

The collection and presentation of the content in the Sustainability & Business Report 2018 are the product of the work of all units of Piraeus Bank and the Group's subsidiaries.

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Piraeus Bank seeks a meaningful dialogue process with stakeholders and is aware that their feedback on the presentation of the financial and non-financial data improves their reporting. We look forward to new impulses and your opinion.

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Sustainability & Business Report 2018

It's great to be ready to welcome tomorrow. To plan and to prepare so that you're rewarded when tomorrow becomes today. Tomorrow offers you the opportunity to always be one step ahead.

Piraeus Bank looks at tomorrow today and opens new frontiers. Taking initiatives and continuously creating innovative products and services that exceed our clients' expectations, Piraeus Bank thrives in adding value to tomorrow.

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Chairman's Note



2018 can be described as the year when the Greek economy remained on a growth trajectory, recording GDP growth of 1.9%. In addition, in early 2019, Greece returned to the international markets with five-year and ten-year bonds, the government's first issuance after the conclusion of its third adjustment program, drawing strong demand from institutional investors.

Confidence is gradually returning to the Greek banking sector and this is evident across banking operations and especially in terms of liquidity, as reflected in the steady deposit inflows.

Asset quality remains top priority for Greek banks. Significant progress was made in reducing the NPEs in the last year. The enhanced institutional framework contributed in this direction, along with the important actions undertaken by banks to manage NPEs. Emphasis should be placed on accelerating this positive momentum to achieve the consolidation of the banking sector at the lowest cost for the Greek economy and society.

At Piraeus Bank, we continued in 2018 a major effort to return to profitability and strengthen the balance sheet, always with determination to operate within a framework of strong corporate governance and internal controls. The effort has begun to bear fruit, and for the first time in many years, in 2018 the Bank returned to profitability. And, most importantly, the foundations for sustainable and profitable growth of the Bank have been set.

In 2018 the Bank successfully launched its new corporate values, aiming to build a new, strong, common corporate culture for the benefit of customers, employees, shareholders and society in which it operates and will continue to be active in the future.

Piraeus Bank, with its continuing presence in Green Development, is aware of the important role it plays in addressing the challenges facing the planet, has been voluntarily participating in the UN Global Compact since 2004, actively supporting its principles, which pertain to human and labour rights, environmental protection and anti-corruption. In addition, recognising the importance of the 17 Sustainable Development Goals (SDGs) of the United Nations and their widespread acceptance, the Bank has adopted in this year's Sustainability and Business Report these goals, contributing to the flourishing of this ambitious project in Greece.

Based on the above, these goals have been integrated into our business activities, which gives us the opportunity to play a leading role in the sustainable development of the Greek economy and to support these goals in practice.

In addition, Piraeus Bank is the first Greek bank that participated in the formulation of the Principles for Responsible Banking, along with 27 other member banks from around the world, embracing the initiative of UNEP FI. The six Principles for Responsible Banking launched in Paris on 26 November 2018 have been put under global public consultation and will be signed by banks from around the world at the United Nations General Assembly in New York this autumn.

This direct response has been a self-evident choice, as the principles of sustainable growth, social contribution and responsible banking behaviour are fundamental elements of our strategy and resonate with the Bank's business model and its new Values: Accountability, Meritocracy and Transparency.

The role of the financial sector is fundamental in shaping the future. Two-thirds of global funding comes from banks, and banks are asked to channel this funding towards sustainable development, contributing in the achievement of the 17 SDGs and the Paris Agreement on Climate Change.

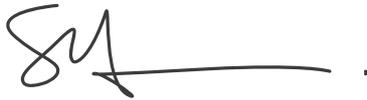
Piraeus Bank already has a long experience in promoting sustainable development, and takes action:

- | | |
|---|---|
| 01. Possessing the necessary know-how, the Bank provides comprehensive support to its 5.3 mn customers through specialised financing tools and modern advisory services. | 05. By including environmental and social criteria in assessing funding and investment proposals. |
| 02. With the active participation of its 12,000 employees, having shaped the Bank's new values and corporate culture, which allow us to speak honestly to our customers and offer them the best services. | 06. Through active participation in international organisations and sustainability initiatives, Piraeus Bank co-shapes European and international policies and strategies. |
| 03. With our environmental work, which allows us to reduce our environmental footprint and to use natural resources prudently. | 07. With corporate responsibility, systematically cultivating the Bank's relations with all stakeholders, placing particular emphasis on preserving culture and saving the traditional technology and industrial heritage in the region through the network of thematic museums of the Piraeus Group Cultural Foundation. |
| 04. With the strong organisational structure and operating systems and controls that ensure optimal Corporate Governance and | Transparency. |

08. For the environment, through our practical support for green entrepreneurship, the continuous reduction of the environmental footprint of the Group's operations, the implementation of programs on the protection of biodiversity and addressing the risk of climate change.

The Sustainability and Business Report describes the Group's main activities for 2018, the Corporate Responsibility Principles adopted, the actions and initiatives undertaken and the Group's future goals according to the new Global Reporting Initiative, which sets out an understandable framework of principles that facilitates the publicising and communication of sustainable development issues to the Bank and its stakeholders. The Report was reviewed by an independent third party, which demonstrates the Management's commitment to transparency and alignment with internationally recognised best practices.

Everyone at Piraeus Bank works hard so that the Bank can respond to the challenges of the current circumstances and works towards a sustainable economy for a better future for us and for the next generations.



George Handjinicolaou
Chairman of the BoD

CEO's Note



In the face of significant challenges in 2018, we made progress towards our goals of de-risking our balance sheet, optimising operational efficiency and refocusing the business model on creating sustainable returns.

Profitability recovery gained traction in 2018, as the Bank recorded pre-tax profit of €80 mn for the first time in a number of years, supported by operational cost containment and reduced expense of impairments. Piraeus Core Bank recorded accumulated recurring pre-tax profit of €644 mn in 2018, achieving an annual return on assets (RoA) of 1.6%.

The liquidity profile of Piraeus Bank has been improving consistently for two years. Domestic deposit inflows in 2018 amounted to €3.6 bn, an increase of 9% yoy, allowing us to fully eliminate ELA reliance in mid-July 2018. ECB eligibility status for the Bank's covered bond pool, allowed us to replace interbank repo financing with ECB main refinancing operations, supporting the Bank's net interest income.

We have fulfilled our commitment to further strengthen the Greek economy by disbursing €3.1 bn in new loans in 2018. With a loan-to-deposit ratio of 85% at the end of 2018 from 103% a year earlier, we can facilitate the expected demand for loans and enable the gradual normalisation of the Bank's performing loan book, which stood at €24.0 bn over the 2nd half of the year.

We are leveraging on efficiency and digitisation to transform our operating model, with an improved cost reduction performance in 2018. Operating expenses on a recurring basis,

dropped 8% yoy in 2018, and the cost-to-income ratio stood at 54% from 55% a year earlier.

In terms of asset quality, in 2018 we decisively continued de-risking our balance sheet. We accelerated the NPE reduction process with a €5.5 bn decrease in NPEs in 2018, meeting our targets. The NPE cash coverage ratio stood at 49%. During the year, we concluded two NPL portfolio sales with a total gross book value of €1.8 bn. One portfolio comprised secured corporate loans and was a landmark transaction and effectively kick-started the secondary market for NPL corporate portfolio sales in Greece, the other portfolio comprised unsecured consumer loans. Motivated by our asset quality track record, in March 2019 we revised the commitments regarding NPE operational targets in our NPE strategy plan, which calls for a €15 bn reduction in NPEs to €11 bn by the end of 2021.

The Bank's overall strategy in managing NPEs is to strike a balance between ambitious NPE reduction and managing the stock of NPEs in such a way to create long-term value.

2018 was a year of significant regulatory developments in the banking sector and Piraeus Bank. First Time Adoption of IFRS 9 as of 1 January 2018 had a €2.0 bn impact on the Group's Total Equity, with the largest part being gradually phased in over a period of 5 years.

The conclusion of 2018 EU-wide Stress Test signalled the end of a long period of uncertainty for the Greek banking sector. For Piraeus Bank the results of the Stress Test reflected the significant efforts undertaken to transform the Bank at all levels. This was most evident in the assumptions of the "baseline" scenario, under which the Bank's Common Equity Tier 1 (CET1) ratio reached 14.5%.

Piraeus Bank has been implementing a Capital Strengthening Plan to ensure that it has sufficient capital to satisfy the regulatory capital requirements which are growing for the sector across Europe. With more than 94% of planned internal capital generating actions already concluded, the Group's CET1 ratio stood at 13.65% on 31 December 2018, or 14.0% pro-forma for the disposal of the subsidiaries in Albania (completed in February 2019) and Bulgaria (to be completed in the second half of 2019).

Following the conclusion of the Supervisory Review and Evaluation Process (SREP) by the ECB in 2018, the Pillar 2 Requirements (P2R) for the Bank have been reduced by 50bps. The Overall Capital Requirement (OCR), including the implementation of the Capital Conservation Buffer (CCB) and the Other Systemically Important Institution Buffer (O-SII) stood at 14%, as of 1 March 2019.

Piraeus Bank is pursuing a number of planned capital actions that are expected to result in capital levels that satisfy supervisory requirements and the Bank's risk appetite. In addition to the organic capital generation budgeted for 2019 and the scheduled Tier 2 debt issuance, for which the Bank is fully prepared in a gradually improving market sentiment, Piraeus Bank's management is working on a number of additional initiatives to strengthen its capital position, creating buffers above supervisory requirements.

Growth prospects for the Greek economy in 2019 are favourable, as the recovery is expected to maintain its momentum despite the increased uncertainty that comes mainly from the external environment. Most international funds and institutions are projecting Greece to achieve a GDP growth between 2.0% and 2.5% for 2019, driven by business investment, exports and private consumption.

Piraeus Bank, as part of its business planning, focuses on all opportunities for recovery. Its main objectives for 2019 are: a) enhancing revenue streams and operating efficiency to create sustainable profitability b) improving the asset quality through the consistent implementation of the NPE reduction plan towards 2021 c) strengthening of the capital base and d) supporting the economic development of our country.

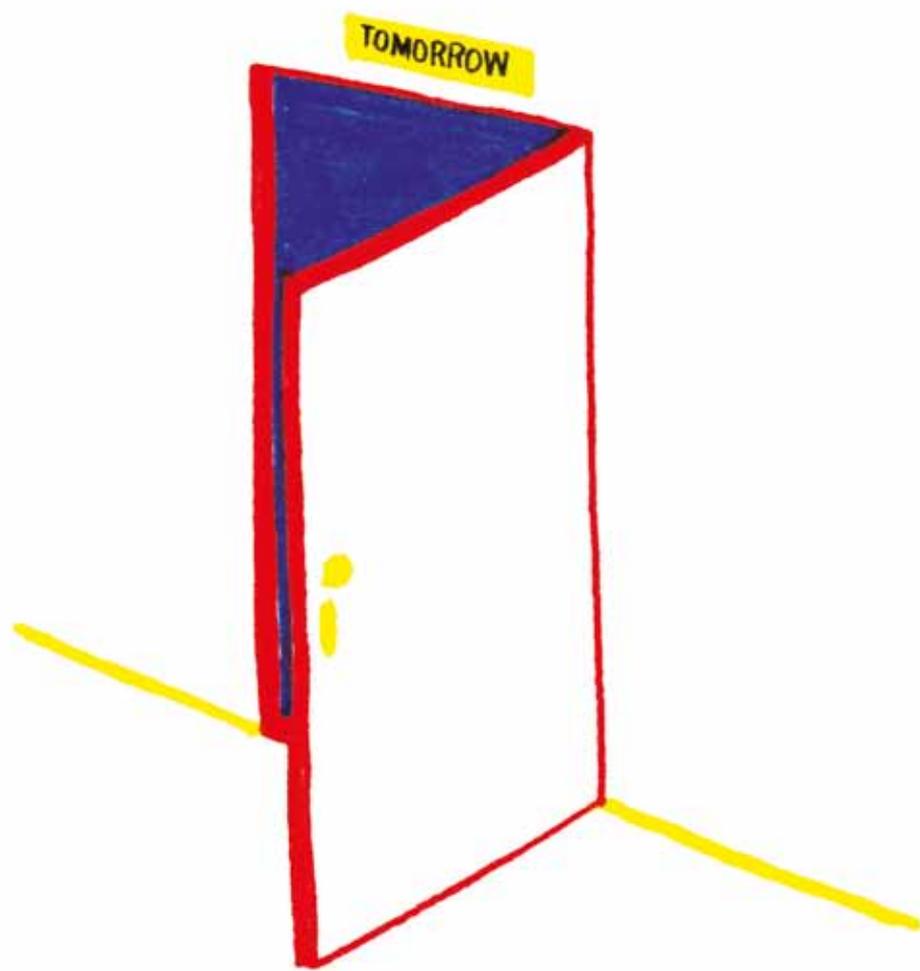
We remain focused and aligned to implement our plan, responding to our commitments and business goals, while at the same time we are moving forward with the de-risking of our balance sheet. For 2019, we are working to deliver our business goals while aiming at a profitable result for our stakeholders.

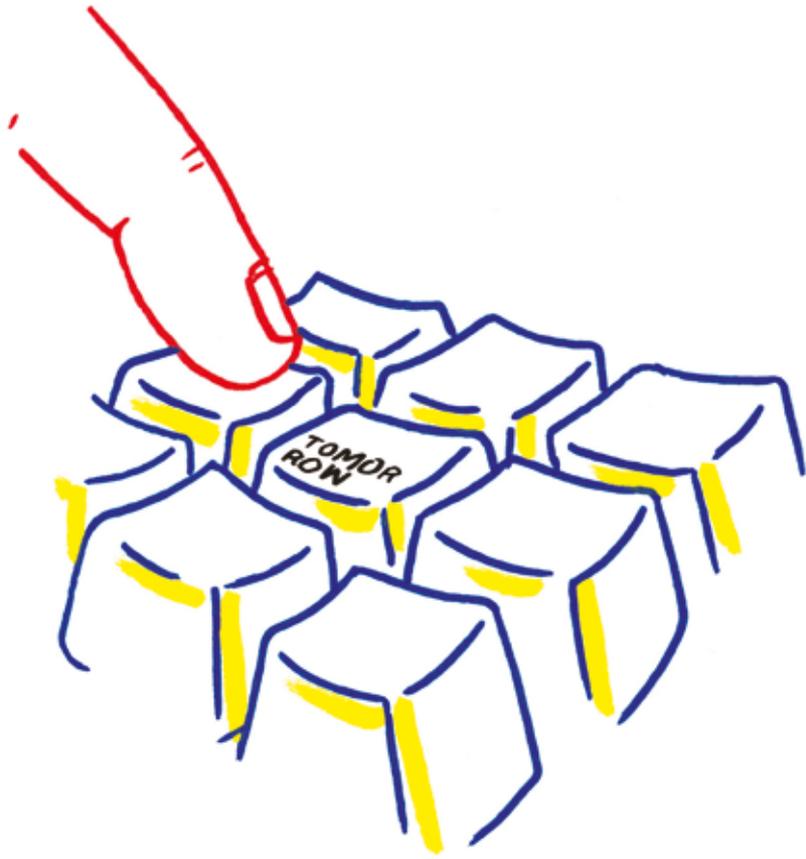
A handwritten signature in black ink, appearing to read 'Megalou', is written over a diagonal line that extends from the bottom left towards the top right.

Christos Megalou,
Chief Executive Officer



ΕΙΚΑΣΤΙΚΟ
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ΕΙΚΑΣΤΙΚΟ

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INDEPENDENT ASSURANCE STATEMENT

TO THE MANAGEMENT OF PIRAEUS BANK SA

The "Sustainability & Business Report" ("the Report") of Piraeus Bank S.A. ("the Bank") has been prepared by the Bank's Management, which is responsible for the collection and presentation of the information contained therein. Our responsibility is limited in carrying out a limited assurance engagement on specific scope on the Report, with the exception of the Materiality Principle application for which we provide reasonable assurance, as well as the review of the Report's "In accordance – Core" option adherence against the GRI Sustainability Reporting Standards ("GRI Standards").

Our responsibility in performing our assurance engagement is solely to the Bank's Management and in accordance with the terms of reference agreed between us. We neither accept nor we assume any responsibility and for any other purpose to any other person or organization. Any reliance any third party may place on the Report is entirely at its own risk.

WORK SCOPE AND CRITERIA

The assurance engagement has been planned and performed in accordance with the International Standard on Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (ISAE3000 revised), in order to provide:

1. Limited level assurance on the accuracy and completeness of quantitative data and the plausibility of qualitative information related to the GRI General Disclosures that are required as a minimum prerequisite for the "In accordance – Core" option, according to the GRI 102 Standard.
2. Limited level assurance on the accuracy and completeness of quantitative data and plausibility of statements that correspond to the twelve (12) most material topics, as those resulted from the Bank's materiality analysis, against the requirements of the respective GRI Standards for these Specific Disclosures, as well as the accuracy and completeness of quantitative data and the plausibility of qualitative information that correspond to these material topics, against the requirements of GRI 103 Standard "Management Approach".
3. Reasonable level assurance on the accuracy and completeness of quantitative data and plausibility of qualitative information regarding the application of the Materiality Principle, according to the requirements of the GRI 101 Standard.
4. Limited level assurance on the Report's "In accordance – Core" adherence against the GRI Standards' requirements.

The GRI General and Specific Disclosures under the scope of our engagement are indicated in the Report's GRI Content Index, found on pages 273-281.



WHAT WE DID TO FORM OUR CONCLUSIONS

In order to form our conclusions we performed (but were not limited to) the steps outlined below:

- ▶ Performed interviews with the Bank's Management executives in order to understand its corporate responsibility and sustainable development processes, policies and activities for the reporting period.
- ▶ Reviewed information in order to substantiate quantitative data and statements regarding the Bank's sustainable development performance during 2018, as these are presented in the Report.
- ▶ Reviewed the Bank's processes for determining material topics to be included in the Report, the coverage of these material topics within the Report, as well as material topics resulted from Media review, and through Corporate Responsibility Reports of selected peers.
- ▶ Reviewed the accuracy and completeness of quantitative data related to the results from the materiality analysis conducted by the Bank, as these are presented in the Report's materiality map, and the plausibility of statements that pertain to the application of the Materiality Principle.
- ▶ Reviewed the Bank's stakeholder engagement process through, among others, our presence during a relevant discussion with focus group.
- ▶ Interviewed executives responsible for managing, collecting and processing data related to the GRI General and Specific Disclosures under the scope of our engagement, for both internal and public reporting purposes.
- ▶ Reviewed data reported from the reporting entities (branches and management buildings) or from the Group's subsidiaries, to decide on the level of coverage (depending on assigned boundaries) and to examine, for selected cases, the checks which have been applied at corporate level.
- ▶ Reviewed relevant documentation and reporting systems, including, among others, data collation tools, standards and guidance documents.
- ▶ Reviewed the Report for the appropriate presentation of the GRI General and Specific Disclosures under the scope of our engagement, a procedure which also included discussions about limitations and assumptions relating to the way these data are presented.
- ▶ Reviewed the GRI Content Index found on pages 273-281 as well as the relevant references included therein, against the GRI Standards' requirements for the "In accordance – Core" option.

LEVEL OF ASSURANCE

Our procedures for collecting evidence were designed in order to obtain a limited level of assurance (as set out in ISAE 3000) on which we formed our conclusions, with the exception of the application of the Materiality Principle for which the relevant procedures for collecting evidence were designed in order to obtain a reasonable level of assurance. The extent of the procedures for collecting evidence for obtaining a limited level of assurance is less than those designed to obtain a reasonable level of assurance and therefore a lower level of assurance is obtained compared to a reasonable assurance engagement.



LIMITATIONS OF OUR REVIEW

- ▶ Our review was limited to the Greek version of the Report. In the event of any inconsistency in translation between the English and Greek versions, as far as our conclusions are concerned, the Greek version of the Report prevails.
- ▶ Our review was limited to information related to the GRI General and Specific Disclosures under the scope of our engagement, and did not include financial data nor the corresponding narrative text in the Report.
- ▶ We do not provide any assurance relating to future performance such as estimates, expectations or targets, or their achievability.
- ▶ The scope of our work did not include any third party activities or performance. In addition, it did not include any review of the accuracy of survey results assigned to third parties, nor Information Technology systems used by third parties, but was instead limited to the proper transposition of the final results –under the scope of our engagement- to the Report.
- ▶ Our review did not include testing of the Information Technology systems used or upon which the collection and aggregation of data was based by the Bank.

CONCLUSIONS

Based on our work and according to the terms of reference and the limitations of our review, we report the following conclusions. Our conclusions are based on the appropriate application of the selected criteria and should be read in conjunction with the "What we did to form our conclusions" section above.

1. How complete and accurate are the quantitative data and how plausible is the qualitative information related to the GRI General Disclosures under the scope of our engagement?

- ▶ Nothing has come to our attention that causes us to believe that any reporting unit or Group subsidiary company, according to the set boundary and time period stated in the Report, is not included in the quantitative data of the Report related to the GRI General Disclosures under the scope of our engagement.
- ▶ Nothing has come to our attention that causes us to believe that errors or inaccuracies exist in the collation of the quantitative data related to the GRI General Disclosures under the scope of our engagement, or in the transposition of these data to the Report, that would materially affect the way they are presented.
- ▶ We have reviewed information and explanations on selected Management statements related to the GRI General Disclosures, as these are presented in the Report, for which no misstatements came to our attention.

2. How complete and accurate are the quantitative data and how plausible are the statements of the Specific Disclosures relating to the twelve (12) most material topics under the scope of our engagement?

- ▶ Nothing has come to our attention that causes us to believe that any reporting unit or Group subsidiary company, according to the set boundary per material topic and the time period stated in the Report, is not included into the quantitative data of the Report related to the GRI Specific Disclosures under the scope of our engagement.



- ▶ Nothing has come to our attention that causes us to believe that errors or inaccuracies exist in the collation of the quantitative data related to the GRI Specific Disclosures under the scope of our engagement, or in the transposition of these data to the Report that would materially affect the way they are presented.
- ▶ We have reviewed information and explanations on selected statements, as they are presented in the Report, relating to the material topics under the scope of our engagement against the requirements of the GRI 103 Standard "Management Approach", for which no misstatements came to our attention.

3. *Is the Materiality Principle applied according to the requirements of GRI 101 Standard?*

- ▶ According to our opinion, the Report has been developed by reasonably applying, in all material respects, the Materiality Principle, according to the requirements of GRI 101 Standard.

4. *Does the Report meet the GRI Standards' requirements of the "In accordance – Core" option?*

- ▶ Based on our work, nothing has come to our attention that causes us to believe that the Report does not meet the requirements of the "In accordance – Core" option, as presented in the GRI Content Index, found on pages 273-281.

INDEPENDENCE

We have implemented a set of audit quality control policies and practices which meet the requirements of the International Standards on Quality Control issued by the International Auditing and Assurance Standards Board (IAASB). We conducted our engagement in compliance with the requirements of the IFAC Code of Ethics for Professional Accountants ("the Code"), which requires, among other requirements that the members of the engagement team, as well as the assurance Firm, are independent of the client, including not being involved in writing the Report. EY has systems and processes in place to monitor compliance with the existing independence rules as they are defined by the Code. EY and all professional personnel involved in this engagement have met these independence requirements.

ASSURANCE TEAM

The professionals who participated in the engagement are members of and are supported by the EY Climate Change and Sustainability Services Global Network, which undertakes similar engagements in Greece and at a global level.

Athens, 10 June 2019

For and on behalf of ERNST & YOUNG (HELLAS)
Certified Auditors Accountants S.A.

Vassilios Kaminaris

Historical Timeline

1916-1991 The early years

- | | |
|--|---|
| 01. 1916: Founding of Piraeus Bank. | of Emporiki Bank of Greece. |
| 02. 1918: Listing of Piraeus Bank shares on the Athens Stock Exchange (ATHEX). | 04. 1975: Piraeus Bank, as part of Emporiki Group, comes under state control. |
| 03. 1963: Piraeus Bank is integrated in the Group | 05. 1991: Privatisation of Piraeus Bank. |

1992-1999 Growth

- | | |
|--|--|
| 06. 1993: Establishment of Piraeus Leasing, Piraeus Mutual Funds and Piraeus Insurance Agency. | completed in the beginning of 1999). |
| 07. 1996: Founding of Tirana Bank in Albania. | Agreement for the acquisition of a 56% stake in Marathon National Bank of New York (deal completed in mid-1999). |
| 08. 1997: Absorption of assets and liabilities of Chase Manhattan Bank in Athens. Acquisition of 30% of Sigma Securities with an agreement for the future acquisition of an additional 21%; completed in 1998. | 10. 1999: Absorption of assets and liabilities of National Westminster Bank in Greece. Operational and administrative integration of the three commercial banks of the Group (Piraeus Bank, Macedonia-Thrace Bank and Xiosbank). |
| 09. 1998: Acquisition of Macedonia-Thrace Bank. Acquisition of Credit Lyonnais Hellas. | Acquisition agreement for Pater Credit Bank in Romania (integrated in the Group in April 2000, as Piraeus Bank Romania). |
| Agreement for the acquisition of a majority stake in Xiosbank (deal | Establishment of London Branch. |

2000–2008 Domestic and international presence

11. 2000: Completion of merger by absorption of Xiosbank and Macedonia-Thrace by Piraeus Bank.
Creation of winbank, the first integrated e-banking platform in Greece.
12. 2001: Completion of reorganisation of asset management and investment banking sectors, with merger of similar mutual funds, and absorption of Xios Securities and Macedonia-Thrace Securities by Sigma Securities SA.
Agreement for the acquisition of ETVAbank.
Expansion of the Group's market shares in banking, leasing and third-party wealth management.
13. 2002: Completion of a 57.8% acquisition of ETVAbank.
14. 2003: Merger by absorption of ETVAbank by Piraeus Bank, of Piraeus Investment SA by Hellenic Investment Company and of ETVA Leasing by Piraeus Leasing SA.
15. 2004: Merger by absorption of Devletoglou Securities SA by Sigma Securities SA, and of ETVA Insurance Agency by Piraeus Insurance Agency.
16. 2005: Acquisition of 99.7% of Bulgarian Piraeus Eurobank AD (renamed Piraeus Bank Bulgaria AD).
Acquisition of 80% of Serbian Piraeus Atlas Banka AD (renamed Piraeus Bank Beograd AD).
Acquisition of 69.3% of Egyptian Commercial Bank (renamed Piraeus Bank Egypt).
17. 2006: Merger and operational integration of Piraeus Bank branch network in Bulgaria with Piraeus Bank Bulgaria.
18. 2007: Acquisition of International Commerce Bank in Ukraine (renamed JSC Piraeus Bank ICB). Acquisition of Arab Bank's branch network in Cyprus. Renewal of the cooperation with the international ING Group in the field of bancassurance in Greece. Completion of the Bank's Share Capital Increase by €1.35 bn.
19. 2008: Establishment of Piraeus Bank Cyprus Ltd.

2009–2017 Confronting the financial crisis

20. 2009: Issuance of non-voting preferred shares, to the amount of €370 mn, in favour of the Hellenic Republic, pursuant to Greek Law 3723/2008. Agreement with Victoria General Insurance Company SA, subsidiary of ERGO International in Greece and member of the Munich Re Group, for the implementation of a ten-year exclusive cooperation in the general insurance field.
21. 2010: Creation of winbank Direct (www.winbankdirect.gr), the first online channel for the delivery of banking services in Greece.
22. 2011: Completion of a Share Capital Increase of €0.8 bn. Issuance of additional non-voting preferred shares, to the amount of €380 mn, in favour of the Greek State, pursuant to L. 3723/2008. Participation in the PSI program with total eligible bonds amounting to €7.7 bn; the total impairment recognised in the financial year 2011 amounted to €5.9 bn before taxes.
23. 2012: Acquisition of the 'healthy' part (selected assets and liabilities) of ATEbank, which was placed under special liquidation at the time. Sale of the participation (98.8%) in Marathon Banking Corporation. Acquisition of the total participation of Société Générale (99,1%) in Geniki Bank.
Participation in the Greek Government Bond (GGBs) Buyback Program for the reduction of public debt.
24. 2013: Acquisition of deposits, loans, branches and employees in Greece of Bank of Cyprus, Cyprus Popular Bank and Hellenic Bank. Agreement for the sale of Piraeus Bank's stake (93.27%) in the share capital of ATEbank Romania SA. Agreement with Millennium BCP for the acquisition of the capital share of Millennium Bank Greece SA.
Share capital increase of €8.429 bn. Integration of the information systems of former ATEbank, Hellenic Bank, Bank of Cyprus and Cyprus Popular Bank in the uniform IT environment Piraeus Bank. Legal merger and integration of IT systems of Millennium Bank Greece SA, completing the integration of all banking

- activities that were acquired by Piraeus Bank, with the exception of Geniki Bank.
25. 2014: Issuance and placement of €0.5 bn three-year senior bonds in the international markets, to raise medium-term liquidity. Share capital increase of €1.75 bn.
- Redemption of Greek State's Preferred shares in the amount of €750 mn (L.3723/2008).
- Approval of the merger of Piraeus Bank with Geniki Bank SA, with the acquisition of the latter by the former and completion of the Geniki Bank's systems integration in the uniform IT environment of Piraeus Bank Group.
26. 2015: Acquisition of the "healthy" part of Panellinia Bank SA. The integration of its systems was completed in July 2015.
- Return to the Public Debt Management Agency (PDMA) of the sum of special bonds issued to the Bank within the framework of Pillar III of L. 3723/2008, with a total nominal value of €2.2 bn.
- Liability Management Exercise (LME) involving the exchange of securities for cash or shares (or any combination of the aforementioned), in relation to the senior unsecured bonds and preferential securities of €500 mn with fixed interest rate maturing in 2017, of €400 mn with floating interest rate maturing in 2016 and of €200 mn with floating interest rate and indefinite duration. The LME was conducted in order to strengthen the Bank's capital base. Following a decision of the bond holder assemblies, an exchange was approved for the sum of the securities. ECB Banking Supervision conducted a comprehensive assessment of the four Greek systemic banks.
- Agreement on the sale of its stake in the subsidiary Piraeus Bank Egypt SAE.
- Completion of the book-building process regarding the offering of new common shares in cash amounting to €1.34 bn.
- Approval from the European Commission of the revised Restructuring Plan of the Bank.
- Completion of raising funds to the amount of €4.7 bn, with a share capital increase with cash, capitalisation of liabilities via cash payments and contribution in kind of ESM bonds, and issuance of contingent convertible bonds (CoCos) that were covered solely by the Hellenic Financial Stability Fund (HFSF).
27. 2016: Redemption of the last remaining guarantees of the Hellenic Republic (Pillar II), used for liquidity purposes, issued under the framework of L. 3723/2008. Upon redemption of Pillar II bonds, Piraeus Bank no longer made use of the measures of L. 3723/2008, and therefore was no longer subject to the restrictions of the support scheme, which, inter alia, required the appointment of a Greek State representative on its Board of Directors (BoD).
- Announcement by Piraeus Bank regarding agreement for the sale of shares in its subsidiary in Cyprus, Piraeus Bank Cyprus Ltd.
- The BoD of the Bank elected Mr George Handjinicolaou as its Chairman.
- Piraeus Bank announced the sale of 100% of the share capital of ATE Insurance to Ergo International AG, a subsidiary of Munich Re, following the fulfilment of all the conditions under the relevant agreement.
- Piraeus Bank launched a new model of a fully automated e-branch into the Greek market, offering a range of full-service banking transactions and a unique banking experience.
28. 2017: Piraeus Bank has completed the overall revamp of its Board of Directors, incorporating members with international financial expertise, strengthening its corporate governance.
- Following the agreement for the sale of Piraeus' holdings in Trastor REIC, the Bank's stake was reduced to 39% from 58%.
- The redesigning of winbank web banking for businesses is completed.
- The BoD of Piraeus Bank, unanimously elects Mr Christos Megalou as the Bank's new CEO.
- The European Investment Fund (EIF) has signed 2 agreements of €270 mn with Piraeus Bank which will provide financing to over 1,000 small and medium sized enterprises (SMEs) across all sectors of the Greek economy.
- The new innovative site *properties4sale.gr* is launched, aiming at the sale of REO assets through online and publicly accessible auctions.
- The Annual General Meeting of Shareholders of Piraeus Bank, elects the new 11-member Board of Directors (including the HFSF representative) with a 3year mandate and appoints 5 independent members according to the

provisions of the Greek Law 3016/2002.
The renewal of bancassurance agreement with NN Hellas is announced.
The collaboration with UnionPay International – is launched. QuickPass is introduced to Southern Europe for the first time.
Agreement to sale Piraeus Bank Beograd in Serbia to Direktna Banka AD.

Issuance of a 5-year €0.5 bn covered bond.
The sale of Piraeus' subsidiary Olympic Commercial and Tourist Enterprises SA is announced.
The agreement with JC Flowers & Co. for the sale of Piraeus Bank's entire shareholding stake in its subsidiary Piraeus Bank Romania SA.

2018 at a Glance

First-time adoption of IFRS 9 "Financial Instruments" on 1 January 2018.

Exchange of €1.5 bn of fixed rate ESM bonds (received within the framework of the short-term measures for the relief of Greek public debt), for cash, ending the bond exchange program, which was initiated during February 2017.

Completion of the procedure for the sale of Piraeus Bank's subsidiary Olympic Commercial and Tourism Enterprises – which holds the Avis Rent a Car, Budget Rent a Car and Payless master franchises for Greece.

Upgrade by the credit rating agency Moody's of the long-term deposit and senior debt credit rating of Piraeus Bank to 'Caa2' with stable outlook from 'Caa3' with stable outlook.

Completion of the sale of Piraeus Bank Beograd AD.

ECB announced the results of the Stress Test Exercise 2018, which indicate for Piraeus Bank at the end of 2020, a Common Equity Tier 1 capital ratio (CET1 ratio) of 14.5% under the "baseline" scenario.

Piraeus Bank entered into an agreement for the sale of secured with real estate collateral non-performing and denounced corporate NPEs, of €1.4 bn gross book value.

Completion of the sale of Piraeus Bank Romania.

Agreement for the sale and transfer of non-performing, denounced unsecured retail consumer and credit card loans of €0.4 bn gross book value.

Upgrade by the credit rating agency S&P Global of the long-term/short-term rating of Piraeus Bank to 'B-/B' with stable outlook from 'CCC+/C' with stable outlook.

Piraeus Bank eliminated ELA reliance.

The four systemic Banks entered into a servicing agreement with a credit institution specialized on servicing of non-performing loans, doBank S.p.A (doBank).

Agreement for the sale of shareholding (98.8%) in its subsidiary in Albania, Tirana Bank (completed in 2019).

DBRS Ratings finalized its provisional investment grade credit rating of BBB (low) to Piraeus Bank's €10 bn Global Covered Bonds Program, under which there are currently five outstanding series worth €4.5 bn of covered bonds.

Upgrade by the credit rating agency Fitch of the long-term and short-term issuer rating of Piraeus Bank to 'CCC/C' from 'RD/RD' before, on the lifting of restrictions on deposit withdrawals.

Piraeus Bank reached an agreement for the sale of its shareholding in the share capital (99.98%) of its subsidiary Piraeus Bank Bulgaria AD.

Vision & Values

Targets & Outlook

Vision & Values

Piraeus Bank committed to its vision to be the most trusted Bank in Greece, identifies the future based on its principles.

Accountability. Meritocracy. Transparency. Concepts and values that clearly represent its identity and its position in the modern environment, and at the same time determine all its operations.

With its management responsibility and conviction for continuous development Piraeus Bank paves innovative ways, with a view on creating value for all stakeholders: shareholders, customers, employees and the society in which it operates. It promotes profitable and sustainable entrepreneurship, guides its people with integrity, provides high quality services.

Piraeus Bank places customers and their needs at the centre of its operations. Taking into account social and economic factors, confident and certain about its ability to ensure quality and transparency, the Bank's continued partnership, collaboration, and cooperation with its customers, shapes deep and confident relationships for tomorrow.

In 2018, Piraeus Bank developed a new common culture, consisting of 4 corporate values:

01. We create value in all we do.
02. We challenge the frontiers.
03. We enthuse our customers.
04. We build relationships of trust.

Targets & Outlook

Piraeus Bank, holding a prominent position in the Greek banking market, is a key player for the restoration of the dynamics of the Greek economy.

Trust is gradually returning to the Greek banking system. In this context, the Bank seeks to contribute actively to the provision of liquidity to healthy businesses and households and to support the financing of creditworthy investment plans.

Piraeus Bank, under the leadership of CEO Christos Megalou, introduced in early June 2019 its new strategic roadmap up to 2023 namely "Agenda 2023". The central vision of the Bank is the pursuit to be the most trusted bank in Greece.

The pillars of "Agenda 2023" are the following:

- | | |
|---|---|
| <p>01. Strategic Targets: specific, measurable goals are set, that place the Bank on course to fully restoring its fundamentals and enhancing its profitability;</p> <p>02. Satisfying Stakeholders: this is top priority for the Bank. Key stakeholders for Piraeus Bank are its customers, shareholders, employees, suppliers and</p> | <p>society at large;</p> <p>03. Sustainable Solutions: a complete framework of solutions is established, that through a focused and effective implementation, will enable the Bank to develop its full potential, with the aim of creating value from all its functions.</p> |
|---|---|

The aforementioned Sustainable Solutions address the following three aspects:

- | | |
|--|---|
| <p>01. De-risking of Legacy Assets: the Bank will decisively continue de-risking its balance sheet, with the aim of reaching internationally accepted, i.e. single-digit, NPE ratio levels. In parallel, Piraeus Bank intends to further strengthen its capital base, ensuring that it continues to remain at all times above the supervisory requirements by c.200bps.</p> <p>02. Growth of Assets: by deepening the existing 5.3mn client relationships, Piraeus Bank will focus on leveraging the competitive advantages of its core business in Greece. The Bank envisages to remain a prominent SME & SBL Bank, along with increased generation of retail products, under a risk-adjusted approach. The Bank has identified revenue</p> | <p>prospects across all business segments, utilizing the capabilities of its advanced digital platform, providing innovative solutions.</p> <p>03. Efficiency & Simplification: the goal is to maximise the Bank's 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. Through the focused execution of the "Agenda 2023" plan, by the end of 2023, Piraeus Bank is expected to have evolved in a completely efficient financial institution, with a cost-to-income ratio at low 40's and satisfactory Return on Tangible Equity to a high single-digit area.</p> |
|--|---|

Group's Financial Data Analysis

Balance Sheet

Piraeus Bank has a systemic position in the Greek banking market in terms of total assets amounting to €61.9 bn as at 31/12/2018, from €67.4 bn as at 31/12/2017.

Customer deposits of the Group continued to recover for another year, reaching €44.7 bn as at 31/12/2018, posting an increase of 4.7% compared to 31/12/2017. This increase is solely attributable to the Group's activity in Greece, where customer deposits increased by 8.8% to €44.5 bn. The domestic market share of deposits stood at 29.0% at the end of 2018. Savings deposits constitute 34.2% of the total domestic deposits of the Bank with time deposits at 38.9% and sight deposits at 26.9%. Business deposits correspond to 26.7% of the total domestic deposit base at Piraeus Bank with retail deposits at 73.3%. Group international operations customer deposits amounted to €0.2 bn as at 31/12/2018 from €1.8 bn as at 31/12/2017, as customer deposits were reduced by €1.6 bn from discontinued operations in Albania and Bulgaria.

Deposits per category			
Amounts in €mn	31.12.2018	31.12.2017	Change
Sights-Savings	27,337	26,816	2%
Time	17,402	15,900	9%
Total deposits	44,739	42,715	5%
Greece	44,536	40,889	9%
International Operations	203	1,826	-89%

Eurosystem funding (€ bn)

2016

Total: 21



2017

Total: 10



2018

Total: 3



ECB ELA

Utilisation of Eurosystem funding was significantly reduced in 2018, to €3.2 bn as at 31/12/2018 from the level of €9.7 bn as at 31/12/2017, supported from deposits increase, the access to the interbank repo market, the further loan portfolio deleveraging and the participation of the Bank in the EFSF bond exchange program with cash (nominal value €1.5 bn). ELA funding was eliminated in July 2018 from €5.7 bn as at 31/12/2017. Access to the interbank market with the use of collaterals reached €1.9 bn as at 31/12/2018 from €1.5 bn as at 31/12/2017.

Gross loans as at 31/12/2018 amounted to €53.1 bn. Total gross loans in Greece stood at €52.0 bn, of which €1.6 bn was related to the disbursement of an agri-loan towards OPEKEPE for the distribution of European Commission subsidies towards approximately 700 thousand farmers (which was repaid in February 2019). The domestic market share of loans was 29.3% at the end of 2018. Loans stemming from the Group's international operations amounted to €1.1 bn as at 31/12/2018 from €2.0 bn a year earlier. Net loans stood at €39.8 bn as at 31/12/2018, with the Group's net loans to deposits ratio at 89% (or 85% excluding seasonal OPEKEPE loan), having improved from 105% (or 101% respectively) at 31/12/2017.

The Bank's domestic loan book consists of business (63.2%), mortgage (27.8%) and consumer loans (9.0%).

Gross Loans per category			
Amounts in €mn	31.12.2018	31.12.2017	Change
Loans to businesses	33,760	39,595	-15%
Retail loans	19,331	20,665	-6%
Total loans	53,091	60,260	-12%
Greece	51,998	58,230	-11%
International Operations	1,093	2,030	-46%

Loan Portfolio Quality

Addressing the high accumulated non-performing exposures (NPE) is the most important challenge both for Piraeus Bank and for the Greek banking system.

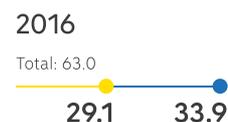
In the direction of better management of NPEs, the institutional framework has been enriched and the Greek banks have taken important actions. In particular, electronic platforms have been put in place for the out-of-court debt settlement mechanism and for property auctions and show signs of progress after a slow start. The institutional framework for debt management companies has been adapted, 16 credit management companies have

already been licensed, and efforts have been made to improve interbank co-operation (eg NPL Forum). Meanwhile, the secondary market for NPE has begun with positive results, with more than 10 transactions being completed or at an advanced stage of implementation in one year. The Bank completed the sale of two NPE portfolios totaling a combined gross book value of €1.8 bn, the first regarding secured corporate loans (Amoeba) and the second non-secured consumer loans (Arctos) in the 4th quarter of 2018. The Bank is already working towards the sale of two new NPE portfolios, of €1.3 bn gross book value.

The overall decline in NPEs amounted to €5.5 bn over the past 12 months, with the balance reducing to €27.3 bn at the end of December 2018. The NPE ratio declined to 53,1% in 2018 from 56,0% in 2017. The corresponding NPE coverage ratio from accumulated provisions remained at 49%.

Based on the performance of Piraeus Bank in the management of NPEs, in March 2019, a new NPE business target was set for the end of 2021 at €11 bn, suggesting a total decrease of €15 bn compared to Dec.2018, both through organic and inorganic actions.

Performing and non performing loans in Greece (€ bn)



Performing loans

Non performing exposures

Profit & Loss

The Group's net interest income eased to €1.4 bn in 2018 from €1.6 bn in 2017 –despite the improvement from the reduction in the cost of funding– due to asset deleveraging and the effect of the IFRS 9 FTA and the standards for loan exposures in Stage 3 resulting to lower accruing loan balances. Net fee and commission income amounted to €0.3 bn in 2018, with a small annual rise compared to 2017. Total net income for 2018 amounted to €1.9 bn from €2.1 bn in 2017.

The Group's total operating expenses in 2018 stood at €1.2 bn, compared to €1.1 bn in 2017, as a result of the cost of the Voluntary Exit Scheme through which more than 1,300 employees left the Bank. Excluding the VES cost, total operating expenses amounted to €1,0 bn, a reduction of 7.6% versus the previous year respectively.

As a result of the above, Group profit before provisions, impairments and income tax for the full year 2018 amounted to €0.7 bn, compared to €1.0 bn in 2017. The results of 2018 were burdened by ECL impairment charge on loans amounting to €0.6 bn, compared to €2.0 bn in 2017. The normalisation of the ECL impairment charge can be attributed to the large amount of accumulated past provisions, the IFRS 9 FTA impact, the sales of NPE portfolios, and the loan deleveraging. In addition, other assets were impaired by €124 mn in 2018 from €151 mn in 2017.

The Group's profit before income tax in 2018 amounted to a gain of €80 mn from a loss of €1.2 bn in 2017, while profit for the period from continuing operations attributable to shareholders amounted to a gain of €185 mn in 2018 comparable to a loss of €9 mn in 2017, positively affected from the recognition of deferred tax asset on the difference between the ECL allowance and the tax base.

Consolidated Data (amounts in €mn)	31.12.18	31.12.17	Δ yoy
Selected Balance Sheet Figures*			
Assets	61,880	67,417	-8.2%
Deposits	44,739	42,715	4.7%
Gross Loans before adjustments*	53,091	60,260	-11.9%
Cumulative Provisions	13,333	15,541	-14.2%
Total Equity	7,506	9,544	-21.4%
Selected P&L Results**			
	2018	2017	Δ yoy
Net Interest Income	1,410	1,639	-14.0%
Net Fee & Commission Income	339	331	2.5%
Core Banking Income	1,749	1,970	-11.2%
Net Trading & Inv. Securities Income	80	73	9.5%
Other Operating income & Dividend Income	53	45	16.7%
Net Income	1,882	2,088	-9.9%
- excl. one-off items***	1,858	1,976	-6.0%
Staff costs	(616)	(546)	12.9%
Administrative Expenses	(442)	(462)	-4.3%
Depreciation & Other Expenses	(103)	(98)	4.6%
Total Operating Costs	(1,161)	(1,106)	5.0%
- excl. one-off items***	(1,007)	(1,089)	-7.6%
Pre Provision Income	721	983	-26.6%
- excl. one-off items***	851	887	-4.0%
Impairment losses on loans	(599)	(2,020)	-70.4%
Impairment losses on other assets****	(57)	(151)	-61.9%
Associates' Results	15	(31)	-
Pre-Tax Result	80	(1,219)	-
Income Tax	93	1,207	-
Net Result Attributable to Shareholders, Continued Operations	185	(9)	-
Non-Controlling Interest, Continued Operations	(11)	(4)	-
Net Result from Discontinued Operations	(344)	(192)	-
<p>* The Sep.18 and Dec.18 deposits, gross loans and cumulative provisions exclude operations in Bulgaria and Albania, which as of Q2.2018 were classified as discontinued.</p> <p>** P&L figures exclude the Group's discontinued operations.</p> <p>*** In FY 2017 a €35mn bancassurance persistency fee is excluded from Net Fee Income. In Q3.2018 a €48mn extraordinary quality commission was related for past performance for general insurance business. In Q2.2018, €24mn loss in other income was flagged as one-off. In addition, extraordinary staff costs related to VES of €132mn, €4mn and €18mn were classified as one-off items in Q1.18, Q3.2018 and Q4.2018 respectively.</p> <p>**** Reversal of loan impairment of €67mn from sale of 2 NPE portfolios included in impairment losses on other assets in FY.2018.</p>			

Presence

The Group's branch network of its continuing operations as at 31/12/2018 totaled 573 units, of which 553 operated in Greece and 20 in 3 other countries. The branch network

in Greece was reduced by 67 units and abroad by 113 units during 2018 as a result of the rationalisation plan and the sale of Albanian and Bulgarian operations. At the same time, the Group's headcount totaled 12,557 employees in the continuing operations, of which 12,097 were employed in Greece (2017: 15,115 and 13,253 respectively).

Capital

As at 31/12/2018, the Group's total equity amounted to €7.5 bn from €9.5 bn a year earlier, mainly due to the IFRS 9 FTA impact of €2.0 bn. The Group's Basel III total capital adequacy ratio stood at 13.65% on 31/12/2018, equivalent to the Common Equity Tier 1 (CET 1) ratio. 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 31/12/2018 was €3.9 bn. The Group's fully loaded CET 1 stood at 10.7%. Considering the effect of the sale of Tirana Bank in Albania, Piraeus Bank Bulgaria and certain loan portfolios, classified as at 31/12/2018 under "Held for sale" in risk weighted assets (RWA), the Group's total capital adequacy ratio (phased-in) will reach 14.0%.

Following the conclusion of the SREP (Supervisory Review and Evaluation Process) for year 2018, the ECB informed Piraeus Group of its total capital requirement, valid from 1/3/2019. According to the decision, the Group has to maintain an overall capital requirement ratio (OCR) of 14.00%, 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-SII) capital buffer of 0.25% under Greek Law 4261/2014.

Share Capital

On 31/12/2018, the share capital of the Bank amounted to €2,617 mn divided into 436,659,164 ordinary shares bearing a voting right and at a nominal value of €6.0 each. Common shares of Piraeus Bank are intangible and listed on Athens Exchange.

The free spread of Piraeus Bank's shares is high with approximately 28,000 common shareholders holding 73.6% of the Bank's share capital (HFSF holds 26.4% of the Bank's share capital).

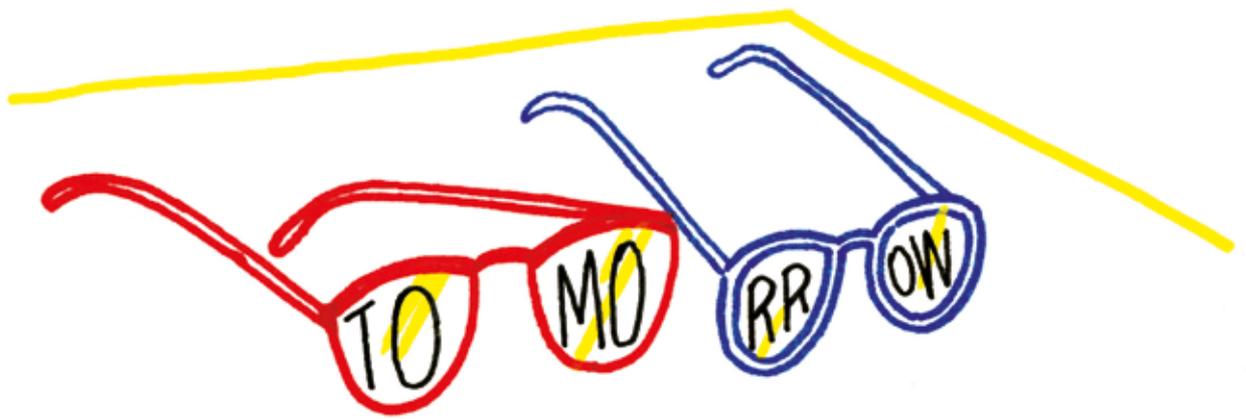
The 2/1/2018 was the final date for the exercise of Piraeus Bank Warrants. After the settlement date of the exercise orders on 5 January 2018, the Warrants which were not exercised by that date amounted to 843,629,886 and they automatically expired and were cancelled by the HFSF. The number of the outstanding shares of the Bank post the completion of the final exercise process of the Bank's Warrants, is the following:

Number of other common shares owned by the HFSF/ Percentage of total share capital	115,375,400	26.42%
Number of common shares owned by private investors/ Percentage of total share capital	321,283,764	73.58%
Total number of outstanding common shares/ Percentage of total share capital	436,659,164	100%

ΕΙΚΑΣΤΙΚΟ

2





ΕΙΚΑΣΤΙΚΟ

2

Sustainable Development

Methodology for Analysis of Material Issues

Every year Piraeus Bank publicises and highlights some important non-financial dimensions of the Group's operations, in an effort to enhance transparency and provide information on corporate social responsibility issues.

Piraeus Bank has been presenting non-financial information in line with the Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI) since 2006, setting out a comprehensible framework of principles that facilitates the dissemination of information and communication of sustainable development issues both for the Group and for stakeholders. Additionally, adopting these principles contributes to a better ranking of the Bank, which is actively involved in international initiatives and included in corporate sustainability indices. Through these initiatives and based on international standards and practices, the Bank is regularly assessed and continuously upgrades its sustainable development practices.

Since 2004 Piraeus Bank Group has been voluntarily following the guidelines for the publication of annual and progress reports as indicated by the UN Global Compact. In addition, recognising the importance of the 17 Sustainable Development Goals (SDGs) and their widespread acceptance, the Bank links the most material issues identified in the materiality survey with the Group's most important goals.

Material issues are those that reflect the economic, environmental and social impact of the Bank or that significantly influence the assessments and the decisions of stakeholders.

Piraeus Bank defines the stakeholders, i.e. customers, employees, suppliers, investors/shareholders, investment analysts, media, supervisory & regulatory authorities, investment community, community/environmental/cultural bodies, NGOs. The Bank then enters into a dialogue with them, to address their needs and expectations and to highlight current issues related to Sustainable Development. These issues are the basis for designing and activating mechanisms to continuously improve the Bank's operations.

In addition to the regular communication and collaboration with each stakeholder group, Piraeus Bank has also adopted a hierarchy of material issues. This involves conducting a survey and discussion with focus groups to highlight current material issues related to Sustainable Development and based on the principles of Materiality, Stakeholder Participation, Viability Sustainability Context and Completeness.

The Materiality Survey is based on a structured questionnaire designed to investigate issues that are related to the legitimate expectations and interests of stakeholders, and which consequently have an impact on society, the economy and the environment. These issues arise from Piraeus Bank's systematic communication with the interested parties and are shaped by current events, prevailing market conditions, existing CSR practices and surveys, and the corporate responsibility indices in which the Bank is included. Material issues might change over time and as deeper knowledge of these is acquired. Piraeus Bank re-evaluates their materiality once a year, in the context of compiling the Sustainable Development Report.

The Bank addresses the questionnaire to a sample of internal and external participants, and organises a focus group discussion, thus benefiting from the direct communication and the opportunity for an open discussion and collection of observations. The discussion is coordinated by external partner of the Bank in the presence of representatives from an independent audit firm, thus ensuring alignment of the consultation process with the principles of AA1000 Stakeholder Engagement Standard and validity of the process. The sustainable development practices are ranked in order of importance for each stakeholder group, depending on the type of relationship they have with the Bank.

Participants were asked to assess an extensive range of corporate responsibility issues regarding the level of materiality, using a standardised materiality scale (from 1=not at all to 5=strongly). Issues are ranked on the basis of their relevance to the judgment and decision of the stakeholders and their contribution to sustainable development. At the same time, participants may make suggestions for improvement and/or change, which the Group considers.

The results of the materiality survey are presented in the materiality map. The horizontal axis represents the way in which stakeholders perceive the materiality of each issue and the vertical axis represents the assessment by Piraeus Bank Group on the significance of the impact of these issues on sustainable development, society, the economy and the environment.

The whole process as well as the Report itself are assured by an independent body, which is proof of the Bank's commitment to transparency and alignment with internationally recognised best practices.

Based on the results, both sides agreed on the following 12 material issues, presented below in order of materiality:

1. Protection of personal data (Q6)

The Bank ensures the protection of the personal data of its stakeholders.

2. New technologies (Q2)

The Bank utilises new technological solutions in order to enhance the quality of the products/services to the benefit of its customers.

3. Risk management (Q8)

The Bank places particular emphasis on the effective management and monitoring of risks, both financial and non-financial (such as climate, environmental and social risk), in order to achieve its business goals.

4. Corporate governance (Q7)

The Bank adopts and applies the contemporary principles and practices of Corporate Governance to ensure its effective organisation, operation and management.

5. Socially and environmentally responsible banking products and services (Q3)

The Bank offers specialised products and services with social and environmental benefits, responding to current challenges such as climate change and nature protection.

6. Commitment to safeguard human rights in a healthy and modern working environment (Q11)

The Bank seeks to raise awareness and train its employees on human rights' principles. It implements the principle of equal opportunities in all its actions and offers a healthy, safe and modern working environment, by applying best practices.

7. Promotion of tangible and intangible cultural heritage of the country (Q15)

The Bank documents, highlights and promotes the country's tangible and intangible cultural heritage through the operation of PIOP (museum network, research programs, and historical archives) contributing to the preservation of traditional, artisanal and industrial technology of the country.

8. Supporting local communities through the museum network of the Piraeus Group Cultural Foundation (PIOP) (Q14)

The Bank, through PIOP, has created and operates a network of nine thematic museums in the regions of Greece, using them as sites of culture and life-long learning activities while at the same time promoting employment, tourism and the economy of local communities.

9. Creation of Economic Value (Q1)

The Bank enhances its financial performance and contributes to the revamping of the Greek economy (e.g. salaries, employers' social contributions, tax payment, indirect value creation) by implementing a specific business plan.

10. Financial inclusion (Q4)

The Bank seeks to facilitate the access and customer service for all =, at the same time responding to the specialised needs of disadvantaged groups of society.

11. Improving environmental performance (Q13)

The Bank develops strategies to improve its environmental performance and reduce its operational environmental footprint.

12. New corporate culture (Q12)

With accountability, meritocracy and transparency as its core principles, the new corporate culture is cultivated throughout the organisation, fostering an open and collaborative working environment.

The Bank appointed Ernst & Young (EY) to provide an Independent Assurance Statement of the aforementioned issues.

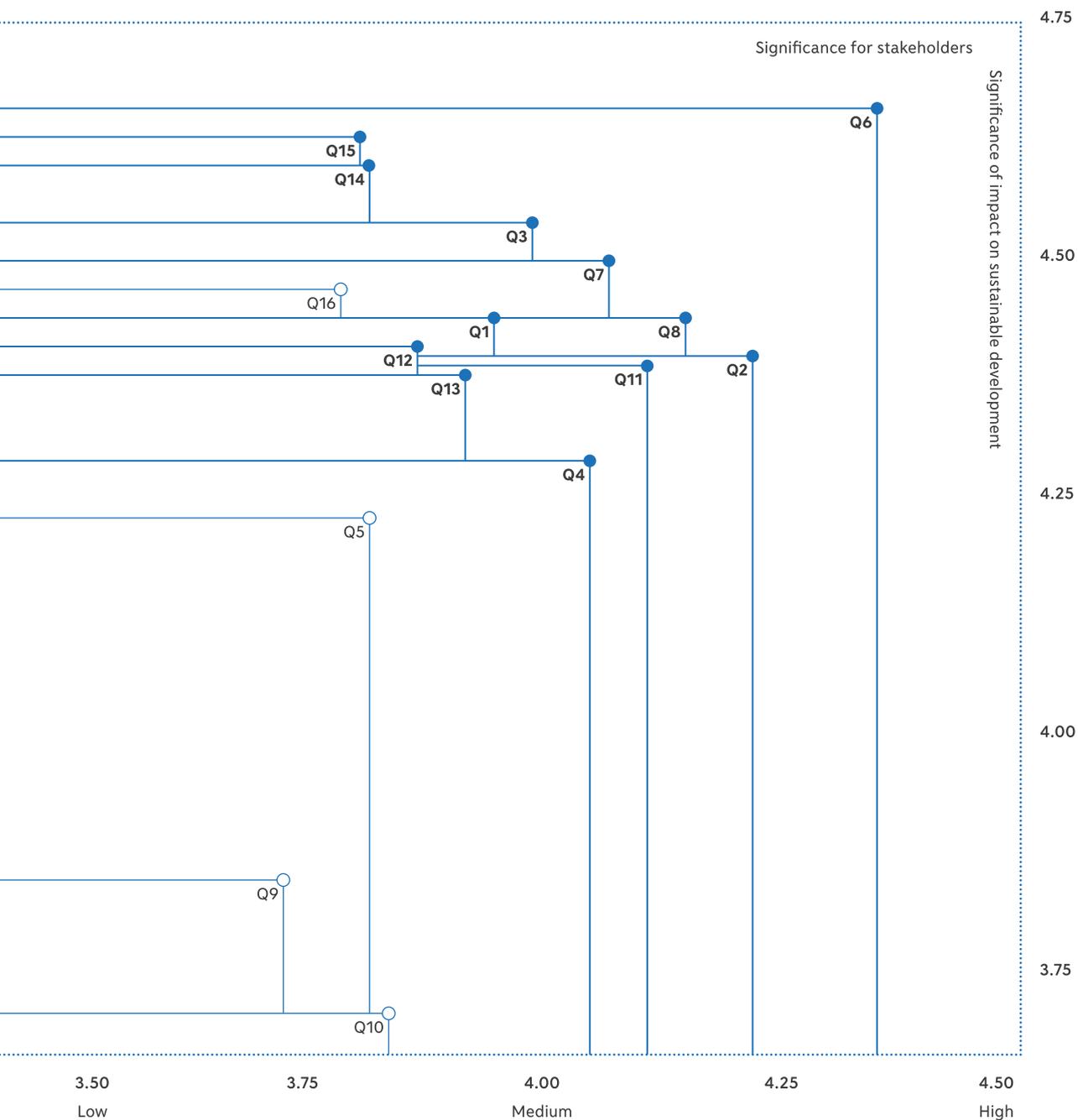
The table below presents the aforementioned material issues, their correlation with the GRI Standards, and defines their boundaries.

Material Issue	Corresponding GRI Standards Material Topic	Boundaries
Creation of economic value	Economic Performance	Piraeus Bank Group, Business Community, Supervisory & Regulatory Authorities, Customers, Suppliers
New technologies	N/A	Piraeus Bank Group, Customers, Suppliers, Other Banks, Fintech, Competitors
Socially and environmentally responsible banking products and services	Product Portfolio	Piraeus Bank Group, Customers, NGOs, State, Regulatory Authorities, H.O.B.I.S. Ombudsman, Consumer's Ombudsman
Financial inclusion	Financial Services	Piraeus Bank Group, Customers, Suppliers
Protection of personal data	Customer Privacy Protection	Piraeus Bank Group, Customers, Suppliers
Corporate governance	General Disclosures	Piraeus Bank Group, Supervisory & Regulatory Authorities
Risk management	Economic Performance	Piraeus Bank Group, Supervisory & Regulatory Authorities, Suppliers, Investors/Shareholders, Customers, State
Commitment to safeguard human rights in a healthy and modern working environment	Human Rights Assessment	Piraeus Bank Group, Customers, State, Suppliers
New corporate culture	N/A	Piraeus Bank Group, Customers, Suppliers
Improving environmental performance	Energy Emissions	Piraeus Bank, Suppliers

Material Issue	Corresponding GRI Standards Material Topic	Boundaries
Supporting local communities through the museum network of the Piraeus Group Cultural Foundation (PIOP)	Indirect Economic Impact	Piraeus Bank Group, PIOP, Community/Environmental/Cultural Bodies, Local Communities, NGOs, State
Promotion of tangible and intangible cultural heritage of the country	Indirect Economic Impact	Piraeus Bank Group, PIOP, Community/Environmental/Cultural Bodies, Local Communities, NGOs, State

The chart below depicts the results of the materiality analysis of the survey regarding the Sustainability & Business Report 2018. The horizontal axis represents the way in which stakeholders perceive the materiality of each issue and the vertical axis represents the assessment by Piraeus Bank Group on the significance of the impact of these issues on society, the economy and the environment.

Materiality Analysis



- Q1 **Creation of economic value**
- Q2 **New technologies**
- Q3 **Socially and environmentally responsible banking products and services**
- Q4 **Financial inclusion**
- Q5 **Responsible procurement**
- Q6 **Protection of personal data**
- Q7 **Corporate governance**
- Q8 **Risk management**
- Q9 **Contribution in employability**

- Q10 **Development of employees & recognition of their contribution**
- Q11 **Commitment to safeguard human rights in a healthy and modern working environment**
- Q12 **New corporate culture**
- Q13 **Improving environmental performance**
- Q14 **Supporting local communities through the museum network of the Piraeus Group Cultural Foundation (PIOP)**
- Q15 **Promotion of tangible and intangible cultural heritage of the country**
- Q16 **Connecting culture to the environment and sustainable development**

Mapping of UN Sustainable Development Goals to Material Topics in the Report

Material Topics

Q6 Protection of personal data

Q2 New technologies

Q8 Risk management

Q7 Corporate governance

Q3 Socially and environmentally responsible banking products and services

Q11 Commitment to safeguard human rights in a healthy and modern working environment

Q15 Promotion of tangible and intangible cultural heritage of the country

Q14 Supporting local communities through the museum network of the Piraeus Group Cultural Foundation (PIOP)

Q1 Creation of economic value

Q4 Financial inclusion

Q13 Improving environmental performance

Q12 New corporate culture

Sustainable Development Goals



Stakeholders' Dialogue

Piraeus Bank Group defines as its main stakeholders the natural and legal persons whose reasonable expectations and interests are significantly affected by its operation, and those whose actions are reasonably assumed to directly impact the Group's ability to successfully implement its strategies and achieve its targets.

In the framework of its activities and operations, the Group promotes regular communication with its stakeholders, the frequency of which is determined by the nature of the relationship with the stakeholders, in order to fulfil their needs and expectations and to promptly and effectively respond to issues concerning them. Through its involvement in the formulation and adoption of the global Principles for Responsible Banking, the Bank emphasises at each stakeholder individually and evaluates each respective communication as very important. As a result, through the continued dialogue in 2018, the Group recognised that the most material issues for stakeholders include the protection of their personal data, the use of new technologies to better serve their needs, the respect for human rights, the accessibility to financial services and the respect for the environment and culture as factors contributing to sustainable development, as well as issues related to corporate culture and corporate governance, value creation for the society and risk management.

Customers	
How do we interact?	
01. Branch network	Investment Services (H.O.B.I.S.)
02. Digital service channels (ATM, APS, e-banking, mobile banking)	07. Seminars and informative meetings with customer groups
03. 24h/7 Customer Call Centre	08. Customer satisfaction survey
04. e-branches	09. Personal Partners (Personal RM-Relationship Managers)
05. Website (Bank site, microsite)	10. Social media
06. Hellenic Ombudsman for Banking-	
What are their expectations?	
01. 24/7 accessible and easy banking	10. Provision of products and services to vulnerable social groups (financial inclusion)
02. Innovative products and services	11. Support business initiatives to promote competitive sectors with growth prospects and possibilities
03. Transparent and fair commissions and charges (Transparency in banking transactions)	12. Improvement of Environmental Performance/ Reduction of the Bank's Environmental Footprint/The Bank's response to the great environmental challenges (Climate Change and Loss of Biodiversity)
04. Customer Personal Data Protection/ Protection of Company Data	13. Transaction security
05. Personalised service and consulting services	
06. Fast and immediate service	
07. Group financial viability	
08. High Corporate Governance Structure	
09. Socially responsible management of NPEs	
What is our response?	
01. Responsible information and provision of products and services with respect to the code of business conduct and ethics	04. Electronic updates (e-statements, alerts)
02. Digital banking service (e-banking, mobile banking)	05. Digital services for companies (easypay point, Dias Debit, mybank, MasterPass Wallet)
03. Automated services (ATM, PPU, APS)	06. Loyalty reward schemes
	07. Constant updating of anti-fraud systems

08. e-branches	customised needs (additional reference to training and executive certification on investment and insurance programs)
09. Branch Network and Call center	
10. Code of Conduct	
11. Privacy Policy	21. Constant upgrading of the corporate governance systems
12. Customer Segmentation	
13. Complaint process and specialised service for managing written complaints by the customers	22. New innovative and unique services for people with disabilities in Greece (also innovative at EU level) - Framework of serving people with specialised banking needs
14. Provision of specialized information on financial assistance to businesses through Development Agencies	23. Data Governance
15. Regular Customer Satisfaction surveys	24. Platform 360° for development programs to programs to SMEs (NSRF)
16. Voice of Customer tool applied for systematic and structured collection and analysis of the customers' experience with the Bank's products and services	25. Specialized Products for specific customer groups (eg Contract Farming, Agro-Carta, Energy Saving at Home, Consumer Loan for Knowledge and Skills, tourism)
17. Enhancement of customers' financial literacy through specific programs (eg. use of digital channels)	26. Systematic support of green entrepreneurship through green products and services
18. Sharemarket Results, Annual Report and Sustainable Development Report	27. Environmental and Social Management System for loans (ESMS)
19. Request application process, through a special form on the website or by e-mail	28. EMAS & ISO 14001 Certification
20. Regular dialogue between Personal Partner and customer to cover their	29. Economic Valuation of climate exposure of businesses

Human Resources

How do we interact?

