Piraeus Financial Holdings

Capital Adequacy and Risk Management Regulatory Disclosures

on a Consolidated Basis
for the Year 2024 (Pillar III)

Version 1.1

Table of Contents

Index of Regulatory Disclosure Templates

List of Abbreviations	
Abbreviation	**Description**
ALCO	Assets & Liabilities Committee
ALM	Asset/Liability management
ALMM	Additional Liquidity Monitoring Metrics
AML	anti-money laundering
ASF	Available Stable Funding
AT1	Additional Tier 1
AVA	additional valuation adjustments
BCBS	Basel Committee on Banking Supervision
BCP	Business Continuity Plan
BIS	Bank of International Settlements
BoD	Board of Directors
BoG	Bank of Greece
BRRD	Bank Resolution and Recovery Directive (EU) 2014/59, as it currently stands
C&E	climate & environment
CCB	capital conservation buffer
CCF	credit conversion factor
CCO	Chief Credit Officer
CCP	central counterparty
CCR	counterparty credit risk
CEO	Chief Executive Officer
CET1	Common Equity Tier 1
CLO	collateralized loan obligation
Covid-19	coronavirus disease
CRD	Capital Requirements Directive IV, EU Directive 2013/36, as it currently stands
CRM	credit risk mitigation
CRO	Chief Risk Officer
CRR	Capital Requirements Regulation, Regulation (EU) No 575/2013, as it currently stands
CSA	Credit Support Annex
CSRD	Corporate Sustainability Reporting Directive
CTF	counter-terrorism financing
CVA	credit valuation adjustment
DSB	Development & Sustainable Banking
DTA	deferred tax asset
EBA	European Banking Authority
ECAI	External Credit Assessment Institution
ECB	European Central Bank
ECL	expected credit loss
EFSF	European Financial Stability Fund
EIF	European Investment Fund
ESG	environmental, social, and governance (risks)
ESM	European Stability Mechanism
ESMA	European Securities & Markets Authority
ESMS	Environmental and Social Management System

List of Abbreviations	
Abbreviation	**Description**
ESRB	European Systemic Risk Board
EU	European Union
EVE	Economic Value of Equity
FRTB	Fundamental Review of the Trading Book, as per the BCBS Minimum capital requirements for market risk published Jan 2019
FTP	Funds Transfer Pricing
FVTOCI	fair value through other comprehensive income
FX	foreign exchange
FY	fiscal year
GDPR	General Data Protection Regulation, as published Apr 2016
GHG	greenhouse gas
GIS	Geographic Information System
GMRA	Global Master Repurchase Agreement
GRM	Group Risk Management
HAPS	Hellenic Asset Protection Scheme ("Hercules")
HBA	Hellenic Banking Authority
HFSF	Hellenic Financial Stability Fund
HQLA	high-quality liquid assets
HR	(Group) Human Resources
ICAAP	Internal Capital Adequacy Assessment Process
ICD	Internal Control Deficiency
ICMA	International Capital Markets Association
ICS	Internal Control System
ICT	Information and Communication Technology
IFRS	International Financial Reporting Standards
ILAAP	Internal Liquidity Adequacy Assessment Process
IORP	Institutions for Occupational Retirement Provisions
IRRBB	Interest rate risk in the banking book
ISDA	International Swaps and Derivatives Association
ITS	Implementing Technical Standards
KPI, KRI	key performance indicator, key risk indicator
LBCM	Liquidity Buffer & Collateral Management
LCR	liquidity coverage ratio
LoD	(Three) Lines of Defense
LTRO	Long Term Refinancing Operations
MB	Management Body
MNA	master netting agreement
MREL	minimum requirement for own funds and eligible liabilities
MRT	Material Risk Takers
NACE	statistical classification of economic activities in the European Community. The term is derived from the French “Nomenclature statistique des activités économiques dans la Communauté européenne”
NCA	national competent authority
NFC	non-financial corporation

List of Abbreviations	
Abbreviation	**Description**
NFRD	Non-Financial Reporting Directive
NII	net interest income
NMD	non-maturity deposit
NPE	non-performing exposure
NPL	non-performing loan
NSFR	net stable funding ratio
OCR	Overall Capital Requirement
ORAP	Operational Risk Assessment Process
ORCO	Operational Risk Committee
ORMF	Operational Risk Management Framework
O-SII	other systemically important institution
OTC	over-the-counter
P&L	profit and loss
P2G	Pillar 2 Guidance
P2R	Pillar 2 Requirements
PD	probability of default
PFE	potential future exposure
PMO	Program Management Office
POCI	purchased or originated credit-impaired
PRB, PRI	Principles of Responsible Banking, Principles of Responsible Investing
PSI	Private Sector Involvement
PWG	product working groups
QCCP	qualifying central counterparty
RAF	Risk Appetite Framework
RC	Risk Committee
RCSA	Risk & Control Self Assessment
RemCo	Remuneration Committee
RES	renewable energy sources
RMF	Risk Management Framework
RRF	Recovery and Resilience Fund
RRM	Risk Reduction Measures, referring to the package of regulations released by the European Commission on May 20, 2019
RSF	Required Stable Funding
RWEA, RWA	risk weighted exposure amount, risk weighted assets
SBTi	Science Based Targets Initiative
SDG	Sustainable Development Goal
SFDR	Sustainable Finance Disclosure Regulation
SFT	security financing transaction
SME	small and medium size enterprises
SRB	Single Resolution Board
SREP	Supervisory Review and Evaluation Process
SRF	Single Resolution Fund
SRM	Single Resolution Mechanism

List of Abbreviations	
Abbreviation	**Description**
SRT	significant risk transfer
SSM	Single Supervisory Mechanism
ST	stress test
STE	Short Term Exercise
STS	simple, transparent, and standardized (securitization)
TLTRO	Targeted Long Term Refinancing Operations
TSCR	Total SREP Capital Requirement
TU	Typical Unit
VaR	Value-at-Risk
VES	Voluntary Exit Scheme

1. General Information

1.1. Introduction

Piraeus Financial Holdings S.A. (hereinafter "the Group") is a Financial Holdings Company incorporated and headquartered in Greece with its registered office located at 4 Amerikis str., Athens, providing services mainly in Greece. It is listed on the Athens Stock Exchange, and it is the parent company of the banking institution Piraeus Bank S.A. (hereinafter "the Bank"). Subsequent to the corporate transformation that took place on December 30th, 2020, the banking operations were hived down to a new wholly owned banking subsidiary (Piraeus Bank S.A.). The holdings company operates in accordance with the provisions of Law 2190/1920 on societés anonymes and Law 4261/2014 on access to the activity of credit institutions and the prudential supervision of credit institutions, while complying with the Greek and European legal framework regarding the operations of banking institutions.

1.2. Piraeus Group Pillar III Report Overview

1.2.1. Compliance with Pillar III Disclosure Requirements

This report constitutes the Pillar III disclosures mandate of the regulatory framework under Part Eight of Regulation (EU) No 575/2013 (CRR) as amended by Regulation (EU) 1623/2024 and is available on Piraeus Group's official website at:

(link: Piraeus Group Pillar III Disclosures)

The report does not constitute either a form of financial statements or an evaluation of the future financial situation or business expectation for Piraeus Group. However, any differences between the figures illustrated in these disclosures and those presented in the year-end 2024 consolidated financial statements of the Group, are sufficiently reasoned.

In June 2020, the European Banking Authority (EBA) published a "Final Report on the Guidelines on Disclosure Requirements referred to in Titles I and II under Part Eight of Regulation (EU) No 575/2013" (EBA Guidelines, EBA/GL/2020/04), amending the previous Guidelines released from the EBA. These Implementing Technical Standards (ITS) were introduced in EU legislation through Commission Implementing Regulation (EU) 2021/637 as amended by Commission Implementing Regulation (EU) 2024/3172 in 2024. They specify instructions for disclosure content and formats (fixed and flexible) through the use of tables and templates, aiming to improve the consistency and comparability of institutions' regulatory disclosures in accordance with Part Eight of the CRR.

It is noted that guidelines published by the EBA do not waive, contradict, or supersede the CRR disclosure requirements, which still apply entirely even in the case of requirements that are only partially specified or not explicitly specified in the guidelines.

Based on the regulatory disclosure requirements and the Pillar III Disclosures Policy described below, the Group discloses this report via the internet, on a consolidated basis, alongside the Annual Financial Statements.

1.2.2. Capital Adequacy and Risk Management Regulatory Disclosures Policy

Recognizing the increasing complexity of modern financial transactions and the need for complete information to investors about inherent risks, the Group has adopted a Capital Adequacy and Risk Management Regulatory Disclosures Policy (Pillar III Disclosures Policy) in order to:

- ensure valid public disclosures and compliance with the requirements of Pillar III,
- depict the framework and the policies for risk management, capital management, and remuneration at the Group level,
- respond and comply with the technical requirements on disclosures as specified by the EBA, and
- achieve harmonization with best practices of regulatory disclosures.

The internal Pillar III Disclosures Policy sets out the principles governing regulatory disclosures of Pillar III within Piraeus Group, outlines the roles and responsibilities of business units and Senior Management involved in the process of formation and review of the disclosures, and defines the minimum content and extent as well as the means and frequency of information disclosed. The policy constitutes an integral part of the Group Risk Management Framework (RMF).

1.2.3. Approval of Pillar III Report

This report was approved on April 15th, 2025, by the Risk Committee (RC) of the Board of Directors (BoD), in accordance with the Pillar III Disclosures Policy. The information presented in this report is compliant with the relevant regulatory guidelines and is consistent with the Pillar III Disclosures Policy.

Prior to the official approval by the RC, the Disclosures were reviewed by the Senior Management of Group Risk Management (GRM), Group Financial Management, Group Planning, Investor Relations (IR), & ESG, and Group Human Resources (HR). The report has not been formally audited internally or externally prior to its publication; however, it is subject to periodic review by Group Internal Audit.

The Group has not omitted from this report any required information due to confidentiality or proprietary reasons.

Through the publication of this report, the RC confirms the adequacy of the Group's risk management arrangements and the suitability of the risk management systems in accordance with the Group's profile and strategy.

1.3. Scope of Regulatory Disclosures

1.3.1. Accounting Consolidation

Accounting consolidation is conducted according to the provisions of the International Financial Reporting Standards (IFRS). The consolidated financial statements incorporate the financial statements of the Group, its subsidiaries (including structured entities) that are entities controlled by the Group, its associates, and its joint ventures. Subsidiaries are fully consolidated, while investments in associates and joint ventures are incorporated using the equity method of accounting.

Control is achieved, if and only if, the Group has:

a) power over the subsidiaries,

b) exposure or rights to variable returns from its involvement with the subsidiaries, and

c) the ability to use its power over the subsidiaries to affect the amount of the Group's returns.

Income and expenses and other comprehensive income of subsidiaries acquired or disposed of during the year are included in the consolidated income statement and in the consolidated statement of comprehensive income, respectively, from the effective date of acquisition and up to the effective date of disposal, as appropriate. Profit (or loss) for the period and total comprehensive income (or expense) of subsidiaries are attributed to the owners of the Group and to the non-controlling interests, even if these result in the non-controlling interests are of a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those adopted by the Group. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Associates are all entities over which the Group has significant influence but not a controlling interest. Significant influence is generally presumed when the Group holds, directly or indirectly, more than 20% of the voting rights, unless it can be clearly demonstrated that this is not the case. The existence and effect of potential voting rights that are currently exercisable or convertible are considered in assessing whether the Group has significant influence.

1.3.2. Regulatory Consolidation

The Group's consolidation perimeter for regulatory reporting to the supervisory authorities does not differ from the accounting consolidation. Moreover:

- the proportional consolidation method is not used in any of the Group's companies, neither regulatory-wise, nor accounting-wise, and
- there are no other companies that are either consolidated or deducted from own funds.

The Group does not make use of the exemption contemplated in Article 49 of the CRR, and therefore the disclosure of template EU INS1 (Non deducted participations in insurance undertakings) does not apply.

In Appendix I, a detailed list of the Group's subsidiaries, associates, and joint venture companies that are included in the accounting consolidation are presented, along with a concise description of their activity, country of incorporation, and participation percentage.

The following table provides a reconciliation of the Group's consolidated balance sheet as of December 31st, 2024, on an accounting consolidation basis (as per the 2024 Annual Financial Report) to the Group's consolidated balance sheet under the regulatory scope of consolidation. Additionally, the table provides a breakdown of how carrying values under the scope of regulatory consolidation are allocated to the different risk frameworks laid out in Part Three of the CRR.

Table 01 : EU LI1 – Differences between Accounting and Regulatory Scopes of Consolidation and the Mapping of Financial Statement Categories with Regulatory Risk Categories								
		a	b	c	d	e	f	g
				Carrying values of items				
2024 (€ 000's)		Carrying values as reported in published financial statements	Carrying values under scope of regulatory consolidation	Subject to the credit risk framework	Subject to the CCR framework	Subject to the securitization framework	Subject to the market risk framework	Not subject to own funds requirements or subject to deduction from own funds
ASSETS								
1	Cash and balances with Central Banks	7,422,517	7,422,517					
2	Due from banks	2,351,940	2,351,940	2,008,332	343,608			
3	Financial assets at FVTPL	754,163	754,163				754,163	
4	Financial assets mandatorily measured at FVTPL	284,757	284,757	284,757				
5	Derivative financial instruments	197,047	197,047		197,047		136,690	
6	Loans and advances to customers at amortised cost	40,684,556	40,684,556	29,290,763		11,393,792		
7	Loans and advances to customers mandatorily measured at FVTPL	49,754	49,754	44,244		5,510		
8	Investment securities	15,600,568	15,600,568	15,600,568				
9	Investment property	1,790,490	1,790,490	1,790,490				
10	Investments in associated undertakings and joint ventures	1,294,852	1,294,852	1,237,895				0.00
11	Property and equipment	754,604	754,604	754,604				
12	Intangible assets	416,505	416,505	156,570				259,935
13	Tax receivables	168,128	168,128	168,128				

Table 01 : EU LI1 – Differences between Accounting and Regulatory Scopes of Consolidation and the Mapping of Financial Statement Categories with Regulatory Risk Categories								
		a	b	c	d	e	f	g
				Carrying values of items				
2024 (€ 000's)		Carrying values as reported in published financial statements	Carrying values under scope of regulatory consolidation	Subject to the credit risk framework	Subject to the CCR framework	Subject to the securitization framework	Subject to the market risk framework	Not subject to own funds requirements or subject to deduction from own funds
14	Deferred tax assets	5,363,338	5,363,338	3,809,548				1,553,790
15	Other assets	2,445,846	2,445,846	2,445,846				
16	Assets held for sale	465,037	465,037	465,037				
17	**Total Assets**	**80,044,103**	**80,044,103**	**58,056,784**	**540,655**	**11,399,302**	**890,853**	**1,813,725**
LIABILITIES								
18	Due to banks	2,377,613	2,377,613		2,377,613			
19	Due to customers	62,852,861	62,852,861					
20	Liabilities at FVTPL	97	97					
21	Fair Value changes of hedged items in portfolio hedges of interest rate risk	127,362	127,362					
22	Derivative financial instruments	255,200	255,200				188,560	
23	Debt securities in issue	3,214,838	3,214,838					
24	Other borrowed funds	1,303,352	1,303,352					
25	Current income tax liabilities	12,595	12,595					
26	Deferred tax liabilities	9,077	9,077					
27	Retirement and termination benefit obligations	62,463	62,463					
28	Provisions	165,829	165,829					
29	Other liabilities	1,385,882	1,385,882					
30	Liabilities held for sale	4,143	4,143					

Table 01 : EU LI1 – Differences between Accounting and Regulatory Scopes of Consolidation and the Mapping of Financial Statement Categories with Regulatory Risk Categories								
		a	b	c	d	e	f	g
2024 (€ 000's)		Carrying values as reported in published financial statements	Carrying values under scope of regulatory consolidation	Carrying values of items				
				Subject to the credit risk framework	Subject to the CCR framework	Subject to the securitization framework	Subject to the market risk framework	Not subject to own funds requirements or subject to deduction from own funds
31	Total liabilities	71,771,311	71,771,311		2,377,613		188,560	

Note: Carrying values as reported in the Group's financial statements, and carrying values under the scope of regulatory consolidation, are equal. Therefore, columns a and b of this table have been merged in accordance with Annexes V and VI of Commission Implementing Regulation 2021/637.

1.4. Impediments to the Prompt Transfer of Funds

Based on current National Bank of Ukraine (NBU) legislative norms which is holding us back from placement in the parent bank or could relate to the repayment of granted loans and the transfer of funds (excluding Nostro transactions):

- The current military law prohibits banks to conduct active operations with related parties/non-residents in terms of concluding new loan agreements and early maturity of loans/deposits to related parties/non - residents, apply changes into agreements with non-residents/related parties towards terms reduction. No restriction exists since 2024, for currency exchange deals (for EUR, USD e.t.c), purchase of Government Bonds (both Ukrainian and foreign issuers) for financial institutions which are included in one international financial group.
- Prohibited repayment of loans and borrowings received under agreements with non-residents (including payment of interest and other payments under such agreements) earlier than the deadline (the furthest date) specified in the terms of the relevant agreement for the timely fulfillment of such payment.
- Prohibited the input changes to existing loan contracts with related parties if such changes are on a) increasing limits; b) terms prolongations.
- Prohibited to perform new active operations with related parties.
- Dividends to be paid are prohibited.
- Potential difficulties in explaining to the NBU and Tax authority why the Bank places MM loans to a related party much cheaper than it takes.
- The NBU ratio of the maximum amount of credit risk per counterparty (25% of regulatory capital) and the NBU ratio of the maximum amount of credit risk for transactions with related parties (25% of regulatory capital). Netting of MM placements and takings from and to the parent bank is not allowed by the NBU.

1.5. Piraeus Group Corporate Governance Framework

Up until December 30th, 2020, date of completion of the demerger by way of hive-down of Piraeus Financial Holdings S.A. banking activities and its contribution to a newly established credit institution, the Group was subject to the detailed corporate governance regulations applicable to credit institutions. Following the completion of the demerger, the Group ceased to be a credit institution but still continues to apply the vast majority of these regulations and practices, adapted to its current activities, since they constitute best corporate governance practices and largely meet the requirements of the Law 4706/2020 on corporate governance that applies to Greek listed companies since July 2021.

Information concerning the Group's corporate governance post hive-down is detailed in the Board of Directors' Report, in the 2024 Annual Financial Report:

(link: Piraeus Group Financial Statements)

2. Risk Management Framework

2.1. Introduction

Risk Management is a core function of the Group, targeting to an effective and efficient identification, management, and monitoring of risks. Through the Risk & Capital Strategy and the individual risk management policies, the principles of an integrated risk management and risk management framework are defined in order to support the achievementof the Group's strategic and business objectives, as defined by the BoD.

The risk management function is not limited to the activities of Group Risk Management (GRM) and the Chief Risk Officer (CRO) but refers to the processes performed by all three lines of defense, based on the assigned responsibilities, in the context of an enhanced risk management.

The Group has established policies, procedures, and adequate mechanisms for risk management, within all three lines of defense, in order to identify, manage, monitor, and report risks. The procedures in place promote the independence of risk-taking, risk management, and control activities.

The broader risk management framework at the Group level is constantly evolving, taking into account the current economic environment, business plans, the Bank's historical data, market dynamics, supervisory and regulatory requirements, the Group's Corporate Governance framework, international best practices, and shareholder interests.

2.2. Objectives

The purpose of the RMF, as well as GRM at large is to safeguard the optimum usage of the Group's resources, its capital, its reputation, and its people, in the best interest of the Group's stakeholders. The ultimate goal is to achieve the targeted return on equity by means of pursuing the Group's strategic plan, while at all times ensuring tactical processes and initiatives remain respectful of the defined risk appetite.

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

- strategically manage capital & liquidity,
- enhance risk management capabilities,
- continuously enhance the risk governance and control framework, and
- shape a strong risk culture.

2.3. Risk Management Governance and Organization

2.3.1. Risk Governance

The organizational structure of the Group fully complies with the above-mentioned principles, as prescribed in the legal framework that governs the operations of the Group, complemented by the Bank of Greece (BoG) Governor's Act 2577/09.03.2016 and the Regulation (EU) 2024/1623 (CRR 3) and Directive (EU) 2024/1619 (CRD VI). The current structure ensures the Group's effective organization with distinct, transparent, and consistent lines of responsibility.

The RMF aims to promote effective and prudent management of all risks, ensuring appropriate allocation of responsibilities and accountability based on the risk origination, aiming at aligning risk-taking activities with the Group's risk appetite.

The following Committees with Risk participation are involved in the process of planning, monitoring, and managing risk and of assessing capital adequacy in relation to the amount and type of risks undertaken:

Board Committees:

- Risk Committee, and
- Audit Committee.

Executive Committees:

- Executive Committee,

- Assets & Liabilities Committee (ALCO),
- Provisioning Committee,
- Resolution Planning Committee,
- Resolution Committee,
- Operational Risk Committee (ORCO),
- Senior Credit Committee, Recovery Credit Committee, and other Credit Committees,
- Group Planning & Monitoring Committee,
- Environmental, Social, Governance (ESG) & Corporate Responsibility Committee,
- Data Governance Committee,
- Risk Models Oversight Committee, and
- Real Estate Committees.

2.3.2. Risk Committee

The Risk Committee (RC) is designated by the Group's BoD and consists of non-executive members of the BoD, who possess the appropriate knowledge, skills, and specializations in order to comprehend and monitor the Risk & Capital Strategy of the institution.

The Chairman of the RC is designated by the BoD and must possess significant experience in commercial banking and preferably in risk and capital management, as well as familiarity with the local and international regulatory framework.

The RC convenes, upon its Chairman's invitation, on a monthly basis and exceptionally when this is deemed necessary. In order to fulfill its duties, the RC held 12 meetings during 2024.

The mission of the RC is, inter alia, to ensure that:

- The Group has a well-defined Risk & Capital Strategy and Risk Appetite Framework (RAF) in line with its business goals as well as with 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, including specific limits for the material risks.
- All risks connected to the activity of the Group are effectively identified, assessed, measured, controlled, mitigated, and monitored.
- The risk management and control framework in place, including policies, methods, and tools, complies with Risk & Capital Strategy and Risk Appetite as well as with regulatory and supervisory requirements.

For the achievement of its goal, the Committee undertakes, inter alia, the following duties and responsibilities:

- Monitors, assesses, and provides updates to the BoD with respect to the compliance with supervisory requirements, the risk profile, and the adherence to the approved risk appetite limits and early warning levels of the Group.
- Evaluates the adequacy and effectiveness of the risk management and control framework to ensure that it remains comprehensive, adequate, and proportionate to the nature, extent, and complexity of the Group current activities.
- Oversees (jointly with the Audit Committee) and provides updates to the BoD with respect to the implementation progress of the major initiatives related to operational risk as well as internal control enhancements.

During FY 2024, the Committee, inter alia:

- Evaluated and made recommendations to the BoD with respect to major risks related to strategic/priority actions that required the approval of the latter, including, indicatively and not exhaustively, the:
  - 2024 Risk and Capital Strategy and RAF.
  - revisions of selected indicators and limits of 2024 RAF.
  - Non-Performing Plan (NPE) Plan 2025-2027;
- Assessed the adequacy and effectiveness of the operational risk and control framework and relevant policies.

- Obtained an overview and provided update to the BoD on Group's Risk reports regarding the operational losses, the evolution and profile of the key risks undertaken, the 2024 Risk Identification Annual Report and policy, the Operational risk and Control Assessment and Effectiveness and the respective resultsat a Group level.
- Obtained an overview, jointly with the Board Ethics and ESG Committee, on the environmental and climate risks of the Group.
- Obtained an overview, jointly with the Audit Committee, on the Internal Audit Activity reports;
- Obtained an overview, jointly with the RemCo, on the Key Performance Indicators ('KPIs") for financial year 2024;
- Evaluated and provided recommendations to the BoD when required, with respect to the development, documentation, re-assessment, and monitoring of the:
  - implementation process of the 2023 Internal Capital Adequacy Assessment Process (ICAAP) and Capital Adequacy Statement (CAS), and of the 2023 Internal Liquidity Assessment Process (ILAAP) and Liquidity Adequacy Statement (LAS),
  - 2024 Recovery Plan, and
  - 2023 Pillar III Regulatory Capital Disclosures.
- Evaluated and provided recommendation to the BoD, with respect to the regular revision of risk related policies and documents, including indicatively, the RAF, the ICAAP Framework, the ILAAP Framework, the Stress Testing Framework, the Significant Risk Transfer (SRT) Policy, the Pillar III Disclosures Policy, the Simple Transparent and Standardized (STS) Synthetic Securitizations Policy, , the Market Risk Policy and the Climate & Environmental Risks Management Policy.

  More information on the current composition of the Committee, its operation, and responsibilities is available on the Group's website.

2.3.3. Group Risk Management

During 2024, GRM continued strengthening the Group's RMF, which interacts with the Group planning processes in alignment with the regulatory framework in force, the supervisory expectations, and the strategic guidelines/plan.

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

GRM is independent from revenue-generating units, meaning those involved in risk-taking activities such as lending, trading, asset management, and sales. GRM carries out responsibilities of risk management and credit risk control in accordance with the BoG Governor's Act 2577/09.03.2006 and Greek Law 4261/2014.

The Group's Chief Risk Officer (CRO) is the Head of GRM and is appointed by the BoD upon recommendation and endorsement of the RC. The CRO's appointment or replacement is communicated to the BoG and the Single Supervisory Mechanism (SSM). The CRO participates in all major Executive Committees, including the Group Executive Committee, and has a dual reporting line to the RC and the Group's Chief Executive Officer (CEO), with direct access to the Chairman of the RC, whenever deemed necessary.

The GRM reports to the CRO, and its structure is aligned with the Group's strategic targets, including the profitable and sustainable business model, optimization of capital allocation, strengthening of risk monitoring and controls, and adoption of superior governance standards as well as meeting the regulatory demands and oversight. The GRM team is equipped to provide the organization best-in-class risk management practices, models, and methodologies, while acting as conduit of Risk Culture in the organization.

The structure of GRM is briefly described below:

Credit Risk Management:

Main responsibilities:

- Credit Risk Management Unit, having direct reporting line to the Group's CRO, addresses all emerging credit risk related issues in the scope of the Group's continuous effort to strengthen its Risk Management framework.
- Credit Risk Management engages 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 an acceptable risk profile.

- It has the responsibility for the planning, specialization and implementation of strategy and policies in credit risk management issues. It uses the appropriate methods, including the use of models for the provision, acknowledgement, measurement and monitoring of the said risks aiming at the above-mentioned. Additionally, it has the responsibility for the provision of information regarding the evolution of said risks to the responsible Committees and Group Management on a regular basis
- Moreover, the unit is responsible for the development and implementation of the credit risk review and assessment of the Group's loan portfolio. More specifically, it systematically reviews and assesses credit exposures, limits and undertaken risks at borrower (or Group of borrowers) level as well as adherence to the Group's Credit Policy.

Capital Management, Risk Strategy, Market, Liquidity & Asset Liability Management (ALM) Risks:

Main responsibilities:

- Capital Management, Risk Strategy & ESG Risks, Market, Liquidity & ALM Risks Unit supports the development and implementation of the Group's Strategy, aiming at the effective management of the aforementioned risks and balance sheet optimization. To this end, the unit is responsible for the development and maintenance of the Risk and Capital Strategy as well as the Risk Adjusted Framework of the Group, in accordance with the Risk Committee and BoD's directions and guidance.
- Additionally, through the ESG Risks dedicated unit, it is responsible for the effective management of ESG & climate-related risks. It incorporates ESG & Climate risks in the overall risk management framework and identifies, measures, manages and reports ESG & Climate risks in close collaboration with Group Planning, IR & ESG Unit and other GRM and Business Units. It also provides subject matter expertise on ESG & Climate risks in the context of risk frameworks, governance, management and measurement, stress testing, strategy, regulatory expectations and disclosures.
- Moreover, it is responsible for the design and implementation of the Group's ICAAP and leads the preparation and execution of regular enterprise-wide stress tests. Further, it is responsible for the coordination and overall maintenance of the Group's Recovery Plan.
- Also, the function is responsible for the measurement, monitoring and reporting of capital requirements and capital adequacy ratios of the Group.
- It is also responsible for the development of the risk management framework (policies, methodologies, models and processes) with respect to market, liquidity and ALM and other financial related risks. To that end, the unit deploys proper methods, including models, that allow the identification, measurement and monitoring of the aforementioned risks.
- Finally, it is responsible for the design and implementation of the Group's ILAAP and leads the preparation and execution of regular enterprise-wide liquidity stress tests.

Group Control and Risk Data & Solutions:

Main responsibilities:

- Group Control and Risk Data & Solutions unit is responsible for the identification, monitoring and assessment of all types of risks (credit, market, operational, liquidity, etc.) arising from the Group's activities, through the development, implementation and evaluation of an adequate Internal Control System ("ICS"), in order to ensure the safe and efficient operations of the Group and the achievement of its business objectives. Also, the unit is collaborating with Segment Controllers to accomplish its mission.
- It is responsible for the development, implementation, assurance and supervision of the Operational Risk Management Framework ("ORMF") and the ICS of the Group, with the aim to defend the business objectives and limit the risks undertaken to the acceptable levels defined by the Management.
- The function contributes to the mitigation of risks arising from potential limitations in the development, implementation or use of the Bank's models (model risk), by developing / maintaining and implementing a Model Validation Framework and by conducting independent validations regarding the robustness, accuracy and effectiveness of the Bank's models, while contributing to the improvement of models' quality.
- Finally, an additional mission of the Unit is the assessment, monitoring and management of the risks related to model data, risk data and aggregation processes, reports, as well as data related initiatives, in compliance with the Data Governance Framework.

Segment Controller:

The Controllers (Segment and Unit Controllers) work closely with the Operational Risk & Control unit and all Risk Units, with the guidance of the CRO and the Group Controller, aiming at the optimization of the Segment's ICS while performing the following activities on a continuous basis:

- Design and implement the annual Segment Controller (SC) Plan in line with the Operational Risk Management and ICS Framework.
- Lead and participate in the RCSA (Risk Control Self-Assessment), on-going risk identification and assessment processes, update of process models, evaluate and test the effectiveness of controls while ensure th e completeness of risk data.
- Provide deliverables and actively participate in the operational risk control related processes such as Operational Risk & Assessment Process (ORAP), Fast Track Deficiencies (FTD) process, Business Continuity Plan (BCP), Extrem e Scenario Analysis working team, Information Classification, Data Protection as well as other ad -hoc control related processes.
- Perform Gap analysis of the GRM framework, assess and monitor its adequacy as well as focus on control mechanisms and strong risk governance.
- Provide support during internal / external audits and periodic follow up processes by the auditors (i.e. provide requested info / data, attend meetings and be involved in the process of agreement on corrective actions).
- Collect information and maintain the Segment's inventories with regards to
  - the Group Risk Management framework (policies, methodologies, procedures) and
  - the internal control deficiencies (ICDs), such as: RCSA risks, Internal/External Audit findings, Model Validation findings, FTDs (ORAP) risks, MAR data.
- Monitor implementation status of the annual plan and more importantly of the agreed action plans in relation to identified weaknesses (e.g. RCSA, Audit Findings, Model Validation findings, FTDs etc.); escalate issues to the CRO and Risk Heads and/or requests approval by Operational Risk Committee for delays or non -implementation of remedies (MAR).
- Submit periodic reports to the CRO, the Group Controller and Risk Heads on internal control deficiencies, the current framework and the progress of the Senior Controlling plan.

CRO's Office:

CRO's Office supports and monitors operations under the direct supervision of the CRO and at Group Risk Management level. In addition, the unit has assumed the Secretariat of BoD Risk Committee and facilitates the work related to its authorities. It also contributes to regular and ad hoc reporting to the CRO, Risk Committee and BoD as well as regulatory authorities.

2.3.4. Risk Culture

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

The GRM team is better equipped to furnish the organization with best-in-class risk management practices, models and methodologies, while act as conduit of the risk culture in the organization.

Further, the continuous implementation of a formal Risk Culture Program channels the Bank's commitment to enhance risk awareness and fine tune the balance between risk taken and required returns.

2.3.5. Risk & Capital Strategy

The Group is exposed to different types of existing and emerging risks due to the nature of its op erations, geographical presence, systemic role in the Greek banking system, and the overall macroeconomic environment. In this context, it recognizes the importance of fully understanding the material risks faced by the organization and the potential impact of adverse events on the Group's overall financial condition. The Risk & Capital Strategy establishes an operating linkage between the Group's business strategy and its risk appetite and comprises two fundamental components: the Risk Identification Process and the Risk Appetite Framework (RAF). Within its Risk & Capital Strategy, the Group focuses on the identified risks and provides risk appetite statements in line with its strategic objectives and its business model.

The annual Risk Identification Process focuses on the material risks that the Group formally identifies. For FY 2024, the following risk categories were considered material for the Group:

- Credit risk,
- Market risk,
- Liquidity & Funding risk,
- Operational risk, and
- Other risks related to Group's Business Model, for example Business & Strategic risk; ESG and Climate-related risks; Reputation risk.

The Group's Risk Appetite is described in terms of a number of qualitative and quantitative statements per strategic pillar (i.e. Capital, Earnings, Asset Quality, Liquidity & Funding) and per material risk type (as listed above). Their primary objective is to set the level of risk that the Group is willing to undertake in order to achieve its strategic goals, ensuring at the same time adherence to regulatory requirements. The Group has established a structured approach in setting up its Risk Appetite, which results from the BoD's interaction with the Executive Management, GRM, and other stakeholders including business lines and units. Business, capital and liquidity planning processes should comply with the Group's risk appetite statements at all times. The risk appetite statements also form the basis for the cascaded risk limits, which apply to the next level of granularity and are coupled with the outcome of the various risk management activities. The cascading of risk appetite statements to risk limits at business unit level helps towards the driving of day-to-day-decisions.

The Risk & Capital Strategy development process is led by GRM and requires the participation of all key divisions within the Group. It is endorsed by the CRO, the Executive Committee, and the RC, while it is ultimately approved by the BoD. The indicators are monitored in a timely manner and are supported by robust escalation procedures, raising Senior Management's awareness on specific issues by analyzing the key drivers behind the observed trends. The Risk & Capital Strategy is the most important component of Group's risk management framework, supporting the implementation of the Group's strategic goals and business objectives, ensuring smooth operations and a sustainable business model in line with Group's risk profile.

2.3.6. Recruitment and Diversity

Recognizing the importance and benefits of diversity for maintaining and enhancing competitiveness and innovation as well as for achieving maximum team effectiveness and performance, when appointing Board members or senior managers the Company takes into account a combination of elements including, inter alia, skills, competences, qualifications, experience, professional and educational background, gender, age and other qualities, which vary according to the Company's operational and strategic needs. The Board, pursuant to legislative obligations and best corporate governance principles, implements, alongside the Board Members' Suitability Policy, a Board Members' Diversity Policy which includes an individual Policy to enhance the presence of the under-represented gender.

For the recruitment of management executives, special emphasis is also placed on:

- equal opportunities to and equal treatment of candidates irrespectively of gender, nationality, sexual orientation, religion, age.
- ensuring sufficient and diverse professional experience and training to maximize the capability to lead and drive banking developments.

2.3.7. 2024 Achievements & Key Priorities for 2025

The major achievement of 2024 and key unctional objectives for 2025 are reflected in the following items:

I. Implementation of new capital requirements under the regulatory framework CRR III

The primary objective of this project is to design, develop, and implement a comprehensive CRR III (Basel IV) Capital Requirements Calculation Framework and Infrastructure. This framework will be utilized within the Bank's Risk Management unit to ensure compliance with the new regulatory standards.

The new regulatory framework will come into effect on January 1, 2025, with the first official COREP Remittance Submission scheduled for the end of June 2025. Additionally, for the EBA Stress Test 2025, the initial "external" submission of CRR III restated RWAs will occur in Q1 2025.

To align with the regulatory and supervisory framework, the Bank must harmonize its operations to meet the capital requirements for credit, operational, and market risk. The following actions are essential for a smooth transition to the new regulatory framework:

- **Adaptation of Policies and Procedures**: Update policies and procedures related to or affected by the calculation of capital requirements.

- **Review of Data Flows**: Assess existing data flows for their suitability and make necessary adjustments.
- **Data Management**: Record and retrieve new data from the Bank's primary systems.
- **Modification of Calculation Engines**: Update calculation engines to support the production of results based on the new methodologies.
- **Redesign of Supervisory Report Production**: Revamp the processes for producing supervisory reports.
- **Update of Internal Reports**: Revise internal reports that utilize the relevant results.

These actions commenced in 2024 and are expected to be completed within 2025.

In addition to these necessary changes, significant effort are being made to inform all relevant stakeholders about the changes. This will ensure the necessary balance sheet optimization and the smooth adaptation to the new framework.

II. Three Lines of Defense alignment & efficiencies

The Bank's Senior Management decided to proceed, with the implementation of this project in order to:

- Enhance and optimize its Internal Control System
- Achieve further alignment across the 3 Lines of Defense (LoD), aiming to increase effectiveness
- Further increase the coverage of the Regulatory Expectations.

III. Project Proteus for Climate-related and Environmental Risks

The Group has completed a dedicated multi-year program aiming to fully incorporate climate-related and environmental (C&E) risks into Group's strategy, governance, and risk management framework. In order to accomplish the aforementioned target, it had set an implementation plan (communicated also at the ECB), with actions covering various areas. An integral part of this project has been the Group's preparation for its participation in various regulatory activities (e.g ECB Climate Stress-Test, Thematic Review on C&E Risks, Pillar III Disclosures, CSRD reporting).

The project has been overseen by the Climate & Environmental Risks Steering Committee. This Committee was responsible for implementing the strategy set out in the roadmap and oversaw the Project Management Office (PMO) which coordinated the project's tasks. Both project's SteerCo and the working groups were composed of executives representing all functions of the Organization across three lines of defense (LoD).

An indicative list of actions for 2025 follows:

- Implementation of the actions presented in the updated Group's C&E risks project plan
- Further enhancement in C&E risks quantifications methodologies and tools taking into consideration best practices
- Further integration of ESG risks into loan granting process, investment policies and decision making
- Further enhancements in proprietary Geographic Information System ("GIS") platform to further strengthen Group's climate scenario analysis capabilities and effective management of physical risks
- Active participation in industry initiatives around effective ESG data collection (e.g. ESGr questionnaire)
- Further focus on the identification, management and monitoring of environmental (nature-related) risks and other environmental, social and governance (ESG) factors that pose considerable challenges for the Group
- Further alignment with the EBA Guidelines on the management of ESG risks.

IV. RDARR

In May 2024, the European Central Bank (ECB) published the Guide on effective Risk Data Aggregation and Risk Reporting (RDARR) to assist banks to strengthen their capabilities, building on good practices observed in the industry.

One of the ECB's priorities for 2025-27 is to address the deficiencies identified by supervisors regarding banks' RDARR frameworks and practices.

In this context, the Group's senior management, has decided to proceed with several initiatives aiming to enhance the Group Data Governance Framework, in compliance with the above requirements, one of which is the activation of a 2nd Line of Defence independent data validation function.

V. Guidance on Loan Origination and Monitoring

EBA guidelines on Loan Origination and Monitoring (EBA/GL/2020/06), set the new standards for credit underwriting in Europe, aiming for mitigating potential risks in relation to credit granting and ensuring high quality of new loan production.
The Bank, in order to ensure compliance with the requirements and comply with key milestones of the Guidelines, has incorporated the required improvements, enhancements in Credit Policy Manual and implemented relevant system infrastructure, based on a detailed roadmap.

3. Capital Management

3.1. Regulatory Framework

3.1.1. Banking Union - Single Supervision

On November 4th, 2014, the Single Supervisory Mechanism (SSM) was activated on the grounds of implementing the necessary policies for the integration of the European banking system. Earlier, on October 15th, 2013, the European Commission adopted Regulation (EU) No 1024/2013, conferring specific tasks on the European Central Bank (ECB) concerning policies relating to the prudential supervision of credit institutions, as well as its publication on the official journal of the EU on October 29th, 2013 (activated five days later).

The SSM, which consists of the ECB and the relevant national competent authorities (NCA), supervises over 6,000 financial institutions in countries that are part of the Eurozone, as well as financial institutions of countries not in the Eurozone, but that choose to participate on a voluntary basis. Since the establishment of the SSM, the ECB directly supervises all systemically important institutions, including Piraeus Group.

3.1.2. Single Rulebook

On July 17th, 2013, the CRD IV regulatory framework for prudential supervision of financial institutions was introduced, implementing the proposals of the Bank of International Settlements (BIS) for strengthening the resilience of the banking system (Basel III regulatory framework). It consists of Regulation (EU) 575/2013, also known as the Capital Requirements Regulation (CRR), and Directive (EU) 2013/36, also known as the Capital Requirements Directive (CRD). Since that date, the legislation has been amended on several occasions. The most recent amendments are described in Section 3.1.4 of these disclosures.

For the CRR, no transposition in national law is required, while the CRD IV was incorporated into Greek law under Law 4261/2014 (as amended by Law 4799/2021), replacing Law 3601/2007.

An online version of the core documents of the regulatory framework for EU financial institutions can be accessed via the following address:

(link: EBA-Interactive-Single-Rulebook)

3.1.3. The CRD IV Regulatory Framework

The CRD IV regulatory framework calls for controls related to measurement, monitoring, and management of undertaken risks, coupled with detailed disclosure requirements (Pillar III). Within the framework:

- emphasis is given to Common Equity Tier 1 (CET1) capital;
- the following capital adequacy minimum requirements are defined:
    - for the CET1 ratio, a minimum threshold of 4.5%,
    - for the Tier 1 ratio, a minimum threshold of 6%, and
    - for the Total Capital ratio, a minimum threshold of 8%;
- financial institutions maintain capital buffers comprising of CET1 capital;
- financial institutions monitor credit valuation adjustment (CVA) risk and maintain adequate capital;
- financial institutions monitor central counterparty (CCP) risk;
- financial institutions calculate a leverage ratio, for monitoring excessive leverage; and
- financial institutions calculate a Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) for monitoring liquidity risk.

Furthermore, based on the supervisory review and evaluation process (SREP) that occurs annually, the Group is subject to a binding Pillar 2 Requirement (P2R), which covers risks that are either underestimated or not covered by the above minimum requirements. The SREP also determines the level of the Pillar 2 Guidance (P2G), which indicates to banks the adequate level of capital to be maintained to provide a sufficient buffer to withstand stressed situations.

3.1.4. Further strengthening the resilience of the banking sector

On May 20th, 2019, the European Commission released the Risk Reduction Measures (RRM) package, a comprehensive set of legislative reforms that amend the current regulatory framework (CRD IV package) and that intend to further strengthen the resilience of Banks in the EU. The package included significant amendments to the CRR via Regulation (EU) 2019/876, which was published in the Official Journal of the European Union on June 7th, 2019. It also included significant amendments to the CRD via Directive (EU) 2019/878.

The updates to the CRR included the following capital adequacy and risk management requirements:

- more risk sensitive methodologies for calculating market risk and counterparty credit risk (CCR) capital requirements,
- a new large exposures framework,
- more favorable risk weighted asset (RWA) relief for small and medium size enterprises (SME) as well as qualifying infrastructure exposures,
- a binding leverage ratio of 3% to safeguard institutions against excessive leverage,
- a binding NSFR of 100% to address the excessive reliance on short-term wholesale funding and to reduce long-term funding risk, and
- more extensive supervisory reporting and disclosure requirements.

The majority of requirements Regulation (EU) 2019/876 have been in effect since June 28th, 2021, with the exceptionof the revised market risk capital requirements, which are expected to become fully binding by January 1st, 2025.

On April 28th, 2020, the European Commission released another banking package including several additional amendments to the CRR as a response to the Covid-19 pandemic. Among other changes, the package brought forward the implementation dates of the SME and infrastructure RWA relief factors, effective June 2020.

On October 27th, 2021, the European Commission released a proposal for the latest banking package, which includes additional amendments to the CRR and CRD. Among other changes, the proposal finalizes the integration of the Basel III regulatory framework in the EU and introduces a framework for identifying, monitoring, and disclosing environmental, social, and governance (ESG) risks. According to the European Commission's proposal, the entry into force of the amendments to the CRR is planned for January 1st, 2025 (with the exeption for FRTB). These measures include the following outstanding Basel III standards:

- The implementation of the Basel III standards finalized in December 2017, including the revisions to the credit risk, operational risk, CVA risk, and leverage exposure frameworks (including the accompanying transitional arrangements for the output floor).
- The implementation of the revised market risk framework, commonly referred to as the Fundamental Review of the Trading Book (FRTB) finalized in January 2019.
- The implementation of the revised Pillar III disclosure requirements finalized in December 2018.

3.1.5. Bank Resolution and Recovery Directive

On June 2nd, 2014, the European Parliament and the Council of the EU approved the Bank Resolution and Recovery Directive (EU) 2014/59 (BRRD). The BRRD is part of the Single Rulebook that is enforced in the EU financial institutions' market and establishes a common framework for the resolution and recovery of credit institutions and investment firms.

The BRRD provides a common resolution regime in the EU that not only allows authorities to deal with failing institutions but also ensures cooperation between home and host authorities. In the future, shareholders and creditors should primarily undertake the costs of bank failure in order to minimize moral hazard and risks to taxpayers.

On July 23rd, 2015, the BRRD was incorporated into Greek legislation and was put in force through Law 4335/2015. Law 4335/2015 was established following the negotiations for a new financial support program with the participation of the European Stability Mechanism (ESM) with the exception of provisions regarding the bail-in tool. The BoG was named by virtue of Law 4335/2015 the national resolution authority for financial institutions in Greece. The Hellenic Deposit and Investment Guarantee Fund was appointed the national resolution fund for the effective application of the resolution tools to these financial institutions.

To avoid institutions structuring their liabilities in a way that impedes the effectiveness of the bail in or other resolution tools, and to avoid the risk of contagion or a bank run, the directive requires that institutions meet at all times a robust minimum requirement for own funds and eligible liabilities (MREL).

The form of MREL includes capital instruments (e.g. CET1, Additional Tier 1, Tier 2), other subordinated debt, senior debt, and other eligible liabilities. The level and eligibility of liabilities for MREL is individually determined for each institution by the relevant resolution authority based on a set of harmonized criteria.

If the failure of the bank would adversely influence financial stability, the level of MREL should be sufficient to ensure that the conditions for use of the Single Resolution Fund (SRF) would be met.

Regarding the implementation and design of the MREL framework for other systemically important institutions (O-SII), a final report was published by the EBA on December 14th, 2016, which details eligible liabilities and other modifications of the MREL.

The RRM package mentioned in the previous section includes Directive (EU) 2019/879, the BRRD II, which introduces potentially stricter requirements in addition to MREL, to be determined by the relevant competent authorities. The Group is subject to a MREL ratio reporting requirement since June 30th, 2021.

3.1.6. Single Resolution Mechanism

On January 1st, 2016, the Single Resolution Mechanism (SRM) for Eurozone Banks, of which Piraeus Bank is a part, became fully operational. The SRM ensures that if a bank that belongs to the SRM has serious difficulties despite tighter supervision, its resolution can be treated effectively and with minimum cost to taxpayers and the real economy. The SRM applies in practice the strict rules of the directive for the recovery and resolution of credit institutions (i.e. BRRD).

Based on the SRM, a SRF was established in the Eurozone that is under the control of a Single Resolution Board (SRB). The SRF ensures the availability of medium-term funding support, and the SRB consists of representatives from the European Commission, the ECB, and the NCA. The European Commission decides whether and when a bank should be placed under a resolution regime and sets the framework for the use of resolution tools and the SRF, based on the recommendations of the SRB.

3.2. Capital Adequacy

Capital adequacy is monitored by the responsible bodies of the Group and is submitted quarterly to the supervisory authority, the SSM, through the relevant NCA, the BoG.

The main objectives related to the Group's capital adequacy management are the following:

- comply with the capital requirements regulation according to the supervisory framework,
- preserve the Group's ability to continue its operations unhindered,
- retain a sound and stable capital base supportive of the Bank's business plans, and
- maintain and enhance existing infrastructures, policies, procedures, and methodologies for the adequate coverage of supervisory needs, in Greece and abroad.

3.2.1. Overall Capital Requirement and Capital Ratios

The regulatory framework requires financial institutions to maintain a minimum level of regulatory capital related to risks undertaken. Piraeus Group is required to maintain on a consolidated basis an Overall Capital Requirement (OCR) of 14.59%, deconstructed as follows:

- the minimum Pillar I total capital requirements of 8.00%, in accordance with Article 92(1) of the CRR,
- an additional Pillar II capital requirement of 3.00%, as per Article 16(2) of Regulation 1024/2013/EU,
- the fully loaded capital conservation buffer (CCB) of 2.50%, under Greek Law 4261/2014,
- the fully loaded O-SII capital buffer of 1.00%, under Greek Law 4261/2014, and
- the institution-specific countercyclical capital buffer[1] of 0.09% as at December 31st, 2024, applied to the Group's exposures in geographies that have a positive countercyclical buffer.

[1] The countercyclical capital buffer is a tool designed to fluctuate relative to a country's economic state, aiming to safeguard capital adequacy in times of stress. Templates EU CCyB1 and EU CCyB2 are presented in Appendix VI of these Disclosures.

The following table summarizes the minimum thresholds for the Piraeus Group capital:

Table 02: Piraeus Group Minimum Capital Requirement Levels	
2024	**Requirements**
CET1 capital	9.78%
Tier 1 capital	11.84%
Total capital	14.59%

As at 31 December 2024, the TCR for the Group stood at 19.67%, while the CET1 ratio stood at 14.47% fully covering the minimum OCR levels. The Group's net profits for the year of 2024 are included in the CET1 ratio as of 31 December 2024, subject to approval from the regulatory authorities. Further, the Group's CET1 ratio takes into account specific prudential adjustments in line with article 3 of the CRR and supervisory expectations (including any NPE stock/ Addendum calendar shortfall, which also affects government guaranteed exposures).

Specifically for the Greek State guaranteed exposures, the Bank applied a prudential cumulative adjustment of € 190 million as at 31 December 2024, included in other regulatory adjustments in CET1. The Bank adheres to supervisory expectations, by applying the minimum NPE coverage level in line with the SREP recommendation on coverage of the NPE stock and the Addendum to the ECB Guidance to banks on non-performing loans, for the Greek State guaranteed exposures. The carrying amount of these exposures amounted to € 507 million as of 31 December 2024, of which € 67 million non-credit impaired. The total amount of exposures for which the Greek State guarantee has been called is € 476 million (€ 74 million and € 402 million presented within "loans and advances to customers at amortised cost" and "other assets", respectively). Since 1 January 2023 and up to 31 December 2024 the total recoveries from the Greek State guaranteed exposures amounted to € 160 million. Therefore, for prudential reporting, the non-performing loans amount to € 1,311 million, which include an amount of € 243 million relating to exposures for which Greek State guarantee has been called (entirety or partially). This prudential treatment does not affect the respective accounting treatment.

The following table presents key regulatory metrics and ratios as well as related input components as defined by the amended versions of the CRR and CRD (i.e. own funds, RWAs, capital ratios, additional requirements based on SREP, capital buffer requirements, leverage ratio, LCR, and NSFR), by quarter over the past year:

Table 03: EU KM1 – Key metrics template						
(€ 000's)		a	b	c	d	e
		Dec-2024	Sep-2024	Jun-2024	Mar-2024	Dec-2023
AVAILABLE OWN FUNDS (AMOUNTS)						
1	Common Equity Tier 1 (CET1) capital	4,935,617	4,944,403	4,729,210	4,494,476	4,326,738
2	Tier 1 capital	5,535,617	5,544,403	5,329,210	5,094,476	4,926,738
3	Total capital	6,708,107	6,698,976	6,336,957	6,085,082	5,821,888
RISK-WEIGHTED EXPOSURE AMOUNTS						
4	Total risk exposure amount	34,098,476	33,708,677	34,143,285	33,051,265	32,765,055
CAPITAL RATIOS (AS A PERCENTAGE OF RISK-WEIGHTED EXPOSURE AMOUNT)						
5	Common Equity Tier 1 ratio (%)	14.47%	14.67%	13.85%	13.60%	13.21%
6	Tier 1 ratio (%)	16.23%	16.45%	15.61%	15.41%	15.04%
7	Total capital ratio (%)	19.67%	19.87%	18.56%	18.41%	17.77%
ADDITIONAL OWN FUNDS REQUIREMENTS TO ADDRESS RISKS OTHER THAN THE RISK OF EXCESSIVE LEVERAGE (AS A PERCENTAGE OF RISK-WEIGHTED EXPOSURE AMOUNT)						
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	3.00%	3.00%	3.00%	3.00%	3.00%
EU 7b	of which: to be made up of CET1 capital (percentage points)	1.69%	1.69%	1.69%	1.69%	1.69%

Table 03: EU KM1 – Key metrics template						
(€ 000's)		a	b	c	d	e
		Dec-2024	Sep-2024	Jun-2024	Mar-2024	Dec-2023
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	2.25%	2.25%	2.25%	2.25%	2.25%
EU 7d	Total SREP own funds requirements (%)	11.00%	11.00%	11.00%	11.00%	11.00%
COMBINED BUFFER AND OVERALL CAPITAL REQUIREMENT (AS A PERCENTAGE OF RISK-WEIGHTED EXPOSURE AMOUNT)						
8	Capital conservation buffer (%)	2.50%	2.50%	2.50%	2.50%	2.50%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	0.00%	0.00%	0.00%	0.00%	0.00%
9	Institution specific countercyclical capital buffer (%)	0.09%	0.08%	0.08%	0.08%	0.07%
EU 9a	Systemic risk buffer (%)	0.00%	0.00%	0.00%	0.00%	0.00%
10	Global Systemically Important Institution buffer (%)	0.00%	0.00%	0.00%	0.00%	0.00%
EU 10a	Other Systemically Important Institution buffer (%)	1.00%	1.00%	1.00%	1.00%	1.00%
11	Combined buffer requirement (%)	3.59%	3.58%	3.58%	3.58%	3.57%
EU 11a	Overall capital requirements (%)	14.59%	14.58%	14.58%	14.58%	14.57%
12	CET1 available after meeting the total SREP own funds requirements (%)	7.98%	8.20%	7.36%	7.16%	6.77%
LEVERAGE RATIO						
13	Total exposure measure	81,982,448	80,036,327	77,353,571	77,627,281	76,506,029
14	Leverage ratio (%)	6.75%	6.93%	6.89%	6.56%	6.44%
ADDITIONAL OWN FUNDS REQUIREMENTS TO ADDRESS THE RISK OF EXCESSIVE LEVERAGE (AS A PERCENTAGE OF TOTAL EXPOSURE MEASURE)						
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	0.00%	0.00%	0.00%	0.00%	0.00%
EU 14b	of which: to be made up of CET1 capital (percentage points)	0.00%	0.00%	0.00%	0.00%	0.00%
EU 14c	Total SREP leverage ratio requirements (%)	3.00%	3.00%	3.00%	3.00%	3.00%
LEVERAGE RATIO BUFFER AND OVERALL LEVERAGE RATIO REQUIREMENT (AS A PERCENTAGE OF TOTAL EXPOSURE MEASURE)						
EU 14d	Leverage ratio buffer requirement (%)	0.00%	0.00%	0.00%	0.00%	0.00%
EU 14e	Overall leverage ratio requirement (%)	3.00%	3.00%	3.00%	3.00%	3.00%
LIQUIDITY COVERAGE RATIO						
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	21,224,550	21,461,756	21,726,551	21,524,365	20,880,056
EU 16a	Cash outflows - Total weighted value	9,356,379	9,339,519	9,443,909	9,387,230	9,357,830
EU 16b	Cash inflows - Total weighted value	359,939	378,595	404,729	399,198	437,094
16	Total net cash outflows (adjusted value)	8,996,440	8,960,924	9,039,180	8,988,032	8,920,737
17	Liquidity coverage ratio (%)	236.11%	239.59%	240.45%	239.50%	233.93%
NET STABLE FUNDING RATIO						
18	Total available stable funding	66,201,871	64,038,816	61,889,745	61,388,226	61,564,593

Table 03: EU KM1 – Key metrics template						
(€ 000's)		a	b	c	d	e
		Dec-2024	Sep-2024	Jun-2024	Mar-2024	Dec-2023
19	Total required stable funding	49,458,423	46,928,503	46,451,330	46,110,173	46,241,684
20	NSFR ratio (%)	133.85%	136.46%	133.24%	133.13%	133.14%

Note: In the table above, CET1 regulatory capital includes year-end and interim profits of the respective periods, excluding dividend according to maximum pay-out ratio, following regulatory approval, in accordance with ECB Decision (EU) 2016/656.

The calculation of the capital adequacy ratios of the Group takes into account the deferred tax assets (DTA) which have been recognized on the basis of the relevant provisions of the IFRS.

Under the CRR, DTA, which are based on the future profitability of the Group, are deducted from CET1 capital if they exceed specific limits. However, it is allowed – under certain conditions – for credit institutions to transform DTAs that have been recognized due to losses from the Private Sector Involvement (PSI) and accumulated provisions due to credit risk in relation to existing receivables as of June 30th, 2015, into directly enforceable claims (tax credits) against the Greek State. In that case, these tax credits are not deducted from the CET1, but are included in the RWA of the Group.

Additional information regarding the recognition of DTA for the calculation of the Group's capital adequacy ratios, is available in the 2024 Annual Financial Report, chapter 4.17.

(link: Piraeus Group Financial Statements)

3.2.2. Developments in Group Capital Adequacy

The Bank continues to work on a number of initiatives to further strengthen its capital position and to maintain robust capital monitoring methods and processes. A brief description of some key developments during FY 2024 is provided below:

Completion of Project Delta

On May 2024, the Company announced that the Bank had completed the sale of the total participation to a primarily NPE portfolio, "Project Delta", amounting to € 0.4 billion total legal claim with € 0.16 billion gross book value to European Bank of Reconstruction and Development ("EBRD") and APS Group. The EBRD acquired 30% share of the participation, while the remaining was acquired by APS funds and managed accounts. The agreed total consideration reached approximately 34% of the portfolio's gross book value. The transaction was completed after receiving all the required approvals. The portfolio had already been classified as Held for Sale ("HFS") as at 30 June 2023.

Completion of Project Monza

On September 2024, the Bank announced that it had completed the sale of an NPE portfolio amounting to approximately € 0.35 billion gross book value, to an entity managed by Waterwheel Capital Management, LP, "Project Monza". The agreed total consideration reached approximately 31% of the portfolio gross book value. The portfolio had already been classified as HFS since 31 December 2023.

Solar – HAPS NPE Securitization

Project Solar began as a collaborative synthetic securitization of NPEs, involving Greece's four systemic banks, and was structured for inclusion under HAPS. Although the long stop date for the HAPS transaction expired on 31 December 2024, management remains committed to its plan, hence, in recovering the carrying amount of Solar through its disposal, meeting the International Financial Reporting Standard ("IFRS") 5 criteria at the end of the reporting period. As of 31 December 2024, the carrying amount of the portfolio was € 6.0 million and the Cost of Risk recognized in the current year amounted to € 44.0 million. The Solar Transaction is expected to be completed no later than Q3 2025.

Ermis VII

The Bank completed in December 2024 a synthetic STS (Simple, Transparent and Standardized) securitization of performing loans (namely Ermis VII), comprising corporate/ small-medium sized enterprises ("SMEs") with a total gross book value of approximately € 2 billion.

In the context of the transaction, the Bank issued Credit Linked Notes with nominal value of € 148.5 million which were purchased by international counterparties. The underlying loan portfolios will continue to be reflected in the financial position of the Group.

As at 31 December 2024, the Bank has received recognition of significant risk transfer ("SRT") for the transaction resulting in a reduction of its Risk Weighted Assets ("RWAs") by € 0.9 billion and thus enhancement of its Total Capital Ratio ("TCR") by 43 bps following the respective SRT approvals from the regulatory authorities.

Project Imola

In December 2024, the Bank classified as HFS an NPE portfolio consisting of retail and business NPEs, namely portfolio Imola, with a total gross book value of € 0.3 billion. The transaction is expected to be concluded within 2025.

Real estate assets classified as HFS: During 2024, the Group classified a real estate, mainly repossessed, assets portfolio as HFS and recognized corresponding impairment charges of € 64 million. These assets were previously classified under various categories such as inventories, investment properties, or properties held for use. The sales of these disposal groups are expected to be completed within 2025.

3.2.3. Capital Markets' Transactions

The Company successfully priced a Subordinated Tier 2 Bond amounting to € 500 million

On 10 January 2024, the Company announced that it successfully completed the pricing of a new € 500 million Subordinated Tier 2 Bond with a coupon of 7.250%, attracting the interest of a large number of institutional investors. The bond has a maturity of 10.25 years and an embedded issuer call option between year 5 and 5.25, with settlement taking place on 17 January 2024. The bond is listed on the Luxembourg Stock Exchange's Euro MTF market. In conjunction with the new issuance, the Company announced a cash tender offer on its 9.750% Non-Call June 2024 Subordinated Tier 2 notes. In aggregate, the principal amount of the notes that were validly tendered pursuant to the offer stood at € 294 million. The funds raised through the new issue have been used by the Company for financing the tender offer and for solidifying its capital position.

The Bank successfully priced a Senior Preferred Bond amounting to € 500 million

On 10 April 2024, the Company announced that the Bank successfully completed the pricing of a new € 500 million Senior Preferred Bond at a coupon of 5.00%, attracting the interest of a large number of institutional investors. The bond has a maturity of six (6) years and an embedded issuer call option after five (5) years. Settlement took place on 16 April 2024 and the notes are listed on the Luxembourg Stock Exchange's Euro MTF market. The issuance aimed in supporting the achievement of the final target for MREL.

The Bank successfully priced a Green Senior Preferred Bond amounting to € 650 million

On 11 July 2024, the Company announced that the Bank successfully completed the pricing of a new € 650 million Green Senior Preferred Bond at a coupon of 4.625%, attracting the interest of a large number of institutional investors. The bond has been assigned an investment grade rating of "Baa3" from Moody's. The bond has a maturity of five (5) years and an embedded issuer call option after four (4) years. Settlement took place on 17 July 2024 and the notes are listed on the Luxembourg Stock Exchange's Euro MTF market. The proceeds of the issuance will be directed in financing eligible green assets originated by the Bank that will contribute to achieving carbon neutrality by 2050 and are expected to provide positive environmental impact.

The Company successfully priced a Subordinated Tier 2 Bond amounting to € 650 million

On 11 September 2024, the Company announced that it successfully completed the pricing of a new € 650 million Subordinated Tier 2 Bond with a coupon of 5.375%, attracting the interest of a large number of institutional investors. The bond has a maturity of 11 years and an embedded issuer call option of 6 years, with settlement taking place on 18 September 2024. The bond is listed on the Luxembourg Stock Exchange's Euro MTF market and was rated "Ba3" by Moody's. In conjunction with the new issuance, the Company announced a cash tender offer on its outstanding € 500 million, 5.50% Fixed Rate Reset Tier 2 notes due 19 February 2030. In the aforementioned cash tender offer, Tier 2 subordinated note with nominal value of € 373 million was tendered. On 19 February 2025, the remaining Tier 2 subordinated note with nominal value of € 127 million, was redeemed by the Company at par, following regulatory approval.

Placement of 27% stake in the Company by the Hellenic Financial Stability Fund ("HFSF")

On 11 March 2024, the disposal by the HFSF of a 27% participation in the share capital of the Company was completed. The offer price of the offered shares was set at € 4.00 per offer share. 20% of the totality of the offered shares were allocated to Greek institutional and retail investors and 80% of the totality of the offered shares were allocated to international institutional investors. The offering attracted strong international and domestic investment interest at € 11 billion.

3.2.4. Analysis of Risk Weighted Assets and Capital Requirements

The Group applies the following methodologies for the calculation of Pillar I capital requirements:

- the standardized approach for calculating credit risk,
- the standardized approach for calculating CCR,
- for calculating securitization risk, the standardized approach (SEC-SA) where the Group acts as an originator and the external-ratings based approach (SEC-ERBA) where the Group acts as an investor,
- the standardized approach for calculating market risk,
- the standardized approach for calculating CVA risk, and

the standardized approach for calculating operational risk.

