PIRAEUS FINANCIAL HOLDINGS

PROSPECTUS

This prospectus (the "Prospectus") relates to the offering to the public in Greece by the Hellenic Financial Stability Fund (the "HFSF" or the "Selling Shareholder") of existing ordinary registered voting shares, listed on the Regulated Market of the Athens Exchange (the "ATHEX"), with a nominal value of €0.93 each (the "Ordinary Shares") in the share capital of Piraeus Financial Holdings S.A. ("Piraeus Holdings" or the "Company", and together with its subsidiaries, the "Group") (the "Greek Public Offering"). Piraeus Holdings is not offering any Ordinary Shares in the Offering and will not receive any proceeds from the sale of Offer Shares, the net proceeds of which will be received by the Selling Shareholder.

The Offer Shares will be offered pursuant to a resolution of the Board of Directors of the Selling Shareholder made on 2 March 2024, which approved the disposal of the Offer Shares. There is no subscription guarantee for the Offer Shares.

The Offer Shares will also be offered to qualified, institutional and other eligible investors outside of Greece, pursuant to a private placement book-building process, in reliance upon the exemptions from the requirement to publish a prospectus under the Prospectus Regulation and other applicable laws (the "International Offering", and together with the Greek Public Offering, the "Offering").

This Prospectus does not relate to the International Offering. The information included in this Prospectus in relation to the International Offering is provided for informational purposes only.

In connection with the Offering, it is the intention of the Selling Shareholder to sell up to 275,080,789 Ordinary Shares in the Offering (subject to the Upsize Option, as defined below). All the Ordinary Shares offered pursuant to the Offering (including any shares to be sold pursuant to the Upsize Option) are referred to as the "Offer Shares". Allocation of the Offer Shares being initially offered in the Offering (other than Offer Shares that may be sold pursuant to the Upsize Option, as defined below, the "Upsize Option Shares") (the "Initial Offer Shares") has been initially split between the Greek Public Offering and the International Offering as follows: (i) 15%, corresponding to 41,262,118 of the Initial Offer Shares, will be allocated to investors participating in the Greek Public Offering and (ii) 85%, corresponding to 233,818,671 of the Initial Offer Shares, will be allocated to investors participating in the International Offering. The Selling Shareholder has the right to change this allocation split at its discretion, based on the demand expressed in each part of the Offering, save that any such amended allocation split of the Initial Offer Shares between the International Offering and the Greek Public Offering may not cause the Greek Public Offering to receive a portion of the Initial Offer Shares lower than the 15% set out above, if the demand expressed by investors participating in the Greek Public Offering is at least equal to such percentage. The Selling Shareholder has reserved the right to increase in its sole discretion the number of Ordinary Shares offered in the Offering by up to 62,518,361 Ordinary Shares (the "Upsize Option"). The allocation split of the Upsize Option Shares that may be sold between the Greek Public Offering and the International Offering is at the sole discretion of the Selling Shareholder.

The Greek Public Offering and the International Offering will run in parallel from 4 March 2024 to 6 March 2024. The offer price for each Offer Share (the "Offer Price"), which may not be lower than €3.70 or higher than €4.00 per Offer Share (the "Price Range"), and which will be identical in the Greek Public Offering and the International Offering, is expected to be determined pursuant to a resolution of the Board of Directors of the Selling Shareholder after the close of the period of the bookbuilding process for the International Offering on or about 6 March 2024 and be stated in a public announcement (the "Pricing Statement") which will be published in accordance with Article 17 of Regulation (EU) 2017/1129, as in force (the "Prospectus Regulation"). Furthermore, at any time during the period of the bookbuilding process for the International Offering, the Selling Shareholder may, upon resolutions of its Board of Directors, decide to (not in order of priority) determine and publicly announce a narrower range within the Price Range and/or a price point guidance, and any such respective announcements will be published in accordance with Article 17 of the Prospectus Regulation. It is expected that the Offer Shares will be delivered through the facilities of the Hellenic Central Securities Depository S.A. (the "ATHEXCSD") to purchasers in the Offering on or around 11 March 2024, but no assurance can be given that such delivery will not be delayed. Payment of the purchase price for the Offer Shares allocated to investors will be made in cash.

This Prospectus has been prepared in accordance with the Prospectus Regulation, the applicable provisions of Greek Law 4706/2020 and the relevant implementing decisions of the Hellenic Capital Market Commission (the "HCMC"), under the simplified disclosure regime for secondary issuances pursuant to Article 14 of the Prospectus Regulation and Annex 3 and Annex 12 of the Delegated Regulation (EU) 2019/980 of 14 March 2019, as in force, and the Delegated Regulation (EU) 2019/979 of 14 March 2019, as in force (together the "Delegated Regulations"). The Board of Directors of the HCMC has approved the Prospectus only in connection with the information furnished to investors, as required under the Prospectus Regulation, the Delegated Regulations and the applicable provisions of Greek Law 4706/2020.

Investing in the Offer Shares involves risks. Prospective investors should read the entire document and, in particular, the risk factors beginning on page 40 of this Prospectus when considering an investment in Piraeus Holdings.

This Prospectus will be valid for a period of twelve (12) months from its approval by the Board of Directors of the HCMC. In the event of any significant new factor, material mistake, or material inaccuracy relating to the information included in this Prospectus which may affect the assessment of the Offer Shares and which arises or is noted between the time when this Prospectus is approved and the closing of the Greek Public Offering or the delivery of the Offer Shares under the Greek Public Offering, whichever occurs later, a supplement to this Prospectus shall be published in accordance with Article 23 of the Prospectus Regulation, without undue delay, in accordance with at least the same arrangements made for the publication of this Prospectus. If a supplement to this Prospectus is published, investors in the Greek Public Offering will have the right to withdraw their purchase application for Offer Shares made prior to the publication of the supplement within the time period set forth in the supplement (which shall not be shorter than two Business Days (as defined herein) after publication of the supplement).

In making an investment decision, prospective investors must rely upon their own examination, analysis of, and enquiry into, the Offer Shares and the terms of the Offering, including the merits and risks involved and the suitability of investing in the Offer Shares.

The approval of this Prospectus by the HCMC shall not be considered as an endorsement of Piraeus Holdings or of the quality of the Offer Shares that are the subject of this Prospectus. Prospective investors should make their own assessment as to the suitability of investing in the Offer Shares.

Prospectus dated 3 March 2024

Greek Public Offering Coordinators and Lead Underwriters for the Greek Public Offering

EUROXX SECURITIES

PIRAEUS BANK

Greek Public Offering Adviser

EUROXX SECURITIES

PIRAEUS
FINANCIAL HOLDINGS

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EUROXX SECURITIES PIRAEUS BANK

Greek Public Offering Adviser

EUROXX SECURITIES

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GLOSSARY

On 30 December 2020, the core banking operations of the former Piraeus Bank Société Anonyme were demerged, by way of hive-down, and were contributed into a newly-formed credit institution incorporated under the same corporate name, *i.e.*, "Piraeus Bank Société Anonyme" (the "Demerger"). In connection with the Demerger: (1) Piraeus Bank Société Anonyme substituted the former Piraeus Bank Société Anonyme, by way of universal succession, to all the transferred assets and liabilities of the core banking operations of the former Piraeus Bank Société Anonyme; (2) the former Piraeus Bank Société Anonyme ceased to be a credit institution, retained activities, assets and liabilities not related to core banking activities, and changed its corporate name to "Piraeus Financial Holdings S.A."; and (3) Piraeus Financial Holdings S.A. holds 100% of the share capital of Piraeus Bank Société Anonyme and has become the direct or indirect ultimate parent holding company for all other companies that, prior to the Demerger, comprised the "Group" (as defined herein).

In this Prospectus, references to "Piraeus Holdings" or the "Company" should be read and construed to be references to Piraeus Financial Holdings S.A., except to the extent otherwise specified or the context otherwise requires; references to the "Group" should be read and construed to be references to Piraeus Holdings and its subsidiaries, except to the extent otherwise specified or the context otherwise requires; and references to "Piraeus Bank" should be read and construed to be references to Piraeus Bank Société Anonyme, except to the extent otherwise specified or the context otherwise requires.

Certain of the capitalised terms set out below are also defined in Greek solely for the purpose of facilitating the investors' review of the Greek version of the Summary included in this Prospectus.

All references to laws, rules, regulations, directives or other instruments of primary, secondary or derivative legislation shall include any amendments thereto which are in force as at the date of this Prospectus.

2013 Share Capital Increase...............................	Share capital increase in which Piraeus Bank raised €8.4 billion, of which €1.4 billion of private funds, achieving significantly above the 10% minimum requirement of private sector participation in 2013.
2014 Share Capital Increase...............................	Share capital increase in which Piraeus Bank raised €1.75 billion of private funds through payment in cash, issuance of new ordinary registered shares and cancellation of the pre-emption rights of existing shareholders in 2014.
2015 Share Capital Increase...............................	Share capital increase in which Piraeus Bank raised €2.6 billion of private funds and HFSF funds through payment in cash, liabilities' capitalisation and contribution in kind, issuance of new ordinary registered shares and cancellation of the pre-emption rights of existing shareholders in 2015.
2023 SREP Decision..	The decision of the ECB communicating the results of the Supervisory Review and Evaluation Process conducted in relation to Piraeus Holdings pursuant to Article 4(1)(f) of Regulation (EU) No 1024/2013 and Articles 73, 86, 97, 104, 104a, 104b, 105 and 113 of the CRD and setting out the targets (including capital requirements) to be met in 2024 on a consolidated basis for Piraeus Holdings.
2021 Annual Financial Statements.....................	The audited consolidated financial statements of the Group as at and for the year ended 31 December 2021 and the notes therein.
Ετήσιες Οικονομικές Καταστάσεις του 2021	Οι ελεγμένες ενοποιημένες οικονομικές καταστάσεις για τον Όμιλο για τη χρήση που έληξε την 31 Δεκεμβρίου 2021 και οι σημειώσεις τους.
2021 Share Capital Increase...............................	Share capital increase in which Piraeus Holding raised €1.4 billion from international and domestic investors, including the HFSF, through payment in cash, issuance of new ordinary registered shares and cancellation of the pre-emption rights of existing shareholders in 2021.

2022 Annual Financial Statements.....................	The audited consolidated financial statements of the Group as at and for the year ended 31 December 2022 and the notes thereto.
Ετήσιες Οικονομικές Καταστάσεις του 2022	Οι ελεγμένες ενοποιημένες οικονομικές καταστάσεις για τον Όμιλο για τη χρήση που έληξε την 31 Δεκεμβρίου 2022 και οι σημειώσεις τους.
2023 Annual Financial Statements.....................	The audited consolidated financial statements of the Group as at and for the year ended 31 December 2023 and the notes there.
Ετήσιες Οικονομικές Καταστάσεις του 2023	Οι ελεγμένες ενοποιημένες οικονομικές καταστάσεις για τον Όμιλο για τη χρήση που έληξε την 31 Δεκεμβρίου 2023 και οι σημειώσεις τους.
Affluent retail segment......................................	The Affluent retail segment includes high-net-worth customers with more than €70,000 balance in assets under management, including deposits and investment products.
ALCO..	Assets/Liabilities Management Committee.
Annual Financial Statements	Collectively, the 2021 Annual Financial Statements, the 2022 Annual Financial Statements and the 2023 Annual Financial Statements.
Ετήσιες Οικονομικές Καταστάσεις	Από κοινού οι Ετήσιες Οικονομικές Καταστάσεις του 2021, οι Ετήσιες Οικονομικές Καταστάσεις του 2022 και Ετήσιες Οικονομικές Καταστάσεις του 2023.
APM..	Alternative performance measure as defined in the guidelines issued by ESMA on 5 October 2015.
Articles of Association.......................................	The articles of association of Piraeus Holdings, as amended and currently in force.
Καταστατικό	Το καταστατικό της Πειραιώς Holdings, όπως έχει τροποποιηθεί και ισχύει.
ATEbank...	Agricultural Bank of Greece, S.A.
ATEbank Acquired Business	The selected assets and liabilities of ATEbank that the Group acquired in the ATEbank Acquisition.
ATEbank Acquisition	The acquisition of selected assets and liabilities of ATEbank.
ATHEX...	Athens Exchange.
Χ.Α.	Χρηματιστήριο Αθηνών.
ATHEXClear	Athens Exchange Clearing House.
ATHEXCSD	Hellenic Central Securities Depository S.A.
ΕΛ.Κ.Α.Τ.	Η εταιρεία Ελληνικό Κεντρικό Αποθετήριο Τίτλων Α.Ε.
ATHEXCSD Rulebook......................................	The rule book (regulation) of the ATHEXCSD initially approved pursuant to the decision No. 6/904/26.2.2021 of the Board of the Directors of the HCMC.
Κανονισμός ΕΛ.Κ.Α.Τ.	Ο κανονισμός λειτουργίας της ΕΛ.Κ.Α.Τ., που εγκρίθηκε αρχικά με την υπ’ αριθμ. 6/904/26.2.2021 απόφαση του Διοικητικού Συμβουλίου της ΕΚ.
ATM..	Automated Teller Machine.
Bank of Greece	The central bank of Greece.
Banking Law...	Greek Law 4261/2014, as amended and currently in force.

Basel III..	The final proposals pertaining to the reform of capital and liquidity requirements issued by the Basel Committee on Banking Supervision.
BCP..	Banco Comercial Português, S.A.
Board of Directors or Board...............................	The board of directors of Piraeus Holdings or any other legal person, entity or institution, the management body of which consists of a board of directors.
Διοικητικό Συμβούλιο ή ΔΣ..............................	Το διοικητικό συμβούλιο της Πειραιώς Holdings ή οποιουδήποτε άλλου νομικού προσώπου, οντότητας ή ιδρύματος, το οποίο διοικείται από διοικητικό συμβούλιο.
BRRD or Bank Recovery and Resolution Directive	Directive (EU) 2014/59 of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council.
BRRD Law or Greek BRRD Law......................	Internal Article 2 of Greek Law 4335/2015 which transposed BRRD into Greek law.
BRRD II..	Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending Directive 2014/59/EU as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms and Directive 98/26/EC.
Business Centres	The Group's ten specialised business centres located across Greece.
Business Day...	One full day on which banks are generally open for business in Greece.
Business loans...	Business loans refer to corporate loans.
CCR	Counterparty credit risk.
CHF...	The lawful currency of the Swiss Confederation.
Co-Lead Managers...	The co-lead managers for the International Offering, being AXIA Ventures Group Ltd and EUROXX SECURITIES S.A.
Common Equity Tier 1 capital or CET1 capital or CET1	Common equity Tier 1 capital as defined in the CRR.
Contingent Convertible Bonds...........................	€2,040,000,000 principal amount of perpetual CET1 eligible contingent convertible bonds issued by Piraeus Bank on 2 December 2015 which were covered exclusively by the HFSF with notes issued by the ESM in accordance with the HFSF Law, Greek Law 3156/2003, Codified Greek Law 2190/1920 and Cabinet Act No. 36/2.11.2015. On 4 January 2021 the Contingent Convertible Bonds were converted into fully paid Ordinary Shares in issue of Piraeus Holdings.
Core Tier 1 capital	Tier 1 capital, excluding hybrid instruments.
Core Tier 1 ratio or CET1 capital ratio	Core Tier 1 capital divided by risk-weighted assets.
Corporate deposits	Due to corporate customers.

Council..	The European Council.
Coverage ratio...	ECL allowance for impairment losses on loans and advances to customers at amortised cost over NPEs.
COVID-19	Coronavirus disease 2019.
CRD	CRD IV together with CRD V.
CRD IV	Directive (EU) 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC.
CRD V	Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 amending Directive 2013/36/EU as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures.
CRR	Regulation (EU) 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012.
CRR Quick Fix	Regulation (EU) 2020/873 of the European Parliament and of the Council of 24 June 2020 amending Regulations (EU) No 575/2013 and (EU) 2019/876 as regards certain adjustments in response to the COVID-19 pandemic.
CRR II...	Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 575/2013 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and Regulation (EU) No 648/2012.
Cumulative provisions	ECL allowance on loans and advances to customers at amortised cost.
Cypriot Banks	Bank of Cyprus Public Company Limited, Cyprus Popular Bank Public Company Limited and Hellenic Bank Public Company Limited.
DBRS...	DBRS Ratings Limited, a rating agency with address 1 Oliver's Yard, 55-71 City Road, London EC1Y 1HQ, United Kingdom.
Delegated Regulations	Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004, and Delegated Regulation (EU) 2019/979 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council with regard to regulatory technical standards on key financial

	information in the summary of a prospectus, the publication and classification of prospectuses, advertisements for securities, supplements to a prospectus, and the notification portal, and repealing Commission Delegated Regulation (EU) No 382/2014 and Commission Delegated Regulation (EU) 2016/301.
Κατ' Εξουσιοδότηση Κανονισμοί	Ο Κατ' Εξουσιοδότηση Κανονισμός (ΕΕ) 2019/980 της 14ης Μαρτίου 2019 για τη συμπλήρωση του κανονισμού (ΕΕ) 2017/1129 του Ευρωπαϊκού Κοινοβουλίου και του Συμβουλίου όσον αφορά τη μορφή, το περιεχόμενο, τον έλεγχο και την έγκριση του ενημερωτικού δελτίου που πρέπει να δημοσιεύεται κατά τη δημόσια προσφορά κινητών αξιών ή κατά την εισαγωγή κινητών αξιών προς διαπραγμάτευση σε ρυθμιζόμενη αγορά και την κατάργηση του κανονισμού (ΕΚ) αριθ. 809/2004 της Επιτροπής, και ο Κατ' Εξουσιοδότηση Κανονισμός (ΕΕ) 2019/979 της 14ης Μαρτίου 2019 για τη συμπλήρωση του κανονισμού (ΕΕ) 2017/1129 του Ευρωπαϊκού Κοινοβουλίου και του Συμβουλίου όσον αφορά ρυθμιστικά τεχνικά πρότυπα σχετικά με τις βασικές χρηματοοικονομικές πληροφορίες στο περιληπτικό σημείωμα ενημερωτικού δελτίου, τη δημοσίευση και την ταξινόμηση των ενημερωτικών δελτίων, τις διαφημίσεις για κινητές αξίες, τα συμπληρώματα του ενημερωτικού δελτίου και την πύλη κοινοποίησης, και για την κατάργηση του κατ' εξουσιοδότηση κανονισμού (ΕΕ) αριθ. 382/2014 της Επιτροπής και του κατ' εξουσιοδότηση κανονισμού (ΕΕ) 2016/301 της Επιτροπής.
Demerger	The demerger by way of the hive-down of the banking activities of Piraeus Holdings (as former Piraeus Bank Société Anonyme), into a new licenced credit institution, incorporated under the name "Piraeus Bank Société Anonyme".
Διάσπαση	Η διάσπαση μέσω της απόσχισης των τραπεζικών δραστηριοτήτων της Πειραιώς Holdings (ως πρώην Τράπεζα Πειραιώς Ανώνυμη Εταιρεία) και της εισφοράς τους σε νέο αδειοδοτηθέν πιστωτικό ίδρυμα που συστάθηκε με την επωνυμία «Τράπεζα Πειραιώς Ανώνυμη Εταιρεία».
Deposits or customer deposits............................	Due to customers.
Disposal Decision	The decision of the Board of Directors of the HFSF, dated 2 March 2024, whereby the Offering and the terms thereof where approved, in accordance with the HFSF Law and the HFSF Divestment Strategy.
DSS	The Greek Dematerialised Securities System.
Σ.Α.Τ.	Το ελληνικό Σύστημα Άυλων Τίτλων.
DSS Participants	Means "Participants" as defined in Section I Part I (94) of the ATHEXCSD Rulebook.
Συμμετέχοντες Σ.Α.Τ.	Νοούνται οι «Συμμετέχοντες», όπως ορίζονται στην Ενότητα I, Μέρος I, σημείο 94 του Κανονισμού ΕΛ.Κ.Α.Τ.
DTA	Deferred tax asset.

DTC	Deferred tax credit.
EBA	European Banking Authority.
EBB..	Electronic Book Building.
EBB Member	The investment firm or credit institution participating as a market member in the Regulated Securities Market to conduct transactions in financial instruments traded thereon, that declares participation as an EBB member pursuant to Article 2 par. 1 (b) of the relevant Resolution 34 of ATHEX.
EBRD..	European Bank for Reconstruction and Development.
EC	European Commission.
ECB..	The European Central Bank.
ECL..	Expected credit loss.
EEA..	European Economic Area.
EFSF	European Financial Stability Facility.
EIB	European Investment Bank.
ELSTAT..	The Hellenic Statistical Authority.
ESG..	Environmental, social and governance.
ESI	Economic sentiment indicator.
ESM	European Stability Mechanism.
ESMA	European Securities and Markets Authority.
ETEAN	Hellenic Fund for Entrepreneurship and Development.
EU or European Union.......................................	The European economic and political union.
Euro, euro EUR and €..	The common legal currency of the member states participating in the third stage of the European Economic and Monetary Union.
Eurogroup	The finance ministers of the member states of the Eurozone.
Eurosystem..	The monetary authority of the Eurozone, composed of the ECB and the central banks of the member states that belong to the Eurozone.
Eurozone	The euro area, being the Economic and Monetary Union of the member states of the European Union which have adopted the euro currency as their sole legal tender.
Fitch	Fitch Ratings Ireland Ltd., a rating agency with address 38 Upper Mount Street, Dublin D02 PR89, Ireland.
FTSE	Financial Times Stock Exchange.
FTT	Financial transaction tax.
Funding Cost...	The Group's weighted average cost of all interest-bearing liabilities.
FVTOCI	Financial instruments measured at fair value through other comprehensive income.
FVTPL	Financial instruments measured at fair value through profit or loss.

FX	Foreign exchange.
GBP...	The lawful currency of the United Kingdom of Great Britain and Northern Ireland.
GDP	Gross domestic product.
General Meeting...	Depending on the context, the general meeting of the shareholders, whether ordinary or extraordinary, of Piraeus Holdings, Piraeus Bank or of any other société anonyme incorporated under Greek law.
Γενική Συνέλευση	Ανάλογα με τα συμφραζόμενα, η τακτική ή έκτακτη γενική συνέλευση των μετόχων της Πειραιώς Holdings ή της Τράπεζας Πειραιώς, ή οποιασδήποτε άλλης ανώνυμης εταιρείας που έχει συσταθεί σύμφωνα με το ελληνικό δίκαιο.
GGB	Greek government bonds.
Greek Public Offering..	The public offering in Greece to Retail Investors and Qualified Investors made pursuant to this Prospectus.
Ελληνική Δημόσια Προσφορά...........................	Η δημόσια προσφορά σε Ιδιώτες Επενδυτές και Ειδικούς Επενδυτές στην Ελλάδα που διενεργείται σύμφωνα με το παρόν Ενημερωτικό Δελτίο.
Greek Public Offering Adviser	The Greek Public Offering adviser, being EUROXX SECURITIES S.A., a société anonyme with General Commercial Registry number 002043501000, headquartered at 7 Palaiologou Street, 15232 Chalandri, Greece.
Greek Public Offering Coordinators and Lead Underwriters	EUROXX SECURITIES S.A. and Piraeus Bank S.A., which are providing the investment services of underwriting and/or placing of financial instruments without a firm commitment basis of Annex I Section A (7) of MiFID II in connection with the Greek Public Offering.
Greek Public Offering Underwriting Agreement	The underwriting agreement entered into on 3 March 2024 between Piraeus Holding, the Selling Shareholder and the Greek Public Offering Coordinators and Lead Underwriters, with respect to the offer and sale of the Offer Shares in connection with the Greek Public Offering.
Σύμβαση Αναδοχής Ελληνικής Δημόσιας Προσφοράς	Η σύμβαση αναδοχής που συνήφθη στις 3 Μαρτίου 2024 μεταξύ της Πειραιώς Holdings, του Πωλητή Μετόχου, των Συντονιστών και Κύριων Αναδόχων της Ελληνικής Δημόσιας Προσφοράς, αναφορικά με την προσφορά και πώληση των Προσφερόμενων Μετοχών σε σχέση με την Ελληνική Δημόσια Προσφορά.
gross carrying amount..	Loans and advances to customers at amortised cost, before adjusting for any loss allowance, grossed up with the PPA adjustment.
GFCF	Gross fixed capital formation, which consists of resident producers' investments, deducting disposals, in fixed assets during a given period. Gross fixed capital formation also includes certain additions to the value of non-produced assets realised by producers or institutional units.
Group	Piraeus Holdings and its consolidated subsidiaries.

Όμιλος..	Η Πειραιώς Holdings και οι ενοποιούμενες θυγατρικές της.
Piraeus Bank Group Risk Management	A function which carries out responsibilities of risk management and credit risk control in accordance with the Bank of Greece Governor's Act 2577/9.3.2006 and the Banking Law.
G-SII	Global systemically important institutions within the meaning of Article 4(133) of CRR.
HAPS	The Hellenic Asset Protection Scheme enacted pursuant to Greek Law 4649/2019.
HAPS 2	The HAPS scheme first extension made pursuant to Greek Law 4818/2021.
HAPS 3	The HAPS scheme second extension made pursuant to Greek Law 5072/2023.
HBA	The Hellenic Bank Association.
HCMC..	The Hellenic Capital Market Commission.
ΕΚ	Η Επιτροπή Κεφαλαιαγοράς.
HFSF or Selling Shareholder	Hellenic Financial Stability Fund.
HDIGF	The Hellenic Deposit and Investment Guarantee Fund.
Hellenic Corporate Governance Code	Hellenic Corporate Governance Code prepared by the Hellenic Corporate Governance Council for companies with securities listed on the Regulated Securities Market of the ATHEX, in accordance with Article 17 of Greek Law 4706/2020 and Decision No. 2/905/3.3.2021 of the Board of Directors of the HCMC.
Hellenic Republic...	The official name of Greece as a sovereign state
Hellenic Republic Bank Support Plan................	The plan introduced by the Hellenic Republic to support the liquidity of the Greek banking sector and economy.
HFSF or Selling Shareholder	Hellenic Financial Stability Fund.
ΤΧΣ..	Το Ταμείο Χρηματοπιστωτικής Σταθερότητας.
HFSF Divestment Strategy	The HFSF's divestment strategy, a summary of which is available on the HFSF website: https://hfsf.gr/wp-content/uploads/2023/01/Divestment-Strategy-23_25-EN.pdf.
HFSF Law..	Greek Law 3864/2010.
Νόμος ΤΧΣ	Ο Νόμος 3864/2010.
HFSF Representative	The member of Piraeus Bank's and/or Piraeus Holdings' Board and the Board Committees appointed by the HFSF in accordance with Article 10 of the HFSF Law and the RFA, who is a Non-Executive Member of the Board.
IAS	International Accounting Standards.
ICAAP	Internal Capital Adequacy Assessment Process.
ICS	Internal control system.
IFRS	International Financial Reporting Standards as adopted by the EU, as modified from time to time.
ILAAP..	Internal Liquidity Adequacy Assessment Process.

IMF	The International Monetary Fund.
Initial Offer Shares...	The Offer Shares initially offered in the Offering (other than Upsize Option Shares (please see the definition of Upsize Option Shares below)).
Αρχικά Προσφερόμενες Μετοχές	Οι Προσφερόμενες Μετοχές που αρχικά προσφέρονται στην Προσφορά (εκτός των Μετοχών του Δικαιώματος Επιλογής Αύξησης Μεγέθους Προσφοράς (όπως ορίζεται κατωτέρω)).
International Offering	The offering of Offer Shares in the United States to persons reasonably believed to be QIBs as defined in, and in reliance on, Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act, and the offering to certain other institutional investors outside of the United States in accordance with Regulation S under the U.S. Securities Act.
Διεθνής Προσφορά	Η προσφορά των Προσφερόμενων Μετοχών στις Ηνωμένες Πολιτείες σε πρόσωπα που ευλόγως θεωρείται ότι είναι QIBs, όπως ορίζονται στον και με βάση τον Κανόνα 144A ή άλλη εξαίρεση από ή σε συναλλαγή που δεν υπόκειται σε απαιτήσεις καταχώρισης του Νόμου Περί Κινητών Αξιών των ΗΠΑ, και η προσφορά σε ορισμένους άλλους θεσμικούς επενδυτές εκτός των Ηνωμένων Πολιτειών σύμφωνα με τον Κανονισμό S βάσει του Νόμου Περί Κινητών Αξιών των ΗΠΑ.
International Offering Underwriting Agreement	The underwriting agreement entered into on 3 March 2024 between Piraeus Holdings, the Selling Shareholder and the Managers, with respect to the offer and sale of the Offer Shares in connection with the International Offering.
Σύμβαση Αναδοχής Διεθνούς Προσφοράς	Η σύμβαση αναδοχής που συνήφθη στις 3 Μαρτίου 2024 μεταξύ της Πειραιώς Holdings, του Πωλητή Μετόχου και των Διαχειριστών, αναφορικά με την προσφορά και την πώληση των Προσφερόμενων Μετοχών σε σχέση με τη Διεθνή Προσφορά.
Intrum...	Intrum AB (publ), a company providing credit management services and solutions, with address Sicklastråket 4, Nacka, 105 24 Stockholm, Sweden.
Intrum Hellas	Intrum Hellas Credit Servicing S.A., with address Leoforos Mesogeion 109-111, 115 26 Athens, Greece.
Intrum Transaction...	The transaction between Intrum and Piraeus Bank for the management of the Group's NPEs and REOs pursuant to which the Group has established a market-leading independent non-performing assets servicing platform in Greece.
Investor Share	Means the "Share" within the meaning of Section 1 Part 1 (61) of the ATHEXCSD Rulebook, that the investor holds in the DSS.
Μερίδα Επενδυτή...	Νοείται η «Μερίδα» όπως ορίζεται στην Ενότητα 1 Μέρος 1 (61) του Κανονισμού της ΕΛ.Κ.Α.Τ., την οποία τηρεί ο επενδυτής στο Σ.Α.Τ.
ISO	International Organisation for Standardisation.

IT..	Information technology.
JIS	Joint Investor Share.
KEM..	Κοινή Επενδυτική Μερίδα.
Joint Bookrunners	The joint bookrunners for the International Offering, being Barclays Bank Ireland PLC, BNP PARIBAS, HSBC Continental Europe, J.P. Morgan SE and Morgan Stanley Europe SE.
Joint Global Coordinators	The joint global coordinators of the International Offering, being the Lead Global Coordinator, Goldman Sachs Bank Europe SE and UBS Europe SE.
Γενικοί Συντονιστές	Οι γενικοί συντονιστές της Διεθνούς Προσφοράς, που είναι ο Επικεφαλής Γενικός Συντονιστής, Goldman Sachs Bank Europe SE και UBS Europe SE.
JPY	The lawful currency of Japan.
KPI	Key performance indicators.
LCR...	Liquidity coverage ratio.
Lead Global Coordinator	The lead global coordinator for the International Offering, being BofA Securities Europe SA.
Επικεφαλής Γενικός Συντονιστής	Ο επικεφαλής γενικός συντονιστής για τη Διεθνή Προσφορά, ο οποίος είναι η BofA Securities Europe SA.
LRE	Leverage ratio exposure.
LTV...	Loan-to-value.
Management...	Piraeus Holdings' management.
Managers	The managers for the International Offering, being the Joint Global Coordinators (including the Lead Global Coordinator), the Joint Bookrunners and the Co-Lead Managers, collectively.
Διαχειριστές	Οι διαχειριστές της Διεθνούς Προσφοράς, οι οποίοι είναι από κοινού οι Γενικοί Συντονιστές (συμπεριλαμβανομένου του Επικεφαλής Γενικού Συντονιστή), ο Διαχειριστής Βιβλίου Προσφορών και οι Συν-Επικεφαλής Διαχειριστές.
Mandatory Burden Sharing Measures.................	Mandatory burden sharing measures imposed by virtue of a Cabinet Act, pursuant to Article 6a of the HFSF Law, on the holders of instruments of capital and other liabilities of the credit institution receiving such support.
MAR	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC Text with EEA relevance.
Mass retail segment..	The Mass retail segment includes a broad customer base that comprises individuals with regular or average income.
Medium term..	This Prospectus includes certain information relating to the Group's medium-term targets for financial performance assuming the successful and timely execution of the Group's NPE Reduction Plan and

	Transformation Programme. These targets are deemed to be profit forecasts for the purposes of the Prospectus Regulation.
MFF	Multiannual Financial Framework.
MiFID II..	Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU.
Minimum Dividend..	The minimum dividend paid by companies limited by shares (sociétés anonymes) out of their net profits for the year, if any, equal to 35% of their annual net profits on a standalone basis for the year (after the deduction of the statutory reserve and the amounts in respect of the credit items of their statement of profit/(loss) which do not constitute realised gains) pursuant to Articles 160 and 161 of Greek Law 4548/2018.
MIS	Management Information System.
Moody's	Moody's Investors Service Cyprus Limited, a rating agency with address 10th Floor, Eagle House, 16 Kyriakos Matsis Avenue, Nicosia 1082, Cyprus.
MPLS	Multi-protocol label switching.
MREL	The framework in which BRRD prescribes minimum requirements for own funds and eligible liabilities in the EU legislation.
Next Generation EU...	A €750 billion EU funded temporary recovery instrument to help repair the immediate economic and social damage brought about by the COVID-19 pandemic.
NPEMU	NPE Management Unit.
NSFR	Net stable funding ratio.
OCR	Overall Capital Requirement.
OECD..	Organization for Economic Cooperation and Development.
Offering..	Collectively, the Greek Public Offering and the International Offering.
Offer Shares	Up to 275,080,789 Ordinary Shares that are the subject of the Offering, plus the Ordinary Shares of the Upsize Option, if any.
Προσφερόμενες Μετοχές...................................	Έως 275.080.789 Κοινές Μετοχές οι οποίες είναι το αντικείμενο της Προσφοράς, πλέον των τυχόν Κοινών Μετοχών του Δικαιώματος Επιλογής Αύξησης Μεγέθους Προσφοράς.
Offer Price..	The price per Offer Share at which Offer Shares are to be sold under the Offering.
Τιμή Προσφοράς..	Η τιμή ανά Προσφερόμενη Μετοχή στην οποία θα πωληθούν οι Προσφερόμενες Μετοχές κατά την Προσφορά.
OPEKEPE seasonal funding facility...................	€1.5 billion seasonal funding facility provided to the Payment and Control Agency for Guidance and Guarantee Community Aid in 2021 and 2022,

	respectively, and €0.95 billion in 2023 and repaid in 2022, 2023 and 2024, respectively.
Ordinary Shares	The existing ordinary registered voting shares with a nominal value of €0.93, each issued by Piraeus Holdings and listed on the Regulated Market of the ATHEX.
Κοινές Μετοχές..	Οι υφιστάμενες κοινές ονομαστικές ονομαστικής αξίας €0,93 η κάθε μία, που έχει εκδώσει η Πειραιώς Holdings και είναι εισηγμένες στη Ρυθμιζόμενη Αγορά του Χ.Α.
OTC	Over-the-counter.
O-SIIs...	Other Systemically Important Institutions.
PCI	Payment Card Industry.
PDMA	Public Debt Management Agency.
PFM	Piraeus Financial Markets.
Piraeus Bank or Piraeus Bank Société Anonyme	The société anonyme authorised to operate as a credit institution with the corporate name "Piraeus Bank Société Anonyme", General Commercial Registry number 157660660000 and registered seat at 4, Amerikis Street, Athens, Greece, created pursuant to the Demerger.
Τράπεζα Πειραιώς ή η Τράπεζα.........................	Η ανώνυμη εταιρεία που έχει λάβει άδεια λειτουργίας ως πιστωτικό ίδρυμα με την επωνυμία «Τράπεζα Πειραιώς Ανώνυμος Εταιρεία», αριθμό Γενικού Εμπορικού Μητρώου 157660660000 και έδρα στην Οδό Αμερικής 4, Αθήνα, Ελλάδα, η οποία συστάθηκε συνεπεία της Διάσπασης.
Piraeus Holdings or Piraeus Financial Holdings S.A. or the Company	The société anonyme authorised to operate as a financial holding company with General Commercial Registry number 225501000 and registered seat at 4, Amerikis Street, Athens, Greece.
Πειραιώς Holdings	Η Πειραιώς Financial Holdings A.E., η οποία είναι ανώνυμη εταιρεία που λειτουργεί ως χρηματοδοτική εταιρεία συμμετοχών με αριθμό Γενικού Εμπορικού Μητρώου 225501000 και έδρα στην Οδό Αμερικής 4, Αθήνα, Ελλάδα.
Piraeus Real Estate...	Piraeus Real Estate S.A.
PLU	Piraeus Legacy Unit.
PPA adjustment..	Purchase price allocation adjustment.
PPI..	Pre-provision income.
pps..	Percentage points.
Price Range	€3.70 to €4.00 (inclusive) per Offer Share.
Εύρος Τιμών	€3,70 έως και €4,00 ανά Προσφερόμενη Μετοχή.
Pricing Statement	The public announcement in which the Offer Price and the exact number of Offer Shares will be stated.
Ανακοίνωση Τιμής Διάθεσης.............................	Η δημόσια ανακοίνωση στην οποία θα αναφέρονται η Τιμή Προσφοράς και ο ακριβής αριθμός των Προσφερόμενων Μετοχών.
Prospectus	This document prepared for the purpose of the Greek Public Offering, in accordance with the Prospectus Regulation, the Delegated Regulations, the applicable

	provisions of Greek Law 4706/2020 and the enabling decisions of the HCMC, which was approved by the Board of Directors of the HCMC on 3 March 2024.
Ενημερωτικό Δελτίο	Το παρόν έγγραφο που συντάχθηκε για τους σκοπούς της Ελληνικής Δημόσιας Προσφοράς, σύμφωνα με τον Κανονισμό για το Ενημερωτικό Δελτίο, τους κατ' εξουσιοδότηση κανονισμούς, τις εφαρμοστέες διατάξεις του Ν. 4706/2020 και τις κατ' εξουσιοδότηση εκδοθείσες αποφάσεις της Επιτροπής Κεφαλαιαγοράς, το οποίο εγκρίθηκε από το Διοικητικό Συμβούλιο της Επιτροπής Κεφαλαιαγοράς στις 3 Μαρτίου 2024.
Prospectus Regulation..	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC.
Κανονισμός για το Ενημερωτικό Δελτίο	Ο Κανονισμός (ΕΕ) 2017/1129 του Ευρωπαϊκού Κοινοβουλίου και του Συμβουλίου, της 14ης Ιουνίου 2017, σχετικά με το ενημερωτικό δελτίο που πρέπει να δημοσιεύεται κατά τη δημόσια προσφορά κινητών αξιών ή κατά την εισαγωγή κινητών αξιών προς διαπραγμάτευση σε ρυθμιζόμενη αγορά και την κατάργηση της οδηγίας 2003/71/ΕΚ.
PSI...	Private sector involvement in reducing the public debt in Greece through exchanging existing Greek government bonds for new Greek government bonds of a lower nominal value.
QIBs	Qualified institutional buyers as defined in Rule 144A.
ΕΘΑς..	Ειδικοί θεσμικοί αγοραστές, όπως ορίζονται στον Κανόνα 144^{Α}.
Qualified Investors...	Shall have the meaning ascribed to it in Article 2(e) of the Prospectus Regulation.
Ειδικοί Επενδυτές	Θα έχει την έννοια που αποδίδεται σε αυτόν τον όρο στο Άρθρο 2(ε) του Κανονισμού για το Ενημερωτικό Δελτίο.
Recapitalisation Plan..	The plan for the recapitalisation of Greek banks, mandated by the Bank of Greece in September 2012 pursuant to the HFSF Law.
Regulated Securities Market	The regulated market within the meaning of Article 4 par. 1 (21) of MiFID II operated by the ATHEX.
Regulation S...	Regulation S under the U.S. Securities Act.
Κανονισμός S..	Ο Κανονισμός S σύμφωνα με τον Νόμο περί Κινητών Αξιών των ΗΠΑ.
Relationship Framework Agreement or RFA	The tripartite relationship framework agreement among Piraeus Holdings, Piraeus Bank and the HFSF entered into on 22 February 2024 in accordance with the HFSF Law.
Συμφωνία Πλαισίου Συνεργασίας......................	Η τριμερής συμφωνία πλαισίου συνεργασίας μεταξύ της Πειραιώς Holdings, της Τράπεζας Πειραιώς και του ΤΧΣ η οποία συνήφθη στις 22 Φεβρουαρίου 2024, σύμφωνα με τον Νόμο ΤΧΣ.
REOs..	Real estate owned assets.

Restructuring Plan...	The restructuring plan of the former Piraeus Bank Société Anonyme in 2014 and its revision in 2015 which included quantified restructuring commitments and commitments on corporate governance and the Group's commercial operations. The Restructuring Plan had been established in accordance with EU state aid rules and pursuant to the HFSF Law as a result of the capital support that the former Piraeus Bank Société Anonyme had received from the HFSF in the context of the 2013 Share Capital Increase and the 2015 Share Capital Increase.
Retail Investors	Investors who are not Qualified Investors.
Ιδιώτες Επενδυτές	Επενδυτές που δεν είναι Ειδικοί Επενδυτές.
Right to Equity Securities	Securities giving the right to acquire ordinary shares.
Risk-weighted assets	Total assets at period end weighted by risk factors provided by the Bank of Greece, to be used for calculation of capital adequacy level.
RoaTBV	Return on average tangible book value.
Rothschild	Rothschild & Co, a financial advisory institution with address New Court, St Swithin's Lane, London EC4N 8AL, United Kingdom.
RRF	Recovery and Resilience Facility.
Rule 144A	Rule 144A under the U.S. Securities Act.
Κανόνας 144Α	Ο Κανόνας 144Α σύμφωνα με τον Νόμο περί Κινητών Αξιών των ΗΠΑ.
R&I	Rating and Investment Information, Inc., a rating agency with address Kasumigaseki Common Gate West Tower 23F, 3-2-1, Kasumigaseki, Chiyoda-ku, Tokyo 100-8587, Japan.
Scope..	Scope Ratings GmbH, a rating agency with address Lennéstraße 5, 10785 Berlin, Germany.
Securities Account	Shall have the meaning ascribed to it in the ATHEXCSD Rulebook.
Λογαριασμός Αξιογράφων	Θα έχει την έννοια που αποδίδεται σε αυτόν τον όρο στον Κανονισμό ΕΛ.ΚΑ.Τ.
Securitisation Law	Chapter C (Articles 10-16) of Greek Law 3156/2003, as applicable, setting out a framework for the assignment and securitisation of receivables in connection with either existing or future claims, originated by a commercial entity with registered seat in Greece or resident abroad and having an establishment in Greece and resulting from such entity's business activity.
Senior Management	Piraeus Holdings' senior management.
Settlement Date	The date on which the Offer Shares are credited with the Securities Accounts in accordance with the process set out in the ATHEXCSD Rulebook.
Ημερομηνία Διακανονισμού	Η ημερομηνία κατά την οποία οι Προσφερόμενες Μετοχές πιστώνονται στους Λογαριασμούς Αξιογράφων σύμφωνα με τη διαδικασία που προβλέπεται στον Κανονισμό ΕΛ.Κ.Α.Τ.

Shareholder(s)	Holder(s) of Piraeus Holdings' Ordinary Shares.
SLA	The service level agreements between Intrum Hellas and Piraeus Bank on 12 September 2019 and 18 September 2019.
SMEs..	Small and medium-sized enterprises with an annual turnover of €2.5 million to €50 million.
SPV	Special purpose vehicle.
SRB	Single Resolution Board.
SRF	Single Resolution Fund.
SRM	Single Resolution Mechanism.
SRM Regulation..	Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010.
SRM Regulation II	Regulation (EU) 2019/877 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 806/2014 as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms.
SSM	Single Supervisory Mechanism.
EEM..	Ενιαίος Εποπτικός Μηχανισμός.
SSM Framework Regulation..............................	Regulation (EU) 468/2014 of the European Central Bank of 16 April 2014 establishing the framework for cooperation within the Single Supervisory Mechanism between the European Central Bank and national competent authorities and with national designated authorities.
Standard & Poor's; S&P	Standard & Poor's Global Ratings Europe Limited, a rating agency with address Fourth Floor, Waterways House, Grand Canal Quay, Dublin 2, Ireland.
Third Economic Adjustment Programme	The third economic reform and financial assistance programme introduced by the IMF, EU and ECB in Greece in 2015.
Tier 1 capital	Ordinary shares, share premium, preference shares, reserves, retained earnings, minority interests, hybrid instruments, less treasury shares, less retained losses, less intangible assets, less goodwill.
Tier 1 ratio	Tier 1 capital divided by total risk-weighted assets.
Tier 2 capital	Tier 2 capital as defined in the CRR.
TLTROs	Targeted longer-term refinancing operations.
TLTRO III..	Seven quarterly ECB targeted longer-term refinancing operations.
Total capital (Tier 1 and Tier 2) ratio.................	Total capital adequacy ratio (*i.e.*, Tier 1 and Tier 2 capital as defined in the CRR) expressed as a percentage of the total risk exposure amount, as such amount is calculated in accordance with the CRR.

Transferor...	A commercial entity as defined in Article 10, paragraph 2 of the Securitisation Law.
Transparency Directive	Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market and amending Directive 2001/34/EC.
TREA	Total risk exposure amount.
U.S. Securities Act	U.S. Securities Act of 1933, as amended.
UK..	The United Kingdom.
United States or U.S.	The United States of America, its territories and possessions, any State of the United States of America, and the District of Columbia.
Upper Mass retail segment.................................	The Upper Mass retail segment refers to an intermediate category that falls between the Mass retail and Affluent retail segments. It includes customers with higher income levels compared to the customers of the Mass retail segment.
Upsize Option	The right of the Selling Shareholder to increase in its sole discretion the number of Ordinary Shares offered in the Offering by up to 62,518,361 Ordinary Shares at any time during the period of the bookbuilding process for the International Offering.
Δικαίωμα Επιλογής Αύξησης Μεγέθους Προσφοράς	Το δικαίωμα του Πωλητή Μετόχου να αυξήσει, κατά την απόλυτη κρίση του, τον αριθμό των Κοινών Μετοχών που προσφέρονται στην Προσφορά έως 62.518.361 Κοινές Μετοχές κατά μέγιστο όριο οποτεδήποτε κατά την περίοδο της διαδικασίας του βιβλίου προσφορών για τη Διεθνή Προσφορά.
Upsize Option Shares...	The Offer Shares that may be sold pursuant to the Upsize Option.
Μετοχές του Δικαιώματος Επιλογής Αύξησης Μεγέθους Προσφοράς	Οι Προσφερόμενες Μετοχές που δύνανται να πωληθούν δυνάμει του Δικαιώματος Επιλογής Αύξησης Μεγέθους Προσφοράς.
US dollars, USD, US$ or $	The lawful currency of the United States.
Value-at-Risk or VaR...	A model used to estimate the market risk of positions held and the maximum losses expected, based upon a number of assumptions for various changes in market positions.

PERSONS RESPONSIBLE, THIRD-PARTY INFORMATION, EXPERTS' REPORTS, COMPETENT AUTHORITY APPROVAL AND OTHER IMPORTANT INFORMATION

General Information

This Prospectus relates to the Greek Public Offering of Offer Shares, as approved by a resolution of the Board of Directors of the Selling Shareholder made on 2 March 2024. The drafting and distribution of this Prospectus have been made in accordance with the provisions of the applicable laws. This Prospectus includes all information required by the Prospectus Regulation, the Delegated Regulations, the applicable provisions of Greek Law 4706/2020 and the relevant implementing decisions of the Board of Directors of the HCMC relevant to Piraeus Holdings, the Group and the Greek Public Offering.

Prospective investors seeking additional information and clarifications related to this Prospectus may contact Piraeus Holdings' offices, during business days and hours, at 4 Amerikis Street, 105 64 Athens, Greece (Mr. Ioannis Sgagias, Manager, Shareholder Services, Corporate Announcements, +30 210 3335039).

Prospective investors are expressly advised that an investment in the Offer Shares entails certain risks and that they should therefore read and carefully review the content of this Prospectus, including all information incorporated by reference in this Prospectus.

The content of this Prospectus is not to be considered or interpreted as legal, financial or tax advice. It should not be considered as a recommendation by Piraeus Holdings, the Selling Shareholder, the Greek Public Offering Coordinators and Lead Underwriters, or any of their respective affiliates or representatives, that any recipient of this Prospectus should invest in the Offer Shares. Prior to making any decision whether to purchase Offer Shares, prospective investors should read the whole of this Prospectus and, in particular, Section 1 "*Risk Factors*" and not just rely on key information or information summarised within it.

In making an investment decision, prospective investors must rely on their own assessment of Piraeus Holdings, the Offer Shares and the terms of the Greek Public Offering, the information contained in, or incorporated by reference into, this Prospectus, the Pricing Statement and any supplement to this Prospectus, should such supplement be published, within the meaning of Article 23 of the Prospectus Regulation, including the merits and risks involved, and the risk factors described in this Prospectus. Any purchases of Offer Shares should be based on the assessments that the investor in question may deem necessary, including the legal basis and consequences of the Offering, and including possible tax consequences that may apply, before deciding whether or not to invest in the Offer Shares.

Each of the Greek Public Offering Coordinators and Lead Underwriters and the Managers are acting exclusively for the Selling Shareholder and no one else in connection with the Offering. They will not regard any other person (whether or not a recipient of this Prospectus) as their respective clients in relation to the Offering and will not be responsible to anyone other than the Selling Shareholder for providing the protections afforded to their respective clients nor for giving advice in relation to the Offering or any transaction or arrangement referred to herein.

Approval by the Competent Authority

This Prospectus was approved on 3 March 2024 by the Board of Directors of the HCMC (3-5 Ippokratous Street, 106 79 Athens, Greece, telephone number: +30 210 3377100, http://www.hcmc.gr/), as competent authority pursuant to the Prospectus Regulation, as applicable, and Greek Law 4706/2020. The Board of Directors of the HCMC approved this Prospectus only as meeting the standards of completeness, comprehensibility and consistency provided for in the Prospectus Regulation, and this approval shall not be considered as an endorsement of Piraeus Holdings or of the quality of the Offer Shares that are the subject of this Prospectus. In making an investment decision, prospective investors must rely upon their own examination and analysis as to their investment in the Offer Shares.

This Prospectus was prepared under the simplified disclosure regime for secondary issuances pursuant to Article 14 of the Prospectus Regulation, Annex 3 and Annex 12 of the Delegated Regulation (EU) 2019/980 and the Delegated Regulation (EU) 2019/979.

Persons Responsible

The natural person who is responsible for drawing up this Prospectus, on behalf of Piraeus Holdings, and is responsible for this Prospectus, as per the above, with the exception of the sections of the Prospectus for which it is explicitly provided herein below that the Selling Shareholder and the members of its Board of Directors are responsible pursuant to Article 60 of Greek Law 4706/2020, is Theodoros Gnardellis, Group Chief Financial Officer.

The address of the above-listed natural person is the address of Piraeus Holdings: 4 Amerikis Street, 105 64 Athens, Greece.

Piraeus Holdings, the members of its Board of Directors and the natural person who is responsible for drawing up this Prospectus, on its behalf, are responsible for its contents pursuant to Article 60 of Greek Law 4706/2020, with the exception of the sections of the Prospectus for which it is explicitly provided herein below that the Selling Shareholder and the members of its Board of Directors are responsible pursuant to Article 60 of Greek Law 4706/2020. The above natural and legal persons declare that they have been informed and agree with the content of the sections of this Prospectus for which they are responsible, as per the above, and certify that, after they exercised due care for this purpose, the information contained therein, to the best of their knowledge, is true, the pertinent sections of the Prospectus make no omission likely to affect the Prospectus' import, and they have been drafted in accordance with the provisions of the Prospectus Regulation, the Delegated Regulations and the applicable provisions of Greek Law 4706/2020. For further details on the composition of Piraeus Holdings' Board of Directors as of the date of this Prospectus, see "*Administrative, Management and Supervisory Bodies and Senior Management—Management and Corporate Governance of Piraeus Holdings*".

Piraeus Holdings and the members of its Board of Directors are responsible for the Annual Financial Statements, which have been published on Piraeus Holdings' website and are incorporated by reference in, and form part of, this Prospectus. See "*Documents Available—Documents Incorporated by Reference*".

The Selling Shareholder and the members of its Board of Directors are responsible in accordance with the provisions of the Prospectus Regulation, the Delegated Regulations and Article 60 of Greek Law 4706/2020 solely for the content of the following sections of the Prospectus: sub-section "*Risks relating to the HFSF's participation*" of Section 1 "*Risk Factors*", sub-section "*Information About the Selling Shareholder*" of Section 3 "*Information About Piraeus Holdings and the Selling Shareholder*", sub-section "*Relationship with the HFSF and Relationship Framework Agreement*" of sub-section "*Major Shareholders*" of Section 9 "*Major Shareholders*", sub-section "*The Relationship Framework Agreement*" of Section 14 "*Material Contracts*", sub-sections "*The Hellenic Financial Stability Fund – The Greek Recapitalisation Framework*" and "*Capital support by the HFSF*" of Section 15 "*Overview of the Regulatory Framework Applicable to the Group in Greece*", sub-section "*Reasons for the Offering*" of Section 17 "*Essential Information*", Section 19 "*Terms and Conditions of the Offering*", Section 20 "*Dealing Arrangements*" and sub-section "*Selling Shareholder's Expenses*" of Section 21 "*Expense of the Offering*". The above natural and legal persons declare that they have been informed and agree with the content of the above sections of this Prospectus and certify that, after having exercised due care for this purpose, the information contained therein, to the best of their knowledge, is true and the above sections of the Prospectus make no omission likely to affect the import of the Prospectus. The above natural and legal persons do not assume any responsibility or liability for any other section of the Prospectus.

The Greek Public Offering Adviser and the Greek Public Offering Coordinators and Lead Underwriters are responsible in accordance with paragraph 1(c) of Article 60 of Greek Law 4706/2020 and declare that they have been informed and agree with the content of this Prospectus and certify that, after they exercised due care for this purpose, the information contained herein, to the best of their knowledge, is true, the Prospectus makes no omission likely to affect its import, and it has been drafted in accordance with the provisions of the Prospectus Regulation, the Delegated Regulations and the applicable provisions of Greek Law 4706/2020.

Each of the Greek Public Offering Coordinators and Lead Underwriters declares that it meets all the requirements of paragraph 1(c) of Article 60 of Greek Law 4706/2020, namely that it is authorised to provide the investment service of underwriting and/or placing of financial instruments on or without a firm commitment basis in accordance with items 6 and 7, respectively, of Section A of Annex I of Greek Law 4514/2018, as in force.

Third-party Information

Information included in this Prospectus deriving from third-party sources is marked with a footnote, which identifies the source of any such information that has been reproduced accurately and, so far as Piraeus Holdings is aware and is able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Market data used in this Prospectus have been obtained from the Group's internal surveys, reports and studies, where appropriate, as well as market research, publicly available information and industry publications, including, without limitation, reports and press releases prepared and issued by the Hellenic Statistical Authority (the "ELSTAT"), the Bank of Greece, the ECB, the IMF, Eurostat, the EC, the Eurogroup, the ESM, the Hellenic Ministry of Finance, the ATHEX, the rating agencies' press releases, the OECD, the PDMA and the HFSF. Market research, publicly available information and industry publications generally state that the information they contain has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. Piraeus Holdings accepts responsibility for accurately extracting and reproducing the same but accepts no further or other responsibility in respect of the accuracy or completeness of such information.

In this Prospectus, market data and other information relating to (i) "European peers", is by reference to a sample of 111 institutions at the highest level of consolidation for which common reporting and financial reporting are available as per the ECB's Supervisory Banking Statistics report, and (ii) "systemic banks in Greece" or "Greek systemic banks", is by reference to Piraeus Bank, the National Bank of Greece, Eurobank and Alpha Bank. Unless explicitly provided otherwise (i) market data and other information relating to European peers, and (ii) market data and other information relating to the systemic banks in Greece are based on the Group's estimates, based on its analysis of information published by the systemic banks in Greece.

Unless explicitly provided otherwise or the context otherwise requires, all statistical data pertaining to Piraeus Holdings', Piraeus Bank's or the Group's market position that is indicated to be derived from the Bank of Greece are the product of its internal calculations and analysis using data provided by the Bank of Greece.

Distribution of this Prospectus

This Prospectus will be made available to investors, in accordance with Article 21, paragraph 2 of the Prospectus Regulation, in electronic form on the following websites:

- ATHEX: http://www.helex.gr/el/web/guest/company-prospectus
- Piraeus Holdings: https://www.piraeusholdings.gr/publicoffering
- The Selling Shareholder: https://hfsf.gr/pfh-secondary-fully-marketed-offering/
- Greek Public Offering Adviser: https://www.euroxx.gr/gr/content/article/pfh
- Greek Public Offering Coordinators and Lead Underwriters: https://www.euroxx.gr/gr/content/article/pfh, https://www.piraeusholdings.gr/publicoffering

According to Article 21, paragraph 5 of the Prospectus Regulation, the HCMC publishes on its website (http://www.hcmc.gr/el_GR/web/portal/elib/deltia) the prospectuses approved.

In addition, printed copies of this Prospectus will be made available to investors at no extra cost, if requested, during business days and hours, at the premises of (i) Piraeus Holdings, 4 Amerikis Street, 105 64; (ii) the Selling Shareholder, 3rd floor, 10 E. Venizelos Ave., 106 71, Athens, Greece; and (iii) the Greek Public Offering Adviser and the Greek Public Offering Coordinators and Lead Underwriters.

Definitions and Glossary

Certain terms used in this Prospectus, including certain capitalised terms and certain technical and other items, are defined and explained in "*Glossary*".

No Incorporation of Website Information

Piraeus Holdings' website is www.piraeusholdings.gr and the Selling Shareholder's website is www.hfsf.gr. Neither the contents of Piraeus Holdings' or the Selling Shareholder's websites, nor any other website, forms a part of, nor is to be considered incorporated into, this Prospectus, except as presented in "*Documents Available—Documents Incorporated by Reference*".

SUMMARY

Certain capitalised terms not defined in this Summary shall have the meaning ascribed to them in this Prospectus.

INTRODUCTION AND WARNINGS

This Summary should be read as an introduction to the Prospectus. Any decision to invest in the Offer Shares should be based on a consideration of the Prospectus as a whole by investors. Investors could lose all or part of the capital invested in Offer Shares. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled this summary, including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Offer Shares.

Piraeus Holdings, formerly known as Piraeus Bank Société Anonyme, was founded in 1916 and incorporated as a *société anonyme* pursuant to Greek law as published in the Greek Government Gazette No. 59 on 6 July 1916 (General Commercial Registry number 225501000). Piraeus Holdings is domiciled in Greece and its headquarters and registered office are located at 4 Amerikis Street, 105 64 Athens, Greece. Its telephone number is +30 210 328 8100, its Legal Entity Identifier (the "LEI") is M6AD1Y1KW32H8THQ6F76 and its website is https://www.piraeusholdings.gr. The information and other content appearing on such website are not part of this Prospectus. The Ordinary Shares are ordinary registered shares with voting rights, the nominal amount of which is expressed in euro. The Ordinary Shares are dematerialised, listed on the ATHEX and trade in euro in the Main Market of the Regulated Securities Market of the ATHEX under the International Security Identification Number (the "ISIN"): GRS014003032.

The Offer Shares are being offered by the HFSF. The HFSF was founded on 21 July 2010, pursuant to the HFSF Law (published in the Government Gazette Issue A' 119/21.07.2010). It is a private legal entity, it does not belong to the public sector, neither to the broader public sector, and is governed by the provisions of the HFSF Law. The HFSF is domiciled in Greece and its headquarters are located at 10 E. Venizelou Avenue, 10671 Athens, Greece. Its telephone number is +30 210 215 5606 900, its LEI is 213800CO7SMD2CSIEO62, its VAT is 997889852, and its website is https://www.hfsf.gr/en. The information and other content appearing on such website are not part of this Prospectus. Piraeus Holdings will not offer any shares in the Offering.

The HCMC is the competent authority to approve this Prospectus (3-5 Ippokratous str., 10679, Athens, phone number: 210 3377100, http://www.hcmc.gr/). This Prospectus was approved on 3 March 2024.

KEY INFORMATION ON THE COMPANY

Who is the issuer of the securities?

Domicile and legal form. Piraeus Holdings was originally incorporated in Greece under the corporate name Piraeus Bank Société Anonyme on 6 July 1916 pursuant to the laws of the Hellenic Republic. The ordinary shares of Piraeus Holdings (as former Piraeus Bank Société Anonyme) have been listed on the ATHEX since 1918. Following the Demerger on 30 December 2020, the former Piraeus Bank Société Anonyme ceased to be a credit institution, retained activities, assets and liabilities not related to core banking activities and changed its corporate name to "Piraeus Financial Holdings S.A.". Piraeus Holdings holds 100% of the share capital of the newly-formed credit institution incorporated under the corporate name "Piraeus Bank Société Anonyme" (which substituted the former Piraeus Bank Société Anonyme, by way of universal succession, to all the transferred assets and liabilities of the core banking operations of the former Piraeus Bank Société Anonyme and which is currently operating as a credit institution) and is the direct or indirect ultimate parent holding company for all other companies that, prior to the Demerger, comprised the "Group". Piraeus Holdings is registered in Greece (General Commercial Registry number 225501000) and has its registered office at 4 Amerikis Street, 105 64 Athens, Greece. Its LEI is M6AD1Y1KW32H8THQ6F76.

Principal Activities. Piraeus Holdings' business activities include the direct or indirect shareholding in legal and other entities and undertakings, carrying out of insurance intermediation and insurance distribution activities, the provision of financial advisory services in private insurance issues and other similar or related activities. Piraeus Holdings, to that effect, has retained certain of the assets, liabilities and non-banking activities of the former Piraeus Bank Société Anonyme, as well as significant interests in certain securities and certain entities.

Major Shareholders. As of the date of this Prospectus, Piraeus Holdings' share capital amounts to €1,162,841,517.39 and is divided into 1,250,367,223 dematerialised ordinary registered shares with voting rights, each having a nominal value of €0.93. The following table sets forth certain information regarding holders of the Ordinary Shares, based on information known to or ascertainable by Piraeus Holdings as at 27 February 2024.

Shareholders(2)	Number of Shares(1)	% percentage of Shares(1)	Number of Voting Rights	% percentage of Voting Rights
HFSF*	337,599,150	27.00%	337,599,150	27.00%
Paulson & Co. Inc.*	232,758,919	18.62%	232,758,919	18.62%
Helikon Investments Limited *	54,373,407	4.35%	117,251,976	9.38%
Other shareholders < 5%	625,635,747	50.03%	562,757,178	45.00%
Total	1,250,367,223	**100.00%**	1,250,367,223	**100.00%**

** As per the notifications of major holdings under the Transparency Directive, transposed into Greek law by virtue of Greek Law 3556/2007.*

Notes:
(1) The information is stated without giving effect to the impact of the Offering.
(2) Based on Piraeus Holdings' Shareholder register as at 27 February 2024 and/or notifications of major shareholdings pursuant to Greek Law 3556/2007.

To the knowledge of Piraeus Holdings, based on the announcements received up to 27 February 2024 pursuant to Regulation (EU) No. 596/2014, Greek Law 3556/2007 and the HFSF Law, other than the above, there is no natural person or legal entity that holds, directly and/or indirectly, Ordinary Shares or voting rights representing 5% or more of the total voting rights in Piraeus Holdings. Piraeus Holdings does not know of any persons who, directly or indirectly, jointly or individually, exercise or could exercise control over Piraeus Holdings. As a result of the HFSF's shareholding in Piraeus Holdings, the special rights and veto rights attributed to the HFSF and exercised through the HFSF Representative on the Board of Directors as per the HFSF Law and the Relationship Framework Agreement, the HFSF has the ability to influence the decision-making of the Group.

Articles 49 and 50 of Greek Law 4548/2018 prescribe provisions for the acquisition of own shares, pursuant to a General Meeting resolution. Further (i) pursuant to the restrictions imposed by Article 16C of the HFSF Law, during the period of HFSF participation in the capital of Piraeus Holdings, it is prohibited for Piraeus Holdings to purchase own shares without HFSF approval, and (ii) according to Article 77 and Article 78 of the CRR, Piraeus Holdings shall obtain the prior permission of the SSM in order to purchase its own shares.

Piraeus Holdings currently holds a total of 3,975,419 Ordinary Shares in treasury, corresponding to 0.32% of all the Ordinary Shares. These Ordinary Shares were acquired pursuant to a share buyback programme approved by the annual General Meeting of its Shareholders held on 27 June 2023 and following the ECB's authorisation dated 14 August 2023.

Key managing directors. As of the date of this Prospectus, the composition of Piraeus Holdings' Board of Directors is as follows:

Name	**Position in Board**
George P. Handjinicolaou	Chairman of the Board of Directors—Non-Executive Member
Karel G. De Boeck	Vice-Chairman—Independent Non-Executive Member
Christos I. Megalou	Managing Director (CEO) (Chief Executive Officer)—Executive Member
Vasileios D. Koutentakis	Member of the Board of Directors—Executive Member
Venetia G. Kontogouri	Member of the Board of Directors—Independent Non-Executive Member
Enrico Tommaso C. Cucchiani	Member of the Board of Directors—Independent Non-Executive Member
David R. Hexter	Member of the Board of Directors—Independent Non-Executive Member
Solomon A. Berahas	Member of the Board of Directors—Independent Non-Executive Member
Andrew D. Panzures	Member of the Board of Directors—Independent Non-Executive Member
Anne J. Weatherston	Member of the Board of Directors—Independent Non-Executive Member
Alexander Z. Blades	Member of Board of Directors—Non-Executive Member
Maria I. Semedalas	Member of the Board of Directors—Independent Non-Executive Member
Periklis N. Dontas	Member of Board of Directors—Non-Executive Member—Representative of the HFSF under the HFSF law

The members of the Board of Directors are elected by the General Meeting of Shareholders for a maximum term of three years and may be re-elected. Ms. Maria Semedalas was elected by the Board of Directors in replacement of a resigned member on 22 February 2024. The term of all the above members expires at the annual General Meeting of the Shareholders on 27 June 2026.

Identity of Independent Auditors. The 2021 Annual Financial Statements were prepared in accordance with the IFRS and audited by Mr. Dimitris Koutsos-Koutsopoulos (SOEL Reg. No. 26751) of Deloitte Certified Public Accountants S.A. (SOEL Reg. No. SOEL E120). The 2022 Annual Financial Statements were prepared in accordance with IFRS and audited by Alexandra Kostara (SOEL Reg. No. 19981) of Deloitte Certified Public Accountants S.A. (SOEL Reg. No. SOEL E120). The 2023 Annual Financial Statements were prepared in accordance with IFRS and audited by Alexandra Kostara (SOEL Reg. No. 19981) of Deloitte Certified Public Accountants S.A. (SOEL Reg. No. SOEL E120).

What is the key financial information regarding the issuer?

The summary of the Group's consolidated financial information as at and for the year ended 31 December 2023 presented in this Prospectus is derived from the 2023 Annual Financial Statements. The summary of the Group's consolidated financial information as at and for the year ended 31 December 2022 provided below is derived from the comparative columns of the 2023 Annual Financial Statements. The summary of the Group's consolidated financial information as at and for the year ended 31 December 2021 provided below is derived from the comparative columns of the 2022 Annual Financial Statements. The Annual Financial Statements are incorporated by reference into the Prospectus. The information below has been presented in accordance with Annex III of the Delegated Regulation (EU) 2019/979 as deemed most appropriate in relation to the Offering.

Summary of the Group's Financial Data (€ in millions)	Year ended 31 December		
	2021 (as reclassified)	2022	2023
Net interest income	1,410	1,353	2,003
Net fee and commission income	392	421	468
Impairment charges	(4,284)	(615)	(559)
Net impairment loss on other financial assets[(1)]	(36)	(11)	(13)
Net trading income[(2)]	172	470	25
Profit/(loss) attributable to equity holders of the parent			
From continuing operations	(3,007)	899	788
From discontinued operations	(7)	51	-
Earnings/(losses) per share attributable to equity holders of the parent (in euros):			
From continuing operations:			
Basic & diluted	(3.50)	0.72	0.63
From discontinued operations:			
Basic & diluted	(0.01)	0.04	-
Total			
Basic & diluted	(3.51)	0.76	0.63
Profit/(loss) attributable to the equity holders of the parent	(3,007)	899	788

Source: Data based on the 2022 Annual Financial Statements and 2023 Annual Financial Statements.

Notes:

(1) Includes the following line items: "charge of ECL allowance on other financial assets", "impairment (losses)/releases on debt securities at amortised cost" and "impairment (losses)/releases on debt securities measured at fair value through other comprehensive income".

(2) Includes the following line items: "net gains/(losses) from financial instruments measured at fair value through profit or loss" and "net gains/(losses) from financial instruments measured at fair value through other comprehensive income".

Summary Consolidated Balance Sheet Data (€ in millions)	As at 31 December		
	2021	2022 (as reclassified)[1]	2023
Total assets	79,789	74,645	76,450
Debt securities in issue	971	849	1,886
Other borrowed funds	935	937	939
Loans and advances to customers at amortised cost	36,521	37,367	37,527
Due to customers	55,442	58,372	59,567
Total equity	5,803	6,581	7,353
NPE ratio	12.7%	6.8%	3.5%
CET1 capital ratio	11.12%	13.04%	13.21%
Total Capital Ratio	15.75%	17.82%	17.77%

Source: 2022 Annual Financial Statements and 2023 Annual Financial Statements.

Note:

(1) Comparative figures have been reclassified due to the change in the current period of the presentation of derivative financial instruments in the statement of the financial position, by: (a) offsetting derivative assets and liabilities entered into with a central counterparty clearing member against the margin collateral posted or received; and (b) presenting the carrying amount of derivatives on a gross basis, with accrued interest receivable and payable netted off at deal level.

What are the key risks that are specific to the issuer?

Any investment in the Ordinary Shares is associated with risks. Prior to any investment decision, it is important to carefully analyse the risk factors considered relevant to the future development of the Group and the Ordinary Shares. The following is a summary of key risks that, alone or in combination with other events or circumstances, could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Risks Relating to the Long-Lasting Implications of the Hellenic Republic's Economic Crisis in the Previous Decade, the Residual Effect of the COVID-19 Pandemic, Evolving Geopolitical Turbulence, Inflationary Pressures and the Macroeconomic Outlook in the Hellenic Republic

- The economic outlook and the fiscal position of the Hellenic Republic continues to be affected by the legacy of the prolonged economic crisis of the previous decade, the COVID-19 pandemic since 2020, and the surge in inflation since 2021, compounded by heightened geopolitical tensions and still considerable risks to the energy outlook.
- A resurgence of default risks for the Hellenic Republic would have a material adverse effect on the Group's business and could lead to higher cost of funding or an inability to raise capital.

Risks Relating to the HFSF's Participation

- The HFSF, both as a major Shareholder and due to its special statutory rights, has and may continue to have the ability to influence the decision-making of the Group.

Risks Relating to the Group's Business

- Volatility in interest rates may negatively affect the Group's net interest income and have other adverse consequences.
- The Group is exposed to the financial performance and creditworthiness of companies and individuals in Greece.
- The Group is exposed to credit risk, market risk, counterparty credit risk, liquidity risk, interest rate risk in the banking book, operational risk (including model risk), strategic/business risk (primary risk types), climate and environmental risks, as well as vendor/third-party risk.

- If the Group fails to effectively manage credit risk, its business, financial condition, results of operations and prospects could be materially adversely affected.
- The Group may not be able to limit any potential new NPE stock inflow, which could derail its goal of further reducing NPE levels and could have a material adverse effect on its results of operations and financial condition.

Legal, Regulatory and Compliance Risks

- If the Group is not allowed to continue to recognise the main part of deferred tax assets as regulatory capital or as an asset, its operating results and financial condition could be materially adversely affected.
- The accounting treatment of irrevocable payment commitments is uncertain and may be subject to change.
- The Group's business is subject to increasingly complex regulation which may increase its compliance costs and capital requirements.
- The Group may be required to maintain additional capital and liquidity as a result of regulatory changes or otherwise.
- The Group is subject to the European resolution framework which has been implemented and may result in additional compliance or capital requirements and will dictate the procedure for the resolution of the Group.

KEY INFORMATION ON THE SECURITIES

What are the main features of the securities?

Type, class and ISIN. The Ordinary Shares are ordinary, registered, dematerialised shares with voting rights, listed on the ATHEX and trade in euro in the Main Market of the Regulated Securities Market of the ATHEX under ISIN: GRS014003032.

Currency, denomination, par value and number of securities issued. As of the date of this Prospectus, Piraeus Holdings' share capital comprises 1,250,367,223 Ordinary Shares. The Ordinary Shares, including the Offer Shares, are denominated in and trade in euro. The nominal value of each Ordinary Share is €0.93.

Rights attached to the Shares. Each Ordinary Share, including the Offer Shares, carries all the rights and obligations pursuant to Greek Law 4548/2018 and the Articles of Association of Piraeus Holdings, the provisions of which are not stricter than those of Greek Law 4548/2018.

Rank of securities in the issuer's capital structure in the event of insolvency. The Ordinary Shares may, in certain circumstances, be written down or cancelled by virtue of a decision of the competent resolution authority pursuant to the BRRD Law, even before Piraeus Holdings becomes insolvent or the initiation of any resolution procedure. If such decision is made, the Ordinary Shares will be written down or cancelled before any other capital instruments of Piraeus Holdings.

Restrictions on the free transferability of the securities. There are no restrictions on the transferability of the Ordinary Shares in the Articles of Association or under Greek law.

Dividend or pay-out policy. Further to generally applicable restrictions on dividends distribution pursuant to Greek Law 4548/2018, the BRRD Law and the Banking Law, in accordance with the HFSF Law and the RFA, the HFSF's Representative on the Board of Directors of Piraeus Holdings has the right to veto any decision of the Board of Directors in connection with, among other matters, the distribution of dividends, if the ratio of non-performing loans to total loans, as calculated in accordance with subsection g(ii) of paragraph 2 of Article 11 of Commission Implementing Regulation (EU) 2021/451, exceeds 10%. In addition, pursuant to the 2023 SREP Decision, Piraeus Holdings is required to obtain ECB's approval prior to making any distribution to its Shareholders.

Where will the securities be traded?

The Ordinary Shares, including the Offer Shares, are listed on the ATHEX and trade in euro in the Main Market of the Regulated Securities Market of the ATHEX under the symbol "TPEIR".

What are the key risks that are specific to the securities?

The key risks relating to the Offering and the Offer Shares include, among others, the following:

- Application of the current legal framework on Tax Credit may lead to the HFSF acquiring a holding in Piraeus Bank and a respective dilution of Piraeus Holdings' ownership percentage in Piraeus Bank and have a material adverse effect on the value of the Ordinary Shares, including the Offer Shares.
- Currently applicable legislation or legislation that may be enacted in the future, as well as existing and future regulatory recommendations and guidelines, may prohibit Piraeus Holdings or limit its ability to make profit distributions, including the payment of dividends on the Ordinary Shares in subsequent years.

KEY INFORMATION ON THE OFFERING OF THE SECURITIES TO THE PUBLIC

Under which conditions and timetable can I invest in this security?

Offer. The Offering consists of (i) a public offering in Greece to Retail Investors and Qualified Investors (the "Greek Public Offering"); and (ii) private placements to (a) persons reasonably believed to be qualified institutional buyers ("QIBs") in the United States of America (the "U.S." or the "United States"), as defined in, and in reliance on, Rule 144A ("Rule 144A") or pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), and (b) institutional investors outside the United States, in each case subject to applicable exemptions from applicable prospectus and registration requirements (the "International Offering", and together with the Greek Public Offering, the "Offering"). All offers and sales of Offer Shares outside the United States will be made pursuant to Regulation S under the U.S. Securities Act. **This Prospectus does not relate to the International Offering. The information included in this Prospectus in relation to the International Offering is provided for informational purposes only.**

Timetable. Set out below is the expected indicative timetable for the Offering:

Date	**Event**

3 March 2024	HCMC approval of the Prospectus.
3 March 2024	Publication of the Prospectus on Piraeus Holdings', Selling Shareholder's, Greek Public Offering Adviser's, Greek Public Offering Coordinators and Lead Underwriters', HCMC's and ATHEX's website.
3 March 2024	Publication of the announcement regarding the availability of the Prospectus in the Daily Statistical Bulletin of the ATHEX and on Piraeus Holdings' and Selling Shareholder's websites.
3 March 2024	Publication of the announcement for the invitation of the investors and the commencement of the Greek Public Offering.
4 March 2024	Commencement of the bookbuilding process for the International Offering (10:00 Greek time).
4 March 2024	Commencement of the Greek Public Offering (10:00 Greek time).
4-6 March 2024	The Selling Shareholder may at its sole discretion upon resolutions of its Board of Directors decide to (not in order of priority): (i) exercise the Upsize Option; (ii) determine a narrower range within the Price Range; and/or (iii) determine a price point guidance. In accordance with Article 17 of the Prospectus Regulation, investors shall be informed through the publication of respective announcements addressed to investors in the Daily Statistical Bulletin of the ATHEX and on Piraeus Holdings' and the Selling Shareholder's websites.
6 March 2024	End of the bookbuilding process for the International Offering (16:00 Greek time).
6 March 2024	End of the Greek Public Offering (16:00 Greek time).
7 March 2024	Publication of the Pricing Statement in the Daily Statistical Bulletin of the ATHEX and on Piraeus Holdings' and Selling Shareholder's websites.
7 March 2024	Publication of a detailed announcement concerning the outcome of the Greek Public Offering in the Daily Statistical Bulletin of the ATHEX and on Piraeus Holdings' and Selling Shareholder's websites.
11 March 2024	Crediting the Offer Shares to the Investor Shares and Securities Accounts (expected Settlement Date).

Investors should note that the above timetable is indicative and subject to change, in which case Piraeus Holdings and the Selling Shareholder will duly and timely inform the investors pursuant to a public announcement that will be published on the Daily Statistical Bulletin of the ATHEX, the website of the Selling Shareholder and the website of Piraeus Holdings.

Offer Price, Price Range and number of Offer Shares. The Selling Shareholder is initially offering up to 275,080,789 Ordinary Shares pursuant to the Offering. The Selling Shareholder has also reserved the right to exercise in its sole discretion its Upsize Option and increase the number of the Initial Offer Shares offered in the Offering by up to 62,518,361 Ordinary Shares; the decision on the exercise of the Upsize Option may be taken at any time during the period of the bookbuilding process for the International Offering by the Selling Shareholder. Piraeus Holdings will not offer any Offer Shares in the Offering. The Offer Price, which may not be lower than €3.70 or higher than €4.00 per Offer Share, and which will be identical in the Greek Public Offering and the International Offering, and the exact number of Offer Shares, are expected to be determined pursuant to a resolution of the Board of Directors of the Selling Shareholder after the close of the period of the bookbuilding process for the International Offering on or about 6 March 2024 and be stated in a Pricing Statement which will be published in accordance with Article 17 of the Prospectus Regulation. Furthermore, at any time during the period of the bookbuilding process for the International Offering, the Selling Shareholder may upon resolutions of its Board of Directors decide to (not in order of priority) determine and publicly announce a narrower range within the Price Range and/or a price point guidance, and any such announcements will be published in accordance with Article 17 of the Prospectus Regulation. Investors shall be informed through the publication of respective announcements addressed to investors in the Daily Statistical Bulletin of the ATHEX and on Piraeus Holdings' and the Selling Shareholder's websites.

Procedure for the Greek Public Offering

(a) General remarks on the Greek Public Offering

The Greek Public Offering is addressed to both Retail Investors and Qualified Investors in Greece and will be carried out through electronic book building (EBB). The participation in the Greek Public Offering by the same natural or legal person simultaneously under the capacity of both Retail Investor and Qualified Investor is prohibited. If an investor participates in the Greek Public Offering both as a Qualified Investor and a Retail Investor, such investor shall be treated as a Retail Investor, with the exception of purchase applications submitted through DSS Participants for the same omnibus securities' depository accounts in both categories of investors. The highest limit for subscription per investor is the total number of the Offer Shares offered in the Greek Public Offering, that is up to 41,262,118 Offer Shares, being the total Offer Shares initially allocated to the Greek Public Offering, multiplied by the maximum price of the Price Range. Retail Investors and Qualified Investors in the Greek Public Offering shall apply to purchase Offer Shares at the maximum price of the Price Range.

(b) Procedure for the Greek Public Offering to Retail Investors

Retail Investors may participate in purchasing Offer Shares in the Greek Public Offering from 10:00 Greek time of the first day (*i.e.*, 4 March 2024) until 16:00 Greek time of the last day (*i.e.*, 6 March 2024) of the Greek Public Offering period, by submitting a relevant purchase application during normal business days and hours through their EBB Members (investment firms, banks or banks' subsidiaries). Retail Investors who apply to participate in purchasing Offer Shares will be required to present their identification card or passport, their tax registration number and a print-out of their DSS data setting out their Investor Share and Securities Account. The purchase applications of the interested Retail Investors shall be acceptable, provided that an amount equal to their total purchase price plus the product of 0.0325% times total purchase price has been paid, in cash or by bank check, or the equal amount has been reserved in all kinds of deposit bank accounts of investor clients or customer bank accounts that Retail Investors maintain in the context of receiving investment and/or banking services and of which they are beneficiaries or co-beneficiaries. The charge of 0.0325% times total purchase price is for exchange and clearing fees. In addition, customary brokerage fees shall be charged. According to the HCMC's Circular No. 37/16.05.2008, every Retail Investor who is a natural person may participate in the Greek Public Offering either through his or her own individual Investor Share or through one or more JIS in which he/she participates as a co-beneficiary.

(c) Procedure for the Greek Public Offering to Qualified Investors

Qualified Investors may participate in purchasing Offer Shares in the Greek Public Offering from 10:00 Greek time of the first day (*i.e.*, 4 March 2024) until 16:00 Greek time of the last day (*i.e.*, 6 March 2024) of the Greek Public Offering period by submitting a relevant purchase application exclusively through the Greek Public Offering Coordinators and Lead Underwriters, or other EBB Members (investment firms, banks or banks' subsidiaries) appointed by Greek Public Offering Coordinators and Lead Underwriters. The value of the allocated Offer Shares to Qualified Investors shall be settled at the Settlement Date through their respective custodians, and not prefunded when submitting their purchase applications. The above charge of 0.0325% times total purchase price for exchange and clearing fees, as well as customary brokerage fees will also apply to the Qualified Investors. During the Greek Public Offering period, Qualified Investors shall be entitled to amend their purchase applications and each new application shall be deemed to cancel the preceding ones. On the last day of the Greek Public Offering period, all applications in force at that time shall be considered final.

Allocation

General

Allocation of the Initial Offer Shares has been initially split between the Greek Public Offering and the International Offering as follows: (i) 15%, corresponding to 41,262,118 of the Initial Offer Shares, will be allocated to investors participating in the Greek Public Offering and (ii) 85%, corresponding to 233,818,671 of the Initial Offer Shares, will be allocated to investors participating in the International Offering. The Selling Shareholder has the right to change this allocation split at its discretion, based on the demand expressed in each part of the Offering, save that any such amended allocation of the Initial Offer Shares between the International Offering and the Greek Public Offering may not cause the Greek Public Offering to receive a portion of the Initial Offer Shares lower than the 15% set out above, if the demand expressed by investors participating in the Greek Public Offering is at least equal to such percentage. The Selling Shareholder has reserved the right to exercise the Upsize Option in its sole discretion. The allocation split of the Upsize Option Shares that may be sold between the Greek Public Offering and the International Offering is at the sole discretion of the Selling Shareholder. The final allocation split of the Offer Shares between the Greek Public Offering and the International Offering will be determined after the close of the period of the bookbuilding process for the International Offering and the Greek Public Offering period on or about 6 March 2024 by the Selling Shareholder, and investors shall be informed through the publication of the respective announcement addressed to investors in the Daily Statistical Bulletin of the ATHEX and on Piraeus Holdings' and Selling Shareholder's websites.

Allocation of Offer Shares in the Greek Public Offering

Of the total number of Offer Shares finally allocated in the Greek Public Offering (after taking into account any reallocation of Offer Shares from the International Offering to the Greek Public Offering and/or the exercise of the Upsize Option by the HFSF), the number of Offer Shares that will be finally allocated to each of the Retail Investors and Qualified Investors categories in the Greek Public Offering will be determined upon completion of the Greek Public Offering at the discretion of the Selling Shareholder, provided that the allocation of the Offer Shares in the Greek Public Offering to the investors will be carried out as follows: (i) a percentage of at least 30% of the Offer Shares in the Greek Public Offering will be allocated to satisfy the applications of Retail Investors; and (ii) the remaining up to 70% of Offer Shares in the Greek Public Offering will be allocated between the Qualified Investors and Retail Investors based on the total demand expressed in each category of investors (*i.e.*, Qualified Investors and Retail Investors). As long as the Retail Investors' applications for 30% of the Offer Shares in the Greek Public Offering have been satisfied, the following will be taken into account for the final determination of the allocation percentage per category of investors: (a) the demand for the Qualified Investors, (b) the demand in the retail segment of investors exceeding 30%, (c) the number of applications for the purchase of Offer Shares concerning Retail Investors, and (d) the need to achieve sufficient free float. In the event that the total demand from Retail Investors falls short of 30% of the total number of Offer Shares to be made available in the Greek Public Offering, the applications of Retail Investors will be fully satisfied, up to the amount for which demand was actually expressed, while the Offer Shares in the Greek Public Offering, which correspond to the shortfall against the total percentage of 30% of the total number of Offer Shares in the Greek Public Offering, will be transferred to the category of Qualified Investors. If demand for Offer Shares in the category of Retail Investors in the Greek Public Offering is higher than the total number of Offer Shares finally allocated to that category, purchase applications of the Retail Investors will be satisfied *pro rata*. If demand for Offer Shares in the Greek Public Offering in the category of Qualified Investors is higher than the total number of Offer Shares finally allocated to that category, purchase applications of Qualified

Investors will be satisfied *pro rata*. If the Greek Public Offering is covered in part, Retail Investors and Qualified Investors will be allocated all (*i.e.*, 100%) of the Offer Shares for which they submitted a purchase application. Allocation of Offer Shares in the Greek Public Offering will not be dependent upon the financial intermediary or the manner in which participation applications have been submitted.

Payment and delivery of Offer Shares in the Greek Public Offering

Delivery of Offer Shares will be completed through their transfer to the Investor Share and Securities Account of the Retail Investors and Qualified Investors entitled thereto. Such registration will be made following completion of the relevant processes and the exact date thereof will be publicly announced by Piraeus Holdings and HFSF through the ATHEX at least one Business Day prior to the delivery of the Offer Shares to the investors.

Greek Public Offering Adviser. EUROXX SECURITIES S.A. is acting as Greek Public Offering Adviser.

Greek Public Offering Coordinators and Lead Underwriters. EUROXX SECURITIES S.A. and Piraeus Bank S.A. are acting as coordinators and lead underwriters for the Greek Public Offering.

Dilution. Existing Shareholders will experience no dilution in connection with the Offering as no new Ordinary Shares are being issued.

Estimated expenses. The total expenses of, or incidental to, the Offering to be borne by Piraeus Holdings are estimated to amount to up to €44 million. Assuming that the totality of the Initial Offer Shares will be disposed through the Offering, the total expenses of, or incidental to, the Offering to be borne by the HFSF are estimated to be up to approximately €14 million, out of which amount the aggregate commissions payable by the Selling Shareholder in connection with the Offering, calculated at the maximum price of the Price Range, are estimated to be approximately up to €12 million, comprising approximately €1 million in relation to the Greek Public Offering and approximately €11 million in relation to the International Offering. Assuming that the Upsize Option will be fully exercised, the total expenses will be increased by approximately up to €3 million. All amounts in this paragraph are before VAT.

Investor costs. Investors who participate in the Greek Public Offering will be charged a rate of 0.0325% of the value of the allocated Offer Shares (calculated as the product of the allocated Offer Shares and the Offer Price) for exchange and clearing fees. In addition, customary brokerage fees shall be charged.

Who is the offeror of the Securities?

The Offer Shares are being offered by the Selling Shareholder. The HFSF was founded on 21 July 2010, under the HFSF Law (published in the Government Gazette Issue A' 119/21.07.2010). It is a private legal entity, does not belong to the public sector, neither to the broader public sector, and is governed by the provisions of the HFSF Law. The HFSF is domiciled in Greece and its headquarters are located at 10 E. Venizelou Avenue, 10671 Athens, Greece. Its telephone number is +30 210 215 5606 900, its LEI is 213800CO7SMD2CSIEO62, VAT 997889852, and its website is https://www.hfsf.gr/en. The information and other content appearing on such website are not part of this Prospectus.

Why is this prospectus being produced?

Reasons for the Offering. The Offering is conducted in accordance with the HFSF Law and HFSF Divestment Strategy (a summary of which is available on the HFSF website: https://hfsf.gr/wp-content/uploads/2023/01/Divestment-Strategy-23_25-EN.pdf). In particular, the current HFSF legal framework sets year-end 2025 as the HFSF's sunset date and elevates the divestment objective to a par with the HFSF's other objective, namely its contribution to the maintenance of Greek banking system's financial stability for the sake of public interest. In accordance with the HFSF Divestment Strategy and the HFSF Law, the HFSF is expected under the law to use all reasonable efforts to dispose its holdings in the Greek systemic banks within the timeline set by HFSF Law, subject to maintaining financial stability and ensuring that it receives fair value.

Net proceeds. The net proceeds to be received by the Selling Shareholder for the disposal of the Initial Offer Shares (excluding VAT on expenses), estimated at up to €1,086 million and, assuming that the Upsize Option is fully exercised, the net proceeds (excluding VAT on expenses) are expected to be increased by up to €247 million, calculated at the maximum price of the Price Range, will be deposited in the Selling Shareholder's interest-bearing account with the Bank of Greece exclusively for the purposes of the HFSF Law and in compliance with the obligations of the HFSF arising from or in connection with the Master Financial Facility Agreement of 15 March 2012 (ratified by Greek Law 4060/2012), and under the Financial Facility Agreement of 19 August 2015 (ratified by Greek Law 4336/2015). Piraeus Holdings will not offer any shares in the Offering and will not receive any proceeds from the sale of the Offer Shares.

Greek Public Offering Underwriting Agreement. The Greek Public Offering is not subject to an underwriting agreement and/or placing agreements on a firm commitment basis.

International Offering Underwriting Agreement. The International Offering is not subject to an underwriting agreement and/or placing agreements on a firm commitment basis.

Most material conflicts of interest pertaining to the Greek Public Offering. EUROXX SECURITIES S.A., as Greek Public Offering Adviser and Greek Public Offering Coordinator and Lead Underwriter, taking into consideration as criterion any form of compensation previously received from Piraeus Holdings, as well as the criteria based on the ESMA guidelines on disclosure requirements under the Prospectus Regulation (04/03/2021 | ESMA32-382-1138), declares that it does not have any interests or conflicting interests that are material to the Greek Public Offering.

Piraeus Bank S.A., as Greek Public Offering Coordinator and Lead Underwriter, taking into consideration as criterion any form of compensation previously received from Piraeus Holdings as well as the criteria based on the ESMA guidelines on disclosure requirements under the Prospectus Regulation (04/03/2021 | ESMA32-382-1138), declares that it does not have any interests or conflicting interests that are material to the Greek Public Offering, other than the indirect interest deriving from the subsidiary-parent company relationship which connects it to Piraeus Holdings.

ΠΕΡΙΛΗΠΤΙΚΟ ΣΗΜΕΙΩΜΑ

Ορισμένοι όροι με κεφαλαία που δεν ορίζονται στο παρόν Περιληπτικό Σημείωμα έχουν την έννοια που τους αποδίδεται στο παρόν Ενημερωτικό Δελτίο.

ΕΙΣΑΓΩΓΗ ΚΑΙ ΠΡΟΕΙΔΟΠΟΙΗΣΕΙΣ

Το παρόν Περιληπτικό Σημείωμα θα πρέπει να εκλαμβάνεται ως εισαγωγή στο Ενημερωτικό Δελτίο. Οι επενδυτές πρέπει να βασίζουν οποιαδήποτε επενδυτική απόφασή τους για τις Προσφερόμενες Μετοχές στην εξέταση του Ενημερωτικού Δελτίου ως συνόλου. Υπάρχει περίπτωση οι επενδυτές να υποστούν απώλειες στο σύνολο ή σε μέρος του κεφαλαίου που επενδύεται σε Προσφερόμενες Μετοχές. Σε περίπτωση δικαστικής επιδίωξης άσκησης οιασδήποτε αξίωσης σε σχέση με τις πληροφορίες που περιέχονται στο Ενημερωτικό Δελτίο, ο ενάγων επενδυτής ενδέχεται, σύμφωνα με την εθνική νομοθεσία, να επωμιστεί τα έξοδα μετάφρασης του Ενημερωτικού Δελτίου πριν από την έναρξη της δίκης. Αστική ευθύνη υπέχουν αποκλειστικά τα πρόσωπα που υπέβαλαν το περιληπτικό σημείωμα, περιλαμβανομένης οιασδήποτε μετάφρασής του, αλλά μόνο εφόσον το περιληπτικό σημείωμα είναι παραπλανητικό, ανακριβές ή ασυνεπές σε συνδυασμό με τα άλλα μέρη του Ενημερωτικού Δελτίου ή δεν παρέχει, σε συνδυασμό με αυτά, βασικές πληροφορίες στους επενδυτές που εξετάζουν το ενδεχόμενο να επενδύσουν στις Προσφερόμενες Μετοχές.

Η Πειραιώς Holdings, πρώην Τράπεζα Πειραιώς Ανώνυμος Εταιρεία, ιδρύθηκε το 1916 και συστάθηκε ως *ανώνυμη εταιρεία* σύμφωνα με το ελληνικό δίκαιο, όπως δημοσιεύθηκε στο Φύλλο Εφημερίδας Κυβερνήσεως αριθ. 59 της 6ης Ιουλίου 1916 (με αριθμό Γενικού Εμπορικού Μητρώου 225501000). Η Πειραιώς Holdings εδρεύει στην Ελλάδα, με κεντρικές εγκαταστάσεις και καταστατική έδρα στην οδό Αμερικής 4, 105 64 Αθήνα, Ελλάδα. Ο αριθμός τηλεφώνου της είναι +30 210 328 8100, ο LEI της είναι M6AD1Y1KW32H8THQ6F76 και ο ιστότοπός της https://www.piraeusholdings.gr. Οι πληροφορίες και άλλου είδους περιεχόμενο που εμφανίζεται στον εν λόγω ιστότοπο δεν αποτελούν μέρος του παρόντος Ενημερωτικού Δελτίου. Οι Κοινές Μετοχές είναι κοινές ονομαστικές μετά ψήφου μετοχές, η ονομαστική αξία των οποίων εκφράζεται σε ευρώ. Οι Κοινές Μετοχές είναι άυλες, εισηγμένες στο Χ.Α. και διαπραγματευόμενες σε ευρώ στην Κύρια Αγορά της Ρυθμιζόμενης Αγοράς Κινητών Αξιών του Χ.Α. με Διεθνή Κωδικό Αναγνώρισης Τίτλων (ο “ISIN”): GRS014003032.

Οι Προσφερόμενες Μετοχές προσφέρονται από το ΤΧΣ. Το ΤΧΣ ιδρύθηκε στις 21 Ιουλίου 2010 δυνάμει του Νόμου ΤΧΣ (ο οποίος δημοσιεύθηκε στο Φύλλο Εφημερίδας Κυβερνήσεως Τεύχος Α’ 119/21.07.2010). Είναι νομικό πρόσωπο ιδιωτικού δικαίου, δεν ανήκει στον δημόσιο τομέα, ούτε στον ευρύτερο δημόσιο τομέα και διέπεται από τις διατάξεις του Νόμου ΤΧΣ. Το ΤΧΣ εδρεύει στην Ελλάδα και η διεύθυνση των γραφείων του είναι Ελ. Βενιζέλου 10, 10671, Αθήνα, Ελλάδα. Ο αριθμός τηλεφώνου του είναι +30 215 5606 900, ο LEI του είναι 213800CO7SMD2CSIEO62, ο ΑΦΜ του είναι 997889852 και ο διαδικτυακός τόπος του είναι https://www.hfsf.gr/en. Οι πληροφορίες, καθώς και κάθε άλλο περιεχόμενο εμφανιζόμενο στην ιστοσελίδα αυτή δεν αποτελούν μέρος του παρόντος Ενημερωτικού Δελτίου. Η Πειραιώς Holdings δεν θα προσφέρει μετοχές στην Προσφορά.

Αρμόδια Αρχή για την έγκριση του Ενημερωτικού Δελτίου είναι η ΕΚ (Ιπποκράτους 3-5, 106 79 Αθήνα, τηλεφωνικό κέντρο: 210 3377100, http://www.hcmc.gr/). Το Ενημερωτικό Δελτίο εγκρίθηκε την 3η Μαρτίου 2024.

ΒΑΣΙΚΕΣ ΠΛΗΡΟΦΟΡΙΕΣ ΓΙΑ ΤΗΝ ΕΤΑΙΡΕΙΑ

Ποιος είναι ο εκδότης των κινητών αξιών;

Έδρα και νομική μορφή. Η Πειραιώς Holdings αρχικά συστάθηκε ως Τράπεζα Πειραιώς Ανώνυμος Εταιρεία στην Ελλάδα στις 6 Ιουλίου 1916 υπό το ελληνικό δίκαιο. Οι κοινές μετοχές της Πειραιώς Holdings (ως πρώην Τράπεζα Πειραιώς Ανώνυμος Εταιρεία) διαπραγματεύονται στο Χ.Α. από το 1918. Κατόπιν της Διάσπασης στις 30 Δεκεμβρίου 2020, η πρώην Τράπεζα Πειραιώς Ανώνυμος Εταιρεία έπαυσε να λειτουργεί ως πιστωτικό ίδρυμα, διατήρησε τις δραστηριότητες, τα περιουσιακά στοιχεία και τις υποχρεώσεις που δε σχετίζονταν με βασικές τραπεζικές της δραστηριότητες και μετέβαλε την επωνυμία της σε «Πειραιώς Financial Holdings Α.Ε.». Η Πειραιώς Holdings κατέχει το 100% του μετοχικού κεφαλαίου του νεοσυσταθέντος πιστωτικού ιδρύματος υπό την επωνυμία «Τράπεζα Πειραιώς Ανώνυμος Εταιρεία» (το οποίο διαδέχθηκε την πρώην Τράπεζα Πειραιώς Ανώνυμος Εταιρεία, μέσω καθολικής διαδοχής, ως προς όλα τα σε αυτό μεταβιβασθέντα περιουσιακά στοιχεία και υποχρεώσεις των βασικών τραπεζικών δραστηριοτήτων της πρώην Τράπεζας Πειραιώς Ανώνυμος Εταιρεία και το οποίο λειτουργεί σήμερα ως πιστωτικό ίδρυμα) και αποτελεί την άμεση ή έμμεση απώτατη μητρική εταιρεία συμμετοχών για όλες τις άλλες εταιρείες που, πριν από τη Διάσπαση, αποτελούσαν τον «Όμιλο». Η Πειραιώς Holdings είναι καταχωρημένη στην Ελλάδα (Γενικό Εμπορικό Μητρώο με αριθμό 225501000) και έχει την έδρα της στην οδό Αμερικής 4, 105 64 Αθήνα, Ελλάδα. Ο LEI της είναι M6AD1Y1KW32H8THQ6F76.

Κύριες δραστηριότητες. Οι δραστηριότητες της Piraeus Holdings περιλαμβάνουν την άμεση ή έμμεση συμμετοχή σε νομικές και άλλες οντότητες και επιχειρήσεις, που ασκούν δραστηριότητες διαμεσολάβησης και διανομής ασφαλιστικών προϊόντων, την παροχή χρηματοοικονομικών συμβουλευτικών υπηρεσιών σε θέματα ιδιωτικής ασφάλισης και άλλες συναφείς δραστηριότητες. Για το σκοπό αυτό, η Πειραιώς Holdings διατήρησε ορισμένα από τα περιουσιακά στοιχεία, τις υποχρεώσεις και τις μη τραπεζικές δραστηριότητες της πρώην Τράπεζας Πειραιώς Ανώνυμος Εταιρεία, καθώς και σημαντικά συμφέροντα σε ορισμένες κινητές αξίες και ορισμένες οντότητες.

Βασικότεροι μέτοχοι. Κατά την ημερομηνία του παρόντος Ενημερωτικού Δελτίου, το μετοχικό κεφάλαιο της Πειραιώς Holdings ανέρχεται σε €1.162.841.517,39 και διαιρείται σε 1.250.367.223 άυλες κοινές ονομαστικές μετοχές με δικαιώματα ψήφου ονομαστικής αξίας €0,93 η κάθε μία. Στον ακόλουθο πίνακα παρατίθενται ορισμένες πληροφορίες σχετικά με κατόχους των Κοινών Μετοχών, με βάση πληροφορίες που είναι γνωστές ή δύνανται να εξακριβωθούν από την Πειραιώς Holdings κατά την 27 Φεβρουαρίου 2024.

Μέτοχοι[2]	**Αριθμός Μετοχών**[1]	**% Ποσοστό Μετοχών**[1]	**Αριθμός Δικαιωμάτων Ψήφου**	**% Ποσοστό Δικαιωμάτων Ψήφου**
ΤΧΣ *	337.599.150	27,00%	337.599.150	27,00%
Paulson & Co. Inc.*	232.758.919	18,62%	232.758.919	18,62%
Helikon Investments Limited *	54.373.407	4,35%	117.251.976	9,38%

Λοιποί μέτοχοι < 5%	625.635.747	50,03%	562.757.178	45,00%
Σύνολο	1.250.367.223	**100,00%**	1.250.367.223	**100,00%**

** Με βάση τις γνωστοποιήσεις σημαντικών συμμετοχών σύμφωνα με την Οδηγία περί Διαφάνειας, η οποία ενσωματώθηκε στο ελληνικό δίκαιο δυνάμει του Ελληνικού Νόμου 3556/2007*

Σημειώσεις:
(1) Οι πληροφορίες αναφέρονται χωρίς να απεικονίζουν τον αντίκτυπο της Προσφοράς.
(2) Με βάση το μετοχολόγιο της Πειραιώς Holdings κατά την 27 Φεβρουαρίου 2024 ή/και τις γνωστοποιήσεις σημαντικών συμμετοχών σύμφωνα με τον Ελληνικό Νόμο 3556/2007.

Εξ όσων γνωρίζει η Πειραιώς Holdings, με βάση τις γνωστοποιήσεις που ελήφθησαν έως την 27 Φεβρουαρίου 2024 σύμφωνα με τον Κανονισμό (ΕΕ) αριθ. 596/2014, τον Ελληνικό Νόμο 3556/2007 και τον Νόμο ΤΧΣ, εκτός από τα ανωτέρω, δεν υπάρχει φυσικό ή νομικό πρόσωπο που να κατέχει, άμεσα ή έμμεσα, Κοινές Μετοχές ή δικαιώματα ψήφου που να αντιπροσωπεύουν τουλάχιστον 5% των δικαιωμάτων ψήφου στην Πειραιώς Holdings. Η Πειραιώς Holdings δεν γνωρίζει πρόσωπα τα οποία ασκούν ή θα μπορούσαν να ασκήσουν, άμεσα ή έμμεσα, από κοινού ή ατομικά, έλεγχο στην Πειραιώς Holdings. Συνεπεία της συμμετοχής του ΤΧΣ στο μετοχικό κεφάλαιο της Πειραιώς Holdings, τα ειδικά δικαιώματα και τα δικαιώματα αρνησικυρίας που αποδίδονται στο ΤΧΣ και ασκούνται μέσω του Εκπροσώπου του ΤΧΣ στο Διοικητικό Συμβούλιο σύμφωνα με τον Νόμο ΤΧΣ και την Συμφωνία Πλαισίου Συνεργασίας, το ΤΧΣ μπορεί να επηρεάζει τη λήψη αποφάσεων του Ομίλου.

Τα άρθρα 49 και 50 του Ελληνικού Νόμου 4548/2018 προβλέπουν τις διατάξεις για την απόκτηση ιδίων μετοχών, κατόπιν απόφασης της Γενικής Συνέλευσης. Επιπλέον, (i) σύμφωνα με τους περιορισμούς που επιβάλλει το άρθρο 16Γ του Νόμου ΤΧΣ, κατά την περίοδο συμμετοχής του ΤΧΣ στο κεφάλαιο της Πειραιώς Holdings, η Πειραιώς Holdings δεν επιτρέπεται να αγοράσει ίδιες μετοχές χωρίς την έγκριση του ΤΧΣ, και (ii) σύμφωνα με το άρθρο 77 και το άρθρο 78 του CRR, η Πειραιώς Holdings οφείλει να λάβει την προηγούμενη άδεια από τον ΕΕΜ για την αγορά ιδίων μετοχών.

Η Πειραιώς Holdings κατέχει επί του παρόντος συνολικά 3.975.419 ίδιες Κοινές Μετοχές, που αντιστοιχούν στο 0,32% του συνόλου των Κοινών Μετοχών. Αυτές οι Κοινές Μετοχές αποκτήθηκαν σύμφωνα με το πρόγραμμα απόκτησης ιδίων μετοχών που εγκρίθηκε από την ετήσια Γενική Συνέλευση των Μετόχων της που πραγματοποιήθηκε στις 27 Ιουνίου 2023 και κατόπιν της άδειας της ΕΚΤ με ημερομηνία 14 Αυγούστου 2023.

Βασικοί διευθύνοντες σύμβουλοι. Κατά την ημερομηνία του παρόντος Ενημερωτικού Δελτίου, η σύνθεση του Διοικητικού Συμβουλίου της Πειραιώς Holdings έχει ως εξής:

Όνομα	*Θέση στο ΔΣ*
Γεώργιος Π. Χαντζηνικολάου	Πρόεδρος του Διοικητικού Συμβουλίου—Μη Εκτελεστικό Μέλος
Karel G. De Boeck	Αντιπρόεδρος—Ανεξάρτητο Μη Εκτελεστικό Μέλος
Χρήστος Ι. Μεγάλου	Διευθύνων Σύμβουλος (CEO) (Chief Executive Officer)—Εκτελεστικό Μέλος
Βασίλειος Δ. Κουτεντάκης	Μέλος του Διοικητικού Συμβουλίου— Εκτελεστικό Μέλος
Βενετία Γ. Κοντογούρη	Μέλος του Διοικητικού Συμβουλίου— Ανεξάρτητο Μη Εκτελεστικό Μέλος
Enrico Tommaso C. Cucchiani	Μέλος του Διοικητικού Συμβουλίου— Ανεξάρτητο Μη Εκτελεστικό Μέλος
David R. Hexter	Μέλος του Διοικητικού Συμβουλίου— Ανεξάρτητο Μη Εκτελεστικό Μέλος
Σολομών Α. Μπεράχας	Μέλος του Διοικητικού Συμβουλίου— Ανεξάρτητο Μη Εκτελεστικό Μέλος
Andrew D. Panzures	Μέλος του Διοικητικού Συμβουλίου— Ανεξάρτητο Μη Εκτελεστικό Μέλος
Anne J. Weatherston	Μέλος του Διοικητικού Συμβουλίου— Ανεξάρτητο Μη Εκτελεστικό Μέλος
Αλέξανδρος Ζ. Βλαδές	Μέλος του Διοικητικού Συμβουλίου—Μη Εκτελεστικό Μέλος
Μαρία Ι. Συμιγδαλά	Μέλος του Διοικητικού Συμβουλίου— Ανεξάρτητο Μη Εκτελεστικό Μέλος
Περικλής Ν. Δοντάς	Μέλος του Διοικητικού Συμβουλίου— Μη Εκτελεστικό Μέλος—Εκπρόσωπος του ΤΧΣ σύμφωνα με τον Νόμο ΤΧΣ

Τα μέλη του Διοικητικού Συμβουλίου εκλέγονται από τη Γενική Συνέλευση των Μετόχων για μέγιστη θητεία τριών ετών και μπορούν να επανεκλεγούν. Η κα. Μαρία Συμιγδαλά εξελέγη από το Διοικητικό Συμβούλιο προς αντικατάσταση παραιτηθέντος μέλους στις 22 Φεβρουαρίου 2024 Η θητεία όλων των ανωτέρω μελών λήγει στην ετήσια Γενική Συνέλευση των Μετόχων στις 27 Ιουνίου 2026.

Ταυτότητα ανεξάρτητων ελεγκτών. Οι Ετήσιες Οικονομικές Καταστάσεις του 2021 καταρτίστηκαν σύμφωνα με τα ΔΠΧΑ και ελέγχθηκαν από τον κ. Δημήτρη Κουτσό-Κουτσόπουλο (Α.Μ. ΣΟΕΛ 26751) της Deloitte Ανώνυμη Εταιρεία Ορκωτών Ελεγκτών Λογιστών (Α.Μ. ΣΟΕΛ Ε120). Οι Ετήσιες Οικονομικές Καταστάσεις του 2022 καταρτίστηκαν σύμφωνα με τα ΔΠΧΑ και ελέγχθηκαν από την Αλεξάνδρα Κωστάρα (Α.Μ. ΣΟΕΛ 19981) της Deloitte Ανώνυμη Εταιρεία Ορκωτών Ελεγκτών Λογιστών (Α.Μ. ΣΟΕΛ Ε120). Οι Ετήσιες Οικονομικές Καταστάσεις του 2023 καταρτίστηκαν σύμφωνα με τα ΔΠΧΑ και ελέγχθηκαν από την Αλεξάνδρα Κωστάρα (Α.Μ. ΣΟΕΛ 19981) της Deloitte Ανώνυμη Εταιρεία Ορκωτών Ελεγκτών Λογιστών (Α.Μ. ΣΟΕΛ Ε120).

Ποιες είναι οι βασικές χρηματοοικονομικές πληροφορίες σχετικά με τον εκδότη;

Οι συνοπτικές ενοποιημένες χρηματοοικονομικές πληροφορίες του Ομίλου κατά και για το έτος που έληξε στις 31 Δεκεμβρίου 2023, οι οποίες παρουσιάζονται στο παρόν Ενημερωτικό Δελτίο, προέρχονται από τις Ετήσιες Οικονομικές Καταστάσεις του 2023. Οι συνοπτικές ενοποιημένες χρηματοοικονομικές πληροφορίες του Ομίλου κατά και για το έτος που έληξε στις 31 Δεκεμβρίου 2022, οι οποίες παρατίθενται κατωτέρω, προέρχονται από τις συγκριτικές στήλες των Ετήσιων Οικονομικών Καταστάσεων του 2023. Οι συνοπτικές ενοποιημένες χρηματοοικονομικές πληροφορίες του Ομίλου κατά και για το έτος που έληξε στις 31 Δεκεμβρίου 2021, οι οποίες παρατίθενται κατωτέρω, προέρχονται από τις συγκριτικές στήλες των Ετήσιων Οικονομικών Καταστάσεων του 2022. Οι Ετήσιες Οικονομικές Καταστάσεις ενσωματώνονται στο Ενημερωτικό Δελτίο μέσω παραπομπής. Οι κατωτέρω πληροφορίες παρουσιάζονται σύμφωνα με το Παράρτημα III του κατ' εξουσιοδότηση Κανονισμού (ΕΕ) 2019/979 ως οι πλέον κατάλληλες σε σχέση με την Προσφορά.

Συνοπτικά Χρηματοοικονομικά Στοιχεία του Ομίλου σε εκατ.)	**Έτος που έληξε 31 Δεκεμβρίου**		
	2021 (όπως αναταξινομήθηκαν)	**2022**	**2023**
Καθαρά έσοδα από τόκους	1.410	1.353	2.003
Καθαρά έσοδα από προμήθειες	392	421	468
Έξοδα απομείωσης	(4.284)	(615)	(559)
Καθαρές ζημίες απομείωσης επί άλλων χρηματοοικονομικών στοιχείων[(1)]	(36)	(11)	(13)
Καθαρά έσοδα από εμπορικές συναλλαγές[(2)]	172	470	25
Κέρδη/(ζημίες) που αναλογούν στους μετόχους της μητρικής			
Από συνεχιζόμενες δραστηριότητες	(3.007)	899	788
Από διακοπείσες δραστηριότητες	(7)	51	-
Κέρδη/(ζημίες) ανά μετοχή που αναλογούν στους μετόχους της μητρικής (σε ευρώ):			
Από συνεχιζόμενες δραστηριότητες:			
Βασικά και Προσαρμοσμένα	(3,50)	0,72	0,63
Από διακοπείσες δραστηριότητες:			
Βασικά και Προσαρμοσμένα	(0,01)	0,04	-
Σύνολο			
Βασικά και Προσαρμοσμένα	(3,51)	0,76	0,63
Κέρδη/(ζημίες) που αναλογούν στους μετόχους της μητρικής	(3.007)	899	788

Πηγή: Οι πληροφορίες βασίζονται στις Ετήσιες Οικονομικές Καταστάσεις του 2022 και τις Ετήσιες Οικονομικές Καταστάσεις του 2023.

Σημειώσεις:
(1) Περιλαμβάνει τα ακόλουθα στοιχεία: «ζημίες απομείωσης επί άλλων χρηματοοικονομικών στοιχείων», «ζημίες απομείωσης απαιτήσεων από χρεωστικούς τίτλους στο αποσβεσμένο κόστος» και «ζημίες απομείωσης απαιτήσεων από χρεωστικούς τίτλους στην εύλογη αξία μέσω λοιπών συνολικών εσόδων».
(2) Περιλαμβάνει τα ακόλουθα στοιχεία: «καθαρά κέρδη/(ζημίες) από χρηματοοικονομικά μέσα που αποτιμώνται στην εύλογη αξία μέσω αποτελεσμάτων» και «καθαρά κέρδη/(ζημίες) από χρηματοοικονομικά μέσα που αποτιμώνται στην εύλογη αξία μέσω λοιπών συνολικών εσόδων».

Συνοπτικά Στοιχεία Ενοποιημένου Ισολογισμού (€ σε εκατ.)	**Στις 31 Δεκεμβρίου**		
	2021	**2022** (όπως αναταξινομήθηκαν)[1]	**2023**
Σύνολο ενεργητικού	79.789	74.645	76.450
Υποχρεώσεις από πιστωτικούς τίτλους	971	849	1.886
Λοιπές δανειακές υποχρεώσεις	935	937	939
Δάνεια και απαιτήσεις κατά πελατών στο αποσβεσμένο κόστος	36.521	37.367	37.527
Υποχρεώσεις προς πελάτες	55.442	58.372	59.567
Σύνολο ιδίων κεφαλαίων	5.803	6.581	7.353
Δείκτης ΜΕΑ	12,7%	6,8%	3,5%
Δείκτης Κεφαλαίου Κοινών Μετοχών Κατηγορίας 1 (CET1)	11,12%	13,04%	13,21%
Συνολικός Δείκτης Κεφαλαιακής Επάρκειας	15,75%	17,82%	17,77%

Πηγή: Ετήσιες Οικονομικές Καταστάσεις του 2022 και Ετήσιες Οικονομικές Καταστάσεις του 2023.

Σημείωση:
(1) Τα συγκριτικά στοιχεία έχουν αναταξινομηθεί λόγω της τροποποίησης κατά την τρέχουσα περίοδο της παρουσίασης των παράγωγων χρηματοοικονομικών μέσων στην κατάσταση οικονομικής θέσης, μέσω: (α) του συμψηφισμού των παράγωγων στοιχείων ενεργητικού και παθητικού που έχουν συναφθεί με έναν κεντρικό αντισυμβαλλόμενο εκκαθάρισης έναντι των εξασφαλίσεων περιθωρίου που έχουν κατατεθεί ή ληφθεί, και (β) της παρουσίασης της λογιστικής αξίας των παραγώγων σε ακαθάριστη βάση, με τον συμψηφισμό των δεδουλευμένων τόκων εισπρακτέων και πληρωτέων σε επίπεδο συμφωνίας.

Ποιοι είναι οι βασικοί κίνδυνοι που αφορούν ειδικά τον εκδότη;

Οποιαδήποτε επένδυση σε Κοινές Μετοχές ενέχει κινδύνους. Πριν από κάθε επενδυτική απόφαση, είναι σημαντικό να αναλύονται προσεκτικά οι παράγοντες κινδύνου που θεωρούνται σχετικοί με τη μελλοντική ανάπτυξη του Ομίλου και τις Κοινές Μετοχές. Ακολουθεί σύνοψη των βασικών κινδύνων που, μεμονωμένα ή σε συνδυασμό με άλλα γεγονότα ή περιστάσεις, θα μπορούσαν να έχουν ουσιώδη δυσμενή επίδραση στις επιχειρηματικές δραστηριότητες, την οικονομική κατάσταση, τα λειτουργικά αποτελέσματα και τις προοπτικές του Ομίλου.

Κίνδυνοι που Σχετίζονται με τις Μακροχρόνιες Επιπτώσεις της Οικονομικής Κρίσης της Ελληνικής Δημοκρατίας της Προηγούμενης Δεκαετίας, την Κατάλοιπη Επίδραση της Πανδημίας COVID-19, τις Εξελισσόμενες Γεωπολιτικές Αναταράξεις, τις Πληθωριστικές Πιέσεις και τις Μακροοικονομικές Προοπτικές στην Ελλάδα

- Οι οικονομικές προοπτικές και η δημοσιονομική θέση της Ελληνικής Δημοκρατίας εξακολουθούν να επηρεάζονται από τις συνέπειες της παρατεταμένης οικονομικής κρίσης της προηγούμενης δεκαετίας, της πανδημίας COVID-19 από το 2020 και της εκτίναξης του πληθωρισμού από το 2021, σε συνδυασμό με αυξημένες γεωπολιτικές εντάσεις και σημαντικούς ακόμη κινδύνους για τις ενεργειακές προοπτικές.
- Η αναζωπύρωση του κινδύνου αθέτησης υποχρεώσεων από την πλευρά της Ελληνικής Δημοκρατίας θα είχε ουσιώδη δυσμενή επίδραση στις δραστηριότητες του Ομίλου και θα μπορούσε να οδηγήσει σε υψηλότερο κόστος χρηματοδότησης ή αδυναμία άντλησης κεφαλαίων.

Κίνδυνοι που Σχετίζονται με τη Συμμετοχή του ΤΧΣ

- Το ΤΧΣ, ως κύριος Μέτοχος και ενόψει των ειδικών εκ του νόμου δικαιωμάτων του, έχει και ενδέχεται να συνεχίσει να έχει τη δυνατότητα να επηρεάζει τη λήψη αποφάσεων του Ομίλου.

Κίνδυνοι που Σχετίζονται με τις Δραστηριότητες του Ομίλου

- Η μεταβλητότητα των επιτοκίων μπορεί να επηρεάσει αρνητικά τα καθαρά έσοδα από τόκους του Ομίλου και να έχει άλλες δυσμενείς συνέπειες.
- Ο Όμιλος είναι εκτεθειμένος στις οικονομικές επιδόσεις και την πιστοληπτική ικανότητα των εταιρειών και των ιδιωτών στην Ελλάδα.
- Ο Όμιλος είναι εκτεθειμένος σε πιστωτικό κίνδυνο, κίνδυνο αγοράς, πιστωτικό κίνδυνο αντισυμβαλλομένου, κίνδυνο ρευστότητας, κίνδυνο επιτοκίου στο τραπεζικό χαρτοφυλάκιο, λειτουργικό κίνδυνο (συμπεριλαμβανομένου του κινδύνου υποδειγμάτων), στρατηγικό/επιχειρηματικό κίνδυνο (πρωτογενείς τύποι κινδύνου), κλιματικούς και περιβαλλοντικούς κινδύνους, καθώς και σε κίνδυνο προμηθευτή/τρίτου μέρους.

- Εάν ο Όμιλος δεν διαχειριστεί αποτελεσματικά τον πιστωτικό κίνδυνο, η επιχειρηματική του δραστηριότητα, η οικονομική του κατάσταση, τα λειτουργικά αποτελέσματα και οι προοπτικές του θα μπορούσαν να επηρεαστούν αρνητικά σε σημαντικό βαθμό.
- Ο Όμιλος ενδέχεται να μην είναι σε θέση να περιορίσει οποιαδήποτε πιθανή εισροή νέων αποθεμάτων ΜΕΑ, γεγονός που θα μπορούσε να εκτροχιάσει τον στόχο του για περαιτέρω μείωση των ΜΕΑ επιπέδων και θα μπορούσε να έχει ουσιώδη δυσμενή επίδραση στα λειτουργικά αποτελέσματα και την οικονομική του κατάσταση.

Νομικοί, κανονιστικοί κίνδυνοι και κίνδυνοι συμμόρφωσης

- Εάν δεν επιτραπεί στον Όμιλο να συνεχίσει να αναγνωρίζει το κύριο μέρος των αναβαλλόμενων φορολογικών υποχρεώσεων ως εποπτικό κεφάλαιο ή ως στοιχείο ενεργητικού, τα λειτουργικά αποτελέσματα και η οικονομική του κατάσταση θα μπορούσαν να επηρεαστούν αρνητικά σε σημαντικό βαθμό.
- Η λογιστική μεταχείριση των ανέκκλητων εντολών πληρωμής υπόκειται σε αλλαγές.
- Οι δραστηριότητες του Ομίλου υπόκεινται σε όλο και πιο περίπλοκο ρυθμιστικό πλαίσιο, πράγμα που ενδέχεται να αυξήσει το κόστος συμμόρφωσης και τις κεφαλαιακές απαιτήσεις.
- Ο Όμιλος ενδέχεται να υποχρεωθεί να διατηρεί πρόσθετο κεφάλαιο και ρευστότητα ως αποτέλεσμα ρυθμιστικών αλλαγών ή άλλως.
- Ο Όμιλος υπόκειται στο ισχύον ευρωπαϊκό πλαίσιο εξυγίανσης, το οποίο έχει τεθεί σε εφαρμογή και μπορεί να οδηγήσει σε πρόσθετες απαιτήσεις συμμόρφωσης ή κεφαλαίων και θα υπαγορεύσει τη διαδικασία εξυγίανσης του Ομίλου.

ΒΑΣΙΚΕΣ ΠΛΗΡΟΦΟΡΙΕΣ ΓΙΑ ΤΟΥΣ ΤΙΤΛΟΥΣ

Ποια είναι τα βασικά χαρακτηριστικά των τίτλων;

Τύπος, κατηγορία και ISIN. Οι Κοινές Μετοχές είναι κοινές, ονομαστικές, άυλες μετοχές με δικαίωμα ψήφου, εισηγμένες στο Χ.Α. και διαπραγματευόμενες σε ευρώ στην Κύρια Αγορά της Ρυθμιζόμενης Αγοράς Κινητών Αξιών του Χ.Α. με ISIN:GRS014003032.

Νόμισμα, ονομαστική αξία, αξία στο άρτιο και αριθμός εκδοθέντων τίτλων. Κατά την ημερομηνία του παρόντος Ενημερωτικού Δελτίου, το μετοχικό κεφάλαιο της Πειραιώς Holdings διαιρείται σε 1.250.367.223 Κοινές Μετοχές. Οι Κοινές Μετοχές, συμπεριλαμβανομένων των Προσφερόμενων Μετοχών, εκφράζονται και διαπραγματεύονται σε ευρώ. Η ονομαστική αξία κάθε Κοινής Μετοχής είναι €0,93.

Δικαιώματα που συνδέονται με τις Μετοχές. Κάθε Κοινή Μετοχή, συμπεριλαμβανομένων των Προσφερόμενων Μετοχών, ενσωματώνει όλα τα δικαιώματα και τις υποχρεώσεις που απορρέουν από τον Ελληνικό Νόμο 4548/2018 και το Καταστατικό της Πειραιώς Holdings, οι διατάξεις του οποίου δεν είναι αυστηρότερες από αυτές του Ελληνικού Νόμου 4548/2018.

Κατάταξη των κινητών αξιών στην κεφαλαιακή διάρθρωση του εκδότη σε περίπτωση αφερεγγυότητας. Οι Κοινές Μετοχές μπορούν, υπό συγκεκριμένες περιστάσεις, να απομειωθούν ή να ακυρωθούν δυνάμει απόφασης της αρμόδιας αρχής εξυγίανσης σύμφωνα με τον Νόμο BRRD, ακόμη και πριν η Πειραιώς Holdings καταστεί αφερέγγυα ή την έναρξη οποιασδήποτε διαδικασίας εξυγίανσης. Εάν ληφθεί τέτοια απόφαση, οι Κοινές Μετοχές θα απομειωθούν ή θα ακυρωθούν πριν από οποιαδήποτε άλλα κεφαλαιακά μέσα της Πειραιώς Holdings.

Περιορισμοί στην ελεύθερη μεταβίβαση των τίτλων. Δεν υπάρχουν περιορισμοί στη δυνατότητα μεταβίβασης των Κοινών Μετοχών σύμφωνα με το Καταστατικό ή το ελληνικό δίκαιο.

Πολιτική μερισμάτων ή πληρωμών. Πέραν των γενικώς εφαρμοστέων περιορισμών στη διανομή μερισμάτων σύμφωνα με τον Ελληνικό Νόμο 4548/2018, τον Νόμο BRRD και τον Τραπεζικό Νόμο, σύμφωνα με τον Νόμο ΤΧΣ και την Συμφωνία Πλαισίου Συνεργασίας, ο Εκπρόσωπος του ΤΧΣ στο Διοικητικό Συμβούλιο της Πειραιώς Holdings έχει δικαίωμα αρνησικυρίας στη λήψη οποιασδήποτε απόφασης του Διοικητικού Συμβουλίου σχετικής, μεταξύ άλλων, με τη διανομή μερισμάτων, εάν ο λόγος των μη εξυπηρετούμενων δανείων προς το σύνολο των δανείων, όπως υπολογίζεται σύμφωνα με το άρθρο 11 παράγραφος 2, στοιχείο ζ) σημείο ii) του Εκτελεστικού Κανονισμού (ΕΕ) 2021/451 της Επιτροπής, υπερβαίνει το 10%. Επιπλέον, σύμφωνα με την Απόφαση SREP του 2023, η Πειραιώς Holdings υποχρεούται να λάβει την έγκριση της ΕΚΤ πριν προβεί σε οποιαδήποτε διανομή στους Μετόχους της.

Πού θα γίνεται η διαπραγμάτευση των τίτλων;

Οι Κοινές Μετοχές, συμπεριλαμβανομένων των Προσφερόμενων Μετοχών, είναι εισηγμένες στο Χ.Α. και διαπραγματεύονται σε ευρώ στην Κύρια Αγορά της Ρυθμιζόμενης Αγοράς Κινητών Αξιών του Χ.Α. με το σύμβολο «TPEIR».

Ποιοι είναι οι βασικοί κίνδυνοι που αφορούν ειδικά τους τίτλους;

Οι βασικοί κίνδυνοι που σχετίζονται με την Προσφορά και τις Προσφερόμενες Μετοχές περιλαμβάνουν, μεταξύ άλλων, τα ακόλουθα:

- Η εφαρμογή του ισχύοντος νομικού πλαισίου για τις Φορολογικές Πιστώσεις μπορεί να οδηγήσει το ΤΧΣ στην απόκτηση συμμετοχής στην Τράπεζα Πειραιώς και στην αντίστοιχη απομείωση του ποσοστού συμμετοχής της Πειραιώς Holdings στην Τράπεζα Πειραιώς και να έχει ουσιώδη δυσμενή επίδραση στην αξία των Κοινών Μετοχών, συμπεριλαμβανομένων των Προσφερόμενων Μετοχών.
- Η ισχύουσα νομοθεσία ή η νομοθεσία που ενδέχεται να θεσπιστεί στο μέλλον, καθώς και οι υφιστάμενες και μελλοντικές κανονιστικές συστάσεις και κατευθυντήριες γραμμές, ενδέχεται να μην επιτρέπουν στην Πειραιώς Holdings ή να περιορίζουν τη δυνατότητά της να πραγματοποιεί διανομές κερδών, συμπεριλαμβανομένης της καταβολής μερισμάτων επί των Κοινών Μετοχών σε επόμενα έτη.

ΒΑΣΙΚΕΣ ΠΛΗΡΟΦΟΡΙΕΣ ΓΙΑ ΤΗΝ ΠΡΟΣΦΟΡΑ ΤΩΝ ΚΙΝΗΤΩΝ ΑΞΙΩΝ ΣΤΟ ΚΟΙΝΟ

Υπό ποιους όρους και χρονοδιάγραμμα μπορώ να επενδύσω σε αυτούς τους τίτλους;

Προσφορά. Η Προσφορά συνίσταται σε (i) δημόσια προσφορά στην Ελλάδα σε Ιδιώτες Επενδυτές και Ειδικούς Επενδυτές (η «Ελληνική Δημόσια Προσφορά») και (ii) ιδιωτικές τοποθετήσεις σε (α) πρόσωπα που εύλογα θεωρείται ότι είναι ειδικοί θεσμικοί αγοραστές («ΕΘΑς») στις Ηνωμένες Πολιτείες της Αμερικής (οι «ΗΠΑ» ή οι «Ηνωμένες Πολιτείες»), όπως ορίζονται στον, επί τη βάσει του Κανόνα 144A («Κανόνας 144A») ή σύμφωνα με άλλη εξαίρεση από ή σε συναλλαγή που δεν υπόκειται στις απαιτήσεις καταχώρισης του Νόμου περί Κινητών Αξιών ΗΠΑ του 1933, όπως τροποποιήθηκε (ο «Νόμος περί Κινητών Αξιών ΗΠΑ») και (β) θεσμικούς επενδυτές εκτός των Ηνωμένων Πολιτειών, σε κάθε περίπτωση με την επιφύλαξη των ισχυουσών εξαιρέσεων από τις ισχύουσες απαιτήσεις ενημερωτικού δελτίου και καταχώρισης (η «Διεθνής Προσφορά» και από κοινού με την Ελληνική Δημόσια Προσφορά, η «Προσφορά»). Όλες οι προσφορές και πωλήσεις Προσφερόμενων Μετοχών εκτός των Ηνωμένων Πολιτειών θα πραγματοποιούνται σύμφωνα με τον Κανονισμό S βάσει του Νόμου περί Κινητών Αξιών ΗΠΑ. **Το παρόν Ενημερωτικό Δελτίο δεν σχετίζεται με τη Διεθνή Προσφορά. Οι πληροφορίες που περιλαμβάνονται στο παρόν Ενημερωτικό Δελτίο σε σχέση με τη Διεθνή Προσφορά παρέχονται μόνο για ενημερωτικούς σκοπούς.**

Χρονοδιάγραμμα. Ακολουθεί το αναμενόμενο ενδεικτικό χρονοδιάγραμμα της Προσφοράς:

Ημερομηνία	**Γεγονός**
3 Μαρτίου 2024	Έγκριση του Ενημερωτικού Δελτίου από την ΕΚ.

3 Μαρτίου 2024	Δημοσίευση του Ενημερωτικού Δελτίου στην ιστοσελίδα της Πειραιώς Holdings, του Πωλητή Μετόχου, του Συμβούλου για την Ελληνική Δημόσια Προσφορά, των Συντονιστών Κυρίων Αναδόχων της Ελληνικής Δημόσιας Προσφοράς, της ΕΚ και του Χ.Α.
3 Μαρτίου 2024	Δημοσίευση ανακοίνωσης σχετικά με τη διαθεσιμότητα του Ενημερωτικού Δελτίου στο Ημερήσιο Δελτίο Τιμών του Χ.Α. και στις ιστοσελίδες της Πειραιώς Holdings και του Πωλητή Μετόχου.
3 Μαρτίου 2024	Δημοσίευση της ανακοίνωσης για την πρόσκληση του επενδυτικού κοινού και την έναρξη της Ελληνικής Δημόσιας Προσφοράς.
4 Μαρτίου 2024	Έναρξη της διαδικασίας βιβλίου προσφορών για τη Διεθνή Προσφορά (10:00 ώρα Ελλάδας).
4 Μαρτίου 2024	Έναρξη της Ελληνικής Δημόσιας Προσφοράς (10:00 ώρα Ελλάδας).
4-6 Μαρτίου 2024	Ο Πωλητής Μέτοχος δύναται κατά την απόλυτη διακριτική του ευχέρεια δυνάμει αποφάσεων του Διοικητικού του Συμβουλίου να αποφασίζει (όχι κατά σειρά προτεραιότητας): (i) να ασκήσει το Δικαίωμα Επιλογής Αύξησης Μεγέθους Προσφοράς, (ii) να καθορίζει ένα στενότερο εύρος εντός του Εύρους Τιμών, ή/και (iii) να προσδιορίζει μια ενδεικνυόμενη τιμή. Σύμφωνα με το Άρθρο 17 του Κανονισμού για το Ενημερωτικό Δελτίο, οι επενδυτές θα ενημερωθούν μέσω της δημοσίευσης της σχετικής ανακοίνωσης προς τους επενδυτές στο Ημερήσιο Δελτίο Τιμών του Χ.Α. και στις ιστοσελίδες της Πειραιώς Holdings και του Πωλητή Μετόχου.
6 Μαρτίου 2024	Λήξη της διαδικασίας βιβλίου προσφορών για τη Διεθνή Προσφορά (16:00 ώρα Ελλάδας).
6 Μαρτίου 2024	Λήξη της Ελληνικής Δημόσιας Προσφοράς (16:00 ώρα Ελλάδας).
7 Μαρτίου 2024	Δημοσίευση της Ανακοίνωσης Τιμής Προσφοράς στο Ημερήσιο Δελτίο Τιμών του Χ.Α. και στις ιστοσελίδες της Πειραιώς Holdings και του Πωλητή Μετόχου.
7 Μαρτίου 2024	Δημοσίευση αναλυτικής ανακοίνωσης σχετικά με το αποτέλεσμα της Ελληνικής Δημόσιας Προσφοράς στο Ημερήσιο Δελτίο Τιμών του Χ.Α. και στις ιστοσελίδες της Πειραιώς Holdings και του Πωλητή Μετόχου.
11 Μαρτίου 2024	Πίστωση των Προσφερόμενων Μετοχών στις Μερίδες Επενδυτών και στους Λογαριασμούς Αξιογράφων (αναμενόμενη Ημερομηνία Διακανονισμού).

Οι επενδυτές θα πρέπει να σημειώσουν ότι το ανωτέρω χρονοδιάγραμμα είναι ενδεικτικό και ενδέχεται να αλλάξει, οπότε η Πειραιώς Holdings και ο Πωλητής Μέτοχος θα ενημερώσουν δεόντως και εγκαίρως το επενδυτικό κοινό με δημόσια ανακοίνωση η οποία θα δημοσιευτεί στο Ημερήσιο Δελτίο Τιμών του Χ.Α., στην ιστοσελίδα του Πωλητή Μετόχου και στην ιστοσελίδα της Πειραιώς Holdings.

