Six-month Financial Report

30 June 2020

The Six-month Financial Report has been approved by Piraeus Bank S.A. Board of Directors on 4 August 2020 and is available on the web site of Piraeus Bank at www.piraeusbankgroup.com.

The information contained in this document has been translated from the Six-month Financial Report prepared in the Greek language. In case of divergence between the language versions of Six-month Financial Report, the Greek language version prevails.

PIRAEUS BANK

INDEX

Certification of Chairman, Chief Executive Officer and member of Board of Directors

According to the provisions of article 5 paragraph 2(c) of Law 3556/2007, as in force, we the undersigned state that to the best of our knowledge:

The Interim Financial Statements for the 6-month period ended 30 June 2020 have been prepared in accordance with the applicable accounting standards and present a true and fair view of the assets and liabilities, the equity and financial performance of the Bank and of the entities included in the consolidation, taken as a whole, according to article 5 paragraph 3-5 of Law 3556/2007, as in force.

The Board of Directors' Interim Report for the same above period presents fairly the information required by article 5 paragraph 6 of Law 3556/2007, as in force.

Athens, 4 August 2020

Chairman of the BoD	Managing Director	BoD Member
George P. Handjinicolaou	Christos I. Megalou	Vasileios D. Koutentakis

BOARD OF DIRECTORS' INTERIM MANAGEMENT REPORT
(According to Law 3556/2007)

International Environment and Economic Developments

The global economy has taken a severe hit from the Covid-19 pandemic and has undergone its worst post-WWII economic period. Consumption dropped, while services, industrial production and construction activity have also been harshly disrupted. World output is expected to shrink by 5% in 2020 (IMF, WEO, June 2020), as real GDP (Gross Domestic Product) is estimated to drop in both developed economies (by 8%) and emerging economies (by 3%). Indicatively, the global trade volume is projected to contract by 12% during 2020. The contingency of repeated lockdowns heightens the downside risks.

In the euro area, the GDP shrank by 3% during the first quarter of 2020, and it is expected to tumble by 9% during 2020 (IMF, WEO, June 2020), as it plunged during the second quarter. The European Central Bank (ECB) proceeded to a € 1.35 trillion Pandemic Emergency Purchase Program (PEPP), alongside with the existing € 360 billion Asset Purchase Program (APP). Moreover, the European Commission has announced an ambitious recovery program of € 750 billion (€ 390 billion as grants and € 360 billion as loans) to start in 2021. The fiscal deficit is estimated to climb to 12% (as % of GDP) in 2020 as a result of substantial fiscal deficits in the majority of the euro area member states.

Developments in the Greek Economy

In the first half of 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, six successful and on-time reviews were completed from November 2018 to May 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 2019, Greece recovered its access to international debt markets with three successful new Greek Government Bond (GGB) issuances, while in the first semester of 2020 three 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 amid the Covid-19 pandemic, in April 2020 and again in June 2020, seven- and ten-year GGB's of € 2.0 billion and € 3.0 billion value, respectively were issued, at yields of 2.0% and 1.6%.

In 2019, the real GDP increased by 1.9% on a yearly basis, while improvements in business and consumer confidence steered the revised economic sentiment indicator (ESI) to 105.4 points (annual average), the highest level since 2007. In the first quarter of 2020, real GDP decreased by 0.9% on a yearly basis, reflecting some impact of the Covid-19 pandemic as restrictive measures took effect in mid-March until mid-May 2020. However, compared to the euro area average (3.2% yoy GDP reduction), the Greek economy experienced a smaller recession. Simultaneously, the ESI decreased sharply, falling to 87.6 points in June 2020 from 110.7 points in the first quarter of 2020 (on average) due to the adverse effects of the Covid-19 pandemic.

While the seasonally adjusted unemployment rate in April 2020 increased to 15.5% from 14.5% in March 2020, it was lower compared to 17.5% in April 2019. In the first six months of 2020, inflation stood at -0.5% on an annual basis.

In 2019, the tourism sector continued its positive momentum and travel receipts amounted to € 18.2 billion. Nevertheless, in January–April 2020, travel receipts decreased by 51.4% on an annual basis due to the effects of the Covid-19 pandemic. The current health crisis finds the Greek real estate market in a critical period, showing significant recovery signs in the past two years. Commercial property prices (as illustrated by the BoG office price index) increased by 4.2% on an annual basis in 2019. Residential property prices (the apartment price index of the BoG) increased by 7.3% in 2019 and by 6.9% in the first quarter of 2020.

At the end of April 2020, the Greek government submitted the Stability Program of the Hellenic Republic for 2020-2023 to the European Commission. Due to the disruption of global economic activity caused by the Covid-19 pandemic, coupled with the abrupt rise in uncertainty, the initially expected acceleration of the Greek economy in 2020 is set to reverse. Taking into account the high level of uncertainty caused by the Covid-19 pandemic, the Stability Program contains two macroeconomic scenarios after taking measures: the baseline, which points to an output recession of 4.7% and the adverse, which assumes a 7.9% recession for 2020. The successive packages of measures announced by the government in response to the Covid-19 outbreak are estimated at a total value added of € 17.35 billion (10% of GDP), taking into account the leverage of loan guarantees and costs for 2020 of € 11.5 billion (6.5% of GDP). The total value of the 2020 measures is estimated at € 24 billion. This includes additional measures, such as new policies to be implemented in specific sectors of the economy (e.g. tourism, transport, etc.) and public liquidity interventions; short-term subsidies through the temporary support to mitigate Unemployment Risks in an Emergency (SURE) Program; the issuance of loans through the European Investment Bank; and a new framework for primary residence real estate loan subsidies.

In the framework of the 21 July 2020 European Summit decisions, regarding the funds of the "Next Generation EU" instrument (NGEU) and the Multiannual Financial Framework (MFF), Greece is entitled from the NGEU grants of € 19.5 billion and loans € 12.5 billion. In addition, Greece is expected to receive around € 38 billion from the Multiannual Financial Framework 2021-2027, through actions of the common agricultural policy and the medium-term development program. Overall, in the period 2021-2027, European funds of around € 70 billion will be utilized in order to address the consequences of the pandemic and promote the development of the Greek economy.

Developments in the Greek Banking System

Year 2020 started with positive prospects for the Greek banking system after the positive developments in 2019, with fast dropping bond yields across markets that assisted Greek banks profitability and their access to capital markets. However, since late February Greek banks were initially faced with a sharp downturn in capital markets and then with the negative effects of the Covid-19 pandemic.

During the first half of 2020, the liquidity and funding profile of Greek banks continued to improve, despite the Covid-19 pandemic that affected the Greek economy from March 2020, due among else to the direct effect of measures taken by the ECB, as well as their indirect effects in individuals and businesses confidence towards the Greek banking system.

Total deposits in the domestic market (private and public sector) rose to € 159.7 billion in June 2020 from € 152.5 billion in the same month of 2019 (+4.7% yoy), despite the decrease of public sector deposits in the same period by almost € 4.5 billion.

At the end of June 2020, Greek banks have increased funding from the ECB to € 36.8 billion from € 7.7 billion as at 31 December 2019.

It should be noted that the abovementioned increase of Greek banks ECB funding was facilitated by the ECB's decision on 7 April 2020 to waive the eligibility criteria and accept Greek sovereign debt titles as eligible collateral in Eurosystem credit operations, in order to facilitate Greek banks to finance at a lower cost the stabilization and recovery of Greek businesses from the coronavirus pandemic induced slowdown.

These funds were raised from TLTRO auctions. The TLTRO-III auctions were announced by ECB in 2019 and consist of seven quarterly auctions from September 2019 to March 2021 each with a maturity of three years. Also, in May 2020, the ECB introduced a new series of seven additional longer-term refinancing operations, called pandemic emergency longer-term refinancing operations (PELTROs).

Greek banks continued to tap debt capital markets in early 2020, before the Covid-19 became a serious threat. In February 2020, Piraeus Bank and another Greek bank issued Tier 2 securities, raising in total € 0.9 billion. The sharp deterioration of market conditions during March 2020 due to the Covid-19 pandemic and the subsequent gradual improvement after the measures taken by European authorities to mitigate the effects of Covid-19, create an uncertainty whether Greek banks will be able to access again the debt markets in 2020 at a reasonable cost.

With respect to loans to the private sector in Greece, they dropped to € 147.2 billion as at 30 June 2020 from € 160.8 billion a year ago (-8.5%), with the drop being mainly attributed to the sales of NPE portfolios. However, the annual adjusted rate of domestic private sector financing (after write-offs, reclassifications and FX differences) was positive in the twelve month period ending 30 June 2020 (+0.4%) from slightly negative a year ago (-0.2%). The change is solely due to business sector financing (+3.0% yoy), whereas the rate of financing of households (both mortgage and consumer) remained negative. The net loans to deposits ratio for the Greek banking market further improved to 79.0% as at 30 June 2020 from 90.1% as at 30 June 2019 and 83.3% as at 31 December 2019.

A decision that indicates the restoration of confidence to the Greek banking system that could affect the profitability of Greek banks in the medium term was taken on 6 March 2020, when ECB repealed the limits on their exposure to Hellenic Republic risk it had set in a previous decision in 2015. As a consequence, Greek banks do not have any limit regarding their Greek sovereign debt holdings.

The measures that the ECB Banking Supervision announced on 12 March 2020 and further clarified on 28 July 2020, allow banks to operate below the level of capital defined by the Pillar 2 Guidance (P2G) and the capital conservation buffer (CCB) until at least end-2022, without triggering supervisory actions. 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 Capital Requirements Directive V. Furthermore, on 28 April 2020, the European Commission adopted additional measures, that add more flexibility in the capital adequacy regime, including: allowing institutions to fully add back to their CET1 capital any increase in new provisions recognized in 2020 and 2021 for the financial assets that are not credit-impaired, eligibility for preferential NPE treatment for publicly guaranteed loans, extending leverage ratio buffer date to 2023 and exempting central bank reserves from the calculation, providing some relaxation from deducting from CET-1 "prudently valued software assets", and allowing more favorable capital treatment of exposures to SME and infrastructure projects.

Addressing the high level of NPEs continues to be the biggest challenge for the Greek banking system. Since end 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. In March 2020, the SSM announced to Greek banks, that due to the uncertainty of the economic outlook, the submission of the 2020 NPE Strategy update is postponed for September 2020.

Based on preliminary March 2020 supervisory data, NPEs in the Greek banking market have decreased by € 7.6 billion (or 11.1%) since 31 December 2019 and by approximately € 46.3 billion compared to March 2016, when NPEs reached their peak, dropping to € 60.9 billion or 37.4% of total exposures. It is the first time after many years that the NPE ratio of Greek banks at an individual basis dropped to a level lower than 40%. The NPE coverage ratio of the Greek banking system as at 31 March 2020 reached 43.6% almost at the same level as year-end 2019.

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, on 20 March 2020 the supervisor introduced some flexibility on provisioning and NPE 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 NPEs, and c) the supervisor deploying flexibility when discussing with banks the implementation of NPE 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 deriving from IFRS 9 models, and banks that have already done this so far, should opt for IFRS 9 transitional rules.

Due to the outbreak of the Covid-19 pandemic and its potential effects on the economy and banks, the European Banking Authority (EBA) announced on 12 March 2020 that it will postpone the EU-wide stress test until 2021 to allow banks to focus on and ensure continuity of their core operations, including support for their customers.

On 25 March 2020, the EBA released a statement on the application of the prudential framework regarding Default, Forbearance and IFRS9 in light of Covid-19 measures. The EBA supports the measures of governments, EU bodies, or industry wide initiatives in the form of general moratorium, payment holidays or relief taken by credit institutions. In this regard, the EBA clarified aspects on the functioning of the prudential framework, related to (i) the classification of loans in default, (ii) the identification of forborne exposures and (iii) the accounting treatment. Recent facts and circumstances around Covid-19, during the first half of 2020, suggest that in 2020, global and Greek economic growth is expected to be negatively impacted by the pandemic outbreak and the resulting disruption of economic activity, which could primarily impact specific lending portfolios through higher than expected ECL allowances and potential impairment of assets.

To assist attain the goal of the NPE reduction, the institutional framework governing NPE servicing companies has been augmented with the addition of 25 servicing firms currently operating in Greece. The secondary market for NPEs kick-started in 2018 and developed strongly in 2019 and early 2020, with more than 10 transactions on unsecured and secured portfolios having been completed. At the end of the first quarter 2020, the total amount of NPEs under management by servicing firms increased to € 30.8 billion (out of which € 16.3 billion from household loans and the remaining loans of businesses, farmers and professionals) from € 23.5 billion at the end of 2019 and € 17.6 billion a year ago.

Other significant developments that are expected to play key role in the Greek banks' NPE management efforts during the rest of 2020 and 2021 are:

- the execution of Hellenic Asset Protection Scheme (HAPS), also called "Hercules" plan, which is expected to assist banks in reducing their NPEs, through securitizations of which the senior tranches will bear Government's guarantee. To that extent, in the first half of 2020 the "Hercules" plan was activated for the first time, with one bank transferring an amount of NPEs to a securitization, the senior tranche of which received the guarantee of "Hercules";

- a new legislative framework on insolvency that is expected to be transposed into law, which oversees the restructuring and bankruptcy process for all private debt to authorities, social security, banks etc.

- various measures to support borrowers from the negative effects of Covid-19 pandemic taken either by the Greek State or the Hellenic Banks Association (HBA). More specifically, the measures taken are the following:

    - Loans provided to businesses from the State at low interest rate. The total budget of the measure amounts to € 2 billion.

    - The provision, through the Hellenic Development Bank, of guarantees for small amount working capital bank loans to affected enterprises of any size. The total budget of the measure amounts to € 1 billion of guarantees and an additional € 250 million of subsidies of guarantee commissions.

    - The provision of guarantees and interest rate subsidies to businesses. In this context, the Hellenic Development Bank through its new sub-program "TEPIX II – Business Financing", provides two year working capital with full interest rate subsidy, to the affected small and medium sized enterprises. The loans to be granted need to fulfill the granting bank's credit criteria.

    - In addition, interest rate subsidy to existing financing to the affected small and medium sized enterprises are provided in a program sponsored by the Ministry of Development, the total budget of which amounts to € 750 million.

    - On 17 and 19 March 2020, the HBA announced its support to businesses and individuals (employees, self-employed and sole proprietors) affected by the crisis. For individuals, the banks offer a suspension of the installments of their performing loans for a period of three months, while a decision of extending the suspension until 31 December 2020 was taken on 7 July 2020. Eligible for the suspension are individuals that were also 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. For the affected companies respectively, the banks offer a suspension of the payment of the capital installments of performing loans until 31 December 2020 for eligible businesses affected by Covid-19 based on Government's guidelines. According to Hellenic Bank Association data for the months March-May 2020 approximately 282,000 loans worth a total of € 18.2 billion received installment suspensions by Greek banks.

Piraeus Bank Group Developments

The first semester of 2020 was a period of a lot of important developments for Piraeus Bank. The Covid-19 pandemic had a severe impact on global economic activity and respectively in Greece, leading to initiatives from the Greek State and Greek banks to support borrowers. At the same time European institutions have announced significant initiatives to mitigate the negative consequences of the Covid-19 pandemic to the European economies and the banking sector, while considering measures for the recovery of the European economy in 2021. During this period, Piraeus Bank emphasised the health and safety of its employees and customers maintaining operational continuity, participated in all the initiatives to support borrowers, while proceeding with the corporate transformation plan and the preparatory phase of € 7 billion gross book value of NPEs securitizations.

The most important corporate events for Piraeus Bank Group during the first six months of 2020 and up to the publication of the Consolidated Interim Financial Statements of the Group and the Separate Interim Financial of the Bank (the "Interim Financial Statements") were the following:

- On 3 February 2020, Piraeus Bank, building on the successful completion of its "Agenda 2020" strategy, affirmed its commitment to "Agenda 2023" with the following aspirations: a) De-risking: Piraeus Bank will decisively continue de-risking its balance sheet, while stepping up its pace with the strategic direction to reach a single-digit NPE ratio. Two key inorganic NPE transactions are scheduled to take place: "Vega" for an amount up to € 5 billion gross book value, along with "Phoenix" for an amount of € 2 billion gross book value. b) Growth: by deepening the existing client relationships, Piraeus Bank will focus on leveraging the competitive advantages of its business in Greece. c) Simplification: Piraeus Bank 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, Piraeus Bank issued a Tier 2 Note of nominal value of € 500 million with institutional investors bearing an annual fixed interest rate of 5.5% for the first 5 years and thereafter has an 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 Bank 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 Bank's total capital ratio by approximately 110 bps.

- On 21 February 2020, Piraeus Bank entered into an exclusive strategic collaboration agreement with ORIX corporation, for the provision of financing solutions to the Greek maritime sector. The collaboration agreement is aiming to provide Piraeus Bank's shipping clients with a wider selection of financing instruments and additional financing where necessary.

- On 27 February 2020, Piraeus Bank activated a plan in cooperation with National Organization of Public Health (EODY) to address any Covid-19 issue. Following the relevant protocol, the Bank set in motion its Business Continuity Plan, taking among others measures such as proactively segregating critical Bank units, avoiding meetings with physical presence and activating remote access office capabilities for critical personnel. More information on the protection of the Bank's personnel from Covid-19, is given below in the section "Human Resources – Health, safety and wellbeing".

- On 6 March 2020, Piraeus Bank received ECB's decision to repeal the limits on the Bank's exposure to Hellenic Republic risk, imposed in 2015. Following this decision, the Bank has selectively increased its position in Greek sovereign debt, to € 3.1 billion as at 30 June 2020, from € 1.6 billion at 31 December 2019.

- On 16 March 2020, Mr. George Georgopoulos was appointed as General Manager of Group Human Resources.

- On 27 March 2020, S&P Global affirmed its 'B-' long term rating on Piraeus Bank, while revising the outlook to stable from positive.

- On 24 June 2020, Piraeus Bank raised € 7.0 billion in ECB's TLTRO III auction, conducted to provide immediate liquidity support to the euro area's financial system as a mitigating measure against the effects of Covid-19. The take-up was facilitated by ECB's decision on 7 April 2020, to waive the eligibility criteria and accept Greek sovereign debt as eligible collateral in Eurosystem credit operations

- On 15 April 2020, Kion Mortgage Finance PLC Securitization redeemed all Notes of each class (Class A, B, C) at their respective Principal Amounts Outstanding together with accrued interest on the Interest Payment Date.

- On 12 May 2020, Moody's Investor Services affirmed the long term rating of Piraeus Bank to 'Caa2' changing its outlook to stable from positive before.

- On 15 May 2020, Fitch Ratings affirmed the long term credit rating of Piraeus Bank'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 of Piraeus Bank elected Mr. Vassileios Koutentakis, Executive General Manager, as new Executive Member, for the remaining tenure of the Board of Directors, in replacement of Mr Georgios Georgakopoulos who resigned in November 2019. Further to the above, the Board of Directors was reconstituted as a corporate body and appointed Mr. Vassileios Koutentakis as a new Executive Member.

- As of 11 June 2020, Mr. Aristotelis Mistakidis notified that he holds directly 22.37 million registered voting shares, corresponding to 5.15% of Piraeus Bank total voting rights, excluding those held by the Hellenic Financial Stability Fund (HFSF).

- On 16 June 2020, the Extraordinary Meeting of Shareholders 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 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 concluded 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 concluded 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 concluded on 29 June 2020.

- On 26 June 2020, the Annual General Meeting of Shareholders elected a new Board of Directors, which during its session on the same day it was constituted as a body and designated its Executive and Non – Executive Members as follows:

Non – Executive Chairman of the Board
- George Handjinicolaou, father's name Peter

Vice – Chairman
- Karel De Boeck, father's name Gerard, Independent Non – Executive Member

Executive Board Members
- Christos Megalou, father's name Ioannis, Managing Director (CEO)
- Vasileios Koutentakis, father's name Dimitrios, Executive Member

Independent Non – Executive Board Members
- Kontogouris Venetia, father's name Gerasimos, Independent Non-Executive Member
- Arne Berggren, father's name Sten, Independent Non-Executive Member
- Enrico Tommaso Cucchiani, father's name Clemente, Independent Non-Executive Member
- David Hexter, father's name Richard, Independent Non-Executive Member
- Solomon Berahas, father's name Albert, Independent Non-Executive Member
- Andrew Panzures father's name Deones, Independent Non-Executive Member
- Anne Weatherston father´s name John, Independent Non-Executive Member

Non – Executive Board Members
- Alexander Blades, father's name Zisis, Non – Executive Member
- Periklis Dontas father's name Nikolaos, HFSF Representative under Law 3864/2010

The new Board of Directors has a term of three years, which may be extended until the Annual General Meeting convened after such term has lapsed.

- On 23 July 2020, the Board of Directors of the Bank appointed Mr. Ioannis Stamoulis as Chief Risk Officer (CRO) to head the Group's Risk Management, replacing Mr. Thymios Kyriakopoulos.

- 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 will be licensed as a credit institution and will be a wholly owned subsidiary of the Demerged entity. Upon completion of the demerger, the Demerged Entity will retain certain assets, liabilities and non-banking activities, and will cease to be a credit institution, while its shares will remain listed on the Athens Stock Exchange. 31 July 2020 was designated as the Transformation Balance Sheet date for the demerger. Following the completion of the demerger, which is expected by the end of this year, the special rights enjoyed by the Hellenic Financial Stability Fund shall apply towards the Beneficiary as well. Completion of the demerger is subject to approval by the Bank's Board of Directors, the General Meeting of Shareholders, the competent regulatory authorities and the Hellenic Financial Stability Fund.

