Annual Financial Report

31 December 2020

The attached Annual Financial Report has been approved by Piraeus Financial Holdings S.A. Board of Directors on 24 March 2021 and is available on the web site of Piraeus Financial Holdings S.A. at www.piraeusholdings.gr

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

PIRAEUS FINANCIAL HOLDINGS

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

To the best of our knowledge, the Full Year 2020 Financial Statements that have been prepared in accordance with the applicable accounting standards give a fair and true view of the assets, liabilities, equity and income statement of Piraeus Financial Holdings S.A. and the group of companies included in the consolidated accounts. In addition, the Board of Director's Annual Report for 2020 gives a fair and true view of the evolution, performance and position of Piraeus Financial Holdings S.A. and the group of companies included in the consolidated accounts, including the description of the main risks and uncertainties they have to deal with.

Athens, 24 March 2021

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

BOARD OF DIRECTORS’ ANNUAL REPORT

International Environment and Economic Developments

The global economy suffered from an unprecedented postwar pandemic crisis in 2020 due to the Covid-19 virus. Repeated strict lockdowns afflicted heavily the economic activity. However, the development of effective vaccines has led to an auspicious outlook for 2021 and 2022. The global economy contracted by 4% in 2020, but is anticipated to recover by 5.5% in 2021 and by 4% in 2022. Moreover, the global trade volume plummeted by 10% in 2020, but is expected to expand by 8% in 2021 and by 6% in 2022.

In the US economy, the real GDP shrank by 3.5% in 2020 and the unemployment rate rose above 14% temporarily. The Fed increased abruptly its assets by almost $3.5 trillion during 2020, so as to mitigate the severe pandemic impact. Additionally, the House of Representatives and the Senate approved fiscal support programs of about $3.5 trillion in total. At the end of 2020 the majority of leading business indicators stood at a high level. In 2021, the real GDP is estimated to grow by 5.5% and the unemployment rate is expected to fall to 5.5%. The Fed will probably continue the Quantitative Easing programme until at least 2022. Furthermore, US new administration is in favour of substantial fiscal support for enhancing recovery.

In the Euro area economy, the real GDP plunged by 7% in 2020 and the economy fell to deflationary environment. The European Central Bank (ECB) has launched the Pandemic Emergency Purchase Programme (i.e. PEPP) of € 1.85 trillion, which is scheduled to last until at least the end of March of 2022 so as to moderate the acute pandemic impact. It is worth mentioning that the sovereign yields have been in very low levels across the Euro area, due to the ECB’s PEPP high effectiveness. The ECB has decided to continue to reinvest the principal payments from maturing securities purchased under the PEPP until at least the end of 2023. In 2021, the real GDP is estimated to grow by 4% and the inflation rate is predicted to recover to 1%. The EU leaders decided in 2020 the establishment of the Recovery Fund of € 750 billion, which is expected to start its disbursements during the second half of 2021. The EU leaders also anticipate the normalization of the US-EU trade relations with US president Biden.

China has stood out during the pandemic crisis. The real GDP grew by 2% in 2020, as China was the first to recover from the pandemic crisis. In 2021, the real GDP of China is estimated to grow by 8%. Generally, in emerging and developing economies, the real GDP shrank by 3% in 2020, but is estimated to recover by 6% in 2021.

Developments in the Greek Economy in 2020, Prospects and Risks for 2021

In 2020, despite the growth dynamics observed in the first two months of the year, the Greek economy was affected by the conditions and high level of uncertainty caused by the rapid spread of the global Covid-19 pandemic. After the completion of the third economic adjustment program in August 2018, Greece joined the economic and fiscal policy coordination cycle of the European Semester and is now scoped into the enhanced supervision of Regulation (EU) 472/2013. In the context of this framework, nine successful and on-time reviews have been completed from November 2018 to February 2021.

In 2019 and up to early 2020, Moody's, S&P Global and Fitch had gradually upgraded the Greek sovereign rating to “B1” (Stable Outlook), “BB-” (Positive Outlook) and “BB” (Positive Outlook), respectively. In April 2020, S&P Global and Fitch confirmed Greece's sovereign rating to "BB-" and "BB”, respectively, but revised the outlook to stable from positive due to the adverse effects of the Covid-19 pandemic. In November 2020, Moody’s upgraded the Greek sovereign rating to “Ba3” (Stable Outlook) on the basis of both the maintenance of the reform orientation in 2020 and the positive economic prospects of the country in the coming years.

In 2019, Greece recovered its access to international debt markets with three successful new Greek Government Bond (GGB) issuances, while in 2020 five more issuances of GGBs were completed, reaching a historical low cost. At the same time, the European Central Bank granted a waiver of eligibility requirements for securities issued by the Greek government, on March 2020, allowing for their purchase under ECB’s pandemic emergency purchase program (PEPP).

In 2019, the real GDP increased by 1.9% on a yearly basis, while improvements in business and consumer confidence steered the Economic Sentiment Indicator (ESI) to 105.6 points (annual average), the highest level since 2007. In 2020, real GDP decreased by 8.2%, due to the effects of the Covid-19 pandemic and mainly driven by the decline in exports of services and private consumption. Based on the Explanatory Budgetary Report in 2021 the economy is expected to recover at a rate of +4.8%. For 2020 the support measures are estimated at € 23.9 billion in total, which include, on top of € 11.6 billion fiscal measures, € 1.6 billion of deferrals and € 10.7 billion liquidity enhancement, (including the estimated leverage from the banking system).

Due to the adverse macroeconomic developments related with the Covid-19 outbreak, as well as the expansionary measures adopted to address it, both the fiscal and current account deficit widened in 2020. The State Budget balance on a modified cash basis, for 2020, presented a deficit of € 22.8 billion. Furthermore, in 2020, the current account showed a deficit of € 11.2 billion, mainly due to the deterioration of travel receipts surplus. Travel receipts decreased on an annual basis by 76.5%. The ESI fell by -9.3 points in 2020 compared to 2019, to 96.4, reflecting the impact of the health crisis on almost all sectors of economic activity and consumers' expectations. The seasonally adjusted unemployment rate in the period between January – November 2020 was 16.5% compared to 17.4% in the same period of 2019. However, the labor market has been affected by the implementation of specific operating rules to companies and the adaption of measures to protect public health. In 2020, inflation stood at -1.2% on an annual basis (2019: 0.3%) reflecting, among others, the impact of insufficient demand. The current health crisis finds the Greek real estate market in a critical period, showing significant recovery signs in the past three years. Commercial property prices (as illustrated by the Bank of Greece office price index) increased by 2.0% on an annual basis in the first semester of 2020. Residential property prices (the apartment price index of the Bank of Greece) increased by 4.2% in 2020 on an annual basis.

The Summit of 17-21 July 2020 approved the € 750 billion ‘Next Generation EU’ European recovery plan, of which € 390 billion in grants and € 360 billion in loans to Member States. The plan prioritizes key areas for Europe's future, such as green growth and the digital transformation of economies. Of the above, € 32 billion have been allocated to Greece, comprising € 19.3 billion in grants and € 12.7 billion in the form of loans. These are additional resources of the new Multiannual Financial Framework 2021-2027. The Greek economy is expected to show strong growth in the coming years strengthened by the EU funds. Greece’s economic recovery in 2021 is largely dependent on the restoration of tourism activity and the utilization of the funds under the “Next Generation EU”.

Primary risk factors for the developments in the Greek economy, the domestic banking sector in general and for the Group in particular, are the global and domestic macroeconomic and financial market conditions, mainly due to the effects of Covid-19. The depth and duration of the recession, the velocity of the recovery as well as the effective utilization of the Next Generation EU funds, will be decisive factors in determining the long-term impact of the Covid-19 pandemic to the Greek economy, the banking sector and the Group. Therefore, a potential slow and weak economic recovery, along with persistently high unemployment and possible decline of real estate prices could potentially have a negative effect on the quality of the Group’s loan portfolio, and subsequently to its profitability and capital adequacy. Further, the geopolitical developments in the wider region is an additional risk factor.

Developments in the Greek Banking System

The Greek banking system in 2020 continued to recover, despite the outbreak of the Covid-19 pandemic early in the year. During 2020, the liquidity and funding profile of the Greek Banks continued to strengthen. The confidence towards the Greek banking system by households and businesses continued to improve as evidenced by the increased deposits in the system. Moreover, the measures taken by ECB, mainly through the TLTRO facilities, helped improve the funding and liquidity status of the system.

With respect to loans of the domestic private sector in the Greek market, their growth in 2020 was negative (-8.2%) with the drop being mainly attributed to the sales of NPE portfolios, with balances as at 31 December 2020 standing at € 141.2 billion (Source: Bank of Greece) after a 9.4% decline in 2019. However, the annual adjusted rate of domestic private sector financing (after write-offs, reclassifications and FX differences) was +5.8% compared to -0.6% in 2019 and -1.1% in 2018. The change is due to the increase of the business sector financing, while the rate of financing of households remained negative. Write offs were also much lower in 2020 compared to 2019. The net loans to deposits ratio for the Greek banking market further improved to 73.1% as at 31 December 2020 from 84.3% a year earlier.

As far as liquidity of the Greek banking system is concerned, during 2020, the increase of deposits continued, as a result of the State support programs for businesses and employees against the Covid-19 pandemic and the continuous improvement of confidence by households and businesses to the banking system. Total deposits in the domestic market (private and public sector) increased by 9% during 2020, amounting to € 173.5 billion as at 31 December 2020.

The funding of the Greek Banks from the ECB increased markedly during 2020. ECB's decision on 7 April 2020, waived the minimum credit quality requirement for marketable debt instruments issued by the Hellenic Republic for acceptance as collateral in Eurosystem credit operations. In December 2020, the waiver was extended until June 2022. As a result of these decisions, the pool of eligible collateral of the Greek Banking system increased significantly and Greek banks replaced wholesale funding through the repo market with cheaper ECB funding through utilization of the Targeted Longer term Refinancing Operations (TLTRO) facility. The ECB funding for Greek banks stood at € 41.2 billion as of December 2020 compared to € 7.7 billion in December 2019. Greek Banks continued throughout 2020 to build liquidity buffers, improving further the mix of their portfolios with more Level 1 assets and mostly unencumbered. The target for the system remained to keep rising their High-Quality Liquid Assets (HQLAs), in order to keep improving their Liquidity Coverage Ratio (LCR), which as of end of the third quarter stood at 156.5%.

In 2020, Greek banks accessed the primary debt capital markets, issuing € 1.5 billion through 3 debt instruments, two of which were Tier 2 securities, while the third was a green bond. The issuance of debt was assisted by the significant drop in bond yields across international debt markets during 2020, especially in Greek debt, and by the improving credit ratings of both the Greek sovereign and of Greek banks during the past two years.

The operating profitability of Greek banks improved during the course of 2020. According to Bank of Greece data, during the first nine months of 2020, the operating results of Greek banks increased by 36.8% yoy mainly due to the increase in fees and other income, positively affected by increased trading income, while the operating expenses also declined by 3.4% yoy.

A decision that indicates the restoration of confidence to the Greek banking system was taken on 6 March 2020, when ECB repealed the upper limits on their exposure to Hellenic Republic risk it had set in a previous decision in 2015. As a consequence, Greek banks were allowed to buy unlimited amounts of Greek sovereign debt. Greek Banks increased their exposure on Greek sovereign debt, which led to significant gains in 2020 and early 2021, mainly through exchanges of debt with the Greek state.

The capital adequacy of Greek banks was satisfactory at the end of September 2020. The CET1 ratio stood at 14.6% from 16.2% in December 2019, while the total capital adequacy ratio was at 16.3% from 17.3% in FY2019. The decline was mainly the result of the P&L impact of the NPE securitizations, the increased provisions due to the Covid-19 pandemic, which had a negative impact on profitability and consequently on capital and finally on the phase in of the IFRS9 first time adoption arrangement. The capital gains recorded from the Greek sovereign debt sales, supported Greek banks' capital buffers.

The measures that the ECB Banking Supervision announced on March 2020, allow banks to operate temporarily below the level of capital defined by the Pillar 2 Guidance (P2G) and the capital conservation buffer (CCB). In addition, banks will also be allowed to partially use capital instruments that do not qualify as Common Equity Tier 1 (CET1) capital, for example, additional Tier 1 or Tier 2 instruments, to meet the Pillar 2 Requirements (P2R), according to CRD V.

Addressing the high level of NPEs continues to be the biggest challenge for the Greek banking system. Since the end of 2016, the Bank of Greece, in cooperation with the Single Supervisory Mechanism ("SSM") of the ECB, set operational targets for the reduction of non-performing exposures of Greek banks, which are accompanied by key performance indicators. The submission of March 2020 was postponed due to the Covid-19 pandemic and Greek banks submitted updated NPE plans in September 2020. Greek banks are expected to submit refreshed NPE plans for the period up to 2023 in March 2021. Based on September 2020 data, NPEs have decreased by 14.3% compared to 31 December 2019 (-€ 9.8 billion) and 45.2% compared to March 2016, when NPEs reached their peak, dropping to € 58.7 billion or 35.8% of total exposures.

In March 2020, the EBA announced actions to mitigate the impact of Covid-19 on the EU banking sector allowing more flexibility in the implementation of the EBA Guidelines on the management of non-performing and forborne exposures. On top of the introduction of more flexibility on capital buffers that the SSM announced, in March 2020 the supervisor introduced some flexibility on provisioning and NPL formation, in the form of a) flexibility regarding the classification of debtors as unlikely-to-pay when banks call on public guarantees granted in the context of Covid-19, b) preferential prudential treatment in terms of supervisory expectations about provisioning when loans under public guarantees become NPE, and c) the supervisor deploying flexibility when discussing with banks the implementation of NPL reduction strategies. Finally, the ECB recommended that all banks avoid procyclical assumptions in their models to determine provisions, in order to avoid short term spikes in loan loss provisions and risk weighted asset inflation just coming from IFRS 9 models.

The outbreak of Covid-19 pandemic has had, and continues to have, a material impact on business and the economic environment in which the Group and the Company operate. The business sectors mostly affected are trade, handicraft, manufacturing, transport and supply chain, hotels and food and beverage sectors. Our customers operating in these sectors may be severely affected and thus may need to be offered with either targeted liquidity solutions, or suspension of capital repayments. The Hellenic Bank Association in March 2020 announced measures to support businesses and individuals (employees, self-employed and sole proprietors) affected by the crisis. For individuals, the Banks offered to eligible borrowers affected by Covid-19 based on Government's guidelines, a suspension of principal repayments of performing loans. The suspensions were offered until a terminal date of 31 December 2020. The scope of the suspension included individuals who were eligible for the € 800 state allowance due to Covid-19, or employed in affected business sectors or owners of small and medium-sized enterprises or individuals with a family member affected by Covid-19. The Banks offered to eligible companies affected by Covid-19 based on Government's guidelines, a suspension of principal repayments of performing loans until 31 December 2020. On 3 December 2020, due to the continuing adverse effects of the Covid-19 pandemic, based on the EBA's recommendations, Hellenic Bank Association (HBA) announced the decision of its members to extend the application period for inclusion in the moratoria or an extension of the existing suspension programs until 31 March 2021, under certain eligibility criteria. As at 31 December 2020, the total amount of EBA-compliant moratoria implemented by Piraeus Group comprising both active and expired until December 2020, amounted to € 5.9 billion, whereas at the same date the active moratoria stood at € 1.1 billion, the vast majority of which was related to businesses. Half of the € 1.1 billion active moratoria have expiration dates within the first half of 2021.

Apart from these support measures, in order to support its customers, the Group actively participates in the execution of financing programmes of the Greek State through the provision of guarantees and interest rate subsidies. Within the framework of the sub-program of the Hellenic Development Bank “Guarantee Fund for Covid-19” aiming to facilitate SMEs and corporates with working capital, Piraeus Bank has been allocated with € 1.6 billion. In parallel, in the program sponsored by the Ministry of Development with 2-year interest rate subsidy for new financing to medium-sized and small enterprises affected by the pandemic, the Bank participated for an amount of € 0.6 billion. In addition, the programme (“Gefyra”) sponsored by the Greek Ministry of Finance for the support of mortgage loan borrowers has received a total of approximately 160 thousand applications and has entered the implementation phase. Up to 31 December 2020 Piraeus Bank’s specific applications that cover all the eligibility criteria stand at approximately 29 thousand of which approximately 90% have been implemented corresponding to an amount of € 1.2 billion, of which € 0.5 billion are also in moratoria.

Significant developments that are expected to play key role in the Greek banks’ NPE management efforts during 2021 are:

- The corporate transformations undertaken by 3 out of 4 Greek banks, (2 already completed by year-end 2020), by way of hive-down of their banking activity sector and its contribution into a new banking entity, in order to facilitate the large NPE portfolio securitizations;
- the possible extension of HAPS (Hellenic Asset Protection Scheme), also called “Hercules” plan, which has been instrumental during 2020 in assisting banks to reduce their NPEs, through securitizations of which the senior tranches will bear Government’s guarantee;
- a new legislative framework on insolvency that passed into law in late 2020, which oversees the restructuring and bankruptcy process for all private debt to authorities, social security, banks etc. 2021 will be the first full year of implementation of the new law, which should provide Banks with another tool to resolve non performing exposures. However, due to the Covid-19 pandemic, auctions have been put on hold for much of 2020 and early 2021, which provides presently a stumbling block towards this goal;
- Finally, the stress tests of the European Banks that will take place in 2021, in which the 4 Greek systemic banks participate. The exercise was initiated on 29 January 2021 with the announcement of the macro assumptions of the stress tests. The baseline scenario for EU countries is based on the projections from the national central banks on December 2020. The adverse scenario assumes the materialisation of the main financial stability risks that have been identified by the European Systemic Risk Board (ESRB) and which the EU banking sector is exposed to and reflects recent risk assessments by the EBA. With regards to the Greek Banks, the assumptions of the adverse scenario of the stress tests stand as follows:
    - a cumulative fall in GDP by 3.6% in 2021-2023
    - unemployment rate to rise to 22.25% by 2023 compared to 16.7% in 2020
    - deflation of -1% on average per year for the period 2021-2023
    - cumulative fall of 10.2% in in residential prices in 2021-2023
    - cumulative fall of 26.2% in commercial real estate prices in 2021-2023

The results of the exercise should be published by the end of July 2021. The outcome may provide valuable input to make informed decisions on possible exit strategies from the flexibility measures granted to banks due to the Covid-19 crisis, or on the need for additional measures, should the economic conditions deteriorate further.

Piraeus Financial Holdings Group Developments

2020 was a year of significant progress for the Group towards its aim to de-risk its balance sheet and return to sustainable profitability and returns. On 30 December 2020, the core banking operations of the Piraeus Bank S.A. were demerged, by way of hive-down, and were contributed into a newly-formed credit institution incorporated under the corporate name “Piraeus Bank Société Anonyme”. Piraeus Bank S.A. ceased to be a credit institution, retained activities, assets and liabilities not related to core banking activities, and changed its corporate name to “Piraeus Financial Holdings Société Anonyme” (“Piraeus Financial Holdings S.A.” or the “Company”), while its shares remain listed on the ATHEX. Piraeus Financial Holdings Société Anonyme became the 100% shareholder of Piraeus Bank Société Anonyme (the “Bank”) and the direct or indirect holding company for all other companies that, prior to the Demerger, comprised the “Group”.

The most important corporate events for the Group during 2020 and up to the publication of the 2020 Annual Financial Report, were the following:

- on 3 February 2020, the Group, building on the successful completion of its "Agenda 2020" strategy, affirmed its commitment to "Agenda 2023" with the following aspirations:

    - De-risking: the Group will decisively continue de-risking its balance sheet, while stepping up its pace with the strategic direction to reach a single-digit NPE ratio. Inorganic NPE transactions are in advanced phase of preparations, among which the key transaction of "Vega" for an amount up to € 4.8 billion gross book value, along with “Phoenix” for an amount of € 1.9 billion gross book value;

    - Growth: by deepening the existing client relationships, the Group will focus on leveraging the competitive advantages of its business in Greece;

    - Simplification: the Group will decisively maximise its resources efficiency. This will be achieved through a simplified structure, further operational cost rationalisation measures, as well as further optimisation and automation of internal processes.

- On 19 February 2020 the Group successfully issued a € 500 million Tier 2 bond to institutional investors at an annual fixed interest rate of 5.50% for the first 5 years and thereafter has a one-time reset at the prevailing 5 year mid swap rate, plus 577.4 basis points. The bond has a maturity of 10 years, an embedded issuer call option after 5 years (10NC5) and is listed on the Luxembourg Stock Exchange. The Note may be redeemed at par, in whole, by the Group on 19 February 2025, subject to prior regulatory approval. The final order book was in excess of € 4 billion from more than 350 investors. The issuance increased the Group’s total capital ratio by approximately 110 basis points.

- On 27 February 2020, the Group activated a plan in cooperation with National Organisation of Public Health (EODY) to address any Covid-19 issue. Following the relevant protocol, the Group set in motion its business continuity plan, taking among others measures such as proactively segregating critical units, avoiding meetings with physical presence and activating remote access office capabilities for critical personnel.

- On 6 March 2020, the Group received ECB’s decision to repeal the limits on the Bank’s exposure to Hellenic Republic risk, imposed in 2015. Following this decision, the Group has selectively increased its position in Greek sovereign debt, to € 5.1 billion as at 31 December 2020, from € 1.6 billion at 31 December 2019.

- On 12 March 2020, the ECB banking supervision announced measures that allow banks to operate temporarily below the level of capital defined by the Pillar 2 Guidance ("P2G") and the capital conservation buffer. In addition, banks will also be allowed to partially use capital instruments that do not qualify as Common Equity Tier 1 ("CET1") capital, for example Additional Tier 1 or Tier 2 instruments, to meet the Pillar 2 Requirements ("P2R").

- On 13 March 2020, the Group was informed by the Single Supervisory Mechanism that due to the uncertainty of the economic outlook, the submission of the 2020 NPL strategy update has been postponed. The Group has submitted an updated NPE plan in September 2020 and will submit a refreshed NPE plan for the period up to 2023 in March 2021.
- On 16 March 2020, Mr. George Georgopoulos was appointed as general manager of group human resources.
- On 20 March 2020, the ECB banking supervision announced further measures to ensure that its directly supervised banks can continue to fulfil their role to fund households and corporations amid the coronavirus-related economic shock to the global economy. First, within their remit and on a temporary basis, supervisors will exercise flexibility regarding the classification of debtors as "unlikely to pay" when banks call on public guarantees granted in the context of coronavirus. Second, loans that become non-performing and are under public guarantees will benefit from preferential prudential treatment in terms of supervisory expectations about loss provisioning. Third, supervisors will deploy full flexibility when discussing with banks the implementation of NPL reduction strategies, taking into account the extraordinary nature of current market conditions. Lastly, the ECB recommended that all banks avoid procyclical assumptions in their models to determine provisions and that those banks that have not done this so far opt for the IFRS 9 transitional rules.
- On 27 March 2020, S&P Global affirmed its ‘B-’ long term rating on the Group, while revising the outlook to stable from positive.
- On 7 April 2020, the European Central Bank announced that, within the framework of the measures for the mitigation of the effects of the coronavirus pandemic, it waived the eligibility criteria and accepted Greek sovereign debt titles as eligible collateral in Eurosystem credit operations, in order to facilitate Greek banks to finance at a lower cost the stabilisation and recovery of Greek business from the coronavirus pandemic induced slowdown. On the back of these decision, Piraeus Bank has raised during 2020 a total of € 11.0 billion in ECB’s additional temporary LTRO auctions conducted to provide immediate liquidity support to the euro area’s financial system as a mitigating measure against the effects of Covid-19.
- On 28 April 2020, the European Commission adopted a new banking package, aimed at facilitating bank lending to support the economy and introducing more flexibility in accounting and prudential rules. Key amendments to the current capital regime include: allowing institutions to fully add back to their CET1 capital any increase in new provisions recognised in 2020 and 2021 for the financial assets that are not credit-impaired, eligibility for preferential NPL treatment for publicly guaranteed loans, extending leverage ratio buffer date to 2023 and exempting central bank reserves from the calculation, no longer deducting from CET-1 "prudently valued software assets" allowing more favorable capital treatment of exposures to SME and infrastructure projects.
- On 12 May 2020, Moody’s Investors Service affirmed the long-term rating of the Group to ‘Caa2’ changing its outlook to stable from positive before.
- On 15 May 2020, Fitch Ratings affirmed the long-term credit rating of the Group’s deposits to ‘CCC’ and its senior unsecured long-term debt rating to ‘CC’.
- At its meeting held on 28 May 2020, the board of directors elected Mr. Vassileios Koutentakis, executive general manager, as new executive member, for the remaining tenure of the board of directors, in replacement of a previous resigned member. The forthcoming general meeting of shareholders of the Group, will be informed of the election of the new member of the board of directors.
- On 16 June 2020, the Group’s extraordinary general meeting approved the demerger of "Piraeus Insurance Agency S.A." by way of absorption by "Piraeus Bank S.A." and "Piraeus Agency Solutions Single-Member Societe Anonyme for the

Provision of Insurance Products’ Distribution Services and Financial Services".

- On 26 June 2020 the Group’s new board of directors was elected at the annual general meeting of shareholders held on the same date, and during its session on the same date was constituted as a body and designated its Executive and Non – Executive Members, in accordance with Law 3016/2002 as in force, as follows:

  Non – Executive Chairman of the Board

  - George Handjinicolaou

  Vice – Chairman

  - Karel De Boeck, Independent Non – Executive Member

  Executive Board Members

  - Christos Megalou, Managing Director (CEO)
  - Vasileios Koutentakis, Executive Member

  Independent Non – Executive Board Members

  - Kontogouris Venetia, Independent Non – Executive Member
  - Arne Berggren, Independent Non – Executive Member
  - Enrico Tommaso Cucchiani, Independent Non – Executive Member
  - David Hexter, Independent Non – Executive Member
  - Solomon Berahas, Independent Non – Executive Member
  - Andrew Panzures, Independent Non – Executive Member
  - Anne Weatherston, Independent Non – Executive Member

  Non – Executive Board Members

  - Alexander Blades, Non – Executive Member
  - Periklis Dontas, HFSF Representative under Law 3864/2010

The new board of directors has a term of three years, namely until the 26 June 2023, which may be extended until the annual general meeting convened after such term has lapsed.

- On June 2020, the Group announced its new transformation plan for the next 3-5 years, which aims to reduce operating costs by about 20%, and in September 2020 launched its execution phase, under a bottom-up approach with 17 initiative themes, 120 projects and 100 operational key value drivers. During the fourth quarter of 2020, in the context of the Bank’s transformation plan, approximately 1,000 full time equivalent (FTE) releases and approximately 40 branches closures were implemented.

  The key targets of the transformation plan are:

  - to step up the commercial proposition of the Bank, boosting business origination via digital services and automation, fully exploiting high-potential businesses;

- to become the Bank of choice, through a customer-centric, digitally-enabled and targeted segment-value proposition;
- to enhance and empower the Bank's talent through a more efficient staffing profile;
- to promote simplification and end-to-end automation across the board to lower cost-to-serve and free-up commercial focus.

- On 30 October 2020, in the context of its transformation plan, the Group announced a Voluntary Exit Scheme ("VES") for targeted groups of employees. The cost associated with the full implementation of the 2020 VES is € 147 million and has been recognized in the fourth quarter of 2020. Up to 31 December 2020, 865 employees make use of this VES. The Scheme will remain open in 2021.
- On 18 December 2020, the Bank announced that it has reached an agreement with Intrum, as part of a consortium that they have formed with European Bank of Reconstruction and Development (EBRD), for the sale of a portfolio (the "Iris" portfolio) of retail, SB and leasing Non-performing exposures (NPEs). The Iris portfolio consists of c. 53k loans with total legal claim of € 1.7 billion and a gross book value of € 0.7 billion as at 28 February 2019. Total consideration corresponds to c. 6% of gross book value. The transaction was concluded on 05 February 2021, after receiving the required approvals from the relevant regulatory authorities, including the Hellenic Financial Stability Fund.
- On 28 December 2020, the Group announced that it has signed a binding agreement with Intrum AB regarding the sale of 30% of the mezzanine notes of the "Phoenix" securitization, which amounts to € 1.92 billion gross book value. The announcement follows a binding commitment letter signed by the two parties on 1 September 2020. The implied valuation of the nominal value of the senior notes and the selling price of the mezzanine notes corresponds to 50% of its gross book value. The transaction is subject to all necessary approvals and the consent of the Hellenic Financial Stability Fund. The deconsolidation of all the exposures included in the "Phoenix" securitization is expected within the first half of 2021.
- **The Demerger ("Hive-down")**

  On 23 July 2020, Piraeus Bank's Board of Directors resolved the commencement of a demerger process through the spin-off (hive-down) of the banking activity sector of the Bank ("Demerged Entity") and its contribution to a new banking entity ("Beneficiary"), which would be licensed as a credit institution and would be a wholly owned subsidiary of the Demerged entity. 31 July 2020 was designated as the Transformation Balance Sheet date for the demerger.

  On 10 December 2020, an extraordinary general meeting of shareholders of the Group was held and approved the Hive-Down. The public announcement by the Group on the decisions passed at the general meeting is available at https://www.piraeusbankgroup.com/en/press-office/press-release/2020/12/apotelesmata-psifoforias-ektaktis-genikis-suneleusis-10122020.

  On 30 December 2020, the core banking operations of the Piraeus Bank S.A. were demerged, by way of hive-down, and were contributed into a newly-formed credit institution incorporated under the corporate name "Piraeus Bank Société Anonyme". In connection with the Demerger:

  - Piraeus Bank Société Anonyme substituted the former Piraeus Bank S.A., by way of universal succession, to all the transferred assets and liabilities of the core banking operations of the former Piraeus Bank S.A.;
  - Piraeus Bank S.A. ceased to be a credit institution, retained activities, assets and liabilities not related to core banking activities, and changed its corporate name to "Piraeus Financial Holdings Société Anonyme"; and
  - Piraeus Financial Holdings Société Anonyme became the 100% shareholder of Piraeus Bank Société Anonyme and

the direct or indirect holding company for all other companies that, prior to the Demerger, comprised the "Group".

- As part of the Demerger, Piraeus Financial Holdings retained the assets, and will perform functions, that are not related to the Group's core banking operations.

- On 30 December 2020, following the completion of the hive-down, S&P Global Ratings assigned "B-" rating to Piraeus Financial Holdings and to the newly established Piraeus Bank S.A. S&P Global Ratings has assigned a stable outlook to both Piraeus Financial Holdings S.A. and to Piraeus Bank S.A.
- On 30 December 2020, following the completion of the hive-down, Fitch Ratings assigned a "CCC" long-term issuer rating to the newly established Piraeus Bank S.A., while it affirmed and withdrew the rating on Piraeus Financial Holdings S.A.
- On 4 January 2021, Moody's Investors Service assigned a "Caa2" bank deposit rating to Piraeus Bank S.A., the newly-formed credit institution, and a "Caa3" long-term issuer rating to Piraeus Financial Holdings S.A. Moody's has assigned a stable outlook to Piraeus Bank S.A. and maintained a stable outlook to Piraeus Financial Holdings S.A.
- On 13 January 2021, the Greek Government and the Bank proceeded with a GGBs exchange that included existing sovereign bonds held by the Bank, of nominal value € 2.8 billion, with a new GGB of equivalent nominal value maturing in 2050. The exchange took place at market terms and was settled on 20 January 2021. The Group's gain from the aforementioned exchange amounted to € 221 million.
- On 14 January 2021, the trading of the 394,400,000 new common registered shares of nominal value € 6.00 each in the Athens Stock Exchange commenced, resulting from the share capital increase by € 2,366.4 million, further to the conversion of all the Contingent Convertible Securities ("CoCos") of the bond loan issued by the Company of € 2,040 million total nominal value and issuance date 2 December 2015, which have been covered in whole by the Hellenic Financial Stability Fund (HFSF), in accordance with Law 3864/2010, the Cabinet Act No 36/02.11.2015 and the respective corporate bodies' resolutions. The New Shares resulted from the automatic conversion of all CoCos of a total nominal value of € 2,040 million to 394,400,000 common registered shares of the Company (determined by the division of 116% of the total CoCos nominal value by the Conversion Price, which amounts to € 6.00 per share as per the Bond Issuance Programme terms) on Monday 4 January 2021, which was designated as the Conversion Date, pursuant to the provisions of the Bond Issuance Programme and the Cabinet' Act No 36/2015.
- In February 2021, Piraeus Bank submitted application for the inclusion of the Vega securitizations in the "Hercules" Asset Protection Scheme pursuant to Law 4649/2019. The application relates to the provision of a guarantee by the Greek State on the senior notes of approximately € 1.4 billion.
- In February 2021, the Group's net trading income was enhanced by realized gains from interest rate derivatives of € 82 million.
- On 1 March 2021, Piraeus Financial Holdings S.A. and Intrum AB (publ) ("Intrum") signed a binding agreement for the sale of thirty percent (30%) of the mezzanine notes of the Vega securitization. The Vega portfolio consists of three special purpose vehicles, namely Vega I NPL Finance DAC, Vega II NPL Finance DAC & Vega III NPL Finance DAC, with a total gross book value of circa € 4.9 billion. The implied valuation of the Vega portfolio based on the anticipated fair value of the senior notes and the sale price of the mezzanine notes corresponds to approximately 31% of the total gross book value of the Vega portfolio. The expected negative capital impact of the Transaction stands at circa 1.9 percentage points over September 2020 total capital ratio, taking into account the P&L effect and the Risk Weighted Assets (RWAs) relief. The Transaction is subject to all customary approvals, including the consent of the Hellenic Financial Stability Fund. Subject to the required approvals, the loans within the Vega securitization perimeter are expected to be derecognized from Piraeus Financial Holdings consolidated statement of financial position within the first half of 2021.

- On 1 March 2021, the Bank proceeded with the sale of Italian sovereign bonds of a nominal value of € 1,150 million, which were previously included in the debt securities at amortized cost portfolio. The gain of the Group from the aforementioned transaction amounted to € 85 million.

- On 11 March 2021 the Company entered into a binding agreement with global investor Christofferson, Robb & Company (CRC) for a synthetic (virtual) securitization of performing SME and Corporate loans, with an aggregate gross book value of approximately € 1.4 billion, in order to purchase credit protection, under a financial guarantee. As a result of the transaction, the Bank will reduce its RWAs by approximately € 0.8 billion and thus will have a regulatory capital accretion of approximately € 0.1 billion. The loans' portfolio will remain on the balance sheet of the Bank. The transaction is subject to all customary approvals and completion is expected in Q2.2021. A 2nd synthetic securitization transaction of € 1.2 billion RWAs reduction is scheduled for late 2021, with a regulatory capital accretion of approximately € 0.2 billion (€ 0.3 billion in total from both transactions).

- On 16 March 2021 the Bank and Euronet Worldwide signed a binding agreement, comprising the carve-out and the sale of its merchant acquiring business unit, as well as the formation of an exclusive long-term sales and distribution partnership, for an initial period of 10 years. Following the completion of the transaction, which is envisaged for H2.2021, Euronet Worldwide will act as the exclusive long-term partner of the Bank for the provision of merchant acquiring services to the customers of the Bank. As part of the transaction, the Bank will also receive rebates on future net fee income generated by the merchant acquiring business. The total consideration for the transaction amounts to € 300 million. The transaction is subject to all customary approvals, including the consent of the HFSF.

- In addition, on 16 March 2021 the Board of Directors of Piraeus Financial Holdings approved a holistic strategic plan to accelerate its NPE reduction effort and to further enhance the Group's capital position through a combination of certain concerted actions (the Sunrise Plan). The Sunrise Plan comprises three conjunct pillars:

    1. the acceleration of NPE reduction to reach a single-digit NPE ratio in the next 12 months, through the securitization and subsequent de-recognition of NPEs with a total estimated gross book value of up to € 19 billion (including the previously announced NPE securitizations, namely Projects Phoenix and Vega). Based on this accelerated plan the Company proceeded with the immediate implementation of the incremental Sunrise 1 non-performing loan securitization transaction, with a total gross book value of approximately € 7 billion and comprising mainly denounced loans. In this context, Piraeus Bank S.A. filed an application seeking inclusion of the Sunrise 1 securitization under the "Hercules" Asset Protection Scheme pursuant to Law 4649/2019. The application relates to the granting of the Greek State guarantee on Senior Notes with a total gross value of € 2.4 billion.
    2. A series of capital enhancing actions, with cumulative benefit of approximately € 2.6 billion, :
        - A share capital increase of Piraeus Financial Holdings via a non-pre-emptive fully marketed offering of around the € 1.0 billion mark
        - Additional Tier 1 issuance of up to € 0.6 billion by Piraeus Financial Holdings; and
        - Certain other non-dilutive capital accretive actions, including: (i) profit realization from securities portfolio already completed in Q1.2021; (ii) the carve-out and sale of Piraeus Bank's cards merchant acquiring platform already announced; and (iii) the purchase of credit protection for select on-balance sheet performing loan portfolios (synthetic securitization), also announced already; and
    3. An operational streamlining plan of Piraeus Bank to enhance pre-provision income by a combination of top-line strengthening and a reduction in operating costs through efficiency improvements and digitization.

- On 16 March 2021 the Company's Board of Directors decided to convene an Extraordinary General Meeting (EGM) seeking to be granted authorization to approve a share capital increase of Piraeus Financial Holdings S.A. via a non-pre-emptive fully marketed offering of around the € 1.0 billion mark (the Equity Issue). Subject to shareholder approval, the Equity Issue is envisaged to be launched around mid-April and to be completed by early-May 2021. The EGM will be held on 7 April 2021. The HFSF, as the largest shareholder of Piraeus Financial Holdings S.A., has confirmed their intention to fully support the capital increase. In line with their communication in November 2020, HFSF plans to reduce its participation to a non-blocking minority shareholding. The terms of the Equity Issue are expected to be determined by the Company's Board of Directors, subject to customary and regulatory approvals including HFSF consent.

Organisational Structure of the Group

The Group manages its business through the following reportable segments:

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

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

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

Other – includes all management related activities not allocated to specific customer segments and all funding transactions approved by the Group Asset Liability Committee ("ALCO"). Following the most recent segmental architecture changes, this reportable segment now includes the management of REO, non-client related Group's equity participations and international banking.

Post completion of the Intrum Transaction in October 2020, Management established an NPE Management Unit ("NPE MU"), with the overall responsibility of managing the Group's domestic NPE portfolio and consequently revised the Group's segmental architecture, as follows:

a) The non-core part of REO and Group's equity participations as well as the international banking, were spinned-off from the Piraeus Legacy Unit ("PLU") reportable segment and recognized, along with the core part, as distinct segments. The quantitative thresholds of IFRS 8 are not exceeded, hence the entirety of these segments is presented within the "Other - Core" reportable segment.

b) The PLU, which following the aforementioned change consisted solely of the NPE management function, was transposed to NPE MU.

NPE MU – Includes the management of any NPE lending exposures assessed as non-core business, irrespectively of whether the said exposures are serviced by the Group or third parties. The accrued fees payable to Intrum Hellas Credit Servicing S.A. for servicing the Group's NPE portfolio are recognized within this reportable segment.

Evolution of Volumes and Results of Piraeus Financial Holdings Group during 2020

Piraeus Financial Holdings Group has a systemic position in the Greek banking market in terms of total assets, which amount to € 71.6 billion as at 31 December 2020, deposits (28.6% market share) and loans and advances to customers at amortised cost (31.3% market share, with 31.9% in business lending). Savings deposits constitute 40.8% of the total deposits of the Group with time deposits at 27.9% and current, sight and other blocked deposits at 31.3%. Corporate deposits correspond to 26.2% of the total deposit base at the Group with retail deposits at 73.7%. The Group's loan book consists of corporate and public sector 64.7%, mortgage 27.1% and consumer, personal and other loans 8.2%. The Group holds the most extensive footprint in Greece with 484 branches (plus another 18 branches in 2 countries abroad) and a wide customer base of 5.5 million active customers. The branch network in Greece was reduced by 43 units during 2020 as a result of the rationalisation plan. As at 31 December 2020, the Group's headcount totaled 10,379 employees in the continuing operations, of which 10,008 were employed in Greece (-1,129 from a year earlier, mainly due to the voluntary exit scheme).

As of early January 2021 and post contingent convertible bonds conversion into common shares, the free float on the Group's share capital is high with c.29k common shareholders, holding 39% of the Group's outstanding common shares, of which 31% are legal entities and 8% private individuals. HFSF holds 61% of the Group's outstanding common shares.

Balance Sheet

Regarding the financial position of Piraeus Financial Holdings Group as at 31 December 2020, total assets amounted to € 71.6 billion compared to € 61.2 billion as at 31 December 2019.

Customer deposits of the Group continued to recover for another year, reaching € 49.6 billion as at 31 December 2020, corresponding to an increase of 4.8% compared to 31 December 2019. This increase is solely attributable to the Group's activity in Greece. The declining trend in time deposits' cost continued during 2020, with new time deposits' cost at 0.1% in the Q4 2020 versus 0.3% a year earlier.

Selected Balance Sheet Figures	31/12/2020	31/12/2019	YoY
Gross Loans	49,528	50,148	-1.2%
Less: Expected Credit Loss (ECL) Allowance	(9,904)	(10,986)	-9.9%
Net Loans	39,624	39,162	1.2%
Financial Assets	8,411	3,613	132.8%
Other Assets	23,541	18,456	27.6%
Total Assets	**71,576**	**61,231**	**16.9%**
Due to Banks	11,376	3,296	245.1%
Due to Customers	49,636	47,351	4.8%
Other Liabilities	3,411	2,811	21.3%
Total Liabilities	**64,423**	**53,458**	**20.5%**
Total Equity	**7,153**	**7,773**	**-8.0%**

Utilisation of the Eurosystem funding increased significantly in 2020, to € 10,978 million as at 31 December 2020 compared to € 350 million as at 31 December 2019. ECB waiving the eligibility criteria on collateral, allowed Greek Banks and Piraeus to use Greek government debt as collateral for their funding. As a result, Piraeus replaced more expensive repo funding with ECB funding. In this context, interbank repo funding reached € 96 million on 31 December 2020 from € 2,394 million as at 31 December 2019. Funding from debt securities, increased through the issuance of € 500 million Tier 2 bonds in February 2020.

Gross loans as at 31 December 2020 amounted to € 49.5 billion of which € 1.5 billion was related to the disbursement of an agri-loan towards OPEKEPE for the distribution of European Commission subsidies towards approximately 700 thousand farmers (which was repaid in February 2020). Net loans stood at € 39.6 billion as at 31 December 2020, with the Group's seasonally adjusted net loans to deposits ratio at 76.8% (excluding seasonal OPEKEPE seasonal funding facility), having improved from 31 December 2019 (79.2%). New loan disbursements in 2020 for the Bank amounted to € 6.3 billion from € 4.0 billion in 2019. Most new loans were directed to businesses.

The Group continued to reduce its NPE portfolio during 2020, dropping to € 22,448 million as at 31 December 2020 compared to € 24,470 million as at 31 December 2019. The NPEs over total gross loans ratio for the Group stood at 45.3% as at 31 December 2020 from 48.8% as at 31 December 2019, declining due to the continuous efforts of the group to improve its asset quality, while the Group NPE coverage ratio of loans by ECL Allowance stood at 44.1% as at 31 December 2020 from 44.9% as at 31 December 2019.

As part of the submission of operational targets for asset quality to both ECB and Bank of Greece, the Group has committed to reduce its NPEs, between September 2018 and December 2021, by approximately 52% (at Group level). In mid-March 2020, Piraeus Bank S.A. was relieved from the submission of the 2020 NPL Strategy update, due to the uncertainty of the economic outlook related with Covid-19. The Group submitted its 2020 NPL strategy update at September 2020 along with along with all European Banks, while a refreshed submission will take place in March 2021.

The Group's strategy in managing NPEs is to achieve a single-digit NPE ratio within the next 12 months, following the completion of the Group's NPE Reduction plan, which consists of a number of individual projects, at various stages of completion, for a total amount of € 19 billion.

A significant element of the NPE reduction plan is the utilisation of HAPS as a mechanism to reduce NPEs and return the Group's balance sheet to a normalisation phase. Engagement in the securitisation schemes is further facilitated through the Group's corporate transformation (Hive-down) and its strategic partnership with the biggest servicing platform in Greece.

Profit & Loss

The Group's net interest income amounted to € 1.5 billion in 2020 posting an increase 3.5% compared to 2019 due to the reduction in the cost of funding (lower deposit rates and increased ECB funding at lower rates compared to the repo market) and higher new disbursements. Net fee and commission income amounted to € 317 million in 2020, flat compared to 2019. Other income amounted to € 90 million in 2020 compared to € 421 million in the previous year, mainly due to the € 351 million gain from the Intrum transaction in Q4 2019.

Total net income for 2020 amounted to € 1.9 billion from € 2.2 billion in 2019, a decrease of 12.9%. Excluding the one-off gain of € 351 million from the Intrum transaction in 2019, net income in 2020 increased by 3.8%. The Group's total operating expenses before provisions in 2020 stood at € 1.1 billion, compared to € 1.0 billion in 2019, mainly as a result of the cost of the October 2020 Voluntary Exit Scheme ("VES"). Excluding the VES cost both from 2020 and 2019 (€ 147 million and € 36 million respectively), total operating expenses amounted to € 937 million in 2020, a reduction of 4.1% versus the previous year respectively.

As a result of the above, Group's profit before provisions, impairments and income tax for the year 2020 amounted to € 0.8 billion, compared to € 1.2 billion in 2019, a decrease of 30.4%. Excluding the one-off gain from the Intrum transaction in 2019 and the VES costs in 2019 and 2020, the Group's profit before provisions, impairments and income tax increased by 12.9% in 2020 compared to 2019. The results of 2020 were burdened by ECL impairment charge on loans amounting to € 1.1 billion, compared to € 0.7 billion in 2019. The increase in impairments in 2020 is attributed primarily to the € 695 million Covid-19 related impairments on loans, debt securities and other financial assets and other impairments in the context of the new NPE reduction plan.

The Group's profit/ (loss) before income tax in 2020 amounted to a loss of € 530 million compared to a gain of € 389 million in 2019, while profit from continuing operations attributable to equity holders of the Group amounted to a loss of € 652 million compared to a profit of € 270 million in 2019.

Selected Profit & Loss Figures	31/12/2020	31/12/2019	YoY
Net Interest Income	1,486	1,435	3.6%
Net Fee & Commission Income	317	318	-0.3%
Other Income	90	421	-78.6%
Total Net Income	1,893	2,174	-12.9%
Staff Costs	(571)	(504)	13.3%
-excl. VES costs	(424)	(468)	-9.5%
Administrative &Other Expenses	(399)	(386)	3.4%
Depreciation &Amortization	(115)	(123)	-6.5%
Total Operating Expenses Before Provisions	(1,084)	(1,013)	7.0%
-excl. VES costs	(937)	(977)	-4.1%
Profit Before Provisions, Impairment and Income Tax	809	1,161	-30.3%
ECL Impairment losses on loans and advances to customers at amortised cost	(1,104)	(710)	55.5%
Other impairment & provisions	(218)	(68)	219.1%
Share of profit of associates and joint ventures	(16)	5	-
Pre Tax Result	(530)	389	-
Income Tax Benefit / (Expense)	(128)	(123)	-
Profit/ (Loss) for the Year	(668)	276	-
Profit / (Loss) for the Year Attributable to Equity holders of the Group (from Continuing Operations)	(652)	270	-
Profit / (Loss) for the Year (from Discontinued Operations)	(10)	10	-

Capital

As at 31 December 2020, the Group's total equity amounted to € 7.2 billion from € 7.8 billion a year earlier, due to current year's losses. The Group's Basel III total capital adequacy ratio (TCR) stood at 15.82% on 31 December 2020 and the Common Equity Tier 1 (CET 1) ratio at 13.75%, covering the Overall Capital Requirement ("OCR") level for 2020. The respective figures for 2019 were 14.7% for CET 1 and 15.6% for TCR.

The amount of deferred tax assets included in the Group's regulatory capital in accordance with the provisions of Greek Laws 4172/2013, 4302/2014, 4340/2015, as of 31 December 2020 was € 3.7 billion. The Group's fully loaded TCR stood at 13.4% from 12.9% a year ago.

Following the conclusion of the SREP (Supervisory Review and Evaluation Process), the ECB informed Piraeus Financial Holdings Group of its Overall Capital Requirement ("OCR"), valid for 2021 (not taking into account Covid-19 mitigating measures). According to the decision, the Group would have to maintain an overall capital requirement ratio ("OCR") of 14.25%, which included: (a) the minimum Pillar I total capital requirements of 8.00% as per article 92(1) of Regulation 575/2013/EU; (b) the additional Pillar II capital requirement of 3.25% as per article 16(2) of Regulation 1024/2013/EU; (c) the fully loaded capital conservation buffer of 2.50% as per Regulation 575/2013/EU, and (d) the transitional Other Systemically Important Institutions ("O-SSI") capital buffer of 0.50% under Greek Law 4261/2014.

The spread of the Covid-19 has proven to be an unprecedented challenge both on a global and on a European level. On March 12th, 2020, the ECB announced several measures to address the adverse economic effects resulting from Covid-19 on banks under its supervision. Among these measures, the ECB will allow banks to operate temporarily below the level of capital defined by the Pillar 2 Guidance (P2G) and the capital conservation buffer (CCB). Banks will also be allowed to partially use capital instruments that do not qualify as Common Equity Tier 1 (CET1) capital, for example Additional Tier 1 or Tier 2 instruments, to meet the Pillar 2 Requirements (P2R). This brings forward a measure that was initially scheduled to come into effect in January

2021, as part of the latest revision of the Capital Requirements Directive (CRD V). In light of these developments, the Group's capital stock exceeds the Total SREP Capital Requirement (TSCR) by 457 bps.

Share Capital

On 31 December 2020, the share capital of the Group amounted to € 2,620 million divided into 436,659,164 ordinary shares bearing a voting right and at a nominal value of € 6.00 each. Common shares of Piraeus Financial Holdings are intangible, registered and listed on Athens Exchange.

The number of the outstanding shares of the Group, is the following:

Number of outstanding common shares owned by the HFSF / Percentage of total share capital	115,375,400	26.42%
Number of outstanding common shares owned by private investors / Percentage of total share capital	321,283,764	73.58%
Total number of outstanding common shares / Percentage of total share capital	436,659,164	100.00%

On 4 January 2021, subsequent to the 23 November and 7 December 2020 announcements, pursuant to the provisions of the € 2,040 million Perpetual CET1 Eligible Contingent Convertible bonds (CoCos) Issuance Programme dated 2 December 2015 and Cabinet Act 36/2015, the CoCos were automatically converted into 394.4 million (resulting by the division of the 116% of the total nominal value of the CoCos by the Conversion Price, which amounted to € 6.00 per share) fully paid new ordinary registered voting shares. As a consequence of the above, the Company's share capital has increased by an aggregate amount of € 2,366.4 million and is now equal to € 4,986 million divided into 831,059,164 ordinary voting shares with a nominal value of € 6.00 each. The New Shares, after the completion of the listing process on the Athens Stock Exchange, were credited to the Investor and Securities Accounts of the HFSF in the Dematerialized Securities System (DSS), increasing the HFSF's shareholding in the share capital of the Company from 26.4% to 61.3%.

Pursuant to par. 1, art. 16C of Greek Law 3864/2010 the acquisition of treasury shares is not permitted, without the approval of HFSF, for as long as the HFSF is a shareholder of the Company. The purchases and sales of treasury shares during 2020, as well as the treasury shares owned as 31 December 2020, are related to transactions that are carried out by the Group's subsidiary Piraeus Securities S.A. through its activities, which are derived from its role as a market maker. As at 31 December 2020, Piraeus Securities held 555,321 of the Group's common shares, of total nominal value € 3,331,926.

Going concern conclusion

Management made a robust assessment and has concluded that the financial statements of the Group have been appropriately prepared on a going concern basis as of 31 December 2020 as it has adequate resources to continue its operations for a period at least 12 months following the reporting date. Management took into account:

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

(b) the continued recovery, albeit at a decelerated pace, of the residential and commercial real estate prices during 2020, despite the Covid-19 pandemic;

(c) the Group's satisfactory liquidity position which has been driven by deposit restoration and central bank funding utilisation, and which is reflected on the restoration of the liquidity coverage ratio and the net stable funding ratio significantly above minimum regulatory requirements, as well as in the diversified sources of funding;

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

(e) the capital adequacy of the Group deriving, among others, from the issue of fixed rate subordinated Tier 2 notes of a total nominal value of € 900 million in 2019 and 2020, in conjunction with the Capital Strengthening Plan executed in the 2018-2019 period generating approximately € 4 billion risk-weighted assets relief and the expected capital trajectory of the Group taking into account the envisaged NPE deleverage and capital enhancing actions;

(f) the measures taken by the European Commission, the European Banking Authority EBA, the European Central Bank ECB and the Single Supervisory Mechanism SSM since March 2020 to mitigate the effects of Covid-19 in European member state economies, for individuals and firms facing disruptions, through temporary capital and operational relief measures for European banks; and

(g) the measures taken by the Greek government and the Hellenic Bank Association to mitigate the effects of the Covid-19 in affected lenders.

As part of the assessment, the Management has considered the Group's principal business risks deriving mainly from the macroeconomic environment in combination with the Group's strategy and its liquidity and capital position.

The basis for conclusion is presented in Note 2 of the Annual Financial Statements.

Non-Financial Information 2020 (Greek Law 4403/2016)

Group Human Resources ("HR")

Culture and corporate values

Shaping our culture and strengthening our corporate values is at the core of all we do. We aim to enhance strong accountability, a leadership team that shares a common purpose, strong learning and growth mindset to build present and future capabilities. Additionally our focus is to develop a robust strategy for diversity, inclusion and equity.

Our culture is our key driver as it is our people that make the difference and achieve extraordinary performance.

To that end, our major initiatives that cultivate an inclusive workplace where people are heard, valued and supported include:

Pulse Check 'Care, Listen, Act': Within the pandemic, a survey was conducted, targeted to all work-from-home employees, to identify areas of strength and areas of potential improvement, in working from home conditions. The survey reached a 73% participation rate and rolled out in April 2020.

Results highlighted positive attitudes on people's contribution (74%), timely communication (77%), effective digital tools and operations (73%), digital culture (80%), and social impact and contribution to the society (85%).

Areas of potential improvement that were identified related to the emotional well-being and mitigating mental health risks, so the actions that followed were focused on sculpting a positive mindset to manage uncertainty and strengthen emotional resilience.

Digital Collaboration enablers: Due to Covid-19, our focus was to support work-from-home conditions with digital guides that frame a healthy and productive environment, enabling people to be productive with the least disruptions as possible. A 'Work from home guide' was provided within the framework of our values, principles, ethics and competencies to promote a healthy environment for people to continue contributing, learning and growing as well as maintaining balance, while working from home. In addition, 'how to' playbooks were distributed (MS Teams guide, Cyber security guide) through our multichannel approach.

Ethical Workplace

The "respect of equal opportunities" principle is revealed in all human resources' management policies, focusing on equal opportunities and respect within the working environment. The Human Rights Policy is available to all employees through the internal communication channel, while the principles of Human Rights are published on the Group's corporate website.

The Group's objective is to ensure that business ethics define all its activities and its employees are fully aligned with its values and principles.

In this context, the Code of Conduct and Ethics is provided, which applies to all employees in the Group and focuses on the principles of responsibility, meritocracy and transparency, while encouraging actions and behaviors that enhance an ethics culture. At the same time, it is in line with the Banking Code of Conduct (issued by the Hellenic Banking Association) and the Compliance Policy.

The Code is available in the Company's internal website -the HR Portal platform- and in the Group's corporate site. Every new employee, upon hiring, is informed about its content and signs a declaration of receipt and notification.

In order to safeguard internal control system and the compliance with the Code of Conduct and Ethics directions, the Whistleblowing procedure is applied. According to the procedure, incidents of irregularities, omissions, corruption and any kind of inappropriate/unethical behavior and/or harassment detected in the working environment, are reported using the relevant communication channels. A basic and firm principle of the procedure is the protection of the anonymity and the principle of confidentiality of the employees' data who submit or are included in the reports. At the same time, the organization opposes retaliation against any employee who reports or participates in the investigation of an existing or suspected violation of the Code of Ethics.

In this framework, the Whistleblowing Committee evaluates the received anonymous or named reports and decides on their reliability as well as on further actions that need to be taken by the organization.

Additionally, issues of conduct and the ethics culture are included in the framework of the Company's risk culture program, which is further elaborated under the Group Risk Management initiatives.

Anti-bribery and corruption

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

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

Health, Safety (H&S) & Wellbeing: The Group is actively involved in the prevention of the spread of Covid-19, aiming to protect the health of all of its stakeholders. Within 2020, the Group has taken the following measures:

- Close cooperation with authorities and implementation of all measures recommended for the prevention and protection of its employees,
- 24-hour telephone medical guidance and support to all employees in collaboration with the National Public Health Organization (EODY),
- Implementation of all protocol and beyond protocol health and safety practices, in terms of premises' sanitization and business continuity, after lockdown periods
- Special Covid-19 Leave for 360 employees In vulnerable groups not eligible for teleworking,
- Special leave of absence granted to 3,519 employees with children pursuant to the provisions of the Greek authorities,
- During the period of the first lock-down, approximately 5,349 employees worked from home to meet the need for alignment with the H&S protocol and business continuity plan. Post lock-first down the Company introduced a rotation on-site work, resulting in the number of work-from-home employees been gradually reduced to approximately 1,900.

The Group aims to sustain a health, safety and wellbeing culture with high standards. In the context of safety, the Group continued to train firefighting teams, covering 1,017 evacuation exercises. At the same time, no accidents were recorded in the premises. Regarding Employee Wellbeing, the Company developed on line virtual fitness classes to enhance physical activity that has been constrained during the lock down. We organised 413 online fitness programs with 12,560 unique participations also empowering nutritionist services. Within the context of emotional well-being and support of employees' mental health, we encouraged the use of Employee Assistance Programs, with our 24/7 help line and on line counselling sessions with mental health practitioners. In addition, we initiated 20 virtual lectures on H&S and wellbeing issues, adjusting to the needs of the new Covid-19 reality with approximately 1,350 employee participations. Finally, into supporting motherhood, we provided 261 cumulative motherhood related absences.

Corporate Responsibility and Volunteerism actions

Within our Corporate Responsibility ("CR") framework, the Group participated in 53 CRs and volunteering actions, benefiting 15,539 people in collaboration with 212 Non-Government Organizations and other organizations.

Multichannel Communication

During the healthcare crisis, we focused emphatically in the timely, effective and multichannel communication, to provide real time information to all employees.

With the flagship ***#StaySafe #StayHealthy*** campaign, which was targeted to all employees, the Group utilized all available channels and effectively cascaded all critical Covid-19 related information: A Covid-19 dedicated digital info-point was created in our intranet site, including updated content for the protection and safety, awareness videos, operating instructions and frequently asked questions and answers.

Furthermore and with regards to providing all employees an all-access pass to information, a new internal digital site, the **Connected** was launched, to ensure that everyone, in any place and any device remains informed and aligned.
Moreover, and in cooperation with the Group Support and Operations, under the scope of the Business Continuity Plan, a new Mobile Mass Notification System was launched, to strengthen our capability to send emergency messages in a timely manner.

Building Talent and Capabilities

2020 was the year of transformation and transition to the new digital learning experience, with 92% of the educational activity being conducted through digital channels. All educational activities transformed into digital actions and converted all instructor-led programs into live virtual classes. At the same time, digital learning was redesigned, introducing new methods and techniques that reflect the current trends of instructional design for the development of new digital courses.

Upgreat, the digital learning platform has been upgraded and redesigned to meet the needs for training programs and actions related to the different roles needs, corporate values and strategic priorities of the Organization, creating a portal of free access and selection of digital programs and resources and introducing 4 different channels at the same time.

In 2020, a total of 319,369 learning hours were recorded, summing up to 51,262 participations. More specifically, the **Banking and Business** category gathered 77% of all participations, focusing on topics related to products training, upskilling and reskilling programs for Branch Network roles, financial statement analysis, new technologies and tools training. In 2020, the **Risk and Controls** category was added to the program; a distinct category that undertakes projects and activities related to governance, risk, credit, finance, trade and investments.

In compliance with the Bank of Greece regulatory framework, 87 employees achieved their certification in investment services, while 175 executives were certified in bancassurance services. At the same period, a total of 722 investment certificates and 3,580 bancassurance certificates were renewed.

People Performance Management: In 2020, the 2019 performance cycle “Become&Achieve” was completed for 95% of employees, following the calibration meetings that were conducted through teleconferencing. At the same time, 68% of managers received peer and team feedback with regards to their alignment with the corporate values that represent an equally important element of performance evaluation. Meanwhile, the 2020 performance cycle “Become&Achieve” was launched, with contribution setting and performance dialogues (check-ins).

The **Assessment of Potential**, which focuses on employee’s growth for future success within the organization and his/her readiness to act in a bigger role (horizontally or vertically), has been conducted in 2020 by the direct reports of Function Heads and was completed for 98% of employees. For assessing potential, the following criteria have been taken into consideration: learning agility, positive influence and self-motivation.

Professional Development Framework: The Job Family Model ("JFM") is now the main and uniformed platform on which human resources policies and procedures operate. The emphasis going forward is on the creation of the framework that will ensure the continuous and uninterrupted operation of the Model, as well as its connection with policies and procedures related to reward, bonus schemes, roles evaluation and organizational planning.

In order to safeguard the framework, a Committee has been established and operates with main and exclusive responsibility the governance of the Job Family Model (JFM Governance Committee). At the same time, specific policies and procedures have been established and are being updated internally in Group HR.

Reward Scheme for Branch Network Employees: Aiming to recognize the contribution, professionalism and sense of responsibility of the Branch Network employees, the Group implemented its commitment to adopt a new Reward Scheme for the employees who have been in the front line during the first period of the lockdown as a result of the pandemic.

The main parameter of this scheme, was the number of days that the branch employees were working in a branch during this period. No other criteria, such as hierarchical or salary level, were used, stressing in this way that all are equally exposed and thus equally rewarded.

VES: During 2020, efficiency targets relating to the Full Time Equivalents ("FTEs") reduction achieved through Voluntary Exit Schemes ("VES"), which was announced in October, with 865 employees leaving the Group in 2020, with a simultaneous extension of its implementation in 2021.

IORP: In November 2020, the establishment of Piraeus Financial Holdings Group Institution for Occupational Retirement, Life and Medical Provision (IORP) was completed. With the IORP's establishment, a single fund was created from which all employees will receive a supplementary lump sum, improving their retirement conditions. Employee participation in the IORP is voluntary and their contribution is optional: it can range from zero up to 20% of the gross monthly salary, while it also can be modified along the way, depending on the capital that each employee chooses to create for his/her future. The Group as an employer contributes to the individual account of the employee an additional 2% of the monthly gross salary for 14 months on an annual basis, valid from the date of registration in the Fund and without obligation to contribute by him. Our commitment for the next period is to include in our professional fund our complementary medical care (group insurance NN). By setting up our IORP we introduce a modern and reliable entity, which, in addition to providing benefit, enables effective and long-term savings and insurance coverage.

Collective Bargaining: Regarding participation in trade unions, six employee unions are operating in the Bank representing 88% of employees. In June 2020 a collective employment agreement was signed between the Bank and its employees' representative union for a two years period (effective date until December 2021), revising and improving current benefits and practices such as leave policy (student, parental), children allowance, children educational rewards, mortgage insurance policy etc.

Principles for Responsible Banking

The Principles for Responsible Banking (PRB) were launched in 2019 under UNEP FI (United Nations Environment Programme Finance Initiative), following the collaboration of 30 UNEP FI banking members from all over the world. Piraeus Group was the only Greek institution to participate in the development of the Principles. The PRB aim to align the Group's banking operations with the UN Sustainable Development Goals and the Paris Climate Agreement. In the context of its ESG Strategy, Piraeus Financial Holdings Group drafted in 2020 an action plan for its harmonization with the PRB, including products, services and processes that will support sustainable development. Moreover, the Group participates in various UNEP FI working groups, such as the Impact Assessment, the EU Taxonomy (in cooperation with EBF), that aim to develop measuring tools and assessment criteria for ESG actions. Through the "Portfolio Impact Analysis Tool for Banks", the Group evaluates the positive and negative impacts of its portfolio, which will help the organization set targets for actions that will have a positive impact on society.

Participation in International Initiatives and Sustainability Indices

International Initiatives

Piraeus Financial Holdings is a member of UN Global Compact and UNEP FI (UN Environment Programme Finance Initiative), where it also serves on its Banking Board. The Group has also signed the UNEP FI Collective Commitment to Climate Action – CCCA, pledging to harmonize its portfolio with a 1.5 degrees Celsius economy. In December 2020, UNEP FI issued a Report that summarizes the progress made by CCCA signatory banks, providing an overview of the key actions taken during the first 12 months of their pledge, for achieving a CO2 emissions reduction and aligning their business practices with the goals of the Paris Agreement. Following the pledge to the CCCA, in July 2020 Piraeus Group signed its participation in the Science Based Targets[1] initiative (SBTi). The SBT initiative suggests methodological tools for measuring carbon emissions and setting targets for their reduction, both from the Group's operational and financing activities. The Group's CEO signed the UN Declaration "United in the Business of a Better World", a common statement from business leaders for cooperation beyond borders, where all public and private bodies prove their responsible operation with transparency and no exclusions. Furthermore, Piraeus Asset Management M.F.M.C. is a member of the Principles for Responsible Investment (PRI).

Initiatives in Greece

Piraeus Financial Holdings is a full member of CSR Hellas (Corporate Social Responsibility Network) and participates in initiatives aiming to promote the corporate responsibility of Greek businesses. The Group is included in the "The Most Sustainable Companies in Greece 2020" group, an initiative of the Quality Net Foundation, which lists companies that approach sustainable development issues in a holistic manner and demonstrates sustainability as a competitive advantage for Greek businesses. The Group is a member of the Sustainable Development Committee of the Greek Banking Association and participates in working groups for promoting sustainability in the banking industry in Greece.

Sustainability Ratings

The Group received an excellent "Leadership A" score (scale A to D) in the 2020 CDP Climate Change assessment and is included in the global "A list". CDP, an independent not-for-profit organization that runs the global disclosure system for investors, companies, cities etc. to manage their environmental impacts. MSCI ESG Ratings ranked the Group on level "BBB" (scale AAA to CCC) and oekom research rated the Group with C-, when industry leaders are being rated with C+. The ISS Corporate Solutions rated the Group with excellent scoring "1 - HIGHER DISCLOSURE" in the environmental and social pillars and with a 7 in the governance pillar (10 indicates higher governance risk). VIGEO-EIRIS (Moody's) assessed the Group's corporate sustainability practices and as a result, both upgraded the Group on the "Advanced Performance" level and listed it in the "Vigeo Eiris' Best Emerging Markets Performers" ranking. Piraeus Bank received a significant distinction for its activities, by the EBRD, in the context of the Green Trade Facilitation Programme. EBRD awarded the Bank with the "Most Active Issuing Bank 2019 – Green Trade" recognizing the Bank's support in environmentally friendly investment plans. Piraeus is enlisted in the "Ethibel EXCELLENCE Investment Register" since 2015, and in 2020 was included in the "Ethibel PIONEER" list.

Environmental Management – Improving Environmental Performance

Piraeus Group develops strategies for improving the environmental performance and footprint from its operations. Since 2011, the Bank is included in the EMAS (Eco-Management and Audit Scheme) register and the Environmental Management System (EMS) and it is certified under the international ISO 14001:2015.

Under the Environmental Management System, Scope 1, 2 and 3 are calculated for the Group's operations.[2] Special emphasis

[1] The SBTi is a partnership between CDP, the United Nations Global Compact (UNGC), World Resources Institute (WRI) and the World Wide Fund for Nature (WWF) that encourages companies to set science-based targets to reduce their GHG emissions, aligns with the goals of the Paris Climate Agreement.
[2] Scope 1 emissions are the direct emissions emitted from sources owned or controlled by the Bank (e.g. heating oil consumption and fuel consumption by company cars). Scope 2 emissions derive from electricity consumption in buildings and Scope 3 is defined as all other indirect emissions that are not included in the Scope 2 category and are related to the Bank's activities, including its financing.

is given to the calculation of Scope 3 emissions and especially category 15 (Investments) which includes the estimation of greenhouse gas emissions from the financed activities and the share of emissions that should be attributed to the Group based on the amount of each loan or investment. In the same context, the Group participates in the SBT initiative since 2020, which suggests that individual methodologies described in the relevant standard of Partnership Carbon Accounting Financials (PCAF) be used per banking product category; the methodologies are to be integrated within 2021 in the calculation methodology already applied by the Bank for the estimation of its Scope 3 emissions.

Environmental data and KPIs are published on a yearly basis in the Sustainability and Business Report[3] and in the Environmental Statement4 and are externally assured. In 2019, electricity consumption per square meter (m2) was reduced by 6.13% versus 2018 and paper consumption per employee was reduced by 4.53%. It is worth noting that carbon dioxide emissions per square meter (CO_2 / m_2) were reduced by 30% during the period 2014-2019. For 2019, Piraeus Group secured RES guarantees for 83.1% of the electricity supplied (Scope 2). Selected Environmental Management targets for 2020 were: 10% reduction in total energy consumption per square meter (three-year target with 2018 as a reference year was revised as it was already exceeded) and 5% reduction in total indirect greenhouse gas emissions related to electricity energy (Scope 2), per unit area (two-year target with 2018 as reference year).

The environmental program for the replacement of outdoor sign lighting with LEDs in all branches, resulted in great energy savings of 50% per branch, and therefore, this successful measure was implemented in 2019 in 6 large buildings in Athens. Photovoltaic systems for self-generation with net energy metering were put into full operation in 32 branches. Through the Energy Office, the Group uses specialized software, unique in the Greek banking industry, which monitors online and in real-time the energy and water consumption in approximately 350 buildings, resulting in improved energy efficiency in each infrastructure. The implementation of environmental programs reduces the Company's operating expenses by € 5.5 million per year, according to a study by an external consultant.

Addressing Climate Change

- Climate risk calculation

Piraeus Bank estimates on a yearly basis the climate risk of its business borrowers based on their turnover, which belong to selected sectors that are more likely to be financially affected by climate change. For 2019, the total climate risk of the Bank's business borrowers was estimated at € 1.05 billion compared to € 0.9 billion in 2018 and € 0.5 billion in 2017, and corresponds to 1.8% of their total turnover. The increase in the climate risk of business borrowers in 2019 compared to previous years is due to the increase in the price of greenhouse gas emission allowances, which resulted in an increase in the transition risk. The physical risk is 32.7% and the transition risk is 67.3%. It is noted that 91.6% (2018: 91.3%) of the loan portfolio relates to sectors with negative to low climate risk and only 8.4% of loan portfolio relates to sectors with medium and high climate risk.

- Upgrading the Climate Risk Management Model (CRMM)

In 2019, a gap analysis study was conducted to evaluate the proposed UNEP FI approaches based on the recommendations of the TCFD (Task Force on Climate Related Financial Disclosures), regarding the management of climate risk by financial institutions and to compare these to the Model's existing capabilities. The main differences of the two methodological approaches were then identified and captured and an action plan was formulated to align the Model with the proposals of UNEP FI, which is in the process of implementation.

- TCFD Recommendations

[3] Sustainability and Business Report 2019: https://www.piraeusbankgroup.com/en/investors/financials/annual-reports
[4] Environmental Statement 2019: https://www.piraeusholdings.gr/el/sustainable-banking/environment-and-society/environment/environmental-fields-of-action/environmental-management

The recommendations for the disclosure of non-financial climate-related information were launched in 2017 by the Financial Stability Board task force. The TCFD recommendations mainly concern the financial sector and propose the voluntary disclosure of detailed information on climate change management in four pillars: Governance - Strategy - Risk Management – Metrics and Targets. Piraeus Group, following the above, published its first TCFD report in 2020.

- European Central Bank Guide on climate-related and environmental risks

Following the publication of the European Central Bank's final Guide on climate-related and environmental risks in November 2020, which builds on the TCFD recommendations, banks under its supervision are required to perform a self-assessment at the beginning of 2021 on their harmonization with the expectations set by the ECB. The self-assessment will be based on the supervisory requirements described in the Guide and banks should prepare relevant action plans. Piraeus Financial Holdings is already experienced in managing environmental risk, through its ESMS, and climate risk, through its Climate Risk Management Model –the climabiz tool. Especially for climate risk, the Group is preparing a roadmap for the integration and the holistic management of climate risk within the structures and procedures of the Group.

Protection of Biodiversity

Piraeus Financial Holdings Group is one of the 26 financial institutions that signed the global “Finance for Biodiversity Pledge” in 2020, in order to set goals and strengthen the business activities that protect and enhance the natural environment, reversing the rate of biodiversity loss.

In addition, the Group actively participates in the EU Business @ Biodiversity Platform, a forum for ongoing strategic dialogue on the interconnection of business with biodiversity and natural capital. In this context, the Group also participates in the EU COP Finance @ Biodiversity working group, which mainly concerns financial institutions. Following the signing of the Principles of Responsible Banking, Piraeus Group participates in the UNEP FI working group "Target Setting - Biodiversity", in order for financial institutions to set goals on biodiversity. Finally, the Group also participates in the pilot testing of the ENCORE tool, which will be completed in 2021 and which showcases the interactions of economic activities with natural capital and the ways the Group's portfolio is aligned with the protection of biodiversity.

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

The Piraeus Financial Holdings Group Cultural Foundation operates a network of nine (9) thematic museums in various regions of Greece, contributing to the economic growth and prosperity of the country through the growth dynamics of culture and the forging of relationships of trust at the local level.

The Museums of the Foundation are "museums without walls", harmoniously integrated into local communities, operating as living cells of cultural and economic development. According to a study on the economic and social impact of the operation of its Museums on local communities, carried out by the Foundation for Economic and Industrial Research, the following were calculated for 2019 (conservative estimate):

- increase in tourism expenditure in the respective regions of the country by € 11.8 million.
- impact of museum activity on the country's GDP by € 23 million.
- contribution of museums to employment with the equivalent of 619 jobs.

In 2020, the Covid-19 pandemic significantly affected the operation of the Foundation and its Museums, which remain closed to the public. For this reason, the Foundation adjusted its strategy and by utilizing new technologies, channeled much of its resources into the design and organization of digital and online activities, while completing maintenance and upgrading of its Museum infrastructure.

Related Party Transactions

With reference to the transactions of the Group with related parties, such as members of the Board of Directors and the management of the Group and its subsidiaries, these were not material in 2020, and a relevant detailed reference is included in the 2020 Annual Financial Statements.

Risk Management

Risk Management is an area of particular interest and focus in Piraeus Financial Holdings, targeting a holistic approach to risk management in terms of risk identification, assessment and control, at Group level. The prudent implementation and continuous development of the risk management framework constitutes a priority and is taken into account when designing the Group's strategy and business plan.

The purpose of Group Risk Management (GRM) is to safeguard the optimum usage of the Group's resources, its capital, its reputation and its people. The ultimate goal is to achieve the targeted return on equity by means of pursuing the Group's strategic plan, while at all times ensuring tactical initiatives remain respectful of the defined risk appetite.

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

- Strategically manage capital and liquidity;
- Increase focus on strategic risk;
- Enhance risk management capabilities;
- Iterative governance augmentation;
- Shape a strong Risk Culture.

During 2020, Group Risk Management continued developing the Group's risk management framework in alignment with the strategic plan.

As reflected in the design and implementation of the strategic plan, it is of high priority for the Group to further develop sophisticated risk management practices and robust models and methodologies. More importantly, the Group aims to solidify the sound risk culture and awareness across all levels of the organization.

Indicatively, 2020 key risk strategic and functional objectives include:

- Development of early warning models for efficient portfolio management;
- Analysis and implementation of New Default Definition;
- Enhancement of securitization infrastructure;
- Risk culture enhancements
- Active participation in Group-wide Covid-19 related initiatives and continuous monitoring of pandemic impact on risk, control and capital pillars

Also, in alignment with the Group-wide implementation of the Internal Control System Enhancement initiative, the **Segment Controller** role has a direct reporting line to CRO (Segment Head), as of 2019. A Unit Controller is appointed in each risk area in order to support the enhancement of the Sector's control environment and the implementation of operational risk standards, providing valuable expertise.

Risk | Function & Initiatives:

Risk is responsible for the development of the risk management framework (policies, methodologies, models and processes) with respect to credit risk, collateral risk, market, liquidity and Asset and Liability Management ("ALM") related risks. To that end, the unit deploys proper methods, including models, that allow the identification, measurement and monitoring of the aforementioned risks.

Moreover, it is responsible for the design and implementation of the Group's Internal Liquidity Adequacy Assessment Process ("ILAAP") and leads the preparation and execution of regular enterprise-wide liquidity stress tests.

Further, Risk produces risk-related reporting to the Group Management and Management/BoD Committees as well as to the supervisory authorities.

During 2020, Risk has led/participated in a number of strategic and functional risk initiatives. Indicatively:

Credit Risk

Following the Covid-19 outbreak, Credit Risk developed and led a series of initiatives targeting to assess and effectively manage the credit impact in the Group's loan portfolio. Such initiatives indicatively comprise:

- Development of Covid-19 related reporting infrastructure to timely monitor and assess evolution;
- Analysis to assess financial resilience per economic sector;
- Engagement in the development of policies, processes and supportive products accommodating EBA related guidance;
- Design along with key stakeholders the lending and underwriting strategy for 2021

Further, several tasks and projects were deployed by Credit Risk to facilitate and enhance risk management practices, as described below:

- **Credit Risk Monitoring**
  - Sponsorship of the transition project to the revised EBA Default Definition;
  - Initiate new credit risk related projects ('EBA Guidance on Loans Origination and Monitoring', 'BOG Act 175', 'OSI credit risk data tapes production', 'New Large Exposures Framework')
  - Impact assessment for prudential provisioning related to Calendar Effect and Addendum;
  - FINREP framework amendments and Credit Risk Pillar III related enhancements;
  - Assess and tackle hive down implications in credit risk reporting.

- **Impairments**
  - Optimization of the Group's Individual Impairment process by minimizing cycle-time;
  - Enhancement of the Credit Impairment methodological framework "IFRS9 Impairment process for Loans and Advances to Customers";
  - Re-assessed the impairment parameters, where necessary, in order to be appropriate for the current, affected by the Covid-19, environment.
  - Enhancement of the stage allocation process via the introduction of additional SICR criteria for the exposures under moratoria.

- **Credit Risk Models**
  - Design and development of a Rating Master Scale for the business and retail portfolios' models;
  - Development of a new behaviour model for SME related current accounts enabling the adoption of the Payment Services Directive 2 (PSD2) regulation;
  - Design and development of a brand-new SME Credit Rating model;
  - Redevelopment of the IFRS9 staging transition models for the Large Corporate and SME portfolios
  - Redeveloped Risk Based pricing Art models for mortgages and consumer loans

Market, Liquidity Risks and ALM

- Completion and production of the Liquidity Coverage Ratio (LCR) measurement process on a daily basis;
- Development of behavioural models for Non-Maturity Deposits and Non-Maturity-Assets, assessing also the risks arising from prepayments as well as from pipeline exposures in the context of properly quantifying Interest Rate Risk in Banking Book (IRRBB);
- Quantification of IRRBB sub-risks, namely gap, option and basis risks;
- Enhancement of IRRBB framework by developing policy, methodological as well as technical documentation.
- Initiation of MUREX –VaR project for Market Risk

Own Assets and Collateral Risk

- Development of data infrastructure to unite real estate information from various databases;
- Development of internal control procedures;

Balance Sheet and Capital Planning | Function and Initiatives:

Balance Sheet and Capital Planning supports the development and implementation of the Group's Strategy, aiming at the effective management of risks and balance sheet optimization. To this end, the unit is responsible for the development and maintenance of the Risk and Capital Strategy as well as Risk Appetite Framework (RAF) of the Group, in accordance with the Risk Committee and Board of Directors' directions and guidance.

Moreover, it is responsible for the design and implementation of the Group's Internal Capital Adequacy Assessment Process ("ICAAP") and leads the preparation and execution of regular enterprise-wide stress tests. Further, it is responsible for the coordination and overall maintenance of the Group's Recovery Plan.

Finally, Balance Sheet and Capital Planning is responsible for the measurement, monitoring and reporting of capital requirements and capital adequacy ratios of the Group.

During 2020, Balance Sheet and Capital Planning has undertaken a number of strategic risk initiatives. Indicatively:

Risk Strategy

- Risk and Capital Strategy: 2020 updates and submission;
- Initiation of the 'Strategic Processes Alignment' project;
- Initiation of a large scale project for the development of an integrated internal stress testing and balance sheet diagnostics platform

Capital Planning and Stress Testing

- ICAAP Framework and Methodology update, implementing more advanced measurement methods and addressing both internally identified needs and supervisory findings;
- Stress Testing Framework update, for both internal and regulatory Stress Tests;
- Continuous monitoring of Covid-19 related impacts to solvency and capital requirements;
- Initiation of a large scale project for the development of an integrated internal stress testing and balance sheet diagnostics platform

Capital Calculation and Reporting

- Enhancement of capital management analytical and reporting framework, including transition to upgraded infrastructure;
- Enhancement of Pillar I and Pillar III policy and procedures;
- Enhancement of capital management reporting capabilities to allow for Covid–19 and planned NPE securitizations regulatory reporting.

Control | Function and Initiatives:

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

During 2020, Control has led in a number of strategic and functional risk initiatives. Indicatively:

Operational Risk and Control

- Update of the operational risk event typology in order to respond to the current business needs, the new threats and the regulatory areas of focus;
- Enhancement of the alert process for critical operational risk incidents;
- Coordination of specialized ORAPs (Operational Risk Assessment Process) for major events or initiatives affecting the Group's risk profile, such as the Covid-19 pandemic, the Hive-Down project ("LYRA" project), as well as the Transformation project ("THIRA" project), in order to identify and assess related risks, monitor mitigating plans and inform relevant bodies.

Credit Control

In order to accomplish a targeted, more intensified on high risk borrowers assessing review with quick response on NPE Servicer findings, Credit Control split in two units, Performing Assets, and Troubled Assets.

Given the Covid-19 pandemic crisis, Performing Assets and Troubled Assets units adjusted their review plans, to accommodate specialized review projects addressing various aspects (eligibility criteria, UtP, forbearance) of Covid-19 related activities to ensure classifications and payment moratoria are granted on the basis of agreed policy and regulatory guidelines. Indicatively:

- Initiation of an ad hoc review for the Covid-19 affected borrowers.
- Enhancement of data monitoring review on soft triggers / declassification Unlikely to Pay (UtP) cases.

- **Model Validation**
  - Enhancement of the Unit's organizational structure and respective roles and responsibilities
  - Enhancement of the follow-up process regarding model validation findings
  - Standardization of the structure of model validation reports and enrichment with additional analysis
  - Extension of the Unit's scope to include Bank models that cover areas other than risk

Analytics | Function and Initiatives:

Analytics is responsible for undertaking end-to-end holistic analysis with a view to responding to challenges arising within the risk management framework. To that end, the unit employs accounting, financial engineering, product expertise, investigation, intelligence, technology, economics and deep industry skills, along with consistent proven global methodologies to help reduce unwarranted risk and commercial loss. Analytics also coordinates and monitors projects under the hospice of Group Risk Management and being responsible for risk management data and operations.

During 2020, Analytics has led in a number of strategic and functional risk initiatives. Indicatively:

Forensics / Solutions

- The introduction of ART - a risk based pricing tool – since 2018 in portfolios, enabling the Bank to assess and monitor profitability, and improve capital optimization;
- Continuous enhancements of ART and its wider application in various portfolios:
  - Testing period for integration of ART completed for Shipping, Letters of Guarantee, Small Business and Agricultural portfolios
  - Testing period for integration of ART with RAF limits, budget and customer profile (for evaluating customer's profitability in cooperation with business)

Group Risk Project Management Office

- Coordinate the submission of the annual plan of projects and their prioritization throughout the year;
- Supervision, strengthening of the overall project management and monitoring process;
- Coordinate the annual Risk budget submission and monitor the actual risk performance during the year;

Risk Data Office and Operations

- Coordinate risk data operations management initiatives (Finrep automation, Cost of Risk process optimization, Risk Data operations management);
- Implementation of Risk Systems transformation and optimization projects;

Segment Controller and Unit Controllers | Function:

The **Controllers** (Segment and Unit Controllers) work closely, in cooperation with the Group Risk Management units and the Segment Head (CRO), aiming at the optimization of the Segment's ICS (Internal Control System) while performing the following activities on a continuous basis:

- Gap analysis, assessment and enhancement of the risk management framework, on a constant basis, including policies, procedures, systems, etc. and above all strong governance in terms of clear roles and responsibilities;
- Assessment of operational risks and potential impacts, which is essential in the effective allocation of resources that are

required to maintain, develop and test the key controls;

- Collection, analysis and coordination of remedy implementation of findings, incidents and operational risk losses as material inputs in the risk assessment process;
- Analysis and response to identified deficiencies, based on agreed corrective actions;
- Maintenance of and active participation in the RCSA (Risk Control Self-Assessment), BCP (Business Continuity Plan) and other control related processes;
- Participation in the design of the control framework projects of the Sector and risk culture enhancing initiatives and overview of the implementation within the Segment.

Risk Culture Program | Initiatives:

The Risk Culture Program was launched in Q4 2019, and its scope is to exemplify the desired behaviors and routines that reinforce solid judgement about risk taking and encourage ethical conduct towards all stakeholder groups. Since September 2020, the Group Risk Management oversights and the HR Group leads the program.

During 2020, the following core initiatives were rolled out:

- Recorded the list of key risk awareness topics across the Bank and defined the perimeter;
- Introduction of the Risk Culture Guiding Principles, aiming to link the principles to desired behaviors and actions and establish them as the compass for strong risk awareness in the Bank;
- Developed the means of fueling risk awareness throughout the organization
- Risk Culture Champions team creation to enhance involvement and participation both at a functional and cross functional level;
- Group Risk Management functional initiatives adjusted to the new working environment post the Covid-19 pandemic (i.e. Knowledge Sharing Shots @Teams, morning coffee with the CRO @Teams, Ask The CRO, Coffee with GRM Leaders @Teams).
- Unfolded the following all Group Initiatives:
  - Introduction of Riskipedia, a glossary through a wiki tool to share knowledge and common understanding on risk management terminology
  - Production of short infographic/animated videos with the risk characters, to enhance risk awareness across the Bank on the following topics:
  - Implementation of targeted learning and upskilling programs, via virtual classes, webcasts and videos, to build risk knowledge across the Bank on various risk and control topics (New Credit Policy Manual, New Definition of Default (NDoD), Operational Risk Management Framework, various Risk and Control Topics).

Committees

Market Scenario Steering Committee: The Market Scenarios Steering Committee reviews and approves scenario variables and probability weights derived by the Economics and Investments Strategy Unit. In addition, it reviews and approves temporary adjustments on the credit risk parameters.

Provisioning Committee: The Provisioning Committee, is responsible for the approval of the quarterly ECL allowances on loans and advances to customers at amortised cost of the Company, and, if required, of the Group, as it results from the implementation of the policies and procedures governing the calculation of individual and collective provisions against credit risk.

The Provisioning Committee is, also, mandated to periodically, and at least annually, review the policies and methodologies (parameters, scenarios, weighting of scenarios etc.), which are applied by the Company for the calculation of provisions.

Finally, the Provisioning Committee is responsible for:

a. monitoring the reclassification of exposures [PE/ FPE/ NPE/ FNPE], as they result from the implementation of the Group and the Company’s policies and procedures,
b. the examination and approval of any requests for the exception/override from the relevant classification, following the respective request addressed by the Business Units.

Risk Models Oversight Committee: The Risk Models Oversight Committee (RMOC), composed of ExCo members and chaired by the CRO, is mainly responsible for the implementation of the Model Management and Governance Framework and the review and approval of relevant issues.

In particular, the Risk Models Oversight Committee reviews and approves the Model Development Framework, the initiation of the development of new models, as well as the use and the potential removal/replacement of existing ones. Also, it reviews and approves the Model Validation Framework, the Annual Model Validation Plan and the model validation assessments submitted by the Model Validation Unit and monitors the adherence to the timetable for the implementation of respective recommended actions.

Prospects and challenges of Piraeus Financial Holding Group’s Operations in 2021

The health crisis has led to sharp declines in GDP around the world and Greece in particular, the rapid response from the ECB and the EU, with monetary and fiscal stimulus measures like assistance programs, government-backed lines of credit or measures to support jobs have prevented the crisis from having an even greater impact.

In 2020, Piraeus Financial Holdings Group managed to navigate a number of headwinds, achieving significant milestones that set the foundations of the next day for the Group. The Group’s operational progress of 2020 is reflected in the € 6.3 billion new loans, € 5.1 billion new private sector deposits and the defence of the core organic income lines. At the same time, the Group attained further cost efficiencies thanks to its transformation plan initiatives.

Although early 2021 continues to be affected by the same uncertainties we faced at the end of the previous year, growth is expected to be greater in the second half of the year if vaccination roll-out plans are fulfilled, with a further acceleration possible in 2022, also on the back of the Resiliency and Recovery Fund flows to the country. An effective, rapid and global vaccination campaign will be critical to making mobility restrictions more flexible and allowing the sectors of the economy that were hit the hardest to return to a certain level of normality. Any potential extension of the healthcare crisis and its backfire in the economy, could cause adverse developments in the global, European and domestic economic activity, and delay the expected economic recovery.

A weaker than expected improvement in the macroeconomic performance, or weaker recovery of domestic demand may lead to lower growth, perpetuate debt problems and lead to additional NPE generation. Furthermore, any potential change in the regulatory stance could result in an increase of future provisions, burn capital buffers, the classification of loans and exposures as “non-performing” and a significant decrease in our revenue, which could materially and adversely affect our financial position, capital adequacy and operating results.

On 16 March 2021, the Group announced a series of concerted and comprehensive actions to drastically accelerate its NPE reduction plan and further enhance its capital position (the "Sunrise Plan"). The plan comprises three pillars:

- The acceleration of NPE reduction to reach a single-digit NPE ratio in the next 12 months, through the securitization and subsequent de-recognition of NPEs with a total estimated gross book value of up to € 19 billion (including the previously announced NPE securitizations, namely Projects Phoenix and Vega);
- A share capital increase of circa € 1.0 billion of Piraeus Financial Holdings via a non-pre-emptive fully marketed offering, which, along with the non-dilutive capital enhancing actions already completed or under way, will result in a cumulative capital benefit of approximately € 2.6 billion, including potential Additional Tier 1 issuance of up to € 0.6 billion;
- A detailed transformation plan of the Group to enhance pre provision income by a combination of top-line strengthening and a reduction in operating costs through efficiency improvements and digitization.

In the context of the Sunrise Plan, the Board of Directors of Piraeus Financial Holdings decided on 16 March 2021 to convene an Extraordinary General Meeting (the EGM) seeking to be granted authorization to approve capital increases, including the equity issue. The EGM will be held on 7 April 2021. Subject to shareholder approval, the equity issue is envisaged to be launched around mid-April and to be completed by early-May 2021. The equity issue is expected to be carried-out via an offering to international institutional investors and a public offer in Greece.

There are a number of critical steps on the Sunrise plan, the failure of which may entail certain risks the execution. Notwithstanding the progress achieved towards the completion of our plan to date, the execution of each of the steps in our plan will be complex and entail certain operational and execution risks, such as the worsening of market conditions, the deterioration in the financial condition of our borrowers, the receipt of necessary approvals from third parties, as well as other constraints stemming from events beyond our control, including changes in the regulatory landscape, the introduction of “HAPS 2”, or regulatory expectations for intensified NPE reduction actions, any of which could cause significant interruptions or delays in the implementation of our plans or require us to complete these transactions on less favourable terms.

Although we plan to partially replenish any lost interest income caused by the de-risking of our balance sheet, through loan expansion and increased fixed income holdings, as well as further optimisation of our funding sources costs, we may not be able to fully utilise these net interest income drivers timely, due to delays in the recovery of the Greek economy or other adverse global macroeconomic developments, market disruptions and unexpected increases in funding costs.

Finally, the assumptions that our plan is based on have been realized in a pragmatic bottom-up approach and does not promote a prosperous economic recovery. This allows us with the flexibility to mitigate any deteriorating adverse scenarios and rely in our execution capacity to proceed to the successful completion of the Sunrise plan that will enable the Group to focus on its core strengths, to fund the Greek economy and provide attractive returns to its shareholders, while maintaining a strong corporate culture and continuing to contribute towards a cohesive and inclusive society.

Athens, 24 March 2021

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

CORPORATE GOVERNANCE STATEMENT

This Statement on Corporate Governance of Piraeus Financial Holdings S.A. forms part of the Board of Directors' Report and contains information regarding the matters of article 152 of Greek Law 4548/2018 as at the reporting date of 31 December 2020 and the subsequent period up to the publication date of the Annual Financial Report.

It is noted that during the reporting period and until 30 December 2020, date of completion of the Demerger by way of hive-down of the Company's banking activities and its contribution to a newly established credit institution, the Company was subject to the detailed corporate governance regulations applicable to credit institutions. Following the completion of the Demerger, the Company ceased to be a credit institution but still continues to apply the vast majority of these regulations and practices, adapted to its current activities, since they constitute best corporate governance practices and largely meet the requirements of the Law 4706/2020 on corporate governance that will be applicable to Greek listed companies as of July 2021.

Further to the above, the content of the present should be read in the light of the pre-Demerger status of the Company as both a credit institution and a listed company. The corporate governance framework referenced in the present statement (including Board of Directors and Committees responsibilities and activities during the reporting period) should be meant to refer to that of the former Piraeus Bank S.A. and references to the "Company" (formerly Piraeus Bank Société Anonyme) should be read and construed to be references to the former "Piraeus Bank S.A" (now renamed "Piraeus Financial Holdings S.A.") prior to 30 December 2020, date of the completion of the Demerger, except to the extent otherwise specified. Significant discrepancies with respect to the data as of the date of publication of the present shall be disclosed with express reference, where necessary. It is noted that the Company is currently working on the adjustment of its policies, internal procedures, operating regulations of BoD and Committees in order to be aligned to the activities and its new status after the Demerger as a financial holding company as well to the new legislative framework on corporate governance of listed entities to be entered into force as of July 2021, where applicable.