Τιμή Προσφοράς, Εύρος Τιμών και αριθμός Προσφερόμενων Μετοχών. Ο Πωλητής Μέτοχος διαθέτει αρχικά έως 275.080.789 Κοινές Μετοχές, σύμφωνα με την Προσφορά. Ο Πωλητής Μέτοχος έχει επιφυλαχθεί να ασκήσει κατά την απόλυτη διακριτική του ευχέρεια το Δικαίωμα Επιλογής Αύξησης Μεγέθους Προσφοράς και να αυξήσει τον αριθμό των Αρχικά Προσφερόμενων Μετοχών που προσφέρονται στην Προσφορά κατά έως 62.518.361 Κοινές Μετοχές. Η απόφαση για την άσκηση του Δικαιώματος Επιλογής Αύξησης Μεγέθους Προσφοράς μπορεί να ληφθεί ανά πάσα στιγμή κατά τη διάρκεια της περιόδου της διαδικασίας του βιβλίου προσφορών της Διεθνούς Προσφοράς από τον Πωλητή Μέτοχο. Η Πειραιώς Holdings δεν θα προσφέρει Προσφερόμενες Μετοχές στην Προσφορά. Η Τιμή Προσφοράς, η οποία δεν μπορεί να είναι χαμηλότερη από €3,70 ούτε υψηλότερη από €4,00 ανά Προσφερόμενη Μετοχή, και η οποία θα είναι ακριβώς ίδια στην Ελληνική Δημόσια Προσφορά και στη Διεθνή Προσφορά καθώς και ο ακριβής αριθμός των Προσφερόμενων Μετοχών αναμένεται να καθοριστούν δυνάμει απόφασης του Διοικητικού Συμβουλίου του Πωλητή Μετόχου μετά τη λήξη της περιόδου της διαδικασίας του βιβλίου προσφορών για τη Διεθνή Προσφορά στις ή γύρω στις 6 Μαρτίου 2024 και θα αναφέρεται στην Ανακοίνωση Τιμής Διάθεσης που θα δημοσιευθεί σύμφωνα με το Άρθρο 17 του Κανονισμού για το Ενημερωτικό Δελτίο. Περαιτέρω, οποτεδήποτε κατά την περίοδο της διαδικασίας του βιβλίου προσφορών για τη Διεθνή Προσφορά, ο Πωλητής Μέτοχος δύναται κατά την απόλυτη διακριτική του ευχέρεια δυνάμει αποφάσεων του Διοικητικού του Συμβουλίου να αποφασίζει (όχι κατά σειρά προτεραιότητας) να καθορίζει και να ανακοινώνει δημοσίως ένα στενότερο εύρος εντός του Εύρους Τιμών ή/και να προσδιορίζει μια ενδεικνυόμενη τιμή , και οι ανακοινώσεις αυτές θα δημοσιευθούν σύμφωνα με το άρθρο 17 του Κανονισμού για το Ενημερωτικό Δελτίο. Οι επενδυτές θα ενημερωθούν από τη δημοσίευση των σχετικών ανακοινώσεων προς τους επενδυτές στο Ημερήσιο Δελτίο Τιμών του Χ.Α., στην ιστοσελίδα της Πειραιώς Holdings και στην ιστοσελίδα του Πωλητή Μετόχου.

Διαδικασία της Ελληνικής Δημόσιας Προσφοράς

(α) Γενικές παρατηρήσεις σχετικά με την Ελληνική Δημόσια Προσφορά

Η Ελληνική Δημόσια Προσφορά απευθύνεται τόσο σε Ιδιώτες Επενδυτές όσο και σε Ειδικούς Επενδυτές στην Ελλάδα και θα διεξαχθεί μέσω της διαδικασίας ηλεκτρονικού βιβλίου προσφορών (Η.ΒΙ.Π.). Απαγορεύεται η συμμετοχή στην Ελληνική Δημόσια Προσφορά του ίδιου φυσικού ή νομικού προσώπου ταυτόχρονα υπό την ιδιότητα τόσο του Ιδιώτη Επενδυτή όσο και του Ειδικού Επενδυτή. Εάν ένας επενδυτής συμμετάσχει στην Ελληνική Δημόσια Προσφορά ως Ειδικός Επενδυτής και ως Ιδιώτης Επενδυτής, θα αντιμετωπίζεται ως Ιδιώτης Επενδυτής, με εξαίρεση τις εγγραφές που υποβάλλονται μέσω Συμμετεχόντων Σ.Α.Τ. για τους ίδιους συλλογικούς καταθετικούς λογαριασμούς κινητών αξιών και στις δύο κατηγορίες επενδυτών. Το ανώτατο όριο εγγραφής ανά επενδυτή είναι ο συνολικός αριθμός των Προσφερόμενων Μετοχών που προσφέρονται στην Ελληνική Δημόσια Προσφορά, δηλαδή έως 41.262.118 Αρχικά Προσφερόμενες Μετοχές, που αντιστοιχεί στο σύνολο των Προσφερόμενων Μετοχών που αρχικά κατανεμήθηκαν στην Ελληνική Δημόσια Προσφορά, πολλαπλασιαζόμενος επί τη μέγιστη τιμή του Εύρους Τιμών. Οι Ιδιώτες Επενδυτές και οι Ειδικοί Επενδυτές εγγράφονται για Προσφερόμενες Μετοχές στην Ελληνική Δημόσια Προσφορά στην ανώτατη τιμή του Εύρους Τιμών.

(β) Διαδικασία για την Ελληνική Δημόσια Προσφορά σε Ιδιώτες Επενδυτές

Οι Ιδιώτες Επενδυτές μπορούν να εγγραφούν για Προσφερόμενες Μετοχές στην Ελληνική Δημόσια Προσφορά από τις 10:00 ώρα Ελλάδος της πρώτης ημέρας (δηλαδή 4 Μαρτίου 2024) έως τις 16:00 ώρα Ελλάδος της τελευταίας ημέρας (δηλαδή 6 Μαρτίου 2024) της περιόδου της Ελληνικής Δημόσιας Προσφοράς, υποβάλλοντας σχετική αίτηση εγγραφής κατά τις συνήθεις εργάσιμες ημέρες και ώρες μέσω των οικείων τους Μελών Η.ΒΙ.Π. (επιχειρήσεων παροχής επενδυτικών υπηρεσιών, τραπεζών ή θυγατρικών τραπεζών). Οι Ιδιώτες Επενδυτές που υποβάλλουν αίτηση εγγραφής για Προσφερόμενες Μετοχές θα πρέπει να προσκομίσουν την αστυνομική ταυτότητα ή το διαβατήριό τους, τον αριθμό φορολογικού μητρώου τους και εκτυπωμένο αντίγραφο των στοιχείων τους στο Σ.Α.Τ. τα οποία θα προσδιορίζουν τη Μερίδα Επενδυτή και τον Λογαριασμό Αξιογράφων τους. Οι αιτήσεις εγγραφής των ενδιαφερομένων Ιδιωτών Επενδυτών θα είναι δεκτές, υπό την προϋπόθεση ότι έχει καταβληθεί ποσό ίσο με τη συνολική τιμή αγοράς τους συν το γινόμενο 0,0325% επί της συνολικής τιμής αγοράς, σε μετρητά ή με τραπεζική επιταγή, ή έχει δεσμευτεί το ισόποσο σε κάθε είδους καταθετικούς τραπεζικούς λογαριασμούς επενδυτών πελατών ή σε τραπεζικούς λογαριασμούς πελατών που οι Ιδιώτες Επενδυτές τηρούν στο πλαίσιο λήψης επενδυτικών ή/και τραπεζικών υπηρεσιών και των οποίων είναι δικαιούχοι ή συνδικαιούχοι. Η χρέωση

ποσοστού 0,0325% επί της συνολικής τιμής αγοράς αφορά τέλη χρηματιστηριακών συναλλαγών και έξοδα εκκαθάρισης. Επιπλέον, οι επενδυτές θα χρεωθούν συνήθεις αμοιβές διαμεσολάβησης. Σύμφωνα με την υπ’ αριθ. 37/16.05.2008 Εγκύκλιο της ΕΚ, κάθε Ιδιώτης Επενδυτής που είναι φυσικό πρόσωπο μπορεί να συμμετάσχει στην Ελληνική Δημόσια Προσφορά είτε από την αυτοτελή του/της Μερίδα Επενδυτή είτε μέσω μίας ή περισσότερων εκ των ΚΕΜ στις οποίες συμμετέχει ως συνδικαιούχος.

(γ) Διαδικασία προσφοράς για την Ελληνική Δημόσια Προσφορά σε Ειδικούς Επενδυτές

Οι Ειδικοί Επενδυτές μπορούν να εγγραφούν για Προσφερόμενες Μετοχές στην Ελληνική Δημόσια Προσφορά από τις 10:00 ώρα Ελλάδος της πρώτης ημέρα (δηλαδή 4 Μαρτίου 2024) έως τις 16:00 ώρα Ελλάδος της τελευταίας ημέρας (δηλαδή 6 Μαρτίου 2024) της περιόδου της Ελληνικής Δημόσιας Προσφοράς, υποβάλλοντας σχετική αίτηση εγγραφής αποκλειστικά μέσω των Συντονιστών και Κύριων Αναδόχων της Ελληνικής Δημόσιας Προσφοράς ή άλλων Μελών Η.ΒΙ.Π. (επιχειρήσεων παροχής επενδυτικών υπηρεσιών, τραπεζών ή θυγατρικών τραπεζών) που διορίζονται από τους Συντονιστές και Κύριους Αναδόχους της Ελληνικής Δημόσιας Προσφοράς. Η αξία των Προσφερόμενων Μετοχών που έχουν κατανεμηθεί σε Ειδικούς Επενδυτές θα διακανονίζεται κατά την Ημερομηνία Διακανονισμού μέσω των αντίστοιχων θεματοφυλάκων τους και δεν θα προεξοφλείται κατά την υποβολή των αιτήσεων εγγραφής τους. Η ανωτέρω χρέωση ποσοστού 0,0325% επί της συνολικής τιμής αγοράς για τέλη χρηματιστηριακών συναλλαγών και έξοδα εκκαθάρισης καθώς και συνήθεις αμοιβές διαμεσολάβησης θα ισχύουν και για τους Ειδικούς Επενδυτές. Κατά τη διάρκεια της περιόδου της Ελληνικής Δημόσιας Προσφοράς, οι Ειδικοί Επενδυτές έχουν το δικαίωμα να τροποποιήσουν τις αιτήσεις εγγραφής τους και κάθε νέα αίτηση θεωρείται ότι ακυρώνει τις προηγούμενες. Την τελευταία ημέρα της περιόδου της Ελληνικής Δημόσιας Προσφοράς, όλες οι αιτήσεις που ισχύουν τη δεδομένη χρονική στιγμή θεωρούνται οριστικές.

Κατανομή

Γενικά

Οι Αρχικά Προσφερόμενες Μετοχές έχουν αρχικά κατανεμηθεί μεταξύ της Ελληνικής Δημόσιας Προσφοράς και της Διεθνούς Προσφοράς ως εξής: (i) 15%, που αντιστοιχεί σε 41.262.118 των Αρχικά Προσφερόμενων Μετοχών, θα κατανεμηθεί σε επενδυτές που συμμετέχουν στην Ελληνική Δημόσια Προσφορά, και (ii) 85%, που αντιστοιχεί σε 233.818.671 των Αρχικά Προσφερόμενων Μετοχών, θα κατανεμηθεί σε επενδυτές που συμμετέχουν στη Διεθνή Προσφορά. Ο Πωλητής Μέτοχος έχει το δικαίωμα να τροποποιήσει το εν λόγω ποσοστό κατανομής κατά τη διακριτική του ευχέρεια, με βάση τη ζήτηση που εκφράζεται σε κάθε μέρος της Προσφοράς, υπό την προϋπόθεση ότι οποιαδήποτε τέτοια τροποποιημένη κατανομή των Αρχικά Προσφερόμενων Μετοχών μεταξύ της Διεθνούς Προσφοράς και της Ελληνικής Δημόσιας Προσφοράς δεν μπορεί να έχει ως αποτέλεσμα η Ελληνική Δημόσια Προσφορά να λάβει ποσοστό των Αρχικά Προσφερόμενων Μετοχών χαμηλότερο από το 15% που ορίζεται ανωτέρω, εάν η ζήτηση που εκφράζεται από επενδυτές που έχουν συμμετάσχει στην Ελληνική Δημόσια Προσφορά είναι τουλάχιστον ίση με αυτό το ποσοστό. Ο Πωλητής Μέτοχος διατηρεί το δικαίωμα να ασκήσει το Δικαίωμα Επιλογής Αύξησης Μεγέθους Προσφοράς κατά τη διακριτική του ευχέρεια. Η κατανομή των Μετοχών του Δικαιώματος Επιλογής Αύξησης Μεγέθους Προσφοράς που δύνανται να πωληθούν μεταξύ της Ελληνικής Δημόσιας Προσφοράς και της Διεθνούς Προσφοράς είναι στη διακριτική ευχέρεια του Πωλητή Μετόχου. Η τελική κατανομή των Προσφερόμενων Μετοχών μεταξύ της Ελληνικής Δημόσιας Προσφοράς και της Διεθνούς Προσφοράς θα καθοριστεί μετά τη λήξη της περιόδου της διαδικασίας του βιβλίου προσφορών για τη Διεθνή Προσφορά και την Ελληνική Δημόσια Προσφορά στις ή γύρω στις 6 Μαρτίου 2024 από τον Πωλητή Μέτοχο, και οι επενδυτές θα ενημερωθούν από τη δημοσίευση της σχετικής ανακοίνωσης προς τους επενδυτές στο Ημερήσιο Δελτίο Τιμών του Χ.Α., στην ιστοσελίδα της Πειραιώς Holdings και στην ιστοσελίδα του Πωλητή Μετόχου.

Κατανομή των Προσφερόμενων Μετοχών στην Ελληνική Δημόσια Προσφορά

Από τον συνολικό αριθμό των Προσφερόμενων Μετοχών που τελικά κατανεμήθηκαν στην Ελληνική Δημόσια Προσφορά (αφού ληφθεί υπόψη τυχόν επανακατανομή των Προσφερόμενων Μετοχών από τη Διεθνή Προσφορά στην Ελληνική Δημόσια Προσφορά ή/και η άσκηση από το ΤΧΣ του Δικαιώματος Επιλογής Αύξησης Μεγέθους Προσφοράς, ο αριθμός των Προσφερόμενων Μετοχών που θα κατανεμηθούν οριστικά στην κατηγορία των Ιδιωτών Επενδυτών και των Ειδικών Επενδυτών θα καθοριστεί με την ολοκλήρωση της Ελληνικής Δημόσιας Προσφοράς, κατά τη διακριτική ευχέρεια του Πωλητή Μετόχου, υπό την προϋπόθεση ότι η κατανομή των Προσφερόμενων Μετοχών στην Ελληνική Δημόσια Προσφορά προς τους επενδυτές θα διενεργηθεί ως εξής: (i) ποσοστό τουλάχιστον 30% των Προσφερόμενων Μετοχών στην Ελληνική Δημόσια Προσφορά θα κατανεμηθεί προς ικανοποίηση των αιτήσεων από Ιδιώτες Επενδυτές, και (ii) το υπόλοιπο ποσοστό μέχρι 70% των Προσφερόμενων Μετοχών στην Ελληνική Δημόσια Προσφορά θα κατανεμηθεί μεταξύ Ειδικών Επενδυτών και Ιδιωτών Επενδυτών βάσει της ζήτησης που θα έχει εκδηλωθεί από κάθε κατηγορία αυτών των επενδυτών (Ειδικών Επενδυτών και Ιδιωτών Επενδυτών). Στο μέτρο που οι αιτήσεις των Ιδιωτών Επενδυτών για το 30% των Προσφερόμενων Μετοχών στην Ελληνική Δημόσια Προσφορά έχουν ικανοποιηθεί, τα ακόλουθα θα ληφθούν υπόψη ώστε να προσδιοριστεί τελικώς το ποσοστό κατανομής ανά κατηγορία επενδυτών: (α) η ζήτηση από Ειδικούς Επενδυτές, (β) η ζήτηση στο τμήμα των Ιδιωτών Επενδυτών που υπερβαίνει το 30%, (γ) ο αριθμός των αιτήσεων για την αγορά Προσφερόμενων Μετοχών που αφορούν Ιδιώτες Επενδυτές, και (δ) η ανάγκη να επιτευχθεί επαρκής διασπορά. Σε περίπτωση που η ζήτηση από Ιδιώτες Επενδυτές υπολείπεται του 30% του συνολικού αριθμού των Προσφερόμενων Μετοχών στην Ελληνική Δημόσια Προσφορά, οι αιτήσεις των Ιδιωτών Επενδυτών θα ικανοποιηθούν πλήρως μέχρι το ποσό που αντιστοιχεί στη ζήτηση που πράγματι εκδηλώθηκε, ενώ οι Προσφερόμενες Μετοχές στην Ελληνική Δημόσια Προσφορά οι οποίες αντιστοιχούν στο έλλειμμα έναντι του συνολικού ποσοστού του 30% του συνολικού αριθμού των Προσφερόμενων Μετοχών στην Ελληνική Δημόσια Προσφορά θα μεταφερθεί στην κατηγορία των Ειδικών Επενδυτών. Εάν η ζήτηση για Προσφερόμενες Μετοχές στην κατηγορία των Ιδιωτών Επενδυτών στην Ελληνική Δημόσια Προσφορά είναι μεγαλύτερη από τον συνολικό αριθμό των Προσφερόμενων Μετοχών που έχουν κατανεμηθεί οριστικά στην κατηγορία αυτή, οι αιτήσεις εγγραφής των Ιδιωτών Επενδυτών θα ικανοποιηθούν κατ’ αναλογία. Εάν η ζήτηση για Προσφερόμενες Μετοχές στην Ελληνική Δημόσια Προσφορά στην κατηγορία των Ειδικών Επενδυτών είναι μεγαλύτερη από τον συνολικό αριθμό των Προσφερόμενων Μετοχών που έχουν κατανεμηθεί οριστικά στην κατηγορία αυτή, οι αιτήσεις εγγραφής των Ειδικών Επενδυτών θα ικανοποιηθούν κατ’ αναλογία. Σε ενδεχόμενη μερική κάλυψη της Ελληνικής Δημόσιας Προσφοράς, θα κατανεμηθούν στους Ιδιώτες Επενδυτές και στους Ειδικούς Επενδυτές το σύνολο (δηλαδή το 100%) των Προσφερόμενων Μετοχών τις οποίες έχουν αιτηθεί. Η κατανομή των Προσφερόμενων Μετοχών στην Ελληνική Δημόσια Προσφορά δεν θα εξαρτάται από τον ενδιάμεσο χρηματοπιστωτικό φορέα ή τον τρόπο υποβολής των αιτήσεων εγγραφής.

Πληρωμή και παράδοση των Προσφερόμενων Μετοχών στην Ελληνική Δημόσια Προσφορά

Η παράδοση των Προσφερόμενων Μετοχών θα ολοκληρωθεί με τη μεταφορά τους στη Μερίδα Επενδυτή και στο Λογαριασμό Αξιογράφων των δικαιούχων Ιδιωτών Επενδυτών και Ειδικών Επενδυτών. Η εν λόγω καταχώριση θα πραγματοποιηθεί μετά την ολοκλήρωση των σχετικών διαδικασιών και η ακριβής ημερομηνία αυτής θα ανακοινωθεί δημόσια από την Πειραιώς Holdings και το ΤΧΣ μέσω του Χ.Α. τουλάχιστον μία Εργάσιμη Ημέρα πριν από την παράδοση των Προσφερόμενων Μετοχών στους επενδυτές.

Σύμβουλος για την Ελληνική Δημόσια Προσφορά. Η EUROXX ΧΡΗΜΑΤΙΣΤΗΡΙΑΚΗ ΑΝΩΝΥΜΗ ΕΤΑΙΡΙΑ ΠΑΡΟΧΗΣ ΕΠΕΝΔΥΤΙΚΩΝ ΥΠΗΡΕΣΙΩΝ ενεργεί ως Σύμβουλος για την Ελληνική Δημόσια Προσφορά.

Συντονιστές Κύριοι Ανάδοχοι Ελληνικής Δημόσιας Προσφοράς. Η EUROXX ΧΡΗΜΑΤΙΣΤΗΡΙΑΚΗ ΑΝΩΝΥΜΗ ΕΤΑΙΡΙΑ ΠΑΡΟΧΗΣ ΕΠΕΝΔΥΤΙΚΩΝ ΥΠΗΡΕΣΙΩΝ και η ΤΡΑΠΕΖΑ ΠΕΙΡΑΙΩΣ ΑΝΩΝΥΜΟΣ ΕΤΑΙΡΕΙΑ ενεργούν ως Συντονιστές Κύριοι Ανάδοχοι Ελληνικής Δημόσιας Προσφοράς.

Μείωση διασποράς. Οι υφιστάμενοι Μέτοχοι δεν θα υποστούν καμία απομείωση σε σχέση με την Προσφορά, καθώς δεν εκδίδονται νέες Κοινές Μετοχές.

Εκτιμώμενα έξοδα. Τα συνολικά έξοδα της Προσφοράς, ή παρεπόμενα αυτής, τα οποία θα βαρύνουν την Πειραιώς Holdings, εκτιμάται ότι θα ανέλθουν σε έως €44 εκατ. Με την παραδοχή ότι το σύνολο των Προσφερόμενων Μετοχών θα διατεθεί μέσω της Προσφοράς, τα συνολικά ή παρεπόμενα έξοδα της Προσφοράς που θα βαρύνουν το ΤΧΣ εκτιμώνται σε έως περίπου €14 εκατ., εκ των οποίων οι συνολικές προμήθειες που καταβάλλονται από τον Πωλητή Μέτοχο σε σχέση με την Προσφορά, υπολογιζόμενες στην ανώτατη τιμή του Εύρους Τιμών, εκτιμώνται σε έως περίπου €12 εκατ., από τα οποία περίπου €1 εκατ. αφορούν την Ελληνική Δημόσια Προσφορά και περίπου €11 εκατ. αφορούν τη Διεθνή Προσφορά. Υπό την παραδοχή ότι το Δικαίωμα Επιλογής Αύξησης Μεγέθους Προσφοράς θα ασκηθεί σε όλη του την έκταση, τα συνολικά έξοδα θα αυξηθούν έως κατά €3 εκατ. περίπου. Όλα τα ποσά στην παράγραφο αυτή έχουν υπολογιστεί προ ΦΠΑ.

Έξοδα επενδυτών. Οι επενδυτές που συμμετέχουν στην Ελληνική Δημόσια Προσφορά θα επιβαρύνονται με ποσοστό 0,0325% επί της αξίας των κατανεμηθεισών Προσφερόμενων Μετοχών (υπολογιζόμενη ως το γινόμενο των κατανεμηθεισών Προσφερόμενων Μετοχών επί την Τιμή Προσφοράς) για τέλη χρηματιστηριακών συναλλαγών και έξοδα εκκαθάρισης. Επιπλέον, οι επενδυτές θα χρεωθούν συνήθεις αμοιβές διαμεσολάβησης.

Ποιος είναι ο Προσφέρων τις Κινητές Αξίες;

Οι Προσφερόμενες Μετοχές διατίθενται από τον Πωλητή Μέτοχο. Το ΤΧΣ ιδρύθηκε στις 21 Ιουλίου 2010, σύμφωνα με τον Νόμο ΤΧΣ (ο οποίος δημοσιεύθηκε στο Φύλλο Εφημερίδας Κυβερνήσεως Τεύχος Α' 119/21.07.2010). Είναι νομικό πρόσωπο ιδιωτικού δικαίου, δεν ανήκει στον δημόσιο τομέα, ούτε στον ευρύτερο δημόσιο τομέα και διέπεται από τις διατάξεις του Νόμου ΤΧΣ. Το ΤΧΣ εδρεύει στην Ελλάδα και η έδρα του βρίσκεται στη Λεωφόρο Ε. Βενιζέλου 10, 10671 Αθήνα. Ο τηλεφωνικός του αριθμός είναι +30 210 215 5606 900, ο LEI του είναι 213800CO7SMD2CSIEO62, ΑΦΜ 997889852 και ο ιστότοπός του https://hfsf.gr/en. Οι πληροφορίες και άλλο περιεχόμενο που εμφανίζεται σε αυτόν τον ιστότοπο δεν αποτελούν μέρος αυτού του Ενημερωτικού Δελτίου.

Γιατί καταρτίζεται αυτό το ενημερωτικό δελτίο;

Λόγοι για την Προσφορά. Η Προσφορά διενεργείται σύμφωνα με τον Νόμο ΤΧΣ και τη Στρατηγική Αποεπένδυσης του ΤΧΣ (περίληψη των οποίων είναι διαθέσιμη στην ιστοσελίδα του ΤΧΣ: https://hfsf.gr/wp-content/uploads/2023/01/Divestment-Strategy-23_25-EN.pdf). Ειδικότερα, το ισχύον νομικό πλαίσιο για το ΤΧΣ ορίζει το τέλος του 2025 ως ημερομηνία λήξης της λειτουργίας του ΤΧΣ και αναβαθμίζει τον στόχο της αποεπένδυσης ως ισάξιο με τον άλλο στόχο του ΤΧΣ, δηλαδή τη συμβολή του στη διατήρηση της χρηματοπιστωτικής σταθερότητας του ελληνικού τραπεζικού συστήματος για σκοπούς δημόσιου συμφέροντος. Σύμφωνα με τη Στρατηγική Αποεπένδυσης του ΤΧΣ και τον Νόμο ΤΧΣ, το ΤΧΣ οφείλει σύμφωνα με τον νόμο να καταβάλει κάθε εύλογη προσπάθεια για να διαθέσει τις συμμετοχές του στις ελληνικές συστημικές τράπεζες εντός του χρονοδιαγράμματος που ορίζει ο Νόμος ΤΧΣ, με την επιφύλαξη της διατήρησης της χρηματοπιστωτικής σταθερότητας και της λήψης από αυτό εύλογης αξίας.

Καθαρά έσοδα. Τα καθαρά έσοδα που θα εισπράξει ο Πωλητής Μέτοχος από τη διάθεση των Αρχικά Προσφερόμενων Μετοχών (εξαιρουμένου ΦΠΑ επί των εξόδων), εκτιμώμενα έως €1.086 εκατ. και, υπό την παραδοχή ότι το Δικαίωμα Επιλογής Αύξησης Μεγέθους Προσφοράς θα ασκηθεί σε όλη του την έκταση, αυξανόμενα έως κατά €247 εκατ. περίπου (εξαιρουμένου ΦΠΑ επί των εξόδων), υπολογιζόμενα στη μέγιστη τιμή του Εύρους Τιμών, θα κατατεθούν στον τοκοφόρο λογαριασμό του Πωλητή Μετόχου που τηρείται στην Τράπεζα της Ελλάδος αποκλειστικά για τους σκοπούς του Νόμου ΤΧΣ και σε συμμόρφωση με τις υποχρεώσεις του ΤΧΣ εκ του ή σε σχέση με την Κύρια Σύμβαση Χρηματοδοτικής Διευκόλυνσης της 15 Μαρτίου 2012 (που κυρώθηκε με τον Ελληνικό Νόμο 4060/2012), και υπό τη Σύμβαση Οικονομικής Ενίσχυσης της 19 Αυγούστου 2015 (που κυρώθηκε με τον Ελληνικό Νόμο 4336/2015). Η Πειραιώς Holdings δεν θα διαθέσει καμία μετοχή στο πλαίσιο της Προσφοράς και δεν θα εισπράξει έσοδα από την πώληση των Προσφερόμενων Μετοχών.

Σύμβαση Αναδοχής Ελληνικής Δημόσιας Προσφοράς. Η Ελληνική Δημόσια Προσφορά δεν υπόκειται σε σύμβαση αναδοχής ή/και τοποθέτησης χρηματοπιστωτικών μέσων με δέσμευση ανάληψης.

Σύμβαση Αναδοχής Διεθνούς Προσφοράς. Η Διεθνής Προσφορά δεν υπόκειται σε σύμβαση αναδοχής ή/και τοποθέτησης χρηματοπιστωτικών μέσων με δέσμευση ανάληψης.

Ουσιαστικές συγκρούσεις συμφερόντων που σχετίζονται με την Ελληνική Δημόσια Προσφορά. Η EUROXX ΧΡΗΜΑΤΙΣΤΗΡΙΑΚΗ ΑΝΩΝΥΜΗ ΕΤΑΙΡΙΑ ΠΑΡΟΧΗΣ ΕΠΕΝΔΥΤΙΚΩΝ ΥΠΗΡΕΣΙΩΝ, ως Σύμβουλος Ελληνικής Δημόσιας Προσφοράς και Συντονιστής Κύριος Ανάδοχος Ελληνικής Δημόσιας Προσφοράς, λαμβάνοντας υπόψιν ως κριτήριο την προηγούμενη λήψη οποιασδήποτε αμοιβής από την Πειραιώς Holdings, καθώς και τα κριτήρια με βάση τις κατευθυντήριες γραμμές της ESMA για τις απαιτήσεις γνωστοποίησης σύμφωνα με τον Κανονισμό για το Ενημερωτικό Δελτίο (04/03/2021 | ESMA32-382-1138) δηλώνει ότι δεν έχει συμφέροντα ή συγκρουόμενα συμφέροντα που να επηρεάζουν σημαντικά την Ελληνική Δημόσια Προσφορά.

Η Τράπεζα Πειραιώς Ανώνυμος Εταιρεία, ως Συντονιστής Κύριος Ανάδοχος Ελληνικής Δημόσιας Προσφοράς, λαμβάνοντας υπόψιν ως κριτήριο την προηγούμενη λήψη οποιασδήποτε αμοιβής από την Πειραιώς Holdings, καθώς και τα κριτήρια με βάση τις κατευθυντήριες γραμμές της ESMA για τις απαιτήσεις γνωστοποίησης σύμφωνα με τον Κανονισμό για το Ενημερωτικό Δελτίο (04/03/2021 | ESMA32-382-1138) δηλώνει ότι δεν έχει συμφέροντα ή συγκρουόμενα συμφέροντα που να επηρεάζουν σημαντικά την Ελληνική Δημόσια Προσφορά, παρά το έμμεσο συμφέρον που προκύπτει από τη σχέση θυγατρικής και μητρικής εταιρίας που τη συνδέει με την Πειραιώς Holdings.

FORWARD-LOOKING STATEMENTS

This Prospectus includes forward-looking statements relating to Management's intent, beliefs or current expectations with respect to, *inter alia*, the Group's businesses and operations, market conditions, results of operation and financial condition, capital adequacy, risk management practices, liquidity, prospects, growth and strategies. Such items in this Prospectus include, but are not limited to, statements made under Section 1 "*Risk Factors*", Section 4 "*Group's Business Overview*", Section 5 "*Macroeconomic and Financial Environment*", Section 6 "*Trend Information*", Section 7 "*Financial Information Concerning the Group's Assets and Liabilities, Financial Position, and Profits and Losses*" and Section 23 "*Financial Targets and Profit Forecasts*". Such statements can be generally identified by the use of terms such as "believes", "expects", "may", "will", "should", "would", "could", "plans", "anticipates" and comparable terms and the negatives of such terms. By their nature, forward-looking statements involve risk and uncertainty, and the factors described in the context of such forward-looking statements in this Prospectus could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements. The Group has based these forward-looking statements on its current expectations and projections about future events. These forward-looking statements are subject to risks, uncertainties and assumptions about Piraeus Holdings or the Group, including (but not limited to) those set out under Section 1 "*Risk Factors*".

In this Prospectus, Piraeus Holdings presents certain forward-looking financial performance targets for the Group derived from its 2024-2026 business plan, some of which are deemed to be profit forecasts under the Prospectus Regulation, as set out under Section 23 "*Financial Targets and Profit Forecasts*". These financial performance targets represent the Group's strategic objectives and targets for the years ending 31 December 2024 and 2026. The Group's financial performance targets are based on a range of expectations and assumptions regarding, among other things, the Group's present and future business strategies and the market environment in which the Group operates (including, without limitation, anticipated economic growth, developments in key market segments that the Group services and the banking industry more generally, trends relating to residential and commercial property prices, trends relating to the interest rate environment, as well as anticipated trends in lending activities in Greece, along with NPE developments), some or all of which may prove to be inaccurate. The Group's ability to achieve these targets is subject to inherent risks, many of which are beyond its control and some of which could have an immediate impact on its earnings and/or financial position, which could materially affect its ability to realise such targets. Furthermore, the Group operates in a very competitive and rapidly changing environment, which is subject to regulatory, political and other risks. The Group may face new risks from time to time, and it is not possible for it to predict all such risks which may affect its ability to achieve the targets described herein. Given these risks and uncertainties, the Group may not achieve its targets at all or within the timeframe described herein.

Except as otherwise required by applicable law or regulation, the Group undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this Prospectus might not occur. Any statements regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future.

1 RISK FACTORS

Prospective investors should consider all of the information in this Prospectus, including the following risk factors, before deciding to invest in the Ordinary Shares. The risks described below are those significant risk factors, currently known and specific to the Group or the banking industry, that the Group believes are relevant to an investment in the Ordinary Shares and are presented, by category, based on the probability of their occurrence and the estimated negative impact that their occurrence may cause. If any of the events described below actually occur, the Group's business, financial condition or results of operations could be materially adversely affected, and the value and trading price of the Ordinary Shares may decline, resulting in a loss of all or a part of any investment in the Ordinary Shares. Furthermore, the risks described below are not the only risks the Group faces. Additional risks not currently known or which are currently believed to be immaterial may also have a material adverse effect on the Group's business, financial condition and results of operations.

1.1 Risks Relating to the Long-Lasting Implications of the Hellenic Republic's Economic Crisis in the Previous Decade, the Residual Effect of the COVID-19 Pandemic, Evolving Geopolitical Turbulence, Inflationary Pressures and the Macroeconomic Outlook in the Hellenic Republic.

The economic outlook and the fiscal position of the Hellenic Republic continues to be affected by the legacy of the prolonged economic crisis of the previous decade, the COVID-19 pandemic since 2020, and the surge in inflation since 2021, compounded by heightened geopolitical tensions and still considerable risks to the energy outlook.

Due to the concentration of the Group's activities in Greece, its business, financial condition and results of operations are heavily dependent on macroeconomic, social and political conditions prevailing therein. In the year ended 31 December 2023 and the year ended 31 December 2022, the Group's domestic operations contributed 96.9% and 98.7%, respectively, of the Group's total income from continuing operations. As of 31 December 2023, 99.8% of the Group's loans and advances to customers were derived from domestic operations, and the Group's exposure to Greek government securities and derivative financial assets less derivative financial liabilities to the Greek public sector amounted to €9.1 billion.

Over the past decade, in an environment of prolonged and deep recession, intense fiscal tightening and turbulent financial conditions, the Hellenic Republic has undertaken significant structural measures intended to restore competitiveness and promote economic growth in Greece through the financial support programmes agreed with the IMF, the ECB, the ESM and the EC (collectively, the "Institutions"). A programme was initially agreed in May 2010 (the "First Programme")[1] and was renewed by way of a second economic adjustment programme in March 2012 and further amended pursuant to Eurogroup decisions of November 2012 (the "Second Programme")[2]. The First Programme and the Second Programme established, through related financial facility agreements signed between the Hellenic Republic, the participating Eurozone countries, the EFSF and the IMF, financing intended to fully cover the Hellenic Republic's external financing needs until the end of 2014, conditioned on the implementation of a number of fiscal adjustment policies, structural measures and growth enhancing structural reforms. On 8 December 2014, the Eurogroup announced a "technical extension" of the EU-side of the Second Programme to the end of February 2015[3]. On 20 February 2015, the Eurogroup agreed to a four-month extension of the Master Financial Assistance Facility Agreement underpinning the Second Programme[4].

Uncertainty peaked in late June 2015, when an agreement with the official lenders had not been reached and, as a result, the Second Programme expired, resulting in a payment default by the Greek government under its IMF facility. Subsequently, a referendum was called related to the conditions underlying a potential new agreement on the activation of a new programme of financial support. In response to the fear of an outright bank-run, the Greek government imposed a "bank holiday" on 28 June 2015 that lasted until 19 July 2015 and applied specific restrictions on banking and other financial transactions of Greek citizens and legal entities (jointly referred to as "capital controls")[5]. The capital movement restrictions which were gradually relaxed on several occasions were finally lifted in September 2018.

On 19 August 2015, the Hellenic Republic entered a third programme of financial support (the "Third Programme"), underpinned by a memorandum of understanding (the "MoU") with the EC and the ESM, against a backdrop of severe economic uncertainty, intensifying liquidity tensions and capital flight, that appeared to threaten the membership of the Hellenic Republic in the European Monetary Union and the European Union. The Third Programme was designed to support a sustainable fiscal consolidation and promote key structural reforms[6]. On 21 June 2018, the Eurogroup confirmed the successful conclusion of the fourth review and, therefore, the effective completion of the Third Programme, and also welcomed the commitment of the Greek authorities to continue with and complete all key reforms adopted under the Third

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1 Source: IMF Country Report No. 10/110, May 2010: https://www.imf.org/external/pubs/ft/scr/2010/cr10110.pdf.

2 Sources: IMF, Country Report No. 12/57, March 2012 (https://www.imf.org/external/pubs/ft/scr/2012/cr1257.pdf); European Commission, Occasional paper on Greece March 2012 (https://ec.europa.eu/economy_finance/publications/occasional_paper/2012/pdf/ocp94_en.pdf); and Eurogroup Statement on Greece, November 2012 (https://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/en/ecofin/133445.pdf).

3 Source: Eurogroup Statement, 8 December 2014: https://www.consilium.europa.eu/media/23872/eurogroup-statement-greek-8-12-2014.pdf.

4 Source: Eurogroup Statement, 20 February 2015: https://www.consilium.europa.eu/en/press/press-releases/2015/02/20/eurogroup-statement-greece/pdf.

5 Source: Bank of Greece, Act of Legislation, 28 June 2015: https://files.simmons-simmons.com/api/get-asset/Legislative_Act_28_6_2015.pdf?id=bltba37cab96d2cb43f.

6 Source: European Commission, Press Release, 20 August 2015: https://ec.europa.eu/commission/presscorner/detail/en/IP_15_5512.

Programme[7]. On 11 July 2018, following the preceding Eurogroup agreement, the EC adopted the decision on the activation of enhanced surveillance for the Hellenic Republic, under Article 2(1) of the EU Regulation 472/2013, for a renewable period of six months (the "Enhanced Surveillance Framework"). The Hellenic Republic officially concluded its three-year ESM financial assistance programme on 20 August 2018[8]. The Enhanced Surveillance Framework entered into force following the Third Programme completion on 20 August 2018, and was designed to support the completion, delivery and continuity of reforms that the Hellenic Republic has committed to implement under the Third Programme, ensuring a smooth transition of the economy to normalcy and maintaining a high degree of credibility[9]. The Enhanced Surveillance Framework expired on 20 August 2022 and since then the Hellenic Republic has been subject to the Post-Programme Surveillance (the "PPS"), in line with the other countries that have received exceptional official sector support during the previous decade[10]. In this context, Greece's economic, fiscal, and financial situation will continue to be monitored and assessed by the EC, including in respect of the progress in structural reforms, compliance with fiscal targets, as well as the economy's long-term capacity to repay its public debt. Given the significantly higher level of the Hellenic Republic's public debt as a percentage of Gross Domestic Product (the "GDP") compared to the EU average, fiscal targets are expected to remain demanding for a prolonged period. These targets are described and occasionally revised in the latest version of the Hellenic Republic's Stability Programme (the "Stability Programme") submitted to the EC as well as in other documents prepared in the context of the EU fiscal governance framework[11].

The three reviews published in November 2022, May 2023 and December 2023, respectively, on the economy's progress under the PPS framework confirmed the ongoing progress and broad alignment with the agreed reforms and fiscal rebalancing targets specified for this period. Notwithstanding the foregoing, any potential delays in the completion of the remaining reforms or the inability to safeguard the objectives of the adopted reforms and/or the sustainability of the fiscal performance in the medium and longer term, whether due to endogenous or exogenous factors, could weigh on the markets' assessment of the risks surrounding the creditworthiness of the Hellenic Republic and, therefore, could raise concerns regarding the Greek State's capacity to maintain a continuous access to market financing at sustainable terms. Such a development could, in turn, have a material adverse impact on the Group's liquidity position, business, results of operations, financial condition and prospects. Furthermore, the requirement to restore a sustainable fiscal equilibrium in the medium term, as agreed under the Enhanced Surveillance Framework and the subsequent regime of PPS monitoring poses certain risks, including a potential increase in the effective burden from taxes (personal, corporate, indirect and consumption taxes) in the event that additional fiscal effort will be required to meet the fiscal targets, as well as a possible, sharper-than-anticipated reduction in government spending, with a view to ensuring the achievement of the agreed fiscal surpluses that permit a sustainable reduction in the public debt. The above factors could impose constraints on economic activity, result in weaker-than-expected GDP growth in the coming years and, in conjunction with other fiscal measures, could also exert additional pressure on private sector spending and liquidity. Although Greece overperformed vis-à-vis the revised fiscal targets of the State Budget for 2021 and 2022[12], which had been set following the suspension of standard EC rules – due to the activation of the general escape clause of the Stability and Growth Pact in 2020, as part of the EC's strategy in response to the COVID-19 pandemic[13] − the achievement of strong fiscal results on a sustained basis represents a major challenge for economic policy.

Greece's GDP (in constant price terms) grew by 2.2% year-over-year in the first nine months of 2023[14], supported by a resilient labour market and the implementation of the National Recovery and Resilience Plan (the "NRRP"). Based on the Commission's Winter 2024 Economic Forecast, real GDP growth for the remainder of the year is expected to be solid, averaging 2.2% for 2023 as a whole, with economic growth projected at 2.3% in 2024 and 2.3% in 2025[15]. For more information on Greece's macroeconomic outlook, see "*Trend Information—Economic Environment and Geopolitical Developments—Greek economy*". However, legacy effects of the Greek fiscal crisis from 2009 to 2017, combined with the ongoing residual effects of the COVID-19 pandemic and the still considerable inflation, as well as energy and geopolitical risks arising in connection with the Russian invasion of Ukraine in February 2022 (see also "*Persistent inflation pressures could have an adverse effect on the Group's business and future NPE balances*" in this Section 1 "*Risk Factors*"), could adversely impact economic growth. The outlook of the economy could also weaken significantly if geopolitical risks escalate further, at a global or regional level, undermining confidence as well as tourism and shipping activity, and leading to a deferral of private spending decisions. Moreover, if the benefits from the significant economic adjustment and structural

7 Source: Eurogroup Statement, 22 June 2018: https://www.consilium.europa.eu/en/press/press-releases/2018/06/22/eurogroup-statement-on-greece-22-june-2018/pdf.

8 Source: ESM, Press Release, 20 August 2018: https://www.esm.europa.eu/press-releases/greece-successfully-concludes-esm-programme.

9 Source: European Commission, Commission Implementing Decision of 11 July 2018 on the activation of enhanced surveillance for Greece: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018D1192.

10 Source: European Commission, Letter from Executive Vice-President Dombrovskis and Commissioner Gentiloni, 10 August 2022: https://economy-finance.ec.europa.eu/system/files/2022-08/2022-08-02%20EVP%20Dombrovskis%20and%20Commissionere%20Gentiloni%20letter%20to%20EL%20FM.pdf.

11 Source: Hellenic Ministry of Finance, Stability Programme 2023, May 2023: https://minfin.gov.gr/wp-content/uploads/2023/11/2023-EL_Stability-Programme_final.pdf.

12 Source: Hellenic Ministry of Finance, Budget 2023, November 2022 (in Greek): minfin.gov.gr/wp-content/uploads/2023/11/21-11-2022-ΕΙΣΗΓΗΤΙΚΗ-ΕΚΘΕΣΗ-ΠΡΟΫΠΟΛΟΓΙΣΜΟΥ-2023.pdf.

13 Source: European Commission, Press Release, 20 March 2020: https://ec.europa.eu/commission/presscorner/detail/en/ip_20_499.

14 Source: ELSTAT, Gross Domestic Product, 3rd Quarter 2023: https://www.statistics.gr/en/statistics/-/publication/SEL84/-.

15 Source: European Commission, Economic Forecast Winter 2024, Economic Forecast for Greece, February 2024.

reforms to Greece's economic performance prove to be smaller than expected, or if the effects of the COVID-19 pandemic or the ongoing energy/inflation crisis and geopolitical turbulence are more persistent than currently envisaged, they could further weaken Greece's fiscal position, weigh on sovereign risk premia and on the banking system's performance (including the performance of the Group) and create uncertainties, potentially resulting in the need for additional interventions to ensure the long-term sustainability of the public debt.

Any deterioration in macroeconomic, social and political conditions prevailing in Greece could adversely impact, among other things, customer confidence, private sector income, the quality of private sector balance sheets and liquidity conditions in general, as well as asset valuations (see also "*Deteriorating asset valuations may adversely affect the Group's business, results of operations and financial condition and may limit its ability to post collateral for Eurosystem funding purposes*" in this Section 1 "*Risk Factors*"), any of which could in turn have a material adverse impact on the Group's liquidity position, business, results of operations, financial condition and prospects. Moreover, any such deterioration could lead the Group's customers to decrease their risk tolerance to non-deposit investments, such as stocks, bonds and mutual funds, which could adversely affect the Group's fee and commission income.

The Greek sovereign debt crisis had a substantial impact on the real economy and the Greek banking sector, leading to a multi-year deleveraging, with credit to private sector growth declining by 26.3% cumulatively between 2008 and 2017, and a sharp contraction of private sector deposits of €97.2 billion in the same period. However, clear signs of improvement started to show from 2018 onwards, with credit growth stabilising—although the outstanding credit balances were further reduced following the clean-up of Greek banks' balance sheets from non-performing loans (the "NPLs")—and entering positive territory in early 2020 and private sector deposits returning to an upward trend, with the outstanding balance reaching a 13-year high of €194.8 billion in total as of December 2023, despite the further strengthening of private consumption[16]. For more information, see "*Macroeconomic and Financial Environment—Macroeconomic and Financial Environment in Greece*". NPLs rose sharply during the multi-year crisis, with the NPL ratio (defined as NPLs divided by gross loans at the end of the relevant reference period) for Greek banks peaking at 49.2% in the first quarter of 2017 and gradually declining since 2018 to reach a single-digit ratio towards the end of 2023, on the back of synchronised bank efforts and government support through the provision of guarantees to loan securitisations. Greek banks have securitised or sold NPLs in recent years, reducing total NPL ratio by about 41 pps from the 2017 peak to 7.3% in September 2023[17]. The progress has been supported by the activation of the state-sponsored Hellenic Asset Protection Scheme (the "Hercules I"), which provided government guarantees (subject to certain conditions) for the senior tranches of Piraeus Bank's non-performing exposures (the "NPEs") securitisations with an upper limit of guarantees of €12 billion on the senior tranches of securitisations. In April 2021, Hercules I was extended until October 2022, under the "Hercules II" programme, with the provision of another €12 billion of guarantees on the senior tranches of securitisations, in order to speed up the final phase of clearance of bank portfolios[18]. In December 2023, Hercules I was further extended until December 2024, under the "Hercules III" programme, with the provision of another €2 billion of guarantees on the senior tranches of securitisations.[19]

Notwithstanding the foregoing, adverse legacy effects and the challenges surrounding the successful workout of the NPLs transferred to NPL-servicing companies are expected to continue to affect banking activity. The financial position of a significant share of households and enterprises remains fragile and has been further stressed in recent periods by the COVID-19 pandemic, environmental calamities, surging energy prices and high inflation, despite the significant Greek State support. Although the impact of the pandemic, inflation and energy-related risks on the financial position of the private sector and its debt-servicing behaviour remains limited, with most debtors, even those that take advantage of temporary relief schemes, continuing to service their debt, the legacy effects of the multi-year crisis continue to weigh on the financing position of a significant part of private sector entities. The above factors, in conjunction with the sizeable stock of private sector tax and social security contribution arrears, as well as the relatively low private saving rate compared to other euro area countries, impose additional risks on banking activity and portfolio quality in Greece. Stressed entities are unlikely to experience a rapid improvement in their creditworthiness and liquidity position in the near term and are expected to continue delaying or cancelling their potential spending decisions due to their limited capacity to benefit from the economic recovery and the impairment of their production capacity following years of divestment. These entities could continue to slow the recovery process of the economy and impede a further recovery of asset valuations.

Moreover, the outbreak of the Hamas-Israel conflict in October 2023 may impact regional and global political and economic conditions in a manner that is difficult to anticipate at present. If the conflict does not spread to a broader region, involving other countries in the Middle East, the impact on the global economy as well as on Greece is expected to be largely limited to higher energy prices, with natural gas and oil prices having already climbed following the onset of the conflict. Further downside risks could emerge in the event of a broader regional conflict—involving other countries in the Middle East—and an activation of terrorist groups in Europe or elsewhere, which could adversely affect tourism, external trade and investment, as well as cause additional migration flows from the affected areas. These risks could be compounded by the ongoing war

16 Source: Group analysis based on Bank of Greece, Monetary and Banking Statistics.
17 Source: Group analysis based on Bank of Greece, Evolution of Loans and Non-Performing Loans Statistics.
18 Source: Hellenic Financial Stability Fund: https://hfsf.gr/en/banks-asset-quality/.
19 Source: European Commission: https://ec.europa.eu/commission/presscorner/detail/en/ip_23_5805.

in Ukraine (see also "*The Group's business may indirectly be impacted by the war between Russia and Ukraine*" in this Section 1 "*Risk Factors*") and could adversely affect the business of the Group.

A resurgence of default risks for the Hellenic Republic would have a material adverse effect on the Group's business and could lead to higher cost of funding or an inability to raise capital.

The Hellenic Republic's gross government debt, based on the 2024 State Budget introductory report, is estimated to be €357 billion at the end of 2023, representing 160.3% of GDP[20]. The ability of the Hellenic Republic to service its outstanding debt depends on a variety of factors, including the overall health of the economy, the GDP growth rate that can be achieved in future years, the maintenance of sound fiscal and current account positions and the provision by official lenders of additional concessions for lowering debt-servicing costs. In the event of the re-emergence of a need for further restructuring of the Hellenic Republic's debt, whether owing to adverse conditions arising from the prevailing macroeconomic or geopolitical conditions, persistent inflation, structural energy challenges or otherwise, the Group's regulatory capital would be severely affected due to its direct exposure to the Hellenic Republic's debt, as well as the indirect effects on the Group's borrowers (and thus asset quality) and investor confidence, which could require the Group to raise additional capital. In addition, if the Hellenic Republic were to default on its debt obligations to the Group, which, at 31 December 2023, stood at €9.5 billion[21], the Group could suffer significant losses and require further capital, which could have a material adverse effect on its business, results of operations, financial condition and prospects.

The Group's wholesale borrowing costs and access to liquidity and capital, as well as its business more generally, may be negatively affected by any future downgrades of the Hellenic Republic's credit rating.

The capacity of the Hellenic Republic to maintain continuous access to market financing at competitive costs is an important element of Greece's economic and financial recovery and will be closely related to the financial conditions of the private sector in the coming years. The terms of this access remain also dependent on international economic conditions and sources of financial risk, as well as on the prospective path of domestic disposable income and Greek asset valuations. As acknowledged by all major rating agencies, the significant size of the Greek State's cash buffer, along with the very long maturity of the debt and affordable debt-servicing terms, largely offset the risks from the temporary increase in the debt-to-GDP ratio due to the COVID-19 pandemic and the transitory widening in fiscal deficit in 2020 and 2021, which was rapidly rebalanced in 2022. Between July and December 2023, Greece's sovereign rating regained investment grade status from R&I, Scope, DBRS, S&P and Fitch, while in mid-September, Moody's upgraded the country's rating by two notches to "Ba1", just one level below investment grade on the agency's rating scale[22].

Nevertheless, there are still considerable uncertainties surrounding the prospective pace of improvement in the country's sovereign rating, which is also closely related to the private sector's creditworthiness. The rating agencies note that the probability of new downgrades of the Hellenic Republic's rating could re-appear in the event of an emergence of doubts about the country's commitment to maintaining a sound fiscal position or in the event of the country's failure to reduce government debt as a percentage of GDP over the medium term. The slowing of recent positive ratings momentum, or even a downgrade of the Hellenic Republic's rating, may also occur if official sector lenders waiver in the future from their commitment to conditionally provide further relief to the Hellenic Republic's debt servicing costs over a medium- to long-term horizon, if needed, taking into account that the activation of this package is conditional on the outcome of a comprehensive debt sustainability assessment of the Hellenic Republic scheduled for 2032, on the basis of which potential additional debt-relief measures could be decided at an EU level[23]. Moreover, in their latest assessments of the Greek economy, the rating agencies refer to various potential downside risks, including any significant deviations of the budgetary performance against official targets, slow progress in the implementation of major structural reforms and the fulfilment of other agreed milestones under the PPS, a recurrence of NPE-related pressures for the banking system due to higher interest rates or slowing economic growth, as well as a further widening of external imbalances reflecting deteriorating competitiveness of the economy and/or an emerging external financing gap.

Should any downgrades to the Hellenic Republic's credit rating occur, or if rating outlooks turn negative, the financing costs of the Hellenic Republic would increase and its access to market financing could be disrupted, resulting in adverse effects on the cost of capital for Greek banks, including Piraeus Bank, as well as Piraeus Bank's business, financial condition and results of operations more generally. Downgrades of the Hellenic Republic's credit rating could also result in a corresponding downgrade in Piraeus Bank's and Piraeus Holdings' credit rating and, as a result, increase their wholesale borrowing costs

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20 Source: Greek Ministry of Finance, State Budget 2024 (in Greek) (https://minfin.gov.gr/kratikos-proypologismos/).

21 Comprising Greek Government Bonds and T-bills.

22 Sources: Moody's Press Release, March 2023 (https://ratings.moodys.com/ratings-news/400296); S&P Press Release, April 2023 (https://disclosure.spglobal.com/ratings/en/regulatory/article/-/view/type/HTML/id/2976771); R&I Press Release July 2023 (https://www.minfin.gr/documents/20182/19337201/31-7-2023___news_release_cfp_20230731_20573_eng.pdf); Scope Press Release, August 2023 (https://scoperatings.com/ratings-and-research/rating/EN/174874); DBRS Press Release, September 2023 (https://www.dbrsmorningstar.com/research/420402/dbrs-morningstar-upgrades-the-hellenic-republic-to-bbb-low-stable-trend); Moody's Press Release, September 2023 (https://ratings.moodys.com/ratings-news/407936); S&P Press Release, October 2023 (https://disclosure.spglobal.com/ratings/en/regulatory/article/-/view/type/HTML/id/3074450); and Fitch Ratings Press Release, December 2023 (https://www.fitchratings.com/research/sovereigns/fitch-upgrades-greece-to-bbb-outlook-stable-01-12-2023).

23 Source: Eurogroup Statement, 24 May 2018 (https://www.consilium.europa.eu/en/meetings/eurogroup/2018/05/24/).

and access to liquidity, any of which could have a material adverse effect on the Group's business, results of operations, financial condition and prospects (see also "*Piraeus Bank and Piraeus Holdings could experience credit rating downgrades*" in this Section 1 "*Risk Factors*"). Any such increase in wholesale borrowing costs could also put pressure on their ability to issue MREL-eligible debt or could result in their issuing MREL-eligible debt at very high costs (see also "*Application of the Minimum Requirements for Own Funds and Eligible Liabilities (the "MREL") under the BRRD may affect the Group's profitability*" in this Section 1 "*Risk Factors*").

The Group's business and liquidity position could be adversely impacted by any material outflows of customer deposits.

Historically, the Group's principal source of funds has been customer deposits, and retail deposits in particular. As at 31 December 2023, total corporate deposits and retail deposits represented 25.3% and 61% of the Group's total liabilities, respectively, compared to 25% and 59%, respectively, as at 31 December 2022. As the Group relies on retail deposits for a substantial portion of its funding, if the Group's depositors withdraw their funds at faster rate than the rate at which borrowers repay their loans, or if the Group is unable to obtain the necessary liquidity by increasing its funding under the facilities of the ECB and/or the capital markets or otherwise, it may be unable to maintain its current liquidity levels without incurring significantly higher Funding Cost or having to liquidate certain of its assets, or otherwise resorting to funding from the Bank of Greece and the ECB under emergency liquidity assistance schemes.

The ongoing availability of customer deposits (including the ability to attract new customer deposits) is subject to a variety of risks, some of which are outside the Group's control, such as significant deterioration in economic conditions in Greece, depositor concerns relating to the Greek economy or the financial services industry, the popularity of alternative investment vehicles (such as wealth management products), customers' savings preferences, the risk of implementation of changes in the framework for supporting the financial and credit institutions that are having problems by requiring the participation of their respective shareholders, the creditors and the unsecured depositors and initiatives for taxation of deposits and the availability and extent of deposit guarantees. among others. Moreover, any loss of customer confidence in the Group's banking businesses, or the banking sector in Greece more generally, could significantly increase the amount of customer deposit withdrawals and increase the cost of deposits and the overall cost of funding in a short period.

Any of these factors, whether individually or combined, could lead to a sustained reduction in the Group's ability to access deposit funding in the future and result in significantly higher Funding Cost, which could impact the Group's ability to fund its operations or meet its minimum liquidity requirements and, in turn, have a material adverse effect on its liquidity, results of operations, financial condition and prospects.

Deteriorating asset valuations may adversely affect the Group's business, results of operations and financial condition and may limit its ability to post collateral for Eurosystem funding purposes.

A substantial portion of the Group's loans and advances to corporate and individual borrowers are secured by collateral such as real estate, securities, vessels, term deposits and receivables. As of 31 December 2023, 36.8% of the Group's loans and advances to customers were secured by real estate collateral. In particular, as mortgage loans are one of the Group's principal assets (representing 8.4% of its total assets as at 31 December 2023), the Group is highly exposed to developments in the real estate markets, especially in Greece. The value of assets collateralising the Group's secured loans, including residential and other real estate, remains highly sensitive in the event of re-emergence of pressure on real estate valuations. Real estate property values depend on various factors including, among others, current rental values and occupancy rates, prospective rental growth, lease length, tenant creditworthiness and solvency, together with the nature, location and physical condition of the property concerned, changes in laws and governmental regulations governing real estate usage, zoning and taxes.

The Greek real estate market has shown steady growth since 2018, with residential real estate prices recording a 52% increase between the first nine months of 2018 and the same period in 2023. Additionally, commercial real estate prices, referring to the average price of retail and office spaces, have increased by about 29% between the first half of 2017 and the first half of 2023. For more information, see "*Macroeconomic and Financial Environment—Macroeconomic and Financial Environment in Greece*". The Group believes that downside risks to the real estate markets remain limited, but could increase as a result of unforeseen events or developments that could lead to fire sales of real estate holdings by loan servicers or banks. The high interest rate environment weighs on property demand, lending growth and real estate values across EU countries, although the Greek real estate market remains more resilient compared with the EU average, as construction activity and valuations shrunk sharply over the previous decade in Greece, whereas the outstanding balances of housing loans declined against a backdrop of limited new lending and the cleaning-up of Greek banks' balance sheets from mortgage-related NPEs. Moreover, any lagging impact of the COVID-19 pandemic, coupled with high inflation and a high interest rate environment (see also "*—Persistent inflation pressures could have an adverse effect on the Group's business and future NPE balances*"), could lead to a persistent difference in the speed of recovery and lead to a deterioration of economic and business conditions in sectors and activities in which the Group's borrowers operate or in the collateral market. If any of these risks materialise, the value of the Group's collaterals could fall below the outstanding principal balance for some loans and in turn require the Group to establish additional allowance for loan losses and provisions to cover credit risk.

In addition, an increase in financial market volatility or adverse changes in the marketability of the Group's assets could impair the Group's ability to value certain of its assets and exposures. The value the Group ultimately realises depends on the fair value determined at the time the Group disposes of its assets and may be materially different from current value. Any decrease in the value of such assets and exposures could require the Group to realise additional impairment charges, which could adversely affect its financial condition and results of operations, as well as its capital adequacy.

The depreciation of collateral value may also stem from the worsening financial conditions in Greece or other markets where the provided collateral is situated. Furthermore, the Group's failure to recover the expected value of collateral in the event of foreclosure, or its inability to initiate foreclosure proceedings due to applicable legislation, may expose it to losses, which could have a material adverse effect on the Group's business, results of operations and financial condition.

There can be no assurance that the Group will not require further capital in future periods, in particular if economic conditions in Greece deteriorate.

There can be no assurance that the Group will not require further capital in future periods in order to continue to meet its capital adequacy requirements (see also "*The Group may be required to maintain additional capital and liquidity as a result of regulatory changes or otherwise*" in this Section 1 "*Risk Factors*").

If a potential deterioration in the credit quality of the Group's assets exceeds current expectations (see also "*Deteriorating asset valuations may adversely affect the Group's business, results of operations and financial condition and may limit its ability to post collateral for Eurosystem funding purposes*" in this Section 1 "*Risk Factors*"), this could lead to additional impairments in the future, which could erode current capital position below minimum capital requirements and/or potentially prompt regulators to increase their Supervisory Review and Evaluation Process (the "SREP") asset quality requirements for the Group, which could in turn require the Group to raise additional capital.

Furthermore, the Group anticipates that stress tests or other supervisory exercises analysing the strength and resilience of the European banking sector will continue to be carried out by national and supranational supervisory authorities in future periods. Any loss of confidence in the European banking sector due to the outcome of future stress tests, or market perception that any such tests are not sufficiently rigorous, could also have a negative effect on the Group's operations and financial condition. Further, if capital shortfalls are identified by such stress tests or by any other supervisory exercises that assess the classification and provisioning practices applied by the Group, the Group could be required to raise additional capital.

Any of these risks could have a material adverse effect on the Group's business, results of operations, financial condition and prospects. Moreover, any capital raise may also result in a dilution of Shareholders' percentage ownership in Piraeus Holdings, including prospective investors in the Offer Shares (see also "*The issuance of additional debt or equity securities by Piraeus Holdings in connection with future acquisitions, any share incentive or share option plan or otherwise may dilute all other shareholdings and may adversely affect the market price of the Ordinary Shares*" in this Section 1 "*Risk Factors*").

1.2 Risks Relating to the HFSF's Participation

The HFSF, both as a major Shareholder of Piraeus Holdings and due to its special statutory rights, has and may continue to have the ability to influence the decision-making of the Group.

The First Programme, as established in May 2010, introduced restructuring measures such as the establishment of the HFSF, whose role is to maintain the stability of the Greek banking system by providing capital support in the form of ordinary shares or contingent convertible securities or other convertible securities to credit institutions licenced by the Bank of Greece and operating in Greece.

The HFSF's participation in the former Piraeus Bank Société Anonyme following the 2013 Share Capital Increase was 81.01%. In April 2014, the former Piraeus Bank Société Anonyme undertook a second offer of shares amounting to €1.75 billion, which was fully subscribed by private investors from both the Greek and the international markets. As a result, the HFSF's stake in the former Piraeus Bank Société Anonyme decreased to 67.30% by way of dilution. Following the 2015 Share Capital Increase and the completion of the Demerger, the HFSF's stake in the former Piraeus Bank Société Anonyme further decreased to 26.42% by way of dilution. Following the conversion of the Contingent Convertible Bonds on 4 January 2021, the HFSF's stake in Piraeus Holdings increased to 61.34%. Following the 2021 Share Capital Increase and, as of the date of this Prospectus, the HFSF holds a 27% stake in Piraeus Holdings.

In order for the HFSF to fulfil its objectives under the HFSF Law, exercise its rights and obligations and comply with the commitments undertaken through the Financial Assistance Facility Agreement signed on 19 August 2015 by and between the ESM, the Hellenic Republic, the Bank of Greece and the HFSF and the MoU signed on 19 August 2015 between the ESM, on behalf of the EC, the Hellenic Republic and the Bank of Greece, the HFSF and the former Piraeus Bank Société Anonyme entered into a relationship framework agreement on 27 November 2015, replacing that originally entered into on 10 July 2013, as subsequently amended. Following the completion of the Demerger, pursuant to a tripartite agreement entered into on 12 April 2021 among the HFSF, Piraeus Holdings and Piraeus Bank, the relationship framework agreement of 27 November 2015 applied to both Piraeus Holdings and Piraeus Bank Société Anonyme. Following the amendment of the

HFSF law pursuant to Greek Law 4941/2022, the HFSF, Piraeus Holdings and Piraeus Bank entered into the Relationship Framework Agreement on 22 February 2024.

As a result of the HFSF's current shareholding in Piraeus Holdings and its veto rights and further special rights under the HFSF Law and the Relationship Framework Agreement, the HFSF may exercise influence over certain corporate actions requiring shareholder approval and the functioning and decision-making of the Board of Directors. See "*Special rights of the HFSF*" in Section 15 "*Overview of the Regulatory Framework Applicable to the Group in Greece*".

Furthermore, pursuant to Article 10 of the HFSF Law and the RFA, for so long as the HFSF retains either shares or other capital instruments in Piraeus Holdings, subscribed by the HFSF due to recapitalisation and capital support provided by the HFSF to the former Piraeus Bank Société Anonyme pursuant to Articles 6, 6a, 6b and 7 of the HFSF Law, irrespective of the percentage of its holding in Piraeus Holdings, the HFSF is entitled to appoint one member to the Board of Directors of each of Piraeus Holdings and Piraeus Bank (the "HFSF Representative"). According to the HFSF Law, the HFSF would have the power to veto, through the HFSF Representative, the decisions relating to dividend distributions and remuneration policies, in case and as long as Piraeus Bank's ratio of NPLs to total loans, as calculated in accordance with subsection g(ii) of paragraph 2 of Article 11 of Commission Implementing Regulation (EU) 2021/451, exceeds 10%. Moreover, according to the HFSF Law, the HFSF has the power, through the HFSF Representative, to veto decisions related to the amendment of the Articles of Association of Piraeus Holdings, including any share capital increase or decrease or granting of the relevant authority to the Board of Directors, merger, demerger, conversion, revival, extension or dissolution of Piraeus Holdings, transfer of assets, including the sale of subsidiaries, or any other matter that requires an increased majority according to the provisions of Greek Law 4548/2018, provided any such decision may significantly affect the participation of the HFSF in the share capital of Piraeus Holdings. In light of the veto powers held by the HFSF and exercised by the HFSF Representative on the Board of Directors, the HFSF may influence the decision-making process of the corporate bodies of each of Piraeus Holdings and Piraeus Bank and the final outcome thereof. Despite the HFSF's special rights, the HFSF and the HFSF Representative are required to respect the business autonomy and the decision-making independence of each of Piraeus Holdings and Piraeus Bank. Additionally, the HFSF and the HFSF Representative are required to manage and maintain the HFSF's interests and exercise its rights in Piraeus Holdings and Piraeus Bank separately from the management of its interests and the exercise of its rights in other credit institutions and/or their holding companies, in compliance with competition legislation. For more information on certain special rights that the HFSF has, please see "*Special rights of the HFSF*" in Section 15 "*Overview of the Regulatory Framework Applicable to the Group in Greece*", "*Relationship with the HFSF and Relationship Framework Agreement*" of Section 9 "*Major Shareholders*" and "*The Relationship Framework Agreement*" of Section 14 "*Material Contracts*".

Moreover, according to Greek Law 4548/2018 and the HFSF Law, the HFSF fully exercises voting rights in the General Meeting of Piraeus Holdings, corresponding to the total Ordinary Shares that it holds. As a result, for as long as the HFSF is a major Shareholder, the HFSF may, by exercising its voting rights, have the ability to influence the election of the Board of Directors and other decisions taken by the General Meeting, including the approval or disapproval of major corporate transactions and the determination of other matters to be decided by Shareholders, among other things.

In accordance with the HFSF Divestment Strategy and the HFSF Law, the HFSF is expected under the law to use all reasonable efforts to dispose all of its shares in the Greek systemic banks before 31 December 2025 (which is the HFSF's sunset date under the HFSF Law), while maintaining financial stability and ensuring that it receives fair value. The HFSF Law and the HFSF Divestment Strategy outline the key requirements for any disposal, including the evaluation of conditions prevailing in the market. As these key requirements may not be satisfied during the HFSF's term, there can be no assurance that the HFSF Divestment Strategy will be fully completed by the scheduled date. Moreover, there can be no assurance that the HFSF will not acquire shares in Piraeus Bank if Conversion Rights (as defined below) are held by the Greek State (see "*Application of the current legal framework on Tax Credit may lead to the HFSF acquiring a holding in Piraeus Bank and a respective dilution of Piraeus Holdings' ownership percentage in Piraeus Bank and have a material adverse effect on the value of the Ordinary Shares, including the Offer Shares*" in this Section 1 "*Risk Factors*"). Prior to the HFSF's sunset date or the commencement of any liquidation process with respect to the HFSF, the Greek Minister of Finance shall decide, in agreement with the EFSF and the ESM, the entity and the manner through which the capital and any remaining assets and liabilities of the HFSF will be transferred, as more specifically provided for in paragraph 5 of Article 3 of the HFSF Law.

1.3 Risks Relating to the Group's Business

Volatility in interest rates may negatively affect the Group's net interest income and have other adverse consequences.

Interest rates are highly sensitive to many factors beyond the Group's control, including monetary policies and domestic and international economic and political conditions, among other factors. Variations in interest rates could affect the interest earned on the Group's assets and the interest paid on its borrowings, thereby affecting its net interest income, reducing its growth rate and profitability and potentially resulting in an increased Funding Cost. In the current interest rate climate, central banks of the major developed economies (including the U.S. Federal Reserve, the ECB, the Bank of England and the Bank of Japan, among others) are widely perceived to have a significant influence on the volatility and direction of short-term rates. The method and rate at which central banks adjust their target rates cannot be predicted, nor can all of the effects of changing rates be anticipated.

There are risks involved in both an increase of rates as well as a prolonged period of low or negative interest rates.

When interest rates rise, the Group may be required to pay higher interest on floating-rate borrowings while interest earned on fixed rate assets does not rise as quickly, which could cause profits to grow at a reduced rate or decline. Increases in interest rates may also reduce the volume of loans the Group originates, increase delinquencies in outstanding loans, lead to a deterioration in asset quality, and reduce customers' propensity to prepay or refinance loans. Since the substantial majority of the Group's loan portfolio effectively re-prices within a year, an increase in interest rates, without sufficient improvement in customer earnings or employment levels, could lead to an increase in default rates among customers with variable-rate mortgages who can no longer afford their repayments, in turn leading to increased impairment charges and lower profitability for the Group. A high interest rate environment also reduces demand for mortgages and unsecured financial products generally, as individuals are less likely or less able to borrow when interest rates are high, thereby reducing the Group's revenue. Furthermore, an increase in interest rates could reduce the value of financial assets and reduce the Group's gains or require it to record losses on sales of loans or securities. Unrealised losses on securities measured at FVTOCI are reported, net of tax, in accumulated other comprehensive income, which is a component of shareholders' equity. Consequently, declines in the fair value of these instruments resulting from changes in market interest rates have, and may continue to, adversely affect shareholders' equity.

Conversely, a decrease in interest rates, although likely to reduce the Group's Funding Cost, is also likely to compress its interest margin. In recent periods, interest rates experienced significant fluctuations, rising sharply since mid-2022. As a result, the Group's Funding Cost has increased considerably, reaching 120 basis points as of 31 December 2023, compared to 49 basis points as of 31 December 2022. However, this increase in the Group's Funding Cost was outweighed by the increase in the Group's net interest margins from floating rate assets, leading to a significant increase in its net interest income. If interest rates decrease, the Group's net interest margins are expected to compress, which could materially adversely impact its net interest income.

Any of these risks could have a material adverse impact on the Group's business, financial condition, results of operations and prospects.

The Group is exposed to the financial performance and creditworthiness of companies and individuals in Greece.

Piraeus Bank is one of the Greek systemic banks. The Group's business, results of operations and financial condition are significantly exposed to the economic and financial performance, creditworthiness, prospects and economic outlook of companies and individuals in Greece or with a significant economic exposure to the Greek economy. In addition, the Group's business activities depend on the level of customer demand for banking, finance and financial products and services, as well as customers' capacity to service their obligations or maintain or increase their demand for its services. Customer demand and customers' ability to service their liabilities depend considerably on their overall economic confidence, prospects, employment status, the state of the public finances in Greece, investment and procurement by the central government and municipalities and the general availability of liquidity and funding on reasonable terms.

Amidst persistent market turbulence, adverse macroeconomic conditions, high levels of unemployment, inflation pressures and heightened geopolitical tensions, there is a significant risk that the value of the assets collateralising the Group's extended loans, including real estate such as houses and other immovable property, could be significantly reduced. See "*The economic outlook and the fiscal position of the Hellenic Republic continues to be affected by the legacy of the prolonged economic crisis of the previous decade, the COVID-19 pandemic since 2020, and the surge in inflation since 2021, compounded by heightened geopolitical tensions and still considerable risks to the energy outlook*" in this Section 1 "*Risk Factors*" and "*Economic Environment and Geopolitical Developments*" in Section 6 "*Trend Information*". Such asset value reductions may lead to corresponding decreases in the value of the loans or an increase in loans in arrears. The trajectory of the Greek economy, despite recent successes with the Third Economic Adjustment Programme, remains uncertain in achieving sustained and robust growth critical for alleviating financial constraints, attracting foreign direct investment ("FDI"), and securing funding from capital markets. The ongoing influence of international commercial counterparties' creditworthiness and the aftermath of the global economic downturn further compound these challenges. The prospect of a severe economic recession, coupled with increasing market uncertainty and asset price volatility, higher unemployment rates, inflation pressures, and shrinking consumer spending and business investment could result in substantial impairments in the values of the Group's loan assets, decreased demand for borrowings, increased deposit outflows and a significant increase in the level of NPEs.

The Group is exposed to credit risk, market risk, counterparty credit risk, liquidity risk, interest rate risk in the banking book, operational risk (including model risk), strategic/business risk (primary risk types), climate and environmental risks, as well as vendor/third-party risk.

As a result of its activities, the Group is exposed to credit risk, market risk, counterparty credit risk, liquidity risk, interest rate risk in the banking book, operational risk (including model risk), strategic/business risk (primary risk types), climate and environmental risks, as well as vendor/third party risk. The Group treats climate and environmental risks as transversal or cross-cutting risks, which have the ability to exacerbate other existing financial and non-financial risks. For a more detailed discussion on some of these risks, see Section 12 "*Risk Management*". Failure to control these risks could have a material adverse effect on the Group's business, results of operations, financial condition, prospects and reputation.

- *Credit Risk*. Credit risk is the risk of financial loss relating to the failure of a borrower to honour its contractual obligations. Credit risk is the largest single risk the Group faces. The Group's exposure to credit risk mainly arises from corporate and retail credit, various investments, over-the-counter (the "OTC") derivative transactions, as well as from transactions' settlement. The amount of risk associated with such credit exposures depends on various factors, including general economic conditions, market developments, the debtor's financial condition, the amount/type/duration of the relevant exposure and the existence of collateral and guarantees, which the Group may not be able to assess with accuracy at the time of undertaking the relevant activity. If there is a further deterioration in economic and market conditions in one or more of the markets in which the Group operates, this could worsen the credit quality of its borrowers and counterparties. In Greece, it may continue to see adverse changes in the credit quality of borrowers and counterparties, with increasing delinquencies, defaults and insolvencies across a range of sectors, particularly in the real estate market where the Group's exposure is significant due to mortgage loans. These trends and risks have led and may lead to further and accelerated impairment charges, higher costs, additional write-downs and losses. See also "*If the Group fails to effectively manage credit risk, its business, financial condition, results of operations and prospects could be materially adversely affected*" in this Section 1 "*Risk Factors*".

- *Market Risk*. Market risk is the current or prospective risk to earnings and capital arising from adverse movements in interest rates, equity and commodity prices and exchange rates, as well as their levels of volatility. The most significant types of market risk to which the Group is exposed are the following: interest rate risk, equity risk, foreign exchange risk and commodity risk. The Group seeks to identify, estimate, monitor and effectively manage market risk on a daily basis through a robust framework of principles and measurement processes, based on historical trading patterns, correlations, best practice and industry-wide accepted risk metrics, as well as a valid set of limits that apply to all treasury transactions. Nevertheless, it is difficult to predict with accuracy changes in economic or market conditions and to anticipate the effects that such changes could have on the Group's financial performance and business operations. If any of the variety of instruments and strategies that the Group uses to hedge its exposure to various types of risk in its businesses is not effective, the Group may incur losses. Moreover, the Group does not hedge all of its risk exposure in all market environments or against all types of risk. In addition, the manner in which gains and losses resulting from certain hedges are recorded may result in additional volatility in its reported earnings. The Group also does not ordinarily hedge the credit exposure on the Greek government bond portfolio or its Greek government treasury bills. See also "*The Group is vulnerable to disruptions and volatility in the global financial markets*" in this Section 1 "*Risk Factors*".

- *Counterparty Credit Risk ("CCR")*. CCR arises from the potential failure of the obligor to meet its contractual obligations and stems from derivative and other interbank secured and unsecured funding transactions, as well as commercial transactions. Complementary to the risk of the counterparty defaulting, CCR also includes the risk of loss due to the deterioration in the creditworthiness of the counterparty to a derivative transaction.

- *Liquidity Risk*. Liquidity risk is defined as the current or prospective risk arising from the Group's inability to meet its payment obligations as they fall due, without incurring unacceptable losses. It reflects the potential mismatch between incoming and outgoing payments, taking into account unexpected delays in repayments (*i.e.*, term liquidity risk) or unexpectedly high outflows (*i.e.*, withdrawal/call risk). Liquidity risk involves both the risk of being unable to liquidate assets in a timely manner and on reasonable terms and of unexpected increases in the cost of funding of the portfolio of assets at appropriate maturities and rates, and the risk of being unable to liquidate a position in a timely manner or on reasonable terms.

- *Interest Rate Risk in the Banking Book ("IRRBB")*. IRRBB is the current or prospective risk to earnings (*i.e.*, net interest income) and capital due to adverse movements in interest rates affecting the Group's banking book positions. Exposure to interest rate risk in the banking book arises mainly from the re-pricing mismatches between assets and liabilities. See also "*Volatility in interest rates may negatively affect the Group's net interest income and have other adverse consequences*" in this Section 1 "*Risk Factors*".

- *Operational Risk.* Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems, including from outsourcing arrangements, or from external events. This category excludes strategic and business risk, but takes into consideration the reputational impact of operational risk.

- *Model Risk.* Model risk is the potential loss the Group may incur as a consequence of decisions that could be principally based on the output of the models deployed, due to errors in the development, implementation or use of these models.

- *Strategic/Business Risk.* These risks are associated with vulnerabilities in strategic positioning or strategy execution as a result of external or endogenous risk factors and possible inability to effectively react thereto. The impact of strategic risks may result in failure to deliver expected results (*i.e.*, material deviations from a defined business plan in terms of profitability, capital and/or brand perception), and long-term deterioration of competitiveness (*i.e.*, worsening relative position compared to peers' benchmarks in strategically important areas). See also "*The Group faces significant competition from Greek and foreign financial institutions*" in this Section 1 "*Risk Factors*".

- *Climate and Environmental Risk*. Acknowledging the importance and potential impact of climate and environmental risks, the Group has undertaken to identify and assess the materiality of such risks and incorporate these risks as part of its overall risk management framework. Failure to adequately embed risks associated with climate change into its risk management framework or to appropriately measure, manage and disclose the various financial and operational risks it faces as a result of climate change, or failure of the Group's strategy and business model to adapt to the changing regulatory requirements and market expectations on a timely basis, may have a material and adverse impact on the Group's level of business growth, funding, profitability, capital and financial position, as well as competitiveness and reputation. See also "*The Group is subject to ESG-related risks*" in this Section 1 "*Risk Factors*".

- *Vendor/Third-Party Risk.* These risks are associated with engaging a vendor/third party, by virtue of any form of arrangement between the Group and such vendor/third party, that could adversely impact the Group's performance and risk management. The Group's operations are reliant on third-party service providers that supply a variety of services, technology and equipment that are central to significant portions of its operational and administrative processes. These external vendors may be unable to fulfil their contractual obligations to the Group and/or may be subject to risks of fraud or operational errors by their respective employees. The Group is also exposed to the risk that its (or its vendors') business continuity and data security systems are inadequate. There is also the risk that the Group's third-party service providers fail to provide the products and services for which they have been contracted. They could lack the required capabilities, products or services or may be unable to perform their contractual obligations due to changes in regulatory requirements. Any failure of third-party service providers to deliver their contractual obligations on time or at all or their failure to act in compliance with applicable laws and regulations could result in reputational damage, claims, losses and damages to the Group.

There can be no assurance that the Group will be able to mitigate or fully manage the above risks at all times, which could materially adversely affect its business, results of operations and financial condition. In addition, any volatility resulting from market developments outside the Group's control could cause Piraeus Holdings' liquidity position to deteriorate, which would in turn increase the Group's funding costs and limit its ability to increase its credit portfolio and the total amount of its assets.

If the Group fails to manage credit risk effectively, its business, financial condition, results of operations and prospects could be materially adversely affected.

The Group must manage credit risk effectively. There are risks inherent in making any loan and extending loan commitments and letters of credit, including risks with respect to the period of time over which the loan may be repaid, risks relating to proper loan underwriting and guidelines, risks resulting from changes in economic and industry conditions, risks inherent in dealing with individual borrowers and risks resulting from uncertainties as to the future value of collateral. In order to manage credit risk successfully, the Group must, among other things, maintain disciplined and prudent underwriting standards. The weakening of these standards for any reason, such as an attempt to attract higher yielding loans, a lack of discipline or diligence by the Group's employees in underwriting and monitoring loans, the inability of employees to adequately adapt policies and procedures to changes in economic or any other conditions affecting borrowers and the quality of the Group's loan portfolio, may result in loan defaults, foreclosures and additional charge-offs. Any failure to manage such credit risks may have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

Although the Group believes that its risk management and risk mitigation policies are adequate, there can be no assurance that the Group will be able to mitigate or fully manage the above risks at all times, which could materially adversely affect its business, results of operations and financial condition.

The Group may not be able to limit any potential new NPE stock inflow, which could derail its goal of further reducing NPE levels and could have a material adverse effect on its results of operations and financial condition.

In recent years, the Group has significantly reduced its NPE levels through both inorganic and organic initiatives. As a result of these initiatives, the Group's NPE stock reduced from €22.5 billion as at 31 December 2020, which represented 45.3% of its gross loans and advances to customers at amortised cost, to €1.3 billion as at 31 December 2023, which represented 3.5% of its loans and advances to customers. Furthermore, as per the regular ECB calendar, on 31 March 2024, the Group will submit to the SSM its targets for the 2024-2026 period for NPEs and foreclosed assets, at the time targeting an NPE ratio level of around 3.5% as at 31 December 2024 and around 2.5% as at 31 December 2026 (see also Section 23 "*Financial Targets and Profit Forecasts*"). With respect to foreclosed assets, a decrease of €0.4 billion is targeted for the period 2024-2026. The ability of the Group to achieve its NPE ratio targets is, however, dependent on a number of factors, both within and outside the Group's control, including the successful completion of strategic transactions (such as Projects Solar and Monza) (see "*The Group's Competitive Strengths—NPE clean-up has already delivered a minimal net NPE exposure*" in Section 4 "*Group's Business Overview*"), as well as the Group's ability to proactively manage future NPE flows, among other factors. Moreover, any escalation in geopolitical risks, natural disasters, worsening energy market conditions, any negative impact on economic activity from the time-lagged effects of the monetary policy tightening worldwide or the banking sector turbulence in early 2023 (including Silicon Valley Bank, First Republic Bank and Credit Suisse), or any adverse macroeconomic or geopolitical developments globally or in the countries in which the Group operates (including a weaker than expected improvement in the macroeconomic performance), could adversely affect the credit quality of the Group's borrowers, leading to increased delinquencies and defaults (see also "*Persistent inflation pressures could have an adverse effect on the Group's business and future NPE balances*" in this Section 1 "*Risk Factors*"), and in turn increase NPEs. Furthermore, any potential change in the regulatory stance could also result in an increase of NPEs in cases related to supervisory expectations for prudential provisioning of non-performing exposures.

Since a substantial part of the Group's legacy NPEs have now been successfully managed, the evolution of the Group's NPE levels and NPE ratio going forward is primarily dependent on the limiting new NPE formation. New NPE formation is largely dependent on the asset quality of the Group's existing performing book and the performance of facilities already restructured, which could be adversely affected by any of the risks mentioned above. Future provisions for NPEs could have a material adverse effect on the Group's profitability.

Any failure by the Group to limit new NPE creation on a timely basis, in accordance with its targets, or on the terms that it currently expects, could derail its goal of further reducing NPE levels and could materially adversely affect its financial condition, capital adequacy and operating results.

Persistent inflation pressures could have an adverse effect on the Group's business and future NPE balances.

The Group's business and operations may be affected by ongoing inflation pressures, which started in mid-2021, largely as a result of sluggish adjustments of the supply/production side of the global economy to the sharp rebound in activity that followed the lifting of COVID-19 restrictions. These inflationary pressures were amplified by the war in Ukraine, as well as the subsequent stress in energy and non-energy commodity markets.

Specifically, the buoyant response of global demand to the gradual reopening of economic activities worldwide from the pandemic-induced lockdowns, which followed a period of limited investment and a scaling down of production, set the stage for a spike in inflation. The Russian invasion of Ukraine and retaliatory sanctions since February 2022 have led to significant increases in energy costs and other international commodity prices, pushing inflation rates in most advanced economies around the world to the highest level since the early 1980s. This upsurge followed a decade of very low or negative inflation in Greece, resulting from intensive economic adjustment and restrictive policies, which have been accompanied by a significant contraction of economic activity and high unemployment.

Coupled with the energy-related pressures on economic activity, the surging inflation resulted in rapid tightening in monetary policy in the United States, the euro area and elsewhere, following a long period of highly accommodative monetary and liquidity conditions. For instance, on 21 July 2022, 8 September 2022, 27 October 2022, 15 December 2022, 2 February 2023, 16 March 2023, 4 May 2023, 15 June 2023, 27 July 2023 and 14 September 2023, the ECB raised the key policy interest rates by 50 basis points, 75 basis points, 75 basis points, 50 basis points, 50 basis points, 50 basis points, 25 basis points, 25 basis points, 25 basis points and another 25 basis points, respectively[24]. This tightening, along with its lagging impact on financial conditions and credit demand and the prospective slowdown of the world economy, tend to reduce risk appetite and perceived credit risk levels in the euro area.

As of the date of this Prospectus, the inflationary pressures have not had a material adverse impact on the Group's activities. Nonetheless, inflation trends remain highly dependent on exogenous factors, such as global energy and non-energy

[24] Source: ECB, Monetary Policy Decisions, Press Releases, 21 July 2022 (https://www.ecb.europa.eu/press/pr/date/2022/html/ecb.mp220721~53e5bdd317.en.html), 8 September 2022 (https://www.ecb.europa.eu/press/pr/date/2022/html/ecb.mp220908~c1b6839378.en.html), 27 October 2022 (https://www.ecb.europa.eu/press/pr/date/2022/html/ecb.mp221027~df1d778b84.en.html), 15 December 2022 (https://www.ecb.europa.eu/press/pr/date/2022/html/ecb.mp221215~f3461d7b6e.en.html), 2 February 2023 (https://www.ecb.europa.eu/press/pr/date/2023/html/ecb.mp230202~08a972ac76.en.html), 16 March 2023 (https://www.ecb.europa.eu/press/pr/date/2023/html/ecb.mp230316~aad5249f30.en.html), 4 May 2023 (https://www.ecb.europa.eu/press/pr/date/2023/html/ecb.mp230504~cdfd11a697.en.html), 15 June 2023 (https://www.ecb.europa.eu/press/pr/date/2023/html/ecb.mp230615~d34cddb4c6.en.html), 27 July 2023 (https://www.ecb.europa.eu/press/pr/date/2023/html/ecb.mp230727~da80cfcf24.en.html) and 14 September 2023 (https://www.ecb.europa.eu/press/pr/date/2023/html/ecb.mp230914~aab39f8c21.en.html).

commodity prices, as well as events that cannot be accurately predicted and often affect activity and financial conditions with a time lag.

The ultimate impact of inflationary pressures on the Group's activities are difficult to predict and will depend on the duration and the rate of ongoing inflation. Headline inflation in Greece has started to decelerate since the fourth quarter of 2022, and Consumer Price Index ("CPI") growth significantly slowed to 3.5% year-over-year in 2023, from 9.6% in 2022 and a peak of 12.1% in June 2022[25], while the Harmonised Index of Consumer Prices declined to 4.2% year-over-year in 2023 compared to 9.3% year-over-year in 2022[26]. For more information, see "*Macroeconomic and Financial Environment—Macroeconomic and Financial Environment in Greece*". However, inflation risks remain considerable due to high geopolitical uncertainty, the implications of the ambitious energy transition agenda of the European Union and increases in nominal wages at the highest pace since the beginning of the Greek crisis. The intensity of future inflation challenges largely depends on the distribution of current and future shocks to the economy and how the monetary and fiscal policies will react, as well as the duration of the war in Ukraine and its impact on energy costs, food prices and global growth. In addition, the ongoing conflict in the Middle East could affect energy prices on a global level, given that the region is a key producer and supplier of energy, and therefore further drive inflation.

It is possible that the elevated inflation rates could significantly and adversely affect the household disposable income and general business conditions in Greece, and in turn adversely impact both banking and equity market activity. This unfavourable sequence of developments was largely avoided in 2022 and in 2023, in part due to the strong recovery of tourism and the increased fiscal support that cushioned the pressure from rising energy costs, but may have a material adverse effect on the business operations and economic results of the Group in the future. Should the inflation spike persist or increase further, Greek households, businesses, banks and the Greek government could be materially and adversely impacted, the size and/or the quality of the Group's pool of prospective borrowers could reduce, repayment delinquency rates could increase, and the value of assets collateralising secured loans may be adversely affected (including houses and other real estate, where such a decline could result in impairment of its values or an increase in the level of the Group's NPEs), any of which could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group is vulnerable to disruptions and volatility in the global financial markets with respect to its trading and investment activities.

The Group's results of operations have in the past been, and may in the future continue to be, materially affected by many factors of a global nature, including, among others, political and regulatory risks and the condition of public finances; the availability and cost of capital; the liquidity of global markets; the level and volatility of equity prices, commodity prices and interest rates; currency values; the availability and cost of funding; inflation; the stability and solvency of financial institutions and other companies; investor sentiment and confidence in the financial markets; or a combination of the above factors.

At present, the principal risks for the euro area economy mainly relate to the duration of shocks unleashed by Russia's invasion of Ukraine, geo-political tensions/conflicts in the Middle East, the persistence of inflationary pressures and the monetary policy tightening by the ECB, among others. The potential sudden tightening of financial conditions due to rising interest rates poses a significant concern, exacerbating vulnerabilities arising from elevated asset valuations in residential and commercial real estate, as well as financial markets. Notably, increasing interest rates directly impact private sector decisions for financing and fixed capital formation, with the ongoing monetary policy tightening expected to negatively affect private spending, particularly in investment, even with a time-lag following the peak in monetary policy rates. These factors may, among other things, restrict the European economic recovery with a corresponding adverse effect on the Group's business, results of operations and financial condition. Adverse developments could also be triggered by Eurozone sovereign and corporate debt stress, as the massive fiscal and monetary policy measures that were employed to stem the negative economic repercussions from the COVID-19 pandemic were curtailed and reversed as the pandemic ended, especially in response to increased inflation. Banking stress could also result from increased corporate defaults and NPLs, as well as a potentially weaker performance of the Greek economy than currently expected. Finally, a protracted slowdown in Chinese economic activity amidst authorities' efforts to contain leverage in the property sector, could intensify downside European economic growth risks.

If any of the risks above materialise, it might impact the carrying amount of the Group's portfolio of Greek government debt, further impact the impairment losses for receivables relating to the Hellenic Republic, severely affect the Group's ability to raise capital and meet minimum regulatory capital requirements and affect its ability to access liquidity. In addition, events leading to a deterioration in liquidity and debt servicing conditions and defaults, increases in the stock of NPLs or other adverse developments that affect financial institutions, transactional counterparties or other companies in the financial services industry or the financial services sector generally, as well as concerns or rumours about any events of these kinds or other similar risks, have in the past and may in the future lead to additional market-wide liquidity problems. In particular, the collapse of Silicon Valley Bank, First Republic Bank and other banks in the United States in early 2023, followed closely

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25 Source: ELSTAT, Consumer Price Index Database.

26 Source: ELSTAT, Harmonised Index of Consumer Prices (HICP) Database.

in Europe by the rescue plan for Credit Suisse, have raised serious concerns over the risk of another banking crisis. If other banks and financial institutions enter receivership or become insolvent in the future in response to financial conditions affecting the banking system and financial markets, the Group's ability to access existing cash, cash equivalents and investments may be threatened.

The Group also maintains trading and investment positions in debt securities, foreign exchange, equity and the performance of the other markets. These positions could be adversely affected by volatility in financial and other markets and in sovereign debt, creating a risk of substantial losses. Volatility can also lead to losses relating to a broad range of other trading and hedging products the Group uses, including swaps, futures, options and structured products. Significant reductions in estimated or actual values of its assets have occurred as a result of previous events in the market.

The Group's net gains from financial instruments measured at FVTPL for the year ended 31 December 2023 comprised mainly net gains of €21 million from realised and unrealised gains of debt securities, such as Greek sovereign bonds and Greek Treasury bills, compared to losses of €73 million for the year ended 31 December 2022. The Group's losses from debt securities for the year ended 31 December 2022 arose as a result of the disposal of GGBs and Greek treasury bills amounting to €54 million. The Group's net gains from financial instruments measured at FVTPL for the year ended 31 December 2022 consisted of gains of €407 million from derivatives, compared to gains of €71 million for the year ended 31 December 2021.

The Group's investing portfolio of €13,885 million as at 31 December 2023 comprised financial assets at FVTPL, financial assets mandatorily measured at FVTPL, financial assets at FVTOCI and debt securities at amortised cost, representing 18.2% of its total assets, fixed income securities portfolio, which represent 17.8% of its total assets (€13,639 million), and shares and mutual funds, which represent 0.3% of its total assets (€244 million). In addition, the Group carries out various proprietary activities, including the placement of deposits denominated in euro and other currencies in the interbank market, as well as trading in primary and secondary markets for government securities. The management of its own portfolio includes taking positions in fixed income and equity markets, both through spot and derivative products and other financial instruments. Trading on account of its own portfolio carries risks including risks related to market conditions. Continued volatility and further fragmentation of certain financial markets may affect the Group's financial position, operating results and prospects. In the future, these factors may have an influence on day–to-day valuations of the Group's financial assets and liabilities, recorded at fair value. In addition, volatility could lead to further impairment losses, including impairment of its investment in sovereign debt securities. That may adversely affect its ability to lend and its profitability, which would require the Group to undertake additional capital enhancing actions, including raising additional capital. For further information in relation to the exposure to market risk for these portfolios, see "*Market risk*" in Section 12 "*Risk Management*". Further, changes in macroeconomic conditions may lead to unrealised losses on investment instruments that are not currently held at fair value. These losses may accumulate over time and materialise in the future. Additionally, such changes may result in unrealised losses on investment instruments held at amortised cost, potentially accumulating and materialising in the future, while there is always a risk that existing hedging policies may not effectively prevent losses. As at 31 December 2023, 2022 and 2021, the Group's unrealised and unrecognised loss on debt securities at amortised cost was €874 million, €1,705 million and €218 million, respectively.

If the global financial markets experience significant or prolonged disruptions or volatility, the Group's business, financial condition, results of operations and prospects could be materially adversely affected.

The Group's business may indirectly be impacted by the war between Russia and Ukraine.

The prolonged war in Ukraine has resulted in increased macroeconomic and geopolitical uncertainty, a sharp rise in commodity prices and inflationary pressure, further global supply chain disruption, a tightening of financial conditions and a sharp drop in consumer confidence. More specifically, the war has pushed energy prices upwards, since Russia has been the main supplier of natural gas to the European Union.

The Group has no significant exposure in securities, interbank transactions (secured or unsecured), derivatives, or commercial transactions related to Russia or Ukraine, or to the Ruble, or with any bank or subsidiary that is domiciled in Russia. The Group has a small presence in Ukraine through a local subsidiary, JSC Piraeus Bank ICB. As at 31 December 2023, the total assets of the Ukrainian subsidiary, including investments in real estate assets, represented approximately 0.2% of the total consolidated assets of the Group. The subsidiary in Ukraine has 15 branches and is fully self-funded through local deposits, with a loan-to-deposit ratio of 23.1% as at 31 December 2023, while its net asset value has been prudentially provisioned by the Group. The Group also examined any indirect exposure through its corporate loan portfolio. As a result of the war in Ukraine, the expected impact from first order effects on the underlying obligors was deemed immaterial. Although the direct economic exposure of the Greek economy to the crisis zone (*i.e.*, Russia and Ukraine) has been comparably low, and near-term pressures have been reduced through the differentiation of energy supplies and reduction of gas consumption in Greece and the European Union. Nonetheless, potential volatility in energy markets and supply pose a significant risk for economic growth. Any recurrence of energy security crisis and/or a new spike in energy prices, whether due to revived international demand (possibly driven by China) or otherwise, could bring the Greek economy to a disadvantaged position and exert downward pressures on economic growth, given the decreasing capacity for large-scale fiscal interventions. Any such risks could also adversely impact the performance of other sectors of economic activity in

Greece, including tourism, and negatively impact economic growth. In its March 2022, June 2022 and September 2022 assessments, the ECB indicated that the Russian invasion of Ukraine will have a significant impact on economic activity and inflation, even over the medium term, with rising energy and commodity prices, disruptions in international trade and weaker confidence as its main drivers[27]. More recent analysis by the ECB in December 2022 and March 2023, however, notes that the energy market conditions and the inflation impact on economic conditions were less severe than initially feared, while acknowledging the existence of persistent sources of risk as regards economic activity and inflation persistence[28].

Elevated geopolitical uncertainty, lags in the transmission of the impact of interest rate hikes to macroeconomic and financial conditions, and adverse second-round effects on production costs and global trade dynamics could impose downside pressure on economic activity in the euro area, as well as in Greece, in the coming years (see also "*Persistent inflation pressures could have an adverse effect on the Group's business and future NPE balances*" in this Section 1 "*Risk Factors*"). Moreover, if geopolitical tensions escalate further, whether at a global or regional level, this could increase risk aversion, leading to a deferral of private spending decisions, especially for new investment on fixed capital. Any such escalation could also have far-reaching economic and social implications for Greece and the euro area as a whole, and may drive recessions, economic downturns, slowing economic growth and social and political instability; commodity shortages, supply chain risks and price increases; instability in Greece, the euro area and global capital and credit markets; risk aversion and deferral of private spending decisions, especially for new investment on fixed capital; as well as currency exchange rate fluctuations; any of which could adversely affect the Group's business, financial condition, results of operations and prospects. Moreover, combined with the ongoing tightening in monetary policy by the ECB (see also "*Persistent inflation pressures could have an adverse effect on the Group's business and future NPE balances*" in this Section 1 "*Risk Factors*"), adverse geopolitical developments could negatively impact the value of assets collateralising secured loans, including houses and other real estate, and in turn result in impairment charges or an increase in the Group's NPE levels. Any such developments could also adversely affect the Group's international operations, which, in the year ended 31 December 2023 and the year ended 31 December 2022, contributed 3.1% and 1.3%, respectively, of the Group's total net income from continuing operations.

The war in Ukraine has also escalated tensions between Russia and the United States, NATO, the European Union and the United Kingdom. The United States has imposed, and is likely to further impose, material, financial and economic sanctions and export controls against certain Russian organisations and/or individuals, with similar actions implemented by the European Union, the United Kingdom and other jurisdictions. In 2022 and 2023, the European Union and the United Kingdom each imposed packages of financial and economic sanctions that, in various ways, constrain transactions with numerous Russian entities and individuals; transactions in Russian sovereign debt; investment, trade and financing to and from certain regions of Ukraine as well as in trade of energy products and some non-energy commodities. In parallel, the EU sanctions regime concerning Belarus was expanded in response to the country's involvement in Russia's aggression against Ukraine, imposing, in addition to the sanctions that were already in place, a range of financial, economic and trade measures. See also "*Compliance with anti-money laundering, anti-bribery and corruption, financial and economic sanctions, and similar laws and regulations involve significant costs and efforts, and non-compliance may have severe legal and reputational consequences for the Group*" in this Section 1 "*Risk Factors*".

The Group's business may be indirectly impacted by the conflict between Israel and Hamas.

On 7 October 2023, Hamas infiltrated Israel's southern border from Gaza and conducted a series of attacks on civilian and military targets. Following the attack, Israel's security cabinet declared war against Hamas and launched a military campaign against Hamas-led Palestinian militant groups. The Group does not have operations in Israel or Gaza and revenue generated in these regions is not material to the Group. To date the Group has not experienced any material disruption to its operations from the ongoing military action between Israel and Hamas. However, the length, impact and outcome of the ongoing military conflict in the Middle East is highly unpredictable and there can be no assurances that further unforeseen events related to this conflict will not have a material adverse effect on the Group's operations in the future.

The Group is actively monitoring the situation in the Middle East and is assessing its impact on the Group's business. There is no way of predicting the progress or outcome of the conflict in the Middle East or their impact in this region, as the conflict and any resulting reactions from governments, international organisations and other institutions are rapidly developing and are beyond the Group's control. The extent and duration of the military actions, sanctions and resulting market disruptions could be significant and could potentially have substantial impact on the global economy for an unknown period of time. Any of the abovementioned factors could affect the Group's business, financial condition and results of operations. Any such disruptions may also magnify the impact of other risks described in this Prospectus.

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27 Source: ECB, Economic Bulletin Issue 2/2022, March 2022 (https://www.ecb.europa.eu/pub/pdf/ecbu/eb202202.en.pdf); ECB Economic Bulletin, Issue 4/2022, June 2022 (https://www.ecb.europa.eu/pub/pdf/ecbu/eb202204.en.pdf); and ECB Economic Bulletin, Issue 6/2022, September 2022 (https://www.ecb.europa.eu/pub/pdf/ecbu/eb202206.en.pdf).

28 Source: ECB, Economic Bulletin, Issue 8/2022, January 2023 (https://www.ecb.europa.eu/pub/pdf/ecbu/eb202208.en.pdf) and Economic Bulletin Issue 2/2023, March 2023 (https://www.ecb.europa.eu/pub/pdf/ecbu/eb202302.en.pdf).

The Group faces significant competition from Greek and foreign financial institutions, as well as new entrants to the market and financial technology companies.

If the Group fails to continue to compete successfully with domestic and international financial institutions in the future, the Group's business, financial condition, results of operations and prospects could be materially adversely affected.

On the lending front, the Group faces significant competition from the largest banks and other smaller banks in Greece, as well as from foreign financial institutions, which could require the Group to reduce spreads in the future to attract and maintain equivalent lending activity levels, especially in a high interest rate environment. On the deposits front, the changes in the level of interest rates imposed by the ECB in recent periods may lead to a significant increase in competition for deposits in Greece among the four largest banks (including Piraeus Bank) and other smaller banks, which could require Piraeus Bank to pay higher rates in the future to attract and maintain equivalent levels of deposits.

Moreover, the Group's competitive position generally depends on its ability to continue to offer a wide range of competitive and high quality products and services to its corporate and retail customers, including in particular a comprehensive digital offering. The Group also faces potential competition from new entrants to the market and an increasing risk of disintermediation from financial technology companies, all of which threaten to disrupt the value chain.

In its banking operations outside of Greece, the Group faces competition primarily from foreign banks, some of which may have greater resources than the Group.

The intense competition, coupled with a heightened focus on cost reduction, may lead to a reduction in fee income and compress profit margins. This, in turn, might adversely impact the Group's overall profitability.

The Group may have to bear additional costs in regard to staff costs.

Under the measures for the implementation of the Group's strategy, the Group reduced the number of its employees in Greece during 2021 and 2022 mainly through the implementation of voluntary exit schemes, and may continue in the future to reduce, albeit gradually, the number of employees in Greece or other countries, particularly through voluntary mechanisms, such as termination by mutual agreement or, to the extent legally possible, early retirement. In 2021, the Group initiated a voluntary exit scheme with a total cost of €25 million for the year ended 31 December 2021. In 2022, the Group introduced an additional voluntary exit scheme for targeted groups of its employees. Voluntary exits as at 31 December 2022 amounted to 574 employees. Total cost for the full-time equivalent rationalisation in 2022 amounted to €57 million for the year ended 31 December 2022. In 2023, the Group implemented a new voluntary exit scheme. Voluntary exits as at 31 December 2023 amounted to 538 employees. Total cost for the full-time equivalent rationalisation in 2023 amounted to €62 million for the year ended 31 December 2023. There can be no assurance that these measures, or any other future action relative to the implementation of its strategy, will not result in legal disputes or labour disruptions. In addition, such initiatives may lead to additional restructuring expenditure in terms of staff costs.

The Group's information systems and networks have been, and will continue to be, exposed and vulnerable to an increasing risk of continually evolving cybersecurity or other technological risks.

Piraeus Holdings is dependent on information and communication technologies to achieve its mission and carry out its day-to-day operations. Timely and valid information is necessary to support Piraeus Holdings' business decisions. This dependence is amplified by the increasing integration of the Group's information systems, the increasing interconnection between such systems and customers or third parties, and the continuously evolving government platforms.

Information and communication technologies are subject to ever-increasing and complex threats, which exploit known and unknown system vulnerabilities with potentially serious impact on business operation, individuals and critical infrastructure. In a continuously evolving and changing digital global landscape, there is an increase of information security risks in the banking sector, including as a result of:

- the rapid growth of important technological breakthroughs, including, among others, Cloud, Quantum computing, fifth generation networks, artificial intelligence and Internet of Things;
- unpredictable geopolitical developments (for instance, following the Russian invasion of Ukraine in February 2022, significant cyber activity has been noted worldwide); and
- the increased use of new technologies and digital applications to provide services to consumers and companies, in the midst of an unprecedented pandemic (including the COVID-19).

As the society and the economy increasingly rely on the digitisation of processes and services, perpetrators' opportunities for malicious actions will increase and attacks will become increasingly frequent.

The Group continuously analyses its threat environment in order to identify the most important threats that may undermine the achievement of its business objectives and has implemented various security controls aimed at mitigating cyber risks and strengthening its resilience to challenges related to cybersecurity. If security measures are breached, however, whether due to third-party action, employee error, malfeasance or otherwise, the Group's business and operations could be significantly adversely impacted. A failure of, or breach to, the Group's cybersecurity controls may also cause the Group to lose proprietary information and personal data and suffer data loss and/or corruption (see also "*The Group is subject to a number of laws relating to privacy and data protection, the breach of which could adversely affect its business*" in this Section 1 "*Risk Factors*"). The Group cannot provide assurances that such failures or interruptions will not occur or, if they do occur, that they will be adequately addressed. The occurrence of any failures or interruptions could result in a loss of customer data, disclosure of confidential information, legal and regulatory liability and an inability to service its customers, which could have a material adverse effect on the Group's business, reputation, results of operations and financial condition.

Information and communications technologies (the "ICT") are pivotal for the provision of financial services and the related regulatory framework is continuously evolving. The Group closely follows the regulatory developments to timely respond and comply with all new requirements. In this context, the Group is undertaking preparatory work to meet the obligations introduced by Regulation (EU) 2022/2554, commonly referred to as the Digital Operational Resilience Act, which is expected to apply from 16 January 2025. Under the Digital Operational Resilience Act, the Group is required to reinforce its operational integrity and reliability by complying with obligations in the areas of (a) ICT risk management, (b) management, classification and reporting of ICT-related incidents, (c) regular testing and (d) management of ICT third-party risk. Although this may entail significant compliance costs, it is expected to enhance the Group's overall resilience against cyberattacks and mitigate ICT-related operational risk.

Finally, any technological advancements that the Group may pursue in the future, such as Cloud migration, could subject it to additional regulatory requirements and increased risks. The Group's failure to adhere to or successfully implement processes in response to changing regulatory requirements in this area, or from evolution in technology, could result in legal liability or harm to its reputation. Any of these risks could have a material adverse impact on the Group's business, reputation, financial condition, results of operations and prospects.

The Group is exposed to the risk of potential fraud and illegal activities of any form, which, if not successfully dealt with in a timely manner, could have negative effects on its business, financial condition, results of operations and prospects.

The Group is subject to rules and regulations related to combating money laundering and terrorism financing. Non-compliance with these rules may have serious consequences, including adverse legal and reputational consequences. The Group cannot guarantee that its policies and procedures and its staff will comply at all times with or be sufficient to address all rules applicable to and prevent all attempts of money laundering and terrorism financing in all circumstances and in all jurisdictions in which the Group operates. Should any of the Group's intermediaries, customers, suppliers, partners, affiliates, or employees receive or grant inappropriate benefits or use corrupt, fraudulent, or other unfair business practices, the Group could face legal sanctions, penalties, loss of business, claims by injured parties, or harm to its reputation, which could in turn have a material adverse effect on its business, financial condition, results of operations, and prospects.

The Group may not be able to successfully integrate businesses that it acquires and may not be able to realise the anticipated cost savings, revenue enhancements or other synergies from any such acquisitions.

From time to time, the Group may consider acquisition opportunities as part of its strategic expansion plans. Any acquisition that the Group undertakes could subject it to integration and other risks and difficulties, including:

- difficulties in conforming the acquired company's accounting, books and internal controls to the Group's;
- difficulties in integrating the acquired company's information technology systems and platforms;
- difficulties in retaining employees who may be vital to the integration of the acquired business or to the future prospects of the combined businesses;
- inability to eliminate duplicative overhead and overlapping and redundant marketing, finance and general and administrative functions;
- increases in other expenses unrelated to the acquisitions, which may offset the cost savings and other synergies from the acquisitions; and
- unanticipated costs and expenses associated with any undisclosed or potential liabilities.

As a result of these risks, there can be no assurance that the Group will be able to realise anticipated cost savings, synergies or revenue enhancements from any such acquisitions. Moreover, depending on the nature of the investment or acquisition, the Group could be exposed to additional regulatory requirements or constraints.

The Group may be unable to retain or recruit experienced and/or qualified senior management and other personnel.

The Group's current Senior Management team includes several experienced executives the Group believes contribute significant experience and expertise to its management in the banking sectors in which Piraeus Holdings operates. The continued performance of the Group's business and its ability to execute its business strategy will depend, in large part, on the efforts of Senior Management. Furthermore, a potential change in share ownership percentages and shareholders' rights could lead to the departure of certain members of Senior Management. The Group's success also depends in part on its ability to continue to attract, retain and motivate qualified and experienced banking and management personnel. Competition in the Greek banking industry for personnel with relevant expertise is intense due to the relatively limited availability of qualified individuals.

While the Group seeks to provide attractive compensation packages in order to recruit and/or retain experienced and qualified senior management and other personnel, its ability to do so depends on a number of factors, some of which are outside of its control. If the Group were to experience difficulties in recruiting and/or retaining experienced and qualified Senior Management or other personnel, its business could be materially adversely affected.

The Group's business operations require precise documentation, recordkeeping and archiving. Any failure to do so could cause the Group to violate regulatory requirements, could prevent it from adequately monitoring transactions and claims or litigation, and could preclude it from enforcing agreements in accordance with their intended terms, all with a potential material adverse effect on the Group's business, reputation, results of operations and financial condition.

The Group's business operations require precise documentation, recordkeeping and archiving. Incomplete documentation, documentation not properly executed by counterparties, inadequate recordkeeping or archiving, including the ability to promptly reproduce the information stored in a demonstrable authentic, unchanged, unmodified or unaltered fashion, and the loss of documentation—both physical and electronic documentation—could materially and adversely affect the Group's business operations in a number of ways. Technical limitations, end of lifecycles, erroneous operational decisions, inadequate policies, human mistakes, outdated computer systems and programmes for the storage of older data, system failures, system decommissioning, underperforming third party service providers and inadequate and incomplete arrangements with third party service providers (including where the business continuity and data security of such third parties proves to be inadequate), may all lead to incomplete or inappropriate documentation or data, the loss or inaccessibility of documentation or data, and non-compliance with regulatory requirements.

The risk is further exacerbated by the increased use of technology and modern media for interacting with customers and entering into transactions with or selling products and services to them. For example, documentation and recordkeeping when clients use the internet or hand-held devices for entering into transactions with the Group are in certain respects more complex (with electronic signatures having to be verified and pages visited, and general terms accepted having to be stored) than with more traditional paper-based methods for entering into transactions. Furthermore, if client or transaction files are incomplete, this could preclude the Group from enforcing or performing agreements in accordance with their intended terms. Accordingly, if the Group should fail in respect of proper documentation, recordkeeping and archiving, or in obtaining the right and complete information, this could not only lead to fines or other regulatory action, but also materially and adversely affect its business, reputation, results of operations and financial condition.

Improving technological developments may lead to new and more detailed reporting and monitoring obligations of the financial industry. This could force the Group to make significant investments and increase its compliance burden with a material adverse effect on the Group's business, results of operations and financial condition.

New technological developments lead, at least in theory, to increased knowledge within the financial industry about clients and their behaviour. Governmental authorities could decide to increasingly use the industry for achieving certain policy goals and for the enforcement of rules that do not, strictly speaking, relate to the financial services industry. To date, governments have invoked the assistance of the financial industry for purposes such as combating terrorism, preventing tax evasion and detecting signals of possible money laundering. In the future, as technological possibilities improve, governments and supervisory authorities could expect the industry to detect other unusual or illegal behaviours by clients, even though the systems being used in the industry may not have been designed to make such assessments.

If new, different or more detailed reporting or monitoring obligations of this nature were to be imposed on the Group, then this could force it to make significant additional investments in technology or processes. For example, if the Group were to be able to monitor transactions in new ways, more unusual transactions might possibly be detected as these are defined under current rules, which might then require the Group to follow up on a greater number of signals of inappropriate transactions, which in turn requires more resources.

If, as a result of improving technological means, governments and supervisory and other authorities impose new and more detailed reporting and monitoring obligations on the Group, this could force it to make significant investments and increase its compliance burden with a material adverse effect on its business, reputation, results of operations and financial condition.

The Group's success and results are dependent on the strength of its brand and reputation, which, if compromised, could materially adversely affect the Group's business, results of operations and financial condition.

Piraeus Holdings, incorporated in Greece as Piraeus Bank Société Anonyme on 6 July 1916, has a rich history spanning 108 years. This extensive history, Management believes, has been instrumental in cultivating a strong reputation and fostering high trust rates for the Group. If the Group fails, however, to maintain the strength of its brand and reputation in the future, its business, financial condition, results of operations and prospects could be materially adversely affected. The Group's brand and reputation could be compromised as a result of a variety of matters such as, among other things, poor customer service; technology failures; cybersecurity breaches and fraud; breaching, or facing allegations of having breached, legal and regulatory requirements; committing, or facing allegations of having committed, or being associated with those who have or are accused of committing, unethical practices; litigation claims; failing to maintain appropriate standards of customer privacy and record keeping; and failing to maintain appropriate standards of corporate governance.

The Group is subject to ESG-related risks.

There is increased focus, including from governmental organisations, investors, employees and customers on ESG issues, such as environmental stewardship, climate change, diversity and inclusion, racial justice and workplace conduct. Negative public perception, adverse publicity or negative comments in social media could damage the Group's reputation if the Group does not, or is not perceived to, adequately address these ESG issues. Any harm to the Group's reputation could impact employee engagement and retention and the willingness of its customers and partners to do business with the Group.

In addition, organisations that provide information to investors on corporate governance and related matters have developed ratings processes for evaluating companies on their approach to ESG matters. The Group is covered by several ESG rating agencies and is included in several ESG indices (for more information, see "*Environment, Social and Governance (ESG)*" in Section 4 "*Group's Business Overview*"). Any downgrade in the Group's ESG ratings in the future may lead to negative investor, customer or employee sentiment. Moreover, the ESG ratings may vary among the different ESG rating agencies and are subject to differing methodologies, assumptions and priorities used by such organisations to assess ESG performance and risks. There is no guarantee that the methodology used by any particular ESG rating provider will conform with the expectations or requirements of any particular investor or customer, or any present or future applicable standards, recommendations, criteria, laws, regulations, guidelines or listing rules. ESG rating providers may revise or replace entirely the methodology they apply to derive ESG ratings or may employ methodologies that are not transparent, any of which could cause confusion among investors and customers. Such methodologies may have difficulties in comparing information on the Group's ESG performance with other industry participants. As a result, ESG ratings of the Group are not necessarily indicative of the Group's past, current or future commitment to, or performance in respect of, ESG matters. Further, ESG ratings may have limited, if any, utility for investors in assessing the Group's past, current or future financial performance. As part of the EC's renewed sustainable finance strategy, on 13 June 2023, the Commission presented a proposal on a Regulation on transparency and integrity of ESG rating activities aiming to improve the transparency of ESG ratings' characteristics and methodologies and provide increased clarity on operations of ESG rating providers and the prevention of ESG provider conflicts of interests. This initiative aspires, *inter alia*, to enable investors, rated entities and ESG rating providers to make better informed investment decisions, manage ESG risks and foster the market's confidence in ESG ratings.

Any negative ESG-related attention, any failure by the Group to live up to current relevant standards or achieve ESG targets, or any negative reports around the metrics the Group uses to assess its ESG-related performance, could have an adverse effect on the Group's business, results of operations, financial condition or prospects.

Catastrophic or unforeseen events, such as acts of war, acts of terrorism, earthquakes, floods or public health crises/pandemics may have a material adverse effect on the Group.

Catastrophic or unforeseen events, such as acts of war, acts of terrorism, earthquakes, volcanic eruptions, floods, fires or other natural disasters, and the subsequent responses to such events, may cause socio-economic and political uncertainties which may have a negative effect, directly or indirectly, on the economic conditions in Greece and could result in substantial losses being suffered by the Group. Such events may also result in loss of life, injury and the destruction of assets in the affected regions. For instance, Thessaly, which has a significant contribution in Greece's primary production and manufacturing activity, recently experienced extreme rainfall and flooding after a storm code-named "Storm Daniel" swept across the region for three consecutive days, claiming numerous lives and destroying infrastructure and properties in parts of this region. Although Storm Daniel is unlikely to materially affect the country-wide economic outlook, it is expected to cause difficulties at a regional level, possibly affecting the ability of local households and enterprises to repay their banking loans, which may trigger an increase in NPEs for Greek banks, including Piraeus Bank.

The Group's business also faces various risks related to public health issues, such as epidemics, pandemics and other public health crises, including most recently the COVID-19 pandemic. Any such public health crises could significantly adversely affect the Group's operations and the ability of its counterparties to meet their obligations toward the Group. In addition, a significant outbreak of contagious diseases could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, causing disruption of global supply chains, volatility in financial markets, decreases in consumer demand and downturns in key economic sectors (such as travel and tourism), any of which could materially adversely affect the Group's business, results of operations, financial condition and prospects.

The occurrence of any catastrophic or unforeseen events may have a material adverse effect on the Group's business, financial condition, results of operations and prospects. Unforeseen events may also lead to additional operating costs, such as higher insurance premiums. Insurance coverage for certain catastrophic or unforeseen events may also be unavailable or excluded from existing policies held by the Group, and thus increase the risk to which the Group is exposed.

Piraeus Bank and Piraeus Holdings could experience credit rating downgrades.

As of the date of this Prospectus, Piraeus Bank maintains a credit rating of Ba1 with a positive outlook from Moody's, BB- with a positive outlook from Fitch, BB- with a positive outlook from S&P and BB high with a stable outlook from DBRS. As of the date of this Prospectus, Piraeus Holdings maintains a credit rating Ba3 with a positive outlook from Moody's and B with a positive outlook from S&P.

Piraeus Bank's and Piraeus Holdings' credit ratings are, and will continue in part to be, based on some factors that are outside of their control, such as the economic conditions affecting Greece and the European Union. The credit ratings are revised and updated periodically and there are no guarantees that Piraeus Bank or Piraeus Holdings will be able to maintain their respective current ratings. There is a risk that the rating agencies could reduce Piraeus Bank's or Piraeus Holdings' credit rating or change the way they calculate the credit rating. If Piraeus Bank's or Piraeus Holdings' credit ratings or the ratings of their respective financial instruments are downgraded, this could have an adverse effect on their access to capital markets (see also "*Application of the Minimum Requirements for Own Funds and Eligible Liabilities (the "MREL") under the BRRD may affect the Group's profitability*" in this Section 1 "*Risk Factors*") and particular financial instruments. In the event of any such downgrade, Piraeus Bank's or Piraeus Holdings' ability to retain clients could also decrease, the Group's Funding Cost could increase and there could be a negative impact on sales and marketing of the Group's products. A downgrade in Piraeus Bank's or Piraeus Holdings' credit ratings could also require them to provide more collateral in derivatives contracts and secured funding arrangements.

The Group's insurance coverage may not adequately cover losses resulting from the risks for which it is insured.

Piraeus Holdings has entered into, among other insurance contracts, a multi-insurance contract to cover the civil liability of the Directors and executives of the Group entities for claims against Piraeus Holdings and its subsidiaries arising from negligence, error or inadequate oversight by Directors, executives and employees, and damages arising from fraud, including electronic fraud and cyber security breaches. The insurance cover contracts are subject to annual review and renewal. The Group's business involves risks of liability in relation to litigation from customers, employees, third-party service providers and action taken by regulatory agencies, and there is a risk that these may not be adequately covered by the insurance or at all. Due to the nature of the Group's operations and the nature of the risks that the Group faces, there can be no assurance that the coverage that the Group maintains is adequate, which could have a material adverse effect on the Group's operations and financial condition.

The Group's estimates, forecasts and other forward-looking information could differ materially from its actual results of operations.

This Prospectus includes certain estimates, forecasts and other forward-looking information, including certain financial performance targets for the financial years ending 2024, 2025 and 2026, as set out in Section 23 "*Financial Targets and Profit Forecasts*". The estimates, forecasts and other forward-looking information included in this Prospectus are based on assumptions that the Group believes are reasonable, but which are subject to risks, including those included in this Section 1 "*Risk Factors*", and may turn out to be incorrect or different than expected. Many of these risks are not within the Group's control and some of the assumptions with respect to future business decisions and strategies are subject to change. Should one or more of these or other uncertainties or risks materialise, actual results may vary materially from those estimated or anticipated and such differences may affect the market price of the Ordinary Shares, including the Offer Shares. There can be no assurance that the Group's actual results will not vary significantly from estimates, forecasts and other forward-looking information set forth in this Prospectus and, accordingly, prospective investors are cautioned not to place undue reliance on any such estimates, forecasts and other forward-looking information.

The economic hedging of the Group's fixed income portfolio may not prevent losses.

If any of the variety of instruments and strategies that the Group uses to economically hedge its exposure to risk is not effective, the Group may incur losses. Moreover, the Group does not economically hedge all of its risk exposure in all market environments or against all types of risk. In the Group's view, the principal risk to which it is exposed and which is not economically hedged is the sovereign credit risk of Piraeus Bank's holdings of bonds issued by European governments. As at 31 December 2023, the carrying amount of such holdings stood at €11.1 billion, of which approximately 77.5% and 21.3% related to GGBs and Italian government bonds, respectively.

In addition, in a scenario of changing policy rates and market risk premia, the Group may have to identify proper strategies and actions for hedging interest rate risk and adjust its operations. Any failure by the Group to address and adjust its strategy to the implications of the new monetary and inflationary environment, and the concomitant financial market and real economy's reaction to the monetary policy tightening, could adversely affect its financial condition, capital adequacy and operating results.

The value of certain financial instruments recorded at fair value is determined using financial models incorporating assumptions, judgments and estimates that may change over time or may not be accurate.

As at 31 December 2023, the balance of the Group's financial assets recorded at fair value was €2.5 billion. In establishing the fair value of certain financial instruments, the Group relies on quoted market prices or, where the market for a financial instrument is not sufficiently active, internal valuation models that utilise observable financial market data. In certain circumstances, the data for individual financial instruments or classes of financial instruments utilised by such valuation models may not be available or may become unavailable due to changes in financial market conditions. In such circumstances, the Group's internal valuation models require it to make assumptions, judgments and estimates to establish fair value. These internal valuation models are complex, and the assumptions, judgments and estimates the Group is often required to make relate to inherently uncertain matters, such as expected cash flows. Such assumptions, judgments and estimates may need to be updated to reflect changing facts, trends and market conditions. The resulting change in the fair values of the financial instruments could have a material adverse effect on the Group's earnings and financial condition. Also, market volatility can challenge the factual bases of certain underlying assumptions and could make it difficult to value certain of the Group's instruments. As at 31 December 2023, the gross amount of the Group's financial assets measured at fair value using unadjusted quoted prices in active markets for identical assets and liabilities (the "Level 1 Quoted Prices") was €2.0 billion. As at 31 December 2023, the gross amount of the Group's financial assets measured at fair value using observable inputs other than Level 1 Quoted Prices, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for the full term of the asset (Level 2 inputs), was €0.3 billion. As at 31 December 2023, the gross amount of the Group's financial assets measured at fair value using unobservable inputs (Level 3 inputs) amounted to €0.2 billion. Valuations in future periods, reflecting prevailing market conditions, may result in changes in the fair values of these instruments, which could have a material adverse effect on the Group's results, financial condition and prospects.

1.4 Legal, Regulatory and Compliance Risks

If the Group is not allowed to continue to recognise the main part of deferred tax assets (the "DTAs") as regulatory capital or as an asset, its operating results and capital position could be materially adversely affected.

The Group currently includes DTAs in calculating its capital and capital adequacy ratios. As at 31 December 2023, the Group's DTAs amounted to €5.7 billion. The Group reviews the carrying amount of its DTAs at each reporting date, and such review may lead to a reduction in the value of the DTAs in its Statement of Financial Position, and, accordingly, reduce the value of the DTAs as included in the Group's regulatory capital.

Under Articles 38 and 39 of the CRR, DTAs recognised for IFRS purposes that rely on future profitability and arise from temporary accounting and tax differences of a credit institution and exceed certain thresholds must be deducted from its CET1 capital. The deduction would have a significant impact on Greek credit institutions, including Piraeus Bank.

However, as a measure to mitigate the effects of the deduction, Article 27A of Greek Law 4172/2013 allows credit institutions, under certain conditions, and from 2017 onwards, to convert DTAs arising from (a) PSI losses, (b) accumulated provisions for credit losses recognised as at 30 June 2015, (c) losses from final write-off or the disposal of loans, and (d) accounting write-offs, which will ultimately lead to final write-offs and losses from disposals, to a receivable (the "Tax Credit") from the Greek State. Items (c) and (d) above were added with Greek Law 4465/2017 enacted on 29 March 2017. The same Greek Law 4465/2017 provided that the total tax relating to cases (b) to (d) above cannot exceed the tax corresponding to accumulated provisions recorded up to 30 June 2015, less (a) any definitive and cleared Tax Credit which arose in the case of accounting loss for a year according to the provisions of paragraph 2 of Article 27A, which relate to the above accumulated provisions, (b) the amount of tax corresponding to any subsequent specific tax provisions, which relate to the above accumulated provisions, and (c) the amount of the tax corresponding to the annual amortisation of the debit difference that corresponds to the above provisions and other losses in general arising due to credit risk.

Furthermore, Greek Law 4465/2017 amended Article 27 of Greek Law 4172/2013, related to "Carry forward losses", by introducing an amortisation period of 20 years for losses due to loan write-offs as part of a settlement or restructuring and losses that crystallise as a result of a disposal of loans. In addition, in 2021 Greek Law 4831 further amended Article 27 of Greek Law 4172/2013. According to this amendment, the annual amortisation/deduction of the debit difference arising from PSI losses is deducted at a priority over the debit difference arising from realised NPL losses. The amount of annual deduction of the debit difference arising from realised NPL losses is limited to the amount of the profits determined according to the provisions of the tax law as in force before the deduction of such debit differences and after the deduction of the debit difference arising from PSI losses. The remaining amount of annual deduction that has not been offset, is transferred to be utilised in the 20 subsequent tax years, in which there will be sufficient profit after the deduction of the above debit differences (PSI and NPL losses) that correspond to those years. As to the order of deduction of the transferred (unutilised) amounts, older balances of debit difference have priority over newer balances. If, at the end of the 20-year amortisation period, there are balances that have not been offset, these qualify as tax losses which are subject to the five-year statutes of limitation. The ECB, in its Opinion dated 29 July 2021[29], expressed certain concerns about the amendments introduced to the DTA amortisation rules. In particular, it stated that the "*amendments will further delay the derecognition of DTCs from the institutions' balance sheets. The proposed new amortisation mechanism does not exclude the risk that in 20 years' time the DTCs will not have been absorbed fully or partially*" and the Hellenic Republic was invited by the ECB to "*consider the cliff-off effect that the one-off write-off of outstanding unabsorbed DTCs could have on the capital positions of the banks*".

The main condition for the conversion of DTAs to a Tax Credit is the existence of an accounting loss (at the credit institution level) of a respective year, starting from accounting year 2016 onwards. The Tax Credit is calculated as a ratio of IFRS accounting losses to net equity (excluding the year's losses) on a solo basis and such ratio will be applied to the remaining eligible DTAs in a given year to calculate the Tax Credit that will be converted in that year, in respect of the prior tax year. The Tax Credit may be offset against income taxes payable. The non-offset part of the Tax Credit is immediately recognised as a receivable from the Greek State. In such a case, a special reserve equal to 100% of the Tax Credit, before offsetting it with the income tax of the tax year in which the accounting loss arose, will be created exclusively for a share capital increase and the credit institution must issue in favour of the Greek State, against no consideration, warrants to the Greek State (the "Conversion Rights") for an amount of 100% of the Tax Credit. The conversion of the Conversion Rights is effected against no consideration and against the capitalisation of the relevant special reserve created by the respective credit institution. The Conversion Rights entitle the holder thereof to acquire ordinary shares of the credit institution at par or above par and are freely transferable. Within a reasonable time after the issuance of the Conversion Rights, the existing shareholders of the respective credit institution have a call option to acquire the Conversion Rights *pro rata* to their percentage participation in the share capital of the credit institution at the time that the Conversion Rights were issued. Following the end of a reasonable period during which such option is exercisable, the Conversion Rights are freely transferable and are admitted to trading on a regulated market for a period of up to fifteen (15) days. The conversion of the Conversion Rights into common shares takes place automatically within fifteen (15) days from the end of the trading period with the capitalisation of the special reserve that has been formed in accordance with the decision of the General Meeting of the respective credit institution. The ownership of any common shares resulting from the conversion of Conversion Rights held by the Greek State goes to the HFSF, automatically and without consideration (see also "*Application of the current legal framework on Tax Credit may lead to the HFSF acquiring a holding in Piraeus Bank and a respective dilution of Piraeus Holdings' ownership percentage in Piraeus Bank and have a material adverse effect on the value of the Ordinary Shares, including the Offer Shares*" in this Section 1 "*Risk Factors*"). The conversion mechanism (DTA to Tax Credit) is also triggered in the case of resolution, liquidation or special liquidation of the institution concerned, as provided for in Greek or EU legislation, as the latter has been transposed into Greek legislation. In this case, any amount of Tax Credit which is not offset with the corresponding annual corporate income tax liability of the institution concerned gives rise to a direct payment claim against the Hellenic Republic.

This legislation allows credit institutions to treat such DTAs as not "relying on future profitability" according to Article 39 of the CRR, and as a result such DTAs are not deducted from CET1, hence improving a credit institution's capital position.

If the regulations governing the use of DTAs eligible for conversion to Tax Credit as part of the Group's regulatory capital change, this may affect the Group's capital base and consequently its capital ratios. As at 31 December 2023, the amount of DTA eligible for Tax Credit was €3.3 billion, representing 76.7% of the Group's CET1 capital (including profit for the period). Additionally, there can be no assurance that any final interpretation of the amendments described above will not change or that the EC will not rule the treatment of the DTAs eligible for Tax Credit under Greek law illegal and, as a result, Greek credit institutions would ultimately not be allowed to maintain certain DTAs as regulatory capital. If any of these risks materialise, this could have a material adverse effect on the Group's ability to maintain sufficient regulatory capital, which may in turn require the Group to issue additional instruments qualifying as regulatory capital, liquidate assets, curtail business or take any other actions, any of which may have a material adverse effect on the Group's operating results and financial condition and prospects.

The accounting treatment of irrevocable payment commitments ("IPC") is uncertain and may be subject to change.

Piraeus Bank allocates a portion of its ex-ante contributions to the Single Resolution Fund (the "SRF") through IPC backed by cash collateral, which are refundable upon fulfilling the IPCs. As at 31 December 2023 and 2022, Piraeus Bank had recorded IPC collateral of €32 million and €26 million, respectively, spanning contribution periods starting from 2016. Piraeus Bank adheres to IAS 37 for IPC accounting, recognising provisions only when an outflow of resources is probable for settling obligations. As at 31 December 2023 and 2022, the likelihood of such outflows was deemed remote, resulting in the IPCs being classified as contingent liabilities. The IPC collateral recorded by Piraeus Bank is recognised under line item "other assets". A French credit institution that was licensed until 24 March 2021, the date on which it obtained the withdrawal

[29] Source: Opinion of the European Central Bank of 29 July 2021 on deferred tax assets of Greek credit institutions (CON/2021/25) (europa.eu).

of its license from the ECB at its request, sought the return of its IPC collateral. The Single Resolution Board (the "SRB") rejected this request, asserting the non-refundability of contributions and the necessity of prior IPC payment for collateral return. On 25 October 2023, the Court of Justice of the European Union (the "CJEU") upheld SRB's decision viewing contributions – whether in cash or IPCs – as definitive. The CJEU decision has been appealed. As such, there is currently no clear rationale for changing the accounting treatment applied in the financial statements. Had Piraeus Bank accounted for the IPC collateral payments similar to cash contributions, *i.e.*, recognised them in the income statement as an expense, the Group's total assets and total equity as at 31 December 2023 would decrease by €32 million, while profit before tax for 2023 would decrease by €6 million. Any change in the IPC accounting treatment would not affect the Group's regulatory capital ratio, given the existing deduction of IPC collateral from regulatory capital.

The Group's business is subject to increasingly complex regulation which may increase its compliance costs and capital requirements.

The Group is subject to financial services laws, regulations, administrative actions and policies in each jurisdiction in which it operates. In response to the global financial crisis, national governments as well as supranational groups, such as the European Union, implemented significant changes to the existing regulatory frameworks for financial institutions, including those pertaining to supervision, capital adequacy, liquidity, resolution and the scope of banks' operations and those pertaining to investors' protection and financial products' governance requirements. The supervisory regime applicable to European banks has undergone numerous changes since the SSM took responsibility for the prudential supervision of banks in the Eurozone in November 2014. For more information, see "*Overview of the Regulatory Framework Applicable to the Group in Greece—The Regulatory Framework – Prudential Supervision of Credit Institutions—Single Supervisory Mechanism (SSM)*".

As a result of the continuously evolving financial services regulatory landscape, the Group may face greater regulation in future periods. In relation to upcoming regulation specifically, the regulatory proposal of a Third Payment Services Directive (the "PSD 3") reviewing Directive (EU) 2015/2366 (Payment Services Directive - PSD 2) is expected to enter into force within the next three to five years. PSD 3 will, among others, require the Group to intensify existing procedures for strong customer authentication, and ensure augmented possibilities for open banking; these operational changes are likely to entail increased cost.