Evolution of Volumes and Results of Piraeus Bank Group during the first semester of 2020

Piraeus Bank has a systemic position in the Greek banking market in terms of total assets amounting to € 64.5 billion as at 30 June 2020, deposits (28.3% market share) and loans and advances to customers at amortised cost (30.1% market share, with 32.5% in corporate lending). Savings deposits constitute 38.9% of the total domestic deposits of the Bank with time deposits at 31.9% and sight deposits at 29.2%. Business deposits correspond to 24.3% of the total domestic deposit base at Piraeus Bank with retail deposits at 75.7%. Piraeus Bank has a dominant position in the SME market, as around 80% of the domestic

SMEs are customers of the Bank. Piraeus Bank's domestic loan book consists of corporate (62.5%), mortgage (28.9%) and consumer, personal & other loans (8.6%). The Bank holds the most extensive footprint in Greece with 524 branches (plus another 19 abroad, out of which 17 in Ukraine, 1 in London and 1 in Frankfurt) and a wide customer base of 5.5 million active customers. The branch network in Greece was reduced by 17 units during the last 12 months as a result of the rationalization plan. At the same time (30 June 2020), the Group's headcount totaled 11,288 employees in the continuing operations, of which 10,895 were employed in Greece (-1,091 from a year earlier, mainly from the sale of the Recovery Banking Unit).

The free float on its share capital is high with c. 27.5k common shareholders, holding 73.6% of the Bank's common equity (the HFSF holds 26.4%).

Balance Sheet

Regarding the financial position of Piraeus Group as at 30 June 2020, total assets amounted to € 64.5 billion compared to € 61.2 billion as at 31 December 2019.

Customer deposits of the Group reached € 45.7 billion as at 30 June 2020, from € 47.4 billion as at 31 December 2019 (-3.5%), and € 44.9 billion a year ago (+1.8%). The drop is solely attributed to the reduction of costly public sector deposits, while private sector deposits increased to € 45.6 billion as at 30 June 2020 from € 44.6 billion as at 31 December 2019. The increase in private sector deposits was achieved while maintaining the conservative pricing of time deposits during the first semester of 2020, with new time deposits' cost averaging at 0.20% in June 2020 versus 0.29% in December 2019.

Selected Balance Sheet Figures	30/6/2020	31/12/2019	30/6/2019	YtD	YoY
Gross Loans	48,306	50,148	50,757	-3.7%	-4.8%
Less: Expected Credit Loss (ECL) Allowance	(10,514)	(10,986)	(12,581)	-4.3%	-16.4%
Net Loans	37,792	39,162	38,176	-3.5%	-1.0%
Financial Assets	5,660	3,613	3,924	56.7%	44.2%
Other Assets	20,930	18,456	17,138	13.4%	22.1%
Total Assets	**64,382**	**61,231**	**59,238**	**5.1%**	**8.7%**
Due to Banks	7,583	3,296	3,716	130.0%	104.1%
Due to customers	45,706	47,351	44,890	-3.5%	1.8%
Other Liabilities	3,446	2,811	2,981	22.6%	15.6%
Total Liabilities	**56,735**	**53,458**	**51,587**	**6.1%**	**10.0%**
Total Equity	**7,648**	**7,773**	**7,651**	**-1.6%**	**0.0%**
Total Liabilities and equity	**64,382**	**61,231**	**59,238**	**5.1%**	**8.7%**

Utilization of Eurosystem funding significantly increased in the first semester of 2020, to € 7.0 billion as at 30 June 2020 from the level of € 350 million as at 31 December 2019, through the utilization of ECB's targeted longer-term refinancing operations (TLTRO), which was facilitated mainly from ECB's decisions to relax collateral rules and specifically to accept Greek sovereign debt as collateral in refinancing operations. Meanwhile, interbank repo positions were minimized to € 0.1 billion as at 30 June 2020, from € 2.4 billion as at 31 December 2019 to reflect cost optimization efforts undertaken by the Bank. The issuance of € 500 million of Tier II subordinated bonds in February 2020 further diversified the Group's sources of funding.

Piraeus Bank has managed, to further strengthen its Liquidity Coverage Ratio to the level of 169% as at 30 June 2020 compared to 117% as at 31 December 2019.

Gross loans amounted to € 48.3 billion as at 30 June 2020, compared to € 50.1 billion as at 30 December 2019 and € 50.8 billion as at 30 June 2019. Net loans amounted to € 37.8 billion as at 30 June 2020 from € 39.2 billion as at 31 December 2019 (which includes a seasonal € 1.5 billion loan) and € 38.2 billion as at 30 June 2019, with the Group's loan to deposit's ratio improving to 82.7% as at 30 June 2020 from 85.0% a year ago. New loan disbursements in the first half of 2020 reached € 2.5 billion, in line with our target of € 5.0 billion for the whole of 2020.

The Bank has substantially enhanced its financial assets position (mainly fixed income portfolio) to € 5.7 billion at 30 June 2020 from 3.6 billion at 31 December 2019, through selectively increasing its exposure in Greek sovereign debt, following ECB's decision to repeal the limits on the Bank's exposure to Hellenic Republic risk, imposed in 2015.

The Group's NPEs declined to € 23.3 billion as at 30 June 2020 compared to € 24.5 billion as at 31 December 2019. Likewise, the Group's NPEs over total gross loans ratio for the Group was reduced to 48.3% as at 30 June 2020 from 48.8% as at 31 December 2019 and 51.4% at 30 June 2019, (due to the continuous efforts of the group to improve its asset quality and the implementation of payment moratoria as a response to the pandemic). The Group coverage ratio of NPEs by ECL Allowance stood at 45.1% as at 30 June 2020 from 44.9% a year ago.

Selected Asset Quality Figures	30/6/2020	31/12/2019	30/6/2019
NPEs	23,333	24,470	26,087
NPEs Bank	22,937	24,004	25,014

As part of the submission of operational targets for asset quality to both ECB and Bank of Greece, Piraeus Bank, along with all high NPE SSM banks, has committed at the end of March 2019 to reduce its NPEs, between September 2018 and December 2021, by approximately 52% (at the parent level).

The Bank's overall strategy in managing NPEs is to achieve a balance between ambitious NPE reduction target and value creation in the longer term:

- One of the challenges in decreasing our NPEs is to optimize between frontloading NPE reduction and the upside potential that is embedded in the expected medium-term economic recovery. As a result, our target of decreasing NPEs goes hand in hand with our target of maximizing shareholders value;

- The Bank recognizes its duty to support the real economy by providing continued financing to viable companies and individuals;

- A third element of the plan is the utilization of HAPS as a mechanism to reduce NPEs and return the Bank's balance sheet to a normalization phase. Engagement in the securitization schemes is further facilitated through the Bank's recent strategic partnership with the biggest servicing platform in Greece.

The following principles determine the Bank's strategic priorities in response to the financial constraints currently in place:

- provide as many as possible long term viable solutions that will take customers back to the performing book and at the same time maintain options to take a share of the future upside;

- proceed with resolution for non-viable or uncooperative customers/businesses when it is clear that restructuring is not a viable option, thus enabling the Bank to preserve its value;
- proceed carefully with write-offs either as part of the restructuring solution on justifiable cases or following the exhaustion of legal actions;
- support businesses and individual borrowers whose businesses suspended operations by virtue of the Greek government's emergency measures to contain the Covid-19 pandemic.

Given the above, the Bank assesses a number of alternatives, such as the securitization of various parts of its loan portfolio and sales.

Profit & Loss

The Group's net interest income increased by 1.2% to € 727 million during the first semester of 2020 from € 719 million in the corresponding period of 2019, due to the new loan production at resilient interest rates, as well as due to the continuous reduction in the cost of funding (lower customer deposit cost and increase of eurosystem funding). Net fee and commission income amounted to € 151 million in the first semester of 2020, versus € 146 million in the first semester of 2019 (+3.4%), driven by fees on cards, loans and investment banking activities. Total net income rose to € 922 million compared to € 893 million in the first semester of 2019, supported also by higher financial instruments and other income, despite the Covid-19 pandemic and the turbulence it created in financial markets.

The Group's total operating expenses in the first semester of 2020 stood at € 452 million, compared to € 492 million in the same period of 2019 (-8.2%), mainly as a result of the reduction of staff costs (-18.2%). The transfer of employees to Intrum, along with the reduced staff costs from the employees who left in 2019 through the voluntary exit scheme ("VES") were the main factors in this drop. Total operating expenses were reduced by 5.1% in the first semester of 2020 versus the first semester of 2019 excluding the extraordinary costs related with the VES in the first semester of 2019.

Group profit before provisions, impairments and income tax for the first semester of 2020 amounted to € 470 million, compared to € 402 million in the first semester of 2019.

The results of the first semester of 2020 were burdened by impairment charges and provisions amounting to € 670 million, double compared to € 334 million in the first semester 2019. The increase in impairment losses is mainly attributable to the impact of Covid-19 pandemic, which amounted to € 274 million and was driven by a change in the macroeconomic scenarios used to calculate Expected Credit Losses. An amount of € 67 million of impairments is attributed to losses on debt securities and other financial assets.

In the first semester of 2020 the Group suffered pre-tax losses of € 215 million compared to a profit of € 57 million in the first semester of 2019. Net result attributable to shareholders from continuing operations amounted to a loss of € 144 million in the first semester of 2020 compared to a profit of € 34 million for the first semester of 2019.

Selected Profit & Loss Figures	30/6/2020	30/6/2019	YoY
Net Interest Income	727	719	1.2%
Net Fee & Commission Income	151	146	3.4%
Net Other Income / (expenses)	44	28	57.1%
Total Net Income	**922**	**893**	**3.2%**
Staff Costs	212	259	-18.2%
-excl. VES costs	212	243	-12.6%
Administrative Expenses	182	174	4.4%
Depreciation & Other	58	59	-1.2%
Total Operating Costs	**452**	**492**	**-8.2%**
-excl. VES costs	452	476	-5.1%
Pre Provision Income	**470**	**402**	**17.0%**
Share of profits / (loss) of associates and joint ventures	(16)	(11)	-
Impairment charges	670	334	100.6%
Pre Tax Result	(215)	57	-
Tax	(70)	25	-
Profit/ (Loss) for the period	(145)	32	-
Net Result Attributable to Shareholders from Continuing Operations	(144)	34	-
Profit / (loss) from Discontinued Operations	(5)	7	-

Capital

As at 30 June 2020, the Group's total accounting equity amounted to € 7.6 billion from € 7.8 billion as at 31 December 2019, mainly as a result of the additional impairments charges due to the pandemic. The Group's Basel III total capital adequacy ratio, strengthened due to the issuance of € 400 million Tier II notes in June 2019 and € 500 million of Tier II notes in February 2020, stood at 16.0 % on 30 June 2020, and the Common Equity Tier 1 (CET 1) ratio at 14.0 %. The amount of deferred tax assets which is included in the Group's regulatory capital in accordance with the provisions of Greek Laws 4172/2013, 4302/2014, 4340/2015, as of 30 June 2020 was € 3.8 billion. The Group's fully loaded CET 1 stood at 11.5% and total capital adequacy ratio at 13.5% as of 30 June 2020.

Following the conclusion of the SREP (Supervisory Review and Evaluation Process), the ECB informed Piraeus Group of its total capital requirement, valid for 2020 (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 includes: (a) the minimum Pillar I total capital requirements of 8.00% as per article 92(1) of Regulation 575/2013/EU; (b) the additional Pillar II capital requirement of 3.25% 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.

Due to the outbreak of the Covid-19 pandemic and its potential effects on the economy and banks, the ECB Banking Supervision announced on 12 March 2020 measures that 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).

Going Concern Conclusion

Management has concluded that the Interim Financial Statements of the Group and the Bank have been appropriately prepared on a going concern basis as at 30 June 2020 taking into account:

a) the significant positive developments (fiscal discipline, GDP recovery, liquidity restoration, market access, real estate prices recovery) that have taken place in the Greek economy during the recent years and up to February 2020;

b) the prospects for a recovery of economic activity in 2021 that will recover a significant part of the lost GDP following the anticipated recession in the Greek economy in 2020 due to 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 capital adequacy of the Group deriving 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;

e) the measures taken by the European Commission, the EBA, the ECB and the 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

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

The basis for conclusion is presented in Note 2.2 of the Interim Financial Statements.

Completion of the 2015 Restructuring Plan

Piraeus Bank, received on 31 January 2020 the official DG Comp verification for the completion of the Piraeus Bank Restructuring Plan period. This decision, highlights the successful exit from the six-year monitoring period in which Piraeus Bank accomplished to execute on time the 27 Commitments on Corporate Governance and Commercial Operations and the 13 Restructuring Plan Commitments in an extremely strict timeframe.

Non-Financial Information for the first semester of 2020

Group Human Resources

In the first half of 2020, Group HR continued to implement initiatives that strengthen **PB corporate culture** and values.

Following the **Culture Survey of 2019**, a targeted action plan is in place that focuses on regaining and accelerating culture integration via 8 pillars leading to 16 projects. During the first half of 2020, 3 projects have been already completed.

Pulse Survey: Within the pandemic, Group HR, run a survey addressed to all work from home employees, so as to capture their attitudes on work from home environment, with a 73% response rate. The survey highlighted that 74% of employees feel 'they can equally contribute to the group's objectives', 73% agree they 'have effective technical support and digital tools', 81% that 'my supervisor shares the information and informs us regularly', 80% believe 'Bank's digital approach helped them adapt to work from home', 77% agree that 'Group's communication was timely and effective' and 85% that 'Group's approach had high social impact & contribution to the society'.

New corporate communication tools and effective work practices were launched, while working from home.

In this context, "**Connected Piraeus Bank"**, a new digital information tool for the Bank's employees, was introduced so that they remain informed and aligned at any place, anytime. An "**MS Teams"** guide and a **"Work from home guide"** were distributed to all remotely working employees, in order to enhance digital collaboration and communication.

Following the completion of the people mapping and the employees' integration in **the Job Family Model (JFM)**, all employees had 1:1 meetings with their managers in order to be informed about the role, level and family they belong to, in advance of the systems update that took place mid-June 2020. The JFM requires a solid governance structure. To that end, the JFM Governance Committee has been created, as a platform to govern and safeguard the model's characteristics. At the same time, HR policies and procedures which are directly linked to JFM are gradually rolled-out.

The Bank came forward with its commitment to adopt a new **Reward Scheme for the employees who have been in the front line**. The main parameter of this scheme was the number of days that the branch employees were working in a branch during the lockdown period. No other criteria, such as rank or salary level, were used, stressing in this way that all are equally exposed and thus equally rewarded.

During the first semester of 2020 and based on the performance management process, **Become & Achieve**, 92% of employees completed their yearly reviews for 2019 and 81% of managers received peer and team feedback in the behavioral aspect of their performance.

Succession Planning process for business critical roles in the Group, has been initiated for CEO's direct reports to be further expanded to the rest of the critical roles in the organization. In the first half of 2020 despite the Covid-19 new daily reality, Piraeus Bank covered 88.8% of its staffing needs with internal moves, encouraging horizontal and vertical mobility of our workforce.

Piraeus Bank **Learning & Knowledge Sharing** transformed learning activities to digital programs and live virtual classes, fulfilling the needs of the 2020 training plan. In the first semester, the activity involved:

- The certification of Bankassurance for 730 employees was renewed resulting to a total of 3,940 certified employees in the Bank
- In total 214 training sessions were recorded summing up to 17,607 participations and 119,238 training hours, out of which 79% were related to the Banking and Business field, and the remaining to People Interpersonal Skills, Leadership Development and Workplace Wellbeing. Average training hours per employee were 11 and 63% of employees participated in at least one training initiative.

Collective Bargaining: Regarding participation in trade unions, six employee unions are operating in the Bank representing approximately 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, revising and improving current benefits and practices such as leave policy (student, parental), children allowance, children educational rewards, mortgage insurance policy etc.

Health, Safety & Wellbeing: Piraeus Bank actively contributes to the prevention of the spread of Covid-19, aiming to protect the health of all of its stakeholders. Until the end of June 2020, Piraeus Bank has taken the following measures:

- Close cooperation with authorities and implementation of all measures recommended for 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),
- Special Covid-19 Leave for 350 employees with previous health issues,
- Special leave of absence granted to 3,280 employees with children pursuant to the provisions of the Greek authorities,
- During the period of the lock-down, approximately 4,100 employees worked from home to meet the need for alignment with the H&S protocol and business continuity plan. Post lock-down the Bank introduced a rotation on-site work, resulting in the number of work-from-home employees been gradually reduced to approximately 2,000.

Aiming to sustain a health, safety & wellbeing culture with high standards, the Bank continued during the first semester of 2020 to train firefighting teams, covering 424 evacuation exercises. At the same time, no accidents were recorded in the premises. In addition, we initiated 12 virtual lectures on H&S and wellbeing issues, adjusting to the needs of the new Covid-19 reality with approximately 650 employee participations. Finally, into supporting motherhood, we provided 296 cumulative motherhood related absences.

Principles for Responsible Banking

The Principles for Responsible Banking, created by the UNEP FI (United Nations Environment Programme Finance Initiative) banking members, were signed by the CEO of Piraeus Bank at a special UN meeting in New York on 22 September 2019. The Principles urge the banks to align their operations with the global Sustainable Development Goals (SDGs) and the 2015 Paris Agreement. Piraeus Bank participates in UNEP FI working groups such as Impact Assessment, EU Taxonomy (together with the European Banking Federation-EBF), to acquire knowhow in implementing the PRB. In 2019, the Bank established a robust internal governance structure for the Principles and drafted an Action Plan for their implementation around the axes:

i. Governance and Internal Structure

ii. Positive Impact

iii. Culture & Communication

"Collective Commitment to Climate Action" Initiative

Piraeus Bank participates in the "Collective Commitment to Climate Action", along with other banks that have signed the PRB, and have pledged to align their portfolios and boost the financing for sustainable development required so as to limit the increase in global warming to 1.5 degrees Celsius.

Environmental Management – Improvement of Environmental Performance

Piraeus Bank is registered under the EU Eco-Management and Audit Scheme (EMAS) since 2011 and its Environmental Management System (EMS) is certified in accordance with Standard ISO 14001:2015. The environmental data and KPIs are reported in Piraeus Bank's Sustainability & Business Report[1] and in the Environmental Statement[2] and are validated by a third party assurance agency. In 2019, the CO2eq emissions per employee were increased by 7%, paper consumption per employee was reduced by 5% and electricity consumption per employee dropped by 2%. Selected Piraeus Bank's environmental targets for 2020: 10%[3] reduction in total electricity consumption per sq. m. (3-year target, base year 2018), inclusion of Piraeus Bank in the Science-Based Targets Initiative (SBTi).

In 2019, the outdoor sign lighting was replaced by LED lights in 6 large administration buildings in Athens, following the respective successful installation on all branches, with energy saving of up to 50% per branch. Solar PV systems were fitted on 32 branches to generate energy for offsetting electricity consumption (Net Metering).

Addressing Climate Change

Every year Piraeus Bank uses its Climate Risk Management Model to estimate in monetary terms the climate risk of Greek business borrowers across different economic sectors mostly influenced by climate change. Total climate risk of the Bank's business borrowers was estimated at € 1.05 billion for 2019 (€ 0.9 billion in 2018 and € 0.5 billion in 2017), or 1.8% of their total turnover. The physical risk constitutes 32.7% (2018:39.3%) and the transition risk 67.30% (2018:60.7%) of the estimated total climate risk. Climate risk increase of the business borrowers in 2019, compared to previous years, is due to the average price rise of the EU Emission Allowances (EUAs) resulting to a substantial transition risk increase.

Related Party Transactions

With reference to the transactions of the Bank with related parties, such as members of the Board of Directors and the management of the Bank and its subsidiaries, these were not any material transactions in the first semester of 2020 in comparison with the year ended 31 December 2019. A relevant detailed reference of related party transactions is included in Note 24 of the Interim Financial Statements.

---

[1] Sustainable Development Report 2019: https://www.piraeusbankgroup.com/en/investors/financials/annual-reports

[2] Environmental Statement https://www.piraeusbankgroup.com/en/corporate-responsibility/environment/environmental-fields-of-action/environmental-management

[3] Revision of target since it has already been achieved

Risk Management

Risk Management is an area of particular interest and focus in Piraeus Bank, targeting towards 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 Piraeus Bank'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 bank'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 were captured as described below:

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

During H1 2020, Group Risk Management and Chief Risk Officer (CRO) 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 Bank and the Group to further develop sophisticated risk management practices and robust models and methodologies. More importantly, the Bank and the Group aim to solidify the sound risk culture and awareness of the institution 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.

Also, in alignment with the Bank-wide implementation of the Internal Control System Enhancement initiative, the **Segment Controller** role was established during 2019 with a discrete reporting line to CRO (Segment Head). 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 & 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 H1 2020, Risk has led/participated in a number of strategic & 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 loans portfolio. Such initiatives indicatively comprise:
  - Development reporting Covid-19 related infrastructure to timely monitor & assess evolution;
  - Analysis to assess financial resilience per economic sector;
  - Engagement in the development of policies, processes & supportive products accommodating EBA related guidance.

