Museums on local communities, calculated an increase in tourism expenditure in the respective regions of the country by € 11.8 million and an impact of museum activity on the country's GDP by € 23 million (conservative estimate). These figures are directly proportional to the number of visitors to the Museums.

The conditions created due to the Covid-19 pandemic in the previous two years significantly affected the operation of the country's Museums. PIOP readjusted its strategy by initially channelling a large part of its resources into the planning and implementation of digital and online activities, while subsequently organizing a series of targeted actions with physical presence. In the 2nd half of 2022, the return to normality and the organization of activities and exhibitions at the PIOP Museums contributed to a significant increase in visitors, paving the way for a gradual "return" to the visitor numbers of pre Covid-19 years.

Related Party Transactions

With reference to the transactions of the Group with related party, such as members of the BoD and the management of the Group and its subsidiaries, with the Group's subsidiaries, associates, and joint ventures, these were conducted in usual market terms and within the normal course of business and were not material in 2022. Detailed information is included in the 2022 Annual Financial Statements in Note 47, which is incorporated herein by reference.

Group Risk Management

RM is a core function of the Group, targeting to an effective and efficient identification, management and monitoring of risks. Through the Risk and Capital Strategy and the individual RM Policies (Risk), the principles of an integrated risk management and risk management framework are defined in order to support the achievement of the Group's strategic and business objectives, as defined by the Board.

The Group is exposed to interest rate risk due to the changes in interest rates on the fair value of fixed rate debt securities. In order to mitigate this risk the Group enters into Interest Rate Swaps ("IRSs") and hedges the benchmark interest rate risk component by entering into IRSs with critical terms that match those of the debt instrument hedged. This hedging objective is consistent with the Group's overall interest rate risk management strategy (incorporated herein by reference to Note 4.11 of the Annual Financial Statements for the year 2022).

Moreover, the Group faces market and liquidity risks incorporated herein by reference to Notes 4.9 and 4.12 of the Annual Financial Statements for the year 2022.

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

The Group has established policies, procedures, and adequate mechanisms for RM, at the level of all 3 lines of defense, in order to identify, manage, monitor and report risks. The procedures in place promote the independence of risk-taking, RM and control activities.

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

In this context, the key driving principles of GRM are described below:

- Strategically manage capital and liquidity;
- Enhance RM capabilities;
- Continuous enhancement of risk governance and control framework;
- Shape a strong Risk Culture.

During 2022, GRM continued strengthening of the Group's risk management framework which interacts with the Group planning processes in alignment with the in force regulatory framework, the supervisory expectations and the strategic guidelines/ plan.

Indicatively, 2022 key risk strategic and functional objectives include:

- ✓ Early warning system ("EWS") development for the efficient performing loan portfolio management;
- ✓ ECB roadmap on climate-related and environmental risks, including Climate Stress testing;
- ✓ Compliance with Guidance on Loan Origination and Monitoring;
- ✓ Credit risk models calibration based on the European Banking Authority ("EBA") New Definition of Default;
- ✓ Value at Risk ("VaR") methodologies enhancements;
- ✓ Interest Rate Risk in the Banking Book ("IRRBB") initiatives;
- ✓ Operational risk ("OR") framework and control enhancement.

Key Committees with Risk participation

Board Committees

- Risk Committee
- Audit Committee

Executive Committees

- Executive Committee
- ALCO
- Provisioning Committee
- Resolution Planning Committee
- Resolution Committee
- Operational Risk Committee
- Senior Credit Committee, Recovery Credit Committee and other Credit Committees
- Group Planning & Monitoring Committee
- ESG & Corporate Responsibility Committee
- Data Governance Committee
- Whistle Blowing Committee
- Risk Models Oversight Committee
- Real Estate Committees

The GRM reports to the CRO, with main responsibilities per function for 2022 briefly described below:

CRO's office| Function main responsibilities:

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

Credit Risk Management | Function main responsibilities:

- During 2022 GRM organizational chart was modified. Credit Risk Management Unit, having direct reporting line to the Group's CRO, was expanded in order to better address all emerging credit risk related issues in the scope of the Group's continuous effort to strengthen its RM framework.
- Credit Risk Management engages in the early recognition and effective management of Credit Risk through an integrated framework of policies, methodologies, procedures and systems that allow the development of a profitable loan portfolio within the acceptable risk profile.
- It has the responsibility for the planning, specialization and implementation of strategy and policies in credit risk management issues. It uses the appropriate methods, including the use of models for the provision, acknowledgement, measurement and monitoring of the said risks aiming at the above-mentioned. Additionally, it has the responsibility for the provision of information regarding the evolution of the said risks to the responsible Committees and Group Management on a regular basis.

Several tasks and projects were deployed during 2022 to facilitate and enhance RM practices as presented in Table 1.

Capital Management, Risk Strategy, Market, Liquidity & Asset Liability Management ("ALM") Risks | Function main responsibilities:

- Capital Management, Risk Strategy, Market, Liquidity & ALM Risks Unit supports the development and implementation of the Group's Strategy, aiming at the effective management of risks and balance sheet optimization. To this end, the unit is responsible for the development and maintenance of the Risk and Capital Strategy as well as the Risk Adjusted Framework of the Group, in accordance with the Risk Committee and BoD's directions and guidance.
- Additionally, the establishment of dedicated unit aims to manage effectively risks related to ESG.
- Moreover, it is responsible for the design and implementation of the Group's ICAAP and leads the preparation and execution of regular enterprise-wide stress tests. Further, it is responsible for the coordination and overall maintenance of the Group's Recovery Plan.
- Also, the function is responsible for the measurement, monitoring and reporting of capital requirements and capital adequacy ratios of the Group.
- The function is responsible for the development of the risk management framework (policies, methodologies, models and processes) with respect to market, liquidity and ALM and other financial related risks. To that end, the unit deploys proper methods, including models, that allow the identification, measurement and monitoring of the aforementioned risks.
- Moreover, it is responsible for the design and implementation of the Group's ILAAP and leads the preparation and execution of regular enterprise-wide liquidity stress tests.

During 2022, Capital Management, Risk Strategy, Market, Liquidity & ALM Risks unit has undertaken a number of strategic risk initiatives, as presented in Table 1.

Group Control and Risk Data & Solutions | Function main responsibilities:

- Group Control and Risk Data & Solutions unit is responsible for the identification, monitoring and assessment of all types of risks (credit, market, operational, liquidity, etc.) arising from the Group's activities, through the development, implementation and evaluation of an adequate Internal Control System ("ICS"), in order to ensure the safe and efficient operations of the Group and the achievement of its business objectives. Also, the unit is collaborating with Segment Controllers to accomplish its mission.

- It is responsible for the development, implementation, assurance and supervision of the OR Management Framework ("ORMF") and the ICS of the Group, with the aim to defend the business objectives and limit the risks undertaken to the acceptable levels defined by the Management.
- The function contributes to the mitigation of risks arising from potential limitations in the development, implementation or use of the Bank's models (model risk), by developing/ maintaining and implementing a Model Validation Framework and by contacting independent validations regarding the robustness, accuracy and effectiveness of the Bank's models, while contributing to the improvement of models' quality.
- Additionally, it has the responsibility for the planning and implementation of independent, ex post/ post approval, regular, qualitative and quantitative review of the application of the approved financing policies and approval procedures as well as the provisions and write-offs policies, within the framework of the 2nd line of defence, on the loan portfolio of the Group including the Performing and Non-Performing loans as well as the Factoring and Leasing subsidiaries.
- Finally, the function contributes in supporting, coordinating, initiating and implementing initiatives in the domain of the risk data management, with the use of risk data analytics and business intelligence tools and methodologies, in compliance with the Group's Policies, the regulatory framework and the industry's best practices.

During 2022, Group Control and Risk Data & Solutions has led in a number of strategic and functional risk initiatives, as presented in Table 1.

TABLE 1 – KEY INITIATIVES for 2022

Function	Key initiatives
Credit Risk Management	▪ Providing guidance regarding the systemic implementations for asset quality indicators under the supervisory guidelines of Loan Origination framework ▪ EWS model, framework and infrastructure development project coordination for corporate and retail loan portfolios ▪ Performed sensitivity scenarios on the Group's loan portfolio regarding credit risk impact of the prevailing inflationary pressures and the identification of vulnerable sectors as a result of macro-environment turbulence ▪ On Site Inspection on International Financial Reporting Standard ("IFRS") 9 compliance and implementation ▪ Revision of the credit rating assessment models of the wholesale portfolio (SME, shipping), to incorporate the new Definition of Default
Risk and Capital Strategy	▪ Further advance Risk Appetite Framework ("RAF") introducing additional metrics and limits and further cascading, reflecting evolving business plan aspirations and risk profile. ▪ EBA Stress Test 2023 preparation – launched preparations for the EBA 2023 Stress Test ▪ Synthetic securitizations – continue to provide guidance and support on the structuring and execution of major synthetic securitization transactions with regards to SRT
Additional Liquidity Monitoring, Market, Liquidity Risks	▪ Completion of Additional Liquidity Monitoring software upgrade project for IRRBB improving capabilities ▪ Completion of the enhancement of the Stress Testing Framework

Function	Key initiatives
Group Control and Risk Data & Solutions	▪ Alignment and efficiency improvement of the 3 lines of defense central project of the Control functions (3 Lines of Defense Control functions alignment & efficiencies). ▪ Enhancement of Information and Communication Technology ("ICT") risk management in second line of defense ▪ Implementation of a platform within the OR system for the management of internal control deficiencies in the ICS, across the Group ▪ Enhancement and maintenance of the Model Validation Framework, including the new quarterly follow-up process of model validation findings in cooperation with Unit and Segment Controllers ▪ Enhancement of the IFRS 9 validation reports, regarding the assessment of the Lifetime Probability of Default and Cure Rate models ▪ Enhancement on infrastructure tasks with emphasis on improving policies and procedures of Credit Control ▪ Enhancement of Credit Control framework through the design and implementation of a new evaluation scale (1-4) for its credit reviews ▪ Initiation of the design of Credit Process Analytics for a risk based reporting facilitating automated controls and identification of material findings, to be utilized by 1st and 2nd lines of defense functions ▪ Initiation of a Senior Credit Committees Charter implementation review (new six-monthly) in terms of presence, accuracy and management of information provided for decision-making. ▪ Coordination and guidance to the GRM units with regards to determining their risk data requirements, data definitions, modelling and data availability, as well as Data quality management.

Prospects and challenges of the Group's Operations in 2023

Economic growth in Greece remained solid in 2022, with GDP rising 5.9% year on year, despite the undergoing energy crisis in Europe. Greek GDP growth is underpinned by the structural reforms that have taken place during the past years and a strong inflow of foreign direct investment in 2022. Greek debt to GDP in 2022 is projected to have one of the largest drops worldwide, while similar trend is expected to continue in 2023.

On the back of these developments, three major rating agencies have upgraded the Greek sovereign debt rating to BB+, one notch away from investment grade level, which is expected to be achieved within 2023.

The Greek economy remains on a path of moderate economic expansion into 2023, reflecting the different phase that it finds itself in the current economic cycle, assisted by its improved resilience and competitiveness.

According to the Winter 2023 Economic Estimates of the European Commission, Greek GDP is expected to grow by 1.2% this year and accelerate to 2.2% in 2024. Inflation on the other hand is projected to slowdown to 4.5% in 2023 and further to 2.4% in 2024. The deployment of the RRF in the Greek economy might provide extra upside to growth. The total RRF resources that have been disbursed or approved amounts to € 11 billion, ranking Greece among the top of the list in the EU.

2022 was another milestone year for the Group, which continues to unlock the value of its franchise, underpinned by the completion of the Group’s balance sheet clean-up. The Group has delivered strong financial results, outperforming its targets across the board.

In 2022, the Group generated € 0.42 normalized earnings per share. The Group has achieved steady business loan growth, risk-adjusted profitability, continued cost discipline and accelerated capital build-up.

The enhanced organic capital generation has driven our fully-loaded CET1 ratio to 11.5%, up by approximately 110 bps in the quarter and by approximately 300 bps in the last 12 months.

The Group’s performing loan portfolio has grown by € 2.7 billion in the full year 2022, with net credit expansion of € 550 million in the fourth quarter. The remaining NPE book continues to be managed actively, reaching a NPE ratio below 7% at year-end 2022 from 13% a year ago.

Our cost containment efforts continued unabated in 2022, notwithstanding inflationary challenges, and resulted in an impressive 11% year on year reduction in administrative expenses and 5% year on year reduction in total operating expenses.

We are proud to have recently received an MSCI ESG ‘A’ level rating. At the same time, we have been included in the Bloomberg Gender Equality Index for the 2nd consecutive year. The Bank is also the only Greek company in the Financial Times list of Europe’s climate leaders for year 2022, and is the first bank in Greece to have had its 2030 targets validated by the Science Based Targets Initiative for the reduction of both operational and financed CO_2 emissions.

In late January 2023, the Bank communicated its new financial targets for 2023. The key elements comprise a sustainable return on tangible equity of 10%, further boost to total capital to above 17.3%, and approximately € 1.7 billion net credit expansion.

With regards to potential risks, the persistence of inflationary pressures is driving major central banks to exert aggressively restrictive monetary policies. Increasing interest rates are benefiting banks’ currently, as the positive impact from higher loan spreads outweighs the negative effects stemming from inflation and greater funding costs. However, higher for longer interest rates may result in economic slowdown and tighter credit expansion, with negative secondary effects on the asset quality of the banks’ loan portfolios. The potential of new NPE generation would result in an increase of future provisions, burn of capital buffers, which could materially affect our financial position, capital adequacy and operating results. Therefore, in addition to maintaining the Group’s balance sheet well positioned to benefit from interest rate increases, management is extremely mindful of the importance of good credit risk management and will focus on operational efficiency and cost control to navigate this environment.

The global economy continues to face challenging times ahead. The war in Europe is continuing, Covid-19 is still a threat in large parts of the world, and considerable pressure continues on households and businesses from rising costs.

It is at times like that we must make sure that our strategy embeds a higher standard of operational performance and demonstrate measurable progress to shareholders. It is only with consistent performance that we can build a track record for sustainable earnings delivery.

Athens, 16 March 2023

On behalf of the Board of Directors

George P. Handjinicolaou	Christos I. Megalou
Non-Excecutive Chairman of BoD	Managing Director (CEO) Executive BoD Member

CORPORATE GOVERNANCE STATEMENT

This Corporate Governance Statement of Piraeus Financial Holdings S.A. forms part of the Board of Directors' Report and contains the information required by articles 152 and 153 of Greek Law 4548/2018 as at the reporting date of 31 December 2022 and the subsequent period up to the publication date of the Annual Financial Report.

2022 Overview

The Company's BoD ensures that an appropriate governance model and checks and balances are in place so that the Company may deliver its ambitious strategic plans while the business is, at all times, resilient and sustainable in the face of a rapidly changing and challenging environment.

During 2022 and until the publication of the present, the Company has, inter alia:

- revised its Directors' Remuneration Policy;
- revised its Group Compliance Policy, including its conflict of interest framework and the relevant questionnaire which is now addressed and completed annually not only by BoD members but also by senior executives;
- focused on ESG issues, working closely with the BoD Ethics and ESG Committee;
- revised its Code of Ethics;
- has adopted a Policy against violence and harassment in the workplace and set up a respective Committee in Piraeus Bank S.A.;
- enhanced its relations with shareholders, proxy advisors and institutional investors, holding meetings or providing them with further information and clarifications, welcoming and responding to their increased interest in corporate governance issues and evaluating their views.

The main corporate governance goals for 2023 include:

- the review of several corporate governance documents and policies and the examination of corporate governance issues at Group level;
- the continued focus on ESG related topics;
- the further progress of gender diversity at Board and senior executive level to the extent possible;
- ensuring the smooth (re)election/ succession of the BoD in light of the end of its term in June 2023

APPLICATION OF INSTITUTIONAL FRAMEWORK AND CORPORATE GOVERNANCE STRUCTURE AND OPERATING REGULATIONS

The Company, in its capacity as a Société Anonyme listed on the Athens Stock Exchange, in parallel with the provisions of corporate law and its Articles of Association, applies the provisions set out in Greek Law 4706/2020 on corporate governance of sociétés anonymes.

In compliance with the provisions of art. 17 of said law, the Company has adopted by a Board resolution, the Hellenic Corporate Governance Code, issued in June 2021 by the Hellenic Corporate Governance Council and complies with its provisions.

It is noted that the Company, as a financial holding company, authorized as such and supervised by the ECB, applies on a consolidated basis the special provisions of Greek Law 4261/2014 and of the respective framework.

Furthermore, the Company has drawn up and applies its Internal Regulation. The Internal Regulation, incorporates the provisions and practices arising from the mandatory institutional framework (especially Greek Law 4706/2020 on corporate governance, Greek Law 4548/2018 on Sociétés Anonymes, Greek Law 4261/2014 "Access to the activity of credit institutions and prudential supervision of credit institutions (transposition of Directive 2013/36/EU), repeal of Law 3601/2007, and other provisions").

The main objectives of the Internal Regulation are to:

i) ensure transparency, integrity, functionality and efficiency of the existing system of the Company's corporate governance and ICS;

ii) enhance confidence in the Company for domestic and foreign investors, shareholders, employees and customers;

iii) ensure the Company's continued compliance with the Greek Laws and regulations governing its organization and operation and its activities;

iv) develop a self-regulating framework within the Company by establishing rules for its administration, management and staff, which complement the provisions of the existing regulatory framework and are being established with a view to enhancing the Company's sound and responsible management and operations.

The organisational structure of the Company complies with the current principles of the institutional framework governing the operation of listed companies and it is structured in such a way that it meets the needs of the key business sectors in which it operates. Ensuring an effective organizational structure with a clear definition of the competencies and areas of accountability of each administrative unit of the Company, constitutes the basis upon which the functions and operations of the Company are founded. Particular emphasis is given to the setting up of a clear organizational structure with distinct, transparent and consistent lines of responsibility, the establishment of efficient and detailed procedures for conducting the Company's operations and of adequate control mechanisms in respect of such procedures, as well as to the identification, management, monitoring and reporting risks which the Company assumes or may undertake within the framework of its activities.

The Company has developed and aims at continuously improving the ICS, both on a stand alone as well as on a Group level. The ICS consists of well-documented, detailed control mechanisms and procedures, incorporating best practices of corporate governance and covering on a continuous basis every activity and transaction of the Company, contributing to its efficient and safe operation.

Moreover, in the context of being subject to the provisions of Greek Law 3864/2010, as same has been amended in mid-2022, the Company follows a number of temporary corporate governance practices unique to the greek banking system, including the presence of an HFSF Representative on the BoD. Further details are outlined in the relevant sections of this Statement relating to HFSF's role with Piraeus Bank.

I. MANAGEMENT, ADMINISTRATIVE AND SUPERVISORY BODIES AND COMMITTEES

1. GM of Shareholders

Regarding the shareholders of the Company, as well as the convocation and meeting of shareholder's GM, according to the provisions of Greek Law 4548/2018 "*Reform of the law of sociétés anonymes*", the following are applicable:

1.1. Shareholder

The Shareholders exercise their rights through their participation at the GM. GM resolutions, adopted as prescribed by law, are also binding on absent or dissenting shareholders. The shareholder status is verified through the direct electronic linkup of the Company with the records of the Decentralized Securities System ("DSS").

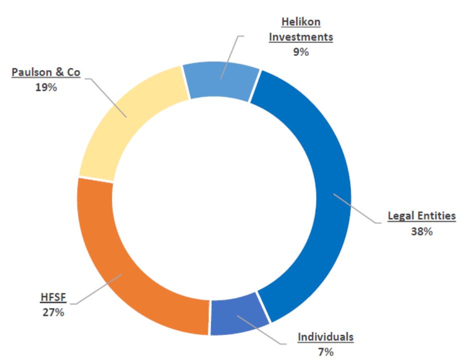
In case of shares held in omnibus accounts, the capacity of the shareholder vis-à-vis the Company is evidenced through the registration of the shareholder in the books of the intermediary holding the omnibus account, in line with the legislative provisions (L. 4548/2018, L. 4706/2020 and Regulation (EU) 2018/1212) as well as the Rulebook of the Hellenic Central Securities Depository.

1.2. Shareholder structure

The Company's shareholder structure presents great diversity. The total number of the Company's common shareholders was approximately 16,900 in December 2022. The HFSF held 27% of the outstanding common shares (1,250,367,223 of a nominal value € 0.93 each). The remaining 73% is held by the private sector; circa 19% by Paulson & Co, circa 9% by Helikon Investments, circa 38% by legal entities and circa 7% individuals. Strong international presence is evidenced by the fact that significant part of free float is held by foreign institutional investors.

The shareholder structure of the Company (for descriptive, non-regulatory purposes) was as follows in December 2022:

Shareholder Structure- December 2022



1.3. Categories of GMs

The GM mandatorily convenes at the Company's seat or in another municipality within the county of the seat or another neighboring municipality or in the municipality of the Athens Stock Exchange seat, at least once every financial year and within the time limit laid down by the provisions of the Law, as in force. Extraordinary sessions may also be called by:

a) the BoD, whenever so deemed advisable or necessary;

b) requisition of minority shareholders pursuant to paragraph 1 of article 141 of law 4548/2018 (*for more information see section 1.8 below);*

c) the auditor of the Company upon request to the Chairman of the BoD.

1.4. Competences of the GM

According to article 117 of law 4548/2018, the GM has solely the authority to decide on:

- Amendments to Company's articles of association, with share capital increases and reductions being understood as amendments thereto for the purposes hereof;
- Election of members of the BoD and auditors;
- Approval of the overall management activities according to article 108 of Law 4548/2018 and discharge of auditors;
- Approval of the annual and any consolidated financial statements;
- Distribution of the annual profits;
- Approval of remuneration paid and preliminary approval for remuneration, under article 109 of law 4548/2018;
- Approval of the remuneration policy and the remuneration report under articles 110 and 112 of law 4548/2018;
- Merger, split, conversion, revival, term extension or dissolution of the Company, according to law 4548/2018 and law 4601/2019, as in force;
- Appointment of liquidators.

It is noted that not coming under the provisions of the preceding paragraph are the following:

- Share capital increases or share capital readjustment acts explicitly vested in the BoD under the law, as well as increases imposed under the provisions of other legislation;
- The amendment or harmonization of provisions in the articles of association by the BoD when so explicitly provided by law;
- The election of directors in the place of directors who resigned, died or forfeited their office in any other manner, in accordance with the article 82 of law 4548/2018;

- The option to distribute interim dividends pursuant to paragraphs 1 and 2 of art. 162 of Law 4548/2018;
- The option to distribute (under para. 3 of art. 162 of law 4548/2018) profits or voluntary reserves within the current business year under a BoD resolution which is submitted to the publication formalities.

1.5. Invitation of GM

The invitation of the GM containing the minimum information required by law (including, inter alia, the date, place, time, agenda, instructions for shareholders' participation and rights) is published twenty (20) clear days minimum prior to the date appointed for its session in the Company Record in the General Commercial Register (business registry) as well as at the Company' s website. It is also communicated within the said time period in a manner ensuring fast and non-discriminatory access to it, by means of media which are reasonably reliable for the effective dissemination of the relevant information to investors.

Every shareholder has the right to receive, upon request, personal notification by e-mail about impending general meeting sessions ten (10) days minimum prior to the appointed day for the GM session.

1.6. Participation at the GM

Shareholders having the right to participate and vote in the GM (and the iterative) are those registered at the opening of the fifth (5) day prior to the date of the GM (Record Date). The said date of record is also applicable in the case of an adjourned or iterative session, provided such adjourned or iterative session is not more than thirty (30) days from the date of record. If this is not the case, or if in the case of an iterative GM a new notice is published, persons having shareholder status as at the start of the third (3) day prior to the day of the adjourned or reiterative GM session may participate at the GM.

The BoD may resolve, in accordance with the articles of association and under the conditions of the law, as in force, that:

- the GM will not convene at any place but will convene in full with the participation of the shareholders remotely by electronic means;
- any shareholder may participate in voting on items on the agenda of the general meeting at a distance by e-mail or by electronic means, the vote held before the meeting.

Shareholders may participate at the GM in person or by proxy. A shareholder may appoint a proxy for a single or multiple GM sessions and for a specified period. The proxy votes in accordance with the shareholder's instructions, if any. A shareholder may appoint up to three (3) proxies. The appointment of proxy may be freely revoked. The appointment and recall or substitution of a proxy or representative shall be made in writing or by e-mail message or other electronic means and shall be submitted to the Company forty-eight (48) hours minimum prior to the date appointed for the GM.

1.7. Quorum and majority at the GM

The GM is in quorum and validly held on the agenda when at least one fifth (1/5) of the paid-in share capital is represented thereat.

Qualified quorum of ½ of the paid-in share capital is required in the case of resolutions concerning a change of the nationality, a change of the business object, increase of shareholders' obligations, ordinary increase of share capital unless imposed under the law or effected by means of capitalization of reserves, share capital reduction except when it is in accordance with para. 5 of article 21 of law 4548/2018 or para. 6 of article 49 of law 4548/2018, a change in the manner of appropriation of profits, merger, split, conversion, revival, term extension or dissolution of the Company, the granting or renewal of power to the BoD for share capital increase, pursuant to para. 1 of art. 24 of law 4548/2018, as well as in all other cases in which the law specifies that the GM shall adopt resolutions under a qualified quorum and majority.

Required quorum and majority in first and iterative sessions is depicted below:

Quorum	First GM	Iterative session
Ordinary quorum	At least 20% of the paid-in share capital	One share
Qualified quorum	At least 50% of the paid-in share capital	At least 20%
Majority	**First GM**	**Iterative session**
Simple majority	At least 50% of votes represented +1 share	At least 50% +1 share
Qualified majority	At least 66.67% of votes represented	At least 66.67%

1.8. Minority Rights

According to law 4548/2018 and subject to the conditions and the deadlines prescribed by it:

Shareholders representing at least one-twentieth (1/20) of the paid-in share capital of the Company have the right to:

- call an extraordinary GM session (specifying the items of the agenda) and set a date for it not being more than forty-five (45) days from the date such requisition was submitted to the chairman of the BoD;
- include additional items in the agenda of the GM, already convened;
- submit draft resolutions on items included in the original or any revised agenda of the GM;
- request the Chairman of the GM to adjourn, but only once, the adoption of resolutions on all or some of the agenda items by the GM and fix a new session for deciding on such resolutions, on the date mentioned in the shareholders' requisition which may not, however, be later than twenty (20) days from the day of such adjournment;
- request the BoD to inform the Ordinary GM of the amounts which were paid during the last two-year period by the Company to each member of the BoD or to the managers of the Company as well as of any benefit provided by the Company to the above persons for any reason or contract existing between the Company and such persons;
- demand an open vote at the GM on any agenda item or items;
- request extraordinary judicial review, if there is suspicion of any action which is contrary to the provisions of law or the articles of association of the Company or to resolutions adopted by the GM;
- submit in writing to the BoD a requisition about the exercise of Company of claims pursuant to article 103 of law 4548/2018;

- when forming part of a minority of at least one tenth (1/10) of the share capital of the Company that opposed the adoption of the relevant resolution by the GM, apply to the competent court within two (2) months as of the GM approval, requesting a decrease of compensation or benefit paid or decided to be paid to a specific member of the BoD, with the exception of emolument to BoD members for services rendered to the Company under a special relationship, when under the existing circumstances it is considered exorbitant as per sound judgment.

Shareholders representing at least one tenth (1/10) of the paid-in share capital of the Company have the right to:

- request the BoD to provide to the GM information with regard to the progress of the corporate affairs and the status of the corporate property.

Shareholders representing at least one fifth (1/5) of the paid-in share capital of the Company have the right to:

- request judicial review if from the whole course of the Company's affairs or in light of indications in this respect it may validly be assumed that the management of these affairs is not exercised as dictated by the principles of sound and prudent administration.

Any shareholder has the right to:

- request the BoD to provide to the GM specific information regarding the affairs of the Company insofar as such information concerns the agenda items;

- receive, upon request, personal notification by e-mail about impending GM sessions ten (10) days minimum prior to the appointed day for the GM session.

Detailed information on the GM and shareholders rights are available in the Company's website (Information on Shareholders General meeting and Shareholders' Rights)

1.9. GMs of 2022

During 2022, one GM meeting was held. The Annual Ordinary GM, held on 22nd July 2022, was conducted remotely in real-time via teleconference and was attended either in person or by proxy, by shareholders representing 928,354,519 shares corresponding to 74.25 % of the total 1,250,367,223 shares. All the items of the agenda were approved by the Ordinary GM of Shareholders.

The said items were the following:

1. Submission and approval of the Annual Financial Report (Company and Group) for the financial year 2021, including the Annual Financial Statements, along with the relevant Board of Directors' Report and Statements as well as the Independent Auditor's Report;

2. Approval of the overall management activities of the financial year 2021, according to the article 108 of Law 4548/2018 and release of the statutory auditors from any liability for the year ended 31 December 2021 according to the article 117 par.1 case (c) of Law 4548/2018;

3. Appointment of statutory auditors for the financial year 2022 and approval of their fees;

4. Submission of the annual Audit Committee's Report pursuant to article 44 para. 1 case i) of Law 4449/2017;

5. Submission of the Independent Non-Executive Directors' Report, according to article 9 para.5 of Law 4706/2020;

6. Approval of remuneration paid to members of the BoD in respect of the financial year 2021 and approval of advance payment of remuneration in respect of the financial year 2022 in accordance with article 109 of Law 4548/2018;

7. Submission of the Remuneration Report of the year 2021 for discussion and vote by the GM, according to article 112 of Law 4548/2018;

8. Approval of amendments to the Directors' Remuneration Policy;

9. Approval of the offsetting of the Company's "Share premium" account, including a special reserve pursuant to article 4 para. 4a of Codified Law 2190/1920, against the general ledger account 42 "Accumulated losses carried forward", for the write-off of an equivalent amount of prior years' losses according to articles 31 para. 2 and 35 para. 3 of Law 4548/2018, and granting relevant authorizations to the BoD;

10. Share capital decrease in kind by decreasing the nominal value of each ordinary share by the amount of € 0.02, without changing the total number of common shares pursuant to article 31 para. 1 of Law 4548/2018 in conjunction with the provisions of article 17 of law 4548/2018, in order to distribute to the shareholders shares issued by the Cypriot subsidiary company under the name "SUNRISEMEZZ LTD" held by the Company, with a value corresponding to the value of the Company's share capital decrease. Respective amendment of articles 5 and 25 of the Company's Articles of Association and provision of relevant authorizations to the Company's BoD;

11. Granting of permission, as per article 98 para. 1 of Law 4548/2018, to the Members of the BoD and Managers of the Company, to participate on the BoD or in the management of the Company's subsidiaries and affiliates;

12. Election of a new Independent Non- Executive Member of the Company's BoD in replacement of a resigned Member.

The resolutions adopted at the Ordinary GM of Shareholders held on 22 July 2022 and the voting results have been posted on the Company's website.

2. The Board of Directors

2.1. Composition

In accordance with article 8 of its Articles of Association, as in force today, the Company is managed by a BoD consisting of nine (9) to fifteen (15) members. Pursuant to Greek Law 4706/2020, the Board consists of executive and non-executive members. The number of the non-executive members should not be less than one third (1/3) of the total number of members. Among the non-executive members, at least two (2) should be independent within the meaning of art.9 of the aforementioned Greek Law. Pursuant to Greek Law 3864/2010, a Representative of the HFSF participates as a Member to the BoD. His responsibilities are determined in Greek Law 3864/2010 and further illustrated in the Relationship Framework Agreement ("RFA").

It is noted that according to the regulatory framework of the Single Supervisory Mechanism ("SSM") of the ECB, each Member of the Board is subject to a fit-and-proper assessment by the SSM for the position held.

The BoD is elected by the GM of the Shareholders of the Company, which also appoints the independent non-executive members.

The HFSF's Representative is appointed by a respective written notice addressed to the Chairman of the Board, following which the Board proceeds to all necessary actions according to the Company's Articles of Association and corporate law for the completion of this appointment, including the required notification to the General Assembly.

The term of office for the members of the Company's BoD is three (3) years and is extended until the annual GM which convenes following the expiry of their term. The current BoD was elected on the GM held on 26 June 2020 and consequently its term of office expires on 26 June 2023, to be extended according to the aforementioned.

According to the Company's Articles of Association, if a Board member resigns, passes away or forfeits his/her office in any way, or whose office is declared forfeited by resolution of the BoD due to unjustified absence from meetings for three (3) consecutive months, the Board may continue to manage and represent the Company without replacing the missing members if the remaining members are at least nine (9). Pursuant to Law 4706/2020, in case of unjustified absence of an independent member at least two (2) consecutive sessions of the BoD, the Board member is deemed to have resigned. Further provisions on Board attendance requirements are also included in the Board Attendance Policy.

As at 31 December 2022, and on the date of publication of the 2022 Annual Financial Report, the BoD is composed of the following thirteen (13) members:

BOARD OF DIRECTORS		
George Handjinicolaou	Chairman of the Board, Non-Executive BoD Member	
	Year of birth: 1953	Nationality: Greek
	Member since: November 2016	Chairman since: November 2016
Karel De Boeck	Vice Chairman of the Board, Independent Non-Executive BoD Member, Senior Independent Director	
	Year of birth: 1949	Nationality: Belgian
	Member since: June 2016	Vice- Chairman since: February 2017
	Senior Independent Director since: June 2021	
Christos Megalou	CEO, Executive BoD Member	
	Year of birth: 1959	Nationality: Greek/ British
	Member since: March 2017	
Vassileios Koutentakis	Executive BoD Member	
	Year of birth: 1963	Nationality: Greek
	Member since: May 2020	

Venetia Kontogouris	Independent Non-Executive BoD Member	
	Year of birth: 1951	Nationality: Greek/ American
	Member since: June 2017	
Francesca Tondi	Independent Non-Executive BoD Member	
	Year of birth: 1966	Nationality: Italian
	Member since: June 2022	
Enrico Cucchiani	Independent Non-Executive BoD Member	
	Year of birth: 1950	Nationality: Italian
	Member since: November 2016	
David Hexter	Independent Non-Executive BoD Member	
	Year of birth: 1949	Nationality: British
	Member since: January 2016	
Solomon Berahas	Independent Non-Executive BoD Member	
	Year of birth: 1953	Nationality: Greek
	Member since: November 2016	
Andrew Panzures	Independent Non- Executive BoD Member	
	Year of birth: 1958	Nationality: British, Canadian, American
	Member since: June 2020	
Anne Weatherston	Independent Non-Executive BoD Member	
	Year of birth: 1956	Nationality: British
	Member since: June 2020	
Alexander Blades	Non-Executive BoD Member	
	Year of birth: 1970	Nationality: New Zealand
	Member since: January 2016	
Periklis Dontas	Non-Executive BoD Member, Representative of the HFSF to the BoD pursuant to Greek Law 3864/2010	
	Year of birth: 1957	Nationality: Greek
	Member since: December 2019	
62% Independent Non-Executive (including a Lead Independent Director)	**23% Non-Independent Non-executive**	**15% Executive**

During 2022, the following amendments took place in the composition of the BoD: Mr. Arne Berggren informed the Company of his intention to resign from the BoD before its regular meeting in June. The Board accepted Mr. Berggren's resignation. In substitution of the resigned member, the BoD, in its meeting on 23rd June 2022, elected Ms. Francesca Tondi as new Independent Non- Executive Board Member for the remaining term of the BoD, i.e., until 26 June 2023.

Ms. D. Pallikari served as Corporate Secretary and Secretary of the BoD during the reporting year. She terminated her cooperation with the Company on 30 December 2022. On 23 February 2023, the BoD appointed Ms. Lydia Papadopoulou as Company Secretary. Mrs. Lydia Papadopoulou has been working with the Group since 2017 offering services in relation to the ICS, in a series of projects regarding the strengthening of the relevant structures and systems, the 3 lines of defense, operational risk, regulatory compliance etc. She has served in the past for a number of years as the Secretary of the Audit Committee and Risk Committee, and as Internal Audit Senior Manager, at another systemic Bank, as well as an external auditor at the EY audit firm in UK and in Greece. In recent years, she provided independent support services to Board Committees of Growthfund and since 2019 she is the Audit Committee Chair in two entities, independent of the Group. Ms. Papadopoulou has studied Mechanical Engineering at the National Technical University of Athens (1997), Business Administration (MBA-Finance) at Imperial College London (1998) and has received the professional certification of Chartered Auditor/ Accountant from the Institute of Chartered Accountants of England & Wales (2001).

Board Skills and Expertise

The BoD of the Company consists of members with international leadership expertise and knowhow and particularly in the areas of banking restructurings and the reduction of non-performing loans. Moreover, the members of the Board possess in depth knowledge and experience of the banking market, actively contribute to the improvement of the corporate governance framework and are driving the respective required amendments whilst participating in the creative debates and the quest for solutions to the challenges faced by the Company and the Group.

The members have the necessary collective skills and knowledge required by the existing regulatory framework for financial holding companies. In this way, the systemic stability, the good relationship of the Company with the Regulatory Authorities and the avoidance of administrative gaps in the operation of the Company and its Group are promoted.

Curriculum Vitaes for the members of the BoD are set out below and also available on the Company's website.

 George P. Handjinicolaou, Chairman of the BoD, Non-Executive Member	Mr. George Handjinicolaou is the Non-Executive Chairman of the BoD of Piraeus Financial Holdings (and Piraeus Bank S.A.). He is Chairman, Non-Executive Member of the BoD of ATHEXGroup and BoD Member of the Hellenic Energy Exchange S.A. as well as Chairman of Piraeus Bank Group Cultural Foundation. He held the position of Deputy CEO and Member of the BoD in International Swaps and Derivatives Association in London for the period 2011-2016. He also held the positions of Vice Chairman, Member of the Management Committee and the BoD of the Hellenic Capital Market Commission from 2009 to 2010. In addition, Mr. Handjinicolaou held the position of Managing Director, Global Head, Debt Emerging Markets and Member of Global Markets Management Group at Merrill Lynch, New York. Mr. Handjinicolaou holds a BSc in Economics from University of Athens, Law School, Department of Economics (1975), an MBA in Finance (1978) and a PhD in Finance & Economics (1983) from New York University, Graduate School of Business Administration.
 Karel G. De Boeck, Vice-Chairman, Independent Non-Executive Member, Senior Independent Director	Mr. Karel De Boeck is Vice Chairman, Independent Non–Executive Member and Senior Independent Director of the BoD of Piraeus Financial Holdings (and Piraeus Bank S.A.), as well as Chairman of the Risk Committee, Vice Chairman of the Board Ethics & ESG Committee, Member of the Audit Committee and Member of the Nomination Committee. He is also a Board Member of LAMIFIL and Willemen Group, Belgium. He held the position of CEO at Dexia Group, at Dexia NV in Belgium and CEO at Dexia Credit Local S.A. in France, as well as at Fortis Group in Belgium. Mr. De Boeck holds a Master's Degree in Mechanical/ Civil Electronic Engineering (magna cum laude) from KUL in Belgium (1972) and a Master's Degree in Economics from KUL in Belgium (1974).

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<td>
Christos I. Megalou, CEO, Executive Member</td>
<td>Mr. Christos Megalou is an Executive Member of the BoD of Piraeus Financial Holdings (and Piraeus Bank S.A.), CEO and Chairman of the Group Executive Committee.

Mr. Megalou, is Chairman of the BoD of Shnappi S.A., A’ Vice Chairman of the BoD of Association of S.A. and Entrepreneurship and Non-Executive BoD Member of the Hellenic Bank Association (“HBA”), where he held the position of Deputy Chairman between 2013 to 2015. Also, he was elected, for two consecutive runs, Chairman of the HBA in the UK (2010-2013). He is a distinguished fellow in Global Federation Competitiveness Councils in Washington, USA and a Non-Executive Board Member of Safe Bulkers Inc.

Mr. Megalou graduated with a BSc of Economics from the Athens University of Economics in 1981 and holds an MBA in Finance from Aston University in Birmingham, UK (1982).</td>
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<td>
Vasileios D. Koutentakis, Executive Member</td>
<td>Mr. Vasileios Koutentakis is an Executive Member of the BoD of Piraeus Financial Holdings (and Piraeus Bank S.A.). He is a Member of the Group Executive Committee, as well as an Executive General Manager, Chief Retail Banking in Piraeus Bank since 2017.

He is a Member of the BoD of Shnappi S.A. and of Piraeus Agency Solutions S.A., Member of the Executive Committee of the HBA, as well as a Member and HBA Representative of Liquidity Council of Ministry of Finance and Chairman of INSEAD NAA in Greece. Also, he is a Member of the BoD at Piraeus Bank Group Cultural Foundation. He was a Board Member of VISA Hellas from 2004 until 2012.

Mr. Koutentakis holds a Diploma in Electrical Engineering from the National Technical University of Athens (1987) and an MBA from INSEAD in Fontainebleau, France (1990).</td>
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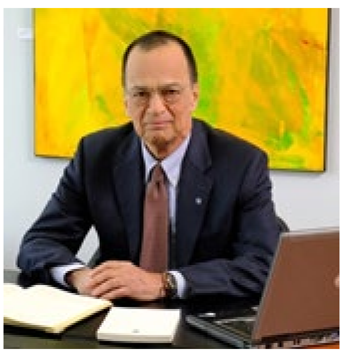
 Venetia G. Kontogouris, Independent Non-Executive Member	Mrs. Venetia Kontogouris is an Independent Non-Executive Member of the BoD of Piraeus Financial Holdings (and Piraeus Bank S.A.), as well as a Member of the Nomination Committee and Member of the Board Ethics & ESG Committee. Also, she is a Member of the BoD at Kaizen Private Equity, as well as Founder and Managing Director of Venkon Group, LLC. She was Co-Managing Director at Trident from 1995 to 2011. Mrs. Kontogouris is a technology-focused venture capitalist, with over 20 years of experience. She was responsible for overseeing management and making key decisions in over 25 companies from the initial seed invest to the exit strategy. Mrs. Kontogouris holds a BA from the Northeastern University (1974) and an MBA from the University of Chicago (1977).
 Enrico Tommaso C. Cucchiani, Independent Non-Executive Member	Mr. Enrico Tommaso Cucchiani is an Independent Non-Executive Member of the BoD of Piraeus Financial Holdings (and Piraeus Bank S.A.), as well as Vice Chairman of the Nomination Committee, Member of the Remuneration Committee and Member the Board Ethics & ESG Committee. Mr. Cucchiani holds the position of Non-Executive Vice Chairman of the Board of IllyCaffe, as well as the position of Non-Executive Member of the Board of TGI-Think Global Investments. He is also Member of the BoD at Bocconi University, Jarotte Bocconi Foundation, Amici Normale Di Pisa University, Trilateral Commission and Weizmann Institute. He served as Member of the Board of RSA Insurance Group from 2014 to 2021, and held the position of Member of the Executive Board of Allianz Group being responsible for all business activities in most of Europe, Latin America and Africa. In addition, he served as Group CEO of Intesa Sanpaolo. Mr. Cucchiani was appointed Cavaliere del Lavoro, the highest honorary title by the President of Italy, as well as Bocconi Man of the Year in 2006. He holds an MBA (Fullbright Fellow) from Stanford Graduate School of Business, USA and a Dottore in Economia (PhD in Economics) from Bocconi University, Italy. He has completed his Research Activity on Multinational Corporations at Harvard Business School, UK.

 David R. Hexter, Independent Non-Executive Member	Mr. David Hexter is an Independent Non-Executive Member of the BoD of Piraeus Financial Holdings (and Piraeus Bank S.A.), as well as Chairman of the Nomination Committee, Member of the Audit Committee and Member of the Board Ethics & ESG Committee. He is an Independent Member of the Supervisory Board of Santander Bank Polska and Non-Executive Chairman of the Supervisory Board of PENM (Private Equity New Markets), Copenhagen. Mr. Hexter held the position of Deputy Vice President of the Banking Department, as well as Chairman of the Equity Investment Committee and Member of the Operations Committee at the European Bank of Reconstruction and Development (1996-2004). Mr. Hexter holds an MA in Philosophy, Politics and Economics from Oxford University (1970), an MBA from the Cranfield School of Management (1973), an MPhil from Birkbeck, University of London (2011) and a PhD from London University (2016).
 Solomon A. Berahas, Independent Non-Executive Member	Mr. Solomon Berahas is an Independent Non-Executive Member of the BoD of Piraeus Financial Holdings (and Piraeus Bank S.A.), as well as Vice Chairman of the Risk Committee and of the Audit Committee, Member of the Remuneration Committee and Member of the Board Ethics & ESG Committee. Mr. Berahas is Chairman and Managing Director of the BoD of Tiresias S.A. Bank Information Systems in Athens. He is also Vice Chairman of the BoD at the Piraeus Bank Group Cultural Foundation, Member of the BoD at ELEPAP and at Association of S.A. and Entrepreneurship. Between 2006 to 2012, Mr. Berahas held the position of Vice Chairman of the BoD of Eurobank Financial Planning Services. Mr. Berahas holds a BSc in Industrial Engineering (1976), an MSc in Industrial Engineering and Management Information Systems (1978) and a DSc in Operations Research from the Technion Israel Institute of Technology (1981).

 Andrew D. Panzures, Independent Non-Executive Member	Mr. Andrew Panzures is an Independent Non-Executive Member of the BoD of Piraeus Financial Holdings (and Piraeus Bank S.A.), as well as Chairman of the Remuneration Committee, Member of the Nomination Committee and Member of the Risk Committee. Mr Panzures is a Board Member of Interaudi Bank USA/ Private Equity Investor and served as Principal-Senior Portfolio Manager at Graham Capital Management in the Global Multi Macro-Graham Capital Management LLC Sector (2011-2016). Between 2009 through 2011, Mr. Panzures was Co-CIO and a Managing Partner at Medley Macro Fund Management. From 2003 through to 2008, Mr. Panzures held the position of Managing Director and CIO of the Americas-New York at JPMorgan Chase. Mr. Panzures graduated from Ontario Scholar in 1977 and from York University's Schulich School of Business—BBA Finance in 1981.
 Anne J. Weatherston, Independent Non-Executive Member	Mrs. Anne Weatherston is an Independent Non-Executive Member of the BoD of Piraeus Financial Holdings (and Piraeus Bank S.A.), as well as Chair of the Audit Committee and Member of the Risk Committee. Mrs. Weatherston is also a Board Member of AIB UK, of ALBA Bank as well as a Board Member and Audit Chair of Mint Payments. She held the positions of Board Member of Archa Neo – Bank, CIO at Bank of Ireland, Group CIO of Australia and New Zealand Banking Group and Chief Transformation Officer & CIO at Energy Australia. Mrs. Weatherston holds an MA on Archaeology from Glasgow University and an MBA from Strathclyde University Business School. She has also completed a 4-year Government scheme (UK program) in IT programming, is a graduate of the Australian Institute of Directors and Chair mentoring programme and has completed the Executive Leadership Training from Harvard & London Business School.

 Francesca A. Tondi, Independent Non-Executive Member	Mrs. Francesca Tondi is an Independent Non-Executive Member of the BoD of Piraeus Financial Holdings (and Piraeus Bank S.A.), as well as Chair of the Board Ethics & ESG Committee and Member of the Remuneration Committee and Audit Committee. Mrs. Francesca Tondi is also a Non-Executive Board Member of the Unicredit Group, Milan, Italy, Chair of the ESG Committee and Member of the Internal Control and Risks Committee (Risk and Audit). She is Global Financial Sector Lead of Climate Governance Initiative, London, UK and Board Member of the CCFL, London, UK. She held the positions of Managing Director, Equities in JP Morgan Securities in London from 2000 to 2010 and in Morgan Stanley in London from 2010 to 2015. Mrs. Tondi holds a degree in Business and Economics from Bocconi University, Italy (1991), she is a Qualified Chartered Accountant (ICAEW equivalent), Italy (1993) and has completed the Certified Fintech Course of ESCP Business School in London on 2016.
 Alexander Z. Blades, Non-Executive Member	Mr. Alexander Blades is a Non-Executive Member of the BoD of Piraeus Financial Holdings (and Piraeus Bank S.A.), as well as Member of the Risk Committee, the Nomination Committee, the Remuneration Committee and the Board Ethics & ESG Committee. Mr. Blades is Member of the BoD of Shnappi S.A. He is also a Partner at Paulson & Co. Inc., New York since 2009, as well as a Member of the New York State Bar Association and a barrister and solicitor of the High Court of New Zealand. Mr. Blades holds a BA (1993) and LLB (1994, Hons) from Victoria University of Wellington and an LLM from the University of Chicago (1997).

 Periklis N. Dontas, Non-Executive Member, HFSF Representative	Mr. Periklis Dontas is a Non-Executive Member of the BoD and the HFSF Representative under Law 3864/2010 of Piraeus Financial Holdings (and Piraeus Bank S.A.), as well as a Member of the Risk Committee, Audit Committee, Remuneration Committee, Nomination Committee and the Board Ethics & ESG Committee. He is also an Independent Non-Executive Board Member of FF Group. From 2008 to 2012, Mr. Dontas held the position of Deputy CEO and Executive Member of the BoD of EFG Eurobank S.A. (Poland). From 2016 to 2018, he was Director of Risk Consulting and Business Development in KPMG Advisors S.A. Mr. Dontas has Bachelor of Arts in Economics from The American College of Greece (1979) and an MA in Economics from Essex University, UK (1981).

Other professional commitments of Board members

BOARD MEMBER (of Piraeus Financial Holdings S.A. and Piraeus Bank S.A.)	RESPONSIBILITIES IN OTHER LISTED COMPANIES	RESPONSIBILITIES IN OTHER UNLISTED COMPANIES	RESPONSIBILITIES IN NON PROFIT COMPANIES
George Handjinicolaou, Chairman, Non Executive Member	HELLENIC EXCHANGES - ATHENS STOCK EXCHANGE - Chairman, Non Executive Member	HELLENIC CENTRAL SECURITIES DEPOSITORY - Chairman, Non Executive Member ATHENS EXCHANGE CLEARING HOUSE (ATHEXClear) - Chairman, Non Executive Member HELLENIC ENERGY EXCHANGE S.A. - BoD Member EnEx CLEARING HOUSE SINGLE MEMBER S.A. (EnExClear) - BoD Member	PIRAEUS BANK GROUP CULTURAL FOUNDATION - Chairman
Christos Megalou, Managing Director (CEO)	SAFE BULKERS INC. – Non Executive BoD Member	SHNAPPI S.A. - Chairman	HBA - Non Executive BoD Member ASSOCIATION OF S.A. AND ENTREPRENEURSHIP– A' Vice Chairman
Alexander Blades,Non- Executive Member		SHNAPPI S.A. - BoD Member	
David Hexter, Independent Non Executive Member	SANTANDER BANK POLSKA - Independent Member of the Supervisory Board	PRIVATE EQUITY NEW MARKETS - COPENHAGEN - Non-Executive Chairman of the Supervisory Board	
Karel De Boeck, Vice Chairman, Independent Non Executive Member		LAMIFIL NV - Non Executive Board Member WILLEMEN GROEP NV/SA - Non Executive Board Member WILLEMEN CONSTRUCT NV/SA - Non Executive Board Member	
Solomon Berahas, Independent Non Executive Member		TIRESIAS S.A. - Chairman & Managing Director SAFE GROWTH INVESTEMENTS AIFLNP LTD - Independent Non Executive Member	ELEPAP - Non Executive Member ASSOCIATION OF SA AND ENTREPRENEURSHIP –Non Executive BoD Member PIRAEUS BANK GROUP CULTURAL FOUNDATION - Vice Chairman

Enrico Tommaso Cucchiani, Independent Non Executive Member		TGI LLP (UK) - Non Executive BoD Member ILLY CAFFE - Non Executive Vice Chairman of the Board	BOCCONI UNIVERSITY - BoD Member JAVOTTE BOCCONI FOUNDATION - BoD Member AMICI NORMALE DI PISA UNIVERSITY - BoD Member TRILATERAL COMMISSION - BoD Member WEIZMANN INSTITUTE - BoD Member
Venetia Kontogouri, Independent Non Executive Member		VENKON GROUP LLC - Managing Director MONTEREY CAPITAL - Non Executive Director	
Periklis Dontas, HFSF Representative under Law 3864/2010, Non Executive Member	FF GROUP (under suspension) - Independent Non Executive BoD Member		
Vasileios Koutentakis, Executive Member		PIRAEUS AGENCY SOLUTIONS S.A. - BoD Member SHNAPPI S.A. - BoD Member	INSEAD NAA – Chairman PIRAEUS BANK GROUP CULTURAL FOUNDATION – BoD Member
Andrew Panzures, Independent Non Executive Member		INTERAUDI BANK USA - Independent Non Executive BoD Member	
Anne Weatherston, Independent Non Executive Member	MINT PAYMENTS - Non Executive BoD Member	AIB UK – Independent Non-Executive BoD Member ALBA BANK - Non Executive BoD Member	
Francesca Tondi, Independent Non Executive Member	UNICREDIT SPA - Non Executive BoD Member		

Below is a table with the number of shares of the Company held by members of the BoD and members of the Group Executive Committee as at 31 December 2022.

BOARD OF DIRECTORS	Number of shares	% of the share capital
George P. Handjinicolaou, Chairman of the BoD, Non-Executive Member	50,000	0.00400
Karel G. De Boeck, Vice-Chairman, Independent Non-Executive Member, Senior Independent Director	-	-
Christos I. Megalou, CEO, Executive Member (and member of the Group Executive Committee)	150,446	0.01203
Vasileios D. Koutentakis, Executive Member (and member of the Group Executive Committee)	4,333	0.00035
Venetia G. Kontogouris, Independent Non-Executive Member	-	-
Solomon A. Berahas, Independent Non-Executive Member	-	-
Alexander Z. Blades, Non- Executive Member	-	-
Arne S. Berggren, Independent Non- Executive Member	-	-
Enrico Tommaso C. Cucchiani, Independent Non-Executive Member	-	-
David R. Hexter, Independent Non-Executive Member	20,000	0.00160
Andrew D. Panzures, Independent Non-Executive Member	-	-
Anne J. Weatherston, Independent Non-Executive Member	-	-
Periklis N. Dontas, Non-Executive Member, HFSF Representative	-	-
GROUP EXECUTIVE COMMITTEE		
Gnardellis Theodoros	6,000	0.00048

Margaritis Charalampos	-	-
Total	**230,779**	**0.01846**

2.2. Director Suitability Policy

In compliance with article 3 of Law 4706/2020, the Company has adopted by means of a GM resolution on 22 June 2021, following a BoD proposal upon respective recommendation of the Board Nomination Committee (“NomCo”), the Director Suitability Policy (the "Policy") which sets the framework and specifies the suitability requirements for election to the BoD.

The Policy takes into consideration the applicable legislative and regulatory framework and aims to describe the general principles and the criteria for the nomination of BoD members.

For each new nomination, the Company’s business strategy and the overall risk strategy, including the Company’s risk culture, risk appetite and framework are taken into consideration. To this end, the NomCo outlines the necessary profile/ competencies for each Director having a clear view on the medium-term objectives, challenges and risks and the Company’s succession planning.

In order for a person to be considered as suitable candidate by the BoD and the NomCo, such person:

i) must meet the suitability criteria (fit and proper) defined in the Policy (reputation, honesty and integrity/ previous experience/ independence of mind);

ii) should not have any existing or foreseeable conflicts of interest with the Company;

iii) should be able to commit sufficient time to the BoD of the Company depending on the position for which they are recommended; pursuant to the provisions of the applicable regulatory provisions which are incorporated in the Policy, Directors may not hold more than one of the following combinations of directorships at the same time: (a) one executive directorship with two non-executive directorships; and b) four non-executive directorships;

iv) should possess one or more of the knowledge, skills and experience criteria detailed in the Policy. The desired Director Profile is outlined by a variety of factors, including indicatively skills such as leadership, strategic acumen, communication, customer and quality-orientation as well as academic qualifications and proven experience in large banking or financial firms, management of large balance-sheet companies, RM, audit etc.

In addition, depending on the position sought to fill, additional criteria relating, inter alia, to independence, to eligibility under the HFSF Law and diversity may also apply.

The Company ensures individual and collective suitability at all times. Suitability is monitored on an on-going basis in order to identify, in the light of any relevant new incident, situations where suitability should be re-assessed (incl. if there is any event having material impact on the reputation of a Board member or of the Company or materially affecting the suitability of the individual Board member or the collective suitability, if there is a material change in the business model, risk appetite or risk strategy or structure of the Company, at individual and group level etc.).

The Policy is reviewed on a biannual basis, or ad-hoc in the event of changes in the legal and/ or regulatory framework, in order to be updated as required. Non-material amendments of the Policy are approved by the BoD. In preparing, amending or reviewing this Policy, the NomCo and the BoD shall take into account recommendations or findings of other Board Committees and competent departments, especially the internal control functions.

The Director Suitability Policy is available in the Company's website (Investor Relations | Piraeus Financial Holdings) (piraeusholdings.gr).

2.3. Succession Policy for the BoD

The Succession Policy for the BoD (hereinafter "the Policy") aims to provide a framework and lay out policies which ensure the stability, continuity and proper integration of the Company's BoD through the identification and selection of potential candidates, in the event of permanent, planned or unforeseen departure of any of its members, particularly for Directors serving in leadership positions (chairmen of the Board and Committees).

The Board succession planning is a continuous forward-looking process. The aim is to make the Board a strategic asset for the Company and to ensure that the Board always has the talent and experience it needs. The NomCo ensures that a roster of suitable and interested candidates with different profiles is built up over time and held current. To reduce future risks, a long-term ambition for the Company is to have a Board with an optimal mix of new Directors, those with medium tenures and those with long tenures.

The process of succession planning is summarized below.

Identification and evaluation of current and future needs: an internal evaluation of the Board and the principal Committees' future needs is carried annually by the NomCo. At least every second year, each member is interviewed by the Chairmen of the BoD and NomCo, in order to get their perspective on important issues relating to succession planning. Additional input from other stakeholders (e.g. major shareholders and management team) is collected. Additionally, an independent evaluation of the Board will be held at a minimum every three (3) years from 2020 onwards by an appointed specialist third party.

Profile matrix: the result of the above exercise will be summarized and presented to NomCo in the form of a document in which required skills, competences and diversity needs are mapped against the Board's current composition. This document, in combination with the Directors' exit plans should form the basis for a long-term recruitment plan and research for new directors.

Search, selection and appointment: In identifying possible candidates, the NomCo should base its search on the criteria described in the Policy (which, inter alia, incorporate the fit and proper criteria of HFSF and ECB). The NomCo may use a variety of internal and external sources for identifying potential candidates. In case of a new appointment, the list of potential candidates is reviewed by the NomCo with the aim to narrow the search and produce a shortlist. When the shortlisting process has been finalized, the NomCo should meet with the candidates prior to the final recommendation to the Board. Following Board approval, meetings with the CEO and other Directors are organized prior to the candidate's formal appointment.

Diversity and inclusion: The NomCo reviews a broad spectrum of complementary skills, personalities and competencies, when searching for Non-Executive Directors, considering diversity as one of the factors when recommending for a new appointment. Board composition and succession planning is about inclusion in terms of skills, knowledge and viewpoints. Traditional dimensions of diversity, such as race, gender and tenure are important, but the members of the Board should collectively possess a diverse range of skills, expertise, industry knowledge, business and other experience (inclusion), necessary for the effective oversight of the Company.

Succession planning process for the CEO

The Succession Planning process for the CEO is governed by a separate policy, namely the CEO Succession Planning Policy. Said process is based, amongst others, on the following principles:

Issues related to the CEO succession should be addressed proactively and therefore the succession plan is an ongoing activity with a long-term perspective.

Except where the CEO departs unexpectedly, the CEO is an active participant, and it is on his/her responsibility to ensure that there is an internal process for developing talent for the top executive roles.

The succession planning includes, inter alia, an annual review by NomCo during which the CEO and the Group HR lay out the forward-looking leadership factors against which the talent should be evaluated as well as an external benchmarking.

The process is partially differentiated depending on whether the departure of the current CEO is planned or unplanned.

In case of anticipated succession, the process briefly includes the following phases:

Identification and evaluation of needs: The process begins with determining the Company's future strategy, which serves as a baseline for the type of skills, and experience that is needed from the new CEO in order to meet the Company's goals.

Selection criteria: The NomCo, in collaboration with the CEO, distills the abovementioned considerations into a set of criteria that are the most critical for assessing and selecting suitable candidates.

Search and selection: The NomCo should seek to sustain a pool of external and internal talent from which to identify potential candidates.

Nomination: The NomCo reviews the list of potential candidates and produces a shortlist. Then, the Committee meets subsequently the potential candidates and assesses them, also examining incompatibilities and disqualifications of legal nature. Based on the results of the assessment, the NomCo recommends the best candidate to the Board.

In case of an unanticipated succession, the whole process is handled by the NomCo. The NomCo prepares a ready-to use list of potential candidates from which the Board could choose the individual who can run the Company as an interim CEO (in case there is no apparent successor identified and immediately available). Preferably, such an interim CEO should be selected from the pool of internal candidates. In case the Board believes there are no internal candidates there are ready for the position of the CEO, an external search for a permanent replacement follows.

2.4. Diversity of the BoD members

Upon suggestion of the Board NomCo, the BoD has adopted the BoD Diversity Policy. The policy is applied in conjunction with the Director Suitability Policy, as mentioned above and is also considered in the implementation of the Board members and CEO succession planning.

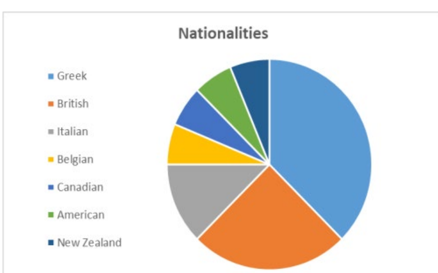
The Company recognizes and embraces the importance and the benefits of diversity for safeguarding and improving its competitive advantage and innovation as well as for the achieving maximum team performance and effectiveness. In this context, when nominating new Board members or top management executives, a combination of elements is taken into consideration, including inter alia: skills, abilities, qualifications, knowledge, experience, educational background, professional training, professional experience, the gender, the age and other qualities, which may vary depending on the identified weaknesses and the business or strategy needs of the Company.

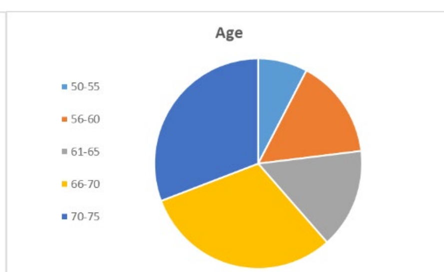
All areas of knowledge and experience required for the Company's business activities are covered by the BoD. The Company has a highly diversified BoD in terms of educational and professional experience backgrounds, bringing in a variety of perspectives that can be key to an organization's success. Such education and professional backgrounds include indicatively finance, economics, business administration, mechanical/ electrical engineering, philosophy, politics, law as well as extensive banking and financial services experience and certifications, training and prior experience in accounting, audit, risk and IT.

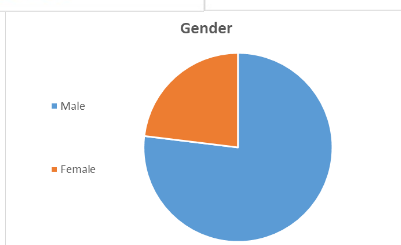
In addition, the current BoD is consisted of members of seven (7) different nationalities (Greece, Britain, Italy, New Zealand, USA, Belgium, Canada).

Having a wide range of perspectives in the boardroom means that the status quo is constantly challenged and critically reassessed and that information is carefully evaluated. The achieved diversity of the Board members effectively contributes to the expression of different views, to the avoidance of "group thinking" and to the constructive dialogue between members, thus succeeding the final decisions to be taken on the basis that the non-executive members of the Board Members exercise appropriate oversight to the Management.

Due to certain restrictions and difficulties in identifying, attracting and nominating women for Board positions, gender diversity to the BoD does not currently fully fulfill the Company's aspirations; however the Company has committed to make effort to gradually increase the under-represented gender (women) in the BoD to minimum 25%, calculated on the total BoD size by the end of the year 2023. The Company has already made progress to that direction during 2022, nominating Ms. Tondi as an independent Non-Executive member and thus achieving a 23% female representation instead of 15% in 2021. The Group also aspires to increase percentage of women in upper management positions to 35% by 2025 (currently at 32%).







2.5. Operation

The **BoD**, immediately after its election by the GM, forms into body and elects a Chairman and one or more Vice-Chairmen and Managing or Executive Directors from amongst its members. According to the current legal framework and international best practices, the Chairman of the Company shall not at the same time serve as Managing/ Executive Director.

The **Chairman** is head of the Board and presides over its meetings. In the event of his absence or not being in a position to perform his duties, he is substituted by one of the Vice-Chairmen of the Board; they, in turn, are substituted by another director, appointed by a resolution of the Board. Secretarial duties of the BoD are performed by one of its members or any other third party appointed by the Board. The Board has assigned the support of its operations of the BoD to a capable, specialized and experienced Corporate Secretary, who is appointed by it.

The **Senior Independent Director**, appointed by the BoD from amongst its independent non- executive Board members, has the following duties and responsibilities:

1. lead the Non-Executive Directors and serve as a trusted intermediary for them, when required;

2. support the Chairman and other Directors or shareholders, in exceptional circumstances, to resolve any significant issues, including any potential conflicts of interest between the Chairman of the Board and the Company;

3. in exceptional circumstances, request for a special meeting of the BoD and define its agenda.

In the exceptional circumstances under paragraph 2 above, the Senior Independent Director may:

- organize meeting of Non-Executive Directors and reflect their concerns to the Chairman and the CEO;
- act as intermediary and facilitator between the Non-Executive Directors and the Chairman, as necessary;
- request that a Board meeting is convened as per paragraph 3 above.

The BoD is convoked by its Chairman or his deputy and convenes at least once a month at the Company's seat or by teleconference, in accordance with the provisions of its Articles of Association and of corporate law, as in force. The BoD may validly convene anywhere in Greece or abroad, where the Company pursues business activities.

Subject to the provisions of art. 5 para.3 of Law 4706/2020 stipulating that sessions of the BoD on the preparation of the financial statements or on items for the approval of which a decision by the GM by increased quorum and majority according to Law 4548/2018 is required, are quorate when at least two (2) independent non-executive members are present, the Board is in a quorum and convenes validly when at least half of its members plus one are present or represented. However, the number of members personally present may never be less than five (5). Fractions are omitted in determining whether a quorum is achieved. When the BoD convenes by teleconference, the members participating are considered physically present.

Resolutions of the BoD shall be taken by absolute majority of the present and represented members unless otherwise provided by Greek Law, the Articles of Association and the Regulation of the Company. Drawing up and signing of minutes by all Board members or their representatives equals a resolution of the BoD, even if no meeting has been held.

2.6. HFSF role in the Company

Pursuant to the provisions of Greek Law 3864/2010, the HFSF's Representative in the BoD has the following rights:

a) to veto any decision of the Company's BoD:

i. in respect of the distribution of dividends and the remunerations and bonuses policy for the Chairman, the Managing Director and the other members of the BoD, as well as for those persons holding the position of or exercising the duties of general managers as well as their deputies when the ratio of NPEs to total loans of the credit institutions, as calculated according to item (ii) of case g of paragraph 2 of article 11 of Commission Implementing Regulation (EU) 2021/451 of 17 December 2020, exceeds 10%; it is noted that this provision is not currently applicable to the Company;

ii. in respect of decisions to amend the articles of association, including the increase or decrease of capital or the provision of relevant authorization to the BoD, merger, division, conversion, revival, extension of the duration or dissolution of the Company, transfer of assets, including the sale of subsidiaries, or for any another issue requiring an increased majority in accordance with the provisions of Law 4548/2018 and which decision is likely to significantly affect the HFSF's participation in the share capital of the Company;

b) to request an adjournment of a Board meeting for three (3) business days in order to receive instructions from the CEO of HFSF. This right may be exercised until the end of the relevant BoD meeting;

c) to convene the BoD of the Company;

In exercising his rights, the HFSF Representative shall respect the Company's business autonomy.

The BoD held sixteen (16) meetings during the year 2022.

The following table presents the percentage of the Board and Committees members' participation in the respective meetings for the reporting period.

	Board Of Directors		Risk Committte		Nomination Committee		Remuneration Committee		Audit Committee		Board Ethics & ESG Committee [1]	
Average participation	93%		99%		93%		100%		100%		95%	
Total number of meetings	16		12		6		8		15		4	
Name	**Attendance**	**Meetings**	**Attendance**	**Meetings**	**Attendance**	**Meetings**	**Attendance**	**Meetings**	**Attendance**	**Meetings**	**Attendance**	**Meetings**
George Handjinicolaou	100%	16/16	-	-	-	-	-	-	-	-	100%	2/2
Karel De Boeck	100%	16/16	92%	11/12	100%	6/6	-	-	100%	15/15	100%	4/4
Christos Megalou	100%	16/16	-	-	-	-	-	-	-	-	-	-
Vasileios Koutentakis	100%	16/16	-	-	-	-	-	-	-	-	-	-
Venetia Kontogouris	88%	14/16	-	-	67%	4/6	-	-	-	-	100%	4/4
Arne Berggren[1]	100%	7/7	-	-	75%	3/4	100%	4/4	-	-	100%	2/2
Enrico Cucchiani	100%	16/16	-	-	100%	6/6	100%	8/8	-	-	75%	3/4
David Hexter	100%	16/16	-		100%	6/6	-	-	100%	15/15	75%	3/4
Solomon Berahas[2]	100%	16/16	100%	12/12	-	-	100%	8/8	100%	15/15	100%	4/4
Anne Weatherston	100%	16/16	100%	12/12	-	-	-	-	100%	15/15	-	-
Andrew Panzures[3]	100%	16/16	100%	12/12	100%	2/2	100%	8/8	100%	7/7	-	-
Francesca Tondi[4]	100%	9/9	-	-	-	-	100%	4/4	100%	8/8	100%	2/2
Alexander Blades	100%	16/16	100%	12/12	100%	6/6	100%	8/8	-	-	100%	4/4
Periklis Dontas	100%	16/16	100%	12/12	100%	6/6	100%	8/8	100%	15/15	100%	4/4

*1. **A. Berggren**: resigned in June 2022 from the BoD*

*2. **S. Berahas**: was appointed Vice-Chair of the Audit Committee on 23 June 2022*

*3. **A. Panzures**: was appointed Chairman of the Remuneration Committee and member of the NomCo on 23 June 2022 and ceased to be Vice-Chair of the Audit Committee*

*4. **F. Tondi:** was appointed member of the Audit Committee, the Remuneration Committee and Chair of the Board Ethics and ESG Committee on 23 June 2022*

2.7. Roles and Responsibilities

Pursuant to Article 15 of the Company's Articles of Association, the BoD represents the Company and is authorized to resolve, without restriction, on any issue relating to the Company's management, administration of its property and the pursuit of its business objectives in general. The BoD may not resolve on issues, which in accordance with the Greek Law and the Articles of Association, fall within the exclusive responsibility of the GM.

Under Article 16 of the Company's Articles of Association, the Company is represented by its BoD, which may delegate authority relating to the representation of the Company and also the exercise of all or some of its powers or responsibilities, except those requiring collective action, to one or more persons whether members of the BoD or not, setting out the extent of the powers conferred upon them. Under the above provisions of the Articles, the Board determines the system for representing the Company and the limits within which the authorized representatives can act.

The Company's Internal Regulation states that the prime obligation and duty of the Board Members is the continuous pursuit of enhancing the Company's long-term economic value and the protection of the general corporate interests. The BoD is responsible for drawing up and adopting a detailed Business Strategy extending for at least one year defining clear business objectives, both for the Company itself and for the Group. The Internal Regulation further outlines on the role and responsibilities of the BoD as a whole as well as of executive, non-executive and independent non-executive members.

Principal activities and significant issues considered during 2022

In the performance of its duties for 2022, the Company's BoD *inter alia*:

<u>In relation to Corporate Governance issues</u>

- prepared and convoked the Annual GM of Shareholders held on 22 July 2022 and approved the respective documentation;
- was updated on the internally conducted annual evaluation of the Board and the BoD Committees' results;
- was updated on the results of the annual review of the independence of Board Members and confirmed that all Independent BoD members meet the independence requirements of the law;
- performed the annual CEO's evaluation for 2021 and the mid-year CEO's evaluation for 2022;
- was updated on the progress of the Board Succession Plan exercise;
- approved amendments in the Director's Remuneration Policy, the Annual Remuneration Report for 2021 as well as the BoD's Remuneration for the years 2021/2022.

<u>In relation to Audit and Compliance issues, the BoD approved the following:</u>

- the update of the Group Compliance Policy;
- the Action Plans for the year 2022 of Group's Internal Audit and Compliance Units.

The BoD was also updated on the progress of the special audits of the Internal Audit Unit ("IAU").

<u>In relation to RM issues, the BoD approved the following:</u>

- the Capital and Liquidity Adequacy Statements ("CAS"/ "LAS") for 2021 as well as the ICAAP and ILAAP 2021;
- the Group Risk and Capital Strategy & the RAF for 2021;
- the annual review of the Company's Recovery Plan.

<u>In relation to corporate actions and granting authorizations the BoD approved the following:</u>

- the synthetic securitization transaction of performing mortgages loans (''ERMIS M'' transaction);
- the VES for 2022.

<u>In relation to business monitoring, financial information, Company's policies and relevant updates the BoD approved the following:</u>

- the 2021 annual financial statements and the 2022 interim financial statements;
- the Group annual budget for 2023;
- the NPE Plan for the years 2022-2024 & the Group Business Plan for 2022-2025.

The BoD was also updated on the assignment of non-audit services to the Company's statutory auditors.

2.8. Induction and Training of Board members

Aiming to ensure that new members of the BoD are provided with all the information and training necessary to enable them to contribute appropriately to the operations of the BoD from the time of their election and to the accomplishment of its mission, the Company has adopted a Board Induction and Training Policy. In this context, it implements an induction procedure for newly elected/ appointed Board members aiming to facilitate the Board members' understanding of the Group and the Company's structure, business model, risk profile, governance arrangements and the role of the member(s) within them.

Upon the election of a new member by the GM of Shareholders or appointment by the BoD, a letter of congratulations and welcome is addressed to her/him by the Company Secretary, accompanied by a detailed induction pack (a living document which provides them with a wide range of information about the Company and the Board, comprising of material such as the articles of association, the internal regulation, information on the obligations deriving from their membership, the Board meetings schedule for the year etc.).

