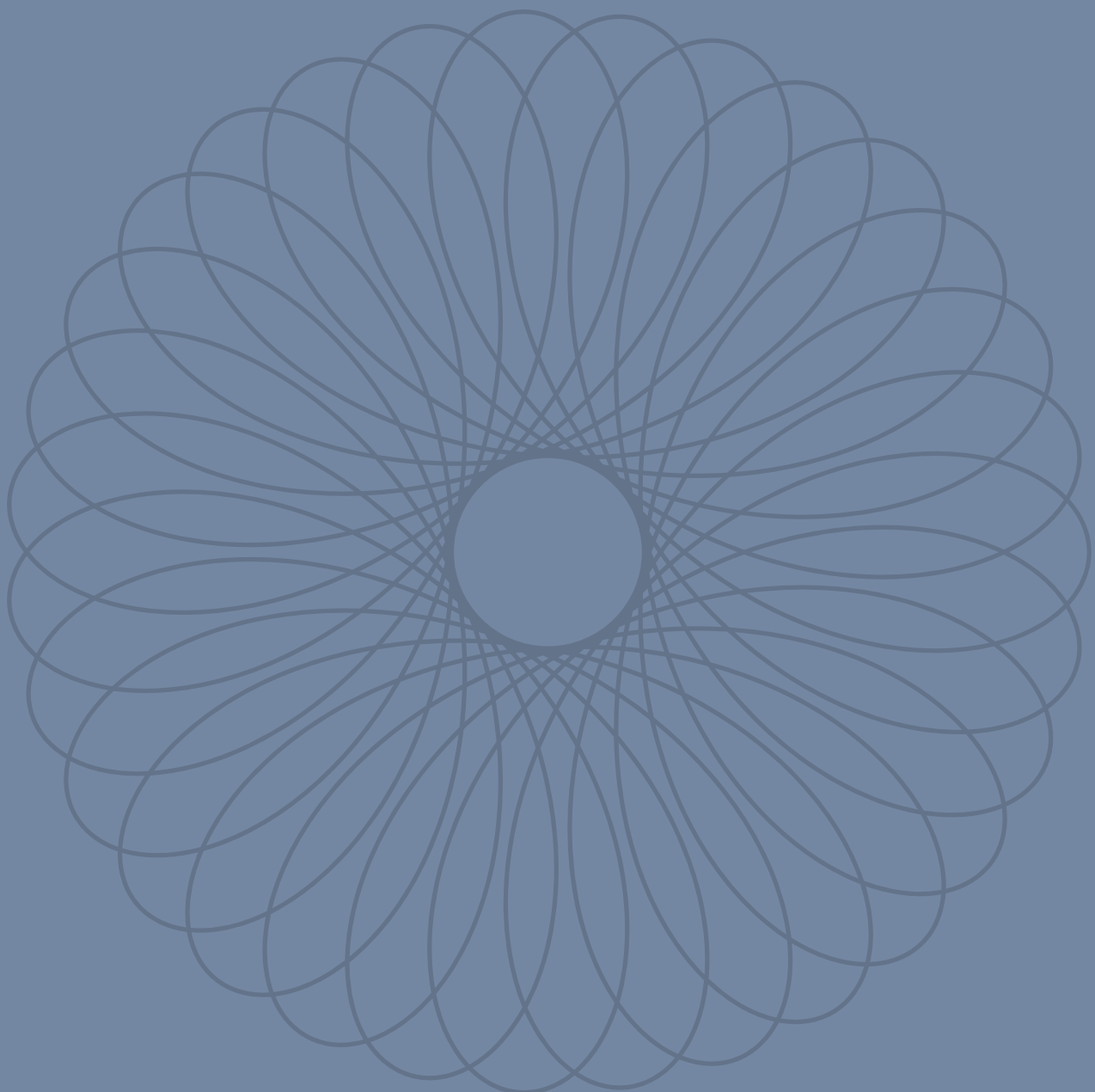

SUSTAINABILITY & BUSINESS REPORT 2019

SUSTAINABILITY & BUSINESS REPORT 2019

www.piraeusbankgroup.com/annual-report

PIRAEUS BANK

The collection and presentation of the content in the Sustainability & Business Report 2019 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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Last update: June 22, 2020

Energy is what unites everything. Energy is our thoughts, words, and actions; it is both the origin of life and its continuation. Energy originates from an eternal cycle; a never-ending natural process, it is an impression of the life cycle itself.

Piraeus Bank is focused on building tomorrow, no matter how unexpected, and adapts to new conditions through constant vigilance. It repeatedly proves this through its actions and operates as a source of “renewable” energy, giving priority financing to investments with a significantly positive social and environmental footprint.

Piraeus Bank is the first Greek bank to commit to sustainable development and has adopted the United Nations Responsible Banking principles, so that we can continue to dream and believe in tomorrow.

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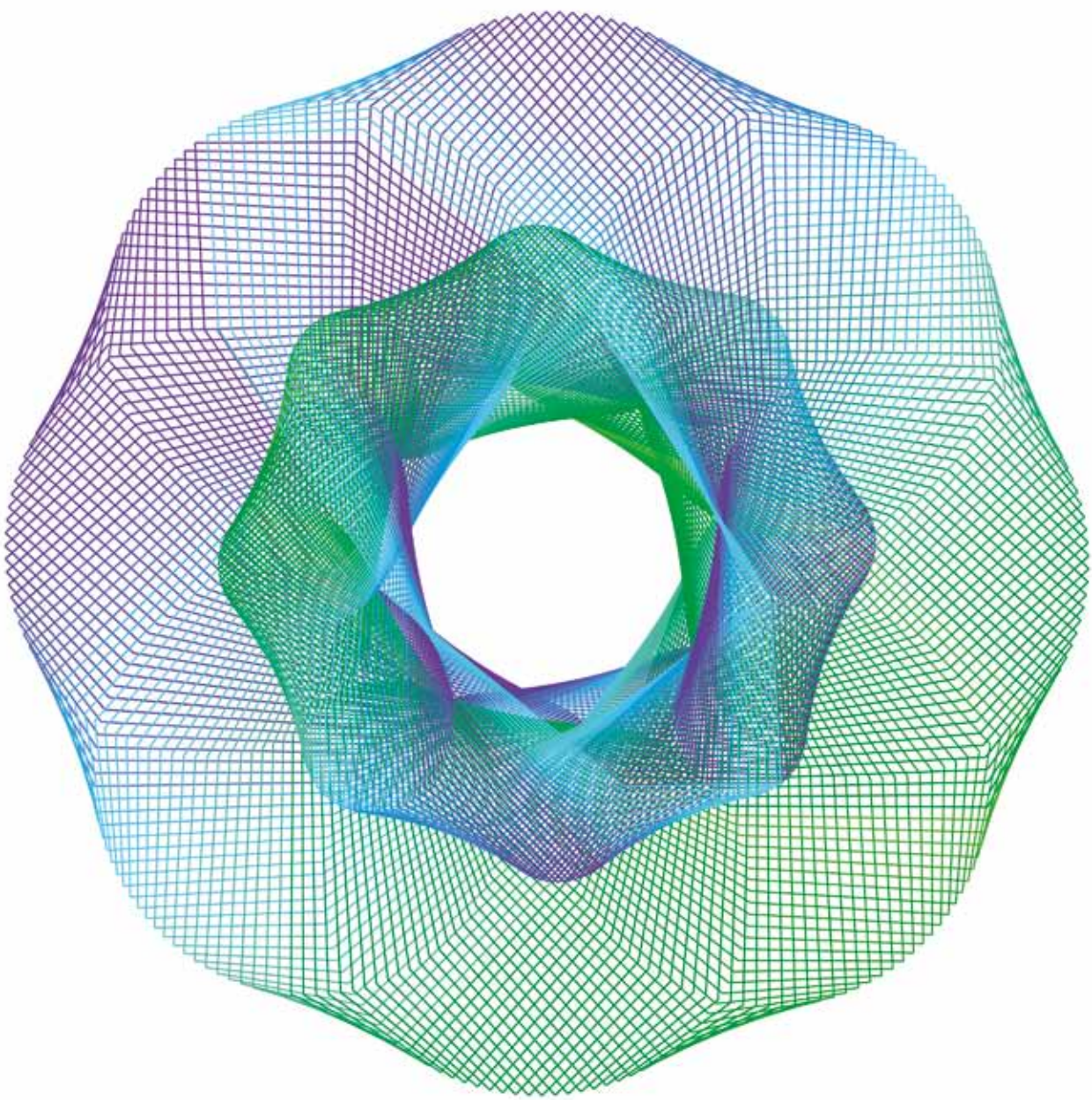
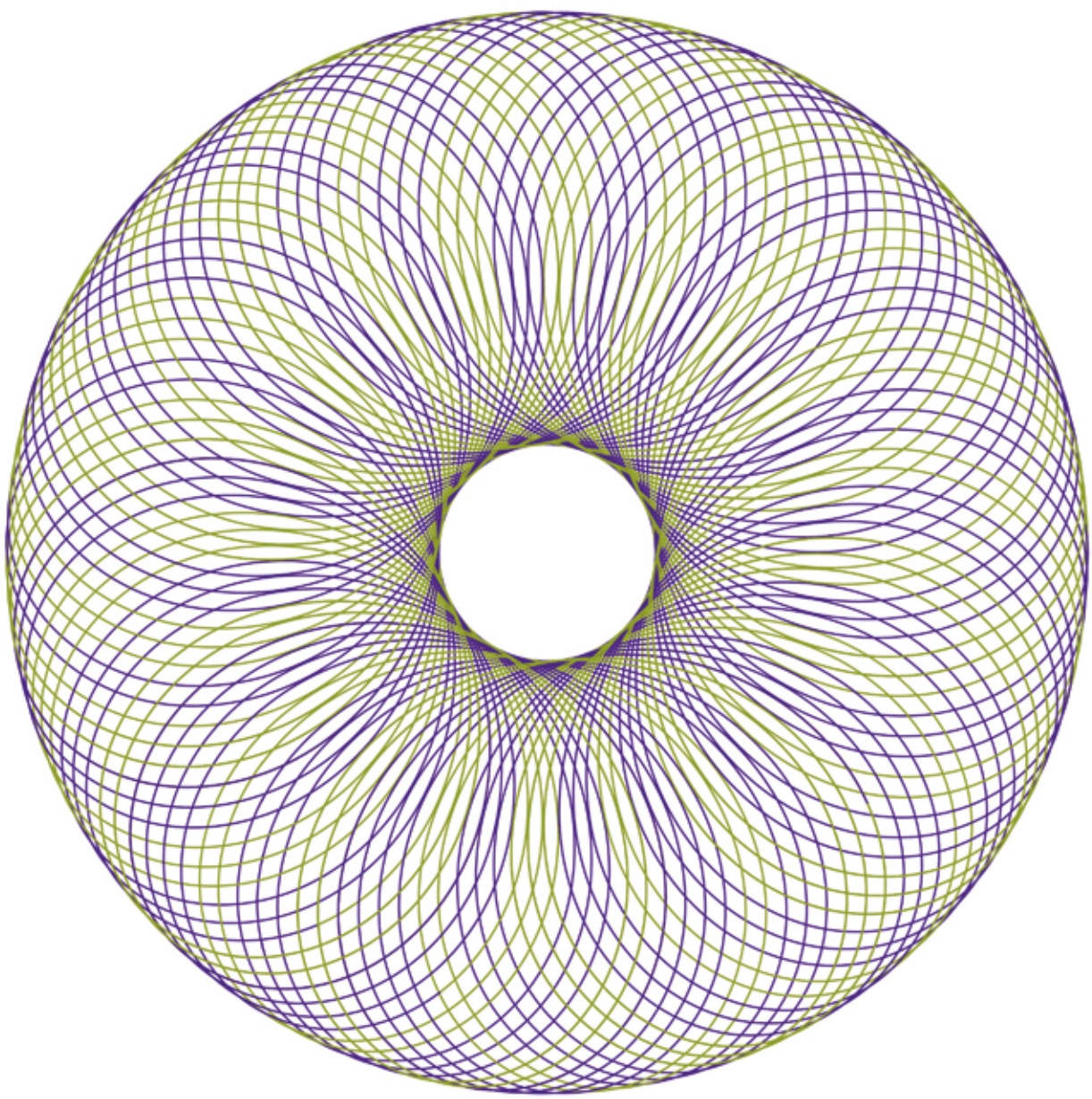




CHAIRMAN'S NOTE

Greece's economy grew by 1.9% in 2019, despite only modest growth in the European economy.

Despite the difficulties, the domestic economy managed to correct the macroeconomic and fiscal imbalances of the past. However, the course towards a high sustainable economic growth is not easy. At present the impact of the COVID-19 pandemic and the surge in issues such as the refugee/migration crisis, are additional exogenous obstacles to growth.

Whether the positive developments in 2019 will sustain economic recovery in Greece, currently experiencing the unprecedented conditions prevailing in the international environment, will depend on our ability to manage the unfolding conditions in 2020. So far, Greece's efforts have been largely successful.

The COVID-19 pandemic has become a global large-scale public health emergency, which is transforming into a major negative shock to economies. Businesses and banks have been facing many challenges regarding their operations, in addition to their duty to ensure the health and well-being of their employees and customers.

At Piraeus Bank, we are responding to this crisis with a strong sense of responsibility and determination.

We embody a spirit of cooperation and we have implemented initiatives to support all our stakeholders.

We acknowledge that this is a challenging period for households, businesses, and the overall economy.

As a result, in line with the Bank's Corporate Social Responsibility (CSR) strategy and aiming to reduce the impact of this crisis, we have undertaken timely measures to support customers, both individuals and businesses, with a focus on SMEs, in collaboration with the official sector, institutions, organizations and strategic partners.

In addition, the Bank's enhanced capital base and ample liquidity buffers; along with full operational readiness

and direct intervention by the supervisory authorities, European institutions and the Greek government; has given the banks the opportunity to adapt immediately to the new requirements. These measures enable us to withstand the current stressed situation and provide uninterrupted funding and services to our customers, standing by them, as well as supporting community groups and customer segments.

Beyond the current situation and while we are at the beginning of the new decade, great opportunities are emerging, which may and should be used to increase the productive capacity of the Greek economy.

We aim to develop initiatives and mechanisms that will allow us to respond to the increasingly complex and dynamic environment and become an active member in the new ecosystem.

Piraeus Bank takes action:

01. using the acquired knowledge and expertise, it provides comprehensive support to its 5.5 mn customers through specialised solutions, products and modern advisory services, while adopting new technologies, utilising digital operations, always striving to improve its services for its customers;
02. having shaped its corporate values and corporate culture it empowers its 11,000 employees, to speak sincerely to its customers, and provide the best services and solutions to help them deal with the current difficulties due to the pandemic;
03. by establishing a strong corporate structure and operating systems and controls that ensure optimal corporate governance and transparency;
04. including environmental and social criteria in assessing financing and investment proposals, and closely monitoring European regulatory changes on sustainable financing;
05. participating actively in international organizations and sustainability initiatives, and involvement in shaping European and international policies and strategies;
06. on corporate responsibility, the Bank systematically cultivates relations with all stakeholders, placing emphasis on the preservation of culture and of traditional technology and industrial heritage in the region, through the PIOP thematic museum network;
07. on the environment, the Bank actively supports green entrepreneurship, takes steps to reduce its environmental footprint, implements programs for protecting biodiversity and managing climate risk;
08. a strong Board of Directors oversees the Bank's operations and provides strategic direction, while at the same time acting in accordance with international rules of corporate governance and demonstrating a sensitivity to corporate social responsibility issues.

The Bank will continue adhering to the principle of sound corporate governance, implementing solid capital management and liquidity planning, and robust risk management for the benefit of its customers, employees, shareholders and society at large.

To this direction, Piraeus Bank chose to be the first Greek bank to participate in the formulation of the Principles for Responsible Banking, along with 29 other member banks from around the world, embracing the UNEP FI initiative. The six Principles for Responsible Banking ("Alignment", "Impact and target-setting", "Clients and Customers", "Stakeholders", "Governance and Culture", "Transparency and Accountability") were announced in Paris on 26 November 2018 and were signed by banks from around the world at the United Nations General Assembly in New York in September 2019. These principles provide banks with the opportunity to align their strategies with society's goals and needs, to integrate sustainability into their policies and processes, and embed sustainability at the strategic, portfolio and transactional levels and across all business areas, affecting the total customer base and the whole range of operations. The principles help banks align their business goals with social progress and solidarity, to harmonise relationships with society, to promote culture, to protect the environment and to support business operations with environmental and social benefits. These principles have already been integrated into our business model, 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.

This immediate response was a self-evident choice, since the principles of sustainable growth, social contribution and responsible banking are key elements of our strategy and resonate with the Bank's business model and its Values: Accountability, Meritocracy and Transparency.

At the same time, since 2004 Piraeus Bank has been voluntarily supporting the UN Global Compact principles, which pertain to human and labour rights, environmental protection and anti-corruption. Recognising the importance of the 17 Sustainable De-

velopment Goals (SDGs) of the United Nations and their widespread acceptance, Piraeus Bank Group has adopted these goals in this year's Sustainability & Business Report, dedicated to making this ambitious project succeed in Greece.

The Sustainability & Business Report covers activities in Piraeus Bank for 2019, and provides an overview of our corporate responsibility principles, our actions and initiatives undertaken in 2019, and our future goals, in accordance with the Global Reporting Initiative, which sets out a framework of guidelines that facilitates publicising and communicating sustainable development issues to the Bank and its stakeholders.

The Report has been reviewed by an independent third party, which demonstrates our commitment to transparency in reporting and ongoing alignment with international best practices.

Everyone at Piraeus Bank works hard so that the Bank can meet the challenges of the current circumstances, and works towards a sustainable economy, with new maintainable momentum, for a better future for everybody in Greece.

George Handjinicolaou
Chairman of the BoD

CEO'S NOTE

2019 was a landmark year, with Piraeus Bank achieving tangible results in all key business areas, restoring profitability, improving asset quality and liquidity and enhancing substantially its capital base.

Along with the significant progress in its performance, Piraeus Bank completed in record time the complex transaction of spinning-off its internal NPE servicing platform and partnering with Intrum, the international credit management institution, a transaction that will overhaul the Bank's de-risking efforts.

In 2019 we focused on enhancing the Bank's capital, strengthening its capital base by circa 280bps, exceeding initial expectations. The total capital ratio at the end of the year stood at 15.7% with CET1 ratio at 14.8%. It is worth mentioning that Piraeus Bank proceeded with an issuance of €400 mn Tier 2 Notes in June 2019, the first one by a Greek bank after 11 years. The Notes were placed in the international debt capital markets, and demand stood at approximately €850 mn, with 135 investors placing orders as part of the book-building process. In addition, €500 mn Tier 2 Notes were issued in February 2020, further improving the Bank 's risk deleveraging and its ability to expand its healthy assets.

The liquidity profile of Piraeus Bank has been consistently improving over the last three years. Customer deposits in Greece grew to €47.1 bn at the end of 2019, increasing 6% year-on-year. Private sector deposits increased by €2 bn year-on-year, with improvement in all retail customer segments.

The Bank's strong financial performance was underpinned by new loan disbursements of €4.1 bn in 2019 – exceeding the initial target–, while NIM was resilient and the efforts for reducing funding costs were continuous. The loans to deposits ratio was further improved to 79% at the end of 2019 from 85% in 2018, demonstrating that the Bank is well-placed to fully address the increasing loan demand.

We are gradually transforming our business model to take advantage of our

operational efficiency and the possibilities offered by digitilisation. In 2019 the results were evident, with a significant reduction in costs.

Piraeus Bank Group recorded recurring operating expenses of €982 mn, -6% year-on-year, with recurring cost-to-income ratio standing at 54% in 2019 vs 57% in 2018.

On profitability, in 2019 Piraeus' core pre-provision income (excluding trading gains) increased 17% year-on-year to €771 mn, demonstrating the strength of the Bank's core business. Net results attributable to shareholders reached €270 mn, on the back of sustainable revenue and improved operational efficiency.

Regarding asset quality, the NPE reduction effort resulted in a decrease of €3 bn NPEs in 2019 and of €13 bn from their historical peak at the end of 2015. Piraeus Bank's NPE inflows in the 4th quarter of 2019 were at historically low levels, reflecting the significant improvement of the conditions of the external environment.

The Hellenic asset protection scheme "Hercules" established in 2019 is an important tool that provides additional support to Greek banks to accelerate initiatives for de-risking their balance sheets, in line with their NPE reduction plans. To this direction, Piraeus Bank is proceeding with its non-organic NPE reduction effort and with securitizations of approximately €7 bn, for which preparations are underway.

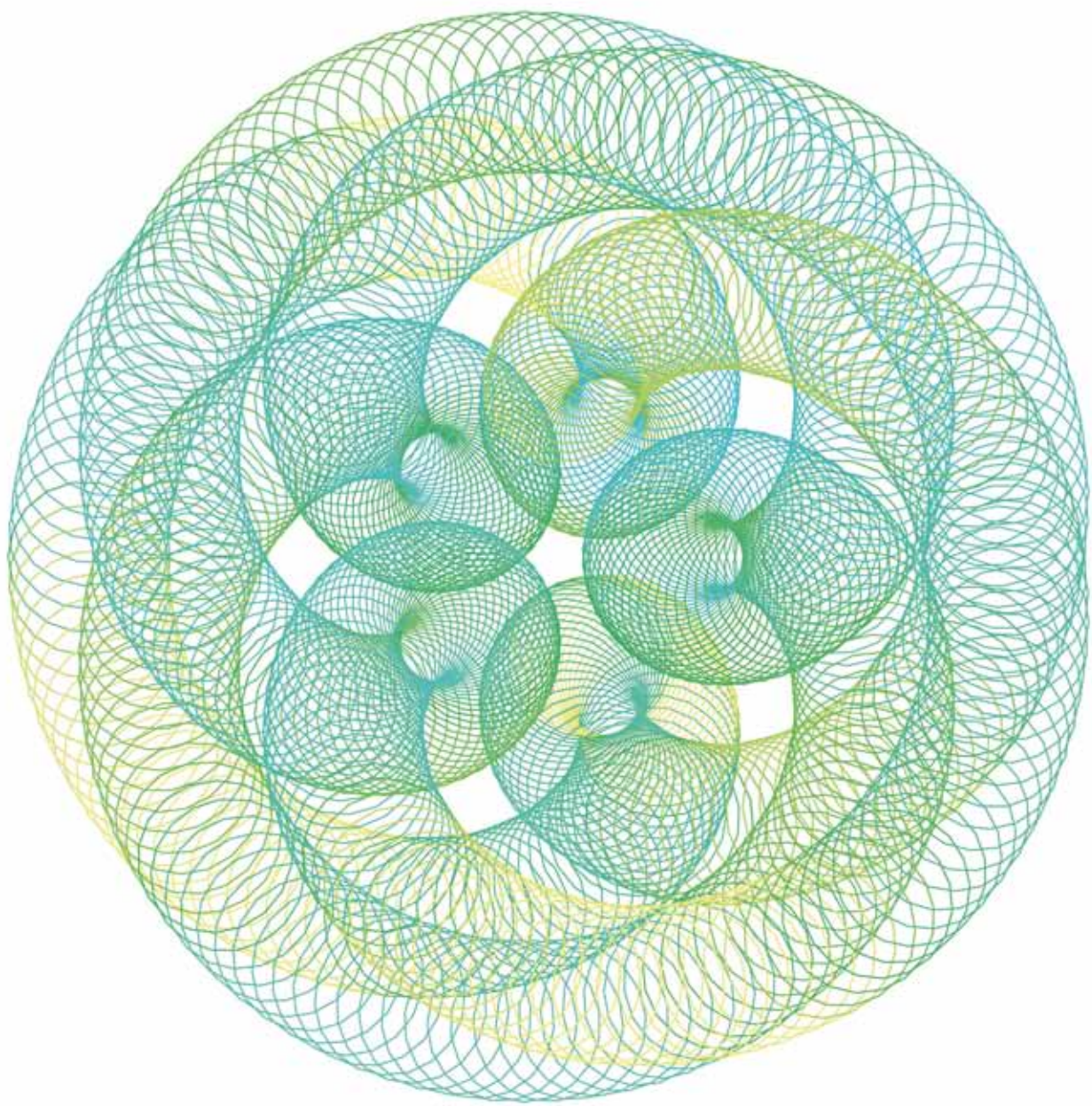
Regarding corporate responsibility actions, with its years of experience in integrating sustainability into its operations, Piraeus Bank is committed to playing an important role in creating the conditions for a sustainable future for the Greek economy. The signing of the Principles for Responsible Banking in New York in 2019 depicts the full commitment to align Bank operations with Sustainable Development Goals and the Paris Climate Agreement. Piraeus Bank played a leading role in shaping the principles and the framework for their implementation, and will now lead the way in their implementation, setting goals that enhance its positive impact on the environment and society, creating synergies with customers, investors, suppliers and other stakeholders, with the active participation of its employees, with strong corporate governance and transparency and with the consistent publication of the progress in achieving these goals.

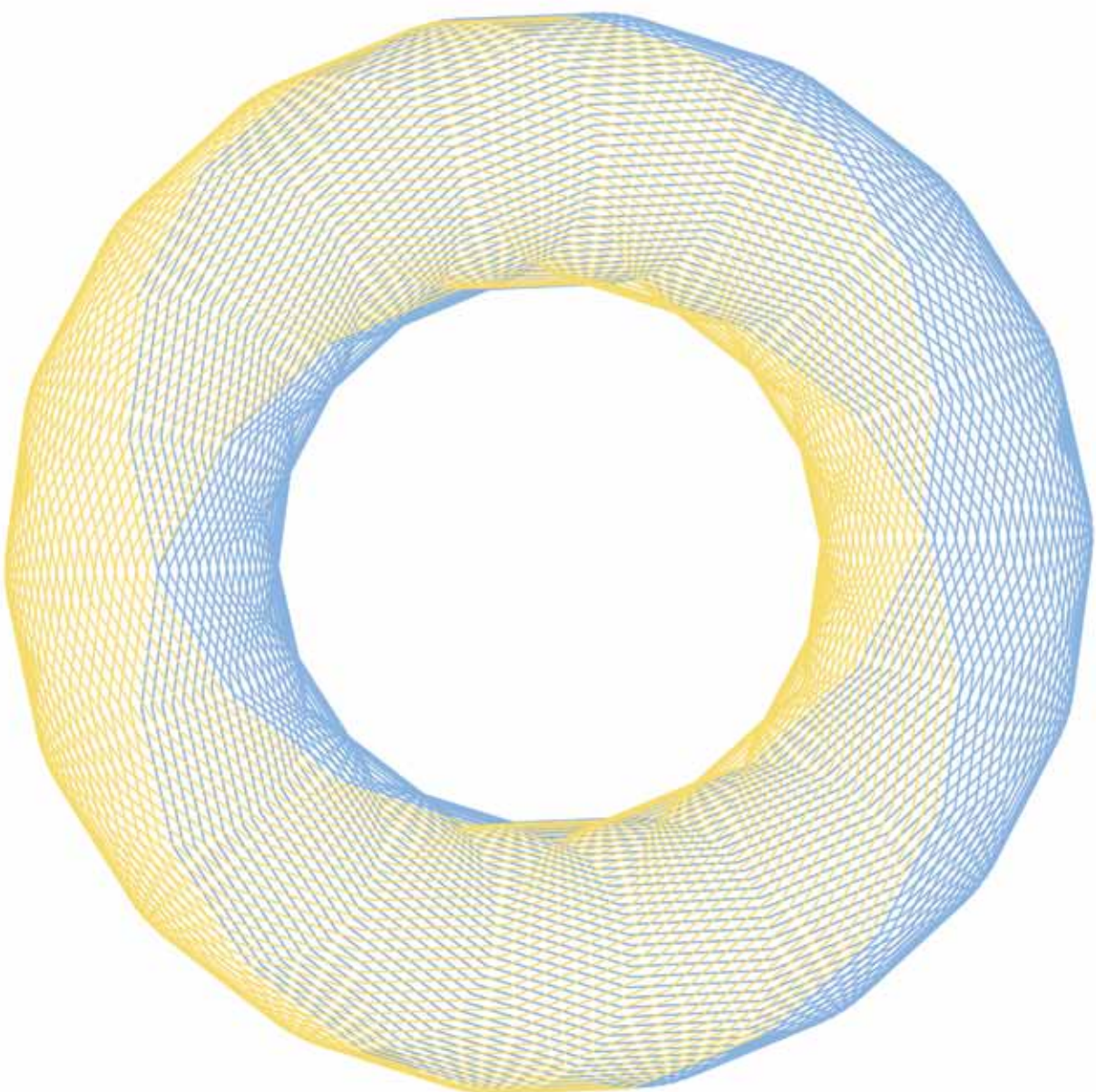
Since the beginning of the COVID-19 pandemic, Piraeus Bank has been supporting its customers and the economy, in accordance with the measures taken by the Greek and European authorities to mitigate the economic consequences of the crisis. The Bank is addressing all aspects of the crisis and has activated all necessary protocols and actions to mitigate the impact in every segment.

Relying on the financial fundamentals of 2019 that reflect the Bank's great progress, we are working on all fronts, relying on the Bank's enhanced capital base and its solid liquidity profile.

I am confident that as soon as the recent extraordinary events subside, the Greek economy will revert to continued sustainable growth. Piraeus Bank remains committed to fully leverage on its capacity to generate value, to support customers, investors, employees and society at large.

Christos Megalou
Chief Executive Officer





INDEPENDENT ASSURANCE STATEMENT

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TO THE MANAGEMENT OF PIRAEUS BANK SA

The Sustainability & Business Report 2019 ("the Report") of Piraeus Bank SA ("the Bank") has been prepared by the Bank's Management based on GRI Sustainability Reporting Standards (GRI Standards), 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 of the Report, with the exception of the Materiality Principle application for which we provide reasonable assurance.

SCOPE OF WORK

01. The provision of limited assurance on the accuracy and completeness of quantitative data and the reasonability of statements 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.
02. The provision of limited assurance on the accuracy and completeness of quantitative data and the reasonability of statements that correspond to the twelve (12) most material topics, as resulted from the Bank's materiality analysis, against the requirements of the respective GRI Standards for the Specific Disclosures and the requirements of GRI 103 Standard "Management Approach".
03. The provision of limited assurance on the Report's "In accordance core" adherence against the GRI Standards' requirements.
04. The provision of reasonable assurance on the accuracy and completeness of quantitative data and the reasonability of statements regarding the application of the Materiality Principle, according to the requirements of the GRI 101 Standard.

Our work was related to assurance on data and information for the period 1 January 2019 – 31 December 2019 and we do not provide assurance over any prior reporting period data or information presented in the Report.

The GRI General and Specific Disclosures, under the scope of our engagement, are indicated in the Report's GRI Content Index, found on pages 235-248.

We performed assurance services in accordance with the provisions of "International Standard on Assurance Engagements ISAE 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information" ("ISAE 3000"), issued by the International Auditing and Assurance Standards Board (IAASB). Our procedures for collecting evidence were designed in order to obtain a limited level of assurance, with the exception of the application of the Materiality Principle for which the procedures for collecting evidence were designed in order to obtain a reasonable level of assurance. The procedures in a limited assurance engagement in accordance with ISAE 3000, vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained, had a reasonable assurance engagement been performed.

OUR KEY ASSURANCE PROCEDURES

In order to form our conclusions, we undertook the following procedures:

01. Reviewed the Bank's processes for identifying and determining material topics to be included in the Report and the coverage of these material topics within the Report. Also, we performed media review for topics relevant to the Bank regarding issues of corporate responsibility and sustainable development and we compared the results from media review with the material topics identified by the Bank.
02. Reviewed the accuracy and completeness of quantitative data related to the results from the materiality analysis conducted by the Bank, as presented in the Report's materiality map, and the reasonability of statements that pertain to the application of the Materiality Principle.
03. Reviewed the Bank's stakeholder engagement process through, among others, our presence during relevant discussion with focus groups.
04. Performed interviews with personnel of the Bank responsible for managing, collecting and processing data relating to the GRI General and Specific Disclosures, under the scope of our engagement, in order to obtain an understanding of the processes applied for the preparation of the relevant Disclosures of the Report.
05. Performed analytical review procedures on the quantitative data related to the GRI General and Specific Disclosures, under the scope of our engagement, and pertinent inquiries with responsible personnel. In addition, we tested, on a sample basis, the accuracy of the quantitative data against corresponding supporting documentation.
06. Performed interviews with the relevant personnel in order to obtain an understanding of the Bank's corporate responsibility and sustainable development policies and activities for the reporting period and the statements related to the GRI General and Specific Disclosures, under the scope of our engagement. We also assessed the reasonability of the statements related to the GRI General and Specific Disclosures, under the scope of our engagement, by obtaining for a sample of statements, corresponding supporting documentation.
07. Reviewed the Report for the appropriate presentation of the GRI General and Specific Disclosures, under the scope of our engagement, including discussions with the relevant personnel about limitations and assumptions relating to the way these data are presented.
08. Reviewed the GRI Content Index found on pages 235–248, as well as the relevant references included therein, against the GRI Standards' requirements for the "In accordance core" option.

LIMITATIONS

01. Our assurance services were limited to the Greek version of the Report. In the event of any inconsistency between the English and Greek versions, as far as our conclusions are concerned, the Greek version prevails.
02. Where, under the scope of our engagement, financial information was used from the Annual Financial Report 2019 and other published information of the Bank, our work was limited to check the accuracy of the transfer of the relevant information to the Report.
03. Our assurance procedures did not include testing the Information Technology systems from which data was extracted and aggregated by the Bank for the Report.
04. The scope of our work did not include any procedures on the accuracy of the 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 to the Report.
05. We do not provide any assurance relating to future performance, such as estimates, expectations or targets, or their achievability.

OUR INDEPENDENCE AND QUALITY CONTROL

01. Deloitte applies International Standard on Quality Control 1 and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.
02. We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. We have maintained our independence and objectivity and, in particular, there were no events or prohibited services provided which could impair our independence and objectivity.

ROLES AND RESPONSIBILITIES

Bank

The Bank's Management is responsible for the preparation of the Report and for the information and statements contained therein. In addition, the Bank's Management is responsible for establishing and maintaining appropriate performance management and internal control systems used for the production of the reported information.

Deloitte

Our responsibility is to independently express our conclusion to the Bank's Management in relation to the assurance services defined in the Scope of Work above, in accordance with our letter of engagement. Our work has been undertaken in order to inform the Bank's Management on the results of the assurance engagement and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Bank for our work, for this statement or for the conclusions we have reached.

OUR CONCLUSIONS

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the GRI General and Specific Disclosures, under the scope of our engagement, are materially misstated.

In addition, nothing has come to our attention that causes us to believe that the Report does not meet the GRI Standards' requirements of the "In accordance core" option.

In our opinion, the Report has been prepared by applying reasonably, in all material respects, the Materiality Principle, according to the requirements of the GRI 101 Standards.

Athens, 24 June 2020

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2019 AT A GLANCE

01. Piraeus Bank and Intrum entered into a long-term strategic partnership for the management of Non-Performing Exposures (NPEs) and Real Estate Owned Assets (REOs), establishing a market-leading servicer of non-performing assets in Greece. The agreement valued the independent non-performing assets servicing platform at €410 mn and the transaction was completed in 2019. An 80% shareholding plus one share of the share capital of each of the new servicer company and the REO company, established on 16 September 2019 and 6 September 2019 respectively, was transferred to Intrum, while Piraeus Bank retained a 20% shareholding less one share. Following the conclusion of the transaction, the Bank exercises significant influence over both companies which are accounted for as associates and are consolidated in the Group's financial statements with the equity accounting method.
02. Piraeus Bank successfully completed the book-building process for the issuance of 10NC5-dated Subordinated Notes amounting to €400 mn, by Piraeus PLC under the €25 bn "Euro Medium Term Note" (EMTN) Program. The Notes were placed in the international debt capital markets, and demand stood at approximately €850 mn, with 135 investors placing orders as part of the book-building process. The coupon of the issue was set at 9.75% and the settlement date was 26 June 2019.
03. Piraeus Bank reached an agreement with an affiliated entity of Davidson Kempner Capital Management LP, for the sale of corporate NPEs (project NEMO) amounting to €507 mn gross book value, for a consideration of €240 mn. The transaction was completed in 2019.
04. The Notes of the Estia Mortgage Finance I Plc Securitization (Estia I) were redeemed early, on their interest payment date, at the principal amount of notes outstanding plus accrued interest, for the total outstanding amount of €82.9 mn, the largest part was retained by the Bank, with €9.6 mn held by investors. Early redemption was facilitated by improving liquidity conditions and cost of funding for Piraeus Bank Group, and aimed to reduce operating costs and release mortgage loans from encumbrance, as they may be utilised in the Bank's covered bond programs (which may be used as collateral to raise liquidity from the ECB at a lower cost).
05. Moody's Investors Service affirmed Piraeus Bank's long-term deposit rating at "Caa2", revising the outlook to positive from stable.
06. S&P Global affirmed its 'B-' long term rating on

Piraeus Bank, revising the outlook to positive from stable.

07. Following the ratification of Law 4583/2018 which transposed into Greek Law the Insurance Distribution Directive (IDD, EU Directive 2016/97), the Bank's Board of Directors approved the initiation of the process for the transformation of the Bank's bancassurance business structure. This transformation contemplates the demerger of Piraeus Insurance Agency SA (100% subsidiary of Piraeus Bank), and the provision of insurances services by a new bancassurance unit in the Bank and a subsidiary of the Bank. The transformation is envisaged to be completed within the first half of 2020.
08. The Notes of the Estia Mortgage Finance II Plc Securitization (Estia II) were redeemed early. on their interest payment date, at the principal amount of notes outstanding plus accrued interest, for the total outstanding amount of €527.6 mn– the largest part was retained by the Bank, with €28.3 mn held by investors.
09. Piraeus Bank paid €165 mn in cash to the Hellenic Financial Stability Fund (HFSF) for the 2019 coupon of the Contingent Convertible Instruments (CoCos) issued by the Bank and held by the HFSF.
10. The Bank's Board of Directors elected Mr. Periklis Dontas as Non-Executive Member, HFSF Representative, in replacement of Mr. Per Anders Fasth, following a letter from the HFSF, dated 28 November 2019, and in accordance with the provisions of Law 3864/2010.
11. The Notes of the AXIA III Finance Plc Securitization (AXIA III) were redeemed early on their interest payment date, at the principal amount of notes outstanding plus accrued interest, for the total outstanding amount of €235 mn. The total amount was retained by the Bank.

RECENT DEVELOPMENTS 2020

01. Piraeus Bank issued a €500 mn Tier 2 bond with institutional investors, at a coupon of 5.50% for the first 5 years, with a one-time reset thereafter, at the prevailing 5-Year Mid-Swap Rate and a credit spread of 577.4 bps. The bond has a maturity of 10 years, an embedded issuer call option after 5 years (10NC5), and is listed on the Luxembourg Stock Exchange. The final order book was in excess of €4 bn from more than 350 investors. The issuance increases the Bank's total capital ratio by circa 110 bps.
02. Piraeus Bank entered into an exclusive strategic collaboration agreement with ORIX Corporation, for the provision of financing solutions to the Greek shipping sector. The agreement provides Piraeus Bank's shipping clients with a wider selection of financing instruments and additional financing where necessary.
03. Piraeus Bank activated a plan in cooperation with the National Public Health Organization (NPHO-EODY) to address COVID-19 pandemic-related issues.
04. Piraeus Bank was notified of the decision by the ECB to lift the limits imposed on its exposure to Greek Sovereign Securities, a cap imposed in 2015.
05. Kion Mortgage Finance PLC Securitization announced the intention to redeem all Notes of each class (Class A, B, C) at their respective Principal Amounts Outstanding plus accrued interest, on the Interest Payment Date falling on 15 April 2020.
06. ECB Banking Supervision announced measures that allow banks to operate temporarily below the level of capital defined by the Pillar 2 Guidance (P2G) and the capital conservation buffer (CCB). In addition, banks will also be allowed to partially use capital instruments that do not qualify as Common Equity Tier 1 (CET1) capital, for example Additional Tier 1 or Tier 2 instruments, to meet the Pillar 2 Requirements (P2R).
07. Piraeus Bank raised a total of €2 bn in the additional temporary longer-term refinancing operations (LTROs) auctions conducted by the ECB to mitigate the impact of the coronavirus (COVID-19) pandemic on the Euro Area Economy (EEA), by providing immediate liquidity support to the eurozone's financial system.
08. ECB Banking Supervision announced further measures to ensure that its directly supervised banks can continue to fulfil their role to fund households and corporations amid the coronavirus-related economic shock to the global economy. Lastly, the ECB recommended that all banks avoid procyclical assumptions in their models to determine provisions and that

those banks that have not done this so far opt for the IFRS 9 transitional rules.

09. The Hellenic Bank Association, in cooperation with its member banks, the Greek Government and Supervisory Authorities, announced measures to facilitate/support customers facing problems, in its effort to address the negative effects due to the spread of COVID-19 pandemic.
10. Moody's Investors Service affirmed Piraeus Bank's long-term deposit rating at "Caa2", while the outlook was changed to stable from positive previously.
11. Fitch Rating affirmed Piraeus Bank's long-term deposit rating at "CCC" and long-term unsecured senior debt at "CC".
12. The Bank's BoD on its meeting on 28/05/2020, following the Board Member's Nomination Committee proposal, elected Mr. Vassilios Kountentakis, Senior General Manager, as an Executive Member of the Board for the rest of the Board's tenure, in replacement of a previous resigned member.

VISION AND VALUES, ASPIRATIONS AND OUTLOOK

VISION AND VALUES

Piraeus Bank operations are governed by the principles of accountability, meritocracy and transparency. These values are the main drivers in the Bank's Vision to be the most trusted organization in the Greek Banking market and the Greek economy at large.

Piraeus Bank places customers and their needs at the heart of its operations. In this context, at the end of 2018 the Bank developed a new framework for corporate culture, whereby employees share four fundamental 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.

These values run through the organization from the top of the hierarchy to its base, to ensure maximum quality of service, absolute transparency of transactions and a sense of confidence in present and future transactions and communications.

ASPIRATIONS AND OUTLOOK

Piraeus Bank has assumed a leading role in restoring the dynamics of the Greek economy, following the financial crisis of the last decade.

In past years, in line with the new Management's strategy, Piraeus Bank has disbursed more than €9 bn in new loans to Greek businesses and households, contributing to Greek economy entering a period of growth.

In 2020 the pandemic of the COVID-19 virus derailed the recovery of the Greek economy. The safety of employees, customers and other stakeholders remains of paramount importance to the Bank.

In today's demanding environment, business continuity and support to customers regarding the effects of the COVID-19 pandemic are at the top of the Bank's agenda. The business model needs to adapt to a new norm, encouraging and supporting customers to use digital and other virtual channels, and facilitating remote-working for its employees.

The Bank relies on the key pillars of its "Agenda 2023" strategic roadmap, as announced by the management in early June 2019 and renewed in February

2020, namely:

01. satisfying stakeholders;
02. achieving the Bank's strategic targets;
03. implementing sustainable solutions.

Satisfying all stakeholders is deemed to be even more imperative in the current economic environment. As a pioneer in governance and corporate responsibility, Piraeus Bank has taken initiatives to support society and the economy, both at a national and regional level.

Strategic emphasis is placed on improving the Bank's fundamentals, by de-risking its balance sheet and improving its return on capital employed.

In the short term, Piraeus Bank is committed to shielding and protecting its balance sheet from the negative impact of the COVID-19 pandemic, implementing targeted measures that will allow business continuity in an environment full of challenges and opportunities.

Management has taken steps to safeguard the progress made in recent years, in addition and in accordance with the measures taken by the Greek and European authorities.

Piraeus Bank strives to maximise the efficiency of the resources employed.

A simplified Bank structure, further cost reduction and rationalisation measures, and increased digitalisation and automation of operations, are structural elements of the "Agenda 2023" plan that will lead the Bank into the future.

The banking system faces significant challenges in the new digital age. The Bank's strategies make full use of its workforce, the available resources and technologies in its transition towards strong, sustainable and balanced growth in the medium term, for the benefit of Greek economy and society.

GROUP FINANCIAL DATA ANALYSIS 2019

Piraeus Bank is one of the Greek systemic banks, with total assets amounting to €61.2 bn as at 31/12/2019, and market shares of 29.5% in deposits and 29.0% in loans (31.6% market share in business lending).

The Bank has the largest presence in Greece with 527 branches on 31/12/2019.

Furthermore, the Bank has a presence with 20 branches in Ukraine, London and Frankfurt on the same reference date. In 2019, the Greek network was reduced by 26 branches, as a result of the rationalisation plan. The Bank has a broad customer base of 5.5 mn active customers. On 31/12/2019, the Group's headcount totalled 11,555 employees for continuing operations, out of which 11,137 were employed in Greece (down by 960 people from 2018, following the sale of the Recovery Banking Unit platform).

The Bank is a high free-float company, with approximately 27 thousand common shareholders holding 73.6% of the Bank's common equity, while the HFSF holds the remaining 26.4%.

Profitability in 2019 improved compared to 2018, mainly on the back of positive performance of operational efficiency. Further improvement in liquidity and funding was also evident, as the Bank managed to meet the regulatory requirements for both Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) in just over a year after the capital controls were fully abolished.

BALANCE SHEET

Total assets of the Piraeus Bank Group amounted to €61.2 bn as at 31/12/2019 from €61.9 bn as at 31/12/2018.

Selected Balance Sheet Figures

Amounts in € mn	31/12/2019	31/12/2018	Change
Assets	61,231	61,880	-1.0%
Deposits	47,351	44,739	5.8%
Gross Loans before provisions & adjustments	50,148	53,091	-5.5%
Cumulative Provisions	10,986	13,333	-17.6%
Total Equity	7,773	7,506	3.6%

The Group continued recovering deposits for another year, with customer deposits amounting to €47.4 bn on 31/12/2019, up by 5.8% compared to 31/12/2018. This increase is mostly attributable to the Group's activity in Greece, where customer deposits increased by 5.8%, to €47.1 bn. The domestic market share in deposits stood at 29.5% at the end of 2019. Savings account for 35.2% of the Bank's total domestic deposits, with time and sight deposits accounting for 38.1% and 27.0% respectively. Business deposits represent 27.5% of the Bank's total domestic deposit base, with retail deposits accounting for the remaining 72.5%. International customer deposits amounted to €0.3 bn on 31/12/2019 from €0.2 bn on 31/12/2018. The declining trend in time deposits' cost continued during 2019, with the average interest rate at 0.3% in the 4th quarter of 2019 versus 0.6% in the respective quarter of 2018.

Deposits per Category

Amounts in € mn	31/12/2019	31/12/2018	Change
Sights–Savings	29,316	27,337	7.2%
Time	18,035	17,402	3.6%
Total	**47,351**	**44,739**	**5.8%**
Greece	47,099	44,536	5.8%
International Operations	251	203	24.1%

The Bank's reliance on Eurosystem funding decreased to €350 mn as at 31/12/2019, from the level of €3.2 bn as at 31/12/2018, on the back of the loan portfolio deleveraging and the further increase in deposits. Access to the interbank market with the use of collaterals reached €2.4 bn on 31/12/2019, from €2.2 bn on 31/12/2018. Debt securities funding increased with the issue of €400 mn Tier 2 Notes in June 2019.

Gross loans as at 31/12/2019 amounted to €50.1 bn, of which €1.5 bn was disbursed as an agri-loan towards OPEKEPE for the distribution of European Commission subsidies to approximately 700 thousand farmers (which was repaid in February 2020). Net loans stood at €39.2 bn as at 31/12/2019, with the Group's net loans to deposits ratio at 79.2% (excluding seasonal OPEKEPE loan), having improved from 85.3% at 31/12/2018. The Bank's new loan disbursements amounted to €4.0 bn in 2019 from €3.1 bn in 2018, with the majority of the disbursements targeting businesses. Gross loans from the Group's international operations amounted to €1.2 bn as at 31/12/2019 from €1.1 bn a year ago.

The Bank's domestic loan portfolio consists of business (63.9%), mortgages (27.7%) and consumer and other loans (8.4%).

Gross Loans per Category

Amounts in € mn	31/12/2019	31/12/2018	Change
Business Loans	32,046	33,760	-5.1%
Retail Loans	18,103	19,331	-6.4%
Total	**50,148**	**53,091**	**-5.5%**
Greece	48,947	51,998	-5.9%
International Operations	1,201	1,093	9.9%

LOAN PORTFOLIO QUALITY

Addressing the high stock of Non-Performing Exposures (NPEs) is the most important challenge both for Piraeus Bank and the Greek banking system.

The Group's NPL ratio (more than 90 days past due) reached 33.5% as at 31/12/2019 from 32.8% as at 31/12/2018. Respectively, the Group's NPE ratio declined to 48.8% as at 31/12/2019 from 51.5% as at 31/12/2018, attributable to the Group's continued efforts for asset quality improvement, while the NPE coverage ratio stood at 44.9% as at 31/12/2019 from 48.8% as at 31/12/2018.

Non-Performing Exposures (NPEs)

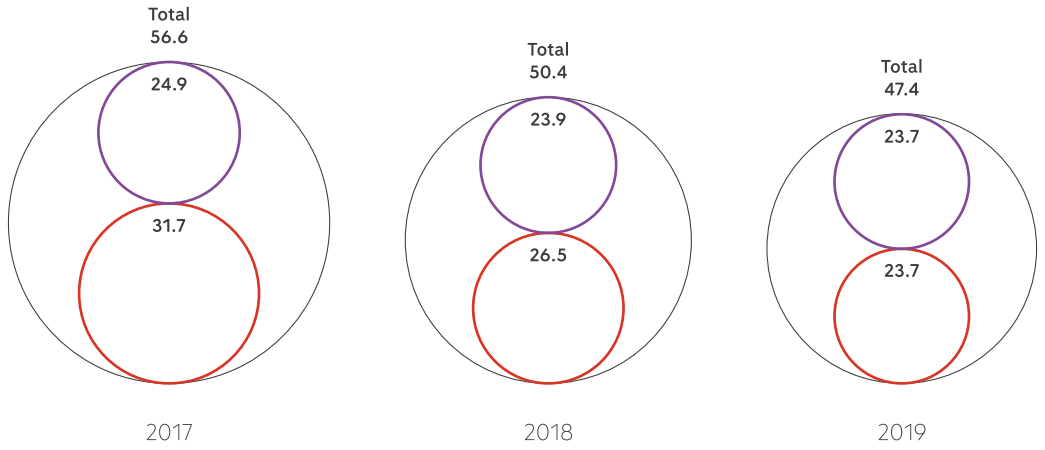
Amounts in € mn	31/12/2019	31/12/2018	Change
Corporate Loans	16,272	18,282	-11.0%
Mortgages	5,979	6,245	-4.2%
Consumer	2,219	2,804	-20.9%
Retail Loans	8,198	9,049	-9.4%
Total NPEs	**24,470**	**27,331**	**-10.5%**
NPEs Ratio			
Corporate Loans	50.8%	54.2%	
Mortgages	43.0%	43.0%	
Consumer	53.0%	58.3%	
Retail Loans	45.3%	46.8%	
Total NPEs	**48.8%**	**51.5%**	

It is worth noting that NPLs declined to €16.8 bn as at 31/12/2019 from €17.4 bn as at 31/12/2018, while NPEs declined to €24.5 bn from €27.3 bn respectively.

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

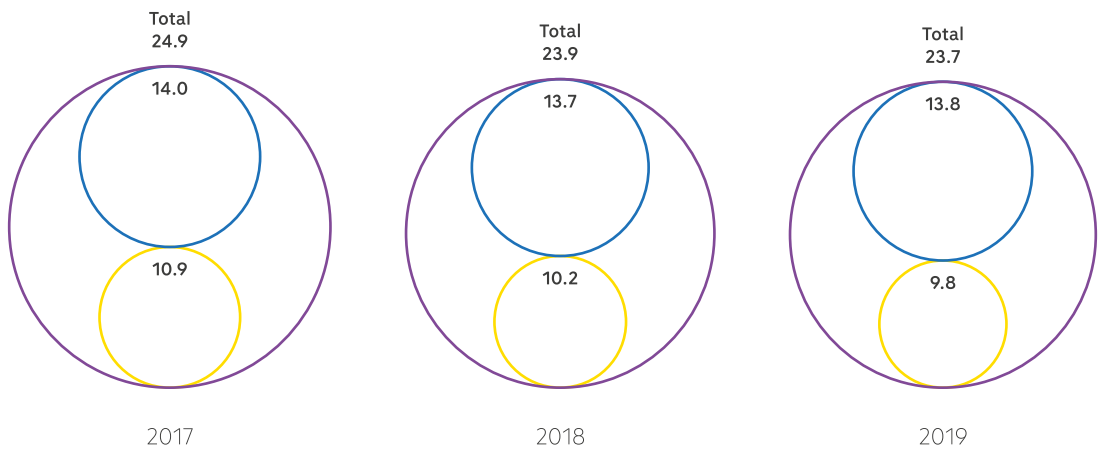
01. One of the challenges in reducing NPEs is to optime between frontloaded reduction and the attainment of future value, given the expected economic recovery. As a result, the target for reducing NPEs goes hand in hand with the target for shareholder value maximisation.
02. The Bank recognises its duty to support the real economy by providing continued funding to viable companies and individuals.
03. A third element of the plan is the utilisation of the Hellenic Asset Protection Scheme (HAPS, known as "Hercules") as a mechanism to reduce the Bank's NPEs and restore the Bank's balance sheet to a normalized status. Engagement in the securitization schemes is further facilitated through the Bank's recent strategic partnership with the biggest servicing platform in Greece.

Performing Exposures and Non-Performing Exposures in Greece (€ bn)



- Performing Exposures
- Non-Performing Exposures

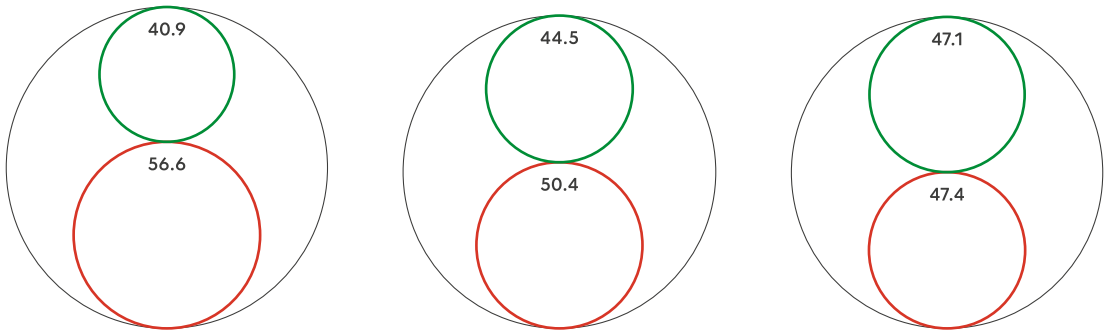
Performing Exposures Business Loans and Performing Exposures Retail Loans in Greece (€ bn)



- Performing Exposures:
  - Business Loans
  - Retail Loans

Note: Gross Loans exclude seasonal agri-loan.

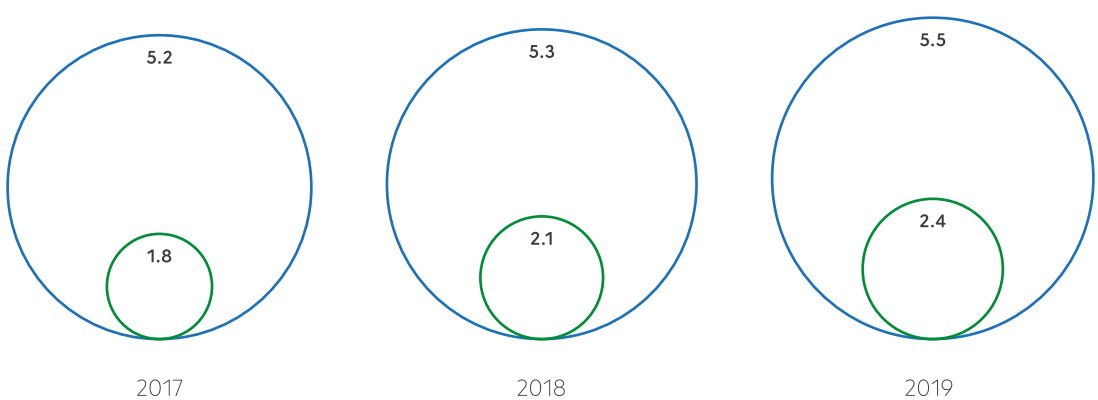
Deposits and Gross Loans in Greece (€ bn)



- Deposits
- Gross Loans

Note: Gross Loans exclude seasonal agri-loan.

Customers in Greece (mn)



- Active customers
- Registered winbank users

The Bank's strategic priorities in response to the financial constraints that exist today are determined by specific principles.

01. Provide as many as possible long-term sustainable solutions that will take customers back to the performing book and at the same time retain the future upside potential.
02. Proceed with resolution for non-viable or uncooperative customers/businesses when it is clear that restructuring is not a viable option, thus enabling the Bank to preserve its value.
03. Proceed carefully with write-offs, either as part of the restructuring solution on justifiable cases or following the exhaustion of legal actions.
04. Support businesses and individual borrowers, whose businesses have suspended operations by virtue of the Greek government's emergency measures to contain the COVID-19 pandemic.

Given the above, the Bank assesses a number of alternatives, such as the engagement in servicing platforms and sales.

PROFIT & LOSS

The Group's net interest income (NII) amounted to €1.4 bn in 2019 posting a slight increase (+1.8%) compared to 2018, due to the reduction in the cost of funding (lower cost of deposits and interbank funding rates) and higher rates in new loan disbursements, despite asset deleveraging. Net fee and commission income amounted to €318 mn in 2019, 6.2% lower than 2018, due to commission income from general insurance of €48 mn that the Bank earned in 2018. Other income amounted to €421 mn in 2019 versus €133 mn in 2018, mainly due to the sale of the Bank's activity (Recovery Banking Unit - RBU) in Intrum in the last quarter of 2019, which resulted in a pre-tax profit of €351 mn.

Total net income for 2019 amounted to €2.2 bn from €1.9 bn in 2018. Excluding the one-off gain of €351 mn from the Intrum transaction, net income in 2019 was reduced to €1.8 bn. The Group's total operating expenses in 2019 stood at €1.0 bn, compared to €1.2 bn in 2018, as a result of the cost of year 2018 Voluntary Exit Scheme ("VES") being significantly higher than the corresponding figure in 2019. Excluding the VES cost and other offsetting cost adjustments, total operating expenses amounted to €1.0 bn in 2019, a reduction of 5.6% versus the previous year.

As a result of the above, the Group's profit before provisions, impairments and income tax (pre-provision income) for 2019 amounted to €1.2 bn, compared to €0.7 bn in 2018. The results of 2019 were burdened by an ECL impairment charge on loans of €0.7 bn, compared to €0.5 bn in 2018. In addition, other assets were impaired by €62 mn in 2019 compared to an impairment of €108 mn in 2018. The Group's profit before income tax in 2019 amounted to a gain of €389 mn from €80 mn in 2018, while profit from continuing operations attributable to shareholders amounted to €270 mn in 2019 compared to a profit of €185 mn in 2018, mainly due to improved operational efficiency.

Selected Profit & Loss Figures

Amounts in € mn	2019	2018	Change
Net Interest Income	1,435	1,410	1.8%
Net Fee & Commission Income	318	339	-6.2%
Other Operating income	421	133	216.5%
Net Income	**2,174**	**1,882**	**15.5%**
Staff Costs	(504)	(616)	-18.2%
Administrative Expenses	(387)	(441)	-12.1%
Depreciation & Other Expenses	(123)	(103)	19.4%
Total Operating Costs	**(1,013)**	**(1,161)**	**-12.7%**
Total Operating Costs on recurring base	**(982)**	**(1,040)**	**-5.6%**
Pre Provision Income	**1,161**	**721**	**61.0%**
ECL Impairment Charge on Loans	(710)	(532)	33.5%
Impairment Charges on Other Assets	(62)	(108)	-42.6%
Pre-Tax Result	**389**	**80**	-
Income Tax	(123)	93	-
Profit/(Loss) for the Year	**276**	**(171)**	-
Net Result Attributable to Shareholders Continuing Operations	**270**	**185**	**45.9%**
Net Result from Discontinued Operations	10	(344)	-

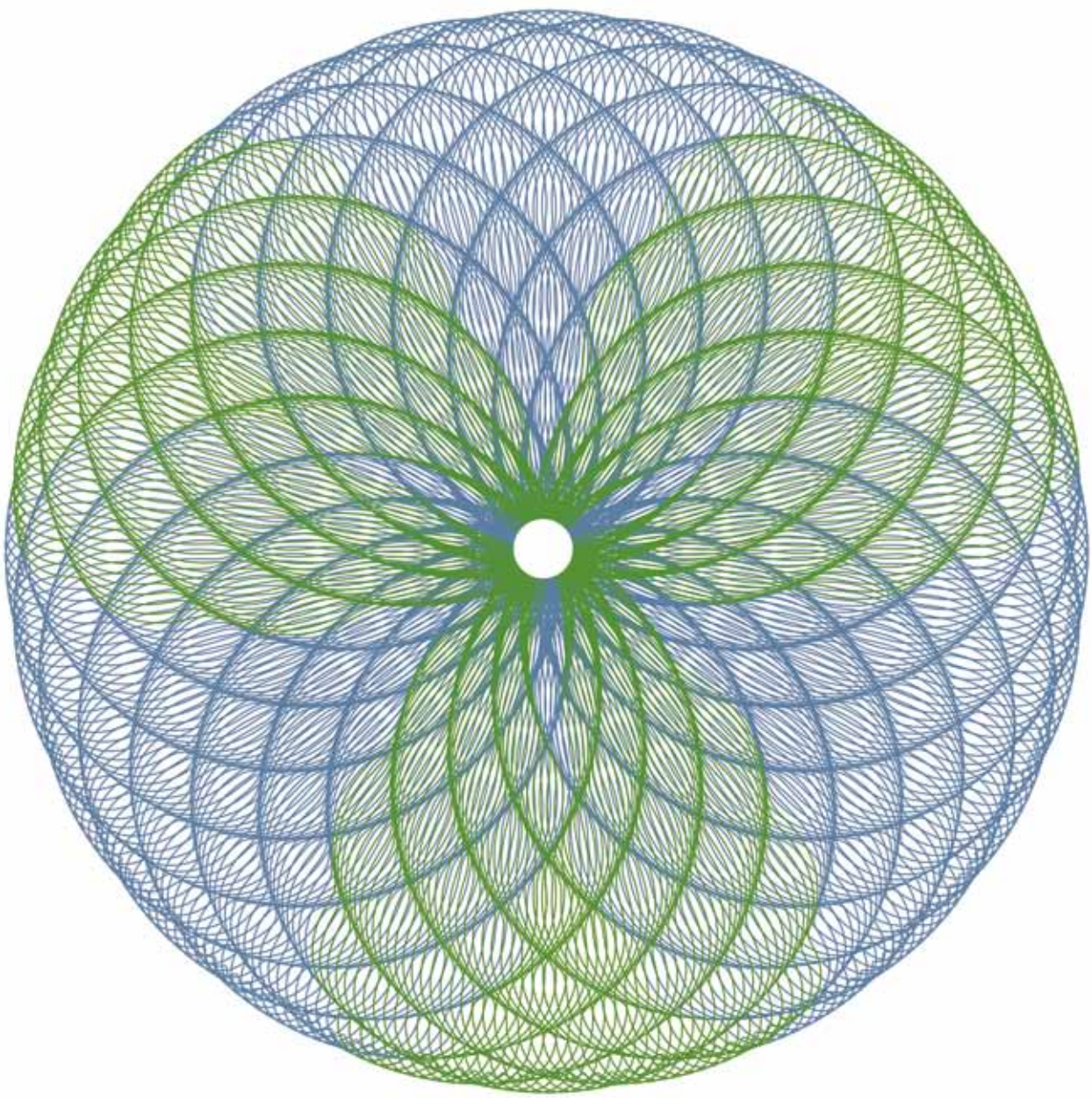
CAPITAL

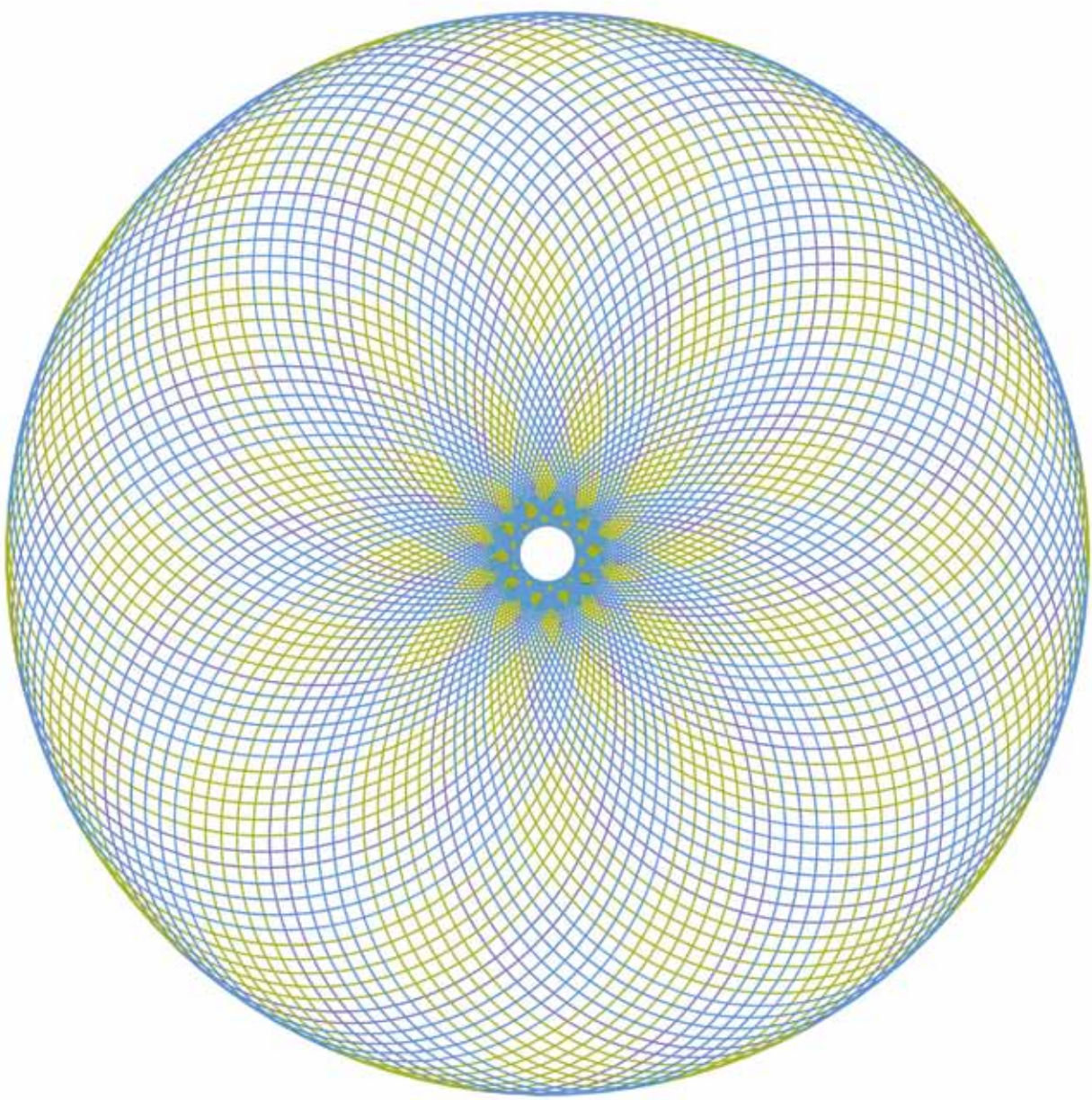
On 31/12/2019, the Group's total equity increased to €7.8 bn from €7.5 bn on 31/12/2018, driven by the net profit for the year. The Group's Basel III total capital adequacy ratio (TCR) stood at 14.92% as at 31/12/2019, with the Common Equity Tier 1 (CET 1) ratio at 14.05%, covering the Overall Capital Requirement (OCR) level for 2019. The respective figures for 2018 were 13.65% for both TCR and CET 1. The increase can be mainly attributed to the enhancement of organic capital generation, as well as the issuance of Tier 2 Notes in June 2019 (which strengthened the TCR by circa 80bps). The Group's Basel III pro-forma TCR increased to 16.78% (CET 1 ratio 14.83%), including the profits for 2019, the €0.5 bn Tier 2 issuance in February 2020 and the portfolios for sale of €0.3 bn.

The amount of deferred tax assets included in the Group's regulatory capital in accordance with the provisions of Greek Laws 4172/2013, 4302/2014, 4340/2015, amounted to €3.9 bn on 31/12/2019. The Group's fully-loaded CET1 stood at 12.17% in 2019 from 10.66% a year ago (14.00% including the 2019 profit and Tier 2 issuance in February 2020).

Following the conclusion of the 2019 Supervisory Review and Evaluation Process (SREP), the ECB informed Piraeus Group of its Overall Capital Requirement (OCR), valid for 2020 (not taking into account COVID-19 mitigating measures). According to the relevant decision, Piraeus Bank would have to maintain on a consolidated basis an OCR of 14.25%, which included: (a) the minimum of Basel Pillar I total capital requirements of 8.00% as per article 92(1) of Regulation (EU) 575/2013; (b) the additional of Basel Pillar II capital requirement of 3.25% as per article 16(2) of Regulation (EU) 1024/2013; (c) the fully-loaded capital conservation buffer of 2.50% as per Regulation (EU) 575/2013, and (d) the transitional Other Systemically Important Institutions (O-SSI) capital buffer of 0.50% under Greek Law 4261/2014.

In March 2020, ECB Banking Supervision announced measures that allow banks to operate temporarily below the level of capital defined by the Pillar 2 Guidance (P2G) and the Capital Conservation Buffer (CCB). In addition, banks will also be allowed to partially use capital instruments that do not qualify as Common Equity Tier 1 (CET1) capital, for example Additional Tier 1 or Tier 2 instruments, to meet the Pillar 2 Requirements (P2R). This brings forward a measure that was initially scheduled to come into effect in January 2021, as part of the latest revision of the Capital Requirements Directive (CRD V).





SUSTAINABLE DEVELOPMENT

METHODOLOGY FOR ANALYSIS OF MATERIAL TOPICS

Every year Piraeus Bank reports important non-financial information about the Group's operations, promoting transparency and cohesive reporting on significant corporate social responsibility topics.

Piraeus Bank discloses non-financial information in accordance with the Global Reporting Initiative (GRI), which defines since 2006 a comprehensible set of standards that facilitates the dissemination of information and communication of sustainability issues both for the Group and for its stakeholders. Additionally, adoption and implementation of GRI Standards contributes to a better ranking for the Bank, which is actively involved in international initiatives and included in corporate sustainability indices. Following international standards and best 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 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 topics identified in the materiality survey with its priority sustainability goals.

Material topics are those that reflect the organization's economic, environmental and social impact or any matters that significantly influence the assessments and the decisions of stakeholders.

Piraeus Bank identifies the key stakeholders, i.e. customers, employees, suppliers, investors/shareholders, investment analysts, media, supervisory & regulatory authorities, the investment community, community/environmental/cultural bodies, NGOs. The Bank enters into dialogue with them, to address their needs and expectations and to highlight critical current Sustainable Development topics. These topics are used by organizations to design and activate mechanisms to continuously improve their operations.

In addition to the regular two-way dialogue with each stakeholder group, Piraeus Bank also applies the reporting principles of Materiality, Stakeholder Inclusiveness, Sustainability Context and Completeness, in accordance with the GRI Standards, in order to prioritise its sustainable topics. The Bank conducts a Materiality Survey and holds focus group

discussions, to highlight current material Sustainable Development topics.

The Materiality Survey is based on a structured questionnaire designed to explore the stakeholders' reasonable expectations and interests which, by extension, have an impact on the economy, society and the environment. These topics arise from Piraeus Bank's regular communication with its stakeholders 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 topics may change over time, as deeper knowledge of these is acquired. Piraeus Bank re-assesses their materiality every year, in the context of compiling the Sustainability & Business Report.

The Bank addresses the questionnaire to a sample of internal and external stakeholders, and organises a focus group discussion, thus benefiting from direct communication and the opportunity for open dialogue and collection of observations. The discussion is coordinated by an external partner in the presence of representatives from an independent audit firm, ensuring that the stakeholder engagement process adheres to the principles of AA1000 Stakeholder Engagement Standard and that the process is valid. 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.

As part of the process, participants are asked to assess an extensive range of defined corporate responsibility topics regarding the level of materiality, using a standardised materiality scale (from 1=not at all to 5=strongly). The scale ranks topics by their relevance to Piraeus Bank stakeholders and their impact on Piraeus Bank's sustainable performance. At the same time, participants are encouraged to directly share their views and suggestions for improvement and/or change, which the Bank takes into account.

Topics are weighted, prioritised and plotted on the Materiality Map. The horizontal axis represents the way in which stakeholders perceive the materiality of each topic and the vertical axis represents the impact assessment by Piraeus Bank Group of these topics on sustainable development, i.e. on society, the economy and the environment.

Both the Materiality Analysis and the current Report are assured by an independent body, a testament to the Bank's commitment to transparency and alignment with international best practices.

The 2019 Sustainability and Business Report has been prepared in accordance with GRI Standards: Core Option.

By incorporating this option, Piraeus Bank determines the content and quality guidelines of this Report (Balance, Comparability, Accuracy, Regular and Timely Information, Clarity, Reliability).

The 2019 Materiality Questionnaire included 20 topics. Based on the results of the analysis, 12 material topics were identified for both sides, 2 of which were new topics included for the first time in the questionnaire (Compliance with the regulatory framework and Supporting the new generation), compared to 2018. These 12 material topics are presented and described with a degree of materiality below:

1. Compliance with the regulatory framework (Q8)
The Bank complies with the current regulatory framework as this is defined by national and European legislation, establishing procedures and ensuring that they are strictly applied.

2. Protection of personal data (Q7)
The Bank ensures the protection of the personal data of its customers and other stakeholders through the implementation of integrated procedures and systems.

3. Supporting the new generation (Q20)
The Bank supports young people and youth entrepreneurship, by providing specialised training programs that enable them to acquire skills which will be useful in their professional careers.

4. Risk management (Q10)
The Bank places particular emphasis on the effective management and monitoring of risks, in order to successfully achieve its strategic and business goals, thus creating value for stakeholders.

5. Promotion of tangible and intangible cultural heritage of the country (Q18)
The Bank, through its Cultural Foundation, documents, highlights and promotes the country's tangible and intangible cultural heritage (museum network, research programs, publications, historical archives) contributing to the preservation of its production history and enhancing the access of the regions of Greece to quality cultural goods.

6. Corporate governance (Q9)
The Bank adopts the principles and best practices of Corporate Governance ensuring its effective organisation, functionality, management and development, aiming at transparency in communication with shareholders, direct and continuous information to the investment community and safeguarding the interests of all stakeholders.

7. Supporting local communities (Q17)
The Bank operates a network of nine thematic museums in the regions of Greece, contributing to the country's economic growth and prosperity, through the development dynamics of culture and through building relationships of trust at the local level.

8. Improving environmental performance (Q16)
The Bank develops strategies to improve its environmental performance and reduce its operational environmental footprint.

9. Creation of economic value (Q1)
The Bank enhances its financial performance and contributes to the growth of the Greek economy by implementing a specific business plan.

10. New technologies (Q2)
The Bank utilizes new technological solutions in order to enhance the quality of the provided products/services to the benefit of its customers.

11. Responsible financing/investments, social and environmental banking products/services (Q3)
The Bank integrates environmental and social criteria in the evaluation of financing/investments and offers specialized products/services responding to current challenges such as climate change, transition to a low carbon economy, financing disadvantaged social groups, nature protection etc.

12. Commitment to safeguard human rights in a healthy and modern working environment (Q12)
The Bank seeks to trains its employees on human rights' principles and creates a healthy, safe and modern working environment where employees can demonstrate their abilities.

The Sustainability and Business Report refers to the Bank’s operations in Greece. In certain cases, other companies of the Group are mentioned as well, to depict the corporate social responsibility practices implemented throughout the Group.

The Bank appointed an external auditor to provide an Independent Assurance on CSR-related issues (Deloitte Certified Public Accountants SA).