The table below shows RWAs and regulatory capital requirements broken down by risk types and model approaches compared to the previous year-end results:

Table 04: EU OV1 - Overview of RWA

	(€ 000's)	a	b	c
		Total risk exposure amounts		Total own funds
		Dec-24	Dec-23	Dec-24
1	**Credit risk (excluding CCR)**	**28,822,875**	**28,253,581**	**2,305,830**
2	Of which the standardized approach	28,796,599	28,216,349	2,303,728
3	Of which the Foundation IRB (F-IRB) approach			
4	Of which slotting approach			
EU 4a	Of which equities under the simple riskweighted approach			
5	Of which the Advanced IRB (A-IRB) approach			
6	**CCR**	**356,625**	**251,061**	**28,530**
7	Of which the standardized approach	265,727	208,534	21,258
8	Of which internal model method (IMM)			
EU 8a	Of which exposures to a CCP	2,984	4,650	239
EU 8b	Of which credit valuation adjustment - CVA	50,500	31,274	4,040
9	Of which other CCR	37,415	6,604	2,993
15	**Settlement risk**	**0**	**0**	**0**
16	**Securitization exposures in the non-trading book (after the cap)**	**1,572,306**	**1,306,422**	**125,784**
17	Of which SEC-IRBA approach			
18	Of which SEC-ERBA (including IAA)	151,553	93,150	12,124
19	Of which SEC-SA approach	609,683	601,944	48,775
EU 19a	Of which 1250% *	811,069	611,329	64,886
20	**Position, foreign exchange and commodities risks (Market risk)**	**431,427**	**323,350**	**34,514**

Table 04: EU OV1 - Overview of RWA				
(€ 000's)		a	b	c
		Total risk exposure amounts		Total own funds
		Dec-24	Dec-23	Dec-24
21	Of which the standardised approach	431,427	323,350	34,514
22	Of which IMA			
EU 22a	**Large exposures**			
23	**Operational risk**	**3,726,312**	**3,241,970**	**298,105**
EU 23a	Of which basic indicator approach			
EU 23b	Of which standardized approach	3,726,312	3,241,970	298,105
EU 23c	Of which advanced measurement approach			
24	**Amounts below the thresholds for deduction (subject to 250% risk weight)**	**1,859,623**	**1,707,617**	**148,770**
29	**Total**	**34,909,546**	**33,376,384**	**2,792,764**

Note:The Group's capital requirements for year-end 2024, excluding deductions from own funds, amounted to € 2.72 bn. Credit risk accounted for 85.5% of total RWA, operational risk for 10.9%, securitization risk for 2.3%, and market risk for 1.3%.

*This is the RWA equivalent of the CET1 capital deduction and leads to a deviation from the total RWAs reported in regulatory reporting and financial statements.

3.3. Regulatory Own Funds

The Group's Regulatory Own Funds as of December 31st, 2024, as defined in the CRR, are comprised of CET1, Additional Tier 1, and Tier 2 capital.

CET1 capital includes:

- shareholders' equity (common shares) plus share premium,
- other reserves,
- retained profit or loss and minority interests.

Treasury Shares are excluded from CET1 capital.

Regulatory adjustments on CET1 capital, as defined in the CRR, include mainly:

- intangible assets in accordance with Article 36 (1)(b) of the CRR and the provisions of the Commission Delegated Regulation (EU) 2020/2176 regarding the prudential treatment of software assets,
- goodwill,
- DTAs relying on future profitability,
- part of the minority interests, according to the rules set in Article 84 of the CRR, and
- specific prudential adjustments in line with article 3 of the CRR and supervisory expectations (including any NPE / Addendum calendar shortfall, which is also related to government guaranteed exposures)[2].
- a prudential DTC amortization adjustment of € 128 million as at December 31st, 2024 deducted from the Group's regulatory capital. This adjustment is solely taken into account for calculating the Group's regulatory capital.

[2] Additional information regarding prudential adjustment of government guaranteed exposures and DTC prudential amortization is available in the Annual Financial Report, chapter 4.16.

Table 05 presents the Group's Regulatory Own Funds structure:

Table 05: Regulatory Own Funds Summary		
(€ 000's)	Dec 2024	Dec 2023
Share Capital (common shares)	1,162,842	1,162,842
Share Premium	3,254,584	3,254,584
Contingent Convertible bonds		0
Less: Treasury Shares	(14,276)	(15,223)
Legal Reserve and Other Reserves	500,678	522,407
Retained Earnings	2,339,873	1,694,505
Minority Interest	56,035	55,539
Less: Intangible Assets	(259,935)	(229,860)
Other Regulatory Adjustments to Common Equity Tier 1 Capital	(2,104,184)	(2,118,055)
Total Common Equity Tier 1 Capital	**4,935,617**	**4,326,738**
Additional Tier 1 instruments	600,000	600,000
Total Regulatory Adjustments to Additional Tier 1 Capital		
Total Additional Tier 1 Capital	**600,000**	**600,000**
Total Tier 1 Capital	**5,535,617**	**4,926,738**
Subordinated Debt	1,303,352	895,150
Total Regulatory Adjustments to Tier 2 Capital	(130,863)	
Total Tier 2 Capital	**1,172,490**	**895,150**
Total Regulatory Capital	**6,708,107**	**5,821,888**

Note In the table above CET1 regulatory capital as at December 31st, 2024, and December 31st, 2023, includes year-end profits of the respective periods, excluding dividend according to maximum pay-out ratio, following regulatory approvals in accordance with ECB Decision (EU) 2016/656.

The following table provides a reconciliation of the Group's consolidated balance sheet as of December 31st, 2024, on an accounting consolidation basis (as per the 2024 Annual Financial Report) to the Group's consolidated balance sheet under the regulatory scope of consolidation. The basis of consolidation for financial accounting purposes does not differ from that used for prudential purposes. The reference-columns presented below reconcile to the references-columns as presented in the Appendix II (template "EU CC1– Composition of regulatory own funds").

Table 06: EU CC2 – Reconciliation of regulatory own funds to balance sheet in the audited financial statements			
		a = b	c
Dec 2024 (€ 000's)		Carrying values as reported in published financial statements = Carrying values under scope of regulatory consolidation	References
ASSETS			
1	Cash and balances with Central Banks	7,422,517	
2	Due from banks	2,351,940	
3	Financial assets at FVTPL	754,163	
4	Financial assets mandatorily measured at FVTPL	284,757	

Table 06: EU CC2 – Reconciliation of regulatory own funds to balance sheet in the audited financial statements			
		a = b	c
Dec 2024 (€ 000's)		Carrying values as reported in published financial statements = Carrying values under scope of regulatory consolidation	References
5	Derivative financial instruments	197,047	
6	Loans and advances to customers at amortised cost	40,684,556	
7	Loans and advances to customers mandatorily measured at FVTPL	49,754	
8	Investment securities	15,600,568	
9	Investment property	1,790,490	
10	Investments in associated undertakings and joint ventures	1,294,852	G
11	Property and equipment	754,604	
12	Intangible assets	416,505	D
13	Tax receivables	168,128	
14	Deferred tax assets	5,363,338	E
15	Other assets	2,445,846	
16	Assets held for sale	465,037	
17	**Total Assets**	**80,044,103**	
LIABILITIES			
18	Due to banks	2,377,613	
19	Due to customers	62,852,861	
20	Liabilities at FVTPL	97	
21	Fair Value changes of hedged items in portfolio hedges of interest rate risk	127,362	
22	Derivative financial instruments	255,200	
23	Debt securities in issue	3,214,838	
24	Other borrowed funds	1,303,352	I
25	Current income tax liabilities	12,595	
26	Deferred tax liabilities	9,077	
27	Retirement and termination benefit obligations	62,463	
28	Provisions	165,829	
29	Other liabilities	1,385,882	
30	Liabilities held for sale	4,143	
31	**TOTAL LIABILITIES**	**71,771,311**	
EQUITY			
32	Share capital	1,162,842	A
33	Share premium	3,254,584	A

Table 06: EU CC2 – Reconciliation of regulatory own funds to balance sheet in the audited financial statements			
		a = b	c
	Dec 2024 (€ 000’s)	Carrying values as reported in published financial statements = Carrying values under scope of regulatory consolidation	References
34	Other equity instruments	600,000	H
35	Less: Treasury shares	(14,276)	F
36	Other reserves and retained earnings	3,213,607	B
37	Capital and reserves attributable to the equity holders of the parent	8,216,757	
38	Non controlling interest	56,035	C
39	**TOTAL EQUITY**	**8,272,792**	
40	**TOTAL LIABILITIES AND EQUITY**	**80,044,103**	

3.3.1. Prudent Valuation Adjustments

Additional valuation adjustments (AVA) are adjustments that institutions make to their fair-valued financial instruments to account for various factors, such as market price uncertainty, risk of early termination, and investing or funding costs. The AVA is the difference between the fair value and the prudent value of an instrument. “The prudent value is the value at which institutions are 90% confident that they will exit a position based on the applicable market conditions at the time of the assessment” (EBA/RTS/2020/04 on prudent valuation).

On January 28th, 2016, Commission Delegated Regulation (EU) No 101/2016 was published, specifying the requirements for calculating AVAs in accordance with Article 105 of the CRR. This regulation was amended in 2020 in response to the extreme market volatility conditions as a result of the Covid-19 pandemic. Specifically, the amendment increased the factor (alpha) that is applied when aggregating AVAs at the institution level from 50% to 66% for three categories of AVAs: market price uncertainty, close-out costs, and model risk. This increase ceased to apply after December 31st, 2020, and the alpha factor is 50% for all categories of AVAs.

The Group applies the simplified approach according to Commission Delegated Regulation (EU) No 101/2016 to calculate its AVAs. Therefore, the disclosure of table EU PV1 (Prudent valuation adjustments) does not apply. The total AVAs are deducted from CET1 capital, in accordance with Article 34 of the CRR.

3.4. Leverage

The CRD IV regulatory framework recognizes the need to monitor a ratio that is not risk-sensitive, in order to depict the financial state of the Group more effectively and to complement the prudential requirements set by the minimum capital adequacy thresholds. The objective is to limit excessive leverage from on and off-balance sheet items in the European banking system.

The Group monitors and submits to the regulatory authorities the leverage ratio, as defined in Regulation (EU) No 2015/62 of October 10th, 2014. Group Risk Management (GRM) regularly reports its evolution and suggests suitable limits to the Management Body. Senior management monitors a leverage ratio dedicated KRI and through an annual review approves suitable early warning levels and limit levels.

The leverage ratio is defined as Tier 1 capital divided by the total leverage exposure measure, a function of on- and off-balance sheet amounts, derivative and securities financing transaction (SFT) exposures calculated in accordance with the CCR framework, and amounts deducted from regulatory capital.

Regulation (EU) 2019/876 introduced various changes to the leverage ratio and the determination of the leverage exposure, applicable as of June 30th, 2021, including:

- a minimum regulatory leverage ratio of 3%, and

- calculation of derivative exposures based on the revised standardized approach for CCR (SA-CCR).

The capital levels of the Group, along with the extensive deleveraging, which is still reflected in the Greek banking system, drastically reduces the risk of excessive leverage. As a result, the leverage ratio of the Group as at December 31st, 2024, stood at 6.75%, which is over the regulatory threshold required under the CRR.

Table 07: Group Leverage Ratio		
(€ mn)	2024	2023
Regulatory Capital for Leverage Ratio	5,535,617	4,926,738
Total Leverage Ratio Exposure	81,982,448	76,506,029
Leverage Ratio	6.75%	6.44%

Note: Tier 1 regulatory capital as of December 31st, 2024, includes 2024 year-end profits following regulatory approval, in accordance with ECB Decision (EU) 2015/656.

The increase in the Leverage Ratio Exposure Measure between 2023 and 2024, is mainly attributed to the exposure values of SFTs (€1.2 bn) and assets classified under the Other Assets category (€2.9 bn).

Detailed disclosures on the Group's leverage ratio are presented in Appendix III.

3.5. Internal Capital Adequacy Assessment Process

3.5.1. ICAAP overview and integration in the overall RMF

The ICAAP is an inextricable part of Pillar II within the Basel regulatory framework. The scope of the ICAAP is to identify and measure all major risks to which the Group is or might be exposed. Through the ICAAP, GRM extends risk measurement beyond risks addressed within the regulatory requirements of Pillar I (credit, market, and operational risk), leverages on existing capabilities, and develops more advanced methodologies and metrics, in order to ensure that adequate capital is available according to the Group's risk profile and appetite. Furthermore, under the ICAAP, the Group's capital adequacy is assessed on a forward-looking basis under base, stress, and reverse stress test scenarios.

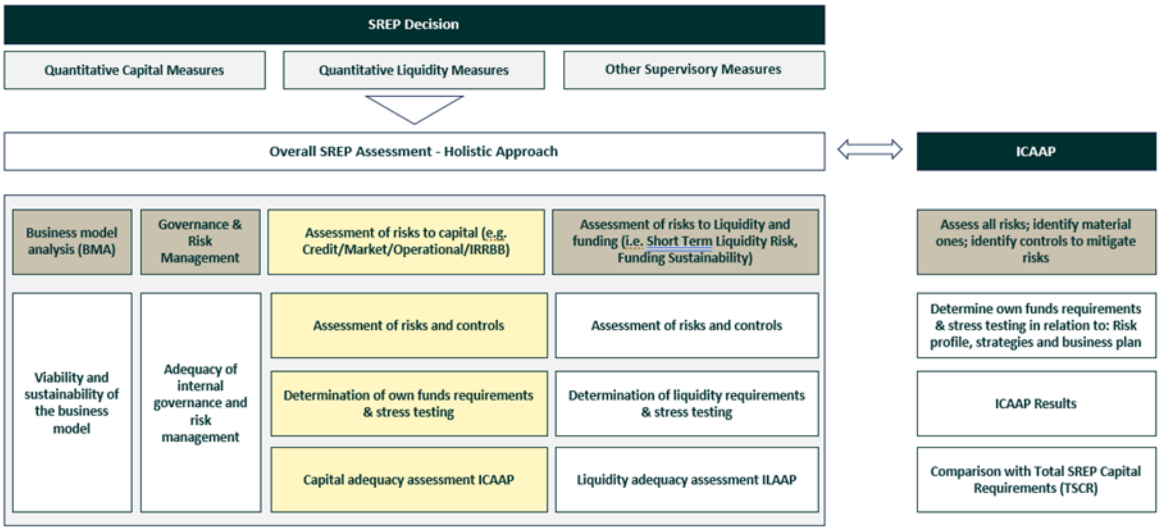
The main objectives of the Group's ICAAP are to demonstrate that appropriate methods and procedures are implemented to ensure adequate capital resources are available on an ongoing (going concern) basis, with due attention to all material risk types (Pillar I and Pillar II risks). In alignment with the SREP guidelines published by the EBA, the ICAAP horizon has been set to three years. Considering the principle of proportionality, the time horizon of the ICAAP shall be conforming to the business and strategic risks that the Group encounters within its business environment, unless extraordinary market conditions arise.

The ICAAP at the Group level results from a process of accommodating:

- regulatory guidelines,
- capital planning to ensure a sound trajectory towards the full implementation of the CRD IV and CRR,
- the external macro and business environment under which the Group operates, and
- the Group's strategy and objectives in the short and medium term.

The ICAAP forms a key component of the SREP, as outlined in the figure below:

Figure 01: Relationship between ICAAP and SREP



The Group's ICAAP is comprised of two distinct phases:

- planning process, and
- monitoring process.

Planning and monitoring are the two indispensable phases of a complete ICAAP implementation, that respectively ensure the forward-looking and ongoing nature of the ICAAP, as postulated by regulatory requirements. During the planning phase, the Group clearly defines its current and targeted capital needs as well as plans for sources of capital as described in the Group's Business Plan. The Group also monitors on a regular basis the progress of the plan, changes in risk exposures, and both internal and external developments that will affect its current and forward-looking capital adequacy position.

Planning Process

- Identify ICAAP risks perimeter: Definition of ICAAP scope in terms of Group entities and significance of risk types.
- Agree upon methodologies: Determination of internal capital requirements methodologies per risk type.
- ICAAP calculations and assessment of capital adequacy:
  - Calculation of regulatory and internal capital requirements (for applicable risk types), as per the capital quantification methodologies that have been defined.
  - Evaluation of capital adequacy (as of year-end).
  - Projection of business and risk profile components under multiple scenarios.
  - Assessment of the capital position (i.e. available and required capital) under base and stress scenarios for both the economic and normative perspective.
- Challenge and validation: Evaluation of capital adequacy and assessment of the results in terms of reliability and robustness.
- Sign off: ICAAP approval by the RC and the BoD.

Monitoring Process

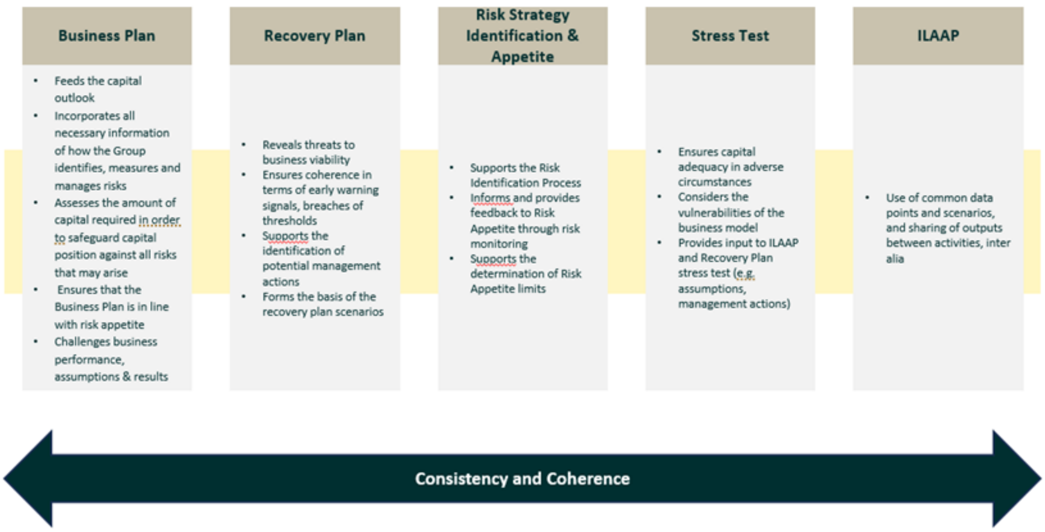
- Monitoring of the Group's risk profile and capital position versus risk appetite and capital plans, including available capital resources.
- Respective internal reporting to the RC and other Executive Management Committees, as appropriate.

- Initiation of corrective action(s) as/if required and revision of the ICAAP planning sub-process in cases of material divergence that requires such revision.

The ICAAP formalizes an integrated approach for risk and capital management that supports business decision making and reflects the economic and business environment of the Group. The ICAAP is developed by GRM. The ICAAP is under the BoD's responsibility, while suitable governance arrangements for the process are in place, in accordance with respective regulatory expectations, consisting of relevant Committees (Group Planning Committee, Market Scenarios Steering Committee, Executive Committee, Risk Committee) engaged in reviewing, challenging, steering and approving respective parts of the process (e.g risks identified, scenarios developed, interim and final results for capital assessment, capital planning and stress testing), as required.

The following figure presents the ICAAP contribution areas per key risk and planning process, while a more extensive description of each area follows:

Figure 02: : ICAAP Contribution Areas



Business Plan

The Group's Business Plan sets forth the strategic objectives and performance expectations under certain business, economic, and market assumptions and forms the risk profile of the Group in line with the risk strategy and appetite. The Business Plan constitutes the basis for the capital planning that aims to assess the Group's capital requirements and to ensure that available financial resources are adequate to cover them, within the respective horizon. The ICAAP, as a forward-looking process, evaluates not only the current but also the future risk profile of the Group, considering the underlying business strategy and respective components of the business and capital plan. As such, the assessment of capital adequacy is indispensably incorporated into the Group's Business Plan.

Recovery Plan

The Group defines a comprehensive Recovery Plan, which assesses specific measures to restore the Group's capital and/or liquidity position in the event of a severe financial crisis that drives the Group to operate beyond its risk capacity. Additionally, there are specific and regularly monitored Recovery Plan indicators included in the RAF that are assessed on continuous basis. The scenarios in the Group Recovery Plan are constructed by leveraging the existing scenario generation processes that constitute part of business planning, ICAAP, and ILAAP. More specifically, reverse stress testing informs the recovery planning process and leads to the development of appropriate management and mitigating actions to cover the severe vulnerabilities.

Risk Strategy, Identification, and Appetite

The ICAAP is an essential part of the risk identification process, with the former being the first step of the process where the historical losses and latest submitted ICAAP report are taken into account so as to form the Group's Risk Inventory. Through the ICAAP, the Group evaluates the capital sensitivity on risk-taking activities and exposures. This information supports the Group on setting its risk appetite statements and limits. These limits are used to benchmark all strategic decisions and risk-taking activities in the course of business.

Stress Testing

Stress Testing within the ICAAP framework is carried out in accordance with the forward-looking nature of the ICAAP, which requires assessment of future capital adequacy under alternative scenarios. ICAAP Stress Testing underpins the evaluation of the reliability of the Business Plans under stress conditions and monitors the Group's resilience on a forward-looking basis.

Internal Liquidity Adequacy Assessment Process (ILAAP)

ICAAP and ILAAP are integrated with risk management and supervisory activities across the organization. Both processes are connected, through the use of common data points and scenarios, and sharing of outputs between activities, inter alia. In parallel, ICAAP and ILAAP have similar underlying governance and procedural arrangements, therefore pertinent changes in these elements affect both practices.

The above concepts support effective Risk Management holistically. Results of the risk and capital assessment performed under the ICAAP are utilized in order to provide feedback to the overall Risk & Capital Strategy. In this manner, the Group assesses the various capital and risk appetite limits/tolerance thresholds that are set and, if necessary, considers their revision, by taking into account the available capital resources, the composition and adequacy of which are also assessed within the ICAAP.

3.5.2. ICAAP Structure

The structure of the ICAAP consists of the following three pillars:

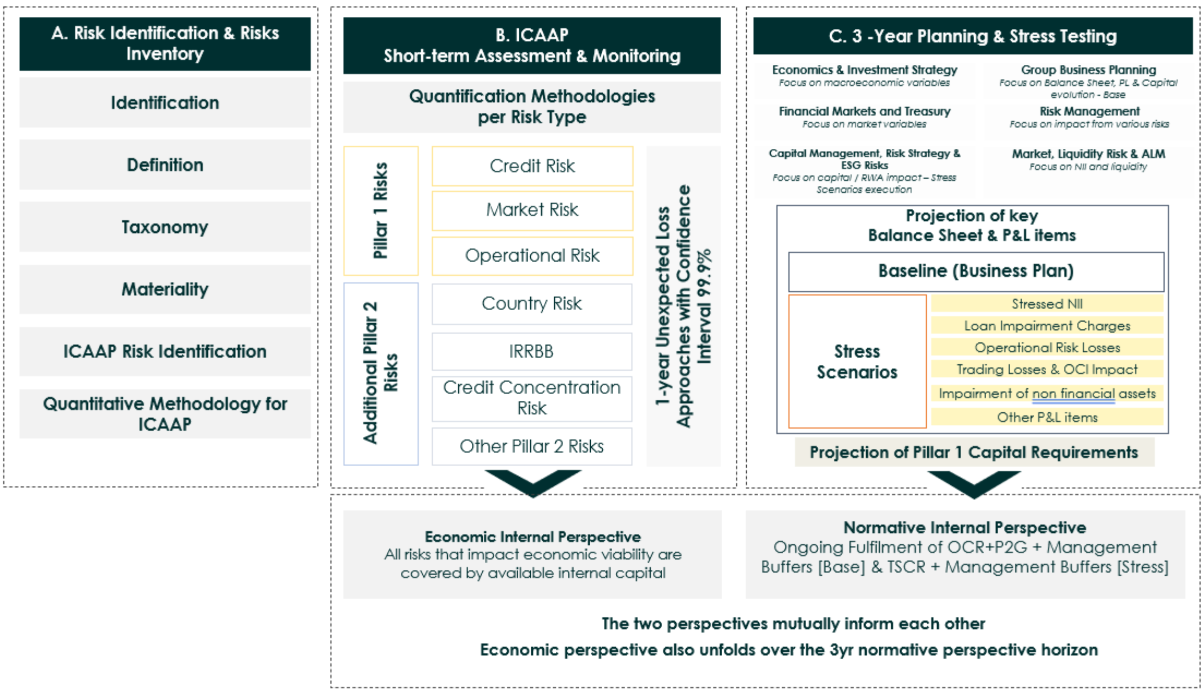
Risk Identification: Identification and definition of risks to which the Group is or might be exposed and subsequent materiality assessment and mapping to ICAAP taxonomy. Upon agreement of risks to be included in the ICAAP, internal capital measurement methodologies are selected.

Short-term Assessment & Monitoring: Measurement of capital requirements as of year-end and with a one-year view, along with a complimentary projected analysis over the three-year normative perspective horizon. Both analyses are based on the allocated methodologies and assessment of the outcomes in terms of capital adequacy and sufficiency of the capital base.

Three-Year Planning & Stress Testing: Identification, quantification, and alignment of the Group's strategic and business objectives and determination of the appropriate level, type, and composition of capital in line with the Group's Strategic Agenda, RAF, and the Capital and Business Plans.

The following figure presents the ICAAP contribution areas per key risk and planning process, while a more extensive description of each area follows:

Figure 03: ICAAP High-level Process



3.6. European Banking Authority 2025 EU-Wide Stress Test

On 20 January 2025, the European Banking Authority launched the 2025 EU-wide stress test and released the macroeconomic scenarios. The stress testing exercise is designed to assess the resilience of the European banking sector in the current uncertain and changing macroeconomic environment. The adverse scenario is based on a narrative of hypothetical worsening of geopolitical tensions, with large, negative, and persistent trade and confidence shocks having strong adverse effects on private consumption and investments, both domestically and globally. The exercise is conducted on a sample of 64 banks, thus covering 75% of total banking assets in the EU and Norway. Piraeus Financial Holdings participates in the EBA sample.

The stress test assesses the solvency of EU banks in a hypothetical adverse macroeconomic scenario over a three-year horizon (2025-27). The objectives of the stress test are to:

- assess and compare the overall resilience of EU banks to relevant severe economic shocks;
- assess if bank capital levels are sufficient to ensure banks can support the economy in periods of stress;
- foster market discipline through transparent publication of consistent, granular and comparable data at a bank-by-bank level;
- provide input to the Supervisory Review and Evaluation Process (SREP) conducted by competent supervisory authorities.

The EBA expects to publish the results of the exercise at the beginning of August 2025.

4. Credit Risk and Counterparty Credit Risk

Credit risk is defined as the potential risk that a borrower or counterparty will fail to meet its obligations in accordance with agreed terms and conditions. Credit risk is the most significant risk for the Group and therefore its effective monitoring and management constitutes a top priority for Senior Management. The Group's exposure to credit risk arises mostly from corporate and retail credit, various investments and over-the-counter (OTC) derivatives transactions, as well as from transactions settlement. The amount of risk associated with such credit exposures depends on various factors, including general economic conditions, market developments, the debtor's financial condition, the amount/type/duration of the exposure, and the existence of collateral and guarantees.

The implementation of the Credit Policy, which 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 the credit assessment, approval, renewal, and monitoring procedures. 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 (one obligor principle).

Under GRM, Credit Risk Management operates with the objective of identifying, monitoring, and managing credit risk according to the RAF, as approved by the BoD, in compliance with the respective obligations towards the supervisory authorities.

Gross loans [3] (both amortized cost and at fair value through profit or loss) of the Group amounted to € 43.4 bn in December 2024, including € 1.8 bn loans to financial institutions. Regarding the breakdown of gross loans to customers by business line, Group business loans amounted to € 33.5 bn, accounting for 80.5% of the loans to customers portfolio, while retail loans amounted to € 8.1 bn or 19.5%.

The table below presents the values of loans and debt security exposures, analyzed by residual maturity, before applying credit conversion factors (CCF) and credit risk mitigation (CRM) techniques. Exposures are disclosed in the columns corresponding to their contractual maturity. When the amount is repaid in instalments, the exposure is allocated to the maturity bucket corresponding to the instalment.

Table 08: EU CR1-A – Maturity of exposures

2024 (€ 000's)		a	b	c	d	e	f
		Net exposure value					
		On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
1	Loans and advances	1,570,484	10,572,567	19,886,376	26,078,898	3,357,921	61,466,245
2	Debt securities	0	80,375	2,218,977	13,357,816	-50	15,657,117
3	**Total**	**1,570,484**	**10,652,942**	**22,105,352**	**39,436,714**	**3,357,871**	**77,123,362**

Note: The table does not include items not subject to credit risk or items directly deducted from CET1 capital.

4.1. Credit Risk Measurement and Reporting Systems

Reliable credit risk measurement is a top priority within the Group's RMF. The continuous development of infrastructure, systems, and methodologies aimed at quantifying and evaluating credit risk is essential in order to timely and efficiently support Senior Management and the Business Units in relation to decision-making, policy formulation, and compliance with regulatory requirements.

[3] Including €175.7 mn state guaranteed loans reported in other assets line of balance sheet

4.1.1. Loans and Advances

For the purposes of credit risk measurement and monitoring of loans and advances, the following are performed at a counterparty level:

- the debtor's creditworthiness and probability of default (PD) on its contractual obligations are systematically assessed, and
- the Group's probability of potential recovery in the event of the debtor defaulting on its obligations is estimated based on existing collateral, guarantees provided, and curing levels.

The Group assesses the creditworthiness of borrowers and estimates the PD on their obligations by applying credit rating models appropriate to their special characteristics and features. Whenever possible, the models are tested by benchmarking against externally available information.

Borrowers are rated when their credit limit is initially determined and thereafter re-rated on at least an annual basis. The ratings are also updated in cases when there is available information that may have a significant impact on the level of credit risk. The Group regularly tests the predictive capability of the creditworthiness evaluation and rating models, thus ensuring its potential of accurately depicting credit risk and allowing for the timely implementation of measures addressing potential problems.

4.1.2. Corporate Credit

All corporate customers are assigned to credit rating grades, which correspond to different levels of credit risk and relate to different default probabilities. Each rating grade is associated with a specific customer relationship policy/guideline.

Additional information regarding the ratings classification and the credit lending policy is available in the 2024 Annual Financial Report, chapter 4.

(link: Piraeus Group Financial Statements)

4.1.3. Retail Credit

Regarding the retail credit portfolio, there are scorecards of client credit assessment in the retail banking portfolio covering different stages of the credit cycle.

Additional information regarding scorecards of client credit assessment is available in the 2024 Annual Financial Report, chapter 4.

(link: Piraeus Group Financial Statements)

4.1.4. Recovery based on 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 maximize the recovery rate in case of default of a borrower on its contractual obligations to the Group.

4.1.5. Securities and other bills

The Group holds a portfolio of sovereign, bank, and corporate debt, including Greek and international issues. 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.

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.

4.1.6. Concentration Risk

Credit risk concentration may arise from various types of portfolio incomplete diversification such as the concentration risk on large borrowers, economic sectors, geographic areas, and types of collateral.

Credit Risk Management 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 RAF, which are revised annually.

4.1.7. Country Risk

Country risk reflects the risk of loss arising from macro-economic instability, social events, or political uncertainty in a country, including nationalization and expropriation of assets and debt restructuring affecting the Group and the Bank's earnings and/or capital. It includes sovereign, transfer, and political risks.

4.1.8. Counterparty Credit Risk

CCR is defined as the risk that the counterparty to a transaction could default before the final settlement of the transaction's cash flows.

CCR is applicable to:

- OTC derivative transactions,
- repurchase (repo) transactions,
- credit derivatives, and
- long settlement transactions.

Exposure values for CCR are measured in accordance with the standardized method (SA-CCR). More specifically, the exposure value for a derivative transaction is calculated at the netting set level as the sum of the current replacement cost and the potential future exposure (PFE), but also considers a multiplier "alpha" ($\alpha = 1.4$) set by the Basel Committee on Banking Supervision (BCBS). The PFE portion consists of a multiplier that allows for the partial recognition of excess collateral and an aggregate add-on, which is derived from add-ons developed for each asset class (i.e. interest rate, foreign exchange, credit, equity, and commodity). The methodology for calculating the add-ons for each asset class hinges on the key concept of a "hedging set", a group of transactions that share common characteristics. Moreover, this new risk-sensitive approach differentiates between margined and unmargined transactions and focuses on a more meaningful recognition of netting as well as collateralization.

The table below presents the distribution of CCR and CCP trade exposure values deriving from the Group's derivative and security financing transactions (SFT) per contract type, before and after CRM techniques, incurred CVA, and netting:

Table 09: CCR Breakdown of Derivatives and SFTs

2024 (€ 000's)	Original Exposure	Effects of Margining and Unilateral CVA	Exposure (E*)	Capital Requirements
CCP Activities:	**2,089,587**	**1,635,117**	**144,745**	**233**
OTC derivatives	1,720,125	1,628,313	91,812	147
Exchange-traded derivatives	18,113	6,804	11,309	18
Segregated initial margin	342,101	0	32,376	52
Default fund contributions	9,248	0	9,248	16
OTC Derivatives:	**521,528**	**126,619**	**394,909**	**21,258**
With sovereign counterparties	2,136	30	2,106	0
With financial institutions	121,527	69,683	51,844	1,587
With non-financial counterparties	397,865	56,906	340,959	19,671
SFTs:	**3,148,821**	**3,012,215**	**136,606**	**2,993.23**
Total Counterparty Credit Risk	**5,759,935**	**4,773,951**	**676,259**	**24,484**

Notes: Exposure value for derivatives is comprised of the contract's replacement cost and the potential future exposure add-on.

As at December 31st, 2024, the Group had no active credit derivative exposures. Therefore, the disclosure of template EU CCR6 (Credit derivatives exposures) does not apply.

Piraeus Group manages CCR by setting appropriate credit limits, requiring adequate financial collateral, and signing master netting agreements (MNA).

Piraeus Group has signed International Swaps and Derivatives Association (ISDA) and Global Master Repurchase Agreement (GMRA) MNA with a number of financial institutions. These agreements are complemented with the standardized form of Credit Support Annexes (CSA) and European Financial Stability Fund (EFSF) Annexes, where deemed necessary. For calculating the capital requirements of a netting set, where netting leads to a net obligation for the Group, the current replacement cost is equal to zero. Furthermore, depending on the net to gross ratio derived from all replacement costs in a netting set, the PFE of the netting set is appropriately adjusted.

It should be noted that, given the current state of the interbank market, no material changes are expected on the Group's collateral postings due to rating downgrades.

4.2. Credit Risk Mitigation & Control

4.2.1. Credit limits

The Group sets credit limits in order to manage and control its credit risk exposures and concentration risk and define the maximum acceptable level of risk undertaken. Collateral or security provided, which reduces the overall level of risk assumed, is taken into consideration. The Group categorizes the risk of credits into risk classes based on the type of associated collateral/security and its liquidation potential. The maximum credit limits that may be approved per risk class are determined by the BoD. For the Group, no credit is approved by one sole person since the procedure regularly requires the approval of a minimum of three authorized officers, with the exception of consumer loans and credit cards, with the prerequisite that all criteria set in the Credit Policy are met. Approval authorities are designated based on the level of risk exposure, and their role in contributing to the quality of the Group's total credit portfolio is particularly significant.

Credit limits are set with an effective duration of up to 12 months, and they are subject to annual or more frequent review. The responsible approval authorities may, in special circumstances, set a duration shorter than 12 months. The outstanding balances along with their corresponding limits are monitored and any limit excesses are promptly reported and dealt with accordingly.

4.2.2. Collateral use

Along with the evaluation of the creditworthiness of counterparties, the Group estimates the recovery rate against exposures when limits are set or reviewed. This estimation is based on the type of debt claim and the existence of any connected collateral and/or guarantees.

According to standard practice, when a borrower's credit rating is low, then additional collateral/guarantees are requested in order to secure a higher recovery rate to account for the borrower's PD.

The Group receives collateral or security against its credit to customers, thus minimizing the overall credit risk and ensuring the timely repayment of its debt claims.

For this scope, the Group has defined categories of acceptable collateral and has incorporated them in its Credit Policy. The Group regards collateral as liquid assets, which are pledged to secure timely repayment of its debt claims, while on the other hand, the Group considers guarantees as assets that are not easily liquidated.

The main types of acceptable collateral are the following:

- pledged deposits and cheques,
- mortgages on real estate property,
- ship mortgages,
- Greek government guarantees,
- bank letters of guarantee,
- guarantees by Development Bodies (i.e. the Hellenic Fund for Entrepreneurship & Development SA),
- pledged financial instruments such as stocks, bonds, Treasury Bills, or mutual fund shares, and
- receivables.

The collateral/security associated with a credit is initially evaluated during the credit approval process, based on its current or fair value, and is reevaluated at regular intervals.

The table below provides an analysis of credit risk exposures (excluding CCR and CCP exposures) before and after the application of CCF and CRM techniques, as well as RWA and RWA densities broken down by regulatory exposure classes and a split by on and off-balance sheet exposures:

Table 10: EU CR4 – Standardized approach: Credit risk exposure and CRM effects							
2024 (€ 000's)		a	b	c	d	e	f
		Exposures before CCF and CRM		Exposures post CCF and CRM		RWAs and RWA density	
Exposure classes		On-balance-sheet amount	Off-balance-sheet amount	On-balance-sheet amount	Off-balance-sheet amount	RWAs	RWA density
1	Central governments or central banks	24,900,902	200	30,881,839	8	4,985,178	16%
2	Regional government or local authorities	34,407	2,002	33,884	55	6,788	20%
3	Public sector entities	905,993	6,031	1,484,079	535	89,268	6%
4	Multilateral development banks	305,457		1,246,918	49		0%
5	International organizations						
6	Institutions	1,621,897	79,224	1,803,719	27,455	725,487	40%
7	Corporates	15,138,515	16,411,804	13,099,019	2,128,283	10,768,029	71%
8	Retail	3,247,760	1,829,981	2,446,353	27,426	1,646,202	67%
9	Secured by mortgages on immovable property	9,757,789	424,373	9,143,553	99,829	3,988,045	43%
10	Exposures in default	839,509	57,503	438,397	9,296	471,636	105%
11	Higher-risk categories	32,129	38	32,115		48,172	150%
12	Covered bonds	10,015		10,015		1,002	10%
13	Institutions and corporates with a short-term credit assessment						
14	Collective investment undertakings	133,187		133,187		85,265	64%
15	Equity	1,365,699		1,365,699		1,446,214	106%
16	Other items	6,082,802		6,082,802		4,535,313	75%
17	**Total**	**64,376,061**	**18,811,156**	**68,201,580**	**2,292,936**	**28,796,599**	**41%**

Notes: The table does not include items not subject to credit risk or items directly deducted from CET1 capital. The amounts represent exposures before applying substitution effects. Row 13 (Institutions and corporates with a short-term credit assessment) is not disclosed, as short-rate assessments are not utilized in the credit risk calculation process.

4.2.3. Collateral Valuation

Collateral/security is valued initially during the credit approval process based on its current or fair value and is then revalued regularly.

Bonds received as collateral are valued on a daily basis and monitored through a collateral system that takes into account the specific characteristics of every contract.

Equities listed on the stock exchange are also taken into account. Their valuation is based on the official daily closing prices of the previous day for each share while the entire valuation process is conducted in the collateral system.

Additional information regarding the market value assessment of properties is available in the 2024 Annual Financial Report, chapter 4.3.3.

(link: Piraeus Group Financial Statements)

The table below provides an analysis of unsecured and secured credit risk exposures and credit risk exposures secured by various forms of CRM for all loans and debt securities accompanied by the carrying amounts of the total exposures, which are in default. The table below excludes CCR exposures:

Table 11: EU CR3 – Use of credit risk mitigation (CRM) techniques						
		a	b	c	d	e
2024 (€ 000's)		Unsecured carrying amount	Secured carrying amount			
				Of which secured by collateral	Of which secured by financial guarantees	
						Of which secured by credit derivatives
1	Loans and advances	16,957,432	32,968,612	21,342,497	11,626,115	
2	Debt securities	15,631,700				
3	**Total**	**32,589,132**	**32,968,612**	**21,342,497**	**11,626,115**	
4	Of which non-performing exposures	31,762	723,583	469,689	253,894	
5	*Of which defaulted*	*31,762*	*723,583*			

For the correct interpretation of the figures presented in the table above, the following are noted:

- Unsecured carrying amount: includes the carrying amount of exposures (net of allowances/impairments) that do not benefit from a CRM technique;
- Secured carrying amount: includes the carrying amount of exposures (net of allowances/impairments) that have at least one CRM mechanism (collateral, financial guarantees, credit derivatives) associated with them;
- Of which secured by collateral: Includes the carrying amount of exposures (net of allowances/impairments) partly or totally secured by collateral (collateral includes cash, stocks, bo nds, movable property, mortgages on immovable property);
- Of which secured by financial guarantees: includes the carrying amount of exposures (net of allowances/impairments) partly or totally secured by financial guarantees;
- Of which secured by credit derivatives: includes the carrying amount of exposures (net of allowances/impairments) partly or totally secured by credit derivatives.

The allocation of the carrying amount of multi-secured exposures to their different CRM mechanisms is made by order of priority, starting with the CRM mechanism expected to be called first in the event of a loss and within the limits of the carrying amount of the secured exposures.

In case an exposure is secured by collateral and other CRM mechanisms, the carrying amount of the exposures secured by collateral is the remaining share of the exposures secured by collateral after consideration of the shares of the exposures already secured by other CRM mechanisms expected to be called beforehand in the event of a loss, without considering over-collateralization.

4.2.4. Credit-Related Commitments

The Group uses credit-related commitments to provide customers with funds when requested. These commitments entail credit risk and mainly concern letters of credit and letters of guarantee.

The remaining duration of credit-related commitments is systematically analyzed and monitored, since in general, commitments with longer duration entail greater risk compared to those with shorter duration.

4.3. Impairment Policy

The Group recognizes an expected credit loss (ECL) impairment on loans and advances to customers at amortized cost when it is estimated that it will not be in a position to receive all payments due, as defined by the contract of the loan. The amount of the ECL allowance for impairment on loans and advances to customers at amortized cost is the difference between all contractual cash flows that are due in accordance with the contract and all the cash flows that the entity expects to receive, discounted at the original effective interest rate of the loan (or credit-adjusted effective interest rate for purchased or originated credit impaired – POCI – financial assets).

The Group assesses at each reporting period whether there is objective evidence that a loan or a group of loans is impaired.

At each reporting date, an impairment loss equal to 12-month ECL (allocated to Stage 1) is recognized for all financial assets for which there is no significant increase in credit risk since initial recognition. For financial assets that:

- exhibit a significant increase in credit risk since their initial recognition (allocated to Stage 2),
- are credit impaired (allocated to Stage 3), or
- are POCI,

an impairment loss equal to lifetime ECL is recognized.

The Group applies the EBA NPE definition.

The Group considers as individually significant, facilities to Corporate and Individual customers that satisfy all of the following criteria:

- the aggregate exposure at debtor level at the period end reporting date exceeds the amount of € 1 mn or the equivalent in foreign currency, and
- the exposures are classified as NPE.

The result of the individual assessment is further adjusted by incorporating the effect of macroeconomic scenarios, determined on the basis of the estimates of the collective projection models.

The collective impairment assessment is carried out on all loans classified in Stages 1 and 2, as well as those in Stage 3, provided that they have not been individually assessed.

Additional information concerning impairment methodology, key modeling concepts and significant increase in credit risk, is presented in chapter 4 of the 2024 Annual Financial Report.

(link: Piraeus Group Financial Statements)

4.4. Non-performing and Forborne Exposures

The Group's non-performing loans ratio was 3.02%[4] in December 2024.

The Group's coverage ratio of non-performing loans by total cumulative provisions[5] reached 53.2%.

From January 1st, 2021, and onwards Piraeus Financial Holdings and Piraeus Bank apply the new Definition of Default (DoD) regulatory requirements issued by the EBA (EBA/GL/2016/07).

The DoD applies to all the entities of the Group, considering local regulations and specific characteristics of each jurisdiction. In line with the guidelines for the identification of default, the Group implements both an objective indicator (past due criterion), as well as a set of quantitative and qualitative unlikeliness to pay indicators to capture indications where the obligor is considered by the Group as unlikely to pay its credit obligations in full. More specifically, a default is considered to have occurred with regard to a particular obligor when either or both of the following two events have taken place:

- Past Due Criterion: The obligor is past due for more than 90 consecutive days on any material credit obligation to the Group.
- Unlikeliness to Pay: The Group considers that the obligor is unlikely to repay its obligations in full, without recourse by the Group to actions such as realizing security, based on the criteria that the Group has specified.

In principle, the DoD is applied at the contract level for the retail portfolio and at the obligor level for the non-retail portfolio.

[4] including €1.8 bn loans to financial institutions and €243 mn non-performing state guaranteed loans mainly reported in other assets line of the balance sheet.

[5] including € 5.7 mn provisions related to state guaranteed loans mainly reported in other assets line of the balance sheet.

In order for an exposure classified as defaulted to return to a non-defaulted status, the behavior of the contract for the retail portfolio or the obligor for the non-retail portfolio is monitored for a pre-defined period of time (i.e. probation period) within which the exposure continues to be classified in default status. If the Group considers that for a previously defaulted exposure no trigger of default continues to apply at the end of the probation period, then a return to a non-defaulted status takes place.

The non-performing exposures reported in the following tables include €243 mn state guaranteed loans mainly reported in other assets line of the balance sheet.

The following table provides a summary of the credit quality of forborne exposures:

Table 12: EU CQ1 – Credit quality of forborne exposures

		a	b	c	d	e	f	g	h
	2024 (€ 000's)	Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
		Performing forborne	Non-performing forborne			On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
				Of which defaulted	Of which impaired				
005	Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-
010	Loans and advances	480,804	438,304	438,304	438,062	(9,402)	(251,443)	643,775	181,268
020	Central banks	-	-	-	-	-	-	-	-
030	General governments	-	-	-	-	-	-	-	-
040	Credit institutions	-	-	-	-	-	-	-	-
050	Other financial corporations	10	-	-	-	(3)	-	6	-
060	Non-financial corporations	361,922	336,774	336,774	336,629	(3,209)	(233,447)	459,863	101,708
070	Households	118,872	101,530	101,530	101,434	(6,190)	(17,996)	183,906	79,561
080	Debt securities	-	-	-	-	-	-	-	-
090	Loan commitments given	9,224	735	735	735	135	-	3,280	-
100	**Total**	**490,028**	**439,039**	**439,039**	**438,797**	(9,267)	**(251,443)**	**647,055**	**181,268**

Note: The table includes debt instruments at fair value through profit and loss, with the exception of held for trading.

The following table presents a summary of the credit quality of NPE and related impairments, provisions, and valuation adjustments by portfolio and exposure class:

Table 13: EU CR1 – Performing and non-performing exposures and related provisions

2024 (€ 000's)		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collateral and financial guarantees received	
		Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
			Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3			
005	**Cash balances at central banks and other demand deposits**	**7,271,048**	**7,271,048**	-	-	-	-	**(93)**	**(93)**	-	-	-	-	-	-	-
010	**Loans and advances**	**42,041,043**	**38,871,206**	**2,705,037**	**1,310,812**	**-**	**1,210,271**	**(138,571)**	**(51,887)**	**(78,331)**	**(558,195)**	**-**	**(499,163)**	**(961,108)**	**32,245,030**	**723,583**
020	Central banks	0	0	-	-	-	-	(0)	(0)	-	-	-	-	-	-	-
030	General governments	961,424	961,423	1	677	-	677	(173)	(173)	(0)	(675)	-	(675)	(10,890)	930,818	1
040	Credit institutions	1,633,836	1,633,836	-	-	-	-	(11)	(11)	-	-	-	-	-	2,853	-
050	Other financial corporations	7,895,738	7,881,261	8,797	134	-	134	(4,632)	(4,305)	(324)	(103)	-	(103)	(36,502)	6,210,181	26
060	Non-financial corporations	22,653,206	21,453,118	1,036,424	863,343	-	813,535	(56,307)	(25,677)	(27,831)	(434,386)	-	(396,057)	(604,820)	17,820,302	421,544
070	*Of which SMEs*	*10,717,208*	*9,842,281*	*715,555*	*561,089*	-	*522,467*	*(40,242)*	*(15,389)*	*(23,458)*	*(214,396)*	-	*(185,301)*	*(274,830)*	*9,420,615*	*339,126*
080	Households	8,896,839	6,941,568	1,659,814	446,658	-	395,925	(77,448)	(21,721)	(50,176)	(123,030)	-	(102,326)	(308,896)	7,280,876	302,012
090	**Debt securities**	**15,646,229**	**15,545,277**	**-**	**7,673**	**-**	**7,673**	**(17,257)**	**(17,257)**	**-**	**(4,946)**	**-**	**(4,946)**	**-**	**-**	**-**
100	Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
110	General governments	13,490,947	13,490,947	-	-	-	-	(14,282)	(14,282)	-	-	-	-	-	-	-

Table 13: EU CR1 – Performing and non-performing exposures and related provisions																
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
2024 (€ 000's)		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collateral and financial guarantees received	
		Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
			Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3			
120	Credit institutions	1,681,985	1,681,985	-	-	-	-	(1,801)	(1,801)	-	-	-	-	-	-	-
130	Other financial corporations	276,111	175,159	-	7,673	-	7,673	(402)	(402)	-	(4,946)	-	(4,946)	-	-	-
140	Non-financial corporations	197,186	197,186	-	-	-	-	(773)	(773)	-	-	-	-	-	-	-
150	**Off-balance-sheet exposures**	**18,779,249**	**18,277,299**	**496,610**	**211,697**	**-**	**211,697**	**11,055**	**9,530**	**1,278**	**70,717**	**-**	**70,717**	**-**	**4,762,494**	**59,477**
160	Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
170	General governments	8,368	8,368	-	940	-	940	1	1	-	254	-	254	-	2,813	160
180	Credit institutions	196,630	196,630	-	-	-	-	229	229	-	-	-	-	-	6,390	-
190	Other financial corporations	2,041,555	2,039,926	1,630	1	-	1	1,868	1,868	0	0	-	0	-	224,221	1
200	Non-financial corporations	15,156,769	14,802,508	354,128	201,656	-	201,656	6,780	6,545	234	70,156	-	70,156	-	4,245,876	58,774
210	Households	1,375,927	1,229,867	140,853	9,100	-	9,100	2,177	887	1,044	306	-	306	-	283,195	543
220	**Total**	**83,737,569**	**79,964,830**	**3,201,647**	**1,530,182**	**-**	**1,429,642**	**(166,883)**	**(78,674)**	**(79,609)**	**(633,857)**	**-**	**(574,826)**	**(961,108)**	**37,007,523**	**783,060**

Note: The table includes debt instruments at fair value through profit and loss, with the exception of held for trading.

The following table provides an analysis of performing and NPE by past due days:

Table 14: EU CQ3 – Credit quality of performing and non-performing exposures by past due days													
2024 (€ 000's)		a	b	c	d	e	f	g	h	i	j	k	l
		Gross carrying amount/nominal amount											
		Performing exposures			Non-performing exposures								
			Not past due or past due < 30 days	Past due > 30 days < 90 days		Unlikely to pay that are not past due or are past due < 90 days	Past due > 90 days < 180 days	Past due > 180 days < 1 year	Past due > 1 year < 2 years	Past due > 2 years < 5 years	Past due > 5 years < 7 years	Past due > 7 years	Of which defaulted
005	**Cash balances at central banks and other demand deposits**	**7,271,048**	**7,271,048**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
010	**Loans and advances**	**42,041,043**	**41,807,471**	**233,572**	**1,310,812**	**362,662**	**60,893**	**92,586**	**253,462**	**94,449**	**38,606**	**408,153**	**1,310,812**
020	Central banks	0	0	0	0	0	0	0	0	0	0	0	0
030	General governments	961,424	961,417	7	677	0	0	0	2	6	0	669	677
040	Credit institutions	1,633,836	1,633,836	0	0	0	0	0	0	0	0	0	0
050	Other financial corporations	7,895,738	7,895,603	135	134	61	17	15	6	32	1	2	134
060	Non-financial corporations	22,653,206	22,538,361	114,845	863,343	251,706	18,926	30,486	187,137	55,901	31,456	287,731	863,343
070	*Of which SMEs*	*10,717,208*	*10,603,670*	*113,538*	*561,089*	*158,591*	*5,666*	*21,101*	*25,816*	*51,370*	*14,914*	*283,631*	*561,089*
080	Households	8,896,839	8,778,254	118,585	446,658	110,895	41,950	62,085	66,318	38,510	7,150	119,751	446,658
090	**Debt securities**	**15,646,229**	**15,646,229**	**0**	**7,673**	**7,673**	**0**	**0**	**0**	**0**	**0**	**0**	**7,673**
100	Central banks	0	0	0	0	0	0	0	0	0	0	0	0
110	General governments	13,490,947	13,490,947	0	0	0	0	0	0	0	0	0	0
120	Credit institutions	1,681,985	1,681,985	0	0	0	0	0	0	0	0	0	0
130	Other financial corporations	276,111	276,111	0	7,673	7,673	0	0	0	0	0	0	7,673
140	Non-financial corporations	197,186	197,186	0	0	0	0	0	0	0	0	0	0
150	**Off-balance-sheet exposures**	**18,779,249**			**211,697**								**211,697**
160	Central banks	0			0								0

Table 14: EU CQ3 – Credit quality of performing and non-performing exposures by past due days													
2024 (€ 000's)		a	b	c	d	e	f	g	h	i	j	k	l
		Gross carrying amount/nominal amount											
		Performing exposures			Non-performing exposures								
			Not past due or past due < 30 days	Past due > 30 days < 90 days		Unlikely to pay that are not past due or are past due < 90 days	Past due > 90 days < 180 days	Past due > 180 days < 1 year	Past due > 1 year < 2 years	Past due > 2 years < 5 years	Past due > 5 years < 7 years	Past due > 7 years	Of which defaulted
170	General governments	8,368			940								940
180	Credit institutions	196,630			0								0
190	Other financial corporations	2,041,555			1								1
200	Non-financial corporations	15,156,769			201,656								201,656
210	Households	1,375,927			9,100								9,100
220	**Total**	**83,737,569**	**64,724,748**	**233,572**	**1,530,182**	**370,335**	**60,893**	**92,586**	**253,462**	**94,449**	**38,606**	**408,153**	**1,530,182**

Note: The table includes debt instruments at fair value through profit and loss, with the exception of held for trading.

The following table provides an analysis of the Group's credit quality of loans and advances to non-financial customers per NACE code, before applying CCF and CRM techniques:

Table 15: EU CQ5 – Credit quality of loans and advances by industry

		a	b	c	d	e	f
2024 (€ 000's)		Gross carrying amount/nominal amount				Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			Of which non-performing		Of which loans and advances subject to impairment		
				Of which defaulted			
010	Agriculture, forestry and fishing	397,676	130,902	130,902	397,676	(93,523)	-
020	Mining and quarrying	180,487	2,706	2,706	180,487	(2,849)	-
030	Manufacturing	3,757,386	249,233	249,233	3,757,386	(82,425)	-
040	Electricity, gas, steam and air conditioning supply	3,219,408	13,905	13,905	3,219,408	(13,520)	-
050	Water supply	40,757	4	4	40,757	(103)	-
060	Construction	1,407,296	73,943	73,943	1,407,296	(44,602)	-
070	Wholesale and retail trade	3,136,022	126,151	126,151	3,135,810	(83,404)	(144)
080	Transport and storage	4,731,693	89,923	89,923	4,731,693	(82,540)	-
090	Accommodation and food service activities	2,768,210	62,041	62,041	2,724,147	(17,318)	-
100	Information and communication	393,830	2,881	2,881	393,830	(5,190)	-
110	Real estate activities	802,696	2	2	802,696	(2,681)	-
120	Financial and insurance actvities	971,797	59,108	59,108	971,797	(32,412)	-
130	Professional, scientific and technical activities	283,516	3,916	3,916	283,516	(2,066)	-
140	Administrative and support service activities	620,635	4,186	4,186	620,635	(2,771)	-
150	Public administration and defense, compulsory social security	15,256	2	2	15,256	(45)	-
160	Education	38,398	1,255	1,255	38,398	(771)	-
170	Human health services and social work activities	497,668	2,572	2,572	497,668	(2,458)	-
180	Arts, entertainment and recreation	23,240	2,650	2,650	23,240	(2,758)	-
190	Other services	230,577	37,960	37,960	230,577	(19,114)	-
200	**Total**	**23,516,549**	**863,343**	**863,343**	**23,472,274**	**(490,549)**	**(144)**

Note: The table includes loans and advances (with the exception of held for trading) to non-financial corporations by NACE code.

The following table provides an analysis of the Group's credit quality of loans, debt securities, and off-balance-sheet exposures, per incorporation country, before applying CCF and CRM techniques:

Table 16: EU CQ4 – Quality of non-performing exposures by geography

2024 (€ 000's)		a	b	c	d	e	f	g
		Gross carrying amount/nominal amount				Accumulated impairment	Provisions on off-balance-sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			Of which non-performing		Of which subject to impairment			
				Of which defaulted				
010	**On balance sheet exposures**	**59,005,757**	**1,318,485**	**1,318,485**	**58,854,810**	**(718,728)**	-	**(240)**
020	Greece	48,499,894	1,183,714	1,183,714	48,449,906	(591,667)	-	(240)
030	Italy	3,147,876	54	54	3,147,876	(3,849)	-	-
040	Marshall Islands	1,446,124	26	26	1,446,124	(320)	-	-
050	Liberia	1,119,115	357	357	1,119,115	(1,307)	-	-
060	Ireland	1,070,835	691	691	969,883	(1,739)	-	-
070	Cyprus	475,156	8,089	8,089	475,156	(5,796)	-	-
080	Great Britain	568,236	8,755	8,755	568,236	(6,124)	-	-
090	Germany	914,650	672	672	914,650	(884)	-	-
100	Panama	256,403	82,619	82,619	256,403	(75,777)	-	-
110	**Other countries**	**1,507,466**	**33,509**	**33,509**	**1,507,460**	**(31,265)**	-	-
120	Off balance sheet exposures	18,990,946	211,697	211,697			81,772	
130	Greece	16,557,109	205,146	205,146			79,662	
140	Italy	21,393	0	-			1	
150	Marshall Islands	13,570	0	-			2	
160	Liberia	296,585	10	10			374	
170	Ireland	1,517,706	0	-			1,520	
180	Cyprus	108,011	22	22			151	
190	Romania	39,265	0	-			2	
200	Germany	38,771	188	188			3	
210	Panama	408	-	-			5	
220	Other countries	398,128	6,332	6,332			51	
230	**Total**	**77,996,703**	**1,530,182**	**1,530,182**	**58,854,810**	**(718,728)**	**81,772**	**(240)**

Note: On balance sheet exposures include loans and advances and debt securities.

The Group applies the Implementing Technical Standards (ITS) of the EBA relating to forborne loans.

The alignment of the Restructuring Policy of the Group with the relevant EBA definitions and BoG guidelines was backed up with the creation of new structures and procedures, development of new information systems, and updates on existing applications, in order to achieve effective and reliable management of past due loans by performing restructurings according to the financial ability of the borrower and monitoring the effective ness of various types of forbearance measures.

Forborne loans and advances are defined as exposures arising from loan agreements that have been subject to forbearance measures. These measures are considered as a concession of the Bank to a borrower who is facing or is about to face financial difficulties in fulfilling its financial obligations. Forbearance may involve conversion of contractual terms and conditions and/or refinancing of debts.

Forbearance measures do not lead to derecognition unless the modi fication changes substantially the loan terms of the original contract.

Additional information regarding the Restructuring Policy as well as analysis of restructured loans per po rtfolio is available in the 2023 Annual Financial Report, chapter 4.4.

(link: Piraeus Group Financial Statements)

As at December 31st, 2024, forborne loans accounted for € 0.9 bn.

The following table provides an overview of the quality of forbearance:

Table 17: EU CQ2 – Quality of forbearance

2024 (€ 000's)		a
		Gross carrying amount of forborne exposures
010	Loans and advances that have been forborne more than twice	569,636
020	Non-performing forborne loans and advances that failed to meet the non-performing exit criteria	292,362

The following table provides an overview of collateral value and information on performing and non-performing loans and advances:

Table 18: EU CQ6 – Collateral valuation - loans and advances													
		a	b	c	d	e	f	g	h	i	j	k	l
2024 (€ 000's)		Loans and advances											
			Performing		Non-performing exposures								
							Past due > 90 days						
				Of which past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days		Of which: past due > 90 days ≤ 180 days	Of which: past due > 180 days ≤ 1 year	Of which: past due > 1 year ≤ 2 years	Of which: past due > 2 years ≤ 5 years	Of which: past due > 5 years ≤ 7 years	Of which: past due > 7 years
010	Gross carrying amount	43,351,854	42,041,043	233,572	1,310,812	362,662	948,150	60,893	92,586	253,462	94,449	38,606	408,153
020	Of which secured	39,749,652	38,542,300	215,867	1,207,352	344,727	862,625	51,433	81,972	247,078	68,147	34,640	379,356
030	*Of which secured with immovable property*	*13,427,973*	*12,622,351*	*161,122*	*805,622*	*301,401*	*504,221*	*37,951*	*67,226*	*186,273*	*50,485*	*14,374*	*147,913*
040	Of which instruments with LTV higher than 60% and lower or equal to 80%	3,156,467	3,041,203		115,264	65,343	49,921						
050	Of which instruments with LTV higher than 80% and lower or equal to 100%	1,558,265	1,496,022		62,242	16,211	46,031						
060	Of which instruments with LTV higher than 100%	2,945,802	2,536,528		409,274	153,997	255,277						
070	Accumulated impairment for secured assets	(575,056)	(100,367)	(7,231)	(474,690)	(147,123)	(327,567)	(8,051)	(18,931)	(130,025)	(34,429)	(27,884)	(108,246)
080	Collateral												
090	Of which value capped at the value of exposure	21,342,497	20,872,808	163,878	469,689	228,637	241,051	34,476	53,971	102,273	26,182	2,578	21,571
100	*Of which immovable property*	*11,858,799*	*11,450,197*	*141,152*	*408,602*	*211,161*	*197,440*	*30,132*	*50,536*	*68,875*	*25,107*	*2,362*	*20,428*

Table 18: EU CQ6 – Collateral valuation - loans and advances													
2024 (€ 000’s)		a	b	c	d	e	f	g	h	i	j	k	l
		Loans and advances											
			Performing		Non-performing exposures								
							Past due > 90 days						
				Of which past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days		Of which: past due > 90 days ≤ 180 days	Of which: past due > 180 days ≤ 1 year	Of which: past due > 1 year ≤ 2 years	Of which: past due > 2 years ≤ 5 years	Of which: past due > 5 years ≤ 7 years	Of which: past due > 7 years
110	Of which value above the cap	256,884	40,207	2,654	216,677	46,589	170,087						
120	*Of which immovable property*	*119,138*	*27,266*	*2,398*	*91,872*	*18,139*	*73,733*						
130	Financial guarantees received	11,626,115	11,372,222	39,239	253,894	31,402	222,491	8,479	5,915	16,407	5,312	4,175	182,203
140	Accumulated partial write-off	(961,108)	(133,850)	(2,897)	(827,258)	(165,441)	(661,817)	(761)	(1,788)	(6,019)	(13,955)	(109,908)	(529,387)

The following table provides an overview of the movements (inflows and outflows) of non-performing loans and advances between December 31st, 2023, and December 31st, 2024:

Table 19: EU CR2a – Changes in the stock of non-performing loans and advances and related net accumulated recoveries			
2024 (€ 000's)		a	b
		Gross carrying amount	Related net accumulated recoveries
010	**Initial stock of non-performing loans and advances**	**1,329,320**	
020	Inflows to non-performing portfolios	573,692	
030	Outflows from non-performing portfolios	(592,201)	
040	Outflow to performing portfolio	(88,561)	
050	Outflow due to loan repayment, partial or total	(81,771)	
060	Outflow due to collateral liquidations	(33,093)	25,343
070	Outflow due to taking possession of collateral	(6,886)	6,886
080	Outflow due to sale of instruments	(22,197)	5,771
090	Outflow due to risk transfers	-	-
100	Outflows due to write-offs	(62,769)	
110	Outflow due to other situations	(79,499)	
120	Outflow due to reclassification as held for sale	(217,427)	
130	**Final stock of non-performing loans and advances**	**1,310,812**	

The following table provides an overview of foreclosed assets obtained from NPE:

Table 20: EU CQ7 – Collateral obtained by taking possession and execution processess			
2024 (€ 000's)		a	b
		Collateral obtained by taking possession	
		Value at initial recognition	Accumulated negative changes
010	Property, plant and equipment (PP&E)	21,216	(2,526)
020	Other than PP&E	1,609,385	(188,200)
030	Residential immovable property	380,895	(20,667)
040	Commercial immovable property	1,143,013	(113,580)
050	Movable property (auto, shipping, etc.)	3	-
060	Equity and debt instruments	84,846	(53,390)
070	Other Collateral	628	(563)
080	**Total**	**1,630,601**	**(190,726)**

The following table provides an overview of collateral value and information on performing and non-performing loans and advances:

Table 21: EU CQ8 – Collateral obtained by taking possession and execution processes: vintage breakdown

2024 (€ 000's)		a	b	c	d	e	f	g	h	i	j	k	l
		Debt balance reduction		Total collateral obtained by taking possession									
						Foreclosed ≤ 2 years		Foreclosed > 2 years ≤ 5 years		Foreclosed > 5 years		Of which non-current assets held-for-sale	
		Gross carrying amount	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes
010	Collateral obtained by taking possession classified as PP&E	21,216	0	21,216	(2,526)								
020	Collateral obtained by taking possession other than classified as PP&E	1,609,385	(1)	1,609,385	(188,200)	84,260	(4,683)	472,779	(23,585)	1,052,346	(159,932)	7	0
030	Residential immovable property	529,323	0	380,895	(20,667)	40,843	(489)	112,548	(1,261)	227,503	(18,917)	7	0
040	Commercial immovable property	994,585	0	1,143,013	(113,580)	43,387	(4,194)	350,304	(21,946)	749,323	(87,440)	0	0
050	Movable property (auto, shipping, etc.)	3	0	3	0	0	0	0	0	3	0	0	0
060	Equity and debt instruments	84,846	0	84,846	(53,390)	0	0	9,927	(378)	74,919	(53,011)	0	0
070	Other Collateral	628	(1)	628	(563)	30	0	0	0	598	(563)	0	0
080	**Total**	**1,630,602**	**(1)**	**1,630,602**	**(190,725)**	**84,260**	**(4,683)**	**472,779**	**(23,585)**	**1,052,346**	**(159,932)**	**7**	**0**

4.5. Securitization

Effective January 1st, 2019, two securitization regulations were released, introducing a more standardized framework for securitizations issued in the EU:

- Regulation (EU) 2017/2402 (the Securitization Regulation), and
- Regulation (EU) 2017/2401 (the Securitization Prudential Regulation).