Prior to attending their first Board meeting, members are welcomed by the Chairman of the Board and meet with the CEO and the top executive management of the Company, with the opportunity to ask questions with reference to the Company and its operations. New members are also briefed on issues the BoD is dealing with at the moment or will be looking at in the future. In case of multiple new memberships, induction day seminars are organized and attended by the new members.

Following the fit and proper suitability assessment the new members are submitted to, it is expected and recognized that they possess sufficient knowledge, experience and expertise to fulfill their role. Nevertheless, they are not necessarily experts in all disciplines, business areas or governance aspects. Therefore, training is a key driver of continued board effectiveness and an ongoing commitment of Board members and the Company.

The Company makes available the financial and human resources to implement proper induction and training programs and encourages initiatives aiming to improve the collective or individual skills, knowledge or competence of Board members on an ongoing or ad-hoc basis. The Corporate Secretary, in collaboration with the Group HR, is responsible for producing the annual training schedule. The NomCo sponsors and oversees the training schedule for the members of the Board, on an ongoing basis. In addition, regular presentations by management and staff to the Board and Committees are performed in order to educate or keep them informed on changes within the Company or on legal, regulatory, market and industry requirements and standards. Personalised educational programs may be designed and implemented, where needed.

In addition, once a year, Board members attend (one-day/two days) Strategy Seminars where top executive management presents the results, goals, challenges faced by the organization.

During 2022, taken into consideration the market trends and needs as well as the previous Board self-assessment outcomes, the training initiatives for the BoD members were focused on topics related to the ways technology is reshaping the banking and financial services landscape, and were conducted by subject matter expert companies from abroad.

2.9. Assessment of the BoD

According to the Company's "Self-Assessment Policy for the BoD, Board members and Board Committees", taking into consideration relevant provisions of the Suitability Policy and other related Policies of the Board, the applicable regulatory provisions and best practices on corporate governance, the BoD, assisted by the NomCo, conducts a self- assessment exercise on an annual basis in order to, inter alia, identify strengths, weaknesses and training needs, to promote accountability of the Board and its members in the performance of their duties and to improve effectiveness.

The scope and the criteria of the assessment are defined by the NomCo and include, without limitation, the structure (composition, diversity, skillset, experience etc.), dynamics and operation (meeting frequency and procedures, availability and adequacy of information etc.), understanding and contribution to the Company's operations, level of candor, impartiality, transparency and other behaviors within the Board. The specific parameters and criteria may vary each year depending on the aspects on which emphasis is placed each time.

The NomCo deliberates on the format, content and methodology to be adopted for the assessment, including the engagement of external consultants to submit recommendation or to conduct the assessment in whole or in part, the use of questionnaires and/ or interviews and/ or alternative methodologies. The Chairman of the Board has a leading role, which entails the evaluation and processing of the outcome.

The conclusions of the self-assessment are summarized by the NomCo in a report together with any recommendation or changes the Committee deems appropriate. A brief summary of the results is also included in the annual Corporate Governance Statement.

2022 BoD self assessment

In January 2023, the Company appointed Nestor Advisors, a global advisory firm specializing in corporate governance, sustainability and organizational design, to support the self-assessment exercise for the BoD of the Group for the 2022 period. All Board members took part in the Board self- assessment exercise by completing a questionnaire covering a large scope of evaluation themes such as strategy, risk governance, internal control, strategic HR issues, sustainability and stakeholder engagement, BoD nomination and composition, BoD functioning and dynamics, BoD Secretariat support, Information flows, Chair performance, BoD interaction with management and effectiveness of all BoD Committees.

The results of the aforementioned BoD self-assessment exercise indicate that the BoD is perceived to function well. BoD members are committed to their role, work well together and provide appropriate oversight. Among the strengths highlighted by the assessment are included the highly efficient cooperation between the CEO and the BoD, the excellent execution of his duties by the Chairman, the acknowledgement that the CEO is appropriately empowered to execute the strategy and agenda agreed by the BoD, the good and open communication lines between the BoD and the senior management, the smooth operation of the BoD Committees and their effective role in supporting the BoD.

Considering areas of further improvement, the BoD members focused on remuneration and the retention and attraction of talent, succession planning, ESG and gender diversity.

2.10. Board Remuneration

Board members' remuneration is approved by the Annual GM of Shareholders, upon respective recommendation of the BoD (non-executive members) following proposal by the Remuneration Committee. The proposal is formulated taking into consideration market practice, international best practice, the legal and regulatory framework applicable to the Company as well as the Directors' Remuneration Policy which sets the principles and describes the elements and governance of remuneration paid to BoD members. It is reminded that according to the provisions of Law 3864/2010, the Company was not permitted until (and including) the reporting year 2022 to award any variable remuneration to BoD members and senior executive management.

The Annual GM of Shareholders held on 22 July 2022: a) approved (by 100%) the remuneration paid to members of the BoD in respect of 2021 and gave preliminary approval for remuneration to be paid for the year 2022, b) casted a positive vote (99.37%) for the Remuneration Report of year 2021, in accordance with the provisions of article 112 of Law 4548/2018. Said report provides detailed information on the remuneration of the members of the BoD and is available in the Company's website and finally c) approved (by 99.95%) the proposed amendments to the Directors' Remuneration Policy. The revised Policy is available in the Company's website.

2.11. Committees

Aiming to constantly improve the effectiveness of the management of the Company and the Group, responsibilities for certain areas requiring expert competence have been delegated to BoD or Executive Committees.

3. Board of Directors Committees

- **Audit Committee**

On 31 December 2022, and on the date of the publication of the 2022 Annual Financial Report, the composition of the Audit Committee is as follows:

AUDIT COMMITTEE	
Anne Weatherston	Chairman, Independent Non-Executive BoD Member Member since: July 2020, Chair since: July 2021
Solomon Berahas	Vice-Chairman, Independent Non-Executive BoD Member Member since: February 2017
Karel De Boeck	Member, Independent Non-Executive BoD Member Member since: August 2016
David Hexter	Member, Independent Non-Executive BoD Member Member since: August 2016
Francesca Tondi	Member, Independent Non-Executive BoD Member Member since: June 2022
Periklis Dontas	Member, Non-Executive BoD Member, HFSF Representative pursuant to Law 3864/2010 Member since: December 2019
83% Independent Non-Executive	**17% Non-independent**

During 2022, the following changes were made to the composition of the Committee: On 23 June 2022, Mr. Andrew Panzures ceased to be a member and Mrs. Francesca Tondi was elected as a new member. On the same day, Mr. Solomon Berahas was designated as Vice Chairman of the Committee.

Governance - Operation

The Audit Committee is comprised of Non-Executive members of the Board, the majority of which are independent within the meaning of the provisions of Greek Law 4706/2020. The HFSF Representative participates as a member in the Audit Committee, with full voting rights. The operation of the Committee is governed by article 44 of Greek Law 4449/2017, as amended by Greek Law 4706/2020, the respective notices, explanations and recommendations of the Supervisory Authorities and additionally by its Terms of Reference.

It is noted that the Chair of the Audit Committee Mrs. Anne Weatherston is an Independent Non-Executive member of the BoD and has, inter alia, extended experience in Internal Audit and Finance within the meaning of Greek Law 4449/2017. The Committee as a whole possesses appropriate competence and experience for the effective performance of its duties.

The Chief Financial Officer ("CFO"), Head of Internal Audit, Compliance and Risk Officer, Group Controller, Senior Advisor on Internal Control and Audit matters and other Executives of Senior Management are invited to attend the Audit Committee meetings. The Group's statutory auditors are invited to attend all meetings. The Audit Committee Chair maintained regular contact with the audit partner throughout the year.

Based on its Terms of Reference, the Audit Committee meets at least four (4) times a year, of each calendar quarter and extraordinarily, if the circumstances so require.

In 2022, the Audit Committee convened fifteen (15) times and all its decisions were taken unanimously based on the thorough examination of supporting material and further clarifications provided during these meetings by the competent managerial officers, statutory auditors and other experts. Members' attendance rates in the Committee meetings are depicted in the Members Participation in the BoD and the respective Committees' table above. It is noted that the statutory auditors attended all Audit Committee's meetings following respective request.

Role and responsibilities

The main duties of the Audit Committee are:

- Supervising and evaluating of the drafting processes of the annual and interim financial statements of the Group and the Company prior to their publication;
- Supervising of the audit and review of the Group and the Company's annual financial statements and mid-year interim financial information conducted by the statutory auditors and cooperation with the statutory auditors on a regular basis;
- Ensuring the independence of the statutory auditors in accordance with applicable Greek Laws;
- Proposing to the Board the selection of statutory auditors and whenever deemed appropriate, proposing their replacement or rotation; conducting the tender procedure for the appointment of the auditors in accordance with article 16 of Regulation (EU) no. 575/2014 in conjunction with article 44 of Greek Law 4449/2017;
- Monitoring and annual evaluation of the adequacy and effectiveness of the ICS of the Group and the Company;
- Evaluating the work of the Internal Audit, focusing on issues related to the degree of its independence, the quality and scope of its audits, the priorities determined by changes in the economic environment, the systems and in the level of risks and the overall efficiency of its operation;
- Determining the scope and appointing the latest every three years, an external audit firm, other than the statutory auditors to assess the adequacy of the ICS;
- Monitoring and evaluating on an annual basis the work of the Compliance function.

How the Committee discharged its responsibilities during 2022

Regarding Financial Statements and relevant notifications, the Audit Committee:

- Reviewed the Group and the Company's critical accounting estimates and judgments and their application to the Group and the Company's quarterly interim financial statements as well as annual financial statements;
- Reviewed the quarterly interim financial statements and annual financial statements prior to their publication, discussing and asking for clarifications on the accounting standards implemented and suggested to the Board their approval;
- Met regularly with Management and the statutory auditors to discuss any changes in accounting policies, critical accounting

estimates, one-off items impacting the financial statements and any other significant issues;

- Was updated regularly and reviewed legal and tax matters which could significantly impact the judgments made by management when preparing the financial statements;

- Was updated regularly and reviewed financial reporting issues that could significantly affect the annual and interim financial statements, prior to their publication.

Regarding **External Audit,** the Audit Committee:

- Reviewed the statutory auditor's audit plan and methodology for the interim review and the annual audit, the extended independent auditor’s report and audit findings;

- Ensured appropriate rotation of the statutory auditors after five (5) consecutive years and pre-approved the appointment of Deloitte as the Group’s statutory auditor for the financial year 2022;

- Reviewed and proposed to the Board the fees for audit and permissible non-audit services to Deloitte for the year ended 31 December 2022, as disclosed in Note 49 of the Annual Financial Statements;

- Considered Deloitte independent. Deloitte, in accordance with professional ethical standards, provided the Audit Committee with written confirmation of its independence for the financial year 2022;

- Was updated on the impact on Deloitte’s audit plan and audit approach, in relation to climate related risks, cyber risk and supply chain disruption risk.

Regarding **Internal Control System,** the Audit Committee:

- Promoted the continuous strengthening of the ICS as a strategic priority for the BoD and Management of the Group and the Company, as well as the procedure for the development and integration of the appropriate internal control mechanisms, with the objective of the further improvement of the operational risks that the Group face in its operations;

- Assessed the effectiveness of the ICS and the developments affecting it. In order to carry out its assessment, the Audit Committee discussed with Management the internal control deficiencies as well as the implementations of remediation actions, following recommendations of the internal and statutory auditors as well as the Supervisory Authorities;

- Approved the audit scope of the project "Assessment of the adequacy of the ICS in accordance with the BoG Governor's Act 2577/2006" and the appointment of the firm of external auditors to carry out this assessment;

- Was updated on the performance of the Company’s subsidiary, JSC Ukraine.

Regarding **Internal Audit Unit,** the Audit Committee:

- Monitored the implementation of the Internal Audit Annual Action Plan for year 2022 and concluded that the Internal Audit was effective;

- Was notified of the Internal Audit Annual Action Plan for year 2023, staff related issues and budget. Pre-approved its implementation and submitted it for further approval to the BoD;

- Was notified on the significant audit findings (regular and special audits) and Management's responses in relation to the timing and activities of remediation plans.

Regarding **Compliance Function,** the Audit Committee:

- Monitored the implementation of the Compliance Annual Action Plan for year 2022 and concluded that Compliance function was effective;
- Was notified of the Compliance Annual Action Plan for year 2023, pre-approved its implementation and submitted it for approval to the BoD;
- Reviewed and approved the updated Piraeus Financial Holdings Compliance Policy;
- Reviewed and approved the updated Conflict of Interests questionnaire.

Information on the current composition of the Audit Committee, its operation and responsibilities are available on the Company's website.

The Annual Audit Committee's Report pursuant to article 44 par. 1 (case i) of Law 4449/2017 will be published together with the Annual Financial Report (to which is incorporated by reference) and will be available in the Company's website.

- **Risk Committee**

On 31 December 2022 and on the date of publication of the 2022 Annual Financial Report the composition of the Risk Committee is as follows:

RISK COMMITTEE	
Karel De Boeck	Chairman, Independent Non-Executive BoD Member, Senior Independent Director Chairman since: August 2016
Solomon Berahas	Vice Chairman, Independent Non-Executive BoD Member Vice Chairman since: June 2021 | Member since: February 2017
Andrew Panzures	Member, Independent Non-Executive BoD Member Member since: July 2020
Anne Weatherston	Member, Independent Non-Executive BoD Member Member since: June 2021
Alexander Blades	Member, Non-Executive BoD Member Member since: February 2017
Periklis Dontas	Member, Non-Executive BoD Member, HFSF Representative Member since: December 2019
67% Independent Non Executive	**33% Non-Independent**

Governance - Operation

The Risk Committee consists of non-executive BoD members appointed by the BoD. The number of Committee Members cannot be lower than three (3) and cannot exceed 40% (rounded to the nearest integer number) of the total number of the BoD members. The majority of the Members (rounded to the nearest integer number and excluding the HFSF Representative) should meet the criteria for the independence of Board Members, in accordance with greek legislation. The Representative of the HFSF participates as a Member in the Risk Committee with full voting rights.

The Chairman of the Committee is appointed by the BoD. The capacity of the BoD's Chairman is incompatible with the capacity of the Risk Committee's Chairman, while the Chairman of the Risk Committee cannot be the Chairman of Piraeus Financial Holdings' Audit Committee at the same time.

The Chairman of the Risk Committee, Mr. Karel De Boeck has, inter alia, extended experience in RM. The Members of the Risk Committee should possess adequate knowledge and previous experience in the financial services and banking industry, with at least one member having solid risk and capital management experience, as well as familiarity with the local and international regulatory framework.

The Risk and Compliance Officer has been designated as the Executive Secretary by the BoD. She is independent, reports directly to the Risk Committee and is subject to audit by the Internal Audit.

The Committee convenes, upon its Chairman's invitation, on a monthly basis and exceptionally when this is deemed necessary. In order to fulfill its duties, the Risk Committee held twelve (12) meetings during 2022.

The mission of the Risk Committee is, *inter alia,* to ensure that:

- The Company and its Group has a well-defined Risk & Capital Strategy and RAF in line with its business goals as well as with the available human and technical resources. The risk appetite of the Company and the Group is articulated and clearly communicated in a set of quantitative and qualitative statements, including specific limits for the material risks;
- All risks connected to the activity of the Company and the Group are effectively identified, assessed, measured, controlled, mitigated and monitored;
- The RM and control framework in place, including policies, methods and tools, complies with Risk & Capital Strategy and Risk Appetite as well as with regulatory and supervisory requirements.

Roles and Responsibilities

For the achievement of its goal, the Committee undertakes, *inter alia,* the following duties and responsibilities:

- Monitors, assesses and provides update to the BoD with respect to the compliance with supervisory requirements, the risk profile and the adherence to the approved risk appetite limits and early warning levels of the Company and the Group;
- Evaluates the adequacy and effectiveness of the RM & control framework to ensure that it remains comprehensive, adequate and proportionate to the nature, extent and complexity of the Company and its Group current activities;
- Oversees (jointly with the Audit Committee) and provides update to the BoD with respect to the implementation progress of the major initiatives related to operational risk as well as internal control enhancements.

How the Risk Committee discharged its responsibilities during 2022

- Evaluated and made recommendations to the BoD in respect to major risk related to strategic/ priority actions that required the approval of the latter, including, indicatively and not exhaustively, the:
  - 2022 Risk and Capital Strategy and RAF;
  - NPE Plan 2022-2024;
  - Securitization Transactions;
- Assessed the adequacy and effectiveness of the operational risk and control framework and relevant policies;
- Obtained an overview and provided update to the BoD on the 2022 Company’s Risk Annual Plan;
- Obtained an overview and provided update to the BoD on Company’s Risk reports regarding the evolution and profile of the key risks undertaken, the Risk Identification Annual Report, the Operational Risk and Control Assessment and Effectiveness and the respective results at a Company level;
- Evaluated and provided recommendation to the BoD when required, in respect to the development, documentation, re-assessment and monitoring of the:
  - Implementation process of the 2021 ICAAP and CAS and of the 2021 ILAAP and LAS;

- 2022 Recovery Plan;
- 2021 Pillar III Regulatory Capital Disclosures;

- Evaluated, and provided recommendation to the BoD in respect to the annual revision of risk related policies and documents, including indicatively, the RAF, the ICAAP Framework, the ILAAP Framework, the Stress Testing Framework, Pillar III Disclosures Policy, SRT Policy and Operational Risk Policies.

More information on the current composition of the Committee, its operation and responsibilities is available on the Company's website.

- **Remuneration Committee**

On 31 December 2022 and on the date of the publication of the 2022 Annual Financial Report, the composition of the Remuneration Committee is as follows:

REMUNERATION COMMITTEE	
Andrew Panzures	Chairman, Independent Non-Executive BoD Member Vice Chairman since: June 2021 & Chairman since: June 2022
Francesca Tondi	Member, Independent Non-Executive BoD Member Member since: June 2022
Enrico Cucchiani	Member, Independent Non-Executive BoD Member Member since: March 2017
Solomon Berahas	Member, Independent Non-Executive BoD Member Member from: February 2017 to September 2017 and reappointed as a Member since: July 2020
Alexander Blades	Member, Non-Executive BoD Member Member since: August 2016
Periklis Dontas	Member, Non-Executive BoD Member, HFSF Representative Member since: December 2019
67% Independent Non-Executive	**33% Non- Independent**

During 2022, the following changes were made to the composition of the Committee: On 23 June 2022, Mr. Andrew Panzures was appointed Chairman of the Committee, role which was previously held by Mr. Arne Berggren who resigned from the BoD. On the same day, Mrs. Francesca Tondi was elected member of the Committee.

Governance - Operation

According to its Terms of Reference, the Remuneration Committee is appointed by the BoD of the Company and consists of at least three (3) members of the BoD, while the total number of its members should not exceed 40% of the BoD Members including the HFSF Representative who participates with full voting rights. The majority of the members must be independent. The Committee, as a body, should have knowledge, expertise and professional experience in remuneration related issues, RM and control activities. At least one (1) member of the Committee should also be a member of the Risk Committee to oversee alignment of the Remuneration Policy with the Company's Risk and Capital Strategy.

The Remuneration Committee shall meet at the invitation of the Chairman whenever he/she deems it necessary for the execution of its remit, but no less than four (4) times in each calendar year. Resolutions may only be adopted when a quorum of at least half of its members are present. Resolutions of the Committee are adopted by majority vote of the members present.

The Remuneration Committee held eight (8) meetings during 2022. Members' attendance rates in the Committee meetings are depicted in the Board Members Participation in the BoD and the respective Committees table above.

Roles and Responsibilities

The mission of the Remuneration Committee is to design, monitor the implementation and periodically review the Group's remuneration policy, in accordance with the applicable legislative and regulatory framework and the alignment with the Company's strategic goals. In the execution of its duties, the Remuneration Committee takes into account the RAF of the Company, the long-term interests of shareholders, investors and other stakeholders. In the scope of Remuneration Committee is also included the monitoring of an implementation framework that objectively evaluates performance and is directly linked to the determination of the remuneration of employees, the implementation of the Company´s talent management and succession planning policies as well as the implementation of strategies with the purpose of building a Corporate Culture that will support the Company´s objectives and vision.

The Remuneration Committee*, inter alia*:

- Reviews annually the Group's Remuneration Policy;
- Evaluates on a regular basis the remuneration of Executive and Non-Executive BoD Members, as well as the senior executive management;
- Makes a recommendation to the BoD, on an annual basis, regarding the remuneration of Executive and Non-Executive BoD members for the coming period;
- Assesses the compliance of proposed variable remuneration schemes to current legislation, as well as their consistency with the Company´s RAF and strategies;
- Assesses whether the proposed remuneration packages for senior executives of the Company´s independent control functions are compliant with the Group´s remuneration policy;
- Regularly monitors pay equality and presence of discrimination based on gender, age or Bank of origin;
- Reviews and proposes to the Board the goals and objectives relevant to the CEO compensation and evaluate the CEO's performance in light of these goals and objectives.

How the Remuneration Committee discharged its responsibilities during 2022

- Reviewed and recommended to the BoD the annual Variable Incentive Scheme;
- Reviewed and recommended to the BoD the 2022 VES of the Group;
- Reviewed and recommended to the BoD for approval the Annual Remuneration Report for 2021;
- Reviewed and recommended to the BoD for approval the amendment of Directors' Remuneration Policy, in order to be submitted to the Annual GM of Shareholders;
- Reviewed and recommended to the BoD for approval the BoD's remuneration for 2021 and advance payment of 2022 remuneration, in order to be submitted to the Annual GM of Shareholders;
- Reviewed the Committee's 2022 Activity Report & Annual Plan for 2023.

More information on the current composition of the Committee, its operation and responsibilities is available on the Company's website.

- **Nomination Committee**

On 31 December 2022 and on the date of the publication of the 2022 Annual Financial Report, the composition of the BoD Members Nomination Committee is as follows:

NOMINATION COMMITTEE	
David Hexter	Chairman, Independent Non-Executive BoD Member Member from February 2016 to July 2020│Chairman since: June 2021
Enrico Cucchiani	Vice-Chairman, Independent Non-Executive BoD Member Member since: February 2017
Venetia Kontogouris	Member, Independent Non-Executive BoD Member Member since: July 2020
Andrew Panzures	Member, Independent Non-Executive BoD Member Member from July 2020 to July 2021 and reappointed since: June 2022
Karel De Boeck	Member, Independent Non-Executive BoD Member, Senior Independent Director Ex officio Member since: December 2021
Alexander Blades	Member, Non-Executive BoD Member Member since: February 2016
Periklis Dontas	Member, Non-Executive BoD Member, HFSF Representative Member since: December 2019
71% Independent Non-Executive	**29% Non- Independent**

During 2022, the following changes were made to the composition of the Committee: On 23 June 2022, Mr. Arne Berggren ceased to be a member following his resignation from the BoD and Mr. Andrew Panzures was elected member of the Committee.

Governance - Operations

The NomCo is comprised of at least three (3) Members of the BoD. All members are non-executive with the majority being independent non-executive. The HFSF Representative is a member of the Committee with full voting rights. The Senior Independent Director serves as an ex officio member of the NomCo.

The NomCo ensures that the BoD possesses, as a body, adequate knowledge and experience in at least the main activities of the Company in order to be able to exercise oversight over all its functions, either directly or indirectly through the various BoD Committees set up mandatorily or at the discretion of the Company.

The Committee convenes as required on a need-to-meet basis but at least twice every calendar year. The quorum necessary for holding a meeting is at least 2/3 of the total number of Committee members including the HFSF Representative. Decisions of the Committee are taken with the majority of the members present or represented at the meeting.

The NomCo held six (6) meetings during 2022. Members' attendance rates in the Committee meetings are depicted in the Board Members Participation in the BoD and the respective Committees table in section 2.5.

Roles and Responsibilities

The NomCo is responsible for performing the duties set out in Greek Law and its Terms of Reference.

NomCo is, *inter alia,* responsible to:

- Identify and nominate suitable candidates to be proposed by the Board to the GM for election or re-election or as replacements for Board positions which become vacant;
- Establish a candidate's "independence" in the context of Greek corporate law and relevant EBA guidelines;
- Review at least annually the structure, size and composition (including the aggregate skillset, knowledge, independence, experience and diversity) of the Board and of its Committees, and make recommendations to the Board with regard to any adjustments that are deemed necessary;
- Design the succession planning for the Board and top executive management in order to ensure Board and Management continuity;
- Adopt and periodically review a Nomination Criteria Policy for Board members;
- Adopt a Diversity Policy for Board members and review it on a biannual basis;
- Conduct an annual assessment of the effectiveness of the Board and its Committees; also ensure that an annual performance evaluation is conducted for the CEO and the other Board executives which will be reported to the Board;
- Evaluate the independence of the incumbent non-executive Board members once a year;
- Adopt, periodically review and monitor the application of an Induction and Training Policy for Board members;
- Oversee the induction and training programs for members of the Board.

How the NomCo discharged its responsibilities during 2022

- Performed the self-evaluation process of the BoD and its Committees for 2021 and reviewed its results;
- Reviewed and ensured that no conflicts of interest exist between the Company and the BoD;
- Assessed the independence criteria for Board Members;
- Assigned to a specialized consulting firm the search for new candidates to fill vacancies in the BoD taking into consideration the strengthening of Boards skills and the enhancement of its diversity;
- Recommended for approval to the BoD amendments of the composition of the Board and its Committees (namely changes of Chairmanship of certain Committees and members' changes in certain Committees), due to the replacement of a resigned Member by a new one;
- Reviewed the Succession Planning process of the Board Committees' composition and discussed in detail the succession planning of the Board Committees and the optimal Board size;

- Conducted and completed the CEO's Evaluation for 2021 and the CEO's Mid-Year Assessment for 2022;
- Recommended for approval by the BoD the nomination of a candidate to replace a resigned Independent non-executive Member of the BoD;

More information on the current composition of the Committee, its operation and responsibilities is available on the Company's website.

- **Board Ethics and ESG Committee**

As of 31 December 2022 and on the date of publication of 2022 Annual Financial Report, the Committee's composition was the following:

BOARD ETHICS AND ESG COMMITTEE		
Francesca Tondi	Chair of the Committee, Independent Non-Executive BoD Member Member since: June 2022 Chair since: June 2022	
Karel De Boeck	Member, Independent Non-Executive BoD Member Member since: October 2021	
David Hexter	Member, Independent Non-Executive BoD Member Member since: October 2021	
Venetia Kontogouris	Member, Independent Non-Executive BoD Member Member since: October 2021	
Solomon Berahas	Member, Independent Non-Executive BoD Member Member since: October 2021	
Enrico Cucchiani	Member, Independent Non-Executive BoD Member Member since: October 2021	
Alexander Blades	Member, Non-Executive BoD Member Member since: October 2021	
Periklis Dontas	Member, Non-Executive BoD Member, HFSF Representative Member since: October 2021	
75% Independent Non-Executive		**25% Non- Independent**

During 2022, the following changes were made to the composition of the Committee: on 23 June 2022 Mrs. Francesca Tondi was appointed Chair and Mr. Arne Berggren ceased to be a member of the Committee following his resignation as a Member of the

BoD.

Governance – Operation

The Committee consists of Non-Executive Board Members and Independent Non-Executive Board Members. The HFSF Representative is a member of the Committee with full voting rights in accordance with the provisions of Law 3864/2010. Group General Counsel is present in the meetings. Depending on the items of the agenda and, if deemed necessary, other Group Executives may be present.

The Committee convenes following the Chairman's invitation, as many times as required necessary for the fulfillment of its mission and at least quarterly.

The Committee meets with a quorum of at least half of its members (any decimal number is rounded to the next integer) and decides by a majority of 2/3 of the present members.

Roles and Responsibilities

The main objective of the Committee is to support the Board and Board Committees by proactively setting, monitoring, supporting and overseeing policies and strategies applied by Management, aiming at generating right values and culture, so that the Company operates with moral integrity.

The Board Ethics and ESG Committee has, *inter alia,* the following responsibilities:

With regard **to Ethics related policies**:

- Makes recommendations to the Board with respect to any revisions to the Company's Code of Conduct;
- Is informed by Compliance, of significant revisions to the Conflict of Interest Policy and on matters of policies regarding:
  - the fair treatment of customers (products and services design and suitability, sales processes, transparency of fees);
  - compliance with laws and regulations;
  - Politically Exposed Persons;
  - Related party transactions.

With regard to **Sound Governance** related topics:

- Reviews cases of alleged misconduct, relating to Board and Executive Committee members;
- Provides advice and makes recommendations to the BoD and Management on ethical matters;
- Provides advice to the NomCo on cases of conflicts of interest involving BoD members;
- Is informed by Group Internal Audit (“GIA”) on matters regarding the Whistleblowing framework;
- Is updated periodically on the Complaints and Grievances procedures, so as to encourage the fair treatment of customers and the proper conduct of business.

With regard to **Corporate Social Responsibility**, community, environmental related topics:

- Makes recommendations to the Board and/or relevant Board Committees with respect to the Strategy and policies for the above matters;
- Is updated on the action plans and their progress by the pertinent Management Committee;
- Supports the NomCo, if requested, in the evaluation of the knowledge, competence and experience of the Board Members in the area of ESG risks, in its assessment of the collective suitability of such members and to further arrange the education of the Board Members in relation to all the above;
- Oversees the process for the preparation of the Annual Sustainability and Business Report and makes recommendations to the Board regarding the approval of the final report;
- Promotes best practices and ethical behavior considering interests of customers, personnel and society.

How the Board Ethics and ESG Committee discharged its responsibilities during 2022

- Was updated on Project Proteus related to the Roadmap on Environment and Climate Risks including Climate Risk Stress Test;
- Was informed on the 2021 ESG actions of the organization;
- Was updated on the definition of the methodology and framework for adopting a Net-Zero strategy;
- Was updated on the new ESG regulatory disclosure requirements for the organization's climate-related agenda as well as on an ESG ratings impact analysis;
- Was updated on the actions implemented in order to enhance Piraeus Bank's impact on Society and Culture; and on program "EQUALL" (society of equal people);
- Was informed on Piraeus Bank's positioning in the energy transition in Greece.

More information on the current composition of the Committee, its operation and responsibilities is available on the Company's website.

- **Group Executive Committee**

On the date of the publication of the 2022 Annual Financial Report, the composition of the Group Executive Committee is as follows:

GROUP EXECUTIVE COMMITTEE	
Christos Megalou	Chairman, Managing Director, CEO
Vassilios Koutentakis	Member, Executive Board Member, Executive General Manager, Chief Retail Banking – Piraeus Bank
Theodoros Gnardellis	Member, Executive General Manager, Group CFO – Piraeus Bank
Charalampos Margaritis	Member, General Manager, Group Chief Operating Officer ("COO") – Piraeus Bank

Following a respective BoD resolution, Athanasios Arvanitis, Executive General Manager, Group Chief Treasurer – Piraeus Bank, Eleni Vrettou, Executive General Manager, Chief Corporate & Investment Banking – Piraeus Bank, Georgios Georgopoulos, Executive General Manager, Group Chief HR Officer – Piraeus Bank, George Kormas, Executive General Manager, Group Chief Real Estate – Piraeus Bank, Emmanouil Bardis, Executive General Manager, Group Chief Credit Officer – Piraeus Bank, Konstantinos Paschalis, General Manager, CFO – Piraeus Bank, Ioannis Stamoulis, Group Chief Risk Officer – Piraeus Bank ceased to be members of the Group Executive Committee on 24 February 2022.

On 22 February 2023, the Company announced the termination of its cooperation with Mr. Mavrogiannis., former Group Chief Operating Officer (Piraeus Bank). Following BoD' decision of 23 February 2023, Mr Margaritis, Group COO, was appointed member of the Committee.

Governance- Operation

The Group Executive Committee consists of senior executives of the Group and is chaired by the CEO, Executive Member of the BoD.

In order for the Group Executive Committee to reach a decision, a quorum of at least 50% of its members present in person either at the meeting location or at another location via teleconferencing is required. Decisions are taken with a 2/3 majority of the members present and represented.

Roles and Responsibilities

Authorised by the BoD, the Group Executive Committee has, inter alia, the following responsibilities, which it may delegate or assign to administrative Committees, Committee Members or Company executives:

- Monitors the implementation of both the Business Plan of the Company and the Group and makes the necessary decisions for achieving the Plans' goals;
- Establishes the directions of the budget and proposes the Annual Budget to the BoD;
- Approves the introduction of new and significant changes to existing products and services of the Company, as well as restructuring products, and defines their pricing policy before they are made available to clients;
- Approves the marketing strategy and monitors its implementation and effectiveness;

- Approves the Group's technological infrastructure strategy;
- Approves HR programs (voluntary departure, fees, insurance and other contributions);
- Sets, within the range of its own approval limits, the approval limits of the Company's Management Committees and executives.

More Information on the current composition of the Group Executive Committee and short Curriculum Vitaes of its members (excluding those of Mr. Megalou and Mr. Koutentakis which are mentioned in a previous section of this Statement) are set out below and also available on the Company's website.

 Theodoros Gnardellis, Executive General Manager	Mr. Theodore Gnardellis (born 1975) joined Piraeus Bank in 2018. He is Executive General Manager - Group CFO. He has also served as Deputy General Manager, PLU Strategy (2018-2019). In the past, he served as Chief Strategy and Transformation Officer at NN Group, Greece (2017-2018), Head of Strategy & Transformation at Emirates Islamic Bank, Un. Arab Emirates (2013-2017), Chief of Staff, First Deputy Group Chief Executive Officer at Bank of Cyprus, Greece (2010-2013), Associate Partner (2009-2010), Engagement Manager (2007-2009) and Associate (2005-2007) at McKinsey & Company, Greece, Aquatics Results Manager, Olympic Games, Athens 2004 at ATOS Origin, Greece, (2002-2004), Senior Associate Consultant, Mars & Co Consulting at MARS & Co, Gr. Britain (2001-2002) and IT Engineer at the Ministry of Development (1999-2000). He holds a MEng in Computer Engineering & Informatics from the University of Patras, Greece (1998) and an MBA from the Imperial College, UK (2001).

 Charalambos Margaritis, General Manager	Mr Charalampos Margaritis (born 1972) joined Piraeus Bank in 2020. He is General Manager – Group COO. He also served as Group CIO (2020 – 2022). He is Member of the Hellenic Banking Association Coordinating Committee of Payments – Operations & Digital Works. In the past he served as Solutions Delivery Manager at Datamedia (1997 - 2003), Head of Enterprise Applications Delivery at Unisystems (2003 - 2008), Head of Group IT Architecture at Eurobank EFG, (2008 - 2013), Head of Enterprise Architecture and Analytics at Commercial Bank of Qatar (CBQ) (2013 - 2016), Chief Technology Officer at Commercial Bank of Dubai (CBD) (2016 - 2018) and Chief Information Officer at Commercial Bank of Dubai (CBD) (2018 - 2020). Mr Margaritis was also Member of the UAE Banking Federation IT Committee (2018-2020). He holds a B.Sc. in Physics, University of Athens, Greece and a B.Sc. in Physics, Thesis titled “Superconductivity computer modeling”, University of Portsmouth, UK. He also holds an M.Sc. in Communication Systems & Networks, University of Athens, Greece and he has done a Research towards a Ph.D. titled “Security framework for extended enterprises”, University of Athens.

4. Internal Control System

The Group has developed and continuously improves a sound ICS. The development and continuous improvement of the ICS is a key objective of the BoD and the Senior Management.

ICS is a set of recorded and documented control mechanisms and processes that integrates best practices of corporate governance and covers on an ongoing basis every activity and transaction, contributing to the organization’s pursuit of objectives. It provides reasonable assurance that the Group will maintain efficient and effective operations, contain risks to acceptable low levels, safeguard its assets, produce reliable financial reporting and comply with applicable laws and regulations.

Management is responsible for establishing and maintaining an adequate and effective internal control system within the Group as well as relevant procedures and practices. Management also monitors systematically the adequacy and effectiveness of the existing ICS and implements promptly any actions required for a sustainable response to and mitigation of Inherent risk, while at the same time takes care of the development and enhancement of the ICS on a Group and a Company level. Moreover, with appropriate early warning systems, Management monitors the consistent application of the ICS in the Units, as well as the full compliance of all concerned parties with the principles and objectives of the ICS.

The Management has decided to adopt COSO (Committee of Sponsoring Organizations) framework for an effective and sound ICS which incorporates five key components that are integral to the risk and control environment:

- Control Environment;
- Risk Assessment;
- Control Activities;
- Information and Communication and
- Monitoring.

Other standards, such as PCAOB (Public Company Accounting Oversight Board) and COBIT (Control Objectives for Information and Related Technologies) can be used as guidance in implementing specific controls.

The establishment of the ICS aims at:

- the consistent implementation of the business strategy of the Company and the Group with effective use of existing resources;
- the identification and management of risk exposures and potential risks;
- ensure the completeness and reliability of the data, which are necessary for the preparation of reliable financial statements in accordance with IFRS and generally for the accurate and timely determination of the financial position of the Company and the Group;
- the compliance with legislative and regulatory framework governing the operations of the Company and the Group;
- conduct periodic and/or occasional audits by the relevant Units of the Group Internal Audit to establish consistent application of prescribed rules and procedures by all business Units of the Company and the Group.

Under the current institutional framework, the ICS is supported by an integrated communications and Management Information System, also by inter-complementary mechanisms, forming an integrated system for controlling and auditing the Company and its Group organizational structure and operations.

The Audit Committee of the Company has an enhanced role as to the financial reporting. For more information, refer to the relevant section of this Statement.

The ICS is reviewed on a regular basis. The Audit Committee of the Company monitors and evaluates on a yearly basis the adequacy and effectiveness of the ICS at a Company and at Group level, based on the relevant data and information of the GIA Unit ("GIAU"), Compliance and the findings and observations of the statutory auditors and supervisory authorities.

Periodically and at least every three years, upon recommendation of the Audit Committee, an independent chartered public auditor, other than the Group and the Company's external statutory auditor, is appointed to assess the adequacy of the ICS.

ICS assessment by an independent third party

In March 2023, Grant Thornton presented to the Audit Committee members the scope, findings and methodology followed for their assessment of the adequacy of the ICS of the Company for the period from 17 July 2021 to 31 December 2022 in accordance with the BoG Governor's Act 2577/9.3.2006 ("the BoG Act"). Based on the work performed, there were no indications that the ICS, at the given time of the assessment, was not in compliance with all material aspects of the requirements of the BoG Act. Furthermore, nothing has come to Grant Thornton's attention, which would lead to the conclusion that material weaknesses exist with respect to the ICS adequacy of the Company, as of 31 December 2022.

Group Internal Audit

The Internal Audit function within the Group is carried out exclusively by the GIAU of the Company with the support of Group Internal Audit of Piraeus Bank ("GIA-PB"). The IAUs Officers which operate in the Group's subsidiaries in Greece and abroad as well as the GIA-PB have their own Charters, which are in alignment with the Group's Charter and adapted to the respective legal and regulatory requirements.

The main mission of GIAU is to provide reasonable, objective and independent assurance regarding the adequacy and the effectiveness of the Group's ICS. Moreover, it contributes to the protection and enhancement of the economic value of the organization as well as the accomplishment of its objectives by bringing a systematic and professional approach to evaluate and improve the effectiveness of governance, RM, and control processes.

GIAU exercises high supervision of GIA-PB's activity, while is overall responsible for the entire Internal Audit function of the Company and the rest of its subsidiaries. In this respect, GIAU and GIA-PB are responsible for supervising and coordinating the activity of the IAUs of their Group's subsidiaries respectively.

The Head of GIAU (Chief Audit Officer – "CAO") reports periodically to the Senior Management and the Audit Committee the conformance of the Unit with the Code of Ethics and the Standards. CAO reports functionally to the BoD through the Audit Committee and administratively to the CEO.

GIAU:

- Is administratively independent from other Group units and abstains from any executive and operational responsibilities;
- Occupies full-time and exclusive staff, which does not subordinate to any other Group unit.

GIAU assesses, inter alia, whether:

- The risks related to the achievement of the strategic objectives are identified and managed;
- The established policies and procedures are consistent with the Group's risk strategy as well as the Management's decisions;
- The staff actions comply with the established policies, procedures and the general corporate governance framework, as well as regulatory and legislative framework in force;
- Operations are carried out effectively and (if auditable) efficiently;
- The control mechanisms as well as the reports produced by Business Units, Control Units, RM and Compliance are adequate, effective and of the proper quality;
- Financial or non-financial information and the data used to identify, measure, analyze, classify, and report it are reliable, accurate and complete;
- Resources and assets are used safely.

GIAU also provides recommendation on the prevention and detection of fraud.

The CAO issues reports to the auditable units, incorporating the audit results and findings resulting from the audits performed, integrating the corrective actions for strengthening the control environment and the corporate governance framework, as well as improving the effectiveness of RM processes. The audit reports are appropriately communicated to the Senior Management.

In addition, the CAO submits reports at least every three (3) months to the Audit Committee which include the significant findings and the remedial actions within its duties and the Audit Committee presents to the BoD along with its comments.

The **Audit Committee**, the BoD and the Senior Management ought to safeguard:

- The independence of the Internal Audit and the resolution of any issue related to its independence;
- The provision of adequate and prompt updated information to the Internal Audit through relevant procedures and mechanisms, especially in case of significant problems and emergencies;
- The adequacy of the internal control tools and risk assessment methods of GIAU, considering the size, nature, scope and complexity of Group as well as the risks associated with Group's business model, activities and culture.

The **Internal Auditors:**

- Have unimpeded access to all activities, units and sites, as well as to any data and information (documents, records, business emails, accounts, portfolios, systems, applications etc.) of the Group;
- May communicate unimpededly with any executive, body and staff of the Group using all available means (e.g. meeting, email, conference call, video conference);
- May request and receive from any source (e.g. staff, systems, physical archives etc.) all information and explanations required for carrying out their audit mission using all available means. In the case of highly confidential or sensitive information, only the CAO is notified.

The BoD, the Audit Committees and the Senior Management of the Group's subsidiaries ensure that the required information is provided immediately to the Internal Auditors by the individual units.

Upon invitation by the Management, the Internal Auditors may participate during various individual stages in the development of policies, procedures and information systems and significant internal projects may in general provide their consultation on the ongoing improvement and establishment of a sufficient ICS. The results after their participation in any similar projects shall not be considered as auditing.

The planning of audit engagements is the outcome of a risk assessment process. Additionally, the Audit Cycle, within which the audit areas are covered depending on the significance of the respective risk, is determined. Also, the Audit Cycle is approved and amended only by decision of the BoD of the Company, following the recommendation of the Audit Committee.

Based on the Audit Cycle, the GIAU drafts an Annual Action Plan, giving priority to high-risk areas, which shall be approved by the BoD of Company following the recommendation of the Audit Committee.

The Annual Audit Plan incorporates the subsidiaries that are going to be covered within the reference year, the annual audit targets, the scheduled audit engagements on Group's activities and on critical outsourced activities, the needs in terms of audit staff, the transportation costs, the training plan and the related costs, the assessment on the coverage of the Group's activities according to the significance of the respective risks as well as the budget. The Annual Audit Plan should also take into account the execution of unforeseen engagements following respective requests by the regulatory authorities, the Audit Committee and the Senior Management as well as any other reason that may be deemed valid by the CAO. The Company expects from GIAU staff to demonstrate good faith, sound judgment and due diligence while exercising their duties.

Internal Auditors ought to comply with the Company's Code of Conduct and the International Standards for Internal Auditors. The strict adherence to the operational framework contributes to the achievement of Internal Audit function's consistency, cohesion, stability and reliability.

Internal Auditors are expected to apply and uphold the following principles:

- Integrity
- Objectivity
- Confidentiality
- Competency

Risk and Compliance at the Company

Risk Management

The Company places particular emphasis on the effective monitoring and management of risk, at Company and Group level with a view to maintain stability and continuity in its operations. In this context, the competent bodies of the Group regularly monitor and assess the Group Business Strategy by defining, monitoring and managing risk and distinguish transactions and customers by level of risk. The Group competent bodies determine the appropriate maximum acceptable limits of risk-taking overall by each type of risk, refining each of these limits; set limits for discontinuing loss-making activities and take other corrective actions.

The Company also assures the establishment and implementation of reliable, effective and comprehensive policies and procedures in order to assess and maintain on an ongoing basis the amount, composition and distribution of its equity, that the Group management each time deems adequate for the cover of the level and nature of risk it undertakes or might undertake. The Company's RM internally reviews these policies and procedures on a regular basis to ensure that they remain comprehensive, adequate and proportionate to the nature, extent and complexity of the Group's current activities.

The Company's **Risk Officer** is independent with direct reporting to the Risk Committee of the Company to which he/she provides unbiased risk oversight and update on the level and the management of risks, the compliance with the adopted risk policies, the risk assessment results, the functioning of the RM and response processes to the identified risks and the results of the risk monitoring process. The Company's Risk Officer is designated by the BoD as the Executive Secretary of the Risk Committee.

Compliance

The **Company's Compliance** follows the international best practices to ensure that the Group complies with the applicable legal and regulatory framework. The Company's **Compliance Officer** is independent with direct reporting to the BoD and Audit Committee of the Company to which he/she provides unbiased compliance oversight, update on the latest changes of the regulatory framework, on the level and the management of the compliance risk, the adopted internal policies implementation status, the level of the Compliance Annual Plan and Policy implementation. He/she is selected by the Senior Management, possesses sufficient knowledge and experience and has unrestricted access to all data and information necessary to carry out his/her duties.

The **Company's Compliance** is mainly responsible for:

- The establishment and the implementation of the appropriate procedures and policies, the preparation of the Annual Compliance Plan and the regular monitoring of the level of its implementation in order to achieve the timely and continued compliance of the Company with the current regulatory framework provisions and the provisions of the Compliance Policy;

- The assurance that the Company and its subsidiaries comply with the applicable legal and regulatory framework that governs the preventing of the use of the financial system for money laundering and terrorist financing;
- The provision of information and update to the Audit Committee and BoD on compliance issues through its quarterly and ad hoc reports;
- The assurance that the Company's staff is continuously informed on developments related to the regulatory framework and the policies related to their duties, by establishing appropriate procedures, updates and training programs in collaboration with the Group HR;
- The monitoring, identification and effective management of compliance risks and the assessment of non-compliance risks.

5. Other governance issues

5.1 IT security risks

The Group and the Company face significant IT security risks (including cyber security) from the growing dependence on information and integrated information systems. The growing systems' interfaces with clients and third parties, the ongoing organizational and technological changes imposed by business needs, the daily appearance of new technological and other internal and external factors, create a critical threat environment.

Information and telecommunication Systems are critical components for the achievement of the Group's and the Company's business objectives and strategies and decisively contribute to the implementation and management of its business functions. The use of networks and systems creates several risks, especially in regards to security of the data being routed. In order to protect confidentiality and ensure availability and integrity of data and systems, the Group has designed and implemented a strict and comprehensive Information Security Framework aiming to govern its IT assets. The Information Security Framework, which is applied to the whole Group wherever applicable, also ensures that the appropriate compliance and regulatory requirements are implemented and their efficiency and effectiveness is closely monitored.

In order to minimize the aforementioned risks and protect its IT assets, management has designed and implemented strong IT security controls in order to create peripheral protection in a multi-layer architecture. These controls include but are not limited to the following areas:

- Design, development, implementation and monitoring of an Information Security Framework;
- IT Security Strategy and Policy;
- Regular awareness and training campaigns (including e-learning programs) on cyber security issues to all personnel;
- Developing and testing of a Security Incident Response Mechanism;
- Performance of periodic Risk Assessment and Data Classification on Information Assets;
- Performance of a large number of penetration tests and vulnerability assessments;

- Continuous review and monitoring of the effectiveness of security controls;
- Strict User Access Management policies and procedures over applications, operating systems and databases;
- Implementation of a Centralized User Access Management Provisioning System (IdM);
- Implementation of special security mechanisms in order to manage, log and monitor, privileged access rights;
- Periodic user access reviews;
- Change Management processes governing changes to applications and systems;
- Use of a sophisticated Security Operations Centre (“SOC”) which is monitoring system logs on a 24/7 basis;
- Anti DDoS protection system;
- Internal and external Firewalls;
- IDS and IPS systems;
- Network Segmentation;
- Web Applications Firewalls;
- AntiVirus and AntiSpam systems;
- Web filtering and internet access control systems;
- Maintenance of international security standards and certifications (such as PCI DSS and ISO 27001).

In addition to the above, the Group has an effective Disaster Recovery Plan activated in case of catastrophic events as well as an Alternative Computer Center that can support, if required, the full operation of the Group. The Disaster Recovery Plan is tested on a regular basis.

5.2 ESG governance

BoD: Responsible for ensuring a business model, governance arrangements, including a risk management framework that take into account all risks, including climate-related and environmental risks and the implications of the transition to a more sustainable economy as well as exercising effective oversight of same. In discharging the aforementioned responsibilities, it is supported by the BoD Committees which report regularly to the BoD on issues related to their responsibilities.

Audit Committee: Responsible for overseeing the integrity of the Group’s financial and non-financial/ESG disclosures within the Annual Report. It monitors the effectiveness of the internal control and risk management systems and of the Internal Audit function, also with respect to ESG-related issues (e.g. fraud, whistleblowing, violence and harassment, etc.).

Risk Committee: Responsible for advising and supporting the BoD regarding the monitoring of the Group’s overall actual and future risk strategy and risk appetite, taking into account all types of risks (including climate and environmental, social and governance risks), in order to ensure that they are in line with the business strategy, objectives, corporate culture and values of the Group. The Committee has responsibility to oversee the implementation of the Group's risk strategy and the corresponding limits set and to review a number of possible scenarios, including stressed scenarios, to assess how the Group's risk profile would react to external and internal events. In 2022, the Risk Committee reviewed the 2022 Risk Identification Report/Inventory, including the Group's strategic approach on the front of climate-related and environmental risks and opportunities. It subsequently approved the 2022 Risk & Capital Strategy | RAF.

Remuneration Committee: Responsible for ensuring that the Group remuneration policy is consistent with the objectives of the Group's business and risk strategy, including environmental, social and governance risk-related objectives, corporate culture and values and long-term interests of the Group. The Committee has responsibility for aligning executive directors' and senior management's remuneration with strategic priorities, including in relation to climate and sustainability matters. In 2022, following respective proposal of the Remuneration Committee to the BoD, an amended version of the Directors' Remuneration Policy was approved by the 2022 Annual GM of Shareholders. The amendments concerned, inter alia, the addition of ESG considerations in remuneration practices.

Board Ethics and ESG Committee: Responsible for considering the material ethical, environmental, social and governance issues relevant to the Group's business activities and for supporting the Group in maintaining its position as a reference leader in ethical and ESG (environment, society, governance) issues. The Committee works closely, also by holding joint sessions, with the other Board Committees for ESG issues which are also related to their mandate. It is furthermore supported in its work by respective management committees of the Group, namely the ESG and Corporate Responsibility Committee of Piraeus Bank.

In 2022, the Committee, in a joint session with the BoD Risk Committee, was presented with Project Proteus related to the Roadmap on Environmental & Climate Risks. For the discharge of responsibilities of the Committee in 2022, refer to the respective section of this Statement.

Piraeus Bank follows a similar ESG governance structure at BoD and BoD Committees level with the exception of the BoD Ethics and ESG Committee which is only established at the parent company.

ESG special governance arrangements and related actions for the reporting year at Piraeus Bank include:

- On a monthly basis, a risk appetite monitoring report (CRO Statement Appendix | RAF Monitoring) is submitted to Piraeus Bank's BoD Risk Committee, including ESG and climate-related indicators established in the 2022 RAF;
- A special sub-section "ESG Risks" has been created in the structure of Piraeus Bank's Risk Committee agendas, reflecting the importance and the frequency these issues are expected to have in the BoD Risk Committee's work;
- ECB Climate Stress Test.

ESG and Corporate Responsibility Committee (Piraeus Bank): In the context of the enforcement and coordination of management commitment to ESG purpose, the ESG and Corporate Responsibility Committee was established in August 2022 at Piraeus Bank. The Committee is chaired by the Group's CEO and is composed by all members of Piraeus Bank's Executive Committee and (in early 2023 supplemented by) two additional members, the Group General Counsel and Piraeus Bank Head of Group Cultural and Social Initiatives. The composition of the Committee, reflects the prominent role the management of the Group is expected to play in shaping the Group's approach to managing sustainability issues and integrating the Climate &ESG criteria into Piraeus Bank's strategy, recognizing that this is a key factor in ensuring long-term success and reflecting the fact that these issues are becoming materially relevant to the Group as well as to key stakeholders, such as clients, shareholders and regulators.

The new Committee will be the management level "mirror" of the BoD Committee for ESG & Ethics matters, aiming to ensure the existence of a holistic Group ESG and Corporate Responsibility strategy plan with tangible and defined medium and long-term goals.

The purpose of this Committee is to promote and monitor Responsible and Sustainable Banking by adopting ESG criteria that combine growth and economic performance with culture, social well-being and environmental sustainability. The Committee ensures the existence of a holistic ESG strategy plan for the Group, with axes:

- the energy transition;
- the zero balance of CO2 emissions (net zero);
- the strengthening and promotion of culture;
- the support of women, children and young people, as well as vulnerable social groups in matters of education, employment and social stereotypes;
- the promotion of governance principles with an emphasis on diversity and inclusion.

Specifically, the Committee assesses, approves, recommends and monitors:

- the corporate responsibilities and ESG policies and strategies that harmonise the Group's governance and business decisions with the UN SDGs;
- actions that contribute to the regulatory requirements on climate and environmental risks and to the reduction of the environmental footprint of both the Group and its clients / partners;
- the implementation of the Group's values and the creation of a culture that strengthens the role of employees in achieving the Principles of Responsible Banking;
- programmes, collaborations, initiatives that promote culture and boost social cohesion;
- actions that reinforce transparency, meritocracy and corporate responsibility and strengthen the Group's extroversion.

In this context, it monitors Corporate Responsibility & ESG issues and informs and/or makes recommendations to the BoD ESG and Ethics Committee of the Company.

The Committee meets regularly at least on a quarterly basis and on an extraordinary basis whenever required at the invitation of its Chairman.

More information on ESG related issues are/will be included in the Company's Sustainability Report and other ESG disclosures.

6. Information provided pursuant to Directive 2004/25/EU of the European Parliament and Council

The information of Directive 2004/25/EU of the European Parliament and Council, required pursuant to para.1 d) of art. 152 of Greek Law 4548/2018 are included in the Explanatory Report to the Annual GM of the Shareholders, which is a special section of the BoD's Report.

7. Information according to article 10 of Law 4961/2022 on "Emerging information and communication technologies, strengthening digital governance and other provisions"

Data ethics is about the responsible and sustainable use of data. Ethical data management involves transparency and accountability in decisions and processes involving the use of data, as well as promoting the values of respect, integrity, and justice.

The principles that define the use of data within the Group from an ethical point of view and aim to promote a healthy and ethical data culture within the Group and outside it, in business relationships, are summarized below:

- The Group takes all necessary steps to comply with the provisions of the current legislation on the protection of banking secrecy and the personal data it collects and processes (e.g., data resulting from the drawing up of a contract, financial behavior data, CCTV images, telephone conversations, etc.);
- All customer and employee information is used to carry out the purposes for which it was collected and processed or for other reasons permitted by law;
- The Group shall legally process personal data, provided that processing:
  - is necessary for servicing, supporting and monitoring business transactions and proper execution of any agreements between the data subject and the Company/ Group;
  - is necessary in order for the Group to comply with any legal obligations or for the purposes of the legitimate interests pursued by it;
  - is necessary for the performance of a task carried out in the public interest, in the context of the current legislative and regulatory framework;
  - is based on prior explicit consent of the data subject, if processing is not based on any of the aforementioned legal processing bases;
- During systems and processes designing, ensures that data is used in a responsible manner and is aware of the effects that the use of data may have on employees, customers, shareholders, and society;
- The Company/ Group, in compliance with the current legislative framework, has taken all the necessary actions, applying the appropriate technical and organizational measures for the legal observance, processing and safe keeping of the personal data file, committing to ensure and protects in every way the processing of personal data from loss or leakage, alteration, transmission or their unlawful processing in any other way;
- All employees of the Group are obliged to protect the personal data of the customers from other people's use and to protect their interests;
- In case of outsourcing of activities to third parties by the Group, all necessary measures are taken, in accordance with the current legislative framework, to protect the data subjects during the processing of their personal data;
- With the exception of the cases in which the legal conditions for the possibility of providing information concerning them to third parties are met, employees demonstrate due diligence and the required confidentiality when using information

that comes to their knowledge at any stage of the provision of their services, before, during or after the termination of the contractual relationship and take every reasonable and feasible measure to legally and securely maintain the information, in accordance with the applicable legislation.

Athens, 16 March 2023

Non-Executive	Managing Director (CEO)
Chairman of BoD	Executive BoD Member
George P. Handjinicolaou	Christos I. Megalou

EXPLANATORY REPORT

This explanatory report of the BoD of the Company is addressed to the Ordinary GM of its Shareholders and contains detailed information on the matters of paragraph 7 of article 4 of Greek Law 3556/2007 with reference date the 31 December 2022.

1. Structure of the share capital of the Company

On 31 December 2022 the Company's share capital amounted to one billion one hundred sixty-two million eight hundred forty-one thousand five hundred seventeen Euros and thirty-nine cents, (€ 1,162,841,517.39) divided into one billion two hundred fifty million three hundred sixty-seven thousand two hundred twenty-three (1,250,367,223) ordinary registered voting shares with a nominal value of ninety-three cents of Euro (€ 0.93) each. The ordinary shares of the Company are dematerialized and listed on the Athens Stock Exchange.

Subject to the provisions of Greek Law 3864/2010 setting forth special rights and restrictions for the ordinary shares held by the HFSF (see details below under 4 and 5), each ordinary share of the Company incorporates all the rights and obligations stipulated by Greek Law and its Articles of Association, and especially:

- The right to participate and vote in the GM of shareholders;
- The right to receive dividend from the Company's annual profits;
- The right to receive a pro rata share of the Company's net liquidation proceeds or all or part of the nominal value of any shares in the event of a total or partial redemption of the Company's share capital pursuant to a relevant resolution of the GM of the Company's shareholders. The GM of the shareholders retains all of its rights during the liquidation procedure;
- A pre-emptive right in each increase of the Company's share capital in cash and issuance of new shares unless the GM resolves otherwise;
- The right to receive prior to the Ordinary GM copies of the Annual Financial Report.

2. Restrictions on the transfer of shares of the Company

Transfer of the Company's ordinary shares is carried out as prescribed by Greek Law. The Company's Articles of Association do not impose any restrictions in respect thereof.

The disposal of the shares held by the HFSF is subject to the provisions of art. 8 of Greek Law 3864/2010, as in force (codified text of the law is available in HFSF's website, https://hfsf.gr/en/how-we-decide/hfsf-law-as-in-force/).

3. Significant direct and indirect shareholdings within the meaning of Greek Law 3556/2007

On 31 December 2022 the HFSF directly held a total of 337,599,150 ordinary shares of the Company representing 27% of the total voting rights of the Company.

Furthermore, on 31 December 2022:

- Mr. John A. Paulson held indirectly through Paulson & Co. Inc., a company controlled by him, 232,758,919 common registered shares with equal voting rights, corresponding to 18.62% of the Company's total common shares. Paulson & Co. Inc. is the investment manager of the funds that hold directly the shares in the Company and as manager it exercises the voting rights on behalf of the funds.
- Helikon Investments Limited held indirectly through Helikon Long Short Equity Fund Master ICAV:

- 54,373,407 voting rights attached to an equal number of common, registered, voting, dematerialized shares (i.e. 4.348% of the total voting rights of the Company) and

- 29,607,188 (i.e. 2.368% of the total voting rights of the Company) and 33,271,381 (i.e. 2.661% of the total voting rights of the Company) voting rights deriving from financial instruments (cash settled equity swap), according to ar. 11 para. 1b) of law 3556/2007, as in force, with expiration dates 4 February 2025 and 4 November 2024 respectively.

As a result, the voting rights held indirectly by Helikon Investments Limited, deriving from common shares and financial instruments (cash settled equity swap), amount in total to 117,251,976 or 9.377% of the total voting rights of the Company.

Pursuant to the records kept by the Company, as at 31 December 2022 no other shareholder (individual or legal person) holds on an individual basis (directly or indirectly) more than 5% of the total number of ordinary shares of the Company.

4. Shares granting special control rights

With the exception of the ordinary shares held by the HFSF, which carry the rights arising from the provisions of Greek Law 3864/2010 and the RFA between the Company, Piraeus Bank S.A. and the HFSF, there are no shares of the Company granting special control rights to their holders.

The ordinary shares held by the HFSF in the share capital of the Company carry the special rights of Article 10 of Greek Law 3864/2010, as amended and in force, including:

- the right of the HFSF to be represented with one member on the BoD. The Representative of the HFSF has the right:

  a) to veto any decision of the Company's BoD:

    i) in respect of the distribution of dividends and the remunerations and bonuses policy for the Chairman, the Managing Director and the other members of the BoD, as well as for those persons holding the position of or exercising the duties of general managers as well as their deputies when the ratio of NPEs to total loans of the credit institution, as calculated according to item (ii) of case g of paragraph 2 of article 11 of Commission Implementing Regulation (EU) 2021/451 of 17 December 2020, exceeds 10%. It is noted that this provision is not currently applicable to the Company;

    ii) in respect of decisions to amend the articles of association, including the increase or decrease of capital or the provision of relevant authorization to the BoD, merger, division, conversion, revival, extension of the duration or dissolution of the Company, transfer of assets, including the sale of subsidiaries, or for any another issue requiring an increased majority in accordance with the provisions of Law 4548/2018 and which decision is likely to significantly affect the HFSF's participation in the share capital of the Company;

  b) to request an adjournment of a Board meeting for three (3) business days in order to receive instructions from the CEO of HFSF. This right may be exercised until the end of the relevant BoD meeting;

  c) to request that the BoD of the Company is convened

- the right to access the books and records of the Company through executives and consultants of its choice for the purposes of the effective disposal of the shares or other financial instruments it holds in the Company;

  The HFSF ensures that, in exercising their rights, the HFSF and the HFSF Representative shall respect the Company's business autonomy and independence in the decision making of the Company.

5. Restrictions on Voting Rights

The Company's Articles of Association do not impose restrictions on the voting rights or the exercise periods of voting rights attached to its ordinary shares.

6. Shareholders' Agreements

The Company is not aware of any agreements between its shareholders regarding restrictions in the transfer of the Company's ordinary shares or the exercise of the voting rights attaching to such shares.

7. Rules regarding the appointment and replacement of Board members and amendments to the Articles of Association

The rules set out in the Company's Articles of Association regarding members' appointment and replacement, as well as amendments of the provisions of the Articles of Association, do not deviate from the corresponding provisions of Greek Law 4548/2018 and Greek Law 4706/2020. BoD members are elected from the GM of Shareholders. Pursuant to art. 10 para. 2 of Greek Law 3864/2010, the HFSF is represented with one member on the BoD of the Company with the aforementioned rights.

The appointment or replacement of the members of the BoD or the renewal of their term of office is subject to their suitability assessment by the SSM pursuant to Law 4261/2014 and respective legislation.

Provisions related to the appointment and replacement of members of the BoD are also included in the Internal Corporate Governance and Operating Regulation of the Company as well as the related Policies of the BoD (see relevant sections of the Corporate Governance Statement).

8. Authority of the BoD to issue new or to acquire own shares

Pursuant to the provisions of Greek Law 4548/2018 and its Articles of Association, the Company may increase its share capital by virtue of a resolution of the GM of Shareholders or of the BoD.

On 7 April 2021, the Extraordinary GM of the Shareholders of the Company authorized, according to article 24 para. 1 of Law 4548/2018, the BoD to resolve, with the quorum and majority required by law, the increase of the share capital of the Company by an amount that cannot exceed three times the paid up capital on the date of delegation of these powers to the BoD, namely up to € 14,959,064,952 with the issuance of new common registered voting shares, and to determine the specific terms and time plan of the increase in accordance with the applicable provisions of Law 4548/2018. The BoD may exercise the above power once or partially in several transactions. The above authorisations are valid for three (3) years.

In addition, the abovementioned Extraordinary GM granted authorization to the BoD of the Company to establish a five (5) year stock option plan in accordance with the provisions of article 113 para.4 of Law 4548/2018 to executives and employees of the Company and its affiliated companies, within the meaning of article 32 of law 4308/2014, in the form of stock option rights (stock options), by increasing the share capital with the issuance of new shares and to determine, without prejudice to the provisions of the Law 3864/2010, the terms of the stock options, at its discretion, in accordance with the provisions of article 113 of Law 4548/2018. The authorization is valid for five (5) years from the resolution of the GM. The maximum nominal value of all shares that may be awarded through the plan which may be established by the BoD will correspond to 1.5% of the paid-up share capital of the Company on the date of the establishment of the plan by the BoD of the Company. As at the date of the publication of the present report, there is no active stock option plan.

According to paragraph 1 of article 16C of Greek Law 3864/2010, during the period of participation of the HFSF in the share capital of the Company, the Company is not permitted to acquire own shares without the approval of the HFSF.

9. Significant agreements which enter in force, are amended or terminated in the event of change of control following a public takeover bid

There are no significant agreements of the Company, which come into force, are amended or terminated upon a change of control of the Company following a public takeover bid.

10. Agreements between the Company and members of its BoD or its staff providing for compensation in the event of resignation or dismissal without good reason or termination of their term of office or employment due to a public offer

Contracts with BoD members, reviewed on a case-by-case basis, may enclose explicit clauses for the provision of specific severance payments approved by the GM of Shareholders. Moreover, contracts with BoD members may be terminated for good reason, without any severance payment due and with no minimum prior notice. In all cases, severance payments are in compliance with regulatory restrictions.

It is noted that the 2020 Annual GM of Shareholders approved the Company's Severance Policy, which applies to the senior management of the Company, and to the executive members of the BoD and provides for severance payments related to the early termination of an employment contract in good terms, based on their tenure in the Group.

There are no agreements between the Company and the members of its BoD or its staff which provide for their compensation in the event of their departure as a result of a public takeover bid.

Athens, 16 March 2023

Non-Executive	Managing Director (CEO)
Chairman of BoD	Executive BoD Member
George P. Handjinicolaou	Christos I. Megalou

ALTERNATIVE PERFORMANCE MEASURES ("APMs") AT GROUP LEVEL

In addition to the financial information that is reported under IFRS, this BoD Annual Report contains also financial metrics that constitute alternative performance measures which aim to follow the guidelines of APMs issued by the European Securities and Markets Authority ("ESMA") on 5 October 2015 and are in force since 3 July 2016. According to the ESMA definition, a non-IFRS financial measure is a metric that measures historical or future financial performance, financial position or cash flows but which excludes or includes amounts that would not be so adjusted in the most comparable IFRS measure.

The below APMs provide a basis for transparent monitoring and comparison of the Group's periodic financial performance and results of operations through metrics which although are commonly used to convey the management's view to the end user, however they are not explicitly defined under IFRS.

The definitions laid out hereinafter through these non-IFRS measures should be considered as supplemental in nature and not as a substitute to the IFRS measures and should not be used for comparability purposes with other companies.

A. APMs

No	APM	APM Definition – Calculation –Relevance of use	FY 2021	FY 2022
1	Earnings per share ("EPS") normalized	Normalized EPS are calculated by taking the Net profit normalized (defined hereinunder) adjusted for AT1 capital instrument coupon payment for the period (/) total number of shares outstanding at the end of the period. Relevance of use: Profitability metric	0.13	0.42
2	Financial Assets	The sum of: financial assets at FVTPL, financial assets mandatorily at FVTPL, loans and advances to customers measured mandatorily at FVTPL, financial assets at FVTOCI, debt securities at amortised cost Relevance of use: Standard banking terminology	12,754	12,523
3	Loans to Deposits Ratio (LDR) – (Seasonally Adjusted)	Seasonally Adjusted Net Loans over (/) Deposits Relevance of use: Liquidity metric	63.3%	61.5%
4	Net Profit normalized	Normalized net profit is the profit/ (loss) attributable to the equity holders of the parent minus (-) extraordinary net fee income, minus (-) extraordinary other income, minus (-) extraordinary share of profit / (loss) of associates and joint ventures plus (+) extraordinary expenses, plus (+) extraordinary impairments related to NPE securitizations and sales, defined at any given period. Relevance of use: Profitability metric	190	577
5	Non-Performing Exposures (NPEs)	Include: a) loans measured at amortised cost classified in stage 3; plus (+) b) Purchased or originated credit impaired (POCI) loans measured at amortised cost that continue to be credit impaired as of the end of the reporting period; plus (+) c) loans to customers mandatorily measured at fair value through profit or loss that are credit impaired as of the end	4,915	2,624

No	APM	APM Definition – Calculation –Relevance of use	FY 2021	FY 2022
		of the reporting period. Relevance of use: Asset quality – credit risk metric		
6	NPE Ratio	NPEs over (/) gross loans grossed up with PPA adjustments Relevance of use: Asset quality – credit risk metric	12.7%	6.8%
7	NPE (Cash) Coverage Ratio	ECL allowance grossed up with PPA adjustment over (/) NPEs Relevance of use: Asset quality – credit risk metric	40.1%	54.1%
8	Other Assets	Balancing Item: equals (=) Total Assets minus (-) Net Loans minus (-) Financial Assets Relevance of use: Standard banking terminology	30,514	25,771
9	Other Income	Balancing item: equals (=) Total net Income minus (-) Net Interest Income minus (-) Net Fee and Commission Income and income from non-banking activities Relevance of use: Profitability metric	682	744
10	Other Liabilities	Balancing Item: equals (=) Total Liabilities minus (-) Due to Banks minus (-) Customer Deposits Relevance of use: Standard banking terminology	3,679	3,786
11	Recurring Operating Expenses	Operating expenses minus (-) Extraordinary expenses Relevance of use: Efficiency metric	(867)	(828)
12	Total Regulatory Capital (fully loaded)	Total capital, as defined by Regulation (EU) No 575/2013 Relevance of use: Capital position regulatory metric	13.38%	16.40%
13	CET1 Capital Ratio (fully loaded)	CET1 capital, as defined by Regulation (EU) No 575/2013 Relevance of use: Capital position regulatory metric	8.63%	11.54%

B. APMs Components

Balance Sheet

No	APM Component	APM Definition – Calculation[1]	31/12/2021	31/12/2022
1	Deposits or Customer Deposits	Due to Customers	55,442	58,372
2	Due to Banks	Amounts owed to Banks	14,865	6,922
3	ECL Allowance grossed up with PPA adjustment	ECL allowance for impairment losses on loans and advances to customers at amortised cost	(1,971)	(1,421)
4	Gross Loans grossed up with PPA adjustment	Loans and advances to customers at amortised cost before ECL allowances for impairment on loans and advances to customers	38,492	38,787
5	Net Loans	Loans and advances to customers at amortised cost	36,521	37,367
6	Seasonally Adjusted Net Loans	Net loans and advances to customers at amortised cost and mandatorily measured at FVTPL minus (-)	35,124	35,901

No	APM Component	APM Definition – Calculation[1]	31/12/2021	31/12/2022
		OPEKEPE seasonal funding facility of € 1,474 million as at 31 December 2021 and € 1,517 million as at 31 December 2022. The OPEKEPE seasonal agri loan refers to loan facility related to subsidies provided to the beneficiaries		

(1) Relevance of use: Standard Banking terminology

Income Statement

No	APM Component	APM Definition – Calculation – Relevance of use	FY 2021	FY 2022
1	Impairment Charges	ECL Impairment Losses on loans and advances to customers at amortised costs plus (+) Other credit-risk related expenses on loans and advances to customers at amortised cost. Relevance of use: Standard banking terminology	(4,284)	(615)
2	Net Results - Net Profit	Profit / (loss) for the period from continuing operations attributable to shareholders of the Parent Relevance of use: Profitability metric	(3,007)	899
3	Extraordinary expenses	Extraordinary items include voluntary redundancy costs € 25 million for 2021 booked in staff costs, while for 2022 they include € 57 million voluntary redundancy costs booked in staff costs and € 4 million extraordinary depreciation charges related to the carve-out and sale of the cards merchant acquiring business unit transaction in Q1.22 booked in administrative expenses. Relevance of use: Efficiency metric	(25)	(61)
4	Extraordinary other income	In 2021 extraordinary other income related with (i) gains from GGBs exchange amounting to € 387 million, (ii) gains from the sale of sovereign bonds from the debt securities portfolio classified at amortised cost amounting to € 91 million, (iii) gain from the partnership for the management of non-core equity participations amounting to € 185 million and were booked in Net gains/ (losses) from financial instruments measured at FVTPL. In 2022 extraordinary other income related with (i) the gain from the disposal of the merchant acquiring business in Q1.22, amounting to € 282 million, (ii) non-recurring gain from fixed income portfolio of € 391 million and were booked in Net gains/ (losses) from financial instruments measured at FVTPL. Relevance of use: Profitability metric	663	672
5	Extraordinary net fee income	In 2021 extraordinary net fee income related with acquiring fees of € 39 million related with the cards merchant acquiring business unit that has	39	6

No	APM Component	APM Definition – Calculation – Relevance of use	FY 2021	FY 2022
		been carved-out In 2022 extraordinary net fee income related with acquiring fees of € 6 million related with the cards merchant acquiring business unit that has been carved-out Relevance of use: Profitability metric		
6	Extraordinary Share of profit/ (loss) of associates and joint ventures	In 2022 € 26 million related with the sale of RES infrastructure booked in associates' income Relevance of use: Profitability metric	0	26
7	Extraordinary impairments	In 2021, € 3,874 million impairment charges related with the NPE reduction plan In 2022, € 320 million impairment charges related with the NPE reduction plan Relevance of use: Standard banking terminology	3,874	320
8	Operating Expenses (Opex)	Total operating expenses Relevance of use: Efficiency metric	(892)	(889)

The BoD' Report contains financial information and measures as derived from the Group and the Company's Annual Financial Statements for the year ended 31 December 2021 and 31 December 2022, which have been prepared in accordance with IFRSs, as endorsed by the EU. Additionally, it contains financial data which is compiled as a normal part of our Financial Statement Closing Process and management information systems. For instance, financial items are categorized as foreign or domestic on the basis of the jurisdiction of organization of the individual Group entity whose separate financial statements record such items.

Moreover, it contains references to certain measures which are not defined under the IFRSs. These measures are non-IFRS financial measures. A non-IFRS financial measure is a measure that measures historical or future financial performance, financial position or cash flows but which excludes or includes amounts that would not be so adjusted in the most comparable IFRS measure. Management believes that the non-IFRS financial measures used, presents a more meaningful analysis of the Group's financial condition and results of operations. However, the non-IFRS financial measures presented are not a substitute for IFRS measures.