The Group also follows the developments of the regulatory framework concerning the adoption of digital euro, to prepare for all adaptations of its infrastructure for the digital form of the EU single currency. The legal tender status of the digital euro will entail its mandatory acceptance at full face value, its power to discharge from payment obligations and its convertibility with euro banknotes and coins.

As an authorised credit institution, Piraeus Bank may provide digital euro payment services (basic and additional) without the need for additional authorisation. As it already operates payment accounts, Piraeus Bank will be obliged to distribute all the set of basic digital euro payment services upon request.

Any new regulatory framework may have a broader scope and entail significant changes and unforeseen consequences in the global financial system, the Greek financial system or the Group's business, including increasing general uncertainty in the markets, increasing competition or favouring/disfavouring certain lines of business. New regulatory requirements could also increase the Group's regulatory capital and liquidity requirements (see also "*The Group may be required to maintain additional capital and liquidity as a result of regulatory changes or otherwise*" in this Section 1 "*Risk Factors*"), increase the Group's disclosure requirements, restrict certain types of transactions, affect its strategy, limit or require the modification of rates or fees that it charges on certain loans and other products, and increase its compliance costs, any of which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects. Further, new regulatory requirements could increase the risk of non-compliance, and consequently litigation risk and regulatory investigations, the results of which are hardly predictable and, if adverse, could result in payments of compensations, fines or other regulatory sanctions.

The Group may be required to maintain additional capital and liquidity as a result of regulatory changes or otherwise.

Piraeus Holdings and Piraeus Bank are a significant supervised group within the meaning of point (22) of Article 2 of the SSM Framework Regulation. Piraeus Holdings and Piraeus Bank are required by the SSM and the regulators in the Hellenic Republic and other countries in which they undertake regulated activities to maintain minimum levels of capital (see also "*Overview of the Regulatory Framework Applicable to the Group in Greece—Capital Requirements/Supervision*").

The CRR defines the minimum capital requirements (Pillar 1 requirements) and CRD defines the combined buffer requirements for EU institutions. In addition, Articles 97 et seq. of CRD provide that the national competent authorities (the "NCAs") regularly carry out the SREP to assess and measure risks not covered, or not fully covered, under Pillar 1 and determine additional capital and liquidity requirements ("Pillar 2 requirements" or "P2R"). SREP is conducted under the lead of the ECB. The SREP decision is tailored to each bank's individual profile. Implementing regulations in Greece under CRD or higher SREP requirements may impose higher capital requirements, such as higher prudential buffers, which may require the Group to raise further capital. For more information, see "*Overview of the Regulatory Framework Applicable to the Group in Greece—Prudential Supervision of Credit Institutions—Single Supervisory Mechanism (SSM)*". Following the completion of the 2023 SREP cycle, in November 2023 Piraeus Holdings received the 2023 SREP Decision establishing own funds requirements that Piraeus Holdings is required to satisfy at all times on a consolidated basis for 2024. The 2023 SREP Decision requires a total SREP capital requirement ("TSCR") of 11% and P2R of 3%. Moreover, under the 2023 SREP Decision, the ECB requires Piraeus Holdings to adhere, on a consolidated basis, to the P2G of 1.25%, which should be comprised entirely of CET1 capital and held over and above the OCR. Pursuant to the 2023 SREP Decision, Piraeus Holdings is required to present a semi-annual update of its capital plan to the ECB by 31 March 2024 and 30 September 2024, which is required to explain in detail how compliance with the TSCR, P2R and P2G requirements will be satisfied and how Piraeus Holdings intends to follow the recommendation relating to P2G. For more information on the Group's capital requirements as of the date of this Prospectus, see Section 11 "*Information on the Capital of the Group—Supervisory Review and Evaluation Process (SREP)*". These required levels may increase in the future, including for example pursuant to the next SREP cycle as applied to Piraeus Holdings or Piraeus Bank or otherwise as a result of changes in the regulatory framework, or the methods of calculating capital resources may change. Likewise, Piraeus Bank and the Group are obliged under applicable regulations to maintain a certain liquidity coverage ratio (the "LCR") (see "*Overview of the Regulatory Framework Applicable to the Group in Greece—Capital Requirements/Supervision—Capital Adequacy Framework*"). Liquidity requirements are under heightened scrutiny and any changes thereto may place additional stress on the Group's liquidity demands in the jurisdictions in which it operates.

The EBA EU-wide stress tests are part of the supervisory toolkit used by NCAs to assess the resilience of EU banks and identify residual areas of uncertainties. Their results feed into the supervisory decision-making process to determine appropriate mitigation actions including the potential need to set a Pillar 2 guidance and, as such, are an input to the SREP. Piraeus Bank participated in the latest EBA EU-wide stress test exercise which was concluded on 28 July 2023[30] (for more information, see "*Information on the Capital of the Group—2023 EU-wide Stress Test*"). Considering the nature of the EBA EU-wide stress test exercises, these are largely self-contained, since scenario assumptions and methodology may vary in the future and hence, future outcomes may indicate increased capital requirements.

On 31 October 2018, the EBA published its final guidelines on management of non-performing and forborne exposures (the "FBEs"), aiming to ensure that credit institutions have adequate prudential tools and frameworks in place to manage effectively their NPEs and to achieve a sustainable reduction on their balance sheets (the "EBA FBE Guidelines"). To this end, the EBA FBE Guidelines require institutions to establish NPE reduction strategies and introduce governance and operational requirements to support them. The EBA FBE Guidelines specify sound risk management practices for credit institutions in their management of NPEs and forborne exposures, including requirements on NPE reduction strategies, governance and operations of NPE workout framework, internal control framework and monitoring (see "*Overview of the Regulatory Framework Applicable to the Group in Greece—The Greek Regulatory Framework—Settlement of Amounts Due by Indebted Individuals*"). The EBA Guidelines also set out requirements for processes to recognise NPEs and FBEs, as well as a forbearance granting process with a focus on the viability of forbearance measures. In particular, the EBA FBE Guidelines specify that institutions should grant forbearance measures only with the view to return the borrower to a sustainable performing repayment status and are thus in the borrower's interest. The EBA FBE Guidelines introduce a threshold of 5% of gross NPL ratio as a trigger for developing NPE strategies and applying associated governance and operational arrangements. Finally, the EBA FBE Guidelines outline requirements for competent authorities' assessment of credit institutions' NPE management activity as part of the SREP. The above measures and guidelines affect the Group's risk management, governance or control systems as these relate to its management of NPEs and FBEs, as well as on how the SSM assesses the Group's capital requirements for NPEs and FBEs.

If Piraeus Bank or the Group does not satisfy the minimum capital requirements (taking into account relevant combined buffer requirements) in the future, it may be subject to the measures that the SSM can take pursuant to the Banking Law and Council Regulation (EU) No. 1024/2013 (the "Regulation 1024/2013"), including appointment of a commissioner to Piraeus Bank (see "*Overview of the Regulatory Framework Applicable to the Group in Greece—Bank Recovery and Resolution Directive*"). If Piraeus Bank is required to raise further capital but is unable to do so on acceptable terms, the Group may be required to further reduce the amount of Piraeus Bank's risk-weighted assets ("RWAs") and thus engage in further disposal of core and other non-core businesses, which may not occur on a timely basis or achieve prices which would otherwise be attractive to Piraeus Bank. Any failure to maintain minimum regulatory capital and liquidity ratios could result in administrative actions or other sanctions, which in turn may have a material adverse effect on the Group's business, results of operations, financial condition and prospects. If Piraeus Bank or the Group is required to strengthen its capital position, it may not be able to raise additional capital from the financial markets or to dispose of marketable assets. That could potentially lead to further requests for State aid pursuant to the provisions of the HFSF Law in the circumstances permitted under internal article 56 of Article 2 of the BRRD Law and the HFSF Law, which could result in the application of Mandatory Burden Sharing Measures (as described in "*Overview of the Regulatory Framework Applicable to the Group in Greece—Bank Recovery and Resolution Directive*").

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[30] By reference to the results publication date.

On 7 December 2017, the Basel Committee published its recommendations named Basel III: Finalising post crisis reforms (informally referred to as "Basel IV"). The reforms contain new requirements for credit risk, operational risk, market risk and a so-called output floor which sets new minimum standards for capital requirements in financial institutions using internal models for calculating capital requirements. On 27 October 2021, the EC published its proposal for a review of the CRR and the CRD, implementing, *inter alia*, the Basel IV (the "Basel IV CRR/CRD Proposal"). The Basel IV CRR/CRD Proposal is currently subject to the EU legislative procedure. On 24 January 2023, the European Parliament's Economic and Monetary Affairs Committee (ECON) announced the adoption of draft reports on the Basel IV CRR/CRD Proposal and on 27 June 2023 the European Council announced that negotiators from the European Council and the European Parliament reached a provisional agreement on the Basel IV CRR/CRD Proposal. In December 2023, the preparatory bodies of the Council and Parliament endorsed the banking package following which the final texts have been published to allow for transparency of the agreed rules, although still subject to legal revision and to the final vote in the Plenary. The Basel IV CRR/CRD Proposal introduces, *inter alia*, significant changes to the calculations of credit, market and operational risk capital requirements. Piraeus Bank's RWAs will therefore increase as a result of a European implementation of Basel IV as set out in the Basel IV CRR/CRD Proposal. While the exact amount with which Piraeus Bank's RWAs will increase cannot be estimated with certainty at this stage and will depend on the final implementation of Basel IV, the Group currently expects such increase to amount to €1.6 billion by 2026. The Group has already incorporated the currently estimated increase in RWAs in its capital planning forecasts and guidance.

Piraeus Bank, both directly and through the banks that the Group has acquired during the previous decade, have granted loans to special social groups in Greece (e.g., repatriates and citizens and businesses affected by natural disasters) that are guaranteed by the Greek State by virtue of special ministerial decisions (the "Greek State-Guaranteed Exposures"). The Greek State-Guaranteed Exposures are interest-bearing with interest rates linked to the 12-month Greek treasury bill rate. As of 31 December 2023, the total net carrying amount of the Group's Greek State-Guaranteed Exposures amounted to €687 million. In this respect, according to the relevant ministerial decisions, one of the following two prescribed procedures may take effect: (a) for instalments (or parts of instalments) that have been due for more than three months, Piraeus Bank is entitled to a receivable from the Greek State, and Piraeus Bank is not permitted to call the guarantee on the total loan exposure or denounce the contract as would normally be the case for any other past-due loan. Accordingly, each claim from the Greek State is accounted for as derecognition (repayment) of the corresponding loan amount and a recognition of a new receivable from the Greek State; or (b) upon an event of default, Piraeus Bank must pursue the liquidation of any collaterals and subsequently request the forfeiture of the uncollected guaranteed amount. As of 31 December 2023, the total gross carrying amount of the exposures under the Greek State-Guaranteed Exposures that have been claimed from the Greek State but have not yet been reimbursed was €601 million, presented in Piraeus Bank's consolidated statement of financial position under the line item "Other Assets, claims from the Greek State" (€473 million), while the remaining balance of €128 million is presented in Piraeus Bank's consolidated statement of financial position under the line item "Loans and advances to customers at amortised cost".

Piraeus Bank has brought claims against the Greek State regarding procedural disputes in respect of these payments. Although Piraeus Bank anticipates that the judicial proceedings relating to these payments could be protracted, it expects that, based on available information, the outcome will be in its favour.

Since 1 January 2022, Piraeus Bank has received €104 million by way of repayment of the Greek State-Guaranteed Exposures from the Greek State, of which €45 million were received in 2022 and €59 million in 2023. Piraeus Bank believes that it should ultimately be able to collect the Greek State-Guaranteed Exposures carrying amount; however, no assurance can be provided as to the pace of repayments by the Greek State.

Based on recent correspondence with the supervisory authorities concerning the Greek State-Guaranteed Exposures, Piraeus Bank is expected to apply a prudential treatment for the Greek State-Guaranteed Exposures, to be assessed with a reference date of 31 December 2024 and compliance to be confirmed in the context of the SREP decision of 2025. In case the NPE coverage supervisory expectations are not fully met, a Pillar II requirement add-on may be determined and implemented. The potential capital impact of this has already been incorporated by the Group in its capital forecasts and guidance, on the basis of its current expectations regarding the rate and timing of collections (see "*Financial Targets and Profit Forecasts—Assumptions Underlying the Profit Forecasts*"). In accordance with the supervisory expectations, Piraeus Bank is required to apply the minimum NPE coverage level in alignment with the SREP recommendation on the coverage of the NPE stock and the Addendum to the ECB Guidance to banks on non-performing loans, to such Greek State-Guaranteed Exposures.

As a result of the foregoing, Piraeus Bank's capital ratios will be temporarily affected until the Greek State-Guaranteed Exposures are paid down by either the Greek State or the borrowers or recovered through alternative means. It is further clarified that this prudential treatment does not have any impact on the respective accounting treatment, including impairment charges or NPE classification. Consequently, for accounting purposes, the Group will continue to adhere to the existing guidelines and criteria for classifying exposures as non-performing and estimating respective impairment charges as dictated by the relevant accounting standards.

In case of an acceleration of the repayment schedule following a structural solution approved by the Greek State, this prudential treatment may be subject to change.

Further, one of the most significant legislative initiatives at EU level is the EU banking package fully implementing the Basel III framework (CRR3 and CRD 6), which was adopted by the European Parliament in January 2023. Since this initiative is under development, the Group has commenced a targeted assessment to evaluate its potential impact.

The Group is subject to the European resolution framework which has been implemented and may result in additional compliance or capital requirements and will dictate the procedure for the resolution of the Group.

The BRRD provides for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms. The BRRD is designed to provide authorities with a credible set of resolution tools and powers to intervene sufficiently early and quickly to avoid a significant adverse effect on the financial system, prevent threats to market infrastructure, protect depositors and investors and minimise reliance on public financial support. The BRRD's broad range of resolution tools and powers may be used alone or in combination where the relevant resolution authority considers that certain required conditions are met. The BRRD has been implemented in Greece by virtue of the BRRD Law, and in the other EU countries in which the Group has banking operations.

Where a credit institution (such as Piraeus Bank), or under certain circumstances a financial holding company that is a parent undertaking of a credit institution (such as Piraeus Holdings), is determined to be failing or likely to fail (as contemplated by the BRRD) and there is no reasonable prospect that any alternative solution would prevent such failure, various resolution actions are available to the relevant regulator under the BRRD, comprising the asset separation tool, the bridge institution tool, the sale of business tool and the bail-in tool (see also "*Overview of the Regulatory Framework Applicable to the Group in Greece—Bank Recovery and Resolution Directive*".) The BRRD separately contemplates that certain capital instruments (including CET1 instruments, Additional Tier 1 instruments and Tier 2 Notes each as defined in the CRR) and eligible liabilities may be subject to non-viability loss absorption in addition to the application of the general bail-in tool. At the point of non-viability of Piraeus Bank or the Group, the SRB, in co-operation with the competent resolution authority, may write down such capital instruments and eligible liabilities and/or convert them into shares. For the purposes of the application of any non-viability loss absorption measure, the point of non-viability under the BRRD is the point at which the relevant resolution authority determines that the institution meets the conditions for resolution (but no resolution action has yet been taken) or that the institution or, in certain circumstances, its group, will no longer be viable unless the relevant capital instruments and eligible liabilities are written down/converted or extraordinary public support is to be provided and without such support the appropriate authority determines that the institution and/or, as appropriate, its group, would no longer be viable. The capital instruments and eligible liabilities write down and conversion power may be exercised independently of, or in combination with, the exercise of other resolution tools. These measures could be applied to certain of the Group's instruments; the occurrence of circumstances in which write down or conversion powers would need to be exercised (or any perceived risk of such powers being exercised) would be likely to have a material adverse impact on the Group's business, financial condition and results of operations. Equity securities may be subjected to the bail-in powers in resolution and non-viability loss absorption powers, resulting in their cancellation, significant dilution or transfer away from the investors therein.

The EBA Guidelines on "the interpretation of the different circumstances when an institution shall be considered as failing or likely to fail" provide clarifications on the cases where an institution is assessed as "failing or likely to fail". Bank of Greece Executive Committee's Act No 111/31.01.2017 took into consideration the EBA Guidelines and provided an interpretation of the different circumstances when an institution shall be considered as failing or likely to fail regarding the implementation of the obligation of the Board of Directors of the institution to notify the Bank of Greece. Although there are pre-conditions for the exercise of the bail-in power, there remains uncertainty regarding the specific factors which the relevant resolution authority would consider in deciding whether to exercise the bail-in power with respect to the relevant credit institution and/or securities issued by that institution. Given the final discretion provided to the relevant resolution authority, it may be difficult to predict when, if at all, the exercise of any bail-in power by the relevant resolution authorities may occur which would result in a principal write off or conversion to equity. Accordingly, the threat of bail-in or exercise of the write down or conversion power may affect trading behaviour, including prices and volatility, of the securities of any institution which the market perceives to be potentially considered as failing or likely to fail by the relevant resolution authority.

The BRRD also provides for a Member State as a last resort, after having assessed and exploited the above resolution tools (including the general bail-in tool) to the maximum extent practicable whilst maintaining financial stability, to be able to provide extraordinary public financial support through additional financial stabilisation tools. These consist of the public equity support and temporary public ownership tools. Any such extraordinary financial support must be provided in accordance with the burden sharing requirements of the EU State aid framework and the BRRD. The application of the powers set out in the BRRD will impact how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of equity holders and creditors. As such, there can be no assurance that potential investors will not be adversely affected by actions taken under the BRRD. In addition, there can be no assurance that its application will not have a significant impact on the Group's results of operations, business, assets, cash flows and financial condition, as well as on its funding activities and the products and services offered.

Application of the Minimum Requirements for Own Funds and Eligible Liabilities (the "MREL") under the BRRD may affect the Group's profitability.

Since 2016, European banks have had to comply with the rules under the BRRD, which, *inter alia*, introduced the MREL. MREL aims to facilitate the orderly resolution of financial institutions by requiring them to hold at all times sufficient loss absorbing instruments to ensure that shareholders, subordinated creditors and senior unsecured creditors primarily bear losses in the event of resolution. MREL includes own funds (including, for the avoidance of doubt, ordinary shares, such as the Offer Shares) as well as eligible liabilities (as defined in the BRRD) and is expressed as a percentage of either risk weighted assets or total liabilities and own funds, as contemplated by the BRRD. The BRRD and the SRM Regulation do not mandate a minimum threshold for MREL, but instead provide for a case-by-case assessment of the MREL for each institution or group, against a minimum set of criteria prescribed by the rules made thereunder on the basis of which the SRB has been authorised to calculate and determine the level of MREL for each EU systemic credit institution (including Piraeus Bank).

In addition, Article 16a of BRRD, which has been incorporated into the Greek BRRD Law, allows the relevant resolution authority to prohibit an entity failing to meet its combined buffer requirement when considered in addition to the applicable MREL requirement from making distributions with respect to, *inter alia*, Common Equity Tier 1 capital (including ordinary shares, such as the Offer Shares).

On 20 May 2020, the SRB announced its updated MREL Policy, which included a provision of extended transitional periods for complying with the final MREL targets. Based on this provision, the Greek banks were granted an extension until 31 December 2025 to meet their respective final MREL targets. The SRB published an updated MREL Policy based on the changes required by the new banking package on 26 May 2021. The updated MREL Policy (i) introduced, *inter alia*, the MREL maximum distributable amount which allows the SRB to restrict banks' earnings distribution if there are MREL breaches and policy criteria to identify systemic subsidiaries for which granting an internal MREL waiver (based on the absolute asset size and relative contribution to resolution group) would raise financial stability concerns, and (ii) refines the methodology to estimate the Pillar 2 requirements post-resolution (*i.e.*, one of the components used for MREL calibration), the MREL calibration on preferred versus variant resolution strategy and the MREL calibration methodology for liquidation entities. In June 2022, the SRB published its updated approach to setting an MREL. The MREL Policy took into account new regulatory developments, such as the end of the supervisory leverage relief measures of the ECB, changes to the CRR agreed by the EU co-legislators on the indirect holding of internal MREL and the MREL calibration for banks with a multiple point-of-entry resolution strategy. Finally, in May 2023, the SRB published its updated policy to setting an MREL, with minimal changes for 2023. The only change concerns the scope of entities subject to internal MREL. As introduced by Regulation 2022/2036, the SRB may also decide to set internal MREL for certain intermediate financial holdings companies not subject to prudential requirements after a case-by-case assessment, where it is deemed instrumental to ensure a sound execution of the resolution strategy.

As of 1 January 2022, Piraeus Bank and its subsidiaries are required to continually meet the following binding threshold levels for two targets: MREL-TREA and MREL-LRE. The MREL-TREA target is expressed as a percentage of TREA, with the threshold level set at 12.89% (first binding requirement), plus the combined buffer requirement of TREA. The MREL-LRE target is expressed as a percentage of LRE, with the threshold level set at 5.91% of LRE. On 4 January 2024, Piraeus Bank received the SRB's resolution via the Bank of Greece, stipulating the need to meet MREL targets of 24.33% plus the combined buffer requirement ("CBR") of TREA and 5.91% of LRE by 31 December 2025 (final binding requirement). Both targets should be calculated at the consolidated resolution group level of Piraeus Bank.

In particular, the interim annual targets until 31 December 2025 are informative and are calculated through linear interpolation/build-up between the two binding targets of 1 January 2022 and 31 December 2025. Henceforth, starting from 1 January 2024, Piraeus Bank is required to meet, on an ongoing basis, the MREL requirements of 18.31% plus the CBR of TREA and 5.91% of LRE, both on a consolidated basis. The CBR stood at 3.25% in 2022, increasing to 3.54% in 2023 (applicable for the third quarter of 2023). Finally, according to the aforementioned SRB decision, no subordination requirement is set for Piraeus Bank.

The final targeted MREL ratio is updated annually by the SRB. If market conditions are limited, this could adversely affect Piraeus Bank's ability to comply with the SRB's requirements or could result in Piraeus Bank issuing MREL-eligible debt at very high costs, which could adversely affect the Group's business, financial condition, results of operations and prospects. If the Group fails to meet its combined buffer requirement (which will also be considered in conjunction with its MREL resources), resolution authorities have the power to prohibit certain distributions under the BRRD Law (see also "*Overview of the Regulatory Framework Applicable to the Group in Greece—Bank Recovery and Resolution Directive*"). The SRB's resolution powers (as the competent resolution authority under the BRRD) may also affect the confidence of Piraeus Bank's depositors and so may have a significant impact on the Group's results of operations, business, assets, cash flows and financial condition, as well as on the Group's funding activities and the products and services it offers.

Compliance with anti-money laundering, anti-bribery and corruption, financial and economic sanctions, and similar laws and regulations involve significant costs and efforts, and non-compliance may have severe legal and reputational consequences for the Group.

The Group is subject to various rules and regulations related to anti-money laundering (the "AML"), anti-bribery and corruption, financial and economic sanctions, and similar laws and regulations in the various jurisdictions where it operates, based on which enhanced due diligence measures to prevent financial crime risks apply. The regulatory framework applicable to credit institutions, *inter alia*, includes Greek Law 4557/2018 on the prevention and suppression of the legalisation of proceeds of crime and terrorist financing and the Decision 281/5/17.3.2009 of the Bank of Greece's Committee for Banking and Credit Issues. Compliance with such rules and regulations entails significant cost and effort, including obtaining information from clients and other third parties. In particular, such costs and efforts have increased following the imposition of a new set of financial and economic sanctions, as applicable and in force, that, in various ways, constrain transactions with numerous Russian and Belarussian entities and individuals; transactions in Russian sovereign debt; and investment, trade and financing to and from certain regions of Ukraine. Non-compliance with these rules may have serious consequences, including adverse legal and reputational consequences.

The Group periodically reviews its internal policies, procedures, controls and systems relating to anti-money laundering and related matters and proceeds to updates and adjustments as necessary according to applicable legislation and the Group's business. These cannot be effective in all circumstances and the Group has identified certain instances of non-compliance with, or deficiencies in, the foregoing, although the Group has not discovered evidence of actual violations of financial crime regulation resulting therefrom. A possible violation or even any suspicion of a violation of these rules and regulations may have serious adverse legal and financial impacts, which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group is subject to a number of laws relating to privacy and data protection, the breach of which could adversely affect its business.

The Group is subject to a number of laws relating to privacy and data protection, including the General Data Protection Regulation (Regulation (EU) 2016/679) (the "GDPR") and local data protection and privacy laws applicable in the countries where it operates. Such laws govern the Group's ability to collect, process and use of personal, employee and other data in the course of the Group's operations. In Greece, Greek Law 4624/2019, which transposed Directive (EU) 2016/680, implements and/or makes use of the derogations allowed by the GDPR.

While the Group has adopted policies, established procedures and has been taking measures in place, on an on-going basis, to comply with applicable laws and regulations relating to privacy and data protection, it is possible that such requirements may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another or may conflict with other rules or the Group's practices. In the event that such data is wrongfully appropriated, lost or disclosed, damaged or processed in breach of privacy or data protection laws by the Group, the Group's reputation could be negatively impacted and litigation or other legal or regulatory actions may be initiated. In particular, regulators have power to impose administrative fines and penalties for a breach of obligations under the GDPR, including fines for serious breaches of up to 4% of the total worldwide annual turnover of the preceding financial year or €20 million, whichever is greater, and fines of up to 2% of the total worldwide annual turnover of the preceding financial year or €10 million, whichever is greater, for other specified infringements. For example, in 2023, the Hellenic Data Protection Authority imposed a fine of €210,000 on Piraeus Bank for infringing customers' right of access and for failing to implement appropriate and effective technical and organisational measures to minimise the data to be processed.

Any perceived or actual failure by the Group to protect confidential data or any material non-compliance with privacy or data protection laws may harm the Group's reputation and credibility, adversely affect its revenue and lead to litigation or other actions being brought against the Group, any of which could have a material adverse effect on the Group's business, results of operations, financial condition or prospects.

Laws regarding the bankruptcy of individuals and regulations governing creditors' rights may limit the Group's ability to receive payments on NPEs, increasing the requirements for provisioning in its financial statements and impacting its results and operations.

Laws regarding the bankruptcy of individuals and other laws and regulations governing creditors' rights generally vary significantly within the countries in which the Group operates.

In October 2020, a new bankruptcy code was enacted in Greece by virtue of Greek Law 4738/2020, as most recently amended and currently in force (the "Insolvency Code"). The Insolvency Code introduced a major reform of the Greek bankruptcy and insolvency regime, aimed at facilitating and enhancing resolution of insolvency cases and pre-insolvency debt restructuring. Key changes of the Insolvency Code include the incorporation of the pre-existing, out-of-court workout process, based on the development of an electronic platform and an algorithm determining the viability of the debtor's debts post-restructuring, the introduction of a bankruptcy regime for over-indebted individuals who are not entrepreneurs, a new sale-and-lease-back scheme for primary residence protection, and shorter and automatic debt discharge periods. The new out-of-court workout process and the new bankruptcy proceedings set out in the Insolvency Code entered into force on 1 June 2021. For those whose business activity exceeds €350,000 and whose turnover exceeds €700,000, the pre-bankruptcy rehabilitation proceedings (in Greek "Εξυγίανση") and second chance process came into effect from 1 March 2021.

If the economic environment in Greece deteriorates, bankruptcies, other insolvency procedures and governmental measures, including payment and enforcement moratoria, could intensify or applicable laws and regulations may be amended to limit the impact of the crisis on corporate and retail debtors. Furthermore, the heavy workload that local courts may face, and the cumbersome and time consuming administrative and other processes and requirements which apply to restructuring, insolvency and enforcement measures, may delay final court judgements on insolvency, rehabilitation and enforcement proceedings. Such changes may have an adverse effect on the Group's business, financial condition, results of operations and prospects. In addition, any potential further measures that may increase the protection of debtors and/or impede the Group's ability to collect overdue debts or enforce securities in a timely manner (which would lead to an increase in NPEs and/or a reduction in the amount of collections on NPEs compared to the Group's plans), resulting in a corresponding increase in provisions, may have an adverse effect on the Group's business, results of operations, capital position and financial condition.

The Group is subject to general litigation, regulatory disputes and government inquiries from time to time.

The Group has, in the past been, currently is, and may in the future be a party to litigation, regulatory disputes or proceedings before governmental bodies following inquiries or complaints.

For example, in 2019 the Hellenic Competition Commission ("HCC") conducted several dawn raids at the premises of all Greek systemic banks (including Piraeus Bank), smaller banks and the Hellenic Bank Association investigating potential competition law infringements in the financial banking sector. Following the successful conclusion of the settlement procedure prescribed by Greek competition law—whereby implicated parties cooperate with the HCC in exchange for the imposition of reduced fines—the HCC, in December 2023, adopted Decision No. 838/2023 accepting the settlement proposals submitted by such parties. The decision imposed reduced fines for certain competition law infringements, totalling €41.76 million. Piraeus Bank faced fines amounting to €12.99 million. The scope and extent of the infringements in the HCC's decision were broadly identical for all banks involved and entailed a concerted practice, within the meaning of competition law rules, for the adoption of a new pricing model and the exchange of business information on fees contrary to Article 1 of Greek Law 3959/2011 and Article 101 TFEU. The infringements related to (i) the introduction of a direct access fee (DAF) in ATM cash withdrawal transactions through cards issued by Greek or foreign institutions, (ii) the introduction of a separate "issuing fee", (iii) the potential adoption of certain new (add-on) charges in banking products and services, such as the issuance and acceptance of payment cards, payment accounts, cash transactions, loans, and other transactions, and (iv) the invoicing terms for the execution of credit transfers by a specific payment institution through the DIAS Credit Transfer System. In addition to the fines, as a behavioural measure, the HCC imposed on all involved banks the reduction of the commission applied to ATM cash withdrawal transactions using cards issued by other institutions as of 1 January 2024 and for a period of three years, with an up to two years extension possibility at HCC's discretion. This measure took into account separate cost studies performed by independent experts for each bank. In addition, on 18 April 2023, the HCC approved unanimously the acquisition by Piraeus Bank, through a mandatory tender offer, of Marfin Investment Group. In connection with this acquisition, on 26 July 2023, Piraeus Bank was notified that the HCC would investigate whether Piraeus Bank could be deemed to have acquired *de facto* control prior to receiving formal approval ("gun jumping"). As of the date of this Prospectus, this administrative process has not yet been completed and may result in an adverse finding for Piraeus Bank.

In Management's opinion, after consultation with legal counsel, neither Piraeus Holding nor any other Group member is currently involved in any governmental, legal or arbitration proceeding (including proceedings that are pending or threatened of which Piraeus Holdings is aware) which may have significant impact on the Group's financial position or profitability. As at 31 December 2023, the Group has made provisions for litigation for €34 million.

Changes in consumer protection laws in Greece could limit the fees that banks may charge for certain products and services such as mortgages, unsecured loans and credit cards, with a negative effect on the Group's business, financial condition, results of operations and prospects. In addition, the HCC retains the power to, *inter alia*, review the fees charged in the provision of the relevant services by Piraeus Bank at any time, and can investigate other potential infringements of Articles 1 and 2 of the Greek Law 3959/2011, as amended and in force, as well as Articles 101 and 102 of the Treaty on the Functioning of the European Union, which prohibit cartels and restrictive exclusionary practices in the relevant markets.

Legal and regulatory actions are subject to many uncertainties, and their outcomes, including the timing, amount of fines or settlements or the form of any settlements, which may be material and in excess of any related provisions, are often difficult to predict, particularly in the early stages of a case or investigation, and the Group's expectation for resolution may change.

In addition, responding to and defending any current or potential proceedings involving the Group or any of its directors and other employees may be expensive and may result in diversion of management resources (including the time of the affected persons or other Group's employees) even if the actions are ultimately unsuccessful. Accordingly, any such legal or regulatory proceedings and other actions involving any member of the Group or any of its directors or other employees may have an adverse effect on the Group, including negative publicity, loss of revenue, litigation, fines, higher scrutiny and/or intervention from regulators, regulatory or legislative action, and loss of existing or potential client business, which in turn could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group is subject to changes in taxation laws.

Revisions to tax legislation or to its interpretation could result in increased tax rates or additional taxes. In addition, the Group is subject to periodic tax audits, which could result in additional tax assessments relating to past periods. Adverse changes in tax laws, and any other reform amendment to, or changes in the interpretation or enforcement of, applicable tax legislation that negatively impact the Group could have a material adverse effect on its business, financial condition and results of operations.

Recently, in response to the inflationary and cost-of-living pressures, a number of European governments have imposed windfall taxes on certain sectors, including the banking sector, whose profits have surged off the back of the high interest rate environment. As of the date of this Prospectus, the Greek government has not (to the knowledge of the Group) indicated any intention to introduce a windfall tax on the banking sector in Greece. If, however, any such taxes or other similar levies are introduced in the future, the Group's business, results of operations and financial condition could be materially adversely affected.

1.5 Risks Relating to the Markets and the Ordinary Shares

Application of the current legal framework on Tax Credit may lead to the HFSF acquiring a holding in Piraeus Bank and a respective dilution of Piraeus Holdings' ownership percentage in Piraeus Bank and have a material adverse effect on the value of the Ordinary Shares, including the Offer Shares.

As described in "*If the Group is not allowed to continue to recognise the main part of deferred tax assets (the "DTAs") as regulatory capital or as an asset, its operating results and financial condition could be materially adversely affected*" in this Section 1 "*Risk Factors*", upon conversion of DTAs to Tax Credits by a credit institution, it must issue Conversion Rights to the Greek State. If Conversion Rights are issued by Piraeus Bank, this may result in the HFSF acquiring a holding in Piraeus Bank and a respective dilution of Piraeus Holdings' ownership percentage in Piraeus Bank and could have a material adverse effect on the value of the Ordinary Shares, including the Offer Shares.

Piraeus Holdings may not be able to pay dividends to its Shareholders.

If there are no distributable profits or distributable reserves, pursuant to the applicable provisions of law, Piraeus Holdings is not allowed to pay dividends. As at 31 December 2023, Piraeus Holdings had €422 million in distributable reserves, calculated based on the 2023 Annual Financial Statements. The distribution of dividends by Piraeus Holdings is also subject to restrictions under Greek Law 4548/2018 and other applicable restrictions to profit distributions, including dividend payments in respect of the Ordinary Shares and shares issued by Greek credit institutions, such as Piraeus Bank. For more information, see "*Financial Information Concerning the Group's Assets and Liabilities, Financial Position, and Profits and Losses—Dividends and Dividend Policy*" and "*Information on the Capital of the Group—Restrictions on the Use of Capital*". Furthermore, extraordinary circumstances may lead the ECB to impose from time to time additional restrictions on dividend distributions by credit institutions, as was the case during the COVID-19 pandemic when, pursuant to the ECB recommendation 2020/62, credit institutions were urged to exercise extreme prudence when opting for or paying out dividends or performing share buybacks to remunerate their shareholders. Currently applicable legislation or legislation that may be enacted in the future, as well as existing and future regulatory recommendations and guidelines, may prohibit Piraeus Holdings or limit its ability to make distributions to its shareholders, including the payment of dividends on the Ordinary Shares, including the Offer Shares, in subsequent years. Moreover, pursuant to the 2023 SREP Decision, Piraeus Holdings is required to obtain ECB's approval prior to making distributions to its Shareholders.

The Ordinary Shares may be subject to the general bail-in tool or the non-viability loss absorption power pursuant to the BRRD Law and can be affected by the implementation of the Mandatory Burden Sharing Measures pursuant to the HFSF Law, which may result in their write-down or cancellation in full.

According to the BRRD Law, in certain circumstances and subject to certain conditions, resolution actions may apply to financial holding companies which are parent undertakings of credit institutions, such as Piraeus Holdings and Piraeus Bank, respectively, but which (financial holding companies) are not themselves resolution entities, such as Piraeus Holdings. In such case, the Ordinary Shares, including the Offer Shares, may be subject to the general bail-in tool, which gives the competent resolution authority the power to write down or cancel certain claims of unsecured creditors, such as Shareholders. The bail-in tool may be imposed either as a sole resolution measure or in combination with other resolution tools that may be imposed in case of the resolution of the relevant failing entity and/or if such entity receives state-aid in the form of the Government Financial Support Tool pursuant to Articles 56-58 of the BRRD Law (and, in particular with respect to a credit institution, Article 6b of the HFSF Law). In addition to the above, Articles 59 et seq. of the BRRD Law also provide for the non-viability loss absorption power of the competent resolution authority to permanently write down or convert into equity capital instruments issued by the relevant entity, including CET1 instruments (which includes Ordinary Shares, such as the Offer Shares), Additional Tier 1 and Tier 2 capital instruments (each as defined under the CRR) at the point of non-viability of the entity concerned and before any other resolution action is taken, with losses taken in accordance with the priority of claims under normal insolvency proceedings. Holders of Ordinary Shares, including the Offer Shares, may therefore lose some or all of their investment, if the value of the Ordinary Shares they hold is written down (up to zero) or cancelled.

In case of the HFSF granting extraordinary public financial support under Article 57 par. 3 of the BRRD Law to Piraeus Holdings and/or Piraeus Bank, the mandatory burden sharing measures will be imposed by virtue of a Cabinet Act, pursuant to Article 6a of the HFSF Law, on the holders of instruments of capital and other liabilities of the credit institution or entity receiving such support (each a "relevant entity") (the "Mandatory Burden Sharing Measures") (see also "*Overview of the Regulatory Framework Applicable to the Group in Greece—Bank Recovery and Resolution Directive*"). The Mandatory Burden Sharing Measures include the absorption of losses by existing subordinated creditors by the writing down of the nominal value of their claims. Absorption of loss by shareholders of the relevant entity, so that its equity position becomes zero, is implemented by way of a resolution of the competent corporate body of the relevant entity on the decrease of the nominal value of the shares. In such case, the Shareholders may lose some or all of their direct investment in Piraeus Holdings and/or their indirect investment in Piraeus Bank pursuant to the application of the Mandatory Burden Sharing Measures.

Based on the above, the exercise of any bail-in tool or the non-viability loss absorption power under the BRRD Law or the implementation of the Mandatory Burden Sharing Measures pursuant to the HFSF Law (as the case may be) could result to the loss of part or all of prospective investors' investment. Furthermore, the mere suggestion of the exercise or implementation of such tools or powers, as the case may be, could also materially adversely affect the price or value of the Ordinary Shares, including the Offer Shares.

The issuance of additional debt or equity securities by Piraeus Holdings in connection with future acquisitions, any share incentive or share option plan or otherwise may dilute all other shareholdings and may adversely affect the market price of the Ordinary Shares.

Piraeus Holdings may in the future, subject to the lock-up arrangements in the International Offering Underwriting Agreement (see "*Piraeus Holdings Lock-up Arrangements*" in Section 19 "*Terms and Conditions of the Offering*"), seek to raise capital through public or private debt or equity financings.

If Piraeus Holdings issues additional Ordinary Shares in the future in connection with any acquisitions, any share incentive or share option plan or otherwise, or if it issues debt or equity securities convertible into Ordinary Shares or rights to acquire Ordinary Shares, the existing Shareholders may not have the right to acquire additional Ordinary Shares on a *pro-rata* basis (see also "*Shareholders in the United States and other jurisdictions outside of Greece may not be able to participate in future offerings*" in this Section 1 "*Risk Factors*"). As a result, Shareholders may suffer dilution in their percentage ownership in Piraeus Holdings.

The sale of a substantial number of Ordinary Shares, or the perception that such sales may occur, could negatively affect the market price of the Ordinary Shares.

The sale of a substantial number of Ordinary Shares in the market before or after the Offering, or the perception that such sales may occur, could negatively affect the market price of the Ordinary Shares. The public trading market price of the Ordinary Shares may decline below the Offer Price, in which case investors will suffer an immediate unrealised loss as a result. The Group cannot assure investors that, after they purchase Offer Shares, they shall be able to sell them at a price equal to or greater than the Offer Price. Moreover, until the Offer Shares are credited with the Securities Account designated in the relevant purchase application upon completion of the Offering, investors will be unable to sell Offer Shares at all.

Following the completion of the Offering, the HFSF may, subject to the lock-up arrangements in the International Offering Underwriting Agreement (see "*Selling Shareholder Lock-up Arrangements*" in Section 19 "*Terms and Conditions of the Offering*"), dispose further Ordinary Shares it holds in Piraeus Holdings, including in the short term. It is noted that in accordance with the HFSF Divestment Strategy and the HFSF Law, the HFSF will use all reasonable efforts to dispose its holdings in the Greek systemic banks before 31 December 2025, while ensuring maintaining financial stability and ensuring that it receives fair value and subject to key requirements including the evaluation of conditions prevailing in the market. A disposal of Ordinary Shares held by the HFSF may place a significant amount of downward pressure on the market price of the Ordinary Shares.

The Ordinary Shares may be subject to market price volatility.

The market price of the Ordinary Shares may be volatile and subject to wide fluctuations as a result of a variety of factors, including, but not limited to, those referred to in this Section 1 "*Risk Factors*", as well as period-to-period variations in operating results or changes in revenue or profit estimates by the Group, industry participants or financial analysts. The market price could also be adversely affected by developments unrelated to the Group's operating performance, including, among other things, the operating and share price performance of, or the potential application of resolution measures to or potential litigation against, other credit institutions or financial holding companies that investors may consider comparable to the Group, speculation about the Group in the press or the investment community, unfavourable press, strategic actions by competitors (including acquisitions and reorganisations), changes in market conditions, regulatory changes and broader market volatility and movements. Any or all of these factors could result in material fluctuations in the price of the Ordinary Shares, which could result in investors receiving back less than they invested or a total loss of their investment.

If the HFSF is unable to dispose of all of the Offer Shares due to uncertain market conditions and remains a significant holder of Ordinary Shares, there may be less liquidity in the Ordinary Shares.

The HFSF currently is the largest holder of Ordinary Shares. There is uncertainty as to whether market conditions, which are currently not known, will permit the HFSF to dispose of all of the Ordinary Shares it holds. If the HFSF continues to own a significant percentage of the Ordinary Shares following the Offering, the Ordinary Shares may be less liquid, which may make it more difficult for investors to sell or purchase Ordinary Shares at the price or time of their choice and may result in investors receiving a lower price, or paying a higher price, for Ordinary Shares than the price if the Ordinary Shares were more actively traded on the ATHEX. No assurance can be given to investors that the trading market of the Ordinary Shares will become more liquid in the future, or that the trading volume of the Ordinary Shares will not decrease further in the future.

The ATHEX is less liquid than other major exchanges.

The Ordinary Shares are listed on the Main Market of the Regulated Securities Market of the ATHEX. The Main Market of the ATHEX is less liquid than other major stock markets in Western Europe and the United States. In the year ended 31 December 2023, the average daily volume on the ATHEX was €109.6 million. On 31 December 2023, the total value of all shares listed on the Regulated Securities Market of the ATHEX amounted to approximately €87.5 billion. Piraeus Holdings' market capitalisation as at 31 December 2023 amounted to €4.0 billion, corresponding to approximately 5% of the total market capitalisation of all companies listed on the Regulated Securities Market of the ATHEX. As a result, Shareholders may face difficulties engaging in share purchases and sales especially if they wish to engage in large-volume transactions. There can be no assurances about the future liquidity of the market for the Ordinary Shares.

2 STATUTORY AUDITORS

The 2021 Annual Financial Statements were prepared in accordance with IFRS and audited by Mr. Dimitris Koutsos-Koutsopoulos (SOEL Reg. No. 26751) of Deloitte Certified Public Accountants S.A. (Reg. No. SOEL E120). The 2021 Annual Financial Statements were approved by the Board of Directors on 24 March 2022 and the General Meeting on 22 July 2022.These financial statements, together with the Independent Auditor's Report of Deloitte Certified Public Accountants S.A. thereon, and which forms part thereof and must be read in conjunction therewith, are available on the Group's website (https://www.piraeusholdings.gr/~/media/Com/2021/Files/investor-relations/Financials/Financial-Statements/2021/12M/2021-Annual-Financial-Report_Holdco_en.pdf).

The 2022 Annual Financial Statements were prepared in accordance with IFRS and audited by Mrs. Alexandra Kostara (SOEL Reg. No. 19981) of Deloitte Certified Public Accountants S.A. (Reg. No. SOEL E120). The 2022 Annual Financial Statements were approved by the Board of Directors on 16 March 2023 and the General Meeting on 27 June 2023.These financial statements, together with the Independent Auditor's Report of Deloitte Certified Public Accountants S.A. thereon, and which forms part thereof and must be read in conjunction therewith, are available on the Group's website (https://www.piraeusholdings.gr/~/media/Com/2022/Files/investors/financial-results/Q4/Annual-Financial-Report-2022-of-PFH.pdf).

The 2023 Annual Financial Statements were prepared in accordance with IFRS and audited by Mrs. Alexandra Kostara (SOEL Reg. No. 19981) of Deloitte Certified Public Accountants S.A. (Reg. No. SOEL E120). The 2023 Annual Financial Statements were approved by the Board of Directors on 27 February 2024. These financial statements, together with the Independent Auditor's Report of Deloitte Certified Public Accountants S.A. thereon, and which forms part thereof and must be read in conjunction therewith, are available on the website of Piraeus Holdings (https://www.piraeusholdings.gr/en/investors/financials/financial-statements).

3 INFORMATION ABOUT PIRAEUS HOLDINGS AND THE SELLING SHAREHOLDER

3.1 Information about Piraeus Holdings

Piraeus Holdings was incorporated in Greece as Piraeus Bank Société Anonyme on 6 July 1916 pursuant to the laws of the Hellenic Republic. The ordinary shares of Piraeus Holdings (former Piraeus Bank Société Anonyme) have been listed on the ATHEX since 1918.

On 23 July 2020, the Board of Directors of the former Piraeus Bank Société Anonyme approved the initiation of the demerger of its core operations by way of hive-down and the contribution of its banking activities into a new credit institution, "Piraeus Bank Société Anonyme", in accordance with the provisions of Article 16 of Greek Law 2515/1997, Article 57, paragraph 3, and Articles 59-74 of Greek Law 4601/2019, as well as Article 145 of the Banking Law. On 30 December 2020, the core banking operations of the former Piraeus Bank Société Anonyme were demerged, by way of hive-down, and were contributed into a newly-formed credit institution incorporated under the corporate name "Piraeus Bank Société Anonyme". The amendment of the Articles of Association (including the change of the corporate name of the former "Piraeus Bank S.A." to "Piraeus Financial Holdings S.A.") was approved by virtue of the decision of the Ministry of Development and Investments No. 731/05.01.2021, which has been registered on the same day in the General Commercial Registry (G.E.MI) with Registration Number 2442564.

Following the Demerger, the former Piraeus Bank Société Anonyme ceased to be a credit institution, retained activities, assets and liabilities not related to core banking activities and changed its corporate name to "Piraeus Financial Holdings S.A.". Piraeus Financial Holdings S.A. (i) currently holds 100% of the newly-formed credit institution incorporated under the corporate name "Piraeus Bank Société Anonyme" (which substituted the former Piraeus Bank Société Anonyme, by way of universal succession, to all the transferred assets and liabilities of the core banking operations of the former Piraeus Bank Société Anonyme and is currently operating as a credit institution), and (ii) is the direct or indirect ultimate parent holding company for all other companies that, prior to the Demerger, comprised the "Group".

Pursuant to Article 22A of the Banking Law (which transposed Article 21a of the CRD into Greek law), on 18 January 2022, Piraeus Holdings received approval from the ECB, as its consolidating supervisor, to operate as a financial holding company of Piraeus Bank.

The duration of Piraeus Financial Holdings S.A., as determined by its Articles of Association, has been extended until 6 July 2099.

Piraeus Financial Holdings S.A. (former Piraeus Bank Société Anonyme) with a distinctive title "Piraeus Financial Holdings", is registered in Greece (General Commercial Registry number 225501000) and has its registered office at 4 Amerikis Street, 105 64 Athens, Greece. Its telephone number is +30 210 328 8100, its website is https://www.piraeusholdings.gr and its LEI (Legal Entity Identifier) is M6AD1Y1KW32H8THQ6F76. This website address is included in this Prospectus as an inactive textual reference only. The information and other content appearing on Piraeus Holdings' website are not part of this Prospectus.

As a result of the Demerger, Piraeus Holdings performs functions that are not related to the core banking operations of the former Piraeus Bank Société Anonyme. Piraeus Holdings' business activities include the direct or indirect shareholding in legal and other entities and undertakings, carrying out of insurance intermediation and insurance distribution activities, the provision of insurance and financial advisory services as well as any other similar or related activities. Piraeus Holdings, to that effect, has retained certain of the assets, liabilities and non-banking activities of the former Piraeus Bank Société Anonyme, as well as significant interests in certain securities and certain entities. After the Demerger, the HFSF is entitled to exercise all the special rights it held in the former Piraeus Bank Société Anonyme in both Piraeus Holdings and Piraeus Bank Société Anonyme.

3.2 Information About the Selling Shareholder

The Hellenic Financial Stability Fund was founded on 21 July 2010, pursuant to the HFSF Law. It is a private legal entity, does not belong to the public sector, neither to the broader public sector, and is governed by the provisions of the HFSF Law. The HFSF is domiciled in Greece and its headquarters are located at 10 E. Venizelou Avenue, 10671 Athens, Greece. Its telephone number is +30 210 215 5606 900, its LEI is 213800CO7SMD2CSIEO62, VAT 997889852, and its website is https://www.hfsf.gr/en. The information and other content appearing on such website are not part of this Prospectus.

3.3 History of the Selling Shareholder's Participation in the Share Capital of Piraeus Holdings

The HFSF's participation in the former Piraeus Bank Société Anonyme following the 2013 Share Capital Increase was 81.01%. In April 2014, the former Piraeus Bank Société Anonyme undertook a second offer of shares amounting to €1.75 billion, which was fully subscribed by private investors from both the Greek and the international markets. As a result, the HFSF's stake in the former Piraeus Bank Société Anonyme decreased to 67.30% by way of dilution. Following the 2015 Share Capital Increase and the completion of the Demerger, the HFSF's stake in the former Piraeus Bank Société Anonyme further decreased to 26.42% by way of dilution. Following the conversion of the Contingent Convertible Bonds on 4 January 2021, the HFSF's stake in Piraeus Holdings increased to 61.34%. Following the 2021 Share Capital Increase and, as of the date of this Prospectus, the HFSF holds a 27% stake in Piraeus Holdings.

4 GROUP'S BUSINESS OVERVIEW

4.1 Overview

Piraeus Financial Holdings S.A. is a financial holding company listed on the ATHEX and holds 100% of the share capital of Piraeus Bank Société Anonyme, the largest bank in Greece measured by gross loans and deposits as at 31 December 2023, with a 25%[31] and 28%[32] market share, respectively.

Piraeus Bank Société Anonyme is a universal bank, offering a wide range of financial services to retail and corporate clients, including retail banking, corporate and investment banking, small business servicing, e-banking, capital markets and related services, brokerage services, deposits and asset management, personal and private banking, treasury services and other ancillary services, such as real estate services, bancassurance, leasing and factoring.

In Greece, Piraeus Bank Société Anonyme is a leading provider of banking services and credit to retail customers and a leading provider of banking services and credit to corporate clients. In addition, Piraeus Bank Société Anonyme is a leading provider of banking services to the Greek agricultural sector, offering innovative products such as contract farming and facilitating operations subsidised by the EU. The Group is also a leading adviser in capital markets and investment banking and leasing and shipping finance, as well as a market leader in brokerage services, electronic banking and a first mover in energy transition financing in Greece.

The Group manages its business through the following operating segments: (i) Retail Banking, which provides services to the Mass retail clients, Affluent retail clients, international business clients and small business (businesses with annual turnover not exceeding €2.5 million) and public sector customer segments (including, among others, pension and payroll services to retail clients) and distribution networks; (ii) Corporate Banking, which provides services to the large corporates (businesses with annual turnover exceeding €50 million), SMEs (businesses with annual turnover between €2.5 million and €50 million), as well as in shipping and agricultural customer segments; (iii) Piraeus Financial Markets (PFM), which covers fixed income, foreign exchange services, treasury activities and services to institutional clients; (iv) Wealth and Asset Management (WAM), which encompasses wealth and asset management activities (this segment is included in the "Other" reporting segment in the Annual Financial Statements); (v) the NPE Management Unit (NPEMU), which (a) manages NPEs assessed as non-core business, irrespective of whether these exposures are serviced by the Group or third parties and (b) following the derecognition of Projects Phoenix, Vega I, Vega II, Vega III, Sunrise I and Sunrise II securitised portfolios, holds the senior and subordinated notes issued by the securitisation special purpose vehicles and retained by the Group, as well as certain equity participations classified in either FVTOCI or FVTPL and certain associates; and (vi) Other, which includes management-related activities not allocated to specific business segments, including, for example, real estate services.

The Group serves approximately 6 million active customers (with an average duration of client relationship of approximately 15 years) through a network of 378 branches and 10 e-branches in Greece, as well as 16 branches outside of Greece as at 31 December 2023. Piraeus Bank also operates a digital banking franchise with 3.8 million digital subscribers and 2.4 million digital active users (*i.e.*, users, for any given period, who access Piraeus Bank's digital platforms at least once during that timeframe) as at 31 December 2023.

In addition, Piraeus Holdings, as the parent company of the Group, holds 100% of the company "Piraeus Agency Solutions Single-Member Société Anonyme for the Provision of Insurance Products, Distribution Services and Financial Services" and the credit institution "JSC Piraeus Bank ICB" incorporated in Ukraine. In addition, it holds a 69% stake in Snappi S.A., a company that is in the process of obtaining a license to operate as a credit institution in Greece, focusing on providing innovative digital banking products and services to individuals and businesses. Further to the above, the Group undertakes activities relating to:

- the mediation and distribution of insurance products, the provision of insurance consulting services and insurance indemnities to third parties and companies of the Group, as well as the research, study and analysis of insurance issues;
- the provision of specialised share registry services to domestic and/or foreign legal entities and other entities and companies; and
- the provision of financial advisory services.

In addition, Piraeus Holdings provides investor relations services.

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31 Source: Group's internal analysis as at 31 December 2023 of the Group's published financial statements based on IFRS regarding the Group's outstanding amounts, with total market data based on the Bank of Greece's Statistical Bulletin of Evolution of Loans and Non-Performing Loans, December 2023, provided on an individual level.

32 Source: Group's internal analysis as at 31 December 2023 of the Group's published financial statements based on IFRS regarding the Group's outstanding amounts, with total market data based on the Bank of Greece's Statistical Bulletin of Conjunctural Indicators, Table IV.09 Deposits/Repos of non-MFIs held with OMFIs in Greece.

4.2 The Group's Competitive Strengths

The Group has several competitive strengths that position it to benefit from improved economic conditions in Greece in the future. These strengths include:

Growth potential on the back of improving macroeconomic conditions and an underpenetrated Greek banking sector

As described in more detail in "*Trend Information—Economic Environment and Geopolitical Developments—Greek economy*", the Greek economy is well-positioned to continue outperforming its euro area peers, capitalising on sustainable growth catalysts and the strong momentum built in 2021 and 2022. Greece's GDP (in constant price terms) is expected to grow by 2.2% in 2023, supported by consumption and investment, and by 2.3% in 2024 and 2.3% in 2025[33]. Strong investment growth prospects on the back of a strong pipeline of private investments and increasing impact of the Recovery and Resilience Facility (the "RRF"), the positive momentum of services activities (especially tourism), is expected to support private spending. This could also be enhanced if pressure from energy and commodity costs on households and enterprises reduces. Increases in private sector wages against a backdrop of strengthened labour market conditions and slowing inflation, support real disposable income. The upgrade of Greece's sovereign rating to investment grade status and potential future upgrades could also bolster economic performance through positive effects on economic sentiment, risk appetite, liquidity conditions as well as on fixed capital formation and FDI.

The Group believes that the banking sector in Greece is relatively underpenetrated and has a strong growth outlook, driven by the confluence of the following trends:

- *Low-cost Greek core deposit base and low loan-to-deposit ratios support credit expansion and healthy net interest margins*

  Compared to the euro area banking sector, the Greek systemic banks maintain low loan-to-deposit ratios; as of June 2023, their weighted average loan-to-deposit ratio stood at approximately 60%, nearly half of the euro area weighted average of 109% (as of June 2023), indicating healthy levels of liquidity in the banking sector that could be diverted to support further lending expansion. This signifies a stark change in Greek banking sector liquidity as, in 2014, the Greek systemic banks' loan-to-deposit ratio stood at 91% on average, but as a result of targeted deleveraging as well as deposit inflow since then Greek banks find themselves in a favourable position of being able to fund further credit expansion with existing deposit base. Further, any potential credit expansion could also be funded by relatively lower cost of funding when compared to the euro area banking sector as demonstrated by the Greek systemic banks maintaining a higher share of low-cost core deposits, which, as of October 2023, represented approximately 75% of total deposits, compared to 62% for the euro area banking sector. Moreover, the level of pass-through of the recent rises in ECB interest rates to Greek banks' deposit rates has so far been small. As of October 2023, the Greek systemic banks' core deposit rates remain relatively low and stable, hovering around 0.5%[34] on average, while the ECB's benchmark interest rate has increased to 4.0% as at 31 December 2023, with the first interest rate increase initiated in July 2022[35] from negative territory. Consequently, the Greek systemic banks' net interest margins reached a weighted average of 2.8% in the third quarter of 2023 (a 110 basis points increase compared to the third quarter of 2022), while their European peers lagged behind, with the weighted average net interest margins for Spanish banks at 2.5%, Italian banks at 2.0% and banks in the euro area at 1.6% during that period. These characteristics of the Greek banking sector are expected to continue to support credit expansion in the coming years.

- *After a multi-year deleveraging, Greece offers high credit growth potential driven by corporate lending*

  In 2022, the Greek systemic banks' performing loans to the private sector accounted for 57% of Greece's nominal GDP, a notably lower proportion than the vast majority of the euro area countries. In recent quarters, Greek banks have seen strong demand for corporate lending (driven by accelerating fixed capital investment, increasing working capital needs as well as RRF-led demand) and, as a result, since April 2022, the Greek systemic banks' year-over-year lending growth to corporates has consistently outpaced the euro area average. During 2023, while loan disbursements remained strong, the level of loan repayments by corporates also increased as a result of built-up liquidity positions. This led to moderate net credit expansion dynamics for the market. The Group believes that, given certain structural advantages of Greek banking sector, as well as level of economic activity seen in the market, the Greek banking sector is well-positioned for continued growth, driven by lending demand from corporates. According to the Group's internal estimates, performing loan net credit expansion in Greece is expected to amount to €5 billion to €7 billion per annum between 2024 and 2026.

- *Upside from potential fees convergence to EU periphery levels amid growing financial intermediation and awareness*

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[33] Source: European Commission, Winter 2024 Economic Forecast, Economic Forecast for Greece, February 2024.

[34] Source: Bank of Greece, Press Release, Interest Rates on Bank Deposits and Loans: October 2023: https://www.bankofgreece.gr/en/news-and-media/press-office/news-list/news?announcement=b8938991-a2b2-48e8-b803-59905cac08be.

[35] Source: European Central Bank, Key ECB Interest Rates: https://www.ecb.europa.eu/stats/policy_and_exchange_rates/key_ecb_interest_rates/html/index.en.html.

regarding personal savings and insurance

The Group believes that Greek banks' fee-driven income remains relatively low, providing for income growth potential. As of 30 September 2023, as a ratio of total assets, the Greek systemic banks' net commission and fee income stood at 54 basis points on a weighted-average basis, compared to a weighted average of 61 basis points in the euro area, 71 basis points in Spain and 98 basis points in Italy. As of 30 September 2023, as a ratio of total operating income, the Greek systemic banks' net commission and fee income stood at 16% on a weighted-average basis, compared to a weighted average of 27% in the euro area, 23% in Spain and 31% in Italy.[36] Assets under management over GDP as of 2022 stood at 8% for Greece, the lowest penetration in the euro area, compared to 34% in Spain, 74% in Italy, and 55% in euro area[37]. From an insurance perspective, insurance premia as a percentage of GDP in 2022 stood at 2.4% in Greece, compared to 4.9% in Spain, 6.4% in the euro area and 8.0% in Italy. As a result, there is further upside from potential fees convergence to EU periphery levels, amid higher economic activity and growing financial intermediation.

- *Growth and capital generation pave the way for resumption of dividend payments*

  The Greek banking sector's profitability has recovered from the impact of the COVID-19 pandemic in 2020 and 2021, with core profits after tax[38] of the Greek systemic banks amounting in aggregate to €1.7 billion and €2.5 billion in 2022 and the period ended 30 September 2023, respectively, with an average return on equity[39] of 15.3% and 13.6%, respectively. The Greek banking sector has also experienced strong organic capital generation in recent periods, with the simple average fully loaded CET1 capital ratio of the Greek systemic banks steadily climbing from 11.9% as of 31 December 2021 to 15.2% as of 30 September 2023, paving the way for the resumption of dividend payments.

A leading position in the Greek banking market with a strong distribution network and client relationships

The Group's wholly-owned subsidiary, Piraeus Bank Société Anonyme, is a leading bank in Greece as measured by gross loans and deposits with a 25% and 28% market share[40], respectively, as at 31 December 2023. As at 31 December 2023, based on internal estimates, the Group had the largest distribution network in Greece, with 378 branches. Serving approximately 6 million active customers that represent 65% of bankable customers in Greece[41], the Group provides banking services to a sizeable portion of Greece's population.

According to research conducted by Kantar, an international independent market research agency, the Group's client satisfaction rate (as measured by the TRI*M index method) was 81 as at late 2023, which, based on internal sources, the Group believes is number one among the Greek systemic banks and in the top quartile of European banks (75 for the top 33% EU average). In particular, 92% of customers rated their overall experience with Piraeus Bank as "Excellent / Good", and 85% of customers declared their overall preference of Piraeus Bank compared to any other bank.

The Group believes that its extensive footprint and strong customer perception enable it to fully cover the Greek domestic market and to compete for deposits and lending opportunities more effectively. Furthermore, the Group is undertaking a structural transformation of its branch network, incorporating a range of new digital capabilities to reflect the latest trends in European banking. The new branch model is built on key pillars, including the centralisation of critical branch operations and the implementation of a streamlined operating model for all branches, featuring a leaner organisational structure and fewer branch roles. In this updated model, staff members are provided with laptops and smartphones to enhance mobility and enable paperless onboarding. Moreover, smart ATMs, which have enhanced functionalities, such as opening an account, depositing cash and checks, or transferring funds, are employed to reduce cashier workloads by 80%, while self-service cashiers further automate branch operations.

Additionally, the users to the Group's e-banking platform, which complements its extensive branch network, grew by more than 10.7% year-over-year in 2023 with a market share of 36% based on internal estimates. In 2023, approximately 98% of all banking transactions were executed via digital channels, reflecting an ongoing trend toward increased digitalisation.

In line with the Group's strategy, Piraeus Bank disbursed €9.5 billion of new loans and increased its performing loan book

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36 Source: EBA Interactive Dashboard – Q3 2023: https://www.eba.europa.eu/assets/2024/EBA%20Interactive%20Dashboard%20-%20Q3%202023.xlsm

37 Source: European Fund and Asset Management Association (EFAMA), Asset Management in Europe Report, December 2023, page 71: https://www.efama.org/sites/default/files/Asset%20Management%20Report%202023.pdf.

38 Excludes trading and other income.

39 Source: EBA Interactive Dashboard – Q3 2023: https://www.eba.europa.eu/assets/2024/EBA%20Interactive%20Dashboard%20-%20Q3%202023.xlsm.

40 Sources: Group's internal analysis as at 31 December 2023 of the Group's published financial statements based on IFRS regarding the Group's outstanding amounts, with total market data based on the Bank of Greece's Statistical Bulletin of Evolution of Loans and Non-Performing Loans, December 2023, provided on an individual level; Group's internal analysis as at 31 December 2023 of the Group's published financial statements based on IFRS regarding the Group's outstanding amounts, with total market data based on the Bank of Greece's Statistical Bulletin of Conjunctural Indicators, Table IV.09 Deposits/Repos of non-MFIs held with OMFIs in Greece.

41 Defined as Greek population aged 20 years or more. Source: Group analysis based on Census Results of Population and Housing 2021, ELSTAT, https://www.statistics.gr/en/2021-census-res-pop-results.

by €1.5 billion to €30.1 billion in 2023, while also increasing its deposits portfolio by €1.2 billion to €59.6 billion during the same period.

A leading provider of financial products and services to businesses in Greece

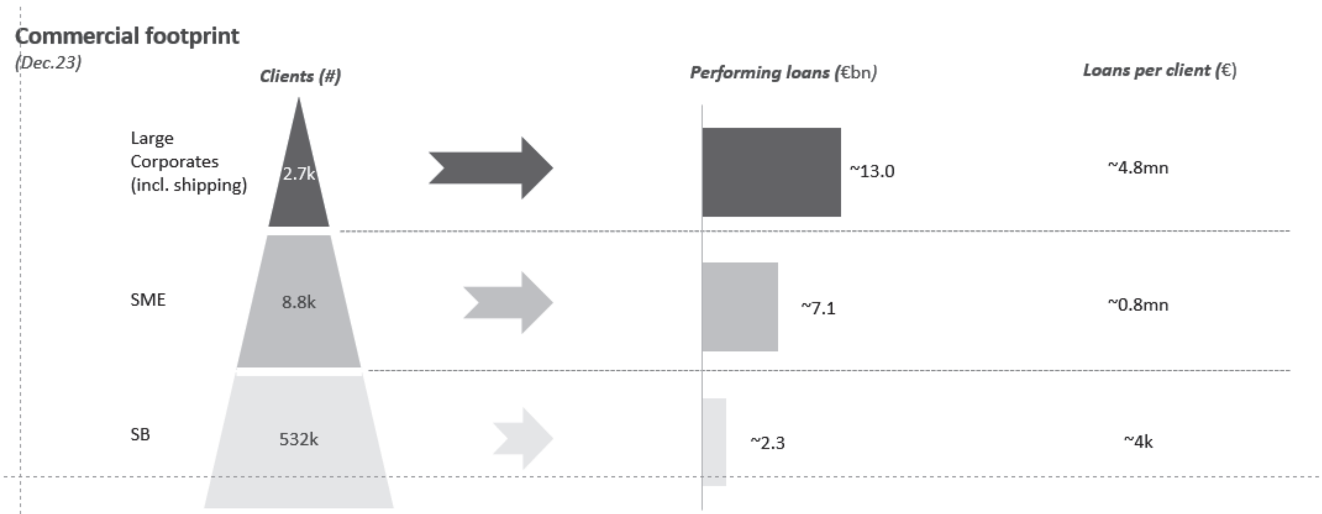
Piraeus Bank Société Anonyme is a leading provider of credit and other banking services to large corporates, SMEs, and small business customers in Greece. The provision of credit and other banking services to these customer segments has consistently been among the areas of principal focus for the Group's commercial banking activities for more than two decades.

In addition to the Group's nationwide branch network, the Group provides specialised coverage and services to these customer segments with a dedicated network of relationship managers at its ten specialised centres (the "Business Centres") conveniently located across Greece. The Group's small businesses and professionals unit provides its service offerings to small business customers, through a network of specialists located in the Group's branches. Its leading market position within these customer segments, which is demonstrated by its 26%[42] market share in corporate loan balances as at 31 December 2023, provides the Group with several competitive advantages, including significant opportunities for cross-selling products and services.

The Group supports businesses operating across a broad spectrum of industries, including manufacturing, craft industry, wholesale and retail trade, transport and logistics, energy, technology, housing and food services. As at 31 December 2023, the Group's performing loans to the large corporate customer segment stood at €13 billion. Piraeus Bank is also the main bank for a large number of SMEs in Greece, with approximately 25% market share in SMEs financings in the country based on internal estimates. As at 31 December 2023, the Group's outstanding performing loans to approximately 8,800 SMEs stood at €7.1 billion, with loans to small businesses standing at €2.3 billion. The Group has approximately 532,000 clients in Greece within the small business customer segment. The Group's SMEs and small business customers, even though adversely impacted by the consequences of the prolonged financial and economic crisis in Greece, have generally shown resilience. The Group does not have a significant concentration of business loans in any specific industry and its business loan portfolio is geographically diversified across Greece. Additionally, the Group has a cross-sale ratio[43] of 6.3 across the SMEs customer segment, and a cross-sale ratio of 5.7 with respect to the small business customer segment, underpinned by its strong penetration in these customer segments and the wide spectrum of products offered.

The Group anticipates that the grants and loans dispersed in Greece through the Next Generation EU programme will play a crucial role in fostering the resurgence of the Greek economy. These financial resources are poised to facilitate the productive revitalisation and expansion of Greek businesses. The recovery of the Greek economy is expected to be primarily driven by businesses, including the agricultural sector, and as such the Group is optimistic about positioning itself favourably to capitalise on the opportunities arising from this economic recovery.

The below graph demonstrates the Group's top-tier commercial footprint as at 31 December 2023:



A leading provider of financial products and services to the agricultural customer segment in Greece

The Group has strong banking relationships with approximately 600,000 agricultural sector customers in Greece. Since 2012, following the acquisition of ATE Bank's business and pursuant to consecutive international competitions, the Group has

42 Source: Group's internal analysis as at 31 December 2023 of the Group's published financial statements based on IFRS regarding the Group's outstanding amounts, with total market data based on the Bank of Greece's Statistical Bulletin of Evolution of Loans and Non-Performing Loans provided on an individual level.

43 Cross-sell ratio is a measure of the average number of products or services that a customer purchases from a bank.

been assigned the OPEKEPE seasonal funding facility, a bridge financing facility that provides European Union funds to Greek farmers. Traditionally the agricultural sector has been an underserved and under-penetrated segment in Greece, which the Group believes offers it opportunities for deposit collections and fee income generation through cross-selling. As at 31 December 2023, loans to the agricultural customer segment stood at €2.3 billion, while deposits from this customer segment, which are mainly low cost, stood at €6.5 billion.

Appreciating the need for generational renewal in rural areas and within the agricultural sector, the Group offers a full package of solutions and financial support for young farmers. For 2022, loans to young farmers accounted for more than 60% of Piraeus Bank's primary sector financing, in line with the Group's goal to cover the liquidity and investment needs of young farmers. In the wider scheme of adopting ESG criteria, Piraeus Bank has supported investments in renewable energy sources made by farmers, while at the same time the Group has improved its banking products to help cover the current operating cash flow needs of farmers, thus contributing to the implementation of the national energy and climate plan.

The Group also supports the rapidly growing agri-food industry and is creating a centre of excellence ("CoE") dedicated to agri-food. The agri-food CoE will coordinate all of Piraeus Bank's units that have exposure to the food sector (*i.e.*, agricultural, small business, SMEs and large corporate) as well as formulate and improve (in cooperation with the relevant units) products and innovations, that can be offered to its clients and meet their needs. This new initiative is expected to accelerate the understanding of customer needs, proactively promote innovative banking solutions, and enhance Piraeus Bank's value proposition to clients with tailored financial solutions.

Large savings deposit base supports further deposit expansion and funds the lending growth

The Group benefits from the largest service network across Greece, consisting of, as at 31 December 2023, 378 branches and 2,042 ATMs, providing broad geographic coverage. The Group provides banking services to a sizable portion of Greece's population, serving, as at 31 December 2023, approximately 6 million active customers.

As at 31 December 2023, the Group's customer deposits stood at €59.6 billion, comprising €24.2 billion in savings accounts, €21.9 billion in current and sight accounts, and other deposits, and €13.5 billion in term deposits. This compares to an asset base that comprises performing exposures of €30.1 billion, investment securities (excluding equity instruments) of €13.9 billion, and a net cash position of €7.1 billion. As at 31 December 2023, the Group estimates that its domestic market share of deposits stood at approximately 28%[44].

The Group believes its large deposit base and its deposit mix geared towards low-yielding savings and sight deposits have in the past enabled it, and will continue to enable it, to achieve solid credit expansion and cross-selling opportunities. Further, the low-cost nature of the Group's large deposit base supports its disciplined approach to cost management and allows it to allocate resources judiciously, focusing on areas that directly impact its core deposit base.

The Group's cost discipline strength directly contributes towards its target for a favourable cost-to-core income ratio. In particular, the Group's cost-to-core income ratio as at 31 December 2023 was 31.1%, compared to 45.2% and 48.1% as at 31 December 2022 and 31 December 2021, respectively. By minimising unnecessary expenses and optimising operational efficiency, the Group can achieve a more sustainable and competitive cost structure. This, in turn, contributes to a healthier cost-to-income ratio, reflecting operational prudence and financial soundness.

Strong and sustainable net fee and commission income generation backed by strategic focus in core banking products, as well as wealth and asset management and real estate

The Group has strategically enhanced its net fee and commission income generation capacity, converging towards European banking sector benchmarks[45]. In 2023, recurring net fee and commission income and income from non-banking activities (which includes rental income) amounted to €547 million, marking a year-on-year increase of approximately 14.1%. Net fee income over assets also increased to 0.7% in 2023, compared to 0.6% in 2022. This is higher than the average net fee income over assets of 0.55% for the other Greek systemic banks for the first nine months of 2023. The Group's leading position in the Greek market, extensive distribution network, strong client relationships and strategic partnerships in asset management and real estate are key factors backing a strong and sustainable fee and commission income generation capacity.

The Group's strategic focus on asset management, driven by organic and inorganic initiatives, is already showing results. The Group's assets under management have increased 34.2% in 2023, to €9.3 billion as at 31 December 2023, from €6.9 billion as at 31 December 2022 and €5.8 billion as at 31 December 2021. Piraeus Asset Management MFMC has achieved net sales of mutual funds of €907 million in 2023, more than any other mutual fund company in Greece[46], reaching a market share of

44 Source: Group's internal analysis as at 31 December 2023 of the Group's published financial statements based on IFRS regarding the Group's outstanding amounts, with total market data based on the Bank of Greece's Statistical Bulletin of Conjunctural Indicators, Table IV.09 Deposits/Repos of non-MFIs held with OMFIs in Greece.

45 Source: ECB Supervisory Banking Statistics – Q3 2023: https://www.bankingsupervision.europa.eu/banking/statistics/html/index.en.html

46 Source: Based on internal analysis with total market data based on Hellenic Fund and Asset Management Association statistics: http://www.ethe.org.gr.

21% as at 31 December 2023, compared to 18.6% a year earlier. Additionally, in 2022, the Group acquired Iolcus Investments AIFM ("Iolcus"), adding €1 billion in assets under the management of the Group. The Group is also a market leader in Greece in ESG funds.

The Group is also aiming to unlock the value of its real estate portfolio and has engaged in a holistic redesign of its real estate business model since 2017, with the intention of fostering strategic growth and cost containment efforts by exploiting REO servicers operations and new partnerships. The acquisition of Trastor Real Estate Investment Company S.A. ("Trastor REIC") in 2022 underpins the Group's strategy for accretive return-on-capital actions and entails the enhancement of the fee generating pools of Piraeus Bank, captures the favourable dynamics that are increasingly evident in the Greek real estate market and strengthens Piraeus Bank's capabilities with one of the most effective real estate platforms in Greece. The Group's rental income increased to €73 million in 2023, from €34 million in 2021 and €58 million in 2022.

Piraeus Bank is a leading financial institution in bancassurance. Its comprehensive distribution strategy is further complemented by a strong online offering. Holding the first place in brokerage in Greece,[47] Piraeus Bank offers expertise in investment services, providing clients with access to a diverse range of financial instruments, including mutual funds, treasury bonds, commodities, and investment portfolios. In addition, Piraeus Bank is the third-largest mutual fund manager in Greece managing and optimising investment portfolios[48]. Piraeus Bank is also a market leader in ESG with a commitment to responsible and sustainable investment. As at 31 December 2023, Piraeus Bank has 29% share in bancassurance based on internal estimates and 21% in brokerage according to the ATHEX.

"Best-in-class" digital platform

Piraeus Bank's digital banking service stands as a prominent banking platform in Greece, providing both web banking and mobile banking options. The platform has earned recognition both domestically and internationally, receiving various awards. By prioritising the digitisation of the operating model, Piraeus Bank demonstrates its commitment to staying at the forefront of technological advancements, positioning itself for agility and efficiency. This digital transformation not only aligns with current industry trends but also provides a robust foundation for exploring new sources of revenue.

Furthermore, upgrading the customer experience through digital means signifies a customer-centric approach. The enrichment of product offerings is facilitated by digital tools, enabling Piraeus Bank to adapt to changing market demands and preferences. In particular, the emphasis on enhancing commercial capabilities through digital tools highlights a strategic focus on optimising sales and business development processes. The integration of advanced digital tools improves the overall competitiveness of the Group's business, positioning it as a dynamic player in the market.

In particular, as at 31 December 2023, Piraeus Bank held 36% market share in e-banking, based on internal estimates, while 98% of its transactions were conducted via digital channels. The number of active digital platform users increased by 30% from 2020-2022, indicating a substantial surge in the digital platform's popularity. Weekly users increased from 730,000 as at 31 December 2022 to 810,000 as at 31 December 2023. Further, as at 31 December 2023, the digitalisation of sales reached a peak of 41% and 25% for e-loans and credit cards, respectively.

NPE clean-up has already delivered a minimal net NPE exposure

In terms of asset quality, the Group's NPEs stood at €1.3 billion and its NPE ratio stood at approximately 3.5% as at 31 December 2023 while, as at 30 September 2023, it stood at an average of 5.2% for the other Greek systemic banks. The net NPE ratio of the Group, which corresponds to net NPEs over seasonally adjusted net loans, stood at 1.8% as at 31 December 2023 (with a net NPE exposure of €0.7 billion, which corresponds to NPEs of €1.3 billion minus the ECL allowance related with NPEs of €0.7 billion). Considering that the NPE ratio was at 45% as at 31 December 2020, these figures illustrate the outstanding progress achieved by the Group's management team through a carefully combined set of actions. Moreover, the Group's NPE (cash) coverage ratio increased to 61.6% from 54.5% as at 31 December 2022 and 40.3% as at 31 December 2021.

The completion of the following projects has been conducive to the successful NPE clean-up operation:

- Projects Phoenix and Vega: On 5 July 2021, the Group announced the completion of the Phoenix and Vega HAPS NPE securitisations, in total €6.7 billion of gross book value, following the granting of all necessary approvals. The Group retained 5% of the mezzanine and junior notes of the securitisation, in accordance with the applicable securitisation regulatory requirements, as well as the senior notes that are guaranteed by the Greek State. The distribution-in-kind to the shareholders, of the shares issued by the Cypriot subsidiary "Phoenix Vega Mezz Ltd",

[47] Source: ATHEX: https://www.athexgroup.gr/el/web/guest/info-reports-members-market-share-securities/-/asset_publisher/TD6aiX82JO2e/document/id/7321926?controlPanelCategory=portlet_101_INSTANCE_TD6aiX82JO2e&redirect=https%3A%2F%2Fwww.athexgroup.gr%2Fel%2Fweb%2Fguest%2Finfo-reports-members-market-share-securities%3Fp_p_id%3D101_INSTANCE_TD6aiX82JO2e%26p_p_lifecycle%3D0%26p_p_state%3Dnormal%26p_p_mode%3Dview%26controlPanelCategory%3Dportlet_101_INSTANCE_TD6aiX82JO2e%26_101_INSTANCE_TD6aiX82JO2e_

[48] Source: Hellenic Fund and Asset Management Association statistics: https://www.ethe.org.gr/index.php?view=mfmcassetcompany&mfCategory=ALL&newmenu=Y&option=com_statistic&lang=el

which holds 65% of the mezzanine and 45% of the junior tranches of these NPE securitisations, was completed on 11 August 2021;

- Project Sunrise I: On 20 September 2021, the Group announced that the Sunrise I HAPS NPE securitisation transaction, corresponding to a gross book value of €7.0 billion, was completed, following the granting of all necessary approvals. The Group retained 5% of the mezzanine and junior notes of the securitisation, in accordance with the applicable securitisation regulatory requirements, as well as the senior notes that are guaranteed by the Greek State;
- Project Sunrise II: On 27 December 2021, the Sunrise II HAPS NPE securitisation transaction, corresponding to a total gross book value of €2.6 billion as at the reference cut-off date of the perimeter, was completed after receiving all necessary approvals. The Group retained 5% of the mezzanine and junior notes of the securitisation, in accordance with the applicable securitisation regulatory requirements, as well as the senior notes that are guaranteed by the Greek State. The distribution-in-kind to the shareholders of the shares issued by the Cypriot subsidiary "Sunrise Mezz Ltd", which holds 44% of the mezzanine and junior tranches of the Projects Sunrise I and Sunrise II HAPS NPE securitisations, was completed on 27 October 2022;
- Project Dory: On 4 March 2022, Piraeus Bank completed the sale of a shipping NPE portfolio amounting to a gross book value of €0.4 billion to an entity affiliated with Davidson Kempner Capital Management LP, after receiving all necessary approvals;
- Project Senna: On 29 June 2023, Piraeus Bank completed the sale of an NPE portfolio, amounting to €0.3 billion gross book value, to an Irish securitisation SPV. Intrum Holding AB purchased 100% of the securitisation notes;
- Project Sunrise III: After obtaining the HAPS guarantee, Piraeus Bank completed the transfer of 95% of the mezzanine and junior notes of the Sunrise III securitisation to the nominees of Intrum AB (publ) and Waterwheel Capital Management LP. Piraeus Bank retained 5% of the mezzanine and junior notes of the Sunrise III securitisation, as per the relevant securitisation regulatory requirements, along with the entirety of the Sunrise III senior notes. Subsequently, Piraeus Bank obtained significant risk transfer ("SRT") approval and derecognised the portfolio; and
- Other projects: On 4 and 8 November 2022, Piraeus Bank contributed into Strix Holdings L.P. loan balances acquired by virtue of a bond purchase agreement amounting to €0.4 billion gross book value, in exchange for additional limited partnership interests. As a result, the respective loans were derecognised from Piraeus Bank's balance sheet as at 31 December 2022.

In addition, the following NPE portfolios are classified as held for sale:

- Project Solar: In November 2023, Piraeus Bank, along with the other Greek systemic banks, announced the execution of a binding agreement among the Greek systemic banks and Waterwheel Capital Management L.P., acting as an investment manager on behalf of an affiliated entity managed by it. The agreement pertains to the sale of 95% of the mezzanine notes and 95% of the junior notes to be issued in a concurrent securitisation by the Greek systemic banks of the Solar portfolio. The total gross book value of the Solar portfolio was approximately €1.2 billion as at 30 September 2021, with €0.4 billion attributed to Piraeus Bank. The transaction is expected to be completed within the first half of 2024 and is subject to customary conditions for such transactions;
- Project Delta: In June 2023, Piraeus Bank classified as held for sale a portfolio of Romanian NPEs with a total gross book value of €0.2 billion, of which NPEs with a total gross book value of €160 million are expected to be sold within 2024; and
- Project Monza: In December 2023, Piraeus Bank classified an NPE portfolio consisting of retail and business NPEs with a total gross book value of €0.3 billion, namely portfolio Monza, as "held-for-sale". The transaction is expected to be concluded within 2024.

Track record in building strong strategic partnerships to support the growth of stable fee income streams

The Group has developed key strategic partnerships with prominent international and domestic market participants to support its business growth. Such strategic partnerships allow involved parties to cross-promote, build on each other's strengths, fill in gaps in areas of growth, share intelligence, attract new customers and expand business offerings to existing customers. These partnerships create a unique combination of strong local expertise in Greece and international know-how and structures, allowing the Group's clients to access global solutions encompassing a complete offering of products and services in the domestic market as well as in international expertise.

For instance, in the bancassurance sector, the Group has been building multi-year exclusive strategic collaborations with the insurance companies NN Hellas and ERGO Hellas, which provide insurance solutions for the daily needs of the Group's customers. The objective of these partnerships is focused on the continuous development of sales of life, health, pension and general insurance.

Moreover, Piraeus Bank is the only commercial bank in Greece that offers to its clients a comprehensive range of gold products and services, namely sales and purchases, appraisals, and storage facilities, as well as the distribution of the gold bullion sovereign coins across Greece through the Group's partnership with The Royal Mint.

Additionally, in 2022, the Group partnered with Natech S.A. for the development of an independent innovative digital bank, Snappi S.A. ("Snappi"), for customers in Greece and the rest of the European market for their financial and banking journey. To this end, on 14 July 2022, Piraeus Holdings fully covered the share capital increase of Snappi with €19 million, thus acquiring a 55% shareholding therein. In the fourth quarter of 2023, Piraeus Holdings' stake in Snappi increased to 69% following a share capital increase of €13 million. Snappi is currently in the process of obtaining a full banking license from the Bank of Greece and SSM, with completion expected in the first half of 2024. After securing the banking license, Piraeus Holdings anticipates a final increase in share capital, resulting in a terminal ownership stake of 55% in Snappi. Snappi will develop a complete banking platform through which users will be able to seamlessly complete digital payments and money transfers. Utilising cutting-edge technology and offering modern banking services, Snappi will be the first purely digital bank based in Greece; customers will have access to banking products and complete all transactions exclusively using their smartphones. Snappi is committed to integrating ESG principles into its operations and activities, and, being a digital bank without physical branches, its business operations will have the smallest possible environmental footprint.

The strategic initiatives with respect to Snappi are anticipated to yield positive impacts on the Group's business. Foremost, a projected relief of over 25% from the current branch client load signifies an optimisation of operational efficiency. This reduction not only streamlines client interactions but also positions the Group to allocate resources more effectively, fostering responsive customer service. It is estimated that the Group will have received over €50 million in revenues through Snappi's "Buy Now Pay Later" and "Banking as a Service" services within three years after the licensing of the entity by the supervisory authorities. This diversification of revenue streams contributes to the financial health of the Group and aligns with evolving consumer preferences and industry trends. The Group also intends to follow a prudent investment strategy, with an estimated total investment of approximately €40 million spread over two years. This calculated investment is expected to ensure that the business remains competitive and resilient in the face of evolving market dynamics. Furthermore, the expansion plan into other European countries enhances the geographical footprint but also unlocks new opportunities for market penetration and revenue generation.

Experienced management team and highly qualified personnel

The Group's management team has significant banking experience with a demonstrated ability in leading Piraeus Bank into achieving tangible results in all areas of focus, restoring profitability, strengthening its capital and liquidity position and most importantly de-risking Piraeus Bank's balance sheet from the NPEs.

The Group's management team has demonstrated leadership skills in pursuing and executing strategic initiatives, as well as positioning Piraeus Bank as a leader among its competitors in Greece as measured by footprint, loans and deposits. Such leadership skills are exemplified by the successful and timely implementation of the Group's 2015 restructuring plan (the "Restructuring Plan"), which consisted of, among others, the following strategic initiatives, the majority of which were executed from 2017 to 2019, and the implementation of which was a condition of receiving capital support from the HFSF:

- streamlining the Group's branch network and the reduction of its employee base in Greece;
- reducing total operating costs in Greece below €1.1 billion;
- optimising the Group's cost of funding by decreasing the cost of deposits;
- improving the Group's net loans to deposits ratio to less than 115%;
- restricting the Group's equity or subordinated capital support to any foreign subsidiary;
- scaling down Piraeus Bank's foreign assets' portfolio; and
- divesting the Group's insurance activities (ATE Insurance and ATE Insurance Romania).

The timely execution of the Restructuring Plan, as attested by the EU commission on 31 January 2020, was coupled with the successful execution of a number of landmark NPE sale transactions of more than €2 billion total gross book value, including Project Amoeba in May 2018, the first secured business NPE portfolio sale in Greece of greater than €1.4 billion gross book value (equivalent to €2 billion legal claims), Project Arctos in July 2018, an unsecured consumer NPE portfolio sale of €400 million gross book value, and Project Nemo in July 2019, a shipping NPE portfolio sale of €500 million gross book value.

The progress achieved by the Group's management team was further evidenced by two successfully completed landmark capital enhancing debt issuance transactions in the international capital markets in 2019 and 2020, commencing with the issue of a €400 million Tier 2 capital instrument in June 2019, the first such issuance by a Greek bank in a decade, and a second €500 million Tier 2 capital issuance in February 2020. The strategic partnership with Intrum was another landmark transaction contributing to the successful furtherance of the Group's strategy.

The successful execution of the complex Demerger process and the effective management of the Contingent Convertible Bonds conversion, both completed during 2020, demonstrate eloquently the impressive abilities of the Group's management team. In addition, the completion of several important components of the Group's capital enhancement plan during 2021 (including (i) the exchange of Greek government bonds ("GGB") held by Piraeus Bank for new GGB with an equivalent nominal value maturing in 2050, yielding gains of €221 million; (ii) trading gains realised from interest rate derivatives of €71 million; (iii) gains of €85 million from the sale of Italian sovereign bonds with a nominal value of €1,150 million, which were previously included in the debt securities at amortised cost portfolio; and (iv) the 2021 Share Capital Increase) serve as further evidence of the execution capabilities of the Group's management team.

The Group's management team continues to achieve impressive results in various recent transactions, such as (i) the sale of a shipping NPE portfolio with a gross book value of €0.4 billion in 2022 (Project Dory), (ii) the acquisition of a controlling stake in Trastor REIC from WRED LLC, (iii) also in 2022, various synthetic securitisations of performing loans in Greece, thanks to which the Group reduced its risk weighted assets by €2.2 billion, (iv) the issuance of an aggregate amount of €1,850 million of senior preferred bonds with a view to increasing the MREL, and (v) the conclusion of an agreement with Resolute Asset Management Group for provision of real estate servicing, real estate valuation services and asset and property management. The Group's management team is also taking active steps to properly manage climate risk, as evidenced by Piraeus Bank's performance in the first EU-Wide Climate Stress Test Exercise, which was at par with the average scores of the participating European banks.

As such, the Group believes its management team has developed the strategic experience in setting targets with significant benefits for the Group and executing projects effectively. In addition to growing the Group's business and leading it through the pandemic turmoil, its senior management team has a proven track record of innovation in banking products and services.

The Group's highly qualified personnel also play a critical role in its business. As at 31 December 2023, the average age of the Group's employees was approximately 47 years. As at 31 December 2023, the percentage of the Group's employees with an undergraduate and/or postgraduate university degree was approximately 74% in Greece. The Group believes that the quality of its human capital is a key factor in achieving its strategic goals, and the Group sees human resource management as a comprehensive set of actions and operations aimed at acquiring, retaining and utilising skilled employees who successfully and productively fulfil their roles.

The Group is also firmly committed to a diverse and inclusive workforce and to a work environment with equal opportunities for all employees, which creates strong relationships among its employees, based on accountability, meritocracy and transparency, a commitment manifested by the gender split in its employees, which was approximately 58% female and 42% male as at 31 December 2023.

As a member of a core group of the United Nations Environment Programme Finance Initiative ("UNEP FI") banks, Piraeus Bank was instrumental in co-developing the Principles for Responsible Banking, while on an EU level the Group participated in the formation of the Finance for Biodiversity Pledge. Having signed both initiatives, Piraeus Bank actively develops methodologies and tools and setting ESG targets aiming, among others, to support sustainable development and the social and cultural capital through donations, grants, sponsorships with social and cultural benefit and aiming at bridging the gap between higher education and the job market.

ESG principles are deeply ingrained in the Group's ethos

The Group proudly positions its commitment to sustainability as a core strength, serving as a driving force in the promotion of environmental, social and governance initiatives. Embracing a holistic approach, the Group actively engages in environmental stewardship through direct financing of renewable energy projects and a comprehensive strategy to reduce both its operational and financed carbon footprint. This commitment extends to the implementation of green lending policies that not only underpin sustainable business models but also support forward-looking investment plans.

In parallel, responsible banking is ingrained in the Group's ethos, encompassing social inclusivity, diversity, active community development, fair labour practices, and the upholding of human rights. This commitment is integral to the Group's overarching strategy, fostering a sustainable and socially responsible financial ecosystem.

Piraeus Bank stands out as a leader in climate change management, being the sole Greek company listed in the Financial Times' "500 Climate Leaders in Europe" for three consecutive years (2021-2023). Additionally, the Group has earned distinction for its comprehensive participation in all pillars of the United Nations Sustainable Development Goals and its dedication to the Principles for Responsible Banking ("PRB") under UNEP FI Commitment for Financial Health and Inclusion[49].

[49] Sources: https://www.piraeusbank.gr/en/idiwtes/unep-fi, https://www.unepfi.org/wordpress/wp-content/uploads/2023/07/PRB-Fin-Health-progress-report-1.pdf#page=36

The Group played a pivotal role in shaping the global responsible banking landscape by actively participating in the formulation of the PRB. Currently serving as a co-chair on the PRB Banking Board, the Group continues to align its environmental policy with international frameworks, including the Paris Agreement and the Sustainable Development Goals.

With respect to energy transition, the Group aims to assist Greek businesses in adopting sustainable development and energy-saving models. The Energy Transition Project, a tangible commercial programme and action plan, positions Piraeus Bank as a leading guide in transforming its customers' operations and contributing to the construction of a more sustainable Greek economy.

Addressing social risks, the Group initiated the EQUALL programme in 2022, focusing on promoting social equality. Since 2021, the Group proudly endorses the United Nations Women's Empowerment Principles ("WEPs"), marking it as the first Greek bank with such engagement.

Complementing these initiatives, the Group maintains high standards of corporate governance, adhering to applicable legal and regulatory frameworks and best practices. A concrete governance structure, inclusive of Ethics and ESG Committees at the Board level, provides oversight for strategic ESG-related risks and opportunities, ensuring sustainability is embedded in everyday operational and business practices. See also "*Environment, Social and Governance (ESG)*" in Section 4 "*Group's Business Overview*".

4.3 The Group's Strategy

The Group's strategic priority is to accomplish its medium-term strategic and financial targets for the period 2024-2026, while maintaining its position as a leading, resilient and socially responsible financial institution, contributing to the development of the Greek economy by financing creditworthy investment plans, providing liquidity to businesses and households, and protecting the savings that the Group's customers have entrusted to it.

Focus on 2024-2026 business plan

Over the past few years, Piraeus Bank has been diligently laying the groundwork for a resilient, fully de-risked, and sustainably profitable bank. Building on the transformative success of Project Sunrise completed in 2021 and the strategic initiatives undertaken in 2022 and 2023 to strengthen Piraeus Bank's profitability profile, the 2024-2026 business plan is positioned to set distinct strategic priorities for the medium term. These initiatives have been designed to support stakeholders' confidence in the prospects of the Group's franchise, marking a significant step forward in the Group's commitment to sustained growth and stability.

2024-2026 financial targets

The Group has set financial targets to enable the implementation of its strategy and business plan. The Group's medium-term financial targets for 2024-2026 include:

- targeting approximately €9.0 billion for 2024, €9.5 billion for 2025 and €10.0 billion for 2026 in new loan disbursements to businesses and households, resulting in an annual net credit expansion of approximately €1.5 billion in 2024, €2.0 billion in 2025 and €2.0 billion in 2026;
- defending loan spreads, managing deposit costs and enhancing the contribution of the fixed income securities portfolio to sustain net interest margin above 2.0% throughout the three-year period;
- aiming to enhance net fee income over assets to approximately 0.70% for 2024, 0.80% for 2025 and 0.90% for 2026, through strategic initiatives and diversifying revenue growth in various operating business lines;
- strengthening and diversifying the Group's revenue pools to achieve net income of approximately €1.0 billion for the year ending 31 December 2024, €1.0 billion for the year ending 31 December 2025 and €1.0 billion for the year ending 31 December 2026, corresponding to approximately 14%, 13% and 12% RoaTBV normalised excluding one-off items and adjusting for AT1 coupon payment, respectively;
- maintaining significant capital buffers over and above the minimum regulatory threshold for total capital ratio plus Pillar 2 Guidance, of at least 300 basis points throughout the three-year period ending 31 December 2026, allowing the Group to enhance its distribution policy aspiration towards its shareholders, subject to necessary conditions being met and supervisory approval;
- managing organic NPE formation throughout the three-year period, notwithstanding the rising interest rate environment, to support the further de-risking of the balance sheet, while assuming consistent increase in NPE coverage;
- leveraging core business strengths and a leading market presence to capture new opportunities arising from the evolving economic landscape and digitisation; and

- committing to generate a positive ESG impact, with an increase to at least €5.0 billion in the Group's sustainable banking portfolio for the year ending 31 December 2026.

These targets were prepared on the basis of certain assumptions as set forth in "*Assumptions Underlying the Profit Forecasts—Assumptions*" in Section 23 "*Financial Targets and Profit Forecasts*". For additional information on the preparation and presentation of the Group's financial performance targets and other forward-looking statements that are deemed to be profit forecasts under the Prospectus Regulation, see Section 23 "*Financial Targets and Profit Forecasts*".

Strategic pillars

At the core of the Group's strategy is the unwavering commitment to solidify its position as a leading contributor to stability in the Greek economy, fostering growth and innovation. This journey gains momentum as the Group concentrates efforts on four main strategic pillars:

- Revenue pool expansion and diversification*:* The Group aspires to grow and diversify revenue pools by targeting high return on risk-weighted assets sources of income, mainly focusing on extracting value from core commercial banking competencies, *i.e.*, performing loans, fixed income securities and asset management, as well as from ancillary business lines, *i.e.*, digital banking platforms and Snappi, real estate management and energy transition. The strategic plan involves a targeted loan expansion of approximately €5.4 billion from 1 January 2024 to 31 December 2026, culminating to approximately €35.5 billion in performing loans at the conclusion of this period. The Group's focus sectors include energy, hospitality, manufacturing and transportation.

- Cost discipline: The Group's strategy involves a rigorous pursuit of cost efficiencies, aiming for best-in-class operating efficiency levels. Committed to maintaining strict cost discipline, the Group targets a cost-to-core-income ratio of at or below 35% throughout the 2024-2026 period. This entails driving selective efficiencies in buildings and maintenance costs, while reinvesting in talent retention, digital customer experience, business growth and technology.

- Distribution to shareholders: The Group aims to optimise returns on capital. The objective is to sustainably produce returns on average tangible book value normalised of approximately 14% for 2024, 13% for 2025 and 12% for 2026, by taking a risk-adjusted return approach and capitalising on its market-leading position. Subject to successful implementation, this strategy will allow the Group to progressively grow its dividend pay-out ratio to shareholders to approximately 50% from 2025 results, contingent upon set conditions and supervisory approval.

- Value for clients and employees: Pursuant to its Transformation Programme, the Group is pursuing a client-focused agenda. This includes a revitalisation of the Group's channels strategy, optimising network footprint and leveraging its new branch model, while at the same time achieving excellence in e-banking through an omni-channel approach. The Group is also developing a new employee proposition, which includes performance-based remuneration with a view to reaching market-average levels, new ways of working and headquarter consolidation.

In addition to these financial performance targets, the Group is actively exploring new commercial and strategic initiatives. These initiatives include a heightened focus on wealth asset management, real estate management, energy transition business building and capitalising on digital ecosystem commercial opportunities. Concurrently, the Group is enhancing its digital offering and value proposition.

Beyond financial performance, the Group is committed to advancing sustainable banking. The Group is systematically establishing the infrastructure, policies, and strategies that integrate ESG criteria into its operations. This commitment aligns with the Group's goal to contribute maximally to the Paris Climate Agreement's targets and the United Nations' sustainable development goals. Over the period 2024-2026, the Group aims to grow its sustainable banking envelope by approximately €3.1 billion while articulating its own decarbonisation path along with systematic advisory on clients' transition journeys.

Capturing new business opportunities

As an integral component of the 2024-2026 business plan, the Group is seizing emerging business prospects which align with its overarching strategies.

Channelling financing into emerging industries

As a leading commercial bank in Greece and a preferred strategic advisor for Greek businesses, holding approximately 25% of performing loans and active relationships with around 65% of domestic businesses, Piraeus Bank is strategically positioning itself for the future. The Group will focus on the most promising industries in Greece, characterised by resilience, export orientation, quality and sustainability. Employing a risk-adjusted return approach, the Group intends to prioritise the energy, transportation, manufacturing and hospitality sectors.

Wealth and asset management pillar

To harness market dynamics, the wealth and asset management pillar of the Group encompasses mutual funds, equity brokerage, and private banking businesses, with total assets under management of approximately €9.3 billion as of 31 December 2023 and €6.9 billion as of December 2022. The Group aims to grow by more than approximately 50% its assets under management by 2026, leveraging its footprint, expertise, deep market knowledge, and a motivated sales workforce. In alignment with this strategy, the Group completed the acquisition of Iolcus in 2022, a privately-owned alternative fund and asset management firm regulated by the HCMC.

New real estate plan

The Group envisions a transformation of its real estate function, strategically focusing on extracting value from its balance sheet by divesting from legacy and low-yielding assets without impacting profitability, while increasing the contribution of its investment property books and leveraging on its real estate investment company, Trastor REIC. Consequently, the investment property portfolio contribution will increase to more than 60% of total real estate assets by 2026, compared to approximately 45% as at 31 December 2022. This real estate plan is anticipated to increase rental income to approximately €120 million by 2026, from approximately €60 million in 2022.

New digital bank – Snappi

In 2022, Piraeus Holdings entered into a strategic collaboration with Natech S.A. to pioneer the development of an innovative, independent digital bank catering to customers in Greece and the broader European market throughout their financial and banking journeys. Piraeus Holdings' participation in the share capital of Natech S.A.'s subsidiary, Snappi, will be concluded in three phases, which will be finalised upon the licensing of the entity by the supervisory authorities. On 14 July 2022, Piraeus Holding fully covered the share capital increase of Snappi with €19 million, thus acquiring a 55% shareholding therein. In the fourth quarter of 2023, Piraeus Holdings' stake in Snappi increased to 69% following a share capital increase of €13 million. Snappi is currently in the process of obtaining a full banking license from the Bank of Greece and SSM, with completion expected in the first half of 2024. After securing the banking license, Piraeus Holdings anticipates a final increase in share capital, resulting in a terminal ownership stake of 55% in Snappi. Piraeus Holdings' total contribution to Snappi's share capital is expected to amount to €42 million, and this contribution does not amount to a firm commitment of Piraeus Holdings.

Natech S.A., a leading fintech firm headquartered in Ioannina, is a pioneering force in the digital banking sector. Natech S.A. utilises cutting-edge technology to deliver modern financial services. As Greece's inaugural fully digital bank, Snappi will reshape the banking landscape by providing customers exclusive access to a comprehensive suite of banking products. With a commitment to innovation, Snappi will allow all transactions to be seamlessly executed through users' smartphones, redefining the paradigm of convenience in banking.

Snappi is expected to launch its operations during 2024, targeting a breakeven net income in 2025 and positively contributing to the Group's profitability by 2026. Snappi will obtain customers through direct and indirect digital marketing, as well as through merchants and its banking-as-a-service partnerships. The number of direct users of Snappi's application is expected to reach approximately 1 million in the medium term.

Snappi's mission will extend beyond traditional banking, aiming to provide universal access to financial services and innovative banking solutions. This inclusive approach will target individuals of diverse backgrounds and financial situations, with a specific focus on the younger generation, e-commerce entrepreneurs and organisations seeking to implement the banking-as-a-service model. Furthermore, Snappi will be committed to fostering financial literacy and effective financial management among its customers.

Snappi will also be actively engaged in talent development, aspiring to attract graduates from Greek universities and contribute to the repatriation of skilled human capital to Greece.

As a digital bank operating without physical branches, Snappi will place a high priority on environmental responsibility, ensuring the smallest possible ecological footprint. Snappi reinforces its commitment to sustainability through the utilisation of energy-efficient technology, the adoption of paperless processes involving exclusively digital transactions and online communication with customers, a focus on issuing intangible digital debit cards and the use of certified energy-efficient building facilities.

Transformation Programme fueling the Group's strategic initiatives

The Group's Transformation Programme represents the basis of its strategic priorities to improve its profitability by focusing on its core commercial banking activities, executing its business and retail banking growth strategy, increasing efficiency throughout its organisation, improving and expanding its digital platform and implementing comprehensive sustainable banking and ESG policies. The plan encompasses footprint rightsizing, operational model revamping, enhancement of digital and remote sales capabilities, IT transformation, lending processes redesign and general and administrative cost savings. Since its initiation in 2020, the Transformation Programme has yielded substantial results and is currently surpassing expectations. The continuous integration of new ideas and projects remains a cornerstone, enhancing the Group's modernisation efforts to effectively address macroeconomic challenges and emerging competition. A central focus is on elevating customer experience through personalised solutions. The Group is now executing a systematic and proactive approach, adhering to the programme's initial design and priorities. Simultaneously, the initiative is accelerating by incorporating new areas of interest, aiming to amplify benefits for all stakeholders.

During the three-year period 2021-2023, the Transformation Programme delivered 250 projects and facilitated the transition to a new branch model and the launch of a new e-banking application for individuals. More than 170 e-banking functionalities were introduced. Today, 98% of the total number of banking transactions are conducted digitally, while the number of products offered digitally has increased fourfold. Over the three-year period 2021-2023, the Transformation Programme has also contributed to the significant reduction of operating costs by 17%, the decrease of time-to-cash for business lending by 60%, a rationalisation of building footprint by 22,000 square meters and an increase of the automation of core internal processes to 70%.

Sustaining the Group's strong pre-provision income generation

With increased focus on revenue-generating activities, solid financing and enhanced productivity, the Group aims to sustain recurring pre-provision profit to above €1.6 billion per annum over the period 2024-2026. Through its Transformation Programme, the Group aims to increase efficiencies and improve the customer experience.

The Group has successfully undertaken significant initiatives to provide new financing to its core retail and corporate customers, thereby actively contributing to the ongoing recovery of the Greek economy. A pivotal catalyst for Greece's economic resurgence was the allocation of a portion of the €750 billion Next Generation EU funds, granted by the European Union in response to the economic impact of the COVID-19 pandemic. Under the Next Generation EU plan, €750 billion in the form of grants and loans has already been provided to the various member states of the European Union, with disbursements occurring between 2021 and 2026. These disbursements are supplemented by an additional approximately €1.1 trillion under the Multiannual Financial Framework of the European Union for 2021-2027. Notably, of the €750 billion recovery plan, Greece has been allocated an estimated €36 billion, comprising approximately €18 billion in grants and approximately €18 billion in the form of loans. Over the period from 2021 to 2027, Greece is anticipated to secure a total funding of approximately €80 billion, encompassing the Next Generation EU plan[50], the National Development Programme, other European funds and the EU common agricultural policy. The Greek economy, bolstered by these substantial EU funds and its reinvigorated banking system, is poised to build upon its positive pre-COVID-19 trajectory, exhibiting robust growth in the coming years.

The Group stands well-prepared to provide crucial support to corporate, SME, retail, and small business customers. In line with this strategic vision, for the years ending 31 December 2024, 2025 and 2026 the Group aims to disburse approximately €9.0 billion, €9.5 billion and €10.0 billion, respectively, in new loans to its customers. Notably, around 80% of these funds are earmarked for the corporate and SMEs customer segments, while the remaining 20% is allocated to the retail and small business customer segments. This planned net credit expansion of approximately €5.0 to €6.0 billion in 2024, €6.0 to €7.0 billion in 2025 and €7.0 to €8.0 billion in 2026 is strategically designed to strengthen pre-provision income and provide cross-selling opportunities. To counterbalance the anticipated gradual decrease of interest rates and the incremental costs associated with deposits and debt issuance, the Group is actively diversifying its securities portfolio and is undertaking structural hedging strategies. This includes a deliberate increase in fixed income holdings and a meticulous optimisation of deposit pricing, ensuring a well-rounded and resilient financial strategy.

As part of its ongoing business and retail banking growth strategy, the Group is actively targeting promising customer segments with significant fee generation potential. The Group's approach involves deploying a differentiated value proposition and servicing model for each customer segment, streamlining products and services through simplification and automation, and enhancing remote sales. In addition to tapping into the untapped potential of businesses by offering differentiated service levels based on customer value, the Group is providing a wide array of additional and ancillary services to seize cross-sell opportunities. Simultaneously, the Group is exploring investment banking opportunities and focusing on sectors with sustainable liquidity and profitability potential to increase fee income. The Group's goal is to further deepen its lending relationships with Greek businesses, increasing the corporate and investment banking performing loan book to more than €28 billion by the year ending 31 December 2026, compared to €22.3 billion as at 31 December 2023. Further, the Group aims to enhance sales capabilities and achieve an increase in the volume of digital sales to 45% through onboarding new products to its e-banking platform (such as prepaid cards, credit cards, consumer loans and investment products), while simultaneously growing its bancassurance and asset management fees.

With respect to bancassurance, the Group is leveraging its distribution network to capitalise on the opportunities presented in this sector. At the end of December 2023, its total managed portfolio reached €376 million, contributing 9% to its net commission income. Key strategic initiatives in bancassurance include expanding the Group's product portfolio, maximising the utilisation of its sales force, and enhancing remote sales channels. These actions are geared towards increasing the Group's net fee and commission income, bringing it closer to European banking sector benchmarks.

Furthermore, the Group plans to enhance its digital platform, offering personalised services and significantly increasing remote sales to become more efficient and solution-driven. This includes transforming its physical branch network to

[50] Sources: https://commission.europa.eu/business-economy-euro/economic-recovery/recovery-and-resilience-facility/country-pages/greeces-recovery-and-resilience-plan_en; https://www.espa.gr/el/pages/default.aspx; https://agriculture.ec.europa.eu/cap-my-country/cap-strategic-plans/greece_en

accommodate digital tools, providing customers with a rich portfolio of self-servicing banking services, and offering an advisory model that combines the best of digital experiences, technology, and human knowledge. Leveraging its existing strong partnerships and alliances remains a key focus.

Regarding operating costs, the level of recurring expenses will increase during the period of 2024-2026, owing to performance-based compensation and higher depreciation expenses reflecting investments in technology, while general and administrative expenses are anticipated to remain broadly stable, absorbing inflationary pressures and the impact of the growth trajectory of the Group.

In addition to these strategic initiatives, the Group is committed to comprehensive sustainable banking and energy transition business building. The Group's strategy includes optimising opportunities in sustainable financing, focusing on areas such as renewable energy, energy saving in buildings, energy storage, net-metering, green transportation and e-vehicles, manufacturing biodegradable products, supporting just transition, as well as advisory for issuance of green bonds, promotion of agriculture and smart farming, green savings accounts, green mortgages, supporting small businesses and professionals' digital transformation, ESG mutual funds and ESG bond issuance. For the period 2024-2026, the Group is expected to disburse approximately €1.0 billion loans to sustainable projects, comprising approximately 10% of its new loan production per annum. During the same period, green senior debt of more than €1.0 billion is expected to be issued, while the portfolio of ESG mutual funds is anticipated to be double its €300 million level as of year ending 31 December 2023.

Strengthen the Group's balance sheet and improve its capital buffers, while maintaining its asset quality

The Group continues to further strengthen its balance sheet a strategic priority through:

- maintaining a broad and diversified deposit base;
- sustaining an appropriate funding mix for its operations;
- originating high quality and diversified assets; and
- the effective management of its remaining NPE portfolio aiming to achieve and maintain a low single-digit NPE ratio in the medium term.

The Group remains committed to adjusting its operations and policies to align with prevailing market conditions. In pursuit of its medium-term goals, the Group actively seeks balanced growth in its deposit base relative to its loan portfolio. Employing a strategic and cost-efficient approach, the Group is selectively attracting new deposits, utilising tailor-made strategies and tools. Leveraging its extensive branch network in Greece, which remains the largest in the country, the Group aims to enhance customer satisfaction rates and individualised service, contributing to the gradual recovery of the Greek economy. As of 2023, the Group's efforts have proven successful, and according to its estimates, the Group maintained its leading market position of 28% of private sector deposits during 2023.

Furthermore, the Group's strategy includes maintaining a solid funding and liquidity structure facilitated by a balanced issuance strategy in the international capital markets. This initiative reflects the Group's commitment to diversifying funding avenues and ensuring a robust liquidity position.

The Group remains committed to manage its balance sheet both in terms of size and quality, empathising the maintenance of a flexible asset and liability base. In response to the economic crisis in Greece, the Group has applied, and continues to apply, more stringent underwriting criteria for loans and advances, including avoiding high-risk clients, engaging in the intensive management of credit exposures, focusing on fully secured, low LTV mortgages and minimising unsecured consumer financing exposures, which is a policy that is supported by the credit culture of the Group's management team, as well as by its advanced and strong risk management systems and controls.

In addition, the Group will continue to actively manage its NPE portfolio, while maintaining low levels of new NPE formation, in order to reach an EU-average NPE ratio by the end of the three-year period. The final phase of NPE reduction will include the completion of several inorganic transactions, including the remaining HAPS Solar transaction and a direct NPE portfolio sale classified as held-for-sale as at 31 December 2023 (Project Monza). The plan incorporates organic NPE management actions, including through settlements and restructurings, as well as managing specific cases of more than €200 million by the end of 2025. At the same time, the Group is focused on the development of a real estate sales mechanism with a view to reducing non-performing assets without compromising its profitability. The anticipated level of cost of risk is expected to reach approximately 0.6% by 2026.

The Group's dedication to contain the diversification of its assets both across customer segments and industries remains unwavering. At the Group level, as at 31 December 2023, corporate and public sector loans accounted for 78.8% of total gross loans, mortgage loans accounted for 16.8% of total gross loans and consumer, personal and credit cards accounted for 4.3% of total gross loans. With respect to industry diversification, the Group lends to manufacturing, retail, construction, real estate, food service, financial, shipping, energy, transportation, agriculture and other industries from all sectors of the economy. None of these industry groups represented more than 12% of the Group's total loan assets as at 31 December 2023 and only two of the 14 different industry sectors to which the Group lends represented more than 10% of its total loan assets as at 31 December 2023.

4.4 History and development of the Group

The following list sets forth the most significant events in the history of the Group:

1916 ● Establishment of Piraeus Bank.

1918 ● The shares of Piraeus Bank were listed on the ATHEX.

1991 ● Privatisation of Piraeus Bank.

2003 ● Merger of (i) ETBAbank into Piraeus Bank, (ii) Piraeus Investment S.A. into Hellenic Investment Company and (iii) ETBA Leasing into Piraeus Leasing S.A.

2005 ● Acquisition of 99.7% of Piraeus Eurobank A.D. in Bulgaria (renamed Piraeus Bank Bulgaria A.D.).

● Acquisition of 69.3% of Egyptian Commercial Bank in Egypt (renamed Piraeus Bank Egypt) and shareholding increased in August 2005 to 87.97%.

2006 ● Merger and operational integration of the Group's branch network in Bulgaria with Piraeus Bank Bulgaria.

2007 ● Acquisition of International Commerce Bank in Ukraine (renamed JSC Piraeus Bank ICB).

● Acquisition of the branch network of Arab Bank in Cyprus.

● Extension of cooperation agreement with ING for providing life bancassurance services.

● Successful completion of a €1.35 billion share capital increase.

2008 ● Establishment of Piraeus Bank Cyprus Ltd.

2009 ● Issuance of redeemable preference shares without voting rights to the Hellenic Republic under Greek Law 3723/2008 for a total amount of €370 million.

2010 ● Establishment of Pillar II programme of the Hellenic Republic Bank Support Plan (securities issued by Piraeus Bank with the guarantee of the Hellenic Republic) under Greek Law 3723/2008.

2011 ● Successful completion of a share capital increase for €807 million.

● Issuance of additional redeemable preference shares without voting rights to the Hellenic Republic under Greek Law 3723/2008 for a total amount of €380 million.

2012 ● Participation in the PSI, with the repurchase of all of the Group's Greek government bonds, resulting in an overall impairment recognised in financial year 2011 and amounting to €5.9 billion before taxes.

● Acquisition of certain assets and liabilities of ATEbank.

● Acquisition of Geniki Bank, the Greek subsidiary of Société Générale.

● Capital advance of €6.25 billion by the HFSF and delivery of a commitment statement of €1.1 billion (of which €570 million was related to the ATEbank Acquired Business), in view of its participation in the programme for the capital enhancement of Piraeus Bank.

2013 ● Acquisition of the Greek operations of the Cypriot Banks.

● Acquisition of MBG, the Greek subsidiary of BCP.

● Sale of the Group's shareholdings in ATE Bank Romania S.A. (93.27%) for €10.3 million.

● Acquisition of the custody, settlement and related services in Greece of Bank of Cyprus, Cyprus Popular Bank and Hellenic Bank and the mutual funds distribution business of Cyprus Popular Bank.

● Successful completion of the Group's recapitalisation through the 2013 share capital increase, completed in July 2013 in the context of the Recapitalisation Plan: the Group raised €8.4 billion, of which €1.4 billion of private funds, achieving significantly above the 10% minimum requirement of private sector participation (the "2013 Share Capital Increase").

2014 ● On 18 March 2014, the Group's subsidiary Piraeus Group Finance Plc issued €500 million 5% senior unsecured bonds due 2017 listed on the Luxembourg Stock Exchange.

● Successful completion of the Group's 2014 share capital increase: the Group raised €1.75 billion of private funds through contribution in cash, issuance of ordinary registered shares and cancellation of the pre-emption rights of existing shareholders (the "2014 Share Capital Increase").

● Redemption of the Hellenic Republic's preference shares of €750 million with the proceeds of the 2014 Share Capital Increase.

● Announcement of the sale of ATEbank Insurance S.A. to Ergo Insurance Group, a subsidiary of Munich Re. The transaction was completed in 2016.

● Merger of Geniki Bank into Piraeus Bank.

2015 ● Acquisition of certain assets and liabilities of Panellinia Bank S.A.

● Agreement between Piraeus Bank and Al Ahli Bank of Kuwait K.S.C.P. for the disposal of the Group's participation (98.5%) in Piraeus Bank Egypt S.A.E., for $150 million.

● Successful completion of the Group's 2015 share capital increase: the Group raised €2.6 billion of private funds and HFSF funds through payment in cash, liabilities' capitalisation and contribution in kind, issuance of ordinary registered shares and cancellation of the pre-emption rights of existing shareholders (the "2015 Share Capital Increase").

2016 ● Announcement of the sale of shares in the Group's subsidiary in Cyprus, Piraeus Bank Cyprus Ltd.

2017 ● Announcement of renewal of the bancassurance agreement with NN Hellas for 10 years with a further five-year extension possibility pursuant to which the Group continues to offer on an exclusive basis the life and health products of NN Hellas to its customers.

● Issuance of a five-year €500 million covered bond launched under the Group's €10 billion Covered Bond Programme representing its first covered bond issuance and the first time that supranational financial organisations have invested in covered bonds issued by Greek banks since the beginning of the financial crisis.

● Announcement of the sale of the Group's subsidiary Olympic Commercial and Tourism Enterprises (Olympic), which holds the Avis Rent a Car, Budget Rent a Car and Payless master franchises for Greece, which was completed in 2018.

● Announcement of agreement with J.C. Flowers & Co. for the sale of the Group's entire shareholding stake in Piraeus Bank Romania, the Group's banking subsidiary in Romania which was completed in 2018.

2018 ● Membership of the Global Federation of Competitiveness Councils (GFCC), a network of leaders and organisations committed to the implementation of competitiveness strategies to drive innovation, productivity and prosperity.

● Announcement of the sale of portfolio of non-performing and denounced corporate NPEs secured with real estate collateral with a gross book value of €1.4 billion to Bain Capital Credit LP and portfolio of non-performing and denounced unsecured retail consumer and credit card loans with a gross book value of €400 million to APS Investments S.à r.l.

2019 ● Completion of the sale of the Group's 98.8% shareholding in the Group's subsidiary in Albania, Tirana Bank Sh.a. to Balfin Sh.p.k. and Komercijalna BankaAD.

● Announcement of sale of portfolio of corporate NPEs with a gross book value of €507 million to an entity affiliated with Davidson Kempner Capital Management LP.

● Announcement of strategic partnership with Intrum Hellas Servicing S.A. for the management of NPEs and REOs pursuant to which the Group has established a market-leading independent non-performing assets servicing platform in Greece.

- Announcement of successful completion of book building process for the issuance of €400 million subordinated (Tier 2 capital) notes due 2029 under the Group's €25 billion Euro Medium Term Note Programme.

2020
- Announcement of successful completion of book building process for the issuance of €500 million subordinated (Tier 2 capital) notes due 2030 under the Group's €25 billion Euro Medium Term Note Programme.
- Completion of the Demerger.

2021
- Conversion of the Contingent Convertible Bonds into Ordinary Shares.
- Announcement of an international financial partnership with Biodiversity Accounting Financials.
- Announcement of a binding agreement with global investor Christofferson, Robb & Company (CRC) for a synthetic (virtual) securitisation of performing SMEs and corporate loans.
- Announcement of a strategic partnership with Euronet Wordwide.
- Announcement of the successful completion of the 2021 Share Capital Increase.
- Announcement of the successful issuance of €600 million Fixed Rate Reset Additional Tier 1 Perpetual Contingent Temporary Write-Down Notes.
- Completion of Projects Phoenix, Sunrise I, Sunrise II and Vega.
- Announcement of the successful issuance of €500 million green senior preferred bond by Piraeus Bank.

2022
- Announcement of the successful issuance of €350 million senior preferred bond by Piraeus Bank.
- Decrease of the share capital of Piraeus Holdings in kind, by decreasing the nominal value of each ordinary share issued and by distributing to its shareholders shares issued by SUNRISEMEZZ PLC.
- Announcement of an agreement with Resolute Asset Management Group.
- Announcement of an agreement with Iolcus for the acquisition of their 100% stake in Iolcus.
- Announcement of the completion of the acquisition of controlling stake in Trastor REIC.
- Completion of Project Dory.

2023
- Announcement of execution of a binding agreement with respect to the Solar transaction.
- Announcement of the successful issuance of €500 million senior preferred bond by Piraeus Bank in July.
- Announcement of the successful issuance of €500 million senior preferred bond by Piraeus Bank in November.
- Completion of Project Senna.

2024
- Announcement of the pricing of a new €500 million subordinated Tier 2 bond.

4.5 Organisational Structure

Following the Demerger, Piraeus Holdings became the direct or indirect ultimate parent holding company of all operating subsidiaries in the Group (including Piraeus Bank Société Anonyme, Piraeus Agency Solutions S.A. and JSC Piraeus Bank ICB), while Piraeus Bank Société Anonyme, a wholly owned subsidiary, became the principal credit institution with responsibility for banking operations in the Group. None of Piraeus Holdings' subsidiaries (other than Piraeus Bank Société Anonyme) represents more than 10% of the Group's equity (assets-liabilities) or 10% of its consolidated results after tax. See Note 25 of the Group's 2023 Annual Financial Statements for a list of its subsidiaries and associate companies, which the Group defines as all entities over which the Group exercises control or has significant influence in accordance with IFRS.

4.6 Business segments

The Group manages its business based on the following business segments:

- **Retail Banking**: This segment includes the retail banking operations of the Group that are addressed to retail customers, as well as small businesses, the public sector core customers and other relevant retail networks (deposits, loans, working capital, imports-exports, letters of guarantee, etc.).
- **Corporate Banking**: This segment includes the corporate banking operations of the Group, addressed to large

corporates, shipping, SMEs and agricultural core customer segments, which are serviced centrally due to their specialised needs (deposits, loans, syndicated loans, project financing, working capital, imports-exports, letters of guarantee, etc.).

- **Piraeus Financial Markets ("PFM")**: This segment includes activities related to the fixed income, foreign exchange and treasury activities, including the management of the interest rate gap resulting from all banking activities, and institutional clients of the Group.
- **Wealth & Asset Management**: This segment has the responsibility to form the overall strategy, product development and the framework for the offering of asset and wealth management services to individuals, businesses and institutional clients of the Group, as well as the monitoring and overall responsibility for the respective targets of the Group. This segment has the managerial overview of the subsidiaries Piraeus Asset Management MFMC, Piraeus AEPEY and Iolcus.
- **NPEMU**: This segment includes the management of any NPE lending exposures assessed as non-core business, irrespective of whether such exposures are serviced by the Group or third parties. The accrued fees payable to Intrum for servicing the Group's NPE portfolio are recognised within this reportable segment.
- **Other**: This segment includes other operations of the Group that are not included in the above segments. In particular, it includes all management-related activities not allocated to specific customer segments and all funding transactions approved by the Assets/Liabilities Management Committee ("ALCO"). Following the most recent reorganisation of this business segment, this segment now includes the management of REOs, non-client related equity participations of the Group and international banking.

4.7 Overview of the Group

The Group provides a wide variety of banking products and services to retail and corporate customers. The Group is active in retail banking, corporate banking, shipping, investment banking, e-banking, agricultural and green banking, and provides services in equity brokerage and asset management.

The majority of the Group's banking business is in Greece and includes retail, commercial and investment banking, as well as asset management. The Group's international banking operations solely include a small banking operation through a local subsidiary in Ukraine and one branch in Frankfurt.

As at 31 December 2023, the Group's Greek operations accounted for 99.6% of its total assets.

The following table sets out the Group's loans and deposits as at 31 December 2021, 2022 and 2023:

	As at 31 December		
(€ in millions)	**2021**	**2022**	**2023**
Loans and advances to customers at amortised cost (gross and grossed up with PPA adjustment)	38,492	38,787	38,346
Due to customers	55,442	58,372	59,567

Source: 2022 Annual Financial Statements and 2023 Annual Financial Statements.

As at 31 December 2023, gross loans to the Group's customers decreased by 1.1% to €38.3 billion from €38.8 billion as at 31 December 2022. Gross loans to the Group's customers as at 31 December 2021 amounted to €38.5 billion.

As at 31 December 2023, the Group's gross loans and advances to corporates, which comprise large corporate, shipping loans and loans to SMEs and the public sector, amounted to €30.2 billion, accounting for 78.8% of the total portfolio, whilst loans to individuals amounted to €8.1 billion, or 21.2% of the total portfolio. The Group's loans to deposit ratio decreased to 61.5% as at 31 December 2022 from 63.4% as at 31 December 2021. As at 31 December 2023, the Group's loan-to-deposit ratio reached 61.5% mainly due to the increase in deposits.

The Group's customer deposits amounted to €59.6 billion as at 31 December 2023, compared to €58.4 billion as at 31 December 2022. The Group's customer deposits amounted to €55.4 billion as at 31 December 2021.

The Group's mortgage loans decreased by 6.2% in the year ended 31 December 2023 and amounted to €6.5 billion (gross) as at 31 December 2023, compared to €6.9 billion as at 31 December 2022. The Group's mortgage loans decreased by 4.4% in the year ended 31 December 2022 and amounted to €7.2 billion (gross) as at 31 December 2021.

The Group's NPE ratio was 3.5% at 31 December 2023, compared to 6.8% as at 31 December 2022 and 12.7% as at 31 December 2021. At 31 December 2023, the NPE (cash) coverage ratio was 61.6% compared to 54.5% as at 31 December 2022 and 40.3% as at 31 December 2021.

As at 31 December 2023, the Group had a network of 394 branches (378 in Greece, 15 branches in Ukraine and one branch in Frankfurt), whilst its ATM network consisted of 2,042 ATMs.

4.8 Operations in Greece

As at 31 December 2023, Piraeus Bank was a leading bank in Greece as measured by gross loans with a 25% market share[51] as at 31 December 2023, based on Bank of Greece data for the sector. The table below provides information on the Group's loans, deposits, branches and employees for its operations in Greece as at 31 December 2021, 2022 and 2023.

	As at 31 December		
	2021	2022	2023
Loans and advances to customers at amortised cost (gross carrying amount) (€ in millions)	28,775	28,638	28,317
Due to customers (€ in millions)	55,310	58,244	59,404
Branches	414	389	378
Employees	8,904	8,271	7,672

Source: Data based on the 2022 Annual Financial Statements and the 2023 Annual Financial Statements.

The Group's Greek operations consist of retail banking services, commercial and corporate banking services, investment banking and brokerage related activities, treasury and asset management, and other financial and related services (such as leasing, factoring and real estate management and development). In Greece, Piraeus Bank is a leading provider of business lending, including banking services and loans to SMEs, which have an annual turnover ranging from €2.5 million to €50 million. In addition, Piraeus Bank is a leading provider of banking services to individuals and a leading adviser in capital markets services and investment banking, financial leasing and shipping finance in Greece. Furthermore, Piraeus Bank is a leading provider in electronic banking, green banking and agricultural financing through products and services adapted to the Group's customers' needs.

Retail banking

General

The Group conducts its retail banking activities in Greece through its branch network and its e-branches, as well as through its alternative delivery channels, such as its online banking platform. The Group's Retail banking customer segments such as Mass retail and Affluent retail banking offer a wide range of different types of deposit, credit and investment products, including savings or current accounts, term deposits, investment products, consumer loans and mortgages, credit cards, bancassurance products and insurance brokerage, as well as a wide spectrum of banking services.

<u>Mass retail</u>

The Mass retail segment serves 4.4 million customers with €16.9 billion in assets under management and €5.7 billion in loan balances. The Mass retail segment contributes significantly to the business objectives of retail banking. Indicatively, in 2023, it made a 65% contribution in new retail loan disbursements (79% in consumer loans and 55% in mortgage loans), disbursing a total of €414 million in retail loans.

Within the Mass retail segment clientele, a key subset comprises Upper Mass retail segment customers, characterised by holding assets exceeding €10,000. Although constituting only 7% of the Mass retail segment population, this group possesses 58% of the total assets under management, demonstrating a cross-selling index of five products per client on average. The Upper Mass retail segment contributed 100% to new investment products and 70% to investment-linked insurance programmes in 2023, thus significantly supporting Mass retail segment's objectives.

During 2023, the Group attracted 138,000 new customers, 95% of which belonged to the Mass retail segment, through the "Digital Onboarding" service and the "Everyday Banking" package. In 2023, the "Everyday Banking" package was enhanced with offers of bancassurance products accessible through the branch network. This strategy played a crucial role in increasing the cross-selling index and encouraging Mass retail segment clients to actively use core banking products.

In the fourth quarter of 2023, the Group implemented the transition to a new branch model. This involved new customer journeys aligned with a digital-first strategy, targeted campaign planning for high-value clientele, adjustments to the Upper Mass retail segment customer service model and educational materials to facilitate the understanding of the new service model with respect to both the Group's personnel and clientele.

<u>Affluent retail</u>

The Group's Affluent retail segment includes 139,000 customers with more than €21 billion in assets under management as of 31 December 2023, marking a 9.7% year-on-year increase in assets under management and a rise in the average assets under management per customer. The Affluent retail segment is the dominant segment in supporting the Group's targets as to deposits and investments products. In 2023, the Affluent retail segment attracted €1 billion in new deposits and €790

[51] Source: Group's internal analysis as at 31 December 2023 of the Group's published financial statements based on IFRS regarding the Group's outstanding amounts, with total market data based on the Bank of Greece's Statistical Bulletin of Evolution of Loans and Non-Performing Loans, December 2023, provided on an individual level.

million in new investments, with almost 80% contribution in new retail investment target. Moreover, the Affluent retail segment took up 47% of total retail production of investment-linked insurance programmes.

The Affluent retail segment continued to operate under a specialised service model with a dedicated employee group in 2023, focusing on personalised interaction with customers through all available channels with a view to improving customer experience. The Affluent retail segment promoted high-profitability products through its clientele. This led to an enhancement in the cross-selling index, reaching 6.78x, and a surge in economic value-added, surpassing the annual budget by 141.5%. This growth was underpinned by a surge of 111% in revenues, comprising a 20% increase in net commission income and a substantial 89% increase in net interest income.

Furthermore, the iPlan financial application is a new, innovative tool available to Affluent retail segment customers that allows them to efficiently organise and monitor their financial position and improve their financial planning. iPlan engaged 6,000 customers in 2023, 30% of which acquired at least one highly profitable product, showcasing the application's effectiveness in generating value. The Group's commitment to continuous improvement was evident in ongoing training activities focused on investment products and sales skills development throughout the year.

The Group's main distribution channels

As at 31 December 2023, the Group had a network of 378 branches in Greece. The Group's Greek branch network covers all of the main urban, suburban and rural areas in Greece. Moreover, the Group's Greek operations have working relationships with more than 700 banks from all over the world, offering services to its customers in domestic and cross-border transactions.

The table below presents the geographical location of the Group's domestic branch network as at 31 December 2023:

Region of Greece	Branches	%
Attica	134	35%
Central Macedonia	62	16%
Peloponnese	22	6%
Western Greece	22	6%
Crete	22	6%
Eastern Macedonia and Thrace	23	6%
Continental Greece	23	6%
Thessaly	21	6%
Southern Aegean Sea	17	4%
Epirus	8	2%
Western Macedonia	10	3%
Ionian Sea	5	1%
Northern Aegean Sea	9	2%
Total	**378**	**100%**

Source: Unaudited data provided by Piraeus Holdings.

The Group has the largest ATM network in Greece, with a market share of over 35% based on internal estimates as at 31 December 2023. The Group's ATM network in Greece as at 31 December 2023 consisted of 2,042 ATMs, of which 917 ATMs were located at the Group's branches (on-site ATMs) and 1,125 ATMs were located at other select public and commercial spots (off-site ATMs).

The ATM network (which is accessible to customers through the use of debit cards) is linked to the DIAS Interbank Payment System, through which all of the interbank transactions in relation to retail payments through the Greek banking system including funds transfers, cheque payments, automated interbank transactions through ATMs, payroll and pension payments and others are processed, cleared and settled.

The Group has been rationalising its branch network in order to reduce costs, in parallel with the effort to centralise its administrative operations. In 2019, the Group closed 26 branches in Greece, while in 2020 and 2021, a total of 43 and 70 branches were closed respectively. At 31 December 2022, the Group's branch network consisted of 389 branches in Greece. In 2023, the Group's branch network in Greece was further reduced by 11 branches. As at the date of this Prospectus, the Group's branch network in Greece consisted of 378 branches.

Retail deposit and investment products

The Group offers its retail customers a wide range of depositary and investment products in euro and other major foreign currencies. The Group's retail deposit balances were increased by €1.3 billion on an annual basis amounting to €42 billion as at 31 December 2023 and €40.7 billion as at 31 December 2022. With the above increase, the Group managed to maintain its share in retail deposit balances at levels exceeding 29%.

Net sales of mutual funds to retail customers as at 31 December 2023 amounted to €907 million and €117 million as at 31 December 2022.

Retail lending

The Group places particular effort in the enhancement of its mortgage customer services, through a careful analysis of customers in its integrated mortgage portfolio.

At 31 December 2023, the Group's total portfolio of retail lending at amortised cost, which includes mortgages, consumer, personal and other loans, and credit cards was €8.1 billion or 21.1% of the total loan portfolio. The respective portfolio, amounted to €8.8 billion as at 31 December 2022 (representing 23% of the Group's gross loan portfolio), compared to €9.2 billion as at 31 December 2021 (representing 24% of the Group's gross loan portfolio). In 2023, loan balances to individuals decreased by €659 million, evidenced by a decrease of €425 million in mortgages and €234 million in consumer loans.

The following table presents the balance of the Group's retail lending portfolio at amortised cost, gross and grossed up with the PPA adjustment, as at 31 December 2021, 2022 and 2023.

	As at 31 December		
(€ in millions)	**2021**	**2022**	**2023**
Mortgages	7,195	6,879	6,454
Consumer/personal loans and other loans	1,503	1,410	1,224
Credit cards	491	485	437
Total	**9,189**	**8,774**	**8,115**

Source: 2022 Annual Financial Statements and 2023 Annual Financial Statements.