01. Internal communication channels (Intranet–HR Portal)	through the HR-Business Partner
02. Employee Engagement Survey, smaller - scale surveys (polls, focus groups)	05. Meetings, events, interviews & workshops
03. Become & Share: A stable channel of communication and dialogue between employees and the management, and between each other on issues of strategy and values	06. Training and development programs
04. Open communication with all HR	07. Dialogue with collective representation unions
	08. New Performance Management System
	09. New Code of Conduct and Ethics

What are their expectations?

01. Principles of Human Rights and Equal Opportunities at Work	04. Open, two-way communication with management, and clear strategic direction for all employees
02. Health, Wellbeing and Safety in the Workplace	05. Initiatives for unprivileged Social Groups and Environmental Problems
03. Employability and continuous employee training and development	

What is our response?

01. Human Rights Policy accessible to all (Internet/Intranet/HR Portal)	03. Employee Assistance Programs for employees and their families
02. Policies, practices and initiatives regarding Health & Safety in the workplace	04. Academies and training programs
	05. Social Policy Benefits (eg. Health Insurance Program)

06. Designing and implementing initiatives to inform, explain and communicate the new values to all employees	young people	08. Framework for Professional Development
07. Enhance employability and help reduce brain drain by systematically supporting		09. Voluntary and CSR Initiatives
Investment Community		
How do we interact?		
01. Disclosure of quarterly financial results (presentations, press releases, teleconferences, internet)		04. Contact with the Shareholder Registry
02. Announcement of corporate developments (press releases, internet)		05. Daily contact through emails or teleconferences
03. Communication with management and Investor and Analyst Relations (presentations, meeting, teleconferences, roadshows, conferences)		06. Satisfaction survey of the services provided to analysts by Investor and Analyst Relations
		07. Annual Business Report & Sustainable Development Report
		08. General Meetings of Shareholders
What are their expectations?		
01. Profitability and growth		07. Solid risk management system
02. Solid, sustainable financial performance		08. Provision of complete, accurate and prompt information (financial and other) regarding the course and strategy of the Group
03. Best corporate reputation		
04. High standards of Corporate Governance		09. Information on changes to the supervisory and regulatory framework
05. Transparent communication		
06. Compliance with laws and regulations		
What is our response?		
01. Constant development and strengthening of the corporate governance system		debt securities (financial and non-financial information)
02. Enhancement of risk management systems, identifying and assessing climate risk		05. The Bank assesses the environmental and social risks of its borrowers, stemming from their business activities (ESMS)
03. Creation and publication of strategic plan		06. The Bank participates and is assessed by international sustainability indices and investors are informed of its sustainability performance
04. Information regarding the course and the strategy of the Group, to decide on investment in Piraeus Bank's equity or		
Supervisory & Regulatory Authorities		
How do we interact?		
01. Regular and ad hoc communication with supervisory authorities		03. Written and electronic communication
02. Data provision, report compilation, meetings, participation in consultations		04. Meetings and on-site visits
		05. Regular reporting

What are their expectations?	
01. Compliance with policies and regulations	to the benefit of investors/customers/employees
02. Compliance with commitments	05. Ensuring the Group's financial sustainability
03. Optimisation of banking practices	
04. Compliance with institutional framework	
What is our response?	
01. Group compliance with the applicable supervisory and regulatory framework (Group Regulatory Compliance), information regarding policies, processes and mechanisms, & KPIs monitoring	03. Regular performance reports
02. Detailed reports on the commitment compliance plan	04. Improvement in corporate governance practices
	05. Compliance with Environmental Legislation/EMAS & ISO 14001 Certification
Society, Culture, the Environment and International Organisations	
How do we interact?	
01. Museum Network across the country	06. Group website
02. Organisation of cultural events and training programs for local communities	07. Participation in national and European policy-making initiatives
03. PIOP website	08. Active participation in international and European conferences
04. Social media	
05. Annual Sustainable Development Reports which include environmental performance data	
What are their expectations?	
01. Economic development through investment in local communities	08. Inclusion of environmental criteria for funded projects, investments and suppliers
02. Utilisation of local human resources and the provision of equal employment opportunities	09. Development of strategies for improved environmental performance and reduction of the environmental footprint from the Group's operations
03. Financial support through green products and services	10. Implementation of processes for managing regulatory and natural risks deriving from climate change and development of risk assessment tools
04. Financial literacy	
05. Minimisation of environmental impact (waste and emissions)	
06. Sustainable use of non-renewable resources (energy, water, paper)	
07. Improvement in the measurement of resource consumption	
What is our response?	
01. Support of local actions (social, cultural, environmental)	03. Advisory role to third parties (State and private bodies) for cultural development projects
02. Charitable initiatives to support important local issues	04. Environmental initiatives with EU co-

<p>financing</p> <p>05. Collaboration with local suppliers</p> <p>06. Creation of jobs in local communities</p> <p>07. System for assessing environmental and social risk of loans</p> <p>08. Implementation of Environmental Policy through related programs (recycling, more effective natural resource management) and through environmental awareness of employees,</p>	<p>aiming to reduce environmental impact</p> <p>09. Assessment of the impact and the opportunities arising from climate change for sectors of the Greek economy</p> <p>10. Volunteer Actions</p> <p>11. Implementation of EU co-financed projects for promoting business and biodiversity</p> <p>12. Project Future</p>
Mass Media	
How do we interact?	
<p>01. Press releases and conferences</p> <p>02. Communication through the Bank's Press Office</p>	<p>03. Social Media</p>
What are their expectations?	
<p>01. Timely and precise information to journalists on current issues in the banking sector</p>	
What is our response?	
<p>01. Information, communication and promotion of the Group's corporate actions and products</p> <p>02. Interviews and communication of</p>	<p>opinions on economy and finance-related issues, articles about the environment, about culture, etc.</p>
NGOs	
How do we interact?	
<p>01. Conferences, meetings with NGO representatives</p> <p>02. Sustainability Reports, group website</p> <p>03. Piraeus Group website</p> <p>04. Cooperation for the implementation</p>	<p>of common European projects for the protection of biodiversity and the environment</p> <p>05. Synergies for organising environmentally-related initiatives.</p>
What are their expectations?	
<p>01. Reduction of environmental and social impact from the Group's operation</p> <p>02. Development of innovative solutions for biodiversity and entrepreneurship and</p>	<p>support of society</p> <p>03. Support of environmental activities</p>
What is our response?	
<p>01. Supporting environmental and social initiatives</p> <p>02. Volunteer programs</p> <p>03. Support of vulnerable groups</p> <p>04. The Bank supports programs and sustainable business initiatives that protect biodiversity and ecosystems</p>	<p>05. Implementation of Environmental Policy through related programs (recycling, more effective natural resource management) and through the environmental awareness of employees, aiming to reduce the Bank's environmental impact</p>

Suppliers/Service Providers	
How do we interact?	
01. Tender submissions for projects	03. Policy for managing suppliers and service providers
02. Established process for the participation, evaluation and selection of suppliers and service providers through outsourcing	
What are their expectations?	
01. Transparency in the infrastructure for the Group's governance and operation, and in the processes for assessing and selecting partners and suppliers	03. Information on the course of the submitted offer
02. Supplies from local businesses	04. Timely payment for services rendered
What is our response?	
01. Renewal of the list of partnering suppliers and service providers with preference for local suppliers, where possible	03. Implementation of social and environmental criteria in supplier selection
02. Procurement Policy	04. Human Rights compliance in the supply chain

¹ European Commission, A renewed EU strategy 2011-14 for Corporate Social Responsibility, 25.10.2011.

Corporate Responsibility Principles

The European Commission has defined Corporate Social Responsibility as "the responsibility of enterprises for their impact on society".¹

For Piraeus Bank, Corporate Responsibility is a concept whereby companies integrate social and environmental concerns in their business operations and their interaction with their stakeholders. Piraeus Bank goes beyond its legal obligations to enhance social welfare and sustainable development.

Corporate Governance Optimisation

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| 01. Transparency in the Bank's governance and operational structures and in the processes for assessing and selecting business partners and suppliers. | practices of governance and operation. |
| 02. Adoption and implementation of best | 03. Symmetric and systematic dissemination of information to the investment and business communities, the media and NGOs. |

Alignment of Business Targets with Social Progress and Solidarity

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| 01. Effective customer service before and after sales, with emphasis on the Bank's advisory role. | 02. Strengthening business initiatives to promote competitive industries with growth prospects and potential. |
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Adoption of Best Workplace Practices

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| 01. Development of a humane and responsible organisation, with competent, dedicated and inspired employees working collectively, advancing diversity | and inclusion within the workplace, to lead the market, to innovate by creating value, and to ensure the prosperity and sustainable development of the Group. |
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Strengthening of Society

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|---|--|
| 01. Returning part of the value generated by the Bank to society with strategically designed and systematic social initiatives. | adults and children. |
| 02. Active contribution to the promotion of Greece's cultural identity through the creation, operation and maintenance of the network of thematic technological museums of the Piraeus Bank Group Cultural Foundation (PIOP), which act as cultural focal points in the Greek regions, and by organising scientific events and educational programs for | 03. Continuous implementation of research programs and publications relevant to the purposes of PIOP. |
| | 04. Preservation and promotion of Piraeus Bank's Historical Archives. |
| | 05. Provision of scientific advice to public bodies and local communities and contribution to shaping cultural policies. |
| | 06. Operation of a specialised library. |
| | 07. Connecting Culture with the Environment. |

Protection of the Environment

- | | |
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| 01. Systematic support of green entrepreneurship through comprehensive services to customers. The Bank's key focus is on developing and supporting a wide range of green products and services. | society's needs. |
| 02. Development of strategies to improve the Group's environmental performance and reduce its environmental footprint. | 04. Implementation of processes for managing the regulatory and physical risks resulting from climate change and development of tools for assessing these risks. |
| 03. Development of innovative solutions for business and biodiversity and support to | 05. Support to individuals and businesses with products, services and initiatives, and boosting the market to better adapt to climate change. |

Participation in Global Sustainability Initiatives and Harmonisation with Global Standards

Piraeus Bank actively participates in global sustainability initiatives and corporate sustainability assessments. Through these initiatives and based on international standards and practices the the Bank is evaluated and further evolves its sustainability practices.

Participation in Global Initiatives for Sustainable Development *United Nations Global Compact*

Since 2004, Piraeus Bank has been participating in the UN Global Compact. The Bank actively supports and promotes its principles, which pertain to human and labour rights, environmental protection and anti-corruption. The 10 Global Compact principles and the actions taken by Piraeus Bank in order to comply with these are included in the following table:

United Nations Global Compact

Human Rights

01. Businesses should support and respect the protection of internationally proclaimed human rights.
02. Businesses should make sure that they are not complicit in human rights abuses.

Reference in current report

- Full compliance of the Group with the relevant Greek and international legislation
- Implementation of the Group's Human Right's Policy
- 2018 Sustainability & Business Report, Chapter: *Human Resources*
 - Towards a new corporate Culture
 - Health, Safety and Modern Work Place

Labour

03. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
04. Elimination of all forms of forced and compulsory labour.
05. Effective abolition of child labour.
06. Elimination of discrimination in respect of employment and occupation.

Reference in current report

- Full compliance of the Group with the relevant Greek and international legislation
- 2018 Sustainability & Business Report, Chapter: *Human Resources*
 - Towards a new corporate Culture
 - Social Policy
 - Health, Safety and Modern Work Place

Environment

07. Businesses should support a precautionary approach to environmental challenges.
08. Businesses should undertake initiatives to promote greater environmental responsibility.
09. Businesses should encourage the development and diffusion of environmentally friendly technologies.

Reference in current report

- 2018 Sustainability & Business Report, Chapter: Environment
 - Culture, Environment and Corporate Responsibility Principles
 - Piraeus Bank's environmental framework
- Environmental Management System of Piraeus Bank
- Addressing Climate Change
- Environmental Management in ETVA VIPE

Anti-corruption

10. Businesses should work against corruption in all its forms, including extortion and bribery.

Reference in current report

- Code of Conduct and Compliance Policy
 - Relevant terms in employment contracts
 - Code of Conduct & Ethics
 - Control mechanisms and procedures,
- and anti-money laundering information systems (including fraud detection)
 - 2018 Sustainability & Business Report, Corporate Governance, Risk & Controls

Principles for Responsible Banking (United Nations Environment Program Finance Initiative– UNEP FI)

Piraeus Bank is the only Greek bank that participated in the development of the Principles for Responsible Banking, with 27 other UNEP FI-member banks from around the world. The adoption of the Principles will make a decisive contribution to the global banking sector's alignment with the SDGs and the Paris Climate Agreement.

The Principles for Responsible Banking are fully harmonised with the Bank's Purpose and Values. Following a public consultation, they will be signed in New York in September 2019. The Principles were presented by the Chairman of Piraeus Bank Mr G. Handjinicolaou and the CEO of Piraeus Bank Mr C. Megalou on 16/01/2019, for the first time in Greece, at an event organised by the Bank, with the Governor of the Bank of Greece as a keynote speaker.

Six Principles for Responsible Banking by UNEP FI

Principle 1: Alignment

"We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

Principle 2: Impact

"We will continuously increase our positive impacts on people and environment resulting from our activities, products and services while managing risks and reducing the negative impacts. To this end, we will set and publish ambitious targets where we can have the most significant impacts".

Principle 3: Clients & Customers

"We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations".

Principle 4: Stakeholders

"We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals".

Principle 5: Governance & Target Setting

"We will implement our commitment to these Principles through effective governance and a culture of responsible banking".

Principle 6: Transparency & Accountability

"We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals".

Piraeus Bank is also actively involved in the following sustainability initiatives

United Nations Environment Program Finance Initiative (UNEP FI)
Piraeus Bank is a member of the United Nations Environment Program Finance Initiative (UNEP FI) since 2017. Piraeus Bank has committed to take into consideration the environment, social responsibility and sustainable development when making business decisions.

UN Global Compact "Caring for Climate: The Business Leadership Platform"

The Bank has signed the UN Global Compact "Caring for Climate: The Business Leadership Platform", which provides a framework for businesses to advance practical solutions and raise public awareness on Climate Change issues.

"Paris Pledge for Action" Initiative

Piraeus Bank Group has joined the "Paris Pledge for Action" initiative, and commits to support the objectives of the Paris Climate Agreement.

"Declaration of Intent on Energy Efficiency" (UNEP FI)

Piraeus Bank has co-signed the Declaration of Intent on Energy Efficiency of UNEP FI, recognising that the financial sector has the capability to direct capital flows towards activities and investments that promote energy efficiency.

UNEP FI Positive Impact Initiative

Piraeus Bank participates in the UNEP FI Positive Impact Initiative for promoting funding projects that have a positive impact on society, having signed the "Positive Impact Manifesto" for the transition to an inclusive green economy.

EU Business@Biodiversity Platform

Piraeus Bank participates in the EU Business@Biodiversity Platform, a discussion forum for the development and promotion of policies in the EU regarding biodiversity and business.

Hellenic Network For Corporate Social Responsibility (CSR Hellas)

Piraeus Bank is a full member of CSR Hellas, participating in initiatives regarding the promotion of corporate responsibility in Greek businesses.

Corporate Sustainability Indices and Distinctions

The corporate sustainability indices track the stock performance of the world's leading companies in terms of economic, environmental and social criteria (ESG), and promote the best performers in Corporate Sustainability. Extra-financial rating agencies systematically assess Piraeus Bank's ESG performance, and thus guide the Bank to improving its sustainability practices. In particular:

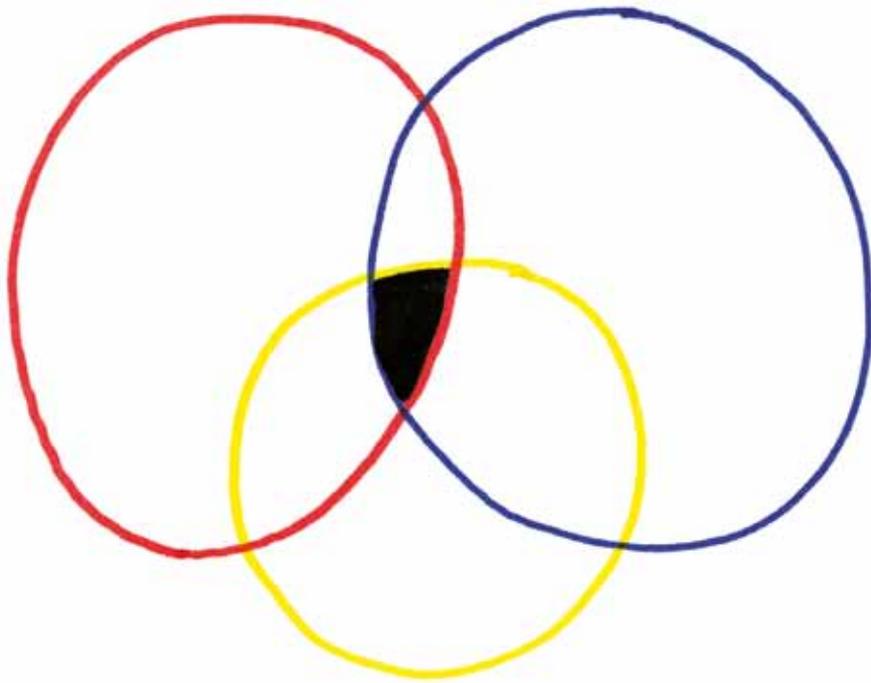
Sustainability index	2018	2017	2016
FTSE4Good Emerging Index	3.6/5	3.2/5	2.8/5
CDP	Management B	Management B	Management B
oekom Research	C- medium	-	-
MSCI ESG Research	BBB	BB	B
VIGEO-EIRIS	Advanced Performance	Robust Performance	-
ISS Corporate Solutions	Environmental & Social: 1-HIGHER DISCLOSURE Governance: 6 (November 2018)	-	-
Forum Ethibel	Ethibel EXCELLENCE Investment Register	Ethibel EXCELLENCE Investment Register	Ethibel EXCELLENCE Investment Register

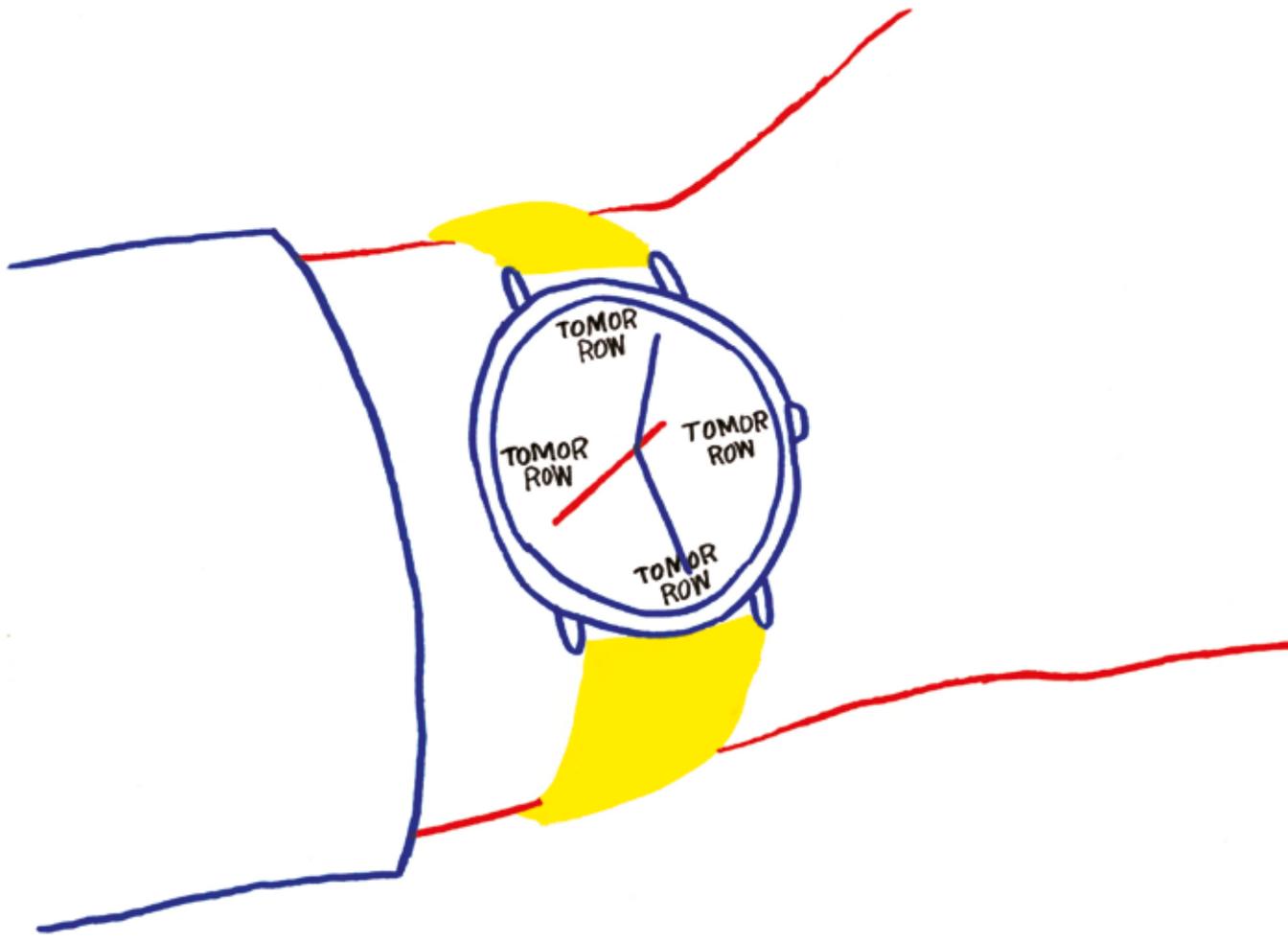


ΕΙΚΑΣΤΙΚΟ

3

TOMORROW







ΕΙΚΑΣΤΙΚΟ

3

Corporate Governance, Risk & Controls

Corporate Governance

Piraeus Bank applies a Corporate Governance System with the aim of ensuring effective corporate organization, operation and management and especially of safeguarding the interests of all those associated with the Bank.

The Corporate Governance System of Piraeus Bank adopts and complies with the laws and regulations governing the Bank's operation.

Specifically, Piraeus Bank, in its capacity as a Société Anonyme company listed on the Athens Stock Exchange, applies the provisions on Law of Sociétés Anonymes, its Articles of Association and the institutional and regulatory framework of corporate governance of listed companies, as in force. Furthermore, Piraeus Bank, as a financial institution, supervised by the European Central Bank, applies the most stringent special institutional and regulatory provisions regarding principles of operation of credit institutions and the criteria for evaluating their Internal Control System.

Furthermore, Piraeus Bank has established and applies the Corporate Governance Structure and Operating Regulation ("the Regulation"), which constitutes an internal document of the Bank. The Regulation incorporates the regulations arising from the mandatory institutional framework and adopts the international Corporate Governance practices. The Regulation refers in detail to the area of competence and responsibility and to the functioning of key bodies of the Bank, in particular to the Board of Directors, the Board of

Directors Committees, the main Executive, Administrative and other Committees and also to the Internal Audit, the Risk Management and the Regulatory Compliance Units.

It is noted that the Bank's Articles of Association and its Regulation, which are posted on the Bank's website (www.piraeusbank.gr), are currently under review following, inter alia, the adoption as of 01.01.2019 of the new Greek Law for the Sociétés Anonymes (L. 4548/2018), which replaced the Codified Law 2190/1920 and the need to fully abide by the provisions of the new Law.

Moreover, in the context of the provisions of Law 3864/2010, a Relationship Framework Agreement (RFA) dated 27.11.2015 was entered between the Bank and the Hellenic Financial Stability Fund (HFSF). The RFA regulates the relationship between the Bank and the HFSF on matters related to, amongst others, the Corporate Governance of the Bank, the rights and obligations of the HFSF's Representative on the Board and the obligatory approval of the HFSF on material matters.

The Bank's administrative, management and supervisory bodies as well as the Systems of Internal Audit, Regulatory Compliance and Risk Management, as mentioned below, exist and operate in accordance with the aforementioned institutional and regulatory framework of Corporate Governance and Operation.

General Meeting

The General Meeting of the Shareholders of Piraeus Bank is the supreme body of the Bank and among other functions, it is responsible inter alia for electing the members of the Board of Directors, the external auditors and for the approval of Annual Financial Report that incorporates the Board of Directors' Report and the Consolidated and Separate Financial Statements. The responsibilities of the General Meeting are as provided by the legislative provisions in force and the Bank's Articles of Association.

The Bank maintains Investor Relations, Shareholder Information and Corporate Announcement services, entrusted with the task to inform investors, shareholders and appropriate regulatory authorities, accordingly. The aim of the aforementioned services is the ensuring of communication and the transparency of information.

Information on the operation and decisions of the General Meetings of the Bank's shareholders is available on the Bank's website, through the following link: www.piraeusbankgroup.com/el/investors/corporate-governance/general-meetings.

Investor Relations

The Corporate Development & Investor Relations unit provides information to individual and institutional investors, with the active involvement of the Group's Senior Management. Its purpose is to provide systematic and symmetrical information regarding the course and strategy of Piraeus Bank Group. During 2018, a total of 651 meetings/briefings were held with investors and analysts in Greece and abroad.

Piraeus Bank received important distinctions in the Extel's annual investment services survey during 2018. The survey is conducted through direct voting from the investment community (investors, analysts, stockbrokers, fund managers, etc.) and the Bank was ranked second in the CEO and IRO categories for its investment services in Greece.

Shareholder Information

The Shareholder Registry is responsible for providing direct and symmetrical information to all shareholders, as well as assisting them in exercising their rights in accordance with the law and the Bank's Articles of Association.

Corporate Announcements

Corporate announcements are the responsibility of the Corporate Announcements Service. It was set up in accordance with Law 3016/2002 and the Capital Market Commission's Board resolution no. 5/204/14.11.2000, and is responsible for the Bank's compliance with the regulatory framework set by this resolution. The Bank's announcements are sent to the Hellenic Exchanges in order to be recorded in the Daily Official List and to inform the investors.

Shareholder Structure

Piraeus Bank shareholder structure presents great diversity. In December 2018, the total number of Piraeus Bank's common shareholders stood at 28,000. The HFSF held 26% of the outstanding common shares (436,659,164 shares of a nominal value €6.0 each) and the remaining 74% was held by the private sector (65% by legal entities and 9% by individuals).

Shareholders' structure on 31.12.2018



Board of Directors

The Board of Directors (BoD) represents the Bank and is qualified to resolve, without any restriction, on any issue concerning the Bank's management, the administration of its property and the promotion of its business scope in general. The Board of Directors may not resolve on issues which, in accordance with the law or the Articles of Association, fall into the exclusive competence of the General Meeting.

In accordance with the Law of Sociétés Anonymes, the Bank's Articles of Association and the RFA, the current Bank's BoD is composed of eleven (11) members, including the representative of the Hellenic Financial Stability Fund, as well as in accordance with the provisions of Law 3864/2010. The composition of the Bank's BoD is in line with those applicable to executive, non-executive and independent members. The BoD consists of two (2) Executive members and nine (9) non-Executive members. Executive members shall be those engaged in the daily management issues of the Bank; non-executive member shall be those entrusted with the promotion of corporate affairs. Five (5) of the non-executive members shall also be independent, i.e. they are not in any way dependent on the Bank, as defined by law.

In addition, the RFA provides for the following on the composition of the Board of Directors of the Bank:

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| <p>01. The BoD must be composed of no fewer than seven (7) and no more than fifteen (15) members. Only an odd number of members is permitted, including the HFSF's Representative on the Board, according to Law 3864/2010.</p> <p>02. The Chairman of the Board must be non-executive and should not serve as Chairman of either the Board's Risk Management or the Audit's Committee.</p> <p>03. The majority of the BoD must be</p> | <p>comprised of non-executive members, 50% of which (rounded to the nearest integer) and no less than three (3) members (excluding the HFSF Representative) should be independent, satisfying the independence criteria of Law 3016/2002 and the Recommendation 2005/162/EC.</p> <p>04. The BoD must include at least two (2) executive members.</p> |
|--|--|

At the same time, in accordance with the institutional framework (especially Law 3864/2010 in conjunction with the RFA and Law 4261/2014, as applicable) regarding the management of financial institutions, the elected members should have educational background and professional training and experience in order to adequately oversee the Bank in the entirety of its activities.

Simultaneously, the elected members of the Bank's Board of Directors are also subject to evaluation by the Single Supervisory Mechanism (SSM) of the European Central Bank (ECB) as well as by HFSF, according to the current legislative and regulatory framework.

Additionally, according to Law 3864/2010, a representative of the HFSF, also participates in the Bank's BoD. The representative's responsibilities are defined by Law 3864/2010 and the RFA.

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

- | | |
|---|---|
| <p>01. The right to call a General Meeting of shareholders.</p> <p>02. The right to veto key corporate decisions of the Bank's Board of Directors:</p> <ul style="list-style-type: none"> • related to dividend distributions and the remuneration policy and bonus relating to the Chairman, the Managing Director and the other Board Members, General Managers and their Deputies; • related to any other matter which may set at risk the rights of depositors or have a material adverse effect on the liquidity, solvency and/or, in general, on the prudent and orderly operation of the Bank, including business strategy | <ul style="list-style-type: none"> and asset/liability management; • related to corporate actions of art. 7A par.3 of Law 3864/2010 which may significantly affect HFSF's shareholding in the Bank. <p>03. The right to request an adjournment of a Board Meeting for three (3) business days in order to receive instructions from the HFSF Executive Committee, such right may be exercised until the end of the Board Meeting;</p> <p>04. The right to call a Board meeting.</p> <p>05. The right to approve the appointment of the Chief Financial Officer.</p> |
|---|---|

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

Further to the above, by virtue of the RFA, the HFSF has, amongst others, the following rights related to the operation of administrative bodies of the Bank:

- | | |
|--|---|
| <p>01. The HFSF representative to the BoD has the right to participate in the Board of Directors Committees:</p> | <ul style="list-style-type: none"> • Audit Committee • Risk Committee • Remuneration Committee |
|--|---|

- Board Nomination Committee
 - Strategic Committee
02. The HFSF representative to the BoD has the right to include items in the agenda of the meetings of the committee in which he participates.
03. The HFSF representative has the right to include items in the agenda of the General Meeting of Shareholders convened by the Board of Directors.
04. The HFSF provides its prior written consent for a number of material matters, as such are designated in the agreement, including, inter alia:
- the restructuring plan and any amendments thereof;
 - the policy on connected borrowers and any revisions, amendments, deviations thereof;
- any material transactions and corporate transformations;
 - the management of NPLs and any amendments, revisions and deviations thereof.
05. The HFSF may review the annual self-assessment exercise of the Board of Directors. In addition, based on the assessment provided for in art. 10 of Law 3864/2010 or the review of the annual self-assessment exercise, the HFSF may proceed to suggestions for improvements or possible changes to the Bank's corporate governance framework.
06. The HFSF monitors the implementation of the Restructuring Plan and the Bank's NPL management framework as well as the Bank's performance on those.

The term of office for the members of the Bank's Board of Directors is three years, and is extended until the Annual General Meeting (AGM) which convenes following the expiry of their term. The current BoD was elected on the General Meeting held on 28 June 2017 and consequently its term of office expires on 28 June 2020, to be extended according to the aforementioned.

If a Board member resigns, passes away or forfeits his/her office in any way, or whose office is declared forfeited by resolution of the Board of Directors due to unjustified absence from meetings for three (3) consecutive months, the Board may continue to manage and represent the Bank without replacing the missing members if the remaining members are at least nine (9). If the members of the Board fall below nine (9) the Board shall elect a replacement for the remainder of the term of the member being replaced to make up the minimum number of nine (9). The decision of the election shall be published, according to the applicable Law and the Board of Directors shall announce it at the next General Meeting.

The BoD of the Bank consists of members with international leadership expertise and knowhow in strategically-important sectors of financial activity, such as banking, auditing, risk management, management and restructuring of non-performing loans, management of public interest entities and financial management, as well as environmental and social issues.

Moreover, the Bank provides the appropriate financial and human resources to implement proper educational and informative programs on an ongoing or ad-hoc basis for the members of the BoD.

The current Bank's Board of Directors has the following composition, as such was formed following amendments (resignations, replacements of Members) the reconstitution of the Board as a body and the appointment of executive and Non-Executive Members pursuant to Law 3016/2002:

George Handjinikolaou, son of Petros Chairman of the Board, Non-Executive Member	Non-Executive Member
Karel De Boeck, son of Gerard Vice Chairman of the Board, Independent	Christos Megalou, son of Ioannis CEO, Executive Member
	Georgios Georgakopoulos, son of Gregorios Executive Member

Venetia Kontogouri, daughter of Gerasimos Independent Non-Executive Member	Alexander Blades, son of Zisis Non-Executive Member
Arne Berggren, son of Sten Independent Non-Executive Member	Per Anders Fasth, son of Jörgen Non-Executive Member, Representative of the Hellenic Financial Stability Fund to the Board of Directors pursuant to Law 3864/2010
Enrico Tommaso Cucchiani, son of Clemente Independent Non-Executive Member	
David Hexter, son of Richard Independent Non-Executive Member	
Solomon Berahas, son of Albertos Non-Executive Member	

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

It is noted that following the Second Economic Adjustment Program for Greece and in the context of the commitments undertaken by the Hellenic Republic towards the European Commission, KPMG was appointed as the Monitoring Trustee of the Bank. The Monitoring Trustee was responsible for overseeing the implementation of the Bank's Restructuring Plan and all the commitments accompanying it, in line with EU state aid rules. This included, inter alia, verifying compliance with proper corporate governance rules (Commitments on Corporate Governance and Commercial Operations). In this context, representatives of the Monitoring Trustee participated until 31.12.2018 (end of the restructuring period) as observers in the meetings of the Board and in executive committees and other important committees, including the Risk Management and Audit Committees.

As of 1.1.2019, said Observers are no longer present in any Board of Directors or Committee meetings.

The Piraeus Bank's Board of Directors is constantly alert by exercising due diligence in the exercise of its duties. In particular, the BoD, through organized actions, supports healthy entrepreneurship, invests in targeted vocational training, assists young people to become dynamic in the market, collaborates with the production and business sectors of the Greek economy, including Small and Medium size Enterprises –particularly the tourist and agricultural sector– and supports responsibly and consistently the efforts towards the restarting of the Greek economy.

At the same time, the achieved diversity of the BoD members, in line with areas mainly related to skills, educational and professional background as well as the ethnic origin of every member, with respect to the operation of the BoD, contribute to the expression of different views, the constructive dialogue between members and the avoidance of "group thinking". It is noted that the Bank has adopted a Policy on the Nomination of Board Members and the Board of Directors Diversity Policy.

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

Moreover, the Bank seeks to further improve the rate of participation of women and is working on that direction despite the strict legislative and regulatory context governing the composition of the BoD and restricting heavily the pool of the available nominees.

Finally, it is noted that the strict framework of formal qualifications and professional experience, which each member of BoD (and of the BoD Committees by extension) must possess, considerably limits the possibility of selecting candidate members from any under-represented social groups in the Greek financial market.

Information on the responsibilities, operation as well as the current composition of the BoD and short CV of its members are available on the Bank's website through the following link: www.piraeusbankgroup.com/en/investors/corporate-governance/board.

Committees

Aiming to constantly improve the organization of the Bank and the Group, responsibility for certain areas requiring expert competence has been assigned to committees.

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

Board of Directors Committees

Audit Committee

The Audit Committee consists of non-executive members of the BoD of the Bank, the majority of whom, including the Chairman, are independent. The representative of the Hellenic Financial Stability Fund, with full voting rights, also participates in the Committee, according to the provisions of L.3864/2010. The members of the Audit Committee are elected by the General Meeting of Shareholders of the Bank for a three year term, following relevant proposition by the Board of Directors which, with the assistance of the Board Members' Nomination Committee, is responsible for the selection of suitable candidates. The Chairman of the Audit Committee is appointed by its members or elected by the General Meeting of the Shareholders. The Audit Committee is supported by an Executive Secretary and its operations are regulated by the Governor's Act of the Bank of Greece no. 2577/2006 and article 44 of L.4449/2017, the respective notices, explanations and recommendations of the Supervisory Authorities and additionally by its Operating Regulation.

The Monitoring Trustee Observer (until 31/12/2018) and the HFSF's Observer attend the meetings of the Committee without voting rights.

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

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

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| 01. Supervision and evaluation of the drafting processes of the annual | financial statements and interim financial information of the Group and the Bank |
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- prior to their publication.
02. Supervision of the audit and review of the Group and the Bank's annual financial statements and mid-year interim financial information conducted by the statutory auditors and cooperation with the statutory auditors on a regular basis.
 03. Ensuring the independence of the external auditors in accordance with applicable Greek Law.
 04. Proposing to the Board the selection of statutory auditors. Whenever it deems appropriate, the Committee shall also make a proposal for their replacement or rotation; the Committee is responsible for the tender procedure for the appointment of the auditors in accordance with article 16 of Regulation (EU) no. 575/2014 in conjunction with article 44 of Greek Law 4449/2017 and article 13 of Greek Law 3864/2010.
 05. Identifying weaknesses, making recommendations and monitoring the implementation of measures decided by the Board of Directors.
 06. Proposing measures for specific areas requiring further investigation by internal or external auditors.
 07. Monitoring and annual evaluation of the adequacy and effectiveness of the Internal Control System (ICS) for the Group and the Bank, based on the data and information provided by the Group Internal Audit as well as by the statutory auditors and other supervisory bodies.
 08. Evaluating the work of the Group Internal Audit, focusing on issues related to the degree of its independence, the quality and scope of its audits, the priorities determined by changes in the economic environment, the systems and in the level of risks and the overall efficiency of its operation.
 09. Determining the scope and appointing an external audit firm to assess the adequacy of the Internal Control System (ICS), periodically, and at least every three years.
 10. Monitoring and evaluating on an annual basis the work of the Group Compliance unit.
 11. Monitoring and evaluating on an annual basis the Report on Money Laundering and Terrorist Financing prepared by the responsible Chief Officer.

Risk Committee

The Risk Committee is nominated by the Board of Directors and consists of non executive members of the BoD, who possess appropriate knowledge, skills and expertise to understand and monitor the strategy regarding the risk appetite of the Bank. The representative of the Hellenic Financial Stability Fund, with full voting rights, also participates in the Committee according to the provisions of L.3864/2010. At least 1/3 of the members, including the Chairman, meet the independence criteria of Board members set by Law 3016/2002 and the EC Recommendation 2005/162/EC.

The Monitoring Trustee Observer (until 31/12/2018) and the HFSF's Observer attend the meetings of the Committee without voting rights.

The Chairman of the Committee possesses extensive experience of commercial banking and preferably in risk and fund management and/or non-performing loans management, as well as acquaintance with the local and international regulatory framework.

The Members of the Risk Committee must have adequate knowledge and previous experience in the financial services sector or the commercial banking sector, with at least one (1) Member specializing in the fields of risk management and capital adequacy, as well as being familiar with the local and international regulatory framework.

The Risk Committee is aided by an Executive Secretary and a Secretary. The Executive Secretary is appointed by the Board of Directors and is the Chief Risk Officer of the Group.

The term of office of the Risk Committee's members cannot exceed the term of office of

the Board of Directors (three years), but the Board of Directors is entitled to cease or replace them at any time.

The Committee convenes, upon its Chairman's invitation, as often as it is deemed necessary to carry out its duties, but no less than once per month.

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

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| <p>01. Existence of an appropriate risk management strategy and the definition of maximum acceptable risk levels, as well as the supervision of their application,</p> <p>02. establishment of principles and rules that will govern risk management as regards the identification, assessment, measurement, monitoring, control and management of such risk,</p> <p>03. development of an internal risk</p> | <p>management system and the incorporation of suitable risk management policies in the business decision making process, and</p> <p>04. compliance of the Group and the Bank, through strict and reliable procedures, with the requirements of the regulatory framework for the risk management function.</p> |
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Additionally, the Risk Committee controls the independence, adequacy and effectiveness of the operation of the Risk Management unit of the Group and the Bank.

Remuneration Committee

The Remuneration Committee consists of non-executive members of the BoD, the majority of whom, including the Chairman, are independent. The representative of the Hellenic Financial Stability Fund, with full voting rights, also participates in the Committee, according to the provisions of L.3864/2010. At least one (1) member of the Committee has sufficient specialization in risk management and in audit issues, in order to ensure the alignment of the remuneration policy to the Bank's risk profile. The Chairman of the Committee is an Independent Non-executive Member of the BoD.

Moreover, the Monitoring Trustee Observer (until 31/12/2018) and the HFSF Observer attend the meetings of the Committee without voting rights.

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

The Remuneration Committee shall meet at the invitation of the Chairman whenever he/she deems it necessary for the execution of its remit, but no less than once in each calendar year.

The Remuneration Committee has inter alia, the following responsibilities:

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| <p>01. Submits proposals to the non-executive members of the Board of Directors concerning the Management's remuneration and other identified staff that have impact on the Bank's risk profile, especially of the executive members of the Board of Directors, and</p> | <p>the highest paid employees.</p> <p>02. Ensures the adequacy of the information provided to shareholders on remuneration policies and practices.</p> <p>03. Informs, advises and assists the non-executive members of the Board of Directors in issues pertaining to the</p> |
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- design, revision and implementation monitoring of the remuneration policy.
04. Recommends corrective actions in case that it detects weaknesses in the implementation of the remuneration policy or any deviations thereof.
 05. Assesses the mechanisms and systems adopted to ensure that the remuneration system properly takes into account all types of risks, liquidity and capital levels and that the overall remuneration policy is consistent with and promotes sound and effective risk management and is in line with the business strategy, objectives, corporate culture and values and the long-term interest of the Group.
 06. Monitors directly the remuneration of the senior executives in Risk Management and Group Compliance and ensures that the remuneration of the personnel of the Bank's internal control functions (e.g. risk management, internal audit, compliance,) is not connected with the performance of the business units they monitor.
 07. Receives and evaluates the reports of the Group Internal Audit, which are submitted periodically and at least on an annual basis, by which the aforementioned Unit submits the findings arising from its central and independent internal audit of the remuneration policy, as well as its proposals for a possible revision of the applied remuneration policy, taking into account especially the prevention of creating incentives for excessive risk assumption or other behaviors, which are incompatible with the Bank's objectives.
 08. Ensures the due advisory contribution of the Bank's responsible Units (Risk Management, Compliance, Internal Audit, Personnel Management and Strategic Planning Units) to the design, revision and consistent application of the remuneration policy, as well as of the external experts, when it is considered necessary by the Board of Directors.

Board of Directors Members Nomination Committee

The Board Members' Nomination Committee consists of non-executive members of the BoD, the majority of whom, including the Chairman, are independent. The representative of the Hellenic Financial Stability Fund, with full voting rights, also participates in the Committee, according to the provisions of L.3864/2010. The Committee is assisted by an Executive Secretary.

Moreover, the Observer of the HFSF attends the meetings of the Committee without voting rights.

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

The Nomination Committee ensures that the BoD possesses, as a body, adequate knowledge and experience in at least the main activities of the Bank in order to be able to exercise oversight over all its functions, either directly or indirectly through the various BoD Committees set up by statute or at the discretion of the Bank on the basis of the aforementioned Bank of Greece Governor's Act 2577/2006.

The Nomination Committee has the following responsibilities:

01. Identify and recommend for approval by the Board or by the General Meeting of Shareholders, candidates for the vacancies of the Board of Directors.
02. Evaluate the combination of broad knowledge by subject, skills, and experience of the Members of the Board.
03. Provide description of the individual skills and qualifications based on its judgment needed to fill the positions of the Directors and considers the time that needs to be devoted to the corresponding position.
04. Periodically and at least annually evaluate the structure, size, composition and performance of the Board and makes recommendations to it concerning any changes it deems appropriate.

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| 05. Periodically review the policy of the Board for the selection and appointment | of senior management and make recommendations to it. |
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Strategy Committee

The Strategy Committee consists of non-executive Board members and is chaired by the Chairman of the Board of Directors. The representative of the Hellenic Financial Stability Fund, with full voting rights, also participates in the Committee, according to the provisions of L.3864/2010. The Committee is supported by a Secretary who is appointed by the Board of Directors.

Moreover, the Observers of the Monitoring Trustee (until 31/12/2018) and of the HFSF attend the meetings of the Committee without voting rights.

The competencies of the Strategy Committee are in respect of both Piraeus Bank and its subsidiaries.

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

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

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| 01. Defining the objectives of the Bank's Strategic Plan and provides guidelines on the Bank's Business Plan which will be drawn up by the CEO and the Executive Committee and submitted for approval to the Board of Directors. | the achievement of targets and, when necessary, submits a respective proposal to the Board of Directors. |
| 02. Monitoring and controlling the implementation of the approved Business Plan. | 04. Monitors, tracks and analyzes arising risks in the implementation of the approved Business Plan and submits to the Board of Directors recommendations on how to address them. |
| 03. Follows up on a regular basis, analyzes and submits its suggestion to the Board of Directors on issues concerning strategic choices of the Bank (e.g. capital increases or decreases, acquisitions, mergers, investments or liquidation of strategic participations, strategic alliances, etc), assigns to managers' special missions for | 05. Proposes the above issues for inclusion on the Daily Agenda of the Board of Directors or of the General Meeting of the Bank. |
| | 06. Monitors and submits suggestions to the Board of Directors on all issues of strategic importance for the Group. |
| | 07. Operates as a crisis management committee. |

Board Ethics Committee

Following BoD's no. 1433/28.11.2018 resolution, a BoD Ethics Committee was set up in early 2019. The Committee meets with a quorum of at least half of its members (any decimal number rounded up to the next whole unit) and decides by a majority of 2/3 of the present members. Other members of the Group, if deemed necessary, may be present at all meetings of the Committee, depending on the agenda.

The main objective of the Ethics Committee is to examine and resolve on Ethics issues that fall within the competence of Board members, to ensure good governance in line with the Bank's Code of Conduct and internal policies as well as to oversee the environmental or corporate responsibility programs or actions that the Bank applies. The Committee will

also be responsible for reviewing the Code of Conduct of the Bank and drafting proposals for improvements, upon recommendation by the competent Units, on a three-year review horizon by the Board of Directors.

Details on the responsibilities and the operations of the BoD Committees are available on the Bank's website through the following link:

www.piraeusbankgroup.com/en/investors/corporate-governance/board/committees/bod-committees

Main Executive and Administrative Committees and Councils

Group Executive Committee

The Group Executive Committee consists of senior executives of the Bank and is chaired by the CEO, Executive Member of the BoD. Until 31/12/2018 the Observer of the Monitoring Trustee attended the Group Executive Committee's meetings without voting rights.

The responsibilities of the Group Executive Committee apply to both Piraeus Bank and its consolidated subsidiaries.

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

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| <p>01. It monitors the implementation of both the Business Plan and the Restructuring Plan of the Bank and of the Group and makes the necessary decisions for achieving the Plans' goals. At the first meeting of the Committee held at the beginning of each quarter, the CFO of the Group and the head of Business Planning present a report to the Committee on the progress of the implementation of both the Business Plan and the Restructuring Plan, highlighting any issues that may require particular attention.</p> | <p>07. It approves the introduction of new and significant changes to existing products and services of the Bank, as well as restructuring products, and formulates their pricing policy before they are made available to clients.</p> |
| <p>02. It establishes the directions of the Budget and proposes the Annual Budget to the Board of Directors.</p> | <p>08. It approves the marketing strategy and sponsorships, monitoring their implementation and effectiveness.</p> |
| <p>03. At the beginning of each year, the head of each business activity or support unit makes a concise presentation of the Business Plan for their area of responsibility to the Executive Committee, along with concise data on the relevant budget and, at the end of a half year period, a summary review of its implementation.</p> | <p>09. At the beginning of each year, the Head of Marketing presents the Bank's marketing strategy, as well as the results of qualitative research and customer satisfaction measurements at a suitable time.</p> |
| <p>04. It establishes administrative committees and determines their composition and competencies.</p> | <p>10. It approves the Group's technological infrastructure strategy.</p> |
| <p>05. It approves, complements or amends the Group's Accounting Policies, following a recommendation by the Piraeus Financial Management & Control.</p> | <p>11. It approves proposed partnerships in sectors or fields of the economy, following a recommendation by the Heads of the competent business units or support units.</p> |
| <p>06. It determines the interest rate policy and the pricing of the products and services offered by the Bank.</p> | <p>12. It monitors and supervises the observance of Corporate Governance rules and programs and decides on taking regulatory compliance measures following the recommendation of competent Units or Committees.</p> |
| | <p>13. It approves human resources programs (voluntary departure, fees, insurance and other contributions), always within the framework of the approved Personnel Policy (Bank of Greece Governor's Act</p> |

- 2650/2012), having been assigned the related competency of Article 3(2) of Greek Law 3016/2002 by the Board of Directors.
14. It sets, within the range of its own approval limits, the approval limits of the Bank's Management Committees and executives on issues not related to financing approval.
15. It informs the Board via its Chairman at least once every quarter that the operation of the Group Executive Committee is in accordance with the Bank's operational strategy and risk strategy.

Supervisory & NPL Management Council

The Council consists of fifteen (15) members, chaired by one of the Senior General Managers of the Bank. Members of the Council are Senior General Managers, General Managers, as well as other Top Management executives of the Bank. The Council was established under the Bank's strategy for the effective NPL management. Its purpose is the instruction of the strategic management of non-performing exposures, the creation of a modern system for monitoring these requirements and the configuration of the necessary types of portfolio per regulations. Also, ensuring optimal structures and resources for the effective functioning of the NPL management units and the determination of the scope of responsibilities of the institutions and persons involved in the NPL management. Finally, the adoption of arrangement programs and the quarterly update of the Board of the Bank.

Asset-Liability Management Committee (ALCO)

The Committee consists of ten members, its Chairman being the Bank's Managing Director & CEO and its Vice Chairman being one of the Top Management executives of the Bank. Members of the Committee are, Senior General Managers, General Managers, as well as other Top Management executives of the Bank. The Committee is supported by an Executive Secretary. The Committee meets monthly and its main duties are the implementation of the Bank's strategy in developing assets and liabilities; the management of assets and liabilities exercising at the same time a pricing policy in products and services; the approval for the introduction of new deposit or loan products, the follow-up of equity adequacy in relation to the risks, the examination of stress test scenarios and the decision making on preserving the available Group liquidity at acceptable levels.

Senior Credit Committee

The Committee consists of seven members, chaired by the Chief Risk Officer. The members of the Committee are General Managers, Deputy and Assistant General Managers, while the Committee is supported by an Executive Secretary. The Committee regularly convenes on a weekly basis, being competent to approve credits and risk taking. Its responsibilities regard Piraeus Bank and consolidated subsidiaries in Greece and abroad.

Recovery Credit Committee

The Committee consists of nine members, chaired by the Chief Risk Officer. The members of the Committee are Senior General Managers, General Managers, Deputy General Managers and Advisors to the Management while the Committee is supported by an Executive Secretary. The Committee regularly convenes on a weekly basis and approves issues related to the borrowers that are managed by the Recovery Banking Unit. Its responsibilities regard Piraeus Bank and consolidated subsidiaries in Greece and abroad.

Information Technology (IT) Planning and Operating Quality Committee

The Committee consists of twelve members, chaired by one of the Senior General Managers of the Bank. The members of the Committee are Senior General Managers, General Managers, Deputy and Assistant General Managers and other Top Management executives of the Bank.

The Committee is supported by an Executive Secretary. The Committee meets three times (3) per year or on extraordinary basis, when required. Its duties consist in evaluating the short term and mid & long term information technology projects, in regularly upgrading the projects and annually updating them, in evaluating and approving all the projects of the Group's annual operational action plan, in evaluating risk management related to the information systems, in evaluating studies and large supplies of material, software and services directly or indirectly linked to information technology systems, in supervising all large Group projects and the budget, in defining projects implementation priorities, in securing the necessary resources, in evaluating and approving policies for standards and procedures relevant to planning and implementing information technology systems and in approving and supervising cooperation with third parties (outsourcing).

Expenditure Committee

The Committee consists of five members, with the Group CFO as its Chairman. The members of the Committee are Senior General Managers, General Managers, as well as other Top Management executives of the Bank. The Committee is supported by an Executive Secretary. The Committee sits on a fortnight basis and it is responsible to approve any kind of expenditure, investments in fixed assets and in Bank infrastructure as well as sale of fixed assets.

Corporate Responsibility Committee

The Committee consists of eight members, its Chairman is the Group CEO. Members of the Committee are a Senior General Manager of the Bank, a Deputy General Manager of the Bank, Advisor to the Management as well as other Top Management Executives of the Bank.

The Committee meets following an invitation by the Committee Chairman and its duties include:

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| <p>01. To assess and approve the Group Corporate Responsibility policies and strategies (Environment, Society & Governance-ESG), which align its governance and business decisions to the Sustainable Development Targets and Paris Agreement on Climate.</p> <p>02. To apply the Group's values and to create a culture, which reinforces the employees' role in the accomplishment of the Corporate Responsibility Principles.</p> | <p>03. To assess and approve programs, collaborations, initiatives and financing instruments, which reduce the Group's environmental footprint, promote civilization and strengthen social cohesion, actions, which enhance transparency, merit-based approach and responsibility and strengthen the Group's extroversion.</p> <p>04. To inform the BoD about the ESG issues.</p> |
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Details on the responsibilities and the operations of the Main Executive and Administrative Committees and Councils are available on the Bank's website through the following link: www.piraeusbankgroup.com/en/investors/corporate-governance/board/committees/executive-and-administrative.

Finally, it is noted that analytical information on the Bank's Corporate Governance System (institutional and regulatory framework, the composition and the operation of the supervisory bodies and committees and the monitoring system) is provided in the Piraeus Bank Corporate Governance Statement, included in the Annual Financial Report 2018 which is posted on the Bank's website, through the link: www.piraeusbankgroup.com/en/investors/financials/financial-statements#2018/1

Remuneration Policy

Piraeus Bank has established a Remuneration Policy, which, as an integral part of the Group's Corporate Governance, aims at discouraging excessive risk taking while enhancing the values and long term interests of the Group.

Based on the framework defined in BoG's Act 2650/19.01.2012, as well as later regulations of Law 4261/2014 (concerning remuneration policy), article 450 of EU Regulation 575/2013, EU Regulation 604/2014, the Remuneration Policy is in line with the Group's corporate strategy and supports a performance-driven culture that aligns the organization's goals with those of interested parties, employees, management and shareholders. The remuneration setting procedures are clear, written and internally transparent

Basic Principles

The Remuneration Policy is based on the following principles:

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| 01. Performance maximization | 04. Compliance with the regulatory framework |
| 02. Attracting and retaining talents | 05. Internal transparency |
| 03. Aligning remuneration and rewards with profitability, risk, capital adequacy, risk to liquidity and sustainable growth | 06. Avoidance of excessive risk taking |

The Remuneration Committee is responsible for the preparation, the monitoring of the implementation and the periodic review of the Bank's Remuneration Policy. The Committee takes into consideration the long term interests of shareholders, investors and other stakeholders of the Bank, and is oriented towards the long term prudent management of the institution and the prevention or minimization of potential conflicts of interest that could burden such management.

Other involved parties

The Remuneration Policy is designed by Group Human Resources assisted by Legal, Risk Management, Compliance and Internal Audit. It is submitted to the Remuneration Committee which in turn, proceeds with any potential necessary changes or alterations, before submitting it to the Board of Directors for approval. The non Executive Board Members approve the Remuneration Policy.

Control Units contribute to the design and preparation of the Remuneration Policy. The implementation of remuneration policy, in terms of compliance and remuneration procedures is subject to central and independent internal review by the Group Internal Audit at least once a year. Group Compliance examines how the Remuneration Policy affects Bank's compliance with the regulatory framework, the legislation and the internal procedures.

The non Executive Board Members could, if and when they deem it necessary, co-operate with external consultants for the preparation/review of the policy. It should be noted that during 2018, no external consultants participated in the preparation or review of the Bank's Remuneration Policy.

Remuneration structure

Total remuneration may include -besides fixed- variable components too, ensuring a link between compensation and long-term business efficiency. Under all cases, the fixed component represents the basic proportion of an employee's total remuneration.

Variable remuneration can be provided to reward performance based on pre-defined quantitative and qualitative objectives. Such objectives are linked to the employee's performance, the business unit's performance, the overall organization's/Group's performance and long-term business goals. The criteria used to assess the award of variable remuneration include indicatively among others, profitability, capital adequacy, efficiency, change management, staff development etc. The variable remuneration, including the deferred portion, is paid or vested only if it is sustainable according to the financial situation of the Group and is justified based on results.

It should be noted that the performance evaluation of staff in Control Units (i.e. Risk Management, Compliance and Internal Audit), is not connected with the outcome/performance of the processes/units they control in order to secure employees' objectivity and independence.

In order to enhance the connection between variable remuneration and the Group's long-term objectives, the award of variable remuneration is spread over time and the amounts awarded for both deferred and not deferred variable components, are not only paid in cash, but in other instruments as well (e.g. shares).

Criteria for Cancellation/Refund of Variable Remuneration

The Bank has the right to cancel the award of deferred variable remuneration, if certain performance indicators are not satisfied. The same can happen in cases of detected and verified incidents of non-compliance with existing rules and/ or processes or other serious cause (participation in/or responsibility for conduct) which resulted in significant losses.

In addition, in cases where it is proven ex-post, that variable remuneration has wrongfully been awarded, the total amount of deferred variable remuneration can be cancelled.

Without prejudice to the general principles of national contract and labour law, in cases of proven bad intent or deceit for the award of variable remuneration, the Bank can claim back from an employee a full refund of any paid variable compensation.

Proportionality principle

The Bank applies the existing regulatory framework on remuneration using the proportionality principle, by taking into account its nature, size, internal organization and complexity of activities.

Remuneration disclosures

The tables below present per business area, aggregate quantitative information on the remuneration of Senior Management and of staff whose activities have a material impact on the Group's risk profile.

Aggregate Quantitative Information on Remuneration per Business Area (in thousand €)

Business Area	Total number of staff per area	Total Fixed Remuneration*	Total Variable Remuneration
Investment Banking	13	1,399	1.5
Retail Banking	80	7,453,5	78.6
Asset Management	12.5	480	0
Corporate Functions	44	7,064	27.8
Independent Control Functions	26	1,508	4.3
Other Functions	15	1,087	10

* Including severance payment amounts due to Voluntary Exit Scheme (VES). The VES was implemented by Piraeus Bank Group and formulated according to general criteria. The Scheme was addressed to all employees in Piraeus Bank and its Greek subsidiaries, with indefinite term employment contracts and in-house lawyers. VES severance payments were not associated with risk assumption as per the Bank of Greece Governor's Act 2650/19.01.12. VES Scheme was duly approved by the Hellenic Financial Stability Fund (HFSF).

Aggregate Quantitative Information on Remuneration of Staff Categories that have Material Impact on the Group's Risk Profile (in thousand €)

	BoD Members	Senior Management**	Categories of staff****
Employee numbers per category	70	15	190.5
Total fixed remuneration	5,754.9	2,507.1	18,992.3
Total variable remuneration, of which:			
<i>In cash:</i>		10	122.2
<i>In shares:</i>		10	122.2
<i>Share-linked instruments</i>			
<i>Other types:</i>			
Total deferred variable remuneration, of which:			
<i>Vested:***</i>			
<i>Unvested:***</i>			
Deferred remuneration awarded during the financial year, paid out and reduced through performance adjustments			
Employees who received sign-in payment			
Total amount of sign-in payment			
Employees who received severance payment			
Total amount of severance payment			
Highest severance payment amount paid to an individual			

** Senior Management is included in the categories of staff whose actions have a material impact the Group's risk profile.
*** Vested deferred variable remuneration and unvested deferred variable remuneration of current year are also included in Total Variable Remuneration.
**** Categories of staff whose actions have a material impact on the Group's risk profile.

Regulatory Compliance

The Group Regulatory Compliance (GRC) operates in compliance with the "Basel III" supervisory framework and the relevant BoG guidelines.

GRC is headed by the Group Compliance Officer (GCO), who is responsible for the Group's Compliance Function.

The GRC reports directly to the Bank's BoD through the Audit Committee, which monitors and evaluates its work via progress reports and briefings and is subject to the audit of Group Internal Audit as regards the adequacy and effectiveness of compliance procedures. According to the Bank's current organisation chart, the GRC reports directly to the CEO on administration issues.

2018 Review

01. In order to deal with the increased Bank compliance duties, the GRC organisational structure was amended, with the creation of new areas of responsibility and the restructuring of existing ones.
02. Requests by Financial, Judicial and Supervisory Authorities were effectively addressed.
03. New processes were developed and existing processes were updated to ensure compliance with AML/CTF regulatory obligations.
04. Transactions with high AML/CTF risk were investigated applying the "Risk Based Approach".
05. Participation in working groups for the evaluation of counterparties in the sale of Bank assets.
06. General, special and themed audits and inspections were carried out at branches, units and subsidiaries of the Bank in Greece and abroad. The audits regard matters relating to the prevention and suppression of money laundering and terrorist financing, and general compliance with the current regulatory framework in order to promptly identify possible deviations from the provisions of the regulatory framework.
07. Audits were carried out and the implementation of agreed corrective actions was assessed in order to reduce regulatory risk.
08. The major regulatory instruments such as the GDPR, the IDD, and the Payment Services Directive (PSD2) were analysed and the Compliance Chart was updated with the new regulatory provisions. On the basis of the new requirements, the GRC collaborated- where required - with the relevant units for their incorporation into the Bank's internal processes.
09. New and existing processes, products, services and advertisements were assessed in relation to the regulatory framework.
10. Participation in working groups for the implementation of important regulatory requirements (eg FACTA, CRS, DAC2, MiFID II, GDPR, PSD2, PAD, QI, PRIIPs KIDs).
11. Participation in training programs for Bank employees aiming to educate and inform them on the prevention and suppression of money laundering and terrorist financing, and on other issues of regulatory compliance such as MiFID II.
12. Update and enrichment of Group Compliance Policy with the requirements of the new regulatory framework and emphasis on Conflict of Interest.
13. As part of its duties on the supervision of domestic and foreign subsidiaries, the GRC coordinated, supported and evaluated the work of the respective Compliance units.
14. The GRC assessed requests (by employees working outside the Bank) for cases of conflict of interest.
15. Participation in the stress test conducted by the Hellenic Deposit and Investment Guarantee Fund (TEKE) to examine the quality of its Single Customer View file (SCV).
16. Participation in the following Committees:
 - Financial Instruments Committee (MIFID II) (no vote)
 - Digital Strategy Committee
 - Operational Risk Committee-ORCO
 - Whistle Blowing Committee
 - Appeal Committee
 - Senior Ethics Advisory Committee, (Secretary)
 - Ethics Advisory Committee (Secretary)
 - Group Operational Risk Assessment Team (GORAT)

Targets 2019

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| <p>01. Continuous monitoring of changes in the supervisory and regulatory framework, analysis and monitoring in order to ensure that the appropriate processes and systems have been developed. The GRC will continue to participate in specific projects for the implementation of the new regulatory requirements, such as IDD, and existing requirements, such as PSD2, PAD, QI, MiFID II, MAD /MAR.</p> <p>02. Upgrade the AML system to continuously monitor transactions, for the prevention and suppression of money laundering and terrorist financing.</p> <p>03. Update analysis and assessment of the regulatory compliance risk for Piraeus Bank and its subsidiaries, taking into account</p> | <p>additional factors of regulatory compliance risk.</p> <p>04. Compliance audit in the Bank's branches, units and subsidiaries to assess their compliance with the current regulatory framework and adoption of corrective actions in cases of identified deviations.</p> <p>05. Update training material related to regulatory compliance issues following changes in the supervisory framework and GRC participation in the Bank employees' training seminars.</p> <p>06. Continuous training of employees in the Compliance units of the Bank's subsidiaries.</p> <p>07. Update the Regulatory Compliance Policy with the inclusion of recent changes in the regulatory framework.</p> |
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GRC has certified its internal processes according to ISO 9001:2008 standards.

For further information regarding GRC duties, see:

www.piraeusbankgroup.com>Investors>Corporate Governance>Compliance

Internal Audit Internal Audit System

Piraeus Bank Group has set up a strong Internal Control System (ICS), which constitutes a detailed set of recorded control mechanisms and processes, which constantly cover all its activities and transactions and contribute to its effective and efficient operation.

The Management is responsible for establishing and maintaining an adequate, effective and efficient ICS, while systematically monitors its adequacy and effectiveness. In accordance with the effective statutory framework, is supported by an integrated communication and Management Information System (MIS), as well as controls, which complement each other and constitute an integrated control system of the organizational structure and the activities of the Bank.

Group Internal Audit is responsible for the assessment of the ICS and reports to the Audit Committee.

For more details on ICS, please refer to:

www.piraeusbankgroup.com>Investor Relations>Financial Data>Financial Statements & Other Information>12M Annual Financial Report>Corporate Governance Statement

Group Internal Audit

The Group Internal Audit is an independent unit and reports to the Bank's Board of Directors, through the Audit Committee, while it supervises and coordinates the activities of Internal Audit Units across the Group subsidiaries. Internal Audit activity conforms with the International Standards for the Professional Practicing of Internal Auditing.

2018 Key Actions

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| <p>01. Implemented a variety of projects and initiatives aiming at the enhancement of the risk assessment methodology and annual action plan, as well as the improvement of the audits at the main audit areas for the efficient operation of the Bank and the Group.</p> <p>02. Conducted audits based on best practices, on risk assessment results and in accordance with the regulatory requirements. The audits covered the Central Units of the Bank and its subsidiaries.</p> <p>03. Conducted audits on the design and implementation of the Remuneration Policy, in relation to the relevant regulatory requirements and the procedures/ policies of the Bank.</p> <p>04. Supported Management in the monitoring of compliance with the Code of Conduct and the work of relevant Committees reinforcing the whistleblowing framework.</p> <p>05. Maintained its continuous monitoring and auditing of the Branch Network activities</p> | <p>in Greece and in the subsidiary banks in countries abroad, through the Branch Network Auditors.</p> <p>06. Continued the development of a data base using own resources aimed at electronic transaction tracing, the development of fraud identification and prevention "scenarios", and at supporting the auditing work performed by Branch Network Auditors.</p> <p>07. Provided consulting in the development of specific procedures/policies of the Bank and its subsidiaries, in order for them to incorporate proper auditing mechanisms.</p> <p>08. Contributed to the further enhancement of the Anti-Money Laundering (AML) monitoring process at the Branch Network level in Greece.</p> <p>09. Continued training of its managers, directing them towards appropriate professional certifications (CIA, CISA, CFE, CFSA etc.) and towards their further specialization.</p> |
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The 2019 action plan for the Group Internal Audit aims to continuously perform its duties smoothly and successfully in order to strengthen ICS operation in the parent Bank, as well as in Group subsidiaries in Greece and abroad.