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TRUE TRANSLATION FROM THE ORIGINAL IN GREEK

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Piraeus Financial Holdings S.A.

Report on the Audit of the Separate and Consolidated Financial Statements

Opinion

We have audited the accompanying separate and consolidated financial statements of Piraeus Financial Holdings S.A. (the Company), which comprise the separate and consolidated statement of financial position as at 31 December 2022, and the separate and consolidated statements of income and comprehensive income, changes in equity and cash flows for the year then ended, including a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the separate and consolidated financial position of Piraeus Financial Holdings S.A. and its subsidiaries (the Group) as at 31 December 2022 and its separate and consolidated financial performance and its separate and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), as endorsed by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as they have been incorporated into the Greek legislation. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Separate and Consolidated Financial Statements" section of our report. We have been independent of the Company and the Group during the whole period of our appointment, in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), as incorporated into the Greek legislation and the ethical requirements in Greece, relevant to the audit of the separate and consolidated financial statements. We have fulfilled our ethical requirements in accordance with the applicable legislation and the abovementioned Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the separate and consolidated financial statements of the current year. These matters and the assessed risks of material misstatements were addressed in the context of our audit of the separate and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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<table>
<tr><th>Key audit matters</th><th>How our audit addressed the Key audit matters</th></tr>
<tr><td colspan="2">Allowance for expected credit losses (ECL) for loans and advances to customers at amortized cost</td></tr>
<tr><td>Loans and advances to customers at amortized cost of the Group amounted to 37,367 million as at 31 December 2022, (€ 36,521 million as at 31 December 2021) and allowance for expected credit losses amounted to € 1,385 million, as at 31 December 2022 (€ 1,864 as at 31 December 2021).

Measurement of ECL on loans at amortized cost is considered a key audit matter as the determination of assumptions used especially for Retail and Corporate loans involves critical Management judgments and accounting estimates with inherent risk, high level of subjectivity, and complexity.

The most significant Management judgements and accounting estimates, relate to:

• The timely identification of exposures with significant increase in credit risk and credit impaired exposures

• The determination of credit risk parameters, such as Loss Given Default (LGD), Probability of Default (PD) and the Exposure at Default (EAD) as well as the modelling assumptions and data used to build and run the credit risk models (“models”).

• Assumptions of expected future cash flows of individually assessed credit impaired exposures, including assessment approach, valuation of collaterals, and the time to liquidate the collaterals.

•The inputs and the assumptions used to determine the macroeconomic factors, the scenarios and scenario weights used to estimate the impact of the multiple economic scenarios.

• The Identification and valuation of post model adjustments made by Management to include any impact not captured by the models.

Management has provided further information about principles and accounting policies for determining the ECL on loans and advances to customers at amortized cost and management of credit risk in Notes 2.4.18, 3.1, 3.2, 4.1, 4.2, 4.3, 4.4 and 23 to the consolidated financial statements.</td><td>Based on our risk assessment and following a risk-based approach, we have evaluated the impairment methodologies applied and assumptions made by Management in relation to this key audit matter, and we performed, inter alia, the following audit procedures:

• With the support of our financial risk modelling specialists where appropriate, we assessed the design and implementation of relevant internal controls over the ECL estimate including the controls around:
- the incorporation of the model’s outcome within the relevant systems and the calculation of the ECL estimate
- the significant assumptions used in the ECL models
- model monitoring and model validation
- governance and review of post model adjustments
- the determination of staging criteria and staging allocation
- the selection of macro-economic scenarios and probability weightings.
- accuracy and completeness of data used in the credit risk models.

• We assessed the design and tested the operating effectiveness of relevant controls over the ECL measurement of credit impaired loans assessed on an individual basis which included the controls around the determination of the appropriate approach and the controls around the estimation of the expected future cash flows.

• With the support of our financial risk modelling specialists we:

- assessed the appropriateness of the Group’s IFRS9 impairment methodologies,
- assessed the appropriateness of the criteria used to allocate loans to stages in accordance with IFRS9. On a sample basis tested the timely identification of exposures with significant increase in credit risk and credit impaired exposures,

- inspected model code and reperforming the calculation of certain components of the credit risk models (including stage allocation),
- assessed the methodology, the reasonableness and appropriateness of the macroeconomic variables, scenarios and weightings used in the models and compared them to macroeconomic variables included in a variety of external market sources.

• We further performed substantive procedures to test the accuracy and completeness of critical data used in the models by agreeing a sample of ECL calculation data points to relevant systems or documentation.

• On a sample basis we assessed whether, the approach used in the measurement of impairment for the individually assessed credit impaired exposures is appropriate, and we tested the reasonableness of</td></tr>
</table>

	significant assumptions used, including valuation of collaterals (where we also made use of our real estate specialists), time to liquidate collaterals, and the estimation of the discounted future cash flows. • We evaluated the post model adjustments, made by Management at year end in response to current economic conditions. Given the complexity and granularity of the related disclosures, we further assessed their completeness and accuracy in accordance with the provisions of the relevant accounting standards.

Key audit matters	How our audit addressed the Key audit matters
Recoverability of Deferred Tax Asset (DTA)	
The Group has recognized deferred tax assets of €5,974 million as at 31 December 2022, (€ 6,070 million as at 31 December 2021). The recognition and measurement of the deferred tax asset is considered a key audit matter as it involves a high degree of judgment in making estimates relating to the existence of future taxable profits, which are complex and subjective due to their forward-looking nature. The most significant estimates and areas with increased level of management judgement include: - The Revenue, ECL and Cost forecasts included in the annual budget and the three-year business plan. - Forward looking information and Management projections used to extend the period covered under the 3-year business plan to the time when the deferred tax asset can be utilized for tax purposes. - Adjustments required for the conversion of accounting profits to taxable profits. Management has provided further information about the deferred tax asset in Notes 2.4.32, 3.2, 4.17, 16 and 39 to the consolidated financial statements.	Based on our risk assessment, we evaluated the method used to determine the amount of deferred tax asset recognized and examined the budgets prepared and significant assumptions made by Management relating to the future taxable profits. Our examination included, inter alia the following audit procedures: • We assessed the design and implementation of the relevant internal controls over the preparation and approval of budgets and forecasts, including the internal controls over the significant assumptions, inputs, calculation and methodologies used for this purpose. • We compared previous budgets to actual results, to evaluate the forecasting ability of Management. • We compared the significant assumptions used by Management in the deferred tax asset recoverability exercise with the approved budget and the 3-year business plan for consistency and performed a sensitivity analysis. • We assessed whether significant assumptions used beyond the business plan period were reasonable in the context of the long-term economic outlook. • We assessed the appropriateness of the adjustments made by Management to convert anticipated accounting profits into taxable profits, considering the tax legislation currently in force. We evaluated the adequacy of the disclosures in the financial statements including the appropriateness of the assumptions disclosed.
Carrying value of Investment in Piraeus Bank (Company only)	
The Company' Investment in Subsidiaries amount to €5,558 million as at 31 December 2022, (€ 5,539 million as at 31 December 2021). Investment in subsidiaries is presented at cost in the Company financial statements unless there are indicators of impairment, in which case it is presented at cost less impairment. Management estimated the recoverable amount in its investment in Piraeus Bank S.A. using the Value in Use ("VIU") which is higher than the fair value less cost to sell. Management's assessment resulted in a carrying value of €5,504 million as at 31 December 2022 (€ 5,504 million as at 31 December 2021). The calculation of VIU is dependent on certain key assumptions around the future cash flows which have been forecasted using the Group's 3-year business plan, the discount rates and the terminal growth rates. These assumptions are judgmental and require management to make estimates which are subjective due to their forward-looking nature. The most significant estimates and areas with greater level of management judgement include: - The Revenue, ECL and Cost forecasts - Regulatory capital requirements	Based on our risk assessment, we evaluated the methodology applied and assumptions made by Management in relation to this key audit matter, and we performed, inter alia, the following audit procedures: • We assessed the design and evaluated the implementation of the relevant internal controls over the preparation and review of the forecasts, and the significant assumptions, the inputs, the methodology and the calculations, used in the VIU model. • We compared previous budgets to actual results, to evaluate the forecasting ability of Management. • We evaluate the reasonableness of certain key assumptions and considerations made when developing the estimated future cash flows. • With the assistance of our fair valuation specialists we

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- Long term growth rates and - Discount rates Management has provided further information in Notes 3.2 and 26 to the financial statements.	evaluated the appropriatness of the discount rate and of the terminal growth rate used • Assessed whether the methodology over management's calculation of the VIU is compliant with the requirements of the IFRS. We evaluated the adequacy of the disclosures in the financial statements including the appropriateness of the assumptions disclosed.

Information Technology General Controls and controls over financial reporting	
The Group's financial reporting processes are highly dependent on Information Technology ("IT") systems supporting automated accounting and reconciliation procedures, thus leading to a complex IT environment, pervasive in nature and in which a significant number of transactions are processed daily, across numerous locations. This is a key audit matter since it is important that controls over access security, cyber risks, system change control and datacenter and network operations, are designed and operate effectively to ensure complete and accurate financial records and information. Management has provided further information about General Information Technology Controls under the header "Internal Control System and Risk Management" and "Other Governance Issues" in Section C of the Corporate Governance Statement for the year 2022	Based on our risk assessment, we have tested the design and operating effectiveness of General Information Technology Controls (GITCs) relevant for financial reporting. Our assessment included the evaluation of user access over applications, operating systems and databases, the process followed over changes made to information systems, as well as the evaluation of datacenter and network IT operations. In summary, our key audit activities included, among others, testing of: - User access provisioning and de provisioning process. - Privileged access to applications, operating systems and databases. - Periodic review of user access rights. - Change management process over applications, operating systems and databases (i.e. user request, user acceptance testing and final approval for promotion to production). - Datacenter and network operations.

Other Information

Management is responsible for the other information. The other information, included in the Annual Financial Report prepared in accordance with Law 3556/2007, comprises the Board of Directors' Annual Report, referred to in the section "Report on Other Legal and Regulatory Requirements", the Statement by the Members of the Board of Directors, the Explanatory Report of the Board of Directors and the Corporate Governance Statement but does not include the separate and consolidated financial statements and our auditor's report thereon.

Our opinion on the separate and consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the separate and consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate and consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement in this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the separate and consolidated financial statements

Management is responsible for the preparation and fair presentation of the separate and consolidated financial statements in accordance with IFRSs, as endorsed by the European Union, and for such internal control as Management determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate and consolidated financial statements, Management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company and the Group or to cease operations, or has no realistic alternative but to do so.

The Audit Committee (article 44 of Law 4449/2017) of the Company is responsible for overseeing the Company's and Group's financial reporting process.

Auditor's Responsibilities for the audit of the separate and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the separate and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs, as these have been incorporated into Greek legislation, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate and consolidated financial statements.

As part of an audit in accordance with ISAs, as these have been incorporated into Greek legislation, we exercise professional judgment and maintain professional scepticism throughout the audit.
We also:

- Identify and assess the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the separate and consolidated financial statements. We are responsible for the direction, supervision and performance of the Company and the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to impair our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate and consolidated financial statements of the current year and are therefore the key audit matters.

Report on Other Legal and Regulatory Requirements

1) Board of Directors' Annual Report

Taking into consideration that Management is responsible for the preparation of the Board of Directors' Annual Management report which also includes the Corporate Governance Statement, according to the provisions of paragraph 5 of article 2 of Law 4336/2015 (part B) we note the following:

a) The Board of Directors' report includes the Corporate Governance Statement which provides the information required by article 152 of Law 4548/2018.
b) In our opinion, the Board of Directors' report has been prepared in accordance with the applicable legal requirements of articles 150 - 151 and 153 - 154 and paragraph 1 (cases c and d) of article 152 of Law 4548/2018 and its content is consistent with the accompanying separate and consolidated financial statements for the year ended 31 December 2022.
c) Based on the knowledge we obtained during our audit of the Company and the Group and its environment, we have not identified any material inconsistencies in the Board of Directors' Annual Report.

2) Additional Report to the Audit Committee

Our audit opinion on the separate and consolidated financial statements is consistent with the additional report to the Audit Committee of the Company referred to in Article 11 of the European Union (EU) Regulation 537/2014.

3) Non-audit Services

We have not provided to the Company and the Group any prohibited non-audit services referred to in Article 5 of EU Regulation 537/2014.
The allowed non-audit services provided to the Company and the Group, during the year ended 31 December 2022 have been disclosed in Note 49 to the separate and consolidated financial statements.

4) Appointment

We were appointed as statutory auditors for the first time by the Annual General Assembly of shareholders of the Company (former Piraeus Bank S.A.) on 28 June 2017. Our appointment has been, since then, uninterrupted renewed by the Annual General Assembly of shareholders of the Company for 6 consecutive years.

5) Internal Regulation

The Company retains an Internal Regulation according to the provisions of article 14 of Law 4706/2020.

6) Assurance Report on European Single Electronic Format reporting

We have examined the digital file of Piraeus Financial Holdings S.A. (hereinafter the Company or/and the Group), prepared in accordance with the European Single Electronic Format (ESEF), defined by the Commission Delegated EU Regulation 2019/815 as amended by EU Regulation 2020/1989 ("ESEF Regulation"), which include the separate and consolidated financial statements of the Company and the Group for the year ended 31 December 2022 in XHTML format as well as the XBRL file (M6AD1Y1KW32H8THQ6F76-2022-12-31-el.zip) with the appropriate tagging on these consolidated financial statements, including the explanatory notes (Notes in the financial statements).

Regulatory Framework

The ESEF digital files are prepared in accordance with the ESEF Regulation, and the Interpretation Announcement 2020/C 379/01 of the European Commission dated 10 November 2020, as provided by L.3556/2007 and the relevant announcements of the Hellenic Capital Market Commission and the Athens Stock Exchange (the "ESEF Regulatory Framework"). In summary this Regulatory Framework includes, inter alia, the following requirements:

- Annual financial statements shall be prepared in XHTML format
- In regards to the consolidated financial statements prepared in accordance with International Financial Reporting Standards, financial information included in the consolidated Balance Sheet, Income statement and total comprehensive income, statement of changes in equity and statement of cash flows as well as financial information included in the explanatory notes shall be tagged with XBRL mark-up ("XBRL tags" and "block tag") in accordance with ESEF Taxonomy, as currently in force. The technical specifications of ESEF, including the related taxonomy, are included in ESEF Regulatory Technical Standards.

Regulatory requirements included in ESEF Regulatory Framework consist an appropriate basis for the purpose of expressing a conclusion that provides reasonable assurance.

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and submission of these separate and consolidated financial statements of the Company and the Group for the year ended 31 December 2022, in accordance with the requirements set by the ESEF Regulatory Framework and for such internal controls that Management determine are necessary to enable the preparation of the digital files that are free from material misstatement, whether due to fraud or error.

Auditor's responsibilities

Our responsibility is to design and perform this assurance procedure in accordance with the decision 214/4/11-02-2022 of the board of Hellenic Accounting and Auditing Oversight Board (HAASOB) and the "Guidelines in connection with the procedures and the assurance report of the certified auditors on the ESEF reported of Issuers with listed shares in the Hellenic capital market" dated 14/02/2022 as issued by the Institute of Certified Public Accountants (the "ESEF Guidelines") in order to obtain reasonable assurance about whether the separate and consolidated financial statements of the Company and the Group, prepared by Management in accordance with ESEF, comply in all material respects with the ESEF Regulatory Framework, as currently in force.

In conducting this work, we have complied with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), as incorporated into the Greek legislation and additionally we have complied with ethical requirements regarding independence, in accordance with Law 4449/2017 and EU Regulation No 537/2014.

The assurance work performed, is limited to the items included in the ESEF Guidelines and has been performed in accordance with the International Standard on Assurance Engagements 3000 "Assurance engagements other than audits or review of historical financial information". Reasonable assurance is a high level of assurance but is not a guarantee that this work will always detect a material misstatement when it exists relating to the compliance with the requirements of ESEF Regulatory Framework.

Deloitte.

Conclusion

Based on the procedures performed and the evidence obtained, we conclude that the separate and the consolidated financial statements of the Company and the Group for the year ended 31 December 2022 prepared in XHTML format as well as the XBRL file (M6AD1Y1KW32H8THQ6F76-2022-12-31-el.zip) with the appropriate tagging on these consolidated financial statements, including the explanatory notes, are prepared in all material respects in accordance with the requirements of ESEF Regulatory Framework.

Athens, 20 March 2023

The Certified Public Accountant

Alexandra V. Kostara
Reg. No. SOEL: 19981
Deloitte Certified Public Accountants S.A.
3a Fragoklissias & Granikou Str.
151 25 Maroussi
Reg. No. SOEL: E120

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Income Statement

€ Million	Note	Group Year ended 31/12/2022	Group Year ended 31/12/2021 As reclassified	Company Year ended 31/12/2022	Company Year ended 31/12/2021 As reclassified
CONTINUING OPERATIONS					
Interest and similar income	6	1,691	1,785	106	160
Interest expense and similar charges	6	(339)	(375)	(69)	(78)
NET INTEREST INCOME		**1,353**	**1,410**	**37**	**82**
Fee and commission income	7	508	498	44	43
Fee and commission expense	7	(87)	(106)	(30)	(36)
NET FEE AND COMMISSION INCOME		**421**	**392**	**14**	**7**
Income from non-banking activities	8	64	40	-	-
Dividend income	47.2	2	3	53	26
Net gains/ (losses) from financial instruments measured at fair value through profit or loss ("FVTPL")	9	359	85	(8)	(1)
Net gains/ (losses) from financial instruments measured at fair value through other comprehensive income ("FVTOCI")	10	111	87	-	-
Net gains/ (losses) from derecognition of financial instruments measured at amortised cost		(34)	326	-	-
Net gains/ (losses) from loss of control over subsidiaries/ disposal of associates and joint ventures	26	278	184	-	-
Net other income/ (expenses)	11	29	(3)	(1)	(3)
TOTAL NET INCOME		**2,582**	**2,523**	**94**	**111**
Staff costs	12	(446)	(405)	(3)	(3)
Administrative expenses	13	(337)	(377)	(5)	(15)
Depreciation and amortisation	27, 28	(106)	(110)	-	-
Net gain/ (losses) from sale of property and equipment and intangible assets		(1)	-	-	-
TOTAL OPERATING EXPENSES		**(889)**	**(892)**	**(8)**	**(18)**
PROFIT/ (LOSS) BEFORE PROVISIONS, IMPAIRMENT AND OTHER CREDIT-RISK RELATED EXPENSES		**1,693**	**1,631**	**86**	**94**
ECL impairment (losses)/releases on loans and advances to customers at amortised cost	4	(472)	(4,131)	11	(1,518)
Other credit-risk related expenses on loans and advances to customers at amortised cost	15	(142)	(153)	-	(11)
Impairment (losses)/releases on other assets	31	(47)	2	-	(10)
ECL impairment (losses)/ releases on debt securities measured at FVTOCI	44	-	(11)	-	-
Impairment on subsidiaries and associates	26	(2)	(23)	-	(1,597)
Impairment of property and equipment and intangible assets	27, 28	(4)	(13)	-	-
Impairment on debt securities at amortised cost		(4)	(19)	6	(4)
Other provision (charges)/ releases	37	(13)	8	-	-
Share of profit/ (loss) of associates and joint ventures	26	29	18	-	-
PROFIT/ (LOSS) BEFORE INCOME TAX		**1,037**	**(2,691)**	**103**	**(3,046)**
Income tax benefit/ (expense)	16	(140)	(316)	-	-
PROFIT/ (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS		**897**	**(3,007)**	**103**	**(3,046)**
DISCONTINUED OPERATIONS					
Profit/ (loss) after income tax from discontinued operations	14	51	(7)	-	-
PROFIT/ (LOSS) FOR THE PERIOD		**948**	**(3,014)**	**103**	**(3,046)**
From continuing operations					
Profit/ (loss) attributable to the equity holders of the parent		899	(3,007)	-	-
Non controlling interest		(2)	(1)	-	-
From discontinued operations					
Profit/ (loss) attributable to the equity holders of the parent		51	(7)	-	-
Non controlling interest		-	-	-	-
Earnings/ (losses) per share attributable to the equity holders of the parent (in €):					
From continuing operations					
- Basic & Diluted	17	0.72	(3.50)	-	-
From discontinued operations					
- Basic & Diluted	17	0.04	(0.01)	-	-
Total					
- Basic & Diluted	17	0.76	(3.51)	-	-

The notes on pages 123 to 342 form an integral part of the Financial Statements

Statement of Comprehensive Income

€ Million	Note	Group		Company	
		Year ended		Year ended	
		31/12/2022	31/12/2021	31/12/2022	31/12/2021
CONTINUING OPERATIONS					
Profit/ (loss) for the year (A)		**897**	**(3,007)**	**103**	**(3,046)**
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	18	(129)	(105)	-	-
Change in currency translation reserve	18	(9)	5	-	-
Items that will not be reclassified subsequently to profit or loss					
Change in reserve from equity instruments measured at FVTOCI	18	23	(32)	-	-
Change in property revaluation reserve	18	7	-	-	-
Change in reserve of actuarial gains/ (losses)	18	7	-	-	-
Other comprehensive expense, net of tax (B)	18	**(101)**	**(132)**	**-**	**-**
Total comprehensive income/ (expense), net of tax (A)+(B)		**796**	**(3,140)**	**103**	**(3,046)**
- Attributable to the equity holders of the parent		798	(3,139)	-	-
- Non controlling interest		(2)	(1)	-	-
DISCONTINUED OPERATIONS					
Profit/ (loss) for the year		**51**	**(7)**	**-**	**-**
Total comprehensive income/ (expense), net of tax		**51**	**(7)**	**-**	**-**
- Attributable to the equity holders of the parent		51	(7)	-	-
- Non controlling interest		-	-	-	-

Statement of Financial Position

€ Million	Note	Group 31/12/2022	Group 31/12/2021	Company 31/12/2022	Company 31/12/2021
ASSETS					
Cash and balances with Central Banks	19	9,653	15,519	-	-
Due from banks	20	750	1,344	45	50
Financial assets at FVTPL	22	548	906	-	-
Financial assets mandatorily measured at FVTPL	22	182	205	-	9
Derivative financial instruments	21	1,830	591	-	-
Reverse repos with customers		-	-	-	-
Loans and advances to customers at amortised cost	23	37,367	36,521	-	-
Loans and advances to customers mandatorily measured at FVTPL		52	77	-	26
Financial assets measured at FVTOCI	24	897	2,366	2	-
Debt securities at amortised cost	25	10,844	9,200	796	757
Investment property	29	1,522	1,041	-	-
Investments in subsidiaries	26	-	-	5,558	5,539
Investments in associated undertakings and joint ventures	26	1,023	630	-	-
Property and equipment	28	728	890	1	-
Intangible assets	27	312	267	-	-
Tax receivables	38	145	160	12	20
Deferred tax assets	39	5,974	6,070	-	-
Other assets	31	3,427	3,453	44	26
Assets held for sale	30	406	435	-	-
Assets from discontinued operations	14	-	114	-	-
TOTAL ASSETS		**75,661**	**79,789**	**6,457**	**6,428**
LIABILITIES					
Due to banks	32	6,922	14,865	-	-
Due to customers	33	58,372	55,442	-	-
Derivative financial instruments	21	656	393	-	-
Debt securities in issue	34	849	971	-	-
Other borrowed funds	35	937	935	936	934
Current income tax liabilities		7	5	-	-
Deferred tax liabilities	39	10	10	-	1
Retirement and termination benefit obligations	40	55	75	-	-
Provisions	37	123	136	-	-
Liabilities held for sale		2	3	-	-
Other liabilities	36	1,147	1,124	55	54
Liabilities from discontinued operations	14	-	28	-	-
TOTAL LIABILITIES		**69,080**	**73,987**	**992**	**989**
EQUITY					
Share capital	43	1,163	1,188	1,163	1,188
Share premium	43	3,555	18,112	3,555	18,112
Other equity instruments		600	600	600	600
Less: Treasury shares	43	-	(2)	-	-
Other reserves and retained earnings	44	1,235	(14,110)	147	(14,460)
Capital and reserves attributable to the equity holders of the parent		**6,553**	**5,788**	**5,465**	**5,439**
Non controlling interest		28	15	-	-
TOTAL EQUITY		**6,581**	**5,803**	**5,465**	**5,439**
TOTAL LIABILITIES AND EQUITY		**75,661**	**79,789**	**6,457**	**6,428**

Statement of Changes in Equity

Group		Attributable to equity shareholders of the parent entity													
€ Million	Note	Share Capital	Share Premium	Contingent Convertible Bonds	Other equity instruments	Treasury shares	Currency Translation Reserve	Reserve from financial assets at FVTOCI	Property revaluation reserve	Other reserves	Non-taxed reserves	Retained earnings	Total	Non controlling interest	Total
Opening balance as at 1/1/2021		**2,620**	**13,075**	**2,040**	**-**	**(1)**	**(59)**	**281**	**-**	**115**	**-**	**(10,980)**	**7,091**	**106**	**7,197**
Reclassification due to change in the presentation of non-taxed reserves [1]		-	-	-	-	-	-	-	-	-	351	(351)	-	-	-
Opening balance as at 1/1/2021 (as reclassified) [1]		**2,620**	**13,075**	**2,040**	**-**	**(1)**	**(59)**	**281**	**-**	**115**	**351**	**(11,331)**	**7,091**	**106**	**7,197**
Other comprehensive income/ (expense), net of tax	18	-	-	-	-	-	5	(137)	-	-	-	-	(132)	-	(132)
Loss, net of tax for the year		-	-	-	-	-	-	-	-	-	-	(3,014)	(3,014)	(1)	(3,014)
Total comprehensive income/ (expense) for the year		**-**	**-**	**-**	**-**	**-**	**5**	**(137)**	**-**	**-**	**-**	**(3,014)**	**(3,146)**	**(1)**	**(3,147)**
Conversion of Cocos into ordinary shares		2,366	-	(2,040)	-	-	-	-	-	-	-	(353)	(27)	-	(27)
Share capital increase, net of issue costs		1,200	101	-	-	-	-	-	-	-	-	-	1,301	-	1,301
Reduction of par value per share		(4,936)	4,936	-	-	-	-	-	-	-	-	-	-	-	-
Share capital decrease in kind		(63)	-	-	-	-	-	-	-	-	-	-	(63)	-	(63)
AT1 capital instrument, net of issue costs		-	-	-	600	-	-	-	-	-	-	(8)	592	-	592
Payment to the holders of AT1 capital instrument		-	-	-	-	-	-	-	-	-	-	(26)	(26)	-	(26)
(Purchases)/ sales of treasury shares		-	-	-	-	(1)	-	-	-	-	-	(0)	(1)	-	(1)
Transfer between reserves and retained earnings		-	-	-	-	-	-	-	-	1	-	(1)	-	-	-
Transfer of the accumulated reserve from equity securities measured at FVTOCI to retained earnings upon disposal		-	-	-	-	-	-	-	-	-	-	62	62	-	62
Disposals and movements in participating interests		-	-	-	-	-	-	-	-	2	-	3	5	(90)	(86)
Balance as at 31/12/2021		**1,188**	**18,112**	**-**	**600**	**(2)**	**(54)**	**144**	**-**	**118**	**351**	**(14,669)**	**5,787**	**15**	**5,803**
Opening balance as at 1/1/2022		**1,188**	**18,112**	**-**	**600**	**(2)**	**(54)**	**144**	**-**	**118**	**351**	**(14,669)**	**5,787**	**15**	**5,803**
Other comprehensive income/(expense), net of tax	18	-	-	-	-	-	(9)	(106)	7	-	-	7	(101)	-	(101)
Profit/ (loss), net of tax for the year		-	-	-	-	-	-	-	-	-	-	949	949	(2)	948
Total comprehensive income/ (expense) for the year		**-**	**-**	**-**	**-**	**-**	**(9)**	**(106)**	**7**	**-**	**-**	**956**	**849**	**(2)**	**847**
Share capital decrease in kind	43	(25)	-	-	-	-	-	-	-	-	-	-	(25)	-	(25)
Offset of share premium by writing-off accumulated losses	43	-	(14,557)	-	-	-	-	-	-	-	-	14,557	-	-	-
Payment to the holders of AT1 capital instrument		-	-	-	-	-	-	-	-	-	-	(53)	(53)	-	(53)
(Purchases)/ sales of treasury shares		-	-	-	-	1	-	-	-	-	-	-	1	-	1
Transfer between reserves and retained earnings		-	-	-	-	-	-	-	-	1	-	(1)	-	-	-
Transfer of the accumulated reserve from equity securities measured at FVTOCI to retained earnings, upon disposal		-	-	-	-	-	-	-	-	-	-	(1)	(1)	-	(1)
Disposals and movements in participating interests		-	-	-	-	-	-	-	-	(1)	-	(6)	(7)	14	8
Balance as at 31/12/2022		**1,163**	**3,555**	**-**	**600**	**(0)**	**(63)**	**38**	**7**	**118**	**351**	**784**	**6,553**	**28**	**6,581**

Company € Million	Note	Share Capital	Share Premium	Contingent Convertible Bonds	Other equity instruments	Other reserves	Non-taxed reserves	Retained earnings	Total
Opening balance as at 1/1/2021		**2,620**	**13,075**	**2,040**	**-**	**96**	**-**	**(11,123)**	**6,708**
Reclassification due to change in the presentation of Non-taxed reserves [1]		-		-	-	-	351	(351)	-
Opening balance as at 1/1/2021 (as reclassified) [1]		**2,620**	**13,075**	**2,040**	**-**	**96**	**351**	**(11,474)**	**6,708**
Loss, net of tax for the year		-	-	-	-	-	-	(3,046)	(3,046)
Total comprehensive expense for the year		**-**	**-**	**-**	**-**	**-**	**-**	**(3,046)**	**(3,046)**
Conversion of CoCos into ordinary shares		2,366	-	(2,040)	-	-	-	(353)	(27)
Share capital increase, net of issue costs		1,200	101	-	-	-	-	-	1,301
Reduction of par value per share		(4,936)	4,936	-	-	-	-	-	-
Share capital decrease in kind		(63)	-	-	-	-	-	-	(63)
AT1 capital instrument, net of issue costs		-	-	-	600	-	-	(8)	592
Payment to the holders of AT1 capital instrument		-	-	-	-	-	-	(26)	(26)
Balance as at 31/12/2021		**1,188**	**18,112**	**-**	**600**	**96**	**351**	**(14,908)**	**5,439**
Opening balance as at 1/1/2022		**1,188**	**18,112**	**-**	**600**	**96**	**351**	**(14,908)**	**5,439**
Profit, net of tax for the year		-	-	-	-	-	-	103	103
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**-**	**-**	**103**	**103**
Share capital decrease in kind	43	(25)	-	-	-	-	-	-	(25)
Offset of Share premium by writing-off accumulated losses	43	-	(14,557)	-	-	-	-	14,557	-
Payment to the holders of AT1 capital instrument		-	-	-	-	-	-	(53)	(53)
Balance as at 31/12/2022		**1,163**	**3,555**	**-**	**600**	**96**	**351**	**(301)**	**5,465**

(1) As of 31 December 2022, the Group and the Company have proceeded to the change in the presentation of certain types of reserves, after taking into account their nature and purpose in accordance with the applicable legal and tax framework in Greece. In particular, reserves of € 351 million mainly relating to dividends and gains from the sale of participations, which were previously included within retained earnings, are presented in category "Non-taxed reserves". Comparative information has been reclassified in order to align with the aforementioned changes in the presentation of non-taxed reserves and retained earnings.

Cash Flow Statement

€ Million	Note	Group Year ended 31/12/2022	Group Year ended 31/12/2021 As reclassified	Company Year ended 31/12/2022	Company Year ended 31/12/2021 As reclassified
Cash flows from operating activities					
Profit/ (Loss) before income tax		1,087	(2,697)	103	(3,046)
Adjustments to profit/ (loss) before income tax:					
Add: provisions and impairment		544	4,189	(17)	3,129
Add: depreciation and amortisation charge		108	114	-	-
Add: retirement benefits and cost of voluntary exit scheme	12	62	29	-	1
Net (gain)/ losses from valuation of financial instruments measured at FVTPL		381	(15)	1	1
Net (gain)/ losses from financial instruments measured at FVTOCI		(111)	(87)	-	-
(Gains)/ losses from investing activities		(401)	(210)	(53)	(26)
Accrued interest from investing and financing activities		71	35	69	77
Cash flows from operating activities before changes in operating assets and liabilities		1,742	1,359	104	135
Changes in operating assets and liabilities:					
Net (increase)/ decrease in cash and balances with Central Banks		(568)	(1)	-	-
Net (increase)/ decrease in financial instruments measured at FVTPL		403	(353)	-	-
Net (increase)/ decrease in financial assets mandatorily measured at FVTPL		12	(38)	7	(4)
Net (increase)/ decrease in debt securities at amortised cost		(2,328)	(4,443)	(32)	(65)
Net (increase)/ decrease in amounts due from banks		655	(171)	-	-
Net (increase)/ decrease in loans and advances to customers		(1,773)	(1,108)	-	(164)
Net (increase)/ decrease in reverse repos with customers		-	8	-	-
Net (increase)/ decrease in other assets		133	(159)	2	131
Net increase/ (decrease) in amounts due to banks		(8,016)	3,495	-	-
Net increase/ (decrease) in amounts due to customers		2,938	5,484	-	-
Net increase/ (decrease) in other liabilities		(92)	(69)	-	52
Net cash flow from operating activities before income tax payment		(6,893)	4,004	81	85
Income tax paid		(10)	(3)	-	-
Net cash inflow/ (outflow) from operating activities		**(6,903)**	**4,001**	**81**	**85**
Cash flows from investing activities					
Purchases of property and equipment		(98)	(79)	-	-
Proceeds from disposal of property and equipment and intangible assets		20	11	-	-
Purchases of intangible assets	27	(71)	(48)	-	-
Proceeds from disposal of assets held for sale other than loans and advances to customers		300	-	-	-
Purchases of financial assets at FVTOCI		(2,001)	(4,471)	-	-
Proceeds from disposal of financial assets at FVTOCI		2,692	4,862	-	-
Acquisition of subsidiaries net of cash and cash equivalents		(102)	2	(19)	(1,717)
Subscription of AT 1 capital instrument		-	-	-	(595)
Proceeds from disposal of subsidiaries, net of cash and cash equivalents disposed		7	26	-	-
Acquisition, establishment and participation in share capital increases of associates and joint ventures		-	(2)	-	-
Proceeds from disposal of associates		8	-	-	-
Dividends received		8	18	53	26
Net cash inflow/ (outflow) from investing activities		**763**	**319**	**33**	**(2,286)**
Cash flows from financing activities					
Expenses directly attributable to the conversion of CoCos into ordinary shares		-	(27)	-	(27)
Net proceeds from the issue of ordinary shares		-	1,301	-	1,301
Proceeds from the issue of AT 1 capital instrument		-	592	-	592
Repayment of AT 1 capital instrument		(53)	(26)	(53)	(26)
Proceeds from issue of debt securities and other borrowed funds		346	498	-	-
Repayment of debt securities and other borrowed funds		(470)	-	-	-
Interest paid on debt securities and other borrowed funds		(91)	(72)	(66)	(50)
Proceeds from sales of treasury shares		26	9	-	-
Purchases of treasury shares		(25)	(10)	-	-
Repayments of lease liabilities		(26)	(33)	-	-
Net cash inflow/ (outflow) from financing activities		**(292)**	**2,232**	**(119)**	**1,790**
Effect of exchange rate changes on cash and cash equivalents		(35)	13	-	-
Net increase/ (decrease) in cash and cash equivalents (A)		**(6,467)**	**6,565**	**(5)**	**(412)**
Cash and cash equivalents at the beginning of the year (B)		**15,868**	**9,303**	**50**	**462**
Cash and cash equivalents at the end of the year (A) + (B)	46	**9,401**	**15,868**	**45**	**50**

As of 31 December 2022, the Group has changed the presentation of proceeds from disposal of loan portfolios. In particular, proceeds of € 216 million (31 December 2021: € 254 million) have been reclassified from cash flows from investing activities (line item "Proceeds from disposal of assets held for sale"), to cash flows from operating activities (line item "Net (increase)/ decrease in loans and advances to customers").

1 General information

Piraeus Financial Holdings S.A. (hereinafter 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 Company, 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 December 2022, the headcount of the Group is 8,658 full time equivalents ("FTEs"), of which 54 FTEs refer to operations that are planned to be disposed.

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

The Board of Directors ("BoD") of Piraeus Financial Holdings S.A., on 16 March 2023, the date that the separate and consolidated financial statements of Piraeus Financial Holdings S.A. (the Company and the Group) for the period ended 31 December 2022 (the ''Annual Financial Statements") were authorized for issue, consists of the following members:

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

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

The Annual Financial Report, in accordance with the European Single Electronic Format (“ESEF”), is available on the web site of Piraeus Financial Holdings S.A. at Financial Statements & Other Information | Piraeus Financial Holdings (piraeusholdings.gr)

2 Basis of preparation and significant accounting policies

2.1 Basis of preparation

The Annual Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs"), as endorsed by the European Union (the "EU") at the time of preparing these financial statements. 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 (refer to Note 50) to conform to changes in current period's presentation.

The Annual Financial Statements have been prepared under the historical cost convention, except for financial assets held at fair value through profit or loss ("FVTPL") or at fair value through other comprehensive income ("FVTOCI") as presented in the statement of financial position and the relevant notes, derivative financial instruments and investment property, which have been measured at fair value.

The preparation of financial statements in conformity with IFRSs requires the use of critical accounting estimates and judgements that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The areas where critical judgements and estimates are significant to the Annual Financial Statements, are disclosed in Note 3.

2.2 Going concern

Conclusion

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

a) the solid economic growth in 2022, and the prospects for a sustainable rate of growth of Gross Domestic Product ("GDP") in the medium term, taking also into account the deployment of the Recovery and Resilience Facility ("RRF") funds to the Greek economy, the continued recovery of the residential and commercial real estate prices, despite of the high level of inflation and energy prices;

b) the Group's effective liquidity risk management leading to a robust liquidity position as evident by the Liquidity Coverage Ratio ("LCR") as of 31 December 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;

c) the capital adequacy of the Group, which exceeded the Overall Capital Requirement ("OCR") (refer to the Capital Adequacy section below) -including Pillar II Guidance ("P2G") - and the Minimum Requirement for own funds and Eligible Liabilities ("MREL") ratio of Piraeus Bank Group, which exceeded the Intermediate Guidance of 19.08% effective from 1 January 2023. 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;

d) the geopolitical developments, specifically the Russia / Ukraine conflict, and the Group's operations in Ukraine, which comprise a financial institution, namely JSC Piraeus Bank ICB, and investments in real estate assets which represent approximately 0.2% of the total consolidated assets of the Company as of 31 December 2022;

e) the net profit attributable to the equity holders of the parent Company, which recovered significantly in 2022 and amounted to € 899 million, compared to a loss of € 3,007 million in 2021 and the Non performing exposures ("NPE") ratio dropping to 6.8% as at 31 December 2022 from 12.7% as at 31 December 2021.

Based on the analysis performed, Management has concluded that that there are no material uncertainties which would cast significant doubt over the ability of the Group and the Company to continue to operate as a going concern for a period of 12 months from the date of approval of the Annual Financial Statements. For this reason the Group continues to adopt the going concern basis of accounting for preparing the financial statements.

Macroeconomic environment

Despite rising inflationary pressures and the strong uncertainty linked to the geopolitical developments and the energy crisis, the Greek economy grew at a solid pace in 2022, with real GDP increasing by 5.9% on an annual seasonally adjusted basis - largely driven by the positive contribution of the private consumption and investments – while the nominal GDP growth rate reached double digits at 14.5%. During the same period the unemployment rate declined further to 12.6%, down by 2.7 percentage points compared to the same period a year ago, while employment growth rate reached on average 6.6% on an annual non - seasonally adjusted basis. However, strong inflationary pressures were a key feature of 2022, both in the global markets and in Greece. In 2022, the headline national inflation (Consumer Price Index/ "CPI") reached 9.6% and the harmonized inflation ("HICP") reached 9.3%. The Greek government in order to battle the effects of inflation and support the real economy, undertook a series of fiscal interventions during the course of 2022. These took the form of subsidies of electricity consumption of households and businesses, increase of the heat allowance and extension of the eligible population, subsidies to the gas prices, and other tax cuts and subsidies for the low pensioners and weak households

Enhanced surveillance of Greece ended on 20 August 2022 and the first post-program surveillance ("PPS") report was released on 22 November 2022. In February 2023, the European Commission ("EC") released its Winter Interim Forecast which lifted the outlook for growth and slightly lowered the inflationary projections. For 2023, both the EC and the Ministry of Finance expect that inflationary pressures will remain strong - albeit less intense - and that the real GDP growth rate will decelerate. However, the EC estimates that the growth rate will rebound to 2.2% in 2024. The labor market will show resilience and the unemployment rate will remain unchanged.

	Ministry of Finance [1]		**EC** [2 3]		
	2022	**2023**	**2022**	**2023**	**2024**
Real GDP growth rate (%)	5.6	1.8	5.5	1.2	2.2
Inflation (HICP, %)	9.7	5.0	9.3	4.5	2.4
Unemployment Rate	12.7	12.6	12.6	12.6	12.1

1. Ministry of Finance, 2023 Budget introductory report, November 2022

2. Real GDP growth rate & Inflation (HICP, %) as per EC, European Economic Forecast, Winter 2023 Institutional paper 194, February 2023
3. Unemployment rate as per EC, PPS Report, Greece, Autumn 2022 institutional paper 191, November 2022

Based on the 2023 Budget introductory report the headline general government deficit (European System of Accounts/ "ESA" definition) will narrow from 7.5% of GDP in 2021 to 4.1% of GDP in 2022, which corresponds to a primary deficit of 1.6% of GDP in 2022. The headline deficit is expected to decrease further to 2.0% of GDP in 2023, bringing the primary balance to a surplus of 0.7% of GDP. The general government debt to GDP ratio is expected to fall sharply from 194.5% of GDP in 2021 to 168.9% of GDP in 2022, and to remain on a downward trajectory (159.3% of GDP in 2023), supported by the nominal GDP growth rate and the move into a primary surplus position in 2023.

The implementation of the RRF plan, both for its grant component, as well as the private-sector investments through the loan facility, is a key factor for the sustainable growth potentials. Greece stands to benefit from a total envelope of € 30.16 billion (€ 17.43 billion in grants and € 12.73 billion in loans) under the RRF, 25% of which have already been disbursed in pre-financing and the first regular instalment in April 2022[1]. On 25 November 2022 the EC endorsed a positive preliminary assessment of Greece's second payment request from RRF for € 3.6 billion, submitted at end-September [2.]

The main risk factors affecting the developments of the Greek economy, the domestic banking sector in general and the Group in particular related to the ongoing impacts of geopolitical challenges and Russia's war against Ukraine, the deterioration of supply and demand imbalances, the turmoil in global energy markets and the maintenance of high inflationary pressures resulting in lower purchasing power, the volatility of the supply chain and the uncertainty in markets, as well as delays in policy decisions during the Greek election period.

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

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

Liquidity

As at 31 December 2022, Group's deposits increased by 5.3% compared to 31 December 2021, to € 58.4 billion, mainly due to the significant increase of private sector deposits.

The ECB's Governing Council decided to its meetings held in July, September, October, and December 2022 and again in January 2023 to raise the key ECB interest rates by 50, 75, 75, 50 and 50 basis points, respectively. As a result, the main refinancing

[1] European Commission, PPS Report, Greece, Autumn 2022 institutional paper 191, November 2022

[2] https://ec.europa.eu/commission/presscorner/detail/en/ip_22_7150

rate currently stands at 3.00% and the Deposit Facility Rate ("DFR") at 2.50%. This recent development has the potential of adversely affecting cost of funding.

In 2020, as a response to Covid-19 pandemic's effects on the European economy, the ECB announced easing off the conditions for Targeted Longer Term Refinancing Operations ("TLTRO"), in order to leverage its use by credit institutions. The Group, between 2019 and 2022, has drawn an amount of € 14.5 billion of TLTRO funding. During 2022, the Group repaid an amount of € 9 billion of TLTRO funding, out of the previously outstanding amount of € 14.5 billion, an action that did not affect the Group's LCR. As of 31 December 2022, the Group's funding under TLTRO auctions amounted to € 5.5 billion. Funding from the interbank market stood at € 0.3 billion as at 31 December 2022, stable compared to 31 December 2021.

Regarding the maturity profile of the aforementioned TLTRO funding, an amount of € 2.0 billion matures in 2023 and the rest in 2024. The Group has the capacity to repay the upcoming TLTRO maturities due to the ample position of € 9.7 billion in cash and balances with central banks.

The Group's balance sheet deleveraging, coupled with the medium-term customer deposits restoration trend, alongside the active markets access through Tier 2 issuances (in 2019 and early 2020), as well as Additional Tier 1 ("AT1") Capital instrument, a Green Senior Preferred Bond issued in 2021 and a Senior Preferred Bond issued in November 2022, improved the Group's funding mix, and increased its high-quality liquid assets ("HQLA") buffer. As at 31 December 2022, the Group's LCR stood at 201% (thus, almost double than the regulatory requirement of 100%).

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

Capital adequacy

The Group's Basel III Common Equity Tier 1 ("CET1") ratio as at 31 December 2022 stood at 13.04%, while the total regulatory capital ratio (TCR) stood at 17.82% as at the same date. The Group's fully loaded CET1 and TCR ratios stood at 11.54% and 16.40%, respectively as at 31 December 2022.

Following the conclusion of the Supervisory Review and Evaluation Process ("SREP"), the ECB informed the Group of its OCR, valid for 2023. According to the decision, the Group would have to maintain an OCR of 14.50%, 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 1.00% under Greek Law 4261/2014.

Refer to Note 4.16 for further details on the Group's capital adequacy.

2.3 Adoption of International Financial Reporting Standards

The following amendments and annual improvements to existing IFRSs, effective from 1 January 2022, have been issued by the International Accounting Standards Board ("IASB") and endorsed by the EU as of the date the Annual Financial Statements were issued.

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 any material impact on the Group and the Company's annual financial statements.

Amendments to standards that have been issued by the IASB and have been endorsed by the EU, but they are not effective in 2022 nor have they been early adopted by the Group and the Company:

IAS 1 (Amendment) "Presentation of Financial Statements" and IFRS Practice Statement 2: Disclosure of Accounting Policies. The amendments to IAS 1 require companies to disclose their material accounting policy information rather than their significant accounting policies. The amendments to IFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures.

IAS 8 (Amendment) "Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates". The amendment introduces the definition of accounting estimates and includes other amendments to IAS 8 to help entities distinguish changes in accounting estimates from changes in accounting policies.

IAS 12 (Amendment) "Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction". The amendment is applied to transactions that occur on or after the beginning of the earliest comparative period presented. It also, at the beginning of the earliest comparative period presented, recognizes deferred tax for all temporary differences related to leases and decommissioning obligations and recognizes the cumulative effect of initially applying the amendment as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date.

The Group and the Company have not early adopted the above amendments, however it is not expected any material impact on the Group and the Company's financial statements.

Amendments to standards that have been issued by the IASB but they have not yet been endorsed by the EU, and therefore they have not been adopted by the Group and the Company:

IAS 1 (Amendment) "Classification of Liabilities as Current or Non-current". The amendment aims to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

2.4 Significant accounting policies

2.4.1 Consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries (including structured entities), which are entities controlled by the Company. Control is achieved, if and only if, the Company has: a) power over the subsidiaries b) exposure, or rights to variable returns from its involvement with the subsidiaries and c) the ability to use its power over the subsidiaries to affect Company's returns.

Income and expenses and other comprehensive income of subsidiaries acquired or disposed of during the year are included in the consolidated income statement and in the consolidated statement of comprehensive income, respectively, from the effective date of acquisition and up to the effective date of disposal, as appropriate. Profit/ (loss) for the period and total comprehensive income/ (expense) of subsidiaries are attributed to the owners of the Company and to the non-controlling interests, even if these results in the non-controlling interests are of a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those adopted by the Group. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

2.4.2 Intragroup distributions in kind by the distributing entity

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

2.4.3 Non-controlling interests

Non-controlling interests are measured on the date of acquisition either at their proportionate interest of the recognised amounts of the acquirer's net assets or at fair value. The choice of measurement is made on a transaction-by-transaction basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income/ (expense) is attributed to non- controlling interests even if this results in the non-controlling interests having a deficit balance.

2.4.4 Loss of control over a subsidiary or a business

When the Group loses its control over a subsidiary or a business, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary or business disposed of, and non-controlling interests, if any. For assets of the subsidiary or business carried at fair value with the related cumulative gain or loss recognised in other comprehensive income, the amounts previously recognised in other comprehensive income are accounted for as if the Company had directly disposed of the relevant assets (i.e. reclassified to the income statement or transferred directly to retained earnings as specified by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

The Group applies IFRS 10 on contributions of subsidiaries that meet the business definition, into associates. On this basis such contributions are measured at fair value and any resulting gain or loss arising from loss of control over the former subsidiary is recognised in the income statement.

2.4.5 Associates

Associates are all entities over which the Group has significant influence, but not a controlling interest. Significant influence is generally presumed when the Group holds, directly or indirectly, more than 20% of the voting rights, unless it can be clearly demonstrated that this is not the case. The existence and effect of potential voting rights that are currently exercisable or convertible are considered in assessing whether the Group has significant influence.

Investments in associates are accounted for by applying the equity method of accounting. Under the equity method of accounting, the investment is initially recognised at cost. Goodwill arising on the acquisition of an associate is included in the carrying amount of the investment (net of any accumulated impairment loss). The carrying amount of the investment is increased or decreased by the proportionate share of the associate’s post-acquisition profits or losses (recognised in the Group’s consolidated income statement) and movements in reserves (recognised in reserves), based on their most recent available financial information at each reporting period. Dividends received from the associate during the year reduce the carrying value of the investment. Unrealised gains and losses on transactions between the Group and its associates are eliminated to the extent of the Group’s interest in the associate. Where necessary, the associate’s financial statements used in applying the equity method are adjusted to ensure consistency with the accounting policies adopted by the Group.

2.4.6 Joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. The Group recognises its interest in a joint venture as an investment and accounts for that investment using the equity method (refer to Note 2.4.5).

2.4.7 Investments in subsidiaries, associates and joint ventures in the separate financial statements

In the separate financial statements, investments in subsidiaries, associates and joint ventures are initially and subsequently measured at cost less impairment.

2.4.8 Impairment of investments in subsidiaries, associates and joint ventures

The Group and the Company assess whether there is any indication that an investment in a subsidiary, associate or joint venture may be impaired. If any such indication exists, the recoverable amount of the investment is estimated. Where the carrying amount of an investment is higher than its estimated recoverable amount, it is written down to its recoverable amount.

The Group and the Company, in the context of the impairment assessment of the carrying amount of its investments in subsidiaries, associates or joint ventures, have defined both quantitative and qualitative triggers. The qualitative triggers are related to companies' financial changes, forward-looking developments in the countries and / or economy sectors in which they operate, changes in management etc.

An impairment loss recognised in prior years can be reversed only if there has been a change in the assumptions used to determine the recoverable amount of the investment since the last time an impairment loss was recognized. In this case, the carrying amount of the investment is increased to its recoverable amount and this increase is the reversal of the impairment loss.

2.4.9 Foreign Currency translations

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity ("the functional currency"). The Financial Statements are presented in millions of Euro (€), which is the functional currency of the Company.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Translation differences on non-monetary financial assets are a component of the change in their fair value and are recognised in the income statement for equity securities held for trading, or in other comprehensive income for equity securities classified as FVTOCI. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Group companies

When preparing the consolidated financial statements, assets and liabilities of foreign entities are translated at the exchange rates prevailing at the reporting date, while income and expense items are translated at average rates for the reporting period. Differences resulting from the use of closing and average exchange rates and from revaluing a foreign entity's opening net asset balance at closing rate are recognised directly in foreign currency translation reserve within other comprehensive income. When a monetary item forms part of a reporting entity's net investment in a foreign operation and is denominated in a currency other than the functional currency of either the reporting entity or the foreign operation, the exchange differences that arise in the separate financial statements of both companies are reclassified to other comprehensive income upon consolidation.

2.4.10 Interest income and expense

Interest income and expense for all interest-bearing financial instruments are recognised in "interest and similar income" and "interest expense and similar charges" in the income statement using the effective interest rate method. The effective interest rate discounts any estimated future payment or proceeds throughout the life of a financial instrument or until the next date of interest reset, in order for the present value of all future cash flows to be equal to the carrying amount of the financial instrument, including any fees or transaction costs incurred. Fees and direct costs relating to financial instruments measured at amortised cost are deferred and amortised to interest income or expense over the life of the instrument using the effective interest rate method.

In particular, the following apply for financial assets:

- For those financial assets classified within Stage 1 or Stage 2, interest income is calculated by applying the effective interest rate to the gross carrying amount of the financial asset.

- For those financial assets classified within Stage 3, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset.

- For purchased or originated credit impaired ("POCI") financial assets interest income is calculated similar to the Stage 3 loans and by applying the credit adjusted effective interest rate of the financial asset. The credit adjusted effective interest rate is the rate that, at initial recognition, discounts the estimated future cash flows (including credit losses) to the amortised cost of the POCI financial asset.

2.4.11 Fees and commission income and expense

The Group applies the following five step model to all contracts with customers, except for lease arrangements and financial instruments:

- Identification of the contract(s) with the customer;

- Identification of the performance obligations in the contract;

- Determination of the transaction price;

- Allocation of the transaction price to the performance obligations; and

- Recognition of revenue when the performance obligation is satisfied.

As such, the Group recognises revenue when a performance obligation is satisfied, that is when control of the services or goods is transferred to the customer.

Fees and commission income/ expense are recognised over time when the relevant services are provided. For instance, fee income on asset management services and on real estate management services is recognised as the service is being rendered to the customer.

Loan syndication fees are recognised as income when the syndication has been completed and the Group retains no part on the loan package for itself or retains part at the same effective interest rate with the other participants. Fees and commissions arising from negotiating or participating in the negotiation of a transaction for a third party, such as the arrangement of the acquisition of shares or other securities or the purchase or sale of businesses, are recognised at a point in time when the transaction is completed. Fees on the execution of transactions (e.g. sales and brokerage commissions) are recognised upon completion of the transaction.

2.4.12 Dividend income

Dividend income is recognised when the right to receive payment is established.

2.4.13 Financial assets at FVTPL or mandatorily at FVTPL and loans and advances to customers mandatorily at FVTPL

Financial assets at FVTPL

Financial assets measured at FVTPL are all financial assets that do not meet the criteria of being measured at either amortised cost or FVTOCI. The changes in fair value of such financial assets are recognised in the income statement, in line “net gains/ (losses) from financial instruments measured at FVTPL”.

Financial assets mandatorily at FVTPL

Equity instruments are measured mandatorily at FVTPL unless the Group and the Company irrevocably elect to measure at FVTOCI.

Debt securities measured mandatorily at FVTPL are exposures for which the contractual terms do not give rise on specified dates to cash flows that are solely payments of principal and interest (“SPPI”) on the principal amount outstanding (SPPI Fail).

Loans and advances to customers mandatorily at FVTPL

Loans and advances to customers mandatorily at FVTPL are credit exposures for which the contractual terms do not give rise on specified dates to cash flows that are SPPI on the principal amount outstanding (SPPI Fail).

2.4.14 Sale and repurchase agreements and securities lending

Securities sold subject to repurchase agreements (repos) are reclassified in the statement of financial position as a pledged asset when the transferee has the right by contract to sell or repledge the collateral; the liability part of the agreement is included in amounts “Due to banks” or “Due to customers”, as appropriate. Securities purchased under agreements to resell (reverse repos) are recorded as "Reverse repos with customers". "Reverse repos with customers" are carried at amortised cost using the effective interest rate method.

The difference between sale and purchase price of the aforementioned securities is treated as interest and accrued over the life of the agreements using the effective interest method.

Securities transferred to counterparties by the Group are presented in the statement of financial position as assets, in the case that the Group retains substantially all the risks and rewards of ownership of these securities.

Securities transferred to the Group by counterparties are not recognised in the statement of financial position, except in the case of counterparty's bankruptcy. If the securities are sold to a third party, the Group recognises the consideration received as well as the corresponding obligation to return the securities, at fair value in the statement of financial position.

2.4.15 Investment Securities measured at FVTOCI

Debt securities

A financial asset is measured at FVTOCI if both of the following conditions are met:

- The asset is held within a business model in which assets are managed to achieve a particular objective by both collecting contractual cash flows and selling assets ("Hold to Collect and Sell") and
- The contractual terms of the asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

A Hold to Collect and Sell business model applies when the Group has made a decision that both collecting contractual cash flows and selling financial assets are integral to achieving the objective of the business model. In order to determine whether this is so, Management considers:

- If the business model will typically involve greater frequency and value of sales than a Hold to Collect ("HTC") model,
- If there are various objectives that may be consistent with this type of business model, such as to:
    - manage everyday liquidity needs;
    - maintain a particular interest yield profile; or
    - match the duration of the financial assets to the duration of the financial liabilities that those assets are funding.

The financial assets, after initial recognition, are measured at FVTOCI with any unrealised gains/ losses recorded directly in other comprehensive income, until these financial assets are derecognised. On the date of derecognition (upon the sale or collection of the asset), the cumulative fair value gains/ losses are reclassified from equity to profit or loss. The Group recognises in the income statement, interest income using the effective interest rate method, expected credit losses ("ECL"), foreign exchange gains and losses and any modification gains or losses.

Effectively from September 2022, debt securities issued by corporations and financial institutions are acquired by the Group solely for HTC purposes and therefore, classified at amortised cost unless they fail the SPPI test.

Equity instruments

At initial recognition, the Group and the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument within the scope of IFRS 9 that is not held for trading. This election is made on a "one to one" basis.

Furthermore, equity instruments that are measured at FVTOCI are not subject to any impairment and any accumulated gains and losses recognised in other comprehensive income, which are not subsequently reclassified to the income statement, but may be reclassified within equity (to the retained earnings).

Only dividend income on such equity instruments is recognised in the income statement, unless the dividend clearly represents a recovery of part of the cost of the investment. Dividends are recognised in profit or loss only when:

a) the Group's and the Company's right to receive payment of the dividend is established;

b) it is probable that the economic benefits associated with the dividend will flow to the Group and the Company; and

c) the amount of the dividend can be measured reliably.

All other gains and losses (including those relating to foreign exchange) are recognised in other comprehensive income.

2.4.16 Derivative financial instruments

Derivative financial instruments mainly include currency and interest rate swaps, forward rate agreements, futures and options (both written and purchased). Derivatives are initially recognised in the statement of financial position at fair value on the date when the Group engages into the contract (i.e. trade date) and subsequently remeasured at fair value through profit or loss. Derivatives are classified as assets when their fair value is positive or as liabilities when their fair value is negative. Where the Group enters into derivative instruments used for trading purposes, realised and unrealised gains and losses are recognised in the income statement. Changes in the fair values of derivative financial instruments are included in line item "net gains/ (losses) from financial instruments measured at FVTPL". A derivative may be embedded in another financial instrument, known as "host contract". If the host is any contract other than a financial asset, the embedded derivative is bifurcated from its host and treated as a separate derivative, provided that its risks and economic characteristics are not closely related to those of the host contract, the embedded derivative actually meets the accounting definition of a derivative and the host contract is not carried at fair value with unrealised gains and losses reported in the income statement. If the host contract is a financial asset, the entire hybrid instrument is measured either at amortised cost or fair value.

2.4.17 Hedge accounting

The Group has elected to continue applying hedge accounting under IAS 39, as permitted by IFRS 9. A hedge accounting relationship is established by the Group, only if all of the following criteria are met:

- at inception of the hedge, there is formal designation and documentation of the hedging instrument, hedged item, hedging objective, strategy and relationship;

- the hedge is expected to be highly effective in offsetting the risk in the hedged item throughout the hedging period. A hedge is considered to be highly effective when the Group achieves offsetting changes in fair value between 80 percent and 125 percent for the risk being hedged; and
- the hedge is highly effective on an ongoing basis.

Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used, is amortised to profit or loss over the period to maturity. The amortisation is based on the recalculated effective interest rate at the date the amortisation commences. The unamortised adjustment to the carrying amount of a non-interest bearing hedged item is recognised immediately in the income statement.

2.4.18 Loans and advances to customers at amortised cost

Loans and advances to customers include financial assets measured at amortised cost for which both of the following conditions are met:

i. the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
ii. the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding (SPPI pass).

Loans and advances to customers at amortised cost drawn down by the Group and the Company are initially recognised at fair value (plus any transaction costs) and measured subsequently at amortised cost using the effective interest rate method. Interest on loans and advances to customers is included in the income statement and is reported within line item “Interest and similar income”.

Debt instruments that are contractually linked instruments in the form of collateralized loan obligations (“CLO”) are carried at amortised cost provided that a) the instrument itself meets both conditions for amortised cost measurement, b) the underlying assets qualify for amortised cost accounting, and c) the exposure to credit risk inherent in the CLOs is equal or less than then exposure to credit risk of the underlying pool of financial instruments. Contractually linked instruments are presented within loans and advances to customers at amortised cost, if no active market exists for that asset at the time of purchase.

Senior notes held by the Group, which are issued under securitization of loans, are presented within loans and advances to customers provided that both conditions for amortised cost measurement are met.

The Group and the Company recognise an ECL impairment on loans and advances to customers at amortised cost when it is estimated that it will not be in a position to receive all payments due, as defined by the contract of the loan. The amount of the ECL allowance for impairment on loans and advances to customers at amortised cost is the difference between all contractual cash flows that are due in accordance with the contract and all the cash flows that the entity expects to receive discounted at the original effective interest rate of the loan (or credit-adjusted effective interest rate for POCI financial assets).

At each reporting date, an impairment loss equal to 12-month ECL (allocated to Stage 1) is recognised for all financial assets for which there is no significant increase in credit risk ("SICR") since initial recognition. For financial assets:

a. that there is a significant increase in credit risk since their initial recognition (allocated to Stage 2);
b. that are credit impaired (allocated to Stage 3); and
c. that are POCI,

an impairment loss equal to lifetime ECL is recognised.

Protection fees payable by the Group to protection sellers in the context of synthetic securitizations are presented within line item "other credit-risk related expenses on loans and advances to customers at amortised cost".

Default Definition

The Group and the Company apply the European Banking Authority ("EBA") NPE definition. In accordance with the Group's and the Company's Impairment Policy, a financial asset is considered as credit impaired and is classified into Stage 3 when it is classified as NPE.

The definition of default is assessed:

- On a contract level for retail portfolio.
- On an obligor level for non-retail portfolios.

The determination of a significant increase in credit risk takes into account many different factors and varies per portfolio type. The main criteria considered in making this determination are the following:

- Primary criteria
  - significant increase in the probability of default ("PD") of the financial instrument at the reporting date, compared to the one calculated at the initial recognition date, based on certain absolute [300-650 basis points ("bps"), depending on the portfolio segment] or relative (200%) thresholds. The aforementioned thresholds are the same as last year.
- Secondary criteria
  - existence of forbearance;
  - behavioral flags (i.e. monitoring the maximum delinquency bucket for the last 12 months);
  - existence of default event over the last 12 months;
  - watch list.
- Backstop
  - the Group and the Company apply the IFRS 9 presumption that a SICR has occurred when the financial asset is more than 30 days-past-due and all such exposures are classified in Stage 2.
- Additional criteria due to high energy prices and inflation
  - In 2020, the Group and the Company introduced additional SICR criteria, without relaxing any of the existing thresholds, in order to effectively allocate the exposures affected by the pandemic. The additional criteria considered

probabilities of default, industry characteristics and pre-pandemic performance. As of 31 December 2022, the aforementioned criteria have been revised in order to include sectors vulnerable to high energy prices and inflation (refer to Note 3.2).

Key Impairment Modeling Concepts

ECL is a function of the PD, Exposure at Default ("EAD") and Loss Given Default ("LGD") and is estimated by incorporating forward-looking economic information and through the use of experienced credit judgement to reflect factors not captured in models.

The Group considers as individually significant, facilities to Corporate and Individual customers that satisfy all of the following criteria:

- The aggregate exposure at debtor level at the period end reporting date exceeds the amount of € 1 million or the equivalent in foreign currency.

- The exposures are classified as NPE.

The result of the individual assessment is further adjusted by incorporating the effect of macroeconomic scenarios determined on the basis of the estimates of the collective projection models.

The collective impairment assessment is carried out on all loans classified in Stages 1 and 2 as well as Stage 3 provided that they have not been individually assessed. Loans and advances to customers at amortised cost are grouped on the basis of similar credit risk characteristics (i.e. arrears bucket, industry sector, business/ product segment, and other relevant factors). These characteristics are indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement of the debtor's credit rating), the previously recognised impairment loss is reduced and the gain is recognised in the income statement.

Forborne loans are defined as exposures arising from loan agreements that have been subject to forbearance measures. The measures are considered as a concession of the Group and the Company to a borrower who is facing or is about to face financial difficulties in fulfilling its financial obligations. Forbearance may involve modification of contractual terms and conditions and/ or refinancing of debts.

Forborne loans are tested for impairment in accordance with the IFRS 9 Impairment policy for loans and advances to customers at amortised cost as described above.

2.4.19 Modification of financial assets

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset in accordance with IFRS 9, the Group and the Company recalculate the gross carrying amount of the financial asset and recognise a "modification gain or loss" in the income statement. The gross carrying amount of the financial asset shall be recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

2.4.20 Derecognition of financial assets

A financial asset is derecognised when:

- the contractual rights to the cash flows from the asset expire; or
- the Group and the Company transfer the financial asset and the transfer qualifies for derecognition.

The term "financial asset" is used to refer to either the whole, or a part, of a financial asset (or the whole or a part of a group of similar financial assets).

The contractual rights to the cash flows from that asset have expired when for example:

- a loan receivable is repaid;
- a purchased option expires unexercised.

The Group and the Company transfer a financial asset if, and only if, are either:

- transfer the contractual rights to receive the cash flows of the financial asset; or
- retain the contractual rights to receive the cash flows of the financial asset, but assume a contractual obligation to pay the cash flows on to one or more recipients.

If substantially all the risks and rewards of ownership of the financial asset are transferred, the financial asset must be derecognised and any rights and obligations created or retained in the transfer must be recognised separately as assets or liabilities.

It is a business practice, to proceed with restructuring of debt instruments particularly but not always when debtors are in financial difficulties. When the restructuring results in a substantial modification to the terms of a loan due to financial distress of the debtor or the restructuring takes place solely on the basis of a commercial renegotiation, the loan is derecognised. For financial distress restructurings, the Group has defined derecognition criteria such as: change of debtor, change of currency denomination, introduction of a conversion to equity option to the modified contract and consolidation of different types of contracts.

On derecognition of a financial asset in its entirety, the difference between:

- the carrying amount of the asset as at the date of the derecognition; and
- the consideration received (i.e. any new asset originated/received less any new liability assumed)

is recognised in the income statement as a “Derecognition gain or loss”.

2.4.21 Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired.

If an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of the existing liability are substantially modified, such an exchange or substantial modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the income statement.

2.4.22 Intangible assets

Software

Costs associated with the acquisition of software programs, which will probably generate economic benefits to the Group for more than one year, are recognised as intangible assets. Expenditure that enhances or extends the performance of computer software programmes beyond their original specifications or software upgrade expenses are added to the original cost of the software, as long as they can be measured reliably.

Subsequent to initial recognition, software is measured at cost less accumulated amortisation and accumulated impairment loss. Software is amortised on a straight-line basis and based on its useful life, which is from 2 to 11 years.

At the end of each reporting period, the Group reviews the carrying amounts of computer software to determine whether there is any indication of impairment, i.e. whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Whenever the recoverable amount is less than the carrying amount, software is impaired to its recoverable amount.

Costs associated with maintaining the performance of the computer software programmes are recognised as an expense in the profit or loss as incurred.

Software is derecognised when:

(a) it is disposed; or

(b) when no future economic benefits are expected from use or disposal of the software.

The gain or loss on the disposal of software is defined as the difference between the net proceeds of the sale, if any, and the net book value of the software.

Other intangible assets

Other intangible assets are initially recognised at cost when it is expected that future economic benefits will be realised from their use. The cost of the intangible asset also includes every directly attributable cost which is required for the full implementation, production and asset's proper operation. Some examples of directly attributable costs are:

- The staff cost which is directly identified and attributed to the development of a particular intangible asset,
- Payments to outside vendors and collaborators, which are attributed to the intangible asset.

Subsequent to initial recognition, other intangible assets are measured at cost less accumulated amortisation and accumulated impairment loss. These assets are amortised in a period of 5-10 years, depending on the useful life of each asset, on a straight-line basis. The useful life of other intangible assets is reviewed by the Group annually.

At the end of each reporting period, the Group reviews the carrying amounts of other intangible assets to determine whether there is any indication of impairment i.e. whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Whenever the recoverable amount is less than their carrying amount, other intangible assets are impaired to their recoverable amount.

Other intangible assets are derecognised when:

(a) they are disposed; or

(b) when no future economic benefits are expected from their use or disposal.

The gain or loss on disposal of the intangible asset is defined as the difference between the net proceeds of the sale, if any, and the net book value of the intangible asset.

2.4.23 Property and equipment

The Group holds property and equipment for use in the supply of services or for administrative purposes. Property and equipment includes: land, own-use buildings, leasehold improvements, furniture and other equipment, right of use assets and transportation means.

Property and equipment are initially measured at cost, which includes all costs necessary to bring an asset into operating condition.

Property and equipment are subsequently measured at historical cost less accumulated depreciation and accumulated impairment loss. Historical cost includes expenditure that is directly attributable to the acquisition of the items. At the end of each reporting period, the Group reviews the carrying amounts of property and equipment to determine whether there is any indication of impairment, i.e. whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and the value in use.

Subsequent costs are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they incur.

Depreciation on property and equipment is calculated using the straight-line method based on the estimated useful lives and taking into account their residual values. The Group conducts an assessment of the estimate for the useful lives and the residual values of the property and equipment on an annual basis.

Depreciation of property and equipment begins when it is available for use and ceases when it is derecognised. In the case where the asset is idle or retired from active use, it continues to be depreciated until it has been fully depreciated. The useful lives per fixed asset category is as follows:

Computer hardware	3-5 years
Leasehold improvements	the shorter of useful life and lease term
Furniture and other equipment	5-10 years
Means of transportation	6-9 years
Own-use buildings	25-40 years
Land	is not depreciated

Right of use assets are depreciated according to the asset category in which they belong.

An own-occupied property is derecognised and its carrying amount is written-off, according to the provisions of IAS 16, upon disposal or when no future economic benefits are expected to flow to the Group. Property may be disposed through sale or lease agreement (as lessor) or donation. The gain or loss on disposal of own-occupied property is defined as the difference between the sale price (less cost to sell) and the carrying value of the property as at the date of the disposal. Such gain or loss is recognised in the income statement.

2.4.24 Investment property

Property that is held for long-term rental yields or for capital appreciation is recognised as investment property in the Group's statement of financial position. Investment property includes freehold land, freehold buildings or parts of buildings, land and buildings held under leases.

A property interest that is held by the Group as a lessee is classified and accounted for as investment property if and only if the definition of investment property is met according to IFRS 16 "Leases".

Investment property is initially recognised at cost including related transaction costs.

After initial recognition, investment property is carried at fair value, as this is assessed by independent valuers. Fair value is based on active market prices or is adjusted, if necessary, for any difference in the nature, location and condition of the specific asset. Additionally, fair value measurement takes into account the Group's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The following valuation methods are used:

i. Comparative Method. According to this method, the valuation is based on the conclusions drawn from research and collection of information about other comparable properties.

ii. Income Approach. This method calculates the fair value of each property based on the capitalized value of the present lease.

iii. Cost Approach. This method calculates the fair value of each property based on the cost of replacement of each property or its exploitation.

iv. Residual Method. This method is based on the highest price a willing buyer would pay for a plot of land, in order to use it and then operate it.

The above mentioned valuation methods are used by independent valuers in the context of the fair valuation of investment property. The fair value of investment property that is not estimated by valuers, is determined using a methodology based on valuations that have been carried out.

Investment property that is being redeveloped for continuing use as investment property, or for which the market has become less active, continues to be measured at fair value. Fair values of investment properties reflect current lease income, as well as assumptions for future leases, taking into account current market conditions.

Pursuant to the provisions of IAS 40 "Investment Property", subsequent expenses are recognised in the carrying amount of the property only when it is probable that future economic benefits associated with the property will flow to the Group and its cost can be measured reliably. Improvement and maintenance costs are recognised in the income statement during the year in which they incur.

Changes in fair value are recognised in the income statement.

If an investment property becomes owner-occupied, it is reclassified as property and equipment and its fair value at the date of reclassification becomes its new deemed cost.

Property that is being constructed or developed for future use as investment property is classified as property and equipment and stated at cost until construction or development is complete, at which time it is reclassified and subsequently accounted for as investment property.

An investment property is derecognised from the statement of financial position upon disposal. An investment property may be disposed of through a sale or lease agreement. Gains or losses arising from investment property withdrawal or disposal is calculated as the difference between the net disposal proceeds and the carrying amount of the investment property on the date of the disposal. Such difference is recognised in the income statement.

2.4.25 Non-current assets held for sale ("HFS") and Discontinued operations

The Group classifies a non-current asset as HFS if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the following conditions must be met:

a) the non-current asset must be available for immediate sale at its present condition;

b) its sale is highly probable;

c) the appropriate level of management is committed to a plan to sell;

d) an active programme to locate a buyer and complete the plan has been initiated;

e) the non-current asset must be actively marketed for sale at a price that is reasonable in relation to its current fair value; and

f) the sale of the non-current asset must qualify as a completed sale within 12 months from the date of classification in the HFS category.

Assets HFS are measured at the lower of their carrying amount and fair value less costs to sell. Assets HFS are not depreciated. Gains/ losses from sale of these assets are recognised in the income statement.

A discontinued operation of the Group, refers to a clearly distinguished business operation of the Group that either has been disposed of or is classified as HFS and:

- represents a separate major line of business or geographical area of operations;
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Assets and liabilities from discontinued operations are presented in a separate line in the statement of financial position and are not offset. Similarly, profit or loss after tax from discontinued operations is also presented in separate line in the income statement.

2.4.26 Inventory property

Inventory property includes land and buildings acquired by the Group through auctions for the full or partial recovery of their receivables. These properties are included in “Other Assets” in the statement of financial position.