Updated information regarding the organizational structure, the administrative bodies and the Policies of the Company will be gradually available through the website.

In particular, Chapter I describes the institutional and regulatory framework that the Company applies in terms of corporate governance and operation as well as the elements of its Corporate Governance Structure and Operating Regulation. Chapter II includes the analysis of the composition and manner of operation of the Company's management, administrative and supervisory bodies and committees, including Internal Control System (ICS), Compliance and Risk Management System implemented by the Company.

I. APPLICATION OF INSTITUTIONAL FRAMEWORK AND CORPORATE GOVERNANCE STRUCTURE AND OPERATING REGULATIONS

The Company, in its capacity as a Société Anonyme company listed on the Athens Stock Exchange, in parallel with the provisions of corporate law and its Articles of Association, applies the provisions on Corporate Governance of listed companies set out in Greek Law 3016/2002. Furthermore, the Company, as a financial institution, supervised by the ECB, applied during the reporting period the most stringent special provisions of Greek Law 4261/2014 and of the Bank of Greece Governor's Act 2577/9.3.2006 regarding principles of operation of credit institutions and the criteria for evaluating their ICS.

Furthermore, the Company has established and applies the Corporate Governance Structure and Operating Regulation ("the Regulation"), which constitutes an internal document of the Company. The Regulation incorporates the regulations arising from the mandatory institutional framework (especially Greek Law 3016/2002, Greek Law 4261/2014, Bank of Greece

Governor's Act 2577/9.3.2006, Capital Market Commission Resolution No. 5/204/14.11.2000, the provisions of the Athens Stock Exchange Regulations) and adopts the international Corporate Governance practices, including the OECD Principles of Corporate Governance (2004).

The Company's Articles of Association is posted on the Company's website.

The main objectives of the Regulation are to:

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

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

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

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

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

A main concern of the Company is also developing and continuously improving the ICS, both on an individual as well as on a Group level. These are well-documented, detailed audit mechanisms and procedures, incorporating the best principles of corporate governance and they cover on a continuous basis every activity and transaction of the Company, contributing to its efficient and safe operation.

The Regulation refers in detail to the area of responsibilities and to the functioning of key bodies of the Company, in particular to the Board of Directors, the Audit Committee, the Risk Committee, the Remuneration Committee, the Board of Directors Nomination Committee, the Strategy Committee, the Board Ethics and Governance Committee, the Group Executive Committee and also to the Group Internal Audit, the Risk Management and the Compliance Units.

Moreover, in the context of the provisions of Greek Law 3864/2010, the provisions of the Relationship Framework Agreement (“RFA”)[5] dated 27 November 2015 entered between the Company and the Hellenic Financial Stability Fund (“HFSF”) are applicable. The RFA regulates the relationship between the Company and the HFSF on matters related to, amongst others the:

(a) Corporate Governance of the Company,

[5]Draft of the Relationship Framework Agreement is available on the HFSF’s website.

(b) rights and obligations of the HFSF's Representative on the Board,

(c) obligatory approval of the HFSF on material matters, as well as

(d) monitoring of the Company's risk profile as against the approved Risk and Capital Strategy.

II. MANAGEMENT, ADMINISTRATIVE AND SUPERVISORY BODIES AND COMMITTEES

1. General Meeting of Shareholders

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

1.1. Shareholder

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

Law 4569/2018 introduced the structure of omnibus securities accounts at the register of ATHEXCSD, i.e., accounts held by intermediaries for the benefit of end-investors. In case of shares held in omnibus accounts, the capacity of the shareholder vis-à-vis the company is evidenced through the registration of the shareholder in the books of the intermediary holding the omnibus account. Until the licensing of the ATHEXCSD under CSDR and the approval of its Regulation of Operation, omnibus accounts are not thought yet fully operational.

1.2. Categories of general meetings

The general meeting mandatorily convenes at the Company's seat or in another municipality within the county of the seat or another neighboring municipality or in the municipality of the Athens Stock Exchange seat, at least once every financial year and within the time limit laid down by the provisions of the Law, as in force.

The Board of Directors may also call extraordinary sessions of the general meeting of shareholders, whenever so deemed advisable or necessary.

Moreover, the general meeting of shareholders is called, by requisition of minority shareholders pursuant to paragraph 1 of article 141 of law 4548/2018.

The Auditor of the Company as well has the right to request the convocation of the general meeting by applying to the Chairman of the Board of Directors.

1.3. Competences of the general meeting

Sole the general meeting, according to article 117 of law 4548/2018, has authority to decide on:

a) Amendments to Company's articles of association, with share capital increases and reductions being understood as amendments thereto for the purposes hereof;

b) Election of members of the Board of Directors and Auditors;

c) Approval of the overall management activities according to article 108 of Law 4548/2018 and discharge of Auditors;

d) Approval of the annual and any consolidated financial statements;

e) Distribution of the annual profits;

f) Approval of remuneration paid and preliminary approval for remuneration, under article 109 of law 4548/2018;

g) Approval of the remuneration policy and the remuneration report under articles 110 and 112 of law 4548/2018;

h) Merger, split, conversion, revival, term extension or dissolution of the Company, according to law 4548/2018 and law 4601/2019, as in force;

i) Appointment of liquidators,

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

a) Share capital increases or share capital readjustment acts explicitly vested in the Board of Directors under the law, as well as increases imposed under the provisions of other legislation;

b) The amendment or harmonization of provisions in the articles of association by the Board of Directors when so explicitly provided by law;

c) The election of directors in the place of directors who resigned, died or forfeited their office in any other manner, in accordance with the article 82 of law 4548/2018;

d) The option to distribute interim dividends pursuant to paragraphs 1 and 2 of art. 162 of Law 4548/2018;

e) The option to distribute (under para. 3 of art. 162 of law 4548/2018) profits or voluntary reserves within the current business year under a BoD resolution which is submitted to the publication formalities.

1.4. Invitation of general meeting

The invitation of the general meeting contains as a minimum the following information:

a) the building, with exact address details;

b) the date and time of the meeting;

c) the agenda items, clearly defined;

d) the shareholders entitled to participate;

e) precise instructions on the manner in which shareholders shall be able to participate at the meeting and exercise their rights in person or by proxy or even remotely;

f) the rights of shareholders under paragraphs 2,3,6,7 of article 141 of Law 4548/2018 as in force, with reference of the time period within which any such right may be exercised or, alternatively, the deadline by which such rights may be exercised. It is noted that more detailed information on the above minority rights are available on the chapter 2 below;

g) the procedure for the exercise of the voting right by proxy and in particular the forms used by the Company for this purpose as well as the means and methods provided under the articles of association, as per the paragraph 5 of the article 128 of law 4548/2018 in force in order for the Company to receive electronic notices for the appointment and recall of proxies;

h) the procedure for the exercise of the voting right by correspondence or by electronic means, if applicable pursuant to the provisions of articles 125 and 126 of law 4548/2018 in force;

i) the determination of the date of record, as provided for in paragraph 6 of article 124 of law 4548/2018;

j) the place where the complete text of the documents and draft resolutions, provided for in paragraph 4 of article 123 of law 4548/2018, shall be available as well as the manner that these may be obtained, and

k) the Company's website address, where the information under paragraphs 3 and 4 of article 123 of law 4548/2018, shall be available.

Except in the case of reiterative general meeting sessions, the notice to the general meeting shall be published twenty (20) clear days minimum prior to the date appointed for its session:

a) by means of its entry in the Company Record in the General Commercial Register (business registry), as well as

b) at the Company' s website

and shall also be communicated within the said time period in a manner ensuring fast and non-discriminatory access to it, by means of media which are reasonably reliable for the effective dissemination of the relevant information to investors, such as in particular printed and electronic media of national and pan-European reach.

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

1.5. Participation at the general meeting

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

Shareholder status is evidenced by any means provided by law and in all cases by means of information in this respect obtained by the Company from the central securities depository, if providing registry services, or through the registered intermediaries who are members of the central securities depository in all other cases.

The Board of Directors may resolve, in accordance with the articles of association that the general meeting will not convene at any place but will convene in full with the participation of the shareholders remotely by electronic means in accordance with the terms and conditions of the Law, as in force.

The Board of Directors may resolved, in accordance with the articles of association, that any shareholder may participate in voting on items on the agenda of the general meeting at a distance by e-mail or by electronic means, the vote held before the meeting in accordance with the provisions and under the conditions of the law, as in force.

At the general meeting the members of the Board of Directors and the auditors of the Company are also entitled to attend. Under the responsibility of the Chairman of the general meeting the presence of other persons not having shareholder status or shareholders' representatives may be allowed by the latter. The presence of the abovementioned persons in the General meeting may also be effected by electronic means, in accordance with the aforementioned in the previous two paragraphs.

In the event of a general meeting, in accordance with the above, the shareholders and other interested parties are specifically informed of the process through the invitation of the general meeting.

Shareholders may participate at the general meeting in person or by proxy. A shareholder may appoint a proxy for a single or multiple general meeting sessions and for a specified time period. The proxy votes in accordance with the shareholder's instructions, if any. Any failure by the proxy to vote as directed shall not affect the validity of the general meeting resolutions even when the proxy's vote was instrumental in achieving majority.

A shareholder may appoint up to three (3) proxies; however, when a shareholder owns shares in the Company, which are shown in more than one securities account, this limitation does not preclude the shareholder from appointing different proxies for the shares shown in each account in respect of a specific general meeting session. The appointment of proxy may be freely revoked.

The appointment and recall or substitution of a proxy or representative shall be made in writing or by e-mail message or other electronic means and shall be submitted to the Company forty eight (48) hours minimum prior to the date appointed for the general meeting.

A shareholder's proxy is required to disclose to the Company, prior to the commencement of the general meeting, any specific fact which may be of use to shareholders in order for them to assess a possible risk that the proxy might serve interests other than the shareholder's interests.

A conflict of interest, according to law, may exist particularly when the proxy:

a) is a shareholder exercising control over the company or another legal person or entity controlled by such shareholder;

b) is a member of the Board of Directors or of the management of the company in general or of a shareholder exercising control over the company, or other legal person or entity controlled by a shareholder exercising control over the company;

c) is an employee or auditor of the company or of a shareholder exercising control over the company or another legal person or entity controlled by a shareholder exercising control over the company;

d) is a spouse or relative within the first degree of one of the individuals referred to under items (a) to (c) above.

1.6. Ordinary quorum and majority at the general meeting

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

If no such quorum is obtained, the general meeting shall be held anew within twenty (20) days as of the date of the adjourned meeting, upon notice of at least ten (10) clear days in advance; such reiterative session shall be in quorum and validly held on the original agenda whatever the part of the paid-in share capital represented thereat; a new notice is not required, if the original notice specified the place and time for repeat sessions in case no quorum is present at the original General Meeting session, provided the adjourned and the reiterative sessions are a minimum of five (5) clear days apart.

Subject to the paragraph 1.7 of the present document, general meeting resolutions are passed by absolute majority of the votes represented thereat.

1.7. Qualified quorum and majority at the general meeting

Exceptionally, the general meeting is in quorum and validly held on the agenda when shareholders representing one half (1/2) of the paid-in share capital are present or represented thereat, in the case of resolutions concerning a change of the nationality of the Company, a change of the business object of the Company, increase of shareholders' obligations, ordinary increase of share capital unless imposed under the law or effected by means of capitalization of reserves, share capital reduction except when it is in accordance with para. 5 of article 21 of law 4548/2018 or para. 6 of article 49 of law 4548/2018, a change in the manner of appropriation of profits, merger, split, conversion, revival, term extension or dissolution of the Company, the granting or renewal of power to the Board of Directors for share capital increase, pursuant to para. 1 of art. 24 of law 4548/2018, as well as in all other cases in which the law specifies that the general meeting shall adopt resolutions under a qualified quorum and majority.

If the quorum specified in the preceding paragraph is not obtained, the general meeting shall be held anew within twenty (20) days as of the date of the adjourned meeting and upon a prior notice of at least ten (10) clear days in advance; such reiterative session shall be in quorum and validly held on the original agenda when shareholders representing at least one fifth (1/5) of the paid-in share capital are present or represented thereat. A new notice is not required, if the original notice specified the place and time for repeat sessions, provided the adjourned and each reiterative meeting are at least five (5) days apart.

Resolutions under the paragraph 1.7 are passed by a majority of two thirds (2/3) of the votes represented at the general meeting.

1.8. General meeting Agenda-Minutes

General meeting deliberations and resolutions are confined to the items included in the agenda.

The vote results is announced by the general meeting chairman as soon as it is established.

The vote results are posted on the Company website, within five (5) days maximum as of the general meeting date, indicating as a minimum for each resolution the number of shares for which valid votes were cast, the percentage of share capital such votes represent, the total number of valid votes as well as the number of votes cast in favor and against each resolution and the number of votes abstained.

A summary of the general meeting deliberations and resolutions is recorded in the minutes book, signed by the general meeting chairman and the secretary/ies. A list of the shareholders who attended or were represented at the general meeting is also recorded in the said book.

Copies and extracts of the minutes are certified by the chairman of the Board of Directors, his deputy or another BoD member appointed under a BoD resolution, and are submitted to the competent General Commercial Register (GEMI) unit within twenty (20) days as from the general meeting session.

At the request of a shareholder the chairman of the general meeting is required to record in the minutes a summary of such shareholder's opinion; the general meeting chairman has the right to refuse to record such opinion if relating to matters clearly outside the scope of the agenda or if its content manifestly contravenes morality or the law.

1.9. Minority Rights

1.9.1 Rights of shareholders representing at least one-twentieth (1/20) of the paid-in share capital of the Company

According to law 4548/2018, following a request from shareholders representing at least one-twentieth (1/20) of the paid-in share capital of the Company:

a) The Board of Directors is obliged to call an extraordinary general meeting session and set a date for it not being more than forty five (45) days from the date such requisition was submitted to the chairman of the Board of Directors. The requisition must specify the matters to be placed on the agenda;

b) The Board of Directors is obliged to include additional items in the agenda of the general meeting, already convened, if the relevant requisition reaches the Board of Directors fifteen (15) days minimum prior to the general meeting session. Such additional items must be published or communicated on the responsibility of the Board of Directors, pursuant to article 122, at least seven (7) days prior to the general meeting session. The requisition for the inclusion of additional items in the agenda is accompanied by justification or by a draft resolution for approval by the general meeting and the revised agenda is published the same way as the previous one thirteen (13) days prior to the day of the general meeting and at the same time it is made available to shareholders on the Company website together with the justification or the draft resolution submitted by the shareholders pursuant to the provisions of paragraph 4 of article 123 of law 4548/2018;

c) The above shareholders have the right to submit draft resolutions on items included in the original or any revised agenda of the general meeting; the relevant requisition must reach the Board of Directors seven (7) days minimum prior to the date of the general meeting session, and the draft resolutions are made available to shareholders pursuant to the provisions of paragraph 3 of article 123 of law 4548/2018 at least six (6) days prior to the date of the general meeting;

   In the cases under a, b and c above, the Board of Directors is not required to include items in the agenda or to cause the publication or communication of same along with the justification and/or draft resolutions submitted by the shareholders, if the content thereof is in obvious contravention of the law or good morals.

d) The Chairman of the general meeting is obliged to adjourn, but only once, the adoption of resolutions on all or some of the agenda items by the general meeting and fix a new session for deciding on such resolutions, on the date mentioned in the shareholders' requisition which may not, however, be later than twenty (20) days from the day of such adjournment. Such adjourned general meeting is a continuation of the previous one and the notice publication formalities need not be observed anew; this meeting may also be attended by new shareholders, subject to adherence to the relevant formalities for attendance, without prejudice to paragraph 6 of article 124 of law 4548/2018;

e) The Board of Directors is obliged to inform the Ordinary General Meeting of the amounts which were paid during the last two-year period by the Company to each member of the Board of Directors or to the managers of the Company as well as of any benefit provided by the Company to the above persons for any reason or contract existing between the Company and such persons. The Board of Directors may refuse to supply the requested information for sufficient and material reasons which shall be entered in the minutes. In the cases of this paragraph, the Board of Directors may provide a single response to shareholders' requests of the same content;

f) The above shareholders have the right to demand an open vote at the general meeting on any agenda item or items;

g) The above shareholders have the right to request extraordinary judicial review by applying to the court, hearing the case in accordance with the ex parte jurisdiction procedure, if there is suspicion of any action which is contrary to the provisions of law or the articles of association of the Company or to resolutions adopted by the general meeting; in all cases, the petition for such review must be filed within three (3) years as of the date of approval of the financial statements of the business year within which the said acts were committed;

h) The above shareholders have the right to submit in writing to the Board of Directors a requisition about the exercise of Company claims pursuant to article 103 of law 4548/2018. The applicants will be required to prove that they had shareholder status six (6) months prior to the submission of the said requisition. In their requisition, the requesting shareholders set a reasonable time period within which the Board of Directors is required to assess the content of the requisition and determine whether the Company shall institute an action for the claims set out in the said requisition. The time period set may not be less than one (1) month as of the time the requisition was submitted to the Board of Directors;

i) The above shareholders, when forming part of a minority of at least one tenth (1/10) of the share capital of the Company that opposed the adoption of the relevant resolution by the general meeting, have the right to apply to the competent court within two (2) months as of the general meeting approval, requesting a decrease of compensation or benefit paid or decided to be paid to a specific member of the Board of Directors, with the exception of emolument to BoD members for services rendered to the Company under a special relationship (such as, as an indication, under an employment, services or agency contract), when under the existing circumstances it is considered exorbitant as per sound judgment, having in particular regard to the powers and responsibilities of the director concerned, the efforts such director has undertaken, the level of the remuneration paid to directors in other similar companies as well as the position, performance and outlook of the Company.

1.9.2. Right of shareholders representing at least at least one tenth (1/10) of the paid-in share capital of the Company

According to law 4548/2018, shareholders representing at least one tenth (1/10) of the paid-in share capital may, by submitting a requisition to the Company five (5) clear days minimum prior to the general meeting session, demand that the Board of Directors provide to the general meeting information with regard to the progress of the corporate affairs and the status of the corporate property. The Board of Directors may refuse to provide such information, for sufficient and material reasons which shall be entered in the minutes. Such a reason may be, under the circumstances, the fact that the requesting shareholders are represented in the Board of Directors, pursuant to articles 79 or 80 of law 4548/2018, provided the respective members of the Board of Directors have received the information requested in a sufficient manner.

1.9.3. Right of shareholders representing at least one fifth (1/5) of the paid-in share capital of the Company

Shareholders representing at least one fifth (1/5) of the paid-in share capital may request judicial review if from the whole course of the Company's affairs or in light of indications in this respect it may validly be assumed that the management of these affairs is not exercised as dictated by the principles of sound and prudent administration.

1.9.4. Right of any shareholder

On the requisition of any shareholder, submitted to the Company at least five (5) clear days prior to the general meeting session, the Board of Directors is required to provide to the general meeting the requested specific information regarding the affairs of the Company insofar as such information concerns the agenda items. No obligation to provide information is applicable when the relevant information is already available on the website of the Company, particularly in a question-and-answer format.

Those minority rights may also be exercised by associations of shareholders in their own name but on behalf of their members if their members have the number of shares required to exercise the rights. Minority rights are not the rights that can be exercised by each shareholder. The association must have communicated its valid establishment and its articles of association to the Company whose shareholders are its members one month before exercising the above rights. The document of exercise of the right must indicate the names of the shareholders on whose behalf the right is exercised.

1.10. Dispute Resolutions

Any dispute between the Company and the shareholders, arising from law 4548/2018 or the articles of association or other legitimate cause, is brought before the exclusive jurisdiction of the Single Member Court of First Instance of the Company's registered office, unless otherwise specified by law.

2. The Board of Directors

2.1. Composition

In accordance with article 8 of its Articles of Association, as in force today, the Company is managed by a Board of Directors (BoD) consisting of nine (9) to fifteen (15) members. Pursuant to Greek Law 3016/2002, the Board consists of executive and non-executive members. The number of the non-executive members should not be less than one third (1/3) of the total number of members. Among the non-executive members, at least two (2) should be independent within the meaning of art.4 of the aforementioned Greek Law. Pursuant to Greek Law 3864/2010, a Representative of the HFSF participates as a Member to the BoD. His responsibilities are determined in Greek Law 3864/2010 and the RFA.

In addition, the RFA provides, inter alia, for the following on the composition of the Board of Directors of the Company: a) the BoD must be composed of no fewer than seven (7) and no more than fifteen (15) members. Only an odd number of members is permitted, including the HFSF's Representative on the Board, according to Greek Law 3864/2010, b) the Chairman of the Board must be non-executive and should not serve as Chairman of either the Board's Risk or the Audit's Committee, c) the majority of the BoD must be comprised of non-executive members, 50% of which (rounded to the nearest integer) and no less than three (3) members (excluding the HFSF Representative) should be independent, satisfying the independence criteria of Greek Law 3016/2002 and the Recommendation 2005/162/EC, and d) the BoD must include at least two (2) executive members.

The Board of Directors has adopted a Policy on the Nomination of Board Members. Such Policy is based on the legislative and regulatory obligations of the Company and incorporates the following: a) the provisions of Greek Law 4261/2010[6], b) EBA Guidelines on the assessment of the suitability of BoD members[7], and c) the provisions of the RFA as well as international best practices. The Policy describes the general principles, the procedure and the criteria of the nomination of BoD members (excluding the HFSF Representative), which include, inter alia, the following: (i) fit and proper criteria, (ii) criteria for the avoidance of conflicts of interest, (iii) criteria on the availability and dedication of sufficient time for the operations of the BoD, (iv) criteria with respect to financial experience within the banking sector, commitment on the application of international best banking practices with particular emphasis on risk management, compliance and the ICS, sufficient knowledge of the regulatory and business environment in which the Company operates as well as criteria concerning the independence, ethics and the personality of the candidate member.

More specifically, in order for a person to be considered an eligible candidate by the Board of Directors and the Nomination Committee (NomCo), such person:

(a) must meet the suitability criteria (fit and proper) set out under (a) below,

(b) may have no potential conflicts of interest with the Company,

(c) must be able to commit sufficient time to the BoD of the Company depending on the position for which they are

[6] Applicable during the reporting period due to the former status of the Company as a credit institution
[7] As above

recommended, and

(d) should have one or more of the qualifications set forth under (d) below.

(a) Suitability criteria (fit and proper)

1. Honesty, integrity and reliability: Candidates, based on their background, must be able to inspire the trust required for a member's accession to the highest management body of the Company. The Nomination Committee ensures that all candidates have an impeccable reputation.

2. Expertise and prior Professional Experience: Candidates must possess adequate expertise and have a successful career in their line of business. They must be able to provide relevant evidence of their prior professional experience in satisfaction of the requirements set out herein.

3. Independence of mind: Candidates should be able to form opinion and express their independent opinion on all issues undertaken by the Board of Directors.

(b) No conflict of interest – Director ineligibility

The Nominations Committee and the BoD ensure that candidate Directors possess such professional capacities as are compatible with the role of Director of the Company, and that their personal, business and/or professional interests are not in conflict with the interests of the Company or the Group, in accordance with the provisions of the Company's Regulation and the legal and regulatory framework, applicable from time to time. All candidates must, prior to their final election, submit a statement that no conflict of interest with the Company will arise following their election as Members of the BoD.

(c) Commitment of time

All candidates must be able to dedicate sufficient time and energy to the performance of their duties. In the case of non-executive Directors, special attention should be paid to the number of directorships and other commitments they may hold outside of the Company.

Pursuant to Article 83 para. 3 of Greek Law 4261/2014 (article 91.3 of Directive 2013/36/EU), which was applicable during the reporting period due to the former status of the Company as a credit institution, and notwithstanding para.4 and 5, of said Article, Directors may not hold more than one of the following combinations of directorships at the same time: (a) one position as executive member of a board of directors and two positions as non-executive members of boards of directors; or (b) four positions as non-executive members of boards of directors.

(d) Desired Director skillset

It is desirable that each candidate possesses one or more of the following attributes, and that the BoD collectively possesses the following skillset:

- **Financial experience in the banking sector (FIE):** Adequate understanding of the banking operations (with emphasis on loans and NPL management), financial services sector and special features of financial institutions.

- **Financial experience:** Adequate understanding of auditing and accounting as well as financial information issues.

- Strong commitment to the implementation of **internationally recognised best banking practices** with emphasis on corporate governance, risk management, compliance and ICS.

- **Regulatory framework and governance:** Adequate knowledge of the prudential supervision regulatory framework (e.g. national and European financial sector), corporate governance issues and legal liabilities.

- **Risk Management: Ability to oversee the risk management framework including the risk management culture and risk appetite.** Ability to identify, assess and rate the key risks that the Company faces. Understanding of the fundamental issues pertaining to risk management and asset management.

- **Strategy:** Understanding of the environment where the Company operates, including the ability to recognize the interests of stakeholders (e.g. shareholders, European Competition Commission, Supervisory Authorities, employees), financial dependencies, as well as other external influences to the organization's capacity to achieve its targets.

- **Leadership:** Experience in large Groups of companies (listed or non-listed), in different sectors, preferably in leadership positions (e.g. Chairman, Managing Director or other role at senior management level).

- **Will to argue constructively during the decision making of the BoD:** will as well as moral and mental stature to constructively challenge the decisions and actions of the Company's executive management, preserving at the same time the necessary team spirit and avoiding tensions.

- **Gender balance:** Satisfactory gender balance in the composition of the Board of Directors, in accordance with the applicable regulatory framework.

- **Independence:** In the event of an independent non-executive position, candidates must fulfill all the formal independence criteria under Greek Law 3016/2002 and be compatible with the European Commission Recommendation 2005/162/EC, as stipulated in the Relationship Framework Agreement (RFA) with the HFSF.

Additional criteria for Executive Directors: Persons to be assessed for Executive Directors must additionally be willing to enter into a full-time employment or services contract with the Company. They must also have demonstrated, both in their current and past positions, that they possess the experience, ability and integrity to lead the Company and the Group in achieving its strategic goals.

The composition and the members of the BoD must also satisfy the criteria set out in par. 7, 8 and 10 of article 10 of Greek Law 3864/2010 for the period the Company falls under the provisions of same Greek Law.

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

The BoD is elected by the General Meeting of the Shareholders of the Company; which also appoints the independent non-executive members. At the election of Board members, the General Meeting also may elect as members persons who are not shareholders of the Company.

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

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

According to the Company's Articles of Association, if a Board member resigns, passes away or forfeits his/her office in any way, or whose office is declared forfeited by resolution of the Board of Directors due to unjustified absence from meetings for three (3) consecutive months, the Board may continue to manage and represent the Company without replacing the missing members if the remaining members are at least nine (9). The decision of the election shall be published as per corporate law, and the Board of Directors shall announce it at the next General Meeting.

As at 31 December 2020, and on the date of publication of the 2020 Annual Financial Report, the Board of Directors has the following composition:

George Handjinicolaou	Chairman of the Board, Non-Executive BoD Member
Karel De Boeck	Vice Chairman of the Board, Independent Non-Executive BoD Member
Christos Megalou	CEO, Executive BoD Member
Vasileios Koutentakis	Executive BoD Member
Venetia Kontogouri	Independent Non-Executive BoD Member
Arne Berggren	Independent Non-Executive BoD Member
Enrico Cucchiani	Independent Non-Executive BoD Member
David Hexter	Independent Non-Executive BoD Member
Solomon Berahas	Independent Non-Executive BoD Member
Andrew Panzures	Independent Non- Executive BoD Member
Anne Weatherston	Independent Non-Executive BoD Member
Alexander Blades	Non-Executive BoD Member
Periklis Dontas	Non-Executive BoD Member, Representative of the Hellenic Financial Stability Fund to the Board of Directors pursuant to Greek Law 3864/2010

During year 2020, the composition of the BoD was amended as follows:

- Following the resignation of Mr. G. Georgakopoulos on 21 November 2019, Executive Member of the Board, the Nomination Committee appointed an expertized board advisory services company, which proceeded to the assessment of the organization's senior executives. The results of this exercise were submitted to the Nomination Committee meeting held on 22 May 2020. Further to the above, the Committee decided to recommend to the Board of Directors for the election of Mr. Vasileios Koutentakis, Executive General Manager as a new Executive Board Member. During the meeting of the Board of Directors on 28 May 2020, the Members unanimously approved the proposal of the Nomination Committee and elected Mr. Vasileios Koutentakis, as a Member of the Board, in replacement of Mr. George Georgakopoulos. The above modification in the Board of Directors was announced at the Annual General Meeting of Shareholders of the Company held on 26 June 2020.

- The Annual General Meeting of Shareholders held on 26 June 2020, elected the above members (including Ms A. Weatherston and Mr A. Panzures who were elected to the BoD for the first time) of the Board of Directors (due to expiration of the prior BoD's term), following respective recommendations of the Board of Directors and the Nomination Committee.

According to the revised RFA, an Observer attends the Board of Directors meetings without voting rights.

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

The members make up a set of the necessary collective skills and knowledge required by the existing regulatory framework for credit institutions. In this way, the systemic stability, the good relationship of the Company with the Regulatory Authorities and the avoidance of administrative gaps in the operation of the Company and its Group are promoted.

Information on the current composition of the BoD and short CVs of its members are available on the Company's website.

2.2. Succession Policy for the Board of Directors.

The Succession Policy for the Board of Directors (hereinafter "the Policy"), adopted in November 2019, aims to provide a framework and lay out policies which ensure the stability, continuity and proper integration of the Company's Board of Directors through the identification and selection of potential candidates, in the event of permanent, planned or unforeseen departure of any of its members, particularly for Directors serving in leadership positions (chairpersons of the Board and Committees).

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

The process of succession planning is broadly described below.

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

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

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

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

Succession planning process for the Chief Executive Officer.

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

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

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

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

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

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

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

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

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

Nomination: The Nomination Committee reviews the list of potential candidates in order to produce a shortlist. Then, the Committee meets the potential candidates and assesses them, while in parallel examining incompatibilities and disqualifications of legal nature. Finally, the Nomination Committee recommends the best candidate to the Board.

In case of an unanticipated succession, the current CEO cannot/should not participate in the process, which is handled by the Nomination Committee. The NomCo prepares a ready-to use list of potential candidates from which the Board could choose the individual who can run the Company as an interim CEO (in case there is no apparent successor identified and immediately available). Preferably, such an interim CEO should be selected from the pool of internal candidates. In case the Board believes there are no internal candidates there are ready for the position of the CEO, an external search for a permanent replacement follows.

2.3. Diversity of the BoD members

Upon suggestion of the Board Nomination Committee, the Board of Directors has adopted the Board of Directors Diversity Policy, which records the basic principles and the criteria as to the nomination procedure of the Board of Directors members. The policy is applied in parallel with the Policy on the Nomination of Board Members, as mentioned above and is also considered in the implementation of the Board members and CEO succession planning (pursuant to the respective polices, see above).

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

The election of the Board of Directors by the Annual General Meeting of 26 June 2020 was based (subject to the limitations set by the strict criteria of Greek Law 3864/2010), on the general principles and criteria set out in the Board of Directors Diversity Policy with particular focus to areas related to skills and educational and professional background. The BoD of the Company now constitutes of members with international recognized experience on areas of strategic importance such as banking, auditing, risk management, NPL management and restructuring, PIO management and financial management etc.It is indicatively mentioned that persons of eight (8) different nationalities (Greece, Britain, Italy, Sweden, New Zealand, USA, Belgium, Canada) with different professional and educational backgrounds participate in the Company's BoD.

In addition, although the participation of women to the Board of Directors does not vary significantly from the average on national and European level, the Company recognizes the need to further improve it and is working on that direction, despite the strict legislative and regulatory context governing the composition of the BoD and restricting heavily the pool of the available nominees. During the recent review and update of the Diversity Policy (June 2019), the Company has committed to make effort to gradually increase the under-represented gender (women) in the BoD to minimum 25%, percentage that is identical to that set by the new Law 4706/2020 on corporate governance8, calculated on the total BoD size by the end of the year 2023. In addition, the BoD has committed to increase up to 33% the female representation in the top executive management (Board of Directors, executive management and the direct reporting lines) by 2021.

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

[8] Applicable as of July 2021

2.4. Operation

The Board of Directors, immediately after its election, convenes as a body and elects a Chairman and one or more Vice-Chairmen and Managing or Executive Directors from amongst its members. According to the current legal framework, the RFA and international best practices, the Chairman of the Company does not at the same time serve as Managing/ Executive Director.

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

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

Pursuant to the provisions of the RFA, the BoD informs the HFSF Representative and the HFSF Observer on the activities and decisions of the Board and to that end it notifies to the abovementioned the dated of the Board meetings. Such notification should be sent by written notice at least three (3) business days prior to the Board meeting and shall include at least the following: (i) the agenda of the meeting and (ii) the relevant material, data or information and all supporting documents with respect to the items of the agenda. In case of non-compliance with the above deadline, the HFSF Representative is entitled to request in writing addressed to the Chairman of the Board, a postponement of the Board meeting which shall be resumed the earliest after three (3) business days, provided that the aforementioned documents are provided in time.

The Board is in a quorum and convenes validly when at least half of its members plus one are present or represented. However, the number of members personally present may never be less than five (5). Fractions are omitted in determining whether a quorum is achieved. When the Board of Directors convenes by teleconference, the members participating are considered physically present.

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

Discussions and resolutions of the Board of Directors are recorded in summary in a special book that may also be kept by electronic means. Following an application of a Board member, the Chairman is obliged to record an exact summary of such member's opinion in the minutes. According to the provisions of the RFA, the minority opinion is also recorded to the minutes. A list of Board members present or represented at a meeting is also recorded in this book. The minutes of the Board of Directors are signed by all present Board members and by the Secretary of the Board. Copies or extracts of such minutes are officially issued by the Chairman or other person, appointed for that purpose by a Board resolution, without any other validation. The signatures of the members of the Board of Directors or their representatives may be replaced by an exchange of e-mails or telefax, according to the relevant Law in force.

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

(a) call a General Meeting of shareholders;

(b) veto key corporate decisions of the Company's Board of Directors;

i) Related to dividend distributions and the remuneration policy relating to the Chairman, the Managing Director and the other Board Members, General Managers and their Deputies

ii) Related to any other matter which may set at risk the rights of depositors or have a material adverse effect on the liquidity, solvency and/or, in general, on the prudent and orderly operation of the Company, including business strategy and asset/ liability management

iii) Related to corporate actions of art. 7A par.3 of Greek Law 3864/2010 which may significantly affect HFSF's shareholding in the Company

(c) request an adjournment of a Board Meeting for three (3) business days in order to receive instructions from the HFSF Executive Committee, such right may be exercised until the end of the Board Meeting;

(d) call a Board meeting;

(e) approve the appointment of the Chief Financial Officer.

In exercising his rights, the HFSF Representative shall respect the Company's business autonomy. Further to the above, by virtue of the RFA, the HFSF has, amongst others, the following rights related to the operation of administrative bodies of the Company. In specific, the HFSF/HFSF Representative to the BoD has the right to:

- participate in the Board of Directors Committees, e.g. the Audit Committee, the Risk Committee, the Remuneration Committee, the Board Nomination Committee, the Strategy Committee and the Board Ethics and Governance Committee. In addition, an Observer appointed by the HFSF is present without voting rights in the Board of Directors and the above Committees' meetings;
- include items in the agenda of the meetings of the committee in which he participates as a Member;
- include items in the agenda of the General Meeting of Shareholders convened by the Board of Directors.

The HFSF provides its prior written consent for a number of material matters, as such are designated in the RFA, including, inter alia, any material transactions and corporate transformations.

The HFSF reviews the annual self-assessment exercise of the Board of Directors. In addition, based on the assessment provided for in art. 10 of Greek Law 3864/2010 or the review of the annual self-assessment exercise, the HFSF may proceed to suggestions for improvements or possible changes to the Company's corporate governance framework.

The Board of Directors held twenty five (25) meetings during the year 2020.

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

	Board Of Directors		Risk Committte		Nomination Committee		Remuneration Committee		Audit Committee		Board Ethics & Governance Committee		Strategy Committee	
	Average Participation	Total Number of Meetings	Average Participation	Total Number of Meetings	Average Participation	Total Number of Meetings	Average Participation	Total Number of Meetings	Average Participation	Total Number of Meetings	Average Participation	Total Number of Meetings	Average Participation	Total Number of Meetings
	99%	25	92%	12	95%	7	96%	9	99%	16	100%	1	95%	10
Name	Attendance Rate	Number of Meetings	Attendance Rate	Number of Meetings	Attendance Rate	Number of Meetings	Attendance Rate	Number of Meetings	Attendance Rate	Number of Meetings	Attendance Rate	Number of Meetings	Attendance Rate	Number of Meetings
George Handjinicolaou	100%	25/25	-	-	-	-	-	-	-	-	100%	1/1	100%	10/10
Karel De Boeck	96%	24/25	92%	11/12	-	-	-	-	100%	16/16	100%	1/1	100%	10/10
Christos Megalou	100%	25/25	-	-	-	-	-	-	-	-	-	-	-	-
Vassileios Koutentakis*	100%	17/17*	-	-	-	-	-	-	-	-	-	-	-	-
Venetia Kontogouris*	100%	25/25	-	-	100%	2/2*	100%	9/9	-	-	100%	1/1	100%	10/10
Arne Berggren*	100%	25/25	100%	7/7*	100%	7/7	100%	9/9	100%	8/8*	100%	1/1	100%	10/10
Enrico Cucchiani	96%	24/25	-	-	86%	6/7	89%	8/9	-	-	100%	1/1	90%	9/10
David Hexter*	96%	24/25	91%	11/12	100%	5/5*	-	-	94%	15/16	100%	1/1	90%	910
Solomon Berahas*	100%	25/25	100%	12/12	100%	5/5*	100%	4/4*	100%	16/16	100%	1/1	-	-
Anne Weatherston*	100%	14/14	-	-	-	-	100%	4/4*	100%	8/8*	-	-	-	-
Andrew Panzures*	100%	14/14*	100%	5/5*	100%	2/2*	-	-	100%	8/8*	-	-	-	-
Alexander Blades*	100%	25/25	92%	11/12	71%	5/7	80%	4/5*	-	-	100%	1/1	90%	9/10
Periklis Dontas	100%	25/25	100%	12/12	100%	7/7	100%	9/9	100%	16/16	100%	1/1	100%	10/10

***V. Koutentakis: elected BoD Member on 28/5/2020**
**D. Hexter: ceased to be a member of the Nomination Committee on 23/7/2020*
**A. Weatherston: elected BoD Member by the AGM of 26/6/2020 and member of the Remuneration Committee and the Audit Committee on 23/7/2020*
**A. Panzures: elected BoD Member by the AGM of 26/6/2020 and member of the Risk Committee, Nomination Committee and Audit Committee on 23/72020*
**V. Kontogouris: elected member of the Nomination Committee on 23/7/2020*
** A. Berggren: ceased to be a member of the Risk Committee and the Audit Committee as of 23/7/2020*
**S. Berahas: ceased to be member of the Nomination Committee on 23/7/2020*
** A. Blades: ceased to be a member of the Remuneration Committee on 23/7/2020*

2.5. Roles and Responsibilities

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

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

The Company's Regulation states that the prime obligation and duty of the Board Members is the continuous pursuit of enhancing the Company's long-term economic value and the protection of the general corporate interests. It is also stated that the Board of Directors is responsible for drawing up and adopting a detailed Business Strategy extending for at least one year defining clear business objectives, both for the Company itself and for the Group.

Principal activities and significant issues considered during 2020

In the performance of its duties for 2020, the Company's Board of Directors inter alia:

In relation to Corporate Governance issues

- prepared and convoked the Annual General Meeting of Shareholders held on 26 June 2020;
- prepared and convoked the Extraordinary General Meetings of Shareholders which were held on 16 June 2020 and 10 December 2020 respectively;
- conducted the annual evaluation of the Board and the Board Committees;
- performed the annual CEO's evaluation for 2019 and the mid-year CEO's evaluation for 2020;
- set and approved the key performance indicators (KPI's) of the Managing Director for 2020, according to the Business Plan of the Company;
- elected, following respective recommendation of the Nomination Committee, a new Executive BoD Member, in replacement of a resigned one;
- proposed the election of two (2) new Non-Executive BoD Members, by the Annual General Meeting of Shareholders, following respective recommendation of the Nomination Committee;
- was updated on the development of the Board Succession Plan exercise;
- approved the annual Non-executive and Independent Directors' remuneration for 2020, upon respective recommendation of the Remuneration Committee;
- approved the Annual Remuneration Report for 2019, to be submitted for discussion and vote to the Annual General Meeting of the shareholders, upon respective recommendation of the Remuneration Committee;
- approved the new Salary Ranges, following the implementation of the Job Family Model;
- approved the new Organizational chart of Piraeus Financial Holdings S.A as a result of the demerger;
- was updated on Board Committees' issues on a monthly basis;
- was updated on the responsibilities of Board Members on Anti Money Laundering/ Combating the Financing of Terrorism (AML/ CFT) issues.

In relation to Audit and Compliance issues, the BoD approved the following:

- the revised Internal Audit Charter;
- the Action Plan for 2020 of Group's Internal Audit and Compliance Units;
- the annual report of the Money Laundering Responsible Officer (MLRO) on AML/CFT for 2019;
- the Group Internal Audit (GIA) Annual Report on the ICS for 2019 and assessment thereof;
- the Group Compliance Annual Report for 2019;
- the Report on the Assessment of the suitability of the measures taken by Piraeus Bank in connection with the safeguarding of financial instruments as well as the use of client's financial instruments according to Law No. 4514/2018.

The BoD was also updated on the progress of the special audits of the Internal Audit Unit.

In relation to Risk Management issues, the BoD approved the following:

- the Capital and Liquidity Adequacy Statements (CAS/LAS) for 2020;
- the Risk Appetite Framework (RAF) for 2020;
- the Group Risk and Capital Strategy for 2020;
- the Internal Capital and Liquidity Adequacy Assessment Process (ICAAP and ILAAP 2020);
- the annual review of the Company's Recovery Plan.

In relation to corporate actions and granting authorizations the BoD approved the following:

- the Draft Demerger Deed for the demerger by way of hive down of the banking activity sector of "Piraeus Bank S.A" and incorporation of a new banking entity in order to be submitted in the Extraordinary General Meeting of Shareholders on 10 December 2020 for approval;
- the securitization transaction of non-performing receivables (Project Phoenix) and its inclusion in the HERCULES Asset Protection Scheme for the granting of state guarantee for securitizations of financial institutions;
- the securitization transactions of non-performing receivables (Project Vega);
- the securitization transaction of non-performing receivables (Project Iris);
- the issuance of Tier 2 Notes, under the Euro Medium Term Notes (EMTN) Programme;
- the Draft Demerger Agreement of "PIRAEUS INSURANCE AGENCY S.A." by way of absorption by "PIRAEUS BANK S.A." and another subsidiary, for its submission for approval by the Extraordinary General Meeting of the Shareholders of 16 June 2020;
- the signing of a commitment letter with Intrum regarding the non-performing exposures portfolio ''Phoenix''; and
- credit requests, accounting write-offs and loans' restructurings of various companies following respective submissions by the competent Units.

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

- the 2019 annual financial statements and the 2020 interim financial statements;
- the Group annual budget for 2021;
- the Interim NPE Plan;
- the Bank's Credit Policy;
- the revision of Debt Forgiveness and Accounting Group Write- Off Policy;
- the revision of the Individual Impairment Policy and Process;
- the Customer Complaints Management Policy and;
- the implementation of Voluntary Exit Scheme in November 2020;

The BoD was also updated on the following:

- the actions and preliminary views in response to Covid-19;
- the preliminary result of the Supervisory Review and Evaluation Process (SREP) for 2020;
- the revised Group estimates for 2020-2022, due to Covid-19 pandemic impact;
- the progress of the work of the under implementation digital transformation;
- the assignment of non-audit services to the Bank's statutory auditors.

<u>In relation to Social Corporate responsibility issues, the BoD approved the following:</u>

- the donation of medical supplies to address the pandemic Covid-19;
- the Pay and Save initiative, for the enhancement of the National Health System and;
- the donation of equipment to the Hellenic Police.

2.6. Induction and Training of Board members

The Company implements an induction procedure for newly elected/ appointed Board members aiming to facilitate the Board members' understanding of the Group and the Company's structure, business model, risk profile, governance arrangements and the role of the member(s) within them. In that context, the Company ensures that they are provided with all the information and training necessary to enable them to contribute appropriately to the operations of the Board and to the accomplishment of its mission.

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

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

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

The Company makes available the financial and human resources to implement proper induction and training programs and encourages initiatives aiming to improve the collective or individual skills, knowledge or competence of Board members on an ongoing or ad-hoc basis. The Corporate Secretary, in collaboration with the Group Human Resources Division, is responsible for producing the annual training schedule. The Nomination Committee sponsors and oversees the training schedule for the members of the Board, on an ongoing basis. In addition, regular presentations by management and staff to the Board and Committees are performed in order to educate or keep them informed on changes within the Company or on legal, regulatory, market and industry requirements and standards. In addition, once a year, Board members attend (one-day/two days) Strategy Seminars where top executive management presents the results, goals, challenges faced by the organization. Personalised educational programs may be designed and implemented, where needed.

During 2020, due to the conditions created by the Covid-19 pandemic, the intensive work invested by the organization for the corporate transformation and the end of the term of the members of the Board of Directors, the training initiatives for the BoD members were limited to a presentation with the following subject "Assessment of Current Environment (EU Financing programs/Potential/Scope and Impact)", performed by the Chief group Economist.

2.7. Assessment of the Board of Directors

An independent external evaluation of the Board of Directors was performed by the expertized board advisory services company «Stanton Chase» in late 2019. Results of the evaluation were presented to the BoD in early April 2020, with a slight delay due to the pandemic. The web-based effectiveness questionnaire involved all members of the BoD, active at that time (including practically all current members of the BoD except for Mr. Koutentakis who was appointed later, Ms. Weatherston and Mr. Panzures who were first elected in the AGM of 26 June 2020) and focused on various dimensions of performance. Key components of the Board's effectiveness review included five parts, which are presented below with their key findings (strengths and weaknesses). The overall feedback is positive indicating a Board that, while discharging its responsibilities in challenging times, is effective with good structures, process, relationships and dynamics.

Part I: General Compliance: The Board plays a strong effective role in compliance matters, continuously overseeing the development and the improvement of the internal audit system, with well-documented and detailed mechanisms and procedures, contributing to its effective and safe operation. In addition, the Board places particular emphasis on the effective monitoring of risks, on a stand-alone and Group-level, with a view to maintaining stability and continuity of operations. The Company Secretary ensures that all minutes properly are recorded and effectively assists in the proper induction, ongoing training and education of Board members.

Part II: Impact and value add on critical issues. The review concluded that information, sustainability issues and relationships with stakeholders are dealt with effectively. In more detail, the Board deals effectively with all shareholders issues, including

AGM of shareholders, and ensures equal treatment of same, plays an effective role in supporting management to future-proof the organization, thinking beyond today's strategy to securing the Company's future relevance and competitiveness and/or helping the Company to adapt and pivot the strategic priorities. It also sets CEO's performance goals. Finally, the review pointed out that the Board ensures that the Company develops and executes on a clear and compelling Corporate Social Responsibility/ Environment Social Governance (ESG) commitment.

Part III: Drivers of Board effectiveness – How the board and Committees operate to deliver impact and value. The main conclusion is that the Board works well. Directors demonstrate high standards of personal integrity and make decisions in the best interest of the Company. The Board possesses sufficient knowledge, experience, credibility, independence and necessary guarantees to ensure prudent and diligent management of affairs; this includes the principal risks to which the Company is exposed to or may be exposed to, in order to enable it to oversee the totality of its operations either directly or through its Committees. On the other hand, remuneration of Board members seems to be a concern as remuneration for non-executive members are not set at a reasonable level, are not commensurate with the time spent fulfilling their duties but are adequately reported annually.

Part IV: Board Chair effectiveness. Based on the results, this section has emerged as "Best in class". The Chairman is skilled at facilitating robust dialogue and drawing out diverse perspectives to fully leverage the capabilities of the Board. He sets appropriate agendas to ensure focus on the priorities that matter. He has a highly effective partnership with the CEO, based on a high level of trust, openness, transparency and constructive challenge. Finally, he provides feedback and support, helping members to maximize their contribution.

Part V Committees Effectiveness. The review included all Committees of the Board. The results indicated a "Best in Class" score for the Audit Committee and the Ethics and Governance Committees, a highly effective Risk Committee and effective Remuneration and Nomination Committees with areas of improvement. More details are provided for each Committee in the respective sections of the present statement.

Finally, as to the main areas of improvement, the evaluation revealed that a more clear visibility into potential future CEO successor and their progress and readiness for the role and a deeper understanding of the evolving needs of the Company's customers and how this should impact the Company's strategic priorities would be welcomed by the BoD members.

Board Effectiveness evaluation for the year 2020

An external independent evaluation of the Company's BoD effectiveness for the year 2020 was conducted in early 2021. The overall feedback with respect to the work of the Board, the professional skillset, governance, Board leadership, interaction with management as well as Board and organizational culture of the report is summarized to the following:

- The Board is made up of professional and skilled members. There is good diversity and Board members prepare and contribute significantly.
- The processes and structure of the Board enable it to fully discharge its duties with respect to all aspects of its governance role, such as risk, audit compliance and control. The Board scrutinizes critical issues appropriately.
- The Chairman has an effective partnership with the CEO based on a high level of trust, openness, transparency and constructive challenge. He is skilled at facilitating robust dialogue and drawing out diverse perspectives to fully leverage the capability of the Board. He provides feedback and supports Board members to maximize their contribution.
- The work of the Board is relevant, focused and professional. Board meetings are efficiently managed and focus on the critical items. Deliberations are robust and rigorous and the Board acts as one, once a decision has been made.
- There are strong processes with checks and balances for the implementation of Board decisions.

- The interactions between Board and Management are healthy and appropriate, and there is adequate level of trust and oversight, so Management is duly empowered to execute strategy while at the same time properly supervised.
- Management proposals are adequately challenged by the Non-executive Directors.
- The Committees are viewed as effective with significant and proper allocation of work-load on each non-executive members.
- As governance and regulatory requirements associated with legacies subside, the Board's focus is increasingly turning on the Company's future strategy and its implementation.
- Consistent with the Board's forward looking approach, a major organizational transformation is well underway with the associated issues getting adequate attention.
- There is a consensus that the culture of the Board is healthy, with good working relationships and commitment between the Company and Piraeus Bank.
- Board and Management are focused on sustainability and ESG in general and efforts have the full support of the Board in all aspects.

The evaluation report also points out areas of improvement for the Board, such as:

- Given the increased global focus on ESG matters, Boards needs to prioritize and intensify its attention on ESG matters.
- A fast-changing environment creates needs for further training of the Board especially in regulatory issues.
- Incentive schemes and remuneration of executives in general are not optimal.
- Further alignment of non-executive members' remuneration which should be commensurate to the effort and work-load of the Board members.

Committees

Aiming to constantly improve the organization of the Company and the Group, responsibility for certain areas requiring expert competence has been assigned to Board of Directors or Executive and Administrative Committees.

The operation of the Committees is governed by the Committees Operating Regulation, which forms part (as an Appendix) of the Company's Regulation. The Operating Regulation pertains to all the BoD Committees, as well as other Executive and Administrative Committees and Councils subject, however, to the specific Operating Regulation of each Committee which prevails to the extent that it deviates from the general rules laid down to the Committees Operating Regulation.

Composition and Competencies of Committees: Subject to the provisions of the legal and regulatory framework and their specific Operating Regulations, the composition, the mission and the competencies of each Committee are defined by the decisions of the body, which is responsible for the incorporation or specification of each Committee's responsibilities and are included in the Chairman's Acts (provided that they pertain to the Board of Directors' Committees) and Management Acts, which are issued by the CEO (provided that they pertain to other Executive and Administrative Committees).

Operation of Committees

Invitation: The Committee convenes, following the Chairman's invitation, as many times as required necessary for the fulfillment of its mission. The frequency of meetings is defined as per Committee by the instrument of its constitution, or, if it is not defined, the administrative Committees convene at least once a month. The invitation defines the agenda, place and time of Committee's meeting. Each member of Committee is entitled to request its convocation in writing in order to discuss specific issues. The Committee's members, including the alternate members, receive the issues of the Daily Agenda at least two (2) days prior to the meeting date.

The alternate members substitute the regular ones, in accordance with the provisions of the Operating Regulation of each Committee and, within this framework, they participate in the Committee's meeting, as required, following relevant notice by the Committee's secretary.

Each Committee's Operating Regulation may provide for the participation of the Company's employees, officers or advisors in the meetings of the same, on the condition that their participation is considered to be necessary, due to their area of expertise, for the more effective operation of the Committee The aforementioned individuals' role is to propose or provide clarifications on the daily agenda issues of the committee and have no voting right upon decision-making. Besides the above-mentioned, the Committee is entitled to invite to its meetings as many of the Company's employees, officers or advisors as it considers advisable or useful, who are present, however, without a voting right.

Quorum – Decisions - Alternate members: For decision-making, a quorum of more than 50% of its members is required with personal presence either at the place of its meeting or at another place using the teleconference tools.

Subject to the attainment of quorum according to the aforementioned, a member of the Committee may authorize in writing, in case of hindrance, another member in order to represent him/her at a specific meeting and vote on his behalf for the issues of the daily agenda. Provided that the existence of alternate members is provided for in each Committee's Operating Regulation, the member, who is hindered, may be represented only by the individual designated as alternate member. No member can represent more than one of the other members of the Committee. Unless otherwise prescribed in the relevant terms of reference, Committee decisions are made by a majority of 2/3 of the present members.

Substitution of the Chairman - Replacement of members: The Chairman is substituted, in case that he is absent, by his own decision and where it has not already been specified, by a member of the Committee, or if no such a decision is made, by a senior present member of the Committee (in terms of the duration of his presence in the Group). In the case of members' resignation or departure, the Chairman of the Committee recommends either their replacement, or the Committee's operation with its remaining members. For the new composition resulting from the recommendation of the Committee's Chairman and the receipt of the necessary approvals from the responsible approval body of the Company, the relevant Chairman's Act or another decision of the responsible body shall follow.

Keeping of minutes - Secretariat: Minutes are kept in all the meetings of the Committee, which are validated by the Chairman and the Executive Secretary or the Secretary of the Committee. If an Executive Secretary has been nominated in the Committee, he/she is responsible for collecting the material and information that is useful or necessary for the work of the Committee, suggests the issues for the daily agenda to the Committee's Chairman, handles the Committee's mail with the organizational units and monitors the notification of Committee's decisions to the involved units both at the Company and Group level. The Secretary of each Committee is responsible for informing the members about the daily agenda, location and time of Committee's meeting, in writing, following the collaboration with the Committee's Chairman, ensuring the timely and correct information of the involved units upon each meeting, organizing the location of Committee with the necessary technological infrastructure. He/she should keep a file of the Minutes with diligence in a safe place. In any case, the Chairman of Committee nominates its Secretary, provided that he/she is not nominated by each of the Chairman's or CEO's Acts.

Special provisions

Provided that a representative of the Hellenic Financial Stability Fund (HFSF) participates as a Member in the Committees pursuant to Greek Law 3864/2010, the following will be applicable additionally by virtue of the RFA:

- The dates of the meetings, the respective agendas and the relevant material are sent to the HFSF Representative and the HFSF Observer by written notice at least five (5) calendar days prior to the meetings. Said documents can be sent through electronic email.
- The HFSF Representative has the right to include items in the agenda of a scheduled Committee meeting by submitting them in writing to the Committee's Chairman, at least one (1) day prior to the Committee's meeting.
- The HFSF Representative has the right to request that the Committee is convened within the next seven (7) calendar days from the HFSF's written request to the Chairman of the Committee. The relevant request shall include the proposed items of the agenda. If the chairman of the Committee does not proceed to the convocation of the Committee within the above deadline or does not include the proposed items in the invitation, then the HFSF Representative shall be entitled to convoke the Committee within five (5) days as of the expiry of the above seven (7) days period. Such invitation shall be notified to all the members of the Committee and to the HFSF Observer.

The number of Committees' meetings and the members' participation are depicted on an aggregated basis in the Board Members Participation in the BoD and the respective committees table above.

A. Board of Directors Committees

1) Audit Committee

On 31 December 2020, and on the date of the publication of the 2020 Annual Financial Report, the composition of the Audit Committee is as follows:

David Hexter	Chairman, Independent Non-Executive BoD Member
Karel De Boeck	Member, Independent Non-Executive BoD Member
Anne Weatherston	Member, Independent Non-Executive BoD Member
Andrew Panzures	Member, Independent Non-Executive BoD Member
Solomon Berahas	Member, Independent Non-Executive BoD Member
Periklis Dontas	Member, Non-Executive BoD Member, HFSF Representative pursuant to Law 3864/2010

The HFSF's observer attends the meetings of the Committee without voting rights.

During 2020, the following changes were made to the composition of the Committee: On 23 July 2020, Mr Berggren Arne ceased to be a member of the Committee. On the same day, Ms Anne Weatherston and Mr. Andrew Panzures were elected members of the Committee.

Governance- Operation

The Audit Committee is comprised of Non-Executive members of the Board, the majority of which are independent within the meaning of the provisions of Greek Law 3016/2002. The Audit Committee is chaired by an Independent Non-Executive member of the BoD who meets the criteria of article 10 par.8 of Greek Law 3864/2010. The HFSF Representative participates as a member in the Audit Committee, with full voting rights. The Audit Committee is supported by an Executive Secretary and its operation is governed by the Bank of Greece Governor's Act 2577/2006, article 44 of Greek Law 4449/2017, the respective notices, explanations and recommendations of the Supervisory Authorities and additionally by its Operating Regulation.

It is noted that the Chairman of the Audit Committee Mr. David Hexter, Independent Non-Executive member of the BoD, fulfils the criteria of the RFA, has, inter alia, extended experience in Internal Audit and he is considered a financial expert within the meaning of article 10 of Greek Law 3864/2010 and Greek Law 4449/2017. The Committee as a whole possesses appropriate competence and experience for the effective performance of its duties.

The Group Chief Finance Officer (CFO), Group Chief Audit Executive (CAE), Group Compliance Officer, Group Chief Risk Officer (CRO), Group Controller, Senior Advisor on Internal Control and Audit Issues and other Executives of Senior Management are invited to attend the Audit Committee meetings. The Group's statutory auditors are invited to attend all meetings.

Based on its Operating Regulation, the Audit Committee meets at least four (4) times a year, of each calendar quarter and extraordinarily, if the circumstances so require. The Audit Committee convened sixteen (16) times during year 2020 and all its decisions were taken unanimously. During each such meeting, the examination and settlement of all of the items of each Agenda was achieved, subject to the prior circulation of the requisite informational documentation and, as appropriate, the scheduled participation of the competent managerial officers, statutory auditors and other experts. Members' attendance rates in the Committee meetings are depicted in the Board Members Participation in the BoD and the respective Committees' table above.

Role and responsibilities

The main duties of the Audit Committee based on its Operating Regulation are:

- Supervision and evaluation of the drafting processes of the annual financial statements and interim financial information of the Group and the Company prior to their publication.
- Supervision of the audit and review of the Group and the Company's annual financial statements and mid-year interim financial information conducted by the statutory auditors and cooperation with the statutory auditors on a regular basis.
- Ensuring the independence of the statutory auditors in accordance with applicable Greek Law.
- Proposing to the Board the selection of statutory auditors. Whenever it deems appropriate, the Committee shall also make a proposal for their replacement or rotation; the Committee is responsible for the tender procedure for the appointment of the auditors in accordance with article 16 of Regulation (EU) no. 575/2014 in conjunction with article 44 of Greek Law 4449/2017 and article 13 of Greek Law 3864/2010.
- Identifying weaknesses, making recommendations and monitoring the implementation of measures decided by the BoD
- Proposing measures for specific areas requiring further investigation by internal or statutory auditors.
- Monitoring and annual evaluation of the adequacy and effectiveness of the ICS for the Group and the Company, based on the data and information provided by the Group Internal Audit as well as by the statutory auditors and other supervisory bodies.
- Evaluating the work of the Group Internal Audit, focusing on issues related to the degree of its independence, the quality and scope of its audits, the priorities determined by changes in the economic environment, the systems and in the level of risks and the overall efficiency of its operation.
- Determining the scope and appointing an external audit firm to assess the adequacy of the ICS, periodically, and at least every three years.

- Monitoring and evaluating on an annual basis the work of the Group Compliance Division.
- Monitoring and evaluating on an annual basis the Report on Money Laundering and Terrorist Financing prepared by the Group Chief Compliance Officer.
- Updating the Board of Directors for the results of the special and regular audits and other significant matters arisen and its role in the whole process.

How the Committee discharged its responsibilities during 2020

Regarding **Financial Reporting,** the Audit Committee:

- Reviewed the Group and the Company's critical accounting estimates and judgments and their application to the Group and the Company's quarterly interim financial information and annual financial statements.
- Reviewed the quarterly interim financial information and annual financial statements prior to their publication, discussing and asking for clarifications on the accounting standards implemented and suggested to the Board their approval.
- Met regularly with Management and the statutory auditors to discuss any changes in accounting policies, critical accounting estimates, one-off items impacting the Financial Statements and any other significant issues. The Committee was also informed on how the Management and the statutory auditors responded to the risks of Covid-19 pandemic.
- Was updated regularly and reviewed legal and tax matters which could significantly impact the financial statements.
- Met regularly with Management and the statutory auditors to discuss any changes in accounting policies, critical accounting estimates, one-off items impacting the Financial Statements and any other significant issues. The Committee was also informed on how the Management and the statutory auditors responded to the risks of Covid-19 pandemic.
- Was updated regularly and reviewed legal and tax matters which could significantly impact the financial statements

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

- Promoted the continuous strengthening of the ICS as a strategic priority for the Board of Directors (BoD) and Management of the Group and the Company, as well as the procedure for the development and integration of the appropriate internal control mechanisms, with the objective of the further improvement of the operational risks that the Group and the Bank face in the totality of its operations.
- Assessed the effectiveness of the ICS and any developments affecting it. In order to carry out its assessment the Audit Committee:
  - Discussed with Management the internal control deficiencies as well as the implementations of remediation actions, following recommendations of the internal and statutory auditors as well as the Supervisory Authorities.
  - Examined and discussed reports and information regarding the ICS pursuant to the quarterly reports complied by the Group Internal Audit.
  - Reviewed and pre-approved the ICS annual evaluation report for 2019 and its final assessment in respect to the operation of the ICS that was submitted to the Bank of Greece – in accordance with the provisions of Bank of Greece's Governor's Act 2577/2006 – in June 2020. The report was also submitted to the Board of Directors for further approval. The respective report for 2020 will be reviewed by the Audit Committee and will be submitted to the Bank of Greece in June 2021.

- Obtained an overview (jointly with Risk Committee) of the Operational risks and Control matters. Was notified on operational risk assessment processes (Covid-19 and Lyra Projects) and focused on a common risk oriented approach among Group Internal Audit, Compliance and Risk functions.
- Was updated on the ‘Target Model of 1st and 2nd Lines of Defense’ project with the objective of the further common definitions and processes, clear delineation of roles and responsibilities and efficient collaboration and information sharing across all relevant parties.
- Was updated on the role and the activities of the Senior Ethics Advisory Committee (SEAC) by its Chairman.
- Was updated on the weaknesses identified, the recommendations and the corrective actions on SREP exercise by Joint Supervisory Team in order for the Company to improve its existing procedures and practices.

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

- Reviewed the statutory auditor's audit plan and methodology for the interim review and the annual audit, the extended independent auditor’s report and audit findings. The Committee was also informed and discussed any modifications to the statutory auditors plan.
- Reviewed and proposed to the Board the fees for audit and permissible non-audit services to Deloitte for the year ended 31 December 2020. For 2020 total fees amounted to € 4,152 thousand, of which € 571 thousand or 14% relates to permissible non-audit services. All non-audit services provided by the statutory auditor were pre-approved by the Audit Committee in accordance with the auditor independence policy to ensure that services do not create a conflict of independence in accordance with EU Regulation 537/2014 and Greek Law 4449/2017. A further breakdown of the fees paid to the auditors for each of the last two financial years can be found in Note 47 in the Annual Financial Statements.
- Considered Deloitte independent. Deloitte, in accordance with professional ethical standards, provided the Audit Committee with written confirmation of its independence for the duration of 2020.
- Requested the presence of the statutory auditors in every Audit Committee meeting. The statutory auditors attended all Audit Committee meetings in 2020. The Audit Committee Chairman maintained regular contact with the audit partner throughout the year.
- Assessed the effectiveness of Deloitte as the Group and the Company’s statutory auditor as part of its self-assessment process using a questionnaire which focuses on the overall audit process, its effectiveness and the quality of output.

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

- Monitored the implementation of the Group Internal Audit Annual Action Plan for year 2020 and concluded that the Group Internal Audit was effective.
- Was updated on the revisions of the Group Internal Audit Annual Action Plan (2020) due to the impact of Covid-19 pandemic.
- Was notified on the process for developing the Annual Internal Audit Plan focusing on issues regarding risk assessment and priorities as a result of changes in the economic environment (mainly due to Covid-19 pandemic and digitalization).
- Was notified of the Group Internal Audit Annual Action Plan for year 2021, staff related issues and budget. Pre-approved its implementation and submitted it for further approval to the Board of Directors (January 2021).
- Was notified on the significant audit findings (regular and special audits) and Management’s responses in relation to the timetable and the relevant implementation actions.

- Was notified of the Bank of Greece's audits and was updated regularly on the progress of Group Internal Audit' s special audits
- Was updated on the implementation of improvement opportunities/recommendations of the Internal Audit Function based on the results of the external quality assessment that was conducted by EY.
- Reviewed the performance and effectiveness of the Group Chief Audit Executive who reports functionally to the Chairman of the Audit Committee and administratively to the Group Chief Executive Officer. The Audit Committee Chairman held several meetings with the Chief Audit Executive without other Management members being present.
- Reviewed and pre-approved the Internal Audit Charter.
- Ensured that Group Internal Audit has the appropriate skillset and capacity to audit and evaluate the effectiveness of the internal control framework, with special emphasis on the areas of risk and capital management as well as financial control.

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

- Monitored the implementation of the Group Compliance Annual Action Plan for year 2020 and concluded that Group Compliance was effective.
- Reviewed and pre-approved the Annual Report of Compliance Manager on Anti Money Laundering and Anti-Terrorism financing for 2019 based on 281/5/2009 Decision of the Bank of Greece and submitted it to the Board for further approval. The respective report for 2020 was reviewed and approved in February 2021.
- Was notified of the Group Compliance Annual Action Plan for year 2021, pre-approved its implementation and submitted it for approval to the Board of Directors.
- Reviewed the organizational structure of Group Compliance and was informed about budgeting and staff related issues, including training and professional advancement costs.
- Was updated on any changes of the applicable legislative and regulatory framework
- Was updated on the implementation of the proposed improvements of the AML 'Health Check' project by Grant Thornton (GT).
- Was updated regularly on the 'AML system upgrade' project.

Self-Assessment

The Audit Committee carried out its self-assessment for the year 2020. The analysis of the feedback received, revealed that the Audit Committee performed its duties effectively. In particular, it was noted that with respect to its operation, the Audit Committee carried out its duties in accordance with its approved Operating Regulation, which is in compliance with the applicable legal and regulatory framework in force, and is approved by the Board of Directors. Moreover, the level of knowledge, professional experience, as well as the availability and cooperativeness of the Audit Committee members ensured its independence and effectiveness of its performance.

Evaluation: In the Board evaluation performed by Stanton Chase (see section 2.7), the Audit Committee was rated with particularly positive comments that ensured its ranking as "Best-in- Class". Among others, it was noted that the Committee fulfils its duties and responsibilities to the fullest extent and its work is aligned with its purpose and mission. It deals well with financial statements and relevant notifications, external audit, internal audit, the IAS and compliance with the Code of Conduct. It regularly informs the Board/ the Management directly about the events that are brought to its attention and are likely to affect the Group activities substantially. The Chairman facilitates robust dialogue and meetings are conducted in a manner that ensures open communication, meaningful participation and rigorous decision making. The Committee has the required skill, mix and depth of capability, skills and experience.

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

2) Risk Committee

On 31 December 2020 and on the date of publication of the 2020 Annual Financial Report the composition of the Risk Committee is as follows:

Karel De Boeck	Chairman, Independent Non-Executive BoD Member
David Hexter	Member, Independent Non-Executive BoD Member
Solomon Berahas	Member, Independent Non-Executive BoD Member
Andrew Panzures	Member, Independent Non-Executive BoD Member
Alexander Blades	Member, Non-Executive BoD Member
Periklis Dontas	Member, Non-Executive BoD Member, HFSF Representative

The HFSF's Observer attends the meetings of the Committee without voting rights.

During 2020, the following changes were made to the composition of the Committee: Mr A.Berggren ceased to be a member of the Committee on 23 July 2020 and on the same day Mr A. Panzures was elected member of the Committee.

Governance - Operation

The Risk Committee is appointed by the Board of Directors of the Company and is comprised of Non-Executive Members of the Board of Directors. The number of Committee Members cannot be less than three (3) and in total cannot exceed 40% (rounded up to the closest integer) of the total number of Members of the Board of Directors. At least one third of the Members (rounded up to the closest integer) should meet the criteria for the independence of Board Members, in accordance with Greek Law 3016/2002 and the relevant European Commission Recommendation 2005/162/EC. The Representative of the Hellenic Financial Stability Fund (HFSF) participates as a member in the Risk Committee with full voting rights.

The Chairman of the Committee is appointed by the Board of Directors, must meet the criteria of art.10 par.8a) of Greek Law 3864/2010 and have significant experience in commercial banking and, preferably, in risk and capital management, as well as familiarity with the local and international regulatory framework. The office of Chairman of the Board of Directors is incompatible with that of Chairman of the Risk Committee, while the Chairman of the Risk Committee cannot simultaneously serve as Chairman of the Audit Committee of the Company.

The Chairman of the Risk Committee, Mr. Karel De Boeck has, inter alia, extended experience in risk management and is considered an expert within the meaning of art.10 of Greek Law 3864/2010.

The Members of the Risk Committee must have adequate knowledge and previous experience in the financial services sector or the commercial banking sector, with at least one Member specializing in the fields of risk management and capital adequacy, as well as being familiar with the local and international regulatory framework.

The Risk Committee is aided by an Executive Secretary and a Secretary. The Executive Secretary is appointed by the Board of Directors and is the Chief Risk Officer of the Group, performing the duties set out in the regulatory framework in force (Bank of Greece Governor's Act 2577/2006). In the performance of his duties, he reports directly to the Risk Committee and is subject to audit by the Group Internal Audit.

The term of office of the Risk Committee's members cannot exceed the term of office of the Board of Directors (three years), but the Board of Directors is entitled to cease or replace them at any time.

The presence, participation and voting of a Risk Committee member during the discussion of an issue in which he has a conflict of interest is not permitted. Decisions that concern the establishment of policy, procedures, terms or criteria for risk management or other issues of general application do not come under the previous prohibition.

Minutes are kept for all Risk Committee meetings and are certified by the Chairman and the Executive Secretary of the Risk Committee.

The Committee convenes, upon its Chairman's invitation, as often as it is deemed necessary to carry out its duties, but no less than once per month. In order to fulfill its duties, the Risk Committee held twelve (12) meetings during 2020.

Members' attendance rates in the Risk Committee meetings are depicted in the Board Members Participation in the BoD and the respective Committees table above.

The mission of the Risk Committee is inter alia to:

- Ensure that the Group and the Company has a well-defined strategy for risk and capital strategy and risk appetite. The Group and the Company's risk appetite is structured through a number of quantitative and qualitative statements, including specific limits, for the material undertaken risks.
- Ensure that all forms of risk (including operational risk) connected to the activity of the Group and the Company are covered effectively.
- Ensure that the Group and the Company's risk appetite is clearly communicated to the entire Company and its subsidiaries and constitutes the basis for the development of risk management policies and risk appetite limits at the Group and the Company level.
- Ensure the integrated control and management of risks is soundly implemented at the Group and Company level.

Roles and Responsibilities

The Risk Committee is responsible for performing the duties set out in the internal Operating Regulation, so as to be able to assist the Board of Directors in its work concerning the:

- Existence of an appropriate risk and capital strategy and the establishment of maximum acceptable risk levels, as well as the oversight of their implementation,
- Establishment of principles and rules that will govern risk management as regards the identification, assessment, measurement, monitoring, control and management of such risks,
- Development of an internal risk and control system and the incorporation of appropriate risk management policies in the business decision making process,
- Compliance of the Group and the Company, through strict and reliable procedures, with the requirements of the regulatory framework for the risk and control function.

Additionally, the Risk Committee controls the independence, adequacy and effectiveness of the operation of the Group Risk Management unit.

How the Risk Committee discharged its responsibilities during 2020

- Evaluated and made recommendations to the Board of Directors in respect to major risk related strategic/priority actions that required the approval of the latter, including, indicatively and not exhaustively, the:
  - 2020 Risk and Capital Strategy and Risk Appetite Framework
  - Revised NPE Plan 2020-2022
  - NPE Inorganic Transactions (including sales and securitizations)
  - Action Plans on Regulatory/Supervisory Assessments
- Assessed the adequacy and effectiveness of the risk and control framework and relevant policies and in particular of compliance with the established risk appetite limits and early warning levels
- Evaluated and made recommendation to the Board of Directors in respect to credit proposals that required the approval of the latter, both for performing and non-performing exposures
- Obtained an overview and provided update to the Board of Directors on Risk Management's reports regarding the key risk indicators evolution and profile of the key risks undertaken, in accordance with risk appetite limits, the capital evolution, the risk adjusted returns of credit portfolios and risk culture enhancements
- Obtained an overview and provided update to the Board of Directors on the loan portfolio management, including performance of:
  - performing exposures
  - non-performing exposures (NPLs and NPEs) and pertinent operational targets for their reduction
- Obtained an overview (jointly with Audit Committee) and provided update to the Board of Directors in respect to the implementation progress of the Action Plans on Regulatory / Supervisory Assessments
- Obtained an overview (jointly with Audit Committee) and provided update to the Board of Directors in respect to the implementation progress of the major projects related to operational risk and internal control enhancement
- Evaluated and provided recommendation to the Board of Directors in respect to the development, documentation, re-assessment and monitoring of the:
  - implementation of the 2019 Internal Capital Adequacy Assessment Process
  - implementation of the 2019 Internal Liquidity Adequacy Assessment Process
  - 2020 Recovery Plan
  - 2019 Pillar III Regulatory Capital Disclosures
- Evaluated and provided recommendation to the Board of Directors, when required, in respect to risk related Policies, including indicatively Pillar III Disclosures Policy, Interest Rate in the Banking Book (IRRBB) Policy, Credit Policy and Delegation of Credit Authorities to Senior Credit Committees, IFRS 9 Impairments Policy for Loans and Advances and Debt-Forgiveness and Accounting Write-off Policy.
- Evaluated and provided recommendation to the Board of Directors (jointly with Remuneration Committee) in respect to the Chief Risk Officer's compensation

Evaluation: The Stanton Chase evaluation results (see section 2.7) indicated an effective Risk Committee. It fulfils its duties and responsibilities to the fullest extent, including with regard to Risk Management Department, the External Audit and the coordination of all the Risk Committees of the Company's subsidiaries. The Chair fulfils its role effectively ensuring focus on the priorities that matter, open communication and facilitating clear alignment on decisions. He also provides concise feedback to the full Board as appropriate with clear recommendations and rationale. Members are provided with full and unconditional access to IT systems and specialized tools used by the Company and the Group and which are necessary for the execution of the Committee's duties, at the primary data level as well as the management information level. The areas of improvement are related to the structure of the material given to Members (summary vs detail) and the occasional engagement with operational matters instead of oversight.

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

3) Remuneration Committee

On 31 December and on the date of the publication of the 2020 Annual Financial Report, the composition of the Remuneration Committee is as follows:

Arne Berggren	Chairman, Independent Non-Executive BoD Member
Enrico Cucchiani	Member, Independent Non-Executive BoD Member
Venetia Kontogouris	Member, Independent Non-Executive BoD Member
Solomon Berahas	Member, Independent Non-Executive BoD Member
Anne Weatherston	Member, Independent Non-Executive Member
Periklis Dontas	Member, Non-Executive BoD Member, HFSF Representative

The HFSF Observer attends the meetings of the Committee without voting rights.

During 2020, the following changes were made to the composition of the Committee: Mr A.Blades ceased to be a member of the Committee on 23 July 2020 and on the same day Ms A.Weatherston was elected member of the Committee.

Governance - Operation

According to its Terms of Reference, the Remuneration Committee is appointed by the Board of Directors of the Company and consists of at least three (3) members of the Board of Directors, while the total number of its members should not exceed 40% of the BoD Members including the HFSF Representative who participates with full voting rights. The majority of the members must be independent as per the definition of an Independent BoD Member of article 4 of L 3016/2002, currently in force. The Chairman of the Committee should be an Independent Non-Executive member meeting the criteria of ar. 10 par. 8 of Greek Law 3864/2010, as currently in force. The Committee, as a body, should have knowledge, expertise and professional experience in remuneration related issues, risk management and control activities. At least one (1) member of the Committee should also be a member of the Risk Committee to oversee alignment of the Remuneration Policy with the Company's Risk and Capital Strategy.

The Members of the Remuneration Committee are not permitted to hold parallel positions or offices or to conduct transactions, which might be deemed incompatible with the remit of the Remuneration Committee. Participation in the Remuneration Committee does not preclude the possibility of sitting on another Committee of the Board of Directors.

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

The Remuneration Committee is supported in its work by the Company's Units and is entitled to recruit external consultants and to define the terms of cooperation with them, their fees being charged to the Management's budget.

The Remuneration Committee held nine (9) meetings during 2020. Members' attendance rates in the Committee meetings are depicted in the Board Members Participation in the BoD and the respective Committees table above.

The mission of the Remuneration Committee is to design, monitor the implementation and periodically review the Group's remuneration policy, in accordance with Bank of Greece Governor's Order 158/1/10.5.2019, also bearing in mind the provisions of Greek Laws 3864/2010 and 4261/2014, as currently in force and the alignment with the Company's strategic goals. In the execution of its duties, the Remuneration Committee takes into account the Risk appetite framework of the Company, the long-term interests of shareholders, investors and other stakeholders. In the scope of Remuneration Committee is also included the monitoring of a framework implementation that objectively evaluates performance and is directly linked to the determination of the remuneration of employees, risk takers and non-risk takers, the implementation of the Company´s talent management and succession planning policies as well as the implementation of strategies with the purpose of building a Corporate Culture that will support the Company´s objectives and vision. The competences of the Committee relate both to the Company and to subsidiaries included in the consolidation.

Roles and Responsibilities

The Remuneration Committee, inter alia:

- Reviews annually the Group's Remuneration Policy as well as the findings and recommendations made by the Group Internal Audit Unit regarding a potential revision of the Policy;
- Evaluates on a regular basis the remuneration of Executive and Non-Executive BoD Members as well as the senior executive management;
- Makes a recommendation to the Board of Directors, on an annual basis, regarding the remuneration of executive and non-executive BoD members for the coming period;
- Assesses the compliance of proposed variable remuneration schemes to current legislation and recommendations as well as their consistency with the Company´s risk appetite and strategies;
- Assesses whether the proposed remuneration packages for senior executives of the Company´s independent control functions are compliant with the Group´s remuneration policy for these positions (i.e. Risk Management, Internal Audit and Compliance);
- Periodically reviews the Company´s policy regarding staff loans and other benefits and monitor the credit exposure of the staff and executive management with a specific emphasis on potential NPEs;
- Regularly monitors pay equality and presence of discrimination based on gender, age or Bank of origin;
- Reviews and proposes to the Board the goals and objectives relevant to the CEO compensation and evaluate the CEO's performance in light of these goals and objectives;
- Reviews and recommends for BoD approval policies related to remuneration and critical HR issues that the Company is required to share with external parties and present in the Annual Meeting of Shareholders, such as the Directors' Remuneration Policy and the Annual Remuneration Report for Directors;

- Reviews and provides required information to be submitted to the Annual Meeting of Shareholders for the activities the committee exercises.

How the Remuneration Committee discharged its responsibilities during 2020

- Provided a statement that the Group Remuneration Policy is in compliance with the provisions of Greek Laws 3864/2010, Greek Law 4261/2014 and with the Bank of Greece Executive Committee's Act 158/1/10.5.2019, as in force;
- Reviewed and recommended to the Board of Directors variable remuneration proposals for various categories of staff (risk takers, non-risk takers etc.) related to incentives and business objectives;
- Reviewed and recommended for approval to the Board of Directors the identification process for categories of staff who have a material impact on the risk profile (Risk Takers) and the relevant list;
- Reviewed and approved the annual remuneration reporting disclosures to external authorities (Pillar III and the Bank of Greece);
- Assessed the compliance of proposed incentive schemes to current legislation and recommendations as well as their consistency with the Company's risk appetite and strategies;
- Reviewed the existing legal restrictions for the Chairman of the BoD and CEO's remuneration;
- Reviewed and recommended for BoD's approval the Remuneration Report for 2019 which was submitted for vote and discussion to the Annual General Meeting of Shareholders on 26 June 2020;
- Prepared the Board's proposal to the Annual General Meeting of shareholders in relation to the annual remuneration of the members of the BoD;
- Was updated on the Staff Credit Exposure and Policy;
- Reviewed the Remuneration Policy and recommended its update for approval by the Board of Directors;
- Reviewed and submitted for the BoD's approval the Severance Policy for the Top Management;
- Reviewed and recommended new salary ranges for approval by the Board of Directors;
- Reviewed and recommended the Voluntary Exit Scheme for approval by the Board of Directors;
- Reviewed the main Human Resources projects, such as the completion of Project Galvin, the initiatives aiming to reach the targets in the context of cost optimization, the Company's actions in order to address the Covid-19 pandemic, the potential risks of the corporate transformation, the roll-out of the new organization model for the rationalization of hierarchical levels (Job Family Model), the establishment of a new Institution for Occupational Retirement Provision, as well as the Succession Planning for the organisation's senior leadership;
- Reviewed the Remuneration Committee's Activity Report for 2020 as well as the planning for its 2021 activities.

Evaluation: Results of the Stanton Chase evaluation (see section 2.7) indicate an effective Remuneration Committee with room for improvement. The Committee discharges its duties and responsibilities to the fullest extent, reviewing, amongst others, and recommending for approval to the Board policies related to remuneration and critical HR issues and ensuring relevant disclosures (e.g. Directors Remuneration Policy, Annual Remuneration Report). Areas of improvement are related to the composition of the Committee, rationale of the recommendations to the Board and Committees proceedings (appropriate agendas and Committee's Chair role in facilitating the dialogue and drawing out ideas and alignment on decisions).

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

Remuneration Committee Statement

According to the Remuneration Committee's relevant obligation (RFA, Appendix I 2.3.3), the Committee declared on its meeting held on 22 February 2021 that the Company's Remuneration Policy is compliant with the provisions of the applicable legislative and regulatory framework in force.

4) Board of Directors Members Nomination Committee

On 31 December 2020 and on the date of the publication of the 2020 Annual Financial Report, the composition of the Board of Directors Members Nomination Committee (Nomination Committee) is as follows:

Arne Berggren	Chairman, Independent Non-Executive BoD Member
Enrico Cucchiani	Member, Independent Non-Executive BoD Member
Venetia Kontogouris	Member, Independent Non-Executive BoD Member
Andrew Panzures	Member, Independent Non-Executive BoD Member
Alexander Blades	Member, Non-Executive BoD Member
Periklis Dontas	Member, Non-Executive BoD Member, HFSF Representative

The Observer of the HFSF attends the meetings of the Committee without voting rights.

During 2020, the following changes were made to the composition of the Committee: Mr.D.Hexter ceased to be a member of the Committee on 23 July 2020. On the same day, Ms V.Kontogouris and Mr A.Panzures were elected members of the Committee.

Governance - Operations

The Nomination Committee is comprised of at least three (3) Members of the Board of Directors while the total number of its Members does not exceed 40% of total BoD Members (excluding the HFSF Representative). All members are non-executive with the majority being independent non-executive The HFSF Representative is an ex officio member of the Committee. An independent non-executive member, meeting the criteria of art.10 par.8a) of Greek Law 3864/2010 is appointed Chairman of the Committee. The HFSF Representative is a member of the Committee with full voting rights according to the provisions of Greek Law 3864/2010.

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

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

The Nomination Committee held seven (7) meetings during 2020. Members' attendance rates in the Committee meetings are depicted in the Board Members Participation in the BoD and the respective Committees table above.

Roles and Responsibilities

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

Nomination Committee is responsible to:

- identify and nominate suitable candidates to be proposed by the Board to the General Meeting for election or re-election upon the expiry of the tenure of the incumbent Board or as replacements for Board positions which become vacant during the Board's term;
- establish a candidate's "independence" in the context of Greek corporate law and relevant EBA guidelines; the Committee also examines the eligibility of any potential nominee with the HFSF requirements;
- review at least annually the structure, size and composition (including the aggregate skillset, knowledge, independence, experience and diversity) of the Board and of its Committees, and make recommendations to the Board with regard to any adjustments that are deemed necessary;
- design the succession planning for the Board and top executive management over the longer term, in order to ensure Board and Management continuity;
- adopt a Nomination Criteria Policy for Board members and review it at least once every two calendar years. The Nomination Criteria Policy will take into account the fit-and-proper criteria set by the EBA as well as the HFSF law (L.3864/2010) specific criteria for Board members in Greek systemic financial institutions;
- adopt a Diversity Policy for Board members and review it on a biannual basis;
- conduct an annual assessment of the effectiveness of the Board and its Committees; also ensure that an annual performance evaluation is conducted for the Chief Executive Officer and the other Board executives which will be reported to the Board;
- liaise with the HFSF in all matters pertaining to the Committee's mandate including coordinating the Board evaluation process carried out by the HFSF under the RFA and any follow up thereon;
- evaluate the independence of the incumbent non-executive Board members once every two years;
- adopt and monitor the application of an Induction and Training Policy for Board members; also the Committee will review the Induction and Training Policy at least once every two years and amend it, when it is deemed appropriate;
- oversee the induction and training programs for members of the Board, both on their initial appointment and on an on-going basis.

The Nomination Committee in carrying out its duties takes into account on an ongoing basis and to the extent feasible, the need to ensure that during its decision-making, the Board is not unduly affected by the will of one person or of a small group in a manner prejudicial to the interests of the Company as a whole.

The Nomination Committee may use any resources it deems appropriate, including external consultants, while it is provided with adequate funding in order to meet that objective.

How the Nomination Committee discharged its responsibilities during 2020

- Assigned the conduct of the self-evaluation process of the Board of Directors and its Committees for 2019 to a specialized consulting company, and reviewed its results;
- Reviewed and ensured that no conflicts of interest exist between the Company and the Board of Directors through the completion of a relevant questionnaire;
- Conducted and completed the CEO's Evaluation for 2019 and the CEO's Mid-Year Assessment for 2020;

- Completed the Board and the CEO Succession Planning;
- Reviewed the size of the BoD and recommended for approval by the Board of Directors its increase to thirteen (13) from eleven (11) members;
- Assigned to a specialized consulting firm the search for new candidates for independent non-executive Members of the' Board of Directors in order to strengthen its skills and enhance its diversity;
- Recommended for approval by the Board of Directors the election of the 2nd Executive Board Member and two new candidates for Independent Non-Executive Members of the BoD;
- Recommended for approval by the Board of Directors the election of the current Board composition by the Annual General Meeting of Shareholders due to expiration of its term, including the abovementioned two new candidates for BoD members,;
- Assessed the independence criteria for Board Members, including the two proposed candidates, and recommended to the Board, the election of eight (8) independent non-executive BoD members to be proposed to the AGM;
- Submitted to the Board proposal regarding the composition of the Audit Committee, to be included in the Agenda of the AGM;
- Reviewed and submitted for approval by the Board of Directors of the Director Induction and Training Policy;
- Submitted for approval by the Board of Directors, jointly with Risk Committee, the appointment of the new Group Chief Risk Officer;
- Was informed of the new law 4706/2020 on Corporate Governance of listed companies and of the way the new provisions apply in the Company;
- Reviewed and recommended for approval by the Board of Directors the nomination of the Board of the new subsidiary, unlisted company-credit institution (Piraeus Bank S.A.), which was established following the corporate transformation;
- Reviewed the proposed plan of actions for 2021 that are within the Committee's competence and need assessment or review.

Evaluation: The results of the Stanton Chase evaluation (see section 2.7) indicated an effective Nomination Committee with room for improvement. While the Committee fulfils its duties and responsibilities to the extent required, dealing effectively with nomination of Board members, overseeing an effective annual review of the Board and induction and training initiatives for Board members, there is room for improvement with regards to setting appropriate agendas and ensuring open communication and rigorous decision making.

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

5) Strategy Committee[9]

On 30 December 2020, the composition of the Strategy Committee is as follows:

[9] Following the Demerger and according to a BoD resolution on 30/12/2020 approving the new organizational chart of the Company, the Strategy Committee ceased operations. Continuation of its activities is undertaken by the respective Committee of the Company's subsidiary "Piraeus Bank S.A.".

George Handjinicolaou	Chairman, Chairman of the Board, Non-Executive BoD Member
Karel De Boeck	Member, Vice Chairman of the Board, Independent Non-Executive BoD Member
Arne Berggren	Member, Independent Non-Executive BoD Member
Enrico Cucchiani	Member, Independent Non-Executive BoD Member
David Hexter	Member, Independent Non-Executive BoD Member
Venetia Kontogouris	Member, Independent Non-Executive BoD Member
Alexander Blades	Member, Non-Executive BoD Member
Periklis Dontas	Member, Non-Executive BoD Member, HFSF Representative

The Observer of the HFSF also attends the meetings of the Committee without voting rights.

Governance- Operation

The Strategy Committee is appointed by the Board of Directors of the Company, is comprised of Non-Executive members of the Board of Directors and is chaired by the Chairman of the Board. The Representative of the HFSF participates as a Member in the Committee with full voting rights. The Committee is supported by an Executive Secretary who is appointed by the Board of Directors.

The competencies of the Strategy Committee refer both the Company and its subsidiaries.

The Strategy Committee meets on a monthly basis, at the time and place and with the daily agenda determined by its Chairman. The Chairman may decide to convene an extraordinary meeting of the Strategy Committee or to alter the day or frequency of regular meetings.

Each member of the Strategy Committee has the right to propose or add issues to be further discussed by the Committee. The issues are brought to the attention of the Chairman of the Committee in order to be added into the agenda of the next scheduled or extraordinary meeting of the Committee.

The meetings of the Strategy Committee may be conducted using video conferencing technologies, which do not require the physical presence of members on the same site.

In addition to the members of the Strategy Committee, the following persons are called upon to attend the meetings without voting rights:

(a) the Chief Executive Officer,

(b) the members of the Group Executive Committee, following respective request by the Chief Executive Officer,

(c) the management or executives responsible for various issues tabled for discussion by the Committee following the request of the Chief Executive Officer,

(d) the Chairman's advisor who is responsible on strategy issues.

Minutes are kept for all meetings of the Strategy Committee and are certified by the Chairman and the Executive Secretary of the Committee.

The Strategy Committee takes decisions with a quorum of at least half its members and a 2/3 majority of the members present.

During 2020, the Strategy Committee convened a total of ten (10) times. Members' attendance rates in the Committee meetings are depicted in the Board Members Participation in the BoD and the respective Committees table above.

Roles and Responsibilities

The Strategy Committee is responsible for performing the duties set out in the internal operating regulation, so as to be able to assist the Board of Directors in its work concerning:

- defining the objectives of the Company's Strategic Plan and provides guidelines on the Company's Business Plan which will be drawn up by the CEO and the Group Executive Committee and submitted for approval to the Board of Directors;
- monitoring and controlling the implementation of the approved Business Plan;
- follows up on a regular basis, analyzes and submits its suggestion to the Board of Directors on issues concerning strategic choices of the Company (e.g. capital increases or decreases, acquisitions, mergers, investments or liquidation of strategic participations, strategic alliances, etc.), assigns to managers' special missions for the achievement of targets and, when necessary, submits a respective proposal to the Board of Directors;
- monitors, tracks and analyzes arising risks in the implementation of the approved Business Plan and submits to the Board of Directors recommendations on how to address them;
- proposes the above issues for inclusion on the Daily Agenda of the Board of Directors or of the General Meeting of the Company;
- monitors and submits suggestions to the Board of Directors on all issues of strategic importance for the Group;
- operates as a crisis management committee.

How the Strategy Committee discharged its responsibilities during 2020

- Reviewed and prioritized the ongoing projects in relation to the set out of the Company's strategy;
- Was updated on the market conditions provided on regular basis;
- Was updated on the management of Deferred Tax (DT);
- Was updated on the considerations with regard to Return on Tangible Equity (RoTE);
- Was updated on cyber security
- Reviewed the Company's Sales Channels;
- Reviewed the Group's Real Estate strategy;
- Reviewed thoroughly the former Piraeus Bank's Transformation Plan and had regular updates on its evolution;
- Reviewed the agricultural banking strategy of the Company and the utilization of sustainable practices;

- Reviewed the portfolio and strategy of shipping sector during the pandemic Covid-19;
- Reviewed the Company's Factoring and Leasing strategy;
- Was updated on alternative financing sources (mini-bonds);
- Was updated on the management of money laundering and terrorist financing (AML/CFT) risk;
- Was updated on the benchmark peers' analysis for H1 2020;
- Reviewed the electronic payment industry and the acquiring business of the Company;
- Reviewed the Group's transaction banking strategy;
- Reviewed the sustainable financing sector under the ESG framework and the applied strategy;
- Was updated on the Company's IT Masteplan;

Evaluation: Stanton Chase's evaluation findings (see Section 2.7) show an effective Strategy Committee with low margin for improvement. The Committee discharges its duties and responsibilities to the fullest extent, in line with its purpose and mission. Amongst others, it oversees a detailed substantiated corporate strategy with a timeframe with at least one year and with clear business aims for both the Company and the Group, plays an effective role in supporting the Board to future-proof the organization and/or adapt and pivot the strategic priorities as required. It also effectively assists the Board to anticipate potential market disruptions (there is room for improvement). An opportunity exists for finding the right balance between strategic and tactical issues.