  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;
    - Impact assessment for prudential provisioning related to Calendar Effect & Addendum;
    - FINREP framework amendments and Credit Risk Pillar III related enhancements;
    - Gap Analysis of current framework vs. the EBA "Guidance on Loans Origination and Monitoring";
    - Enhancements in the Credit Underwriting monitoring process.

  - **Impairments**
    - Development of Internal Control process ensuring compliance with Impairment Policy;
    - 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".

  - **Credit Risk Models**
    - Design and development of the Rating Master Scale for the Business and Retail 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.

- **Market, Liquidity Risks & ALM**
  - Update of the Market Risk policy;
  - Update, enhancement and delivery of the Group's ILAAP;
  - Update of the Liquidity Risk Policy;
  - Update and re-establishment of the Group's Contingency Funding Plan;
  - Completion and production of the Liquidity Coverage Ratio (LCR) measurement process on a daily basis;

- Enhancement of the Liquidity Stress Testing framework;
- 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.

- **Own Assets & Collateral Risk**
  - Development of data infrastructure to unite real estate information from various databases;
  - Participation of Group Risk Management in International Properties Committee;
  - Development of internal control procedures;
  - Participation in the validation project for real estate appraisals.

Balance Sheet & Capital Planning | Function & Initiatives:

Balance Sheet & 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 H1 2020, Balance Sheet & Capital Planning has undertaken a number of strategic & functional risk initiatives. Indicatively:

- **Risk Strategy**
  - Balance sheet diagnostics and optimization initiatives;
  - `Revision of the Risk Identification Framework;
  - Revision of the Risk Appetite Framework;
  - Risk & Capital Strategy: 2020 updates and submission;
  - Initiation of the 'Strategic Processes Alignment' project;

- **Capital Planning & Stress Testing**
  - Implementation of the ICAAP 2019 exercise and successful submission to the SSM of the ICAAP 2019 reporting package;
  - ICAAP Framework and Methodology update, implementing more advanced measurement methods and addressing both internally identified needs and supervisor findings;
  - Stress Testing Framework update, for both internal and regulatory Stress Tests;

- Continuous monitoring of Covid-19 related impacts to solvency and capital requirements;

- **Capital Calculation & Reporting**
  - Enhancement of capital management analytical and reporting framework, including transition to upgraded infrastructure;
  - Enhancement of Pillar I & Pillar III policy and procedures;
  - Contribution in drafting the Bank's Significant Risk Transfer (SRT) Policy and preparation for planned NPE securitizations;
  - Enhancement of capital management reporting capabilities to allow for Covid–19 and planned NPE securitizations regulatory reporting.

Control | Function & Initiatives:

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

In specific, 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 & Capital Strategy and the regulatory requirements.

- the development and implementation of the credit risk review of the Group's loan portfolio in two dimensions: i) ex post, through credit reviews with assessment per borrower (or group of borrowers) and overview of Credit Policy and Processes compliance (process review), monitoring of credit risk areas and overview of approvals granted by the NPE Servicer within its delegated authorities and ii) ex ante, through an overview of cases examined for approval by the Credit Committee and the Provisioning Committee.

- conducting independent assessments of the Group's models in order to validate their robustness, accuracy and effectiveness. The scope includes credit risk, operational risk, market risk, liquidity & interest rate risk models as well as other models used by the Bank. The assessments are prioritized in the context of the Annual Model Validation Plan, which is approved by the Risk Model Oversight Committee.

During H1 2020, Control has led/participated in a number of strategic & functional risk initiatives. Indicatively:

- **Operational Risk & Control**
  - Implementation of a Bank-wide platform for the management of internal control deficiencies;
  - Enhancement of operational risk loss collection and analysis, with focus on legal cases and credit related incidents;
  - Enhancement of managing technology & security risks in 2nd line of defence;
  - Enhancement of risk and control assessment methodology;
  - Enhancement of the operational risk incident alert process;
  - Coordination of specialized ORAPs (Operational Risk Assessment Process) in relation to Covid-19 crisis and the Hive-Down project, in order to identify and assess related risks, monitor mitigating plans and inform relevant

bodies.

- **Credit Control**
  - Unit split in 2 units of
    a. Performing Assets and
    b. Trouble Assets with aim to intensify the assessment of high risk borrowers through regular and specialized credit reviews and through monthly overview of approvals granted by the NPE Servicer within its delegated authorities;
  - Enhancement of monitoring mechanisms and credit reviews by enrichment of data and new criteria (e.g. Unlikely to Pay (UtP) declassifications, Covid -19 restructurings, ICAP rating);
  - Participation in Core Banking Credit Policy update.

- **Model Validation**
  - Design and maintenance of Model Validation Inventory;
  - Introduction of new supportive discriminatory and accuracy metrics for the enhancement of the final assessment/rating of models' performance;
  - Participation in the Knowledge Sharing sessions under Risk Culture initiative, via design and implementation of introductory training in Python (a general-purpose programming language) and object oriented programming.

Analytics | Function & 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 H1 2020, Analytics has led/participated in a number of strategic & 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)
  - Knowledge sharing lessons concerning ART implementation and introduction to Risk's Data system, Middle Tier II within the Group Risk Management in line with the Risk Culture initiative;
  - Preparation of educational material to launch seminars for credit and account officers, for the wider use of the tool in decision-making;

- **Group Risk PMO**
  - Coordinate the submission of the annual plan of projects & their prioritization;
  - Provide overall view of progress for Risk Projects;
  - Supervision, strengthening of the overall project management & monitoring process;
  - Coordinate the annual Risk budget submission & monitor the actual risk;
  - Coordinate Risk Units in project based initiatives (e.g. Covid-19 Business Continuity Plan/BCP);

- **Risk Data Office & Operations**
  - Coordinate risk data quality initiatives;
  - Coordinate risk data operations management initiatives (Finrep automation, Cost of Risk optimization, Risk Data operations management);
  - Implementation of Risk Systems transformation and optimization projects;
  - Participation in Bank-wide transformation projects (Hive-Down, new Definition of Default);
  - Participation in regulatory reporting projects;
  - Participation in data governance framework initiatives;
  - Participation in Internal controls framework initiatives.

Segment Controller & 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 & 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. For more information please see Board of Director's Report of year 2019 Annual Financial Report.

During the H1 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
  - Enhance learning: skill development and knowledge sharing
  - Communicate effectively: leadership communication and campaigns
  - Involve and engage: emotionally and intellectually (provide input, get buy in)
  - Modify, where needed:
    - Review certain processes/policies to ensure consistency (i.e. incentive schemes, target setting)
    - Automate when suitable and feasible
  - Keep a pace: measure, adjust, repeat;

- 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).

Estimates for the Development of Piraeus Group's Operations in the second semester of 2020

The prospects of the Greek economy for the second semester of 2020 are challenging, as the economic activity in 2020 is expected to slow-down drastically due to the effects of the Covid-19 pandemic. Most international organizations and institutions are projecting Greek GDP to contract by around 6% to 10% for 2020.

The effects of the Covid-19 on the economic activity are to a large extent uncertain and will depend heavily on the progress of the pandemic during the next months. The economic recession could potentially have a negative impact on the Group's loan portfolio quality.

On the other hand, the measures taken to mitigate the effects of Covid-19 by the European Commission, the ECB and the Greek Government are expected to partially mitigate the challenges and gradually restore confidence, supporting recovery. The baseline scenario calls for the Greek economy to bear the full brunt of the crisis in the second and third quarter of 2020, when the quarterly GDP is expected to contract at a level close to the worse quarters of the recent crisis in Greece, and return to growth from the fourth quarter of this year and gradually recover in 2021. As per the Group's Economic Analysis team, the aforementioned assumptions will probably lead to GDP contraction of 8% in 2020, which will be followed by a 7% GDP increase in 2021, as the economy returns to normality.

Now more than ever, both the private and the public sector, have a critical role to play in re-bolstering the economy. To that extent, Piraeus Bank actively participates both in the execution of the financing programs of the Greek State through the provision of guarantees and interest rate subsidies and in the implementation of the agreed suspension of capital installments payment, supporting the recovery of businesses and individuals that have been severely affected by the crisis.

Piraeus Bank is continuously monitoring the developments, including the Covid-19 front and is in an increased state of alertness so as to take further appropriate proactive actions to safeguard its capital and liquidity position and the implementation of its strategic roadmap.

On behalf of the Board of Directors

George Handjinicolaou	Christos Megalou
Chairman of the Board	Chief Executive Officer

4 August 2020

ESMA´s ALTERNATIVE PERFORMANCE MEASURES ("APM") AT GROUP LEVEL

A. APMs

No	APM	APM Definition - Calculation	6M 2019	FY 2019	6M 2020
1	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	3,924	3,613	5,660
2	Loans to Deposits Ratio (LDR)	Net Loans over Deposits	85.0%	82.7%	82.7%
3	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	26,087	24,474	23,333
4	NPE (Cash) Coverage Ratio	ECL allowance for impairments on loans and advances to customers at amortised cost over NPEs	48.2%	44.9%	45.1%
5	NPE Ratio	NPEs over (/) gross loans before impairments & adjustments	51.4%	48.8%	48.3%
6	Other Assets	Balancing Item: equals (=) Total Assets minus (-) Net Loans minus (-) Financial Assets	17,138	18,456	20,930
7	Net Other Income / (expenses)	Balancing item: equals (=) Net Income minus (-) Net Interest Income minus (-) Net Fee and Commission Income	28	421	44

8	Other Liabilities	Balancing Item: equals (=) Total Liabilities minus (-) Due to Banks minus (-) Customer Deposits	2,981	2,811	3,446
9	Total Operating Expenses (Excluding VES costs)	Total operating costs before provisions, excluding Voluntary Exit Scheme costs of € 16 million in H1.2019	476	977	452

B. APMs Components

BALANCE SHEET

No	APM Component	APM Definition – Calculation	6M 2019	FY 2019	6M 2020
1	Deposits or Customer Deposits	Due to Customers	44,890	47,351	45,706
2	Due to Banks	Amounts owed to Banks	3,716	3,296	7,583
3	Expected Credit Loss (ECL) Allowance	ECL allowance for impairment losses on loans and advances to customers at amortised cost	12,581	10,986	10,514
4	Gross Loans	Loans and advances to customers at amortised cost before ECL allowances for impairment on loans and advances to customers	50,757	50,148	48,306
5	Net Loans	Loans and advances to customers at amortised cost	38,176	39,162	37,792

INCOME STATEMENT

No	APM Component	APM Definition – Calculation	6M 2019	6M 2020
1	Impairment Charges	ECL Impairment Losses on loans and advances to customers at amortised costs plus (+) Impairments losses on other assets plus (+) ECL Impairment Losses on financial assets at FVTOCI plus (+) Impairments on subsidiaries and associates plus (+) Impairment on property, equipment and intangible assets plus (+) Other impairments and provisions	334	670

2	Net Fee & Commission Income (NFI)	Fee Income minus (-) Fee Expense	146	151
3	Net Interest Income (NII)	Interest Income minus (-) Interest Expense	719	727
4	Net Results - Net Profit	Profit / (loss) for the period from continuing operations attributable to shareholders of the Bank	34	(144)
5	Net Revenues	Net interest income plus (+) Net fee and commission income plus (+) Dividend Income plus (+) Net gain/(losses) from financial instruments measured at fair value through profit or loss ("FVTPL") plus (+) Net gain/(losses) from financial instruments measured at fair value through other comprehensive income ("FVTOCI") plus (+)Net gain/(loss) from derecognition of financial instruments measured at amortised cost plus (+) Gain/(loss) from disposal of subsidiaries and associates plus (+) Net other income/ (expenses)	893	922
6	Non Recurring (one-off) Expenses	In H1.2019 Voluntary Exit Scheme ("VES") staff costs of € 16 million were classified as one-off, ("VES One-Off")	16	0
7	Operating Expenses (Opex)	Total operating expenses before provisions	492	452
8	Pre Provision Income (PPI)	Profits before provisions, impairment and income tax	402	470
9	Pre Tax Results - Pre Tax Profits (PBT)	Profit / (loss) before income tax	57	(215)

The Board of Directors' Report contains financial information and measures as derived from the Group and the Bank's Interim Financial Statements for the periods ended 30 June 2020 and 30 June 2019 which have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" or the Annual Financial Statements for the year ended 31 December 2019, which have been prepared in accordance with 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, presents a more meaningful analysis of the Group's financial condition and results of operations. However, the non-IFRS financial measures presented are not a substitute for IFRS measures.

Deloitte.

Deloitte Certified Public
Accountant S.A.
3a Fragoklissias & Granikou str.
Marousi Athens GR 151-25
Greece

Tel: +30 210 6781 100
www.deloitte.gr

TRUE TRANSLATION

Independent Auditor's Review Report

To the shareholders of "Piraeus Bank S.A."

Review Report on Interim Financial Statements

Introduction

We have reviewed the accompanying separate and consolidated interim statement of financial position of the Bank and the Group of "Piraeus Bank S.A." (the "Group") as of 30 June 2020 and the related separate and consolidated interim statements of income, total comprehensive income, changes in equity and cash flows for the six month period then ended, as well as the selective explanatory notes, which together comprise the six month interim financial statements and which represent an integral part of the six month financial report provided under Law 3556/2007.

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

Scope of Review

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

Conclusion

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

Report on Other Legal and Regulatory Requirements

Our review has not revealed any material inconsistency or error in the Statements of the Board of Directors and in the information included in the Board of Directors' Interim Report provided under articles 5 and 5a of Law 3556/2007 when compared to the accompanying interim financial statements.

Athens, 7 August 2020

The Certified Public Accountant

Dimitris Koutsos- Koutsopoulos
Reg. No. SOEL: 26751
Deloitte Certified Public Accountants S.A.
3a Fragoklissias & Granikou Str., 151 25 Maroussi
Reg. No. SOEL: E 120

Interim Income Statement

€ Million	Note	Group 6 month period ended 30/6/2020	Group 6 month period ended 30/6/2019	Bank 6 month period ended 30/6/2020	Bank 6 month period ended 30/6/2019
CONTINUING OPERATIONS					
Interest and similar income		904	927	895	915
Interest expense and similar charges		(176)	(208)	(176)	(209)
NET INTEREST INCOME		**727**	**719**	**718**	**706**
Fee and commission income	6	193	188	159	161
Fee and commission expense	6	(42)	(42)	(36)	(36)
NET FEE AND COMMISSION INCOME		**151**	**146**	**123**	**125**
Dividend income		1	1	1	1
Net gain/ (losses) from financial instruments measured at fair value through profit or loss ("FVTPL")	8	9	13	11	14
Net gain/ (losses) from financial instruments measured at fair value through other comprehensive income ("FVTOCI")		1	2	1	2
Net gain/ (loss) from derecognition of financial instruments measured at amortised cost		10	(7)	10	(7)
Gain/(loss) from disposal of subsidiaries and associates		(1)	(4)	(1)	1
Net other income/ (expenses)		24	24	8	2
TOTAL NET INCOME		**922**	**893**	**871**	**843**
Staff costs		(212)	(259)	(199)	(246)
Administrative expenses		(182)	(174)	(169)	(163)
Depreciation and amortisation		(58)	(61)	(56)	(59)
Net gain/ (losses) from sale of property and equipment and intangible assets		-	2	-	2
TOTAL OPERATING EXPENSES BEFORE PROVISIONS		**(452)**	**(492)**	**(424)**	**(467)**
PROFIT BEFORE PROVISIONS, IMPAIRMENT AND INCOME TAX		**470**	**402**	**447**	**376**
ECL Impairment losses on loans and advances to customers at amortised cost	4.2	(580)	(332)	(571)	(340)
Impairment (losses)/releases on other assets	9	(72)	(5)	(67)	4
ECL Impairment (losses)/ releases on financial assets at FVTOCI		(4)	10	(4)	10
Impairment on subsidiaries and associates		-	-	(1)	(1)
Impairment of property and equipment and intangible assets		(2)	(5)	(2)	(4)
Other impairment (losses)/ releases		(11)	(1)	(11)	(1)
Other provision charges/ releases		(1)	-	(1)	1
Share of profit/ (loss) of associates and joint ventures		(16)	(11)	-	-
PROFIT/ (LOSS) BEFORE INCOME TAX		**(215)**	**57**	**(210)**	**45**
Income tax benefit/ (expense)	10	70	(25)	70	(15)
PROFIT/ (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS		**(145)**	**32**	**(140)**	**30**
DISCONTINUED OPERATIONS					
Profit/ (loss) after income tax from discontinued operations	7	(5)	7	-	-
PROFIT/ (LOSS) FOR THE PERIOD		**(150)**	**38**	**(140)**	**30**
From continuing operations					
Profit/ (loss) attributable to equity holders of the Bank		(144)	34	-	-
Non controlling interest		(1)	(2)	-	-
From discontinued operations					
Profit/ (loss) attributable to equity holders of the Bank		(5)	7	-	-
Non controlling interest		-	-	-	-
Earnings/ (losses) per share attributable to equity holders of the Bank (in €):					
From continuing operations					
- Basic	11	(0.33)	0.08	-	-
- Diluted	11	(0.33)	0.04	-	-
From discontinued operations					
- Basic	11	(0.01)	0.02	-	-
- Diluted	11	(0.01)	0.01	-	-
Total					
- Basic	11	(0.34)	0.10		
- Diluted	11	(0.34)	0.05		

The notes on pages 43 to 108 form an integral part of the Interim Financial Statements

Interim Statement of Comprehensive Income

€ Million	Note	Group 6 month period ended 30/6/2020	Group 6 month period ended 30/6/2019	Bank 6 month period ended 30/6/2020	Bank 6 month period ended 30/6/2019
CONTINUING OPERATIONS					
Profit for the period (A)		**(145)**	**32**	**(140)**	**30**
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	12	34	72	34	72
Change in currency translation reserve	12	(2)	4	-	-
Items that will not be reclassified subsequently to profit or loss					
Change in reserve from equity instruments measured at FVTOCI	12	(9)	21	(9)	19
Other comprehensive income/ (expense), net of tax (B)	12	**22**	**97**	**25**	**91**
Total comprehensive income/ (expense), net of tax (A)+(B)		**(123)**	**129**	**(115)**	**121**
- Attributable to equity holders of the Bank		(122)	131	-	-
- Non controlling interest		(1)	(2)	-	-
DISCONTINUED OPERATIONS					
Profit/ (loss) for the period (C)		**(5)**	**7**	**-**	**-**
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)		**(5)**	**(2)**	**-**	**-**
- Attributable to equity holders of the Bank		(5)	(2)	-	-
- Non controlling interest		-	-	-	-

Interim Income Statement

€ Million	Note	Group		Bank	
		3 month period ended		3 month period ended	
		30/6/2020	30/6/2019	30/6/2020	30/6/2019
CONTINUING OPERATIONS					
Interest and similar income		452	461	448	454
Interest expense and similar charges		(85)	(102)	(85)	(102)
NET INTEREST INCOME		**367**	**359**	**363**	**352**
Fee and commission income	6	99	100	84	85
Fee and commission expense	6	(19)	(23)	(17)	(19)
NET FEE AND COMMISSION INCOME		**80**	**77**	**67**	**66**
Dividend income		1	-	1	-
Net gain/ (losses) from financial instruments measured at fair value through profit or loss ("FVTPL")	8	41	9	40	8
Net gain/ (losses) from financial instruments measured at fair value through other comprehensive income ("FVTOCI")		-	1	-	1
Net gain/ (loss) from derecognition of financial instruments measured at amortised cost		12	(6)	12	(6)
Gain/(loss) from disposal of subsidiaries and associates		(1)	(4)	(1)	1
Net other income/ (expenses)		10	13	2	1
TOTAL NET INCOME		**510**	**449**	**484**	**423**
Staff costs		(105)	(139)	(99)	(133)
Administrative expenses		(91)	(94)	(84)	(88)
Depreciation and amortisation		(29)	(30)	(28)	(29)
Net gain/ (losses) from sale of property and equipment and intangible assets		-	2	-	2
TOTAL OPERATING EXPENSES BEFORE PROVISIONS		**(225)**	**(261)**	**(211)**	**(248)**
PROFIT BEFORE PROVISIONS, IMPAIRMENT AND INCOME TAX		**285**	**188**	**273**	**174**
ECL Impairment losses on loans and advances to customers at amortised cost		(142)	(146)	(137)	(149)
Impairment (losses)/releases on other assets	9	(8)	(4)	(4)	4
Impairment on subsidiaries and associates		-	-	(1)	(1)
Impairment of property and equipment and intangible assets		(1)	(4)	(1)	(3)
Other impairment (losses)/ releases		(8)	-	(8)	-
Other provision charges/ releases		(1)	1	(1)	2
PROFIT/ (LOSS) BEFORE INCOME TAX		**125**	**34**	**121**	**27**
Income tax benefit/ (expense)	10	(41)	(16)	(40)	(10)
PROFIT/ (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS		**84**	**18**	**81**	**17**
DISCONTINUED OPERATIONS					
Profit/ (loss) after income tax from discontinued operations	7	(2)	1	-	-
PROFIT/ (LOSS) FOR THE PERIOD		**82**	**19**	**81**	**17**
From continuing operations					
Profit/ (loss) attributable to equity holders of the Bank		85	20	-	-
Non controlling interest		(1)	(2)	-	-
From discontinued operations					
Profit/ (loss) attributable to equity holders of the Bank		(2)	1	-	-
Non controlling interest		-	-	-	-
Earnings/ (losses) per share attributable to equity holders of the Bank (in €):					
From continuing operations					
- Basic	11	0.19	0.05	-	-
- Diluted	11	0.10	0.02	-	-
From discontinued operations					
- Basic	11	(0.01)	0.00	-	-
- Diluted	11	(0.00)	0.00	-	-
Total					
- Basic	11	0.18	0.05		
- Diluted	11	0.10	0.02		