Inventory property includes land and buildings acquired that do not meet the requirements of IAS 40, as well as property owned by the Group’s subsidiaries that are sold in the context of their normal course of business. Inventory property is accounted for according to IAS 2 “Inventories” and are measured at the lower of cost and net realisable value. The cost of the inventory property is determined using the weighted average cost method. The net realisable value is the estimated selling price, less any expenses necessary to conclude the sale.

Inventory property is derecognised from the statement of financial position at its disposal. The gain/ loss resulting from the disposal of the inventory property is determined as the difference between the net realisable value and the carrying amount of the property. This difference is recognised in the income statement.

2.4.27 Leases

A. The Group is the Lessee

The Group and the Company following the provisions of IFRS 16 at the inception of a contract, assess whether the contract is or contains a lease based on whether the Group and the Company have the right to control the use of an identified asset for a period of time in exchange for a consideration and obtain substantially all the economic benefits from the use of the asset.

At the commencement of the lease, the Group and the Company recognise a right-of-use asset ("RoU") representing their right to use the underlying asset and a lease liability representing their obligation to make lease payments.

Under IFRS 16, the Group and the Company recognise right of use assets and lease liabilities for all their lease contracts that fulfil the definition of a lease.

The Group and the Company applying IFRS 16 for all leases:

a) recognise lease liabilities in the statement of financial position;

b) recognise right-of-use assets in the statement of financial position;

c) recognise depreciation of right-of-use assets and impairment based on IAS 36 "Impairment of Assets" in the income statement;

d) recognise finance cost on lease liabilities; and

e) separate the total amount of cash paid into a principal portion (presented within financing activities) and finance cost (presented within operating activities) in the cash flow statement.

The initial measurement at cost of the RoU assets comprises of:

a) the amount of the initial measurement of the lease liability;

b) any lease payments made less any lease incentives received;

c) any initial direct costs; and

d) an estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Regarding the subsequent measurement and derecognition, the Group follows the accounting policies and accounting treatment applied for the other assets accounted for in the same asset category as the RoU.

The lease liabilities are initially measured at the present value of the future lease payments using the incremental borrowing rate. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications (which does not constitute a different lease contract). The Group and the Company derecognise the lease liability from the statement of financial position when, and only when, it is extinguished—i.e. when the obligation specified in the contract is discharged or cancelled or expired.

For short-term leases (lease term of 12 months or less) and leases of low-value assets (below € 5,000), the Group and the Company recognise a lease expense on a straight-line basis over the lease term as permitted by IFRS 16.

B. The Group is the Lessor

Operating leases

In case that the Group is the lessor under an operating lease (with a third party), the leased assets are stated and carried in the statement of financial position like the other -non leased assets- of similar nature. Lease income of the Group is recognised over the term of the lease by using the straight-line method or other systemic method considered as appropriate.

Finance leases

In case that the Group is the lessor under a finance lease (with a third party), the present value of the lease payments is recognised as a receivable in the statement of financial position. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Rental receipts are separated and reduce the balance of the lease receivable.

2.4.28 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents are defined as short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash and cash equivalents comprise balances with less than three (3) months maturity from the date of acquisition such as: cash, unrestricted cash and balances with Central Banks, trading securities and due from banks. Mandatory reserves with the Central Bank are not available for everyday use by the Group and therefore, these are not included in balances with less than three months maturity.

2.4.29 Provisions

A provision is recognised when:

a) the Group has a present legal or constructive obligation as a result of past events;

b) it is probable, that an outflow of resources will be required to settle the obligation; and

c) the amount of the obligation can be reliably estimated.

If any of the aforementioned conditions are not met, no provision is recognised.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as expense in the income statement.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation as of the balance sheet date. The amount of the provisions raised is reassessed at each reporting date.

2.4.30 Financial guarantee contracts

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss that incurs because a specified debtor failed to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are issued by banks, financial institutions and other bodies on behalf of customers to secure loans, overdrafts and other banking facilities.

Financial guarantees are initially recognised at fair value on the date the guarantee was given. Subsequent to initial recognition, the Group's liabilities under such guarantees are measured at the higher of: a) the initial measurement, less amortisation calculated to recognise in the income statement the accrued fee income earned on a straight-line basis over the life of the guarantee and b) the amount of the provision determined through the ECL calculation.

Any change in the liability relating to guarantees is recognised in the income statement, in the period in which it arises.

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

2.4.31 Employee benefits

A. Funded post-employment benefit plans

The funded pension schemes operated by the Group and the Company are financed through payments to grouped insurance contracts or social security funds. The Group's and the Company's pension obligations relate both to defined contribution plans as well as defined benefit plans.

The Group and the Company pay fixed contributions to Social Security Funds (state owned administered pension funds), grouped insurance contracts, and have no legal or constructive obligation to pay additional contributions, if the Funds or the insurance companies do not hold sufficient assets to pay all employees the related benefits. Thus, these schemes are classified as Defined Contribution plans. The regular employee's contributions constitute net periodic costs for the year in which they are due and as such, they are recognised in the income statement under "Staff costs".

Defined benefit plans are pension plans that define the level of benefits to be provided, usually as a function of one or more factors such as years of service, age and compensation.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the obligation at the balance sheet date, less the fair value of the plan assets. The Group's and the Company's benefit policy for the indemnities aligns with the IFRIC decision of IAS 19 fact pattern concerning the method of attributing benefits to periods of service. According to the specific fact pattern, for those employees that are entitled to a lump sum benefit payment only upon retirement and that the retirement benefit depends on the length of employee service prior to retirement (capped to sixteen years of consecutive years of service), the retirement benefit is attributed to each of the last sixteen years of service prior to the retirement age.

The defined benefit obligation is calculated annually by independent qualified actuaries using the projected unit credit method.

Actuarial gains and losses

Actuarial gains and losses are recognised directly to the equity of the Group and the Company, when they arise. These actuarial gains and losses are not recycled to the income statement.

Past service costs

Past service cost is the change in the present value of the defined benefit obligation resulting from a plan amendment or curtailment. This cost is recognised directly to the income statement, when the plan amendment or curtailment occurs.

B. Non-funded post-employment benefit plans

The Group and the Company provide non-funded defined benefit plans to its employees on retirement. The requirements for full vesting of benefit entitlements usually include the fulfilment of the conditions for normal retirement or the completion of a minimum service period.

The expected costs of these benefits are accounted for using a methodology similar to that for funded defined benefit pension plans. These obligations are valued annually by independent qualified actuaries.

2.4.32 Income tax

Income tax

Income tax benefit/ (expense) represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "profit/ (loss) before tax" as reported in the income statement because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and the corresponding tax bases used in the computation of taxable profit, to the extent that is probable that taxable profits in the foreseeable future will be available against which such temporarily differences can be utilized.

Deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.4.33 Debt securities in issue, hybrid capital and other borrowed funds

The liabilities from the issuance of the debt securities, hybrid capital and other borrowed funds are recognised initially at fair value, net of incurred issuance costs.

After initial recognition, the debt securities and hybrid capital are subsequently accounted at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the securities using the effective interest rate method.

If the Group and the Company purchase their own debt securities issued, these are removed from the statement of financial position, and the difference between the carrying amount of the liability and the consideration paid is included in the income statement.

2.4.34 Other financial liabilities measured at amortised cost

Other financial liabilities such as deposits from banks and from customers are measured at fair value upon initial recognition and subsequently are measured at amortised cost.

2.4.35 Securitization

The Group securitises financial assets. These assets are purchased by special purpose entities which in turn issue bonds to investors. The Group consolidates special purpose entities when it controls these entities or holds main part of their risks. In such case, the bonds issued under the securitization of financial assets are presented in the statement of financial position at their amortised cost, unless the securities issued are owned by the Group.

2.4.36 Share capital

Incremental costs directly attributable to the issue of share capital decrease equity.

Dividends on ordinary shares are recognised as a liability during the period in which they are approved by the Annual General Meeting of the Company’s Shareholders. Interim dividends are recognised as a deduction in the Company's equity when approved by the Board of Directors.

The cost of acquisition of treasury shares (including any attributable incremental transaction costs) is presented as a reduction in equity, until the treasury shares are cancelled or disposed of. The gains or losses from the sale of treasury shares are included directly in equity.

The number of treasury shares held by the Group does not reduce the number of shares issued. Treasury shares held by the Company are not eligible to receive cash dividends.

2.4.37 Related party transactions

Related parties of the Group and the Company include:

a) Members of the Company Board of Directors and the Executive Committee, the Group Chief Internal Auditor, the Group Chief Compliance Officer and the CEOs of the significant subsidiaries, collectively "key management personnel" of the Company;

b) close family members of key management personnel;

c) entities having transactions with the Company, that are controlled or jointly controlled by the key management personnel and their close family members;

d) the Company's subsidiaries;

e) the Company's associates and the subsidiaries of its associates;

f) the Company's joint ventures and the subsidiaries of its joint ventures; and

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

2.4.38 Fiduciary activities

The Group provides custody services to third parties for a wide range of financial instruments. These services include safekeeping of securities, clearing and settlement of securities transactions in the Greek market and abroad, execution of corporate actions, income collection, etc., on behalf of individuals, companies and institutional investors. The Group receives fee income for providing these services. Trust assets are not assets of the Group and are not recognised in the financial statements. The aforementioned services give rise only to operational risk, as the Group does not guarantee these investments and therefore does not bear any credit risk.

2.4.39 Segment reporting

The CEO, supported by the Group Executive Committee members, is considered the Chief Operating Decision Maker for the purposes of identifying the Group's reportable segments. All inter-company transactions between business segments are undertaken on an arm's length basis and inter-segment transactions and balances are eliminated within each relevant segment.

2.4.40 Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the statement of financial position when, and only when, the Group has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in Note 2, Management has made judgements and estimates that affect the carrying amount of assets and liabilities, income and expense. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant and are reviewed on an ongoing basis. Judgements and estimates that may result in an adjustment in the figures described above, are presented below. Changes to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period. The Group believes that the judgements, estimates and assumptions used in the preparation of the Annual Financial Statements are appropriate.

3.1 Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimations (which are referred separately below), that Management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognized in the Annual Financial Statements.

Significant increase in credit risk (SICR): The Group assesses whether a SICR has occurred since initial recognition of a financial asset subject to ECL allowance, based on qualitative and quantitative criteria that include significant Management judgement. Refer to Notes 3.2 and 4.2 for further information on the criteria applied.

Segmentation of financial assets with similar credit risk characteristics: The Group segments exposures on the basis of similar credit risk characteristics for the purposes of assessing both SICR and measuring ECL allowance on a collective basis. Exposures are grouped based on their type and credit risk rating or score. The different segments aim to capture differences in PDs, as well as recovery rates in the event of default. The grouping of exposures is reviewed on a quarterly basis in order to ensure that the groups remain homogeneous in terms of their response to the identified similar credit risk characteristics. As far as it concerns SICR, the Group considers the date of initial recognition, as well as remaining maturity for each individual exposure.

Selection and calibration of the ECL models: The Group uses various models in estimating the ECL allowance. Judgement is applied in identifying the most appropriate model for each type of asset, as well as for determining the assumptions used in these models. The complexity of the models, as well as dependency to other model-based inputs, are high therefore any changes in inputs and data (e.g. internal credit ratings, behavioral scores etc.), as well as new or revised models, may materially affect the ECL allowance.

Valuation of investment and inventory properties: The carrying amount of investment property and the net realizable value of inventory property are measured at fair value. Fair value is estimated on an annual basis, by independent professional appraisers for the entirety of individually significant and a sample of non-individually significant properties. The Bank defines a property as individually significant, if its carrying amount exceeds € 5 million. The total carrying amount of the individually significant properties as of 31 December 2022 was € 0.9 billion. The fair value of properties not assessed by independent appraisers, is determined using extrapolation techniques. The total carrying amount of investment and inventory properties not individually valued by independent appraisers for the Group as of 31 December 2022 is € 0.6 billion and € 1.0 billion respectively. Had a different threshold been applied for defining individually significant properties, or a different extrapolation technique on non-individually significant properties, the carrying amount of the said properties may have been significantly different.

Impairment assessment of the Company's equity shareholdings in Group companies: The Company assesses for impairment in its investments in subsidiaries, associates and joint ventures in its separate financial statements, as described in Note 2.4.8. The Company performs its assessment based on specific indicators (e.g. market capitalization, multiples etc.) and thresholds, which Management believes are reasonable and supportable in the existing market environment. However, had other criteria or thresholds been applied, the impairment assessment conclusion and measurement may have been different.

Assessment of control over investees: Management exercises judgement to assess if the Group controls another entity including structured entities. The assessment of control or loss of control is carried out according to the Group's accounting policies and the applicable accounting framework. Management's assessment of control takes into account the structure of the transaction, the contractual arrangements and whether the Group directs the substantive decisions that affect the returns.

Assessment of changes in business model and reclassification of debt securities: As disclosed in note 25, in the third quarter of 2022, following the acquisition of Iolcus Investments AIFM ("Iolcus") and the discontinuation of the Economics & Investment Strategy unit which was approved by Executive Committee, the Group's business model for managing debt securities issued by corporates and financial institutions changed. This formal change in business activities of the Group prompted a reassessment of the classification of the portfolio of debt securities issued by corporates and financial institutions under the reclassification requirements of IFRS 9. Under IFRS 9, the Group is required to reclassify financial assets if the Group changes its business model for managing those financial assets. IFRS 9 explains that such changes are expected to be infrequent, determined by an entity's senior management as a result of external or internal changes significant to the entity's operations, demonstrable to external parties and will occur only when an entity either begins or ceases to perform an activity that is significant to its operations. Management has judged that the significant changes in the Group's activities explained in Note 25 met the conditions of IFRS 9 that requires reclassification of the affected assets from fair value through other comprehensive income to amortised cost. Given the limited guidance on reclassifications in IFRS 9 and the significant impact of the reclassification (increase in closing equity by € 82 million on before tax basis), management's conclusion regarding the reclassification represents a significant accounting judgement affecting the financial statements from 1 October 2022.

3.2 Key sources of estimation uncertainty

The assumptions and key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts recognized in the Annual Financial Statements within the next financial year, are discussed below.

Significant increase in credit risk criteria: The Group did not relax any of the thresholds or assumptions of the model-based staging outcome compared to the year ended 31 December 2021. The Group's stage allocation model is based on a complete set of quantitative and qualitative criteria and incorporates lifetime expectations on macro-environment and probabilities of default. The aforementioned model structure captures expected changes in credit quality. As at 31 December 2021, the Group considered additional SICR criteria based on probabilities of default, industry characteristics and pre-pandemic performance in order to capture the remaining uncertainty derived from the Covid-19 pandemic. As of 31 December 2022, the aforementioned criteria have been revised in order to include sectors vulnerable to high energy prices and inflation. The aforementioned approach increased the gross balance scoped under lifetime ECL calculation by € 762 million.

Determination of macroeconomic factors, scenarios and scenario weights: To achieve the objective of measuring ECL, the Group evaluates a range of possible outcomes in line with the requirements of IFRS 9, through the application of three (3) macroeconomic scenarios i.e. base, pessimistic and optimistic, in a way that reflects an unbiased and probability weighted outcome. Each of the aforementioned scenarios, is based on the Group's dedicated macro-forecasting model and

Management's assumptions for future economic conditions in the form of macroeconomic, market and other factors.

For the year ended 31 December 2022, the three aforementioned scenarios and related macroeconomic factors for the collective loan assessment process were reviewed in light of the economic conditions that prevailed at that particular year. According to the established pre-Covid-19 methodology, the fan-chart method was used to represent the evolution of both forecasts and the uncertainty around future estimates. The central projection of the single most likely path -the Baseline Scenario- is determined. Then, Optimistic and Pessimistic Scenarios are determined based on a degree of uncertainty and a degree of asymmetry. The Pessimistic Scenario corresponds to the threshold partitioning the worst 20% of the outcomes from the best 80% of the outcomes. The Baseline Scenario corresponds to the middle of the distribution, covering 60% of the outcomes. The Optimistic Scenario corresponds to the threshold partitioning the top 20% of the outcomes from the remaining 80%.

As a consequence, the weight allocation between the three scenarios was shifted significantly compared to the year ended 31 December 2021. The Optimistic and Pessimistic scenarios were weighted with a 20% probability each (31 December 2021: 5% each) while a 60% probability weight was assigned to the Base scenario (31 December 2021: 90%) to best reflect Management's current sentiment regarding the boundaries of economic outcomes. Refer to Note 4.2 for more details, including an analysis of the sensitivity of the reported ECL to changes in estimated forward looking information.

The table below presents the expected annual average 4-year 2022-2025 forecasts for each key economic variable and scenario utilized in the ECL calculation of the collectively assessed loans and advances to customers at amortised cost as at 31 December 2022.

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

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

The Russia-Ukraine war may have an impact on Greek economic activity and inflation through higher energy and commodities prices, contraction of international trade and lower household and business confidence. However, the extent of these effects will depend on the manner of the war progressing, as well as the impact of current and future sanctions. The uncertainty about the scale and time horizon of the resulting economic consequences is expected to resolve in the upcoming future, depending on the evolution of the war. However, the rapid recovery of the Greek economy from the pandemic is also indicative of the improved resilience of the economy to shocks. The economic growth of 2023 depends on the developments in the supply and demand imbalances, the turmoil in global energy markets and the maintenance of high inflationary pressures resulting in lower purchasing power, the geopolitical developments, the volatility of the supply chain and the uncertainty in markets, as well as delays in policy decisions during the Greek election period.

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

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

Estimation of credit risk parameters on collective ECL assessment: The ECL calculations are based on input parameters, i.e. EAD, PDs, LGDs, and Credit Conversion Factors ("CCFs") etc. incorporating Management's view about the future. The Group also determines a) the links between macroeconomic scenarios and economic inputs, such as unemployment levels and collateral values, and b) the effect on risk parameters. Forecasting of the risk parameters incorporates a number of explanatory variables, such as GDP, unemployment rate etc., which are used as independent variables for optimum predictive accuracy. Refer to Note 4.2 for more details, including an analysis of the key sources of estimation uncertainty.

Estimation of ECL on collectively assessed defaulted exposures: Under the current economic circumstances, the Group acknowledges additional volatility on expected recoveries from defaulted exposures. Additional losses of € 39 million have been considered to account for the aforementioned volatility.

Assessment of ECL on an individual basis: For loans that are assessed for impairment on an individual basis, the Group takes into account all available evidence on a case-by-case basis and the ECL measurement is determined by using a discounted cash flow methodology. The expected cash flows are based on Management's estimates as at the reporting date, reflecting reasonable and supportable assumptions and projections of future recoveries, based on a variety of factors, such as business plans and available cash flows, liquidation of collateral in cases it is likely that the recovery of the outstanding amount will include liquidation of the collateral, the fair value of the collateral at the time of expected liquidation, the costs of obtaining and selling the collateral etc. The ECL allowance is very sensitive to the assumptions used in the estimate. There could be a wider range of possible inputs on any individually assessed lending exposure. As a result, it is not practicable to meaningfully quantify ranges of potential outcomes for this type of ECL allowance, because of the diverse nature and circumstances related to these inputs and the wide range of uncertainties involved.

Recognition of deferred tax asset ("DTA"): Management evaluates the recoverability of the Group's and the Company's DTA at each reporting period. The recognition of a DTA relies on Management's assessment of the probability and sufficiency of future taxable profits to absorb tax losses, future settlement of existing taxable temporary differences and ongoing tax planning strategy. In the absence of a history of taxable profits, the most significant uncertainty relates to expected future profitability and to the applicability of tax planning strategy. The aforementioned assessment is performed by applying:

a) the prevailing tax legislation related to offsetting of tax losses carried forward with taxable profits generated in future periods (e.g. five years). Following the addition of par.3A to article 27 of Greek Law 4172/2013 (Greek Income Tax Code – "ITC") under Greek Law 4831/2021, the tax amortization of crystallized tax losses from write-offs and disposals of loans that have occurred after 1 January 2016, from 1 January 2021 and onwards can be carried forward for offsetting over a period of 20 years. Refer to Note 16 for further information; or

b) article 27A of the ITC, as currently in force, which allows credit institutions, under certain conditions, and from 2017 onwards to convert DTAs arising from (a) private sector involvement ("PSI") losses, (b) accumulated provisions for credit losses recognized as at 30 June 2015, (c) losses from final write off or the disposal of loans and (d) accounting write offs, which will ultimately lead to final write offs and losses from disposals, to a receivable (Tax Credit) from the Greek State. Refer to Note 16 for further information.

Fair valuation of real estate properties: The fair value of real estate property is determined by reference to current market prices for similar properties, adjusted as necessary for condition and location, or by reference to recent transactions updated to reflect current economic conditions. Discounted cash flow techniques may be employed to calculate fair value where there have been no recent transactions, using current external market inputs such as market rents and interest rates. The fair value measurements are carried out by appropriately qualified independent professional appraisers who consider information from various sources, such as: (a) current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences, (b) recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices, and (c) discounted cash flow projections based on reliable estimates of future cash flows, derived from the terms of any existing leases and other contracts, and (where possible) from external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows. The fair valuation of real estate properties has a high degree of uncertainty involved, with a wide range of possible outcomes on all properties based on their grouping for valuation purposes, hence it is not practicable to meaningfully quantify ranges of potential outcomes to changes in the various inputs utilized in the fair value measurement.

As described in Note 2.2, the speed of recovery, the deterioration of supply and demand imbalances, the turmoil in global energy markets and the maintenance of high inflationary pressures resulting in lower purchasing power, the volatility of the supply chain and the uncertainty in markets will be decisive factors affecting the Greek economy, the banking sector and the Group in particular. Further, geopolitical developments and specifically the Russia / Ukraine conflict in the beginning of 2022 and a potential resurgence of migration flows and the impact in the world economy remain an additional source of uncertainty. Management closely monitors the developments and assesses periodically the impact that these might have on the Group's operations and financial performance.

Provisions

The Group establishes provisions in its financial statements for which it believes it is probable that a loss will incur in the future and the amount of the loss can be reasonably estimated. These provisions are derived from the best estimate of the outflow required to settle the present obligation. This estimate is determined by Management after taking into account experience from relevant transactions and in some cases expert reports. At each reporting date, provisions are revisited in order to reflect the best estimates of the obligation.

Held-for sale classification

Sunrise III portfolio: The uncertainty relating to the outcome of the regulatory approval process, that affects the Group's intent to execute the aspired sale of the portfolio through securitization, has been significantly reduced during the second quarter of 2022, following the substantial completion of Piraeus Bank's (the "Bank") three synthetic securitizations i.e., shipping, mortgages, loans to small and medium and large enterprises and other loans that aim to enhance the capital position of the Group. On this basis, the aforementioned portfolio was classified as held for sale and its carrying amount was written down to fair value less cost to sell. During the fourth quarter of 2022, Piraeus Bank securitized the Sunrise III portfolio and entered into definitive agreements for the sale of 95% of the Mezzanine and Junior Notes. The completion of the NPE securitization transaction is subject to the ordinary terms and approvals by the competent authorities. The ECL impairment charge recognised in the Consolidated Income Statement for the year ended 31 December 2022, as a result of the aforementioned write-down of its carrying amount, stood approximately to € 115 million.

Solar portfolio: Project Solar is a joint securitization with other Greek financial institutions under the Hellenic Asset Protection Scheme ("HAPS"). The Group's stake in the joint securitized portfolio is € 329 million. During the second quarter of 2022, the transaction progressed significantly. Management assessed and concluded that the IFRS 5 criteria are met. Therefore, the said portfolio has been classified as held for sale and its carrying amount was written down to fair value less cost to sell. The ECL impairment charge recognised in the Consolidated Income Statement for the year ended 31 December 2022, as a result of the aforementioned write-down of portfolios' carrying amount, stood at € 70 million.

Impairment measurement of the Company's investment in Piraeus Bank

As of 31 December 2022, the Company estimated the recoverable amount of its investment in Piraeus Bank based on a value-in-use calculation, which requires the use of estimates. The impairment test resulted to a recoverable amount of € 5,505 million, which approximated the carrying amount of the investment, therefore, no impairment loss was recognised or reversed during the year ended 31 December 2022. While Management believes that the assumptions applied were appropriate, a combination of reasonably possible changes in such assumptions could have resulted in impairment charges. A 0.5% increase in the discount rate or a 0.5% decrease in the long-term growth rate applied would result in an impairment loss of € 94 million and € 138 million, respectively.

4 Financial Risk Management

4.1 Risk Management Framework

Effective risk management is a key factor of the Group's Risk Management Framework ("RMF") in order to deliver sustainable returns to its shareholders. Management allocates substantial resources to improving its policies, processes, methods and infrastructure to ensure compliance with best international practices and the guidelines of the Basel Committee for Banking Supervision. The identification and management of risks arising from the Group's activities is a priority in the development of its business strategy. In this regard, a framework for prudent risk management has been established.

Management has adopted practices regarding risk management governance, taking into account all relevant guidelines and regulatory requirements, as set by the Basel Committee on Banking Supervision, the EBA, the ECB, the Bank of Greece ("BoG") and the Hellenic Capital Markets Commission ("HCMC"), including any decision of the competent authorities supervising the Group's subsidiaries.

The responsibility for the development and oversight of the risk management framework lies with the BoD. The BoD ensures the development of an appropriate risk management framework, including strategy and policies, by setting acceptable risk limits, while shaping an appropriate internal environment, so that every employee of the Group, is aware of the nature of the risks associated with its duties. In particular, the BoD has established the Risk-Committee whose primary role is to oversee risk management across the Group.

Risk Committee

The Risk Committee is responsible for exercising the duties specified in its charter, in order to assist the BoD in its duties concerning the:

- existence of an appropriate strategy for the risks undertaken and the definition of the risk appetite statements and limits, as well as the supervision of their implementation,
- establishment of principles and rules that will govern risk management with regards to the identification, assessment, measurement, monitoring, control and mitigation of risks,
- development of the risk management framework RMF and the incorporation of appropriate risk management policies and controls during the business decision-making process,
- Group compliance through strict and reliable procedures with respect to the regulatory framework for risk management functions,

The Risk Committee was established by a BoD decision in accordance with the requirements of BoG Governors' Act No. 2577/9.3.2006. The Risk Committee comprises non-executive members of the BoD, who possess the appropriate knowledge, skills and specialization, in order to comprehend and monitor the risk management strategy of the Group. The Chairman of the Risk Committee is appointed by the BoD and must possess significant experience in commercial banking and preferably in risk and capital management, as well as familiarity with the local and international regulatory framework.

The representative of the HFSF participates in the Risk Committee, with full voting rights.

The Risk Committee's mission is to ensure that:

- the Group has a well defined Group Risk & Capital Strategy and Risk Appetite Framework in line with its business goals as well as with the available human and technical resources. The risk appetite of the Group is articulated and clearly communicated in a set of quantitative and qualitative statements, and specific limits, for the material risks;

- all risks connected to the activity of the Group are effectively identified, assessed, measured, controlled, mitigated and monitored; and
- the risk management and control framework in place, including policies, methods and tools, complies with Risk & Capital Strategy and Risk Appetite as well as regulatory and supervisory requirements.

The Risk Committee convenes, upon its Chairman's invitation, as many times as considered necessary in order to accomplish its mission, but not less than once a month. Each member of the Risk Committee is entitled to request the convocation of the Risk Committee in writing for the discussion of specific issues.

Group Risk Management

Group Risk Management is an independent unit in relation to other units of the Group and the Bank, which have revenue generating activities and/or are accountable for transactions. The unit carries out Risk Management and Credit Risk Control responsibilities, in accordance with the BoG Governor's Act 2577/9.3.2006 and Greek Law 4261/2014.

Group Risk Management is responsible for the design, development and implementation of the Group's policies on risk management and capital adequacy in accordance with the directions of the Board of Directors, which covers the full range of Group and Bank's activities for all types of risk. Group Risk Management is subject to review by Group Internal Audit as to the adequacy and effectiveness of the risk management framework (policies, methodologies and procedures).

The Group's Chief Risk Officer ("CRO") is the Head of Group Risk Management, and is appointed by the BoD upon recommendation and endorsement of the Risk Committee. CRO's appointment or replacement is communicated to BoG and SSM. The CRO participates in all major Executive Committees, including the Group Executive Committee, and has a dual reporting line to the Risk Committee and the Group's CEO, with direct access to the Chairman of the Risk Committee, whenever deemed necessary.

The current structure of Group Risk Management allows for an organized approach to risk management in a consistent, balanced and integrated manner. In addition, the revised structure is better aligned with the Group's strategic targets, including the profitable and sustainable business model, optimization of capital allocation, strengthening of risk monitoring and controls and adoption of superior governance standards as well as meeting the regulatory demands and oversight.

Taking into consideration the overall mission and objectives of Group Risk Management, a 3-pillar structure was established, with clear and discrete functional areas and responsibilities, and comprised by:

- Credit Risk Management
- Capital Management & Risk Strategy, Market, Liquidity & ALM Risks
- Group Control & Risk Data & Solutions

Furthermore, in alignment with the Bank-wide implementation of the Internal Control System Enhancement initiative, the Segment Controller role was established with a discrete reporting line to CRO (segment Head).

The key responsibilities of Group Risk Management are as follows:

- develop, evaluate, and recommend to the CRO, amendments with respect to the risk management framework for the Group's activities, according to international best practices as well as legal, regulatory and supervisory requirements.

Ensure that the framework is reviewed at least annually or ad hoc in case there are (a) changes in Group's strategy or business model, or (b) changes in the regulatory framework, business environment or/and in the macroeconomic conditions. In particular, Group Risk Management develops the strategy, policies and procedures in relation to the:

- identification, assessment, measurement, management/control, monitoring and reporting of potential and actual risk exposures,
- establishment, allocation and monitoring of appropriate risk limits (e.g., credit, market, liquidity and operational risks) in cooperation with the relevant committees and units of the Group,
- capital management objectives,
- monitor the implementation of the risk management framework, including the risk and capital strategy, along with the regulatory requirements and the guidelines of Management,
- monitor the adherence to the approved risk appetite framework on an ongoing basis,
- oversee the alignment of the Risk and Capital Strategy with the Business Plan, Restructuring Plan, Funding Plan, Budget, ICAAP, ILAAP and Recovery Plan,
- develop, conduct, monitor and report the Group's ICAAP and ILAAP,
- produce and report the capital adequacy requirements under Pillar I (e.g. credit, market and operational risks),
- document and report the capital adequacy and risk management regulatory disclosures under Pillar III,
- supervise the development and harmonization of the subsidiaries' risk management frameworks with the Group's risk management framework and practices,
- develop awareness about risk exposure, promote risk management culture and support in risk matters all units across the Group,
- participate in the development of the Group and the Bank's Credit Policy, which is approved with the consent of Group Risk Management,
- lead and coordinate the design and execution of Group-wide solvency stress tests. Exercise periodic and/or temporary stress tests with base and adverse scenarios tailored to the nature and scope of the operations of the Group for all types of risk,
- establish and validate loan impairment models (compliant with the IFRS 9 framework),
- develop risk-based pricing models,
- assess new products and activities or significant changes to existing ones prior to their introduction,
- Monitor the new production profile and communicate the results to the Bank's Business Units.

Group Risk Management comprises the following Units:

Credit Risk Management

Credit Risk Management is responsible for the development of the risk management framework (policies, methodologies, models and processes) with respect to credit risk. To that end, the unit deploys proper methods, including models, that allow the identification, measurement and monitoring of the aforementioned risks. Furthermore, Credit Risk Management produces risk-related information (reporting) to Management, corresponding Committees as well as to the supervisory authorities. Following the Covid-19 outbreak, Credit Risk Management developed and led a series of initiatives targeting to assess and effectively manage the credit impact, attributable to the pandemic, in the Group's loan portfolio. Such initiatives indicatively comprise:

- Development of Covid-19 related reporting infrastructure to timely monitor and assess evolution;
- Analysis to assess financial resilience per economic sector;
- Engagement in the development of policies, processes and supportive products accommodating EBA related guidance;
- Design along with key stakeholders the lending and underwriting strategy for 2022.

Capital Management & Risk Strategy, Market, Liquidity & ALM Risks

Capital Management & Risk Strategy, Market, Liquidity & ALM Risks supports the development and implementation of the Group's Strategy, aiming at the effective management of risks and balance sheet optimization. To this end, the unit is responsible for the development and maintenance of the Risk and Capital Strategy, as well as Risk Appetite Framework of the Group, in accordance with the Risk Committee and BoD's directions and guidance.

Moreover, it is responsible for the design and implementation of the Group's ICAAP and leads the preparation and execution of regular enterprise-wide stress tests. Further, it is responsible for the coordination and overall maintenance of the Group's Recovery Plan.

Finally, Capital Management & Risk Strategy, Market, Liquidity & ALM Risks is responsible for the measurement, monitoring and reporting of capital requirements and capital adequacy ratios of the Group.

Group Control & Risk Data & Solutions

Group Control & Risk Data & Solutions is responsible for the identification, monitoring and assessment of all types of risks (credit, market, operational, liquidity, etc.) arising from the Bank's activities, through the development, implementation and evaluation of an adequate internal control system, in order to ensure the efficiency and the soundness of the Bank's operations and the achievement of its business objectives. Furthermore, the unit is collaborating with Segment Controllers to accomplish its mission.

In addition, Group Control & Risk Data & Solutions is responsible for the development and implementation of an effective operational risk management framework (policies, methodologies and procedures) based on the Group's Risk and Capital Strategy and regulatory requirements.

Moreover, the Unit is responsible for the development and implementation of the credit risk review and assessment of the Group's loan portfolio. More specifically, it systematically reviews and assesses credit exposures, limits and undertaken risks at borrower (or Group of borrowers) level as well as adherence to the Group's Credit Policy. Moreover, it reviews and monitors the credit process through sampling. In order to accomplish a targeted and effective review focusing on high risk borrowers, Credit Control is further broken down in two (2) sub-units, namely Performing Assets, and Troubled Assets.

Finally, Group Control & Risk Data & Solutions, via the Model Validation Unit, is responsible to conduct independent assessments of the Bank's models in order to validate their robustness, accuracy and effectiveness. The scope of validation includes credit risk, operational risk, market risk, liquidity and interest rate risk models as well as other models used by the Bank. The assessments are prioritized in the context of the Annual Model Validation Plan, which is approved by the Risk Model Oversight Committee. The Model Validation Unit submits the results of its validation activities, including respective findings and recommendations to the Risk Model Oversight Committee for approval.

Segment Controller

The Segment Controller is responsible to embed a culture of operational risk management and ensure the design and implementation of an effective internal control system within the segment of his/her responsibility, aiming at the achievement of operational excellence and remediation of control deficiencies in the segment. Furthermore, the Segment Controller reviews, supplements and comments on unit Controllers' operational risk assessment.

In addition, the Segment Controller provides regular and ad hoc reporting to the CRO (segment Head) concerning operational risk profile of the segment and remediation actions to address underlined risk and control issues.

CRO Office

The CRO Office manages operational aspects of Group Risk Management. In addition, the unit serves as the Risk Committee's Secretariat and facilitates in discharging its responsibilities.

Risk Culture

A formal Risk Culture Program has been launched under the supervision of the CRO, channeling the Group's commitment to enhance risk awareness and fine tune the balance between risk taking and required returns. The Risk Culture Program is sponsored by the CEO and a cross-functional Steering Committee comprised of senior Management members, who monitor its implementation.

The scope of the Risk Culture Program is to exemplify the desired behaviors and routines that reinforce solid judgement about risk taking and encourage ethical conduct towards all stakeholder groups. The Group has taken a number of actions to safeguard that any risk-taking activities beyond its risk appetite are identified, assessed, escalated, and addressed in an effective and timely manner. Efforts so far focused on redefining processes, systems, and frameworks linked to an augmented governance and enhancement of risk awareness. The next phase is to anchor the desired behaviors and routines to establish a strong risk culture where sound risk taking is promoted, emerging risks are addressed, and all employees conduct business in a legal and ethical manner.

Committees

Market Scenarios Steering Committee: The Market Scenarios Steering Committee reviews and approves scenario variables and probability weights proposed by the Bank's Economics and Investments Strategy Unit. In addition, it reviews and approves temporary adjustments on the credit risk parameters.

Provisioning Committee: The Provisioning Committee is responsible for the approval of the quarterly ECL allowance estimates on loans and advances to customers at amortised cost of the Bank and the Group, where required. The ECL measurement is estimated based on the relevant policies and procedures for exposures assessed on either an individual or collective basis.

The Provisioning Committee is, also, mandated to periodically, and at least annually, review the policies and methodologies (parameters, scenarios, weighting of scenarios etc.) applied to all Group entities according to the Impairment Policy in estimating ECL.

Finally, the Provisioning Committee is responsible for:

a) Reviewing and approving material or following approval bodies' disagreement, request for exceptions / overrides addressed by the Business Units' Heads (NPE Unit, Credit Risk etc.),

b) Reviewing and approving requests for accounting write-off, provided they meet specific criteria, as defined in the Debt Forgiveness & Accounting Write-Off Policy.

Risk Models Oversight Committee: The Risk Models Oversight Committee ("RMOC") is chaired by the CRO and is mainly responsible for the appropriate implementation of the Model Management and Governance Framework, as well as the review and approval of model related issues.

In particular, RMOC reviews and approves the Model Development Framework, the development of new models, as well as the use and potential removal/replacement of existing ones.

It also reviews and approves the Model Validation Framework, the Annual Model Validation Plan and the model validation assessments submitted by the Model Validation Unit and monitors adherence to the agreed timetable for implementation of remediating actions.

4.2 Credit Risk

Credit risk is defined as the potential risk that a debtor or counterparty of the Group will fail to meet its obligations in accordance with agreed terms and conditions.

Credit risk is the most significant risk for the Group and therefore its effective monitoring and persistent management is a top priority for senior management. The continuous development of infrastructure, systems and methodologies aiming at quantification and evaluation of credit risk is a prerequisite for timely and efficiently supporting Management and the business units in relation to the decision-making, the policy formulation and the fulfillment of supervisory requirements. The Group's exposure to credit risk mainly arises from corporate and retail credit, various investments, over the counter ("OTC") transactions, derivatives, as well as from transactions' settlement. The amount of risk associated with such credit exposures depends on various factors, including general economic conditions, market developments, debtor's financial condition, amount/type/duration of exposure and the existence of collaterals and guarantees.

The implementation of the credit policy, that describes the principles of the Group's credit risk management, ensures effective and uniform credit risk monitoring and control. Management applies a uniform policy and practice with respect to the credit assessment, approval, renewal and monitoring procedures. All credit limits are reviewed and / or renewed, at least annually, and the responsible approval authorities are determined, based on the size and the category of the total credit risk exposure undertaken by the Group for each borrower or group of connected borrowers (one obligor principle).

Management has established a credit quality review process to provide early identification of potential changes in the creditworthiness of counterparties, including regular collateral revaluations. Counterparty limits are established by the use of a credit risk classification system, which assigns a risk rating to each counterparty. Risk ratings are subject to regular revision. The credit quality review aims to allow Management assessing the potential loss as a result of the risks to which it is exposed and consequently to take timely corrective actions.

Analysis of Concentration Risk

Concentration risk may arise from various types of portfolio incomplete diversification, such as the concentration risk on large borrowers, economic sectors, geographical areas and types of collateral, and is being monitored on a regular basis.

In addition to monitoring of supervisory limits, the Group has set internal limits within the Risk Appetite Framework, which are reassessed annually.

Country Risk

Country risk reflects the risk arising from macro-economic instability, social events or political uncertainty in a country, including nationalization, expropriation of assets and debt restructuring, affecting the Group and the Company's earnings and/or capital. It includes sovereign, transfer and political risks.

Management has established internal country limits within the Risk Appetite Framework, which are revised annually.

Counterparty Credit Risk

Counterparty credit risk ("CCR") is defined as the risk that the counterparty to a transaction could default before the final settlement of the transaction's cash flows. It refers to derivative instruments, repurchase transactions, securities or commodities lending or borrowing transactions, long settlement transactions and margin lending transactions.

For the effective management of CCR, Management has in place procedures and guidelines for defining, reviewing and monitoring credit limits as well as concentration limits set on a counterparty rating basis. Limits are set either in nominal amounts or risk units (credit equivalent), depending on the transaction and they are revised at least annually. The monitoring of counterparty credit limits' utilization is monitored on a daily basis.

As far as credit risk mitigation techniques are concerned, Management has in place comprehensive and enforceable legal contracts with its counterparties such as International Swap Derivatives Association Agreement (ISDA), Credit Support Annex (CSA) and Global Master Repurchase Agreement (GMRA) enabling also the effectiveness of CCR management. A GMRA permits the netting of both rights and obligations that arise from derivative transactions that have been performed under such a master agreement upon the counterparty's default, resulting in a single net claim. Moreover, in order to mitigate settlement risk and under specific transactions and conditions covered within master agreements, payment netting is performed. In order to monitor settlement exposures, Management has set Daily Settlement Limits per counterparty.

Derivative Financial Instruments

Credit risk arising from derivatives is, at any time, limited to those with positive fair values, as recorded on the Statement of Financial Position. In the case of credit derivatives, the Group is also exposed to, or protected from, the risk of default of the underlying entity referenced by the derivative. However, to reflect potential losses, the Group applies portfolio-based adjustments for credit risk.

With gross-settled derivatives, the Group is also exposed to settlement risk, being the risk that the Group fulfils its obligation, but the counterparty fails to deliver the counter value.

Definition of Credit Impaired Exposures / Default

From 1 January 2021 and onwards the Group applies and is fully compliant with the new Definition of Default (hereinafter "DoD") regulatory requirements issued by EBA (EBA/GL/2016/07) aiming at the convergence of the default definitions for accounting and regulatory purposes (IFRS 9, EBA and CRR guidelines). The requirements for the new DoD are stipulated in Article 178 ("Default of an obligor") of the Regulation (EU) No 575/2013 (Capital Requirements Regulation – CRR), as well as in the Guidelines and Regulatory Technical Standards issued by the EBA on the application of the definition of default. The Group has aligned the definition of default for financial reporting purposes with the definition of NPE used for regulatory reporting. Thus, in accordance with the Group and the Bank's Impairment Policy a financial asset is considered as credit impaired and is classified into Stage 3 when it is classified as NPE. Under the new definition of default, the terms NPE, Defaulted and Impaired are aligned.

This constituted a change in an accounting estimate as per IAS 8.

The new DoD applies to all the entities of the Group, considering local regulations and specific characteristics of each jurisdiction. In line with the relevant regulatory requirements and the guidelines for the identification of default, the Group implements both an objective indicator (past due criterion), as well as a set of quantitative and qualitative unlikeliness to pay indicators to capture indications where the obligor is considered by the Group as unlikely to pay its credit obligations in full. More specifically, a default is considered to have occurred with regard to a particular obligor when either or both of the following two events have taken place:

- Past Due Criterion: The obligor is past due for more than 90 consecutive days on any material credit obligation to the Group,
- Unlikeliness to Pay: The Group considers that the obligor is unlikely to repay its obligations in full, without recourse by the Group to actions such as realizing security, based on the criteria that the Group has specified

In principle, the definition of default is applied at the contract level for the retail portfolio and at the obligor level for the non-retail portfolio.

In order for an exposure classified as defaulted to return to a non-defaulted status, the behavior of the contract for the retail portfolio or the obligor for the non-retail portfolio is monitored for a pre-defined period of time (i.e. probation period) within which the exposure continues to be classified in default status. If the Group considers that for a previously defaulted exposure no trigger of default continues to apply at the end of the probation period, then a return to a non-defaulted status takes place.

Credit Rating Models (PDs)

Reliable credit risk measurement is a top priority within the Group and the Bank's Risk Management Framework. The continuous development of infrastructure, systems and methodologies aimed at quantifying and evaluating credit risk is an essential precondition in order to timely and efficiently support Management and the business units in relation to decision-making, policy formulation and the fulfillment of supervisory requirements.

The Group and the Bank operate their internal rating models. More specifically, they run separate models for its corporate portfolios in which its customers are rated from 1 to 19 using internal grades. The models incorporate both qualitative and quantitative information and, in addition to information specific to the borrower, utilize supplemental external information that could affect the borrower's behavior. For the Retail Portfolio the Group and the Bank run Credit Rating (Scoring) Models that incorporate demographic/behavioral/credit bureau information. These information sources are first used to determine the PDs within the existing regulatory default definition framework. For ECL calculation the PDs are adjusted to incorporate forward-looking information and classification of the exposures, by staging. This is repeated for each economic scenario as appropriate.

A) Lending Portfolio

The following are performed at a counterparty level, for credit risk measurement and monitoring purposes related to the Group's and the Bank's loans and advances to customers at amortised cost:

- The customer's creditworthiness and the probability of default on its contractual obligations is systematically assessed,
- The Group and the Bank's probability of potential recovery, in the event of the debtor defaulting on its obligations is estimated, based on existing collateral, guarantees provided and curing levels.

Management assesses the creditworthiness of its borrowers and estimates the probability of default on their obligations by applying credit rating models appropriate to their special characteristics and features taking into account various historical, current and forward looking information.

Corporate Lending

All Corporate lending customers are assigned to credit rating grades, which correspond to different levels of credit risk and relate to different default probabilities. Each rating grade is associated with specific customer relationship policy/guidelines.

Each category of the credit rating scale corresponds either to a specific guideline or policy of the Bank as far as the relationship with the business borrowers is concerned and is presented in the relevant chapter of the Credit Policy Manual. The rating scale for business borrowers consists of 19 rating grades that correspond to borrowers that have not defaulted on their contractual obligations. The below table presents, the Group and the Bank's policy mapped to each rating scale:

RATING	CREDITWORTHINESS		GUIDELINE OR POLICY RULE
1-6	Very Strong	Develop relationship	GUIDELINES
7-10	Strong	Develop relationship	
11-12	Good	Develop relationship	
13-14	Satisfactory	Careful development of the relationship with adequate collaterals or maintain relationship	
15-16	Weak	Careful development of the relationship or maintain relationship with unsecured risk less than 30%	POLICY RULES
17-19	Poor	Probable classification as watch list / Limit relationship or Terminate relationship	

The Group uses distinct credit rating models, according to the type of operations and the size.

More specifically:

Credit Category	Rating System	Rating Scale
Business Lending	RA for Corporate customers that keep “C” category accounting books and have a turnover more than € 2.5 million	19-grade
	RA for Corporate customers that keep “C” category accounting books and have a turnover up to € 2.5 million	19-grade
	Small Business Lending Scorecard (small business or personal companies)	Score
	Agricultural Lending Scorecard for agricultures (small business or personal companies)	Score
Specialised Lending	Project Finance PD Scorecard	19-grade
	Object Finance (Shipping) Scorecard	19-grade
	Manual Rating	19-grade

Manual Rating is applied for customers that no other available rating system can be applied: these are customers with no financial data (i.e. newly established companies, Special Purpose Vehicles - SPVs) or brokerages and insurance companies. In exceptional cases, manual rating is used as a rating override, when based on Relationship Officers’ view, the rating does not represent the creditworthiness of the borrower.

Business Rating Models incorporate the following information in order to quantify the client risk:

- Historical financial information that includes realized results, solvency ratios, liquidity ratios and any other relevant ratios to measure the client's financial performance.
- Any publicly available information on the clients from external parties. This includes credit bureau information.
- Any other objective data on the quality and management capabilities of the Bank-financed company, related to its performance

The complexity and granularity of the rating techniques varies based on the exposure of the Group and the Bank and the complexity and size of the customer. For the small business loans, as well as the agricultural loans, Behavioral Scorecards are being used. The Behavioral Scorecards are based exclusively on historical data of client behavior regarding the Bank’s products and are the result of the implementation of statistical analysis. They are tailored specifically to the Bank’s clients and are customized on a product and delinquency bucket basis.

These models combine financial and statistical analysis together with the expert judgement of responsible officers. Whenever possible, these models are tested by benchmarking against externally available information.

Borrowers are rated when their credit limit is initially determined and thereafter re-rated on at least an annual basis. The ratings are also updated in cases where there is available information that may have a significant impact on the level of credit risk.

Retail Lending

Regarding the retail credit portfolio, there are scorecards of client credit assessment in the Retail Banking portfolio covering different stages of the credit cycle, as follows:

1. **Application Scorecards**

The Application Scorecards are exclusively based on historical data of applications and behavior and are the result of the implementation of statistical analysis. They are tailored specifically to the Group and the Bank's clients and are customized on a product and purpose basis. Thus, we have five products - based application scorecards and three purpose - based application scorecards in mortgage/ housing loans.

2. **Behavioral Scorecards**

The Behavioral Scorecards are exclusively based on historical data of client behavior regarding the Bank's products and are the result of the implementation of statistical analysis. They are tailored specifically to the Bank's clients and are customized on a product and days past due basis. There are 8 behavioral scorecards in total.

3. **Internal Bureau Scorecard**

There is also one scorecard evaluating the Group's and the Bank's clients' behavior in the market at the moment of the loan application. This scorecard is exclusively based on historical data and is also the result of the implementation of statistical analysis. It is tailored specifically to the Group and the Bank's clients and is not customized on a product basis.

4. **Overall Application Scorecards**

These are scorecards which are part of the origination process and combine in essence the above three scorecards. Thus, when a client submits an application, his application score, his behavior score, his bureau score and his Teiresias bureau score are taken into account. These are five scorecards which are customized on a product - category basis, are based on historical data of applications and behavior and are the result of the implementation of statistical analysis.

The aforementioned internal models comprise the basic factors which are used as inputs in PD models for the total retail Banking portfolio and for the business Banking portfolio as well.

5. **Credit Bureau Scoring**

In addition, the Group and the Bank have used the credit bureau scoring model of Teiresias S.A., which takes into account the total exposure of borrowers in the Greek market. The usage of this particular model has improved the performance of the existing models.

The policy that is taken into account in the approval process and determine the willingness as well as the ability of the applicant to fulfill his obligations is also based on a range of credit criteria (apart from the aforementioned credit scoring models), such as:

- Age/Citizenship/Profession
- Minimum Income Level
- Monthly Disposable Income (MDI)
- Loan to Income Ratio (LTI)
- Credit history of the customer
- Maximum Unsecured Exposure
- Maximum levels of loan-to-value (LTV) (for collateralized loans) combined with the purpose of the loan
- Collaterals and Guarantees provided
- Maximum limits per Product

Macro-economic models

A set of macro-economic models is used for the calculation of forward-looking lifetime probability of default (PD) projections for all portfolios. The models combine exposure/portfolio idiosyncratic characteristics with projections of specific macro-economic variables to produce adjustments to the spot obligor/exposure PDs that take into account forward looking conditions. Forward-looking PDs are used for the purposes of IFRS9 provision calculation, pricing, ICAAP, stress testing, etc. Moreover, challenger macro-economic models have been developed for the business portfolio that have as an input the Gross Value Added (GVA) macro instead of the GDP. These models incorporate industry specific sensitivity and produce complementary information for the same purposes the traditional macro PD models are used for.

Management regularly validates and tests the predictive ability of the creditworthiness evaluation of rating models (Wholesale and Retail), thus ensuring its potential for accurately depicting credit risk and allowing for the timely implementation of measures addressing potential problems.

Recovery based on existing collateral, security and guarantees

Along with the assessment of the counterparties' creditworthiness, rating evaluation and during the process of setting and reviewing credit limits, Management estimates the recovery rate related to the exposure in the event the debtors default on their contractual obligations. The estimation of the recovery rate is based on the type of credit as well as the quality of any collateral/ security. According to standard practice, the lower the rating of a borrower, the greater the collateral/ security required, so that the recovery rate is as high as possible in case of borrower's default on their contractual obligations to the Group and the Bank.

Exposure at Default

EAD is equal to the on-balance sheet exposure of the defaulted account on the date of default. Thus, it is equal to the sum of the on-balance sheet exposure of the account on the observation date and any additional amounts that are drawn until the date of default. A transformation commonly used is the CCF which is equal to the ratio of "Balance at default" minus "Balance at observation point" over the undrawn amount at observation point (Limit at observation – Balance at observation).

Loss Given Default

LGD is defined as the ratio of economic loss during the recovery period to the exposure at default. LGD is cash flow oriented and all costs are included and properly discounted with the Effective Interest Rate from the recovery date until the date of default for its computation.

Self cure rate models[3] are used for the calculation of LGD.

Recoveries are also taken into account and they can be of different types:

- Cash recoveries could be considered cash flows from customer, from guarantor, from cured facilities, from security (eligible collateral/guarantee), from debt sale.
- Non-cash recoveries could be considered repossessions.

For the complete LGD estimation additional inputs are used:

- Cures via Modification: Cure Rate level of accounts that have changed to non-defaulted status via the implementation of a Modification.
- Loss given non-cure: Incurred loss from cases that the Group and the Bank have not managed to cure.
- Loss given modification: Incurred losses due to the type of modification that was offered to the client.

Lending Portfolio Quality

The Lending Portfolio according to its quality is segmented on the following categories for both retail and corporate portfolio:

- Strong
  - Retail: Stage 1 Loans and advances to customers at amortised cost that are in Bucket 0
  - Corporate: Stage 1 Loans and advances to customers at amortised cost that have rating less or equal to 14
- Recommended
  - Retail: Stage 1 Loans and advances to customers at amortised cost that are in Bucket 1
  - Corporate: Stage 1 Loans and advances to customers at amortised cost that have rating more than 14
- Substandard
  - Retail: Stage 2 Loans and advances to customers at amortised cost
  - Corporate: Stage 2 Loans and advances to customers at amortised cost
- Default
  - Retail: Stage 3 Loans and advances to customers at amortised cost

[3] For Non-retail portfolios the cure rate models include both self-cure rate and via modification probability estimates.

- Corporate: Stage 3 Loans and advances to customers at amortised cost

Unrated corporate loans that belong to Stage 1 are segmented according to their bucket.

The segmentation presented above is highly correlated with the PD levels of each portfolio (among the categories the PD levels differ).

Significant Increase in Credit Risk

The assessment of SICR is key element in establishing the point of switching between the requirement to measure an allowance based on 12-month or life time ECL (excluding POCI financial asset for which refer to the paragraph “Purchased or Originated Credit Impaired” below). If, following this assessment, a significant increase in credit risk occurs, the Group and the Bank recognize a loss allowance amount equal to the ECL over the lifetime of that financial asset.

To perform this assessment, the Group and the Bank compare the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition.

The Group and the Bank's objective is to capture this SICR prior to the financial asset being treated as credit impaired.

The allocation between stages is based on the criteria presented below:

- If at the reporting date, the loan is in NPE status, it is allocated to “Stage 3” and lifetime ECL is calculated.

- If at the reporting date a SICR was monitored against the credit risk at the initial recognition date, the loan is allocated to “Stage 2” and lifetime ECL is calculated.

- The remainder of the loans are allocated to “Stage 1” and ECL is calculated for the next 12 months.

The quantitative and qualitative criteria based on which the Group and the Bank assesses whether there is a significant increase in credit risk for an exposure are outlined below.

Corporate and Retail Lending Portfolio

- Primary criteria

  - significant increase in the PD of the financial asset at the reporting date compared to the one calculated at the initial recognition date, based on certain absolute (300-650 basis points (“bps”)depending on the portfolio segment) or relative (200%) thresholds. The aforementioned thresholds are the same as last year.

- Secondary criteria
  - existence of forbearance
  - behavioral flags (monitoring the maximum delinquency bucket for the last 12 months)
  - existence of default event over the last 12 months based on the Defaulted exposures as the identification of the latter is based on the EBA NPE Default Definition

  - watch list

- Backstop

  - 30 days past due or more

- Additional criteria due to high energy prices and inflation

- In 2020, the Group introduced additional SICR criteria, without relaxing any of the existing thresholds, in order to effectively allocate the exposures affected by the pandemic. The additional criteria considered probabilities of default, industry characteristics and pre-pandemic performance. As of 31 December 2022, the aforementioned criteria have been revised in order to include sectors vulnerable to high energy prices and inflation (Refer to Note 3.2).

Criteria for assessing ECL allowance of loans and advances to customers at amortised cost on an individual or collective basis

Individually Assessed

In order to better assess the expected risk, the Group and the Bank prepare a list of accounts for which an individual assessment will be performed. Assessment at individual level is performed for loans and advances to customers at amortised cost identified as individually significant, which satisfy all of the following criteria:

- They are extended to borrowers whose total loan exposure at the period end reporting date exceeded the amount of € 1 million or the equivalent in foreign currency for the Bank. Lower thresholds have been established for the subsidiaries.

- The exposures are classified as NPE as per the Group's Credit Policy.

Apart from individually significant loans, additional exposures may be individually assessed, irrespectively of their level of exposure, at the discretion of the Bank's Provisioning Committee.

Description of the ECL Calculation (Individual)

ECL is defined as the difference between all contractual cash flows that are due in accordance with the contract and all the cash flows expected to be received (i.e., all cash shortfalls), discounted at the original EIR (or credit-adjusted EIR for POCI financial assets). All contractual cash flows of the loan and cash flows resulting from the sale of collateral or other credit enhancements are considered.

According to IFRS9, probability weighted scenarios are taken into account over the expected life of the financial instrument in the estimation of the ECL allowance.

The individual assessment consists of an evaluation of the amount and timing of the cash flows for each particular exposure.

Calculation of ECL under the individual assessment is defined as below:

$$ECL = \sum_i (IFRS\ Outstanding\ Balance - Present\ Value\ of\ the\ Recoverable\ Amount) \cdot P_i$$

Where:

- ***IFRS Outstanding Balance:*** The gross carrying amount of the lending exposure at the reporting date.

- ***Present Value of the Recoverable Amount:*** Quantification of the recoverable amount, based upon the present value of the expected future cash flows, related either to cash recoveries from the obligor or to cash proceeds from the liquidation of loans' collaterals, discounted to their present value at the loan's original effective interest rate (EIR).

- $\boldsymbol{P_i}$: the probability-weight of each scenario, under which the ECL amount is calculated

Collectively Assessed

The Collective Assessment is applied to all other facilities i.e. those allocated in Stages 1 and 2, as well as to those in Stage 3 which have not been subject to an individual assessment. For the segmentation of the exposures refer to Note 3.1.

Description of the ECL Allowance Calculation (Collective)

For the calculation of the ECL allowance on a collective basis, statistical methods are used, based on credit risk parameters. The equation used for the measurement of Lifetime ECL, for all portfolios, is depicted below:

$$LECL = \sum_{i} \left(\sum_{t}^{T} PD_t^i \times LGD_t^i \times EAD_t \times DF_t \right) P_i$$

Where:

- **Time to Maturity (T)**: Remaining time until the maturity of the loan.

- **Probability of Default (PD)**: This parameter expresses the probability of default of a financial instrument. Loans and receivables classified as Stage 1 are calculated using the 12-month PD, while those classified in Stage 2 are calculated based on PDs over the life of the facility. For Stage 3, PD=1.

- **Loss Given Default (LGD)**: This parameter defines the "expected" credit loss that arises in the event of default of a financial instrument. It is expressed as a percentage of the exposure, which if multiplied by the exposure, gives the amount of the Group and the Bank's loss at the time of the default.

- **Exposure at Default (EAD)**: This parameter defines the exposure value in the event of a default of a financial instrument. The EAD is based on the following formula:

$$EAD_t = (On - Balance\ Sheet\ Exposure)_t + (Off - Balance\ Sheet\ Exposure)_t \cdot CCF_t$$

- **Credit Conversion Factor (CCF)**: This parameter converts off-balance sheet items, such as undrawn exposures, to equivalent On-Balance Sheet credit exposures.

- **Discount Factor in t (DFt)**: Factors used to discount an expected loss to a present value at the reporting date. (Effective Interest Rate – EIR)

- **Probability weighted outcome (Pi)**: the probability-weight of each scenario, under which the ECL amount is calculated.

The Group and the Bank measure ECL of a financial asset, taking into account multiple possible outcomes. Under the collective assessment, the Group and the Bank applies three alternative scenarios, with their impact being incorporated in the risk parameters of the ECL model. Subsequently, the relevant probability weights are applied in the ECL allowance under each scenario, leading to the probability-weighted ECL allowance.

The Economics and Investments Strategy Unit is responsible for the calculation of alternative macroeconomic scenarios (forecasts of future economic conditions that confirm the forward-looking concept of the process), including the projections of relevant macroeconomic variables and the corresponding probability weights, used in the impairment calculation.

Calculation of expected future cash flows for Corporate lending portfolio

The following debtors' specific element are considered for the assessment of future cash flows of Corporate lending portfolio:

- **Ongoing operating cash flows**: The operating cash flows of the obligor or guarantor, which are ongoing and eligible to use for the debt repayment.
- **Existing collateral and guarantees**: The current value of the obligor's existing collaterals and guarantees as well as their eligibility to liquidate are assessed under a forced liquidation scenario or under a scenario of voluntary surrender or sale.
- **Binding Repayment or Settlement Agreements**: Any additional debt restructuring or settlement agreements made between the Group and the Bank and the Obligor are also taken into consideration.
- **Additional Information received by the Account Officer**: Any additional and reliable information available to the Account Officer regarding the borrower's ability to meet contractual obligation regarding its debt to the Group and the Bank is taken account of.
- **Personal Guarantees of the obligor:** In exceptional cases, those mainly denoting exposures of prominent customers, the value of personal guarantees in favor of the obligor may be taken into consideration. Usage of such personal guarantees in the individual assessment is subject to the assessment of the Bank's review levels during the impairment assessment process.
- **Special Administration or Reconciliation Process via Art.106, Greek law 3588/2007:** Any proceeds anticipated through the Special Administration or Reconciliation Process via Art.106

The calculation of the expected future cash flows is carried out in accordance with the following two approaches, which are defined in following sub-sections: The Going Concern Approach and Gone Concern Approach.

Going Concern Approach

Under a "going concern" scenario, the debtor/ guarantor is able to generate cash flows that can be used to repay the financial debt to all creditors. The Group and the Bank are considering different approaches depending on the specific borrower when applying the going-concern assumption in determining the cash flows to be received from the operations of the borrower, as well as from the realization of Non-Core collaterals in cases where this is applicable:

- The estimated future cash flows based on the updated financial statements of the debtor / guarantor.
- In restructuring cases, the restructuring plans and the resulting changes to the structure of the entity
- Estimations consider potential investments that are necessary to maintain future cash flows (CAPEX)
- When cash flows are based on the realisation of some assets of the debtor, the Group and the Bank estimate the expected selling price in order to reflect the future expected cash flows derived from the sale of assets less the estimated costs associated with the realization. Collateral may be exercised to the extent it does not influence operating cash flows. In addition, where a "two-step" approach is used (i.e. period by period analysis followed by an estimation of the terminal value), a "gone concern" approach can also be assumed for the second step, involving the liquidation of collaterals.

Based on the previous information, the ECL allowance will be measured as the difference between the asset's carrying amount and the estimated future cash flows discounted at the financial asset's original effective interest rate.

Additionally, the Group, in alignment with the ECB guide on how institutions are expected to consider C&E risks has planned initiatives that are presented in Note 2.2.

Gone Concern Approach

ECL allowance is measured on a "gone concern" basis when Management determines that the operating cash flows of the debtor cease and collateral is exercised, including any other collections that Management determines as recoverable.

This could be the case when one or a combination of the below takes place:

- Future operating cash flows of the debtor are estimated to be low or negative, or / and
- Exposure is significantly collateralized, and this asset is central to cash flow generation, or / and
- There is a very significant degree of uncertainty surrounding the estimation of the future cash flows, or / and
- Insufficient information is available to perform a going concern analysis.

The sale proceeds from collateral execution are adjusted for liquidation costs and market discounts where applicable. Consideration of market valuations, expectation on collateral liquidation strategy (consensual vs. non-consensual forced) and underlying legal framework is taken in order to determine market price discount that may need to be applied as well as time to sell assumptions.

Write-offs

The Group and the Bank write-off debt against the ECL allowance in cases of:

- irrecoverable claims, meaning the claims for which i) all required legal actions, foreclosure procedures and recovery collection efforts against the borrower, co-borrowers or guarantors have been exhausted; ii) it is considered that the continuation of in court or out-of-court legal actions are not expected to lead to a positive outcome for the Bank; iii) the recovery cost is economically less favorable compared to the benefit,

- uncollectable claims, meaning the claims resulting from the difference between the IFRS claim and the sum of the operating cash flows, expected to be received and the cash flows resulting from the liquidation of the collateral/security as well as of any other unencumbered assets of all involved parties.

The Group and the Bank proceed to forbearance - resolution and closure treatments with debt forgiveness when it is proven the optimum treatment against other alternative forbearance - resolution and closure treatments, within the framework of managing borrowers with financial difficulties.

The Provisioning Committee approves accounting write-offs while the BoD or other authorized bodies approve debt forgiveness requests.

The contractual amount of loans that were written off during 2022 and are still subject to enforcement activity is € 148 million as at 31 December 2022. The comparative figure for the prior reporting period is € 475 million.

B) Debt securities and other short term Treasury products

The Group and the Bank recognizes impairment allowances on debt securities and other short-term Treasury products that are measured at amortised cost or at FVTOCI.

The amount of ECL recognized as an impairment loss allowance depends on the extent of credit deterioration since initial recognition. The assessment of significant deterioration is key in establishing the point of switching between the requirement to measure an allowance based on 12-month ECL and one that is based on lifetime ECL. The approach of recognizing impairment is based on the following allocation to Stages:

- Stage 1: Contains instruments that have not deteriorated significantly in credit quality since initial recognition or have low credit risk at the reporting date.

  The Group and the Bank follow the 'low risk simplification', according to which, if a financial instrument has low credit risk, it is assumed that no significant increases in credit risk have occurred. The Group and the Bank consider that all investment grade instruments are low risk instruments; hence, they are allocated to Stage 1.

  At stage 1, 12-month ECL is recognized. For instruments with a residual maturity of less than 12 months, ECL is calculated for the remaining period until maturity.

- Stage 2: Contains instruments that have deteriorated significantly in credit quality since initial recognition. At Stage 2, lifetime ECL is recognized.

- Stage 3: Contains instruments that have incurred an actual default (impaired). At Stage 3, lifetime ECL is recognized.

For the assessment of significant credit risk deterioration of non-investment grade instruments and the allocation from Stage 1 to Stage 2 (and vice versa), the Group and the Bank rely on the following two independent conditions: a) external credit rating downgrade (upgrade) since the acquisition date or b) increase (decrease) in the 12-month PD since the acquisition date. In case where an external credit rating is not available, the Group and the Bank use the internal rating evaluation.

As a parallel staging process, the Group and the Bank also monitor the bond market credit singular evolution. Any increase in credit spreads above an indicative spread threshold since initial recognition, triggers an internal review process of the affected instruments' current staging in order to assess if the observed change of the credit spread reflects an actual change in credit risk expectations.

Default Definition

A debt security or other short-term Treasury product is considered as defaulted and consequently allocated to Stage 3, when it has been assigned a 'Default' rating by an external credit rating agency. Furthermore, if the issuer or counterparty has additional obligations with the Bank and is in default in one of these obligations, then based on the cross-contamination rule, the instrument will be assigned to Stage 3.

Expected Credit Loss Estimation

The Group and the Bank use the following key elements to measure ECL for debt securities:

- **PD**: Can be classified in the following two categories:

- 12-month PD, which corresponds to the estimated PD occurring within the horizon of the next 12 months and is used to compute 12-month ECL for stage 1 allocation
- Lifetime PD, which expresses the estimated PD occurring over the remaining life of the financial asset and is used to calculate the lifetime ECL for Stage 2 allocation. For stage 3 allocation, PD = 100% is used.

- **LGD:** Defined as the fraction of the total exposure that the Bank estimates not to be able to recover in the case of default. The LGD assumption depends on the type of the issuer, level of seniority and the presence of collateral.

- **EIR:** The yield to maturity of the instrument at the time of acquisition.

- **EAD:** Defined as the total loss that the Bank may incur, from a potential default of the issuer of the financial instrument. The Bank follows a forward amortizing cost approach to calculate EAD. The EAD is estimated assuming that cash flows occurring in all future time periods will not be received and in return, the Bank will receive a recovery amount. EAD is the sum of the discounted cash flows as of the reporting date, using the EIR of the transaction.

The Group and the Bank do not utilize any internal models for estimating the PDs, LGDs or any of the staging criteria used for the ECL calculation of debt securities and other short-term Treasury products. As primary methodology for the staging and ECL calculation, the Bank relies on the assessment of external rating agencies and the published rating-mapped PDs. This approach assumes a single "average" economic state scenario, which represents the average of all possible outcomes under different scenarios of macroeconomic conditions.

The assessment of SICR for debt securities is performed through an automated process. Any other assessment relating to SICR and which leads to different outcome in terms of stage allocation as defined above, will need to be approved by the Provisioning Committee at each reporting date.

Purchased or originated credit impaired

Purchased or originated credit impaired financial assets ("POCI assets") are financial assets that are credit-impaired on initial recognition. In contrast to credit-impaired financial assets, the corresponding assessment for POCI-assets is performed at initial recognition instead of subsequent periods.

For POCI asset, the amortised cost will always reflect its lifetime ECL. POCI assets remain in POCI category for their entire lifetime and are not assessed for stage allocation or any stage transfers, therefore, any POCI assets that have ceased to be credit impaired as of the end of the reporting period are still presented within this category for classification purposes in Note 4.3.1 and Note 6.

Analysis of inputs to the ECL model under multiple economic scenarios

The Economics and Investments Strategy Unit of the Group and the Company produces forecasts for the possible evolution of macroeconomic variables, such as GDP, unemployment rate, inflation rate, House Price Index and Commercial real estate index that affect the level of ECL of loan portfolios under multiple economic scenarios. When estimating the ECLs, the Management considers three scenarios and each of these are associated with different PDs and LGDs (Optimistic – Base – Pessimistic). Management has assigned the following weights in each scenario: 60% base scenario (31 December 2021: 90%), 20% optimistic (31 December 2021: 5%) and 20% pessimistic (31 December 2021: 5%). When relevant, the assessment of multiple economic scenarios also incorporates how defaulted loans are expected to be recovered, including the probability that the loans will cure. Further information is presented in Note 3.2.

Differentiation in the models for the ECL calculation due to high energy prices and inflation

The Group did not change structurally any of the existing models which are used in the ECL calculation. All the model inputs, as per the normal process, have been reassessed during the year in order to capture any recent changes including the effects of high energy prices and inflation, where appropriate.

Multiple scenarios on the allowance

Management assesses and considers the sensitivity of the Group's ECL allowance on loans and advances to customers at amortised cost, against reasonably possible changes in Greece's real GDP growth, compared to the forward-looking scenarios utilised in the ECL measurement as of 31 December 2022. The sensitivity analysis was performed assuming a "favorable" and an "adverse" shift in the three (3) forward-looking scenarios for GDP by 1 percentage point, thus affecting the full GDP growth trajectory. A complete re-estimation of all modelled macroeconomic variables was performed taking under consideration the aforementioned "favorable" and "adverse" variations of the original forward-looking scenarios, since GDP plays a pivotal role in the modelling of all other macroeconomic variables.

The following tables include the ECL impact as of 31 December 2022 and 2021, for each of the alternative scenarios assumed. The impact should be read in the context of the sensitivity analysis as a whole, in conjunction with the narrative disclosures provided above.

Alternative scenario assumed as at 31/12/2022 (Group)	**ECL impact**			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Higher GDP (+1%)	(3)	(9)	(13)	**(25)**
Lower GDP (-1%)	2	8	10	**20**

Alternative scenario assumed as at 31/12/2021 (Group)	ECL impact			
	Stage 1	Stage 2	Stage 3	Total
Higher GDP (+1%)	(4)	(10)	(14)	**(28)**
Lower GDP (-1%)	4	11	14	**28**

The Company has no loans and advances to customers at amortised cost as at 31 December 2022 and 2021.

4.3 Credit Risk Management

Maximum exposure to credit risk before collateral held or other credit enhancements

The following table represents the maximum credit risk exposure of the Group and the Company as at 31 December 2022 and 2021, without taking account of any collateral held or other credit enhancements attached. For on-balance sheet assets, the exposures set out below are based on net carrying amounts as reported in the Statement of Financial Position.

	Group		Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Due from banks (Note 20)	750	1,344	45	50
Derivative financial instruments (Note 21)	1,830	591	-	-
Financial assets at fair value through profit or loss (Note 22)	528	886	-	-
Loans and advances to customers at amortised cost (Note 23)	37,367	36,521	-	-
Debt securities at FVTOCI (Note 24)	796	2,299	-	-
Debt securities at amortised cost (Note 25)	10,844	9,200	796	757
Assets held for sale (Note 30)	400	428	-	-
Other assets (Note 31)	2,098	2,198	44	26
Credit commitments (Note 42)	6,527	4,856	-	-
Total	**61,139**	**58,323**	**884**	**833**

The below tables show the gross amounts of the Group and the Company's credit exposures, per staging, for financial instruments at amortised cost or at FVTOCI and other financial assets, as well as the off-balance credit exposures.