2019 Key Targets

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| <p>01. Adequacy and effectiveness of ICS regarding the Piraeus Legacy Unit including monitoring of set targets and of the IT systems that support it.</p> <p>02. Adequacy and effectiveness of the ICS in Risk Management with emphasis on the transition to the Internal Capital Adequacy Assessment Process (ICAAP) and to the Internal Liquidity Adequacy Assessment Process (ILAAP), as well as on credit risk management.</p> <p>03. Adequacy and effectiveness of ICS regarding financial management, focusing on policies/ procedures and IFRS9 requirements.</p> <p>04. Further development of fraud detection scenarios for the identification and investigation of related transactions in various audit areas (retail banking credit, cash centers, etc.).</p> <p>05. Implementation of the Credit Policy and Practices Manual and of risk adjusted pricing processes, as well</p> | <p>as the assurance provided regarding the adequacy and effectiveness of the centralized credit control system which supports the management of credit risk.</p> <p>06. Monitoring that Corporate Governance rules are being implemented with emphasis on the operation and regulations of the BoD and Executive Committees.</p> <p>07. Supporting Management in the monitoring of compliance with the Code of Conduct and the work of relevant Committees.</p> <p>08. Performance of quality assurance on audit processes at Group level.</p> <p>09. Further enhancement of the audit work and development of Key Performance Indicators (KPIs) for the monitoring of the Internal Audit's effective operation.</p> <p>10. Independently assess the status of the corrective actions for all pending findings and inform the related stakeholders, including Management.</p> |
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| 11. Participation of Group Internal Audit executives in training sessions targeting mainly to the comprehension of risk | exposure arising during the execution of transactions and of banking activities. |
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Supervisory and Regulatory Affairs

Under the current supervisory framework and due to the increased number of Supervisory Authorities [ECB (SSM/SRM), BoG, HFSF, DG Comp] monitoring the Bank, a dedicated Supervisory & Regulatory Affairs Unit (SRA) was set up in 2015. Its purpose includes:

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| 01. Effective management of Group relations and communication with the Supervisory Authorities (ECB/SSM/BoG, SRB) and other bodies to which the Bank has "specific obligations" (HFSF, DG Comp/Monitoring Trustee, etc.). | 05. Monitoring and informing Management :
• for the implementation level of corrective actions;
• for the compliance of the organisation with supervisory requirements, guidelines and proposals. |
| 02. Coordinating the Bank's units for successfully managing requests and reports and analysis of requirements, ensuring timely and valid response. | 06. Analysing and identifying areas for improvement and coordination of the implementation of cross-sectional strategic projects that enhance corporate governance, the internal audit framework and the Group's financial/capital position. |
| 03. Project Management Office (PMO) coordinating the Bank's units for the successful execution of supervisory projects and the submission of supervisory reports. | 07. Improved understanding of the supervisory framework in the organisation and guidance on the adoption of the specified regulations/directives. |
| 04. Coordinating the Bank and Group units to ensure the correct and timely response to supervisory audits on a continuous basis. | |

The Division has the following two sub-units:

1. Supervisory Relations

The sub-unit is responsible for the general overview and management of relations with the Supervisory Authorities (SSM BoG, HFSF, SRB-NRAs, etc.), providing clarifications and spreading feedback of relevant information within the Group. Supervisory Relations informs the Bank's Management about the requested data and reports on areas that require Management intervention to improve the Group's image vis-à-vis the Supervisory Authorities. It analyses and identifies areas for improvement and coordinates the preparation of cross-sectional strategic projects that enhance the overall financial position and value of the Group as a whole. Until the end of 2018, the sub-unit was responsible for coordinating the process of capitalising projects and monitoring the costs of projects included in the Bank's Action Plan portfolio. It supported the operations of the Expenditure Committee on approving expenditure and sales of real estate, on producing management reports, coordinated Committee initiatives and centrally monitored consultant costs.

2018 Key Actions

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| 01. Communication and management of relationship with: SSM, BoG, HFSF, Single Resolution Board (SRB). | • PMO on the Bank's Resolution Plan;
• PMO on supervisory or other Bank-wide important projects (Anacredit, XBRL etc); |
| 02. Project Management Office (PMO), in relation to:
• PMO on the Pan-European Stress Test; | • PMO on supervisory submissions (STE, MREL, LDR, EBA Annexes, Critical Functions, FMIs, datatapes, MREL |

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| <p>Issuance), regular reports-SRF, ad-hoc reports- surveys.</p> <p>03. Informing the Management of the important Supervisory Projects.</p> <p>04. Providing data, analyses, reports, presentations & clarifications to SSM-BoG-HFSF-SRB-National Resolution Authorities (NRA).</p> <p>05. Monitoring & coordination actions for improving Supervisory Review and Evaluation Process (SREP) assessment;</p> <p>06. Daily monitoring and analysis of Institutional-Supervisory developments/ guidelines and communication to the Group (daily e-mails/updates).</p> <p>07. Training internal units involved on issues related to supervisory developments and regular briefing of ExCo and the BoD.</p> <p>08. Creation of presentations for Management, ECB, SSM, BoG.</p> <p>09. Creation of monthly reports and presentations on NPE targets for</p> | <p>Management and the HFSF.</p> <p>10. Representation of the Bank in institutional bodies and participation in Workshops with the HBA, BoG, SRB and ECB.</p> <p>11. Coordination of the Group's units to ensure fair and prudent compliance with the commitments undertaken by the Greek State and the Bank on corporate governance issues and commercial operations, as well as the Restructuring Plan Commitments.</p> <p>12. Generation of analyses, reports and other information for Management and other key internal stakeholders to ensure the common understanding and consistent progress of the Restructuring Plan and compliance with the Commitments.</p> <p>13. Participation in briefing external stakeholders on the progress of the implementation of the Commitments and progress of the Restructuring Plan (HFSF, Government, BoG, EU).</p> |
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2. Supervisory Inspections Coordination

The purpose of the Supervisory Inspections Coordination sub-unit is to coordinate all relevant Bank and Group units to ensure the readiness and infrastructure for preparing the best possible response to supervisory audits and regular supervisory reporting. The sub-unit is also responsible for managing the relationship and communication with supervisory mechanisms during on-site inspections or with requested regulatory projects and reports.

2018 Key Actions

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| <p>01. Communicate & manage the relationship with supervisory bodies during on-site inspections (NPLs Management).</p> <p>02. Coordinate the relevant internal divisions to collect information and provide clarifications to control boards during on-site inspections (NPLs Management);</p> <p>03. Inform Management about on-site inspections and their results (NPLs Management).</p> <p>04. Coordinate the relevant internal divisions to develop responses and corrective actions on the results/reports received from supervisory authorities as a result of</p> | <p>on-site inspections (NPLs Management and Governance and Risk Management).</p> <p>05. Training of employees from the internal units about special issues related to on-site inspections (NPLs Management).</p> <p>06. Project Management Office (PMO), in relation to:</p> <ul style="list-style-type: none"> • PMO on the loan files provided to the Bank's Certified Auditors. • PMO on evaluation of the Bank's internal control system (BoG Governor's Act 2577). • PMO on findings from previous audits and report to the Audit Committee. |
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Risk management

Piraeus Bank Group is fully committed to monitoring and managing risk, at Group and solo level, so as to maintain stability and continuity of operations. The prudent implementation and constant development of the risk management framework is a priority and forms an integral part of the Group's business strategy-setting process.

The BoD is fully responsible for developing and overseeing the risk management framework.

The Risk Management Committee (RMC), as one of the BoD committees, convenes on a monthly and/or an ad hoc basis, and is charged with ensuring that the risk management framework is fully aligned with the Group's business objectives. The RMC evaluates the adequacy and effectiveness of the strategy on risk undertaking and capital management, as well as the capital adequacy requirements in relation to the amount and form of the risks assumed. The RMC reviews and assesses the Group's strategy and relevant goals regarding the management and reduction of troubled assets. The RMC convened thirteen (13) times in 2018.

Group Risk Management (GRM) is an independent administrative unit responsible for the Bank's policy on risk management and credit risk control, in accordance with the BoG Governor's Act No. 2577/2006, as in force, and the CRD IV regulatory framework. The Head of the GRM (Chief Risk Officer, CRO) is appointed by the BoD, upon recommendation of the RMC, and his appointment or replacement, following the approval of the RMC, is communicated to the regulatory authorities.

The CRO acts as the Executive Secretary of the RMC and is a member of the Group Executive Committee and of all the Bank's major Executive/Administrative Committees. In the Senior Credit Committee, the Asset-Liability Management Committee (ALCO), and the Recovery Credit Committee, the CRO has veto power and may prevent acts/decisions in possible breach of the Bank's approved Risk and Capital Strategy.

The duties of the main Executive/Administrative Committees in which the CRO is involved are described in the Corporate Governance Structure and Operating Regulation www.piraeusbankgroup.com/el/investors/corporate-governance

The Group has established detailed procedures and adequate risk control mechanisms to identify/manage/monitor/report such risks. The procedures in place foster the independence of risk taking, risk management and control functions. The Group's organisational structure ensures separation of tasks and aims to prevent instances that could lead to conflicts of interest.

The Risk and Capital Strategy sets out the principles of an integrated risk-management and risk-taking framework to achieve the Group's strategic and business goals, as determined by the BoD.

The risk management framework is continually evaluated and evolving, taking into account the current economic environment, business plans, historical data of the Bank, market dynamics, new supervisory and regulatory requirements, the Group's Corporate Governance Framework, international best practices and the shareholders' interests.

GRM uses a set of indicators/metrics for each type of risk to review and assess the effectiveness of the risk management framework and informs the Administration accordingly.

The Group's corporate governance and risk management framework are supervised and assessed by the competent authorities. Since November 2014, the Bank, as well as the other Greek systemic banks, is under the control of the Single Supervisory Mechanism (SSM), which is composed of the European Central Bank (ECB) and the Greek Competent Authority (BoG).

GRM designs, sets and implements the Bank's risk management policies, in accordance with

the Group's Risk Appetite Framework (RAF), as approved by the BoD, and in compliance with all regulatory and supervisory requirements. In 2018 the following Risk Management units operated within the Group:

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| 01. Credit Risk Management | 05. Group Risk Coordination & Model Validation |
| 02. Capital Management | 06. Risk Data Office |
| 03. Operational, Liquidity & Market Risk Management | 07. Risk Management Office |
| 04. Credit Control | |

GRM duties include, inter alia, developing, implementing and periodically reviewing the adequacy of the methods, models and tools –tailored to product and service pricing risk– and supporting business units in using them. In addition, GRM actively participates in strategic and business planning, makes investment decisions (in accordance with the risk appetite), ensures the continuous familiarisation with the risks assumed and cultivates a risk management culture across each hierarchical level of the Group.

Group Risk Management activities are subject to the independent audit of the Internal Audit, which assesses the adequacy and effectiveness of the processes in place.

For more information on Group Risk Management, see:
www.piraeusbankgroup.com/en/documentation/pillar-iii-disclosures#2018/1

Credit Risk Management

The Credit Risk Management unit (CRM) designs, sets and implements its credit risk management policies, in accordance with the Group's RAF, as approved by the BoD, and in compliance with all regulatory and supervisory requirements.

Credit risk is defined as the risk of incurring financial losses to the Group, arising from a borrower's or counterparty's potential inability to fulfil their contractual/transactional obligations.

Exposure to credit risk is the leading source of problems for Piraeus Bank and therefore its effective monitoring and management is one of senior management's top priorities. The Group's exposure to credit risk arises mainly from corporate and retail loans, its banking book and its trading book, Over-The-Counter (OTC) transactions, derivatives transactions, as well as from the settlement of transactions. The degree of risk associated with such credit exposures depends on various factors, including the general economic and market conditions, the borrower's financial condition, the amount, type and duration of exposure and the existence of collateral and guarantees.

The implementation of the credit policy, which describes the Group's credit risk management principles, ensures that credit risk is treated in a uniform and effective way. Piraeus Bank Group applies a uniform policy and practice with respect to credit assessment, approval, renewal and monitoring procedures. All credit limits are reviewed and/or renewed at least annually, and credit approval authority is assigned to the credit committees, taking into account the size and the type of credit risk undertaken by the Group for each borrower or group of connected borrowers.

Measuring and Monitoring Credit risk

The continuous development of infrastructure, systems and methodologies for measur-

ing and monitoring credit risk is a precondition for the timely and effective support of Management and Business Units in relation to decision-making, policy formulation, and compliance with regulatory requirements.

Measuring and monitoring credit risk of the Group's loans and advances entails:

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| 01. Regular assessment of the borrower's creditworthiness and the potential risk of default. | default. The assessment takes into account underlying collateral and guarantees, expected recoveries and potential curing from forbore loans. |
| 02. Assessment of the Group's recoverability of the credit, in the event of counterparty | |

The Group evaluates the creditworthiness of its borrowers and measures the potential default risk, using credit risk models that take into account the types and characteristics of the borrowers. These models combine financial and statistical analysis with the expert judgment of responsible officers.

An initial credit rating is assigned to each borrower when setting the credit limit, that is renewed periodically (at least annually). The credit ratings are updated when conditions change and new data may have a significant impact on the level of credit risk. The predictive capability of the credit rating models is reviewed at least annually. Thus, the Group ensures that the credit ratings are consistent and accurately reflect any credit risk and promptly address problems for remedial management.

*For more details about measuring and monitoring credit risk, see:
www.piraeusbankgroup.com/en/investors/financials/financial-statements*

Credit Limit Management and Credit Risk Reduction Techniques

The Group manages, reviews and limits its credit risk exposure and concentration, by applying a credit limit management system that establishes the maximum risk exposure limit. The Group's total exposure to borrower credit risk, including credit institutions, is further monitored against established sub-limits covering on and off-balance sheet exposures.

When establishing customer limits, the Group takes into account any collateral or guarantees to mitigate risks. The Group categorises credit risk into risk classes, based on the underlying collateral or guarantee and the potential to liquidate them. The BoD sets the maximum credit limits to be approved per risk class. Across the Group, no credit is approved by one sole person, since the approval process requires the approval of at least two Executives or a Credit Committee. Credit Committees are set up based on the level of risk exposure. The roles of Credit Committees are set out in the Credit Policy Manual and are particularly important in shaping the overall quality of the Group's loan portfolio.

Credit limits are valid for up to twelve months and are subject to annual or more frequent review. The responsible or senior approval officers of Credit Committees may, under special circumstances, opt for a credit period of less than twelve months. Outstanding balances are monitored against set limits and any exceedances are reported and addressed timely.

Impairment and Provisioning Policy

The Group regularly assesses whether there is reasonable and objective evidence of a financial asset's impairment. Loan impairment tests are carried out at each reporting date,

in accordance with the general principles and methodology described in the International Financial Reporting Standards (IFRS), as included in the Impairment and Provisioning Policy, and loan provisions are established.

An asset is impaired if its carrying amount (book value) is higher than its recoverable amount. The recoverable amount is calculated as the present value of expected cash inflows and the present value of the liquidation of any collateral/guarantees in the cases of the debtor's inability to repay the loan, as well as by the probability of returning to cured status. When there are indications that the Group will not be able to collect all amounts due according to the contractual terms, provision is made for the impairment of the asset. The amount of the impairment is equal to the difference between the carrying amount and the recoverable amount of the asset.

Impairment and provisioning are carried out individually at a loan level for all exposures which the Group considers riskier than a certain level, and collectively at the level of a group of loans e.g. mortgage, consumer credit, etc., for all other cases.

The Group proceeds with a collective assessment of impairment for exposures (debt portfolios) with similar credit risk characteristics, which are not considered significant on an individual basis.

Risk-Based Pricing

In the context of strengthening corporate culture and investment decision-making processes, the Bank developed a Risk-Based Pricing methodology. This methodology calculates the minimum potential cost of each possible investment, taking into account three individual key costs:

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| 01. Credit risk | 03. Cost of holding funds |
| 02. Liquidity risk | |

The methodology determines the desired profitability/return, taking into account the underlying risks, and aims to optimise the Bank's balance sheet and make rational use of shareholders' funds. In 2018, the Bank designed and implemented Risk-Based Pricing models for Large Businesses, Small and Medium-sized Enterprises and Project Finance, and revised the Mortgage Loan model.

Forbearance and Restructuring Policy

Forborne loans are defined as exposures arising from loan agreements that have been subject to forbearance measures. The measures are considered as a concession by the Bank to a borrower who faces or is about to face financial difficulties in fulfilling his/her financial obligations. Forbearance may involve a change in the contractual terms and conditions and/or a debt refinancing.

Group Risk Management also monitors the forbearance process and assesses the relative risks by portfolio and forbearance type. The Group's Chief Risk Officer is updated on a monthly basis about the evolution of RBU portfolio and reports to the Risk Management Committee.

Capital Adequacy

The Capital Management unit (CM) designs, sets and implements the Group's capital ad-

equacy strategy and policies and the management of supervisory and internal capital in the Group, in accordance with the Group's RAF, as approved by the BoD, and in compliance with all regulatory and supervisory requirements.

The Group's capital is defined in accordance with the regulatory and supervisory framework, the Directive (EU) No. 2013/36 and the Regulation (EU) No. 575/2013, approved by the European Council (CRD IV/CRR). The regulatory framework requires financial institutions to maintain a minimum level of regulatory capital related to the undertaken risks.

The table below presents selected capital adequacy data for Piraeus Bank Group on 31.12.2018, as calculated under the existing regulatory framework, taking into account all relevant transitional period provisions applicable under Regulation (EU) No. 575/2013. The capital adequacy ratios cover the minimum regulatory requirements.

Capital Adequacy Selected Data	
Amounts in € mn	31.12.2018
Common Equity Tier 1 (CET-1)	6,489
Tier 1 Capital	6,489
Risk Weighted Assets*	47,554
Capital Adequacy Ratio	13.65%
CET1 Capital ratio	13.65%
Leverage ratio	10.53%
* (on and off-balance sheet items)	

The main objectives related to the Group's Capital Management are:

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| <p>01. Compliance with the capital requirements for undertaken risk, in accordance with the supervisory framework.</p> <p>02. Preserving the Group's ability to continue unhindered its operations, to provide returns and benefits to its shareholders and to ensure the trust of its customers.</p> <p>03. Maintaining a solid capital position</p> | <p>supportive of the Bank's management business plans.</p> <p>04. Maintaining and enhancing existing infrastructures, policies, processes and methodologies for the adequate coverage of supervisory needs, in Greece and abroad.</p> <p>05. Transmission and improvement of the fund management culture.</p> |
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In 2018, the Group continued to improve its infrastructure and strengthen policies, procedures and methodologies for measuring risk and capital use.

2018 Key Actions

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| <p>01. Design and implementation of the required changes for IFRS 9 inclusion in the calculation of capital adequacy,</p> <p>02. Updating Pillar III framework in line with the Guidelines on disclosure requirements set by EBA (EBA/GL/2016/11), with regard to their format and frequency,</p> | <p>03. Improving the methodology for measuring the cost of capital for new loan disbursements and its systemic inclusion in a special calculation platform,</p> <p>04. Strengthening governance of the Internal Capital Adequacy Assessment Process (ICAAP),</p> |
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| <p>05. Ongoing improvement of Basel Pillar II framework of principles, policies, processes and methodologies of the Internal Capital Adequacy Assessment Process (ICAAP), taking into account current EBA and SSM guidelines and guidance,</p> | <p>06. Strengthening governance, methodologies and infrastructure for internal and supervisory stress-testing exercises; and</p> <p>07. Implementing IRB-related projects (Internal Grades approach for credit risk).</p> |
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Liquidity Risk

The Liquidity Risk Management unit (LRM) designs, sets and implements the liquidity risk management policies, in accordance with the Group's RAF, as approved by the BoD, and in compliance with all regulatory and supervisory requirements.

The liquidity risk experienced by a financial institution is the risk that it will not be able to meet its financial obligations when they become due.

Piraeus Bank recognises that the effective management of liquidity risk contributes substantially to its ability to cover its financial obligations.

All the Bank's Units apply a uniform Liquidity Risk Management Policy which is consistent with internationally applied practices and supervisory regulations and has been adapted to the Group's activities and organisational structures.

This policy sets out the key definitions and methodologies for liquidity risk assessment, defines the roles and responsibilities of the Units and personnel involved, and sets out the guidelines for liquidity crisis management. The policy also defines a Contingency Funding Plan to be implemented in the event of a liquidity crisis.

In order to manage liquidity risk effectively, the Bank monitors and manages, inter alia, the amount, quality and composition/diversification of its liquid assets, the cash flow from its assets and liabilities (inflows, outflows) in time buckets, the composition/diversification and cost of its funding sources, the composition/diversification and funding capacity of its unencumbered collateral and its funding needs in local and foreign currencies.

As part of the reporting requirements under the SSM Regulation, Piraeus Bank submits a wide range of reports on a regular and periodic basis.

Piraeus Bank calculates the "Liquidity Coverage Ratio" and "Net Stable Funding Ratio" on a monthly and quarterly basis respectively, as defined by Regulation (EU) No. 575/2013, in the framework of implementation of Basel III on a European level and the harmonization of the EU Single Rulebook.

In addition, under Directive (EU) No.2013/36, credit institutions are required to have comprehensive strategies, policies, procedures and systems to ensure adequate monitoring of liquidity risk.

The annual report on the Internal Liquidity Adequacy Assessment Process (ILAAP) contains the procedures governing liquidity risk management and the main results of the assessment of the Bank's current and future liquidity position. Within the framework of the ICAAP and ILAAP processes the Bank examined stress test scenarios (Stress Testing) and assessed their impact on the liquidity position and on the mandatory liquidity ratios.

ECB funding was significantly reduced to €3.2 bn at the end of 2018, from €9.7 bn on 31/12/2017, due to the increase in deposits, the return to the interbank repo market, the further deleveraging of the loan portfolio and the participation of the Bank in the EFSF bond exchange program with cash (nominal value €1.5 bn). ELA funding was eliminated in July 2018, from €5.7 bn at the end of 2017. Access to the interbank market with the use of collaterals reached €1.9 bn on 31/12/2018 from €1.5 bn on 31/12/2017.

In August 2018, the ECB lifted the waiver for the Greek government bonds that were used as collateral on the interbank repo market. The bank's Global Covered Bonds Program credit rating was upgraded (BBB low). As a result, €4.0 bn of own-use bonds became eligible for refinancing from the ECB, strengthening the Bank's liquidity.

The Liquidity Coverage Ratio (LCR) was maintained at positive levels, reaching 60% at the end of 2018 (2017: 0%). Along with fully eliminating its ELA exposure, Piraeus Bank maintained an adequate cash reserve on 31.12.2018 for raising liquidity from sources other than the ELA of up to €3.6 bn, while maintaining an additional reserve for ELA funding of €18.3 bn.

Market Risk

The Market Risk Management unit (MRM) designs, sets and implements the market risk management policies, in accordance with the Group's RAF, as approved by the BoD, and in compliance with all regulatory and supervisory requirements.

Market risk refers to the possibility of losses due to a change in the level or volatility of market prices, such as stock prices, interest rates or exchange rates.

The Risk Committee of the Bank has approved a market risk management policy that applies to the Bank and outlines the basic definitions of market risk management and defines the roles and responsibilities of the units and executives involved.

Piraeus Bank applies generally accepted techniques for measuring market risk, in particular, sensitivity indicators, such as PV100 (adverse impact on the NPV of all balance sheet items for a parallel shift of 100 basis points in the yield curve for all currencies), and Value at Risk (VaR), that incorporates all risk factors.

Suitable market risk limits have been established for every activity that bears market risk, and are monitored systematically. Market risk management is not confined to trading book activities, but covers the entire Statement of Financial Position.

The VaR measure is an estimate of the potential loss in the net present value (NPV) of a portfolio, over a specified period and within a specified confidence level. The Bank implements the following three (3) methods for calculating VaR:

01. Parametric VaR methodology, assuming a one-day holding period and utilising a 99% confidence level, with historic observations of two years and equal weighting between observations.
02. Parametric VaR methodology, assuming a one-day holding period and utilising a 99% confidence level, placing more weight on recent market observations (exponentially weighted moving average volatilities and correlations, $\lambda=0.94$).
03. Parametric VaR methodology, using volatilities and correlations gathered during a crisis period (Stressed VaR), while the estimate is assessed on current positions.

The variables and the correlation table are calculated on a daily basis.

The VaR methodology does not measure risk attributable to extraordinary market conditions, hence the risk assessment process also includes a number of stress test scenarios. The stress scenarios are based on the primary risk factors that may affect the value of the balance sheet's figures.

The Group tests the validity of the VaR estimates, by conducting back-testing on the trading book VaR. On a daily basis, the VaR estimate is measured against the actual change in the value of the portfolio, due to changes in market prices.

The VaR estimate for the Group's trading book and the exponential volatility on 31 December 2018 amounted to €4.38 mn. This estimate consists of €4.47 mn for interest rate risk, €1.17 mn for equity risk, €0.16 mn for foreign exchange risk and zero for commodities risk. By structuring the trading portfolio on 31/12/2018, the VaR estimate is reduced by €1.43 mn due to the diversification effect in the portfolio.

VaR ranges at low levels and is in line with the Bank's RAF.

Amounts in € mn	Bank Trading Portfolio - Total VaR	VaR Interest Rate	VaR Equity	VaR Foreign Exchange	VaR Commodity	Diversification effect
2018	4.38	4.47	1.17	0.16	0.0	-1.43
2017	11.52	11.45	0.21	0.28	0.0	-0.42
2016	8.03	8.25	0.67	0.54	0.0	-1.43

Piraeus Bank applies an Interest Rate Risk Management Policy and adopts risk assessment techniques based on the Interest Rate Gap Analysis.

Interest Rate Gap Analysis allows for the assessment of interest rate risk through the "Earnings-at-Risk" measure, which expresses the negative impact on projected annual interest rate over a specified period caused by a change in interest rates across all maturities and currencies.

Operational Risk

The Operational Risk Management unit (ORM) designs, sets and implements its ORM policies, in accordance with the Group's RAF, as approved by the BoD, and in compliance with all regulatory and supervisory requirements.

Operational risk is the risk of loss resulting from inadequate or failed internal processes and systems, from people or from external events.

Piraeus Bank Group recognises its exposure to operational risk and aims for the implementation and constant development of an effective and integrated ORM framework across its operations. The main activities for managing operational risk include:

01. The Risk and Control Self-Assessment (RCSA) process, applied to Bank units and subsidiaries.
02. Analysis of stress test operational risk scenarios.
03. Defining and monitoring operational risk

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| <ul style="list-style-type: none"> indicators and limits. 04. Defining and monitoring projects to improve the action plans. 05. Collecting operational risk and events. | <ul style="list-style-type: none"> 06. Calculating VaR and internal capital. 07. Evaluating new products and processes. 08. Publishing internal and external reports. |
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In 2018, the Bank continued strengthening its Internal Control System (ICS), which is a key priority of the Senior Management and the Board of Directors, as set out in the strategic goals. Major initiatives include:

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| <ul style="list-style-type: none"> 01. The Operational Risk Committee (ORC) has been set up for the effective management of operational risks. The ORC monitors the effectiveness of the operational risk assessment process and is responsible for the continuous development of the ICS. 02. The Segment and Unit Controllers define risk management and control standards and independently oversee and challenge risk owners' implementation of these standards, their risk-taking and risk-management practices. The network of | <ul style="list-style-type: none"> Segment and Unit Controllers is gradually expanding, to include more staff from relevant Bank Segments and Units, in addition to those that have been used in the pilot project. 03. A new ICS Policy is almost complete, demonstrating the Bank's commitment to enhance risk monitoring and control, in order to achieve its strategic objectives. The new ICS Policy summarises the framework for developing and updating the ICS, and for continuously monitoring its adequacy and effectiveness. |
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In 2018, the Bank continued or started a string of projects, aimed at supporting the ICS, and improving the ORM framework. Indicatively these projects include:

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| <ul style="list-style-type: none"> 01. Further improvement of the operational loss-collection process, already under way, while new projects starting in 2018 aim at: <ul style="list-style-type: none"> • collecting credit-related losses. The project includes the development of relevant infrastructure, roles, responsibilities and processes for the units involved in identifying relevant incidents. • strengthening the management of legal actions against the Bank, through the development of a relevant database. The purpose of the project is to monitor and analyse legal cases throughout their life, to assess the underlying causes of event occurrence and to address possible shortcomings in mitigating future risks as well as to evaluate the forecasting process. 02. Implementation of a framework to address any deficiencies in ICS, as | <ul style="list-style-type: none"> identified by internal or external audits. In particular, the project aims at developing a common database for identified deficiencies, and at developing processes that will harmonise and optimise the actions of units involved in monitoring and addressing deficiencies. 03. Development of an Anti-Fraud Policy, which briefly outlines the Bank's Fraud Risk Management (FRM) framework. This framework includes the Bank's attitude and zero tolerance against the risk of fraud, the key principles governing FRM, the roles involved, as well as the Bank's relevant and specialised policies and procedures aimed at preventing, identifying and addressing the risk of fraud. 04. Upgrade and strengthening of the current credit approval process with the aim of introducing the necessary controls and improving the quality of its results. |
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Overall, with the implementation and evolution of the ORM framework, the Group seeks to optimise operations and control mechanisms, minimise economic losses from operational risk events, develop a single understandable "culture" across the Group, to assess the level of exposure to operational risk, and to prevent potential, unexpected and catastrophic losses from future operational risk events.

² ECB, *guidance to Banks on non-performing Loans*, March 2017.

Credit Control

Corporate Credit Control

The Corporate Credit Control Unit (CCC) is responsible for the independent, regular and qualitative review of the credit risk embedded in the Group's corporate portfolio, and its monitoring, in accordance with the Bank's policy and processes.

For this purpose, CCC carries out audits on a sample of borrowers per business unit and assesses the quality of each loan and the practices and methodologies used to monitor the borrower's credit risk. The evaluation is carried out using data extracted from the Bank's systems, with thorough review of the credit files held by the Business Units, and meetings with the relevant officers. The findings are summarised in the Audit Report and the Proposed Corrective Actions, which, with the approval of the CRO, are submitted to the relevant units involved, to the Bank's Senior Management and the Risk Committee. Additionally, CCC reviews regularly the progress of implementation of the corrective actions proposed in the Report.

CCC reviews all of the Group's corporate lending units, which are involved with the development of the portfolio (Core Business Units), the management of troubled portfolio (Non-Core Business) and the approval process (Credit units), and all credit-related activities, including Recovery Units, and is to be extended to portfolios that have been transferred to Workout. Loan Administration units and the completeness and validity of the contractual documents are not reviewed.

In 2018, CCC reviewed 18 business portfolios, with a balance of €13.6 bn. Of these 18 portfolios a sample of 974 borrowers was selected, with balances of €8.5 bn.

Additionally, in the context of expanding its activities, in 2018 CCC started monitoring its loan portfolio, taking into account expired credit limits, observing the approval process and terms for new disbursements, pricing through Risk-Based Pricing Model (71 cases were assessed with total limits of €2.3 bn), the amount of the forecasts. The CCC will extend its monitoring to the Unlikelihood to Pay (UtP) correct and timely flagging criteria.

The CCC also participated as an Observer in the following committees: Senior Credit Committee, Recovery Credit Committee, Core Banking A and RBU A (Corporate & Shipping, SME and International) - (294 meetings where 1,278 requests were discussed), as well as in the Provisioning Committee.

Retail Credit Control

The Retail Credit Control (RCC) working group (in 2018 it was part of the Credit Risk Management Unit) carries out independent audits on retail loan disbursements portfolios and restructurings.

New loan disbursements are reviewed with regard to the implementation of the approval process, as described in the Credit Policy Manual, by conducting sample checks. Retail loan restructurings are assessed for their effectiveness/viability, in line with the ECB's Guidance to banks on non-performing loans².

Retail Credit Control also analyses and evaluates portfolios with special features, such as those falling under the provisions of Law 3869/2010 regarding the debts of over-indebted natural persons.

The results of the analyses and the audit findings are communicated to the competent Units and to the CRO, along with suggestions and proposed corrective actions to address the weaknesses and problems identified.

In addition, Retail Credit Control gives an opinion on the specifications of new and existing product modifications, recommended by the Retail Banking Unit and the RBU for restructured loans. Retail Credit Control participates in the preparation of the Bank's Credit and Forbearance Policies.

In the year 2018, the Retail Credit Control working group analysed the following:

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| 01. Review of the Policy for transferring Retail Loans to Defaulted Loans | Personalised Provisioning for Retail Loans |
| 02. Review of the implementation of Policy on Write-offs | 04. Review of mortgage & consumer loan restructurings |
| 03. Review of the Process for Calculating | 05. Review of Law 3869/2010 |

Group Risk Coordination & Model Validation

The Group Risk Coordination & Model Validation Unit (RCMV) is responsible for:

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| 01. Developing and maintaining the Risk and Capital Strategy at Group level, and supervising the risk management | framework of the subsidiaries, as well as |
| | 02. validating the Bank's model (Model Validation Unit). |

In 2018 the RCMV led and participated in the design and maintenance of the Risk & Capital Strategy, which includes the Group's Risk Identification Process and RAF. The RCMV also oversaw the overall risk management framework of domestic and foreign subsidiaries, providing support and know-how.

The RCMV reports directly to the CRO and conducts an independent review of the Bank's risk models to validate their adequacy, accuracy and effectiveness.

2018 Key Actions

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| 01. Development of a credit risk Model Validation Framework (MVF), consisting of policy, methodologies and technical specifications regarding the credit risk models. Accordingly, model validation includes: | and stability of the model; |
| • qualitative review of data input and processing, model design and logic; | • participation in model implementation phase. |
| • quantitative review of resolution, precision | 02. Installation of a model management and validation platform, with full implementation expected during 2019. |
| | 03. Use of the aforementioned for the validation of credit risk models, in particular IFRS 9 models. |

Risk Data Office

The main duties of the Risk Data Office include:

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| 01. Support GRM on risk management and reporting issues; | and timely submission of risk data by the Bank's Units and its domestic and foreign subsidiaries; |
| 02. monitoring the degree of compliance of risk data governance against the regulatory framework and the industry's best practices; | 04. managing risk-related projects in the Bank and the Group; |
| 03. monitoring and coordinating the valid | 05. support the GRM operations on the risk data aggregation and reporting |

- processes;
06. participate on behalf of the GRM in the roles and duties derived by the Data Governance Framework.

2018 Key Actions

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| <p>01. Redesign of data collection and processing process for reporting.</p> <p>02. Risk Data Model Definition.</p> <p>03. Revision of the Group's Data Governance Framework to integrate IRB, TRIM, BCBS239, AnaCredit, Stress Test, Pillar II, Pillar III requirements.</p> <p>04. Introduction of internal processes for the Risk Data Office.</p> <p>05. Data Quality Initiatives:</p> <ul style="list-style-type: none"> • re-design processes for data collection and processing regarding credit and prepaid cards; • define, collect and process new data required for the implementation of IFRS9; | <ul style="list-style-type: none"> • define, collect and process new data required for the implementation of the AnaCredit supervisory report; • define, collect and process data for GRM needs; • simplify processes for data collection and processing regarding the Leasing/ Factoring portfolios of the merged banks. <p>06. Regulatory reporting/data requirements:</p> <ul style="list-style-type: none"> • AnaCredit • SHS • NII Stress test • SSM Liquidity Exercise <p>07. Data Governance Framework. GRM participation in the workgroups for data domains.</p> |
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Risk Management Office

The Risk Management Office (RMO) supports and monitors work carried out by GRM in pursuing its objectives. The RMO also offers secretarial support to the RMC and the Provisioning Committee.

2018 Key Actions

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| <p>01. Coordination, support and monitoring major projects at GRM and CRO level.</p> <p>02. Risk management training support & presentations.</p> <p>03. Review of Policies and Procedures, with other GRM units.</p> <p>04. Coordination of RMC tasks. Preparation of minutes, monitoring of the</p> | <p>implementation of RMC decisions and progress reports.</p> <p>05. Coordination of Provisioning Committee tasks. Preparation of minutes, monitoring of the implementation of Provisioning Committee decisions and progress reports.</p> |
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Group Credit

Large Corporate Credit

Large Corporate Credit unit participates in the credit approval process for the Large Corporate portfolio, including Shipping and Structured Finance. Large Corporate Banking also set the risk limits for financial institutions.

Credit expansion focused on providing financial support for sustainable Greek businesses.

Large Corporate Credit unit actively participated in major projects aimed at improving the efficiency of credit risk assessment, approval, renewal and monitoring processes.

Medium Business Credit

Medium Business Credit unit participates in the credit approval process for Commercial Banking portfolio.

In 2018, the unit mainly focused on approving new loan requests to viable businesses, making use of development programs, in which the Bank participated, and making use of the included co-funding and risk-sharing tools.

In addition, the unit actively participated in the implementation of a number of projects aimed at improving the processes and applications used in business lending.

Small Businesses and Consumer Credit

The Small Business and Consumer Credit unit has taken steps to improve and automate the evaluation process for loan applications and the monitoring process of their loan portfolio to improve efficiency and response time, to reduce operational risk, and production costs.

The internal structure of the Small Business Credit unit permits a deep understanding of its various customer segments (small businesses, freelancers/professionals, farmers), ensuring the immediate appraisal of loan applications from customers operating in many sectors of the Greek economy.

In the context of responsible lending, a pillar of its credit philosophy, in 2018 Consumer Credit focused on addressing the needs of Greek households, in the context of a mutually beneficial relationship of cooperation. It applied meritocracy in managing increased loan requests, while improving the response time through the development of rating models, incorporating credit policy rules and practices.

In 2018, Consumer Credit renewed its ISO 9001:2015 international certification for the Consumer and Mortgage Credit Approval Services. For the first time Consumer Credit was certified for its Merchant Credit Services, thus demonstrating its commitment to providing integrated services and ensuring customer satisfaction, while at the same time creating multiplier benefits to the Bank's image and overall business performance. It is worth mentioning that Piraeus Bank is the only domestic credit institution with this certificate.

Recovery Credit

In 2018, the Recovery Credit unit continued its ongoing effort for the effective management of the credit risk associated with the RBU portfolio. Recovery Credit also monitored the effectiveness of forbearance measures, and the effective application of credit policy and approval processes.

In 2018, efforts continued to restructure NPEs for cooperating and viable RBU customers, through a variety of debt restructuring and forbearance measures under the Bankruptcy Code and the complex supervisory environment. At the same time, an effort was made to timely identify financial difficulties and possible default, and to assess the risk of financial loss. One of RBU key objectives was the effective appraisal and approval of possible long-term forbearance measures and the intensification of efforts to recover troubled assets.

Recovery Credit is actively involved in major projects for optimising NPL management, for improving the efficiency of credit risk assessment, approval, management and monitoring processes, and for making the operation of the units involved more effective (updating approval process, Retail & SB product review, Recovery reorganization and NPEs management).

Corporate & Shipping Recovery Credit

The Corporate & Shipping Recovery Credit unit participates in the approval process for the Corporate & Shipping Recovery portfolio, and the business portfolio of international banking subsidiaries.

The unit participated in joint initiatives with the Corporate & Shipping Recovery and International Business Lending business units to the maximum curing potential from forborene loans, in terms of Net Present Value.

SME Recovery Credit

The SME Recovery Credit unit participates in the approval process for SME Recovery portfolio, and is staffed by experienced Credit Officers.

SB Recovery Credit

The SB Recovery Credit unit participates in the approval process of the portfolio for Small Business Collections & Restructurings (small businesses, self-employed professionals, farmers).

For small-sized loans, the forbearance approval process is automatic, as part of special products developed by the Bank, while pre-approved solutions were offered for part of the portfolio, aiming at faster credit assessment and more efficient management of NPEs.

Retail Recovery Credit

The Retail Recovery Credit (RRC) unit assesses the forbearance requests from the Retail Collections & Restructuring Unit, which includes all categories of retail credit, at every stage of delay/legal action.

In 2018, RRC focused on reducing NPLs by providing long-term and viable solutions to sustainable borrowers, on taking legal action against non-cooperating and non-viable borrowers. Due to the expanded customer base with a large number of NPEs and the numerous service channels (Branch Network, Central Units and External Partners), the RRC provided guidance and training to the responsible Credit Officers (first line defence executives). In addition, RRC actively participated in projects on the optimisation of existing and the creation of new forbearance products, as well as the automation of operating processes.

Workout Credit

In March 2018, the Workout Credit unit was established, comprised by experienced Credit Officers and analysts. Credit evaluates and forms Credit Opinion on litigation dispute resolution with a limited perimeter compared to the other segments (SME, SB, Corporate & Retail), and participates in Dispute Committees for decision-making.

Procurement Policy

In 2018, the Bank decided to manage its procurement of goods and services centrally. To this end, a new centralised procurement model was designed and a new Group Procurement Unit (GPU) was set up.

The GPU set up in the fourth quarter of 2018, and has been coordinating the gradual transfer of all the procurement responsibilities for the Bank and the Group. The purpose of the GPU is to define procurement strategy, to modernise the Group's procurement policy, to

update and standardise procurement processes, to manage and monitor internal demand and supplies. The goal of the GPU is to rationalise the demand for supplies, in terms of size and specifications, and to sustainably reduce the cost of supplies, making use of synergies and economies of scale.

The Bank has specific objective and measurable criteria for assessing partnership proposals and financial offers and bids submitted by prospective business partners and suppliers to the Bank. These include, inter alia, the price-quality relationship, reliability and market position, manpower, and their financial strength. Uniform sustainability assessments are applied and repeated at regular intervals to review partnerships with existing suppliers and partners, and to maintain a high quality of service and efficiency. At the same time, the Bank pays its suppliers and partners promptly.

The relationship with existing and potential suppliers is described in the approved Group Procurement Regulation to ensure smooth and transparent management of corporate procurement and selection of suitable suppliers. The procurement policies and rules describe how to select suppliers to supply specific goods and services for the operational needs across the Bank.

The Group's Procurement Regulation is consistent with the principles and rules outlined in the "Outsourcing" section of "Piraeus Bank Group Compliance Policy", in accordance with the provisions of BoE Governor's Act 2577/2006. The Regulation is applied uniformly throughout the Group and its subsidiary companies.

Key Targets

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| <ul style="list-style-type: none"> 01. Group-wide regulatory framework for managing procurement processes in a transparent, clear and uniform manner. 02. Conducting supplier tendering and assessment process in a transparent and objective manner. 03. Definition of quantitative and qualitative specifications for all products and services supplied. 04. Mitigation of operational and credit risks which might arise when partnering with suppliers. 05. Timely supply of products and services to the Group's Organisational units. 06. Cost containment for products and services supplied, by improving the procurement lifecycle. 07. Entering into long-term partnerships with suppliers, holding regular sustainability assessments. | <ul style="list-style-type: none"> 08. Regular formal tendering processes to streamline costs and ensure optimal selection of partners or negotiations for the continuation of partnerships with cost containment. 09. Uniform contractual framework governing relationships with prospective suppliers and external partners, with emphasis on GDPR issues. 10. Management of approvals, contracts and invoices through a specialised application, for the immediate extraction of information on the financial terms governing the Bank's relationship with each supplier, and on upcoming contract renewals. 11. Definition of a framework of collaboration between the organisational units involved in corporate procurement. |
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Aiming to support local economies and societies, as well as to reduce the transport of materials in order to shrink its environmental footprint, the Bank ensures that procurements are made as much as possible by local or/and domestic suppliers.

Green Procurement

Piraeus Bank applies a policy of green procurement, by choosing environmentally friendly

products. Indicatively, chlorine free FSC paper, recycled consumables, energy saving light bulbs, environmentally-certified detergents (eco label), biodegradable bags.

Electrical and electronic equipment (screens, laptops and refurbished computers) are gradually being replaced with energy-efficient appliances ("energy star" label). Piraeus Bank scores A+ in the ISS-oekom corporate sustainability assessment, for the question related to IT procurements.

In 2018, Piraeus Bank received Guarantees of Origin from the companies Heron Thermo-electric SA and PPC SA, certifying that 100% of the electricity consumed in the Bank's facilities derived from Renewable Energy Sources.

Material Topic

Corporate governance

The Bank adopts and applies the contemporary principles and practices of Corporate Governance to ensure its effective organization, functionality and management.

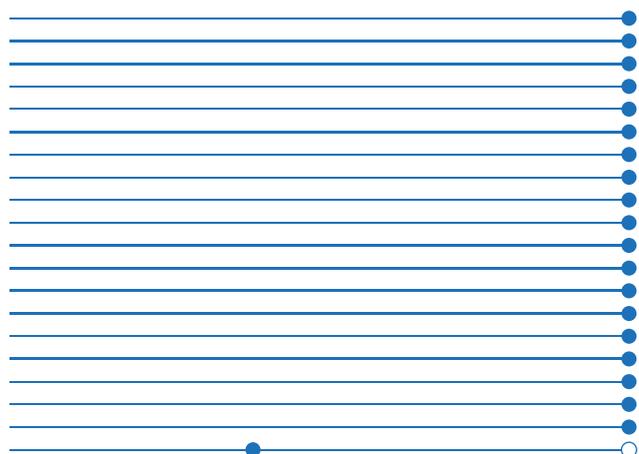
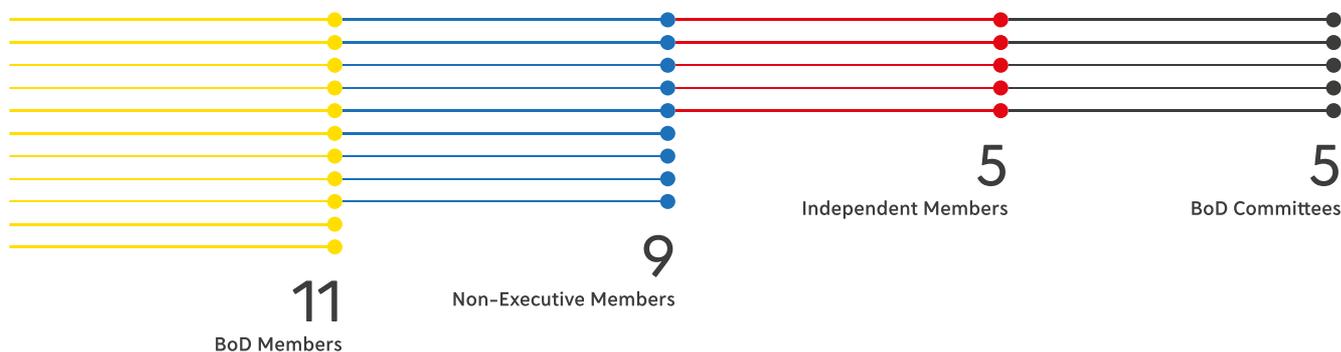


Mapping with Sustainable Development Goal
Peace, Justice and Strong Institutions

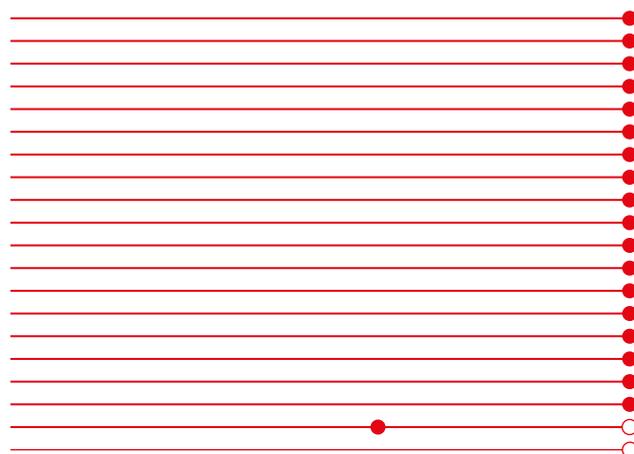


Assurance by independent body
GRI 102-18, 102-22

Selected Data 2018



Average participation of members in the meetings



Average participation of members in the meetings

18
Total number of BoD meetings in 2018

46
Total number of BoD Committees meetings in 2018

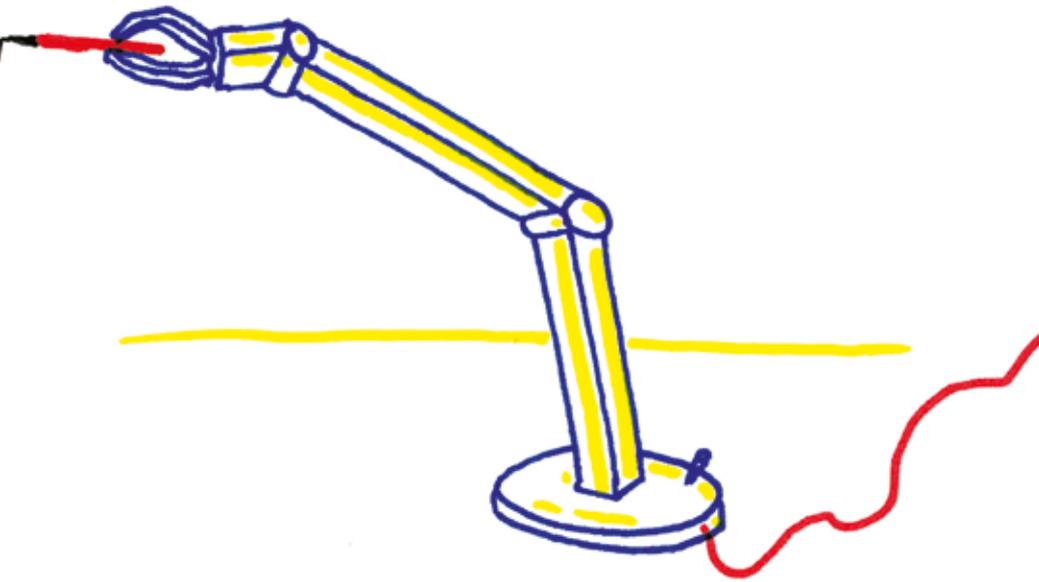
Goals

- Strengthening the confidence of investors, shareholders, employees and clients towards the Bank
- Strong Management Structure
- Constant compliance of the Bank with laws and legislations
- Enhancement of internal audit and regulatory compliance systems
- Constant assurance of transparency, excellence, functionality and effectiveness of the existing system of corporate governance and the internal audit of the Bank

ΕΙΚΑΣΤΙΚΟ

4

TOMORROW







ΕΙΚΑΣΤΙΚΟ
4

Piraeus Bank Group Business

Piraeus Bank Group, either through the Bank or through its subsidiaries, offers a wide range of banking products and services to retail customers and corporate clients.

The Group was split into two operating pillars to streamline its operations. The new segments are defined as follows:

Piraeus Core Bank

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| <p>01. Retail Banking This segment includes Mass, Affluent, Private Banking, Small Businesses, and Public Core segments.</p> | <p>interest rate gap resulting from all bank activities) as well as the Institutional Clients' Segments.</p> |
| <p>02. Corporate Banking This segment includes facilities relating to Large Corporates, Shipping, Small and Medium Enterprises (SME), Green and the Agricultural Segments.</p> | <p>04. Piraeus Legacy Unit (PLU) This segment includes the Recovery Banking Unit (RBU), the international subsidiaries – the Bank has undertaken a clear commitment in its Restructuring Plan to deleverage its international assets – its non-core Greek subsidiaries, and discontinued operations.</p> |
| <p>03. Piraeus Financial Markets (PFM) This segment includes the Fixed Income, Foreign Exchange, Treasury activities (including the</p> | |

In addition, Piraeus Bank Group also has administrative units that provide support services related to technology, organization and quality of the Group's operations as well as various other central operations.

Group branch network*

2016

Total: 921

660 261

2017

Total: 753

620 133

2018

Total: 573

553 20

GreeceInternational operations

* The evolution of the branch network incorporates divestment of operations, in accordance with the approved Restructuring Plan of Piraeus Bank.

Retail Banking

Development of Retail Business

Branch Network

Piraeus Bank Branch Network operates in the new global bank environment, respecting the ever-changing needs of its customers, and creating a modern and outstanding banking experience with emphasis on multi-channel service and on enhancing the efficiency of its commercial business.

The Branch Network, which is the largest Bank Network in Greece with 553 Branches as at 31.12.2018, provides broad geographic and population coverage, even in remote or inaccessible areas all over Greece, contributing significantly to the implementation of the Bank's Business Plan and the achievement of its strategic objectives. At the same time, the rationalisation of the Branch Network continued, focusing on the excellent quality of customer service, while operating expenses were further contained.

The new Branch Network structure, completed in 2017, improves customer service quality focusing on Advisory Banking, including a System of branches ("Hub" Branches and "Spoke" Branches) and "Independent" Branches, and aims to develop further and penetrate commercial areas.

In 2018 particular emphasis was placed on training and certification of executives to meet the needs of Small Businesses and Professionals, Personal Banking, non-performing Retail and SBL loans and Green Banking. Moreover, using its deep knowledge of the Agricultural Sector and its needs, support is provided to rural customers, since the support for the primary sector of the Greek economy has been a standing priority for the Bank.

Selected branches also provide:

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| 01. Piraeus Gold services, with an exclusive customer service point for all Gold Products and Services | 02. Specialised Banking Services to Shipping Customers at the Shipping Branch in Piraeus |
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The Bank continued to invest in innovative technology, providing the customer with online transaction processing options, replacing old ATM technology, installing new Easy Pay kiosks and automatic passbook update machines, upgrading winbank e-banking & mobile banking services, and developing digital services such as e-signature.

The e-branch network has also expanded, with six (6) fully-automated branches operating in 2018 in Thessaloniki, Chalandri, Ampelokipi, McArthurGlen designer outlet, Glyfada and Heraklion, Crete, thus improving the quality of customer service and offering a "Modern Banking Experience".

Private Banking

Private Banking, supporting the Bank's strategic goals, intensified its initiatives for retail customers offering a high quality of service.

Mass Segment

The Mass Segment serves more than 5 mn private customers with over €12 bn funds under management and €6 bn loan balances. The cross-selling index in the Mass Segment was strengthened and stood at 3.3 for active customers. Mass Segment has greatly contributed

to the achievement of Retail Banking's business goals. For example, it contributed more than 30% to the net increase in deposits, 75% to disbursements of new loans to individuals and 64% to new cards.

2018 Key Actions

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| <p>01. In 2018, a new service model was developed for providing customised service to these customers, so as to increase their economic value. In this context, the Bank proceeded with segmentation of the customer base, redefined the value proposition, and trained more than 700 executives from the branch network to serve specific customer groups. At the same time, on-the-job training is provided by a</p> | <p>specialised team of executives.</p> <p>02. During the year, the process of integrating new customers was simplified through the daily banking products' and services' package, resulting in improved customer experience, as well as saving time and resources for the Bank.</p> <p>03. Marketing campaigns continued to target client groups, such as salaried individuals and students through the "Check-in Class" program.</p> |
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Lastly, targeted marketing campaigns have boosted the attempt to migrate transactions to digital channels, with a transaction migration index in excess of 80%.

Affluent Banking Segment

Affluent Banking includes private customers with about €15 bn of funds under management. In 2018, the cross-selling index in the Affluent Segment stood at 6.1. Affluent customers contributed 53% to the net increase in deposits and 42% to new investment-linked insurance programs.

In order to meet the customer's financial needs and to maintain a high level of satisfaction, Affluent Banking has implemented a number of targeted initiatives such as:

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| <p>01. Development of a new framework for providing investment services. Access of a wide audience to financial services is given by new portfolio management services and new infrastructure, as well as upgraded and simplified processes.</p> <p>02. Mapping Customer Journeys to products of special interest and implementing improvement actions to create greater value for the Bank and its customers through these products.</p> <p>03. Addition of a new teleconference</p> | <p>service to existing audio and chat, aiming to utilize new technologies and offer Personal Banking customers the opportunity to communicate with a specialised executive through video.</p> <p>04. Events management to inform Affluent Banking customers about developments in Greek and international markets in collaboration with international investment houses.</p> <p>05. Continued collaboration with PIOP to support local communities.</p> |
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Finally, over the course of the year, more than 60 training initiatives were offered to Affluent Banking's Personal Partners, on new methods, products and services.

Small Business Banking Segment

The Small Business Segment ("SBB", Small Business & Professionals with turnover of up to €2.5 mn and business loans of up to €1 mn) is one of Piraeus Bank's most important business units in terms of customer base, growth prospects and contribution to interest and commission income. In 2018 the Bank changed its pace in the SBB segment, implementing significant initiatives and measures to increase the efficiency of its business model. As a result, remarkable commercial and financial results were achieved. Some of these actions were:

Operational Model & Structure

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| 01. Establishment of a SB Lending unit within SBB, to analyse and evaluate business lending, as well as amendment of the credit approval process for SBB with the creation of Lending/Credit Approval Committees. | to radically restructure the business lending process, making use of digital infrastructures and automation. The project is of strategic importance and is implemented under the Bank's Project Horizon/Redesign Lending Process umbrella. |
| 02. Design and implementation of a project | |

These interventions are expected to generate benefits for the Bank, in terms of saving resources, reducing average time for decision-making and new loans disbursements, while also improving customer experience. Further Initiatives:

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| 01. The wide range of SBB Customers has been redefined to identify SB customers and customers with the highest value and prospect. Rationalising the size and perimeter of the clientele, updating its strategic sub-segments, and redefining the "priority" customer sub-segment (customers with high-profit and growth prospects). | Professional Partners (SBPPs) – at their premises. A structured service model has been put in place for the other SB clients to make use of all the opportunities for developing their relationship with the Bank. |
| 02. The customer management and service model in branches has been upgraded, to improve service and increase commercial efficiency. "Priority" customers continue to enjoy upgraded service for their entire product portfolios (banking products and services related to the business's trading cycle, Development Programs, value-added services) from experienced and trained executives – Small Business and | 03. SBPPs received additional training, support and guidance <ul style="list-style-type: none"> • to ensure alignment with the Bank's goals; • to improve their know-how; and • to increase commercial efficiency. |
| | 04. The Small Business Sales Management team actively continued its support to SBPPs and Managers, with ongoing communication and visits to branches and customers. |

Retail Initiatives

Supporting the growth, competitiveness and extroversion of Greek businesses is a strategic priority for Piraeus Bank. In 2018, the Bank continued its support to Greek businesses, offering special packages of products and services, and participating in the absorption and allocation of Development Programs and Initiatives. Specifically:

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| 01. "Piraeus Tourism 360°" is a comprehensive package of products, services and solutions for companies operating in the tourism sector, tailored to their specific needs. The package offers premium pricing for products and services, advisory support and development opportunities. <ul style="list-style-type: none"> • Piraeus Bank helps customers wishing to include their investment plans into National Strategic Reference Framework (NSRF) 2014-2020 operational programs through the "Piraeus Business 360°" comprehensive package of solutions. The Bank helps customers from the stage of | application filing (letter of approval/ loan request, guidance and support for the preparation and submission of the proposal) all the way to cashing the subsidy (offering flexible financial instruments for discounting the grant, issuing a letter of guarantee facilitating timely receipt of advance payment, and innovative "Comprehensive Support Framework"). |
| | 02. The COSME Loan Guarantee Facility from the European Investment Fund (EIF) program for the competitiveness of enterprises with reduced collateral requirements has been fully utilised. <ul style="list-style-type: none"> • By 31/12/2018 Piraeus Bank had |

- approved requests for €92.2 mn and disbursed €77.1 mn.
03. The Bank played a leading role in the absorption and allocation of funds from the Hellenic Fund for Entrepreneurship and Development (ETEAN) through the initiative "National Fund for Entrepreneurship (TEPIX) – Business Restart Initiative – Intermediate". In particular, until 31/12/2018, Piraeus Bank had approved requests for €61 mn and disbursed €43.1 mn.
 04. New commercial targeting tools were developed and introduced at the Branch Network, including an innovative system – business mapping tool, with economic and transactional data.
 05. A marketing campaign supported the Bank's strategy and operations for the SBB segment. In addition, SBB professionals participated at selected sector exhibitions, promoting the Bank's products.
 06. A targeted marketing campaign promoting the Bank's products and services for Small Businesses and professionals was carried out using all the available channels. In addition, actions have been taken to maintain the quality of the business loan portfolio and to reduce delays.
 07. A credit insurance program was offered to Business 2 Business (B2B) customers. The program was jointly created with a well-known insurance company and is tailored to the characteristics and needs of Small Businesses.
 08. The Commercial Remittance service was offered to customers, a solution for sending remittances abroad, where documentation and approval is required based on the current Act of Legislative Content issued under the Capital Controls. The service offers customers the possibility to make the remittance online through winbank e-banking, 24/7, without having to visit a Piraeus Bank branch and informs him/her about the status of the transaction and its completion.

The aforementioned, combined with the Bank's other strategic initiatives, led to significant results:

01. In the business lending segment there was a tripling of new production, with a concurrent increase in instalment loans and an improvement in the approval rate.
02. Deposits increased significantly, exceeding the target set for the year. The increase was mainly due to stronger customer relations, continued dynamic penetration of the Acquiring market, and the implementation of targeted promotions.
03. In the important segment of POS Acquiring, a 35% increase in turnover was achieved through the continued capitalisation of the Bank's strategic position in the market following a significant expansion of the Acquiring market.
04. Commission revenue increased by 7%, mainly due to the increase in the Acquiring commission and the increase in customer transactions (remittances, payments, foreign exchange).

Support for Greek entrepreneurship has been a standing priority for the Bank over the past few years, forming part of its broader goal of financing the economy and supporting the development of the country. Piraeus Bank has set targets for 2019 in the Small Business segment, developing plans to enrich the products/services and to use the detailed structures-tools as well as the Bank's digital strategy.

Retail Planning, Quality of Service & Performance Monitoring

A common framework for the design, synthesis and systematic monitoring of the "Retail Banking, Branch Network and Deposits' segment was assisted by the Retail Planning, Quality of Service and Performance Monitoring unit.

Specifically, the unit actively participated in the development, coordination, support and regular monitoring of the overall business and marketing plan for Retail Banking, contributing substantially to supporting Piraeus Bank's strategic plan.

The unit systematically coordinated major projects and initiatives carried out by all Retail Banking units, was responsible for planning and shaping strategic projects and participated in the design of reports for monitoring the progress of these projects on a regular basis.

The unit also actively participated in formulating and monitoring the consolidated and detailed Budget of Revenues and Expenses for Retail Banking, in the Branch Network's target-setting process, as well as in designing performance monitoring reports.

In 2018 the "PYXIDA" Branch Network Performance Monitoring Mechanism was upgraded, with the introduction of new indicators and alignment with the strategic priorities of the Branch Network.

At the same time, the Unit carried out initiatives and actions for upgrading Branch Network operations, in cooperation with the relevant Bank Units, and monitored their effectiveness.

In addition, the unit participated actively in:

01. The Branch Network rationalisation project. The Unit carried out the relevant surveys and formulated recommendations from the Distribution Networks to the Executive Committee.
02. Coordinating the "Campaign Planning Committee", aiming to align marketing initiatives with the overall Retail Banking strategy, enhancing horizontal partnerships and encouraging dialogue. The "Campaign Planning Committee" aims to prioritise and schedule campaigns across the Bank's channels, using evidence from past campaigns to improve marketing efficiency, and to ensure full harmonisation with the overall business plan of Retail Banking.
03. The Data Governance project for ensuring the quality of the customers' personal data (Natural and Legal Persons) held in the Bank's customer-centric system. In 2018, the Unit stepped up and accelerated its actions to correct, supplement, and update customer data. In collaboration with the relevant Retail Banking units, the Unit planned and monitored the overall action plan (e.g. targeted marketing campaigns, system improvements, new functionalities, etc.). In particular, to meet the reporting requirements of the ECB Analytical Credit Dataset (AnaCredit) project, whereby banks have to report credit and credit risk data, the Unit participates, coordinating corrective actions for the modification, completion and updating of specific data for Corporate customers (e.g. identification data, financial data, etc.) in the customer-centric system (ICE).
04. The "Properties4sale" project, an innovative online auction site aiming at the sale of REO assets. The Unit coordinated the assignment of property to selected Branch Network executives charged with promoting real estate to interested customers in the local market. Two online auctions were held in 2018.
05. The completion of project "Arctos", which helped to strengthen the commercial activity and extroversion of the Branch Network towards business customers, highlighting sales opportunities.
06. Designing new Private Banking efficiency monitoring mechanisms.
07. General coordination and overview of the Management's targeted events or localised marketing initiatives. In 2018, the unit supported the organisation of the inauguration of the new e-branch in Heraklion, Crete, which is the fifth automated e-branch and the first outside Attica. Members of the Bank's Senior Management, Branch Network and Business Centres attended these events.
08. Utilising and upgrading the Bank's partnership with AVIS to support commercial initiatives for promoting AVIS long-term leasing programs to the Bank's customers. The Unit focuses on contacting customers interested in long-term vehicle leasing programs for private or business purposes.
09. Organising Retail Meetings, contributing to the alignment of all Retail Units.

Retail Deposits

Retail deposits increased by €2.0 bn yoy to €37.6 bn, of which €3.3 bn was for Small Businesses. This increase resulted in the Bank sustaining its market share in Households. At the same time, despite strong competition in deposit claims, the Bank managed to maintain its leading position in domestic deposits (at 29.0%) without increasing deposit costs.

Targeted initiatives for promoting deposits focused on three pillars:

01. the recovery of past outflows;
02. the attraction of new funds; and
03. the preservation of the existing deposit base.

These initiatives were underpinned up by the expansion of the range of competitive deposit products. Thus, for another year, with the timely implementation and execution of its business plan, the Bank managed to achieve all its deposit objectives, creating significant economic value.

Lastly, 2018 was marked by the development and promotion of new modern savings solutions that strengthen the Bank's position in the market, as a market leader in Savings and Financial Planning, essential components for the smooth return of customers to regularity. These include the only Greek savings service, "Pay & Save" service, linking daily purchases automatically to savings, and the comprehensive dynamic micro-site www.apotamievo.gr with its smart tips on savings and saving tools. Finally, capitalising on the positive effect of the yellow character on parents and children, the Bank created the new "Yellow Kid" Savings Account that introduces and educates children on the notion and habit of savings in a pleasant and attractive way.

Retail banking - Mortgage and Consumer Credit

In 2018 in pursuit of its Digital Transformation Strategy, aiming at creating high added-value products and investing in new technologies, Piraeus Bank, created the "e-loan by winbank", the first online consumer loan in the Greek banking market.

The new product incorporates automated and innovative features, changing the way consumers used to borrow, providing them with an excellent banking experience. Through a simple process, the customer designs the loan that meets his/her own needs, submits his/her application, monitors its progress, signs his/her loan agreement with authorised electronic signature (OTC) and the approved amount is disbursed to his/her account. The whole process is completed at winbank easily and quickly without requiring the customer's visit to a branch.

At the same time, given that loans through affiliate dealers are an important pillar for consumer loan support, particular emphasis was placed on penetrating strategic markets, creating new products and developing core partnerships. Taking advantage of the know-how and experience of the Bank's executives in these markets, the Bank provides high quality services to its partners and customers.

The task of fully redesigning the consumer lending process through its branch network is a milestone. Using automation and the latest technology for credit risk assessment, the Bank aims to improve the quality of services provided to enhance its comparative advantage. In 2019, these improvements will be commercially exploited and expanded to other products and channels, launching a new era in consumer loans.

In the context of "green growth", following its successful participation in the "Energy Saving at Home I" program, in 2018, Piraeus Bank actively pursued the "Energy Saving at Home II" program. The Bank, through coordinated marketing activities and with proper planning, received more than 13,000 loan applications, acquiring a 45% share in the project's funding applications.

In addition, Piraeus Bank financed one (1) out of three (3) new mortgages disbursed to the market in 2018, contributing to meeting consumer needs and supporting the economy. The bank will follow up on these targets in 2019. At the same time, taking into account the developments in the property market and the growing customer interest, the Bank is developing models for optimising its lending processes, to further enhance its loan portfolio and to improve customer service.

The Bank has transitioned to the new supervisory framework regarding credit agreements for consumers relating to residential immovable property, as set out by Law 4438/2016, and is ready to serve and inform its customers with absolute transparency.

Taking advantage of the positive credit market conditions, Piraeus Bank seeks to provide substantial and credible solutions to cover all consumer and housing needs. Implementing its strategic guidelines, the Bank aims to expand its leading shares in these loan categories.

In Greece, loan balances at the end of 2018 amounted to €14.5bn for mortgage loans and €3.8bn for consumer loans (excluding credit cards), while the Bank's market shares at the end of December 2018 stood at 26% and 23%, respectively.

Loans and Product "Packages" and Services for Small Businesses and Professionals

In 2018 the Bank's business objective focused on two (2) key pillars, integrating marketing strategy and developing holistic solutions for Small Businesses and Professionals with a turnover of up to €2.5 mn. More specifically:

Loan products

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| <p>01. Targeted funding to healthy businesses through the specialised Network of SBPPs and Branch Network Professionals, increasing interest and commission income.</p> <p>02. Two innovative products were added to the COSME Loan Guarantee Facility:</p> | <ul style="list-style-type: none"> • COSME Piraeus Open Business Working Capital • COSME Piraeus Development Working Capital, for the prepayment of approved grants from development programs |
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Comprehensive "Packages" for Products and Services

Piraeus Tourism 360°

In line with the Bank's strategy and with a view to address the needs and the daily challenges faced by tourism professionals, the Bank changed the terms of the pioneering Piraeus Tourism 360° comprehensive package of products.

"Piraeus Tourism 360°" covers the entire range of tourism business needs, such as deposits, capital movement, loans, advisory services and insurance products.