Mortgage lending

The Group offers a wide range of mortgage products, with floating, fixed or a combination of fixed and floating interest rates to finance the purchase of property, construction, repair, completion or the purchase of land or remortgaging.

As at 31 December 2023, the Group's portfolio of mortgage loans in Greece amounted to €6.5 billion, compared to €6.9 billion as at 31 December 2022, a decrease of 5.8% due to the high rate of repayments of all vintage mortgages disbursed during 2007-2010. As at 31 December 2021, the Group's portfolio of mortgage loans amounted to €7.2 billion, representing a decrease of 4% during 2022 as a result of the ongoing loan portfolio deleveraging due to the then-prevailing economic environment.

Consumer, personal and other loans and credit cards

The Group offers a wide range of personal consumer loans and credit cards. The Group's consumer, personal and other loans portfolio, as at 31 December 2023 amounted to €1.2 billion, compared to €1.4 billion as at 31 December 2022 and €1.5 billion as at 31 December 2021. The Group is one of the main card issuers in Greece with approximately 5.9 million cards in circulation as at the end of 2023. During 2023, the value of card transactions reached €17.6 billion with 687 million card transactions, recording an annual increase of 14%. The total value of the credit card withdrawals was €15.2 billion with 65.4 million card transactions.

The Group's credit card balances amounted to €437 million as at 31 December 2023, compared to €485 million as at 31 December 2022 and €491 million as at 31 December 2021.

The Group has upgraded its products with contactless transaction technology to enhance its position as a provider of high-tech and innovative products and improve its customers' experience.

Corporate banking

General

In Greece, the Group has historically held a leading position in commercial financing and corporate banking. The Group offers its corporate clients a wide range of products and services, including financial and investment advisory services, deposit accounts, loans, foreign exchange, insurance products, custody arrangements and trade finance services, leasing and factoring. The Group assists customers in the implementation of their business plans and engages continuously in prudent risk management for the benefit of its shareholders and customers. Over the past three years, the Group has demonstrated a robust record of net credit expansion amounting to €1.2 billion in 2021, €2.0 billion in 2022, and approximately €1.7 billion in 2023. Furthermore, there has been a continuous and substantial increase in fees and commissions, with a growth of 34% over the last two years. Corporate and investment banking fees for 2023 were approximately 93 basis points over average assets, a figure that aligns with levels observed in other European banks.

Corporate deposits

Corporate deposit balances steadily increased by €1.0 billion between 31 December 2021 and 31 December 2023.

Corporate lending

The Group's business financing maintains significant diversity in all sectors of the economy. The Group offers corporate accounts with overdraft facilities, foreign currency loans, variable rate loans and currency swaps and options for corporate customers.

The Group's commercial lending is primarily in the form of credit lines, which are generally at variable rates of interest. In addition, the Group's provide letters of credit and guarantees for its clients. The Group lends to all corporate sectors, with particular emphasis on trade, industry, construction, tourism and shipping.

Total loans and advances to corporates, gross and grossed up with the PPA adjustment, amounted to €30 billion as at 31 December 2022 and €30.2 billion as at 31 December 2023.

The table below provides information on the Group's total gross carrying amount, gross and grossed up with the PPA adjustment, of the corporate loan portfolio as at 31 December 2021, 2022 and 2023:

	As at 31 December		
(€ in millions)	**2021**	**2022**	**2023**
Large corporate	18,017	19,076	19,988
SMEs	9,733	9,314	9,244
Public sector	1,553	1,623	999
Total	**29,303**	**30,013**	**30,231**

Source: 2022 Annual Financial Statements and 2023 Annual Financial Statements.

The Group's corporate loan portfolio reached €30.2 billion as at 31 December 2023, compared to €30.0 billion as at 31 December 2022, through direct and indirect financing to corporates and sustainable investment projects. New loans are mainly made available to companies involved in the energy, infrastructure, manufacturing, accommodation, food services and trade sectors. The Group's new loan disbursements to businesses increased to €7.8 billion in 2023, compared to €7.0 billion in 2022 and €5.4 million in 2021.

Large corporate

The Group operates specialised units that provide banking products and services to large corporates and companies engaged in infrastructure, energy and real estate activities. The Group offers banking services, loans for complex transactions, project finance, real estate finance and advisory services in connection with debt restructuring and large infrastructure projects. Large corporate units focus on strengthening existing customer relationships and further expanding the customer base within all production sectors of the economy, with emphasis on sustainable development, innovation and entrepreneurship.

Loan syndications

The loan syndications unit is one of the Group's central units and serves its domestic and international syndicated loan portfolio generated from all business loan units. The loan syndications unit aims to create added value through organising, structuring, negotiating and monitoring syndicated loans, as well as undertaking all types of agency roles throughout the duration of such loans. The Group has, from time to time, assumed the role of lead arranger and agent for corporate syndicated bond loans, structured financings for infrastructure and energy projects, convertible bond loans, debt restructurings and mergers and acquisitions financings.

During 2023, the Group was involved in 41 transactions totalling €14.6 billion, in which Piraeus Bank's participation amounted to €2.85 billion.

Shipping finance

The Group operates a specialised unit that provides financing for many of the largest Greek shipping companies, including Greek coastal shipping. Services provided through shipping finance mostly relate to funding the purchase or building of ships, financing the operating needs of shipping companies and issuing letters of guarantee.

The Group's loans and advances to shipping companies relate to the financing of vessels with a gross carrying amount of €2.3 billion as at 31 December 2023, compared to €2.2 billion as at 31 December 2022 and €2.0 billion as at 31 December 2021.

SMEs

The Group offers banking services and specialised products for SMEs. The SMEs unit collaborates with the vast majority of Greek SMEs in order to strengthen existing customer relationships. The Group operates Business Centers that are conveniently located across Greece alongside its branch network, providing specialised services to SMEs. The SMEs portfolio covers all sectors of the Greek economy.

The SMEs segment is expanding its portfolio, which amounted to €7.1 billion in performing exposures (as defined in

"*Financial Information Concerning the Group's Assets and Liabilities, Financial Position, and Profits and Losses—Alternative Performance Measures*") in 2023, compared to €6.8 billion in 2022. It focuses on financing healthy businesses through the co-funded programmes of the EIB, the European Investment Fund and the Hellenic Development Bank, thus actively supporting entrepreneurship. Loans disbursed to SMEs through such state-sponsored programmes amounted to €520 million in 2023.

Small businesses

The Group's small business segment covers business customers with an annual turnover of less than €2.5 million and business loans of less than €1 million. It is a key segment due to its significant size, supporting approximately 532,000 customers, and due to its growth prospects and its contribution to the Greek economy. Specifically, the Group has implemented a personalised sales and service model for approximately 100,000 priority customers, aiming to understand and meet their specific needs while ensuring value generation more effectively.

Through the small business segment, the Group has established a strong presence in the banking market for small businesses, fully utilising the available development programmes (guaranteed and co-financed). Throughout 2023, the small business segment remained committed to fostering the sustainable growth of its small business clientele. This commitment was manifested through the strategic integration of banking products and services with financing opportunities provided by European and Greek programmes. As such, the small business segment achieved a substantial stake in the funding allocated through these programmes.

Regular communication and interaction with customers are upheld across various channels and are reinforced by tools, services and strategic commercial initiatives. This approach aims to effectively inform customers and highlight pertinent products and services.

The small business segment is expanding its business lending portfolio, which amounted to €2.3 billion performing loans as at December 2023, reflecting a 10% increase compared to 2022. This financing supports over 27,000 customers (approximately 40,000 accounts) year-to-date. The segment focuses on providing funding for healthy businesses through specialised co-funded programmes of the EIB, the European Investment Fund and the Hellenic Development Bank, thus actively supporting entrepreneurship.

In 2023, lending increased further while upholding a commendable approval rate, efficient allocation of collateral and covers, and an appealing average interest rate for new loans. This was complemented by a strong absorption of funds provided through development and support programmes. In particular, new lending amounted to €580 million, supporting a healthy credit expansion of approximately €200 million. Customer deposits also grew by €1.0 billion, mainly due to the deepening and strengthening of customer relationships. Last, there was a notable increase in card issuance, insurance sales and transactional activity, contributing to an increase in commission income.

Agricultural banking

Piraeus Bank is a leading financial institution in the Greek agricultural sector, serving 600,000 farmers nationwide. Additionally, Piraeus Bank provides support to breeders, fishermen, and 550 small, medium and large agricultural sale cooperatives. Piraeus Bank collaborates closely with the Greek Ministry of Agriculture and Food, actively participating in the structural reforms initiated by the Greek Government in the primary sector.

The Greek Payment Authority of Common Agricultural Policy Aid Schemes ("OPEKEPE") tenders its banking contract, including a multibillion-euro working capital credit line and banking services, on a four-year basis. Piraeus Bank has consistently won the international competition for said contract since the inception of the Agricultural Bank, with the most recent award in October 2022.

Piraeus Bank's agricultural unit closely monitors the 2023-2027 Common Agricultural Policy, maintaining a designated and experienced working team. The aim is to understand and address farmers' needs arising from ongoing European Commission developments in the primary sector, such as the Green Deal, the From Farm to Fork Strategy and the Eco Schemes.

In alignment with the broader adoption of ESG policies, Piraeus Bank actively supports farmers' investments in renewable energy sources. Piraeus Bank has refined its banking products to effectively meet the ongoing operational cash flow needs of farmers, contributing significantly to the realisation of the national energy and climate plan.

The agricultural unit of Piraeus Bank offers a comprehensive suite of solutions and financial backing, specifically tailored for young farmers. In 2023, loans extended to young farmers constituted a 40% share of the annual liquidity provided to the retail primary sector.

Piraeus Bank introduced the contractual farming methodology to the Greek banking system in 2013. This initiative provides back-up financing to farmers, corporate entities and agricultural sale cooperatives, holistically covering their regular short-term needs.

Sustainable and development banking

The promotion of sustainable banking is a strategic priority of the Group, which also pursues several collaborations as part of its focus on development banking. These activities are undertaken by all of Piraeus Bank's relevant units and subsidiaries under the guidance of the specialised Development and Sustainable Banking/Financial Institutions unit ("DSB"). The DSB designs products to finance and support innovative sustainable ideas, environmentally and socially responsible initiatives and financial inclusion projects. One of DSB's objectives is the management of relations with the Greek and international banking community. Moreover, the DSB has a supplementary scope of work that involves integrating ESG KPIs and sustainability performance targets in the current lending products and conducting environmental and social risk assessments for business lending. The DSB also performs feasibility analysis for each financial proposal that involves RES projects, assessing, *inter alia*, the choice of equipment, the indicative cost, the productivity and the experience of the installer.

As part of its business, the DSB manages Piraeus Bank's relations with international and Greek development institutions, such as the Hellenic Development Bank, the EIB and the European Investment Fund. The DSB works closely with these institutions to design and implement banking products. Capitalising on such collaborations, and driven by sustainable finance concerns, the DSB has created a wide range of financing tools, adapted to the permanent needs of Greek businesses, promoting their investment plans and satisfying their liquidity requirements.

The DSB is the central point of contact with the Greek State for issues related to the RRF (and particularly its loan component), which is a key funding programme for new investments.

Sustainable and green banking products

Since 2006, Piraeus Bank has been offering financing to individuals and businesses opting for environmentally friendly technologies. Piraeus Bank's aim is to assist clients in transitioning to a low-carbon economy by enhancing the energy efficiency of households and facilities, promoting the use of self-produced energy, and facilitating electricity production from renewable sources. Piraeus Bank also offers green consumer loans for the purchase of energy-efficient home appliances and equipment and for the installation of photovoltaic systems in households (net metering).

The total financing provided to individuals and companies for the implementation of projects that are part of green entrepreneurship amounted to €2.7 billion as at the end of 2023. The majority of these loans have supported renewable energy projects, including photovoltaic systems, wind farms, small hydroelectric plants, and biomass/biogas projects. Of these financings, €103 million have been provided to individuals, while approximately €2.6 billion have supported businesses. Green financing constitutes 1.3% of the Group's retail portfolio and 11.5% of the business portfolio.

Piraeus Bank provides financing that incorporates ESG performance indicators, fostering the integration of growth and economic efficiency with social and environmental sustainability. Adhering to relevant international and EU standards, Piraeus Bank systematically integrates ESG criteria into the lending process for mid-caps and large corporates. This initiative encourages customers to achieve measurable targets related to energy efficiency improvements, CO_2 emissions reductions, efficient water usage, reduction and management of manufacturing waste, recycling increases, and labour and social issues.

Piraeus Bank is the only Greek company included in the Financial Times' list "500 Climate Leaders in Europe" in 2023 for the third consecutive year, with respect to its performance in the climate change management. In addition, the Group has received a distinction for its overall participation in all pillars of the United Nations Sustainable Development Goals, being committed to the Principles for Responsible Banking under UNEP FI.

Transaction banking

The transaction banking unit is one of the Group's central units and offers a wide range of wholesale banking services to corporate and investment banking customers, aiming to facilitate them in managing their day-to-day business activities and improving their efficiency. Transaction banking services include collections, payments, cash management, trade finance and supply chain finance solutions.

During 2023, the transaction banking team continued promoting Piraeus Bank's digital channels. It is indicative that the value of transactions under this unit's servicing perimeter increased by approximately 5% year-on-year in 2023, reaching €40.5 billion, with 98% of credit transfers made through digital channels.

Piraeus Bank achieved notable recognition in EBRD's Trade Facilitation Programme in 2023, securing multiple distinctions. Specifically, Piraeus Bank received the accolades "Most Active Issuing Bank in Greece in 2022", "Most Active Issuing Bank in 2022 – Green Trade" and "Deal of the Year in 2022 – Green Trade".

Leasing

Piraeus Bank's subsidiary, Piraeus Leasing S.A. ("Piraeus Leasing"), engages in financial leasing of immovable property, machinery, professional vehicles and other types of physical assets, and manages the leasing activities of the Group.

In May 2022, the Group successfully completed the transformation of its three leasing companies. The primary objectives were to de-recognise NPEs and enhance the efficiency of the leasing business sector within the Group. This transformation resulted in the establishment of Piraeus Leasing, responsible for managing the Group's serviced leasing portfolio; Sunshine

Leases, tasked with overseeing the portfolio of non-performing lease exposures, which was transferred to a new investor in August 2023; and Piraeus Property, which assumed management responsibilities for real estate related to financial leases.

The newly established Piraeus Leasing represents an efficient scheme that leverages economies of scale, aiming to meet the growing demands of the market and the economy. According to annual statistics published by the Association of Hellenic Leasing Companies, Piraeus Leasing has been among the leaders in the leasing market for at least ten years, currently having a market share of 29% based on internal estimates.[52]

Piraeus Leasing stands out as the first leasing company in Greece that offers a digital platform. This platform, called "My Lease", provides automated services to customers, offering an integrated and efficient tool for managing leasing activities easily and securely. The introduction of this new digital platform enhances customer experience with innovative digital services and streamlines request-handling processes.

In line with the commitment of Piraeus Bank, Piraeus Leasing is the first leasing company in Greece to venture into financing with ESG characteristics and environmental sustainability clauses. These initiatives span various sectors, including energy, industrial production and transport, showcasing a tangible commitment to promoting a circular and sustainable economy. These criteria not only facilitate growth and economic performance, but also underscore the Group's dedication to social and environmental sustainability, playing a pivotal role in accessing resources from the Next Generation EU plan and attracting investment interest.

Despite the challenges posed by rising interest rates, natural disasters and the conflict in the Middle East, Piraeus Leasing achieved a net income totalling €13.1 million in 2023. This positive performance is attributed to organic development and strategic resource allocation within the healthy sector of financial leases. Notably, new leasing approvals for leasing contracts during the year amounted to €239 million, with over €168 million disbursed in 2023.

In terms of its financial performance, in 2023, Piraeus Leasing achieved a total profit before tax of €10 million (in contrast to 2022, which was a year of corporate transformation).

Piraeus Leasing's total assets under management on 31 December 2023 decreased in comparison to 31 December 2022, amounting to €813 million. The NPE portfolio decreased to 6.6% of the total portfolio from 14% as at 31 December 2022.

Business factoring

The Group has been offering factoring services since 1998, including domestic factoring services such as debt collection, management and account monitoring and advancing funds for companies' outstanding claims. Internationally, the Group offers export credit, credit risk coverage, monitoring services, management and debt collection services. Factoring services are provided through a wholly-owned subsidiary, Piraeus Factoring S.A., which is a member of Factors Chain International and the Hellenic Factors Association, with representation both in the board of directors and its sub-committees. Piraeus Factoring S.A. has consistently received recognition from FCI for the outstanding quality of its services. In 2022, it achieved the fourth position as an Export Factor during the 55th FCI Annual Conference.

Total assets of Piraeus Factoring S.A. amounted to €865 million as at 31 December 2023 compared to €713 million as at 31 December 2022. As at 31 December 2023, total factoring financing of Piraeus Factoring S.A. amounted to €6.2 billion, an increase of 30% compared to 2022.

Investment banking

Piraeus Bank provides financial advisory services for mergers and acquisitions ("M&As") and concessions/public-private partnership projects. Additionally, Piraeus Bank offers advisory and underwriting services covering the entire spectrum of capital market products, including initial public offerings ("IPOs"), share capital increases and corporate bonds.

In 2023, Piraeus Bank successfully delivered services in major privatisations, M&A transactions and underwriting projects. This included, among other achievements, the continued provision of services as a financial adviser to the Hellenic Republic Asset Development Fund. Notably, Piraeus Bank played an important role in the international tender process for the new 25-year concession agreement of Attica Motorway, with the announcement of the preferred investor in September 2023.

In the private sector, Piraeus Bank assumed a leading role in the majority of public offerings of shares and corporate bonds, facilitating their admission for trading on the ATHEX. Piraeus Bank acted as a coordinator and lead underwriter for the IPO of Trade Estates REIC and for the corporate bond issuances and listings of Mytilineos S.A. and Ideal Holdings S.A. Piraeus Bank also served as the issue advisor for the share capital increases of Intralot S.A. and Trastor REIC.

Piraeus Bank provided financial advisory services, including a fairness opinion, to REDS S.A. for the sale of its 100% stake in YIALOU S.A., which owns, manages, and operates the Smart Park commercial park.

Lastly, in relation to public tender offers, the investment banking division assisted Piraeus Bank in public tender offers to the shareholders of ATTICA HOLDINGS S.A. and MIG HOLDINGS S.A. Furthermore, Piraeus Bank acted as a financial

[52] Source: https://aglc.gr/?page_id=1533&lang=en.

advisor to STRIX HOLINGS L.P in their public tender offer to the shareholders of ATTICA HOLDINGS S.A.

Custodian services

The Group offers a diverse range of custodian services tailored to meet the unique needs of domestic and international institutional investors, corporate entities, retail customers and private clients. Piraeus Bank provides a comprehensive suite of custody services, including settlement, clearing, safekeeping and asset servicing across Greece, Cyprus and global markets. With direct connections to local and international central securities depositaries and global custodians, the Group seamlessly facilitates custody transactions in Greece and worldwide. As a licensed custodian and general clearing member for local equities, derivatives, and energy products, the Group ensures a holistic approach to custody solutions.

In recent years, Piraeus Bank has strategically broadened its custodian services and product offerings, leading to a substantial growth in its institutional client base. It has efficiently handled a rising volume of transactions and attracted more assets under custody, demonstrating a dedication to enhancing client service efficiency. These services extend globally, catering to clients beyond borders. Piraeus Bank is acknowledged for the quality of its services in the international custody and securities services sector, maintaining a consistent presence among esteemed institutions. Additionally, it stands out as the only Greek bank bearing an ISAE 3402 certification, underlining the robustness of its control framework. In 2023, the Global Custodian magazine awarded Piraeus Bank the title of "Best in Class: Global" in respect of client services and relationship management.

Piraeus Bank adjusts to evolving legal and regulatory frameworks, focusing on innovation through continuous enhancements and automation of applications and processes. Piraeus Bank is dedicated to providing clients with increased efficiency and flexibility, establishing a risk-aware environment with innovative solutions to navigate the challenges of the current financial landscape.

Piraeus Financial Markets

Piraeus Financial Markets (PFM) is responsible for the effective management of liquidity, the optimal funding of the Group's operations, ensuring access to international financial markets, handling exposure and risks in the foreign exchange, interest rate and fixed income markets. PFM also serves institutional investors, such as insurance companies and brokerage firms.

The Group's Treasury and Financial Markets segment is active across a broad spectrum of capital markets products and operations, including bonds and securities, interbank placements in the international money and foreign exchange markets and market traded OTC derivatives. Its client base includes institutional investors, large corporations, insurance funds and large private sector investors. In its capacity as primary dealer of the Hellenic Republic, it is also active in the primary and secondary trading of Greek government securities, primarily euro-denominated securities, as well as in the international Eurobond market.

Wealth and Asset Management ("WAM")

The Wealth and Asset Management division of Piraeus Bank offers investment solutions to retail and institutional clients. The division was formed recently to reflect Piraeus Bank's focus on the growing prospects of this market space. WAM is implementing strategic initiatives to drive a significant increase in total assets under management and related fees.

The division comprises the following units:

Private Banking:

Private Banking is a highly trained team of experienced client relationship officers, providing discretionary, advisory, and execution services using top-of-the-range technology. It draws on the segment's investment specialist teams, including Piraeus Asset Management MFMC and Iolcus, and the Economic Research & Investment Strategy Unit.

Piraeus Asset Management MFMC:

Piraeus Asset Management, authorised and regulated by the HCMC to manage UCITS and provide investment services, is a wholly owned subsidiary of Piraeus Bank. With approximately €4.5 billion in assets under management, it offers a full range of products and services, covering the entire spectrum of the investment market. In addition to mutual fund management, it provides portfolio management to institutional investors. Piraeus Asset Management played a crucial role in setting up the "Optimum" offering, a portfolio management service for the retail clients with frequent asset allocation rebalancing. It incorporates ESG-related criteria into its investment decision-making process.

Iolcus Investments AIFM ("Iolcus"):

Iolcus, licensed and regulated by the HCMC to manage alternative investment funds and provide investment services, was founded in 2011 as an independent company. Piraeus Bank acquired 100% of its share capital in July 2022. It offers discretionary, fiduciary, and investment advisory services to private, institutional, and family office clients. Iolcus manages the Luxembourg-domiciled Apolis Global Macro Fixed Income Focus and Apolis Hellenic Alternative Investment Funds, under the oversight of the Luxembourg Capital Markets Commission. Client portfolios under management exceed €1 billion.

Economic Research & Investment Strategy Unit ("ECO"):

ECO is responsible for the analysis of domestic and international macroeconomic developments. It produces forecasts of key aggregates, supporting the Group's strategic and financial planning and publishes economic and sectoral reports, in-depth economic analysis, and research. ECO also formulates the investment strategy and guidelines on the optimal allocation of investment portfolios. It is responsible for designing and monitoring securities selection models and forming equity model portfolios. ECO operates in line with Piraeus Bank's guidelines on sustainable banking and the creation of infrastructure, policies, and strategies that incorporate optimal ESG criteria in its activities.

Piraeus Securities S.A.:

Piraeus Securities S.A. is the Group's brokerage arm, retaining a leading position across the entire spectrum of brokerage services for equity trading on ATHEX and all major exchanges worldwide, including market-making for domestic derivatives and listed companies. Piraeus Securities S.A. offers a suite of products and services in cash and derivatives markets, as well as governmental and corporate bonds, to individual and institutional clients. It also provides direct market access (DMA) for foreign institutional clients and offers research and analysis on ATHEX listed companies.

In 2023, Piraeus Securities S.A. was positioned first in the Greek brokerage market for the fifth consecutive year, with a 20.82% market share according to the ATHEX.

In 2023, the turnover of Piraeus Securities S.A. amounted to €21 million with pre-tax profits of €5 million, while its total assets amounted to €181 million with its equity amounting to €70 million.

Central functions

Digital banking

Piraeus Bank's digital banking service is a leading banking platform in Greece, offering both web banking and mobile banking. It has received several distinctions domestically and internationally.

In 2023, Piraeus Bank introduced a new mobile application, meticulously designed in accordance with the latest user experience trends. The application offers simple navigation and ensures fast transaction execution times, contributing to a user-friendly mobile banking experience.

The use of digital banking and the number of executed transactions increased in 2023. In particular:

- web banking users increased by 2.9% and web banking transactions rose by 0.4% in 2023 compared to 2022;
- mobile banking users increased by 15.5% and mobile banking transactions surged by 27.5% in 2023 compared to 2022; and
- overall digital platform users grew by 10.7% and transactions increased by 7.3% in 2023 compared to 2022.

The digital index in digital service channels reached 97% in 2023 compared to 96% in 2022. This index is defined as the percentage of the number of the transactions that were executed through Piraeus Bank's digital channels compared to the number of the similar transactions executed at Piraeus Bank as a whole.

Payments – Card issuing

In the context of financial stability, economic growth, digitalisation and e-commerce boost, card payments are set to continue growing, replacing cash and increasing VAT revenues. Card penetration in private consumption increased further in 2023 compared to 2022, indicating a continuously increasing preference among the Group's customers for conducting card transactions even for very small purchase tickets.

The Group is one of the main card issuers in Greece with approximately 5.9 million cards in circulation at the end of 2023. During 2023, the turnover of card purchases amounted to €17.6 billion with 687 million transactions, recording an annual increase of 14%, with the turnover of cash withdrawals through cards amounting to €15.2 billion, with 65.4 million transactions.

More specifically, the Group had approximately 762,000 credit cards in circulation as at the end of 2023. During 2023, the turnover of purchases through credit cards amounted to €1.7 billion with 41.4 million transactions, with the turnover of cash withdrawals through credit cards being €44 million, with 223,000 transactions. The credit card loan balances of Piraeus Bank in Greece amounted to €456 million as of 31 December 2023.

Payments – Account to account

The Group offers a variety of account-to-account payment methods including money transfers, credit transfers for bill payments, direct debits, instant payments, IRIS ecommerce and IRIS payments. All these tools are provided through a wide network of branches, ATMs, a web-banking platform and a mobile application.

Payment transactions flourish as new services and innovative solutions are being developed and cost initiatives are being implemented by the Group. In particular, payments in retail banking have reached 65.8 million transactions that amount to €28 billion in bill payments, 56.2 million incoming transactions that amount to €58.3 billion in bank-to-bank money transfers, and 19 million outgoing transactions that amount to €28.9 billion driven mainly by retail remittances.

Following Eurosystem's retail payments strategy for speeding up the provision and uptake of instant payments and focusing on customer experience enhancement, Piraeus Bank's volume of instant payments for retail banking customers increased year-over-year by 20.08%, reaching more than €4.2 million transactions by the end of 2023.

4.9 International operations

With respect to the Group's international operations, at the end of 31 December 2018, the Group had completed its commitments agreed under its Restructuring Plan and among other actions the Group had divested its international operations and the Group now focuses on its core operations in Greece. Its international exposure is now limited to one branch in Frankfurt and a small presence in Ukraine through a local banking subsidiary (0.2% of the Group's total assets).

As at 31 December 2023, the Group operated a network of 394 branches (378 in Greece and 16 branches abroad). At the same time its headcount abroad totalled 381 employees.

4.10 Environment, Social and Governance (ESG)

Sustainability and responsible banking constitute fundamental pillars for a resilient economy and an equitable financial system. In the banking industry, sustainability entails the integration of ESG factors into the decision-making fabric of financial processes. It involves the identification and adept management of risks and the pursuit of opportunities to promote sustainability. For banks, the imperative lies in the evaluation and enhancement of practices to navigate emerging environmental, social and governance challenges, as sustainable and responsible banking constitute an ongoing and dynamic journey.

The Group is committed to advancing sustainability through the promotion of environmental initiatives, direct financing of renewable energy projects, the reduction of its operational and financed carbon footprint and the implementation of green lending policies that underpin sustainable business models and investment plans. In parallel, responsible banking encompasses social inclusivity and diversity, active support for community development, ensuring fair labour practices throughout the value chain and upholding human rights. This commitment is embedded in the Group's strategy as it actively contributes to the fostering of a sustainable and socially responsible financial ecosystem. Furthermore, the Group has established a concrete governance structure aligning sustainability with its everyday operational and business model.

Commitment to the United Nations Principles for Responsible Banking

The PRB, initiated in 2019 by UNEP FI, represent a global framework for aligning banks' operations with the United Nations' 17 Sustainable Development Goals and the Paris Climate Agreement. Piraeus Bank was the only Greek bank to actively engage in the formulation of the PRB. Today, it serves as a co-chair on the PRB Banking Board. In line with the PRB, the Group demonstrates its commitment to societal and environmental objectives in the following ways:

1. *Alignment*: The Group pledges to harmonise its business strategy with the aspirations of individuals and society, aligning with the Sustainable Development Goals, the Paris Agreement and pertinent national and regional frameworks.
2. *Impact and target setting*: The Group conducts an annual impact analysis of its portfolio, using the "Portfolio Impact Analysis Tool for Banks" developed by UNEP FI. Through this analysis, a bank can identify its significant positive and negative impacts to sustainable development through its financing, specifically in the impact areas on the pillars of socio-economy, society and the natural environment. The Group is dedicated to augmenting positive impacts while mitigating negative effects on the sustainable development of Greece. Employing the "Portfolio Impact Analysis Tool for Banks", and in line with the strategic priorities of the organisation, the Group focuses its targets on climate stability and financial health and inclusion.
3. *Clients and customers*: The Group commits to working responsibly with clients and customers, encouraging sustainable practices, and supporting economic activities that foster shared prosperity for current and future generations.
4. *Stakeholders*: The Group affirms its proactive and responsible engagement with stakeholders, aiming to foster collaboration and partnerships to achieve societal goals.
5. *Governance and culture*: The Group is committed to implementing the PRB through effective governance and fostering a culture of responsible banking within its organisational structure.
6. *Transparency and accountability*: The Group pledges to conduct periodic reviews of its adherence to the PRB. The Group remains transparent and accountable for both positive and negative impacts and its contribution to

societal goals.

The Group staunchly upholds the PRB in its interactions with customers and stakeholders. The Group systematically measures impacts, sets targets for climate and social issues, and discloses progress with transparency and accountability. The commitment extends to setting robust ESG governance and management structures, showcasing the Group's enduring dedication to responsible and sustainable banking practices.

Climate and Environment

Over the recent years, the Group has made substantial efforts to incorporate climate and environment considerations into its business and operating model in line with its Transformation Programme. The Group is dedicated to sustainability, giving due emphasis to environmental considerations, with a specific focus on climate change. Aligned with the Paris Agreement, the Sustainable Development Goals and the PRB, the Group's environmental policy is structured around four key dimensions:

- <u>Reach net zero in own operations</u>: By closely monitoring and managing the Group's environmental impact, investing in operational efficiency solutions, and transitioning to 100% renewable energy for its buildings.
- <u>Steer portfolio towards net zero by 2050 or sooner</u>: By concentrating efforts on carbon-intensive sectors, evaluating alignment of lending with the Group's climate and nature solutions.
- <u>Support and advise customers for a carbon neutral and nature positive economy</u>: By accelerating the green economy, financing transition, and pioneering financing for new technologies and business models.
- <u>Manage climate and ESG risks</u>: By fully integrating climate and ESG risks into the Group's risk management framework and assisting customers in safeguarding their businesses from climate, societal, and governance-related risks through advice and financing for their transition.

In line with the above key dimensions, the Group's strategy for the environment covers five themes:

- <u>New environment and climate strategy</u>: Under Project Proteus, the Group is developing a new environment and climate strategy, outlining climate governance, net-zero pathways, and mobilising private and institutional capital for climate change mitigation and adaptation. This strategy adheres to the Task Force on Climate-related Financial Disclosures ("TCFD") recommendations and will be overseen by the Board Ethics and ESG Committee and the Board Risk Committee, along with the ESG and Corporate Responsibility Committee at the management level.
- <u>Science-based targets initiative for reducing emissions</u>: The Group has submitted intermediate-term science-based emission targets to the Science-Based Targets initiative ("SBTi") for validation, aiming to reduce emissions by 2030 in both operations and lending and investment portfolios. This approach ensures the Group's emissions reduction is aligned with the goals of the Paris Agreement, providing resilience against regulation, instilling investor confidence, and demonstrating its concrete sustainability commitments. Looking ahead, the Group will review and enhance its targets in 2024, adopting 1.5°C pathways, engaging further with its customers and adopting a new SBTi standard for the financial sector. The Group's journey towards responsible and sustainable banking entails combining growth and profitability with a commitment to social and environmental sustainability, underlining the Group's proactive stance in meeting evolving global challenges.

  The table below illustrates the Group's progress on SBTi targets:

Operations	GHG emissions Scope 1 & Scope 2 (tCO2eq) (base year 2019)	GHG emissions Scope 1 & Scope 2 (tCO2eq) (target year 2030)	GHG emissions reduction (%)	Actual GHG emissions intensity (2022)	Actual GHG emissions reduction (2022)	Progress
• Direct and indirect GHG from branches and administrative buildings	**7,880**	**2,136**	**-73%**	**2,083**	**-74%**	✓
• Continue annually sourcing 100% renewable electricity through 2030						✓

Portfolios under the Sectoral Decarbonization Approach	GHG emissions intensity (base year 2019) In kg CO_2/ m^2	GHG emissions intensity (target year 2030) in kg CO_2/ m^2	GHG emissions reduction (%) per m^2	Actual GHG emissions intensity (2022) in kg CO_2/ m^2	Actual vs expected GHG emissions reduction (2022)	
• Commercial RE loans in residential buildings managed by companies	34	17	-50.2%	24	-29.5% | -13.8%	✓
• Commercial RE loans in commercial buildings managed by companies	59	25	-58.1%	45	-23.5% | -15.9%	✓
• Commercial RE investments in residentials buildings	33	16	-50.2%	25	-23.1% |-13.7%	✓
• Commercial RE investments in commercial buildings	71	30	-58.2%	41	-41.8% |-15.9%	✓
• Investments in listed REITS (RE companies)	59	25	-58.1%	45	-23.5% |-15.9%	✓
• Investments in bonds issued by companies active in the electricity production	0.657 tn CO_2/ MWh	0.335 tn CO_2/ MWh	-49.1%	0.575 tn CO_2/ MWh	-12.5% |-13.4%	✓
• Electricity generation sector: continue financing and investing only in renewable electricity activities through 2030						✓

Portfolios under the Temperature Rating Method	Portfolio temperature score[2] (base year 2019)	Portfolio temperature score (target year 2027)	Temperature reduction per annum		Actual temperature score for 2022	
• Investment in listed stocks	2.83 °C	2.42 °C	-0.051 °C		3.19°C	⊖
• Long - term (>1yr) loans (for large corporates with 500+ employees)	2.85 °C	2.43 °C	-0.052 °C		2.56°C	⊖
• Investment in corporate bonds of listed companies	1.83 °C	1.80 °C	-0.004 °C		2.26°C	⊖

✓ On track to achieve 2030 target ⊖ Continue working in order to achieve targets

- Energy transition: The path towards a climate-neutral economy, safeguarding the environment and addressing the challenges posed by climate change is not only achievable but also economically sound. Decarbonisation plays a pivotal role in realising the United Nations Sustainable Development Goals, given the profound impacts on the environment, economy and society. As efforts to phase out fossil fuels are being intensified, it is now imperative for financial institutions to offer comprehensive support to businesses navigating investments in clean technologies through specialised financing tools and advisory services. Against this backdrop, the Group embraces the practical challenge of facilitating Greek businesses in adopting a sustainable development and energy-saving model, a transition which will enhance their market competitiveness, reduce operational costs and open doors to innovative sectors. The Energy Transition Project, launched by the Group, embodies a tangible commercial programme and action plan, which will propel Piraeus Bank into a leading role in guiding its customers' transformations, contributing to the construction of a more sustainable Greek economy. Adopting a structured approach, the Group leverages its in-depth sector-specific knowledge, with a focus on power generation, real estate/buildings, agriculture and a tailored approach to support small businesses and individuals. As of September 2023, the Group's energy transition financing envelope stands at €1.8 billion (5.8% over gross loans), complemented by a €0.5 billion green bond and €0.3 billion assets under management in ESG mutual funds. The Group aspires to elevate its commitment to energy transition, targeting a €5 billion finance stock by 2025 and an overall €8 billion, inclusive of bonds issuance and in-house ESG mutual funds. This ambitious plan aims to represent 12% of total new loans for the specified period, reflecting the Group's unwavering dedication to steering Greece towards a sustainable and resilient future.

Society

In addition to the policies highlighted in the climate and environment section, the Group also pursues the following initiatives relating to social risks:

- Equal initiatives for social inclusion: The EQUALL programme was established with the objective of initiating initiatives that support and nurture social equality. The primary aim is to provide assistance to women and vulnerable social groups, including persons with disabilities, disadvantaged youths, children from remote areas, and refugees, in addressing any form of discrimination they may encounter. The programme is designed to ensure their equal access to employment, entrepreneurship, and education, which are integral to their autonomy and overall development. Under the umbrella of the EQUALL programme, the Group has undertaken the following initiatives:

    1. *Women founders and makers*: This initiative focuses on enhancing women's entrepreneurship through a comprehensive training, networking, and mentoring programme. It is open to all women aged 18 and above from across Greece who have either founded or aspire to start their own businesses. The programme, comprising 38 training hours divided into five modules and mentoring/networking sessions, is tailored for women participants. The inaugural cycle commenced in March 2022 and concluded in June 2022, with a subsequent cycle starting in October 2022 and ending in February 2023. The initiative received significant interest, with 1,429 applications for 100 available slots.

    2. *Women back to work*: Geared toward integrating women into the labour market, this initiative includes a training, mentoring, and networking programme for women aged 18 and above across Greece

seeking to re-enter the workforce dynamically. The programme, divided into 48 hours of training across five modules, is complemented by mentoring and networking sessions. Similar to the Women Founders and Makers initiative, it underwent two cycles, with the first from March 2022 to June 2022 and the second from October 2022 to February 2023. The initiative received 578 applications for 100 available slots.

3. *Women in agriculture*: Launched in November 2022 as part of the EQUALL programme, this initiative seeks to empower female entrepreneurship in the agricultural sector. The programme, focusing on training, experiential learning, and networking, is open to all women aged 18 and above involved or intending to engage professionally in agri-food and/or ecotourism. The training, spanning 16-18 hours, covers digitalisation, entrepreneurship, and the transition toward green agriculture. The inaugural cycle, which ran from October 2022 to February 2023, received significant interest, with threefold applications for 50 available slots.

- Financial health and inclusion: Since 2021, the Group has committed to the UNEP FI Commitment for Financial Health and Inclusion, aligned with the PRB. This commitment seeks to empower vulnerable individuals, providing them opportunities to secure and enhance their standard of living through long-term financial planning, as well as access to credit and insurance. The Group actively participates in UNEP FI working groups to define common success metrics and core indicators for monitoring progress. Furthermore, in 2023, the Group set specific targets with respect to financial health and inclusion.

- United Nations WEPs: The Group proudly stands as the first Greek bank to endorse the United Nations WEPs, demonstrating its steadfast commitment to advancing gender equality in both the workplace and Greek society. Through participation in this joint initiative of United Nations Global Compact and United Nations Women, the Group aims to raise awareness and drive positive change in gender equality.

- Promotion of entrepreneurship: Recognising the vital role of entrepreneurship in employment and job creation, the Group actively promotes entrepreneurial initiatives. Sponsorship of events such as the "Hour of the Greek Economy" conference, participation in the Delphi Economic Forum and collaboration with the National Start-up Awards underscore the Group's commitment to fostering a thriving entrepreneurial ecosystem. The Group provides additional support to startups, particularly those registered on the National Registry Elevate Greece, offering benefits such as special financing through the EU Employment and Social Innovation financial instrument, guaranteed by the European Investment Fund (EIF).

- Piraeus Bank Group Cultural Foundation ("PIOP"): PIOP supports the 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 the Group's commitment to the sustainable development goals.

- Other initiatives: Over the years, the Group has championed various social and cultural initiatives, including youth empowerment through Project Future – a collaborative programme with ReGeneration aimed at bridging higher education and the labour market. The Group extends its impact through scholarships, grants, and donations with social and cultural benefits. Additionally, Piraeus Culture and Creativity 360° delivers a range of integrated solutions to businesses in the arts and culture sector.

The Group's commitment to these initiatives underscores its dedication to responsible and sustainable practices, aligning its corporate strategy with broader ESG goals for the benefit of society and the environment.

Governance

The Group adheres to high standards of corporate governance, following the provisions of the applicable legal and regulatory frameworks and best practices. In particular, Piraeus Holdings, in its capacity as a société anonyme whose shares are listed on the ATHEX, applies the provisions set out in Greek Law 4706/2020 on corporate governance of sociétés anonymes and operates in accordance with the provisions of Greek Law 4548/2018 and its Articles of Association. It has also adopted the Hellenic Corporate Governance Code and observes its provisions diligently. Piraeus Holdings, as a financial holding company, authorised and supervised by the ECB, applies on a consolidated basis the special provisions of the Banking Law and the relevant applicable framework.

Furthermore, Piraeus Holdings has drawn up and applies a Corporate Governance Structure and Operating Regulation (the "Internal Regulation"). The Internal Regulation, revised on 21 October 2021, contains a detailed overview of the responsibilities and operations of Piraeus Holdings' Board of Directors, the Audit Committee, the Risk Committee, the Remuneration Committee, the Nomination Committee, the Board Ethics and ESG Committee and the Group Executive Committee, as well as the Group's Internal Audit, Risk Management and Compliance Units.

The Group has established a concrete governance structure, factoring sustainability and the guidelines of the PRB into its everyday operational and business model. The Board's Ethics and ESG Committees provide Board-level oversight of strategic ESG-related risks and opportunity management. The Corporate Responsibility and ESG Committees at the management level, chaired by the Group's CEO and consisting of cross-functional C-suite and senior executives, reflect the prominent role that the management of the Group is expected to play in shaping the Group's approach to managing sustainability issues and integrating ESG criteria into the Group's strategy. This ESG governance structure provides leadership on ESG matters, increasing effectiveness, efficiency and accountability. The Group strives to be a banking leader in building a sustainable future for the company, employees, customers, shareholders, society, and the environment.

4.11 Property and equipment

As at 31 December 2023 the net book value of the Group's property and equipment amounted to €732 million, of which €458 million related to land and buildings.

Non-core assets

Real Estate Management

On 15 July 2022, Piraeus Bank established a new subsidiary named "Piraeus Real Estate Management", a company specialising in real estate management. The entire Real Estate Owned Assets Unit, along with the operations of Piraeus Real Estate Single Member S.A. and Piraeus Property Real Estate Management Single Member S.A., were transferred to this new company.

Trastor Real Estate Investment Company S.A.

In early 2022, Piraeus Bank executed a strategic agreement with WRED LLC ("WRED"), resulting in the acquisition of a controlling stake of approximately 52% in Trastor REIC. This transaction positions Piraeus Bank as the majority stakeholder in Trastor REIC, in line with the Group's overarching strategy for accretive return-on-capital initiatives. The strategic move encompasses several key advantages for the Group, including the immediate expansion of the Group's fee-generating business with significant growth potential, leveraging the favourable dynamics of the Greek real estate market, particularly in the high-growth segments of prime office space and logistics warehouses – both specialisations of Trastor REIC. This acquisition further enhances Piraeus Banks's investment proposition by aligning with one of the most effective real estate platforms in Greece, providing stakeholders with a compelling value proposition.

Established in 1999, Trastor REIC holds the distinction of being the first company granted a licence to operate as a Real Estate Investment Company in Greece in 2003. Trastor REIC is among the top players in the Greek real estate market based on gross asset value (approximately €0.46 billion according to the Group's published data for the first half of 2023). Piraeus Bank is the main shareholder, holding approximately 97.8% of the company's shares. The remaining approximately 2.2% of shares are freely floated on ATHEX.

Trastor REIC places a strong emphasis on its long-term corporate well-being, considering not only financial metrics but also ESG criteria, reflecting sustainability, responsibility, and ethical considerations. In the context of its ESG initiatives for 2023, Trastor REIC has undertaken comprehensive steps in the environmental domain. Notably, the company has significantly improved its 2023 GRESB Real Estate Assessment performance score, achieving an 85% increase compared to the previous year and, hence, demonstrating its continuing commitment to ESG principles. The participation of Trastor REIC in this comprehensive benchmarking process for a second consecutive year reflects its commitment to measuring and improving its sustainability and responsible investment practices, aligning with global ESG standards and being part of the global sustainability movement.

Aligned with Trastor REIC's environmental strategy and ongoing commitment to enhancing energy efficiency, the state-of-the-art cold storage logistics complex in Aspropyrgos, Attica, acquired in 2023, has achieved LEED Silver certification, marking it as Greece's inaugural "green" logistics center. Additionally, in 2023, Trastor REIC initiated a comprehensive upgrade of an existing office building in Marousi, Attica. Upon its anticipated completion in 2024, this building will become Greece's first LEED Gold certified office space.

4.12 Investments

Current Investments

In the period after 31 December 2023 and until the date of this Prospectus, the Group had not undertaken and had not completed any major investments. In addition, the Group has not entered into any firm commitments for major investments in the future.

4.13 Employees

As at 31 December 2021, the Group's headcount totalled 9,270 employees in the continuing operations, of which 8,904 were employed in Greece and 366 abroad.

As at 31 December 2022, the number of employees from continuing operations was 8,604, of which 8,271 were employed in Greece and 333 abroad.

On 31 December 2023, the Group's headcount totalled 8,053 employees in the continuing operations, of which 7,672 were employed in Greece and 381 abroad.

As at 31 December 2023, among the Group's total employees, 58% are female and 42% male. The average age of the Group's employees is 47 years. The age distribution of employees is an advantage for the Group. The age composition favours the introduction and implementation of changes in technology, methods and targets, as 70% of people are 50 years old or younger. At the same time, the Group highly trained employees provided invaluable support in offering efficient customer guidance and services in the financially critical year that elapsed. The percentage of employees who are holders of university degrees or/and postgraduate titles reaches 74% in Greece, while 46% of the Group's employees are occupied in the bank branches and the other 54% in the administration units. At Group level, this figure is 45% and 55% respectively. The Group believes that the quality of its human resources is a key factor in achieving its strategic goals, and the Group sees human resource management as a comprehensive set of actions and operations aimed at acquiring, retaining and utilising skilled employees who successfully and productively fulfil their roles. The Group also seeks to emphasise the promotion and enhancement of morality, trust, devotion, team spirit and diversity in the workplace. These values ensure equal opportunities in continuous employee development, as well as non-discriminatory practices in the recruitment process through the implementation of well-defined candidate selection systems.

Under the measures for the implementation of the Group's strategy, the Group reduced the number of its employees in Greece during 2021, 2022 and 2023 mainly through the implementation of voluntary exit schemes, and may continue in the future to reduce, albeit gradually, the number of employees in Greece or other countries, particularly through voluntary mechanisms, such as termination by mutual agreement or, to the extent legally possible, early retirement. In 2021, the Group initiated a voluntary exit scheme with a total cost of €72 million for the year ended 31 December 2022. In 2022, the Group introduced a new voluntary exit scheme for targeted groups of its employees. Voluntary exits as at 31 December 2022 amounted to 574 employees. Total cost for the full-time equivalent rationalisation in 2022 amounted to €57 million for the year ended 31 December 2022. In 2023, the Group implemented a new voluntary exit scheme which applied to specific roles of its branch network. Voluntary exits as at 31 December 2023 amounted to 538 employees. Total cost for the full-time equivalent rationalisation in 2023 amounted to €62 million for the year ended 31 December 2023.

The Group believes that it is in compliance with relevant laws, applicable contractual commitments and collective bargaining agreements. The Group's senior management meets with the representatives of the trade unions at least once a month and informs them of the activities of the Group, including significant operational changes. All of the Group's employees receive salaries and other benefits in accordance with contractual arrangements and collective bargaining agreements.

4.14 Technology and Infrastructure

The Group's commitment to technological advancement and robust infrastructure is aligned with its overarching strategy and enterprise architecture, which centres on modernisation, agility and resilience. The Group places emphasis on optimising internal procedures to upgrade the quality and speed of completion of operations, while minimising operational costs. In the IT sector, emphasis is placed on installing applications that support the increase of the Group's work and the upgrade of infrastructure aiming for the safest, most resilient and most effective possible operation.

The development and improvement of IT systems has always been in the framework of optimising and integrating infrastructure, processes and systems which are required by the continuously changing business and economic environment, with the aim of achieving economies of scale, increased security and functionality, uniform management by the final user and, thus, increased competitiveness for Piraeus Bank.

In the Main Data Centre in Athens and in the Disaster Data Centre ("DRS"), multiple systems have been installed to cover all products, processes and procedures of the bank (ATM switching, internet banking, anti-money laundering AML/WLM, risk management, fraud management, collections, accounting and workflows, among others). The Group uses one of the most popular central banking systems in the world ("Equation" by Finastra), which is linked online in real time with a complete range of over 40 peripheral systems and applications. In the spirit of maintaining a state-of-the-art technology estate, the Group continuously tries to improve on crucial areas that highly affect both internal operations and interactions with its end customers. On the infrastructure side, the DRS in Thessaloniki has been relocated to an area inside the Attica region, thus boosting the resiliency of the whole Group in the unlikely event of a catastrophic failure by minimising disruption times. Failover to the DRS is highly automated and can be achieved in less than four hours.

In respect of IT security infrastructure, the Group has developed an integrated information assets security framework (based on National Institute of Standards and Technology, International Organisation for Standardisation (the "ISO") and Payment Card Industry (the "PCI") standards), as well as a data protection policy. Moreover, the Group maintains a data governance framework the main scope of which is to optimise data and information quality and security across the Group. The Group also complies with Bank of Greece Governor's Act 2577/9.3.2006 and the General Data Protection Regulation.

Piraeus Bank is certified based on the internationally recognised ISO/IEC 27001:2013 and PCI DSS v3.2 standards. The certifications cover the entire range of security, management and operations of the Group's IT systems as well as the protection of the cardholder's data and provide additional levels of assurance and confidence to the Group's customers, shareholders and partners. In addition, Group Technology aims to obtain ISO/IEC 20000-1 certification in the near future in order to optimise its internal service management system and, consequently, the overall performance of the organisation.

An up-to-date multi-protocol label switching (the "MPLS") network covers the Group's telecommunication requirements in Greece. One of the first networks of its kind to be installed in a Greek bank, it links the Group's branches with the data centres via high-speed connections. An Asymmetric Digital Subscriber Line network also exists as back-up support to the MPLS network, and in the event that even this connection is not possible (for example, due to cable outage), a GSM 4G network connection is on standby. To facilitate communication and collaboration between the various headquarter units and the branches, a central state-of-the-art videoconferencing system has been installed backed by cloud-based Cisco WebEx and Microsoft Teams collaboration products.

In parallel, Piraeus Bank has repositioned its focus towards cloud supported operations for all future solutions closely following its "cloud-first" strategic approach, which fuels its digital transformation journey. Piraeus Bank was the first systemic bank in Greece to initiate a cloud transformation initiative together with Microsoft, one of the largest cloud providers in the world. The introduction of cloud supported operations and capabilities will ultimately unlock more refinement possibilities across all areas of the Group. Piraeus Bank, besides any custom solutions that will be powered by cloud, also embraces cloud-native SaaS solutions. Piraeus Bank has followed a coherent approach to design the Data Estate migration to Cloud, aligned with its overall strategy to move to the Cloud.

In addition to these transformation initiatives, the Group is poised to reinforce its security infrastructure by introducing a new Security Operating Model across Piraeus Bank with advanced processes, roles and capabilities along with several security-oriented initiatives. These initiatives, spearheaded by the security department, will enable a more rapid and robust response to any possible bad actor activity. Work is already underway in this area, where the Group has completely redesigned its response to possible ransomware infections, which was implemented in 2023, and has already implemented a data loss prevention scheme.

Besides the activities led by the Group Technology Unit, the Group Data Management & Analytics unit, with the aim of transforming Piraeus Bank into a data-driven organisation, is actively reforming the architectural estate, pertaining to the management and exploitation of governed and trusted data as well as the operating model that supports such activities. Initiatives completed already include the implementation of an enterprise data repository, the automated production of regulatory reporting and the implementation of a metadata management framework.

Ultimately, the driving force behind the Group's ongoing transformation and improvement initiatives is its unwavering commitment to achieving its core business goals, which include:

- best-in-class operating efficiency: aspiring to achieve best-in-class operating efficiency, the Group is dedicated to optimising its resources;
- revenue growth and diversification: focused on sustainable success, the Group endeavours to foster growth and diversify its revenue streams; and
- optimised return on capital: through strategic capital investments, the Group aims to maximise returns.

4.15 Tax-related matters

For the fiscal years of 2021 and 2022, Piraeus Holdings, Piraeus Bank and a number of the Group's subsidiaries in Greece elected to obtain tax compliance reports issued by Deloitte Certified Public Accountants S.A. in accordance with Article 65a of Greek Law 4174/2013. The reports issued were unqualified. For the fiscal year of 2023, the preparation of the tax compliance report is in progress. Regarding Piraeus Holdings and the subsidiaries of the Group that are incorporated in Greece and for which management has elected optionally to obtain a tax compliance report in accordance with Article 65a of Greek Law 4174/2013, the tax administration retains the right to proceed with a tax audit in accordance with Article 36 of Greek Law 4174/2013.

Tax authorities have not yet audited all subsidiaries of the Group for all financial years and, consequently, their tax positions for those years should not be considered as final. In particular, Piraeus Holdings and Piraeus Bank have not been audited by the tax authorities since 2018 and 2020, respectively.

5 MACROECONOMIC AND FINANCIAL ENVIRONMENT

Due to the concentration of the Group's activities in Greece, its business, financial condition and results of operations are heavily dependent on macroeconomic, social and political conditions prevailing therein (see "*Risk Factors—Risks Relating to the Long-Lasting Implications of the Hellenic Republic's Economic Crisis in the Previous Decade, the Residual Effect of the COVID-19 Pandemic, Evolving Geopolitical Turbulence, Inflationary Pressures and the Macroeconomic Outlook in the Hellenic Republic*"). Moreover, the Group's business, financial condition and results of operations have in the past been, and may in the future continue to be, affected by the global macroeconomic and financial environment (see "*Persistent inflation pressures could have an adverse effect on the Group's business and future NPE balances*" and "*The Group is vulnerable to disruptions and volatility in the global financial markets*" in Section 1 "*Risk Factors*"). The following discussion provides an overview of the global and Greek macroeconomic and financial environments during the period 2021-2023.

5.1 Global Macroeconomic and Financial Environment

In 2021, global economic activity remained closely linked to COVID-19 pandemic developments, with real GDP growth recording a strong rebound, increasing to 6.3%[53] on the back of easing restrictions and the roll-over of vaccinations against COVID-19. Euro area real GDP increased by 5.9% in 2021[54], with weak growth in the final quarter of the year amid, *inter alia*, renewed containment measures due to the rapid spread of new COVID-19 variants. However, the momentum of economic activity remained strong, bolstered by the gradual release of pent-up demand which had been deferred from the first months following the eruption of the pandemic. This improvement reflected declining uncertainty as well as the expansionary impact of more accommodative fiscal and monetary stances adopted by governments and central banks worldwide.

The global economic recovery lost steam in 2022, with real GDP increasing by 3.5%[55], mainly due to less favourable financial conditions amid faster-than-expected monetary policy tightening to stem elevated inflation and less favourable base effects compared with 2021, which had been bolstered by the preceding collapse in economic activity due to the pandemic. Global inflation accelerated to 8.7% in 2022[56] (on an annual average) – a multi-year high – due to the spike in energy and non-energy commodity prices related to the Ukraine crisis and the lagged effect of earlier disruptions in global supply chains, albeit the pace of price increases decelerated in the final quarter of 2022. In addition, lockdown measures in China to control COVID-19 infections contributed significantly to the slowdown of domestic and offshore economic activity. Finally, high energy costs due to the war in Ukraine and related sanctions on Russia took their toll on households' purchasing power and businesses' investment decisions despite the activation of new fiscal support measures to cushion the impact of high energy costs for households and enterprises.

Similar to the challenges faced in 2021 and 2022, 2023 was a year of considerable uncertainty from both a geopolitical and an economic perspective. Key contributors to this uncertainty included the ongoing conflict in Ukraine, China's geopolitical and technological rivalry with the US and the EU, and the eruption of the Hamas-Israel conflict in October 2023. Nevertheless, economic activity in 2023 was positively impacted by the lifting of any remaining restrictions related to COVID-19, the milder-than-expected winter, the de-escalation of energy prices and overall inflation, and the normalisation of international supply chains. The global growth slowdown was slightly lower than what the International Monetary Fund ("IMF") had estimated in April 2023, as various of the unfavourable headwinds did not materialise. In particular, the IMF forecasts a global growth rate of 3.1% for both 2023 and 2024[57]. At the same time, inflation is moderating further and is reverting towards the 2% inflation target, as year-over-year inflation in the OECD decelerated to 6.9% on average in 2023 from 9.5% in 2022 and a multi-year peak of 10.7% in November 2022 due to the downturn in energy prices. A slowing in underlying inflationary pressures was also recorded in the second half of 2023 mainly due to more supportive base effects related to high inflation over the same period in the previous year[58] and a de-escalation of food prices. The prevailing economic conditions have generated conflicting signals globally, notably with indications pointing towards a continued deceleration in economic activity, especially within the Eurozone and China.

5.2 Macroeconomic and Financial Environment in Greece

The Greek economy remained on a strong upward trend in 2021 and 2022, successfully overcoming the pandemic shock and showing resilience to the strong headwinds from increasing inflation, the spike in geopolitical risks related to the Ukraine crisis, and the challenges posed by the ongoing tightening of monetary policy, worldwide, since the second quarter of 2022. The multi-year rebalancing of the private sector under the pressure of a prolonged crisis, the strengthening of the economy's fiscal position and its competitiveness, in conjunction with continuing progress in structural reforms and increasing support

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53 Source: IMF, World Economic Outlook, October 2023 (https://www.imf.org/-/media/Files/Publications/WEO/2023/October/English/text.ashx).

54 Source: Eurostat Database, GDP and main components (output, expenditure and income), Last Update: November 2023 (https://ec.europa.eu/eurostat/databrowser/view/nama_10_gdp__custom_8269302/default/table?lang=en).

55 Source: IMF, World Economic Outlook, October 2023 (https://www.imf.org/-/media/Files/Publications/WEO/2023/October/English/text.ashx).

56 Source: IMF, World Economic Outlook, October 2023 (https://www.imf.org/-/media/Files/Publications/WEO/2023/October/English/text.ashx).

57 Source: IMF, World Economic Outlook, Update January 2024 (World Economic Outlook Update, January 2024: Moderating Inflation and Steady Growth Open Path to Soft Landing (imf.org)).

58 Source: OECD Database, Main Economic Indicators, Consumer prices, Last Update: February 2024 (https://www.oecd-ilibrary.org/economics/data/prices/consumer-prices-complete-database_0f2e8000-en).

by the official sector, helped cushion the impact of significant exogenous shocks. Most of these stabilising factors, as well as the sizable external funding from the European Union under the NRRP and the European Union's multiyear fiscal framework, the increasing FDI and the strong cash buffers, accumulated by the government and a part of the private sector, create conditions for a continuing economic overperformance of Greece in comparison to the euro area, and strengthen the country's capacity to cope with future shocks.

In 2021, Greece's economy recovered strongly from the recession induced by the COVID-19 pandemic, with real GDP increasing by 8.4% year-over-year, among the strongest growth rates in the euro area. This solid performance was underpinned by a synchronised strengthening in all major GDP expenditure components. Private consumption grew by a robust 5.8% year-over-year, buoyed by improving sentiment, favourable labour market conditions and the release of pent-up demand[59]. Household disposable income (in nominal terms) increased by 7.6% year-over-year in 2021 adding to the dynamism of consumption[60]. Consumer spending remained robust until the end of the year, as indicated by the 10.2% year-over-year increase in retail trade volume in 2021, albeit consumer confidence showed signs of weakening during the second semester, as increasing CPI inflation had started to weigh on households' assessment of economic conditions looking forward[61]. The improvement in labour market conditions, reflected in the annual increase in employment by 1.4% year-over-year in 2021 and the decline in the unemployment rate to 14.7% from 16.3% in 2020, supported disposable income and household spending[62].

Several key indicators from the business sector recorded a substantial improvement over the course of 2021 surpassing their pre-pandemic levels. GFCF grew by 19.3% year-over-year (in constant price terms) in 2021, on the back of strong investment on equipment, technology products and construction activity. Non-financial corporations' profitability increased by 28.0% year-over-year[63] in 2021, whereas business turnover grew by 19.7% year-over-year[64]. Tourism rebounded strongly with an increase in revenue and tourist arrivals by 143% year-over-year and 99.4% year-over-year[65], respectively, in 2021, contributing to the surge in services exports of 54.1% year-over-year (in nominal terms)[66]. However, tourism revenue in 2021 remained 42.2% (or €7.7 billion) lower than their pre-COVID-19 high of 2019[67]. The post-COVID-19 economic turnaround was combined with steadily rising goods exports, which increased by 14.1% year-over-year in 2021, in constant price terms[68]. Manufacturing production also increased in 2021 by 9.0% year-over-year[69], on the back of strengthened domestic and external demand.

In late 2021, a combination of increasing energy prices and persistent disruptions in global supply chains that followed the post-COVID-19 upswing in global economic activity led to a surge in inflation worldwide, in turn affecting the Greek economy. Indeed, in the fourth quarter of 2021, CPI inflation in Greece increased to a then-10-year high of 4.4% year-over-year (1.2% year-over-year, on average, in full-year 2021), on the back of rapidly increasing fuel and electricity prices—even before the eruption of the crisis in Ukraine in February 2022—with the Greek economy being highly dependent on energy commodity imports. Nonetheless, the build-up of core inflation pressures—*i.e.*, excluding items of the consumer basket with very high price volatility, such as food, beverages, fuels and electricity—was slower (0.6% year-over-year in the fourth quarter of 2021 compared with a 10-year average of -0.7%)[70]. These developments weighted negatively on household disposable income and rapidly spread to production and transportation costs. However, the impact was cushioned by new government measures and the strengthened financial position of households and firms due to the strong increase in economic activity.

State support related to the pandemic started to unwind in 2021 but fiscal measures against surging energy costs were activated in late 2021. However, a major part of the fiscal cost was offset by recurrent revenue related to energy[71]. Accordingly, the primary deficit in the General Government Budget shrunk by 2.2 percentage points to 4.5% of GDP in 2021, as the strong recovery bolstered government revenue and limited the share of primary spending in GDP[72]. As a result of strong nominal GDP growth, the General Government debt-to-GDP ratio declined to 195.0% of GDP in 2021 from 207% in 2020, at a significantly faster pace than in other euro area countries[73].

The Greek real estate market showed resilience to the COVID-19 shock and gained additional traction in 2021, showing consistent signs of dynamism, especially in the residential segment. House prices increased by an average of 7.6% year-

59 Source: ELSTAT, Annual National Accounts provisional data, 2022 (Annual Accounts).
60 Source: Group Analysis based on ELSTAT, Annual Non-Financial Sector Accounts.
61 Source: ELSTAT, Turnover Index in Retail Trade.
62 Source: Group Analysis based on ELSTAT, Labour Force Survey Database.
63 Source: Group Analysis based on ELSTAT, Annual National Accounts, NFC Statistics – ELSTAT.
64 Source: Group Analysis based on ELSTAT, Turnover of Enterprises of the Greek Economy Database.
65 Source: Group Analysis based on Bank of Greece, Balance of Payments Statistics.
66 Source: Group Analysis based on ELSTAT, Quarterly National Accounts.
67 Source: Group Analysis based on Bank of Greece, Balance of Payments Statistics.
68 Source: Group Analysis based on ELSTAT, Quarterly National Accounts.
69 Source: Group Analysis based on ELSTAT, Industrial Production Index Database.
70 Source: ELSTAT, Consumer Price Index, ELSTAT Inflation CPI and Group Analysis based on ELSTAT, Consumer Price Index Database.
71 Source: Group Analysis based on Hellenic Ministry of Finance, Budget 2023, November 2022 (in Greek).
72 Source: ELSTAT, Fiscal data for the years 2019-2022, 2nd Notification, October 2023.
73 Source: ELSTAT, Fiscal data for the years 2019-2022, 2nd Notification, October 2023.

over-year in 2021[74] and commercial real estate prices (referring to the average price of retail and office spaces) by 2.1% year-over-year in the same year[75]. Residential construction activity rose by 30.3% year-over-year and total construction activity by 19.5% year-over-year in 2021[76] (in nominal terms). Tourism-related demand showed signs of revival in 2021, as indicated by the significant increase in demand from short-term rental platforms (following a sharp drop in 2020) and the pick-up in inflows of FDI in the Greek real estate sector (by 34.4% year-over-year in 2021 to €1.2 billion)[77].

Greece continued to benefit from the ECB's monetary stimulus measures in 2021. Purchases of GGBs by the Eurosystem, under the Pandemic Emergency Purchase Programme ("PEPP"), had reached €36.9 billion between March 2020 and January 2022[78]. GGB yields remained close to all-time lows in most of 2021, with the 10-year GGB yield declining to an average of 0.9% in 2021[79]. In addition, during 2021, the Hellenic Republic successfully launched new syndications in the international capital markets six times, raising €14.0 billion in aggregate[80].

Bank lending to private sector grew by 1.4% in December 2021, on the back of accelerating lending to corporates, which grew by 4.5% year-over-year in December 2021. Private sector deposits increased further by another €16.2 billion in 2021 (with household and corporate deposits contributing €8.5 billion and €7.6 billion, respectively, to the annual increase), on the back of monetary and fiscal stimulus and a rapid turnaround in economic activity that supported labour income and business turnover[81].

In 2022, the Greek economy remained on a strong growth trend, with a GDP growth of 5.6%[82] year-over-year, outperforming the euro area average by a margin of 2.2 percentage points[83]. The economy exhibited resilience to the severe energy-related headwinds and the rapid transmission of imported inflation pressures, capitalising on, among other things, the adaptability of the private sector, the revival of tourism and services activities in general, the additional fiscal support against energy cost pressures, and the liquidity reserves of financially sound firms and households.

Private consumption increased by 7.4% year-over-year in 2022[84] and GFCF by 11.7%[85]. Positive wealth effects and increasing non-wage income supported household spending. Residential real estate prices, rose by 11.9%[86] year-over-year in 2022, bolstering collateral availability and giving rise to positive wealth effects, while commercial real estate prices picked up by 4.8% year-over-year in the same period[87]. Moreover, the mixed income of households (including proceeds from entrepreneurial activity, rental, interest, and dividend income) increased by 11.8%[88] year-over-year, reflecting a broad-based strengthening in nominal disposable income flows.

Business turnover was up by 34.6% year-over-year in 2022 and exhibited remarkable strength, even when excluding industrial sectors affected by energy-price volatility, such as fuels and electricity[89]. Corporate profitability increased by €8.7 billion in 2022 (32.2% year-over-year, the highest growth rate in 20 years)[90], boosted by strong demand and economic activity. Moreover, FDI inflows to the Greek economy climbed to €7.9 billion in 2022[91].

CPI inflation accelerated sharply to 9.6% year-over-year, on average, in 2022, peaking at 12.1% year-over-year in June on the back of surging energy and food prices, and strengthened second round effects to core inflation[92]. Based on the Harmonised Index of Consumer Prices ("HICP") database, inflation in Greece reached 9.3% in 2022, exceeding the euro area average of 8.4% in 2022[93]. HICP growth started showing signs of slowing in the fourth quarter of 2022 (8.6% year-over-year, compared to 9.5% in the first nine months of 2022)[94]. This improvement primarily reflected falling energy prices, following a spike in the first nine months of 2022, although food and non-alcoholic beverages price growth accelerated to a new high of 15.0% year-over-year in the fourth quarter of 2022 (11.6% year-over-year, on average in 2022), putting pressure on household balance sheets, especially in low-income segments of the population[95].

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74 Source: Bank of Greece, Real Estate Market Statistics.
75 Source: Group Analysis based on Bank of Greece, Real Estate Market Statistics.
76 Source: Group Analysis based on ELSTAT, Quarterly National Accounts.
77 Source: Group Analysis based on Bank of Greece, Direct Investment Flows Statistics.
78 Source: Group Analysis based on European Central Bank, Pandemic Emergency Purchase Programme (PEPP).
79 Source: Group Analysis based on Bank of Greece, Greek Government Securities Statistics.
80 Source: Group Analysis based on PDMA, Sovereign Borrowing Outlook 2021, Annual Report.
81 Source: Group Analysis based on Bank of Greece, Monetary and Banking Statistics.
82 Source: ELSTAT, Annual National Accounts provisional data.
83 Source: Group Analysis based on Eurostat, Annual National Accounts Database.
84 Source: Group Analysis based on ELSTAT, Annual National Accounts provisional data.
85 Source: ELSTAT, Annual National Accounts provisional data.
86 Source: Bank of Greece, Real Estate Market Statistics.
87 Source: Bank of Greece, Real Estate Market Statistics.
88 Source: Group Analysis based on ELSTAT, Annual Non-Financial Sector Accounts, Households Statistics – ELSTAT.
89 Source: Group Analysis based on ELSTAT, Turnover of Enterprises of the Greek Economy Database.
90 Source: Group Analysis based on ELSTAT, Annual Non-Financial Sector Accounts, NFC Statistics – ELSTAT.
91 Source: Group Analysis based on Bank of Greece, Balance of Payments Statistics.
92 Source: ELSTAT, Inflation CPI and Group Analysis based on ELSTAT, Consumer Price Index Database.
93 Source: Group Analysis based on Eurostat, Harmonized Indices of Consumer Prices Database.
94 Sources: Group Analysis based on ELSTAT, Consumer Price Index Database and Eurostat, Harmonized Indices of Consumer Prices Database.
95 Source: Group Analysis based on Eurostat, Harmonized Indices of Consumer Prices Database.

Fiscal support to households and firms in 2022 was estimated at around €10 billion, in gross value terms, mostly comprising subsidies to electricity bills and other energy-related support. The net fiscal cost has been substantially lower, estimated at around €4.3 billion (or 2.1% of GDP), as extraordinary proceeds from recurring and one-off energy taxes have been used to finance the support measures[96].

Despite the turnaround in the global monetary policy cycle, financial conditions in Greece remained favourable in 2022. Greek banks' deposits and loans recorded further considerable increases in 2022. Private sector deposits increased by €8.6 billion in 2022, with the outstanding balance reaching a 12-year high of €188.7 billion in total, despite the further strengthening of private consumption. Bank lending growth to the private sector accelerated to 6.3% year-over-year, a 13-year high, buoyed by a new surge in credit to non-financial corporations to 11.8% year-over-year. The cumulative net flow of bank loans to non-financial corporations in 2022 amounted to €6.8 billion, whereas the cumulative net lending flow to non-financial corporations in 2020-2022 spiked to €16.0 billion, marking the strongest increase since the eruption of the Greek crisis 13 years ago[97].

The 10-year GGB yield rose to 4.1% in the second half of 2022, from 2.8% in the first half of the year due to the tightening in monetary policy conditions and a broad-based re-alignment of sovereign bond prices to the new inflation environment[98]. The spread of the 10-year GGB yield over bund increased to 242 basis points in the second half of 2022, from 227 basis points in the first half of the year[99].

Following the multi-year fiscal and financial crisis in Greece over the previous decade, both economic and structural policies are closely monitored by the EC, the ECB and the ESM, which have jointly coordinated the provision of financial assistance to Greece since the beginning of the previous decade. On that note, following the successful completion of the Third Programme in August 2018, Greece was subjected to an Enhanced Surveillance Framework, under which 14 reviews have been successfully concluded over the period from 2018 to 2022, confirming the fulfilment of the agreed milestones and the progress in economic adjustment and structural reforms, despite the emergence of the COVID-19 and inflation crises in 2020-2022. The Enhanced Surveillance Framework for Greece expired on 20 August 2022 and since then Greece is subject to the PPS, in line with the other countries that have received exceptional official sector support during the previous decade. In this context, Greece's economic, fiscal and financial situation will continue to be monitored and assessed regarding the progress in structural reforms and the compliance with commitments as set out following the conclusion of the Enhanced Surveillance Framework, as well as the economy's long-term capacity to repay its public debt. The three reviews published in November 2022, May 2023 and December 2023 on the economy's progress under the PPS framework confirmed the ongoing progress and broad alignment with agreed reform and fiscal rebalancing targets specified for this period[100].

In the first nine months of 2023, economic activity in Greece slowed but remained on an upward trend, with GDP increasing by 2.2% year-over-year compared to 6.2% in the first nine months of 2022 and exceeding the respective euro area average by 1.6 pps[101]. Private consumption and fixed capital investment, in conjunction with a resilient export performance, were the key drivers of this outturn.

The slowing in GDP growth, compared with the buoyant growth outcomes of 2021 and 2022, mainly reflected the unwinding of very favourable base effects that bolstered activity in previous years, after the full lifting of COVID-related restrictions, especially on services activities. Moreover, a decrease in inventories weakened GDP growth on an annual basis, following a period of a typical rapid stock accumulation in 2022 due to uncertainty-driven stockpiling in the energy sector and the replenishment of depleted business inventories.

The largest component of domestic demand, private consumption, grew by a solid 1.3% year-over-year in the first nine months of 2023[102], on the back of supportive labour market conditions and declining energy prices which supported purchasing power. Household spending was also bolstered by the positive impact on disposable income of declining domestic energy prices (a decrease of 13.4% year-over-year in 2023[103], based on HICP).

Reflecting strong confidence levels and attractive returns, GFCF increased by 7.4% year-over-year in the first nine months of 2023[104], following a solid 11.7% annual expansion in 2022[105]. The further strengthening of construction activity (an increase of 21.4% year-over-year in nominal terms), led by residential investment (up by 46.4% year-over-year in nominal terms), accounted for most part of the increase[106].

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[96] Source: Group Analysis based on Hellenic Ministry of Finance, Stability Programme 2023, May 2023.
[97] Source: Group Analysis based on Bank of Greece, Monetary and Banking Statistics.
[98] Source: Group Analysis based on Bank of Greece, Greek Government Securities Statistics.
[99] Source: Group Analysis based on ECB, Long-term Interest Rate Statistics for EU Member States.
[100] Sources: European Commission, Post-Programme Surveillance Reports Greece.
[101] Sources: Group Analysis based on ELSTAT, Quarterly National Accounts and Eurostat, Quarterly National Accounts Database.
[102] Source: Group Analysis based on ELSTAT, Quarterly National Accounts.
[103] Source: Group Analysis based on ELSTAT, Consumer Price Index Database.
[104] Source: Group Analysis based on ELSTAT, Quarterly National Accounts.
[105] Source: ELSTAT, Annual National Accounts provisional data, 2022 (Annual National Accounts).
[106] Source: Group Analysis based on ELSTAT, Gross Fixed Capital Formation.

Total export growth outpaced import growth in the first nine months of 2023 (with exports increasing by 6.1% year-over-year, compared to imports increasing by 2.7% year-over-year, in nominal terms), which is also reflected in the sharp decrease in the current account deficit of 40.1% year-over-year in the first nine months of 2023[107].

Residential real estate prices, surged by 13.9% year-over-year in the first nine months of 2023, recording a growth of around 57.8% between the third quarter of 2017 and the third quarter of 2023, and reducing the distance from their all-time high level in the third quarter of 2008 to 9.1%[108]. Commercial real estate prices increased by 6.7% year-over-year in the first half of 2023.

Athens International Airport's passenger traffic during 2023 totalled 28.17 million, surpassing the levels of 2022 by 24.0% and those of 2019 by 10.2%. In particular, compared to the levels in 2022, domestic and international passengers increased by 18.9% and 26.4%, respectively. In comparison to the levels of 2019, domestic and international passengers increased by 13.3% and 8.8%, respectively[109].

Manufacturing Purchasing Managers' Index remained well above the expansion threshold (which refers to an index value of 50) with the average of 2023 standing at 51.6, despite a moderate slowdown to 50.3 in September, but still exceeding the euro area average by a margin of 6.6 points[110].

However, business turnover data for enterprises, with a double entry bookkeeping system, showed signs of weakening in nominal terms, decreasing by 3.8% year-over-year in 2023, compared to a 39.0% increase in 2022[111]. The weak trend could be attributed, for the most part, to the negative impact of falling energy prices. Indeed, inflation pressures subsided further, with CPI growth slowing to 3.5% year-over-year in 2023, from 9.6% year-over-year in 2022, on the back of a further drop in energy prices in the same period, easing the pressure on real disposable income and production costs. However, underlying price pressures, reflected in core inflation that excludes food and energy costs, remained elevated in 2023 (5.1% year-over-year), which was also the case for food and non-alcoholic beverage inflation, standing at, a still high, 11.6% year-over-year, compared with an annual increase of 11.8% in 2022[112].

Greece's public debt-to-GDP ratio is expected to decrease from 172.6% in 2022 to 160.3% by end-2023 and to 152.3% by 2024, according to the projections of the State Budget 2024[113].

The tightening of monetary policy, however, reflected in the 450-basis-point hike in policy rates by the ECB in the period from July 2022 to December 2023[114], started to weigh on bank credit growth. This slowing follows an upsurge in credit expansion, especially towards the corporate sector, in the past three years. Bank lending to the corporate sector domestically continues to exceed the euro area average. Total credit to private sector slowed to 3.6% year-over-year in December 2023 from 6.3% year-over-year in December 2022, mainly due to a deceleration in lending to the corporate sector to 6.9% year-over-year, from 12.3% year-over-year in December 2022. Private sector deposits remained close to a 13-year high of €194.8 billion as of December 2023[115].

In the first nine months of 2023, Greek banks recorded profits after taxes amounting to €3.0 billion, compared to profits of €2.9 billion in the corresponding period of 2022. The increase in net interest income, stemming from the increase in key interest rates, had a positive contribution to profitability. In September 2023, the CET1 capital ratio on a consolidated basis dropped slightly to 14.3% from 14.5% in December 2022 and the Total Capital Ratio stood at 17.6% from 17.5% in the same period[116].

After two national elections held in May and June 2023, the ruling party secured a credible majority to form a new government, for a second four-year term. Financial markets and major rating agencies appear to have interpreted the election outcome as "credit positive" for the country's rating prospects, supporting visibility and policy continuity, and expect further progress in fiscal rebalancing and economic reforms in the coming quarters. Between July and December 2023, Greece's sovereign rating regained investment grade status from R&I, Scope, DBRS, S&P and Fitch, while in mid-September, Moody's upgraded the country's rating by two notches to "Ba1", just one level below investment grade on the firm's ratings index[117].

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[107] Sources: Group Analysis based on ELSTAT, Quarterly National Accounts and Bank of Greece, Balance of Payments Statistics.
[108] Source: Group Analysis based on Bank of Greece, Real Estate Market Statistics.
[109] Source: Group Analysis based on Athens International Airport, Passenger Traffic Development 2023.
[110] Source: Group Analysis based on S&P Global, Manufacturing Purchasing Managers' Index, Greece and Eurozone, Presse Releases.
[111] Source: Group Analysis based on ELSTAT, Turnover of Enterprises of the Greek Economy Database.
[112] Source: Group Analysis based on ELSTAT, Consumer Price Index Database.
[113] Source: ELSTAT, Fiscal data – Annual 2023, Hellenic Ministry of Finance, Budget 2024, November 2023 (in Greek).
[114] Source: Group Analysis based on European Central Bank, Key Interest Rates.
[115] Source: Group Analysis based on Bank of Greece, Monetary and Banking Statistics.
[116] Source: Bank of Greece, Monetary Policy Report, December 2023.
[117] Sources: Moody's Press Release, March 2023 (https://ratings.moodys.com/ratings-news/400296); S&P Press Release, April 2023 (https://disclosure.spglobal.com/ratings/en/regulatory/article/-/view/type/HTML/id/2976771); R&I Press Release July 2023 (https://www.minfin.gr/documents/20182/19337201/31-7-2023___news_release_cfp_20230731_20573_eng.pdf); Scope Press Release, August 2023 (https://scoperatings.com/ratings-and-research/rating/EN/174874); DBRS Press Release, September 2023

Against a backdrop of Greece's sovereign credit rating upgrade to investment grade status by R&I, Scope, DBRS, S&P and Fitch in the second semester of 2023 and ongoing fiscal rebalancing, the yield of the 10-year GGB stood at around 3.9% in the July-December 2023 period, against a backdrop of rising government bond yields globally, in response to expectations of a longer-than-previously expected period of high interest rates and a gradual reduction in major central banks' holdings of government bonds purchased during the monetary expansion period. The spread of the 10-year GGB over the respective German bund fell to 135 basis points in July-December 2023 from 179 basis points, on average, in the first half of 2023 and 234 basis points in 2022[118]. Moreover, the yield of the 10-year GGB remained lower than the respective Italian bond, supported by Greece's faster fiscal adjustment, its attainment of investment grade status and the fact that Greek securities remain eligible, in the context of flexible reinvestments of capital of maturing bonds under PEPP (after its expiration in March 2022), at least until end-2024, according to ECB[119]. Specifically, the spread of the 10-year GGB over the respective Italian bond became marginally negative in April 2023, with the gap widening to an all-time high of nearly 59 basis points in October 2023 (average of 38 basis points in April-December 2023), compared with the positive gap of 3 basis points, on average, in the first three months of 2023 and positive gap of 33 basis points, on average, in 2022[120].

Overall, the Greek economy seems well-positioned to continue outperforming its euro area peers, capitalising on sustainable growth catalysts and the strong momentum built in 2021 and 2022. Solid investment growth prospects, on the back of a strong pipeline of private investment and increasing impact of the NRRP, the positive momentum of services activities (especially tourism), and lower pressure from energy and commodity costs on households and enterprises are expected to support private spending. Increases in private sector wages, against a backdrop of strengthened labour market conditions and slowing inflation support real disposable income. The upgrade of Greece's sovereign rating to investment grade status by major rating agencies and the potential future upgrades by other major rating agencies could also bolster economic performance through positive effects on economic sentiment, risk appetite, liquidity conditions, fixed capital formation and FDI. According to the Commission's Winter 2024 Economic Forecast, Greece's GDP (in constant price terms) is expected to grow by 2.2% in 2023, gradually moderating to 2.3% by 2025. This growth is anticipated to be above the Eurozone and EU average, supported by a resilient labour market and the implementation of the NRRP. For more information on Greece's economic outlook, see "*Trend Information—Economic Environment and Geopolitical Developments—Greek economy*".

(https://www.dbrsmorningstar.com/research/420402/dbrs-morningstar-upgrades-the-hellenic-republic-to-bbb-low-stable-trend); Moody's Press Release, September 2023 (https://ratings.moodys.com/ratings-news/407936); S&P Press Release, October 2023 (https://disclosure.spglobal.com/ratings/en/regulatory/article/-/view/type/HTML/id/3074450); and Fitch Ratings Press Release, December 2023 (https://www.fitchratings.com/research/sovereigns/fitch-upgrades-greece-to-bbb-outlook-stable-01-12-2023).

118 Source: Group Analysis based on ECB, Long-term Interest Rate Statistics for EU Member States.

119 Source: ECB, Monetary Policy Decisions, Press Releases, 10 March 2022 (https://www.ecb.europa.eu/press/pressconf/shared/pdf/ecb.ds220310~c4c5a52570.en.pdf); ECB Monetary Policy Decision, Press Releases, 14 April 2022 (https://www.ecb.europa.eu/press/pressconf/shared/pdf/ecb.ds220414~2d6ffb3a83.en.pdf) and ECB, Monetary Policy Decisions, Press Releases, 9 June 2022 (https://www.ecb.europa.eu/press/pressconf/shared/pdf/ecb.ds220609~7434064bed.en.pdf).

120 Source: Group Analysis based on ECB, Long-term Interest Rate Statistics for EU Member States.

6 TREND INFORMATION

6.1 Economic Environment and Geopolitical Developments

The Group's results of operations and financial condition are heavily dependent on the global macroeconomic and geopolitical conditions generally, and those prevailing in Greece specifically. For a more detailed discussion on the risks to the Group's business associated with macroeconomic and geopolitical conditions, see "*Risk Factors—Risks Relating to the Long-Lasting Implications of the Hellenic Republic's Economic Crisis in the Previous Decade, the Residual Effect of the COVID-19 Pandemic, Evolving Geopolitical Turbulence, Inflationary Pressures and the Macroeconomic Outlook in the Hellenic Republic*".

Despite considerable factors of uncertainty in 2023 underpinning the global, as well as peripheral, economic outlooks (such as geopolitics, the impact on the energy supply in Europe, and the restoration of global supply chains (see "*—Greek economy*" below)), economic developments in the year ended 31 December 2023 have been more benign than the original assessment of the balance of risks regarding economic and financial market conditions. Looking forward, strong growth catalysts and reform continuity in Greece are expected to provide sufficient impetus to overcome the challenges posed by persisting geopolitical tensions, sluggish core and food inflation, energy transition challenges, and the increasing toll on euro area growth from monetary and fiscal tightening.

Global economy

The cumulative tightening of financial conditions and the gradual unwinding of fiscal stimulus impacted economic growth, with the growth rate of the global economy being at a subpar 3.1% in 2023 compared to 3.5% in 2022[121]. Until late 2023, risks were tilted to the downside, including a "higher for longer" restrictive monetary policy due to persistently elevated inflation that fails to engineer a soft landing for the global economy. Nevertheless, the continuation of this tightening trend in 2024 remains uncertain, as there is a possibility that an easing cycle may commence within the year. The prolonged war in Ukraine remains a source of concern, with any escalation threatening to disrupt fuel supplies to Europe, hurting, initially, the industrial sector of the economy and pushing up global energy prices, fuelling inflation further. In addition, the conflict in the Middle East, including the outbreak of the Hamas-Israel conflict in October 2023, poses, aside from the immense human suffering, a new downside risk to the global economy, as the region is a key producer and supplier of energy. Moreover, the emergence of new and more infectious COVID-19 variants could cause renewed economic and supply chain disruptions, although this risk currently seems more remote. A potential earlier-than-expected easing of monetary policy and unwinding of policy-related and international trade-related uncertainties could improve the pace of growth of the global economy, as balance sheets of households and corporates are lacking the large imbalances that have been built ahead of the global financial crisis. Moreover, the re-opening of the Chinese economy implies, *inter alia*, a faster recovery for the international trade, amid easing supply bottlenecks.

Greek economy

In 2023, economic activity in Greece slowed but remained on an upward trend, with GDP increasing by 2.2% year-over-year in the first nine months of the year,[122] and exceeding by a significant margin the respective euro area average, which recorded a 0.6% year-over-year increase during the same period[123]. Private consumption and fixed capital investment in conjunction with a resilient export performance were the key drivers of the growth outturn in Greece. On the back of increasing domestic demand with the full recovery of tourism, actual GDP growth for the remainder of the year is expected to be solid, averaging 2.2% for 2023 as a whole, according to the Commission's Winter 2024 Economic Forecast.[124]

According to available leading indicators of economic activity, the Greek economy maintains its growth momentum for 2024, despite the challenges and the uncertainty prevailing in the international macroeconomic environment. The growth outcome of the first nine months of 2023 and the current assessment of other relevant factors bode well for an annual GDP growth (in constant price terms) of around 2.3% in 2024 and 2.3% in 2025, based on the Commission's Winter 2024 Economic Forecast. Greece's growth performance in the current year, but also in the medium term, is expected to be supported by the following factors, which bode well for maintaining a significant positive growth differential against the euro area average:

- solid investment growth, on the back of a strong pipeline of private investment and increasing impact of funding from the RRF (with Greece being the largest beneficiary among the euro area countries, with the combined support corresponding to 17.4% of 2022 GDP, and having already absorbed – as of 31 December 2023 – approximately €14.7

[121] Source: IMF, World Economic Outlook, Update January 2024 (World Economic Outlook Update, January 2024: Moderating Inflation and Steady Growth Open Path to Soft Landing (imf.org)).

[122] Source: Group Analysis based on ELSTAT, Quarterly National Accounts.

[123] Source: Eurostat, GDP and Employment Flash Estimates.

[124] Source: European Commission, Winter 2024 Economic Forecast, Economic Forecast for Greece, February 2024.

billion of the total funding (grants and loans)[125]. On 8 December 2023, the Economic and Financial Affairs Council (ECOFIN) approved the amended recovery and resilience plan for Greece, which includes funds for REPowerEU amounting to €795 million, as well as an additional €5 billion that will be added to the existing loan programme. The revised plan amounts to €36 billion (an increase compared to the €30.5 billion of the original plan), with €18 billion being grants under the RRF and €18 billion being RRF loans. Overall, it is estimated that by 2027 the country's funding from EU programmes will exceed €76 billion. GFCF is expected to increase substantially in the period 2024-2026, rising by 7.4% year-over-year in the first nine months of 2023 and bolstered by positive demand prospects, high capacity-utilisation rates and resilient profitability. Moreover, the positive impact from capital spending related to the NRRP is expected to start showing from beginning of 2024 onwards, due to time lags between the funds' absorption and the final capital spending. Similarly, the €16 billion of inward FDI in the period from January 2020 to December 2022, sets a strong base for a further strengthening of fixed capital formation[126];

- the positive momentum of services activities, and especially tourism, which are less sensitive to terms-of-trade shocks, input costs and personal income fluctuations, is expected to contribute to economic growth. The experience of previous years suggests that external demand for tourism services is resilient to economic volatility but is highly sensitive to geopolitical or health-related risks. Moreover, the pricing power of Greek firms for 2023 was significantly strengthened and was combined with a quality upgrade of related services portending a further increase in tourism revenue (which increased by 15.2% year-over-year in the first ten months of 2023)[127];

- signs of accelerating increase in wages – for the first time since the beginning of the Greek crisis – against a backdrop of strengthened labour market conditions (with total compensation of employees increasing by 7.6% in the second quarter of 2023 compared to the corresponding quarter of 2022[128], reflecting increasing employment and declining unemployment rates, with the latter expected to move around 10.7%[129]) and slowing inflation, will support real disposable income while outweighing the impact of lowered fiscal support;

- lower energy prices and the easing in non-energy commodity inflation, as well as related supply-side tensions worldwide are expected to support business profits in Greece, cushioning the impact of higher wages and increased financial costs; and

- economic progress made over recent years coupled with significant budgetary consolidation of Greece have also led to improvements in country's credit ratings.

Nonetheless, the above expectations are subject to some considerable downside risks, including, among others:

- a potential resurgence of energy security risks and/or a new spike in energy prices due to geopolitical tensions or frictions in the implementation of the ambitious energy transition agenda of the European Union, which entails higher energy costs in the medium term, could weigh on Greece's economic performance, entailing downward pressures on economic growth, given the decreasing capacity for large scale fiscal interventions (see also "*Persistent inflation pressures could have an adverse effect on the Group's business and future NPE balances*" in Section 1 "*Risk Factors*");

- a slower-than-expected easing of inflation pressures globally could prompt an even more aggressive monetary policy tightening, giving rise, with a time lag, to stronger recessionary and financial headwinds, weighing on fiscal capacity, weakening private investment spending and lowering credit demand. Nonetheless, Greece is expected to show smaller sensitivity to the near-term tightening in financial conditions, due to the relatively low leverage of the private sector and the unique characteristics of public debt, which are combined with substantial cash buffers of financially stronger companies and households, as well as the Greek State (see also "*Persistent inflation pressures could have an adverse effect on the Group's business and future NPE balances*" in Section 1 "*Risk Factors*"); and

- the outlook of the economy could weaken significantly if geopolitical risks escalate further, at a global or regional level, undermining confidence and tourism activity and leading to a deferral of private spending decisions (see also "*The economic outlook and the fiscal position of the Hellenic Republic continues to be affected by the legacy of the prolonged economic crisis of the previous decade, the COVID-19 pandemic since 2020, and the surge in inflation since 2021, compounded by heightened geopolitical tensions and still considerable risks to the energy outlook*" in Section 1 "*Risk Factors*"). In this respect, following the outbreak of the Hamas-Israel conflict in October 2023, further downside risks could emerge in the event of a broader regional conflict and an activation of terrorist groups in Europe or elsewhere, which could give rise to new energy price spikes as well as adversely affect the global economic conditions

[125] Source: Greece's National Recovery and Resilience Plan (https://greece20.gov.gr).

[126] Source: Group Analysis based on Bank of Greece, Balance of Payments Statistics.

[127] Source: Group Analysis based on Bank of Greece, Balance of Payments Statistics.

[128] Source: State Budget 2024 (in Greek).

[129] Source: European Commission, Autumn 2023 Economic Forecast, Economic Forecast for Greece, November 2023.

and tourism activity. These risks could be compounded by the ongoing war in Ukraine (see also "*The Group's business may indirectly be impacted by the war between Russia and Ukraine*" in Section 1 "*Risk Factors*").

Overall, the Greek economy seems well-positioned to continue outperforming its euro area peers, capitalising on sustainable growth catalysts and the strong momentum built in 2021, 2022 and 2023. Solid investment growth prospects, on the back of a strong pipeline of private investment and increasing impact of the RRF, the positive momentum of services activities (especially tourism), and lower pressure from energy and commodity costs on households and enterprises are expected to support private spending. Increases in private sector wages, against a backdrop of strengthened labour market conditions and slowing inflation, support real disposable income. The upgrade of Greece's sovereign rating to investment grade status by R&I, Scope, DBRS, S&P and Fitch, is likely to bolster economic performance through positive effects on economic sentiment, risk appetite, liquidity conditions as well as on fixed capital formation and FDI. GGB valuations responded positively to favourable macroeconomic trends and the sovereign rating upgrades in the fourth quarter of 2023. Indeed, in the August-December 2023 period, the spread of the 10-year GGB over the German bund stood at 134 basis points, while the 10-year GGB yield was around 49 basis points lower than the respective Italian bond. The level of government bond yields remains highly responsive to the latest information on the monetary policy strategy which appears to involve higher policy rates for a longer period than previously expected[130].

6.2 Income and Profitability

The Group's principal sources of income are its net interest income and net fee and commission income. In the year ended 31 December 2023, the Group's net interest income amounted to €2 billion, a 48% increase compared to the year ended 31 December 2022, driven largely by ECB base rate repricing. The increase more than offsets loan spread compression, the pick-up in time deposit costs, as well as elevated MREL-related funding costs. This increase in net interest income was influenced by the increase in loan yields, the levels of loan disbursement, the fixed income holdings repricing and the increase in net cash position. For more information, see "*Financial Information Concerning the Group's Assets and Liabilities, Financial Position, and Profits and Losses—Results of Operations for the Years Ended 31 December 2023, 2022 and 2021*". The Group's performing loan portfolio is expected to continue growing by at least 5% per annum in 2024, 2025 and 2026, while maintaining a leading position in RRF and EU structural funds utilisation. The Group's net fee and commission income reached €468 million in the year ended 31 December 2023, a 11.2% increase compared to the year ended 31 December 2022, driven by increased customer transaction activity (*i.e.*, deposits, transfers, loan activities and repayment of interest, foreign exchange and investment transactions) and asset management focus.

The Group's total net income for the year reached €2.6 billion for the year ended 31 December 2023, a 0.9% increase compared to the year ended 31 December 2022. As a result of the above performance, financial indicators remained resilient in 2023. Net interest margin as at 31 December 2023 stood at 2.7% compared to 1.8% as at 31 December 2022, while net fee income over assets increased at 0.7%. For the years ending 31 December 2024, 2025 and 2026, the Group is targeting strong growth for certain profitability metrics, including increasing net fee and commission income by approximately €140 million by the end of 2026 through growth and new strategic initiatives in asset management and real estate management. Net interest income is expected to be impacted from lower interest rates assumed for the forthcoming period 2024-2026, driving net interest margin to approximately 2.3% in 2026. Nevertheless, the Group's expanding and diversifying revenue pools, along with loan volume growth, structural hedging strategies on interest rates and anticipated improvement in asset quality trends will mitigate the impact of lower interest rates. For more information on these targets, see Section 23 "*Financial Targets and Profit Forecasts*".

In 2022, the Group's effective tax rate was significantly lower than the nominal tax rate of its main subsidiary, Piraeus Bank (of 29%), mainly due to tax losses brought forward (Article 27 of Greek Law 4172/2013, as amended). However, the trend is changing as a result of the recognition of income tax expenses driven by the Group's profitability, which results in DTA utilisation and an increase in the effective tax rate.

6.3 Operating Cost Control Initiatives

The Group's results of operations have been positively affected, and the Group expects they will continue to be affected, by the Group's operating cost control initiatives across its operations, subsidiaries and activities.

The Group's overall efforts to control its operating costs has been one of the Group's responses to the challenging economic environment. The Group has implemented and continues to implement several cost-reduction initiatives involving improvement in operating practices across the Group, including, among others, headcount reduction through voluntary exit schemes, cost reduction through efficient subcontracting and supply arrangements, a general reduction in general and administrative expenses, including rental expenses, centralisation of various activities (such as back office operations) and further automation and digitalisation of its operations and services.

[130] Source: Group Analysis based on ECB, Long-term Interest Rate Statistics for EU Member States.

For the year ended 31 December 2023, recurring operating expenses reached €793 million (a decrease by 4.2% year-on-year compared to 2022), on the back of ongoing cost reduction efforts and resources optimisation. Staff costs amounted to €442 million for the year ended 31 December 2023 (a decrease by 0.9% year-on-year), as the Group continued to pursue resources optimisation under its Transformation Programme. The Group's headcount totalled 8,053 employees as at 31 December 2023, of which 7,672 were employed in Greece. Headcount in Greece was reduced by 599 year-on-year.

General and administrative costs for the year ending on 31 December 2023 demonstrated a 6.5% year-on-year decrease to €315 million from €337 million in 2022. This reduction, achieved notwithstanding the €15.5 million in extraordinary expenses dedicated to mitigating the impact of extreme weather phenomena, can be attributed to proactive cost efficiency initiatives. These measures effectively countered inflationary pressures and diminished deposit guarantee scheme costs. As a result, the Group's cost-to-core income ratio amounted to 31.1% for the year ended 31 December 2023, reflecting a 14.1% year-on-year decline.

The Group will continue to pursue a cost disciplined mentality while strategically increasing investment-related and performance-based costs. The Group aims to keep general and administrative expenses stable from 2024-2026 and anticipates a rise in depreciation costs to support initiatives such as enhancing client focus, investing in technology and artificial intelligence and revitalising channel strategy based on a new branch model. Staff costs are expected to moderately increase, primarily due to variable compensation initiatives. Additionally, going forward, the Group's costs will include expenses associated with the forthcoming launch of a new mobile-only bank.

6.4 Asset Quality and NPEs

In recent years, the Group has significantly reduced its NPE levels, through both inorganic initiatives, as well as organic initiatives. As at 31 December 2023, the Group's NPE ratio stood at 3.5% and its NPE (cash) coverage ratio at 61.6%, compared to 6.8% and 54.5%, respectively, as at 31 December 2022. Looking forward, the Group is targeting an NPE ratio of approximately 2.5% as at 31 December 2026. NPE inflows are expected to remain constrained during the aforementioned period, staying near the 2023 run-rate in 2024 and 2025. Furthermore, they are projected to see further reductions in 2026. The cap that Piraeus Bank and other Greek systemic banks have placed on the base rate of mortgage loans, the lower spreads in business loans in 2023 and thereafter compared to 2022 levels, as well as the strict underwriting criteria on new loans disbursed during the past 5-6 years, are all factors that the Group believes will mitigate pressures for asset quality deterioration. The Group will continue its efforts to systematically decrease the amount of foreclosed assets on its balance sheet, capitalising on the positive trajectory of real estate prices in Greece. The Group is also targeting a NPE (Cash) Coverage ratio of approximately 90% in the year ending 31 December 2026. For more information on these targets, see Section 23 "*Financial Targets and Profit Forecasts*". These targets are derived from the Group's 2024-2026 business plan. The execution of these initiatives, however, entail certain risks, as described in "*The Group may not be able to limit any potential new NPE stock inflow, which could derail its goal of further reducing NPE levels and could have a material adverse effect on its results of operations and financial condition*." in Section 1 "*Risk Factors*".

On the side of its performing exposures ("PEs"), the Group's performing loan portfolio increased by 5.2% to €30,134 million as at 31 December 2023, compared to €28,634 million as at 31 December 2022. The Group is targeting a PE growth (factoring in disbursements net of repayments) of at least 5% per annum, or more than €1.5 billion, in the period up to 31 December 2026. Demand from the retail sector is anticipated to remain subdued over the three-year period, primarily focused on mortgage loans. This segment is expected to continue shrinking, propelled by the substantial repayment schedule of mortgages issued 15 to 20 years ago, which are now maturing. For more information, see Section 23 "*Financial Targets and Profit Forecasts*".

6.5 Liquidity and Funding Costs

The Group's principal sources of liquidity are mainly its customer deposits with Eurosystem funding currently via the TLTRO with the ECB and interbank repo funding (*i.e.*, securities sold to credit institutions under agreement to repurchase) also contributing. ECB funding and repurchase agreements with financial institutions are collateralised mainly by high quality liquid assets, such as, EU sovereign bonds, GGBs and treasury bills, as well as by other assets, such as highly rated corporate loans and own issued covered bonds.

In the year ended 31 December 2023, the Group's LCR increased to 241% compared to the 201% LCR for the year ended 31 December 2022, with such increase being primarily attributable to increased high quality liquid assets. The Group's strong liquidity profile is also reflected on the Group's net loan-to-deposit ratio, amounting to 61.5% for the year ended 31 December 2023 (61.5% for the year ended 31 December 2022) and NSFR, amounting to 133% for the year ended 31 December 2023 (137% for the year ended 31 December 2022). The Group's TLTRO outstanding amount maturing in 2024 stood at €3.5 billion as at 31 December 2023. After the TLTRO expiration, the Group expects to maintain a level of LCR that comfortably exceeds regulatory requirements. This will be supported by its strong cash position with central banks, which surpasses the level of outstanding TLTRO position. The Group's customer deposits amounted to €59,567 million as at 31 December 2023, compared to €58,372 million as at 31 December 2022. Interbank repo funding remained low at €435 million as at 31 December 2023 (compared to €298 million as at 31 December 2022).

Bearing a direct impact on the Group's net interest income, the cost of deposits was 0.4% as at 31 December 2023, compared to 0.09% and 0.08% as at 31 December 2022 and 2021, respectively.

The Group anticipates an increase in funding costs during 2024-2026. Deposit costs are expected to rise by approximately €0.2 billion in 2024 compared to 2023, assuming a conservative shift from 23% to 34% in time deposits over total deposits by the end of 2024. Furthermore, debt issuance costs are anticipated to increase in the coming period due to the issuance of new senior preferred bonds, as the Group aims to bolster its MREL ratio to meet the December 2025 terminal binding requirement. The impact of higher funding costs on net interest income is expected to be partially mitigated by increased loan volumes, a larger securities portfolio, and the implementation of structural hedging strategies to reduce interest rate volatility in the Group's balance sheet.

6.6 Capital and Capital Adequacy

As at 31 December 2023, the Group's Basel III total capital adequacy ratio ("TCR") stood at 17.77% compared to 17.82% as at 31 December 2022. The CET1 capital ratio stood at 13.21% vis-à-vis levels of 13.04% as at 31 December 2022. The Group's proforma fully loaded TCR as at 31 December 2023 stood at 18.2%, and the proforma fully loaded CET1 as at 31 December 2023 stood at 13.3% compared to 11.54% as at 31 December 2022. Please refer to Note 2.2 of the 2023 Annual Financial Statements for further details on the Group's capital adequacy.

The amount of DTA eligible for Tax Credit (DTC) included in the Group's regulatory capital, in accordance with the provisions of Greek Laws 4172/2013, 4302/2014 and 4340/2015, was €3.3 billion as at 31 December 2023, compared to €3.5 billion as at 31 December 2022.

Looking forward, the Group aims to further fortify its capital position, as set out in Section 23 "*Financial Targets and Profit Forecasts*".

If the regulations governing the use of DTAs eligible for conversion to Tax Credit as part of the Group's regulatory capital change, or if the EC rules that the treatment of the DTAs eligible for Tax Credit under Greek law is illegal, this may affect the Group's capital base and consequently its capital ratios. For more information, see "*If the Group is not allowed to continue to recognise the main part of deferred tax assets ("DTAs") as regulatory capital or as an asset, its operating results and financial condition could be materially adversely affected*" in Section 1 "*Risk Factors*".

As at 31 December 2023, the Group's DTAs amounted to €5.7 billion and the amount of DTA eligible for Tax Credit was €3.3 billion. €1 billion of the Group's DTAs are related to the impairment on Greek government bonds and €2.3 billion are related to temporary differences between IFRS carrying amount and tax base, mainly of loans and advances to customers.

Further to the above trends and financial information post 31 December 2023, there is no significant change in the financial performance of the Group since 31 December 2023 to the date of the Prospectus. Other than the information disclosed in this Section 6 "*Trend Information*", there are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Group's prospects for the current financial year.

For a general description of certain risks which may affect the Group's financial condition and results of operations, see Section 1 "*Risk Factors*".

7 FINANCIAL INFORMATION CONCERNING THE GROUP'S ASSETS AND LIABILITIES, FINANCIAL POSITION, AND PROFITS AND LOSSES

7.1 Presentation of Group Financial Data

The following discussion should be read in conjunction with the Annual Financial Statements and the notes thereto incorporated by reference in this Prospectus (see "*Documents Available—Documents Incorporated by Reference*").

The Group's Annual Financial Statements were prepared in accordance with IFRS and audited by Deloitte Certified Public Accountants S.A. See Section 2 "*Statutory Auditors*".

The Group's consolidated financial information as at and for the year ended 31 December 2023 presented in this Prospectus is derived from the 2023 Annual Financial Statements. The Group's consolidated financial information as at and for the year ended 31 December 2022 presented in this Prospectus is derived from the comparative columns of the 2023 Annual Financial Statements. The Group's consolidated financial information as at and for the year ended 31 December 2021 presented in this Prospectus is derived from the comparative columns of the 2022 Annual Financial Statements. The discussions in "—*Results of Operations*" below are based on the 2023 Annual Financial Statements, including the 2022 comparative figures, and the 2022 Annual Financial Statements, including the 2021 comparative figures.

Certain financial information as at and for the year ended 31 December 2021, which is derived from the comparative columns in the 2022 Annual Financial Statements, has been reclassified (as indicated) in order to be presented on a comparable basis with financial information as at and for the year ended 31 December 2022. The difference between the originally reported and reclassified amounts is not material and, where applicable, the Group has indicated that such financial information has been reclassified. Specifically, during the year ended 31 December 2022, the Group implemented several changes to its financial reporting. A new line item named "Income from non-banking activities" was introduced to separately account for income primarily generated from investment properties through rentals. This income was previously consolidated under the "Net Other income/(expenses)" line item. The Group also included fees payable for the management of its NPE portfolio, such as assets under management fees and success fees, which were previously reported in line items "Administrative expenses", "ECL Impairment losses on loans and advances to customers at amortised cost" and "Fee and commission expense", in a distinct line item, namely "Other credit-risk related expenses on loans and advances to customers at amortised cost". Furthermore, the Group changed the presentation of specific reserves, considering their nature and purpose and in accordance with the relevant legal and tax framework in Greece. Reserves primarily associated with dividends and gains from the sale of participations, once part of retained earnings, are now classified under the category "Non-taxed reserves".

Additionally, certain financial information as at and for the year ended 31 December 2022, which is derived from the comparative columns in the 2023 Annual Financial Statements, has been reclassified (as indicated) in order to be presented on a comparable basis with financial information as at and for the year ended 31 December 2023. Where applicable, the Group has indicated that such financial information has been reclassified. Specifically, the Group amended the presentation of derivative financial instruments in the statement of the financial position by offsetting derivative assets and liabilities entered into with a central counterparty clearing member against the margin collateral posted or received, as the offsetting criteria were met. In line with industry practice, the Group revisited its judgment relating to the enforceability of the respective clearing agreements and concluded that the IAS 32 offsetting criteria were met. The Group also presented the carrying amount of derivatives net of accrued interest, which was previously included within the "Other assets" and "Other liabilities" line items. As at 31 December 2023, the Group presents the carrying amount of derivatives on a gross basis, with accrued interest receivable and payable netted off at deal level and classified within line items "Derivative assets" or "Derivative liabilities" based on the classification of each derivative. Furthermore, the Group has changed the presentation of financial assets measured at FVTOCI and Debt securities at amortised cost by combining them now into a single line item "Investment securities".

As a result of the reclassifications described above, the financial information as of and for the year ended 31 December 2021 and as of 31 December 2022 presented in Section 7 "*Financial Information Concerning the Group's Assets and Liabilities, Financial Position, and Profits and Losses*" is not necessarily comparable to the financial information contained in the audited 2021 Annual Financial Statements and 2022 Annual Financial Statements as of and for the same periods included in this Prospectus.

The Group presents its financial statements in euro millions, unless otherwise specified or the context otherwise requires.

Certain financial and other information presented in this Prospectus has been prepared on the basis of the Group's own internal accounts, statistics and estimates, and has not been subject to any audit or review by its auditors. Investors are cautioned against placing undue reliance upon the information in such unaudited financial information.

Certain special terms used in the banking industry are defined in the glossary of technical terms. See "*Glossary*".

Certain figures included in this Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them. Percentage figures included in this Prospectus have been calculated on the basis of rounded figures.

7.2 Financials

7.2.1 *Financial Statements for the Years Ended 31 December 2022 and 2023*

Income statement

	Year ended 31 December	
(€ in millions)	**2022**	**2023**
Continuing operations:		
Interest and similar income	1,691	2,799
Interest expense and similar charges	(339)	(797)
Net interest income	**1,353**	**2,003**
Fee and commission income	508	554
Fee and commission expense	(87)	(86)
Net fee and commission income	**421**	**468**
Income from non-banking activities	64	79
Dividend income	2	1
Net gains/(losses) from financial instruments measured at fair value through profit or loss ("FVTPL")	359	23
Net gains/(losses) from financial instruments measured at fair value through other comprehensive income ("FVTOCI")	111	2
Net gains/(losses) from derecognition of financial instruments measured at amortised cost	(34)	(1)
Net gains/(losses) from loss of control over subsidiaries/disposal of associates and joint ventures	278	32
Net other income/(expenses)	29	-
Total net income	**2,582**	**2,607**
Staff costs	(446)	(442)
Administrative expenses	(337)	(315)
Depreciation and amortisation	(106)	(106)
Net gain/(losses) from sale of property and equipment and intangible assets	(1)	-
Total operating expenses	**(889)**	**(863)**
Profit before provisions, impairment and other credit-risk related expenses	**1,693**	**1,744**
ECL impairment (losses)/releases on loans and advances to customers at amortised cost	(472)	(404)
Other credit-risk related expenses on loans and advances to customers at amortised cost	(142)	(136)
Impairment (losses)/releases on other assets	(47)	(52)
Impairment on subsidiaries and associates	(2)	(1)
Impairment of property and equipment and intangible assets	(4)	(29)
Impairment (losses)/releases on debt securities at amortised cost	(4)	9
Other provision releases/(charges)	(13)	(38)
Share of profit/(loss) of associates and joint ventures	29	(15)
Profit before income tax	**1,037**	**1,078**
Income tax expense	(140)	(292)
Profit for the period from Continuing Operations	**897**	**786**
Discontinued operations:		
Profit after income tax from discontinued operations	51	-
Profit for the period	**948**	**786**
From continuing operations:		

(€ in millions)	Year ended 31 December 2022	2023
Profit attributable to equity holders of the parent	899	788
Non-controlling interest	(2)	(2)
From discontinued operations:		
Profit attributable to equity holders of the parent	51	-
Non-controlling interest	-	-
Earnings per share attributable to equity holders of the parent (in euros):		
From continuing operations:		
Basic & diluted	0.72	0.63
From discontinued operations:		
Basic & diluted	0.04	-
Total		
Basic & diluted	0.76	0.63

Source: 2023 Annual Financial Statements.

Statement of comprehensive income

(€ in millions)	Year ended 31 December 2022	2023
CONTINUING OPERATIONS		
Profit for the year (A)	**897**	**786**
Other comprehensive income/(expense), net of tax:		
Items that may be reclassified subsequently to profit or loss		
Change in reserve from debt securities measured at FVTOCI	(129)	22
Change in currency translation reserve	(9)	(1)
Change in cash flow hedge reserve	-	2
Items that will not be reclassified subsequently to profit or loss		
Change in reserve from equity instruments measured at FVTOCI	23	(21)
Change in property revaluation reserve	7	2
Change in reserve of actuarial gains/(losses)	7	(2)
Other comprehensive income/(expense), net of tax (B)	**(101)**	**2**
Total comprehensive income, net of tax (A)+(B)	**796**	**788**
Attributable to equity holders of the parent	798	790
Non-controlling interest	(2)	(2)
DISCONTINUED OPERATIONS		
Profit for the year	51	-
Total comprehensive income, net of tax	51	-
Attributable to equity holders of the parent	51	-
Non-controlling interest	-	-

Source: 2023 Annual Financial Statements.

Statement of financial position

(€ in millions)	As at 31 December 2022 (as reclassified)[1]	2023
ASSETS		
Cash and balances with central banks	9,653	10,567
Due from banks	1,415	1,034
Financial assets at FVTPL	548	609
Financial assets mandatorily measured at FVTPL	182	234
Derivative financial instruments	220	191
Loans and advances to customers at amortised cost	37,367	37,527

(€ in millions)	As at 31 December 2022 (as reclassified)[1]	2023
Loans and advances to customers mandatorily measured at FVTPL	52	53
Investment securities	11,741	13,042
Investment property	1,522	1,757
Investments in associated undertakings and joint ventures	1,023	1,255
Property and equipment	728	732
Intangible assets	312	347
Tax receivables	145	161
Deferred tax assets	5,974	5,703
Other assets	3,357	2,996
Assets held for sale	406	241
Total assets	**74,645**	**76,450**
LIABILITIES		
Due to banks	6,185	4,618
Due to customers	58,372	59,567
Derivative financial instruments	410	295
Debt securities in issue	849	1,886
Other borrowed funds	937	939
Current income tax liabilities	7	13
Deferred tax liabilities	10	9
Retirement and termination benefit obligations	55	52
Provisions	123	164
Other liabilities	1,113	1,459
Liabilities held for sale	2	-
Fair Value changes of hedged items in portfolio hedges of interest rate risk	-	94
Total liabilities	**68,064**	**69,097**
EQUITY		
`Share capital	1,163	1,163
Share premium	3,555	3,255
Other equity instruments	600	600
Less: Treasury shares	-	(15)
Other reserves and retained earnings	1,235	2,296
Capital and reserves attributable to equity holders of the parent	**6,553**	**7,298**
Non-controlling interest	28	56
Total equity	6,581	7,353
Total liabilities and equity	**74,645**	**76,450**

Source: 2023 Annual Financial Statements.

[1] As at 31 December 2023, the Group has changed the presentation of financial assets measured at FVTOCI and Debt securities at amortised cost, by classifying them into a single line item "Investment securities". Comparative information has been reclassified accordingly.

Cash flows statement

(€ in millions)	Year ended 31 December 2022	2023
Cash flows from operating activities		
Profit before income tax	1,087	1,078
Adjustments to profit/(loss) before income tax		
Add: provisions and impairment	544	514
Add: depreciation and amortisation charge	108	106
Add: retirement benefits, cost of voluntary exit scheme and share based payment	62	72
Net (gain)/losses from valuation of financial instruments measured at FVTPL	381	207

(€ in millions)	Year ended 31 December 2022	2023
Net (gain)/losses from financial instruments measured at FVTOCI	(111)	(2)
(Gains)/losses from investing activities	(401)	(29)
Accrued interest from investing and financing activities	71	102
Cash flows from operating activities before changes in operating assets and liabilities	1,742	2,048
Changes in operating assets and liabilities:		
Net (increase)/decrease in cash and balances with central banks	(568)	(27)
Net (increase)/decrease in financial instruments measured at FVTPL	403	(453)
Net (increase)/decrease in financial assets mandatorily measured at FVTPL	12	24
Net (increase)/decrease in debt securities at amortised cost	(2,328)	(650)
Net (increase)/decrease in amounts due from banks	655	(28)
Net (increase)/decrease in loans and advances to customers	(1,773)	(651)
Net (increase)/decrease in other assets	133	208
Net increase/(decrease) in amounts due to banks	(8,016)	(1,188)
Net increase/(decrease) in amounts due to customers	2,938	1,193
Net increase/(decrease) in other liabilities	(92)	318
Net cash flow from operating activities before income tax payment	(6,893)	795
Income tax paid	(10)	(17)
Net cash inflow/(outflow) from operating activities	**(6,903)**	**779**
Cash flows from investing activities		
Purchases of property and equipment	(98)	(76)
Proceeds from disposal of property and equipment and intangible assets	20	48
Purchases of intangible assets	(71)	(92)
Proceeds from disposal of assets held for sale other than loans and advances to customers	300	3
Purchases of financial assets at FVTOCI	(2,001)	(2,238)
Proceeds from disposal of financial assets at FVTOCI	2,656	1,774
Interest received on financial assets at FVTOCI	36	13
Acquisition of subsidiaries net of cash and cash equivalents	(102)	(116)
Proceeds from disposal of subsidiaries, net of cash and cash equivalents disposed	7	34
Acquisition, establishment and participation in share capital increases of associates and joint ventures	-	(121)
Proceeds from disposal of associates and share capital decreases	8	54
Dividends received	8	19
Net cash inflow/(outflow) from investing activities	**763**	**(698)**
Cash flows from financing activities		
Repayment of AT 1 capital instrument	(53)	(53)
Proceeds from issue of debt securities in issue and other borrowed funds	346	992
Repayment of debt securities in issue and other borrowed funds	(470)	-
Interest paid on debt securities in issue and other borrowed funds	(91)	(91)
Proceeds from sales of treasury shares	26	65
Purchases of treasury shares	(25)	(83)
Repayments of lease liabilities	(26)	(44)
Net cash inflow/(outflow) from financing activities	**(292)**	**786**
Effect of exchange rate changes on cash and cash equivalents	(35)	(26)
Net increase/(decrease) in cash and cash equivalents (A)	**(6,467)**	**841**
Cash and cash equivalents at the beginning of the year (B)	**15,868**	**9,401**
Cash and cash equivalents at the end of the year (A)+(B)	**9,401**	**10,242**

Source: 2023 Annual Financial Statements.

Statement of changes in equity

(€ in millions)	Share Capital	Share Premium	Other equity instruments	Treasury shares	Currency translation reserve	Cash flow hedge reserve	Reserve from financial assets at FVTOCI	Property revaluation reserve	Other reserves	Non-taxed reserves	Retained earnings	Total	Non-controlling interest	Total
				Attributable to equity shareholders of the parent entity										
Opening balance as at 1 January 2022..	**1,188**	**18,112**	**600**	**(2)**	**(54)**	**-**	**144**	**-**	**118**	**351**	**(14,669)**	**5,787**	**15**	**5,803**
Reclassification due to change in the presentation of non-taxed reserves[(1)]................................	-	-	-	-	-	-	-	-	-	37	(37)	-	-	-
Opening balance as at 1 January 2022 (as reclassified)[(1)]	**1,188**	**18,112**	**600**	**(2)**	**(54)**	**-**	**144**	**-**	**118**	**388**	**(14,706)**	**5,787**	**15**	**5,803**
Other comprehensive income/(expense), net of tax	-	-	-	-	(9)	-	(106)	7	-	-	7	(101)	-	(101)
Profit/(loss) net of tax for the year	-	-	-	-	-	-	-	-	-	-	949	949	(2)	948
Total comprehensive income/(expense) for the Year	**-**	**-**	**-**	**-**	**(9)**	**-**	**(106)**	**7**	**-**	**-**	**956**	**849**	**(2)**	**847**
Share capital decrease in kind	(25)	-	-	-	-	-	-	-	-	-	-	(25)	-	(25)
Offset of share premium by writing-off accumulated losses	-	(14,557)	-	-	-	-	-	-	-	-	14,557	-	-	-
Payment to the holders of AT1 capital instrument	-	-	-	-	-	-	-	-	-	-	(53)	(53)	-	(53)
(Purchases)/ sales of treasury shares	-	-	-	1	-	-	-	-	-	-	-	1	-	1
Transfer between reserves and retained earnings......................	-	-	-	-	-	-	-	-	1	-	(1)	-	-	-
Transfer of the accumulated reserve from equity securities measured at FVTOCI to retained earnings upon disposal.............	-	-	-	-	-	-	-	-	-	-	(1)	(1)	-	(1)
Disposals and movements in participating interests...............	-	-	-	-	-	-	-	-	(1)	-	(6)	(7)	14	8
Balance as at 31 December 2022	**1,163**	**3,555**	**600**	**-**	**(63)**	**-**	**38**	**7**	**118**	**388**	**747**	**6,553**	**28**	**6,581**
Opening balance as at 1 January 2023..	**1,163**	**3,555**	**600**	**-**	**(63)**	**-**	**38**	**7**	**118**	**388**	**747**	**6,553**	**28**	**6,581**
Other comprehensive income/(expense), net of tax	-	-	-	-	(1)	2	1	2	-	-	(2)	2	-	2
Profit/(loss) net of tax for the year	-	-	-	-	-	-	-	-	-	-	788	788	(2)	786
Total comprehensive income/(expense) for the year	**-**	**-**	**-**	**-**	**(1)**	**2**	**1**	**2**	**-**	**-**	**786**	**790**	**(2)**	**788**
Offset of share premium by writing-off accumulated losses	-	(301)	-	-	-	-	-	-	-	-	301	-	-	-
Payment to the holders of AT1 capital instrument	-	-	-	-	-	-	-	-	-	-	(53)	(53)	-	(53)
(Purchases)/sales of treasury shares	-	-	-	(15)	-	-	-	-	-	-	1	(14)	-	(14)
Non-taxed reserves	-	-	-	-	-	-	-	-	-	23	(23)	-	-	-
Share-based payments.................	-	-	-	-	-	-	-	-	-	-	1	1	-	1
Transfer between reserves and retained earnings......................	-	-	-	-	-	-	-	-	3	-	(3)	-	-	-
Transfer of the accumulated reserve from equity securities measured at FVTOCI to retained earnings upon disposal...................................	-	-	-	-	-	-	-	-	-	-	34	34	-	34
Disposals and movements in participating interests...............	-	-	-	-	-	-	-	-	7	-	(19)	(12)	29	17
Balance as at 31 December 2023	**1,163**	**3,255**	**600**	**(15)**	**(64)**	**2**	**40**	**9**	**127**	**411**	**1,771**	**7,298**	**56**	**7,353**

(1) As of 31 December 2023, the Group has changed the presentation of certain types of reserves after taking into account their nature and purpose in accordance with the applicable legal and tax framework in Greece. In particular, reserves of €37 million, that were formed prior to 2022 and relate mainly to dividends and gains from the sale of participations, formerly classified under retained earnings, are now presented as "Non-taxed reserves". Comparative information has been reclassified to ensure consistency with the aforementioned changes in presentation of non-taxed reserves and retained earnings.

Source: 2023 Annual Financial Statements.

Selected financial ratios and other data

	As at and for the year ended 31 December	
	2022	2023
Basic ratios		
Seasonally adjusted net loans to deposits	61.5%	61.5%
Credit quality ratios and other data		
ECL allowance (grossed up with PPA adjustment and fair value adjustment) (€ millions)...	(1,421)	(819)

	As at and for the year ended 31 December	
	2022	2023
Total gross loans and advances to customers at amortised cost (gross and grossed up with PPA adjustment) (€ millions)	38,787	38,346
Impairment charges (€ millions)	(615)	(559)
Loans and advances to customers at amortised cost (€ millions)	37,367	37,527
Cost of Risk, Organic(1)	0.8%	0.8%
NPEs (€ millions)	2,624	1,329
NPE ratio(2)	6.8%	3.5%
NPE (Cash) Coverage ratio(3)	54.5%	61.6%
Efficiency ratio		
Cost to core income ratio	45.2%	31.1%
Return on investment ratios		
Net interest margin(4)	1.8%	2.7%
Return on average tangible book value normalised(5)	9.1%	16.6%
Return on assets(6)	0.6%	1.3%
CET1 capital ratio	13.04%	13.21%
Total capital ratio	17.82%	17.77%

(1) Impairment charges excluding ECL impairment on loans and advances related to NPE securitisations and sales over net loans seasonally adjusted.

(2) NPEs over gross loans (as defined herein) grossed up with PPA adjustments.

(3) ECL allowance for impairment losses on loans and advances to customers at amortised cost over NPEs.

(4) Net interest margin is net interest income as a percentage of average adjusted total assets.

(5) Normalised net profit (as defined herein) minus AT1 coupon payment over average TBV (as defined herein).

(6) Net profit normalised (as defined herein) over average adjusted total assets.

Source: Data based on the 2023 Annual Financial Statements.

For further information on selected financial ratios (NPEs, NPE ratio, NPE (Cash) Coverage ratio, cost to core income ratio, net interest margin, normalised return on average tangible book value, return on assets, CET1 capital ratio and total capital ratio and organic cost of risk), please see "*Financial Information Concerning the Group's Assets and Liabilities, Financial Position, and Profits and Losses—Alternative Performance Measures*". For further information on ECL allowance and impairment charges, please see "*Financial Information Concerning the Group's Assets and Liabilities, Financial Position, and Profits and Losses—APM Components at Group level*".

7.2.2 *Financial Statements for the Years Ended 31 December 2021 and 2022*

Consolidated income statement

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(€ in millions)	Year ended 31 December 2021 (as reclassified)(1)	2022
Continuing operations:		
Interest and similar income	1,785	1,691
Interest expense and similar charges	(375)	(339)
Net interest income	**1,410**	**1,353**
Fee and commission income	498	508
Fee and commission expense	(106)	(87)
Net fee and commission income	**392**	**421**
Income from non-banking activities	40	64
Dividend income	3	2
Net gains/(losses) from financial instruments measured at FVTPL	85	359
Net gains/(losses) from financial instruments measured at FVTOCI	87	111

(€ in millions)	Year ended 31 December 2021	2022
Net gains/(losses) from derecognition of financial instruments measured at amortised cost	326	(34)
Net gains/(losses) from loss of control over subsidiaries/disposal of associates and joint ventures	184	278
Net other income/(expenses)	(3)	29
Total net income	**2,523**	**2,582**
Staff costs	(405)	(446)
Administrative expenses	(377)	(337)
Depreciation and amortisation	(110)	(106)
Net gain/(losses) from sale of property and equipment and intangible assets	—	(1)
Total operating expenses	**(892)**	**(889)**
Profit before provisions, impairment and other credit-risk related expenses	**1,631**	**1,693**
ECL impairment losses on loans and advances to customers at amortised cost	(4,131)	(472)
Other credit-risk related expenses on loans and advances to customers at amortised cost	(153)	(142)
Impairment (losses)/releases on other assets	2	(47)
ECL impairment (losses)/releases on debt securities measured at FVTOCI	(11)	—
Impairment on subsidiaries and associates	(23)	(2)
Impairment of property and equipment and intangible assets	(13)	(4)
Impairment on debt securities at amortised cost	(19)	(4)
Other provision (charges)/releases	8	(13)
Share of profit of associates and joint ventures	18	29
Profit/(loss) before income tax	**(2,691)**	**1,037**
Income tax benefit/(expense)	(316)	(140)
Profit/(loss) for the year from continuing operations	**(3,007)**	**897**
Discontinued operations:		
Profit/(loss) after income tax from discontinued operations	(7)	51
Profit/(loss) for the year	**(3,014)**	**948**
From continuing operations:		
Profit/(loss) attributable to equity holders of the parent	(3,007)	899
Non-controlling interest	(1)	(2)
From discontinued operations:		
Profit/(loss) attributable to equity holders of the parent	(7)	51
Non-controlling interest	—	—
Earnings/(losses) per share attributable to equity holders of the parent (in euros):		
From continuing operations:		
Basic & diluted	(3.50)	0.72
From discontinued operations:		
Basic & diluted	(0.01)	0.04
Total		
Basic & diluted	(3.51)	0.76

(1) Certain financial information for the year ended 31 December 2021, which is derived from the comparative columns in 2022 Annual Financial Statements, has been reclassified in order to be presented on a comparable basis with financial information for the year ended 31 December 2022. See Note 50 to the 2022 Annual Financial Statements.

Source: 2022 Annual Financial Statements.

Statement of comprehensive income

(€ in millions)	Year ended 31 December 2021	2022
CONTINUING OPERATIONS		
Profit/(loss) for the year (A)	**(3,007)**	**897**
Other comprehensive income/(expenses), net of tax:		
Items that may be reclassified subsequently to profit or loss		
Change in reserve from debt securities measured at FVTOCI	(105)	(129)
Change in currency translation reserve	5	(9)
Items that will not be reclassified subsequently to profit or loss		
Change in reserve from equity instruments measured at FVTOCI	(32)	23
Change in property revaluation reserve	—	7
Change in reserve of actuarial gains/(losses)	—	7
Other comprehensive expense, net of tax (B)	**(132)**	**(101)**
Total comprehensive income/(expense), net of tax (A)+(B)	**(3,140)**	**796**
Attributable to equity holders of the parent	(3,139)	798
Non-controlling interest	(1)	(2)
DISCONTINUED OPERATIONS		
Profit/(loss) for the year	**(7)**	**51**
Total comprehensive income/(expense), net of tax	**(7)**	**51**
Attributable to equity holders of the parent	(7)	51
Non-controlling interest	—	—

Source: 2022 Annual Financial Statements.

Statement of financial position

(€ in millions)	As at 31 December 2021	2022
ASSETS		
Cash and balances with central banks	15,519	9,653
Due from banks	1,344	750
Financial assets at FVTPL	906	548
Financial assets mandatorily measured at FVTPL	205	182
Derivative financial instruments	591	1,830
Reverse repos with customers	—	—
Loans and advances to customers at amortised cost	36,521	37,367
Loans and advances to customers mandatorily measured at FVTPL	77	52
Financial assets measured at FVTOCI	2,366	897
Debt securities at amortised cost	9,200	10,844
Investment property	1,041	1,522
Investments in associated undertakings and joint ventures	630	1,023
Property and equipment	890	728
Intangible assets	267	312
Tax receivables	160	145
Deferred tax assets	6,070	5,974
Other assets	3,453	3,427
Assets held for sale	435	406
Assets from discontinued operations	114	—
Total assets	**79,789**	**75,661**
LIABILITIES		
Due to banks	14,865	6,922

(€ in millions)	As at 31 December 2021	2022
Due to customers	55,442	58,372
Derivative financial instruments	393	656
Debt securities in issue	971	849
Other borrowed funds	935	937
Current income tax liabilities	5	7
Deferred tax liabilities	10	10
Retirement and termination benefit obligations	75	55
Provisions	136	123
Liabilities held for sale	3	2
Other liabilities	1,124	1,147
Liabilities from discontinued operations	28	—
Total liabilities	**73,987**	**69,080**
EQUITY		
Share capital	1,188	1,163
Share premium	18,112	3,555
Other equity instruments	600	600
Less: treasury shares	(2)	—
Other reserves and retained earnings	(14,110)	1,235
Capital and reserves attributable to equity holders of the parent	**5,788**	**6,553**
Non-controlling interest	15	28
Total equity	**5,803**	**6,581**
Total liabilities and equity	**79,789**	**75,661**

Source: 2022 Annual Financial Statements.

Cash flows statement

(€ in millions)	Year ended 31 December 2021 (as reclassified)[(1)]	2022
Cash flows from operating activities		
Profit/(loss) before income tax	(2,697)	1,087
Adjustments to profit/(loss) before income tax		
Add: provisions and impairment	4,189	544
Add: depreciation and amortisation charge	114	108
Add: retirement benefits and cost of voluntary exit scheme	29	62
Net (gain)/losses from valuation of financial instruments measured at FVTPL	(15)	381
Net (gain)/losses from financial instruments measured at FVTOCI	(87)	(111)
(Gains)/losses from investing activities	(210)	(401)
Accrued interest from investing and financing activities	35	71
Cash flows from operating activities before changes in operating assets and liabilities	1,359	1,742
Changes in operating assets and liabilities:		
Net (increase)/decrease in cash and balances with central banks	(1)	(568)
Net (increase)/decrease in financial instruments measured at FVTPL	(353)	403
Net (increase)/decrease in financial assets mandatorily measured at FVTPL	(38)	12
Net (increase)/decrease in debt securities at amortised cost	(4,443)	(2,328)
Net (increase)/decrease in amounts due from banks	(171)	655
Net (increase)/decrease in loans and advances to customers	(1,108)	(1,773)
Net (increase)/decrease in reverse repos with customers	8	—
Net (increase)/decrease in other assets	(159)	133
Net increase/(decrease) in amounts due to banks	3,495	(8,016)
Net increase/(decrease) in amounts due to customers	5,484	2,938

(€ in millions)	Year ended 31 December 2021	2022
Net increase/(decrease) in other liabilities	(69)	(92)
Net cash flow from operating activities before income tax payment	4,004	(6,893)
Income tax paid	(3)	(10)
Net cash inflow/(outflow) from operating activities	**4,001**	**(6,903)**
Cash flows from investing activities		
Purchases of property and equipment	(79)	(98)
Proceeds from disposal of property and equipment and intangible assets	11	20
Purchases of intangible assets	(48)	(71)
Proceeds from disposal of assets held for sale other than loans and advances to customers	—	300
Purchases of financial assets at FVTOCI	(4,471)	(2,001)
Proceeds from disposal of financial assets at FVTOCI	4,862	2,692
Acquisition of subsidiaries net of cash and cash equivalents	2	(102)
Subscription of AT 1 capital instrument	—	—
Proceeds from disposal of subsidiaries, net of cash and cash equivalents disposed	26	7
Acquisition, establishment and participation in share capital increases of associates and joint ventures	(2)	—
Proceeds from disposal of associates	—	8
Dividends received	18	8
Net cash inflow/(outflow) from investing activities	**319**	**763**
Cash flows from financing activities		
Expenses directly attributable to the conversion of CoCos into ordinary shares	(27)	—
Net proceeds from issue of ordinary shares	1,301	—
Proceeds from the issue of AT 1 capital instrument	592	—
Repayment of AT 1 capital instrument	(26)	(53)
Proceeds from issue of debt securities and other borrowed funds	498	346
Repayment of debt securities and other borrowed funds	—	(470)
Interest paid on debt securities and other borrowed funds	(72)	(91)
Proceeds from sales of treasury shares	9	26
Purchases of treasury shares	(10)	(25)
Repayments of lease liabilities	(33)	(26)
Net cash inflow/(outflow) from financing activities	**2,232**	**(292)**
Effect of exchange rate changes on cash and cash equivalents	13	(35)
Net increase/(decrease) in cash and cash equivalents (A)	**6,565**	**(6,467)**
Cash and cash equivalents at the beginning of the year (B)	**9,303**	**15,868**
Cash and cash equivalents at the end of the year (A)+(B)	**15,868**	**9,401**

(1) As of 31 December 2022, the Group has changed the presentation of proceeds from disposal of loan portfolios. In particular, proceeds totalling €216 million have been reclassified from cash flows from investing activities (line item "Proceeds from disposal of assets held for sale") to cash flows from operating activities (line item "Net (increase)/decrease in loans and advances to customers").