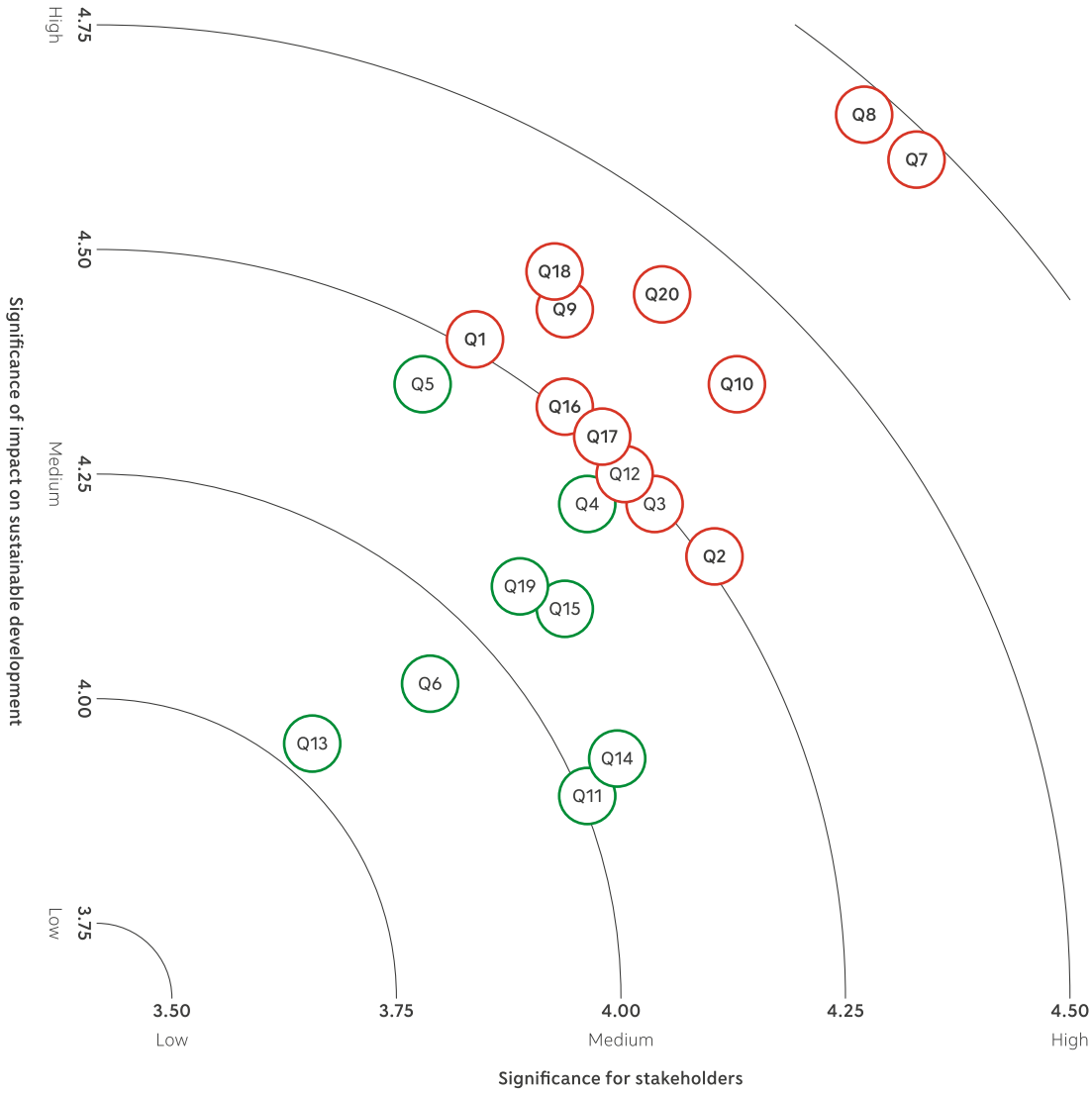
The table below presents a list of the 12 material topics, their correlation with the relevant GRI Standards and their boundaries.

Material Topic	Corresponding Material Topic with GRI Standards	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
Protection of personal data	Customer privacy protection	Piraeus Bank Group, Customers, Suppliers
Compliance with the regulatory framework	Anti-corruption	Piraeus Bank Group, Business Community, Supervisory & Regulatory Authorities, Customers
Corporate governance	General disclosures	Piraeus Bank Group, Supervisory & Regulatory Authorities
Risk management	General disclosures	Piraeus Bank Group, Supervisory
		& Regulatory Authorities, Suppliers, Investors/shareholders, Customers, State
Improving environmental performance	Energy emissions	Piraeus Bank Group, Suppliers
Supporting local communities	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
Supporting the new generation	Indirect economic impact	Piraeus Bank Group, Business Community, Community/ environmental/cultural bodies, State
Commitment to safeguard human rights in a healthy and modern working environment	Human rights assessment	Piraeus Bank Group, Customers, State, Suppliers
Responsible financing/ investments, social and environmental banking products/ services	Product portfolio	Piraeus Bank Group, Customers, NGOs, State, Regulatory Authorities, H.O.B.I.S. Ombudsman, Consumer‘s Ombudsman

The Materiality Map depicts the results of the materiality analysis of the survey regarding the 2019 Sustainability & Business Report.

The horizontal axis represents the way in which stakeholders perceive the materiality of each topic and the vertical axis represents the assessment by Piraeus Bank Group on the significance of the impact of these topics on society, the economy and the environment.

MATERIALITY ANALYSIS



Q1	**Creation of economic value**
Q2	**New technologies**
Q3	**Responsible financing/investments, social and environmental banking products/services**
Q4	Financial inclusion
Q5	Commitment to the Principles for Responsible Banking of the United Nations
Q6	Responsible procurement
Q7	**Protection of personal data**
Q8	**Compliance with the regulatory framework**
Q9	**Corporate governance**
Q10	**Risk management**
Q11	The Bank as a responsible employer
Q12	**Commitment to safeguard human rights in a healthy and modern working environment**
Q13	Empowering corporate culture
Q14	Open and timely communication
Q15	Assessment of climate, environmental and social risk
Q16	**Improving environmental performance**
Q17	**Supporting local communities**
Q18	**Promotion of tangible and intangible cultural heritage of the country**
Q19	Connecting culture to the environment and sustainable development
Q20	**Supporting the new generation**

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

	Q8	Compliance with the regulatory framework
	Q7	Protection of personal data
	Q20	Supporting the new generation
	Q10	Risk management
	Q18	Promotion of tangible and intangible cultural heritage of the country
	Q9	Corporate governance
	Q17	Supporting local communities
	Q16	Improving environmental performance
	Q1	Creation of economic value
	Q2	New technologies
	Q3	Responsible financing/investments, social and environmental banking products/services
	Q12	Commitment to safeguard human rights in a healthy and modern working environment

BUSINESS MODEL FOR SUSTAINABLE DEVELOPMENT

PURPOSE

Piraeus Bank aims to be a pillar of stability for the Greek economy, to fuel growth and to promote innovation. Its footprint in society should be positive and lasting, for the benefit of its customers, its people, its shareholders and society as a whole, fully reflecting its values.

CORPORATE VALUES

Piraeus Bank embraces the following values to ensure maximum quality of service, absolute transparency of transactions and a sense of confidence in both the present and the future:

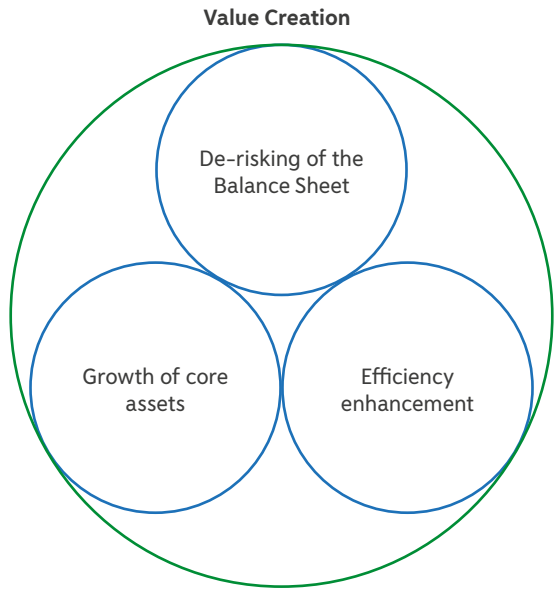
01. We create value in all we do
02. We challenge the frontiers
03. We enthuse our customers
04. We build relationships of trust

AGENDA 2023 PILLARS

STRATEGIC TARGETS
Specific, measurable targets are set, paving the way to full restoration of its core assets and to increasing profitability.

SATISFYING STAKEHOLDERS
Piraeus Bank's top priority.

SUSTAINABLE SOLUTIONS
A comprehensive framework of solutions is being established, which will allow the full development of the Bank's capabilities, through focused and effective implementation, aiming to create value from all its operations.



CAPITAL	2019
Financial	
Continuous improvement of the Bank's fundamentals, through de-risking of the balance sheet and improved efficiency of capital employed.	• Strong performance in 2019 across the Bank's operations. • Net results attributable to shareholders €270 mn compared to €185 mn in 2018. • Support entrepreneurship with disbursements of new loans of €4.1 bn in Greece. • NPE reduction by €3 bn in 2019 to €24.5 bn.
Human	
Modern work environment that promotes open communication, high efficiency and personal growth for Bank employees.	• Implementation of the platform for the creation of an Individual Development Plan, in the context of the approach to Performance Management (Become & Achieve). • Actions to enhance work ethic. • Development of a Job Family Model (JFM), linked with the reward and development program.
Productive	
Development of infrastructure and resources for the continuous upgrade of the products and services provided by the Bank.	• Piraeus Bank remains committed to making full use of its ability to produce value to serve and support 5.5 mn customers, 27 th shareholders and 11 th employees.
Intangible	
Utilisation of new technologies for the development of innovative products and services.	• Development and introduction of new innovative products and services such as e-branches, e-loan, e-signature.
Social	
Inclusion of social, environmental and cultural aspects in the Bank's business practices, in order to strengthen social wellbeing and sustainable development.	• In 2019, Piraeus Bank supported the effort of young people to enter the job market, through Project Future. 51% of the first graduates (Oct. 2018 - Dec. 2019) have already been placed in the Greek market. • In 2019, the Piraeus Group Cultural Foundation welcomed 337,266 visitors to its Network Museums and implemented 307 cultural events on its premises.
Natural	
Practical support for green entrepreneurship, with the continuous reduction of the Bank's environmental footprint, the implementation of programs for protecting biodiversity and managing climate risk.	• Paper and ink consumption decreased by 11% and water consumption by 12% in 2019 compared to 2018. • In 2019, total electricity consumption decreased by 9% compared to 2018. • Over the last 5 years, total CO_2 emissions have been reduced by 38%.

STAKEHOLDER DIALOGUE

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

In the framework of its activities and operations, the Bank initiates regular communication with its stakeholders –the frequency of which is determined by the nature of the relationship with each stakeholder–, in order to fulfil their needs and expectations and to promptly and effectively address topics of concern. Through its involvement in the formulation and adoption of the global Principles for Responsible Banking, the Bank focuses on each stakeholder individually and treats each separate stakeholder dialogue as important. As a result, through the continued stakeholder dialogue in 2019, the Bank identified the following topics as the most material for its stakeholders: the protection of their personal data, the use of new technologies to better serve their needs, the provision of responsible banking products, the respect for human rights, as well as the respect for the environment and culture as factors contributing to sustainable development, the support of the new generation and the creation of economic value to society, as well as topics related to corporate governance and compliance with the regulatory framework and risk management.

For more details of Piraeus Bank and stakeholders' dialogue, see www.piraeusbankgroup.com>Investor Relations>Financial Data>Annual Reports>2020

CORPORATE RESPONSIBILITY PRINCIPLES

For Piraeus Bank, Corporate Responsibility is the integration of environmental and social factors in its operations, its business activities and practices, as well as in its interaction with its stakeholders, in order to strengthen the Group's positive impact on society, the economy and the environment. Guided by its vision to be the most trusted bank in Greece, Piraeus Bank is committed to the above, follows and shapes the trends in sustainability, and creates value for its shareholders, customers and employees. It takes initiatives that go beyond its legal obligations, in order to enhance social welfare and sustainable development.

Corporate Governance
Corporate Governance Best Practices

Economy
Alignment of Business Goals with Social Progress and Solidarity

Employees
Adoption of Best Workplace Practices

Society
Harmonious Relations with Social Partners and Promotion of Culture

Environment
Environment protection using natural resources responsibly and supporting environmentally and socially beneficial business activities

For more information, see www.piraeusbankgroup.com>Corporate Responsibility

SUSTAINABILITY GOVERNANCE STRUCTURE

The Group has a specialised structure to support sustainable development. In particular:

Board of Directors

The Board of Directors has responsibility for the success of Piraeus Bank Group and for delivering sustainable Economic Value.

CEO of the Piraeus Bank Group

The Group CEO has ultimate responsibility for the Group's sustainability performance, including topics relating to the environment and climate change.

Ethics Committee of the Board of Directors

The Ethics Committee of the Board of Directors, chaired by the Chairman of the BoD, consists of executive and non-executive members. The Committee's role is to review and provide direction to management on policies relating to matters of Ethics, to ensure sound governance in accordance with the Code of Conduct and the Bank's internal policies, and to oversee the Bank's environmental and corporate responsibility initiatives and programs.

Corporate Responsibility Committee

The Committee is chaired by the Group's CEO together with other executives from various units of the Bank. Members of the Committee include an Executive General Manager, a Deputy General Manager, Advisors to the Management, as well as other Top Management Executives of the Bank. The Corporate Responsibility Committee assesses and approves: (a) the Group's Corporate Responsibility Policy and Strategy (Environment, Society & Governance-ESG), which align governance and decision-making with the UN Sustainable Development Goals and the 2015 Paris Agreement on Climate, (b) the application of the Group values and the creation of a culture that reinforces the employees' role in adopting the Corporate Responsibility Principles, (c) programs, collaborations, initiatives and financing instruments to reduce the Group's environmental footprint, promote culture and strengthen social cohesion, and (d) actions that enhance accountability, meritocracy and transparency and strengthen the Group's extroversion. The Corporate Responsibility Committee informs the BoD about ESG topics.

Corporate Responsibility and Internal Communication (CR & IC)

The mission of the CR & IC unit is to manage topics of corporate responsibility, internal communication, organizational health and "culture & engagement". It regularly informs the Chairman of the BoD, the CEO and the relevant committees on environmental and social aspects of topics related to Corporate Governance, the economy, employees and the Bank's relationship with the wider society.

Sustainability Unit (SUn)

The mission of the Sustainability Unit is to formulate the Bank's sustainability policies and strategies, to monitor their implementation and to coordinate the implementation of the Corporate Responsibility Principles. The SUn coordinates the Bank's efforts in aligning its strategies with the UN SDGs and the 2015 Paris Agreement and systematises implementation by the Group of the Principles for Responsible Banking.

The SUn is responsible for reducing the Bank's environmental footprint, for assessing environmental and climate risk, and for continuously improving the Groups' sustainability performance, as measured by Corporate Sustainability Indices, seeking to create a culture of responsible banking and enhancing transparency in internal and external communications on sustainability. The Group Environmental Management Officer coordinates the Bank's Environmental Management Team and participates in the Environmental Management Team of PIOP.

Development & Sustainable Banking and Bank Relations

The mission of Development & Sustainable Banking and Bank Relations is to create, develop and promote specific products and services for financing and enhancing customer competitiveness in new innovative areas and their adaptation to new environmental and social standards. At the same time, it provides systematic economic and technical evaluation and management of the environmental and social risks that may be caused by the financing business customers.

ESMS Officer

The ESMS Officer of the Group is responsible for applying the Environmental and Social Management System to business financing activities, in accordance with the "ESMS Policy". The ESMS Officer ensures that environmental and social risks that may arise from the Bank's business financing activities are duly assessed and managed.

PARTICIPATION IN GLOBAL INITIATIVES FOR SUSTAINABLE DEVELOPMENT

UNITED NATIONS GLOBAL COMPACT

Piraeus Bank participates in the United Nations (UN) Global Compact since 2004. The Bank is committed to the principles of human and labour standards, the environment and anti-corruption. Under the 10 UN Global Compact principles, businesses should:

Human Rights

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

Labour

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

Environment

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

Anti-corruption

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

For more details on the 10 UN Global Compact Principles with Piraeus Bank, see GRI Content Index p. 235-248 of this Report.

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.

PRINCIPLES FOR RESPONSIBLE BANKING

The Principles for Responsible Banking (PRB) define the framework in which sustainable banking will be developed in the coming decades.

The Principles for Responsible Banking were launched in 2019 under UNEP FI (United Nations Environment Program Finance Initiative), in collaboration with 30 banks-members from around the world, to align operations with the global Sustainable Development Goals (SDGs) and the 2015 Paris Agreement. Piraeus Bank was the only Greek bank to actively participate in preparing the global Principles for Responsible Banking. In 2019, the Bank drafted an Action Plan for the implementation of the Principles, revolving around the axes:

01. Governance and Internal Structure
02. Positive Impact
03. Culture & Communication

The CEO of Piraeus Bank was present at the launch of the consultation period in Paris, in November 2018, and signed the Principles for Responsible Banking at the official ceremony held at the United Nations Headquarters in New York, in September 2019, in the presence of the UN Secretary General Antonio Guterres.

The 6 Principles for Responsible Banking are the following:

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.

2. Impact & Target Setting

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

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.

4. Stakeholders

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

5. Governance & Culture

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

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.

For more details on the Principles for Responsible Banking, see GRI Content Index p. 235-248 of this Report.

"COLLECTIVE COMMITMENT TO CLIMATE ACTION" INITIATIVE

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

UNITED NATIONS ENVIRONMENT PROGRAM FINANCE INITIATIVE (UNEP FI)

The Bank has been a member of UNEP FI since 2007. The Bank is committed to environmental protection, social responsibility and sustainable development in its business decisions.

UNEP FI DECLARATION OF INTENT ON ENERGY EFFICIENCY (UNEP FI)

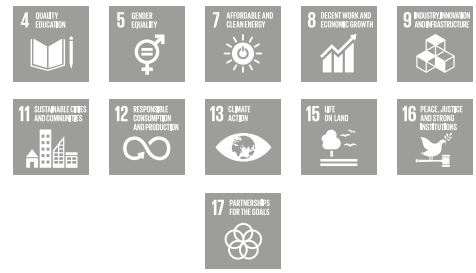
Piraeus Bank has co-signed the UNEP FI "Declaration of Intent on Energy Efficiency", recognising that the financial sector has the capability to direct capital flows towards activities and investments that promote energy efficiency.

UNEP FI POSITIVE IMPACT INITIATIVE

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

SUSTAINABLE DEVELOPMENT GOALS (SDGs)

Piraeus Bank Group supports the Global Sustainable Development Goals (SDGs), pledging to make a substantial contribution to the global efforts for achieving them. In particular, in accordance with the Corporate Responsibility Principles governing its operation, goal setting, strategic priorities and the results of the Materiality Analyses (2013 - 2019), the Group focuses on strengthening the following 11 Goals:



"PARIS PLEDGE FOR ACTION" INITIATIVE

Piraeus Bank Group has joined the "Paris Pledge for Action" Initiative and has pledged its commitment on climate action under the 2015 Paris Agreement.

EU BUSINESS@BIODIVERSITY PLATFORM

Piraeus Bank participates in the EU Business@Biodiversity Platform, a forum for dialogue and policy interface to discuss the links between business and biodiversity at EU level.

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.

SUSTAINABLE DEVELOPMENT COMMITTEE OF THE HELLENIC BANK ASSOCIATION (HBA)

Piraeus Bank is a member of the Sustainable Development Committee of the Hellenic Bank Association, with active participation in the integration of sustainability in the Greek banking sector.

THE MOST SUSTAINABLE COMPANIES IN GREECE 2020

Piraeus Bank has joined the group of "The Most Sustainable Companies in Greece 2020", an initiative of the QualityNet Foundation, the Greek Network of Responsible Organizations and Active Citizens, which includes companies that approach holistically both sustainable development and its role in the competitiveness of Greek enterprises.

CORPORATE SUSTAINABILITY RATINGS AND RECOGNITIONS

Corporate sustainability ratings track the stock performance of the world's leading companies in terms of economic, environmental and social criteria, and promote the best performers in Corporate Sustainability. Rating agencies systematically monitor Piraeus Bank's performance under ESG criteria, motivating the Bank to improve its sustainability practices. In particular:

Sustainability index	**2019**	**2018**
FTSE4Good Emerging Index score	Score: 4.1/5	Score: 3.6/5
CDP	Management B	Management B
oekom Research	C- medium	C- medium
ISS Corporate Solutions - Environmental & Social Quality Score	Score: 1/10 (1 is highest)	Score: 1/10 (1 is highest)
ISS Governance Score	Score: 4/10 (1 is highest)	Score: 6/10 (1 is highest)
MSCI ESG Research	Level BBB	Level BBB
VIGEO-EIRIS	Advanced Performance 60/100	-
Forum Ethibel	Ethibel EXCELLENCE Investment Register	Ethibel EXCELLENCE Investment Register

RECOMMENDATIONS OF THE TASK FORCE ON CLIMATE - RELATED FINANCIAL DISCLOSURES (TCFD)

In 2017 the Task Force on Climate-Related Financial Disclosures (TCFD) of the Financial Stability Board introduced a set of recommendations for climate-related financial disclosures.

TCFD recommendations suggest the voluntary disclosure of detailed information on climate change management in 4 thematic pillars that represent key elements of how an organization operates.

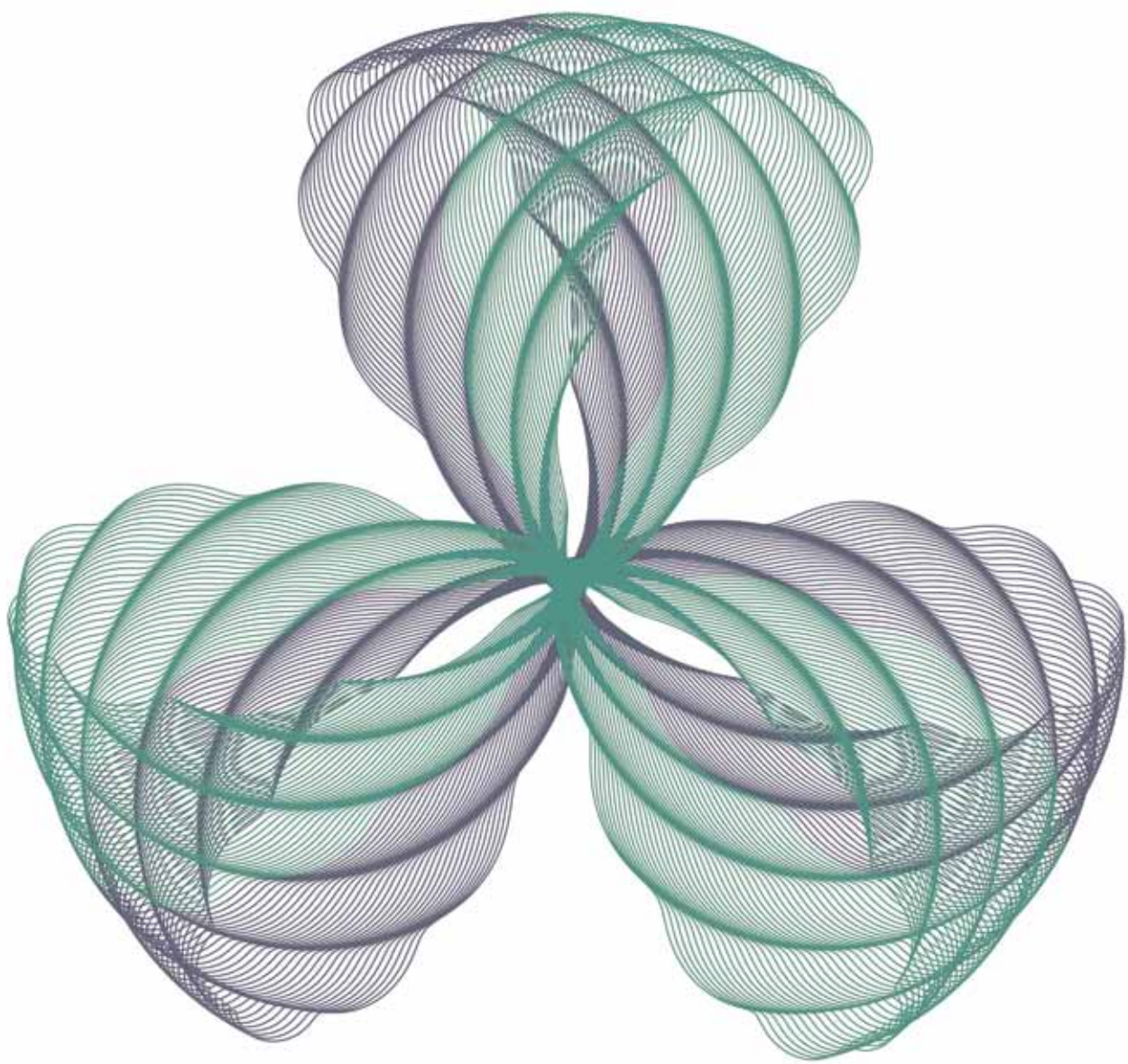
01. Governance: the organization's governance around climate-related risks and opportunities.
02. Strategy: the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.
03. Risk Management: the organization's processes for identifying, assessing, and managing climate-related risks.
04. Metrics and Targets: the organization's metrics and targets for assessing and managing climate-related risks and opportunities.

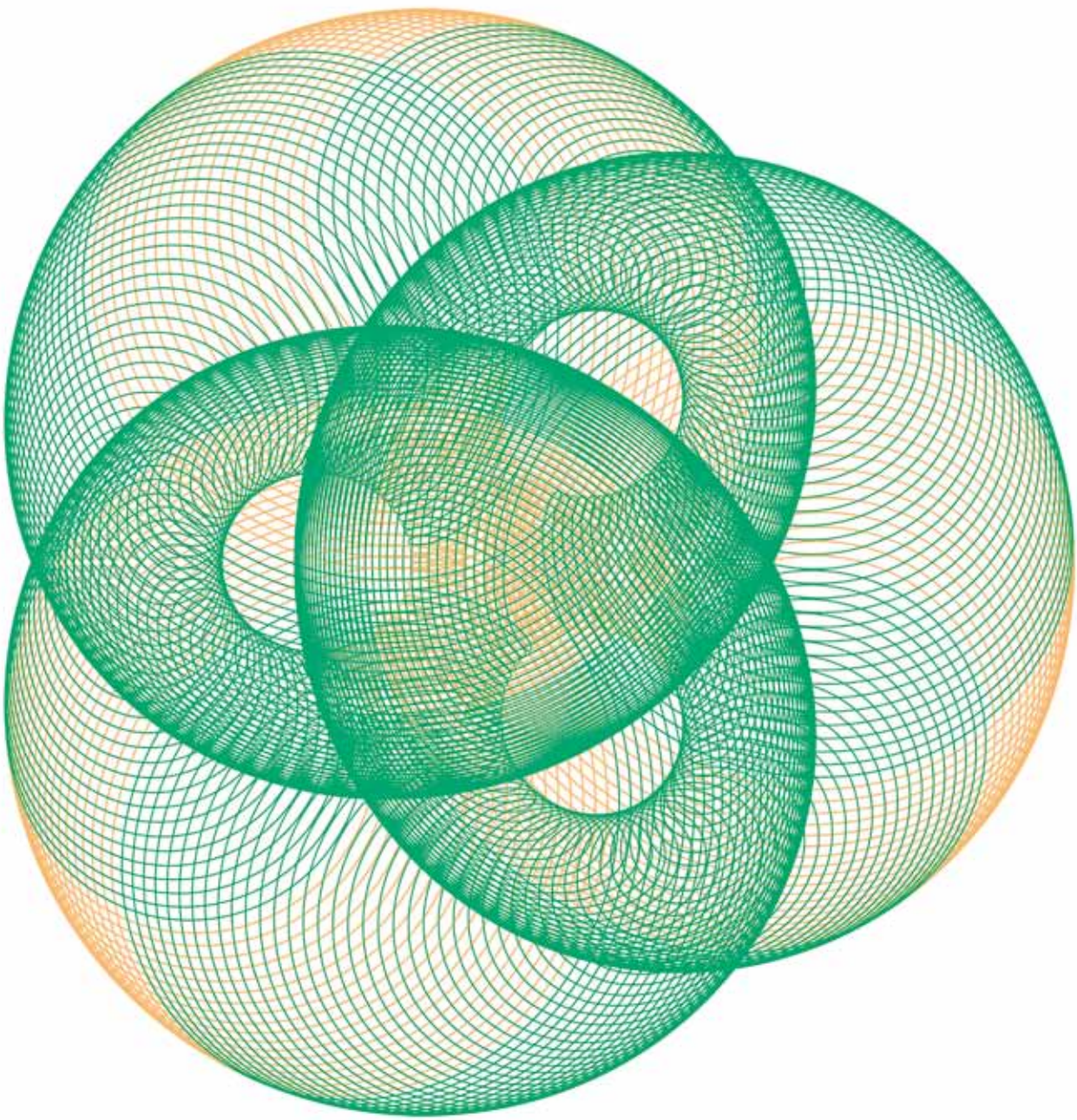
TCFD Recommendations aim to help investors and other stakeholders understand how an organization assesses and manages climate-related risks and opportunities.

The European Commission has incorporated TCFD recommendations into the new Guidelines on reporting climate-related information, included in the EU Action Plan for sustainable growth.

Following the launch of the TCFD Recommendations, Piraeus Bank conducted a SWOT analysis study for the recording and analysis of the recommendations in order to determine future actions for the optimal management of climate-related risks. In addition, the Bank has conducted a gap analysis on the features of the Climate Risk Management Model and its upgrade needs, so that it is aligned with the TCFD recommendations. Finally, in the context of completing the CDP assessment, the Bank has responded in detail to all the requirements of the TCFD recommendations, which have been fully integrated into the assessment questionnaire.

For more details on the alignment of Piraeus Bank with the TCFD recommendations*, see GRI Content Index p. 235-248 of this Report.*





CORPORATE GOVERNANCE, RISK MANAGEMENT & CONTROLS

CORPORATE GOVERNANCE

Piraeus Bank, pursuing to ensure its efficient corporate organization, its operation and administration, but above all to safeguard the interests of all those associated with it, implements a Corporate Governance System. The Corporate Governance System of the Bank, adopts and complies with all legislative, institutional and regulatory acts governing its operation.

In particular, Piraeus Bank in its capacity as a Société Anonyme company listed on the Athens Stock Exchange, in parallel with the provisions of corporate law and its Articles of Association, applies the provisions on Corporate Governance of listed companies. It is noted that, the Bank's Articles of Association have been aligned to the provisions of Greek Law 4548/2018 on the reform of the Law on societes anonymes by means of a resolution of the General Meeting of Shareholders as of 28 June 2019.

The entire new text of the Articles of Association, as described above, which was amended and supplemented and then approved by the competent supervisory authority and registered in the General Commercial Registry, is available on the Bank's website www.piraeusbankgroup.com>Investor Relations> Corporate Governance>

Piraeus Bank, as a financial institution supervised by the ECB, applies the most stringent special legislative and regulatory provisions, regarding principles of operation and the criteria for evaluating the Administration and Internal Control System (ICS) of credit institutions.

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 best international Corporate Governance practices. The Regulation refers in detail to the area of responsibilities and to the functioning of key bodies of the Bank, in particular to the Board of Directors and its Committees, the Main Executive & Administrative Committees and also to the Group Internal Audit, the Risk Management and the Regulatory Compliance Units.

For more details regarding the Regulation of the Bank, see www.piraeusbankgroup.com>Investor Relations>Corporate Governance

Moreover, in the context of the provisions of Greek Law 3864/2010, the Bank and the Hellenic Financial

Stability Fund (HFSF) have entered into a Relationship Framework Agreement (RFA) dated 27/11/2015. The RFA regulates the relationship between the Bank and the HFSF on matters related to, inter alia, the Corporate Governance of the Bank, the rights and obligations of the HFSF's Representative on the Board of Directors and the obligatory approval of the HFSF on material matters.

The administrative, management and supervisory bodies of the Bank, as well as the Internal Control, Compliance and Risk Management systems, as mentioned below, exist and operate in accordance with the above institutional and regulatory framework of Corporate Governance and Operation.

GENERAL MEETING OF SHAREHOLDERS

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

The Bank has Investor Relations', Shareholder and Corporate Announcements' Services charged with informing investors, shareholders and the competent supervisory authorities respectively. The aim of the above services is to ensure communication and 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: www.piraeusbankgroup.com>Investor relations>Corporate Governance>General Meetings

INVESTOR RELATIONS

Corporate Development & Investor Relations provides the financial community (private and institutional investors) with systematic and symmetrical information on the course and the strategic direction of Piraeus Bank Group, with the active involvement of the Group's Senior Management. During 2019, a total of 674 meetings/briefings (+4% since 2018) were held with institutional investors and research analysts in Greece and abroad.

In 2019 Piraeus Bank received significant distinctions in the annual Extel survey of the best professionals in investment services. The survey is conducted by direct vote of investment professionals (investors, research analysts, stockbrokers, fund managers, etc.), and the Bank's IR team and CEO ranked second in Greece amongst all Greek corporates, in the respective categories.

SHAREHOLDER RELATIONS

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 Hellenic Capital Market Commission's Board resolution no. 5/204/14.11.2000, and is responsible for ensuring the Bank's compliance with the regulatory framework. Corporate announcements are promptly submitted to the Hellenic Exchanges in order to be recorded in the Daily Official List and for investors to be informed.

SHAREHOLDER STRUCTURE

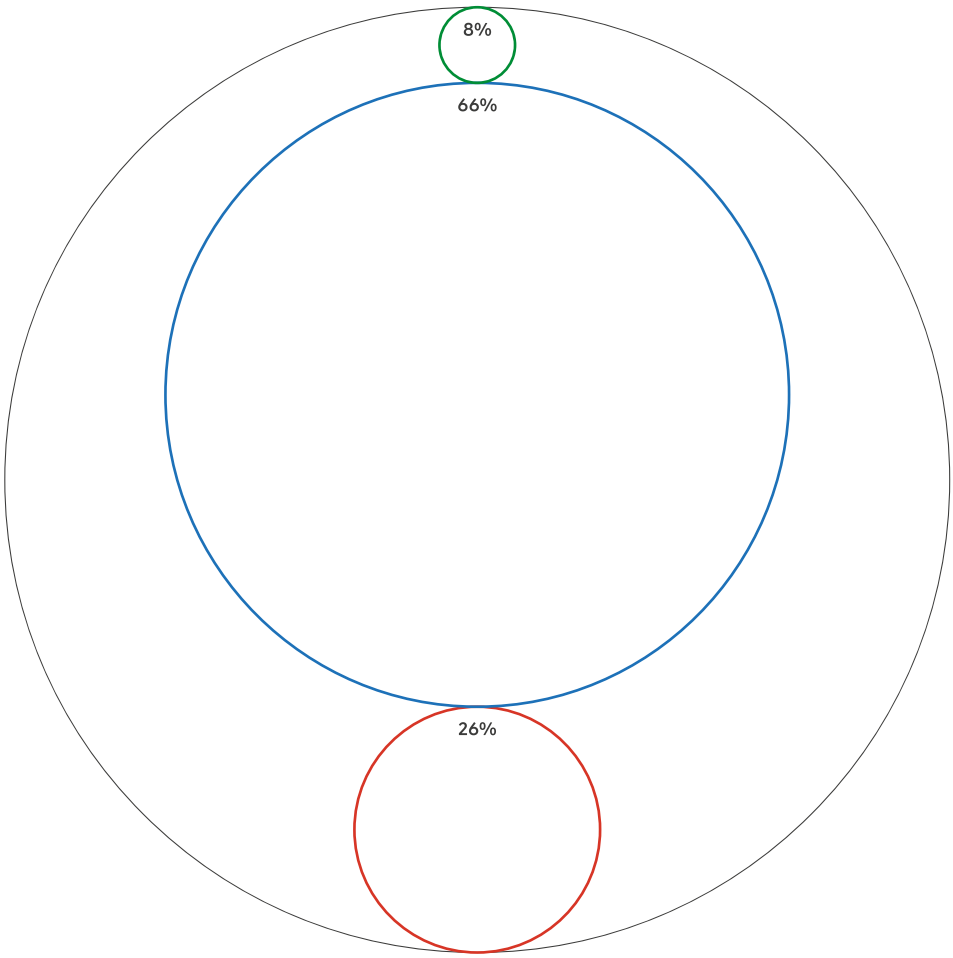
Piraeus Bank has a diversified shareholder structure. On 31/12/2019 the total number of Piraeus Bank's common shareholders stood at 27,140. The HFSF held 26% of the outstanding common shares (436,659,164 shares of a nominal value €6.0 each) and the remaining 74% was held by the private sector (66% by legal entities and 8% by individuals).

BOARD OF DIRECTORS

The Board of Directors (BoD) represents the Bank and is responsible for deciding on any matter concerning the Bank's administration, the management of its assets and the pursuit, in general, of its purposes. The Board of Directors is not entitled to decide on matters which, according to the Law or the Articles of Association, belong to the exclusive competence of the General Meeting of Shareholders.

In accordance with article 8 of its Articles of Association, as in force today, the Bank is managed by a

Shareholders' structure on 31.12.2019



- Individuals
- Legal entities
- Hellenic Financial Stability Fund (HFSF)

Board of Directors (BoD) consisting of nine (9) to fifteen (15) Members. Pursuant to Greek Law 3016/2002, the Board consists of executive and non-executive Members. The number of the non-executive Members should not be less than one third (1/3) of the total number of Members. Among the non-executive Members, at least two (2) should be independent within the meaning of art.4 of the aforementioned Greek Law. Pursuant to Greek Law 3864/2010, a Representative of the HFSF participates as a Member to the BoD. His responsibilities are determined in Greek Law 3864/2010 and the RFA.

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

It is noted that, the Board of Directors has adopted a Policy on the Nomination of Board Members. Such Policy is based on the regulatory obligations of the Bank and incorporates the following: a) the provisions of Greek Law 4261/2014, b) EBA Guidelines on the assessment of the suitability of BoD Members and c) the provisions of the RFA as well as international best practices. The Policy describes the general principles, the procedure and the criteria of the nomination of BoD Members (excluding the HFSF Representative), which include, inter alia, the following: (i) fit and proper criteria, (ii) criteria for the avoidance of conflicts of interest, (iii) criteria on the availability and dedication of sufficient time for the operations of the BoD, (iv) criteria with respect to financial experience within the banking sector, commitment on the application of international best banking practices with particular emphasis on risk management, compliance and the Internal Control System (ICS), sufficient knowledge of the regulatory and business environment in which the Bank operates as well as (v) criteria concerning the independence, the character and the personality of the candidate Member.

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

Also, according to Law 3864/2010, a Representative of the Financial Stability Fund (HFSF) participates in the Board of Directors of the Bank. The Representative of the HFSF on the Board of the Bank is defined by a relevant written request of the HFSF to the Chairman of the Board, following which the BoD shall take all necessary actions in accordance with the Law on Sociétés Anonymes and the Bank's Articles of Association to complete its election, including the announcement of its appointment to the General Meeting of Shareholders.

His responsibilities are defined in Law 3864/2010 and the RFA.

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

01. The right to request the convention of a General Meeting of shareholders.
02. The right to veto any corporate decisions of the Bank's Board of Directors:
    - related to dividend distributions and the remuneration policy and bonuses to the Chairman, the Managing Director and the other Board Members, General Managers and their Deputies;
    - if the decision may set at risk the rights of depositors or have a material adverse effect on the liquidity, solvency or the prudent and orderly operation of the Bank in general, (such as business strategy and asset/liability management); and
    - related to corporate actions of art. 7A par.3 of Greek Law 3864/2010 which may significantly affect HFSF's shareholding in the Bank.
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.
04. The right to call a Board meeting.
05. The right to approve the appointment of the Chief Financial Officer (CFO).

In exercising his rights, the HFSF Representative shall respect the credit institution'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:

01. The HFSF Representative to the BoD has the right to participate in the Board of Directors Committees:
    - the Audit Committee
    - the Risk Committee
    - the Remuneration Committee
    - the Board Members' Nomination Committee
    - the Board Ethics and Governance Committee
    - the Strategy Committee

    In addition, an Observer appointed by the HFSF is present without voting rights in the Board of Directors and the above Committees' meetings.
02. The HFSF Representative to the BoD has the right to include items in the agenda of the meetings of the BoD or the committees in which he participates as a Member.
03. The HFSF Representative to the BoD 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 RFA, including, inter alia (a) the policy on connected borrowers and any revisions, amendments, deviations thereof (b) any material transactions and corporate transformations and (c) the policy on the management of NPLs and any amendments, revisions and deviations thereof.
05. The HFSF has the right to review the annual Self-Assessment exercise of the Board of Directors. In addition, based on the assessment provided for in art. 10 of Greek Law 3864/2010 or the review of the annual Self-Assessment exercise, the HFSF may proceed to suggestions for improvements or possible changes to the Bank's Corporate Governance framework.
06. The HFSF monitors the implementation of the Bank's NPL management framework as well as the Bank's performance on that.

The mandate for the Members of the Bank's Board of Directors is three (3) years, and is extended until the Annual General Meeting (AGM) which convenes following the expiry of their term. The current BoD was elected on the General Meeting held on 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). In the event that the Members of the Board of Directors are reduced to less than nine (9), the Board of Directors is obliged to elect substitutes for the remainder of the term of office of each Member who is replaced. The decision of the election shall be published as per corporate law, and the Board of Directors shall announce it at the next General Meeting.

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

Furthermore, the Board of Directors, in the context of the anthropocentric philosophy that governs the Group's business operation, places special emphasis –in Greece as well as in the other countries it is active– on those Corporate Responsibility principles that call for the protection and support of social partners and society as a whole. In particular, the Group develops initiatives that aim at the improvement of living conditions of vulnerable groups of the population, the general upgrade of living and cultural standards and the protection of the environment as a necessary prerequisite for the prosperity of the society.

It is noted that, the Members of the Board of Directors acknowledging that the principles for sustainable development constitute a fundamental prerequisite for sound entrepreneurship, are interested and make the appropriate decisions in order to develop strategies aiming to continually improve the Bank's environmental performance, the reduction of its environmental footprint, the support of green entrepreneurship, the management of environmental-climate risk, as well as the conservation of biodiversity, in order for the Bank to contribute to tackling the major social and environmental problems facing our planet.

Given the fact that, for the Management of the Bank, the corporate responsibility constitutes an in-

vestment of strategic importance, the Board Ethics & Governance Committee as well as the Corporate Responsibility Committee have been established and are operating, the Members of which monitor and specialize in corporate responsibility issues, including sustainable development.

Detailed information on the corporate responsibility actions of Piraeus Bank Group as well as the relevant committees is available on the Bank's website at the links www.piraeusbankgroup.com>Corporate Governance and www.piraeusbankgroup.com>Investor Relations>Financial Statements & Other Information>12M 2019 Annual Financial Report

The Bank makes available the financial and human resources to implement proper induction and training programs on an ongoing or ad-hoc basis for the Members of the BoD.

The Board of Directors of Piraeus Bank, as it was reconstituted on 28/05/2020, consists of eleven (11) Members, one of which is a woman. BoD 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 Greek Law 3016/2002. It is noted that on its meeting on 28/05/2020, following the Board Member's Nomination Committee proposal, the BoD elected Mr. Vassilios Kountentakis, Senior General Manager, as an executive member of the Board for the rest of the Board's tenure, replacing a member who had resigned. On 31/12/2019 the BoD consisted of 10 members and the new member, Mr. Vassilios Koutentakis, was added in 2020. The election of the new BoD member will be announced in a subsequent General Meeting of shareholders.

As a result, following its reconstitution as a body, the BoD has the following:

George Handjinicolaou father's name Peter
Chairman of the Board, Non-Executive BoD Member
Karel De Boeck father's name Gerard
Vice Chairman of the Board, Independent Non-Executive BoD Member
Christos Megalou father's name Ioannis
CEO, Executive BoD Member
Vassilios Koutentakis father's name Dimitrios
Executive BoD Member
Venetia Kontogouri father's name Gerasimos
Independent Non-Executive BoD Member
Arne Berggren father's name Sten
Independent Non-Executive BoD Member
Enrico Tommaso Cucchiani father's name Clemente
Independent Non-Executive BoD Member
David Hexter father's name Richard
Independent Non-Executive BoD Member
Solomon Berahas father's name Albert
Non-Executive BoD Member
Alexander Blades father's name Zisis
Non-Executive BoD Member
Periklis Dontas father's name Nikolaos
Non-Executive BoD Member, Representative of the Hellenic Financial Stability Fund

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

The Board of Directors of Piraeus Bank is on constant alert, showing due diligence in the exercise of its duties. In particular, the Board of Directors, through organized actions, supports healthy entrepreneurship, invests in targeted professional training helping young people to enter the market dynamically, cooperates with the productive and business world of the Greek economy, including small and medium enterprises, especially tourism and agriculture, and responsibly and consistently supports the effort to restart the Greek economy.

At the same time, given the "diversity" of the Members of the Board of Directors, mainly in terms of skills, educational and professional background, as well as the different origins of each Member, the expression of different views is ensured during the operation of the Board of Directors, the constructive dialogue and the avoidance of "group consensus thinking". It is pointed out that the Bank has also adopted a Policy on the Nomination of Board Members and a Diversity Policy for Board Members.

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

In addition, despite the strict legal and regulatory framework governing the composition of the Board of Directors of the Bank and restricting heavily the pool of the available nominees, the Bank pursues to further improve the participation of women in the Board of Directors and is working on that direction.

Finally, it should be noted that the strict framework regarding typical qualifications and professional experience, which every Member of the Board of Directors (and consequently the Committees of the Board of Directors) must meet, significantly eliminates the possibility of selecting potential Members from underrepresented social groups in the Greek market.

Detailed information on the responsibilities of the BoD, its operation, its current composition and short CV of its Members is available on the Bank's website: www.piraeusbankgroup.com> Investor relations> Corporate Governance>Board of Directors Composition as well as in the www.piraeusbankgroup.com>Investor Relations>Financial Statements & Other Information>12M 2019 Annual Financial Report

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 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.

It is noted that, the term of office of the Board of Directors' Committees' 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.

Board of Directors' Committees

Audit Committee

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

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

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

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

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

01. Supervision and evaluation of the drafting processes of the annual financial statements and interim financial information of the Group and the Bank prior to their publication.
02. Supervision of the audit 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 on 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 additional audits 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 Division.
11. Monitoring and evaluating on an annual basis the Report on Money Laundering and Terrorist Financing prepared by the responsible senior manager.

Risk Committee

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

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

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

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

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

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

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

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

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

01. That the Bank has a well-defined strategy for risk management and risk appetite. The Bank's risk appetite is structured through a number of quantitative and qualitative statements, including specific limits, for the main categories of undertaken risks.
02. That all forms of risk (including operational risk)

connected to the activity of the Bank are covered effectively.

03. That the Bank's risk appetite is clearly communicated to the entire Bank and constitutes the basis for the development of risk management policies and risk appetite limits at the Group and the Bank level.
04. The integrated control of risk management, the specialized management of risks and the necessary coordination at the Group and Bank level.

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

01. Existence of an appropriate risk management strategy and the definition of maximum acceptable risk levels, as well as the supervision of their application.
02. Establishment of principles and rules that will govern risk management as regards the identification, assessment, measurement, monitoring, control and management of such risk.
03. Development of an internal risk management system and the incorporation of suitable risk management policies in the business decision making process.
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.

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

Remuneration Committee

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

Moreover, an HFSF Observer attends the Committee's meetings 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 mission 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 mission, but no less than four (4) times in each calendar year.

Decissions may only be adopted with a quorum of at least half of its Members. Decissions of the Committee are adopted by a majority vote of the present Members.

The Remuneration Committee is supported in its work by the Bank's Units (particularly the Group HR and Organizational Learning and Group Internal Audit Departments) and is entitled to recruit external consultants and to define the terms of cooperation with them, their fees being charged to the Management's budget.

The mission of the Remuneration Committee is to design, monitor the implementation and periodically review the Group's remuneration policy, in accordance with Bank of Greece Governor's Executive Committee Act 158/1/10.5.2019, in conjunction with the provisions of Greek Laws 3864/2010 and 4261/2014, as currently in force and the alignment with the Bank's strategic goals. In the execution of its duties, the Remuneration Committee takes into account, the long-term interests of shareholders, investors and other stakeholders. In the scope of Remuneration Committee the monitoring of implementation of a framework that objectively evaluates performance and is directly linked to the determination of the remuneration of employees,risk takers and non-risk takers, the implementation of the Bank' s talent management and succession planning policies as well as the implementation of strategies with the purpose

of building a Corporate Culture that will support the Bank' s objectives and vision are also included. The competences of the Committee relate both to Piraeus Bank and to consolidated subsidiaries.

The Remuneration Committee, has inter alia the following responsibilities:

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

Board Members' Nomination Committee

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

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

The Committee convenes when required, but no less than two (2) times in each calendar year.

The quorum necessary for holding a meeting is at least 2/3 of the total number of Committee Members including the HFSF Representative. Decisions of the Committee are taken with the majority of the Members present or represented at the meeting.

The Nomination Committee 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 is responsible to:

01. Identify and nominate suitable candidates to be proposed by the Board to the General Meeting for election or re-election upon the expiry of the tenure of the incumbent Board or as replacements for Board positions which become vacant during the Board's term.
02. Establish a candidate's "independence" in the context of Greek corporate law and relevant EBA guidelines; the Committee also examines the eligibility of any potential nominee based on HFSF requirements.
03. Review at least annually the structure, size and composition (including the aggregate skillset, knowledge, independence, experience and diversity) of the Board and its Committees, and make recommendations to the Board with regard to any adjustments that are deemed necessary.
04. Design the succession planning for the Board and top executive management over the longer term, in order to ensure Board and Management continuity.
05. Adopt a Nomination Criteria Policy for Board

Members and review it at least once every two calendar years. The Nomination Criteria Policy will take into account the fit-and-proper criteria set by the EBA as well as the HFSF law (L.3864/2010) specific criteria for Board Members in Greek systemic financial institutions.

06. Adopt a Diversity Policy for Board Members and review it on a biannual basis.
07. Conduct an annual assessment of the effectiveness of the Board and its Committees; also ensure that an annual performance evaluation is conducted for the Chief Executive Officer and the other Board executives which will be reported to the Board.
08. Liaise with the HFSF in all matters pertaining to the Committee's mandate including coordinating the Board evaluation process carried out by the HFSF under the RFA and any follow up thereon.
09. Evaluate the independence of the incumbent non-executive Board Members once every two years.
10. Adopt and monitor the application of an Induction and Training Policy for Board Members and review it at least once every two years and amend it, when it is deemed appropriate.
11. Oversee the induction and training programs for Members of the Board, both on their initial appointment and on an on-going basis.

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

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

Strategy Committee

The Strategy Committee is appointed by the Board of Directors of the Bank, is comprised of Non-Executive Members of the Board of Directors and is chaired by the Chairman of the Board. The Representative of the HFSF participates as a Member in the Committee with full voting rights according to L. 3864/2010. The Committee is supported by a Secretary who is appointed by the Board of Directors.

In addition, an Observer appointed by the HFSF can participate in the meetings of the Strategy Committee without voting right.

The Strategy Committee meets on a monthly basis, at the time and place and with the 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.

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

01. The Chief Executive Officer.
02. The Members of the Group Executive Committee, following respective request by the Chief Executive Officer.
03. The management or executives responsible for various issues tabled for discussion by the Committee following the request of the Chief Executive Officer.
04. The Chairman's advisor who is responsible for strategy matters.

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

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:

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 Group Executive Committee and submitted for approval to the Board of Directors.
02. Monitoring and controlling the implementation of the approved Business Plan.
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 the achievement of targets and, when necessary, submits a respective proposal to the Board of Directors.
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.
05. Proposes the above issues for inclusion on the 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 and Governance Committee

Following BoD's decision on 28 November 2018, a BoD Ethics Committee was set up in early 2019. Then, following the BoD's decision of 25 July 2019, the Committee was renamed Board Ethics and Governance Committee. Pursuant to the same resolution, the Committee consists of Non-Executive Board Members and Independent Non-Executive Board Members and is chaired by the Chairman of the BoD. Group General Counsel is present in the meetings. Depending on the items of the agenda and, if deemed necessary, other Group Executives may be present.

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

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

The Committee meets when a quorum of at least half of its Members (any decimal number is rounded to the next integer) has been achieved and decissionsrequire a majority of 2/3 of the present Members.

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

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

Ethics related policies:

01. Makes recommendations to the Board with respect to any revisions to the Bank's Code of Conduct, at least every three years, following proposals made by HR, and clearance provided by the SEAC and ExCo.
02. Is informed by the Compliance Unit, of significant revisions to the Conflict of Interest Policy, and provides advice on the matter.
03. Is informed by the Compliance Unit on matters of policies regarding:
    - the fair treatment of customers (products and services design and suitability, sales processes, transparency of fees);
    - compliance with laws and regulations;
    - Politically exposed persons;
    - Related party transactions.

Sound Governance related topics:

01. Reviews cases of misconduct, relating to BoD Members.
02. Reviews SEAC proposals and makes recommendations to the Board for decisions, when ExCo Members are involved.
03. Provides advice and makes recommendations to the BoD and Management on ethical matters.
04. Provides advice to the Nomination Committee on cases of conflicts of interest involving BoD Members.
05. Is informed by Internal Audit on matters regarding the Whistleblowing framework, including changes of policies, proper operation of the established procedures, channels offered and progress of the investigations.
06. Is updated periodically on the Complaints and Grievances procedures, so as to encourage the fair treatment of customers and the proper conduct of business.
07. Is informed by Internal Audit, Legal Unit, Compliance Unit or HR, on the progress of forensic investigations, litigation cases, regulatory proceedings, or incidents with significant reputational risk, for matters falling within the Committee's competencies.
08. Is informed by the Chairman of SEAC on cases examined.

Corporate Social Responsibility, society, environmental related topics:

01. Makes recommendations to the Board with respect to the Strategy and policies for the above matters.
02. Is updated on the action plans and their progress by the pertinent Management Committee.
03. Oversees the process for the preparation of the Annual Sustainability and Business Report and makes recommendations to the Board regarding the approval of the final report.
04. Is responsible for the selection, appointment and remuneration of the External Auditors that provide assurance on the Annual Sustainability

and Business Report.

05. Promotes best practices and ethical behavior considering interests of customers, personnel and society.

Details on the responsibilities, the operation and the current composition of the BoD Committees are available on the Bank's website through the links: and www.piraeusbankgroup.com>Investor Relatios>Corporate Governance>Board of Directors and Committees, as well as at www.piraeusbankgroup.com>Investor Relations> Financial Statements & Other Information

Main Executive, Administrative and other 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.

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

Authorized 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:

01. It monitors the implementation of both the Business Plan of the Bank and of the Group and makes the necessary decisions for achieving the Plans' goals.
02. It establishes the directions of the Budget and proposes the Annual Budget to the Board of Directors.
03. It supervises and monitors the progress of the Group's subsidiaries, at home and abroad.
04. It establishes administrative committees and determines their composition and competencies.
05. It approves, complements or amends the Group's Accounting Policies, following a recommendation by the Piraeus Financial Management & Control.
06. It determines the interest rate policy and the pricing of the products and services offered by the Bank.
07. It approves the introduction of new and significant changes to existing products and services of the Bank, as well as restructuring products, and defines their pricing policy before they are made available to clients.
08. It approves the marketing strategy and monitors its implementation and effectiveness.
09. It approves the Group's technological infrastructure strategy.
10. 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.
11. Approves the principles and rules of Credit Policy, as well as the regulations, manuals, policies and procedures of Credit Policy, which enter into force for the implementation of these principles, as well as any of their amendments, following the agreement with the Chief Risk Officer, except for the amendments of Risk Appetite, which are approved by the Risk Committee.
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.
13. It approves human resources programs (voluntary departure, remuneration, insurance and other benefits), always within the framework of the approved Croup Remuneration Policy, having been assigned the related competency of Article 3(2) of Greek Law 3016/2002 by the Board of Directors.
14. Approves the Executive's promotions to a grade higher than the one of Director.
15. It sets, within the range of its own approval limits, the approval limits of the Bank's Management Committees and executives on issues not related to credit approval.
16. 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 thirteen Members, chaired by Group CEO. Members of the Council are Executive General Managers, Deputy General Managers, one General Manager, Assistant 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 definition of the strategyfor the management of non-performing exposures and exposures in arrears, the creation of a modern system for monitoring these requirements and the configuration of the necessary

types of restructurings per portfolio. 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 bodies and persons involved in the NPL management. Finally, the adoption of restructuring programs and the quarterly update of the Board of the Bank.

Asset – Liability Management Committee

The Committee consists of nine Members, chaired by Group CEO and its Vice Chairman being one General Manager of the Bank. Members of the Committee are Executive General Managers, one General Manager, one Assistant General Manager as well as one Advisor to the Management of the Bank. The Committee is supported by an Executive Secretary. The Committee meets on a monthly basis and amongst 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 capital 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 five Members, chaired by the Chief Risk Officer. The Members of the Committee are one Executive General Manager, Deputy General Managers and one Assistant General Manager, 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 seven Members, chaired by the Chief Risk Officer. The Members of the Committee are one Executive General Manager, one General Manager, Deputy General Managers and a Top Management Executive of the Bank, 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 NPE Management and International Banking. 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 Executive General Managers of the Bank. The Members of the Committee are Executive General Managers, General Managers, Deputy General Managers, one Assistant General Manager 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 their 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 Chief Financial Officer as its Chairman. The Members of the Committee are Executive 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 nine Members chaired by Group CEO. Members of the Committee are one Executive General Manager, Advisors to the Management as well as other Top Management Executives of the Bank. The Committee meets following an invitation by the Committee Chairman and among its duties is to assess and approve: a) 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

b) the application of Group's values c) the creation of a culture, which reinforces the employees' role in the accomplishment of the Corporate Responsibility Principles, programs, collaborations, initiatives and financing instruments, which reduce the Group's environmental footprint, promote civilization and strengthen social cohesionand d)actions, which enhance transparency, meritocracy and responsibility and strengthen the Group's extroversion as well to inform the BoD about the ESG issues.

Details on the responsibilities and the operations of the Main Executive and Administrative Committees and Councils are available on the Bank's website: www.piraeusbankgroup.com>Investors Relations> Corporate Governance>Board of Directors and Committees>Main Executive & Administrative Committees

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 2019 which is posted on the Bank's website: www.piraeusbankgroup.com>Investors Relations>Financials Statements and Other Informations

REMUNERATION POLICY

Purpose

Piraeus Bank Group's ability to implement a comprehensive human capital strategy to attract, retain, reward, and motivate highly skilled individuals is important for the Group's continued success. The Group's Remuneration Policy is consistent with the Group's corporate strategy, with an aim to align the organization's objectives with those of its stakeholders – employees, management, and shareholders.

The Group monitors, reviews, and updates the remuneration procedures and structures on an ongoing basis and whenever there is a material change, so that they are continuously aligned with the evolving business objectives and regulatory framework. At the same time, remuneration practices and related salary levels seek to discourage the undertaking of excessive risk, potential conflicts of interest, or the violation of laws and regulations.

Basic Principles

Aligning the Remuneration Policy with the Group's strategic directions is an ongoing commitment. Based on the principles of transparency, accountability, and meritocracy, Piraeus Bank aims to be a pillar of stability in the Greek economy, fuel growth and promote innovation. The Bank's vision is to be the most trusted Bank in the market, creating value for shareholders, clients and employees.

The Remuneration Policy aims to:

01. Attract, retain and motivate high caliber employees who achieve the expected results by embracing our corporate values and culture.
02. Support a performance-driven culture that is based on excellence and on creating sustainable growth.
03. Align remuneration with profitability, capital adequacy, and liquidity while reflecting risk appetite.
04. Promote a culture of compliance and effective risk controls.
05. Enhance internal and external transparency.

Policy Governance

The Remuneration Policy is an integral part of the Group's corporate governance structure aiming to strengthen its values and long-term interests and discourage assumption of excessive risk taking. Its principles and provisions apply to:

01. all employees of the Bank, including those whose professional activities have a material impact on the Group's risk profile ("Risk Takers"), as those are identified following the provisions of Commission Delegated Regulation (EU) No. 604/2014; and
02. all employees of the Group's subsidiaries.

The Remuneration Policy is designed by Group Human Resources; submitted for advice from Legal Services, Risk Management, Compliance, and Internal Audit; and then submitted to the Remuneration Committee (RemCo)[1] for final approval. The RemCo evaluates the Remuneration Policy and practices by taking into consideration the Bank's long term targets and the criteria of achievements linked to the performance of Executive Levels, makes all necessary changes and amendments, and then submits its proposals to the Non-Executive Members of the BoD for approval.

1 In close cooperation, where needed, with other BoD Committees (e.g. Audit Committee, Risk Committee).

Control Functions contribute to the design of the Group's Remuneration Policy and play a significant role on its control. Risk review is integrated in the design and implementation of the Remuneration Policy and performed on an ongoing basis. The implementation of the Remuneration Policy, in terms of compliance and remuneration procedures, is subject to central and independent review by Group Internal Audit at least once a year. Legal examines the legislation framework, and Compliance assesses how the Remuneration Policy affects the Bank's compliance with the regulatory framework and the internal procedures in force.

The non-executive members could, if and when they deem it necessary, cooperate with external consultants for the preparation/review of the Remuneration Policy. It is noted that during 2019, no external consultants participated in the preparation or review of the Group's Remuneration Policy.

Consistent with the wider human resources strategy of the Group and the principles of the Remuneration Policy, Directors' remuneration is governed by the Directors' Remuneration Policy, which applies to the members of the BoD as per the requirements of Articles 110-111 of Greek Law 4548/2018.

Details on Directors' Remuneration Policy is available on the website: www.piraeusbankgroup.com>Investor Relations>Corporate Governance>Directors' Remuneration Policy

The Directors' Remuneration Policy follows the same fundamental principles of the Remuneration Policy, applicable to all staff, while at the same time acknowledging that the structure of remuneration for Directors is necessarily different to that of less senior employees as a result of their role, responsibility, and ability to impact the performance of the business.

The Remuneration Committee submits the Directors' Remuneration Policy to the non-executive members of the BoD for approval. The final approval is given by the Annual General Meeting of Shareholders. The currently effective Directors' Remuneration Policy was submitted and approved by the Annual General Meeting of Shareholders of 2019 and shall be effective for up to four years thereafter unless there is a material change. Remuneration data for Directors are included annually in the Remuneration Report[2], which is submitted to the Annual General Meeting of Shareholders, as per the provisions of Greek Law 4548/2018.

REMUNERATION POLICY FRAMEWORK

Remuneration Policy Framework	
Remuneration Governance	01. RemCo monitors the ongoing appropriateness of remuneration practices and proposes changes to the policy as needed.
	02. Legal, Internal Audit, Compliance, Risk, and HR Units are actively involved in the design of the Remuneration Policy.
	03. Remuneration Policy is approved by the non-executive members of the BoD.
	04. Central independent review of Remuneration Policy is performed by Internal Audit and the RemCo ensures that a remedial action plan is proposed, approved and timeously implemented.
	05. Compensation data are reported to the BoG and published in the Pillar III Disclosures as indicated by the regulatory framework.
Remuneration Structure	01. Total remuneration includes both fixed and variable parts.
	02. Variable remuneration is given in cash and in instruments (if applicable).
	03. A proportion of variable remuneration is deferred (if applicable).
	04. Reference is made for roles that have a material impact on the Group's risk profile (Risk Takers), which are identified and monitored on an annual basis.

2 The Remuneration Report will be published for the first time in 2020 and on an annual basis going forward.

	05. There are malus and clawback terms that may be activated under specific conditions.
Employee Compensation Determination	01. Fixed remuneration must be competitive in order to attract and retain individuals with the appropriate skills, competencies, work experience, and conduct that the Group needs.
	02. Employees' high performance and motivation is rewarded through variable remuneration in order to achieve business targets, always according to legal and regulatory constraints and budget restrictions.
	03. Variable remuneration promotes sound and effective risk management and discourages excessive risk-taking.
Reward Performance by	01. Being aligned to market reality, shareholders' long term interests, and the Group's strategy.
	02. Not adversely affecting the Group's capital base – Group needs to be profitable and well-capitalized.
	03. Taking into consideration employees' contribution in business target achievement and employees' adherence to corporate values as well as Business Unit Performance, Group performance, and Group risk indicators.

Remuneration Structure

The Remuneration Policy covers all types of remuneration. The remuneration structure is broadly divided into fixed and variable parts, thus ensuring that remuneration is linked to short-term and long-term business efficiency. It includes all forms of payment, such as cash, shares, stock options and other instruments, whether paid upfront or deferred.

Fixed remuneration[3] is the guaranteed income of employees. It is non-discretionary and aims to reward employees based on predetermined criteria such as the level of organizational responsibility, education, professional experience and skills. The level of fixed remuneration is based on conditions, which are permanent, transparent, and do not provide incentives for risk taking. Additionally, it aims to support both the attraction and retention of the employees in the Group, by remaining competitive in the market while ensuring employees' engagement. Fixed remuneration is the employees' basic source of income from the Group and therefore it ensures their desired/proportionate standard of living.

The Bank has developed a fixed remuneration framework, which defines the salary structure and ranges that set out the different levels of pay for roles and individual employees by reference to:

01. the relative size of their role internally, as established by job evaluation External relativities, via market rate surveys or relevant benchmarks;
02. the individual's skills and experience; and
03. the recognition of the value of the employee's personal performance and contribution to the business.

A component of the remuneration structure relates to the benefits provided to employees in line with the relevant market practice to ensure competitiveness and business effectiveness. This may include, but is not limited to, Group Insurance Plans (e.g. Group Life & Healthcare Plan, Group Children's Aid Savings Plan, etc.) as well as benefits linked with the internal job grading structure and/or role (e.g. company car, handheld devices etc.).

Variable pay amounts are rewarded based on predetermined, measurable, quantitative and qualitative

3 As defined in paragraph 10 of the EBA Guidelines on sound remuneration policies under Articles 74(3) and 75(2) of Directive 2013/36/EU and disclosures under Article 450 of Regulation (EU) No 575/2013 (EBA/GL/2015/22).

criteria. Such criteria incorporate the Group's medium-term and long-term strategy, are conducive to the alignment of the employees' interests to those of the Group and shareholders and ensure that no excessive risks will be taken. The variable component cannot exceed 100% of the fixed component of the total remuneration of each employee. The General Meeting of Shareholders may approve a higher maximum level of the ratio between fixed and variable components provided that it does not exceed 200% of the fixed component for each individual.

In order to connect variable payment with long-term achievements and at the same time discourage the executive members of the BoD as well as the other Risk Takers from undertaking excessive risk, a significant part of their payment (should this be awarded) is deferred at or above the minimum proportion of 40%, or respectively 60% for particularly high amounts. In addition, at least half of their payment is given in instruments[4] instead of cash.

Non-executive members of the BoD do not receive any variable remuneration. For as long as the Bank is under State Aid, no variable remuneration is paid to the executive members of the BoD and the senior management of the Bank.

Sign-on bonuses and severance payments, which are considered as exceptional remuneration components, comply with all relative regulatory requirements and are subject to the RemCo's approval, prior to being offered.

Finally, as long as the Bank is under State Aid, the remuneration of any employee cannot exceed the total remuneration of the Governor of the BoG.

Malus & Clawback Provisions

Variable remuneration is paid only if it is sustainable according to the financial situation of the Bank (and Group), and justified based on the Group's performance, the business unit and the individual concerned.

The Group does not have a binding obligation to pay variable remuneration, in any case. Any variable remuneration is calculated and awarded only if it does not put at risk the soundness of the Group's capital ratios. If the conditions are not favorable (e.g. increased liquidity needs, spending budget overruns) the Group may decide not to pay variable remuneration, even if its financial performance permits it.

Without prejudice to the general principles of national contract and labor law, the total variable remuneration shall generally be considerably contracted where subdued or negative financial performance of the Bank occurs, taking into account both current remuneration and reductions in payouts of amounts previously earned, including through malus or clawback arrangements.

In case of violations of regulations/procedures, misconduct, failure to meet appropriate standards of fitness and propriety, or other equally serious cause, participation in or responsibility for conduct which resulted in significant losses, the Group shall be entitled to use any and all legal means available to claim the return of such amounts from the employee.

Malus and clawback provisions/arrangements for up to 100% of the total variable remuneration are in place both for the executive members of the BoD and the other Risk Takers.

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.

4 Subject to the lifting of restrictions on issuance of new shares, as per Article 94(1)(l) of the CRD, (i) shares or equivalent ownership interests, and (ii) where possible, other instruments within the meaning of Article 52 or 63 of the CRR or other instruments which can be fully converted to CET1 instruments or written down, that in each case adequately reflect the credit quality of the Bank as a going concern and are appropriate to be used for the purposes of variable remuneration.

Aggregate Quantitative Information on Remuneration per Business Area

2019 (amounts in € thousands)	Total number of staff per area	Total Fixed Remuneration	Total Variable Remuneration
Investment Banking	21	2,110.9	66.4
Retail Banking	42	4,415.6	38.0
Asset Management	9	371.1	0.0
Corporate Functions	43	6,516.5	1.5
Independent Control Functions	25	1,859.6	3.1
Other Functions	21	1,423.4	17.5

Aggregate Quantitative Information on Remuneration of Staff Categories that have Material Impact on the Group's Risk Profile

2019 (amounts in € thousands)	Board Members	Senior Management	Categories of Staff whose Actions have a Material Impact on the Group's Risk Profile
Total number of staff per category	71	54	161
Total fixed remuneration	4,746.4	8,125.7	16,697.0
Total variable remuneration, split into:			126.4
In cash			126.4
In shares			
Share-linked instruments			
Other types			
Total deferred variable remuneration split into:			
Vested			
Unvested			
Total amount of deferred remuneration awarded during the financial year, paid out and reduced through performance adjustments			
Number of staff receiving new sign-on payment within the year			
Total amount of sign-on payments within the year			
Number of staff receiving severance payments within the year			
Total amount of severance payments within the year			
Highest amount of severance payments awarded to a single person within the year			

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

GROUP COMPLIANCE

Group Compliance (GC) operates in compliance with the relevant EU laws and regulations, as transposed in Greece by the Bank of Greece (BoG). GC is headed by the Group Compliance Officer (GCO), who is primarily responsible for overseeing and managing the Group's compliance program.

Group Compliance reports directly to the BoD's Audit Committee, which monitors and evaluates its work via progress reports and briefings, and its activities are subject to audits by Group Internal Audit on the adequacy and effectiveness of compliance procedures. According to the Bank's current organization chart, the Group Compliance reports directly to the CEO on administration issues.

GC's main and continuous mission is the provision of advisory services on issues related to the application of the regulatory framework on the areas of its competence, the conduct of audits for the implementation of the regulatory framework and the relevant policies and procedures of the Bank in the areas of highest risk, and following developments in the area at national and European Union level. At the same time, GC provides training to raise awareness on the implementation of the regulatory framework, as well as on the role and processes of GC, and on the need for developing a strong "Compliance Culture".

The Group's Compliance Policy sets out the compliance framework for the Group's operations, as overseen by the GC, and sets the applicable principles and guidelines. Both the Group's Policy and the compliance implementation system are in accordance with the provisions of the BoG Governor's Act number 2577/9.3.2006 as in force.

The scope issues of the Compliance Policy includes the following:

01. Key guidelines for compliance to comply with the applicable legal and regulatory framework of rules and principles for Anti-Money Laundering (AML) and Counter-Terrorism Financing (CTF).
02. Principles for managing risk from non-compliance of the Group and the entities to which activities have been outsourced, in accordance with the applicable legal and regulatory framework.
03. Principles for managing conflicts of interest.
04. Principles for anti-bribery and anti-corruption management.
05. Key guidelines for compliance with the legal and regulatory framework on capital markets and the provision of financial services and market manipulation.
06. Key guidelines for compliance with the regulatory framework on matters of transparency and consumer protection.
07. Special principles and guidelines for whistleblowing and relations with the media, suppliers, and investors.

With reference to the above and in order to ensure full compliance with the regulatory framework, the Group puts in place processes to effectively reduce the risk of property or other damage, and to mitigate legal or supervisory penalties for partial or non-compliance.

The Group takes into consideration the regulatory framework and the best practices in the industry in formulating its Compliance Policy and processes.

In 2019, Group Compliance implemented the Action Plan approved by the Audit Committee, in accordance with its organizational structure and the responsibilities of its 3 pillars, Anti-Money Laundering & Compliance, Compliance Control & Support, and Regulatory & Financial Markets Compliance.

With regards to Anti-Money Laundering & Compliance pillar, upgrading the AML system is of upmost importance and is currently under way, in collaboration with other units of the Bank. Once upgraded, Piraeus Bank will have an advanced system tailored to its organizational structure and addressing point-in-time needs in mitigating relevant risks.

In 2019 Anti-Money Laundering & Compliance managed fewer requests from Supervisory, Judicial and Public Authorities, with an improved in the average response time to these requests, facilitating more effective management of both sensitive and demanding cases.

At the same time, within the same area, the necessary policies, procedures, and infrastructures are being introduced or amended, in order to ensure compliance with the provisions of Law 4557/2018 on the Prevention of the Use of the Financial System for the Purposes of Money Laundering or Terrorist Financing, which transposed the relevant provisions of EU legislation into Greek law, pending the issuance of relevant Executive Committee Acts by the Bank of Greece.

The Compliance Control & Support pillar successfully completed its scheduled annual audits on compliance-related issues, with an emphasis on AML/CTF

risks. The purpose of compliance audits is to assess the overall effectiveness of the Group's compliance practices and protocols and to plan corrective actions.

The Regulatory & Financial Markets Compliance pillar supervised the implementation of important legislation in the relevant EU framework, such as, for example, Law 4538/2018 (Insurance Distribution Directive, IDD) relating to the distribution of insurance products, and Law 4537/2018 (Second Payment Services Directive, PSD2), etc.

At the same time, Regulatory & Financial Markets Compliance is coordinating the revision of the Group's Outsourcing Policy, to ensure compliance with the EBA Guidelines on Outsourcing Arrangements, an area of particular interest for European Central Bank and the Single Supervisory Mechanism (SSM).

The same pillar also assesses and manages potential cases of conflicts of interest as well as acceptance of professional gifts/benefits from customers or third parties. In addition, it actively participates in the assessment of new banking products or modifications of existing products, thus enhancing the implementation of the relevant institutional framework and reducing the risk of non-compliance.

The GC has played an important role in creating a "compliance culture" across the Bank and training employees on issues related to the implementation of the regulatory framework, and the policies and processes related to its scope of business. In particular, GC provided or prepared material for e-training for 1,054 Bank employees, with an emphasis on AML/CTF. Staff training was also provided on Customer Transaction Notification, Banking Secrecy, and the new requirements set out by MiFID II.

One of the priorities for Piraeus Bank is the training of all its staff, both members of management and other employees, on issues related to anti-corruption policies and procedures. It is noted that this training has been conducted for a number of years and will continue to be conducted every year.

In particular, for the years 2018-2019, the organization's policies and procedures for combating corruption were communicated to all members of the administration (i.e. 10 members of the Board of Directors in 2019) and to all Bank employees (i.e. 10,735 people in 2019), through the Bank's Intranet. Over the same period, 2,831 of Bank employees, 25% of the Bank's total workforce, were trained to combat corruption.

The tables below depict the breakdown of employees trained to combat corruption over the period 2018-2019, by geographical area and hierarchical level.

Geographical Distribution

In-class training & e-learning	Attica	Thessaloniki	The rest of Greece	Total
Total Employees trained in 2018-2019	1,416	329	1,086	2,831
Average of Piraeus Bank's Employees (Head Count)	6,385	1,156	3,667	11,207
Percentage of employees trained in 2018-2019	22%	28%	30%	25%

Hierarchical Distribution

In-class training & e-learning	Operational Staff	Professionals	Middle Management	Senior Management	Executives	Total
Total Employees trained in 2018-2019	1,880	800	150	1	0	2,831
Average of Piraeus Bank's Employees (Head Count)	6,020	3,343	1,581	209	55	11,207
Percentage of employees trained in 2018-2019	31%	24%	9%	0.5%	0%	25%

For 2020, GC has planned a series of actions for completing the AML system upgrade, with the integration of the developing institutional framework for Combating Money Laundering and Terrorist Financing, for updating the GC audit system so as to cover a wide range of issues, and for finalising implementation of the legal and regulatory framework in compliance. In addition, training will continue on the whole range of the Bank's operations as part of its effort to strengthen the "compliance culture", and to offer employees a better understanding of the regulatory framework.

INTERNAL AUDIT

INTERNAL CONTROL SYSTEM

Piraeus Bank Group has set up and implemented a strong Internal Control System (ICS), which constitutes a detailed set of recorded policies, procedures and control mechanisms that 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, and systematically monitors its adequacy and effectiveness. In accordance with the effective statutory framework, ICS is supported by an integrated communication and Management Information System (MIS), and by complementary mechanisms that form an integrated system for controlling the Bank's organizational structure and activities.