On March 31st, 2021, the European supervisory authorities introduced major changes to the securitization framework, creating a specific context for simple, transparent, and standardized (STS) securitization transactions, and amending the CRR and the Securitization Regulation to support economic recovery in response to the adverse impact of Covid-19 on the banking sector. The following regulations amending the securitization framework entered into force on April 10th, 2022:

- Regulation (EU) 2021/558 (amending the CRR), and
- Regulation (EU) 2017/557 (amending the Securitization Regulation).

A key component of the aforementioned regulations is the definition of STS transactions, which may benefit from more favorable capital treatment than other less homogeneous or synthetic securitizations. In order to realize this benefit, institutions are required to justify compliance with STS criteria and satisfaction of the prudential eligibility tests.

If an institution intends to derecognize the securitized assets from its balance sheet, it is required to prove significant risk transfer (SRT) to a third-party, through prescribed quantitative and qualitative tests. The institution is also required to retain a minimum 5% economic interest in the securitization transaction.

According to the minimum requirements set forth in the aforementioned regulations, with reference date December 31st, 2024, there was significant transfer of credit risk from the Group's securitizations. All securitization positions for which the Group acted as an originator are risk weighted using the standardized approach (SEC-SA) according to the securitization framework, and the securitization positions that the Group acted as an investor are risk weighted using the securitization External Ratings-Based Approach (SEC-ERBA).

As of December 31st, 2024, Piraeus Group has successfully completed the following securitization transactions, for which the Group has received SRT approval. Furthermore, all synthetic securitization transactions meet the definition of STS.

- **Traditional Securitizations:**
  - Phoenix,
  - Vega I,
  - Vega II,
  - Vega III,
  - Sunrise I,
  - Sunrise II, and
  - Sunrise III
- **Synthetic Securitizations:**
  - Ermis I,
  - Ermis II,
  - Ermis III,
  - Ermis M,
  - Ermis VI
  - Ermis VII and
  - Triton.

A brief summary of these transactions is provided in the paragraphs below.

Phoenix and Vega NPE Securitization

On July 5th, 2021, the Group announced the completion of the Phoenix and Vega securitizations, with an approximate total gross book value € 6.8 bn, following the granting of all necessary approvals.

- Under Project Phoenix, the Group transferred circa € 1.9 bn non-performing retail exposures mainly consisting of mortgage loans.
- Under Project Vega I, the Group transferred circa € 1.0 bn non-performing retail exposures mainly consisting of mortgage loans.
- Under Project Vega II, the Group transferred circa € 2.3 bn NPEs mainly consisting of business loans.
- Under Project Vega III, the Group transferred circa € 1.6 bn NPEs mainly consisting of business loans.

All transactions are covered by the Hellenic Asset Protection Scheme (HAPS, or "Hercules") pursuant to Law 4649/2019.

Sunrise Plan

The Sunrise I, Sunrise II and Sunrise III NPE securitization transactions were completed on September 20th, 2021, December 27th, 2021 and November 10th, 2022 respectively, with an approximate total gross book value € 10.4 bn, following the granting of all necessary approvals.

- Under Project Sunrise I, the Group transferred circa € 7.2 bn NPEs mainly consisting of mortgage loans, SME loans, consumer loans, and business loans.
- Under Project Sunrise II, the Group transferred circa € 2.7 bn NPEs mainly consisting of mortgage loans, SME loans, consumer loans, and business loans.
- Under Project Sunrise II, the Group transferred circa € 0.5 bn NPEs mainly consisting of mortgage loans, SME loans, consumer loans, and business loans.

Ermis Synthetic Securitizations

The Ermis I and Ermis II synthetic securitization transactions received all necessary regulatory approvals and became active for measuring capital requirements in FY 2021. The Ermis III, Ermis M, and Ermis VI synthetic securitization transactions received regulatory approvals and became active for measuring capital requirements in FY 2022 while the Ermis VII synthetic securitisation transaction received regulatory approvals and became active for measuring capital requirements in FY 2024. The gross securitized amount from these transactions sums to € 7.6 bn. All six transactions were structured to meet the requirements of Article 270 of EU Regulation 2017/2401 for STS, in order to apply Article 262 of EU Regulation 2017/2401 when calculating the risk weight of the senior, unprotected tranche retained by the Group.

- Under Project Ermis I, the Bank purchased credit protection on a reference portfolio of € 1.3 bn of performing loans to small businesses, SMEs, and larger corporates.
- Under Project Ermis II, the Group purchased credit protection on a reference portfolio of € 1.1 bn of performing loans to small businesses, SMEs, and larger corporates.
- Under Project Ermis III, the Group purchased credit protection on a reference portfolio of € 541 mn of SME loans.
- Under Project Ermis M, the Group purchased credit protection on a reference portfolio of € 1.5 bn of performing residential mortgage loans.
- Under Project Ermis VI, the Group purchased credit protection on a reference portfolio of € 1.4 bn of performing loans to SMEs and large corporates. For this transaction, the Group applies the treatment described in Article 3 of the CRR, choosing to increase the risk weight of the senior unprotected tranche by 3%.
- Under Project Ermis VII, the Group purchased credit protection on a reference portfolio of € 1.98 bn of performing loans to SMEs and large corporates.

Triton Synthetic Securitization

The Triton securitization transaction on performing shipping loans received all necessary regulatory approvals and became active for measuring capital requirements in H1 2022.

Under Project Triton, the Group purchased credit protection on a reference portfolio of $ 0.6 bn of performing shipping loans. The transaction was structured to meet the requirements of Articles 26b to 26e of EU Regulation 2017/2402 as amended by 2021/557 for STS on-balance sheet securitizations, in order to apply Article 262 of EU Regulation 2017/2401 when calculating the risk weight of the senior, unprotected tranche retained by the Group.

Investment in securitization positions

On December 31st, 2024, the Group held investments in collateralized loan obligations (CLOs) with a total carrying amount of € 758 mn.

Finally, no securitization positions exist in the trading book (therefore these positions are not subject to general interest rate risk calculations), and thus the disclosure of table EU SEC2 (Securitization exposures in the trading book) does not apply.

Table EU SEC1 details the total non-trading book securitization exposures split by exposure type that Piraeus Group has securitized and acted as originator. Each table provides a breakdown by traditional and synthetic as well as STS and non-STS securitization transactions. The originator columns (a-g) also contain retained positions (i.e. 5% of mezzanine and junior notes under the traditional securitization and 100% of senior notes under the synthetic securitizations) where Piraeus Group achieves SRT.

Table 22: EU SEC1 – Securitization exposures in the non-trading book

	2024 (€ 000's)	a	b	c	d	e	f	g	l	m	n	o
		Institution acts as originator							Institution acts as investor			
		Traditional				Synthetic		Sub-total	Traditional		Synthetic	Sub-total
		STS		Non-STS			of which SRT		STS	Non-STS		
			of which SRT		of which SRT							
1	**Total exposures**			**58,505**	**58,505**	**4,981,722**	**4,981,722**	**5,040,227**		**757,767**		**757,767**
2	**Retail (total)**			**34,702**	**34,702**	**874,217**	**874,217**	**908,919**				
3	residential mortgage			34,702	34,702	874,217	874,217	908,919				
4	credit card											
5	other retail exposures											
6	re-securitization											
7	**Wholesale (total)**			**23,803**	**23,803**	**4,107,505**	**4,107,505**	**4,131,308**		**757,767**		**757,767**
8	loans to corporates			23,803	23,803	4,107,505	4,107,505	4,131,308		757,767		**757,767**
9	commercial mortgage											
10	lease and receivables											
11	other wholesale											
12	re-securitization											

Notes:

1. The exposure value corresponding to the senior notes of Phoenix, Vega I, Vega II, Vega III, Sunrise I, and Sunrise II are depicted under exposures to central governments (see table EU CR5), as they are secured under the Hellenic Asset Protection Scheme ("Hercules").
2. The table includes amounts deducted from regulatory own funds amounting to € 65mn.
3. The table does not include purchased credit protection amounts under Ermis I, Ermis II, Ermis V, Triton, Ermis III, Ermis VI and Ermis VII synthetic securitization programs.
4. The table includes mezzanine notes retained by the Bank as per CRR framework under the synthetic securitization programs. The remaining values of the mezzanine notes amounting to € 0.0 mn (purchased credit protection amount) are not included in the above figures.

Table EU SEC3 presents the retained exposures (i.e. 5% of mezzanine and junior notes under the traditional securitization and 100% of senior notes under the synthetic securitizations) and the associated capital requirements in the non-trading book securitizations where the Group acts as originator. The exposure values are broken down by risk-weight bands (columns a-e). Additionally, the exposure values, risk weighted exposure amounts, and capital requirements are presented separately for each regulatory RWA calculation approach (columns f-q). All the above-mentioned values are horizontally broken down into traditional or synthetic transactions, securitizations or re-securitizations, and retail or wholesale, and a specific column is dedicated to STS for traditional transactions.

Table 23: EU-SEC3 – Securitization exposures in the non-trading book and associated regulatory capital requirements - institution acting as originator or as sponsor

	2024 (€ 000's)	a	b	c	d	e	h	i	l	m	p	q
		Exposure values (by RW bands/deductions)					Exposure values (by regulatory approach)		RWEA (by regulatory approach)		Capital charge after cap	
		≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to 1250% RW	1250% RW/ deductions	SEC-SA	1250%/ deductions	SEC-SA	1250% RW	SEC-SA	1250% RW
1	**Total exposures**	**4,981,722**	**0**	**32,142**	**26,363**	**64,886**	**5,105,112**		**635,959**		**50,877**	
2	**Traditional transactions**			32,142	**26,363**		**58,505**		**95,574**		**7,646**	
3	Securitization			32,142	26,363		58,505		95,574		7,646	
4	*Retail underlying*			32,142	2,560		34,702		53,528		4,282	
5	Of which STS											
6	*Wholesale*				23,803		23,803		42,046		3,364	
7	Of which STS											
8	Re-securitization											
9	**Synthetic transactions**	**4,981,722**	**0**			64,886	**5,046,608**		**540,385**		**43,231**	
10	Securitization	4,981,722	0			64,886	5,046,608		540,385		43,231	
11	*Retail underlying*	874,217				2,106	876,323		91,496		7,320	
12	*Wholesale*	4,107,505				62,779	4,170,284		448,889		35,911	
13	Re-securitization											

Notes:

1. Columns f, g, j, k, o and n (SEC-IRBA) are not disclosed as the Group does not apply the SEC-ERBA and internal ratings-based approaches for securitization risk.
2. The table includes amounts decucted from own funds amounting to € 65 mn

Table EU SEC4 presents the purchased non-trading book securitizations, where the Group acts as an investor:

Table 24: EU-SEC4 – Securitization exposures in the non-trading book and associated regulatory capital requirements - institution acting as investor		a	b	c	d	e	f	g	h	i	k	l	m	o	q
2024 (€ 000's)		Exposure values (by RW bands/deductions)					Exposure values (by regulatory approach)				RWEA (by regulatory approach)			Capital charge after cap	
		≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250%/ deductions	SEC-ERBA (including IAA)	SEC-SA	1250% RW	SEC-ERBA (including IAA)	1250% RW
1	**Total exposures**	**757,767**						**757,767**			**151,553**			**12,124**	
2	Traditional transactions	757,767						**757,767**			**151,553**			**12,124**	
3	Securitization	757,767						757,767			151,553			12,124	
4	*Retail underlying*														
5	Of which STS														
6	*Wholesale*	*757,767*						*757,767*			*151,553*			*12,124*	
7	Of which STS														
8	Re-securitization														
9	Synthetic transactions														
10	Securitization														
11	*Retail underlying*														
12	*Wholesale*														
13	Re-securitization														

Notes: Columns f, h j, l, n and p are not disclosed as the Group does not apply the standardized and internal ratings-based approaches for securitization risk.

Table EU SEC5 presents the outstanding nominal amounts where the Group acts as originator or sponsor, along with exposures which have been classified as defaulted according to Article 178 of the CRR and their associated specific credit risk adjustments in accordance with Article 110 of the CRR. The amounts are broken down by the exposure type of the securitized exposures. The outstanding nominal amounts shown correspond to the Group's underl ying securitized loans through the securitization programs.

Table 25: EU-SEC5 – Exposures securitized by the institution - Exposures in default and specific credit risk adjustments

2024 (€ 000's)		a	b	c
		Exposures securitized by the institution - Institution acts as originator or as sponsor		
		Total outstanding nominal amount		Total amount of specific credit risk adjustments made during the period
			Of which exposures in default	
1	**Total exposures**	**21,313,250**	**13,665,777**	**0**
2	Retail (total)	**10,799,216**	**8,128,556**	0
3	residential mortgage	10,799,216	8,128,556	
4	credit card			
5	other retail exposures			
6	re-securitization			
7	Wholesale (total)	**10,514,034**	**5,537,222**	0
8	loans to corporates	10,514,034	5,537,222	
9	commercial mortgage			
10	lease and receivables			
11	other wholesale			
12	re-securitization			

4.6. External Credit Assessment Institutions

Piraeus Group uses external credit ratings from the following institutions for regulatory capital calculation purposes, under the Standardized Approach for Credit Risk and the CRD IV:

- Moody's Investors Service,
- Fitch Ratings,
- Standard & Poor's Rating Services, and
- ICAP CRIF S.A.

These institutions have been evaluated and acknowledged by the NCA as approved External Credit Assessment Institutions (ECAI).

Table 26: ECAI credit quality step mapping

Rating Agency	1	2	3	4	5	6
Moody's Investors Service	Aaa to Aa3	A1 to A3	Baa1 to Baa3	Ba1 to Ba3	B1 to B3	Caa1 to C
Fitch Ratings	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to BB-	B+ to B-	CCC+ to C
Standard & Poor's Rating Services	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to BB-	B+ to B-	CCC+ to C
ICAP CRIF S.A.	AAA to AA	A	BBB	BB	B to CCC	CC to D

The Group uses ratings by Moody's Investors Service, Fitch Ratings, and Standard & Poor's Rating Services, for the "Credit exposures against Financial Institutions" and "Credit exposures against Central Governments/Central Banks" asset classes. ICAP ratings are used for credit exposures against corporate customers incorporated in Greece, in accordance with the related requirements in the CRR.

If there are multiple ratings for a specific exposure, the Group follows the prescribed regulation in order to determine the exposure's risk weight. In particular, if for a specific exposure there are two ratings available then the rating leading to the higher risk weight is selected. In cases where there are more than two available ratings, initially the two ratings leading to the lower risk weights are chosen and then from the aforesaid two choices, the one corresponding to the higher risk weight is selected.

4.7. Capital Requirements - Standardized Approach

4.7.1. Credit Risk

The following table provides an analysis of credit risk exposures (excluding CCR and CCP exposures) after the application of CCF and CRM techniques, per regulatory exposure class, assigned to the standardized approach risk weights. Unrated items are reported separately:

Table 27: EU CR5 – Standardized approach

2024 (€ 000's)		a	b	d	e	f	g	i	j	k	l	p	q
		Risk weight										Total	Of which unrated
Exposure Classes		0%	2%	10%	20%	35%	50%	75%	100%	150%	250%		
1	Central governments or central banks	26,879,691			73,632				3,225,014	13,337	690,173	30,881,847	5,668,348
2	Regional government or local authorities				33,939							33,939	33,939
3	Public sector entities	1,395,346							89,268			1,484,614	667,601
4	Multilateral development banks	1,246,967										1,246,967	755,740
5	International organizations												
6	Institutions	494,444			649,250		177,337		509,447	698		1,831,175	261,657
7	Corporates	140,310			3,443,915		1,588,926		9,246,010	808,141		15,227,302	7,947,806
8	Retail exposures	12,133						2,461,646				2,473,779	2,471,686
9	Exposures secured by mortgages on immovable property					4,518,662	3,692,571	330,652	519,665	181,832		9,243,382	8,078,443
10	Exposures in default								399,806	47,887		447,693	414,026
11	Exposures associated with particularly high risk									32,115		32,115	32,115
12	Covered bonds			10,015								10,015	
14	Units or shares in collective investment undertakings	41,611			3,930		6,352		81,276	18		133,187	133,187
15	Equity exposures								1,312,023		53,676	1,365,699	1,348,750
16	Other items	1,333,409			224,307		69,258	22	4,455,806			6,082,802	5,918,394
17	**Total**	**31,543,911**		**10,015**	**4,428,973**	**4,518,662**	**5,534,445**	**2,792,319**	**19,838,314**	**1,084,027**	**743,849**	**70,494,515**	**33,731,691**

Notes: The table does not include items directly deducted from CET1 capital. Row 13 (Institutions and corporates with a short-term credit assessment) is not disclosed, as short-rate assessments are not utilized in the credit risk calculation process. Columns b (2%), c (4%), d (10%), h (70%), m (370%), n (1250%), and o (Others) are not disclosed because no exposures had been assigned these risk weights as at December 31st, 2024.

4.7.2. Counterparty Credit Risk

The following table provides a comprehensive analysis of the methods used to calculate CCR regulatory requirements and the main parameters used within each method:

Table 28: EU CCR1 – Analysis of CCR exposure by approach

2024 (€ 000's)		a	b	c	d	e	f	g	h
		Replacement cost (RC)	Potential future exposure (PFE)	Effective expected positive exposure (EEPE)	Alpha used for computing regulatory exposure value	Exposure value pre-CRM	Exposure value post-CRM	Exposure value	RWEA
EU1	EU - Original Exposure Method (for derivatives)								
EU2	EU - Simplified SA-CCR (for derivatives)								
1	SA-CCR (for derivatives)	147,122	144,148		1.4	521,528	407,779	394,909	265,727
2	IMM (for derivatives and SFTs)								
2a	*Of which securities financing transactions*								
2b	*Of which derivatives and long settlement transactions*								
2c	*Of which from contractual cross-product netting*								
3	Financial collateral simple method (for SFTs)								
4	Financial collateral comprehensive method (for SFTs)					3,149,350	136,606	136,606	37,415
5	VaR for SFTs								
6	**Total**					**3,670,878**	**544,384**	**531,514**	**303,142**

Note: The values above exclude trade exposures to CCPs, as per the most recent EBA mapping guidelines. Rows 2a, 2b, and 2c are not disclosed as the Group does not apply the internal models method for CCR.

The following table provides an analysis of the Group's exposures and capital requirements to CCP arising from transactions, margins, and contributions to default funds:

Table 29: EU CCR8 - Exposures to CCPs			
2024 (€ 000's)		a	b
		Exposure value	RWEA
1	**Exposures to QCCPs (total)**		2,984
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	135,497	2,710
3	(i) OTC derivatives	91,812	1,836
4	(ii) Exchange-traded derivatives	43,685	874
5	(iii) SFTs		
6	(iv) Netting sets where cross-product netting has been approved		
7	Segregated initial margin	300,258	
8	Non-segregated initial margin		
9	Prefunded default fund contributions	9,248	274
10	Unfunded default fund contributions		
11	**Exposures to non-QCCPs (total)**		
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which		
17	Segregated initial margin		
18	Non-segregated initial margin		
19	Prefunded default fund contributions		
20	Unfunded default fund contributions		

Note: Rows 12-20 are not disclosed as the Group does not have any exposures to non-QCCPs as at December 31st, 2024.

The following table provides an analysis of the CCR exposures (excluding CCP exposures and default fund contributions) after the application of CRM techniques broken down by standardized approach risk weights and regulatory asset classes:

Table 30: EU CCR3 – Standardized approach - CCR exposures by regulatory portfolio and risk

2024 (€ 000's)		a	d	e	f	h	i	j	l
		Risk weight							Total exposure
	Exposure Classes	0%		20%	50%	75%	100%	150%	
1	Central governments or central banks	2,106							2,106
2	Regional government or local authorities								
3	Public sector entities								
4	Multilateral development banks								
5	International organizations								
6	Institutions			123,435	64,895		120		188,449
7	Corporates			44,606	106,500		176,848	12,714	340,668
8	Retail					291			291
9	Institutions and corporates with a short-term credit assessment								
10	Other items								
11	**Total exposure value**	**2,106**		**168,040**	**171,395**	**291**	**176,968**	**12,714**	**531,514**

Notes: Columns b (2%), c (4%), d (10%), g (70%), and k (Others) are not disclosed because no exposures have been assigned these risk weights as at December 31st, 2024.

The following table provides a breakdown of all types of collateral, within the Group (cash, sovereign debt, corporate bonds, etc.) posted or received by the Group to support or reduce CCR exposures related to derivative transactions or to SFTs, including transactions cleared through a CCP:

Table 31: EU CCR5 – Composition of collateral for CCR exposures

2024 (€ 000's)		a	b	c	d	e	f	g	h
		Collateral used in derivative transactions				Collateral used in SFTs			
		Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received		Fair value of posted collateral	
	Collateral Type	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated
1	Cash – domestic currency	956,676	22,813	341,375	16,090		1,744,054	0	1,280,230
2	Cash – other currencies	0		725				0	0
3	Domestic sovereign debt	0		0			188,197	0	517,320
4	Other sovereign debt	0		0			645,326	0	1,086,927
5	Government agency debt	0		0				0	0
6	Corporate bonds	0		0			463,921	0	1,018
7	Equity securities	0		0				0	0
8	Other collateral								
9	**Total**	**956,676**	**22,813**	**342,101**	**16,090**		**3,041,499**		**2,885,495**

5. Environmental, Social, & Governance Risks

5.1. Introduction

Environmental, Social and Governance (ESG) risks refer to the potential negative financial and non-financial impacts that an organization's activities may have on the environment and society, as well as the organization's long-term sustainability, reputation, and brand. ESG risks, and in particular climate-related risks, is a topic of increasing importance in the financial industry. As these risks have proven to translate to material losses in recent years, there is more focus from institutions to integrate ESG risk strategy, monitoring, and measurement into their business models and from regulatory authorities to develop a robust supervisory framework to ensure these risks are effectively managed.

The ESG risks of the European Union's Member States are regulated by the EBA, the European Securities and Markets Authority (ESMA), and the European Insurance and Occupation Pensions Authority (EIOPA), while for the nations that also belong to the Eurosystem, these risks are further regulated by the ECB/SSM. Moreover, it is noted that stepping up efforts to address climate change is one of the key supervisory priorities for the SSM.

5.2. Environmental risk

5.2.1. Business strategy and financial planning

Piraeus Group has a Sustainability strategy, to promote, through the subsidiary Piraeus Bank, responsible and sustainable banking, by adopting criteria in its actions concerning the environment, social cohesion, and governance that combine growth and economic performance with social and environmental sustainability. The strategy is formulated in line with the Paris Agreement, the Sustainable Development Goals (SDGs), and the UN Principles for Responsible Banking (PRB). Piraeus Group emphasizes five dimensions:

- **Reach net zero in own operations** by monitoring and managing environmental impact closely, investing in operational efficiency solutions, and sourcing 100% renewable energy for the Piraeus Bank buildings
- **Steer portfolio towards net zero by 2050** or sooner by focusing on the carbon-intensive sectors and measuring alignment of lending with our climate and nature solutions
- **Support and advise 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
- **Manage climate and nature risks** by fully integrating climate and environmental risks in the risk management framework and by helping clients protect their business from climate, environmental, societal and governance related risks, providing advice, and financing their transition
- **Supporting the society and its own people** through initiatives that promote the personal development and well-being of its employees that increase accessibility in its services, and in general support social groups that are mostly in need to create relationships of trust and foster a sustainable future

As part of its Sustainability strategy, Piraeus 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. Piraeus Group has started its journey to become net-zero by 2050 at the latest and has defined intermediate science-based targets (by 2030). As it aspires to align its loan and investment portfolios to become net zero, the Group committed to SBTi, and submitted targets that were validated in December 2022 and has been taking action and monitoring progress since then.

In line with Greece's national climate targets as stipulated with the legislative framework in force (National Climate Law), the Bank has committed `to Zero new investments in new coal mines or/and expansion of existing mines, as part of its exclusion list's enhancement (as described in more detail in Section 5.2.7).

Therefore, Piraeus Group has a clear commitment to sustainability and attaches importance to social and environmental considerations, including climate change. It supports sustainable operations by integrating sustainability criteria into its financing processes, such as RES projects, green buildings, and clean transportation projects.

Project Proteus

Following the ECB's "Guide on climate-related and environmental risks: Supervisory expectations relating to risk management & disclosures", in late 2020 Piraeus Group initiated Project Proteus and allocated resources to align with the 13 expectations of the Guide. Project Proteus' mandate was to integrate ESG risks, initially focused on climate-related and environmental risks (C&E risks), within all functions of the bank. The cross functional governance structure facilitated effective and timely decision-making related to C&E risks, permitted the holistic monitoring and implementation of Project Proteus, and ensured Piraeus Group's operational readiness to participate in dedicated regulatory exercises (e.g., Fit for 55 and other regulatory exercises).

The Group, through Project Proteus, identified the business functions across all Three Lines of Defense related to or affected by C&E risks and the respective policies in order to map any gaps and ensure that climate and ESG aspects are incorporated accordingly. Within this framework, the review of Group policies took place through separate working groups per function, to support the responsible Business Units in reviewing policies under their ownership with a C&E perspective.

A project plan, as defined in the ECB roadmap, with the underlying work programs, was submitted to the supervisor, while several updates regarding the progress performed are communicated accordingly. Working groups included the participation of executives who contributed to the Group's smooth transition to the new requirements and the integration of supervisory expectations into its operations. The eight working groups' managers worked together with the Project Management Office (PMO) team. A dedicated Steering Committee, chaired by the Group CRO and comprised of executive members across key functions of the Group, had the oversight of the Project. Overall, focus had 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 developments and progress achieved through this project are further detailed per area in the following sections.

Piraeus Group's dedicated Climate Strategy

Under the dedicated Project Proteus and following the Group's participation in the Science-Based Targets initiative, Piraeus Group has developed a Climate Strategy that outlines the climate governance and the framework and methodology for a net-zero pathway. The Strategy also structures the mobilization of private and institutional capital toward investments that facilitate climate change mitigation and adaptation, and the transition to a low-carbon economy. Specific key performance indicators are being selected for monitoring and disclosing the identified climate-related risks and opportunities, aligned with mandatory or voluntary reporting disclosures (e.g., Corporate Sustainability Reporting Directive (CSRD) and Task Force on Climate-related Financial Disclosures (TCFD) recommendations).

Business Plan 2025-2028

In February 2025, Piraeus Group published its business plan estimates for 2025-2028. The core of the Group's strategy is to leverage its position as a driving force of growth and innovation for the Greek economy by financing creditworthy investment plans, providing liquidity to businesses, supporting its customers and people, and continuing to create added value for its shareholders.

Over the past few years, Piraeus Bank has been diligently laying the groundwork for a resilient, fully de-risked, and sustainably profitable bank. Following a record performance year and having completed the transformation of the Bank, the Group is now well positioned for strong, consistent growth over the coming four years.

The 2025-2028 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.

Piraeus Group key initiatives include:

- Sustainable Financing: Identifying and providing financing based on sustainability criteria as outlined in the dedicated Sustainable Financing Framework of the Group

- Energy Transition: Piraeus Group leverages a structured approach and its deep understanding of the specific needs of each sector with priority focus on power generation, real estate/buildings, and agriculture and promotes a tailor-made approach to support small businesses and individuals
- Sustainability Linked Loans: Linking lending instruments characteristics to predetermined sustainability performance objectives
- Green Bond issuance: In accordance with the 2024 revised Green Bond Framework aligned with the latest best market practices, the EU Taxonomy, and the EU Green Bond Standard
- ESG Investment management and advisory activities: In line with the Group's SFDR aligned policy (Policy for the Integration of Sustainability Risks in the Investments-Decision and the Financial Advice Process and Consideration of Principal Adverse Impacts of Investment Decisions and Advice on Sustainability Factors)

- For the period 2025-2028 Piraeus aims to promote its sustainability-related goals through actionable and measurable targets as outlined in the relevant chapters of the Sustainability Statement

The Group's goals regarding significant market offerings, clients, and customers, which are primarily concentrated in lending and financing activities in Greece, focus to a large extent on the contribution required from Financial Institutions to promote climate neutrality, in line with the Paris agreement and European Union Net-Zero goals.

Moreover, the Group in the context of its Business Plan has further incorporated several actions related to C&E aspects, aiming to ensure that on a forward-looking basis its business model and portfolio will be diversified to be aligned with its net zero strategy. More specifically, the Group has integrated in its Business Plan its commitment to the development of sustainability products, measuring, also, specific indicators (e.g., sustainable loan disbursements, Green Asset Ratio, % of taxonomy aligned activities, etc.) and setting relevant targets.

Key sustainability targets		
	2024	**2028 target**
Sustainable banking		
New Sustainable Financing	+€1.4 billion	+€1.6 billion
Green asset ratio(EU-taxonomy alignment, turnover)	2.6%	5.0%
Accessible Products		
Percentage of products / self-services accessed by clients via e-banking	64% / 88%	80% / 92%

This involves specific products such as green loans, sustainable financing, sustainability linked loans designed to drive positive environmental impact. It is acknowledged that these efforts are highly dependent on external factors, such as public policies, economic development and market sentiment. Due to the highly intricate relationships between such factors, there is a high risk that the goals set by the Group may be derailed by exogenous circumstances. Furthermore, as the methodologies, tools and market practices in setting and achieving these goals evolve, the Group commits to update as necessary, any policies actions and targets set, and incorporate other material areas such as biodiversity and ecosystems related risks.

5.2.2. C&E opportunities and targets identified by Piraeus Group over the short, medium, and long term

Piraeus Group understands the environmental dimension of sustainability as the management over time of the impacts, risks and opportunities linked to the battle against climate change, the transition to a low-carbon economy and the protection and regeneration of natural capital.

The time horizon is divided up into intervals and relevant risk factors are simulated for each interval. The short-term horizon is defined by Piraeus Group as the one-year period, where the Group performs the materiality assessment of all risk drivers and key risks that it has identified (by taking into consideration the environment in which it operates and its business model) and focuses on delivering its short-term strategic agenda. This is done on an annual basis. During the Group's Risk Identification 2024, climate-related risks have been identified both as risk drivers in many key risk categories, as well as a standalone risk subcategory under ESG & Climate-related Risks.

The medium-term horizon for Piraeus Group is the period between two to five years. It is linked to the Group's strategic aspirations, subject to the expected macro-economic conditions.

The long-term horizon for Piraeus Group is defined as the period after five years. To proceed with a long-term assessment, beyond the typical business planning horizon for corporate clients, a longer period (greater than five years) is required to capture climate related risks, for assessing the resilience of the current business model against a range of possible future scenarios relevant to estimate climate-related and environmental risks.

Piraeus Group recognizes that climate-related risks are expected to intensify in the longer term, and thus, is launching initiatives to take due account of climate change and environmental considerations in its business targets, strategies, risk management and decision-making process.

All strategic decisions related to material climate-related and environmental factors are gradually integrated into the institution's policies. For instance, Piraeus Group has already updated its credit policy framework, incorporated climate-related and environmental considerations into its business planning, budgeting, and Risk Appetite Framework (RAF) procedures, and has augmented its risk reports with additional ESG-related metrics and KPIs.

The Group has set several aspirations for the years 2025-2028. More specifically:

- **Client focus: simple, accessible products and services to drive growth of customer loans and assets**
  - Loan growth ~8% per annum; retail loan book to grow by >€1bn in the 4-year period
  - Assets under management growth ~8% per annum; new client solutions launched
  - Relying on core business strengths and leading market presence to capture new business opportunities arising from the economic landscape and digitization
  - Leading a positive impact in sustainability to support the financing needs of the country in energy transition with an ambition of: € 5.7 bn in sustainable financing volumes by 2028, € 2.6bn in green funding (depos & bonds) by 2028 and approximately, € 0.5 bn in assets under management in-house mutual funds
- **Shareholder focus: sustained mid-teen returns and €2bn distributions in the 4-year period**
  - Sustainable reported profitability ~€1.1bn per annum until 2027, c.€1.3bn in 2028
  - Best-in-class operating efficiency and cost discipline with cost-income ratio c.35% throughout the plan
- **Employee focus: future-ready workforce, performance-based compensation**
  - Rejuvenate workforce: hiring culture shift to attract young talent and enhance training initiatives to upskill workforce, with 50 training hours per employee per year in 2028 vs 40hrs currently
- **Snappi: an innovation platform, with ~1.9mn customers in 2028 and ~€135mn revenues**
- **Continued focus on Technology, Cybersecurity & AI - with €200mn investment in Data & AI**
- **Supporting communities: ongoing support to communities and social agenda (c.€55mn in the past two years)**
- **Climate: The following targets have been set:**

- Piraeus Bank aspires to align its loan and investment portfolios to be net-zero. The Group committed to SBTi and submitted targets for the year 2030 that were validated in December 2022. The financed emissions targets are below 2˚C and refer to nine asset classes representing well over 50% of total financed emissions

- Electricity in the Bank's buildings is 100% sourced from renewables, leading to zero Scope 2 emissions (market-based) from 2020 and onwards. A target of 73% reduction of Scope 1 and Scope 2 (2019 reference year) emissions by 2030 has also been set under the SBTi

Overall, climate change risks are expected to intensify in the medium to long-term, as indicated by the results of the Climate and Environmental Risk Materiality Assessment. However, the scenario analysis is an exercise performed under conditions of uncertainty which may be influenced from multiple parameters, including among others national and international policy objectives, geopolitical tensions and the pace of green technology development. In order to ensure that the Group's strategy and business model remains resilient across short-, medium- and long-term time horizons, Piraeus has already taken a series of measures that aim to provide the foundations for the achievement of the Group's commitment to the mitigation of climate change and the adaptation to its effects. At the same time, Piraeus acknowledges the need to be adaptable under a developing international landscape and closely monitors global and regional trends, in order to ensure that its strategy and business model remain resilient.

5.2.3. Current and future C&E investment activities and sustainable financing

Piraeus Group has recognized the opportunity of ESG investments as stable & safe and in line with its Sustainability Policy, its Climate Change Strategy and the new ESG Strategy and Business Plan.

Sustainable Finance Disclosure Regulation (SFDR) Mutual Funds

Piraeus Asset Management MFMC is a subsidiary of Piraeus Group and a member of the PRI initiative (Principles for Responsible Investment). As part of the completion of its annual PRI assessment, the company achieved excellent results and high scores. This internationally acclaimed assessment recognizes the effectiveness of the company's policies and procedures in promoting transparency, promotion, acceptance and application of the Principles for Responsible Investment within the asset management industry.

Finally, the company contributed significantly to the integration of adverse sustainability impacts at Piraeus Bank Group level (PAI Policy).

The above initiatives demonstrate in practice the commitment of Piraeus Asset Management MFMC to the adoption of ESG principles in asset management. As a result of the above strategy, the Company currently manages more than €300 million in Article 8 SFDR Mutual Funds (as of 31.12.2024), conquering its leading position in the Greek market.

Green Bond Framework

Piraeus published its inaugural Green Bond Framework in September 2021. Since then, regulations have evolved and Piraeus aims to incorporate all these developments in its Framework in order to reinforce its transparency on the commitment to a sustainable finance market In 2024, Piraeus Group reviewed the Piraeus Group Green Bond Framework, under which it will issue green bonds and use the proceeds to finance the low-carbon economy transition in Greece. The Green Bond Framework will support the Group's ambition to align its business strategy with the needs of individuals and the goals of society, as depicted in the SDGs and the Paris Climate Agreement. The Framework is based on principles and guidelines introduced by the Green Bond Principles of the International Capital Markets Association (ICMA) published in May 2024.

The 2024 updated Green Bond Framework includes EU Taxonomy-aligned criteria. It aims to consider, where feasible and on a best effort basis, eligibility criteria based on the Regulation EU Green Bond Standard and incorporates all regulatory developments reinforcing the commitment to a sustainable finance market.

This Framework applies, from the moment of its publication to any future issuance of green bonds, across the capital structure, including senior unsecured bonds, subordinated bonds and senior secured bonds such as covered bonds, via public or private placements. Issuance of Green Bonds by either of the two issuers (Piraeus Financial Holdings S.A. and Piraeus Bank S.A.) aim at (re)financing Eligible Green Assets and contributing to achieving a carbon neutral Europe by 2050, which is a legally binding target prescribed in the recent EU Climate Law, the cornerstone of the European Green Deal.

The Framework defines eligibility criteria in five green areas:

1. Renewable energy power generation
2. Green buildings

3. Energy storage
4. Energy efficiency
5. Clean transportation

Piraeus at its discretion will use an amount equal to a Green Bond's net proceeds to finance or refinance, in whole or in part, new or existing Eligible Green Assets, that have been specifically selected in accordance with the Eligibility Criteria as outlined in the Framework.

Eligible Green Assets will consist of loans to projects that meet the Eligibility Criteria that have been defined according to:

✓ the ESG policies and strategy of Piraeus as described in the Piraeus Sustainable Finance Framework, or

✓ the substantial contribution criteria on eligible economic activities according to the EU Taxonomy, where possible and relevant.

In addition the Criteria are also based on priorities of the National Recovery and Resilience Plan, and current market best practices.

In July 2024, Piraeus successfully issued a new €650 million Green Senior Preferred Bond at a yield of 4.625%, attracting the interest of a large number of institutional investors.

Sustainable Finance

The fields of energy transition and sustainable banking comprise some of the primary focus areas of the Group for 2025-2028. Piraeus designs, develops, and promotes specialised products in order to finance innovative investments and green technologies in all business sectors. The Group finances legal entities or individuals for the improvement of energy efficiency of households and facilities, self-production for energy needs, electricity production from Renewable Energy Sources (RES) as well as legal entities that exhibit a willingness to commit to improvements in their ESG performance.

Piraeus also provides targeted financing that incorporates ESG performance indicators, supporting the connection of growth and economic efficiency with social and environmental sustainability. In accordance with relevant international and EU Standards, Piraeus integrates ESG criteria in the lending process for MidCaps and Large Corporates, prompting its 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

Sustainability – Linked Loans

As part of its strategy for supporting the sustainable development of the Greek economy and aligning its operations with the Principles for Responsible Banking, Piraeus Bank has established a dedicated Sustainability-Linked Framework, assessed as aligned with market best practices according to Sustainable Fitch, that describes the methodology for the application of ESG metrics to certain corporate loans, combining growth and profitability alongside social and environmental sustainability criteria.

To assist in examining each borrower's overall ESG profile and suggest indicative Key Performance Indications and Sustainable Performance Targets aligned with the borrower's ESG strategy, Piraeus Bank has created an ESG questionnaire, using the following sustainability reporting frameworks:

- the GRI Standards, which contains widely adopted standards for sustainability reporting
- the SASB Standards
- the European Sustainability Reporting Standards (ESRS)
- the Athex ESG Reporting Guide
- the ICMA Registry for KPIs for Sustainability-Linked Bonds, a list of some 300 KPIs per sector, sub-sector and sustainability theme

The key elements of the framework are outlined below:

- **Key Characteristics (Structure) of an SLL:** The framework lays down specific criteria on the key characteristics of an SLL in terms of the loan type, currency, loan amount, use of proceeds, maturity and applicable spread.
- **Eligibility of corporate clients to receive an SLL:** The framework prescribes that, subject to a relevant credit assessment, any type of borrower may receive SLL regardless of their sector, geography or level of sustainability maturity under the condition that the borrower is able to provide the strategic elements necessary for the structure to be aligned with the framework.
- **Identification of Key Performance Indicators (KPIs):** The framework describes the established process for the selection of appropriate KPIs based on specific criteria, the applicable due diligence process as well as the key components of KPIs definition.
- **Setting of Sustainability Performance Targets (SPTs):** The process established for the setting and calibration of SPTs (e.g., through benchmarking) is outlined within the SLL framework.
- **Verification of SPTs:** The SLL framework sets out the process for the monitoring of the client's progress and the verification of SPTs covering aspects such as the frequency of verification, the need for external opinion/ verification on SPT achievement etc.
- **Financial Incentives:** The SLL framework sets out the linkage of the achievement of the selected SPTs with the financial incentives (e.g., through the revision of interest rate/margin of the loan). Also, the potential mechanisms for that interest spread to be tied to the accomplishment of the SPTs are described.

5.2.4. Policies related to C&E business development

Sustainable Development Policy

The Sustainable Development Policy reflects the Group's intentions for business strategies and targets that meet the UN Sustainable Development Goals and the Paris Agreement, by aligning its operations with the UNEP FI Principles for Responsible Banking. It echoes the Group's overall approach to sustainable development and sets the strategic directions to support, promote, and finance sustainability.

Sustainable Finance Framework (SFF)

In line with its commitment to sustainability, Piraeus Group has developed a dedicated Sustainable Finance Framework ("SFF") in 2024, that serves as a guide for the classification of environmental and social financial products as sustainable. The Framework aims to establish a clear and comprehensive methodology for identifying sustainable financing, thus facilitating the monitoring of the Group's performance against sustainability-related strategic aspirations and targets.

For the development of the SFF, the Group leverages on already established internal frameworks (e.g., the Green Bond Framework and the Sustainability-Linked Loans Framework) and globally or regionally recognized initiatives, standards and guidelines, market practices, including:

- United Nations Sustainable Development Goals (UN SDGs)
- International Capital Markets Association (ICMA) Guidance
  - Green Bond Principles (GBP) 2021
  - Social Bond Principles (SBP) 2021
- Sustainability-Linked Bond Principles (SLBP) 2023
- EU Taxonomy Regulation
- EC Recommendation 2023/1425 on facilitating finance for the transition to a sustainable economy

The SFF encompasses a variety of ESG-related financings in the Group's wholesale and retail portfolios. All clients of Piraeus Group are eligible to receive sustainable financing based on the categories set out in this framework.

The SFF covers a range of financing activities including, corporate lending, trade finance and consumer lending. Piraeus Group will periodically assess the perimeter of loan products that it offers and are linked to this Framework considering developments in the sustainable finance domain (i.e., new products that might emerge, updates in supervisory guidelines etc.).

Piraeus Group has adopted a tiered approach for the identification of sustainable finance as part of its Sustainable Finance Framework. In this context, the following three major categories of sustainable financing were defined:

- Sustainable financing based on regulatory and official sector definitions (i.e., RRF green transition pillar/ Official Sector Programs that embed EU Taxonomy alignment criteria & EU Taxonomy Aligned financings)
- Transition finance based on regulatory definitions
- Other types of sustainable financing based on internal definitions established by the Bank (e.g., other official sector

programs not aligned with EU Taxonomy, and financings with positive SDG contribution or financings towards ESG pure players)

ESG Investment Policy

Piraeus Group has recognized the opportunity of ESG investments as stable and safe and in line with its Sustainable Development Policy, its climate change strategy and the ESG strategy and ESG action plan. It has developed a database comprised of a significant population of observed international companies, which are analyzed based on ESG criteria as they are defined internationally. It developed a list of ESG mutual funds to shape the framework of permitted investments from which to select the best mutual fund to invest in. Currently, Piraeus Group offers Mutual Funds that are engaged in the promotion of environmental and/ or social objectives ("light green" – Article 8 as per SFDR classification system).

In order to identify the appropriate sustainability risks, the examination of material ESG factors has been incorporated into the decision-making process.

Piraeus Group has adopted a mix of ESG Investment Strategies including:

- ESG Integration
- ESG Screening

The ESG integration and management of Principal Adverse Impacts is based on:

1. Risk mitigation. The target is to reduce the exposure of a portfolio to ESG risks by adjusting valuation models, credit risk and in general by managing risk.
2. Alpha generation, which expands to the identification of companies with positive impact or companies that will benefit from sustainable macro-trends.

To assess the risk impact, a materiality exercise takes place, in order to highlight the exposure of each issuer to sustainability risks and opportunities. The magnitude of the impact and the possibility of occurrence form the material factors of each industry. SASB Materiality Map classifies companies according to their material effects distinguishing Industries through the Sustainable Industry Classification System (SICS).

The ESG screening includes:

- Negative Screening (exclusions)
- Positive Screening
- Norms-based Screening

Piraeus Group applies firm-wide exclusion criteria (absolute and conditional). Companies that are involved in controversial weapons[6] or violate international standards and/or international regulations (including the UN Global Compact[7], the OECD[8] Guidelines, and the UN Guiding Principles for Business and Human Rights[9]) are not considered for investment for direct and/or indirect investment over a specifically defined NAV threshold. The best performing companies or companies assessed to be undertaking the most effort to meet industry related ESG material criteria are ranked at the top of the lists and are considered as Best in Class. The norms-based screening comes in place to identify investments that comply with sustainability relevant policies, processes, standards, initiatives and frameworks (e.g. CDP, GRI, TCFD, SDGs, ILO, UNGC).

The investments team implements double materiality, combining financial statement analysis with the sustainability issues that are linked to the enterprise value. ESG material factors and risks are assessed both on a pre and post trade phase. The assessment is based on a scenario analysis altering the exposure per issuer/ sector/ geographic region. Sustainability risks are segregated to Environmental (E), Social (S) and Governance (G) risks. Finally, Principal Adverse Impact (PAI) indicators per issuer are taken into account and evaluated on certain thresholds on entity level (aggregate total).

---

[6] Issuers involved in the production, sale, storage of nuclear weapons of States that are non-parties to the Treaty on the Non Proliferation of Nuclear Weapons- https://disarmament.unoda.org/wmd/nuclear/npt/

[7] More information can be found at https://www.unglobalcompact.org.

[8] OECD: Organization for economic co-operation and development. More information can be found at https://www.oecd.org/corporate/mne//.

[9] More information can be found at https://www.ohchr.org/sites/default/files/Documents/Issues/Business/Intro_Guiding_PrinciplesBusinessHR.pdf

Piraeus Group is an active owner, intending to be part of the investee companies' decision-making process. Regular meetings with the management teams of the investee companies are part of the investment process. As per Active Participation & Voting Rights Exercise Policy, the Company takes part on a best effort basis in the General Meetings of the Shareholders of listed companies, shares of which are included in the UCITS/UCIs under management.

Sustainability Linked Loans Framework

As part of its strategy for supporting the sustainable development of the Greek economy, Piraeus Group established its Sustainability-Linked Loans (SLL) framework in 2024 with the aim of supporting borrowers in their transition to a low-carbon economy and advancing positive social impact. Sustainability-linked loans are financial instruments that incentivize corporate clients to achieve agreed targets that improve their ESG performance. These targets must be clear, measurable, material, and aligned with the client's overall sustainability strategy and action plan.

The framework promotes positive impacts and assists in capturing opportunities in relation to climate change mitigation, adaptation and energy sub-topics. Furthermore, the Sustainability-linked loans can be used as a method to advance the Group's targets for transition financing and for managing potential negative impacts and risks related to Climate Change.

The Development & Sustainable Banking unit is responsible with regards to ownership, maintenance and update of the content of the Framework. The Group Corporate Development and ESG unit participates in its periodic review providing subject matter expert advice and ensuring the alignment with the latest market and regulatory developments. The Performance & Value Management unit closely collaborates with Development & Sustainable Banking and the Group Corporate Development & ESG Unit to produce the reported data on the Sustainability Linked Loans portfolio. The Treasury unit will co-ordinate the effort of issuing a Sustainability-Linked Loans financing bond in case such a decision is made by the Group.

The framework is structured along five key pillars:

- The approach of potentially eligible corporates
- Identification of Key Performance Indicators (KPIs)
- Calibration of Sustainability Performance Targets (SPTs)
- Verification and financial incentives

Sustainability metrics, targets, scope and methodology, are captured in this Framework, describing the rationale for prioritizing certain metrics over others, the justification behind proposed targets, the overall action plan that will support target achievement, and the validation mechanism for selected metrics. The use of proceeds is not a determinant for labelling a loan as SLL. The focus is instead on supporting a borrower in improving its sustainability performance, via the achievement of predetermined SPTs.

The proceeds may primarily be used to finance investments or working capital needs promoting current activities or future development plans. Subject to credit assessment, any type of borrower may receive an SLL, regardless of sector, geography or level of sustainability maturity. However, the commitment of the borrower to ESG criteria, beyond the mere potential economic incentives incorporated in the SLL, is critical. The selected KPIs must be relevant, core and material to the borrower's overall business, and of strategic significance to its current and/ or future development. The rationale for the selection of its KPIs (i.e., relevance, materiality, whether it is core to the borrower's overall business) should clearly be communicated by Piraeus Bank and discussed with the borrower. Therefore, Business Units suggest specific KPIs, those KPIs are formulated by the Sustainable Business Development team with the cooperation of the client and/or external ESG experts and receive a final approval by the ESG expert team.

The Sustainability-Linked Loan Framework is built upon national and international reporting standards, including the European Sustainability Reporting Standards, Sustainability Accounting Standards Board (SASB), Global Reporting Initiative (GRI), the Athex ESG Reporting Guide and the International Capital Market Association (ICMA) Registry of KPIs for Sustainability-Linked Bonds.

Piraeus Group does not disclose the Framework per se publicly on its website. However, the Framework is assessed in detail by Sustainable Fitch and the assessment is publicly available. Sustainable Fitch assesses the quality of the SLL framework based on existing market practices and guidelines in terms of the process of identifying applicable KPIs, performance targets, requirements for reporting and verification. The Head of Development, Sustainable Banking & Bank Relations is accountable for the implementation of the Policy.

Credit Policy

The Environmental and Social Management System (ESMS) in business financing is incorporated in the Credit Policy. The Policy incorporates environmental and social criteria in line with international standards, in addition to traditional credit criteria. The main objective of the ESMS is to identify and assess the environmental and social impacts, in addition to the economic impact, of the lending activities to be used in the Group's credit approval process.

Taking into consideration the obligor assessment, the Group enhanced its credit assessment process, by setting the necessary control / mitigation mechanisms and linking the ESG assessment outcome with additional actions at an obligor or transactions level (e.g., mandatory action plan on C&E matters, pricing amendments, etc.). Furthermore, obligors that migrate to credit quality levels for which additional credit policy actions are required are flagged as Moderate and High risk.

In this context, the Group updated its Credit Policy Manual and its Loan Pricing Policy with the differentiated treatment on pricing.

In addition, the Bank has designed the approach for identifying obligors involved in controversial activities and has developed a dedicated questionnaire (in which specific questions act as triggers to identify Obligors with potentially controversial activities) and respective process for the identification and assessment of such controversies, to mitigate reputation risk (e.g., an interview is performed to understand the underlying events triggering the controversial activity and any mitigation actions planned, in progress or completed, while an assessment is performed to evaluate the importance of the incident and the effectiveness of the mitigation actions to prevent the reoccurrence of similar incidents).
Furthermore, the Group has incorporated into its Credit Policy a list of business activities that are excluded from financing.

5.2.5. Environmental risk governance

The Sustainable Development Policy reflects the Group's intentions for business strategies and targets that meet the UN Sustainable Development Goals and the Paris Agreement, by aligning its operations with the UNEP FI Principles for Responsible Banking. It echoes the Group's overall approach to sustainable development and sets the strategic directions to support, promote, and finance sustainability.

Piraeus Group initiated its Climate & ESG governance structure in 2022, when it established a Management Board-level oversight of strategic climate-related risk and opportunity management. In line with the commitment to put sustainability at the heart of what the Group does, its governance approach has been updated. The main purpose of updating the governance was to integrate and align ESG governance with the existing business as-usual governance of the Group. This new governance setup allows holistic steering across ESG themes, like climate, gender diversity, society and culture, human rights, and financial health and inclusion and biodiversity. The new ESG governance supports a holistic approach and drives long-term value creation; it renders action for climate change and ESG a strategic priority. These changes allocate ownership and provide leadership on ESG matters, increasing effectiveness, efficiency, and accountability as Piraeus Group strives to be a banking leader in building a sustainable future for the company, the customers, shareholders, society, and the environment.

In Management Bodies involved in the Climate & ESG governance structure are briefly described below:

- **Board of Directors (BoD):** Responsible for ensuring a business model, governance arrangements, including a risk management framework that considers all risks, including climate-related and environmental risks and the implications of the transition to a more sustainable economy as well as exercising effective oversight. In responding to the aforementioned responsibilities, it is supported by the BoD Committees which report regularly to the BoD on issues related to their responsibilities.

- **Audit Committee:** Responsible for overseeing the integrity of the Group's financial and non-financial/ESG disclosures within the Annual Report. It monitors the adequacy and effectiveness of the internal control and risk management systems and of the Internal Audit function, also with respect to ESG-related issues (e.g., fraud, whistleblowing, violence and harassment, greenwashing, etc.).

- **Risk Committee:** Responsible for advising and supporting the BoD regarding the monitoring of the Group's overall actual and future risk strategy and risk appetite, taking into account all types of risks (including climate and ESG risks), in order to ensure that they are in line with the business strategy, objectives, corporate culture, and values of the Group. The Committee has responsibility to oversee the implementation of the Group's risk strategy, and the corresponding limits set and to review a number of possible scenarios, including stressed scenarios, to assess how the Group's risk profile would react to external and internal events. In 2024, the Risk Committee reviewed the 2025 Group's Risk Identification Annual Report, including the Group's strategic approach on the front of climate-related and environmental risks, and opportunities. It subsequently approved the 2025 Risk and Capital Strategy and RAF.

- **Remuneration Committee (RemCo):** Responsible for ensuring that the Group remuneration policy is consistent with the objectives of the Group's business and risk strategy, including ESG risk-related objectives, corporate culture and values, and long-term interests of the Group. The Committee has responsibility for aligning executive directors' and senior management's remuneration with strategic priorities, including in relation to climate and sustainability matters. In 2024, following a respective proposal of the Remuneration Committee to the BoD, an amended version of the Directors Remuneration Policy was approved by the Annual General Meeting of Shareholders.

- **Board Ethics and ESG Committee:** Responsible for considering the material ethical and ESG issues relevant to the Group's business activities and for supporting the Group in maintaining its position as a reference leader in ethical and ESG (environmental, society, governance) issues. The Committee works closely, also by holding joint sessions, with the other Board Committees for ESG issues which are also related to their mandate. It is furthermore supported in its work by the respective management committees of the Group, namely the ESG and Corporate Responsibility Committee of the Bank. It is noted that, effective March 1, 2025, the Board of Directors has resolved to discontinue the Board Ethics and ESG Committee. The responsibilities previously assigned to this committee have been allocated among the Board of Directors, the Audit Committee, and the Board Risk Committee.

- **ESG and Corporate Responsibility Committee**: In the context of the enforcement and coordination of management commitment to ESG purpose, the ESG and Corporate Responsibility Committee is established at the Bank. The Committee is chaired by the Group's CEO and is composed of all members of the Bank's Executive Committee, and two additional members, the Group General Counsel and the Bank Head of Group Cultural and Social Initiatives. The composition of the Committee, reflects the prominent role the management of the Group is expected to play in shaping the Group's approach to managing sustainability issues and integrating the Climate & ESG criteria into the Bank's strategy, recognizing that this is a key factor in ensuring long-term success and reflecting the fact that these issues are becoming materially relevant to the Group as well as to key stakeholders, such as clients and regulators.

The purpose of this Committee is to promote and monitor Responsible and Sustainable Banking by adopting ESG criteria that combine growth and economic performance with culture, social well-being, and environmental sustainability. The Committee ensures the existence of a holistic ESG strategy plan for the Group, with axes:

- The energy transition
- The zero balance of CO_2 emissions (net zero)
- The strengthening and promotion of culture
- The support of women, children, and young people, as well as vulnerable social groups in matters of education employment and social stereotypes
- The promotion of governance principles with an emphasis on diversity and inclusion

Specifically, the Committee assesses, approves, recommends and monitors:

- ESG policies and strategies that harmonize the Group's governance and business decisions with the UN SDGs
- actions that contribute to the management and adaptation to the regulatory requirements on climate and environmental risks and to the reduction of the environmental footprint of both the Group and its clients/partners
- the implementation of the Group's values and the creation of a culture that strengthens the role of employees in achieving the Principles of Responsible Banking
- programmes collaborations, initiatives that promote culture and boost social cohesion
- actions that reinforce transparency, meritocracy, and corporate responsibility and strengthen the Group's extroversion

In this context, it monitors Corporate Responsibility & ESG issues and informs and/or makes recommendations to the BoD and the Ethics Committee of the Company.

The Committee meets regularly at least on a quarterly basis and on an extraordinary basis whenever required at the invitation of its Chairman. More information on ESG related issues are included in the Group's Sustainability Report and other ESG disclosures.

- **Project "Proteus" Steering Committee:** A dedicated Steering Committee was established to provide direction and set the strategy for the implementation of the ECB Roadmap as well as the supervisory dialogue and exercises. Furthermore, the Steering Committee has the overall responsibility for the Central Project Management Office (PMO), and:
- defines the strategy, provides directions, and sets priorities for the implementation of the Project "Proteus" (ECB Roadmap, Climate Stress Test)
- reviews the completion status and ad-hoc information requirements and identifies potential issues
- decides and proposes mitigating actions and approves any updates that might be needed on the ECB action plan

- discusses and resolves issues escalated by the PMO regarding the implementation of the Project "Proteus"
- provides targeted direction, where needed, to PMO/workstream managers
- approves ad hoc targeted information requirements and packages for submission to the ECB, SSM, and BoG
- ensures adequate staffing for the implementation of the ECB Roadmap and Climate Stress Test

The CRO who chairs the Steering Committee regularly updates the respective BoD Committees and Executive Committee. In July 2024, the steering committee was amended in terms of composition and scope to include additionally to the existing responsibilities, the overview of all climate and environmental/nature risks and opportunities.

- **Chief Executive Officer (CEO):** The CEO of Piraeus Group drives the Sustainability strategy and ESG agenda and is regularly updated and highly engaged in environmental and climate change issues of the Group. The CEO has driven the Group's pledge to decarbonize the Bank's portfolio. Piraeus Group's CEO participates in the UNEP FI "Leadership Council", which brings together CEOs and Chairpersons of banks and insurers and is currently involved in one of the three elected UNEP FI governance bodies.
- **Chief Risk Officer (CRO):** The CRO is responsible for the supervision of the Group Risk Management and consequently for the overall management of C&E risks that are integrated in the Risk Management Framework (RMF).
- **Chief Credit Officer (CCO):** The Group CCO is responsible for the approval of new credit criteria related to ESG and climate. The Group, under "Project Proteus", is currently in the process of integrating specific climate criteria in the established Environmental & Social Management System and the credit due diligence.
- The **General Manager** heading **the Group Business Planning, IR & ESG functions**, is a member of the Executive Committee and acts as the Deputy Chair of the ESG and Corporate Responsibility Committee**.** The role is tasked with improving business sustainability in the Bank. The mandate focuses on crafting a sustainability agenda with tangible results and ensure that sustainability is fully embedded into every function, process and employee of the Bank. The General Manager is also charged with influencing, communicating and cutting through any complexity to allow the Group to deliver on its ESG commitments.

At the Bank level, a similar ESG governance structure at BoD and BoD Committee levels has been adopted. This approach provides a forum for regular and in-depth discussion of ESG issues, and it ensures that they are incorporated into the broader business, finance, and strategy discussions and cascaded across all 3 Lines of Defense. The first line of defense is primarily composed of business units that are directly responsible for managing and owning risks. These units are tasked with implementing corrective actions to address any deficiencies in processes and controls. They ensure that day-to-day operations are conducted within the organization's risk appetite and are aligned with strategic objectives.

The second line of defense includes functions such as Risk Management and Compliance. This line is responsible for overseeing risk management practices and ensuring compliance with applicable regulations and standards. They provide guidance and support to the first line of defense, helping to develop and implement risk management frameworks and policies. This line acts as a control function to monitor and facilitate the implementation of effective risk management practices.

The third line of defense consists of Internal Audit, which provides independent assurance on the effectiveness of governance, risk management, and internal controls. Internal Audit evaluates the overall risk management framework and ensures that the first and second lines of defense are functioning effectively. They report directly to the highest levels of the organization, such as the Board of Directors, to maintain independence and objectivity.

ESG responsibilities are spread across the three lines of defense. More specifically:

- The **Corporate Development and ESG Unit** is responsible for the preparation of sustainability disclosures and supporting the integration of ESG factors into strategic planning and business development. They ensure that the bank's sustainability reporting is comprehensive, accurate, and aligned with international standards. Priority is placed in developing sustainable products and services to customers in a way to enable a commercial ESG & Climate strategy, enhancing ESG communication and disclosure to all stakeholders, and contributing to the formulation of global Climate & ESG frameworks by participating in international sustainability initiatives.
- The **Development & Sustainable Banking Unit** is responsible for the integration of ESG KPIs and SPTs in the current lending products, for conducting Environmental - Social, Reputational and Litigation Risk Assessments for business lending, as well as for integrating the Climabiz climate risk results in credit decision making. The Unit also conducts feasibility reports for each financing proposal regarding RES, BESS and Environmental projects and examines, inter alia, the choice of equipment, indicative cost, productivity estimates and experience of the installer. Moreover, the Unit has a supplementary scope of work, that involves handling the relations with the

Greek and international development organizations such as the Hellenic Development Bank, the European Investment Bank, and the European Investment Fund, providing financial products promoting sustainable investments and responsible entrepreneurship.

- The **Group Credit Unit** manages the credit risk associated with lending activities, including ESG risks. It is responsible for assessing the creditworthiness of borrowers and ensuring that lending practices align with Piraeus' risk appetite and regulatory requirements.
- The **Corporate Responsibility Unit** is responsible for the development, support and implementation of activities related to all sectors of corporate responsibility. This is carried out with programs and actions that promote culture, history, intellectual creation, preservation, and promotion of Greek cultural heritage, with the aim of disseminating culture and studying and developing the cultural and creative economy. The Unit prioritizes the development and strengthening of initiatives and actions based on social contribution and in particular the strengthening of education, health, and sports. Furthermore, it is responsible to assist in addressing social problems, to support humanitarian initiatives, and to support the work of social and other organizations.
- The **ESG Risks Unit** within Group Risk Management and as part of the second line of defense, incorporates ESG & Climate risks in the Group Risk Management Framework (GMF) and identifies, measures, manages, and reports them in close collaboration with the Group Planning, IR, & ESG Unit, Group Risk Management (GRM), and other Business Units. It also provides subject matter expertise on these risks in the context of risk frameworks, governance, management and measurement, scenario analysis, stress testing, regulatory expectations, and disclosures. Furthermore, it identifies potential areas for enhanced analysis and improvements in the management of ESG & Climate risks and their respective implementation plans and ensures appropriate information flow and progress on their roadmaps inside GRM. Finally, it participates in the development of training courses and contributes to industry dialogues, working groups, or drafting teams established with key internal and external partners.
- **IT & Operations**: The unit oversees the bank's information technology infrastructure and operational processes. They ensure that IT systems are secure, efficient, and support Piraeus' business objectives. Operations are streamlined to enhance productivity and customer service.
- **Group HR**: The Human Resources unit is responsible for managing workforce related matters. They handle recruitment, training, performance management, and employee relations. They support the sustainability disclosures through the collection of HR Group metrics and the development of the narrative disclosures.
- **Group Corporate Responsibility**: The Unit is responsible for designing and implementing the Group's Corporate Responsibility Strategy aiming to create a positive impact for society, developing actions that address current social needs and challenges, promoting equality, inclusion, social solidarity, environmental awareness and supporting children, the new generation and vulnerable social groups.
- **Group Compliance**: Also, part of the second line of defense, the Compliance unit ensures the adherence to legal and regulatory requirements. They monitor compliance with internal policies and external regulations, providing guidance to business units.
- **Internal Audit**: Serving as the third line of defense ensures the existence and effectiveness of the control environment and of the risk management framework.