Piraeus Business 360°

In line with its central philosophy for promoting Greek Entrepreneurship, Piraeus Bank as-

sists Small Businesses and Freelancers who wish to integrate their investment plans into NSRF 2014-2020 operational programs.

³ Nilson Report, Issue 1143, December 2018.

To this effect, the Bank designed the "Piraeus Business 360°" comprehensive package of products, services and solutions tailored to their particular needs, from the beginning of the investment to its completion.

At the same time, the Bank implements projects on the basis of the most modern Agile methodology so as to improve the experience of everyone involved, branch users and customers, by investing in:

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| 01. Innovation | 03. Speed and automation |
| 02. Modern credit assessment method | 04. Reduced operating costs |

Card Issuing

Following the imposition of capital controls, the implementation of Law 4446/2016 on building tax-free income, on the obligation for all businesses to have POS terminals and accept cards in transactions, on the reduced limit for cash transactions, as well as the increased use of digital services, the card market has seen significant growth in recent years. Cardholders have since discovered the benefits of using a card, namely the convenience, security and related reward schemes, and are becoming more familiar with its use for smaller payments, significantly increasing the average number of transactions per card. Nevertheless, the average level of card use in Greece remains below the EU average, which reinforces the expectation for a continued upward trend in card payments.

In Greece, the credit card loans' balances reached €0.9bn at the end of 2018, while the Bank's market share stood at 29.1%.

2018 was another good year for Piraeus Bank, with remarkable performance in terms of card issuance. Cards in circulation reached 5.2 mn (+7%) and the value of purchase transactions reached €8.5 bn (+20%). At the same time, commission income from cards increased by €5.5 mn (+20%). The Bank also introduced more cards to its customers, while increasing the proportion of customers using their cards for purchases. More than 74 out of 100 Bank customers own at least one debit card. As a result, the Bank managed to maintain its market share in terms of the value of market transactions and consolidate its position as market leader in the Greek card market since 2017.

In 2018, for the first time in its history Piraeus Bank was listed among 150 of the largest debit card issuers and 150 largest credit card managers worldwide, based on the ranking of the specialized global edition Nilson Report³ for 2017.

At the same time, a great effort was made to rationalise card-related operating costs, through automation and process optimisation, and negotiation of trade agreements with suppliers and strategic partners. At the same time, the Bank focused on updating existing commercial practices, aiming to improve customer experience and service.

As far as the development and promotion of new products/services is concerned, important initiatives were carried out to promote the new Business 2 Business (B2B) closed circuit credit card, the development of the new block/unblock service via winbank, and the prepaid-card charging service at the Bank's ATM network.

Finally, a series of projects related to compliance with the new institutional framework [(Payment Services Directive 2 (PSD2), General Data Protection Regulation GDPR)] and the Bank's obligations to the Global Payment Companies (VISA, Mastercard) were implemented.

In 2019, aiming to better serve customer needs, the card payment strategy will be enhanced with new products and services.

Merchant Acquiring

In 2018, in line with its strategic commitment to play a leading role in the growth of the Greek economy and to support professionals and businesses, Piraeus Bank continued to invest in infrastructure and resources to serve the payment network. This, coupled with the shift from cash to plastic in Greece, resulted in Piraeus Bank still being the first choice for merchant acquiring. The Bank offers a full range of services covering the needs of a modern business, and its portfolio includes major organisations, which use e-payments for their main activity.

Card transactions increased compared to the previous year (7% in terms of turnover value and 37% in terms of transactions volume), with the Bank maintaining its high market share in the Greek market, serving professionals and businesses. At the end of the year, the Bank recorded a record-breaking network-wide coverage, with more than 226,000 EFT/POS terminals installed in more than 190,000 points of sale. Thus, Piraeus Bank supports card transactions in all types and sizes of businesses in the Greek economy (physical or online stores) operating in Greece and/or abroad.

In the field of eCommerce, the Bank retained its leading position in the Greek market transactions, a position it has held for more than a decade. In 2018, transactions through the ePOS Paycenter increased by 25% yoy, and new partnership agreements were signed.

One of the Bank's strategic priorities is the creation of a profitable and sustainable business model; electronic transactions (using cards or other means of payment) are an important source of revenue in the form of fee income and value-added services, such as paying in instalments, Dynamic Currency Conversion (DCC), and an opportunity for cross-selling to a broad customer base.

As a key participant in the payment ecosystem, the Bank remains committed to creating an even more upgraded environment with a high level of service, new capabilities and personalised solutions able to support start-ups and boost business and economic development.

e-Payments

In 2018, transfers to third party accounts through the Bank's branch network and digital channels increased in terms of both collaborations and commission income. One in three payments in Greece is made through Piraeus Bank's channels, demonstrating the customers' confidence in its payment system. During the year, the number of businesses served by Piraeus Bank in its capacity as Creditor Bank increased by 26% compared to 2017 (including more than 200 organizations in the DIAS Interbank Electronic Payment System). Piraeus Bank assisted businesses in modernising their payment collection processes and laying the foundation for multi-faceted banking co-operation throughout their trading cycle. The total revenue from credit transfers increased by 14%, with the number of credit transfers increasing 9% yoy.

The easypay POINT service, offering a bill payment facility at the premises of third parties

partnering with Piraeus Bank, grew significantly in 2018, expanding its customer base through an increase in its points of presence (38% yoy). The Bank laid the foundations for significant partnerships with payment institutions and retail chains for the coming year. Transactions grew significantly compared to 2017 (77% in terms of turnover value and 71% in terms of payments volume).

Bancassurance Products and Insurance Brokerage – Bancassurance

Piraeus Bank's Bancassurance was set up in 2008 to sell bancassurance products through the branch network and the digital channels (contact centre, winbank e-banking platform). In 2018 the Group's total portfolio under management amounted to €321 mn (gross written premiums), with total gross profits from insurance brokerage activities amounting to €40 mn. Piraeus Bank remained market leader in the Greek bancassurance market, with a 36% market share.

With its specialised know-how, innovative products and optimal service quality, the Bank capitalised on its strategic partnerships with insurance companies NN Hellas and ERGO, maximising value for the Bank and its customers.

In 2018, the Bancassurance agreement with ERGO Hellas for the exclusive distribution of general insurance products was renewed for ten years, with a further five-year extension possibility. ERGO Hellas has been active in the Greek insurance market for more than 25 years. Munich Re, a global leader in risk management, is its main shareholder. Since 2016, ERGO Hellas is the largest general insurance company in Greece in terms of gross written premiums. The partnership extension confirms the confidence shown by the international insurance company to the Bank and its operations.

In 2018, aiming to expand its cross-selling opportunities, the Bank capitalised on its customer base and the dynamics of its Branch Network and its employees. Qualified and certified executives (one of the largest certified Networks) are available at each Bank Branch to help customers understand and choose insurance plans that cover their needs and desires. The platform, designed and developed in collaboration with ERGO, has enabled the Bank to offer customised insurance products per segment (Mass, Afluent, SB, Agri) to meet the needs of its customers.

In the course of 2018, six (6) new Life & Health and General Insurance products were introduced, and existing products were enriched.

In addition, preparation for harmonisation with the new Insurance Distribution Directive (IDD) started in 2018, with the project expected to be completed in 2019, within the set deadline.

In collaboration with other Bank Units, Bancassurance develops comprehensive bancassurance products and mechanisms for automated customer management and service. The main axes of operation, improvement and monitoring are:

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| <p>01. Effective sale of bancassurance products, combined with good quality and prompt servicing of customers, driven by motivating and coaching branch employees.</p> | <p>02. Constant update of insurance sale and management systems and processes, for the purpose of monitoring the quality of sales and sustainability of the portfolio.</p> |
| | <p>03. Development of systems and automation</p> |

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| <p>of processes for speedier customer service.</p> <p>04. Restructuring of existing products and</p> | <p>development of new customised and flexible products to target the needs of different customer segments.</p> |
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Group Digital Business

Information on Group Digital Business is provided in the chapter "Customers".

Corporate Banking

Large Corporates

The corporate loan portfolio in Greece, for companies with a turnover exceeding €50 mn stood at €8.4 bn at 31.12.2018. Despite growing competition, the loan portfolio expanded in 2018 through new disbursements to healthy businesses and sustainable investment programs, with emphasis on the tourism industry, wholesale and retail trade, industry and infrastructure.

In 2018 the Bank entered successfully into contracts with new customers, mainly in the tourism sector, and extended its cooperation with existing customers with emphasis on import/export financing and other operations, as well as on credit support through letters of guarantee (LGs), projects abroad (construction, infrastructure, energy).

In 2018 Larges Corporates focused on the growth of corporate lending and on maintaining the quality of its portfolio. In this context, the customer base was reorganised, with bad debts transferred to specialized units of the Bank (Recovery Business Unit).

Despite the intense competition and the limited liquidity, in most sectors of the Greek economy, during 2018 the Bank retained the deposits of Large Corporates' customers.

Moreover, during 2018, Large Corporates also placed emphasis on the further utilization-penetration of the customers' total portfolios, aiming to strengthen cross-selling and increase revenue from parallel operations, setting common goals with the Bank's product units. Special emphasis was placed on trade finance, cash management and Bio products.

Structured Finance

The Group's Structured Finance Unit (GSF) is active in:

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| <p>01. Offering specialised banking services.</p> <p>02. The organisation and the participation in Structured Finance transactions in the following fields:</p> <ul style="list-style-type: none"> • in Transportation; • in Infrastructure; and • in Energy | <p>03. Providing consultancy services on large infrastructure projects, in Public Private Partnerships (PPPs)</p> <p>04. EU co-funded development projects.</p> <p>05. Structuring and arranging Leveraged Buy Outs (LBOs) concerning company acquisitions and mergers.</p> |
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GSF contributes to investment projects by offering a comprehensive, specialised package of loan and/or capital financing solutions, making use of European financial tools, and by providing advisory services. In 2018 GSF portfolio amounted to €1.5 bn.

In 2018, the GSF corporate strategy aimed at strengthening specific sectors of the Greek economy, following market trends and the country's development policy, focusing mainly on the following axes:

- 01. Energy sector, in particular Renewable Energy Sources (RES), where Piraeus Bank maintains its leading role with financing of RES projects with a total capacity of approximately 1.4GW:
 - Further expansion of the portfolio into green business investment financing.
 - Financing of RES projects (mainly wind farms and secondary photovoltaic and hydroelectric parks and biogas plants) with €320 mn, including the entry of large international investors (280MW projects) into the Greek RES market.
 - Financing of new and existing RES projects of two of the leading industry groups in the country (200MW projects).
- 02. Sector of infrastructure, finance of Greek motorways and projects contributing to the development of Greek economy creating prospects for tomorrow:
 - The extension of the concession period of Athens International Airport, one of the largest infrastructure projects in the country, was supported by 20 years with a financing agreement of €333 mn.
- 03. Utilisation of alternative co-financing tools available through EU mechanisms and programs.
 - The Bank was selected as the contractor in a tender for the activation of the Infrastructure Fund of Funds, expected to be activated in 2019.
 - Construction of three biogas projects and a street lighting project implemented through the JESSICA program and the Urban Development Funds managed by Piraeus Bank.
- 04. Capitalising on the Bank's leading role in attracting parallel work from all the financed projects.

The GSF strategy aims to strengthen the sectors that play an important role in the country's development policy, to create added value for the Bank and its customers, through effective portfolio management and further development, on a customised basis of each transaction. At the same time, GSF seeks to make use of synergies and create business with other Bank units, as part of the Bank's holistic approach to customer needs.

Shipping Finance

Piraeus Bank has maintained a steady presence in shipping finance for a number of years, offering a wide and comprehensive range of financial services to Greek shipping companies. The balance of funding in this category stood at €1.4 bn at 31/12/2018. Shipping Finance finances the purchase of second-hand vessels of the main shipping sectors (dry bulk, tankers and, to a smaller extent, containers), offers comprehensive services to cover the specialised operating needs of shipping companies (issuance of Letters of Guarantee, working capital financing, cash management, e-banking, currency conversions). At the same time, the Shipping Finance develops additional services and promotes the Bank's entire product portfolio.

After the stabilisation at a reasonable level in 2017, conditions improved further for the dry bulk market in 2018, with positive developments in the supply-demand balance leading to a relative increase in ship revenue and their values. The dry bulk market's fundamentals are looking good for 2019, indicating an overall balanced outlook for the supply-demand dynamic. Important geopolitical developments are expected to affect the industry in 2019, such as the outcome of the US-China trade negotiations, and China's overall high growth rate.

On the contrary, the tanker market deteriorated further in 2018 –compared with an already weak 2017– in terms of revenues and values, heavily influenced by the reduction in transport activity. The reduction in transport activity originated mainly from the reduction in oil production by the Organisation of Petroleum Exporting Countries (OPEC), from the significant shale oil production by traditional consumers, and from the delivery of many new-built vessels from shipyards. Optimism about the future stems from the improvement observed in the last 3 months of 2018, due to the gradual restoration of the supply-demand balance, which is expected to continue in 2019.

In this context, the Bank's approach remains conservative, focusing on the optimal management of the existing portfolio, and on improving its quality, by providing targeted new financing. Shipping Finance key strategy includes pooling the portfolio of selected and acclaimed customers, attracting and preserving deposits, and developing collateral operations.

Real Estate Finance

Recognising the growing dynamics in the Real Estate market, in 2018 the Bank created a Real Estate Finance unit to provide its customers with Commercial Real Estate Investment and Development Finance.

Capitalising on its know-how, customer network and knowledge of the domestic real estate market, the Bank intensified its operations in the sector, participating in significant financing projects, picking up a significant share of that market.

Particular attention was paid to strengthening professional relations with existing customers and to developing new relationships with domestic and foreign real estate investors, aiming at the qualitative expansion of its customer base and at the balanced development of its loan portfolio.

More specifically, the activities focused on supporting both institutional investors, such as Real Estate Investment Companies (REICs), as well as eminent real estate developers, mainly hotel and office buildings. In 2018, the Bank provided significant financing to REICs for their investment activities, such as the credit lines provided to NBG Pangaea REIC (€120 mn), Grivalia Properties REIC (€75 mn) and Trastor REIC (€24 mn).

The primary focus of the Real Estate Finance strategy is to create added value for the Bank and its customers through the provision of high-level, specialised services and funding in the field.

Given the expected growth in investment activity and real estate development projects, the Bank continues to pursue the expansion of its real estate finance portfolio and to support a key sector of the economy, such as Real Estate.

Loan Syndications

The Loan Syndications Unit (LSU) is the central unit of Piraeus Bank, which serves the entire Syndicated Loan Portfolio, covering all of the business loan units.

LSU aims to create added value through organising, structuring and monitoring syndicated loans and to act as Agent Bank.

Piraeus Bank has been undertaking the role of lead arranger and agent for corporate syndicated bond loans, structured financing for infrastructure and energy projects, convertible bond loans, debt restructuring and merger and acquisition financing, over the last four years, between 2015 and 2018.

In 2018, through the LSU, Piraeus Bank participated in most transactions in the Greek syndicated loan market, acting as Coordinator or Mandated Lead Arranger (MLA) in 19 syndicated loans, with transaction volumes reaching €3.4 bn, contributing significantly to the Bank's income from commissions and from parallel operations.

In 2018 the LSU strengthened its international presence. Piraeus Bank was appointed as the Onshore Account Bank in Greece of the syndicated financing scheme for the construction of the Trans Adriatic Pipeline-TAP. Piraeus Bank is the only Greek bank to be actively involved in the syndicated facilities scheme. TAP project financing –one of the most important European infrastructure projects– amounted to €3.9 bn and was provided by a group of 17 commercial banks, alongside with the European Bank for Reconstruction & Development (EBRD) and the European Investment Bank (EIB).

The aforementioned projects affirm Piraeus Bank's prominent role in supporting strategic energy and infrastructure projects that contribute to Greece's opportunities for development and economic growth.

Transaction Banking

Aware of the great challenges faced by SMEs and Large Corporates in a complex and demanding economic environment, Piraeus Bank created the Transactional Banking unit in 2016. The aim was to collect and provide a comprehensive package of products and services to cover the daily banking needs of the specific customer base, previously fragmented into different units of the Bank.

Transactional Banking provides holistic support to the business needs of corporate customers through a comprehensive package offering high value-added products, including payments and collections, cash management, trade finance, supply chain, and factoring services. The unit aims to be the only point of communication between corporate customers and the Bank, covering all their commercial needs and providing a high level of service through a flexible and personalised model.

During its first two years of operation, targeted initiatives have been carried out to promote, improve and create new products, resulting in a cumulative increase of 20% in commission income (11% per annum) from Transactional Banking products and services, contributing significantly to the Bank's profitability.

In line with the Bank's strategic priority to increase efficiency through digitisation and use of new technologies, in 2018 Transactional Banking placed emphasis on promoting electronic transactions and payment channels, resulting in an increase of 9% compared to 2017. At the same time Transactional Banking works in the direction of digital transformation of all the services offered.

Moreover, in line with the Bank's broader strategy to support export-oriented Greek enterprises, Transactional Banking successfully promoted trade tools, building on its partnerships with EIB and EBRD. Financing was also provided to companies in the importing sector. In 2018 €250 mn were disbursed for facilitating imports and international letters of guarantee.

Commercial Banking

For almost two decades Piraeus Bank has been offering banking products and services to Greek SMEs, always one of its business plan's key priorities.

Currently, 13 specialised Business Centres offer their services across the country to SMEs with an annual turnover between €2.5 mn and €50 mn, operating in all sectors of the economy.

Historically, Piraeus Bank has a well-established and significant presence in Commercial Banking, using a customer-centric approach in its growth model, and implementing a profitable and sustainable business model.

Maintaining a leading position in the financing of SMEs (Working Capital, investment loans, Leasing/Factoring), and focusing on cross-selling opportunities, and low or zero-risk fee-generating activities, Piraeus Bank is the main bank for a large number of SMEs, doing business with more than 85% of SMEs in Greece. The balance of SMEs financing in Greece stood at €5.8 bn, including €1.6 bn of the seasonal loan OPEKEPE, which was repaid in February 2019.

After the prolonged recession in Greece that affected the growth of SMEs, the Greek economy is showing signs of recovery. This is reflected in the results of Piraeus Bank's Commercial Banking, which plays a leading role in the restart and growth of the Greek economy.

In this framework, Piraeus Bank, building on the trust of large international organisations such as EIB, EIF, EBRD and extending its cooperation with them, draws funds to provide liquidity to the SME market through modern financing tools (e.g. Covered Bond issuance, COSME Loan Guarantee Facility, etc.). In 2018 Piraeus Bank's total disbursements to SMEs exceeded €1 bn, with a significant percentage of these made available through the aforementioned financing tools. An element that suggests the Bank's "opening" towards the SME market is the number of new borrowers, which amounted to 480 with new credit limits >€250 mn. There was also a further increase in commissions of 6%, mainly (>90%) from low-risk products. Finally, the average product/customer index is stabilised at 6 products per customer. The target for 2019 is that SME financing to continue at an even faster pace.

The aforementioned, combined with the harmonisation of specific credit standards and targeting better loan-quality control, are signs of improvement and a sample of the Bank's transformation, which aims firstly to reduce risks and, secondly, to increase its deposits and revenues.

Agricultural Banking

New products & operating framework

Piraeus Bank stands by the farmer and implements a series of initiatives aimed at helping him/her grow in an organised and sustainable way. The Bank monitors changes in the external environment, market trends and customer requirements and provides farmers with the means of production they need, offering targeted financing. The most notable of the actions and initiatives implemented are the following:

2018 Key Actions

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| <p>01. New approvals for farm financing, to cover short-term and investment needs. Aiming to assist farmers in their cost-containment efforts, in 2018 Piraeus Bank continued offering the "Farmer's Card". The card allows farmers to cover directly the costs associated with their production needs (fertilisers, animal feed, agricultural and livestock medication, fuel, obligations to the Hellenic Agricultural Insurance Organisation-"ELGA", Unified Social Security</p> | <p>Institution-"EFKA", insurance coupons, payment of agricultural electricity and irrigation charges, etc.). The "Farmers' Micro-finance" loan allows farmers to immediately cover any unexpected expenses related to agricultural activity. In addition, the Working Capital for Farmers (WCF) covers a farmer's short-term working capital needs, with the possibility of a variable interest rate depending on the farmer's main business activity. At the same time,</p> |
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- the Bank continues offering "Investment financing for Young/New Farmers" to finance their start-up costs. Young farmers under the age of 40 can purchase land with up to 100% subsidised interest rate after approval from the Regional Department of Agricultural Economy and Veterinary Affairs. The Bank also supports farmers whose investment projects are financed by the Rural Development Program 2014-2020, with comprehensive coverage of their financial needs, through a package of services tailored to the sector's requirements. The package includes the possibility of an investment loan, a loan against a grant, and a letter of guarantee for prepayment so that there is a total coverage of the needs for timely completion of the investment.
02. Enhancing the characteristics of loan products to improve the efficiency of customer service. To this end, given that since 2017 Piraeus Bank's "Farmer's Card" has been included in the initiative of the Ministry of Agricultural Development and Food, the Bank has expanded the Card's credit line, taking into account not only the Basic Aid but also the "Greening".
 03. Enriching the pool of products and services for farmers with new, innovative loan products. In particular, Piraeus Bank implemented a program of cooperation with companies in the field of agricultural machinery and equipment, to offer comprehensive banking solutions for customers-farmers, to increase liquidity in the farmers' market, and to finance the measures of the Rural Development Program. The financing is made with an investment loan, for the purchase of new or used machinery, on favourable terms and other significant advantages for the customers.
 04. Collaboration with the Group's subsidiaries for the provision of comprehensive bancassurance products. Through its subsidiary Piraeus Leasing, the Group offers leasing of agricultural land, leasing of agricultural equipment (commercial vehicles, trucks, tractors, mechanical equipment, production units, etc.) for natural persons or legal entities active in the agricultural sector. At the same time, in collaboration with ERGO Insurance Company SA, the Group offers the agricultural insurance programs "Crop insurance", "Livestock insurance" and "Greenhouse insurance", which are combined products providing insurance coverage and privileges for the whole spectrum of the customers' activities.

Contract Farming

The Contract Farming program run by Piraeus Bank since 2013 is a contemporary initiative launched as part of the Bank's wider strategy to support and modernise the agro-food industry, a key pillar of the Greek economy. The Bank then expanded its contract farming program to include Livestock Farming and Fishing. This is a financing model that creates the conditions for the efficient operation of the value chains of agricultural products and food. The Farming and Livestock Farming program supports the production of quality products through funding for the first part of the agro-food chain, for the purchase of production machinery, raw materials and primary production. The program, in the context of a controlled mechanism providing targeted liquidity to commercial/manufacturing enterprises, cooperatives and individual farmers/producers, contributes to the rationalisation and efficient operation of farms, to the development and extroversion of processing plants, to the creation of synergies for the parties involved, to the modernisation of the trading circuit and to the creation of an extended network of retailers encourages the development of local markets.

Over the course of the program, the number of participating commercial enterprises/cooperatives/producer groups and individual producers from all over the country has increased significantly and the range of financed products and sectors has expanded. The above elements mark the program's dynamics and its substantial contribution to the country's agricultural sector. Through its successful implementation the program contributes to the growth and export activity of Greek enterprises, to the stimulation of employment in the country's rural areas, to enhancing the sustainability of sectors of the rural economy.

The Bank has made an important contribution to maintaining the country's social web in remote island regions, and to utilising its natural wealth.

In 2018 the Bank expanded its partnerships in the Contract Banking for Hotels program, which links hotel units and food suppliers, offering mutual benefits to both parties, establishing strong partnerships and promoting Greek agricultural products to tourists who visit our country. With the Contract Banking for Hotels program the Bank offers working capital to hotels to procure branded certified products from businesses and cooperatives registered with the Contract Farming and Livestock Program.

In addition, in 2018 through the Contract Banking Agricultural Inputs program the Bank provided working capital to agricultural supply stores, in order to help reduce the cost of production of agricultural products. The Bank's ultimate objective is to ensure the rational operation of the market and the fair distribution of the benefits to all its participants, from the producer to the company.

Finally, in 2018 the Bank continued offering the Contract Banking for Retailers program. In particular, the Bank financially supports retail businesses so that they can buy on better terms from suppliers/companies who participate in the Contract Farming and Livestock Program. The Bank's initiative aims at developing a new model linking retailers and suppliers, so as to create stable relations of cooperation and synergies, to rationalise the pricing process, and to create and promote competitive Greek agricultural products of high quality standards.

Support to Agricultural Bodies

Focused on serving the Agricultural Sector, Agricultural Cooperatives and Agricultural Business Agencies, Piraeus Bank continued to provide a wide range of high quality and value-adding products, services and transactions for the agricultural segment in 2018.

In particular, Piraeus Bank's EU and Greek State aid-related payment services are certified with the EN ISO 9001 Quality Management System. The certification was renewed in 2018, satisfying the quantitative and qualitative evaluation criteria set at the inspection by the competent body, proving that the Bank maintains a leading position in the business.

The same certification was also renewed for the payment service of the Early Retirement Program for Farmers, which the Bank manages on behalf of the Ministry of Agricultural Development and Food.

In 2018, the Bank successfully carried out a significant number of payments to support the agricultural sector in the country, concerning financial support through Pillars I and II of the Common Agricultural Policy (CAP) of the year. The largest amounts were disbursed to finance basic and green business, and initiatives related to the setting-up of young farmers, to the modernisation of farms, to the transition to organic farming, to agro-environmental aid, etc. In particular, in 2018 total EU and State aid payments made to the agricultural sector amounted to a total of €2.7 bn. The timely payment of the aid to the beneficiaries was secured from the Special Account of Agricultural Products Guarantee set up by the Bank, which for 2018 amounted to €2.0 bn.

Finally, in 2018, the Bank, following an international e-competition, was re-appointed as the contractor for the maintenance, cash management and financing of the Special Account of Agricultural Products Guarantee. With this strategic agreement and the quality and continu-

ous upgrade of its payment services, the Bank remains a leader in the agricultural sector and demonstrates its support to the primary sector of the economy and the agricultural world.

Green Banking & Development Programs

Piraeus Bank invests dynamically in the substantial support of the Sustainable Development Goals. It is the only Greek bank that actively participate in the formulation of the Global Responsible Banking Authorities, within United Nations Environment Programme Finance Initiative-UNEP FI, with 27 other member banks from around the world.

It has become clear in this context that practical measures in this direction are also required on the part of financial institutions. Thus, Piraeus Bank provides comprehensive support to Greek companies for investments in clean technologies, through specialised financing tools with favourable terms and modern advisory services. The aim is for businesses to adapt to the new sustainable development model, to boost their competitiveness in the international market, to reduce their operating costs, to enter new innovative sectors and to adapt to new standards.

The Green Banking & Development Programs unit implements this strategy in the Bank's banking and customer relations, supporting the creation of a comprehensive framework for the promotion of these investments. In addition, the unit manages the Bank's relationship with international and national development agencies such as the Hellenic Fund for Entrepreneurship and Development (ETEAN SA), the European Investment Bank (EIB), the European Investment Fund (EIF), the Greek Investment Fund (IfG) and the European Bank for Reconstruction and Development (EBRD).

Thanks to these collaborations, a wide range of financing tools was created to facilitate Greek businesses to access finance during a period of prolonged recession for the country.

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| <p>01. Financial tools have been offered to help achieve the UN SDGs to boost RES investment and energy efficiency.</p> <p>02. Funding for the implementation of investment plans, with favourable pricing terms, enhancing growth and creating new jobs.</p> | <p>03. Guaranteed and risk-sharing products were created to facilitate business access to finance.</p> <p>04. Favourably priced products were granted, reducing the financing costs for businesses and facilitating their efforts to remain viable in an economically unstable environment.</p> |
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Through Green Banking & Development Programs, Piraeus Bank promotes environmentally and socially responsible products and services, an effort that has been assessed by the Bank's management and stakeholders as particularly important for the sustainable development of the country.

In summary, the financial instruments offered by Piraeus Bank, making use of its international and domestic partnerships, are the following:

Collaboration with European Investment Bank Group (EIB – EIF)

Liquidity funding provided by the EIB to SMEs and MidCaps, operating in most sectors of the economy, with emphasis on manufacturing, trade, tourism, services and the primary sector. Funding is provided in the form of working capital or investment loans, with particularly favourable interest rates and is exempt from the levy of Law 128/75. Piraeus Bank sponsors Greek entrepreneurship through the resources available by these collaborations and the related leverage.

In addition, Piraeus Bank has joined the Private Finance for Energy Efficiency (PF4EE) instrument. PF4EE is a pilot and innovative liquidity and loan guarantee instrument managed by the EIB and funded by the European Commission's (EC) Program for the Environment and Climate Action (LIFE program). The instrument will be used to finance energy efficiency-enhancing investments. This agreement, totalling €100 mn, is the only initiative in Greece under the PF4EE and the largest in Europe so far. Energy efficiency investments can have a total budget of up to €10 mn, while the size of the energy efficiency loans to be provided to the final beneficiaries could range between €40 th up to €5 mn for SMEs or for investments for energy- enhancement of a building. For all other cases the size of the loans ranges between €40 th and €1.125 th.

Piraeus Bank successfully participated in the tender for the activation of the Infrastructure Funds of Funds (InfraFoF) set up by the Ministry of Economy and Development with resources from the Operational Program "Competitiveness, Entrepreneurship and Innovation" of NSRF 2014-2020 and national resources. European Investment Bank, in its capacity as Manager of the InfraFoF will allocate €450 mn to finance investments in the areas of RES, energy efficiency and urban development. The agreement and the activation of the program to finance investments in the areas of energy and urban development is expected in the second quarter of 2019.

COSME Loan Guarantee Facility

This facility grants loans on favourable terms and with reduced collateral requirements. The Bank aims to strengthen the competitiveness of SMEs by financing working capital needs and investment in tangible or intangible fixed assets.

The initial agreement for the COSME Loan Guarantee Facility allocated €170 mn to Piraeus Bank. Due to the high demand from eligible businesses, in 2018 Piraeus Bank signed an extension of its initial agreement with European Investment Fund (EIF). With the new agreement the maximum amount of SME financing eligible for inclusion in the portfolio of EIF-guaranteed loans totalled €500 mn, an amount that was disbursed within the year.

Innovfin Guarantee Facility

At the same time, in collaboration with the EIF, the Bank provides the "InnovFin SME Guarantee Facility", to finance Research & Innovation (R&I) business proposals.

With the support of the EU, as part of the program "Horizon 2020 Financial Tool" and the European Fund for Strategic Investments (EFSI), a guarantee equivalent to 50% of the loan is assured, with a ten-year maximum guarantee period. Piraeus Bank can disperse up to €100 mn through the InnovFin Guarantee facility.

Hellenic Investment Fund (Institute for Growth – IfG)

Piraeus Bank and the Hellenic Investment Fund (Institute for Growth - IfG) are jointly financing businesses active in the manufacturing, tourism, trade and service industries. Funding is provided by the Greek State and the German development bank Kreditanstalt für Wiederaufbau (KfW), to cover investment and working capital costs for the development of SMEs. The budget of the initiative for Piraeus Bank amounted to €99.3 mn. The Bank is in the process of reallocating the funds raised from repayments of loans already granted, as provided for by the initiative.

Trade Finance Facilitation – European Investment Bank (EIB) and European Bank for Reconstruction and Development (EBRD)

Piraeus Bank supports foreign trade for Greek extroverted businesses. Through its cooperation with EIB and the EBRD, guarantees are provided to selected foreign correspondent banks to cover their risk for Letters of Credit (LCs) and Letters of Guarantee (LGs) issued by Piraeus Bank. Eligible transactions cover a wide range of goods and services. In total, the Bank has secured a total guarantee of €200 mn for these transactions.

Export Credit Insurance Organisation (ECIO)

Piraeus Bank continued its collaboration with ECIO, offering the "Extroversion" (Exostrefia) Program to support Greek export companies. The Program combines insurance and financing tools for export credits granted by Greek exporters to buyers abroad. Piraeus Bank participated in the Program by providing liquidity (working capital) to companies that have insured their export invoices to the ECIO, by discounting them.

Entrepreneurship Fund in collaboration with ETEAN SA

Piraeus Bank in cooperation with the Hellenic Fund for Entrepreneurship and Development SA (ETEAN) has been participating since 2013 in the "TEPIX – Business Restart" Action. In early 2018, the Bank signed an agreement with ETEAN for the continuation of "TEPIX – Business Restart (Intermediate)" Action.

The purpose of the Action is to provide liquidity to Greek SMEs through working capital and/or investment loans, equally co-financed by ETEAN and Piraeus Bank. The intermediate action placed €384 mn on the market. By the end of 2018, Piraeus Bank had granted more than €90 mn to eligible business, through the "TEPIX – Business Restart (Intermediate)" Action.

With the completion of the Intermediate Action during 2019, it is expected that the corresponding TEPIX II Action will be activated.

Exoikonomisi Kat' Oikon II

The new program "Exoikonomisi Kat' Oikon II" (Energy Saving at Home II) launched in 2018 was designed to provide financial incentives for improving the energy efficiency of buildings in the residential sector. The program is addressed to natural persons/property-owners whose main residence belongs to a low energy class. The program provides financial incentives to beneficiaries in the form of a grant and a loan with a subsidised interest rate, in order to make significant interventions that improve the energy efficiency of their property, reduce energy consumption and thus energy costs. Capitalising on its know-how in green business and its long-standing experience in the management of development programs, the Bank provided fast and efficient services to customers/beneficiaries of the "Energy Saving at Home I" and "Energy Saving at Home II" programs. Overall, the "Energy Saving at Home II" program helped approximately 40,000 beneficiaries in making energy-efficiency improving interventions to their homes. Its dynamic presence in the two programs, combined with other initiatives in the field of environmental protection, has boosted the energy benefits to approximately 18,000 households.

Comprehensive Support Framework

The Comprehensive Support Framework is available for customers whose business plans are included in the actions of the NSRF framework and in the Development Law, in order to help them complete their investment plans. The Bank monitors the relevance of the costs

with the technical annexes included in the investment plans, and assesses how reasonable these costs are. At the same time the Bank also mediates the correct payment of the receipts. This process ensures that customer and Bank funds are used in project-related costs. In many cases the use of the stake itself is confirmed as part of the investment proposal. The Comprehensive Support Framework includes the issuance of letters of guarantee to facilitate timely receipt of advance subsidy payments, and the granting of investment loans with favourable terms.

Green Products

Since 2006 Piraeus Bank has pledged to support individuals and businesses that choose environment-friendly technologies, improve the energy efficiency of their homes and business premises, and make green investments. Under the umbrella of Green Banking, Piraeus Bank actively supports areas such as Renewable Energy Sources (RES), Energy Saving, Responsible Agriculture, etc., playing a leading role in the sustainable development of the Greek economy. With the necessary know-how, it provides comprehensive support to Greek businesses through specialised financing tools with favourable terms and modern advisory services. At the same time, the Bank provides private individuals with Green Housing/Consumer Loans on favourable terms for the purchase or construction of a B+ energy-efficient home, for installing photovoltaic systems in their homes, or for making environment-friendly repairs/interventions.

In total, funding for individuals and businesses for green products amounted to €1.2 bn (active loan balances at the end of 2018). The largest part of the loans was allocated to RES projects, namely photovoltaic (PV) systems –on rooftops and on land– wind farms, small hydroelectric power stations and biomass/biogas projects.

Sustainability Assessment of Projects and Environmental & Social Risks Management in Business Financing (ESMS)

Piraeus Bank understands that Sustainable Economy can only be achieved if a strong social web and a healthy environment co-exist. Placing emphasis on Sustainable Finance, Piraeus Bank promotes the principles of sustainable banking through Green Banking & Development Programs.

The team of Sustainability Evaluation Officers performs a technical and financial assessment of the sustainability of green business projects and evaluates new business loans or projects, thoroughly scrutinising the proposed technology, the choice of equipment, the estimated productivity of the project, the experience of the installer, etc. At the same time, the licensing process is monitored throughout the investment, in accordance with national legislation and European standards.

The Sustainability Evaluation is also carried out when financing the project, to ensure the continued and uninterrupted operation of the installed equipment, the expected productivity of the projects and generally the relevant conditions and estimates set initially. At this stage, the assessment ultimately aims to prevent any operational failures and risks, to the benefit and protection of both the customer/investor and the Bank itself.

Employees in the Green Banking & Development Programs unit have years of experience in financing projects with a positive environmental impact. This has provided Piraeus Bank with the comparative advantage for the smooth design, implementation and operation of the Environmental & Social Management System (ESMS) in business financing. The pur-

pose of the ESMS is to apply environmental, social and financial criteria in the process of assessing business finance. Since 2017 the Group's Credit Policy and Business Credit Criteria include an assessment of Environmental and Social (E&S) risks, aiming at holistic depiction and risk assessment.

In order to identify and reduce exposure to risk arising from the environmental and social risks, the ESMS is reviewed on a regular basis and improvements are made to maintain its efficiency, for the benefit of the Bank, mitigating its credit risk, and customers who manage their operational risk, reducing their exposure to administrative sanctions. In particular, the Bank examines all new credit to identify risks to the environment, health, safety and society in general, in line with the national regulatory framework and international standards.

With the holistic approach, risk assessment and management, the Bank assists and helps its customers to:

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| 01. Adapt their businesses to the new sustainable development model. | 05. Adapt to new standards. |
| 02. Strengthen their competitiveness in the international market. | 06. Exploit the benefits, opportunities and incentives provided by the regulatory framework and the new sustainable business model. |
| 03. Reduce their operating costs. | |
| 04. Enter into new innovative fields of business. | |

In accordance with the general standards for good operation and governance of a management system, a Group ESMS Officer has been appointed to coordinate the implementation of the system in the Piraeus Bank Group.

In 2018 were carried out 2,383 evaluations (including new projects, renewals, insurance, etc.).

Training and Communication

Piraeus Bank aims to inform and support the needs of Greek society and participates in market workshops and initiatives. Green Banking and Development Programs professionals supported large national meetings and smaller meetings in local communities, presenting financial solutions and services tailored to local priorities, energy saving and RES products, co-funded liquidity support programs, etc. They also participated in international conferences, presenting the growth potential for Greek businesses and the tools offered by the Bank to enhance their extroversion.

Relevant presentations during the year were made at the following events:

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| 01. Investing in Energy Efficiency - Institute of Energy for South East Europe (IENE) | Efficiency Financial Instruments in Greece (Hellenic Ministry of Environment and Energy-European Commission-UNEP Finance Initiative) |
| 02. 11th SE Europe Energy Dialogue | |
| 03. 3rd Annual Forum-Green Energy Investments | 06. Modern Banking Tools for the Financing of SMEs (Thessaloniki Chamber of Commerce and Industry "TCCI") |
| 04. 3rd Energy Tech Forum-IENE | |
| 05. Roundtable discussion on Energy | |

For yet another year, the Green Advisors in the Branch Network was the main source of information for all the specialised programs on NSRF, on the Rural Development Program, on financial tools and on products and services related to green entrepreneurship. The Green Advisors provided detailed information on Green Banking and Development Programs,

transferring specialised know-how to other colleagues in the Branch network, and to customers (retail and corporate). In addition to one-on-one customer meetings, the Green Advisor participates in informative events organised by local institutions, proving the Bank's interest not only in the large urban centres but also in covering the needs of local communities.

Special emphasis was placed on training Green Advisors. The unit trained new SBPPs and offered the Business Loan Development Program to Hub Branch Managers. Training focused on grants and on products and services that promote green entrepreneurship. In particular, the financial instruments offered by the Bank were presented, and the specific actions under the NSRF and the procedures that have been designed for the enterprises that have been included in a grant scheme were explained. In addition, concepts related to green entrepreneurship were analysed, and the Bank's specialised green products and services for its clientele were presented. A total of 152 executives from the branch network were trained.

Internet

Piraeus Bank is the only Bank that recognises in practice the added value of subsidised programs to Greek business and the business opportunities that arise through green entrepreneurship. For this purpose, it has created two specialised sites focusing on the above areas:

www.360funding.gr

The 360° funding portal provides timely and reliable access to the full range of information for national (NSRF, Rural Development Program, Leader, Development Law) and EU (i.e. Horizon 2020, COSME) financial support programs.

In addition, 360° funding portal enables all farmers, SMEs, freelancers, and start-uppers to quickly and easily find the financial aid that suits their needs, and to received information on Piraeus Bank's product and service packages which may be combined with financial support programs, such as Piraeus Business 360°.

At the end of 2018, after 18 months of operation, there were 12,000 registered users, while the portal's visitors exceeded 75,000.

Businesses can receive, on a fortnightly basis, a Newsletter with all the "news" (tender offers, modifications, etc.), for the continuous flow of information about the programs related to them, for their possible future participation.

www.greenbanking.gr

Piraeus Bank is the only Bank operating an innovative online communication channel, originally developed 6 years ago, the Green Banking Portal. Green businesses and companies wishing to improve their environmental performance can use the website to promote their products/services and their good practices for reducing environmental footprint, consolidating their position in the market. In addition, the website provides information on green business and on the supervisory framework for green investments.

Leasing

Piraeus Leasing SA manages the leasing activities of Piraeus Bank Group. The size of the portfolio under management (pre-provision receivables and property), including the operations of Piraeus Leases and CPB Leasing SA, amount to approximately €2.2 bn.

Using data for 31/12/2018, the company manages 37% (€1.6 bn) of the total Greek leas-

ing market, ranking it in the top position among the companies operating in Greece. At the same time, Piraeus Leasing is the only company among the four largest leasing companies to record positive growth rates in a declining market.

In 2018, net revenues increased by 0,7% yoy, settling at €13 mn from €12.9 mn in 2017. The increase is mainly due to organic growth and active management of the portfolio of recovered property.

Particularly, Piraeus Leasing increased its new business in 2018 by 30% compared to 2017, with contracts for new loans reaching €130 mn, of which €102 mn were disbursed in the same year.

At the same time, the improvement of the commercial use of real estate is reflected in the significant 22% increase in commercial leases, which amounted to €7 mn, compared to €5.7 mn in 2017.

2019 Key Targets

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| <p>01. Further increase in new business with an equivalent increase in the return on equity. The design of value-added products for customers and the further development of the Bank's healthy portfolio are key parameters for successful operation and production. At the same time, the modernisation of the company's operational structures is a dynamic project that will improve the efficiency of production units.</p> <p>02. Continuance of actions to reduce non-</p> | <p>performing balances.</p> <p>03. Optimising the management and use of the portfolio of recovered assets, in collaboration with Piraeus Real Estate. Four tenders have already been conducted in the current fiscal year for the sale of real estate assets, receiving considerable investment interest. Bidders have already been found for properties worth €34 mn, with a positive contribution to the profitability.</p> |
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Business Factoring – Piraeus Factoring

Piraeus Factoring, a subsidiary of the Piraeus Group, with a 20-year presence in Factoring, provides Factoring services both in the domestic market and in the international market. Piraeus Factoring, a member of Factors Chain International (FCI), which numbers 400 members from 90 countries, was once again rewarded by FCI for its excellent quality of service, ranking 6th Export Factoring Company in the world in 2017. Piraeus Factoring is also an active member of the Hellenic Factors Association (HFA), with representation both on its BoD and its individual Committees.

Piraeus Factoring continuously adds new products to its portfolio, and helps sound and dynamic businesses doing business both in Greece and abroad, providing financing, management, and credit risk insurance coverage.

In spite of the unfavourable economic environment, Piraeus Factoring is the fastest growing company in the industry, achieving 40% growth over the past three (3) years with ever-increasing profitability.

In 2018 Piraeus Factoring recorded a 12% annual increase in the value of total assigned receivables to €2.3 bn, with profit before tax of €11 mn. The NPL ratio dropped from 3.4% (2017) to 3% (2018). Financing for loans increased to €1.8 bn (an increase of 18% compared to 2017). Total assets amounted to €350.4 mn compared to €332.9 mn in 2017 (an increase of 5%). Equity amounted to €34.2 mn compared to €34.5 mn in 2017. In addition there was a dividend distribution of €6.5 mn to the Bank.

Piraeus Factoring's goals for 2019 are to increase its market share through credit expansion, providing support and growth to its existing customers and developing a healthy new portfolio. The company focuses on providing high quality service to its customers capitalising on its skilled professionals and its automated processes.

Investment Banking

Investment Banking provides strategic financial advisory services on mergers and acquisitions, and offers consulting and underwriting services on the entire spectrum of Capital Market products.

Throughout 2018 Investment Banking continued to provide strategic advisory services in major privatisation, M&As, and underwriting projects, etc. In particular, in 2018, in the capacity as financial advisor to the Hellenic Republic Asset Development Fund (HRADF), Piraeus Bank successfully completed one of the most important privatisations of the year, namely the sale of Thessaloniki Port Authority SA, as well as the sale of HRADF's participation in OTE SA. In addition, in 2018 the strategic development plan for HRADF's participation in the Public Gas Corporation (DEPA) and the independent valuation of National Natural Gas Transmission Operator (DESFA) were completed. Piraeus Banks was also appointed financial advisor to the HRADF regarding the sale of DEPA. The Bank continued to act as HRADF's financial advisor on other major privatisation projects, such as the utilisation of the grounds of the former Athens Airport (Ellinikon) and the development of the Afantou region in Rhodes. In the private sector, Piraeus Bank was one of the market leaders in underwriting/placements, acting as Coordinator and Book runner in the public offers for the issue of common bond loans and the admission of the bonds of Greek companies for trading on the Athens Exchange (GEK Terna SA, Coral SA, and B&F Garments SA) holding the largest share in bond offerings to investors. At the same time, Piraeus Bank acted as Issue Advisor for Attica Bank's share capital increase. Finally, in the field of Public Offerings that took place on the Athens Exchange (ATHEX), the Bank provided financial advisory services to J&P AVAX on its public offer for the acquisition of Athena SA and the delisting of the latter's shares from the ATHEX. The Bank also provided financial advisory services to the BoD of Nexans Hellas SA.

Stock Exchange Operations – Piraeus Securities SA

In 2018, Piraeus Securities SA (Piraeus Sec) once again participated in the capital market developments, occupying the second place in terms of trading value in the ATHEX for the first time in its history, with a market share of 15.8%. The company strengthened its position in the whole range of brokerage services, in trading on ATHEX and international stock exchanges, and on bond markets, in research and analysis, and in trading derivatives.

Piraeus Sec main activities include mediation for the purchase of Greek and foreign shares and derivatives, mediation for the purchase of government and corporate bonds, provision of credit for margin accounts, and processing stock market transactions. Through the fully renovated online trading platform, Piraeus Sec offers fast and secure online transactions for private investors in Greece and abroad.

Piraeus Sec has developed long-term partnerships with foreign institutional investors, having responded with absolute success to their demands. The quality of the analyzes as well as the speed and accuracy in performing demanding stock exchange transactions have made Piraeus Sec the first choice for most international investment banks operating on the Greek Stock Exchange.

The company's Analysis division is considered one of the best in the Greek market and has received several awards from international organisations for the quality of its products.

Piraeus Securities was the first brokerage firm to trade in derivatives in Greece and is one of the founding members of the Athex Derivatives Market (ADM). The derivatives division is the leader in all the products it trades.

The Market Making division is one of the two most active in the Greek market, providing liquidity to 20 equities and 23 derivatives listed on the ATHEX, while continuously expanding the list of companies with which it has entered into liquidity agreements.

The International Markets division significantly strengthened its presence by providing specialised investment services that cover the needs of investors on an international scale. The company offers its customers access to over 40 stock exchanges worldwide, as well as more than 20 international online trading platforms.

ETVA Industrial & Business Parks SA

ETVA Industrial & Business Parks SA (ETVA VIPE) is the leading company in the Industrial Areas and Business Parks sector in Greece.

ETVA VIPE was founded in 2003 following the spin-off of the Industrial Parks sector from ETVAbank, upon its acquisition by Piraeus Bank Group. Hellenic Corporation of Assets and Participations S.A. (HCAP) has a 35% participation in the company.

ETVA VIPE manages 25 industrial and business parks across the country, servicing 2,200 businesses from 50 different sectors with more than 30,000 employees.

In addition to organising and managing industrial areas as a facility manager, ETVA VIPE also manages construction projects, provides energy-related services, and conducts financial and technical feasibility studies for investment plans.

For 2019, ETVA VIPE has planned projects with a total estimated budget of approximately €2.2 mn, for upgrading water supply infrastructure, waste water treatment plants and sewerage networks.

ETVA VIPE also promotes investments for the environmental upgrade of existing industrial parks, aiming to create a new "business park" model in the field of environmental and cyclical economy. It already runs an ISO 14001:2015 certified Environmental Management System in the Industrial Areas of Lamia and Komotini, and in its headquarters in Athens, planning to extend it to more Industrial Areas.

Mission and Vision

Efficient land management and exploitation of industrial areas, the creation of modern and sustainable business parks and the integrated development of providing high-quality conventional and innovative services, aiming to:

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| <p>01. Create a viable and profitable organisation co-owned by Piraeus Bank Group and HCAP with modern environmental standards.</p> <p>02. Support established businesses and</p> | <p>facilitate business synergies and networking between them.</p> <p>03. Create:</p> <ul style="list-style-type: none"> • opportunities and attract new business ventures to existing Parks; |
|---|---|

- new Business Parks for the benefit of both the local and regional development of the country.
- 04. Play a decisive role in addressing matters on the country's industrial and business development, in particular the development of business parks and related business initiatives, and matters on applied environmental and rural innovation technologies at national and international level.

The company is entering cutting-edge sectors for the country's economic recovery, such as logistics, waste management, and renewable energy, seeking to play a catalytic role in the transition of Greek industry and entrepreneurship to the future.

Thriassio Transit Center

In August 2016, ETVA VIPE and GOLDAIR Cargo submitted a joint bid for participation in the concession contest of Thriassio Transit Centre. The joint venture was appointed Project Temporary Contractor at the end of 2016 and Project Contractor on 10 November 2017. On 12/6/2018 the Concession Agreement was approved by the Court of Auditors and on 23/7/2018 the legal entity of the Concessionaire was established under the name "Thriassio Transit Centre SA". The project is scheduled to start in Q3 2019. The development of the Park will be carried out in two phases with a total budget of €150 mn. The participation of ETVA VIPE will amount to 80%.

Kozani Business Park

In cooperation with the Municipality of Kozani, which granted the land in exchange for a concession of 15% on future revenues, ETVA VIPE is in the process of finalising the administrative work on the Park, which is located in close proximity to the Egnatia Motorway with a junction leading to it. It expands over an area of 680 acres and will yield approximately 400 acres of organised industrial land to the company's industrial land inventories, with a required investment of €5.6 mn. Maintenance work is expected to be completed in 2019.

Installation of 5 MW photovoltaic plant in Northern Greece

In December 2016 ETVA VIPE successfully participated in the first national photovoltaic tender (under the new support scheme for RES) and secured a Feed-in-Premium for a 5 MW power plant at a bidding price of €82/MWh. The relevant electricity Sale Agreement is valid for 20 years. The €4.5 mn project, built in Lagadas, Thessaloniki started operating on a test basis in December 2018 and is expected to produce 7,410 MWh per annum.

ETVA VIPE is expected to grow, capitalising on the experience and know-how as well as its employees, on the optimal use of the existing industrial land, and relying on the financial expertise of Piraeus Bank Group, and the institutional responsibility of the Greek State.

Extroverted, innovative and with its experienced and specialised staff, ETVA VIPE remains committed to creating surplus value for all its stakeholders and aims to contribute to the country's recovery and the economy's sustainable growth.

Piraeus Financial Markets

Piraeus Financial Markets (PFM) is responsible for the efficient management of liquidity, with a view to optimising the financing of the Group's operations, ensuring access to international financial markets, managing positions and risks in the foreign exchange, interest rates and bond markets, and the development and promotion of Investment Products.

The Bank's Effective Liquidity Management was once again at the heart of the Group's PFM

activities, with emphasis placed on reducing the Bank's reliance on the Eurosystem's ELA mechanism.

Piraeus Bank fully eliminated its reliance on the Emergency Liquidity Assistance (ELA) mechanism in July 2018 and has since focused its efforts on improving its Liquidity Coverage Ratio (LCR). Specifically, in the context of the ongoing effort to efficiently utilise and manage available collateral, the Bank raised substantial amounts in the interbank repo market in 2018. Secured borrowing from the interbank market included Greek Government treasury bills, covered bonds, and held securitisations of the bank.

The annual update of the Bank's Debt Issuance Programs (the "Euro Medium Term Note" (EMTN) Program) was completed to ensure the Bank's continued operational readiness regarding Debt issuance. Piraeus Bank covered bonds carry a "BB" credit rating from Fitch and a "BBB (low)" rating from DBRS, and can be used as collateral for refinancing by the ECB.

PFM also made a significant contribution in maintaining and increasing the deposit market share, while bringing down deposit costs by reducing the gap with the European averages.

In its capacity as Primary Dealer in the Greek Government Bond (GGBs) market, the Bank continued acting as a market maker, making on a daily basis binding bids and offers for all GGBs and T-Bills [Electronic Secondary Securities Market (HDAT), Bloomberg, etc.], providing liquidity to the GGBs Spot & Repo market, and promoting GGBs to domestic and foreign investors. Piraeus Bank ranked 2nd Primary Dealer in the assessment carried out by the BoG on 21 Greek and International Financial Institutions.

PFM provided all the Bank's customers with access to the international money and capital markets, offering, inter alia, specialised Asset-Liability management solutions and Risk hedging solutions, at a competitive price.

Focusing on the customer, in 2018 the prospect emerged for a unified approach in promoting investment products and services, by enhancing operational efficiency and the related processes. To this end, a number of projects were carried out, on the one hand, improving "customer experience" (revised educational material, a single order management platform, the use of electronic channels, simplified processes for opening investment accounts, a single statement, etc.) and, on the other hand, simplifying the transition to an investment management environment as a key lever for the promotion of investment products in a structured environment.

2018 was a successful year for Piraeus Bank Gold products. Piraeus Bank remains the only commercial bank in Greece active in this market since 2006, with an ever-increasing share in the official market, standing at approximately 82% of sales of Gold Sovereigns (the rest is held by the BoG). At the same time, the 2nd "Piraeus Gold Spot", the specialised service for gold products and services, opened in Heraklion, Crete.

In 2018 Piraeus Asset Management MFMC continued attaining good returns on its investment portfolios –Mutual funds, Institutional & Private Portfolios– providing high value products and management services to its customers, taking second place in the category of the best Asset Management Company in Greece for 2018. For the third consecutive year Piraeus Asset Management MFMC organised a conference on the "Management of Social Security Fund Reserves", which is now an institution for Social Security Funds and their reserves.

The Bank maintains its leading position in post-trade services. Piraeus Bank received from Global Custodian the Global Excellence Award in the area of Relationship Management and Client Services for the second consecutive year, a great recognition for the Bank's continued commitment to quality and customer-friendly services.

In the same direction, the ISO 9001:2015 standard "Quality Management Systems – Requirements" by TÜV Hellas was renewed, on the methodology used for structuring of screening models in stocks, bonds, funds and the construction of investment portfolios.

In the coming years PFM will continue carrying out specific actions and initiatives geared towards the Group's strategic goals, including, but not limited to, improving liquidity, enhancing profitability and improving the provided investment products and services to the Group's customers.

Piraeus Legacy Unit Restructurings and Troubled Assets Management

The management of the Bank's troubled portfolio remains one of the major pillars of the Bank's strategic plan. The Recovery Banking Unit (RBU) of the Piraeus Legacy Unit, capitalising on its high-performance operating model, continued to invest in:

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| 01. improving the efficiency of recovery actions; | 03. using the new legal framework to sell |
| 02. providing viable restructurings to individuals and businesses; and | troubled loans. |

In 2018 structural reforms were implemented in the retail portfolio management Units for specialising debt recovery actions for temporary delay and loan workouts. The changes were implemented following a review conducted by an external consultant during the previous year, commissioned by the Bank to study its operational model and to identify areas for improvement.

At the same time, new products were developed for managing loans in arrears; enhancing management policy for retail exposures.

More specifically, as part of the ongoing investment in innovative projects for viable solutions, strong forbearance measures were developed, combining restructuring policy with the potential for collateral liquidation, given consistent and prudent use of write-offs.

In 2018, emphasis was placed on the development of specific tools standardising the process for assessing borrowers' financial standing, thus facilitating the search for the most suitable restructuring measures or accelerating legal action in cases of non-cooperating, unsustainable borrowers.

The Bank continued participating and actively supporting the new interbank platform for Out of Court Workouts (OCW) – a strategic project whose success will contribute to the consolidation of viable businesses.

Responding to the requirements of the new legal framework for auctions, RBU Management Units have timely adjusted their internal processes and joined the online auction platform, participating in electronic auctions from the very beginning, ranking first among the four systemic banks with over 3,000 auctions.

Managing the NPE portfolio included non-organic initiatives, such as loan sales and forming strategic alliances with specialised servicers.

Specifically, in the context of strategies to reduce NPEs and to protect the sustainability of SMEs, in order to revive the Greek economy, the Bank, along with the other three systemic banks, entered into an internationally innovative servicing agreement with a credit institution specialised in servicing NPLs, doBank SpA (doBank). doBank will support the four systemic Banks in the exclusive management of common NPEs of more than 300 Greek SMEs with a nominal value of €1.8 bn, by facilitating the effective search for viable restructuring solutions when feasible. This cooperation, considering doBank's significant experience and know-how, is expected to substantially contribute to the resolution of SMEs and the improvement of the recoverability of their debts.

In addition, in collaboration with other main units of the Bank, the RBU has improved and automated even further the model for target-setting and forecasting the evolution of NPEs over the period 2018-2021, in line with the guidelines provided by the ECB's SSM to all Greek Banks, and the implementation of IFRS 9. A new mechanism calibrating the NPE operational targets was developed with the assistance of a specialised consultant, taking into account macroeconomic assumptions, risk indicators and specific actions envisaged in the strategy for each portfolio segment. This target-setting was accompanied by RBU's detailed strategy and management methodology, which is the guide for the RBU teams.

Taking advantage of the continuous improvements in its operating model, the Bank achieved its key financial targets for a second consecutive year, creating a clear path for achieving its official targets by the end of 2021. In particular, the Non-Core Business & Restructuring Portfolio unit exceeded its 2018 targets for SSM, implementing total restructurings of €7.5 bn, and reducing NPLs and NPEs by €3 bn and €5 bn, respectively.

Forbearance and Restructuring Policy

The Group adopted the Implementing Technical Standards (ITS) of the European Banking Authority (EBA) on supervisory reporting on forbearance and NPEs, in compliance with regulatory requirements of BoG Executive Committee Act No. 42/30.05.2014 on the "Supervisory framework for the management of exposures in arrears and non-performing exposures".

The Group's restructuring policy is fully aligned with the relevant EBA definitions and BoG guidelines. New structures and processes were created, new information systems were developed and existing applications were modified. Focusing on sustainable restructuring solutions and monitoring the effectiveness of various types of forbearance, the Group aims at the effective and reliable management of loans in arrears.

Forborne loans are all loans for which a conversion of the original contractual terms and conditions or refinancing of the borrower's debt on more favorable terms due to current or expected financial difficulties has been done and are not applicable to borrowers of similar risk profile.

According to EBA technical standards, in order for the forborne flag to be removed, all the relevant criteria of the regulation must be met, including the minimum required probation period (at least 2 years from the date of classification as performing exposure).

Forborne loans are assessed for impairment either individually or collectively, in accordance with the Bank's impairment policy.

The Recovery Banking Unit (RBU) manages the past due loans, aiming to find the optimal sustainable restructuring solution for each borrower, to ensure fair treatment of all borrowers and to maximise value for the Group. Customer-driven models are used towards this goal, such as "decision trees", pilot measurements and assessment of results on selected portfolio samples, and appropriate processes and types of restructurings are applied according to the number of days past due and the risk undertaken.

The Supervisory & NPL Management Council, which among other things, is responsible for providing strategic guidance and monitoring past due loans management, collaborates with the GRM to arrive at a common understanding and to develop the appropriate methodology to assess the risk of the RBU portfolio.

The GRM Committee is updated at least once per month on the evolution of the RBU portfolio. It monitors the evolution of each portfolio, independently and with respect to the Bank's obligations towards SSM and the HFSF, and the effectiveness of the RBU.

International Operations and Non-Core Assets

2018 was marked by the implementation of the strategic plan of Piraeus Bank Group and its deleveraging from international activities and non-core assets, as part of the Group's Restructuring Plan commitments, as those were agreed with the Directorate-General for Competition of the European Commission (DG Comp). Following the sale of the Group's subsidiary in Egypt and the recapitalisation of Piraeus Bank Cyprus Ltd, in 2018 agreements were signed and/or concluded for the disposal of its shareholding stake in subsidiary banks in Romania, Serbia, Albania and Bulgaria and the Group's holdings in AVIS and Attiki Odos.

Piraeus Bank Romania

In December 2017, the Bank signed an agreement with JC Flowers & Co for the sale of its entire stake in its banking subsidiary in Romania, Piraeus Bank Romania S.A. The transaction was approved by the BoD of Piraeus Bank and the Hellenic Financial Stability Fund (HFSF), and was completed in June 2018, following approval by the Romanian supervisory authorities. The transaction had a neutral impact on the Group's regulatory capital position. UBS Limited acted as exclusive financial advisor to Piraeus Bank.

Piraeus Bank Beograd

At the end of 2017, Piraeus Bank announced an agreement to dispose of its Serbian banking and leasing operations, Piraeus Bank Beograd and Piraeus Leasing Doo Beograd, to Direktna Banka AD. The transaction was approved by the BoD of the Bank and the HFSF, and was completed in April 2018, following approval by the Serbian supervisory authorities. The transaction had a neutral impact on the Group's regulatory capital position. BNP Paribas acted as exclusive financial advisor to Piraeus Bank.

Tirana Bank

In August 2018, the Bank entered into an agreement with the Balfin Group and the Komercijalna Banka AD Skopje, for the disposal of its shares in Tirana Bank. The transaction was approved by the BoD of the Bank, the HFSF and the Albanian supervisory authorities and was completed in February 2019. The transaction had a positive impact on the Group's regulatory capital position and Unicredit acted as exclusive financial advisor to Piraeus Bank.

Piraeus Bank Bulgaria

In November 2018, the Bank announced that it has entered into an agreement for the disposal of its shareholding stake in its banking subsidiary in Bulgaria, Piraeus Bank Bulgaria, to Eurobank Bulgaria AD, a subsidiary of the Eurobank Group in Greece. The transaction was approved by Piraeus Bank's BoD, and is expected to be completed by Q2 2019 following approvals of the HFSF and the competent supervisory authorities of Bulgaria. The transaction is expected to have a positive impact on the Group's regulatory capital position and Mediobanca acted as exclusive financial advisor to Piraeus Bank.

Avis

Piraeus Bank conducted an international tender, Citi acting as its financial advisor, for the sale of its participation in Olympic Commercial and Tourism Enterprises SA (Olympic) – which holds the Avis Rent a Car, Budget Rent a Car and Payless master franchises for Greece. Avis Budget Group, holding the right of first refusal, indicated its intention to designate as the ultimate acquirer of Olympic a special purpose vehicle, with Avis Europe Holdings Limited and a company of the Otokoc group, with whom Avis Budget Group has established a long-term cooperation in many countries, as sole shareholders. The transaction was completed in the first quarter of 2018 and had a neutral impact on the Group's regulatory capital position.

Following the aforementioned sales, Piraeus Group's international network now consists of the Group's subsidiary in Ukraine, one branch in London, one in Frankfurt and a representative office in Moscow. The latter will cease operations in the first half of 2019, following a decision of the Bank.

JSC Piraeus Bank ICB

Piraeus Bank has been present in Ukraine since 2007, when it acquired the local International Commerce Bank. At the end of 2018, the network of JSC Piraeus Bank ICB included 18 Branches across the country.

Piraeus Bank Branch, London

Piraeus Bank's branch in London was set up in 1999 and is supervised by the local authorities. It supports the work of Piraeus Bank and its subsidiaries.

Piraeus Bank Branch, Frankfurt

The Frankfurt branch was integrated in Piraeus Bank Group after the first half of 2012, following the acquisition of the "healthy" part of former ATEBank. The Frankfurt branch is the only presence of a Greek bank in Germany.

Financial Institutions

This Unit is responsible for setting, renewing, modifying and/or revoking all Piraeus Bank Group's credit relationships with Financial Institutions. In 2018, more than 150 Banking Groups were assessed and/or monitored, with approved Credit Limits amounting to €12 bn. Since the establishment of the unit in 2003, the Bank has not suffered any loss of funds from Financial Institutions.

Bank Relations

The Bank Relations Unit strengthened the Bank's collaborations with other credit institutions. At the same time, it actively supported the Group's units, branches and subsidiaries

in their interbank relations, operating within an institutional framework with increasingly stricter regulatory constraints.

At the same time, Bank Relations strengthened the Bank's commercial operations, managing direct co-operation with credit institutions, and with the EIB and the EBRD.

International Business Unit

The International Business unit serves more than 3,500 foreign legal entities whose operations require, on a perpetual basis, a high level of due diligence, strict and continuous supervision and thorough examination, and evaluation and verification of all transactions. In 2018, these customers executed more than 100,000 incoming and outgoing remittances and retained balances in excess of €200 mn.

PICAR SA

Picar SA has undertaken the development and use of the 65,000 m² City Link complex –owned by the Military Pension Fund– until 2027, with a possibility to extend until 2052. The City Link complex covers the building block between Stadiou, Voukourestiou, Panepistimiou and Amerikis streets in the centre of Athens.

City Link users are among the most trustworthy and well-known companies in the Greek and global market, thus adding prestige to the complex and the company.

City Link is home to Piraeus Bank headquarters (which cover an area of 13,200 m²), to the Attica Department Store (27,360 m²), the fully renovated theatres "Pallas", "Alik", and "Mikro Pallas" (8,300 m²), and the Health Club Spa Holmes Place Athens (3,000 m²). On the ground floor of City Link are the gourmet dining restaurants Zonar's and Clemente, while inside the Spyromiliou Arcade one may find the modern cafe/bistros Pasaji, Ilios and Salon de Bricolage. The City Link also includes commercial branches of the world's best-known international and domestic designers (Hermès, Cartier, Salvatore Ferragamo, Brooks Brothers, Replay, Kalogirou, Haralas, Under Armour and Links of London).

In 2018, Picar's annual revenues from fixed and variable rents (due to turnover) amounted to €21 mn. Most of the rent income (€13.5 mn) came from Attica Department Store and Piraeus Bank.

Picar also holds a 4.57% equity participation in the company "Attica Department Stores SA", charged with managing the department stores "Attica" in the City Link, "Attica Golden" in Maroussi and "Attica Mediterranean Cosmos" in Thessaloniki, having entered into agreements with well-known fashion houses, cosmetics and accessories companies.

The clothing and footwear boutique stores Salvatore Ferragamo, Kalogirou, Haralas, and Under Armour are operate by Vetria SA and Unlimited Sport SA of the Fais Group of companies. Zonar's, Ilios and Salon de Bricolage are operated by Varkiza SA, which has been renting them fully-equipped from Picar since the beginning of 2018.

In general, the shops (old and new) and the theatres operating in the City Link complex, try to preserve their customer base, by carrying out operation restructurings and cost-cutting efforts to become more productive. These actions, which have been implemented since the end of 2017 and were applied throughout 2018, are particularly important for both Picar's future and the operation and sustainability of City Link tenants. Competitive

market conditions are created, and with the reduction in rents, was achieved the full utilisation of City Link premises, which helps attract visitors and thus increase the benefits for the businesses of the complex.

Piraeus Real Estate SA

Piraeus Real Estate SA provides comprehensive real estate services and is the Group's key player in the real estate sector, heading a number of subsidiaries in Greece.

The company provides a full range of real estate services on the planning, development and management of real estate properties. Its scope includes property appraisals, property management and sales management, project management & monitoring, project & facility management, and investment advisory services.

In 2018, the company's total revenues amounted to €7.1 mn from continuing operations and €1.9 mn from other extraordinary operations, of which approximately 58% from property appraisals, 16% from sales management and other advisory services, with the remaining revenue deriving from project management & monitoring projects, facility management services ("City Link" Shopping Centre in Athens, "Limani" Shopping Centre in Thessaloniki and "Kosmopolis Park" Shopping Centre in Komotini), project management services, and other income.