Source: 2022 Annual Financial Statements.

Statement of changes in equity

	Attributable to equity shareholders of the parent entity													
(€ in millions)	Share Capital	Share Premium	Contingent Convertible Bonds	Other equity instruments	Treasury shares	Currency Translation Reserve	Reserve from financial assets at FVTOCI	Property revaluation reserve	Other reserves	Non—taxed reserves	Retained earnings	Total	Non-controlling interest	Total
Opening balance as at 1 January 2021	**2,620**	**13,075**	**2,040**	—	**(1)**	**(59)**	**281**	—	**115**	—	**(10,980)**	**7,091**	**106**	**7,197**
Reclassification due to change in the presentation of non-taxed reserves [(1)]	—	—	—	—	—	—	—	—	—	351	(351)	—	—	—
Opening balance as at 1 January 2021 (as reclassified)[(1)]	**2,620**	**13,075**	**2,040**	—	**(1)**	**(59)**	**281**	—	**115**	**351**	**(11,331)**	**7,091**	**106**	**7,197**
Other comprehensive income/(expense), net of tax	—	—	—	—	—	5	(137)	—	—	—	—	(132)	—	(132)
Loss, net of tax for the year	—	—	—	—	—	—	—	—	—	—	(3,014)	(3,014)	(1)	(3,014)
Total comprehensive income/(expense) for the year	—	—	—	—	—	**5**	**(137)**	—	—	—	**(3,014)**	**(3,146)**	**(1)**	**(3,147)**
Conversion of Cocos into ordinary shares	2,366	—	(2,040)	—	—	—	—	—	—	—	(353)	(27)	—	(27)
Share capital increase, net of issue costs	1,200	101	—	—	—	—	—	—	—	—	—	1,301	—	1,301
Reduction of par value per share	(4,936)	4,936	—	—	—	—	—	—	—	—	—	—	—	—
Share capital decrease in kind	(63)	—	—	—	—	—	—	—	—	—	—	(63)	—	(63)

(€ in millions)	Share Capital	Share Premium	Contingent Convertible Bonds	Other equity instruments	Treasury shares	Currency Translation Reserve	Reserve from financial assets at FVTOCI	Property revaluation reserve	Other reserves	Non—taxed reserves	Retained earnings	Total	Non-controlling interest	Total
	Attributable to equity shareholders of the parent entity													
AT1 capital instrument, net of issue costs	—	—	—	600	—	—	—	—	—	—	(8)	592	—	592
Payment to the holders of AT1 capital instrument	—	—	—	—	—	—	—	—	—	—	(26)	(26)	—	(26)
(Purchases)/ sales of treasury shares	—	—	—	—	(1)	—	—	—	—	—	—	(1)	—	(1)
Transfer between reserves and retained earnings	—	—	—	—	—	—	—	—	1	—	(1)	—	—	—
Transfer of the accumulated reserve from equity securities measured at FVTOCI to retained earnings upon disposal	—	—	—	—	—	—	—	—	—	—	62	62	—	62
Disposals and movements in participating interests	—	—	—	—	—	—	—	—	2	—	3	5	(90)	(86)
Balance as at 31 December 2021	**1,188**	**18,112**	**—**	**600**	**(2)**	**(54)**	**144**	**—**	**118**	**351**	**(14,669)**	**5,787**	**15**	**5,803**
Opening balance as at 1 January 2022	**1,188**	**18,112**	**—**	**600**	**(2)**	**(54)**	**144**	**—**	**118**	**351**	**(14,669)**	**5,787**	**15**	**5,803**
Other comprehensive income/(expense), net of tax	—	—	—	—	—	(9)	(106)	7	—	—	7	(101)	—	(101)
Profit/(loss), net of tax for the year	—	—	—	—	—	—	—	—	—	—	949	949	(2)	948
Total comprehensive income/(expense) for the year	**—**	**—**	**—**	**—**	**—**	**(9)**	**(106)**	**7**	**—**	**—**	**956**	**849**	**(2)**	**847**
Share capital decrease in kind	(25)	—	—	—	—	—	—	—	—	—	—	(25)	—	(25)
Offset of share premium by writing-off accumulated losses	—	(14,557)	—	—	—	—	—	—	—	—	14,557	—	—	—
Payment to the holders of AT1 capital instrument	—	—	—	—	—	—	—	—	—	—	(53)	(53)	—	(53)
(Purchases)/ sales of treasury shares	—	—	—	—	1	—	—	—	—	—	—	1	—	1
Transfer between reserves and retained earnings	—	—	—	—	—	—	—	—	1	—	(1)	—	—	—
Transfer of the accumulated reserve from equity securities measured at FVTOCI to retained earnings, upon disposal	—	—	—	—	—	—	—	—	—	—	(1)	(1)	—	(1)
Disposals and movements in participating interests	—	—	—	—	—	—	—	—	(1)	—	(6)	(7)	14	8
Balance as at 31 December 2022	**1,163**	**3,555**	**—**	**600**	**(0)**	**(63)**	**38**	**7**	**118**	**351**	**784**	**6,553**	**28**	**6,581**

(1) As of 31 December 2022, the Group adjusted the presentation of certain types of reserves, considering their nature and purpose in accordance with the applicable legal and tax framework in Greece. Reserves of €351 million mainly relating to dividends and gains from the sale of participations, which were previously included in retained earnings, are presented in the category "non-taxed reserves". Comparative information has been reclassified so as to align with the change in the presentation of non-taxed reserves and retained earnings.

Source: 2022 Annual Financial Statements.

Selected financial ratios and other data

	As at and for the year ended 31 December	
	2021	2022
Basic ratios		
Seasonally adjusted net loans to deposits	63.4%	61.5%
Credit quality ratios and other data		
ECL allowance (grossed up with PPA adjustment and fair value adjustment) (€ millions)	(1,983)	(1,421)
Total gross loans and advances to customers at amortised cost (gross and grossed up with PPA adjustment) (€ millions)	38,492	38,787
Impairment charges (€ millions)	(4,284)	(615)
Loans and advances to customers at amortised cost (€ millions)	36,521	37,367
Cost of Risk, Organic(1)	1.2%	0.8%
NPEs (€ millions)	4,915	2,624
NPE ratio(2)	12.7%	6.8%
NPE (Cash) Coverage ratio(3)	40.3%	54.5%
Efficiency ratio		
Cost to core income ratio	48.1%	45.2%
Return on investment ratios		
Net interest margin(4)	1.9%	1.8%
Return on average tangible book value normalised(5)	3.4%	9.1%
Return on assets(6)	0.2%	0.6%
CET1 capital ratio	11.12%	13.04%
Total capital ratio	15.75%	17.82%

(1) Impairment charges excluding ECL impairment on loans and advances related to NPE securitisations and sales over net loans seasonally adjusted.

(2) NPEs over gross loans (as defined herein) grossed up with PPA adjustments.

(3) ECL allowance for impairment losses on loans and advances to customers at amortised cost over NPEs.

(4) Net interest margin is net interest income as a percentage of average adjusted total assets.

(5) Normalised net profit (as defined herein) minus AT1 coupon payment over average TBV (as defined herein).

(6) Net profit normalised (as defined herein) over average adjusted total assets.

Source: Data based on the 2022 Annual Financial Statements and 2023 Annual Financial Statements.

For further information on selected financial ratios (NPEs, NPE ratio, NPE (Cash) Coverage ratio, cost to core income ratio, net interest margin, normalised return on average tangible book value, return on assets, CET1 capital ratio and total capital ratio and organic cost of risk), please see "*Financial Information Concerning the Group's Assets and Liabilities, Financial Position, and Profits and Losses—Alternative Performance Measures*". For further information on ECL allowance and impairment charges, please see "*Financial Information Concerning the Group's Assets and Liabilities, Financial Position, and Profits and Losses—APM Components at Group level*".

7.3 Recent Developments

On 10 January 2024, Piraeus Holdings issued a €500 million subordinated Tier 2 bond (the "Bond") with a coupon of 7.250%. The Bond has a maturity of 10.25 years and an embedded issuer call option between year 5 and 5.25, with settlement occurring on 17 January 2024. The Bond was listed on the Luxembourg Stock Exchange's Euro MTF market and was rated B1/B by Moody's and Fitch, respectively. In conjunction with the new issuance, Piraeus Holdings announced a cash tender offer on its 9.750% June 2024 non-call subordinated Tier 2 notes. In aggregate, the principal amount of the notes that were validly tendered pursuant to the offer was €294 million. The proceeds of the Bond's issuance have been used to finance the tender offer and for general corporate purposes.

From the end of the reporting period and up to the date of the authorisation of the issuance of the 2023 Annual Financial Statements, Piraeus Bank engaged in additional receiver swaps, in the context of hedging part of its non-maturing deposits ("NMDs") for changes in market interest rates, with a notional amount of €3 billion. As a result, the total nominal value of NMDs currently hedged by the Group is €10 billion.

7.4 Comparability of the Financial Position

In 2023, the Group modified the presentation of derivative financial instruments and their corresponding accruals in the Statement of Financial Position. Previously, the Group did not offset derivative assets and liabilities entered into with a central counterparty clearing member against the margin collateral posted or received. However, the Group revisited its judgment relating to the enforceability of the respective clearing agreements and concluded that the IAS 32 offsetting criteria were met.

In 2023, the Group also presented the carrying amount of derivatives net of accrued interest, which was previously included within the "Other assets" and "Other liabilities" line items. For the year ended 31 December 2023, the Group presents the carrying amount of derivatives on a gross basis, with accrued interest receivable and payable netted off at deal level and classified within line items "Derivative assets" or "Derivative liabilities" based on the classification of each derivative. As at 31 December 2022 and 2023, Piraeus Holdings did not hold any ISDA contracts or similar master netting agreements.

Furthermore, the Group has changed the presentation of financial assets measured at FVTOCI and Debt securities at amortised cost by combining them now into a single line item "Investment securities".

Additionally, the Group changed the presentation of certain types of reserves, after taking into account their nature and purpose in accordance with the applicable legal and tax framework in Greece. In particular, reserves that were formed prior to 2022 and relate mainly to dividends and gains from the sale of participations, formerly classified under retained earnings, are now presented as "Non-taxed reserves". Comparative information has been reclassified within the Statement of Changes in Equity, to ensure consistency with the aforementioned changes in presentation of non-taxed reserves and retained earnings. Piraeus Holdings did not have any corresponding reclassifications for the year 2022.

7.5 Critical Accounting Judgments and Key Sources of Estimation Uncertainty

For information on changes to the Group's critical accounting judgments and key sources of estimation uncertainty during the periods under review, please refer to Note 3 of the Annual Financial Statements.

7.6 Alternative Performance Measures

In addition to the financial information reported under IFRS, the Group presents certain financial metrics as Alternative Performance Measures ("APMs"), aligning with the guidelines issued by the ESMA on 5 October 2015, which have been in force since July 3, 2016. According to the ESMA's definition, an APM is a measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial framework. These measures are not required by, nor are they recognised under or presented in accordance with, IFRS or accounting principles generally accepted in Greece.

The below APMs provide a basis for monitoring the Group's periodic financial performance and results of operations through metrics which, although they are commonly used to convey the management's view to the end user, they are not explicitly defined under IFRS. These APMs are intended to provide investors and the Group's management with additional information to assist them in evaluating the Group's financial position and performance.

The Group uses APMs in the context of making decisions regarding its financial, operational and strategic planning, as well as for the evaluation and publication of its performance. These APMs should be considered as supplemental in nature and not as a substitute to the IFRS measures. They are not always comparable with measures used by other companies.

Below the Group presents the tables including APM indicators calculated pursuant to its audited consolidated financial statements as at and for the years ended 31 December 2021, 2022 and 2023.

APM	**APM Definition - Calculation**	**As at and for the year ended 31 December 2021[(1)]**	**As at and for the year ended 31 December 2022[(1) (2)]**	**As at and for the year ended 31 December 2023**
Cost of Risk, organic	Impairment charges (as defined herein) excluding (-) ECL impairment on loans and advances related to NPE securitizations and sales (/) Net loans seasonally adjusted (as defined herein). Relevance of use: asset quality metric	1.2%	0.8%	0.8%
Cost-to-core income ratio	Recurring Operating expenses (as defined herein) over (/) core income. Core income: net interest income plus (+) net fee and commission income plus (+) income from non-banking activities, including rental income from investment property minus (-) extraordinary net fee and commission income. Extraordinary expenses are defined herein. Relevance of use: efficiency metric.	48.1%	45.2%	31.1%
Financial assets	The sum of financial assets at FVTPL, financial assets mandatorily measured at FVTPL, loans and advances to customers measured mandatorily at FVTPL, and investment securities. Relevance of use: standard banking terminology.	€12,754 million	€12,523 million	€13,938 million
Loans to deposits ratio (LDR)	Seasonally adjusted net loans (as defined herein) by (/) Deposits (as defined herein). Relevance of use: liquidity metric.	63.4%	61.5%	61.5%

APM	APM Definition - Calculation	As at and for the year ended 31 December 2021[1]	As at and for the year ended 31 December 2022[1] [2]	As at and for the year ended 31 December 2023
Net fee income over assets	Net fee income (NFI) recurring over (/) average total assets adjusted as defined herein (average being balance of fourth quarter of 2020 and balance of fourth quarter of 2021 divided by 2 for 2021 and balance of fourth quarter of 2021 and balance of fourth quarter of 2022 divided by 2 for 2022 and balance of fourth quarter of 2022 and balance of fourth quarter of 2023 divided by 2 for 2023). Net fee income recurring equals Net fee and commission income plus (+) income from non-banking activities (includes also rental income from investment property) minus (-) extraordinary net fee income. Relevance of use: profitability income.	0.5%	0.6%	0.7%
Net interest margin (NIM)	Net interest margin equals net interest income over (/) average total assets adjusted as defined herein (average being balance of fourth quarter of 2020 and balance of fourth quarter of 2021 divided by 2 for 2021 and balance of fourth quarter of 2021 and balance of fourth quarter of 2022 divided by 2 for 2022 and balance of fourth quarter of 2022 and balance of fourth quarter of 2023 divided by 2 for 2023). Relevance of use: profitability metric.	1.9%	1.8%	2.7%
Net profit normalised	Net profit normalised is the profit/(loss) attributable to the equity holders of the parent, minus (-) extraordinary items defined herein, *i.e.*, extraordinary other income, extraordinary expenses and impairment charges on loans and advances related to NPE securitisations and sales, defined at any given period and adjusted for the projected effective corporate tax rate of 2023 at 26%. Adjustment for the effective corporate tax rate as of the second quarter of 2023 has been used for quarters with tax normalisation, based on Piraeus Bank's business plan assumptions for 2023. Relevance of use: profitability metric.	€190 million	€531 million	€1,047 million

APM	APM Definition - Calculation	As at and for the year ended 31 December 2021[(1)]	As at and for the year ended 31 December 2022[(1) (2)]	As at and for the year ended 31 December 2023
Non-performing exposures ("NPEs")	On balance sheet credit exposures before ECL allowance for impairment on loans and advances to customers at amortised cost that include: (a) loans measured at amortised cost classified in stage 3; plus (+) (b) purchased or originated credit impaired (POCI) loans measured at amortised cost that continue to be credit impaired as of the end of the reporting period; plus (+) (c) loans to customers mandatorily measured at fair value through profit or loss that are credit impaired as of the end of the reporting period. Relevance of use: asset quality – credit risk metric.	€4,915 million	€2,624 million	€1,329 million
NPE ratio	NPEs over (/) gross loans (as defined herein). Relevance of use: asset quality – credit risk metric.	12.7%	6.8%	3.5%
NPE (cash) coverage ratio	ECL allowance for impairment losses on loans and advances to customers at amortised cost over (/) NPEs. Relevance of use: asset quality – credit risk metric	40.3%	54.5%	61.6%
Other assets	Total Assets minus (-) Net Loans (as defined herein) minus (-) Financial Assets. Relevance of use: standard banking terminology.	€30,514 million	€24,756 million	€24,985 million
Other income	Total net Income minus (-) Net Interest Income minus (-) Net Fee and Commission Income minus (-) Income from non-banking activities, including rental income from investment property. Relevance of use: profitability metric.	€681 million	€744 million	€58 million
Other liabilities	Total Liabilities minus (-) Due to Banks minus (-) Customer Deposits. Relevance of use: standard banking terminology.	€3,680 million	€3,507 million	€4,912 million

APM	APM Definition - Calculation	As at and for the year ended 31 December 2021[(1)]	As at and for the year ended 31 December 2022[(1) (2)]	As at and for the year ended 31 December 2023
Performing exposures	Gross loans (as defined herein) excluding (-) NPEs (as defined herein) excluding (-) senior tranches of NPE securitizations bearing Greek State guarantee under the Hercules scheme excluding (-) OPEKEPE seasonal agri loan. Relevance of use: asset quality – credit risk metric.	€25,956 million	€28,634 million	€30,134 million
Recurring operating expenses	Total operating expenses minus (-) Extraordinary expenses (as defined herein). Relevance of use: efficiency metric.	€(867) million	€(828) million	€(793) million
Return on assets	Normalised net profit (as defined herein) minus (-) AT1 coupon payment over (/) average total assets adjusted (as defined herein) (average of fourth quarter of 2022 and fourth quarter of 2023 for 2023 and average of fourth quarter of 2021 and fourth quarter of 2022 for 2022 and average of fourth quarter of 2021 and fourth quarter of 2020 for 2021). Relevance of use: return obtained on total assets.	0.2%	0.6%	1.3%
Return on average Tangible Book Value (RoaTBV) normalised	Net profit normalised (as defined herein) minus (-) AT1 coupon payment over (/) average Tangible Book Value ("TBV") (average of fourth quarter of 2022 and fourth quarter of 2023 for 2023 and average of fourth quarter of 2021 and fourth quarter of 2022 for 2022 and average of fourth quarter of 2021 and fourth quarter of 2020 for 2021). TBV equals capital and reserves attributable to equity holders of the parent company excluding other equity instruments, *i.e.*, AT1 capital and intangible assets. Relevance of use: efficiency metric.	3.4%	9.1%	16.6%

APM	APM Definition - Calculation	As at and for the year ended 31 December 2021(1)	As at and for the year ended 31 December 2022(1) (2)	As at and for the year ended 31 December 2023
Total regulatory capital on a proforma basis (fully loaded)	Total capital, as defined by Regulation (EU) No 575/2013, for 2023 subtracting (-) from the denominator the RWA of Monza, Delta and Solar NPE portfolios, classified as HFS and the capital accretion from the new issuance of Tier 2 in January 24 for 2023; for 2022 subtracting (-) from the denominator the RWA of the Sunrise III and the Solar NPE securitisations; for 2021 subtracting (-) from the denominator the RWA of the Dory shipping NPE portfolio, classified as HFS as at 31 December 2021. Relevance of use: capital position regulatory metric.	13.5%	16.5%	18.2%
CET1 capital ratio (pro forma fully loaded)	CET1 capital, as defined by Regulation (EU) No 575/2013, for 2023 subtracting (-) from the denominator the RWA of Monza, Delta and Solar NPE portfolios, classified as HFS for FY.23; for.2022 subtracting (-) from the denominator the RWA of Sunrise III and Solar NPE securitisations; for 2021 subtracting (-) from the denominator the RWA of the Dory shipping NPE portfolio, classified as HFS as at 31 December 2021. Relevance of use: capital position regulatory metric.	8.7%	11.6%	13.3%

(1) Certain comparative APMs and APMs' components for 2021 and 2022 have been restated to ensure comparability with 2023.

(2) As restated for the projected tax rate of 2023.

Source: Data based on the 2021, 2022 and 2023 Annual Financial Statements.

7.7 APM Components at Group level

The tables below present the APM components included in the Group's annual audited consolidated financial statements as at and for the years ended 31 December 2021, 2022 and 2023.

Balance sheet

APM Component	APM Definition - Calculation	As at 31 December 2021	As at 31 December 2022	As at 31 December 2023
Deposits or Customer Deposits	Due to customers.	€55,442 million	€58,372 million	€59,567 million
ECL allowance grossed up with PPA adjustment and fair value adjustment	ECL allowance (grossed up with PPA adjustment) and fair value adjustment on loans and advances to customers mandatorily measured at FVTPL corresponding to €12	€(1,983) million	€(1,421) million	€(819) million

APM Component	APM Definition - Calculation	As at 31 December 2021	As at 31 December 2022	As at 31 December 2023
	million, €11 million and €0 million for 31 December 2021, 31 December 2022 and 31 December 2023, respectively. Relevance of use: standard banking terminology.			
Gross loans or customer loans	Net loans (as defined hereinunder) plus (+) ECL allowance (grossed up with PPA adjustment). Relevance of use: standard banking terminology.	€38,581 million	€38,850 million	€38,398 million
Net loans	Loans and advances to customers at amortised cost, plus (+) loans and advances to customers mandatorily measured at FVTPL. Relevance of use: standard banking terminology.	€36,598 million	€37,418 million	€37,579 million
Seasonally adjusted net loans	Net loans (as defined herein) minus (-) OPEKEPE seasonal funding facility of €1,474 million as at 31 December 2021, €1,517 million as at 31 December 2022 and €951 million as at 31 December 2023. The OPEKEPE seasonal agri loan refers to the loan facility provided to the beneficiaries related to subsidies by OPEKEPE. Relevance of use: standard banking terminology.	€35,124 million	€35,901 million	€36,629 million
Total assets adjusted	Total assets excluding (-) the seasonal agri loan (OPEKEPE) in December each year. For 31 December 2021 total assets exclude assets from discontinued operations of €114 million. The seasonal agri loan refers to the loan facility provided to the beneficiaries related to subsidies by OPEKEPE, a public sector organization aiming to the prompt distribution of EU subsidies to Greek farmers.	€78,201 million	€73,128 million	€75,500 million

Source: Data based on the 2021, 2022 and 2023 Annual Financial Statements.

Income statement

APM Component	APM Definition - Calculation	Year ended 31 December 2021	Year ended 31 December 2022	Year ended 31 December 2023
Impairment charges	Impairment (losses) on loans and advances to customers at amortised costs plus (+) Other credit-risk related expenses on loans and	€(4,284) million	€(615) million	€(559) million

APM Component	APM Definition - Calculation	Year ended 31 December 2021	Year ended 31 December 2022	Year ended 31 December 2023
	advances to customers at amortised cost. For 2023, (+) loss on option agreement included in other provision charges/(releases). Relevance of use: standard banking terminology.			
Net result/net profit	Profit/(loss) attributable to the equity holders of the parent. Relevance of use: profitability metric.	€(3,007) million	€899 million	€788 million
Extraordinary expenses	Extraordinary expenses include voluntary redundancy costs €25 million for 2021 booked in staff costs. For 2022 they include €57 million voluntary redundancy costs booked in staff costs and €4 million extraordinary depreciation charges related to the carve-out and sale of cards merchant acquiring business unit transaction in the first quarter of 2022 booked in administrative expenses. Extraordinary expenses for 2023 include €62 million voluntary redundancy costs, €4 million for talent retention and €15 million reversal of talent retention accruals due to share buyback and € 4 million subsidies to low compensated employees all booked in staff costs, and €15.5 million donation for extreme weather phenomena booked in general and administrative costs. Relevance of use: efficiency metric.	€(25) million	€(61) million	€(71) million
Extraordinary other income	In 2021, extraordinary other income related to (i) gains from GGB exchange amounting to €221 million and gains from exchange of Italian government bonds of €85 million both booked in gains/(losses) of financial instruments at amortised cost and gains, gain from interest rate derivatives of €81 million booked in net gains/(losses) from financial instruments measured at FVTPL, (ii) recycling of the FVTOCI reserve to income statement following the sale of GGBs amounting to €91 million recognised in net gains/(losses) from financial instruments measured at FVTOCI and (iii) the gain from the partnership for the management of non-core equity participations amounting to €185 million that was booked in net gains/(losses) from loss of control over subsidiaries. In 2022, extraordinary other income related with (i) the gain from the disposal of the	€663 million	€672 million	€0 million

APM Component	APM Definition - Calculation	Year ended 31 December 2021	Year ended 31 December 2022	Year ended 31 December 2023
	merchant acquiring business in the first quarter of 2022, amounting to €282 million booked in trading income; (ii) non-recurring gain from derivatives of €282 million that were booked in net gains/(losses) from financial instruments measured at FVTPL; and (iii) recycling of the FVTOCI reserve to income statement amounting to €109 million, which was recognised in net gains/(losses) from financial instruments measured at FVTOCI. No extraordinary other income was booked in 2023. Relevance of use: profitability metric.			
Extraordinary net fee income	In 2021, extraordinary net fee income included acquiring fees of €39 million related with the cards merchant acquiring business unit that has been carved-out. In 2022, extraordinary net fee income related with acquiring fees of €6 million related with the cards merchant acquiring business unit that has been carved-out, booked in net fee and commission income. No extraordinary net fee income was booked in 2023. Relevance of use: profitability metric.	€39 million	€6 million	€0 million -
Extraordinary share of profit/ (loss) of associates and joint ventures	In 2022, €26 million related with the sale of RES infrastructure booked in net gains from disposal of associates. No extraordinary share of profit/(loss) of associates and joint ventures was booked in 2021 and 2023. Relevance of use: profitability metric.	€0 million	€26 million	€0 million
Extraordinary impairments	In 2021, €3,874 million impairment charges related with the NPE reduction plan. In 2022 and 2023, there were €320 million and €253 million impairment losses, respectively, on loans and advances to customers which relate to NPEs sold in the year or classified in held for sale, in the context of the NPE reduction plan. Relevance of use: standard banking terminology.	€(3,874) million	€(320) million	€(253) million

APM Component	APM Definition - Calculation	Year ended 31 December 2021	Year ended 31 December 2022	Year ended 31 December 2023
Operating Expenses (OpEx)	Total operating expenses. Relevance of use: Efficiency metric.	€(892) million	€(889) million	€(863) million

Source: Data based on the 2021, 2022 and 2023 Annual Financial Statements.

Certain comparative APMs and APM Components have been restated to reflect the reclassifications performed in the Statement of Financial Position during the current period.

7.8 Results of Operations

Results of Operations for the Years Ended 31 December 2021, 2022 and 2023

Total net income

The Group's total net income amounted to €2,607 million for the year ended 31 December 2023 compared to €2,582 million for the year ended 31 December 2022. The increase from 2022 to 2023 was principally the result of increased net interest income, supported by higher interest rates in the loan and bond portfolio that offset higher deposit costs, as well as increased net fee and commission income driven by asset management and credit cards business.

The Group's total net income amounted to €2,582 million for the year ended 31 December 2022 compared to €2,523 million for the year ended 31 December 2021, representing an increase of €59 million or 2%. This increase was primarily influenced by two key factors. Firstly, there was a €94 million year-over-year reduction in interest and similar income, primarily attributed to the decline in NPE-related income. However, this reduction was fully offset by a corresponding increase in gains from the loss of control over subsidiaries and disposal of associates and joint ventures. Secondly, there was a year-over-year decrease of €62 million in realised and unrealised net gains from financial instruments. The increase was also a result of the rise in net fee and commission income, driven by strong performances in various sectors, including loan origination, funds transfers, cards issuance, and rental income.

The following table sets out the breakdown of the Group's total net income for the years ended 31 December 2021, 2022 and 2023.

	Year ended 31 December		
(€ in millions)	**2021**	**2022**	**2023**
	(as reclassified)		
Interest and similar income	1,785	1,691	2,799
Interest expense and similar charges	(375)	(339)	(797)
Net interest income	**1,410**	**1,353**	**2,003**
Fee and commission income	498	508	554
Fee and commission expense	(106)	(87)	(86)
Net fee and commission income	**392**	**421**	**468**
Income from non-banking activities	40	64	79
Dividend income	3	2	1
Net gains/(losses) from financial instruments measured at FVTPL	85	359	23
Net gains/(losses) from financial instruments measured at FVTOCI	87	111	2
Net gains/(losses) from derecognition of financial instruments measured at amortised cost	326	(34)	(1)
Net gains/(losses) from loss of control over subsidiaries/disposal of associates and joint ventures	184	278	32
Net other income/(expenses)	(3)	29	-
Total net income	**2,523**	**2,582**	**2,607**

Source: 2022 Annual Financial Statements and 2023 Annual Financial Statements.

Net interest income

The Group's net interest income increased by 48% to €2,003 million in 2023 from €1,353 million in 2022. The increase in 2023 compared to 2022 was largely attributed to the favourable interest rate environment.

The Group's net interest income decreased by 4% to €1,353 million in 2022 from €1,410 million in 2021. The decrease in 2022 compared to 2021 was largely attributable to the loss of NPE-related income due to the derecognition of NPEs. Excluding interest income relating to NPEs in 2021, net interest income amounted to €1,223 million in 2022, an increase of 23% compared to 2021.

The following table sets out the breakdown of the Group's net interest income for the years ended 31 December 2021, 2022 and 2023.

	Year ended 31 December		
(€ in millions)	**2021**	**2022**	**2023**
Interest and similar income			
Debt securities measured at FVTOCI	47	31	41
Debt securities at amortised cost	87	187	248
Loans and advances to customers at amortised cost and reverse repos	**1,349**	**1,203**	**1,868**
Due from banks	3	7	24
Negative interest from liabilities due to ECB	146	70	-
Negative interest from other interest-bearing liabilities	2	4	-
Other	10	74	375
Total interest income for financial instruments not measured at FVTPL	**1,644**	**1,575**	**2,556**
Financial instruments measured at FVTPL	8	18	34
Derivative financial instruments	133	98	209
Total interest and similar income	**1,785**	**1,691**	**2,799**
Interest expense and similar charges			
Due to customers and repurchase agreements	(40)	(51)	(244)
Debt securities in issue and other borrowed funds	(77)	(96)	(138)
Due to banks	(3)	(15)	(274)
Contribution of Greek Law 128/1975	(59)	(54)	(52)
Negative interest from interest bearing assets	(43)	(38)	-
Other	(3)	(3)	(2)
Total interest expense from financial instruments not measured at FVTPL	**(225)**	**(256)**	**(710)**
Derivative financial instruments	(150)	(82)	(87)
Total interest expense	**(375)**	**(339)**	**(797)**
Net interest income	**1,410**	**1,353**	**2,003**

Source: 2022 Annual Financial Statements and 2023 Annual Financial Statements.

Net fee and commission income

The Group's net fee and commission income increased by 11.2% to €468 million in 2023 from €421 million in 2022. The increase in 2023 compared to 2022 was mainly due to the strong performance of asset management and credit cards business.

The Group's net fee and commission income increased to €421 million in 2022 from €392 million in 2021. The increase in 2022 compared to 2021 was primarily driven by strong performance in loan origination, funds transfers, card business and rental income.

The following table sets out the breakdown of the Group's net fee and commission income for the years ended 31 December 2021, 2022 and 2023.

	Year ended 31 December		
(€ in millions)	**2021**	**2022**	**2023**
	(as reclassified)		
Fee and commission income			
Commercial banking	433	449	481
Investment banking	36	26	29
Asset management	29	33	44
Total fee and commission income	**498**	**508**	**554**
Fee and commission expense			

(€ in millions)	Year ended 31 December 2021	2022	2023
Commercial banking	(99)	(79)	(77)
Investment banking	(6)	(6)	(8)
Asset management	(1)	(1)	(1)
Total fee and commission expense	**(106)**	**(87)**	**(86)**
Net fee and commission income	**392**	**421**	**468**

Source: 2022 Annual Financial Statements and 2023 Annual Financial Statements.

Net other income/(expenses)

The Group's net other income decreased by 100% to nil in 2023 from €29 million in 2022. The decrease in 2023 compared to 2022 was mainly attributable to the net realised result of the sales of investment property and to the fair value changes of said portfolio.

The Group's net other income increased to €29 million in 2022 from €3 million net other expense in 2021. The increase in 2022 compared to 2021 is associated with the fair value increase of investment property.

The following table sets out the breakdown of the Group's net other income/(expense) for the years ended 31 December 2021, 2022 and 2023.

(€ in millions)	Year ended 31 December 2021	2022	2023
	(as reclassified)		
Gains/(losses) from fair value remeasurement of investment property	4	38	21
Other net income/(loss)	(7)	(9)	(21)
Total net other income/(expense)	**(3)**	**29**	**-**

Source: 2022 Annual Financial Statements and 2023 Annual Financial Statements.

Total operating expenses

The Group's total operating expenses decreased by 3% to €863 million in 2023 from €889 million in 2022. The decrease in 2023 compared to 2022 was due to the decrease in administrative expenses, on the back of ongoing cost cutting initiatives and resources optimization, and in spite of inflationary pressures.

The Group's total operating expenses decreased to €889 million in 2022 from €892 million in 2021. The decrease in 2022 compared to 2021 was mainly driven by the Group's cost containment efforts that continued in 2022, notwithstanding inflationary challenges, and resulted in a 11% year-on-year reduction in administrative expenses. The decrease in administrative expenses was partially offset by an increase in staff costs, mainly due to higher voluntary exit scheme costs in 2022 compared to 2021 (€57 million in 2022 compared to €25 million in 2021).

The following table sets out the breakdown of the Group's total operating expenses before provisions for the years ended 31 December 2021, 2022 and 2023.

(€ in millions)	Year ended 31 December 2021	2022	2023
	(as reclassified)		
Staff costs	(405)	(446)	(442)
Administrative expenses	(377)	(337)	(315)
Depreciation and amortisation	(110)	(106)	(106)
Net gain/(losses) from sale of property and equipment and intangible assets	-	(1)	-
Total operating expenses	**(892)**	**(889)**	**(863)**

Source: 2022 Annual Financial Statements and 2023 Annual Financial Statements.

Staff costs

The Group's staff costs decreased by 0.9% to €442 million in 2023 from €446 million in 2022, despite the burden imposed by one-off costs related to the Group's voluntary exit scheme, share buyback accruals expensed for talent retention and a subsidy to low compensated employees.

The Group's staff costs increased to €446 million in 2022 compared to €405 million in 2021. The increase was largely the result of costs associated with the Group's voluntary exit scheme, which was initiated in 2022 as part of the Group's strategic objectives and transformation priorities. As a result, a provision of €57 million was recorded in 2022, contributing to the overall rise in staff costs for the Group. The total number of employees from continuing operations decreased to 8,604 as of 31 December 2022 from 9,270 as of 31 December 2021. Notably, 635 employees opted for voluntary exits in 2022, participating in the exit schemes introduced in 2022 and 2021.

As at 31 December 2022, the Group had a network of 405 branches (389 in Greece and 16 abroad). As at 31 December 2021, the Group had 430 branches (414 in Greece and 16 abroad).

The following table sets out a breakdown of the Group's staff costs for the years ended 31 December 2021, 2022 and 2023.

	Year ended 31 December		
(€ in millions)	**2021**	**2022**	**2023**
Wages and salaries	(291)	(299)	(287)
Social insurance contributions	(56)	(62)	(59)
Other staff costs	(29)	(23)	(25)
Voluntary redundancy costs	(25)	(57)	(62)
Retirement benefit charges	(4)	(5)	(5)
Share based payments (IFRS 2)	-	-	(4)
Total	**(405)**	**(446)**	**(442)**

Source: 2022 Annual Financial Statements and 2023 Annual Financial Statements.

Income tax expense and deferred tax asset

The following table sets out the breakdown of the Group's income tax for the years ended 31 December 2021, 2022 and 2023.

	Year ended 31 December		
(€ in millions)	**2021**	**2022**	**2023**
Current tax expense	(7)	(13)	(23)
Deferred tax benefit/(expense)	(310)	(126)	(269)
Income tax benefit/(expense)	**(316)**	**(140)**	**(292)**

Source: 2022 Annual Financial Statements and 2023 Annual Financial Statements.

As at 31 December 2023, the Group recognised a DTA of €5,703 million (compared to €5,974 million as at 31 December 2022 and €6,070 as at 31 December 2021) and a deferred tax liability of €9 million (compared to €10 million as at 31 December 2022 and €10 million as at 31 December 2021).

Effective as from the tax year 2021 onwards, paragraph 3A of Article 27 of Greek Law 4172/2013 ("ITC") governs the treatment and sequencing of offsetting the debit difference defined in Article 27 of the ITC. As per paragraph 1 of the same article, any outstanding debit difference at the end of the twenty-year amortisation period is classified as a loss and carried forward for a period of five years.

According to Article 82 of Greek Law 4472/2017, credit institutions and other legal entities falling within the provisions of Article 27A of the ITC are required to pay an annual fee of 1.5% on the excess amount guaranteed by the Greek State of deferred tax assets arising from the difference between the tax rate applicable under Greek Law 4334/2015 retrospectively from 1 January 2015 onwards (29%), and the tax rate applicable on 30 June 2015 (26%). The corresponding amount for the Group for the year ended 31 December 2022 and 2021 amounted to €6 million and has been charged within line item "net other income/(expenses)" of the Income Statement.

In 2024, Greece is expected to incorporate into its domestic legislation the Council Directive 2022/2523 ("Pillar II Directive"), in the context of OECD's initiative against the tax base erosion and profit shifting. The Pillar II Directive intends to implement internationally agreed rules and methodology for ensuring minimum effective taxation of corporate profits of large multinational enterprises ("MNEs"). Specifically, all MNEs (having consolidated revenue of over €750 million) shall be subject to an effective tax rate of at least 15% in each jurisdiction in which they are active. The Group anticipates the transposition of the Pillar II Directive in Greece and the countries where the Group operates and has already set-up a relevant project with a view to assessing the impact of the new framework and taking action for its implementation. Based on initial assessments, no significant impact is expected for the Group.

Administrative expenses

The following table sets out the breakdown of the Group's administrative expenses for the years ended 31 December 2021, 2022 and 2023.

Year ended 31 December

(€ in millions)	2021 (as reclassified)	2022	2023
Taxes and duties	(81)	(75)	(71)
Promotion and advertising expenses	(29)	(25)	(28)
Fees and similar expenses	(104)	(69)	(82)
Contributions payable to Deposit Insurance and Resolution Funds	(49)	(59)	(20)
Other administrative expenses	(115)	(109)	(115)
Total	**(377)**	**(337)**	**(315)**

Source: 2022 Annual Financial Statements and 2023 Annual Financial Statements.

The Group's total administrative expenses decreased by 6.5% to €315 million in 2023 from €337 million in 2022, due to ongoing cost-cutting initiatives and resource-optimisation, despite inflationary pressures. The Group's total administrative expenses decreased by 10.6% to €337 million in 2022 from €377 million in 2021. The decrease in 2022 compared to 2021 was similarly a result of the Group's rationalisation efforts that more than offset inflationary pressures.

Depreciation and Amortisation

The Group's depreciation and amortisation mainly consist of charges relating to the Group's own used property, equipment and software. In particular, the Group's depreciation and amortisation remained stable at €106 million in 2023, unchanged from 2022. The Group's depreciation and amortisation stood at €106 million in 2022 compared to €110 million in 2021, practically stable year over year.

Profit/(loss) for the period from continuing operations

In 2023, the Group generated a profit attributable to equity holders of the parent entity from continuing operations of €788 million.

In 2022, the Group generated a profit attributable to equity holders of the parent entity from continuing operations of €899 million.

In 2021, the Group generated a loss attributable to equity holders of the parent entity from continuing operations of €3,007 million, primarily due to the extensive NPE clean-up undertaken. This initiative necessitated the booking of significant impairment charges throughout the year.

Profit/(loss) for the period from discontinued operations

There was no profit or loss from discontinued operations for the year ended 31 December 2023.

The profit or loss from discontinued operations for the years ended 31 December 2022 and 2021, comprised solely of IMITHEA Single Member S.A.

The following table sets out the breakdown of the Group's results of discontinued operations for the years ended 31 December 2021 and 2022.

	Year ended 31 December	
(€ in millions)	2021	2022
Gain from loss of control over subsidiaries	-	55
Net other income	39	29
Total net income	**39**	**84**
Staff costs	(27)	(19)
Administrative expenses	(13)	(11)
Depreciation and amortisation	(4)	(3)
Total operating expenses	**(44)**	**(33)**
Profit/(loss) before provisions, impairment and other credit-risk related expenses	(5)	52
Provisions and impairment losses	(1)	(1)
Profit/(loss) before income tax	(6)	51
Income tax expense	(1)	-
Profit/(loss) after income tax from discontinued operations	**(7)**	**51**

Source: 2022 Annual Financial Statements and 2023 Annual Financial Statements.

Segment analysis

The following tables present the Group's operating results and other financial information per business segment for the years ended 31 December 2021, 2022 and 2023. For a description of the business segments of the Group, see "*—Business segments*" in Section 3 "*Information About Piraeus Holdings and the Selling Shareholder*".

Year ended 31 December 2021
(as reclassified)

	Core Segments						
(€ in millions)	**Retail Banking**	**Corporate Banking**	**PFM**	**Other**	**Total**	**NPEMU**	**Group**
Net interest income	430	454	142	166	1,193	217	1,410
Net fee and commission income	219	150	6	4	379	13	392
Income from non-banking activities	—	—	—	31	31	9	40
Net gain/(losses) from derecognition of financial instruments measured at amortised cost	—	8	323	2	334	(8)	326
Net other income/(expenses)	6	4	163	180	352	4	355
Total Net Income	**655**	**616**	**634**	**383**	**2,288**	**235**	**2,523**
Total operating expenses	(447)	(169)	(46)	(146)	(808)	(84)	(892)
Profit/(loss) before provisions, impairment and other credit-risk related expenses	**207**	**448**	**588**	**237**	**1,480**	**151**	**1,631**
ECL impairment (losses)/releases on loans and advances to customers at amortised cost	(253)	(13)	(1)	4	(263)	(3,869)	(4,131)
Other credit-risk related expenses on loans and advances to customers at amortised cost	(42)	(9)	—	(5)	(55)	(98)	(153)
Impairment (losses)/releases on other assets	—	—	—	(4)	(4)	6	2
ECL impairment (losses) / releases on debt securities measured at FVTOCI	—	—	(11)	—	(11)	—	(11)
Impairment on subsidiaries and associates	—	—	—	(23)	(23)	—	(23)
Impairment of property and equipment and intangible assets	—	—	—	(13)	(13)	—	(13)
Impairment on debt securities at amortised cost	—	—	(19)	—	(19)	—	(19)
Other provision (charges)/releases	(3)	(1)	—	12	8	—	8
Share of profit/(loss) of associates and joint ventures	—	—	—	18	18	—	18
Profit/(loss) before income tax	**(91)**	**424**	**557**	**227**	**1,118**	**(3,810)**	**(2,691)**
Income tax benefit/(expense)	—	—	—	—	—	—	(316)
Profit/(loss) for the year from continuing operations	—	—	—	—	—	—	**(3,007)**
Profit/(loss) after income tax from discontinued operations	—	—	—	(7)	(7)	—	(7)
Profit/(loss) for the year	—	—	—	—	—	—	**(3,014)**
As at 31 December 2021							
Total assets from continuing operations (excluding assets held for sale)	9,584	17,595	29,138	13,439	69,756	9,484	79,240
Total assets from discontinued operations	—	—	—	114	114	—	114
Asset held for sale	7	7	—	33	47	388	435
Total assets	9,591	17,602	29,138	13,586	69,917	9,872	79,789
Total liabilities	40,057	12,636	16,199	4,719	73,611	376	73,987

Source: 2022 Annual Financial Statements.

Year ended 31 December 2022
(as reclassified) [(1)(2)]

	Core Segments						
(€ in millions)	**Retail Banking**	**Corporate Banking**	**PFM**	**Other**	**Total**	**NPEMU**	**Group**
Net interest income	536	442	245	162	1,384	(32)	1,353
Net fee and commission income	226	168	8	14	415	6	421
Income from non-banking activities	—	—	—	58	58	6	64

Net gain/(losses) from derecognition of financial instruments measured at amortised cost	—	—	(17)	1	(16)	(18)	(34)
Net other income/(expenses)	282	—	506	(10)	779	—	779
Total net income	**1,044**	**610**	**742**	**225**	**2,620**	**(39)**	**2,582**
Total operating expenses	(483)	(188)	(60)	(105)	(836)	(53)	(889)
Profit/(loss) before provisions, impairment and other credit-risk related expenses	**561**	**421**	**683**	**119**	**1,785**	**(92)**	**1,693**
ECL impairment (losses)/releases on loans and advances to customers at amortised cost	12	89	1	(8)	95	(567)	(472)
Other credit-risk related expenses on loans and advances to customers at amortised cost	(28)	(33)	—	(1)	(63)	(80)	(142)
Impairment (losses)/releases on other assets	—	—	—	(47)	(47)	—	(47)
Impairment on subsidiaries and associates	—	—	—	(2)	(2)	—	(2)
Impairment of property and equipment and intangible assets	—	—	—	(4)	(4)	—	(4)
Impairment on debt securities at amortised cost	—	—	(4)	—	(4)	—	(4)
Other provision (charges)/releases	2	4	—	(17)	(12)	(1)	(13)
Share of profit/(loss) of associates and joint ventures	—	—	—	6	6	23	29
Profit/(loss) before income tax	**547**	**482**	**680**	**45**	**1,753**	**(717)**	**1,037**
Income tax benefit/(expense)	—	—	—	—	—	—	**(140)**
Profit/(loss) for the year from continuing operations	—	—	—	—	—	—	**897**
Profit/(loss) after income tax from discontinued operations	—	—	—	51	51	—	51
Profit/(loss) for the year	—	—	—	—	—	—	**948**
As at 31 December 2022							
Total assets from continuing operations (excluding assets held for sale and investments in associated undertakings and joint ventures)	12,037	21,817	24,371	6,331	64,556	8,660	**73,216**
Asset held for sale	4	12	—	17	33	373	**406**
Investments in associated undertakings and joint ventures	—	—	—	54	54	969	**1,023**
Total assets	12,042	21,829	24,371	6,401	64,643	10,002	**74,645**
Total liabilities	42,791	14,319	7,341	3,141	67,593	472	**68,064**

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

(2) As at 31 December 2023, the Group offset derivative assets and liabilities entered into with a central counterparty clearing member against the margin collateral posted or received and reclassified accordingly the comparatives. The reportable segment affected from the said offsetting is PFM.

Source: 2023 Annual Financial Statements.

Year ended 31 December 2023

	Core Segments						
(€ in millions)	**Retail Banking**	**Corporate Banking**	**PFM**	**Other**	**Total**	**NPEMU**	**Group**
Net interest income	961	615	401	46	2,022	(20)	2,003
Net fee and commission income	244	188	9	21	462	6	468
Income from non-banking activities	—	—	—	73	73	5	79
Net gain/(losses) from derecognition of financial instruments measured at amortised cost	(1)	2	(2)	-	(1)	(1)	(1)
Net other income/(expenses)	(2)	2	38	(4)	33	26	59
Total net income	**1,202**	**807**	**447**	**135**	**2,590**	**17**	**2,607**
Total operating expenses	(480)	(189)	(47)	(98)	(815)	(48)	(863)
Profit/(loss) before provisions, impairment and other credit-risk related expenses	**721**	**617**	**399**	**37**	**1,775**	**(31)**	**1,744**

ECL impairment (losses)/releases on loans and advances to customers at amortised cost	(4)	(76)	—	(3)	(84)	(320)	(404)
Other credit-risk related expenses on loans and advances to customers at amortised cost	(31)	(47)	—	—	(78)	(58)	(136)
Impairment (losses)/releases on other assets	—	—	—	(52)	(52)	—	(52)
Impairment on subsidiaries and associates	—	—	—	(1)	(1)	—	(1)
Impairment of property and equipment and intangible assets	—	—	—	(8)	(8)	(21)	(29)
Impairment on debt securities at amortised cost	—	—	9	—	9	—	9
Other provision charges/releases	1	(1)	—	(35)	(35)	(4)	(38)
Share of profit/(loss) of associates and joint ventures	—	—	—	(2)	(2)	(14)	(15)
Profit/(loss) before income tax	**687**	**494**	**408**	**(63)**	**1,526**	**(447)**	**1,078**
Income tax benefit/(expense)	—	—	—	—	—	—	(292)
Profit/(loss) for the year from continuing operations	—	—	—	—	—	—	**786**
Profit/(loss) for the year	—	—	—	—	—	—	**786**
As at 31 December 2023							
Total assets from continuing operations (excluding assets held for sale and investments in associated undertakings and joint ventures)	11,953	22,724	26,091	6,526	67,294	7,660	**74,955**
Asset held for sale	1	4	—	—	5	236	**241**
Investments in associated undertakings and joint ventures	—	—	—	37	37	1,218	**1,255**
Total assets	11,955	22,727	26,091	6,563	67,337	9,114	**76,450**
Total liabilities	44,842	14,585	5,954	3,202	68,583	514	**69,097**

Source: 2023 Annual Financial Statements.

The Group's net interest income in retail banking increased by 79% to €961 million in 2023 from €536 million in 2022. The increase in 2023 compared to 2022 was attributable to higher interest rates and low cost of deposits. The Group's net interest income in retail banking increased by 25% to €536 million in 2022 from €430 million in 2021. The increase in 2022 compared to 2021 was primarily due to higher interest rates.

The Group's net fee and commission income in retail banking increased by 8% to €244 million in 2023 from €226 million in 2022. The increase in 2023 compared to 2022 was a result of the Group's ongoing focus on asset management activities through the creation of a new strategic pillar, with the increase in this business being €9 million, i.e., 35%. The increase in net fee and commission income in 2023 compared to 2022 was also attributable to the Group's focus on bancassurance products (increase by €5.7 million or 18%) and strategic partnerships relating to card issuance, while the growing card usage in the wider context of the digital transformation of the Greek economy also played a role (increase amounting to €9.4 million or 42%). The Group's net fee and commission income in retail banking increased by 3% to €226 million in 2022 from €219 million in 2021. The increase in 2022 compared to 2021 was mainly because of the strategic focus in asset management, the higher transactional fees on the back of economic growth and the higher tourism activity.

The Group's net interest income in corporate banking increased by 39% to €615 million in 2023 from €442 million in 2022. The increase in 2023 compared to 2022 was a result of the significant net credit expansion (amounting to €1.6 billion through the utilisation of RRF funds), the upgrade of the credit rating of the Greek economy to investment grade and the increase of interest rates. The Group's net interest income in corporate banking decreased by 3% to €442 million in 2022 from €454 million in 2021. The decrease in 2022 compared to 2021 was primarily due to the forgone income from NPEs that were removed from the balance sheet during the NPE clean-up exercise.

The Group's net fee and commission income in corporate banking increased by 12% to €188 million in 2023 from €168 million in 2022. The increase in 2023 compared to 2022 was mainly driven by loan and letter of guarantee activity and funds transfers, backed by an increase in international and domestic investment, while it was also influenced by the strong expansion of the tourism sector and export growth. The Group's net fee and commission income in corporate banking increased by 12% to €168 million in 2022 from €150 million in 2021. The increase in 2022 compared to 2021 was mainly because of new loan origination accompanied by higher fees.

7.9 Cash Flow Analysis

The following table provides a summary of the Group's cash flows for the years ended 31 December 2021, 2022 and 2023.

	Year ended 31 December		
(€ in millions)	**2021**	**2022**	**2023**
Net cash inflow/(outflow) from operating activities	4,001	(6,903)	779
Net cash inflow/(outflow) from investing activities	319	763	(698)
Net cash inflow/(outflow) from financing activities	2,232	(292)	786
Effect of foreign exchange rate changes on cash and cash equivalents	13	(35)	(26)
Net increase/(decrease) in cash and cash equivalents	**6,565**	**(6,467)**	**841**
Cash and cash equivalents at the beginning of the year	**9,303**	**15,868**	**9,401**
Cash and cash equivalents at the end of the year	**15,868**	**9,401**	**10,242**

Source: 2022 Annual Financial Statements and 2023 Annual Financial Statements.

Net cash inflow/(outflow) from operating activities

Net cash inflows from operating activities amounted to €779 million for the year ended 31 December 2023, compared to net cash outflows from operating activities of €6,903 million for the year ended 31 December 2022. This decrease is primarily attributable to the decrease in amounts due to banks resulting from the repayment of €2.0 billion TLTROs during the year, compared to the repayment of TLTROs of €9.0 billion in 2022.

Net cash outflows from operating activities increased by €10,904 million for the year ended 31 December 2022, from inflows of €4,001 million in the year ended 31 December 2021. This increase was mainly a result of net decrease in the amounts due to banks in 2022.

Net cash (used in)/provided by investing activities

Net cash used in investing activities amounted to €698 million in the year ended 31 December 2023, compared to €763 million provided by investing activities in the year ended 31 December 2022. This was primarily due to net purchases of financial assets at FVTOCI in 2023 and net proceeds from disposal of financial assets at FVTOCI in 2022.

Net cash provided by investing activities increased by €444 million to €763 million in the year ended 31 December 2022, from €319 million in the year ended 31 December 2021, primarily because of proceeds from disposal of assets held for sale other than loans and advances to customers in 2022.

Net cash from/(for) financing activities

Net cash from financing activities increased to €786 million in the year ended 31 December 2023, from net cash outflows for financing activities of €292 million in the year ended 31 December 2022, largely as a result of proceeds from the issuance of debt securities in 2023.

Net cash for financing activities amounted to €292 million in the year ended 31 December 2022, compared to net cash from financing activities of €2,232 million in the year ended 31 December 2021, primarily resulting from the repayment of €470 million of debt securities and other borrowed funds in 2022, the proceeds of €1,301 million from the issuance of €1,200 million of new ordinary shares in 2021 and the issuance of €592 million of AT 1 capital instrument in 2021.

7.10 Financial Position

As at 31 December 2023, the Group's total assets amounted to €76,450 million compared to €74,645 million as at 31 December 2022. The increase by €1,805 million as at 31 December 2023 was associated with the improved liquidity position of the Group, despite the repayment of a €2 billion tranche of TLTRO III facility, and with the acquisition of debt securities. As at 31 December 2022, the Group's total assets amounted to €74,645 million compared to €79,789 million as at 31 December 2021. The 6.5% decline as at 31 December 2022 was primarily driven by the decrease of cash with central banks due to the repayment of €9 billion of the TLTRO facility, as a result of ECB's decision in its 27 October 2022 meeting to recalibrate the TLTRO III terms.

Total gross loans and advances to customers at amortised cost as at 31 December 2023 amounted to €38,346 million. The Group's total deposits amounted to €59,567 million as at 31 December 2023, and the Group's deposits in Greece represent 28% of the Greek banking market. The Group's total equity as at 31 December 2023 amounted to €7,353 million.

Total gross loans and advances to customers at amortised cost as at 31 December 2022 amounted to €38,787 million. The Group's total deposits amounted to €58,372 million as at 31 December 2022, and the Group's deposits in Greece represented 28% of the Greek banking market. The Group's total equity as at 31 December 2022 amounted to €6,581 million.

Total gross loans and advances to customers at amortised cost as at 31 December 2021 amounted to €38,492 million. The Group's total deposits amounted to €55,442 million as at 31 December 2021, and the Group's deposits in Greece represented 28.8% of the Greek banking market. The Group's total equity as at 31 December 2021 amounted to €5,803 million.

Loans and advances to customers at amortised cost and debt securities at amortised cost (net of ECL allowance)

The balance of the Group's loans and advances to customers at amortised cost net of ECL allowance amounted to €37,527 million as at 31 December 2023 compared to €37,367 million as at 31 December 2022. The increase in the balance of the Group's loans and advances to customers at amortised cost net of ECL allowance between 2022 and 2023 was due to positive net credit expansion achieved during 2023.

The balance of the Group's loans and advances to customers at amortised cost net of ECL allowance amounted to €37,367 million as at 31 December 2022 compared to €36,521 million as at 31 December 2021. The increase in the balance of the Group's loans and advances to customers at amortized cost, net of ECL allowance, between 2021 and 2022 was primarily attributable to a €2.7 billion growth in the performing loan book. This growth occurred despite the reduction in NPEs from €4.9 billion as of 31 December 2021 to €2.6 billion by the end of 2022 due to NPE securitisations and sales.

New loan disbursements in 2023 amounted to €9.5 billion, in 2022 amounted to €8.4 billion and in 2021 amounted to €6.5 billion.

The following table presents the Group's loans and advances to customers at amortised cost (grossed up with PPA adjustment) as at 31 December 2021, 2022 and 2023:

	As at 31 December		
(€ in millions)	**2021**	**2022**	**2023**
Loans and advances to customers at amortised cost (grossed up at PPA adjustment)			
Mortgages	7,195	6,879	6,454
Consumer/personal and other loans	1,503	1,410	1,224
Credit cards	491	485	437
Retail lending	**9,189**	**8,774**	**8,115**
Corporate and public sector lending	**29,303**	**30,013**	**30,231**
Total gross loans and advances to customers at amortised cost (gross and grossed up at PPA adjustment)	**38,492**	**38,787**	**38,346**
Less: ECL allowance	(1,971)	(1,421)	(819)
Total loans and advances to customers at amortised cost (net of ECL allowance)	**36,521**	**37,367**	**37,527**

Source: 2022 Annual Financial Statements and 2023 Annual Financial Statements.

The Group's loans and advances to customers at amortised cost net of ECL allowance (grossed up at PPA adjustment) were €37,527 million as at 31 December 2023, €37,367 million as at 31 December 2022 and €36,521 million as at 31 December 2021.

The Group's total corporate and public sector portfolio amounted to €30,231 million as at 31 December 2023, €30,013 million as at 31 December 2022 and €29,303 million as at 31 December 2021, representing 78.9%, 77.4% and 76.1%, respectively, of the Group's total gross loans and advances to customers at amortised cost (gross and grossed up at PPA adjustment).

The Group's total mortgage portfolio amounted to €6,454 million as at 31 December 2023, €6,879 million as at 31 December 2022 and €7,195 million as at 31 December 2021, representing 16.8%, 17.7% and 18.7%, respectively, of the Group's total gross loans and advances to customers at amortised cost (gross and grossed up at PPA adjustment).

The Group's total consumer/personal and other loans and credit cards portfolio amounted to €1,661 million as at 31 December 2023, €1,895 million as at 31 December 2022 and €1,994 million as at 31 December 2021, representing 4.3%, 4.9% and 5.2%, respectively, of the Group's total gross loans and advances to customers at amortised cost (gross and grossed up at PPA adjustment).

As at 31 December 2023, the Group's ratio of seasonally adjusted net loans to deposits was 61.5%, unchanged from 61.5% as at 31 December 2022 and decreased compared to 63.4% as at 31 December 2021 (excluding the OPEKEPE seasonal funding facility).

Non-performing exposures

The Group's NPEs as at 31 December 2023 were €1,329 million, compared to €2,624 million as at 31 December 2022. The decrease in NPEs as at 31 December 2023 compared to 31 December 2022 was mainly due to the execution of the Group's clean-up plan and organic reduction. The Group's NPEs, as at 31 December 2023 comprised €1,011 million of corporate loans, €251 million of mortgages and €67 million of consumer/personal and other loans.

The Group's NPEs as at 31 December 2022 were €2,624 million, compared to €4,915 million as at 31 December 2021. The decrease in NPEs as at 31 December 2022 compared to 31 December 2021 was mainly due to the Group's continuous efforts to improve its asset quality, mainly through the utilisation of the HAPS NPE securitisations.

The NPE ratio amounted to 3.5% as at 31 December 2023 compared to 6.8% as at 31 December 2022 and 12.7% as at 31 December 2021.

The Group's NPE (cash) coverage ratio was 61.6% as at 31 December 2023, 54.5% as at 31 December 2022 and 40.3% as at 31 December 2021.

Due to customers (deposits)

The Group's due to customers amounted to €59,567 million as at 31 December 2023 compared to €58,372 million as at 31 December 2022. The increase in due to customers as at 31 December 2023 compared to 31 December 2022 is mainly attributed to inflows from retail customers and is specifically related to term deposits, in line with market dynamics.

The Group's due to customers amounted to €58,372 million as at 31 December 2022 compared to €55,442 million as at 31 December 2021. The increase in due to customers as at 31 December 2022 compared to 31 December 2021 was mainly driven by deposit inflows both from corporate and retail customers. This increase resulted from strong economic activity, including record tourism revenue for the country, net credit expansion, as well as income supporting measures to mitigate the impact of high energy prices on households.

The Group's due to customers as at 31 December 2021, 2022 and 2023 is presented below:

	As at 31 December		
(€ in millions)	**2021**	**2022**	**2023**
Corporate			
Current and sight deposits	14,231	14,101	13,593
Term deposits	2,105	3,120	3,543
Blocked deposits, guarantee deposits and other accounts	283	324	399
Total (A)	**16,618**	**17,545**	17,536
Retail			
Current and sight deposits	6,238	7,672	7,765
Savings accounts	24,322	25,795	24,184
Term deposits	8,186	7,210	9,962
Blocked deposits, guarantee deposits and other accounts	44	39	40
Total (B)	**38,791**	**40,717**	**41,952**
Cheques payable and remittances (C)	**32**	**110**	**79**
Total due to customers (A)+(B)+(C)	**55,442**	**58,372**	**59,567**

Source: 2022 Annual Financial Statements and 2023 Annual Financial Statements.

7.11 Capital and Capital Adequacy

For information on the Group's capital and capital adequacy, see Section 11 "Information on the Capital of the Group".

7.12 Liquidity and Capital Resources

The Group's principal sources of liquidity are its customer deposits, Eurosystem funding (currently via the TLTROs with the ECB), repurchase agreements with major financial institutions and wholesale funding through the issuance of MREL-eligible senior unsecured debt, as well as Tier 2 debt. ECB funding and repurchase agreements with financial institutions are collateralised mainly by high quality liquid assets, such as, EU sovereign bonds, GGBs and treasury bills, as well as by other assets, such as highly rated corporate loans and own issued covered bonds.

Customer deposits are the Group's main funding source. These reached a historical high in late-December 2023, amounting to €59.6 billion, marking an increase of 2% both year-over-year and quarter-on-quarter. Deposit cost picked up slightly, reaching 51 basis points in the fourth quarter of 2023, compared to 14 basis points in the fourth quarter of 2022 and 47 basis points in the third quarter of 2023. As of the date of this Prospectus, the cost for new time deposits is approximately 2.5%, while the share of term deposits to total deposits was 23% as at 31 December 2023.

Following the repayment of €2 billion of TLTRO funding in December 2023, the Group's funding under TLTRO auctions amounted to €3.5 billion at 31 December 2023, compared to €5.5 billion at 31 December 2022. Regarding the maturity profile of the TLTRO funding, an amount of €3.5 billion matures in 2024. The Group's Liquidity Coverage Ratio (LCR) remained at the very satisfactory level of 241%, while NSFR stood at a healthy 133% at the end December 2023. Strong liquidity profile is also reflected on the Group's net loan-to-deposit ratio, standing at 61.2% at the end of December 2023, while the two €500 million senior preferred bonds issued in July 2023 and November 2023, also contributed to the improvement of the Group's funding mix.

Loans to deposits ratio

The loans to deposits ratio is calculated by dividing the net loans as of the fourth quarter of 2023, *i.e.*, loans and advances to customers at amortised cost including loans and advances to customers measured at fair value through profit or loss (as in Group's annual statement of financial position) over the deposits (corresponds to "Due to customers" in the Group's annual statement of financial position). The following table presents the loans to deposits ratio on a consolidated basis as at 31 December 2021, 2022 and 2023:

	As at 31 December		
(€ in millions)	**2021**	**2022**	**2023**
Loans and advances to customers at amortised cost (net of ECL allowance)	36,521	37,367	37,527
Due to customers	55,442	58,372	59,567
% Loans to deposits	**65.9%**	**64.0%**	**63.0%**
—excluding the OPEKEPE seasonal funding facility	63.4%	61.4%	61.4%

Source: 2022 Annual Financial Statements, 2023 Annual Financial Statements and internal management accounts.

Debt securities in issue and other borrowed funds

The major debt securities in issue as at 31 December 2023, were as follows:

Issuer	**Type**	**Issue date**	**Maturity date**	**Call date**	**Currency**	**Nominal amount in EUR million**	**Own held by the Group (nominal amount in EUR million)**	**Interest rate**
Piraeus Bank S.A.	Fixed Rate Senior Preferred Bond	3 November 2021	3 November 2027	3 November 2026	EUR	500	-	Paid annually at a fixed coupon rate of 3.875%
Piraeus Bank S.A.	Fixed Rate Senior Preferred Bond	28 November 2022	28 January 2027	28 January 2026	EUR	350	-	Paid annually at a fixed coupon rate of 8.250%
Piraeus Bank S.A.	Fixed Rate Senior Preferred Bond	13 July 2023	13 July 2028	7 July 2027	EUR	500	-	Paid annually at a fixed coupon rate of 7.250%
Piraeus Bank S.A.	Fixed Rate Senior Preferred Bond	29 November 2023	29 November 2029	29 November 2028	EUR	500	-	Paid annually at a fixed coupon rate of 6.875%

Source: 2023 Annual Financial Statements.

Covered Bonds

As of 31 December 2023, Piraeus Holdings has no debt securities in issue. The following table includes the financial terms of debt securities retained by the Group as of the end of the reporting period:

Covered Bonds	**Description**	**Underlying loan type**	**Issue date**	**Maturity date**	**Currency**	**Nominal amount in EUR million**	**Outstanding nominal amount**	**Weighted interest rate/coupon frequency**	**Accumulated cancelation**
Piraeus Bank S.A.	Floating rate covered bond Series 3	Mortgage loans	16 February 2017	16 November 2026	EUR	1,000	500	1m Euribor + 150bp / Monthly	500
Piraeus Bank S.A.	Floating rate covered bond Series 5	Mortgage loans	20 November 2017	20 May 2024	EUR	1,000	500	3m Euribor + 150bp / Quarterly	500
Piraeus Bank S.A.	Floating rate covered bond Series 6	Mortgage loans	31 January 2018	31 January 2026	EUR	1,000	500	3m Euribor + 150bp / Quarterly	500
Piraeus Bank S.A.	Floating rate covered bond Series 7	Mortgage loans	11 May 2018	11 February 2027	EUR	1,000	1,000	3m Euribor + 150bp / Quarterly	-

Source: 2023 Annual Financial Statements.

7.13 Legal and Arbitration Proceedings

In the ordinary course of business, the Group is involved in judicial or other similar proceedings. Neither the Group nor any other member of the Group is involved in any governmental, legal or arbitration proceedings (including any proceedings which are pending or threatened of which the Group is aware) in the 12 months preceding the date of the Prospectus which the Group believes may have or which have had a significant effect on Piraeus Holdings' or the Group's financial position or profitability.

As at 31 December 2023, the Group provided for cases under litigation an amount of €34 million compared to €26 million as at 31 December 2022 and €29 million as at 31 December 2021. This amount represents the Management's best estimate on the probable loss to be incurred upon finalisation of the pending legal cases.

The Group has been advised by its legal advisers that there is a possibility, though not a probability, that the final decisions on certain legal cases—primarily related to unjust enrichment damages, nullity of debt contracts, labour disputes, moral damage, and compensation claims—may not be in favour of the Group. Consequently, as at 31 December 2023, no litigation provision has been established for such claims. The contingent liability that could potentially result from such litigations, based on the current status of legal proceedings and the Management's best estimate, is anticipated to be no more than €223 million for the Group (compared to €231 million as at 31 December 2022 and €265 million as at 31 December 2021), while the timing of the outflow is uncertain. It is noted that, based on historical data, this category of legal cases has historically resulted in immaterial losses for the Group.

7.14 Significant Change in the Group's Financial Position

From 1 January 2024 up to the date of this Prospectus, there have been no changes in the Group's financial position that would significantly impact the financial position of the Group.

7.15 Dividends and Dividend Policy

Generally applicable rules on dividends

As Piraeus Holdings is a financial holding company with limited business activity, its ability to distribute profits will mainly depend on the income received from Piraeus Bank, while there are further restrictions arising either from Greek Law 4548/2018 on companies limited by shares (*sociétés anonymes*), such as Piraeus Holdings and Piraeus Bank, in general or from specific regulatory and other requirements to which Piraeus Holdings and Piraeus Bank are subject, as described below. Additional key restrictions may also be associated with HFSF's special veto rights under the HFSF Law (see section "*Overview of the Regulatory Framework Applicable to the Group in Greece—Bank Recovery and Resolution* Directive—*The Hellenic Financial Stability Fund—The Greek Recapitalisation Framework—Special Rights of the HFSF*").

Under Greek law, Piraeus Holdings is able to pay dividends out of distributable net profits for the year, comprising profits net of tax, losses carried forward and prior years' tax audit differences, on an unconsolidated basis.

However, under Article 159 of Greek Law 4548/2018, no distribution of, among others, dividends may be made to Shareholders if, on the date on which its last financial year ends, the total net assets (shareholders' equity) of Piraeus Holdings are, or will become after the relevant distribution, lower than the aggregate of the sum of (i) its share capital; (ii) the reserves, the distribution of which is prohibited by Greek law or the Articles of Association; (iii) other credit balances included in net assets that are not permitted to be distributed; and (iv) credit items included in the statement of profit/(loss) which do not constitute realised gains.

In any event, the amount of dividends which will be distributed to the Shareholders cannot exceed the sum of (i) its net profits for the last financial year; (ii) undistributed retained earnings; and (iii) reserves, the distribution of which is permitted by law and approved by the General Meeting, after deduction of (i) credit items included in the statement of profit/(loss) which do not constitute realised gains; (ii) losses carried forward from previous financial years; and (iii) the amount of reserves required to be formed by operation of law and the Articles of Association, as the case may be. Once this requirement is satisfied, the allocation of the net profits to the statutory reserve will not be mandatory. The allocation of net profits to the statutory reserve will again become mandatory if the reserve subsequently falls below one-third of its share capital. The statutory reserve is exclusively used, before any dividend is declared, to balance any potential loss set out in its statement of profit/(loss).

The calculation of all the above amounts will be based on its financial statements prepared in accordance with IFRS.

Under Articles 160 and 161 of Greek Law 4548/2018, and subject to the limitations described above, each year companies limited by shares (*Sociétés Anonymes*), such as Piraeus Holdings and Piraeus Bank, are in principle required to pay a minimum dividend out of their net profits for the year, if any, equal to 35% of their annual net profits on a standalone basis for the year (after the deduction of the statutory reserve and the amounts in respect of the credit items of their statement of profit/(loss) which do not constitute realised gains) (the "Minimum Dividend"). Net profits available for distribution above the Minimum Dividend may be distributed according to the resolution of the annual General Meeting held at each relevant time.

The annual General Meeting may decide to distribute distributable profits in excess of the Minimum Dividend, and such decision is subject to ordinary quorum and majority voting requirements. Under Greek Law 4548/2018, the annual General Meeting may, provided the quorum each time required is met, resolve (i) by majority representing at least two thirds of the paid up share capital represented at each relevant session of the General Meeting to either (a) lower the Minimum Dividend to no less than 10% of distributable profits or (b) issue new shares at their nominal value to shareholders *in lieu* of the Minimum Dividend, or (ii) by majority representing 80% of the paid up share capital represented at each relevant session of the General Meeting not to distribute the Minimum Dividend at all. Moreover, the annual General Meeting may also resolve, by majority representing at least two thirds of the paid up share capital represented at each relevant session of the General Meeting, to distribute treasury shares or shares or other securities owned by the company concerned and which have been issued by domestic or international companies *in lieu* of the Minimum Dividend, provided such shares or other securities are listed on a regulated market and have been valued, as required under Articles 17 and 18 of Greek Law 4548/2018. Subject to the satisfaction of the above conditions, distribution of other assets instead of cash requires unanimous approval by all shareholders of the company concerned.

Once approved, dividends must be paid to shareholders within two months of the date on which its annual financial statements are approved by the annual General Meeting. Dividends are declared and paid in the year subsequent to the reporting period. Uncollected dividends are forfeited to the Greek State if they are not claimed by shareholders within five years following 31st of December of the year in which they were declared.

Pursuant to paragraphs 1 and 2 of Article 162 of Greek Law 4548/2018, a company may also distribute interim dividends at the discretion of its board of directors, provided (i) financial statements are prepared and published at least two months prior to the proposed distribution of interim dividends; (ii) under such financial statements, there are available sufficient distributable funds; and (iii) the amount of the interim dividends proposed to be distributed cannot exceed the amount of net profits that may be distributed, as described under Article 159 of Greek Law 4548/2018 discussed above.

Furthermore, under paragraph 3 of Article 162 of Greek Law 4548/2018, a company may distribute profits and discretionary reserves at any time within a relevant financial year pursuant to a decision of either the General Meeting or its board of directors, which is subject to registration with the General Commercial Registry.

The above applies *mutatis mutandis* to Piraeus Bank, as a company limited by shares. However, under Article 149A of the Banking Law, Piraeus Bank, as a credit institution, is not subject to the Minimum Dividend distribution requirement, while any distribution in kind instead of cash, including distribution of Additional Tier 1 and Tier 2 capital instruments, is subject to prior approval by the Bank of Greece. Further restrictions on distributions also apply pursuant to Article 131 and Article 131B of the Banking Law (reflecting Article 141 and Article 141b of the CRD). Under these provisions, Piraeus Bank may be prohibited from distributions including dividends on its ordinary shares, if it does not meet its combined buffer and leverage ratio buffer requirements or, if it does meet such requirement, to the extent that that such distribution would decrease its CET1 capital or Tier 1 capital, to a level where its combined buffer and leverage ratio buffer requirements are no longer met. Furthermore, under Article 24a of the Greek BRRD Law (reflecting Article 16a of the BRRD), Piraeus Bank may be prohibited from certain distributions (including dividends on its ordinary shares) in cases where, even though it meets its combined buffer requirements when considered in addition to the requirements of Article 131A of the Banking Law (reflecting Article 141a of the CRD), Piraeus Bank nevertheless fails to meet the combined buffer requirement when considered in addition to the MREL requirements, as calculated in accordance with Article 45 of the Greek BRRD Law (reflecting Article 45 of the BRRD).

Moreover, pursuant to the 2023 SREP Decision, Piraeus Holdings is required to obtain ECB's approval prior to making any distribution to its Shareholders.

Piraeus Holdings (former Piraeus Bank Société Anonyme) has not distributed dividends since 2009 in respect of the financial year ended 31 December 2008 and henceforth.

Distribution policy

The current distribution policy of the Group was approved by the Board of Directors on 14 December 2023.

Piraeus Holdings has implemented a distribution policy to provide sustainable returns to its shareholders while maintaining a balance between investor returns, business growth, and resilient capital levels. Piraeus Holdings aims to deliver total returns to shareholders through various forms of distribution, including cash or payment in kind dividends, share buybacks, or capital distribution. The Board of Directors proposes the distribution amount based on the guidelines set out in the policy, with approval subject to the General Meeting of Shareholders.

At the end of each financial year, Piraeus Holdings' management prepares the annual financial statements in accordance with statutory requirements and the applicable financial reporting framework, *i.e.*, IFRS. The Board of Directors approves the financial statements and may propose a distribution to the Annual General Meeting of Shareholders for approval, considering various factors, such as prevailing market conditions. The distribution proposal is subject to regulatory approval and compliance with legal requirements.

In determining the type and amount of distribution, the Board of Directors assesses several factors, including the year's profit after tax, return over tangible equity, distributable reserves, and distribution forecasts included in the most recent business plan. The distribution pay-out ratio should be no lower than 10% of the respective year's profit after tax and, at a maximum, up to the pay-out ratios referenced in the policy. The Board of Directors also takes into account the preservation of a capital position that fulfils all requirements of the supervisory review and evaluation process.

Current restrictions on Piraeus Holdings' dividends

Further to generally applicable restrictions described herein above, as Piraeus Holdings (former Piraeus Bank Société Anonyme) had received capital support from the HFSF in 2013 and 2015, under the HFSF Law, for so long as the HFSF is a shareholder of Piraeus Holdings, the HFSF's representative appointed at the Board of Directors of each of Piraeus Holdings and Piraeus Bank, in accordance with the HFSF Law and the Relationship Framework Agreement, has the right to veto any decision of the relevant Board of Directors in connection with, among other matters, dividend distributions, in case and as long as Piraeus Bank's ratio of NPLs to total loans, as calculated in accordance with subsection g(ii) of paragraph 2 of Article 11 of Commission Implementing Regulation (EU) 2021/451, exceeds 10%. In this respect, under the RFA, the HFSF shall determine any deviation of such threshold (*i.e.*, 10%) on the basis of a calculation furnished by Piraeus Holdings and/or Piraeus Bank on a semi-annual basis, based on the most recent regulatory filings of Piraeus Bank.

7.16 Credit ratings

This Prospectus refers to credit ratings of Piraeus Holdings and Piraeus Bank Société Anonyme, which have been rated by the credit rating agencies Moody's, S&P, Fitch and DBRS. Each of Moody's, S&P, Fitch and DBRS is established in the European Union and is registered under Regulation (EC) No 1060/2009, as amended (the "CRA Regulation"). Moody's, S&P, Fitch and DBRS are included in the list of registered credit rating agencies published by ESMA on its website in accordance with the CRA Regulation.[131]

The most recent credit ratings of Piraeus Holdings by the international ratings agencies are as follows: Moody's as at 19 September 2023 rated Piraeus Holdings Ba3 (positive outlook) and S&P as at 14 December 2023 rated Piraeus Holdings B (positive outlook). The most recent credit ratings of Piraeus Bank by the international ratings agencies are as follows: Moody's as at 19 September 2023 rated Piraeus Bank Ba1 (referring to long term deposit ratings; positive outlook); S&P as at 14 December 2023 rated Piraeus Bank BB- (positive outlook); Fitch as at 14 December 2023 rated Piraeus Bank BB- (positive outlook) and DBRS at 6 December 2023 rated Piraeus Bank BB.[132]

[131] Source: https://www.esma.europa.eu/credit-rating-agencies/cra-authorisation.

[132] Source: https://www.piraeusholdings.gr/en/investors/financials/credit-ratings/piraeus-bank-credit-ratings.

8 ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND SENIOR MANAGEMENTManagement and corporate governance of Piraeus Holdings

The Group adheres to high standards of corporate governance, aligning with the provisions of applicable legal and regulatory frameworks and best practices. In particular, Piraeus Holdings, operating as a société anonyme with shares listed on the ATHEX, is subject to the provisions of Greek Law 4706/2020 on corporate governance of sociétés anonymes and Article 44 of Greek Law 4449/2017 on the requirement for the establishment of an audit committee by entities of public interest, as well as Greek Law 4548/2018 and its Articles of Association. Additionally, it has adopted the Hellenic Corporate Governance Code, diligently observing its provisions.

Piraeus Holdings, as a financial holding company authorised and supervised by the ECB, applies, on a consolidated basis, the special provisions of the Banking Law and relevant applicable frameworks. Furthermore, it has formulated and implements the Internal Regulation (https://www.piraeusholdings.gr/en/investors/corporate-governance/board/piraeus-financial-holdings-board-of-directors), revised on 21 October 2021, which comprehensively outlines the responsibilities and operations of Piraeus Holdings' governing bodies, including the Board of Directors, Audit Committee, Risk Committee, Remuneration Committee, Nomination Committee, Board Ethics and ESG Committee and Group Executive Committee, as well as the Group's Internal Audit, Risk Management, and Compliance Units. Moreover, subject to the provisions of the HFSF law, Piraeus Holdings adheres to a range of corporate governance practices, including the participation of the HFSF Representative in its Board of Directors.

The main administrative, management and supervisory bodies and the senior management of Piraeus Holdings are the Board of Directors and the Committees of the Board of Directors (namely the Audit Committee, the Risk Committee, the Remuneration Committee, the Nomination Committee and the Board Ethics and ESG Committee) and the Group Executive Committee.

Board of Directors

According to Article 8 of the Articles of Association, Piraeus Holdings is managed by a Board of Directors which consists of between nine (9) and fifteen (15) members. Pursuant to Greek Law 4706/2020, the Board of Directors consists of executive, non-executive and independent non-executive members. The independent non-executive members shall not be less than one third of the total number of its members and, in any case, shall not be less than two. Pursuant to the HFSF Law, a Representative of the HFSF participates as a member to the Board of Directors. Such member's responsibilities are determined by the HFSF Law and are further illustrated in the Relationship Framework Agreement. Additionally, according to the Relationship Framework Agreement, the HFSF Representative may be appointed as a member in one or more of the following Board Committees: Audit, Risk, Remuneration and Nomination Committees. Furthermore, according to the Relationship Framework Agreement, an observer from the HFSF assists the HFSF Representative and may attend meetings of the Board of Directors and the Board Committees in which the HFSF Representative participates. The observer does not have any voting or other rights. For more information on certain special rights of the HFSF as a Shareholder, see "*Overview of the Regulatory Framework Applicable to the Group in Greece—Bank Recovery and Resolution Directive—The Hellenic Financial Stability Fund—The Greek Recapitalisation Framework*".

The members of the Board of Directors of Piraeus Holdings are elected by Piraeus Holdings' General Meeting which designates the independent non-executive members among them. The term of office of the members of the Board of Directors cannot exceed three (3) years (with the possibility of re-election) and may be extended up to the ordinary meeting of the year of expiry of its term. In accordance with best practices and its internal regulation, Piraeus Holdings appoints one of its Independent Board Members to act as Senior Independent Director on its Board of Directors.

In the event that a member of the Board of Directors resigns, passes away or relinquishes one's office in any manner whatsoever, or is disqualified by decision of the Board for unjustified absence from the meetings, for three (3) consecutive months, in accordance with the provisions of Article 9 of the Articles of Association, the Board of Directors may either replace the missing member(s) or continue managing and representing Piraeus Holdings without replacing the missing member(s), provided the remaining members of the Board of Directors are at least nine (9). If the number of the members of the Board of Directors falls below nine (9), the Board of Directors must elect sufficient substitute members to bring the Board of Directors to nine (9) members for the time remaining in the current term. The decision for such election must be published according to Article 82 of Greek Law 4548/2018 and be announced by the Board of Directors at the next General Meeting. The General Meeting may either approve such election or replace the substitute members with others, even if no relevant items is on the agenda.

The Board of Directors, immediately after its election, convenes at its first meeting (constitution into body) and elects among its members a Chairman, one or more Vice Chairmen and Managing or Executive Directors. According to international best practices, the Chairman of Piraeus Holdings does not at the same time serve as Managing/Executive Director.

The Board of Directors, in accordance with Greek Law 4548/2018, represents Piraeus Holdings and is qualified to resolve, on every act concerning the management, the administration of its property and the promotion of its business scope in general. The Board of Directors may not resolve on issues, which, in accordance with the law or the Articles of Association, fall into the exclusive competence of the General Meeting.

Under its current composition, the Board of Directors was elected by the General Meeting on 27 June 2023 for a term of three years expiring on 27 June 2026 and, as supplemented by the addition of one member elected on 22 February 2024, was constituted into a body pursuant to its resolution of 22 February 2024. As at the date of this Prospectus, the current composition of the Board of Directors is as follows:

Full Name	Capacity	Profession	Address	Date of 1st Appointment
George P. Handjinicolaou	Chairman of the Board of Directors—Non-Executive Member	Finance & Economics	4 Amerikis Str., 105 64, Athens	1 November 2016
Karel G. De Boeck	Vice-Chairman—Independent Non-Executive Member, Senior Independent Director	Economics	601 Zeedijk, 1.1, 8300, Knokke Belgium	8 June 2016
Christos I. Megalou	Managing Director (CEO) (Chief Executive Officer)—Executive Member	Finance & Economics	4 Amerikis Str., 105 64 Athens	8 March 2017
Vasileios D. Koutentakis	Member of the Board of Directors—Executive Member	Electrical Engineering	87 Syngrou Ave, 117 45 Athens	28 May 2020
Venetia G. Kontogouri	Member of the Board of Directors—Independent Non-Executive Member	Economics	10, Old Hyde Road, Western Connecticut City, 06883, U.S.A.	28 June 2017
Enrico Tommaso C. Cucchiani	Member of the Board of Directors—Independent Non-Executive Member	Finance	Via Tommaso Salvini 5, 201 22, Milano, Italy	1 November 2016
David R. Hexter	Member of the Board of Directors—Independent Non-Executive Member	Finance	47 Kensington Gardens Square, W2 4BQ, London, United Kingdom	27 January 2016
Solomon A. Berahas	Member of the Board of Directors—Independent Non-Executive Member`	Industrial Engineering and MIS	1 Alamanas Str, 151 25 Maroussi	1 November 2016
Andrew D. Panzures	Member of the Board of Directors—Independent Non-Executive Member	Finance	17 East 93 Street, New York, 101 28U.S.A.	26 June 2020
Anne J. Weatherston	Member of the Board of Directors—Independent Non-Executive Member	Business and IT programming	10 Belmont Crescent, G12 8EU, Glasgow United Kingdom	26 June 2020
Maria I. Semedalas	Member of the Board of Directors—Independent Non-Executive Member	Finance and Management	49 Olympic Way, Wembley, HA9 0NY, United Kingdom	22 February 2024
Alexander Z. Blades	Member of Board of Directors—Non-Executive Member	Law	161 Lefferts Place, Brooklyn, NY 11238 U.S.A.	27 January 2016
Periklis N. Dontas	Member of Board of Directors—Non-Executive Member—Representative of the HFSF under the HFSF law	Economics	10 Eleftheriou Venizelou Avenue, 106 71 Athens	18 December 2019

On 17 November 2023, Ms. Francesca Tondi, independent non-executive Board member, resigned from the Board of Directors. On 22 February 2024, the Board of Directors elected Ms. Maria Semedalas as an Independent Non-Executive Member in the place of Ms. Francesca Tondi. The term of office of Ms. Maria Semedalas ends on 27 June 2026, which may be extended until the annual General Meeting is convened after that date. Completion of the fit-and-proper assessment of Ms. Maria Semedalas by the SSM is currently pending.

The independent non-executive Board members meet the independence requirements of Article 9 of Greek Law 4706/2020, as in force from their election date and until the date of the Prospectus.

Moreover, the current composition of the Board is in compliance with the Director Suitability Policy, which was approved by the General Meeting held on 27 June 2023, in accordance with Article 3(3) of Greek Law 4706/2020, and is available on the website of Piraeus Holdings at the following link: https://www.piraeusholdings.gr/en/investors/corporate-governance/compliance

Brief biographical information for each of the members of the Board of Directors is set out below.

Members of the Board of Directors

George P. Handjinicolaou, Chairman of the Board of Directors, Non-Executive Member

Mr. George Handjinicolaou is Non-Executive Chairman of the Board of Directors of Piraeus Holdings. He is also Chairman and Non-Executive Member of the ATHEX Board of Directors and Board Member at Hellenic Energy Exchange S.A. Further, he is Chairman of the Piraeus Bank Group Cultural Foundation and Vice President of the Executive Committee of the Council of Competitiveness of Greece. He held the position of Chairman of the Hellenic Bank Association's Board of Directors between 2019-2021 and was Deputy CEO and Member of the Board of Directors of the International Swaps and Derivatives Association in London between 2011 and 2016. Mr. Handjinicolaou received a BSc in Economics from University of Athens, Law School, Department of Economics in 1975, an MBA in Finance from New York University, Graduate School of Business Administration in 1978 and a PhD in Finance & Economics from New York University in 1983.

Karel G. De Boeck, Vice-Chairman, Independent Non-Executive

Mr. Karel De Boeck is Vice Chairman and Independent Non–Executive Member of the Board of Directors as well as Senior Independent Director of Piraeus Holdings. He is also Chairman of the Risk Committee, Vice Chairman of the Board Ethics & ESG Committee, Member of the Audit Committee and Member of the Nomination Committee. He holds the position of Independent Non-Executive Board Member at Ghelamco Invest NV in Belgium, and is a Board Member at LAMIFIL NV and at Willemen Group NV/SA, Belgium. He previously held the position of Non-Executive Board Member of LESSIUS NV and Chief Executive Officer at Dexia Group, at Dexia NV in Belgium and at Dexia Credit Local S.A. in France, as well as Chief Executive Officer at Fortis Group in Belgium. Mr. Karel De Boeck holds a Master Degree in Mechanical/Civil Electronic Engineering (*magna cum laude*) from KUL in Belgium (1972) and a Master Degree in Economics from KUL in Belgium (1974).

Christos I. Megalou, Managing Director and Chief Executive Officer, Executive Member

Mr. Christos Megalou is an Executive Member of the Board of Directors of Piraeus Holdings and Managing Director (CEO) and Chairman of the Group Executive Committee. He is Chairman of the Board of Snappi S.A., Independent Non-Executive Board Member at Safe Bulkers Inc., A' Vice Chairman of the Board of Association of S.A. and Entrepreneurship and Board Member at the American-Hellenic Chamber of Commerce. Mr. Megalou is a Non-Executive Board Member at the Hellenic Bank Association, where he held the position of Deputy Chairman between 2013 and 2015. Mr. Megalou was elected, for two consecutive runs, Chairman of the Hellenic Bankers Association in the UK (2010-2013) and is a distinguished fellow in the Global Federation Competitiveness Councils in Washington D.C., USA. Mr. Megalou graduated with a BSc in Economics from the University of Athens in 1981 and holds an MBA in Finance from University of Aston in Birmingham, UK (1982).

Vasileios D. Koutentakis, Executive Member

Mr. Vasileios Koutentakis is an Executive Member of the Board of Directors of Piraeus Holdings. He is a Member of the Group Executive Committee, as well as an Executive General Manager, Chief Retail Banking in Piraeus Bank since 2017. He is a Member of the Board of Snappi S.A. and Piraeus Agency Solutions S.A., as well as a Member of the Executive Committee of the HBA. Further, he is a Member and HBA Representative at the Liquidity Council of the Ministry of Finance, while he also acts as Chairman of INSEAD NAA in Greece. In addition, he is a Member of the Board of the Piraeus Bank Group Cultural Foundation. He was a Board Member of VISA Hellas from 2004 to 2012. Mr. Koutentakis holds a Diploma in Electrical Engineering from the National Technical University of Athens (1987) and an MBA from INSEAD in Fontainebleau, France (1990).

Venetia G. Kontogouri, Independent Non-Executive Member

Mrs. Venetia Kontogouris is an Independent Non-Executive Member of the Board of Directors of Piraeus Holdings and a Member of the Nomination Committee and the Board Ethics & ESG Committee. Also, she is a Member of the Board of Directors of Kaizen Private Equity, as well as Founder and Managing Director of Venkon Group, LLC. She was Co-Managing Director at Trident from 1995 until 2011. Mrs. Kontogouris is a technology-focused venture capitalist, with over 20 years of experience; she has overseen management, and been a key decision maker in over 25 companies from the initial seed invest to the exit strategy. Mrs. Kontogouris holds a BA from Northeastern University (1974) and an MBA from University of Chicago (1977).

Enrico Tommaso C. Cucchiani, Independent Non-Executive Member

Mr. Enrico Tommaso Cucchiani is an Independent Non-Executive Member of the Board of Directors of Piraeus Holdings, as well as Vice Chairman of the Nomination Committee and Member of the Remuneration Committee and the Board Ethics & ESG Committee. Mr. Cucchiani holds the position of Non-Executive Vice Chairman of the Board of IllyCaffe, as well as the position of Non-Executive Member of the Board of Terna SPA. Mr. Cucchiani previously served as Non-Executive Board Member of TGI – Think Global Investments and as Member of the Executive Board of Allianz Group, where he was responsible for all business in most of Europe, Latin America and Africa. Also, he was Group CEO of Intesa Sanpaolo. Mr. Cucchiani was appointed Cavaliere del Lavoro, the highest honorary title granted by the President of Italy, and was named 2006 Bocconi Man of the Year. Mr. Tommaso holds an MBA (Fullbright Fellow) from Stanford Graduate School of Business, USA and a Dottore in Economia from Bocconi University, Italy and has completed research on Multinational Corporations in Harvard Business School, Cambridge.

David R. Hexter, Independent Non-Executive Member

Mr. David Hexter is an Independent Non-Executive Member of the Board of Directors of Piraeus Holdings, as well as Chairman of the Nomination Committee, Member of the Audit Committee and Member of the Board Ethics & ESG Committee. He is an Independent Member of the Supervisory Board of Santander Bank Polska and Non-Executive Chairman of the Supervisory Board of PENM (Private Equity New Markets), Copenhagen. Mr. Hexter held the position of Deputy Vice President of Banking Department, as well as Chairman of Equity Investment Committee and Member of Operations Committee of the European Bank of Reconstruction and Development (1996-2004). Mr. Hexter holds an MA in Philosophy, Politics and Economics awarded by Oxford University (1970), an MBA awarded by the Cranfield School of Management (1973), an MPhil awarded by Birkbeck, University of London (2011) and a PhD from London University (2016).

Solomon A. Berahas, Independent Non-Executive Member

Mr. Solomon Berahas is an Independent Non-Executive Member of the Board of Directors of Piraeus Holdings, as well as Vice Chairman of the Audit Committee, a Member of the Remuneration Committee and Chairman of the Board Ethics & ESG Committee. Until 31 January 2024, Mr. Berahas was also the Vice Chairman of the Risk Committee. Mr. Berahas is Chairman of the Board and Managing Director at Tiresias Bank Information Systems S.A. in Athens and Vice Chairman of the Board of the Piraeus Bank Group Cultural Foundation, Member of the Board of ELEPAP and the Association of S.A. and Entrepreneurship and Independent Non-Executive Member at Safe Growth Investments AIFLNP LTD. From 2006 to 2012, Mr. Berahas held the position of Vice Chairman at Eurobank Financial Planning Services. Mr. Berahas holds a BSc in Industrial Engineering and Management (1976), an MSc in Industrial Engineering and Management Information Systems (1978) and a DSc in Operations Research from Technion Israel Institute of Technology (1981).

Andrew D. Panzures, Independent Non-Executive Member

Mr. Andrew Panzures is an Independent Non-Executive Member of the Board of Directors of Piraeus Holdings, as well as Chairman of the Remuneration Committee, Member of the Risk Committee and the Nomination Committee. Mr Panzures is a Board member of Interaudi Bank USA/Private Equity Investor. Mr. Panzures was a Principal/Senior Portfolio Manager at Graham Capital Management in the Global Multi Sector Macro-Graham Capital Management LLC (2011-2016). From 2009 to 2011, Mr. Panzures was Co-CIO and a Managing Partner at Medley Macro Fund Management. From 2003 to 2008, Mr. Panzures held the position of Managing Director and CIO of Americas-New York at JPMorgan Chase. Mr. Panzures graduated from Ontario Scholar in 1977 and graduated from York University's Schulich School of Business – BBA Finance in 1981.

Anne J. Weatherston, Independent Non-Executive Member

Mrs. Anne Weatherston is an Independent Non-Executive Member of the Board of Directors of Piraeus Holdings, as well as Chair of the Audit Committee and a Member of the Risk Committee. She held the position of CIO at the Bank of Ireland, Group CIO at the Australia and New Zealand Banking Group and Chief Transformation Officer & CIO at EnergyAustralia. Mrs Weatherston is an Independent Non-Executive Member of AIB UK and a Board Member of ALBA Bank. She held the positions of Board Member and Audit Chair at Mint Payments until April 2023 and was a Board Member at Archa Neo-Bank from 2018 to 2022. Mrs Weatherston holds an MA on Archaeology from Glasgow University and an MBA from Strathclyde University Business School. Also, she has accomplished a government 4-year scheme (UK programme) on IT programming, she is a graduate of the Australian Institute of Directors and Chair mentoring programme and has fulfilled the Executive Leadership Training from Harvard & London Business School.

Alexander Z. Blades, Non-Executive Member

Mr. Alexander Blades is a Non-Executive Member of the Board of Directors of Piraeus Holdings, as well as a Member of the Risk Committee, the Nomination Committee, the Remuneration Committee and the Board Ethics & ESG Committee. Mr. Blades is also a Board Member of Snappi S.A. He is a Partner at Paulson & Co. Inc., New York since 2009, as well as a Member of the New York State Bar Association and a barrister and solicitor of the High Court of New Zealand. Mr. Blades graduated with a BA (1993) and LLB (Hons) from Victoria University of Wellington in 1994 and an LLM from the University of Chicago in 1997.,

Periklis N. Dontas, Non-Executive Member, HFSF Representative

Mr. Periklis Dontas is a Non-Executive Member of the Board of Directors and the HFSF Representative at Piraeus Holdings under the HFSF Law, as well as a Member of the Risk Committee, the Audit Committee, the Remuneration Committee, the Nomination Committee and the Board Ethics & ESG Committee. He is also an Independent Non-Executive Board Member of FF Group. From 2008 to 2012, Mr. Dontas held the position of Deputy CEO and Executive Member of the Board of Directors of EFG Eurobank S.A. (Poland) and was Director at Risk Consulting and Business Development in KPMG Advisors S.A. (2016-2018). Mr. Dontas has Bachelor of Arts in Economics from the American College of Greece (1979) and earned his MA in Economics from the Essex University, UK in 1981.

Maria I. Semedalas, Independent Non-Executive Member

Ms. Maria Semedalas is an Independent Non-Executive of the Board of Directors of Piraeus Holdings, as well as a Member of the Board Ethics & ESG Committee, the Remuneration Committee, the Audit Committee and the Risk Committee. Ms. Semedalas is also Member of the Board of Trustees and Honorary Treasurer at the Quintin Hogg Trust in London. Ms. Maria Semedalas held the positions of International Head of Third-Party Governance and Chief Administrative Officer of International Finance at BNY Mellon in London from 2016 to 2021 and was also Executive Director (EMEA Corporate and Investment Bank) and Global Cash Management at JP Morgan Chase in London from 2011 to 2015. She served as Partner at PS Advisory Services in Athens from 2010 to 2011, Senior Country Operations and Technology Director at Citibank International Plc in Athens from 2003 to 2009, as well as Vice President, Chief of Staff/Finance, Global Corporate Bank and Global Consumer Bank at Citibank N.A. in London from 1997 to 2002. She holds a Master of Science in Management, from the Boston University Brussels, Belgium (1986) as well as a Bachelor of Business Administration and Public Accounting from Loyola University of Chicago (1983).

Committees of the Board of Directors of Piraeus Holdings and the Group Executive Committee

The organisational chart of Piraeus Holdings provides for the following committees:

- the Audit Committee;
- the Risk Committee;
- the Remuneration Committee;
- the Nomination Committee;
- the Board Ethics and ESG Committee; and
- the Group Executive Committee.

Audit Committee

According to the relevant resolution of the annual General Meeting dated 27 June 2023, the Audit Committee is a Board committee consisting of six Non-Executive Board Members, five of whom are independent, in accordance with the provisions of Article 9 of Greek Law 4706/2020. The Audit Committee's members are designated by the Board of Directors following a respective Board Nomination Committee proposal. Unless otherwise resolved by the General Meeting of Shareholders, the term of office of the members coincides with the three-year term of office of the Board of Directors. The Chairperson and Vice-Chairperson of the Audit Committee are appointed by its members. The Audit Committee Chair possesses solid experience in financial management, accounting and auditing and the required knowledge for the supervision of the audit procedures and accounting. 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 Article 44 of Greek Law 4449/2017, and Greek Law 4706/2020, the respective notices, explanations and recommendations of the supervisory authorities and additionally by its Operating Regulation. Piraeus Holdings has established and applies the Audit Committee Charter that was approved and entered into force pursuant to the resolution of its Board of Directors of 16 November 2023, and is available on the website of Piraeus Holdings, in the following link: https://www.piraeusholdings.gr/en/investors/corporate-governance/committees/piraeus-financial-holdings-committees/piraeus-financial-holdings-board-of-directors-committees.

The Audit Committee as a whole possesses appropriate competence and experience for the effective performance of its duties.

The main responsibilities of the Audit Committee are to (i) monitor and evaluate annually the adequacy and effectiveness of the Internal Control System, according to the relevant information provided by the Internal Audit; (ii) to oversee and evaluate the process involved in the preparation of the published annual and interim financial statements of Piraeus Holdings and the Group and to oversee the statutory audit of both the separate and consolidated financial statements, with a particular focus on evaluating the performance of the audit process, cooperating with the statutory auditors on a regular basis; (iii) submit proposals to the Board for the selection of the statutory auditors and to propose their replacement or rotation whenever appropriate; (iv) safeguard the independence of the statutory auditors of Piraeus Holdings and the Group, in accordance with the legislation in force; (v) submit proposals addressing identified weaknesses and to monitor the implementation of measures decided by the Management (follow-up); and (vi) submit proposals for additional audits by the Internal Audit on specific areas that the Audit Committee deems necessary, to evaluate the work undertaken by the Internal Audit focusing on issues related to the degree of its independence, the quality and the scope of audits conducted, its impartiality, the priorities determined by the changes in the financial environment, as well as the systems, the risk level and the overall effectiveness of its operation.

The formulation of the current Audit Committee, its term and the qualifications of its members were determined by the annual General Meeting of 27 June 2023. Its members were appointed by the Board of Directors in its meetings held on 28 June 2023 and on 24 February 2024. Their tenure is equal to the term of Piraeus Holdings' Board of Directors, *i.e.*, until 27 June 2026 (with a possibility of extension up until the annual General Meeting to be convened after the end of the term of the Board of Directors). Following the resignation of Ms. Tondi in November 2023 and the appointment of Ms. Maria Semedalas in February 2024, the current composition of the Audit Committee is as follows: Anne Weatherston (Chair – Independent Non-Executive Member of the Board), Karel De Boeck (Member – Independent Non-Executive Member of the Board), David Hexter (Member – Independent Non-Executive Member of the Board), Solomon Berahas (Vice-Chairman – Independent Non-Executive Member of the Board), Maria Semedalas (Member – Independent Non-Executive Member of the Board) and Periklis Dontas (HFSF Representative –Non-Executive Member of the Board). Mr. Dontas participates in the Audit Committee with full voting rights.

The composition of the Audit Committee is aligned with the conditions of Article 44 of Greek Law 4449/2017 and Greek Law 4706/2020. The majority of the members of the Audit Committee are independent. In addition, the Chair of the Audit Committee, Mrs. Anne Weatherston, appointed by the members of the Audit Committee at the meeting of 28 June 2023, is an Independent Non-Executive Member of the Board and has, *inter alia*, extended experience in internal audit and finance in accordance with Article 44 of Greek Law 4449/2017. The Audit Committee as a whole possesses appropriate competence and experience for the effective performance of its duties.

Biographical information for each of the members of the Audit Committee is set out under "*—Management and corporate governance of Piraeus Holdings—Members of Piraeus Holdings Board of Directors*".

Risk Committee

The Risk Committee is a Board Committee composed of Non-Executive Members of the Board. The members of the Risk Committee are appointed by the Board of Directors and possess the appropriate knowledge, skills and expertise to comprehend and monitor the risk and capital strategy of Piraeus Holdings.

The Risk Committee consists of at least three members, but in any case, no more than 40% of the total members of the Board of Directors (excluding the HFSF Representative). The majority of the Risk Committee members (rounded to the nearest whole number and excluding the HFSF Representative) are independent. The Risk Committee is chaired by its Chair, an independent Non-Executive Board Member (whose office is incompatible with that of the Chairman of the Board of Directors and the Chairman of the Audit Committee) and is supported by an Executive Secretary. The Compliance and Risk Officer has been designated as the Executive Secretary of the Risk Committee. The Risk Committee's Chairman is appointed by the Board of Directors and must possess solid experience in the financial services and banking industry, and preferably in risk management, as well as familiarity with the local and international regulatory framework, which regulates the operation of Piraeus Holdings. The HFSF Representative, in accordance with the HFSF Law, participates in the Risk Committee with full voting rights.

The term of office of the members of the Risk Committee cannot be greater than that of the Board of Directors, but the Board of Directors is entitled to cease or replace them at any time.

Piraeus Holdings has established and applies the Risk Committee Charter that was approved and entered into force pursuant to the resolution of its Board of Directors of 23 March 2021, and is available on the website of Piraeus Holdings, in the following link: https://www.piraeusholdings.gr/en/investors/corporate-governance/committees/piraeus-financial-holdings-committees/pirae us-financial-holdings-board-of-directors-committees.

The main responsibilities of the Risk Committee are to ensure that: (i) the Group has a well-defined risk and capital strategy and risk appetite framework; (ii) all forms of risks (including operational risk) associated with the Group's operations are effectively identified, assessed, measured, controlled, mitigated and monitored; and (iii) the risk management and control framework in place, including policies, methods and tools, complies with the risk and capital strategy and risk appetite framework, as well as regulatory and supervisory requirements.

The composition of the Risk Committee, which was elected by the Board of Directors on 28 June 2023 and was modified on 31 January 2024 and 22 February 2024, is as follows: Karel De Boeck (Chairman), Alexander Blades (Member), Anne Weatherston (Member), Andrew Panzures (Member), Maria Semedalas (Member) and Periklis Dontas. Mr. Dontas, as representative of the HFSF, participates in the Risk Committee with full voting rights. Pursuant to a Board resolution dated 31 January 2024, Mr. Berahas was appointed Chairman of the Board Ethics & ESG Committee, and, as such, ceased being member of the Risk Committee. Ms. Maria Semedalas was appointed member of the Risk Committee on 22 February 2024.

Biographical information for each of the members of the Risk Committee is set out under "*—Management and corporate governance of Piraeus Holdings—Members of the Board of Directors*".

Remuneration Committee

The Remuneration Committee is a Board Committee composed of at least three Non-Executive Board Members, the majority of whom, including the Chair, are independent in accordance with the provisions of Article 9 of Greek Law 4706/2020. The total number of the members of the Remuneration Committee does not, in any event, exceed 40% of the number of the members of the Board of Directors, excluding the HFSF Representative, who participates in the Remuneration Committee with full voting rights in accordance with the provisions of the HFSF Law. The Remuneration Committee's Chairman is appointed by the Board of Directors and must be an independent Non-Executive Member of the Board of Directors. The Remuneration Committee operates under its charter, as approved and in force pursuant to the resolution of the Board of Directors dated 25 February 2021, and is available on the website of Piraeus Holdings, in the following link: https://www.piraeusholdings.gr/en/investors/corporate-governance/committees/piraeus-financial-holdings-committees/piraeus-financial-holdings-board-of-directors-committees. The operations of the Remuneration Committee are assisted by an Executive Secretary.

The Remuneration Committee, as a body, has collective knowledge and professional experience in remuneration related issues, risk management and control activities. At least one member of the Remuneration Committee is also a member of the Risk Committee to ensure compliance of the remuneration policy with the risk and capital strategy of the Group.

The Remuneration Committee's responsibilities are to (i) recommend and advise the Board on the processing of its supervisory responsibilities regarding the design, control of implementation and periodical revision of the remuneration policy and its alignment with the corporate strategic goals of Piraeus Holdings; (ii) monitor the implementation of a framework that objectively evaluates the performance and is directly linked with the determination of the remuneration of employees, whose professional activities have a material impact on the risk profile of Piraeus Holdings (material risk takers), as well as of all employees; (iii) oversee the implementation of Piraeus Holdings' policies regarding talent management and succession planning; and (iv) assess the implementation of strategies with a view to building a corporate culture that will support the objectives and vision of Piraeus Holdings. In fulfilling its tasks, the Remuneration Committee will take into account the risk appetite framework of Piraeus Holdings and the long-term interests of the shareholders, investors and other stakeholders.

The current composition of the Remuneration Committee, which was elected by the Board of Directors on 28 June 2023 and was modified on 22 February 2024, is as follows: Andrew Panzures (Chairman – Independent Non-Executive Member of the Board), Enrico Tommaso Cucchiani (Member – Independent Non-Executive Member of the Board), Solomon Berahas (Member – Independent Non-Executive Member of the Board), Alexander Blades (Member – Non-Executive Member of the Board), Maria Semedalas (Member – Independent Non-Executive Member of the Board) and Periklis Dontas (HFSF Representative – Non-Executive Member of the Board). The latter, as representative of the HFSF, participates in the Remuneration Committee with full voting rights. The Remuneration Committee is supported by Georgios Georgopoulos as Executive Secretary. Ms. Maria Semedalas was appointed member of the Remuneration Committee on 22 February 2024.

Biographical information for each of the members of the Remuneration Committee is set out under "*—Management and corporate governance of Piraeus Holdings—Members of the Board of Directors*".

Nomination Committee

The Nomination Committee is a Board Committee composed of at least three Non-Executive Members of the Board of Directors, the majority of whom, including the Chair, are independent in accordance with the provisions of Article 9 of Greek Law 4706/2020. The total number of the members of the Committee does not, in any event, exceed 40% of the number of the members of the Board of Directors, excluding the HFSF Representative, who participates in the Nomination Committee with full voting rights in accordance with the provisions of the HFSF Law. The Senior Independent Director of the Board of Directors is also an *ex officio* member of the Nomination Committee. The Nomination Committee Members should have adequate collective knowledge, expertise and experience relating to the business of Piraeus Holdings to be able to assess the appropriate composition of the Board, including recommending candidates to fill in any Board vacancies.

Additionally, Piraeus Holdings has established and applies the Nomination Committee Charter that was approved and entered into force pursuant to the resolution of its Board of Directors of 21 September 2023, and is available on the website of Piraeus Holdings, in the following link: https://www.piraeusholdings.gr/en/investors/corporate-governance/committees/piraeus-financial-holdings-committees/piraeus-financial-holdings-board-of-directors-committees. The operations of the Nomination Committee are assisted by an Executive Secretary.

The Nomination Committee's responsibilities are to (i) identify and nominate suitable candidates to be proposed by the Board to the General Meeting for election or re-election or as replacements for Board positions which become vacant; (ii) re-evaluate the independence of the incumbent independent Non-Executive Board Members annually by running an appropriate independence review and to confirm compliance with applicable Greek corporate law and relevant EBA guidelines; (iii) 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 deemed necessary; (iv) assess the knowledge, experience and skills of Board members and the management body, individually and collectively, and report to the Board accordingly, as well as perform individual and collective suitability assessments of Board members and key function holders before appointment; (v) design the succession planning for the Board, CEO and top executive management in order to ensure Board and Management continuity, and monitor its implementation; (vi) adopt and periodically review a director nomination policy for Board members; (vii) adopt a diversity policy for Board members and review it on a biannual basis; (viii) conduct an annual assessment of the effectiveness of the Board, the Board Chair and the Board Committees (this evaluation shall be facilitated by an external consultant at least once every three years); and (ix) adopt, periodically review and monitor the implementation of an induction and training policy for Board members.

The current composition of the Nomination Committee, which was elected by the Board of Directors on 28 June 2023, is as follows: David Hexter (Chairman – Independent Non-Executive Member of the Board), Enrico Tommaso Cucchiani (Vice-Chairman – Independent Non-Executive Member of the Board), Karel De Boek (Member – Senior Independent Director of the Board), Andrew Panzures (Member – Independent Non-Executive Member of the Board), Alexander Blades (Member – Non-Executive Member of the Board), Venetia Kontogouris (Member – Independent Non-Executive Member of the Board) and Periklis Dontas (HFSF Representative –Non-Executive Member of the Board). Mr. Dontas participates in the Nomination Committee with full voting rights.

Biographical information for each of the members of the Nomination Committee is set out under "*—Management and corporate governance of Piraeus Holdings—Members of the Board of Directors*".

Board Ethics and ESG Committee

The Board Ethics and ESG Committee is a Board Committee composed of at least three Non-Executive Members of the Board of Directors, including a representative of the HFSF. The majority of the members must be independent non-executive members including its Chair, as per the provisions of Article 9 of Greek Law 4706/2020. Piraeus Holdings has established and applies the Board Ethics and ESG Committee Charter that was approved and entered into force pursuant to the resolution of its Board of Directors of 21 October 2021, and is available on the website of Piraeus Holdings, in the following link: https://www.piraeusholdings.gr/en/investors/corporate-governance/committees/piraeus-financial-holdings-committees/piraeus-financial-holdings-board-of-directors-committees.

The Board Ethics and ESG Committee's role is to support the Board of Directors and its Committees by proactively setting, challenging, supporting, and overseeing policies and strategies implemented by management to generate value for all stakeholders and to promote the corporate values and culture of the Group.

The Board Ethics and ESG Committee is responsible for: (i) considering the material ethical, environmental, social and governance issues relevant to the Group's business activities; and (ii) supporting the Group in maintaining its position as a reference leader in ethical and ESG issues.

The current composition of the Board Ethics and ESG Committee, which was elected by the Board of Directors on 28 June 2023 and was modified on 31 January 2024 and 22 February 2024, is as follows: Solomon Berahas (Chairman, Independent Non-Executive Member of the Board), Enrico Tommaso Cucchiani (Member, Independent Non-Executive Member of the Boardr), Karel De Boek (Vice-Chairman, Senior Independent Director of the Board), David Hexter (Member, Independent Non-Executive Member of the Board), Alexander Blades (Member, Non-Executive Member of the Board), Venetia Kontogouris (Member, Independent Non-Executive Member of the Board), Maria Semedalas (Member – Independent Non-Executive Member of the Board) and Periklis Dontas (HFSF Representative). Mr. Dontas participates in the Board Ethics and ESG Committee with full voting rights. Following the resignation of the former Chair of the Board Ethics and ESG Committee from the Board of Directors in November 2023, Mr. Solomon Berahas was appointed as the new Chairman on January 31, 2024. Ms. Maria Semedalas was appointed member of the Board Ethics and ESG Committee on 22 February 2024.

Biographical information for each of the members of the Board Ethics and ESG Committee is set out under "*—Management and corporate governance of Piraeus Holdings—Members of the Board of Directors*".

Group Executive Committee

The Group Executive Committee consists of Executive General Managers of Piraeus Bank and is chaired by Piraeus Holdings' CEO, executive member of the Board of Directors.

By authorisation of the Board of Directors, the Group Executive Committee has the following responsibilities, which it may confer or assign to administrative committees, to members of the committees or executives of the Group: (i) monitors the implementation of the Group's business plan and makes the necessary decisions for the accomplishment of the objectives included in the plan; (ii) draws up the guidelines of the budget and proposes the annual budget to the Board of Directors; (iii) supervises and monitors the progress of the Group, in Greece and abroad; (iv) sets up the administrative committees and specifies their composition and responsibilities; (v) approves, supplements or amends the accounting principles of the Group; (vi) determines the interest rates policy and the pricing framework of products and services offered by the Group; (vii) approves the introduction of new products, as well as the major differentiation of the Group's existing products and services, as well as the settlement products, and specifies their pricing policy prior to their launch to customers; (viii) approves the marketing strategy and the sponsorships and monitors their implementation and effectiveness; (ix) approves the Group's technological infrastructure strategy; (x) approves the principles and rules of credit policy, as well as the regulations, manuals, policies and procedures of the credit policy, which come into force for the implementation of these principles, as well as any of their amendments, following the agreement with the Compliance and Risk Officer, except for the amendments of risk appetite, which are approved by the Risk Committee; (xi) monitors and oversees the implementation of corporate governance rules and programmes and makes decisions regarding compliance measures following the recommendation of the responsible units or committees; (xii) approves the human resources' programmes (such as voluntary exit scheme, remunerations, insurance and other benefits), always within the limits set by Piraeus Holdings' remuneration policy under delegation of the relevant responsibility from the Board of Directors pursuant to Article 87 of Greek Law 4548/2018; (xiii) approves the executives' promotions to grades higher than that of a "Director"; (xiv) determines, within the range of its own approval powers, the approval limits of the Group's administrative committees and executives for the issues not related to the credit approval; (xv) informs the Board of Directors, through its Chairman, at least on a quarterly basis, that the Group Executive Committee's operation is consistent with the business strategy as well as the risk strategy of the Group; and (xvi) approves the initiation of collaborations in the sectors or branches of the economy, on the relevant recommendation of the heads of the responsible business units or support units.

The composition of the Group Executive Committee, which was elected by the Board of Directors on 4 May 2023, is as follows: Christos Megalou (Chairman), Theodoros Gnardellis (Member), Vasileios Kountentakis (Member), Charalampos Margaritis (Member) and Ioannis Stamoulis (Member). By virtue of a Board resolution dated 31 January 2024, Mr. Panagiotis Vlachopoulos was appointed Member of the Group Executive Committee. The Group Executive Committee is supported by Georgios Liakopoulos and Chryssanthi Berbati as Executive Secretaries.

Internal Control System and Risk Management

The Group has developed and continuously improves its Operational Risk Management Framework ("ORMF") and Internal Control System ("ICS"). The development and continuous improvement of the ORMF and ICS are key objectives of the Board of Directors and Senior Management.

The ICS comprises recorded and documented control mechanisms and processes that integrate best practices of corporate governance. It covers every activity and transaction, providing reasonable assurance that the Group will maintain efficient and effective operations, contain risks to acceptable low levels, safeguard its assets, produce reliable financial reporting, and comply with applicable laws and regulations.

The Management has decided to adopt a Committee of Sponsoring Organisations (COSO) framework in implementing the ICS. Additionally, guidance from the Public Company Accounting Oversight Board and Control Objectives for Information and Related Technologies can serve as valuable references for implementing specific controls. The operational risk management and internal control framework are reviewed on a regular basis.

A sound ICS integrates five essential components crucial to the risk and control environment: the control environment, risk assessment, control activities, information and communication, and monitoring.

Internal Audit Unit

The Internal Audit Unit of Piraeus Holdings exercises high supervision of the Group’s internal audit activity, while it is overall responsible for Piraeus Holdings’ entire internal audit function.

The Internal Audit Unit has its own annual audit plan and annual budget, which is submitted for approval to the Board of Directors through the Audit Committee and is administratively independent from other units and abstains from any executive and operational responsibilities. It also occupies full-time staff on an exclusive basis, not reporting to any other unit while any transfer of a member of its staff to other unit is subject to the Chief Audit Officer’s approval and notification of the Audit Committee.

The planning of audit engagements is the outcome of a risk assessment process. The audit cycle, within which the audit areas are covered depending on the significance of the respective risk, is determined. The audit cycle is approved and amended only upon decision of the Audit Committee.

The Internal Audit Unit assesses, *inter alia*, whether (i) the risks related to the achievement of the strategic objectives are identified and managed; (ii) the established policies and procedures are consistent with the Group’s risk strategy as well as the Management’s decisions, (iii) the staff actions comply with the established policies, procedures and the general corporate governance framework as well as the regulatory and legislative framework in force; (iv) the adequacy, quality and effectiveness of the control mechanisms as well as the reports produced by the Business Units, Control Units and Risk Compliance Management; (v) operations are carried out effectively and efficiently; (vi) financial or non-financial information and the data used to identify, measure, analyse, classify, and report are reliable, accurate and complete; and (vi) resources and assets are used safely.

The Internal Audit Unit of Piraeus Holdings operates under the Internal Audit Charter, which outlines the principles and framework governing the internal audit activity within Piraeus Holdings. This charter was approved by the Board of Directors on 25 February 2021 and subsequently updated on 14 December 2022.

Piraeus Holdings appointed Mrs. Pavlina Vitzilaiou as Chief Audit Officer on 30 December 2020.

The Chief Audit Officer is appointed by the Board of Directors, following relevant proposal of the Audit Committee, is employed on a full-time and exclusive basis, is personally and functionally independent and objective, and has a sound background and adequate professional experience. The Chief Audit Officer reports functionally to the Board of Directors through the Audit Committee and administratively to the Chief Executive Officer.

Mrs. Pavlina Vitzilaiou (registered with the Internal Auditors’ Register of the Chamber of Commerce, Registration Number 000157) is employed by Piraeus Holdings on a full-time and exclusive basis, has a sound background and adequate and extensive professional experience in internal audit and advisory risk services. She holds a Bachelor in Business Administration (Deree College) and a Master of Science in Management (University of Surrey, UK). She is certified fraud examiner (CFE - ACFE), certified in risk management assurance (CRMA - IIA).

Compliance and Risk Unit

Risk

Piraeus Holdings places particular emphasis on effectively monitoring and managing risk at both its own and Group levels to maintain stability and operational continuity. The competent bodies within the Group regularly monitor and assess the business strategy, define, monitor, and manage risks, and categorise transactions and customers based on their risk levels. These bodies establish appropriate maximum acceptable limits for overall risk-taking across each type of risk, refining them as necessary.

Piraeus Holdings ensures the establishment and implementation of reliable, effective, and comprehensive policies and procedures to assess and maintain the adequacy of its equity, as determined necessary by the Management, to cover the level and nature of risks undertaken or anticipated. The Group's risk management bodies internally review these policies and procedures regularly to ensure they remain comprehensive, adequate, and proportionate to the Group's current activities.

Furthermore, Piraeus Holdings' Compliance and Risk Officer reports directly to the Risk Committee, provides unbiased risk oversight and updates on risk levels, compliance with adopted risk policies, risk and control assessment results and risk mitigation actions, functioning of the Risk Unit and response processes, and results of risk monitoring. The Compliance and Risk Officer is appointed by the Board of Directors and serves as the Executive Secretary of the Risk Committee. She is independent and is subject to the review of the Internal Audit Unit.

Compliance

Piraeus Holdings' Compliance adheres to international best practices to ensure the Group's adherence to relevant legal and regulatory frameworks. This includes compliance with both domestic and international regulations governing the Group's operations.

The Compliance and Risk Officer is the head of the Compliance Unit and reports directly to the Board of Directors and the Audit Committee of Piraeus Holdings, providing unbiased compliance oversight. The Compliance and Risk Officer is appointed by the Board of Directors. Her responsibilities include updating the Board and Audit Committee on changes to the regulatory framework, assessing and managing compliance risks, monitoring the implementation status of internal policies, and ensuring the completion of the compliance annual plan. Selected by the Senior Management, the Compliance and Risk Officer possesses extensive knowledge and experience in compliance matters. The Officer is granted unrestricted access to all necessary data and information to fulfill her duties effectively.

Piraeus Holdings' Compliance is, *inter alia*, responsible for:

- the establishment and the implementation of the appropriate procedures and policies, the preparation of the annual compliance plan and the regular monitoring of the level of its implementation in order to achieve timely and continued compliance of Piraeus Holdings with the current regulatory framework provisions and the provisions of the compliance policy;
- the assurance that Piraeus Holdings and its subsidiaries comply with the applicable legal and regulatory framework that governs the preventing of the use of the financial system for money laundering and terrorist financing;
- the provision of information and update to the Audit Committee and Board of Directors on compliance issues through its quarterly and *ad hoc* reports;
- the assurance that Piraeus Holdings' staff is continuously informed on developments related to the regulatory framework and the policies related to their duties, by establishing appropriate procedures, updates and training programmes in collaboration with the Group's human resources team; and
- the monitoring, identification and effective management of compliance risks and the assessment of non-compliance risks.

The most significant subsidiary, Piraeus Bank, is subject to its own corporate governance structure in compliance with the applicable regulatory framework for credit institutions.

8.2 Statements of the Members of the Board of Directors, the Board of Directors' Committees and the Group Executive Committee of Piraeus Holdings

The members of Piraeus Holdings' Board of Directors, the Board of Directors' Committees and the Group Executive Committee have made the following statements:

- They do not engage in professional activities that are significant to Piraeus Holdings other than those associated with their position and/or capacity in Piraeus Holdings and those associated with their position as partners and/or members in administrative, management and supervisory bodies of the companies and/or partnerships mentioned below.
- There are no family relations between the members of the administrative, management and supervisory bodies of Piraeus Holdings.

- As at the date of the Prospectus, they are not members of an administrative, management or supervisory body or shareholders or partners of other companies or partnerships (excluding the subsidiaries of the Group), other than the following:

Full Name	**Company/Partnership**	**Position**	**Partner/Shareholder**
George Handjinicolaou	ETOLIAN CAPITAL, LLC	—	Shareholder
	HELLENIC EXCHANGES - ATHENS STOCK EXCHANGE S.A.	Chairman of the Board of Directors	—
	HELLENIC CENTRAL SECURITIES DEPOSITORY S.A.	Chairman of the Board of Directors	—
	ENEX CLEARING HOUSE SINGLE MEMBER S.A. (EnExClear S.A.)	Member of the Board of Directors	—
	ATHENS EXCHANGE CLEARING HOUSE (ATHEXCLEAR)	Chairman of the Board of Directors	—
	HELLENIC ENERGY EXCHANGE S.A.	Member of the Board of Directors	—
	OLYNTHOS PARTNERS, LLC	—	Shareholder
	GEORGE & JUDITH HANDJINICOLAOU FOUNDATION	—	Trustee
	KONSORTIUM CAPITAL PARTNERS, LLC	—	Shareholder
	OMILOS GIONA PRIVATE COMPANY	—	Shareholder
	THEOPLOUTOS PRIVATE COMPANY	—	Shareholder
	COUNCIL OF COMPETITIVENESS OF GREECE	Vice Chairman of the Executive Committee	—
	PIRAEUS BANK GROUP CULTURAL FOUNDATION	Chairman of the Board of Directors	—
Karel De Boeck	LAMIFIL NV	Non-Executive Member of the Board of Directors	—
	WILLEMEN GROEP NV/SA	Non- Executive Member of the Board of Directors	—
	GHELAMCO INVEST NV	Independent Non-Executive Member of the Board of Directors	—
	WHITE ART CENTRE BV	Statutory Executive	Shareholder
	LA TEGOLAIA SRL	Statutory Executive	Shareholder
Christos Megalou	SAFE BULKERS INC.	Independent Non-Executive Member of the Board of Directors	—
	HELLENIC BANK ASSOCIATION	Non-Executive Member of the Board of Directors	—
	ASSOCIATION OF S.A. & ENTREPRENEURSHIP	A' Vice Chairman of the Board of Directors	—
	AMERICAN – HELLENIC CHAMBER OF COMMERCE	Member of the Board of Directors	—
Vasileios Koutentakis	IVORY MARITIME INC	—	Shareholder
	HELLENIC BANK ASSOCIATION	Member of the Executive Committee	—
	MINISTRY OF FINANCE	Member of the HBA Representative of Liquidity Council	
	INSEAD NAA, GREECE	Chairman	—
	PIRAEUS BANK GROUP CULTURAL FOUNDATION	Member of the Board of Directors	—

Full Name	Company/Partnership	Position	Partner/Shareholder
Venetia Kontogouri	KAIZEN	—	Option Holder
	VENKON GROUP LLC	Managing Director	Shareholder
	MONTEREY CAPITAL	Non-Executive Director	Shareholder
Enrico Tommaso Cucchiani	BOCCONI UNIVERSITY	Non-Executive Director	—
	JAVOTTE BOCCONI FOUNDATION	Vice Chairman/Lifetime Director	—
	AMICI NORMALE DI PISA UNIVERSITY	Vice Chairman	—
	TRILATERAL COMMISSION	Chairman of the Italian Delegation	—
	WEIZMANN INSTITUTE OF SCIENCE	Non-Executive Director	—
	ILLY CAFE	Non-Executive Vice Chairman of the Board of Directors	—
	TERNA SPA	Non-Executive Director	—
	ISPI-INSTITUTE FOR INTERNATIONAL POLITICAL STUDIES	Non-Executive Director	—
David Hexter	SANTANDER BANK POLSKA	Independent Member of the Supervisory Board	—
	PRIVATE EQUITY NEW MARKETS	Non-Executive Chairman of the Supervisory Board	—
Solomon Berahas	TIRESIAS S.A., CREDIT BUREAU	Chairman of the Board of Directors & CEO	—
	ELEPAP REHABILITATION FOR THE DISABLED	Non-Executive Member of the Board of Directors	—
	ASSOCIATION OF S.A. & ENTREPRENEURSHIP	Non-Executive Member of the Board of Directors	—
	SAFE GROWTH INVESTMENTS AIFLNP LTD	Independent Non-Executive Member of the Board of Directors	—
	PIRAEUS BANK GROUP CULTURAL FOUNDATION	Vice Chairman of the Board of Directors	—
Andrew Panzures	INTERAUDI BANK	Independent Non-Executive Member of the Board of Directors	—
Anne Weatherston	AIB UK	Independent Non-Executive Member of the Board of Directors	—
	ALBA BANK	Non-Executive Member of the Board of Directors	—
Alexander Blades	PAULSON & CO. INC.	—	Partner
Maria I. Semedalas	QUINTIN HOGG TRUST	Member of the Board of Trustees & Honorary Treasurer	—
	TECHSTARS WORKFORCE DEVELOPMENT & BOULDER ACCELERATOR	Mentor (pro bono)	—
Periklis Dontas	FF GROUP	Independent, Non-Executive Member of the Board of Directors	—
Theodoros Gnardellis	INTRUM HELLAS A.E.D.A.D.P.	Non-Executive Member of the Board of Directors	—
	TERRA MAINA SINGLE MEMBER PRIVATE COMPANY	—	Shareholder
Ioannis Stamoulis	—	—	—

Full Name	Company/Partnership	Position	Partner/Shareholder
Charalampos Margaritis	INTRUM HELLAS A.E.D.A.D.P.	Vice Chairman, Non-Executive Member of the Board of Directors	—
	PIRAEUS BANK GROUP CULTURAL FOUNDATION	Member of the Board of Directors	—
Panagiotis Vlachopoulos	—	—	—
Pavlina Vitzilaiou	—	—	—

- They were not members of an administrative, management or supervisory body or shareholders or partners in a company or partnership other than Piraeus Holdings and its subsidiaries at any time during the last five years, other than the following:

Full Name	Company/Partnership	Position	Partner/Shareholder
George Handjinicolaou	ETOLIAN CAPITAL, LLC	—	Shareholder
	ML INSIGHT CAPITAL PARTNERS IV, LLC	—	Shareholder
	OLYNTHOS PARTNERS, LLC	—	Shareholder
	HELLENIC EXCHANGES - ATHENS STOCK EXCHANGE S.A.	Chairman of the Board of Directors	—
	ATHENS EXCHANGE CLEARING HOUSE (ATHEXCLEAR)	Chairman of the Board of Directors	—
	COUNCIL OF COMPETITIVENESS OF GREECE	Vice Chairman of the Executive Committee	—
	HELLENIC CENTRAL SECURITIES DEPOSITORY S.A.	Chairman of the Board of Directors	—
	HELLENIC BANK ASSOCIATION	Chairman of the Board of Directors	—
	ENEX CLEARING HOUSE SINGLE MEMBER S.A. (EnExClear S.A.)	Member of the Board of Directors	—
	HELLENIC ENERGY EXCHANGE S.A.	Member of the Board of Directors	—
	PIRAEUS BANK GROUP CULTURAL FOUNDATION	Chairman of the Board of Directors	—
	GEORGE & JUDITH HANDJINICOLAOU FOUNDATION	—	Trustee
	KONSORTIUM CAPITAL PARTNERS, LLC	—	Shareholder
	OMILOS GIONA PRIVATE COMPANY	—	Shareholder
	THEOPLOUTOS PRIVATE COMPANY	—	Shareholder
Karel De Boeck	LAMIFIL NV	Non-Executive Member of the Board of Directors	—
	LESSIUS NV	Non-Executive Member of the Board of Directors	—
	ASWEBO NV	Non-Executive Member of the Board of Directors	—
	WILLEMEN GROEP NV/SA	Non-Executive Member of the Board of Directors	—
	WILLEMEN CONSTRUCT NV/SA	Non-Executive Member of the Board of Directors	—
	WHITE ART CENTRE BV	Statutory Executive	Shareholder
	LA TEGOLAIA SRL	Statutory Executive	Shareholder

Full Name	Company/Partnership	Position	Partner/Shareholder
	GHELAMCO INVEST NV	Independent Non-Executive Member of the Board of Directors	—
Christos Megalou	SAFE BULKERS INC.	Independent Non-Executive Member of the Board of Directors	—
	HELLENIC BANK ASSOCIATION	Non-Executive Member of the Board of Directors	—
	ASSOCIATION OF S.A. & ENTREPRENEURSHIP	A' Vice Chairman of the Board of Directors	—
	AMERICAN – HELLENIC CHAMBER OF COMMERCE	Member of the Board of Directors	—
Vasileios Koutentakis	IVORY MARITIME INC	Director	Shareholder
	OCEAN EAST SHIPPING INC	—	Shareholder
	HELLENIC BANK ASSOCIATION	Member of the Executive Committee	—
	MINISTRY OF FINANCE	Member of the HBA Representative of Liquidity Council	
	INSEAD NAA, GREECE	Chairman	—
	PIRAEUS BANK GROUP CULTURAL FOUNDATION	Member of the Board of Directors	—
Venetia Kontogouri	KAIZEN	—	Option Holder
	VENKON GROUP LLC	Managing Director	Shareholder
	MONTEREY CAPITAL	Non-Executive Director	Shareholder
Enrico Tommaso Cucchiani	BOCCONI UNIVERSITY	Non-Executive Director	—
	JAVOTTE BOCCONI FOUNDATION	Vice Chairman/Lifetime Director	—
	AMICI NORMALE DI PISA UNIVERSITY	Vice Chairman	—
	ISPI-INSTITUTE FOR INTERNATIONAL POLITICAL STUDIES	Non-Executive Director	—
	U.S.-ITALY COUNCIL	Member of the Board of Directors	—
	TRILATERAL COMMISSION	Chairman of the Italian delegation	—
	WEIZMANN INSTITUTE	Non-Executive Director	—
	S.RAFFAELE HOSPITAL	Chairman	—
	TGI LLP (UK)	Non-Executive Director	—
	TERNA SPA	Non-Executive Director	—
	ILLY CAFFE	Non-Executive Vice Chairman of the Board	—
	RSA, INSURANCE GROUP	Non-Executive Director	—
David Hexter	SANTANDER BANK POLSKA	Independent Member of the Supervisory Board	—
	PRIVATE EQUITY NEW MARKETS	Non-Executive Chairman of the Supervisory Board	—
	TRANS TELECOM	Non-Executive Member of the Board of Directors	—
Solomon Berahas	TIRESIAS S.A.	Chairman of the Board of Directors & CEO	—
		CEO, Executive BoD Member and General Manager	—

Full Name	Company/Partnership	Position	Partner/Shareholder
	ELEPAP REHABILITATION FOR THE DISABLED	Non-Executive Member of the Board of Directors	—
	ASSOCIATION OF S.A. & ENTERPRENEURSHIP	Non-Executive Member of the Board of Directors	—
	SAFE GROWTH INVESTMENTS AIFLNP LTD	Independent Non-Executive Member of the Board of Directors	—
	PIRAEUS BANK GROUP CULTURAL FOUNDATION	Vice Chairman of the Board of Directors	—
		Member of the Board of Directors	—
Andrew Panzures	INTERAUDI BANK	Independent Non-Executive Member of the Board of Directors	—
Anne Weatherston	ARCHA NEO-BANK	Independent Non-Executive Member of the Board of Directors	—
	MINT PAYMENTS	Independent Non-Executive Member of the Board of Directors	—
	ALBA BANK	Non-Executive Member of the Board of Directors	—
	AIB UK	Independent Non-Executive Member of the Board of Directors	—
	ENERGY AUSTRALIA	Chief Transformation Officer	
Alexander Blades	PAULSON & CO. INC.	—	Partner
Maria Semedalas	QUINTIN HOGG TRUST	Member of the Board of Trustees & Honorary Treasurer	—
	BNY MELLON	International Head of Third Party Governance, Chief Administrative Officer International Finance	
		Co-Chair BNY Mellon – EMEA Women's Initiative Network	
	BNY MARKETS LTD	Director	—
	ROLESHARE LIMITED	Non-Executive Director	—
	TECHSTARS WORKFORCE DEVELOPMENT & BOULDER ACCELERATOR	Mentor (pro bono)	—
	BNY MELLON SECRETARIES (UK) LTD	Director	—
Periklis Dontas	FF GROUP	Independent, Non-Executive Member of the Board of Directors	—
Theodoros Gnardellis	INTRUM HELLAS A.E.D.A.D.P.	Non-Executive Member of the Board of Directors	—
	INTRUM HELLAS REO SOLUTIONS S.A.	Non-Executive Member of the Board of Directors	—
	INTRUM BTB SINGLE MEMBER S.A.	Non-Executive Member of the Board of Directors	—
	TERRA MAINA SINGLE MEMBER PRIVATE COMPANY	—	Shareholder
Ioannis Stamoulis	—	—	—

Full Name	Company/Partnership	Position	Partner/Shareholder
Charalampos Margaritis	INTRUM HELLAS A.E.D.A.D.P.	Vice Chairman, Non-Executive Member of the Board of Directors	—
	PIRAEUS BANK GROUP CULTURAL FOUNDATION	Member of the Board of Directors	—
	INTRUM HELLAS REO SOLUTIONS S.A.	Vice Chairman, Non-Executive Member of the Board of Directors	—
	INTRUM BTB SINGLE MEMBER S.A.	Vice Chairman, Non-Executive Member of the Board of Directors	—
	COMMERCIAL BANK OF DUBAI	Chief Information Officer	—
Panagiotis Vlachopoulos	CANADA PENSION PLAN INVESTMENT BOARD	Head of Strategic Positioning	—
Pavlina Vitzilaiou	—	—	—

- There have been no convictions in relation to fraudulent offences for the previous five years.
- They have not been involved in any bankruptcy, receivership, liquidation or forced administration proceeding, pending or in progress, during the past five years in their capacity as members of the administrative, management or supervisory body of the company or partnership involved or as senior managers of such companies or partnerships.
- They have not been charged with any public incrimination and/or sanction by the statutory or regulatory authorities (including any designated professional bodies) nor have they been disqualified by a court from acting as a member of an administrative, management or supervisory body of an issuer or from acting in the management or the conduct of the affairs of an issuer for the last five years.
- Their duties carried out on behalf of and arising out of their position in Piraeus Holdings do not result in any existing or potential conflict with their private interests or other duties.
- Their selection and placement in these positions are not the result of any arrangement or understanding with any major shareholders, customers and suppliers of Piraeus Holdings or other persons, except for Mr. Periklis Dontas, who serves as representative of the HFSF in accordance with the HFSF Law and the Relationship Framework Agreement.
- Upon their own declaration, they do not hold (directly or indirectly) as at the date of the Prospectus shares and voting rights in Piraeus Holdings, other than the following:

  (i) George Handjinicolaou, Chairman of the Board of Directors and Non-Executive Member, holds 50,000 Ordinary Shares (joint investor securities account with spouse, Dorothea Vouyiouklis);

  (ii) Karel G. De Boeck, Vice-Chairman and Independent Non-Executive Member, holds 20,000 Ordinary Shares;

  (iii) Christos Megalou, CEO and Chairman of the Group Executive Committee, holds 150,446 Ordinary Shares;

  (iv) Vasileios Koutentakis, Executive Member of the Board of Directors, holds 60,420 Ordinary Shares;

  (v) Theodoros Gnardellis, Group Chief Financial Officer and Member of the Group Executive Committee, holds 63,813 Ordinary Shares;

  (vi) Ioannis Stamoulis, Member of the Group Executive Committee, holds 46,595 Ordinary Shares;

  (vii) Charalampos Margaritis, Member of the Group Executive Committee, holds 44,870 Ordinary Shares; and

  (viii) Pavlina Vitzilaiou, Chief Audit Officer, holds 4,660 Ordinary Shares.