Green Bond Framework Governance

As described in its Green Bond Framework, Piraeus Group established a dedicated Green Bond Working Group (GBWG), comprised of senior management representatives of products, business lines, and competence lines including Finance, Treasury, Sustainable Banking, Lending and Risk Management, ESG, and Investor Relations. The GBWG reports directly to Piraeus Group's Asset & Liability Committee (ALCO).

The GBWG will be responsible indicatively and among others for:

- assessing and pre-selecting the loans to be referenced by a specific bond
- proposing the allocation of proceeds for specific issuances and monitoring them after issuance
- implementing any Framework updates proposed by the Green Bond Committee
- ensuring that the eligible categories and related specific criteria defined in the Framework are duly applied in any project/loan selected
- reviewing and proposing any future updates to the Framework, to ensure the document is aligned with best market practices and requirements

- supervising the reporting activity of the outstanding bonds issued under this Framework
- reviewing and validating the loans pre-selected for allocation on each issuance
- reviewing any updates to the list of loans (pre-selected from the larger Green Asset Portfolio referenced by any specific bond and reviewing the Green Bond Register
- ensuring that all loans financed by a Green Bond will undergo an environmental and social risk evaluation using Piraeus Bank's pre-existing Environmental and Social Management System (ESMS)

Sustainable Finance Framework Governance

The Group's Sustainable Finance Framework is initially approved by the Group's Executive Committee and thereafter managed by the Group's Corporate Development and ESG Unit. The management of the report entails the regular maintenance and updating of the content, to ensure that the Framework remains relevant and up to date, against any strategic or regulatory developments. To assist in the accurate maintenance, Piraeus Bank's units of Development & Sustainable Banking, Credit Policy and Risk Strategy & ESG Risks also participate in the periodic review of the Framework, by providing subject matter expert advice and ensuring the accurate categorization of financing and alignment with the latest developments.

Remuneration Policy

The Group Remuneration Policy is consistent with the corporate strategy, aiming to align the organization's interests with the interests of its stakeholders, creating value. The Remuneration Policy aims, inter alia, to:

- support a performance-driven culture, rewarding excellence and delivery of ESG goals
- embrace equal pay policy for male and female employees for equal work or work of equal value, supporting a culture of fairness

For this purpose, the Group has already integrated a set of ESG related Short-term (STIs) and Long-term Incentives (LTIs) in line with its business plan, covering also in some cases, risk-related aspects.

The Group monitors, reviews, and updates the remuneration processes and structures on a periodic basis and whe never there is a material change, so that they are continuously aligned with the evolving business objectives and regulatory framework. One of the aims set in the Remuneration Policy is to support a performance-driven culture, rewarding excellence and delivery of ESG goals.

As described in the Group's and the Directors' Remuneration Policies, under the section of the Annual Variable Incentive Schemes: "Unit or pillar performance is a key component defining the amount of variable pay; unit/pillar performance is measured by specific KPIs per area, and have targets which are agreed at the beginning of the measurement period; KPIs are defined in a consistent way, cascading down from the CEO to the ExCo Members and subsequently to lower levels; Mix of KPIs per area includes business, risk, efficiency, people and other metrics".

The KPIs are measured and monitored by the Performance & Value Management Unit (MIS), while the governance of the process lies with Group HR.

Climate related metrics are included in the non-financial measure of Bank's balanced scorecards. They are part of an environmental, social and governance (ESG) category that incorporates broader ESG factors. Climate-related metrics incorporated in compensation frameworks include the reduction of carbon footprint, provision of sustainable finance and products, and accountability type measures such as leadership in the climate-related area.

More information regarding the Group Remuneration Policy can be found further down in this document.

Internal reporting

Over and above RAF indicators which are detailed in a subsequent section, the Group has introduced several monitoring KRIs around C&E risks, to enable close oversight and a proactive approach in managing the associated risks. Among others, these include KRIs relating to:

- exposures to sectors sensitive in terms of transition risk
- concentration in sectors and geographic areas that are prone to physical risks
- financed emissions of borrowers in the sectors classified as high risk (total, scope 1, scope 2, scope 3)
- exposures to borrowers with actual emissions
- top 10 counterparties in terms pf financed emissions

- carbon intensive industries exposure (% of total loans)
- energy efficiency of collaterals (in terms of exposure and percentage of distribution across EPC labels)
- exposures collateralized with real estate and actual energy efficiency certificates

ESG special governance arrangements and related actions for the reporting year at the Bank include:

- On a monthly basis, a risk appetite monitoring report is submitted to the Bank's Risk Committee, including ESG and climate related indicators established in the 2024 RAF
- A special sub-section "ESG Risks" has been created in the structure of the Bank's Risk Committee agendas, reflecting the importance and the frequency these issues are expected to have in the BoD Risk Committee's work
- Progress updates on regulatory submissions and dialogue

Disclosures in accordance with the EU Taxonomy Regulation

The EU Taxonomy is a classification system, establishing a list of environmentally sustainable economic activities. It was designed to play an important role for the EU to scale up sustainable investment and implement the European Green Deal. The Disclosures Delegated Act that was adopted by the Commission in July 2021 supplements Article 8 of the EU Taxonomy Regulation, and specifies the content, methodology, and presentation of the information to be disclosed by both financial and non-financial undertakings. According to the Disclosures Delegation Act (Commission Delegated Regulation EU 2021/2178), Piraeus Group is required to disclose in 2024 its Green Asset Ratio, for both Turnover and CapEx KPIs, in both its annual reporting and as part of its Pillar 3 report. This ratio portrays the proportion of the Bank's sustainable financings which are aligned with the EU Taxonomy as a share of total assets. Additional information regarding the percentage of EU-Taxonomy eligible financings is also incorporated within the relevant GAR Templates.

As of December 31st, 2024, Piraeus Group GAR ratio (for stock) was standing at 2.57% for the Turnover KPI, while its eligibility ratio stood at 20.2%, as reported in the relevant quantitative templates.

The Group is continuing to integrate the necessary data into its system that will allow for the categorization of various financings as sustainable and for the overall compliance with the legal obligations of reporting sustainable data, while continuing to align its business objectives with the EU Taxonomy. Its sustainable finance proposition is to continue supporting customers with the sustainability transition, taking into account the requirements of the EU Taxonomy.

5.2.6. Environmental risk identification and materiality assessment

Piraeus Group has established a comprehensive risk management framework to identify, measure, control, and mitigate underlying risks, including climate and environmental risks.

The annual Risk Identification (RID) process is applied to identify the relevant and material risks, by taking into consideration the environment in which it operates and its business model. The risks that are expected to have a substantive financial or strategic impact on the Group's business are deemed material. The materiality assessment has been performed on a quantitative and/or a qualitative basis. During the RID exercise, "climate change" (physical & transition risks) has been recognized as a risk driver for many key risk categories (i.e., credit, market, liquidity, operational, business & strategic and reputation and litigation risks), while "ESG and Climate-related Risks" have also been identified as a standalone risk subcategory.

Definitions, methodologies, and international standards on which the environmental risk management framework is based

The Group identifies climate risks as the potential negative impacts on an institution's financial health and operations, potentially caused by climate changes, such as extreme weather events. In addition, environmental risks are regarded as the risks of any negative financial impact on the institution stemming from the current or prospective impacts of environmental factors on its counterparties or invested assets.

The Group considers all major climate and ESG related regulatory requirements and guidelines that have been published in recent years, including:

- European Banking Authority's (EBA) Action Plan on Sustainable Finance

- EBA's advice to the Commission on KPIs for transparency on institutions' environmentally sustainable activities, including a green asset ratio, etc.
- ECB's Guide on climate-related and environmental risks – Supervisory expectations relating to risk management and disclosure
- Basel Committee on Banking Supervision's (BCBS) Principles for the effective management and supervision of climate-related financial risks
- EU Taxonomy Climate Delegated Act
- ITS on prudential disclosures on ESG risks in accordance with Article 449a CRR (Pillar III Disclosures)
- Sustainable Finance Disclosure Regulation (SFDR)
- Corporate Sustainability Reporting Directive
- Guidelines on the management of environmental, social and governance (ESG) risks, EBA Report

Taking into consideration the above, the two main risk drivers associated with climate and environmental risk are commonly recognized as the following:

- Physical Risk refers to the potential financial losses a company may face as a result of changing climate conditions. These changes may be due to long-term alterations in climate patterns, referred to as chronic, or an increase in the number and severity of extreme events, often classified as acute.
    - Chronic effects: the long-term impacts on the production unit like agriculture or renewable energy sources, product demand such as ice cream, raw materials prices, and tourism appeal caused by shifts in factors like temperature, rainfall, wind speed, cloud coverage, sunlight, and water scarcity, impacting heating-cooling needs and more.
    - Acute effects: the impacts of extreme events such as floods, droughts, heatwaves, severe winds, storms, waves, and forest fires on areas like production, for example agriculture, and infrastructure.
- Transition risk involves the extra expenses a company may encounter as it adapts to a more carbon-efficient economy. These risks are triggered by regulatory changes (policy and legal), the integration of new low-carbon technologies, shifts in market conditions, consumer preferences and more.

Physical and transition risk drivers impact economic activities, which in turn impact the financial system. This impact can occur directly, through for example lower corporate profitability or the devaluation of assets, or indirectly, through macro-financial changes.

These risks also affect the resilience of an institution's business model over the medium-to-long term, and predominantly those institutions with business models that are reliant on sectors and markets which are particularly vulnerable to climate-related and environmental risks. In addition, physical and transition risks can trigger further losses, stemming directly or indirectly from legal claims (commonly referred to as "liability risk") and reputational loss as a result of the public, the institution's counterparties, and/or investors associating the institution with adverse environmental impacts ("reputation risk").

Short-, medium- and long-term effects of climate-related & environmental factors

The Group has defined a short-term, medium-term, and long-term time horizon regarding the materiality assessment. More specifically, the Group has taken into consideration the following time horizons:

- Short-term ≤ one year
- Medium-term between two and five years
- Long-term > five years

Climate Risk Classification

Piraeus Group has introduced a common language and understanding/method for decision making and for business and strategic planning regarding climate-related risks. The aim is to provide useful insights into the Group's current exposure to climate-sensitive sectors, areas, and clients and form the basis for materiality assessment in terms of credit, market, liquidity, operational, reputation & litigation, and business & strategic risks. The analysis is based on potential impact from climate-related risks on the Group's material portfolios representing the majority of its exposures (i.e., business portfolio, immovable property held as collateral, investment portfolio and assets under management), using quantitative and qualitative analyses that conclude to certain heat maps.

Classification of business portfolio

The assessment of climate risk for business portfolio, including Large Corporates, SMEs, and Small Businesses, is based on the Group's internal proprietary tool for the quantification of climate risk (Climabiz) and conducted according to the latest available data.

The Climabiz tool assesses in quantitative terms the climate risk (both physical and transition) of the Group's business borrowers (bottom-up approach), based on their turnover and the general operational and technical features (i.e., field of activity), for those economic sectors considered to be mostly affected by climate change and translates climate change impact to monetary terms. (For further analysis on Climabiz methodology and climate scenarios used, please refer to Section 5.2.7 of this document).

Piraeus Group has leveraged on the Representative Concentration Pathways (RCP) and Shared Socioeconomic Pathways (SSP) climate scenarios adopted by the Intergovernmental Panel on Climate Change (IPCC), and their outcome is assessed in 10-year periods.

The analysis is performed on the two main sub-categories of climate risk:

- Transition Risk due to changes in the regulatory framework, fast technology developments, changes in market conditions and the transition to a low carbon economy.

The list of climate risk drivers which have been identified and included in the sectors' assessment is presented below:

- Environmental taxation and subsidies
- Regulatory requirements (e.g., sustainability certificates, disclosures)
- Behavioral changes of consumers, suppliers, and employees
- Technological developments
- Energy and transport policies (e.g., reduction of CO_2 emissions)

For the classification of business portfolio, the transition risk score has been calculated for each sector (NACE code level 2 and/or 4) as the financial impact expressed as a percentage of sector's turnover. Based on that score, the Group has classified its business portfolio sectors in 3 categories (high, moderate and low).

- Physical Risk due to variations in climatic conditions-including both chronic and acute

The list of physical climate risk drivers which have been identified and included in the sectors' assessment is presented below:

- Wildfires
- Droughts
- Floods
- Heatwaves
- Storms
- Changing rainfall patterns
- Extreme precipitation and landslides

Based on the analysis, the Group has classified its business portfolio sectors into three categories (high, moderate and low).

The main external data sources utilized are: Hellenic Statistical Authority, Eurostat, National Energy and Climate Plan, Network of Central Banks and Supervisors for Greening the Financial System (NGFS), Institute of Greek Tourism Confederation, Greek Payment Authority of Common Agricultural Policy.

Combining the information derived from the analysis with the share of the portfolio these sectors occupy, Piraeus can draw preliminary conclusions on the risks and opportunities presented.

Classification of immovable property held as collateral

An additional analysis for climate risk of immovable property used as collateral (consisting of both Commercial and Residential Real Estate exposures, securing both business and retail portfolios in all geographical areas of Greece) is performed on the two main sub-categories of climate risk:

- Transition Risk

For this type of risk, the Group has examined the Energy Performance Certificate (EPC) label distribution of the said collaterals. The analysis relies on data collected from clients and on proxies (internal scoring model), assigning EPC labels to the eligible part of the Group's collateral pool.

The score of transition risk is based on the EPC label, resulting in three categories (high, moderate, and low).

- Physical Risk

For this type of risk, the Group has analyzed the impact of a series of climate hazard events on various geographical areas (NUTS3). This analysis aims at the assessment of the impact of certain acute climate events (indicatively fluvial flood, coastal flood and wildfire) on the Group's collaterals (immovable property).

The methodology applied is a combination of historical data and future projections and is based on NUTS3 level relying on official and publicly available databases and RCP8.5 climate scenario (using 10-year periods).

The final physical risk score of geographical areas is based on the exposures that are collateralized by the immovable properties being affected in each area, resulting in three categories (high, moderate and low).

This analysis helps the Group to support its clients in their climate transition, focus on supporting a green economy, and financing the energy performance efficiency of their properties, as well as to optimize the value of its collaterals by requiring insurance protection for certain hazards.

Materiality Assessment

Based on the internal classification methodology described above, the Group has conducted an analysis to determine the materiality of the impact of C&E risks on its main risk categories. The Group aims to calculate the potential impact of Climate & Environmental Risks on the main risk categories, considering its cross-cutting nature and its materialization through various transmission channels. The materiality assessment is performed for the following risk types across different time horizons:

- Credit risk
- Market risk
- Liquidity and Funding risk
- Business & Strategic risk
- Operational risk
- Reputation & Litigation risk

For the purposes of the materiality assessment the following time horizons have been determined:

- Short-Term: 1 year ahead (2025)
- Medium-Term: 2-5 years ahead (time horizon up to 2030)
- Long-Term: 5 years (time horizon up to 2050)

Climate-related Risk

The outcome of the Climate-related materiality assessment is summarized in the following table where the ✓ signifies materiality:

Risk Categories	Outcome of Climate Risk Materiality Assessment					
	Transition			Physical		
	Short-term	Medium-term	Long-term	Short-term	Medium-term	Long-term
Credit Risk		✓	✓		✓	✓
Market Risk						
Liquidity and Funding Risk						
Operational Risk		✓	✓		✓	✓
Reputation & Litigation Risks		✓	✓		✓	✓
Business & Strategic Risk		✓	✓		✓	✓

Table 1: Summary of materiality assessment outcome per risk type along with horizons for Climate Risk[10]

[10] When considering the time horizons within which Piraeus expects climate change transition and physical risks to be deemed material under various climate scenarios, it is acknowledged that there are variations in the results between the exercise conducted for the Climate Risk Materiality Assessment (part of the Risk Identification process) and the Double Materiality Assessment (DMA).

Further details on the analysis performed are provided in the following sub-sections.

More specifically, the following analyses were conducted:

Credit Risk: The assessment of climate risk for the business portfolio, including Large Corporates, Small & Medium-sized Enterprises, and Small Businesses, is based on the Group's internal proprietary tool for the quantification of climate risk ("Climabiz") and the internal Climate risk classification of business sectors.

As far as transition risk is concerned, it is noted that the Group's exposure in High-risk sectors for the short-term is immaterial, while for the medium- and long-term horizons is material. The majority of these loan exposures (across horizons) have a maturity of less than 5 years, which is considered relatively short. From the exposures in High-risk category for Long-term horizon, the majority has a maturity of less than 5 years.

In order to estimate any potential forward-looking impact from Transition risk, the Bank has leveraged on the financial impact derived from Climabiz and subsequently translated it into revised credit risk parameters through the link between borrower financials and ratings/PDs. The Bank has calculated PDs under the different horizons examined in the SSP1-1.9 scenario. These revised credit risk parameters are calculated on the total loan portfolio of business loans and provide additional evidence on the increasing impact of Transition risk especially as horizon extends in the medium or long-term.

Given the very low level of exposures in High-risk sectors for the short-term and hence the contained anticipated impact in forward-looking PDs for the same horizon, the potential uplift in the Credit risk profile is considered immaterial for the short-term horizon, in the Business portfolio, while for the medium- and long-term horizon is considered material.

As far as physical risk of business portfolio is concerned, it is noted that the exposure in High-risk sectors for the medium-term and long-term horizon is considered material. Considering the nature of chronic risk events, no material impact is expected from such events in the short-term horizon.

Furthermore, leveraging on Climabiz outcomes and following similar methodological steps as described for Transition risk, a PD delta for medium-term and the long-term has been calculated for the examined exposures. This uplift corresponds to a limited increase compared to initial PDs and leads to an impact in terms of expected losses which is considered negligible.

In addition to the aforementioned analysis for physical risk, which focuses mostly on the chronic effects of climate change in terms of physical risks (in medium- and long-term), the Bank has also expanded its analysis to capture the impact of physical acute events in sectorial basis, more specifically: heatwaves, landslides, wildfire, drought, coastal floods, fluvial floods across all different time horizons (short-, medium- and long-term).

As expected, the various economic sectors do not show the same vulnerability to acute events. For example, the agricultural sector is more vulnerable to various types of extreme phenomena, while most industrial sectors, on the other hand, are clearly less affected and only specific events at local level may cause damages. This step examines to what extent economic sectors at 2-digit NACE level could be affected by the hazards in question, regardless of their significance. A four-level rating scale was used to map the associated risks from negligible up to high, based on expert judgement as well as the results of the relevant assessments made as part of of the Regional Plans for Adaptation to Climate Change undertaken by Greek Regional Authorities.

Besides the vulnerability of sectors in acute events, the geographical location of the counterparty was also examined using the proprietary GIS platform (described in section 5.2.7) to conclude their final risk score in terms of acute physical events.

Finally, the Group has leveraged on the key outcomes from all previous analyses to derive physical risk materiality outcome per time horizon:

- The analysis based on Climabiz reflects primarily the effect from chronic risks which due to the inherent nature of long-term climate issues is expected to materialize in medium to long-term horizons and affect a significant part of the loan portfolio.
- To complement the analysis which focused on chronic risks, an additional analysis was performed per physical risk type, focusing this time on acute physical risk events. A more granular level in terms of customer location was analyzed and then was combined with the effect expected in terms of sector. The outcome indicated that impact is expected to be not material for the physical risk types examined.

Based on the above-mentioned outcomes the Bank concluded that the effect from physical risk is immaterial in the short-term for the Business loan portfolios but is material in the medium and long-term horizons.

The assessment of climate transition risk of the Group's loan portfolio with immovable properties held as collaterals is based on their energy efficiency through the Energy Efficiency Certificate (EPC). It covers both Commercial and Residential Real Estate properties. For the cases where EPCs were not available in the Group's database, the EPC label was estimated by using an internal scoring model. To conclude on the materiality assessment outcome for transition risk, the Bank leverages on the "Report on the proposal for a directive of the European Parliament and of the Council on the energy performance of buildings" according to which the below minimum EPC classes will be required. Taking into consideration the above analysis and future expectations, transition risk materially affects credit risk for the immovable properties held as collateral portfolio in the medium- & long-term horizons.

The assessment of climate physical risk for the Group's loan portfolio with immovable properties held as collaterals, consisting of both Commercial and Residential Real Estate exposures, securing both business and retail portfolios in all geographical areas of Greece (representing 98% of the total Group's immovable property portfolio held as collateral) is based on the impact of the following acute climate events on the Group's collaterals (immovable property):

- Landslides
- Fluvial Flood
- Coastal Flood
- Wildfire

These events are deemed as most relevant, following the consideration of seven acute effects (namely fluvial floods, pluvial floods, landslides, wildfires, extreme heat, water scarcity, and coastal floods). The chronic aspect of physical risk was not analyzed due to the insignificant impact of this type of risk on buildings.

For this analysis the Bank leveraged on the proprietary GIS platform (described in section 5.2.7) that contains mapping applications consisting of multiple layers of geospatial data and sources and concludes in a heatmap illustrating the NUTS3 regions scores for each physical (acute climate events) risk per time-horizon. The climate scenario that was utilized is the RCP8.5 scenario which is deemed the most severe scenario for physical risk.

Aiming to achieve the highest granularity possible, the Bank calculated the impact in terms of cost on real estate value at a geographical coordinate level taking also into account the individual building characteristics.

The Group has leveraged on the key outcomes from all previous analyses to derive physical risk materiality outcome per time horizon:

- The analysis based on GIS platform reflects the effect from different acute physical risks which due to the inherent nature of long-term climate issues is expected to materialize in medium to long-term horizons and affect a significant part of the loan portfolio, especially for floods and secondarily for wildfire.
- To complement the analysis with other forward-looking information especially for the physical risk events of flood and wildfire which could seeaffect the most NUTS 3 regions, the Bank calculated their impact in terms of additional costs affecting collateral values and thus LGDs. This analysis achieved the highest granularity possible in terms of geolocation, individual characteristics of the collaterals and cost on real estate value. The impact on LGD was relatively contained and provides further evidence that impact is not expected to be material in the short-term.

Based on the above-mentioned outcomes the Bank concluded that the anticipated impact from physical risk is immaterial in the short-term for the loan portfolio with immovable properties held as collateral but is material in the medium and long-term horizons.

Market Risk: The materiality assessment methodology for Market risk is aligned with the methodology followed for the materiality assessment of transition and physical risks in the context of Credit risk, taking into consideration the respective transition and physical risk scores (per sector). For the materiality assessment of the Market Risk, the methodology examined Corporate Bonds, Sovereign Bonds, Bank equities and Piraeus Securities S.A. equities. The Bank's portfolio in terms of market risk is not expected to be materially affected by climate risks for both transition and physical risk for all the horizons due to Group's business model, book structure, nature of exposures and the overall immateriality when comparing with the Group's total assets. The Group will closely monitor and re-assess the potential impact when deemed necessary

Liquidity and Funding risk: The methodology followed for the materiality assessment of Liquidity and Funding risks for Climate risk is aligned with that for Credit risk for the business loan portfolio, to the extent that sectoral level analysis was leveraged. Corporate deposits, the Secured Funding - Pledged Loans and the HQLA's were examined. Based on the assessment performed, Liquidity and Funding risks are not materially affected by climate risk. On the asset liquidity side, this is driven by the composition of the buffer, mainly consisting of sovereign rather than corporate bonds, which are considered to be immaterially impacted by climate-related factors, as described above in the market risk. On the funding side, deposits are the main funding source, mostly consisting of retail clients (corresponding to approx. 80% of total deposits), which due to their nature are not considered to be materially affected from climate risks. Corporate clients constitute a relatively smaller part of the bank's funding position limiting the exposure to climate risks. With regards to pledged loans, the relevant amount is rather limited. Therefore, the impact from climate risk is not expected to materially affect Liquidity & Funding risks.

Operational Risk: Operational risk was examined for both transition and physical risks. In line with the analysis conducted for Bank's immovable properties held as collateral, the Bank has performed a materiality assessment for transition risk for its own-used assets, in terms of their energy efficiency. In particular the low impact of transition risk in bank's own properties in the short term (with increased impact expected in medium and long-term horizons), along with the relatively limited actual operational risk losses from non-physical events, transition risk materially affects operational risk for the Bank's own-used assets in the medium- & long-term horizon. Regarding physical risk, the Bank conducted the analysis leveraging on the GIS platform - outcomes for the following six physical risks (drought, heatwaves, landslides, wildfire, coastal & fluvial floods) in line with the methodology adopted for credit risk. Taking into consideration the low level of impact from physical risk in bank's own properties in the short term, along with the relatively contained actual operational risk losses from physical events, operational risk is not considered to be materially affected from physical risk in the short-term. The Bank acknowledges that climate risk factors driving operational risk, in the form of extreme physical risk events, are likely to increase in severity and could lead in significant disruptions on the Bank's operations. Therefore, operational risk is considered to be materially affected from physical risk in the medium and long-term.

Reputation and Litigation risks: In accordance with Litigation and Reputation risk, the Bank identifies:

<u>Litigation risk:</u> Banks may face legal actions related to climate change in various ways, such as:

- Compliance: failure to comply with environmental regulations or to meet emissions targets can lead to legal penalties and fines.
- Stakeholder lawsuits: communities, shareholders, or individuals affected by climate change impacts may file lawsuits against the Group for alleged contribution to global warming, pollution, or other environmental damages. These cases can vary from property damage claims to demands for stricter emissions controls.
- Disclosure and transparency: misleading or inadequate reporting of climate-related risks and opportunities may invite legal action under securities laws.

<u>Reputation risk:</u> Due to increased public awareness and concern about climate change, companies and banks are under greater scrutiny for their environmental practices. Negative publicity or allegations of contributing to climate change can harm a company's reputation and brand image. Clients, investors, and other stakeholders are increasingly looking for sustainable and environmentally responsible companies, and failure to meet these expectations may result in reputational damage, loss of customers, and a decline in market value. Reputational risk is also generally considered to arise as a result of the manifestation of other risk types (i.e., a second-order impact), while it could also give rise to other risk types subsequently (e.g., liquidity outflows, following a reputational impact).

One of the key drivers of Reputation & Litigation risks is Greenwashing. Greenwashing could be considered as a material risk driver of reputation & litigation risk in the medium- and long term and may cause greater losses going forward compared to historical ones.

A delayed transition by the Bank's clients, i.e., clients often referred to as Laggards to transition, could potentially give rise to reputational risk for the financial institution. To identify the Laggards to transition the Bank utilizes the distribution of the Business Portfolio's exposures to the Transition Risk Scores, as already calculated for Credit risk. In the short-term, the transition risk is considered immaterial for reputational risk. However, for both the Medium and Long-term horizons, a substantial portion of the Bank's exposures are categorized as High-risk. Consequently, transition risk may be considered material for reputational risk over these time horizons.

Business and Strategic risks: The methodology followed for the materiality assessment of Business & Strategic risk is aligned with the sectoral transition & physical risk materiality assessments the Bank leveraged on "Climabiz" tool, while for the repossessed assets and investment properties the Bank leveraged the methodology used for the immovable properties held as collateral portfolio. For both transition and physical risks, interest and fee & commission income in High-risk sectors was examined.

For transition risk, business portfolio loans and bonds, the repossessed assets, the investment properties and the Assets Under Management (AUM) were analysed. Regarding tThe business portfolio does not indicate material impact in the medium- and long-term, and the overall immateriality of the NFC corporate bonds perimeter compared to the total bond portfolio of the Bank suggests also immateriality. The same applies for the Assets Under Management (AUM). In the contrary for the repossessed assets and the investment properties transition risk materially affects business & strategic risk in the medium- & long-term.

Regarding physical risk for the business portfolio there is no interest income from corporate bonds included in the NFC portfolio with High-risk score across all time horizons. For the AUM the outcome of the assessment for this perimeter is considered as not being materially affected by climate risk as well, while for the repossessed assets it is considered that physical risk materially affects across the medium and long-term horizons, taking into consideration that the analysis for floods (coastal and fluvial) focuses on the medium to long-term horizon of expected impact and the limited size of exposures classified as High risk for the rest of the physical risk types.

Nature-Related Risks

The materiality assessment outcome for nature-related risks across the different time horizons (short, medium-, and long-term) on all traditional risks is presented in the following table where the ✓ signifies materiality:

Risk Categories	Nature-Related Risks - Materiality Assessment Outcome		
	Short-term horizon	Medium-term horizon	Long-term horizon
Credit Risk			✓
Market Risk			
Liquidity and Funding Risk			
Operational Risk			
Reputation & Litigation Risks		✓	✓
Business & Strategic Risk			✓

Table 2: Nature-Related Risks – Materiality Assessment Outcome Overview[11]

Nature and ecosystems provide invaluable services essential for human survival and economic prosperity, forming the foundation upon which human societies thrive. Piraeus is committed to the preservation of natural capital and aims to take concrete steps to promote responsible practices for its own operations and value chain, with focus on its relationships with clients that are highly dependent on ecosystem services and operate in sectors with considerable biodiversity impacts. It acknowledges that ecosystem dependencies related factors pose a material financial risk over the long term, as climate change effects intensify and lead to biodiversity loss and ecosystem degradation. It also acknowledges the nexus of climate and nature and aspires to connect biodiversity strategy with existing climate strategy.

Currently, Piraeus focusses its efforts on solidifying its understanding and on enhancing the identification and management of the pertinent risks, in line with the gradual development of market practices, methodologies and tools for financial institutions.

In 2024, the Group assessed for the first time the dependencies and impacts of its business portfolio towards ecosystem services, gaining valuable insights into how its clients may be exposed to potential risks.

The Bank has developed a detailed and comprehensive risk materiality assessment for nature-related risks affecting obligors within the Non-Financial Corporates (NFC) perimeter. This assessment includes the following components: Impact Analysis and Dependency Analysis. The materiality assessment of nature-related risk is performed from an inherent risk perspective, examining both the "inside-out" and "outside-in" impacts using the UNEP FI and ENCORE tools, respectively:

The "outside-in" perspective relates to the financial impact that nature-related factors may have on a company's performance – Dependency Analysis
The "inside-out" perspective relates to the impacts that a company's activities may have on the wider economy, society, and the natural environment - Impact Analysis.

For the purposes of the assessment a sector-level assessment (at NACE code level) was conducted, leveraging the following tools:

The UNEP FI Portfolio Impact Analysis Tool, which identifies key sectors that affect impact topics (e.g., biodiversity, air, soil, etc.).
The ENCORE tool, which defines the dependencies of sectors on nature and ecosystem services (e.g., water flow regulation, recreation related services, storm mitigation, water supply).

Additionally, the Group has established dedicated processes (e.g., Exclusion List, ESMS, Interbank Questionnaire) to identify and mitigate risks associated with nature-related factors during credit origination. These processes have been

[11] The materiality assessment outcome for Credit and Business & Strategic risk is driven by Biodiversity risk.

developed in alignment with international standards and enable the Bank to mitigate nature-related risks within its portfolio.

Other Environmental risks: The bank has assessed materiality of environmental risks across the Group's Primary Risk Categories, by applying a specialized Qualitative Assessment for each category and also employing quantitative analysis. More specifically, the Bank has assessed the impact of other environmental risks on the loan portfolio, bonds and equities, through the link between sectors and impact areas (e.g., water, soil, biodiversity etc.) leveraging on UNEP FI Portfolio Impact Analysis Tool.

For most risk types (Market, Liquidity and Funding, Operational, Business and Strategic), the impact is immaterial based on the Group's business model, book structure and nature of exposures.

From an inherent risk perspective, environmental risks are considered to have a material impact, especially on the credit risk of loan portfolio. However, the level of residual risk is expected to be immaterial considering the dedicated processes to identify, monitor and mitigate risks associated with environmental (other than climate) factors in credit origination. These processes include the exclusion list in terms of financed activities which takes into consideration environmental and social factors, the ESMS Process and Questionnaire which performs an initial screening of customers' behavior towards environmental & social matters through a dedicated questionnaire and the Interbank Questionnaire which will allow the Bank to assess, in quantitative terms, the performance of its obligors across all material environmental, social & governance risk factors.

The outcome of the materiality assessment for environmental risks applies to all time horizons. The Bank is monitoring closely the fast-developing regulations and policies in this already strictly regulated area and will re-assess materiality especially for longer-term horizon.

Risk Appetite Framework

Piraeus Group has taken steps in order to incorporate environmental and climate related risks into its RAF through both qualitative and quantitative statements, while it is committed to regularly review and assess for potential updates/enhancements.

More specifically, the Group is committed to integrate the risks associated with climate and ESG factors into its business strategy and to assume initiatives over and above legal obligations with the aim of enhancing social welfare and contributing to a net-zero economy. Meeting society's needs as expressed through the Sustainable Development Goals (SDGs) and the Paris Climate Agreement and adopting a responsible banking behavior are fundamental to Piraeus Group's strategy and fully resonate with its business model, its shared values of accountability, meritocracy, and transparency, and its aspiration to become net-zero by 2050. The Group, is also, committed to integrate the risks associated with climate and ESG factors at all relevant stages of the credit granting process.

The Group takes also into consideration climate-related and environmental risks and social standards at all relevant stages of the credit-granting process. It also recognizes that developing solutions and working with clients to steer them on a more sustainable path is of utmost priority for the Group's business strategy and practices.

The Group, in the context of the 2024 RAF has defined the following KRIs:

- Sustainable Finance (new disbursements): the proportion of sustainability-related new production over total new production amount.
- Exposures to EU Taxonomy-alligned activities: the proportion of the Group's exposures to Taxonomy-alligned activities over total assets.
- Exposure to High Transition Risk Sectors: The ratio of the total exposures of borrowers in Group's high-risk sectors in terms of transition risk (as defined by the Group's internal classification methodology) excluding green, sustainable and sustainable-linked exposures over the total exposures of business loans.

Where applicable, risk appetite indicators are cascaded further down to segment/business line level. For example, the Sustainable Finance indicator that the Bank included in the RAF is also monitored at segment level (Business Segments: Retail, Individuals, Small Business, Large Corporates, SMEs & Agricultural and Shipping), also noting that the construction of this indicator is based on even more granular data, at the management unit/portfolio level. Moreover at segment level, the Group also monitors the percentage of exposures with actual Energy Performance Certificate (EPC) information (Mortgages (Stock), Corporates and Own – used assets), the reduction in Financed Emissions (Scope 3 - cat.15) of Corporate portfolio, percentage of insured CRE collaterals in high physical risk NUTS3 level regions (new production), percentage of own-used assets that are insured and have a disaster recovery plan in high physical risk NUTS3 level regions and amount of litigation ESG-related losses.

All KRIs are reported on a quarterly basis at Group level to the Risk Commitee, while the Group has also defined a risk appetite limit and an early warning level in order to facilitate the escalation process.

As calculation approaches and internal monitoring become more mature, the Group will further enhance its RAF with the introduction of additional indicators.

5.2.7. Policies and tools related to environmental risk management

The Group, through Project Proteus, has already identified the business functions across all Three Lines of Defense related to or affected by C&E risks and the respective policies in order to map any gaps and ensure that climate and ESG aspects are incorporated accordingly.

In this context, a thorough review of Group's key policies through a C&E lens has already been performed.

Environmental & Social Management System (ESMS) in business financing incorporated in Credit Policy

The Group's Credit Policy Manual, approved by the Executive Committee, has a dedicated section regarding ESMS incorporating environmental and social (E&C) criteria in line with international standards, in addition to traditional credit criteria.

The main objective of the ESMS is to identify and assess potential environmental and social impacts, in addition to the economic impact, of the lending activities to be used in the Group's credit assessment and approval process.

The Bank assesses the environmental and social risks of all new business financing through a robust and well-documented process. The assessment procedure requires that the process starts with the loan application and/or during the creditworthiness assessment. The Group carries out a holistic business approach for companies and proposed business plans, recognizing, assessing, and managing all relevant risks.

Piraeus Group has integrated the Climabiz climate risk results and ESMS evaluation system into the loan assessment. Also, the Group has incorporated C&E risks in credit decision-making through targeted amendments in the Bank's credit policy to differentiate treatment of obligors deemed to be high-risk from a Climate & Environmental perspective. Finally, the Bank has introduced a C&E controversy assessment process, to evaluate ESG controversies at the obligor level and has developed a dedicated questionnaire and respective process for the identification and assessment of such controversies, to mitigate reputation risk.

More information is provided in the following sub-sections.

Exclusion list

The Group has incorporated into its Credit Policy a list of business activities that are excluded from financing; environmental, social, reputational and litigation factors determine the exclusion list.

Environmental and Social factors: The Group does not provide credit facilities to companies operating in sectors included in the Exclusion List according to the ESMS, except for certain sectors (i.e. tobacco, alcohol) where the Group's cumulative exposure does not exceed 5% of the total loan portfolio. As part of the project Proteus, the Group enhanced its exclusion list, committing to:

- Zero new investments in new coal mines or/and expansion of existing mines
- Zero new investments in electricity production from coal
- Zero financing to customers with income from the production of electricity by burning coal, unless there is a diversification strategy with a transition plan to sustainable fuels and a commitment to a reliable, time-bound exit plan from the production of electricity by burning coal
- In addition, for activities within environmentally protected areas (e.g., Natura 2000 Network), rigorous due diligence is applied

Reputational and Litigation factors: The Group is particularly cautious in providing any type of credit facility to legal entities or individuals who are accused (based on reliable published information, reports, court cases) of environmental crime, money laundering, violation of human and labor rights, bribery, etc. In such cases, Bank officers must immediately inform the competent approval body and if necessary, the Group Compliance Officer.

ESMS Questionnaire

The Group, in the context of its ESMS policy and to proceed with an initial screening of its customers' behavior towards environmental and social matters, has produced a relevant questionnaire that requires information regarding customers' business activities. More specifically, the customers are invited to provide the below environmental information:

- significant accidents or incidents with significant environmental damage in the last two years
- fines or penalties for non-compliance with environmental regulations
- potential Health, Safety, & Environment (HSE) liabilities, such as those arising from land/groundwater contamination, related to the company's past/ongoing operations, or related to individuals or legal entities with dominant influence over the project/company from their past/ongoing operations

- location of the company/project (proximity) relative to environmentally sensitive areas

Transaction Assessment

The assessment is initiated by evaluating the client's activity sector vs. the Bank's exclusion list (as described above). If not in exclusion list, then the credit facility is categorized according to ESMS on a three point qualitative scale: High Risk Loans: loans of potentially significant environmental or social risks and/or impacts that are multidimensional, irreversible, or unprecedented and which usually affect an area broader than the sites or facilities.

Medium Risk Loans: loans of potentially significant environmental or social risks and/or impacts that are reversible and which do not usually affect an area broader than the sites or facilities.

Low Risk Loans: loans of minor or manageable environmental or social risks and/or impacts that are reversible with the implementation of the appropriate measures and which usually affect the sites or facilities.

During ESMS assessment, the Group assesses the background of the obligor and of the stakeholders concerning E&S aspects. The obligor submits a specific Questionnaire (described in detail below in sub-paragraph "ESMS Questionnaire"). Following that submission, the Bank checks the background of the obligor and its shareholders in relation to environmental and social violations, by leveraging all publicly accessible information to verify the obligor's data in the questionnaire. In Medium & High-risk facilities, specific data are collected regarding the obligor.

Controversy Assessment

The Bank has designed the approach for identifying obligors involved in controversial activities and has developed a dedicated questionnaire (in which specific questions act as triggers to identify Obligors with potentially controversial activities) and respective process for the identification and assessment of such controversies, to mitigate reputation risk (e.g., an interview is performed to understand the underlying events triggering the controversial activity and any mitigation actions planned, in progress or completed, while an assessment is performed to evaluate the importance of the incident and the effectiveness of the mitigation actions to prevent the reoccurrence of similar incidents).

Obligor Assessment

The Bank categorizes obligors into High, Moderate and Low risk, based on sector-level classification leveraging on the Climabiz tool. Obligors that migrate to credit quality levels for which additional credit policy actions are required are flagged as Moderate and High risk.

Taking into consideration the obligor and transaction assessment described above, the Group enhanced its credit assessment process, by setting the necessary control / mitigation mechanisms and linking the ESG assessment outcome with additional actions at an obligor or transactions level (e.g., mandatory action plan on C&E matters, pricing amendments, etc.).

In this context, the Group updated its Credit Policy Manual and its Loan Pricing Policy with the differentiated treatment on pricing.

Interbank ESGr Questionnaire

Further to the ESMS Questionnaire and process and considering the need for banks to obtain detailed and accurate ESG-related information from their counterparties, while avoiding unduly burdensome requirements, a collaborative initiative has been launched by Greek banks and introduced a common ESG Questionnaire that has been disseminated to counterparties in their corporate portfolios and is being leveraged by each bank for credit assessment purposes.

The construction of this common ESGr Questionnaire, along with a classification score, is an initiative of the Hellenic Bank Association (HBA), in partnership with six Greek banks. The initiative also includes the design and implementation of an IT platform to host the common questionnaires.

The Interbank ESG Questionnaire captures important environmental issues (physical and transition risks, pollution, waste disposal systems, etc.), social issues (human rights policies, labor practices, harassment, etc.) and governance issues. The content of the Interbank Questionnaire is aligned with relevant international standards, guidelines, and supervisory expectations, such as the ones included in the ECB's Guide on Climate-Related and Environmental Risks. Standardized ESG questionnaires that adopt internationally recognized standards, guidelines and best practices have been developed and are available at the so-called interbank platform "ESGr". Since 2023, relevant communication actions have initiated with the corporate clientele. Within this context companies operating in Greece, depending on their size and sector of activity, are called upon to respond promptly.

The advantages of standardized ESG questionnaires for companies are indicatively the following:

- Limitation of the volume of information required by companies
- Fully-fledged automated solution that accelerates the recording process, whilst at the same time ensuring correct completion and data protection

- Common approach for companies of the same size and industry
- Harmonization of the requested data with the provisions, among others, in the Directive (EU) 2022/2464 (Corporate Sustainability Reporting Directive – CSRD)

Along with the operationalization of the interbank questionnaires the Bank will be able to assess, in quantitative terms, the performance of its obligors across all material environmental, social & governance risk factors.

This joint initiative will facilitate, thanks to its convenience and the low costs it entails, the ESG transition of the Greek companies. The Greek banking system remains committed to support by all means the transition of companies towards a green and socially responsible operating model; thus promoting the sustainable development of the Greek economy, society and entrepreneurship.

Piraeus Group will further engage with its customers, requesting targeted action plans to remediate issues, mitigate ESG-related risks, and support their transition to low-carbon operations.

Climabiz tool

The assessment of climate risk for the business portfolio, including Large Corporates, Small & Medium-sized Enterprises, and Small Businesses, is based on the Group's internal proprietary tool ("Climabiz"). The climate risk assessment was conducted according to the latest available data.

The Climabiz tool assesses in quantitative terms the climate risk (both physical and transition) of the Bank's business borrowers (bottom-up approach), based on their turnover and the general operational and technical features of their respective fields of activity, for specific economic sectors considered to be most affected by climate change.

Given the variety of different characteristics among economic sectors, for the estimation of climate-related risks of the economic sectors included in the Climabiz Tool, we have constructed Typical Units (TU). The Typical Units are representations of a typical Greek company operating in a specific economic sector. They incorporate all basic representative features of a business from the specific sector. The climate risk for each Typical Unit is calculated in economic terms based on inputs (raw materials, energy) and outputs (products/services, greenhouse gas emissions). TUs are incorporating features including, inter alia, electricity consumption and GHG emissions per tonne of product. TUs are based on four-digit NACE Codes.

In the context of Climabiz, the Group measures both physical and transition risk and quantifies separately the financial impact from each. The quantification considers several factors (e.g., counterparty's economic sector, annual turnover, and location). The financial impact is then compared to the company's annual turnover in order to express it on a relative basis. More specifically:

The Total Physical Risk is estimated through the aggregation of chronic and acute risk impacts.

Transition Risk: Evaluation of the following:

- the borrower's Scope 1, 2, and 3 emissions and the costs deriving from carbon pricing
- the investments required for the borrower's green transition and the costs after the investments are made
- the ability of the borrower to pass on the costs to product prices and the impact on product demand

The Adjusted Transition risk is estimated by taking into account both emissions' cost and the sector/subsector's product elasticity and pass-through capability.

Scenarios assessed

The Representative Concentration Pathways (RCPs) describe different 21st-century pathways of greenhouse gas (GHG) emissions and atmospheric concentrations, air pollutant emissions and land use, adopted by the IPCC. RCPs usually refer to the portion of the concentration pathway extending up to 2100, Socio-economic Development, Scenarios, and Pathways.

The five Shared Socio-economic Pathways (SSP1 to SSP5) were designed to span a range of challenges to climate change mitigation and adaptation. For the assessment of climate impacts, risk and adaptation, the SSPs are used for future exposure, vulnerability and challenges to adaptation. Depending on levels of GHG mitigation, modelled emissions scenarios based on the SSPs can be consistent with low or high warming levels. There are many different mitigation strategies that could be consistent with different levels of global warming in 2100 The SSP scenarios cover a broader range of GHG and air pollutant futures than the RCPs. They are similar but not identical, with differences in concentration trajectories for different GHGs. The overall radiative forcing tends to be higher for the SSPs compared to the RCPs with the same label (medium confidence). The table below includes an aggregate view of the RCPs and SSP scenarios.

Scenarios and pathways across AR6 Working Group Reports		
Category Description	**GHG emissions scenarios (SSPx-y)[12] in Working Group I and Working Group II**	**RCPy[13] in Working Group I and Working Group II**
limit warming to 1.5°C (>50%) with no or limited overshoot[14]	Very low (SSP1-1.9)	
return warming to 1.5°C (>50%) after a high overshoot[14]		
limit warming to 2°C (>67%)	Low (SSP1-2.6)	RCP 2.6
limit warming to 2°C (>50%)		
limit warming to 2.5°C (>50%)		
limit warming to 3°C (>50%)	Intermediate (SSP2-4.5)	RCP 4.5
limit warming to 4°C (>50%)	High (SSP3-7.0)	
exceed warming of 4°C (>50%)	Very High (SSP5-8.5)	RCP 8.5

Table 3 : Description and relationship of scenarios and modelled pathways considered across AR6 Working Group reports (Source: IPCC CLIMATE CHANGE 2023 Synthesis Report: Summary for Policymakers)

The Climabiztool includes a set of RCPs and the very low emissions scenario SSP1 – 1.9, each of them offering a plausible and internally consistent description of the future:

- SSP1-1.9 this very low GHG emissions scenario, CO2 emissions reach net zero around 2050 and the best-estimate end-of-century warming is 1.4°C. It falls under the sustainability narrative of the "Shared Socioeconomic Pathways" (SSPs). According to this narrative the future world shifts toward a more sustainable path where consumption is oriented toward low material growth and energy intensity. SSP1-1.9 focuses on limiting radiative forcings in 2100 to 1.9 W/m2 and warming to below 1.5C in line with the goal of the Paris Agreement.
- RCP2.6 is a "very stringent" pathway and aims to keep global warming likely below 2°C by 2100
- The intermediate IPCC stabilization scenario RCP4.5, is more likely to result in a global temperature rise between 2 and 3 degrees °C by 2100
- The High emission pathway, RCP8.5, is generally taken as the basis for the worst-case scenario, with a global mean temperature rise that exceeds 4°C

The extreme scenarios SSP1-1.9 and RCP8.5 are generally used in impact studies, whereby the SSP1-1.9 is the most prudent scenario, while the second (RCP8.5) is the pessimistic scenario, i.e. highest baseline emissions scenario.

The RCP2.6 is in line with the objectives of the Paris Agreement.

The scenario RCP4.5 corresponds to the intermediate (concerning the other 2 RCP scenarios) of the evolution of emissions and concentrations of GHGs.

[12] SSP-based scenarios are referred to as SSPx-y, where 'SSPx' refers to the Shared Socioeconomic Pathway describing the socioeconomic trends underlying the scenarios, and 'y' refers to the level of radiative forcing (in watts per square metre, or W m-2) resulting from the scenario in the year 2100.

[13] RCP-based scenarios are referred to as RCPy, where 'y' refers to the level of radiative forcing (in watts per square metre, or W m-2) resulting from the scenario in the year 2100. The SSP scenarios cover a broader range of greenhouse gas and air pollutant futures than the RCPs. They are similar but not identical, with differences in concentration trajectories. The overall effective radiative forcing tends to be higher for the SSPs compared to the RCPs with the same label (medium confidence).

[14] Limited overshoot refers to exceeding 1.5°C global warming by up to about 0.1°C, high overshoot by 0.1°C-0.3°C, in both cases for up to several decades.

The Bank is focusing climate scenario analysis on the SSP1-1.9 and RCP8.5 scenarios for different time horizons, using the first as representative mostly for transition risk and the latter for physical risk.

The classification analysis for transition risk is based on the SSP1-1.9 climate scenario as it is considered the most stringent scenario regarding this type of risk.

- It is considered a carbon dioxide (CO2) emissions reduction scenario with the implementation of strong climate policies
- According to the IPCC, SSP1- 1.9 requires that anthropogenic carbon dioxide (CO2) emissions start declining by 2020 and go to zero by 2055. It also requires that methane emissions (CH4) by 2100 go to approximately one quarter of the CH4 levels of 2020, and that Sulphur dioxide (SO2) emissions decline to approximately 10% of those of 2020 levels
- SSP1- 1.9 requires 70% of the amount of CO_2 emissions taken up by land and ocean sinks
- Compared to 1850–1900, global surface temperature averaged over 2081–2100 is very likely to be higher by 1.0°C to 1.8°C under the very low GHG emissions scenario considered (SSP1-1.9)
- Here radiative forcing reaches 3.1 W/m2 before it returns to 1.9 W/m2 by 2100. In order to reach such forcing levels, ambitious greenhouse gas emissions reductions would be required over time

For the materiality assessment, the Group performed its climate risk (both physical and transition) analysis, using SSP1-1.9 for transition risk and RCP8.5 for physical risk. Going forward, any new RCPs will be closely monitored and utilized for materiality assessment purposes, as long as all necessary data at the country / regional level are available.

The main external data sources utilized for the aforementioned analysis are the following:

- Hellenic Statistical Authority,
- Eurostat,
- National Energy and Climate Plan,
- Network of Central Banks and Supervisors for Greening the Financial System (NGFS),
- Institute of Greek Tourism Confederation,
- Greek Payment Authority of Common Agricultural Policy

Geographic Information System (GIS) as a dynamic risk tool

GIS has emerged as a powerful risk assessment tool and is being used to assess risk to property and economic activities stemming from climate change and natural hazards. Its objective is the geospatial estimation of credit and operational risks of the Group's assets that are driven by physical C&E risks. With the ability to clearly visualize different types of data, the Group is enabled to uncover patterns, understand trends, monitor changes, and respond to events – facilitating risk translation and better decision making.

The Group cooperates with the Center for Research Technology Hellas (CERTH) Information Technologies Institute (ITI) which has developed and integrated in its GIS, an application for the analysis of bioclimatic indicators (regarding temperature, rainfall, relative humidity, wind speed and wildfire) and the estimation of credit and operational risks to support overall risk strategies and management.

Through this tool, the Group utilizes climatic data for three time periods – historical (1971-2000), near future (2031-2060), and far future (2071-2100) –for three different climate emission scenarios – RCP2.6, RCP4.5, and RCP8.5 – based on EURO-CORDEX climate models and de-escalation for regional granular analyses suitable for DSS applications.

GIS serves as a tool for assessing climate physical risks in geographical areas (with high level of granularity), allowing the Group to further investigate several extreme events, including floods, wildfires, heatwaves, drought, and landslides.

Financial, Technical, Environmental and Social Assessment

The Financial - Technical Assessment of Green and Environmental Projects (e.g., solar panels parks, wind farms, biogas projects, small hydroelectric, pyrolysis, self-generating and electrical storage systems, greenhouses using high efficiency CHP with zero carbon footprint, circular economy porjects etc.) is part of the Group's Credit Policy since 2013. The Group assesses new projects, scrutinizing the technology adopted, work components, infrastructure capacity and expected utilization rate, skills, and experience of the staff within the organization implementing the project, etc. The licensing process is monitored throughout the investment, as per national legislation and European standards. This assessment of project sustainability is also carried out at various stages of the project to ensure the continued and uninterrupted operation of the installed equipment and infrastructure, the expected utilization, and the relevant conditions and estimates set initially.

The ESMS procedure (part of the Group's Credit Policy since 2018) consists of an Environmental and Social Risk Assessment for business credit (new investments and existing corporate activities and facilities). This process is part of the ongoing efforts to deal with ESG Risks that have been identified as important in the Bank's Operational Risk

Management and Internal Control Policy. Also, Obligor's Reputational Risk is assessed according to information derived by the Obligor and potential findings (E&S) in publicly available information. Potential conclusions, Obligor's mitigation actions and expected progress are evaluated.

The Financial, Technical, Environmental and Social Assessment -a holistic risk review - aims to inform the loan origination process and to prevent any operational failures and risks, to the benefit and protection of both the customer/investor and Piraeus Group. In 2024, the Group carried out a total of 1,043 assessments, of which 285 were related to new RES projects.

Operational Risk Management Policy and System

Piraeus Group has already incorporated ESG Risks in its Operational Risk Management Policy.

Regarding Operational Risk, the transition risk drivers are primarily related to direct or indirect losses due to:

- liability claims resulting from both the Group's own activities and the Group's financing of environmentally controversial activities/clients, which do not match with the promoted level of sustainability or with the consumers' sentiments regarding climate issues
- reputational impact as a result of the public, counterparties, and/or investors associating the Group with adverse environmental impacts

The connection of Operational Risk with physical risk drivers is primarily related to direct or indirect losses due to damage to physical assets (e.g., buildings, branches, etc.) or to other critical infrastructure (e.g., data centers) of the Group or its service providers by extreme weather events, which could cause disruptions to the Group's operations.

To enable the discrete measurement, monitoring, and reporting of ESG related data (categorized in the existing Operational risk categories/typology), an ESG flag was introduced in the Operational Risk Management System, which allows the relevant data to be marked.

Climate Risk Scenario Analysis

As climate risks become increasingly relevant, the Group evaluates the potential negative impacts they could have on its business, utilizing various climate scenarios on key portfolios and activities. The Group assesses its vulnerabilities towards climate-related risks in the ICAAP, under both economic and normative perspectives, through targeted Climate Risk scenarios, following the key steps described below:

- Analysis of the type of climate risk driver to be focused on (i.e. physical / transition), in line with the ECB Guide on climate related and environmental risks
- Identification of the counterparties that may be exposed to it
- Design of scenario analysis exercise targeting specific sectors /portfolios, based on content and guidelines published by regulatory and other relevant authorities and internal assumptions
- Incorporation of additional shocks to account for the implied transition risk based on the EPC rating of the eligible collaterals
- Evaluation of C&E impacts on Business Risk with respect to sustainable financing
- Inclusion of C&E related Operational Risk losses

The risk assessment and quantification under the Economic Perspective analysis is based on the impact of C&E risks in internal required capital estimates of unexpected losses (at the 99.9% C.I.), leveraging the ICAAP calculations for Lending Risk (Quasi – IRB) and Operational Risk (VaR). Under the Normative Perspective, the Group has assessed the Credit Risk of its Business Lending Portfolio and the vulnerabilities of its collateral pool through a targeted scenario analysis exercise. Regarding the impact of ESG risks on Business & Strategic risk, the Group performed an analysis in the context of the normative perspective (under both adverse and severe adverse scenarios), to quantify the risk of obtaining a lower-than-expected market share in new sustainable financing and the corresponding impact on forgone interest income. With respect to the C&E-related reputational risk, the Group has concluded that the most material risk driver would be the potential occurrence of greenwashing. On these grounds, a greenwashing-themed scenario was developed and added to the list of the Bank's extreme scenarios for operational risk, which are fed into the LDA model that is used for the estimation of losses/capital requirements for Operational Risk under the normative and economic perspective respectively.

Furthermore, the ICAAP 2025 introduced an additional long-term scenario analysis component, that illustrated the evolution of specific macro-economic variables, namely GDP, Unemployment, Housing Prices Index along with a specific pathway for GVAs per NACE sector. The analysis was conducted under the following three scenarios and the time horizon for the scenarios stretched up to the year 2050, in order to quantify the climate impact on an extended time frame:

1. Net Zero: Governments implement stringent policies to reach global warming of 1.6ºC (before falling to 1.5ºC by 2100), achieving net zero CO_2 emissions in 2050. Aggressive carbon pricing coupled with technological investment supports a transition towards low-carbon energy. The squeeze from carbon taxes is offset by a boost to investment. Higher taxes cause significant inflationary pressures, but the investment drive and productivity benefits associated with lower temperatures help to reduce the impact on the economy. The fiscal cost is absorbed by carbon tax revenues and spare capacity in the economy is unaffected by green investment.
2. Delayed Transition: Governments delay efforts to limit global warming until 2030. Thereafter, aggressive climate policies are imposed, leading to substantial inflationary pressures and stranded assets. Energy efficiency and higher renewable capacity rollout is required to reach climate goals. Postponing action requires vast gains in energy efficiency. Green investment is sufficient to replace existing capital stock but does not improve productivity, leaving spare capacity unaffected. Given the delay, the tansition is incomplete and global warming reaches 1.7ºC in 2050.
3. Climate Catastrophe: Emissions continue to rise as countries fail to achieve climate goals. Expanding fossil fuel demand and government failure to meet NDC commitments lead to higher emissions than in the baseline. Based on the linear relationship between cumulative CO_2 emissions and temperature, global warming rises to 2.3ºC by 2050.

5.2.7.1. Availability, quality, and accuracy of environmental risk data

The Group acknowledges the challenges and limitations around data and IT infrastructure; nevertheless, the Group is committed to apply its data governance principles to the greatest possible extent and further develop and enhance its data infrastructure following the most recent regulatory requirements and market practices for C&E related data.

Additionally, the Group is committed to continuously enhance its processes and the availability of data and estimates, in order to improve reporting under the Taxonomy Regulation.

Two approaches have been adopted to successfully set-up Piraeus Group's data model and governance:

- a tactical approach (short-term) that uses proxies and third-party data where actual information is not available
- a strategic approach (medium-, long-term) that refers to further engagement with clients to capture actual data

As a supplementary approach for data collection, the Group examines the interbank database initiative (TEIRESIAS).

The Group continuously updates its key policies, procedures, and systems in order to incorporate the aforementioned data in Group's ecosystem. The requirement for more accurate data is anticipated to intensify in the future. The Group's goal is to limit its reliance on proxies over time and collect more granular data from clients.

The Group through its the governance practices set out in the Data Governance Framework supports the ESG initiatives by ensuring that the data is accurate, reliable, transparent, and secure.

The Group has laid down a dedicated ESG Data Strategy and has been embedding it in its overall data strategy, taking into consideration that ESG factors have now become an integral component of risk management and investment decision-making.

A Hub & Spoke operating model has been established, to improve how ESG data is managed and utilized within the Group. The Group Data Management & Analytics (GDM&A), acting as the "Hub", centralizes the collection, validation, and management of ESG data, based on standardized processes and systems. Meanwhile, the business units, the "Spokes", use this structured and clean ESG data to generate insights and drive strategic decision-making in their respective domains.

Naturally, data-related improvements are considered part of the business-as-usual ongoing improvements that the Group is pursuing, in particular around streamlining and automating data flows, from capturing information in the front systems to consolidating the relevant data in the Group's data warehouse and dedicated data marts, where applicable.

Carbon footprint Calculation Database (Ecotracker)

Piraeus Group, via the proprietary Carbon Footprint Calculation Data Base (Ecotracker), monitors the environmental impacts that derive from its operations (e.g., energy and water, expendables consumption, staff commuting). The above database works in combination with two other applications: the "Energy Office", which measures in real time through sensors the energy and water consumption in the branches of the Bank, and the "Bill Management" that feeds Ecotracker directly with energy data from power providers.

Through the Carbon Footprint Calculation Database (Ecotracker):

- the collection of data for calculating the Group's carbon footprint (Scope 1, Scope 2, and Scope 3 categories 1-14) is automated
- a more efficient process and cross checking of the environmental data is attained
- a more complete environmental reporting is achieved

A major benefit from the use of the Ecotracker is that the Group monitors and manages the implementation of environmental programs that ultimately result in a reduction of the Group's operational costs.

5.2.8. Next steps in environmental risk management

- Enhance Climabiz to further fine tune estimations of physical and transition risks for the Group's business portfolios
- Further engage with clients in order to collect actual data and reduce reliance on proxies
- Further development of scenario analysis capabilities and linkage with business strategy
- Operationalization of Sustainable Finance Framework

5.3. Social risk

5.3.1. Business strategy and processes

Piraeus Group operations and business behavior are guided by principles established by the United Nations, such as the Global Compact, the Principles for Responsible Banking, the Principles for Responsible Investment, and the Women's Empowerment Principles. These frameworks provide a reference source for identifying also social and governance risks that businesses may face.

Valuing its commitment to operate with responsibility and adhering to the "precautionary principle", the Group has established dedicated policies, procedures and monitoring mechanisms, in the areas of safeguarding human and labor rights, protecting the environment and fostering a corporate culture which promotes Accountability, Meritocracy and Transparency within its own operations and all its activities across its value chain. In this context, the Piraeus Group Sustainable Development Policy aims to support, promote, and finance with ESG criteria, and its purpose is to manage the material sustainability matters of the Group, i.e., to prevent, mitigate and remediate actual and potential material impacts, to address material risks and / or to pursue material opportunities.

Piraeus was actively involved in the development and adoption of the U.N. Principles for Responsible Banking and having acknowledged their importance, treats each group of stakeholders as important. Stakeholders' input regarding their views and interests constituted a key element for assessing material Impacts, Risks and Opportunities in relation to sustainability matters and in particular those related to the social aspect.

In this context, as part of its activities and operations, Piraeus has set up appropriate channels to encourage constructive dialogue, through its branch network and call center, the social media platforms it operates, the customer and/or employee satisfaction surveys, the customer complaints mechanism, the interaction with supervisory authorities, etc.

Piraeus Group's stakeholders include customers, human resources, supervisory and regulatory authorities, the investment community, society, culture, environmental and international organizations, official sector, regulatory authorities, non-governmental organizations (NGOs), suppliers, and the mass media.

These stakeholders are integral to Piraeus' operations, and the Group maintains systematic engagement to identify changes in the environment and better manage expectations, as well as to identify the material sustainability matters through the Double Materiality Assessment process. Feedback and outcomes from these engagements are systematically reviewed and integrated into Piraeus' business strategy, thereby ensuring its successful implementation and the adherence to its objectives. Piraeus presents the details of the Stakeholder Dialogue on its website and the Group's Sustainability Report, including the interaction methods, their expectations and how the Group addresses those expectations.

The Group's strategic priority is to accomplish its medium-term financial targets for the period 2025-2028, 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.

It is acknowledged that as part of the strategic plan the Group is continually striving to meet key stakeholders' expectations. With regards to material social topics, it seeks to adapt its practices to promote positive impacts and prevent the occurrence of negative ones. Furthermore, Piraeus enhances its customers' proposition with focus on innovation and accessible services across the geographies it operates, while preserving a culture of Accountability, Meritocracy and Transparency within the organization. Piraeus also supports local communities and vulnerable social groups, through its extended cultural and educational initiatives and the provision of products and services catering to the needs of groups with particular characteristics.

Overall, Piraeus remains vigilant of stakeholders input and how this could contribute to the adaptation of its strategy and business model with regards to material sustainability matters, aiming to preserve and enhance relationships of trust, in the areas that matter the most for its key stakeholders. As part of the governance system relevant to stakeholder engagement, the Audit Committee and the Board have been informed of the material sustainability matters in the context of the Double Materiality Assessment, through dedicated sessions.

