Condensed Interim Consolidated Financial Statements

30 September 2023

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

PIRAEUS
FINANCIAL HOLDINGS

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Condensed Interim Consolidated Financial Statements as at 30 September 2023

Notes to the Condensed Interim Consolidated Financial Statements

Condensed Interim Consolidated Income Statement

€ Million	Note	9 month period ended 30/9/2023	9 month period ended 30/9/2022 As reclassified	3 month period ended 30/9/2023	3 month period ended 30/9/2022 As reclassified
CONTINUING OPERATIONS					
Interest and similar income	6	2,012	1,192	761	404
Interest expense and similar charges	6	(546)	(270)	(230)	(73)
NET INTEREST INCOME		**1,466**	**922**	**531**	**332**
Fee and commission income	7	406	374	142	126
Fee and commission expense	7	(60)	(60)	(22)	(19)
NET FEE AND COMMISSION INCOME		**345**	**314**	**120**	**107**
Income from non-banking activities		58	45	20	18
Dividend income		1	1	-	-
Net gains / (losses) from financial instruments measured at fair value through profit or loss ("FVTPL")	13	(3)	343	(13)	59
Net gains/ (losses) from financial instruments measured at fair value through other comprehensive income ("FVTOCI")		2	110	-	1
Net gains/ (losses) from derecognition of financial instruments measured at amortised cost		(1)	(21)	1	(1)
Net gains/ (losses) from loss of control over subsidiaries / disposal of associates and joint ventures	17	25	285	(3)	5
Net other income/ (expenses)		(10)	6	(10)	(7)
TOTAL NET INCOME		**1,885**	**2,006**	**646**	**513**
Staff costs		(274)	(314)	(80)	(121)
Administrative expenses		(251)	(253)	(89)	(85)
Depreciation and amortization		(79)	(80)	(26)	(25)
TOTAL OPERATING EXPENSES		**(603)**	**(647)**	**(196)**	**(232)**
PROFIT BEFORE PROVISIONS, IMPAIRMENT AND OTHER CREDIT-RISK RELATED EXPENSES		**1,282**	**1,359**	**450**	**282**
Impairment (losses) / releases on loans and advances to customers at amortised cost	4	(327)	(422)	(47)	(63)
Other credit-risk related expenses on loans and advances to customers at amortised cost	8	(108)	(90)	(28)	(28)
Impairment (losses) / releases on other assets		(19)	(16)	(9)	(7)
Impairment (losses) / releases on debt securities measured at FVTOCI		-	1	1	-
Impairment on subsidiaries and associates		-	(2)	-	-
Impairment of property and equipment and intangible assets	17	(27)	(3)	(5)	(1)
Impairment (losses) / releases on debt securities at amortised cost		10	(4)	15	(2)
Other provision (charges) / releases	9	(36)	(7)	(12)	(10)
Share of profit / (loss) of associates and joint ventures		(7)	(9)	16	-
PROFIT BEFORE INCOME TAX		**767**	**806**	**379**	**171**
Income tax expense	10	(193)	(78)	(102)	(56)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		**575**	**728**	**277**	**115**
DISCONTINUED OPERATIONS					
Profit after income tax from discontinued operations		-	51	-	53
PROFIT FOR THE PERIOD		**575**	**780**	**276**	**167**
From continuing operations					
Profit attributable to the equity holders of the parent		577	729	276	115
Non controlling interest		(2)	(1)	-	-
From discontinued operations					
Profit attributable to the equity holders of the parent		-	51	-	53
Non controlling interest		-	-	-	-
Earnings per share attributable to the equity holders of the parent (in €):					
From continuing operations					
- Basic & Diluted	11	0.46	0.58	0.22	0.09
From discontinued operations					
- Basic & Diluted	11	-	0.04	-	0.04
Total Basic & Diluted	11	0.46	0.62	0.22	0.13

Condensed Interim Consolidated Statement of Comprehensive Income

€ Million	Note	9 month period ended		3 month period ended	
		30/9/2023	30/9/2022	30/9/2023	30/9/2022
CONTINUING OPERATIONS					
Profit for the period (A)		**575**	**728**	**277**	**115**
Other comprehensive income/ (expense), net of tax:					
Items that may be reclassified subsequently to profit or loss					
Change in reserve from debt securities measured at FVTOCI	12	4	(188)	(12)	(12)
Change in currency translation reserve	12	-	(7)	-	(5)
Change in cash flow hedge reserve	12	2	-	2	-
Items that will not be reclassified subsequently to profit or loss					
Change in reserve from equity instruments measured at FVTOCI	12	(18)	(5)	(2)	(2)
Change in property revaluation reserve	12	2	7	2	7
Other comprehensive expense, net of tax (B)	12	**(10)**	**(193)**	**(9)**	**(12)**
Total comprehensive income, net of tax (A)+(B)		**565**	**535**	**268**	**103**
- Attributable to the equity holders of the parent		567	536	268	103
- Non controlling interest		(2)	(1)	-	-
DISCONTINUED OPERATIONS					
Profit for the period		**-**	**51**	**-**	**53**
Total comprehensive income, net of tax		**-**	**51**	**-**	**53**
- Attributable to the equity holders of the parent		-	51	-	53
- Non controlling interest		-	-	-	-

The notes on pages 10 to 64 form an integral part of the Condensed Interim Consolidated Financial Statements

Condensed Interim Consolidated Statement of Financial Position

€ Million	Note	30/9/2023	31/12/2022 As reclassified
ASSETS			
Cash and balances with Central Banks		12,687	9,653
Due from banks		737	750
Financial assets at FVTPL		1,057	548
Financial assets mandatorily measured at FVTPL		230	182
Derivative financial instruments	13	2,480	1,830
Loans and advances to customers at amortised cost	14	36,074	37,367
Loans and advances to customers mandatorily measured at FVTPL		52	52
Investment securities	16	12,281	11,741
Investment property		1,754	1,522
Investments in associated undertakings and joint ventures	17	1,207	1,023
Property and equipment		686	728
Intangible assets		332	312
Tax receivables	18	169	145
Deferred tax assets		5,801	5,974
Other assets		3,430	3,427
Assets held for sale	15	280	406
TOTAL ASSETS		**79,259**	**75,661**
LIABILITIES			
Due to banks	19	8,749	6,922
Due to customers	20	58,663	58,372
Derivative financial instruments	13	679	656
Debt securities in issue	21	1,386	849
Other borrowed funds	22	922	937
Current income tax liabilities		8	7
Deferred tax liabilities		9	10
Retirement and termination benefit obligations		48	55
Provisions		157	123
Other liabilities		1,492	1,147
Liabilities held for sale		-	2
TOTAL LIABILITIES		**72,114**	**69,080**
EQUITY			
Share capital	24	1,163	1,163
Share premium	24	3,255	3,555
Other equity instruments		600	600
Less: Treasury shares		(18)	-
Other reserves and retained earnings	25	2,104	1,235
Capital and reserves attributable to the equity holders of the parent		**7,103**	**6,553**
Non controlling interest		42	28
TOTAL EQUITY		**7,145**	**6,581**
TOTAL LIABILITIES AND EQUITY		**79,259**	**75,661**

As at 30 September 2023, the Group has changed the presentation of financial assets measured at FVTOCI and Debt securities at amortised cost by classifying them now into a single line item "Investment securities". Comparative information has been reclassified accordingly (refer to Note 29).

Condensed Interim Consolidated Statement of Changes in Equity

€ Million	Note	Share capital	Share premium	Other equity instruments	Treasury Shares	Currency translation reserve	Cash flow hedge reserve	Reserve from financial assets at FVTOCI	Property revaluation reserve	Other reserves	Non-taxed reserves	Retained earnings	Total	Non controlling interest	Total
		Attributable to the equity shareholders of the parent entity													
Opening balance as at 1/1/2022		**1,188**	**18,112**	**600**	**(2)**	**(54)**	**-**	**144**	**-**	**118**	**351**	**(14,669)**	**5,787**	**15**	**5,803**
Reclassification due to change in the presentation of non-taxed reserves [1]		-	-	-	-	-	-	-	-	-	37	(37)	-	-	-
Opening balance as at 1/1/2022 (as reclassified) [1]		**1,188**	**18,112**	**600**	**(2)**	**(54)**	**-**	**144**	**-**	**118**	**388**	**(14,706)**	**5,787**	**15**	**5,803**
Other comprehensive income/ (expense), net of tax	12	-	-	-	-	(7)	-	(193)	7	-	-	-	(193)	-	(193)
Profit / (loss) net of tax for the period 1/1 - 30/9/2022		-	-	-	-	-	-	-	-	-	-	781	781	(1)	780
Total comprehensive income/ (expense) for the period 1/1 - 30/9/2022		**-**	**-**	**-**	**-**	**(7)**	**-**	**(193)**	**7**	**-**	**-**	**781**	**588**	**(1)**	**586**
Share capital decrease in kind		(25)	-	-	-	-	-	-	-	-	-	-	(25)	-	(25)
Offset of share premium by writing-off accumulated losses		-	(14,557)	-	-	-	-	-	-	-	-	14,557	-	-	-
Payment to the holders of AT1 capital instrument		-	-	-	-	-	-	-	-	-	-	(26)	(26)	-	(26)
(Purchases) / sales of treasury shares		-	-	-	1	-	-	-	-	-	-	-	1	-	1
Transfer between reserves and retained earnings		-	-	-	-	-	-	-	-	1	-	(1)	-	-	-
Transfer of the accumulated reserve from equity securities measured at FVTOCI to retained earnings, upon disposal		-	-	-	-	-	-	-	-	-	-	(1)	(1)	-	(1)
Disposals and movements in participating interests		-	-	-	-	-	-	-	-	2	-	-	2	14	17
Balance as at 30/9/2022		**1,163**	**3,555**	**600**	**(1)**	**(61)**	**-**	**(48)**	**7**	**121**	**388**	**603**	**6,326**	**28**	**6,354**
Opening balance as at 1/10/2022		**1,163**	**3,555**	**600**	**(1)**	**(61)**	**-**	**(48)**	**7**	**121**	**388**	**603**	**6,326**	**28**	6,354
Other comprehensive income/(expense), net of tax		-	-	-	-	(2)	-	87	-	-	-	7	92	-	92
Profit net of tax for the period 1/10 - 31/12/2022		-	-	-	-	-	-	-	-	-	-	169	169	-	169
Total comprehensive income/ (expense) for the period 1/10 - 31/12/2022		**-**	**-**	**-**	**-**	**(2)**	**-**	**87**	**-**	**-**	**-**	**176**	**261**	**-**	**261**
Payment to the holders of AT1 capital instrument		-	-	-	-	-	-	-	-	-	-	(26)	(26)	-	(26)
(Purchases) / sales of treasury shares		-	-	-	1	-	-	-	-	-	-	-	1	-	1
Disposals and movements in participating interests		-	-	-	-	-	-	-	-	(3)	-	(6)	(9)	-	(9)
Balance as at 31/12/2022		**1,163**	**3,555**	**600**	**-**	**(63)**	**-**	**38**	**7**	**118**	**388**	**747**	**6,553**	**28**	**6,581**

€ Million	Note	Attributable to the equity shareholders of the parent entity												Non controlling interest	Total
		Share capital	Share premium	Other equity instruments	Treasury Shares	Currency translation reserve	Cash flow hedge reserve	Reserve from financial assets at FVTOCI	Property revaluation reserve	Other reserves	Non-taxed reserves	Retained earnings	Total		
Opening balance as at 1/1/2023		**1,163**	**3,555**	**600**	**-**	**(63)**	**-**	**38**	**7**	**118**	**388**	**747**	**6,553**	**28**	**6,581**
Other comprehensive income/(expense), net of tax	12	-	-	-	-	-	2	(14)	2	-	-	-	(10)	-	(10)
Profit / (loss) net of tax for the period 1/1 - 30/9/2023		-	-	-	-	-	-	-	-	-	-	577	577	(2)	575
Total comprehensive income/ (expense) for the period 1/1 - 30/9/2023		**-**	**-**	**-**	**-**	**-**	**2**	**(14)**	**2**	**-**	**-**	**577**	**567**	**(2)**	**565**
Offset of share premium by writing-off accumulated losses	24	-	(301)	-	-	-	-	-	-	-	-	301	-	-	-
Payment to the holders of AT1 capital instrument		-	-	-	-	-	-	-	-	-	-	(26)	(26)	-	(26)
(Purchases) / sales of treasury shares	24	-	-	-	(18)	-	-	-	-	-	-	1	(17)	-	(17)
Non-taxed reserves		-	-	-	-	-	-	-	-	-	23	(23)	-	-	-
Transfer between reserves and retained earnings		-	-	-	-	-	-	-	-	2	-	(2)	-	-	-
Transfer of the accumulated reserve from equity securities measured at FVTOCI to retained earnings, upon disposal		-	-	-	-	-	-	-	-	-	-	29	29	-	29
Disposals and movements in participating interests		-	-	-	-	-	-	-	-	5	-	(7)	(2)	16	14
Balance as at 30/9/2023		**1,163**	**3,255**	**600**	**(18)**	**(63)**	**2**	**25**	**9**	**125**	**411**	**1,596**	**7,103**	**42**	**7,145**

[(1)] As at 30 September 2023, Piraeus Bank changed 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 € 37 million, which were formed prior to 2022, and relate mainly to dividends and gains from the sale of participations, formerly classified under retained earnings, are now presented as "Non-taxed reserves". Comparative information has been reclassified to ensure consistency with the aforementioned changes in presentation of non- taxed reserves and retained earnings (refer to Note 29).