The notes on pages 43 to 108 form an integral part of the Interim Financial Statements

Interim Statement of Comprehensive Income

€ Million	Note	Group 3 month period ended 30/6/2020	Group 3 month period ended 30/6/2019	Bank 3 month period ended 30/6/2020	Bank 3 month period ended 30/6/2019
CONTINUING OPERATIONS					
Profit for the period (A)		**84**	**18**	**81**	**17**
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		44	56	44	56
Change in currency translation reserve		1	1	-	-
Items that will not be reclassified subsequently to profit or loss					
Change in reserve from equity instruments measured at FVTOCI		13	4	13	3
Change in reserve of actuarial gains/ (losses)		-	-	-	-
Other comprehensive income/ (expense), net of tax (B)		**58**	**61**	**57**	**59**
Total comprehensive income/ (expense), net of tax (A)+(B)		**142**	**79**	**138**	**76**
- Attributable to equity holders of the Bank		143	81	-	-
- Non controlling interest		(1)	(2)	-	-
DISCONTINUED OPERATIONS					
Profit/ (loss) for the period (C)		**(2)**	**1**	**-**	**-**
Other comprehensive income, net of tax:					
Items that will not be reclassified subsequently to profit loss					
Change in reserve from equity instruments measured at FVTOCI		-	(1)	-	-
Other comprehensive income/ (expense), net of tax (D)		**-**	**(2)**	**-**	**-**
Total comprehensive income/ (expense), net of tax (C)+(D)		**(2)**	**-**	**-**	**-**
- Attributable to equity holders of the Bank		(2)	-	-	-
- Non controlling interest		-	-	-	-

Interim Statement of Financial Position

€ Million	Note	Group 30/6/2020	Group 31/12/2019	Bank 30/6/2020	Bank 31/12/2019
ASSETS					
Cash and balances with Central Banks		5,940	3,349	5,919	3,314
Due from banks		1,327	1,307	1,268	1,239
Financial assets at fair value through profit or loss		445	663	436	654
Financial assets mandatorily measured at FVTPL		122	131	122	131
Derivative financial instruments		518	479	518	479
Reverse repos with customers		25	38	25	38
Loans and advances to customers at amortised cost	13	37,792	39,162	38,536	39,801
Loans and advances to customers mandatorily measured at FVTPL		50	51	50	51
Financial assets measured at FVTOCI		1,875	1,647	1,865	1,646
Debt securities at amortised cost	14	3,193	1,121	3,193	1,121
Assets held for sale		194	264	194	259
Investment property		1,108	1,112	453	447
Investments in subsidiaries		-	-	600	586
Investments in associated undertakings and joint ventures	15	250	264	255	255
Property and equipment		1,029	1,044	943	980
Intangible assets		278	287	238	248
Current tax assets	16	195	206	195	202
Deferred tax assets		6,540	6,478	6,502	6,439
Other assets		3,396	3,521	2,984	3,118
Assets from discontinued operations	7	105	108	-	-
TOTAL ASSETS		**64,382**	**61,231**	**64,295**	**61,007**
LIABILITIES					
Due to banks	17	7,583	3,296	7,563	3,277
Due to customers	18	45,706	47,351	45,933	47,572
Liabilities at FVTPL		14	-	14	-
Derivative financial instruments		541	482	541	482
Debt securities in issue	19	471	481	471	481
Other borrowed funds	20	898	414	896	412
Current income tax liabilities		6	9	-	-
Deferred tax liabilities		33	32	-	-
Retirement benefit obligations		126	130	121	125
Provisions		166	173	158	165
Other liabilities		1,168	1,071	1,095	939
Liabilities from discontinued operations	7	23	19	-	-
TOTAL LIABILITIES		**56,735**	**53,458**	**56,792**	**53,454**
EQUITY					
Share capital (ordinary shares)	22	2,620	2,620	2,620	2,620
Share premium	22	13,075	13,075	13,075	13,075
Contingent convertible bonds	22	2,040	2,040	2,040	2,040
Less: Treasury shares	22	-	(1)	-	-
Other reserves and retained earnings	23	(10,200)	(10,075)	(10,231)	(10,181)
Capital and reserves attributable to equity holders of the Bank		**7,535**	**7,659**	**7,503**	**7,553**
Non controlling interest		113	115	-	-
TOTAL EQUITY		**7,648**	**7,773**	**7,503**	**7,553**
TOTAL LIABILITIES AND EQUITY		**64,382**	**61,231**	**64,295**	**61,007**

Interim Statement of Changes in Equity

Group		Attributable to equity shareholders of the parent entity										
€ 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
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	12	-	-	-	-	-	88	-	-	88	-	88
Profit/ (loss) after tax for the period 1/1 - 30/6/2019	23	-	-	-	-	-	-	-	41	41	(2)	38
Total comprehensive income/ (expense) for the period 1/1 - 30/6/2019		**-**	**-**	**-**	**-**	**-**	**88**	**-**	**41**	**129**	**(3)**	**126**
Transfer between other reserves and retained earnings	23	-	-	-	-	-	-	2	(2)	-	-	-
Recycling of the accumulated reserve from financial assets measured at FVTOCI	23	-	-	-	-	-	-	-	2	2	-	2
Disposals and movements in participating interests	23	-	-	-	-	-	-	(18)	33	15	3	17
Balance as at 30/6/2019		**2,620**	**13,075**	**2,040**	**(1)**	**(59)**	**185**	**128**	**(10,453)**	**7,535**	**116**	**7,651**
Opening balance as at 1/7/2019		**2,620**	**13,075**	**2,040**	**(1)**	**(59)**	**185**	**128**	**(10,453)**	**7,535**	**116**	**7,651**
Other comprehensive income, net of tax		-	-	-	-	5	51	-	(6)	50	-	50
Profit/ (loss) after tax for the period 1/7-31/12/2019	23	-	-	-	-	-	-	-	239	239	(1)	237
Total comprehensive income/ (expense) for the period 1/7-31/12/2019		**-**	**-**	**-**	**-**	**5**	**51**	**-**	**233**	**289**	**(1)**	**288**
Payment to the holders of contingent convertible bonds	23	-	-	-	-	-	-	-	(165)	(165)	-	(165)
Disposals and movements in participating interests	23	-	-	-	-	-	-	(10)	10	-	-	(1)
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	12	-	-	-	-	(2)	25	-	(1)	22	-	22
Profit/ (loss) after tax for the period 1/1 - 30/6/2020	23	-	-	-	-	-	-	-	(149)	(149)	(1)	(150)
Total comprehensive income/ (expense) for the period 1/1 - 30/6/2020		**-**	**-**	**-**	**-**	**(2)**	**25**	**-**	**(150)**	**(127)**	**(1)**	**(128)**
Disposals and movements in participating interests	23	-	-	-	-	-	-	(2)	5	3	(1)	2
Balance as at 30/6/2020		**2,620**	**13,075**	**2,040**	**-**	**(56)**	**261**	**116**	**(10,521)**	**7,535**	**113**	**7,648**

Interim Statement of Changes in Equity

Bank

€ 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	12	-	-	-	91	-	-	91
Profit/ (loss) after tax for the period 1/1 - 30/6/2019	23	-	-	-	-	-	30	30
Total comprehensive income/ (expense) for the period 1/1 - 30/6/2019		**-**	**-**	**-**	**91**	**-**	**30**	**121**
Balance as at 30/6/2019		**2,620**	**13,075**	**2,040**	**184**	**96**	**(10,340)**	**7,675**
Opening balance as at 1/7/2019		**2,620**	**13,075**	**2,040**	**184**	**96**	**(10,340)**	**7,675**
Other comprehensive income, net of tax		-	-	-	51	-	(6)	46
Profit/ (loss) after tax for the period 1/7-31/12/2019	23	-	-	-	-	-	(2)	(2)
Total comprehensive income/ (expense) for the period 1/7-31/12/2019		**-**	**-**	**-**	**51**	**-**	**(8)**	**43**
Payment to the holders of contingent convertible bonds	23	-	-	-	-	-	(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	12	-	-	-	25	-	-	25
Profit/ (loss) after tax for the period 1/1 - 30/6/2020	23	-	-	-	-	-	(140)	(140)
Total comprehensive income/ (expense) for the period 1/1 - 30/6/2020		**-**	**-**	**-**	**25**	**-**	**(140)**	**(115)**
Absorption of subsidiaries	23	-	-	-	-	-	65	65
Balance as at 30/6/2020		**2,620**	**13,075**	**2,040**	**261**	**96**	**(10,588)**	**7,503**

Interim Cash Flow Statement

€ Million	Group		Bank	
	6 month period ended		6 month period ended	
	30/6/2020	30/6/2019 As Restated	30/6/2020	30/6/2019 As Restated
Cash flows from operating activities from continuing operations				
Profit/ (Loss) before tax	(215)	57	(210)	45
Adjustments to profit/ (loss) before tax:				
Add: provisions and impairment losses	670	334	657	332
Add: depreciation and amortisation charge	58	61	56	59
Add: retirement benefits and cost of voluntary exit scheme	3	19	3	19
Net gain/(losses) from financial instruments measured at FVTPL	12	-	12	-
Net gain/(losses) from financial instruments measured at FVTOCI	(1)	(2)	(1)	(2)
(Gains)/ losses from investing activities	16	15	2	3
Accrued interest from investing and financing activities	12	(18)	13	(18)
Cash flows from operating activities before changes in operating assets and liabilities	556	465	532	436
Changes in operating assets and liabilities:				
Net (increase)/ decrease in cash and balances with Central Banks	-	(297)	-	(296)
Net (increase)/ decrease in financial instruments measured at FVTPL	230	144	229	149
Net (increase)/ decrease in financial assets mandatorily measured at FVTPL	1	(5)	1	(5)
Net (increase)/ decrease in debt securities at amortised cost	(2,082)	(1,015)	(2,082)	(1,015)
Net (increase)/ decrease in amounts due from banks	(28)	(3)	(25)	(3)
Net (increase)/ decrease in loans and advances to customers	897	1,288	797	1,164
Net (increase)/ decrease in reverse repos with customers	13	9	13	9
Net (increase)/ decrease in other assets	43	135	77	128
Net increase/ (decrease) in amounts due to banks	4,287	(2,173)	4,286	(2,152)
Net increase/ (decrease) in liabilities measured at FVTPL	14	20	14	20
Net increase/ (decrease) in amounts due to customers	(1,643)	151	(1,594)	195
Net increase/ (decrease) in other liabilities	39	(21)	103	(33)
Net cash flow from operating activities before income tax payment	2,326	(1,302)	2,351	(1,403)
Income tax paid	-	-	-	-
Net cash inflow/ (outflow) from continuing operating activities	**2,325**	**(1,303)**	**2,351**	**(1,403)**
Cash flows from investing activities of continuing operations				
Purchases of property and equipment	(23)	(50)	(22)	(34)
Proceeds from disposal of property and equipment and intangible assets	15	10	1	9
Purchases of intangible assets	(6)	(8)	(6)	(8)
Proceeds from disposal of assets held for sale other than subsidiaries	20	38	20	33
Purchases of financial assets at FVTOCI	(607)	(1,135)	(596)	(1,129)
Proceeds from disposal of financial assets at FVTOCI	407	1,236	404	1,223
Acquisition of subsidiaries, net of cash and cash equivalents acquired and participation in share capital (increases)/ decreases	-	(92)	1	(3)
Proceeds from disposal of subsidiaries, net of cash and cash equivalents disposed	-	111	-	111
Establishment and participation in share capital (increases)/ decreases of associates and joint ventures	4	(3)	4	(1)
Proceeds from disposal of associates	-	1	-	1
Dividends received	2	1	2	1
Net cash inflow/ (outflow) from continuing investing activities	**(189)**	**108**	**(192)**	**203**
Cash flows from financing activities of continuing operations				
Net proceeds from issue/ (repayment) of debt securities and other borrowed funds	440	385	440	385
Lease liability payments	(18)	-	(13)	-
Net cash inflow/ (outflow) from continuing financing activities	**422**	**385**	**427**	**385**
Effect of exchange rate changes on cash and cash equivalents	(1)	4	(3)	2
Net increase/ (decrease) in cash and cash equivalents from continuing activities (A)	**2,557**	**(806)**	**2,583**	**(813)**
Net cash flows from discontinued operating activities	1	99	-	-
Net cash flows from discontinued investing activities	(1)	(348)	-	-
Net increase/ (decrease) in cash and cash equivalents from discontinued activities (B)	**-**	**(249)**	**-**	**-**
Cash and cash equivalents at the beginning of the period (C)	**3,742**	**3,351**	**3,640**	**2,954**
Cash and cash equivalents at the end of the period (A) + (B) + (C)	**6,300**	**2,297**	**6,223**	**2,141**

1 General information

Piraeus Bank S.A. (“Piraeus Bank” or the “Bank”) was established in 1916 and its shares are registered and have been listed on the Athens Stock Exchange since 1918. The Bank is a credit institution operating in the form of a Société Anonyme under the direct supervision of the European Central Bank (“ECB”) and the Bank of Greece (“BoG”), in accordance with the provisions of Greek Laws 4261/2014 and 4548/2018, as currently in force, and the applicable regulatory framework on the operation of credit institutions and listed companies. According to its codified Articles of Association, the Bank’s business scope is all banking activities recognised or to be recognised by law.

Piraeus Bank is incorporated and domiciled in Greece. The address of its registered office is 4 Amerikis str., 105 64 Athens, General commercial registry number 225501000. The duration of the Bank lapses on 6 July 2099. Piraeus Bank and its subsidiaries provide services in Southeastern and Western Europe. The Group employs, as at 30 June 2020, in total 12,326 people, of which 979 people refer to discontinued operations (IMITHEA S.A.). The Bank employs 10,603 people, respectively.

Apart from the ATHEX General Index, Piraeus Bank’s share 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, Balkan) and S&P (Global, Greece BMI).

The Board of Directors on the approval date of the Interim Financial Statements as at and for the six-month period ended 30 June 2020, 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. Kontogouri	Independent Non-Executive BoD Member
Arne S. Berggren	Independent Non-Executive BoD Member
Enrico Tommaso C. Cucchiani	Independent Non-Executive BoD Member
David R. Hexter	Independent Non-Executive BoD Member
Solomon A. Berahas	Independent Non-Executive BoD Member
Andrew D. Panzures	Independent Non-Executive BoD Member
Anne J. Weatherston	Independent Non-Executive BoD Member
Alexander Z. Blades	Non-Executive BoD Member
Periklis N. Dontas	Non-Executive BoD Member, HFSF Representative under Law 3864/2010

According to the Bank's Codified Articles of Association and the current institutional framework, the members of the Bank's Board of Directors are elected by the General Meeting of Shareholders and may be re-elected. The Members of the Board of Directors have a term of three years, which may be extended until the first Ordinary General Meeting convened after such term has elapsed. It is noted that pursuant to Greek Law 3864/2010, a representative of the Hellenic Financial Stability Fund ("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 Bank's Codified 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 Board of Directors expires on 26 June 2023.

2 Summary of significant accounting policies

2.1 Basis of preparation

The Consolidated Interim Financial Statements of the Group and the Separate Interim Financial Statements of the Bank as at and for the period ended 30 June 2020 ("the Interim Financial Statements") have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" and include selected explanatory notes, rather than all the information required for a full set of annual financial statements. Therefore, the Interim Financial Statements should be read in conjunction with the annual financial statements included in the 2019 Annual Financial Report, which have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as endorsed by the European Union (the "EU").

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

2.2 Going concern

Conclusion

Management has concluded that the Interim Financial Statements of the Group and the Bank have been appropriately prepared on a going concern basis as at 30 June 2020 taking into account:

a) the significant positive developments (fiscal discipline, GDP recovery, liquidity restoration, market access, real estate prices recovery) that have taken place in the Greek economy during the recent years and up to February 2020;

b) the prospects for a recovery of economic activity in 2021 that will recover a significant part of the lost GDP following the anticipated recession in the Greek economy in 2020 due to 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 capital adequacy of the Group deriving 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;

e) the measures taken by the European Commission, the EBA, the ECB and the 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

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

Macroeconomic environment

In the first half of 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, six successful and on-time reviews were completed from November 2018 to May 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 2019, Greece recovered its access to international debt markets with three successful new Greek Government Bond (GGB) issuances, while in the first semester of 2020 three 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 amid the Covid-19 pandemic, in April 2020 and again in June 2020, seven- and ten-year GGB’s of € 2.0 billion and € 3.0 billion value, respectively were issued, at yields of 2.0% and 1.6%.

In 2019, the real GDP increased by 1.9% on a yearly basis, while improvements in business and consumer confidence steered the revised economic sentiment indicator (ESI) to 105.4 points (annual average), the highest level since 2007. In the first quarter of 2020, real GDP decreased by 0.9% on a yearly basis, reflecting some impact of the Covid-19 pandemic as restrictive measures took effect in mid-March 2020 onwards. However, compared to the euro area average (3.2% yoy GDP reduction), the Greek economy experienced a smaller recession. Simultaneously, the ESI decreased sharply, falling to 87.6 points in June 2020 from 110.7 points in the first quarter of 2020 (on average) due to the adverse effects of the Covid-19 pandemic.

While the seasonally adjusted unemployment rate in April 2020 increased to 15.5% from 14.5% in March 2020, it was lower compared to 17.5% in April 2019. In the first six months of 2020, inflation stood at -0.5% on an annual basis.

In 2019, the tourism sector continued its positive momentum and travel receipts amounted to € 18.2 billion. Nevertheless, in January–April 2020, travel receipts decreased by 51.4% on an annual basis due to the effects of the Covid-19 pandemic. The current health crisis finds the Greek real estate market in a critical period, showing significant recovery signs in the past two years. Commercial property prices (as illustrated by the BoG office price index) increased by 4.2% on an annual basis in 2019. Residential property prices (the apartment price index of the BoG) increased by 7.3% in 2019 and by 6.9% in the first quarter of 2020.

At the end of April 2020, the Greek government submitted the Stability Program of the Hellenic Republic for 2020-2023 to the European Commission. Due to the disruption of global economic activity caused by the Covid-19 pandemic, coupled with the abrupt rise in uncertainty, the initially expected acceleration of the Greek economy in 2020 is set to reverse. Taking into account the high level of uncertainty caused by the Covid-19 pandemic, the Stability Program contains two macroeconomic scenarios after taking measures: the baseline, which points to an output recession of 4.7% and the adverse, which assumes a 7.9% recession for 2020. The successive packages of measures announced by the Greek government in response to the Covid-19 outbreak are estimated at a total value added of € 17.35 billion (10% of GDP), taking into account the leverage of loan guarantees and costs for 2020 of € 11.5 billion (6.5% of GDP). The total value of the 2020 measures is estimated at € 24 billion. This includes additional measures, such as new policies to be implemented in specific sectors of the economy (e.g. tourism, transport, etc.) and public liquidity interventions; short-term subsidies through the temporary Support to mitigate Unemployment Risks in an Emergency (SURE) Program; the issuance of loans through the European Investment Bank; and a new framework for primary residence real estate loan subsidies.

In the framework of the 21 July 2020 European Summit decisions, regarding the funds of the "Next Generation EU" instrument (NGEU) and the Multiannual Financial Framework (MFF), Greece is entitled from the NGEU grants of € 19.5 billion and loans € 12.5 billion. In addition, Greece is expected to receive around € 38 billion from the Multiannual Financial Framework 2021-2027, through actions of the common agricultural policy and the medium-term development program. Overall, in the period 2021-2027, European funds of around € 70 billion will be utilized in order to address the consequences of the pandemic and promote the development of the Greek economy.

Primary risk factors for the developments in the Greek economy, the domestic banking sector in general and for Piraeus Bank 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 as well as the velocity of the recovery will be decisive factors in determining the long-term impact of the Covid-19 pandemic to the Greek economy, the banking sector and Piraeus Bank. 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 Bank's capital adequacy (i.e. impact on the quality of its loan portfolio) and its profitability. 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 30 June 2020, Group deposits decreased to € 45.7 billion, -3.5% compared to 31 December 2019, due to the reduction of public sector deposits, as a result of the Bank's strategic decision to optimise its funding cost base.

On 12 March 2020 and 30 April 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. Piraeus Bank raised € 7.0 billion in the June 2020 TLTRO auctions and retains sufficient cash buffers, 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 € 7.0 billion as at 30 June 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 asset (HQLA) buffer. As at 30 June 2020, the Group's Liquidity Coverage Ratio (LCR) stood at 169% (thus, well above the regulatory requirement of 100%) and the net loans to deposits ratio (LDR) at 82.9%. 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 end-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 Pandemic Asset Purchase Program (PEPP) of private and public sector securities, which has an overall envelope of € 1.35 trillion until June of 2021, after the decision to expand its size and timeframe taken in 4 June 2020. 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. 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, create 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 30 June 2020 stood at 14.0%. The total regulatory capital ratio, strengthened due to the issuance of € 400 million Tier 2 notes in June 2019 and € 500 million of Tier 2 notes in February 2020, stood at 16.0%. 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). 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).