In addition to many of the policies and processes highlighted in Section 5.2.1, the Group also prioritizes the following initiatives regarding social risk:

Actions for Social Impact and Positive change for the Wider Society and Supporting the New Generation

In line with the Sustainability Policy of the Group and its Corporate Responsibility Strategy, Piraeus has created the Equall program in Greece, aiming to eliminate social inequalities, discrimination, social exclusion, and gender bias experienced by women and other social groups, such as disabled people, vulnerable young people, children, students in remote areas of the country, and refugees. In addition, the program invests in empowering the younger generation with the necessary skills to achieve their personal and professional goals.

Equall initiatives are developed across the pillars of Gender Equality, Children Welfare, New Generation, Vulnerable Social Groups and focus on education, training, acquisition, and enhancement of skills, creating equal opportunities for all men and women to evolve, develop, and become self-sufficient in respectable and dignified conditions.

Equall Program | Gender Equality

Initiatives developed under the Gender Equality pillar aim at empowering women through training, skills acquisition, and upskilling. Psychosocial support is also offered to women, to maximize their prospects and achieve their personal goals. These initiatives also aim to contribute to the elimination of gender stereotypes and violence.

Gender Equality Initiatives and Actions

Initiative - Action	Description	Beneficiaries
Women Founders and Makers Aiming to strengthen female entrepreneurship	A training, mentoring, and networking program, created in collaboration with 100mentors, and addressed to all women across Greece over the age of 18, who have created or wish to create their own business within the next six months. The program consists of training modules aiming to develop the participants' cross-cutting skills, while also providing personalized mentoring and deeper insight both through their contact with experienced mentors and via GenAI tools.	**344**
Women Back to Work Aiming to support women (re)enter the labor market	A training, mentoring, and networking program, created in cooperation with 100mentors, aimed at all women over 18 years of age, who wish to return to the labour market. The program consists of training modules aiming to develop the participants' cross-cutting skills, while also providing personalized mentoring and deeper insight both through their contact with experienced mentors and via GenAI tools.	**344**
Women in Agriculture	A horizontal training, experiential learning, and networking program, created in cooperation with 100mentors, aimed at all women over	**118**

Gender Equality Initiatives and Actions		
Initiative - Action	**Description**	**Beneficiaries**
Aiming to strengthen women's rural entrepreneurship	18 years of age, who already are or intend to become professionally involved in the agricultural sector. The program consists of training modules aiming to cover subjects such as farm digitalization, entrepreneurship, and the transition to green agriculture, aiming to develop the participants' cross-cutting skills and providing personalized mentoring.	
Refugee Women Academy Aiming for vocational training and labour market integration for women refugees	Piraeus and the UNHCR in Greece have signed a Memorandum of Understanding, resulting in the creation of the Refugee Women Academy, to provide refugee women the opportunity to acquire knowledge and skills that will enhance their employment prospects and integration into society. The Academy's training program, developed in collaboration with Odyssea, covers a range of tourism-related specialties, such as Hotel Clerk and Kitchen Assistant.	**90**
Profession has no Gender Raising awareness on gender stereotypes among the new generation	An educational program addressed to students of public primary, middle, and high schools across Greece, connecting them with mentors who engage in professions that are stereotypically connected with gender. Through this initiative, Piraeus seeks to eliminate social stereotypes when opting for a profession, which are reproduced and limit young people's choices in their professional pursuits.	**3,037**
Piraeus Equall 360° For women entrepreneurs	Piraeus has created "Piraeus Equ**all** 360°", an all-inclusive offer of products and services, with special pricing and privileges, exclusively for women – led businesses, aiming to enhance women's equal access to entrepreneurship.	**893**
Total beneficiaries[15]		**4,826**

Number and amount of loans disbursed via the Equall 360° program	
Number and amount of loans disbursed via the Equall 360° program, to promote women entrepreneurship and community growth	
Number of loans disbursed via the Equ**all** 360°	**129**
Amount in € million of loans disbursed via the Equ**all** 360°	**€ 6.3**

Supporting the New Generation

Piraeus, partnering with ReGeneration, implemented another cycle of the Project Future corporate responsibility program. Project Future is addressed to university graduates up to 29 years of age, with 0 to 3 years of work experience and participation in non-academic activities. It provides free training and specialization in key areas of business and

[15] Beneficiary is considered the person who has attended at least one module of the training, mentoring or workshops, or has received other forms of support from the programme.

technology bridging the gap between the higher education and the labour market while bringing participants into contact with the ReGeneration network which counts over 2,000 partnered enterprises.

After applying to join the program, candidates are evaluated in two stages: a psychometric skills and personality testin the form of gamification, and mock interviews with Greek business executives. When these stages are successfully completed, their training begins, consisting of two parts:

The first part includes a 3-day training aimed at developing the soft and business skills of participants as well as important masterclasses. These courses focus on concepts such as digital transformation, AI and the metaverse, financial literacy, and negotiation and enable participants to grasp the impact of technologies on society and businesses, as well as the basic principles of financial planning.

In the second part training provided, participants specialize in key areas in line with existing market needs and requirements. After completing their training, participants' CVs become available to partnering companies for one year, via the ReGeneration platform. During 2024, 233 young men and women attended one of the specialised Project Future training courses.

In reference to Pillar 3 beneficiaries, there are various programmes about Gender Equality, Children Welfare, New Generation initiatives and Vulnerable social groups with a total benefit reaching 33K individuals by 2025.

Financial Health and Inclusion

Piraeus is committed to ensuring that its business practices align with the principles of inclusivity and non-discrimination, thereby supporting financial inclusion. There is a growing focus on financial inclusion and accessibility, as it becomes clearer that certain segments of society require additional banking support, particularly if they are vulnerable or face other challenges.

Since 2021, Piraeus has signed the UNEP-FI Commitment for Financial Health and Inclusion, in the context of the Principles for Responsible Banking. The purpose is to allow the most vulnerable, both individuals and businesses, to have opportunities to secure and maintain their standard of living and take steps to improve their financial health, such as long-term financial planning and access to credit and insurance.

Piraeus Bank was included in a report published in July 2023 by UNEP FI, among other 20 banks that had set targets to shift their portfolios to include vulnerable groups in their markets of operation, advance financial inclusion beyond basic banking products, and enhance the financial resilience and well-being of their customers. Specifically, Piraeus Bank announced its first target to provide at least 3,000 young farmers with effective access to loans, to start or continue their own farmer business and remain in rural areas. Farmers and the agricultural production are of high priority for Piraeus.

In the context of this commitment, Piraeus Bank has disbursed more than €140 million in funding to more than 5,000 young farmers in 2023 and 2024 in Greek rural areas. Funding enabled young farmers to benefit from competitive financing terms to address their specific needs. It covered investment plans (subsidized or not) and liquidity needs with a range of products and services that helped young farmers grow their farm business.

Piraeus also promotes banking literacy among its customers. This is achieved by explaining banking terms and facilitating access to its services, while ensuring and supporting the development of its employees on topics related to both customer service methods and sector-based expertise, thereby improving their ability to interact with clients.

Piraeus remains committed to expanding and refining its services to meet the diverse needs of all customers. More specifically, in 2024 the Bank continued to innovate with its e-branch model, extending banking hours, including Saturdays, to enhance customer convenience and reduce congestion at traditional branches. This model emphasizes inclusivity, offering vital support to vulnerable groups. The e-branches provide training for the elderly and those unfamiliar with technology, empowering them to use digital banking services confidently. Visually impaired individuals benefit from features like Braille signage and voice guidance systems, while those with hearing impairments receive assistance from staff trained in Greek Sign Language and have access to interactive touchscreens. Physically impaired customers enjoy easy access through ramps and spacious interiors, ensuring a comfortable banking experience.

Piraeus collaborates with disability associations to tailor its services, introducing innovations like smartphone voice commands and digital onboarding to facilitate remote access. The Bank also extends specialized support to deaf or hard-of-hearing customers through intuitive digital tools and to mentally impaired or neurodivergent individuals with personalized service in a private setting. The launch of a new branch model across all networks combines state-of-the-art self-service equipment and high-quality advisory services. In addition, these new branches incorporate technology that assists people with visual, hearing, mental and mobility disabilities.

Employees are trained to identify customers with disabilities and offer quality services, based on the personalized needs of those customers. In 2024, Piraeus expanded the Video Teller System (VTS) that was initially introduced at the e-branches, as this system offers accessibility services to the customers with visual, hearing and mobility impairments. At the end of 2024, 55 VTS machines were operational at the Branch Network.

Central to these efforts are the Equall initiatives, which focus on education, training, skill development, and creating equal opportunities for all individuals, including men, women, and the new generation, to grow and become self-sufficient under respectable and dignified conditions. The activities involve collaboration with non-governmental organizations, charities, and other stakeholders across Piraeus value chain. Equall initiatives are developed across the pillars of Gender Equality, Children Welfare, New Generation, Vulnerable Social Groups and focus on education, training, acquisition, and enhancement of skills, creating equal opportunities for all men and women to evolve, develop, and become self-sufficient in respectable and dignified conditions.

5.3.2. Employee relationships and labor standards

Piraeus Group adopts best workplace practices and fosters a responsible banking culture, thus contributing to the achievement of Sustainable Development Goals 4, 5, and 8. The Group offers equal opportunities in all its activities, respects and safeguards human and labor rights, acknowledges and respects diversity, and objects to any violation thereof. It implements equal opportunities processes when appointing executives, seeking the optimal utilization of its human resources. It continuously improves working conditions though policies and procedures in order to ensure equal opportunities regardless of gender, sexual orientation, age, religion, nationality, or physical ability, without any discrimination in the basic salary for men and women. The Group also implements reward systems, which encourage individual and collective contribution favoring performance, innovative initiatives, ethics, integrity, and exceptional professional conduct. The Group provides a safe, modern, and ergonomic work environment for its people. It is fully in line with legal requirements on workplace safety, which cover all its facilities. Apart from adhering to labor-related provisions, the Group gives employees and their family members access to occupational physicians, nurses, and support services, through internationally certified Employee Assistance Programs (EAPs). The Group has also established a 24-hour helpline and offers individual counselling sessions, while it also supports employees through emergency interventions in case of critical or unexpected traumatic events. In addition, employees are given the opportunity to be trained in a systemic way in order to deal effectively with everyday health and safety issues and receive first aid seminars. Moreover, the Group adheres to all legal provisions and those deriving from individual employment contracts and collective labor agreements, and it maintains an open communication channel with employees and their representatives in order to continuously improve the working environment.

5.3.3. Customer protection and product responsibility

The Group seeks to inform all customers promptly, clearly, and fully regarding the terms governing the provision of its services. Advertising aims to honest and transparent communication about the Group's products and services, without misleading the recipient. Regarding Customer Support and Customization, the Group cares for its customers' financial literacy and encourages them to implement sustainable practices. Furthermore, it develops initiatives to support all customers and regularly updates feedback on customer satisfaction.

Group IT Security & Control

The Group has developed an Information Security Strategy (including cyber security) as well as a comprehensive Information Assets Security Policy Framework which sets the principles for asset protection and data privacy. The Information Assets Security Policy Framework has been approved by the BoD which is responsible for its implementation.

To fulfill the security policies requirements, the compliance obligations, and the certification standards requirements and to maintain secure services and to protect the Group and its customers, Group IT Security & Control performs a series of scheduled and ad-hoc security assessments. Moreover, penetration tests and vulnerability assessments are conducted by both specialized Bank engineers and contracted independent external partners on the e-banking infrastructure, the Bank's and subsidiaries' (domestic and foreign) websites, on applications (including mobile applications), as well as on the Bank's servers and databases.

The Group has been re-certified according to the International PCI DSS (Payment Card Industry Data Security Standards) and ISO/IEC 27001 Standards by independent specialized audit companies. The above certifications provide the Bank's customers, shareholders, and partners with high levels of security and confidence.

A key objective of the Group Information Security Framework is to set the principles for the appropriate management of the user access rights within its network, servers, and business applications. Piraeus Group has implemented a Centralized Management System and User Access Control System (Identity & Access Management System) which is based on the Dual Control Principle, Least Privilege Principle, and Conflict of Interest Principle. Moreover, privileged users access the Group's network through a privileged access management solution using a two-factor authentication method, and their activities are logged and monitored.

Protection of personal data

The Group has also taken the measures required by the legal framework, having implemented appropriate technical and organizational measures and necessary safeguards for the lawful collection, processing, and retention of personal data. The Group commits to protect personal data against disclosure, loss, alteration, misuse, or any other unauthorized access.

The existing Data Privacy Policy defines the basic principles that must be observed regarding the processing of personal data, including the purpose for processing, lawful adherence, and the rights of data subjects and the exercise of these rights.

The procedures deriving from the Data Privacy Policy describe and guide all the necessary actions regarding the security and protection of personal data, the management of third parties as processors, the management of processing activity files, as well as the case of a personal data breach, and their implementation is required for all Business Units.

Piraeus Group participates in the Hellenic Bank Association Committee responsible for ensuring compliance of the Greek Banking System with the General Data Protection Regulation (GDPR). It follows that the Group applies the appropriate technical and organizational measures to ensure the protection and security of the personal data of its employees, customers, and associates/partners.

5.3.4. Social risk governance

Responsibilities of the Corporate bodies in the oversight of ESG risks and the role of management are similar for all the ESG dimensions, including Social, and are in analogy to what described in the corresponding paragraph of the Environmental risk section in the present chapter.

5.3.5. Policies and procedures related to social risk

Code of Conduct and Ethics

The revised Code of Conduct and Ethics, aligned with Environmental, Social, and Governance (ESG) criteria, underscores the commitment of creating sustainable development by incorporating human, social and environmental aspects in Piraeus activities. A unified approach guides the Group's interactions with customers, employees, shareholders, and society, positioning the Group as a pillar of stability for the Greek economy. Furthermore, Piraeus is committed to retaining and growing the largest base of primary corporate and retail customers, building customer loyalty and creating value. Key principles include transparent communication, handling complaints effectively, protecting personal data, and offering timely support. This way Piraeus goes the extra mile to engage with customers, ensuring they are treated with care and respect, leading to the creation of a relationship of trust.

Human Rights Policy

Piraeus Group is dedicated to responsible business practices, in line with its commitment to the UN Global Compact, the provisions included within the Sustainable Development Policy and the Code of Conduct and Ethics. Through its guiding principles, it aims to develop relationships of trust with Customers, transparency in transactions, and responsibility, by promoting ethical practices and a responsible banking culture, which are integral to its operations and interactions with consumers and end-users.

The Group seeks to build relationships of trust with customers by ensuring transparency in transactions and providing clear, honest communication about its products and services. This engagement is crucial for understanding and addressing the needs and expectations of consumers and end-users.

Piraeus Group has developed an integrated system of policies and processes designed to identify, minimize, and manage any material impacts on its customers and safeguard a seamless experience. Key components include policies to prioritize a trusted relationship, the Credit Policy, and the overall ESG risk assessment process. These elements form the foundation for identifying and managing any adverse environmental and social impacts through financing. Additionally, the whistleblowing policy establishes a secure system for reporting unethical and illegal behavior.

Piraeus Group prioritizes the prevention of potential negative effects and provides essential tools for identifying, mitigating, and addressing them. The organization has established dedicated engagement processes, detailed in the next sections, along with channels for grievances and their resolution. As a result, Piraeus's practices are generally in agreement with the fundamental principles of due diligence as set out by the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises .

Respect for human rights and the principle of equal opportunities govern all core HR-related policies, processes, and practices, ensuring diversity and inclusion in the workplace. All employees have access to the Human Rights Policy via the Group's internal communication channels.

The Group also adopted the principles of the UN Global Compact in 2004 for the defense of human rights, is committed to the Women's Empowerment Principles of the United Nation, and has signed the Principles for Responsible Banking, as already mentioned in these disclosures.

Diversity and Inclusion

In Piraeus, the representation of women over the total number of employees is over 58%, reflecting the results of the ongoing efforts to establish a diverse and inclusive workforce. To further strengthen the representation of women in senior management levels the Group undertakes initiatives for their professional development and to raise awareness across the Group. The goal is to ensure that there are female candidates for positions in senior and top management - where possible.

As a result, Piraeus established the "Empowering Women in Leadership" training initiatives in 2024 for women of high potential and managerial executives, separated in customized modular programs addressing the needs of each level:

- Women in senior management program, based on Coaching Physiology Neuroscience, Mindfulness, Journaling Guided Reflection and Self Assessments tests.
- Women talents program, developed through training sessions and the development of personal action plan.

The programs aim to create a more assertive attitude among female executives by building on specific characteristics such as self-awareness, emotional intelligence, and resilience, which are traits that the participants already possess as they are in senior and top management positions. The initiatives are committed to empowering women leaders by addressing their professional needs and aspirations, supporting them in exploring and strengthening their professional goals.

Policy & Procedure against Workplace Discrimination, Violence & Harassment

The policy against Workplace Discrimination, Violence & Harassment in the workplace, in combination with the existing policies and regulations of the Group – the Human Rights Policy, Employee Regulation, Code of Conduct and Ethics, as well as the management of inappropriate behavior issues through the whistle-blowing process – strengthens the range of tools and measures that the Group utilizes for the protection of its employees and the reinforcement of a work environment of respect and inclusion.

The policy clarifies the concepts of violence and harassment – verbal, physical, and psychological – and defines the behaviors related to forms of violence and harassment in the workplace. The policy also defines the channels of communication and clearly specifies the procedures, so that everyone knows how to report without concern for any consequences. In addition, a new Committee against Violence and Harassment has been established to evaluate the received named or anonymous reports and to decide on their reliability and investigation, as well as the possible undertaking of further actions by the Group.

Whistleblowing Procedure

Human Rights infringements (e.g., cases of harassment, intimidation/bullying, sexual misconduct) are addressed in the Group's Whistleblowing Procedure. Implementing an effective anti-retaliation framework for managing actual or suspected violation of the Code of Conduct and Ethics requires protecting the confidentiality or anonymity of employees who report concerns.

In this context, the Whistleblowing Committee is responsible for assessing and handling reports and for proposing any measures it deems necessary for the Group to undertake.

Grievances Mechanism

Piraeus Group has established a grievance mechanism to receive and facilitate resolution of stakeholders' concerns and grievances about environmental and social performance.

This grievance mechanism is crucial as it allows individuals and groups to express their complaints or disputes in a safe and effective manner.

Piraeus Group recognizes the importance of two-way communication between the Group and its stakeholders and endeavors to build long-term business relationships based on trust. A critical part of maintaining a strong business relationship involves the resolution of issues that may arise when failing to meet expectations or when settling out-of-court disputes.

The grievance mechanism addresses concerns promptly and effectively, using an understandable and transparent process that is culturally appropriate and readily accessible to all segments of the affected communities, at no cost and without retribution.

The Group's Grievances Policy established ensures compliance with the applicable legislation, both at the national and international level (Act of the Executive Committee of the Bank of Greece 157/1/2.4.2019 and Guidelines of the Joint Committee of the European Supervisory Authorities –EBA), the formation of a common culture among the staff in order to receive and manage complaints in a uniform manner, as well as the continuous improvement of the services provided through the feedback received from customers. The Complaints Management Policy is approved and adopted by the Board of Directors, which is responsible for its implementation, monitoring, and compliance. The "Customer Complaints Handling" Unit (C.H.O.) has been designated as the custodian of the Complaints Management Mechanism and the Complaints Officer Leader is responsible for its proper operation. It is noted that the certification of the Complaints Management Process based on the ISO 9001:2015 [16] & ISO 10002:2018 [17] standards is in progress, demonstrating in practice the commitment of the Management and employees to ensuring the provision of high-quality services to its customers. The effectiveness of the mechanism is monitored on a regular basis, with qualitative and quantitative KPIs, i.e., statistical data regarding the complaints submitted, which are presented to the Bank's Units and Management.

At the same time, the Group aims at improving its products/services and processes by following-up on the root causes of the submitted reports. The Grievance Mechanism is easy to use and provides customers with information about alternative dispute resolution mechanisms and real-time information on the progress of the complaint. The process operates on a common set of principles: equal treatment, immediacy, respect, objectivity, and transparency. When handling these complaints, the Group looks for a "fair" solution, safeguarding data protection and privacy. The written response by the appropriate service constitutes the Group's final position, which takes into account all processes and business decisions. In the case that the involved stakeholders are not satisfied with the outcome of their case, they are informed of the possibility of submitting their complaint to Alternative Dispute Resolution Agents.

Remuneration Policy

As described in Section 5.2.5, the Group has instituted a Remuneration Policy to ensure that employees are compensated in a way that supports a consistent standard of living and simultaneously maintains motivation. The Group Remuneration Policy is consistent with the corporate strategy, aiming to align the Group's interests with the interests of its stakeholders, creating value. The Remuneration Policy aims, inter alia, to:

- support a performance-driven culture, rewarding excellence and delivery of ESG goals, and
- embrace equal pay policy for male and female employees for equal work or work of equal value, supporting a culture of fairness.

The principles and provisions of the Remuneration Policy apply to all employees, varying according to their level or responsibility, including those whose professional activities have a material impact on the Group's risk profile. The Remuneration Committee of the BoD provides its support and advice on the design of the Remuneration Policy, to ensure that the principles of remuneration to support also in equal treatment of employees, without bias on gender, age, nationality, disability, or any other factor not related to performance.

The Performance Reward considers the promotion of risk-related objectives on ESG considerations, corporate values, and risk culture, as well as the adoption of a gender-neutral approach.

The Group has developed a gender-neutral fixed remuneration framework, which links the salary structure to:

- level of seniority, as determined by the performance appraisal

[16] Quality management systems — Requirements

[17] Quality management — Customer satisfaction — Guidelines for complaints handling in organizations

- market pricing using external market data and surveys
- individual skillsets and experience
- value recognition for employee performance and for contribution to business goals

Detailed information about the remuneration policy is provided in Section 11 of Pillar 3 .

Counterparties' assessment through the ESMS process

The counterparties' assessment through the ESMS process and questionnaire is fully embedded in the Group Credit Policy, with approval and oversight by the Group Executive Committee.

The assessment focuses on, inter alia, social aspects, such as, money laundering, violation of human and labor rights, bribery, etc. In such cases, Bank officers must immediately inform the competent approval body and, if necessary, the Group Compliance Officer.

As a next step, upon the completion of customers' assessment, the Group will require the engagement of its customers to mitigate and reduce socially harmful activities with targeted action plans.

The Group does not provide credit facilities to companies operating in sectors included in the Exclusion List according to the ESMS, except for certain sectors (i.e., tobacco, alcohol) where the Group's cumulative exposure does not exceed 5% of the total loan portfolio. As part of the Project Proteus, the Group enhanced its exclusion list, committing to:

- Zero new investments in new coal mines or/and expansion of existing mines
- Zero new investments in electricity production from coal
- Zero financing to customers with income from the production of electricity by burning coal, unless there is a diversification strategy with a transition plan to sustainable fuels and a commitment to a reliable, time-bound exit plan from the production of electricity by burning coal
- In addition, for activities within environmentally protected areas (e.g., Natura 2000 Network), rigorous due diligence is applied.

The Policy is prepared by Group Credit. It is approved by the BoD with the consensus of Group Risk Management and the Group Executive Committee, and it is updated on a regular basis. The policy's provisions address climate related impacts through dedicated due diligence procedures, and act as a tool to prevent, mitigate and manage risks that may arise from negative exposure through Piraeus existing and new borrowers. A dedicated role, the ESMS officer was established within Piraeus Bank S.A., who is responsible for the performance of the relevant due diligence procedures. The overall accountability for the implementation of the Credit Policy within which the ESMS process is included falls under the Group Chief Credit Officer.

5.3.6. Social risk management

Social risks are addressed and managed through the policies, procedures, methodologies, and tools introduced in Section 5.3.4. Additional information specifically related to social risk management is provided in the sub-sections below.

ESMS incorporation in the Group Credit Policy

The main objective of the ESMS is to identify and assess, inter alia, the social impact of the lending activities to be used in the Group's new credit approval process. Specific parameters are integrated into the existing loan approval processes and in new business financing projects for the evaluation and management of the social risks of each project. With the implementation of the ESMS, social risks are integrated into the credit assessment, while the Group has also incorporated into its Credit Policy a list of business activities that are excluded from financing.

ESMS Questionnaire

Further to the information provided in Section 5.2.7 of this document, the ESMS Questionnaire also covers social aspects through the assessment of its customers' behavior towards social matters. Indicatively, the following social dimensions are taken into consideration for the customer assessment:

- fines/penalties due to child, illegal, or forced labor
- significant accidents or incidents in the last two years involving deaths or multiple serious injuries
- fines/penalties for non-compliance with labor regulations
- potential danger for areas of cultural or archaeological importance

- complaints/concerns from third parties (e.g., communities, NGOs)

Interbank ESG Questionnaire

Further to the information provided in Section 5.2.7 of this document, the Group participates in an interbank initiative conducted by the Hellenic Bank Association (HBA) in partnership with six Greek banks, to shape a common ESG Questionnaire along with a classification score, in order to incentivize credit institutions to enhance their credit assessment policies. The initiative also includes the design and implementation of an IT platform to host the common questionnaires. The ESG Questionnaire captures among others important environmental issues (physical and transition risks, pollution, waste disposal systems, etc.), social (human rights policies, labour practices, harassment, etc.) and governance issues, in alignment with the relevant international standards, guidelines and supervisory expectations, such as the ones included in ECB's Guide on Climate-Related and Environmental Risks.

Upon, the completion of customers' assessment (through ESMS and the interbank ESG Risk Assessment Questionnaires), the Group will engage more intensively with its customers, requesting targeted action plans to remediate issues and mitigate ESG-related risks and socially harmful activities.

Controversy Assessment

As already described in Section 5.2.7, the Bank has designed a method to identify obligors engaged in controversial activities and has developed a specialized questionnaire with specific questions that act as triggers to identify Obligors with potentially controversial activities. A corresponding evaluation process is also in place to mitigate reputation risk, including an interview to understand the underlying events triggering the controversial activities and to review any mitigation measures that are planned, in progress, or completed. In addition, an assessment is conducted to evaluate the importance of the incident and the effectiveness of the mitigation actions in averting future similar events.

Operational Risk Management Policy

Further to the information provided in Section 5.2.7 of this document, in order to enable the discrete measurement, monitoring, and reporting of ESG related data (categorized in the existing operational risk categories/typology), a flag was introduced in the Operational Risk Management System, which allows the relevant data to be marked.

5.4. Governance risk

The Group's sustainability governance has been significantly strengthened in recent years at both steering and execution levels, underpinning the decision to further integrate ESG criteria into the Group's overall business strategy.

The management of risks associated with governance is crucial in two respects: firstly, within the internal governance framework of the Piraeus Group, and secondly, in the evaluation conducted by the Group regarding the governance practices of Piraeus' counterparties.

Piraeus maximizes the value provided to stakeholders by promoting Accountability, Meritocracy and Transparency within its own operations and all its activities across its value chain.

Piraeus commits to the highest level of ethics and business conduct, in line with the applicable regulations and the overarching purpose and values included in the Code of Conduct and Ethics. It applies robust governance systems and a series of policies and procedures that ensure the creation of value for its clients, people, shareholders and society promoting ethical behaviors and respect to all stakeholders.

Piraeus has in place a sound governance system which ensures the adequate supervision of an organization's operational and strategic decisions taking into account inter alia the ethical principles that the Group commits to ensure across its activities. In this context, the Board of Directors is the body overall accountable for the supervision of the organization supported by Committees dedicated to the matters related to business conduct.

The **Board of Directors** ensures that the Group operates in accordance with the applicable regulatory framework, internal regulations and policies and principles of corporate governance, the approved risk management strategy and the risk profile of the Group and provides the Management with all the necessary means to implement their duties. It supervises the Group's compliance with information and communication procedures, approves important corporate governance policies and other important policies of the Group and is responsible for the establishment of the Code of Conduct & Ethics, which governs all the Group's activities.

The **Audit Committee** ensures that the Group has established appropriate procedures and mechanisms for the management of named and anonymous reports and complaints (whistle blowing) and that those procedures include measures to protect the employees who make the reports on significant irregularities, omissions, or criminal offences that they become aware of.

In the context of its responsibilities the Audit Committee pre-approves and monitors the implementation of activities such as the Compliance Annual Action Plan, reviews the Annual Report of the Money Laundering Responsible Officer (MLRO) and in the case of modifications of the Group Compliance Policy and of the Code of Conduct and Ethics reviews the relevant updates.

5.4.1. Policies and Risk Management

Piraeus establishes, develops, promotes and evaluates its corporate culture by implementing policies and procedures ensuring ethical behavior across its own operations and to the best extent possible across its value chain relationships. In this regard The Group maintains policies, mechanisms and procedures for identifying, reporting and investigating unlawful behavior.

Code of Conduct and Ethics

The Group's objective is to ensure that business ethics define all its activities, and that all activities are fully aligned with its values and principles. In this context, the Code of Conduct and Ethics is fully aligned with corporate values and presents how these values are transformed into desirable behaviors. It provides an outline of the applicable regulations, policies and procedures that must be followed by Piraeus associates, as well as the commitments and the way that decisions should be made in order to be in line with Piraeus Group purpose and values. The Board of Directors is responsible for the approval of the Code of Conduct & Ethics.

It applies to all Group's stakeholders and employees regardless of their level of responsibility, placing emphasis on the principles of responsibility, meritocracy, and transparency. The Code is available to all employees through internal communication channels and Piraeus Group's corporate site. Additionally, the Code is included in the documents that are to be read and signed by every new recruit in Piraeus Bank, ensuring adherence to the values and behaviors required by all employees.

The Code of Conduct and Ethics is in line with the current institutional and regulatory framework, environmental, social, and governance (ESG) principles and Group's updated policies and regulations. The updates of the Code of Conduct and Ethics are assigned to all employees, through the Piraeus.edu educational platform, to make sure they are aware of its content.

All Group Employees are obliged to follow the Group's Code of Conduct & Ethics and Policies, having the obligation to disclose any observed misconduct through the relevant communication channels for named and anonymous complaints (Whistle Blowing). The management of disclosures for non-compliance with the Code is performed by the group's designated bodies according to the established procedures (Whistleblowing Committee & Committee against Violence and Harassment) and may lead to disciplinary actions.

The Code of Conduct & Ethics is updated whenever required and at least every three years, while it is approved by Piraeus Group's Board of Directors. The Group HR in collaboration with the Internal Control Functions has the responsibility for its revision, taking into account the particular needs and characteristics of the organization at any given time, incorporating any changes in the legislative and regulatory framework.

Whistleblowing Policy

As already described, the Group has in place a Whistleblowing policy, as well as the relevant mechanisms and procedures for identifying, reporting, investigating and managing unlawful behavior or behavior in contradiction of its code of conduct or similar internal rules.

The Policy has been established in line with the regulatory framework, including the Law 4990/2022 regarding "Protection of persons reporting Union Law breaches", which transposes the Directive (EU) 2019/1937 of the European Parliament and of the Council into the Greek legislation.

Under the framework of the Policy, the Group employees have the obligation to disclose in good faith actual or potential serious irregularities, omissions or punishable acts, which come to their attention, concerning employees or executives of the Group. Additionally, the Group encourages and urges any associated third party to report any reprehensible behavior and incidents of illegal conduct, or even serious indications that the commission of such acts is imminent.

The Group is committed to protecting any person that makes a disclosure in good faith, from any retaliatory actions against their current position and their future professional development. Recognizing that there are employees who are reluctant to report or disclose suspected wrongdoing (Whistleblowing) in fear of possible retaliation, the Group has developed a framework, compliant with the provisions of Law 4990/2022 on the "Protection of persons reporting Union law breaches", which ensures that the Group is a safe environment that protects and encourages employees to make disclosures necessary to safeguard its employment framework.

Disclosures are made without promise of payment or any consideration, with the scope to embed the need to safeguard the image and assets of the Group and their shareholders and clients from irregularities performed by staff and executives which can affect the prestige and reputation.

The dedicated Whistleblowing Committee is responsible for the assessment of named or anonymous confidential reports made by employees or third parties regarding the Group. It is responsible for handling confidential reports made by employees or third parties and operates under the authorization of the Audit Committee, that ensures that the Group has established appropriate procedures and mechanisms for the management of named and anonymous reports and complaints. The Whistleblowing Committee is therefore the most senior level in Piraeus' organisation that is accountable for the implementation of the Whistleblowing Policy, while the BoD through the Audit Committee is responsible for ensuring the establishment of the framework of Whistleblowing. The structured process ensures that all claims are managed with the utmost confidentiality and seriousness, reinforcing the Group's commitment to ethical conduct and compliance with legal standards.

The Compliance monitors any changes in the relevant regulatory and legislative framework, updates in a timely manner all relevant documents, which ensures to maintain in a prominent and easily accessible place for all staff on the internal network Relevant e-learning sessions are assigned to all employees, through the Piraeus.edu educational platform.

The above framework is effective for Piraeus Financial Holdings and Piraeus Bank but also sets the principles and directions for all other Group Subsidiaries to have in place and implement their own policies, mechanisms and procedures, which must be aligned and not breach the directives provided within the Group. The Whistleblowing Policy and Framework are also referenced within the Code of Conduct and Ethics and the Policy for the Prevention and Compating of Incidents of Discrimination, Violence and Harassment in the Workplace. For more details on the latter please refer to section "3.1. S1 Own Workforce".

Beyond the procedures to follow-up on reports by whistleblowers in accordance with the applicable law transposing Directive (EU) 2019/1937, Piraeus investigates procedures on business conduct incidents, including incidents of corruption and bribery, promptly, independently and objectively.

Conflict of Interest

The Group provides a wide range of products and services including banking, investment and ancillary services, financial consulting services, specialized shareholders' registry services to domestic and/or foreign persons and insurance product mediation and distribution services. In the context of the Group's activities, conflicts of interest may arise either in providing a particular service or transaction, or on a recurring basis. Also, conflicts of interest may arise from external professional activities of employees (i.e., secondary activity outside the Group), or from transactions of the Group with its suppliers. In situations where conflicts of interest are likely to be detrimental to the interests of clients or the Group itself, the Group's main and principal objective is to identify and manage these situations in accordance with the provisions of the current regulatory framework.

In this regard, Piraeus maintains and implements policy and effective administrative procedures and control mechanisms to identify and manage existing and potential conflicts of interest. Through the relevant Policy, it provides guidance to the members of the Board of Directors, Managers and Employees on how conflicts of interest are defined, how they can be identified and what procedures should be followed when they take place to protect the clients' and the Group's interests. Specifically, the Group:

- Identifies and defines situations that constitute or may give rise to conflicts of interest which may involve a material risk of damage to the interests of its customers, including the sustainability-related preferences of the customers, business partners or of the Group itself;
- Develops and applies procedures and systems to prevent any conflict of interest that adversely affects the interests of its customers and business partners;
- Adopts appropriate procedures, mechanisms, and systems to manage these conflicts.

The Compliance monitors any changes in the relevant regulatory and legislative framework and updates in a timely manner all relevant documentation, which ensures maintaining in a prominent and easily accessible way the policies for all staff. All updates of the Conflict-of-interest Policy are approved by the Board of Directors.

The Policy applies to all Piraeus Group companies, while the Group Subsidiaries may have in place and apply their own policies, mechanisms and procedures, which must be aligned and not breach the directives provided within the Group. More specifically, Piraeus Bank has in place a separate Conflict of Interest Policy that also applies to its Group companies.

Anti-Bribery and Anti-Corruption

The Group has adopted a policy to prevent and deal with bribery, bribe-taking, and corruption incidents between its officials and any third party. The Group makes clear that such practices are completely unacceptable with regard to business integrity and damage its reputation and interests. It further declares that it takes the necessary measures to prevent bribery, bribery-taking and corruption between its staff, its executives and any third party, but also applies accountability to all parties involved, should they be identified.

Furthermore, the Group takes the necessary measures to prevent occurrences of bribery and corruption among staff, managers and any third parties by:

- Notifying of the adoption and application of a policy against bribery and development of appropriate procedures for its implementation
- Training all employees and managers for the recognition and avoidance of any such involvement in bribery or bribe-taking
- Encourages all employees and directors for the awareness and prompt reporting of any case in which bribery or bribe-taking is suspected within the administration of the Group, while ensuring that any confidential information is treated with due confidentiality and care through the implementation of the Whistleblowing Policy
- Undertakes immediate legal action against those involved in documented cases of bribery or bribe-taking
- Implements an outsourcing policy and procedures for third party agreements
- Implements a Transaction Transparency Policy

Areas most at risk in respect of corruption and bribery

Through its internal processes for identifying areas of potential risk for corruption and bribery Piraeus has identified activities where it could be argued that a higher risk of the occurrence of such cases exists. More specifically those activities include:

- Activities related to procurement of assets, services and other,
- Activities related to the sale of assets, including the realization of real estate assets;
- Lending activities, reinforced by additional checks in case of irregularities;
- Activities such as the management of customer accounts (e.g., management of Time Deposits)

Anti-bribery policy

The Group applies a dedicated anti-bribery policy that explicitly prohibits the provision of any incentive for the acceptance or rendering of bribery in any form. It also defines the customary gifts and hospitality that can be excluded, as well as the relevant communication channels for reporting suspicious cases. The Internal Audit Unit is responsible for addressing any relevant reports.

The Policy applies at a Group level and is accessible through Piraeus Group's internal communication channels and the Group's corporate site. The Compliance monitors any changes in the relevant regulatory and legislative framework and updates in a timely manner the relevant Policy. All updates of the Anti-bribery and Anti-corruption Policy are approved by the Board of Directors.

The prevention, detection and reporting of bribery is the responsibility of all employees and the Management of the Group. For the purposes of the foregoing, the Group has established appropriate communication channels for those reporting on cases of bribery, bribe-taking, corruption, and fraud or for any potential suspicion, with the utmost confidentiality to immediately inform the competent authority. The Whistleblowing Committee manages confidential reporting by staff on issues of bribery, bribe-taking, corruption, and fraud.

If there is any suspicion of bribery of an employee or manager of the Group, the Internal Audit must be informed immediately with diligence and with confidentiality to look into the matter. The Management will proceed to the necessary actions following Internal Audit's investigation in order to protect the reputation of the Group companies and officers.

Anti-Fraud

Piraeus Group considers Fraud Risk a significant risk for its operations, as fraud incidents can cause significant damage, not only in terms of direct financial losses, but also in terms of reputation, reliability, loss of morale, turnover reduction, and other indirect costs. It could also lead to regulatory penalties and restrictions, as well as to significant misallocation of resources required for the investigation and management of fraud incidents.

The Group aims at the continuous improvement of fraud risk management through the implementation and the ongoing development of an integrated and adequate fraud risk management framework. The fraud risk management framework, documented through the Anti-Fraud Policy as well as other various and specialized policies and processes, is part and fully aligned with the overall risk management framework of the Group. It covers the identification, assessment, mitigation, control, and monitoring of fraud risk, across all business activities and supporting functions of the Group's entities and ensures the diffusion of a common and comprehensible perception of management for this type of risk to all involved parties.

In this context, the Anti-Fraud Policy integrates and presents in a concise manner Group's fraud risk management framework, which more specifically includes:

- Group's risk appetite, attitude, and stance against fraud,
- key principles in relation to fraud risk management, intending to protect the Group's reputation and minimize potential losses,
- governance, roles and responsibilities regarding fraud risk management,
- related and specialized policies and procedures aiming at the effective prevention, detection, and response to fraud risk.

The Anti-Fraud Policy demonstrates and makes clear to all involved parties the Group's commitment to deal with fraud in the most appropriate manner and to communicate its fraud risk appetite, both to internal and external stakeholders in order to raise fraud risk awareness and eliminate the likelihood of fraud incidents occurrence.

The Policy refers to all Group's activities and to all members of staff, regardless of their role, level of responsibilities or tenure. In addition, it refers to all shareholders, consultants, associates, suppliers, contractors, customers, or other individual and/or legal entity that maintains a relationship with the Group.

The Anti-Fraud Policy updates are approved by the Group's Risk Committee.

Evaluation of the governance practices of Piraeus' counterparties

Piraeus Group analyzes the corporate governance performance of its customers and takes their management and governance practices into account in the client onboarding process. The identification, assessment and monitoring of customer risks and their operations are integrated into Piraeus Group's standard risk, compliance, and operations processes and tools. Decisions are based on internal information or, where appropriate, on information provided by reliable external providers.

Piraeus Group takes into account the corporate governance performance of its customers, analyzing their compliance in terms of management practices. In other words, disputes affecting customers are analyzed and taken into account as a qualitative variable, together with the rest of the internal risk management indicators that feed the risk appetite with each customer.

Amongst the key principles of the Group's Credit Policy, the following are related to corporate governance performance:

Know-Your-Customer

The Group initiates relationships and provides credit to customers through a robust Know Your Customer (KYC) process. In particular, for legal entities KYC includes the evaluation of the legal and ownership structure and the identification of Ultimate Beneficial Owners, among other governance-related aspects.

The Group's credit facilities must be provided to individuals or legal entities that not only abide to the labor and insurance legislation, but also whose ethics, reputation, or business legitimacy are beyond doubt.

The Group is particularly averse to providing any type of credit facility to legal entities or individuals who are accused (based on reliable published information, reports, court cases) of money laundering, violation of human and labor rights, bribery, etc.

Environmental Liability Principle

The Group supports financing legal entities or individuals that are active in sectors with environmental objectives (e.g., electricity production from RES, Green Banking) as well as legal entities that are environmentally responsible, in accordance with the Group's strategy for responsible utilization of natural resources.

Legitimacy Principle

All credit facilities provided by Piraeus Group must be in line with the rules and provisions of the Supervisory Authorities and the relevant legislation. The Group expects from its officers to respect and abide by the laws and regulations related to the legality of bank transactions and to refrain from engaging in any transaction that could either defy the principles restricting suspicious activities or that could facilitate the legalization of income from illegal activities.

Conflict of Interest

In order to avoid conflicts of interest, any member of any approval body cannot participate in the committee meeting to approve a credit request related to:

- any member or close relative or legal entity controlled by him/her or his/her close relative, or
- an immediate subordinate or supervisor, a close relative of an immediate subordinate or supervisor, or a legal entity controlled by the immediate subordinate or supervisor or their close relative.

Respectively, the relationship officers and credit officers cannot participate in the credit assessment and approval of their personal requests, of their close relatives, or of legal entities controlled by themselves or their close relatives.

A stricter approval process applies for credit financing to related parties, as defined by the relevant regulation as well as IAS 24, and to sensitive counterparties.

Borrower & Credit Facility Assessment

The risk involved in any credit facility depends on various factors, such as economic and market conditions and the borrower's financial status, while in the case of business financing, some additional factors exist regarding borrower's governance: its management, the type of activity (sector), and its legal type.

Credit Criteria – Assessment of legal entities

Among other financial criteria that are evaluated by the Group for the continuation of a credit relationship with companies, the Group also wishes and endeavors to maintain a credit relationship with companies having the following characteristics relevant to governance:

- positive market information (suppliers, competitors, customers, other banks)
- long-standing experience of the management team in the specific sector and excellent knowledge of their business activity
- absence of pending lawsuits or any final judgments regarding significant social and environmental issues
- prospects for a long and expanding relationship

Unauthorized credit facilities

The Group does not provide credit facilities to:

- Legal entities for which the criteria and conditions (according to the relevant legislation, regulations, and the Group's Compliance Policy) for the identification and recording of the Ultimate Beneficial Owners are not met
- Legal entities or individuals trading weapon systems
- Companies operating with unregistered or uninsured employees
- Companies operating within environmentally protected regions (e.g., Natura 2000 Network), where compliance with all legal and regulatory issues must be established
- Companies operating in sectors included in Group's Exclusion List according to the ESMS, except for Gambling, Casinos, and Equivalent Enterprises; Production/Trade in Alcoholic Beverages (except beer/wine); and Production/Trade in Tobacco. The Group's cumulative exposure in these particular sectors must not exceed 5% of total loan portfolio

Environmental and Social Criteria

The borrower's compliance with the relevant legislation is assessed as well as the environmental and social standards, as defined in the ESMS. Environmental and social risk derives from the negative impact of a company's operation in the environment (e.g., harm to air, water, soil, flora, fauna) or in the society (e.g., employees, customers, area residents etc.). Additionally, the company's and its shareholders' background (within ESMS framework) of social and environmental performance are considered. Relative covenants are included in loan contracts when deemed necessary according to ESMS policy.

Rating

Piraeus Group applies internal credit rating systems for most effective assessment of borrowers' creditworthiness. The rating is taken into account to determine the strategy (i.e., initiate, develop, maintain, or restrict the relationship), the collateral framework, and the pricing. The internal rating assigned to each corporate obligor includes a qualitative component, part of which relates to governance-related aspects and performance of the obligor.

Qualitative Criteria for the Evaluation of the Counterparty

In this context, the Group integrates a set of qualitative criteria for the evaluation of the obligor within its Credit Policy. The focus of these qualitative criteria is placed on the solvency and transactional behavior of the company and entities towards Piraeus Group and the relevant competition (i.e., evaluation of findings in the systems of TEIRESIAS). Furthermore, the Group takes into consideration the key characteristics of the obligors, such as the years of operation, the market position, the overall experience alongside the competence and the management efficiency, as well as the existence of succession. In addition, the quality, the ethics of the operators/administrators, and the good knowledge of the subject are also crucial factors that are considered. The Group also evaluates the market conditions, focusing on the competition, the conditions, and prospects of the industry and the general economic conditions that may jeopardize the entity's operations. The degree of dependence of the company in respect to its stakeholders and services (i.e., suppliers, customers, raw materials, products, and services), as well as the access to sources of capital raising and the declared intention of agencies to support the business are also assessed.

Additionally, the perspectives of the business, the personal property of entities/guarantors, and the equity participation, particularly in financing investment projects, are essential in the evaluation process of obligors. The relationship of the obligor with the Group (e.g., the number of years of cooperation) is of particular importance. Finally, the evaluation considers the environmental and social behavior of the company and entities, such as fines, litigation, and publications, in order to ensure that the company operates in a responsible and sustainable manner.

5.4.2. Next steps in governance risk management

Piraeus Group continues to develop and refine an ESG data and technology road map that balances tactical, short-term solutions with a strategic, long-term vision.

With regards to the latter, a joint initiative has been coordinated by Hellenic Bank Association, in partnership with other Greek banks, to assess ways to address the data collection challenges via the adoption of a common ESG Questionnaire that will be disseminated to counterparties in the banks' corporate portfolios and that will be leveraged by each bank for ESG assessment purposes. The scope of this common initiative is to capture, inter alia, ESG data governance information such as:

- policies related to the code of conduct, business ethics, and anti-bribery approaches
- accountability, reporting, and transparency
- corporate governance issues
- remuneration practices
- business ethics and anti-corruption
- ESG governance matters, focusing on the involvement of the management body in the oversight of environmental and social matters

Furthermore, the incorporation of the Corporate Sustainability Reporting Directive (CSRD) will introduce supplementary dimensions to consider in the Group's clients' governance risk assessment practices, as the Group's counterparties will be required to publicly disclose part of their internal policies. To this end, comprehensive information regarding ESG and further governance risk matters, will be available for a broader set of corporations. The European Sustainability Reporting Standards (ESRS) drafted by European Financial Reporting Advisory Group (EFRAG) outline how and what information and ESG metrics companies need to report to European regulators to comply with the CSRD, putting sustainability reporting on equal footing with financial reporting for the first time.

5.5. Quantitative disclosures on climate change transition risk and physical risk

Effective beginning December 2022, Commission Implementing Regulation (EU) 2022/2453 set forth the disclosure requirements for ESG risks. At present, these are primarily focused on the effects of climate change risks, specifically:

- **physical risk:** the risk of losses stemming from the impacts of the physical effects of climate and environmental factors on the Group's counterparties or invested assets, and

- **transition risk:** the risk of losses stemming from the impacts of the transition to a low carbon economy on the Group's counterparties or invested assets.

The Group has not reported the following quantitative template in these Disclosures for the reasons specified:

- **Banking book – Climate change transition risk: Exposures to top 20 carbon-intensive firms:** The Group confirms that it does not have any exposures toward the most carbon-intensive firms globally as at December 31st, 2024. The firms were determined based on the combined lists of the Carbon Majors Database (2016-2022) and Carbon Majors Database 2024. The first table shows information on the Group's loans and advances, debt securities, and equity instruments towards non-financial companies (NFCs) operating in sectors that significantly contribute to climate change and in carbon-related sectors. The table excludes items held for trading and non-trading positions in collective investment undertakings.

Approach for identifying exposure to companies excluded from EU Paris-aligned Benchmarks

The Group proceeded with the identification of exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 of Climate Benchmark Standards Regulation (Commission Delegated Regulation (EU) 2020/1818). Specifically, these cases concern companies with:

- 1% or more of their revenues derived from exploration, mining, extraction, distribution, or refining of hard coal and lignite.

- 10% or more of their revenues derived from the exploration, extraction, distribution, or refining of oil fuels.

- 50% or more of their revenues derived from the exploration, extraction, manufacturing, or distribution of gaseous fuels.

- 50% or more of their revenues derived from electricity generation with a greenhouse gas (GHG) emission intensity of more than 100 g CO_2 equivalent/kWh.

The application of the above criteria was conducted by analyzing the counterparties' economic activities and in close consultation with the business units and centers that manage the relationship with the clients.

Approaches used for estimating the financed emissions

The scope 1, 2, and 3 financed emissions attributed to the exposures of the Group for the table perimeter have been estimated based on the Partnership for Carbon Accounting Financials (PCAF) methodology. The analysis has been performed on a population of 49,325 counterparties in EU and non-EU countries. The methodology comprises two main steps: first the determination of the scope 1, 2, and 3 emissions of the counterparties and then their attribution to the Group's financed activities.

Due to data availability, different methodological approaches were applied to estimate the scope 1, 2, and 3 emissions of the Group's counterparties, namely:

- Method 1: Published emissions were used, where verified or unverified emissions were collected from the counterparty directly (e.g. through the company's sustainability report) or indirectly via verified third-party data providers (e.g. Carbon Disclosure Project (CDP), EU-ETS Registry, Thetis database). Particularly for the sector H.50 (maritime transport) the Thetis database was utilized, through which each counterparty was linked with its owned vessels based on the respective IMO.

- Method 2: GHG emissions were calculated based on primary physical activity data collected from the borrower, applying appropriate emission factors issued or approved by a credible independent body. The method has been implemented only for sector D.35.11 regarding power generation companies using renewables. The emissions of all counterparties in D.35.11 that use fossil fuels were estimated under Method 1.

- Method 3: GHG emissions were calculated based on economic activity data of the counterparty in question (e.g. total revenues or total assets) and appropriate emission factors expressed per economic activity (e.g., tonnes of CO_2 equivalent per million EUR output of the corresponding sector). To this end, a multiregional input-output analysis was implemented for estimating emission factors per economic activity by utilizing the set of Input-Output tables published by Organization for Economic Cooperation and Development (OECD).

While Methods 1 and 2 are based on company-specific reported emissions or energy data provided by the borrower or third-party data providers, Method 3 is based on total output in monetary terms and region-and sector-specific average emission factors, estimated using public data sources such as statistics or data from other third-party providers. Methods 1 and 2 are preferred over Method 3 from a data quality perspective and provide a more accurate emissions view. For Piraeus Group, the use of Method 1 (and Method 2 for D.35.11) was a priority for calculating the scope 1, 2, and 3 emissions of its counterparties. Consequently, Method 3 was used in cases where no information was available for estimating the counterparties emissions through the other two methods.

Table 32: EU ESG Template 1 Banking book - Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity																
		a	b	d	e	f	g	h	i	j	k	l	m	n	o	p
	2024 (€ mn) Sector/Subsector	Gross carrying amount				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			GHG financed emissions (scope 1, scope 2, and scope 3 emissions of the counterparty) (in tons of CO_2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	Gross carrying amount				Average weighted maturity (years)
			Of which exposures towards companies excluded from EU Paris-aligned Benchmarks	Of which stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures		Of which Scope 3 financed emissions		≤ 5 years	> 5 years ≤ 10 years	> 10 years ≤ 20 years	> 20 years	
1	**Exposures towards sectors that highly contribute to climate change***	**20,897**	**843**	**927**	**808**	**-453**	**-25**	**-408**	**16,218,401**	**11,345,027**	**14.4%**	**11,464**	**5,258**	**3,123**	**1,052**	**6.4**
2	A - Agriculture, forestry and fishing	398	0	32	131	-94	-3	-90	543,357	250,556	6.0%	350	37	11	0	2.8
3	B - Mining and quarrying	180	0	8	3	-3	0	-2	8,165	2,639	0.0%	26	154	0	0	7.2
4	B.05 - Mining of coal and lignite	0	0	0	0	0	0	0	53	5	0.0%	0	0	0	0	0.2
5	B.06 - Extraction of crude petroleum and natural gas	0	0	0	0	0	0	0	1	0	0.0%	0	0	0	0	2.0
6	B.07 - Mining of metal ores	154	0	0	0	0	0	0	5,330	68	0.0%	6	149	0	0	7.8
7	B.08 - Other mining and quarrying	26	0	8	3	-3	0	-2	2,740	2,543	0.0%	20	6	0	0	3.6
8	B.09 - Mining support service activities	0	0	0	0	0	0	0	41	23	0.0%	0	0	0	0	2.1

Table 32: EU ESG Template 1 Banking book - Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity

	2024 (€ mn) Sector/Subsector	a	b	d	e	f	g	h	i	j	k	l	m	n	o	p
		Gross carrying amount				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			GHG financed emissions (scope 1, scope 2, and scope 3 emissions of the counterparty) (in tons of CO_2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	Gross carrying amount				Average weighted maturity (years)
			Of which exposures towards companies excluded from EU Paris-aligned Benchmarks	Of which stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures		Of which Scope 3 financed emissions		≤ 5 years	> 5 years ≤ 10 years	> 10 years ≤ 20 years	> 20 years	
9	C - Manufacturing	3,790	99	160	249	-82	-7	-72	7,646,573	6,525,546	22.7%	2,914	796	71	9	3.5
10	C.10 - Manufacture of food products	1,350	0	44	178	-32	-2	-29	1,218,931	886,725	10.8%	1,051	286	13	0	3.2
11	C.11 - Manufacture of beverages	128	0	10	5	-2	0	-1	66,123	46,716	0.0%	99	18	11	0	3.9
12	C.12 - Manufacture of tobacco products	43	0	0	0	0	0	0	18,934	13,115	54.4%	43	0	0	0	1.3
13	C.13 - Manufacture of textiles	62	0	2	2	-1	0	-1	37,567	30,737	0.0%	58	4	0	0	2.6
14	C.14 - Manufacture of wearing apparel	40	0	5	4	-3	0	-3	23,173	18,698	0.0%	31	8	0	0	3.4
15	C.15 - Manufacture of leather and related products	4	0	0	3	-1	0	-1	992	811	0.0%	3	0	0	0	2.1
16	C.16 - Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw	32	0	2	15	-11	0	-11	13,873	12,900	0.0%	27	4	1	0	3.4

Table 32: EU ESG Template 1 Banking book - Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity

	2024 (€ mn)	a	b	d	e	f	g	h	i	j	k	l	m	n	o	p
	Sector/Subsector	Gross carrying amount				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			GHG financed emissions (scope 1, scope 2, and scope 3 emissions of the counterparty) (in tons of CO_2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	Gross carrying amount				Average weighted maturity (years)
			Of which exposures towards companies excluded from EU Paris-aligned Benchmarks	Of which stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures		Of which Scope 3 financed emissions		≤ 5 years	> 5 years ≤ 10 years	> 10 years ≤ 20 years	> 20 years	
	and plaiting materials															
17	C.17 - Manufacture of pulp, paper and paperboard	188	0	3	0	0	0	0	118,368	96,927	0.0%	119	63	5	0	4.4
18	C.18 - Printing and service activities related to printing	30	0	2	0	0	0	0	20,012	16,342	0.0%	26	3	0	0	2.8
19	C.19 - Manufacture of coke oven products	494	98	1	4	-2	0	-2	4,990,697	4,623,070	98.7%	443	51	0	0	3.4
20	C.20 - Production of chemicals	105	2	3	5	-1	0	-1	108,231	49,902	0.0%	84	17	4	0	3.9
21	C.21 - Manufacture of pharmaceutical preparations	296	0	1	0	0	0	0	84,021	64,022	0.0%	168	128	0	0	4.2
22	C.22 - Manufacture of rubber products	117	0	15	2	-2	0	-1	67,225	51,205	1.8%	88	25	1	4	4.1
23	C.23 - Manufacture of other non-metallic mineral products	173	0	19	12	-11	0	-10	237,628	79,474	46.4%	149	14	11	0	3.0

Table 32: EU ESG Template 1 Banking book - Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity																
		a	b	d	e	f	g	h	i	j	k	l	m	n	o	p
2024 (€ mn) Sector/Subsector		Gross carrying amount				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			GHG financed emissions (scope 1, scope 2, and scope 3 emissions of the counterparty) (in tons of CO_2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	Gross carrying amount				Average weighted maturity (years)
			Of which exposures towards companies excluded from EU Paris-aligned Benchmarks	Of which stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures		Of which Scope 3 financed emissions		≤ 5 years	> 5 years ≤ 10 years	> 10 years ≤ 20 years	> 20 years	
24	C.24 - Manufacture of basic metals	202	0	13	8	-4	0	-3	302,369	231,489	37.6%	124	75	3	0	3.9
25	C.25 - Manufacture of fabricated metal products, except machinery and equipment	181	0	21	7	-6	-1	-5	121,364	101,493	0.0%	116	63	2	0	4.6
26	C.26 - Manufacture of computer, electronic and optical products	37	0	0	1	-1	0	-1	26,091	23,947	0.0%	33	1	3	0	3.3
27	C.27 - Manufacture of electrical equipment	115	0	1	0	0	0	0	66,018	61,115	0.0%	96	5	15	0	3.6
28	C.28 - Manufacture of machinery and equipment n.e.c.	69	0	5	1	-2	-2	-1	38,351	36,350	30.3%	60	7	2	0	3.3
29	C.29 - Manufacture of motor vehicles, trailers and semi-trailers	12	0	0	0	0	0	0	8,193	7,147	0.0%	11	1	0	0	3.3

Table 32: EU ESG Template 1 Banking book - Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity

2024 (€ mn)		a	b	d	e	f	g	h	i	j	k	l	m	n	o	p
Sector/Subsector		Gross carrying amount				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			GHG financed emissions (scope 1, scope 2, and scope 3 emissions of the counterparty) (in tons of CO_2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	Gross carrying amount				Average weighted maturity (years)
			Of which exposures towards companies excluded from EU Paris-aligned Benchmarks	Of which stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures		Of which Scope 3 financed emissions		≤ 5 years	> 5 years ≤ 10 years	> 10 years ≤ 20 years	> 20 years	
30	C.30 - Manufacture of other transport equipment	10	0	1	0	0	0	0	11,450	11,062	0.0%	3	7	0	0	4.9
31	C.31 - Manufacture of furniture	29	0	5	1	-1	0	0	13,585	12,589	0.0%	18	11	0	0	4.4
32	C.32 - Other manufacturing	53	0	5	1	-1	0	-1	40,367	37,671	19.0%	50	1	1	0	2.9
33	C.33 - Repair and installation of machinery and equipment	22	0	2	1	0	0	0	13,010	12,039	0.0%	14	3	0	6	9.0
34	D - Electricity, gas, steam and air conditioning supply	3,345	641	27	14	-14	-1	-7	1,538,828	742,368	40.5%	1,111	755	1,275	204	9.9
35	D35.1 - Electric power generation, transmission and distribution	3,253	550	27	14	-14	-1	-7	1,530,182	735,943	38.5%	1,109	690	1,250	204	9.9
36	D35.11 - Production of electricity	2,843	550	25	14	-13	-1	-7	1,182,764	432,200	36.4%	954	571	1,181	137	10.0

Table 32: EU ESG Template 1 Banking book - Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity

	2024 (€ mn) Sector/Subsector	a	b	d	e	f	g	h	i	j	k	l	m	n	o	p
		Gross carrying amount				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			GHG financed emissions (scope 1, scope 2, and scope 3 emissions of the counterparty) (in tons of CO_2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	Gross carrying amount				Average weighted maturity (years)
			Of which exposures towards companies excluded from EU Paris-aligned Benchmarks	Of which stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures		Of which Scope 3 financed emissions		≤ 5 years	> 5 years ≤ 10 years	> 10 years ≤ 20 years	> 20 years	
37	D35.2 - Manufacture of gas; distribution of gaseous fuels through mains	91	91	0	0	0	0	0	8,600	6,388	98.4%	1	65	25	0	10.5
38	D35.3 - Steam and air conditioning supply	1	0	0	0	0	0	0	46	37	0.0%	1	0	0	0	2.5
39	E - Water supply; sewerage, waste management and remediation activities	41	1	0	0	0	0	0	103,265	10,967	0.0%	33	8	0	0	3.5
40	F - Construction	1,411	1	59	74	-45	-1	-42	688,267	633,835	6.0%	493	290	548	80	8.8
41	F.41 - Construction of buildings	405	0	55	42	-21	-1	-20	201,509	185,489	0.0%	211	160	24	10	5.1
42	F.42 - Civil engineering	897	0	2	13	-6	0	-5	373,402	344,002	9.7%	188	116	522	71	11.1
43	F.43 - Specialised construction activities	109	0	2	19	-17	0	-16	113,356	104,344	0.0%	94	14	1	0	3.1
44	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	3,137	100	166	126	-83	-8	-72	1,565,347	1,118,108	4.7%	2,584	491	60	1	3.4

Table 32: EU ESG Template 1 Banking book - Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity

	2024 (€ mn) Sector/Subsector	a	b	d	e	f	g	h	i	j	k	l	m	n	o	p
		Gross carrying amount				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			GHG financed emissions (scope 1, scope 2, and scope 3 emissions of the counterparty) (in tons of CO_2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	Gross carrying amount				Average weighted maturity (years)
			Of which exposures towards companies excluded from EU Paris-aligned Benchmarks	Of which stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures		Of which Scope 3 financed emissions		≤ 5 years	> 5 years ≤ 10 years	> 10 years ≤ 20 years	> 20 years	
45	H - Transportation and storage	4,765	0	119	90	-83	-1	-80	3,694,107	1,694,451	10.9%	2,834	1,005	299	627	7.0
46	H.49 - Land transport and transport via pipelines	156	0	2	3	-3	0	-2	192,010	42,749	0.0%	98	56	3	0	4.9
47	H.50 - Water transport	3,489	0	115	84	-79	-1	-77	3,007,776	1,200,272	6.4%	2,577	899	0	13	4.2
48	H.51 - Air transport	348	0	0	0	-1	0	0	299,312	289,367	97.1%	53	0	295	0	10.4
49	H.52 - Warehousing and support activities for transportation	769	0	1	3	-1	0	0	194,639	161,764	0.0%	104	50	1	614	18.4
50	H.53 - Postal and courier activities	2	0	0	0	0	0	0	370	299	0.0%	2	0	0	0	2.8
51	I - Accommodation and food service activities	2,768	0	318	62	-17	-4	-11	412,703	361,761	4.9%	802	1,299	608	59	7.4
52	L - Real estate activities	1,062	0	36	59	-32	-1	-31	17,789	4,796	0.0%	317	424	251	70	8.1
53	**Exposures towards sectors other than those that highly contribute to climate change***	**3,977**	**10**	**238**	**56**	**-42**	**-6**	**-26**				**2,369**	**1,068**	**390**	**149**	**5.9**

Table 32: EU ESG Template 1 Banking book - Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity																
		a	b	d	e	f	g	h	i	j	k	l	m	n	o	p
2024 (€ mn)		Gross carrying amount				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			GHG financed emissions (scope 1, scope 2, and scope 3 emissions of the counterparty) (in tons of CO_2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	Gross carrying amount				Average weighted maturity (years)
Sector/Subsector			Of which exposures towards companies excluded from EU Paris-aligned Benchmarks	Of which stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures		Of which Scope 3 financed emissions		≤ 5 years	> 5 years ≤ 10 years	> 10 years ≤ 20 years	> 20 years	
54	K - Financial and insurance activities	1,835	0	22	0	-7	-1	0				850	719	221	46	6.9
55	Exposures to other sectors (NACE codes J, M - U)	2,142	10	216	55	-35	-5	-26				1,519	350	169	103	5.1
56	**TOTAL**	**24,874**	**853**	**1,165**	**863**	**-496**	**-31**	**-434**	**16,218,401**	**11,345,027**	**14.4%**	**13,833**	**6,326**	**3,514**	**1,201**	**6.4**

Notes: * In accordance with the Commission delegated regulation EU) 2020/1818 supplementing regulation (EU) 2016/1011 as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks -Climate Benchmark Standards Regulation - Recital 6: Sectors listed in Sections A to H and Section L of Annex I to Regulation (EC) No 1893/2006

The next table shows information on the distribution of the Group's loans covered by real estate and of repossessed real estate collateral, by energy consumption and by Energy Performance Certificate (EPC)[18] label of the collateral. Only EPC eligible collaterals, categorized by location, are included in the table.