6) Board Ethics and Governance Committee[10]

As at 31 December 2020, the Committee's composition was the following:

George Handjinicolaou	Chairman, Chairman of the Board, Non-Executive BoD Member
Karel De Boeck	Member, Vice Chairman of the Board, Independent Non-Executive BoD Member
Enrico Cucchiani	Member, Independent Non-Executive BoD Member
David Hexter	Member, Independent Non-Executive BoD Member
Venetia Kontogouris	Member, Independent Non-Executive BoD Member
Arne Berggren	Member, Independent Non-Executive BoD Member
Solomon Berahas	Member, Independent Non-Executive BoD Member
Alexander Blades	Member, Non-Executive BoD Member
Periklis Dontas	Member, Non-Executive BoD Member, HFSF Representative

The Observer of the HFSF also attends the meetings of the Committee without voting rights.

[10] Following the Demerger and according to a BoD resolution on 30/12/2020 approving the new organizational chart of the Company, the Board Ethics and Governance Committee ceased operations. Continuation of its activities is undertaken by the respective Committee of the Company's subsidiary "Piraeus Bank S.A.".

Governance – Operation

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

The Committee convenes following the Chairman's invitation, as many times as required necessary for the fulfillment of its mission and at least semiannually. The Committee's meetings may also be carried out using teleconferences.

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

The Committee convened one (1) time during 2020 due to other prioritized issues of the organization as a result of the pandemic Covid-19.

Roles and Responsibilities

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

The Board Ethics and Governance Committee has the following responsibilities, as defined in its Terms of Reference, with major responsibility, the supervision, monitoring and providing direction to Management:

With regard to Ethics related policies:

- makes recommendations to the Board with respect to any revisions to the Company's Code of Conduct, at least every three years, following proposals made by HR, and clearance provided by the Senior Ethics Advisory Committee (SEAC) and Executive Committee (ExCo);
- is informed by the Compliance Unit, of significant revisions to the Conflict of Interest Policy, and provides advice on the matter;
- is informed by the Compliance Unit on matters of policies regarding:
  - the fair treatment of customers (products and services design and suitability, sales processes, transparency of fees);
  - compliance with laws and regulations;
  - Politically Exposed Persons;
  - Related Party transactions.

With regard to Sound Governance related topics:

- reviews cases of misconduct, relating to BoD members;
- reviews SEAC proposals and makes recommendations to the Board for decisions, when ExCo members are involved;
- provides advice and makes recommendations to the BoD and Management on ethical matters;
- provides advice to the Nomination Committee on cases of conflicts of interest involving BoD members;

- is informed by Group Internal Audit on matters regarding the Whistleblowing framework, including changes of policies, proper operation of the established procedures, channels offered and progress of the investigations;
- is updated periodically on the Complaints and Grievances procedures, so as to encourage the fair treatment of customers and the proper conduct of business;
- is informed by Internal Audit, Legal Unit, Compliance Unit or HR, on the progress of forensic investigations, litigation cases, regulatory proceedings, or incidents with significant reputational risk, for matters falling within the Committee's competencies;
- is informed by the Chairman of SEAC on cases under examination.

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

- makes recommendations to the Board with respect to the Strategy and policies for the above matters;
- is updated on the action plans and their progress by the pertinent Management Committee;
- oversees the process for the preparation of the Annual Sustainability and Business Report and makes recommendations to the Board regarding the approval of the final report;
- is responsible for the selection, appointment and fees of the External Auditors that provide assurance on the Annual Sustainability and Business Report;
- promotes best practices and ethical behavior considering interests of customers, personnel and society.

How the Board Ethics and Governance Committee discharged its responsibilities during 2020

- Was updated on Group's strategy and the level of future strategic actions in corporate and social responsibility issues as well as on the Company's ESG initiatives

Evaluation: Results of the Stanton Chase Board evaluation (see section 2.7) rated the Committee with a "Best-in-Class" rank. The work of the Committee is aligned with its purpose and mission. It discharges its duties in full with regard to Ethics related policies, sound governance and Corporate Social Responsibility, community and environmental policies. Results as to the role of Chairman, the composition and suitability of members of the Committee as well as to the proceedings of the Committee are also very satisfactory.

- **Executive and Administrative Committees**

Group Executive Committee

On the date of the publication of the 2020 Annual Financial Report, the composition of the Group Executive Committee is as follows:

Christos Megalou	Chairman, Managing Director, CEO
Athanasios Arvanitis	Member, Executive General Manager, Group Chief Treasurer- Piraeus Bank
Eleni Vrettou	Member, Executive General Manager, Chief Corporate and Investment Banking- Piraeus Bank
Georgios Georgopoulos	Member, Executive General Manager, Group Chief Human Resources Officer – Piraeus Bank
Theodoros Gnardellis	Member, Executive General Manager, Group Chief Financial Officer – Piraeus Bank
George Kormas	Member, Executive General Manager, Group Chief Real Estate – Piraeus Bank
Vassilios Koutentakis	Member, Executive General Manager, Chief Retail Banking – Piraeus Bank
Dimitris Mavrogiannis	Member, Executive General Manager, Group Chief Operating Officer – Piraeus Bank
Emmanouil Bardis	Member, Executive General Manager, Group Chief Credit Officer – Piraeus Bank
Konstantinos Paschalis	Member, General Manager, Chief Financial Officer – Piraeus Bank
Ioannis Stamoulis	Member, Executive General Manager, Group Chief Risk Officer – Piraeus Bank

During 2020, the following changes were made to the composition of the Committee[11]: On 13 March 2020 Ms. Anastasia Makarigaki, General Manager, Group Human Resources, ceased to be a member of the Committee. On 31 March 2020 Mr Georgios Georgopoulos, Executive General Manager, Group Chief Human Resources became Committee's Member. On 5 August 2020 Mr Efthymios Kyriakopoulos, Executive General Manager, Group Chief Risk Officer, ceased to be a member of the Committee and he was replaced on the same day from Mr Ioannis Stamoulis, Executive General Manager Group Chief Risk Officer.

In addition, following the completion of the Demerger and the transfer of the legal relations of the staff members to the new banking institution (Piraeus Bank SA), including the relations of the members of the Group Executive Committee, the BoD at its meeting held on 30.12.2020 re-appointed as above the members of the Group Executive Committee.

Governance- Operation[12]

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

The Committee meets every second Monday upon the invitation of its Chairman, and extraordinarily whenever convened by its Chairman. The invitation sets the agenda, the time and place of the meeting of the Executive Committee.

In order for the Group Executive Committee to reach a decision, a quorum of at least 50% of its members present in person either at the meeting location or at another location via teleconferencing is required.

Group Executive Committee decisions are taken with a 2/3 majority of the members present and represented. The presence, participation and voting of a Committee member during the discussion of an issue in which he has a conflict of interest is not permitted. Decisions that concern the establishment of policy, procedures, terms or criteria for risk management or other

[11] The roles of the members of the Group Executive Committee refer to the roles of these persons to the Company prior to the Demerger, during the reporting period and until 30/12/2020.
[12] Subject to revision/amendment following the Demerger in order to be adapted to the new status, the organization structure and the activities of the Company.

issues of general application do not fall under the previous prohibition.

The Group Executive Committee has the right to invite any employees, executives or advisors it deems expedient or useful to its meetings.

Minutes are kept for all Group Executive Committee meetings and are certified by the Chairman, the Executive Secretary and the Secretary.

The responsibilities of the Group Executive Committee relate to both the Company and its consolidated subsidiaries.

Roles and Responsibilities[13]

Authorised by the Board of Directors, the Group Executive Committee has the following responsibilities, which it may delegate or assign to administrative Committees, Committee Members or Company executives.

- It monitors the implementation of both the Business Plan of the Company and of the Group and makes the necessary decisions for achieving the Plans' goals;
- It establishes the directions of the Budget and proposes the Annual Budget to the Board of Directors;
- It establishes administrative committees and determines their composition and competencies;
- It approves, complements or amends the Group's Accounting Policies, following a recommendation by the Financial Management and Control Unit;
- It determines the interest rate policy and the pricing of the products and services offered by the Company;
- It approves the introduction of new and significant changes to existing products and services of the Company, as well as restructuring products, and defines their pricing policy before they are made available to clients;
- It approves the marketing strategy and monitors its implementation and effectiveness;
- It approves the Group's technological infrastructure strategy;
- It approves proposed partnerships in sectors or fields of the economy, following a recommendation by the Heads of the competent business units or support units;
- Approves the principles and rules of Credit Policy, as well as the regulations, manuals, policies and procedures of Credit Policy, which enter into force for the implementation of these principles, as well as any of their amendments, following the agreement with the Chief Risk Officer, except for the amendments of Risk Appetite, which are approved by the Risk Committee;
- It monitors and supervises the observance of Corporate Governance rules and programs and decides on taking regulatory compliance measures following the recommendation of competent Units or Committees;
- It approves human resources programs (voluntary departure, fees, insurance and other contributions), always within the framework of the approved Croup Remuneration Policy, having been assigned the related competency of Article 3(2) of Greek Law 3016/2002 by the Board of Directors;
- Approves the Executive’s promotions to a grade higher than the one of Director;
- It sets, within the range of its own approval limits, the approval limits of the Bank's Management Committees and executives on issues not related to credit approvals;

[13] As above

- It informs the Board via its Chairman at least once every quarter that the operation of the Group Executive Committee is in accordance with the Company's operational strategy and risk strategy.

Internal Control System

The Company establishes and implements a sound ICS which is a set of detailed, documented control mechanisms embedded in policies and procedures covering continuously every activity and transaction and contributing to its effective and efficient operations.

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

The Management of the Company has adopted the COSO Internal Control Integrated Framework for an effective and sound ICS which incorporates five key components:

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

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

The establishment of the ICS aims in particular to:

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

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

The Audit Committee of the Company monitors and evaluates on a yearly basis the adequacy and effectiveness of the ICS on an individual basis and at Group level, based on the relevant data and information of the Group Internal Audit Unit, Compliance and the findings and observations of the statutory auditors and supervisory authorities. The Audit Committee also reviews the effectiveness of the Company's compliance procedures with the laws, rules and regulations of the supervisory authorities.

Periodically and at least every three years, upon recommendation of the Audit Committee, an independent chartered public auditor, other than the Group and the Bank's external statutory auditor, is appointed to assess the adequacy of the ICS. The relevant evaluation report is communicated to the supervisory authorities within the first half of the year following the expiration of the three years.

The Audit Committee of the Company has an enhanced role as to the financial reporting. Amongst others:

- monitors the financial reporting process and submit recommendations or proposals to ensure its integrity;
- monitors the effectiveness of the internal quality control and risk management systems and Internal Audit Unit, regarding the financial reporting, without breaching the Company's independence;
- monitors the statutory audit of the annual and consolidated financial statements, in particular, its performance, taking into account any findings and conclusions by the supervisory authorities;
- informs the BoD of the outcome of the statutory audit and explains how the statutory audit contributed to the integrity of financial reporting and what the Audit Committee's role was in that process;

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

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

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

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

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

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

Group Internal Audit (GIA) Division

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

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

GIAU conducts any kind of audits regarding all units, activities and providers of material activities of the Company in order to form a reasonable, objective, independent and documented opinion on the adequacy and effectiveness of the Group's ICS.

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

GIAU activity relies on the adherence to the mandatory elements of ‘The Institute of Internal Auditors' International Professional Practices Framework (IPPFs) and more specifically:

- the Definition of Internal Auditing;
- the Core Principles for the Professional Practice of Internal Auditing;
- the International Standards for the Professional Practice of Internal Auditing;
- the Code of Ethics.

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

GIAU:

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

GIAU assesses, inter alia, whether:

- The risks related to the achievement of the strategic objectives are appropriately identified and managed;
- The staff actions comply with the established policies, procedures as well as the applicable laws, regulations and governance standards;
- Operations are carried out effectively and efficiently;
- Financial or non-financial information and the means used to identify, measure, analyze, classify, and report it are reliable, accurate and complete;
- Resources and assets are used effectively, efficiently and safely.

The audit results and especially the recommendations for improving the effectiveness of governance, risk management and control processes are appropriately communicated to the Senior Management.

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

The **Audit Committee**, the Board of Directors and the Senior Management ought to safeguard:

- the independence of the Internal Audit and the resolution of any issue related to its independence; and
- the provision of adequate and prompt updated information to the Internal Audit through relevant procedures and mechanisms, especially in case of significant problems and emergencies.

The **Internal Auditors:**

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

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

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

The planning of internal audit projects is based on a risk assessment process and mainly focuses on high risk areas. The Audit Cycle is determined based on the risk assessment and must cover at least high and moderate risk areas. Also, the Audit Cycle is approved and amended only by decision of the BoD of the Company following the recommendation of the Audit Committee.

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

The Annual Action Plan shall include the annual audit objectives, the scheduled audits regarding the Company's activities and the material activities providers, any human resources requirements, the relevant travel costs, any training programs and relevant expenses, as well as an assessment concerning the Group activities coverage. The Annual Action Plan shall take into consideration any possible unforeseen internal audit projects and the requirements of the Management.

The Company expects from GIAU staff to demonstrate good faith, sound judgment and due diligence while exercising their duties.

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

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

- Integrity
- Objectivity
- Confidentiality
- Competency

Risk and Compliance at the Company

Risk Management

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

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

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

Compliance

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

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

- The establishment and the implementation of the appropriate procedures and policies, the preparation of the Annual Compliance Plan and the regular monitoring of the level of its implementation in order to achieve the timely and continued compliance of the Company with the current regulatory framework provisions and the provisions of the Compliance Policy.
- The assurance that the Company and its subsidiaries comply with the applicable legal and regulatory framework that governs the preventing of the use of the financial system for money laundering and terrorist financing. To this end, the Company confirms that its subsidiaries comply with the obligations under said framework and with the adopted Compliance Policy and creates an environment appropriate for the early detection, prevention, investigation and reporting of such transactions.

  Regarding its insurance intermediary activity, the Company has undertaken the responsibility to fulfill all the obligations that derive from the regulatory framework for the prevention and suppression of money laundering and terrorist financing and to comply with that. For this purpose, it has assigned to its subsidiary Piraeus Bank to take all necessary actions to achieve the compliance. Moreover, the Company is aware of the relative processes of Piraeus Bank that cover the current regulatory framework requirements.

- The provision of information and update to the Audit Committee and Board of Directors on compliance issues through its annual and ad hoc reports; in particular, the update on any significant violation observed in the applicable regulatory framework or any major deficiencies in meeting the obligations it imposes.
- The provision of updates to the relevant instructions for adjusting internal procedures and the internal regulatory framework to the Company's Divisions and subsidiaries in case of changes and amendments to the relevant current regulatory framework.
- The establishment of the relevant procedures to ensure meeting the deadlines of the obligations arising from the existing regulatory framework and for this purpose the provision of written assurance to the Board of Directors through its annual reports.
- The assurance that the Company's staff is kept continuously informed on developments related to the regulatory framework and the policies related to their duties, by establishing appropriate procedures, updates and training programs in collaboration with the Group Human Resources.
- The monitoring, identification and effective management of compliance risk and the assessment of non-compliance risk.

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

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

Athens, 24 March 2021

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

EXPLANATORY REPORT

This explanatory report of the Board of Directors of Piraeus Financial Holdings S.A. (hereinafter "the Company") is addressed to the Ordinary General Meeting of its Shareholders and contains detailed information on the matters of paragraph 7 of article 4 of Greek Law 3556/2007 with reference date the 31 December 2020.

1. Structure of the share capital of the Company

On 31 December 2020 the Company's share capital amounted to two billion six hundred and nineteen million nine hundred and fifty-four thousand nine hundred eighty and four euros (€ 2,619,954,984) divided into four hundred and thirty six million six hundred and fifty nine thousand one hundred and sixty four (€ 436,659,164) ordinary registered voting shares of a nominal value of six euros (€ 6.00) each. The ordinary shares of the Company are dematerialized and listed on the Athens Stock Exchange.

Following the completion of the share capital increase by € 2,366.4 million, further to the automatic conversion on 4 January 2021 of the total the Contingent Convertible Securities (hereinafter the "CoCos") of the bond loan issued by the Company, of € 2,040 million total nominal value and issuance date 2 December 2015, which have been covered in whole by the Hellenic Financial Stability Fund (hereinafter the "HFSF" or the "Fund"), in accordance with Law 3864/2010, the Cabinet Act No 36/02.11.2015 and the respective corporate bodies' resolutions, the share capital of the Company now amounts to € 4,986,354,984 divided into 831,059,164 common registered voting shares of a nominal value of € 6.00 each.

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

- The right to participate and vote in the General Meeting of shareholders;
- The right to receive dividend from the Company's profits.
- It is noted that for as long as the Company is subject to the provisions of Greek Law 3864/2010, the total dividend distribution cannot exceed the minimum dividend as described below. Moreover, in accordance with Cabinet Act 36/2.11.2015 no dividend was distributable in respect of ordinary shares of the Company in the event the Company did not make interest payments on the Contingent Convertible Bonds ("CoCos"). Finally, the Company was subject to the provisions of the (already repealed) Recommendations of the ECB of 27 March 2020 (ECB/2020/19) and of 27 July 2020 (ECB/2020/35) on dividend distribution during the Covid-19 pandemic, recommending credit institutions to pay out no dividends, to undertake no irrevocable commitment to pay out dividend and to refrain from buy-back programs aimed at remunerating shareholders at least until 1 October 2020 and 1 January 2021 respectively. With the ECB Recommendation of 15 December 2020 (ECB/2020/62) on dividend distributions during the Covid-19 pandemic and repealing Recommendation ECB/2020/35. ECB has extended until 30 September 2021 the recommendation to exercise extreme prudence when deciding on or paying dividends or performing share buy-backs aimed at remunerating shareholders. More details on dividend distribution restrictions during the reporting period are provided in the corresponding section of the Annual Financial Report.

  The minimum dividend distributed to the shareholders is a percentage of 35% of the net profits for the year after the deduction of the amount required for the formation of the statutory reserve and of the remaining credit balances of the statement of income not constituting realized profits. The General Meeting decides in its discretion on the distribution of the remaining amount. The date of determination of the beneficiaries shareholders is announced at the Ordinary General Meeting. Dividend is paid to the shareholders within approximately seven (7) business days from the determination date, as more specifically announced through the Press. The right to receive payment of the dividend is time-barred and the respective unclaimed amount is devolved to the Greek State upon the lapse of five (5) years from the end of the year during which the General Meeting approved the distribution of the said dividend;

- The right to receive a pro rata share of the Company's net liquidation proceeds or all or part of the nominal value of any shares in the event of a total or partial redemption of the Company's share capital pursuant to a relevant resolution of the General Meeting of the Company's shareholders. The General Meeting of the shareholders retains all of its rights during the liquidation procedure;
- A pre-emptive right in each increase of the Company's share capital in cash and issuance of new shares unless the General Meeting resolves otherwise;
- The right to receive prior to the Ordinary General Meeting copies of the Annual Financial Report, incorporating, inter alia, the auditors' and Board of Directors' reports and the respective consolidated and separate financial statements.

2. Restrictions on the transfer of shares of the Company

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

The disposal of the shares held by the HFSF is subject to the provisions of art. 8 of Greek Law 3864/2010, as in force.

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

On 31 December 2020 the HFSF directly held a total of 115,375,400 ordinary shares of the Company representing 26.42% of the total voting rights of the Company, of which 2,042,067 are subject to the restrictions of article 7A para.2 of L. 3864/2010 with respect to the exercise of the voting rights attached thereto.

Furthermore, on 31 December 2020:

- "Paulson & Co. Inc." held (indirectly) 39,848,042 voting rights corresponding to an equal number of ordinary, registered, voting, dematerialized shares (namely 9.12% of the total voting rights of the Company). Paulson & Co. Inc. is an investment advisor registered with the US SEC under the Investment Advisors Act of 1940 and provides investment advice to and manages investment funds.

- Mr Aristotelis Mistakidis held directly 22,370,811 voting rights corresponding to an equal number of registered, voting, dematerialized shares (namely 5.1232% of the total voting rights of the Company)

Pursuant to the records kept by the Company, as at 31 December 2020 no other shareholder (individual or legal person) holds on an individual basis (directly or indirectly) more than 5% of the total number of ordinary shares of the Company.

It is noted that followed the abovementioned conversion on 4 January 2021 of the CoCos to common shares of the Company and the respective share capital increase, the HFSF holds on the date of the present, 61.34% of the share capital of the Company whereas no other shareholder (individual or legal person) no longer holds on an individual basis (directly or indirectly) more than 5% of the total number of ordinary shares of Piraeus the Company.

4. Shares granting special control rights

With the exception of the ordinary shares held by the HFSF, which carry the rights arising from the provisions of Greek Law 3864/2010 and the Relationship Framework Agreement ("RFA") dated 27 November 2015 entered into by the Company and the HFSF, there are no shares of the Company granting special control rights to their holders.

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

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

  a) to request the convocation of the General Meeting of shareholders;

  b) to veto any decision of the Company's Board of Directors:

     i) in respect of the distribution of dividends and the remunerations and bonuses policy for the Chairman, the Managing Director and the other members of the Board of Directors, as well as those persons having the position of or exercising the competencies of general managers as well as their deputies;

     ii) provided that the matter at hand may materially affect the liquidity or the solvency or in general the prudent and orderly operation of the Company (such as the business strategy, and asset management);

     iii) in respect of corporate actions of par. 3 art. 7A of Greek Law 3864/2010 which may significantly affect the participation of the HFSF's in the share capital of the Company;

  c) to request an adjournment of a Board meeting for three (3) business days in order to receive instructions from the HFSF Executive Committee. This right may be exercised until the adjournment of the meeting of the Board of Directors of the Company;

  d) to convene the Board of Directors of the Company;

  e) to approve the appointment of the Chief Financial Officer.

- the right to access the books and records of the Company through executives and consultants of its choice;

- the right to monitor and evaluate the corporate governance framework of the Company, the members of the Board of Directors and of its Committees on the basis of specific criteria in accordance with international best practice and, in the event of non-satisfaction of such criteria, the right to proceed, under specific conditions, to the convocation of the General Meeting of Shareholders and/or the publication of the results of its evaluation;

Further to the aforementioned, pursuant to the provisions of the Relation Framework Agreement as of 27 November 2015 entered between the Company and HFSF ("RFA"), the HFSF, for the period during which it holds shares of the Company, has the additional rights set out in the RFA, amongst which, the following:

- the HFSF Representative on the Board of Directors of the Company participates in the Committees of the Board of Directors, namely the Audit Committee, the Risk Committee, the Remuneration Committee and the Board Nomination Committee. In addition, thereto, the Observer appointed by the HFSF participates without voting right in the meetings of the Board of Directors and the BoD Committees;

- the HFSF Representative on the Board of Directors may request the inclusion of items on the agenda of the meetings of the Board and of the Committees on which he/she participates;
- the HFSF Representative may request the inclusion of items on the agenda of the General Meeting of Shareholders convened by the Board of Directors;
- the HFSF provides its prior consent for a number of items characterized in the RFA as material, including inter alia any material transactions and corporate reorganizations;
- the HFSF reviews the annual self-assessment exercise of the Board of Directors. Based on this assessment and/or following the assessment performed by the HFSF under art. 10 of Greek Law 3864/2010, the HFSF may propose specific suggestions for improvements or potential amendments to the Company's corporate governance framework.

According to the RFA, the HFSF ensures that, in exercising their rights, the HFSF, the HFSF Representative and the HFSF Observer shall respect the Company's business autonomy and independence in the decision making of the Company and act according to the terms of the Greek Law and the RFA.

5. Restrictions on Voting Rights

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

According to Article 7A par. 2 case a) and par. 3 of Greek Law 3864/2010, the HFSF exercises the voting rights attached to the shares acquired during share capital increase of 2013 only in respect of decisions amending the Articles of Association, including the increase or reduction of capital or the provision of a respective authorization to the Board of Directors of the Company, merger, division (demerger), transformation, revival, extension of duration or dissolution, transfer of assets, including the sale of subsidiaries, or on any other issue requiring increased majority pursuant to Greek Law 4548/2018. For the purposes of calculating the quorum and majority at the General Meeting, the aforementioned shares of the HFSF are not taken into account when deciding on matters other than the aforementioned.

The abovementioned restrictions do not apply to the voting rights attached to the shares acquired by the HFSF in the context of the capital support provided for the recapitalization of the Company in December 2015 under the revised Greek Law 3864/2010.

6. Shareholders' Agreements

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

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

Pursuant to the Company's Articles of Association, in the event that a Board member resigns, is deceased or forfeits his office for any reason whatsoever, or is deemed forfeited by a resolution of the Board of Directors due to his unjustifiable absence from meetings for three (3) consecutive months, the Board of Directors may continue the management and representation of the Company without replacing the departed member(s) provided that the remaining members are at least nine (9). This election resolution must be published according to the provisions of corporate law, as in force, and is announced by the Board of Directors in the upcoming General Meeting of Shareholders, which may replace the elected directors even if there is no respective item on the agenda. In every event, the actions of a member of the Board of Directors elected in such manner are deemed valid, even if such member is subsequently replaced by the General Meeting.

The rules set out in the Company's Articles of Association regarding members' appointment and replacement, as well as amendment of the provisions of the Articles of Association, do not deviate from the corresponding provisions of Greek Law 4548/2018.

Pursuant to art. 10 para. 2 of Greek Law 3864/2010, the HFSF is represented with one member on the Board of Directors of the Company with the aforementioned rights.

During the reporting period, the Company was a credit institution and therefore, the appointment or replacement of the members of the Board of Directors or the renewal of their term of office was subject to their suitability assessment by the SSM pursuant to article 93 of the ECB Regulation (EU) No.468/2014. Pursuant to the provisions of Law 4261/2014 (art. 114), the members of the Board of Directors of the Company, given its status as a financial holding company, continue to be subject to suitability requirements and respective assessments by the supervisory authority (ECB).

In addition, for as long as the HFSF holds ordinary shares of the Company, the members of the Board of Directors must satisfy the criteria set out in Greek Law 3864/2010 and are subject to the assessment provided for in said Greek Law and in the RFA.

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

There is no subsisting authorization to the Board of Directors of the Company to increase the share capital with the issuance of new shares.

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

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

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

10. Agreements between the Company and members of its Board of Directors or its employees

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

Athens, 24 March 2021

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

ESMA´s ALTERNATIVE PERFORMANCE MEASURES (APMs) AT GROUP LEVEL

A. APMs

No.	APM	APM Definition - Calculation	FY 2019	FY 2020
1	CET1 Capital Ratio	CET1 capital, as defined by Regulation (EU) No 575/2013, with the application of the regulatory transitional arrangements for IFRS 9 impact.	14.05%	13.75%
2	Financial Assets	The sum of: financial assets at FVTPL, financial assets mandatorily at FVTPL, Loans and advances to customers mandatorily at FVTPL, financial assets at FVTOCI, debt securities at amortised cost	3,613	8,412
3	Loans to Deposits Ratio (LDR) - (Seasonally Adjusted)	Seasonally Adjusted Net Loans over (/) Deposits	79.4%	76.8%
4	Net Income excluding one-off items	Total net income minus (-) Non-recurring (one-off) Revenues	1,823	1,893
5	New Loan Disbursements		4,019	6,295
6	NSFR (Net Stable Funding Ratio)	The NSFR is defined as the amount of available stable funding relative to the amount of required stable funding. This ratio should be equal to at least 100% on an ongoing basis	106.4%	116.2%
7	Non Performing Exposures (NPEs)	On balance sheet credit exposures before ECL allowance for impairment on loans and advances to customers at amortised cost that are: (a) past due over 90 days; (b) impaired or those which the debtor is deemed as unlikely to pay ("UTP") its obligations in full without liquidating collateral, regardless of the existence of any past due amount or the number of past due days; (c) forborne and still within the probation period under EBA rules; (d) subject to contagion from (a) under EBA rules and other unlikely to pay (UTP) criteria	24,474	22,448
8	NPE (Cash) Coverage Ratio	ECL allowance for impairment losses on loans and advances to customers at amortised cost over (/) NPEs	44.9%	44.1%
9	NPE Ratio	NPEs over (/) gross loans before impairments and adjustments	48.8%	45.3%
10	Other Assets	Balancing item: equals (=) Total Assets minus (-) Net Loans minus (-) Financial Assets	18,456	23,541
11	Other Income	Balancing item: equals (=) Net Income minus (-) Net Interest Income minus (-) Net Fee and Commission Income	421	90
12	Other Liabilities	Balancing item: equals (=) Total Liabilities minus (-) Due to banks minus (-) Customer Deposits	2,811	3,411
13	Recurring Operating Expenses (Recurring Opex)	Opex minus (-) One-off expenses	977	937
14	Total Regulatory Capital (Phased-in)	Total capital, as defined by Regulation (EU) No 575/2013, with the application of the regulatory transitional arrangements for IFRS 9 impact	15.60%	15.82%

B. APMS Components

No.	APM Component	APM Definition - Calculation	FY 2019	FY 2020
1	Expected Credit Loss (ECL) Allowance	ECL allowance for impairment losses on loans and advances to customers at amortised cost including the PPA adjustment	10,986	9,904
2	Deposits or Customer Deposits	Due to Customers	47,351	49,636
3	Gross Loans	Loans and advances to customers at amortised cost before ECL allowance for impairment losses on loans and advances to customers grossed up with the PPA adjustment	50,148	49,528
4	Intangible Assets	-	287	280
5	Loan Impairment Charges (Provision Expenses)	ECL impairment losses on loans and advances to customers at amortised cost	710	1,104
6	Net Fee and Commission Income (NFI)	-	318	317
7	Net Interest Income (NII)	-	1,435	1,486
8	Net Loans	Loans and advances to customers at amortised cost	39,162	39,624
9	Seasonally Adjusted Net Loans	Loans and advances to customers at amortised cost minus (-) OPEKEPE seasonal funding facility of € 1,548 million as at 31 December 2019 and € 1,516 million as at 31 December 2020	37,614	38,108
10	Net Results - Net Profit	Profit / (loss) for the period from continuing operations attributable to shareholders of the Bank	270	(652)
11	Net Revenues	Total Net Income	2,174	1,893
12	Non Recurring (one-off) Expenses	In 2019, Voluntary Exit Scheme (“VES”) staff costs of € 36 million were classified as one-off. In 2020, newly launched VES staff costs amounted to € 147 million	36	147
13	Non Recurring (one-off) Impairments	In 2020, € 695 million impairment charges related with Covid-19 impact and other impairments in the context of the new NPE reduction Plan were classified as one off	0	695
14	Non Recurring (one-off) Revenues	In 2019, € 351 million of the sale of Piraeus RBU platform to Intrum were classified as one-off revenues in other income.	351	0
15	Operating Expenses (Opex)	Total operating expenses before provisions	1,013	1,084
16	Pre Provision Income (PPI)	Profit before provisions, impairment and income tax	1,161	809
17	Pre Tax Results - Pre Tax Profits (PBT)	Profit / (loss) before income tax	389	(530)

The Board of Directors’ Report contains financial information and measures as derived from the Group and the Company’s Annual Financial Statements for the year ended 31 December 2020 and 31 December 2019, which have been prepared in accordance with the International Financial Reporting Standards (“IFRSs”), as endorsed by the EU. Additionally, it contains financial data which is compiled as a normal part of our Financial Statement Closing Process and management information systems. For instance, financial items are categorized as foreign or domestic on the basis of the jurisdiction of organization of the individual Group entity whose separate financial statements record such items.

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

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TRUE TRANSLATION FROM THE ORIGINAL IN GREEK

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of "Piraeus Financial Holdings S.A."

Report on the Audit of the Separate and the Consolidated Financial Statements

Opinion
We have audited the accompanying separate and consolidated financial statements of Piraeus Financial Holdings S.A. (the Company and the Group), which comprise the separate and consolidated statement of financial position as at 31 December 2020, and the separate and consolidated Income statements, total comprehensive income, changes in equity and cash flows for the year then ended, and notes to the separate and consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the separate and consolidated financial position of Piraeus Financial Holdings S.A and its subsidiaries (the Group) as at 31 December 2020 and their separate and consolidated financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), as endorsed by the European Union.

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

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

Key audit matters	How our audit addressed the Key audit matters
Expected credit loss on loans and advances to customers at amortised cost	
Loans and advances to customers at amortised cost for the Group amounted to € 39,624 million as at 31 December 2020 (€ 39,162 million as at 31 December 2019) and impairment losses on loans and advances to customers (charge for the period) amounted to € 1,104 million for the year ended 31 December 2020 (€ 710 million for the year ended 31 December 2019). The Group recognises an expected credit loss (ECL) impairment on loans and advances to customers at amortised cost when it is estimated that it will not be in a position to receive all payments due and this estimate is performed on both an individual and a collective basis. The estimation of ECL on loans and advances to customers at amortised cost involves critical Management judgment and accounting estimates with high level of subjectivity and complexity. Such subjectivity and complexity has increased in the current year due to the uncertainty associated with Covid-19 and its implications in the economy, including lockdowns, government support schemes and Group's relief measures. Therefore, ECL estimate has been considered as a Key audit matter. The most significant Management's judgments and accounting estimates relate to: • The criteria used for the timely staging assessment of loans and advances to customers (Significant Increase in Credit Risk- SICR and Unlikely to Pay- UTP), considering the impact of Covid-19 and related relief measures such as moratoria. • The determination of credit risk parameters, such as Loss Given Default (LGD), Probability of Default (PD) and the Exposure at Default (EAD) and the data used to build and run the credit risk models that calculate ECL. • The identification and evaluation of model adjustment to include any Covid-19 impact not captured by the models. • The measurement of individually assessed loans, including assessment approach, valuation of collaterals and estimation of expected future cash flows, particularly considering the uncertainty due to Covid-19 around the expected cash flows of the most severely impacted industries and the time to liquidate the collaterals.	Based on our risk assessment and following a risk-based approach, we have evaluated the impairment methodologies applied and assumptions made by Management in relation to this key audit matter, and we performed, inter alia, the following audit procedures: We assessed the design and implementation of relevant controls over the ECL estimate, including controls around the appropriateness of credit risk models, the determination of staging criteria, significant credit risk parameters and macroeconomic variables used in these models, as well as the controls over the accuracy and completeness of data inputs in the calculation engine and the preparation of relevant disclosures. In this assessment, we also considered the governance processes around the review and approval of changes and adjustments in the ECL estimate driven by Covid-19 pandemic. Where applicable we also involved our financial risk modelling specialists. We assessed the design and tested the operating effectiveness of relevant controls over the ECL measurement of individually assessed loans, including controls around the determination of the appropriate approach, the valuation of collaterals and the estimation of the expected future cash flows. We further performed the following audit procedures: • With the support of our financial risk modelling specialists, we tested the appropriateness of the criteria (SICR and UTP) used for staging assessment of loans and advances to customers at amortised cost. On a sample basis, we tested whether the criteria used for the timely identification of exposures with significant increase in credit risk and timely identification of credit-impaired exposures have been appropriately applied. Furthermore, we reperfomed the staging allocation of loans, based on the predetermined SICR criteria. For debtors that benefited from moratoria we performed detail test on a sample basis to assess the appropriateness of the eligibility criteria and staging. • With the support of our financial risk modelling specialists, we assessed the appropriateness of the credit risk models used by inspecting the pertinent programming codes (scripts), re-performing calculations on a sample basis and by challenging relevant Management's significant assumptions. As part of our substantive procedures, we tested accuracy and completeness of critical data used in ECL calculation.

Key audit matters	How our audit addressed the Key audit matters
Expected credit loss on loans and advances to customers at amortised cost *(continued)*	
• The forecasts for each key macroeconomic variable (growth rates, unemployment and real estate prices) used by Management in the ECL models and the weightings of multiple economic scenarios especially in the light of the uncertainty on the range and duration of the Covid-19 pandemic. Management has provided further information about principles and accounting policies for determining the allowance for impairment on loans and advances to customers at amortised cost, the management of credit risk and the review of impairment in Notes 2.4.17, 4, 5.3.1,5.3.2, 5.3.4, 5.4 and 21 to the financial statements.	• With the support of our financial risk modelling specialists we assessed the model adjustments made around time to liquidate the collaterals, additional criteria for SICR, haircuts applied to the expected future cash flows of debtor's business plans and auxiliary macro models used for the ECL estimate. • On a sample basis, we assessed whether the approach used for the individually assessed loans is appropriate and we tested the reasonableness of significant assumptions used, including valuation of collaterals (where we also made use of our real estate specialist), time to liquidate collaterals and the estimation of expected future cash flows. • With the support of our financial risk modelling specialists, we challenged the key macroeconomic variables used by Management in the ECL models and assessed whether they are reasonable and appropriate, comparing with macro variables and relevant information from other external market sources. We further assessed how management considered the baseline and alternative economic scenarios and evaluated the probability weights. Given the complexity and granularity of the related disclosures, and particular the disclosure related to the impact of Covid-19 to the ECL of loans and advances to customers at amortised costs, we assessed the completeness and accuracy of disclosures in accordance with the provisions of the relevant accounting standards.
Recoverability of Deferred Tax Asset (DTA)	
The Group has recognized a deferred tax asset of € 6,337 million as at 31 December 2020 (€ 6,478 million as at 31 December 2019). Recognition and measurement of deferred tax assets is considered a key audit matter as it involves the use of significant Management estimates and high degree of judgment. In specific, in the context of the Group's Strategy and acceleration of the Non Performing Exposure (NPE) reduction, Management used, for the preparation of the DTA exercise and the determination of the expected level of accounting and taxable profits, significant assumptions as included in the annual budget and the 4-year business plan as well as projections for the years to follow. Management has provided further information about deferred tax assets in notes 2.4.31, 4.1, 5.17, 14 and 37 to the financial statements.	Based on our risk assessment, we have examined the method used to determine the amount of deferred tax asset recognized and assessed the significant assumptions based on which Management prepared the tax planning strategy. Our examination included, inter alia, the following audit procedures: • We assessed the design and implementation of the controls relevant to the audit, around the preparation of the tax planning exercise, annual budget and 4-year business plan, including the controls over the significant Management's assumptions, critical judgements, data, calculations and methodologies used for this purpose. • We assessed Management's ability to make reasonable forecasts by comparing prior years' forecasts with actual results • We assessed whether significant assumptions and forecasts used by Management in the DTA exercise to estimate the future accounting and taxable profits are reasonable and consistent with the annual budget, the 4 -year business plan, the long- term economic outlook, the tax legal framework currently in force and the current market conditions.

Key audit matters	How our audit addressed the Key audit matters
Demerger of core banking operations into a newly-formed credit institution	
In the context of NPE reduction, the Group has decided to proceed to the demerger of its core banking operations by way of hive-down and the contribution of such spin-off banking activity sector into a new Entity (transaction). As a result as of 30 December 2020 a new legal entity, Piraeus Bank S.A., wholly owned subsidiary of the existing listed in ASE entity, Piraeus Financial Holdings S.A., established. Due to the complexity of the accounting treatment of the transaction we considered that this is a key audit matter. Management has provided further information about the demerger in note 3 to the financial statements.	Based on our risk assessment, we have examined the accounting treatment followed by Management in relation to the hive down. Our examination included, inter alia, the following audit procedures: • We assessed the design and implementation of controls around the review and approval process of this transaction, considering the applicable Group's policies as well as around the review of the accounting entries performed as part of the financial statement closing process. • We performed detail test to assess accuracy and completeness of the accounting entries performed in the context of this transaction. We assessed the accounting treatment of complex accounting entries including the initial recognition and measurement of Securitization of loans and the accounting of Back-to-Back Tier 2 Notes issued. • We assessed the completeness and accuracy of disclosures included in the financial statements in accordance with the provisions of the relevant accounting standards
Information Technology General Controls and controls over financial reporting	
The Company's and the Group's financial reporting processes are highly dependent on Information Technology (IT) systems supporting automated accounting reconciliation procedures and calculations, thus leading to a complex IT environment, pervasive in its nature and in which a significant number of transactions are processed daily, across numerous locations. This is a key audit matter since it is important that controls over access security, cyber risks, system change, datacentre and network operations are designed and operate effectively to ensure complete and accurate financial records/information. Management has provided further information about Information Technology General Controls under the header "Internal Control System" in Section II of the "Corporate Governance Statement" included in the "Board of Directors' Annual Report".	Based on our risk assessment, we have tested the design and operating effectiveness of Information Technology General Computer Controls (ITGCs) relevant for financial reporting. Our assessment included the evaluation of user access security and change management over applications, operating systems and databases, as well as the evaluation of datacenter and network IT operations. Our IT audit procedures included, among others, testing of: • User access provisioning and de-provisioning process. • Privileged access to applications, operating systems and databases. • Periodic review of user access rights. • Change management process over applications, operating systems and databases (user request, user acceptance testing and final approval for promotion to production). • Data center and network operations.

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Other information

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

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

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

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

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

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

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

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

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

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

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Auditor's responsibilities for the audit of the separate and consolidated financial statements – *continued*

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

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

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

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

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

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

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

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

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

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Report on Other Legal and Regulatory Requirements

1) **Board of Directors Report**

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

a) The Board of Director's Report includes the Corporate Governance Statement, which provides the information required by article 152 of Greek Law 4548/2018.

b) In our opinion, the Board of Director's Report has been prepared in accordance with the applicable legal requirements of articles 150,151,153 and 154 and paragraph 1 (cases c and d) of article 152 of Greek Law 4548/2018 and its content is consistent with the accompanying separate and consolidated financial statements for the year ended 31 December 2020.

c) Based on the knowledge we obtained during our audit of the Company and the Group and its environment, we have not identified any material inconsistencies in the Board of Director's Report.

2) **Additional Report to the Audit Committee**

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

3) **Non Audit Services**

We have not provided to the Company and the Group any prohibited non-audit services referred to in article 5 of the EU Regulation No 537/2014. The allowable non-audit services we have provided to the Company and the Group during the year ended 31 December 2020 are disclosed in Note 47 to the separate and consolidated financial statements.

4) **Appointment**

We were first appointed as statutory auditors by the General Assembly of the Shareholders of Piraeus Bank S.A. on 28 June 2017. The year ended 31 December 2020 is the fourth year we have been appointed as statutory auditors by the Annual General Assembly of the Shareholders of the Company.

Athens, 26 March 2021

The Certified Public Accountant

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Income Statement

€ Million	Note	Group Year ended 31/12/2020	Group Year ended 31/12/2019	Company Year ended 31/12/2020	Company Year ended 31/12/2019
CONTINUING OPERATIONS					
Interest and similar income	7	1,825	1,855	1,813	1,867
Interest expense and similar charges	7	(339)	(420)	(339)	(418)
NET INTEREST INCOME		**1,486**	**1,435**	**1,475**	**1,449**
Fee and commission income	8	408	417	358	358
Fee and commission expense	8	(91)	(99)	(80)	(89)
NET FEE AND COMMISSION INCOME		**317**	**318**	**278**	**269**
Dividend income		3	2	16	6
Net gain/ (losses) from financial instruments measured at fair value through profit or loss ("FVTPL")	9	36	13	38	12
Net gain/ (losses) from financial instruments measured at fair value through other comprehensive income ("FVTOCI")		2	5	2	5
Net gain/ (losses) from derecognition of financial instruments measured at amortised cost		9	7	9	7
Gain/ (losses) from disposal of subsidiaries/ associates and businesses	24	(3)	345	(2)	348
Net other income/ (expenses)	10	43	48	56	9
TOTAL NET INCOME		**1,893**	**2,174**	**1,871**	**2,106**
Staff costs	11	(571)	(504)	(544)	(479)
Administrative expenses	12	(407)	(387)	(381)	(363)
Depreciation and amortisation	25, 26	(115)	(123)	(110)	(118)
Net gain/ (losses) from sale of property and equipment and intangible assets		8	1	-	1
TOTAL OPERATING EXPENSES BEFORE PROVISIONS		**(1,084)**	**(1,013)**	**(1,035)**	**(959)**
PROFIT BEFORE PROVISIONS, IMPAIRMENT AND INCOME TAX		**809**	**1,161**	**836**	**1,147**
ECL Impairment losses on loans and advances to customers at amortised cost	5	(1,104)	(710)	(1,123)	(950)
Impairment (losses)/releases on other assets	29	(189)	(62)	(172)	(42)
ECL Impairment (losses)/ releases on financial assets at FVTOCI	42	(6)	8	(6)	8
Impairment on subsidiaries and associates	24	(6)	-	(44)	(25)
Impairment of property and equipment and intangible assets	25, 26	(4)	(14)	(4)	(12)
Impairment on debt securities at amortized cost		(12)	(1)	(37)	(1)
Other impairment (losses)/ releases		-	-	-	-
Other provision charges/ releases	34	-	1	-	4
Share of profit of associates and joint ventures	24	(16)	5	-	-
PROFIT/ (LOSS) BEFORE INCOME TAX		**(530)**	**389**	**(549)**	**130**
Income tax benefit/ (expense)	14	(128)	(123)	(177)	(103)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		**(658)**	**266**	**(726)**	**27**
DISCONTINUED OPERATIONS					
Profit/ (loss) after income tax from discontinued operations	13	(10)	10	-	-
PROFIT/ (LOSS) FOR THE YEAR		**(668)**	**276**	**(726)**	**27**
From continuing operations					
Profit/ (loss) attributable to equity holders of the parent		(652)	270	-	-
Non controlling interest		(6)	(4)	-	-
From discontinued operations					
Profit/ (loss) attributable to equity holders of the parent		(10)	10	-	-
Non controlling interest		-	-	-	-
Earnings/ (losses) per share attributable to equity holders of the parent (in €):					
From continuing operations					
- Basic	15	(1.49)	0.62	-	-
- Diluted	15	(1.49)	0.32	-	-
From discontinued operations					
- Basic	15	(0.02)	0.02	-	-
- Diluted	15	(0.02)	0.01	-	-
Total					
- Basic	15	(1.51)	0.64	-	-
- Diluted	15	(1.51)	0.33	-	-

The notes on pages 116 to 363 form an integral part of the Financial Statements

Statement of Comprehensive Income

€ Million	Note	Group		Company	
		Year ended		Year ended	
		31/12/2020	31/12/2019	31/12/2020	31/12/2019
CONTINUING OPERATIONS					
Profit for the period (A)		**(658)**	**266**	**(726)**	**27**
Other comprehensive income, net of tax:					
Items that may be reclassified subsequently to profit or loss					
Change in reserve from debt securities measured at FVTOCI	16	74	115	74	115
Change in currency translation reserve	16	(5)	9	-	-
Items that will not be reclassified subsequently to profit or loss					
Change in reserve from equity instruments measured at FVTOCI	16	(12)	30	(12)	28
Change in reserve of actuarial gains/ (losses)	16	(6)	(6)	(6)	(6)
Other comprehensive income/ (expense), net of tax (B)	16	**51**	**148**	**56**	**137**
Total comprehensive income/ (expense), net of tax (A)+(B)		**(607)**	**414**	**(670)**	**165**
- Attributable to equity holders of the parent		(601)	418	-	-
- Non controlling interest		(6)	(4)	-	-
DISCONTINUED OPERATIONS					
Profit/ (loss) for the period (C)		**(10)**	**10**	**-**	**-**
Other comprehensive income, net of tax:					
Items that may be reclassified subsequently to profit or loss					
Change in reserve from debt securities measured at FVTOCI		-	(4)	-	-
Change in currency translation reserve		-	(4)	-	-
Items that will not be reclassified subsequently to profit loss					
Change in reserve from equity instruments measured at FVTOCI		-	(1)	-	-
Change in reserve of actuarial gains/ (losses)		-	-	-	-
Other comprehensive income/ (expense), net of tax (D)		**-**	**(9)**	**-**	**-**
Total comprehensive income/ (expense), net of tax (C)+(D)		**(10)**	**-**	**-**	**-**
- Attributable to equity holders of the parent		(10)	-	-	-
- Non controlling interest		-	-	-	-

Statement of Financial Position

€ Million	Note	Group		Company	
		31/12/2020	31/12/2019	31/12/2020	31/12/2019
ASSETS					
Cash and balances with Central Banks	17	8,903	3,349	-	3,314
Due from banks	18	1,258	1,307	462	1,239
Financial assets at fair value through profit or loss	20	353	663	-	654
Financial assets mandatorily measured at FVTPL	20	146	131	10	131
Derivative financial instruments	19	507	479	-	479
Reverse repos with customers		8	38	-	38
Loans and advances to customers at amortised cost	21	39,624	39,162	3,826	39,801
Loans and advances to customers mandatorily measured at FVTPL		50	51	-	51
Financial assets measured at FVTOCI	22	2,898	1,647	-	1,646
Debt securities at amortised cost	23	4,964	1,121	696	1,121
Assets held for sale	28	181	264	-	259
Investment property	27	1,119	1,112	-	447
Investments in subsidiaries		-	-	4,881	586
Investments in associated undertakings and joint ventures	24	268	264	-	255
Property and equipment	26	995	1,044	-	980
Intangible assets	25	280	287	-	248
Current tax assets	36	176	206	22	202
Deferred tax assets	37	6,337	6,478	-	6,439
Other assets	29	3,395	3,521	138	3,118
Assets from discontinued operations	13	112	108	-	-
TOTAL ASSETS		**71,576**	**61,231**	**10,036**	**61,007**
LIABILITIES					
Due to banks	30	11,376	3,296	-	3,277
Due to customers	31	49,636	47,351	-	47,572
Derivative financial instruments	19	460	482	-	482
Debt securities in issue	32	471	481	2,383	481
Other borrowed funds	33	933	414	931	412
Current income tax liabilities		3	9	-	-
Deferred tax liabilities	37	31	32	1	-
Retirement and termination benefit obligations	38	143	130	-	125
Provisions	35	202	173	-	165
Other liabilities	34	1,136	1,071	12	939
Liabilities from discontinued operations	13	31	19	-	-
TOTAL LIABILITIES		**64,423**	**53,458**	**3,328**	**53,454**
EQUITY					
Share capital (ordinary shares)	41	2,620	2,620	2,620	2,620
Share premium	41	13,075	13,075	13,075	13,075
Contingent convertible bonds	41	2,040	2,040	2,040	2,040
Less: Treasury shares	41	(1)	(1)	-	-
Other reserves and retained earnings	42	(10,687)	(10,075)	(11,027)	(10,181)
Capital and reserves attributable to equity holders of the parent		**7,047**	**7,659**	**6,708**	**7,553**
Non controlling interest		106	115	-	-
TOTAL EQUITY		**7,153**	**7,773**	**6,708**	**7,553**
TOTAL LIABILITIES AND EQUITY		**71,576**	**61,231**	**10,036**	**61,007**

The notes on pages 116 to 363 form an integral part of the Financial Statements

Statement of Changes in Equity

Group € Million	Note	Share Capital	Share Premium	Contingent Convertible Bonds	Treasury shares	Currency Translation Reserve	Reserve from financial assets at FVTOCI	Other reserves	Retained earnings	Total	Non controlling interest	Total
		Attributable to equity shareholders of the parent entity										
Opening balance as at 1/1/2019		**2,620**	**13,075**	**2,040**	**(1)**	**(59)**	**97**	**144**	**(10,526)**	**7,390**	**116**	**7,506**
Other comprehensive income, net of tax	16	-	-	-	-	5	139	-	(6)	139	-	138
Profit/ (loss) after tax for the year	42	-	-	-	-	-	-	-	279	279	(4)	276
Total comprehensive income/ (expense) for the year		**-**	**-**	**-**	**-**	**5**	**139**	**-**	**273**	**418**	**(4)**	**414**
Payment to the holders of contingent convertible bonds	42	-	-	-	-	-	-	-	(165)	(165)	-	(165)
Transfer between other reserves and retained earnings	42	-	-	-	-	-	-	2	(2)	-	-	-
Recycling of the accumulated reserve from financial assets measured at FVTOCI	42	-	-	-	-	-	-	-	2	2	-	2
Disposals and movements in participating interests	42	-	-	-	-	-	-	(28)	43	14	3	17
Balance as at 31/12/2019		**2,620**	**13,075**	**2,040**	**(1)**	**(54)**	**236**	**118**	**(10,375)**	**7,659**	**115**	**7,773**
Opening balance as at 1/1/2020		**2,620**	**13,075**	**2,040**	**(1)**	**(54)**	**236**	**118**	**(10,375)**	**7,659**	**115**	**7,773**
Other comprehensive income, net of tax	16	-	-	-	-	(5)	61	-	(6)	50	-	50
Profit/ (loss) after tax for the year	42	-	-	-	-	-	-	-	(662)	(662)	(6)	(668)
Total comprehensive income/ (expense) for the year		**-**	**-**	**-**	**-**	**(5)**	**61**	**-**	**(668)**	**(612)**	**(6)**	**(618)**
Transfer between reserves and retained earnings	42	-	-	-	-	-	(16)	1	15	-	-	-
Disposals and movements in participating interests	42	-	-	-	-	-	-	(4)	4	-	(3)	(2)
Balance as at 31/12/2020		**2,620**	**13,075**	**2,040**	**(1)**	**(59)**	**281**	**115**	**(11,024)**	**7,047**	**106**	**7,153**

Company € Million	Note	Share Capital	Share Premium	Contingent Convertible Bonds	Reserve from financial assets at FVTOCI	Other reserves	Retained earnings	Total
Opening balance as at 1/1/2019		**2,620**	**13,075**	**2,040**	**93**	**96**	**(10,370)**	**7,554**
Other comprehensive income, net of tax	16	-	-	-	143	-	(6)	137
Profit/ (loss) after tax for the year	42	-	-	-	-	-	27	27
Total comprehensive income/ (expense) for the year		**-**	**-**	**-**	**143**	**-**	**22**	**165**
Payment to the holders of contingent convertible bonds	42	-	-	-	-	-	(165)	(165)
Balance as at 31/12/2019		**2,620**	**13,075**	**2,040**	**236**	**96**	**(10,514)**	**7,553**
Opening balance as at 1/1/2020		**2,620**	**13,075**	**2,040**	**236**	**96**	**(10,514)**	**7,553**
Other comprehensive income, net of tax	16	-	-	-	61	-	(5)	56
Profit/ (loss) after tax for the year	42	-	-	-	-	-	(726)	(726)
Total comprehensive income/ (expense) for the year		**-**	**-**	**-**	**61**	**-**	**(732)**	**(670)**
Transfer between reserves and retained earnings	42	-	-	-	(16)	-	16	-
Absorption of subsidiaries	42	-	-	-	-	-	65	65
Contribution to the new credit institution		-	-	-	(281)	-	41	(240)
Balance as at 31/12/2020		**2,620**	**13,075**	**2,040**	**-**	**96**	**(11,123)**	**6,708**

Cash Flow Statement

€ Million	Note	Group Year ended 31/12/2020	Group Year ended 31/12/2019 As restated	Company Year ended 31/12/2020	Company Year ended 31/12/2019 As restated
Cash flows from operating activities					
Profit/ (Loss) before income tax		(540)	393	(549)	130
Adjustments to profit/ (loss) before income tax:					
Add: provisions and impairment		1,323	784	1,386	1,017
Add: depreciation and amortisation charge		118	130	110	118
Add: retirement benefits and cost of voluntary exit scheme	11	152	46	150	45
Net (gain)/ losses from financial instruments measured at FVTPL		15	7	16	10
Net (gain)/ losses from financial instruments measured at FVTOCI		(2)	(5)	(2)	(5)
(Gains)/ losses from investing activities		14	(356)	(22)	(349)
Accrued interest from investing and financing activities		26	(14)	28	(14)
Cash flows from operating activities before changes in operating assets and liabilities		1,107	984	1,115	953
Changes in operating assets and liabilities:					
Net (increase)/ decrease in cash and balances with Central Banks		-	1	-	-
Net (increase)/ decrease in financial instruments measured at FVTPL		244	(291)	246	(292)
Net (increase)/ decrease in financial assets mandatorily measured at FVTPL		(18)	(30)	(17)	(30)
Net (increase)/ decrease in debt securities at amortised cost		(3,855)	(913)	(3,855)	(913)
Net (increase)/ decrease in amounts due from banks		22	(236)	18	(112)
Net (increase)/ decrease in loans and advances to customers		(1,361)	(323)	(1,329)	(413)
Net (increase)/ decrease in reverse repos with customers		31	66	31	65
Net (increase)/ decrease in other assets		(78)	(104)	(44)	(56)
Net increase/ (decrease) in amounts due to banks		8,080	(2,331)	8,063	(2,584)
Net increase/ (decrease) in liabilities measured at FVTPL		-	(62)	-	(62)
Net increase/ (decrease) in amounts due to customers		2,285	2,556	2,321	2,654
Net increase/ (decrease) in other liabilities		(163)	(6)	(219)	(44)
Net cash flow from operating activities before income tax payment		6,294	(689)	6,329	(835)
Income tax paid		(8)	(3)	(5)	(1)
Net cash inflow/ (outflow) from operating activities		**6,286**	**(692)**	**6,324**	**(836)**
Cash flows from investing activities					
Purchases of property and equipment		(58)	(84)	(48)	(69)
Proceeds from disposal of property and equipment and intangible assets		43	14	5	12
Purchases of intangible assets	25	(24)	(21)	(23)	(21)
Proceeds from disposal of assets held for sale other than subsidiaries		54	245	54	240
Purchases of financial assets at FVTOCI		(1,960)	(1,762)	(1,938)	(1,724)
Proceeds from disposal of financial assets at FVTOCI		848	2,566	840	2,512
Acquisition of subsidiaries net of cash and cash equivalents acquired and participation in share capital (increases)/ decreases		-	-	-	(4)
Proceeds from disposal of subsidiaries and other businesses, net of cash and cash equivalents disposed		-	(16)	-	430
Acquisition, establishment and participation in share capital (increases)/ decreases of associates and joint ventures		(28)	(10)	(28)	(8)
Proceeds from disposal of associates		-	1	-	1
Dividends received		8	1	13	5
Net cash inflow/ (outflow) from investing activities		**(1,116)**	**934**	**(1,125)**	**1,374**
Cash flows from financing activities					
Net proceeds from issue/ (repayment) of debt securities and other borrowed funds		437	340	437	337
Cash payments for the principal and the interest portion of the lease liability		(35)	(31)	(26)	(28)
Payment to the holders of contingent convertible securities	42	-	(165)	-	(165)
Net cash inflow/ (outflow) from financing activities		**402**	**143**	**411**	**144**
Effect of exchange rate changes on cash and cash equivalents		(11)	6	(13)	3
Net increase/ (decrease) in cash and cash equivalents (A)		**5,561**	**391**	**5,598**	**686**
Cash and cash equivalents contributed to the new credit institution (B)		-	-	(8,775)	-
Cash and cash equivalents at the beginning of the year (C)		**3,742**	**3,351**	**3,640**	**2,954**
Cash and cash equivalents at the end of the year (A) + (B) + (C)	44	**9,303**	**3,742**	**462**	**3,640**

During the current year the Group amended the presentation of Cash Flow Statement in order to present in total both continuing and discontinued operations. The respective figures for the comparative year have been restated to be comparable with the current year.

1 General information

On 30 December 2020, the core banking operations of the former Piraeus Bank registered under General Commercial Registry (“GEMI”) number 225501000 (the “Demerged Entity”) were demerged, by way of hive-down and were contributed into a newly-formed credit institution incorporated under the same corporate name, i.e. Piraeus Bank S.A. (the “Demerger”).

As a result of the Demerger:

- Piraeus Bank S.A. (the “Beneficiary” or the “Bank”) substituted the Demerged Entity, by way of universal succession under Greek law, to all the transferred assets and liabilities of the core banking operations of the Demerged Entity;

- the Demerged Entity ceased to be a credit institution, retained activities, assets and liabilities not related to core banking activities, and changed its corporate name to “Piraeus Financial Holdings S.A.” (the “Company”) while its shares remained listed on the Athens Stock Exchange; and

- the Company holds 100% of the Beneficiary’s ordinary shares and has become the direct or indirect ultimate parent holding company for all other companies that, prior to the Demerger, comprised the Group.

Please refer to Note 3 for further details on the Demerger.

The Company was established in 1916 and its shares are registered and have been listed on the Main Market of the Athens Stock Exchange since 1918.

The Company operates in the form of a Société Anonyme, in accordance with the provisions of Greek Law 4548/2018, as currently in force, as well as the applicable regulatory framework on the operation of listed companies. It is supervised on a consolidated basis by ECB and the Bank of Greece (BoG).

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 object, undertaking or carrying on insurance intermediation and insurance distribution activities on a retainer, pursuant to the provisions of L. 4583/2018, as in force from time to time, for and on behalf of one or several insurance undertakings (insurance agent), providing insurance advisory services to third parties and to companies of the Company's group, as well as researching, studying and analysing insurance related issues. Providing financial advisory services involving planning, development, research, reorganisation, assessment, business strategy, acquisitions, sales, mergers and restructuring of companies.

Piraeus Financial Holdings S.A. and its subsidiaries (hereinafter ‘’the Group”) is incorporated and domiciled in Greece. The address of its registered office is 4 Amerikis str., 105 64 Athens, GEMI number 225501000. The duration of the Company lapses on 6 July 2099. The Group provides services in Southeastern and Western Europe. As of 31 December 2020, the Group’s headcount is 11,395 full time employees (“FTEs”), of which 966 refer to discontinued operations (IMITHEA S.A.). The Company’s headcount as of that date is 33 FTEs.

Apart from the ATHEX General Index, the share of Piraeus Financial Holdings S.A. is a constituent of other indices as well, such as FTSE/ATHEX (Large Cap, Banks), FTSE (Emerging Markets SC, Med 100), MSCI (Global SC, EMEA, Greece), Stoxx (All Europe TMI, Emerging Markets, Balkan) and S&P (Global, Greece BMI).

The Board of Directors of Piraeus Financial Holdings S.A, on the approval date of the consolidated financial statements of the Group and the separate financial statements of the Company as at and for the year ended 31 December 2020 (the "Annual Financial Statements"), consists of the following members:

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

According to the Company's Articles of Association and the current institutional framework, the members of the Company's Board of Directors are elected by the General Meeting of Shareholders and may be re-elected. The term of the Members of the Board of Directors may not exceed three (3) years, and may be extended until the first Ordinary General Meeting convened after such term has elapsed. Pursuant to Greek Law 3864/2010, a representative of the Hellenic Financial Stability Fund (hereinafter "HFSF") participates in the Board of Directors. Furthermore, if a member of the Board of Directors is replaced, then according to the Law and the Company's Articles of Association, the respective replacement applies solely to the remaining term of the member being replaced. Pursuant to the Annual General Shareholders' Meeting Resolution as at 26 June 2020, the term of the current Board of Directors expires on 26 June 2023.

2 Basis of preparation and significant accounting policies

2.1 Basis of preparation

The Annual Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs"), as endorsed by the European Union ("EU") at the time of preparing these financial statements. The figures presented in the Company's statement of financial position on a standalone basis as at 31 December 2020 are not comparable with the figures of the previous year due to the Demerger. The amounts are stated in Euro, rounded to the nearest million (unless otherwise stated) for ease of presentation. Any differences between the amounts presented in the primary financial statements and the relevant amounts presented in the accompanying notes, are due to rounding. Where necessary, the comparative figures have been restated to conform to changes in current period's presentation.

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

The preparation of financial statements in conformity with IFRSs requires the use of critical accounting estimates and judgements that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The areas where critical judgements and estimates are significant to the Annual Financial Statements, are disclosed in Note 4.

2.2 Going concern

Conclusion

Management made an assessment and has concluded that the Annual Financial Statements have been appropriately prepared on a going concern basis as at 31 December 2020 as it has adequate resources to continue its operations for a period at least 12 months following the reporting date. Management took into account the following:

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

b) the continued recovery, albeit at a decelerated pace, of the residential and commercial real estate prices during 2020, despite the Covid-19 pandemic;

c) the Group's satisfactory liquidity position which has been driven by deposit restoration and Central Bank funding utilisation, and which is reflected on the restoration of the liquidity coverage ratio and the net stable funding ratio significantly above minimum regulatory requirements, as well as in the diversified sources of funding;

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

e) the capital adequacy of the Group deriving, among others, from the issue of fixed rate subordinated Tier 2 notes of a total nominal value of € 900 million in 2019 and 2020, in conjunction with the Capital Strengthening Plan executed in the 2018-2019 period generating, approximately, € 4 billion RWA relief and the expected capital trajectory of the Group taking into account the envisaged NPE deleverage and capital enhancing actions. Please also refer to note 50 "Events subsequent to the end of the reporting period";

f) the measures taken by the European Commission, the European Banking Authority (EBA), the European Central Bank (ECB) and the Single Supervisory Mechanism (SSM) since March 2020 to mitigate the effects of Covid-19 in European member state economies, for individuals and firms facing disruptions, through temporary capital and operational relief measures for European Banks; and

g) the measures taken by the Greek Government and the Hellenic Bank Association to mitigate the effects of Covid-19 in affected lenders.

In the context of this assessment, the Management considered the Group's principal business risks deriving mainly from the macroeconomic environment in combination with the Group's strategy and its liquidity and capital position.

Macroeconomic environment

In 2020, despite the growth dynamics observed in the first two months of the year, the Greek economy was affected by the conditions and high level of uncertainty caused by the rapid spread of the global Covid-19 pandemic.

After the completion of the third economic adjustment program in August 2018, Greece joined the economic and fiscal policy coordination cycle of the European Semester and is now scoped into the enhanced supervision of Regulation (EU) 472/2013. In the context of this framework, eight (8) successful and on-time reviews have been completed from November 2018 to November 2020.

In 2019 and up to early 2020, Moody's, S&P Global and Fitch had gradually upgraded the Greek sovereign rating to "B1" (Stable Outlook), "BB-" (Positive Outlook) and "BB" (Positive Outlook), respectively. In April 2020, S&P Global and Fitch confirmed Greece's sovereign rating to "BB-" and "BB", respectively, but revised the outlook to stable from positive due to the adverse effects of the Covid-19 pandemic. In November 2020, Moody's upgraded the Greek sovereign rating to "Ba3" (Stable Outlook) on the basis of both the maintenance of the reform orientation in 2020 and the positive economic prospects of the country in the coming years.

In 2019, Greece recovered its access to international debt markets with three (3) successful new Greek Government Bond (GGB) issuances, while in 2020 five more issuances of GGBs were completed. Notably, in January 2020, the first 15-year GGB since 2009 was issued, of € 2.5 billion value at a yield of 1.9%, while in April 2020 a seven year GGB of € 2.0 billion value was issued at a yield of 2.0%. Then in June 2020, a ten-year GGB of € 3.0 billion value, was issued, at a yield 1.6% followed by a re-offer of the same bond in September 2020 amounting to € 2.5 billion at a yield of 1.2%. Also, the Hellenic Republic completed a re-offer of its outstanding 15-year syndication amounting to € 2.0 billion at a yield of 1.2%. At the same time, the European Central Bank granted on March 2020 a waiver of eligibility requirements for securities issued by the Greek government, allowing for their purchase under ECB's Pandemic Emergency Purchase Program (PEPP).

In 2019, the real GDP increased by 1.9% on a yearly basis, while improvements in business and consumer confidence steered the Economic Sentiment Indicator (ESI) to 105.6 points (annual average), the highest level since 2007. In 2020, real GDP decreased by 8.2%, due to the effects of the Covid-19 pandemic and mainly driven by the decline in exports of services and private consumption. Based on the Explanatory Budgetary Report in 2021 the economy is expected to recover at a rate of 4.8%. For 2020 the support measures are estimated at € 23.9 billion in total, which include, on top of fiscal measures (€ 11.6 billion), deferrals (€ 1.6 billion) and liquidity enhancement measures (€ 10.7 billion) including the estimated leverage from the banking system.

Due to the adverse macroeconomic developments related with the Covid-19 outbreak, as well as the expansionary measures adopted to address it, both the fiscal and current account deficit widened in 2020. The State Budget balance on a modified cash basis, for 2020, presented a deficit of € 22.8 billion. Furthermore, in 2020, the current account showed a deficit of € 11.2

billion, mainly due to the deterioration of travel receipts surplus. Travel receipts decreased on an annual basis by 76.5%.

The ESI fell by 9.3 points in 2020 compared to 2019, to 96.4, reflecting the impact of the health crisis on almost all sectors of economic activity and consumers' expectations. The seasonally adjusted unemployment rate in the period between January – November 2020 was 16.5% compared to 17.4% in the same period of 2019. However, the labor market has been affected by the implementation of specific operating rules to companies and the adaption of measures to protect public health. In 2020, inflation stood at 1.2% on an annual basis (2019: 0.3%) reflecting, among others, the impact of insufficient demand.

The current health crisis finds the Greek real estate market in a critical period, showing significant recovery signs in the past three (3) years. Commercial property prices (as illustrated by the BoG office price index) increased by 2.0%, on an annual basis, in the first semester of 2020. Residential property prices (the apartment price index of the BoG) increased by 4.2% in 2020 on an annual basis.

The Summit of 17-21 July 2020 approved the € 750 billion 'Next Generation EU' European recovery plan, of which € 390 billion in grants and € 360 billion in loans to Member States. The plan prioritizes key areas for Europe's future, such as green growth and the digital transformation of economies. Of the above, € 32 billion have been allocated to Greece, comprising € 19.3 billion in grants and € 12.7 billion in the form of loans. These are additional resources of the new Multiannual Financial Framework 2021-2027.

The Greek economy is expected to show strong growth in the coming years strengthened by the EU funds. Greece's economic recovery in 2021 is largely dependent on the restoration of tourism activity and the utilization of the funds under the "Next Generation EU".

Primary risk factors for the developments in the Greek economy, the domestic banking sector in general and for the Group in particular, are the global and domestic macroeconomic and financial market conditions, mainly due to the effects of Covid-19. The depth and duration of the recession, the velocity of the recovery as well as the effective utilization of the Next Generation EU funds, will be decisive factors in determining the long-term impact of the Covid-19 pandemic to the Greek economy, the banking sector and the Group. Therefore, a potential slow and weak economic recovery, along with persistently high unemployment and possible decline of real estate prices could potentially have a negative effect on the quality of the Group's loan portfolio, and subsequently to its profitability and capital adequacy. Further, the geopolitical developments in the wider region is an additional risk factor. Management closely monitors the developments and assesses periodically the impact that these might have on its operations and financial performance of the Group.

Liquidity

As at 31 December 2020, Group deposits increased to € 49.6 billion, by 5% compared to 31 December 2019, due to the significant increase of private sector deposits.

On 12 March, 30 April and 10 December 2020, as a response to Covid-19 pandemic's effects to the European economy, the ECB announced easing of conditions for longer-term refinancing operations (TLTRO III), in order to leverage its use by credit institutions. The Group raised € 7.0 billion in June 2020 and additional € 2.0 billion in September 2020 and € 2.0 billion in December 2020 TLTRO auctions and retains sufficient cash buffers. This is facilitated through ECB's decision in April 2020 to waive the eligibility criteria and accept Greek sovereign debt instruments as collateral in Eurosystem credit operations, to further utilize the TLTRO facilities for refinancing if it decides to do so. As a result, the Group's exposure to the Eurosystem increased to € 11.0 billion as at 31 December 2020 from € 350 million as at 31 December 2019.

The Group's balance sheet deleveraging, coupled with the medium-term customer deposits restoration trend, the restored markets access and the Tier 2 debt issuances in 2019 and early 2020, improved the Group's funding mix and increased its high quality liquid assets (HQLA) buffer. As at 31 December 2020, the Group's Liquidity Coverage Ratio (LCR) stood at 175% (thus, well above the regulatory requirement of 100%) and the net Loans to Deposits Ratio excluding the OPEKEPE seasonal agri-loan (LDR) at 77%. Moreover, the Net Stable Funding Ratio (NSFR) required threshold of 100%, was fully met by the Group as at 31 December 2020 as it stood at 116%. On 12 March 2020, the ECB Banking Supervision allowed European Banks to operate temporarily below the regulatory required LCR level, a measure aiming to ensure that Banks can continue to fulfil their role in funding the real economy as the economic effects of the Covid-19 become apparent. On 28 July 2020, the ECB clarified that Banks are allowed to operate below the LCR until at least by the end of 2021, without automatically triggering supervisory actions.

On 18 March 2020, in order to counter the serious risks to the monetary policy transmission mechanism and the outlook for the euro area posed by the Covid-19 pandemic, the ECB announced a new asset purchase program, the PEPP of private and public sector securities, which has an overall envelope of € 1.85 trillion until March 2022, after the decisions taken in 4 June 2020 and 10 December 2020 to expand its size and timeframe. All asset categories eligible under the existing Asset Purchase Programme (APP) are also eligible under the new programme. Under the PEPP, a waiver of the eligibility requirements was granted for securities issued by the Hellenic Republic. Following this decision, the yield of the Greek 10 year sovereign bond yield fell to historical low levels. This development combined with: a) the lifting of the 2015 imposed cap on the holdings of Greek Government securities for Greek Banks, effective from 6 March 2020; and b) the waiver to accept Greek sovereign debt instruments as collateral in Eurosystem credit operations on 7 April 2020, creates more favorable conditions for Greek Banks to utilize ECB funding and enhance their liquidity positions at competitive cost.

Capital adequacy

The Group's Basel III Common Equity Tier 1 (CET1) ratio as at 31 December 2020 stood at 13.75%. The total regulatory capital ratio, has strengthened due to the issuance of € 400 million Tier 2 notes in June 2019 and € 500 million of Tier 2 notes in February 2020, and stood at 15,.82% as at 31 December 2020. The Overall Capital Requirement ("OCR") ratio stands at 14.25% in 2020, as set by the SSM through the Supervisory Review and Evaluation Process ("SREP"). However, the measures that the ECB Banking Supervision announced on 12 March 2020, allow Banks to operate temporarily below the level of capital defined by the Pillar 2 Guidance (P2G) and the capital conservation buffer (CCB), which corresponds to 6.33% CET1 capital requirement for the Group. In addition, Banks are also allowed to partially use capital instruments that do not qualify as Common Equity Tier 1 (CET1) capital, for example, additional Tier 1 or Tier 2 instruments, to meet the Pillar 2 Requirements (P2R).

In March 2020, EBA recommended European Banks to make full use of the flexibility embedded in the regulatory framework in terms of the classification of loans as non-performing and loss provision expectations for NPEs that are covered by state guaranteed schemes and payment moratoria. By utilising this flexibility, European banks' capital adequacy ratios are expected to be burdened in subsequent quarters by a smaller degree compared to a scenario under which this flexibility would not be utilized, thus enabling the maintenance of capital buffers

Please refer to Note 5.16 for further details on the Group's capital adequacy.

2.3 Adoption of International Financial Reporting Standards ("IFRSs")

The following amendments to existing IFRSs, have been issued by the International Accounting Standards Board ("IASB"), have been endorsed by the EU as of the date the Annual Financial Statements were issued and are effective from 1 January 2020.

Amendments to Accounting Standards

Conceptual Framework (Amendment) "Amendments to References to the Conceptual Framework in IFRS Standards". The new Conceptual Framework does not constitute a substantial revision of the document. The IASB focused on topics that were not yet covered or that showed obvious shortcomings that needed to be dealt with.

IAS 1 and IAS 8 (Amendments) "Definition of material". The amendments clarify the definition of "material" and align the definition used in the Conceptual Framework and the standards themselves.

IFRS 9, IAS 39 and IFRS 7 (Amendment) "Interest Rate Benchmark Reform". The amendment is designed to support the provision of useful financial information during the period of uncertainty arising from the phasing out of interest-rate benchmarks, such as interbank offered rates ("IBORs").

IFRS 3 (Amendment) "Business Combinations". The amendment aims at resolving the difficulties that arise when an entity determines whether it has acquired a business or a group of assets.

The Group and the Company have adopted the aforementioned amendments which did not have a material impact on the Annual Financial Statements.

Amendments to standards that have been issued by the International Accounting Standards Board and have been endorsed by the E.U., but they are not effective in 2020 nor have they been early adopted by the Group:

IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (Amendment) "Interest Rate Benchmark Reform – Phase 2". This is the second part of the two-phase project on Interest Rate Benchmark Reform. The amendment aims at reflecting the effects of transitioning from benchmark interest rates, such as interbank offer rates (IBORs) to alternative benchmark interest rates without giving rise to accounting impacts that would not provide useful information to users of financial statements.

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

Amendments to standards that have been issued by the International Accounting Standards Board but they have not yet been endorsed by the E.U., and therefore they have not been adopted by the Group:

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

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

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

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

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

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

Annual Improvements 2018-2020

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

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

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

2.4 Significant accounting policies

2.4.1 Consolidation

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

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

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

2.4.2 Non-controlling interests

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

2.4.3 Loss of control over a subsidiary or a business

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

2.4.4 Associates

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

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

2.4.5 Joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. The Group recognizes its interest in a joint venture as an investment and accounts for that investment using the equity method (refer to Note 2.4.4).

2.4.6 Investments in subsidiaries, associates and joint ventures in the separate financial statements

In the separate financial statements, investments in subsidiaries, associates and joint ventures are measured at cost less impairment.

2.4.7 Impairment of investments in subsidiaries, associates and joint ventures

The Group and the Company assess whether there is any indication that an investment in a subsidiary, associate or joint venture may be impaired. If any such indication exists, the Group estimates the recoverable amount of the investment. Where the carrying amount of an investment is higher than its estimated recoverable amount, it is written down to its recoverable amount.

The Group and the Company, in the context of the impairment assessment of the carrying amount of its investments in subsidiaries, associates or joint ventures, have defined both quantitative and qualitative triggers. The qualitative triggers are related to companies' financial changes, forward-looking developments in the countries and / or economy sectors in which they operate, changes in management etc.

An impairment loss recognised in prior years can be reversed only if there has been a change in the assumptions used to determine the recoverable amount of the investment since the last time an impairment loss was recognized. In this case, the carrying amount of the investment is increased to its recoverable amount and this increase is the reversal of the impairment loss.

2.4.8 Foreign Currency translations

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity ("the functional currency"). The Financial Statements are presented in millions of Euro (€), which is the functional currency of the Company.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Translation differences on non-monetary financial assets are a component of the change in their fair value and are recognised in the income statement for equity securities held for trading, or in other comprehensive income for equity securities classified as FVTOCI. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Group companies

When preparing the consolidated financial statements, assets and liabilities of foreign entities are translated at the exchange rates prevailing at the reporting date, while income and expense items are translated at average rates for the period. Differences resulting from the use of closing and average exchange rates and from revaluing a foreign entity's opening net asset balance at closing rate are recognised directly in foreign currency translation reserve within other comprehensive income. When a monetary item forms part of a reporting entity's net investment in a foreign operation and is denominated in a currency other than the functional currency of either the reporting entity or the foreign operation, the exchange differences that arise in the separate financial statements of both companies are reclassified to other comprehensive income upon consolidation.

2.4.9 Interest income and expense

Interest income and expense for all interest bearing financial instruments are recognised in "interest and similar income" and "interest expense and similar charges" in the income statement using the effective interest rate method. The effective interest rate discounts any estimated future payment or proceeds throughout the life of a financial instrument or until the next date of interest reset, in order for the present value of all future cash flows to be equal to the carrying amount of the financial instrument, including any fees or transaction costs incurred. Fees and direct costs relating to financial instruments measured at amortised cost are deferred and amortised to interest income or expense over the life of the instrument using the effective interest rate method.

In particular, the following apply for financial assets:

- For those financial assets classified within Stage 1 or Stage 2, interest income is calculated by applying the effective interest rate to the gross carrying amount of the financial asset.
- For those financial assets classified within Stage 3, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the financial asset cures, then it is transferred to Stage 2.
- For purchased or originated credit impaired (“POCI”) financial assets interest income is calculated similar to the Stage 3 loans and by applying the credit adjusted effective interest rate of the financial asset. The credit adjusted effective interest rate is the rate that, at initial recognition, discounts the estimated future cash flows (including credit losses) to the amortised cost of the purchased or originated credit impaired financial asset.

2.4.10 Fees and commission income and expense

The Group applies the following five step model to all contracts with customers, except for lease arrangements and financial instruments:

- Identification of the contract(s) with the customer;
- Identification of the performance obligations in the contract;
- Determination of the transaction price;
- Allocation of the transaction price to the performance obligations; and
- Recognition of revenue when the performance obligation is satisfied.

As such, the Group recognises revenue when a performance obligation is satisfied, that is when control of the services or goods is transferred to the customer.

Fees and commission income/expense are recognised over time when the relevant services are provided. For instance, fee income on asset management services and on real estate management services is recognised as the service is being rendered to the customer.

Loan syndication fees are recognised as income when the syndication has been completed and the Group retains no part on the loan package for itself or retains part at the same effective interest rate with the other participants. Fees and commissions arising from negotiating or participating in the negotiation of a transaction for a third party, such as the arrangement of the acquisition of shares or other securities or the purchase or sale of businesses, are recognised at a point in time when the transaction is completed. Fees on the execution of transactions (e.g. sales and brokerage commissions) are recognised upon completion of the transaction.

2.4.11 Dividend income

Dividend income is recognised when the right to receive payment is established.

2.4.12 Financial assets at fair value through profit or loss (“FVTPL”) or mandatorily at FVTPL and Loans and Advances to Customers mandatorily at FVTPL

Financial assets at FVTPL

Financial assets measured at FVTPL are all financial assets that do not meet the criteria of being measured at either amortised cost or fair value through other comprehensive income (“FVTOCI”). The changes in fair value of such financial assets are recognised in the income statement, in line “Net gain/ (losses) from financial instruments measured at fair value through profit or loss ("FVTPL")”.

Financial assets mandatorily at FVTPL

Equity instruments are measured mandatorily at FVTPL unless the Group irrevocably elects to measure at FVTOCI.

Debt securities measured mandatorily at FVTPL are exposures for which the contractual terms do not give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI Fail).

Loans and advances to customers mandatorily at FVTPL

Loans and advances to customers mandatorily at FVTPL are credit exposures for which the contractual terms do not give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI Fail).

2.4.13 Sale and repurchase agreements and securities lending

Securities sold subject to repurchase agreements (repos) are reclassified in the financial statements as pledged assets when the transferee has the right by contract to sell or repledge the collateral; the counterparty liability is included in amounts “Due to banks” or “Due to customers”, as appropriate.

Securities purchased under agreements to resell (reverse repos) are recorded as “Reverse repos with customers”. “Reverse repos with customers” are carried at amortised cost using the effective interest rate method.

The difference between sale and purchase price of the aforementioned securities is treated as interest and accrued over the life of the agreements using the effective interest method.

Securities transferred to counterparties by the Group are presented in the statement of financial position as assets, in the case that the Group retains substantially all the risks and rewards of ownership of these securities.

Securities transferred to the Group by counterparties are not recognized in the statement of financial position, except in the case of counterparty’s bankruptcy. If the securities are sold to a third party, the Group recognises the consideration received as well as the corresponding obligation to return the securities, at fair value in the statement of financial position.

2.4.14 Investment Securities measured at fair value through other comprehensive income (“FVTOCI”)

Debt securities

A financial asset is measured at FVTOCI if both of the following conditions are met:

- The asset is held within a business model in which assets are managed to achieve a particular objective by both collecting contractual cash flows and selling assets (Hold to Collect and Sell) and
- The contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A Hold to Collect and Sell ("HTC&S") business model applies when the Group has made a decision that both collecting contractual cash flows and selling financial assets are integral to achieving the objective of the business model. In order to determine whether this is so, Management considers:

- If the business model will typically involve greater frequency and value of sales than a Hold to Collect ("HTC") model,
- If there are various objectives that may be consistent with this type of business model, such as to:
  - manage everyday liquidity needs,
  - maintain a particular interest yield profile, or
  - match the duration of the financial assets to the duration of the financial liabilities that those assets are funding.

The financial assets, after initial recognition, are measured at FVTOCI with any unrealised gains/losses recorded directly in other comprehensive income, until these financial assets are derecognised. On the date of derecognition (upon the sale or collection of the asset) or reclassification (when and only when there is a change in the business model) to the FVTPL category, the cumulative fair value gains/losses of debt securities are reclassified from equity to the profit or loss as a reclassification adjustment. In the income statement, the Group recognizes interest income using the effective interest rate method, the impairment losses, the foreign exchange gains and losses and any modification gains or losses.

Equity instruments

At initial recognition, the Group and the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument within the scope of IFRS 9 that is not held for trading. This election is made on an "one to one" basis.

Furthermore, equity instruments that are measured at FVTOCI are not subject to any impairment and any accumulated gains and losses recognised in other comprehensive income are not subsequently reclassified to the income statement, but may be reclassified within equity (to the retained earnings).

Only dividend income on such equity instruments is recognised in the income statement, unless the dividend clearly represents a recovery of part of the cost of the investment. Dividends are recognized in profit or loss only when:

a) the Group's and the Company's right to receive payment of the dividend is established;

b) it is probable that the economic benefits associated with the dividend will flow to the Group and the Company; and

c) the amount of the dividend can be measured reliably.

All other gains and losses (including those relating to foreign exchange) are recognised in other comprehensive income.

2.4.15 Derivative financial instruments

Derivative financial instruments mainly include currency and interest rate swaps, forward rate agreements, futures and options (both written and purchased). Derivatives are initially recognised in the statement of financial position at fair value on the date when the Group engages into the contract (i.e. trade date) and subsequently remeasured at fair value through profit or loss. Derivatives are classified as assets when their fair value is positive or as liabilities when their fair value is negative. Where the Group enters into derivative instruments used for trading purposes, realised and unrealised gains and losses are recognised in the income statement. Changes in the fair values of derivative financial instruments are included in "Net gain / (losses) from financial instruments measured at fair value through profit or loss". A derivative may be embedded in another financial instrument, known as "host contract". If the host is any contract other than a financial asset, the embedded derivative is bifurcated from its host and treated as a separate derivative, provided that its risks and economic characteristics are not closely related to those of the host contract, the embedded derivative actually meets the accounting definition of a derivative and the host contract is not carried at fair value with unrealised gains and losses reported in the income statement. If the host contract is a financial asset, the entire hybrid instrument is measured either at amortised cost or fair value.

2.4.16 Hedge accounting

The Group has elected to continue applying hedge accounting under IAS 39, as permitted by IFRS 9. A hedge accounting relationship is established by the Group, only if all of the following criteria are met:

- at inception of the hedge, there is formal designation and documentation of the hedging instrument, hedged item, hedging objective, strategy and relationship;
- the hedge is expected to be highly effective in offsetting the risk in the hedged item throughout the hedging period. A hedge is considered to be highly effective when the Group achieves offsetting changes in fair value between 80 percent and 125 percent for the risk being hedged; and
- the hedge is highly effective on an ongoing basis.

Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used, is amortised to profit or loss over the period to maturity. The amortization is based on the recalculated effective interest rate at the date the amortisation commences. The unamortized adjustment to the carrying amount of a non-interest bearing hedged item is recognized immediately in the income statement.

2.4.17 Loans and advances to customers at amortised cost

Loans and advances to customers include financial assets measured at amortised cost for which both of the following conditions are met:

i. the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
ii. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI pass).

Loans and advances to customers at amortised cost drawn down by the Group and the Company are initially recognised at fair value (plus any transaction costs) and measured subsequently at amortised cost using the effective interest rate method. Interest on loans and advances to customers is included in the income statement and is reported as "Interest and similar income".

The Group and the Company recognise an expected credit loss impairment on loans and advances to customers at amortised cost when it is estimated that it will not be in a position to receive all payments due, as defined by the contract of the loan. The amount of the ECL allowance for impairment on loans and advances to customers at amortised cost is the difference between all contractual cash flows that are due in accordance with the contract and all the cash flows that the entity expects to receive discounted at the original effective interest rate of the loan (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

The Group and the Company assess at each reporting period whether there is objective evidence that a loan or a group of loans is impaired.

At each reporting date, an impairment loss equal to 12-month expected credit losses (allocated to Stage 1) will be recognised for all financial assets for which there is no significant increase in credit risk since initial recognition. For financial assets

a. that there is a significant increase in credit risk since their initial recognition (allocated to Stage 2),
b. that are credit impaired (allocated to Stage 3) and
c. that are purchased or originated credit impaired "POCI",

an impairment loss equal to lifetime expected credit losses will be recognized.

Default Definition

The Group and the Company apply the EBA NPE definition. In accordance with the Group's and the Company's Impairment Policy a financial asset is considered as credit impaired and is classified into Stage 3 when it is classified as NPE.

The definition of default is assessed:

- On a contract level for retail portfolio,
- On an obligor level for non-retail portfolios.

The determination of a significant increase in credit risk takes into account many different factors and varies per portfolio type. The main criteria considered in making this determination are the following:

- Primary criteria
  - significant increase in the probability of default (PD) of the financialinstrument at the reporting date compared to the one calculated at the initial recognition date, based on certain absolute (3% - 6.5%) and / or relative (200%) thresholds
- Secondary criteria
  - existence of forbearance
  - behavioral flags (i.e. monitoring the maximum delinquency bucket for the last 12 months)
  - existence of default event over the last 12 months
- Backstop
  - the Group and the Company apply the IFRS 9 presumption that a significant increase of credit risk **(**SICR) has occurred when the financial asset is more than 30 days-past-due and all such exposures are classified in Stage 2.
- Additional criteria due to Covid-19 pandemic

- The Group and the Company introduced additional SICR criteria, without relaxing any of the existing thresholds, in order to effectively allocate exposures which received Covid-19 moratoria. The new criteria consider probabilities of default, industry characteristics and pre-pandemic performance.

Key Impairment Modeling Concepts

Expected Credit Loss (“ECL”) is a function of the Probability of Default (“PD”), Exposure at Default (“EAD”) and Loss Given Default (“LGD”) and is estimated by incorporating forward-looking economic information and through the use of experienced credit judgement to reflect factors not captured in models.

The Group considers as individually significant, facilities to Corporate and Individual customers that satisfy all of the following criteria:

- The aggregate exposure at debtor level at the period end reporting date exceeds the amount of € 1 million or the equivalent in foreign currency.
- The exposures are classified as NPE.

The result of the individual assessment is further adjusted by incorporating the effect of macroeconomic scenarios determined on the basis of the estimates of the collective projection models.

The collective impairment assessment is carried out on all loans classified in Stages 1 and 2 as well as Stage 3 provided that they have not been individually assessed. Loans and advances to customers at amortised cost are grouped on the basis of similar credit risk characteristics (i.e. arrears bucket, industry sector, business/product segment, and other relevant factors). These characteristics are indicative of the debtors’ ability to pay all amounts due according to the contractual terms of the assets being evaluated.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement of the debtor's credit rating), the previously recognised impairment loss is reduced and the gain is recognised in the income statement.

Forborne loans are defined as exposures arising from loan agreements that have been subject to forbearance measures. The measures are considered as a concession of the Group and the Company to a borrower who is facing or is about to face financial difficulties in fulfilling its financial obligations. Forbearance may involve modification of contractual terms and conditions and / or refinancing of debts.

Forborne loans are tested for impairment in accordance with the IFRS 9 Impairment policy for loans and advances to customers at amortised cost as described above.

2.4.18 Modification of financial assets

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset in accordance with IFRS 9, the Group and the Company recalculate the gross carrying amount of the financial asset and recognize a “modification gain or loss” in the profit or loss. The gross carrying amount of the financial asset shall be recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset’s original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortized over the remaining term of the modified financial asset.

2.4.19 Derecognition of financial assets

A financial asset is derecognized when:

- the contractual rights to the cash flows from the asset expire, or
- the Group and the Company transfer the financial asset and the transfer qualifies for derecognition.

The term "financial asset" is used to refer to either the whole, or a part, of a financial asset (or the whole or a part of a group of similar financial assets).

The contractual rights to the cash flows from that asset have expired when for example:

- a loan receivable is repaid;
- a purchased option expires unexercised.

The Group and the Company transfer a financial asset if, and only if, it either:

- transfers the contractual rights to receive the cash flows of the financial asset; or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows on to one or more recipients.

If substantially all the risks and rewards of ownership of the financial asset are transferred, the financial asset must be derecognized and any rights and obligations created or retained in the transfer must be recognized separately as assets or liabilities.

It is a business practice, to proceed with restructuring of debt instruments particularly but not always when debtors are in financial difficulties. When the restructuring results in a substantial modification to the terms of a loan, the loan is derecognized. The Group has defined derecognition criteria such as: change of debtor, change of currency denomination, introduction of a conversion to equity option to the modified contract and consolidation of different types of contracts.

On derecognition of a financial asset in its entirety, the difference between:

- the carrying amount of the asset as at the date of the derecognition; and
- the consideration received (i.e. any new asset originated/received less any new liability assumed)

is recognised in the income statement as a "Derecognition gain or loss".

2.4.20 Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

If an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of the existing liability are substantially modified, such an exchange or substantial modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the income statement.

2.4.21 Intangible assets

Software

Costs associated with the acquisition of software programs, which will probably generate economic benefits to the Group for more than one year, are recognised as intangible assets. Expenditure that enhances or extends the performance of computer software programmes beyond their original specifications or software upgrade expenses are added to the original cost of the software, as long as they can be measured reliably.

Subsequent to initial recognition, software is measured at cost less accumulated amortisation and accumulated impairment loss. Software is amortised on a straight line basis and based on its useful life, which is from 2 to 11years.

At the end of each reporting period, the Group reviews the carrying amounts of computer software to determine whether there is any indication of impairment, i.e. whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Whenever the recoverable amount is less than the carrying amount, software is impaired to its recoverable amount.

Costs associated with maintaining the performance of the computer software programmes are recognised as an expense in the profit or loss as incurred.

Software is derecognised when:

(a) it is disposed, or

(b) when no future economic benefits are expected from use or disposal of the software.

The gain/loss on the disposal of software is defined as the difference between the net proceeds of the sale, if any, and the net book value of the software.

Other intangible assets

Other intangible assets are initially recognised at cost when it is expected that future economic benefits will be realised from their use. The cost of the intangible asset also includes every directly attributable cost which is required for the full implementation, production and asset's proper operation. Some examples of directly attributable costs are:

- The staff cost which is directly identified and attributed to the development of a particular intangible asset,
- Payments to outside vendors and collaborators, which are attributed to the intangible asset.

Subsequent to initial recognition, other intangible assets are measured at cost less accumulated amortisation and accumulated impairment loss. These assets are amortised in a period of 5-10 years, depending on the useful life of each asset, on a straight line basis. The useful life of other intangible assets is reviewed by the Group annually.

At the end of each reporting period, the Group reviews the carrying amounts of other intangible assets to determine whether there is any indication of impairment i.e. whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Whenever the recoverable amount is less than their carrying amount, other intangible assets are impaired to their recoverable amount.