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. As a side effect, the capital adequacy ratios of European Banks are expected to be burdened in subsequent quarters by a smaller degree compared to a scenario under which this flexibility wouldn't be utilised. Thus, European Banks and Piraeus Bank in particular are expected to be facilitated to maintain capital buffers.

Please refer to Note 26 for further details on the Group's and the Bank'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 Interim Financial Statements were issued and are effective from 1 January 2020.

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 Bank have adopted the aforementioned amendments which did not have a material impact on the Interim Financial Statements.

3 Critical accounting judgements and key sources of estimation uncertainty

During the period ended 30 June 2020, the Covid-19 pandemic has impacted the Group's and the Bank'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 Bank for the period ended 30 June 2020 amounted to € 580 million (30 June 2019: € 332 million) and € 571 million (30 June 2019: € 340 million), respectively. The increase in ECL impairment losses is mainly attributable to the impact of Covid-19 pandemic, which amounted to € 274 million for the Group and the Bank 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 4.2.1 for more details on the movement of the ECL allowance of loans and advances to customers during the period ended 30 June 2020.

Except for the aforementioned effect on the ECL impairment losses on loans and advances to customers at amortised cost of € 274 million for the Group, this turmoil resulted to recognition of the followings charges in the Group's income statement for the period ended 30 June 2020: i) ECL impairment losses of € 7 million on debt securities and ii) ECL impairment losses of € 60 million on certain other financial assets. Refer to Note 8 and 9 for further details. Consequently, the total impact of Covid-19 pandemic in the Group's and the Bank's loss before income tax for the period ended 30 June 2020 amounted to € 341 million.

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 Bank operate. The business sectors mostly affected are trade, handicraft, manufacturing, transport and supply chain, hotels and food & 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. Apart from these support measures, the Bank is also actively participating to Greek aid schemes that enable the granting of guarantees and interest rate subsidies by the Greek State.

Management made various judgments to best reflect the range of ECL outcomes at the reporting date. Similar to 31 December 2019, the Group and the Bank formed three internally generated macroeconomic scenarios, however applied different probability-weighted shocks to annual GDP and other economic variables, in order to address the significant uncertainty over the path of the Covid-19 pandemic, the range and duration of its economic impact. For more information on the macroeconomic scenarios and probability weights assumed, refer to Note 3.1.

The Group and the Bank did not apply any material adjustment on the model-based staging outcome. The Group's and the Bank'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, which effectively captures expected changes in credit quality without being extremely sensitive to short-term shocks, enabled the use of the Group's and the Bank's staging models with the minimum level of overlays. Considering that, the stage allocation process reflects the effect of government and Bank programmes to support borrowers with business models that are expected to be sustainable in the longer term and recover after the Covid-19 pandemic.

As a result, in preparing the Interim Financial Statements, the significant accounting estimates and judgements made by Management in applying the Group's and the Bank's accounting policies and the key sources of estimation uncertainty, were similar to those applied to the annual financial statements as of the year ended 31 December 2019, except for those presented below.

3.1 Key sources of estimation uncertainty

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

As at 30 June 2020, the three aforementioned scenarios and related macroeconomic factors for the loan assessment process were reviewed in light of the economic conditions prevailing at the end of the reporting period. As a consequence of the exceptional circumstances and prevailing significant uncertainties at the reporting date, the weight allocation between the three scenarios was shifted significantly. 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.

Estimation of credit risk parameters on collective ECL assessment: The expected Real GDP growth rate over the next years, was revised downwards, given that the expected outcome in 2020 will be significantly affected by the recession caused by the Covid-19 pandemic. Although the labor market progressively improved in the recent years, as employment has followed a steady growth path and unemployment continuously dropped, Management's estimates in regards with unemployment rates for the following years were revised upwards. Despite the fact that actual data for 2018-2019 show a faster than expected recovery in the real estate market, both residential and non-residential price indices follow a lower upward path, affected also by the Covid-19 pandemic recession.

The table below presents the annual average 2020-2023 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 30 June 2020.

ECL Key drivers Scenario - 4 year average	30/6/2020 %	31/12/2019 %
GDP growth		
Optimistic	3.9	4.5
Base	1.9	2.5
Pessimistic	(0.1)	0.6
Unemployment rates		
Optimistic	11.7	11.3
Base	15.4	13.2
Pessimistic	18.5	15.1
Price index (Residential)		
Optimistic	7.1	8.9
Base	4.9	7.0
Pessimistic	2.6	5.1
Price index (Non residential)		
Optimistic	5.7	6.2
Base	3.2	4.2
Pessimistic	0.6	2.3

The Group's and the Bank's forecasts of the aforementioned economic variables across each scenario for 2020 and 2021, as at 30 June 2020 are the following:

ECL Key drivers Scenario	2020 Optimistic	2020 Base	2020 Pessimistic	2021 Optimistic	2021 Base	2021 Pessimistic
GDP growth	(6.0)	(8.0)	(10.0)	9.0	7.0	5.0
Unemployment rates	20.8	22.1	23.5	14.0	16.7	19.4
Price index (Residential)	2.1	0.8	(0.5)	7.2	5.1	2.9
Price index (Non residential)	(2.2)	(3.9)	(5.6)	6.6	4.1	1.6

Fair valuation of real estate properties: The real estate market is less liquid in nature compared to other markets, hence changes in external factors affect the said market gradually and with a time lag compared to the change itself. Taking into account: a) the unknown future impact that Covid-19 might have on the real estate market, as the pandemic is still evolving; b) the difficulty in differentiating between short term impacts and long-term structural changes; and c) the shortage of market evidence for comparison purposes, the carrying amount of the real estate properties has not been adjusted for the impact of Covid-19, if any, as of 30 June 2020.

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, thus Management closely monitors the developments and assesses periodically the impact that these might have on its operations and financial performance of the Group.

4 Financial Risk Management

4.1 Fair values of financial instruments

4.1.1 Financial instruments not measured at fair value

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

Group	Carrying Amount		Fair Value	
Assets	30/6/2020	31/12/2019	30/6/2020	31/12/2019
Loans and advances to customers at amortised cost	37,792	39,162	36,821	38,893
Debt securities at amortised cost	3,193	1,121	3,378	1,191

Group	Carrying Amount		Fair Value	
Liabilities	30/6/2020	31/12/2019	30/6/2020	31/12/2019
Debt securities in issue	471	481	469	494
Other borrowed funds	898	414	677	425

Bank	Carrying Amount		Fair Value	
Assets	**30/6/2020**	**31/12/2019**	**30/6/2020**	**31/12/2019**
Loans and advances to customers at amortised cost	38,536	39,801	37,518	39,611
Debt securities at amortised cost	3,193	1,121	3,378	1,191

Bank	Carrying Amount		Fair Value	
Liabilities	**30/6/2020**	**31/12/2019**	**30/6/2020**	**31/12/2019**
Debt securities in issue	471	481	469	494
Other borrowed funds	896	412	675	423

The following methods and assumptions were used to estimate the fair values of the aforementioned financial instruments as at 30 June 2020 and 31 December 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.

4.1.2 Financial instruments 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 techniques, 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 market (i.e. futures and listed 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 table presents the fair value of the financial assets and liabilities measured at fair value on a recurring basis, by fair value hierarchy level, as at 30 June 2020 and 31 December 2019:

Group	30/6/2020				31/12/2019			
Fair value hierarchy	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Derivative financial instruments	-	518	-	518	-	479	-	479
Financial assets at FVTPL	419	25	-	445	647	16	-	663
Financial assets mandatorily at FVTPL	71	-	51	122	78	-	53	131
Loans and advances to customers mandatorily at FVTPL	-	-	50	50	-	-	51	51
Financial assets at FVTOCI	1,535	248	92	1,875	1,426	129	92	1,647
Liabilities								
Derivative financial instruments	-	541	-	541	-	482	-	482
Financial liabilities at FVTPL	14	-	-	14	-	-	-	-

Bank	30/6/2020				31/12/2019			
Fair value hierarchy	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Derivative financial instruments	-	518	-	518	-	479	-	479
Financial assets at FVTPL	411	25	-	436	637	16	-	654
Financial assets mandatorily at FVTPL	71	-	51	122	78	-	53	131
Loans and advances to customers mandatorily at FVTPL	-	-	50	50	-	-	51	51
Financial assets at FVTOCI	1,524	248	92	1,865	1,425	129	92	1,646
Liabilities								
Derivative financial instruments	-	541	-	541	-	482	-	482
Financial liabilities at FVTPL	14	-	-	14	-	-	-	-

Transfers between Level 1 and Level 2

Within the period ended 30 June 2020 € 86 million of Greek Sovereign and Corporate bonds were transferred from Level 1 to Level 2 due to change on their trading activity. Accordingly, € 7 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 period ended 30 June 2020 and the year ended 31 December 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, valued using an income approach expected cash flow (expected present value) technique incorporating unobservable inputs.

b) Bonds mandatorily 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 30 June 2020 and the year ended 31 December 2019, there were no transfers into or out of Level 3. The following table presents a reconciliation of all Level 3 fair value measurements for the period ended 30 June 2020 and the year ended 31 December 2019:

Group

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**	**81**	**6**	**-**
Gain/ (loss) recognized in the income statement	(11)	(3)	2	(6)	-
Gain/(loss) recognized in OCI	-	-	8	-	-
Purchases	13	-	5	-	-
Transferred to Held for sale	-	(11)	-	-	-
Disposals/ Settlements	(1)	(19)	(5)	-	-
Closing Balance as at 31/12/2019	**53**	**51**	**92**	**-**	**-**
Gain/ (loss) recognized in the income statement	(1)	-	-	-	-
Gain/(loss) recognized in OCI	-	-	-	-	-
Purchases	-	-	-	-	-
Disposals/ Settlements	-	(1)	-	-	-
Closing Balance as at 30/6/2020	**51**	**50**	**92**	**-**	**-**

Bank

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	-	-
Transferred to Held for sale	-	(11)	-	-	-
Disposals/ Settlements	(1)	(19)	-	-	-
Closing Balance as at 31/12/2019	**53**	**51**	**92**	**-**	**-**
Gain/ (loss) recognized in the income statement	(1)	-	-	-	-
Gain/(loss) recognized in OCI	-	-	-	-	-
Purchases	-	-	-	-	-
Disposals/ Settlements	-	(1)	-	-	-
Closing Balance as at 30/6/2020	**51**	**50**	**92**	**-**	**-**

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 30 June 2020 and 31 December 2019

Financial instruments	Fair Value	Fair Value	Valuation Technique	Significant Unobservable Input	Range of Inputs		Range of Inputs	
	2020	2019			2020		2019	
					Low	High	Low	High
Financial assets mandatorily at FVTPL - Bonds	1	2	Discounted cash flows	CET1 % Volatility Discount rate	n/a[2] n/a[2]	n/a[2] n/a[2]	12% 12%	30% 16%
Financial assets mandatorily at FVTPL - Contingent consideration asset	12	13	Monte Carlo simulation	Revenue volatility Discount rate Expected EBITDA	15% 14% n/a[2]	15% 14% n/a[2]	15% 14% n/a[2]	15% 14% n/a[2]
Financial assets mandatorily at FVTPL and FVTOCI – equity securities, funds	130	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.

Discontinued operations

As at 30 June 2020 and 31 December 2019, the Group's discontinued operations do not include any financial instruments measured at fair value on a recurring basis.

4.2 Credit Risk Management

4.2.1 Loans and advances to customers at amortised cost

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

For the purposes of this disclosure, gross carrying amount is defined as the amortised cost, before adjusting for any loss allowance, grossed up with the PPA adjustment. Similarly, the ECL allowance for impairment losses presented in the following tables includes the PPA adjustment. As such, the gross carrying amount and ECL allowance for impairment losses presented below does not reconcile to Note 13.

Loans and advances to customers at amortised cost are summarised as follows:

Group	30/6/2020				
	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	5,315	2,280	3,531	2,543	13,669
Less: ECL Allowance for impairment losses	(3)	(41)	(973)	(745)	(1,761)
Total Mortgages	**5,313**	**2,240**	**2,558**	**1,798**	**11,908**
Consumer, Personal and Other loans					
Gross carrying amount	899	450	1,090	892	3,331
Less: ECL Allowance for impairment losses	(28)	(65)	(695)	(561)	(1,349)
Total Consumer, Personal and Other loans	**870**	**385**	**395**	**330**	**1,982**
Credit Cards					
Gross carrying amount	393	158	174	91	817
Less: ECL Allowance for impairment losses	(3)	(15)	(152)	(82)	(251)
Total Credit Cards	**391**	**143**	**22**	**10**	**566**
Retail Lending					
Gross carrying amount	6,607	2,889	4,795	3,526	17,817
Less: ECL Allowance for impairment losses	(33)	(120)	(1,819)	(1,388)	(3,361)
Total Retail Lending	**6,574**	**2,768**	**2,976**	**2,138**	**14,456**
Loans to Large Corporate					
Gross carrying amount	7,702	1,096	3,763	465	13,026
Less: ECL Allowance for impairment losses	(48)	(58)	(1,395)	(199)	(1,700)
Total Loans to Large Corporate	**7,654**	**1,038**	**2,369**	**266**	**11,327**
Loans to SMEs					
Gross carrying amount	4,091	1,722	8,402	3,011	17,226
Less: ECL Allowance for impairment losses	(25)	(133)	(3,682)	(1,608)	(5,448)
Total Loans to SMEs	**4,066**	**1,588**	**4,720**	**1,404**	**11,778**
Loans to Public Sector					
Gross carrying amount	207	16	11	3	237
Less: ECL Allowance for impairment losses	(1)	-	(4)	-	(6)
Total Loans to Public Sector	**206**	**15**	**7**	**2**	**231**
Corporate and Public Sector Lending					
Gross carrying amount	12,000	2,834	12,176	3,479	30,489
Less: ECL Allowance for impairment losses	(74)	(192)	(5,081)	(1,807)	(7,153)
Total Corporate and Public Sector Lending	**11,926**	**2,642**	**7,096**	**1,672**	**23,336**
Loans and advances to customers at amortised cost					
Gross carrying amount	18,608	5,722	16,971	7,005	48,306
Less: ECL Allowance for impairment losses	(107)	(312)	(6,900)	(3,194)	(10,514)
Total Loans and advances to customers at amortised cost	**18,500**	**5,410**	**10,071**	**3,810**	**37,792**

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**

Bank	30/6/2020				
	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	5,315	2,280	3,530	2,543	13,668
Less: ECL Allowance for impairment losses	(3)	(41)	(972)	(745)	(1,760)
Total Mortgages	**5,312**	**2,240**	**2,558**	**1,798**	**11,908**
Consumer, Personal and Other loans					
Gross carrying amount	893	450	1,090	892	3,325
Less: ECL Allowance for impairment losses	(28)	(65)	(694)	(561)	(1,349)
Total Consumer, Personal and Other loans	**864**	**385**	**395**	**330**	**1,976**
Credit Cards					
Gross carrying amount	393	158	174	91	817
Less: ECL Allowance for impairment losses	(3)	(15)	(152)	(82)	(251)
Total Credit Cards	**391**	**143**	**22**	**10**	**566**
Retail Lending					
Gross carrying amount	6,601	2,889	4,794	3,526	17,809
Less: ECL Allowance for impairment losses	(33)	(120)	(1,818)	(1,388)	(3,360)
Total Retail Lending	**6,568**	**2,768**	**2,976**	**2,138**	**14,450**
Loans to Large Corporate					
Gross carrying amount	9,384	1,090	4,133	449	15,057
Less: ECL Allowance for impairment losses	(47)	(56)	(1,653)	(191)	(1,947)
Total Loans to Large Corporate	**9,337**	**1,034**	**2,480**	**258**	**13,110**
Loans to SMEs					
Gross carrying amount	3,698	1,421	7,813	2,848	15,780
Less: ECL Allowance for impairment losses	(22)	(127)	(3,379)	(1,503)	(5,030)
Total Loans to SMEs	**3,676**	**1,294**	**4,434**	**1,346**	**10,751**
Loans to Public Sector					
Gross carrying amount	203	15	11	3	232
Less: ECL Allowance for impairment losses	(1)	-	(4)	-	(5)
Total Loans to Public Sector	**202**	**15**	**7**	**2**	**226**
Corporate and Public Sector Lending					
Gross carrying amount	13,286	2,526	11,957	3,300	31,069
Less: ECL Allowance for impairment losses	(70)	(183)	(5,035)	(1,694)	(6,982)
Total Corporate and Public Sector Lending	**13,216**	**2,343**	**6,922**	**1,606**	**24,087**
Loans and advances to customers at amortised cost					
Gross carrying amount	19,887	5,415	16,751	6,826	48,878
Less: ECL Allowance for impairment losses	(103)	(304)	(6,853)	(3,082)	(10,342)
Total Loans and advances to customers at amortised cost	**19,783**	**5,112**	**9,897**	**3,744**	**38,536**

Bank	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**

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

Movement in ECL allowance	Group				
	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 1/1/2020	**117**	**238**	**7,303**	**3,328**	**10,986**
Transfers between stages (net)	24	50	(74)	-	-
ECL impairment charge/ (release) for the period (P&L)	(13)	41	412	141	**580**
Change in the present value of the allowance	-	1	179	107	**287**
Write-off of interest recognised from change in the present value of the allowance	-	(2)	(262)	(122)	**(386)**
Write-offs	(1)	(1)	(500)	(234)	**(736)**
FX differences and other movements	(20)	(16)	(158)	(25)	**(218)**
ECL allowance as at 30/6/2020	**107**	**312**	**6,900**	**3,194**	**10,514**

Movement in ECL allowance	Group				
	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 1/1/2019	**154**	**367**	**8,743**	**4,069**	**13,333**
Transfer (to)/ from Held for Sale	-	(2)	27	-	**25**
Transfers between stages (net)	43	22	(65)	-	-
ECL impairment charge/ (release) for the period (P&L)	(31)	11	330	23	**332**
Change in the present value of the allowance	-	1	198	126	**326**
Write-off of interest recognised from change in the present value of the allowance	-	(2)	(271)	(143)	**(416)**
Write-offs	(1)	(7)	(596)	(207)	**(810)**
FX differences and other movements	(33)	(43)	(94)	(39)	**(209)**
ECL allowance as at 30/6/2019	**132**	**347**	**8,273**	**3,829**	**12,581**

Movement in ECL allowance	Bank				
	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 1/1/2020	**109**	**233**	**7,245**	**3,207**	**10,794**
Transfers between stages (net)	26	47	(74)	-	-
ECL impairment charge/ (release) for the period (P&L)	(13)	40	406	138	**571**
Change in the present value of the allowance	-	1	175	104	**279**
Write-off of interest recognised from change in the present value of the allowance	-	(1)	(255)	(119)	**(375)**
Write-offs	(1)	(1)	(491)	(224)	**(716)**
FX differences and other movements	(19)	(16)	(153)	(25)	**(212)**
ECL allowance as at 30/6/2020	**103**	**304**	**6,853**	**3,082**	**10,342**

Movement in ECL allowance	Bank				
	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 1/1/2019	**215**	**348**	**8,294**	**3,928**	**12,785**
Transfer (to)/ from Held for Sale	-	(2)	27	-	**25**
Transfers between stages (net)	43	19	(62)	-	**-**
ECL impairment charge/ (release) for the period (P&L)	(33)	20	333	21	**340**
Change in the present value of the allowance	-	1	191	123	**315**
Write-off of interest recognised from change in the present value of the allowance	-	(2)	(262)	(139)	**(403)**
Write-offs	(1)	(7)	(574)	(189)	**(771)**
FX differences and other movements	(33)	(43)	(95)	(39)	**(210)**
ECL allowance as at 30/6/2019	**191**	**334**	**7,853**	**3,704**	**12,081**

As described in Note 3, the impact of the Covid-19 pandemic on the ECL allowance of the Group and the Bank as at 30 June 2020, was € 274 million.

The gross modification loss recognized by the Group and the Bank during the period ended 30 June 2020 was € 77 million and € 74 million, respectively. The said loss represents the changes in the gross carrying amount (before impairment allowance) of the loans from immediately before, to immediately after modification. The impact of modification on the ECL allowances associated with these loans was a release of ECL allowances of € 70 million and € 68 million for the Group and the Bank, respectively. The net impact on the income statement for the period ended 30 June 2020 was, therefore, € 7 million and € 6 million, respectively. The gross carrying amount (before modification) of the loans whose cash flows were modified during the period ended 30 June 2020 amounted to € 6,347 million for the Group (31 December 2019: € 2,531 million) and € 6,263 million for the Bank (31 December 2019: € 2,612 million), affected mainly by Covid-19 pandemic. The gross carrying amount as at 30 June 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 & Stage 2) and for which their respective ECL allowance as at 30 June 2020 is measured at an amount equal to 12-month ECL (Stage 1), is € 338 million (31 December 2019: € 704 million).

4.2.2 Other receivables from the Greek Public Sector

As at 30 June 2020 and 31 December 2019, the carrying amount of the Group's and the Bank's receivables from the Greek Public Sector is as follows:

	Group		Bank	
	30/6/2020	31/12/2019	30/6/2020	31/12/2019
Derivative financial instruments	431	398	431	398
Bonds and treasury bills at FVTPL	391	650	391	650
Loans and advances to Public sector at amortised cost	231	1,749	226	1,744
Debt securities at amortised cost	2,014	-	2,014	-
Bonds, treasury bills and other variable income securities at FVTOCI	1,292	1,263	1,292	1,263
Other assets	542	547	535	535
Total	**4,902**	**4,607**	**4,890**	**4,590**

The movement in "Loans and advances to Public Sector at amortised cost" of € 1.5 billion for the Group and the Bank is mainly due to the repayment of funding provided to OPEKEPE, a public sector organisation, aiming to the prompt distribution of European Union subsidies to Greek farmers.