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 2019 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, providing reasonable, objective, independent and documented opinion with regard to the adequacy and the effectiveness of the Internal Control System within Group. In this context, it supervises and coordinates the activities of Internal Audit Units across the Group's subsidiaries. Group Internal Audit activity conforms to the International Standards for the Professional Practicing of Internal Auditing based on an independent assessment.

2019 KEY INITIATIVES

01. Completion of projects for the enhancement of the risk assessment methodology and annual audit plan, emphasizing in the areas of Compliance with the Regulatory Framework, Corporate Governance, Risk Management and Management of NPEs/NPLs.
02. Support of Management in monitoring compliance with the Code of Conduct and the work of relevant Committees.
03. Enhancement of the process related to the management of whistleblowing reports.
04. Auditing the operations of Central Units and the Branch Network of the Bank and the Group's subsidiaries both in Greece and abroad.
05. Enhancement of fraud prevention and identification mechanism of internal fraud incidents through the development of new ones and/or update of existing "scenarios".
06. Initiation of the process for the monitoring of Group Internal Audit effectiveness and efficiency through the adoption and measurement of respective performance indicators.
07. Continued implementation of quality assurance on audit processes at Group level.
08. Further enhancement of consulting role through the participation in Committees/Working Groups for the development/modification of policies, procedures, products/services and special projects.
09. Implementation of training plan for further enrichment of knowledge and competencies in audit and other specialized areas.

The 2020 action plan for the Group Internal Audit aims to continuously perform its duties smoothly and successfully in order to strengthen the ICS operation in the Bank, as well as in Group subsidiaries in Greece and abroad.

2020 TARGETS

01. Enhancement of audit methodological approach in accordance with audit standards, best practices and new trends through the implementation of the following indicative actions:
    - further use of data analytics methodologies and practices of continuous auditing;
    - further automation of the follow-up process.
02. Enhancement of audit work in the areas that have been set as of high priority by the Regulatory Authorities and more specific:
    - Management of NPEs/NPLs

- Internal Capital Adequacy Assessment Process (ICAAP)
- Internal Liquidity Adequacy Assessment Process (ILAAP)
- Outsourcing
- AML.

03. Further support of Management in the monitoring of compliance with the Code of Conduct and the work of relevant Committees.
04. Further adoption of performance indicators for the monitoring of Group Internal Audit activity.
05. Enhancement of the process for the quality assurance on audit operations at Group level.
06. Enhancement of audit knowledge and competencies through the participation in specialized training sessions and the obtainment of relevant professional certifications.

External Auditors

According to the resolution of the Annual General Meeting of Shareholders of Piraeus Bank made on 28/06/2019, the audit firm Deloitte was elected as Certified Auditors for Piraeus Bank's stand alone and consolidated financial statements for 2019; more specifically, Mr. Dimitris Koutsos-Koutsopoulos (Reg. no. 26751) was appointed as Regular Certified Auditor. It is noted that in accordance with Law 4449/2017 as of 2017, the Certified Auditors may offer their services for a period of no more than five consecutive years and their reappointment may take place after the lapse of three consecutive years.

SUPERVISORY AFFAIRS

SUPERVISORY AND REGULATORY AFFAIRS

Under the current supervisory framework and due to the increased number of supervisory authorities monitoring the Bank [European Central Bank (ECB)-Single Supervisory Mechanism (SSM)/Single Resolution Mechanism (SRM), Bank of Greece (BoG), Hellenic Financial Stability Fund (HFSF), Directorate-General for Competition (DG Comp)], Piraeus Bank set up a dedicated Supervisory & Regulatory Affairs Division (SRA) in 2015, with 2 Pillars. Pillar 1: Supervisory Relations & Regulatory Framework and Pillar 2: Supervisory Inspections and Assessments. SRA is responsible for:

01. Effective relationship management and overall communication with the supervisory authorities [ECB/SSM/BoG, Single Resolution Board (SRB)] and other bodies with which the Bank has "special obligations" (HFSF, DG Comp, etc.).
02. Coordinating the Bank's units for successfully managing requests and reports and analysis of requirements, ensuring timely and valid response.
03. Project Management Office (PMO) coordinating the Bank's units for the successful execution of supervisory projects and the submission of supervisory reports.
04. Coordinating the Bank and Group units to ensure the correct and timely response to supervisory audits.
05. Monitoring and informing Management on the level of implementation of corrective actions for compliance with supervisory requirements, guidelines and proposals.
06. Analysing and identifying areas for improvement and coordinating the implementation of interdepartmental strategic projects that enhance Corporate Governance, the internal audit framework and the Group's financial/capital position.
07. Improved understanding of the supervisory framework in the organization and guidance on the adoption of the specified regulations/directives.

2019 INITIATIVES

Pillar 1. Supervisory Relations & Regulatory Framework

Supervisory Relations & Regulatory Framework is responsible for managing the Group's relations with Supervisory Authorities (SSM BoG, HFSF, SRB-NRAs, etc.), for providing any clarifications they may require, and for communicating their feedback 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 profile vis-á-vis Supervisory Authorities. It analyses and identifies areas for improvement and coordinates the preparation of interdepartmental strategic projects that enhance the Group's overall financial position and value.

In 2019 Pillar 1 (Supervisory Relations & Regulatory Framework) focused on:

01. Communication and relationship management with: SSM, BoG, HFSF, SRB.
02. PMO on EBA 2020 EU-Wide Stress Test.
03. PMO on Resolution Plan.
04. PMO on bank-wide supervisory and other Bank-wide important projects (Anacredit, New NPE Definition, Calendar effect, EBA draft Guidelines on Loan Origination & Monitoring, FINREP Automation/Stocktake, Benchmark rates reform, etc.).
05. PMO on supervisory submissions (e.g. Basel III,

Short-Term Exercise (STE), Funding Plan, MREL Data collection template, LDR, EBA Annexes, etc., ad hoc reports-surveys).
06. Coordinating and preparing submission of supervisory reports in accordance with eXtensible Business Reporting Language standard (XBRL).
07. Informing Management on major supervisory projects.
08. Providing data, analyses, reports, presentations & clarifications to SSM, BoG, HFSF, SRB and National Resolution Authorities (NRA).
09. Monitoring and coordinating actions for improving Supervisory Review and Evaluation Process (SREP) assessment.
10. Daily monitoring and analysis of Institutional-Supervisory developments/guidelines and communication to the Group (daily e-mails/updates).
11. Training employees from the units involved in preparing information related to supervisory developments, and regular briefing of ExCo and the BoD.
12. Presentations for Management, ECB, SSM, BoG.
13. Monthly reporting and presentations on NPE targets for Management and the HFSF.
14. Representation of the Bank in institutional bodies and participation in Workshops with the HBA, BoG, HFSF, SRB and ECB.
15. Completion of the 6-year project for monitoring compliance with Restructuring Plan Commitments.
16. Informing internal and external stakeholders on the project's conclusion (DG Comp, HFSF, Government, BoG, and EU).

PILLAR 2. Supervisory Inspections & Assessments

Supervisory Inspections & Assessment coordinates all relevant Bank and Group units to ensure the best possible response to supervisory inspections and regular supervisory reporting. This Pillar also manages the relationship and communication with supervisory authorities during on-site inspections or with regard to requested regulatory projects and reports.

In 2019 Pillar 2 (Supervisory Inspections & Assessments) focused on:

01. Communication and relationship management with supervisory authorities during on-site inspections (OSIs).
02. Coordinating the Bank's units to collect information and provide clarifications to inspection teams during OSIs.
03. Coordinating the Bank's units to collect and provide information on specific borrowers, for the Deep-dive Assessment.
04. Monthly submission to the supervisory authorities of collections data for specific borrowers.
05. Coordinating the Bank's units to collect and provide information on specific borrowers, for internal use.
06. Informing Management on supervisory inspections and assessments and their results (OSIs, Deep-dive Assessment).
07. Coordinating the Bank's units to carry out remedial actions on the basis of the supervisors' final OSI report.
08. Training employees from the units involved in the inspections on issues related to OSIs.
09. Coordinating the Bank's units for the quarterly production of data tapes with provisioning data to be submitted to the supervisory authorities.
10. Presentations for Management, ECB, SSM, BoG.
11. Informing Management on major supervisory projects.
12. Training employees from the units involved in preparing information related to supervisory developments, and regular briefing of ExCo and the BoD.
13. PMO on provision of Bank loan files to the Bank's Certified Auditors.
14. PMO on evaluation of the Bank's internal control system (BoG Governor's Act 2577).
15. PMO on findings from previous inspections and reporting to the Risk and Audit Committees.

RISK MANAGEMENT

Piraeus Bank Group is fully committed to managing and monitoring undertaken risks, at Group and Bank level, so as to ensure business stability and continuity. 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 Committee (RC), one of the BoD committees, convenes on a monthly and/or an ad hoc basis, and ensures that the Risk Appetite Framework is fully aligned with the Group's business objectives. The RC reviews the effectiveness of Risk and Capital Strategy, and assesses its overall capital adequacy in relation to its risk profile. The RC reviews and assesses the Group's strategy and relevant goals regarding the management and reduction of troubled assets. In 2019, the RC convened fourteen (14) times.

The Group has established effective processes to identify, manage, monitor and report the risks to which it is or might be exposed and adequate internal control mechanisms, ensuring independent risk management, compliance and internal audit functions. The Group's organizational structure ensures separation of tasks and prevents potential conflicts of interest.

The Risk and Capital Strategy sets out the principles related to the integrated Risk Management and Risk Appetite Framework to achieve the Group's strategic and business goals, as determined by the BoD.

The Risk Appetite Framework is continuously reviewed and updated to take into account the current economic environment, the Bank's business plans and historical data, market dynamics, new supervisory and regulatory requirements, the Group's Corporate Governance Framework, international best practices and the shareholders' interests.

Group Risk Management 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 Bank's Management accordingly.

In addition, the Group's Corporate Governance and Risk Appetite Framework are supervised and assessed by the competent authorities. Since November 2014, the Bank, along with the other Greek systemic banks, is under joint supervision by the Single Supervisory Mechanism (SSM), which consists of the European Central Bank (ECB) and the Greek Competent Authority (Bank of Greece, BoG).

GROUP RISK MANAGEMENT

Group Risk Management (GRM) is independent from business trading units and is responsible for controlling Group 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 (Group Chief Risk Officer, CRO) is appointed by the BoD, upon recommendation of the Risk Committee, and his appointment or replacement, following the approval of the Risk Committee, is communicated to the supervisory authorities.

The CRO acts as the Executive Secretary of the Risk Committee and is a member of the Group Executive Committee and of all the Bank's major Executive/Management 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/Management Committees in which the CRO participates are described in the Corporate Governance Structure and Operating Regulation (Annex 3. Regulations for the Operation of BoD Committees, Executive, Management & Other Committees and Boards).

The purpose of Group Risk Management is to ensure the optimal use of the Bank's resources, its capital, its reputation and its human resources. The ultimate goal is to achieve the targeted Return on Tangible Equity, through the continued implementation of the Bank's strategic plan, ensuring that business decisions fully comply with the defined risk appetite.

In this context, Group Risk Management operations include:

01. Capital and liquidity management strategy.
02. Increased focus on strategic risk.
03. Strengthening Risk Competence and Risk Management performance.
04. Increasing interactive governance.
05. Establishing a sound risk culture.

Group Risk Management duties include, inter alia, the development and use of risk-adjusted return methods, tools and models, the periodic review of their adequacy, and the provision of support to business units using them. In addition, GRM actively participates in strategic and business planning, as well as in investment decisions-making (in line with the risk appetite), ensures continuous familiarisation with the risks assumed and fosters a sound risk culture within the Group.

GRM operations are subject to independent audits by the Internal Audit, which assesses the adequacy and effectiveness of the processes in place.

The new organizational structure of GRM, set up in March 2019, aims for closer support and alignment with the Bank's strategic objectives, including an efficient and sustainable business model, for optimising capital allocation and for strengthening monitoring and control, in accordance with European supervisory authorities. In addition, Group Risk Management is better equipped to provide the Bank with the best practices, models and risk management methodologies, while at the same time acting as an enabler in strengthening the Group's risk culture.

Taking into account the mission and objectives of Group Risk Management, the following four-pillar structure was created, with clearly defined functions and responsibilities. The four pillars are:

01. Risk
02. Balance Sheet & Capital Planning
03. Control
04. Analytics

As part of the Bank's commitment to continuously enhance its Internal Control System, the role of the Segment Controller was established, with a distinct reference line to the CRO (Segment Head).

Along with the new organizational structure of Group Risk Management, in September 2019 the Risk Culture Program was officially launched, under the supervision of the CRO. This project aims to highlight the desired behaviours and practices for effective risk management across the Group, in accordance with the Risk & Capital Strategy, the strategic priorities, the corporate values and the Code of Conduct & Ethics. This program forms part of the Bank's strategy and is a commitment to the supervisory authorities.

The CEO is Project Sponsor of the program, which is supervised by the Steering Committee set up in December 2019. The Bank's Senior Leaders sit on the Steering Committee, and are charged with project monitoring and decision-making, in order to plan and implement targeted actions to raise Management and employee awareness on risk management and ethical behaviour, and to ensure project continuity and logical conclusion.

For more information on Group Risk Management, see: www.piraeusbankgroup.com>Investors Relations>Corporate Governance>Management of Risk at Piraeus Bank Group>Pillar III Disclosures

RISK

Risk designs, specifies and implements strategy and policy on the following issues:

01. credit risk from loan in arrears, loan coverage and other assets as well as market and liquidity risks;
02. methods, including mathematical models to predict, identify, measure and monitor the aforementioned risks; and
03. informs the competent Committees and Management on a regular basis, on matters regarding the evolution of these risks.

In addition, Risk designs and implements the Internal Liquidity Adequacy Assessment Process (ILAAP), and coordinates the preparation and execution of liquidity stress testing.

CREDIT RISK

Credit Risk Management (CRM) designs, specifies and implements credit risk management policies, in accordance with the Group's Risk Appetite Framework, as approved by the BoD, and in compliance with applicable laws and regulations.

At the same time, in 2019, a centralised Impairments unit was set up in Credit Risk. Impairments is responsible for:

01. Coordinating the process for individual loan impairment, as required by the respective Accounting Standards and Regulatory Authorities (Going Concern & Gone Concern). This process is carried out jointly with the business units.
02. Estimating the expected losses and impairment of the loan portfolio using statistical methods for the group of loans that are collectively assessed for impairment.

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

Credit risk is the most important source of risk 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 trading book, Over-The-Counter (OTC) transactions, derivatives transactions, as well as settlement balances with market counterparties. The

degree of risk associated with each credit exposure 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.

Implementation of the Group's credit policy, which defines its credit risk management principles, ensures that credit risk is treated in a uniform and effective way. Piraeus Bank Group applies a uniform policy for credit assessment, approval, renewal and monitoring. 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 for each borrower or group of connected borrowers.

Measuring and Monitoring Credit risk

Credit Risk develops the necessary methodology and processes for measuring and monitoring credit risk, to provide effective and timely support to Management and Business Units regarding decision-making, policy formulation, and credit risk regulatory compliance.

The Group measures and monitors credit risk related to loans and advances with:

01. Regular assessment of the borrower's creditworthiness and probability of default (PD).
02. Estimation of Expected Recovery Rate, in the event of counterparty default. The estimation takes into account underlying collateral and guarantees, expected recoveries and potential curing from forborne loans.

The Group uses credit risk models that take into account a number of criteria, including product type and borrower characteristics, to assess their creditworthiness and measure the probability of default. These models combine financial and statistical analysis with the expert judgment of responsible officers.

A credit risk grade is assigned upon initial recognition of a lending exposure and is reviewed periodically (at least annually). Credit risk grades are reviewed whenever relevant new information is received or the Bank's expectation of credit risk has changed. The predictive capability of the credit-risk grading models is reviewed at least annually. Thus, the Group ensures that credit risk grades are accurate and that issues for remedial management are promptly addressed.

For more details on measuring and monitoring credit risk, see: www.piraeusbankgroup.com>Investor Relations>Financial Data>Financial Statements & Other Information

Credit Management and Credit Risk Reduction Techniques

Piraeus Bank Group manages, monitors and limits its credit risk exposure and concentration using a credit limit system that sets the maximum amount that the Group is willing to risk.

When setting customer limits, the Group takes into account any collateral or guarantees that 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 Officers 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 and are particularly important in shaping the quality of the overall credit 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, decide granting a credit period of less than twelve months. Credit balances are monitored against set limits and any excesses 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 Group's Impairment and Provisioning Policy, and loan-loss 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. Loans are deemed impaired when it is probable that the

Group will be unable to collect all amounts contractually due. The amount of the impairment is equal to the difference between the carrying amount and the recoverable amount of the asset.

Exposures which are individually significant are subject to individual assessment of impairment, while for all other exposures the impairment assessment and loss allowance estimation is performed on a collective basis, at the level of clusters of loans e.g. mortgage, consumer credit, etc.

The Group performs a collective assessment of impairment for exposures (debt portfolios) with similar credit risk characteristics, which are not individually significant.

FORBEARANCE AND RESTRUCTURING POLICY

Forborne exposure is defined as debt contracts to which forbearance measures have been extended. Forbearance measures are concessions towards debtors facing, or about to face, difficulties in meeting their financial commitments. Forbearance may involve modification in the terms and conditions of a contract, and/or a refinancing of the troubled debt contract.

Forbearance measures only lead to derecognition if the terms in the modified contract are substantially different from those under the original contract.

LIQUIDITY RISK

Liquidity Risk Management (LRM) designs, develops and implements liquidity risk management policies, in accordance with the Group's Risk Appetite Framework, as approved by the BoD, and in compliance with applicable laws and regulations.

Management acknowledges that effective liquidity risk management contributes substantially to the Group's ability to meet its cash flow obligations and to safeguard its earnings and capital. Liquidity risk refers to the risk of a financial institution being unable to meet its obligations as they fall due, without incurring unacceptable costs or losses on an ongoing basis, including in crisis situations.

Piraeus Bank Group applies a uniform Liquidity Risk Management Policy approved by its Risk Committee. The Policy is consistent with supervisory regulations and international best practices.

This policy sets out the key definitions and methodologies for liquidity risk assessment, outlines the roles and responsibilities of the Units and personnel involved, and defines the Bank's objectives for managing liquidity risk. 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.

The Liquidity Risk Management policy also defines a Contingency Funding Plan with the relevant actions and responsibilities should the Bank encounter a serious liquidity crisis either of a bank-specific nature or a significant general market disruption. The Contingency Funding Plan specifies the procedures for its activation, as well as indicators of increased readiness.

As per Regulation (EU) No. 575/2013, the "Liquidity Coverage Ratio" and "Net Stable Funding Ratio" are calculated on a monthly and quarterly basis respectively, both for the Bank and the Group as a whole.

In addition, under Directive (EU) No.2013/36 (known as CRD IV), credit institutions are required to have comprehensive strategies, policies, processes and systems for the identification, measurement, management and monitoring of liquidity risk. Under the Directive, in 2019 the Bank submitted to the SSM its annual report on Individual Liquidity Adequacy Assessment Process (ILAAP), which includes the processes governing liquidity risk management as well as the key outcomes of assessing the current and future liquidity position, both for the Bank and the Group as a whole. Moreover, in the context of ICAAP and ILAAP processes, various crisis simulations scenarios were examined to analyse their impact on the Bank's and the Group's liquidity position.

During 2019, the improved market conditions and liquidity, and the positive developments in the Group's balance sheet data, led to a continued increase in cash availability and pushed up the LCR ratio. As of 31/12/2019, both the Basle III liquidity ratios (LCR and NSFR) exceeded the minimum regulatory threshold of 100%.

The Group's balance sheet deleveraging coupled with the ongoing return of customer deposits, the im-

proved access to the interbank markets and the Tier 2 debt issuance in June 2019 facilitated a decrease in Central Bank funding reliance and an improvement in the Group's funding mix. The Group high quality liquid asset (HQLA) buffer increased.

As at 31/12/2019, the Group LCR stood at 117%.

On 31/12/2018, the Group LCR stood at 62%. In 2019 the LDR stood at 79% (from 85% on 31/12/2018).

The Group's deposits increased to €47.4 bn as at 31/12/2019 from €44.7 bn as at 31/12/2018 (+6%). Reliance on Eurosystem funding decreased to €0.35 bn as at 31/12/2019 from €3.2 bn as at 31/12/2018, all of which is TLTRO (Targeted Long-Term Refinancing Operations).

MARKET RISK

Market Risk Management (MRM) designs, specifies and implements the market risk management policies, in accordance with the Group's Risk Appetite Framework, as approved by the BoD, and in compliance with applicable laws and regulations.

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 has approved the Bank's market risk management policy and defines the Group's market risk management principles and the roles and responsibilities of the units and officers involved.

Piraeus Bank applies generally accepted techniques for measuring market risk, in particular, sensitivity indicators, such as PV01 (adverse impact on the NPV of all balance sheet items for a parallel shift of 1 basis point in the yield curve for all currencies), and Value at Risk (VaR), that incorporates all risk factors.

Market risk limits have been set 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.

VaR method measures market risk as the maximum expected 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, λ=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 model does not function well under intricate market circumstances, hence the VaR computation procedure is augmented with stress-testing and scenarios analysis on the risk factors that may affect the value of the balance sheet's figures.

The Bank 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 Bank's trading and FVTOCI book and the exponential volatility on 31/12/2019 amounted to €11.42 mn.

This estimate consists of €11.43 mn for interest rate risk, €1.15 mn for equity risk, €0.21 mn for foreign exchange risk and zero for commodities risk. By structuring the trading portfolio on 31/12/2019, the VaR estimate is reduced by €1.37 mn due to the diversification effect in the portfolio.

Overall, VaR ranges at low levels and is in line with the Bank's Risk Appetite Framework.

Amounts in € mn	Bank Trading Portfolio - Total VaR	VaR Interest Rate	VaR Equity	VaR Foreign Exchange	VaR Commodity	Diversification effect
2019	11.42	11.43	1.15	0.21	0.0	-1.37
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

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 measures interest rate risk through "Earnings-at-Risk", i.e. the amount that net interest income may change due to a change in interest rates across all maturities and currencies.

BALANCE SHEET & CAPITAL PLANNING

Balance Sheet & Capital Planning plans and implements the Group's Strategy on Capital Adequacy, Supervisory and Internal Capital, in accordance with the Group's Risk Appetite Framework, as approved by the BoD, and in compliance with applicable laws and regulations.

In particular, Balance Sheet & Capital Planning supports the formulation and implementation of the Group's strategy for effective risk management, for balance sheet optimisation and for achieving business objectives, by:

01. developing, maintaining and running an effective risk appetite framework in accordance with the guidelines of the Risk Committee and the Board of Directors;
02. implementing a comprehensive framework for monitoring and evaluating capital planning;
03. preparing and conducting regular stress-testing; and
04. measuring, monitoring and managing capital needs arising from the operations of the Bank and its subsidiaries.

The Group's regulatory capital is calculated in accordance with applicable laws and regulations, the Directive (EU) No. 2013/36 (CRD) and Regulation (EU) No. 575/2013 (CRR), as approved by the European Council. The regulatory framework requires financial institutions to maintain a minimum level of regulatory capital, taking into account the undertaken risks.

The table following presents selected capital adequacy data for Piraeus Bank Group as at 31/12/2019.

Selected Capital Adequacy Data

Amounts in € mn	31/12/2019
Common Equity Tier 1	6,403
Tier 1 Capital	6,403
Own Funds	6,798
Total RWAs*	45,565
Capital Adequacy Ratio	14.92%
CET1 Capital ratio 1	14.05%
Capital Adequacy Ratio - pro-forma**	16.78%
CET1 Capital ratio - pro-forma**	14.83%
Leverage ratio	10.52%

* (on and off-balance sheet items)

** pro-forma, including the profits for 2019, the €0.5 bn Tier 2 issuance in February 2020 and the portfolio for sale of €0.3 bn in risk weighted assets

The capital adequacy data were calculated under the existing regulatory framework, taking into account –when relevant– the appropriate transitional provisions laid down in Regulation (EU) No. 575/2013. The capital adequacy ratios cover the minimum regulatory requirements.

The Group's main objectives related to Capital Adequacy management include:

01. complying with the capital requirements for risk undertaken, in accordance with the supervisory framework;
02. preserving the Group's ability to continue as a going concern, to provide returns and benefits to its shareholders and to ensure the trust of its customers;
03. maintaining a strong and solid capital base, to support the Bank's Business Plan;
04. maintaining and enhancing existing infrastructures, policies, processes and methodologies to meet supervisory requirements, in Greece and abroad; and
05. spreading and improving the capital management culture.

During 2019, the Group continued to improve its infrastructure and strengthen policies, processes and methodologies of risk measurement and capital use. In summary, the most important actions taken include:

01. updating Pillar I policy and processes;
02. improving capital analysis and review framework, including infrastructure upgrade;
03. participating in efforts to manage Risk Weighted Assets (RWA) efficiently;
04. updating Pillar III Disclosures Policy, strengthening the relevant tools and processes, improving the methodology for measuring the cost of capital for new loans and using a new tool to calculate the cost of capital;
05. strengthening the Internal Capital Adequacy Assessment Process (ICAAP);
06. continuously improving the Basel Pillar II framework of principles, policies, processes and methodologies of the ICAAP, taking into account current EBA and SSM directives and guidelines;
07. strengthening governance, methodologies and infrastructure for internal and supervisory stress-testing exercises;
08. participating in drafting the Bank's Significant Risk Transfer (SRT) policy and preparing for planned NPE Securitizations, performing periodic diagnostic tests on the structure of the balance sheet and participating in efforts for balance sheet optimisation; and
09. enriching and updating the Risk and Capital Strategy in accordance with the Group's strategic plan and current conditions/obligations.

CONTROL

Control identifies, monitors and assesses all types of risks (credit, market, operational, liquidity, etc.) arising from the Bank's operations. Control is responsible for the Internal Control System, which is designed to ensure effective and efficient operations, and assists Management in achieving its business goals. Control collaborates with the Segment Controllers to achieve these objectives.

In addition, Control designs, specialises and implements an effective operational risk management (ORM) framework (policies, methodologies and processes), compliant with the Group's Risk & Capital Strategy, and applicable laws and regulations.

Control also designs and conducts credit risk reviews of the Group's loan portfolio. In particular, Control: (a) conducts periodic Credit Reviews of credit limits, in terms of both the level and type of risks undertaken, at borrower level (or group of borrowers), as well as the Bank's Credit Policy, and (b) runs sample checks to monitor credit risk effectively.

In addition, through the Model Validation Unit, Control conducts independent assessments of the Bank's models, in order to validate their robustness, consistency and accuracy as well as its continued relevance to the underlying portfolio. The scope of the validation includes models measuring credit risk, operational risk, market risk and liquidity risk, interest rate risk, and other models used within the Bank. The assessments are prioritised under the Annual Model Validation Plan, which is approved by the Model Validation Committee. Model Validation reports with the findings and outcomes of model validation including the relevant recommendations are submitted for approval to the Model Validation Committee.

In 2019, Group Control organised/participated in a number of strategic and ORM initiatives, including:

01. scaling up Control by increasing the number of specialised staff;
02. restructuring the internal organizational structure of the Control units;
03. assigning a Unit Controller to all Control units, to ensure adequate and effective implementation

of the Internal Control System; and
04. managing Technology and Security Risks in the 2nd line of Defence in the context of Group Risk Management governance.

OPERATIONAL RISK

Operational Risk & Control designs, specifies and implements the operational risk policies, procedures and methodologies, in accordance with the Group's Risk Appetite Framework, as approved by the BoD, and in compliance with applicable laws and regulations.

In addition, it is responsible for providing information on these risks to the Group's competent Committees and Management.

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

Every year the Bank reviews its operational risks. The following classes of risks have been identified under Operational Risk:

01. Fraud (internal and external).
02. Employment Practices and Workplace Safety.
03. Customers, Products, and Business Practice, which include the following:
    - Legal and supervisory risks.
    - Conduct risk.
    - Money laundering and terrorist financing risk.
04. Business Disruption and Systems Failures.
05. Execution, Delivery and Process Management, which include the following:
    - Model risk.
    - Risk of loan assessment processes.
    - Risk of insurance indemnities.
    - Risk of organizational change.
    - Process Risk from ineffective processing and management of data.
    - Risks from outsourcing to third-party suppliers or vendors.
06. Damage to Physical Assets.
07. Information and communication technology (ICT), which include the following:
    - ICT availability and continuity risk.
    - ICT security risk.
    - ICT change risk.
    - ICT data integrity risk.
    - Risks from outsourcing ICT to third-party suppliers or vendors.
08. Environmental and social risks, including climate -related risk.

The Group recognises its exposure to OR and aims for the implementation and continuous development of a single effective risk management framework for all its operations. ORM includes:

01. risk and Control Self-Assessment (RCSA) for Units, the Bank and the Group's subsidiaries;
02. assessing/testing the adequacy of the design and the effectiveness of the controls;
03. stress-test scenarios for operational risk;
04. setting and monitoring operational risk indicators and limits;
05. creating and monitoring corrective action plans;
06. OR incident and loss-event management; collecting and analysing operational risk actual loss events and incidents to identify the cause, as well as any deficiencies in the control environment;
07. estimating VaR and internal capital;
08. assessing new products and processes; and
09. internal and external reporting.

The Bank quantifies and monitors its exposure to operational risk on a regular basis, using a set of indicators, which include:

01. Indicators set under the Group's Risk Appetite Framework. These are monitored against specific limits, which are reviewed on a regular basis. Regular reporting of these indicators to Management and the competent Committees (indicatively: CRO, Operational Risk Committee (ORCO), BoD Audit Committee). These indicators relate to:
    - Actual loss due to operational risk incidents. All financial impacts associated with an operational risk incident are reported against the date they were recorded in the Bank's financial statements.
    - Actual loss due to a single incident or interconnected operational risk incidents.
    - Estimated losses due to operational risk incidents (extracted from the RCSA).
    - VaR from exposure to operational risk.
02. In addition to the above, there is a set of indicators from the RCSA at the unit and company/subsidiary level, measuring the VaR, the qualitative impacts of operational risk incidents, and the control adequacy. These indicators are presented in reports at the level of units, segments and companies/subsidiaries.
03. In addition, a set of Key Risk Indicators (KRIs) have been established and are monitored at the Bank level, covering all Basel Categories and many key operations, while there is a number

of active KRIs implemented and monitored at unit level.

In 2019, the Bank completed its Internal Control System (ICS) Enhancement Initiative, which was a top priority for Senior Management and the Board of Directors. Key improvements include:

01. ICS framework: Development of ICS Policy and ICS Methodology documentation, providing clear guidance for assessing the adequacy of the control process.
02. ICS Governance and Organizational Structure: Establishment of ORCO, with strong ExCo representation. In addition, Segment and Unit Controllers have been appointed in most of the Segments/Units of the Bank, with clear roles and responsibilities.
03. New processes to identify and address significant deficiencies/weaknesses.

Assessing the effectiveness of the control mechanisms, which is a key component of the above ICS framework, has been incorporated into the regular RCSA.

In addition to the ICS Enhancement Initiative, the Bank carried out projects to improve the ORM framework. Indicatively, these projects aim to:

01. Improve the process for collecting incidents and credit-related losses, which includes redesigning the relevant processes and automating the collection process. Improvement efforts focus on OR credit-related losses, and on managing incidents related to legal proceedings against the Bank.
02. Develop processes and infrastructures for the central management of ICS deficiencies/weaknesses identified by internal and external evaluations.
03. Develop Anti-Fraud Policy, which describes the Bank's framework for managing fraud risks, as well as its attitude and tolerance to fraud (completed).

Overall, with the development and application of the ORM framework, the Group seeks to optimise operations and control mechanisms, to minimise economic losses from operational risk incidents, to develop a unified and understandable "risk culture" across the Group, to assess the level of exposure to operational risk, and to prevent potential, unexpected, or catastrophic losses from future operational risk incidents.

CREDIT CONTROL

Credit Control is responsible for the independent, regular and qualitative review of the credit risk embedded in the Group's loan portfolio, for monitoring the portfolio, in accordance with the Bank's policy and processes. The mission is implemented in two pillars:

01. Ex post, through:
    - Credit Reviews; borrower review, at borrower level (or group of borrowers), and process review, to assess compliance with Credit Policy and processes. As part of this mission, Credit Control performs sample checks on borrowers, and assesses the quality of each credit facility and the credit risk management practices. The assessment is carried out using data extracted from the Bank's systems, a thorough review of the credit files kept by the business units, and after contacting the competent lending and credit officers. The outcome of each Credit Review is recorded in the Evaluation Report along with Proposed Corrective Actions, which, by notification to the CRO, are sent to the Units involved, to the Bank's Senior Management and the Risk Committee. In addition, Credit Control regularly reviews the progress of the corrective actions proposed in the Report.
    - Systematic monitoring of high credit risk areas for the business portfolio.
02. Ex ante, through an overview of cases examined by the Credit Approval and Provisioning Committee.

In 2019, Credit Control:

01. Reviewed 16 portfolios, 13 business portfolios and 3 retail portfolios, with a total balance of €9.2 bn. A sample of 1,200 borrowers was selected from these 16 portfolios, with balances of €3.3 bn, and 1,108 mitigating actions were proposed.
02. Changed the frequency of follow-ups for the proposed corrective actions, which is now done at the level of the proposed action and based on its settlement date, rather than at the business unit level. 607 of the 1,108 proposed corrective actions were settled in 2019.
03. Started the evaluation of 3 portfolios (Cyprus Leasing, Workout and Forbearance mortgage and consumer loans). This is the first time that Credit Control evaluates Workout Unit and Cyprus Leasing.
04. Completed the design and implementation (with the assistance of Credit Risk Models) of the new

AQR Sampling Methodology for business loan portfolios, which has been approved and validated by the competent Committee. 207 borrower evaluations were completed by the end of 2019, from a sample of 940, using the new methodology.

05. Added new criteria for evaluating business creditors; business units are responsible for monitoring.
06. Amended (using the new criteria) and enriched:
    - *the creditor assessment template; and*
    - *the portfolio evaluation report template.*
07. Strengthened portfolio monitoring in terms of:
    - limits expiration,
    - observing the approval process and conditions for the new disbursements,
    - risk concentration for issuers of post-dated checks and debtors (indirect risk),
    - correct use of overdraft accounts, and
    - unused limits.
08. Credit Control representatives participate as Observers in the Bank's Senior Approval Committees: Senior Credit Committee (SCC), Recovery Credit Committee (RCC), Core Banking A and RBU A Committee (Corporate & Shipping, SME and International). In 2019 Credit Control representatives attended 271 meetings where 1,037 requests were discussed – and were present at all Risk Committee meetings.

MODEL VALIDATION

Model Validation, which in 2019 became a key component of Control, conducts independent assessments of the models[5] used throughout the Bank, in order to validate their reliability, accuracy and effectiveness.

The scope of the validation includes models measuring credit risk, operational risk, market risk, liquidity risk, interest rate risk, and other models used by the Bank. The assessments are prioritised under the Annual Model Validation Plan, which is approved by the Model Validation Committee.

Model Validation reports with the findings and outcomes of model validation are submitted for approval to the Model Validation Committee and in turn, are communicated to the model owners, who are responsible for implementing the proposed corrective actions under the agreed timetable. In addition, the Model Validation reports are communicated to the Segment/Unit Controllers[6] of the units where the Model Owners belong, so that the findings and outcomes of model validation are included in the RCSA of the Units, in order to ensure their effective management.

The Model Validation team is responsible for:

01. Developing and updating the Model Validation Framework consisting of Policy, Methodology and Procedure Document, as well as Model Validation Process.
02. Developing and maintaining the Annual Model Validation Plan.
03. Conducting independent assessments of the models developed throughout the Bank. The team carries out independent Model Validation assessments, based on the approved Annual Model Validation Plan, to ensure that the models are conceptually sound and adequately capture all material risks, both at the outset (for new models) and on an ongoing basis (for existing models). Model Validation includes:
    - qualitative assessment: data quality controls of model inputs, model design, conceptual soundness, internal and external requirements and model performance;
    - quantitative assessment for segmentation capacity, accuracy and stability;
    - provision of recommendations and proposed corrective actions for the improvement of the models and following up on their implementation; and
    - production and submission of reports, including the results of the Model Validation, to the Model Validation Committee.

2019 KEY ACTIONS

01. Scaling up Model Validation to a key Control function.
02. Strengthening the Unit with experienced, specialised staff and restructuring the internal organizational structure for managing its work more efficiently.
03. Implementation of the Model Validation Policy, Model Validation Framework and Annual Model Validation Plan, as described in the Model Management and Governance Framework by the Model Validation Committee set up in 2019, with ExCo representation and chaired by the CRO.
04. Enhancement/extension of Model Validation scope, framework and infrastructure to include

5 The term model refers to a quantitative method that applies statistical or mathematical theories, techniques and assumptions to process input data into quantitative estimates for decision making.

6 The roles and duties of Segment/Unit Controllers are described in the Bank's Internal Control System Policy.

risk models other than credit risk, as well as other models used by the Bank. Regarding the Model Validation Framework:

- Update/extension of Model Validation Policy to cover the extended model validation field (as described above).
- Update of Model Validation Handbook.
- Model Validation Process.

05. 2019 Annual Model Validation Plan: 59 Model Validations. Indicatively:
    - Initial and regular validation of IFRS9 credit risk models.
    - Back-testing VaR sample for market risk, used in the Annual Internal Capital Adequacy Assessment Process (ICAAP).
    - Back-testing VaR sample for operational risk, used in the ICAAP.
    - Quantitative validation of model used in the systemic stress scenarios Annual Individual Liquidity Adequacy Assessment Process (ILAAP).
    - Periodic quantitative validation of shipping provisioning calculator.
    - Initial quantitative validation of credit risk models (SICR – Significant Increase in Credit Risk and new IRB PD & EAD models).
    - Periodic quantitative validation of credit risk models (business models MRA Corporate and MRA SME, Behavioural PD models for Mortgages, Credit Cards, Consumer and Revolving Loans).
    - Validation of the portfolio sampling methodology for Large Corporates, SMEs and Small Businesses used in Credit Control Reviews.
06. Introduction of artificial intelligence applications. Three machine learning templates were developed as challenger models in new Retail Banking models. In addition, the introduction of new technologies and the strengthening of methodologies in the evaluation of Retail Banking models.
07. Use of C-Star validation platform for credit risk models.

ANALYTICS

Analytics was set up in 2019 and is responsible for analysing and addressing challenges across the entire operations of Group Risk Management. Analytics employs specialised tools, financial techniques and applications to reduce unwarranted risk and commercial loss. Analytics also coordinates and monitors projects requiring the contribution of all the individual units of Group Risk Management.

To fulfil its mission, Analytics operational structure is divided into 3 main pillars:

Group Risk Project Management Office (PMO)

01. Coordinates all the projects of Group Risk Management. Annual planning to ensure that the projects are aligned with GRM strategy and are prioritised properly. PMO monitors the progress of the projects.
02. Coordinates working groups in selected GRM projects by developing detailed "Projects Plans", ensuring timely implementation and submission of project deliverables.
03. Shapes GRM annual budget and monitors compliance with the annual targets.
04. Coordinates and links GRM Units, builds up cooperation and represents them in a significant range of actions that require cooperation with other Units of the Bank.

Forensics/Solutions

Forensics/Solutions uses specialised techniques, developing methodologies or implementing projects that aim to:

01. Revise and improve Bank processes and portfolios, to minimise unacceptable risks and losses, while improving the added value from the existing contracts, products and services.
02. Support product innovation, while observing the obligations imposed by the supervisory framework.
03. Ensure a sound capital structure by releasing committed funds and by reducing loss-making relationships.
04. Develop and guide the Bank's business units towards adopting a sound risk culture.

Risk Data Office & Operations

Risk Data Office & Operations monitors and improves the degree of compliance with risk data management and produces relevant reports in accordance with supervisory standards and best practices. For this purpose Risk Data Office & Operations:

01. Highlights data quality issues and takes action to resolve them.
02. Manages projects that aim to improve the quality of data and reports, both at Bank and Group level.
03. Redesigns data management processes and flows, ensuring full compliance with the Group's policies and regulations, as well as the applicable supervisory framework.

04. Coordinates the valid and timely submission of risk data from the Bank's Units and subsidiaries, in Greece and abroad, to meet supervisory requirements.

In 2019, Analytics coordinated or participated in a series of initiatives aligned with the GRM strategy, including:

01. Overall coordination for the Bank's participation in the 2020 EBA Stress Test.
02. Introduction of Adjusted Return Tool (ART) in Shipping, Small Business, and Agricultural portfolios.
03. Completion of the implementation of individual projects, contributing to the enrichment of the central risk management database (MTII) with new data. Now they can be used to support the internal operations of GRM, and to prepare supervisory reports.
04. Improving the quality of available raw data (at the central risk management database), in several cases the process of extracting data was automated.
05. Assistance in the internal and supervisory exercises for stress-testing.
06. Review of all the reports generated by the GRM, to simplify the process for their production (using new methods and tools) and reduce the time required by the human resources involved.
07. Submission of a total GRM budget for 2019, and measuring actual performance against the target.
08. Completion of the risk culture survey, in collaboration with the Group HR.
09. Coordination of the Risk Committee on a regular monthly basis.
10. Representing GRM in the Bank's inter-departmental initiatives.

SEGMENT CONTROLLER

The Segment Controller is responsible for promoting a sound risk culture and ensuring that an effective Internal Control System is in place in Group Risk Management, designed to achieve operational excellence and remediate any deficiencies in controls. Furthermore, the Segment Controller reviews, supplements and comments on operational risk assessment carried out by Unit Controllers. In addition, the Segment Controller provides regular and ad hoc reporting to the CRO (Segment Head) on the operational risk profile of Group Risk Management, suggesting remedial actions for potential risk and control issues.

CRO OFFICE

The CRO Office is under the direct responsibility of the CRO, and supports and monitors the work of Group Risk Management. In addition, the CRO Office is responsible for the duties of the Risk Committee Secretariat and monitors the implementation of the Committee's decisions.

RISK CULTURE PROGRAM

Over the past two years, the Bank has carried out a number of initiatives towards timely and effective risk management. Efforts so far focused on redesigning processes, systems and frameworks, strengthening the risk identification and management model. The next step is to establish a risk-responsible culture by increasing levels of risk awareness and adoption by all Bank employees, in line with the legal framework, code of ethics and corporate values.

The Risk Culture Program aims to:

01. Challenge GRM and develop its ability for independent oversight.
02. Make all the employees fully aware of the risks associated with their roles and responsibilities on an ongoing basis.

In addition, the evaluation of the risk culture in the organization is carried out based on the following 4 pillars of risk culture evaluation, according to the EBA Final Report on Guidelines on Internal Governance:

01. Tone from the top
02. Accountability
03. Communication and Challenge
04. Incentives

The following actions were implemented in 2019 as part of the program:

01. Risk culture evaluation initiatives in the Bank:
    - risk Pulse Survey – addressed to the entire management team in April 2019. Feedback from BoD members from a questionnaire in September 2019; and
    - behavioural metrics capturing information on a number of issues such as whether units have exceeded the risk limits, the degree and frequency of unwanted behaviours, etc.
02. Actions for strengthening risk culture in Group Risk Management:
    - First Group Risk Management offsite meeting;

- "Knowledge Sharing Sessions" between Group Risk Management teams; and
- lunch breaks with the CRO.

GROUP CREDIT

Group Credit assumes a crucial role in developing and maintaining a healthy loan portfolio for the Bank, as well as the effective management of the troubled portfolio. It is responsible for drafting and updating Credit Policy, and experienced Credit Officers ensure its full implementation.

The Head and the executives of Group Credit actively participate in a number of Committees and Projects that aim to improve the efficiency of the processes for approving, managing and monitoring credit risk. They played an important role in the implementation of the Bank's strategic partnership with Intrum.

CORPORATE, SHIPPING & FINANCIAL INSTITUTIONS CREDIT

Corporate, Shipping & Financial Institutions Credit participates in the credit approval process for the Corporate, Shipping and Structured Finance portfolio and sets the risk limits for financial institutions.

In 2019 credit expansion focused on the financial support of viable Greek companies.

SME CREDIT

SME Credit participates in the credit approval process for the Commercial Banking portfolio.

In 2019, SME Credit focused on approving new loan applications from sustainable businesses, making use of development programs in which the Bank participated, and the related co-financing and risk-sharing tools.

SMALL BUSINESS & RETAIL CREDIT

Small Business & Retail Credit has taken steps to improve and automate the portfolio assessment and monitoring processes, in order to increase efficiency, to improve response time, to reduce operational risk and production costs.

In the context of responsible lending, a key pillar of its credit philosophy, in 2019 Small Business & Retail Credit focused on addressing the needs of Greek households, small and agricultural businesses in mutually beneficial relationships of cooperation. It managed increased loan requests, by using meritocracy and applying credit policy rules and practices.

In 2019, Small Business & Retail Credit renewed its ISO 9001:2015 international certification for Consumer, Mortgage and Merchant Credit, and certified Small Business & Agricultural Credit for the first time, demonstrating its commitment to providing integrated services and ensuring customer satisfaction, while at the same time creating multiplier benefits for the Bank's profile and overall business performance. It is worth mentioning that Piraeus Bank is the only domestic credit institution with this certification.

NON-CORE CREDIT

In 2019 Non-Core Credit continued its ongoing efforts to effectively manage the credit risk associated with the non-Core portfolio, to monitor the effectiveness of forbearance measures and to apply credit policy and approval procedures.

In 2019, efforts were intensified on restructuring NPEs for cooperating and viable customers, through a variety of debt restructuring and forbearance measures in line with the provisions of the supervisory and legislative framework. At the same time, efforts were made to identify financial difficulties and probability of default in a timely manner, and to assess the risk of financial loss.

Non-Core Credit joined up with NPE Management to find the forbearance/restructuring measure with the maximum possible recovery of debts in terms of Net Present Value, assessing the viability/sustainability of the creditors and their ability to repay.

Non-Core Credit participated in all Recovery & Workout Committees handling the troubled portfolio.

Non-Core 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, product review). Non-Core Credit is manned with experienced Credit Officers.

CREDIT POLICY & PORTFOLIO ANALYSIS

Credit Policy & Portfolio Analysis is a specialised unit in Group Credit, which is responsible for compiling

and updating the credit policy of the Bank and the Group's subsidiaries.

Credit policy is fully aligned with the regulatory framework. The goal remains to strike a balance between the risk that the Bank assumes through its lending operations and the significant support it offers to Greek companies and households, due to its dominant position in the market.

The Group applies a single policy and practice regarding the assessment and the processes for approving, renewing and monitoring loans. Credit limits are revised 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 (concept of single borrower).

SUPPLIERS RELATIONS

TRANSITION TO A NEW PROCUREMENT MODEL

Recognising the need for a centralised procurement model, Piraeus Bank established a new unit, Group Procurement, at the end of 2018, charged with the central management of supplies of goods and services.

The purpose and main objectives of Group Procurement include:

01. Modernising and upgrading the current procurement policy, taking into account international best practices.
02. Seeking cost reduction and streamlining opportunities, while maintaining the quality of the products and services purchased.
03. Monitoring the efficiency of important suppliers on a systematic basis, taking into account specific indicators.

Aiming for a smooth transition to the new modus operandi, in 2019 the Group's procurements were gradually transferred to the centralised Group Procurement. In addition, Group Procurement started reviewing the procurement policy, updating the relevant processes and creating a single database for suppliers and contracts.

PROCUREMENT POLICY

The Group’s Procurement Policy sets out the principles and rules governing the procurement process for goods and services, and shapes the framework for cooperation with existing or potential suppliers. The Group’s Procurement Policy is consistent with the principles and rules described in the section on “Outsourcing” of “Piraeus Bank Group Compliance Policy”, in accordance with the provisions of BoG Governor’s Act 2577/2006. The Policy is applied by the Bank and its subsidiary companies.

During the procurement phase, the suppliers are initially asked to fully comply with the Bank’s Rules and Regulations. At the same time, in addition to their financial offers, companies are obliged to submit information and documentation regarding their viability/sustainability and the quality of their services, such as the company's profile, legal documentation, certifications, technical specifications, etc. The requested additional information varies depending on the nature of the procurement. It is worth noting that in cases where it is technically feasible, specific environmental and social criteria are taken into account (e.g. Environmental Certifications).

In order to support local economies and societies and reduce the environmental footprint due to the transfer of goods, the Bank purchases most of its supplies from local and/or domestic suppliers.

In addition, the Bank evaluates its suppliers at regular intervals in order to maintain a high quality of services and a high degree of cooperation. In particular, with regard to important suppliers, it holds informative meetings and seeks opportunities to improve their cooperation. At the same time, the Bank pays its obligations to suppliers and partners promptly, in accordance with the contract payment terms.

In 2019, the Bank partnered with more than 10,000 suppliers to purchase goods and services. Most of them operate in Greece, thus the Bank supports the whole range of businesses – from professionals and very small businesses to large businesses – and consequently the Greek economy.

2020 TARGETS

01. Completion of group procurement transformation program, with single policy and associated procedures.
02. Group-wide centralised procurement model – Introduction of single procurement culture.
03. Unilateral infrastructure to support centralised procurement management.

04. Introduction of KPIs for systematic monitoring of supplier efficiency.

TRAINING OF SUPPLIERS ON SUSTAINABLE DEVELOPMENT ISSUES

In the context of including Piraeus Bank in the group of The Most Sustainable Companies in Greece 2020, two of the Bank's suppliers received training on sustainable development issues, specifically on the Greek Sustainability Code, a standard referenced in the ESG Reporting Guide of the Athens Stock Exchange, and officially recognised by the European Commission.

GREEN PROCUREMENT

Piraeus Bank applies a policy of green procurement, partnering with companies supplying environmentally friendly products, such as paper with FSC (Forest Stewardship Council) environmental certification, recycled consumables, energy-saving light bulbs, eco-friendly cleaning products with the Eco-Label certification, and biodegradable bags in selected administration buildings.

Electrical and electronic equipment (screens, laptops and refurbished PCs) are gradually being replaced with energy-efficient appliances ("energy star" label). In recent years, Piraeus Bank has been awarded an A+ rating in the ISS-oekom ESG Corporate Rating assessment, for its IT procurements.

In 2019, Piraeus Bank purchased Guarantees of Origin (GO) from Heron Thermoelectric SA, PPC SA and N.R.G. SA, certifying that a large part of the electricity consumed on the Bank's premises came from Renewable Energy Sources.

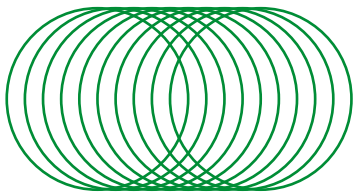
Mapping with Sustainable Development Goal
Peace, Justice and Strong Institutions

Assurance by independent body
GRI 102-22

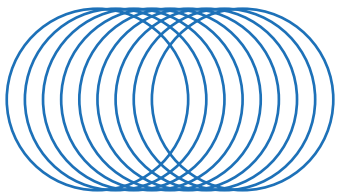
MATERIAL TOPIC

CORPORATE GOVERNANCE

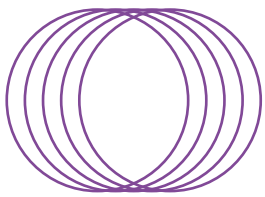
The Bank adopts the principles and best practices of Corporate Governance ensuring its effective organization, functionality, management and development, aiming at transparency in communication with shareholders, direct and continuous information to the investment community and safeguarding the interests of all stakeholders.



10
BoD members

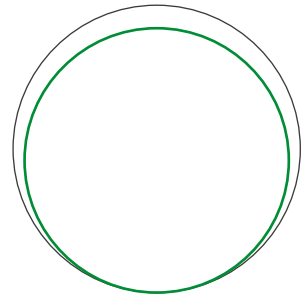


9
Non-Executive members



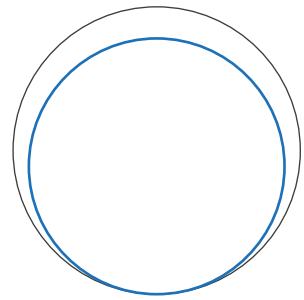
5
Independent members

Reference date of the above data is 31.12.2019.



92%
Average participation of members in the meetings

19
Total number of BoD meetings



89%
Average participation of members in the meetings of BoD Committees

39
Total number of BoD Committees meetings

Reference period of the above data is year 2019.

Goals

- Solid management structure
- Constant compliance of the Bank legal and regulatory provisions
- Enhancement of internal audit and regulatory compliance systems
- Strengthening the confidence of investors, shareholders, employees and customers towards the Bank
- Constant assurance of transparency, excellence, functionality and effectiveness of the existing system of corporate governance

Mapping with Sustainable Development Goal
Peace, Justice and Strong Institutions

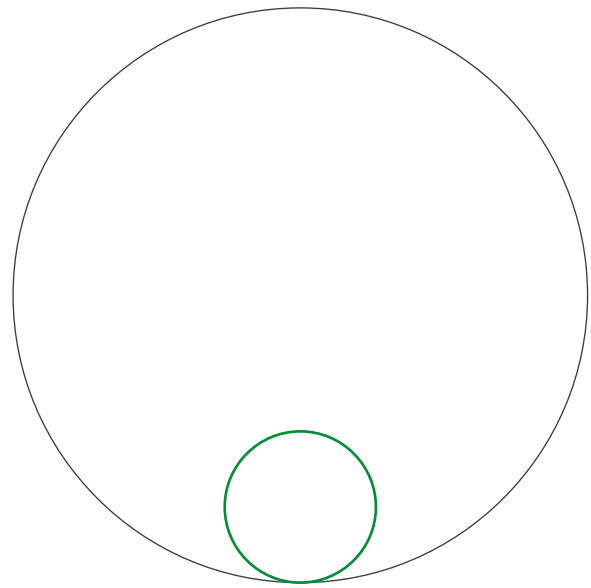
Assurance by independent body
GRI 205-2

MATERIAL TOPIC

COMPLIANCE WITH THE REGULATORY FRAMEWORK

The Bank complies with the current regulatory framework as this is defined by national and European legislation, establishing procedures and ensuring that they are strictly applied.

- Upgrade of Anti-Money Laundering system – in progress
- Development/amendment of appropriate policies, procedures and technical infrastructure in order for the Bank to comply with the provisions of Law 4557/2018, which incorporate in the national law the framework of European Union for money laundering and dealing of terrorism
- Evaluation and management of cases regarding conflicts interests as well as acceptance of business gifts/benefits by customers or third parties



25%

of total employees who have been trained on anti-corruption

Goals

- Completion of the upgrade of Anti-Money Laundering system
- Completion of the implementation of the legislation and institutional framework related to the objective of the Group Regulatory Compliance
- Continuation of educational action throughout the scope of the Bank's activities with the aim of strengthening the “culture compliance” and better understanding of the institutional framework

Mapping with Sustainable Development Goal
Peace, Justice and Strong Institutions

Assurance by independent body
GRI 102-30

MATERIAL TOPIC

RISK MANAGEMENT

The Bank places particular emphasis on the effective management and monitoring of risks, in order to successfully achieve its strategic and business goals, thus creating value for stakeholders.

- Emphasis on strengthening risk awareness culture of employees
- Strong position and ample liquidity buffers

€24.5 bn

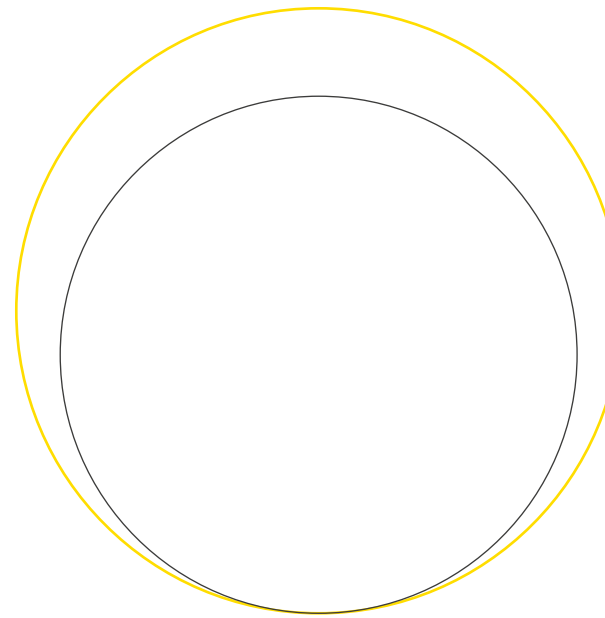
Non-Performing Exposures of the Group reduced by €3 bn annually and by €13 bn from the historical highest level in Sept. 2015

16.8%

Pro-forma capital adequacy ratio, including the issuance of Tier 2 in February 2020

14.8%

Pro-forma Common Equity Tier 1 (CET1) ratio

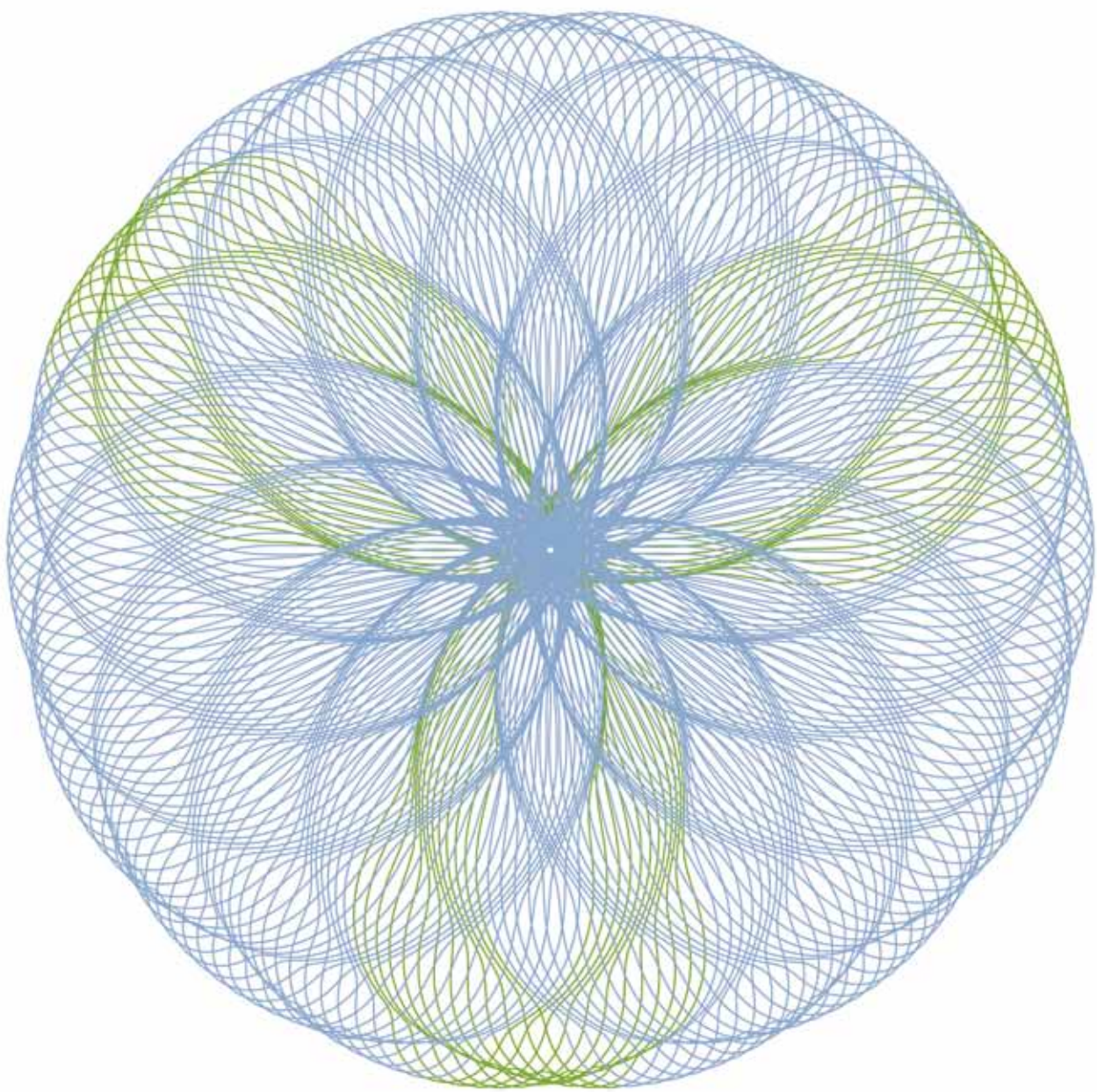


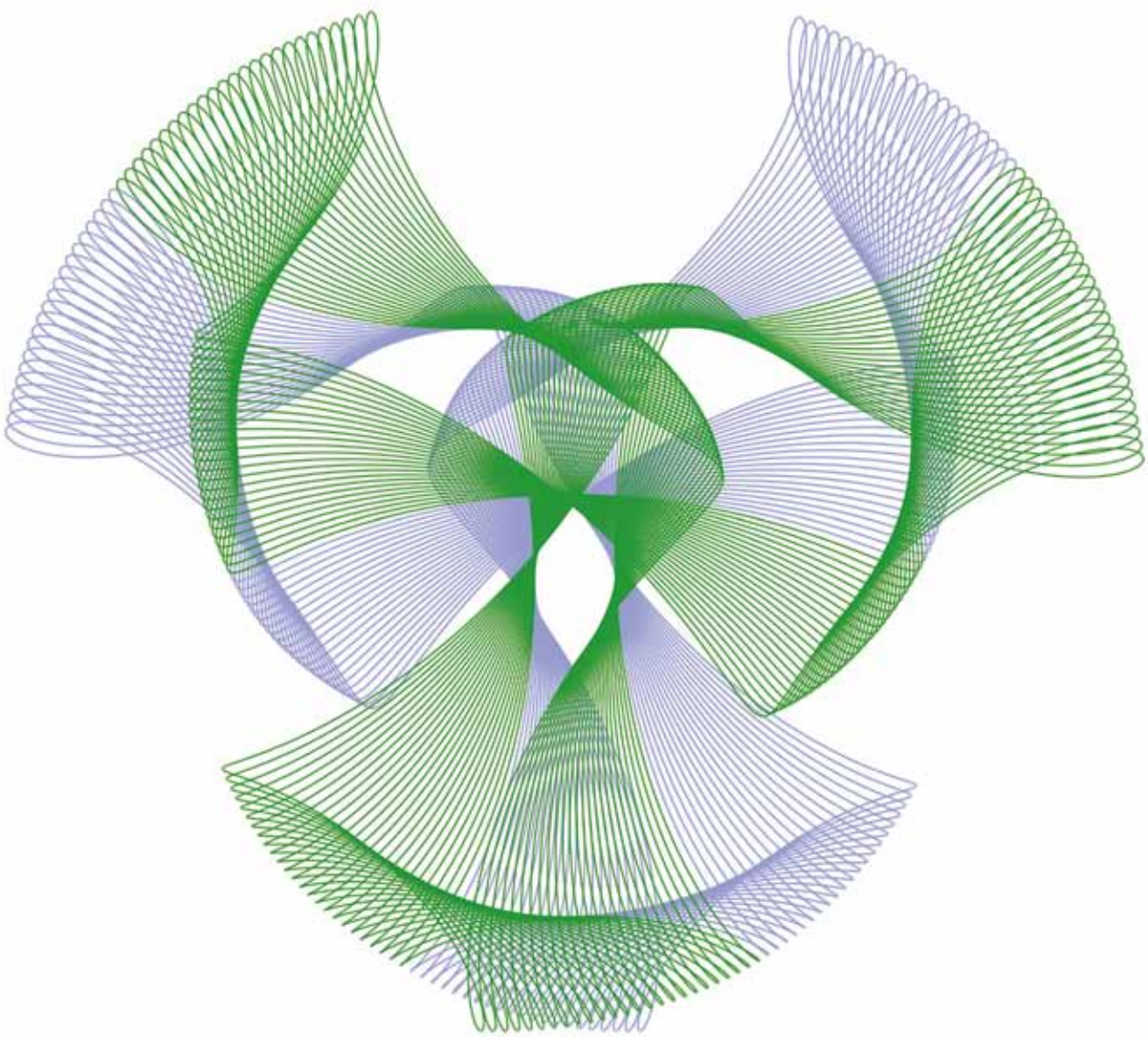
117%

Liquidity Coverage Ratio

Goals

- Strategic capital and liquidity management
- Increase focus on strategic risk
- Strengthening skills and performance risk management
- Increasing interactive governance
- Establishment of a strong risk management culture





PIRAEUS BANK GROUP BUSINESS

Piraeus Bank Group – through the Bank and its subsidiaries– offers a wide range of high-quality financial products and services to retail and corporate customers.

PIRAEUS BANK GROUP ORGANIZATIONAL STRUCTURE

Piraeus Bank Group manages its operations through the following segments:

Retail Banking: includes all retail customers, Affluent, Private Banking, Small Businesses and Professionals, Public Sector, as well as the respective customer service channels.
Corporate Banking: includes Large Corporates, Shipping, Small and Medium Enterprises (SMEs) and Agricultural segments.
Piraeus Financial Markets (PFM): includes the Fixed Income, Foreign Exchange, Treasury activities (including the interest rate gap resulting from all banking activities), as well as the servicing of Institutional Clients.

All other management-related activities not allocated to specific customer segments, including the management of Piraeus Bank REO, non-client related Group's equity participations and international operations.

Post completion of the Intrum Transaction Piraeus' Management established an NPE Management Unit (NPEMU),which is responsible for the overall management of the Group's domestic NPE portfolio.

RETAIL BANKING

Development of Retail Business

Branch network

Piraeus Bank Branch Network is undergoing a transformation – keeping in line with Global and European trends – to cater to changing customer needs. Piraeus Bank is redefining the banking experience to cover customer needs in full, with emphasis on multi-channel service and on enhancing the efficiency of its banking operations.

The Branch Network, which is the largest bank network in Greece, provides broad geographic and population coverage, even in remote or inaccessible areas all over Greece, with 527 branches as at 31/12/2019.

In 2019 particular emphasis was placed on the training and certification of executives to service the needs of Small Businesses and Professionals, Upper Mass customers with significant growth prospects,

Personal Banking customers, to manage non-performing Retail and SB loans, and to develop 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 is a standing priority for the Bank.

Specialised service at the Branch Network

Service	Percentage of branches offering the service
Personal Banking Personal Advisor	30%
Small Business and Professional Consultant	40%
Upper Mass customer service executives	80%
Safe deposit boxes	60%
Free wifi access	Most branches have free wifi access

Selected branches also provide:

01. Piraeus Gold services, with an exclusive customer service point for all Gold Products and Services; and
02. specialised Banking Services to Shipping Customers at the Shipping Branch in Piraeus.

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, while developing digital services, such as e-signature.

The e-branch network has also expanded, with ten (10) fully-automated branches in operation, improving the quality of customer service with extended opening hours on weekdays and Saturdays and thus offering a "Modern Banking Experience".

Periphery	Branches	e-branches	ATM	APS
East Macedonia & Thrace	30		97	27
Attica	177	5	540	242
North Aegean	11		42	10
West Greece	32		98	31
West Macedonia	15		46	14
Epirus	16	1	55	19
Thessaly	28	1	98	32
Ionian Islands	11		81	11
Central Macedonia	87	1	290	92
Crete	36	2	196	34
South Aegean	22		186	19
Peloponnese	33		109	26
Mainland Greece	29		73	21
Grand Total	**527**	**10**	**1,911**	**578**

Retail Banking

Mass Segment

The Mass Segment serves over 5 mn private customers with more than €13 bn funds under management and €6 bn loan balances.

Targeting economic value creation for the Bank and improved customer experience, the new Upper Mass service model has been introduced, for clients with significant growth prospects.

2019 was the year that where the new model of personalised service was launched. Specialised Branch

Network executives provide personalised services to selected customers, to foster customer loyalty, aiming to ensure their long-term financial strength.

To this purpose, special emphasis was placed on guiding these customers to implement an effective financial plan, through bilateral dialogue, touching on all matters of the customer's financial life, covering their daily needs, as well as their long-term goals.

2019 INITIATIVES

01. Actions were taken to identify customers with the highest growth potential and value for the Bank.
02. Training of branch executives who are responsible for serving the Upper Mass customers, continued and was enriched, to help them improve know-how and commercial efficiency.

In 2019, the Bank continued its targeted actions for promoting financial services to Mass Segment customers, through various communication channels.

In this regard, actions were carried out, targeting special customer categories, such as students through the program "Check in Class", as well as special purpose actions to cover the needs of local communities.

The above, in combination with the Bank's other strategic initiatives, led to the achievement of the business objectives for Retail Banking, with a great contribution from the Mass Segment. Indicatively:

01. 40% contribution in deposits' net increase.
02. 50% contribution in new retail loan disbursements.

Affluent Banking Segment

During 2019, the Affluent Segment was highly involved in attracting deposits and boosting revenue from products and services, supporting the Bank's strategic priorities.

Affluent customers contributed 50% to the net increase in deposits and 45% to the new investment-linked insurance programs.

Additionally, the Affluent Segment contributed significantly to the Bank's successful shift towards actively promoting investment products through the new Optimum portfolios, the Bank's proposition for total asset management. The Affluent Segment contributed 87% of the net sales of the Bank's mutual funds, and was the main parameter that led to an increase in the Bank's market share in investment products.

As a result of the business plan and the coordinated actions, there was a significant increase in the cross-selling index of high-yield products, to 6.26x. Assets under management (AuM) amounted to €16 bn, with a substantial percentage being placed on investment products.

2019 INITIATIVES

01. Adoption of a new framework for Investment Products with emphasis on the new Portfolio Management service.
02. Structured communication process at each stage of the development of customer relationship, in the context of financial planning and total asset management.
03. Increased utilisation of the branches' customer base through scheduled meetings and efforts to increase the customer base coverage.
04. Events to inform Affluent Segment customers about the developments in the Greek and international markets, in collaboration with international investment firms.
05. Continued collaboration with the Piraeus Bank Group Cultural Foundation (PIOP) to support local communities.
06. Continuation of the successful institution of the School of Personal Advisors, with emphasis on skill development actions for branch executives.

Private Banking

2019 was a very successful year for Private Banking, since all the business goals and targets set by Management were achieved, in full alignment with the Group's strategy and business goals. In particular, there was considerable growth in the Assets under Management (AuM), deposits increased along with a simultaneous reduction in their costs, Return on Invested Assets ratio improved (in accordance with international best practices), and operating costs dropped significantly, while providing a high level of experience to Group customers.

Private Banking provides high quality and innovative financial management services to High Net Worth Individuals with €1.3bn Assets under Management.

Private Banking, in the context of the Bank's strategic commitment to play a leading role in advancing a sustainable future, focuses on responsible investments and sustainability, aiming to create a superior banking experience for its customers, exceeding their expectations and constantly creating value for them. Furthermore a special semi-annual edition entitled "Private Journal" is offered exclusively to Private Banking customers.

Operational Model

Private Banking continued improving its business operating model, committed to providing a superior banking experience for the needs of the continuously increasing number of customers, through an established network in seven strategically selected parts of the country. Additionally, in the framework of Private Banking's long-term strategy to provide integrated services, the design of Wealth Solutions was completed with the creation of Credit Solutions, based on best practices and standards of international Private Banks. Credit Solutions strengthens Wealth Solutions services, providing customers with tailor-made solutions to increase their liquidity through their current assets. At the same time, International Private Banking continues to play a crucial role in services offered, through important partnerships with foreign banks.

Innovation

In 2019, the design and strategy of Wealth Solutions was completed. Private Banking specialists and analysts leverage their knowledge, experience and know-how, and collaborate with investment managers from around the world, to develop a tailored strategy for the holistic asset management of each client. The aim is to effectively meet the customers' multifaceted financial goals, ensuring timely prediction and coverage of their specific investment needs and expectations.

At the same time, International Private Banking, through exclusive partnerships with Lombard Odier and Edmond de Rothschild, two of the most premincut and experienced Swiss houses with a long tradition in Private Banking, incorporates best practices to approach each customer and provides high quality global services. It expands the range of investment options offered to the international environment, through strategic partnerships with leading financial institutions, that have long tradition in delivering superior banking experience to wealthy customers.

2019 INITIATIVES

01. Piraeus Bank's Private Banking and its executives received the top Fitch Certification, as a ratification of the world-class services offered to customers.
02. Actively supporting sustainable development, Private Banking created the first Greek Private Label Environmental Social and Good Governance (ESG) mutual fund. The Piraeus Private Banking World Sustainability Balanced Fund invests in equities and corporate bonds from around the world, that adopt and apply sustainability principles in their operations (for more information see below "Private Banking & Sustainable Development").
03. Tailor-Made Discretionary Portfolio Management was created, a unique and innovative service by Greek standards. Professional fund managers take over the management of Private Banking clients' assets and create a tailor-made portfolio, having previously mapped their specific requirements, in collaboration with the specialised, experienced and certified teams of Private Banking Centres and Wealth Solutions.
04. A team of specialised executives from Wealth Solutions designs innovative financing solutions, the Credit Solutions, through Lombard Loans to further utilise customers' assets.
05. Restructuring and repositioning (Revamping) of Private Banking continued, with customer experience at the heart of the service, as, reflected in the message "Private Banking - An Experience of High Standards". An experience that is characterised by the core values of Private Banking: Uniqueness, Trust, Knowledge, Freedom and Serenity.

Awards 2019

In 2019, Private Banking won the Best Customer Service Initiative award in Greece, in recognition of its commitment to provide high-quality services to its customers. Additionally, it received the Gold Award at the Marketing Excellence Awards of the Hellenic Management Association, in the category Building Powerful Brands/Brand Revitalisation.

Private Banking and Sustainability

Private Banking participates in the global movement for Responsible Banking, since commitment to initiatives that contribute to sustainable development lies at the heart of Piraeus Bank's strategy. Private Banking aims to provide its customers with services

and products through which they will enable them to leave their own "green" footprint. In this context, Private Banking offers "Piraeus Private Banking World Sustainability Balanced Fund" to its customers, proving in practice the Bank's environmental, social and corporate governance (ESG) commitments.

Piraeus Private Banking World Sustainability Balanced Fund invests in companies that are prepared to meet future challenges, through actions that include reducing energy costs, managing environmental risks or offering products and services that help address social and environmental issues. Companies actively integrating sustainability principles into their businesses tend to have higher credit ratings, lower cost of capital, better financial performance and potentially higher capital efficiency.

It is a mixed, international Mutual Fund covering a wide range of investments. It invests mainly in equities and corporate bonds focused in sustainable development, and that meet three basic criteria regarding environment, society, and governance. It targets investors who wish to combine financial objectives of their investments with their social values and environmental concerns, while at the same time its offers a combination of income and incremental gain, maintaining a diversified global portfolio to minimise risk.

At Piraeus Bank's Private Banking, responsible investments are a strategic choice. The goal is to deliver a superior banking experience that constantly adds value to the Bank, customers and society. Private Banking, in collaboration with Piraeus Asset Management MFMC and Lombard Odier, aims to create new innovative ESG (Environmental, Social, Governance) products and services that will enhance the contribution of the Group and customers in sustainable development.

Small Business Banking Segment

Small Businesses and Professionals (SB) are an important part of the Greek economy with high growth prospects and dynamics. The SB Segment serves customers with turnover of up to €2.5 mn and business loans of up to €1 mn, and constitutes the business Unit that has the strategic responsibility of managing this customer segment. The strategic goals for 2019 focused on the significant increase of business loans, the profitable deepening of customer relationships and the strengthening of infrastructure and support actions. In this context, the SB Segment has shown remarkable results, in terms of both commercial and financial results, as well as the level of projects and actions.

Business Loans

2019 was a landmark year for business financing; for the first time in years credit expansion was recorded, the loan portfolio increased by €40 mn and financing was provided to more than 4,500 customers, most of them for the first time. The Bank's leading role in the absorption and allocation of funds from the Hellenic Development Bank SA (ETEAN) continued, through the initiatives "Entrepreneurship Fund (TEPIX) – Business Restart Initiative – Intermediate" and "TEPIX II - Business Financing". An important milestone is the technical implementation and the activation of the possibility of assessing a customer request and disbursing the loan on the same day, which marks a new era and is one of the key drivers for achieving the target for increased business financing by effectively managing costs, and ensuring at the same time superior customer experience. Furthermore, the target set for the average loan interest rate was achieved, the new loan production mix improved in favour of interest-bearing loans, as did the average open balances.

Day-to-day Banking and Integrated Solutions

01. There was significant increase in deposits with a reduction in costs compared to 2018, mainly due to deepening customer relationships and implementing targeted promotions.
02. Acquiring turnover increased by +19%, resulting in a significant increase in the corresponding commission income. In addition, in order to enhance profitability, actions were implemented to maximise the value of existing acquiring relationships.
03. New Business Debit and Business Credit cards were designed and offered to business customers, ideal for daily and emergency business needs, and for separating personal and professional expenses.
04. Discount insurance packages were created, customised for SB Segment customers, along with a guide for informing customers.
05. The successful distribution of 360° Comprehensive packages "Piraeus Tourism 360°" (for companies in the tourism sector) and "Piraeus Business 360°" (for customers who wish to include their investment plans into NSRF 2014-2020 operational programs; the Bank offers support from submitting an investment proposal

up until completion of the project).