Condensed Interim Consolidated Cash Flow Statement

€ Million	Note	9 month period ended 30/9/2023	30/9/2022 As reclassified
Cash flows from operating activities			
Profit before income tax		767	858
Adjustments to profit before income tax:			
Add: provisions and impairment		400	455
Add: depreciation and amortisation charge		79	82
Add: retirement benefits and cost of voluntary exit scheme		11	31
Net (gain)/ losses from valuation of financial instruments measured at FVTPL		200	404
Net (gain)/ losses from financial instruments measured at FVTOCI		(2)	(110)
(Gains)/ losses from investing activities		(18)	(346)
Accrued interest from investing and financing activities		73	48
Cash flows from operating activities before changes in operating assets and liabilities		1,510	1,421
Changes in operating assets and liabilities:			
Net (increase)/ decrease in cash and balances with Central Banks		(23)	(875)
Net (increase)/ decrease in financial instruments measured at FVTPL		(997)	245
Net (increase)/ decrease in financial assets mandatorily measured at FVTPL		21	5
Net (increase)/ decrease in debt securities at amortised cost		(175)	(1,916)
Net (increase)/ decrease in amounts due from banks		(19)	642
Net (increase)/ decrease in loans and advances to customers		866	(105)
Net (increase)/ decrease in other assets		(37)	(117)
Net increase/ (decrease) in amounts due to banks		1,821	518
Net increase/ (decrease) in amounts due to customers		297	1,301
Net increase/ (decrease) in other liabilities		303	88
Net cash flow from operating activities before income tax payment		3,567	1,207
Income tax paid		(11)	(1)
Net cash inflow from operating activities		**3,556**	**1,206**
Cash flows from investing activities			
Purchases of property and equipment		(43)	(77)
Proceeds from disposal of property and equipment and intangible assets		34	13
Purchases of intangible assets		(58)	(46)
Proceeds from disposal of assets held for sale other than loans and advances to customers		3	300
Purchases of financial assets at FVTOCI		(1,778)	(1,544)
Proceeds from disposal of financial assets at FVTOCI		1,111	2,347
Interest received on financial assets at FVTOCI		13	36
Acquisition of subsidiaries net of cash and cash equivalents		(97)	(101)
Proceeds from disposal of subsidiaries, net of cash and cash equivalents disposed		31	4
Acquisition, establishment and participation in share capital increases of associates and joint ventures		(121)	-
Proceeds from disposal of associates and share capital decreases		51	3
Dividends received		18	7
Net cash inflow/ (outflow) from investing activities		**(837)**	**941**
Cash flows from financing activities			
Repayment of AT 1 capital instrument		(26)	(26)
Proceeds from issue of debt securities in issue and other borrowed funds		497	-
Interest paid on debt securities in issue and other borrowed funds		(71)	(70)
Proceeds from sales of treasury shares		55	21
Purchases of treasury shares		(72)	(21)
Repayment of lease liabilities		(37)	(19)
Net cash inflow/ (outflow) from financing activities		**345**	**(115)**
Effect of exchange rate changes on cash and cash equivalents		(35)	(6)
Net increase in cash and cash equivalents (A)		**3,029**	**2,026**
Cash and cash equivalents at the beginning of the period (B)	30	**9,401**	**15,868**
Cash and cash equivalents at the end of the period (A) + (B)	30	**12,429**	**17,894**

The Group has changed the presentation of proceeds from disposal of loan portfolios. In particular, for the period ended 30 September 2022, € 236 million have been reclassified out of cash flows from investing activities (line item "Proceeds from disposal of assets held for sale") and into cash flows from operating activities. Refer to Note 29 for further information.

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 (1) 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. The key subsidiary of the Group is the credit institution under the name "Piraeus Bank Société Anonyme" (hereinafter the "Bank") which is headquartered in Athens and generates circa 90% of the Group's revenues offering a full range of financial products and services in Greece. As at 30 September 2023, the headcount of the Group is 8,572 full time equivalents ("FTEs"), of which 35 FTEs refer to operations that are planned to be disposed.

Apart from the ATHEX General Index, the Company 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 the Company, that approved on 2 November 2023 the condensed interim consolidated financial statements for the nine-month period ended 30 September 2023 (the ''Interim Financial Statements"), consists of the following members:

George P. Handjinicolaou	Chairman of the BoD, Non-Executive Member
Karel G. De Boeck	Vice-Chairman of the BoD, Independent Non-Executive Member
Christos I. Megalou	Managing Director & 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 BoD are elected by the General Meeting (“GM”) of its shareholders and may be re-elected. The term of the members of the BoD may not exceed three (3) years and may be extended until the first ordinary GM convened after such term has elapsed. Pursuant to Greek Law 3864/2010, a representative of the HFSF participates in the BoD. If a member of the BoD 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 27 June 2023, the term of the current BoD expires on 27 June 2026.

2 Summary of significant accounting policies

2.1 Basis of preparation

The Interim Financial Statements have been prepared in accordance with International Accounting Standard (“IAS”) 34 Interim Financial Reporting and include selected explanatory notes, rather than all the information required for a full set of annual financial statements. Therefore, the Interim Financial Statements should be read in conjunction with the annual financial statements included in the 2022 Annual Financial Report of the Group, which have been prepared in accordance with International Financial Reporting Standards (“IFRSs”), as endorsed by the European Union (the “EU”).

The accounting policies adopted, are consistent with those of the previous financial year, except for the amendments of existing standards effective as at 1 January 2023, as described in Note 2.3. In addition, the Group has changed the presentation of specific line items in the condensed interim consolidated statement of financial position and in the condensed interim consolidated statements of income and cash flow, as well as the presentation of non-taxed reserves. Comparative period figures were reclassified to conform to the changes in current period's presentation. For further information in regards with the said reclassifications, refer to Notes 7 and 29, as well as to the statements of financial position, income, changes in equity and cash flows.

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

The Interim Financial Statements have been prepared under the historical cost convention, except for financial assets and financial liabilities held at FVTPL or at FVTOCI, as presented in the Condensed Interim Consolidated Statement of Financial Position and the relevant notes, derivative financial instruments and investment property, which have been measured at fair value.

2.2 Going concern

Conclusion

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

a) Greece's recent credit rating upgrade to investment grade, for the first time since the debt crisis, the solid economic growth in the first nine months of 2023 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, the deceleration of the high level of inflation and the gradual de-escalation of electricity household prices in the EU, affecting also Greece;

b) the Group's effective liquidity risk management leading to a robust liquidity position as evident by the Liquidity Coverage Ratio ("LCR") as at 30 September 2023 (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) - plus Pillar II Guidance ("P2G") - and the Minimum Requirement for own funds and Eligible Liabilities ("MREL") ratio of Piraeus Bank Group, which exceeded the 1st January 2023 Intermediate Guidance Target of 19.11% as at 30 September 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 at 30 September 2023;

e) the net profit attributable to the equity holders of the parent in the first nine months of 2023, which amounted to € 577 million and the non performing exposures ("NPEs") ratio dropping to 5.5% as at 30 September 2023 from 8.8% as at 30 September 2022.

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 to continue to operate as a going concern for a period of 12 months from the date of approval of the Interim Financial Statements. For this reason, the Group continues to adopt the going concern basis of accounting for preparing the financial statements.

Macroeconomic environment

In 2022, the Greek economy showed high resilience and strong dynamics despite international challenges. In particular, the real GDP in 2022 increased by 5.6%, despite the strong inflationary pressures, as nominal GDP was increased at a double-digit level of 13.8%. At the same time, conditions in the labor market improved, as the unemployment rate eased further to 12.4% (2021: 14.7%) and employment increased by 5.4%. At the fiscal level in 2022 the general government primary balance returned to a surplus (0.1% of GDP) and public debt was limited to 172.6% of GDP (2021: 195% of GDP).

In the first six months of 2023, the Greek economy, remained on a growth trajectory despite the uncertainty that prevails in the international environment and the macroeconomic impact of monetary policy in the Eurozone. In the first semester of 2023, real GDP increased by 2.4%, on an annual seasonally adjusted basis, a rate that although slower than the corresponding 2022 level, remains higher than the Eurozone average (0.9%). Domestic demand and exports contributed positively to GDP growth. Furthermore, the nominal GDP for the said period increased by 7.6%, on an annual seasonally adjusted basis, reflecting the impact of inflation.

The economic sentiment indicator in the first nine months of 2023 stood at an average of 108.5 points (full year 2022: 105.4 points), a value higher than the corresponding one in the eurozone (96.6 points). Moreover, the production indicators in industry — mainly in manufacturing — and in construction, as well as the turnover indicators in trade and the travel receipts show a positive trend. Finally, in the real estate market the price indices maintained an upward trend on an annual basis.

In the labor market, for the period between January to August 2023 and based on seasonally adjusted data, employment increased by 1.6%, on an annual basis, and the unemployment rate decreased to 11.2% compared to 12.7% for the corresponding period of 2022. The inflationary pressures, which were a key feature of 2022 in international and domestic levels, showed a clear trend of de-escalation. In the first nine months of 2023, national inflation (based on the Consumer Price Index, "CPI") was limited to 3.5% from 10.1% for the corresponding period of 2022, mainly due to the de-escalation of energy prices. Harmonized Consumer Price Index ("HICP") inflation for the first nine months of 2023 stood at 4.4% from 9.5% for the corresponding period of 2022.

For 2023 and 2024, the forecasts of the European Commission suggest that the economy will continue to grow, albeit at a slower pace, the unemployment rate will gradually decline, and inflationary pressures will be limited. At the fiscal level, a further expansion in the primary surplus and a de-escalation of the debt-to-GDP ratio are estimated. According to the Commission 2023 spring forecast, real GDP is forecast to expand by 2.4% in 2023, on the back of both domestic and external demand. In 2024, economic growth is projected at 1.9%. Investment is set to remain a key contributor to output growth, albeit at lower rates than in 2021-2023, while household spending is likely to be supported by a rise in real incomes. Headline HICP inflation from 9.3% in 2022 is projected to fall back to an average of 4.2% in 2023, due to easing energy prices. However, it is estimated that the lagged pass-through of high energy and food prices to services and non-energy industrial goods, will push up core inflation in 2023. HICP inflation is set to moderate to 2.4% by 2024.

With regard to the country's credit rating, its gradual upgrade resulted in the recovery of the investment grade for the first time since 2010. More specifically, on 20 October 2023, the rating agency S&P Global upgraded Greece's credit rating to investment grade BBB- from BB+ with stable outlook. Earlier on 8 September, the rating agency DBRS Morningstar upgraded Greece to investment grade, BBB (low) with a stable outlook. On 15 September, rating agency Moody's upgraded Greece's credit rating by two (2) notches to Ba1 from Ba3 with a stable outlook one (1) notch below investment grade. On 27 January, Fitch Ratings places the country's credit rating at BB+, with a stable outlook (the next assessment review is on 1 December 2023). According to the latest evaluations, Greece has secured the investment grade from two (2) rating agencies out of four (4), recognized by the ECB (Moody's, S&P, Fitch Ratings, and DBRS Morningstar).

The development prospects of the Greek economy depend also to a large extent on the utilization of European funds for the implementation of investment plans and the stimulation of entrepreneurship. The RRF, both in terms of grants and private sector investments through the loan facility, is a key factor from the perspective of sustainable development. Greece is to benefit from a total amount of € 30.16 billion under the RRF, of which € 11.1 billion has already been disbursed.

On 31 August 2023, Greece submitted a request to the European Commission to modify its Recovery and Resilience Plan (“RRP”). At the core of the revision is the addition of a RePower EU chapter including a new package of investments and reforms with European funding of € 795 million, as well as a request for additional loans of € 5 billion. These additional funds make the submitted modified plan worth € 18.22 billion in grants support and € 17.73 billion in loans support that is € 36 billion in total.

However, there are risk factors that could negatively affect the developments in the Greek economy and its prospects, the domestic banking sector in general and the Group, such as the ongoing effects created by geopolitical challenges, the maintenance of high inflationary pressures resulting in a decline of the purchasing power, the weakening of investment activity through the tight monetary policy, the increase of non-performing loans, as well as delays in the implementation of public and private projects and in meeting the Recovery Fund schedule.

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 stagnation of economic activity 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 helps to reduce the impact of attacks.

Liquidity

As at 30 September 2023, Group’s deposits stood at € 58.7 billion, practically stable (+0.5%) compared to 31 December 2022.

In response to inflationary pressures, the ECB's Governing Council continued to raise the key ECB interest rates reaching 4.50% for the main refinancing rate and 4.00% for the Deposit Facility Rate ("DFR"). This development has increased, and is expected to further increase cost of funding.

As at 30 September 2023, the Group's funding under Targeted Longer Term Refinancing Operations ("TLTRO") auctions amounted to € 5.5 billion, stable compared to 31 December 2022. Funding from the interbank market stood at € 0.1 billion as at 30 September 2023, compared to € 0.3 billion as at 31 December 2022.

Regarding the maturity profile of the aforementioned TLTRO funding, an amount of € 2.0 billion matures in December 2023 and the rest in 2024. The Group has the liquidity to repay the upcoming TLTRO maturities due to the ample position of € 12.7 billion in cash and balances with central banks.

The Group's balance sheet deleveraging, coupled with the moderately growing customer deposit base, alongside the active markets access through Tier 2 issuances (in 2019 and early 2020), Additional Tier 1 ("AT1") Capital instrument in 2021, and Senior Preferred Bond issuances in 2021, 2022 and 2023, improved the Group's funding mix, and increased its high-quality liquid assets ("HQLA") buffer. As at 30 September 2023, the Group's LCR stood at 242% (thus, more than 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

As at 30 September 2023, the Group's Basel III total capital adequacy ratio ("TCR") stood at 17.42% and the Common Equity Tier 1 ("CET 1") ratio stood at 12.78%.

Following completion of the Supervisory Review and Evaluation Process ("SREP"), the ECB informed the Group of its OCR.

The ECB, through the SREP decision on 14 December 2022, informed Management on the revised OCR levels, effective since 1 January 2023. The Group has to maintain, on a consolidated basis, a Total SREP Capital Requirement ("TSCR") of 11% and an OCR of 14.54% (OCR plus P2G at 16.29%), which includes: (a) the minimum Pillar I total capital requirements of 8.00% as per article 92(1) of the Capital Requirements Regulation ("CRR"); (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% under Greek Law 4261/2014; (d) the transitional Other Systemically Important Institutions ("O-SII") capital buffer of 1.00% for 2023, under Greek Law 4261/2014 and (e) the institution-specific Countercyclical Capital Buffer ("CCyB") under Greek Law 4261/2014 (as amended by Greek Law 4799/2021) of 0.04% for the period ended 30 September 2023.