In addition, as further explained in Note 14, the Bank purchased, during the six-month period ended 30 June 2020, Greek government bonds of nominal value of € 1,737 million.

5 Business segments

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 ("NPEMU"), 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 NPEMU.

The comparative segment information as at and for the period ended 30 June 2019 has been restated to reflect the revised segmentation.

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 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.

NPEMU – 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 - 30/6/2020	"Core" Segments					NPE MU	Group
	Retail Banking	Corporate Banking	PFM	Other	Total		
Net interest income	228	223	69	19	539	188	727
Net fee and commission income	86	57	3	-	145	6	151
Net gain/ (loss) from derecognition of financial instruments measured at amortised cost	-	(2)	-	-	(2)	11	10
Net other income/ (expenses)	3	2	9	16	30	4	34
Total Net Income	**317**	**280**	**81**	**35**	**713**	**209**	**922**
Total operating expenses before provisions	(222)	(68)	(15)	(85)	(390)	(61)	(452)
Profit/ (loss) before provisions, impairment and income tax	**95**	**212**	**66**	**(50)**	**323**	**147**	**470**
ECL impairment losses on loans and advances to customers at amortised cost	(59)	(53)	-	-	(111)	(469)	(580)
Impairment (losses) / releases on other assets	-	-	-	(72)	(72)	-	(72)
ECL impairment (losses) / releases on financial assets at FVTOCI	-	-	(4)	-	(4)	-	(4)
Impairment on subsidiaries and associates	-	-	-	-	-	-	-
Impairment of property and equipment and intangible assets	-	-	-	(2)	(2)	-	(2)
Other impairment (losses) / releases	-	-	(11)	-	(11)	-	(11)
Other provision charges/ releases	-	-	-	(2)	(1)	-	(1)
Share of profit/ (loss) of associates and joint ventures	-	-	-	(16)	(16)	-	(16)
Profit/ (loss) before income tax	**36**	**160**	**51**	**(141)**	**106**	**(321)**	**(215)**
Income tax benefit/ (expense)							70
Profit/ (loss) for the period from continuing operations							**(145)**
Profit/ (loss) after income tax from discontinued operations	-	-	-	(5)	(5)	-	(5)
Profit/ (loss) for the period							**(150)**
As at 30/6/2020							
Total assets from continuing operations (excluding assets held for sale)	9,938	14,138	12,245	13,766	50,086	13,997	64,083
Total assets from discontinued operations	-	-	-	105	105	-	105
Assets held for sale	-	-	-	-	1	194	194
Total assets	9,938	14,138	12,245	13,871	50,192	14,191	64,382
Total liabilities	35,195	8,270	10,110	2,824	56,399	336	56,735

1/1 - 30/6/2019 as restated	"Core" Segments					NPE MU	Group
	Retail Banking	Corporate Banking	PFM	Other	Total		
Net interest income	279	207	52	3	541	178	**719**
Net fee and commission income	81	55	2	1	139	7	**146**
Net gain/ (loss) from derecognition of financial instruments measured at amortised cost	-	-	-	-	-	(6)	**(7)**
Net other income/ (expenses)	3	2	12	13	30	5	**35**
Total Net Income	**363**	**264**	**66**	**18**	**710**	**183**	**893**
Total operating expenses before provisions	(224)	(71)	(12)	(105)	(412)	(80)	**(492)**
Profit/ (loss) before provisions, impairment and income tax	**139**	**192**	**54**	**(88)**	**298**	**103**	**402**
ECL Impairment losses on loans and advances to customers at amortised cost	(6)	(14)	(1)	(7)	(28)	(305)	**(332)**
Impairment (losses) / releases on other assets	-	-	-	(4)	(4)	(1)	**(5)**
ECL impairment (losses) / releases on financial assets at FVTOCI	-	-	10	-	10	-	**10**
Impairment on subsidiaries and associates	-	-	-	-	-	-	**-**
Impairment of property and equipment and intangible assets	-	-	-	(5)	(5)	-	**(5)**
Other impairment (losses) / releases	-	-	(1)	-	(1)	-	**(1)**
Other provision charges/ releases	-	4	-	(5)	(1)	1	**-**
Share of profit/ (loss) of associates and joint ventures	-	-	-	(11)	(11)	-	**(11)**
Profit/ (loss) before income tax	**133**	**182**	**62**	**(120)**	**258**	**(201)**	**57**
Income tax benefit/ (expense)							(25)
Profit/ (loss) for the period from continuing operations							**32**
Profit/ (loss) after income tax from discontinued operations	-	-	-	7	7	-	**7**
Profit/ (loss) for the period							**38**
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.

6 Net fee and commission income

Continuing operations	Group		Bank	
	1/1 - 30/6/2020	1/1 - 30/6/2019	1/1 - 30/6/2020	1/1 - 30/6/2019
Fee and commission income				
Commercial banking	172	175	148	153
Investment banking	12	8	5	4
Asset management	9	6	6	4
Total fee and commission income	**193**	**188**	**159**	**161**
Fee and commission expense				
Commercial banking	(39)	(40)	(36)	(36)
Investment banking	(3)	(2)	-	-
Asset management	-	-	-	-
Total fee and commission expense	**(42)**	**(42)**	**(36)**	**(36)**
Net fee and commission income	**151**	**146**	**123**	**125**

The tables below present commission income from contracts with customers of the Group and the Bank, for the periods ended 30 June 2020 and 2019, respectively, per product type and per business segments before deducting any associated expenses.

Intersegmental reclassifications have been applied to the comparative period figures due to allocation methodology/process updates. For further information, refer to Note 5.

a. Fee and commission income

The Group and the Bank 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 income and cash flows are affected by financial factors.

Group	1/1 - 30/6/2020					
Fee and Commission income	**Retail Banking**	**Corporate Banking**	**Piraeus Financial Markets**	**Other**	**NPE MU**	**Total**
Acquiring	18	9	-	-	1	**28**
Asset management/Brokerage	13	1	3	2	-	**18**
Bancassurance	15	2	-	2	1	**20**
Cards Issuance	16	2	-	1	1	**20**
Deposits Commissions	3	1	-	-	-	**4**
Funds Transfer	18	5	-	-	1	**24**
Letters of Guarantee	1	13	1	-	1	**16**
Loans and advances to customers	4	22	-	1	1	**28**
Payments	10	2	-	-	-	**12**
FX fees	8	1	-	-	-	**9**
Other	7	5	-	2	-	**14**
Total	**113**	**63**	**4**	**7**	**6**	**193**

Bank	1/1 - 30/6/2020					
Fee and Commission income	**Retail Banking**	**Corporate Banking**	**Piraeus Financial Markets**	**Other**	**NPE MU**	**Total**
Acquiring	18	9	-	-	1	**28**
Asset management/Brokerage	6	-	2	-	-	**8**
Bancassurance	-	-	-	-	-	**-**
Cards Issuance	16	2	-	-	2	**20**
Deposits Commissions	3	1	-	-	-	**4**
Funds Transfer	18	5	-	-	1	**24**
Letters of Guarantee	1	13	1	-	1	**16**
Loans and advances to customers	4	20	-	1	-	**25**
Payments	10	2	-	-	-	**12**
FX fees	8	1	-	-	-	**9**
Other	7	5	-	-	-	**12**
Total	**91**	**59**	**3**	**1**	**5**	**159**

Group	1/1 - 30/6/2019 As restated					
Fee and Commission income	**Retail Banking**	**Corporate Banking**	**Piraeus Financial Markets**	**Other**	**NPE MU**	**Total**
Acquiring	17	10	-	-	1	28
Asset management/Brokerage	9	-	2	-	-	11
Bancassurance	12	2	-	3	1	18
Cards Issuance	18	2	-	1	1	22
Deposits Commissions	3	1	-	-	-	4
Funds Transfer	18	6	-	-	1	25
Letters of Guarantee	1	14	-	1	2	17
Loans and advances to customers	4	22	-	1	1	28
Payments	9	2	1	-	-	12
FX fees	9	2	-	-	-	11
Other	7	2	-	3	-	11
Total	**106**	**62**	**3**	**9**	**8**	**188**

Bank	1/1 - 30/6/2019 As restated					
Fee and Commission income	**Retail Banking**	**Corporate Banking**	**Piraeus Financial Markets**	**Other**	**NPE MU**	**Total**
Acquiring	17	10	-	-	1	**28**
Asset management/Brokerage	4	-	2	-	-	**6**
Bancassurance	-	-	-	-	-	**-**
Cards Issuance	18	2	-	1	1	**22**
Deposits Commissions	3	1	-	-	-	**4**
Funds Transfer	18	6	-	-	1	**25**
Letters of Guarantee	1	13	-	1	2	**17**
Loans and advances to customers	3	21	-	2	1	**27**
Payments	9	2	1	-	-	**12**
FX fees	9	2	-	-	-	**11**
Other	7	2	-	-	-	**9**
Total	**89**	**58**	**3**	**4**	**6**	**161**

b. Other income

The tables below present other income from contracts with customers of the Group and the Bank, for the periods ended 30 June 2020 and 2019, respectively, which fall within the scope of IFRS 15.

Group	1/1 - 30/6/2020				
Other Income	**Retail Banking**	**Corporate Banking**	**Other**	**NPE MU**	**Total**
Other operating income	-	-	15	3	18
Gain from sale of investment property	-	-	2	-	2
Gain from sale of other assets	-	-	1	-	1
Total	**-**	**-**	**18**	**3**	**21**

Bank	1/1 - 30/6/2020				
Other Income	**Retail Banking**	**Corporate Banking**	**Other**	**NPE MU**	**Total**
Other operating income	-	-	5	3	8
Gain from sale of other assets	-	-	1	-	1
Total	**-**	**-**	**6**	**3**	**9**

Group	1/1 - 30/6/2019 As restated				
Other Income	**Retail Banking**	**Corporate Banking**	**Other**	**NPE MU**	**Total**
Other operating income	-	-	14	-	14
Gain from sale of other assets	-	-	5	-	5
Total	**-**	**-**	**19**	**-**	**19**

Bank	1/1 - 30/6/2019 As restated				
Other Income	**Retail Banking**	**Corporate Banking**	**Other**	**NPE MU**	**Total**
Other operating income	-	-	3	-	3
Gain from sale of other assets	-	-	4	-	4
Total	**-**	**-**	**7**	**-**	**7**

7 Discontinued operations

The Group's discontinued operations as at 30 June 2020 and 31 December 2019 comprise solely of IMITHEA S.A. The profit or loss from discontinued operations for the period ended 30 June 2020 comprises of IMITHEA S.A., while the profit or loss from discontinued operations for the period ended 30 June 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 Bank's subsidiary that owns and operates Henry Dunant Hospital Center, has been classified as a discontinued operation and non-current asset held for sale in the Consolidated and Separate Financial Statements of the Group and the Bank, respectively. The Bank 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 Bank's subsidiary Piraeus Bank Bulgaria A.D. ("PBB") was classified as a discontinued operation and non-current asset held for sale in the Consolidated and Separate Financial Statements of the Group and the Bank, respectively. 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 Bank's subsidiary Tirana Bank Sh.A ("PB Albania"), was classified as a discontinued operation and non-current asset held for sale in the Consolidated and Separate Financial Statements of the Group and the Bank, respectively. 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 - 30/6/2020	1/1 - 30/6/2019
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	-	9
Net other income/ (expenses)	16	16
TOTAL NET INCOME	**16**	**51**
Staff costs	(14)	(22)
Administrative expenses	(5)	(14)
Depreciation and amortisation	(2)	(5)
TOTAL OPERATING EXPENSES BEFORE PROVISIONS	**(21)**	**(41)**
PROFIT BEFORE PROVISIONS, IMPAIRMENT AND INCOME TAX	**(5)**	**11**
Provisions and Impairment Losses	-	(4)
PROFIT/ (LOSS) BEFORE INCOME TAX	**(5)**	**7**
Income tax benefit/ (expense)	-	-
PROFIT/ (LOSS) AFTER INCOME TAX FROM DISCONTINUED OPERATIONS	**(5)**	**7**

B) Assets and liabilities from discontinued operations

	30/6/2020	31/12/2019
ASSETS		
Property and equipment	81	81
Deferred tax assets	11	11
Other assets	12	15
Total Assets	**104**	**107**

	30/6/2020	31/12/2019
LIABILITIES		
Retirement benefit obligations	5	5
Provisions	3	3
Other liabilities	14	11
Total Liabilities	**22**	**19**

8 Net gain/ (losses) from financial instruments measured at fair value through profit or loss ("FVTPL")

The Group's and the Bank's net gain amounting to € 9 million and € 11 million, respectively in the period ended 30 June 2020, compared to a net gain of € 13 million and € 14 million, respectively for the comparative period, mainly consists of the following net realized and unrealized gains/(losses), per financial instrument class:

- Gain of € 22 million on debt securities and Treasury bills for both the Group and the Bank (30 June 2019: gain of € 10 million for both the Group and the Bank)
- Loss of € 6 million and € 5 million for the Group and the Bank, respectively on mutual funds and shares (30 June 2019: gain of € 8 million and € 7 million for the Group and the Bank, respectively)
- Loss of € 8 million and € 9 million for the Group and the Bank, respectively on derivatives (30 June 2019: loss of € 9 million and € 8 million for the Group and the Bank, respectively)

In Q2 2020 the realized and unrealized gains/ (losses) from financial instruments measured at FVTPL fully offseted Q1 2020 net loss amounted to € 32 million, negatively affected by Covid-19 outbreak.

9 Other impairment (losses)/releases on other assets

In the period ended 30 June 2020, the Group and the Bank recognised an impairment charge of € 72 million for the Group and € 67 for the Bank, mainly related to certain financial assets classified within other assets. The outbreak of the Covid-19 pandemic adversely affected the value of the collaterals held by the Group and the Bank against those financial assets and as a result, Management reassessed their recoverability during the reporting period.

10 Income tax benefit / (expense)

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, the nominal corporate income tax rate of the Bank for 2020 and 2019 is 29%. Effective from 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%, provided that for those tax years they are subject to the specific provisions of art. 27A of Greek Tax Law regarding deferred taxation.

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%.

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%).

The income tax benefit/(expense) recognised in the Income Statement is analysed in the table below:

	Group		Bank	
	1/1 - 30/6/2020	1/1 - 30/6/2019	1/1 - 30/6/2020	1/1 - 30/6/2019
Current tax expense	(1)	(5)	(1)	-
Deferred tax benefit / (expense)	71	(20)	71	(15)
Total	**70**	**(25)**	**70**	**(15)**

Deferred tax in the Income Statement is attributable to temporary differences, between tax and accounting base, the effect of which is analysed as follows:

	Group		Bank	
	1/1 - 30/6/2020	1/1 - 30/6/2019	1/1 - 30/6/2020	1/1 - 30/6/2019
Pensions and other post retirement benefits	(1)	(18)	(1)	(18)
Loans and advances to customers	30	248	29	249
Other provisions	-	(3)	-	-
Securities valuation adjustment	-	(1)	-	-
Derivative financial instruments valuation adjustment	6	1	6	1
Investment property fair value adjustment	-	1	-	-
Depreciation and amortisation	(1)	(8)	(1)	(6)
Recognition of tax losses carried forward	-	(144)	-	(144)
Impairment of Greek government bonds (PSI related)	(28)	(28)	(28)	(28)
Equity participations	27	(73)	27	(73)
Other temporary differences	38	4	38	4
Total	**71**	**(20)**	**71**	**(15)**

As at 30 June 2020, the deferred tax assets of the Group and the Bank that meets the provisions of Law 4172/2013 i.e. is eligible for Deferred Tax Credit (DTC), amounted to € 3.8 billion (31 December 2019: € 3.9 billion), of which € 1.2 billion relates to unamortised PSI losses (31 December 2019: € 1.2 billion) and € 2.6 billion relates to temporary differences between the IFRS carrying amount and tax base of loans and advances to customers (31 December 2019: € 2.7 billion).

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 Bank for the period ended 30 June 2020 is € 3 million and has been recognized within line item “Net other income/ (expenses)" of the Interim 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.

As at 30 June 2020 the Group and the Bank have not recognized a deferred tax asset on tax losses carried forward amounting to € 254 million and € 108 million respectively (31 December 2019: € 210 million and € 71 respectively).

11 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 Bank by the weighted average number of ordinary shares in issue during the period, 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 proceeded with the issuance of Contingent Convertible Securities ("CoCos") amounting to € 2,040 million, which was exclusively subscribed by the HFSF.

	1/1 - 30/6/2020	1/1 - 30/6/2019	1/4 - 30/6/2020	1/4 - 30/6/2019
Profit/(loss) for the period attributable to ordinary shareholders of the parent entity from continuing operations	(144)	34	85	20
Profit/(loss) for the period attributable to ordinary shareholders of the parent entity from discontinued operations	(5)	7	(2)	1
Profit/(loss) for the period attributable to ordinary shareholders of the parent entity from continuing and discontinued operations	**(149)**	**41**	**83**	**22**
Weighted average number of ordinary shares in issue (Basic earnings/losses)	436,510,279	436,395,935	436,437,654	436,449,311
Potential dilutive ordinary shares from CoCos	-	394,400,000	394,400,000	394,400,000
Weighted average number of ordinary shares in issue (Diluted earnings/losses)	**436,510,279**	**830,795,935**	**830,837,654**	**830,849,311**
Basic earnings/(losses) per share in € from continuing operations	(0.33)	0.08	0.19	0.05
Diluted earnings/(losses) per share in € from continuing operations	(0.33)	0.04	0.10	0.02
Basic earnings/(losses) per share in € from discontinued operations	(0.01)	0.02	(0.01)	0.00
Diluted earnings/(losses) per share in € from discontinued operations	(0.01)	0.01	(0.00)	0.00
Basic earnings/(losses) per share in € from continuing and discontinued operations	**(0.34)**	**0.10**	**0.18**	**0.05**
Diluted earnings/(losses) per share in € from continuing and discontinued operations	**(0.34)**	**0.05**	**0.10**	**0.02**

The effect of the Cocos in the EPS calculation for the current period is antidilutive, hence the weighted average number of ordinary shares outstanding for diluted EPS for the current period has not been adjusted.

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

Group - Continuing operations	1/1 - 30/6/2020			1/1 - 30/6/2019		
	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	46	(12)	34	106	(34)	72
Change in currency translation reserve	(2)	-	(2)	4	-	4
Items that will not be reclassified subsequently to profit or loss						
Change in reserve from equity instruments measured at FVTOCI	(13)	4	(9)	28	(7)	21
Change in reserve of actuarial gains/ (losses)	(1)	-	-	-	-	-
Other comprehensive income/ (expense) from continuing operations	**30**	**(8)**	**22**	**138**	**(41)**	**97**

During the period ended 30 June 2020, there was no movement in other comprehensive income in regards with the discontinued operations, compared to the period ended 30 June 2019 of a loss, net of tax, of € 9 million.

Bank	1/1 - 30/6/2020			1/1 - 30/6/2019		
	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	46	(12)	34	106	(34)	72
Items that will not be reclassified subsequently to profit or loss						
Change in reserve from equity instruments measured at FVTOCI	(13)	4	(9)	27	(8)	19
Other comprehensive income/ (expense)	**33**	**(8)**	**25**	**134**	**(42)**	**91**

13 Loans and advances to customers at amortised cost

	Group		Bank	
	30/6/2020	31/12/2019	30/6/2020	31/12/2019
Mortgages	13,490	13,733	13,489	13,733
Consumer/ personal and other loans	2,972	2,997	2,965	2,989
Credit cards	749	746	749	745
Retail Lending	**17,210**	**17,476**	**17,203**	**17,467**
Corporate and Public Sector Lending	**29,534**	**30,999**	**30,114**	**31,455**
Total gross loans and advances to customers at amortised cost	**46,744**	**48,475**	**47,316**	**48,922**
Less: ECL allowance	(8,953)	(9,314)	(8,780)	(9,122)
Total	**37,792**	**39,162**	**38,536**	**39,801**

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

Loans and advances to customers held for sale

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. In August 2019, the Bank completed the disposal of the first part of the portfolio (Portfolio A), amounting to € 93 million total claims. The second part of the portfolio (Portfolio B), still outstanding as at 30 June 2020, is expected to be concluded within the second semester of 2020.

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 € 1.8 billion total legal claims. The transaction is expected to be concluded in Q4 2020.

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 transaction is expected to be concluded in Q1 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 Bank, within Q2 2020, disposed two (2) out of seven (7) sub –perimeters of project Trinity, that were, Trinity II and Trinity III, equivalent to € 152 million and € 29 million total legal claims, respectively. The Bank is expected to conclude in Q4 2020 the transaction of Trinity I and Trinity IV perimeters, equivalent to € 126 million and € 164 total legal claims, respectively. The rest of Trinity V – VII perimeters are expected to be concluded 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. At the end of May 2020, the Bank signed the contractual documents with the investor, and the aforesaid transaction is expected to be concluded in the second semester of 2020.