The Group's immovable property collaterals are located mainly in Greece, US, Germany and Serbia and a small fraction is located in Romania, Ukraine, Bulgaria and other EU and non-EU countries (including Collaterals and Repossessed Properties).

The gross carrying amount of exposures is grouped by energy consumption buckets (i.e. Energy Performance score in kWh/m²) considering both actual and estimated data, and by EPC label using only actual data derived from the collaterals' energy performance certificates.

In order to address the limited availability of energy performance related information for real estate properties that are recognized as collateral in its loan portfolios, and to allocate an Energy Performance (EP) score and EPC class to the eligible real estate properties, the Group applied the following approach:

Publicly available data sources (e.g. Hellenic Statistical Authority, Ministry of Energy) were examined; however, since the information was not available at the property level, but rather on more aggregate levels, it was not deemed appropriate.

Private data sources providers offer property level energy performance data in Greece. This level of data granularity supported the development of a statistical model to predict the EP score and EPC class of the Group's real estate collaterals. The Group's existing data and the acquired data from the external provider, which included properties that were on sale along with their energy performance features, were used for the development of this model based on key property characteristics (e.g. year of construction, surface, property usage, floor level, etc.).

The performance of the model was assessed, and an EP score and EPC class were assigned to all eligible immovable properties.

With regards to the Group's efforts towards the continuous improvement of its climate risk management practices, the Group has adopted a course of actions in order to increase the coverage of its immovable property collaterals with actual energy consumption and EPC label data, including:

1. Ongoing collection of EPCs and incorporation into the systems for all new disbursements, starting from early 2022.
2. The introduction of a procedure aiming to back-populate EPCs for mortgage collaterals from 2019 onwards.
3. Active participation in an interbank effort for the collection of actual EPC data for the Group's real estate collaterals from the national database (Ministry of Energy).

Through its banking products and services, Piraeus Group also contributes to the transition to a more efficient immovable property stock of its clients, while taking into consideration and following closely the updates concerning the revision of the Energy Performance of Buildings Directive (EPBD), which is expected to set higher standards with regard to energy performance of the EU building stock.

[18] Energy Performance Certificates (EPCs) were introduced by the Energy Performance of Buildings Directive (2010/31/EU) and the Energy Efficiency Directive (2012/27/EU), which promote policies that aim to raise the energy efficiency of the EU building stock.

Table 33 : EU ESG Template 2 Banking book - Climate change transition risk: Loans collateralized by immovable property - Energy efficiency of the collateral																	
	2024 (€ mn)	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		Total gross carrying amount amount															
			Level of energy efficiency (EP score in kWh/m² of collateral)						Level of energy efficiency (EPC label of collateral)							Without EPC label of collateral	
			0; ≤ 100	> 100; ≤ 200	> 200; ≤ 300	> 300; ≤ 400	> 400; ≤ 500	> 500	A	B	C	D	E	F	G		Of which level of energy efficiency (EP score in kWh/m² of collateral) estimated
1	**Total EU area**	**10,136**	**538**	**6,372**	**1,266**	**294**	**608**	**358**	**228**	**215**	**254**	**181**	**124**	**92**	**184**	**8,858**	**92%**
2	Of which Loans collateralised by commercial immovable property	3,978	151	2,609	474	35	300	45	60	127	120	12	2	5	12	3,639	90%
3	Of which Loans collateralised by residential immovable property	5,469	379	3,336	691	205	215	305	167	87	116	137	112	83	163	4,605	93%
4	Of which Collateral obtained by taking possession: residential and commercial immovable properties	689	8	426	101	53	93	8		1	17	32	10	5	9	615	100%
5	Of which Level of energy efficiency (EP score in kWh/m² of collateral) estimated	8,868	497	6,139	1,084	255	585	308								8,157	100%
6	**Total non-EU area**	**98**	**0**	**86**	**2**	**0**	**9**	**1**								**98**	**100%**

Table 33 : EU ESG Template 2 Banking book - Climate change transition risk: Loans collateralized by immovable property - Energy efficiency of the collateral																	
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
2024 (€ mn)		Total gross carrying amount amount															
			Level of energy efficiency (EP score in kWh/m² of collateral)						Level of energy efficiency (EPC label of collateral)							Without EPC label of collateral	
			0; ≤ 100	> 100; ≤ 200	> 200; ≤ 300	> 300; ≤ 400	> 400; ≤ 500	> 500	A	B	C	D	E	F	G		Of which level of energy efficiency (EP score in kWh/m² of collateral) estimated
7	Of which Loans collateralised by commercial immovable property	11	0	0	1		9									11	100%
8	Of which Loans collateralised by residential immovable property	83	0	82	0	0	0	0								83	100%
9	Of which Collateral obtained by taking possession: residential and commercial immovable properties	4		3	1		0	0								4	100%
10	Of which Level of energy efficiency (EP score in kWh/m² of collateral) estimated	98	0	86	2	0	9	1								98	100%

Approaches used for assessing alignment efforts with the objectives of the Paris Alignment

Piraeus Group pathway to net-zero emissions includes committing to the Science Based Targets Initiative (SBTi) and working at a near mid-term (reviewed and validated targets for year 2030). The Group's targets refer to asset classes that do not exactly align to the predefined sectors incorporated in Template 3 and IEA's Net Zero Emissions by 2050 Scenario.

Therefore the Template 3 was filled for selected sectors, for which either the Bank has already adopted emission reduction targets (i.e., power generation, CRE) in the context of SBTi, or the activities included are characterized by high GHG emission intensity (e.g. cement, maritime transport, etc.).

The Sectoral Decarbonization Approach is implemented in all sectors under consideration. Specifically, for each of these sectors, the GHG emissions intensity of the Group's portfolio was estimated for the reference year 2024 and then compared to the performance of the corresponding global sector in 2030, as derived by the IEA's Net Zero Roadmap: A Global Pathway to Keep the 1.5 °C Goal in Reach (2023 Update), in order to calculate the distance reported in column f. The sectoral GHG emission intensities of the Group's portfolio for the reference year were estimated by dividing the financed emissions calculated for each sector with the financed output (expressed in MWh, t of cement, square meters of buildings) of the corresponding sector.

The analysis includes the scope 1 and 2 emissions of the portfolios and the respective sectors (only the power generation sector is based on analysis of the scope 1 emissions).

For specific sectors (e.g., chemicals), Piraeus Group's clientele focuses on low energy-intensive activities that are not directly comparable to the production of primary chemical products, included in the above-mentioned IEA's report. For these sectors the Group did not estimate the distance between the GHG emissions intensity of the Bank's portfolio, and the performance of the corresponding sectors included in IEA's scenario.

For the first time in this submission, the Group estimated the GHG emissions intensity of its portfolio in the maritime sector as well as its alignment to IEA NZE2050 scenario, utilizing activity data and published emissions of its clientele included in the Thetis database.

The Group is in the process of collecting activity data (either directly from its clients or from specialized databases) in order to calculate the GHG emissions intensity of its portfolios in other priority sectors, namely oil and gas, aviation and iron and steel. This information will be available in the upcoming reporting periods.

For more information about Piraeus targets, please refer to 'SBTi emissions reduction targets' (https://www.piraeusholdings.gr/en/sustainable-banking/environment-and-society/environment/environmental-policy-principles/sbti).

Table 34: EU ESG Template 3 Banking book - Climate change transition risk: Alignment metrics

	a	b	c	d	e	f	g
Dec-24	Sector	NACE Sectors (a minima)	Portfolio gross carrying amount (Mn EUR)	Alignment metric	Year of reference	Distance to IEA NZE2050 in % ***	Target (year of reference + 3 years)
1	Power	D.35.11	2,603	*174 kg CO2e/MWH*	*2024*	*-6.7*	
2	Fossil fuel combustion						

Table 34: EU ESG Template 3 Banking book - Climate change transition risk: Alignment metrics							
	a	b	c	d	e	f	g
Dec-24	Sector	NACE Sectors (a minima)	Portfolio gross carrying amount (Mn EUR)	Alignment metric	Year of reference	Distance to IEA NZE2050 in % ***	Target (year of reference + 3 years)
3	Automotive						
4	Aviation						
5	Maritime transport	H.50	3,476	*8.2 g CO2e/tkm*	*2024*	*71*	
6	Cement, clinker and lime production	C.23.51	80	713 kg CO2e/t cement	2024	*52*	
7	Iron and steel, coke, and metal ore production						
8	Chemicals						
9	Non-residential buildings (CRE)	N/A	1,215	*44.6 kg CO2e/m2*	*2024*	*72*	

*** PiT distance to 2030 NZE2050 scenario in % (for each metric)

The next table shows information on exposures to chronic and acute climate-related hazards. Rows 1-9 and 13 include the Group's loans and advances, debt securities, and equity instruments towards NFCs, while rows 10-12 show the Group's loans covered by real estate and repossessed real estate collateral. The table excludes items held for trading and non-trading positions in collective investment undertakings.

The purpose of this table is to examine exposures in the banking book sensitive to chronic physical risks that arise from long-term shifts in climate patterns and acute physical risks that arise from increased severity and occurrence of extreme weather events. Chronic physical risks are defined as those that arise from progressive shifts in climate patterns, while acute physical risks are defined as those that occur from extreme weather events.

Since the Group's financed activities and collaterals are located mainly in Greece, the analysis for the assessment of the potential climate change physical risk is focused on the specific geographic area of Greece.

The information regards a breakdown by sector of economic activity (NACE Level 1 classification) and by geography of location of the activity of the counterparty or of the collateral for those geographical areas subject to climate change acute and chronic events. The first column of this template reports the gross carrying amount for each economic sector, with the subsequent columns examining the exposures sensitive to impact from climate change physical events in terms of residual maturity (by maturity bucket), sensitivity to chronic and acute climate change events, stage 2 exposures, non-performing exposures, etc.

Chronic physical climate risks for companies arise from the fact that the change of one or more climatic parameters affects their activity level and/or production cost. For example, in some economic sectors there is a direct impact as their activity level is a function of climatic parameters (e.g. the annual yield as well as the quality of agricultural products), while in other sectors there is an indirect impact (e.g. use of raw materials whose production level and consequently their supply cost is directly affected by climatic conditions).

The Group has already developed a methodological framework and tool to analyze and quantify the impacts of chronic climate change on its counterparties, as these risks may affect their ability to service their loans and consequently the Group's economic performance.

Specifically, the quantitative assessment of chronic physical climate risks was carried out on a NACE four-digit sectoral level and NUTS2 geographical level, while the assessment also accounted for variations within some sectors that significantly affect the impact of chronic events on the counterparties (e.g. type of products in agriculture, technologies and fuel used in industrial and power generation sectors, seasonality in hotels and accommodation). Chronic climate risks are estimated in monetary terms as the ratio of the increased production cost or the reduced output to the current turnover of a typical company in each sector and location.

For the analysis, a short- to mid-term horizon up to 2050 was used, as this period covers the repayment of existing loans provided by the Group, while after 2050 climatic and economic uncertainties are much higher. The reference period from 1970 to 2000 is selected as the historic climate. Physical impacts were estimated for three Representative Concentration Pathway (RCP) Scenarios, namely the low emissions SSP1 1.9 and RCP2.6 Scenario, the moderate RCP4.5 Scenario and the high emissions RCP8.5 Scenario, in order to assess all the possible evolutions of the global GHG emissions. For the assessment of the impact under future climatic conditions, climate data derived from nine climate simulations, developed under the EURO-CORDEX program with a horizontal spatial resolution of approximately 11x11 km, were used.

The quantitative assessment of physical climate risks in the various economic sectors was based on a variety of sectoral models, namely:

- Detailed simulation models through which the physical processes associated with an activity are represented and the influence of climatic parameters is quantitatively assessed (e.g. analytical agronomic models simulating the whole cultivation cycle).
- Statistical models developed on the basis of historical data, correlating the production level of an activity with several independent variables, which include one or more climatic parameters (e.g. regression models connecting the production volumes with one or more statistically significant climatic parameters).
- Mathematical models which estimate the production level of an economic activity as a function of climatic parameters (e.g. the way changes in wind speed or solar radiation affect the productivity of wind farms and photovoltaic units correspondingly).

The above models were applied to both historic and future climate, and the difference represents the net impact of climate change on the economic activity under consideration. The ratio of the net impact to the turnover of a typical enterprise of each sector represents the chronic physical climate risk. In the context of the present analysis, the exposures of the Group that are considered sensitive to Chronic Climate Change events have been estimated based on the results of the above methodology considering the period 2021-2030 and the high emissions scenario RCP8.5 and taking into account the economic sectors (at four-digit NACE code level) and geographic locations (at NUTS2 level) with a chronic physical climate risk greater than 0.2%.

The physical impact of chronic climate change on collateralized immovable properties and buildings refers mostly to energy use for heating and cooling. It also concerns sea level rise, which affects coastal properties. Other chronic climatic changes, such as variations in precipitation and wind, are not expected to significantly impact these properties. Impacts on energy use are estimated based on Heating Degree Days (HDD) and Cooling Degree Days (CDD) under the historic and future climate. On the assumption that the structural characteristics of buildings and the efficiency of cooling and heating installations remain stable, the percentage change of energy needs results in a proportional change of energy consumption for cooling and heating. However, as the increased energy needs for cooling due to higher temperatures during summer are counterbalanced by lower heating costs due to higher winter temperatures, the impact on collateralized immovable properties is considered negligible. At the same time, the expected sea level increase in Greece, even under the worst-case scenario RCP8.5 (Representative Concentration Pathway 8.5), will not exceed 0.1 meters until 2030 (compared to 1971-2000 average). This long-term change is likely to significantly impact coastal properties only in conjunction with storm surges and astronomical tides that cause coastal flooding. These impacts are specifically examined in the analysis of acute effects.

The analysis of the effects of the acute climate change events on the exposures in the banking book was done by examining to what extent these effects influence both the economic activities financed as well as the immovable properties used to collateralize these financings. The methodological approaches developed and applied to this end are briefly presented below.

Analysis of the impact on economic activities

The analysis of the acute effects of climate change on the economic activities of the counterparties financed by Piraeus Grou p was performed by considering six specific hazards, namely fluvial floods, landslides, wildfires, extreme heat, water scarcity, and coastal floods, thus covering the most important types of cl imate extremes that affect the Greek territory. In the context of this analysis, the exposures of the Piraeus Bank that are considered sensitive to Acute Climate Change events are based on a methodology considering the peri od 2031-2060 under the high emissions scenario RCP8.5. However, the results are not expected to differ significantly for the time horizon up to 2030. The developed and implemented methodological approach includes the following steps:

Step 1: Assessing the hazard related to climate acute events in different geographical regions in Greece

The assessment was done for each of the six aforementioned extreme phenomena at a postal code level of geographical analysis. It was based on both observed data and future projections derived by the Ministry of Environment and Energy and TU Delft, which were then used to classify the hazards attributed to each of the acute events on a five-level qualitative scale from 0 corresponding to a low hazard up to 4, which corresponds to a high-risk hazard.

The climate indices and the relevant data used for the assessment of each extreme event are the following:

- Flood depth is used for floods
- Humidity index > 40 is used for heatwaves
- Days with very high fire danger (FWI>50) is used for wildfires
- Dry days and dry spells are used for drought
- Total precipitation and number of wet days (>20mm) are used for landsli des

Step 2: Assessing the exposure related to climate acute events of each geographical regions in Greece

For the exposure, official datasets (National Observatory of Athens, European Commission, European Environment Agency, European Soil Data Centre, TU Delft) are used to calculate the area potentially affected by each extreme event at postal code level. Specifically:

- the flood return period is used for floods,
- the landslide susceptibility is used for landslides,
- the percentage of burnt areas, land use class and flame height are used for wildfires
- the land use class and population density are used for heatwaves and drought

A five-level scale is also used for exposure ranging from 0 (low exposure) up to 4 (high exposure).

Step 3: Assessing the vulnerability of the economic activities to the various climate acute events

Different economic sectors exhibit varying levels of vulnerability to acute events. For example, the agricultural sector is m ore vulnerable to various types of extreme phenomena, while on the other hand most industrial sectors are less affected. This step examines to what extent economic sectors at the two-digit NACE level could be affected by the hazards in question, regardless of their significance. A four-level rating scale was used to map the associated risks from negligible up to high, based on expert judgement as well as the results of the relevant assessments presented in the framework of the Regional Plans for Adaptation to Climate Change by the Greek Regional Authorities.

Step 4: Estimation of total risk score and classification

In this final step, the total risk score for each economic sector and each geographic region is estimated based on the follow ing approach.

For each postal code i, economic sector j and extreme event k a risk score $R_{i,j,k}$ is estimated based on the following equation:

$$R_{i,j,k} = H_{i,k} \times E_{i,k} \times V_{j,k} \text{ (Eq. 2)}$$

The score $R_{i,j,k}$ can take values from 0 to 48 since $H_{i,j,k}$={0,4}, $E_{i,j,k}$={0,4} and $V_{i,j,k}$={0,3}. For each sector and postal code a Total Risk score $T_{i,j}$ is calculated as the maximum value of all risk scores $R_{i,j,k}$ for acute events:

$$T_{i,j} = \max(R_{i,j,k}) \text{ (Eq. 3)}$$

Analysis of the impact on collateralized immovable properties

The analysis of the acute effects of climate change on the collateralized immovable properties is based on all previously mentioned specific hazards, except for hazards associated with extreme heat and water scarcity since those hazards are considered to have a negligible effect on buildings and other immovable prope rties. Therefore, the analysis includes **fluvial floods, landslides, wildfires and coastal floods**.

For this analysis the Bank leveraged on the online GIS platform that contains mapping applications consisting of multiple layers of geospatial data and sources such as: National Observatory of Athens, Ministry of Environment and Energy, European Commission, European Environment Agency, European Soil Data Centre, TU Delft. The geocoding methodology leveraged by the Bank utilizes modern technologies as these are described in the following steps:

1.Collection and Processing of Address Data: All building addresses were entered into a predefined template, ensuring data consistency and accuracy.

2.Use of Google APIs for Geocoding: Using the Google Maps APIs (Geocoding API), the recorded addresses were converted to geog raphic coordinates (latitude and longitude). The API offers reliable and detailed data, providing high accuracy.

3.Data Verification and Quality: The generated geographic coordinate data have been verified for both older constructed asset s and newly built ones. For the latter ones, precise coordinates are provided by the engineers who proceed with the estimate, while for the former ones, a comparison with internal databases w as conducted.

4.GIS Analysis: The geographic coordinates were integrated into GIS software (QGIS, GeoServer), allowing the mapping of the Bank's own-used assets and the creation of detailed reports on the geographical distribution

5.Compliance Assurance: The process was implemented in full compliance with the data protection policies and guidelines for t he use of Google APIs.

The general elements of the methodology applied for assessing the aforementioned examined climate risks are:

• The assessment of vulnerability for each climate risk is based on the assessment of sensitivity and exposure.

• Each parameter is calculated on a scale from 1-5 depending on the impact:

1: Low

2: Moderately Low

3: Moderate

4: Moderately High

5: High

•Depending on the risk category, specific parameters related to sensitivity or exposure are selected and mapped to a scale of 1-5.

•The final result is calculated using weighting factors for both the two main dimensions and the individual parameters.

•For the assessment of buildings, their characteristics are considered as parameters related to/affecting sensitivity and accordingly alter the calculations (e.g., year of construction, floor number etc.).

Table 35: EU ESG Template 5 Banking book - Climate change physical risk: Exposures subject to physical risk

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
	2024 (€ mn) Variable: Geographical area subject to climate change physical risk - acute and chronic events (Greece only)	Gross carrying amount													
			of which exposures sensitive to impact from climate change physical events												
			Breakdown by maturity bucket					of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact both from chronic and acute climate change events	Of which Stage 2 exposures	Of which non-performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
			<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity							of which Stage 2 exposures	Of which non-performing exposures
1	A - Agriculture, forestry and fishing	387	47	20	4		4.7	6	41	23	4	3	-2	0	-2
2	B - Mining and quarrying	180	2	3	0		6.7	0	5	0	0	0	0	0	0
3	C - Manufacturing	3,720	545	109	12	0	3.1	660	5	1	19	51	-22	-1	-21
4	D - Electricity, gas, steam and air conditioning supply	3,230	553	297	143	70	7.5	10	441	613	0	0	-2	0	0
5	E - Water supply; sewerage, waste management and remediation activities	41	2	1	0		4.1	0	3	0	0	0	0	0	0
6	F - Construction	1,376	59	4	33	0	6.0	0	96	0	22	15	-7	0	-6

Table 35: EU ESG Template 5 Banking book - Climate change physical risk: Exposures subject to physical risk

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
	2024 (€ mn) Variable: Geographical area subject to climate change physical risk - acute and chronic events (Greece only)	Gross carrying amount													
			of which exposures sensitive to impact from climate change physical events												
			Breakdown by maturity bucket					of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact both from chronic and acute climate change events	Of which Stage 2 exposures	Of which non-performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
			<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity							of which Stage 2 exposures	Of which non-performing exposures
7	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	3,120	0	0	0	0		0	0	0	0	0	0	0	0
8	H - Transportation and storage	1,519	0	0	0	0	9.9	0	0	0	0	0	0	0	0
9	L - Real estate activities	1,034	0	0	0	0		0	0	0	0	0	0	0	0
10	Loans collateralised by residential immovable property	6,091	75	86	218	215	15.6	0	593	0	139	22	-4	-2	-2
11	Loans collateralised by commercial immovable property	7,032	337	182	47	17	5.3	0	583	0	48	47	-27	-2	-24
12	Repossessed colalterals	1,508		82			7.0	0	82	0			5		
13	Other relevant sectors (breakdown below where relevant)														

In 2020, the European Parliament adopted the EU Taxonomy Regulation (EU Regulation 2020/852), setting out an EU-wide framework -a classification system- that allows investors and undertakings to determine whether certain economic activities are environmentally sustainable. On June 4th, 2021 the EC adopted the Commission Delegated Regulation (EU) 2021/2139, establishing the technical screening criteria for the climate change mitigation and climate change adaptation objectives, and on July 6th, 2021 the Commission Delegated Regulation (EU) 2021/2178 ("the Disclosures Delegated Act"), which supplements Article 8 of the Taxonomy Regulation and specifies the content, methodology and presentation of information to be disclosed by financial and non-financial undertakings concerning the proportion of environmentally sustainable economic activities in their business, investments or lending activities. On July 15th, 2022, a Complementary Climate Delegated Act was released, including, under strict conditions, specific nuclear and gas energy activities in the list of economic activities covered by the EU Taxonomy. Sequentially in November 2023, the Delegated Act for economic activities was published in the Official Journal contributing to the four environmental objectives for: sustainable use and protection of water, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems. Further amendments were incorporated to add economic activities to the list of those substantially contributing to the objectives of climate change mitigation and adaptation, and to clarify the reporting obligations for the additional four environmental objectives.

The EU Taxonomy is a cornerstone of the EU's sustainable finance framework and an important market transparency tool. It helps direct investments to the economic activities most needed to meet the European Green Deal objectives. The Taxonomy is a classification system that defines criteria for economic activities that are aligned with a net zero trajectory by 2050 and broader environmental goals over and above climate change.

A key indicator of alignment is the Green Asset Ratio ("GAR") which financial institutions must disclose from 2024 onwards. For a credit institution, GAR is defined as the proportion of its assets invested in Taxonomy-aligned economic activities over its total covered assets. An economic activity is considered as Taxonomy-aligned when it satisfies all three conditions below:

i) makes a substantial contribution to at least one of the six environmental objectives;

ii) avoids negative effects on the other five objectives (DNSH: "Do No Significant Harm"); and

iii) respects minimum social safeguards.

On the other hand, an economic activity is considered Taxonomy-eligible as long as it is described in the EU Taxonomy Regulation, regardless of whether it satisfies the above conditions.

The GAR is calculated based on the on-balance sheet exposures (total covered assets) according to the prudential scope of consolidation for the types of assets and accounting portfolios specified in the Disclosures Delegated Act. Credit institutions are required to disclose the aggregate GAR for on-balance sheet covered assets, a breakdown for the environmental objective pursued by environmentally sustainable assets, the type of counterparty, and the subset of transitional and enabling activities. The EU Taxonomy Regulation requires information for three categories of undertakings: financial and non-financial corporations subject to the Non-Financial Reporting Directive (NFRD), households and local governments.

The disclosure requirements commenced in 2021 and initially focused on Taxonomy eligibility and respective ratios. Starting from the financial year 2023 for financial institutions, the disclosures included information and respective KPIs on Taxonomy alignment, over and above eligibility.

For the financial year 2024 in the context of Pillar III disclosures, Piraeus reports information on the GAR KPIs for the environmental objectives of climate change mitigation and climate change adaptation. Information about the Taxonomy eligibility concerning the other environmental objectives, is included in the consolidated financial statements of the Group as of 31/12/2024.

EU Taxonomy alignment key metrics	31/12/2024	30/06/2024
1. GAR for credit institutions (total of climate change mitigation and climate change adaptation) (€ mn)	9	11
2. GAR for other financial undertakings (total of climate change mitigation and climate change adaptation) (€ mn)	27	64
3. GAR for non-financial undertakings (total of climate change mitigation and climate change adaptation) (€ mn)	1,093	863
4. GAR for loans collateralized by residential immovable properties (climate change mitigation) (€ mn)	66	54
5. GAR for building renovation loans (climate change mitigation) (€ mn)	51	55
6. GAR for motor vehicle loans (climate change mitigation) (€ mn)	0	0
7. GAR for loans to local governments for house financing and other specialized lending (€ mn)	0	0
8. GAR for collateral obtained by taking possession: residential and commercial immovable properties (climate change mitigation) (€ mn)	0	0
9. Total (€ mn)	1,246	1.047
10. GAR ratio (%)	2.6	2.3
Total covered assets (€ mn)	48,468	45,542
Group's total assets (€ mn)	80,044	76,626

It is noted that, under the applicable regulatory framework, exposures to counterparties not subject to the Non-Financial Reporting Directive (NFRD), including companies based outside the EU and most SMEs within the EU, are currently excluded from the numerator of GAR KPIs.

In line with the applicable regulatory framework, the Group followed an adequately conservative approach, refraining from recognizing Taxonomy alignment in cases where all regulatory requirements (including technical screening criteria and DNSH) were not fully met. In particular:

- For financings with unknown use of proceeds, the disclosures of the Group's clients subject to the NFRD were utilized to assess the eligibility & alignment of relevant exposures. Non-financial corporations were required to disclose KPIs, in terms of turnover, capital expenditure (CapEx), and operating expenses (OpEx), for the first time at the end of the 2022 fiscal year.

- For financings with known use of proceeds, alignment with the EU Taxonomy is assessed considering all the requirements established by the technical screening criteria of the EU Taxonomy regulation.

The Group's total Green Asset Ratio based on turnover constituted 2.6% of total covered assets as of 31/12/2024 vs 2.3% in 30 /06/2024. The ratio covers the two climate-related environmental objectives (mitigation and adaptation) of the EU Taxonomy.

The Group is committed to continuously improve its processes and enhance the availability of data and its frameworks and processes to upgrade its reporting scope according to the EU Taxonomy.

Table 36 : EU ESG Template 6 Summary of GAR KPIs

Dec-24		a	b	c	d
		KPI			% coverage (over total assets)*
		Climate change mitigation	Climate change adaptation	Total (Climate change mitigation + Climate change adaptation)	
1	GAR stock	2.57%	0.00%	2.57%	60.55%
2	GAR flow	8.39%	0.00%	8.39%	100.00%

* % of assets covered by the KPI over banks´ total assets

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
	Table 37: EU ESG Template 7 - Mitigating actions: Assets for the calculation of GAR																
	December 2024 (€mn)	Disclosure reference date T															
		Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)			
					Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which adaptation	Of which enabling			Of which specialised lending	Of which transitional/adaptation	Of which enabling
	GAR - Covered assets in both numerator and denominator																
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	15,933	8,449	1,246	888	64	30	11	0	0	0	0	8,461	1,246	888	64	30
2	Financial corporations	1,907	534	36	0	2	5	2	0	0	0	0	536	36	0	2	5
3	Credit institutions	1,386	206	9	0	1	1	2	0	0	0	0	209	9	0	1	1
4	Loans and advances	33	6	0	0	0	0	0	0	0	0	0	6	0	0	0	0
5	Debt securities, including UoP	1,353	200	9	0	1	0	2	0	0	0	0	203	9	0	1	0
6	Equity instruments	0	0	0		0	0	0	0		0	0	0	0		0	0
7	Other financial corporations	522	327	27	0	1	4	0	0	0	0	0	327	27	0	1	4
8	of which investment firms	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Table 37: EU ESG Template 7 - Mitigating actions: Assets for the calculation of GAR																	
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
December 2024 (€mn)		Disclosure reference date T															
		Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)			
					Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which adaptation	Of which enabling			Of which specialised lending	Of which transitional/adaptation	Of which enabling
11	Equity instruments	0	0	0		0	0	0	0		0	0	0	0		0	0
12	of which management companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Equity instruments	0	0	0		0	0	0	0		0	0	0	0		0	0
16	of which insurance undertakings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Equity instruments	0	0	0		0	0	0	0		0	0	0	0		0	0
20	Non-financial corporations (subject to NFRD disclosure obligations)	4,682	1,975	1,093	888	10	25	9	0	0	0	0	1,984	1,093	888	10	25
21	Loans and advances	4,475	1,871	1,091	888	10	25	8	0	0	0	0	1,879	1,091	888	10	25
22	Debt securities, including UoP	168	89	2	0	0	0	0	0	0	0	0	89	2	0	0	0
23	Equity instruments	39	15	0		0	0	0	0		0	0	16	0		0	0
24	Households	9,343	5,941	118	0	51	0						5,941	118	0	51	0
25	of which loans collateralised by	5,434	5,141	66	0	0	0						5,141	66	0	0	0

Table 37: EU ESG Template 7 - Mitigating actions: Assets for the calculation of GAR

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
	December 2024 (€mn)	Disclosure reference date T															
		Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)			
					Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which adaptation	Of which enabling			Of which specialised lending	Of which transitional/adaptation	Of which enabling
	residential immovable property																
26	of which building renovation loans	592	592	51	0	51	0						592	51	0	51	0
27	of which motor vehicle loans	315	208		0	0	0						208	0	0	0	0
28	Local governments financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29	Housing financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30	Other local governments financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
31	Collateral obtained by taking possession: residential and commercial immovable properties	1,517	1,329	0	0	0	0	0	0	0	0	0	1,329	0	0	0	0
32	**TOTAL GAR ASSETS**	17,450	9,779	1,246	888	64	30	11	0	0	0	0	9,790	1,246	888	64	30
	Assets excluded from the numerator for GAR calculation (covered in the denominator)																
33	EU Non-financial corporations (not subject to NFRD	15,872															

Table 37: EU ESG Template 7 - Mitigating actions: Assets for the calculation of GAR

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
December 2024 (€mn)		Disclosure reference date T															
		Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)			
					Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which adaptation	Of which enabling			Of which specialised lending	Of which transitional/adaptation	Of which enabling
	disclosure obligations)																
34	Loans and advances	15,747															
35	Debt securities	29															
36	Equity instruments	96															
37	Non-EU Non-financial corporations (not subject to NFRD disclosure obligations)	3,294															
38	Loans and advances	3,294															
39	Debt securities	0															
40	Equity instruments	0															
41	Derivatives	0															
42	On demand interbank loans	601															
43	Cash and cash-related assets	753															
44	Other assets (e.g. Goodwill, commodities etc.)	10,497															
45	**TOTAL ASSETS IN THE DENOMINATOR (GAR)**	48,468															

Table 37: EU ESG Template 7 - Mitigating actions: Assets for the calculation of GAR

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
December 2024 (€mn)		Disclosure reference date T															
		Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)			
					Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which adaptation	Of which enabling			Of which specialised lending	Of which transitional/adaptation	Of which enabling
	Other assets excluded from both the numerator and denominator for GAR calculation																
46	Sovereigns	23,956															
47	Central banks exposure	6,670															
48	Trading book	951															
49	**TOTAL ASSETS EXCLUDED FROM NUMERATOR AND DENOMINATOR**	31,577															
50	**TOTAL ASSETS**	80,044															

Table 38 EU ESG Template 8 - GAR (%)

		a	b	c	d	e	f	g	h	i	j
	Dec-24	Disclosure reference date T: KPIs on stock					Disclosure reference date T: KPIs on stock				
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				
		Proportion of eligible assets funding taxonomy relevant sectors					Proportion of eligible assets funding taxonomy relevant sectors				
			Of which environmentally sustainable					Of which environmentally sustainable			
	% (compared to total covered assets in the denominator)			Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which adaptation	Of which enabling
1	**GAR**	20%	3%	2%	0%	0%	0%	0%	0%	0%	0%
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	53%	8%	6%	0%	0%	0%	0%	0%	0%	0%
3	Financial corporations	28%	2%	0%	0%	0%	0%	0%	0%	0%	0%
4	Credit institutions	15%	1%	0%	0%	0%	0%	0%	0%	0%	0%
5	Other financial corporations	63%	5%	0%	0%	1%	0%	0%	0%	0%	0%
6	of which investment firms	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
7	of which management companies	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
8	of which insurance undertakings	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
9	Non-financial corporations subject to NFRD disclosure obligations	42%	23%	19%	0%	1%	0%	0%	0%	0%	0%
10	Households	64%	1%	0%	1%	0%					
11	of which loans collateralised by residential immovable property	95%	1%	0%	0%	0%					
12	of which building renovation loans	100%	9%	0%	9%	0%					
13	of which motor vehicle loans	66%	0%	0%	0%	0%					
14	Local government financing	0%	0%	0%	0%	0%					
15	Housing financing	0%	0%	0%	0%	0%					
16	Other local governments financing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
17	Collateral obtained by taking possession: residential and commercial immovable properties	88%	0%	0%	0%	0%					

Table 38 EU ESG Template 8 - GAR (%)

		k	l	m	n	o	p	q	r	s	t	u
	Dec-24	Disclosure reference date T: KPIs on stock						Disclosure reference date T: KPIs on flows				
		TOTAL (CCM + CCA)						Climate Change Mitigation (CCM)				
		Proportion of eligible assets funding taxonomy relevant sectors					Proportion of total assets covered	Proportion of new eligible assets funding taxonomy relevant sectors				
			Of which environmentally sustainable						Of which environmentally sustainable			
	% (compared to total covered assets in the denominator)			Of which specialised lending	Of which transitional/ adaptation	Of which enabling				Of which specialised lending	Of which transitional	Of which enabling
1	**GAR**	20%	3%	2%	0%	0%	61%	32%	8%	3%	0%	0%
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	53%	8%	6%	0%	0%	20%	31%	8%	3%	0%	0%
3	Financial corporations	28%	2%	0%	0%	0%	2%		0%	0%	0%	0%
4	Credit institutions	15%	1%	0%	0%	0%	2%	8%	0%	0%	0%	0%
5	Other financial corporations	63%	5%	0%	0%	1%	1%	83%	1%	0%	0%	0%
6	of which investment firms	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
7	of which management companies	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
8	of which insurance undertakings	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
9	Non-financial corporations subject to NFRD disclosure obligations	42%	23%	19%	0%	1%	6%	25%	15%	5%	0%	0%
10	Households	64%	1%	0%	1%	0%	12%	52%	3%	0%	1%	0%
11	of which loans collateralised by residential immovable property	95%	1%	0%	0%	0%	7%	100%	4%	0%	0%	0%
12	of which building renovation loans	100%	9%	0%	9%	0%	1%	100%	55%	0%	55%	0%
13	of which motor vehicle loans	66%	0%	0%	0%	0%	0%	69%	0%	0%	0%	0%
14	Local government financing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
15	Housing financing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
16	Other local governments financing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
17	Collateral obtained by taking possession: residential and commercial immovable properties	88%	0%	0%	0%	0%	2%	98%	0%	0%	0%	0%

Table 38 EU ESG Template 8 - GAR (%)

		v	w	x	y	z	aa	ab	ac	ad	ae	af
	Dec-24	Disclosure reference date T: KPIs on flows					Disclosure reference date T: KPIs on flows					
		Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					
		Proportion of new eligible assets funding taxonomy relevant sectors					Proportion of new eligible assets funding taxonomy relevant sectors					Proportion of total new assets covered
			Of which environmentally sustainable					Of which environmentally sustainable				
	% (compared to total covered assets in the denominator)			Of which specialised lending	Of which adaptation	Of which enabling			Of which specialised lending	Of which transitional/ adaptation	Of which enabling	
1	**GAR**	0%	0%	0%	0%	0%	32%	8%	3%	0%	0%	100%
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0%	0%	0%	0%	0%	31%	8%	3%	0%	0%	99%
3	Financial corporations	0%	0%	0%	0%	0%	24%	0%	0%	0%	0%	23%
4	Credit institutions	0%	0%	0%	0%	0%	8%	0%	0%	0%	0%	18%
5	Other financial corporations	0%	0%	0%	0%	0%	83%	1%	0%	0%	0%	5%
6	of which investment firms	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
7	of which management companies	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
8	of which insurance undertakings	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
9	Non-financial corporations subject to NFRD disclosure obligations	0%	0%	0%	0%	0%	25%	15%	5%	0%	0%	53%
10	Households						52%	3%	0%	1%	0%	23%
11	of which loans collateralised by residential immovable property						100%	4%	0%	0%	0%	9%
12	of which building renovation loans						100%	55%	0%	55%	0%	0%
13	of which motor vehicle loans						69%	0%	0%	0%	0%	3%
14	Local government financing						0%	0%	0%	0%	0%	0%
15	Housing financing						0%	0%	0%	0%	0%	0%
16	Other local governments financing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
17	Collateral obtained by taking possession: residential and commercial immovable properties						98%	0%	0%	0%	0%	1%

The final ESG-related table is intended to cover the Group's exposures that are not taxonomy aligned in accordance with Regulation (EU) 2020/852 but that still support counterparties in the transition and adaptation process for the objectives of climate change mitigation and climate change adaptation. The table includes assets (bonds and loans) that the Group has identified as environmentally sustainable financing, corresponding to the operations that the Group has considered to meet internal eligibility requirements for climate change mitigation and adaptation activities. These internal requirements leverage on EU Taxonomy criteria developed to date and also take into account standards and market best practices. In that sense, they are aligned to a significant extent, but not entirely, with the EU Taxonomy alignment criteria prescribed in Regulation (EU) 2020/852.

The following asset categories are presented:

Bonds categorized as "Green" in accordance with the International Capital Market Association (ICMA) Principles,

Sustainability-linked Bonds with sustainability performance-linked targets (SPT) related to GHG emissions reduction, and

Loans to both businesses and households classified as "Green". These loans finance activities as described below:

- For Businesses: Renewable Energy Sources, Green buildings, and Energy Efficiency Specific eligibility criteria also described in the Group's Green Bond Framework;
- For Households: improvement of residential buildings' energy efficiency; and
- Investments underpinned by the Recovery and Resilience Fund (RRF).

Piraeus Group has assessed the EU Taxonomy alignment of its portfolio in accordance with the reporting requirements as of December 31st, 2024. Therefore the exposures presented in this table, exclude EU Taxonomy aligned exposures, following the relevant guidance.

The type of risk mitigated is mainly climate change transition risk. Piraeus Group supports counterparties by facilitating the financing towards activities included in the internal standards mentioned above, which mainly refer to climate change mitigation objectives.

Table 39: EU ESG Template 10 Other climate change mitigating actions

2024	a	b	c	d	e	f
	Type of financial instrument	Type of counterparty	Gross carrying amount (€ mn)	Type of risk mitigated (Climate change transition risk)	Type of risk mitigated (Climate change physical risk)	Qualitative information on the nature of the mitigating actions
1	Bonds (e.g. green, sustainable, sustainability-linked under standards other than the EU standards)	Financial corporations	17	Y		Green Bonds
2		Non-financial corporations	114	Y		Includes Green Bonds or Sustainability Linked Bonds
3		Of which Loans collateralised by commercial immovable property	0			
4		Households	0			
5		Of which Loans collateralised by residential immovable property	0			
6		Of which building renovation loans	0			
7		Other counterparties	86	Y		Green Bonds
8	Loans (e.g. green, sustainable, sustainability-linked under standards other than the EU standards)	Financial corporations	76	Y		Loan related to the acquisition, development, manufacturing, construction, operation and maintenance, distribution and transmission of renewable energies
9		Non-financial corporations	2,413	Y		Loan related to the acquisition, development, manufacturing, construction, operation and maintenance, distribution and transmission of renewable energies
10		Of which Loans collateralised by	207	Y		

Table 39: EU ESG Template 10 Other climate change mitigating actions						
	a	b	c	d	e	f
2024	Type of financial instrument	Type of counterparty	Gross carrying amount (€ mn)	Type of risk mitigated (Climate change transition risk)	Type of risk mitigated (Climate change physical risk)	Qualitative information on the nature of the mitigating actions
		commercial immovable property				
11		Households	152	Y		Mainly includes financing related to the construction or acquisition of Green buildings or renovation and upgrade of the existing building's EPC
12		Of which Loans collateralised by residential immovable property	52	Y		
13		Of which building renovation loans	5	Y		
14		Other counterparties	0			

6. Market Risk

Market risk is defined as the risk of incurring losses due to adverse changes in the level or the volatility of market prices and rates, including equity prices, interest rates, commodity prices , and currency exchange rates, as well as changes in their correlation.

The Group has established a Group-wide market risk limit system. The adequacy of the system and the limits are reviewed annually. The adherence to the limits structure is monitored by the Group's Market Risk Management unit as well as the responsible units at a subsidiary level. The Group has adopted and applied widely-accepted techniques for the measurement of market risk. Market risk unit is one of the three pillars of 'Market, Liquidity & ALM Risks'. The unit is responsible for identifying/monitoring/measuring the market risks arising from the trading activities, prepares and submits regular and ad-hoc market risk reports and controls RAF and trading limits. Those limits are directly connected to the market risk appetite statements and are set at an appropriate level in order to pursuits Group's strategic targets in line with Group's RAS. The Group has established a process for regularly monitoring and reviewing its risk appetite limits, including an escalation process in the event of limit breaches.

A Market Risk Policy has been in place for all relevant Group units since the beginning of 2003. Based on this policy, every Group unit has been assigned specific market risk limits, which are monitored on a continuous basis, both locally as well as by GRM. Market risk utilizes a broad set of risk metrics to monitor the risks arising from interest rates, credit spreads, equities, commodities and FX activities. Such metrics as Var, sensitivities and name limits are part of the Risk Appetite Framework (either as Level 2 or Level 3) and measured on a daily basis and communicated to the appropriate stakeholders. Upon a breach identification an escalation process is followed. All the above are described with more details in the Market Risk policy.

6.1. Measurement

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 the 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 & loss variations are sorted from the lowest to the highest. The VaR is determined by reading the corresponding value out of the ordered profit & loss variations at the desired confidence level.

While 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, the ES captures the average loss beyond the level specified by the VaR (e.g. a 99% ES represents 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.

The Group tests the validity of the estimated VaR by conducting a back-testing program for the trading book. The VaR estimate is compared daily to the actual change in the value of the portfolio due to changes in market prices. When back-testing results show repetitive and inexplicable exceptions, the VaR model is considered inadequate.

It is noted that the back-testing process does not take into account commissions or profits from intraday trading or intraday position change (i.e. "clean" back-testing).

As at December 31st, 2024, the VaR of the trading portfolio was € 3.6 mn (compared to € 4.5 mn in 2023) and is mainly driven by interest rate risk and equity risk.

Additionally, the Group monitors the evolution of assumed risks using sensitivity indicators and thus calculates the effect of changes in the level of market prices on the value of all on and off-balance sheet items to have a complete view on the level and evolution of risk factors.

6.1.1. Interest Rate Risk

Interest rate risk is a material risk category for the Group and pertains to the potential negative effects on the Group's financial position because of exposure to general interest rate variability. It is imperative for the Group to assume this type of risk on a going concern basis.

Although interest rate risk is assessed through the VaR model, fixed income sensitivity is also monitored by assessing the change of the market value to changes of the yield by 1bp.

6.2. Capital Requirements - Standardized Approach

As a result of the containment of the trading book volume during the last years, position risk has been materially constrained. The main drivers for market risk capital requirements currently are general interest rate risk and FX risk.

Table 40: EU MR1 – Market risk under the standardized approach

2024 (€ 000's)		a
		RWEAs
OUTRIGHT PRODUCTS		
1	Interest rate risk (general and specific)	236,201
2	Equity risk (general and specific)	68,975
3	Foreign exchange risk	92,690
4	Commodity risk	27,370
OPTIONS		
5	Simplified approach	
6	Delta-plus method	6,191
7	Scenario approach	
8	Securitization (specific risk)	
9	**Total**	**431,427**

6.2.1. Credit Valuation Adjustment

According to the CRR, beginning January 1st, 2014, the Group is obliged to maintain adequate capital levels against CVA risk. The risk derives from an adjustment to the mid-market valuation of a portfolio of transactions with a counterparty. That adjustment reflects the current market value of the credit risk of the counterparty to the institution but does not reflect the current market value of the credit risk of the institution to the counterparty (unilateral CVA approach).

The Group uses the standardized approach for calculating CVA. On December 31st, 2024, the relevant capital requirements amounted to € 4.04 mn.

Table 41: EU CCR2 – CVA capital charge

2024 (€ 000's)		a	b
		Exposure value	RWEA
1	Total portfolios subject to the Advanced method		
2	(i) VaR component (including the 3× multiplier)		
3	(ii) stressed VaR component (including the 3× multiplier)		
4	Transactions subject to the Standardized method	52,044	50,499
EU4	Transactions subject to the Alternative approach (Based on the Original Exposure Method)		
5	**Total transactions subject to own funds requirements for CVA risk**	**52,044**	**50,499**

7. Interest Rate Risk in the Banking Book

7.1. Definition

Interest rate risk in the banking book (IRRBB) is the risk to earnings and capital arising from adverse changes in the absolute level of interest rates. It involves:

- **Gap or repricing risk**, arising from the timing mismatch in the maturity and repricing profile of interest rate sensitive assets and liabilities,
- **Basis risk**, arising from the imperfect correlation in the adjustment of the rates earned and paid on different interest rate sensitive instruments, with otherwise similar rate change characteristics, and
- **Option risk**, arising from options (embedded and explicit), which alter the level and timing of cash flows relating to interest rate sensitive assets and liabilities.

IRRBB stems, mainly, from financial instruments that carry a fixed interest rate, especially those whose rate is fixed for a long period of time, such as mortgages, consumer loans, and fixed rate debt securities.

7.2. Monitoring

Piraeus Group acknowledges that effective management of interest rate risk is essential for the safety and soundness of the banking institution, and thus, monitors and controls interest rate risk closely and on a continuous basis, through its Interest Rate Risk Management Policy and by adopting risk assessment techniques based on the analysis of core interest rate metrics. It assesses the sensitivity of its interest rate sensitive balance sheet items to potential changes in interest rates by adopting both Earnings and Economic Value measures:

- **Economic Value of Equity Sensitivity (ΔEVE):** Measures the changes in the net present value of interest rate sensitive instruments over their remaining life, resulting from market interest rate movements.
- **Net Interest Income Sensitivity (ΔNII):** Measures the changes in expected future profitability in the context of constant balance sheet evolution, within a period of one year, resulting from market interest rate movements.

The EVE is the result of the discounting process of the expected future cash flows of interest rate sensitive assets and liabilities, in accordance with the EBA Guidelines on the management of interest rate risk arising from non-trading book activities (EBA/GL/2022/14). The EVE is calculated under a run-off balance sheet assumption, which postulates that maturing assets and liabilities are allowed to naturally decay throughout the entire lifetime of the balance sheet. The EVE is assessed on a transactional basis, incorporating both principal and interest cash flows, across the baseline and a set of shock scenarios.

With respect to the measurement of the NII sensitivity, the Group employs a full cash flows approach, on a transactional basis, considering principal amounts as well as interest, under a constant balance sheet assumption, according to which maturing assets and liabilities are rolled over with identical characteristics through out the assessment's horizon.

For both type of measures, the contractual or behavioral characteristics of all interest rate sensitive assets and liabilities are assessed, depending on whether the perimeter under scope is subject to behavioral modelling.

In addition to the above, the Group has identified all balance sheet items subject to embedded optionalities and has applied both contractual and implicit interest rate caps and floors, in addition to the parametric floor prescribed by the regulatory framework. All optionality elements are valued for the baseline as well as for all stressed scenarios, in order to derive the relevant sensitivities. The resulting Option Risk measurements are incorporated in the overall IRRBB key risk indicator (KRI) figures (i.e. ΔEVE & ΔNII).

Finally, the Group captures Basis Risk by employing a multi-curve approach and mapping each interest rate sensitive balance sheet item to the repricing frequency of its underlying interest rate index, and it incorporates the Basis Risk estimates in the overall IRRBB measurements.

7.3. Management & Mitigation

The Group is managing interest rate risk with a focus to optimize the risk and return of the IRRBB, while at the same time adhering to internal and external restrictions, such as interest rate risk limits, the Risk Appetite Framework (RAF), accounting policies, and profitability targets.

In particular, the RAF is a crucial component of the Group's implementation of its business strategy and objectives and constitutes a strategic and managerial tool for its effective operation. Within the RAF, the Group's risk appetite concerning IRRBB is described in terms of specific qualitative and quantitative statements. These statements are intended to steer the current and planned risk positioning of the Group, and their primary objective is to set the level of IRRBB that the Group is willing to undertake in order to achieve its strategic goals, while ensuring compliance to the relevant EBA Guidelines (EBA/GL/2022/14).

The appropriate arrangements around governance, roles, and responsibilities support clear communication and execution. The indicators are being monitored by the Group in a timely manner and are supported by robust escalation procedures, raising the Management's awareness on specific issues by analyzing the key drivers behind observed trends.

The limits defined within the RAF are a product of documented methodology and rationale. IRRBB related metrics are set both in short and medium term, taking into account the planning and strategic objectives of the Group, while complying with the relevant regulatory guidelines. The limits are consistent enough to remain within the Group-wide risk appetite and in line with the EBA/GL/2022/14 regulatory guidelines.

The RAF is regularly reviewed for its appropriateness and is improved upon on an on-going basis and in line with the aspiration for enhancing the Group's Risk Management Framework. The RAF is updated at least annually, as well as on an ad-hoc basis, in order to ensure alignment and responsiveness to changes in the Group's risk profile and any external factors, as well as alignment with the strategic objectives and regulatory obligations. As part of the Group's Risk Strategy, the RAF supports the on-going assessment of risks by ensuring appropriate monitoring and escalation procedures.

Interest rate risk in the Piraeus Group banking book is predominantly driven by customer deposit taking and lending activities, investments in fixed income securities, debt issuance, and other funding activities. In alignment with the Group's policy to remain within the approved risk appetite levels at all times, hedging strategies are executed in order to mitigate interest rate risks.

In particular, in order to mitigate its exposure to variability arising from changes in market interest rates on fixed rate bonds, measured at amortized cost or FVTOCI, and non-maturity deposits while containing PV01 within the approved limits, the Bank economically hedges such exposures by entering into interest rate swaps. The Bank also applies fair value hedge accounting under the carved-out version of IAS 39 as adopted by European Union. The application of fair value hedge accounting modifies the basis for recognizing gains and losses on associated hedged items, so that any change in fair value of the hedged items attributable to market interest rates is recognized in P&L concurrently with the offsetting change in fair value of the hedging derivative. Specifically for bonds measured at FVTOCI, the hedging adjustment is recycled from OCI to P&L.

In the context of the new product development approval process (e.g. fixed rate loans), interest rate risk is evaluated in order to ensure that such risk is adequately measured and reported. Similarly, hedging costs are estimated (where applicable), and it is examined whether the existing hedging instruments and strategies sufficiently cover the new products' interest rate risk hedging requirements.

IRRBB monitoring and management is subject to strict internal scrutiny by both the Group Internal Audit and the Senior Management. More specifically, the Group Internal Audit bears the responsibility for the independent audit of the overall IRRBB management framework, in accordance with its Risk Assessment and Audit Plan, and provides reasonable assurance to the BoD, the Audit Committee, and the Senior Management concerning the adequacy and the effectiveness of the established controls. The Senior Management represented by the Asset and Liability Management Committee (ALCO) bears the responsibility for assessing the business strategies related to interest rate risk. The ALCO reviews IRRBB policy for any material amendments, in addition to the operational framework under which efficient KRIs, metrics, and IRRBB limits are set and managed. Should any limit breach occur, the ALCO is promptly notified and consequently recommends remedial actions to the Risk Committee, which it then monitors in order to ensure a timely resolution.

7.4. Interest Rate Shock Scenarios

The Group measures the two primary IRRBB KRIs under a series of internal and regulatory scenarios, involving both parallel and non-parallel shifts in market interest rate curves. The scenario generation process is leveraging on the prescriptions of the EBA/RTS/2022/10 regulatory technical standards on the supervisory outlier test, considering however, the prevailing market conditions and the Group's expectations on the movements of interest rates that could be considered appropriate. Therefore, in addition to the six prescribed regulatory stress scenarios, the Group assesses four additional internal scenarios of ±100 bps, as well as ±1 bps parallel shifts. The six scenarios prescribed by the regulatory framework are as follows:

i. *Parallel shock up:* Constant positive shock applied to the current yield curve throughout all tenors.

ii. *Parallel shock down:* Constant negative shock applied to the current yield curve throughout all tenors.

iii. *Short rates shock up and down:* Shocks that are greatest at the shortest tenor midpoint and diminish, gradually, towards zero at the tenor of the longest point in the term structure based on a prescribed scaling factor.

iv. *Steepener shock (short rates down and long rates up):* Captures rotations to the term structure of the interest rates curves, whereby both the long and short rates are shocked, and the shift in interest rates at each tenor is obtained through a predefined formula.

v. *Flattener shock (short rates up and long rates down):* Captures rotations to the term structure of the interest rates curves, whereby both the long and short rates are shocked, and the shift in interest rates at each tenor is obtained through a predefined formula.

7.5. Modelling and Parametric Assumptions

The Group assesses IRRBB taking into consideration both the contractual and the behavioral characteristics of its interest rate sensitive balance sheet items, in accordance with regulatory requirements and best market practices. In this respect, Piraeus Group has identified the following perimeters as being subject to behavioral modelling:

Non-Maturity Deposits

With respect to the analysis of the interest rate characteristics of Non-Maturity Deposits (NMDs), the Group employs a combination of models intended to assess the behavioral amortization and repricing characteristics of NMDs. The Balances model estimates a behavioral amortization profile for NMDs, by segregating the perimeter into Stable and Non-Stable parts, thus assessing the maturity characteristics of the perimeter. The Interest Rates model assesses the sensitivity (i.e. pass-through) of the perimeter to changes in market interest rates, thus breaking stable NMDs down to Core (i.e. fixed rate) and Non-Core (i.e. floating rate) parts. The combination of the two models fully describes the main behavioral features of NMDs. Following the application of said models, the average repricing frequency amounts to 2.2 years and 3.8 years for the total NMDs perimeter and its core component, respectively, while the longest maturity assigned arises to 12.9 years for both perimeters.

Term Loan Prepayments

With respect to term loan prepayments, the Group employs a model designed to assess the impact arising from potential prepayment events during the lifetime of term loans. Said model has been developed using Survival Analysis methodologies, and its output is used to derive a loan-specific behavioral amortization profile, incorporating the impact from prepayment events.

Non-Maturity Assets

For the assessment of the behavioral characteristics of Non-Maturity Assets, the Group employs a model intended to estimate the extent to which the current usage of credit may decrease in the future. Therefore, the model results in an estimated behavioral repayment profile for assets without a contractually defined maturity. The NMAs model, developed using Survival Analysis techniques, represents NMAs as a profile of decreasing funding needs, from a liquidity standpoint, and as amortizing loans at fixed or floating rates, depending on contractual specifications, from an interest rate point of view.

Fixed Rate, Term Loan Commitments (Pipeline Risk)

Another aspect of IRRBB prescribed in the regulatory framework is the assessment of the risk characteristics of Fixed Rate, Term Loan Commitments. Pipelines are interest rate sensitive items, despite being off-balance sheet, since they correspond to fixed rate loans that the Bank will be contractually obliged to disburse, should debtors request so. Said disbursements may occur under market interest rate conditions that may not reflect the prevalent interest rate environment during contract initiation and therefore, may not correlate favorably to the pricing assumptions employed by the Group. For the assessment of said exposures, the Group employs a model that leverages Survival Analysis concepts in order to estimate a behavioral disbursement profile for the undisbursed amount of Fixed Rate, Term Loan Commitments, representing them as forward-starting loans at fixed rates.

Early Redemptions of Term Deposits

The Group has developed a model assessing the impact arising from early redemption of term deposits. Similar to term loan prepayments, the model has been developed using Survival Analysis methodologies, and its output is used to derive a deposit-specific behavioral amortization profile, incorporating the impact from early redemption events.

The Group follows specific practices that aim to ensure the continued fitness-for-purpose of the behavioral models employed in the measurement of IRRBB, through the initial and periodic validation thereof. Model validation activities are performed by the Group Model Validation Unit and approved by the Risk Model Oversight Committee.

7.6. Measurements

In accordance with Article 448 of the CRR and Article 84 of the CRD, the following table illustrates the evolution of the IRRBB KRIs between the 2023 and 2024 fiscal years.

Table 42: EU IRRBB1 – Interest rate risks of non-trading book activities

Supervisory shock scenarios		a	b	c	d
		Changes of the economic value of equity		Changes of the net interest income	
		2024 (€ 000's)	2023 (€ 000's)	2024 (€ 000's)	2023 (€ 000's)
1	Parallel up	(197,942)	239,191	19,032	(11,180)
2	Parallel down	371,222	(202,709)	(172,584)	(169,333)
3	Steepener	(198,058)	(31,639)		
4	Flattener	174,833	67,214		
5	Short rates up	61,609	106,319		
6	Short rates down	(136,238)	(183,665)		

The aforementioned results against previous year, are primarily driven by developments pertaining to the fixed income portfolio, hedging derivatives, as well as customer loans and deposits, paired with the evolution of market interest rates.

Finally, regarding the materiality of the Group's currency exposures, as defined by the EBA, EUR qualifies as the sole material currency, with EUR-denominated exposures amounting to approx. 94% of total banking book assets, as at December 31st, 2024. Nevertheless, for the purposes of prudency and completeness, the Group considers all currency exposures in the measurement of IRRBB.

8. Operational Risk

8.1. Introduction

Piraeus Bank recognizes Operational Risk as a material risk type inherent in its activities, which may significantly affect its capital position and impair its effectiveness and its ability to achieve its business objectives.

In this respect, the Group's senior management wishes to maintain an adequate and effective Operational Risk Management Framework (ORMF) and an Internal Control System (ICS) in order to monitor, assess, and manage operational risk.

8.2. Operational Risk Definition

Operational Risk is defined as the risk of loss deriving from inadequate or failed internal processes, people, and systems, or from external events.

During the latest Risk Identification Process, which is performed as part of the Risk & Capital Strategy annual review, the Group has identified the following risk sub-types under the wider category of Operational Risk:

- Fraud Risk, which encompasses internal & external fraud risk,
- People Risk,
- Conduct Risk
- Financial Crime Risk,
- Legal Risk,
- Regulatory Compliance Risk,
- Mandatory Reporting & Tax Risk,
- Business Continuity Risk,
- Process Execution & organizational Change Risk,
- Third Party & Outsourcing Risk,
- Model Risk,
- Physical Security & Safety Risk, and
- Information & Communication Technology (ICT) Risks, which encompasses:
    - ICT availability and continuity risk,
    - ICT security risk,
    - ICT change risk,
    - ICT data integrity risk, and
    - ICT outsourcing risk.

8.3. Framework

The ORMF, documented through policies, methodologies, and procedures, covers the identification, assessment, measurement, mitigation, and monitoring of operational risk, across all the Group's business activities and supporting functions. Furthermore, it ensures the dissemination of a common and comprehensible management perception of this type of risk to all the parties involved.

The ICS is a set of recorded and documented control mechanisms and processes that integrates best practices of corporate governance and covers on an ongoing basis every activity and transaction, contributing to the organization's pursuit of objectives. It provides 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 Senior Management has decided to adopt the Committee of Sponsoring Organizations (COSO) framework in implementing the ICS.

8.3.1. Operational Risk organizational structure

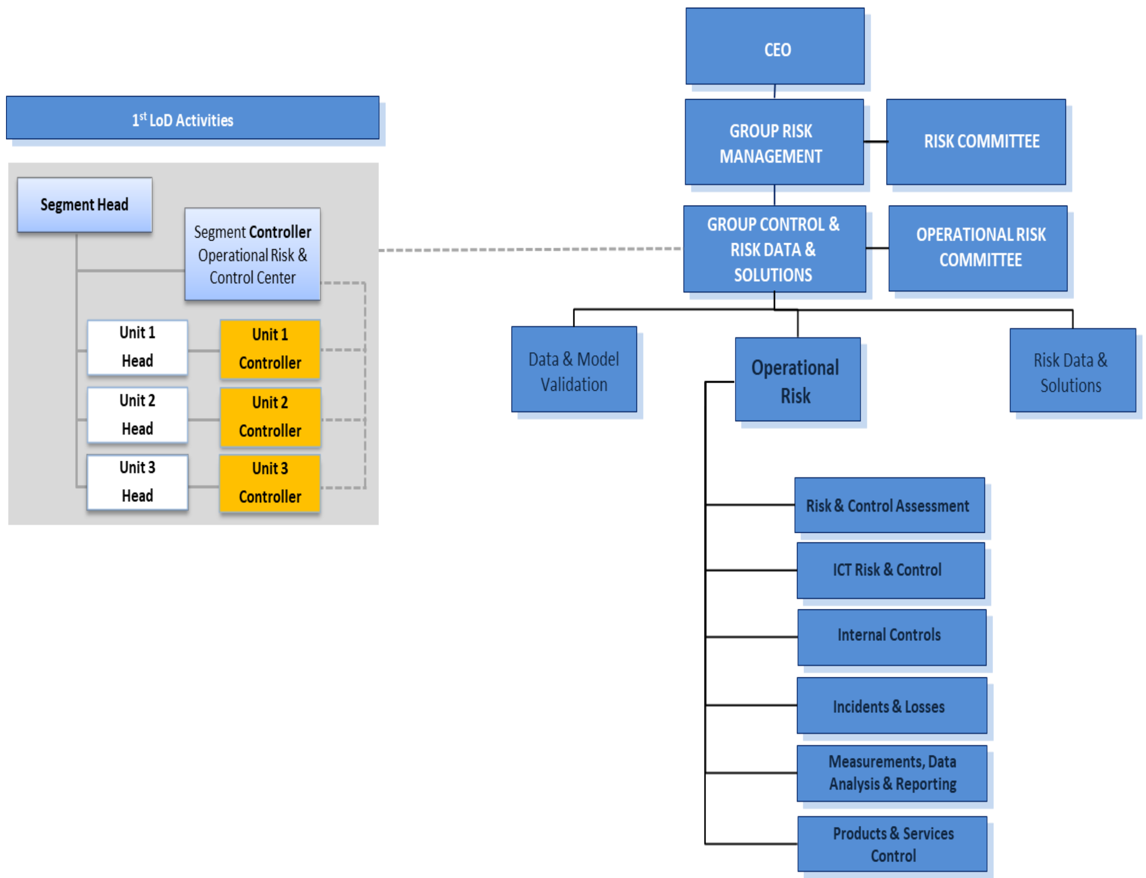
The Operational Risk Unit is responsible for the development and implementation of an effective framework (policies, methodologies, and procedures) for the management of the undertaken operational risks, based on the Group Risk & Capital Strategy and supervisory requirements. The Operational Risk Unit is also responsible for informing the Group's (Senior) Management and relevant Committees about the evolution of the said risks.

The Operational Risk Unit is part of the Group Control and Risk Data & Solutions function with a direct reporting line to the Group Controller (the GRM structure at large is described in Section 2.3.3).

In order to fulfil its mandate, the Group Control and Risk Data & Solutions function works closely with the network of Segment Controllers who are appointed to the Group's Segments. The Group Control and Risk Data & Solutions function coordinates the collaboration and work done between the Segment Controllers, the Segment Heads, and the network of "Unit Controllers" assigned under the segments, aiming at strengthening the risk management culture, fostering an adequate ICS within segments, achieving operational efficiency, and addressing any deficiencies in control mechanisms.