Refer to Note 28 for further details on the Group's capital adequacy.

2.3 Adoption of International Financial Reporting Standards

The Group reviewed the amendments to existing standards that have been issued by the International Accounting Standards Board ("IASB"), have been endorsed by the EU as at the date the Interim Financial Statements were issued and are effective from 1 January 2023 and concluded that they did not have an impact on the Interim Financial Statements.

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

3 Critical accounting judgements and key sources of estimation uncertainty

In preparing the Interim Financial Statements, Management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant and are reviewed on an ongoing basis. Changes to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period. Actual results may differ from these estimates. The significant judgements made by Management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements, except for those presented below. The Group believes that the judgements, estimates and assumptions used in the preparation of the Interim Financial Statements are appropriate.

3.1 Key sources of estimation uncertainty

Macroeconomic factors

The Group prepares forecasts for the possible evolution of macroeconomic variables that affect the level of Expected Credit Losses ("ECL") on loans and advances to customers at amortised cost under multiple economic scenarios. Management assessed and revised its macroeconomic forecasts as at 30 September 2023.

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

ECL Key drivers Scenario	30/9/2023 (2023-2026) %	31/12/2022 (2022-2025) %
Real GDP growth		
Optimistic	5.4	6.5
Base	3.4	4.2
Pessimistic	1.5	2.1
Unemployment rates		
Optimistic	9.1	10.2
Base	11.1	12.2
Pessimistic	12.9	14.1
Price index (Residential)		
Optimistic	10.4	8.6
Base	8.6	6.7
Pessimistic	6.7	4.9
Price index (Non residential)		
Optimistic	6.1	5.5
Base	4.1	3.4
Pessimistic	2.1	1.4

In the first six months of 2023, the Greek economy remained on a growth trajectory, despite the uncertainty that prevails in the international environment and the macroeconomic impact of monetary policy in the Eurozone. In the first semester of 2023, real GDP increased by 2.4% on an annual seasonally adjusted basis, a rate that although slower than the corresponding 2022 level, remains higher than the Eurozone average (0.9%). Domestic demand and exports contributed positively to GDP growth. Furthermore, the nominal GDP for the said period increased by 7.6% on an annual seasonally adjusted basis, reflecting the impact of inflation.

In the labor market, for the period between January to August 2023, and based on seasonally adjusted data, employment increased by 1.6% on an annual basis and the unemployment rate decreased to 11.2%, compared to 12.7% in the corresponding period of 2022.

For the macroeconomic environment developments refer also to Note 2.2.

As at 30 September 2023, the Group's forecasts of the aforementioned economic variables across each scenario for 2023 and 2024 are the following:

	2023			2024		
ECL Key drivers Scenario	Optimistic	Base	Pessimistic	Optimistic	Base	Pessimistic
Real GDP growth	4.5	3.4	2.4	5.5	3.5	1.8
Unemployment rates	10.6	11.7	12.6	9.2	11.2	12.9
Price index (Non residential)	4.9	3.6	2.2	5.9	4.0	2.2
Price index (Residential)	12.4	11.4	10.5	10.5	8.8	7.1

4 Financial Risk Management

4.1 Fair values of financial instruments

4.1.1 Financial instruments not measured at fair value

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

	Carrying Amount		Fair Value	
	30/9/2023	31/12/2022	30/9/2023	31/12/2022
Financial assets				
Loans and advances to customers at amortised cost	36,074	37,367	35,295	37,007
Investment Securities at amortised cost	10,710	10,844	9,440	9,139
Financial liabilities				
Debt securities in issue	1,386	849	1,376	774
Other borrowed funds	922	937	899	848

The following methods and assumptions were used to estimate the fair values of the aforementioned financial instruments as at 30 September 2023 and 31 December 2022:

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 at the date of the valuation and adjustments for credit risk.

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

4.1.2 Financial assets and liabilities measured at fair value

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

IFRS 13 establishes a fair value hierarchy that categorises financial instruments into three (3) 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 Condensed Interim Statement of Financial Position at the end of the reporting period, by fair value hierarchy level:

Financial instruments measured at fair value and basis of valuation								
	30/9/2023				31/12/2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Derivative financial instruments	-	2,480	-	2,480	-	1,830	-	**1,830**
Financial assets at FVTPL	653	404	-	1,057	434	114	-	**548**
Financial assets mandatorily measured at FVTPL	112	-	118	230	104	-	78	**182**
Loans and advances to customers mandatorily measured at FVTPL	-	-	52	52	-	-	52	**52**
Investment Securities at FVTOCI	1,340	208	23	1,571	872	-	25	**897**
Financial liabilities								
Derivative financial instruments	-	679	-	679	-	656	-	**656**

Transfers between Level 1 and Level 2

Within the period ended 30 September 2023, € 4 million of bonds issued by corporations, were transferred from Level 2 to Level 1, due to change in their trading activity, while no transfers of financial assets from level 1 to level 2 occurred during the period ended 30 September 2023. There were no transfers of financial liabilities between Level 1 and Level 2 during the period ended 30 September 2023 and the year ended 31 December 2022. Transfers between levels of the fair value hierarchy are deemed to have occurred at the end of the reporting period, in which the financial instruments were transferred.

Level 3 financial instruments

Level 3 financial instruments include:

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

b) Financial assets mandatorily measured at FVTPL including contingent and variable consideration assets recognized following the disposal of NPE portfolios, the fair value of which was estimated at € 69 million (i.e. Senna, Sunshine), 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 based on the available information using an income or market approach, for which the main inputs used are earnings forecasts, comparable multiples, net asset value, adjusted equity and other parameters which are not market observable, as well as estimations that may adjust these values.

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

f) Subordinated notes of the Sunrise I and II, Phoenix and Vega I, II, III securitizations retained by the Group as at 30 September 2023 classified within "Loans and advances mandatorily measured at FVTPL", which have been valued using multiple valuation techniques incorporating significant unobservable inputs.

During the period ended 30 September 2023 and the year ended 31 December 2022, there were no transfers into or out of Level 3. The following table presents a reconciliation of Level 3 fair value measurements for the aforementioned periods:

	Reconciliation of Level 3 instruments		
	Financial assets mandatorily measured at FVTPL	Loans and advances to customers mandatorily measured at FVTPL	Investment securities measured at FVTOCI
Opening balance as at 1/1/2022	**93**	**77**	**22**
Gain/ (loss) recognised in the income statement or OCI	(26)	-	-
Additions	29	-	3
Disposals	(22)	(25)	-
FX differences	5	-	-
Closing Balance as at 31/12/2022	**78**	**52**	**25**
Gain/ (loss) recognised in the income statement or OCI	(14)	-	(2)
Additions	86	-	-
Disposals	(32)	-	-
Closing Balance as at 30/9/2023	**118**	**52**	**23**

Valuation Process and Control Framework

The Group has established appropriate processes and internal controls to ensure that the fair values of its financial assets and liabilities are reasonably estimated. The fair value measurements are determined by functions of the Group that are independent of the Risk Management 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 plain 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 at 30 September 2023 and 31 December 2022, the BCVA was immaterial.

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

Quantitative information for the Level 3 fair value measurement as at 30 September 2023 and 31 December 2022

Financial instruments[1]	Fair Value	Fair Value	Valuation Technique	Significant unobservable inputs	Range of inputs		Range of inputs	
	30/9/2023	31/12/2022			30/9/2023		31/12/2022	
					Low	High	Low	High
Financial assets mandatorily measured at FVTPL – Contingent & variable consideration	69	42	Monte Carlo simulation Discounted Cash Flows	Revenue volatility Discount rate Risk premium Expected cash flows	15% 14% 6% n/a[2]	15% 14% n/a n/a[2]	15% 14% n/a n/a[2]	15% 14% n/a n/a[2]
Financial assets mandatorily measured at FVTPL and FVTOCI – equity securities, mutual funds	69	59	Income, market approach	n/a[3]	n/a[3]	n/a[3]	n/a[3]	n/a[3]
Loans and advances to customers mandatorily measured at FVTPL – Phoenix, Vega I, II, III and Sunrise I and II subordinated notes	6	6	Market approach	Binding quotes from third parties	8%[4]	22%[4]	15%[4]	36%[4]
Loans and advances to customers mandatorily measured at FVTPL – other	46	46	Discounted Cash Flows	Credit risk adjusted expected cash flows	0%[5]	100%[5]	0%[5]	100%[5]

[1] Includes financial instruments with an individual fair value higher than € 5 million at the end of the reporting period

[2]The expected Cash Flows (CFs) throughout the earn-out calculation period are commercially sensitive and are not included in the table, given that disclosing them would be detrimental to the Group's interests

[3] 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

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

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

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

4.2 Credit Risk Management

4.2.1 Loans and advances to customers at amortised cost

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

For the purposes of this disclosure, gross carrying amount is defined as the amortised cost, before adjusting for any loss allowance, grossed up with the PPA adjustment. Similarly, the ECL allowance for impairment losses presented in the following tables includes the PPA adjustment. As such, the gross carrying amount and ECL allowance for impairment losses presented below does not reconcile to Note 14.

Loans and advances to customers at amortised cost for the Group as at 30 September 2023 and 31 December 2022 are summarised as follows:

30/9/2023	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Credit impaired Lifetime ECL	Purchased or Originated credit impaired ("POCI") Credit impaired Lifetime ECL	Total
Mortgages					
Gross carrying amount	4,425	1,514	244	292	6,475
Less: ECL Allowance for impairment losses	(3)	(15)	(24)	(8)	(50)
Total Mortgages	**4,422**	**1,499**	**220**	**285**	6,425
Consumer, Personal and Other loans					
Gross carrying amount	918	204	104	57	1,283
Less: ECL Allowance for impairment losses	(6)	(19)	(59)	(7)	(92)
Total Consumer, Personal and Other loans	**912**	**184**	**45**	**50**	1,191
Credit Cards					
Gross carrying amount	358	111	29	1	498
Less: ECL Allowance for impairment losses	(1)	(6)	(24)	(1)	(32)
Total Credit Cards	**357**	**104**	**5**	**-**	466
Retail Lending					
Gross carrying amount	5,701	1,828	377	350	8,257
Less: ECL Allowance for impairment losses	(11)	(41)	(107)	(15)	(174)
Total Retail Lending	**5,690**	**1,787**	**270**	**335**	8,083
Loans to Large Corporate					
Gross carrying amount	18,354	616	594	96	19,660
Less: ECL Allowance for impairment losses	(21)	(6)	(329)	(22)	(378)
Total Loans to Large Corporate	**18,333**	**610**	**266**	**74**	19,283
Loans to SMEs					
Gross carrying amount	7,312	918	797	223	9,250
Less: ECL Allowance for impairment losses	(21)	(55)	(443)	(90)	(609)
Total Loans to SMEs	**7,292**	**864**	**354**	**133**	8,642
Loans to Public Sector					
Gross carrying amount	66	-	1	2	68
Less: ECL Allowance for impairment losses	-	-	-	-	(1)
Total Loans to Public Sector	**65**	**-**	**1**	**2**	68
Corporate and Public Sector Lending					
Gross carrying amount	25,732	1,534	1,392	321	28,978
Less: ECL Allowance for impairment losses	(42)	(61)	(772)	(112)	(987)
Total Corporate and Public Sector Lending	**25,690**	**1,473**	**620**	**209**	27,991
Loans and advances to customers at amortised cost					
Gross carrying amount	31,433	3,362	1,769	671	37,235
Less: ECL Allowance for impairment losses	(53)	(102)	(879)	(128)	(1,161)
Total Loans and advances to customers at amortised cost	**31,380**	**3,260**	**890**	**543**	36,074

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**	**-**	**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**

Stage 1 exposures presented under note line "Large corporate lending" include collateralised loan obligations ("CLOs") with a gross carrying amount of € 504 million as at 30 September 2023 (31 December 2022: € 502 million). The corresponding ECL, for both periods is immaterial. Refer also to Note 14.

The movement of the ECL allowance for impairment losses on loans and advances to customers at amortised cost for the Group for the nine-month period ended 30 September 2023 and 2022, is as follows:

Movement in ECL allowance

	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 1/1/2023	37	120	1,115	148	**1,421**
Transfer (to)/ from Held for Sale	-	(2)	(180)	(19)	**(201)**
Transfers between stages (net)	20	(14)	(6)	-	**-**
ECL impairment charge/ (release) for the period (P&L)	(10)	(4)	350	(9)	**327**
Change in the present value of the allowance	-	-	38	7	**45**
Write-off of interest recognised from change in the present value of the allowance	-	-	(36)	(6)	**(43)**
Write-offs	(1)	(1)	(177)	(1)	**(180)**
Disposals of loans and advances	-	-	(8)	(6)	**(14)**
FX differences and other movements	6	3	(218)	13	**(195)**
ECL allowance as at 30/9/2023	**53**	**102**	**879**	**127**	**1,161**

Movement in ECL allowance

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

Line item "ECL impairment charge/ (release) for the period (P&L)" of the Group for the nine-month period ended 30 September 2023 includes an ECL impairment charge of € 176 million relating to Senna, Delta and Wheel II portfolios (refer to Note 15).

The table below presents the modification impact for the Group for the period ended 30 September 2023 and 2022.

	30/9/2023	30/9/2022
Gross modification impact before reversal of ECL allowance (A)	(2)	(1)
Reversal of ECL allowance (B)	(18)	(15)
Net modification impact in P&L (A+B)	**(20)**	**(16)**
Gross carrying amount of loans before modification	**512**	**1,054**
Gross carrying amount of modified loans initially ECL measured at Stage 3 and Stage 2 and currently measured at Stage 1	**252**	**166**

4.2.2 Receivables from the Greek Public Sector

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

	30/9/2023	31/12/2022
Derivative financial instruments	16	31
Debt securities at FVTPL	384	154
Loans and advances at amortised cost	67	1,619
Debt securities at amortised cost	7,170	7,517
Debt securities at FVTOCI	964	795
Other assets	704	731
Total	**9,305**	**10,848**

The decrease in the carrying amount of line item "Loans and advances at amortised cost" by approximately € 1.5 billion is mainly due to the repayment of funding provided to OPEKEPE, a public sector organisation, aiming to the prompt distribution of EU subsidies to Greek farmers.