It is noteworthy that in 2018 the company proceeded with significant actions for the further development of property management services. Part of these actions is also the management of the leading online auction platform Properties4sale for the promotion of REOs of Piraeus Bank's real estate portfolio. In addition, Piraeus Real Estate has developed multiple channels for the targeted disposal of REOs, such as collaboration with a large number of estate agents, sale through auctions, etc. At the same time, it has undertaken the active management of the Group's property on the basis of appropriate financial models and best practices in order to achieve more efficient management.

Additionally, the company provides advisory services and specialised know-how for the development and management of the Group's real estate portfolio. In particular, the company performs technical, legal and notarial due diligence of the property, and provides services to prepare and upgrade properties for sale, to organise, record and appraise all real estate files in a uniform way, to improve management efficiency through portfolio segmentation, to configure and manage sale networks, and to appraise and advise on the maturity for sale of the real estate portfolio.

At the same time, the company has developed methodologies and tools that support various Bank Units and other Group companies in evaluating their mortgaged properties and REOs, to facilitate decision-making regarding the restructuring of NPEs, the auction process, and the use and sale of real estate.

Piraeus Real Estate, in cooperation with Piraeus Bank and other companies, has been implementing contracts with the EIB since 2014, for the management of the JESSICA Urban Development Funds. In addition, the company offers financial advisory services to the Greek State/Hellenic Republic Asset Development Fund S.A. (HRADF) in recording and utilising public property.

Technology, Organization and Central Operations

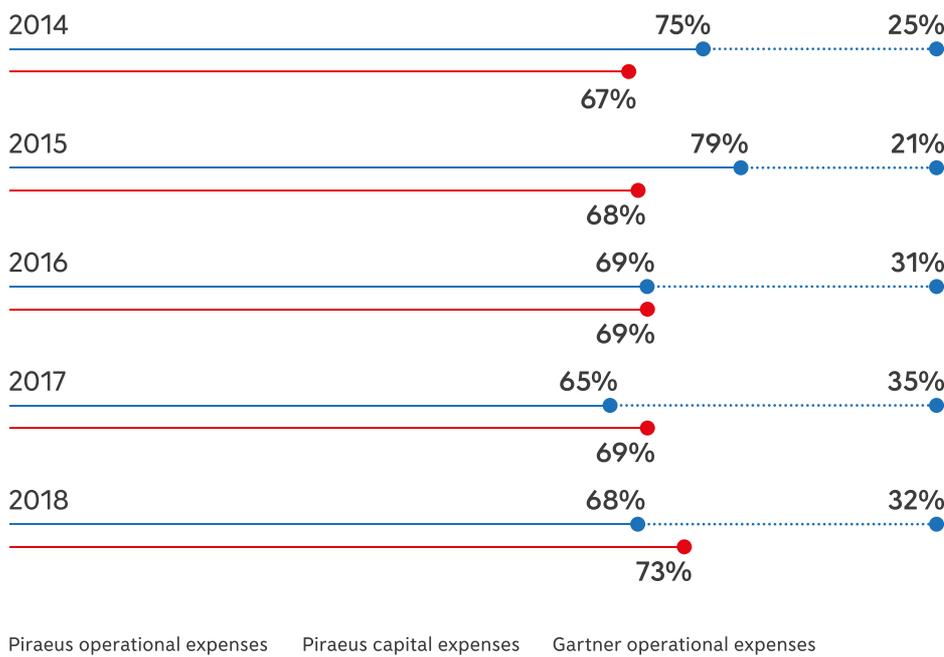
Group Technology

In the context of aligning the Unit’s priorities with the Bank’s key pillar strategy for the use of state-of-the-art technologies, the Group invests in new technologies with the ultimate goal of improving the quality of its operations, which also contributes to the upgrading of customer service.

Based on this component, a specialized Innovation & Research Center has been set up in Group Technology, which focuses on identifying and assimilating new technology orientations, on the basis of which the Bank can offer innovative products and services to its customers.

The Bank’s continuous and consistent investment in state-of-the-art technologies is contrasted with the proportion of technology investments in the Bank’s total technology spending, with the average of approximately 300 financial institutions worldwide, as presented in a worldwide research by the Gartner agency.

Operational vs capital IT spending of Piraeus Bank



Over the past year, the strategy for using new technologies has resulted in the implementation of significant innovative products and services, the most important of which are briefly outlined.

Open Banking Platform (rAPId LINK)

Adhering to the philosophy that "data belongs to customers", Piraeus Bank launched the open banking "rAPId LINK" platform. The new platform provides the Bank’s customers with real-time access to their data and offers them the opportunity to execute banking transactions through third-party applications.

In particular, the platform allows software companies and developers to provide real-time applications for their customers (e.g. ERP systems) through the Bank's systems, always providing the highest levels of security for the customer.

The platform is in operational mode and large Greek software companies have already implemented the interfaces with the platform's APIs and integrated the available functionalities into their systems. They can offer their customers, who are at the same time Piraeus Bank customers, the new banking experience.

Remote Signing

Confirming its technological superiority, Piraeus Bank pioneered to create the "Remote Signing" Platform, using Qualified Electronic Signature (QES), an advanced electronic signature based on a qualified certificate.

Through this platform it is possible to collect multiple signatures for Bank documentation from customers and bank officers, without requiring them to leave their premises.

The service is accessible via Winbank "Remote Signing-Document Management" drop-down menu.

QES certificates provide maximum security and are the exact substitutes for physical signature in the digital world.

e-signature

e-signature has been transformed into a centralised web platform with increased workflow capabilities. It is now possible to receive biometric signatures from different users/customers from any branch and at any time. It is no longer necessary for all signatories to be in the same place at the same time to complete a process.

An increasing number of Bank systems are integrated into the platform, saving paper and digitising more processes, thereby contributing to the provision of banking products with a reduced environmental footprint.

Video banking

This is a new, innovative service provided to Personal Banking customers, offering personal and direct communication with a dedicated telephone service team. Through this new digital service platform customers can:

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| 01. be informed about the services and products available at winbank or in the branch, | 02. submit various requests, and |
| | 03. be trained on conducting transactions and using winbank. |

e-loan

"E-loan by winbank" is a new pioneering service in Greece available only to Piraeus Bank customers. Consumer loans can be granted through simple and fast processes that do not require the customer's physical presence in the Bank. With e-loan the customer submits his/her application online, signs the contract digitally and the loan is disbursed easily, immediately and securely. Innovations have been developed and incorporated into the product, such as the e-signature, which requires the issuance of QES, automatic reading of accompanying documents (such as income tax return form), automated approval of

the loan application by executives of the Bank using digital signatures and the automated disbursement of the loan.

Development & Improvement of IT Systems

Payment and Deposit Systems

Over the past year, Piraeus Bank became the first Bank in Greece to embrace SWIFT's Global Payments Innovation (GPI) platform, offering its customers up-to-date payments service. Through the modifications and extensions made to Payments Management Systems and Winbank, customers can perform fast, transparent, and trackable cross-border payments up until the beneficiary's account credit.

The product "Commercial Remittance" aims to cover simple imports and other obligations abroad, offering lower costs and, above all, an easier and fully automated shipping process through winbank, without requiring a customer visit to the branch.

Bill payments and, in general, payments made to third parties by Bank customers in the branches were linked to the e-signature platform. Thus, in addition to reducing the Bank's costs and its "environmental footprint" by reducing printing, the whole process in the branch is shorter, more secure, and much simpler.

Investment Systems

A new Investments Online System (IOS) application has been implemented to manage the Bank's Investment Portfolios, introducing the concept of "Investment Portfolio" as a new entity that groups the appearance and management of individual investment products into a new integrated operating environment.

The services provided are grouped into two broad categories of service provided either "Reception and Transmission of Orders (RTO)" or "Discretionary Management".

Within the MiFID II framework and the MiFIR guidelines, new functionality has been added to the application for Bond Statements so that the user may choose to include the open deposit accounts without an active balance, and modify the processing and export cycle of the Statement from annual to quarterly.

In 2018, new functionality was introduced to convert existing Mutual Funds of Piraeus MF to Share Classes Mutual Funds. This implementation enables fund managers to differentiate Commission Policy by share class and customer.

In order to align Bank processes with the provisions of the GDPR framework, the registration forms for the following products were modified:

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| 01. "Guaranteed Capital" Deposits
(dynamic returns). | 02. Mutual Fund products. |
| | 03. ERGO and NN Insurance products. |

ATM/Card/Switching Support Systems

A project has been implemented for automating card requests through the Integrated Customer Engagement System (ICE). This particular project is part of a process that specifies the modernisation of the mechanism for submitting, managing and archiving card requests through a common electronic application accessible to the Branch Network, the Contact Centre, the Retail Banking Customer Service unit, and the other Bank units that handle card requests.

Through automation, a significant reduction in costs and a reduction in response time are achieved, with a positive impact on customers and those requesting modifications.

The project for linking the SafeGuard system managed by the Fraud Unit with Euronet credit & prepaid cards was successfully completed, aiming at real-time blocking/unblocking of cards and faster and more accurate detection of fraud incidents.

Credit Systems

A platform was set up linking the IT system of the Ministry of Environment and Energy with Piraeus Bank for the "Energy Saving at Home II (Exoikonomisi Kat' Oikon II)" program. The new workflows bot permits loan disbursements with subsidised interest.

As part of the "e-loan by winbank" project, an infrastructure has been developed for electronic submission, disbursement, storage and retrieval of documents related to the customer's consumer loan.

In the framework of the implementation of the updated Retail Credit Policy, a new automatic assignment of mortgage loan applications to approval levels was carried out (Analyst, Credit analyst, Credit officer, Subject matter expert, Head, Director).

In the same vein, calculations were automated, without intervention by an Approval Officer in the calculation of Monthly Disposal Income (MDI) and the rules for Automated Customer Account Transfer (ACAT).

In order to fully comply with the principles of the GDPR framework, new functionalities and modifications have been implemented in the applications of e-loan, Key2business and Velti, and the terms of the loan agreements have been amended.

Improvements and additions to Position were made. Specifically, Position now captures purchase cheque limits, unsecured LGs, any outstanding balances of the borrower with Piraeus Leasing, any credit balances and/or any cheques that have not been cleared.

In the framework of the "Evaluation of Structured Finance through use of Scoring Cards" project, for special lending categories, the Specialised Lending Rating can be registered and displayed at loan/limit level. The corresponding information is entered into the MRA system and derived from the Loan Origination System (LOS).

Loan records were improved, allowing for parametric product name change, under conditions: security, sales, and a file for adding descriptions. The open loan movement monitoring program was also improved and additional information was included in the records to save the reference date for withholding tax for bond loans. Matching bond loan movements with tax deduction movements was amended and tab printing supports descriptions of up to 100 characters.

The following tasks were implemented to align reporting with IFRS 9 International Accounting Standards:

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| <ol style="list-style-type: none"> 01. Loan classification and de-recognition under IFRS 9, allowing tracking in different General Accounts categories. 02. Calculation of Effective Interest Rate (EIR) and balances under IFRS 9. | <p>Appropriate modifications were made to allow individual tracking of the amounts generated by the system (interest-contribution, etc.) and the interest thereon. New instalment</p> |
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patterns were developed for calculation purposes. A parametric cost and billing file was created to store additional

IFRS information. Programs have been implemented to store frozen images in case of changes.

Business Process Management Systems

In order to meet the needs of the GDPR standard, a new application was developed and delivered, through which it is possible to keep a record of additional documentation and questionnaires for the Bank's contracts with third parties, their search and promotion.

A new application called "Card Request Management" has been implemented through which the Card Service division receives and manages requests related to customer cards. Requests are placed in the branch via the Integrated Customer Environment (ICE) application directly connected to Appian.

The Merchant Acquiring application was enhanced with new features such as Instant POS Warehouse support (POS terminal delivered from the branch to the customer), new commercial policy, e-signature integration, social insurance certificate monitoring for active Acquiring customers with approved discounted interest-free instalments, informing involved units, and automatic discount abolition if social insurance certificate expires.

In the context of monitoring POS Profitability through Merchant Acquiring transactions, new features were included in the Business Activity Monitoring Dashboards and Reporting Tool.

A new Winbank Remittance service for Business Customers was introduced through Appian Remittance application.

Business Intelligence & CRM Systems

Advanced Analytics–Artificial Intelligence Projects

Specific equipment was acquired for processing huge volumes of data, special software was installed, and a specialised team was trained in new technologies. Utilising the existing structures (Data Warehouse, Piraeus Performance Management, Big Data), the first Artificial Intelligence (AI) applications were developed, including:

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| 01. Probability of Default. Creation of a model predicting the probability of default at a future time. | 03. Churn Analysis. Creation of an AI algorithm predicting potential number of customers leaving in the next semester. |
| 02. Credit Fraud Detection. Creation of an AI algorithm for early detection and | prevention of credit fraud. |

Big Data & Data Analytics

As part of the strategy for integrating Big Data technologies into support and decision-making processes, a complete Big Data architecture was built, with the integration of over ten new technologies in both production and development environments. Additionally, data from multiple and heterogeneous sources, augmented data and customer analysis results were integrated.

The Integrated Customer Environment (ICE) application, the Bank's Customer-centric System, was renewed in 2018 and is now provided to users in a web environment. The new ICE with its functionalities is a selling tool for the Branch Network, to assist users in achieving the goals of the Branch Network. It offers the user a friendly, easy-to-use and enjoyable interface permitting data exchange and processing, and enabling fast and easy goal achievement.

The functionality of product bundling for new customers has been developed to expand new clients' relationships with the Bank and reduce their costs of servicing and managing them.

yellow

2018 was the second year of yellow's existence, with a 51% increase in customers, an average daily subscription rate of 1,900 customers, average monthly earning transactions of 11,500,000 and a redemption of 380,000.

Campaign

A methodology was fully developed, taking into account the Bank's business objectives, the assessment of each customer's demographic profile, his/her overall product and transaction activity, and his/her response to previous communications. In particular, it is possible to differentiate different responses by type of marketing campaign, to promote Bank products/services which are not currently available online and to enrich communication channels supporting marketing campaigns.

Operations & Technological Infrastructure

Branch Network Infrastructure

Consistent with the objective of continuously improving the performance of the Bank's Network Technological Infrastructure and providing upgraded services to internal and external customers, a series of interventions were carried out and completed, including the following:

The infrastructure of a new service, Piraeus Bank TV, which enables the transmission of informational messages to all staff without affecting the network resources. The implementation concerns the transmission of multicast stream video on all personal computers and at the same time transmission of sound to all the Bank's telephones. Watching a video is easy and simple. Alternatively, if it is not possible to listen to the sound through the computer, it is possible to listen to it on the telephone through the Piraeus Bank Radio application installed on the phones. This service achieves:

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| <p>01. Utilisation of the Bank's existing network infrastructure, transmitting the image using technology that does not burden the network operation.</p> | <p>02. The video content may be pre-recorded or broadcast live, allowing large corporate events, announcements to be broadcast across the Group.</p> |
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Strengthening the telecommunications network by upgrading MPLS Forthnet circuits to VDSL in 47 branches. Maintenance of data room equipment in 500 branches was also carried out, to organise and standardise the equipment in the Branch data rooms, reducing the time required to restore operation in the event of connection failure or when adding new database connections.

Automated Customer Service Machines

Targeting the quality of service provided to customers and ensuring the operation of the Automated Payment Systems (APSS), a number of extensions and improvements were made to strengthen the Network with new points and services. In particular:

The ATM network has been expanded with 17 ATM online depository machines bringing the total up to 537 ATMs. 114 ATMs were replaced with newer technology, bringing the total up to 282 replacements, as part of the project to modernise the ATM network (Branches with online depository machines and offsite).

The ATM off-site network has been expanded with 94 new ATMs covering business needs, 30 ATMs at selected commercial Dynamic Currency Conversion (DCC) trading points, and 64 off-site ATMs, including those for replacing closing/merging branches.

In order to enhance the safety and protection of the ATMs network, protection systems for safeguarding ATMs from explosive attack were installed in 101 selected ATMs in the network.

The Automated Payment Systems (APs) network has been boosted with 16 new APs machines. In accordance with the European directive on banknote quality control, a new version of BNA template was installed on APS Unixfor (11-EU-09) and Printec (11-EU-10).

A total of 113 new OLIS/Coincars deposit safes were added to the OLIS network for Bank-In-Office service.

Technological Infrastructure Upgrade of IT Centres

Operating Systems (AS/400) upgrade to version V7R3, for improved performance and new functionalities for security analytics, audit logs, performance statistics, database query services.

Site Recovery Manager upgrade at the back-up data centre. In the event of partial or total destruction or failure of the infrastructure, applications are transferred to the back-up data centre, ensuring high availability of applications.

Improvement/Upgrade of Bank Applications

Video banking infrastructure: Integration and operation of the infrastructure and video interface for Winbank customers. This feature is embedded in winbank, is serviced by PDS affiliates and is available to affluent customers. It offers the opportunity for remote support, click 2 chat, document exchange, new products and services, always via secure SSL certificates and encryption to ensure transaction security and data protection.

Technological Infrastructure Upgrade of Central Services

Aiming to create a single operating environment, the upgrade of Central Services workstations to Windows 10 continued. 6,150 workstations have been upgraded (2,250 in 2018) out of a total of 7,100. Along with the upgrade, old computers were replaced with more modern ones.

With regard to infrastructure upgrades in the main buildings, a series of Huawei routers and switches were replaced, due to the old age, with new equipment with increased capabilities.

Due to voice recording regulations, a new voice message was developed for communicating with customers. To date, messages were reproduced at the VoIP interconnection between the Bank and the telephony service provider.

IT Systems Security

Improvements in security infrastructure

A series of projects were carried out to ensure the smooth operation of the infrastructure, to monitor and reduce threats and to enhance data security:

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| <p>01. Firewalls upgrade in central buildings and installation of Network security systems (new VS Extranet firewall, AnyConnect Upgrade).</p> | <p>02. Activate special software (DHCP snooping and ARP inspection) to improve the security of third party access to the Bank's internal network (including the</p> |
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| <p>Bank's Headquarters) and to protect the system and the users of the network from viruses. Activation work has been completed in 32 Administration buildings.</p> | <p>03. Extension by adding more controls for the 802.1x port security, aiming at more complete management of laptops logging on to the Bank's network.</p> |
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To meet PCI DSS compliance requirements, work has been carried out on Safeguard and Authentic systems, including database maintenance to reduce storage capacity requirements and to maintain a fast response to transactions, installation of application patches in the production system, preparation for PCI assessment. Preparation of HSMs, in collaboration with the Cards & Self Service division, for the e-pin project.

Security Checks for IT Systems and Infrastructure

In the context of the security checks for the IT systems of Bank and its subsidiaries both domestically and abroad, a number of scheduled and ad hoc checks were carried out. In particular, bank specialists and external partners have repeatedly conducted penetration tests and vulnerability assessments on e-banking applications, in the Group's and subsidiaries' websites (Greece and abroad), and on various applications (including mobile apps), Bank servers and databases.

Optimisation of Existing and Installation of New Security Systems

Acknowledging the increasing requirements for system and information security, existing security systems were reassessed, and the level of protection was redesigned to ensure its optimisation.

Bank security systems were upgraded to a newer version or replaced, in an effort to strengthen the Bank's security. Tests were carried out on security systems that use new threat detection technologies and methods in the Bank's network to assess and adapt them to the Bank's environment for future acquisition.

The Bank uses specialised Security Monitoring and Advanced Cyber Threat Management to ensure timely detection and handling of different categories of incidents and attacks on its services. All the logs of critical security systems are sent to the Security Operations Centre (SOC) and are monitored 24x7x365. The IT Security division is immediately informed of any security breach, so that, if necessary, the appropriate actions can be taken immediately and the envisaged protection measures are implemented.

PCI DSS Certification

(Payment Card Industry Data Security Standard)

The Bank is certified every year since 2011, in accordance with the international Payment Card Industry Data Security Standards (PCI DSS) administered by an independent council abroad. PCI DSS is an information security standard for entities that store, process or transmit cardholder data (credit and debit cards). In 2018 the Bank was certified under the latest version of the PCI DSS v3.2.1.

PCI DSS is a global data security standard and compliance obligation for all those who work with and are associated with payment cards, such as merchants, financial institutions, organisations or companies. Through PCI DSS, additional levels of assurance and trust are provided to customers, shareholders and associates of the Bank.

ISO/IEC 27001 Standard for IT Centre

The Bank is certified by a specialized company every year, uninterruptedly from 2010, according to the internationally recognized ISO/IEC 27001 standard. The standard examines all the functions related to the security, management and operation of the IT Center.

The standard covers the broader framework for designing, implementing, managing and operating information security procedures and measures, under which organizations and businesses certify their installed Information Security Management Systems. This certification gives additional levels of assurance and confidence to the Bank's customers and shareholders.

Risk Assessment

In the framework of the Security Framework, and as a prerequisite for ISO 27001/2013 and PCI DSS/v3.2.1 certifications, an annual risk assessment of the Bank's IT resources is carried out.

A specialised methodology based on internationally recognised practices and methodologies is used. The methodology is in line with the Risk Control Self-Assessment (RCSA) conducted by the Operational Risk Management Unit.

Employee training in IT Security

Aiming to minimise internal risks and to fulfil the prerequisites for ISO 27001 and PCI DSS certifications, seminars were organised throughout the year to train the Bank's staff on information security issues. The seminars were held in the Bank's Central Buildings and Auditoriums in Athens. Participating employees learned about the concepts of cyber-security, cyber-threats and cyber-attacks so that they can deal with them in the working environment. In addition, a special seminar entitled "Take care - Be security @ware" was organised for the children of the Group employees and the children from the "SOS" villages.

Central Operations

The purpose of the unit is to provide high quality services to its internal and external customers combined with a commitment for more efficient management of available resources. The above are achieved through the best possible organisation of daily tasks, the optimal utilisation of employees, shortening the time for processing requests, and finally the revision-optimisation of processes and technological infrastructure where this is necessary.

In 2018, the unit carried out increased volumes of transactions across its operations, excluding confiscations, where there was a decrease due to the targeted sending of e-confiscations by the Independent Authority for Public Revenue (IAPR).

Indicative initiatives implemented during the year concerned the following:

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| 01. Support for the Out-of-Court Work Out Mechanism (OCW), by checking and identifying customer codes. | Office (DGO) regarding correction of customers with loans in arrears. |
| 02. Support for the Group's Data Governance | 03. Redesign the confiscations management application (work in progress). |

In June 2018, Central Administration Units were set up to carry out administrative work on a centralised basis, aiming to make a positive contribution to Bank projects such as Data Governance, Commercial Remittance, etc. and cost savings from tasks that had been outsourced for several years.

Cash Management

Piraeus Bank is the leading bank in Greece in the provision of cash and securities management services, providing high quality services to businesses and individuals who trust the Bank's credibility for managing their cash. At the same time, Piraeus Bank is the main specialised provider and forex trader in the Greek market, and is the only commercial bank in the country specialising in Gold Bars & Sovereigns.

Cash Centres

Given that the Bank has an expanded network for executing cash transactions (Branches, ATMs, APS, e-Branches, Deposit Devices), the optimal management of the cash cycle is crucial. A central role in managing the cash cycle is played by the five Cash Centres operated by the Bank, which in 2018 managed over 66% of the cash needs of the branches and ATMs and 69% of the cash of Corporate Clients.

The results of the Cash Centres were also impressive compared to 2017. The average fund balances dropped by 13%, while the recycling and direct recirculation rates of the notes reached 54% of inflows, contributing to a spectacular 38% drop in money transfer costs compared to the previous year.

Total Money Transfer Costs

The results of the effort to optimise the overall cash management of the Branch Network and off-site ATMs were impressive. In 2018, the total cost of money transfers charged to the Bank for the needs of its Networks declined by 17%. The reduction in costs is of particular value since it was achieved without a proportional burden on the amount of standing money, which at branch level showed a marginal increase of 1% and at Bank level a 6% increase.

Automation of Cash Centres

The Bank invested in cash management automation and reducing the high cost of cash management. In 2018 the technological upgrade of the Cash Centres started. Coinage management is already fully automated, with the production capacity of the space up 70% and the management costs down by 43%.

The automation of operations is extending to the management of banknotes. Piraeus Bank, the only cash management institution in Greece using the "Vault Management System" to track the processing stages of individual transactions, is the first financial institution in Greece to introduce complete and automatic banknote processing using "Header Card" technology. Header Card technology coupled with top cash management systems automates even more the production process of banknote handling, delivering unique quality and reliability, and lowering the cost of centralised management by more than 33%. The banknote management automation project is expected to be fully implemented during the first half of 2019.

Funds Transfer

In 2018 the increase in the results for Funds Transfer was significant, in terms of business and revenue, recording an increase of 5% and 7% respectively compared to 2017.

Recognising the needs of its customers in Funds Transfer and with a view to creating sustainable value for them, Piraeus Bank added another possibility, by developing a new service, "Commercial Remittance". This new service concerns the ability to send a wire transfer abroad for the purpose of trading via winbank e-banking, enabling the customer to easily

and quickly manage the business payments that require approval under the capital control framework, submitting a request online and attaching the supporting documents, something which required his/her physical presence in a branch until recently.

A pioneer in innovative services and products, Piraeus Bank has confirmed its active role in the global banking community by embracing Swift's Global Payments Innovations (GPI) platform, a modern service allowing continuous, uninterrupted and unobstructed tracking of the transaction at all stages, faster payment execution and immediate availability to the beneficiary. At the same time, Piraeus Bank is the first Bank in Greece to offer this service, by exchanging GPI payments in cooperation with the world's largest banks. It also participates in the design and implementation of a new GPI added-value service, the "GPI pre-validation service" along with 14 other global banks around the world.

At the operational level, optimisation and service upgrades have been completed with automated processes and complete IT systems. As a result of this successful effort, the degree of automation of the Funds Transfer operations exceeded 96%.

Finally, the increase in the use of electronic means over traditional remittances compared to 2017 was remarkable. In particular, electronic transactions reached 91%, compared with 87% in 2017, with 48% of the total fees from electronic channels compared to 40% in 2017.

2019 Key Targets

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| 01. Increase penetration of Retail and Small Business and Professionals. | 03. Adopt new payment technologies, such as pan-European instant payments and enriching services swift GPI with new features and capabilities. |
| 02. Expand payment services through digital channels. | |

Custody Services

In 2018, Custody Services focused on providing the full range of post-trading services to its institutional and retail clients, in line with its strategic direction. By combining market knowledge, years of experience and know-how and following the latest trends in financial markets and the regulatory changes, Custody Services continues to support its institutional customers responsibly and actively, in such a way that the services offered are affordable and innovative, and upgrade their daily activities.

Improving operational efficiency by automating systems, reviewing processes, minimising the risk of mistakes and reducing management costs were a priority throughout the year. The significant investment in training Custodian executives, the flexibility, adaptability and active response to the challenges, have resulted in the best possible service to institutional and private customers in the environment of investment constraints.

The dedication to the provision of high quality products and services for yet another year was sealed with the international Custody Services award received by the Bank, winning the first Global Excellence Award in Relationship Management & Client Service awarded by the Global Custodian international organization.

Piraeus Bank is the only Bank to receive the award for two years in a row. Numerous international banks participated in the evaluation process, while the rankings came from the responses of 7,000 institutional customers to relevant questionnaires drawn up by the organisation.

This award is the acknowledgment of Piraeus Bank's commitment to the high quality of its Custody & Securities Services and the ability to create and cultivate long-term relationships with customers both domestically and internationally.

Piraeus Bank Custody Services is committed to providing high quality services, with a primary focus on seeking a trust-based partnership. The satisfaction of the multidimensional needs of modern investors requires specialised solutions offered by Piraeus Bank while contributing to the modernisation of the Greek banking system in the capital market.

Group Credit

As part of the Group's strategic priorities, Group Credit continued with its philosophy for active and efficient management of corporate, commercial, shipping and retail banking customers, aiming to maximise its contribution to the Bank's results. By using all available product channels and aiming at limiting operational risk and offering the best possible experience to domestic and foreign customers, in 2018 the Credit unit actively participated in the implementation of initiatives that contribute to:

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| <ul style="list-style-type: none"> 01. supporting the needs of the two operating pillars. Piraeus Core Bank and Piraeus Legacy Unit; 02. supporting automated Back Office processes; 03. monitoring collateral and guarantees, 04. optimizing costs and enhancing the quality of service; 05. continuous effective support for Front Office units to achieve strategic goals | <p>such as:</p> <ul style="list-style-type: none"> • increase in disbursements of new loans; • increase in the use of existing limits; • increase in Bank's core customer loan balances; • efficient management of portfolios; • sale of the Bank's NPEs portfolio; • participation in the first interbank loan management project SOLAR. |
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Specifically, in terms of organisational change and taking on new business, the following were completed:

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| <ul style="list-style-type: none"> 01. Separating Group Credit into two pillars: <ul style="list-style-type: none"> • Corporate & Retail Banking Credit Control, which is responsible for managing Core Bank customers and • Restructurings Control, which is responsible for managing PLU customers. 02. The launch of the new Collaterals Management Unit - Credit Support Services. | <ul style="list-style-type: none"> 03. The integration of Syndicated Loan Management operations into the relevant credit units. 04. The establishment of a Task Force to coordinate the work carried out by credit units on Loan Syndications and to better communicate with Loan Syndications and other Banks. 05. The integration of arrears support units into Restructuring Management. |
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In terms of work optimisation, service delivery and tracking, Group Credit has been actively involved, inter alia, in the following tasks:

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| <ul style="list-style-type: none"> 01. Adopting flexible practices for serving internal and external customers, while strengthening the operational risk monitoring framework. 02. Adopting collateral tracking mechanisms with the definition, systematic monitoring and in-depth examination of appropriate KPIs that ensure the completeness, quality and validity of the data. | <ul style="list-style-type: none"> 03. Proposing improvements/automation regarding the maintenance of collaterals and updating procedures to safeguard and improve the quality of data, and to facilitate the work of the supported units. 04. Continued loan selection and lending process in cooperation with the EIB as part of EIB Covered Bond. 05. Continued promotion of actions and |
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the use of National and/or European Financial Instruments for the productive strengthening of the economy through programs such as "Exostrefeia" in cooperation with ECIO, financing in cooperation with the IfG and "EIB Grouped-

Loans" through the EIB, the European Commission's COSME Loan Guarantee Facility & InnovFin programs and the activation of older ones, such as TEPIX I- "Business Restart Initiative (Intermediate)" and "Energy Saving at Home II".

Group Credit participates in initiatives that started in 2018 and are expected to mature in 2019-2020, namely:

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| <p>01. The "Redesign Lending Process" project, namely:</p> <ul style="list-style-type: none"> • Credit Memo and Position • Simplify Contractual Documents; <p>02. The project for optimising the processes for managing mortgage contracts;</p> <p>03. The TI+ application optimisation project for servicing client transactions from all</p> | <p>portfolios;</p> <p>04. The gradual implementation of a shipping MII/MAPPI process;</p> <p>05. Setting additional KPIs for Data Governance- Collaterals Domain;</p> <p>06. The direct engagement in the new Data Governance domains (Loans, Contracts & Limits).</p> |
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All of the above actions are part of the Group's strategy with Group Credit to continue offering excellent customer service, acting as custodian of collateral for credit, and monitoring securitised/assigned portfolios to safeguard their terms and conditions.

Organisation, Central Support & Operation Quality

Group Organisation & Operation Quality, consistent with supporting initiatives to develop and offer innovative products and value-added services to customers, is geared towards optimising operations and enhancing efficiency. In 2018, fully aligned with the Bank's strategic objectives, Group Organisation & Operation Quality focused on projects and supported initiatives in the following fields:

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| <p>01. Compliance with regulatory and supervisory obligations and adaptation of the operating framework for implementation of the new rules.</p> <p>02. Optimising, automating and simplifying the processes to enhance performance and reduce operating costs.</p> <p>03. Ensuring the quality, completeness and</p> | <p>availability of infrastructure and detailed processes for effective data governance.</p> <p>04. Strengthening the framework for risk monitoring and auditing by systematically recording and updating processes and recording specifications for the implementation of systemic interventions.</p> |
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Automation and IT support of operations

In August 2018, the payment order functionalities were included in the e-signature service across the Branch network, contributing to the reduction of printouts, the reduction of the corresponding customer service time and freeing the branch from administrative work. The effort to integrate existing and new products and services into the e-signature service will continue throughout 2019 further enhancing the benefits of using new technologies in day-to-day operations.

In the context of reaching out to the Bank's broad customer base, with regard to investment services offered, innovative investment proposals were created through the creation of Optimum Portfolios and the new Investments Online System (IOS) digital platform. The Group Organisation & Operation Quality systematically supported the effort and participated in the implementation of the "Investment Products & Services" project by recording operational specifications to support new investment portfolios, to perform tests on their functionality, and

to document the relevant processes. In 2019, the Group Organisation & Operation Quality will continue to support this initiative by looking into the possibilities of expanding the functions and services provided.

In order to support the implementation of the Bank's credit policy rules, an automatic mechanism for sending orders for real estate appraisals to Piraeus Real Estate has been created. In addition, the introduction of new input fields in the Real Estate Management System (REMS), such as the Property Marketability Index (PMI), improves the decision-making process of the PLU with regard to loan restructurings.

The development of new automated processes, making use of the Appian platform, was an important priority in 2018, covering a wide range of banking operations, with the number of requests served amounting to almost 1.5 mn requests for platform-integrated processes.

As part of enhancing operational risk recording and monitoring infrastructure, six new risk incidents were included in Appian, contributing to an increase in the percentage of risk incidents and loss events tracked by automated flows to 72%, compared with 30% in 2017. The design and implementation of workflows bots for monitoring additional categories of risk incidents and loss events is underway.

Supporting the efforts of business units to upgrade products and services, the automated Merchant Acquiring Management process was enriched with new functionalities. The service experience was improved by integrating, in the current workflow bot, innovative services (e-signature) and the ability to electronically monitor the Branch's inventory of POS devices.

In the same direction, a series of actions were implemented and the infrastructure was created for the automatic reception of requests for changes to credit, prepaid and debit cards, and for the automatic request processing for specific types of changes with the possibility of immediate online execution. These automations improve customer service, reduce the Bank's operating costs, and provide the option of monitoring the progress and timing of requests regardless of channel (Branch, Call Centre).

In 2018, the Unit completed its business analysis and recording the specifications for the automatic processing of additional legal work, including the underwriting of corporate loans, real estate research, the retraction or cancellation of an underwriting agreement in support of a loan, and the handling of legal assistance claims from the Loan Restructuring Unit.

In the framework of more effective credit risk monitoring and management and compliance with the regulatory and supervisory framework, an appropriate infrastructure was developed in the LOS for the early recognition and effective monitoring of the Unlikeliness-to-Pay for business loans or business credit exposures and their respective predicted classification.

Geared towards the efficient management of the arrears portfolio, specifications for an automated workflows bot have been created for processing arrears-related requests through the LOS system, with significant benefits, including the reduction in operating costs and request-servicing time, and the improvement in controlling the associated operational risks.

In 2018, aiming for the continuous improvement of corporate customer credit rating models, a new feature was introduced into the LOS system, through the creation of a Specialised Lending Scorecard for Project Finance loans, using best international practices and the Internal Rating Based Approach.

Improvements to Processes and Operations

New infrastructure was developed and the necessary processes were created for immediate delivery of POS terminals to businesses at the Branch. The Bank once again contributes, inter alia, to the efforts of professionals to remain consistent with their regulatory obligations, by enriching its services.

As part of the Bank's harmonisation with the new requirements set by Law 4465/2017 (Payment Accounts Directive) for payment accounts, a new form entitled "Fee Information Document" was prepared, common for all banks, which as of 1 November 2018 is handed to natural persons when opening a new payment account, for the purpose of informing customers about the fees for using the main services linked to the payment account.

In 2018, Group Organisation continued monitoring and coordinating the project for ensuring the Group's compliance with the Markets in Financial Instruments Directive (MiFID II) and the Markets in Financial Instruments Regulation (MiFIR). Several projects were carried out to collectively inform customers about the changes in the implementation of MiFID II/MiFIR, to redraft the contract agreements and the customer suitability and appropriateness assessment questionnaire, and to start replacing all customer contracts. Additionally, the process of reclassifying professionals and eligible counterparties was concluded, a product approval process for each financial instrument was set in place, identifying the target market for each product, with an upgrade of the Trade & Transaction Reporting infrastructure.

In 2018 all the actions required to meet the requirements of the regulation on Packaged Retail Investment and Insurance Products (PRIIPs) were finalised, the new Key Information Document (KID) for PRIIPs was introduced and the pre-contractual information requirements were included in the processes.

In order to improve process efficiency and reduce operating costs, employees now have the ability to instantly digitise the certification documents presented by the customer at the Branch. The new functionality is currently piloted at selected Network Branches, simplifying their operations and improving customer service.

In the context of attracting and developing the relationship with new clients-natural persons (Individuals & Individuals Enterprises), product package functionality (Deposit Account, Debit Card, winbank, Yellow Loyalty Program) has been developed. Through this implementation, the Bank seeks to meet the needs of these customers and to become their main bank by offering them the basic products with a simplified start-up process and consolidated contract documents.

In view of providing improved services to specific categories of individuals, the required functionality has been developed and the interventions required to support the service of visually impaired people have been developed.

In this context, the debit card may be issued and canceled/re-issued through the Bank's Branch Network, while their registration in the online banking service winbank may alternatively take place without requiring attendance at the branch, provided they have the appropriate voice support equipment on their electronic device. Additionally, in order to support the monitoring and controlling of their transactions, the Notification Service is available now, as far as the cash transactions are concerned. They are enabled to complete the transactions without the need for witnesses to be involved, as they are informed by the sound alerts they receive on their mobile phones of the transactions in order to verify their correctness.

In line with the Bank's strategic priorities to reduce NPLs and NPEs to internationally accepted levels, in 2018 Group Organisation actively participated in all phases of preparation for the sale of loan portfolios, to ensure that the content of the loan files was complete. At the same time, Group Organisation co-ordinated the digitisation and delivery of the physical file to investors/buyers, the transmission of customer data, loans and guarantees and completed the necessary actions for implementing the agreements.

In line with the Bank's strategy to reduce bad debts and to satisfy the terms for the implementation of the agreement between the four Greek systemic banks and doBank S.p.A. for the management of a portfolio of NPEs with a value of €1.8 bn, Group Organisation is contributing to the completion of the necessary preparatory work by participating in the relevant Interbank Committee and supports the attempt to adopt standardised methodologies, to form an interbank operating model, to exchange files with common design and creating a payment circuit. At the same time, the Group Organisation coordinates the creation of the internal operating model, records the specifications for adaptation, performs tests on good operating system performance (internal and interbank) and formulates the detailed instructions for informing the involved Units.

With the establishment of the new Group Procurement Unit and to ensure a smooth transition to the new operating model and its reinforcement, Group Organisation co-ordinates the review of the overall framework of basic principles and rules governing procurement management and the updating of existing and setting up new procedures.

In 2018 work continued on the creation of a central database covering the Bank's entire loan portfolio. All insurance contracts will be kept and monitored with the possibility of linking them to a loan contract, loan account, mortgage or another collateral, to optimise the overall process and to strengthen the mechanism for their systematic monitoring.

With a view to improved and faster customer service, the Bank promotes the implementation of mechanisms for monitoring the performance of its main processes and Service Level Agreements (SLAs) between the units involved. Against this background, it has also included the lending processes for the agricultural sector through the implementation of reports that monitor the execution times, both per stage and on a cumulative basis. At the same time, the Bank has launched the implementation of the mechanism in the process of servicing requests for changes of cards, loan restructuring, as well as loans to small businesses.

Implementation of the supervisory framework and support for regulatory and operational reporting

In its implementation of the GDPR, the Bank changed the rules for processing of personal data and notified its customers/natural persons of these changes. Group Organisation initiated a project for identifying and assessing the Bank's affected operations, in cooperation with the other units, to assess the relevant impact and to identify the required changes, in terms of operations and service.

In this context, Group Organisation, in cooperation with the relevant units, has ensured the timely adaptation of processes, systems and other documents in order to incorporate to its operations the provisions of the new Regulation, to strengthen the framework for the collection and processing of the Personal Data of the data subjects.

Group Organisation has undertaken the management and co-ordination of the project on automatic data exporting for calculating the funds that the Bank has to pay to the Bank of

Greece under Law 128 on the contribution. The purpose of the project is to redefine the calculation methodology in order to rationalise the Bank's expense for this obligation. Part of the project pertains to the recalculation of the funds that were paid by the Bank in previous periods (2009-2014) and the return of funds from the BoG, if required. During the first phase of the project, for the period 2016-2018, the BoG returned to the Bank, upon submission of its detailed request, a significant amount as unduly paid, which substantially strengthened the results and the Bank's capital in 2018.

In 2018, Group Organisation undertook the revision of the operational specifications and the coordination of the work related to the First Stage of Review by the Hellenic Deposit and Investment Guarantee Fund (TEKE) of Single Customer View files (SCV). At the same time, Group Organisation successfully coordinated the Stress Test conducted by the BoG and TEKE at the end of 2018 to assess the Bank's readiness for timely and valid submission of requested data.

In addition, Group Organisation participates in the expansion of the Ministry of Finance's Bank Accounts Registry (Phase Three), currently in progress, which concerns the automatic transmission of bank customer loan transactions. Group Organisation also undertook the revision of the operational specifications and the coordination of work related to sending loan restructurings details to Tiresias S.A.

In order to comply with the supervisory obligations and to meet the revised supervisory reporting requirements (e.g. SRB, ECB, BoG), Group Organisation updated the operational specifications for extracting the required information and reporting in accordance with the revised instructions sent by the supervisory bodies.

New Products/Services and Payment Transactions

As part of the initiatives for emphasising the importance of savings, Group Organisation contributed to the development of new savings proposals and innovative savings services, aiming to make them available through the Branch Network and winbank e-banking. Group Organisation also participated in the development of new operations for the promotion new deposit and time deposit products.

Fully aligned with the Bank's goal of providing new and innovative services, Group Organisation contributed to the creation of a new pioneering feature, available via winbank e-banking, offering personal financial management solutions. Customers have the ability to control and program monthly spending and to achieve personal savings goals.

For payment services and transactions, new transactions were developed for more than 300 new partnerships and the Easypay Point Direct service was expanded to 313 new merchants. In addition, the infrastructure was created for extending the DCT Online payment service to the Easypay kiosks (APS), and the range of transactions available at the Bank's ATMs was enriched, expanding customers available services through alternative channels.

In the context of attracting and developing the transactional relationship with new customers, natural persons can now buy and sell Gold Sovereigns and Gold Bars. Customers can buy Gold Sovereigns and Gold Bars at all Piraeus Bank branches, while customers can only sell Gold Sovereigns and Gold Bars at "Piraeus Gold" spots, which have been created for the time being in Athens and Heraklion, Crete.

In an effort to increase market share and Trade Finance services, Group Organisation actively participated in recording the specifications and processes, in system customisation and in performance audits to support Trade Finance products, such as the early payment of letters of credit available through the Branch Network of the Bank in Greece and the Frankfurt Branch.

Data Governance

Aiming to enhance the value of data as Group assets, through the promotion of new capabilities to improve their quality, all the Bank's data areas are gradually assessed and a set of Key Performance Indicators (KPIs) are defined to capture the level of quality of Critical Data Elements (CDEs), and to systematically monitor any changes.

In 2018, a set of revised rules, policies and procedures for data governance was introduced, ensuring the alignment of Bank practices with the relevant regulatory framework. In terms of customer data, the analysis of the information has been completed and 31 KPIs have been implemented. In terms of collateral data, the analysis has been carried out at 80%, 14 KPIs are in use and 12 are under implementation. Analysis of the loan data area has been completed at 50% with 13 KPIs in use and 3 under development. Geared towards data optimisation, the analysis of data on limits and contracts has started. In 2019 an action plan analysing 4 new data areas will be implemented.

Material Topic

Socially and environmentally responsible banking products and services

The Bank offers specialized products and services with social and environmental benefits, responding to current challenges such as climate change and nature protection.



Mapping with Sustainable Development Goal
Affordable and Clean Energy



Mapping with Sustainable Development Goal
Life on Land



Assurance by independent body
GRI FS8

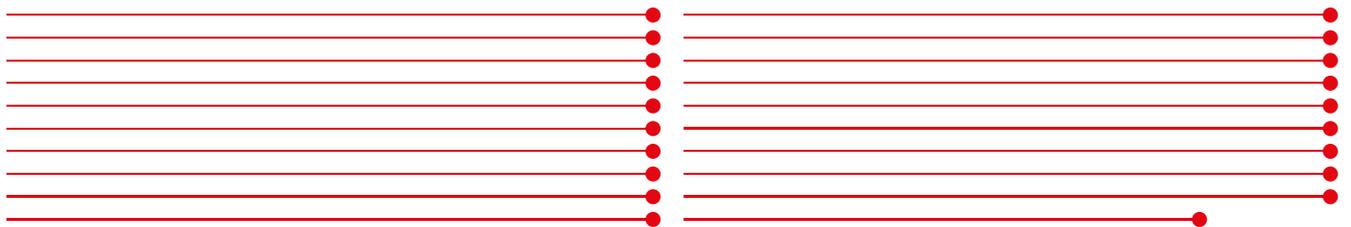
Selected Data 2018

€1.2 bn

Active loan balances for green financing at the end of 2018

1,353 MW

Total power of RES projects that have been funded by the Piraeus Group in 2018



19,800

Green Customers at year-end 2018

2.75 mn tonnes

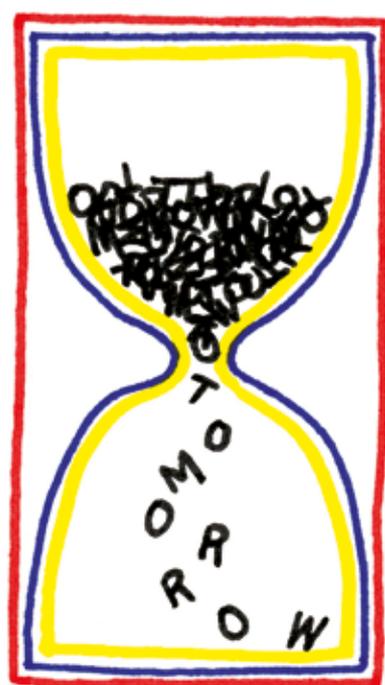
CO₂ emissions that are not released annually due to the Piraeus Group's funding of Renewable Energy Sources (RES)

Goals

- Increase in green loans
- Development of new products oriented towards sustainability

ΕΙΚΑΣΤΙΚΟ

5







ΕΙΚΑΣΤΙΚΟ
5

Customers

Customer Relation

Piraeus Bank, the leading bank in Greece in terms of deposit and loan market shares, as well as number of branches and personnel, participates actively and dynamically in the improvement and development of the economy, contributing to the prosperity of both its customers and the communities in which it is active.

With a vision of being the most trustworthy bank in Greece, Piraeus Bank aims to create long-term value for its customers in response to their needs and always takes into account the economic, social and environmental factors.

Providing qualitative services to customers remains a top priority for Piraeus Bank. The relationship of trust is based on clear information, governed by transparency in terms of co-operation, and enhanced by the security of transactions across all service channels, including digital channels.

The Bank has introduced specialised control mechanisms at every stage of creation, promotion and placement of its products and services, thus ensuring compliance with the principles of the regulatory framework and the rules of the HBA's Code of Banking Ethics. In order to eliminate any possibility of exploiting the public's ignorance, inexperience or fears, the Group ensures that its products and services are clearly defined, without exaggerations, inaccurate or misleading statements, excessive promotion or attempts to conceal any features. The contribution of the Marketing and Advertising Committee and the

Group's Compliance unit is invaluable, the former for assessing and approving the content and style of the campaign and the latter for ensuring that the content of each campaign is in full compliance with the regulatory framework.

In addition, the Bank's customer service takes measures to enhance its customers' financial literacy. Banking terminology and business are explained, so as to facilitate customer access to the Bank's services.

Particular emphasis is placed on informing and educating customers on the use of new technologies and the digital service channels. New technologies have changed the way of doing business and e-banking transactions now constitute a significant percentage of total transactions. In 2018, the Bank continued promoting its technologically-advanced service model; Bank employees use digital devices and free wifi access in the branches, to show customers how to use e-banking. Bank employees assist customers in familiarising themselves with the ATM machines and easypay kiosks, the e-branches, winbank web, mobile and phone banking and their applications.

Piraeus Bank places great emphasis on Retail Banking customer experience. A specialised team has been formed to assess, record and measure customer experience, satisfaction and loyalty to Retail Banking products and services, aiming to improve banking operations. Customers are contacted within 48 hours from their bank transactions, to ensure that the experience is as recent as possible. Some of the metrics used to measure customer satisfaction are NPS (Net Promoter Score) and CES (Customer Effort Score). In 2018, 37,000 Retail Banking customers completed the Voice of the Customer questionnaire, which resulted in the Bank taking 596 actions to improve customer experience in 19 fields of Retail Banking.

At the same time, the Bank uses a specialised online reputation tool to collect feedback from customers, through comments on the Bank's social media and on third-party websites and blogs. The Bank recognises the importance of knowing what's being said about its products and services.

Personal Data Protection

In 2018 one of Piraeus Bank's key priorities was to comply with the new European General Data Protection Regulation (GDPR), which was put into effect on 25 May 2018 in the EU.

In the context of identifying and assessing potential data privacy risks through specific tools such as the Data Register and Data Protection Impact Assessment (DPIA), the Bank has taken all steps required to ensure that any processing of personal data is carried out in accordance with the GDPR.

The GDPR aims to ensure a "coherent and uniform" implementation of the rules on the protection of fundamental rights and freedoms of natural persons with regard to the processing of personal data replacing the relevant existing legal framework (Law 2472/1997).

The Bank is committed to safeguarding the personal data that fall within its remit and to comply with the basic principles governing the GDPR for the processing of such data, namely:

- | | |
|--|--|
| 01. Lawfulness, fairness and transparency, according to which personal data shall be processed lawfully, fairly and in | a transparent manner in relation to individuals. |
| 02. Purpose limitation, according to which | |

- personal data shall be collected for specified, explicit and legitimate purposes and not further processed in a manner that is incompatible with those purposes.
03. Data minimisation, according to which personal data shall be adequate, relevant and limited to what is necessary in relation to the purposes for which they are processed.
 04. Accuracy, according to which personal data shall be accurate and, where necessary, kept up to date; every reasonable step must be taken to ensure that personal data that are inaccurate, having regard to the purposes for which they are processed, are erased or rectified without delay.
 05. Storage limitation, according to which personal data shall be kept in a form which permits identification of data subjects for no longer than is necessary for the purposes for which the personal data are processed.
 06. Integrity and confidentiality (security), according to which personal data shall be processed in a manner that ensures appropriate security of the personal data;
 07. Accountability, according to which Piraeus Bank, in its capacity as Controller of Personal Data shall be responsible for, and be able to demonstrate compliance with the aforementioned principles. Piraeus Bank has put in place a series of actions, rules and processes to ensure full compliance with the new regulation. In particular, these actions, rules and processes are categorised into three main pillars:
 - **Organisational structure:** Definition of new roles and duties and upgrade of existing roles and duties. Design of a flexible organisational structure on the protection of personal data.
 - **Operational Framework:** Improvement and strengthening of the comprehensive and fair framework for the protection of personal data through the creation of new and the revision of existing policies and processes.
 - **Technology:** Introduction of appropriate technical measures for data protection and safeguarding the privacy of the data subject.

Roles and Duties

The Bank has appointed a Data Protection Officer (DPO), introduced new roles on data protection, and assigned specific duties and responsibilities to the new roles and existing units. In addition, in order to manage GDPR-related issues across the Bank more effectively, the Management designated a Data Protection Office (DPOffice), and is working in co-operation with the HR to appoint Data Protection Coordinators (DPC) in all Business Units that process personal data. In particular, the DPO must:

01. Ensure that the Bank's data protection program and framework are in compliance with the GDPR.
02. Foster a data protection culture within the Bank.
03. Advise on individual policies, procedures and guidelines at Bank level, when required.
04. Provide updates on the data protection compliance program and possible breaches to the Bank's Senior Management.
05. Advise on the definition of the appropriate measures to ensure compliance with the legal framework for data protection by design and by default, in the Bank's new products, services, IT systems and business processes.
06. Monitor the levels of compliance of business units and officers with data protection laws and Group policies.
07. Supervise and advise on the response to requests by data subjects exercising their individual data rights.
08. Monitor identified or potential data privacy risks, when assessing third parties.
09. Act as contact point with the Data Protection Authority on data processing issues.

Lastly, he is in charge of coordinating the data breach notification procedures to the Data Protection Authority and acts as the latter's first contact point on issues related to data processing.

The DPOffice is a group of employees supporting and assisting the DPO in all actions and

initiatives required to monitor the Bank's implementation and compliance with the legal framework on data protection. The employees of the DPOffice have knowledge and in-depth understanding of Piraeus Bank's activities and processes, its business needs, and a proficiency in data protection law and practices.

The employees of the DPOffice have successfully attended and completed GDPR training. Indicatively, the 6-week GDPR Workshop (Methods, Processes & Technologies) organised by the Athens University of Economics and Business.

In addition, the Bank has designated a DPC in all business units that process personal data. The DPC is the contact point between his unit, the DPO and the DPOffice, and plays an important role in the implementation of the Bank's data protection program and framework. In addition, the DPC is responsible for ensuring data protection in the business unit of his responsibility and its compliance with the applicable regulatory framework.

Policies and Procedures

The Bank has reviewed existing and developed new data protection policies and procedures, to comply with GDPR principles and rules, as well as relevant data protection laws including:

Data Protection Policy

The Bank's Data Protection Policy (DPP) has been developed to cover all GDPR rules. The DPP, pending approval from the Bank, aims to lay down the rules for implementation of the appropriate technical and organisational measures, for effective personal data management and protection, and for safeguarding the privacy of data subjects (natural persons and sole proprietors). In addition, the DPP sets the rules for data processing, including collection, storage, use, transmission, disclosure or deletion, in compliance with the relevant regulatory framework. The DPP is currently being finalised, pending approval.

Notification of personal data breaches

Piraeus Bank is updating its privacy policy to ensure compliance with GDPR rules. In particular, information on what constitutes a personal data breach has been included, to ensure that appropriate measures are taken to identify, assess, investigate and disclose potential personal data breaches, as soon as possible. The notification process and channels in the event of a possible personal data breach have been communicated to all the Bank's employees.

In 2018, Piraeus Bank did not receive any substantiated complaints about customer privacy violations and reported no data leaks, theft or loss.

Managing data subject requests

Piraeus Bank has developed a process for managing data subject requests, since under GDPR it must provide information on action taken without undue delay and in any event within one month of receipt of the request. Specifically, this process describes the identification of the data subject, the actions to be taken for the efficient management and processing of a request, what exceptions apply for each request, and a series of response patterns to ensure that communication with data subjects is compatible, consistent and adequate.

In 2018, Piraeus Bank accepted and responded to one hundred and sixty-three (163) data subject requests for GDPR violation. The Hellenic Data Protection Authority (HDDPA) received two (2) requests from Piraeus Bank customers.

Data Protection Impact Assessment (DPIA)

Piraeus Bank has developed a DPIA processing procedure to assess the impact of the processing operations on the protection of personal data, in compliance with the requirements of Article 35 of the GDPR. Through this procedure and with the use of the relevant tool, the Bank can assess the data privacy risk and the potential impact on data subjects of processing data that have been described as "high risk".

Other Technical Measures

In 2018, in compliance with the current legal framework (GDPR), Piraeus Bank designed and implemented a series of appropriate technical and organisational measures to comply with the GDPR.

Data Privacy Notice

The Bank informed its customers, through press releases, by post and on the Bank's website, on the main issues of the GDPR: the purposes of data processing, who are the recipients of personal data, data subject rights, the measures taken to ensure data protection, and the DPO and the DPO office contact details.

Record of processing activities

The Bank has developed and maintains a record of personal data processing activities under its responsibility, in its capacity as Controller and as Processor of personal data. This record is required by Article 30 of the GDPR to be used as a tool of accountability. It consists of individual files that are kept at all Business Units that process personal data. 27 records of processing activities have been created in Business Units covering the Bank's entire personal data processing flows.

Lawfulness of processing

Piraeus Bank has thoroughly considered the legal basis for all purposes recorded in the record of processing activities, to ensure that each legal basis is appropriate for the purpose of processing.

Receiving and managing consent

Within the framework of the GDPR, the Bank has strengthened the mechanisms for receiving and managing customer consent. It created an integrated management system to receive requests through its Branch Network, e-banking or the customer service call centre, following customer identification. Thus, the Bank ensures that data subjects understand how and why their data is collected and processed by the Bank. For example, in 2018, 1.526 mn bank customers had responded to a request for consent, with 75% consenting and 25% non-consenting. In addition, Piraeus Bank offers data subjects the right to withdraw consent at any time, and is able to prove at any time that the data subjects have given their consent to the processing of their personal data. An example is the receipt of Bank customers' consent to be informed about marketing activities.

Contracts/Agreements with Processors

Part of personal data processing is carried out by third parties (processors). Piraeus Bank reviewed its contracts with the processors, stipulating their obligations to the Bank and to the data subjects. In addition, the Bank carries out diligent reviews, using a specific questionnaire, to assess if processing is performed in accordance with GDPR requirements. The Bank carries out reviews both at the start and during its contractual relationship with each

third party/processor. Additionally, a special application for maintaining and managing Additional Acts and Questionnaires was created. New contracts were signed with external partners which include the relevant terms regarding the protection of Personal Data.

Marketing Activities

Compliant with the GDPR, the Bank applies strict rules to exclude customers who have not consented from its marketing campaigns. In addition, prior consent by the DPO is given for any marketing campaign.

Piraeus Bank participates in the Committee of the Hellenic Bank Association for GDPR-compliance in the Greek Banking System. The HBA's new Code of Banking Ethics has been revised and is currently being reviewed, setting out the general principles of compliance. At the same time, the Commission communicates with the HDPa on GDPR-related issues.

As a result, Piraeus Bank continues to ensure the protection and security of personal data and to provide a consistent approach by implementing appropriate technical and organisational measures.

Group Digital Business

Using New Technologies to Improve Customer Service

In an ever-changing world, Piraeus Bank stands by its customers and works with them to jointly address the unfolding challenges. Piraeus Bank's winbank online service is the best service in the Greek market, providing the user with a modern runtime environment, regardless of the device used to connect.

Every year there is a significant increase in users who choose to conduct their daily transactions easily, securely, any day, any time, through winbank e-banking and winbank mobile application.

Indicatively, through winbank, individuals can:

- | | |
|---|---|
| <p>01. Transfer funds (payments and remittances):</p> <ul style="list-style-type: none"> • between accounts and to third party accounts within Piraeus Bank; • to other banks in Greece and abroad. | <p>webuy card through web banking and load with the amount of the transaction. The web card is rechargeable and can be used for their next internet purchases.</p> |
| <p>02. Pay their bills. Winbank e-banking offers more than 954 payments including local payments, thus serving customers in all geographical areas of Greece.</p> | <p>05. If they want to invest in a time deposit, they can use winbank e-banking to create their own customised "Do It Yourself Time Deposit", that offers yellows through the yellow reward scheme, without having to visit a branch.</p> |
| <p>03. If they want immediate information about their transactions, they can subscribe to the winbank alerts packages to be notified by e-mail or sms, at the moment of the transaction.</p> | <p>06. If they want to transfer money easily and quickly to a third party, knowing only their tax identification number or their mobile telephone number, they can use IRIS 24/7 Payment to execute the transfer instantly.</p> |
| <p>04. For online transactions, such as e-shopping, customers can issue virtual prepaid winbank</p> | |

Similarly, in addition to the above, winbank services for businesses offer specialised services that facilitate their daily business, such as:

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|--|----------------------------|
| <p>01. Request cancellation or modification of</p> | <p>outgoing remittance</p> |
|--|----------------------------|

- | | |
|--|---|
| 02. Outgoing remittance file upload | information for non-overdue promissory |
| 03. Incoming remittance display and application for return | letter |
| 04. Monitoring business debit cards transactions | 06. Bills of exchange display |
| 05. Display of loans transactions and | 07. Display cards transactions by POS |
| | 08. Receiving POS transactions report by e-mail |

In addition, taking into account customer concerns and requests, particularly with regard to complexity, ease of use and security, Digital Banking designed a new winbank mobile application, quick and easy-to-use for even the less experienced users of digital services. The robust increase in active users, especially of the mobile app, confirms this strategy and is a guide for constantly offering day-to-day solutions to customers wherever they are, in a simple and clear way.

In 2018 the initiative for migrating banking customers to digital channels continued and intensified, with a significant increase in the transaction migration index. As a result, the target initially set was met. In 2018, the transaction migration index was 84%, compared with 77% for 2017 and 67% for 2016. The progress of this project is monitored by systematic quantitative measurements, which record the percentage of transactions made at the cashiers' desks compared to those made through digital channels. Therefore, measurements are made and targets are set at branch level to monitor the overall migration index, for all transactions that can be made both through digital service channels and at the branch's cashiers' desks. Piraeus Bank Group is committed to stepping up its efforts to further increase the use of the winbank e-banking and Winbank mobile apps during 2019, by providing new and innovative services to these channels.

Piraeus Bank, committed to continuously improving its customer services, renewed its ISO 9001: 2008 certification for winbank.

winbank web banking

New subscriptions in 2018 continued their upward trend, with the number of registered winbank users increasing by 19% since 2017, 10% of whom became winbank users via online registration.

In particular, Piraeus Bank customers without a winbank account can register through a fast, simple step-by-step registration process that is offered free of charge, without the customer having to visit a Bank branch.

In 2018, Digital Banking enriched winbank e-banking with new features and created online self-service, whereby the user does not have to contact the call centre or visit a branch in order to:

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|--|---|
| 01. Open a new account | 05. Online username reminder |
| 02. Submit an application for "e-loan" consumer loan with integrated online experience up until loan disbursement, no visit to a branch required | 06. Online password reminder |
| 03. Temporary card de-activation/activation | 07. Online unlock to winbank |
| 04. "Pay & save" service for saving up easily, while making daily purchases using a debit card | 08. Piraeus Bank Masterpass – a digital payment service which makes the check-out process in an e-shop transaction more secure and faster |
| | 09. Virtual assistant (Chabot) using artificial intelligence |

winbank Mobile Banking

Winbank mobile banking application was redesigned to offer customers a simple, easy and friendly way to complete their daily transactions through their smartphone device, offering:

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|---|---|
| 01. An easy-to-use user-friendly User Interface, where even the less experienced technology users can complete their transactions | (4-digit PIN or fingerprint for compatible devices) |
| 02. Quick login use to access the application | 03. Ability to customise products and accounts display in the application |

In 2018, following its strategic plan, Digital Banking enhanced the winbank mobile application with new features such as:

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|---|--|
| 01. Online winbank registration | 05. Online password reminder |
| 02. Popular payments | 06. Investment products |
| 03. Temporary card de-activation/activation | 07. ExtraPIN secure code for money transactions with push notification |
| 04. Online username reminder | |

The use of winbank mobile application by winbank users increased by 18%, with a 67% increase in the volume of money transactions. For 2018, the total number of electronic transactions exceeded €140,000,000, saving more than 800 tons of paper.

ATM

Piraeus Bank's ATM network covers the entire country and serves its customers 24/7. At the end of 2018, Piraeus Bank Group's ATM network in Greece amounted to 1,943 ATM machines, covering urban centres, provincial cities and even remote locations in Greece. Through its extensive ATM network Piraeus Bank demonstrates in practice its support to all socio-economic classes.

EasyPay kiosks

In order to provide faster and easier customer service for daily transactions (deposits, bill payments, loan instalments, loading prepaid cards), 574 easypay kiosks have been installed in branches and partnering businesses.

e-branch

Taking into account the successful e-branch model, the Bank continued setting up e-branches in selected locations, offering more customers the experience of a quality banking service, with innovative solutions that make their daily life easier. Additionally, training of non tech-savvy customers in the use of ATMs continued.

In 2018, e-branches contributed to the de-congestion of neighbouring branches, as evidenced by the transaction migration index, i.e. the percentage of transactions executed in each e-branch in relation to all transactions executed at the respective Affiliate Branch, and by the increase in the use of digital channels by senior citizens and non-tech savvy customers, following their familiarisation with the tools. In addition, customer satisfaction (CSAT, NPS) indicators, as derived from the Satisfaction Pad entries, show that the quality of service and customer experience remained stable at high levels due to the flexibility and speed of carrying out transactions in a pleasant and friendly environment. In order to improve information on e-branch customer experience, the Satisfaction Pad, a customer satisfaction survey device has been introduced for customers to enter their improvement suggestions.

The Bank's profits increased, due to a decrease in operating costs by customers switching to digital channels, an increase in the number of transactions with a corresponding increase in commission income, and a return of deposits.

Contribution to society is also significant; Piraeus Bank gives customers the opportunity to execute transactions even on Saturdays and cover the special needs of banking services for the disabled (see below).

Due to its wide and warm acceptance by customers, e-branch is one of the most successful case studies of the European banking market.

Customer satisfaction is one of Piraeus Bank's key goals and in Digital Banking customer satisfaction is tracked through:

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|---|---|
| 01. The Annual Report "Our Clients Say" Voice of the customer. | application; |
| 02. Tracking and responding: | • CSAT & FCR indicators for customer service and satisfactory immediate customer complaints management. |
| • to the Google Play Store & App Store user feedback for winbank mobile | |

Access to Financial Services for all

Recognising the customers' need to enjoy the benefits of technology, especially the use of digital channels, Piraeus Bank redesigned the winbank mobile application ("winbank app"), simplifying its use; even non-tech savvy customers can use it. Users may design their own personalised access to the most visited sections by selecting the products they frequently use.

Even customers who do not have the winbank app installed on their phones can access the digital services through their phone's web browser, as winbank e-banking is fully responsive and instantly accessible in its full functionality.

Piraeus Bank, in the framework of its Corporate Responsibility, aligns its business operation with social solidarity, to serve its customers. It maintains branches in 17 border areas (as of 31.12.2018), as defined by the provisions of the Law 287/1976, in fact the only branch within a radius of 10 km (for 2017 the respective number of branches amounted to 38, -55% annual change). It also maintains branches on small islands with permanent residents of <10,000, that amounted to 11 in 31.12.2018 versus 13 in 2017 (-15% annual change). Permanent residents are all natural persons who declare one of the islands as their place of residence in their income tax declarations, as identified by TAXIS of the Independent Authority for Public Revenue (IAPR). In addition, seeking to protect and support population groups with specific needs, such as farmers and border residents, the Bank provides ATMs in their areas of residence, as a fulfillment of its duty and social obligation, aiming at the continuous facilitation of their everyday life. Piraeus Bank has ATMs in border areas (Law 287/1976), covering major daily transactions, and supporting customers in remote areas in Greece, that amounted to 329 in 31.12.2018 versus 302 in 2017 (+9% annual change).

The contribution of e-branch to society is also important. The extended hours of e-branches make it possible for employees as well as companies to carry out transactions, which until recently were difficult. The experienced service staff, who are always present, help customers, including older people and non-tech savvy people, with their transactions, inform them about the services provided, and train them in the use of the Bank's machines and digital services. Thus, yet another innovation is introduced in the banking service, with the em-

ployee not being seated opposite the customer, but on the contrary standing upright next to him/her, giving a sense of equality, trust and security.