Group	Stage 1	Stage 2	Stage 3		POCI		Total
31/12/2022			Collective	Individual	Collective	Individual	
Due from banks	750	-	-	-	-	-	750
Loans and advances to customers at amortised cost	31,932	3,797	799	1,478	595	186	38,787
Retail Lending	**5,763**	**2,040**	**526**	**47**	**394**	**5**	**8,774**
Mortgages	4,551	1,677	306	20	319	5	6,879
Consumer, Personal and Other	876	263	172	27	71	-	1,409
Credit Cards	336	99	48	-	3	-	485
Corporate and Public Sector Lending	**26,169**	**1,757**	**273**	**1,431**	**202**	**181**	**30,013**
Large Corporate	17,778	536	6	654	67	34	19,076
SMEs	6,776	1,221	267	772	132	147	9,313
Public Sector	1,615	-	-	5	2	-	1,623
Debt securities measured at FVTOCI	796	-	-	-	-	-	796
Debt securities at amortised cost	10,867	11	-	-	-	-	10,878
Other assets - Financial assets	1,107	52	-	211	-	-	1,370
Total on balance sheet credit exposures	**45,453**	**3,859**	**799**	**1,689**	**595**	**187**	**52,581**
Financial guarantees	4,550	37	202	-	-	-	4,789
Letters of credit	114	-	-	-	-	-	114
Irrevocable undrawn credit commitments	1,536	78	3	-	6	-	1,624
Total off balance sheet credit exposures	**6,200**	**116**	**204**	**-**	**6**	**-**	**6,527**

Group	Stage 1	Stage 2	Stage 3		POCI		Total
31/12/2021			Collective	Individual	Collective	Individual	
Due from banks	1,344	-	-	-	-	-	**1,344**
Loans and advances to customers at amortised cost	28,007	5,126	1,055	3,287	714	302	**38,492**
Retail Lending	**5,806**	**2,271**	**608**	**68**	**431**	**6**	**9,189**
Mortgages	4,647	1,803	366	38	336	6	**7,195**
Consumer, Personal and Other	837	352	191	30	92	-	**1,502**
Credit Cards	322	115	50	-	4	-	**491**
Corporate and Public Sector Lending	**22,202**	**2,855**	**447**	**3,219**	**283**	**297**	**29,303**
Large Corporate	15,304	1,171	15	1,415	63	50	**18,018**
SMEs	5,353	1,684	432	1,799	217	247	**9,732**
Public Sector	1,545	-	1	5	2	-	**1,553**
Debt securities measured at FVTOCI	2,277	22	-	-	-	-	**2,299**
Debt securities at amortised cost	9,219	-	-	-	-	-	**9,219**
Other assets - Financial assets	893	41	2	212	-	-	**1,149**
Total on balance sheet credit exposures	**41,740**	**5,190**	**1,057**	**3,499**	**714**	**302**	**52,503**
Financial guarantees	3,444	96	224	-	-	-	**3,764**
Letters of credit	41	1	-	-	-	-	**42**
Irrevocable undrawn credit commitments	936	107	-	-	7	-	**1,050**
Total off balance sheet credit exposures	**4,421**	**204**	**224**	**-**	**7**	**-**	**4,856**

Company 31/12/2022	Stage 1	Stage 2	Stage 3 Collective	Stage 3 Individual	POCI Collective	POCI Individual	Total
Due from banks	45	-	-	-	-	-	45
Loans and advances to customers at amortised cost	-	-	-	-	-	-	-
Retail Lending	-	-	-	-	-	-	-
Mortgages	-	-	-	-	-	-	-
Consumer, Personal and Other	-	-	-	-	-	-	-
Credit Cards	-	-	-	-	-	-	-
Corporate and Public Sector Lending	-	-	-	-	-	-	-
Large Corporate	-	-	-	-	-	-	-
SMEs	-	-	-	-	-	-	-
Public Sector	-	-	-	-	-	-	-
Debt securities measured at FVTOCI	-	-	-	-	-	-	-
Debt securities at amortised cost	819	-	-	-	-	-	819
Reverse repos with customers	-	-	-	-	-	-	-
Other assets - Financial assets	18	-	-	11	-	-	29
Total on balance sheet credit exposures	**882**	**-**	**-**	**11**	**-**	**-**	**892**
Financial guarantees	-	-	-	-	-	-	-
Letters of credit	-	-	-	-	-	-	-
Irrevocable undrawn credit commitments	-	-	-	-	-	-	-
Total off balance sheet credit exposures	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Company 31/12/2021	Stage 1	Stage 2	Stage 3 Collective	Stage 3 Individual	POCI Collective	POCI Individual	Total
Due from banks	50	-	-	-	-	-	50
Loans and advances to customers at amortised cost	-	-	-	-	-	-	-
Retail Lending	-	-	-	-	-	-	-
Mortgages	-	-	-	-	-	-	-
Consumer, Personal and Other	-	-	-	-	-	-	-
Credit Cards	-	-	-	-	-	-	-
Corporate and Public Sector Lending	-	-	-	-	-	-	-
Large Corporate	-	-	-	-	-	-	-
SMEs	-	-	-	-	-	-	-
Public Sector	-	-	-	-	-	-	-
Debt securities measured at FVTOCI	-	-	-	-	-	-	-
Debt securities at amortised cost	786	-	-	-	-	-	786
Reverse repos with customers	-	-	-	-	-	-	-
Other assets - Financial assets	11	-	-	-	-	-	11
Total on balance sheet credit exposures	**848**	**-**	**-**	**-**	**-**	**-**	**848**
Financial guarantees	-	-	-	-	-	-	-
Letters of credit	-	-	-	-	-	-	-
Irrevocable undrawn credit commitments	-	-	-	-	-	-	-
Total off balance sheet credit exposures	**-**	**-**	**-**	**-**	**-**	**-**	**-**

4.3.1 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 23.

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

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

Group 31/12/2022	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	4,551	1,677	327	324	**6,879**
Less: ECL Allowance for impairment losses	(3)	(20)	(48)	(15)	**(86)**
Total Mortgages	**4,548**	**1,657**	**278**	**309**	**6,793**
Consumer, Personal and Other loans					
Gross carrying amount	876	263	199	71	**1,410**
Less: ECL Allowance for impairment losses	(6)	(28)	(116)	(13)	**(163)**
Total Consumer, Personal and Other loans	**870**	**236**	**83**	**58**	**1,247**
Credit Cards					
Gross carrying amount	336	99	48	3	**485**
Less: ECL Allowance for impairment losses	(1)	(5)	(41)	(3)	**(50)**
Total Credit Cards	**334**	**94**	**6**	**0**	**435**
Retail Lending					
Gross carrying amount	5,763	2,040	573	399	**8,774**
Less: ECL Allowance for impairment losses	(11)	(53)	(206)	(31)	**(300)**
Total Retail Lending	**5,752**	**1,987**	**367**	**368**	**8,475**
Large Corporate Lending					
Gross carrying amount	17,778	536	660	102	**19,076**
Less: ECL Allowance for impairment losses	(12)	(5)	(325)	(20)	**(363)**
Total Large Corporate Lending	**17,766**	**531**	**335**	**81**	**18,713**
SMEs Lending					
Gross carrying amount	6,776	1,221	1,039	279	**9,314**
Less: ECL Allowance for impairment losses	(14)	(62)	(581)	(97)	**(754)**
Total SMEs Lending	**6,762**	**1,159**	**458**	**182**	**8,560**
Public Sector Lending					
Gross carrying amount	1,615	-	5	2	**1,623**
Less: ECL Allowance for impairment losses	-	-	(4)	-	**(4)**
Total Public Sector Lending	**1,615**	**-**	**2**	**2**	**1,619**
Corporate and Public Sector Lending					
Gross carrying amount	26,169	1,757	1,704	383	**30,013**
Less: ECL Allowance for impairment losses	(26)	(68)	(910)	(117)	**(1,121)**
Total Corporate and Public Sector Lending	**26,143**	**1,689**	**794**	**265**	**28,892**
Loans and advances to customers at amortised cost					
Gross carrying amount	31,932	3,797	2,277	782	**38,787**
Less: ECL Allowance for impairment losses	(37)	(120)	(1,115)	(148)	**(1,421)**
Total Loans and advances to customers at amortised cost	**31,895**	**3,677**	**1,162**	**633**	**37,367**

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

Stage 1 exposures presented under note line “Large corporate lending” include CLOs with a gross carrying amount of € 502 million as of 31 December 2022 (31 December 2021: € 93 million). The corresponding ECL, for both years is immaterial. Refer also to Note 23.

4.3.2 Credit quality per loan portfolio and industry

The tables below present the credit quality per loan portfolio and industry, inclusive of the value of collateral for the Group’s and the Company's gross carrying amount of loan and advances to customers at amortised cost as at 31 December 2022 and 2021.

	Group					Company				
31/12/2022	**Strong**	**Recommended**	**Substandard**	**Default**	**Value of collateral**	**Strong**	**Recommended**	**Substandard**	**Default**	**Value of collateral**
Retail Lending	**5,704**	**59**	**2,356**	**655**	**7,133**	**-**	**-**	**-**	**-**	**-**
Mortgages	4,517	34	1,939	389	6,551	-	-	-	-	-
Consumer, Personal and Other	858	18	317	216	581	-	-	-	-	-
Credit Cards	329	7	100	50	1	-	-	-	-	-
Corporate Lending	**22,630**	**1,952**	**1,948**	**1,860**	**13,050**	**-**	**-**	**-**	**-**	**-**
Large Corporate	16,941	839	611	685	6,940	-	-	-	-	-
SMEs	5,689	1,113	1,337	1,175	6,110	-	-	-	-	-
Public Sector	**1,609**	**6**	**2**	**5**	**1,566**	**-**	**-**	**-**	**-**	**-**
Greece	1,609	6	2	5	1,566	-	-	-	-	-
Total	**29,944**	**2,017**	**4,306**	**2,521**	**21,749**	**-**	**-**	**-**	**-**	**-**

	Group					Company				
31/12/2021	**Strong**	**Recommended**	**Substandard**	**Default**	**Value of collateral**	**Strong**	**Recommended**	**Substandard**	**Default**	**Value of collateral**
Retail Lending	**5,725**	**80**	**2,589**	**794**	**7,397**	**-**	**-**	**-**	**-**	**-**
Mortgages	4,601	46	2,055	493	6,774	-	-	-	-	-
Consumer, Personal and Other	810	27	419	247	622	-	-	-	-	-
Credit Cards	314	7	116	53	1	-	-	-	-	-
Corporate Lending	**19,322**	**1,381**	**3,000**	**4,047**	**11,799**	**-**	**-**	**-**	**-**	**-**
Large Corporate	14,694	610	1,253	1,460	6,120	-	-	-	-	-
SMEs	4,629	771	1,747	2,587	5,680	-	-	-	-	-
Public Sector	**1,537**	**8**	**2**	**5**	**1,484**	**-**	**-**	**-**	**-**	**-**
Greece	1,537	8	2	5	1,484	-	-	-	-	-
Total	**26,585**	**1,469**	**5,592**	**4,846**	**20,680**	**-**	**-**	**-**	**-**	**-**

The tables below show the Group's ageing analysis of past dues and the classification of gross exposures per loan category, into stages, inclusive of the corresponding value of collateral:

Group	Gross loans and advances to customers at amortised cost												
31/12/2022	Current	1-30 days	31-90 days	91-180 days	181-365 days	365+ days	Denounced	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Retail Lending	**8,080**	**174**	**79**	**69**	**87**	**132**	**155**	**8,774**	**5,763**	**2,040**	**573**	**399**	**8,774**
Mortgages	6,501	98	53	48	56	45	78	**6,879**	4,551	1,677	327	324	**6,879**
Consumer, Personal and Other	1,158	59	22	17	26	61	66	**1,410**	876	263	199	71	**1,410**
Credit Cards	420	16	5	3	5	25	11	**485**	336	99	48	3	**485**
Corporate Lending	**25,268**	**1,608**	**180**	**32**	**82**	**441**	**780**	**28,390**	**24,554**	**1,757**	**1,699**	**381**	**28,390**
Large Corporate	17,888	809	43	-	58	207	71	**19,076**	17,778	536	660	102	**19,076**
SMEs	7,380	798	136	32	25	234	709	**9,314**	6,776	1,221	1,039	279	**9,314**
Public Sector	**1,617**	**-**	**-**	**-**	**-**	**-**	**5**	**1,623**	**1,615**	**-**	**5**	**2**	**1,623**
Greece	1,617	-	-	-	-	-	5	**1,623**	1,615	-	5	2	**1,623**
Total	**34,965**	**1,781**	**259**	**102**	**169**	**573**	**939**	**38,787**	**31,932**	**3,797**	**2,277**	**782**	**38,787**
Value of collateral	**19,491**	**1,108**	**199**	**85**	**117**	**296**	**453**	**21,749**	**16,930**	**2,981**	**1,272**	**567**	**21,749**

Group	Gross loans and advances to customers at amortised cost												
31/12/2021	Current	1-30 days	31-90 days	91-180 days	181-365 days	365+ days	Denounced	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Retail Lending	**8,497**	**210**	**67**	**61**	**96**	**128**	**130**	**9,189**	**5,806**	**2,271**	**676**	**436**	**9,189**
Mortgages	6,829	130	40	40	61	41	54	**7,195**	4,647	1,803	404	341	**7,195**
Consumer, Personal and Other	1,248	62	22	18	30	63	60	**1,503**	837	352	222	92	**1,503**
Credit Cards	420	18	5	4	4	24	16	**491**	322	115	50	4	**491**
Corporate Lending	**23,351**	**1,323**	**217**	**83**	**285**	**934**	**1,558**	**27,751**	**20,657**	**2,855**	**3,661**	**578**	**27,751**
Large Corporate	16,688	616	59	5	140	382	128	**18,017**	15,304	1,171	1,430	113	**18,017**
SMEs	6,663	706	158	77	146	553	1,430	**9,733**	5,353	1,684	2,231	465	**9,733**
Public Sector	**1,547**	**-**	**-**	**-**	**-**	**-**	**5**	**1,553**	**1,545**	**-**	**5**	**2**	**1,553**
Greece	1,547	-	-	-	-	-	5	**1,553**	1,545	-	5	2	**1,553**
Total	**33,395**	**1,533**	**284**	**143**	**381**	**1,063**	**1,692**	**38,492**	**28,007**	**5,126**	**4,342**	**1,016**	**38,492**
Value of collateral	**17,621**	**992**	**197**	**113**	**284**	**599**	**874**	**20,680**	**13,965**	**3,594**	**2,381**	**740**	**20,680**

The tables below show the Group's ECL allowance, per loan category, based on past dues and staging:

Group	ECL allowance for impairments on loans and advances to customers at amortised cost												
31/12/2022	Current	1-30 days	31-90 days	91-180 days	181-365 days	365+ days	Denounced	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Retail Lending	**88**	**13**	**9**	**12**	**19**	**77**	**81**	**300**	**11**	**53**	**206**	**31**	**300**
Mortgages	39	2	3	4	4	10	24	**86**	3	20	48	15	**86**
Consumer, Personal and Other	41	10	5	6	11	43	47	**163**	6	28	116	13	**163**
Credit Cards	8	2	1	2	4	23	10	**50**	1	5	41	3	**50**
Corporate Lending	**253**	**16**	**7**	**8**	**50**	**248**	**536**	**1,117**	**26**	**68**	**906**	**117**	**1,117**
Large Corporate	153	1	-	-	44	118	47	**363**	12	5	325	20	**363**
SMEs	100	15	7	8	6	130	488	**754**	14	62	581	97	**754**
Public Sector	**-**	**-**	**-**	**-**	**-**	**-**	**3**	**4**	**-**	**-**	**4**	**-**	**4**
Greece	-	-	-	-	-	-	3	**4**	-	-	4	-	**4**
Total	**341**	**29**	**16**	**20**	**69**	**325**	**620**	**1,421**	**37**	**120**	**1,115**	**148**	**1,421**

Group	ECL allowance for impairments on loans and advances to customers at amortised												
31/12/2021	Current	1-30 days	31-90 days	91-180 days	181-365 days	365+ days	Denounced	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Retail Lending	**127**	**11**	**6**	**9**	**19**	**64**	**59**	**295**	**21**	**60**	**177**	**36**	**295**
Mortgages	45	2	1	2	5	5	13	**72**	3	21	36	12	**72**
Consumer, Personal and Other	75	8	4	6	11	39	32	**174**	17	35	101	22	**174**
Credit Cards	7	1	1	2	2	21	14	**48**	1	5	40	3	**48**
Corporate Lending	**433**	**37**	**11**	**14**	**57**	**322**	**800**	**1,674**	**69**	**115**	**1,330**	**160**	**1,674**
Large Corporate	298	10	1	5	46	123	51	**533**	38	22	460	13	**533**
SMEs	135	28	10	8	11	199	750	**1,141**	31	93	870	147	**1,141**
Public Sector	**1**	**-**	**-**	**-**	**-**	**-**	**-**	**1**	**1**	**-**	**-**	**-**	**1**
Greece	1	-	-	-	-	-	-	**1**	1	-	-	-	**1**
Total	**561**	**48**	**17**	**23**	**76**	**387**	**859**	**1,971**	**91**	**175**	**1,508**	**197**	**1,971**

The tables below present the credit quality per loan portfolio and industry:

Group 31/12/2022	Gross loans and advances to customers at amortised cost						
	Stage 1	Stage 2	Stage 3		POCI		Total
			Collective	Individual	Collective	Individual	
Retail Lending	**5,763**	**2,040**	**526**	**47**	**393**	**6**	**8,774**
Corporate and Public Sector Lending	**26,169**	**1,757**	**273**	**1,431**	**202**	**181**	**30,013**
Financial corporations	7,280	39	2	11	7	3	**7,344**
Manufacturing/ Handicraft	3,388	325	45	231	21	22	**4,032**
Construction	539	225	25	99	12	13	**914**
Real Estate Companies	770	35	3	247	15	22	**1,093**
Project Finance	2,182	5	1	9	-	-	**2,198**
Wholesale and retail trade	2,563	351	84	223	25	27	**3,272**
Shipping Companies	2,141	62	2	2	-	-	**2,206**
Coastline/ Ferries Companies	124	-	-	99	-	-	**223**
Hotels	1,772	296	10	172	67	27	**2,345**
Agriculture	493	34	23	20	7	-	**577**
Energy	854	25	2	30	15	12	**938**
Transports and Logistics	456	97	13	142	2	-	**709**
Other industries	1,991	260	63	140	29	55	**2,539**
Public sector	1,615	-	-	5	2	-	**1,623**
Total	**31,932**	**3,797**	**799**	**1,478**	**595**	**187**	**38,787**

Group	Gross loans and advances to customers at amortised cost						
31/12/2021	Stage 1	Stage 2	Stage 3		POCI		Total
			Collective	Individual	Collective	Individual	
Retail Lending	**5,806**	**2,271**	**608**	**68**	**430**	**6**	**9,189**
Corporate and Public Sector Lending	**22,202**	**2,855**	**448**	**3,218**	**283**	**297**	**29,303**
Financial corporations	6,695	5	4	440	5	6	**7,155**
Manufacturing/ Handicraft	2,569	633	81	517	34	55	**3,889**
Construction	574	144	41	278	20	13	**1,071**
Real Estate Companies	710	105	4	425	14	57	**1,316**
Project Finance	1,852	5	1	72	2	3	**1,936**
Wholesale and retail trade	2,240	420	123	371	38	54	**3,245**
Shipping Companies	1,946	3	1	31	-	-	**1,980**
Coastline/ Ferries Companies	118	-	1	103	-	-	**222**
Hotels	963	782	24	404	72	47	**2,292**
Agriculture	362	64	37	86	16	1	**565**
Energy	640	48	7	40	1	-	**735**
Transports and Logistics	402	94	19	252	4	1	**773**
Other industries	1,588	553	106	193	75	58	**2,573**
Public sector	1,545	1	1	5	2	-	**1,553**
Total	**28,007**	**5,126**	**1,056**	**3,286**	**714**	**303**	**38,492**

Group 31/12/2022	ECL allowance for impairments on loans and advances to customers at amortised cost						
	Stage 1	Stage 2	Stage 3		POCI		Total
			Collective	Individual	Collective	Individual	
Retail Lending	**11**	**53**	**177**	**28**	**30**	**1**	**300**
Corporate and Public Sector Lending	**26**	**68**	**120**	**790**	**24**	**94**	**1,121**
Financial corporations	2	-	2	11	-	2	**18**
Manufacturing/ Handicraft	3	13	19	102	5	11	**154**
Construction	1	7	13	61	2	8	**92**
Real Estate Companies	1	1	1	110	-	11	**125**
Project Finance	2	1	-	7	-	-	**11**
Wholesale and retail trade	4	22	39	156	6	14	**242**
Shipping Companies	1	-	1	1	-	-	**3**
Coastline/ Ferries Companies	-	-	-	67	-	-	**67**
Hotels	2	3	3	38	1	3	**48**
Agriculture	1	3	8	9	1	-	**23**
Energy	4	2	1	20	1	5	**34**
Transports and Logistics	1	2	6	108	1	-	**118**
Other industries	4	12	27	95	6	39	**183**
Public sector	-	-	-	3	-	-	**4**
Total	**37**	**120**	**298**	**818**	**54**	**95**	**1,421**

Group 31/12/2021	ECL allowance for impairments on loans and advances to customers at amortised cost						
	Stage 1	Stage 2	Stage 3		POCI		Total
			Collective	Individual	Collective	Individual	
Retail Lending	**21**	**60**	**155**	**22**	**36**	**-**	**295**
Corporate and Public Sector Lending	**69**	**115**	**165**	**1,165**	**45**	**115**	**1,675**
Financial corporations	7	-	2	101	-	1	**112**
Manufacturing/ Handicraft	13	26	29	141	5	18	**232**
Construction	4	6	16	107	4	6	**143**
Real Estate Companies	2	3	3	159	1	14	**182**
Project Finance	1	-	-	52	-	-	**54**
Wholesale and retail trade	12	30	53	199	11	28	**334**
Shipping Companies	1	-	1	15	-	-	**16**
Coastline/ Ferries Companies	-	-	-	30	-	-	**31**
Hotels	3	6	4	9	1	3	**26**
Agriculture	2	4	10	32	4	-	**53**
Energy	11	7	3	8	-	-	**30**
Transports and Logistics	1	3	8	157	1	1	**172**
Other industries	10	29	37	154	17	44	**291**
Public sector	1	-	-	-	-	-	**2**
Total	**91**	**175**	**321**	**1,187**	**81**	**115**	**1,971**

Group 31/12/2022	Loans and advances to customers at amortised cost						
	Stage 1	Stage 2	Stage 3		POCI		Total
			Collective	Individual	Collective	Individual	
Retail Lending	**5,752**	**1,987**	**349**	**19**	**363**	**4**	**8,475**
Corporate and Public Sector Lending	**26,143**	**1,689**	**153**	**642**	**178**	**88**	**28,892**
Financial corporations	7,278	39	1	-	7	1	**7,326**
Manufacturing/ Handicraft	3,385	312	26	129	16	11	**3,878**
Construction	538	218	13	38	10	5	**822**
Real Estate Companies	769	34	2	137	14	11	**968**
Project Finance	2,180	4	1	2	-	-	**2,187**
Wholesale and retail trade	2,558	330	45	67	18	13	**3,031**
Shipping Companies	2,140	62	-	1	-	-	**2,204**
Coastline/ Ferries Companies	124	-	-	32	-	-	**156**
Hotels	1,771	294	8	135	66	24	**2,297**
Agriculture	492	31	14	11	6	-	**554**
Energy	850	23	1	10	14	6	**904**
Transports and Logistics	455	95	7	33	1	-	**591**
Other industries	1,987	248	36	45	23	16	**2,355**
Public sector	1,615	-	-	1	2	-	**1,619**
Total	**31,895**	**3,677**	**501**	**660**	**541**	**92**	**37,367**

Group 31/12/2021	Loans and advances to customers at amortised cost						
	Stage 1	Stage 2	Stage 3		POCI		Total
			Collective	Individual	Collective	Individual	
Retail Lending	**5,785**	**2,210**	**452**	**46**	**394**	**5**	**8,893**
Corporate and Public Sector Lending	**22,132**	**2,740**	**283**	**2,053**	**238**	**182**	**27,628**
Financial corporations	6,688	4	1	339	5	6	**7,044**
Manufacturing/ Handicraft	2,556	607	52	376	28	37	**3,657**
Construction	570	138	25	171	16	8	**928**
Real Estate Companies	707	102	2	267	13	43	**1,134**
Project Finance	1,850	5	1	20	2	3	**1,882**
Wholesale and retail trade	2,227	390	70	172	27	26	**2,911**
Shipping Companies	1,945	3	-	16	-	-	**1,964**
Coastline/ Ferries Companies	118	-	1	73	-	-	**191**
Hotels	959	776	20	395	71	44	**2,265**
Agriculture	360	60	26	54	12	1	**512**
Energy	629	41	4	31	1	-	**706**
Transports and Logistics	401	91	11	95	3	-	**601**
Other industries	1,578	524	69	39	58	14	**2,282**
Public sector	1,544	-	-	5	2	-	**1,551**
Total	**27,917**	**4,950**	**735**	**2,099**	**632**	**188**	**36,521**

The tables that follow show the credit quality, per staging, of each loan category, for the Group as at 31 December 2022, and 2021, inclusive of value of collateral.

Mortgages

Group	Mortgages - Internal rating grade				
31/12/2022	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Strong	4,517	-	-	-	**4,517**
Recommended	34	-	-	-	**34**
Substandard	-	1,677	-	262	**1,939**
Default	-	-	327	62	**389**
Total Gross Balance	**4,551**	**1,677**	**327**	**324**	**6,879**
Strong	3	-	-	-	**3**
Recommended	-	-	-	-	**-**
Substandard	-	20	-	3	**22**
Default	-	-	48	13	**61**
Total ECL Allowance	**3**	**20**	**48**	**15**	**86**
Total Balance	**4,548**	**1,657**	**278**	**309**	**6,793**
Value of collateral	4,378	1,586	290	298	6,551

Group	Mortgages - Internal rating grade				
31/12/2021	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Strong	4,601	-	-	-	**4,601**
Recommended	46	-	-	-	**46**
Substandard	-	1,803	-	252	**2,055**
Default	-	-	404	90	**493**
Total Gross Balance	**4,647**	**1,803**	**404**	**341**	**7,195**
Strong	3	-	-	-	**3**
Recommended	-	-	-	-	**-**
Substandard	-	21	-	4	**25**
Default	-	-	36	8	**44**
Total ECL Allowance	**3**	**21**	**36**	**12**	**72**
Total Balance	**4,643**	**1,782**	**368**	**329**	**7,123**
Value of collateral	4,436	1,671	354	313	6,774

Consumer, Personal and Other Lending

Group	Consumer, Personal and Other Lending - Internal rating grade				
31/12/2022	Stage 1	Stage 2	Stage 3	POCI	Total
Strong	858	-	-	-	858
Recommended	18	-	-	-	18
Substandard	-	263	-	54	317
Default	-	-	199	18	216
Total Gross Balance	**876**	**263**	**199**	**71**	**1,410**
Strong	6	-	-	-	6
Recommended	-	-	-	-	-
Substandard	-	28	-	5	33
Default	-	-	116	8	124
Total ECL Allowance	**6**	**28**	**116**	**13**	**163**
Total Balance	**870**	**236**	**83**	**58**	**1,247**
Value of collateral	403	95	50	33	581

Group	Consumer, Personal and Other Lending - Internal rating grade				
31/12/2021	Stage 1	Stage 2	Stage 3	POCI	Total
Strong	810	-	-	-	**810**
Recommended	27	-	-	-	**27**
Substandard	-	352	-	67	**419**
Default	-	-	222	25	**247**
Total Gross Balance	**837**	**352**	**222**	**92**	**1,503**
Strong	16	-	-	-	**16**
Recommended	-	-	-	-	**-**
Substandard	-	35	-	13	**48**
Default	-	-	101	9	**110**
Total ECL Allowance	**17**	**35**	**101**	**22**	**174**
Total Balance	**820**	**317**	**120**	**70**	**1,328**
Value of collateral	394	133	60	35	**622**

Credit Cards

Group	Credit Cards - Internal rating grade				
31/12/2022	Stage 1	Stage 2	Stage 3	POCI	Total
Strong	329	-	-	-	329
Recommended	7	-	-	-	7
Substandard	-	99	-	-	100
Default	-	-	48	3	50
Total Gross Balance	**336**	**99**	**48**	**3**	**485**
Strong	1	-	-	-	1
Recommended	-	-	-	-	-
Substandard	-	5	-	-	5
Default	-	-	41	3	44
Total ECL Allowance	**1**	**5**	**41**	**3**	**50**
Total Balance	**334**	**94**	**6**	**-**	**435**
Value of Collateral	1	-	-	-	1

Group	Credit Cards - Internal rating grade				
31/12/2021	Stage 1	Stage 2	Stage 3	POCI	Total
Strong	314	-	-	-	**314**
Recommended	7	-	-	-	**7**
Substandard	-	115	-	-	**116**
Default	-	-	50	3	**53**
Total Gross Balance	**322**	**115**	**50**	**4**	**491**
Strong	1	-	-	-	**1**
Recommended	-	-	-	-	**-**
Substandard	-	5	-	-	**5**
Default	-	-	40	3	**43**
Total ECL Allowance	**1**	**5**	**40**	**3**	**48**
Total Balance	**321**	**111**	**10**	**1**	**443**
Value of Collateral	1	-	-	-	**1**

Large Corporate

Group	Large Corporate - Internal rating grade				
31/12/2022	Stage 1	Stage 2	Stage 3	POCI	Total
Strong	16,941	-	-	-	16,941
Recommended	837	2	-	-	839
Substandard	-	534	10	67	611
Default	-	-	650	35	685
Total Gross Balance	**17,778**	**536**	**660**	**102**	**19,076**
Strong	9	-	-	-	9
Recommended	3	-	-	-	3
Substandard	-	5	-	2	7
Default	-	-	325	19	344
Total ECL Allowance	**12**	**5**	**325**	**20**	**363**
Total Balance	**17,766**	**531**	**335**	**81**	**18,713**
Value of collateral	6,135	391	355	60	6,940

Group	Large Corporate - Internal rating grade				
31/12/2021	Stage 1	Stage 2	Stage 3	POCI	Total
Strong	14,694	-	-	-	**14,694**
Recommended	610	-	-	-	**610**
Substandard	-	1,171	8	75	**1,253**
Default	-	-	1,422	38	**1,460**
Total Gross Balance	**15,304**	**1,171**	**1,430**	**113**	**18,017**
Strong	33	-	-	-	**33**
Recommended	5	-	-	-	**5**
Substandard	-	22	-	2	**24**
Default	-	-	460	11	**471**
Total ECL Allowance	**38**	**22**	**460**	**13**	**533**
Total Balance	**15,266**	**1,148**	**970**	**100**	**17,484**
Value of collateral	4,747	612	679	83	**6,120**

SME

Group	SME - Internal rating grade				
31/12/2022	Stage 1	Stage 2	Stage 3	POCI	Total
Strong	5,689	-	-	-	5,689
Recommended	1,086	27	-	-	1,113
Substandard	-	1,194	37	106	1,337
Default	-	-	1,002	173	1,175
Total Gross Balance	**6,776**	**1,221**	**1,039**	**279**	**9,314**
Strong	10	-	-	-	10
Recommended	4	-	-	-	4
Substandard	-	62	33	2	98
Default	-	-	547	95	642
Total ECL Allowance	**14**	**62**	**581**	**97**	**754**
Total Balance	**6,762**	**1,159**	**458**	**182**	**8,560**
Value of Collateral	4,452	909	573	177	6,110

Group	SME - Internal rating grade				
31/12/2021	Stage 1	Stage 2	Stage 3	POCI	Total
Strong	4,629	-	-	-	**4,629**
Recommended	725	47	-	-	**771**
Substandard	-	1,638	17	92	**1,747**
Default	-	-	2,214	373	**2,587**
Total Gross Balance	**5,353**	**1,684**	**2,231**	**465**	**9,733**
Strong	24	-	-	-	**24**
Recommended	7	1	-	-	**8**
Substandard	-	92	8	3	**102**
Default	-	-	862	145	**1,007**
Total ECL Allowance	**31**	**93**	**870**	**147**	**1,141**
Total Balance	**5,322**	**1,592**	**1,361**	**317**	**8,593**
Value of collateral	2,908	1,178	1,284	310	**5,680**

Public Sector

Group	Public Sector - Internal rating grade				
31/12/2022	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Strong	1,609	-	-	-	**1,609**
Recommended	6	-	-	-	**6**
Substandard	-	-	-	2	**2**
Default	-	-	5	-	**5**
Total Gross Balance	**1,615**	**-**	**5**	**2**	**1,623**
Strong	-	-	-	-	**-**
Recommended	-	-	-	-	**-**
Substandard	-	-	-	-	**-**
Default	-	-	4	-	**4**
Total ECL Allowance	**-**	**-**	**4**	**-**	**4**
Total Balance	**1,615**	**-**	**2**	**2**	**1,619**
Value of collateral	1,562	-	4	-	**1,566**

Group	Public Sector - Internal rating grade				
31/12/2021	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Strong	1,537	-	-	-	**1,537**
Recommended	8	-	-	-	**8**
Substandard	-	-	-	2	**2**
Default	-	-	5	-	**5**
Total Gross Balance	**1,545**	**-**	**5**	**2**	**1,553**
Strong	1	-	-	-	**1**
Recommended	-	-	-	-	**-**
Substandard	-	-	-	-	**-**
Default	-	-	-	-	**-**
Total ECL Allowance	**1**	**-**	**-**	**-**	**2**
Total Balance	**1,544**	**-**	**5**	**2**	**1,551**
Value of collateral	1,479	-	5	-	**1,484**

As at 31 December 2022 and 2021 the Group and the Company have not granted any Public Sector lending outside Greece.

An analysis of changes in the gross carrying amount and the corresponding ECL allowance for impairment losses in relation to the Group's Retail lending portfolio for 2022 is as follows:

Group	Retail Lending - Movement in gross carrying amounts				
	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount as at 1/1/2022	5,806	2,271	676	436	**9,189**
Transfer (to)/ from Held for Sale	(1)	(2)	(120)	(23)	**(146)**
New assets originated or purchased	609	37	-	4	**649**
Other debits to the Gross Balance / (Repayments)	(902)	(258)	(42)	(22)	**(1,224)**
Assets sold	-	-	-	-	**-**
Assets derecognised (excluding write offs)	-	-	-	-	**-**
Transferred from Stage 1 to Stage 2	(1,115)	1,115	-	-	**-**
Transferred from Stage 1 to Stage 3	(14)		14	-	**-**
Transferred from Stage 2 to Stage 1	1,177	(1,177)	-	-	**-**
Transferred from Stage 2 to Stage 3	-	(240)	240	-	**-**
Transferred from Stage 3 to Stage 1	-	-	-	-	**-**
Transferred from Stage 3 to Stage 2	-	206	(206)	-	**-**
Change in the present value of the allowance	206	78	21	11	**316**
Write-off of interest recognised from change in the present value of the allowance	-	-	(8)	(1)	**(9)**
Write-offs	(11)	(1)	(3)	(8)	**(23)**
FX differences and other movements	9	10	2	2	**22**
Gross carrying amount as at 31/12/2022	**5,763**	**2,040**	**573**	**399**	**8,775**

Group	Retail Lending - Movement in ECL allowance				
	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 1/1/2022	**21**	**60**	**177**	**36**	**295**
Transfer (to)/ from Held for Sale	-	(1)	(67)	(13)	(82)
Transferred from Stage 1 to Stage 2	(3)	3	-	-	-
Transferred from Stage 1 to Stage 3	-	-	-	-	-
Transferred from Stage 2 to Stage 1	24	(24)	-	-	-
Transferred from Stage 2 to Stage 3	-	(20)	20	-	-
Transferred from Stage 3 to Stage 1	-	-	-	-	-
Transferred from Stage 3 to Stage 2	-	27	(27)	-	-
ECL impairment charge/ (release) for the year (P&L)	(26)	-	72	(1)	46
ECL impairment charge for new financial assets originated or purchased (P&L)	-	-	-	-	-
Recoveries of amounts previously written-off (P&L)	-	-	-	-	-
Change in the present value of the allowance	-	-	9	1	10
Write-off of interest recognised from change in the present value of the allowance	-	-	(8)	(1)	(9)
Write-offs	(11)	(1)	(3)	(8)	(23)
Financial assets derecognised	-	-	-	-	-
Disposals of loans and advances	-	-	-	-	-
FX differences and other movements	6	8	34	15	63
ECL allowance as at 31/12/2022	**11**	**53**	**205**	**31**	**299**

An analysis of changes in the gross carrying amount and the corresponding ECL allowance for impairment losses in relation to the Group's Retail lending portfolio for 2021 is as follows:

Group	Retail Lending - Movement in gross carrying amounts				
	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount as at 1/1/2021	**6,506**	**2,656**	**4,868**	**3,454**	**17,483**
Transfer (to)/ from Held for Sale	(32)	(147)	(2,324)	(1,946)	**(4,449)**
New assets originated or purchased	527	19	-	-	**546**
Other debits to the Gross Balance / (Repayments)	(882)	(232)	(52)	(79)	**(1,245)**
Assets sold	(26)	(365)	(1,870)	(1,011)	**(3,271)**
Assets derecognised (excluding write offs)	-	-	-	-	**-**
Transferred from Stage 1 to Stage 2	(1,409)	1,409	-	-	**-**
Transferred from Stage 1 to Stage 3	(30)	-	30	-	**-**
Transferred from Stage 2 to Stage 1	959	(959)	-	-	**-**
Transferred from Stage 2 to Stage 3	-	(546)	546	-	**-**
Transferred from Stage 3 to Stage 1	-	-	-	-	**-**
Transferred from Stage 3 to Stage 2	-	360	(360)	-	**-**
Change in the present value of the allowance	178	69	77	56	**381**
Write-off of interest recognised from change in the present value of the allowance	-	-	(39)	(27)	**(67)**
Write-offs	(6)	(3)	(197)	(9)	**(215)**
FX differences and other movements	21	9	(3)	(1)	**26**
Gross carrying amount as at 31/12/2021	**5,806**	**2,271**	**676**	**436**	**9,189**

Group	Retail Lending - Movement in ECL allowance				
	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 1/1/2021	**25**	**83**	**1,832**	**1,361**	**3,300**
Transfer (to)/ from Held for Sale	(1)	(8)	(913)	(901)	**(1,823)**
Transferred from Stage 1 to Stage 2	(5)	5	-	-	**-**
Transferred from Stage 1 to Stage 3	(1)	-	1	-	**-**
Transferred from Stage 2 to Stage 1	24	(24)	-	-	**-**
Transferred from Stage 2 to Stage 3	-	(42)	42	-	**-**
Transferred from Stage 3 to Stage 1	-	-	-	-	**-**
Transferred from Stage 3 to Stage 2	-	44	(44)	-	**-**
ECL impairment charge/ (release) for the year (P&L)	10	199	1,021	608	**1,839**
ECL impairment charge for new financial assets originated or purchased (P&L)	-	-	-	-	**-**
Recoveries of amounts previously written-off (P&L)	-	-	-	-	**(0)**
Change in the present value of the allowance	-	-	38	27	**65**
Write-off of interest recognised from change in the present value of the allowance	-	-	(39)	(27)	**(67)**
Write-offs	(6)	(3)	(197)	(9)	**(215)**
Financial assets derecognised	-	-	-	-	**-**
Disposals of loans and advances	(7)	(132)	(1,038)	(618)	**(1,796)**
FX differences and other movements	(18)	(62)	(524)	(404)	**(1,008)**
ECL allowance as at 31/12/2021	**21**	**60**	**177**	**36**	**295**

As of 31 December 2022, the gross carrying amount and the corresponding ECL for impairment losses in relation to the Company's Retail lending portfolio is nil.

An analysis of changes in the gross carrying amount and the corresponding ECL allowance for impairment losses in relation to the Company's Retail lending portfolio for 2021 is as follows:

Company	Retail Lending - Movement in gross carrying amounts				
	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount as at 1/1/2021	**21**	**349**	**1,889**	**1,028**	**3,287**
Transfer (to)/ from Held for Sale	-	-	-	-	**-**
New assets originated or purchased	-	-	-	-	**-**
Other debits to the Gross Balance / (Repayments)	3	(20)	5	(24)	**(36)**
Assets sold	(26)	(365)	(1,870)	(1,011)	**(3,271)**
Assets derecognised (excluding write offs)	-	-	-	-	**-**
Transferred from Stage 1 to Stage 2	(4)	4	-	-	**-**
Transferred from Stage 1 to Stage 3	(1)	-	1	-	**-**
Transferred from Stage 2 to Stage 1	7	(7)	-	-	**-**
Transferred from Stage 2 to Stage 3	-	(68)	68	-	**-**
Transferred from Stage 3 to Stage 1	-	-	-	-	**-**
Transferred from Stage 3 to Stage 2		103	(103)	-	**-**
Change in the present value of the allowance	-	4	29	18	**52**
Write-off of interest recognised from change in the present value of the allowance	-	-	(16)	(11)	**(27)**
Write-offs	-	-	(3)	-	**(3)**
FX differences and other movements	-	-	-	-	**(1)**
Contribution to the new credit institution	-	-	-	-	**-**
Gross carrying amount as at 31/12/2021	**-**	**-**	**-**	**-**	**-**

Company	Retail Lending -Movement in ECL allowance				
	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 1/1/2021	**-**	**7**	**607**	**420**	**1,035**
Transfer (to)/ from Held for Sale	-	-	-	-	-
Transferred from Stage 1 to Stage 2	-	-	-	-	-
Transferred from Stage 1 to Stage 3	-	-	-	-	-
Transferred from Stage 2 to Stage 1	1	(1)	-	-	-
Transferred from Stage 2 to Stage 3		(7)	7	-	-
Transferred from Stage 3 to Stage 1	-	-	-	-	-
Transferred from Stage 3 to Stage 2		13	(13)	-	-
ECL impairment charge/ (release) for the year (P&L)	7	118	445	203	**773**
Change in the present value of the allowance	-	-	15	11	**26**
Write-off of interest recognised from change in the present value of the allowance	-	-	(16)	(11)	**(27)**
Write-offs	-	-	(3)	-	**(3)**
Financial assets derecognised	-	-	-	-	-
Disposals of loans and advances	(7)	(132)	(1,038)	(618)	**(1,796)**
FX differences and other movements	-	2	(4)	(5)	**(8)**
ECL allowance as at 31/12/2021	**-**	**-**	**-**	**-**	**-**

An analysis of changes in the gross carrying amount and the corresponding ECL allowance for impairment losses in relation to the Group's Corporate and Public sector lending portfolio for 2022 is as follows:

Group	Corporate and Public Sector Lending - Movement in gross carrying amounts				
	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount as at 1/1/2022	**22,202**	**2,855**	**3,666**	**580**	**29,303**
Transfer (to)/ from Held for Sale	(2)	30	(610)	(121)	**(704)**
Intercompany loans (recognized)/ derecognized due to change in Group's perimeter	(75)	-	5	-	**(70)**
Contribution to Associates	-	-	(421)	-	**(421)**
New assets originated or purchased	6,864	166	35	5	**7,069**
Other debits to the Gross Balance / (Repayments)	(3,585)	(581)	(314)	(72)	**(4,551)**
Assets sold	-	-	(62)	(2)	**(64)**
Assets derecognised (excluding write offs)	(830)	-	(4)	-	**(834)**
Transferred from Stage 1 to Stage 2	(1,708)	1,708	-	-	-
Transferred from Stage 1 to Stage 3	(32)	-	32	-	-
Transferred from Stage 2 to Stage 1	2,715	(2,715)	-	-	-
Transferred from Stage 2 to Stage 3		(116)	116	-	-
Transferred from Stage 3 to Stage 1	60	-	(60)	-	-
Transferred from Stage 3 to Stage 2	-	328	(328)	-	-
Debt for equity exchange	-	-	(44)	-	**(44)**
Change in the present value of the allowance	569	85	94	23	**771**
Write-off of interest recognised from change in the present value of the allowance	-	(2)	(56)	(13)	**(71)**
Write-offs	-	-	(380)	(19)	**(399)**
FX differences and other movements	(7)	(2)	35	1	**28**
Gross carrying amount as at 31/12/2022	**26,169**	**1,757**	**1,704**	**383**	**30,013**

Group	Corporate and Public Sector Lending - Movement in ECL allowance				
	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 1/1/2022	**69**	**115**	**1,330**	**160**	**1,675**
Transfer (to)/ from Held for Sale	(1)	15	(295)	(71)	**(351)**
Intercompany loans (recognized)/ derecognized due to change in Group's perimeter	-	-	2	-	**2**
Contribution to Associates	-	-	(92)	-	**(92)**
Transferred from Stage 1 to Stage 2	(11)	11	-	-	**-**
Transferred from Stage 1 to Stage 3	-	-	-	-	**-**
Transferred from Stage 2 to Stage 1	63	(63)	-	-	**-**
Transferred from Stage 2 to Stage 3		(13)	13	-	**-**
Transferred from Stage 3 to Stage 1	-	-	-	-	**-**
Transferred from Stage 3 to Stage 2	-	30	(30)	-	**-**
ECL impairment charge/ (release) for the year (P&L)	(135)	(32)	564	41	**437**
ECL impairment charge for new financial assets originated or purchased (P&L)	1	-	-	-	**1**
Recoveries of amounts previously written-off (P&L)	-	-	(12)	-	**(12)**
Change in the present value of the allowance	-	1	31	9	**41**
Write-off of interest recognised from change in the present value of the allowance	-	(2)	(56)	(13)	**(71)**
Write-offs	-	-	(380)	(19)	**(399)**
Financial assets derecognised	(2)	-	-	-	**(2)**
Disposals of loans and advances	-	-	-	(1)	**(1)**
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	1	-	**1**
Debt for equity exchange	-	-	(15)	-	**(15)**
FX differences and other movements	44	5	(153)	12	**(93)**
ECL allowance as at 31/12/2022	**26**	**68**	**910**	**117**	**1,121**

In November 2022, Piraeus Bank contributed into Strix Holdings LP, two bond loans of total gross carrying amount and ECL of € 421 million and € 92 million, respectively, in exchange for additional limited partnership interests. Refer to Note 26B for further information.

Regarding the movement in gross carrying amounts the "transfer to/from assets held for sale" of € 850 million mainly refers to the portfolios Sunrise III and Solar.

Regarding the movement in ECL allowance, line item "transfer (to)/from assets held for sale" of € 433 million mainly refers to portfolios Sunrise III and Solar. Amount of € 227 million in line item "ECL impairment charge/ (release) for the year (P&L)" relates to the ECL recognised during the year upon classification of the aforementioned portfolios as held for sale. Accordingly, the respective ECL related to the said HFS portfolios is deducted from line item "FX differences and other movements". Refer to Note 30 for further information of the aforementioned portfolios.

For the purposes of this disclosure (both for movement in gross carrying amounts and ECL allowance), transfers are deemed to have occurred at the end of the previous reporting period prior to the "held for sale" classification, therefore the balances quoted in the aforementioned paragraphs reflect the gross carrying amounts and ECL allowance of Sunrise III and Solar held for sale portfolio as of 31 March 2022.

During the year ended 31 December 2022 a loss of € 19 million has been recognised in Group's Income Statement (31 December 2021: gain € 3 million) due to derecognition of loans and advances to customers at amortised cost, in the context of either sale transactions or debt to equity exchanges.

An analysis of changes in the gross carrying amount and the corresponding ECL allowance for impairment losses in relation to the Group's Corporate and Public sector lending portfolio for 2021 is as follows:

Group	Corporate and Public Sector Lending - Movement in gross carrying amounts				
	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount as at 1/1/2021	**14,561**	**2,754**	**11,469**	**3,262**	**32,045**
Transfer (to)/ from Held for Sale	(0)	(34)	(4,821)	(1,493)	**(6,349)**
Intercompany loans (recognized)/ derecognized due to change in Group's perimeter	59	-	-	-	**59**
New assets originated or purchased	7,468	127	11	-	**7,606**
Other debits to the Gross Balance / (Repayments)	67	(609)	(345)	(77)	**(964)**
Assets sold	(6)	(15)	(2,421)	(990)	**(3,433)**
Assets derecognised (excluding write offs)	-	-	(148)	(23)	**(172)**
Transferred from Stage 1 to Stage 2	(2,108)	2,108	-	-	**-**
Transferred from Stage 1 to Stage 3	(60)	-	60	-	**-**
Transferred from Stage 2 to Stage 1	1,488	(1,488)	-	-	**-**
Transferred from Stage 2 to Stage 3		(492)	492	-	**-**
Transferred from Stage 3 to Stage 1	7	-	(7)	-	**-**
Transferred from Stage 3 to Stage 2		418	(418)	-	**-**
Debt for equity exchange	-	-	(21)	-	**(21)**
Change in the present value of the allowance	448	92	292	99	**931**
Write-off of interest recognised from change in the present value of the allowance	-	(1)	(211)	(71)	**(283)**
Write-offs	-	-	(310)	(139)	**(449)**
FX differences and other movements	280	(5)	46	13	**334**
Gross carrying amount as at 31/12/2021	**22,202**	**2,855**	**3,666**	**580**	**29,303**

Group	Corporate and Public Sector Lending - Movement in ECL allowance				
	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 1/1/2021	**83**	**174**	**4,651**	**1,697**	**6,605**
Transfer (to)/ from Held for Sale	-	(11)	(1,951)	(826)	**(2,788)**
Transferred from Stage 1 to Stage 2	(11)	11	-	-	**-**
Transferred from Stage 1 to Stage 3	(1)	-	1	-	**-**
Transferred from Stage 2 to Stage 1	34	(34)	-	-	**-**
Transferred from Stage 2 to Stage 3		(47)	47	-	**-**
Transferred from Stage 3 to Stage 1	1	-	(1)	-	**-**
Transferred from Stage 3 to Stage 2	-	49	(49)	-	**-**
ECL impairment charge/ (release) for the year (P&L) (as reclassified)	(74)	33	1,902	438	**2,298**
ECL impairment charge for new financial assets originated or purchased (P&L)	1	1	-	-	**1**
Recoveries of amounts previously written-off (P&L)	-	-	(7)	-	**(7)**
Change in the present value of the allowance	-	1	126	57	**184**
Write-off of interest recognised from change in the present value of the allowance	-	(2)	(214)	(71)	**(287)**
Write-offs	-	-	(310)	(139)	**(449)**
Financial assets derecognised	-	-	(9)	(1)	**(10)**
Disposals of loans and advances	(2)	(8)	(1,796)	(764)	**(2,569)**
Debt for equity exchange	-	-	(18)	-	**(18)**
FX differences and other movements	40	(51)	(1,042)	(231)	**(1,284)**
ECL allowance as at 31/12/2021	**69**	**115**	**1,330**	**160**	**1,675**

As of 31 December 2022, the gross carrying amount and the corresponding ECL for impairment losses in relation to the Company's Corporate and Public sector lending portfolio is nil.

An analysis of changes in the gross carrying amount and the corresponding ECL allowance for impairment losses in relation to the Company's Corporate and Public sector lending portfolio for 2021 is as follows:

Company	Corporate and Public Sector Lending - Movement in gross carrying amounts				
	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount as at 1/1/2021	**5**	**16**	**2,381**	**991**	**3,393**
Transfer (to)/ from Held for Sale	-	-	-	-	-
New assets originated or purchased	-	-	-	-	-
Other debits to the Gross Balance / (Repayments)	-	(2)	-	(6)	**(8)**
Assets sold	(5)	(15)	(2,391)	(990)	**(3,402)**
Assets derecognised (excluding write offs)	-	-	-	-	-
Transferred from Stage 1 to Stage 2	-	-	-	-	-
Transferred from Stage 1 to Stage 3	-	-	-	-	-
Transferred from Stage 2 to Stage 1	-	-	-	-	-
Transferred from Stage 2 to Stage 3		(6)	6	-	-
Transferred from Stage 3 to Stage 1	-	-	-	-	-
Transferred from Stage 3 to Stage 2		6	(6)	-	-
Debt for equity exchange	-	-	-	-	-
Change in the present value of the allowance	-	-	70	31	**102**
Write-off of interest recognised from change in the present value of the allowance	-	-	(60)	(26)	**(85)**
Write-offs	-	-	(1)	-	**(1)**
FX differences and other movements	-	-	1	-	**1**
Contribution to the new credit institution	-	-	-	-	-
Gross carrying amount as at 31/12/2021	**-**	**-**	**-**	**-**	**-**

Company	Corporate and Public Sector Lending - Movement in ECL allowance				
	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 1/1/2021	**-**	**1**	**1,244**	**574**	**1,819**
Transfer (to)/ from Held for Sale	-	-	-	-	-
Transferred from Stage 1 to Stage 2	-	-	-	-	-
Transferred from Stage 1 to Stage 3	-	-	-	-	-
Transferred from Stage 2 to Stage 1	-	-	-	-	-
Transferred from Stage 2 to Stage 3		(1)	1	-	-
Transferred from Stage 3 to Stage 1	-	-	-	-	-
Transferred from Stage 3 to Stage 2		2	(2)	-	-
ECL impairment charge/ (release) for the year (P&L) (as reclassified)	3	6	541	195	**745**
Recoveries of amounts previously written-off P&L)	-	-	-	-	-
Change in the present value of the allowance	-	-	45	22	**67**
Write-off of interest recognised from change in the present value of the allowance	-	-	(60)	(26)	**(85)**
Write-offs	-	-	(1)	(0)	**(1)**
Financial assets derecognised	-	-	-	-	-
Disposals of loans and advances	(2)	(8)	(1,776)	(764)	**(2,549)**
Debt for equity exchange	-	-	-	-	-
FX differences and other movements	(1)	-	7	(2)	**4**
ECL allowance as at 31/12/2021	**-**	**-**	**-**	**-**	**-**

The gross modification impact recognized by the Group and the Company, during the period ended 31 December 2022, for loans with ECL allowance measured at an amount equal to lifetime ECL was gain € 3 million and nil, respectively (31 December 2021: loss € 64 million and € 4 million, respectively). 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 and the Company on the ECL allowance associated with these loans was a release of ECL allowance of € 16 million and nil, respectively (31 December 2021: € 39 million and € 1 million, respectively). The net impact for the Group and the Company on the income statement for the period ended 31 December 2022 was therefore, gain € 19 million and nil, respectively (31 December 2021 loss: € 25 million and € 3 million, respectively). The gross carrying amount (before modification) of the loans whose cash flows were modified during the period ended 31 December 2022 amounted to € 1,267 million for the Group (31 December 2021: € 4,290 million) and nil for the Company (31 December 2021: € 232 million). The Group's gross carrying amount as at 31 December 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 December 2022 is measured at an amount equal to 12-month ECL (Stage 1), is € 208 million (31 December 2021: € 473 million), while the respective amount for the Company is nil as at 31 December 2022 and 2021.

4.3.3 Collateral and other credit enhancements

Along with the evaluation of the creditworthiness of counterparties, the Group and the Company estimate the recovery rate against exposures, when limits are set or reviewed. This estimation is based on the type of debt claim and the existence of any connected collaterals and/or guarantees.

According to standard practice, when a borrower's credit rating is low, then even stronger collaterals/ guarantees are requested, in order to secure a higher recovery rate to account for the borrowers' default probability.

The Group and the Company have defined categories of acceptable collateral and have incorporated them in the credit policy. Main types of acceptable collateral are the following:

- Pledged deposits and cheques,
- Mortgages on real estate property,
- Ship mortgages,
- Greek government guarantees,
- Bank letters of guarantee,
- Guarantees by Development Bodies (i.e. the Hellenic Fund for Entrepreneurship & Development S.A),
- Pledged financial instruments such as mutual fund shares, stocks, bonds, T-bills and receivables.

The collateral/ security associated with a credit is initially evaluated during the credit approval process, based on their current or fair value and is re-evaluated at regular intervals. Collaterals or guarantees are not usually received against exposures to financial institutions.

Market value assessment of properties, which may secure any type of credit facilities towards individuals or legal entities, is performed by external certified independent valuers. The valuations are categorized into Individual valuations on a specific property either on-site or desktop and indexed valuations performed with statistical methodology (e.g. Propindex, BoG Indexes etc.) or any other automated processes.

The Group and the Company accept the following key valuation methodologies provided by International Valuation Standards (IVS):

a) Market approach or comparative method
b) Income approach
c) Cost Approach

The initial valuations of mortgaged properties are always performed on-site (physical inspection).

The Group and the Company update the valuations (either with individual valuations or statistical methods) for the collateral of all exposures (irrespective of their classification as PE / NPE) at least annually.

Furthermore, the revaluation of the immovable properties is updated on an individual basis at the time the exposure is classified as NPE and at least annually (either through individual evaluations or statistical methods) while it continues to be classified as such.

The Group and the Company according to Credit Policy Manual are constantly monitoring the changes in the market conditions in the real estate market, either internally through macroeconomic reports of the Group's Chief Economist, or externally through reports produced by prestigious independent valuation firms. Changes in market conditions are considered as an important factor determining the market value of a real estate property. More volatile real estate market conditions may lead to a higher evaluation frequency.

The Group and the Company may also obtain guarantees from parent companies for loans and advances granted to their subsidiaries.

Group	Fair value of collateral and credit enhancements held under the base scenario				
	Type of collateral or credit enhancement				
31/12/2022	Real estate collateral	Financial collateral	Other collateral	Total value of collateral	Guarantees received
Loans and advances to customers at amortised cost	14,899	1,427	5,423	21,749	3,449
Mortgages	6,426	70	56	6,551	-
Consumer, Personal and Other	350	78	153	581	-
Credit Cards	-	1	-	1	-
Large Corporate	5,018	853	1,069	6,940	1,453
SMEs	3,105	425	2,580	6,110	1,996
Public Sector	1	1	1,565	1,566	-
Total financial assets at amortised cost	**14,899**	**1,427**	**5,423**	**21,749**	**3,449**
Derivative financial instruments	-	635	-	635	-
Total financial instruments at FVTPL	**-**	**635**	**-**	**635**	**-**
Financial guarantees	126	120	86	333	1,046
Letters of credit	-	1	-	1	2
Irrevocable undrawn credit commitments	595	31	37	663	1,464
Total	**721**	**152**	**123**	**996**	**2,512**

Group	Fair value of collateral and credit enhancements held under the base scenario				
	Type of collateral or credit enhancement				
31/12/2021	Real estate collateral	Financial collateral	Other collateral	Total value of collateral	Guarantees received
Loans and advances to customers at amortised cost	14,900	1,417	4,363	20,680	3,091
Mortgages	6,643	61	70	6,774	-
Consumer, Personal and Other	388	73	162	622	-
Credit Cards	-	1	-	1	-
Large Corporate	4,278	884	958	6,120	930
SMEs	3,591	398	1,691	5,680	2,161
Public Sector	1	1	1,482	1,484	-
Total financial assets at amortised cost	**14,900**	**1,417**	**4,363**	**20,680**	**3,091**
Derivative financial instruments	-	500	-	500	-
Total financial instruments at FVTPL	**-**	**500**	**-**	**500**	**-**
Financial guarantees	123	100	81	304	839
Letters of credit	2	-	2	4	1
Irrevocable undrawn credit commitments	411	21	54	486	1,092
Total	**536**	**121**	**137**	**793**	**1,932**

As of 31 December 2022 and 2021 the Company has zero balances.

The below tables provide the fair value of collaterals held and credit enhancements for Stage 3 loans and advances to customers at amortised cost. Depending on the level of collateral some Stage 3 loans and advances to customers at amortised cost may not have individual ECLs when the expected value of the collateral is greater than loan's carrying amount , even if the future value of collateral is forecasted using multiple economic scenarios.

Group	Fair value of collateral and credit enhancements of Stage 3 loans and advances to customers at amortised cost held under the base scenario					
	Type of collateral or credit enhancement					
31/12/2022	Real estate collateral	Financial collateral	Other collateral	Total value of collateral	Guarantees received	Associated ECL
Loans and advances to customers at amortised cost	1,066	17	189	1,271	322	1,115
Mortgages	285	1	4	290	-	48
Consumer, Personal and Other	46	1	3	50	-	116
Credit Cards	-	-	-	-	-	41
Large Corporate	331	3	21	354	147	325
SMEs	404	12	157	573	175	581
Public Sector	-	-	4	4	-	4
Total loans and advances to customers at amortised cost	**1,066**	**17**	**189**	**1,271**	**322**	**1,115**
Financial guarantees	13	1	8	22	137	80
Letters of credit	-	-	-	-	-	-
Total	**13**	**1**	**8**	**22**	**137**	**80**

Group 31/12/2021	Fair value of collateral and credit enhancements of Stage 3 loans and advances to customers at amortised cost held under the base scenario					
	Type of collateral or credit enhancement					
	Real estate collateral	Financial collateral	Other collateral	Total value of collateral	Guarantees received	Associated ECL
Loans and advances to customers at amortised cost	2,015	97	268	2,381	533	1,508
Mortgages	346	2	6	354	-	36
Consumer, Personal and Other	55	3	2	60	-	101
Credit Cards	-	-	-	-	-	40
Large Corporate	579	77	29	686	163	460
SMEs	1,035	15	227	1,277	369	870
Public Sector	-	0	4	5	-	-
Total loans and advances to customers at amortised cost	**2,015**	**97**	**268**	**2,381**	**533**	**1,508**
Financial guarantees	16	2	8	26	155	77
Letters of credit	-	-	-	-	-	-
Total	**16**	**2**	**8**	**26**	**155**	**77**

As of 31 December 2022 and 2021 the Company has zero balances.

4.3.4 Loan-to-value ratio of mortgage and commercial real estate lending portfolios

The below table depicts the Loan-to-value (LTV) ratio, which represents the correlation between mortgage and commercial portfolios gross carrying amounts and the value of the property held as collateral (plus any other eligible collateral according to credit policy manual). A clustering of residential and commercial real estate, by range of LTV, is summarized as follow:

31/12/2022	Group	
	Mortgages (gross amounts)	Commercial real estate loans (gross amounts)
Less than 50%	3,082	50
50%-70%	1,568	53
71%-80%	555	19
81%-90%	415	35
91%-100%	311	8
101%-120%	356	37
121%-150%	254	3
Greater than 150%	338	17
Total exposure	**6,879**	**223**
Weighted Average LTV	**63.1%**	**92.5%**

31/12/2021	Group	
	Mortgages (gross amounts)	Commercial real estate loans (gross amounts)
Less than 50%	2,811	42
50%-70%	1,620	72
71%-80%	645	33
81%-90%	499	49
91%-100%	418	19
101%-120%	504	27
121%-150%	331	43
Greater than 150%	368	52
Total exposure	**7,195**	**337**
Weighted Average LTV	**66.1%**	**104.2%**

As of 31 December 2022 and 2021 the Company has no mortgage and commercial real estate lending portfolios.

4.3.5 Repossessed collaterals

The below mentioned real estate collaterals refer to property that is included in line items "Other Assets", "Property and equipment", "Investment property" and "Assets held for sale" in the Statement of Financial Position.

Group 31/12/2022	Gross amount	Of which: added this year	Accumulated impairment or fair value adjustment	Of which: on newly added	Net amount	Net Sale Price of repossessed collaterals sold	Net gain / losses on sale of repossessed collaterals
Real estate	**2,029**	**60**	**(127)**	**(19)**	**1,902**	**53**	**6**
-Residential	455	33	(29)	(4)	425	24	3
-Commercial	1,574	27	(98)	(16)	1,477	29	3
Other collateral	**8**	**-**	**(7)**	**(1)**	**1**	**1**	**-**

Group 31/12/2021	Gross amount	Of which: added this year	Accumulated impairment or fair value adjustment	Of which: on newly added	Net amount	Net Sale Price of repossessed collaterals sold	Net gain / losses on sale of repossessed collaterals
Real estate	**2,033**	**112**	**(158)**	**(28)**	**1,875**	**61**	**6**
-Residential	431	46	(32)	3	399	32	5
-Commercial	1,602	66	(126)	(31)	1,476	29	2
Other collateral	**9**	**-**	**(7)**	**(1)**	**2**	**-**	**-**

As of 31 December 2022 and 2021 the Company has no repossessed collaterals.

The Group mainly through its subsidiary “Piraeus Bank S.A.” grants loans and advances to customers at amortised cost which are collateralised by property. In case these loans become defaulted, the Group and the Bank proceed to the repossession of the relevant property, if this is assessed as the best solution by the responsible, authorized for this purpose, units / committees of the Bank and the other members of the Group. In this context, Management assesses the specific characteristics of each property (such as the type and the condition of the property, the location, possible uses, etc.) and the cost for acquiring the property, taking into account the potential value of subsequent sale or the potential benefit of the own use of the asset. In this context, as at 31 December 2022 the carrying amount of the repossessed property classified as investment property, which is also been rented, amounted to € 471 million.

The aforementioned assessment is part of the Group and the Bank's strategy and is in line with the real estate owned assets (“REO”) Policy Framework and its objectives for profitability, liquidity and capital adequacy.

For the Group and the Bank, the selection of property acquired from auctions and / or via voluntary surrenders is performed by the Property Committee of the Group, which is responsible for deciding in which auctions the Bank will participate in the acquisition of the collateral in cooperation with Intrum Debt Servicer. Furthermore, the management of the above mentioned property as well as the supervision of the cooperating REO servicers is performed by the Group Real Estate (GRE).

Regarding the property for sale there are procedures in place that involve several sale channels. These procedures are supervised by GRE and are executed via the Bank's branch network, real estate agencies or direct sales, while e-bidding procedures (www.properties4sale.gr) are being performed, as well as public tenders through the press. Relevant sale procedures are executed through the channels of the cooperating servicers (i. Intrum REO Solutions and ii. REM Real Estate Management). Furthermore, rental agreements for many acquired properties, managed by GRE, are signed in collaboration with the corresponding servicers, when it is presumed that the rental income offered by the potential lessee is favorable for the Group and the Bank compared to the rental assessment of the asset. Those rental agreements for the perimeter of assets under the exclusive management of GRE are being monitored by the responsible cooperating servicers, who are responsible for the monitoring and collection of rental agreements of the assets included in the perimeter under their management respectively. Additionally, the Real Estate portfolio includes property to be used by the Bank or to be rented to other subsidiaries or associates of the Group. This portfolio is managed by GRE, in cooperation with the Technical Division Department of the Bank. In addition, special property that can be utilized through further investments, is examined on an individual base.

The above mentioned activities determine the basic policy and framework for the Group’s procedures under normal real estate conditions. However, the management assesses alternative scenarios for portfolio sales of repossessed property or their contribution to various investment vehicles, in cooperation with external advisors, in an attempt for the improvement of total assets’ return.

4.4 Forbearance

Overview of modified and forborne loans

The Group applies the “Implementing Technical Standards” (“ITS”) of EBA relating to forborne loans.

The alignment of the Restructuring Policy of the Group with the relevant EBA definitions and BoG guidelines, was backed up with the development of structures and procedures, deployment of new information systems and updates on existing applications, in order to achieve more effective and reliable management of loans past dues, by performing restructurings according to the financial ability of the borrower and monitoring the effectiveness of various types of forbearance measures.

Forborne loans and advances are defined as exposures arising from loans that have been subject to forbearance measures. These measures are considered as a concession of the Group to a borrower who is facing or is about to face financial difficulties in fulfilling its debt obligations. Forbearance may involve modification of contractual terms and conditions and/or refinancing of debts.

Forbearance measures do not lead to derecognition, unless the modification changes substantially the loan terms of the original contract.

According to the EBA ITS Guidelines, for the forborne status to be removed, all relevant criteria should apply, including mainly the minimum required probation period (at least 2 years from the date of classification as non forborne exposure). The group has relevant detailed procedures in place.

In order to achieve greater efficiencies in the management of NPEs, the Company entered in October 2019 to a long-term strategic partnership with Intrum for the management of NPEs and REOs, through the establishment of an independent NPE servicing entity in Greece. Intrum Group is providing restructuring and turnaround services of NPE portfolios aiming at maximising recoveries and, minimising credit related losses, in line with the operational and financial targets set by the Group.

The Group Planning Committee of the Bank, which inter-alia, is responsible for the management of loans' past dues, collaborates with Group Risk Management for the achievement of a common understanding and the development of appropriate methodologies to assess the risk of the portfolio managed by Intrum. Group Risk Management monitors the forbearance process, assesses the relative risks by portfolio and forbearance type and informs the CRO about the NPE evolutions on a monthly basis.

Credit quality of forborne loans and advances to customers measured at amortised cost

31/12/2022	Group			Company		
	Loans measured at amortised cost	Forborne Loans measured at amortised cost	% of Forborne Loans measured at amortised cost	Loans measured at amortised cost	Forborne Loans measured at amortised cost	% of Forborne Loans measured at amortised cost
Stage 1	31,932	-	0.0%	-	-	0.0%
Stage 2	3,797	1,223	32.2%	-	-	0.0%
Stage 3	2,277	936	41.1%	-	-	0.0%
POCI	782	206	26.4%	-	-	0.0%
Total Gross exposure	**38,787**	**2,365**	**6.1%**	**-**	**-**	**0.0%**
Stage 1 ECL allowance	(37)	-	0.0%	-	-	0.0%
Stage 2 ECL allowance	(120)	(44)	36.9%	-	-	0.0%
Stage 3 ECL allowance	(1,115)	(351)	31.5%	-	-	0.0%
POCI ECL allowance	(148)	(24)	16.4%	-	-	0.0%
Total ECL allowance	**(1,421)**	**(420)**	**29.5%**	**-**	**-**	**0.0%**
Stage 1	31,895	-	0.0%	-	-	0.0%
Stage 2	3,677	1,178	32.0%	-	-	0.0%
Stage 3	1,162	585	50.4%	-	-	0.0%
POCI	633	182	28.7%	-	-	0.0%
Loans measured at amortised cost	**37,367**	**1,945**	**5.2%**	**-**	**-**	**0.0%**
Value of collateral	21,749	1,727	7.9%	-	-	0.0%

31/12/2021	Group			Company		
	Loans measured at amortised cost	Forborne Loans measured at amortised cost	% of Forborne Loans measured at amortised cost	Loans measured at amortised cost	Forborne Loans measured at amortised cost	% of Forborne Loans measured at amortised cost
Stage 1	28,007	-	0.0%	-	-	0.0%
Stage 2	5,126	1,387	27.1%	-	-	0.0%
Stage 3	4,342	1,777	40.9%	-	-	0.0%
POCI	1,016	308	30.3%	-	-	0.0%
Total Gross exposure	**38,492**	**3,472**	**9.0%**	**-**	**-**	**0.0%**
Stage 1 ECL allowance	(91)	-	0.0%	-	-	0.0%
Stage 2 ECL allowance	(175)	(59)	33.8%	-	-	0.0%
Stage 3 ECL allowance	(1,508)	(442)	29.3%	-	-	0.0%
POCI ECL allowance	(197)	(21)	10.5%	-	-	0.0%
Total ECL allowance	**(1,971)**	**(522)**	**26.5%**	**-**	**-**	**0.0%**
Stage 1	27,917	-	0.0%	-	-	0.0%
Stage 2	4,950	1,328	26.8%	-	-	0.0%
Stage 3	2,834	1,335	47.1%	-	-	0.0%
POCI	820	287	35.0%	-	-	0.0%
Loans measured at amortised cost	**36,521**	**2,950**	**8.1%**	**-**	**-**	**0.0%**
Value of collateral	20,680	2,216	10.7%	-	-	0.0%

Forborne loans and advances to customers measured at amortised cost by type of forbearance measure

	Group		Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Reduced payment schedule	395	556	-	-
Payment moratorium/ Holidays	21	71	-	-
Term extension	177	149	-	-
Arrears capitalization	113	91	-	-
Hybrid (i.e. combination of forbearance measures)	1,037	1,826	-	-
Other	202	258	-	-
Total net amount	**1,945**	**2,950**	**-**	**-**

For presentation purposes and due to amendment performed during this year, as regards to mapping of types of forbearance measures, the respective comparative amounts per type have been amended accordingly.

Reconciliation of forborne loans and advances to customers measured at amortised cost

	Group		Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Opening balance as at 1/1 (net)	**2,950**	**6,967**	**-**	**1,140**
Forbearance measures during the year	435	1,056	-	47
Repayment of loans (partial or total)	(282)	(443)	-	(21)
Loans that exited forbearance status during the year	(989)	(1,891)	-	-
Transfer (to)/ from Held for sale	(152)	(1,566)	-	-
Derecognition of forborne loans	-	(977)	-	(977)
ECL impairment charge for the year	(33)	(241)	-	(190)
FX differences and other movements	16	43	-	-
Contribution to the new credit institution	-	-	-	-
Closing balance (net)	**1,945**	**2,950**	**-**	**-**

Forborne loans and advances to customers measured at amortised cost by product line

	Group		Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Retail lending	**869**	**1,141**	**-**	**-**
Mortgage	761	980	-	-
Consumer, Personal and Other	107	160	-	-
Credit cards	-	-	-	-
Corporate lending	**1,077**	**1,810**	**-**	**-**
Large Corporate	513	805	-	-
SME's	564	1,004	-	-
Public sector	**-**	**-**	**-**	**-**
Greece	-	-	-	-
Other Countries	-	-	-	-
Total net amount	**1,945**	**2,950**	**-**	**-**

Forborne loans and advances to customers measured at amortised cost by geographical region

	Group		Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Greece	1,921	2,916	-	-
Rest of Europe	24	34	-	-
Total net amount	**1,945**	**2,950**	**-**	**-**

4.5 Debt to equity transactions

In certain cases, a debt restructuring may involve the exchange of equity for debt in an effort to make the borrower's businesses viable. Such debt restructuring agreements result to obtaining a controlling interest, joint control, significant influence or a minority shareholding over the borrower. The Group did not engage into material debt to equity transactions with third party in 2022. In 2021, the Group acquired an ownership interest in Euromedica, which is accounted for as an associate ever since. Further information is provided in the following table:

	2021			
S/N	Company	% Holding	Date of acquisition	Cost of acquisition
1	EUROMEDICA SOCIETE ANONYME FOR PROVISION OF MEDICAL SERVICES	29.4%	17/11/2021	11

4.6 Debt securities at amortised cost and debt securities measured at FVTOCI

The tables below present the credit rating and stage allocation of debt securities measured at FVTOCI, based on Standard and Poor's rating scale:

Group	External rating grade of debt securities measured at FVTOCI				
31/12/2022	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
AAA	-	-	-	-	-
A- to A+	-	-	-	-	-
BBB- to BBB+	-	-	-	-	-
BB- to BB+	795	-	-	-	795
Lower than BB-	1	-	-	-	1
Unrated	-	-	-	-	-
Total	**796**	**-**	**-**	**-**	**796**

Group	External rating grade of debt securities measured at FVTOCI				
31/12/2021	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
AAA	106	-	-	-	**106**
A- to A+	18	-	-	-	**18**
BBB- to BBB+	177	-	-	-	**177**
BB- to BB+	1,568	3	-	-	**1,571**
Lower than BB-	408	19	-	-	**427**
Unrated	-	-	-	-	-
Total	**2,277**	**22**	**-**	**-**	**2,299**

The Company had no debt securities measured at FVTOCI as at 31 December 2022 and 2021.

The tables below present the credit rating, stage allocation and ECL allowance of debt securities measured at amortised cost, based on Standard and Poor's rating scale:

Group	External rating grade of debt securities at amortised cost						
31/12/2022	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**	**ECL Allowance**	**Total**
AAA	10	-	-	-	**10**	-	10
A- to A+	21	-	-	-	**21**	-	21
BBB- to BBB+	2,463	-	-	-	**2,463**	-	2,462
BB- to BB+	8,126	-	-	-	**8,126**	25	8,101
Lower than BB-	248	11	-	-	**258**	9	250
Total	**10,867**	**11**	**-**	**-**	**10,878**	34	10,844

Company	External rating grade of debt securities at amortised cost						
31/12/2022	Stage 1	Stage 2	Stage 3	POCI	Total	ECL Allowance	Total
BBB- to BBB+	-	-	-	-	**-**	-	-
BB- to BB+	819	-	-	-	**819**	23	796
Lower than BB-	-	-	-	-	**-**	-	-
Total	**819**	**-**	**-**	**-**	**819**	23	796

Group	External rating grade of debt securities at amortised cost						
31/12/2021	Stage 1	Stage 2	Stage 3	POCI	Total	ECL Allowance	Total
BBB- to BBB+	2,429	-	-	-	**2,429**	-	2,429
BB- to BB+	6,772	-	-	-	**6,772**	18	6,754
Lower than BB-	18	-	-	-	**18**	-	18
Total	**9,219**	**-**	**-**	**-**	**9,219**	19	9,200

Company	External rating grade of debt securities at amortised cost						
31/12/2021	Stage 1	Stage 2	Stage 3	POCI	Total	ECL Allowance	Total
BBB- to BBB+	-	-	-	-	**-**	-	-
BB- to BB+	-	-	-	-	**-**	-	-
Lower than BB-	786	-	-	-	**786**	29	757
Total	**786**	**-**	**-**	**-**	**786**	29	757

4.7 Concentration of risks of financial assets with credit risk exposure

Geographical sector

The following tables break down the gross carrying amounts of financial assets, which are exposed to credit risk. The credit risk exposure is based on the country of domicile of each counterparty.