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 of banking activity (i.e. branches, e-branches, ATMs etc.).

Corporate Banking – Includes Large Corporates, Shipping, Small and Medium Entities ("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, 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 ("SPVs") 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 Ltd, Strix Holdings LP and Strix Holdings II 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.

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

1/1 - 30/9/2023	“Core” Segments						
	Retail Banking	Corporate Banking	PFM	Other	Total	NPE MU	Group
Net interest income	692	455	285	48	1,480	(14)	1,466
Net fee and commission income	183	139	7	12	341	4	345
Income from non-banking activities	-	-	-	54	54	4	58
Net gain/ (losses) from derecognition of financial instruments measured at amortised cost	-	3	(2)	-	1	(2)	(1)
Net other income/ (expenses)	1	1	14	(18)	(2)	19	16
Total Net Income	**876**	**598**	**304**	**95**	**1,873**	**12**	**1,885**
Total operating expenses	(314)	(142)	(37)	(73)	(566)	(37)	(603)
Profit/ (loss) before provisions, impairment and other credit-risk related expenses	**562**	**456**	**267**	**22**	**1,307**	**(26)**	**1,282**
Impairment (losses) / releases on loans and advances to customers at amortised cost	4	(66)	-	(2)	(64)	(263)	(327)
Other credit-risk related expenses on loans and advances to customers at amortised cost	(26)	(38)	-	-	(64)	(44)	(108)
Impairment (losses) / releases on other assets	-	-	-	(19)	(19)	-	(19)
Impairment of property and equipment and intangible assets	-	-	-	(6)	(6)	(21)	(27)
Impairment (losses) / releases on debt securities at amortised cost	-	-	10	-	10	-	10
Other provision (charges)/ releases	1	(1)	-	(33)	(33)	(3)	(36)
Share of profit / (loss) of associates and joint ventures	-	-	-	(4)	(4)	(3)	(7)
Profit/ (loss) before income tax	**541**	**350**	**277**	**(42)**	**1,127**	**(359)**	**767**
Income tax expense							(193)
Profit for the period from continuing operations							**575**
Profit for the period							**575**
As at 30/9/2023							
Total assets from continuing operations (excluding assets held for sale)	11,958	21,212	30,090	6,717	69,977	9,002	78,979
Assets held for sale	2	1	-	10	13	267	280
Total assets	11,959	21,213	30,090	6,727	69,990	9,269	79,259
Total liabilities	44,244	13,670	10,381	3,301	71,597	517	72,114

1/1 - 30/9/2022 As reclassified [1]	"Core" Segments					NPE MU	Group
	Retail Banking	Corporate Banking	PFM	Other	Total		
Net interest income	311	315	156	154	936	(14)	**922**
Net fee and commission income	171	123	6	9	309	5	**314**
Income from non-banking activities	-	-	-	41	41	4	**45**
Net gain / (losses) from derecognition of financial instruments measured at amortised cost	-	-	(17)	(1)	(17)	(4)	**(21)**
Net other income/ (expenses)	283	1	482	(18)	747	(1)	**746**
Total Net Income / (expenses)	**765**	**438**	**627**	**185**	**2,015**	**(10)**	**2,006**
Total operating expenses	(343)	(132)	(44)	(89)	(608)	(39)	**(647)**
Profit/ (loss) before provisions, impairment and other credit-risk related expenses	**422**	**306**	**584**	**96**	**1,407**	**(49)**	**1,359**
Impairment (losses) / releases on loans and advances to customers at amortised cost	(3)	59	1	(7)	50	(471)	**(422)**
Other credit-risk related expenses on loans and advances to customers at amortised cost	(21)	(21)	-	-	(42)	(48)	**(90)**
Impairment (losses) / releases on other assets	-	-	-	(16)	(16)	-	**(16)**
Impairment on subsidiaries and associates	-	-	-	(2)	(2)	-	**(2)**
Impairment (losses) / releases on debt securities measured at FVTOCI	-	-	1	-	1	-	**1**
Impairment of property and equipment and intangible assets	-	-	-	(3)	(3)	-	**(3)**
Impairment (losses) / releases on debt securities at amortised cost	-	-	(4)	-	(4)	-	**(4)**
Other provision (charges)/ releases	1	2	-	(11)	(8)	-	**(7)**
Share of profit/ (loss) of associates and joint ventures	-	-	-	3	3	(12)	**(9)**
Profit/ (loss) before income tax	**399**	**346**	**582**	**59**	**1,386**	**(579)**	**806**
Income tax expense							(78)
Profit for the period from continuing operations							**728**
Profit after income tax from discontinued operations	-	-	-	51	51	-	**51**
Profit for the period							**780**
As at 31/12/2022							
Total assets from continuing operations (excluding assets held for sale)	12,037	21,817	25,387	6,399	65,640	9,615	**75,255**
Assets held for sale	4	12	-	17	33	373	**406**
Total assets	12,042	21,829	25,387	6,415	65,673	9,987	**75,661**
Total liabilities	42,791	14,319	8,356	3,141	68,608	472	**69,080**

(1) In the second quarter of 2023, the Group amended the presentation of deferred tax asset ("DTA") within reportable segments. As a result, DTA is allocated in each reportable segment, instead of presenting the DTA, in its entirety, in the reported segment "Other". The comparative information has been reclassified accordingly.

6 Net interest income

Continuing operations	1/1 - 30/9/2023	1/1 - 30/9/2022
Interest and similar income		
Debt securities measured at FVTOCI	27	26
Debt securities at amortised cost	181	123
Loans and advances to customers at amortised cost and reverse repos	1,358	848
Due from banks	19	5
Negative interest from liabilities to ECB	-	71
Negative interest from other interest bearing liabilities	-	3
Other	256	18
Total interest income for financial instruments not measured at FVTPL	**1,842**	**1,095**
Financial instruments measured at FVTPL	25	13
Derivative financial instruments	145	84
Total interest and similar income	**2,012**	**1,192**
Interest expense and similar charges		
Due to customers and repurchase agreements	(161)	(30)
Debt securities in issue and other borrowed funds	(96)	(70)
Due to banks	(191)	(7)
Contribution of Law 128/75	(40)	(40)
Negative interest from interest bearing assets	-	(39)
Other	(2)	(2)
Total interest expense from financial instruments not measured at FVTPL	**(490)**	**(188)**
Derivative financial instruments	(56)	(82)
Total interest expense	**(546)**	**(270)**
Net interest income	**1,466**	**922**

The increase in line item “Loans and advances to customers at amortised cost and reverse repos” for the period ended 30 September 2023 compared to the period ended 30 September 2022, is mainly due to interest rate increases of floating rate loans, following the consecutive ECB interest rate hikes since the second semester of 2022.

Line item “Other” of interest and similar income comprises € 222 million generated from the use of Eurosystem’s deposit facility, corresponding to overnight deposits with the Central Bank remunerated with the applicable DFR, which increased to 4.0% as at 20 September 2023, following the aforementioned consecutive increases of key interest rates.

Line item “Due to banks” of interest expense and similar charges includes the interest expense streaming from ECB funding, in the context of the TLTRO III program, amounting to € 128 million. For the comparative period the respective interest amounted to a total income of € 71 million and was presented in line item “Negative interest from liabilities to ECB”.

7 Net fee and commission income

Continuing operations	1/1 - 30/9/2023	1/1 - 30/9/2022 As reclassified
Fee and commission income		
Commercial banking	355	329
Investment banking	20	21
Asset management	30	24
Total fee and commission income	**406**	**374**
Fee and commission expense		
Commercial banking	(53)	(55)
Investment banking	(6)	(5)
Asset management	(1)	(1)
Total fee and commission expense	**(60)**	**(60)**
Net fee and commission income	**345**	**314**

Fee and commission expenses were reclassified in order to better reflect the nature of the expenses recognized, in respect of the services provided for processing card transactions, and due to the changes in presentation of assets under management ("AUM") and success fees (refer to Note 29).

a. Fee and commission income

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

The tables below present total fee and commission income from contracts with customers of the Group, for the nine-month periods ended 30 September 2023 and 2022, per product type and business segment.

1/1 - 30/9/2023	Total Fee and Commission income					
	Retail Banking	Corporate Banking	Piraeus Financial Markets	Other	NPE MU	Total
Asset management/Brokerage	28	2	8	10	-	48
Bancassurance	28	4	-	6	-	39
Cards Issuance	51	7	-	-	2	60
Deposits Commissions	6	1	-	-	-	7
Funds Transfer	45	18	-	6	1	70
Letters of Guarantee	2	31	-	1	1	34
Loans and advances to customers	10	67	-	-	1	78
Payments	15	3	-	1	-	20
FX fees	17	6	1	-	-	24
Other	17	6	-	3	-	26
Total	**221**	**144**	**9**	**27**	**5**	**406**

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

b. Other income, within the scope of IFRS 15

As presented in the tables below, other income that falls within the scope of IFRS 15, corresponding to contracts with customers of the Group, for the nine-month periods ended 30 September 2023 and 30 September 2022, amounted to € 83 million and € 35 million, respectively. The said amounts are included within line item "Net other income / (expenses)" of the Income Statement, inclusive of other expenses, as well as losses from the sale of investment property and other assets.

1/1 - 30/9/2023	Other Income					
	Retail Banking	Corporate Banking	Piraeus Financial Markets	Other	NPE MU	Total
Other operating income	-	-	-	7	69	76
Gain from sale of investment property	-	-	-	2	-	2
Gain from sale of other assets	-	-	-	5	-	5
Total	**-**	**-**	**-**	**14**	**69**	**83**

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

8 Other credit risk related expenses on loans and advances to customers at amortised cost

The Group's other credit risk related expenses on loans and advances to customers at amortised cost for the period ended 30 September 2023 amounted to € 108 million (30 September 2022: € 90 million) and consist of fees payable for having its NPE portfolio managed, such as AUM fees and success fees, and credit protection fees payable by the Group in the context of synthetic securitizations.

For the period ended 30 September 2023 AUM fees amounted to € 15 million (30 September 2022: € 20 million), success fees amounted to € 56 million (30 September 2022: € 50 million) and protection fees for credit risk amounted to € 37 million (30 September 2022: € 20 million).

9 Other provision (charges)/ releases

The variance of € 29 million against the period ended 30 September 2022, is mainly due to the recognition of a loss amounting to € 19 million for an option agreement written by the Bank that was exercised in the second quarter of 2023 and higher provision charges for loan commitments granted by € 6 million.

10 Income tax benefit / (expense)

Continuing operations	1/1 - 30/9/2023	1/1 - 30/9/2022
Current tax	(14)	(7)
Deferred tax	(179)	(71)
Income tax expense	**(193)**	**(78)**

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 at 2021 onwards.

The corporate income tax rate applicable to financial institutions, remains at 29% for 2023 and 2022, provided that the specific provisions of art. 27A of the Greek Income Tax Code ("ITC") apply to those tax years.

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

	1/1 - 30/9/2023	1/1 - 30/9/2022 As reclassified
Pensions and other post retirement benefits	(2)	(3)
Loans and advances to customers	(122)	3
Derivative financial instruments valuation adjustment	(14)	(19)
Investment property fair value adjustment	-	(2)
Depreciation of property and equipment	(2)	2
Amortisation of intangible assets	(4)	11
Recognition of tax losses carried forward	1	-
Impairment of Greek government bonds (PSI)	(41)	(41)
Investments	(2)	5
Reserve from finacial assets at FVTOCI	(2)	-
Other temporary differences	10	(26)
Total	**(179)**	**(71)**

Management has estimated that the tax losses carried forward of € 15 million for the Group as at 30 September 2023 can be used to offset future taxable profits and thus the Group has recognised a corresponding DTA amounting to € 3 million (31 December 2022: € 2 million). From the aforementioned tax losses, € 6 million has no predefined time limit in order to be offsetted against taxable income, while the remaining € 9 million can be offsetted over 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 taxable profits will be available, against which these carried forward tax losses can be utilised. On this base, the Group has unused tax losses as at 30 September 2023 of € 3,879 million (31 December 2022: € 2,177 million), for which no DTA was recognized in the Condensed Interim Consolidated Statement of Financial Position. The variance of € 1,702 million is mainly attributable to the acquisition of MIG Holdings S.A. ("MIG"). Refer to Note 17A for further details.

As at 30 September 2023, the Group has recognised a DTA of € 5,801 million (31 December 2022: € 5,974 million) and a deferred tax liability of € 9 million (31 December 2022: € 10 million).

As at 30 September 2023, the DTA of the Group that meets the provisions of article 27 of Law 4172/2013, i.e. is eligible for Deferred Tax Credit ("DTC"), amounted to € 3,467 million (31 December 2022: € 3,541 million), of which € 1,008 million relates to unamortised PSI losses (31 December 2022: € 1,050 million) and € 2,459 million relates to temporary differences between the IFRS carrying amount and tax base of loans and advances to customers (31 December 2022: € 2,491 million). In order to safeguard the regulatory amortization pace of the DTC loan component from being impacted by the 2021 modification in Article 27 of Law 4172/2013, a prudential DTC amortization adjustment of € 119 million as at 30 September 2023 (31 December 2022: € 55 million) was deducted from the Group's regulatory capital. This adjustment is solely taken into account for calculating the Group's regulatory capital. Refer to Note 28.

Effective from tax year 2021 onwards, par. 3A of article 27 of the ITC applies, as added with article 125 of Greek Law 4831/2021, regarding the treatment and order of offsetting the debit difference defined under article 27 of the ITC. According to par. 1 of the same article, any debit difference outstanding at the end of the twenty-year amortization period is classified as a loss and may be carried forward for five (5) 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 2023 and 2022 (Bulgaria: 10%, Romania: 16%, Egypt: 22.5%, Serbia: 15%, Ukraine: 18%, Cyprus: 12.5%, Albania: 15%, Netherlands 25.8%, Germany 15.825% and United Kingdom: 19% until 31 March 2023 and 25% from 1 April 2023 and onwards).