9 MAJOR SHAREHOLDERS

9.1 Major Shareholders

As of the date of this Prospectus, Piraeus Holdings' share capital amounts to €1,162,841,517.39 and is divided into 1,250,367,223 dematerialised ordinary registered shares with voting rights, each having a nominal value of €0.93. The following table sets forth certain information regarding holders of the Ordinary Shares, based on information known to or ascertainable by Piraeus Holdings as at 27 February 2024:

Shareholders	**Number of Shares**	**% percentage of Shares**	**Number of Voting Rights**	**% percentage of Voting Rights**
HFSF*	337,599,150	27.00%	337,599,150	27.00%
Paulson & Co. Inc.*	232,758,919	18.62%	232,758,919	18.62%
Helikon Investments Limited *	54,373,407	4.35%	117,251,976	9.38%
Other shareholders < 5%	625,635,747	50.03%	562,757,178	45.00%
Total	1,250,367,223	**100.00%**	1,250,367,223	**100.00%**

** As per the notifications of major holdings under the Transparency Directive, transposed into Greek law by virtue of Greek Law 3556/2007.*

Source: Shareholders' register and/or notifications of major shareholdings pursuant to Greek Law 3556/2007, as mentioned in more detail below.

To the knowledge of Piraeus Holdings, based on the notifications received and announcements made up to 27 February 2024 pursuant to Regulation (EU) No. 596/2014, Greek Law 3556/2007 and the HFSF Law, other than HFSF (which holds Ordinary Shares representing 27.00% of the total voting rights of Piraeus Holdings as at 27 February 2024), Paulson & Co. Inc. (which indirectly holds Ordinary Shares representing 18.62% of the total voting rights of Piraeus Holdings as at 27 February 2024) and Helikon Investments Limited (which indirectly holds Ordinary Shares and financial instruments (cash settled equity swap) representing 9.38% of the total voting rights of Piraeus Holdings as at 27 February 2024), there is no natural person or legal entity that holds, directly and/or indirectly, Ordinary Shares or voting rights representing 5% or more of the total voting rights in Piraeus Holdings.

Piraeus Holdings does not know of any persons who, directly or indirectly, jointly or individually, exercise or could exercise control over Piraeus Holdings in accordance with Greek Law 3556/2007.

Set out below are the announcements made by Piraeus Holdings in connection with the notifications relating to significant changes in voting received as at the date of this Prospectus pursuant to Greek Law 3556/2007, as such announcements have been published by Piraeus Holdings on the daily official list of the ATHEX and Piraeus Holdings' website in accordance with such law:

On 12 May 2021, Piraeus Holdings, with regard to HFSF, announced the following:

"*Piraeus Financial Holdings S.A. ("the Company") announces, pursuant to the provisions of L.3556/2007, as in force, and following relevant notification from the Hellenic Financial Stability Fund dated May 11th, 2021, that the latter holds directly as of May 07th, 2021, following the completion of the Company's share capital increase, in total 337,599,150 common registered voting shares of a nominal value of €1 each, namely 27% of the total number of common shares of the Company. From the total number of shares that the Hellenic Financial Stability Fund holds, 123,761 shares have limited voting rights pursuant to the provisions of article 7a of L.3864/2010, as in force.*"

On 12 May 2021, Piraeus Holdings, with regard to Paulson & Co. Inc, announced the following:

"*Piraeus Financial Holdings S.A. (the "Company") announces, pursuant to the provisions of L. 3556/2007, as in force and following relevant notification received from ''Paulson & Co. Inc.'' on May 10th, 2021, that the latter holds indirectly as of May 07th, 2021 through funds managed by it, 232,758,919 voting rights corresponding to an equal number of common, registered, voting shares of the Company (namely 18.62% of the total voting rights of the Company).*"

On 12 May 2021, Piraeus Holdings, with regard to Mr. John A. Paulson, announced the following:

"*Pursuant to the provisions of article 7 par.6(c) of L. 3864/2010, as in force, Piraeus Financial Holdings S.A. (the "Company"), further to the received notification dated 10th May, 2021, announces that Mr. John A. Paulson as of 07.05.2021 holds indirectly through Paulson & Co. Inc., a company controlled by him, 232,758,919 common registered shares with equal voting rights, corresponding to 18.62% of the Company's total common shares, excluding those held by the Hellenic Financial Stability Fund (HFSF) which are subject to the restrictions of article 7a of Law 3864/2010.).*"

On 11 August 2022, Piraeus Holdings, with regard to Helikon Investments Limited, announced the following:

"*Piraeus Financial Holdings S.A. (the "Company") announces, pursuant to the provisions of L. 3556/2007 and following relevant notification received on 10 August 2022 from Helikon Investments Limited due to an event changing the breakdown of voting rights, that the latter holds indirectly, as of 05 August 2022, through Helikon Long Short Equity Fund Master ICAV:*

- *54,373,407 voting rights attached to an equal number of common, registered, voting, dematerialized shares (i.e., 4.348% of the total voting rights of the Company) and*
- *29,607,188 (i.e., 2.368% of the total voting rights of the Company) and 33,271,381 (i.e., 2.661% of the total voting rights of the Company) voting rights deriving from financial instruments (cash settled equity swap), according to ar. 11 par. 1b) of law 3556/2007, as in force, with expiration dates 04/02/2025 and 04/11/2024 respectively*

As a result, the voting rights held indirectly by Helikon Investments Limited, deriving from common shares and financial instruments (cash settled equity swap), amount in total to 117,251,976 or 9.377% of the total voting rights of the Company."

Piraeus Holdings is not aware of any arrangement, the operation of which may, at a subsequent date, result in a change in control of Piraeus Holdings.

Relationship with the HFSF and Relationship Framework Agreement

The Ordinary Shares held by the HFSF confer to the HFSF full voting and ownership rights in Piraeus Holdings, like any other holder of Ordinary Shares. In addition, as a result of the HFSF having provided capital support to the former Piraeus Bank Société Anonyme as per the provisions of the HFSF Law and the Relationship Framework Agreement and irrespective of its shareholding percentage in the capital of Piraeus Holdings, the HFSF enjoys certain special rights, including veto rights exercisable through the HFSF Representative under Article 10 of the HFSF Law. For more information on certain special rights of the HFSF as a Shareholder, see "*Overview of the Regulatory Framework Applicable to the Group in Greece—Bank Recovery and Resolution Directive—The Hellenic Financial Stability Fund – The Greek Recapitalisation Framework*".

9.2 Treasury shares

Articles 49 and 52 of Greek Law 4548/2018 prescribe provisions for the acquisition of own shares, pursuant to a General Meeting resolution. Further (i) pursuant to the restrictions imposed by Article 16C of the HFSF Law, during the period of HFSF participation in the capital of Piraeus Holdings, notwithstanding HFSF's special veto rights prescribed in the HFSF Law (see section "*Overview of the Regulatory Framework Applicable to the Group in Greece—Bank Recovery and Resolution Directive—The Hellenic Financial Stability Fund—The Greek Recapitalisation Framework—Special Rights of the HFSF*"), it is prohibited for Piraeus Holdings to purchase own shares without HFSF approval, and (ii) according to the particular regulatory provisions in force, including Article 77 and Article 78 of the CRR, Piraeus Holdings shall obtain the prior permission of the SSM in order to purchase its own shares.

Piraeus Holdings purchases and sales of Ordinary Shares from 1 January 2024 to 23 February 2024, as well as the Ordinary Shares that Piraeus Holdings owns as at 23 February 2024, are related to transactions that are carried out by Piraeus Holdings' subsidiary, Piraeus Securities S.A., through its activities, which are derived from its role as a market maker, subject to the next paragraph. As at 23 February 2024, Piraeus Securities S.A. held 176,548 Ordinary Shares.

Following (i) a resolution of the annual General Meeting of its Shareholders held on 27 June 2023, pursuant to which the establishment of a share buyback programme in accordance with Article 49 of Greek Law 4548/2018 was approved, (ii) the relevant ECB authorisation dated 14 August 2023 and (iii) the relevant resolution of its Board of Directors dated 21 September 2023, Piraeus Holdings implemented a share buyback programme, in the context of which it acquired 5,283,004 Ordinary Shares (the "Treasury Shares") through transactions on the ATHEX from 22 September 2023 up to and including 29 September 2023, representing 0.42% of the share capital of Piraeus Holdings, at an average price of €2.8393 per Ordinary Share and a total cost of €14,999,974.

In implementation of a resolution of its annual General Meeting and the respective delegated resolution of its Board of Directors dated 19 October 2023, pursuant to which there were approved the terms of a plan for the free distribution of Treasury Shares to executives and employees of Piraeus Holdings and its subsidiaries (the "Beneficiaries"), Piraeus Holdings distributed free of charge, 1,307,585 of the Treasury Shares to 137 Beneficiaries, under the applicable variable remuneration schemes (*i.e.*, the "Top Management Retention Scheme" and the "Performance Incentive Scheme for 2022"), through over-the-counter transactions. Following such distribution, Piraeus Holdings owns a total of 3,975,419 Ordinary Shares, which correspond to 0.32% of its total Ordinary Shares.

10 RELATED PARTY TRANSACTIONS

10.1 Related party transactions

Other than those disclosed under Note 46 to the 2023 Annual Financial Statements, Piraeus Holdings has declared that there have been no other transactions with related parties under Articles 99 *et seq.* of Greek Law 4548/2018, namely with related parties as such term is defined by IAS 24, and with legal entities controlled by them, in accordance with IAS 27 and IFRS 10, apart from the related party transactions from 1 January to 31 January 2024, as set out below, in accordance with Commission Delegated Regulation (EU) 2019/980, and that all transactions with related parties have been concluded on market terms.

Related parties of Piraeus Holdings include (i) members of the Board of Directors and the Executive Committee, the Chief Audit Officer, the Chief Compliance Officer and the CEOs of the significant subsidiaries (collectively, the "Key Management Personnel"); (ii) close family members of the Key Management Personnel; (iii) entities having transactions with Piraeus Holdings, that are controlled or jointly controlled by the Key Management Personnel and their close family members; (iv) Piraeus Holdings' subsidiaries; (v) Piraeus Holdings' associates and the subsidiaries of its associates; (vi) Piraeus Holdings' joint ventures and the subsidiaries of its joint ventures; and (vii) the HFSF, which holds Ordinary Shares and benefits from the special rights stated in Article 10 of the HFSF Law.

The HFSF has the ability to influence the decision-making of the Group pursuant to the HFSF Law, the Relationship Framework Agreement, the HFSF's holding in Piraeus Holdings and the representation of HFSF on the Board and the Board Committees of each of Piraeus Holdings and Piraeus Bank. As such, the HFSF is considered a related party of the Group. Other than the Ordinary Shares held by the HFSF, there are no material transactions or balances associated with the HFSF.

Transactions with related parties are made on an arm's length basis and are approved by the respective decision-making bodies of the relevant Group members. The Group enters into a number of transactions with related parties in the normal course of business.

Related party transactions from 1 January 2024 to 31 January 2024 are presented in the tables below.

(€ in thousand)	31 January 2024	
	Key Management Personnel	Other related parties
Loans and advances to customers at amortised cost (gross carrying amount)	3,981	417
Due to customers	2,640	1,208

(€ in thousand)	1 January 2024 – 31 January 2024	
	Key Management Personnel	Other related parties
Income	10	6
Expense	2	1

Source: Internal management accounts.

Members of Key Management Personnel benefits

(€ in thousand)	1 January 2024 – 31 January 2024
Short-term benefits	690
Contributions to the Institution for Occupational Retirement, Life and Medical Provision	7
Post-employment benefits	10
Share based payments	-

Source: Internal management accounts.

The aggregate provisions for post-employment benefits to Key Management Personnel as at 31 January 2024 amounted to €1 million.

The ECL allowance on loans and advances to customers at amortised cost granted from the Group to Key Management Personnel and other related parties as at 31 January 2024 amounted to less than €0.1 million.

As of 31 January 2024, Key Management Personnel hold 747,000 Ordinary Shares.

10.2 Associates

The transactions with associates from 1 January 2024 to 31 January 2024 are presented below:

(€ in thousand)	31 January 2024
Loans and advances to customers at amortised cost (Gross carrying amount)	45,969
Other assets	1,626
Due to customers	183,785
Other liabilities	7,984

(€ in thousand)	1 January 2024 – 31 January 2024
Total expense and capital expenditure	(4,140)
Dividends, interest income & other income	1,065

Source: internal management accounts.

The ECL allowance for impairment on loans and advances to customers granted from the Group to associate companies as at 31 January 2024 amounted to €3 million.

Letters of guarantee to associates of the Group as at 31 January 2024 amounted to €8 million.

10.3 Joint ventures

The transactions with joint ventures from 1 January 2024 to 31 January 2024 are presented below:

(€ in thousand)	31 January 2024
Loans and advances to customers at amortised cost (gross carrying amount)	55,343
Other assets	30
Due to customers	9,666

Source: internal management accounts.

The ECL allowance for impairment on loans and advances to customers at amortised cost granted from the Group to joint ventures as at 31 January 2024 amounted to €40 million.

Letters of guarantee to associates of the Group as at 31 January 2024 amounted to €20 million.

To the best of Piraeus Holdings' knowledge, there are no material related party transactions to be reported from 1 February 2024 to the date of the Prospectus.

11 INFORMATION ON THE CAPITAL OF THE GROUP

The figures presented in the tables in this section derive from the 2023 Annual Financial Statements, the 2022 Annual Financial Statements, the 2021 Annual Financial Statements, and information provided by the Group. In such instances, the relevant source is explicitly stated. Certain financial and other information presented in this Prospectus has been prepared on the basis of the Group's own internal accounts, statistics and estimates, and has not been subject to any review by the Group's Independent Auditors. In such instances, the relevant source is explicitly stated.

11.1 Overview

Following the activation of the SSM on 4 November 2014, Piraeus Bank became subject to the direct supervision of the ECB. The supervision is conducted, *inter alia*, in accordance with the CRR and CRD, which establish the capital adequacy framework applicable to Piraeus Bank and the Group on a solo and consolidated basis. The CRD has been transposed into Greek law by virtue of the Banking Law.

The capital adequacy framework defines the minimum level of regulatory capital of credit institutions and addresses other regulatory issues such as monitoring and control of large exposures, open foreign exchange position, concentration risk and the liquidity ratios, the internal control system, including risk management system and regulatory reporting and disclosures. The approaches adopted for the calculation of the minimum capital requirements (the so-called ''Pillar 1'') (advanced or standardised methods) are determined by the general policy of the Group in conjunction with factors such as the nature and type of risks the Group undertakes, the level and complexity of the Group's business and other factors as well, such as the degree of readiness of the information and software systems.

For more information, see "*Overview of the Regulatory Framework Applicable to the Group in Greece—Prudential Supervision of Credit Institutions*".

11.2 Supervisory Review and Evaluation Process (SREP)

Piraeus Holdings is subject to continuous evaluation of its capital adequacy on a consolidated basis in the context of the SSM and could be requested to operate with higher than minimum regulatory capital and/or liquidity ratios. Such evaluations are carried out by the ECB mainly through the SREP.

Following the completion of the 2023 SREP cycle, in November 2023 Piraeus Bank received the 2023 SREP Decision, which, among other matters, established the own funds requirements that Piraeus Holdings must meet at all times on a consolidated basis in 2024. In particular, based on the 2023 SREP Decision, the Pillar 2 requirement rate for total capital for 2024 remained stable at 3% and the TSCR at 11%, while OCR increased to 14.57% (from 14.50% in 2023), due to the increase in the institution-specific CCyB of 0.07% (for the period ended 31 December 2023). For more information on the SREP, see "*Overview of the Regulatory Framework Applicable to the Group in Greece—Prudential Supervision of Credit Institutions—Supervisory Review Evaluation Process*".

The following table sets forth the Group's capital requirements for 2024.

	CET1 Capital Requirements	Overall Capital Requirements
Pillar 1 (minimum regulatory requirement)	4.50%	8.00%
Pillar 2 (P2R)	1.69%	3.00%
Total SREP Capital Requirement (TSCR)	6.19%	11.00%
Capital Conservation buffer (CcoB)	2.50%	2.50%
Countercyclical Capital Buffer (CCyB)	0.07%	0.07%
O-SII Buffer	1.00%	1.00%
Combined Buffer Requirement (CBR)	3.54%	3.54%
Overall Capital Requirement (OCR)	9.77%	14.57%

As indicated in the 2023 SREP Decision, the SSM, taking into consideration the facts, findings and assessments stemming from the supervisory stress test conducted in 2023, has set the Pillar 2 Guidance ("P2G") at 1.25%, a reduction of 50bps from the previous applicable P2G of 1.75%. The P2G of 1.25% should be comprised entirely of CET1 capital and held over and above the OCR.

11.3 Capital Adequacy Ratios

The following table sets forth the Group's capital adequacy ratios as at the dates indicated.

	As at 31 December		
Amounts in EUR million (except percentages)	**2021(4)**	**2022(4)**	**2023(4)**
CET1 capital	3,582	4,064	4,327

Amounts in EUR million (except percentages)	As at 31 December 2021[4]	2022[4]	2023[4]
Tier 1 capital	4,182	4,664	4,927
Total Capital	5,073	5,557	5,822
Total risk-weighted exposure amounts	32,207	31,178	32,765
CET1 Capital Ratio[1]	11.12%	13.04%	13.21%
Tier 1 Capital Ratio[2]	12.98%	14.96%	15.04%
Total Capital Ratio[3]	15.75%	17.82%	17.77%

Notes:

(1) Common Equity Tier 1 capital as defined in the CRR, as amended. For the years 2021, 2022 and 2023, CET1 capital ratios are presented with the application of the regulatory transitional arrangements for IFRS 9 impact.

(2) Tier 1 regulatory capital as defined in the CRR, as amended. For the years 2021, 2022 and 2023, Tier 1 ratios are presented with the application of the regulatory transitional arrangements for IFRS 9 impact.

(3) The Group currently includes DTAs in calculating its capital and capital adequacy ratios (after applying the regulatory filters of 10%/ 17.65%). As at 31 December 2023, the Group's DTAs amounted to €5.7 billion and the amount of DTA eligible for Tax Credit was €3.3 billion, representing 76.7% of the Group's CET1 capital (including profit for the period). For more information, see "*The Group may not be allowed to continue to recognise the main part of deferred tax assets ("DTAs") as regulatory capital or as an asset, which may have an adverse effect on its operating results and financial condition*" in Section 1 "*Risk Factors*". See also "*The Group may be required to maintain additional capital and liquidity as a result of regulatory changes or otherwise*" in Section 1 "*Risk Factors*" for further risks relating to the Group's capital requirements.

(4) Including profit for the period.

Source: 2023 Annual Financial Statements, 2022 Annual Financial Statements, 2021 Annual Financial Statements and Pillar 3 disclosures as at and for the years ended 31 December 2023, 2022 and 2021.

As at 31 December 2023, the Group's Total Capital Ratio and CET1 capital ratio stood at 17.77% and 13.21%, respectively. The Group's Total Capital Ratio was 17.82% as at 31 December 2022 and 15.75% as at 31 December 2021. The Group's CET1 capital ratio was 13.04% as at 31 December 2022 and 11.12% as at 31 December 2021. The increase in Total Capital Ratio as at 31 December 2023 compared to 31 December 2022 was mainly attributable to the Group's strong organic profitability. The increase in Total Capital Ratio as at 31 December 2023 compared to 31 December 2021 was mainly attributable to the Group's profitability.

As illustrated in the below table, the Group's objective is to build and maintain a strong capital basis, well above regulatory requirements that ensure the execution of Group's business plan and the achievement of its strategic goals.

	As at 31 December 2021	2022	2023
Total Capital Ratio[1][2]	15.75%	17.82%	17.77%
Overall Capital Requirement (OCR)[3]	14.25%	14.25%	14.57%
Buffer	**1.5%**	**3.57%**	**3.20%**

Notes:

(1) For the years 2021 and 2022, Total Capital Ratio is presented with the application of the regulatory transitional arrangements for IFRS 9 impact.

(2) Including profit for the period.

(3) Before ECB's COVID-19 relief measures for capital requirements, which ended on 31 December 2022 (see "*Capital Requirements for Banks' NPL*" in Section 15 "*Overview of the Regulatory Framework Applicable to the Group in Greece*").

Source: 2023 Annual Financial Statements, 2022 Annual Financial Statements, 2021 Annual Financial Statements and Pillar 3 disclosures as at and for the years ended 31 December 2023, 2022 and 2021.

11.4 MREL Requirements

Under the BRRD, banks in the European Union are required to maintain an MREL which ensures sufficient loss-absorbing capacity in resolution. MREL includes a risk-based and a leverage-based dimension. MREL is therefore expressed as two ratios that both have to be met: (i) as a percentage of the TREA; and (ii) as a percentage of the LRE.

Instruments qualifying for MREL are own funds (Common Equity Tier 1, Additional Tier 1 and Tier 2), as well as certain eligible liabilities (mainly senior unsecured bonds). The SRM Regulation allows the SRB to set, in addition to the MREL requirement, a "subordination" requirement within MREL, against which only subordinated liabilities and own funds count.

Piraeus Bank has been identified by the SRB as the Single Point of Entry of the Group and the only entity required to maintain an MREL capacity.

As from 1 January 2022 onwards, Piraeus Bank and its subsidiaries are required to continually meet the following binding threshold levels of two targets, the MREL-TREA and MREL-LRE. The MREL-TREA target is expressed as a percentage of

TREA, and the threshold level was set at 12.89% (first binding requirement) plus the combined buffer requirement of TREA, while the MREL-LRE target is expressed as a percentage of LRE, and the threshold level was set at 5.91% of LRE. On 4 January 2024, Piraeus Bank received the final decision (No 72/1/21.12.2023) by the Bank of Greece/National Resolution Authority regarding the MREL requirements. According to the decision, the final MREL requirement stands at 24.33% for TREA and 5.91% for LRE, which must be accomplished by 31 December 2025. These targets do not include CBR. The decision is in force as of the date of its notification (final binding requirement). Both targets should be calculated at the consolidated resolution group level of Piraeus Bank.

In particular, the interim annual targets until 31 December 2025 are informative and are calculated through linear interpolation/build-up between the two binding targets of 1 January 2022 and 31 December 2025. Henceforth, as from 1 January 2024 onwards, Piraeus Bank is required to meet on an ongoing basis the MREL requirements of 18.31% plus CBR of TREA and 5.91% of LRE, both on a consolidated basis. CBR stood at 3.25% in 2022, increasing to 3.54% in 2023 (applicable for the third quarter of 2023). Finally, according to the abovementioned SRB's decision, no subordination requirement is set for Piraeus Bank.

As of 31 December 2023, Piraeus Bank meets the abovementioned MREL and CBR requirements. In the context of Piraeus Bank's strategy to increase its MREL, Piraeus Bank completed the following issuances since 1 January 2021:

- on 3 November 2021, Piraeus Bank completed the placement of €500 million senior preferred bonds at a coupon 3.875%. The bonds mature on 3 November 2027. Piraeus Bank has a one-time call option to redeem them in whole, on 3 November 2026;

- on 28 November 2022, Piraeus Bank completed the placement of €350 million senior preferred bonds at a coupon 8.250%. The bonds mature on 28 January 2027. Piraeus Bank has a one-time call option to redeem them in whole, on 28 January 2026;

- on 7 July 2023, Piraeus Bank completed the placement of €500 million senior preferred bonds at a coupon 7.250%. The bonds mature on 7 July 2028. Piraeus Bank has a one-time call option to redeem them in whole, on 7 July 2027;

- on 5 December 2023, Piraeus Bank completed the placement of €500 million senior preferred bonds at a coupon 6.750%. The bonds mature on 5 December 2029. Piraeus Bank has a one-time call option to redeem them in whole, on 5 December 2028; and

- on 10 January 2024, Piraeus Holdings announced that it has successfully completed the pricing of a €500 million Tier 2 subordinated bond at a coupon 7.250%. The bond has a duration of 10.25 years, with a right of withdrawal from the fifth year. In addition, Piraeus Holdings announced a cash repurchase offer for the holders of the Tier 2 subordinated bond with a yield of 9.750% and callable in June 2024. The tender offer, concluded on 17 January 2024, resulted in €293.9 million being tendered, leaving an outstanding amount of €106.1 million.

11.5 Restrictions on the Use of Capital

Pursuant to the 2023 SREP Decision, Piraeus Holdings is required to obtain ECB's approval prior to making any distribution to its Shareholders. See also "*Financial Information Concerning the Group's Assets and Liabilities, Financial Position, and Profits and Losses—Dividends and Dividend Policy*".

11.6 Internal Capital Adequacy Assessment Process (ICAAP)

The Group devotes substantial resources to the assessment of its capital adequacy, relating to both risk and capital management. The process is continuously developed and formalised so as to enhance business benefits and support the strategic aspirations of the Group. The ICAAP's objectives comprise the proper identification, measurement, control and overall assessment of all material risks; the development of appropriate systems to measure and manage those risks; and the evaluation of capital required to cover those risks (the "internal capital", which refers to the amount of own funds adequate to cover losses at a specified confidence level within a certain time horizon).

The Group has created an analytical ICAAP framework for the annual implementation of the ICAAP. The ICAAP Framework is formally documented and describes the components of ICAAP in detail. The respective framework comprises Group risk profile assessment; risk measurement and internal capital adequacy assessment through the Risk Identification process; stress testing development, analysis and evaluation; ICAAP reporting; and ICAAP documentation. Both the Board of Directors and the Executive Committees are actively involved and support the ICAAP. The Risk Committee ensures that adequate capitalisation exists on an ongoing basis covering both current and forward-looking assessments, that internal capital (available own funds) is of high quality and clearly defined, and that all forms of risk are effectively covered, by means of integrated controls, specialised treatment and proper coordination at Group level. The Board of Directors bears ultimate responsibility for the adequacy and proper execution of the ICAAP.

ICAAP's design and implementation framework concerns the entire Group's material risks. The parameters taken into account are the size of the relevant Business Unit/Group subsidiary, the exposure per risk type and the risk methodology and measurement approach for each type of risk. The identification, evaluation and mapping of risks to each relevant Business Unit/Group subsidiary is a core ICAAP procedure. Risks' materiality assessment is performed on the basis of certain quantitative and qualitative criteria. The calculation of Group "total internal capital" consists of two steps: in the first step, internal capital per risk type is calculated on a Group basis. The Group has developed methodologies allowing the calculation of the required internal capital for quantifiable risks. These are reassessed on a regular basis and upgraded in accordance with the global best practices. In the second step, internal capital per risk type is summed up to yield the Group's "total internal capital".

For 2023, Piraeus Bank implemented the ICAAP by estimating the relevant internal capital for all material risk types at Group level. Calculations were based on methodologies already developed in the ICAAP framework. Moreover, the Group conducted a bank-wide macro stress test exercise, relating to the evolution of its CET1 capital under adverse scenarios (so as to ensure relevance and adequacy of the outcome with a severe, yet plausible forward-looking view of downside tail risks). In addition to the institution-wide bottom-up solvency stress test, a number of business risk and portfolio stress tests as well as reverse stress tests and sensitivity analysis were also performed, aiming at increasing the Group's awareness of its vulnerabilities.

Acknowledging the importance of risks stemming from climate-related and environmental factors, and in alignment with the regulatory expectations regarding a robust risk materiality assessment process, the Group has developed a bottom-up process with regard to the mapping of transmission channels and identified risk drivers with primary risk types. Mapping refers to the internal process addressing the interconnection among C&E-related risk drivers, transmission channels (*i.e.*, the pathways through which the impacts of these risks are transmitted or spread throughout various sectors of the economy and society) and risk types, in order to assess potential financial and non-financial impacts. The assessment is tailored to the Group's business model and risk profile, providing a holistic and substantiated view of the impact of C&E-related risks on existing risk types, in order to facilitate strategic and business decision making. Taking into account the outcome of the materiality assessment, the Group also implemented an advanced climate stress testing methodology with regard to quantification of transition risk for the Corporate Banking portfolio. Specifically, an exploratory quantitative analysis for assessing transition risk has been employed, along the lines of UNEP FI framework.

Piraeus Bank implements, monitors and uses the ICAAP aiming at achieving full compliance with the EBA and ECB guidelines and standards concerning ICAAP/ILAAP, the SREP and stress testing.

11.7 2023 EU-wide Stress Test

On 31 January 2023, the EBA launched the 2023 stress test for a sample of 70 participating banks from across the European Union. This stress test was designed to provide valuable input for assessing the resilience of the European banking sector in the current uncertain and changing macroeconomic environment. Piraeus Bank participated as part of the EBA's sample of the euro-area's largest banks. The stress test was based on a static balance sheet approach, thus factoring in the Group's financial and capital position as at 31 December 2022 as a starting point and conducting a three-year horizon stress simulation (for the period of 2023-2025), under a "baseline" and an "adverse" scenario.

On 28 July 2023, the EBA announced the results of the stress test. Under the commonly applied methodology in the adverse scenario, Piraeus Bank's CET1 capital ratio fully loaded incurred a maximum depletion of 318 bps, reaching its lowest level of 8.36% in the first year of the projections (2023). By the same indicator, Piraeus Bank ranked 19th among the 70 EU participating banks, and 13th when taking into consideration its CET1 capital ratio fully loaded depletion by the end of 2025.

Considering the full three-year horizon of the stress test: (a) under the adverse scenario, Piraeus Bank's CET1 capital ratio fully loaded settled at 9.13% at the end of 2025, indicating a depletion of 240 bps compared with the starting point of the exercise; and (b) the baseline scenario resulted in a capital accretion of 271 bps over the three-year horizon, with its CET1 capital ratio fully loaded reaching the level of 14.2% in 2025. The results of this stress test demonstrate the Group's resilience to shocks and ability to maintain solid capital levels, even in conditions of severe economic stress. Comparing the performance to previous stress test exercises, Piraeus Bank has achieved notable progress over the past years in strengthening its balance sheet, despite globally challenging economic conditions. Specifically, the outcomes reflect the success of the NPE deleveraging strategy, the build-up of adequate capital buffers as well as a favourable liquidity position.

11.8 2022 ECB Climate Risk Stress Test

Piraeus Bank successfully completed the climate risk stress test led by the ECB in 2022 under common methodological rules and scenario assumptions, in which 104 significant banks participated. This stress test was primarily prescribed by ECB as useful learning exercise for all participating banks and supervisors, forming part of the green transition roadmap and the effective management of climate risks. In this context, the stress test did not constitute a solvency exercise; its outcomes were instead incorporated into the SREP from a qualitative perspective, without a direct impact on capital through the Pillar 2 guidance.

Piraeus Bank's overall performance was in line with the average of the EU-wide participating institutions. The results indicated an advanced climate risk stress testing framework, where Piraeus Bank achieved a top ranking among European peers, while it also performed well on data quality. The stress test outcomes reflect the firm commitment and progress made by Piraeus Bank, setting the basis for timely adaptation of sustainable processes and strategies, including via ambitious plans for substantial investment in human and technical capabilities.

11.9 Acquisition of Offer Shares Exceeding 5%

Piraeus Holdings is not aware of a major Shareholder or member of its Management, supervisory or administrative bodies or any other person intending to acquire Offer Shares corresponding to more than 5% of the Offering. See "*Major Shareholders—Major Shareholders*".

12 RISK MANAGEMENT

All references herein to Bank are to Piraeus Bank Société Anonyme.

The figures presented in the tables in this Prospectus derive from the 2022 Annual Financial Statements and the 2023 Annual Financial Statements. In such instances, the relevant source is explicitly stated. Certain financial and other information presented in this Prospectus has been prepared on the basis of the Group's own internal accounts, statistics and estimates, and has not been subject to any review by the Group's statutory auditors. In such instances, the relevant source is explicitly stated.

The recognition and management of risks arising from the Group's activities is a priority in the development of its business strategy. In this regard, a framework for prudent risk management has been established, which is based on supervisory guidelines and best international practices and the guidelines of the Basel Committee for Banking Supervision. The Board of Directors has full responsibility for the development and supervision of the risk management framework. An overview of the Group's risk management framework and credit risk management is provided in this "*Risk Management*" section of the Prospectus; for a more detailed discussion of the Group's financial risk management, see Note 4 of the 2023 Annual Financial Statements.

12.1 Risk management framework

Risk Committee

The Risk Committee is appointed by the Board of Directors with a mandate to effectively manage all types of risks arising from the Group's activities and ensuring a consistent and uniform assessment and a specialised treatment thereof, as well as to coordinate operations on a Bank and Group level. In particular, the Risk Committee assists the Board of Directors in relation to (i) the existence of an appropriate risk management strategy and the definition of maximum acceptable risk levels, as well as the supervision of their application; (ii) the establishment of principles and rules that will govern risk management as regards the identification, assessment, measurement, monitoring, control and mitigation of risks; (iii) the development of the Group's risk management system and the incorporation of appropriate risk management policies and controls during the business decision-making process; and (iv) the compliance of the Group and Piraeus Bank, through strict and reliable procedures, with the requirements of the regulatory framework for risk management functions.

The Risk Committee's mission is to ensure that the Group has a well-defined Group Risk & Capital Strategy and Risk Appetite Framework in line with its business goals and the available human and technical resources. The risk appetite of the Group is articulated and clearly communicated in a set of quantitative and qualitative statements, and specific limits, for the material risks. Also, the Risk Committee ensures that all risks relating to the activity of the Group are effectively identified, assessed, measured, controlled, mitigated and monitored and that the risk management and control framework in place, including policies, methods and tools, complies with Risk & Capital Strategy and Risk Appetite, as well as the various regulatory and supervisory requirements.

The Risk Committee convenes, upon its Chairman's invitation, as many times as are considered necessary in order to accomplish its mission, but not less than once a month. Each member of the Committee may request the convocation of the Committee in writing for the discussion of specific issues.

The Group's CRO is the Head of the Piraeus Bank Group Risk Management and is appointed by the Board of Directors of Piraeus Bank upon recommendation and endorsement of the Risk Committee. The CRO's appointment or replacement is communicated to the Bank of Greece and the SSM. The CRO participates in all major executive committees, including the Group Executive Committee, and has a dual reporting line to the Risk Committee and Piraeus Bank's CEO with direct access to the Chairman of the Risk Committee, whenever deemed necessary.

Piraeus Bank Group Risk Management

The Piraeus Bank Group Risk Management is independent from the business units of the Group. It carries out responsibilities of risk management and credit risk control in accordance with the Bank of Greece Governor's Act No 2577/2006 and the Banking Law. The Piraeus Bank Group Risk Management is responsible for the design, specification and implementation of the Group's policies on risk management and capital adequacy in accordance with the directions of the Board of Directors, which covers the full range of the Group's activities for all types of risks. The Group CRO supervises the Piraeus Bank Group Risk Management and reports to the Risk Committee and through it to the Board of Directors, whereas for typical administrative matters the CRO reports to the CEO. The Piraeus Bank Group Risk Management is subject to review by the Internal Audit as to the adequacy and effectiveness of risk management framework such as policies, methodologies and procedures.

The Piraeus Bank Group Risk Management develops the strategy, policies and procedures in relation to:

- the identification, assessment, measurement, management/control, monitoring and reporting of potential and actual risk exposures;

- the establishment, allocation and monitoring of appropriate risk limits (*e.g.*, credit, market, liquidity and operational risks) in cooperation with the relevant committees and units of the Group;
- capital management objectives;
- monitoring the implementation of the risk management framework, including the risk and capital strategy, along with the regulatory requirements and the guidelines of Management;
- monitoring the adherence to the approved risk appetite framework on an ongoing basis;
- developing, conducting, monitoring and reporting the Group's Internal Capital Adequacy Assessment Process ("ICAAP") and Internal Liquidity Adequacy Assessment Process ("ILAAP");
- the oversight of the alignment of the Group's risk and capital strategy with the Group's business plan, restructuring plan, funding plan, budget, ICAAP, ILAAP and recovery plan;
- producing and reporting the capital adequacy requirements under Pillar I (*e.g.*, credit, market and operational risks);
- documenting and reporting the capital adequacy and risk management regulatory disclosures under Pillar III;
- supervising the development and harmonisation of the subsidiaries' risk management frameworks with the Group's risk management framework and practices;
- developing awareness about risk exposure, promote risk management culture and support in risk matters all units across the Group;
- participating in the development of the Group and Piraeus Bank's credit policy, which is approved with the consent of the Piraeus Bank Group Risk Management;
- leading and coordinating the design and execution of Group-wide solvency stress tests; exercising periodic and/or temporary stress tests with base and adverse scenarios tailored to the nature and scope of the operations of the Group for all types of risk;
- the Model Management and Governance Framework that ensures an objective, consistent, controlled and transparent process across the standard model lifecycle and defines the key functions involved in managing the model lifecycle and the principles of model governance;
- the establishment and validation of loan impairment models (compliant with the IFRS 9 framework);
- developing risk-based pricing models;
- assessing new products and activities or significant changes to existing ones prior to their introduction; and
- monitor the new production profile and communicate the results to Piraeus Bank's business units.

Taking into consideration the overall mission and objectives of the Piraeus Bank Group Risk Management, a three-pillar structure was established, with clear and discrete functional areas and responsibilities, comprising:

- *credit risk management:* responsible for the development of the risk management framework (policies, methodologies, models and processes) with respect to credit risk;
- *capital management & risk strategy, market, liquidity & ALM risks:* supports the development and implementation of the Group's strategy, aiming at the effective management of risks and balance sheet optimisation; and
- *Group control & risk data & solutions:* responsible for the identification, monitoring and assessment of all types of risks (credit, market, operational, liquidity, etc.) arising from the Group's activities, through the development, implementation and evaluation of an adequate internal control system (the "ICS"), in order to ensure the Group's safe and efficient operations and the achievement of its business objectives.

Furthermore, in alignment with Piraeus Bank-wide implementation of the Group's "Internal Control System Enhancement" initiative, a new Segment Controller role was established with a discrete reporting line to the CRO (segment head).

The Piraeus Bank Group Credit Unit

The Piraeus Bank Group Credit Unit constituting the secondary risk assessment during the approval process (first line of defence) is responsible for establishing and updating the Group's credit policy.

Assets/Liabilities Management Committee (ALCO)

ALCO consists of nine members and chaired by Piraeus Holdings' Managing Director and CEO. The members of ALCO are senior general managers, general managers, as well as other senior executives of Piraeus Bank. ALCO is supported by an Executive Secretary. ALCO convenes monthly and its main duties are (i) the implementation of the Group's strategy in developing assets and liabilities; (ii) the management of assets and liabilities exercising at the same time a pricing policy in products and services; and (iii) the approval for the introduction of new deposit or loan products, the follow-up of equity adequacy in relation to the risks, the examination of stress test scenarios and the decision making on preserving the available Group's liquidity at acceptable levels.

12.2 Committees

Provisioning Committee: the Provisioning Committee, is responsible for the approval of the quarterly ECL allowance estimates for impairment on loans and advances to customers at amortised cost of Piraeus Bank, and the Group, as it results from the implementation of the policies and procedures governing the calculation of individual and collective provisions against credit risk. The Provisioning Committee is also mandated to, periodically, and at least annually, review the policies and methodologies (such as parameters, scenarios, weighting of scenarios etc.), applied to all Group entities according to the Impairment Policy in estimating ECL. Moreover, the Provisioning Committee is responsible for reviewing and approving material or resolving disagreements between the approving bodies, requesting exceptions/overrides addressed by the Business Units' Heads (NPE Unit, Credit Risk etc.), and for reviewing and approving requests for accounting write-offs, provided the specific criteria set out in the Debt Forgiveness & Accounting Write-Off Policy are met.

Market Scenario Steering Committee: the Market Scenarios Steering Committee reviews and approves scenario variables and probability weighs derived by the Group's economics and investments strategy. In addition, it reviews and approves temporary adjustments on the credit risk parameters.

Risk Models Oversight Committee: the Risk Models Oversight Committee, composed of the CEO and Executive Committee members and chaired by the CRO, is mainly responsible for the implementation of the Model Management and Governance Framework and the review and approval of relevant issues. In particular, the Risk Models Oversight Committee reviews and approves the Model Development Framework, the initiation of the development of new models, as well as the use and the potential removal or replacement of existing ones. Furthermore, it reviews and approves the Model Validation Framework, the Annual Model Validation Plan and the model validation assessments submitted by the Model Validation Unit and monitors the adherence to the timetable for the implementation of respective recommended actions.

The Group continuously reassesses and develops its risk management framework in order to ensure it keeps pace with market dynamics, changes in the banking products offered, supervisory requirements and international best practices.

The Group systematically monitors the following substantial risks resulting from its business activities and goals: credit risk, market risk, interest rate risk, liquidity risk and operational risk.

12.3 Credit risk

Credit risk management strategies and procedures

The Group engages in activities that can expose it to credit risk. Credit risk is defined as the potential risk of realising financial losses stemming from the possibility that counterparties fail to meet their contractual/transactional obligations. Credit risk is the most significant risk for the Group and therefore its effective monitoring and persistent management constitutes a top priority for senior management.

The Group's exposure to credit risk mainly arises from corporate and retail credit lending, various investments, OTC transactions and derivatives transactions as well as from transaction settlement. The amount of risk associated with such credit exposures depends on various factors, including general economic conditions, market developments, the debtor's financial condition, the amount/type/duration of the relevant exposure and the existence of collateral and guarantees, which Piraeus Bank may not be able to assess with accuracy at the time it undertakes the relevant activity.

The implementation of the credit policy that describes the principles of credit risk management of the Group, ensures effective and uniform credit risk monitoring and control. The Group applies a uniform policy and practice with respect to credit assessment, approval, renewal and monitoring procedures. All credit limits are reviewed and/or renewed at least annually, and the responsible approval authorities are determined based on the size and the category of the total credit risk exposure undertaken by the Group for each debtor or group of connected debtors (the one obligor principle).

The Group has also established a credit quality review process to provide early identification of potential changes in the creditworthiness of counterparties, including regular collateral revaluations. Counterparty limits are established by the use of a credit risk classification system, which assigns a risk rating to each counterparty. Risk ratings are subject to regular revision. The credit quality review aims to allow the Group to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

The Group continues to develop and lead a series of initiatives aimed at accurately assessing the credit risk and effectively managing the credit impact on its loan portfolio. In this vein, the Group's credit risk team is engaged in the early recognition and effective management of credit risk through an integrated framework of policies, methodologies, procedures and systems that allow the development of a profitable loan portfolio within the acceptable risk profile.

Credit risk measurement and reporting systems

Reliable credit risk measurement is a top priority within the Group's risk management framework. The continuous development of infrastructure, systems and methodologies aimed at quantifying and evaluating credit risk is an essential condition in order to support management and the business units in relation to decision making, policy formulation and the fulfilment of supervisory requirements in a timely and efficient manner.

Across the Group, common policies and practices are applied with respect to the credit assessment, approval, renewal and monitoring procedures. Credit risk measurement uniformity is achieved through the application of Group-wide policies and methodologies as well as the dissemination and communication of common monitoring and reporting guidelines. The Group applies individually tailored credit assessment models for each of its corporate and retail portfolios.

Lending portfolio

For credit risk measurement and monitoring purposes related to the Group's loans and advances to customers at amortised cost, the Group assesses the following at a counterparty level:

- the customer's creditworthiness and the probability of default; and
- the Group's probability of potential recovery, in the event of the debtor defaulting on its obligations, based on existing collateral, security/guarantees provided and curing levels.

The Group assesses the creditworthiness of its borrowers and estimates the probability of default on their obligations by applying credit rating models appropriate for their special characteristics and features taking into account various historical, current and forward-looking information.

Commercial loan portfolio

The Group applies strictly defined policies and practices regarding the credit assessment, control and monitoring of its commercial portfolio in accordance with the Group's general principles of credit policy. This framework covers all aspects of the credit cycle: the loan request, the assessment, approval and monitoring of the loan and the rescheduling and restructuring and management of arrears and NPEs.

Loan requests from commercial borrowers are submitted to Group Credit, which is responsible for the credit assessment of both large corporate customers and SMEs customers.

The Group's corporate lending customers are assigned to credit rating grades (on an 18-grade master scale), which correspond to different levels of credit risk and relate to different default probabilities. Each rating grade is associated with specific customer relationship policy or guidelines and is presented in the Group's credit policy and practice manual. The rating scale for business borrowers consists of 18 rating grades that correspond to borrowers that have not defaulted on their contractual obligations. The below table presents the Group's policy mapped to each rating scale:

<table>
<tr><th>RATING</th><th colspan="2">CREDITWORTHINESS</th><th>GUIDELINE OR POLICY RULE</th></tr>
<tr><td>1-3</td><td>Very Strong</td><td>Develop relationship</td><td rowspan="4">GUIDELINES</td></tr>
<tr><td>4-7</td><td>Strong</td><td>Develop relationship</td></tr>
<tr><td>8-10</td><td>Good</td><td>Develop relationship based on the company's growth</td></tr>
<tr><td>11-12</td><td>Satisfactory</td><td>Careful development of the relationship with adequate collaterals or maintain relationship</td></tr>
</table>

13-15	Weak	Careful development of the relationship or maintain relationship with unsecured risk less than 30%	**POLICY RULES**
16-18	Poor	Probable classification as watch list/limit relationship or terminate relationship	

In addition, the Group uses distinct credit rating models, according to the type of operations and the size, as reflected in the following table:

Credit Category	**Rating System**	**Rating Scale**
Business lending	RA for Corporate customers that keep "C" category accounting books and have a turnover more than €2.5 million	18-grade
	RA for Corporate customers that keep "C" category accounting books and have a turnover up to €2.5 million	18-grade
	Small Business Lending Rating for small business or personal companies (that keep "B" category accounting books)	18-grade
Specialised lending	Project Finance PD Scorecard	18-grade
	Object Finance (Shipping) Scorecard	18-grade
	Real Estate Scorecard	18-grade
Business lending/ Specialised lending	Manual Rating	18-grade

Business Rating Models incorporate the following information in order to quantify the client risk:

- historical financial information that includes realised results, solvency ratios, liquidity ratios and any other relevant ratios to measure the client's financial performance;
- any publicly available information on the clients from external parties. This includes credit bureau information; and
- any other objective data on the quality and management capabilities of the Piraeus Bank-financed company, related to its performance.

The Group has developed and applied internal rating systems for specialised lending. In addition, small business borrowers are assessed with internally developed rating and scoring systems that are based exclusively on client behaviour historical data and are the result of the implementation of statistical analysis. These systems are regularly reviewed and optimised to ensure reliability.

Any credit facility requires the approval of at least two authorised signatories one lending officers and one lending officer) or the appropriate committee. Authority levels and limits are defined by the aggregate credit risk (on a one-obligor basis), the unsecured risk, the borrower's creditworthiness and classification, as well as the tenor of the credit facility.

Piraeus Holdings' subsidiaries apply the same approval process in accordance with the Group's credit policy. Each subsidiary may approve credit facilities within the authority granted by the Group's Executive Committee. Credit requests exceeding their authority are submitted to Piraeus Bank's appropriate bodies for approval.

Credit reviews take place on an annual basis; high risk borrowers require more frequent assessment. The scope of credit reviews involves:

- re-assessing credit risks;
- re-evaluating collateral/security package vis-à-vis current risks and strengthen as necessary;

- reviewing adherence to the approved loan terms and conditions and/or their amendment, if necessary;
- reviewing usage of limits;
- proposing changes to the amount of risk and type of facilities provided and their respective terms and conditions, as needed; and
- proposing the modification of pricing in accordance with the above.

Adverse economic conditions, combined with the lack of liquidity, have led the Group to implement a more systematic monitoring of the quality of the commercial portfolio through frequent reassessment of credit relationships and credit limits and re-evaluation of collateral/security. To that end, the Group:

- applies stricter assessment criteria;
- requires additional collateral/security for existing facilities;
- increases pricing in order to balance higher funding cost and risk;
- develops, approves and implements a specific credit policy for management of arrears and NPEs;
- applies stricter procedures for monitoring adversely classified borrowers; and
- reviews its impairment and provisioning policies, taking into consideration the adverse economic environment.

The Group restructures or reschedules credit facilities in accordance with relevant policy, taking into account the borrower's financial standing and industry conditions, thus ensuring prompt repayment.

Retail loan portfolio

The establishment of rules and evaluation criteria as well as approval policies for loans to individuals has been of paramount importance to Piraeus Bank in recent years.

The Group applies modern credit risk management methods. The Group evaluates applicants using application scoring models and has implemented models for the evaluation of existing customers' transactional behaviour (behaviour scoring) for each product and on a customer level.

In addition, the Group has used the credit bureau scoring model of Teiresias S.A., which takes into account the total exposure of borrowers in the Greek market. The usage of this particular model has improved the performance of the existing models.

The policy is based on a similar range of credit criteria (apart from credit scoring models), such as:

- age/citizenship/profession;
- minimum income level;
- monthly disposable income;
- loan to income ratio;
- credit history of the customer;
- maximum unsecured exposure;
- maximum levels of LTV (for collateralised loans) combined with the purpose of the loan;
- collaterals and guarantees provided; and
- maximum limits per product.

A set of macro-economic models is used for the calculation of forward-looking lifetime probability of default ("PDs") projections for all portfolios. The models combine exposure/portfolio idiosyncratic characteristics with projections of specific macro-economic variables to produce adjustments to the spot obligor/exposure PDs that take into account forward looking conditions. Forward-looking PDs are used for the purposes of IFRS9 provision calculation, pricing, ICAAP, stress testing, etc. Moreover, challenger macro-economic models have been developed for the business portfolio that have as an input the gross value added macro instead of the GDP. These models incorporate industry specific sensitivity and produce complementary information for the same purposes the traditional macro-PD models are used for.

The most significant elements of the Group's loan evaluation and approval processes as well as recent organisational changes relating to their implementation, are summarised as follows:

Approval checks:

- At least two officers are involved in the credit process;
- The Group makes use of approval levels with diversifying approval limits;
- Application of credit ratings systems for each credit approval request, through evaluation models which take into account the Application Scorecards and the Behavioural Scorecards. The credit bureau scoring model of Teiresias S.A. is also taken into account; and
- Credit approval requests are subject to leverage ratio and LTV criteria, the customer's history with Piraeus Bank, anti-fraud authentication of the application information as well as monitoring of any unfavourable data.

Policy/processes:

- Regular review and update of the credit policy in order to remain efficient and safeguard Piraeus Bank's interests;
- The existence of a credit limit for the maximum unsecured exposure per customer;
- Personalised pricing policy, taking individualised risk into account; and
- The management of all applications for retail credit products is carried out centrally by Group Credit in order to simplify and standardise processes across the spectrum of Retail Credit.

Systems:

- Implementation of IT systems for the submission of applications with advanced controls leading to a paperless procedure and for the automated evaluation of retail credit and credit card applications.

The Group has developed modern methods for measuring the credit risk arising from its retail portfolio (*e.g.*, application/behavioural scorecards, models across the credit cycle) to limit line management. The Group has also put in place collection strategies and legal action strategies.

The Group has invested considerably over the past few years in implementing a scoring technology and developing its expertise, and it currently preserves high standards in developing, implementing and monitoring scoring systems across the credit cycle. In addition to developing its in-house expertise, the Group has formed strategic relationships with leading companies worldwide in order to ensure continuous knowledge transfer. Scorecards of client credit assessment in the retail banking portfolio cover different stages of the credit cycle.

(a) Application scorecards

The Application Scorecards are exclusively based on historical data of applications and behaviour and are the result of the implementation of statistical analysis. They are tailored specifically to the Group and Piraeus Bank's clients and are customised on a product and purpose basis. Thus, the Group has five products – based application scorecards and three purpose – based application scorecards in mortgage/housing loans.

(b) Behavioural scorecards

The Behavioural Scorecards are exclusively based on historical data of client behaviour regarding Piraeus Bank's products and are the result of the implementation of statistical analysis. They are tailored specifically to Piraeus Bank's clients and are customised on a product and days past due basis.

(c) Internal bureau scorecard

There is also one scorecard regarding the Group and Piraeus Bank's clients' behaviour in the market at the moment of the application. This scorecard is exclusively based on historical data and is also the result of the implementation of statistical analysis. It is tailored specifically to the Group and Piraeus Bank's clients and is not customised on a product basis.

(d) Overall application scorecards

These are scorecards which are part of the origination process and essentially combine the above three scorecards. Thus, when a client submits an application, his application score, his behaviour score and his Teiresias bureau score are taken into account. These are five scorecards which are customised on a product-category basis, are based on historical data of applications and behaviour and are the result of the implementation of statistical analysis.

The internal models comprise the basic factors that are used as inputs in probabilities of default models for the total retail banking portfolio and the business banking portfolio.

(e) Credit bureau scoring

In addition, the Group and Piraeus Bank have used the credit bureau scoring model of Teiresias S.A., which takes into account the total exposure of borrowers in the Greek market. The usage of this particular model has improved the performance of the existing models.

(f) Small business customer rating system

The Group and Piraeus Bank have developed statistical models that assess the creditworthiness of small business customers. The rating model is a combination of four traditional modules and an innovative module based on current account cash flow data. The modules are integrated to arrive at a final model score/rating which is subsequently calibrated to a probability of default. These modules include the following:

- borrower characteristics model;
- financial statements model;
- credit bureau information model;
- behavioural model; and
- cash flow model.

The policy that is taken into account in the approval process and determine the willingness as well as the ability of the applicant to fulfil his obligations is also based on a range of credit criteria (apart from the credit scoring models), such as: age/citizenship/profession, minimum income level, monthly disposable income, loan to income ratio, credit history of the customer, maximum unsecured exposure, maximum levels of LTV (for collateralised loans) combined with the purpose of the loan, collaterals and guarantees provided and maximum limits per product.

Management regularly validates and tests the predictive ability of the creditworthiness evaluation of rating models (wholesale and retail), thus ensuring its potential of accurately depicting credit risk and allowing for the timely implementation of measures addressing potential problems.

Recovery based on the existing collateral, security and guarantees

Along with the assessment of counterparties' creditworthiness, rating evaluation and during the process of setting and reviewing credit limits, the Group estimates the recovery rate related to the exposure in the event of default of a debtor based on the existence and the quality of collateral/security or guarantees. In line with standard practice, the lower the rating of a borrower, the greater the collateral/security and guarantees required, so as to maximise the recovery rate in case of default of a borrower on its contractual obligations to the Group.

Significant increase in credit risk

The assessment of significant increase in credit risk is essential in establishing the point of switching between the requirement to measure an allowance based on twelve-month expected credit loss or based on lifetime ECL. If, following this assessment, a significant increase in credit risk occurs, the Group recognises a loss allowance amount equal to the ECL amount over the life of that financial instrument. To perform this assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. The Group's objective is to capture this significant increase in credit risk prior to the financial asset being treated as credit impaired. The allocation between stages is based on the following criteria:

- if at reporting date, the loan is in NPE status, it is allocated to "Stage 3" and lifetime expected losses are calculated;
- if there has been a significant increase in credit risk at reporting date against the credit risk at the initial recognition date, the loan is allocated to "Stage 2" and lifetime expected losses are calculated; and
- the remainder of the loans are allocated to "Stage 1" and expected credit losses are computed for the next twelve months.

The quantitative and qualitative principles based on which the Group assesses whether there is a significant increase in credit risk for an exposure in its corporate and retail lending portfolios are:

- *the primary principle*: significant increase in the probability of default of the financial instrument at the reporting date compared to the one calculated at the initial recognition date, based on certain absolute (300-650 bps depending on the portfolio segment) and/or relative (200%) thresholds; and
- *the secondary principles*: existence of forbearance, any behavioural flags (through monitoring the maximum delinquency bucket for the last twelve months), existence of default event over the last twelve months based on the defaulted exposures and watch-list flags. The Group also uses as a backstop rebuttable presumption that the credit

risk of a financial asset has increased significantly since initial recognition when contractual payments 30 days or more past due.

As of 31 December 2022, additional criteria have been introduced in order to capture sectors vulnerable to high energy prices and inflation. As of December 2023, additional criteria have been taken into account in order to capture retail exposures' vulnerability to high energy prices and inflation.

Furthermore, Piraeus Holdings developed a comprehensive and robust early warning framework, which promotes the identification of potential future non-performing obligors at an early stage and supports the adoption of predefined measures and mitigation/rebalancing actions. The early warning framework's key objectives are increased visibility over obligor's creditworthiness, reduction of the likelihood of default through preventive measures, minimisation of exposure at default, decrease of the potential cost of risk and increased return on capital. This is achieved through the continuous and effective interaction amongst all stakeholders and the timely rebalance of the relationship with the obligor in the event of credit risk deterioration by adjusting the risk/return relationship to obligor's current risk profile.

The newly introduced Early Warning System (EWS), which is reflected in the early warning framework, consists of models and indicators (quantitative and qualitative/manual) along with their respective thresholds, facilitating the identification of early signs of deterioration of the obligor's creditworthiness. Credit risk data and data from other sources, such as transactional and current accounts, were gathered and analysed for the development of the EW models. The quantitative indicators are quantifiable signals based on internal and external data (e.g., delinquencies in Piraeus Bank's products, detrimental events initiated by other lenders and bounced checks) and are enabled upon occurrence. The qualitative indicators are based mainly on interaction with the obligor and/or non-quantifiable information, that could have an influence on the repayment of a loan. These indicators require manual input in the loan origination system (upon occurrence) and assessment by officers of the competent business units and are applicable to Corporate/SMEs obligors.

Criteria for assessing ECL allowance of loan and advances to customers at amortised cost on an individual or collective basis

Individually assessed

The Group prepares a list of accounts for which an individual assessment will be performed in order to assess the expected risk. Assessment at individual level is performed for loans and advances to customers at amortised cost identified as individually significant, provided that they are extended to borrowers whose total loan exposure at the period end reporting date exceeded the amount of €1 million or the equivalent in foreign currency. However, lower thresholds have been established with regard to the Group's subsidiaries. The exposures are classified as NPEs in accordance with the Group's credit policy. Apart from individually significant loans, additional exposures may be individually assessed, irrespective of their level of exposure, at the discretion of the Group's Provisioning Committee. For a description of the calculation of ECL under the individual assessment, see Note 4 of the 2023 Annual Financial Statements.

Collectively assessed

The collective assessment is applied to all other facilities such as to those allocated in stages 1 and 2, as well as to those in stage 3 which have not been subject to individual assessment. For a description of the calculation of ECL under the collective assessment, see Note 4 of the 2023 Annual Financial Statements.

Securities and other bills

The Group holds a portfolio of sovereign, bank and corporate debt, including Greek and international bonds. For the proper management and monitoring of risks, all positions in securities are subject to approved limits, according to the Group's policies and procedures.

For the measurement and evaluation of credit risk entailed in debt securities and other bills, external ratings from rating agencies are used, such as Moody's, S&P or Fitch. The amount of the Group's exposure to credit risk from debt securities and other bills is monitored for each portfolio category according to the relevant IFRS provisions.

Risk-based pricing

The credit rating models that have been developed and applied in the credit process, play an important role in the development of the relevant methodology of risk-based pricing for the commercial portfolio as well as for the retail portfolio.

Through risk-adjusted pricing, the Group aims to generate revenue to cover expected and unexpected risks as well as create a complete and correct depiction of profitability for the Group's products and services. Furthermore, the Group aims to establish a risk management culture at all levels of the Group.

Credit limits management and risk mitigation techniques

The Group's management applies a uniform policy and practice with respect to the credit assessment, approval, renewal and monitoring procedures. All credit limits are reviewed and/or renewed at least annually.

The Group's management has established a credit quality review process to provide early identification of potential changes in the creditworthiness of counterparties, including regular collateral revaluations. Counterparty limits are established by the use of a credit risk classification system, which assigns a risk rating to each counterparty. Risk ratings are subject to regular revision. The credit quality review aims to allow the Group's management to assess the risks which the Group is exposed to and plan any corrective actions.

The following paragraphs describe further techniques applied by the Group for credit risk control and mitigation.

Collateral and other credit enhancements

Along with the evaluation of the creditworthiness of counterparties, the Group estimates the recovery rate when limits are set or reviewed. This estimation is based on the type of debt claim and the existence of any connected collaterals or/and guarantees.

The Group receives collateral/security from its credit to customers, thus minimising the overall credit risk and ensuring the timely repayment of its debt claims. To this end the Group has defined categories of acceptable collateral and incorporated them in its credit policy.

The main types of acceptable collateral are the following:

- pledged deposits and cheques;
- mortgages over real estate property;
- ship mortgages;
- Greek government guarantees;
- bank letters of guarantee;
- guarantees by development bodies (e.g., the Hellenic Fund for Entrepreneurship & Development S.A.); and
- pledges on financial instruments such as mutual funds, stocks, bills and receivables.

The valuation of pledged collateral is initially performed during the credit approval process, based on their current or fair value and re-evaluated at regular intervals. The valuation is conducted with the valuation methodologies provided by International Valuation Standards, that is, market approach or comparative method, income approach and cost approach.

As at 31 December 2023, the Group had a total loan book collateral coverage ratio (including guarantees) of 60.8%, total business loan book collateral coverage of 54.7% and an LTV of 56.5% with respect to the Group's Greek mortgage loan portfolio.

Concentration risk

Concentration risk may arise from various types of portfolio incomplete diversification, such as the concentration risk on large borrowers, economic sectors, geographical areas and types of collateral.

The Group monitors concentration risk on a regular basis, through a reporting framework which respectively informs senior management and the supervisory authorities. In addition to monitoring supervisory limits, the Group has set internal limits within the Risk Appetite Framework, which are revised annually.

Country risk

Country risk reflects the risk of loss arising from macro-economic instability, social events or political uncertainty in a country, including nationalisation, expropriation of assets and debt restructuring, affecting the Group's earnings and/or capital. It includes sovereign, transfer and political risks.

Counterparty credit risk

Counterparty credit risk ("CCR") may arise when the counterparty to a transaction could default before the final settlement of the transaction's cash flows. It refers to derivative instruments, repurchase transactions, securities or commodities lending or borrowing transactions, long settlement transactions and margin lending transactions.

For the effective management of CCR, the Group has in place procedures and guidelines for defining, reviewing and monitoring credit limits as well as concentration limits set on a counterparty rating basis. Limits are set either in nominal amounts or risk units (credit equivalent), depending on the transaction and they are revised at least annually. The counterparty credit limits' utilisation is monitored on a daily basis.

The Group also has in place comprehensive and enforceable legal contracts with its counterparties such as the International Swap Derivatives Association Agreement, Credit Support Annex, and Global Master Repurchase Agreement. A master agreement permits the netting of both rights and obligations that arise from derivative transactions that have been performed under such a master agreement upon the counterparty's default, resulting in a single-net claim. Moreover, in order to mitigate settlement risk and under specific transactions and conditions covered within master agreements, payment netting is performed. In order to monitor settlement exposures, the Group has set daily settlement limits per counterparty.

Derivative financial instruments

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values. With regard to credit derivatives, the Group is also exposed to, or protected from, the risk of default of the underlying entity referenced by the derivative. However, to reflect potential losses, the Group applies portfolio-based adjustments for credit risk. With respect to gross-settled derivatives, the Group is also exposed to a settlement risk, being the risk that it fulfils its obligation, but the counterparty fails to deliver the counter value.

Credit rating models (probability of default)

The Group considers reliable credit risk measurement as a priority within its risk management framework. The continuous development of infrastructure, systems and methodologies aimed at quantifying and evaluating credit risk is an essential precondition in order to timely and efficiently support its management and the business units in relation to decision-making, policy formulation and the fulfilment of supervisory requirements.

To that effect, the Group uses its own internal rating models. In particular, the Group runs separate models for its corporate portfolios in which its customers are rated from 1 to 18 using internal grades (master scale). The models incorporate both qualitative and quantitative information and, in addition to information specific to the borrower, utilise supplemental external information that could affect the borrower's behaviour. With regard to the Group's retail portfolio, the Group runs credit rating (scoring) models that incorporate demographic, behavioural and credit bureau information. These information sources are first used to determine the probabilities of default within Piraeus Bank's Basel III framework. The probabilities of default are then adjusted for IFRS 9 ECL calculations in order to incorporate forward-looking information and the IFRS 9 stage classification of the exposures. This process is repeated for each economic scenario as appropriate.

Impairment and provisioning policy

The Group assesses on a regular basis whether there is any objective evidence that a financial asset or group of financial assets is impaired. To this extent and in every financial reporting period, the Group uses an analytical method of calculating the allowance for impairment losses on loans and advances to customers (impairment test) for the purpose of creating adequate provisions coverage for this portfolio, according to IFRS. The allowance for impairments on loans and advances to customers is approved by the Provisioning Committee.

An asset is impaired when its current book value is greater than its expected future recoverable proceeds. The loan's expected future recoverable proceeds consist of (i) the present value of the estimated future cash flows of the financial asset or group of financial assets and (ii) the present value of any liquidated collateral, in the case of the obligor's inability to fulfil its commitments. If there is significant and material evidence that the Group will not be able to collect all due amounts according to the contractual terms of an agreement, a provision amount is calculated in order to reduce the asset's carrying value. The allowance for impairment on loans and advances to customers is the difference between the asset's current book value and the recovered asset's proceeds.

Objective evidence that a loan or group of loans is impaired or is not collectable includes:

- significant financial difficulty of the issuer or the obligor;
- a breach of contract (default or delinquency in interest or principal payments);
- the Group grants to the borrower, for economic or legal reasons relating to the borrower's financial difficulty, a concession that the lender would not otherwise consider;
- probability that the borrower will enter bankruptcy or financial reorganisation;
- observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot be attributed to individual financial assets in the group, including:

- adverse changes in the payment status of borrowers in the group (*i.e.*, an increase in the number of late payments due to sector problems), or
- national or local economic conditions correlated to defaults on the assets in the group (*i.e.*, an increase in the unemployment rate for a geographical area of borrowers, a decrease in the value of property placed as collateral for the same geographical area, or unfavourable changes in the macroeconomic environment of a sector, which affect the borrowers of this specific type).

Impairment assessment and provisioning is conducted either individually at loan level for all loans that the Group considers significant or collectively on a group of loans basis, for less material exposures. The assessment of impairment is conducted collectively for loans or group of loans with common risk characteristics that individually are not considered significant. Also, individually assessed loans that are not impaired are included in the collective impairment assessment.

For impairment estimation on a collective basis, financial assets are grouped according to their similar credit risk characteristics (*e.g.*, product, arrears, industry sector, customer segment, collateral type). These characteristics are correlated to the estimation of future cash flow for such groups of assets, indicating the customer's ability to pay amounts due, according to the contractual terms of the financial assets under evaluation.

Future cash flows in a group of loans that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of the Group's assets and historical loss experience for assets with similar credit risk characteristics similar to its assets. Historical data are adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical data is based and to remove the effects of conditions in the historical period that do not exist currently.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reduced and the difference is recognised in the income statement.

Forborne loans

Management applies the "Implementing Technical Standards" (ITS) of the EBA relating to forborne loans.

The alignment of the Group's restructuring policy with the relevant EBA definitions and guidelines of Bank of Greece, was enhanced with the creation of new structures and procedures, development of new information systems and modifications on existing applications, in order to achieve effective and reliable management of past due loans, by performing viable restructurings and monitoring the effectiveness of various types of forbearance.

Forborne loans and advances are defined as exposures arising from loans and advances to customers that have been subject to forbearance measures. The measures are considered by the Group as a concession to a borrower who is facing or is about to face financial difficulties in fulfilling its financial obligations. Forbearance may involve modification of contractual terms and conditions and/or refinancing of debts.

Forbearance measures do not lead to derecognition unless the modification changes substantially the loan terms of the original contract.

According to the implementing technical standards of the EBA Guidelines, in order for the forborne status to be removed, all relevant criteria should apply, including the minimum required probation period (at least two years from the date of classification as non-forborne exposure).

In order to achieve greater efficiencies in the management of NPEs, in October 2019 the Group entered into a long-term strategic partnership with Intrum for the management of NPEs and REOs, through the establishment of an independent NPE servicing entity in Greece.

Write-offs

The Group writes off loans against the expected credit loss allowance, either in the case of:

- irrevocable claims, that is (i) the claims for which all required legal actions, foreclosure procedures and recovery collection efforts against the borrower, co-borrowers or guarantors have been exhausted; (ii) it is considered that the continuation of in court or out-of-court legal actions are not expected to lead to a positive outcome for us; (iii) the recovery cost is economically less favourable compared to the benefit; or
- uncollectable claims, that is the claims resulting from the difference between the IFRS claim and the sum of the operating cash flows, expected to be received and the cash flows resulting from the liquidation of the collateral/security as well as of any other unencumbered assets of all involved parties.

The Group opts for debt forgiveness when it is determined to be the most effective approach among alternative forbearance, resolution, and closure treatments for managing borrowers facing financial difficulties.

The Provisioning Committee approves accounting write-offs whilst the Board of Directors or other authorised approval bodies approve debt forgiveness requests.

The contractual amount of loans that were written off as at 31 December 2023 and are still subject to enforcement activity was €73 million (€148 million as at 31 December 2022 and €475 million as at 31 December 2021).

Maximum exposure to credit risk before collateral held or other credit enhancements

The following table presents the Group's maximum credit risk exposure on 31 December 2021, 2022 and 2023, without taking into account collateral held or other credit enhancements. For on-balance sheet items, credit exposures are based on their carrying amounts as reported in the statement of financial position.

	As at 31 December		
(€ in millions)	**2021**	**2022**	**2023**
Due from banks	1,344	1,414[(2)]	1,034
Derivative financial instruments	591	220	191
Financial assets at fair value through profit or loss	886	528	576
Loans and advances to customers at amortised cost	36,521	37,367	37,527
Investment securities[(1)]	11,499	11,640	12,994
Assets held for sale	428	400	241
Other financial assets (as reclassified)	981	1,125	1,089
Credit commitments	4,856	6,527	7,762
Total	**57,106**	**59,221**	**61,414**

(1) In the 2023 Annual Financial Statements, the Group changed the presentation of financial assets measured at FVTOCI and debt securities at amortised cost by combining them into a single line item "Investment securities". In the 2021 Annual Financial Statements, both financial assets measured at FVTOCI and debt securities at amortised cost were presented separately.

(2) As reclassified.

Source: 2022 Annual Financial Statements and 2023 Annual Financial Statements.

The following tables present the gross amounts of the Group's credit exposures for financial instruments at amortised cost or at fair value through other comprehensive income (FVTOCI) and other financial assets, as well as the off-balance credit exposures on 31 December 2021, 2022 and 2023.

	Stage 1	**Stage 2**	**Stage 3**		**POCI**		**Total**
As at 31 December 2021			**Collective**	**Individual**	**Collective**	**Individual**	
Due from banks	1,344	–	–	–	–	–	**1,344**
Loans and advances to customers at amortised cost	28,007	5,126	1,055	3,287	714	302	**38,492**
Retail lending	**5,806**	**2,271**	**608**	**68**	**431**	**6**	**9,189**
Mortgages	4,647	1,803	366	38	336	6	**7,195**
Consumer, personal and other	837	352	191	30	92	–	**1,502**
Credit cards	322	115	50	–	4	–	**491**
Corporate and public sector lending	**22,202**	**2,855**	**447**	**3,219**	**283**	**297**	**29,303**
Large corporate	15,304	1,171	15	1,415	63	50	**18,018**
SMEs	5,353	1,684	432	1,799	217	247	**9,732**
Public sector	1,545	–	1	5	2	–	**1,553**
Debt securities measured at FVTOCI	2,277	22	–	–	–	–	**2,299**
Debt securities at amortised cost	9,219	–	–	–	–	–	**9,219**
Other assets - financial assets	893	41	2	212	–	–	**1,149**
Total on balance sheet credit exposures	**41,740**	**5,190**	**1,057**	**3,499**	**714**	**302**	**52,503**
Financial guarantees	3,444	96	224	–	–	–	**3,764**
Letters of credit	41	1	–	–	–	–	**42**
Irrevocable undrawn credit commitments	936	107	–	–	7	–	**1,050**
Total off balance sheet credit exposures	**4,421**	**204**	**224**	**–**	**7**	**–**	**4,856**

	Stage 1	**Stage 2**	**Stage 3**		**POCI**		**Total**
As at 31 December 2022			**Collective**	**Individual**	**Collective**	**Individual**	
Due from banks (as reclassified)	1,415	-	-	-	-	-	**1,415**
Loans and advances to customers at amortised cost	31,932	3,797	799	1,478	595	186	**38,787**
Retail lending	**5,763**	**2,040**	**526**	**47**	**394**	**5**	**8,774**
Mortgages	4,551	1,677	306	20	319	5	**6,879**

As at 31 December 2022	Stage 1	Stage 2	Stage 3		POCI		Total
			Collective	Individual	Collective	Individual	
Consumer, personal and other	876	263	172	27	71	-	**1,409**
Credit cards	336	99	48	-	3	-	**485**
Corporate and public sector lending	**26,169**	**1,757**	**273**	**1,431**	**202**	**181**	**30,013**
Large corporate	17,778	536	6	654	67	34	**19,076**
SMEs	6,776	1,221	267	772	132	147	**9,313**
Public sector	1,615	-	-	5	2	-	**1,623**
Debt securities measured at FVTOCI	796	-	-	-	-	-	**796**
Debt securities at amortized cost	10,867	11	-	-	-	-	**10,878**
Other assets - financial assets (as reclassified)	1,037	52	9	202	-	-	**1,300**
Total on balance sheet credit exposures	**46,047**	**3,859**	**808**	**1,680**	**595**	**187**	**53,176**
Financial guarantees	4,550	37	202	–	–	–	**4,789**
Letters of credit	114	–	–	–	–	–	**114**
Irrevocable undrawn credit commitments	1,536	78	3	–	6	–	**1,624**
Total off balance sheet credit exposures	**6,200**	**116**	**204**	**–**	**6**	**–**	**6,527**

As at 31 December 2023	Stage 1	Stage 2	Stage 3		POCI		Total
			Collective	Individual	Collective	Individual	
Due from banks	1,034	-	-	-	-	-	**1,034**
Loans and advances to customers at amortised cost	33,215	3,346	478	702	492	113	**38,346**
Retail lending	**5,657**	**1,835**	**265**	**19**	**337**	**2**	**8,115**
Mortgages	4,431	1,514	206	16	285	2	**6,454**
Consumer, personal and other	900	221	49	3	51	-	**1,224**
Credit cards	326	100	11	-	1	-	**437**
Corporate and public sector lending	**27,558**	**1,511**	**212**	**683**	**156**	**111**	**30,231**
Large corporate	18,915	606	2	379	60	26	**19,988**
SMEs	7,647	904	210	303	94	85	**9,244**
Public sector	996	-	-	-	2	-	**999**
Debt securities measured at FVTOCI	1,335	-	-	-	-	-	**1,335**
Debt securities at amortised cost	11,673	-	7	-	-	-	**11,681**
Other assets - financial assets	1,011	54	7	212	-	-	**1,285**
Total on balance sheet credit exposures	**48,268**	**3,400**	**492**	**914**	**492**	**113**	**53,680**
Financial guarantees	5,320	187	172	-	-	-	**5,680**
Letters of credit	121	-	-	-	-	-	**121**
Irrevocable undrawn credit commitments	1,920	34	-	-	6	-	**1,961**
Total off balance sheet credit exposures	**7,362**	**222**	**172**	**-**	**6**	**-**	**7,762**

Source: 2022 Annual Financial Statements and 2023 Annual Financial Statements.

Loans and advances to customers at amortised cost

For credit risk management purposes, the Group monitors its credit risk exposure on all acquired loans and advances to customers at amortised cost on a gross basis, *i.e.*, the exposure at default is grossed up with the PPA adjustment.

Loans and advances to customers at amortised cost on 31 December 2021, 2022 and 2023 are summarised as follows:

As at 31 December 2021	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Credit impaired Lifetime ECL	POCI Credit impaired Lifetime ECL	Total
Mortgages					
Gross carrying amount	4,647	1,803	404	341	**7,195**
Less: ECL allowance for impairment losses	(3)	(21)	(36)	(12)	**(72)**
Total mortgages	**4,643**	**1,782**	**368**	**329**	**7,123**
Consumer, personal and other loans					
Gross carrying amount	837	352	222	92	**1,503**
Less: ECL allowance for impairment losses	(17)	(35)	(101)	(22)	**(174)**
Total consumer, personal and other loans	**820**	**317**	**120**	**70**	**1,328**
Credit cards					
Gross carrying amount	322	115	50	4	**491**
Less: ECL allowance for impairment losses	(1)	(5)	(40)	(3)	**(48)**
Total credit cards	**321**	**111**	**10**	**1**	**443**
Retail lending					
Gross carrying amount	5,806	2,271	676	436	**9,189**
Less: ECL allowance for impairment losses	(21)	(60)	(177)	(36)	**(295)**
Total retail lending	**5,785**	**2,210**	**498**	**400**	**8,893**
Large corporate lending					
Gross carrying amount	15,304	1,171	1,430	113	**18,017**
Less: ECL allowance for impairment losses	(38)	(22)	(460)	(13)	**(533)**
Total large corporate lending	**15,266**	**1,148**	**970**	**100**	**17,484**
SMEs lending					

As at 31 December 2021	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Credit impaired Lifetime ECL	POCI Credit impaired Lifetime ECL	Total
Gross carrying amount	5,353	1,684	2,231	465	**9,733**
Less: ECL allowance for impairment losses	(31)	(93)	(870)	(147)	**(1,141)**
Total SMEs lending	**5,322**	**1,592**	**1,361**	**317**	**8,593**
Public sector lending					
Gross carrying amount	1,545	–	5	2	**1,553**
Less: ECL allowance for impairment losses	(1)	–	–	–	**(2)**
Total public sector lending	**1,544**	**–**	**5**	**2**	**1,551**
Corporate and public sector lending					
Gross carrying amount	22,202	2,855	3,666	580	**29,303**
Less: ECL allowance for impairment losses	(69)	(115)	(1,330)	(160)	**(1,675)**
Total corporate and public sector lending	**22,132**	**2,740**	**2,336**	**420**	**27,628**
Loans and advances to customers at amortised cost					
Gross carrying amount	28,007	5,126	4,342	1,016	**38,492**
Less: ECL allowance for impairment losses	(91)	(175)	(1,508)	(197)	**(1,971)**
Total loans and advances to customers at amortised cost	**27,917**	**4,950**	**2,834**	**820**	**36,521**

As at 31 December 2022	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Credit impaired Lifetime ECL	POCI Credit impaired Lifetime ECL	Total
Mortgages					
Gross carrying amount	4,551	1,677	327	324	**6,879**
Less: ECL allowance for impairment losses	(3)	(20)	(48)	(15)	**(86)**
Total mortgages	**4,548**	**1,657**	**278**	**309**	**6,793**
Consumer, personal and other loans					
Gross carrying amount	876	263	199	71	**1,410**
Less: ECL allowance for impairment losses	(6)	(28)	(116)	(13)	**(163)**
Total consumer, personal and other loans	**870**	**236**	**83**	**58**	**1,247**
Credit cards					
Gross carrying amount	336	99	48	3	**485**
Less: ECL allowance for impairment losses	(1)	(5)	(41)	(3)	**(50)**
Total credit cards	**334**	**94**	**6**	**0**	**435**
Retail lending					
Gross carrying amount	5,763	2,040	573	399	**8,774**
Less: ECL allowance for impairment losses	(11)	(53)	(206)	(31)	**(300)**
Total retail lending	**5,752**	**1,987**	**367**	**368**	**8,475**
Large corporate lending					
Gross carrying amount	17,778	536	660	102	**19,076**
Less: ECL allowance for impairment losses	(12)	(5)	(325)	(20)	**(363)**
Total large corporate lending	**17,766**	**531**	**335**	**81**	**18,713**
SMEs lending					
Gross carrying amount	6,776	1,221	1,039	279	**9,314**
Less: ECL allowance for impairment losses	(14)	(62)	(581)	(97)	**(754)**
SMEs lending	**6,762**	**1,159**	**458**	**182**	**8,560**
Public sector lending					
Gross carrying amount	1,615	–	5	2	**1,623**
Less: ECL allowance for impairment losses	–	–	(4)	–	**(4)**
Total loans to public sector	**1,615**	**–**	**2**	**2**	**1,619**
Corporate and public sector lending					
Gross carrying amount	26,169	1,757	1,704	383	**30,013**
Less: ECL allowance for impairment losses	(26)	(68)	(910)	(117)	**(1,121)**
Total corporate and public sector lending	**26,143**	**1,689**	**794**	**265**	**28,892**
Loans and advances to customers at amortised cost					
Gross carrying amount	31,932	3,797	2,277	782	**38,787**
Less: ECL allowance for impairment losses	(37)	(120)	(1,115)	(148)	**(1,421)**
Total loans and advances to customers at amortised cost	**31,895**	**3,677**	**1,162**	**633**	**37,367**

As at 31 December 2023	Stage 1 12–month ECL	Stage 2 Lifetime ECL	Stage 3 Credit impaired Lifetime ECL	POCI Credit impaired Lifetime ECL	Total
Mortgages					
Gross carrying amount	4,431	1,514	221	287	**6,454**
Less: ECL allowance for impairment losses	(3)	(15)	(17)	(6)	**(42)**
Total mortgages	**4,428**	**1,499**	**204**	**281**	**6,412**
Consumer, personal and other loans					
Gross carrying amount	900	221	52	51	**1,224**
Less: ECL allowance for impairment losses	(7)	(22)	(27)	(5)	**(61)**

As at 31 December 2023	Stage 1 12–month ECL	Stage 2 Lifetime ECL	Stage 3 Credit impaired Lifetime ECL	POCI Credit impaired Lifetime ECL	Total
Total consumer, personal and other loans	**892**	**199**	**25**	**46**	**1,162**
Credit cards					
Gross carrying amount	326	100	11	1	**437**
Less: ECL allowance for impairment losses	(2)	(7)	(9)	-	**(18)**
Total credit cards	**324**	**93**	**2**	**-**	**419**
Retail lending					
Gross carrying amount	5,657	1,835	284	339	**8,115**
Less: ECL allowance for impairment losses	(12)	(44)	(53)	(12)	**(122)**
Total retail lending	**5,644**	**1,791**	**231**	**327**	**7,993**
Large corporate lending					
Gross carrying amount	18,915	606	382	86	**19,988**
Less: ECL allowance for impairment losses	(17)	(8)	(233)	(19)	**(278)**
Total large corporate lending	**18,897**	**598**	**148**	**67**	**19,710**
SMEs lending					
Gross carrying amount	7,647	904	513	179	**9,244**
Less: ECL allowance for impairment losses	(18)	(53)	(283)	(64)	**(419)**
SMEs lending	**7,629**	**851**	**230**	**115**	**8,825**
Public sector lending					
Gross carrying amount	996	-	1	2	**999**
Less: ECL allowance for impairment losses	-	-	(1)	-	**(1)**
Total loans to public sector	**996**	**-**	**-**	**2**	**998**
Corporate and public sector lending					
Gross carrying amount	27,558	1,511	895	267	**30,231**
Less: ECL allowance for impairment losses	(36)	(61)	(517)	(83)	**(697)**
Total corporate and public sector lending	**27,523**	**1,449**	**378**	**183**	**29,534**
Loans and advances to customers at amortised cost					
Gross carrying amount	33,215	3,346	1,180	605	**38,346**
Less: ECL allowance for impairment losses	(48)	(106)	(571)	(95)	**(819)**
Total loans and advances to customers at amortised cost	**33,167**	**3,240**	**609**	**510**	**37,527**

Source: 2022 Annual Financial Statements and 2023 Annual Financial Statements.

Forborne loans

As at 31 December 2023, the net value of the Group's forborne loans measured at amortised cost amounted to €974 million.

(€ in millions)	31 December 2023
Retail lending	347
Corporate lending	627
Public sector lending	-
Forborne loans measured at amortised cost by product line (total net amount)	974

Source: 2023 Annual Financial Statements.

Credit quality per segments, industry and asset classes

The tables below provide credit quality per asset classes, inclusive of the value of collateral for the Group's gross carrying amount of loan and advances to customers at amortised cost on 31 December 2021, 2022 and 2023.

As at 31 December 2021	Strong	Recommended	Substandard	Default	Total	Value of collateral
Retail lending	**5,725**	**80**	**2,589**	**794**	**9,180**	**7,397**
Mortgages	4,601	46	2,055	493	7,195	6,774
Consumer, personal and other	810	27	419	247	1,503	622
Credit cards	314	7	116	53	490	1
Corporate lending	**19,322**	**1,381**	**3,000**	**4,047**	**27,750**	**11,799**
Large corporate	14,694	610	1,253	1,460	18,017	6,120
SMEs	4,629	771	1,747	2,587	9,734	5,680
Public sector	**1,537**	**8**	**2**	**5**	**1,552**	**1,484**
Greece	1,537	8	2	5	1,552	1,484
Total	**26,585**	**1,469**	**5,592**	**4,846**	**38,492**	**20,680**

As at 31 December 2022	Strong	Recommended	Substandard	Default	Total	Value of collateral
Retail lending	**5,704**	**59**	**2,356**	**655**	**8,774**	**7,133**
Mortgages	4,517	34	1,939	389	6,879	6,551
Consumer, personal and other	858	18	317	216	1,410	581
Credit cards	329	7	100	50	485	1

Corporate lending	**22,630**	**1,952**	**1,948**	**1,860**	**28,390**	**18,959**
Large corporate	16,941	839	611	685	109,076	12,849
SMEs	5,689	1,113	1,337	1,175	9,314	6,110
Public sector	**1,609**	**6**	**2**	**5**	**1,623**	**1,566**
Greece	1,609	6	2	5	1,623	1,566
Total	**29,944**	**2,017**	**4,306**	**2,521**	**38,787**	**27,658**

As at 31 December 2023	Strong	Recommended	Substandard	Default	Total	Value of collateral
Retail lending	**5,595**	**62**	**2,140**	**318**	**8,115**	**6,671**
Mortgages	4,395	36	1,772	251	6,454	6,210
Consumer, personal and other	880	19	268	56	1,224	460
Credit cards	319	7	100	11	437	1
Corporate lending	**24,623**	**1,997**	**1,652**	**959**	**29,232**	**18,355**
Large corporate	17,892	1,045	662	390	19,988	12,717
SMEs	6,731	952	990	570	9,244	5,638
Public sector	**996**	**-**	**2**	**1**	**999**	**953**
Greece	996	-	2	1	999	953
Total	**31,214**	**2,059**	**3,795**	**1,278**	**38,346**	**25,979**

Source: 2022 Annual Financial Statements and 2023 Annual Financial Statements.

The following tables provide ageing analysis of past due and the classification of exposures into stages based on credit risk (staging) per lending category on 31 December 2021, 2022 and 2023.

	Gross loans and advances to customers at amortised cost												
As at 31 December 2021	Current	1–30 days	31–90 days	91–180 days	181–365 days	365+ days	Denouncec	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Retail lending	**8,497**	**210**	**67**	**61**	**96**	**128**	**130**	**9,189**	**5,806**	**2,271**	**676**	**436**	**9,189**
Mortgages	6,829	130	40	40	61	41	54	**7,195**	4,647	1,803	404	341	**7,195**
Consumer, personal and other	1,248	62	22	18	30	63	60	**1,503**	837	352	222	92	**1,503**
Credit cards	420	18	5	4	4	24	16	**491**	322	115	50	4	**491**
Corporate lending	**23,351**	**1,323**	**217**	**83**	**285**	**934**	**1,558**	**27,751**	**20,657**	**2,855**	**3,661**	**578**	**27,751**
Large corporate	16,688	616	59	5	140	382	128	**18,017**	15,304	1,171	1,430	113	**18,017**
SMEs	6,663	706	158	77	146	553	1,430	**9,733**	5,353	1,684	2,231	465	**9,733**
Public sector	**1,547**	**–**	**–**	**–**	**–**	**–**	**5**	**1,553**	**1,545**	**–**	**5**	**2**	**1,553**
Greece	1,547	–	–	–	–	–	5	**1,553**	1,545	–	5	2	**1,553**
Total	**33,395**	**1,533**	**284**	**143**	**381**	**1,063**	**1,692**	**38,492**	**28,007**	**5,126**	**4,342**	**1,016**	**38,492**
Value of collateral	**17,621**	**992**	**197**	**113**	**284**	**599**	**874**	**20,680**	**13,965**	**3,594**	**2,381**	**740**	**20,680**

	Gross loans and advances to customers at amortised cost												
As at 31 December 2022	Current	1-30 days	31-90 days	91-180 days	181-365 days	365+ days	Denounced	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Retail lending	**8,080**	**174**	**79**	**69**	**87**	**132**	**155**	**8,774**	**5,763**	**2,040**	**573**	**399**	**8,774**
Mortgages	6,501	98	53	48	56	45	78	**6,879**	4,551	1,677	327	324	**6,879**
Consumer, personal and other	1,158	59	22	17	26	61	66	**1,410**	876	263	199	71	**1,410**
Credit cards	420	16	5	3	5	25	11	**485**	336	99	48	3	**485**
Corporate lending	**25,268**	**1,608**	**180**	**32**	**82**	**441**	**780**	**28,390**	**24,554**	**1,757**	**1,699**	**381**	**28,390**
Large corporate	17,888	809	43	–	58	207	71	**19,076**	17,778	536	660	102	**19,076**
SMEs	7,380	798	136	32	25	234	709	**9,314**	6,776	1,221	1,039	279	**9,314**
Public sector	**1,617**	**–**	**–**	**–**	**–**	**–**	**5**	**1,623**	**1,615**	**–**	**5**	**2**	**1,623**
Greece	1,617	–	–	–	–	–	5	**1,623**	1,615	–	5	2	**1,623**
Total	**34,965**	**1,781**	**259**	**102**	**169**	**573**	**939**	**38,787**	**31,932**	**3,797**	**2,277**	**782**	**38,787**
Value of collateral	**25,401**	**1,108**	**199**	**85**	**117**	**296**	**453**	**27,658**	**22,839**	**2,981**	**1,272**	**567**	**27,658**

	Gross loans and advances to customers at amortised cost												
As at 31 December 2023	Current	1-30 days	31-90 days	91-180 days	181-365 days	365+ days	Denounced	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Retail lending	**7,695**	**172**	**66**	**49**	**43**	**56**	**34**	**8,115**	**5,657**	**1,835**	**284**	**339**	**8,115**
Mortgages	6,168	100	47	36	37	34	31	6,454	4,431	1,514	221	287	**6,454**
Consumer, personal and other	1,117	55	16	10	4	19	3	1,224	900	221	52	51	**1,224**
Credit cards	409	17	4	3	1	3	-	437	326	100	11	1	**437**
Corporate lending	**26,441**	**1,981**	**200**	**57**	**30**	**166**	**357**	**29,232**	**26,562**	**1,511**	**895**	**265**	**29,232**
Large corporate	18,309	1,495	101	30	-	38	14	19,988	18,915	606	382	86	**19,988**
SMEs	8,132	485	99	27	30	127	343	9,244	7,647	904	513	179	**9,244**

Public sector	**998**	**-**	**-**	**-**	**-**	**-**	**-**	**999**	**996**	**-**	**1**	**2**	**999**
Greece	998	-	-	-	-	-	-	999	996	-	1	2	**999**
Total	**35,134**	**2,153**	**266**	**106**	**73**	**223**	**391**	**38,346**	**33,215**	**3,346**	**1,180**	**605**	**38,346**
Value of collateral	**23,986**	**1,267**	**178**	**94**	**64**	**146**	**244**	**25,979**	**22,220**	**2,578**	**705**	**477**	**25,979**

Source: 2022 Annual Financial Statements and 2023 Annual Financial Statements.

The tables below set out the loans and advances to customers at amortised cost (net of ECL allowance) per stage, industry and asset classes on 31 December 2021, 2022 and 2023.

	Gross loans and advances to customers at amortised cost						
As at 31 December 2021	**Stage 1**	**Stage 2**	**Stage 3**		**POCI**		**Total**
			Collective	**Individual**	**Collective**	**Individual**	
Retail lending	**5,806**	**2,271**	**608**	**68**	**430**	**6**	**9,189**
Corporate and public sector lending	**22,202**	**2,855**	**448**	**3,218**	**283**	**297**	**29,303**
Financial institutions..........................	6,695	5	4	440	5	6	**7,155**
Manufacturing/handicraft...................	2,569	633	81	517	34	55	**3,889**
Construction.......................................	574	144	41	278	20	13	**1,071**
Real estate companies	710	105	4	425	14	57	**1,316**
Project finance	1,852	5	1	72	2	3	**1,936**
Wholesale and retail trade..................	2,240	420	123	371	38	54	**3,245**
Shipping companies...........................	1,946	3	1	31	–	–	**1,980**
Coastline/ferries companies	118	–	1	103	–	–	**222**
Hotels...	963	782	24	404	72	47	**2,292**
Agriculture...	362	64	37	86	16	1	**565**
Energy	640	48	7	40	1	–	**735**
Transports and logistics	402	94	19	252	4	1	**773**
Other industries..................................	1,588	553	106	193	75	58	**2,573**
Public sector	1,545	1	1	5	2	–	**1,553**
Total	**28,007**	**5,126**	**1,056**	**3,286**	**714**	**303**	**38,492**

	Gross loans and advances to customers at amortised cost						
As at 31 December 2022	**Stage 1**	**Stage 2**	**Stage 3**		**POCI**		**Total**
			Collective	**Individual**	**Collective**	**Individual**	
Retail lending	**5,763**	**2,040**	**526**	**47**	**393**	**6**	**8,774**
Corporate and public sector lending	**26,169**	**1,757**	**273**	**1,431**	**202**	**181**	**30,013**
Financial institutions..........................	7,280	39	2	11	7	3	**7,344**
Manufacturing/handicraft...................	3,388	325	45	231	21	22	**4,032**
Construction.......................................	539	225	25	99	12	13	**914**
Real estate companies........................	770	35	3	247	15	22	**1,093**
Project finance	2,182	5	1	9	–	–	**2,198**
Wholesale and retail trade..................	2,563	351	84	223	25	27	**3,272**
Shipping companies...........................	2,141	62	2	2	–	–	**2,206**
Coastline/ferries companies	124	–	–	99	–	–	**223**
Hotels...	1,772	296	10	172	67	27	**2,345**
Agriculture...	493	34	23	20	7	–	**577**
Energy	854	25	2	30	15	12	**938**
Transports and logistics	456	97	13	142	2	–	**709**
Other industries..................................	1,991	260	63	140	29	55	**2,539**
Public sector	1,615	–	–	5	2	–	**1,623**
Total	**31,932**	**3,797**	**799**	**1,478**	**595**	**187**	**38,787**

	Gross loans and advances to customers at amortised cost						
As at 31 December 2023	**Stage 1**	**Stage 2**	**Stage 3**		**POCI**		**Total**
			Collective	**Individual**	**Collective**	**Individual**	
Retail lending	**5,657**	**1,835**	**265**	**19**	**337**	**2**	**8,115**
Corporate and public sector lending	**27,558**	**1,511**	**212**	**683**	**156**	**111**	**30,231**
Financial institutions..........................	7,485	74	-	3	7	3	**7,572**
Manufacturing/handicraft...................	3,210	331	31	143	15	11	**3,741**
Construction.......................................	731	58	11	19	10	13	**841**
Real estate companies	809	22	3	129	14	4	**981**
Project finance	2,605	4	-	-	-	-	**2,609**
Wholesale and retail trade..................	2,972	197	71	80	17	28	**3,365**
Shipping companies...........................	2,122	146	-	-	-	-	**2,269**
Coastline/ferries companies	115	1	-	-	-	-	**116**
Hotels...	2,086	381	6	41	52	17	**2,583**

Agriculture	511	43	32	19	6	-	**610**
Energy	1,148	22	1	4	14	11	**1,201**
Transports and logistics	577	22	9	101	2	-	**710**
Other industries	2,191	209	49	144	17	24	**2,635**
Public sector	996	-	-	-	2	-	**999**
Total	**33,215**	**3,346**	**478**	**702**	**492**	**113**	**38,346**

Source: 2022 Annual Financial Statements and 2023 Annual Financial Statements.

Debt securities at amortised cost and debt securities measured at FVTOCI

The following tables present an analysis of debt securities measured at FVTOCI rating, based on S&P's rating scale and staging on 31 December 2021, 2022 and 2023:

	External rating grade of debt securities measured at FVTOCI				
As at 31 December 2021	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
AAA	106	–	–	–	106
A to A+	18	–	–	–	18
BBB- to BBB+	177	–	–	–	177
BB- to BB+	1,568	3	–	–	1,571
Lower than BB-	408	19	–	–	427
Unrated	–	–	–	–	–
Total	**2,277**	**22**	**–**	**–**	**2,299**

	External rating grade of debt securities measured at FVTOCI				
As at 31 December 2022	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
AAA	–	–	–	–	**–**
A- to A+	–	–	–	–	**–**
BBB- to BBB+	–	–	–	–	**–**
BB- to BB+	795	–	–	–	795
Lower than BB-	1	–	–	–	1
Unrated	–	–	–	–	–
Total	**796**	–	–	–	**796**

	External rating grade of debt securities measured at FVTOCI				
As at 31 December 2023	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
AAA	297	–	–	–	297
A- to A+	–	–	–	–	–
BBB- to BBB+	–	–	–	–	–
BB- to BB+	1,038	–	–	–	1,038
Lower than BB-	–	–	–	–	–
Unrated	–	–	–	–	–
Total	**1,335**	**–**	**–**	**–**	**1,335**

Source: 2022 Annual Financial Statements and 2023 Annual Financial Statements.

Repossessed collateral

During the years ended 31 December 2021, 2022 and 2023, the Group obtained certain assets, as detailed below, after taking possession of collateral held as security for receivables. The tables below present an analysis of all repossessed properties as at 31 December 2021, 2022 and 2023:

31 December 2021 (€ in millions)	**Gross Amount**	**Of which: added this year**	**Accumulated impairment or fair value adjustment**	**Of which: on newly added**	**Net amount**	**Net sale price of repossessed collaterals sold**	**Net gain/losses on sale of repossessed collaterals**
Real estate	**2,033**	**112**	**(158)**	**(28)**	**1,875**	**61**	**6**
-Residential	431	46	(32)	3	399	32	5
-Commercial	1,602	66	(126)	(31)	1,476	29	2
Other collateral	**9**	–	**(7)**	**(1)**	**2**	–	–

31 December 2022 (€ in millions)	**Gross Amount**	**Of which: added this year**	**Accumulated impairment or**	**Of which: on newly added**	**Net amount**	**Net sale price of repossessed collaterals sold**	**Net gain/losses on sale of**

			fair value adjustment				repossessed collaterals
Real estate	**2,029**	**60**	**(127)**	**(19)**	**1,902**	**53**	**6**
-Residential	455	33	(29)	(4)	425	24	3
-Commercial	1,574	27	(98)	(16)	1,477	29	3
Other collateral	**8**	**–**	**(7)**	**(1)**	**1**	**1**	**–**

31 December 2023 (€ in millions)	Gross Amount	Of which: added this year	Accumulated impairment or fair value adjustment	Of which: on newly added	Net amount	Net sale price of repossessed collaterals sold	Net gain/losses on sale of repossessed collaterals
Real estate	**2,005**	**39**	**(142)**	**(4)**	**1,863**	**66**	**(3)**
-Residential	455	22	(27)	(1)	429	18	4
-Commercial	1,549	17	(115)	(3)	1,434	47	(7)
Other collateral	**6**	**–**	**(6)**	**(1)**	**–**	**1**	**–**

Source: 2022 Annual Financial Statements and 2023 Annual Financial Statements.

Concentration of risks of financial assets with credit risk exposure

Geographical sectors

The following tables break down the gross carrying amounts of financial assets, which are exposed to credit risk on 31 December 2021, 2022 and 2023. The credit risk exposure is based on the country of domicile of each counterparty of the Group.

As at 31 December 2021	Gross carrying amounts										
	Greece					Other Countries					Grand Total
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	
Due from banks	45	–	–	–	**45**	1,299	–	–	–	**1,299**	**1,344**
Loans and advances to customers at amortised cost	19,382	5,059	3,327	1,007	**28,775**	8,625	67	1,015	10	**9,717**	**38,492**
Retail lending	5,708	2,219	613	430	**8,970**	97	52	63	7	**219**	**9,189**
Mortgages	4,564	1,774	391	335	**7,064**	83	29	13	6	**131**	**7,195**
Consumer, personal and other	823	330	173	91	**1,417**	14	23	49	–	**86**	**1,503**
Credit cards	321	115	50	4	**490**	1	–	–	–	**1**	**491**
Corporate and public sector lending	13,674	2,840	2,714	577	**19,805**	8,528	15	952	3	**9,498**	**29,303**
Large corporate	6,869	1,165	1,093	111	**9,237**	8,435	6	337	2	**8,780**	**18,017**
SMEs	5,260	1,675	1,616	464	**9,015**	93	9	615	–	**718**	**9,733**
Public sector	1,545	–	5	2	**1,553**	–	–	–	–	**–**	**1,553**
Financial assets at FVTOCI	1,879	8	–	–	**1,887**	398	14	–	–	**412**	**2,299**
Debt securities at amortised cost	6,716	–	–	–	**6,716**	2,503	–	–	–	**2,503**	**9,219**
Other assets – financial Instruments	774	41	171	–	**986**	119	–	44	–	**163**	**1,149**
Total	**28,797**	**5,109**	**3,498**	**1,007**	**38,410**	**12,943**	**81**	**1,059**	**10**	**14,093**	**52,503**

As at 31 December 2022	Gross carrying amounts										
	Greece					Other Countries					
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	Grand Total
Due from banks	77	–	–	–	**77**	1,338	–	–	–	**1,338**	**1,415**
Loans and advances to customers at amortised cost	22,526	3,612	1,735	766	**28,638**	9,407	185	542	15	**10,149**	**38,787**
Retail lending	5,673	1,994	509	390	**8,566**	90	46	64	9	**208**	**8,774**
Mortgages	4,478	1,649	315	316	**6,758**	73	28	11	9	**121**	**6,879**
Consumer, personal and other	860	246	146	71	**1,323**	16	17	53	–	**86**	**1,410**
Credit cards	335	99	47	3	**484**	1	–	–	–	**1**	**485**
Corporate and public sector lending	16,852	1,617	1,226	376	**20,072**	9,317	139	478	6	**9,941**	**30,013**
Large corporate	8,572	424	439	100	**9,535**	9,206	112	221	2	**9,541**	**19,076**
SMEs	6,665	1,193	782	275	**8,915**	111	28	257	4	**400**	**9,314**
Public sector	1,615	–	5	2	**1,623**	-	–	–	–	**–**	**1,623**
Financial assets at FVTOCI	795	–	–	–	**795**	1	–	–	–	**1**	**796**
Debt securities at amortised cost	8,177	–	–	–	**8,177**	2,690	11	–	–	**2,701**	**10,878**

Other assets – financial Instruments..................	967	43	166	–	**1,176**	67	–	57	–	**124**	**1,300**
Total................................	**32,542**	**3,654**	**1,901**	**766**	**38,863**	**13,503**	**196**	**599**	**15**	**14,313**	**53,176**

As at 31 December 2023	Gross carrying amounts										
	Greece					Other Countries					
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	Grand Total
Due from banks	392	-	-	-	**392**	642	-	-	-	**642**	**1,034**
Loans and advances to customers at amortised cost...............	23,613	3,082	1,029	594	**28,317**	9,602	264	151	11	**10,028**	**38,346**
Retail lending................	5,585	1,813	280	332	**8,011**	71	22	4	7	**104**	**8,115**
Mortgages.....................	4,363	1,493	218	280	**6,355**	68	21	4	7	**99**	**6,454**
Consumer, personal and other	897	220	52	51	**1,220**	2	1	-	-	**4**	**1,224**
Credit cards...................	325	100	11	1	**436**	1	-	-	-	**1**	**437**
Corporate and public sector lending	18,027	1,269	748	262	**20,307**	9,531	242	147	5	**9,924**	**30,231**
Large corporate.............	9,449	390	285	86	**10,210**	9,465	216	97	-	**9,778**	**19,988**
SMEs	7,581	879	463	174	**9,098**	66	25	50	5	**146**	**9,244**
Public sector	996	-	1	2	**999**	-	-	-	-	**-**	**999**
Financial assets at FVTOCI	1,038	-	-	-	**1,038**	297	-	-	-	**297**	**1,335**
Debt securities at amortised cost	8,415	7	-	-	**8,423**	3,251	-	7	-	**3,258**	**11,681**
Other assets – financial Instruments	959	41	183	-	**1,184**	87	-	14	-	**101**	**1,285**
Total................................	**34,417**	**3,130**	**1,212**	**594**	**39,354**	**13,878**	**264**	**172**	**11**	**14,325**	**53,679**

Source: 2022 Annual Financial Statements and 2023 Annual Financial Statements.

Industry sectors

The following tables break down the Group's main credit exposures at their carrying amounts, as categorised by industrial sector (based on the industry of the applicable counterparties) as at 31 December 2021, 2022 and 2023.

As at 31 December 2021 (€ in millions)	Financial institutions	Manufacturing/ Handicraft	Construction	Real Estate Companies	Project Finance	Wholesale and retail trade	Public sector	Shipping Companies	Coastline/ Ferries Companies	Hotels	Agriculture	Energy	Transports & Logistics	Other industries	Individuals	Total
Due from banks	1,344	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**1,344**
Loans and advances to customers (at amortised cost)	7,155	3,889	1,071	1,316	1,936	3,245	1,553	1,980	222	2,292	565	735	773	2,573	9,189	**38,492**
Retail lending	–	–	–	–	–	–	–	–	–	–	–	–	–	–	9,189	**9,189**
–Mortgages	–	–	–	–	–	–	–	–	–	–	–	–	–	–	7,195	**7,195**
–Consumer–personal loans and others	–	–	–	–	–	–	–	–	–	–	–	–	–	–	1,503	**1,503**
–Credit cards	–	–	–	–	–	–	–	–	–	–	–	–	–	–	491	**491**
Corporate and public sector lending	7,155	3,889	1,071	1,316	1,936	3,245	1,553	1,980	222	2,292	565	735	773	2,573	–	**29,303**
–Large corporate	7,114	1,524	383	808	1,870	750	–	1,980	222	1,107	15	509	397	1,339	–	**18,017**
–SMEs	42	2,365	688	508	66	2,495	–	–	–	1,185	551	226	375	1,234	–	**9,733**
–Public sector	–	–	–	–	–	–	1,553	–	–	–	–	–	–	–	–	**1,553**
Financial assets at FVOCI	314	52	–	15	–	4	1,681	–	–	–	–	25	10	198	–	**2,299**
Debt securities at amortised cost	–	–	–	–	–	–	9,219	–	–	–	–	–	–	–	–	**9,219**
Other assets–financial instruments	79	19	23	8	–	6	518	–	–	–	–	5	–	346	146	**1,149**
Total	**8,892**	**3,960**	**1,093**	**1,339**	**1,936**	**3,255**	**12,971**	**1,981**	**222**	**2,292**	**565**	**765**	**782**	**3,117**	**9,334**	**52,503**
Stage 1	8,429	2,636	586	732	1,852	2,240	12,894	1,946	118	963	362	669	412	1,999	5,905	**41,740**
Stage 2	7	636	144	105	5	426	16	3	–	782	64	48	95	588	2,271	**5,190**
Stage 3	445	599	331	430	73	497	58	32	104	427	123	47	271	398	722	**4,557**
POCI (purchased or originated credit impaired financial assets)	12	89	33	71	5	92	2	–	–	119	17	1	5	133	436	**1,016**
Total	**8,892**	**3,960**	**1,093**	**1,339**	**1,936**	**3,255**	**12,971**	**1,981**	**222**	**2,292**	**565**	**765**	**782**	**3,117**	**9,334**	**52,503**

As at 31 December 2022 (€ in millions)	Financial institutions	Manufacturing /Handicraft	Construction	Real Estate Companies	Project Finance	Wholesale and retail trade	Public sector	Shipping Companies	Coastline/ Ferries Companies	Hotels	Agriculture	Energy	Transports & Logistics	Other industries	Individuals	Total
Due from banks	1,415	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**1,415**
Loans and advances to customers (at amortised cost)	7,344	4,032	914	1,093	2,198	3,272	1,623	2,206	223	2,345	577	938	709	2,539	8,774	**38,787**
Retail lending	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,774	**8,774**
–Mortgages	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,879	**6,879**
–Consumer–personal loans and others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,410	**1,410**
–Credit cards	-	-	-	-	-	-	-	-	-	-	-	-	-	-	485	**485**
Corporate and public sector lending	7,344	4,032	914	1,093	2,198	3,272	1,623	2,206	223	2,345	577	938	709	2,539	-	**30,013**
–Large corporate	7,272	1,775	351	755	2,183	902	-	2,206	223	1,199	19	628	361	1,203	-	**19,076**
–SMEs	72	2,257	563	337	15	2,371	-	-	-	1,146	558	311	348	1,336	-	**9,314**
–Public sector							1,623									**1,623**
Financial assets at FVOCI	-	-	-	-	-	-	796	-	-	-	-	-	-	-	-	**796**
Debt securities at amortised cost	521	82	-	9	-	-	10,010	-	-	-	-	27	27	201	-	**10,878**
Other assets–financial instruments	11	18	18	14	-	4	605	-	-	-	-	9	-	482	138	**1,300**
Total	**9,290**	**4,133**	**932**	**1,115**	**2,198**	**3,277**	**13,034**	**2,207**	**223**	**2,345**	**577**	**974**	**736**	**3,222**	**8,913**	**53,176**
Stage 1	9,227	3,488	545	791	2,182	2,563	12,968	2,141	124	1,772	493	890	483	2,523	5,855	**46,045**
Stage 2	39	325	225	36	5	354	16	62	-	296	34	26	97	295	2,040	**3,850**

As at 31 December 2022 (€ in millions)	Financial institutions	Manufacturing /Handicraft	Construction	Real Estate Companies	Project Finance	Wholesale and retail trade	Public sector	Shipping Companies	Coastline/ Ferries Companies	Hotels	Agriculture	Energy	Transports & Logistics	Other industries	Individuals	Total
Stage 3	14	277	137	251	10	309	48	3	99	183	43	32	154	320	619	**2,499**
POCI (purchased or originated credit impaired financial assets)	10	43	26	37	-	52	2	-	-	94	7	27	2	84	399	**782**
Total	**9,291**	**4,133**	**932**	**1,115**	**2,198**	**3,277**	**13,034**	**2,207**	**223**	**2,345**	**577**	**974**	**736**	**3,222**	**8,913**	**53,176**

As at 31 December 2023 (€ in millions)	Financial institutions	Manufacturing /Handicraft	Construction	Real Estate Companies	Project Finance	Wholesale and retail trade	Public sector	Shipping Companies	Coastline/ Ferries Companies	Hotels	Agriculture	Energy	Transports & Logistics	Other industries	Individuals	Total
Due from banks	1,034	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**1,034**
Loans and advances to customers (at amortised cost)	7,572	3,741	841	981	2,609	3,365	999	2,269	116	2,583	610	1,201	710	2,635	8,115	**38,346**
Retail lending	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,115	**8,115**
–Mortgages	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,454	**6,454**
–Consumer–personal loans and others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,224	**1,224**
–Credit cards	-	-	-	-	-	-	-	-	-	-	-	-	-	-	437	**437**
Corporate and public sector lending	7,572	3,741	841	981	2,609	3,365	999	2,269	116	2,583	610	1,201	710	2,635	-	**30,231**
–Large corporate	7,523	1,487	332	672	2,605	945	-	2,269	116	1,372	14	886	405	1,364	-	**19,988**
–SMEs	49	2,254	510	309	4	2,420	-	-	-	1,211	596	315	306	1,271	-	**9,244**
–Public sector							999									**999**
Financial assets at FVOCI	-	-	-	-	-	-	1,335	-	-	-	-	-	-	-	-	**1,335**
Debt securities at amortised cost	1,090	87	-	9	-	-	10,233	-	-	-	-	26	27	208	-	**11,681**
Other assets–financial instruments	13	27	17	16	-	2	550	-	-	-	-	12	-	503	144	**1,285**
Total	**9,709**	**3,855**	**858**	**1,006**	**2,609**	**3,368**	**13,116**	**2,269**	**116**	**2,583**	**610**	**1,239**	**738**	**3,346**	**8,259**	**53,679**
Stage 1	9,621	3,323	736	833	2,605	2,972	13,038	2,122	115	2,086	511	1,186	604	2,752	5,791	**48,296**
Stage 2	74	331	58	22	4	197	22	146	1	381	43	22	22	234	1,835	**3,394**
Stage 3	4	175	42	133	-	153	53	-	-	47	49	5	110	319	294	**1,384**
POCI (purchased or originated credit impaired financial assets)	10	26	23	18	-	45	2	-	-	69	7	25	2	40	339	**604**
Total	**9,709**	**3,855**	**858**	**1,006**	**2,609**	**3,368**	**13,116**	**2,269**	**116**	**2,583**	**610**	**1,239**	**738**	**3,346**	**8,259**	**53,679**

Source: 2022 Annual Financial Statements and 2023 Annual Financial Statements.

As at 31 December 2023, the carrying amount of the Group's receivables deriving directly from the Greek public sector was €10,960 million (comprising treasury bills, Greek government bonds and central government receivables).

Receivables from the wider public sector are not directly influenced by the Greek government's finances since the financial data and cash inflows of the relevant wider public sector bodies originate from independent revenue sources.

12.4 Market risk

Market risk is related to the possibility of losses due to changes in the level or the volatility of market prices and rates, such as interest rates, equity and commodity prices and foreign exchange rates.

The Risk Committee has approved a market risk management policy that applies at a Group and Bank level, outlines the basic definitions of market risk management and defines the roles and responsibilities of the units and executives involved. The Group engages in moderate trading activities in order to enhance profitability and service its clientele. These trading activities create market risk, which the Group seeks to identify, estimate, monitor and manage effectively through a framework of principles, measurement processes and a valid set of limits that apply to all of the Group's transactions. The most significant types of market risk are interest rates, equity and foreign exchange risk.

The Group and Piraeus Bank apply generally accepted techniques for the measurement of market risk. In particular, sensitivity indicators such as CSPV01 (adverse impact to the present value of the bond portfolio for a 1 basis point parallel move in the yield spread curve) as well as Value-at-Risk (the "VaR") calculations.

For every activity, that bears an inherent market risk, the Group has assigned adequate market risk limits, and these are monitored systematically. Market risk management is not confined to trading book activities, but covers the statement of financial position as a whole.

The VaR measure is an estimate of the potential loss in the net present value of a portfolio, over a specified period and with a specified confidence level. The Group and Piraeus Bank adopted the Historical VaR approach ("HVaR") which is a scenario-based method based on historical data variations. It uses past observations to infer the potential future movements of market parameters, with no assumption about the risk factors distribution. Market data shifts are measured over a look-back period of two (2) years at daily horizons. The current positions are fully revaluated using these shifted market parameters. After applying the different historical scenarios, the simulated profit and loss variations are sorted from the lowest to the highest. The VaR is determined by reading the corresponding value out of the ordered profit and loss variations at the desired confidence level.

As the Value-at-Risk methodology evaluates the maximum risk at a specified confidence level (e.g., a 99% VaR measures a loss that is expected to be exceeded only 1% of the time), another metric, the Expected Shortfall ("ES"), captures the tail risk that is not accounted for in the existing VaR measures. Thus, ES calculates the average loss above this level (e.g., a 99% ES measures the average of the worst 1% of losses).

As a complement to VaR, a stress test analysis is conducted to estimate the potential outcomes on portfolio values under exceptional events. A scenario analysis approach is used where a series of shifts (historical or market specific) on market parameters is defined. Stress testing results are produced by the same calculation engine that produces VaR figures and are analyzed on a scenario basis to identify how the positions perform under the predefined scenarios.

Moreover, in order to test the robustness of its VaR model, the Group evaluates the validity of the Value-at-Risk estimates, by conducting a relevant back-testing programme on the trading book VaR, through the comparison of the Value-at-Risk estimate against the actual change in the value of the portfolio, due to the changes in market prices, on a daily basis.

The Value-at-Risk estimate for the Group's trading book as at 31 December 2023 amounted to €4.5 million. This estimate comprises €2.5 million for interest rate risk, €1.2 million for equity risk and €0.2 million for foreign exchange risk. By comparison, as at 31 December 2022, the Value-at-Risk estimate for the Group's trading book amounted to €2.8 million. This estimate comprises €1.0 million for interest rate risk, €1.6 million for equity risk and €0.2 million for foreign exchange risk.

The above estimates are summarised as follows:

(€ in millions)	Group Trading Book Total VaR	VaR-Interest Rate Risk	VaR Equities Risk	VaR Foreign Exchange Risk	VaR Commodities Risk	Diversification Effect
As at 31 December 2022	2.8	1.0	1.6	0.2	-	-
As at 31 December 2023	4.5	2.5	1.2	0.2	0.8	(0.2)

Source: 2022 Annual Financial Statements and 2023 Annual Financial Statements.

Foreign currency risk

The Group's financial position and cash flows are exposed to fluctuations in the prevailing foreign currency exchange rates. The Group's management sets limits on the level of exposure to currency, which is monitored daily. The following tables summarise the Group's exposure to foreign currency exchange rate risk on 31 December 2021, 2022 and 2023. The tables include the Group's assets and liabilities at carrying amounts categorised by currency and the positions on derivatives at notional amounts categorised by currency, which reduce significantly the undertaken foreign currency exchange risk.

As at 31 December 2021	EUR	USD	GBP	JPY	CHF	Other currencies	Total
Assets							
Cash and balances with central banks	15,432	22	9	–	4	52	**15,519**
Due from banks	1,231	40	3	3	32	35	**1,344**
Financial assets at FVTPL	906	–	–	–	–	–	**906**
Financial assets mandatorily at FVTPL	177	28	–	–	–	–	**205**
Derivative financial instruments (notional amounts)	1,708	452	101	1	4	264	**2,529**
Loans and advances to customers at amortised cost	33,549	2,142	3	2	730	95	**36,521**
Loans and advances to customers mandatorily measured at FVTPL	77	–	–	–	–	–	**77**
Financial assets measured at FVTOCI	2,334	19	–	–	–	13	**2,366**
Debt securities at amortised cost	9,183	9	–	–	–	9	**9,200**
Investment property	970	–	–	–	–	71	**1,041**
Investments in associated undertakings and joint ventures	630	–	–	–	–	–	**630**
Property and equipment	883	–	–	–	–	6	**890**
Intangible assets	266	–	–	–	–	1	**267**
Tax receivables	160	–	–	–	–	–	**160**
Deferred tax assets	6,067	–	–	–	–	3	**6,070**
Other assets	3,233	122	1	–	25	71	**3,453**
Assets held for sale	208	206	–	–	22	–	**435**
Assets from discontinued operations	114	–	–	–	–	–	**114**
Total assets	**77,127**	**3,040**	**117**	**6**	**817**	**620**	**81,728**
Liabilities							
Due to banks	14,794	50	1	–	4	16	**14,865**
Due to customers	52,789	2,179	118	1	19	337	**55,442**
Derivative financial instruments (notional amounts)	738	758	–	8	867	185	**2,556**
Debt securities in issue	971	–	–	–	–	–	**971**
Other borrowed funds	935	–	–	–	–	–	**935**
Current income tax liabilities	5	–	–	–	–	–	**5**
Deferred tax liabilities	9	–	–	–	–	1	**10**
Retirement and termination benefit obligations	75	–	–	–	–	–	**75**
Provisions	134	–	–	–	–	2	**136**
Liabilities held for sale	3	–	–	–	–	–	**3**
Other liabilities	1,119	–	–	–	–	5	**1,124**
Liabilities from discontinued operations	28	–	–	–	–	–	**28**
Total liabilities	**71,600**	**2,987**	**119**	**9**	**889**	**546**	**76,150**
Derivative financial instruments – fair value adjustment	**225**	**–**	**–**	**–**	**–**	**–**	**225**
Foreign currency exposure	**5,752**	**53**	**(2)**	**(3)**	**(72)**	**74**	**5,803**

As at 31 December 2022	EUR	USD	GBP	JPY	CHF	Other currencies	Total
Assets							
Cash and balances with central banks	9,535	26	13	–	4	76	**9,653**
Due from banks	1,302	38	6	2	35	32	**1,415**
Financial assets at FVTPL	548	–	–	–	–	–	**548**
Financial assets mandatorily at FVTPL	165	17	–	–	–	–	**182**
Derivative financial instruments (notional amounts)	1,499	1,093	227	20	2	226	**3,067**
Loans and advances to customers at amortised cost	34,292	2,335	4	1	680	54	**37,367**
Loans and advances to customers mandatorily measured at FVTPL	52	–	–	–	–	–	**52**
Investment securities	11,699	18	23	–	–	1	**11,741**
Investment property	1,459	–	–	–	–	63	**1,522**
Investments in associated undertakings and joint ventures	1,023	–	–	–	–	–	**1,023**
Property and equipment	724	–	–	–	–	4	**728**
Intangible assets	311	–	–	–	–	1	**312**
Tax receivables	145	–	–	–	–	–	**145**
Deferred tax assets	5,972	–	–	–	–	2	**5,974**
Other assets	3,299	15	1	–	–	42	**3,357**

As at 31 December 2022	EUR	USD	GBP	JPY	CHF	Other currencies	Total
Assets held for sale	386	–	–	–	20	–	**406**
Total assets	**72,411**	**3,542**	**274**	**23**	**741**	**500**	**77,492**
Liabilities							
Due to banks	6,080	63	42	–	–	1	**6,185**
Due to customers	55,303	2,597	127	3	25	317	**58,372**
Derivative financial instruments (notional amounts)	1,171	898	105	20	742	138	**3,075**
Debt securities in issue	849	–	–	–	–	–	**849**
Other borrowed funds	937	–	–	–	–	–	**937**
Current income tax liabilities	7	–	–	–	–	–	**7**
Deferred tax liabilities	9	–	–	–	–	1	**10**
Retirement and termination benefit obligations	55	–	–	–	–	–	**55**
Provisions	122	–	–	–	–	2	**123**
Liabilities held for sale	2	–	–	–	–	–	**2**
Other liabilities	1,095	–	–	–	–	17	**1,113**
Total liabilities	**65,630**	**3,559**	**274**	**23**	**767**	**476**	**70,729**
Derivative financial instruments – fair value adjustment	**(182)**	–	–	–	–	–	**(182)**
Foreign currency exposure	**6,599**	**(16)**	**–**	**–**	**(26)**	**24**	**6,581**

As at 31 December 2023	EUR	USD	GBP	JPY	CHF	Other currencies	Total
Assets							
Cash and balances with central banks	10,403	31	4	-	4	125	**10,567**
Due from banks	919	42	6	2	37	28	**1,034**
Financial assets at FVTPL	609	–	–	–	–	–	**609**
Financial assets mandatorily at FVTPL	219	15	–	–	–	–	**234**
Derivative financial instruments (notional amounts)	1,789	1,374	145	–	1	267	**3,575**
Loans and advances to customers at amortised cost	34,510	2,390	4	1	600	22	**37,527**
Loans and advances to customers mandatorily measured at FVTPL	53	–	–	–	–	–	**53**
Investment securities	12,999	20	23	–	–	–	**13,042**
Investment property	1,539	–	–	–	–	218	**1,757**
Investments in associated undertakings and joint ventures	1,255	–	–	–	–	–	**1,255**
Property and equipment	729	–	–	–	–	3	**732**
Intangible assets	345	–	–	–	–	2	**347**
Tax receivables	161	–	–	–	–	–	**161**
Deferred tax assets	5,701	–	–	–	–	2	**5,703**
Other assets	2,911	32	1	–	33	19	**2,996**
Assets held for sale	192	–	–	–	39	9	**241**
Total assets	**74,335**	**3,905**	**182**	**3**	**714**	**696**	**79,835**
Liabilities							
Due to banks	4,601	10	4	–	–	3	**4,618**
Due to customers	56,366	2,700	123	4	30	343	**59,567**
Derivative financial instruments (notional amounts)	1,388	1,195	50	1	665	285	**3,584**
Debt securities in issue	1,886	–	–	–	–	–	**1,886**
Other borrowed funds	939	–	–	–	–	–	**939**
Current income tax liabilities	11	–	–	–	–	2	**13**
Deferred tax liabilities	9	–	–	–	–	–	**9**
Retirement and termination benefit obligations	52	–	–	–	–	–	**52**
Provisions	142	–	–	–	20	1	**164**
Other liabilities	1,432	–	–	–	–	27	**1,459**
Fair Value changes of hedged items in portfolio hedges of interest rate risk	94	–	–	–	–	–	**94**
Total liabilities	**66,920**	**3,906**	**177**	**4**	**716**	**662**	**72,386**
Derivative financial instruments - fair value adjustment	**(96)**	**–**	**–**	**–**	**–**	**–**	**(96)**
Foreign currency exposure	**7,318**	**(1)**	**5**	**(1)**	**(2)**	**33**	**7,353**

Source: 2022 Annual Financial Statements and 2023 Annual Financial Statements.

Interest rate risk

Interest rate risk is the risk of a negative impact on the Group's financial condition due to its exposure to changes in market interest rates. Accepting this risk is deemed an integral part of banking operations and can be an important source of profitability and increase in the Group's value.

Changes in interest rates affect the Group's results by changing the net interest income as well as the value of other interest sensitive income or expenses. Changes in interest rates also affect the value of the Group's assets and liabilities because the present value of future cash flows (and in some cases, the cash flows themselves) changes when interest rates change. Consequently, an effective risk management process that assesses, monitors and helps maintain the interest rate risk within acceptable levels (through effective hedging, where deemed necessary) is essential to the Group's financial safety and soundness.

The Group applies an interest rate risk management policy, which provides for a variety of valuation techniques that mainly rely on maturity and repricing schedules, amongst which the "Interest Rate Gap" analysis. In addition, the Group has entered into hedging derivative transactions classified as fair value hedge to actively manage its interest rate risk. According to this analysis, the principal amount of assets and liabilities are allocated to time periods until their maturity (in the case of fixed rate instruments) or according to the date of the next repricing of their interest rate (in the case of floating rate instruments).

The table below summarises the Group's exposure to interest rate risk according to the Interest Rate Gap Analysis. In cases where, for any claims or liabilities there is no regular contractual maturity date (open accounts) or interest rate determination date (current or savings deposits), they are allocated to the time period following the application of behavioural models. The impact from historically observed prepayments on term loans is also taken into consideration. Finally, assets and liabilities in foreign currency are converted into euro using spot FX rates.

(€ in thousands)	Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Non-interest bearing	Total
As at 31 December 2021							
Assets							
Cash and balances with the central banks	15,512	–	–	–	–	7	15,519
Due from banks	1,261	64	8	–	–	11	1,344
Financial assets at FVTPL	58	16	159	89	564	20	906
Financial assets mandatorily at FVTPL	–	–	32	–	11	162	205
Loans and advances to customers	15,190	6,994	6,080	4,823	3,505	5	36,598
Financial assets at FVTOCI	59	113	187	562	1,379	67	2,366
Debt securities at amortised cost	–	3	29	160	9,008	–	9,200
Other assets	–	–	–	1	6	975	981
Total financial assets	**32,081**	**7,189**	**6,496**	**5,635**	**14,472**	**1,248**	**67,121**
Liabilities							
Due to banks	14,760	87	4	16	–	–	14,865
Due to customers	23,736	5,364	7,475	11,366	7,500	–	55,442
Debt securities in issue	470	–	–	500	–	–	971
Other borrowed funds	–	–	–	935	–	–	935
Other liabilities	7	2	4	2	–	1,109	1,124
Total financial Liabilities	**38,973**	**5,453**	**7,483**	**12,819**	**7,500**	**1,109**	**73,337**
Net notional amount of derivative financial instruments	**983**	**4,068**	**1,673**	**76**	**(6,829)**		**(30)**
Total interest rate gap	**(5,910)**	**5,804**	**687**	**(7,108)**	**142**	**139**	**(6,246)**
As at 31 December 2022							
Assets							
Cash and balances with the central banks	9,643	–	–	–	–	10	9,653
Due from banks	1,313	69	7	3	–	23	1,415
Financial assets at FVTPL	73	145	212	46	53	19	548
Financial assets mandatorily measured at FVTPL	–	–	32	–	12	138	182
Loans and advances to customers	14,743	7,669	6,627	5,298	3,080	–	37,418
Investment securities	80	837	564	1,171	8,988	101	11,741
Other assets	–	–	5	35	92	994	1,125
Total financial assets	**25,854**	**8,720**	**7,446**	**6,552**	**12,225**	**1,286**	**62,083**
Liabilities							
Due to banks	5,978	103	5	92	7	–	6,185
Due to customers	29,216	4,304	6,505	10,621	7,726	–	58,372
Debt securities in issue	–	–	–	849	–	–	849
Other borrowed funds	–	–	–	937	–	–	937
Other liabilities	2	1	3	2	–	1,105	1,113
Total financial liabilities	**35,197**	**4,408**	**6,513**	**12,501**	**7,733**	**1,105**	**67,456**
Net notional amount of derivative financial instruments	**842**	**(23)**	**88**	**2,618**	**(3,537)**		**(12)**
Total interest rate gap	**(8,501)**	**4,290**	**1,022**	**(3,331)**	**955**	**181**	**(5,385)**

(€ in thousands)	Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Non-interest bearing	Total
As at 31 December 2023							
Assets							
Cash and balances with the central banks	10,529	17	–	–	–	21	10,567
Due from banks	1,003	3	6	2	–	21	1,034

Financial assets at FVTPL	19	66	154	43	296	32	609
Financial assets mandatorily at FVTPL	–	–	–	42	27	165	234
Loans and advances to customers	13,560	9,444	5,879	3,951	4,746	–	37,579
Investment securities	121	926	728	1,388	9,824	55	13,042
Other assets	3	–	2	66	57	960	1,089
Total financial assets	**25,235**	**10,456**	**6,769**	**5,492**	**14,949**	**1,254**	**64,155**
Liabilities							
Due to banks	4,479	115	1	23	–	–	4,618
Due to customers	22,773	9,838	9,440	9,565	7,949	–	59,567
Debt securities in issue	–	–	–	1,886	–	–	1,886
Other borrowed funds	–	–	419	520	–	–	939
Other liabilities	2	–	2	3	–	1,452	1,459
Total financial liabilities	**27,254**	**9,954**	**9,862**	**11,997**	**7,949**	**1,453**	**68,469**
Net notional amount of derivative financial instruments	**(12)**	**(11)**	**16**	**(13)**	**3**		**(18)**
Total interest rate gap	**(2,032)**	**491**	**(3,077)**	**(6,518)**	**7,003**	**(199)**	**(4,332)**

Source: 2022 Annual Financial Statements and 2023 Annual Financial Statements.

The Group assesses interest rate risk using both economic value and earnings-based measures. In particular, the Group calculates changes in the net present value of on balance-sheet items in response to changes in interest rates, assuming parallel yield curve shifts (PV01 - ΔEVE). From an earnings perspective, the Group assesses the impact of interest rate risk through the Net Interest Income Sensitivity (ΔNII) index, which denotes the negative effect on the foreseen annual interest income, as a result of a parallel shift in interest rates for all currencies considered.

The Group has assigned adequate limits for both ΔNII and PV01 risk indicators, which are monitored on a regular basis.

The Group evaluates potential financial losses in relation to stressful conditions in interest rate markets. Possible stress scenarios include abrupt changes in the level of interest rates, changes in the slope and shape of interest rate curves, or changes in the volatility thereof. Further interest rate risk disclosures under Pillar III are available on the Group's website.