Other intangible assets are derecognised when:

(a) they are disposed, or

(b) when no future economic benefits are expected from their use or disposal.

The gain/loss on disposal of the intangible asset is defined as the difference between the net proceeds of the sale, if any, and the net book value of the intangible asset.

2.4.22 Property and equipment

The Group holds property and equipment for use in the supply of services or for administrative purposes. Property and equipment includes: land, own-use buildings, leasehold improvements, furniture and other equipment, right of use assets and transportation means.

Property and equipment are initially measured at cost, which includes all costs necessary to bring an asset into operating condition.

Property and equipment are subsequently measured at historical cost less accumulated depreciation and accumulated impairment loss. Historical cost includes expenditure that is directly attributable to the acquisition of the items. At the end of each reporting period, the Group reviews the carrying amounts of property and equipment to determine whether there is any indication of impairment, i.e. whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and the value in use.

Subsequent costs are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they incur.

Depreciation on property and equipment is calculated using the straight-line method based on the estimated useful lives and taking into account their residual values. The Group conducts an assessment of the estimate for the useful lives and the residual values of the property and equipment on an annual basis.

Depreciation of property and equipment begins when it is available for use and ceases when it is derecognised. In the case where the asset is idle or retired from active use, it continues to be depreciated until it has been fully depreciated. The useful lives per fixed asset category is as follows:

Computer hardware	3-5 years
Leasehold improvements	the shorter of useful life and lease term
Furniture and other equipment	5-10 years
Means of transportation	6-9 years
Own-use buildings	25-40 years
Land	is not depreciated

Right of use assets are depreciated according to the asset category in which they belong.

An own-occupied property is derecognised and its carrying amount is written-off, according to the provisions of IAS 16, upon disposal or when no future economic benefits are expected to flow to the Group. Property may be disposed through sale or lease agreement (as lessor) or donation. The gain or loss on disposal of own-occupied property is defined as the difference between the sale price (less cost to sell) and the carrying value of the property as at the date of the disposal. Such gain or loss is recognised in the income statement.

2.4.23 Investment property

Property that is held for long-term rental yields or for capital appreciation is recognised as investment property in the Group's statement of financial position. Investment property includes freehold land, freehold buildings or parts of buildings, land and buildings held under leases.

A property interest that is held by the Group as a lessee is classified and accounted for as investment property if and only if the definition of investment property is met according to IFRS 16 "Leases".

Investment property is initially recognised at cost including related transaction costs.

After initial recognition, investment property is carried at fair value, as this is assessed by independent valuers. Fair value is based on active market prices or is adjusted, if necessary, for any difference in the nature, location and condition of the specific asset. Additionally, fair value measurement takes into account the Group's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The following valuation methods are used:

i. Comparative Method. According to this method, the valuation will be based on the conclusions drawn from research and collecting comparative data of property having the greatest similarity features with the estimated property.

ii. Income Approach. This method calculates the fair value of each property based on the capitalized value of the present lease.

iii. Cost Approach. This method calculates the fair value of each property based on the cost of replacement of each property or its exploitation.

iv. Mass Appraisal. The purpose of this method is to calculate the current commercial value of property with the use of econometric and spatial econometric techniques.

v. Residual Method. This method is based on the highest price a willing buyer would pay for a plot of land, in order to use it and then operate it.

The above - mentioned valuation methods are used by independent valuers in the context of the fair valuation of investment property. The fair value of investment property that is not estimated by valuers, is determined using a methodology based on valuations that have been carried out.

Investment property that is being redeveloped for continuing use as investment property, or for which the market has become less active, continues to be measured at fair value. Fair values of investment properties reflect current lease income, as well as assumptions for future leases, taking into account current market conditions.

Pursuant to the provisions of IAS 40 "Investment Property", subsequent expenses are recognized in the carrying amount of the property only when it is probable that future economic benefits associated with the property will flow to the Group and its cost can be measured reliably. Improvement and maintenance costs are recognised in the Income Statement during the year in which they incur.

Changes in fair value are recognized in the income statement.

If an investment property becomes owner-occupied, it is reclassified as property and equipment and its fair value at the date of reclassification becomes its new deemed cost.

Property that is being constructed or developed for future use as investment property is classified as property and equipment and stated at cost until construction or development is complete, at which time it is reclassified and subsequently accounted for as investment property.

An investment property is derecognised from the statement of financial position upon disposal. An investment property may be disposed of through a sale or lease agreement. Gains or losses arising from investment property withdrawal or disposal is calculated as the difference between the net disposal proceeds and the carrying amount of the investment property on the date of the disposal. Such difference is recognised in the income statement.

2.4.24 Non-current assets held for sale (“HFS”) and Discontinued operations

The Group classifies a non current asset as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the following conditions must be met:

a) the non-current asset must be available for immediate sale at its present condition,

b) its sale is highly probable,

c) the appropriate level of management is committed to a plan to sell,

d) an active programme to locate a buyer and complete the plan has been initiated,

e) the non-current asset must be actively marketed for sale at a price that is reasonable in relation to its current fair value, and

f) the sale of the non-current asset must qualify as a completed sale within 12 months from the date of classification in the HFS category.

Assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Assets held for sale are not depreciated. Gains/ losses from sale of these assets are recognised in the income statement.

A discontinued operation of the Group, refers to a clearly distinguished business operation of the Group that either has been disposed of or is classified as held for sale and:

- represents a separate major line of business or geographical area of operations,
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or
- is a subsidiary acquired exclusively with a view to resale.

Assets and liabilities from discontinued operations are presented in a separate line in the statement of financial position and are not offset. Similarly, profit or loss after tax from discontinued operations is also presented in separate line in the income statement.

2.4.25 Inventories property

Inventories property includes land and buildings acquired by the Group through auctions for the full or partial recovery of their receivables. These properties are included in “Other Assets” in the statement of financial position.

Inventories property include land and buildings acquired that do not meet the requirements of IAS 40, as well as property owned by the Group’s subsidiaries that are sold in the context of their normal course of business. Inventories property are accounted for according to IAS 2 “Inventories” and are measured at the lower of cost and net realisable value. The cost of the inventories property is determined using the weighted average cost method. The net realisable value is the estimated selling price, less any expenses necessary to conclude the sale.

Inventories property are derecognised from the statement of financial position at their disposal. The gain/loss resulting from the disposal of the inventories property is determined as the difference between the net realisable value less cost to sell and the carrying amount of the property. This difference is recognized in the income statement.

2.4.26 Leases

A. The Group is the Lessee

The Group and the Company following the provisions of IFRS 16 at the inception of a contract, assesses whether the contract is or contains a lease based on whether the Group and the Company has the right to control the use of an identified asset for a period of time in exchange for a consideration and obtain substantially all the economic benefits from the use of the asset.

At the commencement of the lease, the Group and the Company recognizes a right-of-use asset (“RoU”) representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

Under IFRS 16, the Group and the Company recognizes right of use assets and lease liabilities for all its lease contracts that fulfil the definition of a lease.

The Group and the Company applying IFRS 16 for all leases:

a) recognizes lease liabilities in the statement of financial position,

b) recognizes right-of-use assets in the statement of financial position,

c) recognizes depreciation of right-of-use assets and impairment based on IAS 36 “Impairment of Assets” in the income statement;

d) recognizes finance cost on lease liabilities and

e) separates the total amount of cash paid into a principal portion (presented within financing activities) and finance cost (presented within operating activities) in the cash flow statement.

The initial measurement at cost of the RoU assets comprises of:

a) the amount of the initial measurement of the lease liability,

b) any lease payments made less any lease incentives received;

c) any initial direct costs; and

d) an estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Regarding the subsequent measurement and derecognition, the Group follows the accounting policies and accounting treatment applied for the other assets accounted for in the same asset category as the RoU.

The lease liabilities are initially measured at the present value of the future lease payments using the incremental borrowing rate. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications (which does not constitute a different lease contract). The Group and the Company derecognizes the lease liability from the Statement of Financial Position when, and only when, it is extinguished—i.e. when the obligation specified in the contract is discharged or cancelled or expires.

For short-term leases (lease term of 12 months or less) and leases of low-value assets (below € 5,000), the Group and the Company recognizes a lease expense on a straight-line basis over the lease term as permitted by IFRS 16.

B. The Group is the Lessor

Operating leases

In case that the Group is the lessor under an operating lease (with a third party), the leased assets are stated and carried in the statement of financial position like the other –non leased assets- of similar nature. Lease income of the Group is recognised over the term of the lease by using the straight line method or other systemic method considered as appropriate.

Finance leases

In case that the Group is the lessor under a finance lease (with a third party), the present value of the lease payments is recognized as a receivable in the statement of financial position. The difference between the gross receivable and the present value of the receivable is recognized as unearned finance income. Rental receipts are separated and reduce the balance of the lease receivable.

2.4.27 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents are defined as short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash and cash equivalents comprise balances with less than three months maturity from the date of acquisition such as: cash, unrestricted cash and balances with Central Banks, trading securities and due from banks. Mandatory reserves with the Central Bank are not available for everyday use by the Group and therefore, these are not included in balances with less than three months maturity.

2.4.28 Provisions

A provision is recognised when:

a) the Group has a present legal or constructive obligation as a result of past events,

b) it is probable, that an outflow of resources will be required to settle the obligation, and

c) the amount of the obligation can be reliably estimated.

If any of the aforementioned conditions are not met, no provision is recognised.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as expense in the income statement.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation as of the balance sheet date. The amount of the provisions raised is reassessed at each reporting date.

2.4.29 Financial guarantee contracts

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss that incurs because a specified debtor failed to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are issued by banks, financial institutions and other bodies on behalf of customers to secure loans, overdrafts and other banking facilities.

Financial guarantees are initially recognised at fair value on the date the guarantee was given. Subsequent to initial recognition, the Group's liabilities under such guarantees are measured at the higher of: a) the initial measurement, less amortisation calculated to recognise in the income statement the accrued fee income earned on a straight line basis over the life of the guarantee and b) the amount of the provision determined through the expected credit loss calculation.

Any change in the liability relating to guarantees is recognized in the income statement, in the period in which it arises.

2.4.30 Employee benefits

A. Funded post employment benefit plans

The funded pension schemes operated by the Group and the Company are financed through payments to grouped insurance contracts or social security funds. The Group's and the Company's pension obligations relate both to defined contribution plans as well as defined benefit plans.

The Group and the Company pay fixed contributions to Social Security Funds (state owned administered pension funds), grouped insurance contracts, and has no legal or constructive obligation to pay additional contributions, if the Funds or the insurance companies do not hold sufficient assets to pay all employees the related benefits. Thus, these schemes are classified as Defined Contribution plans. The regular employee's contributions constitute net periodic costs for the year in which they are due and as such, they are recognised in the income statement under "Staff costs".

Defined benefit plans are pension plans that define the level of benefits to be provided, usually as a function of one or more factors such as years of service, age and compensation.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the obligation at the balance sheet date less the fair value of the plan assets.

The defined benefit obligation is calculated annually by independent qualified actuaries using the projected unit credit method.

Actuarial gains and losses

Actuarial gains and losses are recognised directly to the equity of the Group and the Company, when they arise. These actuarial gains and losses are not recycled to the income statement.

Past service costs

Past service cost is the change in the present value of the defined benefit obligation resulting from a plan amendment or curtailment. This cost is recognised directly to the income statement, when the plan amendment or curtailment occurs.

B. Non-funded post-employment benefit plans

The Group and the Company provide non-funded defined benefit plans to its employees on retirement. The requirements for full vesting of benefit entitlements usually include the fulfilment of the conditions for normal retirement or the completion of a minimum service period.

The expected costs of these benefits are accounted for using a methodology similar to that for funded defined benefit pension plans. These obligations are valued annually by independent qualified actuaries.

2.4.31 Income tax

Income tax

Income tax benefit/ (expense) represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from “profit/(loss) before tax” as reported in the income statement because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company’s current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and the corresponding tax bases used in the computation of taxable profit, to the extent that is probable that taxable profits in the foreseeable future will be available against which such temporarily differences can be utilized.

Deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable will be available to allow all of part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

2.4.32 Debt securities in issue, hybrid capital and other borrowed funds

Initial recognition

The liabilities from the issuance of the debt securities, hybrid capital and other borrowed funds are recognised initially at fair value, net of incurred issuance costs.

Subsequent measurement

After initial recognition, the debt securities and hybrid capital are subsequently accounted at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Income Statement over the period of the securities using the effective interest rate method.

If the Group and the Company purchases its own debt securities issued, these are removed from the statement of financial position, and the difference between the carrying amount of the liability and the consideration paid is included in the income statement.

2.4.33 Other financial liabilities measured at amortised cost

Other financial liabilities such as deposits from banks and from customers are measured at fair value upon initial recognition and subsequently are measured at amortised cost.

2.4.34 Securitisation

The Group securitises financial assets. These assets are purchased by special purpose entities which in turn issue bonds to investors. The Group consolidates special purpose entities when it controls these entities or holds main part of their risks. In such case, the bonds issued under the securitisation of financial assets are presented in the statement of financial position at their amortized cost, unless the securities issued are own-occupied.

2.4.35 Share capital

Incremental costs directly attributable to the issue of share capital decrease equity.

Dividends on ordinary shares are recognized as a liability during the period in which they are approved by the Annual General Meeting of the Company's Shareholders. Interim dividends are recognised as a deduction in the Company's equity when approved by the Board of Directors.

The cost of acquisition of treasury shares (including any attributable incremental transaction costs) is presented as a reduction in equity, until the treasury shares are cancelled or disposed of. The gains or losses from the sale of treasury shares are included directly in equity.

The number of treasury shares held by the Group does not reduce the number of shares issued. Treasury shares held by the Company are not eligible to receive cash dividends. The relevant provisions according to which purchase of treasury shares is not allowed are referred in Note 41.

2.4.36 Related party transactions

Related parties of the Group and the Company include:

a) Members of the Company Board of Directors and the Group Executive Committee, the Group Chief Internal Auditor, the Group Chief Compliance Officer and the CEO's of the significant subsidiaries, collectively "key management personnel" of the Company,

b) close family members of key management personnel,

c) companies having transactions with the Company, if the total cumulative participating interest (of key management personnel and their close family members) exceeds cumulatively 20%,

d) the Company's subsidiaries,

e) the Company's associates

f) the Company's joint ventures and

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

The terms of the transactions with related parties are at arm's length.

2.4.37 Fiduciary activities

The Group provide custody services to third parties for a wide range of financial instruments. These services include safekeeping of securities, clearing and settlement of securities transactions in the Greek market and abroad, execution of corporate actions, income collection, etc., on behalf of individuals, companies and institutional investors. The Group receives fee income for providing these services. Trust assets are not assets of the Group and are not recognized in the financial statements. The aforementioned services give rise only to operational risk, as the Group does not guarantee these investments and therefore does not bear any credit risk.

2.4.38 Segment reporting

The CEO, supported by the members of the Group Executive Committee, is considered the Chief Operating Decision Maker for the purposes of identifying the Group's reportable segments. All inter-company transactions between business segments are undertaken on an arm's length basis and inter-segment transactions and balances are eliminated within each relevant segment.

2.4.39 Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the statement of financial position when, and only when, the Group has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

3 Demerger of core banking operations into a newly-formed credit institution

On 23 July 2020, the Demerged Entity's Board of Directors approved the initiation of the Demerger, i.e. the demerger of its core banking operations by way of hive-down and the contribution of such spin-off banking activity sector into the Beneficiary, pursuant to the provisions of Article 16 of Law 2515/1997, Article 57, paragraph 3, and Articles 59-74 of Law 4601/2019, as well as Article 145 of Law 4261/2014. On 27 August 2020, the Board of Directors approved the draft demerger deed in respect of the Demerger, which was registered with the GEMI on 4 September 2020. The draft demerger deed provides a detailed analysis of all assets and liabilities comprising the banking activity sector, which was contributed to the Beneficiary, and is available on the Company's web site (www.piraeusholdings.gr). On 30 December 2020, following approval by the extraordinary general meeting of the Demerged Entity's shareholders on 10 December 2020, the Demerger was approved by the Greek Ministry of Development and Investments.

Following completion of the Demerger:

a) the Beneficiary was incorporated on 30 December 2020 under the corporate name "Piraeus Bank S.A.", registered under GEMI number 157660660000 and substituted the Demerged Entity, by way of universal succession under Greek Law, to all the transferred assets and liabilities, as set out in the transformation balance sheet of the hived down sector dated 31 July 2020 (the "Transformation Balance Sheet") and formed up to the Demerger's completion. All actions or transactions concerning the hived-down banking sector, which were effected by the Demerged Entity following the Transformation Balance Sheet date, were deemed to have been conducted for the account of the Beneficiary.

b) the Beneficiary's share capital as at 30 December 2020 amounted to € 5.4 billion divided into 5,400 million ordinary shares with a nominal value of € 1.00 each. The Company holds the entirety of the shares issued by the Beneficiary except for one share, which was acquired by Piraeus Agency Solutions Single Member S.A.

c) the Demerged Entity ceased to be a credit institution, retained activities and assets and liabilities not related to core banking activities, and changed its corporate name to "Piraeus Financial Holdings S.A.", while its shares remained listed on the Athens Stock Exchange. The assets and liabilities of the hived-down banking sector were transferred as balance sheet items of the Beneficiary, in accordance with the provisions of Article 16, paragraph 5 of Law 2515/1997.

d) The Demerged Entity's scope of business acitivities includes the following: i) participating directly or indirectly in domestic and/or foreign legal entities and other entities, undertaking and companies established or to be established, of any form and object; ii) undertaking or carrying on insurance intermediation and insurance distribution activities on a retainer, pursuant to the provisions of Law 4583/2018, as in force from time to time, for and on behalf of one or several insurance undertakings (insurance agent), providing insurance advisory services to third parties and to companies of the Demerged Entity's group, as well as researching, studying and analysing insurance related issues; iii) providing financial advisory services involving planning, development, research, reorganisation, assessment, business strategy, acquisitions, sales, mergers and restructuring of companies; iv) providing specialised shareholders registry services to domestic and/or foreign legal entities, other entities and undertakings of any form and object, established or to be established in the future, whether listed or not; and v) other activities and services similar or conductive to the above.

The Demerged Entity retained the following contractual rights and obligations: a) the Tier 2 subordinated notes of nominal value € 400 million and € 500 million, issued in June 2019 and February 2020, respectively, the "Tier 2 Notes" (refer to Note 33 for details); b) the Contingent Convertible Bonds ("CoCos") amounting to € 2,040 million, which was exclusively subscribed by the HFSF on 2 December 2015, in the context of capital support provided in accordance with the provisions of Greek Law 3864/2010 and Cabinet Act no 36/2015 (refer to Note 41 for details); c) 95% of the mezzanine and junior notes issued by the SPVs under the company names "Phoenix NPL Finance DAC", "Vega I NPL Finance DAC", "Vega II NPL Finance DAC" and "Vega III NPL Finance DAC" (refer to Note 21 for details); d) equity participations in "Piraeus Agency Solutions Single-Member S.A.", the Ukrainian banking corporation "JSC PIRAEUS BANK ICB" and "Piraeus Group Capital Ltd", which is registered in the United Kingdom and is engaged in issuing credit instruments; e) cash amounting to € 1.3 billion, primarily for: (i) funding the annual coupons of the CoCos for the years 2020 and 2021 amounting to € 165 million per annum; and (ii) subscribing to the Tier 2 debt instruments issued by the Beneficiary (further information is provided below).

On 31 December 2020, the Beneficiary issued two Tier 2 instruments of total nominal value € 900 million, which mirror all material terms of the Tier 2 Notes, except for their call date, and were fully subscribed by the Company (the "Back-to-Back Tier 2 Notes"). The Back-to-Back Tier 2 Notes are callable by the issuer on 31 December 2025. The Company recognised the Back-to-Back Tier 2 Notes within line item "debt securities at amortised cost", since they are held within the hold-to-collect business model and pass the SPPI test. The Company initially recognised the Back-to-Back Tier 2 Notes at their fair value, i.e. € 721 million. The difference of € 179 million between the consideration paid (i.e. nominal value of € 900 million) and the fair value of the Back-to-Back Tier 2 Notes increased the Company's cost of investment in the Beneficiary. The ECL allowance recognised by the Company as of 31 December 2020, was € 25 million. This intragroup transaction has no accounting impact on the Group's consolidated financial statements.

In accordance with the provisions of paragraphs (i) and (k) of article 2 and paragraph 12 of article 10 of L. 3864/2010, as amended and in force, after the Demerger, the HFSF may directly exercise its rights under Law 3864 and the existing Relationship Framework Agreement, at the level of both the Company and the Beneficiary. HFSF's special rights have been extended to apply on the Beneficiary as well, in compliance with the provisions of Law 3864/2010, as in force.

Accounting treatment of the Demerger

The Demerger, which effectively is a reorganization within the Group, under which the banking sector activity's assets and liabilities were transferred from the Demerged Entity to the Beneficiary, is a business combination involving entities under common control. The aforementioned reorganization is scoped out of IFRS 3 and IFRSs do not provide guidance on accounting for such types of transactions. Given that the Demerger has no commercial substance from the Group's perspective, the reorganization was accounted for at carrying values. The reorganization had no impact in the Group's consolidated financial statements.

In the separate financial statements of the Company, the assets, liabilities and equity reserves of the banking sector activity were derecognised and the Company's investment in the Beneficiary was recognised at cost. The Beneficiary's share capital was determined based on the carrying amount of the net assets and equity reserves transferred as of the Transformation Balance Sheet date, i.e. 31 July 2020 and amounts to € 5,400 million. The Beneficiary recognised on its statement of financial position the assets, liabilities and equity reserves transferred, based on their carrying amount as of 31 December 2020, since the one-day impact on the income statement of both the Demerged Entity and the Beneficiary, is immaterial. Any difference between the carrying amount of net assets and reserves between 31 July 2020 and 31 December 2020, have been directly recognised in retained earnings. The table below provides a reconciliation of the Demerged Entity's statement of financial position before and after the Demerger, as of 31 December 2020, taking into account the issuance of the Back-to-Back Tier 2 Notes by the Beneficiary and its subscription by the Demerged Entity on 31 December 2020.

€ Million	Demerged entity – balance sheet reconciliation					
	Demerged Entity prior to the Demerger	Assets, liabilities and reserves transferred to the Beneficiary	Previously unrecognized financial instruments	Reclassifications	Intragroup Tier 2 capital instruments subscribed by the Demerged Entity[3]	Demerged Entity as at 31/12/2020
ASSETS						
Cash and balances with Central Banks	8,885	(7,560)	-	(425) [1]	(900)	-
Due from banks	1,214	(1,177)	-	425 [1]	-	462
Financial assets at fair value through profit or loss	341	(341)	-	-	-	-
Financial assets mandatorily at fair value through profit or loss ("FVTPL")	145	(135)	-	-	-	10
Derivative financial instruments	507	(507)	-	-	-	-
Reverse repos with customers	8	(8)	-	-	-	-
Loans and advances to customers at amortised cost	40,293	(36,467)	-	-	-	3,826
Loans and advances to customers mandatorily at FVTPL	50	(50)	-	-	-	-
Financial assets at fair value through other comprehensive income ("FVTOCI")	2,882	(2,882)	-	-	-	-
Debt securities at amortised cost	4,964	(4,964)	-	-	696	696
Assets held for sale	178	(178)	-	-	-	-
Investment property	440	(440)	-	-	-	-
Investments in subsidiaries	626	1,693	2,383 [2]	-	179	4,881
- of which investment in the Beneficiary	-	2,283	2,383 [2]	-	179	4,845
Investments in associated undertakings and joint ventures	252	(252)	-	-	-	-
Property and equipment	931	(931)	-	-	-	-
Intangible assets	240	(240)	-	-	-	-
Current tax assets	175	(153)	-	-	-	22
Deferred tax assets	6,302	(6,302)	-	-	-	-
Other assets	3,019	(2,881)	-	-	-	138
TOTAL ASSETS	**71,453**	**(63,775)**	**2,383**	**-**	**(25)**	**10,036**
LIABILITIES						
Due to banks	11,340	(11,340)	-	-	-	-
Due to customers	49,926	(49,926)	-	-	-	-
Derivative financial instruments	460	(460)	-	-	-	-
Debt securities in issue	471	(471)	2,383	-	-	2,383
Other borrowed funds	931	-	-	-	-	931
Deferred tax liabilities	1	-	-	-	-	1
Retirement and termination benefit obligations	137	(137)	-	-	-	-
Provisions	194	(194)	-	-	-	-
Other liabilities	962	(950)	-	-	-	12
TOTAL LIABILITIES	**64,422**	**(63,478)**	**2,383**	**-**	**-**	**3,328**
TOTAL EQUITY	**7,031**	**(297)**	**-**	**-**	**(25)**	**6,708**
TOTAL LIABILITIES AND EQUITY	**71,453**	**(63,775)**	**2,383**	**-**	**(25)**	**10,036**

Notes:

(1) Refers to sight deposits of the Company with the Beneficiary.

(2) Refers to the initial recognition of financial liabilities by the Company for 100% of the senior notes and 5% of the mezzanine and junior notes of the Phoenix and Vega securitizations, which were retained by the Company before the Demerger and in the context of the Demerger, have been contributed to the Beneficiary. Refer to Note 21 for details.

(3) Refers to the Back-to-Back Tier 2 Notes of total nominal value € 900 million, issued by the Beneficiary and fully subscribed by the Demerged Entity on 31 December 2020.

4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in Note 2, Management is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant and are reviewed on an ongoing basis. Actual results may differ from these estimates.

Covid-19 impact

The outbreak of Covid-19 pandemic has had, and continues to have, a material impact on business and the economic environment in which the Group and the Company operate. The business sectors mostly affected are trade, handicraft, manufacturing, transport and supply chain, hotels and food and beverage sectors. Our customers operating in these sectors may be severely affected and thus may need to be offered with either targeted liquidity solutions, or suspension of capital repayments. The Hellenic Bank Association (HBA) in March 2020 announced measures to support businesses and individuals (employees, self-employed and sole proprietors) affected by the crisis. For individuals, the Banks offered to eligible borrowers affected by Covid-19 based on Government's guidelines, a suspension of principal repayments of performing loans. The suspensions were offered until a terminal date of 31 December 2020. The scope of the suspension included individuals who were eligible for the € 800 state allowance due to Covid-19, or employed in affected business sectors or owners of small and medium-sized enterprises or individuals with a family member affected by Covid-19. The Banks offered to eligible companies affected by Covid-19 based on Government's guidelines, a suspension of principal repayments of performing loans until 31 December 2020. On 3 December 2020, due to the continuing adverse effects of the Covid-19 pandemic, based on the EBA's recommendations, HBA announced the decision of its members to extend the application period for inclusion in the moratoria or an extension of the existing suspension programs until 31 March 2021, under certain eligibility criteria.

In order to address the economic consequences of the Covid- 19 pandemic, the Bank implemented a range of support measures that took the form of moratorium on payments of credit obligations.

The launch of Moratoria has been:

- fully aligned with EBA Guidelines on legislative and non-legislative moratoria and the specific conditions that had to be fulfilled (broadly applied, offer the same conditions, change only the payment schedule etc.),
- used as an effective tool to address short-term liquidity difficulties caused by the limited or suspended operation of many businesses and individuals,
- benefited from the treatment on forbearance classification, as EBA compliant General moratoria will not automatically lead to reclassification as forborne exposure.

The Bank applied strategies to different sectors and segments with the involvement of senior executives via a dedicated Management Committee and all lending units of the Bank, preparing potential solutions and fast track processes early on, for borrowers who fulfilled specific eligibility criteria, such as:

- the borrowers must operate in adversely affected sectors or being beneficiaries of support measures, as per the respective Governments' announcements,
- borrower's delinquency status prior to Covid-19 crisis was taken into consideration.

In the context of this strategy, the Bank identified the borrowers who complied with their repayment schedule, prior to the Covid-19 crisis, in order to support them during the pandemic so that they continue the smooth repayment of their debts, post Covid-19 crisis.

In the hotel Industry specifically, due to the extraordinary circumstances, a sector dedicated moratorium was designed with longer capital deferral extentions, also addressing the sector's payments seasonality.

Acknowledging the unfolding of Covid-19 pandemic and following the reactivation of EBA Guidelines on moratoria with new application deadline of 31 March 2021, the Bank harmonized with the new conditions and additional constrain of 9 months' cap of total duration for the application of moratoria.

Since March 2020 and by the end of the current reporting period, the Bank implemented a total of € 5,940 million Covid-19 moratoria. As of 31 December 2020 moratoria of amount € 1,062 million are still active (almost half of which expire within the first half of 2021), while moratoria of amount € 4,878 million have already expired. The distribution per Stage and per loan category is presented in the table below:

		Expired and Non-Expired Moratoria (€)				
		Consumer, Personal and Other Loans	Mortgage	Corporate Lending	Finance Lease Receivables	Total
Non-Expired Moratoria	**Stage 1**	1	13	437	45	**496**
	Stage 2	2	13	375	31	**421**
	Stage 3	1	7	93	44	**145**
	Total	**4**	**33**	**905**	120	**1,062**
Expired Moratoria	**Stage 1**	73	568	926	61	**1,628**
	Stage 2	157	1,083	850	47	**2,137**
	Stage 3	67	386	613	47	**1,113**
	Total	**297**	**2,037**	**2,389**	**155**	**4,878**
Total Moratoria (Expired and Non-Expired)		**301**	**2,070**	**3,294**	**276**	**5,940**

Note that moratoria were provided to customers of all stages provided that they were eligible to be benefited from moratoria. From the stage 3 exposures presented in the above table, approximately € 200 million (representing 3.5% of the total moratoria) became non-performing after the implementation of moratoria.

The remaining maturity of the non-expired moratoria as at 31 December 2020 is presented in the table below. The exposures with maturities observed over 9 months, fall under the hotel sector category.

	Non Expired Moratoria (€)
Remaining maturity	**31/12/2020**
<=3 months	252
>3 months and <=6 months	175
>6 months and <=9 months	179
>9 months	456
Total	**1,062**

Apart from these support measures the Group actively participates in the execution of financing programmes of the Greek State through the provision of guarantees and interest rate subsidies. Within the framework of the sub-program of the Hellenic Development Bank (HDB) "Guarantee Fund for Covid-19" aiming to facilitate SMEs and Corporates with working capital, Piraeus Bank S.A. was allocated with € 1.6 billion. In parallel, in the program sponsored by the Ministry of Development with 2-year interest rate subsidy for new financing to medium-sized and small enterprises affected by the pandemic, the Bank participated for an amount of € 0.6 billion. In addition, the programme ("Gefyra") sponsored by the Greek Ministry of Finance for the support of mortgage loan borrowers has received a total of approximately 160 thousand applications and has entered the implementation phase. Up to 31 December 2020 the Bank's specific applications that cover all the eligibility criteria stand at approximately 29 thousand, of which approximately 90% have been implemented corresponding to an amount of € 1.2 billion, of which € 0.5 billion are also in moratoria.

The number of loans and balances per stage for each type (Interest rate subsidy, GEFYRA subsidy, TEPIX, Hellenic Development Bank ("HDB")) of other supporting measures that were implemented as at 31 December 2020 are presented as follows:

	Other supporting measures (€)					
	Stage 1		Stage 2		Stage 3	
31/12/2020	Number of Loans	Amounts	Number of Loans	Amounts	Number of Loans	Amounts
Interest rate subsidy	8,075	1,568	2,637	1,102	984	526
Gefyra subsidy	15,601	639	7,566	394	2,653	138
TEPIX	5,291	491	29	9	-	-
HDB	3,051	1,141	51	41	8	12

In addition, given the Covid-19 pandemic crisis, the following initiatives were implemented within the year 2020:

- The Group considered additional SICR criteria in order to capture the uncertainty derived from the Covid-19 pandemic. For further details, refer to Note 4.2.
- The Group as at 31 December 2020 has applied different probability-weighted shocks to annual GDP and other economic variables compared to those applied for the year ended 31 December 2019, in order to address the significant uncertainty over the path of the Covid-19 pandemic, the range and duration of its economic impact. For further details, refer to Note 4.2.
- Risk developed and led a series of initiatives targeting to assess and effectively manage the credit impact in the Group's loan portfolio. For further details, refer to Note 5.1.
- Performing Assets and Troubled Assets units adjusted their review plans, to accommodate specialized review projects addressing various aspects (eligibility criteria, UtP, forbearance) of Covid-19 related activities to ensure classifications

and payment moratoria are granted based on agreed policy and regulatory guidelines. For further details, refer to Note 5.1.

During the year 2020, the Covid-19 pandemic has impacted the Group's and the Company's results with the most significant effect stemming from the estimation of expected credit losses (ECL) on loans and advances to customers at amortised cost.

More specifically, ECL impairment losses on loans and advances to customers at amortised cost of the Group and the Company for the year 2020 amounted to € 1,104 million (31 December 2019: € 710 million). The increase in ECL impairment losses is mainly attributable to the impact of Covid-19 pandemic, which amounted to € 295 million for the Group and the Company and was driven mainly by the changes in the macroeconomic variables and the probability weight of multiple economic scenarios used to calculate ECL. Refer to Note 5.3.1 for more details on the movement of the ECL allowance of loans and advances to customers during the year 2020.

Except for the aforementioned effect on the ECL impairment losses on loans and advances to customers at amortised cost for the Group and the Company, an additional ECL impairment loss of € 7 million on debt securities was recognized. Consequently, the total impact of Covid-19 pandemic in the Group's loss before income tax for the year ended 31 December 2020 amounted to € 302 million.

The impact of Covid-19 has increased the uncertainty around ECL impairment calculations, and has required management to make additional judgements and accounting estimates that affect the reported amount of assets and liabilities at the reporting date and the reported amount of income and expenses during the reporting period. The key additional judgements arising from the impact of Covid-19 mainly reflect the increased uncertainty around forward-looking economic information and the effect that this uncertainty can have in the Group's future results.

The Group believes that the judgements, estimates and assumptions used in the preparation of the Annual Financial Statements are appropriate.

4.1 Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimations (which are referred separately below), that Management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognized in the Annual Financial Statements.

Significant increase in credit risk (SICR): The Group assesses whether a SICR has occurred since initial recognition of a financial asset subject to ECL allowance, based on qualitative and quantitative criteria that include significant Management judgement. Refer to Notes 4.2 and 5.2 for further information on the criteria applied.

Segmentation of financial assets with similar credit risk characteristics: The Group segments exposures on the basis of shared credit risk characteristics for the purposes of both assessing SICR and measuring ECL allowance on a collective basis. The different segments aim to capture both differences in PDs and recovery rates in the event of default. The grouping of exposures is reviewed on a quarterly basis, in order to ensure that the groups remain homogeneous in terms of their response to the identified shared credit risk characteristics.

Selection and calibration of the ECL models: The Group uses various models in estimating the ECL allowance. Judgement is applied in identifying the most appropriate model for each type of asset, as well as for determining the assumptions used in these models. The complexity of the models, as well as dependency to other model-based inputs, are high therefore any changes in inputs and data (e.g. internal credit ratings, behavioral scores etc.), as well as new or revised models, may materially affect the ECL allowance.

Recognition of deferred tax asset (DTA): Management evaluates the recoverability of the Group's and the Company's DTA at each reporting period. The recognition of a DTA relies on Management's assessment of the probability and sufficiency of future taxable profits, future reversals of existing taxable temporary differences and ongoing tax planning strategies. In the absence of a history of taxable profits, the most significant judgements relate to expected future profitability and to the applicability of tax planning strategies. The aforementioned assessment is performed by applying either the prevailing tax legislation related to offsetting of tax losses carried forward with profits generated in future periods (e.g. five years), or Article 27A of Law 4172/2013 (DTC Law), as currently in force, which allows credit institutions, under certain conditions, and from 2017 onwards to convert DTAs arising from (a) private sector initiative (PSI) losses, (b) accumulated provisions for credit losses recognized as at 30 June 2015, (c) losses from final write off or the disposal of loans and (d) accounting write offs, which will ultimately lead to final write offs and losses from disposals, to a receivable (Tax Credit) from the Greek State. Refer to Note 37 for further information.

Valuation of the investment and inventory properties: The carrying amount of investment property and the net realizable value of inventory property are measured at fair value. Fair value is estimated on an annual basis, by independent professional appraisers for the entirety of individually significant and a sample of non-individually significant properties. The Company's subsidiary, Piraeus Bank, defines a property as individually significant, if its carrying amount exceeds € 5 million. The fair value of properties not assessed by independent appraisers, is determined using extrapolation techniques. Had a different threshold been applied for defining individually significant properties, or a different extrapolation technique on non-individually significant properties, the carrying amount of the said properties may have been significantly different.

Impairment assessment of the Company's equity shareholdings in Group companies: The Company assesses for impairment investments in subsidiaries, associates and joint ventures in its separate financial statements, as described in Note 2.4.7. The Company performs its assessment based on specific indicators (e.g. market capitalization, multiples etc.) and thresholds, which Management believes are reasonable and supportable in the existing market environment. However, had other criteria or thresholds been applied, the impairment assessment conclusion and measurement would have been different.

4.2 Key sources of estimation uncertainty

The following are key estimations that Management has used in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognized in the Annual Financial Statements.

Significant Increase in Credit Risk criteria: The Group did not relax any of the thresholds or assumptions of the model-based staging outcome compared to the year ended 31 December 2019. The Group's stage allocation model is based on a complete set of quantitative and qualitative criteria and incorporates lifetime expectations on macro-environment and probabilities of default. The aforementioned model structure effectively captures expected changes in credit quality. However, for the year 2020, the Group considered additional SICR criteria in order to capture the uncertainty derived from the Covid-19 pandemic. The additional criteria, based on probabilities of default, industry characteristics and pre-pandemic performance were applied in order for the Group to effectively allocate exposures which received Covid-19 moratoria. Compared to the year 2019, the aforementioned approach increased the population under lifetime ECL calculation by € 0.8 billion. Changes in the assumptions used around those variables would have an effect on the ECL.

Determination of scenarios, scenario weights and macroeconomic factors: To achieve the objective of measuring ECL, the Group evaluates a range of possible outcomes in line with the requirements of IFRS 9 through the application of three macroeconomic scenarios i.e. base, pessimistic and optimistic, in a way that reflects an unbiased and probability weighted outcome. Each of the aforementioned scenarios, is based on the Group's dedicated macro-forecasting model and Management's assumptions for future economic conditions in the form of macroeconomic, market and other factors.

For the year ended 31 December 2020, the Group has applied different probability-weighted shocks to annual GDP and other economic variables compared to those applied for the year ended 31 December 2019, in order to address the significant uncertainty over the path of the Covid-19 pandemic, the range and duration of its economic impact. Changes in the scenarios and weights, the corresponding set of macroeconomic variables and the assumptions made around those variables would have an effect on the ECL. More information on the macroeconomic scenarios and probability weights assumed, are presented below.

During the year 2020, the three aforementioned scenarios and related macroeconomic factors for loan assessment process were reviewed in light of the prevailing economic conditions. As a consequence of the prevailing significant uncertainties at the reporting date, the weight allocation between the three scenarios was shifted significantly for the vast majority of the lending portfolios. The Optimistic and Pessimistic scenarios were weighted with a 5% probability each (31 December 2019: 20% each) while a 90% probability weight was assigned to the Base scenario (31 December 2019: 60%) to best reflect Management's current sentiment regarding the boundaries of economic outcomes.

As disclosed in Notes 21 and 50, the Demerged Entity and Intrum AB (publ) have signed binding agreements for the sale of 95% of each of the Class B1 and Class C1 Notes of the Phoenix and Vega securitizations retained by the Demerged Entity, for a total agreed consideration of € 31 million, subject to all necessary approvals and fulfilment of certain conditions. The gross book value and the net carrying amount of the Phoenix and Vega portfolios as of 31 December 2020 was € 6,744 million and € 3,826 million, respectively. The ECL allowance of the said portfolio has not, currently, incorporated a sale scenario, due to the inherent uncertainty related to fulfilment of the conditions precedent to the completion of the sale transactions, mainly relating to receipt of the required regulatory approvals, which are not within the control of the Group. On this basis, the Group and the Company have not classified the Phoenix and Vega portfolios as held for sale, since the criteria of IFRS 5 are not met as of 31 December 2020. Assuming completion of the transaction in 2021, the carrying amount of the Phoenix and Vega portfolios will be equal to the value of the senior and subordinated notes retained by the Group, while the corresponding difference will be recognised in the income statement.

The table below presents the annual 2020-2023 averages forecasts for each key economic variable and scenario utilized in the ECL calculation of the collectively assessed loans and advances to customers at amortised cost, as at 31 December 2020 and 31 December 2019.

ECL Key drivers Scenario 2020-2023 average	31/12/2020 %	31/12/2019 %
GDP growth		
Optimistic	3.5	4.5
Base	2.0	2.5
Pessimistic	0.5	0.6
Unemployment rates		
Optimistic	13.1	11.3
Base	14.2	13.2
Pessimistic	16.0	15.1
Price index (Residential)		
Optimistic	6.9	8.9
Base	5.9	7.0
Pessimistic	4.6	5.1
Price index (Non residential)		
Optimistic	5.7	6.2
Base	4.6	4.2
Pessimistic	3.4	2.3

The expected Real GDP growth rate over the next years is 0.5% lower than the relevant 2019 growth rate due to Covid-19 effect. Real GDP is expected to continue growing at around 2% in the coming 4 years, deeply contingent on the stability of the economic (domestic and international) environment, the implementation of the reforms of the economic policy as well as the recovery from the Covid-19 pandemic. The labor market was progressively improving in the last years, however as result of the Covid-19 pandemic the unemployment rate is expected to be higher 1% in the coming years in comparison with the expectations for the relevant rate of 2019. Both residential and non-residential price indices are continuing to follow a higher upward path for the next 4 years however with a lower growth rate in comparison with 2019 expectations.

As at 31 December 2020, the Group's forecasts of the aforementioned economic variables across each scenario for 2021 and 2022 are the following:

	2021			2022		
ECL Key drivers Scenario	Optimistic	Base	Pessimistic	Optimistic	Base	Pessimistic
GDP growth	6.5	4.5	2.5	11.5	9.5	7.5
Unemployment rates	15.3	16.1	17.2	11.9	13.2	15.8
Price index (Residential)	6.2	5.4	4.4	9.1	7.9	5.9
Price index (Non residential)	4.4	3.5	2.5	8.4	6.8	5.2

Estimation of credit risk parameters on collective ECL assessment: The ECL calculations are based on input parameters, i.e. Exposure At Default ("EAD"), Probability of Default ("PDs"), Loss Given Default ("LGDs"), Credit Conversion Factor ("CCFs"), etc. incorporating Management's view for the future. The Group also determines a) the links between macroeconomic scenarios and economic inputs, such as unemployment levels and collateral values, and b) the effect on risk parameters. The forecasting of the risk parameters models incorporates a number of explanatory variables, such as GDP, unemployment rates etc., which are used as independent variables for optimum predictive capability. Refer to Note 5.2 for more details, including an analysis of the sensitivity of the reported ECL to changes in estimated forward looking information.

Assessment of ECL on an individual basis: For loans that are assessed for impairment on an individual basis, the Group takes into account all available evidence on a case-by-case basis and the ECL measurement is determined by using a discounted cash flow methodology. The expected cash flows are based on Management's estimates as at the reporting date, reflecting reasonable and supportable assumptions and projections of future recoveries based on a variety of factors, such as business plans and available cash flows, liquidation of collateral in cases it is likely that the recovery of the outstanding amount will include liquidation of the collateral, the fair value of the collateral at the time of expected liquidation, the costs of obtaining and selling the collateral etc. The ECL allowance is very sensitive to the assumptions used in the estimate. There could be a wider range of possible inputs on any individually assessed lending exposure. As a result, it is not practicable to meaningfully quantify ranges of potential outcomes for this type of ECL allowance because of the diverse nature and circumstances related to these inputs and the wide range of uncertainties involved.

Fair valuation of real estate properties: The fair value of real estate property is determined by reference to current market prices for similar properties, adjusted as necessary for condition and location, or by reference to recent transactions updated to reflect current economic conditions. Discounted cash flow techniques may be employed to calculate fair value where there have been no recent transactions, using current external market inputs such as market rents and interest rates. The fair value measurements are carried out by appropriately qualified independent professional appraisers who consider information from various sources, such as: (a) current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences, (b) recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices, and (c) discounted cash flow projections based on reliable estimates of future cash flows, derived from the terms of any existing leases and other contracts, and (where possible) from external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows. The fair valuation of real estate properties has a high degree of uncertainty involved, with a wide range of possible outcomes on all types of properties (i.e. individually significant, sampled or extrapolated non-individually significant), hence it is not practicable to meaningfully quantify ranges of potential outcomes to changes in the various inputs utilized in the measurement.

For the year ended 31 December 2020, the Group has carried out the real estate valuations on the basis of "material valuation uncertainty" as per the International Valuation Standards (IVS) taking into account (a) the Covid-19 impact in the real estate market that causes shortage of market evidence for comparison purposes, (b) the unknown future impact that Covid-19 might have in the real estate market and (c) the difficulty in differentiating between short term impacts and long term structural changes.

As described in the Macroeconomic section of Note 2.2, the depth and duration of the recession, the velocity of the recovery as well as the effective utilization of the Next Generation EU funds, will be decisive factors in determining the long-term impact of the Covid-19 pandemic to the Greek economy, the banking sector and the Group. There is a significant uncertainty regarding how the Covid-19 pandemic will continue to unfold, the duration of the pandemic and the extent of the global and Greek economy recovery, therefore Management closely monitors the developments and assesses periodically the impact that these might have on the operations and financial performance of the Group.

5 Financial Risk Management

5.1 Risk Management Framework

Effective risk management is the key factor of the Risk Management Framework in order for the Group and the Company to deliver sustained returns to its shareholders. Management allocates substantial resources to keep upgrading its policies, processes, methods and infrastructure to ensure compliance with best international practices and the guidelines of the Basel Committee for Banking Supervision. The recognition and management of risks arising from the Group and the Company's activities is a priority in the development of its business strategy. In this regard, a framework for prudent risk management has been established.

Management has adopted practices regarding risk management governance, taking into account all relevant guidelines and regulatory requirements, as set by the Basel Committee on Banking Supervision, the European Banking Authority (EBA), the ECA, the Bank of Greece ("BoG") and the Hellenic Capital Markets commission ("HCMC"), including any decision of the competent authorities supervising the Group's subsidiaries.

The responsibility for the development and oversight of the risk management framework lies with the Board of Directors ("BoD"). The BoD ensures the development of an appropriate risk management framework, including strategy and policies, by setting acceptable risk limits, while shaping an appropriate internal environment so that every employee of the Group and the Company is aware of the nature of the risks associated with its duties. In particular, the BoD has established the Risk-Committee whose primary role is to oversee risk management across the Group.

Risk Committee

The Risk Committee is responsible for exercising the duties set out in the internal Operating Regulation, so as to be able to assist the Board of Directors in its work concerning the:

- existence of an appropriate strategy for the risks undertaken and the definition of the risk appetite statements and limits, as well as the supervision of their implementation ,
- establishment of principles and rules that will govern risk management as regards the identification, assessment, measurement, monitoring, control and mitigation of risks,
- development of the (RMF) risk management framework and the incorporation of appropriate risk management policies and controls during the business decision-making process
- Group and Company compliance through strict and reliable procedures with respect to the regulatory framework for risk management functions,

The Risk Committee was established by a BoD decision in accordance with the requirements of Bank of Greece Governors' Act No. 2577/9.3.2006. The Risk Committee is comprised of non-executive members of the BoD, who possess the appropriate knowledge, skills and specialization, in order to comprehend and monitor the risk management strategy of the institution. The Chairman of the Risk Committee is designated by the BoD and must possess significant experience in commercial banking and preferably in risk and capital management, as well as familiarity with the local and international regulatory framework.

The representative of the Hellenic Financial Stability Fund ("HFSF") participates in the Risk Committee, with full voting rights.

The Risk Committee's mission is to ensure:

- that the Company has a well-defined strategy for risk management and risk appetite. The Group and the Company's risk appetite is structured through a number of quantitative and qualitative positions for specific risk categories, including special tolerance levels (per portfolio, sector, geographic region, credit standing, etc.)

- that all forms of risk (including operational risk) connected to the activity of the Company are covered effectively
- that the Company's risk appetite is clearly communicated to the Company as a whole and constitutes the basis for the establishment of risk management policies and risk limits at Group, business and regional level,
- the integrated control of risk management, the specialised management of risks and the necessary coordination at the Group and Company level.

The Risk Committee convenes, upon its Chairman's invitation, as many times as considered necessary in order to accomplish its mission, but not less than once (1) a month. Each member of the Risk Committee is entitled to request the convocation of the Risk Committee in writing for the discussion of specific issues.

Group Risk Management

Group Risk Management is an independent unit in relation to other units of Group and the Company, which have revenue generating activities and/or are accountable for transactions. The unit carries out responsibilities of Risk Management and Credit Risk Control in accordance with the BoG Governor's Act 2577/9.3.2006 and Greek Law 4261/2014.

Group Risk Management is responsible for the design, development and implementation of the Group and the Company's policies on risk management and capital adequacy in accordance with the directions of the Board of Directors, which covers the full range of Group and Company's activities for all types of risk. Group Risk Management is subject to review by Group Internal Audit as to the adequacy and effectiveness of risk management framework (policies, methodologies and procedures).

The Group's Chief Risk Officer ("CRO") is the Head of Group Risk Management, and is appointed by the BoD upon recommendation and endorsement of the Risk Committee. CRO's appointment or replacement is communicated to the Bank of Greece and the SSM. The CRO participates in all major Executive Committees, including the Group Executive Committee, and has a dual reporting line to the Risk Committee and the Company's Chief Executive Officer (CEO), with direct access to the Chairman of the Risk Committee, whenever deemed necessary.

In 2019, the modernized and transformed organisational structure of the Group Risk Management was fully implemented, aiming at a more organized approach to risk management in a consistent, balanced and integrated manner. In addition, the revised structure was better aligned with the Company's strategic targets, including the profitable and sustainable business model, optimization of capital allocation, strengthening of risk monitoring and controls and adoption of superior governance standards as well as meeting the regulatory demands and oversight.

Taking into consideration the overall mission and objectives of the Group Risk Management, a 4-pillar structure was established, with clear and discrete functional areas and responsibilities, and comprised by:

- Risk
- Balance sheet and capital planning
- Control
- Analytics

Furthermore, in alignment with the Company-wide implementation of the Internal Control System Enhancement initiative, Segment Controller role was established with a discrete reporting line to CRO (segment Head).

The key responsibilities of the Group Risk Management are as follows:

- develop, evaluate, and recommend amendments to the CRO, with respect to the risk management framework for the Group's activities, according to international best practices as well as the legal, regulatory and supervisory requirements. Ensure that the framework is reviewed at least annually or ad hoc in case there are (a) changes in Group's strategy or business model, or (b) changes in the regulatory framework, business environment or/and in the macroeconomic conditions. In particular, Group Risk Management develops the strategy, policies and procedures in relation to the:
- identification, assessment, measurement, management/control, monitoring and reporting of potential and actual risk exposures,
- establishment, allocation and monitoring of appropriate risk limits (e.g., credit, market, liquidity and operational risks) in cooperation with the relevant committees and units of the Group,
- capital management objectives,
- monitor the implementation of the risk management framework, including the risk and capital strategy, along with the regulatory requirements and the guidelines of Management,
- monitor the adherence to the approved risk appetite framework on an ongoing basis,
- oversee the alignment of the Risk and Capital Strategy with the Business Plan, Restructuring Plan, Funding Plan, Budget, ICAAP, ILAAP and Recovery Plan,
- develop, conduct, monitor and report the Group's Internal Capital Adequacy Assessment Process ("ICAAP") and Internal Liquidity Adequacy Assessment Process ("ILAAP"),
- produce and report the capital adequacy requirements under Pillar I (e.g. credit, market and operational risks),
- document and report the capital adequacy and risk management regulatory disclosures under Pillar III,
- supervise the development and harmonization of the subsidiaries' risk management frameworks with the Group's risk management framework and practices,
- develop awareness about risk exposure, promote risk management culture and support in risk matters all units across the Group,
- participate in the development of the Group and the Company's Credit Policy, which is approved with the consent of the Group Risk Management
- lead and coordinate the design and execution of Group-wide solvency stress tests. Exercise periodic and/or temporary stress tests with base and adverse scenarios tailored to the nature and scope of the operations of the Group for all types of risk,
- establish and validate loan impairment models (compliant with the IFRS 9 framework),
- develop Risk Based Pricing Models. The assessment of an internal hurdle rate for every investment decision (loan) will be of utmost importance for the Company and it will contribute towards achieving its goals for sustainable profitability and better understanding of the underlying risks,
- assess new products and activities or significant changes to existing ones prior to their introduction.

Group Risk Management is comprised of the following Units with the below functions and key responsibilities:

Risk

Risk is responsible for the development of the risk management framework (policies, methodologies, models and processes) with respect to credit risk, collateral risk, market, liquidity and ALM related risks. To that end, the unit deploys proper methods, including models, that allow the identification, measurement and monitoring of the aforementioned risks. Furthermore, Risk produces risk-related information (reporting) to the Management, corresponding Committees as well as to the supervisory authorities. Following the Covid-19 outbreak, Risk developed and led a series of initiatives targeting to assess and effectively manage the credit impact in the Group's loan portfolio. Such initiatives indicatively comprise:

- Development of Covid-19 related reporting infrastructure to timely monitor and assess evolution;
- Analysis to assess financial resilience per economic sector;
- Engagement in the development of policies, processes and supportive products accommodating EBA related guidance;
- Design along with key stakeholders the lending and underwriting strategy for 2021

Balance Sheet and Capital Planning

Balance Sheet and Capital Planning supports the development and implementation of the Group's Strategy, aiming at the effective management of risks and balance sheet optimization. To this end, the unit is responsible for the development and maintenance of the Risk and Capital Strategy, as well as Risk Appetite Framework of the Group, in accordance with the Risk Committee and Board of Directors' directions and guidance.

Moreover, it is responsible for the design and implementation of the Group's ICAAP and leads the preparation and execution of regular enterprise-wide stress tests. Further, it is responsible for the coordination and overall maintenance of the Group's Recovery Plan.

Finally, Balance Sheet and Capital Planning is responsible for the measurement, monitoring and reporting of capital requirements and capital adequacy ratios of the Group.

Analytics

Analytics is responsible for undertaking end-to-end holistic analysis with a view to responding to challenges arising within the risk management framework. To that end, the unit employs accounting, financial engineering, product expertise, investigation, intelligence, technology, economics and deep industry skills, along with consistent proven global methodologies to help reduce unwarranted risk and commercial loss. Analytics also coordinates and monitors projects under the hospice of Group Risk Management and being responsible for risk management data and operations.

Control

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

In addition, Control is responsible for the development and implementation of an effective operational risk management framework (policies, methodologies and procedures) based on the Group's Risk and Capital Strategy and the regulatory requirements.

Moreover, the unit is responsible for the development and implementation of the credit risk review and assessment of the Group's loan portfolio. More specifically, it systematically reviews and assesses credit exposures, limits and undertaken risks at borrower (or Group of borrowers) level as well as adherence to Credit Policy. Moreover, it reviews and monitors the credit process through sampling. In order to accomplish a targeted, more intensified on high risk borrowers assessing review with quick response on NPE Servicer findings, Credit Control split in two (2) units, Performing Assets, and Troubled Assets.

Given the Covid-19 pandemic crisis, Performing Assets and Troubled Assets units adjusted their review plans, to accommodate specialized review projects addressing various aspects (eligibility criteria, UtP, forbearance) of Covid-19 related activities to ensure classifications and payment moratoria are granted on the basis of agreed policy and regulatory guidelines. Indicatively:

- Initiation of an ad hoc review for the Covid-19 affected borrowers
- Enhancement of data monitoring review on soft triggers / declassification Unlikely to Pay (UtP) cases

Finally, Control, via the Model Validation Unit, is responsible to conduct independent assessments of the Company's models in order to validate their robustness, accuracy and effectiveness. The scope of validation includes credit risk, operational risk, market risk, liquidity and interest rate risk models as well as other models used by the Company. The assessments are prioritized in the context of the Annual Model Validation Plan, which is approved by the Risk Model Oversight Committee. Model Validation reports with the results of the validation activities, including respective findings and recommendations are submitted for approval to the Risk Model Oversight Committee.

Segment Controller

Segment Controller is responsible to embed a culture of operational risk management and ensure the development of an effective Internal Control System within the segment of his/her responsibility, aiming at the achievement of operational excellence and remediation of control deficiencies in the segment. Furthermore, Segment Controller reviews, supplements and comments on unit Controllers' operational risk assessment.

In addition, Segment Controller provides regular and ad hoc reporting to the CRO (segment Head) concerning operational risk profile of the segment and remediation actions to address underlined risk and control issues.

CRO Office

CRO Office supports and monitors operations under the hospice of CRO and at Group Risk Management level. In addition, the unit has assumed the Secretariat of Risk Committee and facilitates the work related to its authorities.

Risk Culture

In tandem with the new organizational structure, a formal Risk Culture Program was launched under the supervision of the CRO, channeling the Group's commitment to enhance risk awareness and fine tune the balance between risk taken and required returns. The Risk Culture Program is sponsored by the CEO, and a cross-functional Steering Committee with the participation of senior leaders monitors its implementation.

The Risk Culture Program was launched in the last quarter of 2019 and its scope is to exemplify the desired behaviors and routines that reinforce solid judgement about risk taking and encourage ethical conduct towards all stakeholder groups. Over the past two years, the Company has taken a number of actions to safeguard that any risk-taking activities beyond its risk appetite are identified, assessed, escalated, and addressed in an effective and timely manner. Efforts so far focused on redefining processes, systems, and frameworks linked to an augmented governance and enhancement of risk awareness. The next phase is to anchor the desired behaviors and routines to establish a strong risk culture where sound risk taking is promoted, emerging risks are addressed, and all employees conduct business in a legal and ethical manner.

Committees

Market Scenario Steering Committee: The Market Scenarios Steering Committee reviews and approves scenario variables and probability weights derived by the Economics and Investments Strategy. In addition, it reviews and approves temporary adjustments on the credit risk parameters.

Provisioning Committee: The Provisioning Committee, is responsible for the approval of the quarterly ECL allowances on loans and advances to customers at amortised cost of the Company, and, if required, of the Group, as it results from the implementation of the policies and procedures governing the calculation of individual and collective provisions against credit risk.

The Provisioning Committee is, also, mandated to periodically, and at least annually, review the policies and methodologies (parameters, scenarios, weighting of scenarios etc.), which are applied by the Company for the calculation of provisions.

Finally, the Provisioning Committee is responsible for:

a. monitoring the reclassification of exposures [PE/ FPE/ NPE/ FNPE], as they result from the implementation of the Group and the Company's policies and procedures,

b. the examination and approval of any requests for the exception/override from the relevant classification, following the respective request addressed by the Business Units,

c. the review and approval of requests for accounting write-off, provided they meet specific criteria, as defined in the Debt Forgiveness & Accounting Write-Off Policy.

Risk Models Oversight Committee: The Risk Models Oversight Committee (RMOC), composed of ExCo members and chaired by the CRO, is mainly responsible for the implementation of the Model Management and Governance Framework and the review and approval of relevant issues.

In particular, the Risk Models Oversight Committee reviews and approves the Model Development Framework, the initiation of the development of new models, as well as the use and the potential removal/replacement of existing ones.

Also, it reviews and approves the Model Validation Framework, the Annual Model Validation Plan and the model validation assessments submitted by the Model Validation Unit and monitors the adherence to the timetable for the implementation of respective recommended actions.

5.2 Credit Risk

Credit risk is defined as the potential risk that a debtor of the Company or of its subsidiary or other Group's counterparty will fail to meet its obligations in accordance with agreed terms and conditions.

Credit risk is the most significant risk for the Group and the Company and therefore its effective monitoring and persistent management constitutes a top priority for senior management. The continuous development of infrastructure, systems and methodologies aimed at quantifying and evaluating credit risk is an essential precondition in order to timely and efficiently support Management and the business units in relation to the decision-making, the policy formulation and the fulfillment of supervisory requirements. The Group and the Company's exposure to credit risk arises mostly from corporate and retail credit, various investments, OTC transactions, derivatives transactions, as well as from transactions' settlement. The amount of risk associated with such credit exposures depends on various factors, including general economic conditions, market developments, debtor's financial condition, amount/type/duration of exposure and the existence of collaterals and guarantees.

The implementation of the credit policy, that describes the principles of the Group and the Company's credit risk management, ensures effective and uniform credit risk monitoring and control. Management applies a uniform policy and practice with respect to the credit assessment, approval, renewal and monitoring procedures. All credit limits are reviewed and / or renewed at least annually and the responsible approval authorities are determined, based on the size and the category of the total credit risk exposure undertaken by the Group and the Company for each borrower or group of connected borrower (one obligor principle).

Management has established a credit quality review process to provide early identification of potential changes in the creditworthiness of counterparties, including regular collateral revaluations. Counterparty limits are established by the use of a credit risk classification system, which assigns a risk rating to each counterparty. Risk ratings are subject to regular revision. The credit quality review aims to allow Management to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

Analysis of Concentration Risk

Concentration risk may arise from various types of portfolio incomplete diversification, such as the concentration risk on large borrowers, economic sectors, geographical areas and types of collateral.

Management monitors concentration risk on a regular basis, through a reporting framework which respectively informs Senior Management and the supervisory authorities. In addition to the monitoring of the supervisory limits, the Group and the Company have set internal limits within the Risk Appetite Framework, which are revised annually.

Country Risk

Country risk reflects the risk of loss arising from macro-economic instability, social events or political uncertainty in a country, including nationalization, expropriation of assets and debt restructuring, affecting the Group and the Company's earnings and/or capital. It includes sovereign, transfer and political risks.

Management has established internal country limits within the Risk Appetite Framework, which are revised annually.

Counterparty Credit Risk

Counterparty credit risk (CCR) is defined as the risk that the counterparty to a transaction could default before the final settlement of the transaction's cash flows. It refers to derivative instruments, repurchase transactions, securities or commodities lending or borrowing transactions, long settlement transactions and margin lending transactions.

For the effective management of CCR, Management has in place procedures and guidelines for defining, reviewing and monitoring credit limits as well as concentration limits set on a counterparty rating basis. Limits are set either in nominal amounts or risk units (credit equivalent), depending on the transaction and they are revised at least annually. The monitoring of counterparty credit limits' utilization is monitored on a daily basis.

For effective CCR management and regarding credit risk mitigation techniques, Management has in place comprehensive and enforceable legal contracts with its counterparties such as International Swap Derivatives Association Agreement (ISDA), Credit Support Annex (CSA) and Global Master Repurchase Agreement (GMRA). A master agreement permits the netting of both rights and obligations that arise from derivative transactions that have been performed under such a master agreement upon the counterparty's default, resulting in a single net claim. Moreover, in order to mitigate settlement risk and under specific transactions and conditions covered within master agreements, payment netting is performed. In order to monitor settlement exposures, Management has set Daily Settlement Limits per counterparty.

Derivative Financial Instruments

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded on the Statement of Financial Position. In the case of credit derivatives, the Group and the Company are also exposed to, or protected from, the risk of default of the underlying entity referenced by the derivative. However, to reflect potential losses, the Group and the Company applies portfolio-based adjustments for credit risk.

With gross-settled derivatives, the Group and the Company is also exposed to a settlement risk, being the risk that the Group and the Company fulfil its obligation, but the counterparty fails to deliver the counter value.

Definition of Credit Impaired Exposures / Default

From 1 January 2021 and onwards the Group applies the new Definition of Default (hereinafter "DoD") regulatory requirements issued by EBA (EBA/GL/2016/07) aiming at the convergence of the default definitions for accounting and regulatory purposes (IFRS 9, EBA and CRR guidelines). The requirements for the new DoD are stipulated in Article 178 ("Default of an obligor") of the Regulation (EU) No 575/2013 (Capital Requirements Regulation – CRR), as well as in the Guidelines and Regulatory Technical Standards issued by the EBA on the application of the definition of default. The Group has aligned the definition of default for financial reporting purposes with the definition of Non-Performing Exposures (NPE) used for regulatory reporting. Thus, in accordance with the Group and the Company's Impairment Policy a financial asset is considered as credit impaired and is classified into Stage 3 when it is classified as NPE. Under the new definition of default, the terms NPE, Defaulted and Impaired are aligned.

This change is a change in accounting estimates as per IAS 8.

The new DoD will apply to all the entities of the Group, considering local regulations and specific characteristics of each jurisdiction. It will be applied at the contract level for the retail portfolio and at the obligor level for the non-retail portfolio.

In order to comply with the new regulatory requirements, the Group has:

a) Changed the materiality thresholds and the counting of the days past due. These thresholds, which consist of an absolute and a relative component, are applied on a contract level for retail exposures and on an obligor level for non-retail exposures. The absolute threshold refers to the total amount past due and is set at € 100 for retail exposures and € 500 for non-retail exposures. The relative threshold refers to the ratio of the total amount past due to the total on-balance amount and is set at 1% both for retail and non-retail exposures. In order to classify the past due amount as material, both the absolute and the relative components should be breached, while the counting of days past due continues as long as both materiality thresholds are breached. When any of the materiality thresholds is not breached, days past due are set to zero.

b) Updated the criteria of unlikeliness to pay for related to forbearances in order to align the definitions of default and non-performing exposures, including application of a threshold for distressed restructuring resulting in diminished financial obligation. A diminished financial obligation is deemed to occur when the difference of the net present value of the cash flows before and after the restructuring of an exposure over the net present value of the cash flows before restructuring exceeds 1%.

c) Revised the minimum conditions for reclassification to a non-defaulted status. In the case of defaulted exposures with no forbearance measures applied, a minimum probation period of three months for self-cures is introduced, starting when the exposure presents zero days past due or no unlikely to pay triggers apply. In case of forbearance the return to a non-default status is aligned with the criteria of exit from FNPE to FPE.

Therefore, as of the date of first application of the new DoD, the Group's stock of NPEs will be considered defaulted and additional UTP criteria will be introduced to apply this alignment going forward.

The impact from the application of the new DoD for the Group and the Company at the date of the transition is immaterial.

Credit Rating Models (Probability of Default)

Reliable credit risk measurement is a top priority within the Group and the Company's Risk Management Framework. The continuous development of infrastructure, systems and methodologies aimed at quantifying and evaluating credit risk is an essential precondition in order to timely and efficiently support Management and the business units in relation to decision-making, policy formulation and the fulfillment of supervisory requirements.

The Group and the Company operate their internal rating models. More specifically, it runs separate models for its corporate portfolios in which its customers are rated from 1 to 19 using internal grades. The models incorporate both qualitative and quantitative information and, in addition to information specific to the borrower, utilize supplemental external information that could affect the borrower's behavior. For the Retail Portfolio the Company runs Credit Rating (Scoring) Models that incorporate demographic/behavioral/credit bureau information. These information sources are first used to determine the PDs within the existing regulatory default definition framework. PDs are then adjusted for IFRS 9 ECL calculations to incorporate forward-looking information and the IFRS 9 Stage classification of the exposures. This is repeated for each economic scenario as appropriate.

A) Lending Portfolio

For credit risk measurement and monitoring purposes related to the Group and the Company's loans and advances to customers at amortised cost, the following are performed at a counterparty level:

- The customer's creditworthiness and the probability of default on its contractual obligations is systematically assessed,

- The Group and the Company's probability of potential recovery, in the event of the debtor defaulting on its obligations is estimated, based on existing collateral, guarantees provided and curing levels.

Management assesses the creditworthiness of its borrowers and estimates the probability of default on their obligations by applying credit rating models appropriate to their special characteristics and features taking into account various historical, current and forward looking information.

Corporate Lending

All Corporate lending customers are assigned to credit rating grades, which correspond to different levels of credit risk and relate to different default probabilities. Each rating grade is associated with specific customer relationship policy/guidelines.

Each category of the credit rating scale corresponds either to a specific guideline or policy of the Company as far as the relationship with the business borrowers is concerned and is presented in the relevant chapter of the Credit Policy and Practice Manual. The rating scale for business borrowers consists of 19 rating grades that correspond to borrowers that have not defaulted on their contractual obligations. The below table presents, the Group and the Company's policy mapped to each rating scale:

<table>
<tr><th>RATING</th><th colspan="2">CREDITWORTHINESS</th><th>GUIDELINES OR SUGGESTED POLICY</th></tr>
<tr><td></td><td colspan="3"></td></tr>
<tr><td>1-6</td><td>Very Strong</td><td>Develop relationship</td><td rowspan="5">GUIDELINES</td></tr>
<tr><td>7-10</td><td>Strong</td><td>Develop relationship</td></tr>
<tr><td>11-12</td><td>Good</td><td>Develop relationship</td></tr>
<tr><td>13-14</td><td>Satisfactory</td><td>Carefully develop relationship taking collateral/ security or Maintain relationship</td></tr>
<tr><td>15-16</td><td>Weak</td><td>Carefully develop relationship taking strong collateral/ security or Maintain relationship taking adequate collateral</td></tr>
<tr><td>17-19</td><td>Poor</td><td>Probable classification as watch list / Limit relationship or Terminate relationship</td><td>SUGGESTED POLICY</td></tr>
</table>

The Group and the Company use distinct credit rating models, according to the type of operations and the size.

More specifically:

Credit Category	Rating System	Rating Scale
Business Lending	RA for Corporate customers that keep “C” category accounting books and have a turnover more than € 2.5 million	19-grade
	RA for Corporate customers that keep “C” category accounting books and have a turnover up to € 2.5 million	19-grade
	Small Business Lending Scorecard (small business or personal companies)	Score
	Agricultural Lending Scorecard for agricultures (small business or personal companies)	Score
Specialised Lending	Project Finance PD Scorecard	19-grade
	Object Finance (Shipping) Scorecard	19-grade
	Manual Rating	19-grade

Manual Rating is applied for customers that no other available rating system can be applied: these are customers with no financial data (i.e. newly established, Special Purpose Vehicles - SPVs) or brokerages and insurance companies. In exceptional cases, manual rating is used as a rating override, when based on Relationship Officers’ view, the rating does not represent the creditworthiness of the borrower.

Business Rating Models incorporate the following information in order to quantify the client risk:

- Historical financial information that includes realized results, solvency ratios, liquidity ratios and any other relevant ratios to measure the client's financial performance.
- Any publicly available information on the clients from external parties. This includes credit bureau information.
- Any other objectively supportable information on the quality and abilities of the client's management relevant for the company's performance.

The complexity and granularity of the rating techniques varies based on the exposure of the Group and the Company and the complexity and size of the customer. For the small business loans as well as the agricultural loans, Behavioural Scorecards are being used. The Behavioral Scorecards are based exclusively on historical data of client behavior regarding the Company’s products and are the result of the implementation of statistical analysis. They are tailored specifically to the Company’s clients and are customized on a product and delinquency bucket basis

These models combine financial and statistical analysis together with the expert judgement of responsible officers. Whenever possible, these models are tested by benchmarking against externally available information.

Borrowers are rated when their credit limit is initially determined and thereafter re-rated on at least an annual basis. The ratings are also updated in cases when there is available information that may have a significant impact on the level of credit risk.

Retail Lending

Regarding the retail credit portfolio, there are scorecards of client credit assessment in the Retail Companying portfolio covering different stages of the credit cycle, as follows:

1. **Application Scorecards**

The Application Scorecards are exclusively based on historical data of applications and behavior and are the result of the implementation of statistical analysis. They are tailored specifically to the Group and the Company's clients and are customized on a product and purpose basis. Thus, we have five products - based application scorecards and three purpose - based application scorecards in mortgage/ housing loans.

2. **Behavioral Scorecards**

The Behavioral Scorecards are exclusively based on historical data of client behavior regarding the Company's products and are the result of the implementation of statistical analysis. They are tailored specifically to the Company's clients and are customized on a product and days past due basis. In total, we have 8 behavioral scorecards.

3. **Internal Bureau Scorecard**

There is also one scorecard regarding the Group and the Company's clients' behavior in the market at the moment of the application. This scorecard is exclusively based on historical data and is also the result of the implementation of statistical analysis. It is tailored specifically to the Group and the Company's clients and is not customized on a product basis.

4. **Overall Application Scorecards**

These are scorecards which are part of the origination process and combine in essence the above three scorecards. Thus, when a client submits an application, his application score, his behavior score, his bureau score and his Teiresias bureau score are taken into account. These are five scorecards which are customized on a product - category basis, are based on historical data of applications and behavior and are the result of the implementation of statistical analysis.

The aforementioned internal models comprise the basic factors which are used as inputs in PD models for the total retail Companying portfolio and for the business Companying portfolio as well.

5. **Credit Bureau Scoring**

In addition, the Group and the Company have used the credit bureau scoring model of Teiresias S.A., which takes into account the total exposure of borrowers in the Greek market. The usage of this particular model has improved the performance of the existing models.

The policy that is taken into account in the approval process and determine the willingness as well as the ability of the applicant to fulfill his obligations is also based on a range of credit criteria (apart from the aforementioned credit scoring models), such as:

- Age/Citizenship/Profession
- Minimum Income Level
- Monthly Disposable Income (MDI)
- Loan to Income Ratio (LTI)
- Credit history of the customer
- Maximum Unsecured Exposure
- Maximum levels of loan-to-value (LTV) (for collateralized loans) combined with the purpose of the loan
- Collaterals and Guarantees provided
- Maximum limits per Product

Management regularly validates and tests the predictive ability of the creditworthiness evaluation of rating models (Wholesale and Retail), thus ensuring its potential of accurately depicting credit risk and allowing for the timely implementation of measures addressing potential problems.

Recovery based on existing collateral, security and guarantees Along with the assessment of the counterparties' creditworthiness, rating evaluation and during the process of setting and reviewing credit limits, Management estimates the recovery rate related to the exposure in the event the debtors default on their contractual obligations. The estimation of the recovery rate is based on the type of credit as well as the quality of any collateral/ security. According to standard practice, the lower the rating of a borrower, the greater the collateral/ security required, so that the recovery rate is as high as possible in case of borrowers default on their contractual obligations to the Group and the Company.

Exposure at Default

Exposure at Default (EAD) is equal to the on-balance sheet exposure of the defaulted account on the date of default. Thus, it is equal to the sum of the on-balance sheet exposure of the account on the observation date and any additional amounts that are drawn until the date of default. A transformation commonly used is the Credit Conversion Factor (CCF) which is equal to the ratio of "Balance at default" minus "Balance at observation point" over the undrawn amount at observation point (Limit at observation – Balance at observation).

Loss Given Default

Loss Given Default (LGD) is defined as the ratio of economic loss during the recovery period to the exposure at default. LGD is cash flow oriented and for its computation all costs are included and properly discounted (with the Effective Interest Rate) from the recovery date until the date of default.

For the calculation of LGD, self cure rate models[14] are used.

Recoveries are also taken into account. "Recoveries" can be of different types:

- Cash recoveries could be considered cash flows from customer, from guarantor, from cured facilities, from security

[14] For Non-retail portfolios the cure rate models include both self-cure rate and via modification probability estimates.

(eligible collateral/guarantee), from debt sale.

- Non-cash recoveries could be considered repossessions.

For the complete LGD estimation additional inputs are used:

- Cures via Modification: Cure Rate level of accounts that have changed to non-defaulted status via the implementation of a Modification.
- Loss given non-cure: Incurred loss from cases that the Group and the Company have not managed to cure.
- Loss given modification: Incurred losses due to the type of modification that was offered to the client.

Lending Portfolio Quality

The Lending Portfolio according to its quality is segmented on the following categories for both retail and corporate portfolio:

- Strong
  - Retail: Stage 1 Loans and advances to customers at amortised cost that are in Bucket 0
  - Corporate: Stage 1 Loans and advances to customers at amortised cost that have rating less or equal to 14
- Recommended
  - Retail: Stage 1 Loans and advances to customers at amortised cost that are in Bucket 1
  - Corporate: Stage 1 Loans and advances to customers at amortised cost that have rating more than 14
- Substandard
  - Retail: Stage 2 Loans and advances to customers at amortised cost
  - Corporate: Stage 2 Loans and advances to customers at amortised cost
- Default
  - Retail: Stage 3 Loans and advances to customers at amortised cost
  - Corporate: Stage 3 Loans and advances to customers at amortised cost

Unrated corporate loans that belong to Stage 1 are segmented according to their bucket.

The segmentation presented above is highly correlated with the PD levels of each portfolio (among the categories the PD levels differ).

Significant Increase in Credit Risk

The assessment of significant increase in credit risk is key in establishing the point of switching between the requirement to measure an allowance based on 12-month expected credit loss or based on lifetime ECL. If, following this assessment, a significant increase in credit risk occurs, the Group and the Company recognize a loss allowance amount equal to the expected credit loss (ECL) amount over the life of that financial instrument.

To perform this assessment, the Group and the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition.

The Group and the Company's objective is to capture this significant increase in credit risk prior to the financial asset being treated as credit impaired.

The allocation between stages is based on the criteria presented below:

- If at reporting date, the loan is in NPE status, it is allocated to “Stage 3” and lifetime expected losses are calculated.
- If there has been a significant increase in credit risk at reporting date against the credit risk at the initial recognition date, the loan is allocated to “Stage 2” and lifetime expected losses are calculated.
- The remainder of the loans, are allocated to “Stage 1” and expected credit losses are computed for the next 12 months.

The quantitative and qualitative criteria based on which the Group and the Company assesses whether there is a significant increase in credit risk for an exposure are outlined below.

Corporate and Retail Lending Portfolio

- Primary criteria
  - significant increase in the probability of default (PD) of the financial instrument at the reporting date compared to the one calculated at the initial recognition date, based on certain absolute (3% - 6.5%) and / or relative (200%) thresholds
- Secondary criteria
  - existence of forbearance
  - behavioral flags (monitoring the maximum delinquency bucket for the last 12 months)
  - existence of default event over the last 12 months based on the Defaulted exposures as the identification of the latter is based on the EBA NPE Default Definition
  - Watch list
- Backstop
  - 30 days past due (30dpd) or more
- Additional criteria due to Covid-19 pandemic
  - The group introduced additional SICR criteria, without relaxing any of the existing thresholds, in order to effectively allocate exposures which received Covid-19 moratoria. The new criteria consider probabilities of default, industry characteristics and pre-pandemic performance.

Criteria for assessing ECL allowance of Loan and advances to customers at amortised cost on an individual or collective basis

Individually Assessed

In order to better capture the expected risk, the Group and the Company prepare a list of accounts for which an individual assessment will be performed. Assessment at individual level is performed for loans and advances to customers at amortised cost identified as individually significant, which satisfy all of the following criteria:

- They are extended to borrowers whose total loan exposure at the period end reporting date exceeded the amount of € 1 million or the equivalent in foreign currency for the Company. Lower thresholds have been established for the subsidiaries.

- The exposures are classified as NPE as per the Company's Credit Policy.

Apart from individually significant loans, additional exposures may be individually assessed, irrespectively of their level of exposure, at the discretion of the Company's Provisioning Committee.

Description of the ECL Calculation (Individual)

ECL is defined as the difference between all contractual cash flows that are due in accordance with the contract and all the cash flows expected to be received (i.e., all cash shortfalls), discounted at the original EIR (or credit-adjusted EIR for purchased or originated credit-impaired financial assets). All contractual cash flows of the loan and cash flows resulting from the sale of collateral or other credit enhancements are considered.

According to IFRS 9, probability weighted scenarios are taken into account over the expected life of the financial instrument in the estimation of the ECL allowance.

The individual assessment consists of an evaluation of the amount and timing of the cash flows for each particular exposure.

Calculation of ECL under the individual assessment is defined as below:

$$ECL = \sum_{i} (IFRS\ Outstanding\ Balance - Present\ Value\ of\ the\ Recoverable\ Amount) \cdot P_i$$

Where:

- ***IFRS Outstanding Balance:*** Contractual cash flows, attributable to an entity are considered.

- ***Present Value of the Recoverable Amount:*** Quantification of the recoverable amount, based upon the present value of the expected future cash flows, related either to cash recoveries from the obligor or to cash proceeds from the liquidation of loans' collaterals, discounted to their present value at the loans's original effective interest rate (EIR).

- $\boldsymbol{P_i}$: the probability-weight of each scenario, under which the ECL amount is calculated

Collectively Assessed

The Collective Assessment is applied to all other facilities i.e. those allocated in Stages 1 and 2, as well as to those in Stage 3 which have not been subject to individual assessment.

Description of the ECL Allowance Calculation (Collective)

For the calculation of the ECL allowance for impairment on loans and advances to customers at amortised cost assessed on a collective basis, statistical methods are used, based on credit risk parameters. The equation used for the measurement of Lifetime Expected Credit Losses, for all portfolios, is depicted below:

$$LECL = \sum_{i}\left(\sum_{t}^{T} PD_t^i \times LGD_t^i \times EAD_t \times DF_t\right)P_i$$

Where:

- **Time to Maturity (T)**: Remaining time until the maturity of the loan.
- **Probability of Default (PD)**: This parameter expresses the probability of default of a financial instrument. Loans and receivables classified as Stage 1 are calculated using the 12-month PD, while those classified in Stage 2 are calculated based on PDs over the life of the facility. For Stage 3, PD=1.
- **Loss Given Default (LGD)**: This parameter defines the "expected" credit loss that arises in the event of default of a financial instrument. It is expressed as a percentage of the exposure, which if multiplied by the exposure, gives the amount of the Group and the Company's loss at the time of the default.
- **Exposure at Default (EAD)**: This parameter defines the exposure value in the event of a default of a financial instrument. The EAD is based on the following formula:

$$EAD_t = (On - Balance\ Sheet\ Exposure)_t + (Off - Balance\ Sheet\ Exposure)_t \cdot CCF_t$$

- **Credit Conversion Factor (CCF)**: This parameter converts off-balance sheet items, such as undrawn exposures, to equivalent On-Balance Sheet credit exposures.
- **Discount Factor in t (DFt)**: Factors used to discount an expected loss to a present value at the reporting date. (Effective Interest Rate – EIR)
- **Probability weighted outcome (Pi)**: the probability-weight of each scenario, under which the ECL amount is calculated.

The Group and the Company measures ECL of a financial instrument, taking into account multiple possible outcomes. Under the collective assessment, the Group and the Company applies three alternative scenarios, with their impact being incorporated in the risk parameters of the ECL model. Subsequently, the relevant probability weights are applied in the ECL allowance under each scenario, leading to the probability-weighted ECL allowance.

The Economics and Investments Strategy Unit is responsible for the calculation of alternative macroeconomic scenarios (forecasts of future economic conditions that confirm the forward looking concept of the process), including the projections of relevant macroeconomic variables and the corresponding probability weights, used in the impairment calculation.

Calculation of expected future cash flows for loans and advances to Corporate lending portfolio at amortised cost

Regarding individual specific debtors key elements considered for the assessment of future cash flows for loans and advances to Corporate lending portfolio, at amortised cost are presented below:

- **Ongoing operating cash flows**: The operating cash flows of the obligor or guarantor, which are ongoing and eligible to use for the debt repayment.
- **Existing collateral and guarantees**: The current value of the obligor's existing collaterals and guarantees as well as their eligibility to liquidate are assessed under a forced liquidation scenario or under a scenario of voluntary surrender or sale.
- **Binding Repayment or Settlement Agreements**: Any additional debt restructuring or settlement agreements made between the Group and the Company and the Obligor are also taken into consideration.
- **Additional Information received by the Account Officer**: Any additional and reliable information available to the Account Officer regarding the borrower's ability to meet contractual obligation regarding its debt to the Group and the Company is taken account of.
- **Personal Guarantees of the obligor:** In exceptional cases, those mainly denoting exposures of prominent customers, the value of personal guarantees in favor of the obligor may be taken into consideration. Usage of such personal guarantees in the individual assessment is subject to the assessment of the Company's review levels during the impairment assessment process.
- **Special Administration or Reconciliation Process via Art.106, Greek law 3588/2007:** Any proceeds anticipated through the Special Administration or Reconciliation Process via Art.106

The calculation of the expected future cash flows is carried out in accordance with the following two approaches, which are defined in following sub-sections: The Going Concern Approach and Gone Concern Approach.

Going Concern Approach

Under a "going concern" scenario, the operating cash flows of the debtor, or the guarantor, continue and can be used to repay the financial debt to all creditors. The Group and the Company are considering different approaches depending on the specific borrower when applying the going-concern assumption in determining the cash flows to be received from the operations of the borrower, as well as from the realization of Non-Core collaterals in cases where this is applicable, in the following cases:

- The estimated future cash flows based on the updated financial statements of the debtor / guarantor.
- In restructuring cases, the restructuring plans and the resulting changes to the structure of the entity
- Estimations consider potential investments that are necessary to maintain future cash flows (CAPEX)
- When cash flows are based on the realisation of some assets of the debtor, the Group and the Company estimate the expected selling price in order to reflect the future expected cash flows derived from the sale of assets less the estimated costs associated with the realization. Collateral may be exercised to the extent it does not influence

operating cash flows. In addition, where a “two-step” approach is used (i.e. period by period analysis followed by an estimation of the terminal value), a “gone concern” approach can also be assumed for the second step, involving the liquidation of collaterals.

Based on the previous information, the amount of the expected credit loss will be measured as the difference between the asset’s carrying amount and the estimated future cash flows discounted at the financial asset’s original effective interest rate.

Gone Concern Approach

When deciding to measure the ECL allowance on a “gone concern” basis, Management determines that the operating cash flows of the debtor cease and collateral is exercised, including any other collections that Management determines as recoverable.

This could be the case when one or a combination of the below takes place:

- Future operating cash flows of the debtor are estimated to be low or negative, or / and
- Exposure is significantly collateralized, and this asset is central to cash flow generation, or / and
- There is a very significant degree of uncertainty surrounding the estimation of the future cash flows, or / and
- Insufficient information is available to perform a going concern analysis.

The sale proceeds from collateral execution are adjusted for liquidation costs and market discounts where applicable. Consideration of market valuations, expectation on collateral liquidation strategy (consensual vs. non-consensual-forced) and underlying legal framework is taken in order to determine market price discount that may need to be applied as well as time to sell assumptions.

Write-offs

The Group and the Company write-off debt against the ECL allowance in cases of:

- irrecoverable claims, meaning the claims for which i) all required legal actions, foreclosure procedures and recovery collection efforts against the borrower, co-borrowers or guarantors have been exhausted; ii) it is considered that the continuation of in court or out-of-court legal actions are not expected to lead to a positive outcome for the Company; iii) the recovery cost is economically less favorable compared to the benefit,

- uncollectable claims, meaning the claims resulting from the difference between the IFRS claim and the sum of the operating cash flows, expected to be received and the cash flows resulting from the liquidation of the collateral/security as well as of any other unencumbered assets of all involved parties.

The Group and the Company proceed to forbearance - resolution and closure treatments with debt forgiveness when it is proven the optimum treatment against other alternative forbearance - resolution and closure treatments, within the framework of managing borrowers with financial difficulties.

The-Provisioning Committee approves accounting write-offs while Company’s Board of Directors or other authorized approval bodies approves debt forgiveness requests.

B) Debt securities and other short term Treasury products

The Group and the Company recognizes impairment allowances on debt securities and other short-term Treasury products that are measured at amortized cost or at fair value through other comprehensive income.

The amount of expected credit losses (ECL) recognized as an impairment loss allowance depends on the extent of credit deterioration since initial recognition. The assessment of significant deterioration is key in establishing the point of switching between the requirement to measure an allowance based on 12-month ECL and one that is based on lifetime ECL. The approach of recognizing impairment is based on the following allocation to Stages:

- Stage 1: Contains instruments that have not deteriorated significantly in credit quality since initial recognition or have low credit risk at the reporting date.

The Group and the Company follow the 'low risk simplification', according to which, if a financial instrument has low credit risk, it is assumed that no significant increases in credit risk have occurred. The Group and the Company consider that all investment grade instruments are low risk instruments; hence, they are allocated to Stage 1.

At stage 1, 12-month ECL is recognized. For instruments with a residual maturity of less than 12 months, ECL is calculated for the remaining period until maturity.

- Stage 2: Contains instruments that have deteriorated significantly in credit quality since initial recognition. At Stage 2, lifetime ECL is recognized.

- Stage 3: Contains instruments that have incurred an actual default (impaired). At Stage 3, lifetime ECL is recognized.

For the assessment of significant credit risk deterioration of non-investment grade instruments and the allocation from Stage 1 to Stage 2 (and vice versa), the Group and the Company rely on the following two independent conditions: a) external credit rating downgrade (upgrade) since the acquisition date or b) increase (decrease) in the 12-month PD since the acquisition date. In case where an external credit rating is not available, the Group and the Company use the internal rating evaluation.

As a parallel staging process, the Group and the Company also monitor the bond market credit spreads evolution. Any increase in credit spreads above an indicative spread threshold since initial recognition, triggers an internal review process of the affected instruments' current staging in order to assess if the observed change of the credit spread reflects an actual change in credit risk expectations.

Default Definition

A debt security or other short-term Treasury product is regarded as defaulted and consequently allocated to Stage 3, when it has been assigned a 'Default' rating by an external credit rating agency. Furthermore, if the issuer or counterparty has additional obligations with the Company and is in default in one of these obligations, then based on the cross-contamination rule, the instrument will be assigned to Stage 3.

Expected Credit Loss Estimation

The Group and the Company use the following key elements to measure ECL for debt securities: Probability of Default (PD), Loss Given Default (LGD), Effective Interest rate (EIR) and Exposure at Default (EAD).

- **PD:** Can be classified in the following two categories:
  - 12-month PD, which corresponds to the estimated PD occurring within the horizon of the next 12 months and is used to compute 12-month ECL for stage 1 allocation
  - Lifetime PD, which expresses the estimated PD occurring over the remaining life of the financial asset and is used to calculate the lifetime ECL for Stage 2 allocation. For stage 3 allocation, PD = 100% is used.

- **LGD:** Defined as the fraction of the total exposure that the Company estimates not to be able to recover in the case of default. The LGD assumption depends on the type of the issuer, level of seniority and the presence of collateral.

- **EIR:** The yield to maturity of the instrument at the time of acquisition.

- **EAD:** Defined as the total loss that the Company may incur, from a potential default of the issuer of the financial instrument. The Company follows a forward amortizing cost approach to calculate EAD. The EAD is estimated assuming that cash flows occurring in all future time periods will not be received and in return, the Company will receive a recovery amount. EAD is the sum of the discounted cash flows as of the reporting date, using the EIR of the transaction.

The Group and the Company do not utilize any internal models for estimating the PDs, LGDs or any of the staging criteria used for the ECL calculation of debt securities and other short-term Treasury products. As primary methodology for the staging and ECL calculation, the Company relies on the assessment of external rating agencies and the published rating-mapped PDs. This approach assumes a single "average" economic state scenario, which represents the average of all possible outcomes under different scenarios of macroeconomic conditions.

The assessment for significant increase in credit risk for debt securities is performed through an automated process. Any other assessment relating to significant increase in credit risk and which leads to different outcome in terms of stage allocation as defined above, will need to be approved by the Provisioning Committee at each reporting date.

Purchased or Originated Credit Impaired

Purchased or originated credit impaired financial assets ("POCI assets") are financial assets that are credit-impaired on initial recognition. In contrast to credit-impaired financial assets, the corresponding assessment for POCI-assets is performed at initial recognition instead of subsequent periods.

If the loan is a POCI asset, lifetime expected credit losses are calculated, either in its recognition or at a later stage. POCI assets remain in POCI category for their entire lifetime, and are not assessed for stage allocation or any stage transfers.

Analysis of inputs to the ECL model under multiple economic scenarios

The Economics and Investments Strategy Unit of the Group and the Company produces forecasts for the possible evolution of macroeconomic variables, such as GDP, unemployment rate, inflation rate, House Price Index and Commercial real estate index that affect the level of expected credit losses of loan portfolios under multiple economic scenarios. When estimating the ECLs, the Management considers three scenarios and each of these are associated with different PDs and LGDs (Optimistic – Base – Pessimistic). Management has assigned the following weights in each scenario: 90% base scenario, 5% optimistic and 5% pessimistic. When relevant, the assessment of multiple economic scenarios also incorporates how defaulted loans are expected to be recovered, including the probability that the loans will cure Further information is presented in Note 4.2.

Differentiation in the models for the ECL calculation due to Covid-19

The Group and the Company did not change structurally any of the existed models which are used in the ECL calculation. All the model inputs, as this is a normal process, have been reassessed during the year in order to capture any recent changes including any changes might have needed due to Covid-19 effect. In addition to the drastic changes in macro-economic variables, time to liquidation was increased for real estate collaterals in order to effectively reflect delays in the auction related processes due to Covid-19.

Multiple scenarios on the allowance

Management assesses s and considers the sensitivity of the Group's ECL allowance on loans and advances to customers at amortised cost, against reasonably possible changes in real GDP growth, compared to the forward-looking scenarios utilised in the ECL measurement as of 31 December 2020. The sensitivity analysis was performed assuming a "favorable" and an "adverse" shift in the three forward-looking scenarios for GDP by 1 percentage point, thus affecting the full GDP growth trajectory. A complete re-estimation of all modelled macroeconomic variables was performed conditioned on the aforementioned "favorable" and "adverse" variations of the original forward-looking scenarios, since GDP plays a pivotal role in the modelling of all other macroeconomic variables.

The following tables include the ECL impact of the Group and the Company as of 31 December 2020, for each of the alternative scenarios assumed. The impact should be read in the context of the sensitivity analysis as a whole, in conjunction with the narrative disclosures provided above.

Alternative scenario assumed (Group)	ECL impact			
	Stage 1	Stage 2	Stage 3	Total
Higher GDP (+1%)	(4)	(14)	(110)	**(128)**
Lower GDP (-1%)	4	21	131	**156**

Alternative scenario assumed (Company)	ECL impact			
	Stage 1	Stage 2	Stage 3	Total
Higher GDP (+1%)	-	(1)	(40)	**(41)**
Lower GDP (-1%)	-	1	48	**50**

5.3 Credit Risk Management

Maximum exposure to credit risk before collateral held or other credit enhancements

The following table represents the maximum credit risk exposure of the Group and the Company as at 31 December 2020 and 2019, without taking account of any collateral held or other credit enhancements attached. For on-balance sheet assets, the exposures set out below are based on net carrying amounts as reported in the Statement of Financial Position.