The most significant contribution of e-branches is the fact that they cover specialised banking needs of sensitive social groups, such as people with disabilities. Piraeus Bank is particularly sensitive towards people with vision, hearing and mobility impairment, and has taken the initiative to simplify technological innovations and facilitate their banking transactions. Thus, customers with disabilities can conduct transactions 24/7, such as deposits, withdrawals and payments, through ATMs and easypay machines, in easily accessible and indoor areas. In particular, the services provided are as follows:

People with vision disabilities

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| 01. Customer guidance by a facilitator throughout their stay in e-branch. | 03. Ability to navigate and train in winbank e-banking using voice support. |
| 02. Transactions can be carried out through the "Remote Cashier", using Braille, with no requirement for witness presence and signature. | 04. Sign up for winbank e-banking through Online Registration without having to visit a branch or sign a handwritten contract. |

People with hearing disabilities

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| 01. Transactions through the "Remote Cashier" service with employees trained in the Greek sign language. Four (4) Remote Cashiers were selected by the HR to attend a training course in sign language entitled "Connecting to the Banking Service" in order to facilitate communication with the Bank's customers with hearing disabilities. The 92-hour | course was organised in cooperation with the Digital Banking Team and the Hellenic Federation of the Deaf. The course included training on sign language basics and specialised banking terminology. |
| | 02. Interactive touch-screen with information on available machines and transactions offered at the e-branch. |

People with mobility problems

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| 01. Easy ramp access and ease to move around inside the e-branch. | throughout their stay in e-branch. |
| 02. Customer guidance by a facilitator | 03. Easy wheelchair access to the "Remote Cashier" service. |

Services Offered to Disabled People in the Branch Network

Some of the aforementioned services are available in all branches of the network. For example, visually impaired people can now visit any Bank branch to request and acquire a debit card, to carry out cash debit/credit transactions without the need for witness presence and signatures, provided that they can receive sms alerts on their mobile phones, since this is the means by which they are informed of the transaction and can verify its accuracy. In addition, they can subscribe to winbank e-banking services without having to physically sign a contract.

The design and implementation of existing and future services for disabled people is carried out in collaboration with the respective Associations and the Hellenic National Confederation of Disabled People, to ensure that their needs are truly covered, and to continuously improve processes and services. New services are currently being implemented,

such as improving the accessibility and use of ATMs for visually impaired customers. In this way, Piraeus Bank protects their right to privacy, one of their main issues of concern.

Statistics from e-branch employees are gathered on a daily basis on the number of disabled people visiting each e-branch and the number of transactions they carry out. E-branches due to their wide acceptance by customers of all categories and ages are an integral part of the Bank's Branch Network and has become a reference point in international articles.

Customer Complaints Management

With a view to maintaining and enhancing customer loyalty, optimal practices are applied in managing disputes between customers and the Bank, geared towards prompt response, fair and impartial complaint-handling, continuous improvement of the products/services provided, preservation of the reputation and good image of the Group and ensuring compliance with the current regulatory framework. In 2018, the number of complaints submitted by customers either directly to the Bank or through Alternative Dispute Resolution Agents (ADRs) and managed by the Customer Complaints Service amounted to 4,349, maintaining approximately the same level with 2017. The majority of the complaints were submitted directly to the Bank, while a small percentage (18%) of customers chose to contact the ADRs and Consumer/Other Organisations.

Breakdown of number of complaints submitted to the Bank & Alternative Dispute Resolution Agents					
Number of complaints	2018	%	Δ%	2017	%
Direct submission to the Bank	3,555	82%	<1%	3,546	79%
Submission to Alternative Dispute Resolution Agents	794	18%	-18%	965	21%
Consumer's Ombudsman	202	25%	15%	176	18%
Hellenic Ombudsman for Banking-Investment Services (H.O.B.I.S.)	113	14%	-11%	127	13%
General Secretariat of Commerce and Consumer Protection	112	14%	3%	109	11%
Consumer Organisations/Other Organisations	342	43%	-34%	515	53%
Multiple Submission*	25	3%	-34%	38	4%
Total	4,349**	100%	-4%	4,511	100%

* Complaints submitted at more than one submission point.
** Total number of complaints submitted to the Bank for the period 01/ 01-31/ 12/2018

83% of the reported cases were resolved within 45 days (the time frame specified by the current legal framework), while for those cases where additional processing time was required, customers were informed in writing.

Allocation of a number of resolved cases based on processing days					
Processing days (Calendar)	2018	%	Δ%	2017	%
0 - 44	3,632	83%	-6%	3,878	87%
> 45	769	17%	29%	596	13%
Total	4,401***	100%	-2%	4,474***	100%
*** In order to analyse the Bank's response time to complaints, data from the resolved cases for the period 01/01- 31/12/2018 were used, irrespective of the date of the initial filing of the complaint.					

In addition to handling complaints, during the year, initiatives and targeted actions were designed and implemented to strengthen the Bank's complaints management mechanism. In this context, operational risk and internal control officers were appointed as points of contact with Customer Complaints Service for their fields of responsibility. Their roles support the timely and effective management of complaints and limit operational risks and related impacts.

Corporate Communication and Marketing

The Group Marketing, Customer Experience & Loyalty unit supports the promotion of the products and services of the Bank and of Group subsidiaries, through multiple, specially-designed promotional campaigns and advertisements. At the same time, the Unit ensures that corporate communication, both internal and external, is implemented in accordance with the Group's Vision and Values.

In 2018 the Unit supported the Group's strategic choices in view of the continuous strengthening of the Bank's customer-centric culture and the maintenance of a long-lasting relationship of trust with the general public, shareholders, customers and employees. This was achieved by promoting reliable messages, by the responsible, clear and honest promotion of products and services, and by linking all stakeholders to a common field of cohesion.

2018 Advertising Campaigns

The advertising campaigns designed and implemented were geared towards promoting and marketing the most important initiatives developed during the year, such as innovative e-services, which are now an integral part of the customers' daily lives –offering security in their transactions– the yellow loyalty scheme, which rewards customers for maintaining a stable relationship with the Bank, all card categories, savings products, where the Bank is a market leader, and the financial tools for SMEs. Campaigns were also developed and implemented for the first time, aiming to reduce "Non Performing Loans" and reward the consistency of timely loan payments. In particular:

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| 01. "e-branch" advertising campaign | 10. "Tourism 360" advertising campaign |
| 02. "Farmers' Micro-finance" advertising campaign | 11. "InnoFin" advertising campaign |
| 03. "Loans to Small and Medium size Enterprises" advertising campaign | 12. Miles & More cards advertising campaign |
| 04. "Apotamievo" advertising campaign | 13. "Non Performing Loans" advertising campaign |
| 05. "World Cup - Visa Cards" advertising campaign | 14. "Consistency of Loans Payments - yellow" advertising campaign |
| 06. "Gold Sovereign" advertising campaign | 15. "Holidays in instalments" credit cards advertising campaign |
| 07. Easter yellow advertising campaign | 16. "Small business loans - My business" advertising campaign |
| 08. "Exoikonomisi Kat' Oikon II" advertising campaign | 17. "e-loan" advertising campaign |
| 09. "properties4sale.gr" advertising campaign | 18. CSR program "Project Future" advertising |

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| campaign | 26. "Tax Obligations – 12 instalments" advertising campaign |
| 19. Miles & More cards (phase 2) advertising campaign | 27. "Annual Vehicle Fees" advertising campaign |
| 20. "Heating costs" advertising campaign | 28. "Piraeus Gold Crete" advertising campaign |
| 21. "Land loan" advertising campaign | 29. "yellowkid" advertising campaign |
| 22. "Equipment loan" advertising campaign | 30. "pay&save" advertising campaign |
| 23. "Young Farmers" advertising campaign | 31. "yellowholidays.gr" advertising campaign |
| 24. "Yellow Christmas" advertising campaign | |
| 25. "Yellow Fall" advertising campaign | |

Special Advertising Campaigns – Agricultural Programs

For yet another year, special emphasis was placed on the promotion of agricultural programs and products, as services to the farmer and to the agricultural sector at large is one of Piraeus Bank's key priorities. The following advertising campaigns were implemented:

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| 01. "Farmers' Micro-finance" | 03. "Contract Farming" |
| 02. "Integrated Banking Solutions for Farmers" | |

These advertising campaigns were promoted on the "Weather Forecast for Farmers" on a nationwide TV channel and in the "Epi Gis" magazine. More specifically:

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| 01. "Weather Forecast for Farmers". The development and broadcast of a daily 4-minute weather forecast for farmers on ANT 1, brings the Bank into the farmers' daily lives. It is the first time that, with the initiative of the advertised party, a large TV station broadcasts a daily program for a specific target audience, who rely on it for their work. The forecast has opening and closing credits –duration of 10'– with the Bank's logo and a clock, communicating its agricultural products and services. All the forecasts are available on a special branded mini-site on <i>ant1.gr</i> . | 02. "Epi Gis" magazine. In 2014 Piraeus Bank started publishing the "Epi Gis" magazine, as a special periodical publication for agricultural economy and entrepreneurship. It is available free of charge at the branch network. It aims to become a tool that will assist farmers in their investment activities while also building a relationship of trust and synergy with the sector. |
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Bancassurance

In 2018 Piraeus Bank continued the bancassurance promotional campaign launched in 2017, highlighting its long-term collaboration with leading insurance companies, ERGO (General Insurance) and NN Hellas (Health/Life Insurance, and insurance products covering health and property protection). In this context, the Bank launched an advertising campaign for bancassurance products "Where Are People Going?".

Social Media

During the year, new pages were created on Facebook, Twitter & Instagram, with distinct content for Piraeus Bank and the Yellow Reward Scheme. Piraeus Bank pages are in Facebook's Top10 Financial Pages for Greece.

In addition, page visitors/followers in 2018 were as follows:

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| 01. 59,886 for existing winbank page on Facebook (9% increase vs 2017) | 03. 35,971 followers on LinkedIn |
| 02. 70,204 for the new Piraeus Bank page on Facebook | 04. 17,673 for yellow page on Facebook (25% increase vs 2017) |

The Bank's websites had a significant number of visitors:

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| <p>01. <i>www.apotamievo.gr</i>, covering a range of products and services, such as savings deposit accounts, savings bancassurance and investment products, digital tools for savings, and educational pamphlets on savings, had 15,065 hits and 13,877 unique visitors (October–December 2018).</p> <p>02. <i>www.properties4sale.gr</i>, an online platform</p> | <p>for the sale of Real Estate assets with 684,643 hits from 294,369 unique visitors (January–December 2018).</p> <p>03. <i>www.projectfuture.gr</i>, which serves the Bank's CSR Program, and seeks to link education to the job market with 231,628 hits from 183,771 unique users (October–December 2018).</p> |
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The Digital Marketing team, in collaboration with the Bank's Call Centre, handled approximately 5,049 user messages and requests, with an average response rate of 95% and an average response time of approximately 90'.

Finally, in 2018 the Bank's website recorded an increase of 0.09% in total visitors (8,661,174 visitors based on cookies).

Humanitarian Actions

In the framework of Corporate Responsibility, at the heart of Piraeus Bank Group's philosophy, the Group supported for another year the childcare work of "Apostoli", the NGO of the Holy Archdiocese of Athens. The Bank, together with its insurance partner NN Hellas, deposited €2,5 in the bank account of "Apostoli" for every SmartPlan Junior insurance plan developed by NN Hellas and offered at the Bank's branches. In 2018, the financial support through the SmartPlan Junior insurance program amounted to €9,620, with an equal contribution made by NN Hellas.

Cultural and Social Initiatives

In 2018 City Link was a cultural hub in the Athens city centre, hosting a multitude of unique events and exhibitions and attracting the public. More specifically, the City Link embraced society and culture by hosting the following events:

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| <p>01. "Hearts Up!" exhibition. The children from the SOS Children's Villages created paintings about "Versatility of the Heart" in a special workshop, hosted by the Piraeus Bank Group in collaboration with SOS Children's Villages. From 1 to 29 April, the "42 Hearts" painted by the children decorated the City Link, filling the centre of Athens with the message of love for the entire Easter month.</p> <p>02. Photography exhibition. The emblematic "SKARIA" by George Stephanidis, printed on 20 large photos decorated the City Link between May 15 and June 10. Two of the works were donated to the Safe Water Sports NGO.</p> <p>03. "SUMMER Fitness & FUN". Wellness and relaxation activities were hosted in the open-air area of the City Link and Holmes</p> | <p>Place, from 25 June to 15 July. It was an original program for rejuvenating and relaxing exercise in the heart of the city.</p> <p>04. "Imagine ... gazing upwards..." exhibition. Throughout November the City Link hosted an exhibition promoting the 2018-2019 theatrical performances, a result of the collaboration between the National Theatre and the National Museum of Contemporary Art.</p> <p>05. City Link marked the start of the Christmas holiday season with its spectacular lighting and impressive decoration, while a glamorous Christmas ball, full of positive energy and fashion was hosted.</p> <p>06. At Christmas and Easter, City Link organised concerts and events for the public.</p> |
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Sports Credit Cards

In 2018 the Bank's communication and marketing activities included the advertising and marketing campaigns for the sports credit cards included in the Bank's product portfolio:

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| 01. Olympiacos BC World Mastercard | 05. Promotional activities for these credit cards at the points of issue of season tickets for the specific sports teams |
| 02. Olympiacos FC Mastercard | |
| 03. AEK FC Mastercard | |
| 04. Champions Card Mastercard | |

In addition, Piraeus Bank, in collaboration with AEK FC, launched the "Player of the Month" initiative, allowing AEK friends to vote for their favourite player of the month through Facebook AEK FC Experience. The player receives a prize from an AEK FC MasterCard holder.

Upgrade of Branch Marketing Management (BMM)

The continuous restructuring of the Branch Network implies a need for dynamic advertising and marketing campaigns for the Bank's products and services. The "Branch Marketing Management (BMM)" application was created as a two-way communication channel and feedback on marketing issues.

In 2018, in collaboration with the Business Intelligence & CRM & Customer Value Management Groups, implementation started for linking BMM with CRM, Customer Analytics, and mapping data from regions and prefectures in Greece for major social sectors, economic and business activities, in areas with branch presence, aiming at:

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| 01. Optimal product marketing to customers, on the basis of their specific characteristics and needs, and developing local action plans, using "mapping" data. | communication and marketing material (printed and electronic), adapted to the needs of the public. |
| 02. Making the branch an important "pillar" of communication, by showcasing the | 03. Continuous improvement of customer experience. |

At the same time, upgrading the application to a customer-centric sales tool resulted in a decline in the Bank's operational costs and environmental footprint. The tool uses data on the channel and time preferred by customers when conducting transactions in the branches. This upgrade resulted in:

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| 01. The reduction of the Bank's environmental footprint. Indicatively: the felling of 1,670 trees was prevented, the emission of 83 tonnes of CO ₂ was prevented, 70 tonnes of | paper were not consumed and 3,640,000 litres of water were saved. |
| | 02. Minimisation of time spent by employees on monitoring marketing issues. |

Initiatives Targeting Local Communities and Special Customer Segments

The Bank's communication and marketing campaigns included products for targeted customers:

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| 01. New e-branch launching campaigns in Glyfada, Heraklion, Crete and Thessaloniki. | 03. "Private Journal": Special semi-annual publication, exclusive for Private Banking customers. |
| 02. Piraeus Bank Private Banking advertising campaign "High quality experience". | 04. Private Banking, in the presence of the Bank's CEO, Mr. Christos Megalou, |

hosted a series of dinners for its customers, aiming to inform them about the economic developments in the Greek market, and to strengthen their ties with the Bank.

05. Aiming to create opportunities for local communities, to attract new customers, to strengthen its relationship with existing customers and to develop relationships with institutions and organisations, the following data was used:

- prosperity indicators from regions and prefectures all over Greece;

- customer statistics, surveys on the regions and prefectures, mapping data on major social, economic and business sectors, and model consumer profiles based on geodemographic, economic and behavioural characteristics; and
- studies on the country's ageing population, to design and implement initiatives in 52 cities in the country, in 158 network branches for customers, companies, institutions, academic institutions, professional associations, etc.

"Check In Class"

For a fourth consecutive year, particular emphasis was placed on students as a customer segment of special commercial interest. The "Check In Class" marketing campaign, launched in 2015 continued in 2018 at 64 public and private academic institutions, promoting products and services that meet the needs of students.

Built on the premise of "Rewarding the presence of the student at the Educational Institution in which he/she is studying", the initiative involved digital promotion of banking operations, providing information about loyalty and engagement program. The initiative targeted 350,000 students, supporting the Bank's goals and promoting the Bank's corporate image in 81 cities with strong student presence, as reflected in the 2018 Customer Satisfaction Survey, which shows a customer retention index (TRI * M Index) of 95 for students. 98,340 students participated in this initiative, with 278 branches receiving 24,805 visits.

The initiative is supported by the Network team, with marketing campaigns and the continuous processing of the created database. It is especially important that "Check In Class" was presented at faculties and departments teaching Marketing and Communication with the use of new technologies, and that students from the respective institutions also participated in promoting the initiative.

Through the "Check In Class Notes" app feature, with a motto "You become great when you share knowledge", students can find information on the curriculums of all the country's Academic Institutions, listing approximately 36,000 courses. Student-users have the opportunity to exchange with their fellow students their course notes and knowledge, winning Note-Points that they can convert to yellows. Already, more than 4,000 course notes have been exchanged between students-users with an ever-increasing trend. Children of the Bank's employees studying at Academic Institutions actively participate in the interaction.

The application also presents Project Future, the Piraeus Bank's CSR Program linking university graduates to the job market.

Participation in Exhibitions, Conferences, Events

The Group's Marketing & Communication unit designed and organised the corporate presence in the AGM, press conferences, presentations on specific themes, conferences, exhibitions, cultural and communication events. The unit also organised special informational and promotional activities, in accordance with the Group's corporate identity and communication strategy. Indicatively:

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| 01. Inauguration of e-branch at Heraklion, Crete – Branch Network of Piraeus Bank | 08. Side event –Delphi Economic Forum III – On competitiveness in Greece – Building for the Future |
| 02. Signing of a Partnership Agreement – Enterprise Greece | 09. 7th Pancretum Forum for the promotion of Cretan products |
| 03. Summit – Association of Chief Executive Officers (ECEO) | 10. Agribusiness Forum 2018 |
| 04. Events and in-house seminars on the agricultural sector | 11. Athens Career Days 2018 |
| 05. Agrotica 2018 – 27th International Fair for Agricultural Machinery, Equipment & Supplies | 12. 29th Congress "The Time of the Greek Economy" |
| 06. Foodexpo 2018 – 5th Food Expo | 13. 4° Panhellenic Festival of Olive Oil and Table Olives of Kalamata |
| 07. Delphi Economic Forum III | 14. Events and internal seminars in the agricultural sector |

Piraeus Bank Group Subsidiaries

Piraeus Bank Group subsidiaries provide a variety of specialised products and services which serve the needs of existing customers and aim to attract new customers.

Piraeus Asset Management MFMC

In this context, for the third consecutive year Piraeus Asset Management MFMC organised a conference on the Management of Social Security Fund Reserves. The event was attended by speakers from Supervisory Authorities, Fund representatives, Portfolio managers, Academic, etc.

The aim of the conference was to highlight the important developments with regard to Social Security Funds at both national and European level and to present new trends and practices in the management of their reserves.

In a relevant poll held during the conference, the participants pointed out that in order to strengthen and develop further the concept of Professional Insurance Funds, the most important factors are, in turn, the formation of a new culture regarding the need for savings, the provision of tax incentives and the visibility and promotion of the concept by the stakeholders. In total, more than 160 participants took part.

Centre of Sustainable Entrepreneurship Excelixi SA

The Centre of Sustainable Entrepreneurship Excelixi SA is a member of the Piraeus Bank Group. Established in January 2013, it aims to become one of the Group's pillars to effectively support responsible entrepreneurship in Greece. The Vision of Excelixi is to become a cradle for systematic promotion of sustainable development and an active player of innovation and reconstruction in critical sectors of the Greek economy.

To this direction, Excelixi capitalises on the know-how of the Piraeus Bank Group to provide its customers with non-financial products and services. At the same time, it creates synergies with recognised institutions in these fields to offer innovative services to companies on issues of sustainable entrepreneurship.

Excelixi develops and implements ground-breaking training programs and provides consulting services, focusing on the emerging sectors of the economy:

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|-------------------------------------|-------------------------------------|
| 01. Modern Agricultural Development | 03. Entrepreneurship and Innovation |
| 02. e-Business | 04. Green Entrepreneurship |

With these objectives, in 2018 Excelixi focused primarily on Education on Modern Agricultural Development, and on e-business, using its certification as a Lifelong Learning Centre.

Dissemination of Knowledge & Experience

In addition, Excelixi served as a facilitator in the dissemination of knowledge in fields that are consistent with its corporate identity and strategy, sponsoring major conferences and workshops, and participating in major sector exhibitions:

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| 01. Agrotica 2018 | 04. TEDx UoC |
| 02. 7th Pancretum Forum for the promotion of Cretan products | 05. All things Facebook |
| 03. The Economist Fourth Agricultural Business Summit | 06. E-Commerce Conference |
| | 07. E-Business World and Social Media World |
| | 08. E-Commerce Expo |

Support for local communities

Excelixi invests in local communities by offering specialised educational programs and consulting services.

In 2018 more than 850 farmers were trained in 34 cities on a range of topics, including business planning, branding, certification, exports, negotiations and tax issues.

Excelixi also supported companies active in the tourism industry with their GREEN KEY quality eco-label certification.

Support for the new generation through Project Future

Excelixi participates in Piraeus Bank's new CSR program "Project Future", which links young people to the job market, offering the specialised training courses Customer Experience and Digital Marketing.

The first cycle of the program was completed in December 2018 and Excelixi trained more than 100 participants through its programs on Customer Experience and Digital Marketing.

For more information on the social responsibility program Project Future, see: chapter "Society", p. 227 of this Report.

Awards/Distinctions

Excelixi was awarded by the Hellenic Management Association (EEDE) for winning the European distinction "EFQM Recognized for Excellence in Europe-4 stars".

Excelixi invests in business excellence, creating the appropriate structures to continuously expand its potential, and implementing management systems to improve performance. In 2014, Excelixi received the distinction for "EFQM-Committed to Excellence" and in 2016 the distinction for "EFQM-Recognized for Excellence in Europe-3 stars".

In 2018, Excelixi successfully completed the review for "EFQM-Recognized for Excellence in Europe-4 stars", demonstrating that it uses transparent and fair processes to create a strong value chain that includes employees, partners (suppliers, customers, shareholders) and society.

Strategy for 2019

Excelixi will continue to be one of the key pillars of the Piraeus Bank Group for supporting effective sustainable entrepreneurship in Greece. The Company's strategy will focus on designing and managing products and services that will meet the needs of the Bank's customer base, especially among farmers and SMEs.

In particular, for the agricultural sector, through its new e-learning platform, Excelixi provides easy access to knowledge to all farmers, wherever and whenever they want. The goal for 2019 is to create an integrated e-business Academy for Agricultural Entrepreneurship for Young Farmers. Also, Excelixi will provide specialised advisory services to support the export activity of agri-food companies.

An integral part of its strategy for 2019 is active contact with the agricultural world, for exchanging views, sharing knowledge and identifying new needs, participating in working groups, exhibitions and conferences.

At the same time, in a globalised economy, the growing power of digital knowledge and skills is vital to the development of people and businesses. The aim is to continue to offer the most up-to-date and practical "tools" that will lead to the new digital age through innovative and well-designed initiatives and partnerships. The company offers the Academies in Digital Marketing and E-commerce, and is enriching its product portfolio with innovative online platforms, a platform that exploits gamification and a business-plan creation platform.

Finally, in 2019, a new range of advisory services will be introduced to support customers in their efforts to return to sustainability and profitability.

Customer Experience and Loyalty

For yet another year the Retail Banking Customer Experience & Loyalty team, contributed to the continuous enhancement of the Bank's customer-centric culture. In 2018, aiming for Customer Experience Excellence, the team focused on strategies for managing and improving customer experience, and successfully completed the "yellow" reward scheme.

Bank Wide Loyalty / yellow

The "yellow" reward scheme continued its great commercial success in its second year, constituting the largest and best Loyalty program in the market, due to three key factors:

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| 01. The true value that Piraeus Bank attributes to the customer. | 03. The simple, easy and enjoyable experience of the customer. |
| 02. The participating companies. | |

In particular, in 2018, the number of the Scheme's new members and its market penetration increased progressively, with members exceeding 1,400,000 by the end of the year and continuing to grow at the same rate. At least 90% of the members live the whole experience from collecting up until redeeming yellows using bank products and services and at the same time 50% redeem them at the 21 companies participating in the Scheme.

The Program has been developed further to include new point-gaining attitudes, such as Rewarding Consistency of Loans Payments and the yellow kid account. In cooperation with the Bank's Business Units and the Scheme's Partners, 43 portfolio management advertising and marketing campaigns were realised. At the same time, the point award system changed

for debit cards, without compromising the scheme's comparative advantages, but with a significant reduction in its operating costs.

Yellow also had a positive impact on the results of the yellowday, the e-platform for redeeming yellows, with 80% of its transactions made by members of the Scheme. In particular, turnover increased by 10%, while at the same time operating costs dropped by approximately 30%, applying all the modern optimisation and communication techniques.

User Experience

As part of the strategic planning for the digital needs of the Bank's Units, the User Experience team worked methodically and effectively to apply the modern usability testing methods "Heuristic Evaluation", "Usability Workshop" "User Testing" and "Wireframing". The team used the findings from the testing methods to design and implement "user-friendly" applications, in the Bank's digital and physical channels.

During 2018, winbank e-banking and mobile banking were successfully redesigned, providing customers with new functionalities to improve the organisation of their finances. In particular, transactions are now classified into categories and users can monitor costs and set saving targets. Aiming to further improve the user's experience in organising his/her finances, the winbank platform will be enriched with new functionalities in 2019. Also, the new website www.apotamievo.gr was created, aiming to strengthen the concept of savings, and to promote the Bank's relevant products. Both of these projects received positive customer feedback. Finally, the re-design of the Bank's Intranet portal was launched, aiming to provide full and specialised information to the Bank's users, and is expected to be completed in 2019.

Customer Experience

Voice of the Customer

In 2018, the Customer Experience (Voice of the Customer (VOC) & Complaints Management) team continued working towards improving customer experience. VoC analysts measured the experience of 37,000 customers at 19 Moments of Truth. They used Text Analytics (Machine Learning and Natural Language Processing) to analyse 170,000 spontaneous comments from all channels (e.g. surveys, e-mail, chats, complaints platform, etc.), drawing more than 596 improvement suggestions. Of these, 21% have already been implemented, while 15% are either assessed for the possibility of implementation or are already under way.

Complaints Management

The Complaints Management team processed 5,400 oral complaints from Branch Network customers in order to identify (root cause analysis) the factors that contribute decisively to their negative experience and recommend ways to address them. At the same time, in collaboration with all the departments involved, the team designed and established a single, first-level customer complaint handling process, for all points of contact, reinforcing the Bank's OmniChannel strategy.

In 2019, the Customer Experience & Loyalty teams aim to significantly boost Piraeus Bank's strong competitive edge, by creating an exceptional experience for its customers.

The main pillars that will contribute to this goal are:

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| 01. The uninterrupted development of the Yellow Reward Scheme, through | the new yellow mobile app and the implementation of the new Loyalty |
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- Scheme for other customer segments, such as the SB Segment, as well as the emphasis on revenue through initiatives targeted at high value customers adding a high EVA to the Bank.
02. Support the Bank's digital strategy, with emphasis on reinforcing sales through digital channels.
03. Continuous measurement of customer experience, including the use and dissemination of important Customer Insights throughout the Group, which will help the Bank maintain its pioneering character in creating exceptional customer experience.

2018 Awards and Distinctions

Piraeus Bank won a number of distinctions and awards for its marketing, communication and public relations initiatives:

Event	Award/Distinction
Effie Awards 2018	Gold Award in "Banking, Insurance and Financial Products and Services" for winbank mobile app marketing campaign – 2 buffoons
Effie Awards 2018	Silver Award in "Banking, Insurance and Financial Products and Services" yellow marketing campaign
IAB MIXX Awards 2018	Gold Award in "Cross Media integration" for #poupaieikosmos bancassurance marketing campaign
IAB MIXX Awards 2018	Bronze Award in "Cross Media integration" for winbank mobile app marketing campaign – 2 buffoons
IAB MIXX Awards 2018	Members Award in "Cross Media integration" for winbank mobile app marketing campaign – 2 buffoons
The Loyalty Magazine Awards 2018 (International Awards)	Best Loyalty Program in Central and Eastern Europe incl. Russia & Turkey
The Loyalty Magazine Awards 2018 (International Awards)	Best Loyalty Program of the Year/Financial Services
Loyalty Awards 2018	Gold Award in "Best New Product/Service Loyalty Initiative"
Loyalty Awards 2018	Gold Award in "Best Use of Rewards & Incentives"
Loyalty Awards 2018	Silver Award in "Best Marketing Campaign"
Loyalty Awards 2018	Silver Award in "Best in Loyalty & Engagement"
Loyalty Awards 2018	Bronze Award in "Best in Omnichannel"
Peak Performance Marketing Awards 2018	Piraeus Bank received the highest award of "Performance Brand of the Year"
Peak Performance Marketing Awards 2018	Gold Award in "Best Performance in Finance and Insurance" for winbank Mobile App marketing campaign

Event	Award/Distinction
Peak Performance Marketing Awards 2018	Gold Award in "Best Omnichannel Campaign" (including non-digital means) for winbank Mobile App marketing campaign – 2 buffoons
Peak Performance Marketing Awards 2018	Gold Award in "Best App Promotion Campaign" for winbank Mobile App marketing campaign – 2 buffoons
Peak Performance Marketing Awards 2018	Gold Award in "Best Content Marketing Campaign" for Visa 2018 FIFA WORLD CUP™ card campaign
Social Media Awards 2018	Gold Award in "Best Use of Social Media for a Consumer Brand/per Industry: Best in Finance Services" for winbank mobile App marketing campaign – 2 buffoons
Social Media Awards 2018	Silver Award in "Best Social Media Strategy for Product/Service Launch" for winbank mobile App marketing campaign – 2 buffoons
Social Media Awards 2018	Bronze Award in "Best Social Media Strategy: Best Social Media Strategy for Brand Awareness" for "Where Are People Going?" campaign
Sports Marketing Awards 2018	Silver Award in "Integrated Marketing Campaign" for Olympiacos BC Season Cards campaign
Sports Marketing Awards 2018	Silver Award in "Sports Brand" for Visa 2018 FIFA WORLD CUP™ card campaign
Sports Marketing Awards 2018	Bronze Award in Video for "First time at the stadium" with Olympiacos BC
Sports Marketing Awards 2018	Silver Award in "Digital/Social Media" for Visa 2018 FIFA WORLD CUP™ card campaign

Customer Satisfaction Survey

As part of its customer-centric approach Piraeus Bank surveys its customers on an annual basis to measure the level of satisfaction with their overall experience and on specific indicators. Piraeus Bank's goal remains to maintain a high level of customer satisfaction.

In 2018, KANTAR TNS used a Computer Assisted Telephone Interviewing (CATI) quantitative research approach to measure customer satisfaction. A computerised 12-minute questionnaire was administered to a sample of 15,300 active customers (natural persons, at least 1 transaction in the last 6 months), across the country. The survey was conducted in accordance with the ICC/ESOMAR International Code on Market, Opinion and Social Research and the Data Analytics and Association of Greek Market & Opinion Research Companies (SEDEA) code of conduct, and the quality control specifications defined by PESS (Quality Control in Data Collection). Both the customers' overall satisfaction with Piraeus Bank and their preference for Piraeus Bank over other banks remain at high levels for another year.

More specifically, with regard to overall customer experience, the results are positive, with 70% evaluating Piraeus Bank as "excellent/very good", 24% as "good" and 5% as "moderate", and only 1% rating it as "poor". It is noteworthy that 9 out of 10 Piraeus Bank customers "strongly prefer" Piraeus Bank to any other bank.

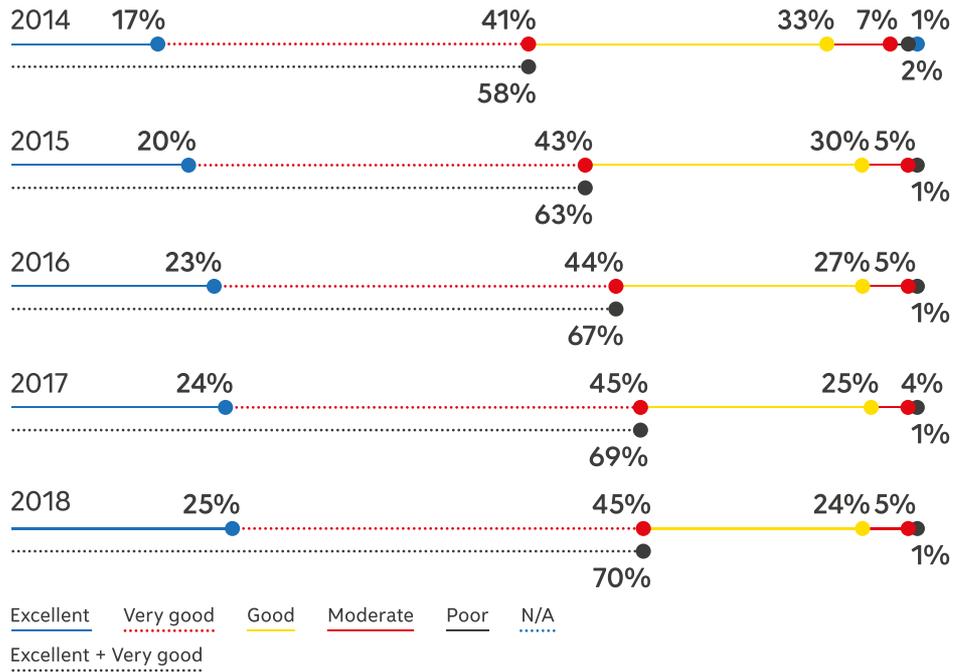
According to the 2018 survey, all satisfaction indicators at the customers' main branch of service remained high, at 2017 levels. Focusing on satisfaction regarding the servicing experience at the customers' main branch of service with individual indicators, "courtesy of the staff" and "staff expertise" scored the highest. In terms of "providing full and accurate information" –a key indicator of transparency– 74% of customers rate it as "excellent/very good" and only 1% of customers consider it as "poor". "Keeping the promises" was considered "excellent/very good" for 74% of customers at the main branch of service. Regarding web banking, 89% of customers rate it as "excellent/very good". These results justify the Bank's focus on effective customer service.

As part of the survey customers were asked to identify areas of improvement in the standard of service provided by the Bank. The results were taken under consideration and are being used in the implementation of the respective corrective actions.

In the following graphs, the percentages have been rounded to the nearest integer.

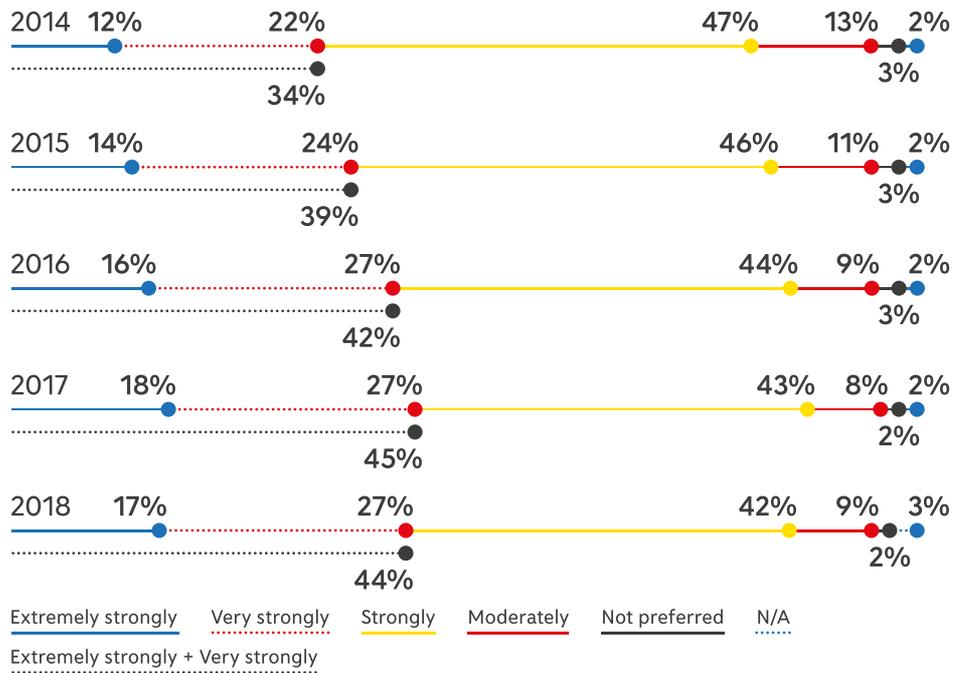
Assessment of overall experience with Piraeus Bank

Question: Considering your experience with Piraeus Bank, how would you rate it overall?
 Respondents v=15,300 per year



Degree of preference of Piraeus Bank over any other bank

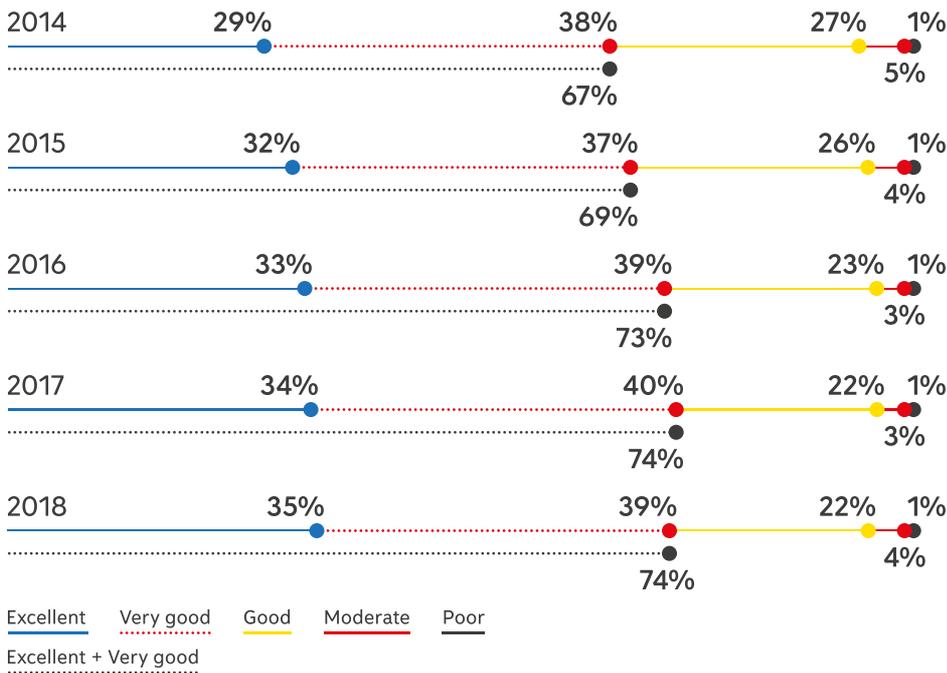
Question: How strongly would you prefer Piraeus Bank over any other bank?
 Respondents v=15,300 per year



Providing complete and accurate information

Question: How would you assess your primary branch at Piraeus Bank in providing from the beginning complete and accurate information on the terms of cooperation?

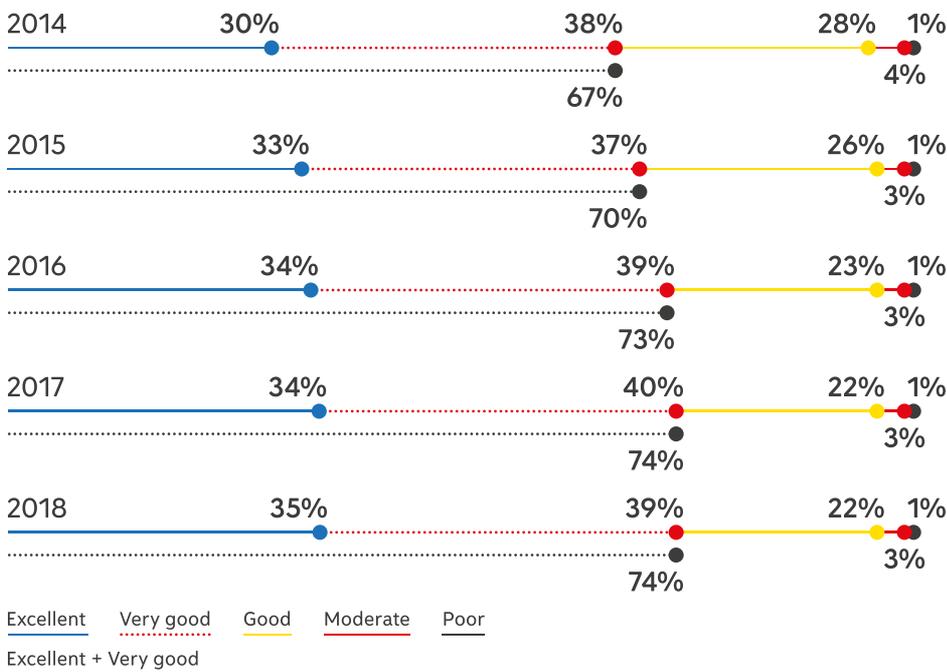
Respondents $v_{2014}=15,273 / v_{2015}=15,293 / v_{2016}=15,290 / v_{2017}=15,294 / v_{2018}=15,291$



Abiding by promise

Question: How would you assess your primary branch at Piraeus Bank in abiding by promise?

Respondents $v_{2014}=15,273 / v_{2015}=15,293 / v_{2016}=15,290 / v_{2017}=15,294 / v_{2018}=15,291$



Assessment of overall experience of services provided through web and mobile banking

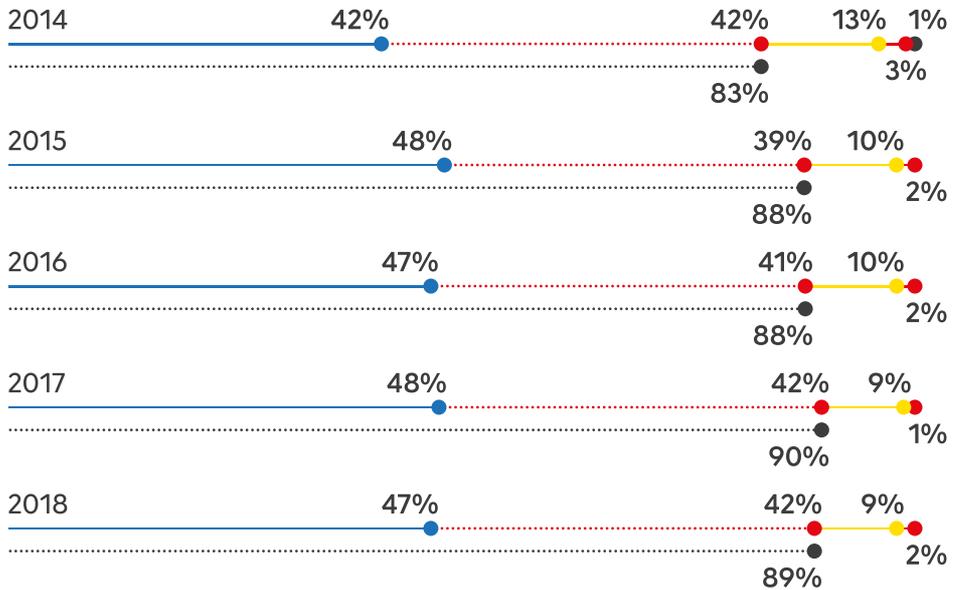
Question: How would you assess the overall services provided through Piraeus Bank's web banking and mobile banking app;

Respondents users of the specific channels in the last six months

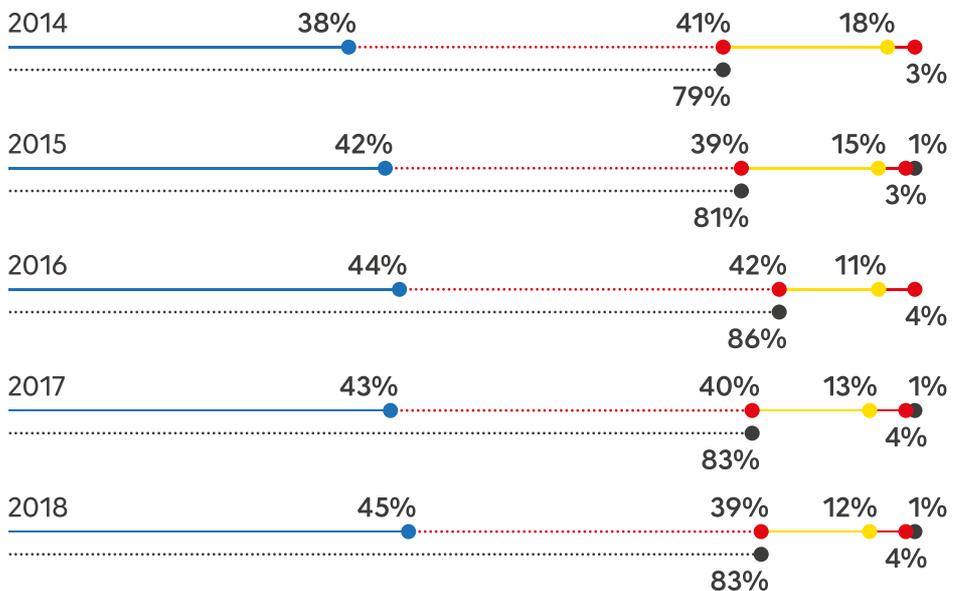
web banking: v₂₀₁₄=2,380 / v₂₀₁₅=3,019 / v₂₀₁₆=4,315 / v₂₀₁₇=5,593 / v₂₀₁₈=6,474,

mobile banking app: v₂₀₁₄=427 / v₂₀₁₅=558 / v₂₀₁₆=961 / v₂₀₁₇=1,623 / v₂₀₁₈=2,369

Web banking



Mobile banking app



Excellent Very good Good Moderate Poor

Excellent + Very good

Material Topic

New technologies

The Bank utilizes new technological solutions in order to enhance the quality of the products/ services to the benefit of its customers.



Mapping with Sustainable Development Goal Industry, Innovation and Infrastructure



Assurance by independent body Piraeus Bank Index: Use of digital service channels



Assurance by independent body Gartner index

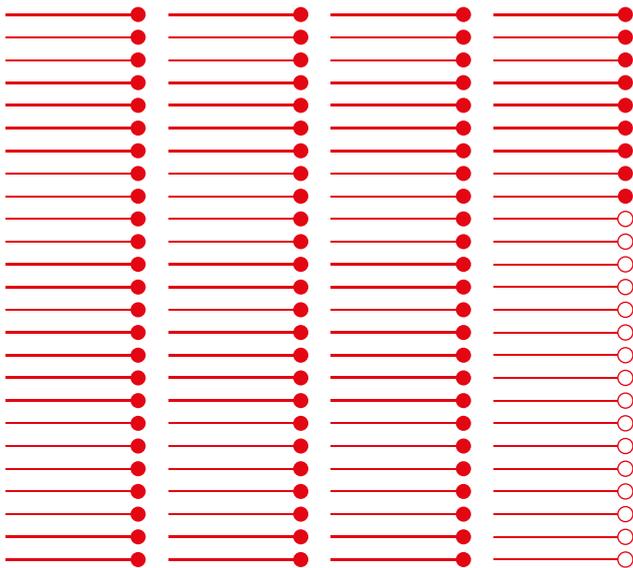
Selected Data 2018

12%

Increase of the winbank web banking users versus 2017

27%

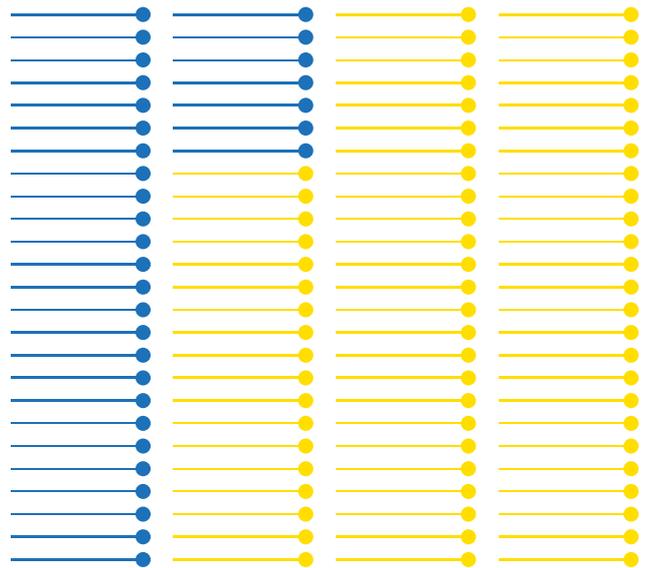
Increase of the customers using winbank mobile service versus 2017



84%

Rate of transactions migration to digital services in 2018

Operational vs Capital IT spending



32%

Percentage of the Bank's capital spending for technology*

68%

Percentage of the Bank's operational spending for technology

* the percentage of Piraeus Bank's capital spending is higher than the average percentage 27% of approximately 300 financial institutions according to the specialized Gartner agency

Goals

- Providing new and pioneering services to the winbank web banking and winbank mobile app digital channels with the ultimate goal of increasing their use
- Continuous development of state-of-the-art technologies to improve the quality of the Bank's operations by contributing to upgrade its customer service

Material Topic

Financial inclusion

The Bank seeks to facilitate the access and customer service for everyone responding also to the specialized needs of disadvantaged groups of society.



Mapping with Sustainable Development Goal
Decent Work & Economic Growth



Assurance by independent body
GRI FS13

Selected Data 2018

17

Branches in border areas, constituting the only bank within a radius of 10 km

11

Branches in small islands with permanent residents <10,000



329

Points in which the residents of border areas can be served through the ATM of the Bank

e-branch – Services for People with disabilities

Pioneering services are available in the e-branches in order to meet specialized needs of banking services for socially sensitive groups such as People with Disabilities

Goals

- Strengthening economic prosperity through actions to create a more inclusive and without exclusions Bank for our clients and society
- Continuous consultation with social organizations, seeking greater economic and social participation for people with disabilities

Material Topic

Protection of personal data

The Bank ensures the protection of the personal data of its stakeholders.



Mapping with Sustainable Development Goal
Peace, Justice and Strong Institutions



Assurance by independent body
GRI 418-1

Selected Data 2018



0

Personal data breaches incidents

100%

Respond to customer requests without delay

Compliance of the Bank with the new General Data Protection Regulation (GDPR):

- appointment of Data Protection Officer
- launch of Data Protection Office
- revision of Data Protection Policy in accordance with the requirements of GDPR

Goals

- Continuous training of the Data Protection Office staff and of the organization as a whole
- Participation in the process of creating new products Privacy By Design
- Zero personal data breaches incidents
- 100% response to customer requests without delay

ΛΕΥΚΗ

ΕΙΚΑΣΤΙΚΟ

6







ΕΙΚΑΣΤΙΚΟ

6

Human Resources

Piraeus Bank Group invests in creating strong relationships with its employees, ensuring a framework based on respect for human rights and equal opportunities, transparency and co-operation.

The Group undertakes initiatives, plans and implements HR actions, in line with its strategic and business objectives, and its corporate culture.

In this context, in 2018, the Group designed projects to simplify, digitize and rationalize its human resources. It developed a unified framework of "family" roles, for the development and continuous training of its employees, for attracting and retaining talent, for recruiting high-quality executives, for rewarding high performance.

Piraeus Bank Group cultivates new ways of thinking and acting within the organisation, embedding corporate values in day-to-day operations and enhancing employee commitment. It streamlines processes, policies and management systems to create a positive employee experience across the Group, geared towards meritocracy, transparency and accountability, as well as strong work ethic.

2018 Initiatives

01. Create the narrative and introduce the purpose and a new set of values of Piraeus Bank Group for all stakeholders (customers, employees, shareholders, society as a whole).
02. Design and implementation of an awareness

- campaign for the cascading of the new values to all employees.
03. Design and launch of the new People Performance Management for all Bank employees.
 04. Design and implementation of large scale leadership learning in the new "Become & Achieve" performance management approach & mindset.
 05. Recording of the training needs of all the central units and the Branch Network of the Bank for the years 2018-2019; Initiation of the implementation plan.
 06. Review completion of the Group HR's Operational Risks assessment. Regular monitoring of the Operational Risk indicators as well as the Action Plans for reducing them.
 07. Launching of Executive Coaching for senior executives aiming to strengthen an authentic leadership style.
 08. Completion of design for the creation of a new Individual Development Plan under the new approach to Performance Management "Become & Achieve".
 09. Launch of Job Family Model Project.

2019 Targets

01. Design, develop and launch a roadmap of culture initiatives with strong impact on culture.
02. Link Human Rights Policy to the Group's Sustainability Policy and communicating to all stakeholders.
03. Run a "Culture Pulse Check" survey, to monitor a progress on culture transformation and enhance employee engagement.
04. Introduce an innovative group pension scheme for all Bank employees, creating added value and a sense of security for the future.
05. Redesign training approach for updating skills and competencies, so as to integrate social intelligence features and attributes into total banking skills.
06. Invest in strengthening leadership and business skills of senior executives by creating a fully personalized Executive Education program, in cooperation with a prestigious international academic institution. The objective of the program is to create a competitive advantage for the Organisation's leadership team.
07. Link training initiatives with the new Job Family Model@Piraeus Bank, aiming at developing the skillset model required for each role.
08. Link the new Job Family Model@Piraeus Bank model to the remuneration and benefits strategy, developing a holistic employee contribution reward and recognition framework.
09. Include the new Job Family Model@Piraeus Bank in the HR system (HRMS) and disseminate the relevant information to all linked Systems.
10. Design and implementation of initiatives for enhancing the Unit's internal control system.
11. Rollout the "Become & Achieve" PPM to Group subsidiaries.
12. Design and implement initiatives for improving internal communication.
13. Reinforce internal communication channels (redesign intranet, digital newsletter).
14. Put in place an adequate framework to support employees and family members with disability management practices.
15. Introduce additional ease measures related to the loans and lending products offered to the Group's employees in Greece.
16. Implementation of a new application regarding the creation of an Individual Development Plan under the new approach on Performance Management "Become & Achieve".
17. Design of the new competency framework.
18. Redesign and implementation of "succession planning & potentiality assessment".
19. Redesign and implementation of a new model regarding Internal & External Development Centers.

Towards a new Corporate Culture

In 2018 the effort for building a strong, common corporate culture and collective mindset in the Organization became more systematic. To this effect, a new system of corporate values was developed, using the following approach:

01. Alignment with the strategic priorities set by Piraeus Bank.
02. Incorporate the principles of accountability, meritocracy, transparency

- and care.
03. Incorporate all learnings from survey results:
- leadership team Interviews & workshops with members of the Group Executive Committee;
 - leaders survey of 435 senior executives,
04. Address a 360 stakeholder view: customers, employees, shareholders and society at large.
- pulse Check survey across the Group's employees to identify priorities in shaping the new corporate culture;
- highlighting the top priority challenges;

The Purpose and the Values were formulated so as to establish a new corporate culture, which is the competitive advantage of the Bank.

The Bank's purpose is to be a pillar of stability of the Greek economy, to fuel growth and to promote innovation. Its abiding footprint in society is positive for the benefit of customers, employees, shareholders and society at large, fully reflecting the Bank's values.

The Bank's new Corporate Values

01. We create value in all we do
02. We challenge frontiers
03. We enthuse our customers
04. We build relationships of trust

Aiming at the cascading of the values throughout the Group and their understanding in action, a roadmap of initiatives was developed with strong impact on culture. The plan kicked-off with the CEO presenting the values through a video message broadcast on the internal networks. Major initiatives linked to culture transformation include:

Become & Achieve

The new People Performance Management (PPM). A modern, unified system that addresses all hierarchical levels, in alignment with the Bank's strategic priorities and corporate values, and is based on three main principles: high performance, accountability and trust. To inform and raise awareness on the philosophy of the new PPM, more than 1,800 senior team leaders participated in a specially designed training program.

Values Festival

Took place, a large-scale internal event initiated from the CEO to convey the message of change and activate a concentric group of leaders to reach the entire organization. Through a marketplace concept, 21 core business initiatives were presented, linked to the 4 corporate values. Over 550 employees participated (350 leaders, 120 employees with free passes and more than 80 people as a working group). Two weeks later a Microsite accessible to all was launched, including the CEO & leadership team core messages as well as all video presentations from the values festival.

Become & Share

We share ideas, actions, and experiences. A constant channel of communication and dialogue between employees, and between employees and the management team on issues of strategy and values, which enhances collaboration between units and the exchange of knowledge and experience. With regard to "Become & Share", the following initiatives stood out:

"Breakfast with Leaders"

The CEO and Executive Committee members meet with employees in an informal context to share strategy, business goals and achievements, as well as discussing the Bank's new values

and how these change the Bank's day-to-day operations. In 2018, 2 breakfast cycles were held, with a total of 41 meetings with more than 400 participants. The initiative is ongoing for 2019.

"Leaders on site visits"

Half-day meetings in region cities to create awareness & signal change while addressing employees concerns & questions. Between October and December 2018, 8 meetings were held in 7 cities across Greece (Thessaloniki – 2 meetings, Ioannina, Ptolemaida, Kavala, Alexandroupolis, Patras, Lamia) with the participation of 500 employees.

All initiatives are announced on the Bank's internal networks, are open to all employees and are implemented through a first-come, first-served, automated system.

Corporate Culture Action Report	
Training	Participants
Become & Achieve	1,833
Awareness and engagement initiatives	Participants
Become & Share:	
Breakfast with Leaders	411
Leaders on site visits	500
Values Festival	550
Microsite Values Festival (indicative for the period: 28/9-17/10/2018)	2,239 users

Ethics and Sustainability Culture

Fostering business ethics and responsibility, we ensure the sustainability of the Organisation, its employees, customers, shareholders and the society as a whole. The Code of Conduct & Ethics defines that the way we behave, work, and make decisions as Piraeus Bank Group's employees. At the same time, it is in line with the Code of Banking Ethics published by the Hellenic Banking Association, and the Group's Regulatory Compliance Policy and Principles.

The Code of Conduct & Ethics was revised in 2018, and developed in accordance with our new corporate values, making the Bank's new values an integral part of day-to-day operations and behaviours, while retaining its content. It presents the Group's key Policies and Regulations and defines a common decision-making framework in the workplace.

The Code applies to all employees across the Group with emphasis on the principles of responsibility, meritocracy and transparency. The revised Code of Conduct & Ethics has been co-signed by the CEO and the members of the Group's Executive Committee.

In the revised Code, special reference is made to the new Whistleblowing procedure, whereby employees have the obligation to disclose any misconduct detected or any act that opposes to the Bank's internal policies and procedures, using the relevant communication channels, in order to safeguard the Internal Control System. A brief presentation of the Employee Assistance Programs (EAPs) is also included, aiming at assuring a healthy working environment.

Future action plans include an interactive training course on the content of the Code, with realistic scenarios, aiming at the deepest understanding of its content.

This course will be repeated on an annual basis with renewed scenarios and cases, so as to ensure employees' awareness and to foster an ethical culture.

Contribution to Employability

Piraeus Bank Group Human Resources Figures

At the end of 2018, Piraeus Bank Group employed 12,564 versus 15,121 people in 2017. The average age of Piraeus Bank Group's employees is 42 years, with 86% of the employees under 50 years old, the same as in the previous year. 75% of employees in Greece and 88% of the employees in international subsidiaries hold university degrees and/or postgraduate titles. 49% of Bank employees work in the Branch Network and the remaining 51% in the Administration units. At Group level, the rates are 47% and 53% respectively.

2018 Number of Employees (measured in FTEs*)	Total 2018	Total 2017
Piraeus Bank Greece	11,678	12,767
Piraeus Group Greece (Bank and Subsidiaries)	12,097	13,253
International Subsidiaries	460	1,862
Piraeus Group Total for Continuing Operations	12,557	15,115
* Full time equivalent		

2018 Number of Employees (measured in HeadCount)	Men	Women	Total
Piraeus Bank Greece	4,896	6,783	11,679
Piraeus Group Greece (Bank and Subsidiaries)	5,106	6,993	12,099
International Subsidiaries	179	286	465
Piraeus Group Total for Continuing Operations	5,285	7,279	12,564
2017 Number of Employees (measured in HeadCount)	Men	Women	Total
Piraeus Bank Greece	5,394	7,374	12,768
Piraeus Group Greece (Bank and Subsidiaries)	5,624	7,632	13,256
International Subsidiaries	547	1,318	1,865
Piraeus Group Total for Continuing Operations	6,171	8,950	15,121
Note: HR data is collected from the HR database and from the completion of questionnaires for selected issues, with common assumptions for all Group's companies.			

The data in the tables below until the end of the section refer to Head Count.

2018 Employees' Age Distribution (%)		
	Bank	Group
<30	0.4%	0.9%
30-50	86.0%	85.3%
>50	13.6%	13.8%
2017 Employees' Age Distribution (%)		
	Bank	Group
<30	0.4%	3.0%
30-50	88.0%	86.0%
>50	12.0%	11.0%

2018 Employees Distribution by Workplace (%)		
	Bank	Group
Branch Network	49.0%	47.0%
Administration Units	51.0%	53.0%
2017 Employees Distribution by Workplace (%)		
	Bank	Group
Branch Network	50.0%	48.0%
Administration Units	50.0%	52.0%

For the Group's organisational structure and a detailed presentation of specific operations, see: www.piraeusbankgroup.com>Investor Relations>Corporate Governance>Chart of Organisational Structure

Distribution based on Type of Employment and Contract

100% of Piraeus Bank's employees receive as a minimum, compensation and fringe benefits as specified in the collective bargaining agreements, while at Group level the percentage amounts to 96%.

2018 Distribution Based on Type of Employment and Contract			
Bank	Men	Women	Total
Ful-time Employment	4,895	6,782	11,677
Part-time Employment	1	1	2
Group	Men	Women	Total
Ful-time Employment	5,278	7,271	12,549
Part-time Employment	7	8	15

2017 Distribution Based on Type of Employment and Contract			
Bank	Men	Women	Total
Ful-time Employment	5,393	7,373	12,766
Part-time Employment	1	1	2
Group	Men	Women	Total
Ful-time Employment	6,164	8,941	15,105
Part-time Employment	7	9	16

HR data from this point of the Report to the end of the chapter refer to all people working at the Group.

Geographical Distribution of Indefinite-Time Contract Employees (Group Greece)						
Geographical Region	2018			2017		
	Men	Women	Total	Men	Women	Total
Attica	3,043	4,095	7,138	3,257	4,390	7,647
Thessaloniki	556	677	1,233	623	736	1,359
Rest of Greece	1,506	2,220	3,726	1,743	2,504	4,247
Geographical Distribution of Indefinite-Time Contract Employees (International Subsidiaries)						
Geographical Region	2018			2017		
	Men	Women	Total	Men	Women	Total
Capital	158	230	388	435	869	1,304
Other Areas	21	56	77	98	420	518

Geographical Distribution of Fixed-Term Contract Employees (Group Greece)						
Geographical Region	2018			2017		
	Men	Women	Total	Men	Women	Total
Attica	1	1	2	1	2	3
Thessaloniki	0	0	0	-	-	-
Rest of Greece	0	0	0	-	-	-
Geographical Distribution of Fixed-Term Contract Employees (International Subsidiaries)						
Geographical Region	2018			2017		
	Men	Women	Total	Men	Women	Total
Capital	0	0	0	8	16	24
Other Areas	0	0	0	6	13	19

Selecting the Right People for the Right Roles

Staff Planning aims at utilising and retaining Bank executives, as well as at attracting experienced executives from the market.

Throughout 2018, the need arose to cover 902 positions in the Bank, 84% of which were filled in. Of these, 48% were filled in by men and 52% by women. 88% of positions were filled in through internal transfers or promotions, while only 12% through new hires.

At the same time, executives were given the opportunity to progress hierarchically within

the company. There were 1,518 total rank-based promotions, across all levels of hierarchy, of which 773 women (51%) and 745 men (49%).

Finally, in the context of the systematic monitoring of female participation in positions of responsibility, women hold 28% of the Bank's senior management positions and 19% of top management.

Where % refers to the ratio of the number of men-women in the category to the total men-women in the category.

2018 Gender Composition of Hires					
Total Hires by Gender	Men	%	Women	%	Total
Piraeus Bank Greece	52	1.1%	35	0.5%	87
Piraeus Group Greece (Bank and Subsidiaries)	61	1.2%	45	0.6%	106
International Subsidiaries	41	22.9%	95	33.2%	136
Piraeus Group Total for Continuing Operations	102	1.9%	140	1.9%	242
2017 Gender Composition of Hires					
Total Hires by Gender	Men	%	Women	%	Total
Piraeus Bank Greece	37	0.7%	37	0.5%	74
Piraeus Group Greece (Bank and Subsidiaries)	53	0.9%	42	0.5%	95
International Subsidiaries	158	28.9%	385	29.2%	543
Piraeus Group Total for Continuing Operations	211	3.3%	427	4.6%	638

2018 Age Distribution of Hires, by Gender					
Piraeus Group Greece (Bank and Subsidiaries)					
	Men	%	Women	%	Total
<30	10	41.7%	7	25.9%	17
30-50	48	1.2%	33	0.5%	81
>50	3	0.3%	5	0.8%	8
International Subsidiaries					
	Men	%	Women	%	Total
<30	13	52.0%	25	78.1%	38
30-50	24	22.0%	63	31.3%	87
>50	4	8.9%	7	13.2%	11

2018 Geographical Distribution of Hires, by Gender					
Piraeus Group Greece (Bank and Subsidiaries)					
	Men	%	Women	%	Total
Attica	52	1.7%	37	0.9%	89
Thessaloniki	0	0.0%	1	0.1%	1
Rest of Greece	9	0.6%	7	0.3%	16

International Subsidiaries					
	Men	%	Women	%	Total
Capital	33	20.9%	80	34.8%	113
Other Areas	8	38.1%	15	26.8%	23
2017 Geographical Distribution of Hires, by Gender					
Piraeus Group Greece (Bank and Subsidiaries)					
	Men	%	Women	%	Total
Attica	47	1.4%	35	0.8%	82
Thessaloniki	1	0.2%	0	0.0%	1
Rest of Greece	5	0.3%	7	0.3%	12
International Subsidiaries					
	Men	%	Women	%	Total
Capital	124	28.0%	244	27.6%	368
Other Areas	34	32.7%	141	32.6%	175

2018 Hierarchical Distribution of Hires, by Gender					
Piraeus Group Greece (Bank and Subsidiaries)					
	Men	%	Women	%	Total
Executives	3	5.3%	1	7.7%	4
Senior Management	10	6.4%	2	3.0%	12
Middle Management	20	2.2%	11	1.4%	31
Professionals	9	0.6%	8	0.4%	17
Operational Staff	19	0.8%	23	0.6%	42
International Subsidiaries					
	Men	%	Women	%	Total
Executives	0	0.0%	1	50.0%	1
Senior Management	1	16.7%	0	0.0%	1
Middle Management	1	11.1%	0	0.0%	1
Professionals	4	10.5%	5	17.9%	9
Operational Staff	35	28.7%	89	38.0%	124
2017 Hierarchical Distribution of Hires, by Gender					
Piraeus Bank					
	Men	%	Women	%	Total
Executives	8	11.0%	3	4.0%	11
Senior Management	3	4.0%	5	7.0%	8
Middle Management	2	3.0%	3	4.0%	5
Professionals	7	9.0%	9	12.0%	16
Operational Staff	17	23.0%	17	23.0%	34

In the tables "Hierarchical distribution of Hires, by gender", 2017 figures refer to the Bank, whereas 2018 figures refer to Piraeus Group Greece (Bank and Subsidiaries) and International Subsidiaries.

Expatriates

The Group aims at covering specific needs by transferring executives to its international subsidiaries, while at the same time offering highly skilled and competitive executives the opportunity for growth. At the end of 2018, 4 expatriates were posted in 2 countries (Ukraine and Germany), while 4 executives were posted in Piraeus Bank in Greece for projects related to the Group's International Activities.

Employee Voluntary Turnover

In 2018, the voluntary turnover rate configured at 1.1% at Group level, and was below 1% at Bank level (92% male, 8% female participation)

Where % refers to the ratio of the number of men-women in the category to the total men-women in the category.