12.5 Liquidity risk

The Group acknowledges that effective liquidity risk management is essential to its ability to meet its liabilities, while also safeguarding its financial results and its capital. Liquidity risk is defined as the risk arising from the Group's inability to meet its cash flow obligations when they come due, without incurring unacceptable costs or losses at all times, including under stress. In order to manage this risk, current and future liquidity requirements are monitored thoroughly, along with the respective needs for funding, depending on the projected maturity of outstanding liabilities. In general, liquidity management is a process of balancing cash flows within time bands, so that, under normal conditions, the Group is able meet all its financial obligations as they become due. The Board Risk Committee ("BRC") is responsible for the approval of the liquidity risk policy and the effective management of liquidity risk which is applied in a uniform manner by the Group. This policy aligns with internationally recognised practices and supervisory regulations, tailored to suit the specific activities and organisational structures within the Group.

The policy specifies the principal liquidity risk assessment definitions and methodologies, defines the roles and responsibilities of Piraeus Bank's units, the Group subsidiaries and staff involved in the liquidity management governance and sets out the guidelines for liquidity crisis management. The contribution of each administrative level to liquidity risk management is organized in such a way as to ensure the establishment of clear areas of responsibility, the separation of tasks and the avoidance of conflicts of interest.

The Group's executive and senior management has the responsibility to implement the business plan's strategic targets within the liquidity risk guidance approved by the BRC, and to develop the policies, methodologies and procedures for identifying, measuring, monitoring and controlling liquidity risk, consistent with the nature and complexity of the Group's activities. An extensive set of reports on the Group's liquidity position and other key risk metrics (including approved risk assessment framework, contingency funding plan and recovery plan), liquidity risk indicators' usage and limits, is produced on a daily basis and is submitted to executive and senior management stakeholders, ensuring that liquidity risk is maintained within approved levels. Similar set of reports are produced on a regular basis and submitted to Board Committees, the Board, management stakeholders and the regulatory authorities, depending on the type of analysis. In order to effectively manage liquidity risk, management monitors regular reporting contains, *inter alia*, the amount, quality and composition/diversification of its liquid assets, the cash flow analysis of its assets and liabilities (inflows, outflows) in time buckets, the composition/diversification and cost of its funding sources, the composition/diversification and funding capacity of its unencumbered collateral and its funding needs in local and foreign currencies.

Furthermore, the policy defines a contingency funding plan to be used in the case of a liquidity crisis. Such a crisis can take place either due to an event specific to the Group or due to a market-driven event. Triggers and early warning signals prescribed within the contingency funding plan serve as indicators for its realisation.

The Group calculates its LCR and NSFR ratios on a monthly and quarterly basis, respectively, to monitor its liquidity buffer resilience against acute short-term stress and its funding profile stability in relation to the composition of its assets, as prescribed in the CRR. As at 31 December 2023, both the Group's LCR and NSFR exceeded the minimum regulatory threshold of 100%, standing at 241% and 133%, respectively. Liquidity risk disclosures under Pillar III are available at the Group's website.

Under the CRD, which has been transported into Greek law by virtue of the Banking Law, credit institutions are required to have comprehensive strategies, procedures, policies and systems to ensure adequate monitoring of liquidity risk. In accordance with the Banking Law, the Group submitted in 2023 to the SSM, its annual ILAAP report, which includes the rules governing the management of liquidity risk and the main results of current and future liquidity position assessments for Piraeus Bank and the Group. In addition, within the Group's ICAAP and ILAAP framework, the Group examined stress test scenarios and assessed their impact on Piraeus Bank's and the Group's liquidity position and on mandatory liquidity ratios.

The Group focuses on the containment of its liquidity risk and the improvement of its liquidity position through the achievement of the following key objectives, while continuously monitoring market conditions:

- The Group should maintain a funding plan that ensures sufficient liquidity buffers while containing liquidity risk such that Piraeus Bank prevents the use of contingency funding in the future. This funding plan should ensure that the liquidity position of Piraeus Bank consistently remains above the minimum regulatory requirements for LCR and NSFR.

- The Group should continue catering for a strong and well-diversified composition of funding sources. This requires the maintenance of its granular customer deposit base, a well-established access to wholesale/interbank money markets and the enrichment of its sources through debt issuance programmes.

- The Group should refrain from holding excessive liquidity buffers bearing material costs that could affect profitability.

- The Group should closely monitor and control the cost of liabilities, aiming to strike a balance between the need to maintain the liquidity position of the Piraeus Bank and the need to achieve Piraeus Bank's earnings targets.

As at 31 December 2023, the Group's interbank repo funding amounted to €435 million compared to €298 million as at 31 December 2022, while funding from debt securities increased to €1,886 million.

In general, liquidity management is a matter of balancing cash flows within forward rolling time bands, so that under normal conditions, the Group is comfortably placed to meet all payment obligations as they fall due. For this purpose, the Group uses the liquidity gap analysis which provides an overview of the expected cash flows, arising from all balance sheet items assigned and aggregated into time bands according to when they occur.

The assumption is that scheduled payments to the Group are honoured in full and on time and in addition, all contractual payments are discharged in full, *e.g.*, depositors will withdraw their money rather than roll it over on maturity. Those assets and liabilities lacking actual maturities (*e.g.*, open accounts, current accounts, or savings accounts) are assigned to the time band "up to 1 month".

Non-derivative cash flows

The tables below present, at the balance sheet date, the cash flows payable by the Group under non-derivative financial liabilities by the remaining contractual maturities on 31 December 2021, 2022 and 2023. The amounts mentioned are the contractual undiscounted cash flows. The Group manages liquidity risk according to the estimated undiscounted cash flows. Liabilities in foreign currency have been translated into euro based on the current foreign currency exchange rates. Liquidity risk arising from derivative liabilities is not considered significant. The cash flows arising from liabilities items are calculated and classified into time periods in accordance with the contractual maturity date or an estimated date based on a statistical analysis.

	As at 31 December 2021					
(€ in millions)	**Up to 1 month**	**1 - 3 months**	**3 - 12 months**	**1 - 5 years**	**Over 5 years**	**Total**
Due to banks	379	4	14,309	94	47	14,834
Due to customers	48,660	3,639	3,085	64	–	55,449
Debt securities in issue	2	–	493	78	521	1,094
Other borrowed funds	–	28	39	1,061	–	1,127
Other liabilities	99	62	174	77	26	439
Total	**49,141**	**3,733**	**18,099**	**1,374**	**595**	**72,942**
Irrevocable undrawn credit commitments	1	2	28	638	380	1,050

(€ in millions)	As at 31 December 2021 Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Total

(€ in millions)	As at 31 December 2022 Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Total
Due to banks	524	3	2,071	3,848	43	6,489
Due to customers	52,984	2,870	2,511	25	-	58,389
Debt securities in issue	5	-	19	1,061	-	1,085
Other borrowed funds	-	28	39	994	-	1,061
Other liabilities	153	80	45	86	181	547
Total	**53,667**	**2,980**	**4,685**	**6,014**	**225**	**67,571**
Irrevocable undrawn credit commitments	-	8	71	990	554	1,624

(€ in millions)	As at 31 December 2023 Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Total
Due to banks	542	4	3,726	412	182	4,865
Due to customers	49,419	4,181	5,992	48	-	59,640
Debt securities in issue	29	-	90	2,284	-	2,403
Other borrowed funds	-	28	439	525	-	992
Other liabilities	156	72	68	87	281	664
Total	**50,146**	**4,285**	**10,314**	**3,356**	**463**	**68,564**
Irrevocable undrawn credit commitments	31	51	52	998	829	1,961

Source: 2022 Annual Financial Statements and 2023 Annual Financial Statements.

Derivative cash flows

Derivatives settled on a net basis

Derivatives settled on a net basis include:

- foreign exchange derivatives: OTC currency options, currency futures, and exchange traded currency options; and
- interest rate derivatives: interest rate swaps, forward rate agreements, OTC interest rate options, other interest rate contracts, exchange traded interest rate futures and exchange traded interest rate options.

The table below analyses, at the balance sheet date, the contractual undiscounted cash flows of derivative financial assets and liabilities that will be settled on a net basis according to the contract.

31 December 2021	**Notional amount**	**Fair value**	
Derivatives held for trading		**Assets**	**Liabilities**
Interest rate swaps	9,414	359	341
Currency swaps	1,366	1	20
FX forwards	555	3	9
Options and other derivative instruments	5,106	8	11
Cross currency interest rate swaps	379	6	12
Total	**16,820**	**377**	**393**
Derivatives held for hedging (fair values)			
Interest rate swaps	6,649	214	–
Total	**23,470**	**591**	**393**

31 December 2022	**Notional amount**	**Fair value**	
Derivatives held for trading		**Assets**	**Liabilities**
Interest rate swaps	9,259	656	531
Currency swaps	1,454	5	11
FX forwards	923	11	18
Options and other derivative instruments	6,805	104	83
Cross currency interest rate swaps	540	17	17
Total	**18,981**	**794**	**660**
Derivatives held for hedging (fair values)			
Interest rate swaps	3,496	1,077	–
Total	**22,477**	**1,871**	**660**

31 December 2023	Notional amount	Fair value	
Derivatives held for trading		Assets	Liabilities
Interest rate swaps	12,203	528	462
Currency swaps	1,443	4	28
FX forwards	1,212	8	9
Options and other derivative instruments	6,313	74	63
Cross currency interest rate swaps	540	17	16
Total	**21,711**	**631**	**578**
Derivatives held for hedging (fair values)			
Interest rate swaps	13,134	1,329	25
Total	**34,845**	**1,960**	**603**

Source: 2022 Annual Financial Statements and 2023 Annual Financial Statements.

Fair value of assets and liabilities

Assets and liabilities not measured at fair value

The following tables summarise the fair value and the carrying amounts of those assets and liabilities which are not measured at fair value on a recurring basis, and their carrying amount is not a reasonable approximation of fair value on 31 December 2021, 2022 and 2023.

	Carrying Amount	Fair Value			
	31 December 2021		Level 1	Level 2	Level 3
Financial assets					
Loans and advances to customers at amortised cost	36,521	36,556	–	–	36,556
Debt securities at amortised cost	9,200	8,982	8,982	–	–
Financial liabilities					
Debt securities in issue	971	964	488	476	–
Other borrowed funds	935	957	957	–	–

	Carrying Amount	Fair Value			
	31 December 2022		Level 1	Level 2	Level 3
Financial assets					
Loans and advances to customers at amortised cost	37,367	37,007	–	–	37,007
Debt securities at amortised cost	10,844	9,139	6,821	2,318	–
Financial liabilities					
Debt securities in issue	849	774	774	–	–
Other borrowed funds	937	848	848	–	–

	Carrying Amount	Fair Value			
	31 December 2023		Level 1	Level 2	Level 3
Financial assets					
Loans and advances to customers at amortised cost	37,527	37,061	-	-	37,061
Debt securities at amortised cost	11,659	10,785	7,827	2,958	-
Financial liabilities					
Debt securities in issue	1,886	1,946	1,946	-	-
Other borrowed funds	939	935	935	-	-

Source: 2022 Annual Financial Statements and 2023 Annual Financial Statements.

For 2023, the fair value of loans and advances to credit institutions, reverse repos with customers, due to credit institutions and due to customers, which are measured at amortised cost, are not materially different from the respective carrying values, since they are very short term in duration and priced at current market rates. These assets are often re-priced and due to their short duration, they are discounted with the risk-free rate.

The fair value of loans and advances to customers has been calculated using a discounted cash flow model, taking into account yield curves observable in the market as at the date of their valuation and any adjustments for credit risk.

The fair value of debt securities at amortised cost, debt securities in issue and other borrowed funds has been calculating using market prices, or, if such was not available, using discounted cash flow models based on current market interest rates offered for instruments with similar credit quality and duration.

The following table present the fair value of the financial assets and liabilities measured at fair value on a recurring basis by fair value hierarchy level, as at 31 December 2021, 2022 and 2023.

	Financial instruments measured at fair value based on valuation			
As at 31 December 2021	Level 1	Level 2	Level 3	Total
Financial assets				
Derivative financial instruments	–	591	–	**591**
Financial assets at FVTPL	849	57	–	**906**
Financial assets mandatorily measured at FVTPL	112	–	93	**205**
Loans and advances to customers mandatorily measured at FVTPL	–	–	77	**77**

Financial assets at FVTOCI	2,132	212	22	**2,366**
Financial liabilities				
Derivative financial instruments	–	393	–	**393**

As at 31 December 2022	Financial instruments measured at fair value based on valuation			
	Level 1	Level 2	Level 3	Total
Financial assets				
Derivative financial instruments	-	220	-	**220**
Financial assets at FVTPL	434	114	-	**548**
Financial assets mandatorily measured at FVTPL	104	-	78	**182**
Loans and advances to customers mandatorily measured at FVTPL	-	-	52	**52**
Financial assets at FVTOCI	872	-	25	**897**
Financial liabilities				
Derivative financial instruments	-	410	-	**410**

As at 31 December 2023	Financial instruments measured at fair value based on valuation			
	Level 1	Level 2	Level 3	Total
Financial assets				
Derivative financial instruments	-	191	-	**191**
Financial assets at FVTPL	598	11	-	**609**
Financial assets mandatorily measured at FVTPL	118	-	116	**234**
Loans and advances to customers mandatorily measured at FVTPL	-	-	53	**53**
Financial assets at FVTOCI	1,322	39	22	**1,383**
Financial liabilities				
Derivative financial instruments	-	295	-	**295**

Source: 2022 Annual Financial Statements and 2023 Annual Financial Statements.

Assets and liabilities held at fair value

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

IFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. The Group considers relevant and observable market prices in the Group's valuations where possible. Observable inputs reflect market data obtained from independent sources. Unobservable inputs reflect the Group's market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1—Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes debt and equity securities, as well as derivative contracts that are traded in an active and organised market structure.
- Level 2—Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. This level includes OTC derivatives and securities whose values are determined using pricing models, discounted cash flow methodologies, or similar techniques with inputs that are observable in the market.
- Level 3—Unobservable inputs, including the entity's own data which are adjusted, if necessary, to reflect the assumptions market participants would use in the circumstances. Level 3 includes financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques with inputs that require significant management judgement or estimation. OTC complex derivatives transactions or structured securities, which are valued using a non-market standard model, comprising substantial model uncertainty, are classified as Level 3 instrument.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. The level of the fair value hierarchy within which the fair value measurement is categorised, is determined on the basis of the lowest input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input as well as model uncertainty are assessed against the entire fair value measurement of the instrument.

Investment property

For the determination of the fair value of investment property, generally accepted valuation models are used by valuers as presented in Note 28 "Investment property" to the Group's consolidated financial statements as at and for the year ended 31 December 2021, 2022 and 2023.

The following table presents the movement of investment property for the years ended 31 December 2021, 2022 and 2023:

	Owned property	Right-of-use assets	Total
At 1 January 2021	**1,047**	**71**	**1,119**
Net gain/(losses) from fair value measurement	11	(7)	4

Additions	36	–	36
Transfers	(1)	–	(1)
Disposals and write–offs	(10)	–	(10)
Other movements	2	–	2
Derecognitions	(108)	–	(108)
At 31 December 2021	**977**	**64**	**1,041**
Acquisition of subsidiaries	250	27	278
Net gain/(losses) from fair value measurement	43	(6)	38
Additions	66	–	66
Transfers	121	2	123
Disposals and write–offs	(17)	–	(17)
Other movements	(4)	–	(4)
Derecognitions	(2)	–	(2)
At 31 December 2022	**1,434**	**88**	**1,522**
Acquisition of subsidiaries	247	–	247
Net gain/(losses) from fair value measurement	32	(11)	21
Additions	33	–	33
Transfers	91	(33)	58
Disposals and write-offs	(52)	–	(52)
Other movements	(1)	–	(1)
Derecognitions	(72)	–	(72)
At 31 December 2023	**1,712**	**44**	**1,757**

Source: 2022 Annual Financial Statements and 2023 Annual Financial Statements.

12.6 Operational risk

The Group is exposed to operational risk deriving from its daily operations and from the implementation of the Group's business and strategic objectives.

The Group aims to continuously improve the Group's operational risk management through the implementation and the ongoing development of an integrated and adequate framework that manages the identification, assessment, quantification, monitoring and mitigation of operational risk in order to timely and effectively support the Group's business functions and fulfil the requirements of the regulations to which the Group is subject. The Group's operational risk management framework covers all of its business activities and supporting functions in Greece and abroad.

The Operational Risk and Control unit is responsible for the development and maintenance of the Group's operational risk management framework. It is approved by the Risk Committee, reviewed on a regular basis and adjusted according to the Group's total risk exposure and risk appetite.

The framework aims to optimise the Group's operating efficiency, minimise financial losses from operational risk events, develop a uniform and clear culture of operational risk management throughout the Group, adopt advanced methods of measuring and assessing the Group's level of exposure to risk and prevent potential unexpected and catastrophic losses from future operational risk events.

Internal control system (ICS)

The Group's ICS includes control mechanisms and processes, integrates best practices of corporate governance and covers each activity and transaction of the Group, contributing to effective and safe operations.

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

The establishment of the ICS aims in particular at (i) the consistent implementation of the business strategy at a Group and Bank level with effective use of existing resources; (ii) the identification and management of risk exposures and potential risks; (iii) ensure the completeness and reliability of the data, which are necessary for the preparation of reliable financial statements in accordance with IFRS and generally for the accurate and timely determination of the Group's financial position; (iv) ensure the compliance with legislative and regulatory framework governing the Group's operations; and (v) conduct periodic and/or occasional audits by the relevant units of the Internal Audit Unit in order to establish consistent application of prescribed rules and procedures by all business units.

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

The adequacy of the ICS at Group and Bank level is assessed periodically and at least every three years, upon recommendation of the Audit Committee, by an independent chartered public auditor, other than the Group and Piraeus Bank's external statutory auditor. The relevant evaluation report is communicated to the Bank of Greece within the first half of the year following the expiration of the three years.

Internal Audit

Internal Audit comprises an independent and objective advisory and safeguarding function, designed to add value and improve the operations of the Group. By adopting and implementing a systematic and disciplined methodology, it contributes to improving the effectiveness of risk management, the ICS and governance procedures.

The main mission of the Internal Audit is:

- to conduct any type of audit of all the units, activities and providers of essential activities of the Group and its subsidiaries, in order to formulate a fair, objective, independent and informed view of the adequacy and effectiveness of the Group's ICS; and
- to provide the required objective procedures in conjunction with the Audit Committee regarding the results of the assessment of the adequacy and effectiveness of the Group's ICS.

The assessment of the ICS is based on the standards and criteria prescribed by internationally recognised best practices.

Internal Audit functionally reports through the Audit Committee to the Board of Directors and only for administrative purposes to the Managing Director and CEO. It is administratively independent from the other units and shall not conduct any kind of executive and functional responsibilities. It also has full-time and exclusive staff, which shall not report hierarchically to any other units.

The primary objective of the Internal Audit is the quality of the audit, in order to ensure the effectiveness, functionality and objective documentation of the various reports that result from the audit work. For the Internal Audit, ensuring the quality of the auditing procedures is the main criterion for the determination of relevant professional standards, recruitment and training, as well as for vocational certifications and procedures to be followed within Internal Audit.

With respect to the internal auditors, they are provided with unlimited access to all activities, units and premises, and to all kinds and forms of data and information of the Group. They may uninterruptedly communicate with any executives, collective organs and staff within the Group and may request and receive from any executive all information and explanations necessary to fulfil their mission as part of any auditing. Any highly confidential or sensitive information may be brought only to the attention of the Chief Audit Officer.

The internal auditors are expected to apply and shall act in compliance with the Group's code of conduct and the rules provided for in international standards for internal auditors.

Compliance

The Compliance Unit was established in the context of complying with the rules of the Basel II supervisory framework and the provisions of the Bank of Greece Governor's Act 2577/9.3.2006 as an independent unit that is responsible for implementing the policy adopted by the Board of Directors in order to comply with the relevant applicable legal and regulatory framework. The Compliance Unit refers to the Board of Directors through the Audit Committee, it has unrestricted access to all data and information necessary to carry out its duties and is managed by a person selected to be the Compliance Officer possessing sufficient knowledge of banking and investment activities.

The Compliance Unit has the following competences and responsibilities: (i) it develops and implements appropriate procedures and prepares a related annual compliance action plan; (ii) it informs the senior management and the Board of Directors of any identified significant regulatory violations; (iii) where regulatory changes take place, it provides relative instructions for the adjustment of internal procedures and internal rules; (iv) in cooperation with the human resources, it ensures that the staff is timely updated on regulatory amendments; (v) it coordinates and evaluates the work of the Group's heads of compliance units (compliance officers) in Greece and abroad; (vi) it ensures the keeping of deadlines for the fulfilment regulatory obligations and provides written reassurance to the Board of Directors; (vii) it ensures that the Group complies with the applicable financial crime regulatory framework; (viii) it participates (at least) on a consulting basis in the design of new products and processes regarding business decision; (ix) it expresses an opinion on the selection and suitability of the heads of the relevant units of the Group's subsidiaries, and evaluates their efficiency; (x) it examines and responds to competent authorities requests relative to the provision of information and/or the restriction of account/safety deposit box movement; (xi) it gives opinion on new financing and loan restructuring to the relevant approval committee of Piraeus Bank; and (xii) it monitors participations in the Group's share capital increases against direct and indirect funding.

Risk assessment of the product, process and activity

The Operational Risk and Control Unit participates in the assessment of existing and new products, processes and activities (pursuant to the Bank of Greece Governor's Act 2577/9.3.2006, at least consultative participation is required in cooperation with Compliance (which has been set up as a separate unit within Piraeus Bank, in accordance with Bank of Greece Governor's Act 2577/9.3.2006) and Internal Audit. The assessment aims at integrating the appropriate control and risk management mechanisms in order to ensure the effective management and mitigation of potential operational risks.

Insurance coverage

The Group considers insurance coverage a significant operational risk mitigation technique. The Group's insurance policies cover, according to the current insurance framework, partial or total recovery against financial losses resulting from certain types of operational risk incidents.

Insurance coverage of the Group's main operations is reviewed annually by the responsible units in collaboration with the Group's senior management.

Human resources training

The Group provides its personnel adequate training on a range of risk management-related subjects with a view to enabling them to identify, assess and manage various risks within their roles.

These training activities involve all Group employees and include, but are not limited to, the following subjects:

- internal processes and controls;
- technology and cybersecurity risk;
- business continuity planning;
- fraud prevention and detection;
- anti-money laundering (AML) and combating the financing of terrorism (CFT) measures; and
- data protection and privacy regulations.

Business continuity plan

The Group has developed and implemented a comprehensive business continuity plan, in order to minimise potential negative effects of crisis situations on the Group's activities. This plan, coupled with the Group's disaster recovery site, ensures continuity of operations in all the Group's business units and entities, effective management of operational risk and compliance with the applicable regulatory framework. In the context of the Group's coordinated effort to prevent the spread of COVID-19 pandemic, the Group has launched a series of operational-level preventive measures within the framework of the business continuity plan. All of the actions that have been placed in force relate to preventive measures and are incorporated into the business continuity plan, enabling the Group to operate seamlessly with a sufficient number of employees per unit, while adhering to all medical instructions and ensuring employee health and safety.

Custody services

The Group provides custody services to third parties for a wide range of financial instruments. These services include, among others, custody of securities, clearing and settlement of securities transactions in the Greek market and abroad, execution of corporate actions and income collection on behalf of individuals, companies and institutional investors. The Group receives fee income for providing these services. Assets held on behalf of third parties and income derived therefrom are not included in the Group's financial statements as they do not constitute the Group's property. The above-mentioned services give rise only to operational risk. As the Group does not guarantee these investments, it is not exposed to any credit risk in relation to such assets.

12.7 Climate and Environmental Risks

The Group has an ESG strategy with a view to promoting responsible and sustainable banking by adopting criteria taking into account the environment, social cohesion and governance that combine growth and economic performance with social and environmental sustainability. The ESG strategy is formulated in line with the Paris Agreement, the Sustainable Development Goals, and the UN Principles for Responsible Banking and places emphasis on four pillars:

- reaching net zero in own operations by monitoring and managing environmental impact closely, investing in operational efficiency solutions and sourcing 100% renewable energy for the buildings;
- steering the portfolio towards net zero by 2050 by focusing on the carbon-intensive sectors and measuring the alignment of lending with climate and nature-friendly policies;
- supporting and advising clients in line with a carbon neutral and nature-positive economy by accelerating the green economy, financing transition and pioneering financing for new technologies and business models; and
- managing climate and nature risks by fully integrating climate and environmental risks into the risk management framework and by helping clients protect their business from climate and environmental risks, providing necessary advice and financing their transition.

As part of its ESG strategy, the Group promotes responsible and sustainable banking by adopting ESG criteria and has embarked on preparing an Energy Transition Plan that will support its clients in moving to a low carbon economy. The Group has started its journey towards becoming net-zero by 2050 at the latest and has defined intermediate science-based targets (by 2030) for selected asset classes accounting for more than 50% of its financed emissions which were validated in late 2022 by the Science Based Targets Initiative.

In compliance with the National Climate Law, the Group endeavours to reduce financing to borrowers operating in the mining lignite sector (Nace Code: 05.20).

Project Proteus

In line with ECB's Guide on "Climate-Related and Environmental Risks: Supervisory Expectations Relating to Risk Management & Disclosures" (the "Guide"), the Group initiated Project Proteus in late 2020 and allocated resources to meet the 13 expectations included in the Guide. Project Proteus aims to integrate ESG risks, initially focused on climate-related and environmental risks (the "C&E risks"), within all functions of the Group. The governance structure facilitates effective and timely decision-making related to C&E risks, permits the holistic monitoring and implementation of Project Proteus, and ensures the Group's operational readiness to participate in dedicated regulatory exercises (e.g., climate stress test exercises).

A project plan, as defined in the Guide, along with underlying work programmes, has been submitted to the competent supervisor. Working groups have been set up with the participation of executives who will contribute to the Group's smooth transition and the integration of supervisory expectations into its operations. The eight working groups' managers work together with the Programme Management Office (PMO) team. A dedicated steering committee, chaired by the Group CRO and comprised of executive members across all functions of the Group, has the oversight of the Project. The working groups and the governance structure set up for Project Proteus aim to raise awareness and understanding of climate related and ESG risks, address challenges and develop best management practices. Overall, focus has been placed on redefining and enhancing processes, data management systems, policies and frameworks, raising awareness and building a robust climate and ESG risks governance.

The Group participated in the 2022 supervisory Climate Stress Test that assessed the readiness of European banks for dealing with financial and economic shocks stemming from climate risk. The test was a learning exercise both for banks and supervisors. It aimed to identify shortcomings, best practices and challenges that banks face when managing climate-related risks. Importantly, this was not a pass or fail exercise, nor did it have direct implications for banks' capital levels. Overall, the Group scored at par with the average of the European participating banks. The results indicated an adequate climate risk stress testing framework and a good performance in data quality. On the other hand, income reliance on carbon intensive activities was higher than the EU average, reflecting country-specific characteristics. The Group is using the results of the Climate Stress Test to investigate how to further engage with its clients to steer them towards a low-carbon path and to manage potential sensitivities to long-term transition risk, high concentration of corporate exposures into carbon intensive counterparties, as well as short-term transition and physical risks.

Assessing Climate Risk deriving from the Group's business borrowers

The Group is exposed to climate-related and environmental risks through its financial activities and its operations. Thus, it recognises that both rapidly changing regulation, as well as stakeholder demands, may materially affect its business, operations and strategic plans. In this context, the Group assesses its exposure to material climate risks through its borrowers, customers, and counterparties. As mentioned above, climate related risks can affect several important aspects of the Group's financial position, both in the short-term but more likely in the medium and long-term and can also pose new challenges for the Group's Risk Management.

The Group has developed "Climabiz", which is a proprietary tool used for monetising the climate risk of economic activities, both at company level and at sector/portfolio level. The assessment of the climate risk derived from the Group's business borrowers is based on their turnover and the general operational and technical features of their respective field of activity. Sectors and sub-sectors modelled in Climabiz relate to economic activities that could be affected by climate change.

To assess climate related risks, Climabiz uses a set of Representative Concentration Pathways ("RCPs"), which are greenhouse gas concentration scenarios that are commonly used in the climate modelling community, simulated for different regions of the country, both for the historical (period 1971-2020) and for the future (period 2021-2050) climate.

Each of the RCPs used by Climabiz offers a plausible and internally consistent description of the future:

- RCP2.6 is a "very stringent" pathway and is likely to keep global temperature increase below 2°C by 2100.
- The intermediate stabilization scenario, RCP4.5, is more likely to result in a global temperature rise between 2°C and 3°C by 2100 (35% higher than that of RCP2.6).
- The high emission pathway, RCP8.5, is generally taken as the basis for the worst-case scenario (with a global mean temperature increase of approximately 4°C).

The tool estimates physical risk (acute and chronic) and transition risk.

Climabiz is regularly updated so as to be aligned with the latest developments in climate science, as well as the UNEPFI and TCFD recommendations for assessing the effects of climate change on financial institutions.

On the basis of this tool, the Group has developed its Climate Risk Classification (both for transition and physical risk) and has conducted an analysis to assess the impact of climate change on its business and collateral portfolio.

13 REGULATORY DISCLOSURES

Below is a summary of the information disclosed by Piraeus Holdings under Regulation (EU) No 596/2014 over the last 12 months which is relevant as at the date of the Prospectus, presented in a limited number of categories depending on their subject.

Disclosures Related to the Shareholding Structure of Piraeus Holdings

- On 1 December 2023, Piraeus Holdings announced that in implementation of the relevant decision of the resolution of the Board of Directors for the approval of the terms and conditions of a Free Distribution of Common Shares Plan to executives and employees of Piraeus Holdings and its affiliated companies, 1,307,585 Shares were distributed free of charge to 137 beneficiaries, under the applicable variable remuneration schemes through over-the-counter transactions. The shares were acquired in the context of Piraeus Holdings' own share buyback programme. For the detailed announcements, please refer to: https://www.piraeusholdings.gr/en/press-office/announcement/2023/12/announcement-01-12-2023 and https://www.piraeusholdings.gr/en/press-office/press-release/2023/10/press-release-20-10-2023

- On 17 November 2023, Piraeus Holdings announced that the Board of Directors approved the establishment of a stock option plan for executives and employees of Piraeus Holdings and its affiliated companies in the form of stock option rights. For the detailed announcement, please refer to: https://www.piraeusholdings.gr/en/press-office/press-release/2023/11/press-release-17-11-2023

- On 29 September 2023, Piraeus Holdings announced the termination of Piraeus Holdings' share buyback programme. 5,283,004 common shares of Piraeus Holdings traded on the ATHEX were acquired in the period from 22 September 2023 up to and including 29 September 2023 at an average price of €2.8393 per share and a total cost of €14,999,974. For the detailed announcement, please refer to: https://www.piraeusholdings.gr/en/press-office/press-release/2023/09/announcement-22-09-2023

- On 22 September 2023, Piraeus Holdings announced the commencement of Piraeus Holdings' share buyback programme further to (a) the decision of the AGM of its Shareholders dated 27 June 2023, pursuant to which, the establishment of a share buyback programme in accordance with Article 49 of Greek Law 4548/2018 (the "Programme") was approved, (b) the relevant ECB authorisation for the Programme and (c) the relevant decision of its Board of Directors dated 21 September 2023. For the detailed announcement, please refer to: https://www.piraeusholdings.gr/en/press-office/press-release/2023/09/announcement-29-09-2023

- On 28 June 2023, Piraeus Holdings announced that the AGM of Shareholders, held on 27 June 2023 approved a shares buyback programme for the acquisition of shares of Piraeus Holdings in a price range between €0.75 (minimum price) to €5.00 (maximum price) per share, for a period of 24 months from the date of the decision of AGM of Shareholders, provided that at the time of acquisition all legislative and regulatory conditions for this acquisition are met. The maximum number of shares that may be acquired may not exceed 20,000,000 shares and the total cost of their buybacks shall not exceed €15 million. For the detailed announcement, please refer to: https://www.piraeusholdings.gr/en/press-office/press-release/2023/06/press-release-28-06-2023-company-shares-buyback-programme

Disclosures Related to Business Activities

- On 14 February 2024, Piraeus Holdings announced the publication of its 2023 financial results. For the detailed announcement, please refer to: https://www.piraeusholdings.gr/en/press-office/press-release/2024/02/press-release-14-02-2024

- On 10 January 2024, Piraeus Holdings announced that it has successfully completed the pricing of a €500 million Tier 2 subordinated bond at a coupon 7.250%. In addition, Piraeus Holdings announced a cash repurchase offer for the holders of the Tier 2 subordinated bond with a yield of 9.750% and callable in June 2024. For the detailed announcement, please refer to: https://www.piraeusholdings.gr/en/press-office/announcement/2024/01/announcement-10-1-2024

- On 29 November 2023, Piraeus Holdings announced that Piraeus Bank has successfully completed the pricing of a new €500 million senior preferred bond at a yield of 6.875%. For the detailed announcement, please refer to: www.piraeusholdings.gr/en/press-office/announcement/2023/11/announcement-29-11-2023

- On 2 November 2023, Piraeus Holdings announced the execution of a binding agreement with the other Greek systemic banks (Alpha Bank S.A., Eurobank S.A. and Piraeus Bank S.A.) and Waterwheel Capital Management, L.P. with respect to Project Solar. For the detailed announcement, please refer to: https://www.piraeusholdings.gr/en/press-office/press-release/2023/11/press-release-02-11-2023

- On 25 October 2023, Piraeus Holdings announced the conclusion of the sale by Piraeus Bank of 100% of Piraeus Direct Solutions S.M.S.A. to Mellon Technologies S.A. (the "Transaction"). The Transaction consideration amounted to approximately €3 million. For the detailed announcement, please refer to: https://www.piraeusholdings.gr/en/press-office/press-release/2023/10/press-release-26-10-2023

- On 5 September 2023, Piraeus Holdings announced the conclusion of the sale by Piraeus Bank of 100% of the Group's leasing subsidiary Sunshine Leases Single Member S.A. including a portfolio of leasing NPEs ("Sunshine Portfolio"), to Hellas Capital Leasing Single Member S.A. The Sunshine Portfolio, already classified as held-for-sale, amounted to €0.5 billion gross book value as at 30 June 2023. For the detailed announcement, please refer to: https://www.piraeusholdings.gr/en/press-office/press-release/2023/09/announcement-05-09-2023

- On 7 July 2023 Piraeus Holdings announced that Piraeus Bank has successfully completed the pricing of a €500 million senior preferred bond with a yield of 7.50%. For the detailed announcement, please refer to: https://www.piraeusholdings.gr/en/press-office/press-release/2023/07/press-release-07-07-2023

- On 28 June 2023, Piraeus Holdings announced the completion of the 2023 EU-wide stress testing exercise, led by EBA and conducted in cooperation with the ECB and the national supervising authorities. For the detailed announcement, please refer to: https://www.piraeusholdings.gr/en/press-office/press-release/2023/07/announcement-28-07-2023

Disclosures Related to Corporate Governance of Piraeus Holdings

- On 23 February 2024, Piraeus Holdings announced the election of Ms. Maria Semedalas as new member of the Audit Committee in replacement of the resigned Ms. Francesca Tondi. The reconstitution of the Audit Committee into a body was also announced, and a copy of the minutes of the Audit Committee's meeting was published. For the detailed announcements, please refer to: https://www.piraeusholdings.gr/en/press-office/press-release/2024/02/press-release-23-02-2024-b and https://www.piraeusholdings.gr/en/press-office/press-release/2024/02/press-release-23-02-2024-a

- On 23 February 2024, Piraeus Holdings announced the election of Ms. Maria Semedalas as an Independent Non-Executive Member of the Board of Director following the resignation of Ms. Francesca Tondi, For the detailed announcement, please refer to: https://www.piraeusholdings.gr/en/press-office/press-release/2024/02/press-release-23022024

- On 1 December 2023, Piraeus Holdings announced the resignation of Ms. Francesca Tondi, from the position of the Independent Non-Executive Member of the Board of Directors, the Audit Committee, and the Committees of the Board of Directors in which she participates. For the detailed announcement, please refer to: https://www.piraeusholdings.gr/~/media/Com/2023/Files/Press-Office/December/resignation-Independent-NonExecutive-BoD-Member_en.pdf

Disclosures Related to Transactions of Persons Discharging Managerial Responsibilities in Piraeus Holdings, as well as Persons Closely Associated with Them, Required under Article 19 of Regulation (EU) No 596/2014

- Disclosures related to transactions of persons discharging managerial responsibilities in Piraeus Holdings and persons closely associated with them, required under Article 19 of Regulation (EU) No 596/2014, are disclosed in the following link: https://www.piraeusholdings.gr/~/media/Com/2023/Files/Investors/docs/Notification-of-Transactions-081223_En.xls

14 MATERIAL CONTRACTS

Neither Piraeus Holdings nor any other members of the Group are parties to any material contracts outside of their ordinary course of business for the two years immediately preceding the date of the Prospectus, or to any contract (not being a contract entered into in the ordinary course of business), which contains any provision under which any member of the Group has any obligation or entitlement which is material to the Group with the exception of the Relationship Framework Agreement, the main provisions of which are summarised below.

The Relationship Framework Agreement

For the realisation of the objectives and the exercise of the rights of the HFSF, the HFSF determines the relationship framework agreement or of the amended relationship framework agreement, as the case may be, with all credit institutions that are or have been beneficiaries of financial assistance provided by the EFSF and the ESM, and also with any credit institution which emerges due to the transfer of the banking activities of a credit institution via partial demerger or spin off, in the context of a corporate transformation provided in Greek Law 4601/2019. The credit institutions that have signed the relationship framework agreement provide to the HFSF all information that the EFSF or the ESM might reasonably ask for, with a view to the HFSF transmitting such information to the EFSF or the ESM, except if the HFSF informs the credit institutions that they are under the obligation to transmit such information directly to the EFSF or the ESM.

The relationship of Piraeus Holdings and Piraeus Bank with the HFSF is governed by the HFSF Law and the Relationship Framework Agreement.

Under the Relationship Framework Agreement and the HFSF Law, for so long as the HFSF holds either shares or other capital instruments in Piraeus Holdings subscribed by the HFSF due to recapitalisation and capital support provided by the HFSF to the former Piraeus Bank Société Anonyme pursuant to Articles 6, 6a, 6b and 7 of the HFSF Law, irrespective of the percentage of its stake, the HFSF has the following rights: (i) the right to appoint one HFSF Representative to the Board of Directors of each of Piraeus Holdings and Piraeus Bank Société Anonyme; and (ii) acting through the HFSF Representative, the power, among other things, to veto decisions of the Board of Directors relating to dividend distributions and remuneration policies, in the case and as long as Piraeus Bank's ratio of NPLs to total loans (as calculated in accordance with subsection g(ii) of paragraph 2 of Article 11 of Commission Implementing Regulation (EU) 2021/451) exceeds 10%, the amendment of the Articles of Association of each of Piraeus Holdings and Piraeus Bank, including any share capital increase or decrease or granting of the relevant authority to their respective Board of Directors, corporate transformation of each of Piraeus Holdings and Piraeus Bank, transfer of assets, including the sale of subsidiaries, or any other matter that requires an increased majority according to the provisions of Greek Law 4548/2018, on condition that any such decision may significantly affect the participation of the HFSF in the share capital of Piraeus Holdings.

Furthermore, under the Relationship Framework Agreement, the HFSF Representative has the following rights: (i) the right to request an adjournment of any meeting of the Board of Directors of each of Piraeus Holdings and/or Piraeus Bank for up to three business days, in order to receive instructions by the HFSF via its Chief Executive Officer; and (ii) the right to request the convocation of each such Board of Directors via a written request to the Chairman thereof, stating the proposed items of the agenda.

In addition, in accordance with the Relationship Framework Agreement and the HFSF Law, until the later of (i) the end of term of the present Board of Directors of each of Piraeus Holdings and Piraeus Bank, or (ii) 31 December 2025, the HFSF's Representative may be appointed as a member to one or more of the Audit Committee, the Risk Committee, the Remuneration Committee and the Nomination Committee of each of Piraeus Holdings and Piraeus Bank (the "Board Committees"). Following the end of term of the current Board of Directors of each of Piraeus Holdings and Piraeus Bank, the HFSF Representative may be appointed as member to one or more of the Board Committees, similar to the other members of the Board of Directors. The HFSF may also appoint an observer who shall participate in the Board Committees in which the HFSF Representative is a member (but such observer shall have no voting or other rights). The aforementioned powers and rights provided to the HFSF in the HFSF Law and described in the Relationship Framework Agreement are supplemental and exist in addition to the HFSF shareholders' rights under Greek Law 4548/2018, general corporate and Banking Law.

Moreover, under the Relationship Framework Agreement, the HFSF must comply with all MAR and MAR implementing legislation and applicable capital markets legislation; ensure that there is no transfer by the HFSF of sensitive information and/or commercial not publicly announced information to any other credit institution to which the HFSF participates; manage and maintain its interests and exercise its rights in each of Piraeus Holdings and Piraeus Bank separately from the management of its interests and the exercise of its rights in other credit institutions and/or their holding companies, in compliance with competition legislation; and respect the business autonomy and decision-making independence of each of Piraeus Holdings and Piraeus Bank.

Furthermore, the HFSF shall have access to Piraeus Holdings' and Piraeus Bank's books and records through senior staff and consultants of its choice for the purpose of subsection (b) of paragraph 1 of Article 2 of the HFSF Law.

In connection with the timely implementation of the HFSF Divestment Strategy in connection with its divestment from Piraeus Holdings (in whole or in part), under the Relationship Framework Agreement, Piraeus Holdings and Piraeus Bank have undertaken to: (i) cooperate with the HFSF by providing all necessary information, also in cooperation with financial and legal advisors of their choice, in order to moderate the outreach to the investment community and to assist in managing any inherent risks and potential liabilities. Such information is provided on an as-is basis without express or implied warranties; and (ii) consult (either directly or through their financial and legal advisors) with the HFSF (and/or its appointed advisors) on any matter which the HFSF considers necessary, in each case pursuant to the process set out in the Relationship Framework Agreement.

Under the Relationship Framework Agreement, the decision-making bodies of each of Piraeus Holdings and Piraeus Bank will continue to determine independently the day-to-day business, commercial strategy and policy of each of Piraeus Holdings and Piraeus Bank. The Relationship Framework Agreement remains in force for as long as the HFSF holds either shares or other capital instruments in Piraeus Holdings capital, due to the HFSF having provided capital support to the former Piraeus Bank Société Anonyme, in accordance with Articles 6, 6a, 6b and 7 of the HFSF Law, irrespective of the percentage of its holding. The Relationship Framework Agreement may be amended or waived in writing by the parties thereto and any amendment or waiver shall take into account HFSF's contractual obligations as defined in the RFA and the HFSF Law.

15 OVERVIEW OF THE REGULATORY FRAMEWORK APPLICABLE TO THE GROUP IN GREECE

The Group is subject to financial services laws, regulations, administrative acts and codes applying in each jurisdiction in which it operates. Among other things, the Group is subject to the European Union regulatory framework and Greek laws and regulations and to supervision by the ECB/SSM and the Bank of Greece. The Bank of Greece, which is the central bank of Greece, exercises its prudential powers in the banking sector and, in particular, supervises Greek banks along with the ECB in accordance with Council Regulation (EU) No. 1024/2013 on the SSM and the corresponding SSM Framework Regulation. Less significant banks are supervised directly by the Bank of Greece, which is the competent authority for overseeing entities in the financial sector, including payment institutions, credit companies and credit servicing firms. The Bank of Greece is also the national resolution authority and, along with the SRB, it is established within the SRM to exercise resolution powers. The SRB is competent for the credit institutions supervised directly by the ECB, such as Piraeus Bank. The Bank of Greece is also responsible for supervising the compliance of credit institutions with the AML/combating of financing of terrorism framework.

In addition, through the trading of the Ordinary Shares on the ATHEX, Piraeus Holdings is also subject to Greek laws, rules and regulations applicable to companies, the shares of which are listed and admitted to trading on a regulated market. The HCMC is also competent for ensuring the implementation of market abuse legislation and overseeing compliance by any obliged entity with the Market Abuse Regulation (EU) No. 596/2014 (MAR) and Greek Law 4443/2016, which supplements MAR in Greece.

15.1 Prudential supervision of financial holding companies

In accordance with the CRD, parent financial holding companies, such as Piraeus Holdings, should seek approval by their consolidating supervisor and, where different, the competent authority in the Member State where they are established.

Pursuant to Article 22A of the Banking Law (which transposed Article 21a of the CRD into Greek law), on 18 January 2022, Piraeus Holdings received approval from the ECB, as its consolidating supervisor, to operate as a financial holding company of Piraeus Bank. Such approval was granted as the following conditions were fulfilled:

- the internal arrangements and distribution of tasks within the group are adequate for the purpose of complying with the requirements imposed by the Banking Law and the CRR on a consolidated or sub-consolidated basis and, in particular, are effective to: (i) co-ordinate all the subsidiaries of Piraeus Holdings including, where necessary, through an adequate distribution of tasks among subsidiary institutions; (ii) prevent or manage intra-group conflicts; and (iii) enforce the group-wide policies set by Piraeus Holdings throughout the Group;

- the structural organisation of the Group does not obstruct or otherwise prevent the effective supervision of the subsidiary institutions as concerns the individual, consolidated and, where appropriate, sub-consolidated obligations to which they are subject; and

- the criteria set out in Article 14 and the requirements laid down in Article 114 of the Banking Law are complied with.

Where the ECB has established that the conditions set out above have ceased to be met, Piraeus Holdings shall be subject to appropriate supervisory measures to ensure or restore, as the case may be, continuity and integrity of consolidated supervision and ensuring compliance with the requirements laid down in the Banking Law and the CRR on a consolidated basis. These supervisory measures may include:

- suspending the exercise of voting rights attached to the shares of the subsidiary institutions held by Piraeus Holdings (such as Piraeus Bank);

- issuing injunctions or penalties against Piraeus Holdings or the members of its management body and managers, subject to the provisions of Articles 57 – 64 of the Banking Law;

- giving instructions or directions to Piraeus Holdings to transfer to its shareholders the participations in its subsidiary institutions;

- designating on a temporary basis another financial holding company, mixed financial holding company or institution within the group as responsible for ensuring compliance with the requirements laid down in the Banking Law and in CRR on a consolidated basis;

- restricting or prohibiting distributions or interest payments to shareholders;

- requiring Piraeus Holdings to divest from or reduce holdings in institutions or other financial sector entities; and

- requiring Piraeus Holdings to submit a plan on return, without delay, to compliance.

15.2 Prudential Supervision of Credit Institutions

Single Supervisory Mechanism (SSM)

Council Regulation (EU) No 1024/2013 established the SSM for Eurozone credit institutions. The SSM maintains an important distinction between significant and insignificant entities, which are subject to differing supervisory regimes. Piraeus Bank is included in the list of significant supervised entities, and, as a result, the ECB has been granted certain supervisory powers as from 4 November 2014, which include:

- the authority to grant and withdraw authorisations regarding credit institutions;
- the power to carry out the tasks which the competent authority of the home Member State shall have under the relevant EU law;
- the power to assess notifications regarding the acquisition and disposal of qualifying holdings in credit institutions;
- the power to ensure compliance with provisions which impose prudential requirements on credit institutions in the areas of own funds requirements, securitisation, large exposure limits, liquidity, leverage, as well as on the reporting and public disclosure of information on those matters;
- the power to ensure compliance with provisions which require credit institutions to have robust governance arrangements in place, including fit and proper requirements for the persons responsible for the management of credit institutions, risk management processes, internal control mechanisms, remuneration policies and practices and effective internal capital adequacy assessment processes (including internal ratings based models);
- the power to carry out supervisory reviews, including, where appropriate and in coordination with the EBA, stress tests and their possible publication and on the basis of that supervisory review, to impose on credit institutions specific additional own funds requirements, specific publication requirements, specific liquidity requirements and other measures;
- the power to supervise credit institutions on a consolidated basis, extending supervision over credit institutions' parent entities established in one of the Member States whose currency is the euro or a Member State whose currency is not the euro which has established a close cooperation;
- the power to participate in supplementary supervision of a financial conglomerate in relation to the credit institutions included in it and to assume the tasks of a coordinator where the ECB is appointed as the coordinator for a financial conglomerate in accordance with the criteria set out in relevant EU law; and
- the power to carry out supervisory tasks in relation to recovery plans, provide early intervention where a credit institution or group (with respect to which the ECB is the consolidating supervisor) does not meet or is likely to breach the applicable prudential requirements and, only in the cases explicitly permitted under EU law, implement structural changes to prevent financial stress or failure, excluding any resolution powers.

The SSM Framework Regulation sets out the practical arrangements for the SSM, while Regulation (EU) No 1163/2014 lays down the methodology and procedure regarding the annual supervisory fees which are borne by the supervised credit institutions and supervised groups.

In Greece, the ECB exercises its supervisory responsibilities in cooperation with the Bank of Greece. The ECB oversees the effective and consistent operation of the SSM and supervises the system, which involves the ECB, the EBA and the NCAs, which in Greece is the Bank of Greece. Credit institutions are classified as either "significant" or "less significant" to facilitate efficient supervision. The ECB directly supervises significant banks, while NCAs oversee less significant banks, operating under ECB oversight. As Piraeus Bank is currently categorised as a "significant" credit institution, it is subject to direct supervision by the ECB, while its day-to-day supervision is conducted by joint supervisory teams, which comprise staff from both the Bank of Greece and the ECB.

Supervisory Review and Evaluation Process

Piraeus Bank is subject to continuous evaluation of its capital adequacy in the context of the SSM and could be requested to operate with higher than the minimum regulatory capital and/or liquidity ratios. Such evaluations are carried out by the ECB mainly through the SREP.

Following completion of the 2023 SREP cycle, Piraeus Holdings received the 2023 SREP Decision in November 2023, which, in addition to qualitative requirements and recommendations, established the capital requirements for 2024 and applies from 1 January 2024. According to this decision, the ECB requires Piraeus Holdings to maintain, on a consolidated basis, a TSCR of 11%. The TSCR of 11% includes:

- the minimum Pillar 1 own funds requirement of 8% to be maintained at all times in accordance with Article 92(1) of the CRR, and
- an additional Pillar 2 own funds requirement of 3% to be maintained at all times in accordance with Article 16(2)(a) of Regulation 1024/2013, to be held in the form of 56.25% of Common Equity Tier 1 ("CET1") capital and 75% of Tier 1 capital, as a minimum.

Moreover, under the 2023 SREP Decision, the ECB's expectation is that Piraeus Holdings adheres on a consolidated basis, to the Pillar 2 Guidance of 1.25%, which should be comprised entirely of CET1 capital and held over and above the OCR.

In addition to the TSCR, the Group is also subject to the OCR. The OCR consists of TSCR and the combined buffer requirement as defined in point (6) of Article 128 of the CRD IV.

The combined buffer requirement is defined as the sum of:

- a capital conservation buffer (the "Capital Conservation Buffer");
- the institution specific Countercyclical Capital Buffer (the "CCyB");
- the systemically important institutions buffer (the "Systemically Important Institutions Buffer"), as applicable; and
- the systemic risk buffer (the "Systemic Risk Buffer").

The Capital Conservation Buffer (CCoB) was 2.5% for 2022 for all banks in the European Union.

The CCyB is implemented as an extension of the Capital Conservation Buffer and has the primary objective of protecting the banking sector from periods of excess aggregate credit growth that have often been associated with the build-up of system-wide risk. It is calculated on a quarterly basis as the weighted average of the buffers in effect in the jurisdictions to which a credit institution has significant credit exposures. The Bank of Greece is responsible for setting the CCyB rate for Greece, if deemed necessary. The institution specific CCyB for the Group is currently 0.07%.

For O-SIIs, an additional capital buffer is applied, which for all four credit institutions that were characterised as O-SIIs in Greece (including Piraeus Bank), was set at 1.00% on an individual and consolidated basis for 2023, in accordance with the Bank of Greece Executive Committee's Act no. 212/1/21.09.2022. For 2024, the additional capital buffer remained unchanged at 1.00% for Piraeus Holdings on a consolidated basis and Piraeus Bank on an individual basis, in accordance with the Bank of Greece Executive Committee's Act no. 221/2/17.10.2023. See also "*—Capital Requirements/Supervision*" below.

The TSCR stood at 11%, while the OCR increased to 14.57% (from 14.53% in 2023) due to the institution-specific increase of CCyB by 0.04% (applicable for the fourth quarter of 2023).

15.3 Capital Requirements/Supervision

Capital Adequacy Framework

In December 2010, the Basel Committee on Banking Supervision issued two prudential regulation framework documents which contained the Basel III capital and liquidity reform package. The Basel III framework has been implemented in the EU through the CRD and the CRR, which have been transposed into Greek law where applicable. Implementation of the Basel III framework began on 1 January 2014, with the most recent regulatory requirements coming into effect in 2021 and some additional transitional provisions to be phased-in by 2024.

Some of the key provisions of the capital adequacy framework include:

- *Quality and Quantity of Capital.* CRD and the CRR revised the definition of regulatory capital and its components at each capital instrument level. It also imposed a minimum CET1 capital ratio of 4.5%, a minimum Tier 1 Ratio of 6.0%, and a minimum Total Capital Ratio of 8%, introduced a requirement for Additional Tier 1 and Tier 2 capital instruments "own funds" to have loss absorbing features allowing them to be written off or converted on the occurrence of a trigger event;
- *Capital Buffer Requirements.* In addition to the minimum CET1 capital ratio of 4.5% credit institutions must hold under Articles 121 *et seq.* of the Banking Law, the following CET1 capital buffers as fixed by the relevant authorities:

- a "Capital Conservation Buffer" of 2.5% of RWAs. If a credit institution's Capital Conservation Buffer falls below 2.5%, it is subject to restrictions on distributions of dividends, bonus payments and payments on Additional Tier 1 (AT1) instruments;

- a CCyB ranging between 0% and 2.5% depending on macroeconomic factors. In line with previous years, this buffer has been specified at 0% for Greek credit institutions for 2023 and is re-evaluated quarterly by the Bank of Greece (most recently on the third quarter of 2023). Based on the exposures of Piraeus Bank to entities located in countries with a non-zero buffer as at the fourth quarter of 2023, the countercyclical buffer stood at 0.07% of RWAs;

- a "Systemic Risk Buffer" ranging between 1% and 5% of RWAs designed to prevent and mitigate long-term non-cyclical systemic or macro-prudential risks not covered by the CRR. This buffer has not been applied in Greece to date; and

- a "Systemically Important Institutions Buffer" ("SIIs buffer"). For globally systemically important institutions the additional buffer ranges between 1% and 3% of RWAs (however, Piraeus Bank is not a globally systemically important institution and thus not subject to such buffer) , whereas for O-SIIs, such as Piraeus Bank, the buffer ranges between 1% and 3% of RWAs. Potentially, the Bank of Greece shall have the power to require an O-SII buffer higher than 3%, subject to receiving approval for this requirement by the European Commission. For Piraeus Bank, the O-SII buffer was originally set at 0.25% in 2019 and reached its fully-loaded level at 1% on 1 January 2023.

- *Deductions from Common Equity Tier 1.* Piraeus Bank applies the provisions of the CRR regarding the items that should be deducted from CET1 capital;

- *Central Counterparties.* To address the systemic risk arising from the interconnectedness of credit institutions and other financial institutions through the derivatives markets, the framework is supporting the efforts of the committee on payments and settlement systems and International Organization of Securities Commissions ("IOSCO") to establish strong standards for financial market infrastructure, including CCPs. A 2.0% risk-weight factor is introduced to certain trade exposures to qualifying CCPs. The capitalisation of credit institution exposures to CCPs are based in part on the compliance of the CCP with the IOSCO standards (since non-compliant CCPs will be treated as bilateral exposures and will not receive the preferential capital treatment referred to above);

- *Counterparty Credit Risk (CCR).* The risk-based capital charges for CCR in Basel III cover two important characteristics of CCR: the risk of counterparty default and a credit valuation adjustment ("CVA"). The risk of counterparty default was already covered in Basel I and Basel II. The Basel III reforms introduced a new capital charge for the risk of loss due to the deterioration in the creditworthiness of the counterparty to a derivatives transaction. This potential mark-to-market loss is known as CVA risk. It captures changes in counterparty credit spreads and other market risk factors. CVA risk was a major source of unexpected losses for banks during the financial crisis. The capital calculation for CVA risk exempts direct transactions with a qualified CCP;

- *Leverage Ratio.* Leverage ratio is calculated in accordance with the methodology set out in Article 429 of the CRR. It is defined as an institution's capital measure divided by the institution's total leverage exposure measure and is expressed as a percentage. The leverage ratio requirement is set at 3% of Tier 1 capital, as per Article 92 of the CRR;

- *Liquidity Requirements.* CRR defines the LCR and NSFR regulatory metrics for liquidity risk management and sets their minimum requirement at 100%. LCR defines the amount of unencumbered, high quality liquid assets that must be held by a credit institution to offset estimated net cash outflows over a 30-day stress scenario, and NSFR, defines the minimum required amount of stable funding that must be held by a credit institution in order to fund its assets over a one-year timeframe; and

- *Maximum Distributable Amount.* Pursuant to Article 131 of the Banking Law, in case where credit institution, such as Piraeus Bank, does not meet its combined buffer requirement, it may not make discretionary payments (as defined therein), such as distribution of dividends, beyond a maximum distributable amount calculated by reference to any interim or year-end profits not included in CET1 capital pursuant to the CRR minus any amount for tax payable in case these items were retained and multiplied by a factor ranging from 0 to 0.6 depending on the size of the CET1 shortfall, in accordance with such Article 131.

The quantitative capital requirements under the CRD and the CRR are supplemented by the obligation under the BRRD for banks to satisfy, at all times, the MREL, which is determined by the competent resolution authority on an annual basis (on a bank-specific basis). The target for the MREL requirement (as determined under the BRRD by the resolution authority) is composed of:

- a loss absorption amount, which includes the sum of the Pillar 1 requirements and the Pillar 2 requirements, as determined by the competent authority; and
- any requirement in relation to the leverage ratio and a recapitalisation amount.

15.4 Bank Recovery and Resolution Directive

In 2014, the European Parliament and the Council of the European Union adopted the BRRD, which established a harmonised framework for the recovery and resolution of credit institutions and investment firms incorporated under the laws and licenced by the competent authorities of any of the Member States. The BRRD was initially transposed into Greek law pursuant to the internal Article 2 of the BRRD Law in July 2015, and thereafter was amended to incorporate changes made to the BRRD from time to time, including pursuant to the BRRD II. Among other matters, the BRRD II introduced amendments to the requirement for contractual recognition of bail-in, the recognition of resolution stay powers and the notions of "resolution entity" and "resolution group", it conferred new powers to national resolution authorities, harmonised the regime with respect to the total loss absorption capacity and made certain changes in relation to the MREL, which are applicable to G-SIIs, Tier 1 Banks, as well as to certain other resolution entities designated by the Resolution Authority at its discretion.

By virtue of the BRRD Law, the Bank of Greece has been designated as the national resolution authority empowered to apply the resolution tools and exercise the resolution powers (the "National Resolution Authority"). The BRRD Law provides, *inter alia*, for the following:

(i) *Preparation/Prevention and planning stage*. Credit institutions are required to draw up and submit recovery plans to the competent authority for evaluation, which provide the measures to be taken for restoring their financial position following a significant deterioration of their financial position, while the National Resolution Authority draws up a resolution plan for each credit institution.

The Bank of Greece has specified the information to be included in the recovery plans. In particular, Bank of Greece Executive Committee Act No 222/1/2.11.2023 clarifies the information to be provided in the recovery plans and provides qualitative and quantitative recovery plan indicators. Moreover, Bank of Greece Executive Committee Act No. 98/18.7.2016 specifies the range of scenarios to be used in recovery plans.

(ii) *Early Intervention stage.* When the institution breaches its licensing and operational requirements or it is likely to breach them in the near future due to rapid deterioration of its financial condition, the BRRD Law provides that the competent authority shall have at its disposal at least the following powers:

(a) requires that the Board of Directors of the credit institution updates the recovery plan and/or implement one or more of the measures provided in the recovery plan;

(b) requires that the Board of Directors of the credit institution examines the situation, identifies measures to overcome any problems identified and draws up an action plan to overcome those problems, within a specific timeline;

(c) requires that the Board of Directors of the credit institution convenes a General Meeting of its shareholders or, in case the Board of Directors does not comply, promptly convenes itself a General Meeting of the shareholders of the credit institution and in both cases sets the agenda and require certain decisions to be considered for adoption by the shareholders;

(d) requires that one or more members of the Board of Directors or senior management of the credit institution be removed or replaced if they are considered unfit to perform their duties;

(e) requires that the Board of Directors of the credit institution draws up and submits for consultation a plan for debt restructuring with one or all of its creditors according to the recovery plan, where applicable;

(f) requires the updating of the business strategy of the credit institution;

(g) requires changes in the legal or business structures of the credit institution, and

(h) collects (through, *inter alia*, on-site inspections) and transmits to the National Resolution Authority all necessary information for the update of the resolution plan and the preparation of the potential resolution of the credit institution and the valuation of its assets and liabilities for the resolution purposes.

(iii) *Resolution measures.* This involves reorganising or winding down the entity or entities concerned in an orderly fashion outside special liquidation proceedings while preserving its or their critical functions and limiting to the maximum extent possible taxpayer losses. As discussed below, the SRB is the resolution authority for significant banking groups whose parent entity is located in the Banking Union, and, together with national resolution authorities, it forms the SRM.

Where, pursuant to SRM Regulation, the SRB performs tasks and exercises powers which, pursuant to the BRRD, are to be performed or executed by the national resolution authority, the SRB, shall, for the application of the SRM Regulation and of the BRRD, be considered to be the relevant national resolution authority or, in the event of a cross-border group resolution, the relevant group-level resolution authority.

The conditions that have to cumulatively be met before the SRB takes a resolution action are:

- the institution is failing or is likely to fail,
- no alternative private sector measure, or supervisory action, including early intervention measures or the write-down or conversion of relevant capital instruments and eligible liabilities, would prevent the failure of the institution within a reasonable timeframe, and
- a resolution action is necessary in the public interest.

Before deciding on resolution action or the exercise of the power to write down or convert relevant capital instruments and eligible liabilities, the SRB shall ensure that a fair, prudent and realistic valuation of the assets and liabilities of the institution is carried out.

The EBA Guidelines on "the interpretation of the different circumstances when an institution shall be considered as failing or likely to fail" provide clarifications on the cases where an institution is assessed as "failing or likely to fail". Bank of Greece Executive Committee's Act No 111/31.01.2017 took into consideration these EBA Guidelines and provided an interpretation of the different circumstances when an institution shall be considered as failing or likely to fail regarding the implementation of the obligation of the Board of Directors of the institution to notify the Bank of Greece. As mentioned above, the SSM, as the supervisor, notifies the SRB when a bank in the euro area or established in a Member State participating in the Banking Union is failing or likely to fail.

The resolution tools that may be implemented either individually or in conjunction (save for the asset separation tool, which may only be applied in conjunction with another resolution tool), are as follows:

- *Sale of business tool*: transfer to a purchaser who is not a bridge institution, of shares or other instruments of ownership and/or some or all of the assets of the institution under resolution, namely rights, obligations and contractual relationships, without the consent of the shareholders of the institution under resolution or of any third party, other than the acquirer.
- *Bridge institution tool:* establishment of a bridge institution to which shares or other instruments of ownership and/or some or all of the assets of the institution under resolution, namely rights, obligations and contractual relationships, are transferred without the consent of the shareholders of the institution under resolution or of any third party.
- *Asset separation tool:* transfer of assets, namely rights, obligations and contractual relationships, of an institution under resolution or of a bridge institution to one or more asset management companies, without the consent of the shareholders of the institution under resolution or of any third party, other than the bridge institution. The asset management companies are legal persons wholly or partially owned or controlled by one or more authorities, including the SRF or the National Resolution Authority.
- *Bail-in tool:* write-down or conversion of any obligations of an institution that meets the resolution conditions, except for the cases prescribed by BRRD.

When applying resolution tools and exercising resolution powers, the following general principles are taken into account by the resolution authorities:

- shareholders of the bank under resolution bear first losses;
- creditors of the institution under resolution bear losses after the shareholders in accordance with the order of priority of their claims under normal insolvency proceedings, except as expressly provided otherwise in Greek BRRD Law;
- board members of the institution under resolution are replaced, except in cases where their retention is considered to be necessary for the achievement of the resolution objectives;
- board members of the institution under resolution shall provide all the necessary assistance for the achievement of the resolution's objectives;
- natural and legal persons are made liable under civil or criminal law for their responsibility for the failure of the institution under resolution;
- creditors of the same class are treated in an equitable manner (unless otherwise provided);
- no creditor shall incur greater losses than would have been incurred had the bank been wound up under normal insolvency proceedings;
- covered deposits are fully protected; and

- action is taken in accordance with the safeguards of the Greek BRRD Law.

When using the bail-in tool, the relevant resolution authority must write down or convert obligations of the entity under resolution in the following order:

(i) CET1;

(ii) AT1 instruments;

(iii) T2 instruments;

(iv) other subordinated debt, in accordance with the ranking of claims in special liquidation proceedings; and

(v) other eligible liabilities, in accordance with the ranking of claims in special liquidation proceedings.

The above obligations do not include liabilities expressly excluded from the scope of the bail-in tool by operation of Article 44 of the BRRD Law, including, *inter alia*, covered deposits and secured liabilities (including covered bonds). For the purposes of the bail-in tool, the designated resolution entities are required to maintain at all times a sufficient aggregate amount of own funds and eligible liabilities at a stand-alone and/or consolidated level, the aim of which is to ensure that they have sufficient loss-absorbing capacity.

The ranking of liabilities in the case of special liquidation proceedings pursuant to Article 145A of the Banking Law is as follows:

(a) claims deriving from the provision of employment services and legal fees to the extent that the claims arose during the two years prior to the opening of special liquidation proceedings under the Banking Law, as well as employees' and in-house lawyers' claims deriving from the termination of their employment/mandate, irrespective of the point at which such claims arose, claims of lawyers from the provision of legal services to the extent that such claims arose during the last year prior to the auction, claims of the Greek State for value added tax and other taxes aggregated with any surcharges and interest accrued, and claims of social security organisations, to the extent that such claims arose until the opening of special liquidation proceedings under the Banking Law;

(b) Greek State claims arising in case of application of internal Articles 57 or 58 of Article 2 of the BRRD Law referring to financial stabilisation tools;

(c) claims deriving from guaranteed deposits or claims of the Hellenic Deposit and Investment Guarantee Fund ("HDIGF"), the latter assuming the depositors' rights and obligations, who have been compensated by the HDIGF, and for the amount of such compensation or claims of the HDIGF due to the use of the Deposit Cover Scheme in the context of resolution under Article 104 of the BRRD Law;

(d) any type of Greek State claim aggregated with any surcharges and interest charged on these claims;

(e) the following claims:

   (i) claims of the Resolution Fund pursuant to internal Article 98, paragraph 6, of the BRRD Law, in case of provision of financing to the institution in the context of the fulfilment of the obligations of the Resolution Fund, as per the specific provisions of internal Article 95, paragraph 2, of the BRRD Law; and

   (ii) claims deriving from eligible deposits of natural persons and micro, small and medium-sized enterprises to the extent that they exceed the coverage threshold for deposits pursuant to Article 9 of Greek Law 4370/2016, and claims deriving from deposits of natural persons and micro, small and medium-sized enterprises that would be eligible deposits if such deposits have not been made through third country (non-EU) branches of EU credit institutions.

(f) claims deriving from investment services that are covered by the HDIGF within the meaning of Articles 12 and 13 of Greek Law 4370/2016 or claims of the HDIGF, the latter assuming the rights and obligations of investor clients, who have been compensated by the HDIGF, and for the amount of such compensation;

(g) claims deriving from eligible deposits to the extent that they exceed the coverage limit under Article 9 of Greek Law 4370/2016 and do not fall under (e) above;

(h) claims deriving from deposits exempted from compensation in accordance with Article 8 of Greek Law 4370/2016, excluding claims deriving from transactions of investors for which a final court decision has been issued for a penal violation of AML/combating of financing of terrorism rules; and

(i) without prejudice to points (j) and (k) below, other claims that do not fall within the above listed points and are not subordinated claims as per the relevant agreement, including but not limited to, liabilities under loan agreements and other credit agreements, agreements for the supply of goods or for the provision of services or from derivatives, claims deriving from debt instruments issued by the credit institution, claims deriving from guarantees granted by the credit institution in relation to debt instruments issued by its subsidiaries (as defined by paragraph 2 of Article 32 of Greek Law 4308/2014), irrespective whether such subsidiaries have their registered seat in Greece or abroad, as well as claims of such subsidiaries, when their claims derive from a loan or deposit agreement with the credit institution in question, by virtue of which the proceeds from such issuance of debt instruments by the subsidiaries is on lent to or deposited with the relevant credit institution. In the case of such a deposit by such a subsidiary, the previous sentence applies in relation to that part of the deposit for which subparagraph (c) of this paragraph does not apply.

(j) claims deriving from debt instruments issued by the credit institution that meet all of the following conditions: (aa) the original contractual maturity of the debt instruments is at least one (1) year; (bb) they do not contain any embedded derivatives and they are not themselves derivatives, and the debt instruments are not considered to contain embedded derivatives solely on the basis that they have floating interest based on a widely used reference interest rate or on the basis that they are denominated in a foreign currency, provided that the principal, the repayment and the interest are in the same currency; and (cc) the relevant contractual documentation and, where applicable, the prospectus related to the issuance and the distribution thereof explicitly refer to the lower ranking as provided for in the present point. In addition, this paragraph applies to claims deriving from guarantees granted by the credit institution in relation to debt instruments issued by its subsidiaries (as defined by paragraph 2 of Article 32 of Greek Law 4308/2014), irrespective whether such subsidiaries have their registered seat in Greece or abroad, that meet the above conditions under (aa) to (cc), as well as claims of such subsidiaries, when their claims derive from a loan or deposit agreement with the credit institution in question, by virtue of which the proceeds from such issuance of debt instruments by the subsidiaries is on lent to or deposited with the relevant credit institution. In the case of such a deposit by such a subsidiary, the previous sentence applies in relation to that part of the deposit for which subparagraph (c) of this paragraph does not apply.

(k) claims deriving from subordinated debt instruments or Tier 2 instruments or hybrid securities or Additional Tier 1 instruments or preferential shares or common shares, common equity tier 1 instruments issued by the credit institution, applying the different ranking between the different categories of claims that fall within this instance. In addition, this paragraph applies to claims deriving from guarantees granted by the credit institution in relation to debt instruments of lower ranking or hybrid securities or other securities included in the above categories issued by its subsidiaries (as defined by paragraph 2 of Article 32 of Greek Law 4308/2014), irrespective whether such subsidiaries have their registered seat in Greece or abroad, when such claims derive from a loan or deposit agreement with the credit institution in question, by virtue of which the proceeds from such issuance of debt instruments or hybrid securities or other securities included in the above categories issued by its subsidiaries. In the case of such a deposit by such a subsidiary, the previous sentence applies in relation to that part of the deposit for which subparagraph (c) of this paragraph does not apply.

The claims under points (i) and (ii) of case (e) above are satisfied *pro rata*. As for the rest, the provisions of Articles 975 to 978 of the Greek Code of Civil Procedure shall apply by analogy.

Use of public funds in the context of the resolution framework

In cases of an exceptional systemic crisis, extraordinary public financial support may be provided with respect to institutions meeting the conditions for resolution. Extraordinary public financial support is provided under strict conditions by virtue of a decision of the Greek Minister of Finance, following a recommendation of the Systemic Stability Board of the Greek Ministry of Finance and a consultation with the resolution authority, through public financial stabilisation tools as a last resort and only after having assessed and utilised, to the maximum extent, the other resolution tools, in order to avoid, through the direct intervention, the winding-up of such institutions and in order for the resolution purposes to be accomplished. The public financial stabilisation tools are:

(a) public capital support provided by the Greek Ministry of Finance or by the HFSF following a decision by the Greek Minister of Finance; and

(b) temporary public ownership of the institution, *i.e.*, the transfer of the shares of an institution to a transferee of the Hellenic Republic or a company which is fully owned and controlled by the Hellenic Republic.

The following conditions must be cumulatively met in order for the public financial stabilisation tools to be implemented:

(a) the institution meets the conditions for resolution;

(b) the shareholders, owners of other instruments of ownership, holders of relevant capital instruments and other bail-inable liabilities have contributed, through conversion, write-down or by any other means, to the absorption of losses and the recapitalisation by an amount equal to at least 8% of the total liabilities, including own funds of the institution under resolution, calculated at the time of the resolution action in accordance with the valuation conducted; and

(c) prior and final approval by the EC regarding the EU State aid framework for the use of the chosen tool has been granted.

In addition to the above, for the provision of public financial support, one of the following conditions must be met:

(a) the application of the resolution tools would not suffice to avoid a significant adverse effect on the financial stability;

(b) the application of the resolution tools would not suffice to protect the public interest, where extraordinary liquidity assistance from the central bank has previously been given to the institution; and

(c) in respect of the temporary public ownership tool, the application of the resolution tools would not suffice to protect the public interest, where public equity support through the equity support tool has previously been given to the institution.

Use of public funds outside the resolution framework

In accordance with Article 32 of the BRRD Law, the need for extraordinary public financial support should be considered as an indicator that this institution is failing or is likely to fail, and therefore it might trigger the need for resolution. By way of exception, extraordinary public financial support may be granted to a credit institution in the form of an injection of own funds or purchase of capital instruments without the involvement of resolution measures, under the following cumulative conditions:

- in order to remedy a serious disturbance in the economy of a Member State and preserve financial stability;
- to a solvent credit institution in order to address a capital shortfall identified in a stress test, assets quality reviews or equivalent exercises conducted by ECB/EBA/national authorities;
- at prices and on terms that do not confer an advantage upon the institution;
- on a precautionary and temporary basis;
- subject to final approval of the EC under EU State aid rules;
- not to be used to offset losses that the institution has incurred or is likely to incur in the near future;
- the credit institution has not infringed and there are no objective elements to support that the credit institution will, in the near future, infringe its authorisation requirements in a way that would justify the withdrawal of its authorisation;
- the assets of the credit institution are not and there are no objective elements to support that the assets of the credit institution will, in the near future, be less than its liabilities;
- the credit institution is not and there are no objective elements to support that the credit institution will be unable to pay its debts or other liabilities when they fall due; and
- the circumstances for the exercise of the write-down or conversion powers in respect of Additional Tier 1 and Tier 2 capital instruments of the institution do not apply.

Single Resolution Mechanism

The SRM Regulation, which complements the SSM (as discussed in "*Risk Factors—Legal, Regulatory and Compliance Risks—The Group may be required to maintain additional capital and liquidity as a result of regulatory changes or otherwise*"), applies to all banks supervised by the SSM, including Piraeus Bank. These uniform rules and procedures established under the SRM Regulation are applied by the SRB together with the EU Council, the EC and the national resolution authorities within the framework of the SRM. The SRB has available the same range of tools as are available under the BRRD as described above. The SRM consists of the SRB as the EU-level resolution authority and the national resolution authorities and the SRF, a common resolution fund financed by the banking sector, used for resolving failing banks, after other options, such as the bail-in tool, have been exhausted.

The SRM works as follows:

- the SSM, as the supervisor, notifies the SRB when a bank in the euro area or established in a Member State participating in the Banking Union is failing or likely to fail;

- the executive session decides whether a private solution is possible and whether the resolution is necessary in the public interest;
- if the conditions for resolution are not met, the bank is wound up in accordance with national law;
- the scheme enters into force within 24 hours of its approval by the SRB. During this time, the Commission can either adopt the scheme or object, propose to the Council to object, propose to the Council to approve a material modification of the amount of the SRF;
- the SRB ensures that the necessary resolution action is taken by the relevant national resolution authorities;
- the SRB then oversees the resolution; it monitors the execution at the national level by the national resolution authorities and, should a national resolution authority not comply with its decision, directly addresses executive orders to the troubled banks.

The SRM is supported by a Single Resolution Fund (the "Fund" or the "SRF"). The Fund is a fund established at supra-national level and is owned and administered by the SRB. It is used for resolving failing banks, after other options, such as the bail-in tool, have been exhausted. The Fund is financed by contributions raised from the institutions of the Member States participating in the SRM. It is built up over a period of eight years (which started 1 January 2016 and concludes in 2023) and, by 1 January 2024, its funds have a target funding level of at least 1% of the amount of covered deposits of all authorised institutions of the participating Member States. Within the resolution scheme, the SRF may be used only to the extent necessary to ensure the effective application of the resolution tools, as last resort, such as to guarantee the assets or the liabilities of the institution under resolution; to pay compensation to shareholders or creditors which incurred greater losses than under normal insolvency proceedings. The SRF may not be used to absorb the losses of an institution or to recapitalise an institution. In exceptional circumstances, where an eligible liability or class of liabilities is excluded or partially excluded from the write-down or conversion powers, a contribution from the SRF may be made to the institution under resolution under two key conditions, namely:

- minimum bail-in: losses totalling not less than 8% of the total liabilities, including own funds of the institution under resolution, have already been absorbed by shareholders after counting for incurred losses, the holders of relevant capital instruments and other eligible liabilities through write-down, conversion or otherwise; and
- maximum SRF contribution: the SRF contribution does not exceed 5% of the total liabilities including own funds of the institution under resolution.

Furthermore, on 18 April 2023, the European Commission adopted a proposal to adjust and further strengthen the existing European banking crisis management and deposit insurance framework (the CMDI Reform). The core part of this reform is made up of three legislative proposals amending the BRRD, the SRMR and the European Directive (EU) 2014/49 on deposit guarantee scheme (*i.e.*, the DGSD). Among other things, the main changes the CMDI Reform introduces relate to: (i) the scope of the banking resolution regime (by introducing other variables in determining the criticality of a bank's functions on (regional) financial stability, the CMDI Reform aims at ensuring that the resolution framework is applied properly also to medium-sized and small banks); (ii) recourse to the SRF (the CMDI Reform is designed to streamline the procedure to use the funds from national deposit guarantee schemes in resolution, including, under certain conditions as a "bridge" to meet the 8% bail-in condition, as outlined above, in order to facilitate the recourse to this tool also for medium-sized banks); and (iii) depositor preference (the CMDI Reform proposes to introduce a new depositor preference whereby removing the "super preference" of deposit guarantee schemes and creating a single-tier ranking for all). The proposed CMDI Reform will need to be agreed by the Member States and the European Parliament, a process which is intended to be finalised before the current European Commission's mandate ends in spring 2024.

The Greek regulatory Framework – prudential supervision of credit institutions

Under the current regulatory framework, credit institutions operating in Greece are, among other things, required to:

- calculate, observe and report the liquidity ratios prescribed by the Banking Law, the CRR and relevant Acts of the Governor the Bank of Greece or the Executive Committee of the Bank of Greece;
- observe the own funds requirements and calculation rules provided for by the CRR and Decision No. 114/1/4.8.2014 of the Credit and Insurance Committee Decisions as in force and Decision No. 125/31.10.2017, as in force;
- maintain efficient and independent internal audit, compliance and risk management systems and procedures (Bank of Greece Governor 2577/2006, as supplemented and amended by subsequent decisions of the Governor of the Bank of Greece and of the Banking and Credit Committee of the Bank of Greece);

- apply specific internal governance and organisation requirements, both before entering into an outsourcing arrangement and during the term of the arrangement, maintain a register of information on all outsourcing agreements and make available to the Bank of Greece, upon request, this register, as well as any other information necessary for the exercise of effective supervision in accordance with Decision 178/5/2.10.2020 of the Executive Committee of the Bank of Greece, as in force, adopting the EBA Guidelines on outsourcing arrangements (EBA/GL/2019/02);

- submit to the Bank of Greece periodic reports and statements required under Bank of Greece Governor Act No. 2651/2012, as amended and currently applicable, and other relevant Acts of the Governor of the Bank of Greece;

- disclose data regarding the credit institution's financial position and the risk management policy;

- provide the Bank of Greece, and where relevant the ECB, with any other information requested;

- in connection with certain operations or activities, notify or request the prior approval of the Bank of Greece/SSM, in each case in accordance with the applicable laws of Greece and the relevant acts, decisions and circulars of the Bank of Greece and the European regulatory framework; and

- permit the Bank of Greece to conduct audits and inspect books and records of the credit institution, in accordance with Greek law (including the Banking Law) and certain Bank of Greece Governor's Acts.

If a credit institution infringes any law or a regulation falling within the scope of the supervisory power attributed to the Bank of Greece, the Bank of Greece is empowered, among others, to:

- require the credit institution to strengthen their arrangements, processes and strategies;

- impose sanctions and/or administrative penalties in accordance with (i) Article 55A of the Articles of Association of the Bank of Greece; and (ii) the provisions of the Banking Law; or (iii) Article 18 of the Regulation 1024/2013 and Articles 120 et seq. of the SSM Framework Regulation (ECB);

- require the relevant bank to take appropriate measures (which may include prohibitions or restrictions on dividends, requiring a share capital increase or requiring prior approval for future transactions) to remedy the infringement;

- appoint a commissioner; and

- where the infringement cannot be remedied, and depending on its significance, revoke, in cooperation with the ECB according to Regulation 1024/2013, the license of the bank.

Credit institutions established in Greece are subject to a range of reporting requirements, including, among others, the submission of reports relating to:

- capital structure, qualifying holdings, persons who have a special affiliation with the institution and loans or other types of credit exposures that have been provided to these persons by the institution;

- own funds and capital adequacy ratios;

- capital requirements for all kinds of risks;

- large exposures and concentration risk;

- liquidity coverage ratio

- net stable funding ratio;

- additional liquidity monitoring metrics;

- liquidity risk;

- leverage ratio;

- interbank market details;

- financial statements and other financial information;

- covered bonds;

- securitisation exposures;

- funding plans;
- supervisory benchmarking exercises;
- issues of NPEs;
- complaints' handling;
- internal control systems;
- AML and CFT; and
- IT systems.

In connection with these reporting requirements, Piraeus Bank submits regulatory reports both at an individual and Group level to the Bank of Greece and/or the ECB on a daily, monthly, quarterly, semi-annual or annual basis, as applicable.

The Hellenic Financial Stability Fund – The Greek Recapitalisation Framework

Formation of the Hellenic Financial Stability Fund (HFSF)

The HFSF was established by virtue of the HFSF Law (published in the Government Gazette Issue A 119/21.07.2010), which was amended by virtue of, *inter alia*, Greek Laws 4254/2014, 4340/2015, 4346/2015, 4431/2016, 4456/2017, 4537/2018, 4549/2018, 4701/2020, and, most recently, by Greek Laws 4783/2021, 4842/2021 and 4941/2022. Additionally, Article 188 of Greek Law 4389/2016 prescribes the HFSF as a subsidiary of the Hellenic Corporation of Assets and Participations. The Hellenic Corporation of Assets and Participations does not belong to the Greek public sector. The HFSF is a private law entity, having as a purpose the contribution to the maintenance of the stability of the Greek banking system for the sake of public interest and disposing efficiently of shares or other financial instruments held in certain credit institutions on the basis of the HFSF Divestment Strategy within a specific time period in principle not extending beyond the end of the HFSF's duration. The HFSF is regulated by and acts in line with the HFSF Law and the relevant commitments under the memorandum of understanding of 15 March 2012, a draft of which was ratified by Greek Law 4046/2012 and the memorandum of understanding of 19 August 2015, a draft of which was ratified by Greek Law 4336/2015. The HFSF shall comply with, and is authorised to take any actions to comply with and to give full effect to its obligations under, or arising out of or in connection with, the Master Financial Facility Agreement of 15 March 2012, a draft of which was ratified by Greek Law 4060/2012 and under the Financial Assistance Facility Agreement of 19 August 2015, a draft of which was ratified by Greek Law 4336/2015, respectively. The duration of the HFSF was initially set to expire in June 2017, but has been extended to 31 December 2025 pursuant to the provisions of Article 3 of Greek Law 4941/2022.

In pursuing its objective, the HFSF under article 2 of the HFSF Law shall: (i) provide capital support to credit institutions, pursuant to the HFSF Law and in compliance with the EU State aid rules; (ii) monitor and assess how credit institutions to which the HFSF provides capital support comply with their restructuring plans, safeguarding at the same time the business autonomy of the credit institution and also that the credit institutions operate on market terms and that private sector participation in them is enhanced on the basis of transparent procedures and of the EU legislation on State aid; (iii) exercise its shareholding rights deriving from its participation in the credit institutions, as defined in the HFSF Law and the relationship framework agreements entered into with such credit institutions, in compliance with the rules of prudent management of the assets of the HFSF and in line with the EU State aid and competition rules; (iv) dispose in whole or partially financial instruments issued by the credit institutions in which it participates; (v) provide loans to the HDIGF for resolution purposes according to the provisions of Article 16 of the HFSF Law; (vi) enter into a relationship framework agreement or amend the existing relationship framework agreement with all credit institutions that are or have been beneficiaries of financial assistance by the EFSF and the ESM, in order to ensure the implementation of its objectives and rights, including its special rights under Article 10 of HFSF Law, as long as the HFSF holds shares or other capital instruments in such financial institutions deriving from capital support in accordance with Articles 6, 6a, 6b and 7 of the HFSF Law or monitors the restructuring plan of such credit institutions; (vii) exercise its shareholding rights deriving from the transfer to it of the common shares or cooperative shares in credit institutions, according to the last subparagraph of paragraph 6 of Article 27a of Greek Law 4172/2013, as these rights are defined in the HFSF Law and in the relationship framework agreements of the previous point (vi) in compliance with the rules of prudent management of the assets of the HFSF and in line with the EU State aid and competition rules; (viii) exercise the voting rights deriving from the participation of governmental entities in the share capital of credit institutions, which is assigned to it either by virtue of legislative or regulatory provisions, or by virtue of decisions of the competent each time administrative bodies of such entities, according to the HFSF Law and special agreements entered into with the above entities for this purpose; (ix) exercise its rights deriving from the HFSF Law in an absorbing or demerged entity which emerged pursuant to a corporate transformation of Greek Law 4601/2019 of a credit institution to which the HFSF has provided capital support in which entity it participates as a result of such corporate transformation; and (x) exercise the special rights of Article 10 of the HFSF Law and those stemming from the relationship framework agreement in the beneficiary credit institution which emerged through the transfer of the banking sector, via partial demerger or spin-off, in the context of a corporate transformation pursuant to Greek Law 4601/2019 of the credit institution that has received capital support from the HFSF.

Administrative structure of the HFSF

With effect from 16 July 2022, the governing structure of the HFSF was modified, following the amendment of the HFSF Law by Greek Law 4941/2022. In particular, as of 16 July 2022, the HFSF is managed by a sole governing body, its nine-member Board of Directors, which replaced the two-tier governing bodies of the HFSF, *i.e.*, the Executive Board and the General Council. Six members of the HFSF's Board of Directors are non-executive and three are executive members. Four of its non-executive members, including the chairman, are selected among persons with international banking experience ("independent non-executive members"). The remaining two non-executive members of the Board of Directors are a representative of the Ministry of Finance and a representative of the Bank of Greece. The executive members of the Board of Directors include: (a) the Chief Executive Officer, selected from persons with international experience in banking and who (i) oversees the execution of HFSF's decisions and (ii) monitors the HFSF's management and actions; (b) a member nominated jointly by the Bank of Greece and the Ministry of Finance; and (c) a member selected from persons with international banking experience. The Chief Executive Officer, the executive member under (c) above and the independent non-executive members of the Board of Directors are selected by the Selection Panel, established by a decision of the Greek Minister of Finance according to Article 4A of the HFSF Law, following a public invitation for expression of interest, for a three-year term, which can be renewed but cannot be extended beyond the HFSF's duration. The Euro Working Group's prior consent is required for the appointment of the members of the Board of Directors as well as the renewal of their term of office and remuneration, excluding the appointment of the executive member of the Board of Directors nominated by the Ministry of Finance and the Bank of Greece, as well as the two non-executive members appointed by the Ministry of Finance and the Bank of Greece. The Board of Directors convenes as often as required and, in any case, at least once per month. In the meetings of the Board of Directors, one representative of the EC, one of the ESM and one of the ECB or their substitutes are invited to participate as observers without voting rights. A quorum will be established at a meeting of the Board of Directors when at least five members are present. Each member of the Board of Directors is entitled to one vote. In case of a tied vote, the Chairman is entitled to a casting vote. The Board of Directors makes decisions by majority of the present members, unless otherwise provided for by the HFSF Law.

Persons having any of the following positions during the last three years may not be appointed as members of the Selection Panel: members of the Greek Parliament or government, officers, employees or counsels of any Greek Ministry or other governmental authority or of the Bank of Greece, executive members, officers, employees or counsels of any credit institution operating in Greece or of the EC or of the ECB or of the ESM or holders of shares of a credit institution operating in Greece with a total value exceeding €100,000 or persons having a financial interest, directly or indirectly linked to a credit institution operating in Greece, with a total value exceeding €100,000.

As per article 4A (7a) of the HFSF Law the term of office of the HFSF's governing bodies (*i.e.*, HFSF's Board of Directors or, formerly, the General Council) is limited to a total of seven (7) years, upon completion of which membership is automatically suspended. However, the above limitation applies only to independent non-executive members of the HFSF's Board of Directors and not to the executives or other non-executive members.

The members of the Board of Directors must be persons of impeccable reputation, not engaged in activities set out in Article 4(6) of the HFSF Law, and not engaged in activities incompatible with their participation in such bodies, set out in Article 4(7) of the HFSF Law, while their appointment may be terminated prior to its expiry by a decision of the Minister of Finance if (a) they are rendered non-eligible due to the occurrence of events provided in Article 4(6) and (7) of the HFSF Law, or (b) following a reasoned decision of the Selection Panel for the reasons and by the process described in Article 4A of the HFSF Law. The members of the Board of Directors, except for the representative of the Ministry of Finance and the representative of the Bank of Greece, operate independently in the exercise of their powers and do not seek or receive mandates from the Greek government or any other governmental entity or financial institution supervised by the Bank of Greece and they are not subject to any influence. The Greek State or any other state body and institution shall refrain from giving instructions of any kind to the members of the Board of Directors.

The Board of Directors provides information, at least twice a year and in any other case deemed necessary, to the Minister of Finance, the Greek Parliament, the EC, the ESM and the ECB regarding the progress of its mission. The Board of Directors informs, via prospectuses issued every two months, the Minister of Finance who may request to be further informed by the chairman or the Chief Executive Officer. The HFSF publishes an annual report on its operational strategy and a semi-annual report of progress on the above strategy.

The meetings of the Board of Directors are confidential. The Board of Directors may decide to publish its decision in relation to any item of the agenda.

Capital support by the HFSF

Activation of Capital Support

With regard to the supply of capital support and as per Article 6 of the HFSF Law, a credit institution experiencing a capital shortfall, as such shortfall has been determined by the competent authority, as defined in paragraph 1(5) of Article 2 of the BRRD Law, may submit a request for capital support to the HFSF, up to the amount of the determined capital shortfall, accompanied by a letter of the competent authority determining (i) the capital shortfall; (ii) the date by which the credit institution needs to meet such shortfall; and (iii) the capital raising plan submitted to the competent authority.

For credit institutions with an existing restructuring plan approved by the EC at the time of such request, the request must be accompanied by a draft amended restructuring plan. For credit institutions without an existing restructuring plan approved by the EC at the time of submission of such request, the request is accompanied by a draft restructuring plan. The draft restructuring plan (for credit institutions without an existing approved restructuring plan), or the draft amended restructuring plan, shall describe by what means the credit institution shall return to sufficient profitability in the next three to five years, under prudent assumptions. The HFSF may request from the credit institution under consideration to revise the draft restructuring plan or draft amended restructuring plan or to include additional elements. Following approval by the HFSF, the draft restructuring plan or draft amended restructuring plan is communicated to the Ministry of Finance and submitted by the Ministry of Finance to the EC for its approval.

Any restructuring plan approved by the HFSF must comply with the EU rules on State aid and be approved by a decision of the EC. Additionally, any such restructuring plan must ensure the credit institution's restoration of adequate profitability, the burden-sharing to its shareholders and limit any distortion of competition. The HFSF monitors and evaluates the implementation of such approved restructuring plans.

For the realisation of the objectives and the exercise of its rights, the HFSF determines the outline of a relationship framework agreement or an amended relationship framework agreement, as the case may be, with all credit institutions that are or have been beneficiaries of financial support by the EFSF or the ESM, and also with any credit institution which emerges due to the transfer of the banking activities of the original credit institution which takes place via partial demerger or spin off, in the context of a corporate transformation provided in Greek Law 4601/2019.

The credit institutions are required to sign the relationship framework agreement and provide the HFSF with all the information reasonably required to be transmitted to the EFSF or the ESM, unless the HFSF requires them to provide such information directly to the EFSF or the ESM.

The HFSF may provide a credit institution a letter stating that it will participate in the increase of the share capital, following the procedure laid down in the HFSF Law (Articles 6a and 7) and up to the amount of capital shortfall determined by the competent authority, provided that the credit institution falls within the exception of Article 32, paragraph 3, item d(cc) of the BRRD Law (in other words, the credit institution is not deemed by the SSM to be failing or likely to fail and such capital support will constitute precautionary recapitalisation, *i.e.*, the support being provided is required in order to remedy a serious disturbance in the national economy and preserve financial stability). The HFSF grants this letter without following the procedure stipulated under Article 6a "Prerequisites of capital support for purposes of precautionary recapitalization". The abovementioned commitment does not apply if for any reason the licence of the credit institution is withdrawn for any reason under Article 19 of the Banking Law, or if any of the resolution measures provided for in the BRRD Law is undertaken.

Prerequisites of Capital Support for the purpose of Precautionary Recapitalisation

If the voluntary measures provided for in the restructuring plan or the amended restructuring plan fail to address the total capital shortfall of the credit institution, as identified by the competent authority, and in order to avoid a serious disturbance in the economy with adverse effects upon the public and to ensure that the use of public funds remains the minimum necessary, the Cabinet, following a recommendation by the Bank of Greece, shall issue an Act for the mandatory application of the following measures, aiming at allocating the residual amount of the capital shortfall to the holders of capital instruments and other liabilities, as deemed necessary. The relevant measures as per Article 6a par. 2 of the HFSF Law include:

(a) the absorption of any losses by the shareholders to ensure that the credit institution's net asset value is equal to zero, where appropriate by means of decrease of nominal value of the shares, following a decision by the competent body of the credit institution;

(b) the decrease of the nominal value of preference shares and other CET1 instruments, and then, if necessary, of the nominal value of Additional Tier 1 instruments and if necessary, of the nominal value of Tier 2 instruments and all other subordinated liabilities and, if necessary, of the nominal amount of unsecured senior liabilities non preferred by mandatory provisions of law in order to ensure the credit institution's net asset value is equal to zero; or

(c) if the credit institution's net asset value is above zero, the conversion of other CET1 instruments and if necessary, of the Additional Tier 1 instruments and if necessary, of Tier 2 instruments and, if necessary, other subordinated liabilities and if necessary, unsecured senior liabilities non preferred by mandatory provisions of law, into common shares in order to restore the target level of the regulatory capital of the credit institution required by the competent authority.

The allocation is completed by the publication of the relevant Cabinet Act in the Government Gazette. Without prejudice to the above, the allocation will respect the following hierarchy of claims, which applies according to the CRR and Article 145A(1) of the Banking Law, as in force:

- common shares and other Tier 1 capital instruments that fall under Article 26 of the CRR;
- if necessary, other Tier 1 capital instruments that fall under Article 31 of the CRR;
- if necessary, Additional Tier 1 instruments;
- if necessary, Tier 2 instruments;
- if necessary, all other subordinated liabilities; and
- if necessary, unsecured senior liabilities non-preferred by mandatory provisions of law.

Claims of the same rank will be treated *pari passu*. Differences in ranking, based on article 145A (1) of the Banking Law and the respective contracts, among claims falling under the same rank in the hierarchy above are taken into account in the above allocation. Deviations from both the above hierarchy of claims and the *pari passu* principle can however be justified when there are objective reasons to do so, as provided below.

Any liabilities undertaken by the credit institution through guarantees granted in relation to the issue of capital instruments or liabilities of third legal entities included in its consolidated financial statements, as well as any claims against the credit institution from loan agreements between the credit institution and any such legal entities may also be subjected to the above measures.

The above Cabinet Act, upon recommendation of the Bank of Greece, determines the instruments or liabilities subject to the above measures, by class, type, allocation ratio and amount, on the basis, if necessary, of a valuation conducted by an independent valuator appointed by the Bank of Greece. The above instruments or liabilities are mandatorily converted to capital instruments in the context of a share capital increase decided by the credit institution according to Article 7 of the HFSF Law.

Exceptionally, and provided there is a prior positive decision of the EC according to Articles 107 to 109 of the Treaty on the Functioning of the European Union, the above measures may not be used either in their entirety or in relation to specific instruments, if the Cabinet decides, upon recommendation by the Bank of Greece that:

(a) such measures would endanger financial stability; or

(b) the application of such measures may lead to disproportionate results, as in the case of capital support to be provided by the HFSF is small in comparison with the credit institution's risk weighted assets or when a significant portion of the capital shortfall has been covered by private sector measures.

The final assessment of the above exceptions belongs to the EC, which would decide on a case-by-case basis. On the basis of the above reasons under (a) and (b), deviations from both the above hierarchy of claims and the *pari passu* principle may apply.

The above measures are deemed, for the purposes of the recapitalisation, as reorganisation measures as per the definition of Article 3 of Greek Law 3458/2006.

The application of the measures, voluntary or mandatory, under no circumstances (i) shall trigger the activation of contractual clauses which apply in cases of winding-up or insolvency or the occurrence of any other event, which may be considered or treated as a credit event or may lead to the breach of contractual obligations by the credit institution, and (ii) be considered as non-fulfilment or breach of contractual obligations of the credit institution that gives a third party the right of early termination or cancellation of the agreement for a material reason. The above applies also in the case of insolvency or an event of default vis-à-vis third parties by a group member when this is caused due to the application of the measures on its claims against another member of the same group. Contractual clauses contrary to the above have no legal effect.

The holders of capital instruments or other claims, including unsecured senior liabilities non preferred by mandatory provisions of law of the credit institution that is subject to the above recapitalisation measures shall not, following application of such measures, be in a worse financial position compared to the one they would be in if the credit institution had been under special liquidation (no creditor worse off principle). If the above principle is breached, the above holders of capital instruments and other claims, including unsecured common liabilities non-preferred by mandatory provisions of law are entitled to compensation by the Greek State, provided they prove that their damage, arising directly due to the application of the mandatory measures, is greater than the damage they would have incurred if the credit institution were placed under special liquidation. In any case, the compensation cannot exceed the difference between the value of their claims after the implementation of the relevant measures and the value of their claims in case of special liquidation, as such value is estimated by an independent evaluator appointed by the Bank of Greece in order to determine whether shareholders and holders of subordinated claims would be in a better financial position if the credit institution were placed under special liquidation immediately before the application of the relevant decision. The Cabinet Act No. 44/5.12.2015 provides for the process by which the Bank of Greece appoints the independent evaluator for the valuation of the assets and liabilities of the credit institution, the content and purpose of such valuation, and includes certain technical details in connection with the implementation of the mandatory measures of Article 6a of the HFSF Law and the determination of any compensation claimed by the holders of the capital instruments and others subject to the Mandatory Burden Sharing Measures.

The Cabinet Act which decides the application of the above mandatory measures is published in the Government Gazette and a summary thereof is published in the Official Journal of the European Union in Greek, in two daily newspapers published nationwide in the members states where the credit institution has established a branch or where it directly provides banking and other mutually accepted financial services, in the official language of such state.

The summary would include the following:

(a) The reason and legal basis for the issuance of the Cabinet Act;

(b) The legal remedies available against the Cabinet Act and the deadline for their exercise; and

(c) The competent courts before which the above legal remedies against the Cabinet Act may be exercised.

All the above provisions as included in Article 6a of the HFSF Law aim at the protection of the overriding public interest and constitute provisions of mandatory and direct effect and override any provision to the contrary.

Implementation of public financial stability measures

According to Article 6b of HFSF Law, following the decision of the Minister of Finance, pursuant to Article 56, paragraph 4 of the BRRD Law, on the implementation of the measure of public capital support, the HFSF shall be designated as the entity for applying Article 57 of the BRRD Law. In this case the HFSF participates in the recapitalisation of the credit institution and receives in exchange the instruments set forth in Article 57, paragraph 1 of the BRRD Law (*i.e.*, CET1 instruments; Additional Tier 1 instruments or Tier 2 instruments). The HFSF participates in the capital increase and receives in exchange capital instruments after the application of any measures adopted in accordance with the BRRD Law.

Type of capital support

The HFSF provides capital support for the sole purpose of covering the capital shortfall of the credit institution, as determined by the competent authority and up to the amount remaining uncovered, after the application of the measures of the capital raising plan (referred to in Article 6 of the HFSF Law), any participation of private sector investors, the EC's approval of the restructuring plan and either:

(a) any mandatory measures of Article 6a of the HFSF Law where the EC confirms as part of the approval of the restructuring plan that the credit institution falls within the exception of item d(cc) of Article 32 (3) of the BRRD Law (the credit institution is not failing nor likely to fail and the capital support is provided in the context of precautionary recapitalisation); or

(b) where the credit institution has been placed under resolution, and measures taken pursuant to the BRRD Law.

The relationship framework agreement has to be duly signed before any capital support is provided.

Subject to the prerequisites and procedures referred to in Articles 6, 6a and 6b of the HFSF Law, as the case may be, capital support would be provided through the participation of the HFSF in the share capital increase of the credit institution by the issuance of ordinary shares with voting rights or the issuance of contingent convertible securities or other convertible instruments which shall be subscribed by the HFSF. The breakdown of the above participation of the HFSF between ordinary shares and contingent convertible securities or other convertible instruments is defined by Cabinet Act No. 36, dated 2 November 2015 as follows, in cases of capital support where the credit institution does not fall within the exception of item d(cc) of Article 32 (3) of the BRRD Law:

(a) to ordinary shares up to the amount necessary to cover losses already incurred or likely to be incurred shortly in the future; and

(b) for the remaining amount that would correspond to a precautionary recapitalisation, by 25% to common shares and by 75% to contingent convertible securities.

Ordinary share capital increases

According to Article 8 par 7 of HFSF Law, the HFSF in connection with a capital increase is entitled to:

- exercise, in part or in whole, its pre-emptive rights on a *pro rata* basis;
- subscribe, up to its existing shareholding percentage of participation, in the offering of shares or other ownership instruments (as those are defined in Article 2, paragraph 2 (107) of the BRRD Law), pursuant to share capital increases (including share capital increases with a restriction or waiver of pre-emptive rights);
- in the case of its participation in a credit institution which has been subject to corporate transformation or group restructuring, participate up to its existing shareholding percentage of participation in the issuance of new shares or other ownership instruments issued by the parent company of the credit institution or of the credit institution which continues the banking activities of the group as appropriate, or;
- participate in one or more allocations of unsubscribed shares or other ownership instruments resulting from share capital increases or issuances of other ownership instruments, if applicable.

The participation of the HFSF in the abovementioned share capital increases, which may be carried out by credit institutions or in case of corporate transformation or group restructuring by the parent entities and/or the credit institutions which shall carry on the banking operations of the group, within the framework of Greek Law 4548/2018, is permitted under the condition that these share capital increases: (i) do not constitute capital support within the meaning of Articles 6, 6a, 6b and 7 of the HFSF Law; and (ii) are alongside private participation of real economic significance and such private investors participate under the same terms and conditions and, therefore, with the same level of risk and rewards ("*pari passu*" transaction).

In any case, at its discretion, pursuant to a decision of its Board of Directors, the HFSF may veto share capital increase (of the abovementioned credit institution or parent entity) in order to prevent the issuance of shares or other instruments of ownership, where the issuance is expected to take place by disapplying or restricting the pre-emption rights of the shareholders of the entity concerned. If such veto is exercised and the entity concerned subsequently approves a share capital increase with pre-emption rights, the HFSF has no obligation to exercise in whole or in part such pre-emption right, in the event that a decision to effect a capital increase with pre-emption rights is adopted.

In addition, (i) any such participation by the HFSF shall take place by a decision of its Board of Directors on the basis of a report by two independent financial advisers, confirming that the proposed participation in the issue of new shares or other titles of ownership contributes to maintaining, protecting or improving the value of the HFSF's existing shareholding in the capital of the issuer or the prospects for divestment from it, taking into account market conditions and the prospects of the business plan of that credit institution at the time of the credit institution's decision to increase its share capital or issue other securities of ownership; (ii) the subscription, cover (payment) and taking up for shares or other ownership instruments by the HFSF would be made at a price not higher than that payable by and on terms not less favourable than those offered to the other shareholders of the issuer concerned, without prejudice to the existing rights of the HFSF deriving from its relationship framework agreements; (iii) the HFSF would fund its subscription and payment for the new shares or other ownership instruments by exclusively using its own funds or from reinvestment of funds resulting from a previous asset disposal of the HFSF; and (iv) the new shares or other ownership instruments the HFSF acquires confer to the HFSF full shareholder or ownership rights, including voting rights, but not the special rights described in Article 10 of the HFSF Law and discussed under "*—Special rights of the HFSF*" below, and they are not counted towards the application of Article 16C (1) of HFSF Law and the determination of the duration and other terms of the corresponding framework agreements referred to in Article 6 (4) of HFSF Law.

Any partial divestment of shares or other ownership instruments acquired by the HFSF in accordance with the above will be made on the basis of the principle "last in, first out", to ensure that the special rights of the HFSF set out in Article 10 of the HFSF Law are maintained in full for so long as it holds a participation in the concerned credit institution.

In the event of resolution of the credit institution, the HFSF claims with respect to shares or other ownership instruments are not ranked preferentially to claims of other shareholders.

Disposal of Shares and Bonds

The Board of Directors of the HFSF shall decide on the way and the procedure for disposing shares issued by the credit institution held by the HFSF, as a whole or partially. The HFSF's Board of Directors, as per the provisions of Article 8 of the HFSF law, supported by an independent financial adviser, enjoying an internationally acclaimed prestige and experience on relevant matters (the "Divestment Strategy Adviser") who is assigned with the preparation of a report, prepares a well-reasoned divestment strategy, which includes the general programme of disposal of shares or other financial instruments of credit institutions held by the HFSF, as well as specific guidelines for each credit institution, taking into account the specific characteristics and statutory requirements of the HFSF's participation in such credit institution (the "HFSF Divestment

Strategy"). The HFSF Divestment Strategy shall adhere to the principles of free competition and shall be governed, indicatively and not exhaustively, by the following principles: (a) the financial and operational viability of the credit institution; (b) market conditions, macroeconomic conditions, and conditions governing the credit sector industry, (c) the reasonably anticipated implications of the HFSF Divestment Strategy for the country's financial sector, market and wider economy; (d) adherence to the principle of transparent action (e) the need to draw up a timetable for the implementation of the HFSF Divestment Strategy, taking into account, among others, the duration of the HFSF, (f) the need to dispose the shareholding in a reasonable and timely manner, (g) the need to return the Greek financial sector to a purely private equity structure. The HFSF Divestment Strategy shall include provisions, indicatively of the following: (a) the appropriate competitive bidding procedures and conditions for participation in them, (b) the requirements of transparency and compliance with capital market legislation, and (c) any potential disposal methodologies.

The HFSF Divestment Strategy according to the provisions of Article 8 of the HFSF Law was submitted to the Ministry of Finance for its prior consent and was finalised on 13 December 2022. The key points of this strategy were published on the HFSF's official website through a summary report on 11 January 2023 (at https://hfsf.gr/wp-content/uploads/2023/01/Divestment-Strategy-23_25-EN.pdf).

It is noted that as described in the HFSF Divestment Strategy the current legislative framework determines 31 December 2025 as the date of sunset of the HFSF by which the divestment should in principle have been completed subject to the legal requirements set out in the relevant provisions of the HFSF Law (*i.e.*, *inter alia*, market conditions and viability of the credit institution). The HFSF will expend all reasonable efforts to meeting this target. In any case, the HFSF Law provides that at the HFSF expiry date any remaining assets and liabilities shall be transferred to a successor entity as per the provisions of art. par. 5 of article 3 as amended and in force at the date of the Prospectus, which provides for a succession entity to be set up with the agreement of the Minister of Finance, the EFSF and the ESM and to which the HFSF's capital, assets and liabilities upon its liquidation shall be transferred.

More specifically, of the HFSF Law provides for the following *"Before the end of the Fund's duration or the initiation of the process of liquidation, the Minister of Finance shall agree with the European Financial Stability Facility and the European Stability Mechanism the entity and the process to which its capital, assets and liabilities shall be transferred as a result of the end of its duration or the completion of its liquidation. For this purpose, the Minister of Finance may directly appoint an independent financial or business and management adviser for the preparation of a study on the process of the transition, following the issuance of a joint decision of the Minister of Finance and the ESM. The above transfer shall be to an entity that is independent of the Hellenic State (Elliniko Dimosio) and shall be executed in a way which ensures that each of the EFSF and the ESM is in no worse an economic and legal position as a result of the transfer than it was before the transfer. In the case that, upon the end of its duration or its liquidation the Fund no longer has any obligations towards the EFSF or the ESM and no longer holds any asset in which the EFSF or the ESM has any security or other interest, the assets of the Fund shall be transferred ipso jure to the Hellenic State as its quasi total successor"*.

The divestment may take place through one or more transactions, at the HFSF's discretion in compliance with EU State aid rules. The divestment takes place in a manner that is consistent with the purposes of the HFSF and the HFSF Divestment Strategy. Without prejudice to the relevant provisions of Prospectus Regulation framework (such as Regulation (EU) 2017/1129 and specific provisions of Greek Law 4706/2020) and as per Article 8 par. 2 of the HFSF Law, the disposal of shares of the credit institution to the market or to specific investor(s) or group of investors may take place by a public offer or an offer to one or more specific investors: (i) through an open bidding process or interest solicitation from selected investors; (ii) through exchange trade orders; (iii) by public offer of shares for cash or in exchange of other securities; and (iv) by bookbuilding.

The Ministry of Finance notifies the HFSF on a four-month basis of its views concerning the HFSF Divestment Strategy and its implementation. The HFSF is obliged to notify the Ministry of any concerns in writing, within ten (10) business days.

The HFSF may reduce its participation in credit institutions through a share capital increase of the credit institutions by waiving or disposing its pre-emption rights.

According to paragraph 1(c) of Article 8 of the HFSF Law, the HFSF needs to undertake an *ad hoc* decision for the disposal of specific part or all its stake in a credit institution. In accordance with paragraph 1(c) of Article 8 of the HFSF Law, in order for the HFSF to proceed to such a decision, it shall receive a report (the "Disposal Report") from an independent financial adviser of international reputation, prestige and experience in relevant transactions, which under paragraph 1(c) of Article 8 of the HFSF Law acts as disposal adviser (*in Greek* "*σύμβουλος διάθεσης*") and the tasks of which entail as per the same paragraph 1(c) of Article 8 of the HFSF Law:

(a) The delivery of the Disposal Report in view of a planned disposal for a specific credit institution and at minimum which includes its recommendation to the HFSF on the following: (a) a proposal on specific transaction in accordance with the HFSF Divestment Strategy; (b) a description and evaluation of market conditions; and (c) a reasoned proposal on the most appropriate transaction structure. The Disposal Report would be accompanied by a reference timetable for the shares' disposal. It would also include adequate justification on the preconditions and the terms under which the shares disposal can take place, as well as the actions required to complete the process within the abovementioned timetable; and

(b) The provision of advisory support to the HFSF also after the submission of the Disposal Report, as well as at all stages of the transaction.

In particular with respect to shares or pre-emptive rights, the determination of the disposal price or the minimum subscription price for private investors, are determined by the Board of Directors of the HFSF based on the valuation report that the disposal adviser of paragraph 1(c) of Article 8 of the HFSF Law filed (in the context of its ongoing advisory support services during the disposal) as well as one further valuation by an independent financial adviser with reputation and experience in relevant matters and especially in the evaluation of credit institutions. Such price can be lower than the most recent acquisition price made by the HFSF or the current trading price, provided they are consistent with the purpose of the HFSF and the aforementioned reports, hence, they constitute prudent management of HFSF assets. In the case of sale of blocks of shares by the HFSF, the Minister of Finance would receive the relevant reports and valuations and has the right of veto if the proposed disposal price is outside the range of these valuations. In the event the shares of the credit institution are acquired by a specific investor or investor group or the HFSF's participation is reduced by a share capital increase in favour of a specific investor or investor group, the HFSF may:

(a) invite the interested investors to submit offers, setting, at the relevant invitation, the procedure, deadlines, offer content and other terms for their submission, among which also the provision by investors, at any stage of the procedure deemed necessary, of a proof of funds and letters of guarantee;

(b) conclude a shareholders' agreement, if it deems necessary, that governs the relationship between the HFSF and the specific investor or investor group as well as amend the relationship framework agreement with the relevant credit institution. In that context it may be provided that the investors and/or the HFSF must maintain their holding for a specific time period;

(c) provide a first offer and first refusal right to investors fulfilling certain criteria (such as those provided in point (d) below; and

(d) the investor or group of investors is selected by following assessment criteria such as the experience of the investor with respect to the main activity of the enterprise and to the restructuring of credit institutions, its credibility, its ability to complete the transaction and the price to be offered. The assessment criteria applicable to each process shall be notified to the interested investors prior to the submission of their binding offer.

The methodology for the disposal of shares by a public offer for the exchange of warrants issued according to Cabinet Act 38/2012 and the adjustment of their terms and conditions in the case of a share capital increase with a reverse split on terms determined by the credit institution, as well as a share capital increase without abolition of the pre-emption rights of existing shareholders, are determined by a Cabinet Act. In case of a share capital increase without abolition of the pre-emption rights of existing shareholders the adjustment may affect only the exercise price of the options embodied in the warrants. The adjustment may be up to the amount corresponding to the income of the HFSF from the sale of the pre-emption rights and takes place following the sale.

Voting rights of the HFSF

Under the HFSF Law, as amended by Greek Law 4941/2022, the HFSF is entitled to fully exercise all voting rights attached to any shares it holds, including shares it acquired in the context of capital support pursuant to Article 7 of the HFSF Law and any previously existing limitation to the exercise of HFSF's voting rights has been repealed.

The HFSF shall notify the entity concerned and the HCMC of any change in the number of voting rights it holds in such entity at the end of each calendar month during which it acquired or disposed of shares, as well as the total number of voting rights held. The entity concerned then publishes such information immediately or, at the latest, within two Business Days from the date of the receipt of such notification, in accordance with the provisions of Article 21 of Greek Law 3556/2007.

Special rights of the HFSF

The HFSF shall exercise without limitation the voting rights corresponding to the shares it has undertaken following the provision of capital support. All common shares or contingent convertible bonds obtained under such capital support scheme, in addition to the rights granted to the HFSF under the provisions of Greek Law 4548/2018, shall confer the special rights awarded to the HFSF, as outlined below. The HFSF is represented by one member in the credit institution's Board of Directors. The HFSF's representative in the Board of Directors of the credit institution shall have the following rights, which shall be exercised taking into account the business autonomy of the credit institution by express provision of Article 10 of the HFSF Law:

- veto any decision of the credit institution's Board of Directors:

- regarding the distribution of dividends and the benefits and bonus (remuneration) policy concerning the Chairman, the Chief Executive Officer and the other members of the Board of Directors, as well as any person who exercises general manager's powers and their deputies, for those credit institutions with a ratio of NPLs to total loans, as calculated in accordance with point g(ii) of paragraph 2 of Article 11 of Commission Implementing Regulation (EU) 2021/451 of 17 December 2020, exceeding 10%;

- related to an amendment of Articles of Association, including share capital increase or decrease or the granting of relevant authorisation to the Board of Directors of the credit institution, merger, division, conversion, revival, extension of the duration or dissolution of the company, disposal of assets, including the sale of subsidiaries, or for any other matter requiring an increased majority under Greek Law 4548/2018, which might materially affect the HFSF's participation in the share capital of the credit institution.

- request an adjournment of any meeting of the credit institution's Board of Directors for three Business Days, until instructions are given by the HFSF's Chief Executive Officer. Such right may be exercised by the end of the meeting of the credit institution's Board of Directors;

- request the convocation of the Board of Directors of the credit institution; and

- for the purpose of effective disposal of the shares or other financial instruments of credit institutions that it holds, the HFSF on the basis of the HFSF Divestment Strategy have free access to all books and records of the credit institution with employees and consultants of its choice.

So long as the above NPLs to total loans ratio exceeds 10%, the fixed remuneration of the Chairman, the Chief Executive Officer and the other members of the Board of Directors, as well as any person who exercises general manager's powers and their deputies, may not exceed the total respective remuneration of the Governor of the Bank of Greece. In addition, as long as the ratio of NPLs to total loans exceeds 10%, and throughout the duration of the restructuring plan of the credit institution submitted to the EC in the context of the approval procedure for the capital assistance programme and until its completion, any variable remuneration (bonuses) for the same persons is abolished. Similarly, for the period of participation of the credit institution in the capital support programme referred to in Article 7 of the HFSF Law, variable remuneration can only be provided in the form of shares or stock options or other instruments within the meaning of Articles 52 or 63 of the CRR, in accordance with Article 86 of the Banking Law.

Regarding the corporate governance of the Greek systemic banks and subject to the criteria laid down in Article 83 of the Banking Law, the evaluation for each member of the Board of Directors of the credit institution and the committees of the credit institutions shall include certain minimum criteria, as set out below:

- the individual is not, and has not been entrusted in the last four (4) years prior to its appointment, with prominent public functions, such as Heads of State or of Government, senior politicians, senior government, judicial or military officials, senior executives of state-owned corporations, or important political party officials; and

- each individual must declare all financial connections with the bank before being appointed and the competent authority must confirm that the individual is fit and proper for the relevant position. In addition, any conviction or irrevocable prosecution for economic crimes is a ground for termination of the member's term of office.

The above criteria are supplemental to and should not contravene the criteria laid down in Greek Law 4548/2018, the Banking Law and Greek Law 4706/2020.

The HFSF retains all its special rights described above stemming from Article 10 of the HFSF Law also over the beneficiary credit institutions which emerge due to the corporate transformation (taking place according to Greek Law 4601/2019) of any credit institution which received capital support according to the provisions of the HFSF Law.

Transposition of Directive 2001/24/EC on the Reorganisation and Winding Up of Credit Institutions

Greece has faithfully transposed Directive 2001/24/EC by virtue of Greek Law 3458/2006 on the winding-up and reorganisation of credit institutions. Greek Law 3458/2006, as amended and in force, is in line with the provisions of Directive 2001/24/EC and introduces a series of conflicts of laws rules on the laws applicable to the winding-up and reorganisation of a credit institution, including among others:

Law Governing the Reorganisation Measures

Article 4 sets the rule by providing that any reorganisation process shall be applied in accordance with the laws, regulations and procedures applicable in Greece for credit institutions with registered seat in Greece even if the institution has branches in other Member States. The process would be carried out in accordance with the provisions of the Banking Law.

Law Governing the Winding-Up Process

Article 11 introduces a conflict of laws rule on the winding up process for credit institutions with registered seat in Greece, pursuant to which any credit institution shall be wound up in accordance with the laws, regulations and procedures applicable in Greece insofar as Greek Law 3458/2006 does not provide otherwise.

Settlement of Amounts Due by Indebted Individuals

Settlement of Amounts Due by Indebted Individuals under Greek Law 4738/2020 (entry into force from 1 March or 1 June 2021)

Greek Law 4738/2020 (the "Debt Settlement and Facilitation of a Second Chance Law") regulates the settlement of debts from its entry into force (1 March or 1 June 2021, depending on the applicable provision). Greek Laws 3869/2010 and 4605/2019 shall no longer apply, save for applications already filed.

On 27 October 2020, Greek Law 4738/2020 was published in the Official Government Gazette (Issue A/No.207/27.10.2020) consolidating the provisions of several statutes dealing with excessive indebtedness and debt settlement (such as Greek Laws 4469/2017, 3869/2010, 3588/2007, 4605/2019 and 4307/2014) into one comprehensive legal framework of expanded scope, with all existing tools for debt settlement consolidated, regardless of their subject (*inter alia*, indebted households, protection of main residence and extrajudicial settlement mechanisms). Upon entry into force of Greek Law 4738/2020, (1.3.2021 or 1.6.2021, depending on the applicable provision), the provisions of the currently applicable Greek Bankruptcy Code (Greek Law 3588/2007) are repealed (see also "*—Restrictions on Enforcement of Granted Collateral*" below).

Moreover, the ability to submit applications under the debt settlement schemes of Greek Law 3869/2010 and 4307/2014 will no longer be available but such laws will continue to govern procedures already opened under such provisions.

Greek Law 4738/2020 (as amended and in force) establishes a special regime for protecting main residences of eligible individuals considered to be vulnerable distressed debtors, which provides for a sale and lease back scheme for main residences and the establishment of a new organisation to implement the relevant process. The definition of vulnerable debtors is aligned with the criteria set out in Article 3 of Greek Law 4472/2017 (*i.e.*, the eligibility criteria for the provision of housing benefits, including, *inter alia*, an individual yearly income cap set at €9,600). The objective of the new framework is the liquidation of a debtor's main residence for the purposes of debt settlement, without the vulnerable debtor having to relocate or definitively lose ownership of their asset. This is effected by the establishment of a sale and lease-back private entity, contracting with the Greek State pursuant to a call for tenders of the latter.

According to this scheme, in the event that a vulnerable debtor is declared insolvent or that enforcement proceedings regarding their main residence are initiated, the debtor may submit a request under the new regime, which then acquires ownership right over the debtor's immovable property at 70% of the market value price as determined by a certified valuator. In return, the new organisation would lease the same property to the debtor for 12 years for a set amount of monthly rent (to be determined primarily based on the applicable housing loans' average interest rate). However, regarding the purchase price, in case that the request is submitted in the context of an auction and the first offer price is significantly higher (15% or more) than the valuation price, then the purchase price would be the lower of the first offer price and the price provided by a second independent evaluator. Should no third-party, holder of right in rem, pose any objections to the transfer, the sale and lease-back entity purchases the residence free of any encumbrance or claim. The debtor maintains their status as beneficiary of housing benefits under Greek Law 4472/2017, which are now credited to the sale and lease-back entity as a partial payment of the relevant lease instalment. The lease shall be terminated in the event that the debtor has defaulted on three instalments and remains in default for at least one month after relevant notice is served. The termination of the lease shall lead to the abolishment of the debtor's buyback rights. It is further noted that the any rights of the debtor deriving from the lease are non-transferable, save for instances of universal succession.

The debtor may be entitled to re-purchase the property at a price objectively determined under the provisions of the applicable law upon fulfilment of their rental payment obligations. After full repayment by the debtor (at the end of the 12-year period or prior to that), they (or their successors) are entitled to exercise a buyback right. Pursuant to Ministerial Decision No. 81247 ΕΞ 2022/2022 of the Minister of Finance, the Ministry of Finance has resolved to carry out a tender by means of competitive dialogue, in the sense of Greek Law 4413/2016, for entering into an agreement for the delegation of obligations and competencies of the sale and lease-back entity of Greek Law 4738/2020. The buyback price shall be defined pursuant to a decision of the Minister of Finance, in accordance with Article 225 of Greek Law 4738/2020, yet to be issued.

NPLs and loans in arrears

Pursuant to Article 72 of Greek Law 4389/2016, a governmental council for private debt management (the "Council") has been created, whose objective under Article 73 thereof is, among others:

(a) to form and disclose the strategy and policies for the organisation of an integrated mechanism for the effective administration of private debt, as well as to form and review an action plan with binding timetables for the implementation of the abovementioned strategy;

(b) to identify weaknesses and propose amendments to the existing legal framework, both in terms of substance and procedure to enhance the effectiveness of private debt resolution issues, including the acceleration of the procedures relating to delayed loan repayment and the improvement of the legal framework governing the real estate market;

(c) to define actions of public awareness for the purpose of directly and efficiently informing and supporting citizens and other interested parties with respect to taking decisions on the above matters;

(d) to create a network for the provision of free consultancy services to individuals and legal entities on debt management and for planning of financial management awareness for households and SMEs; and

(e) to set any timetables required for the implementation of a strategic plan for the efficient management of private debt and monitor whether such timetables are respected.

The Council provided a definition of "cooperating borrower" specifying when a borrower is classified as cooperating towards his/her lenders and assessed a methodology for determining "reasonable living expenses".

Moreover, Articles 78 and 79 of Greek Law 4389/2016 provide for a specialised secretariat for private debt management responsible for (a) supporting the Council, (b) organising and forming the policy for the provision of information and support to citizens interested in taking loans and to borrowers, as well as the financial education of households and small-medium enterprises, and (c) business coordinating of the Steering Committee. Furthermore, Article 81 of Greek Law 4389/2016 also provides for 30 borrowers' service centres, as regional offices of the specialised secretariat for private debt management, responsible for informing and supporting natural and legal persons (households and small-medium enterprises) and providing financial, legal and consulting services regarding taking up loans, management of debts and in general financial management issues. By virtue of Article 3 of Greek Law 4738/2020, access to the same borrowers' service centres is expanded to all natural persons not deriving income through business activities or freelance professional activity, in the sense of Articles 21 and 47 of Greek Law 4172/2013, which have been classified as medium or high insolvency risk, in accordance with the provisions of Article 2 of Greek Law 4738/2020.

Additionally, pursuant to Greek Law 4224/2013, as in force, and Decision No. 392/1/31.5.2021 of the Banking and Insurance Committee of the Bank of Greece, a Code of Conduct for NPLs is established.

Greek Law 4224/2013, as in force, in conjunction with Ministerial Decision No. 5921/2015, provides that the consumer ombudsman will act extra judicially as mediator solely for the amicable settlement of the dispute between lenders and borrowers for the purpose of settling non-performing loans within the framework of the Code of Conduct for the management of non-performing loans.

In the implementation of the above the Bank of Greece has published regulatory framework concerning the management of loans in arrears and non-performing loans and specifically:

- Bank of Greece Executive Committee's Act No. 175/2/29.7.2020, as amended by Bank of Greece Executive Committee Act No. 206/03.06/2022, adopted EBA Guidelines on management of non-performing and forborne exposures. Credit institutions with an NPL ratio below 5% on a standalone or consolidated basis but with a high percentage or a significant amount of NPEs in an individual portfolio or in individual portfolios, or with a specific concentration of NPEs in a specific geographical area or economic sector or in a group of connected customers, may be required by the Bank of Greece to apply certain provisions of Act No. 175/2/29.07.2020 (as in force) at the level of the relevant portfolios.

  Act No. 175/2/29.7.2020 of the Executive Committee of the Bank of Greece (as in force) provides guidelines to supervised institutions regarding the design and evaluation of sustainable types of forbearance solutions, intended to achieve a sustainable repayment status for each borrower, considering the outstanding amount of debt, to reduce expected losses and to ensure compliance with the applicable consumer protections requirements. This act also includes indicative types of solutions to be developed taking into consideration the repayment capacity of each borrower (whether individual or legal entity).

  Act No. 175/2/29.07.2020 (as in force) imposes, *inter alia*, the following obligations on credit institutions:

  (a) credit institutions must establish an NPE strategy to target a time-bound reduction of NPEs over a realistic but sufficiently ambitious time horizon ("NPE reduction targets"); the NPE strategy must set out the credit institution's approach and objectives regarding the effective management to maximise recoveries and ultimately to reduce NPE stocks in a clear, credible and feasible manner for each relevant portfolio;

  (b) the overarching strategy of a credit institution and its implementation must cover the NPE strategy and operational plan;

  (c) credit institutions must establish dedicated NPE workout units ("NPE WUs") that are independent from loan origination activities;

(d) credit institutions must set up different NPE WUs for the different phases of the NPE life cycle and also for different portfolios, if appropriate;

(e) homogeneous portfolios must be built up with a view to designing tailored NPE management solutions; credit institutions must consider designing customised processes for each portfolio, with a dedicated expert team being responsible for each portfolio and NPE portfolios must be analysed with a high degree of granularity, resulting in clearly defined borrower sub-portfolios. For these purposes, credit institutions must develop appropriate management information systems ("MIS") and sufficiently high data quality;

(f) effective and efficient internal control processes must be implemented for the NPE workout framework in order to ensure full alignment between, on the one hand, the NPE strategy and operational plan and, on the other hand, the credit institution's overarching strategy and risk appetite;

(g) forbearance measures must be aimed to return the borrower to a sustainable performing repayment status, taking into account the amount due and minimising expected losses;

(h) credit institutions must monitor the repayment capacity of borrowers;

(i) when granting forbearance measures to performing exposures, credit institutions should assess whether these measures lead to a reclassification of the exposure as non-performing; granting forbearance measures to NPEs does not clear their non-performing status for at least one year after the application of such measures;

(j) credit institutions must estimate provisions for NPEs and FBEs subject to impairment in accordance with the Act No 150/3.10.2018 of the Executive Committee of the Bank of Greece on credit risk management practices and accounting for expected credit losses;

(k) written policies and procedures must be in place for the valuation of immovable and movable assets mortgaged or pledged for NPEs; and

(l) regular reporting must be provided to the Board of Directors of each credit institution and to the Bank of Greece; and

- Decision No. 392/1/31.5.2021 of the Credit and Insurance Committee of the Bank of Greece, as amended by Credit and Insurance Committee of the Bank of Greece 197/3/21.12.2021, revised the Code of Conduct of the Bank of Greece on loans in arrears under Greek Law 4224/2013 and has repealed and replaced Decision of the Credit and Insurance Committee No. 195/1/29.7.2016. Decision No. 396/1/23.7. 2021 of the Credit and Insurance Committee of the Bank of Greece is relevant to the application of the Code of Conduct to debtors of credit and financial institutions placed into special liquidation; Decision No. 396/23.7.2021 has replaced the Decision of the Credit and Insurance Committee No. 221/2/17.3.2017.

The provisions of the Code of Conduct on loans in arrears (as in force from time to time) apply to supervised institutions (including credit institutions, branches of foreign credit institutions, credit companies, microfinance institutions) that grant any type of loans or provide any type of credit or engage in the financial leasing in Greece. The Code of Conduct also applies to loans guaranteed by the Greek State, provided that (where, under the terms of the guarantee of the Greek State, the consent of the Greek State as guarantor is required in connection with any rescheduling or restructuring of the guaranteed loan or credit) the granting of the consent of the Greek State is a prerequisite to the implementation of rescheduling or restructuring.

The Code of Conduct lays down general principles of conduct and introduces best practices and procedures aimed to foster trust, mutual commitment and communication of necessary information among borrowers and lending institutions so that each party can assess the advantages and disadvantages of any rescheduling, restructuring or settlement alternatives, with a view to selecting the most appropriate solution following a case-by-case assessment.

The Code of Conduct requires supervised institutions to establish detailed written policies and procedures for loans in arrears with a reference to each category of loans and borrowers ("Arrears Resolution Procedures"). The Arrears Resolution Procedures must include a detailed and documented appeals review procedure and provisions on the treatment of non-cooperative borrowers; the provisions applicable to borrowers also apply to any guarantors for the same loan. In addition, they must include detailed and documented communication policies and procedures including with respect to the standardisation of the content of communications and the manner, timing, frequency and confidentiality of communications. Each supervised institution must at any time be in a position to demonstrate to the Bank of Greece its compliance with the requirements of the Code of Conduct.

Pursuant to the Code of Conduct on loans in arrears, the following steps must be taken by the relevant supervise institution in respect of a borrower being an individual or a micro-enterprise, or where there is an indication that the loan is unlikely to be repaid:

- step 1: Communication with the borrower;
- step 2: Collection of financial and other information from the borrower;
- step 3: Assessment of financial data;
- step 4: Proposal of appropriate solution; and
- step 5: Appeals review procedure.

The Bank of Greece will not deal with any individual disputes between creditors and borrowers in connection with the implementation of the Code of Conduct.

The following borrowers and loans are excluded from the scope of the Arrears Resolution Procedure:

- claims up to €1,000 against a borrower being a natural person or up to €5,000 against a borrower being a legal entity/micro enterprise;
- claims against business undertakings with an average turnover of up to €1 million during the last three financial years.

Capital Requirements for Banks' NPLs

On 9 April 2019, the Council adopted a new framework for dealing with banks' NPLs. The new rules set capital requirements applying to banks with NPLs on their balance sheets. Based on a common definition of NPLs, the proposed new rules introduce a "prudential backstop", *i.e.*, common minimum loss coverage for the amount of money banks need to set aside to cover losses caused by future loans that turn non-performing. Different coverage requirements will apply depending on the classifications of the NPLs as "unsecured" or "secured" and whether the collateral is movable or immovable:

Minimum coverage level (in %)	**After year**								
	1	2	3	4	5	6	7	8	9
Secured by immovable collateral	0%	0%	25%	35%	55%	70%	80%	85%	100%
Secured by movable collateral	0%	0%	25%	35%	55%	80%	100%		
Unsecured	0%	35%	100%						

Subsequently, Regulation (EU) 2019/630 amended the CRR as regards minimum loss coverage for NPEs. Furthermore, pursuant to the Regulation (EU) 2019/630, where the exposure was originated prior to 26 April 2019, institutions are not required to deduct from CET1 items the applicable amount of insufficient coverage for NPEs. Where the terms and conditions of an exposure which was originated prior to 26 April 2019 are modified by the institution in a way that increases the institution's exposure to the obligor, the exposure is considered as having been originated on the date when the modification applies and, therefore, will cease being subject to the derogation provided above.

Regulation (EU) 2020/873 (the "CRR Quick Fix") amended the CRR and CRR II as regards certain adjustments in response to the COVID-19 pandemic. By virtue of this Regulation, the EU temporarily adapted banking rules in order to maximise the capacity of banks to lend money and support households and businesses to recover from the COVID-19 crisis. The targeted amendments concerned, among others, changes to the minimum amount of capital required under the "prudential backstop" to be held by banks for NPLs. In particular, the preferential treatment of NPLs guaranteed by official export credit agencies was extended to other public sector guarantors in the context of measures aimed at mitigating the economic impact of the COVID-19 pandemic.

Further reforms concerning the calculation of own funds are expected to be introduced with the adoption of the Capital Requirements Regulation III ("CRR III") in 2024.

On 20 March 2017, the ECB published a final guidance on NPLs. The guidance outlined measures, processes and best practices which banks should incorporate when tackling NPLs. The guidance called on banks to implement realistic and ambitious strategies to work towards a holistic approach regarding the problem of NPLs, including areas such as governance and risk management. The ECB did not stipulate quantitative targets to reduce NPLs. Instead, it asked banks to devise a strategy that could include a range of policy options such as NPL work-out, servicing, and portfolio sales.

The NPL guidance of the ECB is non-binding in nature. However, upon a request by the supervisory authority, banks are required to explain and substantiate any deviations. The NPL guidance is taken into consideration in the SSM regular SREP and non-compliance may trigger supervisory measures.

The NPL guidance of the ECB does not intend to substitute or supersede any applicable regulatory or accounting requirement, or any provisions of EU regulations or directives and their national transpositions, or any guidelines issued by the EBA. Instead, the NPL guidance is a supervisory tool aimed at clarifying the ECB's supervisory expectations regarding NPL identification, management, measurement and write-offs in any areas where existing regulations, directives or guidelines are silent or lack specificity. Where binding laws and regulations or accounting rules regulate the same topic, banks must comply with those.