14 Debt securities at amortised cost

As at 30 June 2020, the Group's and the Bank's portfolio of debt securities measured at amortized cost consists of both foreign and domestic government bonds, with the majority of their residual maturity higher than 12 months after the reporting date. During 2020, the Bank purchased Greek government bonds of nominal value of € 1,737 million and foreign government bonds of nominal value of € 60 million. The entire population of debt securities is classified in Stage 1 and the resulting ECL impairment loss recognised during the period ended 30 June 2020 amounted to € 11 million.

15 Investments in consolidated companies

The investments of the Group and the Bank in consolidated companies are analysed below:

A) Subsidiaries (full consolidation method)

s/n	Name of Company	Activity	Country	Unaudited tax years	Group % holding	Bank % holding
1.	Piraeus Leasing S.A.	Financial Leasing	Greece	2014-2019	100.00%	100.00%
2.	Piraeus Financial Leases S.A.	Financial Leasing	Greece	2014-2019	100.00%	100.00%
3.	CPB Leasing S.A.	Financial Leasing	Greece	2019	100.00%	100.00%
4.	Geniki Financial & Consulting Services S.A.	Financial & consulting services	Greece	2014-2019	100.00%	100.00%
5.	Piraeus Securities S.A.	Stock exchange operations	Greece	2014-2019	100.00%	100.00%
6.	Piraeus Factoring S.A.	Corporate factoring	Greece	2014-2019	100.00%	100.00%
7.	Piraeus Capital Management S.A.	Venture capital fund	Greece	2014-2019	100.00%	100.00%
8.	Piraeus Jeremie Technology Catalyst Management S.A.	Management of venture capital fund	Greece	2014-2019	100.00%	-
9.	Hellenic Fund for Sustainable Development	Close End Venture Capital Fund	Greece	-	65.00%	-
10.	ETVA Fund Management S.A.	Management of venture capital mutual funds	Greece	2014-2019	65.00%	-
11.	Piraeus Asset Management Single Member S.A.	Mutual funds management	Greece	2014-2019	100.00%	100.00%
12.	Geniki Information S.A.	Assessment and collection of commercial debts	Greece	2014-2019	100.00%	100.00%
13.	DI.VI.PA.KA S.A.	Administrative and managerial body of the Kastoria industrial park	Greece	2014-2019	57.53%	-
14.	ETVA Development S.A.	Investment and development activities, in accordance with the principles of sustainable development	Greece	2014-2019	65.00%	-
15.	ETVA Industrial Parks S.A.	Development/ management of industrial areas	Greece	2014-2019	65.00%	65.00%
16.	Abies S.A.	Property management	Greece	2014-2019	61.65%	40.14%
17.	Achaia Clauss Estate S.A.	Property management	Greece	2014-2019	75.49%	75.49%
18.	Euroterra S.A.	Property management	Greece	2014-2019	62.90%	42.51%
19.	Kosmopolis A' Shopping Centers S.A.	Shopping center's management	Greece	2014-2019	100.00%	100.00%

s/n	Name of Company	Activity	Country	Unaudited tax years	Group % holding	Bank % holding
20.	Linklife Food & Entertainment Hall S.A.	Operation of food and entertainment Halls	Greece	2014-2019	100.00%	-
21.	ND Development Single Member S.A.	Property management	Greece	2014-2019	100.00%	100.00%
22.	New Up Dating Development Real Estate and Tourism Single Member S.A.	Property, tourism & development company	Greece	2014-2019	100.00%	100.00%
23.	Picar Single Member S.A.	City Link areas management	Greece	2014-2019	100.00%	100.00%
24.	P.H. Development	Property management	Greece	2014-2019	100.00%	100.00%
25.	Rebikat S.A.	Property management	Greece	2014-2019	61.92%	40.31%
26.	General Construction and Development Co. S.A.	Property development/ holding company	Greece	2014-2019	66.66%	66.66%
27.	Entropia Ktimatiki S.A.	Property management	Greece	2014-2019	66.70%	-
28.	Euroak S.A. Real Estate	Real estate investment	Greece	2014-2019	53.60%	53.60%
29.	Komotini Real Estate Development Single Member S.A.	Property management	Greece	2014-2019	100.00%	100.00%
30.	Piraeus Buildings S.A.	Property development	Greece	2010-2019	100.00%	-
31.	Piraeus Development Single Member S.A.	Property management	Greece	2014-2019	100.00%	100.00%
32.	Piraeus Real Estate Single Member S.A.	Construction company	Greece	2014-2019	100.00%	100.00%
33.	Pleiades Estate Single Member S.A.	Property management	Greece	2014-2019	100.00%	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	2014-2019	100.00%	100.00%
35.	KPM Energy Single Member S.A.	Energy generation and exploitation through renewable energy resources	Greece	2014-2019	100.00%	-
36.	Mille Fin S.A.	Vehicle Trading	Greece	2014-2019	100.00%	100.00%
37.	Multicollection S.A.	Assessment and collection of commercial debts	Greece	2009-2019	51.00%	51.00%
38.	Piraeus Direct Solutions Single Member S.A.	Financial - telecommunication & IT services	Greece	2014-2019	100.00%	100.00%
39.	Zibeno I Energy S.A.	Energy generation through renewable energy resources	Greece	2014-2019	100.00%	-
40.	Centre of Sustainable Entrepreneurship Excelixi S.A.	Consulting Services - Hotel - Training & Seminars	Greece	2014-2019	100.00%	100.00%
41.	PROSPECT M.C.P.Y.	Yachting management	Greece	2014-2019	100.00%	-
42.	Anemos Ipirou Anonymi Energeiaki Etaireia	The exploitation of wind energy park in Greece.	Greece	2014-2019	100.00%	-

s/n	Name of Company	Activity	Country	Unaudited tax years	Group % holding	Bank % holding
43.	Aioliki Mbeleheri S.A.	The exploitation of wind energy park in Greece and the holding of investments with similar activities.	Greece	2014-2019	100.00%	-
44.	Aiolikon Parko Artas Aetoi E.E.	The exploitation of wind energy park in Greece	Greece	2014-2019	100.00%	-
45.	Aiolikon Parko Evritanias Morforahi E.E.	The exploitation of wind energy park in Greece	Greece	2014-2019	100.00%	-
46.	Aiolikon Parko Evritanias Ouranos E.E.	The exploitation of wind energy park in Greece	Greece	2014-2019	100.00%	-
47.	DMX Aioliki Marmariou - Agathi LLP	The exploitation of wind energy park in Greece	Greece	2014-2019	100.00%	-
48.	DMX Aioliki Marmariou - Rigani LP	The exploitation of wind energy park in Greece	Greece	2014-2019	100.00%	-
49.	Aioliko Parko Josharton - Rodopi 2 E.E.	The exploitation of wind energy park in Greece	Greece	2014-2019	100.00%	-
50.	Thriacio Logistics Center S.A.	Logistic Center	Greece	2018-2019	52.00%	-
51.	Ianos Properties S.A.	Property management	Greece	2014-2019	100.00%	100.00%
52.	Lykourgos Properties S.A.	Property management	Greece	2014-2019	100.00%	100.00%
53.	IMITHEA S.A. (1)	Organization, operation and management of hospital units	Greece	2014-2019	100.00%	100.00%
54.	Tirana Leasing Sh.A.	Finance leases	Albania	2018-2019	100.00%	100.00%
55.	Cielo Consultancy Sh.P.K.	Real estate SPV	Albania	2014-2019	99.09%	-
56.	Beta Asset Management EOOD	Rent and management of real estate	Bulgaria	2013-2019	100.00%	-
57.	Bulfina E.A.D.	Property management	Bulgaria	2008-2019	100.00%	100.00%
58.	Bulfinace E.A.D.	Property Management	Bulgaria	2008-2019	100.00%	-
59.	Delta Asset Management EOOD	Real Estate Development	Bulgaria	2015-2019	100.00%	-
60.	Piraeus Real Estate Bulgaria EOOD	Construction company	Bulgaria	2007-2019	100.00%	-
61.	Varna Asset Management EOOD	Real estate development	Bulgaria	2014-2019	100.00%	-
62.	Asset Management Bulgaria EOOD	Travel - rental services and property management	Bulgaria	2012-2019	100.00%	-
63.	Besticar Bulgaria EOOD	Collects receivables	Bulgaria	2012-2019	100.00%	-
64.	Besticar EOOD	Collects receivables from problematic clients	Bulgaria	2012-2019	100.00%	-
65.	Emerald Investments EOOD	Property management	Bulgaria	2018-2019	100.00%	-
66.	Piraeus Nedvizhimi Imoti EOOD	Real Estate Development	Bulgaria	-	100.00%	-

s/n	Name of Company	Activity	Country	Unaudited tax years	Group % holding	Bank % holding
67.	Piraeus Equity Investment Management Ltd	Investment management	Cyprus	-	100.00%	-
68.	Arigeo Energy Holdings Ltd	Holding company in renewable energy	Cyprus	2013-2019	100.00%	-
69.	Euroinvestment & Finance Public Ltd	Asset management, real estate operations	Cyprus	2009-2019	90.85%	90.85%
70.	Piraeus Clean Energy Holdings Ltd	Holding Company	Cyprus	2013-2019	100.00%	-
71.	Piraeus Equity Partners Ltd	Holding company	Cyprus	2013-2019	100.00%	100.00%
72.	Piraeus Renewable Investments Limited	Holding company	Cyprus	2016-2019	100.00%	-
73.	PRI WIND I Limited	Holding company	Cyprus	2016-2019	100.00%	-
74.	PRI WIND II Limited	Holding company	Cyprus	2016-2019	100.00%	-
75.	PRI WIND III Limited	Holding company	Cyprus	2016-2019	100.00%	-
76.	R.E. Anodus Two Ltd	Holding and investment company	Cyprus	2013-2019	99.09%	99.09%
77.	Tellurion Ltd	Holding company	Cyprus	2013-2019	100.00%	100.00%
78.	Tellurion Two Ltd	Holding company	Cyprus	2013-2019	99.09%	-
79.	Trieris Two Real Estate Ltd	Holding, Investment and Real Estate Portfolio Management	Cyprus	2011-2019	100.00%	100.00%
80.	Zibeno Investments Ltd	Holding Company	Cyprus	2013-2019	100.00%	-
81.	O.F. Investments Ltd	Investment company	Cyprus	2013-2019	100.00%	-
82.	R.E. Anodus Ltd	Consultancy services for real estate development and investments	Cyprus	2009-2019	100.00%	100.00%
83.	Lakkos Mikelli Real Estate Ltd	Property management	Cyprus	2009-2019	50.66%	40.00%
84.	Philoktimatiki Public Ltd	Land and property development	Cyprus	2018-2019	53.29%	6.39%
85.	Piraeus Equity Advisors Ltd	Investment advice	Cyprus	2012-2019	100.00%	-
86.	Sunholdings Properties Company Ltd	Land and property development	Cyprus	2018-2019	26.65%	-
87.	Philoktimatiki Ergoliptiki Ltd	Construction company	Cyprus	2018-2019	53.29%	-
88.	WH South Wind Hellas Ltd	The holding of investments in Renewable Energy Sector in Greece	Cyprus	2016-2019	100.00%	-

s/n	Name of Company	Activity	Country	Unaudited tax years	Group % holding	Bank % holding
89.	Emadierio Solar Energy & Investments Ltd	The exploitation of wind energy park in Greece	Cyprus	2016-2019	100.00%	-
90.	Josharton Ltd	Holding of investments	Cyprus	2016-2019	100.00%	-
91.	JSC Piraeus Bank ICB	Banking activities	Ukraine	-	99.99%	99.99%
92.	Akinita Ukraine LLC	Real estate development	Ukraine	2014-2019	100.00%	-
93.	Sinitem LLC	Sale and purchase of real estate	Ukraine	2013-2019	99.94%	-
94.	Solum Enterprise LLC	Property management	Ukraine	2012-2019	99.94%	-
95.	Solum Limited Liability Company	Property management	Ukraine	2018-2019	99.94%	-
96.	Piraeus Leasing Romania S.A.	Monitoring and collection services for loans disbursed by the company	Romania	2003-2019	100.00%	100.00%
97.	Daphne Real Estate Consultancy SRL	Real estate development	Romania	2014-2019	99.09%	-
98.	Priam Business Consultancy SRL	Real estate development	Romania	2014-2019	99.18%	-
99.	Proiect Season Residence SRL	Real estate development	Romania	2018-2019	100.00%	-
100.	R.E. Anodus SRL	Real Estate development	Romania	2013-2019	99.09%	-
101.	Rhesus Development Projects SRL	Real estate development	Romania	2014-2019	99.09%	-
102.	Piraeus Rent Doo Beograd	Operating Leases	Serbia	2007-2019	100.00%	100.00%
103.	Piraeus Real Estate Egypt LLC	Property management	Egypt	2011-2019	100.00%	99.90%
104.	Trieris Real Estate Management Ltd	Management of Trieris Real Estate Ltd	British Virgin Islands	-	100.00%	100.00%
105.	Piraeus Group Capital Ltd	Debt securities issue	United Kingdom	-	100.00%	100.00%
106.	Piraeus Group Finance PLC	Debt securities issue	United Kingdom	-	100.00%	100.00%
107.	Axia Finance III PLC	SPE for securitization of corporate loans	United Kingdom	-	-	-
108.	Axia Finance PLC	SPE for securitization of corporate loans	United Kingdom	-	-	-
109.	Axia III APC LIMITED	SPE for securitization of corporate loans	United Kingdom	-	-	-
110.	Estia Mortgage Finance PLC	SPE for securitization of mortgage loans	United Kingdom	-	-	-
111.	Estia Mortgage Finance II PLC	SPE for securitization of mortgage loans	United Kingdom	-	-	-

s/n	Name of Company	Activity	Country	Unaudited tax years	Group % holding	Bank % holding
112.	Kion Mortgage Finance PLC	SPE for securitization of mortgage loans	United Kingdom	-	-	-
113.	Praxis I Finance PLC	SPE for securitization of consumer loans	United Kingdom	-	-	-
114.	Praxis II APC LIMITED	SPE for securitization of consumer loans	United Kingdom	-	-	-
115.	Praxis II Finance PLC	SPE for securitization of consumer loans	United Kingdom	-	-	-
116.	Piraeus Asset Management Europe S.A.	Mutual funds management	Luxemburg	-	100.00%	99.94%

Note (1): Classified as a discontinued operation (see Note 7).

The subsidiaries duly numbered 107 - 115 are special purpose vehicles for securitization of loans and advances to customers and issuance of debt securities. The subsidiary duly numbered 86 although presenting less than 50.00% shareholding, is included in the Group's subsidiaries' portfolio due to majority presence in the Board of Directors of the company.

Furthermore, as at 30 June 2020 the subsidiaries duly numbered 30, 36-37, 54, 60, 67, 85, 98, 101 and 116 were under liquidation.

Five subsidiaries, that in aggregate are immaterial to the Group's financial position and results of operations, are not consolidated but recognized at cost. The subsidiaries recognized at cost are as follows: 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 total net income, the sum of total equity and the sum of total assets of the abovementioned companies comprises less than 0.01% of the Group's respective balances, based on their most recent financial statements.

Annual Financial Statements of Subsidiaries

The Annual Financial Reports of the subsidiaries of the Piraeus Bank Group for the year ended 31 December 2019 which were finalized prior to the date of the issuance of the interim Financial Statements, are available on the web site of Piraeus Bank at www.piraeusbankgroup.com in the section Investor Relations, in the subsection Financial Data - Financial Statements & Other Information - Consolidated Companies. The Annual Financial Reports of the remaining subsidiaries of the Piraeus Bank Group will be available on the web site of Piraeus Bank when these will be finalized.

B) Associates and joint ventures (equity method investments)

Associates

The associates accounted for using the equity method are the following:

s/n	Name of Company	Activity	Country	Unaudited tax years	Group % Holding	Bank % Holding
1	Piraeus - TANEO Capital Fund	Close end Venture capital fund	Greece	-	50.01%	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	2014-2019	27.80%	27.80%
4	Marfin Investment Group Holdings S.A.	Holding company	Greece	2014-2019	31.29%	31.19%
5	Omicron Cyclos Ena Symmetohiki S.A.	Holding company	Greece	2014-2019	28.10%	28.10%
6	APE Fixed Assets Real Estate Tourist and Development S.A.	Real estate, development/ tourist services	Greece	2014-2019	27.80%	27.80%
7	APE Investment Property S.A.	Real estate, development/ tourist services	Greece	2014-2019	28.92%	28.92%
8	Olganos Real Estate S.A.	Property management/Electricity production from renewable energy resources	Greece	2014-2019	32.27%	32.27%
9	Pyrrichos S.A.	Property management	Greece	2014-2019	50.77%	50.77%
10	Exodus S.A.	Information technology & software	Greece	2014-2019	49.90%	49.90%
11	Evros' Development Company S.A.	European community programs management	Greece	2014-2019	30.00%	30.00%
12	Gaia S.A.	Software services	Greece	2017-2019	26.00%	-
13	Crete Scient. & Tech. Park Manag. & Dev. Co. S.A.	Scientific and technology park management	Greece	2014-2019	30.45%	30.45%
14	Intrum Hellas REO Solutions S.A.	Real Estate	Greece	-	19.96%	19.96%
15	Intrum Hellas Credit Servicing S.A.	Credit and Loan Servicing	Greece	-	20.00%	20.00%
16	Teiresias S.A.	Interbanking company of development, operation and management of information systems	Greece	2014-2019	23.53%	23.53%
17	Trastor Real Estate Investment Company	Real estate investment property	Greece	2013-2019	39.39%	39.39%
18	Pireaus Direct Services S.A.	Support and e-commerce services, trade of time renewal cards	Greece	2014-2019	49.90%	49.90%
19	ANEK LINES S.A.	Maritime transport - Coastal shipping	Greece	2014-2015, 2018-2019	27.68%	27.68%
20.	Inofita Asopos Business Park Development Company S.A.	Business Park Development	Greece	-	31.36%	-
21	Trieris Real Estate Ltd	Property management	British Virgin Islands	2018-2019	32.35%	32.35%
22	Exus Software Ltd	IT products retailer	United Kingdom	2018-2019	49.90%	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 immaterial 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 25.

Joint ventures

The Group´s and the Bank's joint ventures, accounted for using the equity method, are the following:

s/n	Name of Company	Activity	Country	Unaudited tax years	Group % Holding	Bank % Holding
1	AEP Elaiona S.A.	Property management	Greece	2014-2019	50.00%	-
2	Peirga Kythnou P.C.	Real estate	Greece	-	50.00%	50.00%

16 Current tax assets

	Group		Bank	
	30/6/2020	31/12/2019	30/6/2020	31/12/2019
Current tax assets	247	257	247	254
Accumulated impairment of current tax assets	(52)	(52)	(52)	(52)
Net amount of current tax assets	195	206	195	202

Net Current tax assets as at 30 June 2020 for the Group and the Bank amounted to € 195 million comprising of the following:

a) Withholding taxes on interest of bonds and treasury bills of € 85 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 & 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 € 14 million, withheld on the same basis, for the financial year 2010 (tax year 2009) is claimed from the Greek State; and

- Withholding taxes of € 45 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 € 39 million, which are refundable by the Greek State.

d) Various other tax claims of € 11 million for both the Group and the Bank.

17 Due to banks

"Due to Banks" for the Group and the Bank mainly includes funding from the ECB and Central Banks of € 7,030 million, securities sold under agreements to repurchase of € 144 million and other deposits with financial institutions of € 239 million (31 December 2019: € 355 million, € 2,394 million and € 365 million, respectively). ECB funding increased during the current period in the context of the Bank's decision to participate in the long term funding facilities (Special LTRO, TLTRO III) provided by the ECB with favorable terms.

18 Due to customers

	Group		Bank	
	30/6/2020	31/12/2019	30/6/2020	31/12/2019
Corporate				
Current and sight deposits	8,554	8,178	8,676	8,371
Term deposits	2,264	4,568	2,407	4,636
Blocked deposits, guarantee deposits and other accounts	266	237	269	238
Total (A)	**11,084**	**12,983**	**11,351**	**13,245**
Retail				
Current and sight deposits	4,513	4,169	4,492	4,152
Saving accounts	17,705	16,660	17,702	16,656
Term deposits	12,335	13,467	12,318	13,447
Blocked deposits, guarantee deposits and other accounts	29	30	29	30
Total (B)	**34,581**	**34,325**	**34,541**	**34,285**
Cheques payable and remittances (C)	41	42	41	42
Total Due to customers (A)+(B)+(C)	**45,706**	**47,351**	**45,933**	**47,572**

19 Debt securities in issue

		Group		Bank	
	Weighted Interest Rate (%)	30/6/2020	31/12/2019	30/6/2020	31/12/2019
Residential mortgage backed floating rate notes		-	10	-	10
Covered Bonds - floating rate - Series 4	3m Euribor + 250bp	471	471	471	471
Total debt securities in issue		**471**	**481**	**471**	**481**

The financial terms of the debt securities issued from loan securitizations and covered bonds that were sold to investors as at 30 June 2020 and 31 December 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	Redemptions	Nominal amount held by the Bank	Nominal amount held by third parties	Carrying value	Weighted Interest Rate on 3rd Parties
30/6/2020													
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 SA	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 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 SA	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 period ended 30 June 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.