06. The new "Piraeus Pharmacy 360°" comprehensive package for pharmacists was created and made available at a smart price. The package offers modern products and services to cover all the needs for setting up and running a pharmacy.
07. More than 100,000 products were made available to customers, improving the Segment cross-selling index.
08. Commission income increased by 15.5% mainly on the back of acquiring fee income, and business financing but also due to increased daily transactions (remittances, payments, foreign exchange).

2019 INITIATIVES

01. The value proposition for Small Businesses and Professionals was formed, which is characterised by pluralism, as it includes a variety of products and services specially designed to cover the full range of customer needs. Small Business Banking Segment priority customers are offered a special Service Model through Relationship Managers, "Business Banking Plus", a name used in all relevant communication and selected branches of the Bank's Network, with specially designed meeting rooms.
02. Targeted marketing campaigns for products and services available to Small Businesses were implemented through different channels. In addition, actions were taken to maintain the quality of the business loan portfolio and reduce arrears.
03. Relationship Managers continued to receive training throughout the year. At the same time, the Small Business Sales Management team continued to support branches and customers through structured communication and regular visits.
04. Relationship Managers were given a new tool for monitoring customer financial behaviour, to prepare targeted approaches, using reliable financial data and transactional behaviour. In addition, the upgraded version of the business portfolio tool includes financial and transactional activity.
05. Small Business Lending, which analyses and evaluates business loans, assisted by the gradual implementation of end-to-end loan origination automation, approved 13% more loan applications and 31% more credit limits compared to 2018. There was a 30% drop in the average time to cash, resulting in cost-savings and improved customer experience.

For 2020, Small Business Banking Segment has ambitious but attainable quantitative and qualitative targets, while it has drawn up and is implementing a clear action plan, fully aligned with the Bank's strategy. Strategic priorities include increasing the offering to the customer base, and strengthening the infrastructure to improve efficiency and to maximise profitability.

This strategy aims to make Piraeus Bank the best financial services provider to Small Businesses and Professionals in the country and to maximise the value of this customer segment for the Bank.

Retail Planning/Operational Risk & Control Centre

With its wide range of activities, the Retail Planning / Operational Risk & Control Centre Unit contributed to forming a common framework for the design, synthesis and systematic monitoring of the strategy for Retail Banking & Distribution Networks, while ensuring the efficiency and effectiveness of operations, through the development and continuous improvement of the Internal Control System (ICS).

More specifically, to effectively monitor risks and controls, the Retail Planning/Operational Risk & Control Centre Unit set up an internal structure in every Unit, responsible for preventing, supervising and managing operational risks.

In addition, it actively participated in the development, coordination, support and regular monitoring of the overall business and marketing plan for Retail Banking, contributing substantially to the Bank's strategic plan.

Performance Monitoring

Performance Monitoring 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.

During 2019, 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, Performance Monitoring also carried out initiatives and actions for upgrading Branch Network operations, in cooperation with the relevant Bank Units and monitored their effectiveness.

In addition, Performance Monitoring participated actively in:

01. The Branch Network rationalisation project. Performance Monitoring carried out the relevant surveys and formulated recommendations from the Branch Network to the Executive Committee.
02. The study and implementation of the second phase of the business project "Epichirimatiki Arktos", strengthening the commercial approach to SB customers by providing real-time comprehensive information about the customer's activity.
03. The design of new efficiency monitoring mechanisms for Private Banking.

Retail Deposits and Investment Products

The Bank's strategic priorities for 2019 focused on retaining its leading position in deposits,while reducing deposit costs, and introducing investment products in the Assets under Management (AuM) of Retail customers. These goals were achieved through targeted actions and continuous communication with the Network. As a result, there was a significant improvement in the Bank's market shares.

In 2019 Retail deposits increased by €1.7 bn on an annual basis to €39.3 bn. With this increase the Bank managed to maintain its market share in households at levels of above 30% and to increase its business share to 20.2%. At the same time, total annual cost for Retail deposits decreased by 4 basis points (bps), as a result of the strong decline in the monthly cost of new time deposits by 21 bps, despite intense competition.

At the same time, in 2019 the net sales of Mutual Funds to Retail customers amounted to €300 mn, increasing the total AuM by 75% and participating by 52% in the corresponding increase in the market.

Targeted actions focused on three pillars:

01. Recovery of past outflows and attraction of new capital.
02. Promotion of savings.
03. Active promotion of Piraeus OPTIMUM investment portfolios.

The Bank focused on exploiting the existing simple and clear product range, placing emphasis on the products introduced at the end of 2018. This range allows the Network and customers to easily recognise the deposit and savings products that best suit their needs.

At the same time, on the occasion of the declining trend in deposits' interest rates, the Bank highlighted the need for diversifying into alternative investment options. The key vehicle was the portfolio management service and the OPTIMUM investment portfolios, which are a comprehensive investment proposal suitable for every investment profile.

For 2020, the Bank aims to reduce its deposit costs further, while retaining its leading position in the market, and increasing investment product sales.

Loans for Small Businesses and Individuals

Piraeus Bank, implementing its business strategy, focused on the finance needs of individuals and small businesses, always aligned with responsible lending. With the application of cutting-edge technologies, the utilisation of a series of financial instruments and products, it has boosted the confidence of potential borrowers, contributing significantly to the restart of the Greek economy.

Retail Loans (Mortgage and Consumer Credit)

In 2019, Retail Loans designed and implemented initiatives based on Piraeus Bank's corporate values "We create value in all we do" and "We enthuse our customers". For another year, there was a significant increase in new retail loans, 58% year-on-year and 42% year-on-year for consumer loans and mortgages loans respectively.

In order to support responsible lending, which is a strategic priority, the Bank uses Next Best Action models to gather information about individual customers and their ability to make loan repayments and buy new products, and then uses that information to design a range of commercial activities.

Taking into account the market demand for speed, flexibility and innovation, the consumer loan approval process at the Branch Network has been transformed; new innovative functions and automations were introduced, improving further customer service. Today, more than one in three consumer loans in the banking market are originated by Piraeus Bank.

At the same time, special emphasis was placed on upgrading and simplifying the loan approval processes, achieving a 60% automated loan-approval rate. In addition, throughout the application process, more than 50% of applicants used electronic signa-

tures in contract documents. These implementations significantly improve the time required to complete the financing, while at the same time contribute to reducing the Bank's environmental footprint by minimising document printing.

An important pillar for achieving the strengthening of consumer loans in 2019, was loan development through partnerships of strategic importance with merchants. This way, it offers targeted products that enhance the benefits for the partnering merchants, for the customers (they benefit from in-store purchase finance), and for the Bank.

Experienced Bank executives provide superior service to the partnering merchants and the final customers.

Piraeus Bank actively participated in the "Energy Saving at Home II" funding program, contributing for another year to the energy-efficiency upgrade of the beneficiaries' homes. More specifically, in 2019, 13,900 loan applications were handled by the Bank, mainly because of the program successful advertising, as well as the effective management of available resources for the rapid applications' processing. For the second consecutive year, the Bank captured a leading market share of 45% in funding applications, and improved the energy benefits of approximately 5,000 households for the respective year.

Regarding the real estate market, in 2019, the Bank financed approximately one out of three new mortgage loans in the market, supporting the economy and the Greek households by offering advanced products. In this context, Piraeus Bank entered into a new era in the pricing of variable rate mortgages. Each customer enjoys a personalised interest rate, which takes into account factors such as credit history, collateral provided, requested loan amount and loan term. In this way, each customer receives the best possible interest rate, using the most advanced and efficient pricing process, while at the same time customers can reduce the loan term or loan amount and benefit from an even lower interest rate.

Additionally, Piraeus Bank has adopted a modern program for rewarding performing mortgage borrowers, especially during the financial crisis. This program aims to strengthen the culture of payment consistency through a modern and socially fair framework. Through this program, more than 30,000 loans will be rewarded for their prompt payments in 2019.

Piraeus Bank intends to enhance new retail financing and designs innovative products that cover the needs of its customers, focusing on digital transformation, process simplification and customer service improvement. In an effort to expand its loans through partnering merchants, the Bank is partnering with Real Estate professionals (constructors, agents, etc.) to promote mortgage loans. The goal for next year is to extend the application of personalised pricing to consumer loans.

In Greece, loan balances at the end of 2019 amounted to €3.3 mn for consumer loans (excluding credit cards) and €13.9 mn for mortgage loans, with the Bank's market shares at the end of December 2019 standing at 23% and 26% respectively.

Loans to Small Businesses & Professionals

The main strategic priorities of 2019 for financing Small Businesses and Professionals with a turnover of up to €2.5 mn focused on two key pillars:

01. redefining lending policy and processes; and
02. consolidating the position of the product in the market through a holistic approach.

Targeting increased market penetration, new Small Business loan disbursements increased by 37% compared to 2018.

Taking into account the market demand for speed and innovation, the approval process has been completely restructured, achieving a high level of customer satisfaction. The results of the first MVP (Minimum Viable Product) implemented using Agile methodology already covers 50% of the new loan production. The system upgrades significantly improved the time required to complete the financing by 50% while at the same time contributed to the reduction of the environmental footprint.

Recognising that tourism serves as lever of the Greek economic development, Piraeus Bank continued offering targeted support to more than 10,000 companies operating in tourism through the specialised package of products and services "Piraeus Tourism 360°".

The Bank's cooperation with Greek and European development agencies was enhanced through its new agreement with the Hellenic Development Bank (ETEAN) and its participation in the "TEPIX II - Business Financing" program providing co-financing for investment loans and working capital.

Piraeus Bank intends to further increase financing to Small Businesses and Professionals through innovative products covering their needs, focusing mainly on:

01. microfinance, grants, and loan guarantees for start-ups and entrepreneurs from disadvantaged and under-represented groups, through the strategic partnership with the European Investment Fund (EIF) and the Easi tool for micro-loans up to €25,000;
02. digital transformation and process simplification by extending agile software to cover 80% of new production;
03. application of the Risk Based Pricing model for personalised pricing, taking into account the risk undertaken and the customer profile; and
04. advanced business approach model for responsible financing and funding of commercial activities.

Card Issuing

In 2019, momentum continued in the Greek card market, albeit at a slower pace than the high rates recorded over the period 2016-2018. The number of cards in circulation exceeded 18 mn, posting a 4% annual increase, on the back of increased debit and prepaid cards, since credit cards in circulation dropped -1%. The number of card transactions increased by 25% to almost 1 bn, while the value of purchase transactions reached €30 bn, posting 13% annual growth rate. The use of plastic money for small transactions increased, as the average value of transaction per card decreased significantly, with debit cards being the main substitute for cash.

An important development in 2019 was the implementation of the EU Revised Payment Services Directive (PSD2, Directive (EU) 2015/2366), which was transposed to Greek legislation by Law 4537/2018, regulating, inter alia, payment services throughout the European Economic Area (EEA), making them safer and more secure. Now, online shopping (e-commerce) using debit, credit or prepaid cards requires strong customer authentication at the time of purchase, while it is no longer possible to make numerous contactless purchases without the use of the PIN code.

Piraeus Bank posted a remarkable performance in 2019, as it was a record year in the Greek market, with market transactions reaching €1.1 bn in just one month. Throughout the year, the value of card transactions reached €9.6 bn, exhibiting a 13% annual increase, in line with the market. As a result, Piraeus Bank managed to maintain its market share for another year, retaining its position as market leader in the Greek card market since 2017.

Cards in circulation reached 5.3 mn (+2%), with credit cards posting a significant annual increase of +5.5%, unlike the rest of the market. At the same time, commission income from cards increased by €5.6 mn (+15%), while card operating costs decreased by €3 mn, as a result of trade agreements with suppliers and strategic partners.

At the same time, a new web platform Cards Total View was completed and introduced, a very important and innovative project. Cards Total View is an internal tool for the systemic and holistic monitoring of 1000+ performance indicators of the Cards Business portfolio and aims to provide regular information for timely and effective business decision-making.

With regards to developing and promoting new products/services, important actions were carried out regarding the new Piraeus Bank Masterpass service for online purchases and card payments. The new OFI F.C. VISA credit card was launched to strengthen the local market. In addition, the Bank launched the first vertical plastic in the Greek market this year, marking another innovation, on the occasion of the issuance of two new corporate cards: the new Business Debit card for Individual Businesses & Freelancers that combines instant issuance and reward program and the new Business Credit card, with recycling credit.

Finally, more than 160 marketing campaigns were launched and a number of projects were implemented related to compliance with the new institutional framework (PSD2, Regulation (EU) 2019/518 on certain charges on cross-border payments in the EU and currency conversion charges), and to the Bank's obligations to the International Payment Organizations (VISA, Mastercard).

Merchant Acquiring

In 2019, 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, resources and know-how to serve the payment network. Following the recent domestic shift from cash to plastic, Piraeus Bank is still the first choice for merchant acquiring. Combining market knowledge, many years of experience and know-how, the Bank offers a full range of services covering the needs of a modern

business and its portfolio includes major enterprises that use e-payments for their main activity.

Card transactions increased compared to the previous year (3% in terms of turnover value, 23% in terms of transactions volume and 53% in terms of net result), with the Bank maintaining its high market share in the Greek market, serving professionals and businesses. At the end of the year, the Bank had large network-wide coverage, with more than 230,000 EFT/POS terminals installed in more than 201,000 points of sale. Thus, Piraeus Bank supports card transactions for all types and sizes of businesses in the Greek economy (physical or online stores) operating in Greece and/or abroad.

E-commerce is a fast growing segment, with the Bank retaining its leading position in the Greek market for over a decade and entering significant new profitable partnerships (transactions through the ePOS Paycentre increased by 47% year-on-year).

One of the Bank's strategic priorities is to create 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 upgrading its environment, with a high level of service, new capabilities and customised solutions to support start-ups and boost business and economic development.

e-Payments

In 2019 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, with more than 230 organizations in the DIAS Interbank Electronic Payment System. Piraeus Bank assisted businesses in modernising their payment collection processes and laying the foundation for multifaceted banking co-operation throughout their trading cycle. The total revenue from credit transfers increased by 4%, with the number of credit transfers increasing 9% year-on-year.

The Easypay POINT service, offering a bill payment facility at the premises of third parties partnering with Piraeus Bank, grew significantly in 2019, through new points of presence. The Bank is capitalising on the significant partnerships it entered into with payment institutions and retail chains over the last 2 years. Transactions increased significantly compared to 2018 (208% in terms of turnover value and 200% in terms of payments volume).

Bancassurance Products

Insurance Brokerage - Bancassurance

Piraeus Bank's Bancassurance aims to sell bancassurance products through the branch network and the digital channels (contact centre, winbank e-banking platform). In 2019, the Group's total portfolio under management amounted to €276 mn (gross premiums), contributing significantly to the Group's fee income. Piraeus Bank maintained its market-leading position in the Greek bancassurance market, with a 31% market share, despite the sale of an insurance business portfolio regarding clients with an annual turnover of more than €5 mn.

With its specialised know-how, innovative products and optimal customer service quality, Bancassurance continues to maximise value for both the Bank and its customers, capitalising on strategic partnerships with NN Hellas and ERGO insurance companies.

In 2019, Bancassurance's primary goal was to further utilise its customer base, having created one of the largest insurance portfolios with more than 700 thousand customers.

Cross-selling increased, especially for property-related products, as a result of the dynamics of the Branch Network and the Group's executives in insurance products, along with the introduction of appropriate tools and products.

Qualified and certified executives (one of the largest certified Networks) are available at every Branch, to help customers understand and select insurance plans that cover their needs and expectations. The Bank placed special emphasis on specific products and combinations thereof, to cater to customer needs with transparency, offering distinct solutions per segment (Base Mass, Upper Mass, Affluent, Small Business, Agri).

In 2019 general insurance products were made avail-

able online through winbank customers having online access to the insurance plans by ERGO Insurance, Secure Wallet for the protection of his/her personal belongings and My Home Content for the protection of the content of his/her residence. Insurance products can purchase quickly and simply, in the secure environment of winbank, with no branch visit required.

Covering both Life and General Insurance, in 2019 Bancassurance focused on improving existing products and on approaching customers in ways that are more efficient for both customers and the Bank, implementing GDPR and IDD (Insurance Distribution Directive) in partnership with insurance companies.

The Bank acknowledges the importance of Bancassurance in covering the customers' overall financial needs and in generating significant fee revenue, and is constantly evolving its set of products and procedures to continue playing a leading role in this market.

GROUP DIGITAL BUSINESS

Digital Banking - Using New Technologies to Upgrade 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 is the best online banking 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:

01. Transfer funds:
    - between accounts and to third party accounts within Piraeus Bank;
    - to other banks in Greece and abroad (remittances).
02. Pay bills. Winbank e-banking offers more than 954 payments including local payments, thus serving customers all over Greece.
03. Subscribe to the winbank Alerts applications, for immediate notification by e-mail or sms for all their transactions.
04. Issue a virtual prepaid winbank webuy card for online transactions, loaded with the exact transaction amount.
05. Invest in a time deposit, by creating a customised "Do It Yourself Time Deposit", with the yellow reward scheme, without having to visit a branch.
06. Use IRIS 24/7 Payment to transfer money easily and instantly to a third party, knowing only their tax identification number or their mobile telephone number.

In addition to the above, winbank services for business offer specialised services that facilitate their daily business, such as:

01. create and administer payroll through Payall application;
02. request cancellation or modification of outgoing remittance;
03. outgoing remittance file upload;
04. incoming remittance display and application for return;
05. monitoring business debit cards transactions;
06. display loan transactions and information for non-overdue promissory letter;
07. display bills of exchange;
08. display card transactions by POS; and
09. POS transactions report by e-mail.

In addition, responding to customer concerns and requests on issues of complexity, ease of use and security, Digital Banking designed a new winbank mobile application, quick and easy-to-use for even less experienced users of digital services. The consistent growth in active users, especially mobile app users, confirms this strategy and is a guide for continuously offering day-to-day solutions to customers wherever they are, in a simple and clear way.

In 2019, the transaction migration index to digital channels increased to 86%, compared to 84% for 2018 and 77% for 2017. The digital transaction migration index is the number of transactions through the Bank's digital channels as a percent of total transactions. Progress of the digital transaction migration is monitored using metrics, 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 conducted both through digital service channels and at the branch.

Piraeus Bank Group is committed to stepping up its efforts to further increase the use of the winbank e-banking and winbank mobile app during 2020, by including new and innovative services.

Piraeus Bank, committed to continuously improving its customer services, renewed its ISO 9001: 2015 certification for winbank.

winbank Web Banking

In 2019 the number of active winbank users, who used winbank e-banking or winbank mobile banking, increased by 13%, with an average of one log-in every two days for winbank web-banking and one log-in every 1.3 days for winbank mobile application.

In particular, Piraeus Bank customers without a winbank account can register through a fast, and simple step-by-step registration process that is offered free of charge, with no need for the customer to visit a branch.

In 2019, Digital Banking added new features to winbank web banking, including:

01. Personal Finance Management tools, allowing customers to:
    - know their transactions, as they can see collectively all their transactions from cards and accounts, set into categories and subcategories;
    - monitor their expenses, by setting spending goals by category and by controlling their spending levels, based on the budget they have set; and
    - accomplish their goals, as they can set savings goals for an important or an everyday need, and by saving on a regular basis they can monitor the progress of their goals.
02. Buy secure wallet insurance products (personal objects insurance program) and My Home Content (insurance program for home content) through winbank web-banking.
03. Masterpass verification.
04. Know Your Customer (KYC), with no branch visit required.
05. Support the new EU Revised Payment Services Directive (PSD2).
06. Investment portfolio - participation and liquidation.

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:

01. An easy-to-use, user-friendly User Interface, where even the less experienced technology users can complete their transactions.
02. Quick login to access the application (4-digit PIN or fingerprint for compatible devices).
03. Ability to customise products and accounts display in the application.

In 2019, following its strategic plan, Digital Banking added new features to the winbank mobile application, including:

01. personal Finance Management (PFM) tools;
02. support the new EU Revised Payment Services Directive (PSD2);
03. insurance coupons;
04. issuance of e-administrative fee;
05. QR Code Payments; and
06. Masterpass verification.

The use of winbank mobile application by winbank users increased by 26%, with a 48% increase in the volume of money transactions. For 2019, the total number of digital transactions exceeded 179 mn, resulting in more than 800 tons of paper being saved.

In 2019 the new winbank business application was introduced, offering corporate customers the opportunity to have access to all the companies they are single sign-onto have a full view of their products, to identify winbank web-banking transactions and to approve winbank web-banking transactions by other users, in accordance with their company's approval scheme.

ATM

Piraeus Bank's ATM network covers the entire country and securely serves its customers 24/7. At the end of 2019, the ATM network had 1,911 ATM machines, scattered across the country, covering urban centres, provincial towns and even remote locations in Greece. Through its extensive ATM network, Piraeus Bank demonstrates in practice its support to all socio-economic classes.

In 2019, new features and functions were added to the ATM network, offering:

01. loading a prepaid card; and
02. cash transfer to a third party account at Piraeus Bank.

easypay kiosks

In order to provide faster and easier customer

service for daily transactions (deposits, bill payments, loan instalments, loading prepaid cards), 578 easypay kiosks have been installed in branches and partnering businesses.

e-branch

Taking into account the success of the e-branch model, the Bank continued setting up e-branches, during 2019, in four new locations (City Link, Chania, Ioannina, Larissa), offering more customers superior banking experience, with innovative solutions that make their daily life easier. Additionally, training continued for customers not familiar with technology in the use of ATMs.

In 2019, e-branches contributed to the decongestion 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) indicators, as derived from the Satisfaction Pad entries, show superior quality of service and customer experience, 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 e-questionnaire on the Satisfaction Pad is modified so that customers may record their improvement suggestions.

The contribution of e-branches to the Bank's profitability and efficiency is remarkable, as they managed to reduce operating costs by migrating transactions to digital channels, to increase the number of transactions with a corresponding increase in commission income, as well as to attract deposits back.

The Bank's contribution to society through e-branches is also important. The extended opening hours (even on Saturdays) make it possible for employees and companies to carry out transactions, which until recently they could not. The experienced service staff are available to help customers, including the elderly and non-tech savvy people, with their transactions, to inform them about the services provided, and to train them on the use of the Bank's machines and digital services. Thus, another innovation is introduced into the banking service, with the employee not sitting across from the customer, but rather standing upright next to him/her, giving a sense of equality, trust, security and confidence.

Piraeus Bank, aiming to empower the new generation, carried out educational activities in e-branches for schools and colleges, during which students were guided through the e-branches, and were informed about the role and responsibilities of the Bank employee.

The most significant contribution of e-branches is the fact that they cover specialised banking needs of vulnerable social groups that require special assistance, such as people with disabilities. Piraeus Bank is particularly sensitive towards people with vision, hearing and mobility impairment and has taken the initiative to facilitate their banking transactions through technological innovations. 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

01. Customer guidance by a facilitator throughout their stay in the e-branch.
02. Transactions can be carried out through the "Remote Cashier", using Braille, with no requirement for witness presence and signature.
03. Voice support for winbank e-banking navigation and training.
04. Online Registration for winbank e-banking, without having to visit a branch or physically sign a contract.

People with hearing disabilities

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

01. Easy ramp access and ease to move around inside the e-branch.
02. Customer guidance by a facilitator throughout their stay in the e-branch.

03. Easy wheelchair access to the "Remote Cashier" service.

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 apply for 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 and the ability to apply for a credit card. In this way, Piraeus Bank protects their right to privacy, one of their main issues of concern.

Statistics are gathered from e-branch employees, on a daily basis, on the number of disabled people visiting each e-branch and the number of transactions they carry out.

Due to their wide acceptance by customers of all categories and ages, e-branches are an integral part of the Bank's Branch Network and have become a reference point in international articles, as one of the most successful case studies in the European Banking market.

Customer Value Management

Aiming to deliver superior customer experience, in 2019 Retail Banking used specialised analytical tools to match the needs and preferences of each customer with the products/services offered by the Bank and serve its strategy. As a result of this infrastructure, personalised product/service proposals were selected for each customer and a below-the-line communication plan was formed. The proposals were communicated to the customers through the Bank's internal channels.

At the same time, the following actions further strengthened the effectiveness of Retail Banking's below-the-line communication with its customer base:

01. Selected channels were used at the time that customers chose to carry out their banking transactions, aimed at obtaining GDPR consent for sending marketing messages.
02. Extended use of digital channels; e-mails and targeted communication to active winbank users were up 2 and 3 times respectively, compared to 2018.
03. The content of digital communication to customers via winbank was upgraded, with the ability to collect and analyse feedback on all targeted messages.
04. Follow-up communication mechanism was installed to complete the sales effort, with the co-operation of the digital channels, the Call Centre and the Branch Network.
05. Implementation of on-line and e-mail surveys to improve customer experience.
06. The content for customer suggestions was enhanced to cover a number of innovative and dynamic activities within the Group, such as Project Future for young people, "Check In Class" for university students, Yellow Loyalty Program, as well as financial advice for customers facing difficulties in repaying their loans.

As a result of the above, in 2019 targeted messages were communicated to approximately 3.7 mn Bank customers (50% increase in the number of messages compared to 2018), achieving a positive response from the customer base. As a direct result of the targeted marketing approach, 1 in 5 customers extended their relationship with the bank by migrating to other products.

Finally, Retail Banking used analytics to support its strategic decision-making on a wide range of activities, such as the design of new products and services, the pricing of transactions and services, as well as the formulation of the best service model for selected customer segments.

CORPORATE BANKING

Large Corporates

The corporate loan portfolio in Greece, for companies with turnover exceeding €50 mn, stood at €8.8 bn at 31/12/2019, through direct and indirect financing to businesses and sustainable investment plans, with emphasis on the tourism sector, wholesale and retail trade, and industry.

New loan disbursements amounted to €1.1 bn in 2019 from €0.8 bn the previous year, boosting the Bank's portfolio of performing loans. In 2019, net interest income increased, through the portfolio expansion and management strategy, with a focus on boosting profits.

During 2019, Large Corporates unit focused on strengthening existing customer relationships and expanding its customer base with new customers from all productive sectors of the economy, with emphasis on supporting sustainable development, innovation and entrepreneurship. In this context and in the midst of intense competition, Large Corporates unit attracted new customers and extended existing partnerships with a significant number of customers.

At the same time, Large Corporates collaborated with the Group's Leasing and Factoring subsidiaries, aiming to reduce the Bank's risks through invoice and cheque factoring and asset ownership. In addition, in 2019 Large Corporates unit also placed emphasis on the further utilisation-penetration of the customers' total portfolios, setting common goals with the Bank's business units, aiming to strengthen cross-selling and increase revenue from parallel operations mainly on trade finance, cash management and BIO (Bank in Office).

Structured Finance

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

01. offering specialised banking services;
02. organization and participation in Structured Finance transactions in the following fields: Transportation, Infrastructure, and Energy;
03. providing consultancy services on large infrastructure projects, in Public Private Partnerships (PPPs);
04. participating in EU co-funded development projects;
05. structuring and arranging Leveraged Buy Outs (LBOs) for acquisitions and mergers.

The GSF unit 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 2019 GSF portfolio amounted to €1.7 bn.

In 2019, the GSF unit's 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):
    - Piraeus Bank maintains its leading role in financing RES projects, expanding its portfolio with a total capacity of approximately 1.4GW;
    - financing new RES projects (mainly wind farms and photovoltaic parks, and secondary hydroelectric parks and biogas plants), and making use of the prospects based on the National Plan for Energy and Climate 2020;
    - supporting entities participating in the first tenders for energy sales contracts with letters of guarantee and financing programs;
    - financing for the acquisition of RES projects, to domestic and international investors taking advantage of the growing investment interest; and
    - further expansion of the portfolio into green business investment financing.
02. Infrastructure and transport sector:
    - financing projects contributing to the development of Greek economy, creating prospects for the future, and
    - financing new investments by domestic and foreign investors in support of the country's privatisation program. Indicatively, Piraeus Bank successfully organised financing of €660 mn for the extension of the concession agreement of Athens International Airport Eleftherios Venizelos, and
03. Utilisation of alternative co-financing tools available through EU mechanisms and programs:
    - Piraeus Bank signed an agreement with the European Investment Bank to support the infrastructure investment program (Infrastructure Fund of Funds), with funding for new projects expected in 2020; and
    - completion of construction of new projects implemented through the JESSICA program and the Urban Development Funds managed by Piraeus Bank.
04. Capitalising on the Bank's leading role in attracting other business from all the financed projects.

The key factors in shaping the GSF unit's strategy include supporting sectors that play an important role in the country's development policy, and creating added value for the Bank and its customers, through the effective management of the portfolio and its further development on a customised basis per transaction. At the same time, the GSF unit seeks to capitalise on synergies and creates business with other Bank units, as part of the Bank's holistic approach to customer needs.

Real Estate Finance

In 2019, the Bank strengthened its presence in the Real Estate Finance, offering its customers Commercial Real Estate Investment and Development services.

Capitalising on its know-how, its customer network, its partner network, and its in-depth 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 the market.

Emphasis was placed on strengthening professional ties with existing customers and on 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 this context, in 2019 the Bank actively participated in organising financing for the largest real estate development project in the country, the project for the development of the former Hellinikon Airport by Lamda Development and its subsidiaries. Piraeus Bank undertook and/or is going to jointly take on roles with another systemic Greek bank, including that of Mandated Lead Arranger, underwriter and original lender-bondholder for the entire funding of the relevant investments in the Hellinikon project during the first five years. By participating in this scheme, the Bank proves in practice its commitment to financing important Greek infrastructure projects.

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 financing in the field.

Given the expected growth in Commercial Real Estate Investment and Development projects, the Bank continues to pursue the selective expansion of its real estate finance portfolio and to support a key sector of the economy.

Shipping Finance

The Bank has been providing a wide and comprehensive range of financial services to Greek shipping companies for many years. The balance of funding in this category stood at €1.4 bn at 31/12/2019.

Shipping Finance provides financing for the purchase of vessels in the shipping market (dry bulk, tankers and containers), and covers 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 unit develops additional services and promotes the Bank's entire product portfolio.

Aiming to enhance its financial solutions in Greek shipping, the Bank entered into negotiations with ORIX Corporation in 2019 to sign an exclusive strategic collaboration agreement, which was finalised in early 2020. The strategic partnership combines Piraeus Bank's long-lasting relationships and in-depth knowledge of the Greek shipping sector with the capabilities derived from the size of ORIX Corporation, to provide customers with a wide range of financial instruments and adequate funding where necessary.

As for dry bulk ships, in contrast to the anaemic start of 2019 due mainly to seasonal slowdown in imports of raw materials from China, but also to infrastructure accidents in other exporting countries, the positive developments in the supply-demand balance led to a relative increase in ship revenue and their values during the rest of the year.

Regarding tankers, the supply-demand imbalance observed in the first half of 2019, and the small increase in the demand for transport activity, did not offset the deliveries of newly built ships, and kept shipping fares and values relatively low. The industry profile changed dramatically in the second half of 2019, as specific factors, such as the withdrawal of ships from scrubbers and the imposition of sanctions for violating trade restrictions with Iran, reduced the availability of ships for transport, driving up fares and values.

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 to existing and new customers. Shipping Finance key strategy includes pooling the portfolio of selected and acclaimed customers, actively proving their continuous support throughout the shipping market cycle.

Commercial Banking

In an increasingly competitive environment Piraeus

Bank continued providing banking products and services to support Small and Medium Enterprises (SMEs).

Currently, 12 specialised Business Centres (Attica, Northern & Southern Greece, and Central & Western Greece) offer their services across the country to SMEs with annual turnover between €2.5 mn and €50 mn, operating in all sectors of the economy.

Piraeus Bank has a well-established and significant presence in Commercial Banking, using a customer-centric approach in its growth model and implementing a sustainable profitable business model. Commercial Banking pays attention to the needs of the SMEs and proposes the appropriate tools for providing liquidity, facilitating transactions and financing investment plans.

Maintaining a leading position in the financing of SMEs and focusing on both cross-selling opportunities and on low or zero-risk fee-generating activities, Piraeus Bank is the main bank for a large number of SMEs, doing business with 90% of SMEs in Greece. It supports businesses operating in industries such as: primary sector, manufacturing, industry, craft industry, wholesale and retail trade, transport and logistics, energy, technology, housing and food services. Piraeus Bank made it easier for companies to modernise and upgrade their production facilities. The balance of SMEs financing in Greece stood at €5.7 bn, including €1.5 bn of the OPEKEPE seasonal loan, which was repaid in February 2020.

In this framework, Piraeus Bank, building on the trust of large international organizations such as EIB (European Investment Bank), the European Investment Fund (EIF) and the Hellenic Development Bank (HDB, formerly ETEAN) and extending its cooperation with them, draws funds to provide liquidity to the SME market through modern financing tools. The Commercial Banking unit used targeted funding to assist the Bank's customers in implementing net metering projects, environmental projects (biogas plants) and Renewable Energy projects (photovoltaics). More specifically, in 2019 new loan disbursements amounted to €1 bn.

Agricultural Banking

Piraeus Bank focuses on the sustainable development of the primary sector and continues looking for solutions to cover its customers' needs. It monitors changes in the external environment, market trends and customer requirements and has the experience and know-how to offer comprehensive innovative solutions. The Bank's key priorities are excellent customer service, full coverage of their needs with innovative and flexible financing tools, and the promotion of sustainable financing.

2019 INITIATIVES

01. A holistic approach to the agricultural sector.
    - The Bank seeks to contribute substantially to the support of the Greek agri-food sector through a holistic approach. Piraeus Bank has a deep understanding of the market and the needs, goals and vision of its customers and cooperates with them, providing them with modern tools, flexible financing, high level of service and the most innovative and effective solutions.
02. Strengthen healthy and sustainable entrepreneurship and respond to changes in market demands.
    - New approvals for farm-financing, to cover short-term and investment needs.
    - The "Farmer's Card" offers liquidity to thousands of farmers. Furthermore, the "Farmers' Micro-finance" loan enable farmers to swiftly cover any emergency costs, such as possible repairs of agricultural equipment, tire purchase, etc. In addition, the Working Capital for Farmers (WCF) provided funds to cover their annual needs, with the possibility of granting larger amounts adapted to their individualised production needs.
    - The Bank offers a comprehensive package of solutions for farmers whose investment projects are financed by the Rural Development Program. The package includes the possibility of an investment loan, a loan against a grant, and a letter of guarantee for pre-payment, ensuring total coverage of the needs for timely completion of the investment.
    - Piraeus Bank has extended its cooperation with companies in the field of agricultural machinery and equipment including new companies in the program, to cover the financial needs of the market and farmers who want to invest in equipment related to their agricultural holdings.
    - Piraeus Bank and ERGO Insurance Company offer a full range of specialised insurance plans to cover the risks in agricultural production, including crop insurance, livestock insurance and greenhouse insurance.
    - Through its subsidiary Piraeus Leasing, the Group offers leasing proposals with special features and preferential terms for natural

persons or legal entities active in the primary sector, including leasing of agricultural land, and leasing of agricultural equipment (commercial vehicles, trucks, tractors, mechanical equipment, production units, etc.).
- The Bank included new, innovative loan products into its portfolio of products and services for farmers.

03. Supporting the new generation in the agricultural sector.
    - Piraeus Bank understands that it takes time for young farmers to set up their own business, and that the nature of farming is cyclical, and this is reflected in the products it offers.
    - Piraeus Bank offers young farmers – under the age of 40 – a loan to purchase land with up to 100% subsidised interest rate. The goal is to acquire land and increase the size of the farms with the ultimate goal of increasing their efficiency.
    - Piraeus Bank covers farmers' needs to set up their business, with a specialised banking product "Young and New Farmers Loan", including investment capital (e.g. purchase of plant and/or livestock, construction of stables, purchase of equipment, etc.), whether they are included in financial support programs or not.
    - Piraeus Bank and the Centre for Sustainable Entrepreneurship Excelixi SA offered the innovative e-learning program "Business Planning for Agricultural Enterprises", to support young farmers in developing sustainable agricultural businesses. The program is available free of charge to selected young farmers across the country.
    - At the same time, the Bank participated as a Gold sponsor in the "Trophy - Food Challenge", organised in collaboration with the "New Agriculture for a New Generation" program. The "Trophy - Food Challenge" was designed to reward innovative business ideas and start-ups that use state-of-the-art technology to develop products, services and business solutions in the fields of agricultural technology and agrifood, and to create opportunities for new collaborations, networking and financial support.
04. Dissemination of knowledge and experience throughout the market.
    - Piraeus Bank continued to sponsor a wide range of events and publications, such as the magazine "EPI GIS". Readers can learn about the Bank's specialised products and initiatives for farmers, innovation in the primary sector and the latest developments in the agricultural economy.
    - Piraeus Bank and the Aristotle University of Thessaloniki organised a one-day conference on "Agri-Food-Challenges and Prospects" in order to spread knowledge and experience with the Bank's customers and the market.
    - Piraeus Bank was present at the most important events in the agricultural sector (Zootechnia, Agrothessaly, and Economist).
    - Piraeus Bank sponsored the publication of the book "Raising sheep and goats: What I need to know" of the ELGO-DIMITRA Veterinary Research Institute, which was offered free of charge.

2020 TARGETS

01. Comprehensive financing for investments in the agri-food sector with a view to addressing every need, with individualised products, in order to offer the most suitable combination of tools.
02. Monitoring the ongoing discussions on the Common Agricultural Policy for 2021-2027.
03. Financing RES projects, targeting higher energy efficiency and lower production costs in the agricultural sector. The aim is to create a set of tools for financing the installation of new photovoltaic stations, for the sale of electricity or for net metering, and for the upgrade of existing stations, fully covering the needs of its customers.
04. Promoting the adoption of digital services by farmers and agricultural cooperatives and supporting such reliable initiatives for the benefit of its customers.

Contract Farming

The Contract Farming and Livestock Program run by Piraeus Bank since 2013 is a contemporary initiative launched as part of the Bank's wider strategy to support the agri-food sector, a key pillar of the Greek economy.

This program makes use of the capabilities of all those involved in the primary sector and caters for their needs, contributing to the sector's modernisation and to improving its competitiveness. In this context, Contract Farming guarantees the liquidity for producing, processing and marketing agricultural products, improving efficiency and extroversion in the agricultural sector. Contract Farming has left its mark on agriculture, with mutual benefits for farmers/producers, processing/commercial enterprises and cooperatives, as confirmed by the growth in Contract Farming financing and the expanding range of products.

In addition, the Bank continued offering the Contract Banking Agricultural Inputs program, which supports the agricultural supply stores, providing liquidity to be used exclusively for paying their suppliers, negotiating for better terms. Thus, the Bank has a holistic approach to the value chain of the Greek agri-food sector and helps reduce the production costs of agricultural products.

In 2019 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. Under the Contract Banking for Hotels program, the Bank finances hotels to procure branded certified products from companies and cooperatives registered with the Contract Farming and Livestock Program.

Futhermore, the Bank continued the Contract Banking for Retailers program. In particular, the Bank financially supports retailers to negotiate better terms with the suppliers/companies participating in the Contract Farming and Livestock Program. Piraeus Bank coordinates the cooperation between retailers and suppliers in order to reduce production costs, ensure liquidity and solvency and improve the quality of trade.

Finally, in 2019 in order to enhance the extroversion of Greek companies and to stimulate their export activity, Piraeus Bank introduced the innovative "Export Contract Banking" program, which is an evolution of the original Contract Farming and Livestock program. The program addresses Companies and Agricultural Cooperatives, existing or potential beneficiaries of the Contract Farming program, which already export their products and wish to increase their exports, or which do not currently export but aim to enter new markets.

Piraeus Factoring SA offers participating companies a comprehensive bundle of services. In addition, the Centre of Sustainable Entrepreneurship Excelixi SA offers tailor-made export training and consulting services, taking into account the company's export maturity.

In 2020 Piraeus Bank aims to develop Contract Banking even further, to support the value of the agri-food sector through innovative comprehensive products and individualised tools for both farmers and businesses.

Support to Agricultural Organizations

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 to the agricultural sector in 2019.

Piraeus Bank's EU and Greek State aid-related payment services are certified in accordance with Standard ISO 9001:2015. The successful completion of the annual inspection carried out by the competent body in 2019 gives Piraeus Bank a competitive advantage and reinforces its commitment to provide a high level of services to the agricultural sector.

The Early Retirement Program for Farmers is also certified in accordance with Standard ISO 9001:2015. The Bank manages the Early Retirement Program for Farmers on behalf of the Ministry of Agricultural Development and Food.

In 2019, Piraeus Bank and the Greek Government renewed their contract for the payment of Community aid under Common Agricultural Policy (CAP) 2014-2020 (Pillar I and Pillar II); a Complementary Agreement was signed in October 2019 assigning services for the maintenance, cash management and financing of the Special Account of Agricultural Products Guarantee. The contract renewal secured financing of €2.5 bn for the financial year 2019-2020, in order to ensure the timely payment of the aid to beneficiaries. In the context of the agreement, in 2019 the Bank successfully carried out a significant number of payments to support the country's agricultural sector. Most of the payments were made to support primary and green business, for new farmers setting-up, for modernising and upgrading productive assets, for transition to organic farming, for agricultural-environmental aid, etc. Total payments of community and state aid to the agricultural sector amounted to €2.7 bn. Piraeus Bank is a pioneer in the agricultural sector, firmly standing by farmers and agricultural agencies. It closely follows developments on a local and international scale, and develops new products and services to fully cover growing agricultural needs.

Loan Syndications

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

Loan Syndications aims to create added value through

organising, structuring and monitoring syndicated loans and to act as Agent Bank.

Over the last four years, between 2016 and 2019, 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.

In 2019, through the Loan Syndications unit, Piraeus Bank participated in all of the transactions in the Greek syndicated loan market, acting as Coordinator or Mandated Lead Arranger (MLA) in 14 syndicated loans, with transaction volumes reaching €1.5 bn, contributing significantly to the Bank's income from commissions and from parallel operations.

Indicatively, in 2019 Piraeus Bank organised the joint venture transaction amounting to €159 mn for the acquisition of Pangaea REIC (now Prodea) by international investment funds, and coordinated the first Loan Syndication by TITAN SA in the Greek market, for an amount of €230 mn.

Transaction Banking

In the context of its business plan, Piraeus Bank focuses on all business opportunities, while providing high quality services to cater to the transactional needs of its corporate customers.

Transaction Banking aims to facilitate companies in their day-to-day business activity, in managing their daily transactional banking needs and in optimising their supply chain. In 2019 Transaction Banking continued to support corporate customers by offering high value-added services, including payments, collections, cash management, trade finance, and supply chain services.

In line with the Bank's strategy to support export-oriented Greek enterprises, emphasis was placed on exploiting the opportunities provided by the guarantee and financing programs of the European Investment Bank's (EIB) and the European Bank for Reconstruction and Development (EBRD). It is indicative that the use of the limits that have been secured in the framework of these programs reached 81% on 31/12/2019, while during the year the cumulative use of the limits exceeded 120%. At the same time, financing was also provided to companies in the importing sector, using tools such as import financing and early payment of Letter of Credit.

At the same time, targeted actions were planned to promote and increase the use of the Bank's digital channels. It is noteworthy that the value of transactions made through digital channels by Transaction Banking customers increased by 20% in 2019 compared to 2018, with 90% of credit transfers made through digital channels.

In 2019, deposit machine activations as part of Bank in Office service, an automated cash management solution, increased by 53%.Through its deposit machines, the Bank in Office managed €2.5 bn cash inflows, increasing cross-selling opportunities and improving interest income, due to the concentration of corporate customers' liquidity.

In 2020 Transaction Banking will continue targeting new customers, expanding its market share, and improving profitability. Based on the above objectives and following the directions of the Bank's digital transformation, Transaction Banking is already in the process of developing new and automating existing services related to the Bank's corporate customers' day-to-day business activity.

Development & Sustainable Banking

The Development & Sustainable Banking and Bank Relations unit (formerly Green Banking & Development Programs) promotes Sustainable Finance.

It designs products and services that finance and support innovative sustainable ideas, environmentally and socially beneficial initiatives, and vulnerable social groups.

Development & Sustainable Banking monitors national and EU directives on a voluntary and mandatory basis, integrates them into the Greek institutional framework, foresees and recognises investment opportunities, monitors evolving technology, trains executives and, respectively, Bank customers. In addition, the Development & Sustainable Banking unit performs a feasibility study for every financial proposal for Renewable Energy Sources (RES) projects and green entrepreneurship, and examines, inter alia, the choice of equipment, the projected cost, the estimated productivity and the experience of the installer, etc.

In addition, the Development & Sustainable Banking unit manages the Bank's relationship with international and national development agencies such as the Hellenic Development Bank SA (HDB, formerly ETEAN SA),

the Export Credit Insurance Organization (ECIO), the European Investment Bank (EIB), the European Investment Fund (EIF), the Greek Investment Fund (Institute for Growth – IfG), the European Bank for Reconstruction and Development (EBRD), etc.

Utilising these partnerships and the development of a Sustainable Finance strategy, the Development & Sustainable Banking unit has created a range of financing instruments, enabling Greek companies to access sustainable financing during a period of prolonged recession for the country. In this context:

01. Piraeus Bank offers financing tools to help companies achieve the UN SDGs and goals of the Paris Agreement on Climate Change, and to boost RES investment and energy efficiency.
02. Piraeus Bank offers funding on favourable pricing terms to support vulnerable social groups, enhancing growth and creating new jobs.
03. Piraeus Bank helps companies to adapt to the new sustainable development model, to build up their competitiveness in the international market, and to enter new innovative business sectors.
04. Piraeus Bank has created special products and services (e.g. guarantee and risk-sharing products) to facilitate business access to finance, supporting their efforts to remain viable in a volatile economic environment.
05. 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 (EIB)

Piraeus Bank and European Investment Bank have jointly created financing tools to provide liquidity funding 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.

EIB Loans for SMEs & Midcaps

Since 2016 Piraeus Bank has been providing SMEs and MidCaps with loans of up to €12.5 mn, on favourable terms. EIB finance amounts to €100 mn, with the limitation that only up to 30% will be dedicated to MidCaps.

EIB Loan for Youth Employment

On 28/06/2019, Piraeus Bank signed a new loan agreement with EIB for a total amount of €100 mn, through the "EIB Loan for Youth Employment" program. At least 70% of the total portfolio will be allocated to SMEs, and at least 30% of the portfolio will be provided to companies that support youth employment as part of the "Skills and Jobs – investing for youth" initiative.

EIB Agriculture & Bioeconomy

At the end of 2019 Piraeus Bank signed a new loan agreement amounting to €100 mn as part of the "EIB Agriculture & Bioeconomy" program. At least 70% of the total portfolio will be allocated SMEs, and at least 10% of the portfolio will be provided to Young Farmers sole proprietorships or Legal Entities controlled by Young Farmers. This new financing initiative will accelerate the use of new technologies, contribute to the improvement of agricultural products and will help the Greek primary and agri-food sector to better meet the needs of domestic and international markets.

PF4EE

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 €10 mn, while the size of the energy-efficiency loans to be provided to the final beneficiaries could range between €40 thousand and €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 thousand and €1.125 mn.

Infrastructure Funds of Funds (InfraFoF)

Piraeus Bank participates in the Infrastructure Funds of Funds (InfraFoF) set up by the Ministry of Economy and Development and the EIB to provide financing of €450 mn unlocking total investments of at least €650 mn for sustainable projects across priority sectors. The InfraFoF is expected to be launched in 2020 to invest in energy efficiency and renewable energy, and sustainable urban development projects.

Collaboration with European Investment Fund (EIF)

In 2019 Piraeus Bank extended its cooperation with the European Investment Fund (EIF). Operating as an intermediary, it increased the portfolio of existing financial instruments, and entered into new agreements, to provide even more companies with access to finance.

The EIF guarantee program aims to enhance access by companies to bank financing on favourable terms and reduced collateral, while strengthening the EU's objectives to support entrepreneurship, growth, employment, research and innovation.

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, Piraeus Bank signed two extensions of its initial agreement with European Investment Fund (EIF), and the portfolio totalled €900 mn.

Innovfin Guarantee Facility

The Bank provides the "InnovFin SME Guarantee Facility" guarantee tool for SMEs and MidCaps 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 granted, with a ten-year maximum guarantee period. Piraeus Bank can disburse up to €100 mn through the InnovFin Guarantee facility.

EU Program for Employment and Social Innovation/EaSI

On 19/07/2019, Piraeus Bank entered into a new loan agreement with the EIF, for a guaranteed portfolio of €50 mn, to finance very small businesses and entrepreneurs from disadvantaged and under-represented groups in all sectors of the economy, in the form of microcredit (loans up to €25 thousand).

The Program also includes the provision of targeted training, counselling, and guidance services (Mentoring programs) to beneficiaries, through the Centre of Sustainable Entrepreneurship Excelixi SA, Piraeus Bank Group.

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. Thus, through the initiative's financial instruments, companies are offered a) an attractive interest rate - lower than the market interest rate, and b) financing of new and/or existing business.

The initiative's budget 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 per the terms of 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 €250 mn for these transactions.

Export Credit Insurance Organization (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 the Hellenic Development Bank SA (HDB, formerly ETEAN SA)

Piraeus Bank in collaboration with the Hellenic Development Bank SA (HDB) has been participating since 2013 in the "TEPIX - Business Restart" Action. In early 2018, the Bank signed an Addendum for the continuation of "TEPIX-Business Restart (Intermediate)". The contracts for the loans in this action was completed in March 2019, and the new Action "Business Financing" of the Entrepreneurship Fund II (TEPIX II) was initiated immediately after. Through this Action, co-financed loans are provided to cover operating and/or investment costs on favourable terms, as the funds provided by HDB are interest-free.

The ratio of co-financing and credit risk-taking is 1:1.5 (HDB:Piraeus Bank). Piraeus Bank leads this action, having already granted €107.2 mn to approximately 800 companies.

Energy Saving at Home II (Exoikonomisi Kat' Oikon II - Phase A and B)

The "Energy Saving at Home II (Phase A)" funding program helped approximately 40 thousand beneficiaries in making energy-efficiency upgrade interventions to their homes. Capitalising on its know-how in green entrepreneurship, and its long-standing experience in the management of development programs, Piraeus Bank serves customers/beneficiaries swiftly and efficiently, providing high quality services and immediate response to their needs and boosting the energy benefits for approximately 18 thousand households.

Specifically, Piraeus Bank acquired a leading share of 45% in phase A of the "Energy Saving at Home II" funding program and given its know-how, experience and customer-centric perception, it also participated in phase B of the program.

On 16/09/2019, the "Energy Savings at Home II (Phase B)" funding program was activated. The program is co-financed by the European Union and by National Resources, in the context of the NSRF 2014-2020. Total Public Expenditure for Phase B amounts to €275 mn, with Piraeus Bank holding a market share of approximately 42% in loan applications and about 41% in capital applications.

Comprehensive Support Framework

The Comprehensive Support Framework is available for customers whose business plans are included in financial support programs (NSRF – 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. The Bank also mediates the correct payment of the receipts, ensuring 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, through the Development & Sustainable Banking unit has been supporting individuals and companies that opt for environment-friendly technologies, improve the energy efficiency of their homes and facilities, ensure the self-production of their energy needs, produce electricity from Renewable Energy Sources (RES) and generally invest in sustainable entrepreneurship. In order to fully support Greek companies and individuals, the Bank offers financing on favourable terms and advisory services to promote environmentally and socially responsible products and services, something that has been evaluated by both the Bank's management and the stakeholders as particularly important for the country's sustainable development (materiality questionnaire).

Piraeus Bank aims to help companies to adapt to the new sustainable development model, to build up their competitiveness in the international market, to reduce their operating costs, to improve energy efficiency, to enter into new innovative sectors and to smoothly adapt to the transition to a low-carbon economy. The Bank's purpose is to provide Greek companies and individuals with sufficient liquidity for implementing investment projects with a positive impact. Advisory services include, inter alia, proposals for modernising and adopting good practices. At the same time, retail customers are provided with green loans to cover the costs of purchasing high-energy home appliances, environmentally friendly equipment, installing photovoltaic systems in their homes (net metering) and to repair and protect homes, improving their energy efficiency.

Total funding to individuals and businesses for green products amounted to €1.4 bn (active loan balances

at the end of 2019). The majority 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. The funding for individuals stood at €86 mn while approximately €1.3 bn is allocated to business finance. Green financing accounts for 0.5% of the individuals' portfolio of the Piraeus Bank Group and the 4.2% of the business portfolio.

Project Sustainability Assessment and Environmental and Social Management System in Business Credit (ESMS)

Piraeus Bank understands that a strong social web and healthy environment are a must for sustainable economy. The holistic approach to finance is one of the key elements for the financial sector to adapt to the transition to a low-carbon economy and sustainable finance. Piraeus Bank, through Development & Sustainable Banking, promotes Sustainable Finance by applying two "Risk Assessments for Sustainable Finance" in business financing:

01. Sustainability Assessment; holistic assessment of the credit risks that may arise from a new investment and/or existing corporate activities and facilities – integrated evaluation of the environmental, social, and economic consequences (sustainable banking).
02. Financial and Technical Assessment of Green Projects in order to evaluate the new "green" investments, thoroughly scrutinising, inter alia, the applied technology and its cost, the choice of equipment, the estimated productivity of the project, the experience of the installer and the licensing maturity.

In more detail:

01. Project Sustainability Assessment is part of the Bank's Credit Policy, Risk Policy and the business credit appraisal process since 2018, with the implementation of the Environmental and Social Management System (ESMS). The aim is to assess business risk using environmental and social criteria, in addition to economic ones, in the Bank's business credit appraisal process.
    In particular, the Bank assesses all new credits to identify risks to the environment, health, safety and society in general, always in line with the national institutional framework and international standards. In combination with the experienced approval units for all categories of customers (retail, farmers, small, medium and large companies as well as Project Finance), the Bank carries out a holistic approach to companies and proposed business plans, ensuring recognition, evaluation and management of all relevant credit risks. With this holistic approach, both the customers and the Bank's shareholders are protected.
    With this approach to risk assessment and management, the Bank supports its customers in:
    - adapting their businesses to the new sustainable development model;
    - strengthening their competitiveness in the international market;
    - reducing operating costs;
    - entering new innovative sectors;
    - adapting to the new standards; and
    - utilising the benefits, opportunities and incentives provided by the institutional framework and the new sustainable business model.
02. Financial and Technical Assessment of green project sustainability (e.g. photovoltaic systems, wind farms, biogas projects, etc.) is part of the Bank's Credit Policy since 2013. The Team assesses new projects, scrutinising the proposed technology, the choice of equipment and estimated productivity of the project, the experience of the installer, etc. The licensing process is monitored throughout the investment, in accordance with national legislation and European standards.

Financial and Technical Assessment of project sustainability is also carried out throughout 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. The assessment aims to prevent any operational failures and risks, to the benefit and protection of both the customer/investor and the Bank.

In 2019 Piraeus Bank carried out a total of 2,120 evaluations (including new projects, renewals, insurance, etc.).

2020 TARGETS

As part of its commitment to respecting the principles of Responsible Banking for a sustainable future, in 2020 Piraeus Bank plans to set specific targets for the promotion of green products by customer category and for the even greater penetration of sustainability assessments into business financing.

Training and Communication

Piraeus Bank aims to inform and support the needs of Greek society and participates in market workshops and initiatives. Development & Sustainable Banking professionals supported large national meetings and smaller meetings in local communities, presenting tailor-made financial solutions and services, 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.

In addition, during the year, special emphasis was placed on the internal training of colleagues from the business units. In particular, Development & Sustainable Banking participated in 3 events for training new Small Business and Professional Partners (SBPPs). Training focused on subsidies, and products and services that promote sustainable entrepreneurship. In particular, the Bank's financing tools, the importance of specific actions in the context of the NSRF and the procedures that have been designed for companies participating in the development programs were presented. In addition, sustainable entrepreneurship concepts were analysed, and the Bank's specialised green products and services were presented, to be used when informing customers from the Network. Moreover, six training programs were created and implemented for business loan executives on "Sustainability Assessment of Energy and Environmental Works & ESMS", teaching concepts about technical assessments, the country's institutional framework for energy developments and Sustainable Finance on the international and European levels.

More than 200 executives from the branch network and other Business units 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 sustainable entrepreneurship. For this purpose, it has created two specialised sites focusing on financial support programs and sustainable entrepreneurship respectively.

www.360funding.gr

The 360° funding portal provides reliable information about the full range of financial support programs, such as NSRF, Greek Development Law, agricultural subsidies, and European programs. 360° funding portal is aimed at existing or potential entrepreneurs (SMEs), freelancers and farmers. Its main advantage over similar platforms is that it has a user-friendly search engine for quick and easy access to information about all the support programs that cover his investment needs.

www.360funding.gr provides the following free of charge:

- access to all current information about financial support programs;
- search engine to identify the most appropriate program, based on the individual needs of each company;
- detailed information guides for financial support programs; and
- information about Piraeus Bank's product and service packages which may be combined with financial support programs to help in the completion of the investments.

At the end of 2019, after 30 months of operation, there were more than 47 thousand unique visitors on the portal. At the same time, there was a significant repetition in the traffic for existing users, which indicates that 360° Funding has become a reliable source of information for financial support programs. Finally, visitors can ask questions through an online contact form. Since the launch of the portal, 471 questions were submitted, which were answered in their entirety by Development & Sustainable Banking professionals.

www.greenbanking.gr

Piraeus Bank is the only Bank operating an innovative online communication channel, originally developed 7 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 their 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.

International Participations

Piraeus Bank, through Development & Sustainable Banking, monitors the developments at international,

European and national level regarding the transition to sustainable finance. In particular, Piraeus Bank participates in special working groups created under the UNEP FI (United Nations Environment Program Finance Initiative) for implementing the following initiatives:

01. Principles for Responsible Banking
02. Principles for Positive Impact Finance
03. Property Working Group-Energy Efficiency
04. Banking and Taxonomy (UNEP FI/EBF collaboration)

Leasing

Piraeus Leasing SA manages the leasing activities of Piraeus Bank Group. The portfolio under management (pre-provision receivables and property), including the operations of Piraeus Leases (previously Cyprus Leasing SA) and CPB Leasing SA, amounts to approximately €2.1 bn.

Using data for 31/12/2019, the company manages 37% of the total Greek leasing market, ranking it first amongst the companies operating in Greece.

Piraeus Leasing's net revenues amounted to €14.9 mn in 2019, up 4% compared to 2018. The increase in the company's turnover is mainly due to organic growth and active management of the portfolio of recovered property.

In particular contracts for new loans amounted to €130 mn, of which approximately €100 mn were disbursed in 2019.

At the same time, the improvement of the commercial use of real estate is reflected in the significant 9% increase in revenues from commercial leases, which amounted to €7.7 mn, compared to €7 mn in 2018.

Operating expenses remained at the same level with 2018.

As a result of the above, the total profits before taxes and provisions for 2019 increased 9% to €6.2 mn in 2019 from €5.7 mn in 2018.

In addition, in 2019 emphasis was placed on asset quality through the intensification of actions related to sustainable restructuring, as well as the recovery of fixed assets.

2020 TARGETS

01. Further increase in new business with an equivalent increase in the return on equity.
02. The design of value-added products for customers, such as operating leasing of vehicles and medical equipment, supporting vendor leasing of vehicles and extending cooperation with Greek municipalities.
03. Transformation of leasing companies through divestments and the creation of corporate vehicles that will be available to potential investors.
04. Continuation of the action plan to reduce non-performing balances.
05. Digital transformation of the company's operating structures and creation of a MIS unit (Management Information Systems) that will improve the functionality, as well as the efficiency of the existing business model. Introduction of metrics for measuring the efficiency of all units of the company.

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 approximately 400 members from 90 countries, has received numerous awards from 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 on both its BoD and its individual Committees.

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

In 2019 Piraeus Factoring the value of total assigned receivables amounted to €2.3 bn, up 3% year-on-year, with profit before tax of €8 mn. Financing for loans increased to €1.9 bn (an increase of 5% compared to 2018). Total assets amounted to €349 mn.

Piraeus Factoring's goal for 2020 is to increase its market share through credit expansion, providing support and growth to its existing customers and developing a new healthy portfolio. The company focuses on providing high-quality customer 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 2019 Investment Banking continued to provide strategic advisory services in major privatisations, M&As, and underwriting projects, etc. In particular, in 2019, in its capacity as financial advisor to the Hellenic Republic Asset Development Fund (HRADF), Piraeus Bank successfully completed the transaction for the concession of the property in the area of South Afantou region in Rhodes. It continued to act as HRADF's financial advisor on some of the most important privatisation projects, such as the development of the former Athens airport (Hellinikon), the privatisation of DEPA Infrastructure SA and DEPA Trade SA (Public Gas Corporation) and the development of the Golf property - North Afantou in Rhodes. At the same time, Piraeus Bank was the financial advisor to a group of interested investors for the tender of HRADF regarding the concession contract of Egnatia Odos.

In the private sector, Piraeus Bank was one of the market leaders in underwriting/placements, acting as Coordinator/Underwriter and Bookrunner 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 (ATHEX) (Aegean Airlines SA, Attica Holdings SA and TERNA Energy SA), holding the largest share in bond offerings to investors. At the same time, Piraeus Bank acted as Issue Advisor and Coordinator/Underwriter for Lamda Development SA share capital increase (the largest share capital increase outside banks held in Greece in the last decade) and as Issue Advisor in the share capital increase carried out by Trastor REIC.

Finally, in the field of Public Offerings that took place on the Athens Exchange (ATHEX), the Bank provided financial advisory services to Orkla Food Ingredients AS on its public takeover bid to the shareholders of STELIOS KANAKIS SA and the delisting of the latter's shares from the ATHEX, to OCM Luxembourg Healthcare Greece Sarl on its voluntary tender offer to the shareholders of IASO SA, to INVEL Real Estate (Netherlands) II BV on its public takeover bid to the shareholders of NBG Pangaia REIC, and to Andromeda Seafood Sociedad Limitada on its public takeover bid to the shareholders of PERSEUS SA. Piraeus Bank also provided financial advisory services to the BoD of the company "FG EUROPE SA".

Brokerage - Piraeus Securities SA

In 2019, Piraeus Securities SA (Piraeus Sec) continued playing an important role in the capital market developments, ranking first in terms of trading value in the ATHEX for the first time in its history, with a market share of 17.1%. The company strengthened its position in the whole range of brokerage services, including trading in equities (ATHEX and international stock exchanges), in fixed-income securities, in derivatives, and research and analysis recommendations.

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 refurbished 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 successfully to their demands. The insightful analysis and recommendations, 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 organizations for the quality of its products.

Piraeus Securities was the first brokerage firm in Greece to trade in derivatives 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 entering into the Market Making Agreements for liquidity provision.

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.

In 2019, turnover for Piraeus Sec amounted to €12.2 mn, with pre-tax profits of €2.5 mn. Total assets amounted to €127.7 mn, with shareholders' equity of €59.2 mn.

ETVA Industrial & Business Parks SA

ETVA Industrial & Business Parks SA (ETVA VIPE) is Greece's market leader in managing Industrial Areas and Business Parks. Piraeus Bank is the majority shareholder, with Hellenic Corporation of Assets and Participations SA (HCAP) holding a 35% stake in the company. ETVA VIPE has 27 industrial areas and business parks all over the country, and manages 25 of them, continuously streamlining their operating costs. More than 2,200 businesses with total annual turnover of approximately €9 bn operate on its premises, employing more than 30,000 people.

According to a study conducted by the Foundation for Economic and Industrial Research (IOBE) and published in 2019, on the economic and environmental footprint of ETVA, for every €1 revenue raised by the production units in its Industrial and Business Parks, a contribution of €1.3 is made to the national GDP. ETVA's total contribution to the country's GDP exceeds €9.7 bn (5.6% of the national GDP). In addition, 5.9% of total employment in Greece is related to ETVA's Industrial and Business Parks. Also, ETVA has a major indirect impact on the tertiary and primary sectors.

In addition to industrial facilities management, ETVA VIPE provides integrated facility services to companies operating on its premises, it offers construction project management services, and energy-related services, through the construction and operation of PV stations. Finally, it also conducts financial and technical feasibility studies for investment plans in the business parks.

In recent years, ETVA VIPE has put forward a new strategy, tentatively scheduled for 2020, entering new fields, such as logistics and energy projects. 2020 is a major milestone, with ETVA's new Strategic Plan providing direction for the immediate and near future. At the same time, in 2020 the company plans to carry out projects for upgrading infrastructure in the industrial areas, with a total budgeted expenditure of €2 mn.

In 2019 ETVA VIPE prepared and promoted a series of legislative interventions in the Development Bill of the Ministry of Development and Investments, introducing new instruments and provisions for the modern operation of Industrial Areas and Business Parks. The experience gained by ETVA will be used for Business Parks entering a new period as of 2020, following the scheduled update of the framework law (Law 3982/2011) by the General Secretariat for Industry.

The company has a simple organizational structure, capitalising on its experienced and qualified staff to create value for all stakeholders. ETVA VIPE remains committed to Industrial Development and makes the best use of the industrial land it manages.

Mission and Vision

Effective land management and exploitation of industrial areas, the creation of modern and sustainable business parks, and the provision of integrated high-quality conventional and innovative services remain top priorities, with the following targets:

01. building a profitable and sustainable lean organization in accordance with Piraeus Bank Group and HCAP standards;
02. providing support to established businesses, realising business synergies and facilitating intelligent networking;
03. creating opportunities for attracting new ventures, for the benefit of both the local and regional development of the country; and
04. playing a decisive role in addressing matters on the country's industrial and business development, in particular the development of business parks and related initiatives, and on matters of applied environmental and rural innovation technologies at national and international level.

The development program of ETVA VIPE

Thriasio Logistics Centre and the prospect of expansion (Thriasio II)

The 588 acres plot – Trade Logistics Centre (Thriasio I) – is being developed by a subsidiary of ETVA VIPE. The project is pending approval by the European Commission's Directorate General for Competition (DG Comp), expected within 2020. The Project will be implemented in two phases, Phase I and Phase II.

However, ETVA VIPE goes one step further, planning the development of the adjacent 1.450 acre plot, within the Thriasio Pedio freight complex, for the development of a freight railway station and marshalling yard, for the purchase and installation of equipment for intermodal and other forms of freight transfer and loading (Thriasio II). The prospect of the participation of ETVA VIPE in

the Thriasio II Tender creates many important advantages. With this addition, the company intends to create a comprehensive transit node in Southeast Europe, with the prospect of becoming an international transit hub.

Inofita Rehabilitation Business Park

The project, with a total budget of €75 mn, is organised by the Informal Industrial Developments (IIDs) at Inofita, Viotia, as a Rehabilitation Business Park, pursuant to Law 3982/2011. The return on investment focuses on the prospect of creating a land reserve, applying the rules for the development of Business Parks, with infrastructure and grid street plans. In recent years, ETVA VIPE, has been processing data and has developed collaborations, and is relatively mature in terms of the project management maturity. A Letter of Intent was signed on 24/4/2017 with the main stakeholders, and was a key milestone in its implementation.

Following the relatively recent amendment of Law 3982/2011 in 2019, the conditions were introduced for establishing a Business Park Development Company (EANEP). On 14/9/2019, Inofita Asopos Business Park Development Company SA (EANEP INOFITA SA) was established. With a strong management team and a healthy financial strategy, the company is taking the first steps towards project implementation, with the execution of a Business Plan and the design of the required projects for the operation of Rehabilitation Business Parks, in collaboration with reputable Technical Advisors.

Agrologistics

Capitalising on its experience with the Thriasio Logistics Centre, ETVA VIPE is planning the development of cold-storage facilities in the Thessaloniki Industrial Park, in an area of 50 acres.

Pre-feasibility Studies for Agrologistics Parks, analysing potential locations and operations, demonstrated the lack of cold storage/warehousing, while at the same time identifying the increase in sales of agricultural products. The project is supported by the Ministry of Agriculture, and has a positive impact on the new governmental projects (e.g. the planned Logistics Park in the "Gonos former army camp" in Thessaloniki).

The project will be implemented in collaboration with the Agricultural Segment of Piraeus Bank. The degree of cooperation has not been finalised so far. However, one of the project's strategic pillars is that the served customers come from the Bank's key partners (agricultural cooperatives and customers from the Agricultural Segment).

The project focuses on creating a model agro-storage unit in a key location, aiming to play an active role, covering at least about 10-15% of the market. The main goal is to make the project sustainable and worthy of financing. A further step towards sustainable growth will be achieved by seeking direct or indirect financing.

Energy Investments (RES - PV)

The 4.99 MWp solar farm installation at the "Mesokomo Farm" location of Municipality of Lagadas, Thessaloniki has been operating at full capacity since November 2018, with an estimated annual revenue of €600 thousand for ETVA VIPE. The return on investment lies in the fact that it generates a fixed income for ETVA VIPE through the sale of the generated energy.

The supply of electricity and the energy market in general is a promising field for 2020. The goal of ETVA VIPE is to perform a feasibility analysis on the provision of electricity for the infrastructure in the Industrial and Business Parks, and their consumers, to conserve energy resources.

Kozani Business Park

The Kozani Business Park is currently being evaluated to determine whether it meets the conditions for the relevant permit, in the context of Law 3982/2011. Approval of the urban study is also pending. The Environmental Impact Study (EIS) was submitted in 2018, and has been forwarded to the competent Department for Environmental Permits of the Ministry of the Environment and Energy. The permits are expected in 2020. The 680 acre Business Park will yield aproximately 400 acres to the industrial land reserve, with a required investment of €0.5 mn. The Park is expected to offer a different development model in the transition of the Western Macedonia region to a post-Lignite era, supporting economically viable activities and the labour force.

Agricultural Business Park in Pella

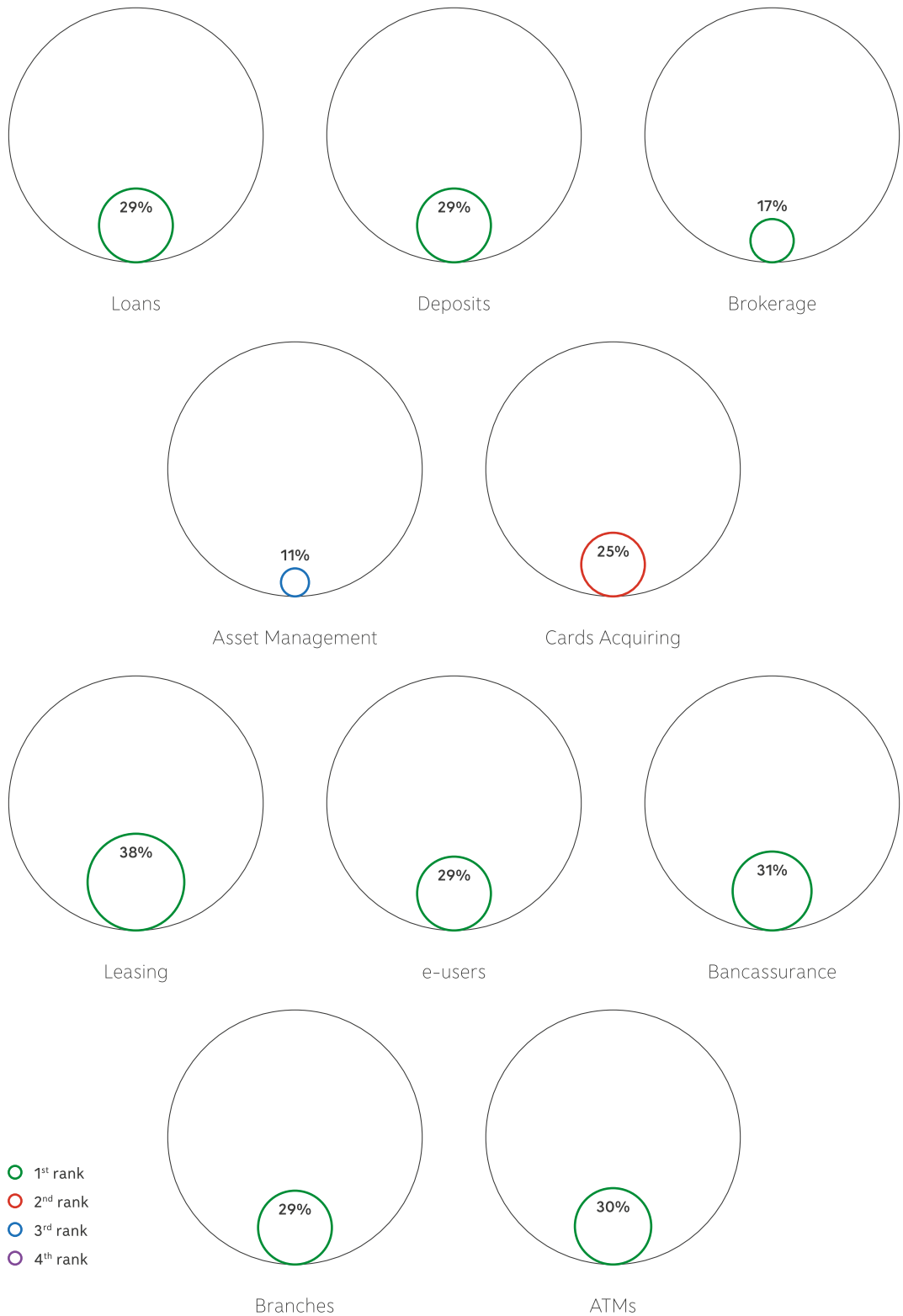
The Agricultural Business Park in Pella is currently being evaluated by the Department of Business Parks Licensing of the Ministry of Development and Investments. Approval of the urban study is also pending.

The Park aims to support the rural entrepreneurship of the wider region and to attract related processing operations. The first phase of the Park's development will yield 400 acres of business land. The budget of the first phase amounts to €6.2 mn.

Collaboration with CRES

ETVA VIPE participates as a business case in the project EMB3Rs of the European Commission's HORIZON 2020 program launched in September 2019, as a partner of the Project Task Leader, the Centre for Renewable Energy Sources (CRES). The project envisages the development of an open-source online platform with geo-reference, a user-driven energy-matching & business prospection tool for industrial excess heat/cold reduction, recovery and redistribution. The project's main goal is to determine the best technological solutions and practices for using excess heat. It is an initiative of industrial coexistence that focuses on using excess heat in Industrial Parks.

Ranking of Piraeus Bank Based on Market Share on 31.12.2019



Note: The ranking concerns Piraeus Bank's position vs the other 3 largest Greek banks.

PIRAEUS FINANCIAL MARKETS

BUSINESS ACTIVITY

Piraeus Financial Markets (PFM), including the Group's subsidiary Piraeus Asset Management MFMC, is responsible for the efficient management of liquidity, with a view to optimise funding of the Group's operations, ensuring access to international financial markets, managing positions and risks in the foreign exchange, interest rate and fixed income markets. PFM also serves institutional investors, such as insurance companies and brokerage firms. In addition, PFM develops and promotes investment products and offers asset management tools through Mutual Funds and discretionary portfolio management.

In 2019, PFM's contribution to the Bank's gross operating profit amounted to €0.2 bn, while the increase in CET1 capital was higher, also on the back of the improving valuation of the Greek Government Bonds portfolio. At the same time, annual operating expenses dropped by 7%, despite the additional costs associated with the new Institutional Framework.

Continued efforts to restore liquidity have been rewarded; a year after the Bank exited ELA funding, both the Net Stable Funding Ratio (NSFR) and Liquidity Coverage Ratio (LCR) exceed their minimum regulatory thresholds.

The Bank's cost of funding stood at historic low levels of circa 0.30%, down by circa 10 bps compared to 2018.

The Group's regulatory capital strengthened due to the issuance of €400 mn Tier 2 Notes. This is the first Tier 2 instrument issued by a Greek bank in more than a decade. Demand for the issue was strong (more than twice oversubscribed, approximately €850 mn), restoring Piraeus Bank's presence in international capital markets.

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 first Primary Dealer in the assessment carried out by the BoG on 21 Greek and International Financial Institutions.

In 2019 PFM provided all the Bank's customers with access to the international money and capital markets, offering, inter alia, Asset Liability Management (ALM) and hedging, at a competitive price.

Focusing on the customer, in 2019 PFM adopted successfully a unified approach to promote investment products and services, by enhancing operational efficiency and the related processes. To this end, the required infrastructures were developed and enhanced, on the one hand "customer experience" (revised training material, single order management platform, use of digital channels, simplified processes for opening investment accounts, a single statement, etc.) and, on the other hand, simplifying the transition to a more sophisticated, automated and technology-led investment management environment.

ACHIEVING SYNERGIES

PFM business activity is inextricably linked to achieving synergies which have led to improved services, increased customer protection and process automation, with emphasis on cost reduction and increased transparency of transactions.

A coordinated effort is underway to promote client portfolio management services, including, inter alia, mutual funds of Piraeus Asset Management MFMC, innovative investment products and solutions, executive training, and mechanisms for continuous support and monitoring.