On 15 March 2018, the ECB published the addendum to the ECB Guidance to banks on non-performing loans: supervisory expectations for prudential provisioning of non-performing exposures (the "Addendum"). The Addendum supplements the qualitative NPL guidance and specifies the ECB's supervisory expectations for prudent levels of provisions for new NPLs. The Addendum is non-binding and serves as the basis for the supervisory dialogue between the significant banks and ECB Banking Supervision. The Addendum addresses loans classified as NPLs in line with the EBA's definition after 1 April 2018. In effect, the Addendum sets out an expectation that, as of 1 April 2018, new unsecured NPLs should be fully covered after a period of two years from the date of their classification as NPLs. For example, the supervisor would expect a loan that is classified as an unsecured NPL on 1 May 2018 to be fully provisioned for by May 2020. For new secured NPLs, a certain level of provisioning is expected after three years of classification as an NPL, or "NPL vintage", which then increases over time until year seven. In this case, if a secured loan were classified as an NPL on 1 May 2018, the supervisor would expect this NPL to be at least 40% provisioned for by May 2021, and totally provisioned by May 2025.

Furthermore, according to its press release dated 22 August 2019, the ECB decided to revise its supervisory expectations for prudential provisioning of new NPEs specified in the Addendum. The decision was made after taking into account the adoption of Regulation (EU) 2019/630 amending the CRR as regards minimum loss coverage for NPEs, that outlines the Pillar 1 treatment for NPEs. In order to make the treatment of NPEs more consistent, the following changes have been made to the supervisory expectations communicated in the ECB's Addendum:

- the scope of the ECB's supervisory expectations for new NPEs will be limited to NPEs arising from loans originated before 26 April 2019, which are not subject to Pillar 1 NPE treatment;
- NPEs arising from loans originated from 26 April 2019 onwards will be subject to Pillar 1 treatment, with the ECB paying close attention to the risks arising from them; and
- the relevant prudential provisioning time frames, the progressive path to full implementation and the split of secured exposures, as well as the treatment of NPEs guaranteed or insured by an official export credit agency, have been aligned with the Pillar 1 treatment of NPEs set out in the EU regulation.

All other aspects, including specific circumstances, which may make prudential provisioning expectations inappropriate for a specific portfolio/exposure, remain as described in the Addendum.

Strategy to prevent a future build-up of NPLs across the European Union, as a result of the COVID-19 crisis

On 16 December 2020, the European Commission presented a strategy to prevent a future build-up of NPLs across the European Union, as a result of the coronavirus crisis. In order to give Member States and the financial sector the necessary tools to address a rise of NPLs in the EU's banking sector early on, the Commission proposed a series of actions, including among others:

- *Further developing secondary markets for distressed assets*. This will allow banks to move NPLs off their balance sheets, while ensuring further strengthened protection for debtors. A key step in process is the adoption of Directive (EU) 2021/2167 on credit servicers and credit purchasers for the harmonisation of the rules for credit servicers and credit purchasers of a creditor's claims under a non-performing credit agreement with the objective to support development of secondary markets for NPLs in the European Union, and to also ensure that the sale of such loans will not undermine borrowers' rights. The Directive (required to be transposed to national laws of the Member States by 30 December 2023), was transposed into Greek law by virtue of Greek Law 5072/2023. The Commission sees merit in the establishment of a central electronic data hub at EU level in order to enhance market transparency. Such a hub would act as a data repository underpinning the NPL market in order to allow a better exchange of information between all actors involved (credit sellers, credit purchasers, credit servicers, asset management companies ("AMCs") and private NPL platforms) so that NPLs are dealt with in an effective manner. On the basis of a public consultation, the Commission would explore several alternatives for establishing a data hub at European level and determine the best way forward. One of the options could be to establish the data hub by extending the remit of the existing European DataWarehouse. In this context, the EU Commission launched a targeted consultation until 8 September 2021 on improving transparency and efficiency in secondary markets for NPLs.
- *Support the establishment and cooperation of national AMCs at EU level.* The Commission stands ready to support Member States in setting up national AMCs – if they wish to do so – and would explore how cooperation could be fostered by establishing an EU network of national AMCs. While national AMCs are valuable because they benefit from domestic expertise, an EU network of national AMCs could enable national entities to exchange best practices, enforce data and transparency standards and better coordinate actions. The network of AMCs could furthermore use the data hub to coordinate and cooperate with each other in order to share information on investors, debtors and

servicers. Accessing information on NPL markets will require that all relevant data protection rules regarding debtors are respected.

ECB and EBA guidance on management of NPEs and FBEs

On 31 October 2018, the EBA published the final guidance on management of NPEs and FBEs. The Guidelines, which apply from 30 June 2019 are developed in accordance with the European Council Action Plan to tackle NPLs in Europe and aim to ensure that credit institutions have adequate prudential tools and frameworks in place to manage effectively their NPEs and to achieve a sustainable reduction on their balance sheets. To this end, the Guidelines require institutions to establish NPE reduction strategies and introduce governance and operational requirements to support them. In particular, the Guidelines specify that institutions should grant forbearance measures only with the view to return the borrower to a sustainable performing repayment status. Moreover, the Guidelines introduce a threshold of 5% of gross NPL ratio as a trigger for developing NPE strategies and applying associated governance and operational arrangements. Finally, the Guidelines outline requirements for competent authorities' assessment of credit institutions' NPE management activity as part of the SREP. The EBA Guidelines on management of NPEs and FBEs of 31 October 2018 were adopted by the Bank of Greece by virtue of Act No. 175/2/29.7.2020 of its Executive Committee, which was amended by the Bank of Greece Executive Committee Act No. 206/1/03.06/2022.

Further to the above and in the context of the financial turmoil triggered by the COVID-19 outbreak, it has been decided that banks should be supported as they provide solutions to viable but distressed customers. Such support did not refer to stock of NPLs accumulated prior to the outbreak.

More specifically, in relation to all exposures that will benefit from government guarantees issued by Member States in the context of public interventions relating to the COVID-19 pandemic, the ECB, within its own remit, and within the context of the ECB Guidance on NPLs and the Addendum, extended flexibility on the automatic classification of obligors as unlikely to pay, when institutions call on the COVID-19 related public guarantees, as allowed under the Guidelines on the application of the definition of default issued by the European Banking Authority.

The preferential treatment foreseen for NPLs guaranteed or insured by official export credit agencies was extended to non-performing exposures that benefit from guarantees granted by national governments or other public entities. This ensures alignment with the treatment provided in the CRR Quick Fix. Concretely, this means that banks would face a 0% minimum coverage expectation for the first seven years of the NPE vintage count.

The ECB also extended flexibility to the NPL classification of exposures covered by qualifying legislative and non-legislative moratoria, following the EBA guidelines on legislative and non-legislative moratoria on loan repayments applied in the light of the COVID-19 crisis. The EBA Guidelines on legislative and non-legislative loan repayments moratoria were published on 2 April 2020 to ensure that banks, while maintaining comparable metrics, would be able to grant payment holidays to customers avoiding the automatic classification of exposures under the definition of forbearance or as defaulted under distressed restructuring. However, it should be noted that these guidelines were initially applicable until 30 June 2020 and were subsequently extended to 30 September 2020 due to the COVID-19 pandemic. On 2 December 2020, the EBA announced that it has decided to reactivate its Guidelines on legislative and non-legislative moratoria. This reactivation will ensure that loans, which had previously not benefitted from payment moratoria, can also benefit from them. The role of banks to ensure the continued flow of lending to clients remains of utmost importance and with the reactivation of these Guidelines, the EBA recognises the exceptional circumstances of the second COVID-19 wave. The EBA revised Guidelines, which applied until 31 March 2021, included additional safeguards against the risk of an undue increase in unrecognised losses on banks' balance sheet.

Guidelines on disclosure of NPEs and FBEs

On 17 December 2018, the EBA published the final guidelines on disclosure of NPEs and FBEs. Such disclosure shall allow the market participants and interested parties to have a clearer picture of the quality of the banks' assets, NPEs' and FBEs' main features and, in cases of troubled banks, the distribution of their problematic assets and the value of the collaterals backing such assets. The Guidelines include a group of common standards applicable to any bank and another group of additional standards applicable to significant credit institutions with gross NPL ratio at 5% or higher. The Guidelines were adopted by the Bank of Greece by virtue of Act No 197/1/21.12.2021 of its Executive Committee. On 12 October 2022- and following the publication of Implementing Technical Standards (ITS) on Pillar 3 disclosures specifying disclosure requirements on NPEs and FBEs that are applicable only to large and other listed institutions per Article 442 of the CRR) - the EBA amended the guidelines to clarify that they will continue to apply to listed small- and non-complex institutions and to other medium-sized institutions that are non-listed.

15.5 Securitisations – Hellenic Asset Protection Scheme for Banks in Greece

Securitisations

Article 10 of the Greek Law 3156/2003 (the "Securitisation Law") sets out a framework for the assignment and securitisation of business receivables (actual, future, or contingent), originated by a business undertaking having its registered seat in Greece or a business undertaking having its registered seat outside of Greece but having a permanent establishment in Greece (each such eligible originator, a "Transferor"). Pursuant to the Securitisation Law, a Transferor may sell and assign its business receivables to a special purpose vehicle (an "SPV"), and the purchase price payable by the SPV to the Transferor must be financed through the issue of notes issued by the SPV. In particular, under the Securitisation Law:

(a) the assignment of the receivables is governed by the provisions of the Greek Civil Code on the assignment of rights and claims, so that the receivables are assigned to the SPV together with any accessory or ancillary rights (such as guarantees, mortgages, pledges and other security interests);

(b) the transfer of the receivables pursuant to the Securitisation Law does not change the nature of the receivables, and any privileges attaching to the receivables for the benefit of the Transferor are also transferred to the SPV;

(c) a summary of the receivables assignment agreement must be registered with the competent Pledge Registry, in accordance with Article 3 of Greek Law 2844/2000 of the Hellenic Republic, and, upon such registration, (i) the transfer of title in the receivables is completed; (ii) the validity of the sale and transfer of title in the receivables and of any accessory or ancillary rights relating to the receivables is not affected by any insolvency proceedings concerning the Transferor or the SPV; (iii) the underlying debtors of the receivables are deemed to have received notice assignment of those receivables; and (iv) a pledge is created by operation of law over the securitised receivables and the segregated collection account in favour of the noteholders and the other creditors of the securitisation transaction (as set out in items (f) and (g) below);

(d) the collection and servicing of the securitised receivables must be carried out by:

    (i) a credit institution or financial institution licenced to provide services in accordance with its scope of business in the EEA; or

    (ii) the Transferor; or

    (iii) a third party that had guaranteed or serviced the receivables prior to the time of transfer to the SPV;

    (each of the entities under items (i) to (iii), referred to as the "Servicer");

(e) if the SPV does not have a registered seat in Greece, and the securitised receivables are claims against consumers in Greece, the Servicer of the securitised receivables must have an establishment in Greece;

(f) any collection by the Servicer, in respect of the receivables, is made on behalf and for the account of the noteholders and the collected amounts must be deposited into a collection account maintained with the Servicer (if the Servicer is a credit institution) or with a credit institution operating in the EEA (if the Servicer is not a credit institution); the collection account is in the name of the SPV as issuer, is designated as a segregated bank account in accordance with the Securitisation Law and is subject to the pledge created by operation of law upon registration of the assignment agreement with the competent Pledge Registry; the collection account does not form part of the Transferor's or the Servicer's insolvency estate and any amount standing to the credit of the collection account cannot be subject to attachment, set-off or any other encumbrance by any creditor of the Transferor, the Servicer or the account bank;

(g) upon registration of the assignment agreement with the competent Pledge Registry, in accordance Article 3 of Greek Law 2844/2000, no security interest or other encumbrance can be created over the receivables other than the pledge created by operation of law pursuant to the Securitisation Law, which pledge is in favour of the noteholders and the other creditors of the SPV; and

(h) the claims of the holders of the notes issued in connection with the securitisation of the receivables and also of the other creditors of the SPV from the enforcement of the pledge operating by law will rank ahead of the claims of any statutory preferential creditors.

The Hellenic Asset Protection Scheme

On 10 October 2019, the EC announced that the Hercules Asset Protection Scheme ("Hercules I") proposed by Greece to support the reduction of NPLs of Greek banks did not constitute state aid on the basis that the Greek State would be compensated in line with market conditions for the risk it would assume by granting a guarantee on securitised NPLs. Hercules I was designed to assist banks in securitising and moving NPLs off their balance sheets. Under Hercules I, a securitisation SPV, as the purchaser of NPLs originated by the relevant bank, issued notes to investors under the guarantee of the Greek State for the senior (and less risky) notes issued by the SPV; remuneration was payable to the Greek State in consideration for its guarantee.

Greek Law 4649/2019, as amended by Greek Law 4818/2021 and further amended by Greek Law 5072/2023, provides the terms and conditions on which the Greek State guarantee may be granted in the context of NPL securitisation by credit institutions under the asset protection scheme, in line with Decision No. 10.10.2019 C (2019)7309 of the EC (the "Initial Decision"), Decision 9.4.2021 C (2021) 2545 of the EC for the extension of the Hellenic Asset Protection Scheme (the "Extension Decision") and Decision 28.11.2023 C (2023) 8034 (the "Re-Introduction Decision"). Such terms and conditions include, *inter alia*, the provision that the notes to be issued in the context of the securitisation must include senior and junior notes and the price payable to the Greek banks for the sale and transfer of NPLs cannot exceed their aggregate net book value. The Greek State guarantee is a first demand, irrevocable and unconditional guarantee for the full payment of principal and interest under the senior notes throughout the term of the notes. The initial aggregate commitment of the Greek State under Greek Law 4649/2019 amounted to €12 billion. Hercules I was approved by the Commission in October 2019, for an initial duration of 18 months. Greece notified the Commission of its plan to prolong the scheme for a further 18 months until October 2022, and such extension of the Hercules scheme ("Hercules II") entered into force by virtue of Ministerial Decision 45191/13.4.2021 with an aggregate commitment thereunder for an additional €12 billion. Under Hercules II, applications for the provision of the Greek State guarantee could be filed exclusively within 18 months from 9 April 2021, *i.e.*, by 9 October 2022.

Greece notified the EC of its plan to re-introduce the scheme until the end of 2024; the EC approved the re-introduction of the Hercules scheme ("Hercules III") by virtue of Greek Law 5072/2023 with the aggregate commitment of the Greek State reduced to €2 billion. Under Hercules III, applications for the provision of the Greek State guarantee can be submitted by credit institutions for securitisations that have already been implemented that are currently in the process of implementation in the context of the previous Hercules II programme, exclusively from the publication date of the Re-Introduction Decision of the EC until 31 December 2024 or such other date as may be designated by a decision of the Minister of Finance pursuant to the Re-Introduction Decision or the EC (as such decision may be amended or extended in the future). The granting of the guarantee of the Greek State guarantee is regulated, among others, by the provisions of the Initial Decision, the Extension Decision and the Re-Introduction Decision.

The Greek State guarantee becomes effective upon (i) the sale and transfer to private investors (at a positive price) of at least 50% plus one of the issued junior notes; (ii) the sale and transfer to private investors (at a positive price) of such number of junior notes, and (if issued) mezzanine notes as necessary to allow for the derecognition of the securitised receivables in the financial statements of the transferor on a solo basis and on a consolidated basis; (iii) the rating of the senior tranche of the notes at no less than BB+, Ba1, BB (high) or higher by an External Credit Assessment Institution (as defined in point (98) of Article 4(1) of the CRR); and (iv) the assignment of the servicing of the securitised receivables to an independent servicer (not controlled by the transferor of the receivables). If the Greek State guarantee does not become effective within 12 months as of the publication of the respective Ministerial Decision granting the guarantee, then such decision ceases automatically to be in force and the amount of the guarantee is released. There can be no new application for the same securitisation before the lapse of six months. Certain ministerial decisions have been issued to set out the details for the implementation of the aforementioned law.

15.6 Framework for the Servicing and Transfer of Claims

Pursuant to Greek Law 5072/2023, the servicing of receivables from loan and credit facilities granted by credit or financial institutions must be undertaken exclusively by credit servicers being: (a) servicing companies already licensed by the Bank of Greece under the previous regime of Greek Law 4354/2014 until 29 June 2024; (b) servicing companies licensed the Bank of Greece in accordance with Article 8 of Greek Law 5072/2023; or (c) solely for the servicing of non-performing credit receivables and subject to prior notification to the Bank of Greece, credit servicers having their registered offices in another Member State and licensed by the competent authority of that Member State. Greek Law 5072/2023 also provides that the license of the Bank of Greece may (subject to certain additional criteria being met) also allow a credit servicer to refinance loan or credit receivables serviced by the credit servicer or another credit servicer.

The sale of receivables from loan or credit facilities originated from credit or financial institutions having their registered seat or being established in Greece or another Member State can be effected by written agreement, and the transfer must be registered in the public books of the competent pledge register, as defined in Greek Law 2844/2000, in accordance with Article 21 of Greek Law 5072/2023. The purchaser and transferee must be either: (a) a credit purchaser, as defined in Greek Law 5072/2023, being a natural or legal person professionally engaged in the purchase and acquisition of loan or credit receivables (other than a credit or financial institution) domiciled or having their registered seat within the EU (or, if not domiciled or having their registered seat within the EU, having appointed a representative in an Member State); or (b) another credit or financial institution having their registered seat or an establishment within the EU.

Greek Law 5072/2023 requires each credit purchaser to appoint a credit servicer to service the acquired loan or credit receivables and to exercise the rights and claims of the credit purchaser against the relevant debtors, and further requires each appointed credit servicer to follow the procedures of the Code of Conduct of the Bank of Greece on loans in arrears.

Greek Law 5072/2023 further follows the provisions of the previous framework in connection with loan or credit receivables originated in Greece and owed by consumers (as defined by Article 1a of Greek Law 2251/1994, as in force) and provides that the credit or financial institution intending to sell and transfer such receivables must, as a prerequisite to the sale and transfer, have served on the relevant debtors (within a period of 12 months prior to the offer for sale) an extrajudicial invitation to settle or restructure their indebtedness on the basis of an appropriate settlement or restructuring proposal in accordance with the Code of Conduct of the Bank of Greece on loans in arrears. This requirement does not apply to loan or credit receivables for which court proceedings are pending or for which the claim has been adjudicated by a court judgment or order, or loan or credit receivables owed by debtors characterised as non-cooperative in accordance with Greek Law 4224/2013.

Where a credit purchaser having its registered seat in Greece (or, as applicable, having a designated representative in Greece) further transfers loan or credit receivables to another credit purchaser, it is required under Article 24 of Greek Law 5072/2023 to notify the Bank of Greece (or, as applicable, to procure its designated representative to notify the Bank of Greece) twice a year about the following information:

(a) the legal entity identifier (LEI) of the new credit purchaser and, where applicable, its designated representative or, where such identifier does not exist:

    (i) the identity of the new credit purchaser or, where applicable, its designated representative, or of the members of its management or administrative organs (or of its representative) and of the persons who hold qualifying holdings in the new credit purchaser or its representative; and

    (ii) the address of the new credit purchaser or, where applicable, its designated representative;

(b) the aggregate outstanding balance of the loan or credit receivables that have been transferred;

(c) the number and the amount of the loan or credit receivables that have been transferred; and

(d) if applicable, whether the loan or credit receivables so transferred include receivables owed by consumers and, if such receivables are secured, the type of the relevant security assets.

Credit servicers are entitled to initiate and continue any legal proceedings and to proceed with any other judicial measures for the collection of the serviced receivables as non-beneficiary litigants. Credit servicers also allowed to manage real property assets that secured the serviced receivables but are not permitted to acquire themselves such real property assets (whether by voluntary transfer or in the context of enforcement proceedings).

It is expected that, following the enactment of Greek Law 5072/2023, the Bank of Greece will issue a new implementing act in line with Greek Law 5072/2023, replacing Act 118/2017.

15.7 Debt Settlement Mechanism, Pre-Insolvency and Insolvency Procedures under Greek Law 4738/2020

Early warning mechanism and borrowers' service centres

The provisions of Greek Law 4738/2020 on insolvency and pre-insolvency proceedings introduce an early warning electronic mechanism operated through a special platform and supervised by the Special Secretariat for the Administration of Private Debt of the Ministry of Finance, aiming to detect circumstances which could lead to insolvency of individuals and businesses and the creation of non-sustainable debts. The above provisions of Greek Law 4738/2020 are further specified by the implementing Joint Ministerial Decision No. 4027ΕΞ2022/2022.

Debtors who file an application to the platform are classified in three risk levels (low, medium and high). Debtors being individuals and classified of medium or high risk are directed to the debtors' service centres or to the debtors' support service offices and, if such debtors are acting in their professional or business capacity, they are directed to the relevant professional chamber or association or institutional social partners (as applicable), for free of charge specialised advice to debtors in relation to their debts and potential settlement options under Greek Law 4738/2020.

Out-of-court debt settlement under Greek Law 4738/2020

The provisions of the second section of the part of Greek Law 4738/2020 (effective from 1 June 2021) establish a new out-of-court debt settlement procedure. These provisions have repealed and replaced Greek Law 4469/2017 (which provided for a procedure for the out-of-court settlement of business debts).

For the purposes of an out-of-court debt settlement procedure under Greek Law 4738/2020, as amended (including by Greek Law 5072/2023) and in force, individuals, legal entities being capable of being declared bankrupt and/or private legal entities not pursuing an economic purpose but engaging in economic activities may apply for the extrajudicial settlement of their debts towards the Greek State, credit or financial institutions and social security institutions, provided that certain criteria are met (including that the debts towards credit or financial institutions, the Greek State and social security institutions must exceed the amount of €10,000). Entities of the wider financial sector, such as investment service providers, mutual funds, credit and (re-)insurance institutions, fall outside the scope of application of Greek Law 4738/2020 and, therefore, may not apply as debtors for this out-of-court settlement. Creditors may accept or reject the debtor's application, but a rejection must be reasoned. Creditors are also entitled to initiate an out-of-court settlement procedure, by inviting the debtor(s) to submit an application within 45 days; if a debtor does not file an application within that period, the procedure is terminated. Each application (by the debtor or any creditor) and each acceptance or rejection of a debtor's application are filed through the electronic platform available by the Special Private Debt Management Secretariat.

Upon filing of an application for out-of-court settlement and until termination of the procedure, no creditor can commence enforcement against the debtor, the procedure of the Code of Conduct for NPLs is automatically suspended and the same applies to any pending enforcement actions and measures (with the exception only of any auctions already scheduled to take place within the three months following the date of the submission of the debtor's application, or any procedural action of a secured creditor preceding the auction, such the seizure of the assets to be auctioned).

If, for any reason, no settlement is achieved further to the application, the suspended enforcement actions and measures can resume. Furthermore, on application of the debtor or any creditor within 30 days from termination of the out-of-court settlement procedures, the procedures of the Code of Conduct for NPLs continue. The approval of the debt settlement proposal requires the debtor's consent and the consent of the majority of 60% of those participating creditors – being credit or financial institutions which percentage must include at least 40% of secured creditors (each such percentage referring to the amount of the debtor's indebtedness). Subject to certain criteria being met (Articles 21 and 22 of Greek Law 4738/2022), a debt settlement agreement reached between the debtor and the above majority of its creditors is binding on the Greek State. If the debt settlement agreement concerns a loan secured by mortgage or mortgage prenotation over the debtor's main residence, a subsidy (up to an amount of €210 per month) may be granted on the loan instalments due during a period of five years from the date of submission of the debtor's application provided that certain conditions are met, including the following: (i) the aggregate amount of debt towards Greek State and social security institutions exceeds €20,000; (ii) the amount owed under the above mortgage loan does not exceed €135,000 for an one-person household and up to the maximum amount of €215,000 for a family; (iii) there has been reduced family income (or business revenues, as applicable) during the period preceding the submission of the application; (iv) the debtor meets the criteria for housing allowance; and (v) the debtor receives no other state subsidy for the same loan.

If no debt settlement agreement is reached between the debtor and the participating creditors within two months of the submission of the application, the application will be rejected. The debt settlement agreement can be terminated by any creditor whose claims are settled thereunder if the debtor defaults payment of an aggregate amount equal to at least three payment instalments or equal to at least 3% of the total amount due under the settlement agreement. Termination of the debt settlement agreement by a creditor will result in the reinstatement of the debtor's liabilities towards the terminating creditor to the pre-settlement debt amount (following deduction of any amount already paid to that creditor under the settlement) but such termination will not affect the validity and enforceability of the debt settlement agreement vis-à-vis the other participating creditors.

Pursuant to Article 30 of Greek Law 4738/2020 credit institutions may establish common policies which include but are not limited to the processing and approval of applications (including rules with respect to automated processing) and timely notification procedures for over-indebted clients. Any such common policies must be published.

Settlement of loans guaranteed by the Greek State

Article 30(4) of Greek Law 4738/2020, in conjunction with Article 103 of Greek Law 4549/2018 and the implementing Ministerial Decision 2/94253/0025 (effective from 31 January 2019), sets the terms and conditions for the settlement of loans guaranteed by the Greek State. In particular, credit institutions and borrowers (whether individuals or businesses) may proceed with the settlement of loans guaranteed by the Greek State on the terms and conditions set by the above Ministerial Decision, without the need for a consent by the Greek State, provided that the settlement is in accordance with ordinary banking criteria and the no worse-off principle and does not increase the liability of the Greek State as guarantor.

Rehabilitation

Greek Law 4738/2020 (effective from 1 March 2021) is relevant to the rehabilitation agreement, a pre-bankruptcy collective procedure intended to preserve, restructure and rehabilitate the debtor's business through the ratification of a rehabilitation agreement, provided that the rehabilitation agreement meets the no worse-off test for the creditors as compared to the rights and recoveries of each creditor in the event of liquidation of the debtor's estate.

It is available on the application of the debtor (carrying on a business activity and having the centre of its main interests in Greece) or the creditors of the debtor. For the debtor to be able to apply for the ratification of a rehabilitation agreement, the rehabilitation agreement must have been concluded between (or must be consented to by) the debtor and creditors representing more than 50% of the secured claims and more than 50% of the other claims by value and there must also be evidence of an actual or foreseeable financial inability on the part of the debtor to pay its debts as they fall due in a general manner, or evidence that there is a likelihood that the debtor will become insolvent unless rehabilitated.

The court may also sustain the debtor's application if it assesses that the debtor is already in cessation of payments, provided that the debtor, at the same time, files for bankruptcy and also files an expert report.

Creditors representing the above percentages of secured claims and other claims may also apply for the ratification of a rehabilitation agreement concluded between the creditors only and without the consent of the debtor if, at the time the rehabilitation agreement was concluded between the creditors, the debtor had already ceased payments.

If any of the above percentages of claims is not reached, the court may still ratify a rehabilitation agreement, whereupon it will be binding on all creditors, provided that at least the following criteria are met:

(a) the rehabilitation agreement has been concluded by creditors representing at least 60% of all creditors' claims and more than 50% of the secured creditors' claims;

(b) non-consenting creditor claims are treated more favourably than other creditor claims that would be of a lower ranking in the event of liquidation in bankruptcy;

(c) no category of creditors is entitled to receive any value in excess of the total amount of its respective claims; and

(d) if the debtor is a very small entity, the rehabilitation agreement was proposed by the debtor or was concluded with the consent of the debtor.

The court (if so requested by the debtor or any creditor) may appoint a special administrator specifically responsible for certain managerial acts specified by the court with a view to preserving the debtor's assets, ensuring protection with regard to certain transactions and monitoring the rehabilitation process.

There are no particular restrictions as to what may be included in a rehabilitation agreement, other than that the agreement cannot be contrary to the law. Matters commonly covered include: (i) the amendment of the financial terms of the creditors' claims (including, without limitation, changes with respect to the due dates or the interest rate, the replacement of interest payments with payments out of future profits or a change in the ranking order of existing security interests); (ii) the conversion of debt into equity whether by the issue of new shares or by the issue of convertible bonds; (iii) intercreditor arrangements whether by reference to the status of the creditors as creditors or by reference to their status as shareholders following conversion of debt into equity, including, without limitation, designation of new or different classes of senior and subordinated debt; (iv) the reduction of the amount of the creditors' claims, on account of principal and/or interest; (v) the sale of the assets of the debtor; (vi) the assignment of the administration of the debtor's business to a third party; (vii) the transfer of the business or part of the business of the debtor to a third party or to a company established by the creditors; (viii) the stay of individual creditor enforcement following ratification of the agreement for a specified period, such stay not being binding on dissenting creditors beyond three months; (ix) the appointment of a person who will monitor compliance with the terms of the rehabilitation agreement, with the powers and duties provided for in the rehabilitation agreement; (x) additional payments that must be made if the debtor's financial condition improves; and/or (xi) in respect of debt converted into equity, the replacement of guarantees, credit insurances or similar agreements with put options in favour of the affected creditor for the sale to the relevant guarantor, insurer or other relevant party of the instruments resulting from the conversion of debt into equity, for a period of up to two months after the date on which the debt would be due and payable had it not been converted into equity and, if the debt was already due and payable at conversion, for a period of up to two months after conversion.

Claims secured by financial collateral are not affected by the rehabilitation agreement.

The rehabilitation agreement may include termination provisions and may also provide that a breach of its terms operates as a resolutory condition (*διαλυτική αίρεση*) cancelling the rehabilitation agreement. It may also include conditions precedent (*αναβλητική αίρεση*) with respect to all or any of its terms, in which case there must be a longstop date within which any such condition precedent must be satisfied. This longstop date must not extend beyond nine months from the date of ratification by the court of the rehabilitation agreement.

The rehabilitation agreement is entered into as a private agreement unless the obligations contemplated therein require the parties to enter into a notarial deed.

If the debtor is a legal entity, its board of directors or its administrator is exclusively competent to consent to a rehabilitation agreement and, where anything in the rehabilitation agreement would be within the competence of the general meeting of shareholders or of the partners of the debtor, no approval by the general meeting of shareholders or of the partners will be required if the expert report concludes that no residual claims of the shareholders or partners are affected by the rehabilitation agreement, except only if approval is expressly and specifically required by law.

Where the approval of the general meeting of shareholders or partners of the insolvent debtor is required for the implementation of the rehabilitation agreement, the court, by virtue of its judgment ratifying the rehabilitation agreement, may prevent unreasonable delays or objections on the part of the shareholders or partners. The court can do this by appointing a special representative authorised to exercise their voting rights so as to efficiently enable the debtor and the creditors to implement the rehabilitation agreement.

Provided that creditors representing the required thresholds set out in the beginning of this section have consented (or, subject to deemed consent criteria of Greek Law 4738/2020 being met, deemed to be consenting) to the rehabilitation agreement, the court will ratify the rehabilitation agreement if the following criteria are cumulatively met:

(a) it is likely that the debtor will remain viable following the ratification of the rehabilitation agreement;

(b) it is likely that the non-consenting creditors as well as the creditors who are deemed to be consenting will not be in a worse economic position than they would have been in in the event of the debtor's bankruptcy;

(c) the rehabilitation agreement is not the result of malicious, wrongful or unlawful acts of the debtor, any creditor or any third party, including those committed in breach of anti-trust laws;

(d) the rehabilitation agreement treats creditors of the same class equally, provided that deviations from the equal treatment principle may be permitted for serious business or social reasons explained in detail in the court judgment, or where the affected creditors have consented to the unequal treatment; and

(e) where the ratification of a rehabilitation agreement is requested by the creditors, the debtor consents to the rehabilitation agreement. The debtor is deemed to consent if it has not notified the court that it objects until the hearing of the creditors' application, provided that objection by the debtor does not prevent ratification if, based on the expert report accompanying the application for ratification, the rehabilitation agreement will not put the debtor in a worse legal or financial position than its legal or financial position without the rehabilitation agreement.

If it is likely that the ratification of the rehabilitation agreement will not reverse any actual cessation of payments, the court will not ratify the rehabilitation agreement. If no application for the declaration of bankruptcy is pending but there is evidence of cessation of payments, the court will reject the application for ratification and will communicate its judgment to the competent attorney general of the court (who is entitled to submit an application for declaration of bankruptcy of the debtor). Where an application for ratification of a rehabilitation agreement is submitted after cessation of payments together with an application for the declaration of bankruptcy (Article 74 of the Insolvency Code), if the court does not ratify the rehabilitation agreement on the basis that the criteria for rehabilitation are not met, the court will declare bankruptcy.

The court judgment ratifying or denying ratification of a rehabilitation agreement is published with the General Commercial Registry and the Electronic Solvency Register, on application of the debtor or any creditor. In case of court ratification of a rehabilitation agreement, the relevant court judgment, which includes the key terms of that rehabilitation agreement, is made available to the public. However, the rehabilitation agreement itself is not made public.

Once ratified by the court, the rehabilitation agreement becomes fully binding on the debtor and on all creditors, including creditors who did not agree or consent to it. It is not binding, however, on creditors whose claims came into existence following the opening of rehabilitation proceedings. Creditors' claims against co-debtors or guarantors are limited to the same amount as the claims against the debtor, provided that the relevant creditor has expressly consented to this limitation.

Satisfaction of business debts through a sale of the business as a whole or of business units

The second part of Greek Law 4738/2020 (effective from 1 March 2021) is relevant to bankruptcy. Bankruptcy is declared by court judgment if there is actual or imminent cessation of payments of a debtor (with cessation of payments meaning the general and permanent inability to pay debts as they fall due). Bankruptcy is intended to the liquidation of the debtor's business or assets to satisfy the claims of the creditors of the bankruptcy estate.

The provisions of Articles 158 *et seq.* of Greek Law 4738/2020 apply to liquidation in bankruptcy through a sale of the business of the debtor as a whole or of units of that business. With effect from 1 March 2021, these provisions of Greek Law 4738/2020 have replaced the provisions of Articles 68-77 of Greek Law 4307/2014 (on special administration), which continue to apply only in respect of any pending special administration proceedings, unless the meeting of creditors decides to carry out the proceedings in accordance with the provisions of Greek Law 4738/2020.

Pursuant to Greek Law 4738/2020, the sale of the business as a whole (or the sale of business units) is ordered by the court judgment declaring bankruptcy, is instructed by the bankruptcy officer (*syndikos*), is effected by an electronic auction (through the e-auction platform) and is conducted by a notary public acting as the appointed auction officer; the meeting of creditors decides whether the successful bidder will be awarded and, if not, the meeting of creditors' may request the successful bidder to submit a best and final offer.

If the auction for the sale of the business as a whole (or of business units) is unsuccessful, the bankruptcy officer (*syndikos*) may proceed with the liquidation of individual assets of the bankruptcy estate in accordance with the procedures of Greek Law 4738/2020.

Interest Rates

Under Greek law, interest rates applicable to bank loans are not subject to a legal maximum, but they must comply with certain requirements intended to ensure clarity and transparency, including with respect to their readjustments. Specifically, Governor of the Bank of Greece Act No. 2501/31.10.2002 and Decision No. 178/19.7.2004 of the Banking and Credit Committee of the Bank of Greece provide that credit institutions operating in Greece must, among others, determine their interest rates in the context of the open market and free competition rules, taking into consideration the risks undertaken on a case-by-case basis, as well as potential changes in the financial conditions and the data and information specifically provided by parties for this purpose.

Limitations apply to the compounding of interest under Greek law. In particular, the compounding of interest with respect to bank loans and credits only applies if the relevant agreement so provides and may only apply at the end of interest periods of a duration not shorter than the duration of the interest period applicable to the relevant loan or credit facility, but not earlier than the end of a six-monthly interest period (Article 30 of Greek Law 2789/2000 and Article 39 of Greek Law 3259/2004).

Credit institutions based in Greece may not capitalise interest unless this is provided for in the original medium- to long-term financing agreement or in the overall agreement for the settlement of the entirety of the debts of the borrower referred to herein above. Governor of the Bank of Greece Act No. 2393/15.7.1996 provides that default interest applied by credit institutions shall not exceed the aggregate applicable contractual interest more than a maximum percentage of 2.5% annually.

Pursuant to Article 150 of the Banking Law on interest rates of loan or credit facilities, credit institutions are precluded from recognising on an accrual basis interest on loans or other credits if accrued interest remains unpaid for at least six months from the due date of such accrued interest (with respect to loans to natural persons fully secured by real estate) and three months (with respect to any other loan or credit facilities). Upon the expiry of the above time period, credit institutions may only record such unpaid interest (and any default interest or compounded interest) off-balance sheet; any such off-balance sheet interest will be treated as on-balance sheet if and when collected.

Moreover, according to Article 150, paragraph 2, of the Banking Law, a credit institution is prohibited from granting new loans for the repayment of overdue interest or from entering into any other arrangement having a similar result, unless such actions are taken in the context of an agreement for the settlement of the entirety of the debts of the borrower, which settlement must be based on a detailed examination of the borrower's capacity to fulfil the undertaken obligations within the specified time period.

Secured Lending

According to Article 11 of the Banking Law, the lending activities of Greek credit institutions include, among others, consumer credit, credit agreements relating to immovable property, factoring (with or without recourse) financing of commercial transactions (including forfeiting).

The provisions of legislative decree 17.7/13.08.1923 apply to bank loans and credit facilities secured by in rem rights and Greek Law 3301/2004 (implementing Directive 2002/47/EC of the European Parliament and of the Council on financial collateral arrangements) to financial collateral arrangements.

Mortgage lending is extended mostly on the basis of mortgage prenotations, which are less expensive and easier to register than mortgages and may be converted into full mortgages upon the issue of an enforceable and non-appealable court judgment (or upon the issue of an *ex parte* court payment order having acquired the force of an enforceable and non-appealable court judgment).

European Directive 2014/17/EU on credit agreements for consumers relating to residential immovable property lays down a common framework for certain aspects of the laws, regulations and administrative provisions of Member States concerning agreements covering credit for consumers secured by a mortgage or otherwise relating to residential immovable property, including an obligation to carry out a creditworthiness assessment before granting a credit, as a basis for the development of effective underwriting standards in relation to residential immovable property in Member States, and for certain prudential and supervisory requirements, including for the establishment and supervision of credit intermediaries, appointed representatives and non-credit institutions. In Greece, the above Directive has been transposed by virtue of Greek Law 4438/2016 (as in force, following its amendment by Greek Law 5072/2023). The main provisions of Greek Law 4438/2016 (as in force), include, among others, the obligation of professional conduct in dealing with consumers, the obligation to provide pre-contractual information (free of charge) to consumers on the terms of the loan, the obligation to observe specific requirements on advertisement and marketing of loans, the obligation to proceed with the credit assessment of the relevant consumer and the valuation of the real property asset intended to be financed, the obligation to inform consumers of any change in the applicable interest rate or any change in the terms of the loan agreement, the obligation to comply with the Code of Conduct of the Bank of Greece on loans in arrears and the obligation to not unduly expedite termination and enforcement of the loan, as well as the requirements for the passporting of credit intermediaries meeting the admission requirements in their home Member State.

Compulsory Deposits with the Bank of Greece

Minimum reserves held by credit institutions shall be calculated using the following reserve ratios for each of the liabilities of the reserve base in accordance with ECB Regulation 2021/378, as amended by ECB Regulation (EU) 2022/2419 Regulation (EU) 2023/1679 of the ECB and in force, on the application of minimum reserve requirements:

(a) a reserve ratio of 0% shall apply to the following categories referred to in Part 2 of Annex II to Regulation (EU) 2021/379 (ECB/2021/2):

    (i) deposits which fulfil one of the following conditions:

    - have an agreed maturity over two years;
    - are redeemable at notice over two years; and
    - are repurchase agreements (repos); and

(ii) debt securities issued with an original maturity over two years; and

(b) a reserve ratio of 1% on all other liabilities included in the reserve base.

This commitment ratio applies to all credit institutions in Greece.

Restrictions on Enforcement of Granted Collateral

With respect to out-of-court debt settlement mechanism regulated by Greek Law 4738/2020, as in force, any individual and collective enforcement measures against a debtor, pending or not, regarding claims the settlement of which is pursued through this mechanism, are automatically suspended following the execution of a debt settlement agreement. The suspension commences from the final submission of the debtor's application to initiate the process, however, any auction that has been scheduled within three months following the debtor's application would not be covered by the suspension. Any preparatory action taken by a secured creditor with a view to conducting an auction would also not be affected by the suspension.

Article 60 of Greek Law 4472/2017 (as amended by Article 208 of Greek Law 4512/2018) introduced electronic auctions. The e-auction platform is also used for any liquidation proceedings conducted under the new Greek Law 4738/2020. Pursuant to Article 168 paragraph 3 of Greek Penal Code, as in force, the interruption or disruption of an auction constitutes a criminal offence.

15.8 Equity Participations of Individuals or Legal Entities in Greek Credit Institutions

The acquisition of an equity participation in Greek credit institutions is subject to the EU qualifying holding rules as transposed and implemented by the Banking Law under Articles 23-28. A "qualifying holding" is defined in Article 4(36) of the CRR (to which the Banking Law refers) as a direct or indirect holding in a credit institution which represents 10% or more of the capital or of the voting rights of the credit institution in question, or which makes it possible to exercise a significant influence over the management of such credit institution.

According to Article 23 of the Banking Law, any person (individual or legal entity), intending to acquire, directly or indirectly, individually or acting in concert (alternatively, each a "proposed acquirer"), a qualifying holding, or to increase a holding resulting in that person's holding exceeding in aggregate the thresholds of 20%, 1/3 or 50% of the share capital or voting rights of a Greek credit institution, or resulting in the credit institution in question becoming its subsidiary, must notify in writing the Bank of Greece in advance of the acquisition, indicating the size of the intended holding and the relevant information, as specified in accordance with the Banking Law, Act No. 142/11.6.2018 of the Executive Committee of the Bank of Greece and the SRM Regulation.

Any person intending to acquire or further increase, directly or indirectly, a holding in a Greek credit institution as a result of which acquisition or increase the shareholding (or voting rights) of that person would be at least 5% must first inform in writing the Bank of Greece. For the above purposes, "acting in concert" means that two or more proposed acquirers plan to act jointly in the exercise of their rights after acquiring shares or voting rights under an agreement (whether written, oral or implied from facts) and independently of whether such persons are otherwise associated. In this case, voting rights must be notified to the Bank of Greece either by each proposed acquirer or by any of them having been authorised for this purpose.

The proposed acquirer and any persons to be appointed as members of the Board of Directors or as key function holders to direct the business of the credit institution as a result of the proposed acquisition must go through an assessment review process (the "fit and proper" test), pursuant to which the supervisory authority will assess whether the suitability criteria are met, as set out in Article 24 of the Banking Law (indicatively, the reputation of the proposed acquirer; the reputation, knowledge, skills and experience, of any member of the management body or key function holder who will direct the business of the credit institution as a result of the proposed acquisition; whether the credit institution will be able to comply and continue to comply with the prudential requirements).

The procedures on the acquisition or increase of a qualifying holding in an existing credit institution are the "common procedures" as defined in the SSM Framework Regulation, on which the final decision lies with the ECB with respect to all credit institutions of Member States participating in the SSM.

With effect from 4 November 2014, the ECB has been exclusively competent to assess acquisitions and increases of qualifying holdings in all credit institutions established in Member States and participating in the SSM, as part of these common procedures (as defined in the SSM Framework Regulation). In this context, in March 2023, the ECB published its guide on qualifying holding procedures. This Guide aims to clarify the supervisory approach taken by NCAs and the ECB in the assessment of qualifying holding procedures. It covers: (i) the scope of the persons required to undergo an assessment; (ii) how the assessment criteria are applied; and (iii) further guidance on some of the key documentation required in the assessment of qualifying holding procedures. It also provides more information on complex acquisition structures, the application of proportionality and specific procedural aspects.

Among others, the Guide provides for the following:

- The ECB's exclusive competence to assess acquisitions and increases of qualifying holdings in credit institutions in the countries participating in the SSM is exercised in close alignment with the NCAs. The latter serve as the entry points for notifications, and must submit a proposal to the ECB to oppose or not oppose the acquisition or increase of a qualifying holding.

- Any natural or legal person intending to acquire or increase a qualifying holding is required to notify the competent authority responsible for supervising the relevant credit institution. The principle of proportionality does not apply to the obligation to notify.
- The obligation to notify is triggered as soon as the proposed acquirer has taken the decision to acquire a qualifying holding in the target. As a general rule, it can be presumed that the proposed acquirer has taken the decision to acquire a qualifying holding once it makes an unconditional offer to the current shareholder(s) to enter into a legally binding transfer agreement. The submission of a final bid (unconditional offer) to the seller(s) by the proposed acquirer is therefore the latest point in time at which the decision to acquire materialises and triggers the obligation to notify.
- Clarifications regarding cases of acting in concert, even on the basis of implicit agreements or concerted practices.

Notification obligations also apply under Article 26 of the Banking Law where an individual or legal entity decides to cease holding, directly or indirectly, an equity participation in a Greek credit institution or decides to reduce its participation below the qualifying holding thresholds.

15.9 Other Directives

MiFID II

Depending on the type of services offered to clients, banks may also be required to comply with additional laws regulating the financial sector, including the following:

- Directive 2014/65/EU on markets in financial instruments (the "MiFID II") was transposed in Greece by Greek law 4514/2018, as amended from time to time to reflect changes made to MiFID II, including pursuant to the Directive (EU) 2019/2034 and the MiFID II "Quick Fix" Directive (EU) No. 2021/338.
- MiFID II together with Regulation (EU) 600/2014 on markets in financial instruments introduced the regulatory framework on financial markets. Both European legal acts aim to have more efficient, resilient and transparent markets.

In particular, MiFID II introduced rules, *inter alia*, on high frequency trading, improves the transparency and oversight of financial markets, including derivatives markets, and addresses the issue of excessive price volatility in commodity derivatives markets. Furthermore, it expands supervision to all financial instruments admitted to trading, over-the-counter transactions and trading venues.

MiFID II also enhanced investor protection by introducing new product governance requirements and more stringent organisational and business conduct requirements.

Under MiFID II, the EC has adopted several delegated and implementing acts to specify how competent authorities and market participants shall comply with the obligations laid down in the directive.

16 DOCUMENTS AVAILABLE

16.1 Documents Made Available to Investors

For the whole duration that this Prospectus remains valid, *i.e.*, for a period of 12 months after its approval, the following documents, which can be inspected, will be made available to investors on the Group's website (https://www.piraeusholdings.gr/publicoffering):

- a copy of the Articles of Association,
- excerpt from the resolution of the Selling Shareholder's Board of Directors, dated 2 March 2024, and
- the Group's 2023 financial results and 2024-2026 business plan presentation published on 15 February 2024.

Other information included on the Group's and/or the Selling Shareholder's websites does not form part of this Prospectus.

16.2 Documents Incorporated by Reference

The information and documents set out below are incorporated into this Prospectus by reference. The documents below were published by the Group and submitted to the HCMC, in connection with Piraeus Holdings' disclosure obligations as a Greek company with ordinary shares listed on the ATHEX, on or prior to the date of the Prospectus. The Prospectus incorporates by reference the following documents:

- The audited consolidated financial statements for the Group as at and for the year ended 31 December 2023, the notes thereto and the Independent Auditor's Report thereon, which appear on pages 183 to 396 of the Group's Annual Financial Report for the year ended 31 December 2023: https://www.piraeusholdings.gr/en/investors/financials/financial-statements#2023|1
- The audited consolidated financial statements for the Group as at and for the year ended 31 December 2022, the notes thereto and the Independent Auditor's Report thereon, which appear on pages 123 to 342 of the Group's Annual Financial Report for the year ended 31 December 2022: https://www.piraeusholdings.gr/~/media/Com/2022/Files/investors/financial-results/Q4/Annual-Financial-Report-2022-of-PFH.pdf
- The audited consolidated financial statements for the Group as at and for the year ended 31 December 2021, the notes thereto and the Independent Auditor's Report thereon, which appear on pages 142 to 377 of the Group's Annual Financial Report for the year ended 31 December 2021: https://www.piraeusholdings.gr/~/media/Com/2021/Files/investor-relations/Financials/Financial-Statements/2021/12M/2021-Annual-Financial-Report_Holdco_en.pdf

Other information included on the Group's website does not form part of this Prospectus.

SECURITIES NOTE

17 ESSENTIAL INFORMATION

17.1 Interest of Natural and Legal Persons Involved in the Offering

The Selling Shareholder, taking into consideration as a criterion any form of compensation previously provided to the Greek Public Offering Coordinators and Lead Underwriters, as well as the following criteria based on the ESMA guidelines on disclosure requirements under the Prospectus Regulation (04/03/2021 | ESMA32-382-1138): whether the Greek Public Offering Coordinators and Lead Underwriters (i) hold equity securities of Piraeus Holdings or its subsidiaries; (ii) have a direct or indirect economic interest that depends on the success of the Greek Public Offering; or (iii) have an understanding or arrangement with major Shareholders of Piraeus Holdings, declares that there are no interests or conflicting interests of the Greek Public Offering Coordinators and Lead Underwriters that are material to the Greek Public Offering, other than the interest deriving from the relationship parent to parent-subsidiary company relationship connecting Piraeus Bank and Piraeus Holdings.

Piraeus Holdings, taking into consideration as a criterion any form of compensation previously provided to the Greek Public Offering Coordinators and Lead Underwriters, as well as the following criteria based on the ESMA guidelines on disclosure requirements under the Prospectus Regulation (04/03/2021 | ESMA32-382-1138): whether the Greek Public Offering Coordinators and Lead Underwriters (i) hold equity securities of Piraeus Holdings or its subsidiaries; (ii) have a direct or indirect economic interest that depends on the success of the Greek Public Offering; or (iii) have an understanding or arrangement with major Shareholders of Piraeus Holdings, in conjunction with the fact that Piraeus Holdings holds, directly or indirectly, the total number of shares of its subsidiaries, therefore being the indirect shareholder of all companies of the Group, declares that, there are no interests or conflicting interests of the Greek Public Offering Coordinators and Lead Underwriters that are material to the Greek Public Offering, other than the interest deriving from the relationship parent to parent-subsidiary company relationship connecting Piraeus Bank and Piraeus Holdings.

EUROXX SECURITIES S.A., as Greek Public Offering Adviser and Greek Public Offering Coordinator and Lead Underwriter, taking into consideration as criterion any form of compensation previously received from Piraeus Holdings as well as the following criteria based on the ESMA guidelines on disclosure requirements under the Prospectus Regulation (04/03/2021 | ESMA32-382-1138): (i) whether it holds equity securities of Piraeus Holdings or its subsidiaries; (ii) whether it has a direct or indirect economic interest that depends on the success of the Greek Public Offering; or (iii) whether it has any understanding or arrangement with major Shareholders of Piraeus Holdings declares that it does not have any interests or conflicting interests that are material to the Greek Public Offering. In addition, in the context of the execution of investment banking services, investment services and other ancillary services, EUROXX SECURITIES S.A. states that:

- It will receive fees related to the Greek Public Offering (see Section 21 "*Expense of the Offering*");
- It and its related parties (within the meaning of IAS/IFRS, as in force) have entered into and/or may in the future enter into contracts for the provision of investment banking and other investment and/or ancillary services in the ordinary course of their business either with Piraeus Bank or related parties of Piraeus Bank or the Selling Shareholder, for which they receive and/or may in the future receive fees and/or commissions;
- With reference date the 23rd February 2024, it, and its related parties (within the meaning of IAS/IFRS, as in force) had entered into loan and financing agreements with Piraeus Bank, with an outstanding balance of approximately €4.32 million;
- It and its related parties (within the meaning of IAS/IFRS, as in force) have not entered into any agreement with Piraeus Holdings' major Shareholders and/or the Selling Shareholder, other than any investment services contracts in relation to stock transactions or other transactions in financial instruments, which are all not related to the Greek Public Offering; and
- With reference date the 23rd February 2024, it did not hold shares in Piraeus Holdings or its subsidiaries (within the meaning of IAS/IFRS).

Piraeus Bank, as Greek Public Offering Coordinator and Lead Underwriter, taking into consideration as criterion any form of compensation previously received from Piraeus Holdings as well as the following criteria based on the ESMA guidelines on disclosure requirements under the Prospectus Regulation (04/03/2021 | ESMA32-382-1138): (i) whether it holds equity securities of Piraeus Holdings or its subsidiaries; (ii) whether it has a direct or indirect economic interest that depends on the success of the Greek Public Offering; or (iii) whether it has any understanding or arrangement with major Shareholders of Piraeus Holdings, in conjunction with the fact that Piraeus Holdings holds, directly or indirectly the total number of shares of Piraeus Bank, declares that it does not have any interests or conflicting interests that are material to the Greek Public Offering, other than the indirect interest deriving from the relationship parent to parent-subsidiary company relationship connecting Piraeus Bank and Piraeus Holdings.

In addition, in the context of the execution of investment banking services, banking and brokerage services, it states that:

- It will receive fees related to the Greek Public Offering (see Section 21 "*Expense of the Offering*");

- Piraeus Bank S.A., and its subsidiaries (within the meaning of Article 32 of Greek Law 4308/2014, as in force) have provided and/or may in the future provide investment banking, banking and other investment or ancillary services in the ordinary course of their business either to Piraeus Holdings or to its related companies or the Selling Shareholder for which they receive and/or may in the future receive fees and/or commissions;

- With the exception of the Relationship Framework Agreement and the Greek Public Offering Underwriting Agreement, there is no other agreement with Piraeus Holdings' major shareholders or the Selling Shareholder, other than contracts for the provision of banking services, as well as investment or ancillary services performed in the normal course of their business, which are all unrelated contracts and transactions to the Greek Public Offering; and

- Piraeus Bank S.A., with reference date the 23rd February 2024, does not hold shares in Piraeus Holdings, except of the following: (i) Piraeus Bank S.A. holds, as a result of a pledge in the context of loan agreements with debtors, 51,500 pledged shares of Piraeus Holdings in favour of Piraeus Bank S.A., and 142,275 pledged shares of Piraeus Holdings in favour of debtors of Piraeus Bank S.A.; and (ii) Piraeus Bank S.A. holds through its subsidiary "Piraeus SNF Designated Activity Company" (within the meaning of Article 32 of Greek Law 4308/2014, as applicable) 6,111 pledged shares of Piraeus Holdings in favour of PIRAEUS SNF DESIGNATED ACTIVITY COMPANY, and 12,322 pledged shares of Piraeus Holdings in favour of debtors of PIRAEUS SNF DESIGNATED ACTIVITY COMPANY, in the context of loan agreements with debtors. Due to the parent-subsidiary relationship between Piraeus Holdings and Piraeus Bank S.A., Piraeus Holdings indirectly holds the shares of Piraeus Bank S.A.'s subsidiaries (within the meaning of Article 32 of Greek Law 4308/2014, as applicable). Finally, with reference date the 23rd February 2024, Piraeus Securities S.A., a company related to Piraeus Bank S.A. (within the meaning of Article 32 of Greek Law 4308/2014, as in force) is a market maker for derivatives of Piraeus Holdings and holds, in such capacity, 408,741 shares of Piraeus Holdings.

The Managers (including the Lead Global Coordinator, Joint Global Coordinators, Joint Bookrunners and Co-Lead Managers) are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Managers and their respective affiliates have in the past performed commercial banking, investment banking and advisory services for the Group and the Selling Shareholder from time to time for which they have received customary fees and reimbursement of expenses and may, from time to time, engage in transactions with and perform services for the Group and the Selling Shareholder in the ordinary course of their business for which they may receive customary fees and reimbursement of expenses.

In the ordinary course of their various business activities, the Managers and their respective affiliates may hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) in Piraeus Holdings and their respective affiliates for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments.

In connection with the Offering, the Managers and any of their respective affiliates acting as an investor for its or their own account(s) may subscribe for or purchase Offer Shares as a principal position and, in that capacity, may retain, subscribe for, purchase, sell, offer to sell, contract to sell, transfer, dispose or otherwise deal for its or their own account(s) in such securities, any other securities of Piraeus Holdings or other related investments in connection with the Offering or otherwise. Accordingly, references in this Prospectus to the Offer Shares being sold or otherwise dealt with should be read as including any purchase or dealing by the Managers or any one of them and any of their affiliates acting as an investor for its or their own account(s). In addition, certain of the Managers or their affiliates may enter into financing arrangements (including swaps or contracts for differences) with investors in connection with which such Managers (or their affiliates) may from time to time acquire, hold or dispose of Offer Shares. The Managers do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

17.2 Reasons for the Offering

This Offering is conducted in accordance with the HFSF Law and the HFSF Divestment Strategy (a summary of which is available on the HFSF website: https://hfsf.gr/wp-content/uploads/2023/01/Divestment-Strategy-23_25-EN.pdf). For more information on the HFSF Divestment strategy, see "*Disposal of Shares and Bonds*" in Section 15 "*Overview of the Regulatory Framework Applicable to the Group in Greece*".

In particular, the current HFSF legal framework sets year-end 2025 as the HFSF's sunset date and elevates the divestment objective to a par with the HFSF's other objective, namely its contribution to the maintenance of Greek banking system's financial stability for the sake of public interest. In accordance with the HFSF Divestment Strategy and the HFSF Law, the

HFSF is required by law to use all reasonable efforts to dispose its holdings in the Greek systemic banks within the timeline set by HFSF Law, subject to maintaining financial stability and ensuring that it receives fair value.

The net proceeds to be received by the HFSF for the disposal of the Initial Offer Shares (excluding VAT on expenses), estimated at up to €1,086 million and, assuming that the Upsize Option is fully exercised, the net proceeds (excluding VAT on expenses) are expected to be increased by up to €247 million, calculated at the maximum price of the Price Range, will be deposited in the HFSF's special interest-bearing account with the Bank of Greece exclusively for the purposes of the HFSF Law and in compliance with the obligations of the HFSF arising from or in connection with the Master Financial Facility Agreement of 15 March 2012, a draft of which was ratified by Greek Law 4060/2012, and the Financial Facility Agreement of 19 August 2015, a draft of which has been ratified by Greek Law 4336/2015. In particular, pursuant to par. 6 of Article 12 of the HFSF Law, the proceeds from the sale of the Offer Shares shall be recorded to the special interest-bearing account held with the Bank of Greece and may be transferred to the Greek government, irrespective of the existence of distributable profit, upon the request of the Minister of Finance, provided that the Minister of Finance has received a request from the EFSF or the ESM to transfer the amount of such proceeds.

It is noted that, according to the provisions of par. 2 of Article 3 of the HFSF Law, HFSF's capital and/or any other cash assets are deposited in the special interest-bearing account with the Bank of Greece exclusively for the purposes of the HFSF Law, whereas par. 4 of Article 3 of the HFSF Law provides that the capital and cash assets and liabilities of the HFSF may only be invested in the deposit mentioned above and in participations referred to in par. 7 of Article 8 of the HFSF Law, whilst any other investment is prohibited.

Piraeus Holdings will not receive any proceeds from the sale of the Offer Shares. The Offering is more particularly described in Section 19 "*Terms and Conditions of the Offering*" of this Prospectus.

17.3 Working Capital Statement

The Management declares that it has sufficient working capital for its current activities, that is from the date of this Prospectus and for the next 12 months following the date of this Prospectus.

17.4 Capitalisation and Indebtedness

The following table sets forth (i) the Group's capitalisation as at 31 December 2023, and (ii) the Group's indebtedness as at 31 December 2023.

Amounts in EUR million	**As at 31 December 2023**
CAPITALISATION	
Total current debt(1)	**4,618**
Guaranteed	—
Secured	24
Unguaranteed/unsecured	4,594
Total non-current debt(2)	**3,215**
Guaranteed	—
Secured	67
Unguaranteed/unsecured	3,148
Total equity	**6,567**
Share capital	1,163
Share premium	3,255
Other equity instruments	600
Less: treasury shares	(15)
Other reserves and retained earnings(3)	1,508
Non-controlling interest	56
Total(4)	**14,400**

Notes:
(1) Includes current lease liabilities amounting to €24 million and does not include amounts due to customers. Total current debt includes current portion of "other borrowed funds" and "due to banks".
(2) Includes non-current lease liabilities amounting to €67 million and does not include amounts due to customers. Total non-current debt includes non-current portion of "other borrowed funds", "debt securities in issue" and "due to banks".
(3) Does not include profit for the year ended 31 December 2023.
(4) Represents the sum of "total current debt", "total non-current debt" and "total equity".

Source: 2023 Annual Financial Statements.

As at 31 December 2023, the Group's total debt stood at €7,832 million, which includes short-and long-term lease liabilities of €24 million and €67 million, respectively.

Amounts in EUR million	**As at 31 December 2023**
Current lease liability	24
Non-current lease liability	67
Total lease liabilities	**91**

Source: 2023 Annual Financial Statements.

Amounts in EUR million	**As at 31 December 2023**
INDEBTEDNESS	
Cash (A)	729
Cash equivalents (B)	9,513
Other current financial assets (C)	9,099
Liquidity (D) = (A) + (B) + (C)	**19,341**
Current financial debt (including due to banks and lease liabilities) (E1)	4,199
Current portion of non-current financial debt (E2)	419
Total current financial indebtedness (E) = (E1) + (E2)	**4,618**
Net current financial indebtedness (F) = (E) - (D)	**(14,723)**
Non-current financial indebtedness (excluding current portion and debt instruments) (G1)	510
Debt instruments (G2)	2,406
Non-current trade and other payables (G3)	299
Total non-current financial indebtedness (G) = (G1) + (G2) + (G3)	**3,215**
Total financial indebtedness (H) = (F) + (G)	**(11,508)**

Source: 2023 Annual Financial Statements.

As at 31 December 2023, the Group's total financial indebtedness stood at €(11,508) million. For information on the Group's contingent liabilities as of 31 December 2023, see Note 41 of the 2023 Financial Statements.

The Management declares that there are no significant changes to the Group's capital structure and net financial debt since 1 January 2024 and until the date of this Prospectus.

18 INFORMATION CONCERNING THE SECURITIES TO BE OFFERED

18.1 Share Capital

As at 31 December 2023 and the date of this Prospectus, Piraeus Holdings' share capital was divided into 1,250,367,223 Ordinary Shares of a nominal value of €0.93 each. The Ordinary Shares are common, nominal, dematerialised shares with voting rights, listed on the ATHEX and trade in euro in the Main Market of the Regulated Securities Market of the ATHEX under ISIN: GRS014003032. The trading unit is one share.

As at 23 February 2024, Piraeus Holdings' Ordinary Shares were held by approximately 20,000 Shareholders. On the same date, the Shareholder base comprised of: the HFSF, holding approximately 27.0000% of Piraeus Holdings' share capital; legal entities and individuals outside of Greece, representing approximately 60.7856% of Piraeus Holdings' share capital; legal entities and individuals in Greece, representing approximately 11.8094% of Piraeus Holdings' share capital; domestic pension funds, representing approximately 0.3691% of Piraeus Holdings' share capital; other domestic public sector related legal entities and the Church of Greece, representing approximately 0.0002% of Piraeus Holdings' share capital; and other Shareholders, representing approximately 0.0357% of Piraeus Holdings' share capital.

No mandatory or voluntary tender offer has been submitted for the acquisition of Ordinary Shares, and hence the provisions of Greek Law 3461/2006, as amended and in force, relating to the squeeze out and sell out of the minority Shareholders of Piraeus Holdings do not apply at the date of this Prospectus. Piraeus Holdings, as a financial holding company, is a significant supervised entity within the meaning of Article 6, paragraph 4 of Regulation 1024/2013, and a change of control over Piraeus Holdings, is subject to prior approval by the ECB through the SSM in cooperation with the Bank of Greece. For a description of the applicable regulatory framework, see "*Overview of the Regulatory Framework Applicable to the Group in Greece—Equity Participations of Individuals or Legal Entities in Greek Credit Institutions*".

The Ordinary Shares that the HFSF holds are not subject to tender offers but will be taken into account for calculating the thresholds of Article 7, paragraph 1 of Greek Law 3461/2006.

Piraeus Holdings has not entered into any market making contracts in respect of the Ordinary Shares.

18.2 Transfer of Shares

The Ordinary Shares are freely transferable, and the Articles of Association do not impose restrictions on the transfer of the Ordinary Shares. Subject to the provisions of the HFSF Law, any transfers of ownership of Ordinary Shares are carried out either through the ATHEX trading system or OTC through the DSS operated by the ATHEXCSD, as prescribed by Article 13 of Greek Law 4569/2018 and Article 41, paragraph 3 of Greek Law 4548/2018 and in accordance with the terms and procedures of the ATHEXCSD Rulebook. All transfers are finally registered with the DSS on completion of the applicable clearing and settlement process. The disposal of Ordinary Shares held by the HFSF is made pursuant to the provisions of Article 8 of the HFSF Law, *i.e.*, based on the HFSF Divestment Strategy with a specific time horizon of definite and full implementation, which is determined in accordance with Article 8, and in principle does not extend beyond the end of the HFSF's duration, *i.e.*, 31 December 2025, as of the date of this Prospectus.

18.3 Issue of Shares and Pre-emptive Rights

Issue of New Shares

The share capital may be increased pursuant to a decision of the General Meeting by increased quorum and majority.

New Ordinary Shares issuable pursuant to a share capital increase, which is not effected through contributions in kind, or bonds convertible into new Ordinary Shares shall be offered on a pre-emptive basis to the existing shareholders at the relevant record date *pro rata* to their shareholding participation in the existing share capital, unless the pre-emptive rights of the shareholders have been restricted or repealed by a decision of the General Meeting taken by increased quorum and majority and in compliance with the related requirements of Greek Law 4548/2018. If and to the extent the existing shareholders do not exercise their pre-emptive rights within the period prescribed by the competent body of Piraeus Holdings (which shall be at least 14 days), the Board of Directors can freely dispose of the unsubscribed shares.

In addition, the Board of Directors may decide to increase the share capital provided it has received within the last five years a special authorisation by the General Meeting in accordance with Greek Law 4548/2018. Again, the existing shareholders will have pre-emptive rights in respect of such share capital increase, unless such pre-emptive rights have been restricted or repealed in the manner described above.

Stock Option Plan

On 17 November 2023, Piraeus Holdings announced the establishment of a stock option plan (the "Plan") for executives and employees, approved by the Board of Directors on its meeting held on 16 November 2023, in compliance with the authorisation granted by the extraordinary General Meeting of Shareholders held on 7 April 2021. The Plan, valid for five years from its establishment, enables the issuance of stock option rights as a form of remuneration payable in instruments to employees and executives of the company and its affiliated entities.

The key terms of the Plan include a maximum issuance of new shares amounting to 1.5% of Piraeus Holdings' paid-up share capital at the time of the Plan's adoption, translating to up to 18,755,508 shares. The exercise price is the volume weighted average price of Piraeus Holdings' shares in the ATHEX for the 45 trading days prior to the award of each tranche of options, grossed up by 1%.

Beneficiaries of each cycle of the Plan are determined based on the terms and conditions of the Directors' and the Group's remuneration policies, the remuneration schemes adopted from time to time and the respective corporate bodies' decisions. The options will be vested only to active employees and executives of the Group's in adherence to specified conditions, the Group's remuneration policies and relevant schemes, complying with applicable legislative and regulatory frameworks.

Options can be exercised in whole or in part over a three-year period following their vesting, with exercise periods falling in March and October. Additionally, a twelve-month retention period, or as otherwise defined by the regulatory framework, applies, starting from the vesting date of each options tranche.

This Plan aligns with Piraeus Holdings' commitment to attracting and retaining key talent, fostering a performance-driven culture, and aligning employee interests with long-term shareholder value.

18.4 Rights of Shareholders

The ATHEXCSD issues certificates to Shareholders evidencing their capacity as Shareholders and providing information on the share identification data, the number of Ordinary Shares owned, the reason for the certificate's issue as well as any possible encumbrances over Ordinary Shares. These certificates are issued by the ATHEXCSD following a Shareholder's request addressed to the ATHEXCSD, either directly or through participants or registered intermediaries or other intermediaries, within the meaning of Regulation (EU) No 909/2014 ("CSDR"), Greek Law 4569/2018 and the ATHEXCSD Rulebook.

The person whose name appears in the ATHEXCSD's records will be considered to be the holder of the relevant Ordinary Shares and will benefit from the rights below.

Greek Law 4569/2018 introduced the structure of omnibus securities accounts at the register of ATHEXCSD, *i.e.*, accounts held by intermediaries for the benefit of end-investors (referred to as "clients securities accounts"). In case of shares held in clients securities accounts, the capacity of the shareholder vis-a-vis the company is evidenced through the registration of the shareholder in the books of the intermediary holding the client securities account. Following the licensing of the ATHEXCSD under CSDR by virtue of the HCMC's Decision No. 6/904/26.02.2021 and the entry into force of the ATHEXCSD Rulebook, on 12 April 2021, clients securities accounts have become fully operational in Greece.

Furthermore, according to Article 29 of Greek Law 4706/2020, intermediaries are required to facilitate the exercise of the rights by the Shareholder, including the right to participate and vote in General Meetings, by comprising at least one of the following: (i) making the necessary arrangements for the Shareholder or their proxy to be able to exercise themselves the rights; (ii) exercising the rights deriving from the shares upon the explicit authorisation and instruction of the Shareholder and for the Shareholder's benefit.

In addition, when votes are cast electronically an electronic confirmation of receipt of the votes is sent to the person that casts the vote immediately following the General Meeting. In any case, the Shareholder or their proxy can obtain, upon request and within a three-month deadline commencing from the date when the General Meeting was held, confirmation that his/her/its votes have been validly recorded and counted by the company, unless that information is already available to the Shareholder or their proxy. Where such confirmation is received by an intermediary it should be transmitted without delay to the Shareholder or a third party nominated by the Shareholder. Where there is more than one intermediary in the chain of intermediaries the confirmation shall be transmitted between intermediaries without delay, unless the confirmation can be directly transmitted to the Shareholder or their proxy.

General Rights

The rights of the Shareholders of Piraeus Holdings, arising from each Ordinary Share, are proportional to the percentage of the share capital to which they correspond. The shares are indivisible and, subject to any issue of preferred shares without voting rights, each share shall entitle the holder to one vote, as stipulated by law. In the event of joint ownership of an Ordinary Share, the joint owners may exercise their rights only by a joint representative thereof and are jointly and severally liable for the performance of their obligations from the Ordinary Share.

Without prejudice to the special rights of the HFSF in respect of the Ordinary Shares it holds (see "*Special rights of the HFSF*" in Section 15 "*Overview of the Regulatory Framework Applicable to the Group in Greece*"), each Ordinary Share carries the rights stipulated by law and the Articles of Association. In particular, the following rights arise out of the Ordinary Shares:

- the right to participate in and vote at the General Meeting of Shareholders;
- the right to receive dividends from Piraeus Holdings' profits. For a detailed description of the relevant regulatory framework, Piraeus Holdings' dividend policy and any restrictions thereto, please see "*Financial Information Concerning the Group's Assets and Liabilities, Financial Position, and Profits and Losses—Dividends and Dividend Policy*". If declared, the right to receive dividends is time-barred upon the lapse of the five-year period from the end of the year during which distribution of such dividend was approved by the General Meeting;
- the pre-emptive right to each share capital increase in cash or in kind and issue of new shares or convertible bonds, as long as the General Meeting, or the Board, as applicable, has not limited or abolished such rights;
- the right to receive copies of the financial statements and the reports of the auditors and the Board of Directors ten days before the annual General Meeting; and
- the right to receive out of the liquidation proceeds or capital returns the amount corresponding to the Ordinary Shares owned.

Minority Shareholders' Rights

The Shareholders' rights of minority are in accordance with the applicable provisions of Greek Law 4548/2018, as in force, and also, with the relevant Articles of Association.

Greek Law 4548/2018 provides that upon request by shareholders representing at least 5% of the paid-up share capital and subject to any requirements set out therein:

- the Board of Directors shall convene an extraordinary general meeting within 45 days of service of the request;
- the Board of Directors shall include additional items to the agenda of the General Meeting already convened;
- draft resolutions proposed by such shareholders in relation to any General Meeting agenda items shall be made available to the other shareholders;
- the chairman of the General Meeting is obliged to allow one postponement of the adoption of resolutions by the General Meeting provided an adjourned meeting is convened within 20 days to reconsider the resolutions;
- the resolution of any matter included on the agenda for the General Meeting must be adopted by a roll call;
- the Board of Directors shall disclose to the annual General Meeting any amounts distributed or any other benefits granted to the directors and senior management during the course of the last two years and any agreements concluded between Piraeus Holdings and such persons;
- a competent court shall review the operations of Piraeus Holdings if it is believed that actions taken by the Board of Directors violated applicable law, the Articles of Association or resolutions of the General Meeting;
- the Board of Directors shall resolve on bringing an action against any of its members whose acts or omissions damaged Piraeus Holdings;
- the General Meeting shall be convened to decide on the matter of authorising Piraeus Holdings to enter into certain related party transactions or to provide security and guarantees to third parties for the benefit of a related party, in each case if any such authorisation is required to be given pursuant to Greek Law 4548/2018;
- an action shall be brought before the competent court to reduce the remuneration or benefit paid or agreed to be paid to a particular member of the Board of Directors, if certain conditions are met; and
- the Board of Directors shall make a decision to waive or settle the claims of Piraeus Holdings against a member of the Board of Directors, at any time after legal action has been initiated.

In addition, shareholders representing at least 5% of the issued share capital may request the annulment of a General Meeting's decision on the grounds that the resolution was made without the required information having been made available to the shareholders, despite a relevant request.

The annulment of a General Meeting's decision may also be requested by shareholders representing at least 2% of the paid-up share capital, whether such shareholder(s) did not attend a General Meeting or attended and objected to the decision-making, which (decision) was taken: (i) in violation of the law or the Articles of Association; (ii) by a General Meeting not properly convened or constituted; or (iii) by abuse of the rights of the majority shareholders.

Shareholders holding less than 2% of the paid-up share capital, may claim compensation from Piraeus Holdings for the damage they suffered on the grounds set out in items (i), (ii) or (iii) of the preceding sentence, or if the decision of a General Meeting was made without the required information having been made available to such shareholders, despite their relevant request.

Shareholders representing at least 10% of the paid-up share capital may: (i) request that the Board of Directors provides them with information on the conduct of the business and the financial condition of Piraeus Holdings at the General Meeting; (ii) object to a decision of the Board of Directors, whereby Piraeus Holdings is to waive or settle its claims against the directors, within two years after the claim has arisen; (iii) request that a competent court revoke the appointment of a member of the Board of Directors made directly by a shareholder entitled thereto; and (iv) object to a decision of the General Meeting to pay remuneration or benefits to a particular member of the Board of Directors.

Shareholders representing at least 20% of the paid-up share capital have the right to request a competent court to review Piraeus Holdings' operations, when it is believed that it is not properly managed.

Shareholders representing at least 33.33% of the paid-up share capital are also entitled to (i) ask from the competent court the dissolution of Piraeus Holdings provided a significant reason exists therefor which renders its continuation impossible in an obvious and permanent way; and (ii) object to a decision of the General Meeting authorising Piraeus Holdings to enter into certain related party transactions or to grant securities and guarantees to third parties for the benefit of a related party.

Any shareholder may request the Board of Directors to provide to the General Meeting certain information concerning the affairs of Piraeus Holdings, to the extent they are useful for the evaluation of the items on the agenda.

The Board of Directors may refuse to provide information requested by a shareholder on reasonable grounds, which must be recorded in the minutes in accordance with the law.

Rights on liquidation

Subject to the provisions of the BRRD and the Greek BRRD Law in connection with the resolution of financial holding companies, such as Piraeus Holdings, and to the special liquidation proceedings applicable pursuant to the Greek Banking Law, in accordance with Greek Law 4548/2018, to the extent applicable, Piraeus Holdings may be dissolved in the following cases: (i) expiration of its statutory duration as provided by its Articles of Association; (ii) a relevant decision of the General Meeting taken by an increased quorum and majority; (iii) upon declaration of Piraeus Holdings into bankruptcy; (iv) upon rejection of a bankruptcy application due to insufficiency of Piraeus Holdings' assets for such procedure; or (v) a decision of the competent court following a request by any person having legal interest or by Piraeus Holdings' shareholders in accordance with, and subject to, the relevant provisions of Greek Law 4548/2018. A liquidation procedure under Greek Law 4548/2018 will follow the above-mentioned dissolution of Piraeus Holdings.

During the Greek corporate law liquidation, the General Meeting is entitled to all rights under the Articles of Association and Greek law and has the authority to designate one or more liquidators who have all the rights ordinarily held by the board of directors. The board of directors will cease to exist upon the appointment of the liquidators.

Upon the passing of the resolution on Greek corporate law liquidation, the liquidator(s) should draw up an inventory of all assets, complete all pending transactions, collect all receivables, discharge all debts and liquidate all assets to the extent necessary to discharge the company's liabilities. Following the discharge of all liabilities, the liquidator(s) should distribute any remaining assets to the company's shareholders *pro rata* to their shareholding therein.

18.5 General Meeting of Shareholders

Pursuant to the Articles of Association and Greek law, the General Meeting, the supreme corporate body of a Greek Société Anonyme, such as Piraeus Holdings, is entitled to decide on any and all of its affairs. Its resolutions are binding on the Board of Directors as well as of all ordinary shareholders, including those absent from the relevant session of the General Meeting and those dissenting. Shareholders are entitled to attend the General Meeting, and vote on resolutions, either in person or through a proxy. The appointment or revocation of proxies and the relevant notification to the Company may take place electronically through email as per the relevant General Meeting invitation.

Any natural or legal person that is registered as a shareholder at the beginning of the fifth day before the date of the relevant General Meeting (record date) either by the ATHEXCSD (when providing registry services to the company concerned in accordance with the relevant provisions of the ATHEXCSD Rulebook) or the relevant DSS Participant is entitled to attend and vote at the General Meeting.

Greek law requires the Board of Directors to ensure that a detailed invitation to each General Meeting and all related documents and information—including, among other things, draft proposed resolutions or the board of directors' comments on each agenda item and the total number of Ordinary Shares and voting rights that exist at the date of the invitation—are available to shareholders at least a full 20 days in advance. The invitation must include, among other things, information regarding the time and place (unless the General Meeting convenes in full with the participation of the shareholders remotely by electronic means) of the General Meeting, the agenda, instructions on how to participate and exercise voting rights, in person or by proxy, including the proxy voting procedures, the rights of minority shareholders and the Company's website address, where information about the General Meeting required by Greek law is available.

The General Meeting is the only body competent to decide on, among other matters, (i) the extension of Piraeus Holdings' duration, merger (subject to certain exemptions), conversion, revival, demerger or dissolution; (ii) amendments to the Articles of Association (subject to certain exceptions provided in the law); (iii) increases or reductions of its share capital (except for increases authorised by the board of directors according to Greek law and increases imposed by other laws) or the issuance of bonds that are contingent on its profits or convertible bonds (unless the General Meeting has authorised the Board of Directors to approve the issuance of any such bonds); (iv) election of the members of the Board of Directors (except for replacement by the Board of Directors of any members thereof who have resigned, deceased or otherwise ceased to be directors) and statutory auditors; (v) the distribution of annual profits; (vi) the approval of the annual financial statements; (vii) any remunerations and advances thereof to Board members, as well as the remuneration policy and relevant report with respect to Board members and senior management; (viii) the approval of Piraeus Holdings' management and release of statutory auditors from liability upon approval of the financial statements; and (ix) the appointment of liquidators.

A simple quorum for the General Meeting is met whenever shareholders holding at least 20% of its paid-up share capital are present or represented at the General Meeting. Generally, any action taken by the General Meeting requires a simple majority of the votes cast.

However, certain extraordinary resolutions by the General Meeting require an increased quorum of 50% and majority of two-thirds of the paid-up share capital to be present either in person or by proxy. Such quorum falls to 20% for the repeat session of the General Meeting with the required majority remaining at two-thirds. These extraordinary resolutions include, among other things, (i) increases or reductions of Piraeus Holdings' share capital, subject to certain exemptions; (ii) a change in Piraeus Holdings' jurisdiction of incorporation; (iii) a merger, demerger, conversion, extension of duration, or dissolution; and (iv) changes to Piraeus Holdings' corporate object.

The holders of Ordinary Shares are entitled to receive from Piraeus Holdings the annual financial statements and the relevant reports of the Board of Directors and the statutory auditors ten days before the annual General Meeting. In any case Piraeus Holdings, from the date of the publication of the invitation of the General Meeting until the date of the General Meeting's session, must post on its website, among other things, all the documents that need to be submitted to the General Meeting.

18.6 Certain Greek Taxation Considerations

The following summary describes certain of the Greek tax consequences of the purchase, ownership and disposal of Ordinary Shares. It is not a complete description of all the possible tax consequences of such purchase, ownership or disposal and does not touch upon procedural requirements such as those relating to the issuance of a tax registration number or the filing of a tax return or the documentation which may be required in order to obtain a tax exemption or reduction. This summary is based on the laws in force and as applied in practice on the date of this Prospectus and is subject to changes to those laws and practices subsequent to the date of this Prospectus, whether or not such changes or amendments have retroactive effect. The legal and administrative framework of Greek fiscal policy is continuously shifting and the application by the tax administration of recent amendments affecting some of the matters discussed below has not yet been tested. With respect to income taxation, in particular, since the reform of the Greek Income Tax Code (by virtue of Greek Law 4172/2013, effective as of 1 January 2014, as amended from time to time, the "Income Tax Code", or "ITC") limited precedent or authority exists and there are still certain matters dealt with herein that remain subject to interpretations. The ITC is regularly under review and its provisions may be amended in the future. Potential investors should consult their own advisers as to the tax consequences of the acquisition, ownership and disposal of Ordinary Shares in light of their particular circumstances, including the effect of any other national laws. Individuals (natural persons) are assumed not to be acting in a business-professional capacity.

Taxation of Dividends

Dividends distributed, whether in cash or in the form of shares, are subject to withholding tax at a rate of 5% (Article 64(1) of the ITC). This 5% withholding tax operates as follows:

- Tax treatment of a Shareholder who is an individual (natural person)
  - Income thus received by the Shareholder who is an individual is not subject to further personal income tax in Greece, irrespective the individual's tax residence (Article 36 of the ITC).

- Tax treatment of a Shareholder that is a legal person or legal entity

  - If the Shareholder is a Greek or EU legal person, which meets the requirements of the EU Parent Subsidiary Directive (the "PSD"), that is, such Shareholder: (i) holds at least 10% of the share capital or voting rights of Piraeus Holdings for at least two consecutive years, (ii) has one of the legal forms listed in the Annex of the PSD, (iii) is tax resident of an Member State and not a tax resident of a non-EU country in accordance with the relevant double taxation treaty (the "DTT"), and (iv) is subject to a tax mentioned in the Annex of the PSD at its state of residence without the possibility of election or exemption, then such Shareholder (referred to as an "EU PSD associate legal person") can be exempt from the corporate tax and, therefore, from the 5% withholding tax, on condition that it files with Piraeus Holdings the documentation required to benefit from the exemption. Moreover, in the event that the Shareholder is a Greek legal person, such Shareholder can be treated as an EU PSD associate legal person, if it has any of the legal forms mentioned in Guidelines POL. 1039/2015 (Articles 48 and 63 of the ITC).

  - If the Shareholder is a legal person or a legal entity resident, for tax purposes, in a foreign (*i.e.*, non-Greek) country and does not maintain a permanent establishment in Greece to which the Ordinary Shares are attributable, other than an EU PSD associate legal person, although the 5% withholding tax exhausts the Greek income tax liability of such Shareholder in respect of the dividend (Article 64(3) of the ITC). If the Shareholder is a legal person or a legal entity resident for tax purposes in Greece, other than an EU PSD associate legal person, or a permanent establishment in Greece to which the Ordinary Shares are attributable of a foreign (*i.e.*, non-Greek) entity, the 5% withholding tax does not exhaust the Greek income tax liability of such Shareholder (Article 64(4) of the ITC), both the portion of the tax corresponding to the profits distributed and the amount of tax withheld over dividends are deducted from the corresponding tax (Article 68(3) of the ITC).

- Double Tax Treaty (DTT)

  - If the Shareholder is an individual or a legal person or legal entity resident, for tax purposes, in a foreign (*i.e.*, non-Greek) country which has entered into a DTT with Greece, other than an EU PSD associate legal person, effective withholding may be limited to the rate specified in the relevant DTT, on condition that such Shareholder does not have a permanent establishment in Greece to which the Ordinary Shares are attributable and files with the custodian the appropriate application and standard form tax residence certificate.

  - The United States' DTT with Greece provides no exemption from or reduction of Greek tax with respect to dividends.

- Collective investment undertakings

  - Undertakings for Collective Investment in Transferable Securities established in Greece or in another EU or EEA member state are exempt from the 5% withholding tax (Article 46(c) of the ITC).

  - An exemption from the 5% withholding tax applies also in respect of the Greek investment entities having the legal form of an "AEEX" (Portfolio Investment Company) (Article 46(c) of the ITC and POL. 1044/2015).

Taxation of Capital Gains from the Sale of Ordinary Shares

Gains arising from a sale of listed shares, such as the Ordinary Shares, are, in principle, subject to income tax in Greece, which is borne by the seller, subject to certain extensive exceptions. Generally, the taxable capital gain equals the positive difference between the consideration received from the disposal of the shares, such as the Ordinary Shares, and the acquisition price of same shares. For purposes of calculating the taxable gains, any expenses directly linked to the acquisition or sale of the shares are added to the acquisition price and, respectively, deducted from the sale price. More specifically:

- Tax treatment of a seller that is a legal person or a legal entity

  - A seller being a legal person or a legal entity which neither resides, for tax purposes, in Greece nor maintains a permanent establishment in Greece to which the shares are attributable is exempt from Greek tax on the gains arising from a sale of listed shares, such as the Ordinary Shares, as this is not considered income generated in Greece. Separately and additionally, an exemption from the Greek tax may be also sought on the basis of a DTT between Greece and the state of tax residence of such a seller, on condition that the seller files with the custodian the appropriate standard form tax residence certificate. Because Greek tax law treats gains arising from the sale of listed shares as business income, the United States' DTT with Greece provides for an exemption from Greek income tax in this context if the selling entity does not maintain a permanent establishment in Greece.

  - For a seller that is a legal person or a legal entity residing, for tax purposes, in Greece or maintains a permanent establishment in Greece to which the shares are attributable, the gain arising from the sale of listed shares, such as the Ordinary Shares, is considered as ordinary business income and is taxed via the annual corporate income tax return at the rate of 22%. Credit institutions which have been submitted in the scope of the DTAs framework are taxed at 29%. In any event, if the final annual tax result is a loss, such a loss is carried forward for five years according to the general provisions.

- If the seller is a legal person residing, for tax purposes in Greece, such seller can be exempt from the Greek corporate income tax on the gains arising from a sale of shares, such as the Ordinary Shares, if such seller holds at least 10% of the issuer's capital or voting rights for at least two consecutive years (Article 48A of the ITC). For such a seller, the exemption from the Greek corporate income tax is final. In such a case, the seller shall not be able to deduct, for Greek corporate income tax purposes, any expenses incurred by such seller in relation to the holding of the Ordinary Shares.

- Tax treatment of a seller who is an individual (natural person)
  - Transactions by individuals involving listed shares, such as the Ordinary Shares, do not qualify as business activity for Greek income tax purposes (Article 21(3) of the ITC and guidelines E.2031 / 26.04.2023)
  - An individual is subject to Greek income tax on the gains from a sale of listed shares, such as the Ordinary Shares, only if the individual holds at least 0.5% of the share capital of Piraeus Holdings. Any capital gain for individuals who hold less than such percentage is subject to no tax. The remainder of this section assumes that the individual holds at least 0.5% of the Ordinary Shares.
  - Accordingly:
    - An individual who is a tax resident of Greece will be subject to Greek income tax on the gain at a flat rate of 15%, at the submission of the annual income tax return. For the timing of the generation of the gain, the critical date is the date of the settlement of the transactions. In case the sale transaction generates a loss, the loss may be carried forward for five years and may be set off against gains realised in the context of similar transactions only, that is, indicatively, gains from a sale of listed shares and other instruments such as notes, securities and derivatives, among others (Article 42 of the ITC).
    - A seller who is an individual being a resident, for tax purposes, in a foreign country (*i.e.*, non-Greek) having a DTT with Greece is exempt from Greek income tax on the gains realised from the sale of listed shares, on condition that such individual files with the custodian the appropriate tax residence certificate.
    - A seller who is an individual being a resident, for tax purposes, in a foreign country (*i.e.*, non-Greek) which does not have a DTT with Greece, will be subject to Greek income tax in the same manner as a Greek tax resident individual; accordingly, such a seller will have to file a Greek annual tax return. According to the Greek Ministry of Finance, if the seller resides in a "non-cooperative" jurisdiction or state (*i.e.*, a non-EU member state which: (i) has not concluded a treaty for administrative assistance in tax matters with Greece or has not signed the OECD Convention on mutual administrative assistance in tax matters, (ii) has not committed to the automatic exchange of financial information starting from 2018 at the latest, and (iii) has been assessed, in respect of its status, by the OECD and has not been classified as "largely compliant"), the tax which is chargeable on the gain is payable before the transfer of the shares via the filing of a special tax return; the procedure and the details for such filing have not been determined yet.

Transaction Tax

In addition to capital gains tax, where applicable, the sale price from the sale of listed shares is taxed at a rate of 0.1%. The tax is imposed both to on-market and OTC sales of such shares. The tax is borne by the seller, whether a Greek tax resident or not. ATHEXCSD charges the 0.1%, daily upon settlement, on the investment firms and credit institutions which act as custodians settling share sale transactions on behalf of the sellers (POL. 1056/2011, Ministerial Decision A.1236/2021 and Article 9(2) of Greek Law 2579/1998, as in force).

Moreover, pursuant to the ATHEXCSD regulations, each of the transferor and the transferee is charged with transaction costs: (i) of 0.08% (with a minimum of either €20 or 20% of the transaction price, whichever is lower) for over-the-counter transactions due to sale, donation/parental benefit, benefit in kind to executives/shareholders and tender offer; and (ii) of 0.0325% (minimum €20) for any transactions via market participants, in connection with the settlement of a transfer of shares listed on the ATHEX, with an extra €1 commission for settlement by versus payment, in addition to a freely negotiable commission to the brokers.

According to Greek Law 4799/2021 and Ministerial Decision A.1237/2021, the procedure for the collection of the 0.1% transaction tax changed to also accommodate the collection of that tax where shares are held via omnibus accounts. Specifically, it is provided that, if the shares are held via an omnibus account and settled outside the central securities depository, in the event that the 0.1% transaction tax is not paid or is not timely paid, then such 0.1% and the respective interest and fines can be assessed to the participant or/and to any other intermediary or registered intermediary who may be involved in the relevant share sale transactions.

Transaction Tax on the Lending of Shares

A 0.2% transaction tax is also imposed on OTC lending of shares listed on the ATHEX, such as the Ordinary Shares. Such 0.2% is calculated on the value of the shares which are lent and is borne by the lender, whether a Greek tax resident or not (Article 4(4) Law 4038/2012).

Stamp Duty

The issuance and transfer of shares, the payment of dividends therefrom as well as the shares lending transactions are exempt from stamp duty in Greece.

Inheritance / Succession and Donation Taxes

The acquisition of shares in a company whose registered office is in Greece, such as Piraeus Holdings, by way of donation or inheritance is subject to tax at a progressive rate which is dependent on: (a) the degree of kinship between donor-donee or deceased-heir, (b) the value of the gift or estate and (c) the value of previous gifts from the donor or deceased (Article 29 of Greek Law 2961/2001). Pursuant to Article 56 of Greek Law 4839/2021, as amended and in force, a gift to a first degree relative (*i.e.*, a parent, child or spouse) of up to €800,000 is exempt from the gift tax and is not taken into account for the purposes of the inheritance tax. The value of the gift or estate is calculated on the day preceding the date of donation or death (Article 12 of Greek Law 2961/2001). The inheritance and donation taxes are also levied on persons who are not Greek tax residents, subject to any exemption under the provisions of a limited number of tax treaties for the avoidance of double inheritance taxation and under the condition of reciprocity.

19 TERMS AND CONDITIONS OF THE OFFERING

19.1 Resolutions of the Selling Shareholder

On 18 December 2023, the Board of Directors of the HFSF considered the potential disposal of a significant stake in Piraeus Holdings in which HFSF is a key shareholder through a capital markets sale. In this context, a tendering process took place and following receipt of the opinion of the Ministry of Finance on 29 December 2023 on a list of three candidate advisers shortlisted by the HFSF, as provided for under Article 8 par. 1(d) of the HFSF Law, the HFSF's Board of Directors approved the selection of BofA Securities Europe SA to act as the disposal adviser, under Article 8 par.1(c) of the HFSF Law for the potential disposal of an indirect significant stake in a Greek systemic bank, which the HFSF holds through a capital markets sale.

Following the above, in accordance with the HFSF Law and HFSF Divestment Strategy, and based on the advice of its disposal adviser of paragraph 1(c) of Article 8 of the HFSF Law, on 15 January 2024, the HFSF's Board of Directors rendered its initial approval for the preparation of the Offering, as the preferred and optimal disposal structure, subject to market conditions. Further, on 27 February 2024, the HFSF's Board of Directors approved, subject to market conditions, the allocation principles, the right to exercise at its discretion the Upsize Option during the Offering, and remaining modalities of the Offering (other than the Price Range and its size) and the key terms of the International Offering Underwriting Agreement and the Greek Public Offering Underwriting Agreement and, on 2 March 2024, the HFSF's Board of Directors granted its final approval for the disposal of the Offer Shares through the Offering and determined the terms thereof, including the Price Range, the minimum number of the Initial Offer Shares, in accordance with Article 8 par. 1(c) of the HFSF Law and the HFSF Divestment Strategy, based on a disposal report of BofA Securities Europe SA as the disposal adviser of paragraph 1(c) of Article 8 of the HFSF Law, and two valuation reports conducted by the disposal adviser and Rothschild, respectively, in accordance with Article 8 par. 1(d) of the HFSF Law, and approved the transaction documents related to the Offering.

19.2 General Terms of the Offering

In accordance with the Disposal Decision, the Offer Shares will be offered for sale:

(a) in Greece, to Retail Investors and Qualified Investors pursuant to the Greek Public Offering; and

(b) outside Greece, pursuant to the International Offering (namely, pursuant to a private placement bookbuilding process, which is not a public offer within the meaning of Article 2(d) of the Prospectus Regulation), to (i) in the United States, persons reasonably believed to be QIBs as defined in, and in reliance on, Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act, and (ii) outside of the United States, certain other institutional investors in accordance with Regulation S under the U.S. Securities Act (in each case subject to applicable exemptions from applicable prospectus and registration requirements).

This Prospectus does not relate to the International Offering. The information included in this Prospectus in relation to the International Offering is provided for informational purposes only.

The Greek Public Offering and the International Offering will run in parallel from 4 March 2024 to 6 March 2024. Up to 275,080,789 Ordinary Shares are initially offered through the Offering. The Selling Shareholder has reserved the right to increase in its sole discretion the number of Ordinary Shares offered in the Offering by up to 62,518,361 Ordinary Shares; the decision on the exercise of the Upsize Option may be determined at any time during the period of the bookbuilding process for the International Offering by the Selling Shareholder. The Offer Price, which may not be lower than €3.70 or higher than €4.00 per Offer Share, and which will be identical in the Greek Public Offering and the International Offering, and the decision on the exact number of the Offer Shares are expected to be determined pursuant to a resolution of the Board of Directors of the Selling Shareholder after the close of the period of the bookbuilding process for the International Offering on or about 6 March 2024 and be stated in a Pricing Statement which will be published in accordance with Article 17 of the Prospectus Regulation, and investors shall be informed through the publication of the respective announcements addressed to investors in the Daily Statistical Bulletin of the ATHEX and on Piraeus Holdings' and the Selling Shareholder's websites. Furthermore, at any time during the period of the bookbuilding process for the International Offering, the Selling Shareholder may upon resolutions of its Board of Directors decide to (not in order of priority) determine and publicly announce a narrower range within the Price Range and/or a price point guidance, and any such announcements will be published in accordance with Article 17 of the Prospectus Regulation, and investors shall be informed through the publication of respective announcements addressed to investors in the Daily Statistical Bulletin of the ATHEX and on Piraeus Holdings' and the Selling Shareholder's websites.

For the allocation split of the Initial Offer Shares between the Greek Public Offering and the International Offering, see below under "—*Allocation*".

In the event the total demand for purchase of Offer Shares expressed in the Offering is less than the total number of the Offer Shares, the Offer Shares to be sold through the Offering will be equal to such demand and there will be Offer Shares not allotted for sale through the Offering.

19.3 Procedure for the Greek Public Offering

General remarks on the offering of the Offer Shares through the Greek Public Offering

The Greek Public Offering will be carried out through electronic book building (the "EBB") service offered by ATHEX in accordance with the requirements set forth in the resolution no. 34/29.06.2018 of the Stock Markets Steering Committee of the ATHEX (the "EBB Resolution"). 15% of the Initial Offer Shares, corresponding to 41,262,118 Ordinary Shares, are offered initially through the Greek Public Offering. The participation in the Greek Public Offering by the same natural or legal person simultaneously under the capacity of both Retail Investor and Qualified Investor, is prohibited. If an investor participates in the Greek Public Offering both as a Qualified Investor and a Retail Investor, such investor shall be treated as a Retail Investor, with the exception of purchase applications submitted through DSS Participants for the same omnibus securities' depository accounts in both categories of investors.

The Greek Public Offering will be carried out in accordance with the applicable provisions of Greek Law 4514/2018, the Prospectus Regulation and the Delegated Regulations, the EBB Resolution and the Disposal Decision, save that the EBB service will not be used for the determination of the Offer Price, since such Offer Price will be determined by the Board of Directors of the HFSF after the close of the period of the bookbuilding process for the International Offering, as set out in "*General Terms of the Offering*" of Section 19 ("*Terms and Conditions of the Offering*"). The Greek Public Offering Coordinators and Lead Underwriters have been designated as coordinators of the EBB process, as defined in the EBB decision.

Investors' attention is drawn to the purchase application for Offer Shares, which must include the number of the Investor Share, the Securities Account and the code number of the DSS Participant, and if any of these numbers is erroneous, the investor shall be excluded from the allocation of Offer Shares and will not be allotted any Offer Shares.

Retail Investors and Qualified Investors in the Greek Public Offering shall apply to purchase Offer Shares at the maximum price of the Price Range. The value of each Retail Investor's and Qualified Investor's participation in the Greek Public Offering will be equal to the product of the number of Offer Shares that will set out in such investor's purchase application multiplied by the maximum price of the Price Range.

Each investor may apply to purchase at least one Offer Share and for integral multiples thereof, at the maximum price of the Price Range. The highest limit for purchases per investor is the total number of the Offer Shares offered in the Greek Public Offering, that is up to 41,262,118 Initial Offer Shares, being the total of the Ordinary Shares initially allocated to the Greek Public Offering, multiplied by the maximum price of the Price Range.

Upon completion of the Greek Public Offering, all applications for purchase for Offer Shares as in force at that moment shall be considered final, and, other than as mentioned in "*—Withdrawal Rights*" of this Section, no withdrawal or change will be feasible or permittable.

If, following the end of the Greek Public Offering, more than one valid purchase application submitted by or on behalf of the same natural or legal person are detected based on the DSS data, or otherwise, the demand for Offer Shares expressed in all such purchase applications of the same natural or legal person shall be consolidated and treated as a single, aggregate purchase application related to such person.

Other than as mentioned in "*Certain Greek Taxation Considerations*" of Section 18 "*Information Concerning the Securities to be Offered*", investors who participate as purchasers in the Greek Public Offering will be charged a rate of 0.0325% of the value of the allocated Offer Shares (calculated as the product of the allocated Offer Shares and the Offer Price) for exchange and clearing fees. In addition, customary brokerage fees will be charged.

The Greek Public Offering and the participation of the interested investors shall last three Business Days.

Investors shall be informed of the commencement and expiry date of the Greek Public Offering, as well as of any other details about the aforementioned procedure through the publication of the respective announcement addressed to investors, in accordance with the Prospectus Regulation and Delegated Regulation (EU) 2019/980 in the Daily Statistical Bulletin of the ATHEX and on Piraeus Holdings' and Selling Shareholder's websites.

The Offer Shares will be delivered to the investors entitled thereto on the Settlement Date through secondary market transfer in dematerialised form via registration thereof with their Investor Share and Securities Account held in the DSS which will have been provided by such investors.

Procedure for the offering of the Offer Shares through the Greek Public Offering to Retail Investors

Retail Investors may apply to purchase Offer Shares in the Greek Public Offering from 10:00 Greek time of the first day (*i.e.*, 4 March 2024) until 16:00 Greek time of the last day (*i.e.*, 6 March 2024) of the Greek Public Offering period, by submitting a relevant purchase application during normal business days and hours through their EBB Members (investment firms, banks or banks' subsidiaries). The EBB shall remain open during the Greek Public Offering period as of 10:00 Greek time, and until 17:00 Greek time, apart from the last day of the Greek Public Offering period, *i.e.*, on 6 March 2024, on which it will close at 16:00 Greek time.

Retail Investors who apply to purchase Offer Shares will be required to present their identification card or passport, their tax registration number and a print-out of their DSS data setting out their Investor Share and Securities Account.

The purchase applications of the interested Retail Investors shall be acceptable, provided that the amount equal to their total purchase price plus the product of 0.0325% times total purchase price has been either (i) paid, in cash or by bank check, or (ii) reserved in all kinds of deposit bank accounts of investor clients or customer bank accounts that interested Retail Investors maintain in the context of receiving investment and/or banking services and of which they are beneficiaries or co-beneficiaries. The charge of 0.0325% times total purchase price is for exchange and clearing fees. In addition, customary brokerage fees will be charged.

The purchase applications of Retail Investors shall be acceptable only if the interested investors are the beneficiaries or co-beneficiaries of the accounts from which they apply.

According to the HCMC's Circular No. 37/16.05.2008, every Retail Investor who is a natural person may participate in the Greek Public Offering either through his or her own individual Investor Share or through one or more JIS in which he/she participates as a co-beneficiary. Should there be detected more than one valid purchase application from a single investor for delivery of Offer Shares to either an individual account and a JIS or to more than one JIS in which the investor participates as a co-beneficiary, then the total demand for Offer Shares expressed in all these purchase applications shall be considered as a single purchase application of such investor.

Following the finalisation of the number of Offer Shares that each Retail Investor is entitled to receive through the Greek Public Offering as well as the Offer Price, any excess amount paid shall be returned to the beneficiary through the same branch of EBB Members (investment firms, banks or banks' subsidiaries) to which the purchase application was submitted or, as the case may be, any excess amounts of deposit shall be unblocked. Blocked amounts of deposits are subject to the terms of the initial deposit (term, interest, etc.) until unblocking, whereas any excess amount paid shall be returned with no interest. In case of participations in the Greek Public Offering following the blocking of a deposits account held with a bank or a trading account in case of investment firms as per the above, the respective account shall be simultaneously charged with an amount equal to the value of the Offer Shares which were allocated to the investor.

Procedure for the offering of the Offer Shares through the Greek Public Offering to Qualified Investors

Qualified Investors may apply to purchase Offer Shares in the Greek Public Offering from 10:00 Greek time of the first day (*i.e.*, 4 March 2024) until 16:00 Greek time of the last day (*i.e.*, 6 March 2024) of the Greek Public Offering period by submitting a relevant purchase application exclusively through Greek Public Offering Coordinators and Lead Underwriters, or other EBB Members (investment firms, banks or banks' subsidiaries) appointed by Greek Public Offering Coordinators and Lead Underwriters. The EBB shall remain open during the Greek Public Offering period as of 10:00 Greek time, and until 17:00 Greek time, apart from the last day of the Greek Public Offering period, *i.e.*, on 6 March 2024, on which it will close at 16:00 Greek time.

The value of the allocated Offer Shares to Qualified Investors shall be settled at Settlement Date through their respective custodians, and not prefunded when submitting their purchase applications. The above charge of 0.0325% times total purchase price for exchange and clearing fees, as well as customary brokerage fees will also apply to the Qualified Investors.

During the Greek Public Offering period, Qualified Investors shall be entitled to amend their purchase applications and each new application shall be deemed to cancel the preceding ones.

On the last day of the Greek Public Offering period, all purchase applications in force at that time shall be considered final. Following the finalisation of the number of the Offer Shares that each Qualified Investor is entitled to acquire through the Greek Public Offering, any excess amount paid in cash shall be returned to the relevant beneficiary with no interest.

19.4 Allocation

General Information

Allocation of the Initial Offer Shares has been initially split between the Greek Public Offering and the International Offering as follows: (i) 15%, corresponding to 41,262,118 of the Initial Offer Shares, will be allocated to investors who participated in the Greek Public Offering and (ii) 85%, corresponding to 233,818,671 of the Initial Offer Shares, will be allocated to investors participating in the International Offering. The Selling Shareholder has the right to change this allocation split at its discretion, based on the demand expressed in each part of the Offering, save that any such amended allocation of the Initial Offer Shares between the International Offering and the Greek Public Offering may not cause the Greek Public Offering to receive a portion of the Initial Offer Shares lower than 15% set out above, if the demand expressed by investors participating in the Greek Public Offering is at least equal to such percentage. The Selling Shareholder has reserved the right to exercise the Upsize Option in its sole discretion. The allocation split of the Upsize Option Shares that may be sold between the Greek Public Offering and the International Offering is at the sole discretion of the Selling Shareholder.

Initial Offer Shares initially allocated to the International Offering, may be reallocated to investors participating in the Greek Public Offering, as long as orders submitted in the Greek Public Offering exceed the above initial allocation and support this reallocation.

Initial Offer Shares allocated to, but not purchased in, the Greek Public Offering may be reallocated to investors participating in the International Offering, as long as orders submitted in the International Offering exceed the above initial allocation and support this reallocation.

The final allocation split of the Offer Shares between the Greek Public Offering and the International Offering will be determined after the close of the period of the bookbuilding process for the International Offering and the Greek Public Offering period on or about 6 March 2024 by the Selling Shareholder, and investors shall be informed through the publication of the respective announcement addressed to investors in the Daily Statistical Bulletin of the ATHEX and on Piraeus Holdings' and Selling Shareholder's websites.

Allocation of Offer Shares in the Greek Public Offering

Of the total number of Offer Shares finally allocated in the Greek Public Offering (after taking into account any reallocation of Offer Shares from the International Offering to the Greek Public Offering and , if applicable, the exercise of the Upsize Option by the HFSF), the number of Offer Shares that will be finally allocated to each of the Retail Investors and Qualified Investors categories will be determined upon completion of the Greek Public Offering, at the discretion of the Selling Shareholder, provided that the allocation of the Offer Shares in the Greek Public Offering to the investors will be carried out as follows:

- a percentage of at least 30% of the Offer Shares in the Greek Public Offering will be allocated to satisfy the applications of Retail Investors; and
- the remaining up to 70% of Offer Shares in the Greek Public Offering will be allocated between the Qualified Investors and Retail Investors based on the total demand expressed in each category of investors (*i.e.*, Qualified Investors and Retail Investors).

As long as the Retail Investors' applications for 30% of the Offer Shares in the Greek Public Offering have been satisfied, the following will be taken into account for the final determination of the allocation percentage per category of investors: (a) the demand from the Qualified Investors, (b) the demand in the retail segment of investors exceeding 30%, (c) the number of applications for the purchase of Offer Shares concerning Retail Investors, and (d) the need to achieve sufficient free float. In the event that the total demand from Retail Investors falls short of 30% of the total number of Offer Shares to be made available in the Greek Public Offering, the applications of Retail Investors will be fully satisfied, up to the amount for which demand was actually expressed, while the Offer Shares in the Greek Public Offering, which correspond to the shortfall against the total percentage of 30% of the total number of the Offer Shares in the Greek Public Offering, will be transferred to the category of Qualified Investors.

If demand for Offer Shares in the category of Retail Investors in the Greek Public Offering is higher than the total number of Offer Shares finally allocated to that category, purchase applications of the Retail Investors will be satisfied *pro rata*.

After the above calculation, the number of Offer Shares that will be allocated to each investor will be rounded down to the nearest integer number of shares. If, as a result of such rounding per investor, Offer Shares remain unallocated, one additional Offer Share will be allocated to the investors, having, per investor, the highest unsatisfied fractional shares in descending order.

If demand for Offer Shares in the category of Qualified Investors is higher than the total number of Offer Shares finally allocated to that category, purchase applications of Qualified Investors will be satisfied *pro rata*.

If the Greek Public Offering is purchased in part, Retail Investors and Qualified Investors will be allocated all (*i.e.*, 100%) Offer Shares for which they will have submitted purchase applications.

Allocation of Offer Shares in the Greek Public Offering will not be dependent upon the financial intermediary or the manner in which purchase applications have been submitted.

Delivery of Offer Shares will be completed through their transfer to the Investor Share and Securities Account of the Retail Investors and Qualified Investors entitled thereto. Such registration will be made following completion of the relevant processes and the exact date thereof will be publicly announced by Piraeus Holdings and HFSF through the ATHEX at least one Business Day prior to the delivery of the Offer Shares to the investors.

19.5 Withdrawal Rights

If a supplement to this Prospectus is published in accordance with Article 23 of the Prospectus Regulation, investors in the Greek Public Offering who submitted purchase applications for Offer Shares will have the right to withdraw their application made prior to the publication of the supplement within the time period set forth in the supplement (which shall not be shorter than two Business Days after the publication of the supplement).

19.6 Underwriting

Greek Public Offering

EUROXX SECURITIES S.A. and Piraeus Bank S.A. act as Greek Public Offering Coordinators and Lead Underwriters. However, the Greek Public Offering Coordinators and Lead Underwriters assume no liability if the Greek Public Offering is aborted, whether due to a cause attributable to Piraeus Holdings, the Selling Shareholder or otherwise.

The Greek Public Offer Coordinators and Lead Underwriters have undertaken, severally and not jointly, to distribute and place the Offer Shares in the Greek Public Offering without a firm commitment. All matters relevant to the underwriting services and process are set forth in an underwriting agreement entered into on or about 3 March 2024 between Piraeus Holdings, the Selling Shareholder and the Greek Public Offering Coordinators and Lead Underwriters (the “Greek Public Offering Underwriting Agreement”).

If not all of the Offer Shares allocated in the Greek Public Offering are purchased by investors, the Greek Public Offering Coordinators and Lead Underwriters are not required to purchase and pay for any Offer Shares not subscribed, as the Greek Public Offering Coordinators and Lead Underwriters have undertaken only to distribute and place Offer Shares to investors in Greece without a firm commitment.

None of the Greek Public Offering Coordinators and Lead Underwriters will perform transactions to stabilise the market price of the Ordinary Shares following completion of the Offering.

Should the Greek Public Offering Coordinators and Lead Underwriters decide to terminate the Greek Public Offering Underwriting Agreement, the Offering may be cancelled; if cancelled, no Offer Shares will be delivered, and any amounts paid pursuant to their purchase applications will be returned.

In the Greek Public Offering Underwriting Agreement, Piraeus Holdings and the Selling Shareholder make certain customary representations and warranties, including, in the case of Piraeus Holdings, with respect to the Group’s business, the Offer Shares and the contents of this Prospectus and, in the case of the Selling Shareholder, in relation to its title to the Offer Shares, among other things.

The Greek Public Offering Coordinators and Lead Underwriters are entitled to terminate the Greek Public Offering Underwriting Agreement upon the occurrence of certain events, including, indicatively, the following and in accordance with the specific terms of such agreement:

- if a material adverse change, or any development reasonably likely to involve a material adverse change, in the condition (financial, operational, legal or otherwise) or in the results of operations, earnings, business affairs, assets or prospects of the Group as a whole, takes place;

- if trading in the Ordinary Shares has been suspended or limited by the HCMC on the ATHEX, or if trading generally on the ATHEX, the London Stock Exchange or the New York Stock Exchange has been suspended or limited;

- if there has occurred any adverse change in the financial markets in Greece, the United States, the United Kingdom, any member state of the EEA or the international financial markets, any acts of God or force majeure, acts of government, war, riot, public disorder, civil commotion, fire, flooding, explosion, epidemic (including but not limited to severe acute respiratory syndrome and avian flu), pandemic, terrorism, strike, or lockout or any change or development involving a prospective change in national or international political, financial or economic conditions, or currency exchange rates; or

- if, in the good faith opinion of the Greek Public Offering Coordinators and Lead Underwriters, after prior consultation with the Selling Shareholder to the extent reasonably practicable, any matter giving rise to an obligation of a supplement publication has occurred in accordance with Article 23(1) of the Prospectus Regulation.

International Offering

In connection with the International Offering, Piraeus Holdings, the Selling Shareholder and the Managers have entered into an underwriting agreement (the "International Offering Underwriting Agreement") dated as of 3 March 2024 with respect to the offer and sale of the Offer Shares in the International Offering.

Subject to the determination of the Offer Price following the execution of the pricing agreement (the "Pricing Agreement"), which is a condition for the obligations of the Managers under the International Offering Underwriting Agreement, and subject to certain customary conditions set forth in the International Offering Underwriting Agreement, the Managers will, severally but not jointly, agree to procure purchasers for the Offer Shares to be offered pursuant to the International Offering, at the Offer Price.

Subject to the satisfaction of customary conditions precedent, the proportion of total Offer Shares to be offered pursuant to the International Offering which each Manager may severally but not jointly be required to procure investor in order to purchase Offer Shares will be set in a pricing agreement.

The final number of the Offer Shares to be offered pursuant to the International Offering, and, therefore, the specific commitments, will not be known until the final number of the Offer Shares to be offered under the International Offering is determined by the Selling Shareholder.

None of the Managers will perform transactions to stabilise the market price of the Ordinary Shares following the completion of the Offering.

Should the Managers decide to terminate their several commitments, the Offering may be cancelled; if cancelled, no Offer Shares will be delivered.

In the International Offering Underwriting Agreement, Piraeus Holdings and the Selling Shareholder make certain customary representations and warranties, including, in the case of Piraeus Holdings, with respect to the Group's business, the Offer Shares and the contents of this Prospectus and, in the case of the Selling Shareholder, in relation to its title to the Offer Shares, among other things.

Moreover, pursuant to the International Offering Underwriting Agreement (and the Greek Public Offering Underwriting Agreement), each of Piraeus Holdings and the Selling Shareholder has agreed to certain lock-up arrangements, as described below.

Piraeus Holdings Lock-up Arrangements

Piraeus Holdings has agreed that, subject to certain exceptions set out below, during the period commencing on the date of the International Offering Underwriting Agreement and ending 180 days after the closing of the Offering, it will not, without the prior written consent of the Joint Global Coordinators (acting on behalf of the Managers) (a) issue or contract to issue, offer, or directly or indirectly sell or contract to sell, directly or indirectly, issue, offer, pledge, sell, contract to sell, transfer, pledge, lien, charge, grant security or an option over, or enter into any other agreement or arrangement having a similar effect, or in any way, whether directly or indirectly, dispose of the legal title to or beneficial interest in any Ordinary Shares; or (b) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any Ordinary Shares, whether any such transaction described in (a) or (b) above is to be settled by delivery of Ordinary Shares or other securities, in cash or otherwise; or (c) publicly announce such an intention to effect any such transaction. The foregoing sentence shall not apply to (i) the sale of Ordinary Shares to be sold pursuant to the Offering, (ii) any Ordinary Shares issued by Piraeus Holdings upon the exercise of an option or warrant or the conversion of a security outstanding on the date of the International Offering Underwriting Agreement and referred to in this Prospectus, (iii) any Ordinary Shares issued or options to purchase Ordinary Shares granted pursuant to existing employee benefit plans of Piraeus Holdings referred to in this Prospectus, (iv) any Ordinary Shares issued pursuant to any non-employee director share plan or dividend reinvestment plan referred to in this Prospectus, (v) transfers involving Connected Parties (as defined in the International Offering Underwriting Agreement) (as long as recipients sign equivalent lock-up undertakings), (vi) any disposals in the context of a takeover offer or scheme or share buybacks offer made to all holders, (vii) any Ordinary Shares issued by Piraeus Holdings pursuant to the Stock Option Plan (as defined in the International Offering Underwriting Agreement), (viii) issuances of any other capital instruments and/or eligible liabilities to comply with applicable regulatory requirements, as described or contemplated in this Prospectus, (ix) trading by Piraeus Holdings in Ordinary Shares for the account of and/or on behalf of its or its subsidiaries' clients which are not "affiliates" (within the meaning of Rule 405 under the U.S. Securities Act) of Piraeus Holdings in ordinary course of the business of Piraeus Holdings or any of its subsidiaries or other affiliates, (x) capital increases or other issuances of securities required by Greek law (including Greek Law 3864/2010, as in force) or required by the Bank of Greece or the ECB, as applicable, and (xi) any other situation in which applicable law requires the disapplication of the first sentence of the foregoing lock-up undertakings. The term "affiliate" as used in this paragraph has the meaning given in Rule 501(b) under the U.S. Securities Act, excluding (i) the Selling Shareholder and any other entity controlled by the Selling Shareholder (other than Piraeus Holdings' subsidiaries), and (ii) the directors and officers of Piraeus Holdings or any other Group company. The Joint Global Coordinators in their sole discretion may release any of the securities subject to this lock-up agreement at any time without notice and, specifically in the case of an acquisition, merger, corporate reorganisation or similar transaction, will not unreasonably withhold their release of the lock-up if the Issuer so requests.

Selling Shareholder Lock-up Arrangements

The Selling Shareholder has agreed that, subject to the exceptions set out below, during the period commencing on the date of the International Offering Underwriting Agreement and ending 180 days after the closing of the Offering, it will not, without the prior written consent of the Joint Global Coordinators acting on behalf of the Managers (a) directly or indirectly, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or lend or otherwise transfer or dispose of any Ordinary Shares or any securities convertible into or exercisable or exchangeable for Ordinary Shares or request or demand that Piraeus Holdings file any registration statement under the U.S. Securities Act or any similar document with any other securities regulator, stock exchange or listing authority with respect to any of the foregoing; or (b) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any Ordinary Shares, whether any such transaction described in (a) or (b) above is to be settled by delivery of Ordinary Shares or other securities, in cash or otherwise. However, the foregoing shall not apply to (i) the sale of Ordinary Shares to be sold pursuant to the International Offering; (ii) the sale of the Ordinary Shares in the Greek Public Offering; (iii) accepting a general offer made to all holders of Ordinary Shares then in issue on terms which treat all holders of Ordinary Shares alike, or executing and delivering an irrevocable commitment or undertaking to accept such a general offer (without any further agreement to transfer or dispose of any Ordinary Shares or any interest therein); (iv) the selling or otherwise disposing of Ordinary Shares to the extent that the proceeds of such sale or disposition are used to take up any rights granted in respect of a pre-emptive share offering by Piraeus Holdings; (v) the sale or otherwise disposal of Ordinary Shares pursuant to any offer by Piraeus Holdings to purchase its own Ordinary Shares which is made on identical terms to all holders of Ordinary Shares in Piraeus Holdings; (vi) any disposal by and/or allotment and issue of Ordinary Shares to the Selling Shareholder pursuant to any capital reorganisation in respect of any Offer Shares beneficially owned, held or controlled by the Selling Shareholder, provided that any shares issued to or otherwise acquired by the Selling Shareholder pursuant to such capital reorganisation shall be subject to the restrictions set out in the International Offering Underwriting Agreement; or (vii) transferring or otherwise disposing of Ordinary Shares pursuant to any applicable law or in compliance with a final order of a court of competent jurisdiction.

20 DEALING ARRANGEMENTS

The Ordinary Shares, including the Offer Shares are traded on the Main Market of the Regulated Securities Markets of the ATHEX under the symbol "TPEIR".

Clearing of market transactions in the Offer Shares will be made by the ATHEXClear in accordance with the regulation on clearing of transferable securities in book-entry form.

Set out below is the expected indicative timetable for the Offering:

Date	Event
3 March 2024	HCMC approval of the Prospectus.
3 March 2024	Publication of the Prospectus on Piraeus Holdings', Selling Shareholder's, Greek Public Offering Adviser's, Greek Public Offering Coordinators and Lead Underwriters', HCMC's and ATHEX's website.
3 March 2024	Publication of announcement regarding the availability of the Prospectus in the Daily Statistical Bulletin of the ATHEX and on Piraeus Holdings and Selling Shareholder's websites.
3 March 2024	Publication of the announcement for the invitation of the investors and the commencement of the Greek Public Offering.
4 March 2024	Commencement of the bookbuilding process for the International Offering (10:00 Greek time).
4 March 2024	Commencement of the Greek Public Offering (10:00 Greek time).
4-6 March 2024	The Selling Shareholder may at its sole discretion upon resolutions of its Board of Directors decide to (not in order of priority): (i) exercise the Upsize Option; (ii) determine a narrower range within the Price Range; and/or (iii) determine a price point guidance. In accordance with Article 17 of the Prospectus Regulation, investors shall be informed through the publication of respective announcements addressed to investors in the Daily Statistical Bulletin of the ATHEX and on Piraeus Holdings' and the Selling Shareholder's websites.
6 March 2024	End of the bookbuilding process for the International Offering (16:00 Greek time).
6 March 2024	End of the Greek Public Offering (16:00 Greek time).
7 March 2024	Publication of the Pricing Statement in the Daily Statistical Bulletin of the ATHEX and on Piraeus Holdings' and Selling Shareholder's websites.
7 March 2024	Publication of a detailed announcement concerning the outcome of the Greek Public Offering in the Daily Statistical Bulletin of the ATHEX and on Piraeus Holdings' and Selling Shareholder's websites.
11 March 2024	Crediting the Offer Shares to the Investor Shares and Securities Accounts (expected Settlement Date).

Investors should note that the above timetable is indicative and subject to change, in which case Piraeus Holdings and the Selling Shareholder will duly and timely inform the investors pursuant to a public announcement that will be published on ATHEX Daily Statistical Bulletin, the website of the Selling Shareholder and the website of Piraeus Holdings.

21 EXPENSE OF THE OFFERING

Piraeus Holdings' Expenses

The total expenses of, or incidental to, the Offering to be borne by Piraeus Holdings are estimated to amount to up to €44 million.

Selling Shareholder's Expenses

Assuming that the totality of the Initial Offer Shares will be disposed through the Offering, the total expenses of, or incidental to, the Offering to be borne by the HFSF are estimated to be up to approximately €14 million, out of which amount, the aggregate commissions payable by the Selling Shareholder in connection with the Offering, calculated at the maximum price of the Price Range, are estimated to be up to approximately €12 million, comprising approximately €1 million in relation to the Greek Public Offering and approximately €11 million in relation to the International Offering.

Assuming that the Upsize Option will be fully exercised, the total expenses mentioned above are expected to be increased by approximately up to €3 million.

All amounts mentioned above are before VAT.

Investors who participate in the Greek Public Offering will be charged a rate of 0.0325% of the value of the allocated Offer Shares (calculated as the product of the allocated Offer Shares and the Offer Price) for exchange and clearing fees. In addition, customary brokerage fees will be charged.

22 DILUTION

Existing Shareholders will experience no dilution in connection with the Offering as no new Ordinary Shares are being issued.

As at 31 December 2023, the tangible book value per Ordinary Share amounted to €5.08 (calculated as the Group's total tangible equity attributable to equity holders as at 31 December 2023, divided by the total number of Ordinary Shares). The Offer Price per Offer Share will not be lower than €3.70 or higher than €4.00.

23 FINANCIAL TARGETS AND PROFIT FORECASTS

This Prospectus includes certain information relating to the Group's targets for financial performance for the years ending 31 December 2024, 2025 and 2026, as set out below. The targets are derived from the Group's 2024-2026 business plan approved by the Board of Directors on 14 December 2023 (see Section 16.1 "*Documents Available—Documents Made Available to Investors*").

Certain targets as set out below (collectively, the "Profit Forecasts") are deemed to be profit forecasts for purposes of the Prospectus Regulation. The Profit Forecasts have been compiled and prepared on a basis that is (a) comparable with the Group's historical financial information included in this Prospectus, and (b) consistent with the Group's accounting policies.

The Group has based its financial targets on the view of its Board of Directors and Management with respect to future events and financial performance.

Although the Group believes that the expectations, estimates and projections reflected in these targets are reasonable as of the date of this Prospectus, if one or more of the risks or uncertainties materialises, including those identified in Section 1 "*Risk Factors*" or which the Group has otherwise identified in this Prospectus, or if any of the Group's underlying assumptions proves to be incomplete or inaccurate, the Group's actual results of operations may differ materially from those targets.

23.1 Financial Targets

The Group has established financial targets for the years ending 31 December 2024, 2025 and 2026.

In order to assist investors to evaluate and compare the Group's financial targets to its historical results, the table below sets forth a side-by-side comparison of the Group's results for the year ended 31 December 2023 to the corresponding financial targets for the years ending 31 December 2024, 2025 and 2026. The information relating to these targets has not been audited or reviewed.

	Year ended 31 December	Year ending 31 December		
	2023 (Actual)	**2024 (Target)**	**2025 (Target)**	**2026 (Target)**
Key Performance Indicators				
Net profit reported (€bn)	0.8	c.0.9	c.1.0	c.1.0
Performing loans annual growth (yoy,%)	5	c.5	c.6	c.6
NPE ratio (%)	3.5	<3.5	c.3	c.2.5
CET1 capital ratio reported (%)	13.2	>14.0	c.14.5	c.15.0

The Group's ability to achieve its targets set out above is supported by the following components of its business plan:

- approximately €9.0 billion for 2024, €9.5 billion for 2025 and €10.0 billion for 2026 in new loan disbursements to businesses and households, resulting in a net credit expansion of approximately €1.4 billion in 2024, approximately €2.0 billion in 2025 and approximately €2.0 billion in 2026;
- approximately €60.5 billion for 2024, €61.5 billion for 2025 and €63.5 billion for 2026 in balances of customer deposits, with ratio of loans to deposits below 70% throughout the three-year period 2024-2026;
- strengthening and diversifying the Group's revenue pools to achieve normalized net income of approximately €1.0 billion for the year ending 31 December 2024, €1.0 billion for the year ending 31 December 2025 and €1.0 billion for the year ending 31 December 2026, corresponding to approximately 14%, 13% and 12% RoaTBV normalised, respectively, excluding one-off items and adjusting for AT1 coupon payment;
- defending loan spreads, managing deposit costs and enhancing contribution of fixed income securities portfolio, to sustain net interest margin at above 2.0% throughout the three-year period;
- aiming to enhance net fee income over assets to approximately 0.7% for 2024, 0.8% for 2025 and 0.9% for 2026 through strategic initiatives and diversifying revenue growth in various operating business lines;
- maintaining cost discipline in operations, while investing in resources (such as talent and technology) as necessary, aiming at a cost to core-income ratio at the area of approximately 35% throughout the three-year period 2024-2026;
- maintaining significant capital buffers over and above the minimum regulatory threshold for total capital ratio plus

Pillar 2 Guidance, of at least 300 basis points throughout the three-year period ending 31 December 2026, allowing the Group to enhance its distribution policy aspiration towards its shareholders, subject to necessary conditions being met and supervisory approval;

- meeting MREL target of approximately 28% from December 2025 onwards;
- managing organic NPE formation throughout the three-year period despite the increased interest rate environment to support the further de-risking of the balance sheet, while assuming consistent increase in NPE coverage over 60% throughout the three-year period 2024-2026;
- leveraging core business strengths and a leading market presence to capture new opportunities arising from the evolving economic landscape and digitisation (see "*Group's Business Overview—The Group's Competitive Strengths*"); and
- committing to generate a positive sustainability impact, with an increase to at least €5.0 billion in the Group's sustainable banking portfolio for the year ending 31 December 2026, while green funding (*i.e.*, bonds and deposits) is expected to exceed €1.5 billion during the same period.

For definitions and information on the calculation of some of the above metrics, see "*Financial Information Concerning the Group's Assets and Liabilities, Financial Position, and Profits and Losses—Alternative Performance Measures*". As these measures are not determined in accordance with IFRS, and are thus susceptible to varying calculations, they may not be comparable with other similarly titled measures of performance of other companies.

The Group's RoaTBV has shown robust growth, and the Group anticipates this trend to continue, solidifying the Group's capital position and reinforcing the Group's commitment to enhancing shareholder returns. Driven by these positive trends and considering the following assumptions, the Group's targets for RoaTBV, excluding one-off items and adjusted for AT1 coupon payment, are 14% for the year ending December 31, 2024, 13% for 2025, and 12% for 2026. These targets assume a growing tangible book value of approximately €7.0 billion for 2024, approximately €7.5 billion for 2025, and approximately €8.0 billion for 2026, aspiring to increase distribution gradually subject to necessary conditions being met and supervisory approval.

23.2 Principles Underlying the Profit Forecasts

In preparing the Profit Forecasts, the Group has carefully considered factors that it deems relevant, including, without limitation, the following:

- *Past results*. The Group has performed detailed analyses of its current and historical financial performance and operating results, with due consideration given to its historical operating experience and anticipated changes in its operational efficiency, in light of its strategic initiatives. The Group has prepared the Profit Forecasts on the basis of its financial results for the year ended 31 December 2023 as a starting point, and then adjusting based upon its business plan, key strategic initiatives and certain estimates and assumptions, including those set forth below;
- *Market developments in Greece*. The Profit Forecasts are based upon the Group's analysis of, and certain assumptions relating to, developments in the Greek economy (as of the date the revised targets were published by the Group on 14 February 2024), including anticipated economic growth, developments in the key market segments that the Group services and the banking industry more generally, trends relating to residential and commercial property prices, trends relating to the interest rate environment, as well as anticipated trends in lending activities in Greece, along with NPE developments, as further described below;
- *Anticipated changes in the Group's financial position*. The Profit Forecasts factor in certain contemplated changes in the Group's financial position, including an anticipated reduction of the Group's NPE stock, contained NPE formation, and an increase in the Group's PE loan expansion, as further described below; and
- *Anticipated changes in the Group's financial performance*. The Profit Forecasts factor in certain contemplated changes in the Group's financial performance, including fluctuation in its net interest margin over assets, incorporating interest rates re-pricing on loans and deposits, enhanced fee income generation, as well as cost discipline actions, as further described below.

23.3 Assumptions Underlying the Profit Forecasts

The Profit Forecasts are based on a range of expectations and assumptions, some or all of which may prove to be inaccurate. These assumptions relate to factors that can, even if only to a limited extent, or cannot be influenced by the Group.

Factors outside the Group's influence

The Profit Forecasts are generally subject to factors that are beyond the Group's control. The key factors and related assumptions that are beyond the Group's control are outlined below.

Unforeseen events such as force majeure

For the purpose of the Profit Forecasts, the Group has assumed that no material unforeseen events will occur that could result in material or lasting constraints on the ongoing operations of the Group, such as force majeure (e.g., fire, floods hurricanes, storms earthquakes or terrorist attacks), strikes, a global pandemic or war (see "*Risk Factors—Risks Relating to the Group's Business—Catastrophic or unforeseen events, such as acts of war, acts of terrorism, earthquakes, floods or public health crises/pandemics may have a material adverse effect on the Group*"). Although the Group cannot rule out that the war in Ukraine or other geopolitical tensions in the region may in the future potentially affect its business or results of operations (as described in "*Risk Factors—Risks Relating to the Group's Business—The Group's business may indirectly be impacted by the war between Russia and Ukraine*"), the Group does not currently expect that such potential developments will have any material adverse effect on its business or operations.

Market developments in Greece

The Profit Forecasts are based upon the Group's analysis of, and certain assumptions relating to, market developments in Greece (see "*Risk Factors—Risks Relating to the Long-Lasting Implications of the Hellenic Republic's Economic Crisis in the Previous Decade, the Residual Effect of the COVID-19 Pandemic, Evolving Geopolitical Turbulence, Inflationary Pressures and the Macroeconomic Outlook in the Hellenic Republic*"). Specifically, the Profit Forecasts assume that:

- Greece's GDP (in constant price terms) will grow by approximately 3% per annum throughout the three-year period, supported by increasing private and public sector investment projects, including significant foreign investments;
- CPI in Greece will decrease to an average annual rate of approximately 2% in the three-year period (compared to an average of approximately 3% in the year ended 31 December 2023), paving the way for interest rate cuts by the ECB following the interest rate hiking cycle initiated in late 2022 and going through 2023;
- residential real estate prices will continue on an upward trend, with the annual residential price growth estimated at approximately 9% in 2024 (compared to 12% year-on-year as at 30 September 2023) and approximately 6% on average, in 2026, supporting broader collateral valuations; and
- the return of the Hellenic Republic's rating to investment grade status by major rating agencies is also expected to positively affect the broader structure of financial risk premia for the economy.

ECB Deposit Rate Facility

The Profit Forecasts assume that the ECB Deposit Rate Facility will stand at 3.75% as at 31 December 2024 and 2.75% as at 31 December 2025, subsequently reverting gradually to a long-term sustainable equilibrium of 2.50% as at 31 December 2026.

Legal and regulatory developments

For the purpose of the Profit Forecasts, the Group has assumed that no material, unanticipated changes to the legal and regulatory environment will occur that could adversely impact the Group's results of operations or its capital or liquidity requirements (see "*Risk Factors—Legal, Regulatory and Compliance Risks*").

Factors that can be partly or wholly influenced by the Group

The Profit Forecasts are also subject to factors that can be partly or wholly influenced by the Group. The key factors and the related assumptions that can be partly or wholly influenced by the Group are outlined below.

Ability to execute growth strategy

For the purpose of the Profit Forecasts, the Group has assumed that, in general, it is able to execute its growth strategy as set out in the 2024-2026 business plan. For more information on the Group's strategic initiatives over the next few years, see "*The Group's Business—The Group's Strategy—Focus on 2024-2026 targets and strategic outlook*".

Anticipated changes in the Group's financial position

The Profit Forecasts factor in certain contemplated changes in the Group's financial position, including an anticipated reduction of the Group's NPE stock, contained NPE formation, and an increase in the Group's PE loan expansion. The Group's funding profile will remain largely similar to the current profile (and its funding structure will remain largely deposit-funded, with a high composition mix of low-cost core deposits), allowing it to benefit from excess liquidity. In addition, the Group's capital position will increase further through solid organic capital generation over the three-year period ending 31 December 2026, factoring in the increase in the Group's RWAs as a result of Basel IV framework implementation, as well as any temporary impact on the Group's CET1 as a result of the prudential treatment of the Greek State-Guaranteed Exposures. See "*The Group may be required to maintain additional capital and liquidity as a result of regulatory changes or otherwise"* in Section 1 "Risk Factors". As a result, the Group will maintain significant capital buffers over and above the minimum regulatory threshold plus Pillar 2 Guidance for total capital ratio of at least 300 basis points, throughout the three-year period ending 31 December 2026.

Anticipated changes in the Group's financial performance

The Profit Forecasts factor in certain contemplated changes in the Group's financial performance, including fluctuation in its net interest margin over assets, incorporating interest rates re-pricing on loans and deposits, enhanced fee income generation, as well as cost discipline actions.

Acquisitions and disposals

The Profit Forecasts assume that the Group will not undertake any material acquisitions or disposals between the date of this Prospectus and 31 December 2026.

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