The following figure illustrates the Operational Risk Management structure as applicable in 2024:

Figure 05: Operational Risk Management Structure



8.3.2. Operational Risk Policies, Procedures, and other internal documentation

The ORM framework is appropriately and comprehensively documented. An overview of the main documentation directly related to the ORMF is presented in Figure 06 below:

Figure 06: Operational Risk Policies, Procedures, and other internal documentation

	Policies	Methodologies	Procedures
Operational Risk Documentation	• Operational Risk Management & Internal Control Policy • Anti-Fraud Policy • ICT risk policies framework (which encompasses the overarching ICT Risk Policy and 21 core ICT Risk Policies)	• Risk & Control Assessment methodology • Methodology for the Calculation of Internal Capital for Operational Risk (ICAAP) • Operational Risk Incidents & Losses Methodology • ORAP Methodology	• Acceptance of Operational Risk (Management Accepts Risk - MAR) Procedure • Operational Risk VaR Calculation Procedure • Revenue categorization into supervisory operational risk categories (Operational Risk Line Mapping) Procedure • Calculation of Capital Requirements for Operational Risk Procedure • Operational risk Incident & Loss Collection Procedure • Operational Risk Incident & Loss Analysis Procedure • Operational Risk Alert Event Notification procedure • Extreme Scenario Analysis & Review Procedure • Product Assessment Procedure • Mapping / Change of Process Model Procedure • Codification & Evaluation of Existing Controls Procedure • Risk Identification & Assessment Procedure • Validation & Approval of Process Model, Risks & Controls Procedure • Procedure for the periodic evaluation of Op.risk indicators and limits, within the framework of RID & RAF • Procedure for conducting ORAPs • 1st LoD Controllers' annual plan development & monitoring procedure

In addition to the above, the Group maintains a wide set of policies and regulations developed by other Units that contribute, directly or indirectly, to the management of operational risk aspects. Indicative key documentation includes:

- Group Compliance Policy,
- Anti-Money Laundering (AML)/Counter-Terrorism Financing (CTF) Policy,
- Whistleblowing Policy and Framework for the Protection of Employees – Whistleblowers against Potential Retaliatory Action,
- Anti-Bribery Policy,
- Conflicts of Interest Policy,
- Best Execution Policy,
- Client Classification Policy,
- Inducements Policy,
- Customers Complaints Management Policy,
- Outsourcing Policy,
- Group Business Continuity Management Policy (BCP),
- Group Crisis Management Policy
- Branch Security Regulation,

- Group Buildings Internal Operation Regulation,
- Group Buildings General Evacuation Plan,
- Group Information Assets Security Policy Framework,
- Data Protection Policy
- Demand Management Regulation
- Release Management Regulation
- Incident & Problem Management Regulation
- Technology Strategic & Operational Vendor Management Regulation
- Portfolio & Project Management Regulation
- Software Development Life-Cycle Regulation
- Deployment Management Regulation
- Change Management Regulation
- Technology Strategy Regulation
- Service Level Management Regulation
- Testing Framework Regulation
- Data Governance Framework,
- Group Procurement Policy,
- Expenses Approval Regulation,
- Conduct & Ethics Code,
- Human Rights Policy,
- Recruiting Policy,
- Succession Planning Policy,
- External Employment Policy,
- Policy against Violence & Harassment
- Model Validation Policy,
- Regulation for ID Verifications of Individuals Performing Transactions, and
- Authorized Representatives Regulation.

8.3.3. Enhancement projects

During 2024, the Bank continued its efforts for the further enhancement of the ICS and the overall ORMF. Indicative initiatives include:

- The initiatives for the alignment of the 3 LoD (which indicatively include the optimization of cooperation of the 2nd LoD functions, or the development of a reliance model);
- The enhancement of ICT risks management in the 2nd LoD, in the context of which the testing of the ICT controls for four mission critical systems was completed ;
- The further enhancement of OR loss collection and analysis (indicatively in workflows automations);
- The expansion of use of the new central platform implemented recently for recording and monitoring the ICDs identified by internal and external audits;
- The further enhancement of VaR measurement methodologies, as well as of the methodologies and procedures related to risk and control assessments

8.3.4. Information and Communication Technology (ICT) Risk

The Group acknowledges that:

- The ubiquitous use of ICT systems and high digitalization and connectivity are today core features of the activities of the Group, making ICT a key resource in pursuing business, regular, and strategic objectives.

- The Group's exposure to cyber and other ICT-related risk has been steadily increasing with the increase in cyber-attacks against the Greek systemic banks, the expansion of remote working schemes, the increase in digital transactions, the growth noted in the Group's digital offerings, the volatile geopolitical environment, and the expanded use of online channels. Cyber-related and digitalization risks are currently assessed as high and show an increasing trend, in terms of materiality and frequency, for the financial sector.

- Technology and security risk is under scrutiny by the regulators. The supervisory priorities for 2022-2024 elevate the need for addressing vulnerabilities, such as deficiencies in banks' digital transformation strategies and deficiencies in IT outsourcing and cyber resilience. The effective management of ICT and security risk is fundamental for the Group to achieve its strategic, corporate, operational, and reputational objectives.

- Regulatory and supervisory requirements, along with penalties for non-compliance, have become stricter. The Supervisory Review and Evaluation Process (SREP),), the Digital Operational Resilience Acti (DORA) that came into effect in January 2025, the NIS 2 Directive, the Principles for Effective Risk Data Aggregation and Risk Reporting (BCBS 239), the General Data Protection Regulation (GDPR), the Regulation (EU) on digital operational resilience for the financial sector (Regulation 2022/2554, issued December 27th, 2022, and the Directive on measures for a high common level of cybersecurity across the Union (Directive (EU) 2022/2555, issued December 27th, 2022) have placed increased focus on ICT risk management and data protection.

Actions taken and processes and procedures established within the Group's Internal Control Framework to ensure ICT and security risk management involve the following:

- Organizational structures across the Group are established to ensure the adequacy of the Group's ICS and effective management of ICT and security risks, to achieve operational excellence and to eliminate ICS limitations.

- Ongoing assessments of the Group's systems ensure that customer and corporate data is protected against cyber and security risks.

- GRM monitors, assesses, and reports on ICT and security risk to Management and regulators as part of the Group's ORMF. A dedicated function is established under the Operational Risk Unit covering all the second line of defense ICT risk and control lifecycle activities.

With a clear focus on the Group's digital transformation and a strong objective of remaining cyber-resilient, the Group continues to invest heavily in enhancing and strengthening its security posture via multiple security initiatives.

8.4. Operational Risk Appetite and Limit Framework

In applying the main objectives and principles set by the Group's RAF, which is part of the Group's Risk & Capital Strategy, the Operational Risk Appetite Framework (RAF) is further specialized by defining operational risk specific quantitative and qualitative Risk Appetite Statements.

The quantitative statements which are part of the Group's RAF and are related to OR, are linked to key measurable indicators for which specific risk appetite limits are defined, in order to monitor that operational risks are maintained at acceptable levels. These indicators and the corresponding limits are indicatively related to: actual gross losses resulting from all operational risk incidents, potential losses resulting from operational risks with financial impact, VaR for operational risk, and ICS effectiveness based on financial impact. Additionally, cascaded (level 3) indicators have been set, that indicatively monitor losses for all individual OR types or cover particular areas or risk types such as Outsourcing, ICT, cyber etc

The qualitative statements which are part of the Group's RAF and are related to OR, address significant areas or material risk types and that could cause severe impacts to the Group's performance and reputation. In addition, these statements echo the Group's intention and relevant actions in addressing such risks.

Following the requirements of the Group's RAF, the Operational Risk Unit revises operational risk appetite statements and limits on an annual basis or as required. Key criteria taken into account when setting limits include the BoD guidelines, the strategic orientations, the economic environment, the business objectives, and the supervisory guidelines.

8.5. Operational Risk & Control Assessment

The identification and assessment of operational risks are fundamental for an efficient operational risk management. For that reason a Risk & Control Assessment (RCSA) methodology has been established to ensure a standardized and transparent approach for the identification, assessment, measurement, and mitigation of operational risks inherent in the activities of each Unit, as well as for the assessment of the controls implemented to mitigate such risks.

The Group's objective, through the implementation of the RCSA methodology across all its business activities and supporting functions, is to:

- enhance the awareness of personnel,
- assess the level of operational risk exposure for all Units and monitor its evolution,
- assess the adequacy and effectiveness of internal controls, and
- support the quantification of required internal capital (Pillar I and Pillar II) for operational risk.

Key components and principles of the RCSA process, involve the following:

- The RCSA (exercise) is performed on an on-going basis and is updated accordingly when findings or Internal Control Deficiencies (ICDs) are:
    - detected through internal or external audits/assessments/inspections,
    - escalated through a fast-track reporting process for immediate action, and/or
    - identified through the analysis of actual incidents and losses, customer complaints, and procedure reviews.
- The assessment of risks is based on estimating their potential frequency and impact (financial and qualitative) as well as on the effectiveness of the corresponding controls.
- Risk typology and other taxonomies have been developed to promote analysis, aggregation, and reporting capabilities.
- A fundamental output of the RCSA process is the identification of "meaningful risks" among the identified risks.
- The design and operating effectiveness of controls addressing/mitigating meaningful risks are assessed as part of the RCSA process.
- RCSA results are reported on a regular basis to key stakeholders (Heads of Business Units, respective Senior Management, Group Controller) while critical risks, deficiencies, and consolidated RCSA results are regularly reported to the relevant committees.

8.6. Insurance Coverage

The Group recognizes insurance as a significant operational risk mitigation technique and for that reason maintains an adequate framework of insurance policies, which indicatively cover fraud, indemnity, employment practice liability, cyber liability, property and equipment, and general liability.

The maintenance and renewal of relevant policies and relationships with insurance brokers are handled by Piraeus Agency Solutions S.A., which is a Group subsidiary that acts as intermediary and consultant in insurance matters. Insurance policies are annually reviewed and revised, taking into account the current business environment conditions and international practices.

8.7. Management Acceptance of Risk

The Group has established a robust process, which is overseen by the relevant Committees for cases where Management may proceed with the acceptance of risk when specific conditions apply (e.g. remediation is not feasible or economically justified, risk assumption is within the Group's risk appetite and is further monitored).

8.8. Operational Risk Incidents and Losses Data Management

Operational risk incidents and loss data have a fundamental role and multiple uses in risk management.

Automation in loss collection is pursued, to the extent feasible, by developing data models and connecting business workflows with the operational risk platform. This enhances data collection comprehensiveness, efficiency, and data quality.

Risk typology and other taxonomies have been developed to promote analysis, aggregation, and reporting capabilities. The data collected through the operational risk incidents and loss collection process are thoroughly analyzed and reported by the Operational Risk Unit on a regular basis to the Group's relevant committees and the supervisory authorities.

In addition, a specialized alert procedure has been established to ensure that all critical incidents are immediately reported to the Operational Risk Unit. All critical incidents are subject to a detailed root cause analysis, in order to identify deficiencies, develop corrective actions and timely inform the Group CRO and the Group Controller.

8.9. Operational Risk Extreme Scenario Analysis

The ORMF includes a detailed Extreme Scenario Analysis process, the objective of which is to enrich the internal data with rare (low frequency and high impact) but plausible events that may have adverse financial and/or non-financial impacts to the Group.

Extreme scenarios are used:

- to supplement the Group's risk profile by including them in the Annual Potential Loss Indicator;
- in assessing the Group's required internal capital for operational risk within the ICAAP, by using extreme scenarios as a direct input to the VaR model; and
- indirectly, to assess the adequacy of insurance coverage.

The analysis is performed on an annual basis or ad hoc, in case of unusual and extreme circumstances, to keep the set of extreme scenarios up to date (given the constant economic, political, environmental, and technological changes).

8.10. Internal capital requirements & VaR calculation

The internal capital calculation methodology for operational risk has been developed based on the Group's objectives in terms of capital coverage of the assumed and potential risks, within the context of the ICAAP. It is a "bottom-up" approach, which takes into account the correlations between risk factors.

The calculation methodology is summarized in assessing the required internal capital as VaR, through simulationand combinatorial use of loss distributions deriving from the following internal data:

- operational risk incidents and losses,
- the RCSA, and
- extreme scenarios.

The above three types of data, in combination, provide a comprehensive and representative picture of the risks (actual and potential), given the existing ICS. To assess the required internal capital, the methodology takes into account the contribution of the Group's insurance coverage framework.

The calculation model is subject to model validation, which is performed by the Model Validation Unit in accordance with the Model Validation Framework.

8.11. Change Management

The Group acknowledges that operational risk exposure evolves when changes are initiated (e.g. engaging in new activities or developing new products or services, implementing new or modifying existing business processes or technology systems). For that reason, the ORMF includes the following procedures:

- **Operational Risk Assessment Process (ORAP)**: The Group's initiatives and projects, fulfilling specific criticality and complexity criteria, are subject to stand-alone risk assessment exercises, known as ORAP. The purpose of these exercises is to identify, assess, monitor, and measure potential operational risks (both within the project implementation and after completion) and manage them through the development and/or implementation of corrective actions.

- **Products Control**: New products and activities are reviewed for operational risks in accordance with a specific process, according to which Product Managers submit new product/service proposals and co-ordinate Product Working Groups (PWG). The Operational Risk Unit participates in the PWG and contributes to the identification of risks and issues that should be resolved before approval, while approving bodies receive relative information for consideration.

8.12. Risk Culture and Training / Awareness

Personnel training enhances staff competence and awareness on identification, management, and mitigation of operational risks.

Training activities involve all Group employees and include:

- Training programs related to the implementation of the ORMF;
- Training focusing on addressing specific types of risks, such as external fraud risk (e.g. genuineness of banknotes and documents, safety procedures in case of robbery), money-laundering and terrorism financing risks (e.g. AML and CTF procedures and infrastructures, related regulatory requirements, etc.), and ICT risks (e.g. cyber security awareness);
- Regulatory-required training programs for employees involved in the promotion of investment and insurance products;
- Personnel training on the Business Continuity Plan (BCP);
- Personnel training on products and services to ensure proper promotion and sales;
- Training programs regarding the Group's vision, model of values, and business ethics;
- Posting of announcements and notes on the Group's Intranet and HR Portal; and
- Initiatives aiming at the enhancement of risk awareness and infusing a strong risk culture throughout the Group.

8.13. Monitoring & Reporting

The ORMF and ICS Reporting Framework ensure the submission of timely, complete, and accurate information to the Senior Management, responsible committees, supervisory authorities, and third parties.

The reporting framework is supported by the operational risk platform which has been installed and is constantly being enriched and enhanced in order to achieve the maximum automation and data integration in respect to the most significant operational risk and ICS processes (such as the RCSA, the controls assessment, the KRIs monitoring, the incidents and losses management, the calculation of VaR, and the ICD management).

Indicative information presented to the Group's Committees and in particular to the Operational Risk Committee (ORCO), relates to:

- the evolution of the Group's operational risk profile, as reflected by the evolution of the RAF indicators,
- a wide range of metrics and information, that illuminate all operational risk sub-types or analyze their allocation per risk type, segments etc,
- a wide range of ICT risk indicators,
- significant actual operational risks incidents and losses,
- results of the controls assessment process,
- results of specialized ORAPs conducted for major events or initiatives affecting the Group's risk profile,

- progress of major projects related to operational risk and ICS enhancements,
- operational risk data & metrics that incorporate climate & environmental (C&E) parameters,
- finally, ORCO is regularly informed by the Internal Audit function on the significant findings of audits carried out, as well as on the progress of the agreed remediation actions.

Finally, the operational risk external reporting includes:

- regulatory reports as required by the current regulatory framework, and
- reports to third parties, such as rating agencies.

8.14. Capital Requirements – Standardized Approach

The Group has adopted the standardized approach for calculating operational risk capital requirements, on a Solo and consolidated basis, through the allocation of its gross income into eight regulatory business lines, according to the CRR:

- Corporate Finance,
- Trading and Sales,
- Retail Banking,
- Commercial Banking,
- Payment & Settlement,
- Agency Services,
- Asset Management, and
- Retail Brokerage.

Table 43: EU OR1 – Operational risk own funds requirements and risk-weighted exposure amounts

	(€ 000's)	a	b	c	d	e
		Relevant indicator			Own funds requirements	Risk weighted exposure amount
		Year 3 (2022)	Year 2 (2023)	Last Year (2024)		
1	Banking activities subject to basic indicator approach (BIA)					
2	Banking activities subject to standardized (TSA) / alternative standardized (ASA) approaches	1,781,439	2,594,852	2,686,520	298,105	3,726,312
3	Subject to TSA:	1,781,439	2,594,852	2,686,520		
4	Subject to ASA:					
5	Banking activities subject to advanced measurement approaches AMA					

9. Liquidity Risk

Liquidity risk management is associated with the Group's ability to maintain adequate liquidity positions in order to meet its financial obligations, while also safeguarding its financial results and its capital. Liquidity risk is the risk arising from the Group's inability to meet its financial obligations when they come due, without incurring any unacceptable costs or losses, both under normal conditions and in times of 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 transactions. In general, liquidity management is a process of balancing cash flows within time bands, so that, under normal conditions, the Group may meet all its financial obligations as they become due.

9.1. Liquidity Risk Framework

The Liquidity Risk Management Framework of the Group presents the overall attitude and approach of the Group's BoD and Senior Management towards liquidity risk. In particular, the framework includes the key principles of liquidity risk management, as well as the guiding statements, both qualitative and quantitative, that define the Group's liquidity risk capacity and risk appetite along with the relevant thresholds. The framework also defines the roles and responsibilities of the parties involved, as well as the methods, indicators, and procedures used in the management of liquidity risk. In addition, the Group has established a number of key documents that provide firm guidelines on the development of the various key action plans in place. These documents define the desired and BoD-approved activity levels and targets, with respect to the evolution and mix of its assets and liabilities, as well as the processes and tools available for use in the case of mild or severe crises. In principle, the Liquidity Risk Management Framework of the Group is articulated by the following:

- Risk Appetite and Risk Identification Policies, and respective Statement and Identification Reports,
- Liquidity Risk Policy,
- Stress Testing Framework,
- Liquidity Risk Limits and Early Warning System Framework
- Funds Transfer Pricing (FTP),
- Business Plan / Funding Plan,
- Contingency Funding Plan,
- Recovery Plan,
- Liquidity Buffer & Collateral Management (LBCM) Process, and
- Intraday Liquidity Management Process.

The Board Risk Committee ("BRC") is responsible for approving of the Liquidity Risk Policy and ensuring the effective management of liquidity risk which is applied in a uniform manner by the Group. This policy is consistent with the globally applied practices and supervisory regulations, and adapted to the individual activities and structures of the Group. The policy specifies the principal liquidity risk assessment definitions and methodologies, defines the roles and responsibilities of the Group's Units, 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 and aspirations within the Liquidity Risk Appetite (LRA) 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 RAF, Contingency Funding Plan (CFP) and Recovery Plan liquidity risk indicators' usage and limits, is produced on a daily basis, and submitted to executive and senior management stakeholders, ensuring that Liquidity Risk stays within approved levels. Similar set of reports are produced on a regular basis and submitted to Management Committees, the BoD, internal stakeholders, and the regulatory authorities, depending on the type of analysis.

To effectively manage liquidity risk, regular reporting includes, among other elements:

- The amount, quality and composition/diversification of liquid assets
- Cash flow analysis of its assets and liabilities (inflows and outflows) across various time buckets
- Composition/diversification and cost of funding sources
- Unencumbered collateral availability and funding capacity
- Funding needs across local and foreign currencies.

Furthermore, the Liquidity Risk Policy defines a contingency funding plan to be used in the case of a liquidity crisis. Such a crisis can take place either due to an event specific to the Company or due to a market-driven event. Triggers and early warning signals prescribed within the contingency funding plan serve as indicators for its realization.

Under Directive 2013/36/EU (known as CRD IV), which has been transported into Greek Law by virtue of Greek Law 4261/2014, credit institutions are required to have comprehensive strategies, procedures, policies and systems to ensure adequate monitoring of liquidity risk. In accordance with the said Directive, Group's Liquidity Risk Management Unit coordinates and participates in the submission to the SSM of the Internal Liquidity Adequacy Assessment Process (ILAAP) report on an annual basis. The ILAAP contains the rules governing the management of liquidity risk and the main results of the Group's current and future liquidity position evaluation and is reviewed and approved by the RC and the BoD. In addition, within the ICAAP and ILAAP framework, the Group examines Stress Test scenarios and assesses their impact on the liquidity position and on the mandatory liquidity ratios.

Since November 2014, the Group is supervised by the SSM of the ECB, in collaboration with the BoG, and submits a wide range of regulatory reporting on a regular and periodic basis. The Group calculates the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR), on a monthly and quarterly basis respectively, both on an individual and consolidated level, according to the CRR in implementation of the Basel Framework in Europe and the European Supervisory Framework harmonization (Single Rulebook).

Finally, during 2024 the Group participated in EBA's Short Term Exercises (STE) and submitted to the SSM the Additional Liquidity Monitoring Metrics (ALMM) reports on a monthly basis, as well as its updated annual Recovery Plan. Additionally, the Group participated in SSM and SRB's joint liquidity annual exercise with regard to liquidity measurement and reporting readiness.

9.2. Key Objectives and Major Developments for Liquidity Risk in 2024

Piraeus Group focuses on the containment of its liquidity risk and the improvement of its liquidity position, through the achievement of the following key objectives, as market conditions continue to improve. The Group aims to:

- Maintain a funding plan that ensures sufficient liquidity buffers while containing liquidity risk such that the Group prevents the use of contingency funding in the future. This funding plan should ensure that the liquidity position of the Group consistently remains above the minimum regulatory requirements for LCR and NSFR.
- 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 programs.
- Refrain from holding excessive liquidity buffers bearing material costs that could affect profitability.
- Closely monitor and control the cost of liabilities, aiming to strike a balance between the need to maintain the liquidity position of the Group and the need to achieve the Group's earnings' targets.

Piraeus demonstrated a very strong financial performance in 2024, reflected in record high profitability and growth. This is in the context of a Greek economy which is growing at almost four times the European average, helping the whole banking sector, including Piraeus, deliver strong results, despite a challenging global macroeconomic environment.

The Bank's revenues and fees have increased significantly and the balance sheet has strengthened further, delivering value to its shareholders and to the wider Greek economy. This exceptional performance was driven by improved results in all core income statement lines, through diversified revenue sources and a rigorous cost discipline, while maintaining prudent and vigilant risk management.

While global macroeconomic uncertainty remains, especially amidst elevated geopolitical risks and concerns around global trade, the Greek economy is resilient. Its strength can be shown by its sovereign debt regaining investment grade status in its credit rating, after 15 years.

Piraeus is benefiting from its continued digital transformation and ongoing efforts to improve efficiency. Furthermore, in March 2024, the disposal by the HFSF of a 27% participation in the share capital of Piraeus was completed. The offer price of the shares offered was set at €4.00 per offer share. 20% of the totality of the offered shares were allocated to Greek institutional and retail investors and 80% of the totality of the offered shares were allocated to international institutional investors. The offering attracted strong international and domestic investment interest at €11bn (9x oversubscribed).

Group's liquidity remains robust, as its granular deposit base increase, adequate cash and collateral buffers, and tapping of debt and capital markets, alongside the ongoing growth of the Greek economy, have effectively mitigated liquidity risks. Based on the same premises, the Group LCR has sustained its ample liquidity profile throughout 2023, remaining comfortably above risk appetite levels and standing at 219%, as at December 31st, 2024.

In 2024, the Group experienced a further enhancement in its liquidity position, propelled by another surge in customer deposits. This upturn not only reflects the restored faith among depositors observed in recent years but also underscores the vigorous momentum of the Greek economy on a broader scale. As at December 31st, 2024, customer deposits amounted to € 62.9 bn, compared to € 59.6 bn on December 31st, 2023.

Following the ECB's decision to revise Targeted Long Term Refinancing Operations (TLTRO) III terms in October 2022, Piraeus proceeded to the full repayment of €3.5bn Eurosystem TLTRO III funding by 2024 year-end.

The bank continued to utilize its interbank Repo market access, with interbank repo funding amounting to € 1,729 mn as at December 31st, 2024, compared to € 435 mn as at December 31st, 2023. In addition, the Bank successfully tapped the markets with two new Senior Bond issuances, completed two new Tier II issuances, and issued two Credit Linked Notes, marking a securities issuance increase of € 1.6 bn and reaching a total of € 4.4 bn.

Piraeus successfully completed the below Senior Preferred Bonds issuances attracting the interest of a large number of institutional investors. These issuances have rendered the Bank already compliant with terminal MREL requirement for end-2025.

- In April 2024, the Bank successfully completed the issuance of a new €500mn Senior Preferred Bond with a coupon of 5%. The bond has a maturity of six years, an embedded issuer call option after five years and is listed on the Luxembourg Stock Exchange's Euro MTF market.
- In July 2024, the Bank had successfully completed the pricing of another €650mn Senior Preferred Bond with a coupon of 4.63%. The bond has a maturity of five years and an embedded issuer call option after four years and is listed on the Luxembourg Stock Exchange's Euro MTF market.

Piraeus also completed two Tier II Bonds issuances successfully, further enhancing its capital position and funding structure, while at the same time enabling funding cost repricing in more favorable terms.

- In January 2024, the Group successfully issued additional €500mn Tier II bond to institutional investors, with a coupon of 7.3%. The bond has a maturity of ten years, an embedded issuer call option after five years and is listed on the Luxembourg Stock Exchange's Euro MTF market.
- In September 2024, the Group successfully issued another €650mn Tier II bond to institutional investors, with a coupon of 5.4%. The bond has a maturity of eleven years, an embedded issuer call option after six years and is listed on the Luxembourg Stock Exchange's Euro MTF market.

The successful tapping of the markets with the above series of issues was a clear confirmation of confidence in Piraeus Bank and its prospects.

The Bank also completed a synthetic STS (Simple, Transparent and Standardized) securitization of performing loans (namely Ermis VII), comprising corporate and SMEs with a total gross book value of approximately €2.0bn. In the context of the transaction, the Bank issued the following Credit Linked Notes with nominal value of €148.5mn which were purchased by international counterparties. In December 2024, the Group successfully issued a €50mn CLN bond to institutional investors, with a coupon of 7.3%. The bond has a maturity of seventeen years, an embedded issuer call option after six years. Additionally in December 2024, the Group successfully issued a second CLN bond of €98.5mn to institutional investors, with a coupon of 11.98%. The bond has a maturity of eleven years, an embedded issuer call option after six years.

Piraeus recorded significant loan growth, while keeping NPEs stable at €1.3bn and succeeding in producing exceptional profitability at €1.1bn vs €0.8bn in 2023. Hence as at December 31st, 2024, customer gross loans amounted to € 41.4 bn compared to € 38.4 bn on December 31st, 2023, of which € 0.9 bn was related to the disbursement of agri-loans towards OPEKEPE for the distribution of European Commission subsidies toward farmers (later repaid in January and February of 2025, tranche 1 and tranche 2 respectively).

Net loans amounted to € 40.7 bn as at December 31st, 2024, compared to € 37.6 bn as at December 31st, 2023, with the seasonally adjusted net loans-to-deposits ratio standing at 63.3% and 61.5% as at December 31st, 2024, and 2023 respectively (excluding the seasonal OPEKEPE loan).

In addition to the above, as at December 31st, 2024, the Group has in place an adequate liquid assets buffer of € 27.1 bn, significantly increased in comparison to the respective buffer as at December 31st, 2023 (€ 23.2 bn).

Finally, it should be noted that the abovementioned changes in the Group's funding mix led to a decrease of the average funding costs in EUR by 8 bps (at c. 0.94%) in comparison to December 31st, 2023, mainly driven by TLTRO III elimination, while customer deposits cost increased by 4 bps at c. 0.42% levels, attributed mainly to term deposits.

9.3. Liquidity Coverage Ratio

The LCR is intended to promote the short-term resilience of a bank's liquidity risk profile over a 30-day stress scenario. The ratio is defined as the amount of High-Quality Liquid Assets (HQLA) that could be used to raise liquidity, measured against the total volume of net cash outflows, arising from both contractual and modelled exposures, in a stressed scenario. This requirement has been implemented into European law via Commission Delegated Regulation (EU) 2015/61, adopted in October 2014. Compliance with the LCR is required in the EU since October 1st, 2015.

Piraeus Group's LCR sustained its robust profile, as aforementioned, consistently remaining comfortably above risk appetite levels and standing at 219% as at December 31st, 2024. For the same reference date Piraeus Group's 12-month average LCR increased by 2 bps at 236%, where it has been calculated in accordance with the Commission Delegated Regulation (EU) 2015/61 and the EBA Guidelines on LCR disclosure to complement the disclosure of liquidity risk management under Article 435 CRR. The HQLA as at December 31st, 2023, of € 21.0 bn is primarily held in Level 1 cash and central bank reserves (33%) and Level 1 high quality securities (67%). This compares to € 21.0 bn as at December 31st, 2023, primarily held in Level 1 cash and central bank reserves (47%) and Level 1 high quality securities (53%). The 12-month average HQLA, as at the same reference date and in accordance with the abovementioned regulation and guidelines, stood at € 21.2 bn, increased by an average of € 0.3 bn.

In 2024, the Group's principal source of liquidity remained its granular customer deposit base, while registering a strong growth in liquid assets. The accumulated HQLA buffer decreased, mainly driven by the elimination of ECB funding, which released non-LCR eligible liquid assets, increase in net loans disbursements and purchases of non-ECB-eligible corporate bonds, which were partly countered by increases in customer deposits and bond valuations, new bond issuances and NPE sales. The LCR's net outflows increased mainly due to change in the deposits outflows mix in favor of the higher outflow rate deposit customers. Given the abovementioned developments, Group's LCR has remained consistently high, standing comfortably well above risk appetite levels and exhibiting outstanding resilience and stability, especially despite TLTRO III full repayment, a high-interest rate environment and a very strong loan portfolio growth.

The below table presents the LCR and its related components over the most recent four quarters, calculated as an average of the previous 12 monthly data points.

Table 44: EU LIQ1 – Disclosure on the liquidity coverage ratio (LCR)

(€ 000's)		a	b	c	d	e	f	g	h
		Total unweighted value (average)				Total weighted value (average)			
EU-1a	Quarter ending on	Dec 2024	Sep 2024	Jun 2024	Mar 2024	Dec 2024	Sep 2024	Jun 2024	Mar 2024
EU-1b	Number of data points used in the calculation of averages	**12**	**12**	**12**	**12**	**12**	**12**	**12**	**12**
HIGH-QUALITY LIQUID ASSETS									
1	**Total high-quality liquid assets (HQLA)**					**21,224,550**	**21,461,756**	**21,726,551**	**21,524,365**
CASH – OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which:	47,572,497	47,220,916	46,999,600	46,632,970	2,603,571	2,592,143	2,600,921	2,589,605
3	Stable deposits	33,709,048	33,617,362	33,544,601	32,570,394	1,685,452	1,680,868	1,677,230	1,628,520
4	Less stable deposits	6,873,906	6,802,554	6,866,584	7,316,841	918,119	911,275	923,691	961,085
5	Unsecured wholesale funding	10,511,626	10,318,652	10,238,846	10,144,384	4,841,510	4,756,998	4,746,653	4,721,758
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	1,093,680	1,085,590	1,091,447	1,109,820	273,420	271,397	272,862	277,455
7	Non-operational deposits (all counterparties)	9,395,372	9,215,719	9,130,056	9,026,657	4,545,516	4,468,257	4,456,448	4,436,396
8	Unsecured debt	22,574	17,343	17,343	7,907	22,574	17,343	17,343	7,907
9	Secured wholesale funding					20,474	29,284	24,752	17,258
10	Additional requirements	3,269,162	3,088,938	3,182,609	3,168,210	1,192,848	1,279,126	1,394,048	1,389,203
11	Outflows related to derivative exposures and other collateral requirements	943,059	1,064,900	1,184,999	1,185,213	943,059	1,064,900	1,184,999	1,185,213
12	Outflows related to loss of funding on debt products	0	0	0	0	0	0	0	0

Table 44: EU LIQ1 – Disclosure on the liquidity coverage ratio (LCR)

(€ 000's)		a	b	c	d	e	f	g	h
		Total unweighted value (average)				Total weighted value (average)			
EU-1a	**Quarter ending on**	**Dec 2024**	**Sep 2024**	**Jun 2024**	**Mar 2024**	**Dec 2024**	**Sep 2024**	**Jun 2024**	**Mar 2024**
13	Credit and liquidity facilities	2,326,103	2,024,038	1,997,610	1,982,996	249,790	214,225	209,049	203,990
14	Other contractual funding obligations	65,386	72,768	74,593	73,002	0	0	0	0
15	Other contingent funding obligations	13,959,509	13,639,377	13,550,678	13,388,118	697,975	681,969	677,534	669,406
16	**Total cash outflows**					**9,356,379**	**9,339,519**	**9,443,909**	**9,387,230**
CASH – INFLOWS									
17	Secured lending (e.g. reverse repos)	517,346	363,879	203,783	92,498	1,801	0	0	0
18	Inflows from fully performing exposures	597,015	631,286	676,921	650,678	358,138	378,595	404,729	398,198
19	Other cash inflows	0	0	0	1,000	0	0	0	1,000
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)								
EU-19b	(Excess inflows from a related specialised credit institution)								
20	**Total cash inflows**	**1,114,361**	**995,165**	**880,704**	**744,177**	**359,939**	**378,595**	**404,729**	**399,198**
EU-20a	*Fully exempt inflows*								
EU-20b	*Inflows subject to 90% cap*								
EU-20c	*Inflows subject to 75% cap*	*1,114,361*	*995,165*	*880,704*	*744,177*	*359,939*	*378,595*	*404,729*	*399,198*
TOTAL ADJUSTED VALUE									
EU-21	**Liquidity Buffer**					**21,224,550**	**21,461,756**	**21,726,551**	**21,524,365**

Table 44: EU LIQ1 – Disclosure on the liquidity coverage ratio (LCR)									
(€ 000's)		a	b	c	d	e	f	g	h
		Total unweighted value (average)				Total weighted value (average)			
EU-1a	Quarter ending on	Dec 2024	Sep 2024	Jun 2024	Mar 2024	Dec 2024	Sep 2024	Jun 2024	Mar 2024
22	Total Net Cash Outflows					8,996,440	8,960,924	9,039,180	8,988,032
23	Liquidity Coverage Ratio (LCR)					236.11%	239.59%	240.45%	239.50%

9.4. Net Stable Funding Ratio

The NSFR requires banks to maintain a stable funding profile in relation to their on- and off-balance sheet activities. The ratio is defined as the amount of Available Stable Funding (ASF, i.e. the portion of capital and liabilities expected to be a stable source of funding), relative to the amount of Required Stable Funding (RSF). The section of the CRR that defines and implements the NSFR for the EU was finalized in June 2019 and has been effective since June 28th, 2021. The NSFR as at December 31st, 2024, calculated in accordance with said CRR framework, stood at 133.85%, remaining consistently high and comfortably above the regulatory minimum requirement of 100%. NSFR's change versus 133.1% in December 2023, was attributed mainly to customer funding increase, new Tier-2 and Senior Preferred Bond issuances, which were partly counterbalanced by € 3.5bn TLTRO III repayment, increased PE loans and interbank reverse repos. The table below presents the NSFR and the breakdown of ASF and RSF items for the reference date December 31st, 2024.

Table 45: EU LIQ2 – Net Stable Funding Ratio (NSFR)

Dec 2024 (€ 000's)		a	b	c	d	e
		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1 year	≥ 1 year	
AVAILABLE STABLE FUNDING (ASF) ITEMS						
1	Capital items and instruments	8,216,757	130,863	0	1,172,490	9,389,247
2	Own funds	8,216,757	130,863	0	1,172,490	9,389,247
3	Other capital instruments		0	0	0	0
4	Retail deposits		47,688,093	1,386,192	387,029	46,512,494
5	Stable deposits		38,294,425	877,721	54,623	37,268,163
6	Less stable deposits		9,393,668	508,471	332,406	9,244,331
7	Wholesale funding:		14,477,020	67,367	4,426,128	10,155,818
8	Operational deposits		1,097,729	0	0	548,864
9	Other wholesale funding		13,379,292	67,367	4,426,128	9,606,954
10	Interdependent liabilities		0	0	0	0
11	Other liabilities:	*255,200*	*1,692,651*	*0*	*144,313*	*144,313*
12	NSFR derivative liabilities	255,200				
13	All other liabilities and capital instruments not included in the above categories		1,692,651	0	144,313	144,313
14	**Total available stable funding (ASF)**					**66,201,871**
REQUIRED STABLE FUNDING (RSF) ITEMS						
15	Total high-quality liquid assets (HQLA)					187,020
EU-15a	Assets encumbered for more than 12m in cover pool		0	0	0	0
16	Deposits held at other financial institutions for operational purposes		0	0	0	0
17	Performing loans and securities:		3,949,835	1,894,696	37,688,792	34,107,353
18	Performing securities financing transactions with financial customers collateralized by Level 1 HQLA subject to 0% haircut		0	0	960,595	960,595

Table 45: EU LIQ2 – Net Stable Funding Ratio (NSFR)						
Dec 2024 (€ 000's)		a	b	c	d	e
		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1 year	≥ 1 year	
19	Performing securities financing transactions with financial customer collateralized by other assets and loans and advances to financial institutions		806,941	243,159	6,440,644	6,642,917
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		2,975,495	1,480,486	24,289,041	22,177,206
21	With a risk weight of less than or equal to 35% under the Basel II Standardized Approach for credit risk		961,652	643,524	3,482,344	3,066,112
22	Performing residential mortgages, of which:		143,822	168,628	4,706,633	3,215,537
23	With a risk weight of less than or equal to 35% under the Basel II Standardized Approach for credit risk		143,822	168,628	4,706,633	3,215,537
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		23,577	2,422	1,291,880	1,111,098
25	Interdependent assets		0	0	0	0
26	Other assets:		291,283	0	13,869,788	13,872,535
27	Physical traded commodities		0	0	15,137	12,867
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		0	0	292,173	248,347
29	NSFR derivative assets		36,083	0	0	36,083
30	NSFR derivative liabilities before deduction of variation margin posted		255,200	0	0	12,760
31	All other assets not included in the above categories		0	0	13,562,479	13,562,479
32	Off-balance sheet items		15,299,709	430,013	3,262,306	1,291,516
33	**Total RSF**					**49,458,423**
34	**Net Stable Funding Ratio (%)**					**133.85%**

Appendix V of this document contains the historical NSFR data for the three prior quarters of FY 2024.

10. Asset Encumbrance

The Group is funded through the following sources:

- its asset refinancing transactions,
- Eurosystem refinancing operations,
- central banks of the regions where its subsidiaries operate, and
- the interbank market, via repurchase agreements using its pool of tradable and non-tradable assets.

As far as the Eurosystem is concerned, the Group draws funding through the ECB's Main Refinancing Operations, LTRO, and TLTRO, using its retained issued covered bonds, eligible pool of loans, and other eligible debt securities.

Regarding the interbank secured funding transactions, namely the interbank repurchase agreements (repos), the Group carries them out using GMRA-CSA contract agreements and backing them by Greek Government debt securities, supranational and foreign sovereign bonds, Greek corporate bonds, and retained own-issued securitizations (senior tranches). According to these contract agreements, the exposure between the Bank and its counterparty is calculated daily and collateral is posted to or received by the counterparty, so that the exposure remains near zero.

Finally, the Group also receives financing through the sale in the market of its own issues, namely its covered bonds series issuance backed by mortgage loans.

The Group's asset encumbrance ratio as at December 31st, 2024, stood at 3.81%, compared to 11.12% as at December 31st, 2023. The major driver for the abovementioned decrease is the elimination in the Group's secured funding from the ECB by € 3.5 bn (€ 3.5 bn as at December 31st, 2023).

Figure 07: Asset Encumbrance Ratio

Out of the total unencumbered assets of € 78,236mn, an amount of € 12,726 mn, which includes goodwill, property, plant and equipment, derivative financial instruments, and other assets, cannot be used for refinancing under normal conditions.

On March 3rd, 2017, the EBA published the final Guidelines on the disclosure of encumbered and unencumbered assets as mandated by Article 443 of the CRR. In accordance with the Guidelines, the data uses the median of the last four quarterly data points. Therefore, the sum of subcomponents does not necessarily equal the reported total.

Table 46: EU AE1 – Encumbered and Unencumbered Assets									
2024 (€ 000's)		Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of unencumbered assets		Fair value of unencumbered assets	
			of which notionally eligible EHQLA and HQLA		of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA		of which EHQLA and HQLA
		010	030	040	050	060	080	090	100
010	**Assets of the reporting institution**	4,855,913	2,718,491			72,852,228	21,151,096		
030	Equity instruments					291,769	1,406	291,769	1,406
040	Debt securities	2,029,720	2,010,419	1,961,471	1,942,471	13,390,325	12,386,306	12,853,075	11,871,482
050	of which: covered bonds					*10,150*	*10,150*	*10,074*	*10,074*
060	of which: securitizations								
070	of which: issued by general governments	*2,010,419*	*2,010,419*	*1,942,471*	*1,942,471*	*11,159,360*	*11,129,113*	*10,610,983*	*10,594,580*
080	of which: issued by financial corporations	*29,004*	*92,577*	*28,257*	*92,852*	*1,995,427*	*1,276,973*	*1,999,152*	*1,278,318*
090	of which: issued by non-financial corporations					*162,503*		*157,203*	
120	Other assets	2,796,934	688,573	-	-	59,170,134	8,629,747	-	-

Table 47: EU AE2 – Collateral received and own debt securities issued					
2024 (€ 000's)		Fair value of encumbered collateral received or own debt securities issued		Unencumbered Fair value of collateral received or own debt securities issued available for encumbrance	
			of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA
		010	030	040	060
130	**Collateral received by the disclosing institution**	**52,804**	**52,804**	**694,227**	**654,229**
140	Loans on demand				
150	Equity instruments				
160	Debt securities	52,804	52,804	694,227	654,229
170	of which: covered bonds			*131,239*	*131,239*
180	of which: securitizations				
190	of which: issued by general governments	*52,804*	*52,804*	*654,229*	*654,229*
200	of which: issued by financial corporations			*206,358*	
210	of which: issued by non-financial corporations				
220	Loans and advances other than loans on demand				
230	Other collateral received				
240	**Own debt securities issued other than own covered bonds or securitizations**				
241	**Own covered bonds and securitizations issued and not yet pledged**				
250	**Total collateral received and own debt securities issued**	**4,909,513**	**2,770,745**		

Table 48: EU AE3 – Sources of encumbrance			
2024 (€ 000's)		Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and securitizations encumbered
		010	030
010	**Carrying amount of selected financial liabilities**	**3,304,910**	**4,484,589**

11. Remuneration Policy

11.1. Purpose

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

The Group monitors, reviews, and updates the remuneration procedures and structures, on an ongoing basis, and whenever there is a material change, so that they are continuously aligned with the evolving business objectives and the regulatory framework. At the same time, remuneration practices and related salary levels, as well as variable incentive schemes do not encourage excessive risk, potential conflicts of interest, or the violation of laws and regulations.

11.2. Basic Principles

Aligning the Remuneration Policy with the Group's strategic direction is an ongoing commitment. Based on the principles of transparency, accountability, and meritocracy, the Group aims to be a pillar of stability in the Greek economy, to fuel growth, and to promote innovation, creating value for shareholders, clients, and employees. The Group's corporate values are to:

- create value in all we do,
- challenge frontiers,
- enthuse our clients, and
- build relationships of trust.

The Remuneration Policy aims to:

- attract, retain and motivate high-caliber employees who achieve the expected results by embracing our corporate values and culture,
- support a performance-driven culture that is based on excellence and on creating sustainable growth, taking into account climate & ESG aspects,
- embrace equal pay policy for male and female employees for equal work or work of equal value supporting a culture of fairness,
- align remuneration with profitability, capital adequacy, and liquidity without encouraging excessive risk-taking,
- promote a culture of compliance and effective risk controls and
- enhance internal and external transparency.

The key principles of the Remuneration Policy reflect the most recent regulations in terms of remuneration and incentive practices and are aligned with the Group's long-term strategies. Towards this direction, the Group is taking initiatives among others to ensure that its remuneration policy and practices stimulate behavior consistent with the Group's climate-related and environmental (risk) approach, as well as with voluntary commitments made by Piraeus. These are linked with the Group's overall agenda for adding value to all stakeholders, the creation of a work environment which is comprehensive in its diversity, fostering and unlocking individual potential and securing a competitive advantage, the establishment of a risk-adjusted culture aiming to increase efficiency and simplification, being compliant with internal policies and controls, and consequently discouraging excessive risk taking and avoiding conflicts of interest.

11.3. Policy Framework

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

The Remuneration Policy's principles and provisions apply to all employees of Piraeus Financial Holdings' Group ("Group") and its subsidiaries (including Piraeus Bank and its subsidiaries) in a manner which is appropriate to each Group entity's size, internal organization and the nature, scope and complexity of their activities (principle of proportionality) and without prejudice to the provisions laid down in Article 102 of Greek Law 4261/2014 (and Article 109 of the CRD).

For the purposes of the present, the term “employee”: a) includes Board members, although without prejudice to the prevailing provisions of the Directors’ Remuneration Policy, and b) is deemed to only refer to staff engaged under an employment/mandate contract or having a distinct and permanent role in the organization. The general principles and provisions of the Remuneration Policy set the high-level framework and are applied proportionally for the remuneration of all individuals acting on behalf of the Group (regardless of their contractual relationship with the Group or Group’s subsidiary) with the aim of ensuring that the payments made are not providing for excessive risk taking or the mis-selling of products.

Application of the Remuneration Policy varies for different categories of employees, particularly for employees whose professional activities have a material impact on the risk profile of the Group (“identified staff” or “Material Risk Takers”).

Table: Remuneration Policy Framework	
Remuneration Governance	• The Remuneration Committee (RemCo) monitors the ongoing appropriateness of remuneration practices and proposes changes to the policy as needed. • Legal Services, Group Internal Audit (GIA), Group Compliance (GC), Group Risk Management (GRM), and Group Human Resources (GHR) are actively involved in the design of the Remuneration Policy, according to their area of responsibility. • The Remuneration Policy is approved by the Non-Executive members of the BoD. • Central independent review of the Remuneration Policy is performed by Group Internal Audit, and the RemCo ensures that a remedial action plan is proposed, approved, and implemented in a timely manner. • Compensation data are reported to regulatory authorities, published according to Capital Adequacy and Risk Management Regulatory Disclosures (Pillar III) and as indicated by the regulatory framework.
Remuneration Structure	• Total remuneration includes both fixed and variable parts. • Variable remuneration is given in cash and in instruments (where applicable). • A proportion of variable remuneration is deferred (where applicable). • Reference is made for Material Risk Takers (MRTs), which are identified and monitored on an annual basis. • There are malus and clawback terms that may be activated under specific conditions.
Employee Remuneration Determination	• Fixed remuneration must be competitive in order to attract and retain individuals with the appropriate skills, competencies, work experience, and conduct that the Group aspires. • Employees’ high performance and motivation is rewarded through variable remuneration in order to achieve business targets, always according to legal and regulatory requirements and budget provisions. • Variable remuneration promotes sound and effective risk management and discourages excessive risk-taking.
Reward Performance by	• Being aligned to market reality, shareholders’ long-term interests, and the Group’s strategy. • Not adversely affecting the Group’s capital base – Group needs to be profitable and well-capitalized. • Taking into consideration employees’ contribution in business target achievement and employees’ adherence to corporate values as well as Business Unit performance, Group performance, and Group risk indicators. • Promoting ESG risk-related objectives, corporate values, and risk culture. • Following a gender-neutral approach.

11.4. Policy Governance

The Remuneration Policy is designed and closely reviewed by GHR advised/assisted by Legal Services and Control Functions (i.e. GRM, GC and GIA). RemCo takes into consideration the views of the above control functions for the topics under their scope and provides its ongoing support and advice on the design of the Remuneration Policy, ensuring that such policy:

- remains appropriately competitive in light of regulatory and market developments,
- takes into account all risks, assessed under Pillar I, ICAAP, ILAAP, in line with the Group's Risk Appetite and available liquidity and capital levels against said risks,
- supports the equal treatment of employees, not taking into account gender, age, ethnicity, disability, or any other characteristic,
- is consistent with and promotes sound and effective risk management,
- is in line with the business strategy, corporate values and culture,
- aligns the interests of the Group's employees to those of shareholders, promoting at the same time the long-term interests of the Group and
- incorporates criteria of achievements that are linked to the remuneration of executive levels.

The RemCo makes all necessary changes and amendments and then submits its proposals to the Non-Executive members of the BoD for approval.

Control functions contribute to the design of the Remuneration Policy, provide input in each policy's update and play a significant role in its control.

GRM ensures that the Group Remuneration Policy integrates risk-adjusted performance measures and aligns with the Group's Risk Appetite Framework (RAF). It assists with and informs on the definition of suitable risk-adjusted performance measures (including ex-post adjustments) and risk-related KPIs used in variable remuneration schemes to avoid excessive risk-taking, evaluates the relevant remuneration practices, focusing on how the variable remuneration structure and related payments affect the Group's risk profile and culture. GRM's advice and/or representation may be requested in RemCo's meetings to provide input on certain risk-related matters. GRM also assesses the compatibility of the proposed bonus pool allocations with risk, liquidity, and capital adequacy, conducts ex-post review to evaluate the impact of deferred remuneration to be vested on the Group's risk profile. GRM also provides feedback on the identification process of MRTs, by identifying the material business units and applying the risk related criteria of the respective regulation (Delegated Regulation 2021/923).

GC analyzes how the Remuneration Policy affects the Group's compliance with legislation, regulations, internal policies, and risk culture and proposes any adjustment needed. It also ensures consistency with the Code of Conduct & Ethics or other standards of conduct applicable to the Group, taking into consideration conflict of interest issues. In addition, GC evaluates whether the assumptions related to the annual remuneration reporting disclosures and the identification process of MRTs are aligned with the existing regulatory framework and reviews the list of MRTs applying the related quantitative criteria. In terms of implementation of variable remuneration schemes, GC assesses the schemes' mechanism to ensure compliance with applicable caps, deferral components, and payout structures. It also contributes to the review of the proposed KPIs to confirm alignment with compliance requirements, with the aim of promoting appropriate behavior towards compliance risk-taking.

The design and implementation of the Remuneration Policy, in terms of compliance with the regulation, policies, procedures, and internal rules, are subject to central and independent internal review by the GIA at least once a year. The independent review includes, inter alia, references regarding the effects of the existing remuneration policies on the Group's risk profile and the way these effects are managed as well as an analysis of whether the Remuneration Policy is gender neutral. The results of the internal review performed, and actions taken to remedy any findings are documented in written reports and through the minutes of the relevant RemCo's meeting. Moreover, GIA participates, on a consultative basis, in the assumptions related to the annual remuneration reporting disclosures, as well as in the identification process of MRTs.

Directors' remuneration is governed by the Directors' Remuneration Policy, which applies to the members of the BoD ("Directors") as per the requirements of Articles 110-111 of Greek Law 4548/2018. The Directors' Remuneration Policy follows the same fundamental principles of the Remuneration Policy, while at the same time acknowledging that the structure of remuneration for Directors is necessarily different to that of less senior employees as a result of their role, responsibility, and ability to impact the performance of the business.

The RemCo submits the Directors' Remuneration Policy to the Non-Executive members of the BoD for approval. The final approval is provided by the General Meeting of Shareholders. The updated Directors' Remuneration Policy was submitted and approved by the Annual General Meeting of Shareholders on June 28th, 2024. Following a respective recommendation by the RemCo, the BoD proposed the approval of the amendments in the Directors' Remuneration Policy during the 2024 Annual General Meeting of Shareholders, in accordance with Article 110 of Greek Law 4548/2018. The main amendments in the Directors' Remuneration Policy referred to the:

- Incorporation of the Long-Term Incentive Plan's mechanism, approved by the BoD on November2023 in the Appendix of the policy.
- Deletion of references to Law 3864/2010 on HFSF as it is no longer applicable.
- Clarification of the amount considered as particularly high amount of variable remuneration as defined by the applicable regulatory framework.
- Rewording of certain points for enhanced clarity (i.e. sections on "Deviation - Management of exceptions", "Fees for Non-Executive Directors").

Remuneration data for Directors is included annually in the Remuneration Report[19], which is subject to an advisory vote of the Annual General Meeting of Shareholders, as per the provisions of Greek Law 4548/2018. The publication of the Remuneration Report is intended to provide increased corporate transparency and Directors' accountability and increased oversight of shareholders on the implementation of the Remuneration Policy and practices, while at the same time demonstrating their coherence with Group's strategy and performance. The Directors' Remuneration Policy and the Annual Remuneration Report are publicly available on the external website of the Group:

(link: Directors' Remuneration Policy | Remuneration Report)

11.5. Remuneration Committee

The RemCo is the supervisory and governing body for remuneration policies, practices and plans. According to its Terms of Reference, RemCo is appointed by the BoD of the Group and consists of at least three members of the BoD. The majority of the members are independent as per the definition in Article 9 of Greek Law 4706/2020, currently in force.

RemCo, as a body, has knowledge, expertise, and professional experience in remuneration-related issues, risk management, and control activities. At least one (1) member of the Committee should also be a member of the Risk Committee (RC) to oversee the alignment of the Remuneration Policy with the Group's Risk & Capital Strategy. RemCo is supported by an Executive Secretary. RemCo convenes, following the Chairman's invitation, as many times as required for the fulfillment of its mission, but not less than four (4) times every calendar year. Resolutions may only be adopted when a quorum of at least half of its members are present. Resolutions of the RemCo are adopted by majority vote of the members present. During 2024, the RemCo of Piraeus Bank (hereinafter the "Bank") convened nine (9) times, while respectively the RemCo of the Piraeus Financial Holdings (hereinafter the "Company") held seven (7) meetings.

The RemCo is authorized by the BoD to act as follows:

- to recommend and advise the BoD in relation to its supervisory responsibilities regarding the design, control of implementation, and periodical revision of the Remuneration Policy and the alignment with the Group's corporate strategic goals. In fulfilling its tasks, RemCo takes into account the Risk Appetite Framework of the Group and the long-term interests of the shareholders and other stakeholders,
- to monitor the implementation of a framework that objectively evaluates performance and is directly linked with the determination of the remuneration of all employees, MRTs as well as non-MRTs,
- to oversee the implementation of the Group's talent management and succession planning policies,
- to assess the implementation of remuneration strategies aiming at building a corporate culture that will support the Group´s objectives and vision and

RemCo is responsible to ensure that the remuneration policies are consistent with the objectives of the Group's business and risk strategy, including ESG risk-related objectives, corporate culture and values, and long-term interests of the Group. RemCo has the responsibility for aligning Executive members of the BoD and senior management's remuneration with strategic priorities, including in relation to climate and sustainability matters.

In its December 2024 meeting, the Remuneration Committee conducted a comprehensive review of its Terms of Reference to ensure alignment with evolving governance standards and best practices. This review aimed to enhance the clarity of the Committee's scope, responsibilities, and operating procedures, reinforcing its commitment to robust oversight, transparency, and effectiveness in remuneration governance.

[19] The Remuneration Report was published for the first time in 2020 (for the year 2019) and on an annual basis going forward.

In 2024, the RemCo reviewed and recommended for the BoD's approval the following basic items:

- The Annual Variable Incentive Schemes (bonus pool and payouts) for Performance Year (PY) 2023.
- The 2024 Voluntary Exit Scheme of the Group (hereinafter "VES").
- The update of the Group and the Directors' Remuneration Policies. In both Policies the structure of the Long-Term Incentive Plan ("LTIP") was updated to further enhance the Group's ability to retain and attract talent in executive levels.
- The updated Identification Process of MRTs.
- The revised bonus allocation matrices of the Annual Variable Incentive Schemes, following the new performance rating structure.
- Its Terms of Reference.

The Committee also:

- Approved its Annual Plan for 2024.
- Reviewed the KPIs for PY 2024, in a joint session with the Risk Committee.
- Informed on culture initiatives to increase employee engagement.
- Updated on the staff's credit exposure.
- Provided its pre-approval on the estimated bonus pool of the Annual Variable Incentive Schemes for PY 2025.
- Informed on the gender pay gap action plan.
- Informed on the audit findings related to the remuneration policy and the related remedial actions.

Furthermore, in the context of the 2024 Annual General Meeting of Shareholders, RemCo recommended to the BoD the items below to be submitted in the AGM's agenda:

- The Directors' remuneration paid for 2023 and the advance payment of 2024.
- The amendments to the Directors' Remuneration Policy.
- The 2023 Remuneration Report.

More information on the current composition of the RemCo, its operation and responsibilities are available on the Group's website:

(link: BoD Committees)

11.6. Remuneration Structure

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

The People Performance Management framework which is aligned with the strategic objectives and is structured on three main pillars: high performance, requirement of management responsibility, and personal accountability - is incorporated in the remuneration framework. Strategic priorities are set by senior management, translated to the Annual Business Plan, and cascaded to the Functional Business Heads, and then linked with the respective employees in each unit. In this manner, the Group\s annual business goals are cascaded to all levels in the organization. The employees are rated on the basis of their individual contribution to strategic enablers and functional targets and also measurable indicators of what is expected in alignment with the corporate values. Equal focus is given on "what" we achieve and "how" we achieve it, ensuring that our values are embedded in our actions.

Control Functions' Remuneration

The remuneration of employees in Control functions reflects the nature of their responsibilities and is structured in a way that allows the Group to employ qualified and experienced personnel. The Group ensures that the methods used for determining the variable remuneration of control functions (i.e. GRM, GC, and GIA), do not compromise employees' objectivity and independence.

The RemCo assesses whether the proposed remuneration packages for the Heads of the independent control functions are compliant with the Remuneration Policy's provisions for these positions. Remuneration of these roles should not be connected with the performance of the business units they monitor.

Fixed remuneration

Fixed remuneration[20] is the guaranteed income of employees. It is non-discretionary and aims to reward employees based on predetermined criteria such as level of organizational responsibility, education, professional experience, and skills. The level of fixed remuneration is based on conditions which are permanent, transparent, and do not provide incentives for risk taking. Additionally, it aims to support both the attraction and retention of the employees in the Group, by remaining competitive in the market while ensuring employees' engagement. Fixed remuneration is the employees' basic source of income from the Group and therefore it ensures their desired/proportionate standard of living.

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

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

To apply this framework, the Group has established an internal job grading structure by mapping all roles, allocating them into job families, and conducting job evaluations to assign levels of responsibility into specific roles. The implementation of this model ("Job Family Model") serves as a solid basis for career development, succession and workforce planning, by promoting an effective conversation between managers and employees, enabling them to identify how they progress from one level to the next or within the same level across different roles.

Benefits

A fixed component of the remuneration structure relates to the benefits provided to employees in line with the relevant market practice to ensure competitiveness and business effectiveness. This may include, but is not limited to, Medical Care, Life/Accident, Defined Contribution Group Insurance Plans for members of Management including the Executive members of the BoD, Children's Aid Plans, optional retirement benefits, staff pricing on banking products, as well as benefits linked with the internal job grading structure and/or role (e.g. company car, handheld devices, etc.) following market practices and policies.

Allowances/Expenses

The Group also provides benefits or allowances mandated by the sectoral as well as the internal Enterprise Collective Bargaining Agreement, such as additional paid leave for maternity leave and working mothers, nursery allowance, a one-off benefit for employees with several children, benefit for disabled employees and their dependents, university graduation recognition for employees and their children, student leave, one-off amount for financial support of employees etc. These are reviewed on an ongoing basis in order to ensure compliance with this framework.

IORP

The Group has established an Institution for Occupational Retirement Provisions (herein after "IORP") through which the Bank offers a Defined Contribution Pension Plan as well as Medical Care and Life/Accident plans, that cover all employees. Executive members of the BoD may participate to the aforementioned plan. The IORP is governed by its Board of Directors and supervised by the Bank of Greece. The statute of IORP defines in detail the terms and conditions of participation and the benefits provided. The IORP's statute is approved by the Bank of Greece.

More specifically, and as specified in more in the IORP's statute, the Defined Contribution Pension Plan provides for regular and non-regular contributions by the employer as well as the employee. Regular employer's contributions are defined as a percentage of the employee's monthly gross salary. Members may also participate in the plan on a voluntary basis, contributing up to a specified ceiling of their monthly gross salary. Members are able to change their contribution within the year. Insured members are entitled to receive a lump sum that equals the total amount of both the employer's and employee's contributions, upon fulfillment of a set of criteria related to their age and years of insurance in the IORP, or as otherwise specified in the IORP's statute. In case of employee's resignation or voluntary termination and prior to the fulfillment of the specific conditions set, the insured employee receives only individual contributions.

Variable remuneration

[20] As defined in the EBA Guidelines and/or in the current legal framework.

The Group aims at rewarding employees' high performance in order to support the achievement of business targets at individual, unit, and group level. Variable remuneration schemes may be designed on a long-term or short-term basis, thus rewarding the achievement of both short-term and long-term business objectives. It allows the Group to differentiate individual performance and drive behavior through incentives that can positively influence a "Pay for Performance" culture. In accordance with the legal and regulatory principles and taking into account any possible conflict of interest, these schemes may take the form of short-term schemes such as an annual performance bonus aiming to incentivize short to mid-term individual performance and/or the form of an incentive scheme / rally aiming to provide additional motives for the achievement on specific business results (such as increase in deposits, commissions, insurance products, etc.). Long-term incentive plans aim to reward, retain and motivate individuals by aligning with the long-term value creation for shareholders, in line with the Group's Business Plan objectives.

Each subsidiary within the Group may adopt variable remuneration schemes aligned with those described in the Group Remuneration Policy or, alternatively, design and implement distinct variable remuneration schemes tailored to their specific regulatory frameworks, strategic priorities, and business-specific needs. In either case, it is essential for the subsidiary to consult with GHR, Control Functions and/or other related pillar/unit for guidance in designing and implementing such schemes in order to ensure their alignment with Group's strategic objectives and long-term interests.

Variable amounts are awarded based on predetermined, measurable quantitative and qualitative criteria. Such criteria incorporate the Group's medium-term and long-term strategy, including its risk profile and risk appetite, are conducive to the alignment of the employees' interests to those of the Group and shareholders, ensuring that no excessive risks will be taken, and the awarded amounts are not detrimental to maintaining a sound capital base.

Variable remuneration amounts are calculated as a percentage of the fixed component. The applied percentages are differentiated based usually on performance evaluation as defined by reference to the relevant market practice, the current economic situation, the Group's margins, target achievement rate as well as other specific elements of the variable remuneration schemes as each time applied.

The variable component cannot exceed 100% of the fixed component of the total remuneration of each employee. The General Meeting of Shareholders of the Company may approve a higher maximum level of the ratio between fixed and variable components provided that it does not exceed 200% of the fixed component for each individual.

In order to discourage the MRTs from undertaking excessive risk, a significant part of their variable remuneration is deferred, and at least half is given in instruments instead of cash. Specifically, at least 50% of variable remuneration will be paid in instruments, while the remaining 50% will be paid in cash as defined by the applicable regulatory framework. A minimum proportion of 40% (or respectively 60% for particularly high amounts[21]) of the variable remuneration is deferred over a period of time (deferral period) which cannot be shorter than four (4) years or five (5) years for the Executive members of the BoD and the senior management or otherwise defined by the applicable legislative and regulatory framework.

The requirement to pay, at a minimum, 50% of any variable remuneration in instruments shall apply equally to the non-deferred and to the deferred part. In respect to the awarded instruments, a retention period of at least one year is set, or as otherwise defined by the existing legislative and regulatory framework.

The requirements on deferring part of the variable remuneration and applying a payout mix that includes financial instruments are not implemented for employees (either MRTs or not) whose annual variable remuneration does not exceed the amount of € 50,000 and does not represent more than one-third of the employee's total annual remuneration, or as otherwise defined by the existing legislative and regulatory framework.

Annual Variable Incentive Schemes

During the 2nd semester of 2024, the annual variable incentive schemes were implemented to employees for the performance year 2023, rewarding employees' high performance. The annual variable incentive schemes in the Company (including the Bank and its subsidiaries) consists of three distinct incentive schemes, addressing distinct employee perimeters: Senior Management scheme, Frontline scheme and Central functions scheme. These three schemes are mutually exclusive in terms of perimeter and are structured to enhance both the individual and team effort. The relevant amounts are determined based on predetermined, measurable, quantitative, and qualitative criteria that are related to the Group's strategy.