	Group		Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Due from banks (Note 18)	1,258	1,307	462	1,239
Derivative financial instruments (Note 19)	507	479	-	479
Financial assets at fair value through profit or loss (Note 20)	341	655	-	654
Loans and advances to customers at amortised cost (Note 21)	39,624	39,162	3,826	39,801
Debt securities at FVTOCI (Note 22)	2,717	1,437	-	1,435
Debt securities at amortised cost (Note 23)	4,964	1,121	696	1,121
Loans and advances to customers classified as held for sale (Note 28)	181	264	-	259
Other assets (Note 29)	2,116	2,304	138	2,317
Credit commitments (Note 40)	4,082	3,452	7	3,719
Total	**55,790**	**50,181**	**5,130**	**51,024**

The below tables show the gross amounts of the Group and the Company's credit exposures for financial instruments at amortised cost or at fair value through other comprehensive income, as well as the off balance credit exposures.

Group	Stage 1	Stage 2	Stage 3		POCI		Total
31/12/2020			Collective	Individual	Collective	Individual	
Due from banks	1,258	-	-	-	-		1,258
Loans and advances to customers at amortised cost	21,066	5,409	7,125	9,212	5,036	1,680	49,528
Retail Lending	**6,505**	**2,656**	**4,457**	**411**	**3,341**	**112**	**17,483**
Mortgages	5,264	2,110	3,245	336	2,411	79	13,445
Consumer, Personal and Other	891	435	1,032	74	841	33	3,307
Credit Cards	351	110	179	1	90	1	731
Corporate and Public Sector Lending	**14,561**	**2,754**	**2,668**	**8,800**	**1,695**	**1,568**	**32,045**
Large Corporate	7,841	1,151	74	3,317	64	304	12,749
SMEs	5,010	1,603	2,594	5,473	1,628	1,264	17,572
Public Sector	1,710	-	-	11	3	-	1,724
Debt securities measured at FVTOCI	2,698	19	-	-	-	-	2,717
Debt securities at amortised cost	4,976	-	-	-	-	-	4,976
Reverse repos with customers	8	-	-	-	-	-	8
Other assets - Financial assets	711	70	2	472	-	-	1,256
Total on balance sheet credit exposures	**30,717**	**5,499**	**7,127**	**9,684**	**5,036**	**1,680**	**59,743**
Financial guarantees	2,846	147	321	-	-	-	3,314
Letters of credit	37	1	2	-	-	-	40
Irrevocable undrawn credit commitments	657	53	6	1	11	1	728
Total off balance sheet credit exposures	**3,540**	**202**	**328**	**1**	**11**	**1**	**4,082**

Group	Stage 1	Stage 2	Stage 3		POCI		Total
31/12/2019			Collective	Individual	Collective	Individual	
Due from banks	1,307	-	-	-	-	-	**1,307**
Loans and advances to customers at amortised cost	19,979	4,999	7,390	10,431	5,348	2,000	**50,148**
Retail Lending	**6,679**	**2,819**	**4,560**	**425**	**3,501**	**119**	**18,103**
Mortgages	5,399	2,236	3,328	351	2,515	86	**13,914**
Consumer, Personal and Other	888	441	1,047	73	892	32	**3,372**
Credit Cards	392	143	186	1	93	1	**816**
Corporate and Public Sector Lending	**13,300**	**2,180**	**2,830**	**10,006**	**1,848**	**1,882**	**32,046**
Large Corporate	7,011	865	119	4,104	108	415	**12,621**
SMEs	4,549	1,314	2,711	5,892	1,737	1,467	**17,670**
Public Sector	1,740	1	-	11	3	-	**1,754**
Debt securities measured at FVTOCI	1,437	-	-	-	-	-	**1,437**
Debt securities at amortised cost	1,121	-	-	-	-	-	**1,121**
Reverse repos with customers	38	-	-	-	-	-	**38**
Other assets - Financial assets	646	89	12	447	-	-	**1,194**
Total on balance sheet credit exposures	**24,528**	**5,088**	**7,403**	**10,878**	**5,348**	**2,000**	**55,245**
Financial guarantees	2,642	76	304	-	-	-	**3,022**
Letters of credit	23	-	1	-	-	-	**25**
Irrevocable undrawn credit commitments	330	55	7	-	12	-	**405**
Total off balance sheet credit exposures	**2,995**	**132**	**313**	**-**	**12**	**-**	**3,452**

Company	Stage 1	Stage 2	Stage 3		POCI		Total
31/12/2020			Collective	Individual	Collective	Individual	
Due from banks	462	-	-	-	-	-	**462**
Loans and advances to customers at amortised cost	26	365	2,695	1,575	1,577	442	**6,680**
Retail Lending	**21**	**349**	**1,728**	**161**	**983**	**44**	**3,286**
Mortgages	17	324	1,504	147	838	38	**2,868**
Consumer, Personal and Other	4	25	193	14	130	6	**372**
Credit Cards	-	-	31	-	16	-	**47**
Corporate and Public Sector Lending	**5**	**16**	**967**	**1,414**	**594**	**397**	**3,393**
Large Corporate	1	1	13	201	8	67	**291**
SMEs	4	15	954	1,206	586	330	**3,097**
Public Sector	-	-	-	6	-	-	**6**
Debt securities measured at FVTOCI	-	-	-	-	-	-	**-**
Debt securities at amortised cost	721	-	-	-	-	-	**721**
Reverse repos with customers	-	-	-	-	-	-	**-**
Other assets - Financial assets	106	-	-	-	-	-	**106**
Total on balance sheet credit exposures	**1,316**	**365**	**2,695**	**1,575**	**1,577**	**442**	**7,970**
Financial guarantees	-	-	-	-	-	-	**-**
Letters of credit	-	-	-	-	-	-	**-**
Irrevocable undrawn credit commitments	-	4	-	1	-	1	**7**
Total off balance sheet credit exposures	**-**	**4**	**-**	**1**	**-**	**1**	**7**

Company	Stage 1	Stage 2	Stage 3		POCI		Total
31/12/2019			Collective	Individual	Collective	Individual	
Due from banks	1,239	-	-	-	-	-	**1,239**
Loans and advances to customers at amortised cost	21,115	4,780	7,054	10,488	5,268	1,891	**50,595**
Retail Lending	**6,671**	**2,819**	**4,560**	**423**	**3,501**	**119**	**18,093**
Mortgages	5,398	2,236	3,328	350	2,515	86	**13,914**
Consumer, Personal and Other	881	441	1,047	72	892	32	**3,364**
Credit Cards	392	143	186	1	93	1	**816**
Corporate and Public Sector Lending	**14,444**	**1,961**	**2,494**	**10,064**	**1,767**	**1,773**	**32,502**
Large Corporate	8,614	885	34	4,527	99	408	**14,568**
SMEs	4,094	1,075	2,459	5,526	1,666	1,365	**16,186**
Public Sector	1,735	1	-	10	3	-	**1,749**
Debt securities measured at FVTOCI	1,435	-	-	-	-	-	**1,435**
Debt securities at amortised cost	1,121	-	-	-	-	-	**1,121**
Reverse repos with customers	38	-	-	-	-	-	**38**
Other assets - Financial assets	716	37	12	369	-	-	**1,133**
Total on balance sheet credit exposures	**25,664**	**4,816**	**7,066**	**10,856**	**5,268**	**1,891**	**55,562**
Financial guarantees	2,854	76	304	-	-	-	**3,234**
Letters of credit	22	-	1	-	-	-	**23**
Irrevocable undrawn credit commitments	387	55	7	-	12	-	**461**
Total off balance sheet credit exposures	**3,262**	**132**	**313**	**-**	**12**	**-**	**3,719**

5.3.1 Loans and advances to customers at amortised cost

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

For the purposes of this disclosure, gross carrying amount is defined as the amortised cost, before adjusting for any loss allowance, grossed up with the PPA adjustment. Similarly, the ECL allowance for impairment losses presented in the following tables includes the PPA adjustment. As such, the gross carrying amount and ECL allowance for impairment losses presented below does not reconcile to Note 21.

Loans and advances to customers at amortised cost for the Group and the Company as at 31 December 2020 and 2019 are summarised as follows:

Group 31/12/2020	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	5,264	2,110	3,581	2,490	13,445
Less: ECL Allowance for impairment losses	(2)	(31)	(970)	(729)	(1,732)
Total Mortgages	**5,262**	**2,079**	**2,611**	**1,761**	**11,713**
Consumer, Personal and Other loans					
Gross carrying amount	891	435	1,106	874	3,307
Less: ECL Allowance for impairment losses	(21)	(44)	(707)	(550)	(1,322)
Total Consumer, Personal and Other loans	**870**	**392**	**400**	**323**	**1,985**
Credit Cards					
Gross carrying amount	351	110	180	91	731
Less: ECL Allowance for impairment losses	(2)	(8)	(155)	(81)	(246)
Total Credit Cards	**349**	**102**	**25**	**10**	**485**
Retail Lending					
Gross carrying amount	6,505	2,656	4,868	3,454	17,483
Less: ECL Allowance for impairment losses	(25)	(83)	(1,832)	(1,361)	(3,300)
Total Retail Lending	**6,481**	**2,573**	**3,036**	**2,093**	**14,183**
Loans to Large Corporate					
Gross carrying amount	7,841	1,151	3,390	368	12,749
Less: ECL Allowance for impairment losses	(53)	(64)	(1,216)	(169)	(1,502)
Total Loans to Large Corporate	**7,788**	**1,087**	**2,174**	**199**	**11,247**
Loans to SMEs					
Gross carrying amount	5,010	1,603	8,067	2,892	17,572
Less: ECL Allowance for impairment losses	(28)	(110)	(3,431)	(1,528)	(5,097)
Total Loans to SMEs	**4,981**	**1,493**	**4,636**	**1,365**	**12,475**
Loans to Public Sector					
Gross carrying amount	1,710	-	11	3	1,724
Less: ECL Allowance for impairment losses	(1)	-	(4)	-	(6)
Total Loans to Public Sector	**1,709**	**0**	**7**	**2**	**1,718**
Corporate and Public Sector Lending					
Gross carrying amount	14,561	2,754	11,468	3,262	32,045
Less: ECL Allowance for impairment losses	(83)	(174)	(4,651)	(1,697)	(6,605)
Total Corporate and Public Sector Lending	**14,478**	**2,579**	**6,818**	**1,565**	**25,441**
Loans and advances to customers at amortised cost					
Gross carrying amount	21,066	5,409	16,336	6,716	49,528
Less: ECL Allowance for impairment losses	(107)	(257)	(6,482)	(3,058)	(9,904)
Total Loans and advances to customers at amortised cost	**20,959**	**5,152**	**9,854**	**3,659**	**39,624**

Group 31/12/2019	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	5,399	2,236	3,679	2,601	**13,914**
Less: ECL Allowance for impairment losses	(2)	(35)	(942)	(707)	**(1,686)**
Total Mortgages	**5,396**	**2,201**	**2,737**	**1,895**	**12,228**
Consumer, Personal and Other loans					
Gross carrying amount	888	441	1,119	924	**3,372**
Less: ECL Allowance for impairment losses	(28)	(53)	(698)	(571)	**(1,350)**
Total Consumer, Personal and Other loans	**860**	**388**	**422**	**353**	**2,022**
Credit Cards					
Gross carrying amount	392	143	187	94	**816**
Less: ECL Allowance for impairment losses	(2)	(7)	(159)	(84)	**(251)**
Total Credit Cards	**391**	**136**	**28**	**10**	**565**
Retail Lending					
Gross carrying amount	6,679	2,819	4,985	3,619	**18,103**
Less: ECL Allowance for impairment losses	(33)	(95)	(1,799)	(1,361)	**(3,288)**
Total Retail Lending	**6,647**	**2,724**	**3,186**	**2,258**	**14,815**
Loans to Large Corporate					
Gross carrying amount	7,011	865	4,222	523	**12,621**
Less: ECL Allowance for impairment losses	(52)	(38)	(1,752)	(236)	**(2,078)**
Total Loans to Large Corporate	**6,959**	**827**	**2,470**	**286**	**10,543**
Loans to SMEs					
Gross carrying amount	4,549	1,314	8,603	3,204	**17,670**
Less: ECL Allowance for impairment losses	(32)	(105)	(3,749)	(1,730)	**(5,615)**
Total Loans to SMEs	**4,518**	**1,209**	**4,854**	**1,474**	**12,054**
Loans to Public Sector					
Gross carrying amount	1,740	1	11	3	**1,754**
Less: ECL Allowance for impairment losses	(1)	-	(4)	-	**(5)**
Total Loans to Public Sector	**1,739**	**1**	**7**	**3**	**1,749**
Corporate and Public Sector Lending					
Gross carrying amount	13,300	2,180	12,836	3,730	**32,046**
Less: ECL Allowance for impairment losses	(85)	(143)	(5,504)	(1,967)	**(7,699)**
Total Corporate and Public Sector Lending	**13,215**	**2,037**	**7,332**	**1,763**	**24,347**
Loans and advances to customers at amortised cost					
Gross carrying amount	19,979	4,999	17,821	7,349	**50,148**
Less: ECL Allowance for impairment losses	(117)	(238)	(7,303)	(3,328)	**(10,986)**
Total Loans and advances to customers at amortised cost	**19,862**	**4,761**	**10,518**	**4,021**	**39,162**

Company 31/12/2020	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	17	324	1,651	876	2,868
Less: ECL Allowance for impairment losses	-	(4)	(473)	(313)	(790)
Total Mortgages	**17**	**320**	**1,177**	**564**	**2,078**
Consumer, Personal and Other loans					
Gross carrying amount	4	25	207	136	372
Less: ECL Allowance for impairment losses	-	(3)	(107)	(94)	(204)
Total Consumer, Personal and Other loans	**3**	**22**	**100**	**42**	**168**
Credit Cards					
Gross carrying amount	-	-	31	16	47
Less: ECL Allowance for impairment losses	-	-	(26)	(14)	(41)
Total Credit Cards	**-**	**-**	**4**	**2**	**6**
Retail Lending					
Gross carrying amount	21	349	1,889	1,028	3,286
Less: ECL Allowance for impairment losses	-	(7)	(607)	(420)	(1,035)
Total Retail Lending	**21**	**342**	**1,282**	**607**	**2,252**
Loans to Large Corporate					
Gross carrying amount	1	1	214	74	291
Less: ECL Allowance for impairment losses	-	-	(146)	(52)	(197)
Total Loans to Large Corporate	**1**	**1**	**68**	**23**	**93**
Loans to SMEs					
Gross carrying amount	4	15	2,160	917	3,097
Less: ECL Allowance for impairment losses	-	(1)	(1,094)	(523)	(1,618)
Total Loans to SMEs	**4**	**14**	**1,066**	**394**	**1,479**
Loans to Public Sector					
Gross carrying amount	-	-	6	-	6
Less: ECL Allowance for impairment losses	-	-	(4)	-	(4)
Total Loans to Public Sector	**-**	**-**	**2**	**-**	**2**
Corporate and Public Sector Lending					
Gross carrying amount	5	16	2,381	991	3,393
Less: ECL Allowance for impairment losses	-	(1)	(1,244)	(574)	(1,819)
Total Corporate and Public Sector Lending	**5**	**15**	**1,137**	**417**	**1,574**
Loans and advances to customers at amortised cost					
Gross carrying amount	26	365	4,270	2,019	6,680
Less: ECL Allowance for impairment losses	-	(8)	(1,851)	(995)	(2,853)
Total Loans and advances to customers at amortised cost	**26**	**357**	**2,419**	**1,024**	**3,826**

Company 31/12/2019	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	5,398	2,236	3,678	2,601	**13,914**
Less: ECL Allowance for impairment losses	(2)	(35)	(941)	(707)	**(1,685)**
Total Mortgages	**5,396**	**2,201**	**2,737**	**1,895**	**12,228**
Consumer, Personal and Other loans					
Gross carrying amount	881	441	1,119	924	**3,364**
Less: ECL Allowance for impairment losses	(28)	(53)	(697)	(571)	**(1,350)**
Total Consumer, Personal and Other loans	**852**	**388**	**421**	**353**	**2,014**
Credit Cards					
Gross carrying amount	392	143	187	94	**816**
Less: ECL Allowance for impairment losses	(2)	(7)	(159)	(84)	**(251)**
Total Credit Cards	**390**	**136**	**28**	**10**	**564**
Retail Lending					
Gross carrying amount	6,671	2,819	4,984	3,619	**18,093**
Less: ECL Allowance for impairment losses	(32)	(95)	(1,798)	(1,361)	**(3,286)**
Total Retail Lending	**6,638**	**2,724**	**3,186**	**2,258**	**14,807**
Loans to Large Corporate					
Gross carrying amount	8,614	885	4,561	507	**14,568**
Less: ECL Allowance for impairment losses	(51)	(37)	(1,999)	(228)	**(2,315)**
Total Loans to Large Corporate	**8,563**	**848**	**2,563**	**279**	**12,253**
Loans to SMEs					
Gross carrying amount	4,094	1,075	7,986	3,030	**16,186**
Less: ECL Allowance for impairment losses	(25)	(101)	(3,445)	(1,618)	**(5,188)**
Total Loans to SMEs	**4,070**	**974**	**4,541**	**1,412**	**10,997**
Loans to Public Sector					
Gross carrying amount	1,735	1	11	3	**1,749**
Less: ECL Allowance for impairment losses	(1)	-	(4)	-	**(5)**
Total Loans to Public Sector	**1,734**	**1**	**7**	**3**	**1,744**
Corporate and Public Sector Lending					
Gross carrying amount	14,444	1,961	12,558	3,540	**32,502**
Less: ECL Allowance for impairment losses	(77)	(138)	(5,447)	(1,846)	**(7,508)**
Total Corporate and Public Sector Lending	**14,367**	**1,822**	**7,111**	**1,694**	**24,994**
Loans and advances to customers at amortised cost					
Gross carrying amount	21,115	4,780	17,542	7,159	**50,595**
Less: ECL Allowance for impairment losses	(109)	(233)	(7,245)	(3,207)	**(10,794)**
Total Loans and advances to customers at amortised cost	**21,005**	**4,547**	**10,297**	**3,952**	**39,801**

5.3.2 Credit quality per segments, industry and asset classes

The tables below provide credit quality per asset classes, inclusive of the value of collateral for the Group's and the Company's gross carrying amount of loan and advances to customers at amortised cost as at 31 December 2020 and 2019.

31/12/2020	Group					Company				
	Strong	Recommended	Substandard	Default	Value of collateral	Strong	Recommended	Substandard	Default	Value of collateral
Retail Lending	**6,000**	**505**	**3,081**	**7,896**	**12,703**	**18**	**3**	**387**	**2,878**	**2,459**
Mortgages	4,820	443	2,439	5,742	11,614	15	2	359	2,492	2,313
Consumer, Personal and Other	832	59	532	1,883	1,076	3	1	28	340	142
Credit Cards	348	3	110	270	12	-	-	-	47	4
Corporate Lending	**10,918**	**2,075**	**2,831**	**14,497**	**15,436**	**5**	**-**	**18**	**3,364**	**1,515**
Large Corporate	6,602	1,298	1,168	3,682	6,042	1	-	1	288	58
SMEs	4,315	777	1,663	10,816	9,393	4	-	16	3,076	1,457
Public Sector	**1,699**	**11**	**3**	**11**	**1,634**	**-**	**-**	**-**	**6**	**-**
Greece	1,699	11	3	11	1,634	-	-	-	6	-
Other countries	-	-	-	-	-	-	-	-	-	-
Total	**18,618**	**2,590**	**5,915**	**22,405**	**29,773**	**23**	**3**	**405**	**6,249**	**3,974**

31/12/2019	Group					Company				
	Strong	Recommended	Substandard	Default	Value of collateral	Strong	Recommended	Substandard	Default	Value of collateral
Retail Lending	**6,004**	**675**	**3,232**	**8,192**	**13,072**	**6,003**	**668**	**3,232**	**8,190**	**13,064**
Mortgages	4,808	590	2,538	5,978	12,006	4,808	590	2,538	5,977	12,005
Consumer, Personal and Other	808	80	551	1,933	1,054	808	73	551	1,933	1,046
Credit Cards	388	4	143	281	12	387	4	143	281	12
Corporate Lending	**9,259**	**2,453**	**2,408**	**16,171**	**15,377**	**9,206**	**3,503**	**2,242**	**15,802**	**14,155**
Large Corporate	5,740	1,347	901	4,634	5,887	6,030	2,584	996	4,957	5,712
SMEs	3,519	1,105	1,508	11,537	9,490	3,176	918	1,246	10,845	8,443
Public Sector	**1,734**	**5**	**3**	**11**	**1,661**	**1,730**	**5**	**3**	**11**	**1,656**
Greece	1,734	5	3	11	1,661	1,730	5	3	11	1,656
Other countries	-	-	-	-	-	-	-	-	-	-
Total	**16,997**	**3,133**	**5,643**	**24,374**	**30,110**	**16,939**	**4,176**	**5,477**	**24,003**	**28,874**

The tables below show the Group's and the Company's ageing analysis of past due and the classification of exposures into stages based on credit risk (staging) per lending category:

Group	Gross loans and advances to customers at amortised cost												
31/12/2020	Current	1-30 days	31-90 days	91-180 days	181-365 days	365+ days	Denounced	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Retail Lending	**8,966**	**1,399**	**447**	**201**	**265**	**767**	**5,437**	**17,483**	**6,505**	**2,656**	**4,868**	**3,454**	**17,483**
Mortgages	7,166	1,196	359	156	176	393	3,999	**13,445**	5,264	2,110	3,581	2,490	**13,445**
Consumer, Personal and Other	1,356	192	81	40	52	374	1,211	**3,307**	891	435	1,106	874	**3,307**
Credit Cards	444	11	8	5	37	-	227	**731**	351	110	180	91	**731**
Corporate Lending	**16,701**	**2,474**	**708**	**1,323**	**200**	**799**	**8,116**	**30,321**	**12,850**	**2,754**	**11,457**	**3,260**	**30,321**
Large Corporate	9,576	1,455	239	453	25	138	863	**12,749**	7,841	1,151	3,390	368	**12,749**
SMEs	7,125	1,019	469	870	175	661	7,252	**17,572**	5,010	1,603	8,067	2,892	**17,572**
Public Sector	**1,710**	**3**	**-**	**-**	**-**	**-**	**11**	**1,724**	**1,710**	**-**	**11**	**3**	**1,724**
Greece	1,710	3	-	-	-	-	11	**1,724**	1,710	-	11	3	**1,724**
Other countries	-	-	-	-	-	-	-	**-**	-	-	-	-	**-**
Total	**27,377**	**3,875**	**1,155**	**1,525**	**465**	**1,567**	**13,564**	**49,528**	**21,066**	**5,409**	**16,336**	**6,716**	**49,528**
Value of collateral	**17,557**	**2,610**	**787**	**855**	**291**	**712**	**6,962**	**29,773**	**13,741**	**3,923**	**8,398**	**3,711**	**29,773**

Group	Gross loans and advances to customers at amortised cost												
31/12/2019	**Current**	**1-30 days**	**31-90 days**	**91-180 days**	**181-365 days**	**365+ days**	**Denounced**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Retail Lending	**8,927**	**1,715**	**760**	**324**	**307**	**625**	**5,445**	**18,103**	**6,679**	**2,819**	**4,985**	**3,619**	**18,103**
Mortgages	7,080	1,461	615	254	217	291	3,997	**13,914**	5,399	2,236	3,679	2,601	**13,914**
Consumer, Personal and Other	1,328	240	136	65	56	334	1,213	**3,372**	888	441	1,119	924	**3,372**
Credit Cards	518	14	8	5	35	-	235	**816**	392	143	187	94	**816**
Corporate Lending	**15,218**	**3,403**	**1,564**	**1,389**	**361**	**474**	**7,882**	**30,291**	**11,560**	**2,179**	**12,825**	**3,727**	**30,291**
Large Corporate	8,499	1,712	749	508	71	67	1,014	**12,621**	7,011	865	4,222	523	**12,621**
SMEs	6,720	1,690	815	880	290	406	6,868	**17,670**	4,549	1,314	8,603	3,204	**17,670**
Public Sector	**1,742**	**5**	**-**	**-**	**-**	**-**	**7**	**1,754**	**1,740**	**1**	**11**	**3**	**1,754**
Greece	1,742	5	-	-	-	-	7	**1,754**	1,740	1	11	3	**1,754**
Other countries	-	-	-	-	-	-	-	**-**	-	-	-	-	**-**
Total	**25,888**	**5,123**	**2,324**	**1,713**	**668**	**1,099**	**13,334**	**50,148**	**19,979**	**4,999**	**17,821**	**7,349**	**50,148**
Value of collateral	**16,799**	**3,127**	**1,576**	**1,044**	**315**	**494**	**6,756**	**30,110**	**13,272**	**3,617**	**9,192**	**4,029**	**30,110**

Company	Gross loans and advances to customers at amortised cost												
31/12/2020	**Current**	**1-30 days**	**31-90 days**	**91-180 days**	**181-365 days**	**365+ days**	**Denounced**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Retail Lending	**565**	**172**	**90**	**60**	**76**	**218**	**2,105**	**3,286**	**21**	**349**	**1,889**	**1,028**	**3,286**
Mortgages	522	155	83	55	68	183	1,802	**2,868**	17	324	1,651	876	**2,868**
Consumer, Personal and Other	43	17	7	5	8	35	257	**372**	4	25	207	136	**372**
Credit Cards	-	-	-	-	-	-	47	**47**	-	-	31	16	**47**
Corporate Lending	**220**	**43**	**25**	**73**	**25**	**47**	**2,955**	**3,387**	**5**	**16**	**2,374**	**991**	**3,387**
Large Corporate	77	-	1	-	5	9	199	**291**	1	1	214	74	**291**
SMEs	143	43	24	73	20	38	2,756	**3,097**	4	15	2,160	917	**3,097**
Public Sector	**-**	**-**	**-**	**-**	**-**	**-**	**6**	**6**	**-**	**-**	**6**	**-**	**6**
Greece	-	-	-	-	-	-	6	**6**	-	-	6	-	**6**
Other countries	-	-	-	-	-	-	-	**-**	-	-	-	-	**-**
Total	**784**	**215**	**116**	**133**	**100**	**265**	**5,066**	**6,680**	**26**	**365**	**4,270**	**2,019**	**6,680**
Value of collateral	**611**	**176**	**96**	**107**	**78**	**200**	**2,706**	**3,974**	**22**	**327**	**2,476**	**1,150**	**3,974**

Company	Gross loans and advances to customers at amortised cost												
31/12/2019	Current	1-30 days	31-90 days	91-180 days	181-365 days	365+ days	Denounced	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Retail Lending	**8,919**	**1,715**	**759**	**324**	**307**	**625**	**5,444**	**18,093**	**6,671**	**2,819**	**4,984**	**3,619**	**18,093**
Mortgages	7,080	1,461	615	254	217	291	3,996	**13,914**	5,398	2,236	3,678	2,601	**13,914**
Consumer, Personal and Other	1,321	240	136	65	56	334	1,212	**3,364**	881	441	1,119	924	**3,364**
Credit Cards	518	14	8	5	35	-	235	**816**	392	143	187	94	**816**
Corporate Lending	**16,686**	**3,114**	**1,359**	**1,369**	**283**	**429**	**7,513**	**30,753**	**12,709**	**1,960**	**12,547**	**3,537**	**30,753**
Large Corporate	10,547	1,696	706	501	71	55	990	**14,568**	8,614	885	4,561	507	**14,568**
SMEs	6,139	1,417	652	868	212	374	6,524	**16,186**	4,094	1,075	7,986	3,030	**16,186**
Public Sector	**1,737**	**5**	**-**	**-**	**-**	**-**	**6**	**1,749**	**1,735**	**1**	**11**	**3**	**1,749**
Greece	1,737	5	-	-	-	-	6	**1,749**	1,735	1	11	3	**1,749**
Other countries	-	-	-	-	-	-	-	**-**	-	-	-	-	**-**
Total	**27,342**	**4,834**	**2,118**	**1,694**	**590**	**1,054**	**12,963**	**50,595**	**21,115**	**4,780**	**17,542**	**7,159**	**50,595**
Value of collateral	16,370	2,840	1,266	990	311	471	6,626	**28,874**	12,803	3,301	8,808	3,962	**28,874**

The tables below set out the credit quality per segment, industry and asset classes:

Group	Gross loans and advances to customers at amortised cost						
	Stage 1	Stage 2	Stage 3		POCI		Total
31/12/2020			Collective	Individual	Collective	Individual	
Retail Lending	**6,505**	**2,656**	**4,457**	**411**	**3,341**	**112**	**17,483**
Corporate and Public Sector Lending	**14,561**	**2,754**	**2,668**	**8,800**	**1,695**	**1,568**	**32,045**
Financial institutions	260	23	9	963	12	31	1,297
Manufacturing/ Handicraft	2,445	490	444	1,561	271	299	5,511
Construction	474	244	317	1,244	157	203	2,640
Real Estate Companies	572	118	35	876	30	268	1,899
Project Finance	1,641	20	-	146	3	4	1,814
Wholesale and retail trade	2,037	447	900	1,273	582	271	5,509
Shipping Companies	1,373	52	1	453	-	-	1,880
Coastline/ Ferries Companies	125	-	-	117	-	-	242
Hotels	953	814	130	691	100	111	2,799
Agriculture	300	59	157	175	79	27	797
Energy	845	24	11	64	3	-	947
Transports and Logistics	303	69	110	431	59	22	994
Other industries	1,521	392	555	795	397	332	3,992
Public sector	1,710	-	-	11	3	-	1,724
Total	**21,066**	**5,410**	**7,125**	**9,212**	**5,036**	**1,680**	**49,528**

Group 31/12/2019	Gross loans and advances to customers at amortised cost						
	Stage 1	Stage 2	Stage 3		POCI		Total
			Collective	Individual	Collective	Individual	
Retail Lending	**6,679**	**2,819**	**4,560**	**425**	**3,501**	**119**	**18,103**
Corporate and Public Sector Lending	**13,300**	**2,180**	**2,830**	**10,006**	**1,848**	**1,882**	**32,046**
Financial institutions	118	102	8	1,234	10	36	**1,509**
Manufacturing/ Handicraft	1,812	448	434	1,875	288	337	**5,194**
Construction	521	207	340	1,409	192	296	**2,965**
Real Estate Companies	625	101	89	920	37	282	**2,053**
Project Finance	1,518	28	1	92	-	7	**1,645**
Wholesale and retail trade	1,705	308	907	1,415	590	319	**5,245**
Shipping Companies	1,231	59	2	498	-	-	**1,791**
Coastline/ Ferries Companies	95	30	-	128	-	-	**254**
Hotels	1,068	428	211	656	151	96	**2,611**
Agriculture	285	39	151	208	76	27	**786**
Energy	1,011	20	9	55	4	-	**1,099**
Transports and Logistics	177	53	103	562	62	31	**988**
Other industries	1,395	355	574	943	435	450	**4,152**
Public sector	1,740	1	-	11	3	-	**1,754**
Total	**19,979**	**4,999**	**7,390**	**10,431**	**5,348**	**2,000**	**50,148**

Group 31/12/2020	ECL allowance for impairments on loans and advances to customers at amortised cost						
	Stage 1	Stage 2	Stage 3		POCI		Total
			Collective	Individual	Collective	Individual	
Retail Lending	**25**	**83**	**1,637**	**195**	**1,288**	**73**	**3,300**
Corporate and Public Sector Lending	**83**	**174**	**1,304**	**3,346**	**880**	**817**	**6,605**
Financial institutions	5	2	6	319	5	21	**358**
Manufacturing/ Handicraft	12	35	219	557	141	140	**1,103**
Construction	4	18	160	516	75	95	**867**
Real Estate Companies	2	11	9	317	9	124	**470**
Project Finance	1	1	-	82	-	-	**84**
Wholesale and retail trade	16	32	492	608	354	132	**1,633**
Shipping Companies	1	2	1	91	-	-	**95**
Coastline/ Ferries Companies	-	-	-	36	-	-	**36**
Hotels	4	18	32	101	15	15	**184**
Agriculture	1	3	55	59	32	11	**161**
Energy	25	1	4	29	2	-	**61**
Transports and Logistics	1	7	59	228	36	17	**348**
Other industries	9	46	268	401	212	262	**1,198**
Public sector	1	-	-	4	-	-	**6**
Total	**107**	**257**	**2,941**	**3,541**	**2,167**	**890**	**9,904**

Group 31/12/2019	ECL allowance for impairments on loans and advances to customers at amortised cost						
	Stage 1	Stage 2	Stage 3		POCI		Total
			Collective	Individual	Collective	Individual	
Retail Lending	**33**	**95**	**1,594**	**205**	**1,284**	**77**	**3,288**
Corporate and Public Sector Lending	**85**	**143**	**1,259**	**4,246**	**877**	**1,089**	**7,699**
Financial institutions	2	1	5	572	5	21	**606**
Manufacturing/ Handicraft	9	22	208	787	141	195	**1,362**
Construction	7	14	159	630	76	141	**1,027**
Real Estate Companies	11	8	16	361	9	138	**544**
Project Finance	2	-	-	54	-	3	**59**
Wholesale and retail trade	10	32	476	700	353	158	**1,729**
Shipping Companies	2	5	-	124	-	-	**132**
Coastline/ Ferries Companies	1	-	-	41	-	-	**43**
Hotels	5	13	31	143	17	15	**224**
Agriculture	2	3	48	78	28	12	**171**
Energy	25	1	4	13	1	-	**45**
Transports and Logistics	1	3	53	177	34	20	**289**
Other industries	7	39	257	562	212	386	**1,463**
Public sector	1	-	-	4	-	-	**5**
Total	**117**	**238**	**2,853**	**4,451**	**2,161**	**1,166**	**10,986**

Group 31/12/2020	Loans and advances to customers at amortised cost						
	Stage 1	Stage 2	Stage 3		POCI		Total
			Collective	Individual	Collective	Individual	
Retail Lending	**6,481**	**2,573**	**2,820**	**216**	**2,054**	**40**	**14,183**
Corporate and Public Sector Lending	**14,478**	**2,579**	**1,364**	**5,454**	**815**	**750**	**25,441**
Financial institutions	255	21	3	644	7	9	**939**
Manufacturing/ Handicraft	2,434	456	225	1,005	130	159	**4,407**
Construction	471	226	157	729	82	108	**1,773**
Real Estate Companies	570	108	26	559	21	144	**1,429**
Project Finance	1,640	19	-	64	3	4	**1,730**
Wholesale and retail trade	2,021	415	408	665	228	139	**3,876**
Shipping Companies	1,372	50	-	362	-	-	**1,784**
Coastline/ Ferries Companies	125	-	-	81	-	-	**207**
Hotels	949	796	98	591	85	97	**2,615**
Agriculture	299	56	102	116	47	16	**636**
Energy	820	23	6	36	2	-	**886**
Transports and Logistics	302	62	50	204	23	5	**646**
Other industries	1,512	347	287	394	185	70	**2,794**
Public sector	1,709	-	-	7	2	-	**1,719**
Total	**20,959**	**5,152**	**4,184**	**5,670**	**2,869**	**790**	**39,624**

Group	Loans and advances to customers at amortised cost						
31/12/2019	Stage 1	Stage 2	Stage 3		POCI		Total
			Collective	Individual	Collective	Individual	
Retail Lending	**6,647**	**2,724**	**2,966**	**220**	**2,216**	**41**	**14,815**
Corporate and Public Sector Lending	**13,215**	**2,037**	**1,571**	**5,761**	**970**	**792**	**24,347**
Financial institutions	116	101	3	662	5	15	**902**
Manufacturing/ Handicraft	1,803	426	226	1,088	146	142	**3,832**
Construction	514	192	181	779	117	155	**1,939**
Real Estate Companies	614	92	72	559	28	143	**1,509**
Project Finance	1,516	28	1	38	-	3	**1,586**
Wholesale and retail trade	1,695	276	430	715	238	161	**3,515**
Shipping Companies	1,229	54	2	374	-	-	**1,659**
Coastline/ Ferries Companies	94	30	-	86	-	-	**211**
Hotels	1,063	415	180	513	134	82	**2,387**
Agriculture	283	36	103	130	48	15	**616**
Energy	986	19	5	42	2	-	**1,054**
Transports and Logistics	176	49	50	385	28	11	**699**
Other industries	1,388	316	318	382	223	64	**2,690**
Public sector	1,739	1	-	7	3	-	**1,749**
Total	**19,862**	**4,761**	**4,538**	**5,980**	**3,187**	**834**	**39,162**

Company	Gross loans and advances to customers at amortised cost						
31/12/2020	Stage 1	Stage 2	Stage 3		POCI		Total
			Collective	Individual	Collective	Individual	
Retail Lending	**21**	**349**	**1,728**	**161**	**983**	**44**	**3,286**
Corporate and Public Sector Lending	**5**	**16**	**967**	**1,414**	**594**	**397**	**3,393**
Financial institutions	-	-	4	80	3	13	**100**
Manufacturing/ Handicraft	-	3	176	288	124	84	**674**
Construction	-	1	140	346	71	61	**620**
Real Estate Companies	-	1	11	66	8	36	**122**
Project Finance	-	-	-	9	-	-	**9**
Wholesale and retail trade	3	5	355	334	226	114	**1,036**
Shipping Companies	-	-	-	-	-	-	**-**
Coastline/ Ferries Companies	-	-	-	-	-	-	**-**
Hotels	-	1	44	65	13	8	**131**
Agriculture	-	-	44	26	21	13	**105**
Energy	-	-	1	-	1	-	**3**
Transports and Logistics	-	2	27	31	17	8	**84**
Other industries	1	3	165	163	110	60	**503**
Public sector	-	-	-	6	-	-	**6**
Total	**26**	**365**	**2,695**	**1,575**	**1,577**	**442**	**6,679**

Company	Gross loans and advances to customers at amortised cost						
31/12/2019	Stage 1	Stage 2	Stage 3		POCI		Total
			Collective	Individual	Collective	Individual	
Retail Lending	**6,671**	**2,819**	**4,560**	**423**	**3,501**	**119**	**18,093**
Corporate and Public Sector Lending	**14,444**	**1,961**	**2,494**	**10,064**	**1,767**	**1,773**	**32,502**
Financial institutions	1,750	102	8	1,345	10	36	**3,251**
Manufacturing/ Handicraft	1,696	321	412	1,818	279	321	**4,847**
Construction	451	197	308	1,359	190	291	**2,797**
Real Estate Companies	713	141	25	1,000	30	256	**2,166**
Project Finance	1,543	28	1	112	-	7	**1,690**
Wholesale and retail trade	1,496	272	859	1,280	581	308	**4,797**
Shipping Companies	1,231	59	2	498	-	-	**1,791**
Coastline/ Ferries Companies	95	30	-	128	-	-	**254**
Hotels	1,006	382	106	612	132	87	**2,326**
Agriculture	269	38	145	207	76	27	**762**
Energy	994	14	8	55	4	-	**1,074**
Transports and Logistics	151	42	89	559	54	29	**924**
Other industries	1,314	333	530	1,079	408	410	**4,075**
Public sector	1,735	1	-	10	3	-	**1,749**
Total	**21,115**	**4,780**	**7,054**	**10,488**	**5,268**	**1,891**	**50,595**

Company 31/12/2020	ECL allowance for impairments on loans and advances to customers at amortised cost						
	Stage 1	Stage 2	Stage 3		POCI		Total
			Collective	Individual	Collective	Individual	
Retail Lending	**0**	**7**	**539**	**68**	**394**	**26**	**1,035**
Corporate and Public Sector Lending	**0**	**1**	**526**	**718**	**345**	**229**	**1,819**
Financial institutions	-	-	3	59	3	10	**74**
Manufacturing/ Handicraft	-	-	95	140	71	40	**345**
Construction	-	-	79	197	38	32	**346**
Real Estate Companies	-	-	3	30	4	19	**56**
Project Finance	-	-	-	1	-	-	**1**
Wholesale and retail trade	-	-	208	161	142	67	**579**
Shipping Companies	-	-	-	-	-	-	**-**
Coastline/ Ferries Companies	-	-	-	-	-	-	**-**
Hotels	-	-	12	18	6	3	**39**
Agriculture	-	-	17	11	10	6	**43**
Energy	-	-	1	-	-	-	**2**
Transports and Logistics	-	-	17	15	11	5	**49**
Other industries	-	-	91	82	61	47	**281**
Public sector	-	-	-	4	-	-	**4**
Total	**-**	**8**	**1,065**	**786**	**739**	**256**	**2,854**

Company 31/12/2019	ECL allowance for impairments on loans and advances to customers at amortised cost						
	Stage 1	Stage 2	Stage 3		POCI		Total
			Collective	Individual	Collective	Individual	
Retail Lending	**32**	**95**	**1,594**	**204**	**1,284**	**77**	**3,286**
Corporate and Public Sector Lending	**77**	**138**	**1,198**	**4,249**	**848**	**998**	**7,508**
Financial institutions	2	1	5	662	5	21	**696**
Manufacturing/ Handicraft	8	21	199	751	138	180	**1,296**
Construction	7	14	152	609	74	136	**993**
Real Estate Companies	6	7	9	420	8	116	**566**
Project Finance	2	-	-	70	-	3	**75**
Wholesale and retail trade	9	31	463	594	346	149	**1,592**
Shipping Companies	2	5	-	124	-	-	**132**
Coastline/ Ferries Companies	1	-	-	41	-	-	**43**
Hotels	5	12	28	126	15	10	**197**
Agriculture	2	3	48	77	28	12	**169**
Energy	25	1	4	13	1	-	**44**
Transports and Logistics	1	3	46	176	27	18	**272**
Other industries	6	38	244	583	205	353	**1,428**
Public sector	1	-	-	3	-	-	**5**
Total	**109**	**233**	**2,793**	**4,452**	**2,132**	**1,075**	**10,794**

Company 31/12/2020	Loans and advances to customers at amortised cost						
	Stage 1	Stage 2	Stage 3		POCI		Total
			Collective	Individual	Collective	Individual	
Retail Lending	**21**	**342**	**1,189**	**93**	**589**	**18**	**2,252**
Corporate and Public Sector Lending	**5**	**15**	**441**	**696**	**249**	**168**	**1,574**
Financial institutions	-	-	1	20	1	4	**26**
Manufacturing/ Handicraft	-	3	81	148	53	44	**329**
Construction	-	1	62	149	33	29	**274**
Real Estate Companies	-	1	8	36	4	17	**66**
Project Finance	-	-	-	8	-	-	**8**
Wholesale and retail trade	3	4	146	172	84	47	**457**
Shipping Companies	-	-	-	-	-	-	**-**
Coastline/ Ferries Companies	-	-	-	-	-	-	**-**
Hotels	-	1	31	47	7	5	**92**
Agriculture	-	-	27	16	12	7	**62**
Energy	-	-	-	-	1	-	**1**
Transports and Logistics	-	1	10	15	6	2	**35**
Other industries	1	3	75	81	49	13	**222**
Public sector	-	-	-	2	-	-	**2**
Total	**26**	**357**	**1,631**	**789**	**838**	**186**	**3,826**

Company 31/12/2019	Loans and advances to customers at amortised cost						
	Stage 1	Stage 2	Stage 3		POCI		Total
			Collective	Individual	Collective	Individual	
Retail Lending	**6,638**	**2,724**	**2,966**	**220**	**2,216**	**41**	**14,807**
Corporate and Public Sector Lending	**14,367**	**1,822**	**1,295**	**5,816**	**919**	**775**	**24,994**
Financial institutions	1,748	101	3	683	5	15	**2,555**
Manufacturing/ Handicraft	1,688	300	213	1,068	141	141	**3,551**
Construction	444	183	156	751	116	155	**1,805**
Real Estate Companies	707	134	17	581	22	140	**1,600**
Project Finance	1,541	28	1	42	-	3	**1,615**
Wholesale and retail trade	1,487	241	396	686	235	159	**3,205**
Shipping Companies	1,229	54	2	374	-	-	**1,659**
Coastline/ Ferries Companies	94	30	-	86	-	-	**211**
Hotels	1,002	369	77	486	118	78	**2,129**
Agriculture	267	35	97	130	48	15	**593**
Energy	969	13	4	42	2	-	**1,030**
Transports and Logistics	150	39	43	383	26	11	**652**
Other industries	1,308	295	287	497	203	57	**2,646**
Public sector	1,734	1	-	7	3	-	**1,744**
Total	**21,005**	**4,547**	**4,261**	**6,035**	**3,136**	**816**	**39,801**

The tables that follow show the credit quality, per staging, of each lending category, for the Group and the Company as at 31 December 2020 and 2019.

Mortgages

Group	Mortgages - Internal rating grade				
31/12/2020	Stage 1	Stage 2	Stage 3	POCI	Total
Strong	4,820	-	-	-	**4,820**
Recommended	443	-	-	-	**443**
Substandard	-	2,110	-	329	**2,439**
Default	-	-	3,581	2,161	**5,742**
Total Gross Balance	**5,264**	**2,110**	**3,581**	**2,490**	**13,445**
Strong	1	-	-	-	**1**
Recommended	-	-	-	-	**-**
Substandard	-	31	-	6	**36**
Default	-	-	970	723	**1,694**
Total ECL Allowance	**2**	**31**	**970**	**729**	**1,732**
Total Balance	**5,262**	**2,079**	**2,611**	**1,761**	**11,713**
Value of collateral	4,961	1,915	2,773	1,966	11,614

Group	Mortgages - Internal rating grade				
31/12/2019	Stage 1	Stage 2	Stage 3	POCI	Total
Strong	4,808	-	-	-	**4,808**
Recommended	590	-	-	-	**590**
Substandard	-	2,236	-	302	**2,538**
Default	-	-	3,679	2,299	**5,978**
Total Gross Balance	**5,399**	**2,236**	**3,679**	**2,601**	**13,914**
Strong	2	-	-	-	**2**
Recommended	1	-	-	-	**1**
Substandard	-	35	-	6	**41**
Default	-	-	942	700	**1,643**
Total ECL Allowance	**2**	**35**	**942**	**707**	**1,686**
Total Balance	**5,396**	**2,201**	**2,737**	**1,895**	**12,228**
Value of collateral	5,075	2,004	2,859	2,067	12,006

Company	Mortgages - Internal rating grade				
31/12/2020	Stage 1	Stage 2	Stage 3	POCI	Total
Strong	15	-	-	-	**15**
Recommended	2	-	-	-	**2**
Substandard	-	324	-	35	**359**
Default	-	-	1,651	841	**2,492**
Total Gross Balance	**17**	**324**	**1,651**	**876**	**2,868**
Strong	0	-	-	-	**-**
Recommended	0	-	-	-	**-**
Substandard	-	4	-	-	**4**
Default	-	-	473	312	**785**
Total ECL Allowance	**0**	**4**	**473**	**313**	**790**
Total Balance	**17**	**320**	**1,177**	**564**	**2,078**
Value of collateral	16	301	1,304	692	2,313

Company	Mortgages - Internal rating grade				
31/12/2019	Stage 1	Stage 2	Stage 3	POCI	Total
Strong	4,808	-	-	-	**4,808**
Recommended	590	-	-	-	**590**
Substandard	-	2,236	-	302	**2,538**
Default	-	-	3,678	2,299	**5,977**
Total Gross Balance	**5,398**	**2,236**	**3,678**	**2,601**	**13,914**
Strong	2	-	-	-	**2**
Recommended	1	-	-	-	**1**
Substandard	-	35	-	6	**41**
Default	-	-	941	700	**1,642**
Total ECL Allowance	**2**	**35**	**941**	**707**	**1,685**
Total Balance	**5,396**	**2,201**	**2,737**	**1,895**	**12,228**
Value of collateral	5,075	2,004	2,859	2,067	12,005

Consumer, Personal and Other Lending

Group 31/12/2020	Consumer, Personal and Other Lending - Internal rating grade Stage 1	Stage 2	Stage 3	POCI	Total
Strong	832	-	-	-	832
Recommended	59	-	-	-	59
Substandard	-	435	-	97	532
Default	-	-	1,106	777	1,883
Total Gross Balance	**891**	**435**	**1,106**	**874**	**3,307**
Strong	19	-	-	-	19
Recommended	2	-	-	-	2
Substandard	-	44	-	21	65
Default	-	-	707	530	1,236
Total ECL Allowance	**21**	**44**	**707**	**550**	**1,322**
Total Balance	**870**	**392**	**400**	**323**	**1,985**
Value of collateral	392	161	273	251	1,076

Group 31/12/2019	Consumer, Personal and Other Lending - Internal rating grade Stage 1	Stage 2	Stage 3	POCI	Total
Strong	808	-	-	-	**808**
Recommended	80	-	-	-	**80**
Substandard	-	441	-	110	**551**
Default	-	-	1,119	814	**1,933**
Total Gross Balance	**888**	**441**	**1,119**	**924**	**3,372**
Strong	25	-	-	-	**25**
Recommended	3	-	-	-	**3**
Substandard	-	53	-	28	**81**
Default	-	-	698	543	**1,241**
Total ECL Allowance	**28**	**53**	**698**	**571**	**1,350**
Total Balance	**860**	**388**	**422**	**353**	**2,022**
Value of collateral	362	167	267	258	**1,054**

Company	Consumer, Personal and Other Lending - Internal rating grade				
31/12/2020	Stage 1	Stage 2	Stage 3	POCI	Total
Strong	3	-	-	-	3
Recommended	1	-	-	-	1
Substandard	-	25	-	3	28
Default	-	-	207	133	340
Total Gross Balance	**4**	**25**	**207**	**136**	**372**
Strong	-	-	-	-	-
Recommended	-	-	-	-	-
Substandard	-	3	-	-	4
Default	-	-	107	93	200
Total ECL Allowance	**-**	**3**	**107**	**94**	**204**
Total Balance	**3**	**22**	**100**	**42**	**168**
Value of collateral	1	13	88	39	142

Company	Consumer, Personal and Other Lending - Internal rating grade				
31/12/2019	Stage 1	Stage 2	Stage 3	POCI	Total
Strong	808	-	-	-	**808**
Recommended	73	-	-	-	**73**
Substandard	-	441	-	110	**551**
Default	-	-	1,119	814	**1,933**
Total Gross Balance	**881**	**441**	**1,119**	**924**	**3,364**
Strong	25	-	-	-	**25**
Recommended	3	-	-	-	**3**
Substandard	-	53	-	28	**81**
Default	-	-	697	543	**1,241**
Total ECL Allowance	**28**	**53**	**697**	**571**	**1,350**
Total Balance	**852**	**388**	**421**	**353**	**2,014**
Value of collateral	354	167	267	258	**1,046**

Credit Cards

Group	Credit Cards - Internal rating grade				
31/12/2020	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Strong	348	-	-	-	**348**
Recommended	3	-	-	-	**3**
Substandard	-	110	-	-	**110**
Default	-	-	180	90	**270**
Total Gross Balance	**351**	**110**	**180**	**90**	**731**
Strong	2	-	-	-	**2**
Recommended	-	-	-	-	**-**
Substandard	-	8	-	-	**8**
Default	-	-	155	81	**236**
Total ECL Allowance	**2**	**8**	**155**	**81**	**246**
Total Balance	**349**	**102**	**25**	**9**	**485**
Value of Collateral	-	-	7	5	**12**

Group	Credit Cards - Internal rating grade				
31/12/2019	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Strong	388	-	-	-	**388**
Recommended	4	-	-	-	**4**
Substandard	-	143	-	-	**143**
Default	-	-	187	94	**281**
Total Gross Balance	**392**	**143**	**187**	**94**	**816**
Strong	2	-	-	-	**2**
Recommended	-	-	-	-	**-**
Substandard	-	7	-	-	**7**
Default	-	-	159	84	**243**
Total ECL Allowance	**2**	**7**	**159**	**84**	**251**
Total Balance	**391**	**136**	**28**	**10**	**565**
Value of Collateral	-	-	7	5	**12**

Company					
	Credit Cards - Internal rating grade				
31/12/2020	Stage 1	Stage 2	Stage 3	POCI	Total
Strong	-	-	-	-	-
Recommended	-	-	-	-	-
Substandard	-	-	-	-	-
Default	-	-	31	16	47
Total Gross Balance	**-**	**-**	**31**	**16**	**47**
Strong	-	-	-	-	-
Recommended	-	-	-	-	-
Substandard	-	-	-	-	-
Default	-	-	26	14	41
Total ECL Allowance	**-**	**-**	**26**	**14**	**41**
Total Balance	**-**	**-**	**4**	**2**	**6**
Value of Collateral	-	-	3	1	4

Company					
	Credit Cards - Internal rating grade				
31/12/2019	Stage 1	Stage 2	Stage 3	POCI	Total
Strong	387	-	-	-	**387**
Recommended	4	-	-	-	**4**
Substandard	-	143	-	-	**143**
Default	-	-	187	94	**281**
Total Gross Balance	**392**	**143**	**187**	**94**	**816**
Strong	1	-	-	-	**1**
Recommended	-	-	-	-	**-**
Substandard	-	7	-	-	**7**
Default	-	-	159	84	**243**
Total ECL Allowance	**2**	**7**	**159**	**84**	**251**
Total Balance	**390**	**136**	**28**	**10**	**564**
Value of collateral	-	-	7	5	**12**

Large Corporate

Group	Large Corporate - Internal rating grade				
31/12/2020	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Strong	6,602	-	-	-	**6,602**
Recommended	1,238	59	-	-	**1,298**
Substandard	-	1,092	15	61	**1,168**
Default	-	-	3,375	307	**3,682**
Total Gross Balance	**7,841**	**1,151**	**3,390**	**368**	**12,749**
Strong	18	-	-	-	**18**
Recommended	35	1	-	-	**36**
Substandard	-	63	6	3	**72**
Default	-	-	1,210	167	**1,376**
Total ECL Allowance	**53**	**64**	**1,216**	**169**	**1,502**
Total Balance	**7,788**	**1,087**	**2,174**	**199**	**11,247**
Value of collateral	4,055	692	1,122	173	**6,042**

Group	Large Corporate - Internal rating grade				
31/12/2019	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Strong	5,740	-	-	-	**5,740**
Recommended	1,271	76	-	-	**1,347**
Substandard	-	790	-	111	**901**
Default	-	-	4,222	412	**4,634**
Total Gross Balance	**7,011**	**865**	**4,222**	**523**	**12,621**
Strong	23	-	-	-	**23**
Recommended	29	1	-	-	**30**
Substandard	-	37	-	5	**42**
Default	-	-	1,752	231	**1,983**
Total ECL Allowance	**52**	**38**	**1,752**	**236**	**2,078**
Total Balance	**6,959**	**827**	**2,470**	**286**	**10,543**
Value of collateral	3,466	503	1,628	290	**5,887**

Company	Large Corporate - Internal rating grade				
31/12/2020	Stage 1	Stage 2	Stage 3	POCI	Total
Strong	1	-	-	-	1
Recommended	-	-	-	-	-
Substandard	-	1	-	-	1
Default	-	-	214	74	288
Total Gross Balance	**1**	**1**	**214**	**74**	**291**
Strong	-	-	-	-	-
Recommended	-	-	-	-	-
Substandard	-	-	-	-	-
Default	-	-	146	52	197
Total ECL Allowance	**-**	**-**	**146**	**52**	**197**
Total Balance	**1**	**1**	**68**	**23**	**93**
Value of collateral	1	-	38	19	58

Company	Large Corporate - Internal rating grade				
31/12/2019	Stage 1	Stage 2	Stage 3	POCI	Total
Strong	6,030	-	-	-	**6,030**
Recommended	2,584	-	-	-	**2,584**
Substandard	-	885	-	111	**996**
Default	-	-	4,561	396	**4,957**
Total Gross Balance	**8,614**	**885**	**4,561**	**507**	**14,568**
Strong	22	-	-	-	**22**
Recommended	29	-	-	-	**29**
Substandard	-	37	-	5	**42**
Default	-	-	1,999	223	**2,221**
Total ECL Allowance	**51**	**37**	**1,999**	**228**	**2,315**
Total Balance	**8,563**	**848**	**2,563**	**279**	**12,253**
Value of collateral	3,425	410	1,595	281	**5,712**

SME

Group	SME - Internal rating grade				
31/12/2020	Stage 1	Stage 2	Stage 3	POCI	Total
Strong	4,315	-	-	-	4,315
Recommended	694	83	-	-	777
Substandard	-	1,520	27	117	1,663
Default	-	-	8,040	2,776	10,816
Total Gross Balance	**5,010**	**1,603**	**8,067**	**2,892**	**17,572**
Strong	20	-	-	-	20
Recommended	8	2	-	-	10
Substandard	-	108	19	3	131
Default	-	-	3,412	1,524	4,936
Total ECL Allowance	**28**	**110**	**3,431**	**1,528**	**5,097**
Total Balance	**4,981**	**1,493**	**4,636**	**1,365**	**12,475**
Value of Collateral	2,703	1,154	4,219	1,317	9,393

Group	SME - Internal rating grade				
31/12/2019	Stage 1	Stage 2	Stage 3	POCI	Total
Strong	3,519	-	-	-	**3,519**
Recommended	1,030	76	-	-	**1,105**
Substandard	-	1,238	99	171	**1,508**
Default	-	-	8,504	3,033	**11,537**
Total Gross Balance	**4,549**	**1,314**	**8,603**	**3,204**	**17,670**
Strong	18	-	-	-	**18**
Recommended	13	1	-	-	**15**
Substandard	-	104	77	7	**187**
Default	-	-	3,672	1,723	**5,395**
Total ECL Allowance	**32**	**105**	**3,749**	**1,730**	**5,615**
Total Balance	**4,518**	**1,209**	**4,854**	**1,474**	**12,054**
Value of collateral	2,713	942	4,426	1,409	**9,490**

Company	SME - Internal rating grade				
31/12/2020	Stage 1	Stage 2	Stage 3	POCI	Total
Strong	4	-	-	-	4
Recommended	0	-	-	-	-
Substandard	-	15	-	1	16
Default	-	-	2,160	915	3,076
Total Gross Balance	**4**	**15**	**2,160**	**917**	**3,097**
Strong	-	-	-	-	-
Recommended	-	-	-	-	-
Substandard	-	1	-	-	1
Default	-	-	1,094	523	1,617
Total ECL Allowance	**0**	**1**	**1,094**	**523**	**1,618**
Total Balance	**4**	**14**	**1,066**	**394**	**1,479**
Value of collateral	4	12	1,042	399	1,457

Company	SME - Internal rating grade				
31/12/2019	Stage 1	Stage 2	Stage 3	POCI	Total
Strong	3,176	-	-	-	**3,176**
Recommended	918	-	-	-	**918**
Substandard	-	1,075	-	171	**1,246**
Default	-	-	7,986	2,859	**10,845**
Total Gross Balance	**4,094**	**1,075**	**7,986**	**3,030**	**16,186**
Strong	12	-	-	-	**12**
Recommended	13	-	-	-	**13**
Substandard	-	101	-	7	**108**
Default	-	-	3,445	1,611	**5,056**
Total ECL Allowance	**25**	**101**	**3,445**	**1,618**	**5,188**
Total Balance	**4,070**	**974**	**4,541**	**1,412**	**10,997**
Value of collateral	2,297	720	4,076	1,351	**8,443**

Public Sector

Group	Public Sector - Internal rating grade				
31/12/2020	Stage 1	Stage 2	Stage 3	POCI	Total
Strong	1,699	-	-	-	**1,699**
Recommended	11	-	-	-	**11**
Substandard	-	-	-	2	**3**
Default	-	-	11	-	**11**
Total Gross Balance	**1,710**	**-**	**11**	**3**	**1,724**
Strong	1	-	-	-	**1**
Recommended	-	-	-	-	**-**
Substandard	-	-	-	-	**-**
Default	-	-	4	-	**4**
Total ECL Allowance	**1**	**-**	**4**	**-**	**6**
Total Balance	**1,709**	**-**	**7**	**2**	**1,718**
Value of collateral	1,630	-	4	-	**1,634**

Group	Public Sector - Internal rating grade				
31/12/2019	Stage 1	Stage 2	Stage 3	POCI	Total
Strong	1,734	-	-	-	**1,734**
Recommended	5	-	-	-	**5**
Substandard	-	1	-	3	**3**
Default	-	-	11	-	**11**
Total Gross Balance	**1,740**	**1**	**11**	**3**	**1,754**
Strong	1	-	-	-	**1**
Recommended	-	-	-	-	**-**
Substandard	-	-	-	-	**-**
Default	-	-	4	-	**4**
Total ECL Allowance	**1**	**-**	**4**	**-**	**5**
Total Balance	**1,739**	**1**	**7**	**3**	**1,749**
Value of collateral	1,657	-	4	-	**1,661**

Company	Public Sector - Internal rating grade				
31/12/2020	Stage 1	Stage 2	Stage 3	POCI	Total
Strong	-	-	-	-	-
Recommended	-	-	-	-	-
Substandard	-	-	-	-	-
Default	-	-	6	-	6
Total Gross Balance	**-**	**-**	**6**	**-**	**6**
Strong	-	-	-	-	-
Recommended	-	-	-	-	-
Substandard	-	-	-	-	-
Default	-	-	4	-	4
Total ECL Allowance	**-**	**-**	**4**	**-**	**4**
Total Balance	**-**	**-**	**2**	**-**	**2**
Vaue of collateral	-	-	-	-	-

Company	Public Sector - Internal rating grade				
31/12/2019	Stage 1	Stage 2	Stage 3	POCI	Total
Strong	1,730	-	-	-	**1,730**
Recommended	5	-	-	-	**5**
Substandard	-	1	-	3	**3**
Default	-	-	11	-	**11**
Total Gross Balance	**1,735**	**1**	**11**	**3**	**1,749**
Strong	1	-	-	-	**1**
Recommended	-	-	-	-	**-**
Substandard	-	-	-	-	**-**
Default	-	-	4	-	**4**
Total ECL Allowance	**1**	**0**	**4**	**0**	**5**
Total Balance	**1,734**	**1**	**7**	**3**	**1,744**
Value of collateral	1,652	-	4	-	**1,656**

As at 31 December 2020 and 2019 the Group and the Company have not granted any Public Sector lending outside Greece.

An analysis of changes in the gross carrying amount and the corresponding ECL allowance for impairment losses in relation to the Group's Retail lending portfolio for 2020 is as follows:

Group	Retail Lending - Movement in gross carrying amounts				
	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount as at 1/1/2020	6,679	2,819	4,985	3,619	**18,103**
Transfer (to)/ from Held for Sale	-	-	-	-	-
New assets originated or purchased	435	10	1	-	**446**
Other debits to the Gross Balance / Repayments	(901)	(188)	(46)	(188)	**(1,323)**
Assets sold	-	-	-	-	-
Assets derecognised (excluding write offs)	-	-	-	-	-
Transferred from Stage 1 to Stage 2	(1,438)	1,438			-
Transferred from Stage 1 to Stage 3	(50)		50		-
Transferred from Stage 2 to Stage 1	1,632	(1,632)			-
Transferred from Stage 2 to Stage 3		(486)	486		-
Transferred from Stage 3 to Stage 1	-		-		-
Transferred from Stage 3 to Stage 2		626	(626)		-
Change in the present value of the allowance	164	69	175	149	**558**
Write-off of interest recognised from change in the present value of the allowance	-	(1)	(91)	(79)	**(172)**
Write-offs	(6)	(2)	(69)	(48)	**(124)**
FX differences and other movements	(11)	2	2	1	**(5)**
Gross carrying amount as at 31/12/2020	**6,506**	**2,656**	**4,868**	**3,454**	**17,483**

Group	Retail Lending - Movement in ECL allowance				
	Stage 1	**Stage 2**	**Stage 3**	**POCI**	**Total**
ECL allowance as at 1/1/2020	**33**	**95**	**1,799**	**1,361**	**3,288**
Transfer (to)/ from Held for Sale	-	-	-	-	-
Transferred from Stage 1 to Stage 2	(9)	9			-
Transferred from Stage 1 to Stage 3	(1)		1		-
Transferred from Stage 2 to Stage 1	44	(44)			-
Transferred from Stage 2 to Stage 3		(34)	34		-
Transferred from Stage 3 to Stage 1	-		-		-
Transferred from Stage 3 to Stage 2		65	(65)		-
ECL impairment charge/ (release) for the year (P&L)	(26)	(5)	196	98	**264**
ECL impairment charge for new financial assets originated or purchased (P&L)	-	-	-	-	-
Recoveries of amounts previously written-off (P&L)	-	-	-	-	-
Change in the present value of the allowance	-	1	87	79	**167**
Write-off of interest recognised from change in the present value of the allowance	-	(1)	(91)	(79)	**(172)**
Write-offs	(6)	(2)	(69)	(48)	**(124)**
Financial assets derecognised	-	-	-	-	-
FX differences and other movements	(10)	(2)	(61)	(51)	**(124)**
ECL allowance as at 31/12/2020	**25**	**83**	**1,832**	**1,361**	**3,300**

An analysis of changes in the gross carrying amount and the corresponding ECL allowance for impairment losses in relation to the Company's Retail lending portfolio for 2020 is as follows:

Company	Retail Lending - Movement in gross carrying amounts				
	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount as at 1/1/2020	**6,671**	**2,819**	**4,984**	**3,619**	**18,093**
Transfer (to)/ from Held for Sale	-	-	-	-	-
New assets originated or purchased	435	10	-	-	**445**
Other debits to the Gross Balance / Repayments	(900)	(188)	(46)	(188)	**(1,322)**
Assets derecognised (excluding write offs)	-	-	-	-	-
Transferred from Stage 1 to Stage 2	(1,437)	1,437			-
Transferred from Stage 1 to Stage 3	(50)		50		-
Transferred from Stage 2 to Stage 1	1,632	(1,632)			-
Transferred from Stage 2 to Stage 3		(486)	486		-
Transferred from Stage 3 to Stage 1	-		-		-
Transferred from Stage 3 to Stage 2		626	(626)		-
Change in the present value of the allowance	164	69	175	149	**558**
Write-off of interest recognised from change in the present value of the allowance	-	(1)	(91)	(79)	**(172)**
Write-offs	(6)	(2)	(68)	(48)	**(123)**
FX differences and other movements	(13)	2	3	1	**(7)**
Contribution to the new credit institution	(6,475)	(2,307)	(2,978)	(2,426)	**(14,186)**
Gross carrying amount as at 31/12/2020	**21**	**349**	**1,889**	**1,028**	**3,287**

Company	Retail Lending -Movement in ECL allowance				
	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 1/1/2020	**32**	**95**	**1,798**	**1,361**	**3,286**
Transfer (to)/ from Held for Sale	-	-	-	-	-
Transferred from Stage 1 to Stage 2	(9)	9			-
Transferred from Stage 1 to Stage 3	(1)		1		-
Transferred from Stage 2 to Stage 1	44	(44)			-
Transferred from Stage 2 to Stage 3		(34)	34		-
Transferred from Stage 3 to Stage 2		65	(65)		-
ECL impairment charge/ (release) for the year (P&L)	(26)	(5)	196	98	**264**
Change in the present value of the allowance	-	1	87	79	**167**
Write-off of interest recognised from change in the present value of the allowance	-	(1)	(91)	(79)	**(172)**
Write-offs	(6)	(2)	(68)	(48)	**(123)**
Financial assets derecognised		-	-	-	-
FX differences and other movements	(10)	(2)	(61)	(51)	**(124)**
Contribution to the new credit institution	(24)	(76)	(1,225)	(940)	**(2,265)**
ECL allowance as at 31/12/2020	**-**	**7**	**607**	**420**	**1,035**

An analysis of changes in the gross carrying amount and the corresponding ECL allowance for impairment losses in relation to the Group's Retail lending portfolio for 2019 is as follows:

Group	Retail Lending - Movement in gross carrying amounts				
	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount as at 1/1/2019	**7,049**	**2,820**	**5,324**	**4,137**	**19,331**
Transfer to Discontinued Operations					**-**
Transfer (to)/ from Held for Sale	-	-	(168)	(229)	**(398)**
New assets originated or purchased	395	80	-	-	**475**
Other debits to the Gross Balance / Repayments	(949)	(197)	(112)	(314)	**(1,572)**
Assets sold	-	-	-	-	**-**
Assets derecognised (excluding write offs)	-	-	(1)	-	**(2)**
Transferred from Stage 1 to Stage 2	(541)	541			**-**
Transferred from Stage 1 to Stage 3	(114)		114		**-**
Transferred from Stage 2 to Stage 1	640	(640)			**-**
Transferred from Stage 2 to Stage 3		(459)	459		**-**
Transferred from Stage 3 to Stage 1	15		(15)		**-**
Transferred from Stage 3 to Stage 2		601	(601)		**-**
Change in the present value of the allowance	171	78	201	185	**635**
Write-off of interest recognised from change in the present value of the allowance	-	(2)	(98)	(89)	**(188)**
Write-offs	(1)	(3)	(106)	(77)	**(187)**
FX differences and other movements	15	(1)	(11)	6	**9**
Gross carrying amount as at 31/12/2019	**6,679**	**2,819**	**4,985**	**3,619**	**18,103**

Group	Retail Lending - Movement in ECL allowance				
	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 1/1/2019	**34**	**152**	**2,036**	**1,626**	**3,848**
Transfer (to)/ from Held for Sale	-	-	(117)	(166)	**(283)**
Transferred from Stage 1 to Stage 2	(7)	7			**-**
Transferred from Stage 1 to Stage 3	(1)		1		**-**
Transferred from Stage 2 to Stage 1	43	(43)			**-**
Transferred from Stage 2 to Stage 3		(54)	54		**-**
Transferred from Stage 3 to Stage 1	-		-		**-**
Transferred from Stage 3 to Stage 2		136	(136)		**-**
ECL impairment charge/ (release) for the year (P&L)	(20)	(54)	262	71	**261**
ECL impairment charge for new financial assets originated or purchased (P&L)	-	-	-	-	**-**
Recoveries of amounts previously written-off (P&L)	-	-	-	-	**-**
Change in the present value of the allowance	-	1	94	88	**184**
Write-off of interest recognised from change in the present value of the allowance	-	(2)	(98)	(89)	**(188)**
Write-offs	(1)	(3)	(106)	(77)	**(187)**
Financial assets derecognised	-	-	-	-	**-**
FX differences and other movements	(16)	(46)	(192)	(93)	**(347)**
ECL allowance as at 31/12/2019	**33**	**95**	**1,799**	**1,361**	**3,288**

An analysis of changes in the gross carrying amount and the corresponding ECL allowance for impairment losses in relation to the Company's Retail lending portfolio for 2019 is as follows:

Company	Retail Lending - Movement in gross carrying amounts				
	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount as at 1/1/2019	**7,042**	**2,820**	**5,323**	**4,137**	**19,323**
Transfer (to)/ from Held for Sale	-	-	(168)	(229)	**(398)**
New assets originated or purchased	394	80	-	-	**474**
Other debits to the Gross Balance / Repayments	(948)	(197)	(112)	(314)	**(1,571)**
Assets sold	-	-	-	-	**-**
Assets derecognised (excluding write offs)	-	-	(1)	-	**(2)**
Transferred from Stage 1 to Stage 2	(541)	541			**-**
Transferred from Stage 1 to Stage 3	(114)		114		**-**
Transferred from Stage 2 to Stage 1	640	(640)			**-**
Transferred from Stage 2 to Stage 3		(459)	459		**-**
Transferred from Stage 3 to Stage 1	15		(15)		**-**
Transferred from Stage 3 to Stage 2		601	(601)		**-**
Change in the present value of the allowance	171	78	200	185	**634**
Write-off of interest recognised from change in the present value of the allowance	-	(2)	(98)	(89)	**(188)**
Write-offs	(1)	(3)	(106)	(77)	**(186)**
FX differences and other movements	13	(1)	(11)	6	**7**
Gross carrying amount as at 31/12/2019	**6,671**	**2,819**	**4,984**	**3,619**	**18,093**

Company	Retail Lending -Movement in ECL allowance				
	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 1/1/2019	**34**	**152**	**2,035**	**1,626**	**3,847**
Transfer (to)/ from Held for Sale	-	-	(117)	(166)	**(283)**
Transferred from Stage 1 to Stage 2	(7)	7			**-**
Transferred from Stage 1 to Stage 3	(1)		1		**-**
Transferred from Stage 2 to Stage 1	42	(42)			**-**
Transferred from Stage 2 to Stage 3		(54)	54		**-**
Transferred from Stage 3 to Stage 1	-		-		**-**
Transferred from Stage 3 to Stage 2		136	(136)		**-**
ECL impairment charge/ (release) for the year (P&L)	(19)	(54)	262	71	**260**
Change in the present value of the allowance	-	1	94	88	**184**
Write-off of interest recognised from change in the present value of the allowance	-	(2)	(98)	(89)	**(188)**
Write-offs	(1)	(3)	(106)	(77)	**(186)**
Financial assets derecognised	-	-	-	-	**-**
FX differences and other movements	(16)	(46)	(193)	(93)	**(347)**
ECL allowance as at 31/12/2019	**32**	**95**	**1,798**	**1,361**	**3,286**

An analysis of changes in the gross carrying amount and the corresponding ECL allowance for impairment losses in relation to the Group's Corporate and Public sector lending portfolio for 2020 is as follows:

Group	Corporate and Public Lending - Movement in gross carrying amounts				
	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount as at 1/1/2020	**13,300**	**2,180**	**12,836**	**3,730**	**32,046**
Transfer (to)/ from Held for Sale	-	-	(81)	(8)	**(88)**
New assets originated or purchased	5,119	108	13	-	**5,239**
Other debits to the Gross Balance / Repayments	(3,333)	(375)	(137)	(236)	**(4,080)**
Assets sold	(16)	-	-	-	**(16)**
Assets derecognised (excluding write offs)	-	(5)	-	-	**(5)**
Transferred from Stage 1 to Stage 2	(2,262)	2,262			**-**
Transferred from Stage 1 to Stage 3	(238)		238		**-**
Transferred from Stage 2 to Stage 1	1,670	(1,670)			**-**
Transferred from Stage 2 to Stage 3		(347)	347		**-**
Transferred from Stage 3 to Stage 1	7		(7)		**-**
Transferred from Stage 3 to Stage 2		509	(509)		**-**
Debt for equity exchange	-	-	(5)	-	**(5)**
Change in the present value of the allowance	453	89	578	218	**1,338**
Write-off of interest recognised from change in the present value of the allowance	(1)	(2)	(417)	(159)	**(579)**
Write-offs	-	-	(1,163)	(270)	**(1,433)**
FX differences and other movements	(139)	6	(223)	(13)	**(369)**
Gross carrying amount as at 31/12/2020	**14,561**	**2,754**	**11,469**	**3,262**	**32,045**

Group	Corporate and Public Lending - Movement in ECL allowance				
	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 1/1/2020	**85**	**143**	**5,504**	**1,967**	**7,699**
Transfer (to)/ from Held for Sale	-	-	(39)	(1)	**(41)**
Transferred from Stage 1 to Stage 2	(21)	21			**-**
Transferred from Stage 1 to Stage 3	(3)		3		**-**
Transferred from Stage 2 to Stage 1	58	(58)			**-**
Transferred from Stage 2 to Stage 3		(30)	30		**-**
Transferred from Stage 3 to Stage 1	-		-		**-**
Transferred from Stage 3 to Stage 2		92	(92)		**-**
ECL impairment charge/ (release) for the year (P&L)	(18)	31	799	31	**843**
ECL impairment charge for new financial assets originated or purchased (P&L)	1	-	-	-	**1**
Recoveries of amounts previously written-off (P&L)	-	-	(3)	-	**(3)**
Change in the present value of the allowance	-	1	261	129	**391**
Write-off of interest recognised from change in the present value of the allowance	(1)	(2)	(416)	(159)	**(578)**
Write-offs	-	-	(1,162)	(270)	**(1,433)**
Financial assets derecognised	-	(5)	-	-	**(5)**
Disposals of loans and advances	-	-	-	-	**-**
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	**1**
Debt for equity exchange	-	-	(26)	-	**(26)**
FX differences and other movements	(18)	(18)	(209)	-	**(245)**
ECL allowance as at 31/12/2020	**83**	**174**	**4,651**	**1,697**	**6,605**

An analysis of changes in the gross carrying amount and the corresponding ECL allowance for impairment losses in relation to the Company's Corporate and Public sector lending portfolio for 2020 is as follows:

Company	Corporate and Public Lending - Movement in gross carrying amounts				
	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount as at 1/1/2020	**14,444**	**1,961**	**12,558**	**3,540**	**32,502**
Transfer (to)/ from Held for Sale	-	-	(79)	(7)	**(86)**
New assets originated or purchased	5,014	91	40	-	**5,145**
Other debits to the Gross Balance / Repayments	(3,255)	(355)	(93)	(236)	**(3,939)**
Assets sold	(14)	-	-	-	**(14)**
Assets derecognised (excluding write offs)	-	(5)	-	-	**(5)**
Transferred from Stage 1 to Stage 2	(2,265)	2,265			**-**
Transferred from Stage 1 to Stage 3	(235)		235		**-**
Transferred from Stage 2 to Stage 1	1,610	(1,610)			**-**
Transferred from Stage 2 to Stage 3		(317)	317		**-**
Transferred from Stage 3 to Stage 1	6		(6)		**-**
Transferred from Stage 3 to Stage 2		461	(461)		**-**
Debt for equity exchange	-	-	(33)	-	**(33)**
Change in the present value of the allowance	491	94	569	211	**1,366**
Write-off of interest recognised from change in the present value of the allowance	(1)	(1)	(408)	(151)	**(561)**
Write-offs	-	-	(1,146)	(255)	**(1,402)**
FX differences and other movements	(159)	(9)	(219)	(2)	**(388)**
Contribution to the new credit institution	(15,631)	(2,558)	(8,892)	(2,110)	**(29,191)**
Gross carrying amount as at 31/12/2020	**5**	**16**	**2,381**	**991**	**3,393**

Company	Corporate and Public Lending - Movement in ECL allowance				
	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 1/1/2020	**77**	**138**	**5,447**	**1,846**	**7,508**
Transfer (to)/ from Held for Sale	-	-	(38)	-	**(38)**
Transferred from Stage 1 to Stage 2	(18)	18			**-**
Transferred from Stage 1 to Stage 3	(3)		3		**-**
Transferred from Stage 2 to Stage 1	57	(57)			**-**
Transferred from Stage 2 to Stage 3		(27)	27		**-**
Transferred from Stage 3 to Stage 1	-		-		**-**
Transferred from Stage 3 to Stage 2		85	(85)		**-**
ECL impairment charge/ (release) for the year (P&L)	(13)	28	815	31	**862**
Recoveries of amounts previously written-off (P&L)	-	-	(3)	-	**(3)**
Change in the present value of the allowance	-	1	250	123	**374**
Write-off of interest recognised from change in the present value of the allowance	(1)	(1)	(408)	(151)	**(561)**
Write-offs	-	-	(1,146)	(255)	**(1,402)**
Financial assets derecognised	-	(5)	-	-	**(5)**
Disposals of loans and advances	-	-	-	-	**-**
Debt for equity exchange	-	-	(29)	-	**(29)**
FX differences and other movements	(16)	(17)	(202)	-	**(235)**
Contribution to the new credit institution	(84)	(161)	(3,388)	(1,019)	**(4,652)**
ECL allowance as at 31/12/2020	**-**	**1**	**1,244**	**574**	**1,819**

An analysis of changes in the gross carrying amount and the corresponding ECL allowance for impairment losses in relation to the Group's Corporate and Public sector lending portfolio for the year ended 31 December 2019 is as follows:

Group	Corporate and Public Lending - Movement in gross carrying amounts				
	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount as at 1/1/2019	**12,172**	**3,074**	**14,123**	**4,390**	**33,760**
Transfer to Discontinued Operations					**-**
Transfer (to)/ from Held for Sale	(1)	-	(347)	(199)	**(547)**
New assets originated or purchased	3,370	167	7	-	**3,544**
Other debits to the Gross Balance / Repayments	(3,167)	(312)	(112)	(273)	**(3,865)**
Assets sold	(126)	(30)	(80)	-	**(237)**
Assets derecognised (excluding write offs)	-	-	-	-	**-**
Transferred from Stage 1 to Stage 2	(553)	553			**-**
Transferred from Stage 1 to Stage 3	(580)		580		**-**
Transferred from Stage 2 to Stage 1	1,589	(1,589)			**-**
Transferred from Stage 2 to Stage 3		(321)	321		**-**
Transferred from Stage 3 to Stage 1	86		(86)		**-**
Transferred from Stage 3 to Stage 2		557	(557)		**-**
Debt for equity exchange	-	-	(19)	(2)	**(20)**
Change in the present value of the allowance	487	91	621	252	**1,450**
Write-off of interest recognised from change in the present value of the allowance	(0)	(2)	(443)	(181)	**(626)**
Write-offs	(1)	(11)	(1,136)	(260)	**(1,408)**
FX differences and other movements	23	4	(34)	2	**(4)**
Gross carrying amount as at 31/12/2019	**13,300**	**2,180**	**12,836**	**3,730**	**32,046**

Group	Corporate and Public Lending - Movement in ECL allowance				
	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 1/1/2019	**120**	**215**	**6,707**	**2,443**	**9,485**
Transfer (to)/ from Held for Sale	-	-	(277)	(171)	**(448)**
Transferred from Stage 1 to Stage 2	(17)	17			**-**
Transferred from Stage 1 to Stage 3	(3)		3		**-**
Transferred from Stage 2 to Stage 1	103	(103)			**-**
Transferred from Stage 2 to Stage 3		(40)	40		**-**
Transferred from Stage 3 to Stage 1	3		(3)		**-**
Transferred from Stage 3 to Stage 2		170	(170)		**-**
ECL impairment charge/ (release) for the year (P&L)	(85)	(74)	627	(16)	**452**
ECL impairment charge for new financial assets originated or purchased (P&L)	-	-	-	-	**-**
Recoveries of amounts previously written-off (P&L)	-	-	(3)	-	**(3)**
Change in the present value of the allowance	-	1	293	148	**442**
Write-off of interest recognised from change in the present value of the allowance	-	(2)	(443)	(181)	**(626)**
Write-offs	-	(11)	(1,136)	(260)	**(1,408)**
Financial assets derecognised	-	-	-	-	**-**
Disposals of loans and advances	-	(2)	(13)	-	**(14)**
Debt for equity exchange	-	-	(10)	(1)	**(11)**
FX differences and other movements	(37)	(29)	(110)	5	**(171)**
ECL allowance as at 31/12/2019	**85**	**143**	**5,504**	**1,967**	**7,699**

An analysis of changes in the gross carrying amount and the corresponding ECL allowance for impairment losses in relation to the Company's Corporate and Public sector lending portfolio for the year ended 31 December 2019 is as follows:

Company	Corporate and Public Lending - Movement in gross carrying amounts				
	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount as at 1/1/2019	**13,407**	**3,250**	**13,183**	**4,179**	**34,019**
Transfer (to)/ from Held for Sale	(1)	-	(269)	(199)	**(469)**
New assets originated or purchased	3,521	135	4	-	**3,660**
Other debits to the Gross Balance / Repayments	(2,999)	(581)	(49)	(269)	**(3,899)**
Assets sold	(126)	(30)	(80)	-	**(236)**
Assets derecognised (excluding write offs)	-	-	-	-	**-**
Transferred from Stage 1 to Stage 2	(535)	535			**-**
Transferred from Stage 1 to Stage 3	(846)		846		**-**
Transferred from Stage 2 to Stage 1	1,442	(1,442)			**-**
Transferred from Stage 2 to Stage 3		(485)	485		**-**
Transferred from Stage 3 to Stage 1	76		(76)		**-**
Transferred from Stage 3 to Stage 2		496	(496)		**-**
Debt for equity exchange	-	-	(19)	(2)	**(20)**
Change in the present value of the allowance	487	91	605	244	**1,427**
Write-off of interest recognised from change in the present value of the allowance	-	(2)	(428)	(173)	**(603)**
Write-offs	(1)	(11)	(1,114)	(243)	**(1,369)**
FX differences and other movements	19	5	(34)	2	**(9)**
Gross carrying amount as at 31/12/2019	**14,444**	**1,961**	**12,558**	**3,540**	**32,502**

Company	Corporate and Public Lending - Movement in ECL allowance				
	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 1/1/2019	**181**	**196**	**6,259**	**2,302**	**8,938**
Transfer (to)/ from Held for Sale	-	-	(203)	(171)	**(374)**
Transferred from Stage 1 to Stage 2	(17)	17			**-**
Transferred from Stage 1 to Stage 3	(3)		3		**-**
Transferred from Stage 2 to Stage 1	100	(100)			**-**
Transferred from Stage 2 to Stage 3		(29)	29		**-**
Transferred from Stage 3 to Stage 1	1		(1)		**-**
Transferred from Stage 3 to Stage 2		161	(161)		**-**
ECL impairment charge/ (release) for the year (P&L)	(147)	(61)	915	(14)	**693**
Recoveries of amounts previously written-off (P&L)	-	-	(2)	-	**(2)**
Change in the present value of the allowance	-	1	283	141	**425**
Write-off of interest recognised from change in the present value of the allowance	-	(2)	(428)	(173)	**(603)**
Write-offs	-	(11)	(1,114)	(243)	**(1,369)**
Financial assets derecognised	-	-		-	**-**
Disposals of loans and advances	-	(2)	(13)	-	**(14)**
Debt for equity exchange	-	-	(10)	(1)	**(11)**
FX differences and other movements	(37)	(31)	(110)	5	**(174)**
ECL allowance as at 31/12/2019	**77**	**138**	**5,447**	**1,846**	**7,508**

As described in Note 4, the impact of the Covid-19 pandemic on the ECL allowance of the Group and the Company as at 31 December 2020 was € 295 million.

The gross modification loss recognized by the Group and the Company ,during the period ended 31 December 2020, for loans with ECL allowance measured at an amount equal to lifetime expected credit losses was € 96 million and € 97 million, respectively (31 December 2019: € 70 million and € 69 million, respectively). The said loss represents the changes in the gross carrying amount (before ECL allowance) of the loans from immediately before, to immediately after modification. The impact of modification for the Group and the Company on the ECL allowance associated with these loans was a release of ECL allowance of € 67 million and € 63 million, respectively (31 December 2019: € 25 million and € 24 million, respectively). The net impact for the Group and the Company on the income statement for the period ended 31 December 2020 was, therefore, € 29 million and € 34 million, respectively (31 December 2019: € 45 million and € 45 million, respectively). The gross carrying amount (before modification) of the loans whose cash flows were modified during the period ended 31 December 2020 amounted to € 6,349 million for the Group (31 December 2019: € 1,733 million) and € 6,277 million for the Company (31 December 2019: € 1,718 million), affected mainly by Covid-19 pandemic. The gross carrying amount as at 31 December 2020 of loans and advances to customers at amortised cost that have been modified since initial recognition at a time when their ECL allowance was measured at an amount equal to lifetime ECL (Stage 3 and Stage 2) and for which their respective ECL allowance as at 31 December 2020 is measured at an amount equal to 12-month ECL (Stage 1), is € 508 million (31 December 2019: € 704 million).

5.3.3 Collateral and other credit enhancements

Along with the evaluation of the creditworthiness of counterparties, the Group and the Company estimate the recovery rate against exposures, when limits are set or reviewed. This estimation is based on the type of debt claim and the existence of any connected collaterals and/or guarantees.

According to standard practice, when a borrower's credit rating is low, then even stronger collaterals/ guarantees are requested, in order to secure a higher recovery rate to account for the borrowers default probability.

The Group and the Company have defined categories of acceptable collateral and have incorporated them in their credit policy. Main types of acceptable collateral are the following:

- Pledged deposits and cheques,
- Mortgages on real estate property,
- Ship mortgages,
- Greek government guarantees,
- Company letters of guarantee,
- Guarantees by the Hellenic Development Bank
- Pledged financial instruments such as mutual fund shares, stocks, bonds, bills and receivables.

The collateral/ security associated with a credit is initially evaluated during the credit approval process, based on their current or fair value and is re-evaluated at regular intervals. Collaterals or guarantees are not usually received against exposures to financial institutions.

Market value assessment of properties, which may secure any type of credit facilities towards individuals or legal entities, is performed by external certified independent valuers. The valuations are categorized into Individual valuations on a specific property either on-site or desktop and indexed valuations performed with statistical methodology (e.g. Propindex, BoG Indexes etc.) or any other automated processes.

The Group and the Company accept the following key valuation methodologies provided by International Valuation Standards (IVS):

a) Market approach or comparative method
b) Income approach
c) Cost Approach

The initial valuations of mortgaged properties are always performed on-site (physical inspection).

The Group and the Company update the valuations (either with individual valuations or statistical methods) for the collateral of all exposures (irrespective of their classification as PE / NPE) at least annually.

Furthermore, the revaluation of the immovable properties is updated on an individual basis at the time the exposure is classified as non-performing (NPE) and at least annually (either through individual evaluations or statistical methods) while it continues to be classified as such.

The Group and the Company are constantly monitoring the market conditions in the Greek real estate market either internally through macroeconomic reports of the Group's Chief Economist or externally, through reports produced by Piraeus Real Estate and other prestigious international independent valuation firms. Changes in market conditions are considered as an important factor determining the market value of a real estate property. More volatile real estate market conditions may lead to a higher evaluation frequency.

The Group and the Company may also obtain guarantees from parent companies for loans and advances to their subsidiaries.

Group	Fair value of collateral and credit enhancements held under the base scenario				
	Type of collateral or credit enhancement				
31/12/2020	Real estate collateral	Financial collateral	Other collateral	Total value of collateral	Guarantees received
Reverse repurchase agreements	-	1	-	1	-
Loans and advances to customers at amortised cost	23,921	1,395	4,457	29,773	7,365
Mortgages	11,474	53	87	11,614	-
Consumer, Personal and Other	840	66	171	1,076	-
Credit Cards	12	1	-	12	-
Large Corporate	4,217	902	923	6,042	1,691
SMEs	7,377	372	1,644	9,393	5,674
Public Sector	1	1	1,632	1,634	-
Total financial assets at amortised cost	**23,921**	**1,396**	**4,457**	**29,773**	**7,365**
Derivative financial instruments	-	500	-	500	-
Total financial instruments at FVTPL	**-**	**500**	**-**	**500**	**-**
Financial guarantees	118	106	82	306	738
Letters of credit	-	-	1	1	3
Total	**118**	**106**	**83**	**307**	**741**

Group 31/12/2019	Fair value of collateral and credit enhancements held under the base scenario				
	Type of collateral or credit enhancement				
	Real estate collateral	Financial collateral	Other collateral	Total value of collateral	Guarantees received
Reverse repurchase agreements	-	12	-	12	-
Loans and advances to customers at amortised cost	25,023	887	4,200	30,110	6,468
Mortgages	11,857	48	102	12,006	-
Consumer, Personal and Other	871	54	129	1,054	-
Credit Cards	12	1	-	12	-
Large Corporate	4,449	473	966	5,887	1,347
SMEs	7,835	310	1,345	9,490	5,121
Public Sector	1	1	1,659	1,661	-
Total financial assets at amortised cost	**25,023**	**899**	**4,200**	**30,122**	**6,468**
Derivative financial instruments	-	470	-	470	-
Total financial instruments at FVTPL	**-**	**470**	**-**	**470**	**-**
Financial guarantees	104	89	73	267	723
Letters of credit	-	-	2	2	2
Total	**104**	**89**	**75**	**269**	**725**

Company 31/12/2020	Fair value of collateral and credit enhancements held under the base scenario				
	Type of collateral or credit enhancement				
	Real estate collateral	Financial collateral	Other collateral	Total value of collateral	Guarantees received
Loans and advances to customers at amortised cost	3,913	12	49	3,974	1,538
Mortgages	2,313	-	-	2,313	-
Consumer, Personal and Other	141	-	1	142	-
Credit Cards	4	-	-	4	-
Large Corporate	55	1	1	58	147
SMEs	1,400	10	47	1,457	1,391
Total financial assets at amortised cost	**3,913**	**12**	**49**	**3,974**	**1,538**

Company	Fair value of collateral and credit enhancements held under the base scenario				
	Type of collateral or credit enhancement				
31/12/2019	Real estate collateral	Financial collateral	Other collateral	Total value of collateral	Guarantees received
Reverse repurchase agreements	-	12	-	12	-
Loans and advances to customers at amortised cost	24,299	885	3,690	28,874	6,474
Mortgages	11,856	48	102	12,005	-
Consumer, Personal and Other	871	46	129	1,046	-
Credit Cards	12	1	-	12	-
Large Corporate	4,350	481	880	5,712	1,362
SMEs	7,209	308	926	8,443	5,112
Public Sector	1	1	1,654	1,656	-
Total financial assets at amortised cost	**24,299**	**897**	**3,690**	**28,886**	**6,474**
Derivative financial instruments	-	470	-	470	-
Total financial instruments at FVTPL	**-**	**470**	**-**	**470**	**-**
Financial guarantees	104	97	72	273	723
Letters of credit	-	-	-	-	2
Total	**104**	**97**	**72**	**274**	**725**

Furthermore, the fair value of collateral sold or repledged amounted to € 62 million and € 81 million as at 31 December 2020 and 2019, respectively. The Group and the Company acquired the aforementioned collateral from reverse repurchase agreements or derivative transactions under the obligation to return it to the transferor and under terms that are usual and customary to standard securities lending and to derivative transactions.

The below tables provide the fair value of collaterals held and credit enhancements for Stage 3 loans and advances to customers at amortised cost. Depending on the level of collateral some Stage 3 loans and advances to customers at amortised cost may not have individual ECLs when the expected value of the collateral is greater that the LGD, even if the future value of collateral is forecasted using multiple economic scenarios.