Similar efforts are made across the entire range of investment products, such as gold products (expansion of services offered, renewal of cooperation with "The Royal Mint") and foreign exchange (increase in volume of transactions with SMEs, opting for a standardised invoice structure, updating FX Forwards contract documents, and upgrading Forex trading and monitoring tools for professional customers and SMEs).

Piraeus Asset Management MFMC continued achieving attractive returns, in excess of benchmark indices, in the institutional investor portfolios it manages, resulting in performance fees.

A number of projects were carried out to optimise internal processes, using existing technology and mechanisms at no additional cost and relying, almost exclusively, on the Bank's internal resources. The following are indicative:

01. linking investment management systems with international trading platforms;

02. automated generation of order forms and transaction confirmations;
03. development of a website for the exclusive use of selected Bank executives to support sales in investment products; and
04. automated Real-Time feeds of PFM positions and results.

A number of projects have been implemented to ensure full compliance with the guidelines and changes in the regulatory framework, namely MiFID II, which allowed the automation and transparency of transactions by improving their execution quality, reducing operational risks. Indicatively:

01. introduction of Approved Publication Arrangement (APA) to improve the quality of trade transparency information;
02. best execution support and documentation;
03. framework for negotiated transactions;
04. international practices and upstream regulation codes & upstream regulatory monitoring; and
05. development of pre-trade and post-trade mechanisms.

TÜV Hellas renewed the ISO 9001:2015 Quality Management System certification for Piraeus Bank's screening models for stocks, bonds, mutual funds and benchmark investment portfolios, demonstrating the Bank's commitment to quality service and customer satisfaction.

PIRAEUS ASSET MANAGEMENT MFMC IS A MEMBER OF PRI[7]

In March 2019, Piraeus Asset Management MFMC announced its participation in the Principles for Responsible Investment (PRI) global initiative for the adoption and implementation of Environmental, Social and Governance (ESG) Principles. The company was one of the first investment firms to have incorporated the criteria governed by the Principles in its operations in 2017.

Over the last two years investors have access to the Piraeus Balanced Defensive Strategy Fund of Funds through the branch network. The Fund invests primarily in a diversified portfolio of equity and fixed income mutual funds, chosen on the basis of ESG Principles. Piraeus Bank customers have welcomed this initiative and have already invested €30 mn.

In addition, at the end of 2019, the Hellenic Capital Market Commission approved the distribution of another Mutual Fund by Piraeus Asset Management MFMC for the Private Banking customers of Piraeus Bank, the "Piraeus Private Banking World Sustainability Balanced Fund". The Fund invests in selected shares and bonds of large and mid-cap companies in the United States and the European Union (including Greece), on the basis of the adoption and implementation of the Principles.

ESG criteria have already been incorporated into the company's investment policy for managing Occupational Pension Funds. Investments are selected taking into account the impact on natural resources, the well-being and cohesion of Greek society and the effectiveness of corporate governance.

WORKING PRACTICES

At PFM, the workplace combines high-end infrastructure and technology, with emphasis on security and quality. The existing infrastructure complies with modern international standards and is similar to that used in Dealing Rooms, making users more precise and productive. All users have at their disposal the means to make their work more efficient, with access to more than 50 other sources and terminals, including trading platforms, trade registration systems, risk management systems and specialised applications to monitor overall activity, in addition to their personal computers.

The "Free-Seating" concept allows employees to log in at any free workstation, taking their individual, familiar working environment with them, regardless of where they sit, as the personal computers are situated centrally in the building. In addition to the obvious business advantage of this flexibility, this system architecture greatly simplifies central management of systems, without interruptions to ongoing operations, ensuring a comfortable office climate thanks to lower heat, contributing to contingency planning & business continuity. The layout facilitates communication and promotes teamwork. The whole layout follows the "Open Space" philosophy with similar workstations. Thus, a large clutter-free space was created which is governed by a sense of continuity.

PFM business activity creates the need for continuous learning, providing employees with the opportunity to improve management skills to deal with complex

7 The PRI Initiative was launched in 2006 with the support of the United Nations and the UNEP FI, to understand the impact of Environmental, Social and Governance Criteria (ESG) on investments and calling for companies to incorporate them in decision-making processes.

situations. PFM has adopted practices aimed at improving the professional skills and competencies required to address current and future business needs.

More than 300 executives participated in training seminars/events organised by approximately 40 organizations in Greece and abroad, assessing and prioritising their importance, focusing on quality. Training focused mainly on three axes, which absorbed almost 85% of the total teaching man-hours: a) scope of work, b) Health & Safety at work and c) administration.

PFM invests in the new generation, recognising that quality education is a fundamental factor in sustainable development. In 2019, it actively supported the Project Future (see Chapter Society, page 191) and 20 students had internships in various PFM units, which proved to be beneficial to both parties. In this direction, it updates its student training policy on an annual basis

PFM takes care of the health and safety of employees and encourages the participation of its executives in health and emergency readiness training. It applies the law and carries out regular evacuations of buildings, monitors compliance with the legal provisions and updates its relevant procedures. In addition to coordinating regular medical visits, it is currently planning a doctor's office on its premises.

In addition to the distinct structure and roles and responsibilities assigned to PFM units, individual committees have been set up to evaluate PFM business and to assist in the smooth running and management of operations, and to promote cooperation and exchange of views.

CLIENT EVENTS

PFM professionals interact with customers and partners through systematic dialogue aiming to develop long-term relationships that add value to the Bank's customers. This practice is consistently applied every year, so that PFM professionals can understand and meet the expectations of PFM customers and partners.

Utilising its relations with investment management firms, informative events were held for large customers (approximately 200 Personal Banking customers, in collaboration with international fund managers, such as Franklin Templeton, Pimco, etc.), as well as events for approximately 100 institutional investors, with the participation of senior management. Similar events were organised at the PFM offices to inform approximately 100 executives of selected companies about Trade Finance products and services, investment products and e-banking. Piraeus Asset Management MFMC organised a conference on the "Management of Social Security Fund Reserves" for the fourth consecutive year, with 200 guests from Greece and abroad.

AWARDS & DISTINCTIONS

PFM received a series of awards and distinctions for quality of service:

International rating agencies included Piraeus Asset Management MFMC in the best Asset Management Companies in Greece, and its managers are ranked among the top ten fund managers in Greece.

Impact BITE awarded the Bronze Award in the Systems Integration category, to the Investments Online System (IOS) application, which was designed and developed as part of the Investment Products & Services project.

In 2019, Piraeus Bank was once again named preferred Custodian Bank for Greek Institutional Investors. Recognising its commitment to quality customer service, the Bank was awarded the global Securities & Custody Services award. Piraeus Bank received from Global Custodian the Global Excellence Award in the area of Relationship Management and Client Services for the second consecutive year, as well as distinctions Global Custodian Legend for its long-term contribution to the development of post-trade services.

NPE MANAGEMENT UNIT

Managing the Bank's non performing exposures remains one of the key pillars of the Bank's strategy. In this context, Piraeus Bank entered into a strategic partnership with Intrum Hellas, a Receivables Servicer, for servicing NPEs with a gross book value of €27 bn. This cooperation is expected to contribute substantially to the successful implementation of the Bank's NPE reduction strategy.

NPE Management Unit was set up in October 2019 to monitor cooperation with the Receivables Servicer, to determine the NPE Strategy Plan and monitor its implementation, and monitor the financial result (P&L) of the NPEs under management (securitised or not).

In particular, NPE Management Unit consists of three pillars with, inter alia, the following basic responsibilities:

NPE STRATEGY, PLANNING & MONITORING

01. Annual budget for NPE portfolio reduction in collaboration with Receivables Servicer and the Units of the Bank involved in monitoring the NPE portfolio, and regular monitoring of the effectiveness of NPE management and individual KPIs.
02. Determines the perimeter of portfolios for sale.
03. Prepares information for the Executive Committees of the Bank, supervisory authorities (HFSF, SSM, JST), external advisors and the Bank' external auditors.
04. Co-manages the Billing Engine for calculating the Servicing Fee to the Receivables Servicer and REO Servicer.
05. Coordinates the Units for transferring loans between Core Banking and the perimeter of Receivables Servicer.
06. Cost Management and Planning.

NPE PORTFOLIO MANAGEMENT

01. Participates in the Bank's approval committees, representing the Receivables Servicer with which it cooperates for the determination of the customer management methodology.
02. Collaborates with Group Risk Management, Group Financial Management and the Receivables Servicer to support proposals on provisioning.
03. Participates in banking decisions related to the Project SOLAR portfolio.
04. Evaluates recommendations from the Receivables Servicer on products and submits proposals to the appropriate approval committees.

NPE GOVERNANCE & OPERATIONS

01. Link between Piraeus Bank and Receivables Servicer:
    - Interaction between Receivables Servicer and the Bank (dispute resolution, handbook updates, customer history).
    - Manage proposed changes from the Receivables Servicer.
    - Information on the proposed organizational changes of the Receivable Servicer and comments in the context of the SLAs.
02. Registers IT Requests submitted by the Receivables Servicer, to be evaluated by the Bank's mechanisms on whether they should be implemented.
03. Coordinates the contractual relationship.
04. Coordinates actions on Data Quality issues that arise from the implementation of the Bank's Data Governance Framework.
05. Supports, mediates and monitors the completion of corrective actions resulting from the audit findings (Internal Audit, Credit Control, and Compliance).

The Supervisory and NPL Management Council, responsible, inter alia, for the strategic management of non-performing loans, is working with Group Risk Management to mutually understand and develop the appropriate methodology for assessing the risk of the Receivables Servicer portfolio.

The Group's Risk Management Committee is kept informed, at least on a monthly basis, about the progress of the Receivables Servicer's portfolio. The Risk Management Committee monitors the evolution of key NPL metrics, both independently and as part of the Bank's commitments to SSM and HFSF, and consequently monitors the effectiveness of the cooperation with Intrum Hellas.

STRATEGIC PARTNERSHIP WITH INTRUM

In 2019, Piraeus Bank and Intrum signed a strategic agreement for the establishment of the leading credit management company in Greece, a milestone agreement for Piraeus Bank in terms of its de-risking strategy, and a strong vote of confidence from Intrum in the prospects of the recovering Greek economy.

The new servicer company, 80% owned by Intrum and 20% owned by Piraeus Bank, has entered into a contract to service Piraeus Bank's existing NPEs and real estate portfolio (REO), together with any new inflows, on an exclusive basis. The new servicer company will also manage NPEs and REO of third parties.

The transaction's main benefits for Piraeus Bank include:

01. Enhancement of Piraeus' NPE recovery prospects, facilitating the achievement of the Bank's NPE reduction targets.
02. Leveraging the Bank's internal NPE servicing platform, with Intrum's best-in-class practices and extensive servicing experience in multiple European jurisdictions;

03. Establishing a leading, independent servicer in Greece that facilitates NPE transactions planned by the Bank.

The agreement between Piraeus and Intrum was executed in a very short period of time (4.5 months) demonstrating the flexibility and efficiency of Piraeus Bank, while 12 working groups from the Bank's operating units worked continuously throughout this period for the successful outcome of the project.

The new Piraeus Bank that emerged post the transaction is an agile and results-oriented organization, which focuses on core banking activities and continues catering to the needs of its customers, shareholders and partners.

INTERNATIONAL OPERATIONS AND NON-CORE ASSETS

Over the last three years International Operations and Non-Core Assets Unit focused on divesting from international activities and non-core assets, in line with the Bank's commitments under the Restructuring Plan approved by the European Commission's Directorate-General for Competition.

Following the sale of the Group's subsidiary banks in Romania, Serbia, and the Group's holdings in AVIS and Attiki Odos in 2018, Piraeus Bank completed the sale of its subsidiary banks in Albania and Bulgaria in February and June 2019 respectively.

The aforementioned transactions were executed through competitive sales, independently for each respective transaction, with the participation of strategic and financial, local and international investors. The continuous and intense negotiations with multiple investors for each transaction, as well as the direct cooperation with the regulatory authorities in each respective country, contributed to ensuring a significantly higher price compared to the respective binding bids submitted, and minimising the risk of non-conclusion.

These transactions resulted in deleveraging of more than €6 bn RWAs, boosting the Group's capital base by 120 basis points, and contributed substantially to the Group's successful completion of its commitments under the Restructuring Plan. Following the change of the Group's scope to the domestic market, the current structure and responsibilities of the Unit have changed. The unit carries out M&A transactions for the Group both locally and internationally, and supervises the International Business Unit (IBU) and Financial Institutions, the subsidiary of the Bank in Ukraine, and the Bank's branch in London as summarised below.

INTERNATIONAL BUSINESS UNIT (IBU)

The International Business unit serves more than 4,500 foreign legal entities whose operations require a high level of due diligence, strict and continuous supervision and thorough examination, and evaluation and verification of all transactions. The unit's strategy has evolved from a managerial to a customer-centric one, and in 2019 there was a significant increase in fee revenues (+74%) and in the volumes of money transfers (+75%). Customers executed more than 200,000 incoming and outgoing remittances and deposits stood at €0.2 bn at the end of 2019.

FINANCIAL INSTITUTIONS

Financial Institutions is responsible for setting, renewing, modifying and/or revoking all Piraeus Bank Group's credit relationships with Financial Institutions. In 2019, more than 350 banking institutions, members of 150 banking groups, were assessed and/or monitored, with approved credit limits amounting to €11 bn. Since the establishment of the unit in 2003, the Bank has not suffered any loss of funds from Financial Institutions.

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 2019, the network of JSC Piraeus Bank ICB included 18 branches across the country.

LONDON BRANCH

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.

FRANKFURT BRANCH

The Frankfurt branch was integrated in Piraeus Bank Group in the second half of 2012, following the acquisition of the "healthy" part of former ATEBank. The Frankfurt branch is the only presence of Piraeus Bank in Central Europe, and Piraeus Bank is the only Greek bank operating in Germany. At the end of 2017, in the framework of its new strategy, Piraeus Bank decided

to convert the existing model from a Retail branch to a Service and Banking Centre for Extroverted Greek Businesses. Today the Frankfurt branch offers a wide range of products and services.

INTERNATIONAL BANK RELATIONS

In 2019 International Bank Relations joined Corporate and Investment Banking, in the context of the Bank's coordinated effort to strengthen its strategic partnerships with major credit institutions, and to enhance its customer service.

The favourable economic environment, following the abolition of the capital controls, contributed positively to the Unit's systematic effort to attract business. As a result, the issuance of high commercial credit limits by international banking groups (on a clean line basis) increased significantly in the last quarter of 2019. Piraeus Bank is now considered a strategic partner for large banking groups seeking cooperation in Greece, having participated in important projects supporting large-scale commercial transactions.

REAL ESTATE OPERATIONS

PICAR SA

Picar SA manages the commercial property of the 65,000 sq. m. 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, adding prestige to the complex and the company.

In 2019, as part of the plan to develop sustainable development strategy for the City Link complex, Picar and Piraeus Bank launched a complete set of actions and initiatives, applying the SDGs in order to receive a Sustainability Certificate from the German Sustainable Building Council (Deutsche Gesellschaft für Nachhaltiges Bauen - DGNB e.V., DGNB). In 2020, all relevant interventions are expected to be completed, ready to undergo a building sustainability assessment so as to receive the relevant certificate from the DGNB, for Sustainable Buildings and Urban Areas.

The premises of the City Link were fully utilised during 2019. More visitors and tourists visited the complex, with the businesses reaping the benefits. Events organised by Picar at various festive times also contributed to this increase (see Chapter Customers, section Corporate Communication, page 155). The goal for 2020 is to make more efficient use of City Link's space, with a possible revision of the space being an important part of the company's strategic plan for the near future.

PIRAEUS REAL ESTATE SA

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

The company's full range of real estate services include property planning, development and management. Its scope includes property appraisals, property sale-and-leaseback programs, project management & monitoring, project & facility management, and investment advisory services.

In 2019, the company's total revenues amounted to €10.5 mn from operations and €0.2 mn from other income, of which approximately 51% from property appraisals, 38% 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.

Since 2018 the company has proceeded with significant actions for the further development of property management services. The use of the innovative online auction platform Properties4sale for the sale of Piraeus Bank's REOs, and the multiple channels (estate agents, sale through auctions, branch network) resulted in the targeted disposal of REOs. In addition, the corporate site *www.pbre.gr* was developed for posting REOs for sale, and accepting customer requests for the purchase of real estate. The company focuses on the active management of the Group's properties, using appropriate financial models and best practices to ensure 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, Piraeus Real Estate 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.

Following the Principles for Responsible Investment (PRI), Piraeus Real Estate recognises that an economically efficient, sustainable global financial system is a necessity for long-term value creation and that such a system will reward long-term, responsible investment and benefit the environment and society as a whole.

Piraeus Real Estate, in cooperation with Piraeus Bank and other companies, have been implementing contracts with 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 SA (HRADF) in recording and utilising public property.

The policies pursued include the development of sustainable business plans, the evaluation and management of significant assets for sustainable development, energy saving through the development of natural resource monitoring systems and the continuous information and training of staff on environmental protection.

The company's goal for 2020 is to maintain and improve its profitability using new systems and tools, to expand its customer base and range of services, and to actively contribute to achieving the Group's commitments and goals, through the active management of the real estate portfolio.

TECHNOLOGY, ORGANIZATION AND CENTRAL OPERATIONS

GROUP TECHNOLOGY

New technologies

One of Piraeus Bank's key strategic directions is investing in cutting-edge technologies on a continuous basis. Based on this component, a dedicated Unit 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 customer base. The Bank's targets for technology are an integral part of its strategic plan.

For a detailed description of the Bank's targets regarding technology, see www.piraeusbankgroup.com> Investor Relations>Financial Data>Financial Results 2019>Presentation Market Update

In 2019, capital IT investments were 29% of the Bank's total IT spending, in line with the average of circa 300 financial institutions worldwide, as presented in a global research by the Gartner agency.

During the year, the Bank's innovation strategy resulted in the implementation of significant new products and services, the most important of which are presented below.

Swift Global Payments Innovation (GPI)

Using innovation to improve its services, Piraeus Bank participated in the international team of banks that designed the "SWIFT Pre-Validation Service", an enabler for banks to provide real-time ubiquitous cross-border payments over Swift. The Bank can pre-validate payments with the ultimate receiving banks and inform the customer at the point of origination. In 2019, Piraeus Bank was the only bank in Greece to embrace SWIFT's Global Payments Innovation (GPI) platform, offering its customers a new level of service for their payments.

Artificial Intelligence: ATM Cash Demand Prediction

Automated data collection from the Bank's existing databases to gather all the information regarding withdrawals, replenishments and returns over a four-year period, and from the Inventory management system that contains all the relevant information regarding ATMs. A special AI algorithm was developed, to make cash demand predictions for each ATM on a daily basis, using historical data.

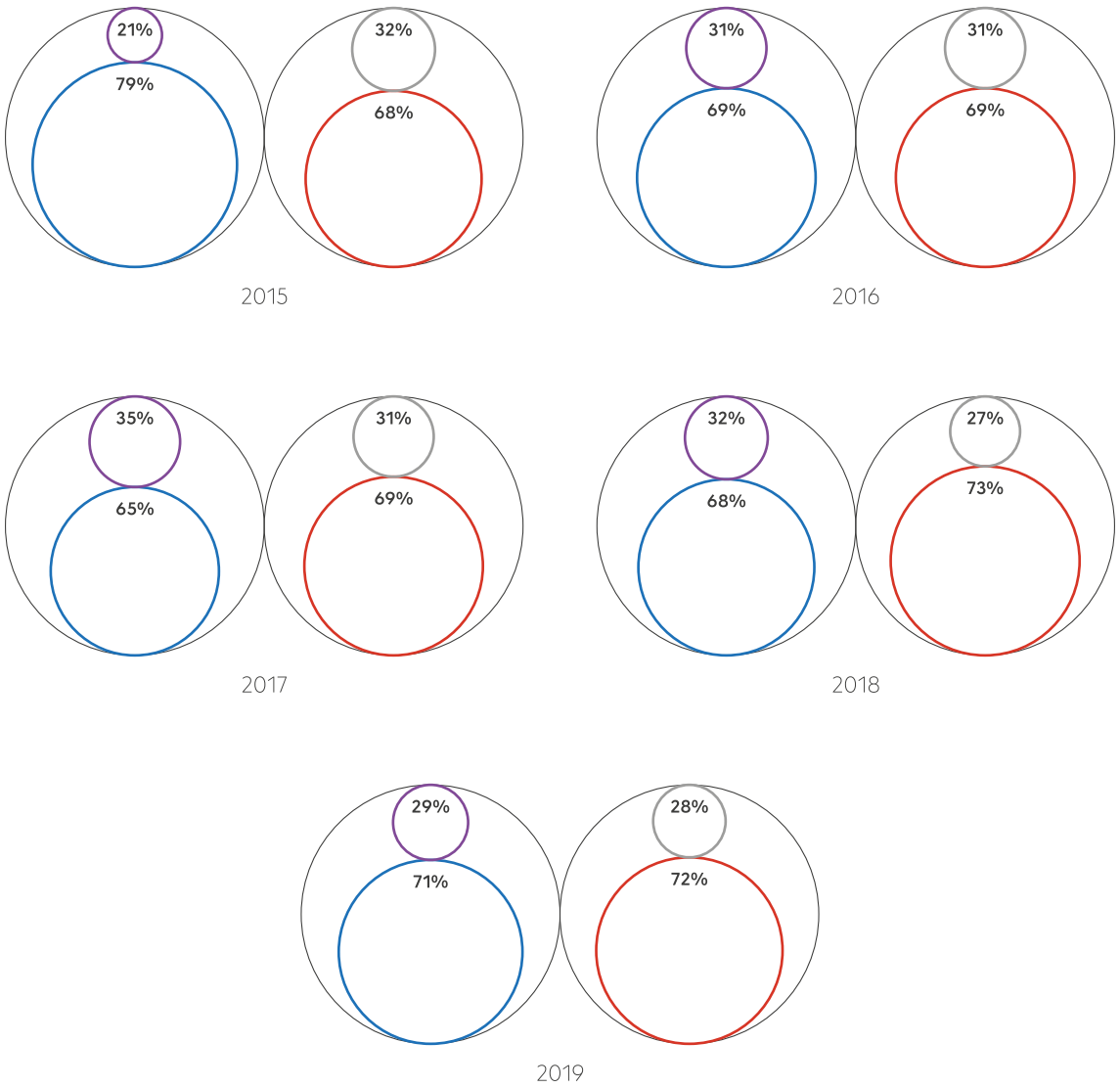
SIP Telephony

In 2019, SIP-based telephony networks were installed across the Bank. The change in telephony service provider opens up communication. In the context of the project, all the systems installed by the service provider were upgraded and the lines of communication have been modernised with new technologies.

Enrichment of e-signature

In an effort to further reduce waiting time and optimise network services and processes, two more important features were redesigned and integrated into the e-signature platform, Direct Debit mandates and outgoing remittances, significantly reducing transaction times and improving the Bank's environmental footprint.

Operational vs capital IT spending of Piraeus Bank



IT PROJECTS & ACTIVITIES

Aligning the priorities of Group Technology with the Bank's business plan for 2019, Group Technology sector also focused on projects and activities involving:

01. compliance with the institutional commitments and responding to information requests by the Supervisory Authorities;
02. risk management;
03. cost savings;
04. upgrading the portfolio of services provided to the Bank's end users, by introducing automated or digitised processes;
05. enhancing the quality of services offered to the Bank's customers, using state-of-the-art technology and innovative equipment and systems; and
06. maintaining technological excellence by upgrading infrastructure, equipment and applications.

The most important of these projects are briefly described in the following paragraphs.

Developing & Improving IT Systems

The Bank's infrastructure supporting bill payments and payments to third parties in the branch network, online channels and affiliated networks, has been significantly upgraded. It has been linked to the new IRIS e-Commerce interbank platform, offering secure and fast online payments directly from the bank account. The systems are also fully compliant with the strict security requirements introduced by the EU Revised Payment Services Directive (PSD2).

The first phase of the "Investments Online System (IOS)" project has been executed; the user and consequently the customer may transfer Mutual Fund units from a register outside the Investment Portfolio (Legacy) to a Reception and Transmission of Orders Investment Portfolio (RTO). In addition, the functionality has been enriched, so in case of a "Total Redemption of Portfolio" the investment position (Portfolio & Investment Account) in ICE is closed, the Investment Portfolio is disabled in the IOS application, and any balance in the Investment Account is transferred to the customer's current account, as designated when opening his portfolio.

Bank customer service has been enhanced by converting the Authentic-Euronet interface to Active/Active. The Authentic-Euronet interface is critical for serving Bank customers, since it serves POS transactions in Greece and abroad, and ATM transactions abroad, for Piraeus Bank debit cards. Indicatively, the number of transactions served by this interface amounts to 27 mn transactions per month. With the implementation of Active/Active, the interface transactions are served by 2 connections, and if one of the two has a problem or must be deactivated for maintenance reasons, then its movement is automatically diverted to the active connection.

e-banking systems

In an effort to cater to customer needs and striving to develop innovative solutions on a continuous basis, in 2019 winbank e-banking and mobile banking were enriched with the next generation of services, covering a growing range of banking transactions. The most important of these are summarised below:

01. Personal Financial Management: The concepts of Savings and Financial Planning characterise the new winbank, which is no longer a purely transactional channel, but is evolving into a financial planning tool. At winbank, the customer has the ability and the motivation to control and plan his monthly expenses and to achieve his personal savings goals. He can easily and quickly find all the information he needs and constantly monitor his financial management. At the same time, the customer has the opportunity to adapt the data to his own needs, thus creating a truly personalised financial planner.
02. e-Insurances: In collaboration with the Insurance Company ERGO, the insurance plans "Secure Wallet" and "My Home Content" were created exclusively for Piraeus Bank customers. The plans are available online through winbank web banking. The customer selects the insurance plan that covers his needs, completes the online purchase and payment of his contract, and instantly receives his insurance policy.
03. Investment Portfolios: Aiming for a dynamic presence in the investment sector, winbank has been enriched with the ability to monitor RTO portfolios and discretionary managed - Piraeus Optimum investment portfolios. The portfolio is available to all beneficiaries, so that they can be informed of the current value of their portfolios, their performance, and receive copies of their transactions. Customers may change the amounts invested online, as there is an option for re-participation and partial or total redemption.
04. PSD2 Regulatory Framework: In order for the Bank's online services to comply with the EU Revised Payment Services Directive (PSD2), the

following were implemented:

- Single registered mobile phone number per customer, for all existing users, Natural Persons.
- Strong Customer Authentication (SCA): To make transactions through winbank e-banking and mobile banking, SCA is now required for all transactions using at least two identification factors: 4-digit PIN, fingerprint or FaceID, in combination with Push Notification, or alternatively by sending an SMS.
- Option to exempt beneficiaries from the application of SCA by appointing Trusted Beneficiaries. Customers have the option to whitelist a business they trust to avoid having to authenticate future purchases. Transactions with these beneficiaries do not require strong customer identification.

05. Know Your Customer (KYC): Customers (Natural Persons) may update or change their personal details via winbank.
06. Piraeus Bank Masterpass: The new Masterpass digital payment service offers customers greater speed and security in online shopping.
07. IRIS e-commerce: The IRIS e-commerce service is a solution for online payments that enables online store customers to complete their on-line purchases by charging directly their bank account.
08. Winbank Business - Upgraded Search Tool: winbank's popular "smart search" feature has been added in the corporate suite.
09. Joint Credit Account Statement: The customer may sign up to receive account statements by e-mail (one-off or periodic), to review movements in these accounts.
10. New winbank for business mobile app: Piraeus Bank made its new winbank for business mobile app available to its corporate customers in 2019, offering upgraded functionality and services.
11. ePOS Paycentre: significant expansion of the electronic payment platform, to modernise and adapt to customer's changing digital needs. The following extensions and optimisations were made:
    - e-acquiring - 3D Secure Version 2: Harmonisation of the Paycentre platform with the new 3D Secure Version 2 protocol, introducing the criteria set in the PSD2 SCA EBA Regulatory Technical Standards.
    - Merchant Initiated Transactions (MIT) framework: Implementation of the new MIT framework and recurring transactions in accordance with the latest mandates of Card schemes. The new framework includes service subscription and support for Recurring and Unscheduled Card on File transactions of the same or variable amount (stored credential transactions), which are initiated by the merchant.
    - e-acquiring – IRIS online payments-eCommerce: Support at the Paycentre of the IRIS online payments-eCommerce operating in Greece, powered by DIAS Interbank Systems. The online payment service enables online store customers to complete their on-line purchases by charging their bank account directly via web banking. The service works for all web banking users of Greek banks (Piraeus Bank, Alpha Bank, National Bank and Eurobank), covering almost the total number of users within Greece.

Credit Systems

Implementation of the project for "Automated forbearance flow" was among the top priorities for upgrading the credit systems. The project aims to simplify and to speed up the process for forbearance after the customer has accepted the forbearance solution, so that significant synergies can be achieved and the customer can benefit from the Bank's fast service. In addition, reports generated mainly through the Velti system can now be significantly simplified, as it is no longer necessary to extract data from multiple requests; one request per customer will give the overall and more concise picture. Finally, there is a minimisation of operational risks resulting from possible errors made by a user entering multiple requests (mainly in the Branch) in either Velti or Loans System (LS).

Business Intelligence & Customer Relationship Management (CRM) Systems

The ICE customer-centric system has entered a new era; it has been redesigned to become more user-friendly. The first phase of redesign in a web environment has been completed and it has been put into operation throughout the Bank's Branch Network.

Systems for Loan Restructurings

For the first time the Adjusted Returns Tool (ART) links the Bank's loans performance to the risks and costs incurred. It gives a fairly innovative approach to the adjusted return on capital, expressed mainly through three pillars: a) cost of credit risk, b) cost of liquidity and c) cost of capital. These risks are calculated and incorporated in the proposed interest spread, which in addition to the Bank's cost spread includes the profit

margin for each loan. Using this risk-based tool, the employees of the business units have the opportunity to immediately and easily understand the relationship between performance and cost and to justify the respective credit decision for interested customers.

Operations & Technological Infrastructure

A project was carried out to modernise provider infrastructure at the Bank's off-site points. The off-site point network supports ATM, APS and OLIS systems installed outside the Bank's buildings. As part of the project, the provider's infrastructure was upgraded with next generation technology. Also, all the points were transferred to OTE network, a company with a large support network covering the whole country with the same quality.

IT INFORMATICS

During the second half of 2019, the new Technology organizational chart was introduced, as prescribed in the action plan for the new Technology business model. The new Technology organizational structure reflects three strategic components:

01. extroversion;
02. emphasis on innovation; and
03. data usage

IT SYSTEMS SECURITY

Taking into account the growing need for improved system and data security, the existing security systems were re-evaluated, to increase the level of security.

Technical support engineers upgraded existing bank security systems with the latest software versions or replaced them with newer ones. A new system was installed and configured to the Bank's needs, using new technologies and methods to detect threats, and protect from cyber threats.

The Bank uses specialised Security Monitoring and Advanced Cyber Threat Management from an external partner, 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. IT Systems Security is immediately informed of any security breach, and, if necessary, remedial actions are taken immediately and the envisaged protection measures are implemented.

CENTRAL OPERATIONS

Central Operations provides high quality services to internal and external customers, and is committed to managing available resources efficiently, though daily planning, by utilising staff in the best possible manner, by limiting request-processing time, and finally by revising/optimising processes and technological infrastructure.

In 2019, Central Operations implemented a set of initiatives, the most important being the transition to a new version of the system for managing bank accounts subject to confiscation, and adapting the systems to the provisions of Law 4587/2018 on agricultural subsidies that are exempt from seizure. Adjustments were made for managing the digital files from the Social Security Debts Collection Centre (KEAO), as were improvements to the Heir Legitimacy management system. Finally, changes were made to systems and processes for claims about loans managed by Intrum.

In terms of business activity, tax suspensions increased under the framework of Law 4611/2019, which allowed individual taxpayers to repay their tax liabilities to the tax authorities in as many as 120 monthly instalments.

CASH MANAGEMENT

Cash Management provides cash management and securities services, and contributes decisively to Piraeus Bank being the main foreign currency provider and trader for the Greek market, as well as the only commercial Bank trading in Gold Bars & Sovereigns. The Cash Management team is highly experienced and provides specialised services, and Piraeus Bank is a market leader in cash management. Through a network of five Cash Management Centres in Greece, Piraeus Bank customers, businesses and individuals, trust the Bank's brand name for managing their cash.

In 2019, special emphasis was placed on improving the operations of the Cash Management Centres compared to 2018. Cash Management Centres manage 60% of the Bank's liquidity needs. Cash recycling and immediate dispensing of banknotes amounted to 59% of inflows, up 5% year-on-year, contributing to the significant reduction in the cost of money transports of the Cash Management Centres, down 41% year-on-year.

The completion and full implementation of automated

Euro banknote management was crucial. The combination of new cash counters, specialised Header Cards and software from leading companies for cash management systems, laid the foundations for automatic management.

The results of the project for optimising overall cash management by the Branch Network and off-site ATMs were particularly important. Even though demand for cash transactions increased compared to 2018, the total cost of money transport to the Bank was down 14%. In particular, the cost of money transport for catering to the needs of the Branch Network was down 22%, with an 11% reduction in off-site ATMs.

Finally, the project for optimising Cash Management processes started in 2019, with the use of AI methodologies. Key objectives include developing a fully-automated cash forecasting process for the Cash Points, eliminating the risk of human error, reducing stagnant money and reducing the processing costs.

FUNDS TRANSFER

Following the developments prescribed by digital transformation, in 2019 Funds Transfer successfully introduced improvements and automations in operations and processes, upgrading the customer experience, catering to their everyday needs.

On 01/09/2019 capital control restrictions were lifted, a matter of importance for Funds Transfer. Following the lift, coordinated actions were taken to immediately and efficiently adjust the systems, and to adapt existing contractual and other obligations for the Bank's internal and external customers.

Digital transformation is becoming a reality and this is reflected in the increased customer use of digital networks over traditional ones for incoming and outgoing remittances. Electronic transactions made up 93% of total transactions, with 58% of the total fees coming from digital channels. At the operational level, and after coordinated actions, more than 97% of Funds Transfer operations have been automated.

In 2019 there was a 5% annual increase in Funds Transfer business, with revenues at slightly higher levels compared to 2018.

Successful marketing campaigns were implemented targeting Retail customers, through the Bank’s digital channels, i.e. e-mail, newsletter, sms, e-banking banners, and its ATMs. At the same time, there was a number of employee awareness campaigns for customer service officers, on the available products and the alternative service channels.

Major and important projects also started in 2019, which are expected to be completed in 2020 and 2021, such as the Pan-European Instant Payments and the transition to the new payment environment required by the Eurosystem in the framework of “Eurovision 2020”. These projects require significant development and changes in the Bank's infrastructure, so that it will be able to offer its customers the opportunity to make real-time payments anywhere in Europe, but also to operate in the new pan-European environment.

To comply with the timeframe set on a pan-European level, implementation of these projects is one of the main goals of Fund Transfer for 2020, along with the ongoing goal of developing new innovative products and services, increasing the use of Fund Transfer services and increasing fee revenue.

CUSTODY SERVICES

In 2019, Custody Services focused on providing the full range of post-trade services to its domestic and international clients, in line with the Bank’s strategic priorities and direction.

Once again, in 2019 Custody Services focused on the automation of applications and processes with the aim of increased operational efficiency and risk minimisation.

The experienced and specialised officers responded immediately to the growing challenges of the changes in the legal and regulatory framework and to the trends in the financial markets, offering customers the maximum possible service by adopting innovative and flexible solutions.

In 2019 the Bank's Custody & Securities Services received an international distinction for the third consecutive year, the Global Award in the category Emerging Market Continued Excellence Europe, in recognition of its superior customer services over a number of years, at a special ceremony held in London.

In addition, for the fifth consecutive year in 2019 Piraeus Bank participated in the annual comprehensive evaluation on fund custodians organised by the inter-

national organization Global Custodian; Piraeus Bank ranked as the top Agent Bank in Emerging Markets Survey - Greece.

These distinctions highlight the recognition of Piraeus Bank's commitment to high quality Custody & Securities Services and the ability to build long-lasting customer relationships domestically and internationally.

Improved market conditions and the full lifting of capital controls will help Piraeus Bank's Custody Services to maintain its trust-based relationships with its customers, to provide personalised solutions to individuals and institutional investors, and to claim a larger market share in the capital market.

GROUP LOAN ADMINISTRATION

Geared towards creating economic value through the use of available resources such as technology, experienced personnel, as well as product and non-product channels, Group Credit continued to place emphasis on the active and efficient management of the Bank's customers, aiming to:

01. reduce operating costs;
02. limit operational risk;
03. provide high quality service to internal and external customers; and
04. comply with the regulatory framework.

The Loan Administration unit continued to focus on the proactive and efficient management of Bank's customers.

The Group Loan Administration strategy was based on the pillars:

01. Lending Customer Services.
02. Collateral Custodian.
03. Securitizations Servicing - Securitized Loans monitoring (servicing).

The Group Loan Administration has been actively involved in the following tasks to optimise operations, service delivery and tracking:

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 data completeness, quality and validity; and
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.

As a result, in 2019 Group Credit:

01. participated in the E2E process of granting products through programs such as "Extroversion" in collaboration with ECIO, funding in collaboration with the Hellenic Investment Fund (IfG), "EIB Grouped-Loans" through the European Investment Bank (EIB), COSME programs & InnovFin of the European Commission and activation of older ones such as TEPIX I –Business Restart Initiative– Intermediate & Exoikonomisi Kat' Oiko; and
02. participated in achieving the target of €4.1 bn in new loan disbursements.

Also, Group Credit participates in initiatives that continue and are expected to mature in 2020, namely:

01. Redesign Lending Process;
02. optimising the processes for managing insurance contracts for mortgage loans; and
03. activating other domains and introducing new KPIs for active Data Governance domains.

The challenges for 2020 are the following:

01. scope of operations of new NPE Portfolio Servicing Administration Unit. The new unit will service loans portfolios whose debt collection has been transferred to third parties;
02. review of Credit Management model, through (a) introduction and monitoring of KPIs for optimising Operational tactical services, and (b) automated processes aimed at improving time to cash;
03. effective financing to Farmers-Customers in the framework of the new Rural Development Program (RDP); and
04. data correction – improved data image in terms of value and quality.

ORGANIZATION, CENTRAL SUPPORT & OPERATION QUALITY

Group Organization & Operation Quality is geared towards optimising operations and enhancing efficiency, as part of its effort to support initiatives for new innovative products and services that cre-

ate added value to customers. In 2019, fully aligned with the Bank's strategic priorities and business objectives, Group Organization & Operation Quality focused on projects and supported initiatives in the following fields:

01. compliance with regulatory and supervisory guidelines, adoption of new operating rules, and meeting the revised requirements for the provision of information to the supervisory authorities;
02. optimising, automating and simplifying the processes to enhance performance and reduce operating costs;
03. infrastructure and detailed processes for effective data governance, ensuring data quality, completeness and availability; and
04. strengthening the framework for risk monitoring and control, through systematic process updating and recording specifications for the implementation of systemic interventions.

AUTOMATION AND IT SUPPORT OF OPERATIONS

In the context of the Bank's institutional obligation, Group Organization monitored the updating of customer data and identification documents in the ICE customer-centric system, focused on improving the quality of data. Now there is a clear reference to the date on which the customer updated their details and identification documents and to the next update date. In an effort to improve customer experience, customers may update their data and submit the identification documents online via winbank, no physical presence required, in order to decongest the Branch Network.

In the context of approaching the Bank's broad customer base regarding investment services, in 2019 the project "Investment Products & Services" continued, expanding the range of services provided on the IOS digital platform (Investments Online System). Group Organization participated in the project, enhancing the features provided on the digital platform, recording operating system specifications to support new investment portfolios, conducting performance checks and documenting the relevant processes. In 2020, Group Organization will delve into the possibilities of expanding the functions and services provided.

With regard to the Bank's credit policy rules, Group Organization contributed to the design of a mechanism for the automatic system of checks and balances regarding the customer's transactional behaviour, that promote sound decisions regarding credit card renewals.

Group Organization also participated in implementing Decision 48/2018 of DPA so that cardholders can choose whether to make contactless transactions with their cards or not.

For payment services and transactions, in 2019 new transactions were developed for more than 200 new partnerships and the Easypay Point Direct service was extended to 266 new merchants. In addition, the Bank created the infrastructure for card payments through the Easypay Point Indirect service. In this context, cooperation with the Tora Wallet Electronic Money Institution was expanded to 3,500 points and includes the use of a card.

In addition, in November 2019 the Bank's payment and capital transfer systems were adapted to meet the requirements of the revised DIAS Credit Transfer (DCT) Regulation, which sets a number of important changes in credit transfers, in particular Payment Orders, mass payments, remittances and IRIS online payments.

In 2019, Piraeus Bank continued altering processes as part of its ongoing process improvement, using the APPIAN platform. The new automated processes cover a wide range of banking operations, with more than 1.2 mn requests already served.

Supporting the efforts of business units to upgrade the products and services provided, the already automated Merchant Acquiring management process was enriched with new features, improving the service experience, by integrating the production of e-POS contract documents into the existing flow.

In the above context, the process for exchanging POS terminal files with Euronet was automated, reducing the operational risk.

In addition, large retailers can automatically submit their requests to Merchant Acquiring to increase their network, without the involvement of the Branches. The process will be completed in 2020, when it will be possible to submit Acquiring requests via winbank.

The aforementioned automations, which increase the number of processes supported by e-signature, contribute to faster customer service, to improved resources efficiency, to reduced operating costs and operational risk.

In the same direction, new features are added to the automated process of accepting requests for amend-

ments in credit, prepaid and debit cards. In 2019 24,153 requests were served by the Network and the Call Centre. The new automations include additional categories of requests, and automatic extraction of accounts in the Bank's and Euronet's systems, which will result in significant cost reductions and faster execution of core banking operations, eliminating the margin of error.

2020 goals include automating the work of Legal Services, which will include managing requests from the involved units, eliminating the exchange of e-mails, and creating an infrastructure for detailed monitoring of their work.

In order to improve the effective management of the defaulted loan portfolio, a new fully-automated workflow for managing and monitoring all the requests related to the specific portfolio through the LOS system was designed, and implemented.

In 2019, Organization actively participated in the redesign of Retail, Small Business (SB) & Commercial Investment Banking (CIB) financing processes.

As a result of Retail Lending Process Redesign, unsecured consumer loan and credit card contract documents can be signed using an OTC (one time certificate). The documents are automatically loaded onto the system and can be sent to the customer's e-mail.

Small Business Lending Process Redesign aimed to simplify and speed up the request processing. Organization participated in the complete redesign of the end-to-end process for SBL loans. In this context, the following implementations were made: new standardised loan application, automatic digital document verification, automated request evaluation as well as automatic production of contract documents with digital signature support.

For CIB Lending Process Redesign, the process of serving and monitoring the business portfolio has been completely redesigned and a new digital and fully-automated customer Position has been implemented in production mode (first deliverable).

The aforementioned interventions and improvements resulted in simplifying the processes, providing faster customer service, reducing FTEs and limiting credit risk.

To support the implementation of the rules set by the Bank's credit policy, a project to fully automate real estate revaluation will begin in 2020. The revaluations will be carried out with statistically recognised indicators in the Bank's mortgaged properties.

IMPROVEMENTS TO PROCESSES AND OPERATIONS

Piraeus Bank is harmonising its operations with the new requirements set by Law 4465/2017 (Payment Accounts Directive) for payment accounts. In 2019, a new application was created for the distribution of the new "Fees List", to inform customers about the cost of transactions, in the context of transparency and comparability envisaged by the legal framework.

In the context of the Bank's harmonisation with the requirements set by Law 4537/2018 (PSD 2), Group Organization ensured that the EU Leaflet on the rights of consumers was made available in printed form at the Branch Network and posted on the Bank's websites and on winbank e-banking.

In the context of the Bank's harmonisation with the requirements set by Law 4583/2018 (Government Gazette A΄ 212/18.12.2018), Group Organization participated in the Bank's project to adapt to the new requirements under the Insurance Distribution Directive (IDD), and to the strict rules on transparency, information and conduct of business. This ensures that consumers can benefit from the same level of protection and transparency, regardless of the channel through which they buy an insurance product.

In 2019, Group Organization 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). In this context, the "Dynamic Returns Deposit" (DRD) structure deposit product is fully harmonised, following the postal delivery of documentation on the Confirmation of Participation in the DRD Product and the Structured Deposit Statement. In addition, to ensure the Bank's full compliance with the requirements under this framework, relevant e-learning training was developed for all the Bank's staff. The compliance project is expected to be completed in 2020. In addition, Group Organization participated in finalising the actions required so that the Bank meets the requirements to act as a Systematic Internaliser (SI), a role undertaken in May 2019.

In order to provide improved customer service, the appropriate infrastructure is being finalised so as to automatically produce a Customer Portfolio Profile with a

history of 5 years. The new infrastructure will enable employees to have a comprehensive overview of customers, to promote appropriate products and, consequently, to provide an upgraded level of service.

In order to improve user efficiency, in 2020 a customer deposit account closure feature will be added.

Aiming to reduce operating costs and to improve data quality regarding customer addresses, in 2019 the Bank carried out a project for managing returned mail (approximately 320,000 envelopes per annum). The project, which is currently being finalised, entails recording (via barcode) the returned envelopes and automatically updating the relevant information in the customer-centric system, for the Bank to take the necessary steps to update the customer addresses.

In order to improve operations and strengthen the controls required for the Bank to comply with its institutional obligations, in 2019 Group Organization contributed to upgrading the system used by the Bank for the Prevention and Suppression of Money Laundering Activities (Norkom system).

In the context of the continuous effort to improve customer service and operational efficiency within the Bank, in 2019 Piraeus Bank developed process monitoring tools, and introduced Service Level Agreements (SLA) between the units involved. New reports were added to the list of existing reports monitoring the time required to change information on POS devices, and actions were taken to improve the infrastructure through which the reports are made available to Bank officials, ensuring uninterrupted access to information.

NEW PRODUCTS/SERVICES

As part of its strategy to target/attract small businesses and professionals, in 2019 Group Organization contributed to the design and introduction of two new corporate cards (Business Credit and Business Debit), and to opening up the yellow rewards program to small businesses and professionals, which is scheduled for 2020.

As part of the effort to strengthen the Group's market share in Trade Finance, Group Organization actively participated in recording specifications and processes, in configuring systems and in running performance checks on processes supporting Trade Finance products, such as Standby Letter of Credit available at the Branches in Greece and at the Frankfurt Branch, Prepayment of Exports' Documentary Letter of Credit, and Pre-financing of export credit guarantee.

DATA GOVERNANCE

Aiming to increase the value of data as a percentage of enterprise value, the Bank has introduced new data quality management tools. In 2019 the Bank expanded the areas covered, and the amount of controlled information.

A number of Key Performance Indicators (KPIs) have been introduced to track the quality of Critical Data Elements (CDEs) and to systematically monitor any changes.

With regard to customer data domain for loans and collaterals, 55 new indicators were designed and introduced, and improvements were made to 28 older ones. With regard to new areas of credit agreements and limits for business loans, 27 new indicators were introduced covering the most important data.

Finally, in 2019, new domains were introduced in the data governance framework for deposits, credit and prepaid cards, loan account movements, and special data related to Risk Management, with activation expected to be completed in 2020.

Mapping with Sustainable Development Goal
Industry, Innovation and Infrastructure

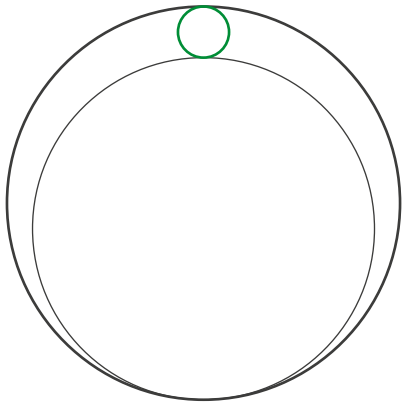
Assurance by independent body
Gartner index

Assurance by independent body
Piraeus Bank Index: Use of digital service channels

MATERIAL TOPIC

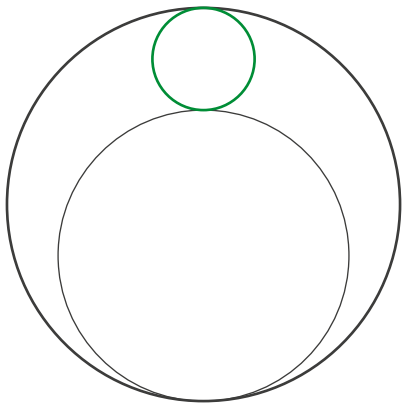
NEW TECHNOLOGIES

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



13%

Increase of registered winbank web banking users compared to 2018



26%

Increase of winbank mobile banking users compared to 2018

86%

Ratio of transactions migrated to digital services channels in 2019

79%

Ratio of transactions migrated to web banking & mobile banking in 2019

Distribution of Piraeus Bank IT spending

71%

Percentage of the Bank's operational spending for technology

29%

Percentage of the Bank's capital spending for technology*

* The percentage of Piraeus Bank's capital spending is higher than the average percentage 28% of approximately 300 financial institutions according to the specialized Gartner agency

Goals

- **Providing new and innovative 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 thus contributing to enhance the quality of services offered to its customers**

Mapping with Sustainable Development Goal
Affordable and Clean Energy

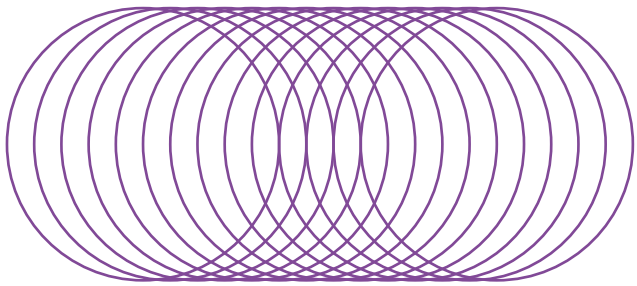
Mapping with Sustainable Development Goal
Life on Land

Assurance by independent body
FS-8

MATERIAL TOPIC

RESPONSIBLE FINANCING/ INVESTMENTS, SOCIAL AND ENVIRONMENTAL BANKING PRODUCTS/SERVICES

The Bank integrates environmental and social criteria in the evaluation of financing/investments and offers specialized products/services responding to current challenges such as climate change, transition to a low carbon economy, financing disadvantaged social groups, nature protection etc.



€1.4 bn

Outstanding loan balances for green financing at the end of 2019

1,555 MW

Total power of RES projects that have been funded by the Piraeus Bank Group in 2019

33,700

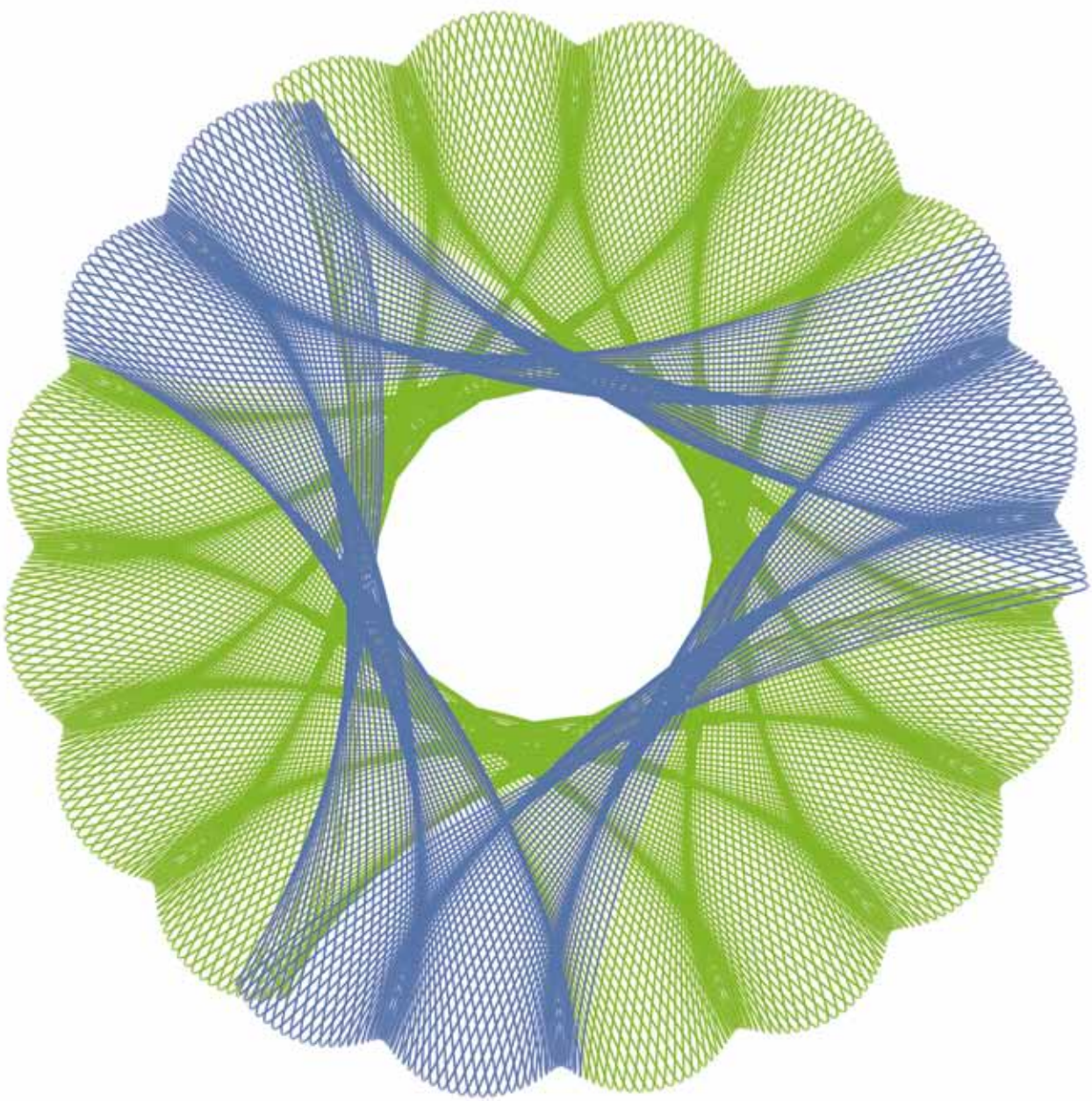
Green customers at year-end 2019

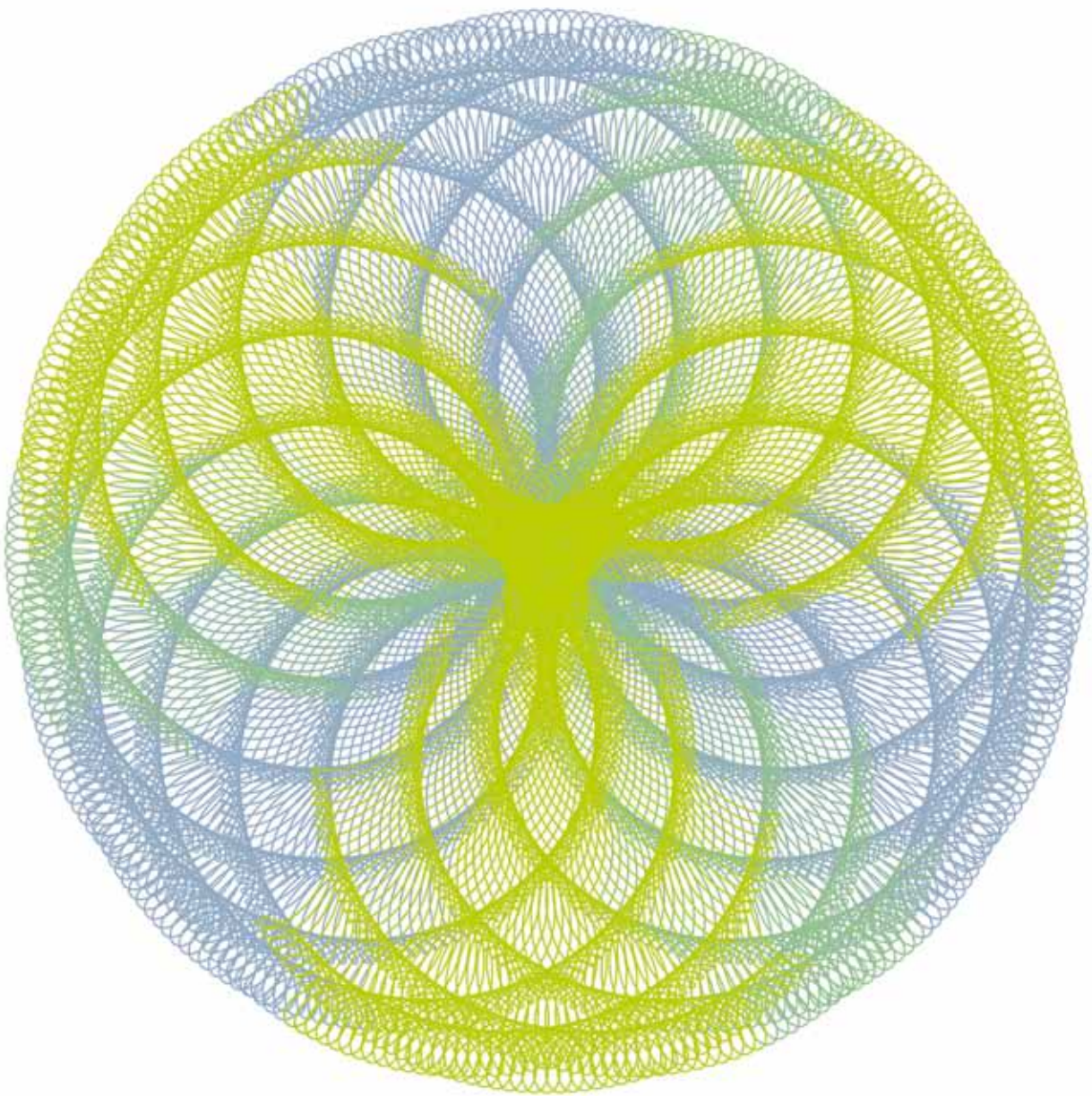
3.2 mn tonnes

CO_2 emissions that are not released annually due to the Piraeus Bank Group's funding of Renewable Energy Sources (RES)

Goals

- Greater penetration of sustainability ratings in business financing
- Development of new products oriented towards sustainability per customers category





CUSTOMERS

CUSTOMER RELATIONS

Piraeus Bank is the largest bank in Greece in terms of total assets, loans and deposits, and thus plays an important role in supporting economic growth, contributing to the well-being of its customers, as well as the wider society in which it operates.

With its vision to be the most trusted bank in Greece, Piraeus Bank creates long-term value for its customers and focuses on meeting their needs, taking into account economic, social and environmental factors.

Relationships of trust are built by providing clear information, transparency in terms of cooperation, as well as transaction security across all service channels, including digital service channels.

All stages of creation, promotion and distribution of the Bank's products are controlled by specific mechanisms, in order to comply with the principles of the current regulatory framework and the rules of the Banking Code of Ethics. The products and services offered are clearly defined, without inaccurate or misleading statements, excessive display or attempt to hide their features, in order to fully and clearly inform the public.

In addition, the Bank supports the banking education of its customers, through educational videos and its Branch network, so that customers familiarise themselves with banking terminology and gain easier access to its services.

With everyday life changing due to the COVID-19 pandemic, everyone faces the difficult challenge of responding to the impact that the pandemic has on their lives. Piraeus Bank remains fully committed to supporting its customers affected by the unprecedented conditions the country is experiencing, constantly adapting the services and products it offers to the new data, encouraging digital transations and educating the public on their use.

Piraeus Bank acts responsibly, always in accordance with Environmental Social Governance, and is actively contributing to containing the spread of COVID-19 pandemic and to mitigating its impact. Since the beginning of the pandemic and proactively, the Bank has been operating in full alignment with the guidelines of the Authorities, strictly and consistently adhering to the recommendations of the Ministry of Health and the National Public Health Organization (EODY). The Bank's top priority has been the safety of its customers, employees and all its stakeholders, while safeguarding the stability of the Greek economy and society.

RETAIL CUSTOMERS

Piraeus Bank has built a modern customer-centric service model for its Retail Banking business; specially-trained officers serve customer groups with common characteristics and similar needs, offering value propositions tailored to the needs of each customer group.

For Retail customers, the Bank‘s main goal is to be their trusted bank. It offers tailored products and services that make their lives easier, so as to motivate them into bringing all their banking business to Piraeus Bank. Customers can expand their business through the branch network and digital service channels. When customers want personal support with their financial matters, branch officers are there to help.

Regardless of the special category to which a customer belongs, Piraeus Bank aims to advise the customer on all financial matters, throughout his life, for both short-term and long-term needs.

Customers can be informed about Financial Planning at scheduled meetings in the Branch. Through constructive dialogue, customers are told that they can set goals and develop a practical plan to achieve them, with Piraeus Bank by their side.

In addition to face-to-face Branch meetings, customer service is inextricably linked to the continuous upgrading of the Bank's systems and processes with innovative tools and services. The aim is for the Bank to be able to maintain its strong customer-centric character and meet the demands of increased digitisation.

Indicatively, Retail Banking Customers enjoy the following benefits:

01. personalised pricing, depending on customer profile and dynamics, e.g. for loan products;
02. customer recognition across all transaction channels beyond the Branch, such as e-banking (winbank), ATMs, etc.;
03. targeted multi-channel communication and proposals for products that are consistent with past choices and preferences; and
04. ability to set up a financial plan or trust Personal Advisors to manage their assets, as well as a variety of services depending on desired tolerance and exposure to investment risks (e.g. Portfolio Management).

At the same time, the Bank trains Retail Banking staff and executives both on their special financial roles, with seminars and certifications, and on modern customer service methods, in order to provide value-added banking services to its customers.

CORPORATE CUSTOMERS

Piraeus Bank has a strong presence and experience in the corporate lending line, offering specialised banking products and services. The Bank's strategy includes creating added value for its Corporate Customers, with a customised and holistic approach to their needs and transactions, capitalising on synergies with the Bank’s other business units.

In the Large Corporate sector, Piraeus Bank focuses on expanding relationships with existing customers and on originating new business, with emphasis on supporting sustainable development, innovation and entrepreneurship. The Bank pursues customer relationships mainly in the following sectors: construction and infrastructure, basic metals, oil, hotels and tourism development, telecommunications, new technologies, mass media, energy, health, public sector, etc. In addition, Large Corporate seeks to increase revenue by cross-selling and other income, offering a comprehensive range of products and services to its customers.

Piraeus Bank applies its customer-centric approach to Small and Medium Enterprises (SMEs), offering strategic support and banking products and services to provide liquidity, to facilitate transactions and to finance investment plans. In this context, currently 12 specialised Business Centres (Attica, Northern & Southern Greece, and Central & Western Greece) offer their services across the country.

Regarding Agricultural Banking, Piraeus Bank has set up Agricultural Entrepreneurship Centres, charged with building and managing working relationships with Agricultural Cooperatives, Agricultural Corporate Partnerships, Groups, Producers' Organizations and other cooperatives.

Through this structure, Piraeus Bank provides credit facilities, as well as direct, high-level specialised support and customer service, through Customer Consultants. Piraeus Bank maintains 3 Agricultural Entrepreneurship Centres (Northern, Central and Southern Greece), with a distribution of Consultants in all major capitals of the prefectures, so that there is personal contact and fast customer service at a personalised level.

At the same time, Piraeus Bank provides high quality

services to cover the entire range of its customers' transactions, with particular emphasis on promoting and increasing the use of the Bank's digital channels, both for new and existing day-to-day services.

A group of highly-skilled and experienced officers provide corporate banking products and services, and Relationship Managers build and maintain relationships with corporate customers. The Relationship Manager is the main banking partner for corporate customers, with relevant knowledge about the customer's business segment, and is responsible for managing all dealings between the company and Piraeus Bank Group.

PROTECTION OF PERSONAL DATA

Piraeus Bank, in compliance with the current legal framework, has implemented the appropriate technical and organizational measures for legally observing, processing and storing personal data securely. It is committed to safeguard and protect personal data from loss or leakage, alteration, transmission or any other way of unfair processing.

In 2018 one of Piraeus Bank's key priorities was to comply with the European General Data Protection Regulation (GDPR).

In this context, the following were designed and implemented:

01. Identification and assessment of potential risks, using specific tools, such as operational archiving processes, risk analysis and impact assessment.
02. Defining Policy and Procedures regarding the protection of personal data.
03. Appointment of Data Protection Officer (DPO).
04. Setting up of a Data Protection Office (DPOffice) to assist the Data Protection Officer (DPO). Employees were selected to support and assist the DPO in monitoring the implementation of all required actions and ensuring that the Bank complies with the legal framework for personal data protection. These employees are familiar with Piraeus Bank operations and processes, they know and understand its operational needs, while at the same time they have adequate knowledge of the law and practices for data protection and security.

Following the above in 2019:

01. In collaboration with Group HR:
    - Data Protection Coordinators (DPC) were appointed, in every Business unit that processes personal data; and
    - the Data Protection Office was staffed with additional employees, who attended and successfully completed the educational seminar on GDPR "Methods, Processes and Technologies" organised by the Athens University of Economics and Business, with a 6-week duration.
02. A project was initiated for automating processes of the Data Protection Office.

POLICIES AND PROCESSES

The Bank has revised its policies and processes as well as the Privacy Policy, which has been approved by the Executive Committee, as well as the individual processes related to the management of personal data.

The new Privacy Policy and the relevant data protection processes are in force since the beginning of 2019.

Data Protection Policy

The Bank's Data Protection Policy (DDP) has been developed to cover all GDPR rules.

The Policy sets the rules for implementation of the appropriate organizational and technical measures, for effective personal data management and protection, and for safeguarding the privacy of data subjects (natural persons and sole proprietorships).

In addition, it sets the rules for data processing, such as collection, storage, use, transmission, disclosure or deletion, in compliance with the regulatory framework.

Notification of personal data breaches

The process for security incidents has been updated to include the specifications defined in the GDPR regarding personal data breaches.

Information on data breaches has been added to the process to ensure that appropriate measures are taken to identify, investigate, assess and disclose potential personal data breaches within a certain period of time.

The precautions and the measures to be taken in the event of a possible personal data breach have been communicated to all Bank employees.

Similar to 2018, in 2019 Piraeus Bank did not receive

substantiated complaints/grievances/reports regarding customer privacy violations. In addition, in 2019 no leaks, thefts, or loss of personal customer data were identified.

Request Management Process

01. Data Subjects
02. Data Protection Authority
03. Internal Units of Piraeus Bank

Following the completion of the process for managing Data Subject Requests (DSRs) under the GDPR, Group IT and Organosis are developing software to automate the Request Management Process.

The project has been approved and is in the final stages of implementation, with completion expected during 2020, once it is approved and received by the Data Protection Office.

In 2019 Piraeus Bank managed approximately 1,500 customer requests; the majority of the requests came from customers opposing to the transfer of data to a debt collection agency.

In addition, it handled 98 requests for recorded calls in the context of data subjects exercising the right of access.

Regarding the management of requests coming from internal Units, at least 400 requests for promoting Bank products/services were examined and answered. The Data Protection Office participated in 33 PWG meetings in order to review new products and/or modify existing ones, thus ensuring implementation for one of the basic principles of the GDPR, Privacy by Design. In addition, the DPO participated in at least 11 projects regarding the assignment of assessment and claims management. Finally, DPO managed 80 requests on HR issues such as communication through newsletters, educational programs, etc.

In 2019, Piraeus Bank received 10 requests from the Data Protection Authority, which were answered in their entirety within the prescribed period.

In March 2019, the first action of the Data Protection Authority took place, for monitoring compliance with the Regulation. The results of this action are satisfactory as evidenced by the Bank's full compliance with 16 of the 17 audit points.

Records of processing activities

The Bank has developed and maintains a record of personal dataprocessing 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.

In 2019, an inspection identified the need for three new records in Bank Units, which are expected to be completed by 2020.

Lawfulness of processing

Piraeus Bank has thoroughly considered the legal basis for all purposes documented in the record of processing activities, to ensure that each legal basis is appropriate for the purpose of processing.

Data Protection Impact Assessment (DPIA)

Following the completion of the data-protection impact assessment and its results regarding high risk identification, the Bank took appropriate measures to protect the personal data of its customers, partners and employees.

OTHER TECHNICAL MEASURES

In 2019, Piraeus Bank designed and implemented a series of appropriate technical and organizational measures to ensure full compliance with GDPR.

Data privacy notice

The Bank informs its customers of any processing that requires the transmission/transfer of their data to third parties under the framework of the assignment of activities. In 2019, a major marketing campaign was implemented to launch the strategic partnership with Intrum, which included 750,000 personalised customer letters being sent off, as well as information through press releases and the Bank's Website.

Obtaining and managing consent

The existing mechanisms for obtaining and managing consent from its customers have been running smoothly since 2018. In addition to the existing channels for obtaining and managing consent,

namely the Branch Network, e-banking, the customer call centre, etc., a project is currently under way, for obtaining and managing consent through the ATM network.

Until the end of 2019, 1.9 mn Bank customers responded to a request for consent, with 76% consenting and 24% non-consenting (0.6 mn customers).

Contracts/Agreements with Processors

Piraeus Bank strictly complies with the relevant provisions in all the new contracts and in contract renewals with processors, and incorporates the Supplementary Agreement and Questionnaires in its standard data processing agreement, in accordance with the GDPR Transitional Provisions.

The special application for the maintaining and managing Supplementary Agreements and Questionnaires for the transitional period is kept for historical purposes.

Marketing Campaigns

The Bank applies a strict set of rules to exclude customers who have not consented from its marketing campaigns, in full compliance with the GDPR. In addition, consent is given by the DPO prior to any marketing campaign.

In addition, the Data Protection Office participates in all projects for the development of new products and services of the Bank in order to ensure adherence with the principles of Privacy by Design. All the provisions of the GDPR are taken into account so as to create an internal culture regarding the protection of personal data.

BANK EMPLOYEES

The training introduced in 2018 on issues related to Personal Data Protection and GDPR continues. The training has already been assigned to 10,690 colleagues, of which 8,289 have already completed it, a 75% completion rate.

BANK PARTICIPATION

Piraeus Bank continues to participate in the Committee of the Hellenic Banks Association for compliance of the Hellenic Banking System with the GDPR.

The new Code of Banking Ethics, which sets out the general principles of compliance, is currently in the final draft form.

As a result, Piraeus Bank continues to ensure personal data protection and security, to provide a consistent approach by implementing appropriate technical and organizational measures.

CUSTOMER COMPLAINTS MANAGEMENT

Piraeus Bank places special emphasis on customer service and relations aiming to maximise their satisfaction. It ensures transparency and clarity of transactions with its customers, and aims to settle any issues that may arise, to meet customer expectations using the relevant internal processes. In the event of customer dissatisfaction, the Bank has established the "Complaint Management Mechanism", whereby the customer may ask the Bank to solve any problem he/she complains about and to settle any dispute, in the context of out-of-court dispute resolution. The Mechanism has been set up to find a "fair" solution and each complaint is managed using a set uniform rules, with immediacy, objectivity, and transparent procedures, applying the principles of confidentiality and protection of personal data.

In 2019, improvements were made to the "Complaints Management Framework" to comply with the BoG Executive Committee Act no. 157/1/2019 on the adoption of European Supervisory Authorities Guidelines on complaints-handling submitted to the supervised entities by their customers. At the same time the main goal of the Bank for continuous improvement of the provided services was also met. The review of the framework concerned 3 main pillars, namely Principles & Policy, Roles & Responsibilities, Processes, and is summarised in the following actions:

01. Policy-making in order to create a single corporate complaint/grievance management culture and to raise awareness of the Bank's staff regarding the revised complaint management framework and the need for its adoption.
02. Systematic analysis and evaluation of data regarding the subject matter of complaints, aiming at continuously improving the Bank's products/services and processes, with the participation and commitment of all those involved.
03. Appointing the Complaints Customer Service (CCS) to manage customer complaints.
04. Assigning responsibility for operational risk issues and internal control to specific officers in

the units. They represent the units in the complaints management mechanism and have clearly defined powers. Their key objective is to ensure the proper application of complaint management framework, to effectively investigate and respond to customer cases, and to recognise and promote issues involving operational risk.

05. Establishing the use of a single system for registering and managing all complaints to ensure systematic monitoring of timely response, maintaining a single file with the necessary security specifications, and the ability to inform the customer about the progress of the complaint.
06. Training with the participation of representatives from all the Units of the Bank.

In 2019, 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 4,996, at approximately the same level as 2018. Most of the complaints were submitted directly to the Bank (88%), while a small percentage (12%) of customers chose to contact the ADRs and Consumer/Other Organizations.

The following table shows the breakdown of complaint submission for each ADR/Public Authority.

Number of complaints

	Year 2019	%	Change %	Year 2018	%
Direct submission to the Bank	**4,398**	**88%**	**24%**	**3,555**	**82%**
Submission to Alternative Dispute Resolution Agents	**598**	**12%**	**-25%**	**794**	**18%**
Consumers' Ombudsman	186	31%	-8%	202	25%
Hellenic Ombudsman for Banking-Investment Services (H.O.B.I.S.)	112	19%	-1%	113	14%
General Secretariat of Commerce and Consumer Protection	121	20%	8%	112	14%
Consumer Organizations/Other Organizations	149	25%	-56%	342	43%
Multiple Submission*	30	5%	20%	25	3%
Total	**4,996****	**100%**	**15%**	**4,349****	**100%**

* Complaints submitted at more than one submission point.

** Total number of complaints submitted to the Bank for the period 01/01-31/12/2019.

84% of the reported cases were resolved within 45 days (the statutorily prescribed period), while for those cases where additional processing time was required, customers were informed in writing.

Processing time (calendar days)

	Year 2019	%	Change %	Year 2018	%
0 - 44	3,845	84%	6%	3,632	83%
> 45	730	16%	-5%	769	17%
Total	**4,575*****	**100%**	**4%**	**4,401*****	**100%**

*** In order to analyse the Bank's response time to complaints, data from the resolved cases for the period 01/01-31/12/2019, were used, irrespective of the date of the initial filing of the complaint.

CORPORATE COMMUNICATION AND MARKETING

Group Marketing, Customer Experience & Loyalty promotes the products and services of the Bank and of Group subsidiaries through specially-designed campaigns and advertisements. At the same time, the Unit ensures that all corporate communication, internal and external, is in accordance with the Group's Vision and Values, the current legal and regulatory framework and the principles for responsible banking.

In 2019 Group Marketing, Customer Experience & Loyalty continued its efforts to support the Group's strategic direction for strengthening the Bank's customer-centric culture and maintaining a stable relationship of trust with the general public, shareholders, customers and employees. Reliable messages were relayed for the responsible, clear and honest promotion of products and services, and by bringing all stakeholders together.

2019 ADVERTISING CAMPAIGNS

In 2019 Group Marketing, Customer Experience & Loyalty designed and implemented advertising campaigns to promote the most important initiatives, such as innovative e-services – now an integral part of the customers' daily lives with security in their transactions – the yellow loyalty program, which rewards customers for maintaining a stable relationship with the Bank, all types of cards, savings products, and the financing tools for SMEs. Group Marketing, Customer Experience & Loyalty also ran campaigns to inform customers of the process for obtaining a mortgage loan and of the rewards for borrowers who meet their mortgage loan obligations promptly. More specifically, the following advertising campaigns were implemented:

01. "e-branch"
02. "Farmers' Micro-finance"
03. "Loans to SMEs"
04. "Private Banking"
05. "E-nsurance"
06. "New winbank"
07. "Gold Sovereign"
08. "Easter yellow"
09. "Exoikonomisi Kat' Oikon II"
10. "*properties4sale.gr*"
11. "InnoFin"
12. "Miles & More cards"
13. "New contract farming"
14. "Timely Loans Payments"
15. "Holidays in instalments" credit card
16. "Small business loans - My business"
17. "e-loan"
18. CSR Program "Project Future"
19. "Miles & More cards (2nd phase)"
20. "Heating costs"
21. "Land loan"
22. "Equipment loan"
23. "Young Farmers"
24. "yellow x-mas"
25. "yellow summer sales"
26. "Tax Obligations – 12 instalments"
27. "Annual Vehicle Fees"
28. "yellowkid"
29. "Pay & Save"
30. "Ergo drive and win"
31. "yellow fall"
32. "yellow back to school"
33. "Mortgage loans"

SPECIAL ADVERTISING CAMPAIGNS – AGRICULTURAL PROGRAMS

For yet another year, emphasis was placed on promoting agricultural programs and products, given that 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:

01. "Farmers' Micro-finance"
02. "Young farmers"
03. "New Contract farming"
04. "Equipment loans"

These advertising campaigns were promoted on the "Weather Forecast for Farmers" on a nationwide TV channel and in the "Epi Gis" magazine.