According to article 82 of Greek Law 4472/2017, credit institutions and other legal entities scoped into the provisions of article 27A of Greek Law 4172/2013 are required to pay an annual fee of 1.5% on the excess amount guaranteed by the Greek State of DTAs 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 of the Group for the period ended 30 September 2023, was € 5 million, and has been recognized within line item "Net other income/ (expenses)" of the Condensed Interim Consolidated Income Statement.

11 Earnings per share

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

	1/1 - 30/9/2023	1/1 - 30/9/2022	1/7-30/9/2023	1/7-30/9/2022
Profit for the period attributable to ordinary shareholders of the parent from continuing operations	577	729	276	115
Profit for the period attributable to ordinary shareholders of the parent from discontinued operations	-	51	-	53
Profit for the period attributable to ordinary shareholders of the parent from continuing and discontinued operations	**577**	**780**	**276**	**168**
Weighted average number of ordinary shares in issue (basic and diluted earnings)	1,249,777,043	1,249,714,516	1,249,248,640	1,249,461,039
Basic and diluted EPS in € from continuing operations	0.46	0.58	0.22	0.09
Basic and diluted EPS in € from discontinued operations	-	0.04	-	0.04
Basic and diluted EPS in € from continuing and discontinued operations	**0.46**	**0.62**	**0.22**	**0.13**

On 27 June 2023, the ordinary GM of the Company's shareholders approved a share buyback programme for the acquisition of own common shares of the Company, subject to prior regulatory approval. As at 30 September 2023, with the necessary regulatory approvals obtained, the share buyback programme had been concluded, affecting the weighted average number of ordinary shares accordingly. Refer to Note 24 for further information.

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

Continuing operations	1/1 - 30/9/2023			1/1 - 30/9/2022		
	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	5	(1)	4	(263)	75	(188)
Change in currency translation reserve	-	-	-	(7)	-	(7)
Change in cash flow hedge reserve	2	-	2	-	-	-
Items that will not be reclassified subsequently to profit or loss						
Change in reserve from equity instruments measured at FVTOCI	(25)	7	(18)	(7)	2	(5)
Change in property revaluation reserve	2	-	2	9	(2)	7
Other comprehensive income/ (expense) from continuing operations	**(16)**	**6**	**(10)**	**(268)**	**75**	**(193)**

13 Derivative financial instruments

The Group's derivative financial instruments mainly comprise currency and interest rate swaps ("IRSs"), forward rate agreements and options, held either for trading or hedging purposes. As at 30 September 2023, the Group's derivative assets and liabilities have a total fair value of € 2,480 million and € 679 million, respectively (31 December 2022: € 1,830 million and € 656 million, respectively).

Specifically, derivative assets and liabilities held for trading, with a carrying amount at the end of the reporting period of € 775 million and € 679 million, respectively (31 December 2022: € 753 million and € 656 million, respectively) relate mainly to IRSs. The fair value of the Group's derivative assets held for fair value hedging amounted to € 1,705 million at the end of the reporting period (31 December 2022: € 1,077 million).

The Group applies fair value hedge ("FVH") accounting in order to mitigate its exposure arising from interest rate variability on Greek Government Bonds ("GGBs") and other sovereign bonds, by using IRSs. For that purpose, during the 9-month period ended 30 September 2023, the Bank engaged in new IRSs for hedging its exposure to market interest rates and as a result the total nominal value of the sovereign debt securities for which FVH accounting is applied, increased by € 2,638 million.

As at 30 September 2023, the total nominal value of the aforementioned IRSs hedging sovereign bonds measured at FVTOCI and amortised cost, amounted to € 395 million and € 5,739 million, respectively (31 December 2022: € 202 million and € 3,294 million, respectively).

For the nine-month period ended 30 September 2023, the total impact of FVH accounting on the said debt securities was a loss of € 326 million, of which a € 323 million loss related to hedged items measured at amortised cost and a € 3 million loss related to hedged items measured at FVTOCI (30 September 2022: loss of € 1,392 million, of which € 1,340 million and € 52 million losses related to hedged items measured at amortised cost and FVTOCI, respectively), which was offset by a valuation gain of € 325 million of the hedging derivatives (30 September 2022: gain of € 1,414 million), resulting to a net loss of € 1 million recognised in the Condensed Interim Consolidated Income Statement (30 September 2022: net gain of € 23 million).

The variance of € 346 million in line item "Net gains/ (losses) from financial instruments measured at FVTPL" is mainly attributable to gains from derivatives recognised in the period ended 30 September 2022.

14 Loans and advances to customers at amortised cost

	30/9/2023	31/12/2022
Mortgages	6,474	6,877
Consumer/ personal and other loans	1,279	1,403
Credit cards	498	485
Retail Lending	**8,251**	**8,766**
Corporate and Public Sector Lending	**28,452**	**29,484**
Collateralised loan obligations	**504**	**502**
Total gross loans and advances to customers at amortised cost	**37,206**	**38,751**
Less: ECL allowance	(1,132)	(1,385)
Total	**36,074**	**37,367**

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

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 € 5,901 million as at 30 September 2023 (31 December 2022: € 6,075 million), are included within note line "Corporate and Public Sector Lending". 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 4.2.1, against the values presented in the aforementioned table is provided below, having taken into account the unamortised PPA as at the reporting date. For the purposes of this reconciliation, CLOs are presented within note line "Corporate and Public Sector Lending".

	30/9/2023	31/12/2022
Mortgages (grossed up with PPA adjustment)	6,475	6,879
Less PPA adjustment	(1)	(2)
Mortgages	**6,474**	**6,877**
Consumer/ personal and other loans (grossed up with PPA adjustment)	1,283	1,410
Less PPA adjustment	(4)	(6)
Consumer/ personal and other loans	**1,279**	**1,403**
Credit cards (grossed up with PPA adjustment)	498	485
Less PPA adjustment	-	-
Credit cards	**498**	**485**
Retail Lending (grossed up with PPA adjustment)	8,257	8,774
Less PPA adjustment	(5)	(9)
Retail Lending	**8,251**	**8,766**
Corporate and Public Sector Lending (grossed up with PPA adjustment)	28,978	30,013
Less PPA adjustment	(23)	(27)
Corporate and Public Sector Lending	**28,955**	**29,986**
Total gross loans and advances to customers at amortised cost (grossed up with PPA adjustment)	37,235	38,787
Less PPA adjustment	(29)	(36)
Total gross loans and advances to customers at amortised cost (A)	**37,206**	**38,751**
Less: ECL allowance (grossed up with PPA adjustment)	(1,161)	(1,421)
Less PPA adjustment	29	36
Less: ECL allowance (B)	**(1,132)**	**(1,385)**
Net loans and advances to customers at amortised cost (A) + (B)	**36,074**	**37,367**

15 Assets held for sale

As at 30 September 2023, the carrying amount of the Group's assets Held for Sale ("HFS") amounted to € 280 million (31 December 2022: € 406 million), mainly comprising loans and advances to customers. A breakdown of these HFS assets per business segment is presented in Note 5, where € 267 million and € 13 million have been reported under "NPE MU" and "Core" reporting segments, respectively. Management has concluded that the IFRS 5 criteria continue to apply to those assets that had been classified as HFS during previous reporting periods and are yet to be disposed as at 30 September 2023. Further information pertaining to those assets that have been classified as HFS or sold during the reporting period is provided below:

Assets classified as HFS during the reporting period

Delta portfolio: Portfolio "Delta" mainly comprises of NPEs across the corporate, SME and retail segments that have been originated in Romania and are subject to a funded participation agreement. Management assessed and concluded that the aforementioned loan portfolio satisfied the HFS classification criteria as at 30 June 2023. The carrying amount of the loans has been written down to € 36 million as at 30 September 2023, while the corresponding impairment losses charged in the Group's Condensed Interim Income Statement, following the HFS classification, amounted to € 42 million. The transaction is expected to be concluded during the first quarter of 2024.

Other portfolios: Certain NPEs and other receivables (other financial assets) were classified as HFS on 30 June 2023. The aggregate carrying amount of these exposures is € 5 million as at 30 September 2023. No impairment losses were recognized as a result of the HFS classification. The sale of these exposures is expected to be concluded by the end of the first quarter of 2024.

Assets sold during the reporting period:

Senna portfolio: The Group initiated and completed the sale process of an NPE loan portfolio, namely “Senna”, during the first semester of 2023. The transaction involved the securitization and transfer of the loans into a SPV and the issuance of a single securitization note which was wholly acquired by a third-party investor. As a result of the write-down and completion of the sale transaction, the Group recognized a total loss of € 123 million in the Condensed Interim Consolidated Income Statement.

Assets classified as HFS and sold during the reporting period

Wheel II portfolio: The Group initiated and completed the sale process of an NPE corporate loan portfolio, namely “Wheel II”, during the 9 month period ended on 30 September 2023. As a result of the write-down and completion of the sale transaction, the Group recognized a total loss of € 19 million in the Condensed Interim Consolidated Income Statement.

Assets classified as HFS in previous reporting periods and sold during the current reporting period

Sunshine portfolio: Sunshine Leases Single Member S.A. (“Sunshine Leases”), a subsidiary company of the Bank which was established in May 2022 following a corporate demerger and whose assets and liabilities were classified as HFS, was sold during the third quarter of 2023. The carrying amount of the aforementioned HFS assets was € 95 million as at 31 December 2022, while the corresponding ECL impairment losses charged in the Group’s Condensed Interim Income Statement during the 9 month period ended on 30 September 2023, amounted to € 12 million.

Other portfolios: The Group disposed certain NPE portfolios, namely Trinity IX, Trinity XI as well as other NPEs that had been classified as HFS during the fourth quarter of 2022, without incurring additional losses, during the 9 month period ended on 30 September 2023. The aggregate carrying value of the aforementioned exposures was € 26 million as at 31 December 2022.

16 Investment securities

As at 30 September 2023, the Group’s debt securities measured at amortised cost and financial assets measured at FVTOCI amounted to € 10,710 million and € 1,571 million, respectively (31 December 2022: € 10,844 million and € 897 million, respectively). The aforementioned investment securities mainly comprise domestic and foreign government 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 at the reporting date.

During the nine-month period ended 30 September 2023, the Group purchased debt securities which were classified at amortised cost of total nominal value € 336 million, of which € 87 million relates to sovereign bonds, € 245 million to financial institution bonds and € 4 million to corporate bonds. The impact of FVH accounting on debt securities measured at amortised cost is disclosed in Note 13. Furthermore, during the period ended 30 September 2023, the Group proceeded with purchases of government bonds and treasury bills, which were classified at FVTOCI and as a result the total nominal value of its domestic and foreign sovereign debt securities measured at FVTOCI increased by € 169 million and € 557 million, respectively.

As at 30 September 2023, debt securities measured at amortised cost net of provisions amounting to € 10,707 million are classified in Stage 1 (31 December 2022: € 10,837 million) with a corresponding ECL allowance of € 17 million (31 December 2022: € 31 million), while debt securities at amortised cost net of provisions amounting to € 3 million are classified in Stage 3

(31 December 2022: Stage 2 € 7 million and Stage 3 nil), with a corresponding ECL allowance of € 4 million (31 December 2022: Stage 2 € 4 million and Stage 3 nil).

Debt securities measured at FVTOCI are classified in Stage 1, in their entirety, and the resulting ECL allowance as at 30 September 2023 amounted to € 1 million (31 December 2022: stage 1 € 1 million).

17 Investments in consolidated companies

The Group's investments in consolidated companies as at 30 September 2023, are analysed below:

A. Subsidiaries (full consolidation method)

a/a	Company	Activity	Country	Unaudited tax years (1)	% holding
1.	Piraeus Bank S.A.	Banking activities	Greece	2020-2022	100.00%
2.	Piraeus Leasing Single Member S.A.	Financial leasing	Greece	-	100.00%
3.	Piraeus Property Real Estate Management Single Member S.A.	Property management	Greece	-	100.00%
4.	Dynamic Asset Operating Leasing S.A.	Operating leasing	Greece	2017-2022	100.00%
5.	Piraeus Securities S.A.	Stock exchange services	Greece	2017-2022	100.00%
6.	Piraeus Factoring Single Member S.A.	Corporate factoring	Greece	2017-2022	100.00%
7.	Piraeus Capital Management Single Member S.A.	Management of venture capital fund	Greece	2017-2022	100.00%
8.	Piraeus Jeremie Technology Catalyst Management Single Member S.A.	Management of venture capital fund	Greece	2017-2022	100.00%
9.	Piraeus Asset Management Single Member M.F.M.C. S.A.	Mutual funds management	Greece	2018-2022	100.00%
10.	Geniki Information Single Member S.A.	Assessment and collection of commercial debts	Greece	2017-2022	100.00%
11.	Achaia Clauss Estate S.A.	Property management	Greece	2017-2022	75.84%
12.	Kosmopolis A' Shopping Centers Single Member S.A.	Shopping center's management	Greece	2017-2022	100.00%
13.	ND Development Single Member S.A.	Property management	Greece	2017-2022	100.00%
14.	New Up Dating Development Real Estate and Tourism Single Member S.A.	Property, tourism & development company	Greece	2017-2022	100.00%
15.	Picar Single Member S.A.	City Link areas management	Greece	2017-2022	100.00%
16.	P.H. Development	Property management	Greece	2017-2022	100.00%
17.	General Construction and Development Co. S.A.	Property development/ holding company	Greece	2017-2022	66.66%
18.	Entropia Ktimatiki S.A.	Property management	Greece	2017-2022	66.70%
19.	Komotini Real Estate Development Single Member S.A.	Property management	Greece	2017-2022	100.00%
20.	Piraeus Development Single Member S.A.	Property management	Greece	2017-2022	100.00%
21.	Piraeus Real Estate Single Member S.A.	Real estate development	Greece	2017-2022	100.00%
22.	Pleiades Estate Single Member S.A.	Property management	Greece	2017-2022	100.00%