Group 31/12/2020	Fair value of collateral and credit enhancements of Stage 3 loans and advances to customers at amortised cost held under the base scenario					
	Type of collateral or credit enhancement					
	Real estate collateral	Financial collateral	Other collateral	Total value of collateral	Guarantees received	Associated ECL
Loans and advances to customers at amortised cost	7,769	133	496	8,398	3,658	6,482
Mortgages	2,763	2	8	2,773	-	970
Consumer, Personal and Other	264	7	3	273	-	707
Credit Cards	7	-	-	7	-	155
Large Corporate	1,000	81	40	1,122	908	1,216
SMEs	3,736	43	440	4,219	2,749	3,431
Public Sector	-	-	4	4	-	4
Total loans and advances to customers at amortised cost	**7,769**	**133**	**496**	**8,398**	**3,658**	**6,483**
Financial guarantees	23	17	11	52	181	98
Letters of credit	-	-	-	-	-	1
Total	**23**	**17**	**12**	**52**	**181**	**99**

Group 31/12/2019	Fair value of collateral and credit enhancements of Stage 3 loans and advances to customers at amortised cost held under the base scenario					
	Type of collateral or credit enhancement					
	Real estate collateral	Financial collateral	Other collateral	Total value of collateral	Guarantees received	Associated ECL
Loans and advances to customers at amortised cost	8,447	175	570	9,192	3,508	6,974
Mortgages	2,846	2	11	2,859	-	942
Consumer, Personal and Other	258	7	2	267	-	698
Credit Cards	7	-	-	7	-	159
Large Corporate	1,447	118	64	1,628	703	1,715
SMEs	3,889	48	489	4,426	2,805	3,457
Public Sector	-	-	4	4	-	4
Total loans and advances to customers at amortised cost	**8,447**	**175**	**570**	**9,192**	**3,508**	**6,974**
Financial guarantees	21	3	10	34	175	101
Letters of credit	-	-	-	-	-	-
Total	**21**	**3**	**10**	**34**	**175**	**101**

Company 31/12/2020	Fair value of collateral and credit enhancements of Stage 3 loans and advances to customers at amortised cost held under the base scenario					
	Type of collateral or credit enhancement					
	Real estate collateral	Financial collateral	Other collateral	Total value of collateral	Guarantees received	Associated ECL
Loans and advances to customers at amortised cost	2,432	9	35	2,476	1,084	1,851
Mortgages	1,304	-	-	1,304	-	473
Consumer, Personal and Other	88	-	-	88	-	107
Credit Cards	3	-	-	3	-	26
Large Corporate	36	1	1	38	120	146
SMEs	1,001	8	34	1,042	964	1,094
Public Sector	-	-	-	-	-	4
Total loans and advances to customers at amortised cost	**2,432**	**9**	**35**	**2,476**	**1,084**	**1,851**

Company 31/12/2019	Fair value of collateral and credit enhancements of Stage 3 loans and advances to customers at amortised cost held under the base scenario					
	Type of collateral or credit enhancement					
	Real estate collateral	Financial collateral	Other collateral	Total value of collateral	Guarantees received	Associated ECL
Loans and advances to customers at amortised cost	8,178	171	458	8,808	3,508	7,245
Mortgages	2,846	2	11	2,859	-	941
Consumer, Personal and Other	258	7	2	267	-	697
Credit Cards	7	-	-	7	-	159
Large Corporate	1,443	115	38	1,595	703	1,999
SMEs	3,624	48	404	4,076	2,805	3,445
Public Sector	-	-	4	4	-	4
Total loans and advances to customers at amortised cost	**8,178**	**171**	**458**	**8,808**	**3,508**	**7,245**
Financial guarantees	22	3	10	35	175	101
Letters of credit	-	-	-	-	-	-
Total	**22**	**3**	**10**	**35**	**175**	**101**

5.3.4 Loan-to-value ratio of mortgage and commercial real estate lending portfolios

The below table depicts the Loan-to-value (LTV) ratio, which represents the correlation between mortgage and commercial portfolios gross carrying amounts and the value of the property held as collateral (plus any other eligible collateral according to policy). A clustering of residential and commercial real estate, by range of LTV, is summarized as follow:

31/12/2020	Group		Company	
	Mortgages (gross amount)	Commercial real estate loans (gross amounts)	Mortgages (gross amount)	Commercial real estate loans (gross amounts)
Less than 50%	3,123	58	321	1
50%-70%	2,210	61	332	-
71%-80%	1,070	21	198	2
81%-90%	983	51	218	4
91%-100%	954	58	244	4
101%-120%	1,518	32	416	-
121%-150%	1,434	78	451	1
Greater than 150%	2,152	152	688	5
Total exposure	**13,445**	**512**	**2,868**	**18**
Weighted Average LTV	**96.7%**	**156.6%**	**119.9%**	**122.4%**

31/12/2019	Group		Company	
	Mortgages (gross amount)	Commercial real estate loans (gross amounts)	Mortgages (gross amount)	Commercial real estate loans (gross amounts)
Less than 50%	3,142	119	3,142	119
50%-70%	2,284	79	2,284	79
71%-80%	1,104	22	1,104	22
81%-90%	1,045	46	1,045	46
91%-100%	955	50	955	50
101%-120%	1,622	57	1,622	92
121%-150%	1,505	67	1,505	67
Greater than 150%	2,257	274	2,257	274
Total exposure	**13,914**	**714**	**13,914**	**750**
Weighted Average LTV	**97.5%**	**155.2%**	**97.4%**	**155.2%**

5.3.5 Repossessed collaterals

The repossessed collaterals presented below in line item "Real estate" refer to property that is included in line items "Other Assets", "Property and equipment", "Investment property" and "Assets held for sale" in the Statement of Financial Position.

Group 31/12/2020	Gross amount	Of which: added this year	Accumulated impairment or fair value adjustment	Of which: on newly added	Net amount	Net Sale Price of repossessed collaterals sold	Net gain / losses on sale of repossessed collaterals
Real estate	**1,979**	**147**	**(199)**	**(30)**	**1,780**	**60**	**4**
-Residential	486	73	(53)	-	434	25	-
-Commercial	1,493	75	(146)	(30)	1,347	35	4
Other collateral	**10**	**1**	**(8)**	**(3)**	**2**	**1**	**-**

Group 31/12/2019	Gross amount	Of which: added this year	Accumulated impairment or fair value adjustment	Of which: on newly added	Net amount	Net Sale Price of repossessed collaterals sold	Net gain / losses on sale of repossessed collaterals
Real estate	**1,898**	**280**	**(201)**	**(65)**	**1,697**	**33**	**7**
-Residential	401	86	(59)	(6)	341	19	5
-Commercial	1,497	194	(141)	(59)	1,356	14	1
Other collateral	**11**	**4**	**(8)**	**(4)**	**4**	**1**	**-**

Company 31/12/2020	Gross amount	Of which: added this year	Accumulated impairment or fair value adjustment	Of which: on newly added	Net amount	Net Sale Price of repossessed collaterals sold	Net gain / losses on sale of repossessed collaterals
Real estate	**-**	**-**	**-**	**-**	**-**	**-**	**-**
-Residential	-	-	-	-	-	-	-
-Commercial	-	-	-	-	-	-	-
Other collateral	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Company 31/12/2019	Gross amount	Of which: added this year	Accumulated impairment or fair value adjustment	Of which: on newly added	Net amount	Net Sale Price of repossessed collaterals sold	Net gain / losses on sale of repossessed collaterals
Real estate	**1,276**	**171**	**(134)**	**(25)**	**1,142**	**26**	**6**
-Residential	353	65	(44)	(2)	309	16	5
-Commercial	923	106	(89)	(22)	834	10	1
Other collateral	**-**	**-**	**-**	**-**	**-**	**-**	**-**

The Group mainly through its subsidiary "Piraeus Bank S.A." grants loans and advances to customers at amortised cost which are collateralised by property. In case that these loans and advances to customers become defaulted, the Group and the Bank proceeds to the repossession of the relevant property, when this is assessed as the best solution by the responsible, authorized for this purpose, units of the Bank and the other members of the Group. In this context, Management assesses the specific characteristics of each property (such as the type and the condition of the property, the location, the possible uses, etc), the cost for acquiring the property, as compared to the value of subsequent sale or the value in use.

The aforementioned assessment is part of the Group and the Bank's strategy and is in line with the REO Policy Framework and also its objectives for profitability, liquidity and capital adequacy.

For the Group and the Bank, the selection of properties acquired from auctions is performed by a special Committee of the Group [on-boarding], which is responsible for deciding in which auctions the Bank will participate in the acquisition of collateral in cooperation with Piraeus Real Estate.

The management of the properties acquired from auctions is performed by the Group Real Estate.

For the properties that are to be sold, there is a robust process in place that involves a multichannel sales approach and relevant actions are performed by the Group Real Estate (GRE) in cooperation with the specialized subsidiary of the Group, namely Piraeus Real Estate, via the Bank's branch network, real estate agencies or direct sales, whereas electronic call for tenders (www.properties4sale.gr) are being performed, as well as public tenders through the press. Furthermore, rental agreements for many acquired properties are signed, when it is presumed that respective rental income in collaboration with Piraeus Real Estate is favorable for the Group and the Company. Those rental agreements are being monitored by the Leased Property department, which is responsible for renting such properties, as well as managing the relevant rentals. Additionally, the properties portfolio of the Bank includes properties to be used by the Bank or to be rented to other subsidiaries or associates of the Group and they are managed by the GRE, in cooperation with the Technical Division Department of the Bank. In addition, special properties that can be utilized with further investments are examined on an individual base.

The above mentioned activities determine the basic policy and framework for the Group's procedures in normal conditions of the real estate market. However, Management assesses alternative scenarios for the mass sale of repossessed properties or their contribution to various investment vehicles, in cooperation with external advisors, in an attempt for the improvement of total assets' return.

5.4 Forbearance

Overview of modified and forborne loans

Management applies the "Implementing Technical Standards" ("ITS") of the EBA relating to forborne loans.

The alignment of the Restructuring Policy of the Group with the relevant EBA definitions and Bank of Greece guidelines, was backed up with the creation of new structures and procedures, development of new information systems and modifications on existing applications, in order to achieve effective and reliable management of past due loans, by performing viable restructurings and monitoring the effectiveness of various types of forbearance.

Forborne loans and advances are defined as exposures arising from loans and advances to customers that have been subject to forbearance measures. The measures are considered as a concession of the Group to a borrower who is facing or is about to face financial difficulties in fulfilling its financial obligations. Forbearance may involve modification of contractual terms and conditions and/or refinancing of debts.

Forbearance measures do not lead to derecognition unless the modification changes substantially the loan terms of the original contract.

According to the EBA Guidelines, in order for the forborne flag to be removed, all relevant criteria should apply, including mainly the minimum required probation period (at least 2 years from the date of classification as performing exposure).

In order to achieve greater efficiencies in the management of NPEs, the Company entered into Q4 2019 to a long-term strategic partnership with Intrum for the management of NPEs and REOs, through the establishment of a market-leading independent non-performing assets servicing platform in Greece. Intrum Group is experienced in providing restructuring and turnaround services of NPE portfolios and acts with the aim of maximising recoveries and minimising credit related losses, risk weighted assets and the capital impact of all recovery actions, while acknowledging the operational and financial targets set for Piraeus Bank by the SSM.

The Supervisory and NPL Management Council, which among other things, is responsible for the strategy of past due loans management, collaborates with the Risk Management Unit for the achievement of a common understanding and the development of appropriate methodologies to assess the risk of the portfolio managed by Intrum Hellas Credit Servicing S.A.. The Risk Management Unit monitors the forbearance process and assesses the relative risks by portfolio and forbearance type.

The CRO is informed at least monthly on the NPE evolutions and is entitled to express his opinion to Risk Committee.

Credit quality of forborne loans measured at amortised cost

31/12/2020	Group			Company		
	Loans measured at amortised cost	Forborne Loans measured at amortised cost	% of Forborne Loans measured at amortised cost	Loans measured at amortised cost	Forborne Loans measured at amortised cost	% of Forborne Loans measured at amortised cost
Stage 1	21,066	-	0.0%	26	-	0.0%
Stage 2	5,409	2,269	42.0%	365	315	86.2%
Stage 3	16,336	5,117	31.3%	4,270	866	20.3%
POCI	6,716	1,106	16.5%	2,019	155	7.7%
Total Gross exposure	**49,528**	**8,492**	**17.1%**	**6,680**	**1,335**	**20.0%**
Stage 1 ECL allowance	(107)	-	0.0%	(0)	-	0.0%
Stage 2 ECL allowance	(257)	(110)	43.0%	(8)	(7)	89.8%
Stage 3 ECL allowance	(6,482)	(1,225)	18.9%	(1,851)	(176)	9.5%
POCI ECL allowance	(3,058)	(189)	6.2%	(995)	(12)	1.2%
Total ECL allowance	**(9,904)**	**(1,525)**	**15.4%**	**(2,853)**	**(195)**	**6.8%**
Stage 1	20,959	-	0.0%	26	-	0.0%
Stage 2	5,152	2,159	41.9%	357	307	86.1%
Stage 3	9,854	3,892	39.5%	2,419	690	28.5%
POCI	3,659	917	25.1%	1,024	143	13.9%
Loans measured at amortised cost	**39,624**	**6,967**	**17.6%**	**3,826**	**1,140**	**29.8%**
Value of collateral	29,773	5,249	17.6%	3,974	1,048	26.4%

31/12/2019	Group			Company		
	Loans measured at amortised cost	Forborne Loans measured at amortised cost	% of Forborne Loans measured at amortised cost	Loans measured at amortised cost	Forborne Loans measured at amortised cost	% of Forborne Loans measured at amortised cost
Stage 1	19,979	-	0.0%	21,115	-	0.0%
Stage 2	4,999	2,696	53.9%	4,780	2,614	54.7%
Stage 3	17,821	6,516	36.6%	17,542	6,193	35.3%
POCI	7,349	1,512	20.6%	7,159	1,447	20.2%
Total Gross exposure	**50,148**	**10,725**	**21.4%**	**50,595**	**10,254**	**20.3%**
Stage 1 ECL allowance	(117)	-	0.0%	(109)	-	0.0%
Stage 2 ECL allowance	(238)	(127)	53.5%	(233)	(126)	54.1%
Stage 3 ECL allowance	(7,303)	(1,994)	27.3%	(7,245)	(1,927)	26.6%
POCI ECL allowance	(3,328)	(281)	8.4%	(3,207)	(265)	8.3%
Total ECL allowance	**(10,986)**	**(2,402)**	**21.9%**	**(10,794)**	**(2,318)**	**21.5%**
Stage 1	19,862	-	0.0%	21,005	-	0.0%
Stage 2	4,761	2,568	53.9%	4,547	2,488	54.7%
Stage 3	10,518	4,523	43.0%	10,297	4,266	41.4%
POCI	4,021	1,232	30.6%	3,952	1,182	29.9%
Loans measured at amortised cost	**39,162**	**8,323**	**21.3%**	**39,801**	**7,936**	**19.9%**
Value of collateral	30,110	6,717	22.3%	28,874	6,348	22.0%

Forborne loans measured at amortised cost by type of forbearance measure

	Group		Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Reduced payment schedule	948	1,230	244	1,176
Payment moratorium/ Holidays	489	464	14	464
Term extension	1,727	2,326	351	2,318
Arrears capitalization	670	817	170	812
Hybrid (i.e. combination of forbearance measures)	2,638	3,054	149	2,735
Other	495	432	212	432
Total net amount	**6,967**	**8,323**	**1,140**	**7,936**

Reconciliation of forborne loans measured at amortised cost, net of ECL allowance

	Group		Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Opening balance as at 1/1 (net)	**8,323**	**9,615**	**7,936**	**9,176**
Forbearance measures during the year	1,525	2,002	1,536	1,940
Repayment of loans (partial or total)	(743)	(983)	(735)	(959)
Loans that exited forbearance status during the year	(2,322)	(2,692)	(2,246)	(2,589)
ECL allowance	229	343	223	329
FX differences and other movements	(45)	38	(45)	38
Contribution to the new credit institution	-	-	(5,529)	-
Closing balance (net)	**6,967**	**8,323**	**1,140**	**7,936**

Forborne loans measured at amortised cost by product line

	Group		Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Retail lending	**3,275**	**3,947**	**957**	**3,947**
Mortgage	2,837	3,408	883	3,408
Consumer, Personal and Other	439	539	74	539
Credit cards	-	-	-	-
Corporate lending	**3,692**	**4,371**	**183**	**3,984**
Large Corporate	1,628	1,451	19	1,352
SME's	2,064	2,920	164	2,632
Public sector	**-**	**4**	**-**	**4**
Greece	-	4	-	4
Other Countries	-	-	-	-
Total net amount	**6,967**	**8,323**	**1,140**	**7,936**

Forborne loans measured at amortised cost by geographical region

	Group		Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Greece	6,966	8,306	1,140	7,921
Rest of Europe	1	17	-	15
Total net amount	**6,967**	**8,323**	**1,140**	**7,936**

5.5 Borrower's transactions

The Company in certain cases of debt restructuring agreements participates in debt to equity transactions in an effort to make the borrower's businesses viable, so that they can meet their obligations to the Company. The debt to equity transactions refer to renegotiation of the terms of the loan by the borrower and the Company, aiming to the full or partial reduction of the debt with the parallel issue of the borrower's equity to the Company. Such debt restructuring agreements, result to the Company's control or significant influence or minority shareholding over the borrower.

Debt to equity transactions that took place during 2020 and 2019 are as follows:

	2020			
S/N	Company	% Holding	Date of acquisition	Cost of acquisition
1	IANOS PROPERTIES S.A.	100.0%	19/6/2020	1
2	LYKOURGOS PROPERTIES S.A.	100.0%	19/6/2020	1

	2019			
S/N	Company	% Holding	Date of acquisition	Cost of acquisition
1	UNISOFT S.A.	3.7%	13/3/2019	-
2	HELESI	35.0%	29/3/2019	5
3	AKRITAS	12.2%	26/7/2019	-
4	GREEK YELLOW PAGES	8.4%	23/12/2019	-

5.6 Debt securities at amortised cost and debt securities measured at FVTOCI

The tables below present the credit rating and stage allocation of debt securities measured at FVTOCI, based on Standard and Poor's rating scale:

Group	External rating grade of debt securities measured at FVTOCI				
31/12/2020	Stage 1	Stage 2	Stage 3	POCI	Total
AAA	104	-	-	-	104
BBB- to BBB+	503	-	-	-	503
BB- to BB+	1,911	-	-	-	1,911
Lower than BB-	98	14	-	-	112
Unrated	82	5	-	-	87
Total	**2,698**	**19**	**-**	**-**	**2,717**

Group	External rating grade of debt securities measured at FVTOCI				
31/12/2019	Stage 1	Stage 2	Stage 3	POCI	Total
AAA	-	-	-	-	**-**
BBB- to BBB+	39	-	-	-	**39**
BB- to BB+	111	-	-	-	**111**
Lower than BB-	1,265	-	-	-	**1,265**
Unrated	22	-	-	-	**22**
Total	**1,437**	**-**	**-**	**-**	**1,437**

The Company had no debt securities measured at FVTOCI as at 31 December 2020.

Company	External rating grade of debt securities measured at FVTOCI				
31/12/2019	Stage 1	Stage 2	Stage 3	POCI	Total
BBB- to BBB+	39	-	-	-	**39**
BB- to BB+	111	-	-	-	**111**
Lower than BB-	1,263	-	-	-	**1,263**
Unrated	22	-	-	-	**22**
Total	**1,435**	**-**	**-**	**-**	**1,435**

The tables below present the credit rating and stage allocation of debt securities measured at amortised cost, based on Standard and Poor's rating scale:

Group	External rating grade of debt securities at amortised cost						
31/12/2020	Stage 1	Stage 2	Stage 3	POCI	Total	ECL Allowance	Total
BBB- to BBB+	1,228	-	-	-	**1,228**	-	1,228
BB- to BB+	3,748	-	-	-	**3,748**	12	3,737
Lower than BB-	-	-	-	-	**-**	-	-
Unrated	-	-	-	-	**-**	-	-
Total	**4,976**	**-**	**-**	**-**	**4,976**	12	4,964

Company	External rating grade of debt securities at amortised cost						
31/12/2020	Stage 1	Stage 2	Stage 3	POCI	Total	ECL Allowance	Total
BBB- to BBB+	-	-	-	-	**-**	-	-
BB- to BB+	-	-	-	-	**-**	-	-
Lower than BB-	721	-	-	-	**721**	25	696
Unrated	-	-	-	-	**-**	-	-
Total	**721**	**-**	**-**	**-**	**721**	25	696

Group and Company	External rating grade of debt securities at amortised cost						
31/12/2019	Stage 1	Stage 2	Stage 3	POCI	Total	ECL Allowance	Total
BBB- to BBB+	1,116	-	-	-	**1,116**	-	1,116
BB- to BB+	5	-	-	-	**5**	-	5
Unrated	-	-	-	-	**-**	-	-
Total	**1,121**	**-**	**-**	**-**	**1,121**	-	1,121

5.7 Concentration of risks of financial assets with credit risk exposure

Geographical sector

The following table breaks down the gross carrying amounts of financial assets, which are exposed to credit risk. The credit risk exposure is based on the country of domicile of the Group.

Group	Gross carrying amounts										
31/12/2020	Greece					Other Countries					Grand Total
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	
Due from banks	1,170	-	-	-	**1,170**	88	-	-	-	**88**	**1,258**
Reverse repos with customers	8	-	-	-	**8**	-	-	-	-	**-**	**8**
Loans and advances to customers at amortised cost	20,695	5,406	16,268	6,716	**49,086**	371	3	68	-	**442**	**49,528**
Retail Lending	6,504	2,656	4,866	3,454	**17,480**	2	-	1	-	**3**	**17,483**
Mortgages	5,262	2,110	3,580	2,490	**13,442**	1	-	1	-	**2**	**13,445**
Consumer, Personal and Other	891	435	1,106	874	**3,306**	-	-	-	-	**-**	**3,307**
Credit cards	351	110	180	91	**731**	-	-	-	-	**-**	**731**
Corporate and Public Sector Lending	14,191	2,751	11,402	3,262	**31,606**	369	3	67	-	**439**	**32,045**
Large Corporate	7,522	1,150	3,389	368	**12,429**	318	1	1	-	**321**	**12,749**
SMEs	4,959	1,601	8,001	2,892	**17,453**	51	2	65	-	**119**	**17,572**
Public Sector	1,710	-	11	3	**1,724**	-	-	-	-	**-**	**1,724**
Financial assets at FVTOCI	2,681	19	-	-	**2,700**	17	-	-	-	**17**	**2,717**
Debt securities at amortised cost	4,976	-	-	-	**4,976**	-	-	-	-	**-**	**4,976**
Other assets - Financial Instruments	636	76	460	-	**1,172**	80	-	4	-	**84**	**1,256**
Total	**30,166**	**5,501**	**16,729**	**6,716**	**59,112**	**556**	**3**	**72**	**-**	**631**	**59,743**

Group 31/12/2019	Gross carrying amounts										
	Greece					Other Countries					Grand Total
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	
Due from banks	1,185	-	-	-	**1,185**	122	-	-	-	**122**	**1,307**
Reverse repos with customers	38	-	-	-	**38**	-	-	-	-	**-**	**38**
Loans and advances to customers at amortised cost	19,573	4,935	16,979	7,349	**48,836**	406	64	842	-	**1,313**	**50,148**
Retail Lending	6,659	2,766	4,942	3,619	**17,986**	20	53	44	-	**117**	**18,103**
Mortgages	5,383	2,224	3,671	2,601	**13,879**	16	12	8	-	**35**	**13,914**
Consumer, Personal and Other	884	400	1,083	924	**3,291**	4	41	36	-	**81**	**3,372**
Credit cards	392	143	187	94	**816**	-	-	-	-	**1**	**816**
Corporate and Public Sector Lending	12,914	2,168	12,038	3,730	**30,850**	386	12	798	-	**1,196**	**32,046**
Large Corporate	6,688	864	4,112	523	**12,185**	323	2	111	-	**436**	**12,621**
SMEs	4,487	1,304	7,915	3,204	**16,910**	63	10	687	-	**760**	**17,670**
Public Sector	1,740	1	11	3	**1,754**	-	-	-	-	**-**	**1,754**
Financial assets at FVTOCI	1,435	-	-	-	**1,435**	1	-	-	-	**1**	**1,437**
Debt securities at amortised cost	1,121	-	-	-	**1,121**	-	-	-	-	**-**	**1,121**
Other assets - Financial Instruments	634	87	452	-	**1,172**	15	-	6	-	**22**	**1,194**
Total	**23,986**	**5,021**	**17,432**	**7,349**	**53,788**	**545**	**64**	**848**	**-**	**1,458**	**55,245**

Company 31/12/2020	Gross carrying amounts										
	Greece					Other Countries					Grand Total
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	
Due from banks	376	-	-	-	**376**	86	-	-	-	**86**	**462**
Reverse repos with customers	-	-	-	-	**-**	-	-	-	-	**-**	**-**
Loans and advances to customers at amortised cost	26	365	4,270	2,019	**6,680**	-	-	-	-	**-**	**6,680**
Retail Lending	21	349	1,889	1,028	**3,286**	-	-	-	-	**-**	**3,286**
Mortgages	17	324	1,651	876	**2,868**	-	-	-	-	**-**	**2,868**
Consumer, Personal and Other	4	25	207	136	**372**	-	-	-	-	**-**	**372**
Credit cards	-	-	31	16	**47**	-	-	-	-	**-**	**47**
Corporate and Public Sector Lending	5	16	2,381	991	**3,393**	-	-	-	-	**-**	**3,393**
Large Corporate	1	1	214	74	**291**	-	-	-	-	**-**	**291**
SMEs	4	15	2,160	917	**3,097**	-	-	-	-	**-**	**3,097**
Public Sector	-	-	6	-	**6**	-	-	-	-	**-**	**6**
Financial assets at FVTOCI	-	-	-	-	**-**	-	-	-	-	**-**	**-**
Debt securities at amortised cost	721	-	-	-	**721**	-	-	-	-	**-**	**721**
Other assets - Financial Instruments	106	-	-	-	**106**	-	-	-	-	**-**	**106**
Total	**1,230**	**365**	**4,270**	**2,019**	**7,884**	**86**	**-**	**-**	**-**	**86**	**7,970**

Company 31/12/2019	Gross carrying amounts										
	Greece					Other Countries					Grand Total
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	
Due from banks	1,175	-	-	-	**1,175**	64	-	-	-	**64**	**1,239**
Reverse repos with customers	38	-	-	-	**38**	-	-	-	-	**-**	**38**
Loans and advances to customers at amortised cost	20,628	4,719	16,555	7,159	**49,061**	487	61	987	-	**1,534**	**50,595**
Retail Lending	6,651	2,766	4,942	3,619	**17,978**	20	53	42	-	**115**	**18,093**
Mortgages	5,383	2,224	3,671	2,601	**13,879**	15	12	7	-	**34**	**13,914**
Consumer, Personal and Other	877	400	1,083	924	**3,283**	4	41	35	-	**81**	**3,364**
Credit cards	392	143	187	94	**816**	-	-	-	-	**-**	**816**
Corporate and Public Sector Lending	13,976	1,953	11,614	3,540	**31,083**	467	8	944	-	**1,419**	**32,502**
Large Corporate	8,164	885	4,243	507	**13,798**	451	-	319	-	**769**	**14,568**
SMEs	4,078	1,067	7,360	3,030	**15,536**	16	8	625	-	**650**	**16,186**
Public Sector	1,735	1	11	3	**1,749**	-	-	-	-	**-**	**1,749**
Financial assets at FVTOCI	1,435	-	-	-	**1,435**	-	-	-	-	**-**	**1,435**
Debt securities at amortised cost	1,121	-	-	-	**1,121**	-	-	-	-	**-**	**1,121**
Other assets - Financial Instruments	708	37	379	-	**1,123**	8	-	2	-	**10**	**1,133**
Total	**25,105**	**4,756**	**16,934**	**7,159**	**53,954**	**559**	**61**	**988**	**-**	**1,608**	**55,562**

Industry Sector

The following table breaks down the carrying amounts per industry sector of the Group's financial assets that are exposed to credit risk. The allocation has been made according to the business sector of each counterparty.

Group	Gross carrying amounts - Industry sectors															
31/12/2020	Financial Institutions	Manufacturing / Handicraft	Construction	Real Estate Companies	Project Finance	Wholesale and retail trade	Public sector	Shipping Companies	Coastline/ Ferries Companies	Hotels	Agricul-ture	Energy	Transport and Logistics	Other industries	Individuals	Total
Due from banks	1,258	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,258
Reverse repos with customers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8	8
Loans and advances to customers at amortised cost	1,297	5,511	2,640	1,899	1,814	5,509	1,724	1,880	242	2,799	797	947	994	3,992	17,483	49,528
Retail lending	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17,483	17,483
Mortgages	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13,445	13,445
Consumer, Personal and Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,307	3,307
Credit cards	-	-	-	-	-	-	-	-	-	-	-	-	-	-	731	731
Corporate and Public Sector Lending	1,297	5,511	2,640	1,899	1,814	5,509	1,724	1,880	242	2,799	797	947	994	3,992	-	32,045
Large Corporate	1,202	1,554	588	914	1,740	779	-	1,880	242	1,215	7	750	458	1,420	-	12,749
SMEs	95	3,957	2,052	985	74	4,730	-	-	-	1,584	789	197	535	2,572	-	17,572
Public Sector							1,724									1,724
Financial assets at FVOCI	97	-	-	-	-	4	2,420	-	-	-	-	-	5	191	-	2,717
Debt securities at amortised cost	-	-	-	-	-	-	4,976	-	-	-	-	-	-	-	-	4,976
Other assets - Financial Instruments	75	108	14	6	-	6	410	1	-	-	-	9	-	475	153	1,256
Total	**2,727**	**5,619**	**2,654**	**1,905**	**1,814**	**5,519**	**9,530**	**1,880**	**242**	**2,800**	**797**	**957**	**999**	**4,657**	**17,643**	**59,743**
Stage 1	1,688	2,515	477	571	1,641	2,037	9,435	1,373	125	953	300	854	308	1,818	6,620	30,715
Stage 2	24	502	244	118	20	452	21	52	-	814	59	24	69	447	2,656	5,504
Stage 3	973	2,032	1,573	918	146	2,176	72	455	117	822	332	75	541	1,664	4,913	16,809
POCI	43	570	360	298	7	853	3	-	-	211	106	3	81	728	3,454	6,715
Total	**2,727**	**5,619**	**2,654**	**1,905**	**1,814**	**5,519**	**9,530**	**1,880**	**242**	**2,800**	**797**	**957**	**999**	**4,657**	**17,643**	**59,743**

The gross carrying amount of Loans and advances for the Public sector of € 1,724 million as at 31 December 2020 for the Group includes the seasonal funding facility to Payment and Control Agency for Guidance and Guarantee Community Aid (OPEKEPE) of € 1,516 million (31 December 2019: € 1,548 million). This amount was repaid in the first quarter of 2021.

Group	Gross carrying amounts - Industry sectors															
31/12/2019	**Financial Institutions**	**Manufacturing / Handicraft**	**Construction**	**Real Estate Companies**	**Project Finance**	**Wholesale and retail trade**	**Public sector**	**Shipping Companies**	**Coastline/ Ferries Companies**	**Hotels**	**Agricul-ture**	**Energy**	**Transport and Logistics**	**Other industries**	**Individuals**	**Total**
Due from banks	1,307	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**1,307**
Reverse repos with customers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	38	**38**
Loans and advances to customers at amortised cost	1,509	5,194	2,965	2,053	1,645	5,245	1,754	1,791	254	2,611	786	1,099	988	4,152	18,103	**50,148**
Retail lending	-	-	-	-	-	-	-	-	-	-	-	-	-	-	18,103	**18,103**
Mortgages	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13,914	**13,914**
Consumer, Personal and Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,372	**3,372**
Credit cards	-	-	-	-	-	-	-	-	-	-	-	-	-	-	816	**816**
Corporate and public sector lending	1,509	5,194	2,965	2,053	1,645	5,245	1,754	1,791	254	2,611	786	1,099	988	4,152	-	**32,046**
Large Corporate	1,424	1,236	770	1,004	1,566	675	-	1,791	254	965	6	890	514	1,526	-	**12,621**
SMEs	85	3,958	2,195	1,049	79	4,569	-	-	-	1,646	781	209	474	2,626	-	**17,670**
Public Sector							1,754									**1,754**
Financial assets at FVOCI	63	-	-	-	-	4	1,265	-	-	-	-	-	5	99	-	**1,437**
Debt securities at amortised cost	-	-	-	-	-	-	1,121	-	-	-	-	-	-	-	-	**1,121**
Other assets - Financial Instruments	80	51	15	8	-	7	380	2	-	-	-	7	4	464	177	**1,194**
Total	**2,959**	**5,245**	**2,981**	**2,060**	**1,645**	**5,255**	**4,520**	**1,793**	**254**	**2,611**	**786**	**1,105**	**997**	**4,716**	**18,318**	**55,245**
Stage 1	1,565	1,820	526	632	1,518	1,711	4,414	1,232	95	1,068	285	1,018	186	1,615	6,850	**24,533**
Stage 2	102	467	207	101	28	309	28	59	30	428	39	20	51	374	2,819	**5,063**
Stage 3	1,246	2,334	1,760	1,010	93	2,325	76	501	128	867	359	64	667	1,831	5,030	**18,290**
POCI	46	625	488	318	7	910	3	-	-	247	104	4	93	896	3,619	**7,359**
Total	**2,959**	**5,245**	**2,981**	**2,060**	**1,645**	**5,255**	**4,520**	**1,793**	**254**	**2,611**	**786**	**1,105**	**997**	**4,716**	**18,318**	**55,245**

The following table breaks down the carrying amounts per industry sector of the Company's financial assets that are exposed to credit risk. The allocation has been made according to the business sector of each counterparty.

Company	Gross carrying amounts - Industry sectors															
31/12/2020	Financial Institutions	Manufacturing / Handicraft	Construction	Real Estate Companies	Project Finance	Wholesale and retail trade	Public sector	Shipping Companies	Coastline/ Ferries Companies	Hotels	Agricul-ture	Energy	Transport and Logistics	Other industries	Individuals	Total
Due from banks	462	-	-	-	-	-	-	-	-	-	-	-	-	-	-	462
Reverse repos with customers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances to customers at amortised cost	100	674	620	122	9	1,036	6	-	-	131	105	3	84	503	3,286	6,680
Retail lending	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,286	3,286
Mortgages	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,868	2,868
Consumer, Personal and Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	372	372
Credit cards	-	-	-	-	-	-	-	-	-	-	-	-	-	-	47	47
Corporate and Public Sector Lending	100	674	620	122	9	1,036	6	-	-	131	105	3	84	503	-	3,393
Large Corporate	74	16	55	38	6	20	-	-	-	5	-	-	20	56	-	291
SMEs	26	659	565	84	3	1,016	-	-	-	126	105	3	63	447	-	3,097
Public Sector							6									6
Financial assets at FVOCI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt secutities at amortised cost	721	-	-	-	-	-	-	-	-	-	-	-	-	-	-	721
Other assets - Financial Instruments	92	-	-	-	-	-	-	-	-	-	-	-	-	15	-	106
Total	**1,376**	**674**	**620**	**122**	**9**	**1,036**	**6**	**-**	**-**	**131**	**105**	**3**	**84**	**518**	**3,286**	**7,970**
Stage 1	1,276	-	-	-	-	3	-	-	-	-	-	-	-	16	21	1,316
Stage 2	-	3	1	1	-	5	-	-	-	1	-	-	2	3	349	365
Stage 3	83	464	486	77	9	688	6	-	-	108	70	1	58	329	1,889	4,270
POCI	17	208	132	44	-	340	-	-	-	21	34	1	24	171	1,028	2,019
Total	**1,376**	**674**	**620**	**122**	**9**	**1,036**	**6**	**-**	**-**	**131**	**105**	**3**	**84**	**518**	**3,286**	**7,970**

Company	Gross carrying amounts - Industry sectors															
31/12/2019	**Financial Institutions**	**Manufacturing / Handicraft**	**Construction**	**Real Estate Companies**	**Project Finance**	**Wholesale and retail trade**	**Public sector**	**Shipping Companies**	**Coastline/ Ferries Companies**	**Hotels**	**Agricul-ture**	**Energy**	**Transport and Logistics**	**Other industries**	**Individuals**	**Total**
Due from banks	1,239	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**1,239**
Reverse repos with customers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	38	**38**
Loans and advances to customers at amortised cost	3,251	4,847	2,797	2,166	1,690	4,797	1,749	1,791	254	2,326	762	1,074	924	4,075	18,093	**50,595**
Retail lending	-	-	-	-	-	-	-	-	-	-	-	-	-	-	18,093	**18,093**
Mortgages	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13,914	**13,914**
Consumer, Personal and Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,364	**3,364**
Credit cards	-	-	-	-	-	-	-	-	-	-	-	-	-	-	816	**816**
Corporate and public sector lending	3,251	4,847	2,797	2,166	1,690	4,797	1,749	1,791	254	2,326	762	1,074	924	4,075	-	**32,502**
Large Corporate	3,166	1,112	743	1,350	1,611	547	-	1,791	254	884	2	890	514	1,705	-	**14,568**
SMEs	85	3,735	2,054	816	79	4,250	-	-	-	1,442	760	184	410	2,370	-	**16,186**
Public Sector							1,749									**1,749**
Financial assets at FVOCI	63	-	-	-	-	4	1,263	-	-	-	-	-	5	99	-	**1,435**
Debt securities at amortised cost	-	-	-	-	-	-	1,121	-	-	-	-	-	-	-	-	**1,121**
Other assets - Financial Instruments	194	4	2	8	-	-	365	2	-	-	-	1	-	432	125	**1,133**
Total	**4,747**	**4,852**	**2,800**	**2,174**	**1,690**	**4,801**	**4,499**	**1,793**	**254**	**2,326**	**762**	**1,074**	**929**	**4,606**	**18,256**	**55,562**
Stage 1	3,243	1,700	453	713	1,543	1,500	4,394	1,232	95	1,006	269	994	156	1,539	6,827	**25,664**
Stage 2	102	321	197	141	28	272	27	59	30	382	38	14	42	343	2,819	**4,816**
Stage 3	1,356	2,231	1,667	1,034	113	2,139	75	501	128	718	352	63	648	1,907	4,991	**17,922**
POCI	46	600	482	287	7	889	3	-	-	220	103	4	83	818	3,619	**7,159**
Total	**4,747**	**4,852**	**2,800**	**2,174**	**1,690**	**4,801**	**4,499**	**1,793**	**254**	**2,326**	**762**	**1,074**	**929**	**4,606**	**18,256**	**55,562**

The following table breaks down the nominal amounts of off-balance items per industry sector of the Group and the Company’s financial assets that are exposed to credit risk. The allocation has been made according to the business sector of each counterparty.

Group	Nominal Amounts of Off Balance Sheet Items - Industry sectors															
31/12/2020	Financial Institutions	Manufacturing / Handicraft	Construction	Real Estate Companies	Project Finance	Wholesale and retail trade	Public sector	Shipping Companies	Coastline/ Ferries Companies	Hotels	Agricult ure	Energy	Transport and Logistics	Other industries	Individuals	Total
Letters of Guarantee	1,541	358	759	39	-	227	-	-	-	51	5	84	50	200	-	3,314
Letters of Credit	1	9	-	-	-	9	-	-	-	-	2	-	-	19	-	40
Irrevocable undrawn credit commitments	39	86	14	7	119	36	-	22	-	126	40	37	15	105	82	728
Balance at 31/12/2020	**1,582**	**453**	**773**	**46**	**119**	**272**	**-**	**22**	**-**	**177**	**46**	**121**	**65**	**324**	**82**	**4,082**
Stage 1	1,580	367	492	42	119	234	-	22	-	151	31	99	62	280	61	3,540
Stage 2	1	43	79	-	-	14	-	-	-	14	11	5	1	17	17	202
Stage 3	2	42	202	4	-	24	-	-	-	12	3	17	2	20	1	329
POCI	-	-	-	-	-	-	-	-	-	1	2	-	-	6	2	11
Total	**1,582**	**453**	**773**	**46**	**119**	**272**	**-**	**22**	**-**	**177**	**46**	**121**	**65**	**324**	**82**	**4,082**

Group	Nominal Amounts of Off Balance Sheet Items - Industry sectors															
31/12/2019	Financial Institutions	Manufacturing / Handicraft	Construction	Real Estate Companies	Project Finance	Wholesale and retail trade	Public sector	Shipping Companies	Coastline/ Ferries Companies	Hotels	Agricul-ture	Energy	Transport and Logistics	Other industries	Individuals	Total
Letters of Guarantee	1,304	313	832	25	-	187	-	-	-	44	6	76	51	184	-	**3,022**
Letters of Credit	-	7	-	-	-	6	-	-	-	-	1	-	-	11	-	**25**
Irrevocable undrawn credit commitments	28	18	9	7	53	18	-	12	-	22	41	19	3	96	78	**405**
Balance at 31/12/2019	**1,332**	**338**	**841**	**32**	**53**	**212**	**-**	**12**	**-**	**65**	**49**	**96**	**54**	**291**	**78**	**3,452**
Stage 1	1,330	292	586	21	53	184	-	11	-	47	30	94	49	239	58	**2,995**
Stage 2	-	4	45	7	-	11	-	0	-	9	13	-	2	22	17	**132**
Stage 3	2	42	210	4	-	17	-	-	-	9	2	1	2	23	1	**313**
POCI	-	-	-	-	-	-	-	-	-	-	2	-	-	7	2	**12**
Total	**1,332**	**338**	**841**	**32**	**53**	**212**	**0**	**12**	**-**	**65**	**49**	**96**	**54**	**291**	**78**	**3,452**

Company	Nominal Amounts of Off Balance Sheet Items - Industry sectors															
31/12/2020	**Financial Institutions**	**Manufacturing / Handicraft**	**Construction**	**Real Estate Companies**	**Project Finance**	**Wholesale and retail trade**	**Public sector**	**Shipping Companies**	**Coastline/ Ferries Companies**	**Hotels**	**Agricul-ture**	**Energy**	**Transport and Logistics**	**Other industries**	**Individuals**	**Total**
Letters of Guarantee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Letters of Credit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrevocable undrawn credit commitments	-	-	-	-	-	-	-	-	-	-	-	-	-	1	6	7
Balance at 31/12/2020	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1**	**6**	**7**
Stage 1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Stage 2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4	4
Stage 3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	1
POCI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	1
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1**	**6**	**7**

Company	Nominal Amounts of Off Balance Sheet Items - Industry sectors															
31/12/2019	**Financial Institutions**	**Manufacturing / Handicraft**	**Construction**	**Real Estate Companies**	**Project Finance**	**Wholesale and retail trade**	**Public sector**	**Shipping Companies**	**Coastline/ Ferries Companies**	**Hotels**	**Agricul-ture**	**Energy**	**Transport and Logistics**	**Other industries**	**Individuals**	**Total**
Letters of Guarantee	1,428	313	832	107	-	185	-	-	-	44	6	76	51	192	-	**3,235**
Letters of Credit	-	7	-	-	-	4	-	-	-	-	1	-	-	11	-	**23**
Irrevocable undrawn credit commitments	86	18	9	7	53	18	-	12	-	22	41	19	3	96	77	**461**
Balance at 31/12/2019	**1,514**	**338**	**841**	**114**	**53**	**208**	**-**	**12**	**-**	**65**	**49**	**95**	**54**	**299**	**77**	**3,719**
Stage 1	1,512	292	586	104	53	180	-	11	-	47	30	94	49	247	57	**3,262**
Stage 2	-	4	45	7	-	11	-	0	-	9	13	-	2	22	17	**132**
Stage 3	2	42	210	4	-	17	-	-	-	9	2	1	2	23	1	**313**
POCI	-	-	-	-	-	-	-	-	-	-	2	-	-	7	2	**12**
Total	**1,514**	**338**	**841**	**114**	**53**	**208**	**-**	**12**	**-**	**65**	**49**	**95**	**54**	**299**	**77**	**3,719**

Other receivables from the Greek Public Sector

As at 31 December 2020 and 2019, the carrying amount of the Group's and the Company's receivables from the Greek Public Sector is as follows:

	Group		Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Derivative financial instruments	401	398	-	398
Bonds and treasury bills at FVTPL	337	650	-	650
Loans and advances to Public sector at amortised cost	1,718	1,749	2	1,744
Debt securities at amortised cost	3,681	-	-	-
Bonds, treasury bills and other variable income securities at FVTOCI	1,839	1,263	-	1,263
Other assets	545	547	22	535
Total	**8,522**	**4,607**	**24**	**4,590**

During 2020 the Company purchased Greek government bonds measured at amortised cost and at FVTOCI of nominal value € 3,127 million and € 462 million, respectively.

5.8 Offsetting of financial assets and liabilities

According to the provisions of IFRS 7 "Financial Instruments: Disclosures", the impact or the possible impact of enforceable master netting agreements or similar agreements for financial instruments on the Statement of Financial Position of the Group and the Company should be disclosed. More specifically, the disclosures should include the following:

i. The financial assets and liabilities, which are offset in accordance with the criteria of IAS 32 and the net amount is presented in the Statement of Financial Position, when there is a legally enforceable right and the intention to settle the net amounts or simultaneously collect the receivable and settle the obligation.

ii. The transactions which fall under International Swaps and Derivatives Association ("ISDA") contracts and similar master netting agreements irrespectively of whether these are offset or not in the Statement of Financial Position.

The Group and the Company have not offset any financial assets or liabilities on 31 December 2020 and 2019, given that the netting criteria mentioned in the first case (i) are not fulfilled.

The following tables, present for the Group and the Company the gross amounts of the financial instruments recognised as at 31 December 2020 and 2019, as well as the net effect on the Statement of Financial Position from the exercise of netting rights ("net amount") arising from ISDA contracts and similar master netting agreements. Therefore, these tables include mainly the following financial instruments: a) interest rate swap contracts ("IRSs"), cross currency interest rate swap contracts, fx forwards, currency swaps and options, for which there are ISDA contracts and b) interbank repos covered by Global Master Repurchase Agreement ("GMRA").

As of 31 December 2020 the Company did not hold ISDA contracts and similar master netting agreements.

Group 31/12/2020	Recognised financial assets (gross amounts)	Financial liabilities (offset amounts)	Net amount of financial assets	Related amounts not offset in the Statement of Financial Position		
				Recognized financial instruments and other non cash collateral received	Cash collateral received	Net amount
Financial Assets						
Derivative financial instruments	507	-	507	392	25	90
Reverse Repurchase agreements	63	-	63	55	-	8
Total	**570**	**-**	**570**	**447**	**25**	**98**

Group 31/12/2020	Recognised financial liabilities (gross amounts)	Financial assets (offset amounts)	Net amount of financial liabilities	Related amounts not offset in the Statement of Financial Position		
				Recognized financial instruments and other non cash collateral pledged	Cash collateral pledged	Net amount
Financial Liabilities						
Derivative financial instruments	460	-	460	8	448	4
Repurchase agreements	96	-	96	96	-	-
Total	**556**	**-**	**556**	**104**	**448**	**4**

Group 31/12/2019	Recognised financial assets (gross amounts)	Financial liabilities (offset amounts)	Net amount of financial assets	Related amounts not offset in the Statement of Financial Position		
				Recognized financial instruments and other non cash collateral received	Cash collateral received	Net amount
Financial Assets						
Derivative financial instruments	479	-	479	382	10	87
Reverse Repurchase agreements	93	-	93	93	-	-
Total	**572**	**-**	**572**	**475**	**10**	**87**

Group 31/12/2019	Recognised financial liabilities (gross amounts)	Financial assets (offset amounts)	Net amount of financial liabilities	Related amounts not offset in the Statement of Financial Position		
				Recognized financial instruments and other non cash collateral pledged	Cash collateral pledged	Net amount
Financial Liabilities						
Derivative financial instruments	482	-	482	32	445	5
Repurchase agreements	2,394	-	2,394	2,392	2	-
Total	**2,876**	**-**	**2,876**	**2,424**	**447**	**5**

Company				Related amounts not offset in the Statement of Financial Position		
31/12/2019	Recognised financial assets (gross amounts)	Financial liabilities (offset amounts)	Net amount of financial assets	Recognized financial instruments and other non cash collateral received	Cash collateral received	Net amount
Financial Assets						
Derivative financial instruments	479	-	479	382	10	87
Reverse Repurchase agreements	93	-	93	93	-	-
Total	**572**	**-**	**572**	**475**	**10**	**87**

Company				Related amounts not offset in the Statement of Financial Position		
31/12/2019	Recognised financial liabilities (gross amounts)	Financial assets (offset amounts)	Net amount of financial liabilities	Recognized financial instruments and other non cash collateral pledged	Cash collateral pledged	Net amount
Financial Liabilities						
Derivative financial instruments	482	-	482	32	445	5
Repurchase agreements	2,394	-	2,394	2,392	2	(0)
Total	**2,876**	**-**	**2,876**	**2,424**	**447**	**5**

5.9 Market risk

Market risk is the current or prospective risk of loss due to adverse movements in the level or the volatility of market prices and rates, including interest rates, equity and commodity prices and foreign exchange rates.

The Risk Committee of the BoD has approved a market risk management policy that applies to the Group and the Company and outlines the basic definitions of market risk management, and defines the roles and responsibilities of the units and executives involved. The Group and the Company engage in moderate trading activities in order to enhance profitability and service its clientele. These trading activities create market risk, which the Group and the Company seek to identify, estimate, monitor and manage effectively through a framework of principles, measurement processes and a valid set of limits that apply to all the Group and the Company's transactions. The most significant types of market risk for the Group and the Company are interest rates, equity and foreign exchange risk.

The Group and the Company apply up to date, generally accepted techniques for the measurement of market risk. Specifically, sensitivity indicators such as CSPV01 (adverse impact to the net present value of the bond portfolio for a 1 basis point parallel move in the yield spread curve) as well as Value-at-Risk (VaR incorporates all risk factors) are calculated.

For every activity, that bears market risk, the Group and the Company have assigned adequate market risk limits, and these are monitored systematically. Market risk management is not confined to trading book activities, but covers the Statement of Financial Position as a whole.

The Value-at-Risk measure is an estimate of the potential loss in the net present value of a portfolio, over a specified period and with a specified confidence level. The Group and the Company implement the following three methods for the calculation of Value at Risk:

Method A: the parametric Value-at-Risk methodology, assuming a one-day holding period and utilizing a 99% confidence level, with historic observations of two years and equal weighting between observations,

Method B: the parametric Value-at-Risk methodology, assuming a one-day holding period and utilizing a 99% confidence level, using market data that give more weight to recent observations (exponentially weighted moving average volatilities and correlations, λ=0.94) and

Method C: the parametric Value-at-Risk methodology using volatilities and correlations gathered during a crisis period (Stressed Value-at-Risk), while the estimate is assessed on current positions.

As the Value-at-Risk methodology does not evaluate the risk attributable to extraordinary financial or other occurrences, the risk assessment process includes a number of stress scenarios. The stress scenarios are based on the primary risk factors that can change the value of the balance sheet's figures.

The Group and the Company test the validity of the Value-at-Risk estimates, by conducting a relevant back-testing program on the Group and the Company’s trading book VaR, through the comparison of the Value-at-Risk estimate against the actual change in the value of the portfolio, due to the changes in market prices on a daily basis.

The Value-at-Risk estimate for the Group’s Trading Book as at 31 December 2020 amounted to € 2.8 million. This estimate comprises € 2.8 million for interest rate risk and € 0.2 million for foreign exchange risk, reduced by € 0.2 million due to the diversification effect in the portfolio as at 31 December 2020. As at 31 December 2020, the Company does not have any exposure classified under the Trading book and hence there is not a relevant VaR metric.

The Value-at-Risk estimate for the Group and the Company’s Trading Book as at 31 December 2019 was € 3.5 million. This estimate comprises € 3.5 million for interest rate risk and € 0.2 million for foreign exchange risk, reduced by € 0.2 million, due to the diversification effect in the portfolio as at 31 December 2019.

As at 31 December 2020, the Group trading book VaR decreased due to a reduced position in Greek Government Bonds and Treasury Bills amounting to € 307 million.

The table below summarizes the VaR calculation. The VaR measure in the table below is calculated using the method A as described previously.

Group - Amounts in € million	Total VaR	VaR Interest Rate Risk	VaR Equity Risk	VaR Foreign Exchange Risk	VaR Commodities Risk	Diversification Effect
2020	2.8	2.8	0.0	0.2	0.0	-0.2
2019	3.5	3.5	0.0	0.2	0.0	-0.2

5.10 Currency risk

The Group and the Company are exposed to effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. Management sets limits on the level of exposure by currency, which are monitored daily.The tables below summarise the Group’s and the Company's exposure to foreign currency exchange risk as at 31 December 2020 and 2019. The following tables include the Group’s and the Company's assets and liabilities at carrying amounts and the positions on derivatives at notional amounts, both being categorized by currency, which reduce significantly the undertaken foreign currency exchange risk:

Group 31/12/2020	EUR	USD	GBP	JPY	CHF	Other currencies	Total
Assets							
Cash and balances with central banks	8,836	18	10	-	3	36	8,903
Due from banks	1,083	68	10	8	47	41	1,258
Financial assets at FVTPL	353	-	-	-	-	-	353
Financial assets mandatorily measured at FVTPL	120	26	-	-	-	-	146
Derivative financial instruments (notional amounts)	1,893	29	80	6	10	265	2,282
Reverse repos with customers	8	-	-	-	-	-	8
Loans and advances to customers at amortised cost	36,373	2,046	4	8	1,108	84	39,624
Loans and advances to customers mandatorily at FVTPL	50	-	-	-	-	-	50
Financial assets at FVTOCI	2,768	116	-	-	-	14	2,898
Debt securities at amortised cost	4,964	-	-	-	-	-	4,964
Assets held for sale	175	-	-	-	7	-	181
Investment property	1,047	-	-	-	-	72	1,119
Investments in associated undertakings and joint ventures	268	-	-	-	-	-	268
Property and equipment	990	-	-	-	-	5	995
Intangible assets	279	-	-	-	-	1	280
Current tax assets	176	-	-	-	-	-	176
Deferred tax assets	6,336	-	-	-	-	1	6,337
Other assets	3,292	6	1	-	(9)	105	3,395
Assets from discontinued operations	112	-	-	-	-	-	112
Total assets	**69,125**	**2,310**	**105**	**22**	**1,165**	**623**	**73,351**
Liabilities							
Due to banks	11,357	3	-	-	4	13	11,376
Due to customers	47,556	1,663	105	1	16	295	49,636
Derivative financial instruments (notional amounts)	66	753	-	22	1,193	222	2,257
Debt securities in issue	471	-	-	-	-	-	471
Other borrowed funds	933	-	-	-	-	-	933
Current income tax liabilities	3	-	-	-	-	-	3
Deferred tax liabilities	31	-	-	-	-	1	31
Retirement and termination benefit obligations	143	-	-	-	-	-	143
Provisions	201	-	-	-	-	1	202
Other liabilities	1,181	(32)	-	-	(18)	6	1,136
Liabilities from discontinued operations	31	-	-	-	-	-	31
Total liabilities	**61,972**	**2,387**	**105**	**23**	**1,196**	**538**	**66,220**
Derivative financial instruments - fair value adjustment	**22**	**-**	**-**	**-**	**-**	**-**	**22**
Foreign currency exposure	**7,175**	**(76)**	**-**	**(1)**	**(30)**	**85**	**7,153**

Group 31/12/2019	EUR	USD	GBP	JPY	CHF	Other currencies	Total
Assets							
Cash and balances with central banks	3,278	16	6	-	2	47	3,349
Due from banks	1,093	105	15	8	44	42	1,307
Financial assets at FVTPL	661	2	-	-	-	-	663
Financial assets mandatorily measured at FVTPL	127	5	-	-	-	-	131
Derivative financial instruments (notional amounts)	2,218	107	84	18	32	288	2,746
Reverse repos with customers	38	-	-	-	-	-	38
Loans and advances to customers at amortised cost	35,706	2,138	5	11	1,212	88	39,162
Loans and advances to customers mandatorily at FVTPL	51	-	-	-	-	-	51
Financial assets at FVTOCI	1,523	122	-	-	-	1	1,647
Debt securities at amortised cost	1,121	-	-	-	-	-	1,121
Assets held for sale	264	-	-	-	-	-	264
Investment property	1,032	-	-	-	-	80	1,112
Investments in associated undertakings and joint ventures	264	-	-	-	-	-	264
Property and equipment	1,039	-	-	-	-	5	1,044
Intangible assets	287	-	-	-	-	1	287
Current tax assets	206	-	-	-	-	-	206
Deferred tax assets	6,476	-	-	-	-	2	6,478
Other assets	3,381	9	2	-	3	127	3,521
Assets from discontinued operations	108	-	-	-	-	-	108
Total assets	**58,872**	**2,504**	**112**	**38**	**1,293**	**680**	**63,499**
Liabilities							
Due to banks	3,223	65	3	-	5	-	3,296
Due to customers	45,273	1,640	109	1	15	313	47,351
Derivative financial instruments (notional amounts)	395	781	1	37	1,277	252	2,744
Debt securities in issue	481	-	-	-	-	-	481
Other borrowed funds	414	-	-	-	-	-	414
Current income tax liabilities	9	-	-	-	-	-	9
Deferred tax liabilities	31	-	-	-	-	1	32
Retirement and termination benefit obligations	130	-	-	-	-	-	130
Provisions	172	-	-	-	-	1	173
Other liabilities	1,077	3	1	-	(18)	7	1,071
Liabilities from discontinued operations	19	-	-	-	-	-	19
Total liabilities	**51,225**	**2,490**	**113**	**38**	**1,280**	**574**	**55,720**
Derivative financial instruments - fair value adjustment	**(5)**	**-**	**-**	**-**	**-**	**-**	**(5)**
Foreign currency exposure	**7,642**	**14**	**(2)**	**(0)**	**14**	**105**	**7,773**

Company 31/12/2020	EUR	USD	GBP	JPY	CHF	Other currencies	Total
Assets							
Cash and balances with central banks	-	-	-	-	-	-	-
Due from banks	462	-	-	-	-	-	462
Financial assets at FVTPL	-	-	-	-	-	-	-
Financial assets mandatorily measured at FVTPL	10	-	-	-	-	-	10
Derivative financial instruments (notional amounts)	-	-	-	-	-	-	-
Reverse repos with customers	-	-	-	-	-	-	-
Loans and advances to customers at amortised cost	3,778	20	-	-	28	-	3,826
Loans and advances to customers mandatorily at FVTPL	-	-	-	-	-	-	-
Financial assets at FVTOCI	-	-	-	-	-	-	-
Debt securities at amortised cost	696	-	-	-	-	-	696
Assets held for sale	-	-	-	-	-	-	-
Investment property	-	-	-	-	-	-	-
Investments in subsidiaries	4,867	-	-	-	-	13	4,881
Investments in associated undertakings and joint ventures	-	-	-	-	-	-	-
Property and equipment	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-
Current tax assets	22	-	-	-	-	-	22
Deferred tax assets	-	-	-	-	-	-	-
Other assets	137	-	-	-	-	-	138
Total assets	**9,974**	**21**	**-**	**-**	**28**	**13**	**10,036**
Liabilities							
Due to banks	-	-	-	-	-	-	-
Due to customers	-	-	-	-	-	-	-
Derivative financial instruments (notional amounts)	-	-	-	-	-	-	-
Debt securities in issue	2,383	-	-	-	-	-	2,383
Other borrowed funds	931	-	-	-	-	-	931
Current income tax liabilities	-	-	-	-	-	-	-
Deferred tax liabilities	1	-	-	-	-	-	1
Retirement and termination benefit obligations	-	-	-	-	-	-	-
Provisions	-	-	-	-	-	-	-
Other liabilities	13	-	-	-	(1)	-	12
Total liabilities	**3,329**	**-**	**-**	**-**	**(1)**	**-**	**3,328**
Derivative financial instruments - fair value adjustment	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Foreign currency exposure	**6,645**	**21**	**-**	**-**	**29**	**13**	**6,708**

Company 31/12/2019	EUR	USD	GBP	JPY	CHF	Other currencies	Total
Assets							
Cash and balances with central banks	3,275	15	6	-	2	16	3,314
Due from banks	1,042	97	15	8	44	33	1,239
Financial assets at FVTPL	654	-	-	-	-	-	654
Financial assets mandatorily measured at FVTPL	127	5	-	-	-	-	131
Derivative financial instruments (notional amounts)	2,218	107	84	18	32	288	2,746
Reverse repos with customers	38	-	-	-	-	-	38
Loans and advances to customers at amortised cost	36,371	2,138	6	11	1,204	70	39,801
Loans and advances to customers mandatorily at FVTPL	51	-	-	-	-	-	51
Financial assets at FVTOCI	1,523	122	-	-	-	-	1,646
Debt securities at amortised cost	1,121	-	-	-	-	-	1,121
Assets held for sale	259	-	-	-	-	-	259
Investment property	447	-	-	-	-	-	447
Investments in subsidiaries	565	-	1	-	-	20	586
Investments in associated undertakings and joint ventures	255	-	-	-	-	-	255
Property and equipment	980	-	-	-	-	-	980
Intangible assets	248	-	-	-	-	-	248
Current tax assets	202	-	-	-	-	-	202
Deferred tax assets	6,439	-	-	-	-	-	6,439
Other assets	3,081	9	2	-	3	24	3,118
Total assets	**58,895**	**2,493**	**113**	**38**	**1,285**	**451**	**63,275**
Liabilities							
Due to banks	3,204	65	3	-	5	-	3,277
Due to customers	45,555	1,619	109	1	15	274	47,572
Derivative financial instruments (notional amounts)	395	781	1	37	1,277	252	2,744
Debt securities in issue	481	-	-	-	-	-	481
Other borrowed funds	412	-	-	-	-	-	412
Current income tax liabilities	-	-	-	-	-	-	-
Deferred tax liabilities	-	-	-	-	-	-	-
Retirement and termination benefit obligations	125	-	-	-	-	-	125
Provisions	165	-	-	-	-	-	165
Other liabilities	953	3	1	-	(18)	-	939
Total liabilities	**51,290**	**2,468**	**114**	**38**	**1,280**	**526**	**55,716**
Derivative financial instruments - fair value adjustment	**(5)**	**-**	**-**	**-**	**-**	**-**	**(5)**
Foreign currency exposure	**7,599**	**25**	**(1)**	**-**	**5**	**(75)**	**7,553**

5.11 Interest rate risk

Interest rate risk is the risk of a negative impact on the Group and the Company’s financial position due to its exposure to interest rates fluctuations.

Changes in interest rates affect the Group and the Company's profitability by changing its Net Interest Income and the level of the other interest - sensitive income and expenses.

Changes in interest rates also affect the underlying value of the Group and the Company's assets and liabilities because the present value of future cash flows (and in some cases, the cash flows themselves) changes when interest rates also change. Accordingly, an effective interest rate risk management process that assesses, monitors and helps maintain interest rate risk within prudent levels (through effective hedging, where relevant), is essential for the safety and soundness of the Group and the Company's financial performance.

The Group and the Company apply an Interest Rate Risk Management Policy outlining various valuation techniques that mainly rely on maturity and repricing schedules, incorporating behavioral models, where necessary.

As presented in the tables below, interest rate gap analysis is a maturity / repricing schedule that distributes interest-sensitive assets and liabilities into a certain number of predefined time bands, according to their maturity (for fixed-rate instruments) or time remaining to their next repricing (for floating-rate instruments).

Those assets and liabilities lacking actual maturities (e.g. open accounts) or definitive repricing intervals (e.g. sight deposits or savings accounts) are assigned to the appropriate time band through the application of behavioral models.

Assets and liabilities in foreign currency are translated into Euro using the corresponding FX rates as of the reporting date.

Group **31/12/2020**	**Up to 1 month**	**1 - 3 months**	**3 - 12 months**	**1 - 5 years**	**Over 5 years**	**Non-interest bearing**	**Total**
Financial assets							
Cash and balances with Central Banks	8,896	-	-	-	-	6	8,903
Due from banks	1,112	125	-	-	-	20	1,258
Financial assets at FVTPL	21	8	44	23	245	12	353
Financial assets mandatorily measured at FVTPL	-	-	-	13	1	133	146
Reverse repos with customers	-	2	6	-	-	-	8
Loans and advances to customers	17,337	6,615	6,094	9,107	475	46	39,674
Financial assets measured at FVTOCI	294	136	418	529	1,340	182	2,898
Debt securities at amortised cost	-	-	51	989	3,925	-	4,964
Other assets	-	-	7	-	-	847	854
Total financial assets	**27,660**	**6,885**	**6,619**	**10,661**	**5,987**	**1,246**	**59,058**
Financial liabilities							
Due to banks	11,241	114	11	10	-	-	11,376
Due to customers	20,737	6,258	7,406	9,013	6,220	1	49,636
Debt securities in issue	471	-	-	-	-	-	471
Other borrowed funds	-	-	-	933	-	-	933
Other liabilities	-	6	2	2	-	1,126	1,136
Total financial liabilities	**32,449**	**6,377**	**7,419**	**9,959**	**6,220**	**1,127**	**63,552**
Net notional amount of derivative financial instruments	**27**	**8**	**39**	**3**	**(55)**	**-**	**22**
Total interest rate gap	**(4,762)**	**516**	**(761)**	**705**	**(289)**	**119**	**(4,472)**

Group 31/12/2019	Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Non-interest bearing	Total
Financial assets							
Cash and balances with Central Banks	3,339	-	-	-	-	10	3,349
Due from banks	1,192	70	21	-	-	24	1,307
Financial assets at FVTPL	16	42	33	70	494	8	663
Financial assets mandatorily measured at FVTPL	-	-	-	13	2	117	131
Reverse repos with customers	9	16	13	-	-	-	38
Loans and advances to customers	21,667	6,501	5,158	4,969	846	71	39,213
Financial assets measured at FVTOCI	70	142	321	190	714	210	1,647
Debt securities at amortised cost	-	-	-	413	708	-	1,121
Other assets	-	-	6	1	-	932	940
Total financial assets	**26,293**	**6,772**	**5,552**	**5,656**	**2,765**	**1,372**	**48,409**
Financial liabilities							
Due to banks	2,011	907	24	355	-	-	3,296
Due to customers	36,430	5,939	4,937	2	-	43	47,351
Debt securities in issue	481	-	-	-	-	-	481
Other borrowed funds	-	-	-	414	-	-	414
Other liabilities	-	1	4	1	-	1,065	1,071
Total financial liabilities	**38,923**	**6,846**	**4,965**	**772**	**-**	**1,107**	**52,613**
Net notional amount of derivative financial instruments	**2**	**(39)**	**(2)**	**(2)**	**(2)**	**-**	**(44)**
Total interest rate gap	**(12,628)**	**(114)**	**585**	**4,882**	**2,762**	**264**	**(4,247)**

Company 31/12/2020	Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Non - interest bearing	Total
Financial assets							
Cash and balances with Central Bank	-	-	-	-	-	-	-
Due from banks	462	-	-	-	-	-	462
Financial assets at FVTPL	-	-	-	-	-	-	-
Financial assets mandatorily measured at FVTPL	-	-	-	-	-	10	10
Reverse repos with customers	-	-	-	-	-	-	-
Loans and advances to customers	856	55	192	2,706	17	-	3,826
Financial assets measured at FVTOCI	-	-	-	-	-	-	-
Debt securities at amortised cost	-	-	-	696	-	-	696
Other assets	-	-	-	-	-	106	106
Total financial assets	**1,318**	**55**	**192**	**3,403**	**17**	**117**	**5,102**
Financial liabilities							
Due to banks	-	-	-	-	-	-	-
Due to customers	-	-	-	-	-	-	-
Debt securities in issue	-	3	15	240	2,125	-	2,383
Other borrowed funds	-	-	-	931	-	-	931
Other liabilities	-	-	-	-	-	12	12
Total financial liabilities	**-**	**3**	**15**	**1,171**	**2,125**	**12**	**3,326**
Net notional amount of derivative financial instruments	-	-	-	-	-	-	-
Total interest rate gap	**1,318**	**53**	**177**	**2,231**	**(2,108)**	**105**	**1,776**

Company 31/12/2019	Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Non-interest bearing	Total
Financial assets							
Cash and balances with Central Bank	3,314	-	-	-	-	-	3,314
Due from banks	1,164	73	2	-	-	-	1,239
Financial assets at FVTPL	16	42	31	70	494	-	654
Financial assets mandatorily measured at FVTPL	-	-	-	13	2	117	131
Reverse repos with customers	9	16	13	-	-	-	38
Loans and advances to customers	21,281	7,586	5,233	4,959	792	-	39,851
Financial assets measured at FVTOCI	70	142	320	190	714	210	1,646
Debt securities at amortised cost	-	-	-	413	708	-	1,121
Other assets	-	-	-	-	-	962	962
Total financial assets	**25,853**	**7,859**	**5,600**	**5,644**	**2,710**	**1,289**	**48,955**
Financial liabilities							
Due to banks	2,010	895	23	350	-	-	3,277
Due to customers	36,664	5,935	4,929	2	-	42	47,572
Debt securities in issue	481	-	-	-	-	-	481
Other borrowed funds	-	-	-	412	-	-	412
Other liabilities	-	-	-	-	-	939	939
Total financial liabilities	**39,154**	**6,830**	**4,952**	**764**	**-**	**982**	**52,682**
Net notional amount of derivative financial instruments	**2**	**(39)**	**(2)**	**(2)**	**(2)**	**-**	**(44)**
Total interest rate gap	**(13,299)**	**990**	**646**	**4,878**	**2,707**	**307**	**(3,771)**

The Group and the Company calculate any change in the net present value of on balance-sheet items in response to a change in interest rates, assuming a parallel yield curve shift of 1 basis point (PV01).

The interest rate gap analysis enables the evaluation of interest rate risk using the “Earnings-at-Risk” measure, which denotes the negative effect on the expected annual interest income, as a result of a parallel shift in interest rates for all currencies considered.

For Earnings-at-Risk and PV01, Management has assigned adequate limits, which are monitored on a regular basis.

Management evaluates potential financial losses under stressful market conditions. Possible stress scenarios include abrupt changes in the level of interest rates, changes in the slope and the shape of the yield curves, or changes in the volatility of market rates.

5.12 Liquidity risk

Management acknowledges that effective Liquidity Risk Management is essential to the Group’s ability to meet its liabilities, while also safeguarding its financial results and its capital. Liquidity risk is defined as the risk arising from the Company’s inability to meet its cash flow obligations when they come due, without incurring unacceptable costs or losses at all times, including under stress.

The Group applies a uniform Liquidity Risk Management Policy for the effective management of liquidity risk, approved by the Board Risk Management Committee. This policy complies with the supervisory regulations and is consistent with best practices applied internationally.

The policy specifies the principal liquidity risk assessment definitions and methodologies, defines the roles and responsibilities of the Company's Units, Group subsidiaries and staff involved and sets out the guidelines for liquidity crisis management. In order to manage liquidity risk effectively, Management monitors, inter alia, the amount, quality and composition/diversification of its liquid assets, the cash flow analysis of its assets and liabilities (inflows, outflows) in time buckets, the composition/diversification and cost of its funding sources, the composition/diversification and funding capacity of its unencumbered collateral and its funding needs in local and foreign currencies.

Furthermore, the policy defines a contingency funding plan to be used in the case of a liquidity crisis. Such a crisis can take place either due to an event specific to the Company or due to a market-driven event. Triggers and early warning signals prescribed within the contingency funding plan serve as indicators for its realisation.

The Company and the Group LCR and NSFR are calculated on a monthly and quarterly basis, respectively, as per regulation (EU) No. 575/2013. As of 31 December 2020, both the LCR and the NSFR exceeded the minimum regulatory threshold of 100%.

Under Directive 2013/36/EU (known as CRD IV), which has been transported into Greek Law by virtue of Greek Law 4261/2014, credit institutions are required to have comprehensive strategies, procedures, policies and systems to ensure adequate monitoring of liquidity risk. In accordance with the said Directive, the Company submitted in 2020 to the SSM, its annual ILAAP report, which includes the rules governing the management of liquidity risk and the main results of current and future liquidity position assessments for the Company and the Group. In addition, within the ICAAP and ILAAP framework, Management examined stress test scenarios and assessed their impact on the Company's and the Group's liquidity position and on mandatory liquidity ratios.

Contractual undiscounted cash flows

The contractual undiscounted cash flows of non-derivative financial liabilities and irrevocable undrawn credit commitments are presented in the tables below. Liquidity risk arising from derivative liabilities is not considered significant.

Group 31/12/2020	Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Total
Due to banks	188	34	10,980	68	71	11,342
Due to customers	40,530	5,070	4,038	6	-	49,644
Debt securities in issue	1	-	7	479	-	488
Other borrowed funds	-	28	39	1,129	-	1,195
Other liabilities	17	100	127	84	43	371
Total	**40,737**	**5,231**	**15,192**	**1,766**	**115**	**63,040**
Irrevocable undrawn credit commitments	2	28	78	242	378	728

Group 31/12/2019	Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Total
Due to banks	1,953	828	21	424	79	3,305
Due to customers	36,417	5,893	5,001	63	-	47,373
Debt securities in issue	1	-	8	492	14	515
Other borrowed funds	-	-	39	558	-	597
Other liabilities	50	116	114	88	51	419
Total	**38,421**	**6,837**	**5,183**	**1,624**	**144**	**52,209**
Irrevocable undrawn credit commitments	2	6	10	143	244	**405**

Company 31/12/2020	Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Total
Due to banks	-	-	-	-	-	-
Due to customers	-	-	-	-	-	-
Debt securities in issue	-	8	31	316	2,191	2,545
Other borrowed funds	-	28	39	1,127	-	1,194
Other liabilities	-	3	8	-	-	11
Total	-	**38**	**78**	**1,443**	**2,191**	**3,750**
Irrevocable undrawn credit commitments	-	-	-	-	6	**7**

Company 31/12/2019	Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Total
Due to banks	1,952	816	20	419	79	3,286
Due to customers	36,650	5,889	4,993	63	-	47,594
Debt securities in issue	1	-	8	492	14	515
Other borrowed funds	-	-	39	556	-	595
Other liabilities	42	119	91	82	56	390
Total	**38,645**	**6,824**	**5,151**	**1,612**	**149**	**52,380**
Irrevocable undrawn credit commitments	-	6	10	201	244	**461**

5.13 Transfers of financial assets

As of 31 December 2020 and 2019 the carrying amount of transferred financial assets, which have been transferred but continue to be recognized in their entirety on the Group's Statement of Financial Position, inclusive of the associated liabilities are presented in the following tables:

31/12/2020	Transferred assets		Associated liabilities	
	Carrying amount		Carrying amount	
	Group	Company	Group	Company
Financial assets at FVTPL	297	-	226	-
Loans and advances to customers	9,564	-	5,515	-
Financial assets at FVTOCI	2,133	-	1,693	-
Debt securities at amortised cost	4,961	-	4,105	-
Total	**16,955**	**-**	**11,540**	**-**

31/12/2019	Transferred assets		Associated liabilities	
	Carrying amount		Carrying amount	
	Group	Company	Group	Company
Financial assets at FVTPL	490	490	397	397
Loans and advances to customers	6,571	6,571	1,029	1,029
Financial assets at FVTOCI	909	909	705	705
Debt securities at amortised cost	1,121	1,121	1,083	1,083
Total	**9,091**	**9,091**	**3,213**	**3,213**

Transactions whereby financial assets are transferred, but continue to be recognized in their entirety on the Group's Statement of Financial Position relate to Eurosystem funding under the general terms applying to such agreements, and securities sold under agreements to repurchase, which are conducted under GMRAs. With respect to Eurosystem funding, a haircut is generally applied to the collateral, which results in the associated liabilities having a carrying value less than the carrying value of the transferred assets. The Group is unable to use, sell or pledge the aforementioned assets during the term of the transaction and remains exposed to interest rate risk and credit risk on these assets. The counterparty's recourse is not limited to the transferred assets.

The Group has not transferred financial assets that are not subject to derecognition in full, but remain on the Statement of Financial Position to the extent of continuing involvement or were derecognized in full, but continuing involvement exists.

The subsidiary that contributes to the Group amounts is Piraeus Bank S.A.

5.14 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.

Group	Carrying Amount 31/12/2020	Fair Value 31/12/2020	Level 1	Level 2	Level 3
Financial assets					
Loans and advances to customers at amortised cost	39,624	38,430	-	-	38,430
Debt securities at amortised cost	4,964	5,344	5,344	-	-
Financial liabilities					
Debt securities in issue	471	480	-	480	-
Other borrowed funds	933	767	767	-	-

Group	Carrying Amount 31/12/2019	Fair Value 31/12/2019	Level 1	Level 2	Level 3
Financial assets					
Loans and advances to customers at amortised cost	39,162	38,893	-	-	38,893
Debt securities at amortised cost	1,121	1,191	1,191	-	-
Financial liabilities					
Debt Securities in Issue	481	494	-	494	-
Other borrowed funds	414	425	425	-	-

Company	Carrying Amount 31/12/2020	Fair Value 31/12/2020	Level 1	Level 2	Level 3
Financial assets					
Loans and advances to customers at amortised cost	3,826	2,479	-	-	2,479
Debt securities at amortised cost	696	721	721	-	-
Financial liabilities					
Debt securities in issue	2,383	2,383	-	-	2,383
Other borrowed funds	931	767	767	-	-

Company	Carrying Amount 31/12/2019	Fair Value 31/12/2019	Level 1	Level 2	Level 3
Financial assets					
Loans and advances to customers at amortised cost	39,801	39,611	-	-	39,611
Debt securities at amortised cost	1,121	1,191	1,191	-	-
Financial liabilities					
Debt Securities in Issue	481	494	-	494	-
Other borrowed funds	412	423	423	-	-

The following methods and assumptions were used to estimate the fair values of the aforementioned financial instruments at 31 December 2020 and 2019.

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

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

5.15 Financial assets and liabilities measured at fair value

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

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

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

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

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

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

The following tables present the fair value of the financial assets and liabilities measured at fair value on a recurring basis and continue to be recognized in their entirety on the Group´s Statement of Financial Position, by fair value hierarchy level, as at 31 December 2020 and 2019:

Financial instruments measured at fair value and bases of valuation								
Group	**31/12/2020**				**31/12/2019**			
	Level 1	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets								
Derivative financial instruments	-	507	-	**507**	-	479	-	**479**
Financial assets at FVTPL	331	22	-	**353**	647	16	-	**663**
Financial assets mandatorily at FVTPL	76	-	71	**146**	78	-	53	**131**
Loans and advances to customers mandatorily at FVTPL	-	-	50	**50**	-	-	51	**51**
Financial assets at FVTOCI	2,590	274	35	**2,898**	1,426	129	92	**1,647**
Financial liabilities								
Derivative financial instruments	-	460	-	**460**	-	482	-	**482**

Financial instruments measured at fair value and bases of valuation								
Company	**31/12/2020**				**31/12/2019**			
	Level 1	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets								
Derivative financial instruments	-	-	-	-	-	479	-	**479**
Financial assets at FVTPL	-	-	-	-	637	16	-	**654**
Financial assets mandatorily at FVTPL	-	-	10	**10**	78	-	53	**131**
Loans and advances to customers mandatorily at FVTPL	-	-	-	-	-	-	51	**51**
Financial assets at FVTOCI	-	-	-	-	1,425	129	92	**1,646**
Financial liabilities								
Derivative financial instruments	-	-	-	-	-	482	-	**482**

Transfers between Level 1 and Level 2

Within the period ended 31 December 2020 € 61 million of Greek sovereign and corporate bonds were transferred from Level 1 to Level 2 due to change in their trading activity. Accordingly, € 20 million of Greek sovereign bonds were transferred from Level 2 to Level 1. There were no transfers of financial assets between Level 1 and Level 2 in the year ended 31 December 2019. There were no transfers of financial liabilities between Level 1 and Level 2 in the year ended 31 December 2020 and 2019. Transfers between levels of fair value hierarchy are deemed to have occurred at the end of the reporting period, in which the financial instruments were transferred.

Level 3 financial instruments

Level 3 financial instruments include:

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

b) Bonds mandatorily measured at FVTPL, including contingent consideration in the form of a performance note payable to the Bank based on the EBITDA of (i) Intrum Hellas Credit Servicing S.A.; (ii) Intrum Hellas REO Solutions; and (iii) any of their affiliates for a specified period of time after closing, of par value € 32 million, issued by Intrum Holding Spain

S.A.U., for which the models used to estimate their fair value utilize significant unobservable inputs (e.g. discount rate, volatility, expected cash flows etc.).

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

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

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

During the period ended 31 December 2020 and 2019, there were no transfers into or out of Level 3. The following table presents a reconciliation of Level 3 fair value measurements for the year ended 31 December 2020 and 2019:

	Reconciliation of Level 3 instruments				
Group	**Financial assets mandatorily at FVTPL**	**Loans and advances to customers mandatorily at FVTPL**	**Financial assets at FVTOCI**	**Derivative financial instruments - assets**	**Derivative financial instruments - liabilities**
Opening balance as at 1/1/2019	**52**	**84**	**81**	**6**	**-**
Gain/ (loss) recognized in the income statement	(11)	(3)	2	(6)	-
Gain/(loss) recognized in OCI	-	-	8	-	-
Purchases	13	-	5	-	-
Disposals/ Settlements	(1)	(30)	(5)	-	-
Closing Balance as at 31/12/2019	**53**	**51**	**92**	**-**	**-**
Gain/ (loss) recognized in the income statement	(3)	(2)	0	-	-
Gain/(loss) recognized in OCI	-	-	(39)	-	-
Purchases	22	2	1	-	-
Disposals/ Settlements	(2)	-	(18)	-	-
Closing Balance as at 31/12/2020	**71**	**50**	**35**	**-**	**-**

Company	Reconciliation of Level 3 Instruments				
	Financial assets mandatorily at FVTPL	Loans and advances to customers mandatorily at FVTPL	Financial assets at FVTOCI	Derivative financial instruments - assets	Derivative financial instruments - liabilities
Opening Balance as at 1/1/2019	**52**	**84**	**79**	**8**	**-**
Gain/ (loss) recognized in the income statement	(11)	(3)	-	(8)	-
Gain/(loss) recognized in OCI	-	-	8	-	-
Purchases	13	-	5	-	-
Disposals/ Settlements	(1)	(30)	-	-	-
Closing Balance as at 31/12/2019	**53**	**51**	**92**	**-**	**-**
Gain/ (loss) recognized in the income statement	(3)	(2)	-	-	-
Gain/(loss) recognized in OCI	-	-	(39)	-	-
Purchases	21	2	1	-	-
Disposals/ Settlements	(2)	-	(18)	-	-
Contribution to the new credit institution	(59)	(50)	(35)	-	-
Closing Balance as at 31/12/2020	**10**	**-**	**-**	**-**	**-**

Valuation Process and Control Framework

The Group has established appropriate processes and internal controls to ensure that the fair values of its financial assets and liabilities are reasonably estimated. The fair value measurements are validated by functions of the Bank that are independent of the risk-taking Unit.

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

Fair values of OTC derivatives are determined by calculating the present value of expected future cash flows, based upon "risk-neutral" principles. The Group mainly engages into vanilla derivative products, hence, the valuation models utilized are fairly standard across the industry. Inputs to valuation models are determined based on market observable information wherever possible. Counterparty credit risk-adjustments are applied on all OTC derivatives. The Group calculates a separate Credit Value Adjustment ("CVA") for each counterparty to which the Group has exposure. The CVA is estimated considering expected exposures generated using simulation techniques (i.e. Monte Carlo simulation), as well as ISDA master netting agreements and collateral postings under CSA. With respect to own credit risk, the Group estimates a Debt Value Adjustment ("DVA") by applying a methodology symmetric to the one applied for CVA. The bilateral CVA ("BCVA") is based on implied probabilities of default, derived from credit default swaps ("CDS") spreads observed in the market, or, if these are not available, from appropriate proxies.

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

Quantitative Information about Level 3 Fair Value Measurements as at 31 December 2020 and 2019

Financial instruments	Fair Value 2020	Fair Value 2019	Valuation Technique	Significant Unobservable Input	Range of Inputs 2020 Low	Range of Inputs 2020 High	Range of Inputs 2019 Low	Range of Inputs 2019 High
Derivative financial instruments	-	-	Discounted cash flows, internal model for BCVA	Credit spread Equity volatility	-	-	2,5% 20%	5,5% 45%
Financial assets mandatorily at FVTPL - Bonds	1	2	Discounted cash flows	CET1 % Volatility Discount rate	12% 12%	30% 16%	-	-
Financial assets mandatorily at FVTPL - Contingent consideration asset	13	13	Monte Carlo simulation	Revenue volatility Discount rate Expected EBITDA	15% 14% n/a[2]	15% 14% n/a[2]	-	-
Financial assets mandatorily at FVTPL and FVTOCI – equity securities, funds	92	130	Income, market approach	n/a[1]	n/a[1]	n/a[1]	n/a[1]	n/a[1]
Loans and advances to customers mandatorily at FVTPL	50	51	Discounted Cash Flows	Credit risk adjusted expected cash flows	0%[3]	100%[3]	0%[3]	100%[3]

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

[2] *The performance targets and forecasted EBITDA of the underlying associates of the Group throughout the earnout calculation period, are commercially sensitive and have not been disclosed given that: a) it would be detrimental to the Group's interests to disclose them; and b) the fair value of the asset is immaterial.*

[3] *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.

5.16 Capital adequacy

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

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

From 1 January 2014 onwards the Group complies with the CRD IV regulatory framework (Basel III implementation under EU rules), which came into force with Directive 2013/36/EU as transposed into Greek Law 4261/2014 and Regulation (EU) No. 575/2013, as it currently stands (CRR2).

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

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

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

Further to the conclusion of the SREP (Supervisory Review and Evaluation Process), the ECB informed Management of its Overall Capital Requirement ("OCR"), valid for 2021, not taking into account mitigating measures for the Covid-19 pandemic.

According to the decision, the Group would have to maintain on a consolidated basis and on an individual basis (i.e. Piraeus Bank S.A.) a Total SREP Capital Requirement (TSCR) of 11.25% and an Overall Capital Requirement (OCR) of 14.25% (31 December 2020: 14.25%), which includes:

a) the minimum Pillar I total capital requirements of 8% as per article 92(1) of Regulation 575/2013/EU;

b) an additional Pillar II capital requirement of 3.25% (31 December 2020: 3.25%) as per article 16(2) of Regulation 1024/2013/EU;

c) the fully loaded capital conservation buffer of 2.5% (31 December 2020: 2.5%) under Greek Law 4261/2014; and

d) the transitional Other Systemic Important Institutions (O-SII) capital buffer of 0.50% for 2021 (31 December 2020: 0.50%) under Greek Law 4261/2014.

On 12 March 2020, the ECB announced several measures to address the adverse economic effects resulting from Covid-19 pandemic on Banks under its supervision. These measures extend temporary support to Banks, so that they may continue to provide necessary funding and address the European economy's increased needs. For these reasons, the ECB allows Banks to temporarily operate below the level of capital defined by the Pillar 2 Guidance (P2G) and the Combined Buffer Requirement (CBR).

The capital adequacy ratios as at 31 December 2020 and 2019 for the Group, as calculated under the existing regulatory framework, taking into account the relevant transitional period provisions applicable under Regulation 575/2013 and the transitional arrangements applicable under Regulation (EU) 2395/2017 for mitigating the impact of the introduction of IFRS 9 on own funds, were as follows:

	Group		
	31/12/2020	**31/12/2019**	**31/12/2019 (including year-end profit) [1]**
Ordinary shares	2,620	2,620	2,620
Share premium	13,075	13,075	13,075
Contingent Convertible bonds	2,040	2,040	2,040
Less: Treasury shares	(1)	-	-
Other reserves and retained earnings	(10,687)	(10,355)	(10,075)
Minority Interest	106	115	115
Less: Intangible assets	(234)	(304)	(304)
Total regulatory adjustments on CETI capital	(992)	(787)	(737)
Common Equity Tier 1 Capital (CET1)	**5,927**	**6,403**	**6,732**
Hybrid capital	-	-	-
Total regulatory adjustments on Tier 1 capital	-	-	-
Tier 1 Capital (A)	**5,927**	**6,403**	**6,732**
Subordinated debt	889	394	394
Total regulatory adjustments on Tier II capital	-	-	-
Total Tier II Capital (B)	**889**	**394**	**394**
Total regulatory capital (A) + (B)	**6,816**	**6,798**	**7,126**
Total risk weighted assets (on and off- balance sheet items)	**43,097**	**45,565**	**45,686**
CET1 Capital ratio	**13.75%**	**14.05%**	**14.74%**
T1 Capital ratio	**13.75%**	**14.05%**	**14.74%**
Total Capital ratio	**15.82%**	**14.92%**	**15.60%**

(1) The comparative information as at 31 December 2019 has been adjusted to incorporate into regulatory capital the audited profit for the period ended 31 December 2019.

As of 31 December 2020, the Total Capital Adequacy Ratio for the Group stood at 15.82% and the CET1 ratio stood at 13.75%, covering minimum OCR levels.

The spread of the Covid-19 pandemic has proven to be an unprecedented challenge at both global and European level. Banks are allowed to partially use capital instruments that do not qualify as Common Equity Tier 1 (CET1) capital, for example Additional Tier 1 or Tier 2 instruments, to meet the Pillar 2 Requirements (P2R). This has brought forward a measure that was part of the latest revision of the Capital Requirements Directive (CRD V).

The impact of Covid-19 also accelerated the implementation of certain measures introduced in the CRR2, including the RWA relief factors for qualifying SME and infrastructure exposures. These relief measures, initially scheduled for June 2021, have been implemented by the Bank as of June 2020.

Furthermore, the Group adopted the provisions of Article 473a of Regulation (EU) No 2017/2395, amending the CRR in regards to "transitional arrangements for mitigating the impact of the introduction of IFRS 9 on own funds". These transitional arrangements allowed the Group to add back to its capital base a proportion of the IFRS 9 impact due to ECL allowance during the first five years of use. In addition, according to paragraph 7a that has been added to the article, the Group replaced the rescaling of all exposure values that are reduced by ECL allowance with a standard risk weight of 100% to be assigned to the amounts added back to CET1 capital.

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

Taking into consideration the aforementioned developments, the Group currently operates with a capital excess of 457 bps over its Total SREP Capital Requirement (TSCR).

5.17 Risks related to the recognition of the main part of deferred tax assets as claims (Deferred Tax Credits) against the Greek State as regulatory capital or as an asset

The calculation of the capital adequacy ratios of the Group, takes into account the deferred tax assets which have been recognised on the basis of the relevant provisions of the IFRSs. As at 31 December 2020 the deferred tax asset of the Group amounted to € 6,337 million (31 December 2019: € 6,478 million). At each reporting date, the Group and the Company review the carrying amount of the deferred taxation, which is likely to lead to a change in the amount of deferred tax asset recognised in the Statement of Financial Position, and consequently affect the calculation of the capital adequacy ratios. Under the current directive about the capital adequacy ("CRD IV"), deferred tax assets are deducted from the Common Equity Tier 1 capital ("CET1"), if they exceed specific limits.

Under the provisions of Greek Law 4172/2013, Article 27A, as amended by Greek Law 4465/2017 and being currently in effect, deferred tax assets of Greek financial institutions, as well as deferred tax assets of leasing and factoring companies, that have been recognized due to losses from the Private Sector Involvement ("PSI") and accumulated provisions due to credit risk in relation to existing loans and advances to customers as of 30 June 2015, as well as the accounting write offs and final losses due to permanent write offs or restructuring of debts under certain conditions, will be converted from 2017 onwards into directly enforceable claims (Tax Credit) against the Greek State, provided that the "profit for the period" from the fiscal year 2016 onwards according to IFRS, is a loss. This claim will be offset against the relevant amount of income tax of the legal person or companies of the same corporate group (associated companies) of the tax year, which the approved financial statements refer to. When the amount of income tax is insufficient to offset the above claim, any remaining claim will give rise to a direct refund right against the Greek State. Simultaneously, equivalent conversion rights are granted to the Greek State for the issuance and delivery of ordinary shares.

Existing shareholders have option to buy the conversion rights from the State. Furthermore, a gradual amortization over a 20-year period of the final tax losses arising from write-offs and disposals is provided, maintaining the DTC status during all this period, while it disconnects the accounting write-offs from final debt write-offs.

As at 31 December 2020, the deferred tax assets of the Group, which are eligible to Tax Credit, amounted to € 3.7 billion (31 December 2019: € 3.9 billion) of which € 1.1 billion (31 December 2019: € 1.2 billion) relate to the unamortized amount from the participation in the PSI program and € 2.6 billion (31 December 2019: € 2.7 billion) relate to the temporary differences between tax and accounting base for loans and advances to customers.

The recognition of deferred tax assets, as well as Tax Credit can be adversely affected by: a) the future reduction of income tax rates, b) the adverse change of the regulations governing the treatment of deferred tax assets for regulatory capital purposes and c) any adverse change in the interpretation of the aforementioned legislative amendments by the European Commission. In case where any of the aforementioned risks occur, it would probably have an adverse effect on the adequacy of the Group's regulatory capital adequacy ratios.

6 Segment analysis

The CEO, supported by the members of the Group Executive Committee, is considered the Chief Operating Decision Maker for the purposes of identifying the Group's reportable segments. In the fourth quarter of 2019, Management established an NPE Management Unit ("NPE MU"), with the overall responsibility of managing the Group's domestic NPE portfolio and consequently revised the Group's segmental architecture, as follows:

a. The non-Core of REO and Group's equity participations as well as international banking, were spinned-off from the Piraeus Legacy Unit ("PLU") reportable segment and recognized, along with the core part, as distinct segments. The quantitative thresholds of IFRS 8 are not exceeded; hence, the entirety of these segments is presented within the "Other - Core" reportable segment.
b. The PLU, which following the aforementioned change consisted solely of the NPE management function, was transposed to NPE MU.

The Group manages its business through the following reportable segments:

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

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

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

Other – Includes all management related activities not allocated to specific customer segments, as well as all funding transactions approved by the Group Asset Liability Committee ("ALCO") and intersegmental eliminations. Following the most recent segmental architecture changes, this reportable segment now includes the management of REO, non client related Group's equity participations and international banking.

NPE MU – Includes the management of any NPE lending exposures assessed as non-core business, irrespectively of whether the said exposures are serviced by the Group or third parties. The accrued fees payable to Intrum Hellas Credit Servicing S.A. for servicing the Group's NPE portfolio are recognized within this reportable segment.

An analysis of the results and other financial figures per business segment of the Group is presented below. All inter-company transactions are undertaken on arm's length terms and inter-segment transactions and balances are eliminated within each relevant segment.