2018 Turnover Rate by Gender					
2018, Total Turnover Rate by Gender	Men	%	Women	%	Total
Piraeus Bank Greece	595	12.1%	663	9.8%	1,258
Piraeus Group Greece (Bank and Subsidiaries)	620	12.1%	704	10.1%	1,324
International Subsidiaries	59	33.0%	100	35.0%	159
Piraeus Group Total for Continuing Operations	679	12.8%	804	11.0%	1,483
2017 Turnover Rate by Gender					
2017, Total Turnover Rate by Gender	Men	%	Women	%	Total
Piraeus Bank Greece	204	3.7%	211	2.8%	415
Piraeus Group Greece (Bank and Subsidiaries)	253	4.4%	251	3.2%	504
International Subsidiaries	123	22.5%	308	23.4%	431
Piraeus Group Total for Continuing Operations	376	6.0%	559	6.0%	935

2018 Age Distribution of Turnover Rate by Gender					
Piraeus Group Greece (Bank and Subsidiaries)					
	Men	%	Women	%	Total
<30	5	20.8%	3	11.1%	8
30-50	325	7.9%	518	8.2%	843
>50	290	29.3%	183	28.2%	473
International Subsidiaries					
	Men	%	Women	%	Total
<30	14	56.0%	23	71.9%	37
30-50	37	33.9%	75	37.3%	112
>50	8	17.8%	2	3.8%	10

2017 Age Distribution of Turnover Rate by Gender					
Piraeus Group Greece (Bank and Subsidiaries)					
	Men	%	Women	%	Total
<30	12	44.4%	7	20.0%	19
30-50	152	3.2%	185	2.5%	337
>50	89	8.8%	59	10.2%	148
International Subsidiaries					
	Men	%	Women	%	Total
<30	41	31.3%	64	24.8%	105
30-50	72	21.6%	200	21.4%	272
>50	10	12.2%	44	34.9%	54

2018 Geographical Distribution of Turnover Rate by Gender					
Piraeus Group Greece (Bank and Subsidiaries)					
	Men	%	Women	%	Total
Attica	309	10.2%	335	8.2%	644
Thessaloniki	63	11.3%	53	7.8%	116
Rest of Greece	248	16.5%	316	14.2%	564
International Subsidiaries					
	Men	%	Women	%	Total
Capital	47	29.7%	77	33.5%	124
Other Areas	12	57.1%	23	41.1%	35
2017 Geographical Distribution of Turnover Rate by Gender					
Piraeus Group Greece (Bank and Subsidiaries)					
	Men	%	Women	%	Total
Attica	159	4.7%	145	3.1%	304
Thessaloniki	26	4.1%	12	1.6%	38
Rest of Greece	68	3.9%	94	3.7%	162
International Subsidiaries					
	Men	%	Women	%	Total
Capital	91	20.5%	178	20.1%	269
Other Areas	32	30.8%	130	30.0%	162

Voluntary Exit Scheme (VES)

In the context of the Management's initiatives and strategic moves to strengthen the Group's competitiveness and create opportunities in a new working environment, in February 2018 Piraeus Bank launched a Voluntary Exit Scheme (VES) to encourage employees wishing to change direction in their professional lives. The terms and conditions of the VES were formulated on the basis of socially responsible options and the criterion of achieving the optimum long-term benefits for employees, assessing at the same time the Bank's existing operational needs and the conditions of the banking market.

Under the terms of the VES, eligible employees were given a choice between immediate termination of contract or a five-year leave, on a reduced salary, with termination of contract at the end of that period. In total, approximately 1,300 employees of Piraeus Group Greece (Bank & Subsidiaries) participated in the scheme, with 70% of applicants opting for immediate exit. The average age of VES applicants was 46 years, with 53% of the population from the Branch Network and 47% from the Bank's Administration Units or its subsidiaries.

In the context of supporting VES applicants, the Bank will provide private health insurance for five years to the employees and their family members. At the same time, exiting employees may use the advisory services offered by the Employee Assistance Programs for one year, as well as attend one-to-one meetings and group training provided by an external provider for pursuing alternative professional paths.

Health, Safety and Modern Work Place

Human Rights at Work

Framework, Communication and Training on Human Rights

In 2004, Piraeus Bank embraced the UN Global Compact's human rights principles. Respect for human rights and the principle of equal opportunities governs all policies, processes and practices of managing the Group's human resources, ensuring a working environment that accepts and integrates diversity. The human rights framework makes clear reference to the following:

- | | |
|---|--|
| 01. Equal opportunities, and health and safety for employees. | 04. Complaint reporting and resolution mechanisms. |
| 02. Right to collective representation. | 05. Confidentiality principle. |
| 03. Promoting open communication at work. | |

Human Rights in numbers:

- | | |
|--|---|
| 01. 100% of employees have access to the Human Rights Policy through the Group's internal communication channels. | 03. Completion of the course by 67% of the employees assigned in 2018, with a total of 37,545 man-training hours. |
| 02. 100% of employees have access to the revised e-learning course "Human Rights, Equal Opportunities and Diversity in the Workplace". | |

An important innovation in 2018 was the integration of human rights issues (indicatively cases referred to harassment, intimidation, misconduct) into the Whistleblowing Policy, abolishing the existing Complaint Management Process, in an effort to improve the Complaints Management framework, empowering at the same time the Anti-Retaliation Framework for whistle-blowers.

In 2018, there were 15 incidents of human rights violations, none of which concerned a case of discrimination; 14 of the incidents were dealt with and resolved within the year, in accordance with the established procedure for addressing named and anonymous complaints.

Collective Representation

There are six employee unions active in Piraeus Bank, representing approximately 90% of human resources. The Management respecting the legislative governing its relationship with Unions seeks to strengthen the dialogue with the collective bodies of employees through which the continuous upgrade of the working environment is achieved. In the framework of regular and continuous consultation with the employee Union's representatives, representatives of the Bank's Management had multiple meetings with them in 2018, in order to resolve

institutional and financial demands. The most important of these demands were included in the Collective Labour Agreement, signed in July 2018 between the Union representatives and the Management for the period July 2018–July 2019.

Pioneering Health and Well-being Practices for Employees and their Families

Piraeus Bank provides a wide range of preventative health, safety and well-being services for its employees and their families. Specifically:

- | | |
|---|--|
| <p>01. 100% of employees are covered by an Occupational Doctor through External Services for Protection and Prevention (ESPP), offered across the Bank's facilities, ensuring a holistic approach to preventing and addressing health issues.</p> <p>02. Provision of doctor's office with nursing and/or medical staff for basic health care in 7 Administration buildings, with 4,300 employees.</p> <p>03. Provision of Employee Assistance Programs–EAPs, providing support and assistance to employees and their families (24/7 Help Line, Face to Face counselling, Critical Incident Stress Response, Expatriation Support).</p> <p>04. Disability Management with customised practices with regards to the employee needs (e.g. special leave for emergencies).</p> <p>05. Customized psychological risk training on employees in the Head Quarters (>200 employees) from the Organisational Health experts on detecting and managing potential human risk in the workplace (e.g. managing work-</p> | <p>related stress, ensuring a climate for collaboration).</p> <p>06. Empowering employees with stress management skills ("Know your Stress Level" initiative).</p> <p>07. Supply of 37 special orthopaedic/ergonomic seats to employees with musculoskeletal disorders.</p> <p>08. Employee assistance for the optimal employees' financial management through a specialised team (e.g. debt management, savings solutions).</p> <p>09. Complimentary discount pricing to all employees for medical and wellness services.</p> <p>10. 507 employees' children were accommodated at the Groups' "Fyllarakia" summer camp.</p> <p>11. The Bank operates three (3) on-site gyms in Administration buildings with group and personal training programs.</p> <p>12. Complimentary discount pricing for a nutritionist and other wellness services through the "Winners" corporate card.</p> |
|---|--|

In addition, in the past year, as part of PB commitment to assist people integrate work and life, the Bank approved 100% of requests by new parents applying for the additional months of special cumulative leave at the end of their maternity leave. More specifically, 16.2% used up to 3 months cumulative leave, 22.7% used a 6 months cumulative leave and 61.0% a cumulative leave exceeding 6 months.

Safety at Work

Fully aligned with the relevant legislation on ensuring safety at work, Piraeus Bank employs Technical Security services that cover all of its facilities. It systematically provides data to the Hellenic Statistical Authority (ELSTAT) on workplace accidents that lead to an employee's absence of more than three calendar days, according to the European Statistics on Accidents at Work (ESAW) methodology.

In 2018, four accidents were recorded in the Bank's branches, the Authorities were notified, and the incidents were dealt with in full compliance with the law.

At the same time, security systems were upgraded across the Bank (Branch Network and Administration buildings), and new Fire Safety and Fire Protection teams were set up. The

Fire Brigade Service offered 120 hours of fire-fighting raining, and fire drills were scheduled across the Bank (1,577 in the Branch Network and more than 103 in Administration buildings).

Social Policy

Piraeus Group's compensation and benefit package offers employees a stable standard of living, while, at the same time, motivating them to be productive.

On 31 December 2018, total payroll expenses amounted to €616.00 mn, allocated as follows:

Payroll Expenses (€ mn)	
Employee Compensations	350.13
Social Insurance Contributions	92.70
Other Expenses*	26.03
Voluntary Exit Scheme Expenses	154.01
Retirement Benefits Expenses	-6.87
* Other expenses include: medical care, employee insurance with death and/or permanent disability coverage (Insurance Scheme), routine medical check-ups for executives, nursery schools and employer contributions other than social security funds.	

Consistent with the Bank's strategic goal of shaping a single working framework, during the last quarter of 2018 the Group's Human Resources worked systematically towards the creation a single modern group pension scheme. Under the new single group pension plan, retroactively in force as of 01.01.2019, all employees will be able to save a significant lump sum for their retirement. For the immediate transition to the new single program, the nine (9) existing different group pension plans were discontinued and the necessary actions were taken in cooperation with the collaborating insurance companies to ensure that the insured members received the amount they were entitled to under the terms of each contract.

Recognizing the contribution and importance of its employees, and aiming to support them in coping with the ever-changing daily challenges, the Bank fulfils its commitment to provide substantial support, by offering tailored loan products on preferential terms, thus contributing substantially to improving their standard of living.

In 2018, a total of 4,636 new loan applications were examined. With regard to loans falling under the terms and prerequisites of the 1984 Collective Bargaining Agreement with the Greek Federation of Bank Employee Unions-OTOE (first home mortgages and salary in advance loans), the amount disbursed in 2018 reached €14.6 mn. As of 31/12/2018, the number of this category was 11,199 loans with a balance of €175.4 mn.

Professional Development Framework: Job Family Model

In October 2018 the project for creating a Job Family Model (JFM) was launched. It is a recognized methodology that acts as a single platform and framework for human resource policies. Managing the evolution and development of employees, their promotions and their rewards become more effective; by recording the distinct tasks and roles and grouping them together (job families), employees are assessed according to their role's contribution to the Group's goals. The implementation of the model is expected to create dual career paths, enhance internal mobility, lay the foundations for a more structured

promotion system based on enriching/increasing competencies, and create a more competitive compensation and benefit package, to retain talent.

In designing the model, the Human Resources team, in collaboration with an external consultant, conducted interviews and workshops with the management to identify the required attributes in people's roles, knowledge and skills, according to the strategy and the Group's most important challenges, now and in the future. As a result, six "job families" were defined and developed, the purpose of each "family" was identified, as well as indicative tasks for each role in the family. With the active participation of representatives from all of the Bank's units, from approximate 3,000 work positions in the Organization, 700 distinct roles were recorded with a brief job description, irrespective of the Organisational structure. At the same time, as part of the JFM, 3 distinct types of roles were designed to identify the necessary skills, knowledge and attributes for employee development. In addition, for each of the 6 "families" differentiation criteria were defined by role, according to the level of complexity. The aim is, at a later stage of the project, for all roles within the Organization to be integrated into a single hierarchical structure.

Rewarding Employees

Piraeus Bank Group encourages productivity and efficiency, recognising and rewarding the additional effort put in by each employee. The evaluation process is clearly defined and based on objective criteria. Special reward schemes, both short-term and long-term, are implemented. The schemes are structured so as to promote both individual and team effort. Along with efficiency, employee contribution in other fields is also rewarded, such as:

- | | |
|-------------------------------|---------------------------------------|
| 01. Innovative ideas/actions. | 03. Social responsibility. |
| 02. Integrity. | 04. Exceptional professional conduct. |

Employee Training & Development

Piraeus Bank Group is committed to ensuring that its people have the appropriate skills, knowledge and competencies to achieve their professional goals, to add value and to behave, reflecting the Group's values and strategy.

The Bank's training activities have been structured in four (4) distinct portfolios, so as to meet the needs of the business units in the best possible way.

Leadership Development

The new "Become & Achieve" PPM was the main initiative for Leadership Development in 2018. Aiming to establish a common approach, in alignment with the Group's new corporate culture, 1,833 managers attended a one-day workshop on how to influence, empower and improve the performance of their teams.

At the same time, 1,895 team leaders and high-level executives attended in-house and external programs aimed at developing their leadership and management skills or preparing them for taking on additional tasks. In addition, 186 mid-and high-level employees were assigned to the renewed Harvard Manage Mentor course, with completion expected in the first half of 2019.

Banking Business

The Banking Business portfolio is essential for any banking and corporate employee. This program ensures knowledge in banking operations with regard to credit, finance, commerce, investment, risk, retail, products, services, technology and IT systems.

In 2018, 59,031 employees participated in 524 courses with a total of 273,266 training man-hours. A significant percentage of these hours was dedicated to programs related to the implementation of IFRS 9, the new GDPR regulation, fraud prevention, anti-money laundering, customer complaints management, commercial business proposals, product training, and investment and insurance certifications.

Institutional Framework

In line with the institutional and regulatory framework, Piraeus Bank aims to eliminate any potential financial loss or damage to the reputation of the Group and/or the stakeholders, as a result of non-compliance or partial compliance with the laws, the decisions of supervisory agencies, the rules of self-regulation and the Code of Conduct and Ethics.

At the Bank level, 32,775 man-hours of training were recorded on issues of Compliance, Prevention and Anti-Fraud and Corruption, for 4,266 participants.

Professional Certifications for Investment and Insurance Services

In compliance with the regulatory framework, in 2018, 351 Bank executives received investment certifications, for the different investment services, and 278 executives were certified as insurance intermediaries.

People Skills

Targeting a common understanding of the behaviours that underpin the Bank's new value system, 40 People Skills programs were rolled out, providing 19,881 man-hours of training on effective telephone communication, customer excellence, and negotiation and presentation skills.

Customised programs were also designed, such as the "High Energy for High Performance" program designed exclusively for the Private Banking unit.

Workplace Wellbeing Training

Geared towards maintaining health and safety at the workplace, 17 Workplace Wellbeing programs were designed and implemented in 2018, covering a total of 139,814 man-hours of training. Human rights, the management of aggressive behaviours, mindfulness and stress management, first aid and the safe evacuation of buildings are some of the themes covered.

In 2018 a total of 1,696 in-house and outside events were organised offering a total of 455,807 training man-hours for Bank employees.

Distribution of Training Man-Hours and Participations 2017-2018				
Categories	2018		2017	
	Man-Hours	Participants	Man-Hours	Participants
Leadership Development	22,845	3,728	23,836	4,048
People Skills	19,881	2,200	28,631	4,299
Banking & Business	273,266	59,031	488,642	103,256
Workplace Wellbeing	139,814	27,713	83,338	13,448
Total	455,807	92,672	624,446	125,051

At Group's level a total of 475,468 man-hours of training were recorded in 2018 compared to 683,829 man-hours of training recorded in 2017.

Average training man-hours 2017-2018		
	2018	2017
Bank	38	47
Group	29	41

Digital Learning

With the systematic use of digital learning as a modern learning channel, either complementing in-house training or as a primary learning tool, in 2018, 296,286 man-hours of training were recorded at Bank level.

Distribution of Training Man-Hours per Training Mean (thousand)		
Year	Classroom	Distance Learning
2017	208	417
2018	159	296

Participation in Conferences and Training Outside the Bank

Aiming at staying on top of new trends in the modern market, at enriching and diffusing knowledge at both individual and corporate level, in 2018, 1,296 Bank executives attended (16,427 man-hours) conferences and seminars organised by renowned Greek and international professional and academic/scientific institutions.

Access channels/Transparency

The training and development schemes available to employees, such as in-house training programs, the training tools and the relevant procedures, are posted on the HR Portal and are available to all employees.

People Performance Management

"Become & Achieve", the new PPM, is a dynamic process that evolves throughout the year. It aligns performance management with the Bank's strategic priorities, highlights corporate values and contributes to the creation of a single corporate culture.

It is based on three principles: high performance, accountability and trust. It includes two main dimensions: "WHAT", relating to personal contribution to team goals, and "HOW", focusing on the Bank's values. It links day-to-day work with the Bank's strategy in a systematic manner, it recognises individual contribution to the team's common goals, and it creates continuous growth opportunities for all employees.

The new PPM's main features are:

01. Performance dialogue.
02. Frequent and constructive meaningful feedback, generating higher levels of performance.
03. We are all professionals with options and responsibility for our personal development.

The "Become & Achieve" PPM cycle includes the following steps:

- | | |
|--|--|
| <p>01. Check-ins: Performance and development dialogue between managers and employees throughout the year, at the initiative of either party.</p> <p>02. Peer & Team Feedback: An employee's ability to provide feedback on his supervisor, as well as ask and receive feedback from colleagues inside and outside his/her unit, on behaviours that reinforce the Bank's values.</p> <p>03. Calibration meetings: Team leaders discuss the individual performance of their direct reports (team members) for the previous year, in the presence of their supervisor (Top down process). The aim is to monitor performance in a</p> | <p>single, meritocratic and documented way, creating common performance appraisal standards.</p> <p>04. Finalization: The final step in the annual performance appraisal. The supervisor evaluates each team member's standard of performance using a 3-scale performance measurement system, as agreed at the Calibration meeting.</p> <p>05. Individual Development Plan: It includes targeted actions for career and personal development to help employees reach short and long-term career goals, as well as improve current job performance, and is prepared jointly by the employee and the supervisor.</p> |
|--|--|

In addition to training the management executives in the philosophy of the new approach, an informative campaign was conducted to inform and raise awareness regarding the new PPM, through direct mail, through the creation of a page on internal networks with information packs and infographics video.

The first "Become & Achieve" PPM cycle started in June 2018 and will be completed in the first half of 2019.

Talent Development

In order to strengthen employees' dynamics and potential, the Organization offers different skill development channels.

Executive coaching

Executive coaching is addressed to senior executives aiming to enhance their professional development, and strengthen an authentic leadership style, with a direct impact on the profile of the executives and their team members.

In this context, PB, in cooperation with certified external providers, offered Executive Coaching to two senior executives, representing 3% of Senior Executives, managing units with increased complexity of responsibilities. The program is expected to expand in 2019.

Development/Assessment Centers

With the Group's leadership model as a guide, the methodology of the Management Development Centers aims to develop and enhance the skills of the executives who are already managing or who are to undertake the management of groups of employees. The focus is on personal development and the design of individual actions by the participant themselves, while also connecting every action to their performance and professional development.

Period	Participants	Impact on the Organization
1/1 – 31/12/2018	25 colleagues	181 directly supervised employees
1/1 – 31/12/2017	94 colleagues	472 directly supervised employees

People and Leadership Skills Library

The library, which is an additional source of learning and "lifelong" education for all employees, was enriched with 75 new books and responded to 246 requests, with the most popular topics being finance, project development, communication & effective presentations and leadership.

The thematic axes of the library are exclusively related to skills of the leadership model of the Bank: strategic orientation and entrepreneurship, leadership, service quality, communication, negotiation skills, HR development, self-development etc

The percentage change of requests over the past three years:

	2018	2017	2016
Annual Change of requests (%)	9% (246 requests)	9% (226 requests)	-22% (208 requests)

Individual Development Plan

In 2018, the initial design for the implementation of the new Individual Development Plan, which is a phase of the new approach to Performance Management, "Become & Achieve", was completed. Through this platform each employee sets professional development goals, an action plan to achieve them in co-operation with the supervisor, with direct personal benefit to the lifelong strengthening of his/her skills and professional development in the Group.

In particular, a focus group was held with the participation of 40 colleagues from different units and functions of the Bank, finalizing the form and content of the Plan.

At the same time, we achieved the congruous connection of the Individual Development Plan with the employee performance and the available educational programs.

Using Technology to Improve Employee Experience

The Human Resource Management System (HRMS) continues to focus on delivering high quality and prompt service to employees and reliable information to Bank executives. In 2018, the new employees' evaluation system of the Bank "Become & Achieve" has been implemented in the system through a sophisticated, user-friendly environment, pioneering for the Bank's HR applications. At the same time, was completed the analysis and the basis for the implementation in 2019 of two new projects: The new Individual Development Plan, in the spirit of the "Become & Achieve" as well as the Bank's new e- Recruit system.

Material Topic

Commitment to safeguard human rights in a healthy and modern working environment

The Bank seeks to raise awareness and train its employees on human rights' principles, implements the principle of equal opportunities in all its actions and offers a healthy, safe and modern working environment by applying best practices.



Mapping with Sustainable Development Goal Gender Equality

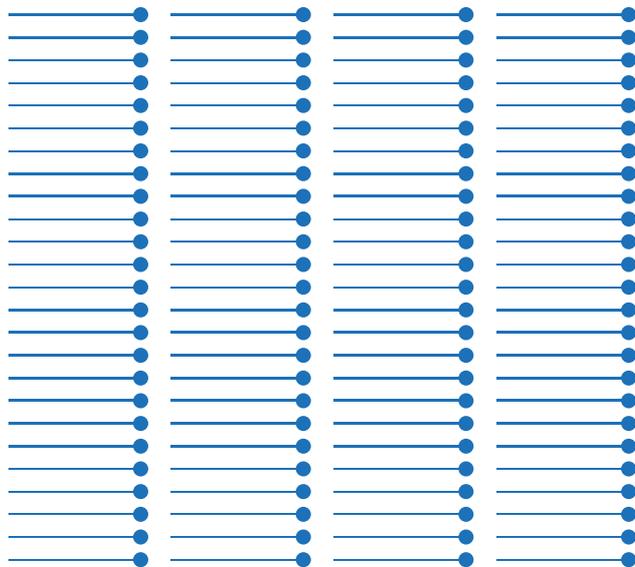


Mapping with Sustainable Development Goal Decent Work & Economic Growth



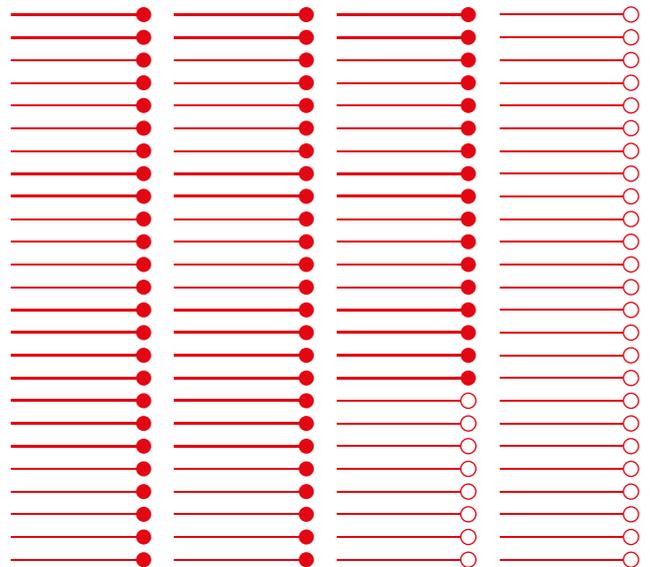
Assurance by independent body GRI 412-2

Selected Data 2018



100%

of employees have access to the Group's Human Rights Policy and Whistleblowing Policy



67%

of employees completed their training in "Human Rights, Equal Opportunities & Diversity in the Workplace" covering 37,545 Training Hours

Goals

- Emphasis on actions promoting employee holistic health-wellbeing
- Link Human Rights Policy to the Group's Sustainability Policy and communicating to all stakeholders

Material Topic

New corporate culture

Having as core principles accountability, meritocracy and transparency, the new corporate culture is cultivated throughout the Organization, fostering an open and collaborative working environment.



Mapping with Sustainable Development Goal
Quality Education



Mapping with Sustainable Development Goal
Decent Work & Economic Growth

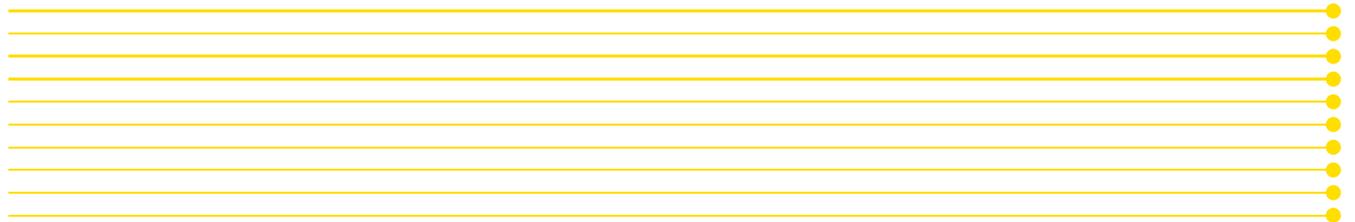


Assurance by independent body
Piraeus Bank Index: Corporate Culture Action Report

Selected Data 2018

>1,800

senior team leaders were trained in the new People Performance Management System "Become and Achieve"



100%

of Human Resources had access to "Become and Share" actions

~1,500

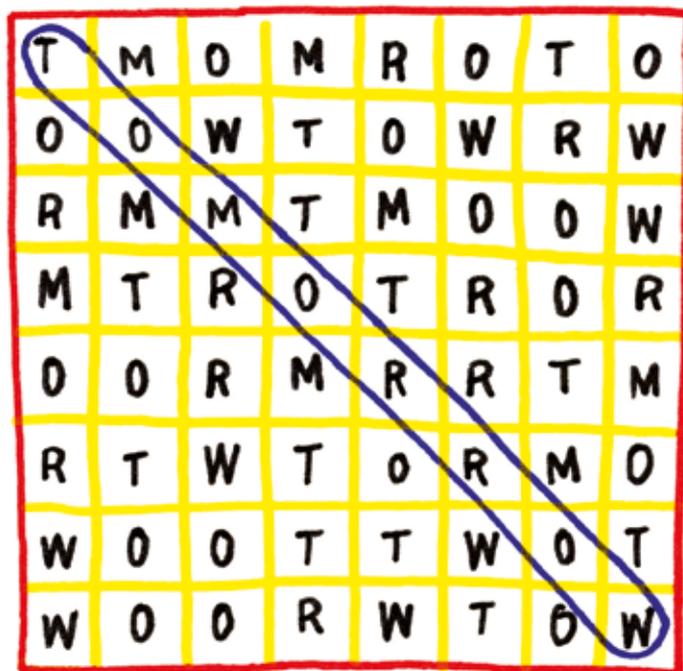
Employees participated in information and awareness raising actions "Become and Share" for the new Corporate Culture

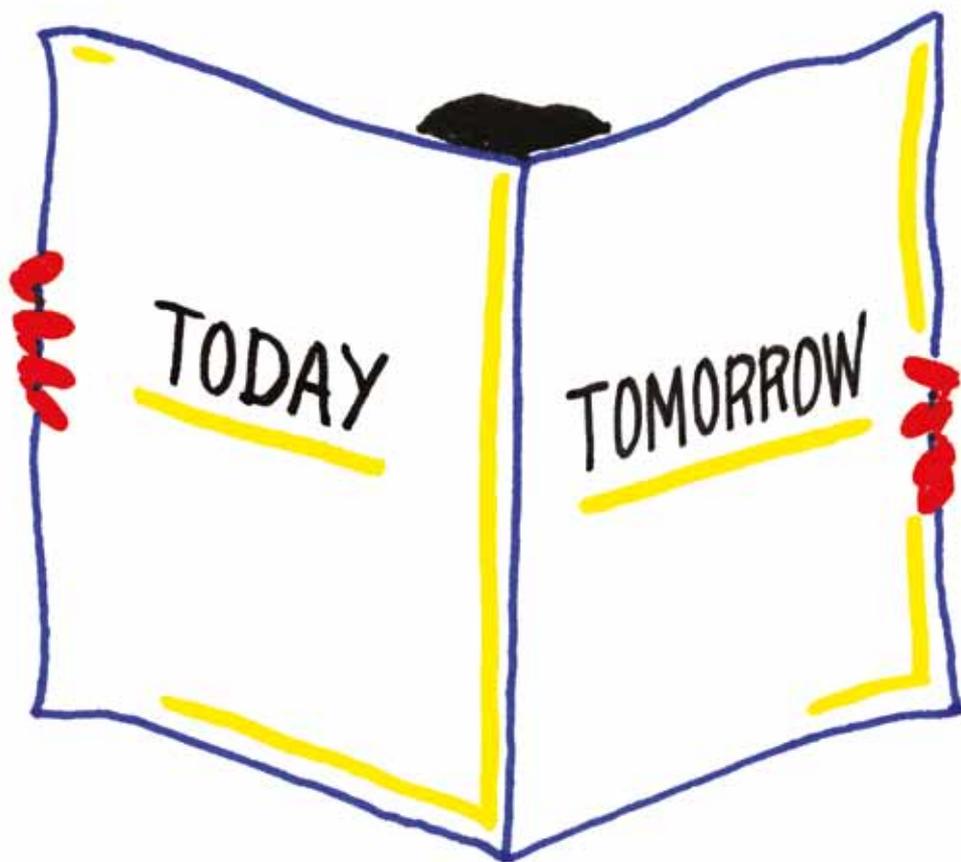
Goals

- Design and launch of internal communication campaigns for bringing the new corporate values to life, by engaging all employees
- Introduce a "Culture Pulse Check" survey, to assist the effort for building a strong, common corporate culture and collective mindset



ΕΙΚΑΣΤΙΚΟ
7







ΕΙΚΑΣΤΙΚΟ
7

Society

Economic Value Creation

In the framework of its corporate social responsibility and motivated by solidarity, Piraeus Bank Group has voluntarily included social and environmental initiatives in its business activities and its contacts with stakeholders. It constantly adapts the economic, social and environmental impact of its operation on the balanced management of "economic growth –sustainability– social cohesion". In this context, every year the Group makes contributions to programs aimed at strengthening vulnerable social groups, rescuing and promoting the cultural heritage through the Piraeus Bank Group Cultural Foundation (PIOP) and protecting the natural environment.

The Group has established Key Performance Indicators (KPIs), which it monitors on a regular basis. It focuses on its strategic plan, with value maximisation as its key objective, in order to contribute to economic and social development through its activity.

The direct economic value created and distributed in 2018 and the amounts spent on CSR actions are shown in the table below.

Group Economic Value by GRI 201-1 Disclosure Standard		
Direct Economic Value Generated	Net Income of which payments to Funding Bodies	€1,882 mn €50 mn
Economic Value Distributed	Staff Costs of which Expenses for Volunteerism, Summer Camp, Support and Development actions for employees, Health Insurance (other than social security) Other Operating Expenses of which Loans & Donations according to Law 4374/2016	€616 mn €15 mn €545 mn €6 mn
Non-Distributed Economic Value	Direct Economic Value Created (-) Economic Value Distributed	€721 mn
<p>Note: 1. In the current fiscal year the Bank, relying on its business plan and the respective tax plan, and after taking into account the current tax provisions, re-assessed the temporary differences between the ECL allowance and the tax base for loans and receivables, including impairments, and recognised the deferred tax asset, which burdened the results. For more information, see 2018 Annual Report, note 17.</p> <p>2. The figures have been rounded up to a million.</p>		

In 2018, 1.8% of total annual Group operating expenses related to social, cultural and environmental actions, programs and initiatives.

Social Initiatives – Volunteering Sponsorships

In 2018, Piraeus Bank's goal was to remain responsible towards people and society, by supporting sustainable development. The goal was achieved, with the Bank supporting local communities, vulnerable social groups, the young generation and entrepreneurship.

In order to align business goals with social progress and solidarity, as one of its key Corporate Responsibility principles, Piraeus Bank was a great supporter of ELEPAP's awareness raising campaign, entitled "The Brave Children are unbeatable". Piraeus Bank reinforced ELEPAP's services to more than 1,000 children with mobility disabilities.

In the framework of implementing CSR actions, Piraeus Bank supported the Greek National Opera in organising the Isadora Duck Experiential Workshop, an experiential workshop about dance, and music, and also about the concepts of every person's uniqueness, the acceptance of diversity and artistic expression aimed at primary school pupils.

Through the support of the Piraeus Bank Cultural Foundation the Bank contributed to the protection and promotion of culture, causing direct and indirect catalytic effects on the local communities and contributing to employment and increased tourist activity. Piraeus Bank also supported local communities and municipalities in Athens and the provinces, such as the Municipality of Thessaloniki and the Municipality of Naxos and the Small Cyclades.

In the field of education, more than 600 computers were donated to more than 300 schools and academic institutions all over Greece. Finally, approximately 2,500 pieces of office equipment were donated to more than 60 schools and approximately 40 other institutions.

The Bank supported institutions either directly or through dedicated research funds, including the National and Kapodistrian University of Athens, for the creation and operation of the Centre for Research, Innovation and Entrepreneurship, and the American Farm School, sponsoring two annual scholarships (tuition fees, accommodation and meals).

The Group continued for another year its sponsorship of the savings program for pupils living on Lipsi and Arki islands, whereby every child, upon entering adulthood, receives a sum of money to help start adult life.

In the context of promoting entrepreneurship, which is vital to boosting employment and job creation, the Bank supported institutes and associations in organising important conferences, such as the annual conference of Hellenic American Chamber of Commerce on "The Time of the Greek Economy", the Capital Link "Invest in Greece Forum" and the "Delphi Economic Forum".

Finally, the Bank made contributions to the health sector by covering the operational needs of various state hospitals, such as the General Hospital of Thessaloniki "Agios Pavlos", the General Hospital of Chania "Agios Georgios" and the University General Hospital of Heraklion.

CSR Program: Project Future

Piraeus Bank, serving its mission to have a positive impact on society, launched Project Future, a CSR program that seeks to link university graduates to the job market, contributing to the expertise of new graduates in fields that meet current market requirements.

The aim of the program is to bridge the gap between young people who have completed their studies and companies looking for qualified university graduates. In this way, the program gives graduates additional competitive skills to reclaim their position in the job market and at the same time creates opportunities to gain valuable practical experience and contacts in the professional field.

Project Future has been created by Piraeus Bank in cooperation with ReGeneration Academy, Excelixi-Centre of sustainable entrepreneurship, Google, Facebook, Code.Hub and the Association of Chief Executive Officers.

In 2018, the first cycle of the program took place from October to December of that year and was crowned with success. With the completion of the first cycle, the process of preparing the second two-month cycle started, which began in March 2019. During the two cycles, the new graduates acquired expertise in the fields of Data Science, Customer Experience, Digital Marketing, Sales and Java.

The response from the new graduates exceeded all expectations since 6,500 applications for participation in the program were submitted. About 1,100 young people were trained, while more than 300 attended specialized trainings. More than 200 young people were admitted into the labor market with six-month long contracts for paid work until May 2019, and it is estimated that the number will increase to 300 after the completion of the second cycle.

Piraeus Bank will continue to embrace new graduates through Project Future and will responsibly provide them with the appropriate skills for a promising future.

Corporate Responsibility and Volunteering Activities

I care, I participate, I volunteer in actions that make the difference in Society, Culture and the Environment

Through dialogue with partners and access to open information on corporate responsibility activities, the Groups' volunteers choose to contribute to meaningful projects that have a significant impact on the lives of fellow citizens.

Focused on the Group's vision and values and in conjunction with the 17 UN Sustainable Development Goals (SDGs), Piraeus Bank systematically seeks to activate and support initiatives with an emphasis on Society, Culture and the Environment. In this context, in 2018, Group employees and members of their families participated in 104 volunteer activities, benefiting 42,788 people and 447 organisations. The activities were implemented with sensitivity, based on the main pillars of volunteering as mentioned below:

Volunteering Pillars	No. of Activities
Social support for vulnerable groups	44
Promotion of youth entrepreneurship	26
Environmental Protection	1
Promotion of "fair play" through participation in charitable corporate games	9
Employee participation in blood donation	24
Total	104

Supporting the Youth Generation and Promoting Youth Entrepreneurship

With a clear focus on quality education and effective collaboration with academic institutions, the Group seeks, with the voluntary involvement of its management team, to help young people (students and graduates) understand the concept of entrepreneurship and innovation by providing guidance in good practices for business, housing and consumer credit. In 2018:

01. The Bank collaborated with Junior Achievement Greece (JA Greece) and Future Leaders AMKE.
02. We supported the following projects:
 - Banks in Action, Virtual Business, My Business, Job Shadow, Future Leaders.
03. We implemented 26 activities.

504 pupils, students and graduates benefited from the programs.

Awareness Campaigns on Sustainable Development

With a steady focus on empowering employees and their families on issues related to the 17 UN Sustainable Development Goals, in 2018 the Bank organised 41 awareness campaigns on environmental, technological, and career management issues, and on innovative cultural and health-wellness activities: 734 employees and 1,567 family members participated (2,301 beneficiaries in total) and benefited from the programs.

More specifically:

Theme	No. of Activities	Beneficiaries	Synergies
Creative Work	6	302	8
Vocational Guidance	21	85	
Environmental Awareness	4	808	4
Cultural Awareness	3	26	
Technology	2	76	
Health – Wellbeing	5	1,004	
Total	41	2,301	12

Piraeus Bank Group Cultural Foundation (PIOP) Silver Medal of the Order of the Letters and Fine Arts from the Academy of Athens for 2018

PIOP is a charitable non-profit foundation, its operations being funded by Piraeus Bank. It contributes to the promotion, support and development of country's cultural heritage, with emphasis on artisanal and industrial technology, and the connection between culture and the environment. At the same time, through its operation, it fulfils a significant part of the Bank's commitment to the principles of Sustainable Development.

The Foundation's basic goals are:

01. To record and showcase Greece's cultural heritage and identity.
02. To preserve the traditional, artisanal and industrial technology of Greece.
03. To link culture with the environment and sustainable development.

These goals are achieved through:

01. The creation and management of a Network of thematic Museums of technology in the Greek provinces, where the specific nature of the production in the corresponding region is highlighted, focusing on the triptych "Mankind-Environment-Culture".
02. The implementation of research programs and the publication of scientific papers.
03. The organisation of historical archives relating to the economic, banking, industrial and agricultural history of Greece.
04. The operation of a specialised library, open to the public.
05. The organisation of a variety of academic and cultural activities.
06. The implementation of educational programs and activities, with an emphasis on children of school-going age.
07. The participation in the public dialogue on developing strategies in the field of culture.
08. The collaboration with Greek and international institutions of recognised repute.

PIOP publishes a bimonthly schedule of events, posted on its site (www.piop.gr). PIOP measures and analyses the impact of its actions on audiences by:

01. Systematic collection of data/visits related to the Network's Museums.
02. Maintaining visitor books at the Network's Museums.
03. Systematic recording of requests, comments and complaints, through the PIOP Quality Management System.
04. Responding to written requests and communicating with all interested parties.
05. Organising visitor satisfaction surveys for

the Museums. A quantitative analysis of a total of 795 questionnaires shows that:

- 95% of PIOP Museum visitors evaluate the total experience as excellent or very good.
- 77% of visitors consider it very likely to recommend the Museum to friends and relatives (Net Promoter Score).

- 64% of visitors planned their visit to the respective areas due to the existence of a PIOP Museum.
- 83% of visitors feel it is quite or very important, that a financial institution funds a Cultural Foundation and, through it, a Museum Network.

PIOP Activities	
Museum visitors	333,450 75.15% free admission
Publications	1,439 volumes donated 67 educational folders delivered to schools 1,024 volumes (12 titles) as university textbooks
Education	296 school educational programs 513 standard educational programs
PIOP Museum Activities	191 cultural activities (21 exhibitions, 170 events) 150 partnerships with other institutions
Activities in Athens and Thessaloniki	17 exhibitions 85 cultural activities 132 school educational programs 58 standard educational programs
Historical Archives	7,950 beneficiaries
Library	12,621 beneficiaries
Publications	5 new publications

2018 Activities *European and Co-Funded Projects*

- PIOP is the only cultural foundation in Greece that participates in two European HORIZON 2020 programs: MINGEI and PLUGGY.
 - Second year of implementation of the PLUGGY European program (9 partners from 6 European countries): The project is coordinated by the Institute of Communication and Computer Systems (ICCS) of NTUA (Grant Agreement No. 726765) www.pluggy-project.eu.
 - Approval and launch of the MINGEI European program. The project is coordinated by the Foundation for Research and Technology in Crete (FORTH) (Grant Agreement No. 822336). www.mingei-project.eu.
- "CULDILE": PIOP participates in the program CULTural Dimensions of deep LEarning, with its Historical Archives, and collaborates with the NCSR "Demokritos", and the IT companies DOTSOFT and HONEST Partners. The purpose of the project is to develop an integrated expert system for capturing documents, enhancing images and understanding cultural documents.
- "Museum Places" (MuseumTopos): In this project PIOP collaborates with the Department of Product and Systems Design Engineering, University of the Aegean and the IT companies Geospatial Enabling Technologies (GET) and Dotsoft. The purpose of the project is to connect the three PIOP thematic museums in the Aegean to the settlements through

- interactive gaming applications that will promote the architectural heritage and the intangible artisan and industrial tradition.
04. "e-Χρηλότητας": PIOP cooperates with the Information Technologies Institute (ITI) of CERTH (a non-profit organisation under the auspices of the General Secretariat of Research and Technology of Greece), based in Thessaloniki, and the companies TETRAGON and EGNATIA ODOS S.A. The aim of the project is to design and develop a platform for the end-user to manage and acquire tourist route and tour information, while travelling on the Egnatia Odos.

Culture, Environment and Corporate Responsibility Principles

PIOP has already completed the certification of its buildings according to EMAS (Eco-Management and Audit Scheme) and ISO 14001. In addition, PIOP's Quality Management System is certified with ISO 9001:2015 and its Event Sustainability Management System with ISO 2012:2012.

For more details, regarding the link among Culture, Environment and Corporate Responsibility see: Chapter "Environment", p. 247.

Promoting Intangible Cultural Heritage

The Cultural Foundation focuses on the protection, promotion and study of Greece's intangible cultural heritage. The Foundation has scientifically supported and contributed to the first two Greek inscriptions on the UNESCO Representative List of the Intangible Cultural Heritage of Humanity. Know-how of cultivating mastic on the island of Chios and Tinian marble craftsmanship.

These two elements of the country's intangible cultural heritage are presented in two Museums of the PIOP Network, the Chios Mastic Museum and the Museum of Marble Crafts in Tinos. In this way, PIOP contributes substantially to the promotion of the intangible cultural heritage as well as to the support of the regions where its Museums are located. For this reason, in recognition of its offer, PIOP has been certified by the General Conference of UNESCO's Member States as advisor to the Committee for the Safeguarding of Intangible Cultural Heritage. At the same time, 38 targeted activities were implemented in the Foundation's Museums, aiming to promote intangible cultural heritage.

Culture and Entrepreneurship

Aligning itself with EU policies related to linking entrepreneurship and culture, through Cultural and Creative Industries (CCIs), the Foundation initiated the following initiatives:

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| 01. Participation in the Corallia Social Responsibility (CSR) network, in the gi-Cluster, the first creative industries cluster established in Greece. | Innovathens (Hub of Innovation & Entrepreneurship of Technopolis City of Athens), and a series of parallel informative and networking events, for the second time in Greece, on "Creative and Cultural Industries". |
| 02. Organisation of the 7th Business Accelerator, in cooperation with | |

Museum Network

The operation of the Museum Network and the coordinated activities of the PIOP in all its buildings contribute significantly to:

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|---|--|
| 01. Promoting Greek cultural heritage and linking culture, the environment and sustainable development. | and local cultural heritage, fostering employment, economic and tourist activity and the development of local communities. |
| 02. Promoting traditional Greek artisan crafts | |

03. Creating spaces for culture and lifelong learning; organising cultural, scientific and educational activities.

The Network consists of nine thematic technological Museums that preserve and promote local artisan tradition and industrial production, as well as the tangible and intangible cultural heritage.

Museum Network	
 Silk Museum, Soufli	 Museum of the Olive and Greek Olive Oil, Sparta
 Rooftile & Brickworks Museum N. & S. Tsalapatas, Volos	 Museum of Marble Crafts, Tinos
 Museum of Industrial Olive-Oil Production of Lesvos	 Chios Mastic Museum
 Environment Museum of Stymphalia	 Silversmithing Museum, Ioannina
 Open-Air Water Power Museum, Dimitšana	

In addition to contributing to the increase in tourism in distant or island regions, PIOP also contributes to the economic development of local communities by creating new jobs, and cooperating with local suppliers for goods and services sold in Museum canteens and shops. The Museum staff (42 people) are mostly hired from the local communities and undergo regular training, thus upgrading the standard of services offered to visitors.

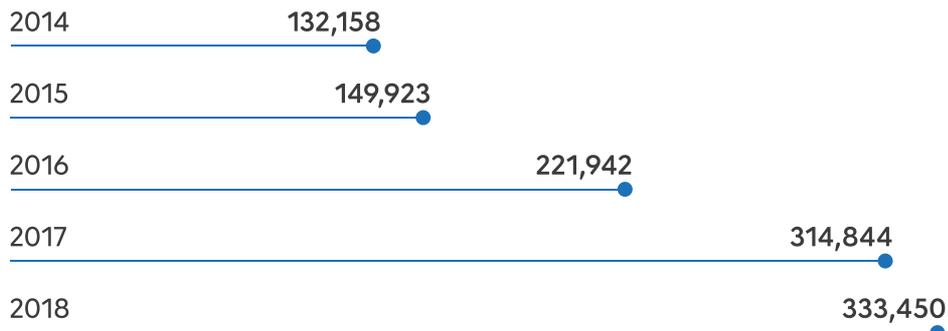
Visitors to the Museum Network reached 333,450 in 2018, (277,498 Greeks and 55,952 foreigners), up 5.91% from 2017. Of these, 75.15% were admitted free of charge. The number of visitors reflects the support from the local communities, in recognition of the benefits from promoting their cultural identity and the local economy. This number of visitors is also a result of the continuous organization of cultural events, by means of periodic exhibitions, lectures, conferences and a variety of other cultural events.

All the Museums are equipped with Multi-Purpose Halls, vibrant cultural cells, for hosting educational programs, exhibitions, lectures, seminars and other events. The Halls are a valuable asset for the operation of the Museum Network, for reaching out to the local communities and for promoting the Foundation, serving as centres of cultural production and as everyday places in their areas.

In particular, in 2018, 164 educational actions and 455 regular educational programs for children, 191 cultural events (21 exhibitions and 170 cultural events) were organised, as well

as 150 collaborations with third parties.

Number of visitors at PIOP Museum network



The social role of museums is multidimensional. Apart from their key role in promoting cultural goods, they are charged with raising public awareness and safeguarding the cultural heritage for future generations. In addition, museums contribute to the economy of the regions where they are located. In 2016, PIOP commissioned the Foundation for Economic and Industrial Research (IOBE) to conduct a research study on the economic and social impact of the operation of the Museums on the local communities. The results of the study prove and quantify this contribution in specific sectors:

01. Increase in tourist spending in the respective regions of the country (2016: at least €5.5 mn, with a conservative estimate of the catalytic effect and up to €11.3 mn with an optimistic estimate of the catalytic effect).
02. Impact of museum activity on the country's GDP (2016: excluding catalytic effects, the impact is estimated at approximately €4.3 mn, while in terms of employment it is equivalent to 103 job positions). Using the conservative estimate of the catalytic effects, the total contribution of museums to Greece's GDP exceeds €13.4 mn, while taking into account an optimistic estimate of the catalytic effects total contribution reaches €23 mn).
03. Contribution of museums to employment (2016: using the conservative estimate of the catalytic effects it is equivalent to 345 job positions.) Using the most optimistic estimate, the overall impact on employment is the equivalent of 600 job postings.

The contribution of the museums to the economy is linked to their ability to attract visitors. PIOP Museums have been increasing their number of visitors for several years. In 2016, approximately 220,000 people visited PIOP's museums, up 14.25% compared to 2015, while in 2017 the Museums welcomed more than 314,000 visitors (up 43.1% yoy). In 2018, the number of visitors increased by 5.91%, to 333,450.

Based on the aforementioned, and given the increasing trend in visitors of the PIOP Museum Network, a similar upward trend is expected in coming years.

Historical Archives

The PIOP Historical Archives houses and safeguards the historical archives of the banks absorbed by the Piraeus Bank Group, as well as the archives of important organisations and companies that were connected to the absorbed banks throughout their history. It hosts 7 bank archives, 5 archives of state organisations, 55 company archives, 5 personal archives, 3 archives of collective bodies. The Historical Archives can provide answers to the key question of the evolution of Greece in the 20th century, in terms of both the economy as a whole and its regions.

PIOP aims to operate its Historical Archives with the highest organisational and operational principles, making it accessible to everyone, and promoting the value of preserving the collective memory of society through archived sources.

The Historical Archives organises activities making it a key research point and aiming to become a unique spot on the cultural map of Athens. Indicatively, in 2018 7,950 people benefited from the Historical Archives services.

In 2018, the following tasks were performed:

Archives

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| 01. Volume: Material measuring more than 18,427.737 meters long was archived. | 05. User requests: 157 requests were submitted (111 historical archives, 46 semi-active archive). |
| 02. Records Management and Organisation of Archives/Collections for cataloguing the PIOP Historical Archives. | 06. In addition, 103 research-related questions were answered by telephone. |
| 03. Collections management: a total of 1,591 artefacts was recorded. | 07. A special questionnaire was designed for researchers, so as to monitor the use of the Historical Archives for research purposes. |
| 04. Conservation of paper and parchment was carried out. | |

Research Work/Knowledge Mining

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| 01. Survey of the Archives' users. | immediate use for research. |
| 02. Planning of publications. | 05. Research on the "Productive history of Northern Greece". |
| 03. Research into the preparations required for hosting theatrical performances in the Historical Archives. | 06. Enrichment of educational programs for children. |
| 04. Processing the archives series "The Post-War Reconstruction of Greece", for their | 07. Research to prepare scientific exhibitions. |

Events

- | | |
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| 01. 10 scientific meetings; | 04. 6 scientific exhibitions; |
| 02. 31 educational activities for children; | 05. 8 artistic and visual events; and |
| 03. 12 creative activities for adults; | 06. 17 cinema screenings. |

Library

The PIOP Library includes book collections from libraries of Greek banks absorbed by the Piraeus Bank Group. It has approximately 60,000 titles of Greek and foreign books and more than 132,000 issues of serial publications, while it is continuously enriched, serving the research and academic community.

Monographs, periodicals, educational studies are acquired through purchases and exchange programs with related institutions (In 2018, 1,195 new titles were acquired and 16 subscriptions for foreign academic/scientific journals were renewed).

The Library hosts titles in the following research fields: industrial archaeology, economic and social history, history of technology, geo-technical and environmental issues, museology, cultural management, anthropology, folklore, ethnology, as well as finance, banking, agricultural economy, and politics.

The Library's reading room offers Wi-Fi connection and free access to digital scientific databases of PIOP completed research programs.

The PIOP Library features a Children's Reading Room, open to children aged between four (4) and twelve (12) years old. The children's collection comprises a rich collection of classic and more recent children's stories and of novels for children and youths by Greek and foreign authors. It also includes books of a more general interest and of an encyclopaedic nature. The Children's Reading Room is also used to host the Foundation's educational programs, organised by a library employee (28 activities).

As part of its activities and actively participating in the cultural events of its region, the Library organises a variety of events, in cooperation with other institutions. More specifically, in 2018 the following were organised:

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| 01. 5 narrations of children's books; | 05. 20 workshops with members of the |
| 02. 10 educational activities; | Greek Division of IBBY/Circle of the Greek |
| 03. 8 workshops for children and adults; | Children's Book; and |
| 04. 1 seminar for adults; | 06. 5 theatrical performances. |

The PIOP Library is a member of the Hellenic Economic Library Network (HELIN). In this conte:

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| 01. 3 book presentations; | 03. 1 educational visit to a member of HELIN |
| 02. 1 scientific conference; and | were organised. |

A competition for an illustrated children's book was organised. The award-winning story was published as an e-book and was turned into a play by the Theatre Group of the Piraeus Bank Group (in collaboration with the Group's Human Resources).

In 2018, more than 12,000 people, children and adults, made use of the PIOP Library (readers, remote users, loans, educational programs, short-term activities and co-operative activities).

Publications

PIOP publications support the character and activities of the Museum Network, and are often the end result of the Foundation's research projects-completed, ongoing or presented to the scientific community and the general public. PIOP publications appeal to the academic world, since they are used as university textbooks, while its "popular" publications are also important. In 2018 the following publications were released:

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| 01. Teaching olive cultivation, exhibition catalogue, a collaboration between PIOP and the Museum of Agriculture of the Agricultural University of Athens, ISBN 978-960-244-196-1 (PIOP) and 978-960-6806-22-3 (AM/AUA) ("Contributions" publication series). | Educational activities for Primary Education pupils (as part of the Educational programs for Primary Education pupils), Maria Dimopoulou, Kalliopi Kyddi, Eleni Svoronou, published by PIOP and Technopolis of the City of Athens, ISBN 978-960-244-198-5 (PIOP) and 978-960-87271-7-5 (Technopolis of the City of Athens) ("Educational packs" publication series). |
| 02. Myths and stories from Antiquity. Educational pack for the temporary exhibition "The countless aspects of Beauty", editorial and scientific editor Alexandra Tranta, ISBN 978-960-244-197-8 ("Educational packs" publication series). | 04. Gianoulis Chalepas, return to Pyrgos, scientific editor Alexandra Goulaki-Voutyra, ISBN 978-960-244-199-2 (exhibition catalogue) ("Contributions" publication series). |
| 03. The child, the city and the monuments. | |

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| <p>05. Alekos E. Florakis, Old quarries and stone-hewing installations of Tinos, ISBN 978-960-244-200-5 ("Our Museums" publication series).</p> <p>06. E.P. Thompson, The Making of the English Working Class, translation: Yannis Papadimitriou, Scientific editing and introduction to the Greek edition: Antonis Liakos, ISBN 978-960-244-201-2 ("Science and Technology" publication series).</p> | <p>07. Reprint of Graham Black, The Engaging Museum: Developing Museums for Visitor Involvement, translation: Sonia Kotidou, ISBN 978-960-244-117-6 ("Museology" publication series).</p> <p>08. Reprint of Kali Tzortzi, Museum Space: Where Architecture Meets Museology, ISBN 978-960-244-159-6 ("Museology" publication series).</p> |
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At the same time, the possibility is examined for integrating collective works which are referenced in the international bibliography regarding the three new thematic axes of the PIOP: Intangible Cultural Heritage, Cultural Landscapes and Historical Centres.

Research Programs

PIOP's research programs are an integral part of its threefold strategy: "Research, Exhibition, Publication". The results of the research are used in all of the Foundation's activities.

As far as research themes are concerned, emphasis is placed on traditional technologies, the management of the country's natural resources, the tangible and intangible cultural heritage of the recent past. In 2018, the following research was carried out:

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| <p>01. Research Program on the occasion of 100 years since the Great Fire of Thessaloniki, aiming at mapping the social, productive and planning parameters –and the links between them– that defined the reconstruction of Thessaloniki, with an emphasis on its historical centre. Material from the program was used for the temporary exhibition "THESSALONIKI COMMERCE 1870-1970" at the Piraeus Bank Conference Centre in Thessaloniki. In the framework of PIOP's threefold strategy "Research, Exhibition, Publication", the results of the research program will be used to produce two publications; The first publication will be a continuation of the first parameter and concerns the history of Thessaloniki's financial centre (E. Hekimoglou), while the second will use the results of the second parameter and the architectural depiction</p> | <p>of the transformations of Thessaloniki's financial centre (V. Kolonas).</p> <p>02. Research Program for the study and scientific documentation of works by Gianoulis Halepas. The program aimed at preparing an exhibition at the Museum of Marble Crafts, on the occasion of the 80th anniversary of Gianoulis Halepas' death. PIOP organised the exhibition in collaboration with the National Gallery - Alexandros Soutsos Museum, the South Aegean Region and the Municipality of Tinos. Following the exhibition, the catalogue of the exhibition "Gianoulis Halepas, Return to Pyrgos" was published, scientific editor Alexandra Goulaki-Voutyra. Thirty-five previously unpublished drawings by Halepas from the Nicholas Doukas Collection are depicted in the catalogue for the first time.</p> |
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Collaborations

In 2018, PIOP carried out the following important initiatives in collaboration with prominent bodies and/or persons, in the following order:

Collaborations in the Museum Network

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| <p>01. "The countless aspects of Beauty" temporary exhibition, in collaboration with the National Archaeological Museum (May - Museum of the Olive and Greek Olive Oil in Sparta, April - The Silversmithing Museum in</p> | <p>Ioannina, June - Museum of Marble Crafts at Pargos, Tinos). The temporary exhibition "The countless aspects of Beauty" formed part of the events for the European Year of Cultural Heritage 2018.</p> |
|--|--|

02. 2nd Meeting of Mayors from the PIOP Museum Network at the Silversmithing Museum in Ioannina, October 2018, to join forces in promoting each region, using the PIOP Museum Network.
03. Exhibition of original drawings and works in plaster by Gianoulis Halepas, in collaboration with the National Gallery, on the occasion of the 80th anniversary of his death.
04. 2nd Symposium on Sculpture in collaboration with the Region of South Aegean, at the Museum of Marble Crafts, with the participation of prominent artists (July 2018). The Symposium formed part of the events for the European Year of Cultural Heritage 2018.
05. "From Stage to Museum. Chinese Opera Costumes" exhibition at the Roof tile and Brickworks Museum N. & S. Tsalapatas, in December 2018. The exhibits are part of the collection donated by the Embassy of the People's Republic of China to the PIOP in May 2018.
06. "Brides. Stories in silk" temporary exhibition at the Silk Museum in Soufli, in collaboration with the Peloponnese Folklore Foundation, with parallel activities. (May 2018).
07. "Crafted by Kourtzis" temporary exhibition at the Museum of Industrial Olive–Oil Production of Lesvos, with the scientific contribution of the Centre for the Study of Modern Pottery (June 2018).
08. "Teaching olive cultivation" temporary exhibition at the Museum of the Olive and Greek Olive Oil in Sparta (June 2018) and at the Museum of Industrial Olive–Oil Production of Lesvos (September 2018), in collaboration with the Agricultural University of Athens (AUA).

Activities and synergies with third parties in Athens

01. Memorandum of Cooperation signed with the Laboratory of Folklore and Social Anthropology of the Democritus University of Thrace (DUTH).
02. Memorandum of Cooperation signed with the GAIA Centre of the Goulandris Natural History Museum (October 2018).
03. "A girl hovers in Kerameikos" Theatrical adaptation of the award-winning children's book by Christos Boulotis, by the Theatre Group of the Piraeus Bank Group. Performance held at the archaeological site of Kerameikos, in collaboration with the Athens Ephorate of Antiquities, as part of the Athens 2018 World Book Capital (October 2018).
04. "Architectural glances of the city". Walking around the historical centre of Athens on the occasion of a book. As part of the Athens 2018 World Book Capital. Based on the Architect's Guide to Athens, by the deceased Dionysios Zivas.
05. Art exhibition by Markos Kampanis, "Urban Trace. Visual artistic mapping of a suburb Cultural", at PIOP Historical Archives (September 2018).

Education

PIOP carries out a number of educational activities for life-long learning at the Museums and its premises in Athens.

For the sixth consecutive year, the PIOP offered educational programs for schools in Attica (primary and secondary education). The Educational programs of PIOP are designed in-house by specialised scientists, archaeologists–museologists specialised in Museum education, historians, archivists and IT specialists, on occasion in cooperation with external partners.

The educational programs are offered free of charge to schools visiting the Foundation's head office, its Historical Archives and its Library, and the Museums of the Network. The total number of participants (pupils and teachers) in educational activities, in Athens, Thessaloniki and the Network Museums reached 36,896.

However, school groups are not the only target-group of PIOP's educational activities. With a sense of social awareness towards socially disadvantaged groups, PIOP welcomes

refugee children attending school and maintains regular cooperation with the Second Chance School of Agioi Anargyroi (OKANA).

Participation in National/International Scientific Bodies – Partnerships

Participation in national and international scientific and academic institutions is one of PIOP's key activities, aiming to:

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| <p>01. Contribute to shaping cultural policies (papers/lectures/speeches by PIOP executives in scientific events, participation in actions organised by the Ministry of Culture and Sports, collaboration in the NSRF framework, participation of employees of the Ministry of Culture and Sports in PIOP Museum Monitoring Committees, collaboration with the Committee of Business Archives of the Society of Greek Archivists-SGA).</p> <p>02. Contribute to shaping the strategy for promoting Greece's intangible cultural</p> | <p>heritage (participation of PIOP's Director in the National Scientific Committee for the implementation of the Convention for the Safeguarding of the Intangible Cultural Heritage of the Ministry of Culture and Sports).</p> <p>03. Transfer know-how, disseminate good practices, enter scientific partnerships and pursue the financing of joint projects, by entering partnerships with international scientific bodies, associations and European networks.</p> |
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PIOP Action Plan in Thessaloniki

In the framework of the Foundation's aim to preserve and promote cultural heritage, in 2015 PIOP expanded its business to Thessaloniki, by organising targeted events and education programs in collaboration with the Piraeus Bank Conference Centre. In 2018, the following actions were implemented:

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| <p>01. Exhibitions:</p> <ul style="list-style-type: none"> • "Thessaloniki's Commerce 1870-1970", • "Chisel and Memory: the contribution of marble craftsmanship to the restoration of monuments". <p>02. Educational Programs for children at the Piraeus Bank Conference Centre: 30</p> | <p>educational programs were organised with the participation of 731 pupils.</p> <p>03. Educational and recreational activities for children: 34 activities with 3,337 participants.</p> <p>04. Activities for adults: 16 activities with 955 participants.</p> |
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2019 Key Targets

PIOP's key target for the immediate future is to continue reaching out to the public, in accordance with Piraeus Group's Corporate Responsibility Principles.

PIOP will continue organising initiatives in the Greek periphery, as these initiatives support local communities from a cultural and an economic perspective, and attract tourists. The Foundation's Historical Archives and Library in Athens and the Piraeus Bank Conference Centre in Thessaloniki will also continue organising initiatives for the wide public. In 2019 PIOP plans to:

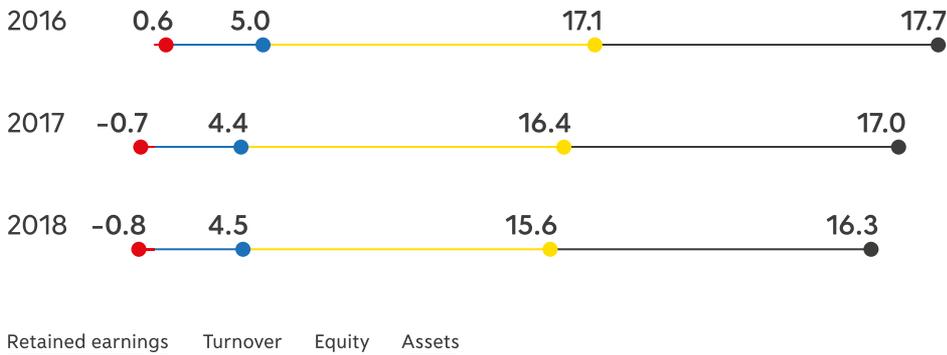
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|---|---|
| <p>01. Enhance its extroversion and contribute to Greece's cultural and general development, by supporting cultural and creative industries and modern culture, as well as by organising combined cultural, scientific and environmental initiatives.</p> | <p>02. Improve the quality of services provided to Museum visitors and the users of PIOP's Library and Historical Archives.</p> <p>03. Participate in shaping cultural policies.</p> <p>04. Implement activities in the context of the thematic axis "Museums-Daily</p> |
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- Places".
- 05. Implement European and co-funded programs.
- 06. Reinforce entrepreneurship in the field of Creative-Cultural Industries.

In particular, PIOP plans to undertake the following actions, per field:

- 01. Intangible cultural heritage promotion: Promote and make use of Greece’s cultural heritage to add new inscriptions on the UNESCO Representative List of the Intangible Cultural Heritage of Humanity.
- 02. Museum Network: Increase the number of Museum visitors by increasing and enriching the various cultural/ educational activities organised in the Museums. Support cultural tourism and cultural entrepreneurship in the areas of PIOP’s Museum Network.
- 03. Historical Archives: Continue operating the HA as an archival institution with multiple beneficiaries and increase the number of beneficiaries. Enhance its role as a cultural hub on the cultural map of Athens.
- 04. Library: Capitalise on and continue partnering with local institutions, by co-hosting events and activities.
- 05. Publications: Continue adding titles to the Foundation’s publications, covering a wide range of research fields and reflecting the character and initiatives of the Network of thematic Museums of technology.
- 06. Research work: Create new research, and capitalise and promote existing research to the public, through related exhibitions and publications.
- 07. Education: Implement life-long educational activities at PIOP’s Museums and its premises in Athens and Thessaloniki.
- 08. Participation in national and international scientific institutions – partnerships: Enter strategic partnerships with institutions of recognised repute, prepare and submit proposals to national and European co-funded programs.

Financial results of PIOP (€ mn)



Material Topic

Creation of economic value

The Bank enhances its financial performance and contributes to the revamping of the Greek economy (e.g. salaries, employers' social contributions, tax payment, indirect value creation) by implementing a specific business plan.