01. "Weather Forecast for Farmers". The Bank maintained its daily contact with farmers through its exclusive collaboration with the Weather Forecast for Farmers on a Greek TV station. The forecast essentially supports farmers as it provides them with useful information and predictions. The forecast has opening and closing credits –duration of 10''– with the Bank's logo and a clock, communicating its agricultural products and services.
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. The magazine informs farmers about their investment activities, building a relationship of trust and synergy with the sector.

SOCIAL MEDIA

Piraeus Bank has presence on the following Social Media channels: Facebook, Twitter, LinkedIn and Instagram. Content related to corporate communication, activities, campaigns, products, the loyalty program and the Bank's e-banking are hosted on the Bank's social media platforms. In 2019 a total of 2,398 posts were created covering the Bank's communication needs, while the Facebook pages are in the top 3 financial pages in Greece, consolidating the Bank's presence on Social Media.

The following data was recorded in 2019 regarding page followers and posts:

01. 72,221 followers (3% increase vs 2018) and 352 posts on Piraeus Bank Facebook page.
02. 59,359 followers and 433 posts on winbank Facebook page.
03. 88,285 followers (80% increase vs 2018, after yellow and yellowday channel merge) and 228 posts on yellow loyalty program Facebook page.
04. 46,994 followers (27% increase vs 2018) and 354 posts on Piraeus Bank LinkedIn page.
05. 6,706 followers (94% increase vs 2018) and 362 tweets on Piraeus Bank Twitter.

The Bank's websites had a significant number of visitors:

01. *piraeusbank.gr* promotes all the Bank's products and services, most of the Bank's online campaigns are posted on the site. 39.7 mn page views from 8.6 mn unique visitors.
02. *apotamievo.gr* covers 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. 11.5 thousand page views from 10.1 thousand unique visitors.
03. *properties4sale.gr* platform for the sale of Real Estate assets. 447 thousand page views from 215.3 thousand unique visitors.
04. *projectfuture.gr* the Bank's CSR Program, linking education to the job market. 280.5 thousand page views from 195.1 thousand unique visitors.
05. *blog.piraeusbank.gr*, the Bank's new blog, which was created to host content related to products, services and activities. 13.7 thousand page views from 11.2 thousand unique visitors, during the two months of operation (November-December 2019).

The Digital Marketing team, in collaboration with the Customer Call Centre, handled approximately 17,4000 user messages and requests on Social Media, with an average response rate of 98% and an average response time of approximately 30'.

PHILANTHROPY

As part of its CSR program, which lies at the heart of Piraeus Bank Group's philosophy, in 2019 the Group renewed its support to 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 insurance plan developed by NN Hellas and offered at the Bank's branches; SmartPlan Junior (until the end of August 2019) and Smart Move (September-December 2019). In 2019, the financial support through these insurance plans amounted to €8,013, with an equal contribution made by NN Hellas.

CULTURAL AND SOCIAL INITIATIVES

In 2019 City Link was the liveliest spot in the centre of Athens, hosting a number of unique events and exhibitions. More specifically, the Spyromiliou Arcade embraced society and culture, hosting the following events:

01. Painting exhibition "The Lucky Pomegranate". For the second consecutive year, City Link hosted the paintings created by the children from the SOS Children's Villages, in the painting workshop organised jointly by the Piraeus Bank Group and the SOS Children's Villages of Vari. In 2019, the children painted 12 pomegranates, one for each month of the year. From January 31st to February 13th, the 12 pomegranates were hung as paintings from the glass roof of the Spyromiliou Arcade, sending a message of optimism and good luck for 2019.
02. Annual Dinner "Wish upon a Superstar" by Make-A-Wish Greece. The work of Make-A-Wish is supported by Picar SA, in recognition of the organization's efforts to fulfil the wishes of children with serious illnesses. The annual Make-A-Wish dinner, held at City Link on June 3, was supported by a large crowd willing to contribute to this wonderful social initiative.
03. "Adopt your City". Picar SA was among the 19 companies to respond to the initiative of the Municipality of Athens "Adopt your city". More specifically, Picar and Piraeus Real Estate SA decorated and illuminated the pedestrian sec-

tion of Voukourestiou Street, between Stadiou and Panepistimiou. The initiative aimed at giving back to society, sustainable value and a point of reference for City Link's actions.

04. For the third consecutive year, City Link hosted the annual festive event supporting the cause of Make-A-Wish Greece.

SPORTS MARKETING

In 2019 the following advertising and marketing campaigns were carried out for sports credit cards included in the Bank's product portfolio:

01. Olympiacos BC World Mastercard
02. Olympiacos FC Mastercard
03. AEK FC Mastercard
04. Champions Card Mastercard
05. Panathinaikos FC Visa
06. Promotional activities for these credit cards at the points of issue of season tickets for the specific sports teams.

In June 2019, Piraeus Bank in cooperation with OFI FC launched the OFI FC Visa card. The new credit card is linked to a loyalty program, which allows its holders to collect loyalty points for each purchase that can be redeemed for collectibles related to their favourite team.

In addition, Piraeus Bank and Olympiacos BC launched the campaign "Olympiacos BC World Mastercard Challenges", giving the opportunity to Olympiacos fans and Olympiacos BC World Mastercard credit card holders to participate in activities during the team's home games and win prizes, such as VIP tickets, signed shirts and balls.

DYNAMIC ADVERTISING AND MARKETING MANAGEMENT BRANCH IMAGE

Branch Marketing Management (BMM)

The Branch Marketing Management (BMM) application, the Bank's channel for two-way communication and feedback on marketing issues, contributed to creating a single image in the Branch Network by:

01. producing and distributing marketing material which is absolutely necessary;
02. reducing the Bank's environmental footprint;
03. depicting the current communication needs for each branch;
04. minimising the time spent by branch employees on providing feedback on the information; and
05. managing issues/requests of local interest to take advantage of local opportunities.

At the same time, in 2019 the Branch Network Marketing teams – Trade Marketing & Local Activities, Customer Value Management and Data Intelligence & CRM – continued the work started in 2018 for linking BMM and CRM data, Customer Analytics, and mapping data on Prefectures and Regions for important sectors of social, economic and business activity, in areas of operation of the Branch Network, aiming at:

01. optimal and targeted advertising and marketing of products to customers, based on their special characteristics and needs, and preparing local action plans, making use of local activity data;
02. promoting the branch as an important "pillar" of communication, with the most effective distribution of advertising and marketing material (printed and electronic), fully adapted to the information needs, and using the means available at the branch; and
03. constantly improving customer experience.

Following the upgrade of the application to a customer-centric sales tool, the Bank's operating costs and environmental footprint improved, using the channels and the time the customers choose to carry out their banking activities within the branches. The main results for the period 2014-2019:

01. 1,850 trees were not cut;
02. 92 tonnes of CO_2 were not released;
03. 77 tons of paper were not consumed; and
04. 4,010,000 litres of water were saved.

CHECK IN CLASS

For a fifth 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 at 13 Academic Institutions, continued in 2019 at 77 public and private academic institutions, promoting products and services for students.

Built on the premise of "Rewarding student attendance at the Academic Institution in which he/she is studying", the initiative involved digital promotion through a mobile app, helping students become acquainted with the banking sector, and providing information about loyalty and engagement programs. The initiative targeted 350,000 students, supporting the Bank's goals regarding Retail Banking products

and the specialised Branch Network needs, promoting the Bank's corporate image in 81 cities with strong student presence.

112,339 students participated in this initiative, with 278 branches receiving 26,937 visits.

The "Check In Class Notes" app feature, with a motto "You become great when you share knowledge", offers students the opportunity to exchange with their fellow students their course notes and knowledge, winning Note-Points that they can convert to yellows. This approach for exchanging notes created great interest, with 2 out of 3 students registering for Piraeus Bank's reward program. The application contains information on the curriculae of all the country's Academic Institutions, listing approximately 36,000 courses. More than 7,000 course notes have been exchanged between students-users in 29 Academic Institutions, with an ever-increasing trend. Children of the Bank's employees studying at Academic Institutions actively participate in the interaction.

Project Future, Piraeus Bank's CSR Program linking university graduates to the job market is also featured on the application, to inform the student community and especially the graduates.

The Branch Network Marketing team supports this initiative, implementing marketing campaigns with push notifications, newsletters, etc. to the ever-growing database. It is particularly important that "Check In Class" was presented in schools and departments teaching marketing and communication using new technologies, while students from the respective academic institutions participate in the marketing campaign.

CUSTOMER EXPERIENCE AND LOYALTY

For another year the Retail Banking Customer Experience and Loyalty team participated in initiatives aimed at strengthening the Bank's customer-centric culture. In 2019, it placed special emphasis on achieving customer experience excellence, focusing on strategic management and improvement processes, but also successfully developing the Yellow reward scheme.

YELLOW REWARD SCHEME

The yellow reward scheme continued its great commercial success in 2019 - its third year. The Scheme is ranked among the top features that add up to the brand equity of Piraeus Bank, and is the banking market's most-awarded loyalty program. This is due to three key factors:

01. the true value that Piraeus Bank attributes to the customer;
02. the simple, easy and pleasant customer experience; and
03. partnering Companies.

In particular, in 2019, the number of new members and its penetration in the market increased progressively. By the end of the year yellow members exceeded 1.75 mn and continue to grow at the same rate. At least 90% of the members live the total yellow experience from collecting up until redeeming yellows, using banking products and services. At the same time, 55% of members redeemed yellows at the 23 major partners and 16 partners of the program.

As part of the ongoing development of the program, new point-gaining attitudes have been included, such as rewarding the use of corporate cards, and loading of prepaid cards and rewarding borrowers who meet their retail loan obligations promptly. In collaboration with the Bank's product units and the program's partners, 55 advertising and portfolio management campaigns were carried out, and the yellow reward scheme was included in 14 advertising campaigns.

Yellow also had a positive impact on the results of the yellowday, the e-platform for redeeming yellows, with 85% of its transactions made by members of the Scheme. In particular, there was an increase of 10% in turnover, 16% in conversion rate, while operating costs decreased by about 50%.

For 2020, Customer Experience and Loyalty aims to find new rewards, focusing on Small Businesses & Professionals and including major brands in the Greek market in the scheme's Partners.

USER EXPERIENCE

As part of the Bank's strategy for its digital needs, the User Experience team participated in many projects, where it applied modern usability testing including Heuristic Evaluation, usability workshops, User Testing etc. The team used the findings from the testing methods to design and implement user-friendly applications for the Bank's digital and physical channels.

In 2019 the upgrade of the Bank's digital channels continued. The launch of the new winbank web and mobile banking services has been completed, permitting users to organise and manage their personal finances. In particular, transactions are now classified into categories, spending is monitored and savings targets are set. Striving to improve customer experience in organising personal finances, new developments are planned that will be implemented in 2020. To better serve the Bank's business customers, a new winbank business app was created with a new user interface, a single sign-on feature in case of participation in multiple business schemes and faster approval of transactions. In addition, the new website www.piraeusbankblog.gr was launched, a new channel of communication with the Bank's customers, with articles on banking and non-banking issues. Finally, a series of new implementations have been launched that are expected to be completed in 2020, always in accordance with the Bank's strategic pillars.

CUSTOMER EXPERIENCE

Voice of the Customer

In 2019, the Voice of the Customer (VoC) team continued working towards improving customer experience. VoC analysts measured the experience of 24,000 Retail Banking customers at 16 points of engagement with the Bank (Moments of Truth). They used Text Analytics (Machine Learning and Natural Language Processing) to analyse more than 180,000 spontaneous comments from 84,000 customers on all channels (e.g. surveys, e-mail, chats, complaints platform, etc.). More than 823 suggestions for improvement were made, 20% of which have already been implemented, while 12% are either assessed for the possibility of implementation or implementation is already under way.

Complaints Management

The Complaints Management team processed 5,500 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 established a process for monitoring the progress of these complaints, for effective resolution.

In 2020, the new team Customer Insights, following organizational change, aims to:

01. Reinforce the competitive advantage of Piraeus Bank, by creating an exceptional experience for its customers, and by gaining more in-depth knowledge of its customers.
02. Continue measuring customer experience when they come into contact with the Bank and enrich information with new data. This will significantly contribute to the knowledge of the customer base and offer new experiences for their own personalised needs and requirements.

2019 AWARDS AND DISTINCTIONS

Piraeus Bank won a number of awards and distinctions for its marketing, communication and public relations initiatives:

Event	Award/Distinction
Effie Awards Europe 2019	Bronze, Financial Services, for winbank campaign "2 buffoons"
Marketing Excellence Awards 2019	Gold, Brand Revitalisation for Private Banking
Marketing Excellence Awards 2019	Gold, Low Budget Marketing Communications, for "Check in Class"
Marketing Excellence Awards 2019	Silver, Customer Loyalty, for yellow Loyalty program
Marketing Excellence Awards 2019	Silver, Content Marketing Communications for Visa/2018 FIFA WORLD CUP competition
Marketing Excellence Awards 2019	Bronze, Brand Extension, Service for "Check in Class"
Loyalty Awards 2019	Gold, Most Innovative Initiative, for "Check In Class Notes"
Loyalty Awards 2019	Gold, Best Use of Marketing & Communication/Best Use of Direct Marketing, for "Check In Class Notes"

Loyalty Awards 2019	Silver, Best Use of Marketing & Communication/Best Promo Campaign - Contest, for "Check In Class Notes"
Sports Marketing Awards 2019	Silver, Integrated Marketing Campaign, for Olympiacos F.C. Mastercard "Live the experience in a suite at the G. Karaiskakis stadium" campaign
Sports Marketing Awards 2019	Bronze, Integrated Marketing Campaign, for Olympiacos F.C. Mastercard "Red and white gifts" campaign
Sports Marketing Awards 2019	Bronze, Integrated Marketing Campaign, for AEK F.C. Mastercard "New AEK outfit" campaign
Sports Marketing Awards 2019	Bronze, Engagement/Experiential, for "First time at AEK" campaign
Social Media Awards 2019	Gold Financial Services/Fintech, Best use of Facebook, Instagram, Messenger and Whatsapp, for New winbank - Simple and organised
Social Media Awards 2019	Silver Facebook's Test & Learn Framework, most innovative use of test & learn tools, for New winbank - Simple and organised
Social Media Awards 2019	Bronze Bumper Ads, Best use of YouTube, for New winbank - Simple and organised
Social Media Awards 2019	Bronze, Best Use of LinkedIn
Social Media Awards 2019	Bronze CSR campaign for Project future
Retail Business Awards 2019	Gold, Retail Mall & Park, for City Link
Event Awards 2019	Silver, Retail Mall & Park, for City Link
Event Awards 2019	Bronze, "Themed events" for the Pre-Christmas Ball party at the City Link

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 play an active role in promoting innovative tools for critical sectors of the Greek economy.

In 2019 the strategic priority for Excelixi was for its products, services and projects to:

01. Complement the Group's product and service portfolio.
02. Increase customer loyalty to the Group.
03. Contribute to customer sustainability.
04. Utilise synergies inside and outside the Group and create opportunities for new ones.

To implement its strategy, Excelixi organised a series of pioneering training programs and provided advisory services on critical areas of the economy such as: Modern Agricultural Development, e-Business, Entrepreneurship and Innovation, Green Business.

Dissemination of Knowledge & Experience

Using its certification as a Centre for Lifelong Learning, in 2019 Excelixi offered – in collaboration with specialised partners – high level educational services through Integrated Schools and Academies. At the same time, it strengthened its digital presence by providing training through its digital platforms.

It focused on educating young graduates seeking further training and entry into the job market, but also young farmers, using innovative tools and effective distance learning.

For freelancers and entrepreneurs who want to grow their business and customer satisfaction, Excelixi has developed the eLearning "Excellence in Sales" training program. Professionals and entrepreneurs can enhance their sales skills through an effective learning process, in a simple and understandable way, not only developing their business but also building customer loyalty.

At the same time, capitalising on its accumulated experience in consulting, Excelixi has developed a new package of Export Consulting services, to support businesses in the agri-food industry and agricultural cooperatives and strengthen their capacity to operate successfully in the international markets.

New technologies

Excelixi products are available online, making education accessible for all, regardless of the availability of resources and time, no matter where people are located in the country. The e-learning platforms incorporate the most advanced distance learning practices for adults, such as the innovative Gamification approach, i.e. the adoption of logical gameplay in professional environments and topics, turning learning into a pleasant but mostly effective process.

Improving environmental performance

In 2019 Excelixi continued to support companies in the tourism sector in their efforts for eco-label GREEN KEY awards and Travel Life certifications. These eco-label awards and certifications represent a commitment by businesses in the tourism sector, that they adhere to environmentally responsible and sustainable business practices, and promote local culture.

Supporting the young generation

Excelixi participated in the 2nd and 3rd cycle of Piraeus Bank's CSR program Project Future, which connects young people with the job market, providing specialised training on Digital Marketing and Data Science in Practice. The second cycle of the program was completed in June 2019, and the third cycle in December of the same year, attended by more than 170 participants (see Chapter *Society*, p. 193-194).

With regard to young farmers, acknowledging that changes in the agricultural economy make the need for continuous training imperative, Excelixi supported Piraeus Bank's initiative to provide access to 6,000 new farmers across the country, free of charge, for the innovative eLearning program "Business planning for agricultural enterprises".

CUSTOMER SATISFACTION SURVEY

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 2019, KANTAR 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, 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, with a significant improvement in the degree of preference compared to 2018.

Regarding the overall customer experience, the results are positive, with a 72% of the sample rating Piraeus Bank as "excellent/very good", 23% as "good" and 5% as "moderate", and only 1% rating it as "poor". It is noteworthy that 9 out of 10 Piraeus Bank customers prefer "extremely/very strongly/strongly" Piraeus Bank to any other bank.

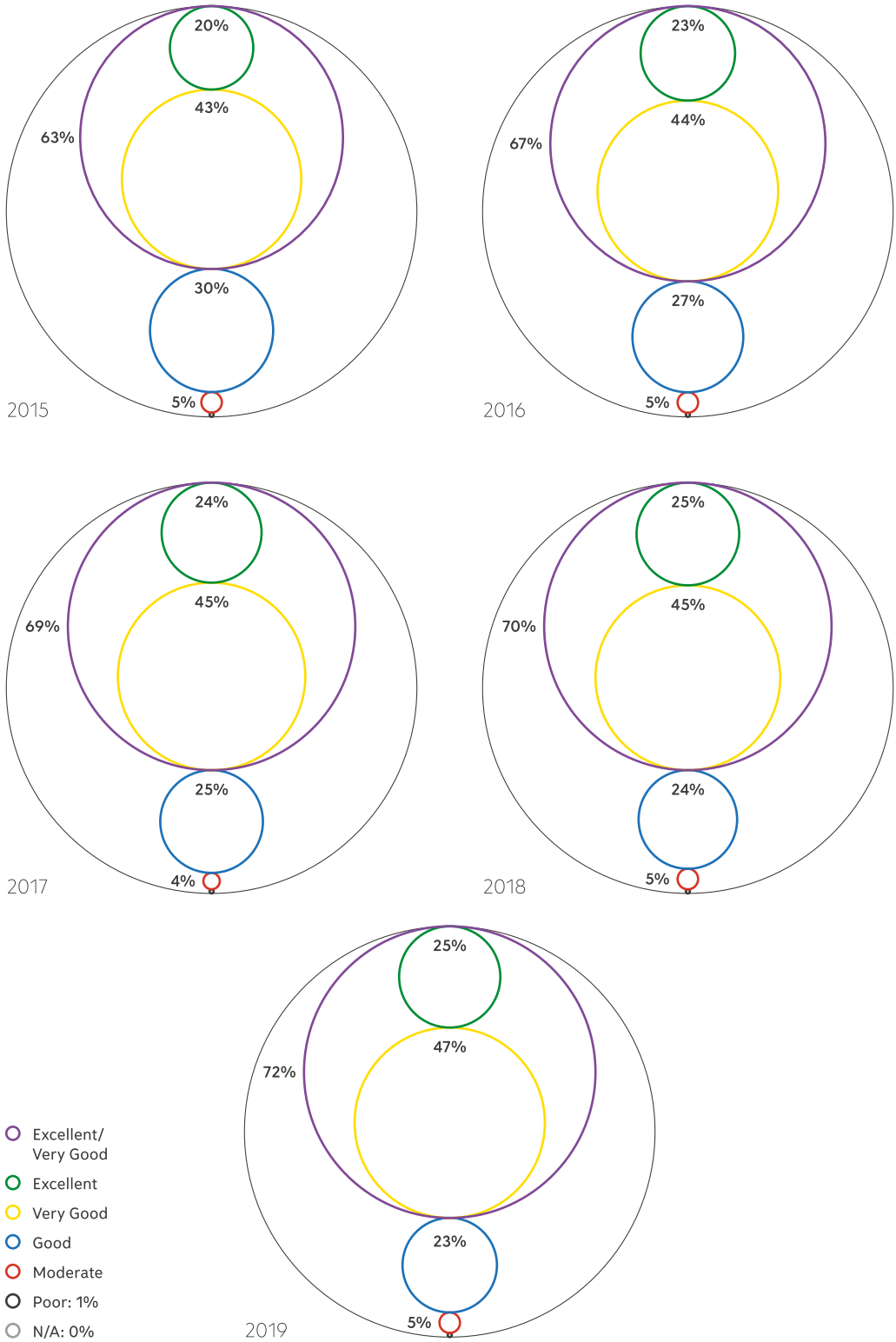
According to the 2019 survey, all satisfaction indicators at the customers' main branch of service remained high. On customer satisfaction with the servicing experience at their main branch of service, "courtesy of the staff" and "staff expertise" service quality indicators scored the highest. Indicators on transparency show a significant increase in customer satisfaction compared to 2018. In particular, in terms of "providing full and accurate information" 77% of customers rate it as "excellent/very good" (versus 74% in 2018) and only 1% of customers consider it as "poor". "Moreover, "keeping promises" was considered "excellent/very good" for 77% of customers at the main branch of service (versus 74% in 2018). Customer experience with web banking remains at a very high level, with 9 out of 10 customers evaluating it as "excellent/very good". A significant increase compared to 2018 is recorded in customer satisfaction with the mobile banking App, with 86% evaluating it as "excellent/very good" (compared to 83% in 2018). These results justify the Bank's focus on effective customer service.

Finally, 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.

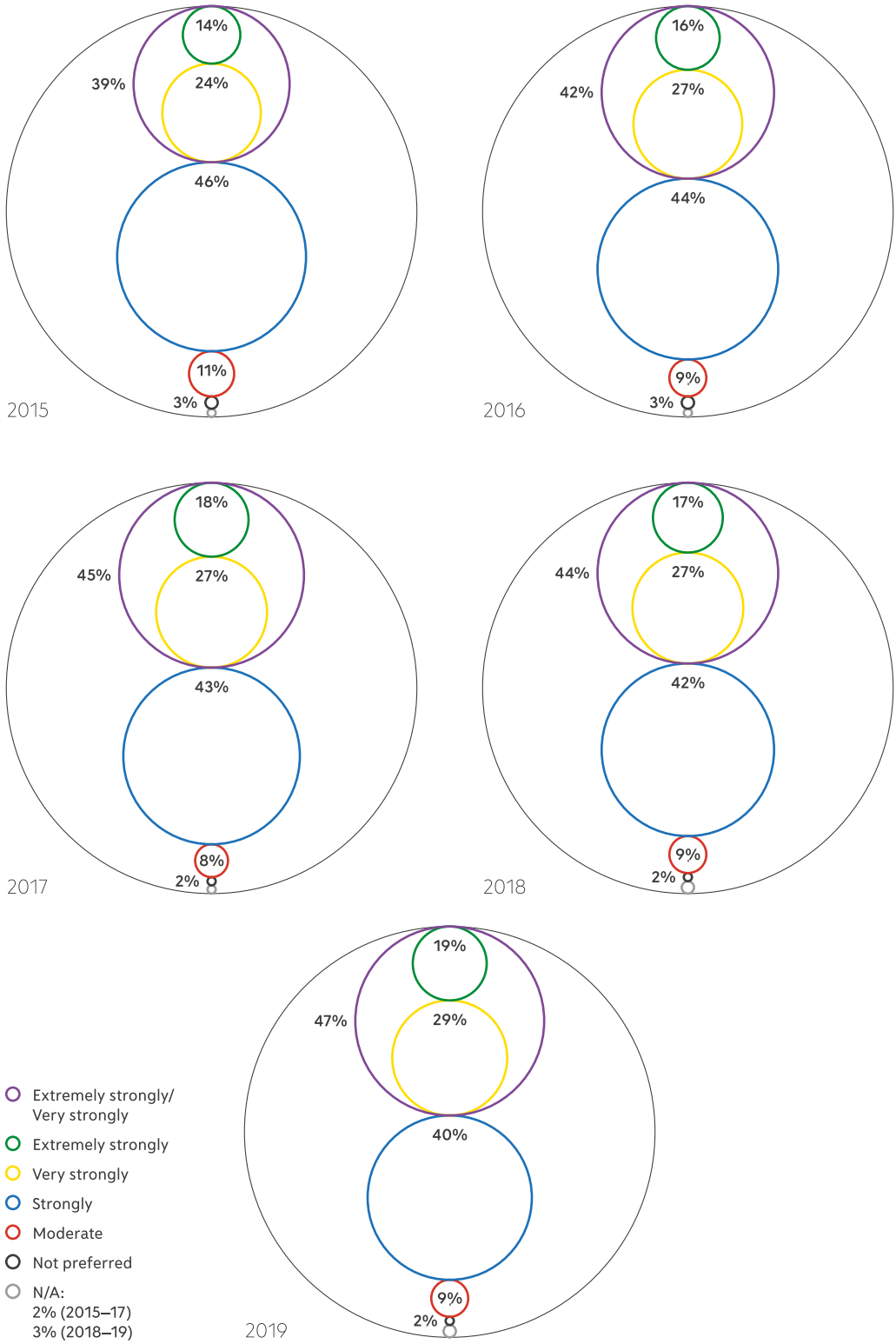
Assessment of overall experience with Piraeus Bank

Question: Considering your experience with Piraeus Bank, how would you rate it overall?
Respondents v=15,300 per year



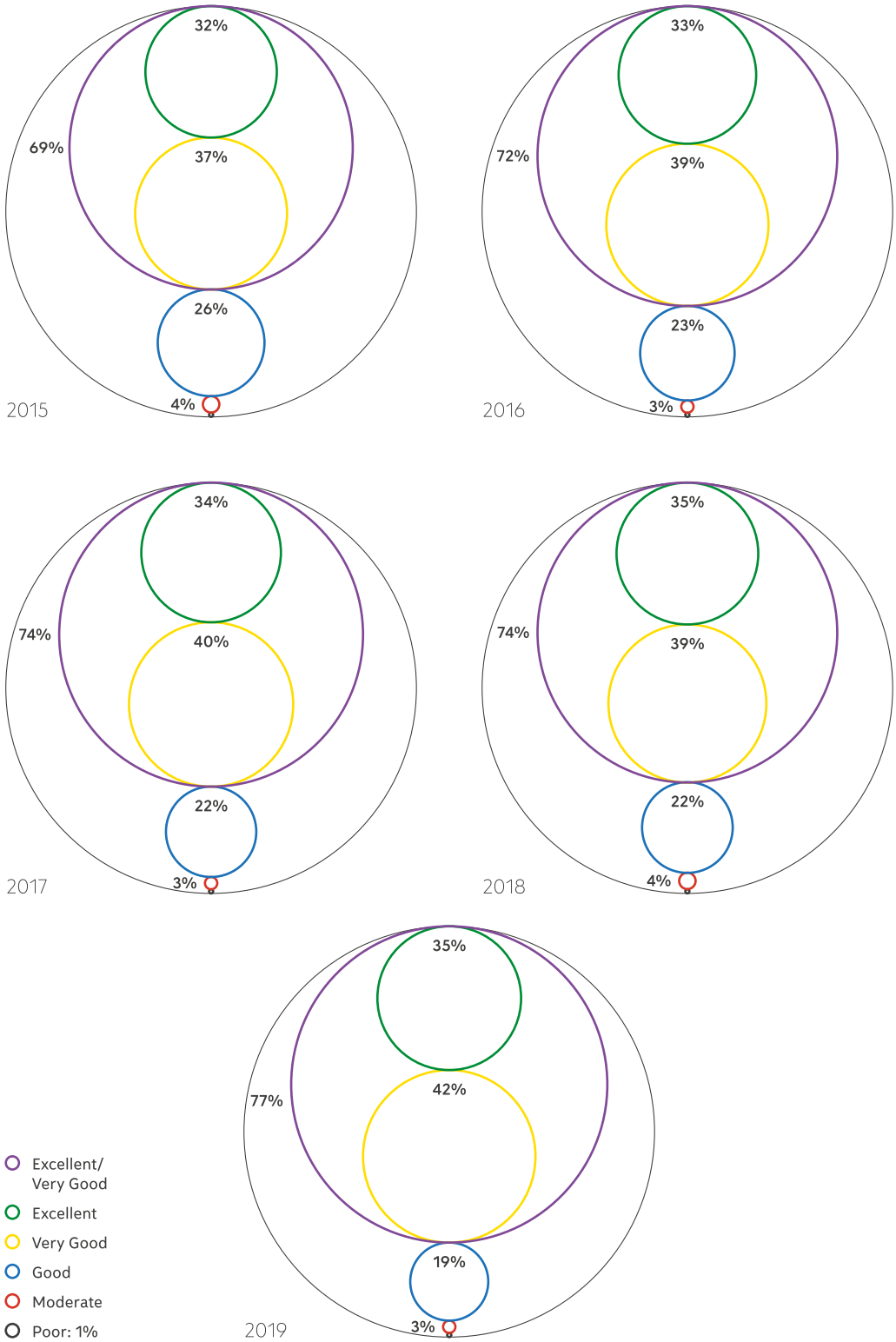
Degree of preference of Piraeus Bank versus other bank

Question: How strongly would you prefer Piraeus Bank versus any other bank?
Respodents v=15,300 per year



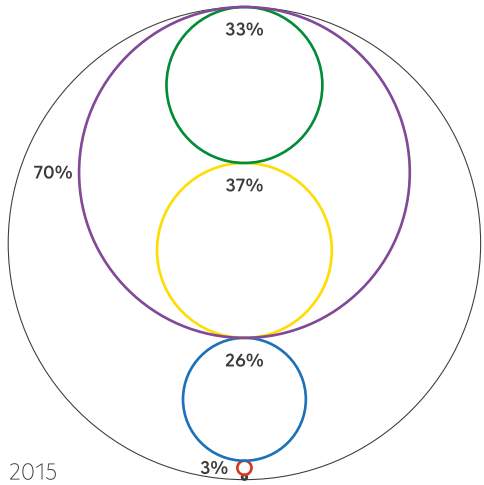
Providing complete and clear information

Question: How would you assess your primary branch at Piraeus Bank in providing from the beginning complete and clear information on the terms of cooperation?
Respondents v_{2015}=15,293 / v_{2016}=15,290 / v_{2017}=15,294 / v_{2018}=15,291 / v_{2019} =15,293

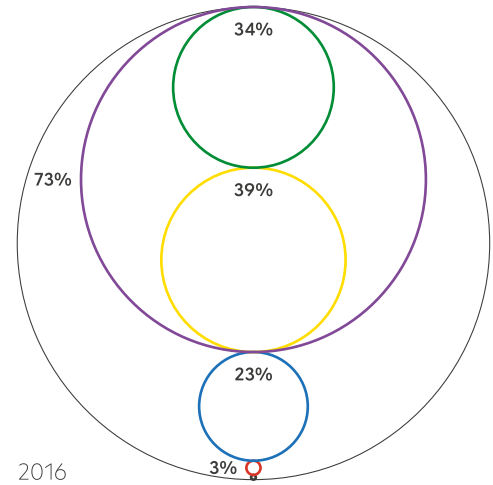


Abiding by promise

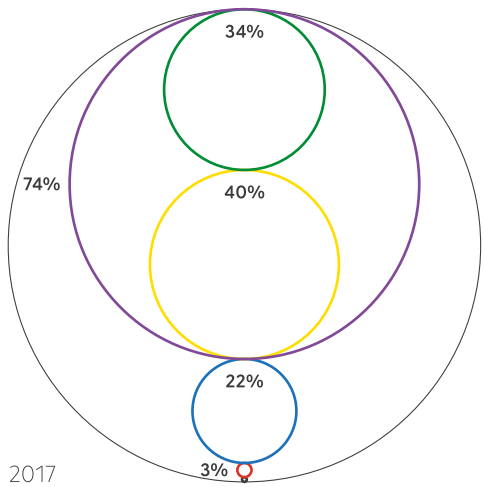
Question: How would you assess your primary branch at Piraeus Bank in abiding by promise?
Respondents v_{2015}=15,293 / v_{2016}=15,290 / v_{2017}=15,294 / v_{2018}=15,291 / v_{2019} =15,293



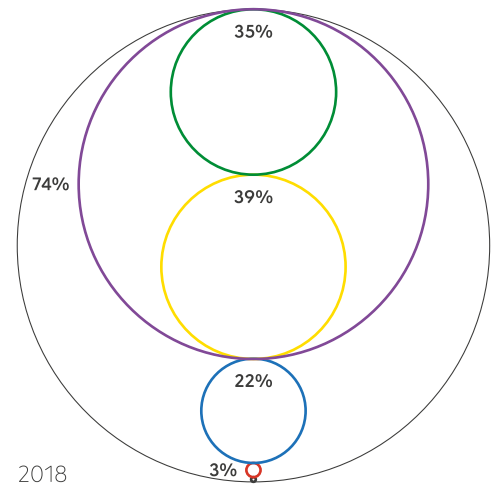
2015



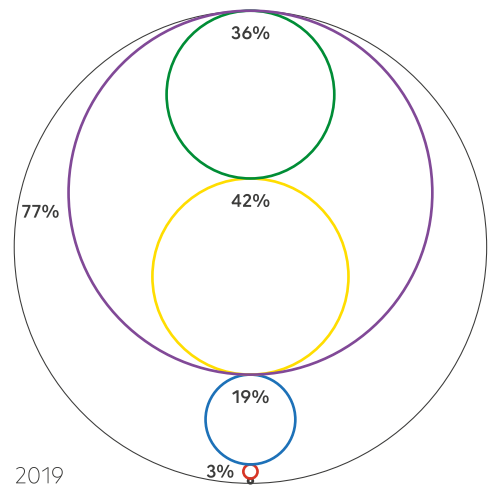
2016



2017



2018

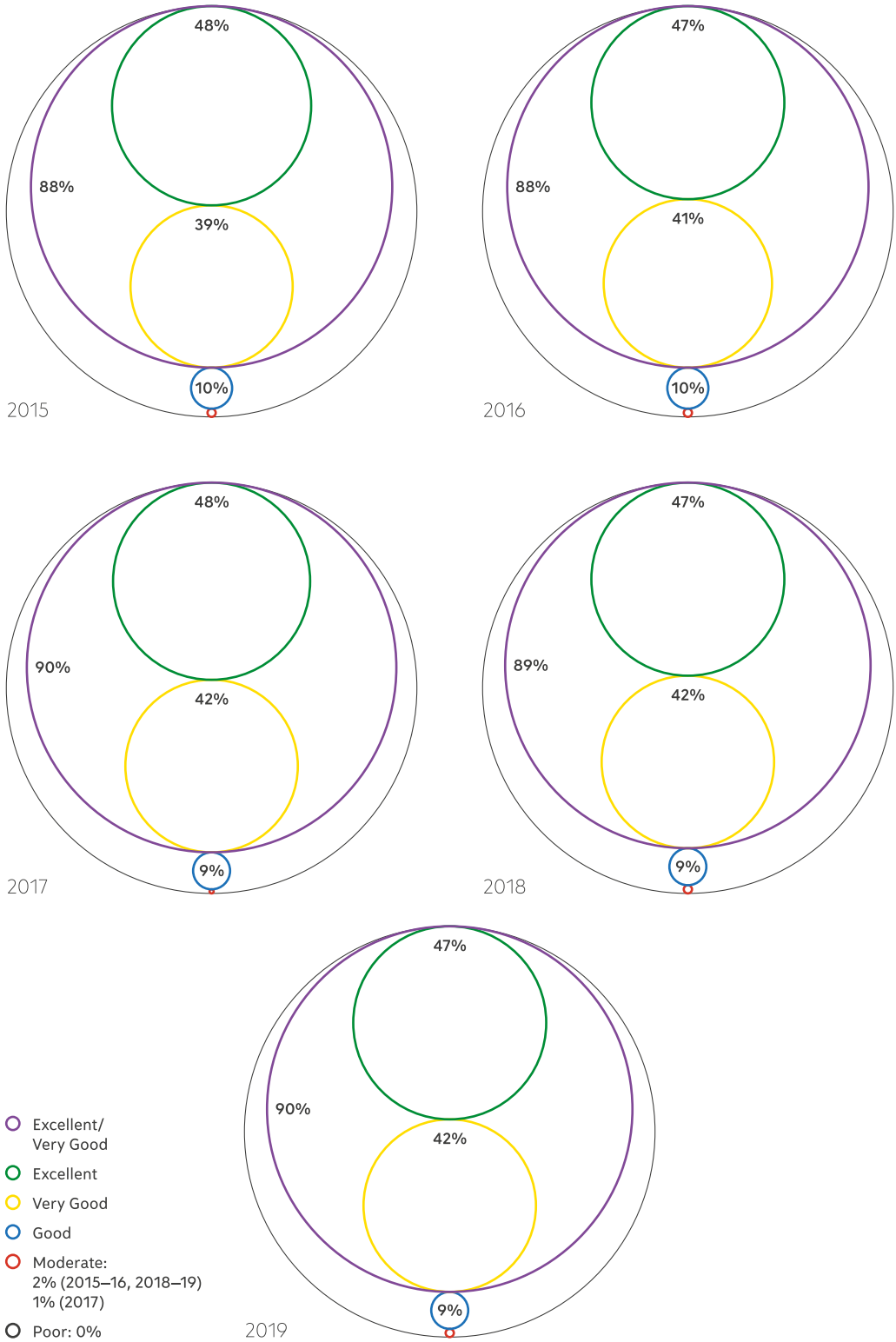


2019

- Excellent/ Very Good
- Excellent
- Very Good
- Good
- Moderate
- Poor: 1%

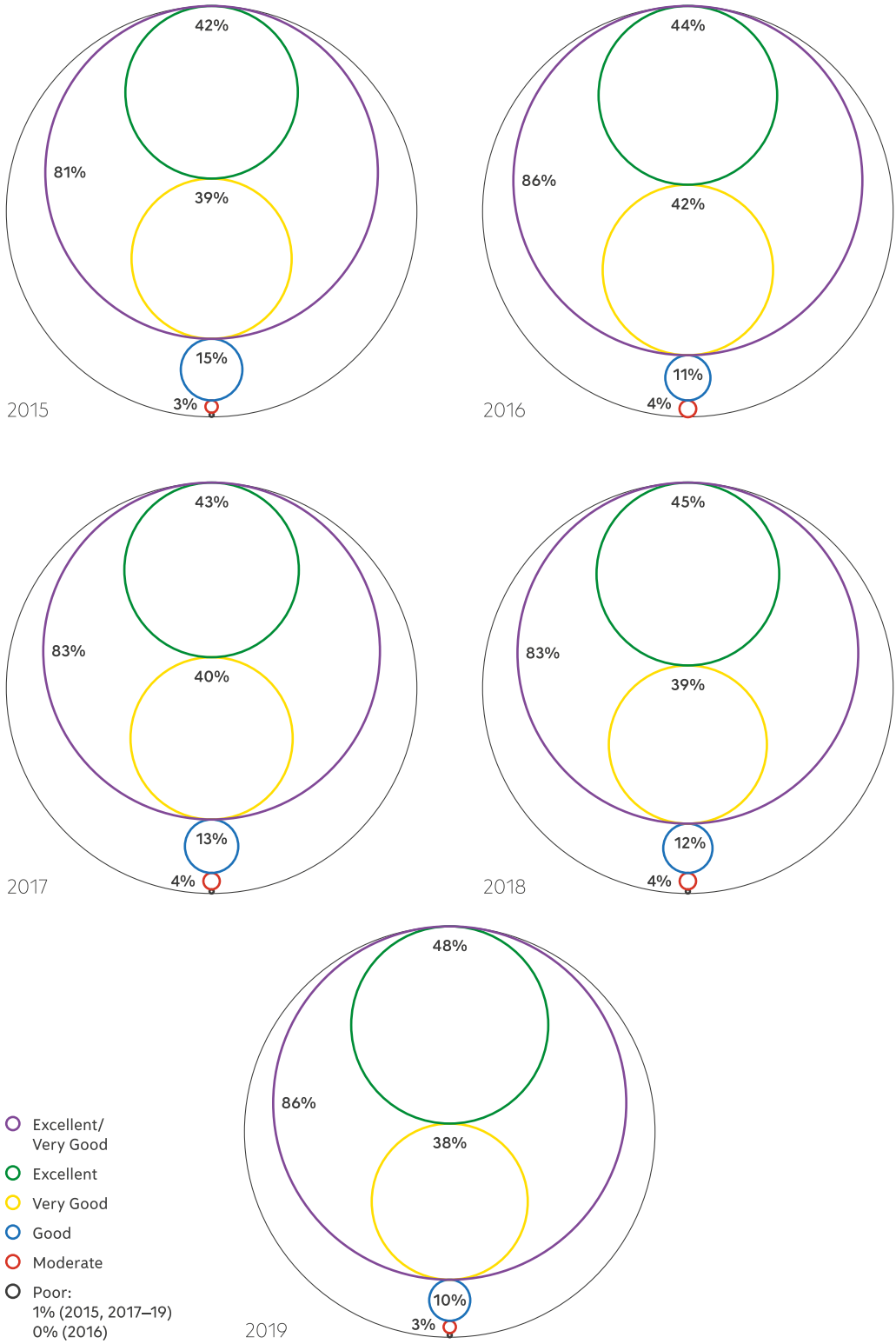
Assessment of overall experience of services provided through web banking

Question: How would you assess the overall services provided through Piraeus Bank's web banking?
Respondents users of the specific channel in the last six months
v_{2015}=3,019 / v_{2016}=4,315 / v_{2017}=5,593 / v_{2018}=6,474 / v_{2019}=6,350



Assessment of overall experience of services provided through mobile banking app

Question: How would you assess the overall services provided through Piraeus Bank's mobile banking app?
Respondents users of the specific channel in the last six months
v_{2015}=558 / v_{2016}=961 / v_{2017}=1,623 / v_{2018}=2,369 / v_{2019}=2,525



Mapping with Sustainable Development Goal
Peace, Justice and Strong Institutions

Assurance by independent body
GRI 418-1

MATERIAL TOPIC

PROTECTION OF PERSONAL DATA

The Bank ensures the protection of the personal data of its customers and other stakeholders through the implementation of integrated procedures and systems.

- Automation of functions of the Personal Data Protection Office

0

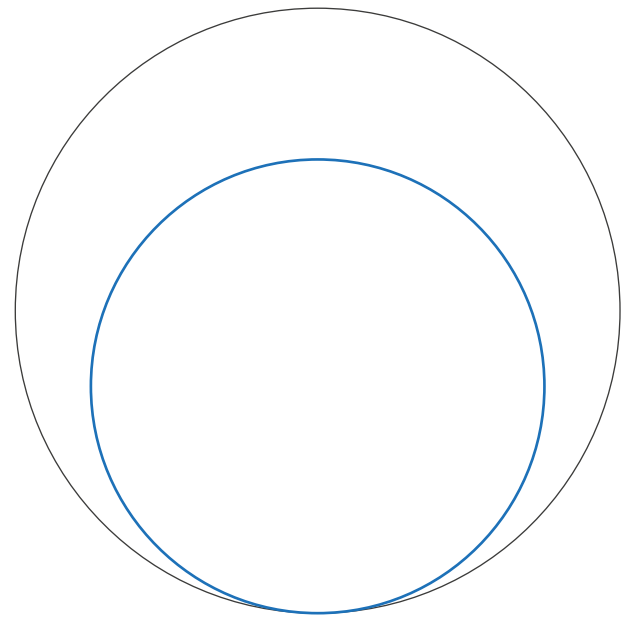
Incidents of personal data breaches

100%

Response to customer requests without delay

1.9 mn

Piraeus Bank's customers have given their affirmative consent to the management of personal data with 76% of customers are opt-in and 24% opt-out

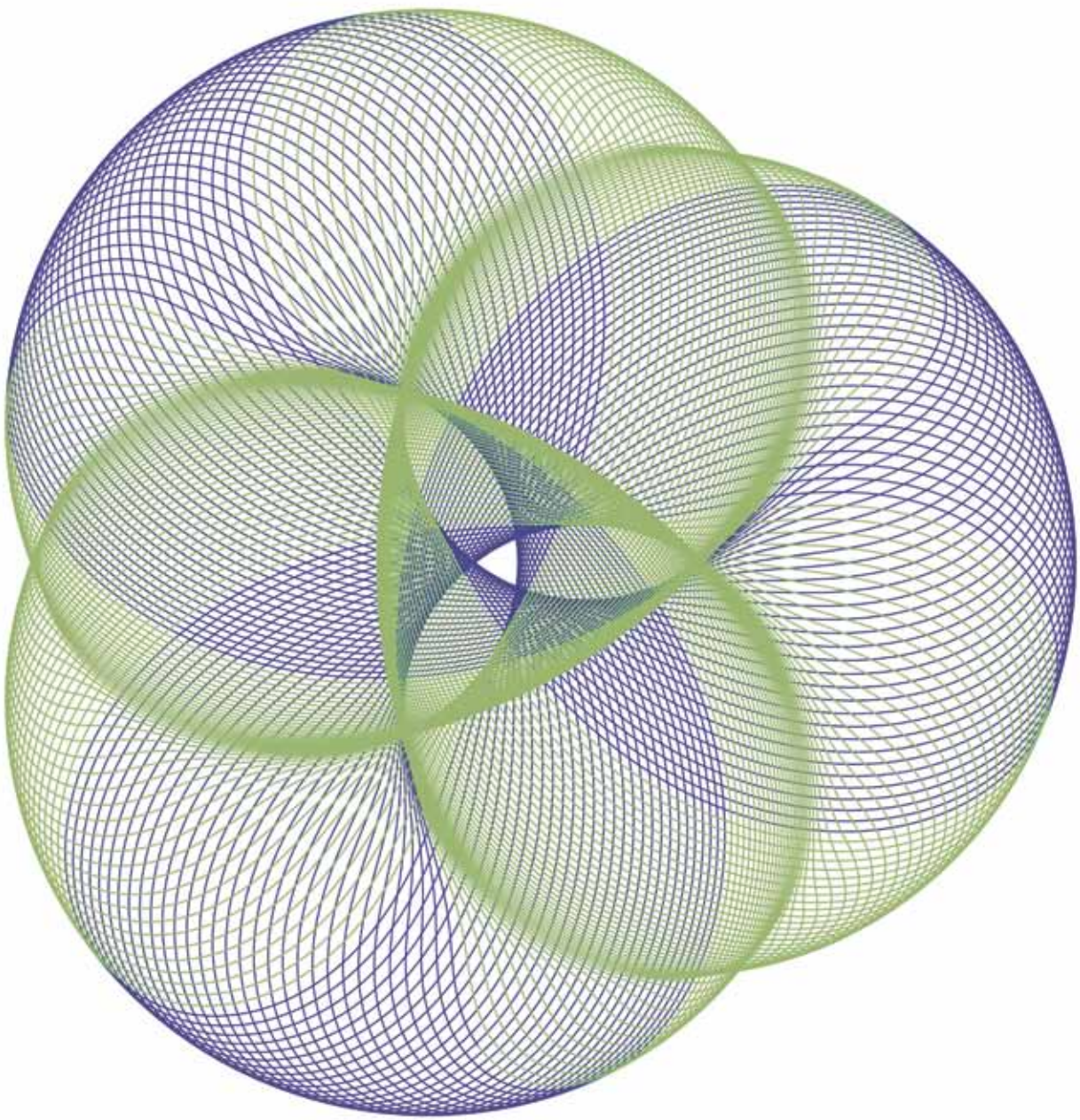


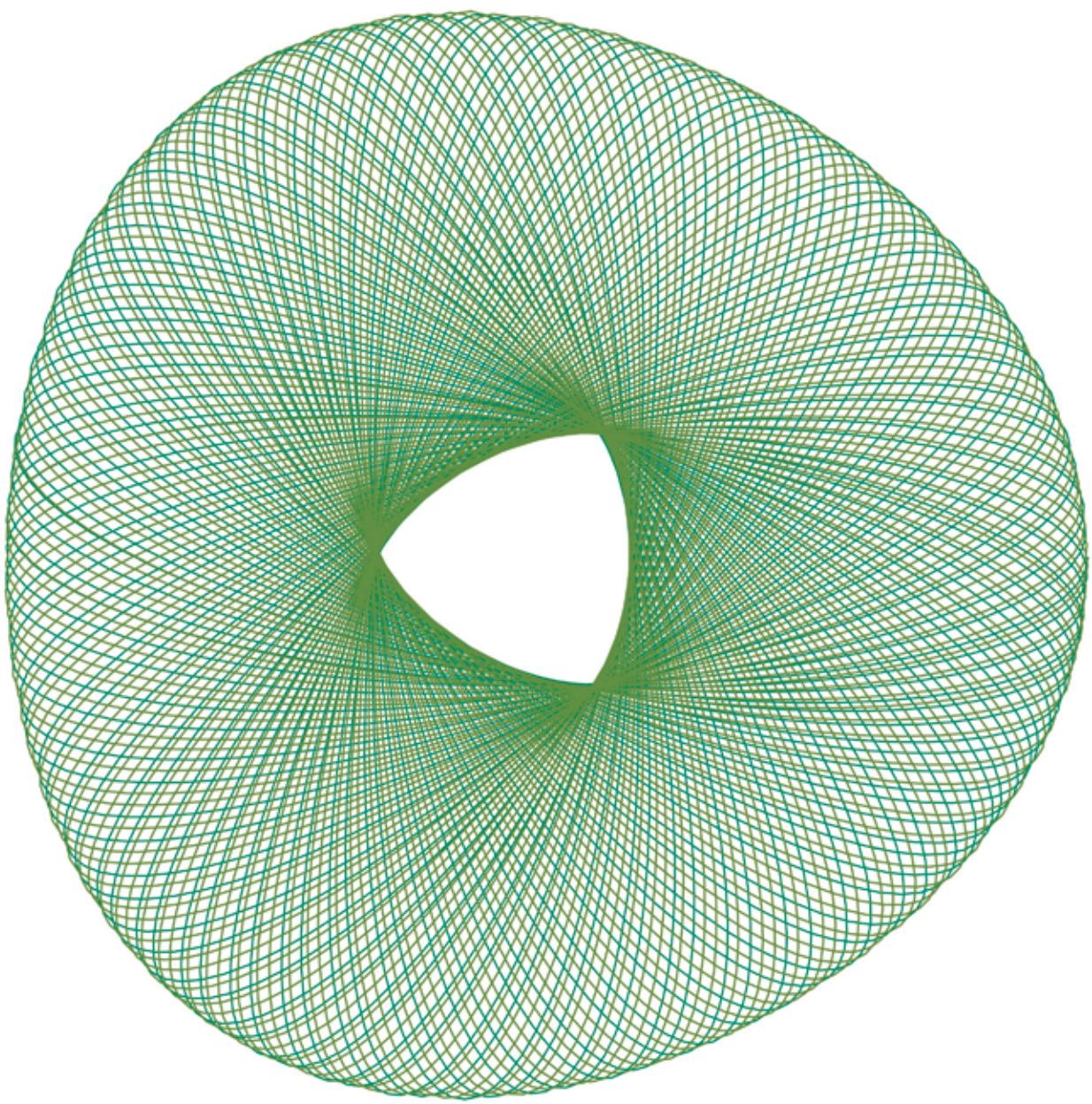
78%

of Piraeus Bank total employees, who completed training in Personal Data Security issues and the General Data Protection Regulation (GDPR)

Goals

- Continuous training of the Data Protection Office experts and of the Bank
- Participation in the process of developing new products based on the principle Privacy By Design
- Participation in information and promotions of the Bank campaigns
- Zero personal data breaches incidents
- 100% response to customer requests without delay





HUMAN RESOURCES

Piraeus Bank Group, firmly committed to a diverse and inclusive workforce, with equal opportunities for all employees, creates strong relationships with its employees, based on accountability, meritocracy and transparency.

In 2019, the Group shaped a professional development framework, in alignment with the strategic and business goals, as well as with the Group's corporate culture.

The Group designed work ethic-enhancing actions and implemented, inter alia, a Job Family Model (JFM) in the Group, linked directly with the reward/benefit and promotions framework. At the same time, the Group continued its effort to attract and retain talent, to utilise executives with high potential, and to emphasise high performance.

The communication channels were modernised at all levels to create a positive experience for employees and emphasis was placed on actions strengthening accountability, meritocracy and transparency across the Group.

2019 INITIATIVES

01. Planning and implementation of actions to strengthen the internal control system of Group HR.
02. Implementation of additional restructuring options on loan products to the Group's employees.
03. Software platform implementation for creating the Individual Development Plan, in the context of the Become & Achieve People Performance Management approach.
04. An action plan was designed and implemented to communicate and integrate the new values into the everyday fabric of business.
05. A "Culture Pulse Check" survey was conducted to capture employee feedback on culture transformation within the Organization and to create an action plan.
06. Use of the Job Family Model (JFM) in determining the compensation and benefits strategy.
07. Design of the Group's competency framework.
08. Development of a series of activities for providing training to employees on the Bank's core customer-centric system.
09. Design and implementation of regular teleconferences with the Bank's Management.
10. Enhancing communication campaigns for employees.

11. Regular initiatives to promote health, safety and well-being in the workplace.

2020 TARGETS

01. Improvement of employee digital experience (intranet upgrade, creating e-newsletter).
02. Strengthen open communication, inter-departmental cooperation and optimise communication practices.
03. Review Operational Risk Assessment.
04. Roll out the "Become & Achieve" PPM to the Group's subsidiaries.
05. Redesign and implement the talent development and succession plan.
06. Introduce a new recruitment management platform (Workable).
07. Implement a competitive group pension scheme for all employees.
08. Set up a Committee to formulate and monitor the JFM governance structure.
09. Create an application for the systematic management of the JFM Skillset and Competency framework.
10. Conduct a "Culture Pulse Check" survey to assess the impact of the actions carried out.
11. Conduct regular campaigns to raise awareness on ethical issues.
12. Design and implement a Policy for Professional Certification of high-potential executives.
13. Create customised Learning Pathways.
14. Implement customised Executive Education to senior executives and members of the Executive Committee, in collaboration with an esteemed educational institution abroad.
15. Upgrade digital education with new tools.
16. Expand initiatives to promote health, safety and well-being in the workplace.

ENHANCING THE CORPORATE CULTURE AND VALUES

Following the actions launched in 2018, designed to spread the new values and to create a common corporate culture in the Group, in 2019, a variety of communications were used to ensure that the corporate value are included in the Bank's daily operations. More specifically:

BREAKFAST WITH LEADERS

The CEO and members of the Executive Committee meet with employees in an informal context to update them on business strategy, goals and achievements. They also discuss the daily routines of employees, the Group's culture and values and how these affect the day-to-day operations of the Bank. The third meeting cycle was completed in 2019, with 22 breakfast meetings and 255 participants. In total, more than 650 employees have participated in these meetings.

CULTURE PULSE CHECK SURVEY

Following the Culture Pulse Survey conducted in 2017, a new Pulse Check was carried out to track progress on issues related to strengthen the common corporate culture. All employees from the Bank and its Greek subsidiaries were asked to participate in the survey, and 81% did. More than 70% of participating employees indicated high levels of engagement in working towards a common culture.

Most employees identified innovation, customer focus, personal contribution to the Bank's success, commitment to the Group's strategy, promoting the Bank to friends and acquaintances, and the Bank's positive contribution to the development of the Greek economy as strong points. More work needs to be done in improving meritocracy, communication and collaboration.

"UP CLOSE" FOCUS GROUPS

Data from the Culture Pulse Survey were used to create an action plan to respond to the identified issues in shaping corporate culture. Focus groups were set up to openly discuss and explore "up close" issues in more depth, to explore creative ideas and possible solutions to employee engagement issues. In the focus groups, "we focused up close on enhancing Meritocracy, Collaboration and Communication". A total of 41 meetings were held in Athens, Thessaloniki and Heraklion Crete, with 480 participants (320 from central units and 180 from the Branch network); more than 1,400 views were shared and approximately 600 ideas-actions were recorded.

Combining the proposals made by the employees who participated in the focus groups and taking into account the Group's priorities, an action plan was developed incorporating 16 actions to accelerate progress in culture integration across eight pillars. Each pillar is supported by a member of the Executive Committee, since they have all been classified as high-priority actions for the organization. In detail, the pillars are:

01. Leadership - Tone from the Top
02. Cross-divisional Collaboration
03. Professional Development
04. Open Communication
05. Employee Digital Experience
06. Innovation & Recognition
07. Integration & Diversity
08. Habits and Practices

"PEOPLE ONLINE 30'" OPEN AND TWO-WAY COMMUNICATION

In 2019, a new form of communication and collaboration was introduced, a 30-minute video-conferencing between the CEO and senior executives, whereby senior executives are regularly informed about HR issues and important ongoing or future projects.

The CEO informs senior executives about all the current developments in Piraeus Bank Group, reinforcing the commitment of the management team to the Group's strategic priorities.

In addition, participants are given the opportunity to discuss, resolve questions and suggest topics that they wish to discuss. Nine video conferences were conducted in 2019.

ETHICS AND SUSTAINABILITY CULTURE

Business ethics and responsible business practices contribute to the sustainability of the Group, its employees, customers, shareholders and society at large. The Code of Conduct and Ethics sets out the principles and practices that govern behaviour and decisions at Piraeus Bank Group, in accordance with the Code of Banking Conduct (Hellenic Bank Association) and the Group's principles and Compliance framework.

The Code of Conduct and Ethics ensures that the behaviour of PBG employees is in line with and promotes the corporate values. It includes the Group's basic Policies and Regulations and outlines a common set of principles for decision-making in the working environment, as a point of control.

The Code applies to all employees across the Group, with emphasis on the principles of responsibility, meritocracy and transparency, and has been signed by the CEO and all the members of the Group Executive Committee.

In accordance with the Code of Conduct and Ethics, the Whistleblowing Policy establishes the framework for the timely detection of irregularities, oversights or punishable acts with respect to the Bank's internal policies and procedures. Employees have the obligation to disclose such acts which come to their attention using the relevant communication channels to secure the internal control system. In addition, a Whistleblowing Committee has been set up and is responsible for assessing named and anonymous allegations, decides on their credibility, as well as on whether further action is required.

CONTRIBUTION TO EMPLOYABILITY

Piraeus Bank Group Workforce

As of 31/12/2019, Piraeus Bank Group had 11,561 employees versus 12,564 people in 2018.

The average age of the Group's employees is 42 years, with 83% of the employees under 50 years old. 75% of employees in Greece and 95% of the employees in international subsidiaries hold university degrees and/or postgraduate titles. 54% of Bank employees work in the Branch Network and the remaining 46% in the Administration units. At Group level, the breakdown is 51% and 49% respectively.

Number of Employees (measured in FTEs*)

	Total 2019	Total 2018
Piraeus Bank Greece	10,734	11,678
Piraeus Group Greece (Bank and Subsidiaries)	11,137	12,097
International Subsidiaries	418	460
Piraeus Group Total for Continuing Operations	**11,555**	**12,557**

* Full time equivalent

Number of Employees 2019 (measured in Head Count)

	Men	Women	Total
Piraeus Bank Greece	4,495	6,240	10,735
Piraeus Group Greece (Bank and Subsidiaries)	4,700	6,439	11,139
International Subsidiaries	161	261	422
Piraeus Group Total for Continuing Operations	**4,861**	**6,700**	**11,561**

Number of Employees 2018 (measured in Head Count)

	Men	Women	Total
Piraeus Bank SA	4,896	6,783	11,679
Piraeus Group Greece (Bank and Subsidiaries)	5,106	6,993	12,099
Subsidiaries Abroad	179	286	465
Piraeus Group Total for Continuing Operations	**5,285**	**7,279**	**12,564**

Note: HR data is collected from the HR database and from the completion of questionnaires on selected issues, with common assumptions for all Group's companies, while the Group's activities reserved for sale are excluded.

The data in the tables below until the end of the section refer to Headcount.

2019 Age Distribution (%)

	Bank	Group
<30	0.5%	0.9%
30-50	82.9%	82.4%
>50	16.6%	16.7%

2018 Age Distribution (%)

	Bank	Group
<30	0.4%	0.9%
30-50	86.0%	85.3%
>50	13.6%	13.8%

2019 Employee Distribution per Workplace (%)

	Bank	Group
Branch Network	53.6%	51.2%
Administration Units	46.4%	48.8%

2018 Employee Distribution per Workplace (%)

	Bank	Group
Branch Network	49.0%	47.0%
Administration Units	51.0%	53.0%

DISTRIBUTION BY TYPE OF EMPLOYMENT AND CONTRACT

100% of the employees of Piraeus Bank and its subsidiaries in Greece receive as a minimum, compensation and fringe benefits, as determined in the collective bargaining agreements, while at Group level the percentage amounts to 99.5%.

2019 Type of Employment and Contract

Bank	Men	Women	Total
Ful-time Employment	4,494	6,239	10,733
Part-time Employment	1	1	2
Group	Men	Women	Total
Ful-time Employment	4,857	6,692	11,549
Part-time Employment	4	8	12

2018 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

Geographical Distribution of Employees with Indefinite Employment-term Contracts (Group in Greece)

	2019			2018		
Geographical Area	Men	Women	Total	Men	Women	Total
Attica	2,742	3,660	6,402	3,043	4,095	7,138
Thessaloniki	502	604	1,106	556	677	1,233
Rest of Greece	1,455	2,173	3,628	1,506	2,220	3,726

Geographical Distribution of Employees with Indefinite Employment-term Contracts (International Subsidiaries)

	2019			2018		
	Men	Women	Total	Men	Women	Total
Capital Area	147	208	355	158	230	388
Other Areas	14	53	67	21	56	77

Geographical Distribution of Employees with fixed-term Contracts (Group Greece)

	2019			2018		
Geographical Area	Men	Women	Total	Men	Women	Total
Attica	1	2	3	1	1	2
Thessaloniki	0	0	0	0	0	0
Rest of Greece	0	0	0	0	0	0

Geographical Distribution of Employees with fixed-term Contracts (International Subsidiaries)

	2019			2018		
	Men	Women	Total	Men	Women	Total
Capital Area	0	0	0	0	0	0
Other Areas	0	0	0	0	0	0

SELECTING THE RIGHT PEOPLE FOR THE RIGHT ROLES

Talent Acquisition & Selection aims at utilising and retaining Bank executives, and at attracting experienced executives from the market. During 2019, 687 positions were covered in the Bank, 84% of which were filled in through internal transfers or promotions, while only 16% through new hires. Of the positions covered, 46% were filled in by men and 54% by women.

At the same time, executives were given the opportunity to progress hierarchically. There were 316 total promotions, across all levels of hierarchy, of which 156 women (49%) and 160 men (51%). Finally, in the context of gender participation in positions of responsibility, women hold 25% of the Bank's senior management positions and 15% of top management.

% refers to the ratio of the number of men/women in the category to the total number of men and women in the category.

2019 Gender Composition of Hires

Total Hires per Gender	Men	Men (%)	Women	Women (%)	Total
Piraeus Bank Greece	73	1.6%	36	0.6%	109
Piraeus Group Greece (Bank and Subsidiaries)	81	1.7%	41	0.6%	122
Subsidiaries Abroad	52	32.3%	85	32.6%	137
Piraeus Group Total for Continuing Operations	133	2.7%	126	1.9%	259

2018 Gender Composition of Hires

Total Hires Rate per Gender	Men	Men (%)	Women	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
Subsidiaries Abroad	41	22.9%	95	33.2%	136
Piraeus Group Total for Continuing Operations	102	1.9%	140	1.9%	242

2019 Age Distribution of Hires, by Gender

Piraeus Group Greece (Bank and Subsidiaries)	Men	Men (%)	Women	Women (%)	Total
<30	16	55.2%	12	42.9%	28
30-50	58	1.6%	26	0.5%	84
>50	7	0.7%	3	0.4%	10
International Subsidiaries	Men	Men (%)	Women	Women (%)	Total
<30	16	88.9%	17	63.0%	33
30-50	32	30.5%	61	31.6%	93
>50	4	10.5%	7	17.1%	11

2018 Age Distribution of Hires, by Gender

Piraeus Group Greece (Bank and Subsidiaries)	Men	Men (%)	Women	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	Men (%)	Women	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

2019 Geographical Distribution of Hires, by Gender

Piraeus Group Greece (Bank and Subsidiaries)	Men	Men (%)	Women	Women (%)	Total
Attica	76	2.8%	37	1.0%	113
Thessaloniki	0	0.0%	1	0.2%	1
Rest of Greece	5	0.3%	3	0.1%	8
International Subsidiaries	Men	Men (%)	Women	Women (%)	Total
Capital	44	29.9%	67	32.2%	111
Other Areas	8	57.1%	18	34.0%	26

2018 Geographical Distribution of Hires, by Gender

Piraeus Group Greece (Bank and Subsidiaries)	Men	Men (%)	Women	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	Men (%)	Women	Women (%)	Total
Capital	33	20.9%	80	34.8%	113
Other Areas	8	38.1%	15	26.8%	23

2019 Hierarchical Distribution of Hires, by Gender

Piraeus Group Greece (Bank and Subsidiaries)	Men	Men (%)	Women	Women (%)	Total
Executives	1	2.2%	1	12.5%	2
Senior Management	11	7.7%	3	5.5%	14
Middle Management	14	1.7%	9	1.2%	23
Professionals	29	2.1%	12	0.6%	41
Operational Staff	26	1.1%	16	0.4%	42
International Subsidiaries	Men	Men (%)	Women	Women (%)	Total
Executives	0	0.0%	0	0.0%	0
Senior Management	1	14.3%	1	25.0%	2
Middle Management	0	0.0%	2	10.5%	2
Professionals	5	16.7%	8	29.6%	13
Operational Staff	46	41.8%	74	35.2%	120

2018 Hierarchical Distribution of Hires, by Gender

Piraeus Group Greece (Bank and Subsidiaries)	Men	Men (%)	Women	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

2018 Hierarchical Distribution of Hires, by Gender

International Subsidiaries	Men	Men (%)	Women	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

EXPATRIATES

The Group covers specific needs in its international subsidiaries by sending executives abroad, while at the same time offering executives the opportunity to develop their leadership skills. At the end of 2019, 2 expatriates were posted in Ukraine.

EMPLOYEE VOLUNTARY TURNOVER

In 2019, the voluntary turnover rate stood at 1.6% at Group level and at 0.7% at Bank level (56% male, 44% female breakdown).

% refers to the ratio of the number of men/women in the category to the total number of men and women in the category.

2019 Age Distribution of Turnover Rate by Gender

Piraeus Group Greece (Bank and Subsidiaries)	Men	Men (%)	Women	Women (%)	Total
<30	4	13.8%	5	17.9%	9
30-50	362	10.0%	480	8.5%	842
>50	100	9.4%	93	11.9%	193
International Subsidiaries	Men	Men (%)	Women	Women (%)	Total
<30	15	83.3%	21	77.8%	36
30-50	40	38.1%	79	40.9%	119
>50	12	31.6%	13	31.7%	25

2018 Age Distribution of Turnover Rate by Gender

Piraeus Group Greece (Bank and Subsidiaries)	Men	Men (%)	Women	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	Men (%)	Women	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

2019 Turnover Rate by Gender

Total Turnover Rate by Gender	Men	Men (%)	Women	Women (%)	Total
Piraeus Bank Greece	455	10.1%	568	9.1%	1,023
Piraeus Group Greece (Bank and Subsidiaries)	466	9.9%	578	9.0%	1,044
Subsidiaries Abroad	67	41.6%	113	43.3%	180
Piraeus Group Total for Continuing Operations	533	11.0%	691	10.3%	1.224

2018 Turnover Rate by Gender

Total Turnover Rate by Gender	Men	Men (%)	Women	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
Subsidiaries Abroad	59	33.0%	100	35.0%	159
Piraeus Group Total for Continuing Operations	679	12.8%	804	11.0%	1,483

2019 Geographical Distribution of Turnover Rate by Gender

Piraeus Group Greece (Bank and Subsidiaries)	Men	Men (%)	Women	Women (%)	Total
Attica	361	13.2%	458	12.5%	819
Thessaloniki	44	8.8%	60	9.9%	104
Rest of Greece	61	4.2%	60	2.8%	121
International Subsidiaries	Men	Men (%)	Women	Women (%)	Total
Capital	60	40.8%	91	43.8%	151
Other Areas	7	50.0%	22	41.5%	29

2018 Geographical Distribution of Turnover Rate by Gender

Piraeus Group Greece (Bank and Subsidiaries)	Men	Men (%)	Women	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	Men (%)	Women	Women (%)	Total
Capital	47	29.7%	77	33.5%	124
Other Areas	12	57.1%	23	41.1%	35

VOLUNTARY EXIT SCHEME (VES)

In the context of Piraeus strategy for further strengthening and development, striving to become a flexible and even more productive organization, the Bank launched a targeted Voluntary Exit Scheme (VES) in the second half of 2019 to encourage employees from certain units wishing to change direction in their professional lives.

The scheme offered to the employees of the Bank and its Greek subsidiaries the opportunity to leave their jobs voluntarily, to receive a lump-sum payments in compensation, and participate in a trainning program on the skills required in the new environment of the financial sector. In addition, the scheme covered childcare costs for employees with preschool-aged children. At the same time, the scheme provided for medical coverage by the group health insurance program for five years, and for support to the employees and their families through Employee Assistance Programs (EAP).

HEALTH, SAFETY AND MODERN WORKPLACE

HUMAN RIGHTS AT WORK, FRAMEWORK, COMMUNICATION AND TRAINING

Piraeus Bank adopted the UN Global Compact principles on human rights in 2004. Respect for human rights and the principle of equal opportunities, govern all core HR policies, processes and practices, 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
02. Right to collective representation
03. Promoting open communication at work
04. Grievance reporting and resolution mechanisms
05. Confidentiality principle.

Human Rights in numbers:

01. 100% of employees have access to the Human Rights Policy through the Group's internal communication channels.
02. 100% of employees have access to the revised e-learning course "Human Rights, Equal Opportunities and Diversity in the Workplace".
03. 80% of the employees completed the course over the period 2018-2019, 16% of them in 2019, with a total of 8,825 man-training hours.

Since 2018 issues falling under the scope of the Human Rights Policy (e.g. cases of harassment, intimidation/bullying, sexual misconduct) are included in the Group's Whistleblowing procedure. Through this process, the Bank strengthened its procedure for resolving employee grievances and the whistleblower anti-retaliation framework.

In 2019, there were 24 incidents of human rights violations, none of which concerned a case of discrimination; 21 of the incidents were dealt with and resolved within the year, in accordance with the established procedure for addressing grievances raised openly or anonymously.

COLLECTIVE REPRESENTATION

As for the right of employees to collectively represent themselves, there are 6 employee unions active in Piraeus Bank, representing approximately 87% of the Bank's employees. The Management respects the legislation governing its relationship with Unions and seeks to reinforce its dialogue with the collective bodies of the employees, through which conditions at the workplace are continuously improved. As part of the regular and continuous consultation with the employee Unions, representatives, the Bank's Management held multiple meetings with them in 2019. In October 2019 the Collective Labour Agreement signed between the union representatives and the Management, was extended until January 2020.

PIONEERING HEALTH AND WELL-BEING PRACTICES FOR EMPLOYEES AND THEIR FAMILIES

Piraeus Bank offers a wide range of services covering the health, safety and well-being of employees and their families, often beyond legal requirements. In particular:

Within the legal framework

01. 100% of employees in all the facilities are covered by an Occupational Doctor through an External Provider for Protection and Prevention at work. Thus, a holistic approach is taken in addressing health prevention.
02. There is an occupational doctor's office in 7 Administration buildings, where nurses and/or medical staff offer basic health care.

Beyond legal requirements and with a sense of care for the employees and their families

01. Employee Assistance Programs (EAPs) for employees and their families (24/7 Help Line, Face-to-Face counselling, Critical Incident Stress Response, Expatriation Support).
02. Disability Management practices for employees with specialised needs (e.g. special leave for emergencies).
03. Supply of 37 special orthopaedic/ergonomic seats for employees with musculoskeletal disorders
04. A dedicated team supports employees in optimising financial management of their personal finances (e.g. debt management, savings solutions).
05. Complementary discount pricing to all employees for medical and wellness services.
06. Three (3) on-site gyms in Administration buildings offer group and personal training programs.
07. Complementary discount pricing for a nutritionist and other wellness services.
08. Stress-management initiatives.
09. First-aid seminars for employees.
10. First-aid seminars for children of employees in

Athens and Thessaloniki, where they are given the opportunity to be certified as "rescuers" by specialised health and safety providers.
11. Speech awareness on safe internet browsing for employees and their family members in Athens and the regions.
12. Initiatives for safe eco-driving.
13. Career Management guidance for children of employees who are in the first and second grade of High School (Lykeio), in collaboration with a specialised consultant in Athens and the regions.

In addition, in the past year, the Bank actively supported new parents, offering additional parental leave in addition to the maternity leave to 100% of the applicant parents. More specifically, 22.5% made use of up to 3 months cumulative leave, 17.4% benefited from a 6-month cumulative leave, and 60.1% a benefited from cumulative leave exceeding 6 months.

SAFETY AT WORK

Piraeus Bank complies with all relevant laws and standards on the safety of the workplace. Technical Security services are available in all its facilities. The Bank systematically provides the Hellenic Statistical Authority (EL-STAT) with data on work-related accidents resulting in more than three days' absence from work, in accordance with the European Statistics on Accidents at Work (ESAW) methodology. In 2019, The Bank recorded four work-related accidents in its branches, these were reported to the Authorities, and were addressed 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 93 hours of fire-fighting training, and 1,448 fire drills were scheduled across the Bank, in the branch network and the administration buildings.

COVID-19 RELATED ACTIONS

Piraeus Bank is actively contributing to the prevention of the spread of COVID-19 pandemic, aiming to protect the health of its employees. Since the outbreak of the pandemic until the date of publication of this Report, Piraeus Bank has taken the following measures for its employees:

01. Direct cooperation of the health and safety team and the medical staff with the competent bodies and hospitals, for adopting an effective health protocol of handling COVID-19 pandemic-related issues.
02. Implementation of a business continuity plan, geared towards reducing congestion in the workplace and promoting social distancing between the employees.
03. Monitoring the health of suspected and confirmed cases, with the strict application of protocols.
04. Early implementation of preventive measures promoting the health and safety of employees and their families, with emphasis on the immediacy of communication, on cleaning the premises and distributing consumables for protection against the virus (e.g. liquid antiseptics, masks, gloves, Plexiglas dividers, etc.).
05. Immediate implementation of teleworking (working from home), providing training for the employees, offering flexible work arrangements, geared towards implementing a flexible workplace culture in the new digital work reality being formed.
06. Review of travel policy, suspending international and domestic travel, aiming to prevent the spread of infection.
07. 24-hour telephone medical guidance and support to all employees with an expanded team of doctors in collaboration with the National Public Health Organization (NPHO-EODY).
08. 24/7 Support Line and tele-counselling with mental health professionals.
09. Special leave of absence granted to employees belonging to the vulnerable groups, and to employees with children attending any facility of compulsory education, pursuant to the provisions and instructions of the Greek authorities.
10. Implementation of health and safety protocol for the safe return to work of employees with critical roles.

SOCIAL POLICY

Piraeus Group offers employees a compensation and benefit package that provides a stable standard of living, while at the same time motivating them to become more productive.

On 31/12/2019, total payroll expenses amounted to €504.2 mn, allocated as follows:

Consistent with the Bank's strategic goal of shaping a common work environment, in 2019 the Group's Human Resources worked systematically towards creating a single modern pension scheme. During 2019, all the necessary actions were launched to formulate the

Payroll Expenses (€ mn)

	2019	2018
Employee Compensations	338.7	350.1
Social Insurance Contributions	88.2	92.7
Other Expenses*	31.7	26.0
Voluntary Exit Scheme Expenses	36.4	154.0
Retirement Benefits Expenses	9.3	-6.9
Total	**504.2**	**616.0**

* 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.

new scheme, with implementation expected in 2020. All employees will save into the new pension plan to take a cash lump sum at retirement.

Recognising that the people of Piraeus Bank are its most valuable asset, called upon to meet the ever-changing challenges on a daily basis, 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 2019, a total of 4,577 new loan applications were examined. In particular, €13.1 mn were disbursed for loans falling under the terms and provisions of the 1984 Collective Bargaining Agreement with the Greek Federation of Bank Employee Unions-OTOE (first home mortgages and salary in advance loans). At 31/12/2019, there were 10,949 loans under the Collective Bargaining Agreement, with a balance of €158 mn.