Group	Gross carrying amounts										
31/12/2022	Greece					Other Countries					Grand Total
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	
Due from banks	77	-	-	-	**77**	674	-	-	-	**674**	750
Loans and advances to customers at amortised cost	22,526	3,612	1,735	766	**28,638**	9,407	185	542	15	**10,149**	38,787
Retail Lending	5,673	1,994	509	390	**8,566**	90	46	64	9	**208**	8,774
Mortgages	4,478	1,649	315	316	**6,758**	73	28	11	9	**121**	6,879
Consumer, Personal and Other	860	246	146	71	**1,323**	16	17	53	-	**86**	1,410
Credit cards	335	99	47	3	**484**	1	-	-	-	**1**	485
Corporate and Public Sector Lending	16,852	1,617	1,226	376	**20,072**	9,317	139	478	6	**9,941**	30,013
Large Corporate	8,572	424	439	100	**9,535**	9,206	112	221	2	**9,541**	19,076
SMEs	6,665	1,193	782	275	**8,915**	111	28	257	4	**400**	9,314
Public Sector	1,615	-	5	2	**1,623**	-	-	-	-	**-**	1,623
Financial assets at FVTOCI	795	-	-	-	**795**	1	-	-	-	**1**	796
Debt securities at amortised cost	8,177	-	-	-	**8,177**	2,690	11	-	-	**2,701**	10,878
Other assets - Financial Instruments	967	43	166	-	**1,176**	137	-	57	-	**194**	1,370
Total	**32,542**	**3,654**	**1,901**	**766**	**38,863**	**12,909**	**196**	**599**	**15**	**13,719**	**52,581**

Group 31/12/2021	Gross carrying amounts										
	Greece					Other Countries					Grand Total
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	
Due from banks	45	-	-	-	**45**	1,299	-	-	-	**1,299**	**1,344**
Loans and advances to customers at amortised cost	19,382	5,059	3,327	1,007	**28,775**	8,625	67	1,015	10	**9,717**	**38,492**
Retail Lending	5,708	2,219	613	430	**8,970**	97	52	63	7	**219**	**9,189**
Mortgages	4,564	1,774	391	335	**7,064**	83	29	13	6	**131**	**7,195**
Consumer, Personal and Other	823	330	173	91	**1,417**	14	23	49	-	**86**	**1,503**
Credit cards	321	115	50	4	**490**	1	-	-	-	**1**	**491**
Corporate and Public Sector Lending	13,674	2,840	2,714	577	**19,805**	8,528	15	952	3	**9,498**	**29,303**
Large Corporate	6,869	1,165	1,093	111	**9,237**	8,435	6	337	2	**8,780**	**18,017**
SMEs	5,260	1,675	1,616	464	**9,015**	93	9	615	-	**718**	**9,733**
Public Sector	1,545	-	5	2	**1,553**	-	-	-	-	**-**	**1,553**
Financial assets at FVTOCI	1,879	8	-	-	**1,887**	398	14	-	-	**412**	**2,299**
Debt securities at amortised cost	6,716	-	-	-	**6,716**	2,503	-	-	-	**2,503**	**9,219**
Other assets - Financial Instruments	774	41	171	-	**986**	119	-	44	-	**163**	**1,149**
Total	**28,797**	**5,109**	**3,498**	**1,007**	**38,410**	**12,943**	**81**	**1,059**	**10**	**14,093**	**52,503**

Company 31/12/2022	Gross carrying amounts										
	Greece					Other Countries					Grand Total
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	
Due from banks	45	-	-	-	**45**	-	-	-	-	**-**	**45**
Debt securities at amortised cost	819	-	-	-	**819**	-	-	-	-	**-**	**819**
Other assets - Financial Instruments	18	-	-	-	**18**	-	-	11	-	**11**	**29**
Total	**882**	**-**	**-**	**-**	**882**	**-**	**-**	**11**	**-**	**11**	**893**

Company 31/12/2021	Gross carrying amounts										
	Greece					Other Countries					Grand Total
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	
Due from banks	50	-	-	-	**50**	-	-	-	-	**-**	**50**
Debt securities at amortised cost	786	-	-	-	**786**	-	-	-	-	**-**	**786**
Other assets - Financial Instruments	11	-	-	-	**11**	-	-	-	-	**-**	**11**
Total	**848**	**-**	**-**	**-**	**848**	**-**	**-**	**-**	**-**	**-**	**848**

Industry Sector

The following tables break down the gross carrying amounts per industry sector of the Group's financial assets that are exposed to credit risk, inclusive of staging classification per industry. The allocation was performed according to the business sector of each counterparty.

Group	Gross carrying amounts - Industry sectors															
31/12/2022	Financial corporations	Manufacturing / Handicraft	Construction	Real Estate Companies	Project Finance	Wholesale and retail trade	Public sector	Shipping Companies	Coastline/ Ferries Companies	Hotels	Agricul-ture	Energy	Transport and Logistics	Other industries	Individuals	Total
Due from banks	750	-	-	-	-	-	-	-	-	-	-	-	-	-	-	750
Loans and advances to customers at amortised cost	7,344	4,032	914	1,093	2,198	3,272	1,623	2,206	223	2,345	577	938	709	2,539	8,774	38,787
Retail lending	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,774	8,774
Mortgages	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,879	6,879
Consumer, Personal and Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,410	1,410
Credit cards	-	-	-	-	-	-	-	-	-	-	-	-	-	-	485	485
Corporate and Public Sector Lending	7,344	4,032	914	1,093	2,198	3,272	1,623	2,206	223	2,345	577	938	709	2,539	-	30,013
Large Corporate	7,272	1,775	351	755	2,183	902	-	2,206	223	1,199	19	628	361	1,203	-	19,076
SMEs	72	2,257	563	337	15	2,371	-	-	-	1,146	558	311	348	1,336	-	9,314
Public Sector							1,623									1,623
Financial assets at FVTOCI	-	-	-	-	-	-	796	-	-	-	-	-	-	-	-	796
Debt securities at amortised cost	521	82	-	9	-	-	10,010	-	-	-	-	27	27	201	-	10,878
Other assets - Financial Instruments	81	18	18	14	-	4	605	-	-	-	-	9	-	482	138	1,370
Total	**8,696**	**4,133**	**932**	**1,115**	**2,198**	**3,277**	**13,034**	**2,207**	**223**	**2,345**	**577**	**974**	**736**	**3,222**	**8,912**	**52,581**
Stage 1	8,632	3,488	545	791	2,182	2,563	12,968	2,141	124	1,772	493	890	483	2,523	5,855	45,451
Stage 2	39	325	225	36	5	354	16	62	-	296	34	26	97	295	2,040	3,850
Stage 3	14	277	137	251	10	309	48	3	99	183	43	32	154	320	619	2,499
POCI	10	43	26	37	-	52	2	-	-	94	7	27	2	84	399	781
Total	**8,696**	**4,133**	**932**	**1,115**	**2,198**	**3,277**	**13,034**	**2,207**	**223**	**2,345**	**577**	**974**	**736**	**3,222**	**8,912**	**52,581**

The Group's gross carrying amount of the Public sector's Loans and advances of € 1,623 million as at 31 December 2022 includes the funding facility to OPEKEPE of € 1,558 million (31 December 2021: € 1,474 million). This amount was repaid in the first quarter of 2023.

Group	Gross carrying amounts - Industry sectors															
31/12/2021	Financial corporations	Manufacturing / Handicraft	Construction	Real Estate Companies	Project Finance	Wholesale and retail trade	Public sector	Shipping Companies	Coastline/ Ferries Companies	Hotels	Agricul-ture	Energy	Transport and Logistics	Other industries	Individuals	Total
Due from banks	1,344	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**1,344**
Loans and advances to customers at amortised cost	7,155	3,889	1,071	1,316	1,936	3,245	1,553	1,980	222	2,292	565	735	773	2,573	9,189	**38,492**
Retail lending	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,189	**9,189**
Mortgages	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,195	**7,195**
Consumer, Personal and Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,503	**1,503**
Credit cards	-	-	-	-	-	-	-	-	-	-	-	-	-	-	491	**491**
Corporate and public sector lending	7,155	3,889	1,071	1,316	1,936	3,245	1,553	1,980	222	2,292	565	735	773	2,573	-	**29,303**
Large Corporate	7,114	1,524	383	808	1,870	750	-	1,980	222	1,107	15	509	397	1,339	-	**18,017**
SMEs	42	2,365	688	508	66	2,495	-	-	-	1,185	551	226	375	1,234	-	**9,733**
Public Sector							1,553									**1,553**
Financial assets at FVTOCI	314	52	-	15	-	4	1,681	-	-	-	-	25	10	198	-	**2,299**
Debt securities at amortised cost	-	-	-	-	-	-	9,219	-	-	-	-	-	-	-	-	**9,219**
Other assets - Financial Instruments	79	19	23	8	-	6	518	-	-	-	-	5	-	346	146	**1,149**
Total	**8,892**	**3,960**	**1,093**	**1,339**	**1,936**	**3,255**	**12,971**	**1,981**	**222**	**2,292**	**565**	**765**	**782**	**3,117**	**9,334**	**52,503**
Stage 1	8,429	2,636	586	732	1,852	2,240	12,894	1,946	118	963	362	669	412	1,999	5,905	**41,740**
Stage 2	7	636	144	105	5	426	16	3	-	782	64	48	95	588	2,271	**5,190**
Stage 3	445	599	331	430	73	497	58	32	104	427	123	47	271	398	722	**4,557**
POCI	12	89	33	71	5	92	2	-	-	119	17	1	5	133	436	**1,016**
Total	**8,892**	**3,960**	**1,093**	**1,339**	**1,936**	**3,255**	**12,971**	**1,981**	**222**	**2,292**	**565**	**765**	**782**	**3,117**	**9,334**	**52,503**

The following tables break down the gross carrying amounts per industry sector of the Company's financial assets that are exposed to credit risk, inclusive of staging classification per industry. The allocation was performed according to the business sector of each counterparty.

Company	Gross carrying amounts - Industry sectors															
31/12/2022	Financial corporations	Manufacturing / Handicraft	Construction	Real Estate Companies	Project Finance	Wholesale and retail trade	Public sector	Shipping Companies	Coastline/ Ferries Companies	Hotels	Agricul-ture	Energy	Transport and Logistics	Other industries	Individuals	Total
Due from banks	45	-	-	-	-	-	-	-	-	-	-	-	-	-	-	45
Debt securities at amortised cost	819	-	-	-	-	-	-	-	-	-	-	-	-	-	-	819
Other assets - Financial Instruments	1	-	-	-	-	-	-	-	-	-	-	-	-	28	-	29
Total	**864**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**28**	**-**	**893**
Stage 1	864	-	-	-	-	-	-	-	-	-	-	-	-	17	-	882
Stage 3	-	-	-	-	-	-	-	-	-	-	-	-	-	11	-	11
Total	**864**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**28**	**-**	**893**

Company	Gross carrying amounts - Industry sectors															
31/12/2021	Financial corporations	Manufacturing / Handicraft	Construction	Real Estate Companies	Project Finance	Wholesale and retail trade	Public sector	Shipping Companies	Coastline/ Ferries Companies	Hotels	Agricul-ture	Energy	Transport and Logistics	Other industries	Individuals	Total
Due from banks	50	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**50**
Debt securities at amortised cost	786	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**786**
Other assets - Financial Instruments	1	-	-	-	-	-	-	-	-	-	-	-	-	11	-	**11**
Total	**837**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**11**	**-**	**848**
Stage 1	837	-	-	-	-	-	-	-	-	-	-	-	-	11	-	**848**
Stage 3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**0**
Total	**837**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**11**	**-**	**848**

The following tables break down the nominal amounts of off-balance items per industry sector of the Group's financial assets that are exposed to credit risk inclusive of staging classification per industry. The allocation was performed according to the business sector of each counterparty.

Group 31/12/2022	Nominal Amounts of Off Balance Sheet Items - Industry sectors Financial corporations	Manufacturing / Handicraft	Construction	Real Estate Companies	Project Finance	Wholesale and retail trade	Public sector	Shipping Companies	Coastline/ Ferries Companies	Hotels	Agriculture	Energy	Transport and Logistics	Other industries	Individuals	Total
Letters of Guarantee	2,180	536	987	28	-	246	-	-	-	46	13	466	57	230	-	4,789
Letters of Credit	-	54	6	1	-	12	-	-	-	-	4	-	-	36	-	114
Irrevocable undrawn credit commitments	58	164	74	103	224	71	-	164	-	176	36	216	41	188	106	1,624
Balance at 31/12/2022	**2,239**	**755**	**1,068**	**132**	**224**	**330**	**-**	**164**	**-**	**222**	**53**	**681**	**98**	**454**	**106**	**6,527**
Stage 1	2,238	717	920	126	224	274	-	164	-	207	49	680	95	433	71	6,200
Stage 2	1	8	15	-	-	38	-	-	-	4	2	1	2	12	34	116
Stage 3	-	30	132	6	-	17	-	-	-	11	-	-	1	6	-	204
POCI	-	-	-	-	-	0	-	-	-	-	2	-	-	3	1	6
Total	**2,239**	**755**	**1,068**	**132**	**224**	**330**	**-**	**164**	**-**	**222**	**53**	**681**	**98**	**454**	**106**	**6,527**

Group 31/12/2021	Nominal Amounts of Off Balance Sheet Items - Industry sectors Financial corporations	Manufacturing / Handicraft	Construction	Real Estate Companies	Project Finance	Wholesale and retail trade	Public sector	Shipping Companies	Coastline/ Ferries Companies	Hotels	Agricul-ture	Energy	Transport and Logistics	Other industries	Individuals	Total
Letters of Guarantee	1,752	326	953	30	-	221	-	-	-	44	5	114	59	262	-	**3,764**
Letters of Credit	8	11	1	-	-	12	-	-	-	-	2	-	-	9	-	**42**
Irrevocable undrawn credit commitments	18	109	14	88	154	45	-	48	-	107	47	21	42	266	90	**1,050**
Balance at 31/12/2021	**1,777**	**446**	**967**	**118**	**154**	**278**	**-**	**48**	**-**	**151**	**54**	**134**	**101**	**538**	**90**	**4,856**
Stage 1	1,776	401	778	114	154	226	-	48	-	100	44	130	88	496	65	**4,421**
Stage 2	1	13	41	-	-	39	-	-	-	39	8	4	11	24	24	**204**
Stage 3	-	32	148	4	-	13	-	-	-	11	1	-	2	13	-	**224**
POCI	-	-	-	-	-	-	-	-	-	1	2	-	-	4	1	**7**
Total	**1,777**	**446**	**967**	**118**	**154**	**278**	**-**	**48**	**-**	**151**	**54**	**134**	**101**	**538**	**90**	**4,856**

As at 31 December 2022 and 2021, the Company does not have any off balance sheet credit exposures.

Receivables from the Greek Public Sector

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

	Group		Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Derivative financial instruments	31	296	-	-
Debt securities at FVTPL	154	445	-	-
Loans and advances at amortised cost	1,619	1,551	-	-
Debt securities at amortised cost	7,517	6,698	-	-
Debt securities at FVTOCI	795	1,450	-	-
Other assets	731	650	12	20
Total	**10,848**	**11,090**	**12**	**20**

During 2022, the Group purchased GGBs of nominal value € 2.2 billion, which were classified at amortised cost. Refer to Note 25 for further information on material debt securities transactions throughout the reporting year.

4.8 Offsetting of financial assets and liabilities

According to the provisions of IFRS 7 "Financial Instruments: Disclosures", the impact or the possible impact of enforceable master netting agreements or similar agreements for financial instruments on the Statement of Financial Position of the Group and the Company should be disclosed. More specifically, the disclosures should include the following:

i. The financial assets and liabilities, which are offset in accordance with the criteria of IAS 32 and the net amount is presented in the Statement of Financial Position, when there is a legally enforceable right and the intention to settle the net amounts or simultaneously collect the receivable and settle the obligation.

ii. The transactions which fall under International Swaps and Derivatives Association ("ISDA") contracts and similar master netting agreements irrespectively of whether these are offset or not in the Statement of Financial Position.

The Group and the Company have not offset any financial assets or liabilities on 31 December 2022 and 2021, given that the netting criteria mentioned in the first case (i) are not fulfilled.

The following tables, present for the Group the gross amounts of the financial instruments recognised as at 31 December 2022 and 2021, as well as the net effect on the Statement of Financial Position from the exercise of netting rights ("net amount") arising from ISDA contracts and similar master netting agreements. Therefore, these tables include mainly the following financial instruments: a) interest rate swap contracts ("IRSs"), cross currency interest rate swap contracts, fx forwards, currency swaps and options, for which there are ISDA contracts and b) interbank repos covered by Global Master Repurchase Agreement ("GMRA").

As of 31 December 2022 and 2021, the Company did not hold ISDA contracts and similar master netting agreements.

Group 31/12/2022	Recognised financial assets (gross amounts)	Financial liabilities (offset amounts)	Net amount of financial assets	Related amounts not offset in the Statement of Financial Position: Recognized financial instruments and other non cash collateral received	Cash collateral received	Net amount
Financial Assets						
Derivative financial instruments	1,830	-	1,830	24	1,768	38
Reverse Repurchase agreements	52	-	52	52	-	-
Total	**1,883**	**-**	**1,883**	**76**	**1,768**	**38**

Group 31/12/2022	Recognised financial liabilities (gross amounts)	Financial assets (offset amounts)	Net amount of financial liabilities	Related amounts not offset in the Statement of Financial Position: Recognized financial instruments and other non cash collateral pledged	Cash collateral pledged	Net amount
Financial Liabilities						
Derivative financial instruments	656	-	656	224	358	74
Repurchase agreements	298	-	298	298	-	-
Total	**954**	**-**	**954**	**522**	**359**	**74**

Group 31/12/2021	Recognised financial assets (gross amounts)	Financial liabilities (offset amounts)	Net amount of financial assets	Related amounts not offset in the Statement of Financial Position: Recognized financial instruments and other non cash collateral received	Cash collateral received	Net amount
Financial Assets						
Derivative financial instruments	591	-	591	291	229	70
Reverse Repurchase agreements	51	-	51	51	-	-
Total	**643**	**-**	**643**	**343**	**229**	**70**

Group 31/12/2021	Recognised financial liabilities (gross amounts)	Financial assets (offset amounts)	Net amount of financial liabilities	Related amounts not offset in the Statement of Financial Position: Recognized financial instruments and other non cash collateral pledged	Cash collateral pledged	Net amount
Financial Liabilities						
Derivative financial instruments	393	-	393	6	360	27
Repurchase agreements	286	-	286	286	-	-
Total	**679**	**-**	**679**	**292**	**360**	**27**

4.9 Market risk

Market risk is the current or prospective risk of loss due to adverse movements in the level or the volatility of market prices and rates, including interest rates, equity and commodity prices and foreign exchange rates.

The Risk Committee of the BoD has approved a market risk management policy that applies to both the Group and the Company and outlines the basic definitions of market risk management and defines the roles and responsibilities of the units and executives involved. The Group and the Company engage in moderate trading activities in order to enhance profitability and service their clientele. These trading activities bears an inherent market risk, which the Group and the Company pursue to identify, estimate, monitor and manage effectively through a framework of principles, measurement processes and a valid set of limits that apply to all the transactions of the Group and the Company. The most significant types of market risk for the Group and the Company are interest rates, equity and foreign exchange risk.

The Group and the Company apply up to date, generally accepted techniques for the measurement of market risk. Specifically, sensitivity indicators such as CSPV01 (adverse impact to the net present value of the bond portfolio for a 1 basis point parallel move in the yield spread curve) as well as Value-at-Risk (VaR incorporates all risk factors) are calculated.

For every activity that bears an inherent market risk, the Group and the Company have assigned adequate market risk limits which are monitored systematically. Market risk management is not confined to trading book activities but covers the Statement of Financial Position as a whole.

The Value-at-Risk measure is an estimate of the potential loss in the net present value of a portfolio, over a specified period and with a specified confidence level. The Group as of 1st of July 2022, has enhanced its VaR model from Parametric approach to Historical Simulation (HVaR), as the latter, among others, does not assume that the portfolio follows a normal distribution and consequently the VaR is not a result of statistical parameters (volatility), whilst it is also applicable for fat tails, being more precise for all kinds of products, inclusive of non-linear products.

The HVaR is a scenario-based method based on historical data variations and it is more precise for non-linear products. It uses past observations to infer the potential future movements of market parameters, with no assumption about the risk factors distribution. Market data shifts are measured over a look-back period of two years at daily horizons. The current positions are fully revaluated using these shifted market parameters. After applying the different historical scenarios, the simulated profit & loss variations are sorted from the lowest to the highest. The VaR is determined by reading the corresponding value out of the ordered profit & loss variations at the desired confidence level. In the context of the above, the VaR results presented in the table below are not comparable with the ones calculated in 2021.

As the Value-at-Risk methodology evaluates the maximum risk at a specified confidence level (e.g. a 99% VaR measures a loss that is expected to be exceeded only 1% of the time), another metric the Expected Shortfall (ES), captures the tail risk that is not accounted for in the existing VaR measures. Thus, ES calculates the average loss above this level (e.g. a 99% ES measures the average of the worst 1% of losses).

As a complement to VaR, a stress test analysis is conducted to estimate the potential outcomes on portfolio values under exceptional events. A scenario analysis approach is used where a series of shifts (historical or market specific) on market parameters is defined. Stress testing results are produced by the same calculation engine that produces VaR figures and are analyzed on a scenario basis to identify how the positions perform under the predefined scenarios.

The Group and the Company evaluate the validity of the Value-at-Risk estimates, by conducting a relevant back-testing program on the trading book VaR, through the comparison of the Value-at-Risk estimate against the actual change in the value of the portfolio, due to the changes in market prices, on a daily basis.

The Value-at-Risk estimate for the Group’s Trading Book as at 31 December 2022 amounted to € 2.8 million. This estimate comprises € 1.0 million for interest rate risk, € 1.6 million for equity risk, nil for commodities risk and € 0.2 million for foreign exchange risk. As at 31 December 2022 and 2021, the Company does not have any exposure included in trading book and hence there is not a relevant VaR metric.

The table below summarizes the VaR calculations depicting both approaches as at 31 December 2022 and 2021.

Group - Amounts in € million	Total VaR	VaR Interest Rate Risk	VaR Equity Risk	VaR Foreign Exchange Risk	VaR Commodities Risk	Diversification Effect
2022 – Historical Simulation	2.8	1.0	1.6	0.2	-	-
2021 – Parametric Approach	5.7	5.6	1.0	1.0	0.5	-2.5

4.10 Currency risk

The Group and the Company are exposed to effects of fluctuations in the prevailing foreign currency exchange rates on their financial position and cash flows. Management sets limits on the level of exposure by currency, which are monitored daily. The tables below summarise the Group’s and the Company's exposure to foreign currency exchange risk as at 31 December 2022 and 2021.

The following tables include an analysis per currency of the Group’s and the Company's carrying amount of both assets and liabilities, as well as the notional amounts of derivatives, which reduce significantly the undertaken foreign currency exchange risk:

Group 31/12/2022	EUR	USD	GBP	JPY	CHF	Other currencies	Total
Assets							
Cash and balances with Central Banks	9,535	26	13	-	4	76	9,653
Due from banks	638	38	6	2	35	32	750
Financial assets at FVTPL	548	-	-	-	-	-	548
Financial assets mandatorily measured at FVTPL	165	17	-	-	-	-	182
Derivative financial instruments (notional amounts)	1,499	1,093	227	20	2	226	3,067
Loans and advances to customers at amortised cost	34,292	2,335	4	1	680	54	37,367
Loans and advances to customers mandatorily measured at FVTPL	52	-	-	-	-	-	52
Financial assets measured at FVTOCI	879	17	-	-	-	1	897
Debt securities at amortised cost	10,820	1	23	-	-	-	10,844
Investment property	1,459	-	-	-	-	63	1,522
Investments in associated undertakings and joint ventures	1,023	-	-	-	-	-	1,023
Property and equipment	724	-	-	-	-	4	728
Intangible assets	311	-	-	-	-	1	312
Tax receivables	145	-	-	-	-	-	145
Deferred tax assets	5,972	-	-	-	-	2	5,974
Other assets	3,369	15	1	-	-	42	3,427
Assets held for sale	386	-	-	-	20	-	406
Assets from discontinued operations	-	-	-	-	-	-	-
Total assets	**71,816**	**3,542**	**274**	**23**	**741**	**500**	**76,897**
Liabilities							
Due to banks	6,816	63	42	-	-	1	6,922
Due to customers	55,303	2,597	127	3	25	317	58,372
Derivative financial instruments (notional amounts)	1,171	898	105	20	742	138	3,075
Debt securities in issue	849	-	-	-	-	-	849
Other borrowed funds	937	-	-	-	-	-	937
Current income tax liabilities	7	-	-	-	-	-	7
Deferred tax liabilities	9	-	-	-	-	1	10
Retirement and termination benefit obligations	55	-	-	-	-	-	55
Provisions	122	-	-	-	-	2	123
Liabilities held for sale	2	-	-	-	-	-	2
Other liabilities	1,129	-	-	-	-	17	1,147
Liabilities from discontinued operations	-	-	-	-	-	-	-
Total liabilities	**66,400**	**3,559**	**274**	**23**	**767**	**476**	**71,499**
Derivative financial instruments - fair value adjustment	**1,182**	**-**	**-**	**-**	**-**	**-**	**1,182**
Foreign currency exposure	**6,599**	**(16)**	**-**	**-**	**(26)**	**24**	**6,581**

Group 31/12/2021	EUR	USD	GBP	JPY	CHF	Other currencies	Total
Assets							
Cash and balances with Central Banks	15,432	22	9	-	4	52	15,519
Due from banks	1,231	40	3	3	32	35	1,344
Financial assets at FVTPL	906	-	-	-	-	-	906
Financial assets mandatorily measured at FVTPL	177	28	-	-	-	-	205
Derivative financial instruments (notional amounts)	1,708	452	101	1	4	264	2,529
Loans and advances to customers at amortised cost	33,549	2,142	3	2	730	95	36,521
Loans and advances to customers mandatorily measured at FVTPL	77	-	-	-	-	-	77
Financial assets measured at FVTOCI	2,334	19	-	-	-	13	2,366
Debt securities at amortised cost	9,183	9	-	-	-	9	9,200
Investment property	970	-	-	-	-	71	1,041
Investments in associated undertakings and joint ventures	630	-	-	-	-	-	630
Property and equipment	883	-	-	-	-	6	890
Intangible assets	266	-	-	-	-	1	267
Tax receivables	160	-	-	-	-	-	160
Deferred tax assets	6,067	-	-	-	-	3	6,070
Other assets	3,233	122	1	-	25	71	3,453
Assets held for sale	208	206	-	-	22	-	435
Assets from discontinued operations	114	-	-	-	-	-	114
Total assets	**77,127**	**3,040**	**117**	**6**	**817**	**620**	**81,728**
Liabilities							
Due to banks	14,794	50	1	-	4	16	14,865
Due to customers	52,789	2,179	118	1	19	337	55,442
Derivative financial instruments (notional amounts)	738	758	-	8	867	185	2,556
Debt securities in issue	971	-	-	-	-	-	971
Other borrowed funds	935	-	-	-	-	-	935
Current income tax liabilities	5	-	-	-	-	-	5
Deferred tax liabilities	9	-	-	-	-	1	10
Retirement and termination benefit obligations	75	-	-	-	-	-	75
Provisions	134	-	-	-	-	2	136
Liabilities held for sale	3	-	-	-	-	-	3
Other liabilities	1,119	-	-	-	-	5	1,124
Liabilities from discontinued operations	28	-	-	-	-	-	28
Total liabilities	**71,600**	**2,987**	**119**	**9**	**889**	**546**	**76,150**
Derivative financial instruments - fair value adjustment	**225**	**-**	**-**	**-**	**-**	**-**	**225**
Foreign currency exposure	**5,752**	**53**	**(2)**	**(3)**	**(72)**	**74**	**5,803**

Company 31/12/2022	EUR	USD	GBP	JPY	CHF	Other currencies	Total
Assets							
Due from banks	45	-	-	-	-	-	45
Financial assets mandatorily measured at FVTPL	-	-	-	-	-	-	-
Loans and advances to customers mandatorily measured at FVTPL	-	-	-	-	-	-	-
Financial assets measured at FVTOCI	-	2	-	-	-	-	2
Debt securities at amortised cost	796	-	-	-	-	-	796
Investments in subsidiaries	5,546	-	-	-	-	12	5,558
Property and equipment	1	-	-	-	-	-	1
Tax receivables	12	-	-	-	-	-	12
Other assets	43	1	-	-	-	-	44
Total assets	**6,442**	**3**	**-**	**-**	**-**	**12**	**6,457**
Liabilities							
Other borrowed funds	936	-	-	-	-	-	936
Deferred tax liabilities	-	-	-	-	-	-	-
Other liabilities	55	-	-	-	-	-	55
Total liabilities	**992**	**-**	**-**	**-**	**-**	**-**	**992**
Derivative financial instruments - fair value adjustment	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Foreign currency exposure	**5,450**	**3**	**-**	**-**	**-**	**12**	**5,465**

Company 31/12/2021	EUR	USD	GBP	JPY	CHF	Other currencies	Total
Assets							
Due from banks	50	-	-	-	-	-	50
Financial assets mandatorily measured at FVTPL	9	-	-	-	-	-	9
Loans and advances to customers mandatorily measured at FVTPL	26	-	-	-	-	-	26
Financial assets measured at FVTOCI	-	-	-	-	-	-	-
Debt securities at amortised cost	757	-	-	-	-	-	757
Investments in subsidiaries	5,524	-	-	-	-	15	5,539
Property and equipment	-	-	-	-	-	-	-
Tax receivables	20	-	-	-	-	-	20
Other assets	26	-	-	-	-	-	26
Total assets	**6,413**	**-**	**-**	**-**	**-**	**15**	**6,428**
Liabilities							
Other borrowed funds	934	-	-	-	-	-	934
Deferred tax liabilities	1	-	-	-	-	-	1
Other liabilities	54	-	-	-	-	-	54
Total liabilities	**989**	**-**	**-**	**-**	**-**	**-**	**989**
Derivative financial instruments - fair value adjustment	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Foreign currency exposure	**5,424**	**-**	**-**	**-**	**-**	**15**	**5,439**

4.11 Interest rate risk

Interest rate risk is the risk of a negative impact on the Group and the Company's financial position due to its exposure to interest rates fluctuations.

Changes in interest rates affect the Group and the Company's profitability by changing its Net Interest Income and the level of the other interest - sensitive income and expenses.

Changes in interest rates also affect the underlying value of the Group and the Company's assets and liabilities because the present value of future cash flows (and in some cases, the cash flows themselves) changes when interest rates also change. Accordingly, an effective interest rate risk management process that assesses, monitors and helps maintain interest rate risk within prudent levels (through effective hedging, where relevant), is essential for the sustainability and soundness of the Group and the Company's financial performance.

The Group and the Company apply an Interest Rate Risk Management Policy outlining various valuation techniques that mainly rely on maturity and repricing schedules, incorporating behavioral models, where necessary.

As presented in the tables below, interest rate gap analysis is a maturity / repricing schedule that distributes interest-sensitive assets and liabilities into a certain number of predefined time bands, according to their maturity (for fixed-rate instruments) or time remaining to their next repricing (for floating-rate instruments).

Those assets and liabilities lacking actual maturities (e.g. open accounts) or definitive repricing intervals (e.g. sight deposits or savings accounts) are assigned to the appropriate time band through the application of behavioral models.

Assets and liabilities in foreign currency are translated into Euro using the corresponding FX rates as of the reporting date.

Group 31/12/2022	Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Non-interest bearing	Total
Financial assets							
Cash and balances with Central Banks	9,643	-	-	-	-	10	9,653
Due from banks	649	69	7	3	-	23	750
Financial assets at FVTPL	73	145	212	46	53	19	548
Financial assets mandatorily measured at FVTPL	-	-	32	-	12	138	182
Loans and advances to customers	14,743	7,669	6,627	5,298	3,080	-	37,418
Financial assets measured at FVTOCI	79	157	322	10	227	101	897
Debt securities at amortised cost	1	679	242	1,160	8,761	-	10,844
Other assets	-	-	5	35	92	1,064	1,196
Total financial assets	**25,189**	**8,720**	**7,446**	**6,552**	**12,225**	**1,356**	**61,489**
Financial liabilities							
Due to banks	6,715	103	5	92	7	-	6,922
Due to customers	29,216	4,304	6,505	10,621	7,726	-	58,372
Debt securities in issue	-	-	-	849	-	-	849
Other borrowed funds	-	-	-	937	-	-	937
Other liabilities	2	1	3	2	-	1,139	1,147
Total financial liabilities	**35,933**	**4,408**	**6,513**	**12,501**	**7,733**	**1,139**	**68,227**
Net notional amount of derivative financial instruments	**842**	**(23)**	**88**	**2,618**	**(3,537)**		**(12)**
Total interest rate gap	**(9,902)**	**4,290**	**1,022**	**(3,331)**	**955**	**217**	**(6,750)**

Group 31/12/2021	Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Non-interest bearing	Total
Financial assets							
Cash and balances with Central Banks	15,512	-	-	-	-	7	15,519
Due from banks	1,261	64	8	-	-	11	1,344
Financial assets at FVTPL	58	16	159	89	564	20	906
Financial assets mandatorily measured at FVTPL	-	-	32	-	11	162	205
Loans and advances to customers	15,190	6,994	6,080	4,823	3,505	5	36,598
Financial assets measured at FVTOCI	59	113	187	562	1,379	67	2,366
Debt securities at amortised cost	-	3	29	160	9,008	-	9,200
Other assets	-	-	-	1	6	975	981
Total financial assets	**32,081**	**7,189**	**6,496**	**5,635**	**14,472**	**1,248**	**67,121**
Financial liabilities							
Due to banks	14,760	87	4	16	-	-	14,865
Due to customers	23,736	5,364	7,475	11,366	7,500	-	55,442
Debt securities in issue	470	-	-	500	-	-	971
Other borrowed funds	-	-	-	935	-	-	935
Other liabilities	7	2	4	2	-	1,109	1,124
Total financial liabilities	**38,973**	**5,453**	**7,483**	**12,819**	7,500	**1,109**	**73,337**
Net notional amount of derivative financial instruments	**983**	**4,068**	**1,673**	**76**	**(6,829)**		**(30)**
Total interest rate gap	**(5,910)**	**5,804**	**687**	**(7,108)**	**142**	**139**	**(6,246)**

Company 31/12/2022	Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Non - interest bearing	Total
Financial assets							
Due from banks	45	-	-	-	-	-	45
Financial assets mandatorily measured at FVTPL	-	-	-	-	-	-	-
Loans and advances to customers	-	-	-	-	-	-	-
Financial assets measured at FVTOCI	-	-	-	-	-	2	2
Debt securities at amortised cost	-	-	-	796	-	-	796
Other assets	-	-	-	-	-	29	29
Total financial assets	**45**	**-**	**-**	**796**	**-**	**31**	**871**
Financial liabilities							
Other borrowed funds	-	-	-	936	-	-	936
Other liabilities	-	-	-	-	-	55	55
Total financial liabilities	-	**-**	**-**	**936**	**-**	**55**	**992**
Total interest rate gap	**45**	**-**	**-**	**(141)**	**-**	**(24)**	**(120)**

Company 31/12/2021	Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Non-interest bearing	Total
Financial assets							
Due from banks	50	-	-	-	-	-	50
Financial assets mandatorily measured at FVTPL	-	-	-	-	-	9	9
Loans and advances to customers	-	-	-	-	26	-	26
Financial assets measured at FVTOCI	-	-	-	-	-	-	0
Debt securities at amortised cost	-	-	-	757	-	-	757
Other assets	-	-	-	-	-	11	11
Total financial assets	**50**	**-**	**-**	**757**	**26**	**21**	**855**
Financial liabilities							
Other borrowed funds	-	-	-	934	-	-	934
Other liabilities	-	-	-	-	-	54	54
Total financial liabilities	**-**	**-**	**-**	**934**	**-**	**54**	**988**
Total interest rate gap	**50**	**-**	**-**	**(176)**	**26**	**(33)**	**(134)**

The Group and the Company calculate any change in the net present value of on balance-sheet items in response to a change in interest rates by assuming a parallel yield curve shift of 1 basis point (PV01).

The interest rate gap analysis enables the evaluation of interest rate risk using the changes in Net Interest Income ("ΔNII") measure, which denotes the negative effect on the expected annual interest income, as a result of a parallel shift in interest rates for all currencies considered.

For ΔNII and PV01, Management has assigned adequate limits, which are monitored on a regular basis.

Management evaluates potential financial losses under stressful market conditions. Possible stress scenarios include abrupt changes in the level of interest rates, changes in the slope and the shape of the yield curves, or changes in the volatility of market rates.

Interest rate risk disclosures under Pillar III are available at the Group's website.

4.12 Liquidity risk

Management acknowledges that effective Liquidity Risk Management is essential to the Group's ability to meet its liabilities, while also safeguarding its financial results and its capital adequacy. Liquidity risk is defined as the risk arising from the Group's inability to meet its cash flow obligations when they come due, without incurring unacceptable costs or losses at all times, including under stress.

The Group applies a uniform Liquidity Risk Management Policy for the effective management of liquidity risk, approved by the Board Risk Management Committee. This policy complies with the supervisory regulations and is consistent with best practices applied internationally.

The policy specifies the principal liquidity risk assessment definitions and methodologies, defines the roles and responsibilities of the Company's Units, Group subsidiaries and staff involved and sets out the guidelines for liquidity crisis management. In order to manage liquidity risk effectively, Management monitors, inter alia, the amount, quality and composition/diversification of its liquid assets, the cash flow analysis of its assets and liabilities (inflows, outflows) in time buckets, the composition/diversification and cost of its funding sources, the composition/diversification and funding capacity of its unencumbered collateral and its funding needs in local and foreign currencies.

Furthermore, the policy defines a contingency funding plan to be used in the case of a liquidity crisis. Such a crisis can take place either due to an event specific to the Company or due to a market-driven event. Triggers and early warning signals prescribed within the contingency funding plan serve as indicators for its realisation.

The Company and the Group LCR and NSFR are calculated on a monthly and quarterly basis, respectively, as per regulation (EU) No. 575/2013. As at 31 December 2022, both the Group LCR and NSFR exceeded the minimum regulatory threshold of 100%, standing at 201% and 137% respectively. Liquidity Risk disclosures under Pillar III are available at the Group's website.

Under Directive 2013/36/EU (known as CRD IV), which has been transported into Greek Law by virtue of Greek Law 4261/2014, credit institutions are required to have comprehensive strategies, procedures, policies and systems to ensure adequate monitoring of liquidity risk. In accordance with the said Directive, the Group submitted in 2022 to the SSM, its annual ILAAP report, which includes the rules governing the management of liquidity risk and the main results of current and future liquidity position assessments for the Company and the Group. In addition, within the ICAAP and ILAAP framework, Management examined stress test scenarios and assessed their impact on the Company's and the Group's liquidity position and on mandatory liquidity ratios.

Contractual undiscounted cash flows

The contractual undiscounted cash flows of non-derivative financial liabilities and irrevocable undrawn credit commitments are presented in the tables below. Liquidity risk arising from derivative liabilities is not considered significant. The cash flows arising from liabilities items are calculated and classified into time periods in accordance with the contractual maturity date or an estimated date based on a statistical analysis.

Group 31/12/2022	Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Total
Due to banks	1,261	3	2,071	3,848	43	7,225
Due to customers	52,984	2,870	2,511	25	-	58,389
Debt securities in issue	5	-	19	1,061	-	1,085
Other borrowed funds	-	28	39	994	-	1,061
Other liabilities	187	80	45	86	181	580
Total	**54,437**	**2,980**	**4,685**	**6,014**	**225**	**68,341**
Irrevocable undrawn credit commitments	-	8	71	990	554	**1,624**

Group 31/12/2021	Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Total
Due to banks	379	4	14,309	94	47	14,834
Due to customers	48,660	3,639	3,085	64	-	55,449
Debt securities in issue	2	-	493	78	521	1,094
Other borrowed funds	-	28	39	1,061	-	1,127
Other liabilities	99	62	174	77	26	439
Total	**49,141**	**3,733**	**18,099**	**1,374**	**595**	**72,942**
Irrevocable undrawn credit commitments	1	2	28	638	380	**1,050**

Company 31/12/2022	Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Total
Other borrowed funds	-	28	39	994	-	1,061
Other liabilities	-	44	6	-	-	51
Total	-	**72**	**45**	**994**	-	**1,111**
Irrevocable undrawn credit commitments	-	-	-	-	-	-

Company 31/12/2021	Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Total
Other borrowed funds	-	28	39	1,061	-	1,127
Other liabilities	-	44	3	-	-	47
Total	**-**	**71**	**42**	**1,061**	**-**	**1,174**
Irrevocable undrawn credit commitments	-	-	-	-	-	-

4.13 Transfers of financial assets

As of 31 December 2022 and 2021, the carrying amount of transferred financial assets, which continue to be recognized in their entirety on the Group's Statement of Financial Position, inclusive of the associated liabilities, are presented in the following tables:

31/12/2022	Transferred assets		Associated liabilities	
	Carrying amount		Carrying amount	
	Group	Company	Group	Company
Financial assets at FVTPL	55	-	54	-
Loans and advances to customers	10,833	-	6,489	-
Financial assets at FVTOCI	-	-	-	-
Debt securities at amortised cost	427	-	337	-
Total	**11,316**	**-**	**6,881**	**-**

31/12/2021	Transferred assets		Associated liabilities	
	Carrying amount		Carrying amount	
	Group	Company	Group	Company
Financial assets at FVTPL	863	-	759	-
Loans and advances to customers	9,478	-	5,691	-
Financial assets at FVTOCI	1,630	-	1,315	-
Debt securities at amortised cost	9,045	-	7,409	-
Total	**21,016**	**-**	**15,173**	**-**

Transactions whereby financial assets are transferred, but continue to be recognized in their entirety on the Group's Statement of Financial Position relate to Eurosystem funding under the general terms applying to such agreements, and securities sold under agreements to repurchase, which are conducted under GMRAs. With respect to Eurosystem funding, a haircut is generally applied to the collateral, which results in the associated liabilities having a carrying value less than the carrying value of the transferred assets. The Group is unable to use, sell or pledge the aforementioned assets during the term of the transaction and remains exposed to interest rate risk and credit risk on these assets. The counterparty's recourse is not limited to the transferred assets.

The Group has not transferred financial assets that are not subject to derecognition in full, but remain on the Statement of Financial Position to the extent of continuing involvement or were derecognized in full, but continuing involvement exists.

The subsidiary that contributes to the Group amounts is Piraeus Bank S.A.

4.14 Financial instruments not measured at fair value

The following tables summarise the fair values and carrying amounts of those financial instruments, which are not measured at fair value on a recurring basis, and their carrying amount is not a reasonable approximation of fair value.

Group	Carrying Amount	Fair Value			
	31/12/2022	31/12/2022	Level 1	Level 2	Level 3
Financial assets					
Loans and advances to customers at amortised cost	37,367	37,007	-	-	37,007
Debt securities at amortised cost	10,844	9,139	8,842	297	-
Financial liabilities					
Debt securities in issue	849	774	774	-	-
Other borrowed funds	937	848	848	-	-

Group	Carrying Amount 31/12/2021	Fair Value 31/12/2021	Level 1	Level 2	Level 3
Financial assets					
Loans and advances to customers at amortised cost	36,521	36,556	-	-	36,556
Debt securities at amortised cost	9,200	8,982	8,982	-	-
Financial liabilities					
Debt securities in issue	971	964	488	476	-
Other borrowed funds	935	957	957	-	-

Company	Carrying Amount 31/12/2022	Fair Value 31/12/2022	Level 1	Level 2	Level 3
Financial assets					
Debt securities at amortised cost	796	760	-	760	-
Financial liabilities					
Other borrowed funds	936	848	848	-	-

Company	Carrying Amount 31/12/2021	Fair Value 31/12/2021	Level 1	Level 2	Level 3
Financial assets					
Debt securities at amortised cost	757	780	-	780	-
Financial liabilities					
Other borrowed funds	934	957	957	-	-

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

4.15 Financial assets and liabilities measured at fair value

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

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

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

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

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. For this purpose, the significance of an input as well as model uncertainty are assessed against the entire fair value measurement of the instrument.

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

Financial instruments measured at fair value and basis of valuation

Group	31/12/2022				31/12/2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Derivative financial instruments	-	1,830	-	**1,830**	-	591	-	**591**
Financial assets at FVTPL	434	114	-	**548**	849	57	-	**906**
Financial assets mandatorily measured at FVTPL	104	-	78	**182**	112	-	93	**205**
Loans and advances to customers mandatorily measured at FVTPL	-	-	52	**52**	-	-	77	**77**
Financial assets at FVTOCI	872	-	25	**897**	2,132	212	22	**2,366**
Financial liabilities								
Derivative financial instruments	-	656	-	**656**	-	393	-	**393**

Company	31/12/2022				31/12/2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Financial assets mandatorily measured at FVTPL	-	-	-	-	-	-	9	**9**
Loans and advances to customers mandatorily measured at FVTPL	-	-	-	-	-	-	26	**26**
Financial assets at FVTOCI	-	-	2	2	-	-	-	-

Financial instruments measured at fair value and basis of valuation

Transfers between Level 1 and Level 2

Within the year ended 31 December 2022, € 134 million of bonds issued by corporations and financial institutions were transferred from Level 1 to Level 2, while € 22 million of corporate bonds were transferred from Level 2 to Level 1, due to change in their trading activity. There were no transfers of financial liabilities between Level 1 and Level 2 during the years ended 31 December 2022 and 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 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, with par value and fair value of € 32 million, issued by Intrum Holding Spain S.A.U., b) contingent and variable consideration asset recognized following the disposal of loans and corporate receivables, the fair value of which was estimated at € 10 million, for which the models used to estimate their fair value utilize significant unobservable inputs (e.g. discount rate, volatility, expected cash flows etc.).

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

d) Equity securities at FVTOCI and FVTPL, which are not traded in active markets and their fair value is estimated on the basis of the available information using an income or market approach, for which the main inputs used are earnings forecasts, comparable multiples, 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, Phoenix and Vega securitizations retained by the Group as of 31 December 2022 classified within "Loans and advances mandatorily measured at FVTPL", which have been valued using multiple valuation techniques incorporating significant unobservable inputs.

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

Group	Movement of Level 3 instruments		
	Financial assets mandatorily measured at FVTPL	Loans and advances to customers mandatorily measured at FVTPL	Financial assets at FVTOCI
Opening balance as at 1/1/2021	**71**	**50**	**35**
Gain/ (loss) recognised in the income statement	19	(2)	-
Purchases/Additions	11	-	-
Recognition of Phoenix, Vega I,II,III and Sunrise I and II subordinated notes	-	156	-
Disposals/ Contributions	(9)	(127)	(13)
FX differences	2	-	-
Closing Balance as at 31/12/2021	**93**	**77**	**22**
Gain/ (loss) recognised in the income statement	(26)	-	-
Purchases/Additions	29	-	3
Disposals/ Contributions	(22)	(25)	-
FX differences	5	-	-
Closing Balance as at 31/12/2022	**78**	**52**	**25**

Company	Movement of Level 3 Instruments		
	Financial assets mandatorily measured at FVTPL	Loans and advances to customers mandatorily measured at FVTPL	Financial assets at FVTOCI
Opening Balance as at 1/1/2021	**10**	**-**	**-**
Gain/ (loss) recognised in the income statement	(1)	-	-
Gain/(loss) recognised in OCI	-	-	-
Recognition of Phoenix, Vega I,II, III and Sunrise I and II subordinated notes	-	147	-
Disposals/ Contributions	-	(121)	-
Closing Balance as at 31/12/2021	**9**	**26**	**-**
Gain/ (loss) recognised in the income statement	-	(1)	-
Purchases / Additions	-	-	2
Disposals/ Contributions	(9)	(25)	-
Closing Balance as at 31/12/2022	**-**	**-**	**2**

Valuation Process and Control Framework

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

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

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

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

Quantitative information for the Level 3 fair value measurements of the Group as at 31 December 2022 and 2021:

Financial instruments[4]	Fair Value 2022	Fair Value 2021	Valuation Technique	Significant Unobservable Input	Range of Inputs 2022 Low	Range of Inputs 2022 High	Range of Inputs 2021 Low	Range of Inputs 2021 High
Financial assets mandatorily measured at FVTPL – Contingent & variable considerations	42	43	Monte Carlo simulation	Revenue volatility Discount rate Expected EBITDA/CFs	15% 14% n/a[2]	15% 14% n/a[2]	15% 14% n/a[2]	15% 14% n/a[2]
Financial assets mandatorily measured at FVTPL and FVTOCI – equity securities, mutual funds	59	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	6	34	Market approach	Binding quotes from third parties	10%[5]	23%[5]	15%[5]	36%[5]
Loans and advances to customers mandatorily measured at FVTPL – Other	46	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 disclosed, 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 € 5 million at the end of the reporting period.

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

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

4.16 Capital adequacy

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

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

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

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

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

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

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

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

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

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

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

The capital adequacy ratios as at 31 December 2022 for the Group, as calculated under the existing regulatory framework, taking into account the relevant transitional period provisions applicable under Regulation 575/2013 and the transitional arrangements applicable under Regulation (EU) 2395/2017 for mitigating the impact of the introduction of IFRS 9 on own funds, were as follows:

	Group	
	31/12/2022	**31/12/2021**
Ordinary shares	1,163	1,188
Share premium	3,555	18,112
Contingent Convertible bonds	-	-
Less: Treasury shares	-	(2)
Other reserves and retained earnings	1,235	(14,110)
Minority Interest	28	15
Less: Intangible assets	(217)	(200)
Total regulatory adjustments on CET1 capital	(1,699)	(1,421)
Common Equity Tier 1 Capital (CET1)	**4,064**	**3,582**
Additional Tier 1 instruments	600	600
Total Additional Tier 1 Capital	**600**	600
Tier 1 Capital (A)	**4,664**	**4,182**
Subordinated debt	893	891
Total Tier II Capital (B)	**893**	**891**
Total regulatory capital (A) + (B)	**5,557**	**5,073**
Total risk weighted assets (on and off- balance sheet items)	**31,178**	**32,207**
CET1 Capital ratio	**13.04%**	**11.12%**
T1 Capital ratio	**14.96%**	**12.98%**
Total Capital ratio	**17.82%**	**15.75%**

As at 31 December 2022, the Total Capital Adequacy ratio for the Group stood at 17.82% and the CET1 ratio stood at 13.04%, covering the minimum Overall Capital Requirement (“OCR”) levels. In addition, the fully loaded CET1 and Total Capital Adequacy ratios for the Group stood at 11.5% and 16.4%, respectively on the same date.

During the period ended 31 December of 2022, the Group received SRT approval for Ermis Triton, Ermis Mortgage, Ermis EIF and Ermis VI, four (4) synthetic securitization transactions of performing business/mortgage loans that led to a RWA relief of € 1,6 billion.

The Group has adopted the provisions of Article 473a of Regulation (EU) No 2017/2395, amending Regulation (EU) No 575/2013 relating to the CRR in regards with “transitional arrangements for mitigating the impact of the introduction of IFRS 9 on own funds”. These transitional arrangements allowed the Group to add back to its capital base a proportion of the IFRS 9 impact due to ECL allowance during the first five (5) years of use. In addition, according to paragraph 7a that has been added to the said article, the Group replaced the rescaling of all exposure values that are reduced by ECL allowance with a standard risk weight of 100% to be assigned to the amounts added back to CET1 capital. In addition, the Group, following the amendment of the article 468 CRR 575/2013 has made use of the temporary regulatory treatment of unrealized gains and losses of sovereign bonds measured at FVTOCI. Based on the said amendment of article 468, institutions may remove from the calculation of their Common Equity Tier 1 items the 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 is applied from the end of December 2020 onwards, allowing financial institutions to measure software assets on a prudential accumulated amortization basis and risk weight a regulatory defined part instead of fully deducting them from Common Equity Tier 1.

4.17 Risks related to the recognition of the main part of deferred tax assets as claims (Deferred Tax Credits) against the Greek State as regulatory capital or as an asset

The calculation of the capital adequacy ratios of the Group, takes into account the deferred tax assets which have been recognised on the basis of the relevant provisions of the IFRS. As at 31 December 2022 the deferred tax asset of the Group amounted to € 5,974 million (31 December 2021: € 6,070 million). At each reporting date, the Group and the Company review the carrying amount of the deferred taxation, which is likely to lead to a change in the amount of deferred tax asset recognised in the Statement of Financial Position, and consequently affect the calculation of the capital adequacy ratios. Under the current directive about the capital adequacy (“CRD IV”), deferred tax assets are deducted from the CET1 capital, if they exceed specific limits.

Under the provisions of Greek Law 4172/2013, Article 27A, as amended by Greek Law 4465/2017 and being currently in effect, deferred tax assets of Greek financial institutions, as well as deferred tax assets of leasing and factoring companies, that have been recognized due to losses from the Private Sector Involvement (“PSI”) and accumulated provisions due to credit risk in relation to existing loans and advances to customers as of 30 June 2015, as well as the accounting write offs and final losses due to permanent write offs or restructuring of debts under certain conditions, will be converted from 2017 onwards into directly enforceable claims (Tax Credit) against the Greek State, provided that the financial result under IFRS, is a loss from the fiscal year 2016 onwards. This claim will be offset against the relevant amount of income tax of the legal person or companies of the same corporate group (associated companies) of the tax year the approved financial statements refer to. When the amount of income tax is insufficient to offset the above claim, any remaining claim will give rise to a direct refund right against the Greek State. Simultaneously, equivalent conversion rights are granted to the Greek State for the issuance and delivery of ordinary shares.

Existing shareholders have option to buy the conversion rights from the State. Furthermore, a gradual amortization over a 20-year period of the final tax losses arising from write-offs and disposals is provided, maintaining the DTC status during all this period, while it disconnects the accounting write-offs from final debt write-offs.

As at 31 December 2022, the DTA of the Group that meets the provisions of article 27 of Law 4172/2013, as currently in force i.e. is eligible for Deferred Tax Credit (“DTC”), amounted to € 3,541 million (31 December 2021: € 3,617 million), of which € 1,050 million relates to unamortised PSI losses (31 December 2021: € 1,105 million) and € 2,491 million relates to temporary differences between the IFRS carrying amount and tax base of loans and advances to customers (31 December 2021: € 2,512 million).

In addition, refer to Note 3.2 for the key sources of estimation uncertainty in regards with the recoverability of DTA. The recognition of deferred tax assets may be adversely affected by: a) the future reduction of income tax rates, b) the adverse change of the regulations governing the treatment of deferred tax assets for regulatory capital purposes and c) any adverse change in the interpretation of the aforementioned legislative amendments by the EC. In case where any of the aforementioned risks occur, it would probably have an adverse effect on the adequacy of the Group’s regulatory capital ratios.

4.18 IBOR Reform

During 2021, the Group has established an internal Benchmark Rates Reform Working Group (the “BR Working Group”), led by senior representatives from Piraeus Bank’s Business Units, in order to manage the transition to the new risk-free rates (“RFRs”), mitigate any related risks and comply with the regulatory requirements of the EU 2016/1011 – EU Benchmark Regulation (EU BMR). In this context, the IBOR reform process for CHF / GBP / JPY related contracts was completed successfully.

In addition, the Group launched all necessary actions relating to the new USD risk-free reference rate definition (USD SOFR) in order to replace the USD LIBOR Benchmark, which is expected to cease being representative and published on 30 June 2023. More specifically, Piraeus Bank proceeded to the USD LIBOR contracts’ amendments with the insertion of new RFR SOFR (Secured Overnight Financing Rate) definition and necessary fallback language provisions.

Financial instruments impacted by the reform

Changes made to a financial instrument measured at other than FVTPL, that are economically equivalent and required by interest rate benchmark reform, do not result in derecognition or a change in their carrying amount. Instead, they require the effective interest rate to be updated to reflect the change in the interest rate benchmark. In addition, hedge accounting relationships should not be discontinued solely as a result of benchmark interest rate replacement, while any difference in hedge effectiveness assessment arising from the reform should be treated as an additional source of ineffectiveness provided that the hedge accounting relationship meets all other criteria.

The table below represents the non-derivative financial assets, non-derivative financial liabilities and derivative financial instruments that have not yet completed the transition to an alternative benchmark rate:

Financial Instruments yet to transition to alternative benchmarks, by main benchmark	
31/12/2022	**USD LIBOR**
Non derivative financial assets	2,306
Non derivative financial liabilities	-
Notional Amounts of Derivatives	
Interest Rate Swaps	49
Options-Interest rate	84
Total	**2,439**

The amounts depicted in the table here above, reflect the 31 December 2022 carrying amount of non-derivative financial assets, in specific loans and advances to customers at amortised cost, as well as the notional amounts of derivatives yet to transition to alternative benchmarks.

As far as USD Libor benchmark loan accounts are concerned, these have not been reformed to the new RFR, since the respective USD Libor benchmark is expected to cease being representative and published on 30 June 2023.

As far as derivatives are concerned, following the announcement by ICE Benchmark Administration Limited (“IBA”), in March 2021, that the publication of the USD Libor would be extended on 30 June 2023, the Group’s transition program focused mainly on client engagement for Sterling (GBP), Swiss franc (CHF) and Japanese yen (JPY) Libor interest rates, as well as EONIA.

Regarding EURIBOR, this underwent a methodological reform in 2019 to make it compliant with the regulatory requirements laid down in the EU 2016/1011 –EU Benchmark Regulation (EU BMR). In specific, EURIBOR may continue to be representative following a hybrid methodology that became applicable at the end of 2019, based on transactions, to the extent that these exist, as well as on expert judgement as derived from related markets if there is no relevant unsecured money market activity. Following the application of this methodology, the EURIBOR administrator (EMMI - European Money Markets Institute) has confirmed that EURIBOR may continue to be used as a reference rate for new and legacy contracts after 1 January 2022.

In October 2022, the EMMI issued a press release to start publishing the forward-looking term rate EFTERM (Euro Forward Looking Term Rate) on 14 November 2022. The EFTERM rate will be an alternative interest rate (fallback rate) for EURIBOR in accordance with the provisions of Regulation (EU) 2016/1011 (Benchmark Regulation). The Group, assessing the future possibility of EURIBOR reform, has initiated preparatory work for the adjustment of the respective contracts, by introducing fallbacks provisions in the contracts, so as to cover the possibility of the abolition of EURIBOR and its replacement by a new reference interest rate.

IBOR reform does not have any impact on the active fair value hedge accounting relationships of the Group as of 31 December 2022, considering that the hedging instruments used are referenced to Euribor rates which are not subject to the contemplated reform.

4.19 Climate Related Matters

The Group recognizes that climate change has an impact on the economy, the society, and the environment. Therefore, the Group has developed a climate strategy based on four (4) pillars:

1. Reach net zero in own operations: the Group' climate action starts by managing its own environmental footprint through its operations. The Group monitors and manages its environmental impact closely, investing in operational efficiency solutions and sourcing 100% renewable energy for the buildings it has management control over.
2. Steer portfolio towards net zero by 2050 or sooner: Piraeus Bank makes the most positive impact on climate action also through its financing to companies and individuals. Piraeus Bank focuses on the sectors that are responsible for the higher greenhouse gas emissions, and measures whether the Bank's lending in each sector is aligning with the Group's climate ambition.
3. Support and advise clients in line with a carbon neutral economy: to support Bank's clients in their climate transition it focuses on accelerating the green economy, financing the energy transition, and pioneering financing for new technologies and business models. Traditionally such financing has focused more on corporate clients, but the Bank is increasingly offering such solutions to SME, and retail customers in Greece.
4. Manage climate and environmental risks: Piraeus Bank is progressively integrating the risks associated with climate change in the Group's risk management framework. Piraeus Bank approach continues to develop as methodologies advance and regulatory guidance and requirements evolve. The Group also aims to help its clients protect their business from climate risks by advising them and financing their transition.

The Group participates in the ECB supervisory dialogue with the aim of incorporating strategies and practices for managing climate-related and environmental risks under the current prudential framework. The Group has embarked on a project named "Proteus" to meet all ECB expectations by end of 2023. The project has an internal governance structure that facilitates effectively, and timely decision-making related to Climate and Environmental ("C&E") risks.

The Group participated in the 2022 supervisory Climate Stress Test that assessed how prepared European banks are for dealing with financial and economic shocks stemming from climate risk. The test was a learning exercise both for banks and supervisors. It aimed to identify shortcomings, best practices and challenges banks face when managing climate-related risk. Importantly, this is not a pass or fail exercise, nor does it have direct implications for banks' capital levels.

Overall, Piraeus Bank scored at par with the average of the European participating banks. The results indicated an adequate climate risk stress testing framework and a good performance in data quality. On the other hand, income reliance on carbon intensive activities was higher than the EU average, also reflecting country-specific characteristics.

Piraeus Bank is using the results of the Climate Stress Test to deeper investigate how to further engage with its clients to steer them on a low-carbon path and hence manage potential sensitivities to long-term transition risk, high concentration of corporate exposures into carbon intensive counterparties, as well as short-term transition and physical risks.

Assessing Climate Risk deriving from the Bank's business borrowers

The Group is exposed to climate-related and environmental risks through its financial activities and its operations. Thus, it recognizes that both rapidly changing regulation, as well as stakeholder demands, may materially affect its business, operations and strategic plans. In this context, the Group assesses its exposure to material climate risks through its borrowers, customers, and counterparties. As already mentioned above, climate related risks can affect several important aspects of the Group's financial position, both in the short-term but more likely in the medium and long-term and can also pose new challenges for the Group's Risk Management.

The Group has developed the propriety tool "Climabiz" which is used for the annual assessment of the business borrower's climate risk. The tool estimates, in monetary terms, the risks deriving from climate change for economic sectors and businesses that are deemed vulnerable to climate change and in which the Bank has material exposures.

Climabiz uses three IPCC (the Intergovernmental Panel on Climate Change) climate scenarios (Representative Concentration Pathways/ RCPs) simulated for different regions of the country, both for the historical (period 1971-2020) and for the future (period 2021-2050) climate. The climate scenarios include the adoption of ambitious emission reduction policies (RCP2.6), the evolution of climate change without the implementation of additional policies for the emissions reduction (RCP8.5) and the intermediate scenario (RCP4.5). The tool estimates physical risk (acute and chronic) and transition risk.

The Group will continue to upgrade the Climabiz tool, monitor on an annual basis the climate risk of its business portfolios and gradually use the results to inform its decisions in supporting energy transition plans of its clients.

This approach will enable the Group to leverage on the climate risk quantification and achieve a comprehensive C&E risk classification. Namely:

- create a qualitative classification of portfolios and their potential exposure to C&E risks and their transmission channels;
- summarise the identification, measurement, monitoring and reporting of C&E risks and outline the process for establishing Climate Risk Appetite;
- outline roles and responsibilities applicable to Climate Risk Framework;
- utilise enhancements in scenarios analysis and methodology capabilities to effectively manage collaterals;
- incorporate C&E Risks in Credit Risk parameters;

- further integrate C&E risks into Operational Risk Framework and conduct trainings to raise awareness on C&E drivers for strengthening the identification and measurement of Operational Risks (incl. reputation and litigation risks).

5 Segment analysis

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

The Group manages its business through the following reportable segments:

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

Corporate Banking – Includes Large Corporates, Shipping, Small and Medium Entities ("SME") and Agricultural Core customer segments.

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

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

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

Business segments include internal allocations of income and expense based on an internally approved methodology. These allocations include, among other, the costs of certain support services and functions to the extent that they can be meaningfully attributed to the reportable business segments. Such allocations are made on a systematic and consistent basis and involve a degree of subjectivity. Costs that are not allocated to business segments are included in Corporate Centre (reported under business segment "other").

Where relevant, income and expense amounts presented include the results of inter-segment funding along with inter-company and inter-business line transactions. All inter-company transactions between business segments are undertaken on arm's length basis and inter-segment transactions and balances are eliminated within each relevant segment. Refer to Note 2.4.39.

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

1/1 - 31/12/2022	"Core" Segments [1], [2]					NPE MU	Group
	Retail Banking	Corporate Banking	PFM	Other	Total		
Net interest income	573	465	264	75	1,378	(25)	**1,353**
Net fee and commission income	226	168	8	14	415	6	**421**
Income from non-banking activities	-	-	-	58	58	6	**64**
Net gains/ (losses) from derecognition of financial instruments measured at amortised cost	-	-	(17)	1	(16)	(18)	**(34)**
Net other income/ (expenses)	282	-	506	(10)	779	-	**779**
Total Net Income	**1,081**	**633**	**762**	**138**	**2,614**	**(32)**	**2,582**
Total operating expenses	(483)	(188)	(60)	(105)	(836)	(53)	**(889)**
Profit/ (loss) before provisions, impairment and other credit-risk related expenses	**598**	**445**	**702**	**33**	**1,778**	**(85)**	**1,693**
ECL Impairment (losses)/releases on loans and advances to customers at amortised cost	12	89	1	(8)	95	(567)	**(472)**
Other credit-risk related expenses on loans and advances to customers at amortised cost	(28)	(33)	-	(1)	(63)	(80)	**(142)**
Impairment (losses) / releases on other assets	-	-	-	(47)	(47)	-	**(47)**
Impairment on subsidiaries and associates	-	-	-	(2)	(2)	-	**(2)**
Impairment of property and equipment and intangible assets	-	-	-	(4)	(4)	-	**(4)**
Impairment on debt securities at amortised cost	-	-	(4)	-	(4)	-	**(4)**
Other provision (charges)/ releases	2	4	-	(17)	(12)	(1)	**(13)**
Share of profit/ (loss) of associates and joint ventures	-	-	-	6	6	23	**29**
Profit/ (loss) before income tax	**583**	**506**	**700**	**(42)**	**1,747**	**(710)**	**1,037**
Income tax benefit/ (expense)							(140)
Profit/ (loss) for the year from continuing operations							**897**
Profit/ (loss) after income tax from discontinued operations	-	-	-	51	51	-	**51**
Profit/ (loss) for the year							**948**
As at 31/12/2022							
Total assets from continuing operations (excluding assets held for sale)	9,604	20,214	24,337	11,949	66,104	9,150	**75,255**
Assets held for sale	4	12	-	17	33	373	**406**
Total assets	9,608	20,226	24,337	11,966	66,138	9,523	**75,661**
Total liabilities	42,791	14,319	8,356	3,141	68,608	472	**69,080**

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

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

1/1 - 31/12/2021 As reclassified	"Core" Segments					NPE MU	Group
	Retail Banking	Corporate Banking	PFM	Other	Total		
Net interest income	430	454	142	166	1,193	217	**1,410**
Net fee and commission income	219	150	6	4	379	13	**392**
Income from non-banking activities	-	-	-	31	31	9	**40**
Net gains/ (losses) from derecognition of financial instruments measured at amortised cost	-	8	323	2	334	(8)	**326**
Net other income/ (expenses)	6	4	163	180	352	4	**355**
Total Net Income	**655**	**616**	**634**	**383**	**2,288**	**235**	**2,523**
Total operating expenses	(447)	(169)	(46)	(146)	(808)	(84)	**(892)**
Profit/ (loss) before provisions, impairment and other credit-risk related expenses	**207**	**448**	**588**	**237**	**1,480**	**151**	**1,631**
ECL Impairment (losses)/releases on loans and advances to customers at amortised cost	(253)	(13)	(1)	4	(263)	(3,869)	**(4,131)**
Other credit-risk related expenses on loans and advances to customers at amortised cost	(42)	(9)	-	(5)	(55)	(98)	**(153)**
Impairment (losses) / releases on other assets	-	-	-	(4)	(4)	6	**2**
ECL impairment (losses) / releases on debt securities measured at FVTOCI	-	-	(11)	-	(11)	-	**(11)**
Impairment on subsidiaries and associates	-	-	-	(23)	(23)	-	**(23)**
Impairment of property and equipment and intangible assets	-	-	-	(13)	(13)	-	**(13)**
Impairment on debt securities at amortised cost	-	-	(19)	-	(19)	-	**(19)**
Other provision (charges)/ releases	(3)	(1)	-	12	8	-	**8**
Share of profit/ (loss) of associates and joint ventures	-	-	-	18	18	-	**18**
Profit/ (loss) before income tax	**(91)**	**424**	**557**	**227**	**1,118**	**(3,810)**	**(2,691)**
Income tax benefit/ (expense)							(316)
Profit/ (loss) for the year from continuing operations							**(3,007)**
Profit/ (loss) after income tax from discontinued operations	-	-	-	(7)	(7)	-	**(7)**
Profit/ (loss) for the year							**(3,014)**
As at 31/12/2021							
Total assets from continuing operations (excluding assets held for sale)	9,584	17,595	29,138	13,439	69,756	9,484	79,240
Total assets from discontinued operations	-	-	-	114	114	-	114
Assets held for sale	7	7	-	33	47	388	435
Total assets	9,591	17,602	29,138	13,586	69,917	9,872	79,789
Total liabilities	40,057	12,636	16,199	4,719	73,611	376	73,987

Interest income is presented for each reporting segment net of interest expense, as the performance of each segment is evaluated on a net interest income basis. The amount of € 779 million presented under line item "net other income/ (expenses)" mainly includes a gain upon loss of control over subsidiaries of € 282 million relating to the disposal of the merchant acquiring business (refer to Note 26), presented within reporting segment "Retail Banking", as well as net gain from financial instruments of € 506 million (refer to Notes 9 and 10), presented within reporting segment "PFM".

b) Geographical segment

The Group operates in the following geographical areas: a) Greece, the Company's country of domicile; b) Rest of Europe, which includes Albania, Bulgaria, Romania, Serbia, Ukraine, Cyprus, United Kingdom, Germany and Ireland; and c) Other Countries, which include Egypt. To this end, Greece generated 99% of the Group's net income.

The following table summarises the Group's net income and non-current assets, across all geographical areas. The breakdown is based on the location of the respective legal entity.

Group	Net Income		Non-current assets	
	1/1 - 31/12/2022	1/1 - 31/12/2021 As reclassified	31/12/2022	1/1 - 31/12/2021
Greece	2,548	2,494	2,431	2,056
Rest of Europe	34	28	127	136
Other countries	-	-	4	5
Continuing Operations	**2,582**	**2,523**	**2,562**	**2,197**
Discontinued Operations	**84**	**39**	**-**	**80**

For information regarding the entities of the Group classified as discontinued operations in 2022 and 2021, refer to Note 14.

6 Net interest income

Continuing operations	Group		Company	
	1/1 - 31/12/2022	1/1 - 31/12/2021	1/1 - 31/12/2022	1/1 - 31/12/2021
Interest and similar income				
Debt securities measured at FVTOCI	31	47	-	-
Debt securities at amortised cost	187	87	99	88
Loans and advances to customers at amortised cost & Reverse repos	1,203	1,349	-	67
Due from banks	7	3	-	-
Negative interest from liabilities due to ECB	70	146	-	-
Negative interest from other interest-bearing liabilities	4	2	-	-
Other	74	10	-	-
Total interest income for financial instruments not measured at FVTPL	**1,575**	**1,644**	**99**	**155**
Financial instruments measured at FVTPL	18	8	7	5
Derivative financial instruments	98	133	-	-
Total interest and similar income	**1,691**	**1,785**	**106**	**160**
Interest expense and similar charges				
Due to customers and repurchase agreements	(51)	(40)	-	-
Debt securities in issue and other borrowed funds	(96)	(77)	(69)	(77)
Due to banks	(15)	(3)	-	-
Contribution of Law 128/75	(54)	(59)	-	(1)
Negative interest from interest bearing assets	(38)	(43)	-	-
Other	(3)	(3)	-	-
Total interest expense from financial instruments not measured at FVTPL	**(256)**	**(225)**	**(69)**	**(78)**
Derivative financial instruments	(82)	(150)	-	-
Total interest expense	**(339)**	**(375)**	**(69)**	**(78)**
Net interest income	**1,353**	**1,410**	**37**	**82**

Line item "negative interest from liabilities due to ECB" comprises the interest income recognised from the funding liabilities of Piraeus Bank S.A. due to ECB, in the context of the TLTRO III program. Specifically, the revenue recognised during the year ended 31 December 2022 amounting to € 70 million (31 December 2021: € 146 million), which includes the program's extra benefit (50 basis points lower than the average DFR of the respective period) up to 23 June 2022 (the end of additional special interest period), given that the Bank met the related lending performance requirements between 1 October 2020 and 31 December 2021.

Line item "Other" of interest and similar income comprises € 54 million generated from the use of Eurosystem's deposit facility (overnight deposits with the Central Bank remunerated at the applicable DFR). During the second semester of 2022, the ECB proceeded with a rapid tightening of its monetary policy in order to tame the very high and persistent inflation. As a result, ECB announced four (4) consecutive increases of its key interest rates by a total of 250 basis points.

Interest income by credit quality and product line

The table below presents interest income from loans and advances to customers at amortised cost, by credit quality and product line. During the year ended 31 December 2022, no interest income from loans and advances to customers at amortised cost was recognised by the Company.