1/1 - 31/12/2020	«Core» Segments					NPE MU	Group
	Retail Banking	Corporate Banking	PFM	Other	Total		
Net interest income	468	472	146	16	1,102	383	1,486
Net fee and commission income	184	118	5	(1)	306	11	317
Net gain/ (losses) from derecognition of financial instruments measured at amortised cost	-	(2)	-	-	(2)	11	9
Net other income/ (expenses)	7	4	30	35	75	6	81
Total Net Income	**658**	**592**	**181**	**51**	**1,482**	**411**	**1,893**
Total operating expenses before provisions	(461)	(140)	(27)	(336)	(964)	(120)	(1,084)
Profit/ (loss) before provisions, impairment and income tax	**197**	**451**	**155**	**(285)**	**517**	**291**	**809**
ECL Impairment losses on loans and advances to customers at amortised cost	(86)	(142)	-	(3)	(231)	(874)	(1,104)
Impairment (losses) / releases on other assets	-	-	-	(189)	(189)	-	(189)
Impairment on debt securities at amortized cost	-	-	(12)	-	(12)	-	(12)
ECL impairment (losses) / releases on financial assets at FVTOCI	-	-	(6)	-	(6)	-	(6)
Impairment on subsidiaries and associates	-	-	-	(6)	(6)	-	(6)
Impairment of property and equipment and intangible assets	-	-	-	(4)	(4)	-	(4)
Other impairment (losses) / releases	-	-	-	-	-	-	-
Other provision charges/ releases	-	(3)	-	2	(1)	1	-
Share of profit/ (loss) of associates and joint ventures	-	-	-	(16)	(16)	-	(16)
Profit/ (loss) before income tax	**111**	**307**	**137**	**(502)**	**52**	**(582)**	**(530)**
Income tax benefit/ (expense)							(128)
Profit/ (loss) for the year from continuing operations							**(658)**
Profit/ (loss) after income tax from discontinued operations	-	-	-	(10)	(10)	-	(10)
Profit/ (loss) for the year							**(668)**
As at 31/12/2020							
Total assets from continuing operations (excluding assets held for sale)	10,424	16,380	17,855	13,509	58,167	13,115	71,282
Total assets from discontinued operations	-	-	-	112	112	-	112
Assets held for sale	2	-	-	-	2	179	181
Total assets	10,426	16,380	17,855	13,621	58,282	13,294	71,576
Total liabilities	37,364	10,030	12,670	4,037	64,102	321	64,423

1/1 - 31/12/2019	«Core» Segments					NPE MU	Group
	Retail Banking	Corporate Banking	PFM	Other	Total		
Net interest income	516	422	103	5	1,047	388	**1,435**
Net fee and commission income	180	120	6	-	305	13	**318**
Net gain/ (losses) from derecognition of financial instruments measured at amortised cost	-	(17)	17	-	-	8	**7**
Net other income/ (expenses)	6	3	46	34	90	324	**414**
Total Net Income	**702**	**528**	**172**	**39**	**1,442**	**733**	**2,174**
Total operating expenses before provisions	(467)	(147)	(26)	(217)	(856)	(157)	**(1,013)**
Profit/ (loss) before provisions, impairment and income tax	**235**	**382**	**147**	**(178)**	**586**	**576**	**1,161**
ECL Impairment losses on loans and advances to customers at amortised cost	(76)	(129)	-	(27)	(233)	(477)	**(710)**
Impairment (losses) / releases on other assets	-	-	-	(62)	(62)	-	**(62)**
Impairment on debt securities at amortized cost	-	-	(1)	-	(1)	-	**(1)**
ECL impairment (losses) / releases on financial assets at FVTOCI	-	-	8	-	8	-	**8**
Impairment on subsidiaries and associates	-	-	-	-	-	-	**-**
Impairment of property and equipment and intangible assets	-	-	-	(14)	(14)	-	**(14)**
Other impairment (losses) / releases	-	-	-	-	-	-	**-**
Other provision charges/ releases	-	5	-	(4)	1	-	**1**
Share of profit/ (loss) of associates and joint ventures	-	-	-	5	5	-	**5**
Profit/ (loss) before income tax	**159**	**258**	**154**	**(281)**	**290**	**99**	**389**
Income tax benefit/ (expense)							(123)
Profit/ (loss) for the year from continuing operations							**266**
Profit/ (loss) after income tax from discontinued operations	-	-	-	10	10	-	**10**
Profit/ (loss) for the year							**276**
As at 31/12/2019							
Total assets from continuing operations (excluding assets held for sale)	10,099	14,607	7,380	14,213	46,298	14,561	**60,860**
Total assets from discontinued operations	-	-	-	108	108	-	**108**
Assets held for sale	-	-	-	-	-	264	**264**
Total assets	10,099	14,607	7,380	14,321	46,406	14,825	**61,231**
Total liabilities	34,553	7,892	8,235	2,416	53,095	363	**53,458**

In the tables above, interest income is presented for each reportable segment net of interest expense, as the performance of each segment is evaluated on a net interest income basis.

b) Geographical segment

The Group operates in the following geographical areas: a) Greece, the country of domicile of the Company, b) Rest of Europe, which includes Albania, Bulgaria, Romania, Serbia, Ukraine, Cyprus, United Kingdom, Germany and Ireland, and c) Other Countries, which include Egypt. To this end, Greece generated 99% of the Group's net income and the remaining countries 1%.

The following table summarises the Group's net income and non-current assets, across all geographical areas. The breakdown is based on the location of the respective legal entity.

Group	Net Income		Non-current assets	
	1/1 - 31/12/2020	1/1 - 31/12/2019	31/12/2020	31/12/2019
Greece	1,873	2,140	2,221	2,257
Rest of Europe	20	35	168	181
Other countries	-	(1)	4	5
Continuing Operations	**1,893**	**2,174**	**2,394**	**2,443**
Discontinued Operations	**33**	**70**	**81**	**82**

For information regarding the entities of the Group classified as discontinued operations in 2020 and 2019, please refer to Note 13.

7 Net interest income

Continuing operations	Group		Company	
	1/1 - 31/12/2020	1/1 - 31/12/2019	1/1 - 31/12/2020	1/1 - 31/12/2019
Interest and similar income				
Securities measured at FVTOCI	45	42	44	41
Debt Securities at amortised cost	49	19	49	19
Loans and advances to customers at amortised cost and reverse repos	1,581	1,657	1,577	1,642
Due from banks	31	7	31	7
Other	13	16	7	45
Total interest income for financial instruments not measured at FVTPL	**1,719**	**1,740**	**1,708**	**1,755**
Financial instruments measured at FVTPL	10	10	10	10
Derivative financial instruments	95	104	95	102
Total interest and similar income	**1,825**	**1,855**	**1,813**	**1,867**
Interest expense and similar charges				
Due to customers and repurchase agreements	(88)	(188)	(87)	(187)
Debt securities in issue and other borrowed funds	(71)	(27)	(71)	(28)
Due to banks	(14)	(9)	(14)	(9)
Contribution of Law 128/75	(65)	(69)	(65)	(68)
Other interest expense	(3)	(4)	(4)	(6)
Total interest expense from financial instruments not measured at FVTPL	**(241)**	**(298)**	**(240)**	**(298)**
Financial instruments measured at FVTPL	-	(2)	-	(2)
Derivative financial instruments	(98)	(120)	(98)	(118)
Total interest expense	**(339)**	**(420)**	**(338)**	**(418)**
Net interest income	**1,486**	**1,435**	**1,475**	**1,449**

Interest income by credit quality and product line

The table below presents interest income from loans and advances to customers at amortised cost and reverse repos, by credit quality and product line.

Group - Continuing operations	31/12/2020				31/12/2019			
	Unimpaired	Credit impaired			Unimpaired	Credit impaired		
	Stage 1 and 2	Stage 3	POCI	Total	Stage 1 and 2	Stage 3	POCI	Total
Retail Lending	312	99	76	**487**	328	118	95	**542**
Corporate Lending	618	371	103	**1,092**	600	402	109	**1,111**
Public Sector Lending	3	-	-	**3**	4	-	-	**5**
Total Interest income	**933**	**469**	**179**	**1,581**	**932**	**520**	**205**	**1,657**

Company	31/12/2020				31/12/2019			
	Unimpaired	Credit impaired			Unimpaired	Credit impaired		
	Stage 1 and 2	Stage 3	POCI	Total	Stage 1 and 2	Stage 3	POCI	Total
Retail Lending	312	99	76	487	328	118	95	**541**
Corporate Lending	622	365	101	1,087	607	383	107	**1,097**
Public Sector Lending	2	-	-	3	4	-	-	**4**
Total Interest income	**936**	**464**	**177**	**1,577**	**939**	**502**	**202**	**1,642**

8 Net fee and commission income

Continuing operations	Group		Company	
	1/1 - 31/12/2020	1/1 - 31/12/2019	1/1 - 31/12/2020	1/1 - 31/12/2019
Fee and commission income				
Commercial banking	367	383	336	338
Investment banking	23	20	12	10
Asset management	18	14	11	9
Total fee and commission income	**408**	**417**	**358**	**358**
Fee and commission expense				
Commercial banking	(85)	(95)	(80)	(89)
Investment banking	(6)	(4)	-	-
Asset management	-	-	-	-
Total fee and commission expense	**(91)**	**(99)**	**(80)**	**(89)**
Net fee and commission income	**317**	**318**	**278**	**269**

a. Fee and commission income

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

The tables below present commission income from contracts with customers of the Group and the Company, for the years ended 31 December 2020 and 2019 respectively, per product type and per business segments before deducting any associated expenses.

Group	Fee and Commission income					
1/1 - 31/12/2020	Retail Banking	Corporate Banking	Piraeus Financial Markets	Other	NPE MU	Total
Acquiring	41	19	1	-	1	63
Asset management/Brokerage	24	1	5	4	-	34
Bancassurance	30	4	-	7	2	43
Cards Issuance	35	5	-	1	2	43
Deposits Commissions	7	1	-	-	-	8
Funds Transfer	38	11	-	1	2	52
Letters of Guarantee	2	26	-	-	3	31
Loans and advances to customers	10	45	-	1	1	57
Payments	20	5	1		-	26
FX fees	16	2	1	-	1	19
Other	15	12	-	4	-	31
Total	**238**	**131**	**8**	**18**	**12**	**408**

Group	Fee and Commission income					
1/1 - 31/12/2019	Retail Banking	Corporate Banking	Piraeus Financial Markets	Other	NPE MU	Total
Acquiring	39	22	1	-	2	**63**
Asset management/Brokerage	19	1	6	1	-	**27**
Bancassurance	24	4	-	9	2	**39**
Cards Issuance	38	5	-	1	2	**46**
Deposits Commissions	6	1	-	-	-	**8**
Funds Transfer	37	12	-	2	2	**53**
Letters of Guarantee	2	27	-	1	3	**33**
Loans and advances to customers	8	47	-	1	2	**58**
Payments	25	4	-	2	-	**31**
FX fees	21	4	1	-	-	**27**
Other	18	9	-	4	-	**32**
Total	**238**	**137**	**8**	**20**	**14**	**417**

Company	Fee and Commission income					
1/1 - 31/12/2020	Retail Banking	Corporate Banking	Piraeus Financial Markets	Other	NPE MU	Total
Acquiring	41	20	1	-	1	63
Asset management/Brokerage	11	1	4	-	-	16
Bancassurance	13	2	-	5	-	20
Cards Issuance	35	4	-	1	2	42
Deposits Commissions	7	1	-	-	-	8
Funds Transfer	38	11	-	1	2	52
Letters of Guarantee	2	26	-	-	3	31
Loans and advances to customers	9	42	-	1	1	53
Payments	20	4	1	1	-	26
FX fees	16	2	1	-	-	19
Other	15	12	-	-	1	28
Total	**207**	**125**	**7**	**9**	**10**	**358**

Company	Fee and Commission income					
1/1 - 31/12/2019	Retail Banking	Corporate Banking	Piraeus Financial Markets	Other	NPE MU	Total
Acquiring	39	22	1	-	2	63
Asset management/Brokerage	9	-	4	-	-	14
Bancassurance	-	-	-	1	-	1
Cards Issuance	38	5	-	1	2	46
Deposits Commissions	6	1	-	-	-	8
Funds Transfer	37	12	-	2	2	53
Letters of Guarantee	2	27	-	1	3	33
Loans and advances to customers	8	44	-	1	1	54
Payments	25	4	-	1	-	30
FX fees	21	4	1	-	-	27
Other	18	10	-	1	-	29
Total	**203**	**129**	**7**	**8**	**12**	**358**

b. Other income

The tables below present other income from contracts with customers of the Group and the Company, for the years ended 31 December 2020 and 2019, which fall within the scope of IFRS 15.

Group	Other Income				
1/1 - 31/12/2020	Retail Banking	Corporate Banking	Other	NPE MU	Total
Other operating income	-	-	57	7	64
Gain from sale of investment property	-	-	3	-	3
Gain from sale of other assets	-	-	3	-	3
Total	**-**	**-**	**63**	**7**	**70**

Group 1/1 - 31/12/2019	Other Income Retail Banking	Corporate Banking	Other	NPE MU	Total
Other operating income	-	-	35	2	**37**
Gain from sale of investment property	-	-	1	-	**1**
Gain from sale of other assets	-	-	7	1	**8**
Total	**-**	**-**	**44**	**3**	**46**

Company 1/1 - 31/12/2020	Other Income Retail Banking	Corporate Banking	Other	NPE MU	Total
Other operating income	-	-	37	7	44
Gain from sale of investment property	-	-	-	-	-
Gain from sale of other assets	-	-	3	-	3
Total	**-**	**-**	**40**	**7**	**47**

Company 1/1 - 31/12/2019	Other Income Retail Banking	Corporate Banking	Other	NPE MU	Total
Other operating income	-	-	9	2	**11**
Gain from sale of investment property	-	-	-	-	**-**
Gain from sale of other assets	-	-	6	1	**7**
Total	**-**	**-**	**15**	**3**	**18**

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

	Group		Company	
Continuing operations	1/1 - 31/12/2020	1/1 - 31/12/2019	1/1 - 31/12/2020	1/1 - 31/12/2019
Gains / (losses) on debt securities	31	29	31	29
Net income from other financial instruments designated at fair value through profit or loss	(1)	(20)	(1)	(20)
Gains / (losses) on other financial instruments	7	4	9	2
Net income from financial instruments measured at fair value through profit or loss	**36**	**13**	**38**	**12**

10 Net other income/ (expenses)

	Group		Company	
Continuing operations	1/1 - 31/12/2020	1/1 - 31/12/2019	1/1 - 31/12/2020	1/1 - 31/12/2019
Net losses from fair value adjustment of investment property (Note 27)	(9)	(4)	9	(2)
Rental income from investment property	31	39	12	11
Other net income / (loss)	21	13	34	1
Total Net other income / (expense)	**43**	**48**	**56**	**9**

The variance of line item "other net income / (loss)" for the Group is mainly due to higher operating income of subsidiaries by € 9 million, € 8 million fees earned by the Demerged Entity from rendering services to Intrum Hellas and a gain of € 4 million from the sale of investment property and other assets.

Net other income/ (expenses) has been restated for 2019 in order to be comparable with current year's presentation.

11 Staff costs

Continuing operations	Group		Company	
	1/1 - 31/12/2020	1/1 - 31/12/2019	1/1 - 31/12/2020	1/1 - 31/12/2019
Wages and salaries	(315)	(339)	(296)	(319)
Social insurance contributions	(77)	(88)	(73)	(84)
Other staff costs	(26)	(32)	(25)	(31)
Voluntary redundancy costs	(148)	(36)	(146)	(36)
Retirement benefit charges	(4)	(9)	(4)	(9)
Total	**(571)**	**(504)**	**(544)**	**(479)**

Staff costs increased to € 571 million in 2020 compared to € 504 million in 2019 primarily due to costs related to Voluntary Exit Scheme ("VES") amounting to € 148 million out of which € 147 million relates to the newly launched VES, in October 2020.

The number of employees from continuing operations for the Group as of 31 December 2020 was 10,429 (31 December 2019: 11,615) and 33 for the Company. The decrease on the number of employees in 2020 is mainly due to the aforementioned VES, based on which 865 employees applied and exited during the year 2020.

12 Administrative expenses

Continuing operations	Group		Company	
	1/1 - 31/12/2020	1/1 - 31/12/2019	1/1 - 31/12/2020	1/1 - 31/12/2019
Taxes and duties	(80)	(80)	(70)	(72)
Promotion and advertising expenses	(31)	(31)	(43)	(43)
Fees and similar expenses	(136)	(107)	(123)	(95)
Contributions payable to Deposit Insurance and Resolution Funds	(44)	(50)	(44)	(49)
Other administrative expenses	(115)	(119)	(101)	(103)
Total	**(406)**	**(387)**	**(381)**	**(363)**

Administrative expenses increased to € 406 million in 2020, from € 387 million in 2019 primarily due to the asset management fee paid to the NPE servicer, namely Intrum, which is presented with in line item "Fees and similar expenses". Having excluded the asset management fee for both 2020 and 2019, amounting to € 46 million and € 14 million, respectively for the Group and the Company, administrative expenses would had amounted, on a like-for-like base, to € 360 million and € 373 million, for 2020 and 2019, respectively.

Contributions payable to Deposit Insurance and Resolution Funds mainly include € 27 million for the Bank's regular contribution to the Hellenic Deposit and Investment Guarantee Fund ("HDIGF") Resolution Leg (31 December 2019: € 29 million) and € 16 million ex-ante contribution to the Single Resolution Fund ("SRF") (31 December 2019: € 19 million).

In this context, administrative expenses decreased by 4% year-over-year, in line with the Group's ongoing cost efficiency actions and in accordance with its capital enhancement plan.

Line items "Promotion and advertising expenses" and "Fees and similar expenses" have been restated for 2019 in order to be comparable with current year's presentation.

13 Discontinued operations

The Group's discontinued operations as at 31 December 2020 and 2019 comprise solely of IMITHEA S.A. The profit or loss from discontinued operations for the year ended 31 December 2020 comprises of IMITHEA S.A., while the profit or loss from discontinued operations for the year ended 31 December 2019 comprised of IMITHEA S.A., Piraeus Bank Bulgaria A.D. and Tirana Bank I.B.C. S.A. (for the latter two until the day of their disposal).

IMITHEA S.A.

IMITHEA S.A., the Group's subsidiary that owns and operates Henry Dunant Hospital Center, has been classified as a discontinued operation in the Annual Financial Statements. The Group remains committed to its strategic plan to dispose IMITHEA S.A. and considers that the sale is highly probable in the foreseeable future.

Piraeus Bank Bulgaria A.D.

In the second quarter of 2018, the Group's subsidiary Piraeus Bank Bulgaria A.D. ("PBB") was classified as a discontinued operation. The disposal of PBB to Eurobank Bulgaria A.D. was completed on 13 June 2019, after having obtained the required approvals from the competent regulatory authorities, and the consideration amounted to € 77 million.

Tirana Bank I.B.C. S.A.

In the second quarter of 2018, the Group's subsidiary Tirana Bank Sh.A ("PB Albania"), was classified as a discontinued operation. The disposal was completed on 28 February 2019, on which date control over PB Albania was passed to Balfin Sh.p.k. and Komercijalna Banka AD. The consideration amounted to € 57 million.

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

	1/1 - 31/12/2020	1/1 - 31/12/2019
Interest and similar income	-	19
Interest expense and similar charges	-	(1)
NET INTEREST INCOME	**-**	**17**
Fee and commission income	-	8
Fee and commission expense	-	(1)
NET FEE AND COMMISSION INCOME	**-**	**7**
Net gain/ (losses) from financial instruments measured at fair value through profit or loss ("FVTPL")	-	2
Gain/ (loss) from disposal of subsidiaries	-	11
Net other income/ (expenses)	33	33
TOTAL NET INCOME	**33**	**70**
Staff costs	(28)	(35)
Administrative expenses	(11)	(19)
Depreciation and amortisation	(3)	(7)
TOTAL OPERATING EXPENSES BEFORE PROVISIONS	**(42)**	**(61)**
PROFIT BEFORE PROVISIONS, IMPAIRMENT AND INCOME TAX	**(9)**	**9**
Provisions and Impairment Losses	(1)	(6)
PROFIT/ (LOSS) BEFORE INCOME TAX	**(10)**	**4**
Income tax benefit/ (expense)	-	6
PROFIT/ (LOSS) AFTER INCOME TAX FROM DISCONTINUED OPERATIONS	**(10)**	**10**

B) Assets and liabilities from discontinued operations

	31/12/2020	31/12/2019
ASSETS		
Property and equipment	80	81
Deferred tax assets	11	11
Other assets	21	15
Total Assets	**112**	**108**

	31/12/2020	31/12/2019
LIABILITIES		
Retirement and termination benefit obligations	6	5
Provisions	3	3
Other liabilities	22	11
Total Liabilities	**31**	**19**

C) Cash flows from discontinued operations

	1/1-31/12/2020	1/1-31/12/2019
Net cash inflow/ (outflow) from operating activities	2	100
Net cash inflow/ (outflow) from investing activities	(2)	(348)
Net cash inflow/ (outflow)	-	**(248)**

14 Income tax benefit / (expense)

Continuing operations	Group		Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Current tax expense	(9)	(14)	(6)	(3)
Deferred tax benefit / (expense) (Note 37)	(119)	(109)	(171)	(100)
Income tax benefit / (expense)	**(128)**	**(123)**	**(177)**	**(103)**

In accordance with the provisions of the enacted Greek Law 4172/2013, as amended by Greek Law 4646/2019 (Gazette A'201/12.12.2019) and currently in effect, since 2019, the corporate income tax rate for legal entities, which are incorporated in Greece, is 24% for income earned in 2019 and onwards. The corporate income tax rate, applicable to financial institutions, remains at 29%, for 2019 and 2020 provided that for those tax years they are subject to the specific provisions of art. 27A of Greek Tax Law regarding deferred taxation.

The income tax benefit/ (expense) recognized in the income statement differs from the tax credit /(charge) that would apply if all profits/(losses) had been taxed at nominal corporate income tax rates, as follows:

	Group		Company	
	2020	2019	2020	2019
Profit / (loss) before income tax / (expense)	(530)	389	(549)	130
Tax calculated based on current tax rate (29%)	154	(113)	159	(38)
Income not subject to taxation	17	9	17	5
Impact from tax base reassessment and other permanent differences on loans and advances to customers	-	22	-	22
Non tax deductible expenses and other permanent differences	(297)	(44)	(353)	(92)
Effect of different tax rates applied	4	5	-	-
Impact on deferred tax of change in tax rate	-	(4)	-	-
Effect of results of investment in associates	(5)	2	-	-
Income tax benefit / (expense)	**(128)**	**(123)**	**(177)**	**(103)**
Effective tax rate for the year	**(24.2)%**	**31.6%**	**(32.2)%**	**79.0%**

According to the enacted Greek Law 4172/2013 (as amended by Greek Law 4646/2019) withholding tax on dividends decreased from 10% to 5% for any distribution approved by the competent body of the legal entity from 1 January 2020 and onwards, while for any distribution approved before 1 January 2020 the withholding tax on dividends is 10%.

More specifically intragroup dividends, under certain precondition, are tax exempt and no withholding tax is applied.

As at 31 December 2020 the Group has recognised a deferred tax asset (DTA) of € 6,337 million (31 December 2019: € 6,478 million) and a deferred tax liability of € 31 million (31 December 2019: € 32 million). As at 31 December 2020 the Company has not recognized any DTA, whilst deferred tax liability amounted to € 1 million (31 December 2019: € 6,439 million of net DTA). For further information, refer to Note 37.

The income tax benefit/ (expense) of the Group's foreign subsidiaries, is estimated based on the respective nominal corporate income tax rates applicable in 2020 and 2019 (Bulgaria: 10%, Romania: 16%, Egypt: 22.5%, Serbia: 15%, Ukraine: 18%, Cyprus: 12.5%, Albania: 15% and United Kingdom: 19%).

According to article 82 of Greek Law 4472/2017 credit institutions and other legal entities scoped into the provisions of article 27A of Greek Law 4172/2013 are required to pay an annual fee of 1.5% on the excess amount guaranteed by the Greek State of deferred tax assets arising from the difference between the tax rate applicable under Greek Law 4334/2015 (Gazette A' 80/16/7/2015) retrospectively from 1 January 2015 onwards (29%), and the tax rate applicable on 30 June 2015 (26%). The corresponding amount for the Group and the Company for the years ended 31 December 2020 and 2019, amounted to € 6 and € 7 million, respectively and has been recognized within line item "Net other income/ (expenses)" of the Income Statement.

According to article 63 of Greek Law 4607/2019, as of 1 May 2019 until 31 December 2019 a requirement to pay the levy of article 1 of Law 128/1975 was in force on the balance of all types of credits, including financial arrangements equivalent to credits, granted from financial institutions, as defined in Regulation (EU) No 575/2013, operating in Greece or abroad. Nevertheless, based on article 67 of Greek Law 4646/2019, effective from 1 January 2020 and onwards, the said levy was abolished, and is imposed only to Credit Institutions as it was in force before the implementation of Law 4607/2019.

Effective from 1 January 2020, individuals and legal entities who are non-Greek tax residents are tax exempt on interest income earned by corporate bonds issued by companies which are listed in the E.U. or in an organized financial market outside the E.U, that is regulated by an authority accredited by the International Organization of Securities Commissions (IOSCO), as well as any bonds issued by credit cooperative banks that operate as credit institutions.

15 Earnings/(losses) per share

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

On 2 December 2015, in the context of capital support provided in accordance with the provisions of Greek Law 3864/2010 and Cabinet Act no 36/2015, the Board of Directors of the Demerged Entity proceeded with the issuance of Contingent Convertible Bonds ("CoCos") amounting to € 2,040 million, which was exclusively subscribed by the HFSF. On 4 January 2021 the CoCos were automatically converted into 394,400,000 ordinary shares, hence, HFSF's shareholding in the Company increased from 26.4% to 61.3% at that date. The CoCos' conversion is a non-adjusting event for the year ended 31 December 2020. Refer to Note 50 for further details.

	1/1 - 31/12/2020	1/1 - 31/12/2019
Profit/(loss) for the year attributable to ordinary shareholders of the parent entity from continuing operations	(652)	270
Profit/(loss) for the year attributable to ordinary shareholders of the parent entity from discontinued operations	(10)	10
Profit/(loss) for the year attributable to ordinary shareholders of the parent entity from continuing and discontinued operations	**(662)**	**279**
Weighted average number of ordinary shares in issue (Basic earnings/losses)	436,467,588	436,450,375
Potential dilutive ordinary shares from CoCos	-	394,400,000
Weighted average number of ordinary shares in issue (Diluted earnings/losses)	**436,467,588**	**830,850,375**
Basic earnings/(losses) per share in € from continuing operations	(1.49)	0.62
Diluted earnings/(losses) per share in € from continuing operations	(1.49)	0.32
Basic earnings/(losses) per share in € from discontinued operations	(0.02)	0.02
Diluted earnings/(losses) per share in € from discontinued operations	(0.02)	0.01
Basic earnings/(losses) per share in € from continuing and discontinued operations	**(1.51)**	**0.64**
Diluted earnings/(losses) per share in € from continuing and discontinued operations	**(1.51)**	**0.33**

The effect of the CoCos in the EPS calculation for the current year is antidilutive; hence, the weighted average number of ordinary shares outstanding for diluted EPS for the current year has not been adjusted.

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

Group - Continuing operations	1/1 - 31/12/2020			1/1 - 31/12/2019		
	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	100	(26)	74	166	(51)	115
Change in currency translation reserve	(5)	-	(5)	9	-	9
Items that will not be reclassified subsequently to profit or loss						
Change in reserve from equity instruments measured at FVTOCI	(16)	4	(12)	41	(11)	30
Change in reserve of actuarial gains/ (losses)	(8)	2	(6)	(8)	2	(6)
Other comprehensive income/ (expense) from continuing operations	**70**	**(20)**	**51**	**207**	**(60)**	**148**

During the period ended 31 December 2020, there was no movement in other comprehensive income in regards with the discontinued operations, compared to the period ended 31 December 2019 in which a loss, net of tax, of € 9 million was recorded.

Company	1/1 - 31/12/2020			1/1 - 31/12/2019		
	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	100	(26)	74	166	(51)	115
Items that will not be reclassified subsequently to profit or loss						
Change in reserve from equity instruments measured at FVTOCI	(16)	4	(12)	40	(12)	28
Change in reserve of actuarial gains/ (losses)	(8)	2	(6)	(8)	2	(6)
Other comprehensive income/ (expense) from the year	**76**	**(20)**	**56**	**198**	**(60)**	**137**

17 Cash and balances with central banks

	Group		Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Cash in hand	782	849	-	846
Balances with central banks	8,065	2,404	-	2,376
Cheques clearing system - central banks	53	92	-	92
Mandatory reserves with central banks	4	4	-	-
Total Cash and balances with central banks	**8,903**	**3,349**	**-**	**3,314**

On 12 March 2020 and 30 April 2020, as a response to the Covid-19 pandemic's effects to the European economy, the ECB announced easing of conditions for TLTRO III, in order to leverage its use by credit institutions. As a result, the Group's exposure to the Eurosystem increased to € 11 billion as at 31 December 2020 from € 350 million as at 31 December 2019 and this is partially depicted to the significant increase of balances with central banks for the period ended 31 December 2020.

"Mandatory reserves with central banks" line item mainly refers to the Group's subsidiary Piraeus Bank S.A. obligation to maintain a current account with the BoG in order to facilitate interbank transactions with the central bank, its member banks, and other financial institutions through the Trans-European Automated Real-Time Gross Settlement Express Transfer system (TARGET).

The BoG requires all banks established in Greece to maintain deposits with the central bank with an average balance equal to 1.0% of total customer deposits as these are defined by the ECB. Similar requirements apply to the banking subsidiary of the Company, namely JSC Piraeus Bank ICB. The Bank's deposits at BoG bear interest at the ECB refinancing rate (0.0% as of 31 December 2020) ,for balances up to 7 times the amount of "mandatory deposits" of the respective period, while any excess balance bear interest at the "deposit facility rate" (-0.50% as of 31 December 2020). The corresponding deposits of JSC Piraeus Bank ICB are non-interest bearing.

At the reporting date, the Group's subsidiary Piraeus Bank S.A, maintained zero balance of mandatory reserves with central bank as the average balance over the required period (covered by Piraeus Bank before the demerger) was in excess of a minimum requirement. Ukrainian JSC Piraeus Bank ICB maintained an amount of € 4 million (31 December 2019: € 4 million).

The 12 months ECL allowance is less than € 1 million for the Group.

18 Due from banks

	Group		Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Sight and time deposits with banks	258	285	462	215
Securities purchased under agreements to resell	55	55	-	55
Placements with banks	71	74	-	77
Collateral posted in margin accounts	873	892	-	892
Total due from banks	**1,258**	**1,307**	**462**	**1,239**
of which:				
Current	1,188	1,238	462	1,171
Non-current	69	69	-	68

All due from banks have been classified as Stage 1. The 12 months ECL allowance is less than € 1 million for both the Group and the Company.

19 Derivative financial instruments

31/12/2020	Group			Company		
	Notional amount	Fair value		Notional amount	Fair value	
Derivatives held for trading		**Assets**	**Liabilities**		**Assets**	**Liabilities**
Interest rate swaps	7,975	464	447	-	-	-
Currency swaps	876	19	1	-	-	-
FX forwards	261	9	1	-	-	-
Options and other derivative instruments	4,877	10	2	-	-	-
Cross Currency Interest Rate Swaps	1,114	5	8	-	-	-
	15,103	**507**	**459**	**-**	**-**	**-**
Derivatives held for hedging (Fair values)						
Interest rate swaps	54	-	1	-	-	-
Total	**15,157**	**507**	**460**	**-**	**-**	**-**

31/12/2019	Group			Company		
	Notional amount	Fair value		Notional amount	Fair value	
Derivatives held for trading		**Assets**	**Liabilities**		**Assets**	**Liabilities**
Interest rate swaps	7,477	448	430	7,477	448	430
Currency swaps	1,184	8	3	1,184	8	3
FX forwards	203	3	2	203	3	2
Options and other derivative instruments	6,069	20	-	6,069	20	-
Cross Currency Interest Rate Swaps	1,169	-	46	1,169	-	46
Total	**16,103**	**479**	**482**	**16,103**	**479**	**482**

Interest rate swaps mainly include transactions held with the Group's customers and their offsetting positions engaged by the Group with other counterparties in order to economically hedge its interest rate risk exposure.

The bilateral CVA for the Group as at 31 December 2020 and for the Group and the Company as at 31 December 2019, amounted to € 5 million. In December 2019 and March 2020, the Company applied fair value hedge accounting on the variability arising from changes in the fair value of fixed rate sovereign bonds due to movements in market interest rates. The par value of the bonds are € 5 million and € 50 million, respectively and the impact of the said hedge accounting on the Group's Statement of Financial Position and Income Statement is immaterial.

20 Financial assets at fair value through profit or loss

a) Financial assets at FVTPL

	Group		Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Greek government bonds and T-bills	337	650	-	650
Foreign government bonds	-	2	-	-
Corporate bonds	4	4	-	4
Equity securities	12	8	-	-
Total	**353**	**663**	**-**	**654**

b) Financial assets mandatorily at FVTPL

	Group		Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Corporate bonds	13	13	-	13
Bonds issued by financial institutions	1	2	-	2
Athens stock exchange listed shares	1	3	-	3
Foreign stock exchanges listed shares	-	-	-	-
Unlisted shares	40	20	-	20
Mutual Funds	92	94	10	94
Total	**146**	**131**	**10**	**131**

As at 31 December 2020, corporate bonds mandatorily at FVTPL, include a contingent consideration asset in the form of a performance note payable to the Company based on the EBITDA of (i) Intrum Hellas Credit Servicing S.A.; (ii) Intrum Hellas REO Solutions S.A.; and (iii) any of their affiliates, as it fails the SPPI test. The performance note which has been issued by Intrum Holding Spain S.A.U. during 2019, with par value amounting to € 32 million, was acquired by the Company in the context of the Intrum Transaction.

21 Loans and advances to customers at amortised cost

	Group		Company	
	31/12/2020	**31/12/2019**	**31/12/2020**	**31/12/2019**
Mortgages	13,277	13,733	2,799	13,733
Consumer/ personal and other loans	2,962	2,997	316	2,989
Credit cards	664	746	34	745
Retail Lending	**16,904**	**17,476**	**3,150**	**17,467**
Corporate and Public Sector Lending	**31,198**	**30,999**	**3,040**	**31,455**
Total gross loans and advances to customers at amortised cost	**48,102**	**48,475**	**6,190**	**48,922**
Less: ECL allowance	(8,478)	(9,314)	(2,363)	(9,122)
Total	**39,624**	**39,162**	**3,826**	**39,801**
of which:				
Current	5,116	5,832	134	5,979
Non current	34,508	33,330	3,692	33,822

A reconciliation of the gross carrying amount and the ECL allowance of loans and advances to customers at amortised cost as defined in Note 5.3.1 against the values presented in the aforementioned table is provided below, after taking into account the unamortised purchase price allocation adjustment as of the reporting date.

	Group		Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Mortgages (grossed up with PPA adjustment)	13,445	13,914	2,868	13,914
Less PPA adjustment	(167)	(181)	(68)	(181)
Mortgages	**13,277**	**13,733**	**2,799**	**13,733**
Consumer/ personal and other loans (grossed up with PPA adjustment)	3,307	3,372	372	3,364
Less PPA adjustment	(344)	(375)	(56)	(375)
Consumer/ personal and other loans	**2,962**	**2,997**	**316**	**2,989**
Credit cards (grossed up with PPA adjustment)	731	816	47	816
Less PPA adjustment	(67)	(70)	(12)	(70)
Credit cards	**664**	**746**	**34**	**745**
Retail Lending (grossed up with PPA adjustment)	17,483	18,103	3,286	18,093
Less PPA adjustment	(579)	(626)	(136)	(626)
Retail Lending	**16,904**	**17,476**	**3,150**	**17,467**
Corporate and Public Sector Lending (grossed up with PPA adjustment)	32,045	32,046	3,393	32,502
Less PPA adjustment	(847)	(1,047)	(354)	(1,047)
Corporate and Public Sector Lending	**31,198**	**30,999**	**3,040**	**31,455**
Total gross loans and advances to customers at amortised cost (grossed up with PPA adjustment)	49,528	50,148	6,680	50,595
Less PPA adjustment	(1,426)	(1,673)	(490)	(1,673)
Total gross loans and advances to customers at amortised cost (A)	**48,102**	**48,475**	**6,190**	**48,922**
Less: ECL allowance (grossed up with PPA adjustment)	(9,904)	(10,986)	(2,853)	(10,794)
Less PPA adjustment	1,426	1,673	490	1,673
Less: ECL allowance (B)	**(8,478)**	**(9,314)**	**(2,363)**	**(9,122)**
Net loans and advances to customers at amortised cost (A) + (B)	**39,624**	**39,162**	**3,826**	**39,801**
of which:				
Current	5,116	5,832	134	5,979
Non current	34,508	33,330	3,692	33,822

In July 2020, the Group securitized Phoenix and Vega portfolios of total gross book value € 1,924 million and € 4,820 million, respectively, through four SPVs, namely "Phoenix NPL Finance DAC", "Vega I NPL Finance DAC", "Vega II NPL Finance DAC" and "Vega III NPL Finance DAC". All securitizations follow a three-tranche structure; hence, each of the aforementioned SPVs has issued Senior (Class A), Mezzanine (Classes B1 and B2) and Junior (Classes C1 and C2) notes. The Company filed in August 2020 an application seeking inclusion of the Phoenix securitisation under the HAPS, pursuant to Law 4649/2019. The application relates to the provision of a guarantee written by the Greek State on the Phoenix senior notes up to € 950 million. In addition, Piraeus Bank S.A. filed also in February 2021 an application to the inclusion of the Vega securitization under the HAPS. The application relates to the provision of a guarantee written by the Greek State on the Vega senior notes approximately to € 1,404 million. The Group as the sole owner of the notes, controls the aforementioned SPVs and continues to present the securitized loans of amount € 3,826 million on its statement of financial position having retained the risks and rewards of ownership in their entirety. For the ECL measurement of Loans and advances to customers at amortised cost please refer to Note 5.

The following table illustrates the five-tranche securitization structure of the notes issued by the securitization SPVs, along with their allocation between the Demerged Entity and the Beneficiary post hive-down.

Tranches	Contributed to the Beneficiary	Retained by the Demerged Entity
A (Senior)	100%	-
B1 (Mezz)	5%	95%
B2 (Mezz)	5%	95%
C1 (Junior)	5%	95%
C2 (Junior)	5%	95%

On 23 December 2020, the Demerged Entity and Intrum AB (publ) signed a binding agreement for the sale of all Class B1 and Class C1 Notes of the Phoenix securitization retained by the Demerged Entity, for an agreed consideration of € 12 million, subject to all necessary approvals and fulfilment of certain conditions. After completion of the aforementioned transaction, 95% of each of the Class B2 Notes and Class C2 Notes retained by the Demerged Entity will be ultimately transferred to the Demerged Entity's shareholders through a distribution in kind process. On 1 March 2021, the Demerged Entity and Intrum AB (publ) signed a binding agreement for the sale of all Class B1 and Class C1 Notes issued by the three Vega SPVs and held by the Demerged Entity. For further information, refer to Note 50.

Loans and advances to customers include finance lease receivables:

Group - Finance lease receivables	31/12/2020	31/12/2019
No later than one year	510	529
One to five years	312	317
Later than five years	722	800
Gross investment in finance leases	**1,544**	**1,646**
Unearned finance income	(164)	(182)
Net investment in finance leases	**1,381**	**1,464**
of which:		
No later than one year	494	511
One to five years	267	268
Later than five years	620	685

As at 31 December 2020 and 2019, the Group recognized an ECL allowance of € 361 million and € 390 million, respectively on its finance lease receivables.

22 Financial assets at FVTOCI

	Group		Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Greek Government Bonds	1,011	771	-	771
Corporate Bonds	200	108	-	108
Bonds issued by financial institutions and foreign governments	678	65	-	63
Greek treasury bills	828	493	-	493
Debt securities measured at FVTOCI	**2,717**	**1,437**	**-**	**1,435**
Equity securities designated at FVTOCI	**182**	**210**	**-**	**210**
Financial assets at FVTOCI	**2,898**	**1,647**	**-**	**1,646**
Current debt securities measured at FVTOCI	848	532	-	532
Non-current debt securities measured at FVTOCI	1,869	904	-	903
Total debt securities at FVTOCI	**2,717**	**1,437**	**-**	**1,435**

The Group holds certain equity securities for reasons other than short-term profit taking, which are designated at FVTOCI. As of 31 December 2020, the Company did not hold any equity securities in comparison with the period ended 31 December 2019, the fair value of which amounted to € 210 million. The breakdown of the fair value, per equity securities, is presented in the following table:

Company - Fair value of equity securities designated at FVTOCI	31/12/2020	31/12/2019
Mastercard Inc.	-	42
Visa Inc. (Series C convertible participating preferred stock)	-	41
Visa Inc. (Class C series I)	-	36
Attica holdings S.A.	-	33
Vivartia holding S.A.	-	26
Other	-	32
Total	**-**	**210**

The dividend income recognized by the Company from these equity securities in the year ended 31 December 2020 was € 3 million (31 December 2019: € 2 million).

The movement of debt securities measured at FVTOCI is summarized below:

	Group			Company		
	Stage 1	Stage 2	Total	Stage 1	Stage 2	Total
Opening balance at 1/1/2019	**2,095**	**2**	**2,097**	**2,091**	**2**	**2,093**
Additions	1,769	-	1,769	1,762	-	1,762
Coupon receipts	(25)	-	(25)	(24)	-	(24)
Disposals/ maturities	(2,625)	(2)	(2,627)	(2,614)	(2)	(2,616)
Interest Income	41	-	41	41	-	41
Foreign exchange differences	1	-	1	-	-	-
Gain/ (loss) from changes in fair value	180	-	180	179	-	179
Closing balance 31/12/2019	**1,437**	**-**	**1,437**	**1,435**	**0**	**1,435**
Additions	2,007	2	2,008	1,985	2	1,987
Coupon receipts	(31)	(1)	(32)	(30)	(1)	(31)
Disposals/ maturities	(836)	(1)	(837)	(829)	(1)	(830)
Transferred from Stage 1 to Stage 2	(20)	20	-	(20)	20	-
Interest Income	44	1	45	43	1	44
Foreign exchange differences	-	-	-	-	-	-
Gain/ (loss) from changes in fair value	97	(2)	95	97	(2)	95
Contribution to the new credit institution	-	-	-	(2,681)	(19)	(2,700)
Closing balance 31/12/2020	**2,698**	**19**	**2,717**	**-**	**-**	**-**

The Group recognized an ECL allowance on debt securities measured at FVTOCI of € 10 million and € 4 million as at 31 December 2020 and 2019, respectively. Refer to Note 42 for the ECL allowance recognized in OCI during the year.

23 Debt securities at amortised cost

As at 31 December 2020, the portfolio of debt securities measured at amortized cost amounted to € 4,964 million (31 December 2019: € 1,121 million) and € 696 million (31 December 2019: € 1,121 million), for the Group and the Company, respectively. The Group's portfolio mainly comprises of foreign and domestic government bonds, the vast majority of which has a residual maturity higher than 12 months as of the reporting date.

During 2020, the Group purchased GGBs and foreign government bonds of nominal value € 3,127 million and € 160 million, respectively. As at 31 December 2020, the entire portfolio population is classified in Stage 1 and the resulting ECL impairment loss recognised during the year ended 31 December 2020 amounted to € 12 million for the Group and € 25 million for the Company (31 December 2019: less than € 1 million for both the Group and the Company). For information on the credit rating of the portfolio, refer to Note 5.6.

On 31 December 2020, the Company fully subscribed the Back-to-Back Tier 2 Notes issued by the Beneficiary, of total nominal value € 900 million. The Back-to-Back Tier 2 Notes were initially recognised at their fair value, i.e. € 721 million and their ECL allowance amounted to € 25 million. This intragroup transaction has no impact on the Group's financial statements. Refer to Note 3 for further details on the Back-to-Back Tier 2 Notes.

24 Investments in consolidated companies

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

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

a/a	Name of Company	Activity	Country	Unaudited tax years	Group	Company
					% holding	% holding
1.	Piraeus Bank S.A.	Banking activities	Greece	-	100.00%	100.00%
2.	Piraeus Leasing S.A.	Financial Leasing	Greece	2014-2020	100.00%	-
3.	Piraeus Leases S.A.	Financial Leasing	Greece	2014-2020	100.00%	-
4.	Piraeus Financial Leasing Single Member S.A. (former CPB Leasing S.A.)	Financial Leasing	Greece	2014-2020	100.00%	-
5.	Dynamic Asset Operating Leasing S.A.	Operating Leasing	Greece	2014-2020	100.00%	-
6.	Geniki Financial and Consulting Services S.A.	Financial and consulting services	Greece	2014-2020	100.00%	-
7.	Piraeus Securities S.A.	Stock exchange operations	Greece	2014-2020	100.00%	-
8.	Piraeus Factoring Single Member S.A.	Corporate factoring	Greece	2014-2020	100.00%	-
9.	Piraeus Capital Management S.A.	Venture capital fund	Greece	2014-2020	100.00%	-
10.	Piraeus Jeremie Technology Catalyst Management S.A.	Management of venture capital fund	Greece	2014-2020	100.00%	-
11.	ETVA Fund Management S.A.	Management of venture capital mutual funds	Greece	2014-2020	65.00%	-
12.	Piraeus Asset Management Single Member S.A.	Mutual funds management	Greece	2014-2020	100.00%	-
13.	Geniki Information S.A.	Assessment and collection of commercial debts	Greece	2014-2020	100.00%	-
14.	DI.VI.PA.KA S.A.	Administrative and managerial body of the Kastoria industrial park	Greece	2014-2020	57.53%	-
15.	ETVA Development S.A.	Investment and development activities, in accordance with the principles of sustainable development	Greece	2014-2020	65.00%	-
16.	ETVA Industrial Parks S.A.	Development/ management of industrial areas	Greece	2014-2020	65.00%	-
17.	Abies S.A.	Property management	Greece	2014-2020	61.65%	-
18.	Achaia Clauss Estate S.A.	Property management	Greece	2014-2020	75.62%	-
19.	Euroterra S.A.	Property management	Greece	2014-2020	62.90%	-
20.	Kosmopolis A' Shopping Centers Single Member S.A.	Shopping center's management	Greece	2014-2020	100.00%	-
21.	ND Development Single Member S.A.	Property management	Greece	2014-2020	100.00%	-
22.	New Up Dating Development Real Estate and Tourism Single Member S.A.	Property, tourism and development company	Greece	2014-2020	100.00%	-
23.	Picar Single Member S.A.	City Link areas management	Greece	2014-2020	100.00%	-
24.	P.H. Development	Property management	Greece	2014-2020	100.00%	-

a/a	Name of Company	Activity	Country	Unaudited tax years	Group	Company
					% holding	% holding
25.	Rebikat S.A.	Property management	Greece	2014-2020	61.92%	-
26.	General Construction and Development Co. S.A.	Property development/ holding company	Greece	2014-2020	66.66%	-
27.	Entropia Ktimatiki S.A.	Property management	Greece	2014-2020	66.70%	-
28.	Euroak S.A. Real Estate	Real estate investment	Greece	2014-2020	53.60%	-
29.	Komotini Real Estate Development Single Member S.A.	Property management	Greece	2014-2020	100.00%	-
30.	Piraeus Buildings S.A.	Property development	Greece	2010-2020	100.00%	-
31.	Piraeus Development Single Member S.A.	Property management	Greece	2014-2020	100.00%	-
32.	Piraeus Real Estate Single Member S.A.	Construction company	Greece	2014-2020	100.00%	-
33.	Pleiades Estate Single Member S.A.	Property management	Greece	2014-2020	100.00%	-
34.	Piraeus Agency Solutions Single Member S.A. (former A.C.T. B.A.S. S.A.)	Counseling services for payroll and labour affairs	Greece	2014-2020	100.00%	100.00%
35.	KPM Energy Single Member S.A.	Energy generation and exploitation through renewable energy resources	Greece	2014-2020	100.00%	-
36.	Mille Fin S.A.	Vehicle Trading	Greece	2014-2020	100.00%	-
37.	Multicollection S.A.	Assessment and collection of commercial debts	Greece	2009-2020	51.00%	-
38.	Piraeus Direct Solutions Single Member S.A.	Financial - telecommunication and IT services	Greece	2014-2020	100.00%	-
39.	Zibeno I Energy Single Member S.A.	Energy generation through renewable energy resources	Greece	2014-2020	100.00%	-
40.	Centre of Sustainable Entrepreneurship Excelixi Single Member S.A.	Consulting Services - Hotel - Training and Seminars	Greece	2014-2020	100.00%	-
41.	PROSPECT M.C.P.Y.	Yachting management	Greece	2014-2020	100.00%	-
42.	Anemos Ipirou Anonymi Energeiaki Etaireia	The exploitation of wind energy park in Greece.	Greece	2014-2020	100.00%	-
43.	Aioliki Beleheri Single Member S.A.	The exploitation of wind energy park in Greece and the holding of investments with similar activities.	Greece	2014-2020	100.00%	-
44.	Aiolikon Parko Artas Aetoi E.E.	The exploitation of wind energy park in Greece	Greece	2014-2020	100.00%	-
45.	Aiolikon Parko Evritanias Morforahi E.E.	The exploitation of wind energy park in Greece	Greece	2014-2020	100.00%	-
46.	Aiolikon Parko Evritanias Ouranos E.E.	The exploitation of wind energy park in Greece	Greece	2014-2020	100.00%	-
47.	DMX Aioliki Marmariou - Agathi LLP	The exploitation of wind energy park in Greece	Greece	2014-2020	100.00%	-
48.	DMX Aioliki Marmariou - Rigani LP	The exploitation of wind energy park in Greece	Greece	2014-2020	100.00%	-
49.	Aioliko Parko Josharton - Rodopi 2 E.E.	The exploitation of wind energy park in Greece	Greece	2014-2020	100.00%	-
50.	Thriacio Logistics Center S.A.	Logistic Center	Greece	2018-2020	52.00%	-
51.	Ianos Properties S.A.	Property management	Greece	2014-2020	100.00%	-
52.	Lykourgos Properties S.A.	Property management	Greece	2014-2020	100.00%	-

a/a	Name of Company	Activity	Country	Unaudited tax years	Group	Company
					% holding	% holding
53.	IMITHEA S.A. (1)	Organization, operation and management of hospital units	Greece	2014-2020	100.00%	-
54.	Tirana Leasing Sh.A.	Finance leases	Albania	2018-2020	100.00%	-
55.	Cielo Consultancy Sh.P.K.	Real estate SPV	Albania	2014-2020	99.09%	-
56.	Beta Asset Management EOOD	Rent and management of real estate	Bulgaria	2013-2020	100.00%	-
57.	Bulfina E.A.D.	Property management	Bulgaria	2008-2020	100.00%	-
58.	Bulfinace E.A.D.	Property Management	Bulgaria	2008-2020	100.00%	-
59.	Delta Asset Management EOOD	Real Estate Development	Bulgaria	2020	100.00%	-
60.	Piraeus Real Estate Bulgaria EOOD	Construction company	Bulgaria	2007-2020	100.00%	-
61.	Varna Asset Management EOOD	Real estate development	Bulgaria	2014-2020	100.00%	-
62.	Asset Management Bulgaria EOOD	Travel - rental services and property management	Bulgaria	2012-2020	100.00%	-
63.	Besticar Bulgaria EOOD	Collects receivables	Bulgaria	2012-2020	100.00%	-
64.	Besticar EOOD	Collects receivables from problematic clients	Bulgaria	2012-2020	100.00%	-
65.	Emerald Investments EOOD	Property management	Bulgaria	2018-2020	100.00%	-
66.	Piraeus Nedvizhimi Imoti EOOD	Real Estate Development	Bulgaria	-	100.00%	-
67.	Piraeus Equity Investment Management Ltd	Investment management	Cyprus	-	100.00%	-
68.	Arigeo Energy Holdings Ltd	Holding company in renewable energy	Cyprus	2014-2020	100.00%	-
69.	Euroinvestment and Finance Public Ltd	Asset management, real estate operations	Cyprus	2009-2020	90.85%	2.21%
70.	Piraeus Clean Energy Holdings Ltd	Holding Company	Cyprus	2014-2020	100.00%	-
71.	Piraeus Equity Partners Ltd	Holding company	Cyprus	2014-2020	100.00%	-
72.	Piraeus Renewable Investments Limited	Holding company	Cyprus	2017-2020	100.00%	-
73.	PRI WIND I Limited	Holding company	Cyprus	2017-2020	100.00%	-
74.	PRI WIND II Limited	Holding company	Cyprus	2017-2020	100.00%	-
75.	PRI WIND III Limited	Holding company	Cyprus	2017-2020	100.00%	-
76.	R.E. Anodus Two Ltd	Holding and investment company	Cyprus	2013-2020	99.09%	-
77.	Tellurion Ltd	Holding company	Cyprus	2013-2020	100.00%	-
78.	Tellurion Two Ltd	Holding company	Cyprus	2013-2020	99.09%	-
79.	Trieris Two Real Estate Ltd	Holding, Investment and Real Estate Portfolio Management	Cyprus	2011-2020	100.00%	-
80.	Zibeno Investments Ltd	Holding Company	Cyprus	2014-2020	100.00%	-
81.	O.F. Investments Ltd	Investment company	Cyprus	2014-2020	100.00%	-
82.	R.E. Anodus Ltd	Consultancy services for real estate development and investments	Cyprus	2009-2020	100.00%	-
83.	Lakkos Mikelli Real Estate Ltd	Property management	Cyprus	2018-2020	50.66%	-
84.	Philoktimatiki Public Ltd	Land and property development	Cyprus	2018-2020	53.29%	-
85.	Sunholdings Properties Company Ltd	Land and property development	Cyprus	2018-2020	26.65%	-
86.	Philoktimatiki Ergoliptiki Ltd	Construction company	Cyprus	2018-2020	53.29%	-
87.	WH South Wind Hellas Ltd	The holding of investments in Renewable Energy Sector in Greece	Cyprus	2017-2020	100.00%	-

a/a	Name of Company	Activity	Country	Unaudited tax years	Group	Company
					% holding	% holding
88.	Emadierio Solar Energy and Investments Ltd	The exploitation of wind energy park in Greece	Cyprus	2017-2020	100.00%	-
89.	Josharton Ltd	Holding of investments	Cyprus	2017-2020	100.00%	-
90.	JSC Piraeus Bank ICB	Banking activities	Ukraine	-	99.99%	99.99%
91.	Akinita Ukraine LLC	Real estate development	Ukraine	2014-2020	100.00%	-
92.	Sinitem LLC	Sale and purchase of real estate	Ukraine	2013-2020	99.94%	-
93.	Solum Enterprise LLC	Property management	Ukraine	2012-2020	99.94%	-
94.	Solum Limited Liability Company	Property management	Ukraine	2018-2020	99.94%	-
95.	Piraeus Leasing Romania S.A.	Monitoring and collection services for loans disbursed by the company	Romania	2003-2020	100.00%	-
96.	Daphne Real Estate Consultancy SRL	Real estate development	Romania	2014-2020	99.09%	-
97.	Priam Business Consultancy SRL	Real estate development	Romania	2014-2020	99.18%	-
98.	Proiect Season Residence SRL	Real estate development	Romania	2018-2020	100.00%	-
99.	R.E. Anodus SRL	Real Estate development	Romania	2013-2020	99.09%	-
100.	Rhesus Development Projects SRL	Real estate development	Romania	2014-2020	99.09%	-
101.	Piraeus Rent Doo Beograd	Operating Leases	Serbia	2007-2020	100.00%	-
102.	Piraeus Real Estate Egypt LLC	Property management	Egypt	2011-2020	100.00%	-
103.	Trieris Real Estate Management Ltd	Management of Trieris Real Estate Ltd	British Virgin Islands	-	100.00%	-
104.	Piraeus Group Capital Ltd	Debt securities issue	United Kingdom	2020	100.00%	100.00%
105.	Piraeus Group Finance PLC	Debt securities issue	United Kingdom	2020	100.00%	-
106.	Axia Finance III PLC	SPE for securitization of corporate loans	United Kingdom	-	-	-
107.	Axia Finance PLC	SPE for securitization of corporate loans	United Kingdom	-	-	-
108.	Axia III APC LIMITED	SPE for securitization of corporate loans	United Kingdom	-	-	-
109.	Estia Mortgage Finance PLC	SPE for securitization of mortgage loans	United Kingdom	-	-	-
110.	Estia Mortgage Finance II PLC	SPE for securitization of mortgage loans	United Kingdom	-	-	-
111.	Kion Mortgage Finance PLC	SPE for securitization of mortgage loans	United Kingdom	-	-	-
112.	Praxis I Finance PLC	SPE for securitization of consumer loans	United Kingdom	-	-	-
113.	Praxis II APC LIMITED	SPE for securitization of consumer loans	United Kingdom	-	-	-
114.	Praxis II Finance PLC	SPE for securitization of consumer loans	United Kingdom	-	-	-
115.	Phoenix NPL Finance DAC	SPE for securitization of mortgage loans	Ireland	-	-	-
116.	Vega I NPL Finance DAC	SPE for securitization of mortgage loans	Ireland	-	-	-
117.	Vega II NPL Finance DAC	SPE for securitization of corporate loans	Ireland	-	-	-

a/a	Name of Company	Activity	Country	Unaudited tax years	Group	Company
					% holding	% holding
118.	Vega III NPL Finance DAC	SPE for securitization of corporate loans	Ireland	-	-	-
119.	Piraeus SNF DAC	SPE for securitization of corporate, mortgage and consumer loans	Ireland	-	-	-

Note (1): Classified as a discontinued operation (see Note 13).

The subsidiaries duly numbered 106 - 119 are special purpose vehicles for securitization of loans and advances to customers and issuance of debt securities. The subsidiary duly numbered 85 although presenting less than 50.00% Group´s shareholding, is included in the Group's subsidiaries' portfolio due to majority presence in the Board of Directors of the company.

Furthermore, as at 31 December 2020 the subsidiaries duly numbered 11, 15, 30, 36-37, 54, 60, 67, 97, 100 and 106-114 were under liquidation.

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

The movement for investments in subsidiaries for the Company is analyzed as follows:

	Company	
	31/12/2020	31/12/2019
Opening balance	586	602
Establishment of the new credit institution	4,845	-
Additions	37	-
Participation in share capital increases/ decreases of subsidiaries	15	4
Disposals and absorption	(3)	(3)
Impairment charge	(9)	(17)
Contribution to the new credit institution	(591)	-
Closing balance	**4,881**	**586**

Annual financial statements of Subsidiaries

The Annual Financial Reports of the subsidiaries of the Group for the year ended 31 December 2020, which have been issued prior to the date of the issuance of the Annual Financial Report of the year 2020, are available on the web site of Piraeus Financial Holdings S.A. at www.piraeusholdings.gr in the section Investor Relations, in the subsection Financial Data - Financial Statements and Other Information - Consolidated Companies. The Annual Financial Reports of the rest of the subsidiaries will be available on the web site of the Company upon their issuance.

Changes in the interest in subsidiary companies that did not result in loss of control

The effect of the change in the ownership interest in subsidiary companies, which did not result in loss of control, is immaterial to the equity attributable to the shareholders of the Company during the financial years 2020 and 2019.

Consequences of loss of control of a subsidiary company due to disposal

There are no significant cases of loss of control of subsidiary companies due to disposal in the financial year 2020. The respective figures for the year 2019 are the following:

1/1 - 31/12/2019	Consideration	Group's gain/ (loss) before tax from the disposal
Tirana Bank I.B.C.	57	5
Piraeus Bank Bulgaria A.D.	77	5
Gama Asset Management EOOD	2	0
Intrum Hellas REO Solutions S.A.	34	41
Intrum Hellas Credit Servicing S.A.	276	310

Significant restrictions of subsidiary companies

With respect to the domestic subsidiaries, except for the restrictions imposed by the regulatory framework based on which the companies operate, no other significant legal, contractual, or regulatory restrictions are imposed regarding the transfer of cash in the form of dividends, the transfer of funds, and so on, as well as the repayment of loans that have been issued within the Group.

There is restriction concerning dividend distribution, by the foreign subsidiary bank, while there is no restriction in the repayment of the loans granted the Group, even before their maturity.

Significant non-controlling interests

There are significant non-controlling interests for the subsidiary companies ETVA Industrial Parks S.A., Lakkos Mikelli Real Estate LTD and Euroterra S.A. The ownership interest of non-controlling investors in these companies is equivalent to the respective percentage of voting rights. The percentage of non-controlling interests and the respective carrying value on 31 December 2020, as well as the profit or loss attributed to non-controlling interests for the year 2020 compared to the year 2019 for the aforementioned subsidiaries, are the following:

Company name	% non-controlling interests		Carrying value of non-controlling interests		Gain/ (losses) attributed to non-controlling interests	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019	2020	2019
ETVA Industrial Parks S.A.	35.00%	35.00%	66	68	(2)	(3)
Lakkos Mikelli Real Estate Ltd	49.34%	49.34%	29	30	(1)	-
Euroterra S.A.	37.10%	37.10%	15	17	(2)	-

The table that follows presents the consolidated financial data (before the elimination of intercompany transactions) of the aforementioned subsidiaries:

Condensed Statement of Total Comprehensive Income	ETVA Industrial Parks S.A.		Lakkos Mikelli Real Estate Ltd		Euroterra S.A.	
	2020	2019	2020	2019	2020	2019
Profit/ (loss) for the year	(6)	(9)	(3)	1	(6)	1
Other comprehensive income, net of tax	-	-	-	-	-	-
Total comprehensive income for the year, net of tax	**(6)**	**(9)**	**(3)**	**1**	**(6)**	**1**

Condensed Statement of Financial Position	ETVA Industrial Parks S.A.		Lakkos Mikelli Real Estate Ltd		Euroterra S.A.	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Current assets	58	63	6	6	-	-
Non-current assets	154	166	65	69	91	98
Total Assets	**211**	**229**	**72**	**75**	**91**	**98**
Current liabilities	7	6	3	3	14	13
Non-current liabiliies	16	30	6	6	17	19
Total liabilities	**24**	**36**	**9**	**10**	**31**	**33**

Condensed Cash Flow Statement	ETVA Industrial Parks S.A.		Lakkos Mikelli Real Estate Ltd		Euroterra S.A.	
	2020	2019	2020	2019	2020	2019
Net cash inflow/ (outflow) from operating activities	-	2	-	-	-	-
Net cash inflow/ (outflow) from investing activities	2	(2)	-	-	-	-
Net cash inflow/ (outflow) from financing activities	-	-	-	-	-	-
Net increase/ (decrease) in cash and cash equivalents	**2**	**(1)**	**-**	**-**	**-**	**-**
Cash and cash equivalents at the beginning of the year	**53**	**54**	**-**	**-**	**-**	**-**
Cash and cash equivalents at the end of the year	**55**	**53**	**-**	**-**	**-**	**-**

Consolidated structured entities

In July 2020, the Group established four SPVs, namely “Phoenix NPL Finance DAC”, “Vega I NPL Finance DAC”, “Vega II NPL Finance DAC” and “Vega III NPL Finance DAC” for the securitization of the Phoenix and Vega portfolios. Refer to Note 21 for further details. These SPVS are consolidated at Company level.

The Group controls and as a result consolidates the SPV PIRAEUS SNF DAC that includes securitized non-performing loans (mortgage, corporate and consumer). The SPV is consolidated at Bank level.

The following table presents the debt securities held by the Group that were issued by the SPVs, which the currying value as at 31 December 2020 is zero, while they are under liquidation status:

Company name	Carrying value of held bonds	
	31/12/2020	31/12/2019
Axia Finance PLC	-	250
Praxis I Finance PLC	-	190
Praxis II Finance PLC	-	370
Kion Mortgage Finance PLC	-	15
Total	-	**825**

Interests in unconsolidated structured entities

As of 31 December 2020, the Group has investments in open-ended mutual funds that are managed by its 100% subsidiary company "Piraeus Asset Management AEDAK". The management of mutual funds is performed from "Piraeus Asset management AEDAK" and the assets of these funds are equal to € 1.1 billion, while the customer list includes to 41,211 customers.

The management of mutual funds is performed in the frame of investment strategy referred to the regulation of every mutual fund and carried out in holders' interests. As a result, the Group acts as their representative (agent) and has no control according to the provisions of IFRS 10. Therefore, the interests in the mutual funds have been classified in the FVTPL portfolio. Mutual funds meet the definition of special structured entities.

As of 31 December 2020 all positions of open-end mutual funds which Piraeus Bank has invested, are valued at € 76 million according to the table below:

Mutual funds	Total Assets	
	31/12/2020	31/12/2019
Domestic Mutual Funds	11	12
Abroad Mutual Funds	65	64

The aforementioned investments concern mutual funds of "Piraeus Asset Management AEDAK", with independent management and organizational structure, licensed by the Hellenic Capital Market Commission (HCMC).

The following table presents the carrying amount of the mutual funds 'assets that the Group manages, per asset class, as at 31 December 2020 and 2019:

A/A	Mutual funds	Total Assets	
		31/12/2020	31/12/2019
1.	Equity funds	171	148
2.	Balanced funds	104	72
3.	Bonds funds	473	423
4.	Money Market funds	173	115
5.	Fund of Funds	205	139
	Total	**1,126**	**897**

Fee and commission income derived from the purchases, disposals and management fees of the aforementioned mutual funds, amounted to € 10 million and € 7 million for 2020 and 2019, respectively.

The Group also participates in other investment funds, for which does not provide management services. As at 31 December 2020 the carrying value of these investment funds amounted to € 18 million (31 December 2019: € 19 million).

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

Associate companies

The associate companies that the Group consolidates through the equity accounting method are as follows:

s/n	Name of Company	Activity	Country	Unaudited tax years	Group	Company
					% Holding	% Holding
1	Piraeus - TANEO Capital Fund	Close end Venture capital fund	Greece	-	50.01%	-
2	PJ Tech Catalyst Fund	Close end Venture capital fund	Greece	-	30.00%	-
3	APE Commercial Property Real Estate Tourist and Development S.A.	Holding company	Greece	2014-2020	27.80%	-
4	Marfin Investment Group Holdings S.A.	Holding company	Greece	2014-2020	31.22%	-
5	Omicron Cyclos Ena Symmetohiki S.A.	Holding company	Greece	2014-2020	28.10%	-
6	APE Fixed Assets Real Estate Tourist and Development S.A.	Real estate, development/ tourist services	Greece	2014-2020	27.80%	-
7	APE Investment Property S.A.	Real estate, development/ tourist services	Greece	2014-2020	28.92%	-
8	Olganos Real Estate S.A.	Property management/Electricity production from renewable energy resources	Greece	2014-2020	32.27%	-
9	Pyrrichos S.A.	Property management	Greece	2014-2020	50.77%	-
10	Exodus S.A.	Information technology and software	Greece	2014-2020	49.90%	-
11	Evros' Development Company S.A.	European community programs management	Greece	2014-2020	30.00%	-
12	Gaia S.A.	Software services	Greece	2017-2020	26.00%	-
13	Crete Scient. and Tech. Park Manag. and Dev. Co. S.A.	Scientific and technology park management	Greece	2014-2020	30.45%	-

s/n	Name of Company	Activity	Country	Unaudited tax years	Group	Company
					% Holding	% Holding
14	Intrum Hellas REO Solutions S.A.	Real Estate	Greece	2019-2020	19.96%	-
15	Intrum Hellas Credit Servicing S.A.	Credit and Loan Servising	Greece	2019-2020	20.00%	-
16	Teiresias S.A.	Interbanking company of development, operation and management of information systems	Greece	2014-2020	23.53%	-
17	Trastor Real Estate Investment Company	Real estate investment property	Greece	2014-2020	44.77%	-
18	Pireaus Direct Services S.A.	Support and e-commerce services, trade of time renewal cards	Greece	2014-2020	49.90%	-
19	ANEK LINES S.A.	Maritime transport - Coastal shipping	Greece	2014-2015, 2018-2020	27.68%	-
20	Inofita Asopos Business Park Development Company S.A.	Business Park Development	Greece	-	31.36%	-
21	Perigenis Business Properties S.A.	Property management	Greece	-	20.61%	-
22	Trieris Real Estate Ltd	Property management	British Virgin Islands	2018-2020	32.35%	-
23	Exus Software Ltd	IT products retailer	United Kingdom	-	49.90%	-

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

The associate company NGP Plastic S.A., that is immaterial to the Group's financial position and results of operations, is not consolidated but recognised at cost. This non-significant associate accounted for less than 0.28% of Group total net income, less than 0.03% of Group total equity and less than 0.04% of Group total assets, based on the most recent financial statements obtained.

The changes in the portfolio of consolidated companies are presented in Note 46.

Joint ventures

The joint ventures that the Group consolidates are as follows:

s/n	Name of Company	Activity	Country	Unaudited tax years	Group	Company
					% Holding	% Holding
1	AEP Elaiona S.A.	Property management	Greece	2014-2020	50.00%	-
2	Peirga Kythnou P.C.	Real estate	Greece	-	50.00%	-
3	PHX Phoenix Real Estate Single Member S.A.	Property management	Greece	-	100.00%	100.00%

The company number 3 in the table above, although presenting 100% shareholding, is included in the Group's joint venture's portfolio due to the fact that it is a jointly controlled entity with Intrum AB (publ).

Interests in significant associate companies and joint ventures

The Group does not have ownership interests in associate companies and joint ventures, considered significant either due to their financial figures or due to potentially strategic importance.

Interests in non-significant associate companies and joint ventures

The total carrying value of interests in associates and joint ventures for the Group and the Company, as at 31 December 2020, amounts to € 268 million and € 0 million, respectively (31 December 2019: € 264 million and € 255 million for the Group and the Company, respectively).

The following table presents in total the proportion of the Group in the after tax results and in total comprehensive income for the year, of its associate companies as at 31 December 2020 and 2019. The data reported by the associate companies for consolidation purposes, is prepared in accordance with the IFRSs and is adjusted (if necessary) in conformity with the accounting policies of the Group.

Condensed financial information	2020	2019
Share of Profit/ (loss) of associates and joint ventures after tax	(16)	5
Other comprehensive income	-	-
Items that may be reclassified subsequently to profit or loss	-	-
Items that will not be reclassified subsequently to profit or loss	-	-
Total comprehensive income	**(16)**	**5**

Other information for associate companies and joint ventures

The Group discontinues to recognise its share of further losses in associate companies, when its share of losses equals or exceeds its interest in the associate. The cumulative amount of unrecognised losses from associate companies as of 31 December 2020 amounted to € 29 million (31 December 2019: € 29 million). In the event that the associate subsequently reports profits, the Group resumes recognizing its share of those profits only after its share of the profits equals the share of losses not recognized.

There are no significant contingent liabilities that relate to the participation of the Group in associate companies and joint ventures.

There are no unrecognised commitments of the Group related to its participation in joint ventures that could result in future outflow of cash or other resources.

There are no significant restrictions in the ability of associates or joint ventures to transfer equity to the company in the form of dividends or to pay loans that have been granted by the Group, apart from the usual in force restrictions imposed on their framework of operation and the applicable legislation.

Movement on investment in associates and joint ventures

	Group		Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Opening balance	264	162	255	179
Additions and participation in share capital increases/ decreases	33	88	32	86
Disposals	-	(5)	-	(2)
Share of profit/ (loss) of associates and joint ventures after tax	(16)	5	-	-
Impairment	(6)	-	(35)	(8)
Foreign exchange differences and other adjustments	(7)	14	-	-
Contribution to the new credit institution	-	-	(252)	-
Closing balance	**268**	**264**	**-**	**255**

Basic financial data of the associates and the joint ventures

				31/12/2020			
s/n	Name of Company	Country	Participation %	Profit/ (loss) before tax	Total revenues	Total assets	Total liabilities
1	Crete Scient. and Tech. Park Manag. and Dev. Co. S.A.	Greece	30.45%	-	-	-	-
2	Evros' Development Company S.A.	Greece	30.00%	-	-	1	1
3	APE Commercial Property Real Estate Tourist and Development S.A.	Greece	27.80%	-	-	6	-
4	APE Fixed Assets Real Estate Tourist and Development S.A.	Greece	27.80%	(1)	-	48	4
5	Trieris Real Estate LTD	British Virgin Islands	32.35%	(1)	-	6	2
6	APE Investment Property S.A.	Greece	28.92%	-	-	170	8
7	Omicron Cyclos Ena Symmetohiki S.A.	Greece	28.10%	(4)	-	115	140
8	Exodus S.A.	Greece	49.90%	(1)	3	3	4
9	Piraeus - TANEO Capital Fund	Greece	50.01%	-	-	-	-
10	Teiresias S.A.	Greece	23.53%	-	15	13	12
11	PJ Tech Catalyst Fund	Greece	30.00%	(2)	-	11	-
12	Pyrrichos S.A.	Greece	50.77%	1	1	5	18
13	Pireaus Direct Services S.A.	Greece	49.90%	-	21	5	2
14	Gaia S.A.	Greece	26.00%	-	24	15	10
15	Olganos S.A.	Greece	32.27%	(1)	-	8	10
16	Exus Software Ltd	United Kingdom	49.90%	1	6	19	18
17	Marfin Investment Group Holding S.A.	Greece	31.22%	*	*	*	*
18	Intrum Hellas REO Solutions S.A.	Greece	19.96%	-	4	52	9
19	Intrum Hellas Credit Servicing S.A.	Greece	20.00%	67	166	476	81
20	Trastor Real Estate Investment Company	Greece	44.77%	*	*	*	*
21	AEP ELAIONA S.A.	Greece	50.00%	-	-	114	110
22	Inofita Asopos Business Park Development Company S.A.	Greece	31.36%	-	-	-	-
23	Peirga Kythnou P.C.	Greece	50.00%	1	-	4	-
24	ANEK Lines S.A.	Greece	27.68%	*	*	*	*
25	Perigenis Business Properties S.A.	Greece	20.61%	-	-	48	-
26	PHX Phoenix Real Estate Single Member S.A.	Greece	100.00%	-	-	-	-

(*) As of the date that the Board of Directors approved the Annual Financial Statements, the listed associated companies Marfin

Investment Group Holdings S.A., Trastor Real Estate Investment Company and ANEK Lines S.A., had not published their annual financial statements for 2020.

			31/12/2019				
s/n	Name of Company	Country	Participation %	Profit/ (loss) before tax	Total revenues	Total assets	Total liabilities
1	Crete Scient. and Tech. Park Manag. and Dev. Co. S.A.	Greece	30.45%	-	-	-	-
2	Evros' Development Company S.A.	Greece	30.00%	-	-	1	1
3	APE Commercial Property Real Estate Tourist and Development S.A.	Greece	27.80%	-	-	6	-
4	APE Fixed Assets Real Estate Tourist and Development S.A.	Greece	27.80%	-	-	49	4
5	Trieris Real Estate LTD	British Virgin Islands	32.37%	-	-	18	1
6	APE Investment Property S.A.	Greece	28.92%	-	-	170	8
7	Omicron Cyclos Ena Symmetohiki S.A.	Greece	28.10%	(4)	-	115	140
8	Exodus S.A.	Greece	49.90%	(1)	4	10	10
9	Piraeus - TANEO Capital Fund	Greece	50.01%	(1)	-	2	-
10	Teiresias S.A.	Greece	23.53%	-	18	12	11
11	PJ Tech Catalyst Fund	Greece	30.00%	-	1	13	1
12	Pyrrichos S.A.	Greece	50.77%	-	-	5	18
13	Pireaus Direct Services S.A.	Greece	49.90%	1	20	5	3
14	Gaia S.A.	Greece	26.00%	-	25	9	4
15	Olganos S.A.	Greece	32.27%	-	-	9	10
16	Exus Software Ltd	United Kingdom	49.90%	-	4	3	2
17	Marfin Investment Group Holding S.A.	Greece	31.28%	(31)	1,099	2,291	1,954
18	Intrum Hellas REO Solutions S.A.	Greece	19.96%	-	1	52	9
19	Intrum Hellas Credit Servicing S.A.	Greece	20.00%	23	52	407	47
20	Trastor Real Estate Investment Company	Greece	39.39%	14	24	220	98
21	AEP ELAIONA S.A.	Greece	50.00%	(2)	-	112	107
22	Inofita Asopos Business Park Development Company S.A.	Greece	24.50%	-	-	-	-
23	Peirga Kythnou P.C.	Greece	50.00%	-	-	2	-

25 Intangible assets

	Group				Company			
	Goodwill	Software	Other intangible	Total	Goodwill	Software	Other intangible	Total
Cost								
At 1 January 2019	42	590	49	681	5	579	36	620
Additions	-	21	-	21	-	21	-	21
Transfers	-	33	-	33	-	33	-	33
Disposals and write-offs	-	(8)	-	(8)	-	(7)	-	(7)
Impairment	(5)	-	-	(5)	(5)	-	-	(5)
At 31 December 2019	**37**	**637**	**49**	**723**	**-**	**625**	**36**	**661**
Opening balance of newly consolidated companies	-	-	1	1	-	-	-	-
Additions	1	24	-	25	-	23	-	23
Transfers	-	19	-	19	-	19	-	19
Disposals and write-offs	-	(2)	-	(2)	-	(2)	-	(2)
Contribution to the new credit institution	-	-	-	-	-	(666)	(36)	(702)
At 31 December 2020	**38**	**678**	**50**	**766**	**-**	**-**	**-**	**-**
Accumulated amortisation								
At 1 January 2019	-	(351)	(38)	(389)	-	(341)	(26)	(367)
Amortisation charge	-	(47)	(4)	(51)	-	(46)	(4)	(50)
Disposals and write-offs	-	4	-	4	-	4	-	4
At 31 December 2019	**-**	**(394)**	**(42)**	**(436)**	**-**	**(383)**	**(30)**	**(413)**
Opening balance of newly consolidated companies	-	-	(1)	(1)	-	-	-	-
Amortisation charge	-	(48)	(2)	(50)	-	(48)	(2)	(50)
Disposals and write-offs	-	1	-	1	-	1	0	1
Contribution to the new credit institution	-	-	-	-	-	430	32	462
At 31 December 2020	**-**	**(441)**	**(45)**	**(486)**	**-**	**-**	**-**	**-**
Net book value								
At 31 December 2019	**37**	**243**	**7**	**287**	**-**	**242**	**6**	**248**
At 31 December 2020	**38**	**237**	**5**	**280**	**-**	**-**	**-**	**-**

The most significant balance of the Group's goodwill as at 31 December 2020 is € 27 million and relates to the group of subsidiaries of WH South Wind Hellas Ltd. The remaining amount of € 11 million is allocated to certain subsidiaries which do not carry a significant amount of goodwill on an individual basis.

26 Property and equipment

Group	Land and buildings	Equipment and other tangible assets	Right of use assets	Assets under construction	Leasehold improvements	Total
Cost						
At 1 January 2019	721	374	171	69	197	1,532
Additions	10	20	15	19	4	68
Transfers	(21)	1	-	(34)	1	(54)
Disposals and write-offs	(13)	(9)	(2)	-	(4)	(29)
Impairment	(2)	-	-	(2)	(6)	(9)
Other movements	-	-	-	-	-	1
At 31 December 2019	**695**	**386**	**184**	**52**	**192**	**1,509**
Opening balance of newly consolidated companies	-	1	-	-	-	1
Additions	6	10	22	16	5	59
Transfers	2	-	(15)	(19)	-	(33)
Disposals and write-offs	(11)	(11)	(1)	-	(3)	(26)
Remeasurements	-	-	(9)	-	-	(9)
Impairment	-	(1)	-	-	(3)	(4)
Other movements	(1)	(1)	-	-	-	(2)
At 31 December 2020	**691**	**384**	**181**	**48**	**191**	**1,495**
Accumulated depreciation						
At 1 January 2019	(77)	(211)	(43)	-	(82)	(413)
Depreciation charge for the year	(8)	(32)	(25)	-	(6)	(71)
Transfers	3	-	-	-	-	3
Disposals and write-offs	5	6	1	-	4	16
Other movements	-	-	-	-	-	(1)
At 31 December 2019	**(78)**	**(237)**	**(67)**	**-**	**(84)**	**(465)**
Depreciation charge for the year	(8)	(27)	(24)	-	(6)	(64)
Transfers	-	-	11	-	-	11
Disposals and write-offs	2	11	1	-	4	17
Other movements	-	-	1	-	-	1
At 31 December 2020	**(83)**	**(253)**	**(77)**	**-**	**(86)**	**(500)**
Net book value						
At 31 December 2019	**617**	**149**	**117**	**52**	**108**	**1,044**
At 31 December 2020	**607**	**131**	**103**	**48**	**105**	**995**

Company	Land and buildings	Equipment and other tangible assets	Right of use assets	Assets under construction	Leasehold improvements	Total
Cost						
At 1 January 2019	639	295	168	59	194	1,355
Additions	10	14	11	20	4	59
Transfers	-	1	-	(34)	1	(32)
Disposals and write-offs	(7)	(8)	(2)	-	(4)	(22)
Impairment	(2)	-	-	-	(6)	(7)
At 31 December 2019	**641**	**302**	**177**	**45**	**189**	**1,353**
Additions	5	9	15	15	5	49
Transfers	2	-	-	(19)	-	(17)
Disposals and write-offs	(1)	(11)	(10)	-	(3)	(25)
Other movements	-	-	(1)	-	-	(1)
Remeasurements	-	-	(9)	-	-	(9)
Impairment	-	(1)	-	-	(3)	(4)
Contribution to the new credit institution	(647)	(299)	(172)	(41)	(188)	(1,347)
At 31 December 2020	**-**	**-**	**-**	**-**	**-**	**-**
Accumulated depreciation						
At 1 January 2019	(46)	(185)	(6)	-	(81)	(318)
Depreciation charge for the year	(7)	(28)	(27)	-	(6)	(67)
Disposals and write-offs	-	6	1	-	4	11
At 31 December 2019	**(53)**	**(207)**	**(32)**	**-**	**(82)**	**(374)**
Depreciation charge for the year	(7)	(23)	(26)	-	(5)	(60)
Disposals and write-offs	1	10	3	-	3	18
Other movements	-	-	1	-	-	1
Contribution to the new credit institution	58	219	54	-	84	416
At 31 December 2020	**-**	**-**	**-**	**-**	**-**	**-**
Net book value						
At 31 December 2019	**589**	**95**	**144**	**45**	**107**	**979**
At 31 December 2020	-	-	-	-	-	-

The “Right of use assets” includes an amount of € 98 million for the Group (31 December 2019: € 111 million) and € 0 million for the Company (31 December 2019: € 140 million), which refers to Land and Buildings under Leases.

27 Investment property

	Group			Company
	Owned property	Right-of-use assets	Total	Owned property
At 1 January 2019	992	87	1,079	418
Net losses from fair value measurement (Note 9)	-	(4)	(4)	(2)
Additions	31	-	31	21
Transfers	25	-	25	15
Disposals and write-offs	(22)	-	(22)	(4)
Other movements	3	-	3	-
At 31 December 2019	**1,029**	**83**	**1,112**	**447**
Opening balance of newly consolidated companies	**18**	**-**	**18**	**-**
Net gain/ losses from fair value measurement (Note 9)	7	(16)	(9)	9
Additions	18	-	18	13
Transfers	3	4	7	(24)
Disposals and write-offs	(24)	-	(24)	(5)
Other movements	(3)	-	(3)	-
Contribution to the new credit institution	-	-	-	**(440)**
At 31 December 2020	**1,047**	**71**	**1,119**	**-**

For information on the rental income recognised from investment property, refer to Note 10. Direct operating expenses arising from investment property generating rental income, for both the years ended 31 December 2020 and 2019, amounted to € 4 million and € 3 million for the Group and the Company, respectively. Direct operating expenses arising from investment property that did not generate income amounted to 3 million for the Group (31 December 2019: € 2 million) and € 2 million for the Company for both the years ended 31 December 2020 and 2019.

The fair value measurements of investment property are categorized within Level 3 of the fair value hierarchy. Refer to Note 4.1 for additional information on how the Group determines the fair value of its investment property.

28 Assets held for sale

Loans portfolio

As of 31 December 2020 and 2019 the carrying amount of Assets held for sale, consisted solely with "loans and advances to customers", amounted to € 181 million and nil for the Group and the Company, respectively (31 December 2019: € 264 million for the Group and € 259 million for the Company). The subsidiary Piraeus Bank S.A. initiated in 2019 and 2020 the process for the disposal of six (6) loans portfolios, as described below:

Loan Portfolio Chios

During 2018, the Bank entered into an agreement for the disposal of non-performing and denounced corporate loans, secured with real estate collateral, equivalent to € 110 million total claims. The loans with carrying amount as at 31 December 2018 of € 39 million met the criteria to be classified as Held for sale according to IFRS 5 and were included in the operating segment of " NPE MU" of Note 6 "Segment Analysis".

In August 2019, the Bank completed the disposal of the first part of the portfolio (Portfolio A), amounting to € 93 million total claims. The result from the said disposal, after taking into consideration the transactions costs, was immaterial and it was recognized in the caption "Net other income/ (expenses)". The sale of the second part of the portfolio (Portfolio B), with carrying amount of € 12 million, is expected to be completed in the second quarter of 2021. The operating segment which includes the aforementioned portfolio B is "NPE MU", as it is presented in Note 6 "Segment Analysis".

Loan Portfolio Iris

During 2019, the Bank in cooperation with Piraeus Leasing S.A. and Piraeus Financial Leases S.A. initiated an active process for the disposal of a portfolio mainly consisting of non-performing and denounced loans, partially secured with real estate collaterals, equivalent to € 1.7 billion total legal claims. The loans with carrying amount as at 31 December 2020 of € 33 million met the criteria to be classified as Held for sale according to IFRS 5 and were included in the operating segment of "NPE MU" of Note 6 "Segment Analysis". On 18 December 2020, the Bank announced that it has signed a binding agreement with Intrum, as part of a consortium that they have formed with European Bank of Reconstruction and Development (EBRD). The transaction was concluded on 5 February 2021, after receiving the required approvals from the relevant regulatory authorities, including the HFSF.

Loan Portfolio Kalypso

During 2019, the Bank initiated a process for the disposal of a Group's denounced corporate loans, secured with real estate collaterals, equivalent to € 69 million total legal claims. The loans with carrying amount as at 31 December 2020 of € 38 million met the criteria to be classified as Held for sale according to IFRS 5 and were included in the operating segment of "NPE MU" of Note 6 "Segment Analysis". The disposal is expected to be completed in the second quarter of 2021.

Loan Portfolio Trinity

During 2019, the Bank initiated an active process for the disposal of a non-performing corporate loan portfolio, partially secured with real estate collaterals, equivalent to € 773 million total legal claims. The loans with carrying amount as at 31 December 2020 of € 90 million met the criteria to be classified as Held for sale according to IFRS 5 and were included in the operating segment of "NPE MU" of Note 6 "Segment Analysis". The Bank, within 2020 disposed the sub-perimeters of Trinity I, II and III, equivalent to € 307 million total legal claims. The result from the said disposal, after taking into consideration the transactions costs, with carrying amount of € 35 million, was recognized in the caption "Net other income/ (expenses)". For the sub-perimeter Trinity IV, with total legal claims and carrying amount equivalent to € 164 million and € 49 million respectively, the Bank approved, in Q4 2020, the transfer of its part, equivalent to € 57 million total legal claims. The transfer of the rest of the sub-perimeter Trinity IV and also of sub – perimeters Trinity VI-VII, is expected in 2021.

During the third quarter of 2020 the Bank initiated an active process to dispose corporate loans, namely Project Trinity VIII, with total legal claims and carrying amount of € 48 million and € 28 million respectively. The operating segment which includes the aforementioned portfolio is "NPE MU", as it is presented in Note 6 "Segment Analysis. The transaction is expected to be completed in 2021.

Portfolio Violet

During 2019, the Bank initiated an active programme for the disposal of a non-performing "single ticket", secured with ordinary shares and real estate collaterals, with a total exposure equivalent to € 137 million. The loan with carrying amount as at 31 December 2019 of € 16 million met the criteria to be classified as Held for sale according to IFRS 5 and was included in the operating segment of "NPE MU" of Note 6 "Segment Analysis".

At the end of May 2020, the Bank signed the contractual documents with the investor. At the beginning of September 2020, the first phase of the transaction was completed, which included: a) the sale of the entire amount of the loan exposures and b) a portion of the convertible bond loan. The second and final phase of the transaction, was completed during the beginning of November 2020 which included: a) the sale of the remaining convertible bond loan and b) the sale of almost the entire equity participation the Bank's held in Company.

Loan Portfolio Steel

During the third quarter of 2020 the Bank initiated an active process to dispose of a Group's corporate loans, namely Project Steel, equivalent to € 56 million total legal claims. The loans with carrying amount as at 31 December 2020 of € 8 million met the criteria to be classified as Held for sale according to IFRS 5 and were included in the operating segment of "NPE MU" of Note 6 "Segment Analysis". The transaction is expected to be completed in the second quarter of 2021.

29 Other assets

	Group		Company	
	31/12/2020	**31/12/2019**	**31/12/2020**	**31/12/2019**
Inventories - property	1,448	1,375	-	893
Accumulated impairment of inventories - property	(201)	(192)	-	(122)
Net amount of inventories - property (A)	**1,246**	**1,183**	**-**	**771**
Inventories - cars	1	-	-	-
Other inventories	40	41	-	30
Other inventories and Inventories - cars	40	41	-	30
Accumulated impairment of other inventories and Inventories - cars	(8)	(7)	-	-
Net amount of other inventories and Inventories - cars (B)	**33**	**34**	**-**	**30**
Total Net amount of inventories (A) + (B)	**1,279**	**1,217**	**-**	**801**
Prepaid Expenses	54	42	4	40
Accrued income	25	26	20	29
Claims from tax authorities and the State	4	8	-	3
Credit Cards-settlement account	60	82	-	82
Deposit and Investment Guarantee Fund	824	821	-	821
Receivables from third party	1	1	-	-
Other	368	446	54	434
Other non financial receivables	1,336	1,426	78	1,409
Accumulated impairment of other receivables	(74)	(62)	(47)	(55)
Net amount of non financial other receivables (C)	**1,262**	**1,364**	**31**	**1,355**
Claims from the Greek State	408	367	-	365
Credit Cards	88	120	-	120
Accrued income	51	50	2	46
Receivables from Subsidiaries	-	-	92	144
Receivables from third party	138	132	-	2
Other	572	526	13	455
Financial assets	1,256	1,194	106	1,133
ECL Allowance of financial assets	(402)	(254)	-	(171)
Net amount of financial assets (D)	**854**	**940**	**106**	**962**
Other assets (A) + (B) + (C) + (D)	**3,395**	**3,521**	**138**	**3,118**
of which:				
Current	1,004	1,040	112	960
Non-current	1,112	1,264	26	1,357

Inventories property as at 31 December 2020 for the Group and the Company amounts to € 1,246 million and € 0 million, respectively (31 December 2019: € 1,183 million and € 771 million for the Group and the Company, respectively) mainly comprise of properties acquired through auctions.

The accumulated impairment of inventories property amounting to € 201 million and € 0 million for the Group and the Company, respectively (31 December 2019: € 192 million and € 122 million for the Group and the Company, respectively), relate to the difference between cost and net realisable value of Inventories property.

Other Non-financial receivables

“Deposit and Investment Guarantee Fund” included in other assets relates to the Group’s subsidiary Piraeus Bank S.A. participation in assets of investment and deposit cover scheme.

More specifically:

- In accordance with art. 9, par. 1 of Greek Law 4370/2016, the upper coverage level for the amount of deposits guaranteed by the Hellenic Deposit and Investment Guarantee Fund (HDIGF) is € 100 thousand per client. Due to the increase of the aforementioned amount, the contributions paid by credit institutions to HDIGF increased from 2008 onwards.
- Greek Law 4370/2016 article 25 par. 8, 9 and 10 provides that the Supplementary Deposit Cover Fund (SDCF), is considered as a distinct group of assets which consists of the annual contributions of the credit institutions, pursuant to paragraph 2 of art. 6 of Greek Law 3714/2008 (A '231). The assets of the SDCF are considered to be assets of the SDCF members credit institutions, according to their participation in it and is part of the funds of and subject to management by the HDIGF, for the achievement of its objectives. Each credit institution participating in the supplementary Deposit Cover Fund (SDCF) has an individual share that corresponds to the percentage of participation in the SDCF.
- In accordance with article 13 of Greek Law 4370/2016, HDIGF guarantees claims deriving from covered investment services up to an amount of € 30 thousand per client for investing activities. In 2010, the participating credit institutions paid the first contributions. The said contributions are included in a special reserve which is jointly owned by the credit institutions in proportion to their participation. Each credit institution participating in the Investment Cover Scheme (ICS) has an individual share in it. The individual share of each ICS member is proportional to its participation in the assets of the ICS, in accordance with art. 30 Greek Law 4370/2016.
- In accordance with art. 36, par. 1, 2 and 3 of Greek Law 4370/2016, the Resolution Scheme (RS) assets, as Resolution Fund for credit institutions, are from ordinary contributions paid in advance, extraordinary contributions and alternative means of funding, pursuant to the internal articles 98, 99 and 100 of art 2 of Greek Law 4355/2015. The resolution Scheme makes use of these contributions in order to repay its loans obligations for the purpose of credit institution resolution. The contributions are determined in accordance with the provisions in force.
- Furthermore, according to Regulation (EU) 806/2014, the Company is under the Single Resolution Fund, and participates through predetermined regular annual contributions, set by the SRB (Single Resolution Board).

Line item “Other” of € 368 million and € 54 million for the Group and the Company, respectively (31 December 2019: € 446 million and € 434 million, respectively) primarily includes prepayments, advances and other accounts of temporary and transitional nature that are expected to be settled in the following period.

Other Financial assets

Line item "Claims from the Greek State" of € 408 million and € 0 million for the Group and the Company, respectively (31 December 2019: € 367 million and € 365 million for the Group and the Company, respectively) mainly includes amounts claimed or eligible to be claimed from the Greek State relating to loans guaranteed by the Greek State.

Line item "Other" of € 572 million and € 13 million for the Group and the Company, respectively (31 December 2019: € 526 million and € 455 million for the Group and the Company, respectively) mainly relates to trade receivables and other assets.

The credit cards receivable mainly refers to the unsettled transactions of debit and credit cards as well as the instalments not yet due by the cardholders, which have been advanced to merchants.