a/a	Company	Activity	Country	Unaudited tax years [1]	% holding
23.	Piraeus Agency Solutions Single Member S.A.	Insurance agency	Greece	2017-2022	100.00%
24.	Mille Fin S.A.	Trading of boat vehicles, cars and equipment	Greece	2017-2022	100.00%
25.	Multicollection S.A.	Assessment and collection of commercial debts	Greece	2009-2022	51.00%
26.	Piraeus Direct Solutions Single Member S.A.	Financial - telecommunication & IT services	Greece	2017-2022	100.00%
27.	Centre of Sustainable Entrepreneurship Excelixi Single Member S.A.	Consulting Services - Hotel - Training & Seminars	Greece	2017-2022	100.00%
28.	PROSPECT M.C.P.Y.	Yachting management	Greece	2017-2022	100.00%
29.	Ianos Properties Single Member S.A.	Property management	Greece	2017-2022	100.00%
30.	Lykourgos Properties Single Member S.A.	Property management	Greece	2017-2022	100.00%
31.	Thesis Hermes Single Member S.A.	Property management	Greece	2022	100.00%
32.	Thesis Agra Single Member S.A.	Property management	Greece	2022	100.00%
33.	Thesis Cargo Single Member S.A.	Property management	Greece	2022	100.00%
34.	Thesis Schisto Single Member S.A.	Property management	Greece	2022	100.00%
35.	Thesis Stone Single Member S.A.	Property management	Greece	2022	100.00%
36.	Trastor Real Estate Investment Company	Real estate investment property	Greece	2017-2022	97.78%
37.	Sinoris Single Member S.A.	Property management	Greece	2022	100.00%
38.	Iolcus Investments Alternative Investments Funds Managers S.A.	Alternative investments funds management	Greece	2017-2022	100.00%
39.	Snappi S.A.	Digital banking products and services	Greece	-	55.00%
40.	Aleva Single Member S.A.	Property management	Greece	-	100.00%
41.	Arpis Single Member S.A.	Property management	Greece	-	100.00%
42.	Synthis Single Member S.A.	Property management	Greece	-	100.00%
43.	Pileas Real Estate - Commercial S.A.	Property management	Greece	2020-2022	97.78%
44.	MIG Holdings S.A.	Holding company	Greece	2017-2022	87.79%
45.	Athenian Investments Holdings S.A.	Holding company	Greece	2017-2022	87.79%
46.	MIG Media S.A.	Advertising services	Greece	2017-2022	87.79%
47.	Cielo Consultancy Sh.P.K.	Property management	Albania	2014-2022	99.09%
48.	Euroinvestment & Finance Public Ltd	Asset management, real estate operations	Cyprus	2018-2022	90.90%
49.	R.E. Anodus Two Ltd	Holding and investment company	Cyprus	2013-2022	99.09%
50.	Tellurion Ltd	Holding company	Cyprus	2013-2022	100.00%
51.	Tellurion Two Ltd	Holding company	Cyprus	2015-2022	99.09%
52.	Trieris Two Real Estate LTD	Holding, Investment and Real Estate Portfolio Management	Cyprus	2011-2022	100.00%
53.	R.E. Anodus Ltd	Consultancy services for real estate development and investments	Cyprus	2014-2022	100.00%
54.	Lakkos Mikelli Real Estate Ltd	Property management	Cyprus	2018-2022	50.66%
55.	Philoktimatiki Public Ltd	Land and property development	Cyprus	2018-2022	53.32%
56.	Sunholdings Properties Company Ltd	Land and property development	Cyprus	2018-2022	26.66%

a/a	Company	Activity	Country	Unaudited tax years [1]	% holding
57.	Philoktimatiki Ergoliptiki Ltd	Construction company	Cyprus	2018-2022	53.32%
58.	MIG Leisure Ltd	Holding company	Cyprus	2009-2022	87.79%
59.	MIG Aviation Holdings Ltd	Holding company	Cyprus	2009-2022	87.79%
60.	JSC Piraeus Bank ICB	Banking activities	Ukraine	-	99.99%
61.	Akinita Ukraine LLC	Real estate development	Ukraine	2014-2022	100.00%
62.	Sinitem LLC	Sale and purchase of real estate	Ukraine	2013-2022	99.94%
63.	Solum Enterprise LLC	Property management	Ukraine	2012-2022	99.94%
64.	Solum Limited Liability Company	Property management	Ukraine	2018-2022	99.94%
65.	Piraeus Leasing Romania S.A.	Monitoring and collection services for loans disbursed by the company	Romania	2003-2022	100.00%
66.	Daphne Real Estate Consultancy SRL	Real estate development	Romania	2014-2022	99.09%
67.	Proiect Season Residence SRL	Real estate development	Romania	2018-2022	100.00%
68.	R.E. Anodus SRL	Real estate development	Romania	2013-2022	99.09%
69.	Piraeus Rent Doo Beograd	Operating leases	Serbia	2007-2022	100.00%
70.	JSC Robne Kuce Beograd (RKB)	Property management	Serbia	2007-2022	87.79%
71.	MIG Real Estate (Serbia) B.V.	Holding company	Netherlands	2007-2022	87.79%
72.	Piraeus Real Estate Egypt LLC	Property management	Egypt	2011-2022	100.00%
73.	Trieris Real Estate Management Ltd	Management of real estate companies	British Virgin Islands	-	100.00%
74.	Piraeus Group Capital Ltd	Debt securities' issuance	United Kingdom	-	100.00%
75.	Piraeus Group Finance PLC	Debt securities' issuance	United Kingdom	2012-2022	100.00%
76.	Piraeus SNF DAC	SPV for securitization of corporate, mortgage and consumer loans	Ireland	-	-
77.	Sunrise III NPL Finance DAC	SPV for securitization of corporate loans	Ireland	-	-
78.	Magnus NPL Finance DAC	SPV for securitization of corporate loans	Ireland	-	-

[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 76 - 78 are SPVs for securitization of loans and advances to customers and issuance of debt securities. The investment numbered 56 is a subsidiary due to majority representation in the company's BoD.

Furthermore, as at 30 September 2023 the subsidiaries duly numbered 10, 24, 25, 46 and 71 were under liquidation.

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

0.01% of the Group’s respective balances, based on their most recent financial statements.

Acquisition of MIG

As at 31 December 2022, the Bank’s 31.2% equity interest in MIG was classified as an associate. Since 6 February 2023, the Bank gradually increased its shareholding to 87.8% for a total cash consideration of € 105 million. The shareholding acquired through the Stock Exchange, in excess of one third of MIG’s outstanding shares, was subject to regulatory approval by the Hellenic Competition Commission (“HCC”), therefore, pursuant to the relevant provisions of antitrust law, the voting rights arising from such shares were not exercisable until the HCC’s approval date, i.e. 13 April 2023. The Bank’s shareholding in MIG as at 13 April 2023 was 62.2% and the cash consideration paid by the Bank for the additional 31% equity interest in MIG up to that date amounted to € 53 million. As the Bank held a non-controlling interest in MIG up to 13 April 2023, the additional investment of € 53 million was recognized under the equity method, i.e. the cost of the Bank’s investment in associates was increased by an equivalent amount. In line with the requirements of Greek Law 3461/2006, the Bank launched a mandatory tender offer (“MTO”) in order to acquire the remaining MIG common shares held by third parties at a price of € 0.217 per share. The MTO was completed on 21 April 2023 and the Bank’s shareholding in MIG increased by 25.6% to 87.8%, as at that date. The cash consideration paid by the Bank for the acquisition of the 25.6% interest amounted to € 52 million and the previously held 62.2% interest which was accounted for as an associate and which was increased to an 87.8% controlling interest through a business combination, was remeasured to fair value.

In November 2022, the Bank contributed into Strix Holdings LP, two (2) 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. 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.; b) approval of the proposed Debt-to-Asset Swap by MIG’s shareholders. Both conditions had been met prior to 13 April 2023, hence the scope of MIG’s identifiable net assets as at the acquisition date did not include: a) Attica Holdings S.A. and its subsidiaries; and b) MIG’s bond loan liabilities due to Strix Holdings LP. The Debt-to-Asset Swap was executed on 12 May 2023.

The acquisition of MIG underpins the Group’s strategy to achieve synergies from the Bank’s holdings portfolio and to maximize the returns for the benefit of the Company’s shareholders. The acquisition is expected to enhance the Group’s strategy for revenue diversification and entails the following key benefits: i) enrichment of the Group's investment property portfolio, ii) geographical dispersion of the Group’s activities; and iii) opportunities for the development of new business activities.

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

	MIG Holdings S.A. Consolidated amounts
ASSETS	
Due from banks	15
Investment property	203
Other assets	4
Total Assets	**222**
LIABILITIES	
Due to banks	92
Other liabilities	7
Total Liabilities	**99**
Net assets **(A)**	123
*of which pre-existing relationships **(B)***	*(82)*
Identifiable net assets recognized (C) A-B	**205**
Consideration paid	52
Effective settlement of pre-existing relationships	82
Non controlling interest	15
Fair value of previously held interest	76
Total (D)	**226**
Goodwill D-C	**21**

Management assessed that goodwill was impaired, given that the Group's investment in the acquiree is not expected to generate cash inflows that would be significantly higher from the fair value of the acquiree's underlying assets, therefore, an impairment loss of € 21 million was charged in the income statement. The fair value remeasurement of the previously held 62.2% interest in MIG resulted to a gain of € 34 million, which was recognized in line item "Net gains / (losses) from loss of control over subsidiaries / disposal of associates and joint ventures" of the Condensed Interim Consolidated Income Statement. The cash and cash equivalents acquired at the acquisition date, net of intercompany balances, amounted to € 6 million. During the period ended 30 September 2023, the Group recognized in the income statement a net loss of € 15 million from its total equity stake in MIG, broken down as follows:

	€ million
Share of MIG's loss under the equity method up to 13 April 2023	(24)
Gain from fair value remeasurement of the previously held 62.2% interest	34
Recycling of loss recognized in OCI under the equity method up to 13 April 2023	(4)
Impairment of goodwill	(21)
Total loss recognized in the income statement	**(15)**
of which: due to acquisition of the 56.6% stake in 2023	*(3)*
of which: due to pre-existing 31.2% stake	*(12)*

MIG's total revenue and loss before tax accounted for under the full consolidation method after 13 April 2023 and up to the reporting date is immaterial. The impact of the MIG acquisition on the Group's total net income and profit before income tax, had it been recognized on 1 January 2023, is immaterial.

Financial statements of subsidiaries

The annual financial statements of the Group's subsidiaries for the year ended 31 December 2022 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.

B. Associates and joint ventures (equity method)

B.1 Associates

The Group's associates as at 30 September 2023 are the following:

s/n	Company	Activity	Country	Unaudited tax years [1]	% holding
1.	Piraeus - TANEO Capital Fund	Close end venture capital fund	Greece	-	50.01%
2.	PJ Tech Catalyst Fund	Close end venture capital fund	Greece	-	30.00%
3.	APE Commercial Property Real Estate Tourist and Development S.A.	Holding company	Greece	2017-2022	27.80%
4.	Omicron Cyclos Ena Symmetohiki S.A. [2]	Holding company	Greece	2017-2022	28.10%
5.	APE Investment Property S.A.	Real estate, development / tourist services	Greece	2017-2022	28.92%
6.	Olganos Real Estate S.A.	Property management/electricity production from renewable energy resources	Greece	2017-2022	32.27%
7.	Pyrrichos S.A.	Property management	Greece	2017-2022	55.95%
8.	Exodus S.A. [2]	Information technology & software	Greece	2017-2022	49.90%
9.	Evros Development Company S.A.	European community programs management	Greece	2017-2022	30.00%
10.	Gaia S.A.	Software services	Greece	2017-2022	24.92%
11.	Crete Scient & Tech. Park Manag. & Dev. Co. S.A.	Scientific and technology park management	Greece	2017-2022	30.45%
12.	Intrum Hellas REO Solutions S.A.	Real estate	Greece	2019-2022	19.96%
13.	Intrum Hellas Credit Servicing S.A.	Credit and loan servicing	Greece	2019-2022	20.00%
14.	Teiresias S.A.	Interbanking company of development, operation and management of information systems	Greece	2017-2022	23.53%
15.	Piraeus Direct Services S.A.	Support & e-commerce services, trade of time renewal cards	Greece	2017-2022	49.90%
16.	ANEK Lines S.A.	Maritime transport - Coastal shipping	Greece	2019-2022	27.68%
17.	Perigenis Business Properties S.A.	Property management	Greece	2020-2022	20.61%
18.	Neuropublic S.A.	Development and management of information systems	Greece	2017-2022	5.00%
19.	Abies S.A. [2]	Property management	Greece	2017-2022	40.14%
20.	ETVA Industrial Parks S.A.	Development/ management of industrial areas	Greece	2017-2022	1.00%

s/n	Company	Activity	Country	Unaudited tax years [1]	% holding
21.	Euromedica Societe Anonyme for provision of medical services	Hospital and health services	Greece	2022	29.35%
22.	Trieris Real Estate Ltd	Property management	British Virgin Islands	2018-2022	18.41%
23.	Strix Holdings LP	Holdings limited partnership	Ireland	-	100.00%
24.	Strix Asset Management Ltd	Asset management	Ireland	-	25.00%
25.	Strix Holdings II LP	Holdings limited partnership	Ireland	-	100.00%

(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.

(2) Placed under liquidation as at 30 September 2023.

The Group's associate NGP Plastic S.A., is immaterial to the Group's financial position and results of operations, therefore, is not consolidated under the equity method but recognised at cost. The contribution of this non-significant associate is approximately 0.20%, 0.03% and 0.03% of the Group's total net income, total equity and total assets, respectively, based on the most recent available financial statements.

In June 2023, the Bank contributed its equity participations in subsidiaries Bulfina E.A.D. and Varna Asset Management EOOD to Strix Holdings II LP. As a result, the Group lost its control over these companies and their subsidiaries, namely Piraeus Nedvizhimi Imoti EOOD, Bulfinace E.A.D., Asset Management Bulgaria EOOD, Beta Asset Management EOOD, Delta Asset Management EOOD, Besticar Bulgaria EOOD, Besticar EOOD and Ekaterina Project EOOD. The Bank also contributed its equity participation in associate APE Fixed Assets Real Estate Tourist and Development S.A. to Strix II LP and lost its significant influence over the entity.