Mapping with Sustainable Development Goal
Decent Work & Economic Growth



Mapping with Sustainable Development Goal
Partnerships for the Goals



Assurance by independent body
GRI 201-1

Selected Data 2018

€1.9 bn

Direct Economic Value created by Piraeus Bank Group

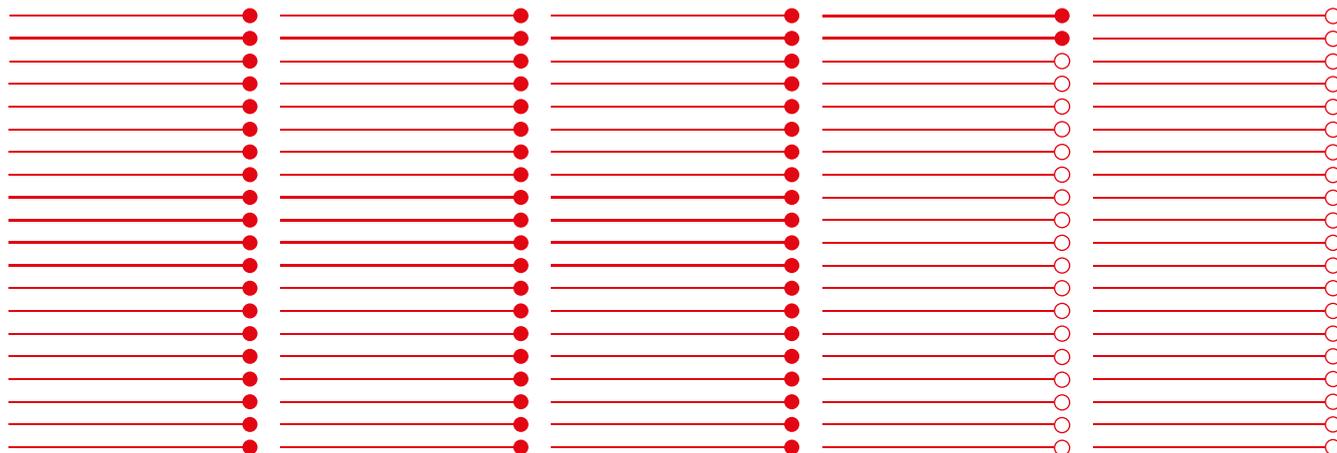
28,353*

total jobs (direct, indirect and induced) supported by Piraeus Bank and PIOP activities in Greece

1%*

The total contribution of Piraeus Bank to Greece's economy as a percentage of Gross Domestic Product

* Data related to the contribution of the parent Piraeus Bank SA



62%

of direct Economic Value distributed

2%

of Direct Economic Value relates to Corporate Responsibility Actions

Goals

- Maintaining a profitable business model with constant improvement of sources of income and effectiveness of operation
- Provision of new financing of €4.0 bn in 2019
- Contribution to economic recovery through the enhancement of private entrepreneurship

Material Topic

- Promotion of the country's cultural heritage
- Supporting local communities through Piraeus Group Cultural Foundation



Mapping with Sustainable Development Goal
Quality Education



Mapping with Sustainable Development Goal
Sustainable Cities and Communities



Assurance by independent body
GRI 203-1, 203-2

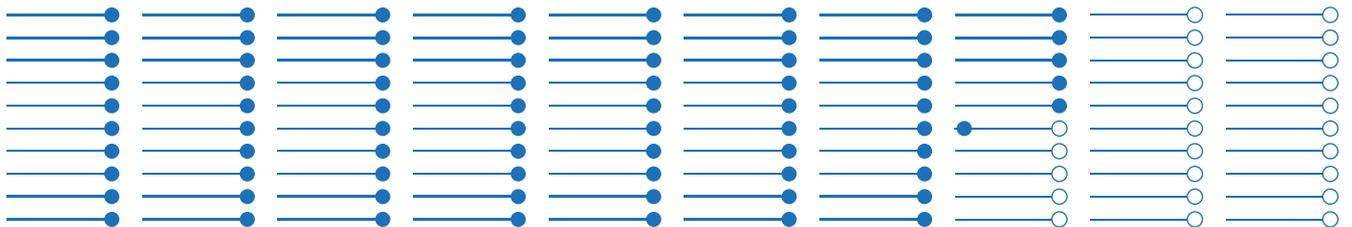
Selected Data 2018

9

Thematic Museums at selected regions of Greece

333,450

Visitors at PIOP Museums



75.15%

Free of charge entrance

38

Exhibitions at PIOP Museums

296

Entertainment and education activities for children

150

Partnerships with third parties

36,434

Students who benefited from the educational actions of PIOP

255

Cultural Actions at PIOP Museums

513

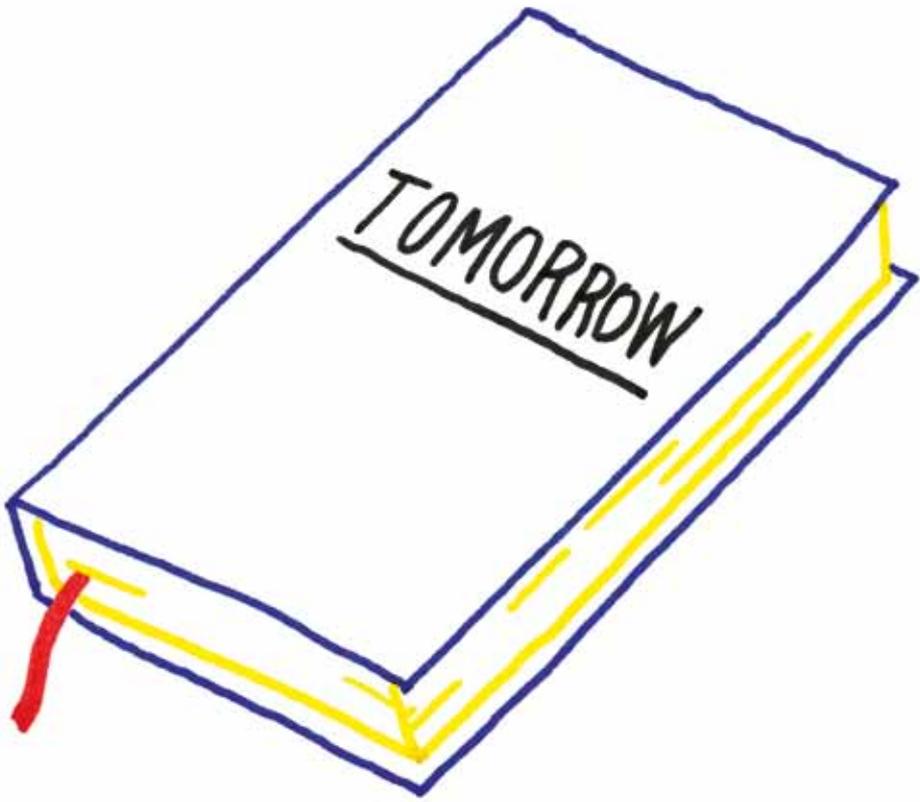
Regular training programs for children

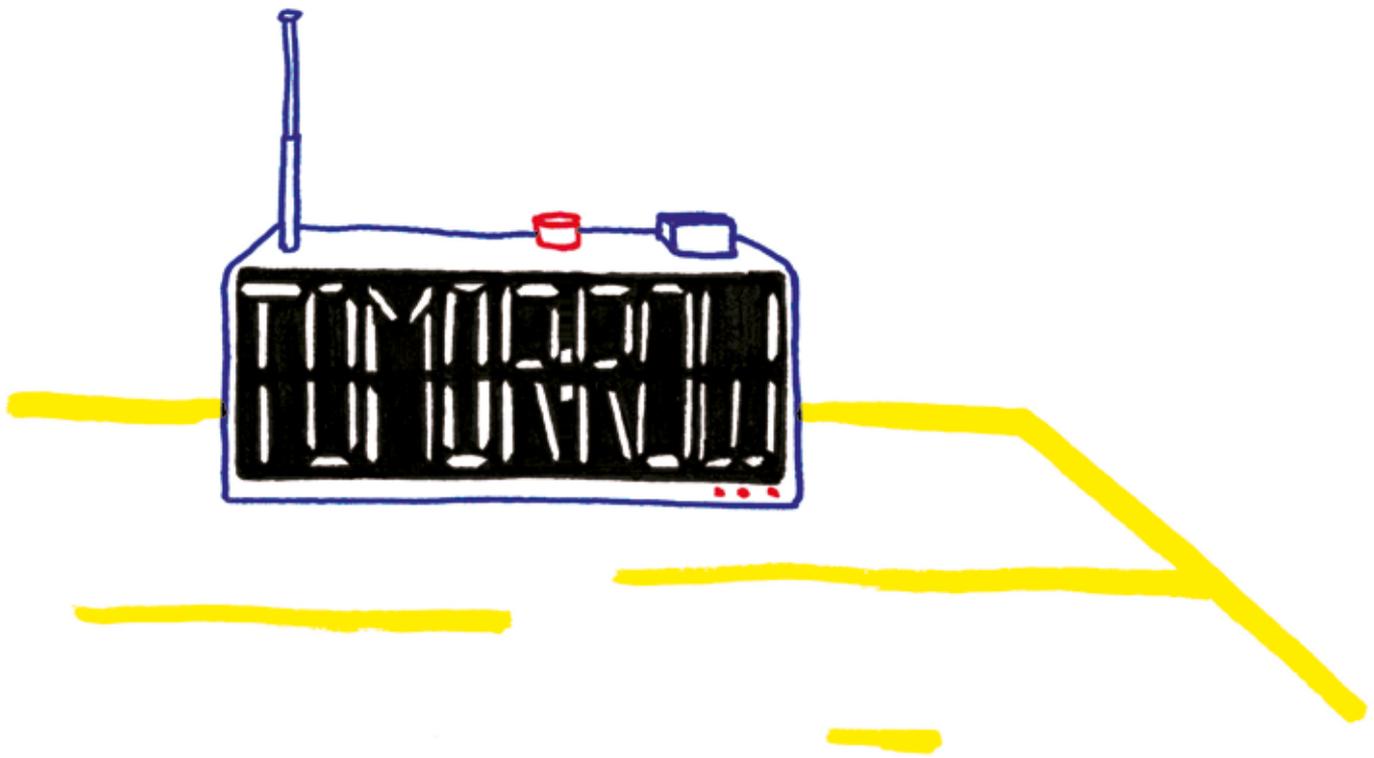
Goals

- Enhancement of PIOP's extroversion and contribution to the cultural and broader development of Greece through the implementation of targeted actions
- Increase in the number of visitors of the PIOP Museums and constant improvement of the quality of services provided and the variety of PIOP actions
- Enhancing entrepreneurship in the field of Creative - Cultural Industries

ΕΙΚΑΣΤΙΚΟ

8





ΕΙΚΑΣΤΙΚΟ

8

Environment

2018 Key Actions

- | | |
|---|---|
| <p>01. Improving Environmental Performance:</p> <ul style="list-style-type: none"> • 29 branches had fully - operational PV Systems (net metering) installed; • 153 branches with energy and water efficiency interventions; • 351 additional branches had their outdoor sign lighting replaced with LED lights. Since 2017, outdoor sign lighting has been replaced in 500 branches. The energy saving from this intervention reaches approximately 50% per | <p>branch; and</p> <ul style="list-style-type: none"> • the study for Scope 3 emissions (indirect emissions) of the Bank's activity was completed. <p>02. Addressing climate change:</p> <ul style="list-style-type: none"> • conducting a SWOT and Gap Analysis to record and analyse gaps between the recommendations by the Task Force on Climate-related Financial Disclosures-TCFD aiming to identify future actions to improve climate risk management. |
|---|---|

2019 Key Targets

Improvement of Environmental Performance

Annual Environmental Management Targets

- | | |
|--|--|
| <p>01. 2% reduction in total paper consumption per employee.</p> <p>02. 2% reduction in water consumption per employee.</p> <p>03. 4% increase in percentage of recycled paper vs total paper consumption.</p> | <p>04. 1% increase in the percentage of refilled cartridge/toner vs total cartridge/toner consumption.</p> |
|--|--|

⁴ Scope 1 + Scope 2 + Scope 3 (business travel only) emissions.

⁵ The target was revised by extending its duration by 1 year.

Long-Term Goals for Environmental Management

- | | |
|---|---|
| <p>01. 5% reduction in total electricity consumption per sq.m. (2-year target, base year 2018).</p> <p>02. 5% reduction in total indirect GHG emissions related to electricity consumption (Scope 2) per sq.m. (2-year target, base year 2018).</p> <p>03. 5% of total electricity consumption in Bank branches to be produced by PV systems (net-metering) (3-year⁴ target, base year 2016).</p> <p>04. 8% reduction in electricity consumption per sq.m. for all the Bank's buildings that</p> | <p>have been incorporated in the energy management program (3-year target, base year 2019).</p> <p>05. Development of a new environmental performance monitoring and reporting application for the Group.</p> <p>06. 30% reduction in total GHG emissions (in absolute terms) (5-year target, base year 2014).⁵</p> <p>07. 10% increase in the use of environmentally-certified paper consumed vs total paper consumption (3-year target, base year 2018).</p> |
|---|---|

Addressing Climate Change

- | | |
|--|---|
| <p>01. Expand and upgrade the Climate Risk Management Model in the framework of TCFD requirements.</p> <p>02. Monitor the developments and decisions of European and International Authorities on climate change and risks arising from it, in order to inform the Bank's competent Units about changes that are</p> | <p>being promoted and will affect the Bank, directly or indirectly.</p> <p>03. Raise awareness on climate change implications among relevant business units, to lay the foundations for managing climate risk and exploiting arising opportunities.</p> |
|--|---|

Environmental Framework

European and International Framework

The Sustainable Development Goals (SDGs) and the Paris Climate Agreement (2015) emphasize the need for coherent policies to address environmental and social challenges.

The Principles for Responsible Banking, developed by the UNEP FI members, set the new framework for banking worldwide. They emphasize governance, transparency, accountability, cooperation with all stakeholders to set targets that will have a positive impact on society, so that the banking sector contributes to achieving the SDGs and the Paris Climate Agreement.

A working group of UNEP FI member banks published jointly developed methodologies and scenarios to be used by banks to assess climate risks. The UNEP FI Working Group drew on the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) set up by the Financial Stability Board (FSB) to develop banking strategies and actions for addressing climate risk.

In Europe, the "Action Plan: Financing Sustainable Growth" is progressing with legislative proposals that will set the path towards achieving the Paris Climate Agreement, by steering funds in low carbon technologies and services.

Piraeus Bank's environmental framework

The Bank monitors, and in some cases co-shapes, international and European trends. Piraeus Bank is one of the 28 banks worldwide that developed the Principles for Responsible Banking under the auspices of UNEP FI. By participating in the UNEP FI Positive Impact Initiative, the Bank forms a framework for promoting environmental and social impact-based

financing. At the same time, by participating in the EU Business@Biodiversity the Bank works with pioneering companies in Europe to develop business tools and approaches that integrate natural capital and biodiversity considerations into business practices.

The Bank has implemented environmental policies and strategies and its Environmental Management System (EMS) is certified under ISO 14001 and EMAS. The Piraeus Bank Group Cultural Foundation (PIOP) also has an EMAS-certified EMS, while four Industrial Parks run by ETVA Industrial Parks SA also have EMS with ISO 14001:2015 environmental certification. At the same time, the Bank operates an Environmental and Social Management System (ESMS) to limit exposure to potential environmental and social risks of its borrowers.

Sustainability Support Structure

Piraeus Bank Group has dedicated business units, such as the Sustainability Unit (former Environment Unit), Green Banking & Development Programs and Corporate Responsibility & Internal Communication that cooperate with other units to achieve the sustainability goals. The Group Environmental Management Officer coordinates the Environmental Management Team (EMT) of the Bank and PIOP and is on the Environmental Council of ETVA Industrial Parks SA.

Monitoring and Analysis of Environmental Legislation & Case-Law

The subject-specific Database on Environmental Legislation and Case Law (DEL&CL) that has been developed in Piraeus Bank constitutes an innovative legal tool. The DEL&CL includes the necessary legal information and relevant documentation, as well as numerous opinions on legal issues that are of particular interest to the Bank. It serves the specialized legal support to the implementation of Piraeus Bank Group's Environmental Policy and its compliance with applicable environmental legal requirements, including climate commitments. It also facilitates Bank's proactive response to environmental regulatory developments.

Improving Environmental Performance

The Bank develops strategies to improve its environmental performance and minimize the environmental impact of its operations.

Environmental Management System (EMS)

The Environmental Management System (EMS) systematically monitors, manages, and effectively reduces the environmental impact associated with the Bank's operations in administrative buildings and its branches in Greece.

Since 2011, Piraeus Bank is registered in the European Union Eco-Management and Audit Scheme (EMAS). In addition, the EMS is certified according to ISO 14001:2015.

Reduction of Piraeus Bank's Environmental Footprint

The environmental impact of the Bank's operations is monitored on an annual basis. The methodology used in the calculations is based on the principles set out in the "GHG Protocol Corporate Accounting and Reporting Standard" by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).

Piraeus Bank's environmental performance in 2018 was assessed using specific Energy Efficiency Indicators, as shown in the following paragraphs. The results refer to Piraeus Bank's operations in Greece.

⁶ 2014 is used as the base year, as a series of significant bank mergers took place in 2012-2013.

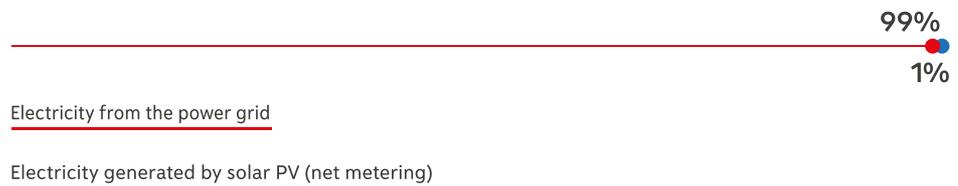
Energy Consumption

The main energy sources used for the Bank's operations are electricity, heating oil, and fuel for employee travel. Specifically:

Electricity Consumption

Electricity is consumed across the Group for lighting, for operating electrical and electronic equipment, for air conditioning, while in most buildings it is also used for heating purposes. Electricity consumption is the Bank's environmental aspect with the greatest environmental impact. In total, more than 55.93 GWh were consumed in 2018, of which 555.217 kWh were generated by solar PV systems installed in 29 branches (net-metering).

Electricity consumption in 2018



Electricity consumption per square metre and per employee was reduced by 9% and 3% respectively. In total, since 2014⁶ electricity consumption per square meter decreased by more than 17%.

Fuel Consumption

Heating Oil: In 2018, 76 buildings consumed 212,456 litres of heating oil, 34.38% less than in 2017.

Employee road travel (petrol/diesel/LPG): Total fuel consumption due to employee road travel is estimated on an annual basis taking into consideration the average monthly prices of unleaded petrol, diesel and LPG (work-related business travel). Educational travel is calculated based on the distance covered by each employee from the workplace to the training centre and back. In 2018, fuel consumption for business travel reached 1,802,000 litres of petrol, 480,000 litres of diesel and 43,000 litres of LPG, for more than 30.8 mn km of road travel.

Aviation fuel: In 2018, employees travelled approximately 5 mn km by plane. As a result, 200 tonnes of jet fuel were consumed for air travel.

Energy Saving Projects

Every year, energy and cost saving projects are implemented across the Bank.

Energy-saving Interventions at Branches

In 2018, the Technical Projects and Administration Unit carried out energy efficiency renovations in 153 branches. The most important energy upgrades were:

- | | |
|--|--|
| 01. Replacement of conventional light bulbs with LED lighting. | Management Systems (BEMS). |
| 02. Installation of Building Energy | 03. Installation of motion sensors in WCs. |

Replacement of lighting in buildings

During the renovation of the Bank’s facilities, energy-efficient LED lighting were installed, wherever possible. The Installed Lighting Power Density (ILPD) reached 6.18 W/m² in 2018. This is a reduction of 69%, which led to a saving of 1.295 MWh of electricity over the previous year.

Outdoor Sign Lighting in Branches - Installation of LEDs

In 2018, the replacement of outdoor sign lighting with LEDs in 351 branches was completed. Since 2017, outdoor sign lighting have been replaced in 500 branches. This switch to LED results in an annual cost-saving of €510 per branch. The energy saving from replacing the outdoor sign lighting is approximately 50%. In addition, the total energy consumption per branch has improved by 5%.

Installation of PV Systems - Net-metering

In 2018, the installation of PV Systems was completed in 33 branches, with 29 of them connected to the national grid. It is estimated that 33% of the branches’ electricity needs is covered by the PV Systems.

Energy Office

The "Energy Office" uses a web-based, real-time, monitoring software, unique in the Greek banking sector. It records the energy and water consumption in more than 350 of the Bank’s buildings. It is an innovative environmental program designed to save resources, reduce environmental footprint and operational costs. It enables:

- 01. Remote intervention in case of energy errors, failures and over-consumption.
- 02. Comparative energy data reporting.

Paper/Toner Consumption

Paper consumption is the second most important environmental aspect for the Bank - after electricity consumption. On an annual basis, supplies of all paper consumables, newspaper subscriptions, and total quantities of paper used for communication and display purposes are recorded. Specifically:

- 01. Printing paper (A3, A4 and A5 sizes) needs are covered almost exclusively (~100%) by Ecolabel-certified paper, while the total amount of paper used for marketing purposes is FSC-certified.
- 02. In total, 1,158 tonnes of paper were consumed in 2018, of which 77% was Ecolabel or FSC certified.
- 03. The total paper consumption per employee indicator dropped by approximately 4% compared to 2017, achieving the respective target set by the Bank.

Distribution of total paper consumption in 2018



In 2018 more than 25,000 items of printing consumables (toners, ink cartridges, etc.) were consumed, of which 53% were refill toners/ink cartridges. Toner consumption per employee has dropped by 47% since 2014.

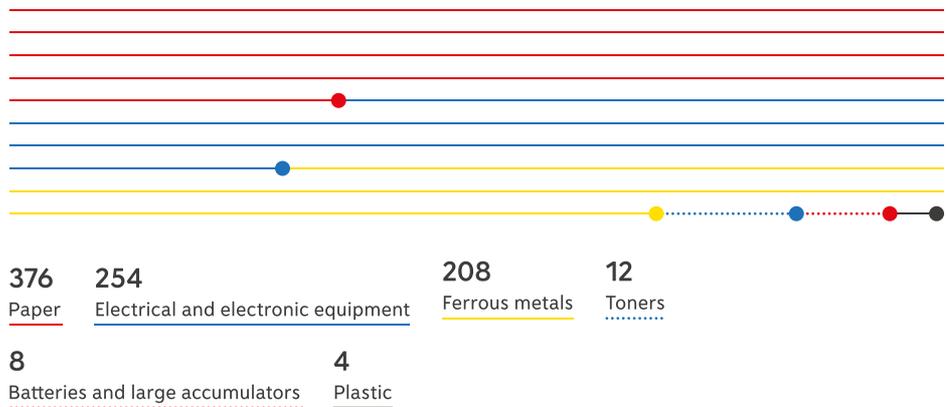
Paper and Ink Saving Initiatives

- 01. Paperless Cashier: 29% (8,729,179) of Paperless Cashier transactions were completed without any printed copy, while the 63% (18,715,060) were completed with just one printed copy for customer.
- 02. Managed Printing Services (MPS): In 2018, the Bank avoided printing more than 6,500,000 pages (approximately 8% of the total printouts requested).
- 03. ATM Transactions: In 2018, 43,278,456 paper receipts from ATM were not printed.

Solid Waste Management

The Bank cooperates with licensed recycling companies and systems for its recycling. In 2018, more than 4,000 collections of materials were made from all branches and administration buildings and approximately 860 tonnes of solid waste were recycled.

Solid waste management in 2018 (tn)



GHG emissions

For the calculation of the Bank’s total CO₂ equivalent emissions, the operational control method has been applied and the following sources of emissions are taken into consideration:

Direct GHG emissions (Scope 1):

- 01. Consumption of heating oil.
- 02. Consumption of petrol and diesel used by company cars.

Indirect GHG emissions related to electricity consumption in the Bank’s buildings (Scope 2):

- 01. Consumption of electricity in all buildings and branches.

Other indirect GHG emissions (Scope 3):

- 01. Investments (Participations).
- 02. Purchased goods and services (e.g. fixed equipment, courier services, security services, etc.).
- 03. Upstream transportation and distribution (e.g. Furniture, electrical and electronic

- | | |
|--|--|
| <p>equipment, archive, etc.).</p> <p>04. Waste generated in operations (including management/transport).</p> | <p>05. Employee commuting.</p> <p>06. Business travel (rental or privately-owned car, air travel, sea travel).</p> |
|--|--|

⁷ Categories included in "GHG Protocol Corporate Value Chain Standard".

In particular, in 2018, an external consultant completed a study on other indirect GHG emissions (Scope 3). The aforementioned categories of indirect emissions⁷ were calculated for the years 2017 and 2018, as they are assessed as the most significant for the Bank.

The GHGs included in the calculations are: Carbon Dioxide (CO₂), Methane (CH₄) and Nitrous Oxide (N₂O). The resulting emissions from the combustion of petrol and heating/motor oil are based on the IPCC and EMEP/EEA Guidelines for national emission inventories. Emissions resulting from electricity consumption are calculated taking into account the national energy balance, as well as the emissions of GHGs and other gases recorded in the most recent annual National Inventory Report⁸. Finally, for all other emissions the relevant published input-output tables were used.

⁸ Location-based methodology.

In addition, Piraeus Bank purchased Guarantees of Origin (GOs) from IRON THERMOELECTRIC SA and PPC SA for 100% of the electricity consumed on its premises and its subsidiaries. In particular, GOs for 76,661 MWh were cancelled in the electronic certificate registry, thus confirming that the specific quantities of electricity derived from Renewable Energy Sources (RES).

In total, in 2018, total CO_{2eq} emissions exceeded 82,421 tonnes. Listed below are CO_{2eq} emissions by category:

Emissions by category for 2018 (tn CO_{2,eq})

Consumption of heating oil
575

Consumption of petrol and diesel used by
corporate cars
1,849

Electricity consumption
30,954

Waste generation & management
375

Upstream transportation and distribution
452

Employee commuting
10,130

Business Travel
4,611

Investments (Participations)
23,142

Purchased goods and services
10,332

Gas Emissionsⁱ	2018	2017	Trend 2018-2017
CO _{2,eq} Emissions (tonnes) ⁱⁱ - scope 1	2,424.23	2,998.94	-19.16%
CO _{2,eq} Emissions (tonnes) ⁱⁱ - scope 2 (location-based)	30,954.27	34,878.18	-11.25%
CO _{2,eq} Emissions (tonnes) ⁱⁱ - scope 3	49,043.25 ^{iv}	127,741.43 ⁱⁱⁱ	-61.61%
Total CO _{2,eq} Emissions (tonnes) - Scope 1, 2, 3	82,421.75	165,618.55	-50.23%
CO _{2,eq} Emissions (kg/m ²) - scope 2 (location-based)	66.43	73.41	-9.50%
Total CO _{2,eq} Emissions (tonnes/employee) - Scope 1, 2, 3	6.68	12.37	-45.99%
CO _{2,eq} Emissions (tonnes) ⁱⁱ - scope 2 (market-based)	0.00 ^{vi}	5,116.82 ^v	-100.00%

Piraeus Bank Environmental Footprint^{vii} - Key Environmental Indicators	2018	2017	Trend 2018-2017
Energy consumption (Electricity, Heating fuel and Travel)			
Electricity consumption (GWh) - from the electricity supply network ^{viii}	55.40	62.42 ^{ix}	-11.25%
Electricity consumption (kWh) - from photovoltaic systems ^{viii}	555,217.08	78,281.57	609.26%
Total electricity consumption (GWh)	55.96	62.50	-10.47%
Electricity consumption (kWh/m ²) ^{viii}	120.09	131.55	-8.71%
Heating oil consumption (litres)	212,456	323,750	-34.38%
Air travel – jet fuel (tn)	196.46	220.89	-11.06%
Motor travel – diesel fuel (litres)	479,954	191,613	150.48%
Motor travel – gas fuel (litres)	1,802,242	1,890,399	-4.66%
LPG consumption (litres)	43,030	0	-
Total energy consumption (GJ) - inside the Bank ^{x,xi}	234,244.07	246,799.49	-5.09%
Total energy consumption (GJ) - outside the Bank ^{xii,xiii}	61,189.84	68,682.70	-10.91%
Total distance travelled (km)	35,769,632	32,512,597	10.02%
Travel prevented by opting for e-learning (km)	9,679,012	13,341,956	-27.45%
Water			
Water consumption (m ³) ^x	96,879.79	118,545.91	-18.28%
Water consumption (m ³ /employee)	7.86	8.86	-11.30%
Consumables			
Conventional paper consumption (tonnes) [I]	268.39	343.21	-21.80%
Eco-label paper consumption (tonnes) [II]	847.22	921.60	-8.07%
FSC paper consumption (tonnes) [III]	42.40	41.17	3.01%

Total paper consumption (tonnes) [I]+[II]+[III]	1,158.02	1,305.97	-11.33%
Total paper consumption (kg/employee)	93.91	97.58	-3.76%
Percentage of eco-label paper (FSC or recycled) vs total consumption (%)	76.66	73.72	3.99%
Total cartridge/toner consumption (items)	25,160	38,111	-33.98%
Total cartridge/toner consumption per employee (items/employee)	2.04	2.85	-28.35%
Percentage of refilled cartridge/toner vs original (%)	53.10	27.75	91.34%
Waste Management			
Paper recycled (tonnes)	376.06	578.49	-11.06%
Toners and cartridges reused/recycled (items)	15,663	22,070	-29.03%
Other electrical and electronic equipment recycled (tonnes)	254.04	393.49	-35.44%
<ul style="list-style-type: none"> i Calculations for 100% of Piraeus Bank's operations in Greece. ii The following Global Warming Potential (GWP) coefficients have been used for the conversion of emissions estimates into the common unit of CO₂ equivalent: 1 for CO₂, 25 for CH₄ and 298 for N₂O. For details see.: IPCC, Fourth Assessment Report (AR4), Working Group 1, Chapter 2, Changes in Atmospheric Constituents and in Radiative Forcing, Table 2.14, p. 212. iii Results are included from the study related to the assessment of the Bank's activity indirect emissions (Scope 3), which was completed at the end of 2018. iv During compiling the present report, three companies had not published their annual financial data for the year 2018. v Calculated using GOs and the Residual Energy Mixture for Greece (Published data for 2016). vi Calculated using GOs and the Residual Energy Mixture for Greece (Published data for 2017). vii Calculations for 100% of Piraeus Bank activities in Greece. viii Utility bills received until the first week of April 2019 have been included. ix The Bank has acquired GOs for 76,661 GWh. x Calculated using the net calorific value (NCVs) and density of each fuel type, as per IPCC Guidelines (2006) and International Energy Agency Statistics Manual (2005) respectively. xi Energy consumption from travel using corporate vehicles (cars/motorcycles) is included. xii Calculated using the net calorific value (NCVs) and density of each fuel type, as per IPCC Guidelines (2006) and International Energy Agency Statistics Manual (2005) respectively. xiii Includes all motor and air travel, excluding corporate vehicles. 			

For more details on the improvement of Piraeus Bank Environmental Performance, please refer to:

www.piraeusbankgroup.com/en/>Environment>Environmental Management>Environmental Footprint>2018 Environmental Performance of Piraeus Bank

Protection of Biodiversity

The Bank explores innovative solutions for linking business and biodiversity protection.

Recognizing the loss of biodiversity as one of the planet's biggest environmental threats, and having included the protection of biodiversity in its Environmental Policy, in September 2018 Piraeus Bank completed the five-year European co-funded LIFE-Stymfalia project. The aim of this innovative project was to restore important wetland habitats at Lake Stymfalia and create the appropriate conditions for their long-term protection and management, linking business and biodiversity protection for the first time. LIFE-Stymfalia organised workshops, educational programs and events, highlighting the need for restoring Lake Stymfalia and enhancing the value of the region, for engaging the local community in the sustainable management of the Lake. The project inspired initiatives for sustainable development and innovative business activity suitable for Natura 2000 sites.

A two-day International Conference on Sustainable Management and Financing of Wetland Biodiversity –the first such event in Greece– was held in Athens and Stymphalia. The Farmers' Network of Stymphalia was created to promote sustainable farming entrepreneurship and innovation. The environmental and cultural interpretation trail "Man and Nature on the Paths of the Time", which leads visitors from the Environment Museum to the wetland and the archaeological site, has attracted more than 5,000 people in two years. The path received the European Natura 2000 Finalist Award for 2018 for its dual identity, since biodiversity intermingles with antiquity along the path. The educational "suitcase" "Mission... Stymphalia", was borrowed by eleven schools of the region, raising the awareness of 630 children on issues related to the problems and threats to wetlands.

A study on the economic evaluation of ecosystem services was carried out for the first time for a small Natura 2000 site, where the ecosystem services of the area are depicted and considered as rare and their degradation entails a considerable cost. The total value of Ecosystem services in Lake Stymphalia amounts to more than €6,500,000 annually, based on current estimates. The Business Plan for Lake Stymphalia was completed, where the comparative advantages of the protected area were recorded and business opportunities were assessed, with a view to sustainable management.

For more information, see:
www.lifestymfalia.gr

With the experience gained from the LIFE-Stymfalia project, the Bank participates in the EU Business@Biodiversity Platform. In the framework of this Platform, the Bank also engages in the EU CoP Finance@Biodiversity working group, where financial institutions (FIs) discuss how to address the challenges and opportunities arising from financial activities. In addition, Piraeus Bank participates in the IUCN initiative "Incubator for Nature Conservation" for identifying business opportunities for the sustainable development of protected areas worldwide.

Addressing Climate Change

Piraeus Bank applies processes for assessing the impacts and opportunities of climate change, especially in sectors of the Greek economy that have a significant share in its business portfolio. Piraeus Bank Group responds promptly to the global challenges of climate change. It continuously monitors and actively participates in developments, having drafted its Climate Change Strategy (2010), which aims to reduce its environmental footprint as well as to enhance investing in RES and green entrepreneurship.

The Bank monitors international climate change trends and participates in international initiatives such as the UN Global Compact's "Caring for Climate: The business leadership platform", the "Positive Impact Manifesto" on the transition to inclusive green economy and the "Paris Pledge for Action" initiative launched in the framework of the United Nations Climate Change Conference in Paris (2015).

Following the decisions taken at the Paris Conference, initiatives that are rapidly developing at both international and European level highlight the strategic role of financial institutions in tackling climate change and sustainable growth.

The Task Force on Climate-related Financial Disclosures – TCFD of the Financial Stability Board has analyzed the risks, opportunities and economic impact of climate change and has come up with a series of recommendations for financial institutions concerning

the 4 pillars of their operations: Corporate Governance, Strategy, Risk Management and Targets. Based on these recommendations, a group of banks, members of UNEP-FI, proceeded with the issuance of method frameworks for approaching climate risk assessment.

Piraeus Bank has proceeded with recording, and assessing the risks and opportunities arising from climate change. Based on the recommendations of the TCFD, it analyzed the strengths, weaknesses, opportunities and threats of the Bank with a view to identifying the actions to be taken in relation to climate risk management. In addition, Piraeus Bank, in collaboration with an external partner has conducted a Gap Analysis on the capabilities of the Climate Risk Management Model and identified changes that are required for the Model to be compatible with the TCFD recommendations.

Piraeus Bank's Climate Change Strategy

The Climate Change Strategy, which is an integral part of the Sustainable Development Strategy, recognizes the impact of climate change on the economy, society and the environment, and it has four axes:

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|--|--|
| 01. Gradual reduction of Piraeus Group's carbon footprint, | companies, |
| 02. Support of investments in renewable energy and energy saving projects, | 04. Provision of solutions to businesses in order to adapt to the new climatic conditions. |
| 03. Climate change risk assessment for Greek | |

Climate Risk and Exposure

Piraeus Bank carries out economic assessment on the climate exposure of its business portfolio in Greece. More specifically, the Bank through the Climate Risk Management Model (CRMM) it has developed, calculates the annual climate exposure of business borrowers from significant sectors for the Bank, that may be economically affected by climate change.

The following tables show the sectors of the 2018 business portfolio affected by climate change, as well as the structure and characteristics of the sample taken.

Characteristics of Sample loan-holders	
Total Number of Sample business borrowers	12,821
Total Turnover from Sample business borrowers	€54,439,147,543

Structure of Subject business borrowers per Sector of Economic Activity	
Offices	5,736
Agriculture	2,695
Energy Production	1,399
Processing	1,480
Hotels	1,336
Shipping	120
Hospitals	55

Total climate exposure of the Bank's business borrowers was estimated at €926.22 mn for 2018 (2017: 541.5 mn), or 1.7% of their total turnover. Physical exposure constitutes

39.3% and regulatory exposure 60.7% of total climate exposure. With regard to almost doubling the cost of the climate exposure of the specific business borrowers in 2018, it should be taken into account that the average annual green-house gas emission allowance price of €16/tonne was used to calculate climate exposure compared to price of €7/tonne of emissions by which the climate exposure was calculated in previous years. The configuration of the corporate loan portfolio over the last three years (2016–2018), based on the climate exposure lending economical sectors, is as follows:

Composition of the Business Loan Portfolio Based on Climate Exposure of the Economic Sectors with Loans			
Climate Exposure Sector Category	Percentage 2018	Percentage 2017	Percentage 2016
Sectors of Negative Climate Exposure (benefit)	1.3%	1.1%	1.1%
Sectors of Zero Climate Exposure	59.8 %	69.4%	73.7%
Sectors of Low Climate Exposure	30.2 %	17.1%	12.8%
Sectors of Medium Climate Exposure	7%	5.7%	5.7%
Sectors of High Climate Exposure	1.6%	6.7%	6.7%

It is noted that 91.3% of loan portfolio relates to sectors with negative to low climate exposure and only 8.6% of loan portfolio relates to sectors with medium and high climate exposure.

Climate Risk Management Model

The goal of the Climate Risk Management Model is to assess the climate exposure of Greek businesses and evaluate solutions to reduce exposure.

The Model can be applied to calculate:

- 01. The cost of climate risk (physical and regulatory) related to climate change at economic sector, sub-sector and business level.
- 02. The cost and benefits of measures that can be implemented by a business borrower in order to reduce its climate exposure.
- 03. The environmental footprint of the sector (gaseous emissions, liquid waste, solid waste) at a sub-sector and business level.

<i>Climate Risk</i>
Physical Climate Risk is the financial impact to a business due to the change in climate conditions (increase/decrease in average temperature or average rainfall, rise in sea levels, extreme weather conditions, eg. heat waves, flooding etc).
Regulatory Climate Risk is the financial impact to a business due to the reforms in the institutional framework in order to deal with climate change (eg. participation in the EU Emissions Trading System–EU ETS).
For annual assessment of climate exposure, data are collected from the total of the Bank’s business portfolio. Following that, a sample is selected from businesses

in specific sectors of economic activity, which are exposed to climate change and are of particular interest for the Bank's loan portfolio, and Typical Units are developed. For the assessment of climate exposure, the turnover of the business borrower is assessed, as well as the parameters according to the sector or sub-sector of economic activity. Indicatively:

- | | |
|---|--|
| 01. For the agricultural sector: the type and method of cultivation, geographical region. | 04. For electricity production: the fuel and the technology utilized as well as the installed power density and annual electricity production. |
| 02. For services: the climate zone and for hotels in particular the season duration, year of construction, type of energy utilized. | |
| 03. For manufacturing: the type of | |

Additionally, the business borrowers are categorized according to whether they participate in the EU emissions Trading System (EU-ETS), a factor which is taken into account in calculating climate exposure due to regulatory risk.

In order to categorize financial sectors according to climate exposure, the Economic Sector Climate Exposure Index (ESCE) is calculated as the ratio of climate exposure in relation to the total turnover of the business borrowers, and the sectors are divided into categories as follows:

- | | |
|---|--|
| 01. Negative climate exposure: sectors with $ESCE < 0\%$. | 04. Medium climate exposure : sectors with $1\% < ESCE \leq 5\%$. |
| 02. Zero climate exposure: sectors with $ESCE = 0\%$ (mainly concerns sectors not exposed to climate change). | 05. High climate exposure: sectors with $ESCE > 5\%$. |
| 03. Low climate exposure: sectors with $0\% < ESCE \leq 1\%$. | |

Within the Group's business objectives, the assessment, valuation and measurement of change risks, in a transparent manner and integrated into a comprehensive risk management strategy, prepares the Bank for the increased risk monitoring requirements expected to come into effect by the competent supervisors. At the same time it enhances the environmental profile of the Bank and the Group in the market, maintaining a competitive advantage in Greece and Europe

Collaborations

Piraeus Bank has collaborated with the Society for the Protection of Prespa in the implementation of the European LIFE-Stymfalia program, which started in October 2013 and was completed in September 2018. In the framework of the participation of the employees in volunteer programs, in 2018 the Bank cooperated with the "Organization Earth", while the Bank's cooperation with the "Climax plus" social cooperative continues for the collection of paper for recycling in Attica.

Environmental Awareness and Education

Internal Communication

Environmental Awareness and Employee Training

Special e-learning courses were developed to promote key environmental concepts, the

Bank's environmental work and the Environmental Management System. In 2018, 129 Environmental Management Coordinators followed the e-learning course to learn about EMAS and the Bank's Environmental Management. 702 Bank executives completed the new course on "Environmental and Social Risk". In 2018, a total of 2,581 training man-hours were spent on environmental e-learning.

Annual Recycling Competition

Every year, Piraeus Bank launches a recycling competition "Green behaviour wins!" to reward the best environmental performance within the Bank. The winners receive environmentally friendly gifts in line with the competition's object which is to improve the Bank's environmental performance, as well as employee awareness.

Green News

"Green News" are uploaded to the intranet on a monthly basis. Employees reading the news range between 130 and 950 each month.

Culture, Environment and Corporate Responsibility Principles

In 2018, a series of energy studies and targeted interventions was completed regarding the building and electromechanical equipment of the PIOP Museum Network and its buildings in Athens, aimed at improving their energy efficiency and, by extension, improving the Foundation's environmental footprint.

The Foundation's 5th Environmental Statement was verified, in accordance with the requirements of EMAS Regulation, on 24.09.2018, with environmental verifier registration number EMAS ELV-0009 (Certificate No. 549). The Foundation, in accordance with Ministerial Decree No. 50486/1466/27.10.2014, is registered on the Greek EMAS Register (registration number EL-000110).

PIOP's Environmental and Energy Management System has received the following certificates [Reg. no. EMAS ELV-0009 (Certificate No. 549)]: CYS EN ISO 14001:2015/ No. ES.N.14.007, CYS EN ISO 50001:2011/ No. EMS.17.001, and IQNet CY. ES.N.14.007.

Environmental Management at ETVA VIPE

The "environmental" parameter affects all ETVA VIPE fields of activity (water supply, solid and liquid waste management, noise level assessment, environmental compliance), and is the basic criterion for organisation and centralised management in the company's overall operation.

The Environmental Management System (EMS) of ETVA VIPE has ISO 14001:2015 environmental certification for its headquarters (since 2016) and for four industrial areas. In 2018, the EMAS certification was renewed by an external certified body and the process of inclusion on the EMAS register by the Ministry of the Environment and Energy is currently under way.

Wastewater Treatment

ETVA VIPE processed a total of 3,676,735 m³ industrial wastewater in the seven (7) Industrial Wastewater Treatment Units (IWTUs) it manages. The waste-sludge generated and handled by the company in 2018 was 6,686.51 tonnes. The implementation of bio-treatment in the Patras and Komotini IWTUs results in a 22% saving of resources.

With regard to wastewater management, the company, using its software applications (e.g. electronic platform for environmental data) and on-line cash registers, has upgraded its ability to monitor the contaminated cargo to handle heavy cargos. Above all, these tools can meet the requirements of the environmental monitoring procedures, as set out by the ISO standard systems and the requirements of environmental legislation.

Water Management

ETVA VIPE drew a total of 6,081,918 m³ of water for the needs of its Industrial Areas, while 67,469 litres of chemicals (i.e. sodium hypochlorite) were used to decontaminate it. The company provided water to 873 enterprises in the secondary and tertiary sectors within its areas.

In 2018 ETVA VIPE also undertook to provide water to the Industrial Area of Heraklion, which has a significant turnover of established businesses. The management of the water supply of the Heraklion Industrial Area was transferred from the Municipal Water Supply and Sewerage Company of Heraklion to ETVA VIPE.

The challenge for ETVA VIPE in the Heraklion Industrial Area lies in reversing water losses (which increased by 489,620 m³ compared to 2017) and the negative financial results. In the context of the continuous improvement of the operation of the water supply systems managed, in 2018 the company carried out work for the maintenance, repair and upgrade of equipment and networks to reduce natural water loss. Their implementation is expected in conjunction with systematic inventory, to further contribute to the identification and reduction of natural losses.

Environmental Management Performance Indicators

ETVA VIPE applied for one more year its environmental monitoring program with the following indicative figures:

- | | |
|---|--|
| 01. 101 analyses (on average 100 parameters) to ensure the quality of the water network on a regular basis. | 04. 3,408 regular chlorine determination measurements for on-site water quality control. |
| 02. 654 analyses (on average 4 parameters) of waste samples in established enterprises in the Industrial Areas of Thessaloniki, Patras, Komotini, Heraklion, Lamia, Larissa and Drama to monitor the status of the network and the processed waste. | 05. 1,678 regular inspections and corresponding analyses (on average 15 parameters) to confirm the proper operation of IWTUs in the Industrial Areas of Thessaloniki, Patras, Komotini, Heraklion, Lamia, Larissa and Drama at the company's laboratories. |
| 03. 87 regular final outflow checks of the 7 IWTUs in the Industrial Areas (Thessaloniki, Patras, Komotini, Heraklion, Lamia, Larissa and Drama) and water recipients in collaboration with accredited external laboratories. | 06. 229 regular inspections in the rain-collection networks at fixed points for the control of the quality of the water recipients of the Industrial Areas. |
| | 07. 80 on-site noise level determinations at 22 Industrial Areas. |

In 2018 the company also reported the results of its EMS to the Ministry of Environment and Energy, demonstrating its consistency and compliance.

Aiming to certify its services and to provide an opportunity to support businesses in an organised framework, ETVA VIPE registered on the StartUp Incubator platform of the Ministry of Economy and Development and the Special Secretariat for the Management of Sectoral Operational Programs. Its goal is to facilitate business networking, support and

build synergies between established businesses and teams in applying new requirements (cyclical economy applications and industry 4.0). Associated businesses in this environment should be facilitated to enhance their productivity and competitiveness.

Material Topic

Climate change and Environmental & Social Management System (ESMS)

The Bank places particular emphasis on the effective management and monitoring of risks, both financial and non-financial (such as climate, environmental and social risk), in order to achieve its business goals.



Mapping with Sustainable Development Goal
Decent Work & Economic Growth



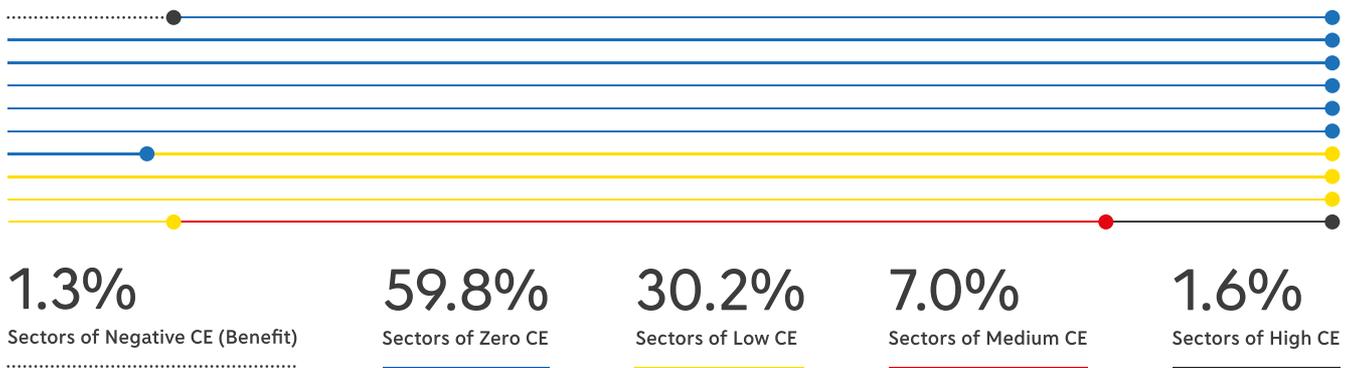
Mapping with Sustainable Development Goal
Climate Action



Assurance by independent body
GRI 201-2

Selected Data 2018

2018 loan portfolio composition based on climate exposure of lending economic sectors



Climate Exposure Sector Category (CE)

2,383

Sustainability Evaluations (techno-economic, environmental & social risks) in business financing were conducted in 2018

€926.2 mn

or 1.7% of their total turnover, is the total climate exposure of the Bank's business borrowers

39.3%

Physical exposure

60.7%

Regulatory exposure

Goals

- Incorporation of the climate change risks into the Environmental & Social Management System (ESMS)
- Adoption of European and International recommendations for managing climate risk
- Increase of expected Sustainability Evaluations by 30%

Material Topic

Improving environmental performance

The Bank develops strategies to improve its environmental performance and reduce its operational environmental footprint.



Mapping with Sustainable Development Goal
Responsible Consumption and Production



Assurance by independent body
GRI 302-1, 302-2, 305-1, 305-2, 305-3

Selected Data 2018



100%

of the electricity consumed in Piraeus Bank came from Renewable Energy Sources (Guarantees of Origin)

Online monitoring of energy consumption of 300 branches by the Energy Office

-4%

reduction in paper consumption per employee

-9%

reduction in electricity consumption per m²

-4%

reduction in CO₂ emissions (Scope 1 & Scope 2) per employee

Certified Environmental Management System (EMS):

EMAS / ISO 14001:2015

European Regulation / International Standard

702

buildings included in EMS

800

Employees directly involved in EMS

€5 mn

saved annually through implementation of the environmental management programs

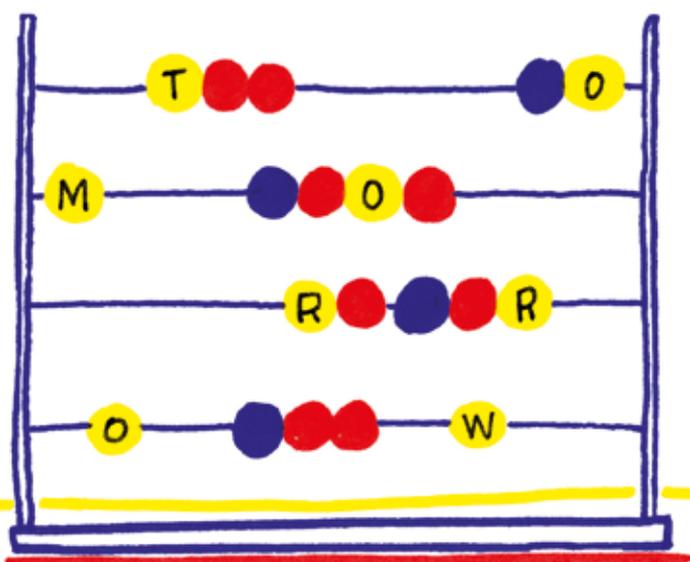
Goals

- **Green Energy** 5% reduction in electricity consumption per m² - Biennial target with 2018 as reference year
- **Green procurement** 10% increase in usage rate of environmentally certified paper consumables - Three-year target with 2018 as reference year
- **Green platform** Fully automated system in order to monitor the Group's environmental performance



ΕΙΚΑΣΤΙΚΟ
11







ΕΙΚΑΣΤΙΚΟ

11

Selected Consolidated Balance Sheet Information (€ mn)		
Assets	31.12.2018	31.12.2017
Cash and Balances with Central Banks	2,572	1,449
Loans and Advances to Credit Institutions	1,120	2,148
Reverse Repos with Customers	103	90
Loans and advances to customers at amortised cost	39,757	44,720
Loans and advances to customers mandatorily at FVTPL	84	0
Debt securities at amortised cost	208	23
Financial instruments at fair value through profit or loss	382	1,500
Financial assets mandatorily at fair value through profit or loss	110	0
Financial assets at fair value through other comprehensive income	2,270	0
Investment securities	0	2,204
Other assets	13,552	13,000
Assets from discontinued operations	1,721	2,284
Total Assets	61,880	67,417
Liabilities		
Due to credit institutions	5,548	11,435
Due to customers	44,739	42,715
Liabilities at fair value through profit or loss	62	0
Debt securities in issue	528	435
Other liabilities	1,693	1,646
Liabilities from discontinued operations	1,804	1,641
Total Liabilities	54,374	57,872
Capital and reserves attributable to equity holders of the parent entity	7,390	9,418
Non controlling interest	116	126
Total Equity	7,506	9,544
Total Liabilities and Equity	61,880	67,417

Note: For comparability purposes, figures for 2017 have been adjusted due to the classification of Tirana Bank I.B.C. S.A. and Piraeus Bank Bulgaria A.D. as discontinued operations in 2018.

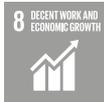
Selected Consolidated Income Statement Information (€ mn)		
	1.1-31.12.2018	1.1-31.12.2017
Net interest income	1,410	1,639
Net fee and commission income	339	331
Other income	133	177
Total net income	1,882	2,146
Staff costs	(616)	(546)
Administrative expenses	(442)	(462)
Depreciation and amortisation	(103)	(98)
Total operating expenses before provisions	(1,161)	(1,106)
Share of profit/ (loss) of associates and joint ventures	15	(31)
Profit/(loss) before provisions and impairment	736	1,010
Provisions and impairment	(656)	(2,229)
Profit/(loss) before income tax	80	(1,219)
Income tax benefit/(expense)	93	1,207
Profit/(loss) after tax from continuing operations	173	(13)
Profit/(loss) after tax from discontinued operations	(344)	(192)
Profit/(loss) for the year	(171)	(204)
From continued operations		
Profit/(loss) Attributable to Shareholders	185	(9)
Non controlling interest	(11)	(4)
From discontinued operations		
Profit/ (loss) after tax from discontinued operations	(343)	(192)
Non controlling interest	(1)	0
Number of Employees and Branches		
Number of Employees	14,940	18,150
Number of Employees Stemming from Discontinued Operations	2,384	3,035
Branches	573	753

GRI Content Index

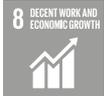
GRI Standard	Disclosure	Section of Report or Reference	Omission	EA	
GRI 101: Foundation					
General Disclosures (Core Option)					
GRI 102: General Standard Disclosures	102-1	Name of the organization	Piraeus Bank SA	-	✓
	102-2	Activities, brands, products, and services	<i>piraeusbankgroup.com</i>	-	✓
	102-3	Location of headquarters	4 Amerikis street, 105 64, Athens	-	✓
	102-4	Location of operations	<i>piraeusbankgroup.com</i> >Group Profile>Group Presence	-	✓
	102-5	Ownership and legal form	<i>piraeusbankgroup.com</i> >Investor Relations>Corporate Governance>Articles of Association SBR: Shareholder Structure>p.65	-	✓
	102-6	Markets served	<i>piraeusbankgroup.com</i> >Investor Relations>Presentations>2018>Corporate Group Presentation	-	✓
	102-7	Scale of the organization	<i>piraeusbankgroup.com</i> >Group Profile>Corporate Profile SBR: Piraeus Bank Group Human Resources Figures>p.203-204 SBR: Group's Financial Data Analysis>p.31-35 SBR: Selected Consolidated Group's Data>p.271-272 AFR: Income Statement>p.89 and Statement of Comprehensive Income>p.90 FY 2018 Results Presentation: <i>piraeusbankgroup.com/en/investors/financials/presentation-audio-archive</i> >slides: p.33>Assets and Liabilities Mix, 53>Loan & Deposit Portfolios	-	✓
	102-8	Information on employees and other workers	<i>piraeusbankgroup.com</i> >Group Profile>At a Glance SBR: Piraeus Bank Group Human Resources Figures>p.203-204 SBR: Distribution based on Type of Employment and Contract>p.204-205	-	✓
	102-9	Supply chain	SBR: Procurement Policy>p.98-99	-	✓
	102-10	Significant changes to the organization and its supply chain	<i>piraeusbankgroup.com</i> >Group Profile SBR: Procurement Policy>p.98-99 SBR: Chairman's Note>p.9-11 AFR: Evolution of Volumes and Results of Piraeus Bank Group>p.17-21	-	✓
	102-11	Precautionary approach	<i>piraeusbankgroup.com</i> >Corporate Responsibility>Environment>Environment Fields of Action>Environmental Management>Piraeus Bank's Environmental Statement SBR: Monitoring and Analysis of Environmental Legislation & Case-Law>p.249 SBR: Internal Audit System and External Auditors>p.81 SBR: Independent Assurance Statement>p.19 SBR: Participation in Global Sustainability Initiatives and Harmonisation with Global Standards>p.54-58	-	✓

GRI Standard	Disclosure	Section of Report or Reference	Omission	EA
GRI 101: Foundation				
General Disclosures (Core Option)				
GRI 102: General Standard Disclosures	102-12 External initiatives	SBR: Participation in Global Sustainability Initiatives and Harmonisation with Global Standards>p.54-58	-	✓
	102-13 Membership of associations	Hellenic Banking Association (<i>hba.gr</i>) UN Global Compact (<i>unglobalcompact.org</i>) SBR: Participation in Section of Report and Harmonisation with Global Standards>p.54-58 SBR: Culture and Environment>p.261 SBR: Social Initiatives-Volunteering>p.226-227 SBR: Promoting Intangible Cultural Heritage>p.231 SBR: Museum Network>p.231-233	-	✓
	102-14 Statement from senior decision-maker	SBR: Chairman's Note>p.9-11 SBR: CEO's Note>p.12-14	-	✓
	102-16 Values, principles, standards, and norms of behavior	SBR: Corporate Responsibility Principles>p.53 SBR: Corporate Governance>p.63-76 <i>piraeusbankgroup.com</i> >Investor Relations>Corporate Governance>Corporate Governance Structure & Operating Regulations, Code of Conduct	-	✓
	102-18 Governance structure	AFR: Corporate Governance Statement>p.33 SBR: Corporate Governance>p.63-76	-	✓
	102-40 List of stakeholder groups	SBR: Stakeholders' Dialogue>p.48-53	-	✓
	102-41 Collective bargaining agreements	SBR: Distribution based on Type of Employment and Contract>p.204-205	-	✓
	102-42 Identifying and selecting stakeholders	SBR: Stakeholders' Dialogue>p.48-53	-	✓
	102-43 Approach to stakeholder engagement	SBR: Stakeholders' Dialogue>p.48-53	-	✓
	102-44 Key topics and concerns raised	SBR: Methodology for Analysis of Material Issues>p.41-45 SBR: Stakeholders' Dialogue>p.48-53	-	✓
	102-45 Entities included in the consolidated financial statements	AFR: note 29>Investments in Consolidated Companies>p.295 SBR: Methodology for Analysis of Material Issues>p.41-45	-	✓
	102-46 Defining report content and topic Boundaries	SBR: Methodology for Analysis of Material Issues>p.41-45	-	✓
	102-47 List of material topics	SBR: Methodology for Analysis of Material Issues>p.41-45 SBR: Please refer below in the GRI Content Index "Material Topics">p.276	-	✓
	102-48 Restatements of information	SBR: GRI compilation with GRI standard (removal of ISO 26000 standard)>p.41 and 2017 Data Review>p.272	-	✓
	102-49 Changes in reporting	SBR: Methodology for Analysis of Material Issues>p.41-45	-	✓
102-50 Reporting period	01.01.2018-31.12.2018	-	✓	

GRI Standard	Disclosure	Section of Report or Reference	Omission	EA	
GRI 101: Foundation					
General Disclosures (Core Option)					
GRI 102: General Standard Disclosures	102-51	Date of most recent report	29.06.2018	-	✓
	102-52	Reporting cycle	Annual	-	✓
	102-53	Contact point for questions regarding the report	Business Planning & Investor Relations>investor_relations@piraeusbank.gr	-	✓
	102-54	Claims of reporting in accordance with the GRI Standards	SBR: Methodology for Analysis of Material Issues>p.41-45	-	✓
	102-55	GRI content index	SBR: GRI Content Index>p.273	-	✓
	102-56	External assurance	SBR: Independent Assurance Statement>p.19	-	✓
Material topics					
Protection of personal data (Q6)					
					
GRI 103: Management Approach	103-1	Explanation of the material topic and its boundaries	SBR: Table with Boundaries>p.44-45 SBR: Personal Data Protection>p.166-168	-	✓
	103-2	The management approach and its components	SBR: Personal Data Protection>p.166-168		✓
	103-3	Evaluation of the management approach	SBR: Personal Data Protection>p.166-168		✓
GRI 418: Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	SBR: Personal Data Protection>p.166-168		✓
New technologies (Q2)					
					
GRI 103: Management Approach	103-1	Explanation of the material topic and its boundaries	SBR: Table with Boundaries>p.44-45 SBR: Using New Technologies to Improve Customer Service>p.170-173 SBR: Group Technology>p.142	-	✓
	103-2	The management approach and its components	SBR: Using New Technologies to Improve Customer Service>p.170-173 SBR: Group Technology>p.142		✓
	103-3	Evaluation of the management approach	SBR: Using New Technologies to Improve Customer Service>p.170-173 SBR: Group Technology>p.142		✓
GRI standard not available		Piraeus Bank Index: Use of digital service channels (the percentage of transactions made in digital	SBR: Using New Technologies to Improve Customer Service>p.170-173		✓

GRI Standard	Disclosure	Section of Report or Reference	Omission	EA
GRI 101: Foundation				
Material topics				
	channels in relation to the total number of transactions). Gartner Index: Ratio of operating costs versus investment IT expenditure			
Risk management (Q8)  				
GRI 103: Management Approach	103-1 Explanation of the material topic and its boundaries	SBR: Table with Boundaries>p.44-45 SBR: Risk Management>p.84 SBR: Climate Risk and Exposure>p.277	-	✓
	103-2 The management approach and its components	BR: Risk Management>p.84 SBR: Climate Risk and Exposure>p.277		✓
	103-3 Evaluation of the management approach	BR: Risk Management>p.84 SBR: Climate Risk and Exposure>p.277		✓
GRI 201: Economic Performance	201-2 Financial implications and other risks and opportunities due to climate change	SBR: Climate Risk and Exposure>p.277		✓
Corporate governance (Q7) 				
GRI 103: Management Approach	103-1 Explanation of the material topic and its boundaries	SBR: Table with Boundaries>p.44-45 SBR: Corporate Governance Optimisation>p.63-76	-	✓
	103-2 The management approach and its components	SBR: Corporate Governance Optimisation>p.63-76		✓
	103-3 Evaluation of the management approach	SBR: Corporate Governance Optimisation>p.63-76		✓
GRI 102: General Disclosures	102-22 Composition of the highest governance body and its committees	SBR: Corporate Governance Optimisation>p.63-76		✓
Socially and environmentally responsible banking products and services (Q3)  				
GRI 103: Management Approach	103-1 Explanation of the material topic and its boundaries	SBR: Table with Boundaries>p.44-45 SBR: Green Banking & Developments Programs>p.125-130	-	✓
	103-2 The management approach and its components	SBR: Green Banking & Developments Programs>p.125-130		✓

GRI Standard	Disclosure	Section of Report or Reference	Omission	EA	
GRI 101: Foundation					
Material topics					
FS-Product Portfolio	103-3	Evaluation of the management approach	SBR: Green Banking & Developments Programs>p.125-130	✓	
	FS-8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	SBR: Green Banking & Developments Programs>p.128	✓	
Commitment to safeguard human rights in a healthy and modern working environment (Q11)		 			
GRI 103: Management Approach	103-1	Explanation of the material topic and its boundaries	SBR: Table with Boundaries>p.44-45 SBR: Human Rights at Work>p.210	-	✓
	103-2	The management approach and its components	SBR: Human Rights at Work>p.210		✓
	103-3	Evaluation of the management approach	SBR: Human Rights at Work>p.210		✓
GRI 412: Human Rights Assessment	412-2	Employee training on human rights policies or procedures	SBR: Human Rights at Work>p.210		✓
Promotion of tangible and intangible cultural heritage of the country (Q15)					
GRI 103: Management Approach	103-1	Explanation of the material topic and its boundaries	SBR: Table with Boundaries>p.44-45 SBR: Museum Network>p.231-233	-	✓
	103-2	The management approach and its components	SBR: Museum Network>p.231-233		✓
	103-3	Evaluation of the management approach	SBR: Museum Network>p.231-233		✓
GRI 203: Indirect Economic Impacts	203-1	Infrastructure investments and services supported	<i>piop.gr</i> SBR: Strengthening of Society>p.54 SBR: Promoting Intangible Cultural Heritage>p.231 SBR: Museum Network>p.231-233 SBR: Historical Archives>p.233, Library>p.234 Education>p.237 SBR: Culture and Environment>p.261		✓

GRI Standard	Disclosure	Section of Report or Reference	Omission	EA
GRI 101: Foundation				
Material topics				
GRI 203: Indirect Economic Impacts	203-2 Significant indirect economic impacts	<i>piop.gr</i> SBR: Museum Network>p.231-233		✓
Supporting local communities through the museum network of the Piraeus Group Cultural Foundation (PIOP) (Q14)				
GRI 103: Management Approach	103-1 Explanation of the material topic and its boundaries	SBR: Table with Boundaries>p.44-45 SBR: Museum Network>p.231-233	-	✓
	103-2 The management approach and its components	SBR: Museum Network>p.231-233		✓
	103-3 Evaluation of the management approach	SBR: Museum Network>p.231-233		✓
GRI 203: Indirect Economic Impacts	203-1 Infrastructure investments and services supported	<i>piop.gr</i> SBR: Strengthening of Society>p.54 SBR: Promoting Intangible Cultural Heritage>p.231 SBR: Museum Network>p.231-233 SBR: Historical Archives>p.233, Library>p.234 SBR: Education>p.237 SBR: Culture and Environment>p.261		✓
	203-2 Significant indirect economic impacts	<i>piop.gr</i> SBR: Museum Network>p.231-233		✓
Creation of economic value (Q1)		 		
GRI 103: Management Approach	103-1 Explanation of the material topic and its boundaries	SBR: Table with Boundaries>p.44-45 SBR: CEO's Note>p.12-14 SBR: Economic Value Creation>p.225	-	✓
	103-2 The management approach and its components	SBR: CEO's Note>p.12-14 SBR: Economic Value Creation>p.225		✓
	103-3 Evaluation of the management approach	SBR: CEO's Note>p.12-14 SBR: Economic Value Creation>p.225		✓
GRI 201: Economic Performance	201-1 Direct economic value generated and distributed	SBR: Economic Value Creation>p.225-226		✓

GRI Standard	Disclosure	Section of Report or Reference	Omission	EA	
GRI 101: Foundation					
Material topics					
<div style="display: flex; justify-content: space-between; align-items: center;"> <div> <p>Financial inclusion (Q4)</p> </div> <div style="text-align: center;">  </div> </div>					
GRI 103: Management Approach	103-1	Explanation of the material topic and its boundaries	SBR: Table with Boundaries>p.44-45 SBR: Access to Financial Services for all>p.173-175	-	✓
	103-2	The management approach and its components	SBR: Access to Financial Services for all>p.173-175		✓
	103-3	Evaluation of the management approach	SBR: Access to Financial Services for all>p.173-175		✓
FS: Financial Services	FS13:	Access points in low-populated or economically disadvantaged areas by type	SBR: Access to Financial Services for all>p.173-175		✓
<div style="display: flex; justify-content: space-between; align-items: center;"> <div> <p>Improving environmental performance (Q13)</p> </div> <div style="text-align: center;">  </div> </div>					
GRI 103: Management Approach	103-1	Explanation of the material topic and its boundaries	SBR: Table with Boundaries>p.44-45 <i>piraeusbankgroup.com</i> >Corporate Responsibility>Environment>Environmental Policy <i>piraeusbankgroup.com</i> >Corporate Responsibility>Environment>Environmental Management Policy>Piraeus Bank Environmental Statement SBR: Environmental Framework>p.248	-	✓
	103-2	The management approach and its components	SBR: Environmental Framework>p.248 SBR: Environmental Management System>p.249,252		✓
	103-3	Evaluation of the management approach	SBR: Environmental Framework>p.248 SBR: Environmental Management System>p.249,252 SBR: Piraeus Bank Environmental Footprint>p.255		✓
GRI 302: Energy	302-1	Energy consumption within the organization	SBR: Energy>p.250 SBR: Piraeus Bank Environmental Footprint>p.255		✓
	302-2	Energy consumption outside of the organization	SBR: Energy>p.250 SBR: Piraeus Bank Environmental Footprint>p.255		✓
GRI 305: Emissions	305-1	Direct (Scope 1) GHG emissions	SBR: Emissions>p.252 SBR: Piraeus Bank Environmental Footprint>p.255		✓
	305-2	Energy indirect (Scope 2) GHG emissions	SBR: Emissions>p.252 SBR: Piraeus Bank Environmental Footprint>p.255		✓

GRI Standard	Disclosure	Section of Report or Reference	Omission	EA
GRI 101: Foundation				
Material topics				
GRI 305: Emissions	305-3 Other indirect (Scope 3) GHG emissions	SBR: Emissions>p.252 SBR: Piraeus Bank Environmental Footprint>p.255		✓
New corporate culture (Q12) <div style="display: flex; justify-content: center; gap: 20px;"> <div style="text-align: center;">  <p>4 QUALITY EDUCATION</p> </div> <div style="text-align: center;">  <p>8 DECENT WORK AND ECONOMIC GROWTH</p> </div> </div>				
GRI 103: Management Approach	103-1 Explanation of the material topic and its boundaries	SBR: Table with Boundaries>p.44-45 SBR: Towards a new Corporate Culture> p.200-202	-	✓
	103-2 The management approach and its components	SBR: Towards a new Corporate Culture> p.200-202		✓
	103-3 Evaluation of the management approach	SBR: Towards a new Corporate Culture> p.200-202		✓
GRI standard not available	Piraeus Bank Index: Corporate Culture Actions	SBR: Towards a new Corporate Culture> p.200-202		✓
Notes: SBR: Sustainability & Business Report 2018 AFR: Annual Financial Report 2018 EA: External Assurance It is noted that the table contains brief description of GRI indices for reasons of presentation. For the complete description, please refer to the following link https://www.globalreporting.org/standards/gri-standards-download-center/				