Group - Continuing operations	1/1 - 31/12/2022				1/1 - 31/12/2021			
	Not credit impaired	Credit impaired			Not credit impaired	Credit impaired		
	Stage 1 and 2	Stage 3	POCI	Total	Stage 1 and 2	Stage 3	POCI	Total
Retail Lending	293	17	12	322	281	64	46	**391**
Corporate Lending	762	97	19	878	634	260	63	**956**
Public Sector Lending	4	-	-	4	2	-	-	**2**
Total Interest income	**1,059**	**114**	**31**	**1,203**	**916**	**324**	**109**	**1,349**

Company	1/1 - 31/12/2021			
	Not credit impaired	Credit impaired		
	Stage 1 and 2	Stage 3	POCI	Total
Retail Lending	5	16	8	**28**
Corporate Lending	-	28	10	**39**
Total Interest income	**5**	**44**	**19**	**67**

7 Net fee and commission income

Continuing operations	Group		Company	
	1/1 - 31/12/2022	1/1 - 31/12/2021 As reclassified	1/1 - 31/12/2022	1/1 - 31/12/2021
Fee and commission income				
Commercial banking	449	433	44	43
Investment banking	26	36	-	-
Asset management	33	29	-	-
Total fee and commission income	**508**	**498**	**44**	**43**
Fee and commission expense				
Commercial banking	(79)	(99)	(30)	(36)
Investment banking	(6)	(6)	-	-
Asset management	(1)	(1)	-	-
Total fee and commission expense	**(87)**	**(106)**	**(30)**	**(36)**
Net fee and commission income	**421**	**392**	**14**	**7**

a. Fee and commission income

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

The tables below present total fee and commission income from contracts with customers of the Group and the Company, for the years ended 31 December 2022 and 2021, per product type and business segment.

The Group reclassified the amounts of the reporting segment “Retail” into “Other”. Refer to Note 5 for further information.

Group	Fee and Commission income					
1/1 - 31/12/2022	Retail Banking	Corporate Banking	Piraeus Financial Markets	Other	NPE MU	Total
Acquiring	9	5	-	-	-	14
Asset management/Brokerage	31	3	9	8	-	51
Bancassurance	33	4	-	14	1	52
Cards[1]	60	8	-	-	2	70
Deposits Commissions[1]	8	1	-	-	-	9
Funds Transfer	61	17	-	3	1	82
Letters of Guarantee	3	34	-	1	2	40
Loans and advances to customers[1]	10	81	-	-	1	92
Payments	22	5	1	-	-	28
FX fees	27	6	1	-	-	34
Other	20	12	-	4	-	36
Total	**284**	**176**	**11**	**30**	**7**	**508**

Group	Fee and Commission income					
1/1 - 31/12/2021 As reclassified	Retail Banking	Corporate Banking	Piraeus Financial Markets	Other	NPE MU	Total
Acquiring	53	24	1	-	1	79
Asset management/Brokerage	30	2	6	9	-	47
Bancassurance	33	5	-	11	1	50
Cards[1]	41	5	-	-	2	48
Deposits Commissions[1]	8	1	-	-	-	9
Funds Transfer	48	13	1	3	2	67
Letters of Guarantee	2	29	-	-	3	34
Loans and advances to customers[1]	9	60	-	-	1	70
Payments	20	5	1	1	-	27
FX fees	18	4	-	1	-	23
Other	18	21	-	5	-	44
Total	**280**	**169**	**9**	**30**	**10**	**498**

[1] *Refers to financial assets and financial liabilities carried at amortised cost*

Company	Fee and Commission income					
1/1 - 31/12/2022	Retail Banking	Corporate Banking	Piraeus Financial Markets	Other	NPE MU	Total
Bancassurance	29	4	-	11	-	44
Total	**29**	**4**	**-**	**11**	**-**	**44**

Company	Fee and Commission income					
1/1 - 31/12/2021	Retail Banking	Corporate Banking	Piraeus Financial Markets	Other	NPE MU	Total
Bancassurance	30	4	-	8	1	**43**
Total	**30**	**4**	**-**	**8**	**1**	**43**

Fee and commission expense figures have been restated in order to better reflect the nature of the expenses recognised, in respect of the services provided in processing of cards transactions, and due to the amendment of the presentation of assets under management and success fees (refer to Note 15 for further information).

b. Other income

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

Group	Other Income					
1/1 - 31/12/2022	Retail Banking	Corporate Banking	Piraeus Financial Markets	Other	NPE MU	Total
Other operating income	-	-	13	22	1	36
Gain from sale of investment property	-	-	-	2	-	2
Gain from sale of other assets	-	-	-	5	1	6
Total	**-**	**-**	**13**	**29**	**2**	**44**

Group	Other Income					
1/1 - 31/12/2021 As reclassified	Retail Banking	Corporate Banking	Piraeus Financial Markets	Other	NPE MU	Total
Other operating income	-	-	-	40	2	**42**
Gain from sale of investment property	-	-	-	1	-	**1**
Gain from sale of other assets	-	-	-	3	3	**6**
Total	**-**	**-**	**-**	**44**	**5**	**49**

8 Income from non-banking activities

During the year ended 31 December 2022, the Group and the Company amended the presentation of income from non-banking activities, mainly comprising rental income from investment property, previously reported in line item "Net Other income/ (expenses)" into line item "Income from non-banking activities". Rental income from investment property for the current year stood at € 58 million for the Group and nil for the Company (31 December 2021: € 34 million for the Group and nil for the Company). Refer to Note 50 for the said change in presentation of comparatives.

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

	Group		Company	
Continuing operations	**1/1 - 31/12/2022**	**1/1 - 31/12/2021**	**1/1 - 31/12/2022**	**1/1 - 31/12/2021**
Gains / (losses) from debt securities	(73)	(2)	-	(1)
Gains / (losses) from other financial instruments	432	87	(8)	-
Net income from financial instruments measured at FVTPL	**359**	**85**	**(8)**	**(1)**

The Group's net gains from financial instruments measured at FVTPL for the year ended 31 December 2022 mainly comprise gains of € 407 million from derivatives (31 December 2021: gains of € 71 million). The Group's losses from debt securities for the year ended 31 December 2022 are mainly attributable to disposal of GGBs and Greek treasury bills amounting to € 54 million.

The Company's net losses from financial instruments measured at FVTPL for the year ended 31 December 2022 mainly pertain to realized losses from derecognition of equity securities.

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

The Group's net gains from derecognition of financial instruments measured at FVTOCI for the year ended 31 December 2022 amounted to € 111 million (31 December 2021: € 87 million) and related to disposal of debt securities, of total nominal value € 1,596 million. An amount of € 106 million pertains to realized gains and reversal of ECL allowance upon disposal of GGBs and Greek treasury bills, of total nominal value € 1,363 million.

11 Net other income/ (expenses)

	Group		Company	
Continuing operations	**1/1 - 31/12/2022**	**1/1 - 31/12/2021 As reclassified**	**1/1 - 31/12/2022**	**1/1 - 31/12/2021 As reclassified**
Gains/ (losses) from fair value remeasurement of investment property (Note 29)	38	4	-	-
Other net income / (loss)	(9)	(7)	(1)	(3)
Total Net other income / (expense)	**29**	**(3)**	**(1)**	**(3)**

Refer to Note 50 for the change in presentation of comparatives.

12 Staff costs

Continuing operations	Group		Company	
	1/1 - 31/12/2022	1/1/ - 31/12/2021	1/1 - 31/12/2022	1/1/ - 31/12/2021
Wages and salaries	(299)	(291)	(2)	(2)
Social insurance contributions	(62)	(56)	(1)	-
Other staff costs	(23)	(29)	-	-
Voluntary redundancy costs	(57)	(25)	-	(1)
Retirement benefit charges	(5)	(4)	-	-
Total	**(446)**	**(405)**	**(3)**	**(3)**

In accordance with its strategic objectives and transformation priorities, the Group initiated in 2022 a new Voluntary Exit Scheme ("VES") for certain group of employees. As a result, a corresponding provision of € 57 million was booked in 2022, increasing equally the staff cost of the Group. The Group's and the Company's full time equivalents ("FTE") from continuing operations as of 31 December 2022 was 8,658 and 33, respectively (31 December 2021: 9,493 and 29, respectively). The number of FTE who exited voluntarily in 2022, making use of the 2022 and 2021, VES stood at 635.

13 Administrative expenses

Continuing operations	Group		Company	
	1/1 - 31/12/2022	1/1 - 31/12/2021 As reclassified	1/1 - 31/12/2022	1/1 - 31/12/2021 As reclassified
Taxes and duties	(75)	(81)	(1)	(3)
Promotion and advertising expenses	(25)	(29)	(1)	-
Fees and similar expenses	(69)	(104)	(3)	(11)
Contributions payable to Deposit Insurance and Resolution Funds	(59)	(49)	-	-
Other administrative expenses	(109)	(115)	(1)	(1)
Total	**(337)**	**(377)**	**(5)**	**(15)**

The contributions payable to Deposit Insurance and Resolution Funds mainly comprise: a) € 33 million under the Resolution leg of the Hellenic Deposit and Investment Guarantee Fund ("HDIGF") (31 December 2021: € 31 million); and b) € 25 million ex-ante contributions to the Single Resolution Fund ("SRF") (31 December 2021: € 17 million).

14 Discontinued operations

On 23 March 2022, Piraeus Bank signed a share transfer agreement for the contribution of its entire shareholding in subsidiary Imithea Single Member S.A. into Strix Holdings LP. The transaction was completed in the third quarter of 2022, after having obtained the required regulatory approval by the Hellenic Competition Commission ("HCC"). Following the loss of control over its former subsidiary, the Group recognised a gain of € 55 million (Refer also to Note 48).

The profit from discontinued operations for the period ended 31 December 2022 comprises mainly Imithea Single Member

S.A.

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

	1/1 - 31/12/2022	1/1 - 31/12/2021
Gain from loss of control over subsidiaries	55	-
Net other income	29	39
Total net income	**84**	**39**
Staff costs	(19)	(27)
Administrative expenses	(11)	(13)
Depreciation and amortisation	(3)	(4)
Total operating expenses	**(33)**	**(44)**
Profit/(loss) before provisions, impairment and other credit-risk related expenses	**52**	**(5)**
Provisions and impairment losses	(1)	(1)
Profit/(loss) before income tax	**51**	**(6)**
Income tax expense	-	(1)
Profit/(loss) after income tax from discontinued operations	**51**	**(7)**

B) Assets and liabilities from discontinued operations

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

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

15 Other credit risk related expenses on loans and advances to customers at amortised cost

During the year ended 31 December 2022, the Group and the Company amended the presentation of fees payable for having its NPE portfolio managed, such as assets under management ("AUM") fees and success fees, previously included in line items "Administrative expenses", "ECL Impairment losses on loans and advances to customers at amortised cost" and "Fee and commission expense", into line item "Other credit-risk related expenses on loans and advances to customers at amortised cost". For the year ended 31 December 2022 AUM fees amounted to € 28 million for the Group and nil for the Company (31

December 2021: € 38 million for the Group and € 6 million for the Company), while success fees amounted to € 81 million for the Group and nil for the Company (31 December 2021: € 101 million for the Group and € 5 million for the Company). Refer to Note 50 for the said change in presentation of comparatives.

Additionally, for the year ended 31 December 2022, credit protection fees payable by the Group in the context of synthetic securitizations, amounted to € 33 million (31 December 2021: € 13 million).

16 Income tax benefit/ (expense)

Continuing operations	Group		Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Current tax expense	(13)	(7)	-	-
Deferred tax benefit / (expense) (Note 39)	(126)	(310)	-	-
Income tax benefit / (expense)	**(140)**	**(316)**	**-**	**-**

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

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

The income tax benefit/ (expense) recognized in the income statement differs from the tax credit /(charge) that would apply if all profits/(losses) had been taxed at nominal corporate income tax rates, as follows:

	Group		Company	
	2022	2021	2022	2021
Profit / (loss) before income tax / (expense)	1,037	(2,691)	103	(3,046)
Tax calculated based on current tax rate	(228)	592	(23)	670
Non taxable income	275	62	23	-
Non tax deductible expenses and other permanent differences	(123)	(1,054)	-	(670)
Effect of different tax rates applied	(71)	82	-	-
Deferred tax impact due to change in tax rate	-	(2)	-	-
Effect of results of investments in associates	6	4	-	-
Income tax benefit / (expense)	**(140)**	**(316)**	**-**	**-**
Effective tax rate for the year	**13.0%**	**(11.8)%**	**0.0%**	**0.0%**

As at 31 December 2022, the Group recognised a DTA of € 5,974 million (31 December 2021: € 6,070 million) and a deferred tax liability of € 10 million (31 December 2021: € 10 million). For further information, refer to Note 39.

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 the ITC 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 year ended 31 December 2022 and 2021 amounted to € 6 million and has been charged within line item “net other income/ (expenses)" of the Income Statement.

17 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 year, excluding the average number of ordinary shares held by the Group.

	1/1 - 31/12/2022	1/1 - 31/12/2021
Profit/(loss) for the year attributable to ordinary shareholders of the parent entity from continuing operations	899	(3,007)
Profit/(loss) for the year attributable to ordinary shareholders of the parent entity from discontinued operations	51	(7)
Profit/(loss) for the year attributable to ordinary shareholders of the parent entity from continuing and discontinued operations	**950**	**(3,014)**
Weighted average number of ordinary shares in issue (basic and diluted earnings/losses)	1,249,647,205	859,533,251
Basic and diluted earnings/(losses) per share in € from continuing operations	0.72	(3.50)
Basic and diluted earnings/(losses) per share in € from discontinued operations	0.04	(0.01)
Basic and diluted earnings/(losses) per share in € from continuing and discontinued operations	**0.76**	**(3.51)**

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

Group - Continuing operations	1/1 - 31/12/2022			1/1 - 31/12/2021		
	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	(175)	46	(129)	(151)	46	(105)
Change in currency translation reserve	(9)	-	(9)	5	-	5
Items that will not be reclassified subsequently to profit or loss						
Change in reserve from equity instruments measured at FVTOCI	32	(9)	23	(45)	13	(32)
Change in property revaluation reserve	10	(3)	7	-	-	-
Change in reserve of actuarial gains/ (losses)	10	(3)	7	-	-	-
Other comprehensive income/ (expense) from continuing operations	**(132)**	**31**	**(101)**	**(191)**	**59**	**(132)**

19 Cash and balances with central banks

	Group	
	31/12/2022	31/12/2021
Cash in hand	693	721
Deposits in central banks	8,361	14,728
Cheques clearing system – central banks	25	66
Cash and balances with Central Banks (Note 46)	**9,080**	**15,514**
Mandatory reserves with central banks	573	5
Total Cash and balances with central banks	**9,653**	**15,519**

The variance in line "Deposits in central banks" is mainly due to partial repayment of the ECB funding through TLTRO III. Refer to Note 32 for further details.

The BoG requires all banks established in Greece to maintain deposits in the central bank with an average balance equal to 1.0% of total customer deposits, as defined by the ECB. Similar requirements apply to the Company's banking subsidiary in Ukraine, namely JSC Piraeus Bank ICB. The Bank's mandatory deposits at BoG bear interest set equal to the ECB deposit facility rate (2.0% as of 31 December 2022), while the interest on any excess average balance of the relevant account is zero. The corresponding deposits of JSC Piraeus Bank ICB are non-interest bearing.

20 Due from banks

	Group		Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Sight and time deposits with banks	238	177	45	50
Securities purchased under agreements to resell	52	51	-	-
Placements with banks	70	73	-	-
Collateral posted in margin accounts	390	1,042	-	-
Total due from banks	**750**	**1,344**	**45**	**50**
of which:				
Current	749	1,277	45	50
Non-current	1	67	-	-

The decrease of € 652 million in cash posted as collateral margin is mainly attributable to unrealized gains of derivative transactions engaged under ISDA and CSA agreements. Refer to Notes 21 and 32 for further information.

21 Derivative financial instruments

	Group 31/12/2022			Group 31/12/2021		
	Notional amount	Fair value		Notional amount	Fair value	
Derivatives held for trading		Assets	Liabilities		Assets	Liabilities
IRSs	9,259	616	528	9,414	359	341
Currency swaps	1,454	5	11	1,366	1	20
FX forwards	923	11	18	555	3	9
Options and other derivative instruments	6,805	104	82	5,106	8	11
Cross Currency Interest Rate Swaps	540	17	16	379	6	12
	18,981	**753**	**656**	**16,820**	**377**	**393**
Derivatives held for hedging (fair value hedges)						
IRSs	3,496	1,077	-	6,649	214	-
Total	**22,477**	**1,830**	**656**	**23,470**	**591**	**393**

IRSs mainly include transactions held with the Group's clientele and their offsetting positions engaged by the Group with other counterparties in order to economically hedge its interest rate risk exposure.

HEDGE ACCOUNTING

Fair Value Hedge accounting

The Group enters into IRSs to mitigate the risk of changes in interest rates on the fair value of fixed rate debt securities. Specifically, the Group hedges the benchmark interest rate risk component by entering into IRSs with critical terms that match those of the debt instrument hedged. This hedging objective is consistent with the Group's overall interest rate risk management strategy (refer to Note 4.11).

The Group assesses hedge effectiveness on a prospective and retrospective basis by comparing the changes in fair value of the hedged item, resulting from movements in the benchmark interest rate, with the changes in fair value of the IRS used to hedge the exposure.

The Group has identified the following sources of ineffectiveness:

- Credit risk of the counterparty, which is not offset by the hedged item. The Group minimizes counterparty credit risk by entering into derivatives with clearing members of central clearing counterparties (”CCPs”) and CCPs or bilaterally under ISDA master netting agreements and CSA annexes.

- Use of different discounting curves when measuring the fair value of the hedged items and hedging instruments.

The IBOR reform does not have any impact on the outstanding fair value hedge accounting relationships of the Group as at 31 December 2022 (refer to Note 4.18).

The maturity profile of IRSs designated by the Group as hedging instruments in fair value hedge accounting relationships, which were effective as of the end of the reporting period, is illustrated below:

31/12/2022	Group		
	Due between 1 to 5 years	Due after 5 years	Total
Notional amount of IRSs	5	3,491	3,496

31/12/2021	Group		
	Due between 1 to 5 years	Due after 5 years	Total
Notional amount of IRSs	5	6,644	6,649

The tables below summarize the balance sheet and income statement figures related to IRSs and fixed rate sovereign bonds designated as hedging instruments and hedged items, respectively, in fair value hedge accounting relationships.

31/12/2022	Group				
Interest Rate Risk		Fair Value			
Derivative hedging instruments	Notional Amount	Asset	Liability	Statement of financial position line item	Changes in fair value used for calculating hedge ineffectiveness
IRSs	3,496	1,077	-	Derivative financial instruments	1,444

31/12/2021	Group				
Interest Rate Risk		Fair Value			
Derivative hedging instruments	Notional Amount	Asset	Liability	Statement of financial position line item	Changes in fair value used for calculating hedge ineffectiveness
IRSs	6,649	214	-	Derivative financial instruments	208

31/12/2022	Group				
Interest Rate Risk					
Hedged Items	**Nominal Amount**	**Carrying amount**	**Accumulated hedge adjustments in the carrying amount of hedged item**	**Statement of financial position line item**	**Changes in fair value used for calculating hedge ineffectiveness**
Debt securities at amortised cost	3,294	3,409	(999)	Debt securities at amortised cost	(1,373)
Debt securities at FVTOCI	202	200	n/a	Financial assets at FVTOCI	(52)

31/12/2021	Group				
Interest Rate Risk					
Hedged Items	**Nominal Amount**	**Carrying amount**	**Accumulated hedge adjustments in the carrying amount of hedged item**	**Statement of financial position line item**	**Changes in fair value used for calculating hedge ineffectiveness**
Debt securities at amortised cost	6,189	7,293	(190)	Debt securities at amortised cost	(190)
Debt securities at FVTOCI	460	612	n/a	Financial assets at FVTOCI	(15)

“Changes in fair value used for calculating hedge ineffectiveness” include also fair value hedge adjustments recognised in Group’s Income Statement related to discontinued hedges until their de-designation date.

The cumulative amount of fair value hedge adjustments remaining in the statement of financial position of the Group by reducing the carrying amount of hedged items regarding the discontinued hedge relationships, not included in the figures of the table above, was € 533 million as at 31 December 2022.

The hedge ineffectiveness, determined as the difference between the hedging gains or losses of the hedging instrument and the hedged item, recognised in profit or loss of the Group for the period ended 31 December 2022 amounts to gain of € 19 million (31 December 2021: gain of € 3 million).

22 Financial assets at fair value through profit or loss

a) Financial assets at FVTPL

	Group	
	31/12/2022	31/12/2021
Greek government bonds and T-bills	154	445
Foreign government bonds and T-bills	370	437
Corporate bonds	4	4
Equity securities	19	20
Total	**548**	**906**

As at 31 December 2022 and 2021, the Company did not hold any Financial assets at FVTPL.

b) Financial assets mandatorily measured at FVTPL

	Group		Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Contingent consideration assets	42	43	-	-
Bonds issued by financial institutions	2	-	-	-
Unlisted shares	33	40	-	-
Mutual Funds	105	122	-	9
Total	**182**	**205**	**-**	**9**

Line item "contingent consideration assets" comprises: i) a performance note issued by Intrum Holding Spain S.A.U. in 2019 with a fair value of € 32 million; and ii) a contingent claim initially recognized in 2021 following the disposal of certain corporate loans included in the Pivot transaction, the fair value of which stood at € 10 million as at 31 December 2022.

23 Loans and advances to customers at amortised cost

	Group	
	31/12/2022	31/12/2021
Mortgages	6,877	7,191
Consumer/ personal and other loans	1,403	1,486
Credit cards	485	490
Retail Lending	**8,766**	**9,168**
Corporate and Public Sector Lending	**29,484**	**29,125**
Collateralised loan obligations (CLOs)	**502**	**93**
Total gross loans and advances to customers at amortised cost	**38,751**	**38,386**
Less: ECL allowance	(1,385)	(1,864)
Total	**37,367**	**36,521**
of which:		
Current	6,180	5,136
Non current	31,186	31,386

At Group level, the senior notes of the securitizations Phoenix, Vega I, II and III, Sunrise I and II, with a gross carrying amount of € 6,075 million as at 31 December 2022 (31 December 2021: € 6,236 million), are included within line item "Corporate and Public Sector Lending" (refer to Note 2.4.18). The ECL allowance on the aforementioned notes is immaterial as at the reporting date.

A reconciliation of the gross carrying amount and the ECL allowance of loans and advances to customers at amortised cost, as defined in Note 4.3.1, against the values presented in the aforementioned table is provided below, taking into account the unamortised PPA as of the reporting date. For the purposes of this reconciliation, CLOs are presented within line item "Corporate and Public Sector Lending".

	Group	
	31/12/2022	**31/12/2021**
Mortgages (grossed up with PPA adjustment)	6,879	7,195
Less PPA adjustment	(2)	(4)
Mortgages	**6,877**	**7,191**
Consumer/ personal and other loans (grossed up with PPA adjustment)	1,410	1,503
Less PPA adjustment	(6)	(17)
Consumer/ personal and other loans	**1,403**	**1,486**
Credit cards (grossed up with PPA adjustment)	485	491
Less PPA adjustment	-	(1)
Credit cards	**485**	**490**
Retail Lending (grossed up with PPA adjustment)	8,774	9,189
Less PPA adjustment	(9)	(21)
Retail Lending	**8,766**	**9,168**
Corporate and Public Sector Lending (grossed up with PPA adjustment)	30,013	29,303
Less PPA adjustment	(27)	(85)
Corporate and Public Sector Lending	**29,986**	**29,218**
Total gross loans and advances to customers at amortised cost (grossed up with PPA adjustment)	38,787	38,492
Less PPA adjustment	(36)	(106)
Total gross loans and advances to customers at amortised cost (A)	**38,751**	**38,386**
Less: ECL allowance (grossed up with PPA adjustment)	(1,421)	(1,971)
Less PPA adjustment	36	106
Less: ECL allowance (B)	**(1,385)**	**(1,864)**
Net loans and advances to customers at amortised cost (A) + (B)	**37,367**	**36,521**
of which:		
Current	6,180	5,136
Non current	31,186	31,386

Loans and advances to customers at amortised cost include finance lease receivables, broken down as follows:

Group - Finance lease receivables	**31/12/2022**	**31/12/2021**
No later than one year	231	203
One to five years	436	407
Later than five years	435	467
Gross investment in finance leases	**1,102**	**1,077**
Unearned finance income	(211)	(148)
Net investment in finance leases	**891**	**929**
of which:		
No later than one year	193	179
One to five years	339	341
Later than five years	359	409

As at 31 December 2022 and 2021, the Group recognized an ECL allowance of € 76 million and € 65 million, respectively, on its finance lease receivables.

24 Financial assets at FVTOCI

	Group		Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Greek Government Bonds	237	1,118	-	-
Corporate Bonds	-	304	-	-
Bonds issued by financial institutions and foreign governments	1	545	-	-
Greek treasury bills	558	332	-	-
Debt securities at FVTOCI	**796**	**2,299**	**-**	**-**
Equity securities at FVTOCI	101	67	2	-
Total financial instruments at FVTOCI	**897**	**2,366**	**2**	**-**
Current debt securities at FVTOCI	558	359	-	-
Non-current debt securities at FVTOCI	238	1,940	-	-
Total debt securities at FVTOCI	**796**	**2,299**	**-**	**-**

Refer to Note 4.6 for information on the credit rating and stage allocation of the debt securities classified at FVTOCI.

The Group holds certain equity securities designated at FVTOCI, the fair value of which is presented in the following table:

Group - Fair value of equity securities designated at FVTOCI	31/12/2022	31/12/2021
Attica Holdings S.A.	59	27
Ideal Group	9	9
Atlantic Insurance Public Limited Company	6	7
Other	27	24
Total	**101**	**67**

The equity investment in Attica Holdings S.A. refers to a non-controlling shareholding of 11.8%, previously held by Piraeus Bank. In July 2022, Piraeus Bank contributed all such shares into Strix Holdings LP in exchange for additional limited partnership interests. Following this transfer, as of 31 December 2022, Strix Holdings LP is the legal owner of the said shares. The transaction did not meet the IFRS 9 derecognition requirements, therefore, the said equity securities are recognized by the Group as financial assets measured at FVTOCI. Refer to Note 53 for further information on the corollary mandatory tender offer launched by Piraeus Bank on 22 February 2023 to the shareholders of Attica Holdings S.A. holding a total stake of 20.62%.

The movement of debt securities at FVTOCI is summarized below:

	Group		
	Stage 1	Stage 2	Total
Opening balance at 1/1/2021	**2,698**	**19**	**2,717**
Additions	4,522	3	4,525
Coupon collections	(56)	(1)	(57)
Disposals/ maturities	(4,849)	-	(4,849)
Interest Income	46	2	47
Foreign exchange differences	3	-	3
Gain/ (loss) from changes in fair value	(88)	-	(88)
Closing balance 31/12/2021	**2,277**	**22**	**2,299**
Additions	2,028	-	2,028
Coupon collections	(35)	(1)	(36)
Disposals/ maturities	(2,716)	(4)	(2,720)
Transferred from Stage 1 to Stage 2	(9)	9	-
Transferred from Stage 2 to Stage 1	3	(3)	-
Interest Income	29	2	30
Gain/ (loss) from changes in fair value	(192)	(4)	(196)
Reclassification to debt securities at amortised cost	(589)	(21)	(610)
Closing balance 31/12/2022	**796**	**-**	**796**

As of 31 December 2022 and 2021, the Company did not hold any debt securities measured at FVTOCI.

The Group recognized in the income statement and OCI an ECL allowance on debt securities measured at FVTOCI of € 1 million and € 11 million for the period ended 31 December 2022 and 2021, respectively.

On 1 October 2022 the Group reclassified debt securities issued by corporations and financial institutions, from FVTOCI to amortised cost, of total nominal value € 700 million, following the change in business model for managing the said asset class. Refer to Note 25 for more information.

25 Debt securities at amortised cost

The Group's portfolio of debt securities at amortised cost mainly consists of foreign and domestic sovereign bonds as well as debt securities issued by corporate and financial institutions, the vast majority of which have a residual maturity higher than 12 months as of the reporting date.

In addition, the Company's debt securities portfolio comprises solely two Tier 2 instruments issued by Piraeus Bank and fully subscribed by the Company (the "Back-to-Back Tier 2 Notes"), that mirror all material terms of the Company's Tier 2 subordinated notes of nominal value € 400 million and € 500 million, included under line item "other borrowed funds" in the statement of financial position. This intragroup transaction has no accounting impact on the Group's consolidated financial statements.

During the year, the Group purchased debt securities measured at amortised cost of total nominal value € 2,679 million, of which € 2,175 million relates to GGBs and € 301 million to foreign sovereign bonds. The impact of fair value hedge accounting on the debt securities measured at amortised cost was a loss of € 1,373 million, which was offset by the valuation gain of the hedging derivatives (refer to Note 21).

The Group recognised during the year ended 31 December 2022 loss of € 15 million related to the derecognition of debt securities measured at amortised cost, mainly attributable to disposal of GGBs of nominal value € 80 million. The aforementioned disposals are in consistency with HTC business model based on Group's authorized thresholds.

As at 31 December 2022, the Group's debt securities classified in Stage 1 amounted to € 10,837 million (31 December 2021: € 9,200 million) and their ECL adjustment was € 31 million (31 December 2021: € 19 million). The Group's debt securities classified in Stage 2 amounted to € 7 million (31 December 2021: nil).

The Company's debt securities are all classified in Stage 1 and their resulting ECL allowance amounted to € 23 million (31 December 2021: € 29 million). Refer to Note 4.6. for further information on the credit rating of the portfolio.

During the third quarter of 2022, the Executive Committee approved the termination of the business line of acquiring debt securities issued by corporations and financial institutions for the purposes of trading, due to the significant operational restructuring triggered by the acquisition of Iolcus. Specifically, on 18 July 2022, Piraeus Bank publicly announced the formation of the new WAM Division, with the business objective of offering specialized asset management services to its clientele. The Bank's former "Economics & Investment Strategy" Unit comprising the "Investment Strategy", "Portfolios", "Global Economics" and "Greek & Sectoral Economics" functions, was transferred from PFM to WAM and renamed to "Economic Research and Analysis Unit" ("ERAU"). The change was significant to the Group's operations, given that the FTEs transferred approximate 40% of PFM's total headcount. To this effect, a more passive investment approach mainly focusing on the credit quality of the issuers and specifically their ability to pay coupons and repay capital at maturity, i.e. a hold-to-collect business model, applies. Such change in the objective of the business model required reclassification of all affected financial assets from FVTOCI to amortised cost, in accordance with IFRS 9.

The nominal value and carrying amount of the debt securities affected by the aforementioned change of business model and reclassified was € 700 million and € 610 million as of the reclassification date, respectively. The reclassification date for the Group was 1 October 2022.As at 31 December 2022 the fair value of the debt securities reclassified to amortised cost amounted to € 591 million. The impact from the fair value measurement that would have been recognised in other comprehensive income during the reporting period, had the reclassification of the said portfolio not taken place, is a loss of € 79 million.

As disclosed in Note 2.4.15, henceforth, debt securities issued by corporations and financial institutions will be acquired by the Group solely for HTC purposes and classified at amortised cost, unless they fail the SPPI test.

26 Investments in consolidated companies

The Group's and the Company's investments in consolidated companies as at 31 December 2022, are provided below:

A. Subsidiaries (full consolidation method)

a/a	Name of Company	Activity	Country	Unaudited tax years [1]	Group	Company
					% holding	% holding
1.	Piraeus Bank S.A.	Banking activities	Greece	2020-2022	100.00%	100.00%
2.	Piraeus Leasing Single Member S.A.	Financial Leasing	Greece	-	100.00%	-
3.	Sunshine Leases Single Member S.A.	Financial Leasing	Greece	-	100.00%	-
4.	Piraeus Property Real Estate Management Single Member S.A.	Property management	Greece	-	100.00%	-
5.	Dynamic Asset Operating Leasing S.A.	Operating leasing	Greece	2017-2022	100.00%	-
6.	Geniki Single Member S.A. Financial & Consulting Services	Financial & consulting services	Greece	2017-2022	100.00%	-
7.	Piraeus Securities S.A.	Stock exchange services	Greece	2017-2022	100.00%	-
8.	Piraeus Factoring Single Member S.A.	Corporate factoring	Greece	2017-2022	100.00%	-
9.	Piraeus Capital Management Single Member S.A.	Management of venture capital fund	Greece	2017-2022	100.00%	-
10.	Piraeus Jeremie Technology Catalyst Management Single Member S.A.	Management of venture capital fund	Greece	2017-2022	100.00%	-
11.	Piraeus Asset Management Single Member M.F.M.C. S.A.	Mutual funds management	Greece	2017-2022	100.00%	-
12.	Geniki Information Single Member S.A.	Assessment and collection of commercial debts	Greece	2017-2022	100.00%	-
13.	Achaia Clauss Estate S.A.	Property management	Greece	2017-2022	75.76%	-
14.	Kosmopolis A' Shopping Centers Single Member S.A.	Shopping center's management	Greece	2017-2022	100.00%	-
15.	ND Development Single Member S.A.	Property management	Greece	2017-2022	100.00%	-
16.	New Up Dating Development Real Estate and Tourism Single Member S.A.	Property, tourism & development company	Greece	2017-2022	100.00%	-
17.	Picar Single Member S.A.	City Link areas management	Greece	2017-2022	100.00%	-
18.	P.H. Development	Property management	Greece	2017-2022	100.00%	-
19.	General Construction and Development Co. S.A.	Property development/ holding company	Greece	2017-2022	66.66%	-
20.	Entropia Ktimatiki S.A.	Property management	Greece	2017-2022	66.70%	-
21.	Komotini Real Estate Development Single Member S.A.	Property management	Greece	2017-2022	100.00%	-
22.	Piraeus Development Single Member S.A.	Property management	Greece	2017-2022	100.00%	-

a/a	Name of Company	Activity	Country	Unaudited tax years [1]	Group	Company
					% holding	% holding
23.	Piraeus Real Estate Single Member S.A.	Construction company	Greece	2017-2022	100.00%	-
24.	Pleiades Estate Single Member S.A.	Property management	Greece	2017-2022	100.00%	-
25.	Piraeus Agency Solutions Single Member S.A.	Insurance agency	Greece	2017-2022	100.00%	100.00%
26.	Mille Fin S.A.	Trading of boat vehicles, cars and equipment	Greece	2017-2022	100.00%	-
27.	Multicollection S.A.	Assessment and collection of commercial debts	Greece	2009-2022	51.00%	-
28.	Piraeus Direct Solutions Single Member S.A.	Financial - telecommunication & IT services	Greece	2017-2022	100.00%	-
29.	Centre of Sustainable Entrepreneurship Excelixi Single Member S.A.	Consulting Services - Hotel - Training & Seminars	Greece	2017-2022	100.00%	-
30.	PROSPECT M.C.P.Y.	Yachting management	Greece	2017-2022	100.00%	-
31.	Ianos Properties Single Member S.A.	Property management	Greece	2017-2022	100.00%	-
32.	Lykourgos Properties Single Member S.A.	Property management	Greece	2017-2022	100.00%	-
33.	Thesis Hermes Single Member S.A.	Property management	Greece	2022	100.00%	-
34.	Thesis Agra Single Member S.A.	Property management	Greece	2022	100.00%	-
35.	Thesis Cargo Single Member S.A.	Property management	Greece	2022	100.00%	-
36.	Thesis Schisto Single Member S.A.	Property management	Greece	2022	100.00%	-
37.	Thesis Stone Single Member S.A.	Property management	Greece	2022	100.00%	-
38.	Trastor Real Estate Investment Company	Real estate investment property	Greece	2017-2022	98.32%	-
39.	Sinoris Single Member S.A.	Property management	Greece	-	100.00%	-
40.	Iolcus Investments Alternative Investments Funds Managers S.A.	Alternative investments funds management	Greece	2017-2022	100.00%	-
41.	Shnappi S.A.	Digital banking products and services	Greece	-	55.00%	55.00%
42.	Neoris Single Member S.A.	Property management	Greece	-	100.00%	-
43.	Aleva Single Member S.A.	Property management	Greece	-	100.00%	-
44.	Arpis Single Member S.A.	Property management	Greece	-	100.00%	-
45.	Tirana Leasing Sh.A.	Finance leases	Albania	2018-2022	100.00%	-
46.	Cielo Consultancy Sh.P.K.	Property management	Albania	2014-2022	99.09%	-
47.	Beta Asset Management EOOD	Rent and management of real estate	Bulgaria	2013-2022	100.00%	-
48.	Bulfina E.A.D.	Property management	Bulgaria	2008-2022	100.00%	-
49.	Bulfinace E.A.D.	Property management	Bulgaria	2008-2022	100.00%	-
50.	Delta Asset Management EOOD	Real estate development	Bulgaria	-	100.00%	-
51.	Varna Asset Management EOOD	Real estate development	Bulgaria	2014-2022	100.00%	-
52.	Asset Management Bulgaria EOOD	Travel - rental services and property management	Bulgaria	2012-2022	100.00%	-
53.	Besticar Bulgaria EOOD	Receivable's collection	Bulgaria	2012-2022	100.00%	-

a/a	Name of Company	Activity	Country	Unaudited tax years [1]	Group % holding	Company % holding
54.	Besticar EOOD	Receivable's collection	Bulgaria	2012-2022	100.00%	-
55.	Emerald Investments EOOD	Property management	Bulgaria	2018-2022	100.00%	-
56.	Piraeus Nedvizhimi Imoti EOOD	Property management	Bulgaria	-	100.00%	-
57.	Ekaterina Project EOOD	Property management	Bulgaria	-	100.00%	-
58.	Botstile EOOD	Property management	Bulgaria	-	100.00%	-
59.	Euroinvestment & Finance Public Ltd	Asset management, real estate operations	Cyprus	2018-2022	90.90%	2.21%
60.	R.E. Anodus Two Ltd	Holding and investment company	Cyprus	2013-2022	99.09%	-
61.	Tellurion Ltd	Holding company	Cyprus	2013-2022	100.00%	-
62.	Tellurion Two Ltd	Holding company	Cyprus	2015-2022	99.09%	-
63.	Trieris Two Real Estate LTD	Holding, Investment and Real Estate Portfolio Management	Cyprus	2011-2022	100.00%	-
64.	R.E. Anodus Ltd	Consultancy services for real estate development and investments	Cyprus	2014-2022	100.00%	-
65.	Lakkos Mikelli Real Estate Ltd	Property management	Cyprus	2018-2022	50.66%	-
66.	Philoktimatiki Public Ltd	Land and property development	Cyprus	2018-2022	53.32%	-
67.	Sunholdings Properties Company Ltd	Land and property development	Cyprus	2018-2022	26.66%	-
68.	Philoktimatiki Ergoliptiki Ltd	Construction company	Cyprus	2018-2022	53.32%	-
69.	JSC Piraeus Bank ICB	Banking activities	Ukraine	-	99.99%	99.99%
70.	Akinita Ukraine LLC	Real estate development	Ukraine	2014-2022	100.00%	-
71.	Sinitem LLC	Sale and purchase of real estate	Ukraine	2013-2022	99.94%	-
72.	Solum Enterprise LLC	Property management	Ukraine	2012-2022	99.94%	-
73.	Solum Limited Liability Company	Property management	Ukraine	2018-2022	99.94%	-
74.	Piraeus Leasing Romania S.A.	Monitoring and collection services for loans disbursed by the company	Romania	2003-2022	100.00%	-
75.	Daphne Real Estate Consultancy SRL	Real estate development	Romania	2014-2022	99.09%	-
76.	Proiect Season Residence SRL	Real estate development	Romania	2018-2022	100.00%	-
77.	R.E. Anodus SRL	Real estate development	Romania	2013-2022	99.09%	-
78.	Piraeus Rent Doo Beograd	Operating leases	Serbia	2007-2022	100.00%	-
79.	Piraeus Real Estate Egypt LLC	Property management	Egypt	2011-2022	100.00%	-
80.	Trieris Real Estate Management Ltd	Management of real estate companies	British Virgin Islands	-	100.00%	-
81.	Piraeus Group Capital Ltd	Debt securities’ issuance	United Kingdom	-	100.00%	100.00%
82.	Piraeus Group Finance PLC	Debt securities’ issuance	United Kingdom	-	100.00%	-
83.	Praxis I Finance PLC	SPV for securitization of consumer loans	United Kingdom	-	-	-
84.	Piraeus SNF DAC	SPV for securitization of corporate, mortgage and consumer loans	Ireland	-	-	-

a/a	Name of Company	Activity	Country	Unaudited tax years [1]	Group	Company
					% holding	% holding
85.	Sunrise III NPL Finance DAC	SPV for securitization of corporate loans	Ireland	-	-	-
86.	Magnus NPL Finance DAC	SPV for securitization of corporate loans	Ireland	-	-	-

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

The subsidiaries duly numbered 83 - 86 are SPVs for securitization of loans and advances to customers and issuance of debt securities. The investment numbered 67 is a subsidiary due to majority representation in the company's Board of Directors.

Furthermore, as at 31 December 2022 the subsidiaries duly numbered 6, 12, 26, 27, 45 and 83 were under liquidation.

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

The movement of the Company's investments in subsidiaries during the year is provided below:

	Company	
	31/12/2022	31/12/2021
Opening balance	5,539	4,881
Additions	44	-
Participation in share capital increases/ decreases of Piraeus Bank and other subsidiaries	-	1,661
Subscription of AT 1 capital instrument issued by Piraeus Bank	-	595
Disposals and absorption	(25)	-
Impairment charge	-	(1,597)
Closing balance	**5,558**	**5,539**

Disposal of the merchant acquiring business unit

On 15 March 2022, the Bank completed the sale of its merchant acquiring business to Euronet Worldwide that was demerged by way of hive-down and contributed into a newly established legal entity, after obtaining the required regulatory approvals, for a total consideration of € 300 million. The Group's gain from the transaction amounted to € 282 million and was recognized in line item "Net gains/ (losses) from loss of control over subsidiaries/ disposal of associates and joint ventures" of the Income Statement.

Acquisition of Trastor Real Estate Investment Company S.A.

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

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

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

	Trastor Real Estate Investment Company
ASSETS	
Due from banks	10
Investment property	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 Group recognized the resulting goodwill within line item "Intangible Assets" in the Statement of Financial Position. The remeasurement at fair value of the previously held interest in Trastor resulted to a gain of approximately € 2 million.

The table below presents: (a) Trastor's post-acquisition total net income and profit before tax that is included in the consolidated income statement for the year ended 31 December 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 1 January 2022.

	Post acquisition results up to 31 December 2022 (a)	Results of Trastor for the year ended 31 December 2022 (b)
Total net income	39	42
Profit before income tax	31	32

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 income tax was € 1 million and € 1 million, respectively.

Piraeus Bank acquired an additional 1.6% stake in Trastor in the context of a mandatory tender offer that was completed in June 2022.

Acquisition of Shnappi S.A.

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

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

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

The Group recognized the resulting goodwill within balance line item "Intangible Assets" in the Statement of Financial Position.

Annual financial statements of subsidiaries

The annual financial statements of the Group's subsidiaries for the year ended 31 December 2022, which have been issued prior to approval of the Annual Financial Statements, are available on the Company's web site at www.piraeusholdings.gr in section Investor Relations, subsection Financial Data - Financial Statements and Other Information - Consolidated Companies. The annual financial statements of the remaining subsidiaries will be available on the Company's web site upon their issuance.

Significant restrictions of subsidiaries

With respect to subsidiaries, except for inherent restrictions applied under the regulatory framework based on which they operate, no other significant legal, contractual, or regulatory restrictions are imposed regarding the transfer of cash in the form of dividends, the transfer of funds, as well as the repayment of intragroup loans.

Consolidated structured entities

As of 31 December 2022, the Group controlled, thus, consolidated two (2) SPVs, namely Sunrise III NPL Finance DAC and Magnus NPL Finance DAC which were established for the securitization of the respective NPE portfolios. As at 31 December 2022, the underlying loans of Sunrise III NPL Finance DAC are recognized on the Group's statement of financial position, whilst Magnus NPL Finance DAC consists of legal claims that had already been written off from the Group's Statement of Financial Position at the date of their securitization.

Furthermore, the Group controls, therefore, consolidates PIRAEUS SNF DAC (retained securitization of mortgage, corporate and consumer NPEs). The underlying loans are recognized on the Group's Statement of Financial Position.

The following table presents the outstanding amount of debt securities held by the Group, that were issued by the SPVs, though not recognized on the Group's Statement of Financial Position:

Company name	Outstanding amount of debt securities held	
	31/12/2022	31/12/2021
Sunrise III NPL Finance DAC	174	-
Magnus NPL Finance DAC	11	-
Total	**185**	**-**

Interests in unconsolidated structured entities

As at 31 December 2022, the Group has investments in open-ended mutual funds that are managed by its wholly owned subsidiary Piraeus Asset Management Single Member M.F.M.C. S.A. with independent management and organizational structure, licensed by the HCMC. The assets of these funds are equal to € 2 billion, while the clientele includes 59,852 customers.

The management of mutual funds is performed under the investment framework defined for each mutual fund. The Group acts as an agent acting on behalf of its clients and does not control the mutual funds. On this basis, the interests in mutual funds are classified and measured at FVTPL.

As of 31 December 2022, the Bank's assets in open-ended mutual funds are valued at € 104 million according to the table below:

Mutual funds	Total Assets	
	31/12/2022	31/12/2021
Domestic Mutual Funds	58	28
Abroad Mutual Funds	46	84

The following table presents the carrying amount of the mutual funds' assets that the Group manages, per asset class, as at 31 December 2022 and 2021:

Mutual funds	Total Assets	
	31/12/2022	31/12/2021
Equity funds	393	368
Balanced funds	156	198
Bonds funds	778	685
Money Market funds	198	215
Fund of Funds	518	602
Total	**2,043**	**2,068**

Within 2021, the Group completed the securitization of Phoenix, Vega, Sunrise I and Sunrise II NPE portfolios, through six (6) SPVs, namely "Phoenix NPL Finance DAC", "Vega I NPL Finance DAC", "Vega II NPL Finance DAC", "Vega III NPL Finance DAC", "Sunrise I NPL Finance DAC" and "Sunrise II NPL Finance DAC". The establishment of the SPVs was in the context of the Group's NPE de-risking plan which utilized the HAPS scheme pursuant to law 4649/2019.

The NPE portfolios were transferred to the SPVs, on or after their establishment, and the SPVs issued three (3) tranches structured notes (i.e. Senior, Mezzanine and Junior) which were fully subscribed by the Group. The Group lost control over the SPVs, following the transfer to third parties of 95% of mezzanine and junior notes issued by the SPVs. The Group maintained 100% of the senior notes which are classified within loans and advances to customers measured at amortised cost and 5% of the mezzanine and junior notes which are classified within loans and advances to customers mandatorily measured at FVTPL. The following table sets out an analysis of the carrying amounts of said assets held by the Group. The maximum exposure to loss is equal to the carrying amount of the assets held.

Securitization SPVs	Total Assets	
	31/12/2022	31/12/2021
Loans and advances to customers at amortised cost		
Senior Notes	6,075	6,236
Loans and advances to customers mandatorily measured at FVTPL		
Mezzanine and Junior Notes [1]	6	34

[1]As at 31 December 2021 the Group held 49% of the Mezzanine and Junior Notes issued by Sunrise I NPL Finance DAC and Sunrise II NPL Finance DAC.

A.1 Impairment assessment of the Company's investment in Piraeus Bank

As of 31 December 2022, the Company estimated the recoverable amount of its investment in subsidiary Piraeus Bank based on a value-in-use calculation. The outcome of the impairment test approximated the Company's cost of investment in Piraeus Bank, therefore, no impairment loss was recognised or reversed during the year ended 31 December 2022. Refer to Note 3.2 for information on the sensitivity of the value-in-use calculation to reasonably possible changes in the discount rate and long term growth rate.

B. Associates and joint ventures (equity accounting method)

B.1 Associates

The Group's and the Company's associates as at 31 December 2022 are the following:

s/n	Name of Company	Activity	Country	Unaudited tax years [1]	Group	Company
					% Holding	% 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	2017-2022	27.80%	-
4	Marfin Investment Group Holdings S.A.	Holding company	Greece	2017-2022	31.19%	-
5	Omicron Cyclos Ena Symmetohiki S.A. [2]	Holding company	Greece	2017-2022	28.10%	-
6	APE Fixed Assets Real Estate Tourist and Development S.A.	Real estate, development/ tourist services	Greece	2017-2022	27.80%	-
7	APE Investment Property S.A.	Real estate, development/ tourist services	Greece	2017-2022	28.92%	-
8	Olganos Real Estate S.A.	Property management/electricity production from renewable energy resources	Greece	2017-2022	32.27%	-
9	Pyrrichos S.A.	Property management	Greece	2017-2022	55.95%	-
10	Exodus S.A.	Information technology & software	Greece	2017-2022	49.90%	-
11	Evros Development Company S.A.	European community programs management	Greece	2017-2022	30.00%	-
12	Gaia S.A.	Software services	Greece	2017-2022	24.92%	-
13	Crete Scient & Tech. Park Manag. & Dev. Co. S.A.	Scientific and technology park management	Greece	2017-2022	30.45%	-
14	Intrum Hellas REO Solutions S.A.	Real estate	Greece	2019-2022	19.96%	-
15	Intrum Hellas Credit Servicing S.A.	Credit and loan servicing	Greece	2019-2022	20.00%	-
16	Teiresias S.A.	Interbanking company of development, operation and management of information systems	Greece	2017-2022	23.53%	-
17	Piraeus Direct Services S.A.	Support & e-commerce services, trade of time renewal cards	Greece	2017-2022	49.90%	-

s/n	Name of Company	Activity	Country	Unaudited tax years [1]	Group	Company
					% Holding	% Holding
18	ANEK Lines S.A.	Maritime transport - Coastal shipping	Greece	2019-2022	27.68%	-
19	Perigenis Business Properties S.A.	Property management	Greece	2020-2022	20.61%	-
20	Neuropublic S.A.	Development and management of information systems	Greece	2021-2022	5.00%	-
21	Abies S.A. [2]	Property management	Greece	2017-2022	40.14%	-
22	ETVA Industrial Parks S.A.	Development/ management of industrial areas	Greece	2017-2022	1.00%	-
23	Euromedica Societe Anonyme for provision of Medical Services	Hospital and health services	Greece	2021-2022	29.35%	-
24	Trieris Real Estate Ltd	Property management	British Virgin Islands	2018-2022	26.35%	-
25	Strix Holdings LP	Holdings limited partnership	Ireland	-	100.00%	-
26	Strix Asset Management Ltd	Asset management	Ireland	-	25.00%	-
27	Strix Holdings NC LP[3]	Holdings limited partnership	Ireland	-	100.00%	-

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 December 2022.

Note [3]: Renamed to Strix Holdings LP II effective from 20 February 2023.

The Group's associate NGP Plastic S.A., is immaterial to the Group's financial position and results of operations, therefore, is not accounted for under the equity method but recognised at cost. The contribution of this non-significant associate is approximately 0.2%, 0.03% and 0.03% of the Group's total net income, total equity and total assets, respectively, based on the most recent financial statements obtained.

The Group exercises significant influence but does not control any of the companies listed above as at 31 December 2022. This holds even for the entities duly numbered 1, 9, 25 and 27, where the Group's shareholding exceeds 50%. Significant influence also exists in the companies duly numbered 14, 20 and 22, where the Group's shareholding does not exceed 20%.

In June 2022, Strix Holdings (GP) Limited ("Strix GP"), an entity controlled by Blantyre Capital Limited ("Blantyre"), established a limited partnership in Ireland under the name Strix Holdings NC LP. In December 2022, the Bank became the sole limited partner of Strix Holdings NC LP and executed an agreement, under which certain equity investments (i.e. Piraeus Equity Partners Limited, Euroterra Real Estate Company, Rebicat Real Estate Company, Euroak Real Estate Company and Imithea Single Member S.A) will be transferred from Strix Holdings LP to Strix Holdings NC LP. The transfer of the said investments was reflected as a reclassification of € 246 million between the carrying amount of the Bank's investment in Strix Holdings LP and Strix Holdings NC LP as of 31 December 2022. No gain or loss was recognized by the Group as a result of this reclassification. Strix Holdings LP and Strix Holdings NC LP are material associates of the Group.

As of 31 December 2022, Piraeus Bank had committed to Strix GP that certain non-core assets with a total carrying value of € 157 million in Piraeus Bank's standalone financial statements shall be placed under professional management by 15 June 2023.

B.2 Joint ventures

The Group's and the Company's joint ventures as at 31 December 2022 are the following:

s/n	Name of Company	Activity	Country	Unaudited tax years [1]	Group	Company
					% Holding	% Holding
1	AEP Elaiona S.A.	Property management	Greece	2017-2022	50.00%	-
2	Peirga Kythnou P.C.	Real estate	Greece	2019-2022	50.00%	-
3	Sunrise III Real Estate Single Member S.A.	Property management	Greece	-	100.00%	-

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.

The total carrying value of the Group's interests in non-significant associates and joint ventures as at 31 December 2022 and 2021, amounted to € 191 million and € 278 million, respectively.

The following table presents in total the proportion of the Group in the after-tax results and total comprehensive income for the year, of its associates as at 31 December 2022 and 2021. The below condensed financial information reported by the associates for the purposes of being accounted for under the equity method, is prepared in accordance with IFRS and adjusted (if necessary) in conformity with the Group's accounting policies.

Condensed financial information	2022	2021
Share of profit/ (loss) of associates and joint ventures, after tax	29	18
Total comprehensive income	**29**	**18**

Other information on associates and joint ventures

The Group discontinues to recognise its share of accumulated losses in associates, when its share of losses equals or exceeds its interest in the associate. The cumulative unrecognised losses from associates as at 31 December 2022 amounted to € 49 million (31 December 2021: € 38 million). In case the associate subsequently reports profits, the Group resumes recognizing its share of those profits only after its share of the profits equals the share of losses not recognized.

There are no significant contingent liabilities relating to the Group's participation in associates and joint ventures.

There are no unrecognised commitments of the Group related to its participation in joint ventures and associates that could result in future outflow of cash or other resources.

There are no significant restrictions in the ability of associates or joint ventures to transfer resources to the Bank in the form of dividends or to repay lending facilities granted by the Group, apart from the customary restrictions imposed on their framework of operation and the applicable legislation.

Movement of investment in associates and joint ventures during the year

The movement of the Group's investments in associates and joint ventures during the year is provided below:

	Group	
	31/12/2022	31/12/2021 As reclassified
Opening balance	630	269
Contribution of equity interests	135	358
Disposals	(1)	-
Share of profit/ (loss) of associates and joint ventures, after tax	29	18
Contribution of debt assets	329	-
Acquisition of controlling interests	(79)	-
Impairment	(2)	(23)
Foreign exchange differences and other adjustments	(18)	8
Closing balance	**1,023**	**630**

In 2022, Piraeus Bank contributed its entire shareholding in subsidiary Imithea Single Member S.A. into Strix Holdings LP. Refer to Note 14 for further information. The carrying amount of the Bank's investment in Strix Holdings LP increased by € 135 million and the Group recognised a gain from loss of control over Imithea Single Member S.A. of € 55 million.

In November 2022, Piraeus Bank contributed into Strix Holdings LP, two bond loans of total carrying value € 329 million due from Marfin Investment Group Holdings S.A. ("MIG"), in exchange for additional limited partnership interests in Strix Holdings LP. As a result of this contribution, Piraeus Bank's cost of investment in Strix Holdings LP increased by an equivalent amount and no gain or loss was recognized by the Group.

The decrease in the carrying amount of the Group's investments in associates and joint ventures of € 79 million refers to the previously-held interest in Trastor that was accounted for as an associate and which increased to a controlling interest on 8 February 2022 through a business combination. Refer to Note 26A for further information.

Basic financial information of the associates and the joint ventures for 2022 and 2021

			31/12/2022				
s/n	Name of Company	Country	Participation %	Profit/ (loss) before tax	Total Revenues	Total assets	Total liabilities
1	Crete Scient. and Tech. Park Manag. and Dev. Co. S.A.	Greece	30.45%	-	-	-	-
2	Evros' Development Company S.A.	Greece	30.00%	-	-	-	-
3	APE Commercial Property Real Estate Tourist and Development S.A.	Greece	27.80%	(1)	-	6	1
4	APE Fixed Assets Real Estate Tourist and Development S.A.	Greece	27.80%	-	-	49	5
5	Trieris Real Estate LTD	British Virgin Islands	26.35%	-	-	5	-
6	APE Investment Property S.A.	Greece	28.92%	-	-	173	8
7	Omicron Cyclos Ena Symmetohiki S.A.	Greece	28.10%	-	-	115	140
8	Exodus S.A.	Greece	49.90%	(1)	2	-	2
9	Piraeus - TANEO Capital Fund	Greece	50.01%	5	-	2	-
10	Teiresias S.A.	Greece	23.53%	-	17	18	15
11	PJ Tech Catalyst Fund	Greece	30.00%	5	-	11	-
12	Pyrrichos S.A.	Greece	55.95%	(1)	-	6	21
13	Piraeus Direct Services S.A.	Greece	49.90%	1	19	4	1
14	Gaia S.A.	Greece	24.92%	(1)	5	14	10
15	Olganos S.A.	Greece	32.27%	-	-	7	10
16	Abies S.A.	Greece	40.14%	-	-	-	-
17	ETVA Industrial Parks S.A.	Greece	1.00%	(2)	8	218	20
18	Euromedica Societe Anonyme for provision of medical services	Greece	29.35%	(15)	47	198	204
19	Neuropublic S.A.	Greece	5.00%	1	6	24	12
20	Marfin Investment Group Holding S.A.	Greece	31.19%	*	*	*	*
21	Intrum Hellas REO Solutions S.A.	Greece	19.96%	(3)	5	58	7
22	Intrum Hellas Credit Servicing S.A.	Greece	20.00%	107	230	601	172
23	ANEK Lines S.A.	Greece	27.68%	*	*	*	*
24	Perigenis Business Properties S.A.	Greece	20.61%	-	-	47	-
25	Strix Holdings LP	Ireland	100.00%	16	-	587	-
26	Strix Asset Management Limited	Ireland	25.00%	-	-	7	-
27	Strix Holdings NC LP	Ireland	100.00%	-	-	250	4
28	AEP ELAIONA S.A.	Greece	50.00%	(4)	-	108	110
29	Peirga Kythnou P.C.	Greece	50.00%	1	-	4	1
30	Sunrise III Real Estate Single Member S.A.	Greece	100.00%	-	-	-	-

(*) As of the date that the BoD approved the Annual Financial Statements, the listed associated companies Marfin Investment Group Holdings S.A. and ANEK Lines S.A., had not published their annual financial statements for 2022.

			31/12/2021				
s/n	Name of Company	Country	Participation %	Profit/ (loss) before tax	Total revenues	Total assets	Total liabilities
1	Crete Scient. and Tech. Park Manag. and Dev. Co. S.A.	Greece	30.45%	-	-	-	-
2	Evros' Development Company S.A.	Greece	30.00%	-	-	1	1
3	APE Commercial Property Real Estate Tourist and Development S.A.	Greece	27.80%	-	-	6	-
4	APE Fixed Assets Real Estate Tourist and Development S.A.	Greece	27.80%	-	-	48	5
5	Trieris Real Estate LTD	British Virgin Islands	32.35%	-	-	5	1
6	APE Investment Property S.A.	Greece	28.92%	-	-	173	8
7	Omicron Cyclos Ena Symmetohiki S.A.	Greece	28.10%	-	-	115	140
8	Exodus S.A.	Greece	49.90%	-	2	3	4
9	Piraeus - TANEO Capital Fund	Greece	50.01%	2	-	3	-
10	Teiresias S.A.	Greece	23.53%	-	15	14	12
11	PJ Tech Catalyst Fund	Greece	30.00%	3	-	15	-
12	Pyrrichos S.A.	Greece	55.95%	(2)	-	6	20
13	Piraeus Direct Services S.A.	Greece	49.90%	-	20	5	2
14	Gaia S.A.	Greece	26.00%	-	23	12	7
15	Olganos S.A.	Greece	32.27%	(1)	-	7	10
16	Abies S.A.	Greece	40.14%	-	-	-	-
17	ETVA Industrial Parks S.A.	Greece	1.00%	-	-	215	-
18	Euromedica Societe Anonyme for provision of medical services	Greece	29.35%	-	-	145	136
19	Neuropublic S.A.	Greece	5.00%	(1)	6	19	8
20	Exus Software Ltd	United Kingdom	49.90%	-	7	12	11
21	Marfin Investment Group Holding S.A.	Greece	31.24%	(26)	367	1,223	1,115
22	Intrum Hellas REO Solutions S.A.	Greece	19.96%	26	31	78	15
23	Intrum Hellas Credit Servicing S.A.	Greece	20.00%	51	183	654	264
24	Trastor Real Estate Investment Company	Greece	44.75%	23	37	355	174
25	ANEK Lines S.A.	Greece	27.68%	(40)	126	281	321
26	Perigenis Business Properties S.A.	Greece	20.61%	-	-	48	-
27	Strix Holdings LP	Ireland	100.00%	-	-	350	-
28	Strix Asset Management Limited	Ireland	25.00%	-	-	32	-
29	AEP ELAIONA S.A.	Greece	50.00%	(2)	-	111	110
30	Peirga Kythnou P.C.	Greece	50.00%	-	-	4	-
31	Sunrise I Real Estate Single Member S.A.	Greece	100.00%	-	-	33	33
32	Sunrise II Real Estate Single Member S.A.	Greece	100.00%	-	-	-	-
33	Sunrise I NPL Finance DAC	Ireland	-	-	-	2,539	2,539
34	Sunrise II NPL Finance DAC	Ireland	-	-	-	1,279	1,279

27 Intangible assets

	Group			
	Goodwill	Software	Other intangible	Total
Cost				
At 1 January 2021	38	678	50	766
Additions	-	48	-	48
Transfers	-	20	-	20
Disposals and write-offs	-	(1)	-	(1)
Derecognitions	(29)	(1)	-	(30)
At 31 December 2021	**9**	**744**	**50**	**803**
Opening balance of newly consolidated companies	14	5	-	19
Additions	-	71	-	71
Transfers	3	8	-	11
At 31 December 2022	**27**	**828**	**50**	**904**
Accumulated amortisation				
At 1 January 2021	-	(441)	(45)	(486)
Amortisation charge	-	(51)	(1)	(52)
Derecognitions	-	1	1	2
At 31 December 2021	**-**	**(491)**	**(45)**	**(536)**
Amortisation charge	-	(55)	(1)	(56)
At 31 December 2022	**-**	**(546)**	**(46)**	**(592)**
Net book value				
At 31 December 2021	**9**	**253**	**5**	**267**
At 31 December 2022	**27**	**282**	**4**	**312**

As of 31 December 2022 the Group's goodwill increased by € 18 million, mainly due to acquisition of controlling interests in Iolcus Investments AIFM S.A. (€ 9 million), Shnappi S.A. (€ 5 million) and Trastor (€ 3 million). Refer to Note 48a for further information.

28 Property and equipment

Group	Land and buildings	Equipment and other tangible assets	Right of use assets	Assets under construction	Leasehold improvements	Total
Cost						
At 1 January 2021	691	384	181	48	191	1,495
Additions	5	22	13	12	4	54
Transfers	5	-	-	(22)	-	(16)
Disposals and write-offs	(1)	(13)	(12)	(1)	(10)	(37)
Derecognitions	(17)	(69)	(4)	(4)	-	(94)
Impairment	-	(1)	-	-	(11)	(13)
Other movements	-	1	-	-	-	1
Transfer to held for sale	-	(41)	-	-	-	(41)
At 31 December 2021	**683**	**282**	**178**	**33**	**174**	**1,349**
Acquisition of subsidiaries	62	1	(24)	-	-	40
Additions	5	25	23	6	5	64
Transfers	(226)	-	(10)	(8)	-	(244)
Disposals and write-offs	(2)	(9)	(11)	-	(7)	(29)
Derecognitions	(1)	-	(1)	-	-	(3)
Revaluations	10	-	-	-	-	10
Impairment	(1)	-	-	-	(3)	(4)
Other movements	-	(1)	(1)	-	-	(2)
At 31 December 2022	**530**	**298**	**153**	**31**	**169**	**1,181**
Accumulated depreciation						
At 1 January 2021	(83)	(253)	(77)	-	(86)	(500)
Depreciation charge for the year	(8)	(22)	(23)	-	(5)	(58)
Disposals and write-offs	-	12	5	-	10	27
Derecognitions	13	23	2	-	-	37
Transfer to held for sale	-	34	-	-	-	34
At 31 December 2021	**(78)**	**(206)**	**(94)**	**-**	**(81)**	**(459)**
Acquisition of subsidiaries	-	(1)	9	-	-	9
Depreciation charge for the year	(8)	(19)	(18)	-	(5)	(49)
Transfers	14	-	8	-	-	23
Disposals and write-offs	-	8	3	-	6	17
Derecognitions	-	-	2	-	-	2
Other movements	-	5	-	-	-	5
At 31 December 2022	**(72)**	**(212)**	**(89)**	**0**	**(80)**	**(453)**
Net book value						
At 31 December 2021	**605**	**76**	**84**	**33**	**93**	**890**
At 31 December 2022	**458**	**86**	**64**	**31**	**89**	**728**

Refer to Note 26A for information on the subsidiaries acquired in 2022.

At the end of the reporting period the Group's "Right of use assets" includes an amount of € 60 million (31 December 2021: € 80 million) relating to leases of land and buildings. Line item "Derecognitions" mainly refers to loss of control over subsidiaries that occurred in 2022. Refer to Note 48 for further information.

29 Investment property

	Group		
	Owned property	Right-of-use assets	Total
At 1 January 2021	**1,047**	**71**	**1,119**
Net gain/ (losses) from fair value measurement (Note 11)	11	(7)	4
Additions	36	-	36
Transfers	(1)	-	(1)
Disposals and write-offs	(10)	-	(10)
Other movements	2	-	2
Derecognitions	(108)	-	(108)
At 31 December 2021	**977**	**64**	**1,041**
Acquisition of subsidiaries	250	27	278
Net gain/ (losses) from fair value measurement (Note 11)	43	(6)	38
Additions	66	-	66
Transfers	121	2	123
Disposals and write-offs	(17)	-	(17)
Other movements	(4)	-	(4)
Derecognitions	(2)	-	(2)
At 31 December 2022	**1,434**	**88**	**1,522**

For information on rental income recognised from investment property, refer to Note 8. Direct operating expenses arising from investment property generating rental income for the years ended 31 December 2022 and 2021 amounted to € 4 million for the Group, whilst for those investment property that did not generate income the said expenses amounted to € 3 million for both 2022 and 2021.

The fair value measurements of investment property are classified within Level 3 of the fair value hierarchy. Refer to Note 3.1 for additional information on how the Group determines the fair value of its investment property.

Refer to Note 26A for information on the subsidiaries acquired in 2022.

30 Assets held for sale

As at 31 December 2022, the carrying amount of the Group's assets held for sale amounted to € 406 million (31 December 2021: € 435 million), of which € 400 million comprises financial assets – mainly loans and advances to customers. Note 5 presents a breakdown of these assets held for sale per business segment, where € 373 million and €33 million have been reported under "NPE MU" and "Core" reporting segments, respectively. The total loss recognized by the Group in 2022 from writing down the carrying amount of the assets held for sale to fair value less cost to sell, amounted to € 232 million, of which € 227 million and € 5 million charged in line items "ECL impairment losses on loans and advances to customers at amortized cost" and "Impairment (losses)/releases on other assets", respectively.

Held for sale classifications in the current year:

Sunrise III and Solar: Management assessed and concluded that these loan portfolios meet the held for sale classification criteria. For information on the basis and factors applied by Management in its assessment, refer to Note 3.1. As at 31 December 2022 the carrying amount of the Sunrise III and Solar portfolios was written down to € 169 million and € 102 million, respectively.

Other NPE portfolios: Certain NPEs comprising corporate loans were classified as held for sale during the current year, the carrying value of which was written down to € 9 million as at 31 December 2022.

Assets classified as held for sale in prior years:

As of the reporting date, Management reassessed the held for sale criteria of certain NPE portfolios, namely Sunshine, Chios, Trinity IX and Trinity XI (previously designated as Trinity IV) and concluded that they still continue to apply. Management expects that any factors that may have delayed the disposal process will be resolved throughout the next twelve months. As at 31 December 2022 the total carrying amount of the said NPEs amounted to € 127 million (31 December 2021 € 175 million).

Assets sold during the current year:

NPE portfolios: During 2022, the Group disposed certain NPE portfolios namely Dory, Wheel, Trinity IV-B and Trinity X. The profit and loss recognized upon disposal was immaterial. The aggregate carrying value of the aforementioned portfolios was € 234 million as at 31 December 2021.

Merchant acquiring business: On 15 March 2022 Piraeus Bank completed the sale of its merchant acquiring business. The carrying value of the assets disposed was € 27 million as at 31 December 2021. The gain recognized by the Group upon disposal amounted to € 282 million. Refer to Note 26A for further information.

31 Other assets

	Group		Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Inventories - property	1,391	1,337	-	-
Accumulated impairment of inventories - property	(131)	(159)	-	-
Net amount of inventories - property (A)	**1,260**	**1,178**	**-**	**-**
Other inventories	69	78	-	-
Accumulated impairment of other inventories	(1)	(1)	-	-
Net amount of other inventories (B)	**68**	**77**	**-**	**-**
Total net amount of inventories (A) + (B)	**1,328**	**1,255**	**-**	**-**
Prepaid expenses	44	41	-	-
Accrued income	21	20	20	20
Claims from tax authorities and the Greek State	16	9	-	-
Credit Cards-settlement account	54	69	-	-
Deposit and Investment Guarantee Fund (HDIGF)	582	826	-	-
Other	282	333	51	51
Total other non financial assets	1,000	1,299	71	71
Accumulated impairment of other non financial assets	(97)	(82)	(56)	(56)
Net amount of other non financial assets (C)	**903**	**1,217**	**15**	**15**
Claims from the Greek State	597	507	-	-
Credit Cards	83	86	-	-
Accrued income	84	59	13	2
Receivables	93	82	16	10
Other	512	413	-	-
Total financial assets	1,370	1,148	29	11
ECL allowance of financial assets	(174)	(167)	-	-
Net amount of financial assets (D)	**1,195**	**981**	**29**	**11**
Other assets (A) + (B) + (C) + (D)	**3,427**	**3,453**	**44**	**26**
of which (excluding inventory):				
Current	826	741	29	11
Non-current	1,272	1,457	15	14

Inventory property mainly comprises real estate property acquired through auctions. The accumulated impairment of inventory refers to the monetary difference between cost and net realisable value. As at 31 December 2022, the carrying amount of inventory property that was written down to its net realizable value amounted to € 650 million (31 December 2021: € 455 million).

Other non-financial assets

Line item "Deposit and Investment Guarantee Fund (HDIGF)" refers to the Bank's participation in assets of HDIGF.

More specifically:

- In accordance with art. 9, par. 1 of Greek Law 4370/2016, the cap for the amount of deposits guaranteed by the HDIGF is € 100 thousand per client. Due to the increase to the aforementioned amount, the contributions paid by credit institutions to HDIGF increased from 2008 onwards.
- Greek Law 4370/2016 article 25 par. 8, 9 and 10 provides that the Supplementary Deposit Cover Fund ("SDCF"), is considered as a distinct group of assets comprising annual contributions made by the credit institutions, pursuant to paragraph 2 of art. 6 of Greek Law 3714/2008 (A '231). SDCF's assets are assets of the SDCF members credit institutions, based on their respective participation, managed by HDIGF. Each credit institution participating in SDCF has an individual share corresponding to its percentage of participation.
- Article 144 of Greek Law 4972/2022 specified that the SDCF assets will be gradually returned to the credit institutions in three annual installments throughout 2022-2024. The Bank received in December 2022 the first installment, which amounted to € 247 million.
- In accordance with article 13 of Greek Law 4370/2016, HDIGF compensates investor-clients for a maximum protection limit of € 30 thousand for the aggregate investment services provided by a participating credit institution, in default. The participating credit institutions paid their first contributions in 2010. The said contributions are made in a dedicated contributions reserve account which is jointly owned by the credit institutions. Each credit institution participating in the Investment Cover Scheme ("ICS") has an individual share in the said reserve account which is proportional to its participation in the ICS assets, in accordance with article 30 of Greek Law 4370/2016.
- In accordance with article 36, par. 1 to 3 of Greek Law 4370/2016, the source of HDIGF's Resolution Scheme ("RS") funds, comprises recurring ex ante contributions, non-recurring ex post contributions and alternative means of funding, pursuant to internal articles 98 to 100 of article 2 of Greek Law 4355/2015.
- Under Regulation (EU) 806/2014, the Bank is subject to annual ex-ante contributions, calculated by the SRB.

Line item "other" primarily comprises prepayment assets and transitional accounts expected to be settled in the following period.

Other financial assets

Line item "claims from the Greek State" mainly comprises amounts claimed by the Bank from the Greek State relating to loans guaranteed by the latter, whilst line item "other" mainly relates to trade receivables and accrued income.

The credit cards receivable mainly refers to unsettled transactions as well as installments not yet due by the cardholders, which have been advanced to merchants.

The tables below illustrate the movement of line item "ECL allowance of financial assets" for the Group in 2022 and 2021.

Group	Movement of ECL allowance			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1/1/2022	1	1	165	**167**
Reversal of unutilised impairment allowance	-	-	(4)	**(4)**
ECL impairment charge for the year	-	-	11	**11**
Write-off of impairment losses	-	-	(1)	**(1)**
Other movements	-	-	1	**1**
At 31/12/2022	**1**	**1**	**172**	**174**

Group	Movement of ECL allowance			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1/1/2021	8	11	383	**402**
Transfer to held for sale	-	-	(207)	**(207)**
Reversal of unutilised impairment allowance	(1)	-	(2)	**(3)**
ECL impairment charge for the year	1	-	8	**9**
Financial assets derecognized	(6)	(10)	(16)	**(32)**
At 31/12/2021	**1**	**1**	**165**	**167**

As of 31 December 2022 and 2021 the Company has not recognised any ECL allowance on financial assets.