Following completion of the Debt-to-Asset Swap, the Group derecognized its 11.8% equity investment in Attica Holdings S.A., which was measured at FVTOCI and carried at € 62 million. The asset was contributed to Strix Holdings LP in July 2022, however, the legal transfer did not meet at that time the IFRS 9 derecognition requirements. The Group's cost of investment in Strix Holdings LP increased by an equal amount and profit before tax was not affected by the said derecognition.

In September 2023, upon approval of the Serbian Commission for Protection of Competition, the Bank contributed its equity participation in subsidiary Novus Symmetoches Single Member S.A. to Strix Holdings II LP. Therefore, the Group lost control over Novus Symmetoches Single Member S.A and its subsidiaries, namely Fabrika Secera Sajkaska Doo and Crvenka Fabrika Secera Doo.

The Group exercises significant influence but does not control any of the companies listed in the table above as at 30 September 2023. This holds even for the entities duly numbered 1, 7, 23 and 25, where the Group's shareholding exceeds 50%. Significant influence also exists in the companies duly numbered 12, 18, 20 and 22 where the Group's shareholding does not exceed 20%. Strix Holdings LP and Strix Holdings II LP are material associates of the Group.

B.2 Joint ventures

The Group's joint ventures as at 30 September 2023 are the following:

s/n	Company	Activity	Country	Unaudited tax years [1]	% 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%

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

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

18 Tax receivables

	30/9/2023	31/12/2022
Tax receivables	211	197
Accumulated impairment of tax receivables	(43)	(51)
Net tax receivables	169	145

Net tax receivables for the Group as at 30 September 2023 amounted to € 169 million (31 December 2022: € 145 million), of which € 158 million and € 7 million are attributable to the Bank and the Company, respectively, and € 4 million to other subsidiaries of the Group.

Piraeus Bank S.A.

Net tax receivables comprise the following:

a) Receivables from withholding taxes on interest of bonds and treasury bills of € 62 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 the Bank, as follows:

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

- Withholding taxes of € 29 million, which are subject to the provisions of par. 6 of article 3 of Greek Law 4046/2012 and not offset within five (5) years, can be netted off against tax liabilities of the Bank in equal instalments within 10 years, starting from 1 January 2020.

b) Withholding taxes of € 36 million deriving from interest income earned on Greek Government treasury bills, which were withheld after 1 January 2013. Such tax receivables are offset against income tax available in the next five (5) financial years from the financial year in which the income tax was withheld. Upon completion of the five-year period, any remaining withholding tax is netted off against current tax liabilities.

c) Withholding taxes of € 54 million derived from corporate bonds, which are refundable by the Greek State.

d) Various other tax claims of € 6 million.

19 Due to banks

	30/9/2023	31/12/2022
Amounts due to ECB and central banks	5,571	5,443
Interbank deposits	229	159
Securities sold to credit institutions under agreements to repurchase	603	298
Other	2,346	1,021
	8,749	**6,922**

Line item "Amounts due to ECB and central banks" includes the funding liabilities of the Bank due to ECB, in the context of the TLTRO III program. The interest expense regarding the TLTRO III funding for the period ended 30 September 2023 amounted to € 128 million (30 September 2022 interest income of € 71 million). Refer to Note 6.

Line item "Other" mainly comprises cash collateral received by the Bank in the context of derivative transactions engaged under ISDA and CSA agreements.

20 Due to customers

	30/9/2023	31/12/2022
Corporate		
Current and sight deposits	13,669	14,101
Term deposits	3,851	3,120
Blocked deposits, guarantee deposits and other accounts	326	324
Total (A)	**17,846**	**17,545**
Retail		
Current and sight deposits	7,268	7,672
Savings accounts	23,351	25,795
Term deposits	10,015	7,210
Blocked deposits, guarantee deposits and other accounts	40	39
Total (B)	**40,674**	**40,717**
Cheques payable and remittances (C)	**143**	**110**
Total Due to customers (A)+(B)+(C)	**58,663**	**58,372**

21 Debt securities in issue

	Weighted Interest Rate (%)	30/9/2023	31/12/2022
Senior Preferred Bond	3.875%	516	501
Senior Preferred Bond	8.250%	366	349
Senior Preferred Bond	7.250%	505	-
Total debt securities in issue		**1,386**	**849**

The financial terms of the debt securities held by third parties as at 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
30/9/2023													
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	516	3.875%
Piraeus Bank S.A.	Fixed Rate Senior Preferred Bond	-	28-Nov-22	28-Jan-27	EUR	8.250% / Annual	350	350	-	-	350	366	8.250%
Piraeus Bank S.A.	Fixed Rate Senior Preferred Bond	-	13-Jul-23	13-Jul-28	EUR	7.250% / Annual	500	500	-	-	500	505	7.250%

Issuer	Description	Underlying Loan Type	Issue Date	Maturity Date	Currency	Weighted Interest Rate on Total Outstanding Amount/ Coupon Frequency	Nominal value	Outstanding nominal amount	Redemptions	Nominal amount own held by the Bank	Nominal amount held by third party	Carrying value	Weighted Interest Rate
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%

On 13 July 2023, the Bank issued Senior Preferred Notes of nominal value € 500 million, maturing in July 2028, bearing an annual fixed interest rate of 7.25% for the first 4 years and reset once thereafter, at the prevailing mid swap rate plus 3.692% per annum. The Senior Preferred Notes may be redeemed by the issuer on 13 July 2027 at par of their nominal amount. 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 at the end of the reporting period:

Issuer	Description	Underlying Loan Type	Issue Date	Maturity Date	Currency	Weighted Interest Rate/ Coupon Frequency	Nominal value	Outstanding nominal amount	Redemptions	Accumulated Cancellations
30/9/2023										
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
31/12/2022										
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	-	-

As at 30 September 2023 and 31 December 2022, 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 € 3,431 million and € 3,779 million, respectively.

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)

22 Other borrowed funds

Other borrowed funds of the Group comprise solely two (2) Tier 2 subordinated notes of nominal value € 400 million and € 500 million, maturing in June 2029 and February 2030, respectively. As at 30 September 2023, the carrying value of the said notes for the Group amounted to € 409 million and € 513 million, respectively (31 December 2022: € 418 million and € 519 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 said 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 the period ended 30 September 2023, the Group did not proceed with any repurchases or new issuances of other borrowed funds.

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

23.1 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 30 September 2023, the Group provided for cases under litigation an amount of € 34 million (31 December 2022: € 26 million) 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 provision for such claims has been established as at 30 September 2023. 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 not expected to exceed € 217 million for the Group (31 December 2022: € 231 million), while the timing of the outflow is uncertain. Based on historical data, such legal cases do not result to significant losses for the Group.

Following the acquisition of a controlling stake in MIG that was completed in April 2023 Management, assisted by its legal advisors, reviewed the possible and present obligations under IAS 37 arising from past litigations and claims against MIG and its subsidiaries and concluded on the basis of the information and input provided by MIG that no provision should be recognised by the Group on its balance sheet. Further, no significant financial impact is expected from the contingent liabilities of MIG and its subsidiaries as per the above stated information and input.

23.2 Pending tax audits

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

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

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.

In regards to the Group’s Greek subsidiaries, the respective tax audits for the fiscal years up to 2021 have been completed and the relevant tax audit certificates issued were unqualified. In the Bank’s tax audit certificate for fiscal year 2013 an emphasis of matter was expressed on applicable provisions of Greek Tax Law regarding the acquisition of assets and liabilities of Greek branches of credit institutions domiciled in other EU member countries, according to which the above-mentioned transactions are not subject to tax.

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 Interim Financial Statements.

The unaudited tax years of the Group's subsidiaries, associates and joint ventures, are included in Note 17 and therefore their tax liabilities for these years may not be considered as final.

Additional taxes and penalties may be imposed for the unaudited tax years, however, no material impact is expected on the financial position of the Group.

23.3 Credit commitments

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

As at 30 September 2023 and 31 December 2022, the Group had undertaken the following commitments:

	30/9/2023	31/12/2022
Financial guarantees	5,473	4,789
Letters of credit	123	114
Irrevocable undrawn credit commitments	2,218	1,624
Total credit commitments	**7,814**	**6,527**
Other commitments	20	110
Total commitments	**7,835**	**6,637**

The irrevocable undrawn committed credit facilities are included in the RWAs calculation for capital adequacy purposes under regulatory rules currently in force. The Group's ECL allowance on credit commitments as at 30 September 2023 amounted to € 89 million (31 December 2022: € 92 million) and is included in line item "Provisions" in the Condensed Interim Consolidated Statement of Financial Position.

23.4 Assets pledged

	30/9/2023	31/12/2022
Due from banks	479	420
Financial assets at FVTPL	201	55
Loans and advances to customers at amortised cost	6,718	7,055
Financial assets measured at FVTOCI	101	-
Debt securities at amortised cost	2	41
	7,501	**7,571**

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 € 806 million (31 December 2022: € 389 million) are used for liquidity purposes. The said amount includes GGBs of total nominal value € 163 million (31 December 2022: € 162 million).

In addition to the above, as at 30 September 2023 and 31 December 2022 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".

Furthermore, it is noted that Bank's minimum reserve requirement, regarding the amount of funds held on average over the current maintenance period in its current accounts to Bank of Greece ("BoG"), amounts to € 585 million.

24 Share capital and share premium

	Number of shares		
	Issued shares	Treasury shares	Net number of shares
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**
Opening balance at 1/1/2023	**1,250,367,223**	**(259,798)**	**1,250,107,425**
Purchases of treasury shares	-	(28,596,144)	(28,596,144)
Sales of treasury shares	-	22,453,549	22,453,549
Balance at 30/9/2023	**1,250,367,223**	**(6,402,393)**	**1,243,964,830**

The Company's share capital as at 30 September 2023 and 31 December 2022 amounted to € 1,163 million, divided into 1,250,367,223 common registered shares, with a nominal value of € 0.93 each.

On 27 June 2023, the annual GM of the Company's shareholders approved a share buyback programme for the acquisition of up to 20,000,000 own common shares of the Company in a price range between € 0.75 (minimum price) to € 5.00 (maximum price) per share, provided that at the time of acquisition, the conditions set out in the legislative and regulatory framework are met. As at 30 September 2023 and having obtained first the necessary regulatory approvals, 5,283,004 common shares of the Company traded on the Athens Stock Exchange were acquired with a total cost of € 15 million. Following the aforementioned transaction and upon conclusion of the programme, the Company holds directly 5,283,004 own shares, representing 0.42% of its share capital.

Apart from the above, the remaining purchases and sales of treasury shares that occurred during the current period and in 2022, as well as the treasury shares owned as at 30 September 2023 and 31 December 2022, relate to transactions executed by the Group's subsidiary Piraeus Securities S.A. in the context of its market making operations.

The annual GM also approved the offsetting of an amount of € 301 million in the Company's "share premium" account by writing-off an equivalent amount of accumulated losses carried forward, for which the corresponding approval by the regulatory authorities was provided on 21 July 2023.

25 Other reserves and retained earnings

	30/9/2023	31/12/2022 As reclassified
Legal reserve	88	85
Reserve from financial assets measured at FVTOCI	25	38
Currency translation reserve	(63)	(63)
Cash flow hedge reserve	2	-
Property revaluation reserve	9	7
Other reserves	37	33
Non-taxed reserves	411	388
Total other reserves	**508**	**488**
Retained earnings	**1,596**	**747**
Other reserves and retained earnings	**2,104**	**1,235**

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

	30/9/2023	31/12/2022
Opening balance	**38**	**144**
Gains / (losses) from the valuation of debt securities	7	(50)
Gains from the valuation of equity securities	4	31
ECL on debt securities	-	(13)
Recycling of valuation adjustments and accumulated impairments upon disposal	(31)	(110)
Deferred taxation	6	36
Closing balance	**25**	**38**

26 Related party disclosures

Related parties are:

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

b) Close family members of Key Management Personnel,

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

d) Group´s subsidiaries,

e) Group´s associates and the subsidiaries of its associates,

f) Group´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.

Loans and advances granted to related parties and letters of guarantee issued in favor of related parties were made in accordance with the Group's approved credit policies and procedures in terms of interest rates, collaterals and non-payment risk.

26.1 Key Management Personnel and other related parties

The tables below present the Group's related party transactions with Key Management Personnel and the related parties referred to in points (b) and (c) above, as well as HFSF. No significant transactions occurred with the HFSF during the period ended 30 September 2023.

	30/9/2023		31/12/2022	
(amounts in thousand €)	Key Management Personnel	Other related parties	Key Management Personnel	Other related parties
Loans and advances to customers at amortised cost (Gross carrying amount)	3,822	418	3,394	407
Due to customers	3,660	703	4,587	2,018

	1/1 - 30/9/2023		1/1 - 30/9/2022	
(amounts in thousand €)	Key Management Personnel	Other related parties	Key Management Personnel	Other related parties
Income	82	42	35	27
Expense	26	1	36	-

Members of the Key Management Personnel benefits		
(amounts in thousand €)	1/1 - 30/9/2023	1/1 - 30/9/2022
Short-term benefits	6,855	5,007
Contributions to the Institution for Occupational Retirement, Life and Medical Provision	70	71
Post-employment benefits	89	69

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

The total provision established for post-employment benefits to Key Management Personnel as at 30 September 2023 and 31 December 2022, amounted to € 1 million, and is recognised in line item "Retirement and termination benefit obligations" in the Condensed Interim Consolidated Statement of Financial Position.

The ECL allowance on loans and advances to customers at amortised cost granted from the Group to Key Management Personnel and other related parties as at 30 September 2023 and 31 December 2022 amounted to less than € 0.1 million.

As at 30 September 2023, Key Management Personnel, and other related parties held 252 thousand ordinary shares of the Company, compared to 247 thousand as at 31 December 2022.