Line item "ECL Allowance of financial assets" of € 402 million for the Group (31 December 2019: € 254 million) is increased due to the recognition of an impairment charge of € 160 million, mainly related to certain financial assets classified within other assets.

Group	Movement in ECL allowance			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1/1/2020	15	11	228	**254**
Transferred from Stage 1 to Stage 2	(1)	1	-	**-**
Transferred from Stage 2 to Stage 3		(1)	1	**-**
Transferred from Stage 3 to Stage 2	-	-	-	**-**
Changes to models and inputs used for ECL calculations	-	-	2	**2**
Reversal of impairment allowances no longer required (P&L)	(1)	(1)	(9)	**(11)**
ECL impairment charge for the year	-	-	160	**160**
Write-off of impairment losses	(3)	-	-	**(3)**
At 31/12/2020	**8**	**11**	**383**	**402**

Group	Movement in ECL allowance			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1/1/2019	24	1	219	**244**
Transferred from Stage 1 to Stage 2	(1)	1	-	**-**
Transferred from Stage 2 to Stage 3	-	(1)	1	**-**
Transferred from Stage 3 to Stage 2	-	10	(10)	**-**
Changes to models and inputs used for ECL calculations	(17)	-	1	**(16)**
Reversal of impairment allowances no longer required (P&L)	(1)	-	(2)	**(3)**
ECL impairment charge for the year	28	-	25	**53**
Write-off of impairment losses	(18)	-	(6)	**(24)**
At 31/12/2019	**15**	**11**	**228**	**254**

Company	Movement in ECL allowance			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1/1/2020	8	2	161	171
Changes to models and inputs used for ECL calculations	-	-	2	2
Reversal of impairment allowances no longer required (P&L)	(1)	(1)	(2)	(4)
ECL impairment charge for the year	-	-	154	154
Write-off of impairment losses	(3)	-	-	(3)
Contribution to the new credit institution	(2)	(1)	(317)	(320)
At 31/12/2020	**-**	**-**	**-**	**-**

Company	Movement in ECL allowance			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1/1/2019	24	-	140	164
Changes to models and inputs used for ECL calculations	(17)	-	-	(17)
Reversal of impairment allowances no longer required (P&L)	(1)	-	(1)	(2)
ECL impairment charge for the year	22	-	22	44
Write-off of impairment losses	(18)	-	-	(18)
At 31/12/2019	**8**	**2**	**161**	**171**

Ageing analysis of selective financial assets, included in other assets, by product line

Group	Days past due - Gross Carrying Amount											
31/12/2020	Current	1-30 days	31-90 days	91-180 days	181-365 days	365+ days	Denounced	Total	Stage 1	Stage 2	Stage 3	Total
Claims from the Greek State	14	317	14	-	1	63	-	**408**	332	13	63	408
Credit Cards	88	-	-	-	-	-	-	**88**	88	-	-	88
Receivables from third party	157	57	30	92	9	415	-	**760**	291	57	412	760
Total	**259**	**375**	**44**	**92**	**10**	**477**	**-**	**1,256**	**711**	**70**	**474**	1,256

Group	Days past due - Gross Carrying Amount											
31/12/2019	Current	1-30 days	31-90 days	91-180 days	181-365 days	365+ days	Denounced	Total	Stage 1	Stage 2	Stage 3	Total
Claims from the Greek State	-	275	27	-	-	65	-	**367**	275	27	65	**367**
Credit Cards	120	-	-	-	-	-	-	**120**	120	-	-	**120**
Receivables from third party	179	88	14	7	8	412	-	**707**	251	62	394	**707**
Total	**299**	**363**	**41**	**7**	**8**	**476**	**-**	**1,194**	**646**	**89**	**459**	**1,194**

Company	Days past due - Gross Carrying Amount											
31/12/2020	Current	1-30 days	31-90 days	91-180 days	181-365 days	365+ days	Denounced	Total	Stage 1	Stage 2	Stage 3	Total
Claims from the Greek State	-	-	-	-	-	-	-	-	-	-	-	-
Credit Cards	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Subsidiaries	-	92	-	-	-	-	-	**92**	92	-	-	92
Receivables from third party	2	13	-	-	-	-	-	**15**	15	-	-	15
Total	**2**	**104**	**-**	**-**	**-**	**-**	**-**	**106**	**106**	**-**	**-**	106

Company	Days past due - Gross Carrying Amount											
31/12/2019	Current	1-30 days	31-90 days	91-180 days	181-365 days	365+ days	Denounced	Total	Stage 1	Stage 2	Stage 3	Total
Claims from the Greek State	-	274	27	-	-	65	-	**365**	274	27	65	**365**
Credit Cards	120	-	-	-	-	-	-	**120**	120	-	-	**120**
Receivables from Subsidiaries	134	2	-	-	-	8	-	**144**	136	-	8	**144**
Receivables from third party	140	49	10	1	-	305	-	**504**	186	10	308	**504**
Total	**393**	**324**	**37**	**1**	**-**	**378**	**-**	**1,133**	**716**	**37**	**381**	**1,133**

30 Due to banks

	Group		Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Amounts due to ECB and central banks	10,988	355	-	355
Interbank deposits	96	365	-	365
Securities sold to credit institutions under agreements to repurchase	96	2,394	-	2,394
Other	196	182	-	163
	11,376	**3,296**	**-**	**3,277**
of which:				
Current	11,241	2,801	-	2,787
Non-current	135	495	-	491

"Due to Banks" mainly includes the Group's subsidiary's, Piraeus Bank S.A., funding from the ECB of € 10,978 million (nominal value: € 11.0 billion), securities sold under agreements to repurchase of € 96 million and other deposits with financial institutions of € 96 million (31 December 2019: € 355 million, € 2,394 million and € 365 million, respectively).

On 12 March 2020 and 30 April 2020, as a response to the Covid-19 pandemic's effects to the European economy, the ECB announced easing of conditions for TLTRO III, in order to leverage its use by credit institutions. These conditions, combined with the lifting of the 2015 imposed cap on the holdings of Greek Government securities for Greek banks, effective from 6 March 2020 and the waiver to accept Greek sovereign debt securities as collateral in Eurosystem credit operations on 7 April 2020, creates more favourable conditions for Greek banks to utilise ECB funding and enhance their liquidity positions at a competitive cost. As a result, the Group's exposure to the Eurosystem increased to € 11 billion as at 31 December 2020 from € 350 million as at 31 December 2019.

31 Due to customers

	Group		Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Corporate				
Current and sight deposits	10,012	8,178	-	8,371
Term deposits	2,686	4,568	-	4,636
Blocked deposits, guarantee deposits and other accounts	323	237	-	238
Total (A)	**13,021**	**12,983**	**-**	**13,245**
Retail				
Current and sight deposits	5,135	4,169	-	4,152
Savings accounts	20,243	16,660	-	16,656
Term deposits	11,159	13,467	-	13,447
Blocked deposits, guarantee deposits and other accounts	43	30	-	30
Total (B)	**36,580**	**34,325**	**-**	**34,285**
Cheques payable and remittances (C)	**35**	**42**	**-**	**42**
Total Due to customers (A)+(B)+(C)	**49,636**	**47,351**	**-**	**47,572**
of which:				
Current	49,630	47,289	-	47,511
Non-current	6	62	-	62

As at 31 December 2020 "Due to customers" with floating and fixed interest rate (excluding cheques payable and remittances) amounted to € 35.6 billion and € 14.0 billion for the Group, respectively (31 December 2019: € 29.1 billion and € 18.2 billion, respectively).

32 Debt securities in issue

		Group		Company	
	Weighted Interest Rate (%)	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Residential mortgage backed floating rate notes	3m Euribor + 63bp	-	10	-	10
Residential and Commercial NPL Securitization		-	-	2,383	-
Covered Bonds - floating rate - Series 4	3m Euribor + 250bp	471	471	-	471
Total debt securities in issue		**471**	**481**	**2,383**	**481**

Line item “Residential and commercial NPL Securitization” represents the Company’s liability towards the Bank for the issued Phoenix and Vega notes and specifically the 100% of the Senior notes and 5% of the Mezzanine and Junior notes (hereinafter “subordinated notes”), given that the Company has retained the 95% of the subordinated notes. For further information please refer to note 3 “Demerger of core banking operations into a newly-formed credit institution” and note 21 “Loans and advances to Customers” for further information on the securitizations.

The financial terms of the debt securities issued from loan securitizations and covered bonds that have been sold to investors as at 31 December 2020 and 2019 are the following:

Issuer	Description	Underlying Loan Type	Issue Date	Maturity Date	Currency	Weighted Interest Rate on Total Outstanding Amount/ Coupon Frequency	Nominal value	Outstanding nominal amount	Redem-ptions	Nominal amount own held by the Bank	Nominal amount held by third parties	Carrying value	Weighted Interest Rate on 3rd Parties
31/12/2020													
Securitized Loans													
Kion Mortgage Finance PLC	Residential mortgage backed floating rate notes (Class A,B,C)	Mortgage loans	7-Dec-06	15-Jul-51	EUR	3m Euribor + 52bp/ Quarterly	600	-	600	-	-	-	-
Covered Bonds													
Piraeus Bank S.A.	Floating rate covered bond series 4	Mortgage loans	31-Oct-17	31-Oct-22	EUR	3m Euribor + 250bp/ Quarterly	500	500	-	30	470	471	3m Euribor + 250bp

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 parties	Carrying value	Weighted Interest Rate on 3rd Parties
31/12/2019													
Securitized Loans													
Kion Mortgage Finance PLC	Residential mortgage backed floating rate notes (Class A,B,C)	Mortgage loans	7-Dec-06	15-Jul-51	EUR	3m Euribor + 48bp/ Quarterly	600	25	575	15	10	10	3m Euribor + 63bp
Covered Bonds													
Piraeus Bank S.A.	Floating rate covered bond series 4	Mortgage loans	31-Oct-17	31-Oct-22	EUR	3m Euribor + 250bp/ Quarterly	500	500	-	30	470	471	3m Euribor + 250bp

The major transactions regarding debt securities in issue during the year ended 31 December 2020 are as follows:

On 11 March 2020, Kion Mortgage Finance PLC announced the intention to redeem all notes of each class (Class A,B,C) at their respective principal amounts outstanding, together with accrued interest, and concluded the early redemption on the interest payment date on 15 April 2020.

On 30 December 2020, the Company proceeded to the Issuer Substitution with regards to the above Covered Bond series. More specifically, the original issuer, namely the Demerged Entity (incorporated with GEMI no. 225501000) of the above Covered Bond series was replaced by Piraeus Bank S.A. (incorporated with GEMI no. 157660660000) following the completion of the demerger.

The financial terms of the debt securities issued from loan securitizations and covered bonds that are held by the Group as at 31 December 2020 and 2019 are the following:

Issuer	Description	Underlying Loan Type	Issue Date	Maturity Date	Currency	Weighted Interest Rate/ Coupon Frequency	Nominal value	Outstanding nominal amount	Redemptions	Cancellations
31/12/2020										
Securitized Loans										
Axia 1 Finance PLC	Asset backed floating rate notes (Class A,B)	Corporate Loans	21-Nov-08	25-Apr-35	EUR	-	1,750	-	-	1,750
Praxis 1 Finance PLC	Asset backed fixed (Class A) and floating (Class B)rate notes	Consumer, personal and other loans	30-Apr-09	28-Jun-35	EUR	-	725	-	542	183
Praxis 2 Finance PLC	Asset backed fixed (Class A) and floating (Class B)rate notes	Consumer, personal and other loans	14-Aug-09	27-Dec-23	EUR	-	558	-	-	558
Covered Bonds										
Piraeus Bank S.A.	Floating rate covered bond Series 3	Mortgage loans	16-Feb-17	16-Nov-21	EUR	1m Euribor + 150bp / Monthly	1,000	500	-	500
Piraeus Bank S.A.	Floating rate covered bond Series 5	Mortgage loans	20-Nov-17	20-Nov-22	EUR	3m Euribor + 150bp / Quarterly	1,000	500	-	500
Piraeus Bank S.A.	Floating rate covered bond Series 6	Mortgage loans	31-Jan-18	31-Jan-23	EUR	3m Euribor + 150bp / Quarterly	1,000	1,000	-	-
Piraeus Bank S.A.	Floating rate covered bond Series 7	Mortgage loans	11-May-18	11-Feb-22	EUR	3m Euribor + 150bp / Quarterly	1,000	1,000	-	-

Issuer	Description	Underlying Loan Type	Issue Date	Maturity Date	Currency	Weighted Interest Rate/ Coupon Frequency	Nominal value	Outstanding nominal amount	Redemptions	Cancellations
31/12/2019										
Securitized Loans										
Axia 1 Finance PLC	Asset backed floating rate notes (Class A,B)	Corporate Loans	21-Nov-08	25-Apr-35	EUR	3m Euribor + 52bp / Quarterly	1,750	250	-	1,500
Praxis 1 Finance PLC	Asset backed fixed (Class A) and floating (Class B)rate notes	Consumer, personal and other loans	30-Apr-09	28-Jun-35	EUR	3m Euribor / Quarterly	725	190	535	-
Praxis 2 Finance PLC	Asset backed fixed (Class A) and floating (Class B)rate notes	Consumer, personal and other loans	14-Aug-09	27-Dec-23	EUR	1.69% / Monthly	558	370	-	188
Covered Bonds										
Piraeus Bank S.A.	Floating rate covered bond Series 3	Mortgage loans	16-Feb-17	16-Nov-21	EUR	1m Euribor + 150bp / Monthly	1,000	500	-	500
Piraeus Bank S.A.	Floating rate covered bond Series 5	Mortgage loans	20-Nov-17	20-Nov-20	EUR	3m Euribor + 150bp / Quarterly	1,000	1,000	-	-
Piraeus Bank S.A.	Floating rate covered bond Series 6	Mortgage loans	31-Jan-18	29-Jan-21	EUR	3m Euribor + 150bp / Quarterly	1,000	1,000	-	-
Piraeus Bank S.A.	Floating rate covered bond Series 7	Mortgage loans	11-May-18	11-Feb-22	EUR	3m Euribor + 150bp / Quarterly	1,000	1,000	-	-

On 22 June 2020, Axia 1 Finance PLC announced the intention to fully redeem all notes (Class A, B) at their respective principal amounts outstanding together with accrued interest. The early redemption was completed on 29 June 2020.

On 22 June 2020, Praxis 1 Finance PLC announced the intention to fully redeem all notes (Class B) at their respective principal amounts outstanding together with accrued interest. The early redemption was completed on 29 June 2020.

On 22 June 2020, Praxis 2 Finance PLC announced the intention to fully redeem all notes (Class A, B) at their respective principal amounts outstanding together with accrued interest. The early redemption was completed on 29 June 2020.

On 17 September 2020, Piraeus Bank proceeded with the partial cancellation of the nominal value of its fully retained Covered Bond series 5 (due November 2020) by € 500 million.

On 25 September 2020, Piraeus Bank proceeded with amendments to its fully retained Covered Bond series 5 (due November 2020) and series 6 (due January 2021) with regards to the extension of their maturity dates by 24 months, to November 2022 and January 2023, respectively.

The carrying amount of mortgage, corporate and consumer loans securitized that are included in line item "loans and advances to customers at amortised cost" as at 31 December 2020 and 2019 are the following:

Securitized loans	Group		Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Mortgage loans	-	25	-	25
Consumer, personal and other loans	-	597	-	597
Corporate Loans and Public sector	-	253	-	253
Total Securitized Loans	-	**875**	-	**875**

The carrying amount of exposures included in line item "loans and advances to customers at amortised cost", which have been pledged as collateral in the covered bonds programme is € 4,621 million and € 5,222 million, as at 31 December 2020 and 2019, respectively.

Senior Unsecured Notes are issued under the Euro Medium Term Note Programme (EMTN Programme), either directly by the Company or through the Group's subsidiary Piraeus Group Finance PLC, bearing the guarantee of the Company.

The Company did not issue any senior unsecured bonds under its EMTN Programme during the year 2020.

33 Other borrowed funds

On 26 June 2019 Piraeus Group Finance PLC issued Tier 2 subordinated debt of nominal value € 400 million, maturing in June 2029 (the "2029 Tier 2 Note"). The 2029 Tier 2 Note was issued with the guarantee of the Demerged Entity under the EMTN Programme, bears an annual fixed interest rate of 9.75% for the first 5 years and thereafter has a one time reset at the prevailing 5 year mid swap rate plus 9.952%. The 2029 Tier 2 Note may be redeemed by the issuer on 26 June 2024 at par, in its entirety, subject to prior regulatory approval. On 31 October 2019, Piraeus Group Finance PLC was novated by the Demerged Entity, as issuer of the 2029 Tier 2 Note.

On 19 February 2020, the Demerged Entity issued Tier 2 subordinated debt of nominal value € 500 million, maturing in February 2030 (the "2030 Tier 2 Note"), bearing an annual fixed interest rate of 5.5% for the first 5 years and reset once thereafter, at the prevailing 5 year mid swap rate plus 5.774%. The 2030 Tier 2 Note may be redeemed by the issuer on 19 February 2025 at par, in its entirety, by the Company, subject to prior regulatory approval.

During 2020, the Group and the Company repurchased € 2.5 million of the 2030 Tier 2 Note.

34 Other liabilities

	Group		Company	
	31/12/2020	**31/12/2019**	**31/12/2020**	**31/12/2019**
Deferred income	29	29	-	27
Accrued expenses	118	123	9	114
Lease liabilities	128	139	-	146
Transactions with Interbank Systems (DIAS)	194	264	-	263
Non-income taxes payable and social security contributions	52	50	-	45
Creditors and suppliers	100	115	1	110
Collections for third parties	281	129	-	129
Other	236	222	2	105
	1,136	**1,071**	**12**	**939**
of which:				
Current	694	833	12	663
Non-current	442	238	-	276

The following table summarises the lease liabilities:

Lease liabilities	Group		Company	
	31/12/2020	**31/12/2019**	**31/12/2020**	**31/12/2019**
No later than one year	29	31	-	27
One to five years	84	88	-	82
Later than five years	37	49	-	53
Gross lease liabilities	**150**	**168**	**-**	**162**
Discounting	(22)	(29)	-	(15)
Lease liabilities	**128**	**139**	**-**	**146**
of which:				
No later than one year	26	27	-	23
One to five years	70	68	-	73
Later than five years	32	43	-	50

35 Provisions

The movement of other provisions for the Group and the Company is summarized in the table below:

	Group				Company			
	Litigations	Other	ECL allowance on off balance sheet commitments	Total	Litigations	Other	ECL allowance on off balance sheet commitments	Total
At 1 January 2019	35	2	131	168	28	-	132	160
Provisions charged/(released)	1	29	(12)	18	-	27	(12)	15
Provisions utilized	(1)	(9)	-	(10)	-	(7)	-	(7)
Other movements	(3)	(1)	-	(3)	(3)	-	-	(3)
At 31 December 2019	**32**	**21**	**119**	**173**	**26**	**19**	**120**	**165**
Provisions charged/(released)	1	43	(2)	42	1	43	(2)	42
Provisions utilized	(3)	(9)	-	(12)	(3)	(9)	-	(12)
Contribution to the new credit institution	-	-	-	-	(23)	(53)	(117)	(194)
At 31 December 2020	**30**	**55**	**117**	**202**	**-**	**-**	**1**	**1**

The Group establishes provisions for all litigations, for which it believes it is probable that a loss will incur in the future and the amount of the loss can be reasonably estimated. These provisions may change from time to time, as appropriate, in light of additional information. In cases where a provision has not been recognized, Management is not able to reasonably estimate possible losses, since the proceedings may last for many years, many of the proceedings are in early stages, there is uncertainly of the likehood of the final result or the outcome of pending appeals. Management, following consultation with its legal advisors has concluded that the amount of recognized provisions for outstanding litigations is sufficient.

The ECL allowance on credit commitments is estimated based on the same methodology applied for loans and advances to customers at amortised cost. Please refer to Note 5.3.1.

Line item "Provisions charged/ (released)" in the Category "Other provisions" of the Group and the Company includes an amount of € 42 million relating to the provision of the newly launched in October 2020 VES.

36 Current tax assets

	Group		Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Current tax assets	229	257	22	254
Accumulated impairment of current tax assets	(53)	(52)	-	(52)
Net amount of current tax assets	176	206	22	202

Following the demerger tax claims and liabilities related to the banking activity sector created and assessed up to the Transformation Balance Sheet date, and in particular the right to set off the credit balances of withholding taxes on credit institutions, including those settled pursuant to the provisions of article 93 of L. 4605/2019, are transferred to the newly established Piraeus Bank S.A., except for any tax claims from tax withholdings related to the demerged entity, namely Piraeus Financial Holdings S.A.

In this context net current income tax assets pertained to the Company as at 31 December 2020 amounted to € 22 million (31 December 2019: € 202 million) comprises of the following:

a) Withholding taxes on corporate bonds of € 14 million, withheld in years 2019-2020 which are refundable by the Greek State.

b) Various other tax claims of € 8 million.

Net current tax assets for the Group as at 31 December 2020 amounting to € 176 million (31 December 2019: € 206 million), out of which an amount of € 153 million refers to the Bank and € 1 million to other subsidiaries of the Group, comprises of the following:

a) Withholding taxes on interest of bonds and treasury bills of € 77 million relating to financial years 2009, 2011, 2012 and 2013 (tax years 2008, 2010, 2011 and 2012). Under the provisions of Greek Law 4605 (article 93, par.1 and 2), as published at Gazette A' 52 on 1 April 2019, an amendment was introduced into the Greek Corporate Income Tax legislation, clarifying the status of the aforementioned withholding tax receivables of the Bank, as follows:

- Taxes of € 26 million, withheld in accordance with the provisions of para. 8 of article 12 of Greek Law 2238/1994, for the financial year 2013 (tax year 2012) are offset as a priority when income tax is incurred and to the extent that such income tax is sufficient for the purposes of the above set-off, while 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 € 44 million, which are subject to the provisions of para. 6 of article 3 of Greek Law 4046/2012 and not offset within five (5) years, are offset in equal instalments within 10 years with any tax liabilities of the Bank, starting from 1 January 2020.

b) Withholding tax receivables on interest income from Greek Government treasury bills of € 60 million, which were withheld after 1 January 2013, are offset against income tax available in the next five (5) financial years from the financial year in which the income tax was withheld. Upon completion of the five year period, any remaining withholding tax is being offset against current tax liabilities.

c) Withholding taxes on corporate bonds of € 11 million, withheld in year 2020 which are refundable by the Greek State.

d) Various other tax claims of the Bank of € 5 million.

37 Deferred Taxes

Deferred taxes for the Group and Company are calculated on all temporary differences under the liability method. The nominal tax rates of Group subsidiaries are different compared to the nominal tax rate of the Company (Note 14).

Deferred tax assets and liabilities are attributable to the following items:

	Group		Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Deferred tax liabilities				
Pensions and other post retirement benefits	-	-	-	-
Other provisions	(1)	(1)	-	-
Investment property fair value adjustment	29	31	-	-
Depreciation of property and equipment	3	2	-	-
Amortisation of Intangible assets	-	-	-	-
Recognition of tax losses carried forward	-	-	-	-
Investments in subsidiaries and associates	-	-	-	-
Other temporary differences	1	-	1	-
Total	**31**	**32**	**1**	**-**

	Group		Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Deferred tax assets				
Pensions and other post retirement benefits	39	35	-	35
Loans and advances to customers	5,316	5,321	-	5,303
Other provisions	-	-	-	-
Securities valuation adjustment	(111)	(95)	-	(95)
Derivative financial instruments valuation adjustment	(12)	3	-	3
Investment property fair value adjustment	21	(1)	-	(6)
Depreciation of property and equipment	(64)	(41)	-	(52)
Amortisation of Intangible assets	(61)	(17)	-	(17)
Recognition of tax losses carried forward	1	1	-	-
Impairment of Greek government bonds (PSI)	1,160	1,215	-	1,215
Investments in subsidiaries and associates	(51)	2	-	1
Other temporary differences	100	54	-	52
Total	**6,337**	**6,478**	**-**	**6,439**
Net deferred tax asset	**6,306**	**6,446**	**(1)**	**6,439**

Management believes that the recoverability of the recognised DTA as at 31 December 2020 amounting to € 6,337 million for the Group (31 December 2019: € 6,478 million), is probable based upon the tax plan of the Group and the Company's taxable income for the future (Note 4.1).

Management of the Group has estimated that the carried forward tax losses of € 4 million for the Group as at 31 December 2020 can be offset by the tax profits based on the tax plan and thus the Group has recognised a DTA amounting to € 1 million (31 December 2019: € 1 million). These carried forward tax losses of € 4 million are without time limit.

DTA on carried forward tax losses 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 and the Company have unused tax losses as at 31 December 2020 of € 591 million and € 85 million, respectively (31 December 2019: € 276 million and € 71 million for the Group and the Company, respectively), for which no deferred tax asset has been recognized in the Statement of Financial Position.

The Group and the Company have offset the deferred tax assets and deferred tax liabilities on an entity by entity basis based on the legally enforceable right to set off the recognised amounts i.e. offset current tax assets against current tax liabilities as well as the deferred tax assets and deferred tax liabilities when such taxes relate to the same fiscal authority.

	Group		Company	
	1/1 - 31/12/2020	1/1 - 31/12/2019	1/1 - 31/12/2020	1/1 - 31/12/2019
Net deferred tax asset at 1/1	**6,446**	**6,615**	**6,439**	**6,600**
Deferred tax benefit	(119)	(109)	(171)	(100)
Financial assets at FVTOCI (Note 16)	(23)	(62)	(23)	(63)
Deferred tax on actuarial gains/ (losses) (Note 16)	2	2	2	2
Net deferred tax liability due to changes from disposed subsidiaries	-	-	-	-
Currency translation effect and other movements	-	-	-	-
Contribution to the new credit institution	-	-	(6,250)	-
Net deferred tax asset at 31/12	**6,306**	**6,446**	**(1)**	**6,439**

Deferred taxation directly recognised in equity for both the Group and the Company during 2020 are as follows: a) deferred tax expense of € 23 million for the Group and the Company relating to the valuation of financial assets at FVTOCI (Note 16) and b) deferred tax income of € 2 million for both the Group and the Company relating to actuarial gain/losses included in "other comprehensive income / (expense)" for the period (Note 16).

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

Deferred tax (Income Statement)	Group		Company	
	1/1 - 31/12/2020	1/1 - 31/12/2019	1/1 - 31/12/2020	1/1 - 31/12/2019
Pensions and other post retirement benefits	1	(21)	1	(20)
Loans and advances to customers	(5)	551	(5)	555
Other provisions	-	(3)	-	-
Securities valuation adjustment	5	-	6	-
Derivative financial instruments valuation adjustment	(15)	(9)	(15)	(9)
Investment property fair value adjustment	1	1	(2)	-
Depreciation of property and equipment	1	(43)	2	(40)
Amortisation of Intangible assets	(44)	(12)	(44)	(12)
Recognition of tax losses carried forward	-	(445)	-	(444)
Impairment of Greek government bonds (PSI)	(55)	(55)	(55)	(55)
Investments in subsidiaries and associates	(53)	(117)	(52)	(118)
Other temporary differences	45	43	(7)	44
Total	**(119)**	**(109)**	**(171)**	**(100)**

Net deferred tax asset analysis	Group		Company	
	1/1 - 31/12/2020	1/1 - 31/12/2019	1/1 - 31/12/2020	1/1 - 31/12/2019
Current	188	216	-	207
Non-current	6,149	6,262	-	6,232
Total	**6,337**	**6,478**	**-**	**6,439**

Net deferred tax liability analysis	Group		Company	
	1/1 - 31/12/2020	1/1 - 31/12/2019	1/1 - 31/12/2020	1/1 - 31/12/2019
Current	1	-	1	-
Non-current	30	32	-	-
Total	**31**	**32**	**1**	**-**

38 Retirement and termination benefit obligations

Retirement indemnities

Most of the subsidiaries of the Group are required by local law to offer a lump sum on retirement, which is defined by Greek Law 2112/1920 as modified by Greek Law 4093/2012. Such lump sum payments usually are based on the final salary and years of service, the calculation of which depends on the jurisdiction in which the company operates and the employee's profession (e.g. Greek law provides for different indemnities for salaried employees, wages earners and lawyers). In some cases, Group's companies regulations provide for additional benefits to employees above the statutory minimum.

Below is a summary of the defined benefit plans of the Group:

1. Lump sum retirement benefit according to Greek Law 2112/1920 and Greek Law 4093/2012

Lump sum retirement benefit is provided to the majority of employees of Piraeus Financial Holdings S.A., Piraeus Bank S.A. and Greek subsidiaries as per the terms set out below:

In accordance with Greek Law 4046/2012 and Board of Ministers' Decision (6/28/2/2012), from 14 February 2012 onwards, the employment contracts that lapse on attainment of the normal retirement age or based on the particular retirement conditions, are considered as indefinite duration employment contracts and therefore, the provisions for employee's statutory retirement indemnity of Greek Law 2112/1920, are applicable.

On 12 November 2012, the Greek Law 4093/2012 (GG A' 222) decreased the statutory indemnity scale set by Greek Law 2112/1920 in case of employee dismissal or normal retirement. Employees having more than 16 full years of service to the same employer as at 12 November 2012, are entitled to a statutory indemnity for all the years employeed until that date. Employees having less than 17 full years of service to the same employer as at 12 November 2012, the maximum statutory indemnity is 12 actual salaries. In both conditions and in case of normal retirement, employees receive 40% of the statutory indemnity scale set by Greek Law 2112/1920 and Greek Law 4093/2012. In case of disability before the normal retirement age or in case of early retirement no indemnity is provided.

For lawyers based on Law 4194/2013 the benefit paid in case of retirement is 100%. In case of voluntary departure the benefit paid is: 100%, after 28 years of service, 66.67%, after 20 years of service and 50%, after 15 years of service.

2. Lump Sum Benefit according to Piraeus Bank Collective Agreement

A lump sum benefit is granted to certain employees of Piraeus Bank S.A. and Piraeus Financial Holdings S.A. The lump sum benefit is payable when the member is eligible for full pension by the social security fund. The lump sum benefit based on pre-defined number of salaries at 100% of the average salary of the last 3 months prior to retirement. No lump sum benefit is paid in case of death, disability or termination before the normal retirement age.

3. Lump Sum Benefit according to employee contracts of Former Nat West Bank Employees

A lump sum benefit is granted to certain employees of former Nat West Bank who work in Piraeus Bank, hired prior to 31 December 1991. The lump sum benefit is payable when the employee is eligible for full pension by the social security fund or in case of death. The lump sum benefit is equal to 100% of the retirement benefit according to Greek Law 2112/1920 and Greek Law 4093/2012.

4. Lump Sum Benefit according to the Agreement of Former Macedonia Thrace Bank Employees

A lump sum benefit is granted to former employees of Macedonia Thrace Bank who work in Piraeus Bank based on a collective agreement. The lump sum benefit is payable when the member is eligible for full pension from the social security fund.

The lump sum benefit is equal to 100% of the retirement benefit according to the Macedonia Thrace Bank's collective agreement.

5. Lump Sum Benefit to former Macedonia Thrace Children's Account

The lump sum benefit is paid to the children of former Macedonia Thrace Bank employees according to a preset calculation of the liability when the child reaches the age of 25 or earlier under specific prerequisites. In case of death of the child the amount is paid to the parent, in case of departure of the parent from the Bank the amount contributed by the employee and not by the Bank is refunded without interest. If the departure is due to retirement, the plan can be continued and funded by the ex-employee's pension salary, in which case the Bank also continues to pay contributions.

6. Lump Sum Benefit According to the Insurance Policy of some Key Management Members

Piraeus Bank has entered into an insurance contract regarding the lump sum benefit to be paid to certain Executive BoD members, Executive General Managers, General Managers and Deputy General Managers based on a preset calculation of the liability when the employment is terminated in all cases except for fraud.

Piraeus Financial Holdings S.A. and Piraeus Financial Holdings Group

The present value of the defined benefit obligation is determined by an independent actuary by applying the "projected unit credit method", according to which, the charge for pension plans to the Income Statement is allocated over the service lives of the related employees. The defined benefit obligation is determined by the present value of cash outflows using interest rates of high quality corporate bonds, which have terms to maturity approximating the terms of the related liability.

The employees of the Company are entitled to compensation upon termination of service, based on their service, their salary and their classification group.

The benefits paid for the years 2020 and 2019, according to the voluntary redundancy schemes are included in the disclosures for the non-funded plans.

In the tables below are presented amounts recognized in both the Statement of Financial Position and the Income Statement for the Group and the Company, broken down by funded and non-funded pension schemes.

Amounts recognised in the Statement of Financial Position	Group		Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Pension schemes - funded	6	5	-	5
Other post retirement benefits - non-funded	137	125	-	120
Total	**143**	**130**	**-**	**125**

Amounts recognised in Equity	Group		Company	
	1/1 - 31/12/2020	1/1 - 31/12/2019	1/1 - 31/12/2020	1/1 - 31/12/2019
Funded	-	-	-	-
Non-funded				
Liability gain /(loss) due to changes in assumptions	(7)	(7)	(7)	(7)
Liability experience gain/ (loss) arising during the year	(1)	(1)	(1)	(1)
Total non-funded	**(8)**	**(8)**	**(8)**	**(8)**
Total	**(8)**	**(8)**	**(8)**	**(8)**

No amounts recognized neither in Equity nor in the Income Statement for both the Group and the Company for the period ended 31 December 2020 and 2019 in regards with funded pension schemes.

Amounts recognised in the Income Statement	Group		Company	
	1/1 - 31/12/2020	1/1 - 31/12/2019	1/1 - 31/12/2020	1/1 - 31/12/2019
Other post retirement and termination benefits of non-funded				
Current service cost	4	4	4	4
Interest cost	1	2	1	2
Past servise cost recognised	(1)	2	(1)	2
Settlement/ Curtailment/ Termination loss/ (gain)	114	17	111	17
Total other post retirement and termination benefits of non-funded	**118**	**26**	**115**	**25**

A) Pension schemes - funded

The net liability in the Statement of Financial Position is determined as follows:

	Group		Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Present value of funded obligations	8	8	-	8
Fair value of plan assets	(2)	(2)	-	(2)
Total	**6**	**5**	**-**	**5**

In funded plans, the Company follows the recommendations of the insurance company concerning the amount of contributions. The expected contributions to funded post-employment defined benefit plans for the year 2021, amount to € 0.3 million. It shall also be noted, that there are no commitments arising from the law concerning the level of funding for post-employment defined benefit plans provided by the Company.

The movement of the gross defined benefit obligation is analysed as follows:

	Group		Company	
	1/1 - 31/12/2020	1/1 - 31/12/2019	1/1 - 31/12/2020	1/1 - 31/12/2019
Opening balance	8	80	8	80
Benefits paid from the fund	-	(72)	-	(72)
Contribution to the new credit institution	-	-	(8)	-
Closing balance	**8**	**8**	**(0)**	**8**

The movement of the fair value of plan assets for the Group and the Company is analysed as follows:

	Group		Company	
	1/1 - 31/12/2020	1/1 - 31/12/2019	1/1 - 31/12/2020	1/1 - 31/12/2019
Opening balance	2	16	2	16
Employer contributions	-	58	-	58
Benefits paid from the fund	-	(72)	-	(72)
Contribution to the new credit institution	-	-	(2)	-
Closing balance	**2**	**2**	**-**	**2**
Return on plan assets	**-**	**-**	**-**	**-**

The plan assets, which are not quoted, are invested as follows:

	Group		Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Mutual funds	83.1%	83.2%	83.1%	83.2%
Bonds	6.1%	5.1%	6.1%	5.1%
Deposits	10.8%	11.7%	10.8%	11.7%

Below is presented the movement of the net liability of funded pension schemes for the Group and the Company, broken down into expenses, contributions, benefits and amounts recognized in equity:

	Group		Company	
	1/1 - 31/12/2020	1/1 - 31/12/2019	1/1 - 31/12/2020	1/1 - 31/12/2019
Opening balance	5	64	5	64
Employer contributions	-	(58)	-	(58)
Contribution to the new credit institution	-	-	(6)	-
Closing balance	**6**	**5**	**-**	**5**

B) Other non-funded post retirement and termination benefits

The amounts recognised in the Statement of Financial Position are analysed as follows:

	Group		Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Present value of unfunded obligations	137	125	-	120
Liability in the balance sheet	**137**	**125**	**-**	**120**

An amount of € 21 million included in the balance of the liability as of 31 December 2020, refers to terminations benefits.

The movement in the defined benefit obligation is analysed as follows:

	Group		Company	
	1/1 - 31/12/2020	1/1 - 31/12/2019	1/1 - 31/12/2020	1/1 - 31/12/2019
Opening balance	125	129	120	124
Current service cost	4	4	4	4
Interest cost	1	2	1	2
Settlement/ Curtailment/ Termination loss/ (gain)	114	17	111	17
Past service cost	(1)	2	(1)	2
Benefits paid directly by the employer	(113)	(38)	(111)	(37)
Actuarial gains / (losses)	8	8	8	8
Contribution to the new credit institution	-	-	(132)	-
Closing balance	**137**	**125**	**1**	**120**

The movement in the liability recognised in the Statement Financial Position for the Group and the Company, broken down into expenses, contributions, benefits and amounts recognized in equity is analysed as follows:

	Group		Company	
	1/1 - 31/12/2020	1/1 - 31/12/2019	1/1 - 31/12/2020	1/1 - 31/12/2019
Opening balance	125	129	120	124
Total expense recognised in the income statement	118	26	115	25
Benefits paid by the employer	(113)	(38)	(111)	(37)
Amount recognised in equity	8	8	8	8
Contribution to the new credit institution	-	-	(132)	-
Closing balance	**137**	**125**	**-**	**120**

The expected weighted average duration of the defined benefit obligation is 11.2 years for the Group and the Company.

The actuarial assumptions used are as follows:

	Group		Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Discount rate	0.5%	1.0%	0.5%	1.0%
Price inflation	1.4%	1.4%	1.4%	1.4%
Expected return on plan assets	0.5%	1.0%	0.5%	1.0%
Future increase in salaries	1.4%	1.4%	1.4%	1.4%
Mortality table applied	EVK00, based on Swiss mortality table		EVK00, based on Swiss mortality table	

According to the revised IAS 19, the rate used to calculate the expected return on plan assets is the discount rate that is used to discount the post-employment benefit obligation.

Sensitivity analysis in defined benefit obligation

The sensitivity analysis for the significant assumptions in the post-employment defined benefit obligation is as follows:

Main assumptions	Effect in realised defined benefit obligation (Group)			Effect in realised defined benefit obligation (Company)		
	Change in the assumptions	Increase	Decrease	Change in the assumptions	Increase	Decrease
Discount rate	+/-0.50%	-5.4%	6.0%	+/-0.50%	-8.8%	9.8%
Future increase in salaries	+/-0.50%	5.7%	-5.2%	+/-0.50%	9.7%	-8.8%
Voluntary withdrawal rate	increase/ decrease by 50%	-2.5%	2.8%	increase/ decrease by 50%	-4.2%	4.6%

The aforementioned sensitivity analysis is based on changing each assumption, while keeping the other assumptions unchanged. However, in an economic environment assumptions do not change independently and are usually affected at the same time. The method adopted for the sensitivity analysis is the one used for the determination of the defined benefit obligation in the Statement of Financial Position. The final cost of defined benefit plans depends on the actual future experience relating to the actual pay increases as well as other factors that affect the cost, like the mobility of the employees and the recruitment.

Defined Contribution Plans

Total contributions to social security funds, state run plans and defined contribution plans for 2020 for the Group and the Company amounted to € 79 million and € 75 million, respectively (2019: € 92 million for the Group and € 88 million for the Company).

Below is a summary of the defined contribution plans of the Group:

1) Piraeus Financial Holdings S.A. and Domestic Subsidiaries State Pension and State Health Plan

Piraeus Financial Holding's main post retirement and health plan is a defined contribution plan that is run by the State sponsored social security fund EFKA. Contribution by the employer and employee to the State is defined by law and amounts to 22.54% and 14.12% respectively, of the employees’ salaries with a cap. The State Health Plan offers health benefits to employees before and after their retirement, and to insured family members.

2) Piraeus Bank State Pension Plan

The Bank’s main post retirement pension plan is a defined contribution plan that is run by the State sponsored social security fund EFKA. Contribution by the employer and employee to the State post retirement pension plan is defined in the law and amounts to 17.99% and 11.57% respectively, of the employees’ salaries with a cap.

3) Piraeus Bank State Health Plan

Defined contribution to the State Health Plan amounts to 4.55% of the employees’ salary. Employees’ contribution amount to 2.55% of their salary. Additional contributions are paid for insured members of the employees’ families (such as spouse that does not work and children), and are increased further in the event that the insured spouse is employed or that members of the paternal family are also insured. Contribution of retired employees’ amount to a percentage of their pension, while additional contributions are paid for other insured members of their families. The State Health Plan offers health benefits to employees before and after their retirement, and to insured family members.

4) Piraeus Bank S.A. and Piraeus Financial Holdings S.A. Private Pension Plan

In November 2020 the Company established the Institution for Occupational Retirement, Life and Medical Provision (IORP), a Non-Profit Legal Entity of Private law jurisdiction, which aims to provide additional insurance protection to its members, in addition to the main ones provided by social security funds.

With the IORP’s establishment, a single fund was created from which all employees will receive a supplementary lump sum, improving their retirement conditions. Employees’ participation in the IORP is voluntary and their contribution is optional and it can range from zero up to 20% of the gross monthly salary. Piraeus Bank and Piraeus Financial Holdings as employers contribute to the individual account of the employee an additional 2% of the monthly gross salary for 14 months on an annual basis, valid from the date of registration in the Fund and without obligation to contribute by the employee.

5) Group Child Savings Private Defined Contribution Plans

Piraeus Bank S.A. and Piraeus Financial Holdings S.A. offer three defined-contribution plans to their employees in respect of their children, according to the Bank of origin. The three plans have the same terms and requirements.

The total amount raised during period of insurance (i.e. employee’s and employer’s contributions, as well as interest) is paid in the form of a lump sum either to the child in case certain prerequisites are fulfilled, such as child’s marriage, employment, 25th year of age and death of employee-parent or to the employee-parent in cases such as departure from Piraeus Bank S.A.

or Piraeus Financial Holdings S.A. due to retirement, participation in voluntary exit scheme, permanent or total disability and death of the insured child. In case of employee's resignation, the employee receives his/her contributions including interest.

6) Piraeus Bank S.A. and Piraeus Financial Holdings S.A. Private Insurance Health Plan

In addition, Piraeus Bank S.A. and Piraeus Financial Holdings S.A. offer to their employees and their families (spouse and children with specific age limits respectively) a Life and Health Care Insurance Plan. It includes employee's life insurance, reimbursement in case of employee's permanent and total disability due to accident or serious illness, employee's and/or dependent's hospital care and outpatient care, surgery / hospitalisation allowance, maternity allowance and check-up. Piraeus Bank S.A. and Piraeus Financial Holdings S.A. pay monthly premiums to the insurance company which are fixed for the benefit of health of employee and relatives and a percentage of salary for the benefits of life and disability insurance. In case of insurance in the plan of a spouse or child that is not insured for social health insurance under the employee, the insurance covers the benefits of hospital and outpatient care and the employee pays a monthly fixed amount per insured person which is deducted from the monthly salary.

7) Defined Contribution Pension Plans of Greek Subsidiaries

Piraeus Leasing S.A., Piraeus Financial Leases S.A. and ETVA Industrial Parks S.A. Piraeus Agency Solutions Single Member S.A. (former A.C.T. B.A.S. S.A.) offer employees group pension plans. According to the provisions of the contracts, the employee receives an amount equal to the total of the amount raised during his/her participation in the program, depending on the number of years of participation. They also require monthly contributions by both the employer and the employees, as a percentage of the monthly gross salary. Piraeus Asset Management Single Member S.A. participated in Piraeus Financial Holdings Group's IORP, which was established in November 2020 and offered its employees the opportunity to participate. Employee participation in the IORP is voluntary and their contribution is optional: it can range from zero up to 20% of the gross monthly salary, Employer's contribution is 2% of the monthly gross salary for 14 months on an annual basis.

8) Defined Contribution Pension Plans of Foreign Branches and Subsidiaries

For two (2) Cypriot subsidiaries, Philoktimatiki Public Ltd and Philoktimatiki Ergoliptiki Ltd, the employer and employees pay contributions to the State Social Insurance Fund calculated on the basis of the employees' salaries. Additionally, these subsidiaries operate a defined contribution plan, the assets of which are held in a separate fund managed by a Committee. The plan is funded by payments made by the employer and the employees.

9) Child Savings Private Defined Contribution Plans of Greek Subsidiaries

Piraeus Agency Solutions Single Member S.A. (former A.C.T. B.A.S. S.A.) offers defined-contribution plans to their employees children, which have the same terms and requirements.

The total amount raised during period of insurance (i.e. employee's and Bank's contributions, as well as interest) is paid in the form of a lump sum either to the child in case certain prerequisites are fulfilled, such as child's marriage, employment, 25th year of age and death of employee-parent or to the employee-parent in cases such as departure from the Bank due to retirement, resignation, participation in voluntary exit scheme, permanent or total disability and death of the insured child.

10) Private Health Plans of Greek Subsidiaries

Piraeus Leasing S.A., Piraeus Financial Leases S.A., ETVA Industrial Parks S.A., Piraeus Real Estate Single Member S.A., Piraeus Agency Solutions Single Member S.A. (former A.C.T. B.A.S. S.A.), Piraeus Direct Solutions Single Member S.A., Piraeus Factoring Single Member S.A., Piraeus Securities S.A., Piraeus Asset Management Single Member S.A., Piraeus Capital Management S.A., Piraeus Jeremy Technology Catalyst Management S.A. and Piraeus Bank Group Cultural Foundation, offer employees group health plans, which include employee's life insurance, reimbursement in case of employee's permanent and total disability due to accident or serious illness, employee's and/or dependent's hospital care and outpatient care, surgery/hospitalisation allowance and maternity allowance. The Subsidiaries pay monthly or annual premiums to the insurance companies. For coverage for hospital and outpatient care of a spouse or child in the plan, in the cases of Piraeus Leasing S.A., Piraeus Financial Leases S.A, Piraeus Agency Solutions Single Member S.A. (former A.C.T. B.A.S. S.A.), Piraeus Factoring Single Member S.A., Piraeus Securities S.A., Piraeus Asset Management Single Member S.A. and Piraeus Bank Group Cultural Foundation the premiums are also paid by the Subsidiaries. In the case of ETVA Industrial Parks S.A. and Piraeus Real Estate Single Member S.A. the employee pays monthly premiums per insured person which are deducted from the monthly salary. For, Piraeus Direct Solutions Single Member S.A., Piraeus Capital Management S.A. and Piraeus Jeremy Technology Catalyst Management S.A in case of insurance in the plan of a spouse or child that is not insured for social health insurance under the employee, the employee pays a monthly fixed amount per insured person which is deducted from the monthly salary.

11) Private Health Plans of Foreign Branches and Subsidiaries

Varna Asset Management EOOD offer employees group health plan for hospital and outpatient care. Premiums are paid monthly. The employee pays the premium for insuring family (children, spouse and parents).

JSC Piraeus Bank ICB, Solum Enterprise LLC and Akinita Ukraine LLC in Ukraine offer employees group health plans for hospital and outpatient care. Premiums are paid per quarter.

Piraeus Leasing Romania S.A. offer a check-up (on an annual basis or more frequently under specific circumstances e.g. long-term leave of employee due to illness) only to employees, not provided on the basis of an insurance contract.

Philoktimatiki Public Ltd and Philoktimatiki Ergoliptiki Ltd in Cyprus offer employees group health plan, which includes employee's life insurance, reimbursement in case of employee's permanent and total disability due to accident or serious illness, employee's and/or dependent's hospital care and outpatient care. Premiums are paid monthly by both the employees and the Subsidiaries.

39 Leases

The table below presents the contractual undiscounted cash flows of the gross lease liabilities. The Group and the Company have elected to take a recognition exemption for short-term leases; hence, the analysis below does not include any leases with a residual term lower than 12 months.

	Group		Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Up to 1 year	29	31	-	27
From 1 to 5 years	84	88	-	82
More than 5 years	37	49	-	53
Total undiscounted gross liabilities	**150**	**168**	**-**	**162**

As at 31 December 2020, the present value of lease liabilities amounts to € 128 million for the Group (31 December 2019: € 139 million) and nill for the Company (31 December 2019: € 146 million).

Lease liabilities are included in line item "Other liabilities".

a. Lease liabilities

Amounts recognized in profit or loss- RoU own assets	Group		Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Interest on lease liabilities	2	3	3	4
Depreciation charge for the year	24	25	26	27
Expenses relating to short-term leases	17	16	17	15

b. Lease receivables

Gross investments in finance leases	Group		Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Up to 1 year	510	529	-	25
From 1 to 5 years	312	317	-	4
More than 5 years	722	800	-	4
Total undiscounted lease payments receivable	**1,544**	**1,646**	**-**	**33**
Less: Unearned finance income	164	182	-	2
Net investment in the lease	**1,381**	**1,464**	**-**	**31**

Future income from operating leases	Group		Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Up to 1 year	36	38	-	13
From 1 to 5 years	134	142	-	57
More than 5 years	50	81	-	26
Total undiscounted lease payments receivable	**221**	**261**	**-**	**96**

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

40.1 Legal proceedings

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

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

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

However, based on Management's judgement and after consultation with the Group's and the Company's legal counsels, the ultimate disposition of these matters is not expected to have a material adverse effect on the Annual Financial Statements. As at 31 December 2020, the Group and the Company provided for cases under litigation an amount of € 30 million and € 0 million, respectively (31 December 2019: € 32 million and € 26 million for the Group and the Company, respectively) which represents management's best estimate on the probable loss to be incurred upon finalization of these pending legal cases.

40.2 Pending tax audits

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

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

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

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

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

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

In regards with the Group's Greek subsidiaries, for which Management elected to conduct a tax audit in accordance with article 65a of Greek Law 4174/2013, the respective tax audits for fiscal year 2019 have been completed and the relevant tax audit certificates have been issued. The fiscal year 2020 of the Company and its Greek subsidiaries is currently being tax audited by Deloitte Certified Public Accountants S.A. and the final outcome of the tax audits is not expected to have a material effect on the Annual Financial Statements.

The unaudited tax years of the Group's subsidiaries, associates and joint ventures, are included in Note 24 and therefore their tax liabilities for these years have not been finalized. The tax authorities have not yet audited the Group's subsidiaries for all fiscal years and consequently their tax positions for those years may not be considered as final.

Additional taxes and penalties may be imposed, for the unaudited years, although it is not expected to have a material effect on the Annual Financial Statements.

40.3 Credit commitments

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

As at 31 December 2020 and 2019 the Group and the Company had undertaken the following credit commitments:

	Group		Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Financial guarantees	3,314	3,022	-	3,235
Letters of credit	40	25	-	23
Irrevocable undrawn credit commitments	728	405	7	461
Total commitments	**4,082**	**3,452**	**7**	**3,719**

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

Group	Financial guarantees - Internal rating grade						
31/12/2020	Stage 1	Stage 2	Stage 3	POCI	Total	ECL Allowance	Balance
Strong	2,626	-	-	-	2,626	5	2,621
Recommended	220	-	-	-	220	3	217
Substandard	-	147	-	-	147	1	146
Default	-	-	321	-	321	98	223
Total	**2,846**	**147**	**321**	**-**	**3,314**	**108**	**3,207**

Group	Financial guarantees - Internal rating grade						
31/12/2019	Stage 1	Stage 2	Stage 3	POCI	Total	ECL Allowance	Balance
Strong	2,381	-	-	-	2,381	4	2,376
Recommended	261	-	-	-	261	6	255
Substandard	-	76	-	-	76	3	74
Default	-	-	304	-	304	101	203
Total	**2,642**	**76**	**304**	**-**	**3,022**	**114**	**2,909**

Group	Financial guarantees - Movement in nominal amount				
31/12/2020	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount as at 1/1/2020	**2,642**	**76**	**305**	**-**	**3,022**
New off balance sheet items originated or purchased	1,392	17	53	-	**1,463**
Off balance sheet items repaid / matured	(1,060)	(41)	(64)	-	**(1,166)**
Off balance sheet items derecognized (excluding write offs)	(4)	(1)	-	-	**(5)**
Transferred from Stage 1 to Stage 2	(193)	193	-	-	-
Transferred from Stage 1 to Stage 3	(34)	-	34	-	-
Transferred from Stage 2 to Stage 1	105	(105)	-	-	-
Transferred from Stage 2 to Stage 3	-	(1)	1	-	-
Transferred from Stage 3 to Stage 2	-	8	(8)	-	-
At 31/12/2020	**2,846**	**147**	**321**	**-**	**3,314**

Group	Financial guarantees - Movement in nominal amount				
31/12/2019	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount as at 1/1/2019	**2,388**	**75**	**325**	**-**	**2,788**
New off balance sheet items originated or purchased	1,021	16	58	-	**1,095**
Off balance sheet items repaid / matured	(770)	(11)	(74)	-	**(855)**
Off balance sheet items derecognized (excluding write offs)	(6)	-	-	-	**(6)**
Transferred from Stage 1 to Stage 2	(3)	3	-	-	-
Transferred from Stage 1 to Stage 3	(4)	-	4	-	-
Transferred from Stage 2 to Stage 1	8	(8)	-	-	-
Transferred from Stage 3 to Stage 1	7	-	(7)	-	-
Transferred from Stage 3 to Stage 2	-	1	(1)	-	-
At 31/12/2019	**2,642**	**76**	**305**	**-**	**3,022**

Group	Financial guarantees - Movement in ECL allowance				
31/12/2020	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 1/1/2020	**10**	**3**	**101**	-	114
Transferred from Stage 1 to Stage 2	(2)	2	-	-	-
Transferred from Stage 2 to Stage 1	2	(2)		-	-
Transferred from Stage 3 to Stage 2	-	2	(2)	-	-
ECL Impairment charge/ (release) for the year (P&L)	(2)	(3)	(1)	-	(6)
At 31/12/2020	**8**	**1**	**98**	-	108

Group	Financial guarantees - Movement in ECL allowance				
31/12/2019	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 1/1/2019	**12**	**3**	**105**	**-**	**119**
Transferred from Stage 2 to Stage 1	1	(1)		-	-
Transferred from Stage 3 to Stage 2	-	6	(6)	-	-
ECL Impairment charge/ (release) for the year (P&L)	(2)	(5)	2	-	**(6)**
At 31/12/2019	**10**	**3**	**101**	**-**	**114**

Company	Financial guarantees - Internal rating grade						
31/12/2019	Stage 1	Stage 2	Stage 3	POCI	Total	ECL Allowance	Balance
Strong	2,502	-	-	-	2,502	4	2,498
Recommended	352	-	-	-	352	6	346
Substandard	-	76	-	-	76	3	74
Default	-	-	305	-	305	101	203
Total	**2,854**	**76**	**305**	**-**	**3,235**	**114**	**3,121**

Company	Financial guarantees - Movement in nominal amount				
31/12/2020	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount as at 1/1/2020	**2,854**	**76**	**305**	**-**	**3,235**
New off balance sheet items originated or purchased	1,402	17	53	-	**1,473**
Off balance sheet items repaid / matured	(1,075)	(41)	(64)	-	**(1,180)**
Transferred from Stage 1 to Stage 2	(274)	274	-	-	**-**
Transferred from Stage 1 to Stage 3	(34)	-	34	-	**-**
Transferred from Stage 2 to Stage 1	105	(105)	-	-	**-**
Transferred from Stage 2 to Stage 3	-	(1)	1	-	**-**
Transferred from Stage 3 to Stage 2	-	8	(8)	-	**-**
Contribution to the new credit institution	(2,977)	(229)	(321)	-	**(3,527)**
At 31/12/2020	**-**	**-**	**-**	**-**	**-**

Company	Financial guarantees - Movement in nominal amount				
31/12/2019	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount as at 1/1/2019	**2,612**	**75**	**325**	**-**	**3,012**
New off balance sheet items originated or purchased	1,017	16	58	-	**1,091**
Off balance sheet items repaid/ matured	(783)	(11)	(74)	-	**(868)**
Transferred from Stage 1 to Stage 2	(3)	3	-	-	**-**
Transferred from Stage 1 to Stage 3	(4)	-	4	-	**-**
Transferred from Stage 2 to Stage 1	8	(8)	-	-	**-**
Transferred from Stage 3 to Stage 1	7	-	(7)	-	**-**
Transferred from Stage 3 to Stage 2	-	1	(1)	-	**-**
At 31/12/2019	**2,854**	**76**	**305**	**-**	**3,235**

Company	Financial guarantees - Movement in ECL allowance				
31/12/2020	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 1/1/2020	**10**	**3**	**101**	**-**	**114**
Transferred from Stage 1 to Stage 2	(2)	2	-	-	**-**
Transferred from Stage 2 to Stage 1	2	(2)	-	-	**-**
Transferred from Stage 3 to Stage 2	-	2	(2)	-	**-**
ECL Impairment charge/ (release) for the year (P&L)	(2)	(3)	(1)	-	**(6)**
Contribution to the new credit institution	(8)	(1)	(98)	-	(108)
At 31/12/2020	**-**	**-**	**-**	**-**	**-**

Company	Financial Guarantees - Movement in ECL allowances				
31/12/2019	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 1/1/2019	**13**	**3**	**105**	**-**	**120**
Transferred from Stage 2 to Stage 1	1	(1)	-	-	-
Transferred from Stage 3 to Stage 2	-	6	(6)	-	-
ECL Impairment charge/ (release) for the year (P&L)	(3)	(5)	2	-	**(6)**
At 31/12/2019	**10**	**3**	**101**	**-**	**114**

Group	Letter of credit - Internal rating grade						
31/12/2020	Stage 1	Stage 2	Stage 3	POCI	Total	ECL Allowance	Balance
Strong	35	-	-	-	35	-	35
Recommended	2	-	-	-	2	-	2
Substandard	-	1	-	-	1	-	1
Default	-	-	2	-	2	1	1
Total	**37**	**1**	**2**	**-**	**40**	**1**	**39**

Group	Letter of credit - Internal rating grade						
31/12/2019	Stage 1	Stage 2	Stage 3	POCI	Total	ECL Allowance	Balance
Strong	22	-	-	-	22	-	22
Recommended	1	-	-	-	1	-	1
Substandard	-	-	-	-	-	-	-
Default	-	-	1	-	1	-	1
Total	**23**	**-**	**1**	**-**	**25**	**-**	**24**

Group	Letters of credit - Movement in nominal amount				
31/12/2020	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount as at 1/1/2020	**23**	**-**	**1**	**-**	**25**
New off balance sheet items originated or purchased	79	1	5	-	**85**
Off balance sheet items repaid/ matured	(62)	(1)	(4)	-	**(68)**
Off balance sheet items sold	(1)	-	-	-	**(1)**
Transferred from Stage 1 to Stage 2	(1)	1			**-**
At 31/12/2020	**37**	**1**	**2**	**-**	**40**

Group	Letters of credit - Movement in nominal amount				
31/12/2019	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount as at 1/1/2019	**31**	**-**	**2**	**-**	**33**
New off balance sheet items originated or purchased	17	-	1	-	**18**
Off balance sheet items repaid/ matured	(22)	-	(2)	-	**(25)**
Off balance sheet items derecognized (excluding write offs)	(2)	-	-	-	**(2)**
At 31/12/2019	**23**	**-**	**1**	**-**	**25**

Company	Letters of credit - Internal rating grade						
31/12/2019	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**	**ECL Allowance**	**Balance**
Strong	20	-	-	-	20	-	20
Recommended	1	-	-	-	1	-	1
Default	-	-	1	-	1	-	1
Total	**22**	**-**	**1**	**-**	**23**	**-**	**23**

Company	Letters of credit - Movement in nominal amount				
31/12/2020	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Gross carrying amount as at 1/1/2020	**22**	**-**	**1**	**-**	**23**
New off balance sheet items originated or purchased	79	1	5	-	**85**
Off balance sheet items repaid/ matured	(62)	(1)	(4)	-	**(68)**
Transferred from Stage 1 to Stage 2	(1)	1			**-**
Contribution to the new credit institution	(37)	(1)	(2)	-	**(40)**
At 31/12/2020	**-**	**-**	**-**	**-**	**-**

Company	Letters of Credit - Movement in nominal amount				
31/12/2019	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Gross carrying amount as at 1/1/2019	**30**	**-**	**2**	**-**	**32**
New off balance sheet items originated or purchased	15	-	1	-	**16**
Off balance sheet items sold	(22)	-	(2)	-	**(25)**
At 31/12/2019	**22**	**-**	**1**	**-**	**23**

Group	Irrevocable Undrawn Credit Commitments - Internal rating grade						
31/12/2020	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**	**ECL Allowance**	**Balance**
Strong	624	-	-	-	**624**	4	620
Recommended	32	-	-	-	**32**	1	32
Substandard	-	53	-	8	**61**	4	57
Default	-	-	7	4	**11**	-	11
Total	**657**	**53**	**7**	**11**	**728**	**8**	**720**

Group	Irrevocable Undrawn Credit Commitments - Internal rating grade						
31/12/2019	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**	**ECL Allowance**	**Balance**
Strong	293	-	-	-	**293**	2	291
Recommended	37	-	-	-	**37**	1	37
Substandard	-	55	-	7	**63**	3	59
Default	-	-	7	4	**12**	-	12
Total	**330**	**55**	**7**	**12**	**405**	**6**	**399**

Group 31/12/2020	Irrevocable Undrawn Credit Commitments - Movement in ECL allowances				
	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 1/1/2020	**3**	**3**	**-**	**-**	**6**
Transferred from Stage 1 to Stage 2	(1)	1	-	-	-
Transferred from Stage 2 to Stage 1	3	(3)	-	-	-
Transferred from Stage 2 to Stage 3		(1)	1		-
ECL Impairment charge/ (release) for the year (P&L)	-	3	(1)	-	2
At 31/12/2020	**5**	**3**	**-**	**-**	**8**

Group 31/12/2019	Irrevocable Undrawn Credit Commitments - Movement in ECL allowances				
	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 1/1/2019	7	4	-	-	**12**
Transferred from Stage 2 to Stage 1	2	(2)	-	-	-
Transferred from Stage 2 to Stage 3		(1)	1		-
ECL Impairment charge/ (release) for the year (P&L)	(6)	2	(1)	-	**(6)**
At 31/12/2019	**3**	**3**	**-**	**-**	**6**

Company 31/12/2020	Irrevocable Undrawn Credit Commitments - Internal rating grade						
	Stage 1	Stage 2	Stage 3	POCI	Total	ECL Allowance	Balance
Substandard	-	4	-	-	5	-	4
Default	-	-	1	1	2	-	2
Total	**-**	**4**	**1**	**1**	**7**	**-**	**6**

Company 31/12/2019	Irrevocable Undrawn Credit Commitments - Internal rating grade						
	Stage 1	Stage 2	Stage 3	POCI	Total	ECL Allowance	Balance
Strong	337	-	-	-	337	2	335
Recommended	50	-	-	-	50	1	49
Substandard	-	55	-	7	63	3	59
Default	-	-	7	4	12	-	12
Total	**387**	**55**	**7**	**12**	**461**	**6**	**455**

Company 31/12/2020	Irrevocable Undrawn Credit Commitments - Movement in ECL allowances				
	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 1/1/2020	**3**	**3**	**-**	**-**	**6**
Transferred from Stage 1 to Stage 2	(1)	1	-	-	-
Transferred from Stage 2 to Stage 1	3	(3)	-	-	-
Transferred from Stage 2 to Stage 3	-	(1)	1	-	-
ECL Impairment charge/ (release) for the year (P&L)	-	3	(1)	-	2
Contribution to the new credit institution	(5)	(3)	-	-	(8)
At 31/12/2020	**-**	**-**	**-**	**-**	**-**

Company	Irrevocable Undrawn Credit Commitments - Movement in ECL allowances				
31/12/2019	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
ECL allowance as at 1/1/2019	**7**	**4**	**-**	**-**	**12**
Transferred from Stage 2 to Stage 1	2	(2)	-	-	-
Transferred from Stage 2 to Stage 3	-	(1)	1	-	-
ECL Impairment charge/ (release) for the year (P&L)	(6)	2	(1)	-	**(6)**
At 31/12/2019	**3**	**3**	**-**	**-**	**6**

40.4 Assets pledged

	Group		Company	
	31/12/2020	**31/12/2019**	**31/12/2020**	**31/12/2019**
Due from banks	874	892	-	892
Financial assets at fair value through profit or loss	291	-	-	-
Loans and advances to customers	4,930	1,350	-	1,350
Financial assets at FVOCI	2,102	39	-	39
Debt securities at amortised cost	4,900	-	-	-
Other assets	29	29	-	29
	13,126	**2,311**	**-**	**2,311**

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

In the context of the interbank repurchase agreement (repo) transactions, securities of a total nominal value of € 84 million for the Group (31 December 2019: € 2,507 million for both the Group and the Company) are used for liquidity purposes. The said amount includes Greek government securities of nominal value € 84 million for the Group (31 December 2019: € 1,157 million for both the Group and the Company).

In addition to the aforementioned pledged assets, the Group has pledged an amount of € 168 million (31 December 2019: € 168 million for both the Group and the Company), included within line item "Due from banks" with respect to a guarantee written by the Bank for the non-payment risk of the Greek State.

41 Share capital and contingent convertible securities

	Number of shares		
	Company		Group
	Issued shares	Treasury shares	Net number of shares
Opening balance at 1/1/2019	**436,659,164**	**(368,127)**	**436,291,037**
Purchases of treasury shares	-	(5,296,895)	(5,296,895)
Sales of treasury shares	-	5,503,000	5,503,000
Balance at 31/12/2019	**436,659,164**	**(162,022)**	**436,497,142**
Opening balance at 1/1/2020	**436,659,164**	**(162,022)**	**436,497,142**
Purchases of treasury shares	-	(5,329,090)	(5,329,090)
Sales of treasury shares	-	4,935,791	4,935,791
Balance at 31/12/2020	**436,659,164**	**(555,321)**	**436,103,843**

The Company's share capital as at 31 December 2019 and 2020 amounted to € 2,619,954,984 divided into 436,659,164 ordinary registered shares with a nominal value of € 6.00 each.

The Company's Annual General Meeting of Shareholders, which was held on 26 June 2020, resolved the non-distribution of dividends for the fiscal year 2019, in accordance with the applicable institutional and regulatory framework.

Under the terms of the Demerger deed, the CoCos were retained by the Demerged Entity. In November 2020, the Board of Directors, following the final decision of the Governing Council of the ECB not to approve the Demerged Entity's request to pay in cash the annual coupon of the CoCos to the HFSF for 2020, decided to exercise its discretion under the terms of the CoCos' Bond Issuance Programme and cancel the CoCos' interest payment on December 2, 2020. Since a similar event had occurred in 2018, the CoCos were automatically converted into ordinary registered shares of the Company, as per the Bond Issuance Programme terms and the current legal framework.

The Demerged Entity notified the HFSF that 4 January 2021 would be set as the conversion date, in accordance with the Bond Issuance Program dated 2 December 2015 and Cabinet Act 36/2015. At the date of conversion, the CoCos were automatically converted into ordinary shares of the Company, with the issuance of 394,400,000 fully paid new shares (hereinafter the "New Shares"). The number of New Shares was predetermined and resulted from dividing 116% of the CoCos' total nominal value of € 2,040 million by the Conversion Price, i.e. € 6.00.

The New Shares, after completion of the listing process on the Athens Stock Exchange, were credited to the Investor and Securities Accounts of the HFSF in the Dematerialized Securities System (DSS), increasing the HFSF's shareholding in the share capital of the Company from 26.4% as of 31 December 2020 to 61.3% as of 4 January 2021.

Following the above, the share capital of the Company as of 4 January 2021 amounts to € 4,986,354,984 divided into 831,059,164 ordinary, registered, voting shares of a nominal value € 6,00 each. Refer to Note 50 for further details.

42 Other reserves and retained earnings

	Group		Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Legal reserve	85	84	69	69
Reserve from financial assets measured at FVTOCI	281	236	-	236
Currency translation reserve	(59)	(54)	-	-
Other reserves	30	34	27	27
Total other reserves	**337**	**300**	**96**	**332**
Retained earnings	**(11,024)**	**(10,375)**	**(11,123)**	**(10,514)**

Legal reserve: According to the article 158 of Law 4548/2018, as in force, in conjunction with article 23 of the Company's Articles of Association, as in force, at least 5% is deducted from the net profit for the period for the formation of the legal reserve.

The table below shows the movement in "Total Other Reserves".

Total other reserves movement	Group		Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Opening balance	**300**	**182**	**332**	**189**
Change in reserve from financial assets measured at FVTOCI	61	139	61	143
Transfers between reserves and retained earnings	(15)	2	(16)	-
Disposals and other movements	(4)	(28)	-	-
Change in currency translation reserve	(5)	5	-	-
Contribution to the new credit institution	-	-	(281)	-
Closing balance	**337**	**300**	**96**	**332**

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

FVTOCI reserve movement	Group		Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Opening balance	**236**	**97**	**236**	**93**
Gains/(losses) from the valuation of debt securities	95	180	95	179
Gains/(losses) from the valuation of shares	(16)	43	(16)	40
Impairment losses/ (releases) on debt securities	6	(8)	6	(8)
Recycling of valuation adjustments and accumulated impairments upon disposal	(2)	(12)	(2)	(5)
Transfer to retained earnings	(16)	-	(16)	-
Deferred income taxes	(22)	(62)	(22)	(63)
Contribution to the new credit institution	-	-	(281)	-
Closing balance	**282**	**236**	**-**	**236**

The table below shows the movement in "Retained Earnings".

Retained earnings movement	Group		Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Opening balance	**(10,375)**	**(10,526)**	**(10,514)**	**(10,370)**
Other comprehensive income, net of tax	(6)	(6)	(5)	(6)
Profit/ (loss) for the year after tax attributable to the shareholders of the parent entity	(662)	279	(726)	27
Payment to the holders of contingent convertible bonds	-	(165)	-	(165)
Transfer between reserves and retained earnings	15	(2)	16	-
Recycling of the accumulated reserve from financial assets measured at FVTOCI	-	2	-	-
Disposals and movement in participating interest	4	43	-	-
Absorption of subsidiaries	-	-	65	-
Contribution to the new credit institution	-	-	41	-
Closing balance	**(11,024)**	**(10,375)**	**(11,123)**	**(10,514)**

43 Dividend per share

The distribution of dividend for the year 2019 is not permitted as the provisions of the article 159 of the Law 4548/2018 (Reform of the Law of Sociétés Anonymes) are not met and the restrictions of the same article of the Law exist.

According to article 10, par. 3 and article 2, par.2 (k) of Greek Law 3864/2010 for the "Establishment of the Hellenic Financial Stability Fund", Banks participating in the capital support programs of L. 3864/2010 as well as demerged entities, such as the Company, which emerged pursuant to a corporate transformation of law 4601/2019 of a credit institution to which the Hellenic Financial Stability Fund has provided capital support and to which the HFSF participates as a result of the corporate transformation, are not allowed to distribute dividends higher than the percentage 35% of the profits as provided in article 161 par. 2 of Law 4548/2018. Moreover, representatives of the HFSF who participate in the Board of Directors have the right to veto on any decision related to the distribution of dividends.

Based on the article 149A of Law 4261/2014, voted within the reference period, by way of derogation from item c) of par. 2 of article 160 and par. 2 of article 161 of law 4548/2018, credit institutions are no longer subject to obligation to distribute a minimum dividend. For the distribution of dividends in kind, pursuant to par. 4 and 5 of article 161 of law 4548/2018, prior approval of the Bank of Greece is required. A corresponding approval is required for the distribution in kind for additional Tier 1 capital instruments and Tier 2 capital instruments. Furthermore, pursuant to the 2020 SREP Decision, the former "Piraeus Bank Société Anonyme" was required to obtain ECB's approval prior to making any distribution to its shareholders and to members or holders of capital instruments, other than shares, insofar as these qualify as CET 1 or Additional Tier 1 capital instruments, where non-payment does not constitute an event of default.

Furthermore, during the reporting period, the restrictions related to the distribution of dividend, enacted by the provisions of Cabinet Act No.36/2015, issued under Greek Law 3864/2010 were applicable. According to said restrictions, dividend's distribution is not allowed in case that the Company does not pay in full, on the relevant interest payment date, any scheduled interest payments on the Cocos, which were issued by the Company pursuant to the provisions of Law 3864/2010. For further information, refer to Notes 41 and 50.

Finally, the Company was subject to the provisions of the (already repealed) Recommendations of the ECB of 27 March 2020 (ECB/2020/19) and of 27 July 2020 (ECB/2020/35) on dividend distribution during the Covid-19 pandemic, recommending credit institutions to pay out no dividends, to undertake no irrevocable commitment to pay out dividend and to refrain from buy-back programs aimed at remunerating shareholders at least until 1 October 2020 and 1 January 2021 respectively. With the ECB Recommendation of 15 December 2020 (ECB/2020/62), ECB has extended until 30 September 2021 the recommendation to exercise extreme prudence when deciding on or paying dividends or performing share buy-backs aimed at remunerating shareholders.

In compliance with the above, the Board of Directors of the Company will propose the non – distribution of dividends for the fiscal year 2020 in the Annual General Meeting of Shareholders of 2021.

44 Cash and cash equivalents

For the purpose of the Cash Flow Statement, cash and cash equivalents from continuing activities comprise the following outstanding balances as at 31 December 2020 and 2019 with less than 90 days maturity from the date of their initial recognition.

	Group		Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Cash and balances with Central Banks	8,899	3,346	-	3,314
Due from banks	313	340	462	269
Financial assets at fair value through profit or loss	14	19	-	19
Financial assets at fair value through other comprehensive income	77	38	-	38
	9,303	**3,742**	**462**	**3,640**

Cash and cash equivalents from discontinued activities as at 31 December 2020 and 2019 are immaterial.

45 Related party transactions

Related parties are:

a) Members of the Board of Directors and the Group Executive Committee, the Group Chief Internal Auditor, the Group Chief Compliance Officer, and the CEOs of the significant subsidiaries, collectively "Key Management Personnel",

b) Close family members of Key Management Personnel,

c) Companies having transactions with Piraeus Financial Holdings S.A., if the total cumulative participating interest (of Key Management Personnel and their close family members) exceeds cumulatively 20%,

d) Company΄s Subsidiaries,

e) Company΄s Associates,

f) Company΄s Joint ventures,

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

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

45.1 Key Management Personnel and other related parties

The table below presents the Group's and the Company´s related party transactions with Key Management Personnel and the related parties referred to in points (b) and (c) above. No significant transactions occurred with the HFSF during the period ended 31 December 2020 and 2019. Following the cancelation of the CoCos' interest payment on December 2020, the CoCos were automatically converted into ordinary registered shares of the Company, as per the Bond Issuance Programme terms and the current legal framework. That event lead to the increase of HFSF's shareholding in the share capital of the Company from 26.4% as of 31 December 2020 to 61.3%. Further information is presented in the section of "Events subsequent to end of reporting period in Note 50.

Group	31/12/2020		31/12/2019	
(amounts in thousand €)	Key Management Personnel	Other related parties	Key Management Personnel	Other related parties
Loans and advances to customers at amortised cost (Gross currying amount)	6,255	38	4,543	41
Due to customers	2,275	120	1,738	51

Group	1/1 - 31/12/2020		1/1 - 31/12/2019	
(amounts in thousand €)	Key Management Personnel	Other related parties	Key Management Personnel	Other related parties
Interest and similar income	27	8	84	9
Inerest expense and similar charges	5	1	14	-

Company	31/12/2020		31/12/2019	
(amounts in thousand €)	Key Management Personnel	Other related parties	Key Management Personnel	Other related parties
Loans and advances to customers at amortised cost (Gross currying amount)	-	-	4,541	41
Due to customers	-	-	1,648	51

Company	1/1 - 31/12/2020		1/1 - 31/12/2019	
(amounts in thousand €)	Key Management Personnel	Other related parties	Key Management Personnel	Other related parties
Interest and similar income	17	7	83	9
Inerest expense and similar charges	4	1	12	-

Members of the Key Management Personnel benefits	Group		Company	
(amounts in thousand €)	1/1 - 31/12/2020	1/1 - 31/12/2019	1/1 - 31/12/2020	1/1 - 31/12/2019
Short-term benefits	5,785	5,814	5,012	4,916
Termination benefits	1,040	-	1,040	-
Contributions to the Institution for Occupational Retirement, Life and Medical Provision	105	-	103	-
Post-employment benefits	452	470	440	460

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

Line item "Short term benefits" has been restated for 2019 in order to be comparable with current year's presentation.

The aggregate provisions for post-employment benefits to Key Management Personnel as at 31 December 2020 amounted to € 2 million for the Group and less than € 0.1 million for the Company (31 December 2019: € 2 million for the Group and € 1 million for the Company). The amount of the above post employment benefits has been included in the retirement and termination benefit obligations.

The ECL allowance for impairment on loans and advances to customers at amortised cost granted from the Group to the Key Management Personnel and other related parties as at 31 December 2020 amounted to € 4 million for the Group (31 December 2019: € 3 million) and € 0 million for the Company (31 December 2019: € 3 million), respectively.

As of 31 December 2020 the Key Management Personel hold 110 thousand Ordinary Shares of the Company, compared to 100 thousand as of 31 December 2019.

45.2 Subsidiaries

Company´s balances from transactions with subsidiaries and the relevant result are as follows:

(amounts in thousand €)	Company	
	31/12/2020	31/12/2019
Assets		
Due from banks	424,865	9,551
Loans and advances to customers at amortised cost (Gross carrying amount)	-	2,418,277
Debt securities at amortised cost (Gross carrying amount)	721,354	-
Other assets	91,745	144,275
Total	**1,237,963**	**2,572,103**
Liabilities		
Due to banks	-	53
Due to customers	-	296,499
Debt securities in issue	2,383,017	10,303
Other liabilities	-	62,374
Total	**2,383,017**	**369,229**

(amounts in thousand €)	Company	
	1/1 - 31/12/2020	1/1 - 31/12/2019
Income		
Interest and similar income	54,564	89,462
Fee and commission income	12,445	12,194
Other income	1,115	(1,665)
Total	**68,123**	**99,991**
Expenses		
Interest expense and similar charges	(1,522)	(17,006)
Fee and commission expense	(234)	(327)
Operating expenses	(20,655)	(23,186)
Total	**(22,412)**	**(40,518)**

Letters of guarantee to subsidiaries of the Group as at 31 December 2020 amounted to € 0 million (31 December 2019: € 215 million).

The ECL allowance for impairment on loans and advances to customers at amortised cost granted from the Company to the subsidiaries of the Group as at 31 December 2020 amounted to € 0 million (31 December 2019: € 290 million), while the ECL charge for the year 2020 is € 31 million (2019: € 220 million).

45.3 Associates

The transactions with associates and the relevant result are presented below:

(amounts in thousand €)	Group		Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Loans and advances to customers (Gross carrying amount)	1,107,136	987,395	-	984,248
Other	6,787	6,959	-	3,810
Due to customers	127,489	71,634	-	71,634
Other liabilities	65,540	27,840	6,835	26,124

(amounts in thousand €)	Group		Company	
	1/1 - 31/12/2020	1/1 - 31/12/2019	1/1 - 31/12/2020	1/1 - 31/12/2019
Total expense and capital expenditure	(216,344)	(73,454)	(215,499)	(73,402)
Total income	55,654	50,806	50,951	47,454

The ECL allowance for impairment on loans and advances to customers granted from the Group to associate companies as at 31 December 2020 amounted to € 183 million and € 0 million for the Company (31 December 2019: € 160 million for the Group and the Company). The ECL charge for the year 2020 is € 8 million for both the Group and the Company (2019: € 128 million for both the Group and the Company).

Letters of guarantee to associates of the Group as at 31 December 2020 amounted to € 11 million for the Group and to € 0 million for the Company (31 December 2019: € 11 million for both the Group and the Company).

Line item "Other liabilities" of the Group as at 31 December 2020 include an amount of € 3 million, which is related to lease liabilities of real estate of the Group's associates, according to IFRS 16. The Group has implemented IFRS 16 prospectively based on its transitional provisions (modified retrospective approach) and therefore, the respective amount as at 31 December 2019 does not include lease liabilities of associates' real estate.

45.4 Joint ventures

The transactions with joint ventures and the relevant results are presented below:

(amounts in thousand €)	Group		Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Loans and advances to customers at amortised cost	53,793	52,410	-	52,410
Due to customers	27	-	-	-

(amounts in thousand €)	Group		Company	
	1/1 - 31/12/2020	1/1 - 31/12/2019	1/1 - 31/12/2020	1/1 - 31/12/2019
Total income	522	491	522	491

The ECL allowance for impairment on loans and advances to customers at amortised cost granted from both the Group and the Company to joint ventures as at 31 December 2020 amounted to € 41 million and € 0 million respectively (31 December 2019: € 41 million for both Group and the Company). The ECL release for the Group and the Company amounted to € 1 million for the year 2020 (2019: ECL release of € 0.4 million for both Group and the Company).

46 Changes in the portfolio of consolidated companies

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

On 21 February 2020, the Demerged Entity acquired 100.00% of company CPB Leasing S.A., under the acquisition of Greek operations of Cyprus Popular Bank Co Ltd, on the basis of a relevant decree of 2013 and the resolution authority of Republic of Cyprus, by paying the amount of € 1.

On 16 November 2020, the Demerged Entity established PHX Phoenix Real Estate S.M.S.A. and on 21 December 2020 the capital contribution of € 25 thousand was certified, corresponding to 100.00% stake. The company was classified in the joint ventures portfolio.

On 30 December 2020, the Demerged Entity established the Beneficiary, by way of hive-down of its banking activity sector. Refer to Note 3 for further details.

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

The changes incurred during the period ended 31 December 2020, concerning the Group's participations to subsidiaries, associates or joint ventures in excess of € 5 million, were the following:

On 19 June 2020, the Demerged Entity's wholly owned subsidiaries Ianos Properties S.A. and Lykourgos Properties S.A., proceeded with a share capital increase through capitalization of their debt obligations due to the Demerged Entity of € 7 million and € 21 million, respectively. The Demerged Entity's holding in the share capital of the aforementioned subsidiaries remained unchanged.

On 6 July 2020, 41,350,798 shares were listed on the Athens Stock Exchange as a result of the completion of the share capital increase by € 37 million, of the Demerged Entity's associate, Trastor Real Estate Investment Company. The Demerged Entity participated in the share capital increase with the amount of € 22 million rising its shareholding to 44.81% from 39.39%.

On 23 December 2020, the Demerged Entity's wholly owned subsidiary Piraeus Financial Leasing Single Member S.A., proceeded to a capitalization of pecuniary obligations for an amount of € 125 million, while at the same time, the company proceeded to a share capital reduction by € 76 million in order to set off retained losses.

c) Liquidation and disposal of subsidiaries:

During the period ended 31 December 2020, Piraeus Asset Management Europe S.A., ETVA Development S.A., Linklife Food and Entertainment Hall S.A and ETVA Fund Management S.A. were set under liquidation. On 23 July 2020, the liquidation of Hellenic Fund for Sustainable Development was completed, while on 10 June 2020, 14 September 2020, 10 November 2020 and 15 December 2020, Piraeus Clean Energy GP Ltd, Piraeus Asset Management Europe S.A., Piraeus Equity Advisors Ltd and Linklife Food and Entertainment Hall S.A., respectively were removed from the GEMI.

d) Other changes – corporate transformations:

On 29 June 2020, Piraeus Insurance Agency S.A. was deleted from the GEMI, as the demerger by absorption of certain assets and liabilities by the Demerged Entity and the remainder by Piraeus Agency Solutions Single Member S.A., a wholly owned subsidiary of the Demerged Entity, was completed.

47 Independent Auditors' fees

On 26 June 2020, the Ordinary General Meeting of the Shareholders appointed Deloitte Certified Public Accountant S.A. as the principal independent public accountant for the year ended 31 December 2020. The following table presents the aggregated fees for professional statutory audit fees, tax audit fees, other audit related fees and other non-audit related fees for the years 2020 and 2019 by the Group's principal accounting firm Deloitte, which is a member firm of the Deloitte Network, other member firms of the Network and their respective affiliates (collectively, "Deloitte").

	Group		Company	
(amounts in thousand €)	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Statutory audit fees	2,918	2,219	1,539	1,899
Other audit related fees (Including tax audit fees)	663	955	242	166
Other non-audit related fees	571	817	562	156
Total	**4,152**	**3,992**	**2,343**	**2,221**

48 Disclosures of Greek Law 4261/5.5.2014

According to article 81 of Greek Law 4261/2014, which incorporates into the Greek legislation article 89 of EU Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013, according to which, it is adopted for the first time the obligation for the Group to disclose information, on a consolidated basis, for each country in which it operates.

Disclosed information includes: name of the subsidiary, nature of business, geographical location, turnover, number of employees on a full-time equivalent basis, profit or loss before tax, tax on profit or loss and public subsidies. Turnover, profit or loss before tax, as well as tax on profit or loss are prepared on the same basis as the relevant figures reported in the financial statements for the years ended 31 December 2020 and 2019 which are prepared in accordance with IFRSs as issued by the IASB and endorsed by the European Union.

Neither the Company nor the Group's subsidiaries have received any public subsidies. All other information is presented in the following tables:

A) Country specific information

Country	31/12/2020			
	Total net income[3]	Profit/ (loss) before tax	Income tax benefit/ (expense)	Number of staff
Greece[1]	1,920	(520)	(129)	11,037
Romania	(2)	(2)	-	4
Bulgaria	-	(13)	-	7
Egypt	-	-	-	1
Cyprus	(4)	(4)	1	4
Serbia	-	-	-	5
Albania	-	(1)	-	2
Ukraine	12	1	-	331
Other countries[2]	-	-	-	4
Group[4]	**1,925**	**(539)**	**(128)**	**11,395**

Notes:

(1) The amounts reported include the operations of the Bank's branches operating in foreign countries and special purpose vehicles incorporated in the U.K and Ireland.

(2) Other countries include U.K. and British Virgin Islands.

(3) Total net income includes net interest income, net fee and commission income, dividend income, net gain/(losses) from financial instruments measured at FVTPL, results from the disposal of participation of subsidiaries and associates, net gain/(losses) from financial instruments measured at FVTOCI and other income/ (expenses).

(4) The amounts reported include both continuing and discontinued operations.

Country	31/12/2019			
	Total net income[3]	Profit/ (loss) before tax	Income tax benefit/ (expense)	Number of staff
Greece[1]	2,190	393	(117)	12,223
Romania	(1)	(6)	-	6
Bulgaria	33	1	-	4
Egypt	(1)	(1)	-	1
Cyprus	1	4	-	5
Serbia	2	(2)	-	5
Albania	10	7	-	2
Ukraine	10	(3)	-	368
Other countries[2]	1	-	-	-
Group[4]	**2,245**	**392**	**(117)**	**12,613**

Notes:

(1) The amounts reported include the operations of the Bank's branches operating in foreign countries and special purpose vehicles incorporated in the U.K and Ireland.

(2) Other countries include U.K., Luxemburg, British Virgin Islands and the U.S.A.

(3) Total net income includes net interest income, net fee and commission income, dividend income, net gain/(losses) from financial instruments measured at FVTPL, results from the disposal of participation of subsidiaries and associates, net gain/(losses) from financial instruments measured at FVTOCI and other income/ (expenses).

(4) The amounts reported include both continuing and discontinued operations.

B. The Group's subsidiaries based on the nature of their business and their geographical location are presented:

The Group's subsidiaries based on the nature of their business and their geographical location are presented in Note 24.

Greek Law 4261/2014, article 82, which incorporated into Greek legislation the article 90 of Directive 2013/36/EU of the European Parliament and of the Council on 26 June 2013, established the requirement to disclose the total return on assets ratio. This ratio for the Company and the Group for the year ended 31 December 2020 amounted to (2.04%) and (0.98%) respectively (31 December 2019: 0.05% and 0.44%, respectively).

49 Disclosures of Greek Law 4151/2013

In accordance with the provisions of Greek Law 4151/2013, every credit institution operating in Greece has the obligation to remit to the Greek State the cash balances plus interest for all dormant accounts, for which a period of 20 years has passed until the end of April of each year. On 29 April 2020 and prior the completion of the Demerger by a way of hive-down, Piraeus Financial Holdings S.A. before ceasing to be a credit institution remitted to the Greek State the amount of € 946,396.21.

50 Events Subsequent to the End of the Reporting Period

- On 4 January 2021, subsequent to the 23 November and 7 December 2020 announcements, pursuant to the provisions of the € 2,040 million Perpetual CET1 Eligible Contingent Convertible bonds (CoCos) Issuance Programme dated 2 December 2015 and Cabinet Act 36/2015, the CoCos were automatically converted into 394.4 million (resulting by the division of the 116% of the total nominal value of the CoCos by the Conversion Price, which amounted to € 6.00 per share) fully paid new ordinary registered voting shares. As a consequence of the above, the Company's share capital has increased by an aggregate amount of € 2,366.4 million and is now equal to € 4,986,354,984 divided into 831,059,164 ordinary voting shares with a nominal value of € 6.00 each. The New Shares, after the completion of the listing process on the Athens Stock Exchange, were credited to the Investor and Securities Accounts of the HFSF in the Dematerialized Securities System (DSS), increasing the HFSF's shareholding in the share capital of the Company from 26.4% to 61.3%.

- On 4 January 2021, Moody's Investors Service assigned a "Caa2" bank deposit rating to Piraeus Bank S.A. and a "Caa3" long-term issuer rating to Piraeus Financial Holdings S.A.. Moody's has assigned a stable outlook to Piraeus Bank S.A. and maintained a stable outlook to Piraeus Financial Holdings S.A..

- On 13 January 2021, the Greek Government and the Bank proceeded with a GGBs exchange that included existing sovereign bonds held by the Bank, of nominal value € 2.8 billion, with a new GGB of equivalent nominal value maturing in 2050. The exchange took place at market terms and was settled on 20 January 2021. The Group's gain from the aforementioned exchange amounted to € 221 million.

- In February 2021, the Bank submitted an application to the Greek Ministry of Finance for the provision of a guarantee written by the Greek State on the Vega senior notes up to € 1.4 billion under the HAPS.

- In February 2021, the Group's net trading income was enhanced by realized gains from interest rate derivatives of € 82 million.

- On 1 March 2021, the Demerged Entity and Intrum AB (publ) signed a binding agreement for the sale of all Class B1 and Class C1 Notes issued by the three Vega SPVs and held by the Demerged Entity. The transaction is subject to all customary approvals, including the consent of the HFSF. Conditional upon requisite supervisory and corporate approvals, the Demerged Entity is contemplating to distribute 65% of the mezzanine notes of the Vega securitization to its shareholders, while the Bank will retain 5% of the said instruments as per the respective securitization requirements. The Bank will retain also one 100% of the senior notes.

- On 1 March 2021, the Bank proceeded with the sale of Italian sovereign bonds of a nominal value of € 1,150 million, which were previously included in the debt securities at amortized cost portfolio. The gain of the Group from the aforementioned transaction amounted to € 85 million.

- On 11 March 2021 the Company entered into a binding agreement with global investor Christofferson, Robb & Company (CRC) for a synthetic (virtual) securitization of performing SME and Corporate loans, with an aggregate gross book value of approximately € 1.4 billion, in order to purchase credit protection, under a financial guarantee. As a result of the transaction, the Bank will reduce its RWAs by approximately € 0.8 billion and thus will have a regulatory capital accretion of approximately € 0.1 billion. The loans' portfolio will remain on the balance sheet of the Bank. The transaction is subject to all customary approvals and completion is expected in Q2.2021.

  A 2nd synthetic securitization transaction of € 1.2 billion RWAs reduction is scheduled for late 2021, with a regulatory capital accretion of approximately € 0.2 billion (€ 0.3 billion in total from both transactions).

- On 16 March 2021 the Bank and Euronet Worldwide signed a binding agreement, comprising the carve-out and the sale of its merchant acquiring business unit, as well as the formation of an exclusive long-term sales and distribution partnership, for an initial period of 10 years. Following the completion of the transaction, which is envisaged for H2.2021, Euronet Worldwide will act as the exclusive long-term partner of the Bank for the provision of merchant acquiring services to the customers of the Bank. As part of the transaction, the Bank will also receive rebates on future net fee income generated by the merchant acquiring business. The total consideration for the transaction amounts to € 300 million. The transaction is subject to all customary approvals, including the consent of the HFSF.

- On 16 March 2021 the Company's Board of Directors decided to convene an Extraordinary General Meeting (EGM) seeking to be granted authorization to approve a share capital increase of Piraeus Financial Holdings S.A. via a non-pre-emptive fully marketed offering of around the € 1.0 billion mark (the Equity Issue). Subject to shareholder approval, the Equity Issue is envisaged to be launched around mid-April and to be completed by early-May 2021. The EGM will be held on 7 April 2021. The HFSF, as the largest shareholder of Piraeus Financial Holdings S.A., has confirmed their intention to fully support the capital increase. In line with their communication in November 2020, HFSF plans to reduce its participation to a non-blocking minority shareholding. The terms of the Equity Issue are expected to be determined by the Company's Board of Directors, subject to customary and regulatory approvals including HFSF consent.

  On the same date the Company's Board of Directors decided to proceed with a share capital increase, in cash, of its subsidiary, namely Piraeus Bank S.A amounting of € 265 million.

  In addition, on 16 March 2021 the Company announced the acceleration of NPE reduction to reach a single-digit NPE ratio in the next 12 months, through the securitization and subsequent de-recognition of NPEs with a total estimated gross book value of up to € 19 billion (including the previously announced NPE securitizations, namely Projects Phoenix and Vega). Based on this accelerated plan the Company proceeded with the immediate implementation of the incremental Sunrise 1 non-performing loan securitization transaction, with a total gross book value of approximately € 7 billion and comprising mainly denounced loans. In this context, Piraeus Bank S.A. filed an application seeking inclusion of the Sunrise 1 securitization under the "Hercules" Asset Protection Scheme pursuant to Law 4649/2019. The application relates to the granting of the Greek State guarantee on Senior Notes with a total gross value of € 2.4 billion.

Finally, the Company announced a detailed transformation plan in order to enhance pre-provision income by a combination of top-line strengthening and a reduction in operating costs through efficiency improvements and digitization.

Athens, 24 March 2021

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