PROFESSIONAL DEVELOPMENT FRAMEWORK

"Job Family Model"

In 2019, the Job Family Model framework was completed, as was the integrated platform for linking HR policies and procedures to roles. The JFM was created using international methodology for analysing, understanding and measuring the roles within the Bank, and the tasks and duties associated with each role. The model includes a grouping of roles and the set of skills, learning capabilities and competencies required to perform these roles.

To formulate the Model, Group HR joined forces with professionals inside and outside the Bank to achieve the transition from the approximately 3,000 pre-existing roles to the formation of approximately 450 roles based on their common purpose and results. PBG Job Family Model classifies roles in 4 levels; by Family, Function, Career Path Option and Level of Responsibility. Every role in the Job Family Model belongs to one of 6 Job Families, which support the processes for achieving the Group's strategic goals. Each Job Family is made up of 3 Job Functions, representing a subgroup of jobs that require similar skills, learning capabilities, competencies and training. In addition, 2 alternative Career Path Options were formed: administrative roles, which focus on achieving the goals through group guidance, and non-administrative roles, which focus on technical excellence and training. Finally, the JFM comprises of a total of 8 levels that reflect their range of responsibility and complexity.

In order to understand the new HR management and development model, and to more effectively conduct information meetings:

01. a brief guide was designed for managers with team responsibility;
02. 6 JFM awareness sessions were organised with the participation of 355 executives; and
03. an e-newsletter and micro site dedicated to Job Family Model was designed to fully inform all employees.

New competency framework

In 2019, as part of the Job Family Model and aiming to promote our values, a new skillset was developed for the Organization. The HR worked closely with specialised consultants and 6 core competencies were identified for each role in the Bank to ensure high efficiency and expression of our values. The competencies describe the desired behaviours that shape and are shaped by corporate culture and encourage high performance in every role and level of responsibility in the Bank.

Competencies compose a profile, which include: syn-

thesis, intrapreneurship, perseverance, global thinking, collaboration, impactful communication and additionally for team leaders, inspirational leadership.

Rewarding Employees

Piraeus Bank Group aims to reward high-performing employees, who strive towards achieving the corporate goals, both individually and at the level of Unit and Group. Special incentive plans are implemented, both short-term (rallying to achieve specific business goals, such as increasing deposits, supply of insurance products, etc.), and long-term (annual reward for outstanding performance), and are structured so as to reward both individual and team effort. Targets and incentive pay-outs are attached to goals using predetermined, measurable, quantitative and qualitative criteria, which incorporate the Group's medium-term and long-term strategy, align the interests of employees with the interests of the Group and its shareholders, and ensure that no excessive risk is taken.

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 create value and to behave, in accordance with the Group's values and strategy.

On average, in 2019 Bank employees received 40 man-hours of training, slightly higher than 2018 (38 man-hours). At the Bank level, 448,483 man-hours were recorded for 2,248 in-house and external training.

The following training was offered in order to cover the needs across the Bank's business units:

Leadership Development

In 2019, Leadership Development programs made up 9% of total training, with emphasis placed on trust, influence, engagement and performance. In total, 9,037 team leaders participated in in-house and external banking programs, to develop their management and leadership skills or to prepare for taking on broader responsibilities.

At the same time, the Executive Education program was designed for senior executives and members of the Executive Committee, in collaboration with an esteemed educational institution abroad, aimed at creating a competitive advantage for the Group's leadership team, with implementation estimated to be completed in 2020. In 2019 the Harvard Manage Mentor program was completed with the participation of 186 middle and senior management executives.

At the same time, a micro learning program was developed for the first stage of the Become & Achieve PPM cycle "My contribution to the team's goals", which was completed by 7,471 participants. The goal of the program is to highlight the most important factors in setting smart targets, and the proposed way of communicating them to the team.

Banking Business

Banking Business accounted for 77% of total training, with 79,866 participations and 365,738 man-hours on subjects related to products, finance, credit, IT and systems (65%), Regulatory Compliance (33%) and role inductions (2%).

In 2019 training was provided on new products, on the Bank's new Integrated Customer Environment (ICE) application, on the application of MiFID II regulation, on the revised Code of Conduct and Ethics, on the certifications for investment and insurance services.

Game of Code – Code of Conduct and Ethics

An interactive educational game aiming to raise staff awareness on the Group's revised Code of Conduct and Ethics.

It was developed on the basis of the policies, regulations and procedures included in the Code and offers participants with the opportunity to evaluate their behaviour through real cases, to increase their knowledge of the different areas of the Code and to understand the link between its content and the corporate values.

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 & Regulatory Authorities, the rules of self-regulation and the Code of Conduct and Ethics.

At the Bank level 1,637 participants recorded 13,824 man-hours of training on issues of Compliance, prevention and detection of fraud and corruption.

Professional Certifications for Investment and Insurance Services

In compliance with the regulatory framework, in 2019 480 Bank executives received Professional Certifications for the different categories of investment services, and 363 executives were certified as insurance intermediaries.

PEOPLE SKILLS

In order to form common perceptions and behaviours and enhance the skills and competencies associated with each role, 42 People Skills programs were rolled out, on topics such as communication, collaboration and teamwork, project management, effective presentations and time and energy management. A total of 7,071 employees participated in instructor-led and e-Learning programs and 37,300 man-hours were invested in this direction.

Workplace Wellbeing Training

Maintaining health and safety at the workplace is at the core of the Group's learning opportunities. In total, 17 Workplace Wellbeing training programs were designed and implemented, covering a total of 28,654 man-hours of training, with 5,944 participants. Human rights, first-aid treatment, robbery management, and the safe evacuation of buildings are some of the themes covered.

Distribution of Training Man-Hours and Participations - Bank

	2019		2018	
Categories	Man-Hours	Participants	Man-Hours	Participants
Leadership Development	17,414	9,037	22,845	3,728
People Skills	37,300	7,071	19,881	2,200
Banking & Business	365,738	79,866	273,266	59,031
Workplace Wellbeing	28,654	5,944	139,814	27,713
Total	**449,105**	**101,918**	**455,807**	**92,672**

At Group level a total of 473,529 man-hours of training were recorded in 2019 compared to 475,468 man-hours of training recorded in 2018.

Average training man-hours 2018-2019

	2019	2018
Bank	40	38
Group	34	29

Digital Learning

Using digital learning as a modern learning channel to complement in-house training or as a primary learning tool, a total of 299,984 man-hours of training were recorded at Bank level in 2019.

Distribution of Training Man-Hours per Training Mean (thousand) - Bank

	2019	2018
Classroom	149	159
Distance Learning	300	296

PARTICIPATION IN CONFERENCES AND TRAINING OUTSIDE THE BANK

In 2019, 1,033 Bank executives attended (11,118 man-hours) conferences and seminars organised by renowned Greek and international professional and academic/scientific institutions, in order stay on top of the latest industry trends, to enrich and disseminate knowledge both individually and at a corporate level.

ACCESS CHANNELS / TRANSPARENCY

The employee training and development programs (e.g. in-house training programs), the training tools and the relevant procedures, are posted on the Bank's HR Portal and are available to all employees.

PEOPLE PERFORMANCE MANAGEMENT (PPM)

Become & Achieve

Become & Achieve is a dynamic PPM toolkit that evolves throughout the year and is supported by a modern digital platform. It clearly links day-to-day operations to corporate strategy, recognises personal contribution to the team's common shared objectives and creates continuous opportunities for personal and professional development. It is based on ongoing dialogue and regular and constructive feedback, designed to improve cooperation. Common performance standards are set, enhancing transparency and meritocracy.

Training material has been designed for each stage of the "Become & Achieve" PPM cycle. In 2019, micro-learning was offered for setting the team's objectives. Micro-learning for the next stages is currently being designed. In addition, 89 team managers were trained in the PPM's philosophy and the competencies required at managerial level. At the same time, a member of the Executive Committee addresses all employees –via video message– at the start of each new stage of the cycle, aiming to communicate the philosophy of the approach and its value to people and the organization.

The 2018 "Become & Achieve" performance cycle was completed with the performance calibration meetings, which were held in 2019, and the recording of the overall performance appraisal.

In particular, 97% of the Bank employee performance appraisals were conducted using the new "Become & Achieve" PPM.

The large number of employees participating in the process (> 95%) and the corresponding completion rate show that the new PPM is an essential tool for recognising the personal contribution of employees in achieving business goals, and for their development at all hierarchical levels.

The performance cycle for 2019 started in May 2019 and will be completed in 2020.

TALENT DEVELOPMENT

Executive coaching

Executive coaching is a channel for coaching Group senior executives, designed to promote authentic leadership development, while cultivating a common leadership model in accordance with the corporate values of Piraeus Bank and relevant skills.

In this context, certified career & executive coaches offered Executive Coaching to four senior executives managing units with multiple complex responsibilities.

Executive coaching is part of the training & development programs and is activated when evaluated as the most appropriate development option for the executive's development needs.

People and Leadership Skills Library

The library, which is an additional source of learning and "lifelong" education for all employees, is continuously enriched with new books. In 2019, 281 requests were made (from 246 requests in 2018), with the most popular topics being economics, project development, communication & effective presentations and leadership.

The library themes are exclusively related to leadership competencies: strategic direction and entrepreneurship, service quality, leadership, communication, HR development, self-development, negotiation skills, etc.

Individual Development Plan (IDP)

In 2019, the platform was launched for creating the Individual Development Plan, one of the phases of the "Become & Achieve" approach to People Performance Management. Through this platform, the employee, in consultation with his/her immediate supervisor, sets his/her short-term career goal, the activities in which the employee will pursue, with the personal benefit of enhancing his/her skills and professional development.

Once completed, the Individual Development Plan is linked to employee performance and the available training and development programs.

USING TECHNOLOGY TO IMPROVE EMPLOYEE EXPERIENCE

The Human Resource Management System (HRMS) continues to be used for the provision of high quality and prompt services to employees and reliable information to Bank executives.

In 2019, the Become & Achieve platform was enhanced with the Individual Development Plan (IDP) tool, thus increasing the digital development tools available to the Bank's employees.

In addition, a recruitment management system using the modern Workable platform has been designed.

As part of the process for integrating the precepts of the new Job Family Model into the Bank’s core HR processes and systems, new parameters and requirements were introduced into the HRMS, so as to provide clear and immediate information about all employees, with respect to the new role, job family, and level of responsibility.

Mapping with Sustainable Development Goal
Quality Education

Mapping with Sustainable Development Goal
Gender Equality

Mapping with Sustainable Development Goal
Decent Work and Economic Growth

Assurance by independent body
GRI 412-2

MATERIAL TOPIC

COMMITMENT TO SAFEGUARD HUMAN RIGHTS IN A HEALTHY AND MODERN WORKING ENVIRONMENT

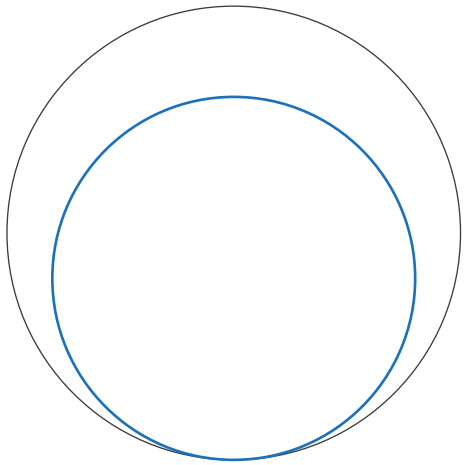
The Bank seeks to train its employees on human rights' principles and creates a healthy, safe and modern working environment where employees can demonstrate their abilities.

100%

of employees have access to the Group's Human Rights Policy through the internal communication channels

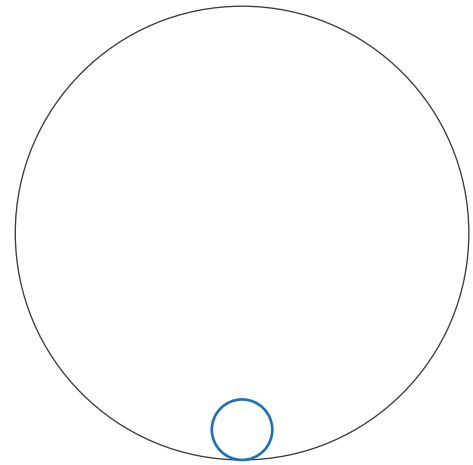
100%

of employee have access to the revised webinar course "Human Rights, Equal Opportunities and Diversity in the Workplace"



80%

of the Bank's employees received training in the period 2018-2019

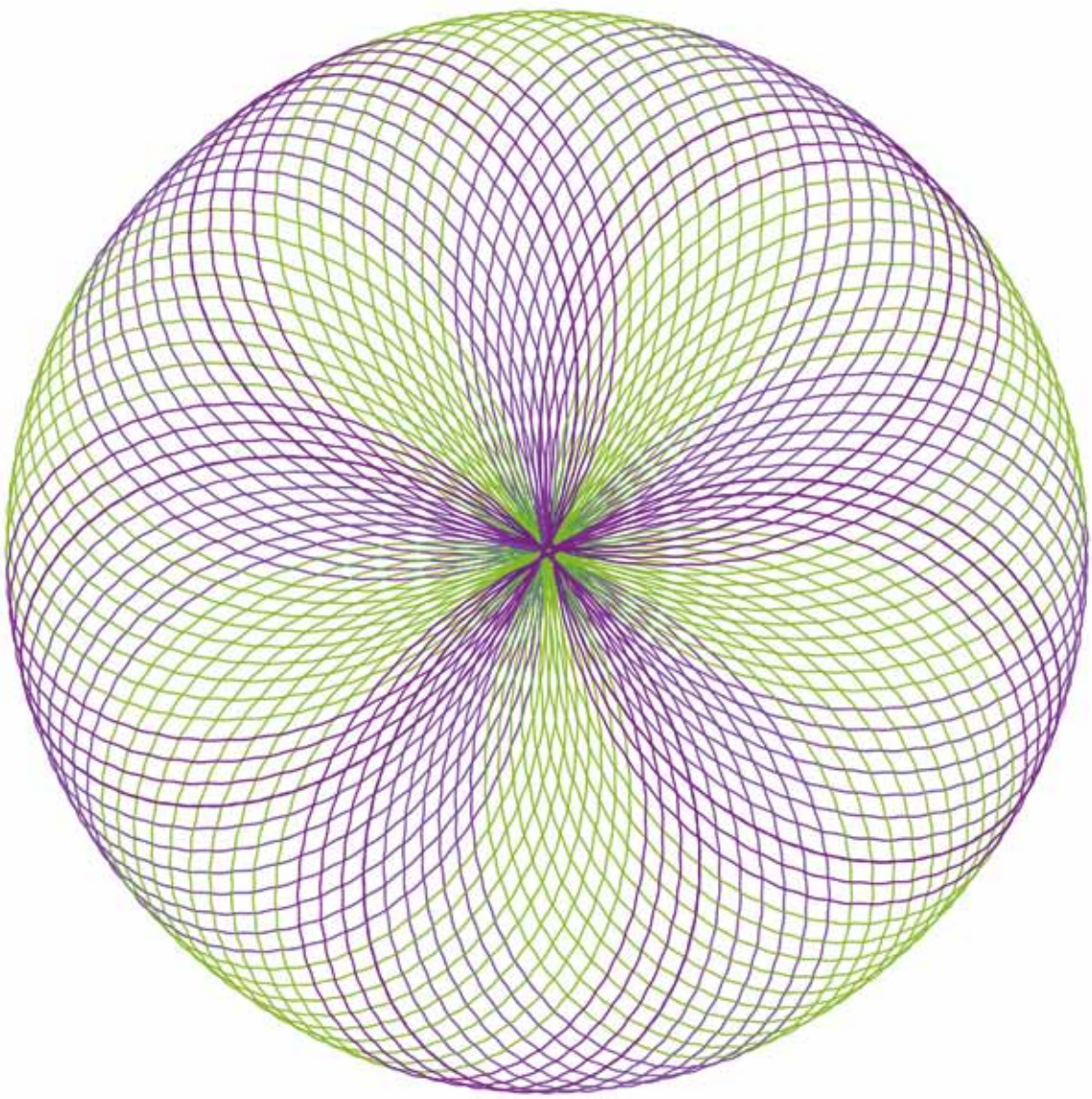


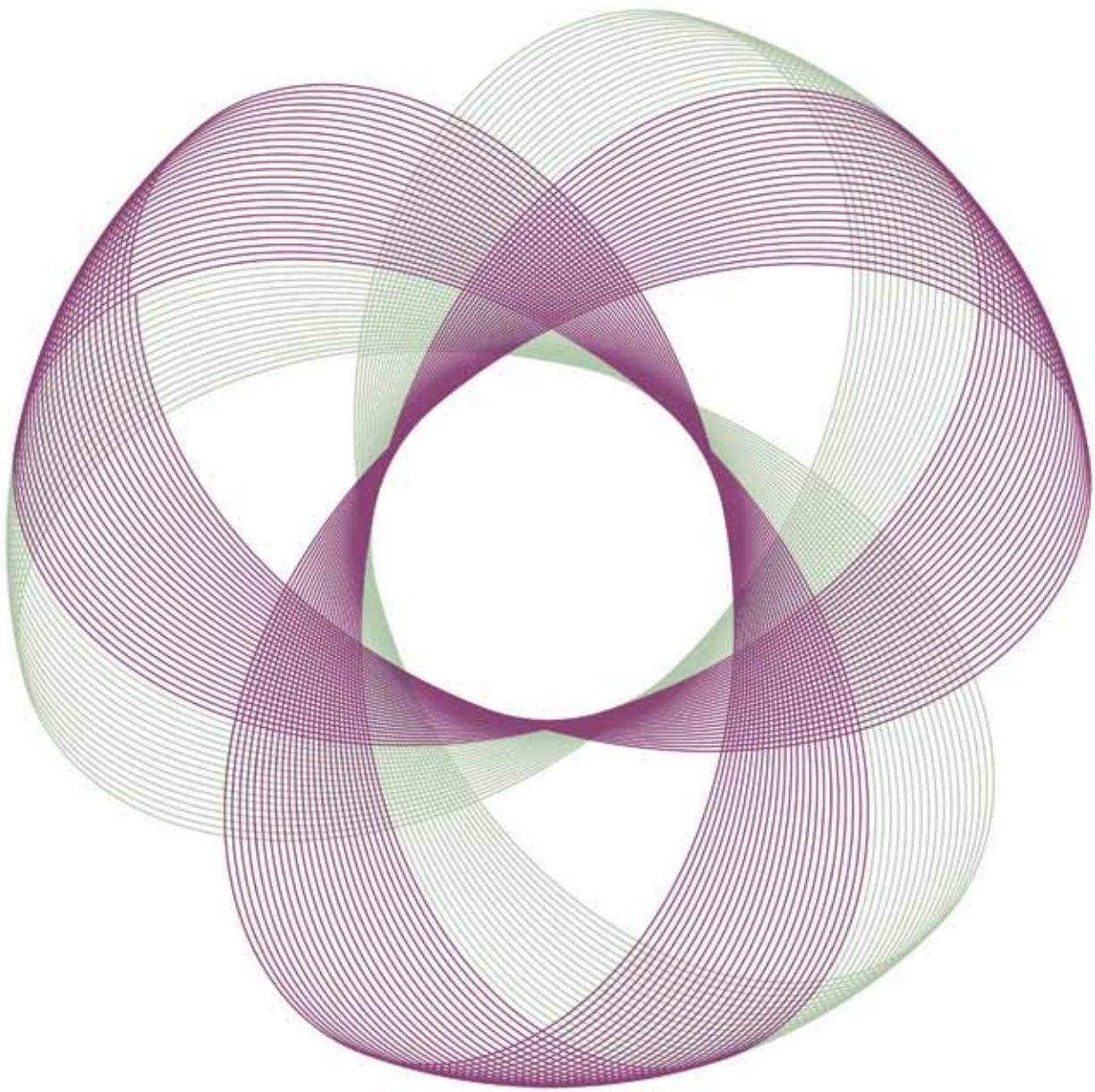
16%

of the Bank's employees received training in 2019 covering 8,825 hours of training

Goals

- Organization and implementation of actions that promote the overall health and well-being of employees and their potentials
- Ensure that total employees of Piraeus Bank Group receive training in Human Rights





SOCIETY

CREATION OF ECONOMIC VALUE

Guided by its corporate social responsibility principles and motivated by solidarity, Piraeus Bank Group voluntarily integrates financial, societal and environmental performance for the mutual benefit of the Bank and its stakeholders. Piraeus Bank is constantly looking for better ways to do business in an environmentally sound and socially responsible manner, to ensure the balanced management of the triptych: "economic growth–sustainability–social cohesion". In this context, every year the Group makes contributions to charitable activities supporting vulnerable social groups, preserving 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. Focusing on its strategic plan, its main goal is value maximisation, so as to contribute to economic and social development through its operations.

The direct economic value created and distributed in 2019 and the amounts spent on CSR actions are shown in the following table.

In 2019, 1.7% of the Group's total annual operating expenses were invested to social, cultural and environmental programs and initiatives.

Group Economic Value for 2019

Amounts in €mn		2019
Direct Economic Value Generated	Net Income	2,174
	of which Payments to Funding Bodies (concerning interest)	12
Economic Value Distributed	Staff Costs and Benefits	504
	of which Expenses for Employees Support Programs, Expenses for Volunteering and Corporate Responsibility Actions, Employee Development Actions, Insurance, Medical Care (beyond the legal obligations)	14
	Other Operating Expenses (excluding taxes and other fines)	429
	of which payments for Grants, Donations and Sponsorships under L.4374/2016	4
	Taxes (current tax and other taxes) and other fines	94
	Payments to Funding Bodies (concerning payments to holders of contingent convertible securities)	165
Non-Distributed Economic Value	Direct Economic Value Generated (-)	
	Economic Value Distributed	982
	Contribution to Actions	1.7%

Amounts have been rounded up to a million.

CSR INITIATIVES – VOLUNTEERING

SPONSORSHIP

Responsibility towards people and society is embedded in Piraeus Bank's strategy, and the Bank has a duty to act in the best interests of people and society as a whole, reinforcing its sustainable performance. To this effect, Piraeus Bank contributed to the well-being of local communities, vulnerable social groups, the young generation and entrepreneurship.

In order to align business goals with social progress and solidarity, one of its key CSR principles, Piraeus Bank sponsored the awareness raising campaign entitled "The Brave Children are unbeatable" of the Hellenic Society for the Protection and Rehabilitation of Disabled Children (ELEPAP). As a result, services were provided to more than 1,000 children with mobility disabilities.

In 2019 Piraeus Bank was a supporter the Greek National Opera (GNO), sponsoring the production of "La sonnambula" opera, a lofty aesthetic co-production of the Vienna State Opera and the Royal Opera House, London. The cooperation with the GNO is part of the initiatives taken by the Piraeus Bank Group for the promotion of culture, consistent with its CSR principles and its vision.

The Bank also sponsors is a workshop for children and adolescents, included in the "Introducing Opera and Ballet" GNO educational and social activities and will take place in 2020. In the workshop, children will have the opportunity to develop their artistic creation and get to know all the arts that participate in the genre "Opera".

The Bank also supports SOS Children's Villages, which host children who have lost their parents or cannot stay in their family environment.

The Bank contributed to the protection and promotion of culture, through its support to the Piraeus Bank Cultural Foundation and its network of nine thematic museums of technology in selected areas of the Greek periphery, causing direct and indirect catalytic effects on the local communities and contributing to employment and increased tourist activity.

Piraeus Bank also supported involvement in community engagement, by providing grants to municipalities in Athens and the regions, such as the Municipality of Pylaia-Chortiatis, the Municipality of Lagadas and the Municipality of Elliniko-Argyroupolis.

In the field of education, more than 400 computers were donated to more than 220 schools and aca-

demic institutions all over Greece. Finally, approximately 2,500 items of office equipment were donated to more than 50 schools and 41 other institutions.

Piraeus Bank supported institutions either directly or through dedicated research grants, including: a) the Aristotle University of Thessaloniki – the Bank sponsored the 2019 Conference of the Balkan Universities Association (BUA); and b) the Athens University of Economics and Business (AUEB) – the Conference on "Research on Economic Theory and Econometrics", and the 27th Annual Conference of the International Association of Maritime Economists (IAME).

In 2019, Piraeus Bank continued 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.

Aiming to promote entrepreneurship, which is vital to boosting employment and job creation, the Bank supported Institutions and Associations organising major conferences, such as the "Greek Economic Summit" organised by the American-Hellenic Chamber of Commerce, "Invest in Greece Forum" organised by the Capital Link conference 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 Papageorgiou General Hospital of Thessaloniki, and the University General Hospital of Heraklion.

SUPPORTING THE YOUTH AND PROMOTING YOUTH ENTREPRENEURSHIP

In 2019, supporting the youth and promoting youth entrepreneurship remained at the centre of the Bank's priorities. Thus, 32 initiatives were carried out, benefiting 1,445 pupils, students and young people all over Greece.

These initiatives were jointly organised with Junior Achievement Greece and Future Leaders Non-Profitable Civil Association Company. The Bank has been partnering with these companies since 2010, providing pupils and students with hands-on training on entrepreneurship, workplace skills and financial literacy.

In 2019 the Bank also partnered with Learning Business and Equal Society NGO and created powerful and informative videos aiming to inform and support young people and members of vulnerable social groups, on their readiness for professional careers and employment in general.

CSR PROGRAM: PROJECT FUTURE

Project Future 1st – 2nd – 3rd Cycle

As part of its efforts to support the Greek economy and society, in October 2018 Piraeus Bank launched CSR Program Project Future, partnering with ReGeneration Academy, a leader in the field of paid employment. Recognising the problems faced by young graduates, the Project aims to bridge the gap between higher education and the job market. Young graduates up to 29 years old with no professional experience or with up to three years of experience have the opportunity, through participation in the Program, to claim the job they deserve in Greece.

Once candidates have entered their applications, based on four basic criteria (graduates, up to 29 years old, 0-3 years work experience, extracurricular activities), the following assessment/selection process takes place:

01. Stage 1 – Game-based assessment: candidates are evaluated through gamified psychometric tests measuring a range of skills and cognitive abilities, and assessing their personality.
02. Stage 2 – Live Assessment Centre: competency-based interviews with senior and top executives from the Greek market (HR, Line Management, and CEOs).

Those who successfully complete the Project Future assessment/selection process start the training program, which consists of two parts. In the first part, the participants attend a three-day soft-skill training course, with emphasis placed on personal and professional skills. In the second part, participants receive hard-skill training on cutting-edge sectors: JAVA, JavaScript, Digital Marketing, Customer Experience, Sales Excellence, Data Science, and Supply Chain Management.

Upon completion of the training, the participants' CVs are posted on the ReGeneration placement platform, available to 500 hiring partners for one year, with a minimum six-month contract and a minimum €750 monthly gross salary.

Piraeus Bank and ReGeneration investigate the needs of the local market in major Greek cities, and partners with recognised academic institutions to design

specialised training programs, which it adapts at each cycle, responding to the feedback received from students and market needs.

Partners of the program are Google, Facebook, Code.Hub, BCA, ESCe, University of Crete and SEV (Hellenic Federation of Enterprices), each of whom plays an extremely important role in the success of the program. Project Future's main training partner is PBG subsidiary Centre of Sustainable Entrepreneurship Excelixi, which provides business training. Excelixi offers integrated programs to candidates (Digital Marketing, Sales Excellence, Customer Experience, Data Science), and hosts most of the specialised training programs on its premises. The Bank uses Excelixi premises to host candidate interviews and training in Athens, for a period of approximately 2 months, per cycle, and offers training facilities outside Athens. In addition, the Bank has created a team dedicated to running the program, with executives from different units not only responsible for designing, organising and monitoring the program, but also actively involved in its various stages, such as interviews and three-day training, in each cycle.

Through the innovative Project Future program Piraeus Bank aims to:

01. Provide young people with a competitive advantage when entering the job market, despite their lack of previous work experience, by offering specialised training in key pillars of the Greek market.
02. Assist companies struggling to fill positions, by recruiting young talent who will add value to their workforce.
03. Substantially tackle unemployment and reinforce education.

The outcome of the three cycles of the program in numbers:

01. 1,400 young people received vocational training on hard and soft skills, through Project Future and ReGeneration.
02. 450 young people received specialised training on new on-demand sectors, through Project Future (Digital Marketing, Data Science, Sales Excellence, JAVA, JavaScript, Customer Experience, and Supply Chain Management).
03. 700 placements in the job market, through Project Future and ReGeneration.

The response of young graduates to the three cycles is reflected in the following numbers:

04. 9,993 young people submitted applications to the Project Future program.
05. 1,511 participants were trained through Project Future and ReGeneration, with 466 of them attending one of Project Future's specialised trainings.
06. 280 of attendants of the specialised Project Future training programs were placed in the Greek job market over 15 months. Over the same period, a total of 777 placements have been created by both Project Future and ReGeneration. The recruitment process following the third cycle is running until December 2020.

Excelixi evaluated the 1st and 2nd cycles of the Project Future program using the Social Return on Investment (SROI) methodology.

To assess the exact socioeconomic value created, the SROI methodology takes into account various parameters that affect results, such as deadweight, drop off, attribution, displacement and duration. The results of the analysis show that the program presents a SROI ratio of 2.04:1, which indicates that an investment of €1 by Piraeus Bank in the Project Future program delivers €2 of social value.

The 3rd cycle of the program began in October 2019 and was completed in mid-December of the same year, marking the success of the previous two, with more than 3,500 online applications from young graduates. For the first time, Project Future opened its door to candidates from Thessaloniki, to train and bring young people from Northern Greece in contact with the hiring partners. More specifically, during the 3rd cycle, 163 young people received specialised training on Digital Marketing, Data Science, and Supply Chain Management, while the recruitment process is running until December 2020.

In March 2020, due to the unprecedented conditions our country faced since the Covid-19 outbreak, the 4th cycle of Project Future was conducted for the first time entirely online, offering specialized trainings to young people in Athens, Thessaloniki and for the first time in Crete, trying to cover the needs of young people to find employment across a larger part of the country.

Piraeus Bank will continue to implement the Project Future CSR program, with a goal similar to that of previous cycles and always taking into account the needs of the job market, as they are shaped in each local market.

CSR INITIATIVES-VOLUNTEERING

Using the motto "I care, I participate, I volunteer" for initiatives that make a difference in Society, Culture and the Environment, the Group's volunteers make significant contributions to essential projects related to giving back to the community.

Driven by the Group's vision and values and the 17 Sustainable Development Goals (SDGs) of the UN Global Compact, Piraeus Bank actively develops and supports initiatives with emphasis on Society, Culture and the Environment.

In this context, in 2019, Group employees and their families participated in 130 volunteer events, benefiting 34,333 people and 386 organizations.

PBG Corporate Social Responsibility and Volunteering Activities

Pillars	No. of Activities	Beneficiaries	Synergies
Social support for vulnerable groups	25	25,348	317
Promoting youth entrepreneurship	32	1,445	25
Promoting environmental awareness and protection	7	273	1
Promoting "fair play" through participation in corporate charity events	12	1,528	7
Employee voluntary participation in blood donation	14	1,345	0
Promoting cultural awareness	10	2,410	26
Creative work	15	1,293	4
Career management counselling	1	68	1
Technology	4	232	1
Health-Wellbeing Initiatives	10	391	4
Total	**130**	**34,333**	**386**

PIRAEUS BANK GROUP CULTURAL FOUNDATION

2019 SELECTED DATA

01. 9 thematic museums in selected areas throughout Greece: Soufli, Dimitsana (Arcadia), Lesvos, Tinos, Stymfalia (mountainous Corinth), Volos, Sparta, Chios, Ioannina.
02. 337,266 visitors (283,877 Greeks and 53,389 foreigners), 72.4% free admission. 1.14% increase in the number of visitors compared to 2018.
03. PIOP Historical Archives, a cultural hub accessible to everyone. In 2019 16,069 people benefited from the services of the Historical Archives (researchers and general public).
04. PIOP Library: 10,045 people benefited from the services of the Library (3,440 children and 6,605 adults).
05. Continued presence of PIOP in Thessaloniki.
06. Implementation of environmental energy upgrade programs for the Museums and submission of requests for inclusion of projects in the new NSRF.
07. 303 educational programs and entertainment activities, 815 regular educational programs for children, 34 exhibitions, 307 various cultural activities and 194 collaborations with third parties.
08. Collaborations with important bodies such as the Ephorate of Antiquities of Ioannina and the Metropolis of Ioannina, the National Archaeological Museum, the National Gallery, the National Silk Museum of China, the Ephorate of Antiquities of Cyclades and the Benaki Museum.
09. Scientific contribution to the program of the Ministry of Culture and Sports, for the promotion of the intangible cultural heritage of the country. PIOP has been certified by UNESCO as an advisory body on issues of intangible cultural heritage.
10. Free distribution of 3,354 volumes of PIOP publications to libraries, social bodies and organizations, including 86 educational folders for schools, and distribution of 1,157 volumes (10 titles) of PIOP publications as university textbooks, at significantly lower prices.

PIOP is a voluntary non-profit foundation, funded by Piraeus Bank. It supports preservation and showcasing of Greece's cultural heritage, with emphasis on its artisanal and industrial technology, and promotes the connection between Culture and the Environment. At the same time, through its operation, it fulfils a large part of Piraeus Bank Group's commitment to the Principles of Sustainable Development.

The Foundation's basic objectives, as described in the Foundation's Statutes, 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.

The Foundation's basic objectives are achieved through:

01. The creation and management of a network of thematic technological Museums throughout Greece, where the specific nature of local production in the respective region is showcased, highlighting the threefold relationship "Man-Environment-Culture".
02. The implementation of research programs and the publication of scientific papers.
03. The organization of historical archives related to the economic, banking, industrial and agricultural history of Greece.
04. The operation of a specialised library, open to the public.
05. The organization of a variety of academic and cultural activities.
06. The implementation of educational programs and activities, with emphasis on children of school-going age.
07. The participation in the public dialogue on developing cultural strategies.
08. The collaboration with Greek and international institutions of recognised repute.

PIOP publishes a bimonthly schedule of events, posted on its website (*www.piop.gr*).

PIOP measures and analyses the impact of its actions on the public through:

01. Systematic collection of data/number of visits to the Network's Museums.
02. Visitor books at the Network's Museums.
03. Systematic recording of requests, comments and complaints, through the relevant process of the PIOP Quality Management System.
04. Responding to written requests and communicating with all interested parties.
05. Organising "visitor's satisfaction" surveys for the Museums. A quantitative analysis of 3,361 questionnaires shows that:
    - 95% of visitors evaluate the total experience as

2019 PIOP ACTIVITIES

Museum Visitors

337,266

visitors

72.4%

free admission

Historical Archives

16,069

beneficiaries

Library

10,045

beneficiaries

PIOP Museum activities

182

collaborations with third parties

207

cultural activities (20 exhibitions, 187 events)

Total educational activities

303

educational programs and entertainment activities for children

815

regular educational programs for children

Activities in Athens and Thessaloniki

14

exhibitions

120

cultural activities

95

educational programs for children

297

regular educational programs for children

Research

5

European and co-funded projects

2

research programs

Publication work

8

new publications

Publications

3,354

volumes donated

1,157

volumes (10 titles) as university textbooks

86

educational folders delivered to schools

excellent or very good.

- 82% of visitors consider it very likely to recommend the Museum to friends and relatives (Net Promoter Score).
- 63% of visitors planned their visit to the respective areas due to the existence of a PIOP Museum.
- 81% of visitors state that it is quite or very important, that a financial institution funds a Cultural Foundation and, through it, a Museum Network.

For 2019, the Hellenic Department of the International Council of Museums (ICOM) selected the Piraeus Bank Group Cultural Foundation as an honoured institution, to celebrate the International Museum Day themed "Museums as Cultural Nodes: The Future of Tradition".

2019 INITIATIVES

European and Co-Funded Projects:

01. PIOP is the only cultural foundation in Greece participating in two European HORIZON 2020 projects: MINGEI and PLUGGY.
    - Third year of implementation and completion of the PLUGGY EU Project (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*
    - First year of implementation of the MINGEI EU Project (9 partners from 6 European countries). The project is coordinated by the Foundation for Research and Technology in Crete (FORTH) (Grant Agreement No. 822336) *www.mingei-project.eu*
02. PIOP also participates in three co-funded "Competitiveness, Entrepreneurship and Innovation" Operational Programs: "CULDILE", "Mouseion Topos" and "e-xnilatis".
    - Second year of implementation of the EPANEK CULDILE program. PIOP participates in this program with its Historical Archives. The coordinating partner is Bookscanner SA, with the participation of DOTSOFT and HONEST Partners (Project Code T1EDK-03785).
    - Second year of implementation of the EPANEK Mouseion Topos program. The coordinating partner is the Department of Product and Systems Design Engineering, University of Aegean with the participation of DOTSOFT and Geospatial Enabling Technologies (GET) (Project Code T1EDK-01571) *www.mouseion-topos.gr*
    - Second year of implementation of the EPANEK e-xnilatis program. The coordinating partner is the Information Technologies Institute (ITI) of the Centre for Research and Technology Hellas (CERTH), with the participation of TETRAGON and EGNATIA ODOS SA (Project Code T1EDK-00410) *www.e-xnilatis.gr*

CULTURE AND THE ENVIRONMENT

PIOP has certified its buildings in accordance with EMAS (Eco-Management and Audit Scheme) and ISO 14001. In 2019, a series of energy studies and targeted interventions was implemented, in the buildings and electromechanical equipment of PIOP Museums and its facilities in Athens, with the aim of improving their energy behaviour and, consequently, improving the Foundation's environmental footprint.

On 16/12/2019 the Cyprus Certification Company (CYCERT), with environmental verifier registration number EMAS ELV-0009 (Certificate No. 549) verified the 6th Environmental Statement of the Foundation, in accordance with the requirements of EMAS Regulation. The Foundation, in accordance with Ministerial Decree No. 50486/1466/27.10.2014, has already been registered on the Greek EMAS register (registration number EL-000110).

01. CYS EN ISO 14001:2015, No. ES.N.14.007
02. CYS EN ISO 50001:2011, No. EMS.17.001
03. IQNet CY. ES.N.14.007

In addition, PIOP implements a Quality Management System certified in accordance with ISO 9001:2015 and an Event Sustainability Management System certified in accordance with ISO 2012:2012.

PROMOTING INTANGIBLE CULTURAL HERITAGE

PIOP 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: a) Know-how of cultivating mastic on the island of Chios, and b) Tinian marble craftsmanship.

These two elements of the country's intangible cultural heritage are presented and highlighted in two Museums of the PIOP Network, the Chios Mastic Museum and the Museum of Marble Crafts in Tinos.

In recognition of its contribution, PIOP has been accredited by the Convention for the Safeguarding of the Intangible Cultural Heritage, adopted by the General Conference of UNESCO's Member States, to act as an advisor to the Intergovernmental Committee of the Convention. At the same time, 47 targeted activities were organised in the Foundation's Museums, promoting intangible cultural heritage.

In this context, PIOP makes a substantial contribution to the promotion of the intangible cultural heritage, with the participation of its executives in the National Committee on Intangible Cultural Heritage of the Ministry of Culture and Sports.

CULTURE AND ENTREPRENEURSHIP

As part of its effort to align with the European Union's new guideline on the connection between culture and entrepreneurship through Cultural and Creative Industries (CCIs), PIOP carried out the following actions in 2019:

01. Participation in the Corallia Social Responsibility network, specifically in the gi-Cluster, the first creative industries cluster established in Greece.
02. Completion of the 7th cycle and commencement of the 8th cycle of Business Accelerator, in cooperation with 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 the thematic of "Creative and Cultural Industries".

MUSEUM NETWORK

The Museum Network and the activities organised on the museums' premises contribute significantly to: a) promoting Greek cultural heritage and linking culture the environment and sustainable development, b) promoting traditional Greek artisan crafts and local cultural heritage, thus supporting employment, economic and tourist activity and the general development of local communities, and c) creating culture and lifelong-learning hubs, by 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.

Through its Museum Network, PIOP contributes not only to the increase in tourism in distant regions, but also to the economic development of local communities, creating new jobs, selecting and dealing with local suppliers for most of the goods and services sold in Museum cafés and shops. The Museum staff (41 people) reside in the place of operation of each Museum and undergo regular training, with visitors benefiting from constantly upgraded services.

In 2019 the annual museum attendance for PIOP Museums totalled 337,266 visits (283,877 Greeks and 53,389 foreigners), recording an increase of 1.14% compared to 2018. 72.4% of admissions were free of charge. The number of visitors reflects the support from the local communities, which recognise the financial benefits of showcasing their cultural identity. The increase in attendance is also a result of the constant renewal of cultural activities, periodic exhibitions, lectures, conferences and a variety of other events.

All the Museums are equipped with multipurpose halls, vibrant cultural hubs hosting educational programs, exhibitions, lectures, seminars and other events. The multipurpose halls are a valuable asset used to reach out to local communities and promote the Foundation's work, serving both as cultural hubs and as everyday spaces.

Specifically, in 2019 the Museums organised 208 educational programs and 518 regular educational programs for children, 207 cultural activities (20 exhibitions and 187 cultural events), and 182 collaborations with third parties.

The museums have a multi-dimensional social role; to promote cultural goods and services, to raise public awareness and to preserve cultural heritage for future generations. In addition, the museums contribute to the regeneration of local economies.

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. Using the Leontief input-output model for the financial data, the central, regional and local economies and administrative structures, IOBE measured the direct, indirect, induced and catalytic impacts derived from the Museums' activities on local communities.

The economic benefit is not limited to the activity during the construction phase of each Museum or to the jobs and wages of museum staff (direct impact). Purchasing supplies for the Museums, cre-

ates employment and income (indirect impact). In addition, income generated will be spent – directly or indirectly – for consumption, leading to further rounds of expenditure within the economy (induced impact). Finally, cultural hubs contribute to building a strong image for the wider region and attract visitors, resulting in an increase in tourism and demand for local products and services (catalytic impact).

In 2019 the research study was conducted for the second time, for the period 2017-2019. The results of the study prove and quantify this contribution as follows:

Increased tourist spending recorded in the respective regions of Greece

Estimating the catalytic effects	Conservative estimate	Optimistic estimate
2017	€10.7 mn	€23.5 mn
2018	€11.7 mn	€25.7 mn
2019	€11.8 mn	€26.0 mn

Impact of museum activity on Greece's GDP

	Excluding catalytic effects	Conservative Estimate of the catalytic effects	Optimistic Estimate of the catalytic effects
2017	≤€4.6 mn	>€20.8 mn	€39.9 mn
2018	≤€4.8 mn	>€22.5 mn	€43.4 mn
2019	≤€5.1 mn	>€23.0 mn	€44.2 mn

Impact of museum activity on job employment

Estimating the catalytic effects on job employment	Conservative Estimate (equivalent)	Optimistic Estimate (equivalent)
2017	564	1,090
2018	609	1,184
2019	619	1,204

Museum Network

Silk Museum, Soufli

Rooftile & Brickworks Museum N. & S. Tsalapatas, Volos

Museum of Industrial Olive-Oil Production of Lesvos

Environment Museum of Stymphalia

Open-Air Water Power Museum, Dimitsana

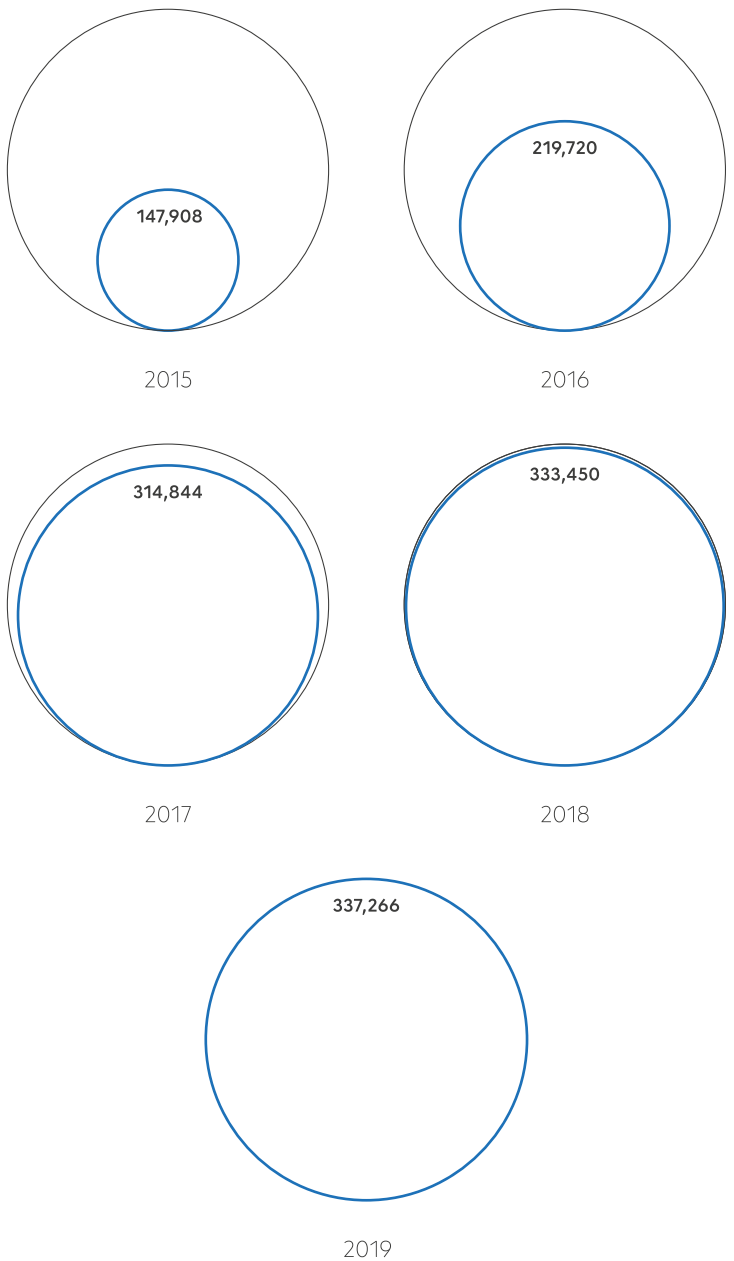
Museum of the Olive and Greek Olive Oil, Sparta

Museum of Marble Crafts, Tinos

Chios Mastic Museum

Silversmithing Museum, Ioannina

Number of visitors at PIOP Museum network



HISTORICAL ARCHIVES

The PIOP Historical Archives collect, organise, and preserve in perpetuity the historical records of the banks absorbed by the Piraeus Bank Group, including records of important organizations and companies associated to them throughout their history. The collection hosts 7 bank archives, 5 archives of state organizations, 55 company archives, 6 private archives, 3 archives of collective bodies. The Historical Archives 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 manages the Historical Archives with the highest organizational and operational principles. Its mission is to have an open archive and to preserve the collective memory of society.

PIOP Historical Archives organise activities that make them a key research point and aiming to become a unique spot on the cultural map of Athens. Indicatively, in 2019 16,069 people benefited from the services of the Historical Archives.

01. More than 18,558.862 metres archived.
02. Archive management, organization of archives/ collections, conservation of paper and parchment.
03. Management of collections: 1,584 artefacts from the archives of ATEbank, ETVAbank, Chiosbank, Geniki Bank, the Bank of Macedonia-Thrace and Piraeus Bank, covering a fairly long period of the 20th century and completing the permanent exhibition on economic history at the premises of PIOP Historical Archives.
04. User requests: 131 requests (92 for digitized collections, 39 for semi-active archives). 110 research-related questions were answered by telephone.
05. 29 educational programs and activities.
06. 31 regular educational programs for children.
07. 89 activities for adults.
08. 13 exhibitions.

LIBRARY

The PIOP Library collections include approximately 60,000 Greek and foreign-language book titles, and more than 132,000 periodical publications, including collections of the Greek banks absorbed by the Piraeus Bank Group. The Library renews its collections regularly, addressing the needs of the scientific and academic community.

The Library obtains material (monographs, periodicals, educational programs) by purchase and exchange/ transfer from other libraries (in 2019, 771 new titles were acquired and 12 subscriptions for foreign academic/ scientific journals were renewed).

The Library collections offer coverage of many areas of academic studies: 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 inclusion of the PIOP Library in the Hellenic Economic Library Network (H.E.LI.N.) is also of great importance.

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 covers classic and more recent children's stories, and novels for children and youths by Greek and foreign authors. It also includes books of general interest and encyclopaedias.

The Children's Reading Room is also used to host PIOP's educational programs, organised by library employees (34 activities).

The Library organises a variety of cultural events in its municipality, in cooperation with other institutions. More specifically, in 2019 the Library organised 55 activities for children and 24 activities for adults.

In 2019, 10,045 people (3,440 children and 6,605 adults) made use of the Library (readers, remote users, book loans, educational programs, short-term activities and co-operative activities).

PUBLICATIONS

From the outset, producing publications to reflect the Foundation's activities and its work was a fundamental element of PIOP's philosophy and policy. Most of PIOP publications are related to research projects it carries out – completed, ongoing or presented to the scientific community and the public. PIOP publications appeal to the academic world, since they are used as university textbooks; its "popular" publications are also important. The following books were published in 2019:

01. "From Homer's World. Tinos and the Cyclades in the Mycenaean Age", Museum of Marble Crafts, 12/7-14/10/2019.
02. Dimitris Filipidis, "Anonymous Architecture: A Presence Denied".

03. Charis Mega, "The silver belt", illustrated by Maria Bacha.
04. Embroidered epitaph covers in Ioannina, 18th and 19th centuries (exhibition catalogue).
05. Second Sculpture Symposium. Catalogue, 17/7-4/8/2018, Museum of Marble Crafts, Pyrgos, Tinos.
06. Terra in-Cognita (bilingual exhibition catalogue, Rooftile and Brickworks Museum N. & S. Tsalapatas).
07. Stella Tsigou, "Hide and seek", illustrated by Konstantina Mprinia (series Tales for children). E-book (in Greek), part of PIOP digital publications, which have been carried out since 2014, in the framework of the Foundation's Environmental Management System (EMAS). The fairy tale won the first prize in the competition for adults writing and illustrating a children's book, organised by the PIOP Library and the Municipal Library of Kallithea in April 2017, on the occasion of World Children's Book Day.
08. Reprint of "Conservation, restoration and rehabilitation of monuments in Greece 1950-2000".

RESEARCH

Research lies at the heart of the Foundation's mission to support "Research, Exhibition, and Publication", with the outcome of research project used in all of the Foundation's activities.

The outcome of research work is used in all of the Foundation's activities. Research projects focus on traditional technology, the management of the country's natural resources, as well as the tangible and intangible cultural heritage of the recent past. In 2019, the following research programs were carried out:

01. Research Program on the occasion of 100 years since the Great Fire of Thessaloniki in 1917, aiming at mapping the social, productive and planning parameters – and the links between them – that defined the reconstruction of Thessaloniki, with emphasis on its historical centre.
02. Research Program on the embroidered epitaph covers of the 18th and 19th centuries in churches of Epirus, in preparation of an exhibition at the Silversmithing Museum, in collaboration with the Metropolis of Ioannina and the Ephorate of Antiquities of Ioannina.

COLLABORATIONS

In 2019, PIOP carried out the following important initiatives in collaboration with prominent bodies and/or persons, in the following order:

01. SILVERSMITHING MUSEUM: "Embroidered epitaph covers in Ioannina, 18th and 19th centuries"

- The Foundation, the Metropolis of Ioannina and the Ephorate of Antiquities of Ioannina jointly organised the temporary exhibition "Embroidered epitaph covers in Ioannina, 18th and 19th centuries" at the Silversmithing Museum. For the first time, selected epitaphs were exhibited showcasing the importance of these ecclesiastical embroidery, their symbolism, iconography and style, as well as elements of the time in which they were created. The exhibition was framed by digital applications and audio-visual productions.

02. MUSEUM OF MARBLE CRAFTS: "From Homer's World. Tinos and the Cyclades in the Mycenaean Age"

- The Foundation organised, in collaboration with the Ephorate of Antiquities of Cyclades, the touring exhibition entitled "From Homer's World. Tinos and the Cyclades in the Mycenaean Age" at the Museum of Marble Crafts in Tinos. The exhibition aims at showcasing the contribution of the Cyclades in the Mycenaean culture in the Aegean Sea, presenting, inter alia, antiquities that are unknown to the broad public, and assembling a panorama of Mycenaean civilisation in the Cyclades. It is the first time that finds from the vaulted tomb of Aghia Thekla in northern Tinos were presented to the public. It is one of only three vaulted tombs in the Cyclades and is, for the time being, the only confirmed Mycenaean site on the island. The exhibition was accompanied by a bilingual catalogue, published by the Ephorate of Antiquities of Cyclades with the support of the Piraeus Bank Group Cultural Foundation.

- **"Dimitrios Filippotis"**
- The Foundation organised, in collaboration with the National Gallery - Alexandros Soutsos Museum (EPMAS), the exhibition "Dimitrios Filippotis" at the Museum of Marble Crafts in Tinos, on the anniversary of one hundred years from the death of the great Modern Greek sculptor. The exhibition included original works, marble and plaster busts, and two tombstone casts by Dimitrios Filippotis from the collections of the Alexandros Soutsos Museum, which were presented for the first time in Tinos, the artist's homeland.

03. SILK MUSEUM: "Tradition Meets Trend"

- Under the framework of the collaboration agreement signed in October 2017, between the Foundation and the China National Silk Museum,

providing for cultural exchanges between the two entities, PIOP and the China National Silk Museum presented the exhibition "Tradition Meets Trend" at the Silk Museum in Soufli, with modern garments and accessories made of silk, from the collections of the China National Silk Museum. The exhibition highlighted the greatness of silk culture and functions as a bridge between the two civilisations, Chinese and Greek.

- In 2020 PIOP will lend artefacts from its collections to be displayed at the China National Silk Museum.

04. CHIOS MASTIC MUSEUM: "The countless aspects of Beauty"

- On the occasion of the large exhibition "The countless aspects of Beauty" of the National Archaeological Museum (NAM) presented in May 2018 at the premises of its periodical exhibitions, a smaller exhibition with the same title was designed, in collaboration with PIOP, using antiquities from the country's biggest museum. The exhibition had been touring PIOP's thematic museums. In 2018, the exhibition was presented successively at the Olive and Greek Oil Museum (Sparta), the Silversmithing Museum (Ioannina), and the Museum of Marble Crafts (Tinos), attracting the interest of approximately 46,000 visitors. In 2019 the touring exhibition was presented at the Mastic Museum of Chios. The ultimate goal of the collaboration between the two organizations was for these exhibitions to function as satellites of the country's largest museum in the Greek regions, enabling local communities to enjoy ancient Greek artefacts from the unique collections of the National Archaeological Museum.

05. ROOFTILE AND BRICKWORKS MUSEUM N. & S. TSALAPATAS: "Terra In-cognita"

- The Foundation organised, in collaboration with the Greek section of the International Association of Art Critics (AICA Hellas), an exhibition at the Rooftile and Brickworks Museum N. & S. Tsalapatas, in Volos. The old Tsalapatas factory, which houses the Rooftile and Brickworks Museum, served as a source of inspiration for the eleven artists who participated in the exhibition and are connected to the city of Volos.

06. ENVIRONMENT MUSEUM OF STYMPHALIA: Stymphalia Lake Run 2019

- The Foundation organised, in collaboration with the Public Entity for Education, Culture and Sports of the Municipality of Sykiona "MIKONI", the Athletic Association of Nemea, the Lafka Sports Club "Stymphalis", and the Hellenic Athletics Federation SEGAS Peloponnese, the fourth "Stymphalia Lake Run 2019" Half Marathon Race, at Stymphalia Lake. The sports event was supported by a rich two-day program of parallel activities, aimed at showcasing local tradition.
- It is worth noting that the race has been certified by both the Hellenic Athletics Federation (SEGAS) and the World Athletics Federation (IAAF), and is included in the official program of SEGAS.

07. HISTORICAL ARCHIVES: Travelling Art

- The Foundation organised, in collaboration with ARTOGETHER-Art by People with and without Disabilities (formerly VSA Hellas), an exhibition at the PIOP Historical Archives. The exhibition, the outcome of a two-year program with the same name, provided its own answer to the question "What would it be like if art travelled freely beyond conventions, prejudices, limits and obstacles?" Works by 25 artists with disabilities were put side by side with the manuscripts of 25 authors, who were inspired by the former. The aim of this fruitful approach was to showcase the work of artists with disabilities, the equally valued art by artists with and without disabilities, and the collaboration between them.

EDUCATION

PIOP organises lifelong learning activities for adults on the premises of its museums and its offices in Athens.

For the seventh consecutive year, PIOP offered educational programs for schools in Attica (primary and secondary education). The Foundation's educational programs are developped in-house by its qualified employees; archaeologists-museologists trained in organising and implementing museum education programs, 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 headquarters, its Historical Archives and its Library, and the Museums of the Network. The total number of participants (mainly students and teachers) in educational activities, in Athens, Thessaloniki and the Network Museums reached 54,438.

At the same time, oriented to helping vulnerable social groups, PIOP welcomes refugee children who have already joined school education, while intercultural schools have already been implementing PIOP programs. In addition, PIOP has entered into a collaboration with the Smile of the Child, the Children's Hospital, as well as with the Horizons Structure.

PIOP ACTION PLAN IN THESSALONIKI

In the context of the Foundation's mission to preserve and showcase Greek cultural heritage, in 2015 the Foundation expanded its activities to Thessaloniki. Events and educational programs are organised in collaboration with the Piraeus Bank Conference Centre. In 2019, PIOP organised the following events in Thessaloniki:

01. 11 educational and entertainment activities for children with 1,173 participants.
02. 6 activities for adults with 383 participants.
03. 47 regular educational programs with 946 participants.

2020 KEY TARGETS

The Foundation's key targets for the immediate future remains the further diffusion of its work to multiple groups audience, based on the CSR principles of the Piraeus Group.

The Foundation will continue organising high-quality activities in the regions of Greece and creating poles of attraction for tourists, to support local communities. Similar activities, open to the public, will be organised at the Foundation's Historical Archives and Library in Athens, as well as at the Piraeus Bank Conference Centre and elsewhere in Thessaloniki. In 2020 the Foundation aims to:

01. Enhance its extroversion and contribution to the cultural and general development of the country, by supporting cultural and creative industries, modern culture, and by organising cultural, scientific and environmental activities.
02. Improve the quality of services provided to Museum visitors, and users of the Library and the Historical Archives.
03. Participate in the formation of cultural policies.
04. Implement initiatives within the thematic axis "Museums-Everyday Spaces".
05. Strengthen collaborations with significant cultural institutions to:
    - Enhance PIOP's footprint in Athens.
    - Showcase neglected elements of local history in the areas where the PIOP Museums are located.
06. Implement European and co-financed programs and increase PIOP funding from European resources (European and co-financed programs).
07. Strengthen entrepreneurship in the field of Creative - Cultural Industries.
08. Improve access for people with special needs to PIOP's premises and reduce the environmental footprint of PIOP.

Mapping with Sustainable Development Goal
Decent Work & Economic Growth

Assurance by independent body
GRI 201-1

MATERIAL TOPIC

CREATION OF ECONOMIC VALUE

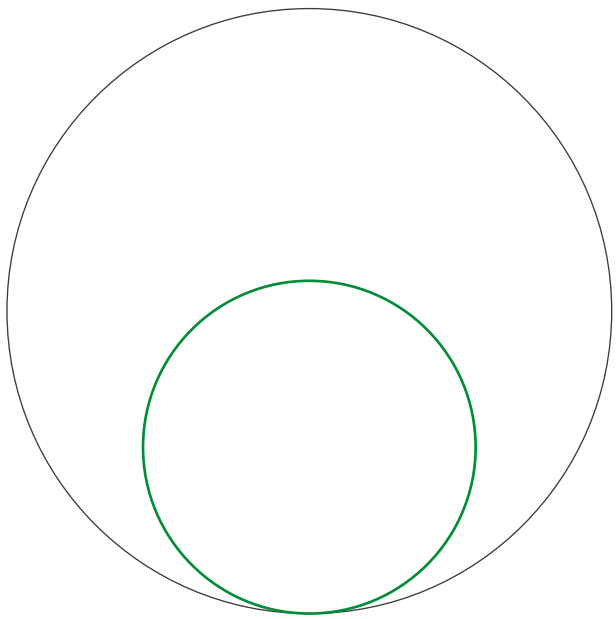
The Bank enhances its financial performance and contributes to the growth of the Greek economy by implementing a specific business plan.

€2.2 bn

Direct Economic Value created by Piraeus Bank Group in 2019

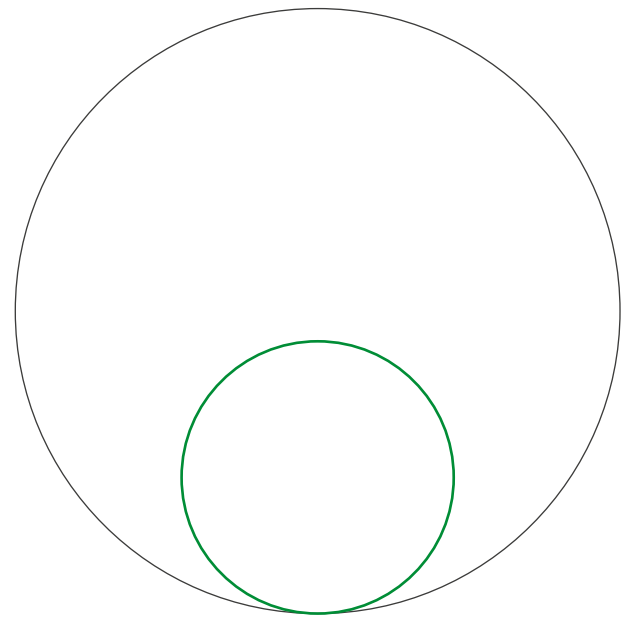
1.7%

of the Group total operating expenses concerned Corporate Social Responsibility Actions



55%

Economic value distributed



45%

Economic value maintained

Goals

- Implementation of the Principles of Responsible Banking – UNEP FI
- Business targets alignment with social prosperity and solidarity
- Contribution to the fight against unemployment and strengthening youth education through specific actions
- Focus on the support of 11 thousand employees and 5.5 mn customers considering COVID-19
- Responsible use of natural resources and support business actions that produce environmental and social benefits
- Promoting social welfare and supporting vulnerable social groups

Mapping with Sustainable Development Goal
Quality Education

Mapping with Sustainable Development Goal
Decent Work and Economic Growth

Assurance by independent body
GRI 203-2

MATERIAL TOPIC

SUPPORTING THE NEW GENERATION

The Bank supports young people and youth entrepreneurship by providing specialized training programs that enable them to acquire skills which will be useful in their professional careers.

Data for the 3 cycles of the program (October 2018–December 2019)

9,993

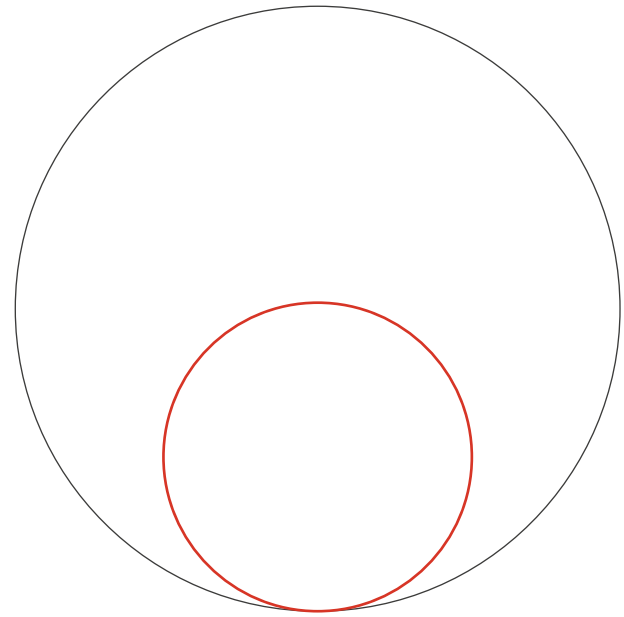
Total number of applications
(3 cycles of Project Future)

466

Total number of participants
in specialized training
(3 cycle of Project Future)

1,511

Total number of participants
in general training
(Project Future + ReGeneration)



51%

Total Percentage of Recruitment*
(Project Future + ReGeneration)

*Recruitment process in progress, up until December 2020

Goals

- Approaching a wider base of young people all over Greece, in order to specialize their skills and enable them initiate their careers
- Implementation of extensive market research, so that the program can address the needs of the Greek market, in the context of labor supply and demand
- Geographical expansion as well as enrichment of training with new pillars of specialization
- Continuation of the corporate responsibility program Project Future, with 2 more cycles in 2020

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

MATERIAL TOPICS

1) PROMOTION OF THE COUNTRY'S CULTURAL HERITAGE

2) SUPPORTING LOCAL COMMUNITIES

54,438
School students who benefited from the educational activities of PIOP

337,266
Visitors at PIOP Museums

815
Regular educational programs for children

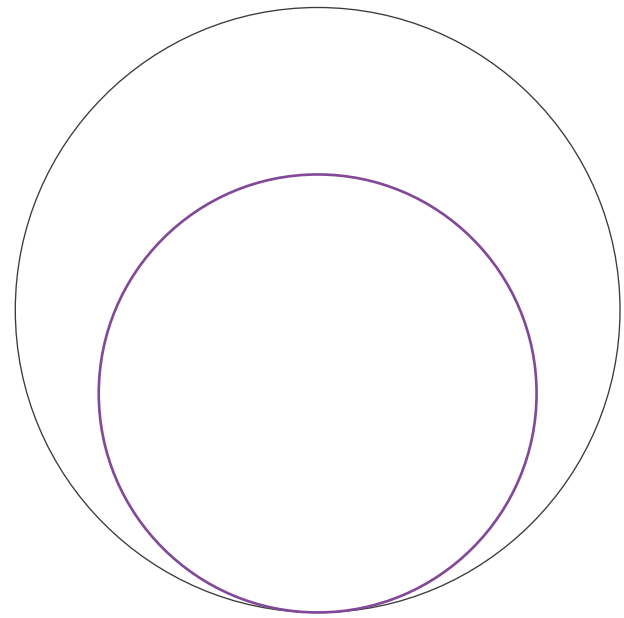
9
Thematic Museums at selected regions of Greece

303
Educational programs and entertainment activities for children

34
Exhibitions

194
Collaborations with third parties

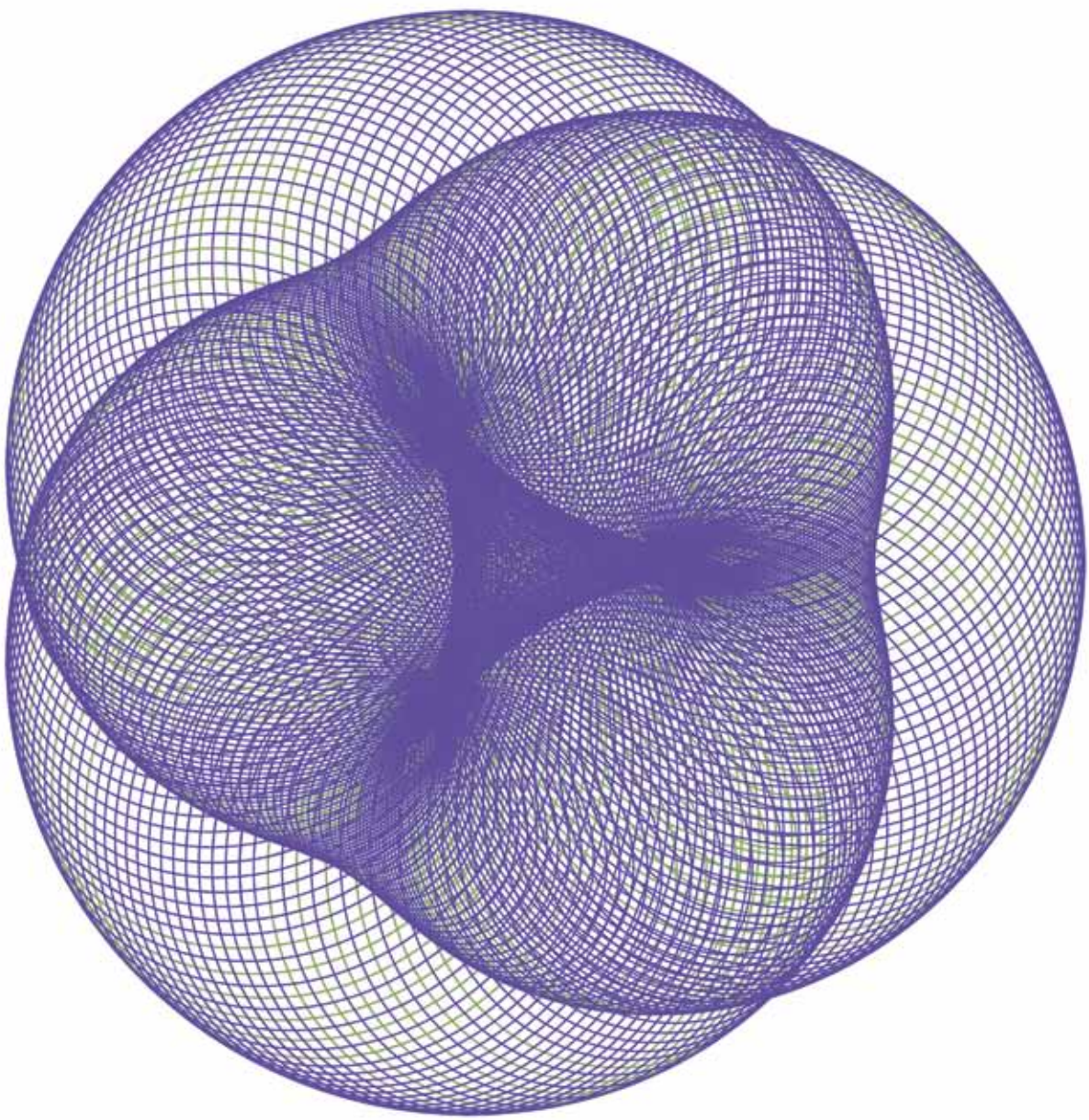
307
Cultural activities

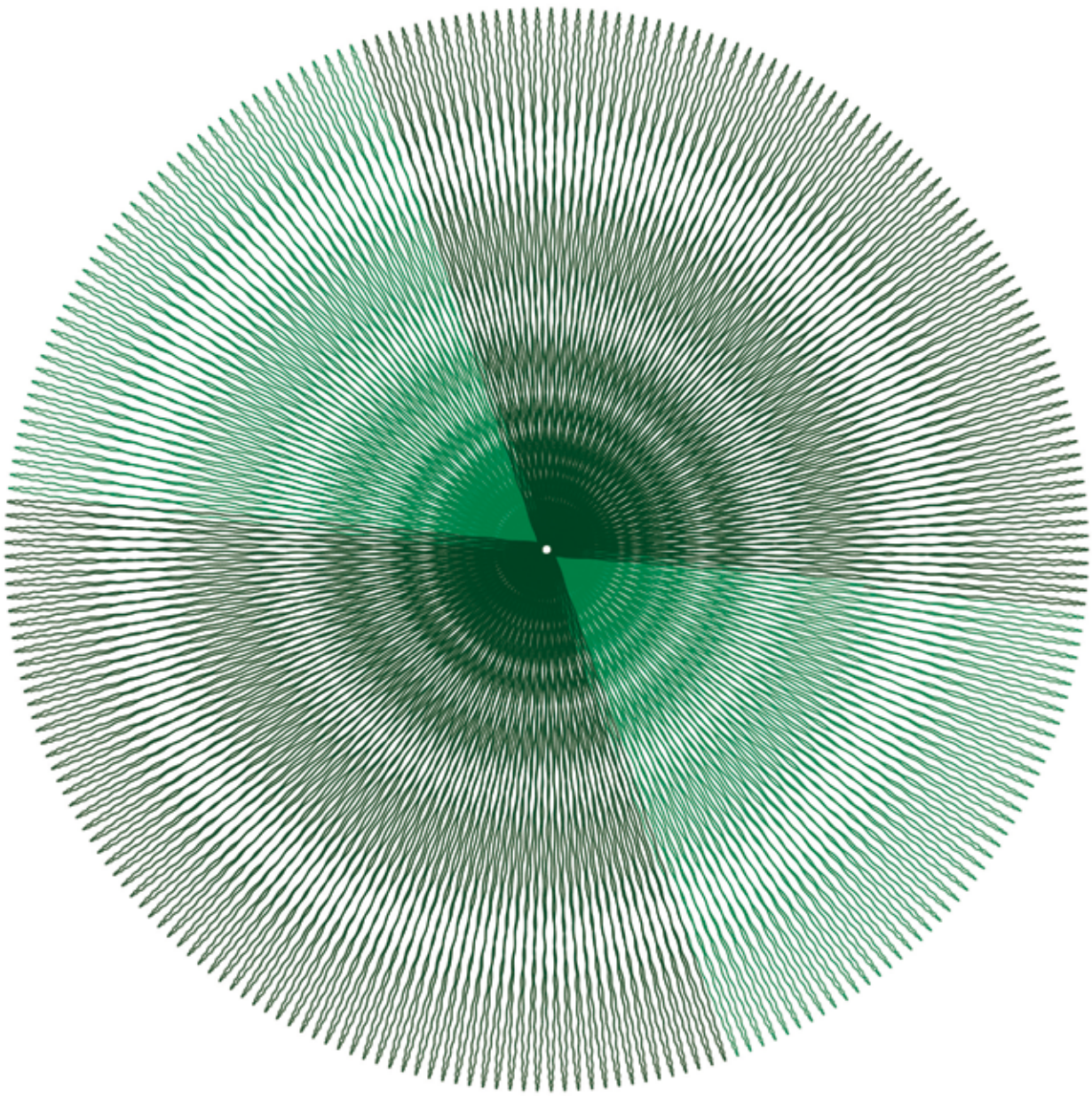


72.4%
Free admission to PIOP Museums

Goals

- Enhancement of PIOP's extroversion and contribution to the cultural and broader development of Greece through the implementation of targeted actions
- Enhancing entrepreneurship in the field of Creative-Cultural Industries
- Increase in the number of visitors of the PIOP Museums and constant improvement of the quality of services provided and the variety of PIOP activities
- Strengthening the policy of collaborations with important cultural institutions





ENVIRONMENT

2019 INITIATIVES

01. Improving environmental performance
    - Net Metering (self-generating energy through Solar PV systems for the purpose of offsetting electricity) introduced to 32 branches.
    - Energy and water efficiency interventions at 14 branches.
    - Replacement of the outdoor sign lighting with LED lights in 6 large administration buildings in Athens, following the successful installation in all the branches, with energy saving of up to 50% per branch.
    - The Economic Valuation of the Environmental Programs for the period 2015-2018 was updated.
    - Actions were taken to upgrade the Environmental Impact Calculation Model.
02. Addressing Climate Change
    - Gap Analysis to identify and record the differences in the methodological approach between the Climate Risk Management Model and the UNEP FI scenario based approach, based on the guidelines introduced by the TCFD (Task Force on Climate Related Financial Disclosures).
    - Science-based Studies for upgrading the Climate Risk Management Model:
        - *Update based on the new generation of IPCC climate scenarios.*
        - *Integration of the effects of extreme weather events.*
        - *Calculation of the cost of indirect emissions.*

2020 TARGETS

Improvement of Environmental Performance

Annual Environmental Management Targets

01. 10% reduction in total paper consumption.
02. 5% reduction in water consumption per employee.

Long-Term Environmental Management Targets

01. 5% reduction in total paper consumption per employee (3-year target, base year 2020).
02. 10%[8] reduction in total electricity consumption per sq. m. (3-year target, base year 2018).
03. 5% reduction in electricity consumption per sq. m.,

8 Target revised since it has already been met.

for all the Bank's buildings included in the integrated energy management program (2-year target, base year 2020).

04. 5% reduction in electricity consumption per sq. m., for all the Bank's buildings included in the integrated energy management program (2-year target, base year 2020).
05. Estimation of other indirect GHG emissions (Scope 3 - Category 15) associated with the Bank's investments.
06. Inclusion of Piraeus Bank in the Science-Based Targets Initiative (SBTi).
07. 10% increase in the percentage of eco-label paper consumption vs total paper consumption (3-year target, base year 2018).

Addressing Climate Change

01. Further alignment of the Climate Risk Management Model with the TCFD recommendations and the new methodological approaches developed internationally. The alignment of the transition risk with the scenario-based methodology proposed by UNEP FI includes:
    - Calculation of the cost of direct and indirect emissions for the examined companies, as well as the investments required for the reduction of their emissions.
    - Evaluation of the potential impact of increased compliance costs may have on the examined companies (on product prices and on demand levels).
    - Use of the Climate Risk Management Model to assess the climate risk of selected companies.
02. Participation in the formation of a methodology for setting common targets for reducing the GHG emissions in the frame of the Bank's participation in the UNEP FI "Collective Commitment to Climate Action".