Ageing analysis of selective financial assets by product line

Group	Days past due - Gross Carrying Amount											
31/12/2022	Current	1-30 days	31-90 days	91-180 days	181-365 days	365+ days	Denoun-ced	Total	Stage 1	Stage 2	Stage 3	Total
Claims from the Greek State	82	7	2	1	129	375	-	**597**	538	16	42	**597**
Credit cards	83	-	-	-	-	-	-	**83**	83	-	-	**83**
Receivables	291	115	55	57	2	169	-	**690**	487	36	168	**690**
Total	**457**	**122**	**57**	**58**	**131**	**544**	**-**	**1,370**	**1,108**	**53**	**211**	**1,370**

Group	Days past due - Gross Carrying Amount											
31/12/2021 As reclassified	Current	1-30 days	31-90 days	91-180 days	181-365 days	365+ days	Denoun-ced	Total	Stage 1	Stage 2	Stage 3	Total
Claims from the Greek State	194	104	2	17	1	189	-	**507**	442	14	52	**507**
Credit cards	86	-	-	-	-	-	-	**86**	86	-	-	**86**
Receivables	212	68	13	82	17	162	-	**555**	365	28	162	**554**
Total	**492**	**172**	**15**	**99**	**18**	**351**	**-**	**1,148**	**893**	**42**	**214**	**1,148**

Company	Days past due - Gross Carrying Amount											
31/12/2022	Current	1-30 days	31-90 days	91-180 days	181-365 days	365+ days	Denoun-ced	Total	Stage 1	Stage 2	Stage 3	Total
Receivables	-	18	-	11	-	-	-	**29**	18	-	11	**29**

Company	Days past due - Gross Carrying Amount											
31/12/2021	Current	1-30 days	31-90 days	91-180 days	181-365 days	365+ days	Denoun-ced	Total	Stage 1	Stage 2	Stage 3	Total
Receivables	-	11	-	-	-	-	-	**11**	11	-	-	**11**

32 Due to banks

	Group	
	31/12/2022	31/12/2021
Amounts due to ECB and central banks	5,443	14,348
Interbank deposits	159	90
Securities sold to credit institutions under agreements to repurchase	298	286
Other	1,021	142
	6,922	**14,865**
of which:		
Current	3,255	14,728
Non-current	3,667	138

During the fourth quarter of 2022, the Group made use of the early repayment option granted from ECB and therefore prepaid an amount of € 8.65 billion from the outstanding TLTRO III funds. Additionally, during the second semester of 2022 an amount of € 0.35 billion was also repaid to ECB, upon maturity of the respective transactions.

The increase of € 879 million in category "Other" is mainly attributed to cash collateral received by the Bank in the context of derivative transactions engaged under ISDA and CSA agreements.

The revenue recognised in Net Interest Income, regarding the TLTRO III funding for the year ended 31 December 2022 amounted to € 70 million (31 December 2021: € 146 million), including the additional bonus provided for the additional special interest period, given that the Bank met the lending performance requirements between 1 October 2020 and 31 December 2021 (refer to Note 6).

33 Due to customers

	Group	
	31/12/2022	31/12/2021
Corporate		
Current and sight deposits	14,101	14,231
Term deposits	3,120	2,105
Blocked deposits, guarantee deposits and other accounts	324	283
Total (A)	**17,545**	**16,618**
Retail		
Current and sight deposits	7,672	6,238
Savings accounts	25,795	24,322
Term deposits	7,210	8,186
Blocked deposits, guarantee deposits and other accounts	39	44
Total (B)	**40,717**	**38,791**
Cheques payable and remittances (C)	**110**	**32**
Total due to customers (A)+(B)+(C)	**58,372**	**55,442**
of which:		
Current	58,345	55,380
Non-current	27	61

As at 31 December 2022 the Group's due to customers (excluding cheques payable and remittances) bearing variable interest rate and fixed interest rate amounted to € 47.8 billion and € 10.5 billion, respectively (31 December 2021: € 45.0 billion and € 10.4 billion, respectively).

34 Debt securities in issue

		Group	
	Weighted Interest Rate (%)	31/12/2022	31/12/2021
Covered Bonds - floating rate - Series 4	3m Euribor + 250bp	-	471
Senior Preferred Bond	3.875%	501	500
Senior Preferred Bond	8.250%	349	-
Total debt securities in issue		**849**	**971**

The financial terms of the Group's 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 party	Carrying value	Weighted Interest Rate on third party
31/12/2022													
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	501	3.875%
Piraeus Bank S.A.	Fixed Rate Senior Preferred Bond	-	28-Nov-22	28-Jan-27	EUR	8.250% / Annual	350	350	-	-	350	349	8.250%

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 party	Carrying value	Weighted Interest Rate on third party
31/12/2021													
Covered Bonds													
Piraeus Bank S.A.	Floating rate covered bond series 4	Mortgage loans	31-Oct-17	31-Oct-22	EUR	3m Euribor + 250bp/ Quarterly	500	500	-	30	470	471	3m Euribor + 250bp
Senior Preferred Bond													
Piraeus Bank S.A.	Fixed Rate Senior Preferred Bond	-	3-Nov-21	3-Nov-27	EUR	3.875% / Annual	500	500	-	-	-	500	3.875%

On 3 November 2021, Piraeus Bank S.A., issued Senior Preferred Notes of nominal value € 500 million, maturing in November 2027, bearing an annual fixed interest rate of 3.875% for the first 5 years and reset once thereafter, at the prevailing mid swap rate plus 3.948%. The Senior Preferred Notes, having an embedded issuer call option after five (5) years, may be fully redeemed by the issuer on 3 November 2026 at par, in their entirety, subject to prior regulatory approval. The Bond is listed in the Luxembourg Stock Exchange's Euro MTF market. The Senior Preferred Notes were issued under the Euro Medium Term Notes (EMTN) Programme, compliant with the Bank's "Green Bond Framework".

On 31 October 2022, Piraeus Bank S.A. repaid € 500 million of a 5-year Covered Bond Series bearing a floating coupon of 3M Euribor + 250bps (issued in October 2017). The bond was issued under the € 10 billion Covered Bond Programme, privately placed and mainly subscribed by the European Investment Bank, the European Investment Fund and the European Bank for Reconstruction and Development.

On 28 November 2022, Piraeus Bank S.A., issued Senior Preferred Notes of nominal value € 350 million, maturing in January 2027, bearing an annual fixed interest rate of 8.25% for the first 3.5 years and reset once thereafter, at the prevailing mid swap rate plus 5.715% per annum. The Senior Preferred Notes, having an embedded issuer call option after three (3.5) years, may be fully redeemed by the issuer on 28 January 2026 at par in their entirety, subject to prior regulatory approval. The Bond is listed in the Luxembourg Stock Exchange's Euro MTF market. The Senior Preferred Notes were issued under the Euro Medium Term Notes (EMTN) Programme.

The following table includes the financial terms of debt securities retained by the Group as of the end of the reporting period:

Issuer	Description	Underlying Loan Type	Issue Date	Maturity Date	Currency	Weighted Interest Rate/ Coupon Frequency	Nominal value	Outstanding nominal amount	Redemptions	Accumulated Cancellations
31/12/2022										
Covered Bonds										
Piraeus Bank S.A.	Floating rate covered bond Series 3	Mortgage loans	16-Feb-17	16-Nov-26	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-May-24	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-26	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-27	EUR	3m Euribor + 150bp / Quarterly	1,000	1,000	-	-

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

On 10 November 2022, Piraeus Bank S.A. proceeded with amendments to its fully retained Covered Bond Series 3 (issued in February 2017), Series 6 (issued in January 2018) and Series 7 (issued in May 2018) with regards to their maturity dates by 36 months and to the Covered Bond Series 5 (issued in November 2017) by 18 months, respectively.

As at 31 December 2022 and 2021 the carrying amount of loans and advances to customers at amortised cost that have been pledged as collateral under the terms of the covered bonds programme is € 3,779 million and € 4,160 million, respectively.

Pursuant to the provisions of Greek Law 4920/2022, which incorporates the Directive (EU) 2162/2019 of the European Parliament and of the Council of 27 November 2019 on the issue of covered bonds and covered bond public supervision, the minimum statutory level of overcollateralization is set to 5% of the nominal value of the Covered bonds' outstanding balances. For further information about Covered bonds refer to the Company's website in the Investor Relations and Base Prospectus (Covered Bonds | Piraeus Financial Holdings (piraeusholdings.gr)).

35 Other borrowed funds

Group's and Company's other borrowed funds comprise solely two Tier 2 subordinated Notes of nominal value € 400 million and € 500 million, maturing in June 2029 and in February 2030, respectively. As at 31 December 2022 the carrying value of the said notes for the Group amounted to € 418 million and € 519 million (31 December 2021: € 417 million and € 518 million, respectively). The aforementioned notes may be redeemed by the issuer at par on 26 June 2024 and 19 February 2025, respectively, subject to prior regulatory approval. Furthermore, the respective subordinated Notes bear annual fixed rates of 9.75% and 5.5% for the first five years and reset once thereafter at the prevailing 5 year mid swap rate plus 9.952% and 5.774%, respectively.

During 2022, the Group did not proceed with any repurchases of other borrowed funds.

36 Other liabilities

	Group		Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Deferred income	29	23	-	-
Accrued expenses	142	174	3	3
Lease liabilities	104	107	1	-
Liabilities from transactions via DIAS	259	171	-	-
Non-income taxes payable and social security contributions	40	37	1	1
Creditors and suppliers	79	82	27	31
Collections for third parties	193	242	-	-
Other	302	287	23	18
	1,147	**1,124**	**55**	**54**
of which:				
Current	898	736	55	54
Non-current	249	388	-	-

The following table summarises the lease liabilities:

Lease liabilities	Group		Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
No later than one year	24	25	-	-
One to five years	64	77	-	-
Later than five years	29	21	1	-
Gross lease liabilities	**117**	**123**	**1**	**-**
Discounting	(13)	(16)	-	-
Lease liabilities	**104**	**107**	**1**	**-**
of which:				
No later than one year	19	20	-	-
One to five years	57	67	-	-
Later than five years	28	20	1	-

37 Provisions

The movement of the Group's provisions during the year is summarized below:

	Group			
	Litigations	Other	ECL allowance on credit commitments	Total
At 1 January 2021	30	55	117	202
Provision charge/(release)	3	23	(14)	12
Provision utilised	(2)	(74)	-	(76)
Other movements	(2)	-	-	(2)
At 31 December 2021	**29**	**4**	**103**	**136**
Provision charge/(release)	20	27	(11)	36
Provision utilised	(21)	(26)	-	(47)
Other movements	(1)	-	-	(1)
At 31 December 2022	**26**	**5**	**92**	**123**

The Group establishes provisions for all litigations, for which it believes it is probable that a loss will incur in the future and the amount of the loss can be reasonably estimated. These provisions may change from time to time, as appropriate, in light of additional information. Management, following consultation with its legal advisors has concluded that the amount of recognized provisions for outstanding litigations is sufficient.

The ECL allowance on credit commitments is estimated based on the same methodology applied for loans and advances to customers at amortised cost. Refer to Note 4.3.1.

Line item "Provision utilised" includes an amount of € 25 million relating to the provision established for VES, utilised during 2022 (refer to Note 40).

38 Tax receivables

	Group		Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Tax receivables	197	212	12	20
Accumulated impairment of tax receivables	(51)	(51)	-	-
Net tax receivables	145	160	12	20

Net tax receivables for the Group as at 31 December 2022 amounted to € 145 million (31 December 2021: € 160 million), of which € 131 million and € 12 million are attributable to Piraeus Bank and the Company, respectively.

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 ITC, clarifying the status of the aforementioned withholding tax receivables of Piraeus Bank S.A., as follows:

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

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

b) Withholding taxes of € 32 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 five (5) financial years following the financial year in which the income tax was withheld. Upon completion of the five-year period, any remaining withholding tax is netted off against current tax liabilities.

c) Withholding taxes of € 28 million arising from corporate bonds, which are refundable by the Greek State.

d) Various other tax claims of € 4 million.

Company

Net tax receivables comprise the following:

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

b) Various other tax claims of € 7 million.

39 Deferred Taxes

Deferred taxes for the Group and the Company are calculated on all temporary differences under the liability method. The nominal tax rates of Group subsidiaries are different compared to the nominal tax rate of the Company (Note 16).

The Group’s deferred tax assets and liabilities are attributable to the following items:

	Group	
	31/12/2022	31/12/2021
Deferred tax liabilities		
Investment property fair value adjustment	9	9
Other temporary differences	1	1
Total	**10**	**10**

	Group	
	31/12/2022	31/12/2021
Deferred tax assets		
Pensions and other post retirement benefits	14	20
Loans and advances to customers	5,066	5,192
Derivative financial instruments valuation adjustment	98	(58)
Investment property fair value adjustment	41	7
Depreciation of property and equipment	(28)	(39)
Amortisation of Intangible assets	(16)	(30)
Recognition of tax losses carried forward	2	2
Impairment of Greek government bonds (PSI)	1,050	1,105
Investments	(103)	(120)
Other temporary differences	(154)	43
Reserve from financial assets at FVTOCI	3	(52)
Total	**5,974**	**6,070**
Net deferred tax asset	**5,964**	**6,060**

Management estimated that the tax losses carried forward of € 12 million for the Group as at 31 December 2022 can be used to offset future taxable profits and thus the Group recognised a DTA amounting to € 2 million (31 December 2021: € 2 million). In relation to the tax losses of € 12 million, for the amount of € 9 million there is no predefined time horizon for being netted off against taxable income, whereas the amount of € 3 million can be netted off in the five (5) financial years following the financial year in which the income tax was withheld.

DTA on tax losses carried forward are recognised only when it is probable that future taxable profits will be available, against which these carried forward tax losses can be utilised. On this base the Group and the Company have unused tax losses as at 31 December 2022 of € 1,944 million and € 1,762 million, respectively (31 December 2021: € 2,107 million and € 1,615 million for the Group and the Company, respectively), for which no DTA was recognized in the Statement of Financial Position.

The Group and the Company have offset the deferred tax assets and deferred tax liabilities on an entity per entity basis, based on the legally enforceable right to set off the recognised amounts i.e. offset current tax assets against current tax liabilities, as well as the deferred tax assets and deferred tax liabilities when such taxes relate to the same fiscal authority.

	Group	
	1/1 - 31/12/2022	1/1 - 31/12/2021
Net deferred tax asset at 1/1	**6,060**	**6,290**
Deferred tax benefit / (expense)	(126)	(310)
Financial assets at FVTOCI (Note 18)	36	59
Actuarial gains/ (losses) (Note 18)	(3)	-
Derecognition of subsidiaries	-	21
Property revaluation reserve	(3)	-
Net deferred tax asset at 31/12	**5,964**	**6,060**

During 2022, deferred taxation directly recognized in equity for the Group amounted to € 31 million, relating to the valuation of financial assets at FVTOCI, actuarial gains and property revaluation reserve (Note 18).

The deferred tax recognised 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:

Deferred tax (Income Statement)	Group	
	1/1 - 31/12/2022	1/1 - 31/12/2021
Pensions and other post retirement benefits	(3)	(4)
Loans and advances to customers	(126)	(124)
Derivative financial instruments valuation adjustment	101	9
Investment property fair value adjustment	34	(12)
Depreciation of property and equipment	14	25
Amortisation of Intangible assets	15	31
Recognition of tax losses carried forward	1	1
Impairment of Greek government bonds (PSI)	(55)	(55)
Investments	17	(69)
Other temporary differences	(142)	(111)
Reserve from financial assets at FVTOCI	19	-
Total	**(126)**	**(310)**

Net deferred tax asset analysis	Group	
	1/1 - 31/12/2022	1/1 - 31/12/2021
Current	256	83
Non-current	5,719	5,987
Total	**5,974**	**6,070**

Net deferred tax liability analysis	Group	
	1/1 - 31/12/2022	1/1 - 31/12/2021
Current	-	-
Non-current	9	10
Total	**10**	**10**

40 Retirement and termination benefit obligations

Retirement indemnities

Most of the Group's subsidiaries are required by local law to offer a lump sum amount upon retirement. In Greece, this is defined by Greek Law 2112/1920 as modified by Greek Law 4093/2012. Such lump sum payments are usually based on the final salary and years of service, the calculation of which depends on the jurisdiction in which the company operates and the employee's profession (e.g. Greek law provides for different retirement benefits to salaried employees, wages earners and lawyers). In some cases, certain subsidiaries' bylaws provide for additional benefits to employees in excess of the floor defined under statutory requirements.

A summary of the Group's defined benefit plans is provided below:

1. Lump sum retirement benefit according to Greek Law 2112/1920 and Greek Law 4093/2012

Lump sum retirement benefit is provided to the majority of employees of Piraeus Financial Holdings S.A., Piraeus Bank S.A. and Greek subsidiaries as per the terms set out below:

In accordance with Greek Law 4046/2012 and Board of Ministers' Decision (6/28/2/2012), from 14 February 2012 onwards, the employment contracts that lapse on attainment of the normal retirement age or based on the particular retirement conditions, are considered as indefinite duration employment contracts and therefore, the provisions for employee's statutory retirement indemnity of Greek Law 2112/1920, are applicable.

On 12 November 2012, the Greek Law 4093/2012 (GG A' 222) decreased the statutory indemnity scale set by Greek Law 2112/1920 in case of employee dismissal or normal retirement. Employees having more than 16 full years of service to the same employer as at 12 November 2012, are entitled to a statutory indemnity for all the years employed until that date. Employees having less than 17 full years of service to the same employer as at 12 November 2012, the maximum statutory indemnity is 12 actual salaries. In both conditions and in case of normal retirement, employees receive 40% of the statutory indemnity scale set by Greek Law 2112/1920 and Greek Law 4093/2012. In case of disability before the normal retirement age or in case of early retirement no indemnity is provided.

For lawyers based on Law 4194/2013 the benefit paid in case of retirement is 100%. In case of voluntary departure, the benefit paid is: 100%, after 28 years of service, 66.67%, after 20 years of service and 50%, after 15 years of service.

2. Lump Sum Benefit according to Piraeus Bank Collective Agreement

A lump sum benefit is granted to certain employees of Piraeus Bank S.A. and Piraeus Financial Holdings S.A. The lump sum benefit is payable when the member is eligible for full pension by the social security fund. The lump sum benefit based on pre-defined number of salaries at 100% of the average salary of the last 3 months of active service prior to retirement. No lump sum benefit is paid in case of death, disability or termination before the normal retirement age.

3. Lump Sum Benefit according to employee contracts of Former Nat West Bank Employees

A lump sum benefit is granted to certain employees of former Nat West Bank who work in Piraeus Bank, hired prior to 31 December 1991. The lump sum benefit is payable when the employee is eligible for full pension by the social security fund or in case of death. The lump sum benefit is equal to 100% of the retirement benefit according to Greek Law 2112/1920 and Greek Law 4093/2012.

4. Lump Sum Benefit according to the Agreement of Former Macedonia Thrace Bank Employees

A lump sum benefit is granted to former employees of Macedonia Thrace Bank who work in Piraeus Bank based on a collective agreement. The lump sum benefit is payable when the member is eligible for full pension from the social security fund.

The lump sum benefit is equal to 100% of the retirement benefit according to the Macedonia Thrace Bank's collective agreement.

5. Lump Sum Benefit to former Macedonia Thrace Children's Account

The lump sum benefit is paid to the children of former Macedonia Thrace Bank employees according to a preset calculation of the liability when the child reaches the age of 25 or earlier under specific prerequisites. In case of death of the child the amount is paid to the parent, in case of departure of the parent from the Bank the amount contributed by the employee and not by the Bank is refunded without interest. If the departure is due to retirement, the plan can be continued and funded by the ex-employee's pension salary, in which case the Bank also continues to pay contributions.

6. Lump Sum Benefit according to the Insurance Policy of certain Key Management Members

Piraeus Bank S.A. retains an insurance contract regarding the lump sum benefit to be paid to certain members of Management based on a preset calculation of the liability when the employment is terminated in all cases except for fraud.

Piraeus Financial Holdings S.A. and Piraeus Financial Holdings Group

The present value of the defined benefit obligation is determined by an independent actuary by applying the "projected unit credit method", according to which, the charge for pension plans to the income statement is allocated over the service lives of the related employees. The defined benefit obligation is determined by the present value of cash outflows using interest rates of high-quality corporate bonds, which have terms to maturity approximating the terms of the related liability.

The employees of the Group are entitled to compensation upon termination of service, based on their service, their salary and their classification group.

The benefits paid for the years 2022 and 2021, according to the voluntary redundancy schemes are included in the disclosures for the non-funded plans.

The tables below present the amounts recognized in the Statement of Financial Position and the Income Statement for the Group and the Company, broken down by funded and non-funded pension schemes.

Amounts recognised in the Statement of Financial Position	Group		Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Pension schemes – funded	4	5	-	-
Other post retirement benefits - non-funded	51	70	-	-
Total	**55**	**75**	**-**	**-**

Amounts recognised in Equity	Group		Company	
	1/1 - 31/12/2022	1/1 - 31/12/2021	1/1 - 31/12/2022	1/1 - 31/12/2021
Funded			-	-
Liability gain /(loss) due to changes in assumptions	1	-	-	-
Total funded	**1**	**-**	**-**	**-**
Non-funded				
Liability gain /(loss) due to changes in assumptions	9	(1)	-	-
Liability experience gain/ (loss) arising during the year	(1)	-	-	-
Total non-funded	**8**	**(1)**	**-**	**-**
Total	**9**	**(1)**	**-**	**-**

The difference between the amount of € 58 million relating to Settlement/ Curtailment/ Termination loss/ (gain) and the amount of € 57 million reported as VES cost in Staff Cost (Note 12) is due to provision utilization by € 25 and an additional charge of € 24 million.

Amounts recognised in the Income Statement	Group		Company	
	1/1 - 31/12/2022	1/1 - 31/12/2021	1/1 - 31/12/2022	1/1 - 31/12/2021
Total pension schemes – funded	-	-	-	-
Other post retirement and termination benefits of non-funded				
Current service cost	4	4	-	-
Settlement/ Curtailment/ Termination loss/ (gain)	58	77	-	1
Total other post retirement and termination benefits of non-funded	**62**	**81**	**-**	**1**
Total	**62**	**81**	**-**	**1**

A) Pension schemes - funded

The net liability in the Statement of Financial Position is determined as follows:

	Group		Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Present value of funded obligations	5	7	-	-
Fair value of plan assets	(1)	(2)	-	-
Total	**4**	**5**	**-**	**-**

In funded plans, the Group follows the recommendations of the insurance company concerning the amount of contributions. The expected contributions to funded post-employment defined benefit plans for the year 2023, amount to € 0.2 million. There are no commitments arising from the law concerning the level of funding for post-employment defined benefit plans provided by the Group.

The movement of the gross defined benefit obligation is analysed as follows:

	Group		Company	
	1/1 - 31/12/2022	1/1 - 31/12/2021	1/1 - 31/12/2022	1/1 - 31/12/2021
Opening balance	7	8	-	-
Benefits paid from the fund	(1)	(1)	-	-
Actuarial (gains)/ losses	(1)	-	-	-
Closing balance	**5**	**7**	**-**	**-**

The movement in the fair value of plan assets for the Group and the Company is analysed as follows:

	Group		Company	
	1/1 - 31/12/2022	1/1 - 31/12/2021	1/1 - 31/12/2022	1/1 - 31/12/2021
Opening balance	2	2	-	-
Employer contributions	-	1	-	-
Benefits paid from the fund	(1)	(1)	-	-
Closing balance	**1**	**2**	**-**	**-**
Return on plan assets	**(0)**	-	-	-

The plan assets, which are not quoted, are invested as follows:

	Group		Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Mutual funds	97.6%	88.2%	-	-
Bonds	0.0%	4.6%	-	-
Deposits	2.4%	7.2%	-	-

Below is presented the movement of the net liability of funded pension schemes for the Group and the Company, broken down into expenses, contributions, benefits and amounts recognized in equity:

	Group		Company	
	1/1 - 31/12/2022	1/1 - 31/12/2021	1/1 - 31/12/2022	1/1 - 31/12/2021
Opening balance	5	6	-	-
Employer contributions	-	(1)	-	-
Amount recognised in equity	(1)	-	-	-
Closing balance	4	5	-	-

B) Other non-funded post retirement and termination benefits

The amounts recognised in the Statement of Financial Position are analysed as follows:

	Group		Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Present value of unfunded obligations	51	70	-	-
Liability in the Statement of Financial Position	**51**	**70**	-	-

An amount of € 4 million included in the balance of the liability as of 31 December 2022, refers to terminations' benefits.

The movement in the defined benefit obligation is analysed as follows:

	Group		Company	
	1/1 - 31/12/2022	1/1 - 31/12/2021	1/1 - 31/12/2022	1/1 - 31/12/2021
Opening balance	70	82	-	-
Current service cost	4	4	-	-
Settlement/ Curtailment/ Termination loss/ (gain)	58	77	-	1
Benefits paid directly by the employer	(73)	(93)	-	(1)
Actuarial (gains) / losses	(8)	1	-	-
Derecognition of subsidiaries	(1)	-	-	-
Closing balance	**51**	**70**	-	-

The movement in the liability recognised in the Statement Financial Position for the Group and the Company, broken down into expenses, contributions, benefits and amounts recognized in equity is analysed as follows:

	Group		Company	
	1/1 - 31/12/2022	1/1 - 31/12/2021	1/1 - 31/12/2022	1/1 - 31/12/2021
Opening balance	70	82	-	-
Total expense recognised in Income statement	63	81	-	1
Benefits paid by the employer	(73)	(93)	-	(1)
Amount recognised in equity	(8)	1	-	-
Derecognition of subsidiaries	(1)	-	-	-
Closing balance	**51**	**70**	-	-

The expected weighted average duration of the defined benefit obligation is 5.3 years for the Group and 9 years for the Company.

The actuarial assumptions used are as follows:

	Group		Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Discount rate	3.8%	0.7%	3.9%	0.9%
Price inflation	2.6%	2.1%	2.6%	2.1%
Expected return on plan assets	3.7%	0.4%	-	-
Future increase in salaries	2.0%	2.1%	2.0%	2.1%
Mortality table applied	EVK00, based on Swiss mortality table		EVK00, based on Swiss mortality table	

According to IAS 19, the rate used to calculate the expected return on plan assets is the discount rate that is used to discount the post-employment benefit obligation.

Sensitivity analysis in defined benefit obligation

The sensitivity analysis for the significant assumptions in the post-employment defined benefit obligation is as follows:

Main assumptions	Effect in defined benefit obligation (Group)			Effect in defined benefit obligation (Company)		
	Change in the assumptions	Increase	Decrease	Change in the assumptions	Increase	Decrease
Discount rate	+/-0.50%	-2.4%	2.5%	+/-0.50%	-4.1%	4.3%
Future increase in salaries	+/-0.50%	2.2%	-2.1%	+/-0.50%	4.3%	-4.1%
Voluntary withdrawal rate	increase/ decrease by 50%	-0.3%	0.4%	increase/ decrease by 50%	-0.6%	0.6%

The aforementioned sensitivity analysis is based on changing each assumption, while keeping the other assumptions unchanged. However, in an economic environment assumption do not change independently and are usually affected at the same time. The method adopted for the sensitivity analysis is the one used for the determination of the defined benefit obligation in the Statement of Financial Position. The final cost of defined benefit plans depends on the actual future experience relating to the actual pay increases, as well as other factors that affect the cost, like the mobility of the employees and the recruitment.

Defined Contribution Plans

Total contributions to social security funds, state run plans and defined contribution plans for 2022 for the Group and the Company amounted to € 63 million and nil, respectively (2021: € 57 million for the Group and nil for the Company).

Below is a summary of the defined contribution plans of the Group:

1. Piraeus Financial Holdings S.A. and Domestic Subsidiaries State Pension and State Health Plan

Company's main post retirement and health plan is a defined contribution plan that is run by the State sponsored social security fund EFKA. Contribution by the employer and employee to the State is defined by law and amounts to 22.29% and 13.87% respectively, of the employees' salaries with a cap. The State Health Plan offers health benefits to employees before and after their retirement, and to insured family members.

2.Piraeus Bank State Pension Plan

The Bank's main post retirement pension plan is a defined contribution plan that is run by the State sponsored social security fund EFKA. Contribution by the employer and employee to the State post retirement pension plan is defined in the law and amounts to 17.74% and 11.32% respectively, of the employees' salaries with a cap.

3. Piraeus Bank State Health Plan

Defined contribution to the State Health Plan amounts to 4.55% of the employees' salary for the employer and 2.55% contribution of employees' salary. Additional contributions are paid for insured members of the employees' families (such as spouse that does not work and children) and are increased further in the event that the insured spouse is employed or that members of the paternal family are also insured. Contribution of retired employees' amount to a percentage of their pension, while additional contributions are paid for other insured members of their families. The State Health Plan offers health benefits to employees before and after their retirement, and to insured family members.

4. Piraeus Bank S.A. and Piraeus Financial Holdings S.A. Private Pension Plan

In November 2020 the Company established the Institution for Occupational Retirement, Life and Medical Provision ("IORP"), a Non-Profit Legal Entity of Private law jurisdiction, which aims to provide additional insurance protection to its members, in addition to the main ones provided by social security funds.

With the IORP's establishment, a single fund was created from which all employees will receive a supplementary lump sum, improving their retirement conditions. Employees' participation in the IORP is voluntary and their contribution is optional and it can range from zero up to 20% of the gross monthly salary. Piraeus Bank and the Company, as employers, contribute to the individual account of the employee an additional 2% of the monthly gross salary for 14 months on an annual basis, valid from the date of registration in the Fund and without obligation to contribute by the employee. Moreover, the Bank and the Company retain a defined contribution insurance plan for the payment of an amount at the end of the employment relationship, for certain members of Management, in all cases with the exception of fraud.

5. Group Child Savings Private Defined Contribution Plans

Piraeus Bank S.A. and Piraeus Financial Holdings S.A. offer three (3) defined-contribution plans to their employees in respect of their children, which have the same terms and requirements.

The total amount raised during period of insurance (i.e. employee's and employer's contributions, as well as interest) is paid in the form of a lump sum either to the child in case certain prerequisites are fulfilled, such as child's marriage, employment, 25^{th} year of age and death of employee-parent or to the employee-parent in cases such as departure from the employer due to retirement, participation in voluntary exit scheme, permanent or total disability and death of the insured child. In case of employee's resignation, the employee receives his/her contributions including interest.

6. Piraeus Bank S.A. and Piraeus Financial Holdings S.A. Private Insurance Health Plan

In addition, Piraeus Bank S.A. and Piraeus Financial Holdings S.A. offer to their employees and their families (spouse and children with specific age limits respectively), through IORP, a Life and Health Care Insurance Plan. It includes employee's life insurance, reimbursement in case of employee's permanent and total disability due to accident or serious illness, employee's and/or dependent's hospital care and outpatient care, surgery / hospitalisation allowance, maternity allowance and check-up. Piraeus Bank S.A. and Piraeus Financial Holdings S.A. pay monthly premiums to the insurance company which are fixed for the benefit of health of employee and relatives and a percentage of salary for the benefits of life and disability insurance. In case of insurance in the plan of a spouse or child that is not insured for social health insurance under the employee, the insurance covers the benefits of hospital and outpatient care and the employee pays a monthly fixed amount per insured person which is deducted from the monthly salary.

7. Defined Contribution Pension Plans of Greek Subsidiaries

Piraeus Asset Management Single Member S.A., Piraeus Leasing Single Member S.A., Sunshine Leases Single Member S.A., Piraeus Direct Solutions Single Member S.A., Piraeus Factoring Single Member S.A., Piraeus Securities S.A. and Piraeus Agency Solutions Single Member S.A. offer their employees the possibility to participate in Group's IORP. Employee participation in the IORP is voluntary and their contribution is optional: it can range from zero up to 20% of the gross monthly salary. Employer's contribution is 2% of the monthly gross salary for 14 months on an annual basis.

8. Defined Contribution Pension Plans of Foreign Branches and Subsidiaries

For two (2) Cypriot subsidiaries, Philoktimatiki Public Ltd and Philoktimatiki Ergoliptiki Ltd, the employer and employees pay contributions to the State Social Insurance Fund calculated on the basis of the employees' salaries. Additionally, these subsidiaries operate a defined contribution plan, the assets of which are held in a separate fund managed by a Committee. The plan is funded by payments made by the employer and the employees.

9. Child Savings Private Defined Contribution Plans of Greek Subsidiaries

Piraeus Agency Solutions Single Member S.A. and Shnappi S.A. offer defined-contribution plans to their employee's children, which have the same terms and requirements.

The total amount raised during period of insurance (i.e. employee's and Bank's contributions, as well as interest) is paid in the form of a lump sum either to the child in case certain prerequisites are fulfilled, such as child's marriage, employment, 25^{th} year of age and death of employee-parent or to the employee-parent in cases such as departure from the Bank due to retirement, resignation, participation in voluntary exit scheme, permanent or total disability and death of the insured child.

10. Private Health Plans of Greek Subsidiaries

Shnappi S.A., Piraeus Leasing Single Member S.A., Sunshine Leases Single Member S.A., Piraeus Real Estate Single Member S.A., Piraeus Agency Solutions Single Member S.A., Piraeus Direct Solutions Single Member S.A., Piraeus Factoring Single Member S.A., Piraeus Securities S.A., Piraeus Asset Management Single Member S.A., Piraeus Capital Management S.A., Piraeus Jeremy Technology Catalyst Management Single Member S.A. and Piraeus Bank Group Cultural Foundation, offer employees group health plans, which include employee's life insurance, reimbursement in case of employee's permanent and total disability due to accident or serious illness, employee's and/or dependent's hospital care and outpatient care, surgery/hospitalisation allowance and maternity allowance. The subsidiaries pay monthly or annual premiums to the insurance companies. For coverage for hospital and outpatient care of a spouse or child in the plan, in the cases of Piraeus Leasing Single Member S.A., Sunshine Leases Single Member S.A., Piraeus Agency Solutions Single Member S.A. , Piraeus Factoring Single Member S.A., Piraeus Securities S.A., Piraeus Asset Management Single Member S.A. and Piraeus Bank Group Cultural Foundation the premiums are also paid by the subsidiaries.

In the case of Piraeus Real Estate Single Member S.A. the employee pays monthly premiums per insured person which are deducted from the monthly salary. For Piraeus Direct Solutions Single Member S.A., Piraeus Capital Management S.A. and Piraeus Jeremy Technology Catalyst Management Single Member S.A in case of insurance in the plan of a spouse or child that is not insured for social health insurance under the employee, the employee pays a monthly fixed amount per insured person which is deducted from the monthly salary.

11. Private Health Plans of Foreign Branches and Subsidiaries

Varna Asset Management EOOD offer employees group health plan for hospital and outpatient care. Premiums are paid monthly. The employee pays the premium for insuring family (children, spouse and parents).

JSC Piraeus Bank ICB, Solum Enterprise LLC and Akinita Ukraine LLC in Ukraine offer employees group health plans for hospital and outpatient care. Premiums are paid per quarter.

Piraeus Leasing Romania S.A. offer a check-up (on an annual basis or more frequently under specific circumstances e.g. long-term leave of employee due to illness) only to employees, not provided on the basis of an insurance contract.

Philoktimatiki Public Ltd and Philoktimatiki Ergoliptiki Ltd in Cyprus offer employees group health plan, which includes employee's life insurance, reimbursement in case of employee's permanent and total disability due to accident or serious illness, employee's and/or dependent's hospital care and outpatient care. Premiums are paid monthly by both the employees and the subsidiaries.

41 Leases

The table below presents the contractual undiscounted cash flows of the gross lease liabilities. The Group and the Company have elected to take a recognition exemption for short-term leases; hence, the analysis below does not include any leases with a residual term lower than 12 months.

	Group		Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Up to 1 year	24	25	-	-
From 1 to 5 years	64	77	-	-
More than 5 years	29	21	-	-
Total undiscounted gross liabilities	**117**	**123**	**-**	**-**

As at 31 December 2022, the present value of lease liabilities amounts to € 104 million for the Group (31 December 2021: € 107 million) and nil for the Company.

Lease liabilities are included in line item "Other liabilities".

a. Lease liabilities

Amounts recognized in profit or loss- RoU own assets	Group		Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Interest on lease liabilities	2	2	-	-
Depreciation charge for the year	18	23	-	-
Expenses relating to short-term leases	14	19	-	-

b. Lease receivables

Gross investments in finance leases	Group		Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Up to 1 year	231	203	-	-
From 1 to 5 years	436	407	-	-
More than 5 years	435	467	-	-
Total undiscounted lease payments receivable	**1,102**	**1,077**	**-**	**-**
Less: Unearned finance income	211	148	-	-
Net investment in the lease	**891**	**929**	**-**	**-**

Future income from operating leases	Group		Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Up to 1 year	40	35	-	-
From 1 to 5 years	159	129	-	-
More than 5 years	24	24	-	-
Total undiscounted lease payments receivable	223	188	-	-

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

42.1 Legal proceedings

Litigation is a common occurrence in the Banking industry due to the nature of the business undertaken. The Group has formal controls and policies for managing legal claims. Once professional advice has been obtained and the amount of loss reasonably estimated, the Group makes adjustments to account for any adverse effects that the claims may have on its financial position.

As at 31 December 2022, the Group and the Company provided for cases under litigation an amount of € 26 million and nil, respectively (31 December 2021: € 29 million and nil for the Group and the Company, respectively) which represents Management's best estimate on the probable loss to be incurred upon finalization of these pending legal cases.

The Group has been advised by its legal advisors that it is possible, but not probable, that the final decision of certain legal cases referring mainly to unjust enrichment damages, nullity of debt contract, labor disputes, moral damage and compensation claims, may not be in favor of the Group. Accordingly, no litigation provision for such claims has been established as at 31 December 2022. The contingent liability that could potentially result from such litigations, based on the current status of the legal proceedings and Management's best estimate, is expected not to exceed € 231 million for the Group and nil for the Company (31 December 2021: € 265 million and nil for the Group and the Company, respectively), while the timing of the outflow is uncertain. It is noted that based on historical data, this category of legal cases has led to non-significant losses for the Group.

42.2 Pending tax audits

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

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

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

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

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

Fiscal years 2014, 2015 and 2016 have been tax audited by PricewaterhouseCoopers S.A and the tax audit certificates issued were unqualified. Fiscal years 2017, 2018, 2019, 2020 and 2021 were tax audited by Deloitte Certified Public Accountants S.A. and the tax audit certificates issued were unqualified.

In regards to the Group's Greek subsidiaries, for which Management elected to conduct a tax audit in accordance with article 65a of Greek Law 4174/2013, the respective tax audits for the fiscal year 2021 have been completed and the relevant tax audit certificates have been issued. Fiscal year 2022 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 Annual Financial Statements.

The unaudited tax years of the Group's subsidiaries, associates and joint ventures, are included in Note 26 and therefore their tax liabilities for these years have not been finalized. The tax authorities have not yet audited the Group's subsidiaries for all fiscal years and consequently their tax positions for those years may not be considered as final.

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

42.3 Commitments

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

	Group	
	31/12/2022	**31/12/2021**
Financial guarantees	4,789	3,764
Letters of credit	114	42
Irrevocable undrawn credit commitments	1,624	1,050
Total credit commitments	**6,527**	**4,856**
Other commitments	110	-
Total commitments	**6,637**	**4,856**

As of 31 December 2022 and 2021 the Company had not undertaken any commitments.

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.

Group	Financial guarantees - Internal rating grade						
31/12/2022	Stage 1	Stage 2	Stage 3	POCI	Total	ECL Allowance	Balance
Strong	4,233	-	-	-	4,233	6	4,228
Recommended	317	-	-	-	317	1	316
Substandard	-	37	-	-	37	1	37
Default	-	-	202	-	202	80	122
Total	**4,550**	**37**	**202**	**-**	**4,789**	**87**	**4,702**

Group	Financial guarantees - Internal rating grade						
31/12/2021	Stage 1	Stage 2	Stage 3	POCI	Total	ECL Allowance	Balance
Strong	3,253	-	-	-	**3,253**	10	3,243
Recommended	191	-	-	-	**191**	1	189
Substandard	-	96	-	-	**96**	1	95
Default	-	-	224	-	**224**	77	147
Total	**3,444**	**96**	**224**	**-**	**3,764**	**90**	**3,674**

Group	Financial guarantees - Movement in nominal amount				
31/12/2022	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount as at 1/1/2022	**3,444**	**96**	**224**	-	**3,764**
New off balance sheet items originated or purchased	**2,841**	**24**	**35**	-	**2,900**
Off balance sheet items repaid / matured	**(1,744)**	**(81)**	**(49)**	-	**(1,874)**
Off balance sheet items derecognized (excluding write offs)	(1)	-	-	-	**(1)**
Transferred from Stage 1 to Stage 2	(103)	103	-	-	-
Transferred from Stage 1 to Stage 3	(3)	-	3	-	-
Transferred from Stage 2 to Stage 1	116	(116)	-	-	-
Transferred from Stage 2 to Stage 3	-	(3)	3	-	-
Transferred from Stage 3 to Stage 2	-	14	(14)	-	-
Gross carrying amount as at 31/12/2022	**4,550**	**37**	**202**	-	**4,789**

Group	Financial guarantees - Movement in nominal amount				
31/12/2021	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount as at 1/1/2021	**2,846**	**147**	**321**	**-**	**3,314**
New off balance sheet items originated or purchased	1,792	4	52	-	**1,848**
Off balance sheet items repaid / matured	(1,173)	(89)	(130)	-	**(1,393)**
Off balance sheet items derecognized (excluding write offs)	(5)	(1)	-	-	**(5)**
Transferred from Stage 1 to Stage 2	(130)	130	-	-	-
Transferred from Stage 1 to Stage 3	(13)	-	13	-	-
Transferred from Stage 2 to Stage 1	126	(126)	-	-	-
Transferred from Stage 2 to Stage 3	-	(5)	5	-	-
Transferred from Stage 3 to Stage 2	-	37	(37)	-	-
Gross carrying amount as at 31/12/2021	**3,444**	**96**	**224**	**-**	**3,764**

Group	Financial guarantees - Movement in ECL allowance				
31/12/2022	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 1/1/2022	**12**	**1**	**77**	**-**	**90**
Transferred from Stage 1 to Stage 2	-	-	-	-	-
Transferred from Stage 2 to Stage 1	1	(1)		-	-
Transferred from Stage 3 to Stage 2	-	4	(4)	-	-
ECL Impairment charge/ (release) for the year (P&L)	(6)	(5)	7	-	(4)
ECL allowance as at 31/12/2022	**6**	**1**	**80**	**-**	**87**

Group	Financial guarantees - Movement in ECL allowance				
31/12/2021	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 1/1/2021	**8**	**1**	**98**	**-**	**108**
Transferred from Stage 1 to Stage 2	(1)	1	-	-	-
Transferred from Stage 2 to Stage 1	3	(3)		-	-
Transferred from Stage 3 to Stage 2	-	9	(9)	-	-
ECL Impairment charge/ (release) for the year (P&L)	2	(8)	(12)	-	**(18)**
ECL allowance as at 31/12/2021	**12**	**1**	**77**	**-**	**90**

Group	Letter of credit - Internal rating grade						
31/12/2022	Stage 1	Stage 2	Stage 3	POCI	Total	ECL Allowance	Balance
Strong	112	-	-	-	112	1	112
Recommended	2	-	-	-	2	-	2
Total	**114**	**-**	**-**	**-**	**114**	**1**	**113**

Group	Letter of credit - Internal rating grade						
31/12/2021	Stage 1	Stage 2	Stage 3	POCI	Total	ECL Allowance	Balance
Strong	37	-	-	-	37	-	37
Recommended	4	-	-	-	4	-	3
Substandard	-	1	-	-	1	-	1
Total	**41**	**1**	**-**	**-**	**42**	**-**	**42**

Group	Letters of credit - Movement in nominal amount				
31/12/2022	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount as at 1/1/2022	**41**	**1**	**1**	**-**	**42**
New off balance sheet items originated or purchased	228	-	-	-	**228**
Off balance sheet items repaid/ matured	(155)	(1)	(1)	-	**(156)**
Gross carrying amount as at 31/12/2022	**114**	**-**	**-**	**-**	**114**

Group	Letters of credit - Movement in nominal amount				
31/12/2021	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount as at 1/1/2021	**37**	**1**	**2**	**-**	**40**
New off balance sheet items originated or purchased	66	2	3	-	**71**
Off balance sheet items repaid/ matured	(62)	(3)	(4)	-	**(69)**
Transferred from Stage 1 to Stage 2	(1)	1	-	-	**-**
Gross carrying amount as at 31/12/2021	**41**	**1**	**-**	**-**	**42**

Group	Irrevocable Undrawn Credit Commitments - Internal rating grade						
31/12/2022	Stage 1	Stage 2	Stage 3	POCI	Total	ECL Allowance	Balance
Strong	1,430	-	-	-	**1,430**	2	1,428
Recommended	106	-	-	-	**106**	1	105
Substandard	-	78	-	6	**85**	2	83
Default	-	-	3	-	**3**	-	3
Total	**1,536**	**78**	**3**	**6**	**1,624**	**5**	**1,619**

Group	Irrevocable Undrawn Credit Commitments - Internal rating grade						
31/12/2021	Stage 1	Stage 2	Stage 3	POCI	Total	ECL Allowance	Balance
Strong	889	-	-	-	**889**	7	882
Recommended	47	-	-	-	**47**	1	46
Substandard	-	107	-	7	**114**	5	109
Default	-	-	-	-	**-**	-	-
Total	**936**	**107**	**-**	**7**	**1,050**	**12**	**1,038**

Group 31/12/2022	Irrevocable Undrawn Credit Commitments - Movement in ECL allowances				
	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 1/1/2022	**8**	**4**	**-**	**-**	**12**
Transferred from Stage 1 to Stage 2	(1)	1	-	-	-
Transferred from Stage 2 to Stage 1	5	(5)	-	-	-
Transferred from Stage 2 to Stage 3		-	-		-
ECL Impairment charge/ (release) for the year (P&L)	(8)	2	(1)	-	(7)
ECL allowance as at 31/12/2022	**4**	**2**	**(1)**	**-**	**5**

Group 31/12/2021	Irrevocable Undrawn Credit Commitments - Movement in ECL allowances				
	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 1/1/2021	5	3	-	-	**8**
Transferred from Stage 1 to Stage 2	(1)	1	-	-	**-**
Transferred from Stage 2 to Stage 1	2	(2)	-	-	**-**
Transferred from Stage 2 to Stage 3		(1)	1		**-**
ECL Impairment charge/ (release) for the year (P&L)	2	3	(1)	-	**4**
ECL allowance as at 31/12/2021	**8**	**4**	**-**	**-**	**12**

42.4 Assets pledged

	Group		Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Due from banks	390	1,044	-	-
Financial assets at FVTPL	55	854	-	-
Loans and advances to customers measured at amortised cost	7,055	5,318	-	-
Financial assets at FVTOCI	-	1,552	-	-
Debt securities measured at amortised cost	41	8,821	-	-
Other assets	-	29	-	-
	7,541	**17,618**	**-**	**-**

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

In the context of interbank repurchase agreement (repo) transactions, securities of total nominal value € 389 million (31 December 2021: € 227 million) are used for liquidity purposes. The said amount includes GGBs of total nominal value € 162 million (31 December 2021: € 221 million).

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

The decrease of "due from banks" line item compared to 31 December 2021, is mainly attributable to decreased collateral postings to derivative counterparties.

Additionally, it is noted that during December 2022 the Bank proceeded to voluntary early repayments of specific TLTRO III operations amounted to € 8.9 billion. The aforementioned reduction of Group's borrowings resulted to a corresponding decrease of the debt securities pledged for liquidity purposes from the Eurosystem.

Furthermore, it is noted that Bank's minimum reserve requirement, regarding the amount of funds held on average over the current maintenance period in its current accounts to BoG, amounts to € 573 million.

43 Share capital

	Number of shares		
	Company		Group
	Issued shares	Treasury shares	Net number of shares
Opening balance at 1/1/2021	**436,659,164**	**(555,321)**	**436,103,843**
Increase in the number of ordinary shares due to conversion of CoCos	394,400,000	-	394,400,000
Decrease in the number of ordinary shares due to reverse split (16.5:1)	(780,691,941)	-	(780,691,941)
Increase in the number of ordinary shares due to issuance of new shares	1,200,000,000	-	1,200,000,000
Purchases of treasury shares	-	(8,000,128)	(8,000,128)
Sales of treasury shares	-	7,298,795	7,298,795
Balance at 31/12/2021	**1,250,367,223**	**(1,256,654)**	**1,249,110,569**
Opening balance at 1/1/2022	**1,250,367,223**	**(1,256,654)**	**1,249,110,569**
Purchases of treasury shares	-	(20,275,861)	(20,275,861)
Sales of treasury shares	-	21,272,717	21,272,717
Balance at 31/12/2022	**1,250,367,223**	**(259,798)**	**1,250,107,425**

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

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

Following the above decrease, the share capital of the Company as at 31 December 2022 amounts to € 1,163 million, divided into 1,250,367,223 common registered voting shares with a nominal value of € 0.93 each.

The AGM also approved the offsetting of an amount equal to approximately € 14,557 million in the Company's "share premium" account by writing-off accumulated losses carried forward of an equal amount.

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

44 Other reserves and retained earnings

	Group		Company	
	31/12/2022	31/12/2021 As reclassified	31/12/2022	31/12/2021 As reclassified
Legal reserve	85	84	69	69
Reserve from financial assets measured at FVTOCI	38	144	-	-
Currency translation reserve	(63)	(54)	-	-
Property revaluation reserve	7	-	-	-
Other reserves	33	34	27	27
Non-taxed reserves	351	351	351	351
Total other reserves	**451**	**559**	**447**	**447**
Retained earnings	**784**	**(14,669)**	**(301)**	**(14,908)**
Other reserves and retained earnings	**1,235**	**(14,110)**	**147**	**(14,460)**

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

	Group	
	31/12/2022	31/12/2021
Opening balance	**144**	**281**
Losses from the valuation of debt securities	(50)	(74)
Gains/(losses) from the valuation of equity securities	31	17
ECL on debt securities	(13)	11
Recycling of valuation adjustments and accumulated impairments upon disposal	(110)	(87)
Transfer to retained earnings	-	(62)
Deferred taxation	36	59
Closing balance	**38**	**144**

Regarding the "Recycling of valuation adjustments and accumulated impairments upon disposal" for the year ended 31 December 2022 refer to Note 10.

45 Dividend per share

The distribution of dividend for the year 2022 is not permitted as the provisions of the article 159 of the Law 4548/2018 (Reform of the Law of Sociétés Anonymes) are not met and restrictions of the same article of the law exist.

Furthermore, pursuant to the 2022 SREP Decision, the Company is required to obtain ECB's approval before making any distribution to its shareholders and to members or holders of capital instruments, other than shares, insofar as these qualify as CET 1, where non-payment does not constitute an event of default.

In compliance with the above, the Board of Directors of the Company will propose the non – distribution of dividends for the fiscal year 2022 in the AGM of Shareholders of 2023.

46 Cash and cash equivalents

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

	Group		Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Cash and balances with Central Banks	9,080	15,514	-	-
Due from banks	290	229	45	50
Financial assets at fair value through profit or loss	3	61	-	-
Financial assets at fair value through other comprehensive income	28	64	-	-
	9,401	**15,868**	**45**	**50**

47 Related party transactions

Related parties are:

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

b) Close family members of Key Management Personnel,

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

d) Company´s subsidiaries,

e) Company´s associates and the subsidiaries of its associates,

f) Company´s joint ventures and the subsidiaries of its joint ventures,

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

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

47.1 Key Management Personnel and other related party

The tables below present Group's and Company's related party transactions with Key Management Personnel and the related party referred to in points (b) and (c) above, as well as with HFSF. No significant transactions occurred with the HFSF during the year ended 31 December 2022.

Group	31/12/2022		31/12/2021	
(amounts in thousand €)	Key Management Personnel	Other related party	Key Management Personnel	Other related party
Loans and advances to customers at amortised cost (Gross carrying amount)	3,394	407	3,725	369
Due to customers	4,587	2,018	3,418	474

Group	1/1 - 31/12/2022		1/1 - 31/12/2021	
(amounts in thousand €)	Key Management Personnel	Other related party	Key Management Personnel	Other related party
Income	58	36	35	31
Expense	104	-	-	1

As of 31 December 2022 and 2021 the Company has no transactions with Key Management Personnel and other related party.

Members of the Key Management Personnel benefits	Group		Company	
(amounts in thousand €)	1/1 - 31/12/2022	1/1 - 31/12/2021	1/1 - 31/12/2022	1/1 - 31/12/2021
Short-term benefits	7,917	6,171	553	210
Contributions to the Institution for Occupational Retirement, Life and Medical Provision	83	97	3	3
Post-employment benefits	92	80	4	4

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

The total provision for post-employment benefits to Key Management Personnel as at 31 December 2022 and 2021 amounted to € 1 million for the Group and less than € 0.1 million for the Company recognised in line item "Retirement and termination benefit obligations" in the 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 December 2022 and 2021 amounted to less than € 0.1 million.

As of 31 December 2022 Key Management Personnel and other related party held 247 thousand ordinary shares of the Company, compared to 185 thousand as of 31 December 2021.

47.2 Subsidiaries

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

(amounts in thousand €)	Company	
	31/12/2022	31/12/2021
Assets		
Due from banks	44,760	50,048
Debt securities at amortised cost (Gross carrying amount)	818,819	786,468
Other assets	852	782
Total	**864,431**	**837,298**
Liabilities		
Other liabilities	46,726	46,831
Total	**46,726**	**46,831**

(amounts in thousand €)	Company	
	1/1 - 31/12/2022	1/1 - 31/12/2021 As restated
Income		
Interest and similar income	98,851	91,192
Net gain from financial instruments measured at FVTPL	-	720
Dividend income	52,500	26,250
Net other income/ (expenses)	(1,154)	(986)
Total	**150,197**	**117,176**
Expenses		
Interest expense and similar charges	-	(7,727)
Fee and commission expense	(25,000)	(30,227)
Operating expenses	(946)	(982)
Total	**(25,946)**	**(38,936)**

The carrying amount of the Company's debt securities measured at amortised cost, regarding the fully subscribed Back-to-Back Tier 2 Notes issued by the Bank, amounted to € 796 million as at 31 December 2022 (31 December 2021: € 757 million) and includes ECL allowance of € 23 million (31 December 2021: € 29 million). The ECL release for the current year amounted to € 6 million (31 December 2021: charge of € 4 million). Line item "Interest and similar income" refers to interest income from the fully subscribed Back-to-Back Tier 2 notes.

Line item "Other Liabilities" as at 31 December 2022 includes an amount of € 1 million, which is related to lease liabilities of the Company's subsidiaries, according to IFRS 16.

Line item "Dividend income" refers to income from the coupons of the internal AT 1 capital instrument issued by the Bank and fully subscribed by the Company.

47.3 Associates

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

(amounts in thousand €)	Group		Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Loans and advances to customers at amortised cost (Gross carrying amount)	433,444	910,320	-	-
Other assets	3,409	5,818	3	114
Due to customers	254,136	400,083	-	-
Other liabilities	15,790	29,885	-	-

(amounts in thousand €)	Group		Company	
	1/1 - 31/12/2022	1/1 - 31/12/2021 As restated	1/1 - 31/12/2022	1/1 - 31/12/2021
Total expense and capital expenditure	(105,823)	(379,401)	(1)	(15,110)
Total income	47,505	62,520	16	34

The ECL allowance for impairment on loans and advances to customers at amortised cost granted from the Group and the Company to their associates as at 31 December 2022 amounted to € 75 million and nil, respectively (31 December 2021: € 124 million for the Group and nil for the Company). The ECL measurement on loans and advances to customers at amortised cost for the year 2022 amounted to € 46 million for the Group and nil for the Company (31 December 2021: € 9 million for the Group and nil for the Company).

Letters of guarantee to associates as at 31 December 2022 amounted to € 14 million for the Group and nil for the Company (31 December 2021: € 17 million for the Group and nil for the Company).

The variance in line item "Loans and advances to customers at amortised cost (Gross carrying amount)" mainly relates to the contribution into Strix Holdings LP of two (2) bond loans of € 421 million due from MIG (refer to Note 26B for further information).

In addition, the Group contributed its former subsidiary IMITHEA Single Member S.A. to its associate Strix Holdings LP. The Group recognised from the said transaction a gain of € 55 million (Refer to Note 14 and 26B for further details).

47.4 Joint ventures

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

(amounts in thousand €)	Group	
	31/12/2022	31/12/2021 As restated
Loans and advances to customers at amortised cost (Gross carrying amount)	53,635	103,880
Other assets	5	-
Due to customers	35	145,299

(amounts in thousand €)	Group	
	1/1 - 31/12/2022	1/1 - 31/12/2021 As restated
Total income	664	674

As of 31 December 2022 and 2021 the Company has no transactions with joint ventures.

The ECL allowance for impairment on loans and advances to customers at amortised cost granted from the Group and the Company to joint ventures as at 31 December 2022 amounted to € 40 million and nil, respectively (31 December 2021: € 42 million as restated for the Group and nil for the Company).

Letters of guarantee to joint ventures as at 31 December 2022 amounted to nil (31 December 2021: € 60 million).

48 Changes in the portfolio of consolidated companies

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

On 25 May 2022, within the context of the restructuring and rationalization of the leasing business of the Group through a corporate demerger, certain wholly owned subsidiaries of the Group were established, namely Piraeus Leasing Single Member S.A., Sunshine Leases Single Member S.A. and Piraeus Property Real Estate Management Single Member S.A. (the beneficiary entities), following the demerger of certain wholly owned subsidiaries of the Group, namely Piraeus Leasing Single Member S.A., Piraeus Financial Leasing Single Member S.A. and Piraeus Leases Single Member S.A. (the demerged entities), by transferring from each demerged entity certain assets and liabilities to a) each beneficiary entity (the net asset value, as at the transformation date, amounted to € 92 million, € 19 million and € 7 million, respectively) and b) to Piraeus Bank S.A. (a net asset value, as at the transformation date, of € 70 million). Hence, the aforementioned demerged entities were removed from the General Commercial Registry, while the subsidiary of Piraeus Financial Leasing Single Member S.A., namely Dynamic Asset Operating Leasing S.A., became a subsidiary of Piraeus Leasing Single Member S.A. Refer also to Note 30.

On 13 July 2022, the Company acquired a 55% controlling stake in Shnappi by fully subscribing a share capital increase of € 19 million. Refer to Note 26A for further information.

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

On 30 December 2022, Piraeus Bank S.A. established through contribution in kind the subsidiaries Aleva Single Member S.A. and Arpis Single Member S.A., by fully subscribing in their share capital of € 15 million. The aforementioned entities were founded in the context of the rehabilitation agreement of the Greek Sugar Industry.

Except for the above, during the period ended 31 December 2022 the Company did not make any new investment through acquisition or establishment of new companies, in excess of € 10 million.

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

The changes incurred during the period ended 31 December 2022, in excess of € 10 million, were the following:

On 2 March 2022, Piraeus Bank S.A. acquired a 52% controlling interest in Trastor for a cash consideration of € 98 million. Refer to Note 26A for further information.

On 22 September 2022, the Group lost control over Imithea Single Member S.A. Refer to Note 14 for further information.

Refer to Note 26B for current year's movements in associates.

c) Liquidation, disposal and merging of subsidiaries:

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

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

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

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

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

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

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

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

On 6 October 2022, Piraeus Bank S.A., in the context of its strategy for targeted assets utilization, disposed of its total participation in its subsidiary namely Piraeus Real Estate Management Single Member S.A.

On 31 October 2022, the shares of the Cypriot subsidiary company Sunrise Mezz PLC were admitted for trading on the Alternative Market (E.NA. PLUS) of the Athens Stock Exchange, following the distribution of shares issued by the company

Sunrise Mezz PLC to the shareholders of the Company, according to the decisions of the Company's AGM of 22 July 2022. Hence, Sunrise Mezz PLC ceased to be a subsidiary of the Group.

On 16 December 2022, Piraeus Bank S.A. disposed of its total participation in its associate namely Exus Software Ltd.

On 16 December 2022, Piraeus Nedvizhimi Imoti EOOD, 100% subsidiary company of the Group, disposed of its total participation in its subsidiary namely Infinity Omnia 11 OOD.

On 20 December 2022, the liquidation of the subsidiary of the Group, Piraeus Buildings S.A., was completed.

On 30 December 2022, Piraeus Bank S.A. disposed of its total participation in its subsidiary namely Piraeus Support Services Single Member S.A.

49 Independent Auditors' fees

On 22 July 2022, the Ordinary General Meeting of the Shareholders appointed Deloitte Certified Public Accountant S.A. as the principal independent public accountant for the year ended 31 December 2022. The following table presents the aggregated fees for professional statutory audit fees, tax audit fees, other audit related fees and other non-audit related fees for the years 2022 and 2021, by the Group's principal accounting firm Deloitte, which is a member firm of the Deloitte Network, other member firms of the Network and their respective affiliates (collectively, "Deloitte").

	Group		Company	
(amounts in thousand €)	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Statutory audit fees	2,482	2,626	205	250
Other audit related fees (Including tax audit fees)	1,071	1,301	505	609
Other non-audit related fees	272	132	91	-
Total	**3,825**	**4,059**	**801**	**859**

50 Reclassifications of comparative year

The reclassifications reflected in the Income Statement of the year 2021 are presented below. Refer to Note 7 "Net fee and commission income ", Note 8 "Income from Non-Banking activities" and Note 15 "Other credit-risk related expenses on loans and advances to customers at amortised cost" for further details.

€ Million	Group		
	Year ended 31/12/2021		
	As published	Reclassifications	As reclassified
CONTINUING OPERATIONS			
Interest and similar income	1,785	-	1,785
Interest expense and similar charges	(375)	-	(375)
NET INTEREST INCOME	**1,410**	**-**	**1,410**
Fee and commission income	498	-	498
Fee and commission expense	(104)	(2)	(106)
NET FEE AND COMMISSION INCOME	**394**	**(2)**	**392**
Income from non-banking activities	**-**	**40**	40
Dividend income	3	-	3
Net gains/ (losses) from financial instruments measured at FVTPL	85	-	85
Net gains/ (losses) from financial instruments measured at FVTOCI	87	-	87
Net gains/ (losses) from derecognition of financial instruments measured at amortised cost	326	-	326
Net gains/ (losses) from loss of control over subsidiaries/ disposal of associates and joint ventures	184	-	184
Net other income/ (expenses)	37	(40)	(3)
TOTAL NET INCOME	**2,526**	**(2)**	**2,523**
Staff costs	(405)	-	(405)
Administrative expenses	(418)	41	(377)
Depreciation and amortisation	(110)	-	(110)
TOTAL OPERATING EXPENSES	**(933)**	**41**	**(892)**
PROFIT/ (LOSS) BEFORE PROVISIONS, IMPAIRMENT AND OTHER CREDIT-RISK RELATED EXPENSES	**1,592**	**39**	**1,631**
ECL impairment (losses)/releases on loans and advances to customers at amortised cost	(4,232)	101	(4,131)
Other credit-risk related expenses on loans and advances to customers at amortised cost	(13)	(139)	(153)
Impairment (losses)/releases on other assets	2	-	2
ECL impairment (losses)/ releases on debt securities measured at FVTOCI	(11)	-	(11)
Impairment on subsidiaries and associates	(23)	-	(23)
Impairment of property and equipment and intangible assets	(13)	-	(13)
Impairment on debt securities at amortised cost	(19)	-	(19)
Other provision charges/ (releases)	8	-	8
Share of profit/ (loss) of associates and joint ventures	18	-	18
PROFIT/ (LOSS) BEFORE INCOME TAX	**(2,691)**	**-**	**(2,691)**
Income tax benefit/ (expense)	(316)	-	(316)
PROFIT/ (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	**(3,007)**	**-**	**(3,007)**
DISCONTINUED OPERATIONS			
Profit/ (loss) after income tax from discontinued operations	(7)	-	(7)
PROFIT/ (LOSS) FOR THE PERIOD	**(3,014)**	**-**	**(3,014)**
From continuing operations			
Profit/ (loss) attributable to the equity holders of the parent	(3,007)	-	(3,007)
Non controlling interest	(1)	-	(1)
From discontinued operations			
Profit/ (loss) attributable to the equity holders of the parent	(7)	-	(7)
Non controlling interest	-	-	-
Earnings/ (losses) per share attributable to the equity holders of the parent (in €):			
From continuing operations			
- Basic & Diluted	(3.50)	-	(3.50)
From discontinued operations			
- Basic & Diluted	(0.01)	-	(0.01)
Total			
- Basic & Diluted	(3.51)	-	(3.51)

€ Million	Company		
	Year ended 31/12/2021		
	As published	Reclassifications	As reclassified
CONTINUING OPERATIONS			
Interest and similar income	160	-	160
Interest expense and similar charges	(78)	-	(78)
NET INTEREST INCOME	**82**	**-**	**82**
Fee and commission income	43	-	43
Fee and commission expense	(36)	-	(36)
NET FEE AND COMMISSION INCOME	**7**	**-**	**7**
Income from non-banking activities	-	-	-
Dividend income	26	-	26
Net gains/ (losses) from financial instruments measured at FVTPL	(1)	-	(1)
Net gains/ (losses) from financial instruments measured at FVTOCI	-	-	-
Net gains/ (losses) from derecognition of financial instruments measured at amortised cost	-	-	-
Net gains/ (losses) from loss of control over subsidiaries/ disposal of associates and joint ventures	-	-	-
Net other income/ (expenses)	(3)	-	(3)
TOTAL NET INCOME	**111**	**-**	**111**
Staff costs	(3)	-	(3)
Administrative expenses	(21)	6	(15)
Depreciation and amortisation	-	-	-
Net gain/ (losses) from sale of property and equipment and intangible assets	-	-	-
TOTAL OPERATING EXPENSES	**(24)**	**6**	**(18)**
PROFIT/ (LOSS) BEFORE PROVISIONS, IMPAIRMENT AND OTHER CREDIT-RISK RELATED EXPENSES	**87**	**6**	**94**
ECL impairment (losses)/releases on loans and advances to customers at amortised cost	(1,523)	5	(1,518)
Other credit-risk related expenses on loans and advances to customers at amortised cost	-	(11)	(11)
Impairment (losses)/releases on other assets	(10)	-	(10)
ECL impairment (losses)/ releases on debt securities measured at FVTOCI	-	-	-
Impairment on subsidiaries and associates	(1,597)	-	(1,597)
Impairment of property and equipment and intangible assets	-	-	-
Impairment on debt securities at amortised cost	(4)	-	(4)
Other impairment (losses)/ releases	-	-	-
Other provision charges/ (releases)	-	-	-
Share of profit/ (loss) of associates and joint ventures	-	-	-
PROFIT/ (LOSS) BEFORE INCOME TAX	**(3,046)**	**-**	**(3,046)**
Income tax benefit/ (expense)	-	-	-
PROFIT/ (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	**(3,046)**	**-**	**(3,046)**
DISCONTINUED OPERATIONS			
Profit/ (loss) after income tax from discontinued operations	-	-	-
PROFIT/ (LOSS) FOR THE PERIOD	**(3,046)**	**-**	**(3,046)**
From continuing operations			
Profit/ (loss) attributable to the equity holders of the parent	-	-	-
Non controlling interest	-	-	-
From discontinued operations			
Profit/ (loss) attributable to the equity holders of the parent	-	-	-
Non controlling interest	-	-	-
Earnings/ (losses) per share attributable to the equity holders of the parent (in €):			
From continuing operations			
- Basic & Diluted	-	-	-
From discontinued operations			
- Basic & Diluted	-	-	-
Total			
- Basic & Diluted	-	-	-

51 Disclosures of Greek Law 4261/5.5.2014

According to article 81 of Greek Law 4261/2014, which incorporates into the Greek legislation article 89 of EU Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013, according to which, it is adopted for the first time the obligation for the Group to disclose information, on a consolidated basis, for each country in which it operates.

Disclosed information includes: name of the subsidiary, nature of business, geographical location, turnover, number of employees on a full-time equivalent basis, profit or loss before tax, tax on profit or loss and public subsidies. Turnover, profit or loss before tax, as well as tax on profit or loss are prepared on the same basis as the relevant figures reported in the financial statements for the years ended 31 December 2022 and 2021, which are prepared in accordance with IFRS as issued by the IASB and endorsed by the European Union.

Public subsidies received by the Group during the year ended 31 December 2022 are immaterial. Information presented above is analyzed in the following tables:

A) Country specific information

Country	31/12/2022			
	Total net income[3]	Profit/ (loss) before tax	Income tax benefit/ (expense)	Number of staff
Greece[1]	2,651	1,080	(139)	8,338
Romania	-	-	-	4
Bulgaria	2	(5)	-	8
Egypt	-	-	-	1
Cyprus	(2)	(3)	-	4
Serbia	2	3	-	5
Albania	-	-	-	2
Ukraine	14	(3)	-	293
Other countries[2]	(1)	15	-	3
Group[4]	**2,666**	**1,087**	**(139)**	**8,658**

(1) The amounts reported include the operations of the Bank's branches operating in foreign countries and special purpose vehicles incorporated in the U.K and Ireland.

(2) Other countries include U.K., British Virgin Islands and Ireland.

(3) Total net income includes net interest income, net fee and commission income, income from non-banking activities, dividend income, net gains/ (losses) from financial instruments measured at FVTPL, net gains/ (losses) from financial instruments measured at FVTOCI, net gains/ (losses) from derecognition of financial instruments measured at amortised cost, net gains/ (losses) from loss of control over subsidiaries/ disposal of associates and joint ventures and net other income/ (expenses).

(4) The amounts reported include both continuing and discontinued operations.

Country	31/12/2021 As reclassified			
	Total net income[3]	Profit/ (loss) before tax	Income tax benefit/ (expense)	Number of staff
Greece[1]	2,573	(2,662)	(319)	10,072
Romania	(1)	(1)	-	4
Bulgaria	2	(10)	-	8
Egypt	-	-	-	1
Cyprus	(24)	(24)	1	4
Serbia	-	-	-	5
Albania	-	-	-	2
Ukraine	12	1	1	326
Other countries[2]	-	-	-	3
Group[4]	**2,562**	**(2,697)**	**(317)**	**10,425**

(1) The amounts reported include the operations of the Bank's branches operating in foreign countries and special purpose vehicles incorporated in the U.K and Ireland.

(2) Other countries include U.K. and British Virgin Islands.

(3) Total net income includes net interest income, net fee and commission income, income from non-banking activities, dividend income, net gains/ (losses) from financial instruments measured at FVTPL, net gains/ (losses) from financial instruments measured at FVTOCI, net gains/ (losses) from derecognition of financial instruments measured at amortised cost, net gains/ (losses) from loss of control over subsidiaries/ disposal of associates and joint ventures and net other income/ (expenses).

(4) The amounts reported include both continuing and discontinued operations.

B) Group's subsidiaries based on the nature of their business and their geographical location

The Group's subsidiaries based on the nature of their business and their geographical location are presented in Note 26A.

Greek Law 4261/2014, article 82, which incorporated into Greek legislation the article 90 of Directive 2013/36/EU of the European Parliament and of the Council on 26 June 2013, established the requirement to disclose the total return on assets ratio. This ratio for the Company and the Group for the year ended 31 December 2022 amounted to 1.60% and 1.16%, respectively (31 December 2021: (36.90%) and (3.98%), respectively).

52 Disclosures of Greek Law 4151/2013

In accordance with the provisions of Greek Law 4151/2013, every credit institution operating in Greece has the obligation to remit to the Greek State the cash balances plus interest for all dormant deposits, for which a period of 20 years has passed until the end of April of each year. In this context, on 19 April 2022, Piraeus Bank remitted to the Greek State the amount of € 1,201,649.19.

53 Events Subsequent to the End of the Reporting Period

Since 6 February 2023 and up to 14 March 2023, Piraeus Bank gradually increased through the Stock Exchange its shareholding in MIG from 31.2% to 57.9%. The shareholding acquired in excess of one third of MIG's outstanding shares is subject to regulatory approval by the HCC and as a result, pursuant to the relevant provisions of antitrust law, the voting rights arising from such shares are not currently exercisable. Therefore, on 16 March 2023, the date that the Annual Financial Statements were authorized for issue, the Group had not obtained control over MIG. The cash consideration paid by Piraeus Bank for the additional equity interest in MIG throughout the subsequent events period, amounted to € 44 million, increasing the carrying amount of its investment in MIG to € 69 million. In line with the requirements of Greek Law 3461/2006, Piraeus Bank launched a mandatory tender offer ("MTO") in order to purchase the remaining MIG shares held by third parties at a price of €0.217 per share. Assuming that all existing shareholders accept Piraeus Bank's offer to sell their shares, the additional consideration payable in the context of the MTO is € 86 million. The MTO is expected to be completed in April 2023.

As disclosed in Note 26B, in November 2022, Piraeus Bank contributed into Strix Holdings LP, two bond loans due from MIG of total carrying value € 329 million, in exchange for additional limited partnership interests. On 13 December 2022, MIG announced that its BoD had accepted a proposal submitted by Strix Holdings LP for the exchange of the entirety of the bonds owned by Strix Holdings LP pertaining to said two bond loans for MIG's total direct and indirect stake in Attica Holdings S.A. (i.e. a total shareholding of 79.4%), the "Debt-to-Asset Swap". The proposed transaction was subject to two conditions precedent, namely: a) Strix Holdings LP being granted regulatory approval by the HCC for the acquisition of a controlling stake in Attica Holdings S.A.; and b) approval of the proposed Debt-to-Asset Swap by MIG's shareholders. Both conditions were met subsequent to the end of the reporting period. Specifically, on 23 February 2023 the HCC approved the acquisition of a controlling stake in Attica Holdings S.A. by Strix Holdings LP and on 3 March 2023, MIG's re-iterative extraordinary general meeting of shareholders held upon postponement, resolved on the approval of the Debt-to-Asset Swap. Assuming that the HCC grants approval to Piraeus Bank for acquiring a controlling stake in MIG, the latter will be accounted for as a subsidiary under the full consolidation method, effective from the HCC approval date (i.e. the acquisition date). Following satisfaction of the Debt-to-Asset Swap conditions precedent, the scope of MIG's identifiable net assets as of the acquisition date shall not include: a) Attica Holdings S.A. and its subsidiaries; and b) MIG's bond loan liabilities due to Strix Holdings LP. Based on MIG's public announcement dated 15 December 2022, MIG's total assets, total liabilities and net assets as of 30 September 2022 adjusted on a proforma basis for the Debt-to-Asset Swap, amounted to €228 million, € 100 million and € 128 million, respectively, therefore, the impact of the aforementioned business combination on the Group's financial position is not expected to be material.

Following the increase of its shareholding in excess of one third of MIG's outstanding shares, Piraeus Bank launched on 22 February 2023 a corollary MTO to the shareholders of Attica Holdings S.A. holding a total stake of 20.62%, in order to purchase their shares at a price of € 1.855 per share. The MTO is subject to approval by the HCC. Assuming that all such shares are purchased by Piraeus Bank, the cost of the MTO is € 83 million.

Athens, 16 March 2023

CHAIRMAN OF THE BOARD OF DIRECTORS	MANAGING DIRECTOR	GROUP CHIEF FINANCIAL OFFICER	DEPUTY CHIEF FINANCIAL OFFICER
GEORGE P. HANDJINICOLAOU ID No X 501829	CHRISTOS I. MEGALOU ID No AE 011012	THEODOROS CH. GNARDELLIS ID No AI 662109	GEORGE TH. MARINOPOULOS ID No AP 154589 License No Class A 0137758

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