The financial terms of the debt securities issued from loan securitizations and covered bonds that are held by the Group as at 30 June 2020 and 31 December 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
30/6/2020										
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 SA	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 SA	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 SA	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 SA	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 SA	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 SA	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 SA	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 SA	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 concluded 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 concluded 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 concluded on 29 June 2020.

The carrying amount of mortgage, corporate and consumer loans securitized that are included in line item "Loans and advances to customers at amortised cost" are the following:

Securitized loans	Group		Bank	
	30/6/2020	31/12/2019	30/6/2020	31/12/2019
Mortgage	-	25	-	25
Consumer, personal and other	-	597	-	597
Corporate 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 € 5,232 million and € 5,222 million, as at 30 June 2020 and 31 December 2019, respectively.

Senior Unsecured Notes are issued under the Euro Medium Term Note Programme ("EMTN Programme"), either directly by the Bank or through the Group's subsidiary Piraeus Group Finance PLC, bearing the guarantee of the Bank.

The Bank did not issue any Senior Unsecured bonds under its EMTN Programme during the period ended 30 June 2020.

20 Other borrowed funds

On 19 February 2020, the Bank issued a fixed rate subordinated Tier 2 Note of nominal value € 500 million, maturing in February 2030, bearing an annual fixed interest rate of 5.5% for the first 5 years and thereafter has a one time reset at the prevailing 5 year mid swap rate plus 5.774%. The Note may be redeemed at par in whole by the Bank on 19 February 2025, subject to prior regulatory approval.

During the period ended 30 June 2020, the Group and the Bank repurchased € 2.5 million of the Tier 2 Notes due February 2030.

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

21.1 Legal proceedings

The Group and the Bank 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 Bank's legal counsels, the ultimate disposition of these matters is not expected to have a material adverse effect on the Interim Financial Statements. As at 30 June 2020, the Group and the Bank provided for cases under litigation an amount of € 32 million and € 26 million, respectively (31 December 2019: € 32 million and € 26 million respectively), which represents management's best estimate on the probable loss to be incurred upon finalization of these pending legal cases.

21.2 Pending tax audits

The Bank 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 Bank 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 Bank 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 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 - 2016 have been tax audited by PricewaterhouseCoopers S.A and the tax audit certificates issued were unqualified. The fiscal years 2017 and 2018 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 2018 have been completed and the relevant tax audit certificates have been issued. The fiscal year 2019 of the Bank and its Greek subsidiaries is currently being tax audited by Deloitte Certified Public Accountants S.A. and the final outcome of the tax audits is not expected to have a material effect on the Interim Financial Statements.

The unaudited tax years of the Group's subsidiaries, associates and joint ventures, are included in Note 15 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 Interim Financial Statements.

21.3 Credit commitments

In the normal course of business, the Group and the Bank 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 guarantee, 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 Bank, in measuring the credit risk of these credit commitments, apply the same Credit Policy, approval process and monitoring procedures as those applied for the loans and advances to customers at amortised cost.

As at 30 June 2020 and 31 December 2019, the Group and the Bank had undertaken the following credit commitments:

	Group		Bank	
	30/6/2020	**31/12/2019**	**30/6/2020**	**31/12/2019**
Financial guarantees	3,132	3,022	3,337	3,235
Letters of credit	43	25	41	23
Irrevocable undrawn credit commitments	440	405	451	461
Total commitments	**3,615**	**3,452**	**3,829**	**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.

The ECL allowance on credit commitments as at 30 June 2020 amounted to € 119 million for both the Group and the Bank (31 December 2019: € 120 million for both the Group and the Bank) and is included within line item "Other provisions".

21.4 Assets pledged

	Group		Bank	
	30/6/2020	31/12/2019	30/6/2020	31/12/2019
Due from banks	920	892	920	892
Financial assets at fair value through profit or loss	348	-	348	-
Loans and advances to customers	5,008	1,350	5,008	1,350
Financial assets at FVTOCI	1,345	39	1,345	39
Debt securities at amortised cost	3,013	-	3,013	-
Other assets	29	29	29	29
	10,662	**2,311**	**10,662**	**2,311**

The above-mentioned pledged assets are mainly used either for drawing liquidity through the Eurosystem under the general terms applying to such agreements and for margins for a) derivative transactions for which there are ISDA (International Swaps and Derivatives Association) contracts 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 € 137 million for both the Group and the Bank (31 December 2019: € 2,507 million for both the Group and the Bank) are used for liquidity purposes. The above total includes, Greek government securities of nominal value € 52 million for both the Group and the Bank (31 December 2019: € 1,157 million for both the Group and the Bank).

On 30 June 2020, further to the above assets pledged, the Group and the Bank have blocked financial assets amounting to € 168 million (31 December 2019: € 168 million for both the Group and the Bank), which are included within line item "Due from banks" in the context of guarantee written by the Bank against the default of the Greek State.

22 Share capital and contingent convertible bonds

	Bank					Group
	Share Capital	Share Premium	Contingent convertible bonds	Total	Treasury Shares	Total
Opening balance at 1/1/2019	**2,620**	**13,075**	**2,040**	**17,735**	**(1)**	**17,734**
(Purchases)/ sales of treasury shares	-	-	-	-	-	-
Balance at 31/12/2019	**2,620**	**13,075**	**2,040**	**17,735**	**(1)**	**17,734**
(Purchases)/ sales of treasury shares	-	-	-	-	-	-
Balance at 30/6/2020	**2,620**	**13,075**	**2,040**	**17,735**	**(1)**	**17,734**

	Number of shares		
	Bank		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**
Purchases of treasury shares	-	(1,939,552)	(1,939,552)
Sales of treasury shares	-	2,069,998	2,069,998
Balance at 30/6/2020	**436,659,164**	**(31,576)**	**436,627,588**

The Bank's share capital as at 30 June 2020 and 31 December 2019 amounted to € 2,619,954,984 divided into 436,659,164 ordinary registered shares with a nominal value of € 6.00 each.

The Bank's Annual General Meeting of Shareholders, which 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.

23 Other reserves and retained earnings

	Group		Bank	
	30/6/2020	31/12/2019	30/6/2020	31/12/2019
Legal reserve	84	84	69	69
Reserve from financial assets measured at FVTOCI	261	236	261	236
Currency translation reserve	(56)	(54)	-	-
Other reserves	32	34	27	27
Total other reserves	**321**	**300**	**357**	**332**
Retained earnings	**(10,521)**	**(10,375)**	**(10,588)**	**(10,514)**

The table below shows the movement of line item "Total Other Reserves" presented in the table above.

Total Other reserves movement	Group		Bank	
	30/6/2020	31/12/2019	30/6/2020	31/12/2019
Opening balance	**300**	**182**	**332**	**189**
Change in reserve from financial assets measured at FVTOCI	25	139	25	143
Transfers between other reserves and retained earnings	-	2	-	-
Disposals and other movements	(2)	(28)	-	-
Change in currency translation reserve	(2)	5	-	-
Closing balance	**321**	**300**	**357**	**332**

FVTOCI reserve movement	Group		Bank	
	30/6/2020	31/12/2019	30/6/2020	31/12/2019
Opening balance	**236**	**97**	**236**	**93**
Gains/(losses) from the valuation of debt securities	43	180	42	179
Gains/(losses) from the valuation of shares	(13)	43	(13)	40
Impairment losses/ (releases) on debt securities	4	(8)	4	(8)
Recycling of the valuation and accumulated impairment of disposals	(1)	(12)	(1)	(5)
Deferred income taxes	(9)	(62)	(9)	(63)
Foreign exchange differences	-	-	-	-
Closing balance	**261**	**236**	**261**	**236**

Retained earnings movement	Group		Bank	
	30/6/2020	31/12/2019	30/6/2020	31/12/2019
Opening balance	**(10,375)**	**(10,526)**	**(10,514)**	**(10,370)**
Other comprehensive income, net of tax	(1)	(6)	-	(6)
Profit/ (loss) for the period after tax attributable to the shareholders of the parent entity	(149)	279	(140)	27
Payment to the holders of contingent convertible bonds	-	(165)	-	(165)
Transfer between other reserves and retained earnings	-	(2)	-	-
Recycling of the accumulated reserve from financial assets measured at FVTOCI	-	2	-	-
Disposals and movement in participating interest	5	43	-	-
Absorption of subsidiaries	-	-	65	-
Closing balance	**(10,521)**	**(10,375)**	**(10,588)**	**(10,514)**

24 Related parties 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 Bank, if the total cumulative participating interest (of Key Management Personnel and their close family members) exceeds cumulatively 20%,

d) Subsidiaries,

e) Associates,

f) Joint ventures and

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

The transactions with the above related parties are under the usual market terms and within the normal course of business.

Loans and advances to customers at amortised cost and letters of guarantee, have been issued to related parties, within the approved credit policies and Group procedures, are adequately collateralized and the risk of their repayment is within the normal course of the market conditions.

Related party transactions with the Key Management Personnel, as well as with the other related party categories as described in points (b) and (c) above, are presented in the table below. It is noted that, with the exception of the interest payment on the outstanding contingent convertible bonds of € 165 million for the Group in December 2019, there were no significant transactions with the HFSF for the period ended 30 June 2020 and 2019.

Group	30/6/2020		31/12/2019	
(amounts in thousand €)	Key Management Personnel	Other related parties	Key Management Personnel	Other related parties
Loans and advances to customers at amortized cost (Gross carrying amount)	5,115	42	4,543	41
Due to customers	2,206	131	1,738	51
Letters of guarantee and letters of credit	-	-	-	-

Group	1/1 - 30/6/2020		1/1 - 30/6/2019	
(amounts in thousand €)	Key Management Personnel	Other related parties	Key Management Personnel	Other related parties
Income	10	4	70	4
Expense	4	-	6	-

Bank	30/6/2020		31/12/2019	
(amounts in thousand €)	Key Management Personnel	Other related parties	Key Management Personnel	Other related parties
Loans and advances to customers at amortized cost (Gross carrying amount)	5,115	42	4,541	41
Due to customers	2,082	131	1,648	51
Letters of guarantee and letters of credit	-	-	-	-

Bank	1/1 - 30/6/2020		1/1 - 30/6/2019	
(amounts in thousand €)	Key Management Personnel	Other related parties	Key Management Personnel	Other related parties
Income	10	4	69	4
Expense	4	-	5	-

Members of the Key Management Personnel benefits	Group		Bank	
(amounts in thousand €)	1/1 - 30/6/2020	1/1 - 30/6/2019	1/1 - 30/6/2020	1/1 - 30/6/2019
Short term benefits	2,527	2,667	2,141	2,268
Termination benefits	520	-	520	-
Post-employment benefits	217	43	211	38

Short term benefits for members of the Key Management Personnel include wages, salaries, employers' share of social contributions and other charges.

The aggregate provisions for post-employment benefits to Key Management Personnel amounted to € 2 million as at 30 June 2020 for both the Group and the Bank (31 December 2019: € 2 for the Group and € 1 for the Bank). The aforementioned post-employment benefits are included in the retirement benefit obligations, in their entirety.

The ECL allowance on loans and advances to customers at amortized cost granted from the Group to Key Management Personnel and other related parties amounted to € 3.7 million as at 30 June 2020 (31 December 2019: € 3.2 million).

24.1 Subsidiaries

Bank´s balances from transactions with subsidiaries and the relevant results are as follows:

Bank (amounts in thousand €)	30/6/2020	31/12/2019
Assets		
Due from banks	9,898	9,551
Loans and advances to customers at amortised cost (Gross carrying amount)	2,498,447	2,418,277
Other assets	126,484	144,275
Total	**2,634,829**	**2,572,103**
Liabilities		
Due to banks	57	53
Due to customers	299,678	296,499
Debt securities in issue at amortised cost	-	10,303
Other liabilities	40,059	62,374
Total	**339,793**	**369,229**

Bank (amounts in thousand €)	1/1 - 30/6/2020	1/1 - 30/6/2019
Income		
Interest and similar income	26,214	26,010
Fee and commission income	6,389	5,859
Other income	675	1,153
Total	**33,277**	**33,023**
Expenses		
Interest expense and similar charges	(1,348)	(3,597)
Fee and commission expense	(37)	(34)
Operating expenses	(9,744)	(11,235)
Total	**(11,129)**	**(14,866)**

Letters of guarantee to subsidiaries of the Group as at 30 June 2020 amounted to € 209 million (31 December 2019: € 215 million). Other liabilities as at 30 June 2020 include an amount of € 39 million (31 December 2019: € 54 million), which is related to lease liabilities of real estate of Bank's subsidiaries, according to IFRS16.

The ECL allowance for impairment on loans and advances to customers at amortised cost granted from the Bank to the subsidiaries of the Group as at 30 June 2020 amounted to € 295 million (31 December 2019: € 290 million), while the ECL charge for the period ended 30 June 2020 is € 9 million (30 June 2019: ECL charge of € 1 million).

24.2 Associates

The transactions with associates and the relevant results are presented below:

	Group		Bank	
(amounts in thousand €)	30/6/2020	31/12/2019	30/6/2020	31/12/2019
Loans and advances to customers at amortised cost (Gross carrying amount)	1,103,892	987,395	1,100,704	984,248
Other assets	7,705	6,959	4,470	3,810
Due to customers	100,045	71,634	100,045	71,634
Other liabilities	51,684	27,840	49,724	26,124

	Group		Bank	
(amounts in thousand €)	1/1 - 30/6/2020	1/1 - 30/6/2019	1/1 - 30/6/2020	1/1 - 30/6/2019
Total expense and capital expenditure	(91,482)	(14,580)	(91,375)	(14,563)
Total income	24,313	22,355	22,328	20,737

Letters of guarantee to associates of the Group and the Bank as at 30 June 2020 amounted to 10 million (31 December 2019: € 11 million).

The ECL allowance for impairment on loans and advances to customers at amortised cost granted from the Group and the Bank to associates as at 30 June 2020, inclusive of the newly added associates in the first semester of 2020, amounted to € 181 million (31 December 2019: 160 million), while the ECL impairment loss on loans and advances to customers at amortised cost for the period ended 30 June 2020 was a release of € 3 million (30 June 2019: ECL release of € 8 million).

24.3 Joint ventures

The transactions with joint ventures and the relevant results are presented below:

	Group		Bank	
(amounts in thousand €)	30/6/2020	31/12/2019	30/6/2020	31/12/2019
Loans and advances to customers at amortised cost (Gross carrying amount)	53,503	52,410	53,503	52,410
Due to customers	2	-	2	-

	Group		Bank	
(amounts in thousand €)	1/1 - 30/6/2020	1/1 - 30/6/2019	1/1 - 30/6/2020	1/1 - 30/6/2019
Total income	258	424	258	424

The ECL allowance for impairment on loans and advances to customers at amortised cost granted from the Group and the Bank to joint ventures amounted to € 41 million as at 30 June 2020 and 31 December 2019.

25 Changes in the portfolio of consolidated companies

The analysis of significant changes of the consolidated companies' portfolio during the first semester of 2020 is presented below:

a) Gain of control or significant influence:

On 22 January 2020, Piraeus Bank S.A. increased its participation to ANEK Lines S.A. by 4.19%, by exercising its right to convert bonds held into ordinary shares. As a result, Piraeus Bank S.A. shareholding on the company increased to 27.68%, thus accounted for the said participation with the equity method.

On 21 February 2020, Piraeus Bank 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 18 June 2020, Piraeus Bank acquired the 100.00% of the companies Ianos Properties S.A. and Lykourgos Properties S.A., in the context of corporate lending restructuring, for a consideration of € 1 for each of the companies. The companies were classified in the subsidiaries' portfolio of the Bank (refer below to the consequent debt to equity transaction).

b) Participation in shares capital increases / decreases - Changes of participations:

On 30 April 2020, the reduction of the share capital of the 61.65% subsidiary of the Group, Abies S.A., was completed, with set–off of losses and cash payment of an amount of € 2 million, with equal payment of the cash to the shareholders according to their ratio in the share capital. The Group's shareholding percentage in the company remained unchanged.

From the beginning of the year, PJ Tech Catalyst Fund, 30.00% associate participation of the Group, increased its assets by a total amount of € 116 thousand. As a result, Piraeus Equity Partners Ltd, covered its ratio by paying in total € 35 thousand, without altering its shareholding percentage in the company.

On 19 June 2020, the 100.00% subsidiary companies of Piraeus Bank, Ianos Properties S.A. and Lykourgos Properties S.A., proceeded with a share capital increase through set-off against debt towards Piraeus Bank, for an amount of € 7 million and € 21 million, respectively. The Bank's shareholding percentage in the companies remained unchanged.

On 29 June 2020, the 100.00% subsidiary of Piraeus Bank, Piraeus Agency Solutions Single Member S.A. (former ACT BAS

S.A.), completed a share capital increase of an amount of € 1 million, through absorption of a part of the assets and liabilities of the 100.00% subsidiary of Piraeus Bank, Piraeus Insurance Agency S.A.

On 30 June 2020, Piraeus TANEO Capital Fund, 50.01% associate participation of Piraeus Bank, increased its assets by a total amount of € 40 thousand. Piraeus Bank covered its ratio by paying in total € 20 thousand, without altering its shareholding percentage in the company.

On 30 June 2020, the 32.37% associate company of Piraeus Bank, Trieris Real Estate LTD, reduced its share capital through share-buyback by paying to Piraeus Bank the amount of € 4 million. As a result, the Bank's shareholding percentage decreased to 32.35%.

c) Liquidation and disposal:

On 21 January 2020, Piraeus Asset Management Europe S.A., 100.00% subsidiary company of the Bank, was set under liquidation.

On 10 June 2020, Piraeus Clean Energy GP Ltd, 100.00% subsidiary company of the Group, was deleted from the relevant Company Registry.

d) Other changes - Transformations:

On 29 June 2020, Piraeus Insurance Agency S.A., 100.00% subsidiary company of Piraeus Bank, was deleted from the relevant Company Registry, as the demerger was completed by the absorption of part of its assets and liabilities by Piraeus Bank and the residual by Piraeus Agency Solutions Single Member S.A., 100.00% subsidiary of Piraeus Bank.

26 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 and the Bank'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 and the Bank'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 and the Bank comply 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 (CRR).

The aforementioned regulatory framework requires financial institutions to maintain for both the Group and the Bank 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	Bank
Common Equity Tier 1 Ratio (CET1)	4.5%	4.5%
Tier 1 Ratio (T1)	6.0%	6.0%
Total Capital Ratio (CAD Ratio)	8.0%	8.0%

Following the activation of the SSM on 4 November 2014, both the Group and the Bank were 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 2020, not taking into account mitigating measures for the Covid-19 pandemic.

According to the decision, the Group and the Bank would have to maintain on a consolidated basis and on an individual basis a Total SREP Capital Requirement (TSCR) of 11.25% and an Overall Capital Requirement (OCR) of 14.25% (31 December 2019: 14.00%), 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 2019: 3.25%) as per article 16(2) of Regulation 1024/2013/EU;

c) the fully loaded capital conservation buffer of 2.5% (31 December 2019: 2.5%) under Greek Law 4261/2014; and

d) the transitional Other Systemic Important Institutions (O-SII) capital buffer of 0.50% for 2020 (31 December 2019: 0.25%) under Greek Law 4261/2014.

The capital adequacy ratios as at 30 June 2020 and 31 December 2019 for the Group and the Bank, 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		Bank	
	30/6/2020	31/12/2019	30/6/2020	31/12/2019
Common Equity Tier 1 Capital (CET1)	6,132	6,403	6,149	6,614
Tier 1 Capital	6,132	6,403	6,149	6,614
Total regulatory capital	7,020	6,798	7,035	7,006
Total risk weighted assets (on and off- balance sheet items)	43,918	45,565	42,611	44,216
CET1 Capital ratio	14.0%	14.1%	14.4%	15.0%
T1 Capital ratio	14.0%	14.1%	14.4%	15.0%
Total Capital ratio	16.0%	14.9%	16.5%	15.8%

As of 30 June 2020, the Total Capital Adequacy Ratio for the Group stood at 16.0% (CET1 ratio 14.0%) and the Bank at 16.5% (CET1 ratio 14.4%), covering minimum OCR levels.

The spread of the Covid-19 pandemic has proven to be an unprecedented challenge at both global and European level. 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 will allow Banks to operate temporarily below the level of capital defined by the Pillar 2 Guidance (P2G) and the Combined Buffer Requirement.

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).

Taking into consideration the aforementioned developments, the Group currently operates with a capital excess of 475 bps over its Total SREP Capital Requirement (TSCR).

27 Events subsequent to the end of the reporting period

- On 23 July 2020, the Board of Directors of the Bank appointed Mr. Ioannis Stamoulis as Chief Risk Officer (CRO) to head the Group's Risk Management, replacing Mr. Thymios Kyriakopoulos.

- 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 will be licensed as a credit institution and will be a wholly owned subsidiary of the Demerged entity. Upon completion of the demerger, the Demerged Entity will retain certain assets, liabilities and non-banking activities, and will cease to be a credit institution, while its shares will remain listed on the Athens Stock Exchange. July 31st 2020 was designated as the Transformation Balance Sheet date for the demerger. Following the completion of the demerger, which is expected by the end of this year, the special rights enjoyed by the Hellenic Financial Stability Fund shall apply towards the Beneficiary as well. Completion of the demerger is subject to approval by the Bank's Board of Directors, the General Meeting of Shareholders, the competent regulatory authorities and the Hellenic Financial Stability Fund.

Athens, 4 August 2020

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

www.piraeusbankgroup.com