The annual variable incentive schemes of the Group were designed by taking several key principles into consideration:

- To distribute variable remuneration, the Group must be solvent, with capital and liquidity levels above requirements, taking into account all risks assessed under Pillar I, ICAAP and ILAAP, in line with the Group's Risk Appetite,
- The schemes need to be fully aligned with shareholders' interests, both short-term and long-term, promote sound and effective risk management, and discourage excessive risk-taking conflict of interest and unfair business practices,

[21] Awarded variable amounts that exceed €1mn on an annual basis.

- The design of the schemes is aligned to market reality, taking into account remuneration practices among Greek banks and benchmarks on variable remuneration from European peers,
- The schemes must be consistent with the most recent national and international regulatory requirements (i.e. Greek Law 4261/2014, BOG Executive Committee's Act in force and EBA Guidelines),
- Rewards should be based on the individual performance of eligible employees, while fostering collaboration and delivery of the Group's strategic priorities and adhering to the Group's RAF,
- The payout mechanism should leverage the "Become & Achieve" performance evaluation process adopted by the Group,
- The schemes must be simple and transparent and be easily understood, with employees being able to have predictability on the awarded amount,
- The payment of control functions should not be linked to the performance of what they are controlling,
- The majority of payout should be based on objective criteria to strengthen the perception of fairness in variable pay distribution; variable remuneration reflects performance without any bias (e.g. gender-related), and

Employees who are under investigation for significant irregularities or omissions or other punishable acts and/or incidents of Violence and Harassment cases, circumvention of operational procedures or acts of any form of violence , are excluded from the perimeter of the bonus schemes until the investigation is completed.

Among the key objectives of the annual variable incentive schemes are to ensure prudency in risk taking, to disincentivize overly risky decisions, and to cultivate a healthy risk mindset in the Group. The Group has recently strengthened its Three Lines of Defense (LoD) model in credit risk, with clear and distinct roles, responsibilities, processes, monitoring, and controls, which is formed as such:

- The first line of defense owns day-to-day operational decision-making. The first line of defense is, therefore, formed by Business and Group Credit.
- GRM from the second line of defense sets the risk framework, sets or approves or endorses the risk policies and monitors their implementation by the first line. GC from the second line of defense reviews within the Group's risk framework the listed controls and issues which fall within the scope of its responsibilities.
- The third line of defense performs regular ex-post checks on the first and second lines. The third line is formed by GIA.

The three lines of defense, and especially the first and second lines, which directly influence risk-taking, have carefully designed KPIs that incentivize prudency. Specifically:

- All Business units are incentivized on a mix of KPIs that include at least one (1) risk-related KPI. These metrics are cascaded to and measured for all employees that have a material influence on risk-related decisions. Furthermore, in the mix of KPIs volume and risk have an equal weight. Weights will be defined to ensure high relevance of risk-related metrics. KPIs that are based on the level of the control environment (ICS) of each Unit may be also taken into account, thus contributing to its enhancement. Group Credit's KPIs do not include any volume targets but rather focus on portfolio quality and operational efficiency. Members of Group Credit are the control of the first LoD and are co-signatories in all credit decisions, ensuring business is not allowed to focus on volume without considering risk.
- GRM is incentivized on a set of KPIs that do not include any volume targets. Furthermore, GRM does not receive any bonus benefit from Group over-performance, to ensure there is no conflict of interest.
- In addition, to ensure prudency in risk-taking, the Senior Management scheme may utilize several metrics, including risk-related metrics, as gates (indicatively Capital Adequacy Ratio). In case any of these targets are breached, no bonuses are paid for the senior management. These gates act as ex-ante risk adjustment factors, in line with the ex-post factors, namely, deferral, malus and clawback rules, to ensure a strong focus of senior management on prudent risk-taking and healthy credit expansion in the medium/long term.

  Detailed information on the Senior Management scheme is presented in the Directors' Remuneration Policy, which is published on the external website of the Company:

Link: Directors' Remuneration Policy

Retention Scheme

The Company may adopt retention scheme mechanism(s) in order to retain key employees holding critical positions, talented/ high caliber employees and employees with accountabilities of strategic importance for the achievement of the Company's priorities.

Any such retention mechanism(s) or other ad hoc retention initiative/ bonus is based on specific extraordinary conditions, duly justified, that lead to the retention objective (i.e. the circumstance that the employee stays in the Group for a predefined period of time demonstrating the expected performance until a certain event or specific business targets are achieved).

Under all circumstances, any retention initiative/bonus shall comply with the requirements of the regulatory framework, including the ex-post risk alignment, payment in instruments, deferral, malus and clawback arrangements, as well as legislative restrictions, where applicable.

Long-Term Incentive Plan

In November 2023 the Group's remuneration mechanisms were enriched through the introduction of the Long-Term Incentive Plan ("LTIP") to further enhance the organization's ability to retain and attract talent in executive levels. The LTIP is a complementary variable incentive scheme that is based on Group's performance.

This scheme was designed to encourage the Group's leadership towards long-term thinking and behaviors, by aligning performance metrics with Business Plan targets and therefore the shareholders' interests.

LTIP is running in 3-year cycles, with an award made every three (3) years, observing and being linked to the Business Planning process of the Group (currently a 3-year cycle). Group's LTIP perimeter are executives of the Group, given their material influence on Group's objectives. LTIP's performance metrics are linked to Group Business Plans' targets, while individual performance acts as gate condition. Award occurs at the end of the three-year Business Plan period. Upon conclusion of the Business Plan, eligible participants will receive their calculated LTIP awarded amounts based on the Group's overall performance, that vary per level of responsibility as percentage of fixed annual salary. Performance is assessed over a 3-year performance period, aligned with long-term value creation. The total awarded amount will be calculated and subsequently distributed after the 3-year performance period concludes. Total awarded amounts are subject to the provisions of the legislative and regulatory framework, as in force.

The LTIP is compliant with EBA regulations and Greek law; 100% of the reward will be in instruments. Vesting commences in the following year after the end of the 3-year cycle and continues over a five-year period. Specifically, up to 50% of total awarded amount is vested in the year following the third performance year of the cycle, and the remaining percentage is vested equally during the next five (5) years.

Instruments

For the Group to be able to award variable remuneration supporting the established schemes, the instruments below, as a means of variable remuneration payment, have been developed and approved by the BoD:

a. Free Distribution of Shares Plan

Following the respective recommendation by the Remuneration Committee and the proposal of the BoD, the Annual General Meeting of shareholders ("AGM"), held on 27 June 2023, decided to grant free common shares of Piraeus Financial Holdings aiming to compensate executives and employees for their contribution to the achievement of the Group's strategic objectives and of specific financial and operational goals, and/or to retain them and recruit new, remarkable and capable executives, that serve and ensure the long-term interests and sustainability of the company and its affiliates. AGM authorized the BoD to: a) determine the beneficiaries of said free shares on the basis of the applicable remuneration policy and remuneration schemes of the Group as well as the terms and criteria for the award and the payment of remuneration, and b) proceed with the implementation of this decision at its discretion in the appropriate time and manner, and deal with all the procedural details related to this decision. At BoD's meeting, held on 19.10.2023, the specific terms and conditions of a Free Distribution of Common Shares Plan were determined, which are briefly described in the announcement below:

(link: Terms of Free Distribution of PFH Shares Plan)

During 2024 a total of 1,652,600 own, common registered voting shares of the Company were distributed free of charge to 150 Beneficiaries (including the Executive members of the BoD), under the applicable variable remuneration schemes ("Retention Scheme" and "Annual Variable Incentive Scheme"), through over-the-counter ("OTC") transactions. The total value of the above shares amounted to € 5,928,418. based on the closing price of the Company's share on 19 March, 3 July and 6 December 2024 respectively.

(links: Announcement December 2024 Announcement July 2024 Announcement March 2024)

b. Establishment of a Stock Option Plan

The Company's BoD, pursuant to the authorization granted on 7 April 2021 by the Extraordinary General Meeting of shareholders according to article 113 par. 4 of Law 4548/2018, proceeded on its meeting held on 16.11.2023, to the establishment of a Stock Option Plan for executives and employees of the Company and its affiliated companies within the meaning of article 32 of Law 4308/2014, in the form of stock option rights. The Plan will serve as a means of payment of remuneration payable in instruments, to employees and executives of the Company and its affiliated entities, on the terms and conditions provided in the Directors' and the Group Remuneration Policies and the particular remuneration schemes adopted from time to time. The basic terms of the Stock Option Plan are included in the relevant PFH's announcement:

(link: Establishment of a Stock Option Plan)

During 2024 no stock options were granted to employees of the Group.

Sign-on Bonus

Guaranteed variable remuneration in the form of a sign-on bonus is provided as an incentive to join the Group only in exceptional cases and when extending an offer to new experienced professionals who will assume key responsibilities. This form of guaranteed variable remuneration is a lump sum amount paid during the first year of employment provided that the Group maintains a sound and strong capital base. The maximum amount paid should not exceed six (6) monthly gross salaries.

The employee should maintain active employment at the Group for a minimum of one (1) year from the date of hire. If the employee fails to meet the one (1) year minimum requirement and the employment is terminated before that point, the employee is obliged to repay – where applicable – the pro-rated portion of the sign-on bonus that was paid.

The full amount may be paid in non-deferred cash and may not be included in the calculation of the ratio between the fixed and variable components of the total remuneration for the first performance period, where the guaranteed variable remuneration is awarded when hiring a new employee before the first performance period starts.

Severance payments

Severance payments relate to the early termination of an employment contract for employees who leave the Group on good terms and may be either mandatory under labor law or mutually agreed between the Group and the employee.

The level of the amount, depending on the type of severance payment, cannot be lower than the mandatory amount under the labor law and higher than 24 monthly gross salaries, unless otherwise stated on the employees' contracts already signed.

Executive members of the BoD and the senior management are also entitled to severance payments, based on a distinct Severance Policy that sets the specific terms and conditions for awarding such amounts, which are determined taking into account the tenure in the Group, the performance achieved over time as evidenced and documented by the internal performance appraisal mechanism, the alignment of the individual's behaviors and attitudes with the Group's internal policies and rules, as well as the proximity to retirement age.

More details on the provisions of Severance policy are available in the: (link: Severance Policy).

GHR is responsible to safeguard that the relative process and required approvals for the award of such amounts have been followed. Severance payments may also be provided due to participation in voluntary exit schemes (VES), which are based on specific terms regarding the magnitude of the amounts offered.

11.7. Material Risk Takers

For the determination of employees that have a material impact on the Group's risk profile, the qualitative and quantitative criteria referred to in Article 84 par 3 of Greek Law 4261/2014 as well as to the Commission Delegated Regulation (EU) 2021/923 of March 25th, 2021, supplementing the CRD, are taken into account.

In order to ensure the Group's compliance with the qualitative and quantitative criteria described in the aforementioned framework, GHR, assisted by Legal Services, GRM, and GC, performs a structured and formalized identification process. All employees whose professional activities have a material impact on Group's risk profile are identified based on data retrieved each year on December 31st or as otherwise defined in the existing legislative and regulatory framework. A relevant list of roles, which have a material impact on the Group's risk profile, is hence annually drawn up and periodically updated by GHR.

Having received the guidelines of GHR for the identification process, each Group's subsidiary is responsible to draw up and monitor a respective list of roles, in accordance with the qualitative and quantitative criteria set out in the above Regulation and their organizational structure.

The identification process is annually reviewed and the respective list of MRTs is approved by the RemCo. For Piraeus Financial Holdings Group (consolidated basis) 113 MRTs were identified as of 31.12.2024 (vs 102 MRTs as of 31.12.2023).

11.8. Malus & Clawback Provisions

Variable remuneration is paid only if it is sustainable according to the financial situation of the Company/Bank/Subsidiary and justified based on the performance of the Group, the Business Unit, and the individual concerned.

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

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

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

Malus and clawback provisions/arrangements for up to 100% of the total variable remuneration, are in place both for the executive members of the BoD and the other MRTs in accordance with the existing legislative and regulatory framework.

11.9. Remuneration Disclosures

The tables below present per business area, aggregate quantitative information awarded and paid for 2024 on the remuneration of MRTs as of December 31st, 2024. Updates have been made to these tables incorporating the available data for 2024 as of May 2025.

Table 49: EU REM1 – Remuneration awarded for the financial year

2024		a	b	c	d
		MB Supervisory function	MB Management function	Other senior management	Other identified staff
FIXED REMUNERATION					
1	Number of identified staff	11	2	42	58
2	**Total fixed remuneration**	**2,172**	**1,385**	**10,238**	**6,214**
3	Of which: cash-based	2,172	1,385	10,238	6,214
EU-4a	Of which: shares or equivalent ownership interests				
5	Of which: share-linked instruments or equivalent non-cash instruments				
EU-5x	Of which: other instruments				
7	Of which: other forms				
VARIABLE REMUNERATION					
9	Number of identified staff	**0**	**2**	**40**	**55**
10	**Total variable remuneration**	**0**	**2,220**	**7,715**	**2,501**
11	Of which: cash-based		918	2,623	1,466
12	*Of which: deferred*		482	309	370
EU-13a	Of which: shares or equivalent ownership interests		1,302	5,092	1,035
EU-14a	*Of which: deferred*		766	2,777	370
EU-13b	Of which: share-linked instruments or equivalent non-cash instruments				
EU-14b	*Of which: deferred*				
EU-14x	Of which: other instruments				
EU-14y	*Of which: deferred*				

Table 49: EU REM1 – Remuneration awarded for the financial year					
2024		a	b	c	d
		MB Supervisory function	MB Management function	Other senior management	Other identified staff
15	Of which: other forms				
16	*Of which: deferred*				
17	**Total remuneration (2 + 10)**	**2,172**	**3,605**	**17,953**	**8,715**

Table 50: EU REM2 – Special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff)					
2024 (€ 000's)		a	b	c	d
		MB Supervisory function	MB Management function	Other senior management	Other identified staff
GUARANTEED VARIABLE REMUNERATION AWARDS					
1	Guaranteed variable remuneration awards - Number of identified staff				1
2	Guaranteed variable remuneration awards - Total amount				32
3	Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap				
SEVERANCE PAYMENTS AWARDED IN PREVIOUS PERIODS, THAT HAVE BEEN PAID OUT DURING THE FINANCIAL YEAR					
4	Severance payments awarded in previous periods, that have been paid out during the financial year - Number of identified staff			2	
5	Severance payments awarded in previous periods, that have been paid out during the financial year - Total amount			67	
SEVERANCE PAYMENTS AWARDED DURING THE FINANCIAL YEAR					
6	Severance payments awarded during the financial year - Number of identified staff				
7	Severance payments awarded during the financial year - Total amount				
8	Of which paid during the financial year				
9	Of which deferred				
10	Of which severance payments paid during the financial year, that are not taken into account in the bonus cap				
11	Of which highest payment that has been awarded to a single person				

Table 51: EU REM3 – Deferred remuneration

		a	b	c	d	e	f	EU - g	EU - h
	2024 (€ 000's)	**Total amount of deferred remuneration awarded for previous performance periods**	**Of which due to vest in the financial year**	**Of which vesting in subsequent financial years**	**Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year**	**Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years**	**Total amount of adjustment during the financial year due to ex post implicit adjustments (i.e.changes of value of deferred remuneration due to the changes of prices of instruments)**	**Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year**	**Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods**
1	**MB Supervisory function**	0	0	0	0	0	0	0	0
2	Cash-based	0	0	0	0	0	0	0	0
3	Shares or equivalent ownership interests	0	0	0	0	0	0	0	0
4	Share-linked instruments or equivalent non-cash instruments	0	0	0	0	0	0	0	0
5	Other instruments	0	0	0	0	0	0	0	0
6	Other forms		0	0	0	0	0	0	0
7	**MB Management function**	1,560	49	1,511	0	0	0	49	49
8	Cash-based	399	0	399	0	0	0	0	0
9	Shares or equivalent ownership interests	1,161	49	1,112	0	0	0	49	49
10	Share-linked instruments or equivalent non-cash instruments	0	0	0	0	0	0	0	0
11	Other instruments	0	0	0	0	0	0	0	0
12	Other forms	0	0	0	0	0	0	0	0
13	**Other senior management**	8,035	839	7,196	0	0	0	839	772
14	Cash-based	1,845	67	1,778	0	0	0	67	0
15	Shares or equivalent ownership interests	6,190	772	5,418	0	0	0	772	772
16	Share-linked instruments or equivalent non-cash instruments	0	0	0	0	0	0	0	0
17	Other instruments	0	0	0	0	0	0	0	0

Table 51: EU REM3 – Deferred remuneration									
		a	b	c	d	e	f	EU - g	EU - h
2024 (€ 000's)		Total amount of deferred remuneration awarded for previous performance periods	Of which due to vest in the financial year	Of which vesting in subsequent financial years	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years	Total amount of adjustment during the financial year due to ex post implicit adjustments (i.e.changes of value of deferred remuneration due to the changes of prices of instruments)	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year	Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
18	Other forms	0	0	0	0	0	0	0	0
19	**Other identified staff**	639	0	639	0	0	0	0	0
20	Cash-based	262	0	262	0	0	0	0	0
21	Shares or equivalent ownership interests	377	0	377	0	0	0	0	0
22	Share-linked instruments or equivalent non-cash instruments	0	0	0	0	0	0	0	0
23	Other instruments	0	0	0	0	0	0	0	0
24	Other forms	0	0	0	0	0	0	0	0
25	**Total amount**	**10,234**	**888**	**9,346**	**0**	**0**	**0**	**888**	**821**

Table 52: EU REM4 – Remuneration of 1 million EUR or more per year		
		a
2024 (€ 000's)		Identified staff that are high earners as set out in Article 450(i) CRR
1	1 000 000 to below 1 500 000	
2	1 500 000 to below 2 000 000	
3	2 000 000 to below 2 500 000	
4	2 500 000 to below 3 000 000	1
5	3 000 000 to below 3 500 000	
6	3 500 000 to below 4 000 000	
7	4 000 000 to below 4 500 000	
8	4 500 000 to below 5 000 000	
9	5 000 000 to below 6 000 000	
10	6 000 000 to below 7 000 000	
11	7 000 000 to below 8 000 000	
12	…	

Table 53: EU REM5 – Information on remuneration of staff whose professional activities have a material impact on institutions' risk profile											
		a	b	c	d	e	f	g	h	i	j
2024 (€ 000's)		Management body remuneration			Business areas						Total
		MB Supervisory function	MB Management function	Total MB	Investment banking	Retail banking	Asset management	Corporate functions	Independent internal control functions	All other	
1	**Total number of identified staff**										113
2	Of which: members of the MB	11	2	13							
3	Of which: other senior management				5	10	2	19	6	0	
4	Of which: other identified staff				3	23	2	9	19	2	
5	**Total remuneration of identified staff**	2,172	3,605	5,777	2,927	7,846	875	9,867	4,480	674	
6	Of which: variable remuneration	0	2,220	2,220	1,268	2,999	355	4,029	1,436	130	
7	Of which: fixed remuneration	2,172	1,385	3,557	1,659	4,847	520	5,838	3,044	544	

12. Appendices

12.1. Appendix I: EU LI3 Differences in the scopes of consolidation

EU LI3 - Outline of the differences in the scopes of consolidation (entity by entity)							
a	b	c	d	e	f	g	h
2024	Method of accounting consolidation	Method of regulatory consolidation					Description of the entity
Name of the entity		Full consolidation	Proportional consolidation	Equity method	Deducted	Neither consolidated nor deducted	
Piraeus Bank S.A.	Full consolidation	x					Banking activities
Piraeus Leasing Single Member S.A.	Full consolidation	x					Financial leasing
Piraeus Property Real Estate Management Single Member S.A.	Full consolidation	x					Property management
Piraeus Securities S.A.	Full consolidation	x					Stock exchange services
Piraeus Factoring Single Member S.A.	Full consolidation	x					Corporate factoring
Piraeus Capital Management Single Member S.A.	Full consolidation	x					Management of venture capital fund
Piraeus Jeremie Technology Catalyst Management Single Member S.A.	Full consolidation	x					Management of venture capital fund
Piraeus Asset Management Single Member M.F.M.C. S.A.	Full consolidation	x					Mutual funds management
Geniki Information Single Member S.A.	Full consolidation	x					Assessment and collection of commercial debts
Kosmopolis A' Shopping Centers Single Member S.A.	Full consolidation	x					Shopping center's management
ND Development Single Member S.A.	Full consolidation	x					Property management
New Up Dating Development Real Estate and Tourism Single Member S.A.	Full consolidation	x					Property, tourism & development company

EU LI3 - Outline of the differences in the scopes of consolidation (entity by entity)							
a	b	c	d	e	f	g	h
2024	Method of accounting consolidation	Method of regulatory consolidation					Description of the entity
Name of the entity		Full consolidation	Proportional consolidation	Equity method	Deducted	Neither consolidated nor deducted	
Picar Single Member S.A.	Full consolidation	x					City Link areas management
P.H. Development	Full consolidation	x					Property management
General Construction and Development Co. S.A.	Full consolidation	x					Property development/ holding company
Entropia Ktimatiki S.A.	Full consolidation	x					Property management
Komotini Real Estate Development Single Member S.A.	Full consolidation	x					Property management
Piraeus Development Single Member S.A.	Full consolidation	x					Property management
Piraeus Real Estate Single Member S.A.	Full consolidation	x					Real estate development
Pleiades Estate Single Member S.A.	Full consolidation	x					Property management
Piraeus Agency Solutions Single Member S.A.	Full consolidation	x					Insurance agency
Mille Fin S.A.	Full consolidation	x					Trading of boat vehicles, cars and equipment
Multicollection S.A.	Full consolidation	x					Assessment and collection of commercial debts
Centre of Sustainable Entrepreneurship Excelixi Single Member S.A.	Full consolidation	x					Consulting Services - Hotel - Training & Seminars
PROSPECT M.C.P.Y.	Full consolidation	x					Yachting management
Ianos Properties Single Member S.A.	Full consolidation	x					Property management
Lykourgos Properties Single Member S.A.	Full consolidation	x					Property management
Thesis Cargo Single Member S.A.	Full consolidation	x					Property management
Trastor Real Estate Investment Company	Full consolidation	x					Real estate investment property

EU LI3 - Outline of the differences in the scopes of consolidation (entity by entity)							
a	b	c	d	e	f	g	h
2024	Method of accounting consolidation	Method of regulatory consolidation					Description of the entity
Name of the entity		Full consolidation	Proportional consolidation	Equity method	Deducted	Neither consolidated nor deducted	
Iolcus Investments Alternative Investments Funds Managers S.A.	Full consolidation	x					Alternative investments funds management
Snappi Bank S.A.	Full consolidation	x					Digital banking activities
Synthis Single Member S.A.	Full consolidation	x					Property management
MIG Holdings S.A.	Full consolidation	x					Holding company
Athenian Investments Holdings S.A.	Full consolidation	x					Holding company
Sirrus Single Member S.A.	Full consolidation	x					Property management
Sevthis Single Member S.A.	Full consolidation	x					Property management
Iovis Single Member S.A.	Full consolidation	x					Property management
Trastor Symmetochon Single Member S.A.	Full consolidation	x					Holding company
Cielo Consultancy Sh.P.K.	Full consolidation	x					Property management
Euroinvestment & Finance Public Ltd	Full consolidation	x					Asset management, real estate operations
R.E. Anodus Two Ltd	Full consolidation	x					Holding and investment company
Tellurion Ltd	Full consolidation	x					Holding company
Tellurion Two Ltd	Full consolidation	x					Holding company
Trieris Two Real Estate LTD	Full consolidation	x					Holding, Investment and Real Estate Portfolio Management
R.E. Anodus Ltd	Full consolidation	x					Consultancy services for real estate development and investments
Lakkos Mikelli Real Estate Ltd	Full consolidation	x					Property management

EU LI3 - Outline of the differences in the scopes of consolidation (entity by entity)							
a	b	c	d	e	f	g	h
2024	Method of accounting consolidation	Method of regulatory consolidation					Description of the entity
Name of the entity		Full consolidation	Proportional consolidation	Equity method	Deducted	Neither consolidated nor deducted	
Philoktimatiki Public Ltd	Full consolidation	x					Land and property development
Philoktimatiki Ergoliptiki Ltd	Full consolidation	x					Construction company
MIG Leisure Ltd	Full consolidation	x					Holding company
MIG Aviation Holdings Ltd	Full consolidation	x					Holding company
Passerat Company Ltd	Full consolidation	x					Holding company
Excelsior Hotel Enterprises Limited	Full consolidation	x					Property management
JSC Piraeus Bank ICB	Full consolidation	x					Banking activities
Akinita Ukraine LLC	Full consolidation	x					Real estate development
Sinitem LLC	Full consolidation	x					Sale and purchase of real estate
Solum Enterprise LLC	Full consolidation	x					Property management
Solum Limited Liability Company	Full consolidation	x					Property management
Piraeus Leasing Romania S.A.	Full consolidation	x					Monitoring and collection services for loans disbursed by the company
Daphne Real Estate Consultancy SRL	Full consolidation	x					Real estate development
Proiect Season Residence SRL	Full consolidation	x					Real estate development
R.E. Anodus SRL	Full consolidation	x					Real estate development
Piraeus Rent Doo Beograd	Full consolidation	x					Operating leases
JSC Robne Kuce Beograd (“RKB”)	Full consolidation	x					Property management
Piraeus Real Estate Egypt LLC	Full consolidation	x					Property management
Trieris Real Estate Management Ltd	Full consolidation	x					Management of real estate companies

EU LI3 - Outline of the differences in the scopes of consolidation (entity by entity)							
a	b	c	d	e	f	g	h
2024	Method of accounting consolidation	Method of regulatory consolidation					Description of the entity
Name of the entity		Full consolidation	Proportional consolidation	Equity method	Deducted	Neither consolidated nor deducted	
Piraeus Group Capital Ltd	Full consolidation	x					Debt securities' issuance
Piraeus Group Finance PLC	Full consolidation	x					Debt securities' issuance
Piraeus SNF DAC	Full consolidation	x					SPV for securitization of corporate, mortgage and consumer loans
Magnus NPL Finance DAC	Full consolidation	x					SPV for securitization of corporate loans
Piraeus - TANEO Capital Fund	Equity method			x			Close end venture capital fund
PJ Tech Catalyst Fund	Equity method			x			Close end venture capital fund
APE Commercial Property Real Estate Tourist and Development S.A.	Equity method			x			Holding company
Omicron Cyclos Ena Symmetohiki S.A.	Equity method			x			Holding company
APE Investment Property S.A.	Equity method			x			Real estate, development/ tourist services
Olganos Real Estate S.A.	Equity method			x			Property management/electricity production from renewable energy resources
Pyrrichos S.A.	Equity method			x			Property management
Exodus S.A.	Equity method			x			Information technology & software
Evros Development Company S.A.	Equity method			x			European community programs management
Gaia S.A.	Equity method			x			Software services
Crete Scient. & Tech. Park Manag. & Dev. Co. S.A.	Equity method			x			Scientific and technology park management
Intrum Hellas REO Solutions S.A.	Equity method			x			Real estate
Intrum Hellas Credit Servicing S.A.	Equity method			x			Credit and loan servicing
Teiresias S.A.	Equity method			x			Interbanking company of development, operation and

EU LI3 - Outline of the differences in the scopes of consolidation (entity by entity)							
a	b	c	d	e	f	g	h
2024	Method of accounting consolidation	Method of regulatory consolidation					Description of the entity
Name of the entity		Full consolidation	Proportional consolidation	Equity method	Deducted	Neither consolidated nor deducted	
							management of information systems
Piraeus Direct Services S.A.	Equity method			x			Support & e-commerce services, trade of time renewal cards
Perigenis Business Properties S.A.	Equity method			x			Property management
Abies S.A.	Equity method			x			Property management
ETVA Industrial Parks S.A.	Equity method			x			Development/ management of industrial areas
Trieris Real Estate Ltd	Equity method			x			Property management
Strix Holdings LP	Equity method			x			Holdings limited partnership
Strix Asset Management Ltd	Equity method			x			Asset management
Strix Holdings II LP	Equity method			x			Holdings limited partnership
AEP Elaiona S.A.	Equity method			x			Property management
Peirga Kythnou P.C.	Equity method			x			Real estate
ReoCo Solar S.A.	Equity method			x			Property management

12.2. Appendix II: Own Funds

EU CC1 – Composition of regulatory own funds			
		a	b
Dec 2024 (€ 000's)		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
Common Equity Tier 1 (CET1) capital: instruments and reserves			
1	Capital instruments and the related share premium accounts	4,417,426	**A**
	of which: Instrument type 1	1,162,842	**A**
	of which: Instrument type 2	0	
	of which: Instrument type 3	0	
2	Retained earnings	1,647,056	**B**
3	Accumulated other comprehensive income (and other reserves)	500,678	**B**
EU-3a	Funds for general banking risk	0	
4	Amount of qualifying items referred to in Article 484 (3) CRR and the related share premium accounts subject to phase out from CET1	0	
5	Minority interests (amount allowed in consolidated CET1)	744	**C**
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	692,818	**B**
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	7,258,721	
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7	Additional value adjustments (negative amount)	(2,665)	
8	Intangible assets (net of related tax liability) (negative amount)	(259,935)	**D/G**
9	Not applicable	0	
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	(5,726)	**E**
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	(4,806)	
12	Negative amounts resulting from the calculation of expected loss amounts	0	
13	Any increase in equity that results from securitised assets (negative amount)	0	
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	0	
15	Defined-benefit pension fund assets (negative amount)	0	
16	Direct, indirect and synthetic holdings by an institution of own CET1 instruments (negative amount)	(14,276)	**F**
17	Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	(1,802)	

EU CC1 – Composition of regulatory own funds			
Dec 2024 (€ 000's)		a Amounts	b Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
18	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	0	
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	0	
20	Not applicable	0	
EU-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	(64,886)	
EU-20b	of which: qualifying holdings outside the financial sector (negative amount)	0	
EU-20c	of which: securitisation positions (negative amount)	(64,886)	
EU-20d	of which: free deliveries (negative amount)	0	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	(1,419,837)	**E**
22	Amount exceeding the 17,65% threshold (negative amount)	0	**E/G**
23	of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	0	**G**
24	Not applicable	0	
25	of which: deferred tax assets arising from temporary differences	0	**E**
EU-25a	Losses for the current financial year (negative amount)	0	
EU-25b	Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)	0	
26	Not applicable	0	
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)	0	
27a	Other regulatory adjustments to CET1 capital (including IFRS 9 transitional adjustments when relevant)	(549,173)	
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	(2,323,104)	
29	**Common Equity Tier 1 (CET1) capital**	4,935,617	
Additional Tier 1 (AT1) capital: instruments			
30	Capital instruments and the related share premium accounts	600,000	**H**
31	of which: classified as equity under applicable accounting standards	600,000	**H**

EU CC1 – Composition of regulatory own funds			
Dec 2024 (€ 000's)		a	b
		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
32	of which: classified as liabilities under applicable accounting standards	0	
33	Amount of qualifying items referred to in Article 484 (4) CRR and the related share premium accounts subject to phase out from AT1 as described in Article 486(3) CRR	0	
EU-33a	Amount of qualifying items referred to in Article 494a(1) CRR subject to phase out from AT1	0	
EU-33b	Amount of qualifying items referred to in Article 494b(1) CRR subject to phase out from AT1	0	
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	0	
35	of which: instruments issued by subsidiaries subject to phase out	0	
36	**Additional Tier 1 (AT1) capital before regulatory adjustments**	600,000	
	Additional Tier 1 (AT1) capital: regulatory adjustments		
37	Direct, indirect and synthetic holdings by an institution of own AT1 instruments (negative amount)	0	
38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	0	
39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	0	
40	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	0	
41	Not applicable	0	
42	Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)	0	
42a	Other regulatory adjustments to AT1 capital	0	
43	**Total regulatory adjustments to Additional Tier 1 (AT1) capital**	0	
44	**Additional Tier 1 (AT1) capital**	600,000	
45	**Tier 1 capital (T1 = CET1 + AT1)**	5,535,617	
	Tier 2 (T2) capital: instruments		
46	Capital instruments and the related share premium accounts	1,303,352	I
47	Amount of qualifying items referred to in Article 484 (5) CRR and the related share premium accounts subject to phase out from T2 as described in Article 486(4) CRR	0	
EU-47a	Amount of qualifying items referred to in Article 494a (2) CRR subject to phase out from T2	0	
EU-47b	Amount of qualifying items referred to in Article 494b (2) CRR subject to phase out from T2	0	

EU CC1 – Composition of regulatory own funds			
Dec 2024 (€ 000's)		a	b
		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	0	
49	of which: instruments issued by subsidiaries subject to phase out	0	
50	Credit risk adjustments	0	
51	**Tier 2 (T2) capital before regulatory adjustments**	1,303,352	
	Tier 2 (T2) capital: regulatory adjustments		
52	Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans (negative amount)	(130,863)	
53	Direct, indirect and synthetic goldings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	0	
54	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	0	
54a	Not applicable	0	
55	Direct, indirect and synthetic holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	0	
56	Not applicable	0	
EU-56a	Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)	0	
56b	Other regulatory adjustments to T2 capital	0	
57	**Total regulatory adjustments to Tier 2 (T2) capital**	(130,863)	
58	**Tier 2 (T2) capital**	1,172,490	
59	**Total capital (TC = T1 + T2)**	6,708,107	
60	**Total risk exposure amount**	34,098,476	
	Capital ratios and buffers		
61	Common Equity Tier 1 (as a percentage of total risk exposure amount)	14.47%	
62	Tier 1 (as a percentage of total risk exposure amount)	16.23%	
63	Total capital (as a percentage of total risk exposure amount)	19.67%	
64	Institution CET1 overall capital requirement (CET1 requirement in accordance with Article 92 (1) CRR, plus additional CET1 requirement which the institution is required to hold in accordance with point (a) of Article 104(1) CRD, plus combined buffer requirement in accordance with Article 128(6) CRD) expressed as a percentage of risk exposure amount)	9.78%	
65	of which: capital conservation buffer requirement	2.50%	
66	of which: countercyclical buffer requirement	0.09%	
67	of which: systemic risk buffer requirement	0.00%	

EU CC1 – Composition of regulatory own funds			
		a	b
Dec 2024 (€ 000's)		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
EU-67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	1.00%	
EU-67b	of which: additional own funds requirements to address the risks other than the risk of excessive leverage	1.69%	
68	**Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)**	7.98%	
69	Not applicable		
70	Not applicable		
71	Not applicable		
Amounts below the thresholds for deduction (before risk weighting)			
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	112,719	
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	53,676	
74	Not applicable	0	
75	Deferred tax assets arising from temporary differences (amount below 17,65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	690,173	
Applicable caps on the inclusion of provisions in Tier 2			
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	0	
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	0	
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	not applicable not applicable not applicable no applicable	
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	0	
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)			
80	Current cap on CET1 instruments subject to phase out arrangements	0	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	0	
82	Current cap on AT1 instruments subject to phase out arrangements	0	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	0	
84	Current cap on T2 instruments subject to phase out arrangements	0	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	0	

Note: The references-column identify balance sheet components in Table : "EU CC2: reconciliation of regulatory own funds to balance sheet in the audited financial statements" which is used in the calculation of regulatory own funds. CET1 regulatory capital as December 31st, 2024, includes year-end profits, excluding dividend according to maximum pay-out ratio, following regulatory approval, in accordance with ECB Decision (EU) 2016/656.

12.3. Appendix III: Leverage Ratio

EU LR1 – LRSum: Summary reconciliation of accounting assets and leverage ratio exposures			
		a	b
(€ 000's)		Applicable amount	
		Dec-24	Dec-23
1	Total assets as per published financial statements	80,044,103	76,450,412
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation		
3	(Adjustment for securitized exposures that meet the operational requirements for the recognition of risk transference)		
4	(Adjustment for temporary exemption of exposures to central bank (if applicable))		
5	(Adjustment for fiduciary assets recognized on the balance sheet pursuant to the applicable accounting framework but excluded from the leverage ratio total exposure measure in accordance with point (i) of point (i) of Article 429a(1) CRR)		
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting		
7	Adjustment for eligible cash pooling transactions		
8	Adjustments for derivative financial instruments	459,675	769,952
9	Adjustment for securities financing transactions (SFTs)	129,783	29,918
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	3,709,191	2,787,896
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)		
EU-11a	(Adjustment for exposures excluded from the leverage ratio total exposure measure in accordance with point (c) of Article 429a(1) CRR)		
EU-11b	(Adjustment for exposures excluded from the leverage ratio total exposure measure in accordance with point (j) of Article 429a(1) CRR)		
12	Other adjustments	(2,360,304)	(3,532,148)
13	**Leverage ratio total exposure measure**	**81,982,448**	**76,506,029**

EU LR2 – LRCom: Leverage ratio common disclosure			
(€ 000's)		a	b
		CRR leverage ratio exposures	
		Dec-24	Dec-23
ON-BALANCE SHEET EXPOSURES (EXCLUDING DERIVATIVES AND SFTS)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	77,839,206	74,764,884
2	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework		
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	(16,090)	(11,140)
4	(Adjustment for securities received under securities financing transactions that are recognized as an asset)		
5	(General credit risk adjustments to on-balance sheet items)		
6	(Asset amounts deducted in determining Tier 1 capital)	(1,754,468)	(2,060,103)
7	Total on-balance sheet exposures (excluding derivatives and SFTs)	**76,068,649**	**72,693,641**
DERIVATIVE EXPOSURES			
8	Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	199,444	169,637
EU-8a	Derogation for derivatives: replacement costs contribution under the simplified standardized approach		
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	779,884	791,271
EU-9a	Derogation for derivatives: Potential future exposure contribution under the simplified standardized approach		
EU-9b	Exposure determined under Original Exposure Method		
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)		
EU-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardized approach)		
EU-10b	(Exempted CCP leg of client-cleared trade exposures) (Original exposure method)		
11	Adjusted effective notional amount of written credit derivatives		
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)		
13	Total derivatives exposures	**979,328**	**960,908**
SECURITIES FINANCING TRANSACTION (SFT) EXPOSURES			

EU LR2 – LRCom: Leverage ratio common disclosure			
(€ 000's)		a	b
		CRR leverage ratio exposures	
		Dec-24	Dec-23
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	1,281,472	54,589
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	(3,416)	(3,103)
16	Counterparty credit risk exposure for SFT assets	133,199	29,918
EU-16a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429e(5) and 222 CRR		
17	Agent transaction exposures		
EU-17a	(Exempted CCP leg of client-cleared SFT exposure)		
18	Total securities financing transaction exposures	**1,411,255**	**81,404**
OTHER OFF-BALANCE SHEET EXPOSURES			
19	Off-balance sheet exposures at gross notional amount	18,992,028	15,277,429
20	(Adjustments for conversion to credit equivalent amounts)	(15,468,811)	(12,507,353)
21	(General provisions associated with off-balance sheet exposures deducted in determining Tier 1 capital)		
22	Off-balance sheet exposures	3,523,216	2,770,076
EXCLUDED EXPOSURES			
EU-22a	(Exposures excluded from the leverage ratio total exposure measure in accordance with point (c) of Article 429a(1) CRR)	0.00	0.00
EU-22b	(Exposures exempted in accordance with point (j) of Article 429a (1) CRR (on and off balance sheet))	0.00	0.00
EU-22c	(Excluded exposures of public development banks - Public sector investments)		
EU-22d	(Excluded exposures of public development banks (or units) - Promotional loans)	0.00	0.00
EU-22e	(Excluded passing-through promotional loan exposures by non-public development banks (or units)	0.00	0.00
EU-22f	(Excluded guaranteed parts of exposures arising from export credits)	0.00	0.00
EU-22g	(Excluded excess collateral deposited at triparty agents)	0.00	0.00
EU-22h	(Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR)	0.00	0.00
EU-22i	(Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a(1) CRR)	0.00	0.00
EU-22j	(Reduction of the exposure value of pre-financing or intermediate loans)	0.00	0.00
EU-22k	(Total exempted xposures)	0.00	0.00
CAPITAL AND TOTAL EXPOSURE MEASURE			

EU LR2 – LRCom: Leverage ratio common disclosure			
(€ 000's)		a	b
		CRR leverage ratio exposures	
		Dec-24	Dec-23
23	Tier 1 capital	5,535,617	4,926,738
24	Leverage ratio total exposure measure	81,982,448	76,506,029
LEVERAGE RATIO			
25	Leverage ratio	6.75%	6.44%
EU-25	Leverage ratio (without the adjustment due to excluded exposures of public development banks - Public sector investments) (%)	6.75%	6.44%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	6.75%	6.44%
26	Regulatory minimum leverage ratio requirement (%)	3.00%	3.00%
EU-26a	Additional own funds requirements to address the risk of excessive leverage (%)	0.00%	
EU-26b	of which: to be made up of CET1 capital (percentage points)	0.00%	
27	Leverage ratio buffer requirement (%)	0.00%	
EU-27a	Overall leverage ratio requirement (%)	3.00%	3.00%
CHOICE ON TRANSITIONAL ARRANGEMENTS AND RELEVANT EXPOSURES			
EU-27b	Choice on transitional arrangements for the definition of the capital measure		
DISCLOSURE OF MEAN VALUES			
28	Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	1,059,452	52,446
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	1,278,056	51,486
30	Total exposures (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	81,763,844	76,506,989
30a	Total exposures (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	81,763,844	76,506,989

EU LR2 – LRCom: Leverage ratio common disclosure			
(€ 000's)		a	b
		CRR leverage ratio exposures	
		Dec-24	Dec-23
31	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	6.77%	6.44%
31a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	6.77%	6.44%

EU LR3 – LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)			
(€ 000's)		a	b
		CRR leverage ratio exposures	
		Dec-24	Dec-23
EU-1	**Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:**	**79,101,172**	**72,725,345**
EU-2	Trading book exposures	754,163	609,316
EU-3	Banking book exposures, of which:	78,347,009	72,116,029
EU-4	Covered bonds	10,015	10,013
EU-5	Exposures treated as sovereigns	26,454,692	26,275,879
EU-6	Exposures to regional governments, MDB, international organizations and PSE not treated as sovereigns	1,245,858	892,235
EU-7	Institutions	1,968,095	94,551
EU-8	Secured by mortgages of immovable properties	9,807,284	10,063,445
EU-9	Retail exposures	3,247,760	3,082,849
EU-10	Corporate	15,089,020	12,229,168
EU-11	Exposures in default	843,355	839,019
EU-12	Other exposures (eg equity, securitizations, and other non-credit obligation assets)	19,680,931	18,628,871

12.4. Appendix IV: Capital Instruments' Main Features Templates

EU CCA – Main features of regulatory own funds instruments and eligible liabilities instruments				
2024		a	b	c
		Instrument 1	Instrument 2	Instrument 3
1	Issuer	Piraeus Financial Holdings S.A.	Piraeus Financial Holdings S.A.	Piraeus Financial Holdings S.A.
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	XS2354777265	XS2901369897	XS2747093321
2a	Public or private placement	Private	Private	Private
3	Governing law(s) of the instrument	English & Greek	English & Greek	English & Greek
3a	Contractual recognition of write down and conversion powers of resolution authorities	Yes	Yes	Yes
REGULATORY TREATMENT				
4	Current treatment taking into account, where applicable, transitional CRR rules	Additional Tier 1	Tier 2	Tier 2
5	Post-transitional CRR rules	Additional Tier 1	Tier 2	Tier 2
6	Eligible at solo/(sub-) consolidated / solo & (sub-) consolidated	Consolidated	Consolidated	Consolidated
7	Instrument type (types to be specified by each jurisdiction)	Additional Tier 1	Tier 2	Tier 2
8	Amount recognized in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	EUR 600 mn	EUR 653 mn	EUR 520 mn
9	Nominal amount of instrument	EUR 600 mn	EUR 650 mn	EUR 500 mn
EU-9a	Issue price	100 per cent	99.5 per cent	99.519 per cent
EU-9b	Redemption price	100 per cent of notional amount	100 per cent of notional amount	100 per cent of notional amount
10	Accounting classification	Shareholders' equity	Liability - amortized cost	Liability - amortized cost
11	Original date of issuance	16-Jun-21	18-Sep-24	17-Jan-24
12	Perpetual or dated	Perpetual	Dated	Dated
13	Original maturity date	No maturity	18-Sep-35	17-Apr-34
14	Issuer call subject to prior supervisory approval	Yes	Yes	Yes
15	Optional call date, contingent call dates and redemption amount	At any time from (and including) 16-Jun-26 to (and including) 16-Dec-26 @ 100 per cent	Any date from (and including) 18-Jun-30 to (and including) 18-Sep-30 @ 100 per cent	Any date from (and including) 17-Jan-29 to (and including) 17-April-29 @ 100 per cent

EU CCA – Main features of regulatory own funds instruments and eligible liabilities instruments				
2024		a	b	c
		Instrument 1	Instrument 2	Instrument 3
16	Subsequent call dates, if applicable	Each interest payment date following the 16 Dec 2026 @ 100 per cent	N/A	N/A
COUPONS / DIVIDENDS				
17	Fixed or floating dividend/coupon	Fixed	Fixed	Fixed
18	Coupon rate and any related index	Initial interest for fixed coupon period is 8.75 per cent per annum(semi-annual coupon payments). Rate of interest for reset period is (i) Margin of 9.195 per cent per annum plus (ii) the 5-year Mid Swap Rate, converted to a semi-annual rate.	5.375 per cent per annum; First margin 3.15 per cent per annum; The reset index is the 5-year mid swap rate	7.25 per cent per annum. First margin 4.773 per cent per annum. The reset index is the 5-year mid swap rate
19	Existence of a dividend stopper	Yes	No	No
EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary	Mandatory	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No
22	Noncumulative or cumulative	Noncumulative	Noncumulative	Noncumulative
23	Convertible or non-convertible	Nonconvertible	Nonconvertible	Nonconvertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A
30	Write-down features	Yes	No	No
31	If write-down, write-down trigger(s)	A Write- Down will occure if the consolidated Common Equity Tier 1 Ratio falls below 5.125 per cent	N/A	N/A
32	If write-down, full or partial	Fully or Partially	N/A	N/A

EU CCA – Main features of regulatory own funds instruments and eligible liabilities instruments				
2024		a	b	c
		Instrument 1	Instrument 2	Instrument 3
33	If write-down, permanent or temporary	Temporary	N/A	N/A
34	If temporary write-down, description of write-up mechanism	To the extent permitted by the Regulatory Capital Requirements and subject to the Maximum Distributable Amount the issuer may at its sole and full discretion, unless previously redeemed, repurchased or cancelled, reinstate the Current Nominal Amount of each Note, up to a maximum of its original nominal amount, on a pro rata basis with the other Notes and with any Written Down Additional Tier 1 Instruments, such that the Maximum Write-Up Amount is not exceeded.	N/A	N/A
34a	Type of subordination (only for eligible liabilities)	Contractual	Contractual	Contractual
EU-34b	Ranking of the instrument in normal insolvency proceedings	2 - Additional Tier 1 instruments	3 - Tier 2 instruments	3 - Tier 2 instruments
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	The Notes rank beneath Senior Creditors of the issuer, including subordinated creditors of the issuer, whose claims are expressed to rank in priority to the claims of the Notes and holders of Tier 2 instruments issued by the issuer	The claims of the Noteholders will be subordinated to the claims of Senior Creditors of the Issuer	The claims of the Noteholders will be subordinated to the claims of Senior Creditors of the Issuer
36	Non-compliant transitioned features	No	No	No
37	If yes, specify non-compliant features	N/A	N/A	N/A
37a	Link to the full term and conditions of the instrument (signposting)	PiraeuSFinHldgs 8,75% pp Reg S	PiraeuSFinHldgs 5,375% 18/09/2035	PiraeuSFinHldgs 7,25% 17/04/2034

12.5. Appendix V: Net Stable Funding Ratio Historical Tables

EU LIQ2 – Net Stable Funding Ratio (NSFR)						
Sep 2024 (€ 000's)		a	b	c	d	e
		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1 year	≥ 1 year	
AVAILABLE STABLE FUNDING (ASF) ITEMS						
1	Capital items and instruments	8,077,201	0	129,051	1,154,573	9,231,774
2	Own funds	8,077,201	0	129,051	1,154,573	9,231,774
3	Other capital instruments		0	0	0	0
4	Retail deposits		45,188,880	2,341,587	378,560	45,072,030
5	Stable deposits		36,694,551	1,626,443	51,291	36,456,235
6	Less stable deposits		8,494,329	715,144	327,269	8,615,795
7	Wholesale funding:		14,744,258	88,563	4,278,459	9,587,429
8	Operational deposits		1,133,375	0	0	566,687
9	Other wholesale funding		13,610,884	88,563	4,278,459	9,020,742
10	Interdependent liabilities		0	0	0	0
11	Other liabilities:	*250,692*	*2,011,026*	*0*	*147,582*	*147,582*
12	NSFR derivative liabilities	250,692				
13	All other liabilities and capital instruments not included in the above categories		2,011,026	0	147,582	147,582
14	**Total available stable funding (ASF)**					**64,038,816**
REQUIRED STABLE FUNDING (RSF) ITEMS						
15	Total high-quality liquid assets (HQLA)					118,223
EU-15a	Assets encumbered for more than 12m in cover pool		0	0	0	0
16	Deposits held at other financial institutions for operational purposes		0	0	0	0
17	Performing loans and securities:		3,032,226	1,635,646	35,679,979	31,990,206
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		0	0	765,144	765,144
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		516,701	0	6,560,890	6,612,560
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		2,310,030	1,465,508	22,341,712	20,257,575

EU LIQ2 – Net Stable Funding Ratio (NSFR)						
Sep 2024 (€ 000's)		a	b	c	d	e
		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1 year	≥ 1 year	
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		840,185	804,410	3,103,245	2,839,407
22	Performing residential mortgages, of which:		143,045	166,511	4,716,436	3,220,461
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		143,045	166,511	4,716,436	3,220,461
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		62,449	3,627	1,295,797	1,134,465
25	Interdependent assets		0	0	0	0
26	Other assets:		261,251	0	13,997,045	13,986,964
27	Physical traded commodities		0	0	12,363	10,508
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		0	0	208,801	177,481
29	NSFR derivative assets		10,559	0	0	10,559
30	NSFR derivative liabilities before deduction of variation margin posted		250,692	0	0	12,535
31	All other assets not included in the above categories		0	0	13,775,881	13,775,881
32	Off-balance sheet items		16,662,188	0	0	833,109
33	**Total RSF**					**46,928,503**
34	**Net Stable Funding Ratio (%)**					**136.46%**

EU LIQ2 – Net Stable Funding Ratio (NSFR)						
Jun 2024 (€ 000's)		a	b	c	d	e
		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1 year	≥ 1 year	
AVAILABLE STABLE FUNDING (ASF) ITEMS						
1	Capital items and instruments	7,748,026	0	506,591	501,156	8,249,182
2	Own funds	7,748,026	0	506,591	501,156	8,249,182
3	Other capital instruments		0	0	0	0
4	Retail deposits		43,556,767	3,403,109	401,942	44,567,206
5	Stable deposits		35,639,456	2,388,043	64,827	36,190,951
6	Less stable deposits		7,917,311	1,015,066	337,115	8,376,254
7	Wholesale funding:		14,369,615	155,929	3,681,454	8,939,586
8	Operational deposits		1,090,116	0	0	545,058
9	Other wholesale funding		13,279,499	155,929	3,681,454	8,394,528
10	Interdependent liabilities		0	0	0	0
11	Other liabilities:	*296,519*	*1,870,921*	*97*	*133,723*	*133,772*
12	NSFR derivative liabilities	296,519				
13	All other liabilities and capital instruments not included in the above categories		1,870,921	97	133,723	133,772
14	**Total available stable funding (ASF)**					**61,889,745**
REQUIRED STABLE FUNDING (RSF) ITEMS						
15	Total high-quality liquid assets (HQLA)					162,301
EU-15a	Assets encumbered for more than 12m in cover pool		0	0	0	0
16	Deposits held at other financial institutions for operational purposes		0	0	0	0
17	Performing loans and securities:		2,869,511	1,758,489	34,834,823	31,133,249
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		50,001	0	541,476	541,476
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		502,941	438	6,386,623	6,437,136
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		2,096,299	1,590,254	21,936,038	19,837,189

EU LIQ2 – Net Stable Funding Ratio (NSFR)						
Jun 2024 (€ 000's)		a	b	c	d	e
		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1 year	≥ 1 year	
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		853,415	729,498	3,258,599	2,909,546
22	Performing residential mortgages, of which:		141,309	164,076	4,758,345	3,245,617
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		141,309	164,076	4,758,345	3,245,617
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		78,962	3,721	1,212,341	1,071,831
25	Interdependent assets		0	0	0	0
26	Other assets:		296,519	0	14,333,247	14,316,647
27	Physical traded commodities		0	0	12,369	10,514
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		0	0	197,139	167,569
29	NSFR derivative assets		0	0	0	0
30	NSFR derivative liabilities before deduction of variation margin posted		296,519	0	0	14,826
31	All other assets not included in the above categories		0	0	14,123,739	14,123,739
32	Off-balance sheet items		16,782,658	0	0	839,133
33	**Total RSF**					**46,451,330**
34	**Net Stable Funding Ratio (%)**					**133.24%**

EU LIQ2 – Net Stable Funding Ratio (NSFR)		a	b	c	d	e
Mar 2024 (€ 000's)		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1 year	≥ 1 year	
AVAILABLE STABLE FUNDING (ASF) ITEMS						
1	Capital items and instruments	7,535,306	0	0	1,115,055	8,650,361
2	Own funds	7,535,306	0	0	1,115,055	8,650,361
3	Other capital instruments		0	0	0	0
4	Retail deposits		43,813,333	2,687,939	403,122	44,141,310
5	Stable deposits		35,893,927	1,846,940	54,879	35,908,702
6	Less stable deposits		7,919,405	840,999	348,243	8,232,607
7	Wholesale funding:		15,148,910	1,329,948	3,082,830	8,471,483
8	Operational deposits		1,106,239	0	0	553,120
9	Other wholesale funding		14,042,670	1,329,948	3,082,830	7,918,363
10	Interdependent liabilities		0	0	0	0
11	Other liabilities:	*283,323*	*1,725,548*	*97*	*125,024*	*125,073*
12	NSFR derivative liabilities	283,323				
13	All other liabilities and capital instruments not included in the above categories		1,725,548	97	125,024	125,073
14	**Total available stable funding (ASF)**					**61,388,226**
REQUIRED STABLE FUNDING (RSF) ITEMS						
15	Total high-quality liquid assets (HQLA)					828,766
EU-15a	Assets encumbered for more than 12m in cover pool		0	0	0	0
16	Deposits held at other financial institutions for operational purposes		0	0	0	0
17	Performing loans and securities:		3,001,066	2,152,598	33,100,512	30,029,007
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		0	0	641,155	641,155
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		470,396	434	6,359,173	6,406,429
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		2,360,763	1,928,716	20,148,980	18,678,965
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		934,915	644,535	2,962,037	2,715,049
22	Performing residential mortgages, of which:		139,588	165,919	4,763,717	3,249,169

EU LIQ2 – Net Stable Funding Ratio (NSFR)						
		a	b	c	d	e
Mar 2024 (€ 000's)		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1 year	≥ 1 year	
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		139,588	165,919	4,763,717	3,249,169
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		30,320	57,529	1,187,487	1,053,289
25	Interdependent assets		0	0	0	0
26	Other assets:		283,323	0	14,515,705	14,482,335
27	Physical traded commodities		0	0	11,086	9,423
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		0	0	305,819	259,946
29	NSFR derivative assets		0	0	0	0
30	NSFR derivative liabilities before deduction of variation margin posted		283,323	0	0	14,166
31	All other assets not included in the above categories		0	0	14,198,800	14,198,800
32	Off-balance sheet items		15,401,279	0	0	770,064
33	**Total RSF**					**46,110,173**
34	**Net Stable Funding Ratio (%)**					**133.13%**

12.6. Appendix VI: Breakdown of the Countercyclical Capital Buffer

EU CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer														
2024 (€ 000's)		a	b	c	d	e	f	g	h	i	j	k	l	m
		General credit exposures		Relevant credit exposures – Market risk		Securitisation exposures Exposure value for non-trading book	Total exposure value	Own fund requirements				Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)
		Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models			Relevant credit risk exposures - Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total			
Breakdown by country:														
010	Greece	49,536,520		62,006		10,993,366	60,591,892	1,517,864	3,983	48,775	1,570,622	19,632,773	91.96%	0.00%
020	Ireland	706,572		0		0	706,572	15,947	0	0	15,947	199,338	0.93%	1.50%
030	United Kingdom	256,149		0		239,102	495,250	16,773	0	3,825	20,598	257,470	1.21%	2.00%
040	France	81,730		0		468,409	550,139	4,674	0	7,493	12,167	152,089	0.71%	1.00%
050	Netherlands	159,933		0		20,103	180,036	10,317	0	322	10,639	132,985	0.62%	2.00%
060	Romania	193,953		0		0	193,953	7,146	0	0	7,146	89,325	0.42%	1.00%
070	Estonia	51,134		0		0	51,134	3,946	0	0	3,946	49,323	0.23%	1.50%
080	Germany	118,612		0		0	118,612	6,506	0	0	6,506	81,322	0.38%	0.75%
090	Luxembourg	12,675		105		30,281	43,062	111	8	484	604	7,553	0.04%	0.50%
100	Hong Kong	3		0		0	3	0	0	0	0	0	0.00%	0.50%
110	Norway	271		0		0	271	9	0	0	9	118	0.00%	2.50%
120	Australia	1,607		0		0	1,607	46	0	0	46	571	0.00%	1.00%
130	Bulgaria	317		0		0	317	14	0	0	14	177	0.00%	2.00%
140	Denmark	425		0		0	425	14	0	0	14	176	0.00%	2.50%
150	Croatia	16		0		0	16	0	0	0	0	1	0.00%	1.50%
160	Cyprus	458,152		69		0	458,221	22,044	6	0	22,050	275,622	1.29%	1.00%

EU CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer														
		a	b	c	d	e	f	g	h	i	j	k	l	m
2024 (€ 000's)		General credit exposures		Relevant credit exposures – Market risk		Securitisation exposures Exposure value for non-trading book	Total exposure value	Own fund requirements				Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)
		Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models			Relevant credit risk exposures - Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total			
170	Czech Republic	72,848		0		0	72,848	5,826	0	0	5,826	72,827	0.34%	1.25%
180	Slovakia	1		0		0	1	0	0	0	0	0	0.00%	1.50%
190	Sweden	101,347		0		0	101,347	7,422	0	0	7,422	92,779	0.43%	2.00%
200	Iceland	0		0		0	0	0	0	0	0	0	0.00%	2.50%
210	Belgium	1,703		0		0	1,703	48	0	0	48	597	0.00%	1.00%
220	Korea Republic of	9		0		0	9	1	0	0	1	7	0.00%	1.00%
230	Hungary	2		0		0	2	0	0	0	0	0	0.00%	0.50%
240	Lithuania	56		0		0	56	2	0	0	2	20	0.00%	1.00%
250	Other	472,751		0		0	472,751	24,295	0	0	24,295	303,691	1.42%	0.00%
260	**Total**	**52,226,787**	**0**	**62,180**	**0**	**11,751,261**	**64,040,228**	**1,643,006**	**3,997**	**60,899**	**1,707,901**	**21,348,766**	**0**	**0**

EU CCyB2 – Amount of institution-specific countercyclical capital buffer		
	(€ 000's)	a
1	Total risk exposure amount	34,098,476
2	Institution specific countercyclical capital buffer rate	0.09%
3	Institution specific countercyclical capital buffer requirement	32,177

12.7. Appendix VII: Piraeus Group's participation in International Sustainability Initiatives and Harmonization with International Standards

United Nations Sustainable Development Goals (UN SDGs)

Piraeus Group supports the UN SDGs to make a substantial contribution to the global efforts for achieving them.

UN Global Compact

Piraeus Group is a UN Global Compact active participant since 2004, promoting its ten principles regarding human and labor rights, environmental protection, and anti-corruption.

United in the Business of a Better World

Piraeus Group is a signatory to the UN Declaration "United in the Business of a Better World", a common statement from business leaders for cooperation beyond borders, where all public and private bodies prove their responsible operation with transparency.

UN Women's Empowerment Principles

Piraeus Group is the first bank in Greece to sign the Women's Empowerment Principles of the UN Global Compact and UN Women Principles and is committed to strengthening and promoting gender equality in the workplace.

United Nations Environment Program Finance Initiative (UNEP FI)

Piraeus Group is a member of UNEP FI since 2007, it currently serves on the banking Board, and is committed to environmental protection, social responsibility, and sustainable development in its business decisions.

UN Principles for Responsible Banking (UNEP FI PRB)

Piraeus Group has signed the Principles for Responsible Banking (PRB) and was the only Greek bank that participated in their development. The PRB aim to align banks' operations with the UN Sustainable Development Goals and the Paris Climate Agreement.

UN Commitment to Financial Health and Inclusion (UNEP FI)

Piraeus Group has signed the Commitment, aiming to drive positive outcomes for individuals, entrepreneurs, and the wider economy, leaving no one behind.

	UNEP FI Leadership Council The CEO of Piraeus Group is one of the 19 leaders of banks and insurance companies from around the world who participate in the UNEP FI "Leadership Council", an international advisory body created in 2021, aiming to shape the strategy of the financial sector so that the goals of sustainable development are met.
	UN Principles for Responsible Investment Piraeus Asset Management is a signatory of the Principles for Responsible Investment, a global initiative for the adoption and implementation of Environmental, Social, and Governance (ESG) Principles.
	Science Based Targets initiative (SBTi) Piraeus Group has submitted its targets to the SBTi and has published its commitments. The SBTi suggests methodological tools for measuring carbon emissions and setting targets for their reduction, both from the Bank's operational and financing activities.
	TCFD Recommendations Piraeus Financial Holdings has disclosed its most recent and detailed climate-related information, in line with the TCFD recommendations, within the Sustainability Statement, under the EU CSRD.
	TNFD Recommendations Piraeus will be reporting for the first time in 2026 (FY 2024) according to the TNFD Recommendations (Task Force on Nature-related Financial Disclosures), on a best effort basis.
	Finance for Biodiversity Pledge Piraeus Group has signed the global "Finance for Biodiversity Pledge" to set goals and strengthen the business activities that protect and enhance the natural environment, reversing the rate of biodiversity loss.
	EU Business@Biodiversity Platform (EU B@B Platform) Piraeus Group actively participates in the EU Business@Biodiversity Platform, a forum for ongoing strategic dialogue on the interconnection of business with biodiversity and natural capital.

	CSR HELLAS Since 2007, Piraeus Group is a full member of CSR Hellas (Hellenic Network for Corporate Social Responsibility) and participates in initiatives aiming to promote the corporate responsibility of Greek businesses.
	Hellenic Bank Association: ESG – Sustainability, Governance & Green Banking Piraeus Bank is a member of the ESG, – Sustainability, Governance & Green Banking of the Hellenic Bank Association, with active participation in the integration of sustainability in the Greek banking sector.
	EMAS Piraeus Group's Environmental and Energy Management System is certified under the European EMAS regulation (Eco-Management Audit Scheme) and ISO 14001:2015 & ISO 50001, for all the Bank's branches and administration buildings, since 2011.

Piraeus Group's Sustainability Performance

ESG Ratings: The corporate sustainability indices track the stock performance of the world's leading companies in terms of economic and environmental, social and governance (ESG) criteria and promote the best performers in corporate sustainability.

ESG rating agencies systematically assess Piraeus Group's ESG performance, and thus guide the Group to improving its sustainability practices.

Piraeus Group ESG Ratings and Sustainability Distinctions				
Sustainability index		2024	2023	2022
	CDP Climate Change	Leadership A-	Management B	Management B
	MSCI ESG Ratings	AA	A	A
	ISS Environment Risk	Low Environmental Risk 1/10	Low Environmental Risk 1/10	Low Environmental Risk 1/10
	ISS Social Risk	Low Social Risk 3/10	Low Social Risk 2/10	Low Social Risk 1/10
	ISS Governance Risk	Medium Governance Risk 5/10	Low Governance Risk 2/10	Low Governance Risk 2/10

	ISS ESG Corporate Rating	C- Medium	C- Medium	C- Medium
	FTSE4Good Index	✓ Constituent	✓ Constituent	✓ Constituent
	Bloomberg Gender Equality Index	✓ Constituent	✓ Constituent	✓ Constituent
	Financial Times	Europe's Climate Leaders 2024	Europe's Climate Leaders 2023	Europe's Climate Leaders 2022
	ATHEX ESG Index	Not available yet	✓ Constituent Score 93%	✓ Constituent Score 90%