26.2 Associates

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

(amounts in thousand €)	30/9/2023	31/12/2022
Loans and advances to customers at amortised cost (Gross carrying amount)	162,486	433,444
Other assets	1,997	3,409
Due to customers	167,876	254,136
Other liabilities	13,834	15,790

(amounts in thousand €)	1/1 - 30/9/2023	1/1 - 30/9/2022 As restated
Total expense and capital expenditure	(71,322)	(79,027)
Total income	31,813	39,595

The ECL allowance on loans and advances to customers granted from the Group to its associates as at 30 September 2023 amounted to € 76 million (31 December 2022: € 75 million). The ECL charge on loans and advances to customers at amortised cost for the current period amounted to € 5 million (30 September 2022: € 45 million).

The letters of guarantee to associates as at 30 September 2023 amounted to € 9 million for the Group (31 December 2022: € 14 million).

Line item "Total income" includes dividend income received from associates amounting to € 17 million for the Group, for the period ended 30 September 2023 (30 September 2022: € 5 million).

As further explained in Note 17B, and 27B during the period ended 30 September 2023, the Group contributed to Strix Holdings LP and Strix Holdings II LP certain equity investments and invested also new funds of total value € 50 million and € 98 million, respectively, in exchange for additional limited partnership interests and also derecognized its 11.8% equity investment in Attica Holdings S.A., with a carrying value of € 62 million, for which the legal tranfer to Strix Holdings LP was performed in July 2022, though the IFRS 9 derecognition criteria were not met at that time. In 2022 the Group contributed its entire shareholding in subsidiary Imithea Single Member S.A. and two (2) bond loans of total carrying value € 329 million due from MIG.

Finally, as at 30 September 2023 the Group had undertaken commitments to associates amounting to € 20 million (31 December 2022: € 110 million).

26.3 Joint ventures

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

(amounts in thousand €)	30/9/2023	31/12/2022
Loans and advances to customers at amortised cost (Gross carrying amount)	53,961	53,635
Other Assets	-	5
Due to customers	990	35

(amounts in thousand €)	1/1 - 30/9/2023	1/1 - 30/9/2022
Total income	505	635

The ECL allowance on loans and advances to customers at amortised cost granted from the Group to joint ventures as at 30 September 2023 amounted to € 40 million (31 December 2022: € 40 million).

27 Changes in the portfolio of consolidated companies

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

In the first quarter of 2023, the Bank fully covered the share capital of its subsidiary Novus Symmetoches Single Member S.A., through cash and contribution in kind, for a total amount of € 47 million. In the context of the rehabilitation agreement of the Greek Sugar Industry, the said subsidiary acquired in the current reporting period a wholly owned shareholding in companies Fabrika Secera Sajkaska Doo and Crvenka Fabrika Secera Doo for € 17 million and € 28 million, respectively. Both companies were accounted for as subsidiaries under the full consolidation method. As at 30 September 2023, none of these companies is a subsidiary of the Group, as explained in Note 17B.

Except for the above, the Group did not make any new investment, during the nine-month period ended 30 September 2023, through acquisition or establishment in excess of € 10 million.

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

The changes incurred during the period ended 30 September 2023, in excess of € 10 million, were the following:

On 31 January 2023, the Bank fully subscribed in the share capital increase of its subsidiary Varna Asset Management EOOD via in-kind contribution for an amount of € 30 million.

On 23 February 2023, Trastor Real Estate Investment Company's ("Trastor") BoD decided to issue a mandatorily convertible bond, in accordance with Law 4548/2018, for a total amount of up to € 55 million. The bond will be covered in whole by the Bank. Up to the reporting date, an amount of € 44 million had been issued. The bond meets the definition of an equity instrument under IAS 32 and was classified as such on Trastor's balance sheet. The Bank increased the cost of its investment in Trastor by an equal amount. The said issuance has no effect at Group level.

On 24 March 2023, the Bank fully subscribed in the share capital increase of its subsidiary Bulfina EAD via in-kind contribution for an amount of € 86 million.

Please refer to Note 17A for the changes in the Bank's shareholding in MIG that occurred throughout the reporting period. Since 13 April 2023, MIG is accounted for as a subsidiary under the full consolidation method, hence, MIG's subsidiaries, namely MIG Leisure Ltd, MIG Real Estate (Serbia) B.V., JSC Robne Kuce Beograd (RKB), Athenian Investments S.A. Holdings, MIG Aviation Holdings Ltd, Tower Technology Holdings (Overseas) Ltd and MIG Media Advertising Services S.A. also became subsidiaries of the Bank.

In June 2023, the Bank lost control over its subsidiaries Varna Asset Management EOOD and Bulfina E.A.D., as well as its significant influence on associate APE Fixed Assets Real Estate Tourist and Development S.A., following contribution of its equity holdings in the aforementioned companies to Strix Holdings II LP. Moreover, the subsidiaries of the Bulfina E.A.D. group namely Asset Management Bulgaria EOOD, Besticar Bulgaria EOOD, Besticar EOOD, Beta Asset Management EOOD, Bulfinace E.A.D., Delta Asset Management EOOD, Piraeus Nedvizhimi Imoti EOOD and Ekaterina Project EOOD ceased to be subsidiaries of the Group. Refer to Note 17B.

On 23 June 2023, Intrum Hellas Credit Servicing S.A. executed a share capital decrease of € 155 million and an amount of € 31 million was distributed to the Bank. Following this capital return, the Bank decreased its cost of investment in Intrum Hellas Credit Servicing S.A. by an equal amount.

Within July 2023, the Bank contributed an amount of € 50 million to Strix Holdings LP and an amount of € 14 million to Strix Holdings II LP in the context of investing new funds, in exchange for additional limited partnership interests.

On 23 August 2023, the share capital increase of the Group's subsidiary JSC Robne Kuce Beograd (RKB) was completed, amounting to € 150 million, capitalizing part of the claim of its parent company MIG Holdings S.A.

As at 30 September 2023, the companies Novus Symmetoches Single Member S.A., Crvenka Fabrika Secera Doo and Fabrika Secera Sajkaska Doo ceased to be subsidiaries of the Group. Refer to Note 17B.

c) Liquidation, disposal and merging of subsidiaries:

On 2 January 2023, the 49.90% associate of the Group, Exodus S.A., was set under liquidation.

On 6 January 2023, the SPV Praxis I Finance PLC was dissolved.

On 7 March 2023, Piraeus Nedvizhimi Imoti EOOD, 100% subsidiary of the Group, disposed of its total participation in its subsidiary namely Emerald Investments EOOD.

On 15 May 2023, the liquidation of the Group's subsidiary Tower Technology Holdings (Overseas) Ltd, was completed.

On 29 May 2023, the liquidation of the Group's subsidiary Geniki Single Member S.A. Financial & Consulting Services, was completed.

On 1 June 2023, the Group's wholly owned subsidiary, Piraeus Nedvmizhimi Imoti EOOD, disposed of its total participation in its subsidiary namely Botstile EOOD.

On 18 July 2023, the Bank disposed of its total participation in its wholly owned subsidiary, Piraeus Electronic Loan Documentation Single Member S.A.

On 24 July 2023, the Bank disposed of its total participation in its wholly owned subsidiary, Neoris Single Member S.A.

On 2 August 2023, the subsidiary of the Group, MIG Real Estate (Serbia) B.V., was set under liquidation.

On 30 August 2023, the Bank disposed of its total participation in its wholly owned subsidiary Sunshine Leases Single Member S.A.

On 12 September 2023, the liquidation of the Group's subsidiary Tirana Leasing Sh.A. was completed.

28 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 CRR, are as follows:

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

Following the activation of the Single Supervisory Mechanism ("SSM") on 4 November 2014, the Group was placed under the direct supervision of the ECB.

The ECB, through the SREP decision on 14 December 2022, informed Management on the revised OCR levels, effective since 1 January 2023. The Group has to maintain, on a consolidated basis, a TSCR of 11% and an OCR of 14.54% (OCR plus P2G 16.29%), which includes:

a) the minimum Pillar I total capital requirements of 8.0% as per article 92(1) of the CRR;

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

c) the CCB of 2.5% under Greek Law 4261/2014, as amended by Greek Law 4799/2021;

d) the O-SII capital buffer of 1.0% for 2023 under Greek Law 4261/2014, as amended by Greek Law 4799/2021; and

e) the institution-specific CCyB under Greek Law 4261/2014 (as amended by Greek Law 4799/2021) of 0.04% for the period ended 30 September 2023.

The capital adequacy ratios as at 30 September 2023 and 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 are as follows:

	30/9/2023	31/12/2022
Common Equity Tier 1 Capital (CET1)	4,110	4,064
Tier 1 Capital	4,710	4,664
Total regulatory capital	5,605	5,557
Total RWAs (on and off- balance sheet items)	32,173	31,178
CET1 Capital ratio	12.78%	13.04%
T1 Capital ratio	14.64%	14.96%
Total Capital ratio	17.42%	17.82%

As at 30 September 2023, the TCR for the Group stood at 17.42% and the CET1 ratio stood at 12.78%, covering the minimum OCR levels. CET1 includes also specific prudential adjustments in accordance with article 3 of the CRR and supervisory expectations (inclusive of any NPE stock / Addendum calendar shortfall). Moreover, the Group in order to safeguard the regulatory amortization pace of the DTC loan component from being impacted by the 2021 modification in Article 27 of Law 4172/2013, a prudential DTC amortization adjustment of € 119 million as at 30 September 2023 (31 December 2022: € 55 million) was deducted from the Group's regulatory capital. This adjustment is solely taken into account for calculating the Group's regulatory capital.

29 Reclassifications of comparative period figures

The reclassifications reflected in comparative periods of the Condensed Interim Consolidated Income Statement, as well as the Statements of Financial Position, Changes in Equity and Cash Flow are presented below.

Condensed Interim Consolidated Income Statement

€ Million	9 month period ended 30/9/2022		
	As published	Reclassifications	As reclassified
CONTINUING OPERATIONS			
Fee and commission expense	(54)	(7)	(60)
NET FEE AND COMMISSION INCOME	**320**	**(7)**	**314**
TOTAL NET INCOME	**2.012**	**(7)**	**2.006**
Administrative expenses	(260)	7	(253)
TOTAL OPERATING EXPENSES	**(654)**	**7**	**(647)**
PROFIT BEFORE PROVISIONS, IMPAIRMENT AND OTHER CREDIT-RISK RELATED EXPENSES	**1.359**	**-**	**1.359**

€ Million	3 month period ended 30/9/2022		
	As published	Reclassifications	As reclassified
CONTINUING OPERATIONS			
Fee and commission expense	(16)	(3)	(19)
NET FEE AND COMMISSION INCOME	**110**	**(3)**	**107**
TOTAL NET INCOME	**516**	**(3)**	**513**
Administrative expenses	(88)	3	(85)
TOTAL OPERATING EXPENSES	**(235)**	**3**	**(232)**
PROFIT BEFORE PROVISIONS, IMPAIRMENT AND OTHER CREDIT-RISK RELATED EXPENSES	**282**	**-**	**282**

Condensed Interim Consolidated Statement of Financial Position

€ Million	31/12/2022		
	As published	Reclassifications	As reclassified
ASSETS			
Investment securities	-	11.741	11.741
Financial assets measured at FVTOCI	897	(897)	-
Debt securities at amortised cost	10.844	(10.844)	-
TOTAL ASSETS	**75.661**	**-**	**75.661**

Condensed Interim Consolidated Statement of Changes in Equity

€ Million	Non- taxed reserves	Retained earnings	Total	Non- taxed reserves	Retained earnings	Total	Non- taxed reserves	Retained earnings	Total
		As published			Reclassifications			As reclassified	
Opening balance as at 1/1/2022	351	(14,669)	5,787	37	(37)	-	388	(14,706)	5,787
Balance as at 30/9/2022	351	640	6,326	37	(37)	-	388	603	6,326
Opening balance as at 1/10/2022	351	640	6,326	37	(37)	-	388	603	6,326
Balance as at 31/12/2022	351	784	6,553	37	(37)	-	388	747	6,553

Condensed Interim Consolidated Cash Flow Statement

€ Million	9 month period ended 30/9/2022		
	As published	Reclassifications	As reclassified
Cash flows from operating activities			
Net (increase)/ decrease in financial assets mandatorily measured at FVTPL	(21)	26	5
Net (increase)/ decrease in loans and advances to customers	(316)	210	(105)
Net cash flow from operating activities before income tax payment	971	236	1.207
Net cash inflow from operating activities	**970**	**236**	**1.206**
Cash flows from investing activities			
Proceeds from disposal of assets held for sale other than loans and advances to customers	536	(236)	300
Proceeds from disposal of financial assets at FVTOCI	2.383	(36)	2.347
Interest received on financial assets at FVTOCI	-	36	36
Net cash inflow/ (outflow) from investing activities	**1.177**	**(236)**	**941**
Cash flows from financing activities			
Proceeds from sales of treasury shares	-	21	21
Purchases of treasury shares	-	(21)	(21)
Net cash inflow/ (outflow) from financing activities	**(115)**	**-**	**(115)**
Net increase in cash and cash equivalents (A)	**2.026**	**-**	**2.026**

30 Cash and cash equivalents

For the purpose of the Condensed Interim Consolidated Cash Flow Statement, “Cash and cash equivalents” comprise the following outstanding balances as at 30 September 2023 and 31 December 2022 with maturity of three months or less from their date of initial recognition.

	30/9/2023	31/12/2022
Cash and balances with Central Banks (excluding mandatory reserves)	12,090	9,080
Due from banks	258	290
Financial assets at fair value through profit or loss	7	3
Financial assets at fair value through other comprehensive income	74	28
	12,429	**9,401**

31 Events subsequent to the end of the reporting period

There are no material events subsequent to 30 September 2023.

Athens, 2 November 2023

CHAIRMAN OF THE BOARD OF DIRECTORS	MANAGING DIRECTOR	GROUP CHIEF FINANCIAL OFFICER	DEPUTY CHIEF FINANCIAL OFFICER
GEORGE P. HANDJINICOLAOU	CHRISTOS I. MEGALOU	THEODOROS CH. GNARDELLIS	GEORGE TH. MARINOPOULOS
ID No X 501829	ID No AE 011012	ID No AI 662109	ID No AP 154589 License No Class A 0137758

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