ENVIRONMENTAL FRAMEWORK

European, international and national framework

The Paris Agreement on Climate Change and the Sustainable Development Goals (SDGs) have set a global framework for addressing current environmental and social challenges. The guidelines by the Task Force on Climate-related Financial Disclosures (TCFD) of the Financial Stability Board (FSB), provide investors with information on how companies manage climate risk.

The global financial system has responded to these challenges with the UNEP FI Principles for Responsible Banking. The Principles provide a new framework for banks, placing emphasis on governance, transparency, accountability and cooperation with all stakeholders when setting goals that will have a positive impact on society and the environment. The UNEP FI Climate Change Working Group has developed scenario-based methods for climate risk assessment, and develops tools and approaches for calculating the positive and negative impact of climate change on banks and their target setting.

At European level, the European Commission's "Action Plan on Financing Sustainable Growth" is in full swing, with the introduction of regulations, legislative acts and recommendations for EU-wide adaptation to climate change. The European Green Deal is the new strategy through which Europe strives to become the first climate-neutral continent by 2050. The Deal includes a set of economic measures and incentives aimed at encouraging transition to sustainable development in Europe. The new strategy aims to transform the EU into a fair and prosperous society, with a modern, resource-efficient and competitive economy. It also aims to protect, conserve and enhance EU's natural capital, and fosters the deployment of innovative technologies. Funds of €1 trillion will be channelled over the next ten years to finance the transition.

At a national level, the "National Energy and Climate Plan" aims for de-lignification and a shift to a low-carbon economy by attracting investments of approximately €43 bn.

Piraeus Bank, the Environment and Sustainability

Piraeus Bank monitors and actively participates in shaping international and European sustainability trends. It was a founding signatory of the UNEP FI Principles for Responsible Banking, one of the 30 financial institutions in the world. It participates in UNEP FI working groups such as Impact Assessment, EU Taxonomy (with the European Banking Federation-EBF), which aim to improve implementation of the Principles for Responsible Banking. Through its participation in the EU Business@Biodiversity Platform, Piraeus Bank pioneers in co-shaping policies about the links between business, natural capital and biodiversity.

The Bank has an Environment Policy and Strategy, as well as an integrated Environmental Management System (EMS), certified in accordance with ISO 14001 and EMAS. The Piraeus Group Cultural Foundation (PIOP) implements an Environmental Management System

(EMS) certified under EMAS for all its infrastructures. The Bank also has an Environmental and Social Management System (ESMS) to limit exposure to potential environmental and social risks of its borrowers.

Monitoring and Analysis of Environmental Legislation & Case-Law

Environmental legislation and case law are monitored using the subject-specific Database on Environmental Legislation and Case Law (DEL&CL) that has been developed in Piraeus Bank. The DEL&CL is an innovative legal tool that includes legislative acts, directives, important court decisions and related documents, from international, European and national sources, as well as numerous legal opinions on issues of particular interest to the Bank. The Database provides detailed legal support for developing Piraeus Bank Group's Environmental Policy, ensuring compliance with applicable environmental legislation, including climate commitments. The Database also facilitates the Bank's proactive response to regulatory developments in the fields of environment, climate and sustainability.

IMPROVING ENVIRONMENTAL PERFORMANCE

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

Environmental Management System (EMS)

The Environmental Management System (EMS) organises, in the most systematic way, the monitoring, management and ultimately the reduction of the environmental impact associated with the Bank's operations. The EMS is applied to its administration buildings and branches in Greece, but does not cover the Bank's subsidiaries and facilities outside Greece.

Piraeus Bank is registered on the EU Eco-Management and Audit Scheme (EMAS) since 2011. In addition, the EMS is certified in accordance with Standard ISO 14001:2015.

Economic Valuation of Environmental Programs

In 2019, the third study was conducted for the economic valuation of environmental programs implemented by Piraeus Bank, aiming at and/or contributing to the reduction of its environmental footprint. The analysis covered all the Organizational Units over the period 2015-2018. A total of 19 environmental programs implemented over that period and assessed, including interventions related to energy and consumables consumption, business travel, but also process modifications and the promotion of e-banking.

The results of the study suggest that the following actions have significant economic benefits:

01. implementation of e-learning programs;
02. development of e-banking (winbank);
03. use of refill toners/ink cartridges; and
04. installation of BEMS in administration buildings.

Based on the results of the study, the Bank's cost savings from the implemented environmental programs exceeded on average €5.5 mn per annum[9] over the period 2015-2018.

Reducing Piraeus Bank's Environmental Footprint

Piraeus Bank's environmental footprint is monitored on an annual basis. The methodology used for calculating the environmental footprint 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).

In 2019, the Environmental Impact Calculation Application was upgraded, allowing for automatic data entry, and linked to existing infrastructure and tools, in order to readily calculate the Bank's environmental footprint.

Energy Office

The Energy Office uses proprietary software, unique in the Greek banking sector, which allows for online real-time monitoring of energy and water consumption in approximately 350 of the Bank's buildings. Using algorithms and taking into account the energy profile of each branch/administration building, it is possible to improve each building's energy efficiency. The Office constantly monitors errors and failures in the equipment and makes an early diagnosis of ex-

9 The amount concerns a net financial benefit for the Bank, resulting from the difference between the annual operating financial benefit and the costs of implementing the examined interventions. These costs include the annual investment cost and the annual operating and maintenance costs.

cessive energy or water consumption. The Office is responsible for providing data for the calculation of the environmental footprint, the preparation of reports to the management and the implementation of the Bank's energy policies.

Energy Audits

The EMS provides a comprehensive framework for recording, monitoring and ultimately reducing the Bank's operational footprint. In this context, the System includes a detailed Energy Audit that meets the minimum required criteria set out in Annex VI of Law 4342/2015 and is thus exempt from the obligation under Article 10 (10) of the same law.

The Energy Audit is an integral part of Piraeus Bank's EMS.

According to the first Energy Audit Report, the Primary Energy Consumption of the Bank's buildings amounts to 174.5 GWh.

97.6% of total primary energy consumption of Piraeus Bank comes from electricity and 2.4% from heating oil. 55.9% of total energy consumption concerns branches and 44.1% the administration buildings of Piraeus Bank.

Energy Consumption

Electricity is the largest energy resource and has been rated as the main source of the Bank's environmental impact. In addition, fuel is an energy resource used for heating and employee travel. More specifically:

Electricity consumption

Electricity is consumed across the Bank's building for lighting, for operating electrical and electronic equipment, for air-conditioning, while in most buildings it is also used for heating purposes. In total, more than 50.91 GWh were consumed in 2019, of which 895,209 kWh were generated by solar PV systems installed in 32 branches (net-metering).

Electricity consumption per square metre and per employee was reduced by 6% and 2% respectively. Overall, electricity consumption per square metre has decreased by more than 22% since 2014[10].

Fuel Consumption

Heating Oil: In 2019, 44 buildings consumed 115,626 litres of heating oil, 45.6% less than in 2018.

Employee road travel (petrol/diesel/LPG): Total fuel consumption for employee road travel is estimated on an annual basis, taking into account 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 2019, fuel consumption for business travel reached 1,810,000 litres of petrol, 498,000 litres of diesel and 46,000 litres of LPG, for more than 31.2 mn km of road travel.

Air travel: In 2019, employees travelled approximately 4 mn km by plane. As a result, 160 tonnes of jet fuel were consumed for air travel.

Energy Efficiency Interventions

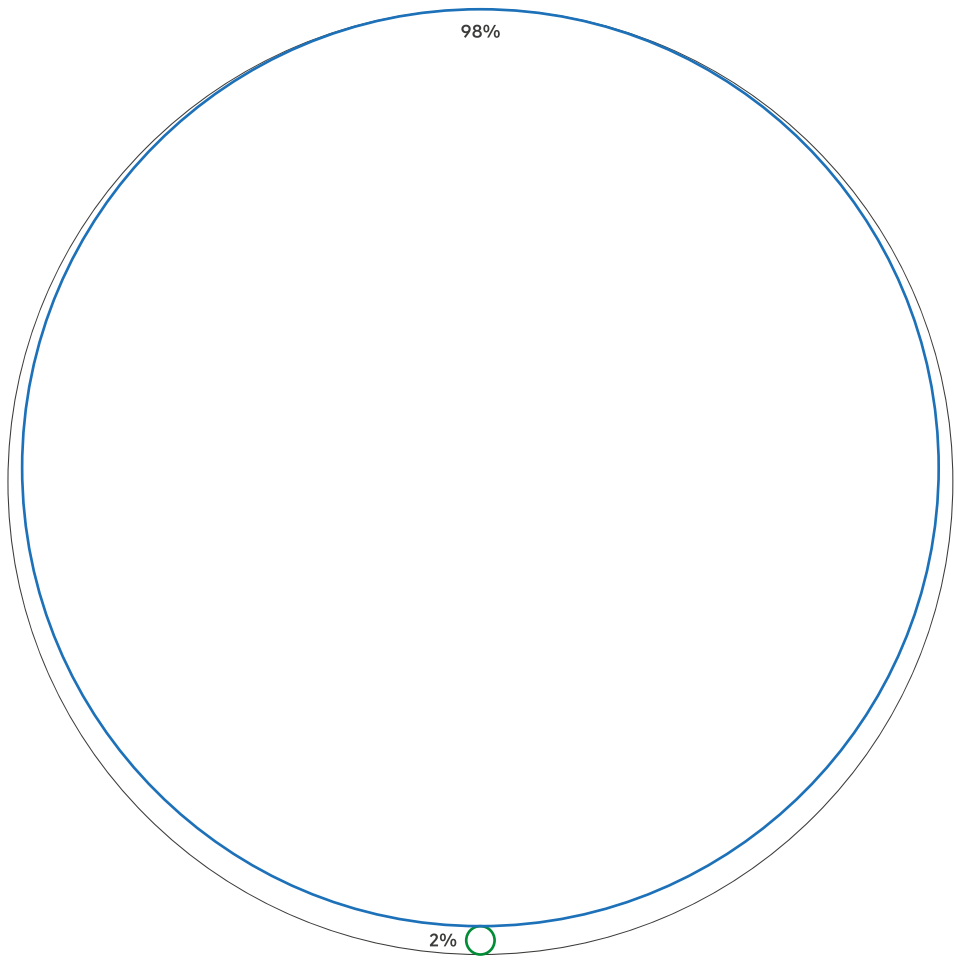
Every year, the Bank carries out energy efficiency interventions across its facilities.

Energy Efficiency Interventions at the Branches
In 2019, renovations and energy efficiency interventions were carried out in 14 branches, including the following:

01. old incandescent light bulbs were replaced by LED light bulbs;
02. building Energy Management Systems (BEMS) were installed;
03. motion sensors were installed in WCs; and
04. a Vapour Absorption Machine (VAM) refrigeration system was installed.

10 2014 is used as the base year, following a series of significant bank mergers in 2012-2013.

Distribution of electricity in 2019



- Electricity from the power grid
- Electricity generated by solar PV (net-metering)

Interior Lighting in Buildings
When carrying out extensive refurbishment works, new technology LED light fixtures are installed, with an Installed Lighting Power Density (ILPD) of up to 6.18 W/m2, resulting in 69% energy saving.

Outdoor Sign Lighting in Branches – Installation of LED lighting
Over the period 2017-2018, outdoor sign lighting in all of the Bank's branches was replaced by LED lighting. The switch to LED lighting led to annual cost-saving of €510 per branch, with high energy efficiency of 50% per branch. As a follow up, in 2019 LED lighting was installed in 6 large administration buildings in Attica.

Installation of solar PV Systems – Net-metering
Over the period 2018-2019, solar PV Systems were installed in 32 branches and connected to the national distribution network for energy from RES sources. It is estimated that 48% of the branches' electricity needs are covered by the solar PV Systems.

Pilot program for installing Heating Ventilation and Air Conditioning (HVAC) control cards in 10 branches
The Bank invests heavily in monitoring and improving the energy efficiency of its buildings. In this context, the pilot program for installing HVAC control cards in 10 branches was completed in 2019. The purpose was to fully control the air-conditioning and ventilation systems remotely, to monitor energy efficiency, to be notified in the event of failure of the air-conditioning unit, and to control the thermal comfort of buildings occupants. In this way, energy savings are recorded by not setting extreme temperatures in the air conditioners, avoiding unnecessary use and energy consumption of the air conditioning system, and by ensuring ideal temperature conditions from the beginning to the end of the working day. The decision on whether to expand the pilot program to more branches depends on the energy saving results.

Paper/Toner Consumption

Paper consumption is the second most significant environmental impact for the Bank, after electricity consumption. Supplies of all paper consumables, newspaper subscriptions, and total quantities of paper used for marketing purposes are recorded every year. In particular:

Printing paper (A3, A4 and A5 sizes) needs were covered almost exclusively (~100%) by eco-label paper, while the total amount of paper used for marketing purposes was FSC-certified.

1,031 tonnes of paper were consumed in 2019, of which 77% was eco-label or FSC-certified. Total paper consumption per employee dropped by approximately 4.5% compared to 2018.

In 2019 more than 22,500 items of printing consumables (toners, ink cartridges, etc.) were supplied from exclusively refillable cartridges. Toner consumption per employee has dropped by 49% since 2014.

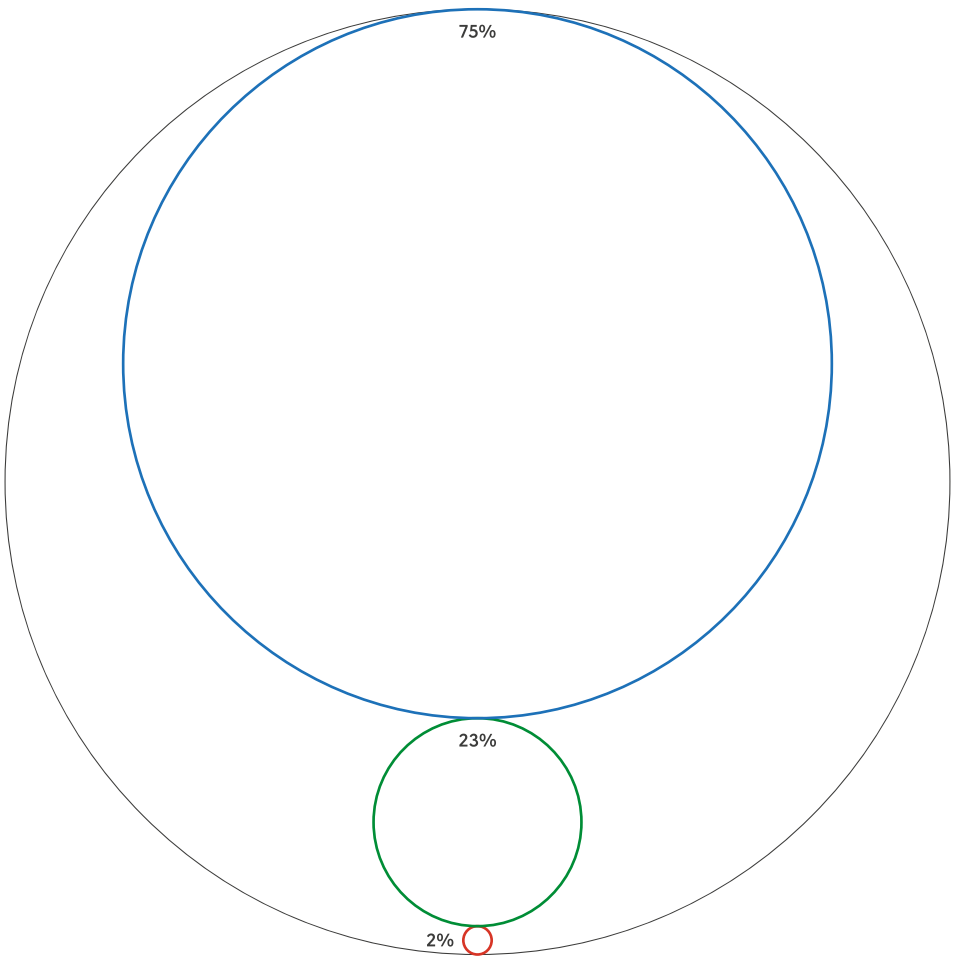
Paper and Ink Saving Initiatives

01. Paperless Cashier: In 2019 29% (7,635,368) of total transactions at the front desk were paperless, while for 64% (16,953,031) of total transactions only the customer copy was printed out.
02. Managed Printing Services (MPS): In 2019 more than 5,815,000 pages were not printed (approximately 14% of total printouts requested by users).
03. ATM transactions: 63,821,202 ATM receipts were not printed.

Solid Waste Management

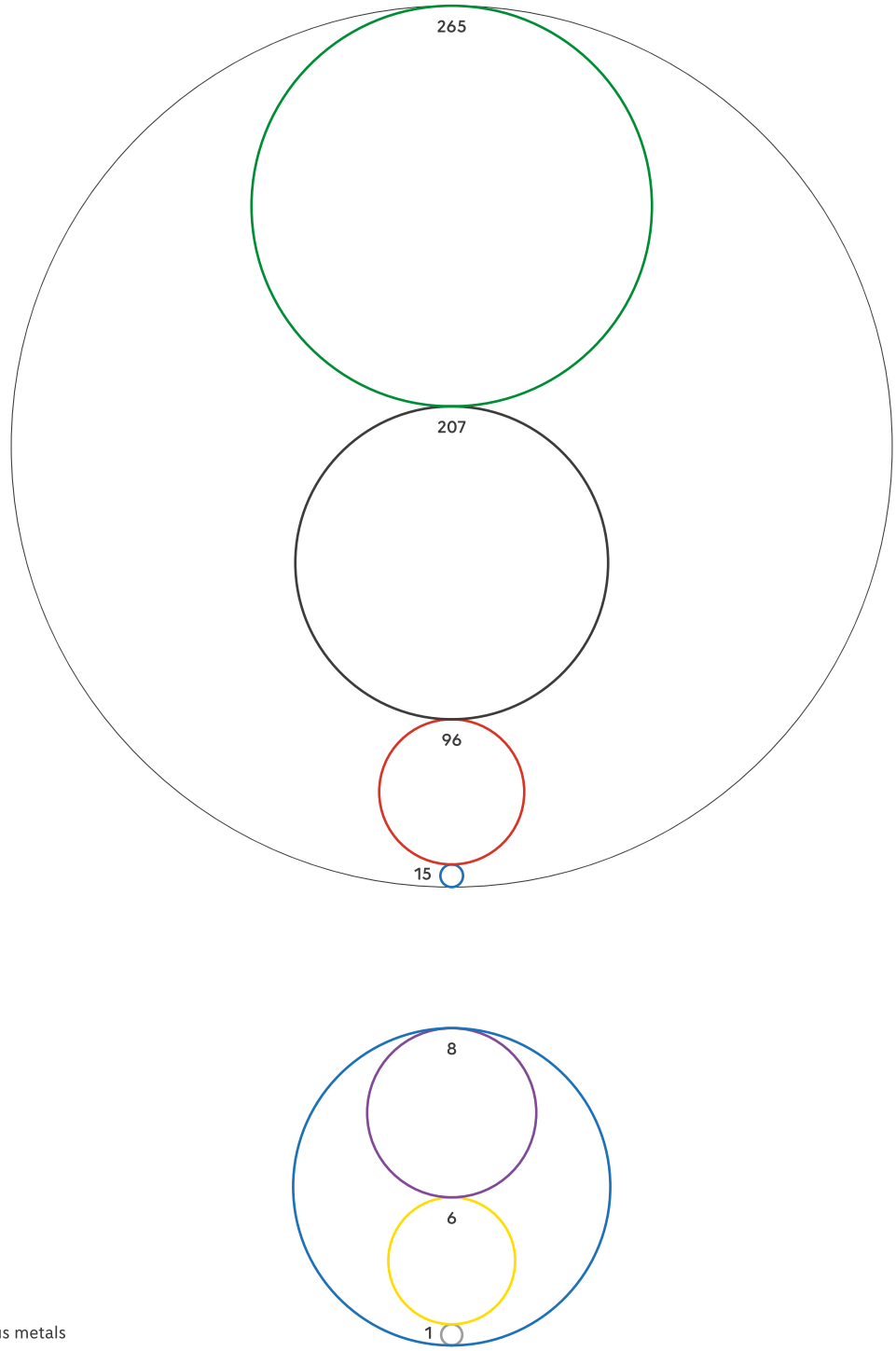
The Bank works with licensed companies and systems to collect recyclable materials. An important part of this project has been assigned to "Klimax Plus" Social Cooperative, which helps vulnerable groups reintegrate into society. In 2019, more than 3,500 collections of materials were made from the branches and administration buildings and approximately 590 tonnes of solid waste were recycled.

Distribution of total paper consumption in 2019



- 100% recycled, eco-label certified paper
- Conventional paper
- FSC certified paper

Solid waste management in 2019 (tn)



GHG emissions

For the calculation of the Bank's total CO_2 equivalent emissions, the following sources of emissions are taken into consideration:

01. Direct GHG emissions (Scope 1)
    - Consumption of heating oil.
    - Consumption of petrol and diesel used by company cars.
    - Total of refrigerants added to air-conditioning and cooling units, and heat pumps (it is noted that they were not included in 2018).

02. Indirect GHG emissions associated with electricity consumption in the Bank's buildings (Scope 2)
    - Consumption of electricity in all buildings and branches.

Refrigerants Added to A/C Systems* (in kg)	2019
R-407	33
R-407C	181.5
R-410	31.6
R-410A	60.6
R-422	57.6

* In accordance with existing legislation.

Piraeus Bank purchased Guarantees of Origin (GO) from Heron Thermoelectric SA, PPC SA and N.R.G. SA, certifying that a large percentage of the electricity consumed on the Bank's premises came from Renewable Energy Sources. In total, 41.568,65 MWh were cancelled in the electronic certificate registry.

03. Other indirect GHG emissions (Scope 3)
    - Purchased goods and services (e.g. fixed equipment, courier services, security services, etc.).
    - Upstream transportation and distribution (e.g. furniture, electrical and electronic equipment, archive, etc.).
    - Waste generated in operations (including management/transport).
    - Business travel (rental or privately-owned car, air travel, sea travel).
    - Employee commuting.
    - Investments (Participations).
    - Mortgage loans.

The Assessment Report on the Bank's indirect GHG emissions from other activities (Scope 3), which was completed in 2018, related to emissions in 2017. According to the Report, the aforementioned categories of indirect emissions were assessed as the most important for the Bank and therefore are calculated each year. It is noted that the emissions attributed to the Bank due to the mortgages, were not calculated for 2018. Therefore, total Scope 3 emissions for 2019 are much higher than the previous year, as they include the emissions due to the mortgage loans granted by the Bank and remained active during the year 2019.

The GHGs included in the calculations are: Carbon Dioxide (CO_2), Methane (CH_4), Nitrous Oxide (N_2O) and Hydrofluorocarbons (HFCs). 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 Report[11]. Finally, for all other emissions the relevant published input-output tables were used.

In total, in 2019 total $CO_{2,eq}$ emissions exceeded 770,000 tonnes. CO_{2eq} emissions by category are as follows:

In the diagram below the equivalent emissions are depicted as they have been calculated per category.

11 Location-based methodology.

DISTIBUTION OF EMISSIONS IN 2019 (tn $CO_{2,eq}$)

Scope 1

5,566

Fuel consumption for corporate vehicle travel

313

Heating oil consumption

754

Refrigerants

Scope 2

30,658

Electricity consumption

Scope 3

9,694

Purchased goods and services

1,054

Business travel

404

Upstream transportation and distibution

732,218

Mortgages loans

23,948

Investments (Participations)

9,377

Employee commuting from/to work

413

Waste generation & management

Gas Emissions[i]	2019	2018	2018-2019 Trend
Emissions $CO_{2,eq}$ (tonnes)[ii] – Scope 1	6,632.25	2,424.23	173.58%
Emissions $CO_{2,eq}$ (tonnes)[ii] – Scope 2 (location-based)	30,657.67	30,954.27	-0.96%
Emissions $CO_{2,eq}$ (tonnes)[ii] – Scope 3 (excluding mortgages loans)	44,889.24[iii]	49,043.25	-8.47%
Emissions $CO_{2,eq}$ (tonnes)[ii] – Scope 3 (including mortgages loans)	777,107.50[iii,iv]	–	–
Total $CO_{2,eq}$ Emissions (tonnes) – Scope 1, 2, 3 (excluding mortgages loans)	82,179.15	82,421.75	-0.29%
Total $CO_{2,eq}$ Emissions (tonnes) – Scope 1, 2, 3 (including mortgages loans)	814,397.42	–	–
Emissions $CO_{2,eq}$ (kg/m^2) – Scope 2 (location-based)	67.88	66.43	2.18%
Total $CO_{2,eq}$ Emissions (tonnes/employee) – Scope 1, 2, 3 (excluding mortgages loans)	7.15	6.68	6.98%
Total $CO_{2,eq}$ Emissions (tonnes/employee) – Scope 1, 2, 3 (including mortgages loans)	70.82	–	–
Emissions $CO_{2,eq}$ (tonnes) – Scope 2 (market-based)	4,933.56[v, vi]	0.00	–

Piraeus Bank Environmental Footprint[vii] Key Environmental Indicators	2019	2018	2018-2019 Trend
Energy consumption (Electricity, Heating fuel and Travel)			
Electricity consumption (GWh) – from the electricity supply network	50.01	55.40	-9.72%
Electricity consumption (kWh) – from photovoltaic systems	895,209.43	555,217.08	61.24%
Total electricity consumption (GWh)	50.91	55.96	-9%
Total electricity consumption (GJ)	183,271.30	201,444.10	-9.02%
Electricity consumption (kWh/m^2)	112.72	120.09	-6.13%
Heating oil consumption (litres)	115,626	212,456	-45.58%
Heating oil consumption (GJ)	4.176.28	7,709,55	-45.83%
Air travel – jet fuel (tn)	159.02	196.46	-19.06%
Motor travel – diesel fuel (litres)	497,506.59	479,954	3.66%
Motor travel – gas fuel (litres)	1,809,385.40	1,802,242	0.40%
LPG consumption (litres)	45,933.37	43,030	6.75%
Total energy consumption (GJ)[viii]	80,658.32	57,894.38	39.32%
Total energy consumption (GJ) – inside the Bank[ix,x]	263.874,19	234,244.07	12.65%
Total energy consumption (GJ) – outside the Bank[x,xi]	11,337.06	61,189.84	-81,47%
Total distance travelled (km)	35,221,931	35,769,632	-1.53%
Travel prevented by opting for e-learning (km)	8,893,302.90	9,679,012	-8.12%

Piraeus Bank Environmental Footprint[vii] Key Environmental Indicators	2019	2018	2018-2019 Trend
Water			
Water consumption (m^3)[v]	85,675.00	96,879.79	-11.57%
Water consumption (m^3/employee)	7.45	7.86	-5.22%
Consumables			
Conventional paper consumption (tonnes) [I]	232.36	268.39	-13.42%
Eco-label paper consumption (tonnes) [II]	777.57	847.22	-8.22%
FSC paper consumption (tonnes) [III]	20.99	42.40	-50.47%
Total paper consumption (tonnes) [I]+[II]+[III]	1,030.93	1,158.02	-10.98%
Total paper consumption (kg/employee)	89.65	93.91	-4.53%
Percentage of eco-label paper (FSC or recycled) vs total consumption (%)	77.46	76.66	1.04%
Total cartridge/toner consumption (items)	22,501	25,160	-10.57%
Total cartridge/toner consumption per employee (items/employee)	1.96	2.04	-4.08%
Percentage of refilled cartridge/toner vs original (%)	56.51	53.10	6.42%
Waste Management			
Paper recycled (tonnes)	265.79	376.06	-29.32%
Toners and cartridges reused/recycled (items)	9,837	15,663	-37.20%
Other electrical and electronic equipment recycled (tonnes)	96.13	254.04	-62.16%

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 CO_2 equivalent: 1 for CO_2, 25 for CH_4 and 298 for N_2O. 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 At the time of current Report, one listed company had not published its annual financial data for 2019.

iv Results are included in the Assessment Report of the Bank's indirect GHG emissions from other activities (Scope 3), which was completed at the end of 2018.

v Results are included in the Assessment Report of the Bank's indirect GHG emissions from other activities (Scope 3), which was completed at the end of 2018.

vi The Bank has acquired GOs for 41,568.65 MWh.

vii Calculations for 100% of Piraeus Bank's operations in Greece.

viii The specific indicator includes total heating oil consumption and fuel consumption (petrol, diesel, LPG/CNG) by company cars.

ix Includes total heating oil consumption and fuel consumption (petrol, diesel, LPG/CNG) by corporate vehicles.

x Regarding the calculations: 1) Motor oil & petrol: Net calorific value as per IPCC guidelines (2006) and density as per International Energy Agency Statistics Manual- IEA (2005), 2) LPG/CNG: Net calorific value as per National Inventory Report (March 2020) and density as per IEA 2004, 3) Heating oil: Net calorific value as per National Inventory Report (March 2020) and density as per IEA 2005.

xi 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>2019 Environmental Performance of Piraeus Bank

ADDRESSING CLIMATE CHANGE

Piraeus Bank applies policies and processes for assessing the impact and opportunities arising from climate change, in sectors of the Greek economy with a significant share in its business portfolio. At the same time, it contributes significantly to the promotion of Renewable Energy Sources (RES) through their funding and supports green entrepreneurship in Greece.

Piraeus Bank monitors international developments on climate change and participates in international initiatives, such as the Collective Commitment to Climate Action. This is a pioneering commitment of the founding signatories of the UNEP FI Principles for Responsible Banking to align their activities and strategies with international climate goals.

PIRAEUS BANK'S CLIMATE CHANGE STRATEGY

For Piraeus Bank's Climate Change Strategy please see: https://www.piraeusbankgroup.com/en/corporate-responsibility/environment/environmental-policy-principles/climate-change-strategy

CLIMATE RISK MANAGEMENT FOR BUSINESS BORROWERS

Every year Piraeus Bank uses its Climate Risk Management Model (for more details please refer to: *www.piraeusbankgroup.com>Corporate Responsibility>Environment>Environmental fields of action>Climate Risk Assessment*) to estimate in monetary terms the climate risk of Greek business borrowers across different economic sectors mostly influenced by climate change[12].

Sample of business borrowers - Characteristics	
Number of business borrowers	13,948
Turnover for business borrowers	€57,421,514,661
Breakdown of business borrowers by sector	
Offices	5,771
Agriculture	3,903
Energy Production	1,352
Manufacturing	1,460
Hotels	1,280
Shipping	123
Hospitals	59

Total climate risk of the Bank's business borrowers was estimated at €1.05 bn for 2019 (€0.9 bn in 2018 and €0.5 bn in 2017), or 1.8% of their total turnover. The physical risk constitutes 32.7% (2018: 39.3%) and the transition risk 67.3% (2018: 60.7%) of the estimated total climate risk.

The climate risk increase of the business borrowers in 2019 compared to previous years is due to the average price increase of the EU Emission Allowances (EUAs)[13], which has resulted into a substantial increase of the transition risk.

The following table shows the breakdown of the Bank's business portfolio over the last 3 years regarding climate risk, based on the turnover of the economic sectors that the Bank financed.

12 The Climate Risk Management Model estimates in monetary terms (€) the climate risk of business customers according to their turnover.

13 Average price for EU emission allowances (EUAs) on the EU Emissions Trading System (EU ETS): €24.9/tCO_2 in 2019, €16/tCO_2 in 2018 and €7/tCO_2 in 2017. The average EUA price is calculated using data from the website of the Greek Operator of Electricity Market: *http://data1.lagie.gr*

Breakdown of the Bank's business portfolio based on Climate Risk

Climate risk sector classification	2019	2018	2017
Sectors with negative climate risk (opportunity)	1.1%	1.3%	1.6%
Sectors with zero climate risk	59.5%	59.8%	64.4%
Sectors with low climate risk	31.0%	30.2%	24.4%
Sectors with medium climate risk	2.6%	7.1%	8.2%
Sectors with high climate risk	5.8%	1.5%	1.3%

It is noted that 91.6% (2018: 91.3%) of the loan portfolio relates to sectors with negative to low climate risk and only 8.4% of loan portfolio relates to sectors with medium and high climate risk.

Due to the substantial increase of the EUA's price (price almost quadrupled in two years) and the ability of certain economic sectors to pass some of these price increases to the end consumers, it was deemed necessary to redefine the medium and high-class climate risk categories as follows:

01. medium risk: 1%<ESCR[14] <10% instead of 1%<ESCR<5%
02. high risk: ESCR>10% instead of ESCR>5%

For comparability reasons, the climate risk categories were adjusted for the years 2019, 2018 and 2017.

The increased share of the high climate risk sector from 1.5% in 2018 to 5.8% in 2019 results from the increase in the climate risk of the electricity generation sector. More specifically, the rise from 3.8% in 2017 to 8.1% in 2018 and to 10.3% in 2019 is attributed to the substantial increase of the EUA's price, as previously mentioned. This sector has a high turnover (approximately €6 bn) and therefore contributes accordingly to the rising share of turnover in the high climate risk category.

Sector classification by level of climate risk:

01. negative climate risk: sectors with ESCR <0% (sectors for which climate change is recognised as a business opportunity).
02. zero climate: sectors with ESCR = 0% (sectors not exposed to climate change).
03. low climate risk: sectors with ESCR > 0% to ≤1%.
04. medium climate risk: sectors with ESCR >1% to ≤10%.
05. high climate risk: sectors with ESCR >10%.

UPGRADING THE CLIMATE RISK MANAGEMENT MODEL

In 2019, a gap analysis was conducted in order to assess UNEP FI's proposed scenarios for financial institutions to manage climate risk, as published in the reports: "Extending our Horizons: Assessing Credit Risk and Opportunity in a Changing Climate" and "Navigating a New Climate: Assessing Credit Risk and Opportunity in a Changing Climate", and compare it to the Bank's Climate Risk Management Model, to identify discrepancies and convergences.

The main discrepancies between the two methodological approaches were captured and actions were taken to align the Climate Risk Management Model with the guidelines of UNEP FI, which is structured in two phases.

Phase 1 of aligning the Climate Risk Management Model with the TCFD guidelines[15], included the following actions:

01. Update based on the new generation of IPCC climate scenarios.
02. Incoporating the effects of extreme weather events.
03. Calculation of the cost of indirect emissions.

Phase 2 of aligning the Climate Risk Management Model includes the following actions:

01. Estimation of the cost of direct and indirect emissions of the examined companies as well as the investments required in order for these companies to significantly reduce their emissions.
02. Evaluation of the effects that the increase of the compliance cost may have on the examined companies (on the product prices but also in the demand levels).
03. Pilot use of the Climate Risk Management Model to assess the climate risk of selected companies.

14 Economic Sector Climate Risk Index (ESCR): the ratio of the estimated climate risk of the business borrowers in a certain sector in relation to their total turnover. There are five (5) categories of climate risk.

15 Piraeus Bank adopts the TCFD risk categorisation of climate-related risks: "physical risk" and "transition risk". The term regulatory risk used by the Bank in previous reports is included in the "transition risk".

PROTECTION OF BIODIVERSITY

The loss of biodiversity is one of the world's biggest environmental problems. Piraeus Bank has included the protection of biodiversity in its Environmental Policy and implements actions and programs related to the protection and showcasing of biodiversity.

In this context, during 2013-2018 the Bank participated in the European co-financed project LIFE-Stymfalia, which laid the foundations for restoring Lake Stymphalia, ensuring its long-term protection and management, and linking sustainable management and financing of wetland for the first time. In 2019, the final Technical Report was submitted to the European Commission, marking the conclusion of the project. At the same time, all the necessary actions were taken and the Management Plan was approved by a Ministerial Decision, enabling the competent Management Body of Parnonas, Moustos, Mainalo and Monemvasia to continue managing the Lake in the future.

For more information about LIFE-Stymfalia project see: www.lifestymfalia.gr

Piraeus Bank participates in the EU Business@Biodiversity Platform, which provides a unique forum for dialogue and policy interface to discuss the links between business and biodiversity at EU level. In this context, Piraeus Bank is also engaged in the EU Community of Practice (CoP) on Finance@Biodiversity, for financial institutions.

Piraeus Bank also participates in the initiative of the International Union for Conservation of Nature (IUCN) "Incubator for Nature Conservation", which is charged with highlighting business opportunities to increase funding for protected areas worldwide. In this context, IUCN has selected 10 protected areas from around the world, which will serve as sustainable development models, funding their business plans and helping to develop innovative ways to generate revenue for their area management. Lake Pamvotis has been selected from Greece.

ENVIRONMENTAL AWARENESS AND TRAINING

ENVIRONMENTAL AWARENESS AND EMPLOYEE TRAINING

In 2019, 89 EMS Coordinators were trained through the special e-learning course on EMAS and the Bank's Environmental Management System (EMS). The e-learning courses aim to impart key environmental concepts and brief employees on the Bank's environmental work. In 2019, a total of 1,548 training man-hours were spent on environmental e-learning.

ANNUAL ENVIRONMENTAL MANAGEMENT COMPETITION

For the 9th consecutive year, Piraeus Bank launched its annual environmental management competition "Green behaviour wins!", a significant incentive for improving the Bank's environmental footprint and raising employee awareness. Employees from the branches and administration buildings with the best performance in recycling consumables (paper, batteries, and toner) were rewarded with small gifts with a clear environmental message.

ECO-DRIVING

In 2019, 14 Bank employees with a company vehicle participated as Eco-driving Ambassadors in an educational program organised in collaboration with the Centre for Renewable Energy Sources and Saving (CRES), promoting Economic, Ecological and Safe Driving (Eco-driving). Eco-driving is a term used to describe smart and safe driving techniques which can lead to fuel cost savings, GHG emission reductions, improved vehicle maintenance, as well as greater safety. Following the 3-hour theoretical and practical training of Eco-driving Ambassadors, a monthly monitoring of their driving behaviour followed, with a systematic recording of relevant data, which showed fuel-saving of up to 5.9%. More actions are planned for 2020 to promote and showcase the results of the program and the principles of Eco-driving.

INSTALLATION OF BICYCLE STANDS

As part of promoting eco-friendly transport, bicycle stands were set up outside the branch on the island of Kos, following a relevant study and after the required permits were obtained. This comes after the installation of bicycle stands in two of the Bank's administration buildings in 2017, as well as outside a branch in the town of Tripoli.

GREEN NEWS

"Green News" is posted on the Bank's intranet and informs employees on a monthly basis about important environmental news. More than 300 employees read the news each month, on average.

YELLOWBLOG

Since 2019, the blog of yellow, the loyalty Program of Piraeus Bank, publishes articles on a monthly basis on current environmental issues, as well as sustainable development issues in general.

ENVIRONMENTAL MANAGEMENT AT ETVA INDUSTRIAL PARKS SA

The "environmental" parameter affects the whole range of operations of ETVA Industrial Parks SA and is the basic criterion for the company's centralised organization and management. ETVA Industrial Parks SA is in line with its Environmental Policy, and has all the necessary environmental permits for the 25 Industrial Areas and Business Parks under its jurisdiction.

WASTEWATER TREATMENT

ETVA Industrial Parks SA processed a total of 3,856,999 m³ industrial wastewater in the seven (7) Industrial Wastewater Treatment Units (IWTUs) it manages. In 2019 the company generated and handled 3,412.22 tonnes of waste-sludge.

Bio-treatment of wastewater in the Patras and Komotini IWTUs resulted in decreases in waste-sludge generated of 82% and 78% respectively.

The company uses wastewater management software (e.g. environmental data online platform) and online COD analysers, and has improved its ability to monitor the pollutant load. Above all, it uses these tools to improve its environmental performance and manage its environmental responsibilities, in accordance with the criteria set out by the company's ISO standard and the requirements of environmental legislation.

WATER MANAGEMENT

ETVA Industrial Parks SA drew a total of 4,982,120 m³ of water for the needs of its Industrial Areas, while 31,657 litres of chemicals (i.e. sodium hypochlorite) were used to decontaminate it. The company provided water to 903 enterprises in the secondary and tertiary sectors operating in its industrial areas.

ENVIRONMENTAL MANAGEMENT PERFORMANCE INDICATORS

ETVA Industrial Parks SA applied its EMS on its Industrial Areas and Business Parks, with the following indicators for 2019:

01. 100 analyses (on average 100 parameters) to ensure the quality of the water network on a regular basis.
02. 904 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.
03. 87 periodic inspections 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.
04. 4,889 periodic on-site measurements for determination of residual chlorine in tap water.
05. 1,678 periodic 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.
06. 229 periodic inspections of the rainwater-collection systems at fixed points to control the quality of the water collectors of the Industrial Areas.
07. 80 on-site determinations of noise levels at 22 Industrial Areas.

The results of the EMS of Industrial Parks SA are communicated to the Ministry of Environment and Energy every year, demonstrating its consistency and compliance.

Mapping with Sustainable Development Goal
Responsible Consumption and Production

Assurance by independent body
GRI 302-1, 302-2, 305-1, 305-2, 305-3

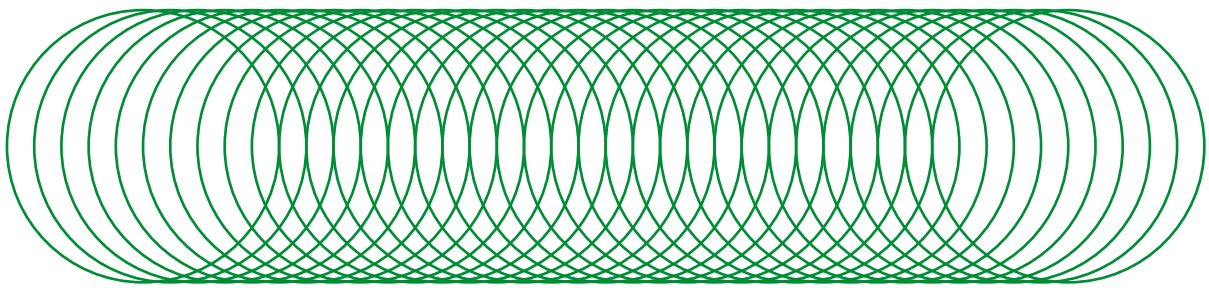
MATERIAL TOPIC

IMPROVING ENVIRONMENTAL PERFORMANCE

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

73%

Increase in the use of Renewable Energy Sources (RES) per employee



~350

Building infrastructures of the Bank were monitored online for energy consumption and water consumption by the Energy Office

Certified Environmental Management System (EMS):

EMAS/ISO 14001:2015

European Regulation / International Standard

673

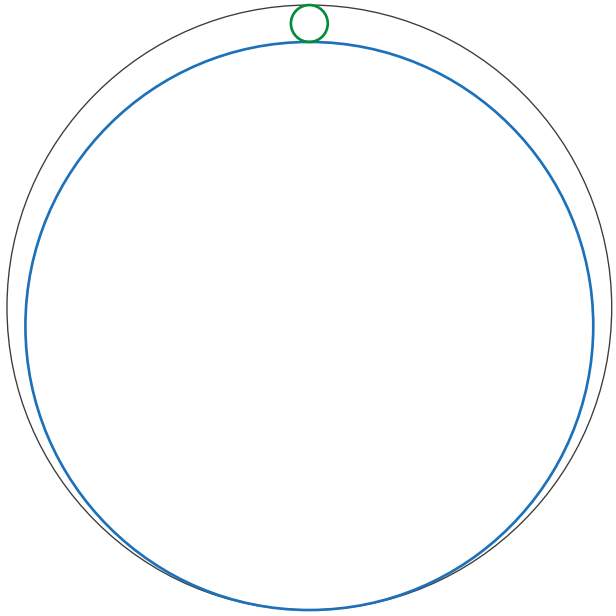
Buildings included in EMS

770

Employees directly involved in EMS

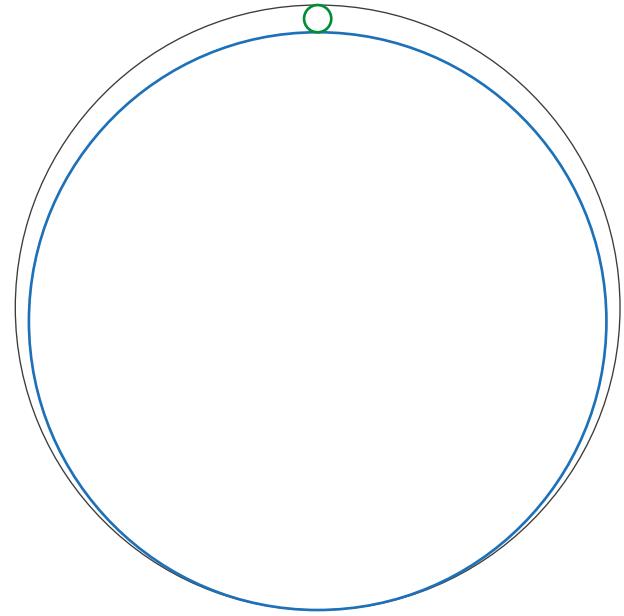
€5.5 mn

Saved annually through implementation of the environmental management programs



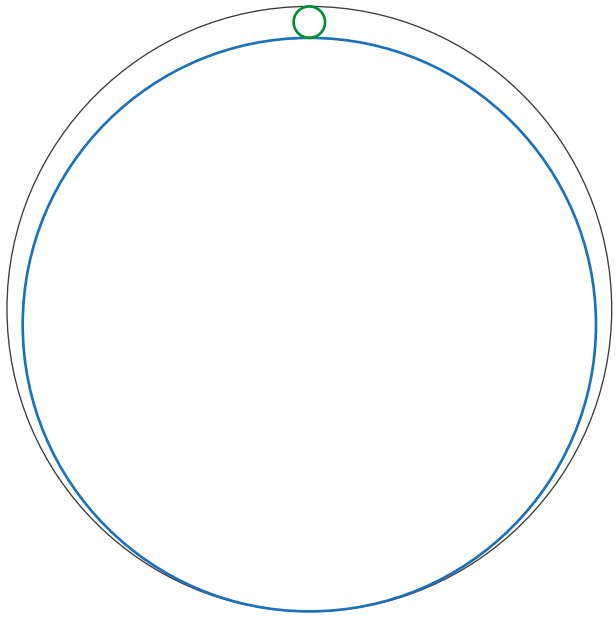
-6.1%

Reduction in electricity consumption per m^2



-4.5%

Reduction in paper consumption per employee

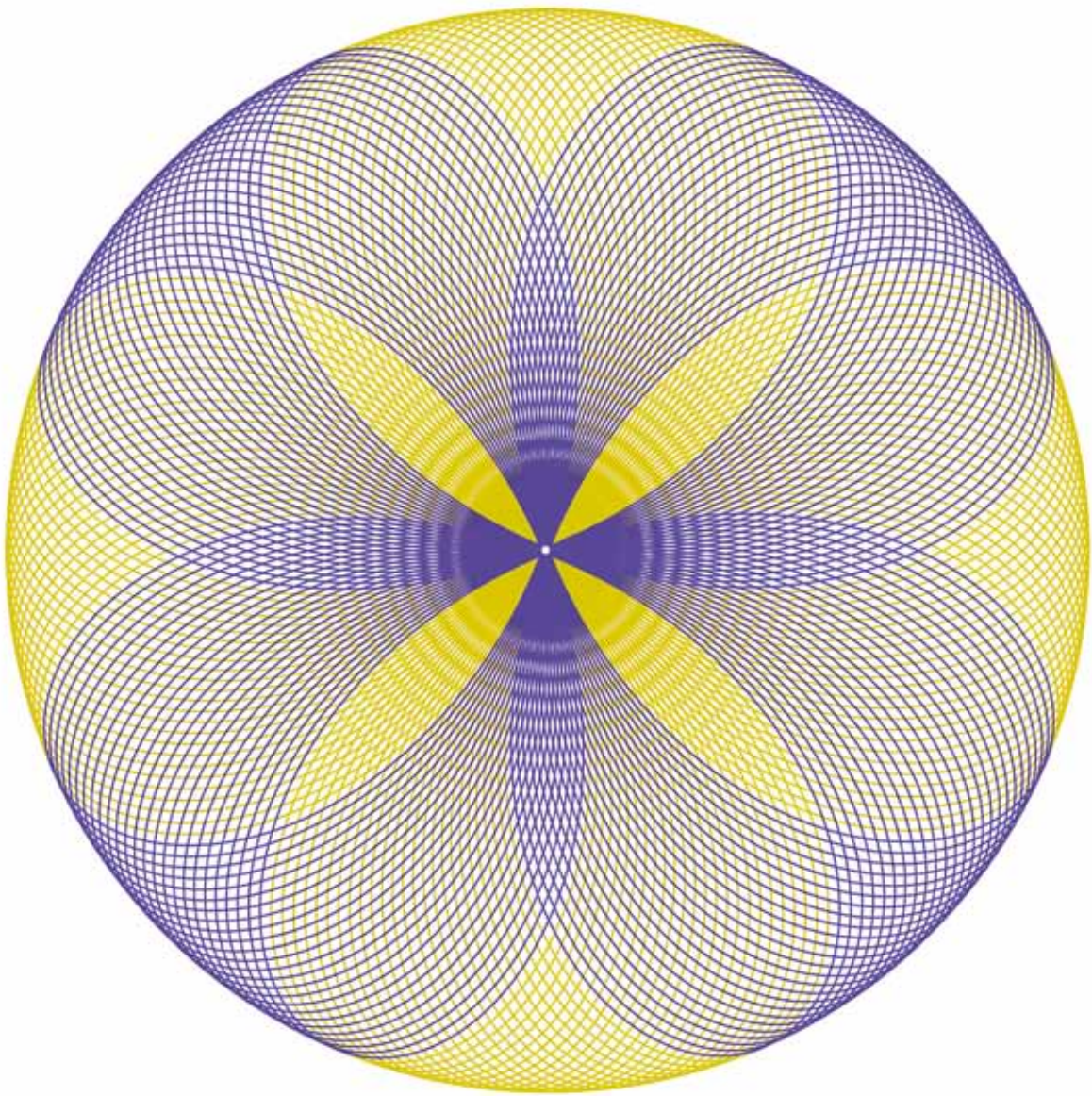


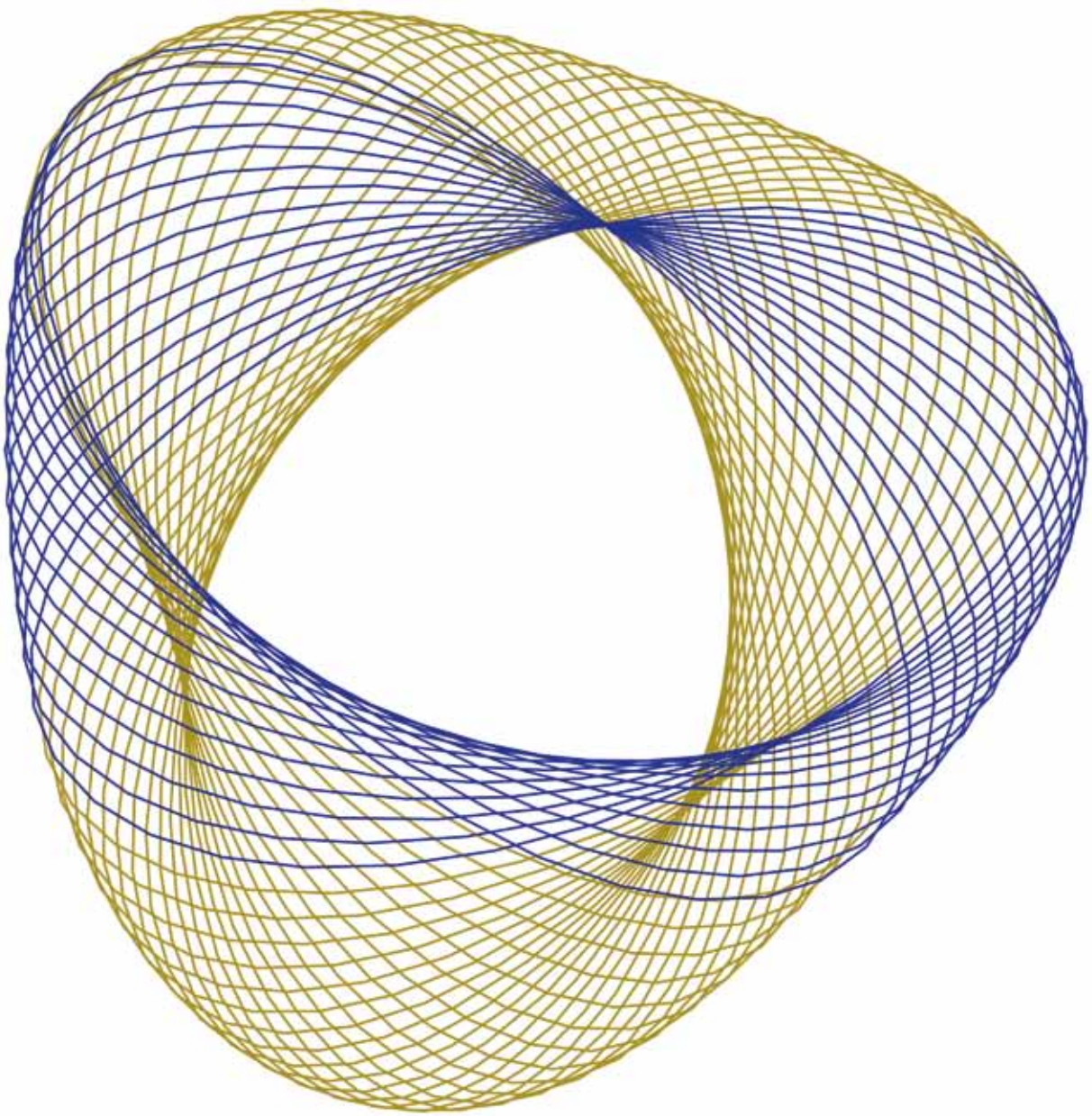
-5.2%

Reduction of water consumption per employee

Goals

- 10% reduction in electricity consumption per m^2 – 3-year target with 2018 as reference year
- Inclusion of the Bank in the initiative Science-Based Targets
- Green procurement: 10% increase in usage rate of environmentally certified paper consumables – 3-year target with 2018 as reference year





Selected Consolidated Balance Sheet Information (€ mn)

Assets	**31/12/2019**	**31/12/2018**
Cash and Balances with Central Banks	3,349	2,572
Due from banks	1,307	1,120
Reverse Repos with Customers	38	103
Loans and advances to customers at amortised cost	39,162	39,757
Loans and advances to customers mandatorily at FVTPL	51	84
Debt securities at amortised cost	1,121	208
Financial assets at fair value through profit or loss	663	382
Financial assets mandatorily at fair value through profit or loss (FVTPL)	131	110
Financial assets at fair value through other comprehensive income (FVTOCI)	1,647	2,270
Other assets	13,654	13,552
Assets from discontinued operations	108	1,721
Total Assets	**61,231**	**61,880**
Liabilities		
Due to banks	3,296	5,548
Due to customers	47,351	44,739
Liabilities at FVTPL	0	62
Debt securities in issue	481	528
Other liabilities	2,311	1,693
Liabilities from discontinued operations	19	1,804
Total Liabilities	**53,458**	**54,374**
Capital and reserves attributable to equity holders of the parent entity	7,659	7,390
Non controlling interest	115	116
Total Equity	**7,773**	**7,506**
Total Liabilities and Equity	**61,231**	**61,880**

Selected Consolidated Income Statement Information (€ mn)

	1/1-31/12/2019	1/1-31/12/2018
Net Interest Income	1,435	1,410
Net Fee and Commission Income	318	339
Dividend Income	2	7
Net Gain/(Losses) from Financial Instruments Measured at Fair Value through Profit or Loss (FVTPL)	13	24
Gain/(Loss) from Disposal of Subsidiaries, Associates and Businesses	345	(3)
Net Gain/(Losses) from Financial Instruments Measured at Fair Value through other Comprehensive Income (FVTOCI)	5	17
Other Income/(Expenses)	55	87
Total Net Income	**2,174**	**1,882**
Staff Costs	(504)	(616)
Administrative Expenses	(387)	(441)
Depreciation and Amortisation	(123)	(103)
Net Gain/(Losses) from Sale of Property and Equipment and Intangible Assets	1	(1)
Total Operating Expenses Before Provisions	**(1,013)**	**(1,161)**
Share of Profit of Associates and Joint Ventures	5	15
Profit/(Loss) Before Provisions and Impairment	**1,167**	**736**
Provisions and Impairment	(778)	(656)
Profit/(Loss) Before Income Tax	**389**	**80**
Income Tax Benefit/(Expense)	(123)	93
Profit After Tax from Continuing Operations	**266**	**173**
From Continuing Operations		
Profit/(Loss) Attributable to Shareholders	**270**	**185**
Non Controlling Interest	(4)	(11)
From Discontinued Operations		
Profit/(Loss) Attributable to Shareholders	10	(343)
Non Controlling Interest	0	(1)
Number of Staff Employed and Branches		
Number of Staff Employed	12,553	14,940
Number of Employees from Discontinued Operations	999	2,384
Branches	547	573

GRI CONTENT INDEX

GRI Standard 2016	Disclosure	Section of Report or Reference	Omission	EA	UN Global Compact Principles	Principles for Responsible Banking	TCFD
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	*piraeusbankgroup.com*> Group's Activities	-	✓		2nd & 3rd Principle for Responsible Banking>SBR p. 48-49	
	102-3 Location of headquarters	4 Amerikis street, 105 64, Athens	-	✓			
	102-4 Location of operations	*piraeusbankgroup.com*> Group Profile> Group Presence	-	✓			
	102-5 Ownership and legal form	*piraeusbankgroup.com*> Investor Relations> Corporate Governance> Articles of Association SBR: Shareholder Structure> p. 54-55	-	✓		5th Principle for Responsible Banking>SBR p. 48-49	
	102-6 Markets served	*piraeusbankgroup.com*> Investor Relations> Corporate Governance> Articles of Association> *piraeusbankgroup.com*> Investor Relations>Financial Data>Financial Results>FY 2019 Results Presentation> p. 45 SBR: Group Financial Data Analysis 2019>p. 27-33	-	✓			
	102-7 Scale of the organization	*piraeusbankgroup.com*> Group Profile>Corporate Profile SBR: Piraeus Bank Group Workforce>p. 173-174 SBR: Group Financial Data Analysis>p. 27-33 SBR: Selected Group Data> p. 233-234 AFR: Consolidated Income Statement>p. 95 and Consolidated Statement of Financial Position>p. 97	-	✓	6th Principle of UN Global Compact>SBR p. 48		

GRI Standard 2016	Disclosure	Section of Report or Reference	Omission	EA	UN Global Compact Principles	Principles for Responsible Banking	TCFD
General Disclosures (Core Option)							
GRI 102: General Standard Disclosures		*piraeusbankgroup.com*> Investor Relations>Financial Data>Financial Results>FY 2019 Results Presentation> p. 29,46					
	102-8 Information on employees and other workers	*piraeusbankgroup.com*> Group Profile>At a Glance SBR: Piraeus Bank Group Workforce>p. 173-174 SBR: Distribution by Type of Employment and Contract>p. 174-175	-	✓		4th Principle for Responsible Banking>SBR p. 48-49	
	102-9 Supply chain	SBR: Supplier Relationship>p. 90-91	-	✓		4th Principle for Responsible Banking>SBR p. 48-49	
	102-10 Significant changes to the organization and its supply chain	*piraeusbankgroup.com*> Group Profile>Hystory of the Group SBR: Supplier Relationship> p. 90-91 SBR: Group Financial Data Analysis>p. 27-33 AFR: Board of Directors' Annual Report>p. 7-35	-	✓			
	102-11 Precautionary approach	*piraeusbankgroup.com*> Corporate Responsibility> Environment>Environment Fields of Action> Environmental Management> Piraeus Bank's Environmental Statement SBR: Monitoring and Analysis of Environmental Legislation & Case-Law> p. 215 SBR: Independent Assurance Statement>p. 17-19 SBR: Participation in Global Initiatives for Sustainable Development>p. 48-50	-	✓		5th Principle for Responsible Banking>SBR p. 48-49	

GRI Standard 2016	Disclosure	Section of Report or Reference	Omission	EA	UN Global Compact Principles	Principles for Responsible Banking	TCFD
General Disclosures (Core Option)							
GRI 102: General Standard Disclosures		SBR: Piraeus Bank, the Environment and Sustainability>p. 214-215 AFR: Corporate Governance Statement>Internal Control System>p. 72-74					
	102-12 External initiatives	SBR: Participation in Global Initiatives for Sustainable Development>p. 48-50	-	✓			
	102-13 Membership of associations	Hellenic Banking Association (*hba.gr*) UN Global Compact (*unglobalcompact.org*) SBR: Participation in Global Initiatives for Sustainable Development>p. 48-50 SBR: Supporting the Youth and Promoting Youth Entrepreneurship>p. 193 SBR: Promotion of Intangible Cultural Heritage>p. 198-199 SBR: Museum Network>p. 199-200	-	✓		4th & 5th Principle for Responsible Banking>SBR p. 48-49	
	102-14 Statement from senior decision-maker	SBR: Chairman's Note>p. 9-11 SBR: CEO's Note>p. 12-13	-	✓			
	102-16 Values, principles, standards, and norms of behavior	SBR: Corporate Responsibility Principles>p. 46 SBR: Corporate Governance>p. 53-71 *piraeusbankgroup.com*>Investor Relations>Corporate Governance>Corporate Governance Structure & Operating Regulations, Code of Conduct	-	✓	10th Principle of UN Global Compact>SBR p. 48	5th & 6th Principle for Responsible Banking>SBR p. 48-49	

GRI Standard 2016	Disclosure	Section of Report or Reference	Omission	EA	UN Global Compact Principles	Principles for Responsible Banking	TCFD
General Disclosures (Core Option)							
GRI 102: General Standard Disclosures	**102-18** Governance structure	AFR: Corporate Governance Statement>p. 35-79 SBR: Corporate Governance>p. 53-71	-	✓		5th Principle for Responsible Banking>SBR p. 48-49	
	102-40 List of stakeholder groups	SBR: Stakeholders' Dialogue>p. 46	-	✓		4th Principle for Responsible Banking>SBR p. 48-49	
	102-41 Collective bargaining agreements	SBR: Distribution by Type of Employment and Contract>p. 174-175	-	✓	3th Principle of UN Global Compact>SBR p. 48		
	102-42 Identifying and selecting stakeholders	SBR: Methodology for Analysis of Material Topics>p. 37-43 SBR: Stakeholders' Dialogue>p. 46	-	✓			
	102-43 Approach to stakeholder engagement	SBR: Stakeholders' Dialogue>p. 46	-	✓		4th Principle for Responsible Banking>SBR p. 48-49	
	102-44 Key topics and concerns raised	SBR: Methodology for Analysis of Material Topics>p. 37-43 SBR: Stakeholders' Dialogue>p. 46	-	✓			
	102-45 Entities included in the consolidated financial statements	AFR: note 23>Investments in Consolidated Companies>p. 259-264 SBR: Methodology for Analysis of Material Topics>p. 37-43	-	✓			
	102-46 Defining report content and topic Boundaries	SBR: Methodology for Analysis of Material Topics>p. 37-43	-	✓		1st, 2nd & 4th Principle for Responsible Banking>SBR p. 48-49	

GRI Standard 2016	Disclosure	Section of Report or Reference	Omission	EA	UN Global Compact Principles	Principles for Responsible Banking	TCFD
General Disclosures (Core Option)							
GRI 102: General Standard Disclosures	**102-47** List of material topics	SBR: Methodology for Analysis of Material Topics>p. 37-43 SBR: GRI Content Index: "Material Topics">p. 240-248	-	✓		1st, 2nd & 4th Principle for Responsible Banking>SBR p. 48-49	
	102-48 Restatements of information	There was no restatement of information	-	✓			
	102-49 Changes in reporting	SBR: Methodology for Analysis of Material Topics>p. 37-43	-	✓			
	102-50 Reporting period	01/01/2019-31/12/2019	-	✓			
	102-51 Date of most recent report	28/06/2019	-	✓			
	102-52 Reporting cycle	Annual	-	✓			
	102-53 Contact point for questions regarding the report	Investor Relations & Corporate Development>investor_relations@piraeusbank.gr	-	✓			
	102-54 Claims of reporting in accordance with the GRI Standards	SBR: Methodology for Analysis of Material Topics>p. 37-43	-	✓			
	102-55 GRI content index	SBR: GRI Content Index>p. 235-248	-	✓			
	102-56 External assurance	SBR: Independent Assurance Statement>p. 17-19 SBR: Methodology for Analysis of Material Topics>p. 37-43	-	✓		6th Principle for Responsible Banking>SBR p.48-49	
Material Topics							
Compliance with the regulatory framework (Q8)					10th Principle of UN Global Compact>SBR p. 48	5th & 6th Principle for Responsible Banking>SBR p. 48-49	
GRI 103: Management Approach	**103-1** Explanation of the material topic and its boundaries	SBR: Methodology for Analysis of Material Topics>p. 37-43 SBR: Regulatory Compliance>p. 72-74	-	✓			

GRI Standard 2016	Disclosure	Section of Report or Reference	Omission	EA	UN Global Compact Principles	Principles for Responsible Banking	TCFD
General Disclosures (Core Option)							
GRI 103: Management Approach	**103–2** The management approach and its components	SBR: Regulatory Compliance>p. 72–74	–	✓			
	103–3 Evaluation of the management approach	SBR: Regulatory Compliance>p. 72–74	–	✓			
GRI 205: Anti-corruption	**205–2** Communication and training about anti-corruption policies and procedures	SBR: Regulatory Compliance>p. 72–74	–	✓			
Protection of personal data (Q7)						4th & 6th Principle for Responsible Banking>SBR p.48–49	
GRI 103: Management Approach	**103–1** Explanation of the material topic and its boundaries	SBR: Methodology for Analysis of Material Topics>p. 37–43 SBR: Protection of Personal Data>p. 151–153	–	✓			
	103–2 The management approach and its components	SBR: Protection of Personal Data>p. 151–153	–	✓			
	103–3 Evaluation of the management approach	SBR: Protection of Personal Data>p. 151–153	–	✓			
GRI 418: Customer Privacy	**418–1** Substantiated complaints concerning breaches of customer privacy and losses of customer data	SBR: Protection of Personal Data>p. 151–153	–	✓			
Supporting the new generation (Q20)						1st & 3rd Principle for Responsible Banking>SBR p.48–49	
GRI 103: Management Approach	**103–1** Explanation of the material topic and its boundaries	SBR: Methodology for Analysis of Material Topics>p. 37–43 SBR: CSR Program: Project Future>p. 193–194 SBR: Supporting the Youth and Promoting Youth Entrepreneurship>p. 193	–	✓			

GRI Standard 2016	Disclosure	Section of Report or Reference	Omission	EA	UN Global Compact Principles	Principles for Responsible Banking	TCFD
Material Topics							
GRI 103: Management Approach	**103-2** The management approach and its components	SBR: CSR Program: Project Future>p. 193-194 SBR: Supporting the Youth and Promoting Youth Entrepreneurship>p. 193	-	✓			
	103-3 Evaluation of the management approach	SBR: CSR Program: Project Future>p. 193-194 SBR: Supporting the Youth and Promoting Youth Entrepreneurship>p. 193	-	✓			
GRI 203: Indirect Economic Impacts	**203-2** Significant indirect economic impacts	SBR: CSR Program: Project Future>p. 193-194 SBR: Supporting the Youth and Promoting Youth Entrepreneurship>p. 193	-	✓			
Risk management (Q10)					10th Principle of UN Global Compact>SBR p. 48	2nd Principle for Responsible Banking>SBR p. 48-49	1st, 2nd & 3rd Pillar of TCFD>SBR p.50
GRI 103: Management Approach	**103-1** Explanation of the material topic and its boundaries	SBR: Methodology for Analysis of Material Topics>p. 37-43 SBR: Risk Management>p. 76-89	-	✓			
	103-2 The management approach and its components	SBR: Risk Management>p. 76-89	-	✓			
	103-3 Evaluation of the management approach	SBR: Risk Management>p. 76-89	-	✓			
GRI 102: General Standard Disclosures	**102-30** Effectiveness of risk management processes	SBR: Risk Management>p. 76-89	-	✓			

GRI Standard 2016	Disclosure	Section of Report or Reference	Omission	EA	UN Global Compact Principles	Principles for Responsible Banking	TCFD
Material Topics							
Promotion of tangible and intangible cultural heritage of the country (Q18)						1st Principle for Responsible Banking>SBR p. 48–49	
GRI 103: Management Approach	**103–1** Explanation of the material topic and its boundaries	SBR: Methodology for Analysis of Material Topics>p. 37–43 SBR: PIOP>p. 196–206	–	✓			
	103–2 The management approach and its components	SBR: PIOP>p. 196–206	–	✓			
	103–3 Evaluation of the management approach	SBR: PIOP>p. 196–206	–	✓			
GRI 203: Indirect Economic Impacts	**203–1** Infrastructure investments and services supported	*piop.gr* SBR: PIOP>p. 196–206	–	✓			
	203–2 Significant indirect economic impacts	*piop.gr* SBR: Museum Network> p. 199–202	–	✓			
Corporate governance (Q9)					10th Principle of UN Global Compact>SBR p. 48	5th Principle for Responsible Banking>SBR p. 48–49	1st Pillar of TCFD>SBR p. 50
GRI 103: Management Approach	**103–1** Explanation of the material topic and its boundaries	SBR: Methodology for Analysis of Material Topics>p. 37–43 SBR: Corporate Governance>p. 53–71	–	✓			
	103–2 The management approach and its components	SBR: Corporate Governance>p. 53–71	–	✓			
	103–3 Evaluation of the management approach	SBR: Corporate Governance>p. 53–71	–	✓			
GRI 102: General Disclosures	**102–22** Composition of the highest governance body and its committees	SBR: Corporate Governance>p. 53–71	–	✓			

GRI Standard 2016	Disclosure	Section of Report or Reference	Omission	EA	UN Global Compact Principles	Principles for Responsible Banking	TCFD
Material Topics							
Supporting local communities (Q17)						1st Principle for Responsible Banking>SBR p. 48–49	
GRI 103: Management Approach	**103–1** Explanation of the material topic and its boundaries	SBR: Methodology for Analysis of Material Topics>p. 37–43 SBR: PIOP>p. 196–206	–	✓			
	103–2 The management approach and its components	SBR: PIOP>p. 196–206	–	✓			
	103–3 Evaluation of the management approach	SBR: PIOP>p. 196–206	–	✓			
GRI 203: Indirect Economic Impacts	**203–1** Infrastructure investments and services supported	*piop.gr* SBR: PIOP>p. 196–206	–	✓			
	203–2 Significant indirect economic impacts	*piop.gr* SBR: Museum Network>p. 199–202	–	✓			
Improving environmental performance (Q16)					7th, 8th & 9th Principle of UN Global Compact>SBR p. 48	1st & 2nd Principle for Responsible Banking>SBR p. 48–49	1st, 2nd, 3rd & 4th Pillar of TCFD>SBR p. 50
GRI 103: Management Approach	**103–1** Explanation of the material topic and its boundaries	SBR: Methodology for Analysis of Material Topics>p.37–43 *piraeusbankgroup.com*> Corporate Responsibility>Environment> Environmental Policy Principles>Environmental Policy *piraeusbankgroup.com*> Corporate Responsibility> Environment>Environmental Management Policy>Piraeus Bank Environmental Statement SBR: Environment> p. 213–228	–	✓			

GRI Standard 2016	Disclosure	Section of Report or Reference	Omission	EA	UN Global Compact Principles	Principles for Responsible Banking	TCFD
Material Topics							
	103-2 The management approach and its components	SBR: Environment> p. 213-228	-	✓			
	103-3 Evaluation of the management approach	SBR: Environment> p. 213-228	-	✓			
GRI 302: Energy	**302-1** Energy consumption within the organization	SBR: Energy Consumption>p. 216-218 SBR: Piraeus Bank Environmental Footprint> p. 223-224	-	✓			
	302-2 Energy consumption outside of the organization	SBR: Energy Consumption>p. 216-218 SBR: Piraeus Bank Environmental Footprint> p. 223-224	-	✓			
GRI 305: Emissions	**305-1** Direct (Scope 1) GHG emissions	SBR: Emissions> p. 221-222 SBR: Gas Emissions> p. 223	-	✓			
	305-2 Energy indirect (Scope 2) GHG emissions	SBR: Emissions> p. 221-222 SBR: Gas Emissions> p. 223	-	✓			
	305-3 Other indirect (Scope 3) GHG emissions	SBR: Emissions> p. 221-222 SBR: Gas Emissions> p. 223	-	✓			
Creation of economic value (Q1)						2nd Principle for Responsible Banking>SBR p. 48-49	
GRI 103: Management Approach	**103-1** Explanation of the material topic and its boundaries	SBR: Methodology for Analysis of Material Topics>p. 37-43 SBR: CEO's Note> p. 12-13 SBR: Creation of Economic Value>p. 191-192	-	✓			

GRI Standard 2016	Disclosure	Section of Report or Reference	Omission	EA	UN Global Compact Principles	Principles for Responsible Banking	TCFD
Material Topics							
	103–2 The management approach and its components	SBR: CEO's Note>p. 12–13 SBR: Creation of Economic Value>p. 191–192	–	✓			
	103–3 Evaluation of the management approach	SBR: CEO's Note>p. 12–13 SBR: Creation of Economic Value>p. 191–192	–	✓			
	201–1 Direct economic value generated and distributed	SBR: Creation of Economic Value>p. 191–192	–	✓			
New technologies (Q2)						2nd Principle for Responsible Banking>SBR p. 48–49	
GRI 103: Management Approach	**103–1** Explanation of the material topic and its boundaries	SBR: Methodology for Analysis of Material Topics>p. 37–43 SBR: Digital Banking-Using New Technologies to Upgrade Customer Service> p. 107–111 SBR: Group Technology>p. 134–136	–	✓			
	103–2 The management approach and its components	SBR: Digital Banking-Using New Technologies to Upgrade Customer Service>p. 107–111 SBR: Group Technology>p. 134–136	–	✓			
	103–3 Evaluation of the management approach	SBR: Digital Banking-Using New Technologies to Upgrade Customer Service>p. 107–111 SBR: Group Technology>p. 134–136	–	✓			
Not available GRI Standard	Piraeus Bank Index: Use of digital service channels (the percentage of transactions made in digital channels in relation to the total number of transactions).	SBR: Digital Banking-Using New Technologies to Upgrade Customer Service>p. 107–111 SBR: Group Technology>p. 134–136	–	✓			

GRI Standard 2016	Disclosure	Section of Report or Reference	Omission	EA	UN Global Compact Principles	Principles for Responsible Banking	TCFD
Material Topics							
	Gartner Index: Ratio of operating costs versus investment IT expenditure						
Responsible financing/ investments, social and environmental banking products/services (Q3)					7th, 8th & 9th Principle of UN Global Compact>SBR p. 48	2nd & 3rd Principle for Responsible Banking>SBR p. 48–49	1st, 2nd, 3rd & 4th Pillar of TCFD>SBR p. 50
GRI 103: Management Approach	**103–1** Explanation of the material topic and its boundaries	SBR: Methodology for Analysis of Material Topics>p. 37–43 SBR: Development & Sustainable Banking> p. 116–122	–	✓			
	103–2 The management approach and its components	SBR: Development & Sustainable Banking> p. 116–122	–	✓			
	103–3 Evaluation of the management approach	SBR: Development & Sustainable Banking> p. 116–122	–	✓			
FS–Product Portfolio	**FS–8** Monetary value of products and services designed to deliver a specific enviromental benefit for each business line broken down by purpose	SBR: Development & Sustainable Banking> p. 116–122	–	✓			
Commitment to safeguard human rights in a healthy and modern working environment (Q12)					1st, 2nd,4th, 5th & 6th Principle of UN Global Compact>SBR p. 48	5th & 6th Principle for Responsible Banking>SBR p. 48–49	
GRI 103: Management Approach	**103–1** Explanation of the material topic and its boundaries	SBR: Methodology for Analysis of Material Topics>p. 37–43 SBR: Human Rights at Work, Framework, Communication and Training>p. 180	–	✓			

GRI Standard 2016	Disclosure	Section of Report or Reference	Omission	EA	UN Global Compact Principles	Principles for Responsible Banking	TCFD
Material Topics							
	103–2 The management approach and its components	SBR: Human Rights at Work, Framework, Communication and Training>p. 180	-	✓			
	103–3 Evaluation of the management approach	SBR: Human Rights at Work, Framework, Communication and Training>p. 180	-	✓			
GRI 412: Human Rights Assress-ment	**412–2** Employee training on human rights policies or procedures	SBR: Human Rights at Work, Framework, Communication and Training>p. 180	-	✓			

Notes:
SBR: Sustainability & Business Report 2019
AFR: Annual Financial Report 2019
EA: External Assurance
PIOP: Piraeus Bank Group Cultural Foundation
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 *www.globalreporting.org/standards/gri-standards-download-center/*

www.piraeusbankgroup.com
/annual-report