



[Translation from the original text in Greek]

Report of factual findings in connection with the verification of the book value of the Assets and Liabilities of the hived-down banking business sector of Piraeus Bank S.A. as at 31.07.2020 and on the examination of the Draft Demerger Deed, in accordance with the provisions of Law 2515/1997 and Law 4601/2019.

To the Shareholders of Piraeus Bank S.A.

Based on the decision of the Board of Directors of Piraeus Bank S.A. (the “Bank” or the “Demerged Entity”), dated 23.07.2020, we have performed the procedures enumerated below with respect to the verification of the book value of the Assets and Liabilities of the hived-down banking business sector of the Bank (the “Beneficiary”) as at 31.07.2020 and the examination of the Draft Demerger Deed (the “DDD”) in accordance with the provisions of Law 2515/1997 and Law 4601/2019. For the purpose of the hive-down of the banking business sector, the Bank prepared a Transformation Balance Sheet of the hived-down banking sector as at 31.07.2020 (Appendix A).

Information used was obtained primarily by the following sources:

- (i) Accounting records kept in the Bank’s premises;
- (ii) Discussions with personnel responsible for financial and accounting issues.

Except to the extent otherwise stated in our Report, our work was carried out on the basis that such information is complete, accurate, true and not misleading, and as such it will not be subject to verification procedures other than those expressly stated in our Report.

Our engagement was undertaken in accordance with the International Standard on Related Services (ISRS) 4400 applicable to agreed-upon procedures engagements. The procedures were performed solely to assist you in regards the verification of the book value of the Assets and Liabilities of the hived-down banking business sector, as well as the examination of the DDD as part of the process of hive-down of the banking business sector of the Bank in accordance with the provisions of Law 2515/1997 and Law 4601/2019 and are summarized as follows:

1. We compared the book values of the Transformation Balance Sheet of the hived-down banking business sector of the Bank as at 31.07.2020, with its respective accounting records. The aforementioned balances are analysed in Appendix B of our Report.
2. We examined the DDD, including the reference to the fair and reasonable share exchange ratio, based on the applicable legislation.

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We report our findings below:

1. With respect to item 1 we found the book values of the Transformation Balance Sheet of the hived-down banking business sector of the Bank as at 31.07.2020, compared with its respective accounting records amounts to be in agreement.
2. With respect to item 2 we examined the DDD based on the applicable legislation, drawn up by the Bank's Board of Directors and signed on 27.08.2020 from its authorized members in order to be submitted for final approval to the Bank's General Shareholders Meeting. No exceptions noted.

With respect to the share exchange ratio we declare that since, as per para. 3 of Article 57 of Law 4601/2019, "The demerger through a hive-down and the establishment of a new company or new companies is the act by which a company (demerged entity), without being dissolved, transfers to one or more companies that are simultaneously being incorporated (beneficiaries) the sector or sectors defined in the draft merger deed, with the acquisition by the [demerged entity] of the shares of the beneficiary [...]" it is self-evident that there is no share exchange ratio and therefore there is no need to express an opinion as to whether the share exchange ratio is fair and reasonable as well as, to provide information on valuation methods for the determination of a proposed share exchange ratio. This demerger is fair and reasonable because the Demerged Entity will acquire all the Beneficiary's shares in exchange for the contributed assets and liabilities.

Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any additional assurance thereon.

Had we performed additional procedures or had we performed an audit or review of any financial information of the Bank and/or the Beneficiary in accordance with International Standards on Auditing or International Standards on Review Engagements, other matters might have come to our attention that would have been reported to you.

Our Report is solely for the purpose set forth in the first paragraph of this Report and is not to be used for any other purpose. This Report relates only to information specified above and does not extend to any Financial Statements prepared by the Bank.

Athens, 27 August 2020

Dimitris Sourbis
Certified Auditor
SOEL Reg. No. 16891



Appendix A: Transformation Balance Sheet as at 31.07.2020

€ mln	31/7/2020
ASSETS	
Cash and balances with Central Banks	4,751
Due from Banks	1,252
Financial assets at fair value through profit or loss	323
Financial assets mandatorily measured at fair value through profit or loss	122
Derivative financial instruments	531
Reverse repos with customers	24
Loans and advances to customers at amortized cost	37,424
Loans and advances to customers mandatorily measured at FVTPL	124
Financial assets measured at fair value through other comprehensive income ("FVTOCI")	2,099
Debt securities at amortized cost	3,258
Assets held for sale	192
Investment property	452
Investments in subsidiaries	565
Investments in associated undertakings and joint ventures	277
Property and equipment	943
Intangible assets	238
Current tax assets	191
Deferred tax assets	6,425
Other assets	3,033
TOTAL ASSETS	<u>62,224</u>
LIABILITIES	
Due to banks	7,406
Due to customers	46,838
Liabilities at FVTPL	22
Derivative financial instruments	515
Debt securities in issue	468
Retirement benefit obligations	120
Provisions	158
Other liabilities	1,073
TOTAL LIABILITIES	<u>56,600</u>
EQUITY	
Share capital	5,400
Reserves	224
TOTAL EQUITY	<u>5,624</u>
TOTAL LIABILITIES AND EQUITY	<u>62,224</u>



Appendix B: Analysis of the balances disclosed in the Transformation Balance Sheet as at 31.07.2020

Assets

Cash and balances with Central Banks

The account balance “Cash and balances with central banks” comprises mainly of cash in hand and deposits with Central Banks.

Balance 31.07.2020 (mln)	
Cash and balances with central banks	€ 4,751

Due from Banks

The account balance “Due from Banks” comprises mainly of sight and time deposits, securities purchased under agreement to resell and margin accounts.

Balance 31.07.2020 (mln)	
Due from Banks	€ 1,252

Financial assets at fair value through profit or loss

The account balance “Financial assets at fair value through profit or loss” comprises mainly of Greek Government Bonds and Corporate Bonds.

Balance 31.07.2020 (mln)	
Financial assets at fair value through profit or loss	€ 323

Financial assets mandatorily measured at fair value through profit or loss

The account balance “Financial assets mandatorily measured at fair value through profit or loss” comprises mainly of mutual funds and equity securities.

Balance 31.07.2020 (mln)	
Financial assets mandatorily measured at fair value through profit or loss	€ 122



Derivative financial instruments

The account balance “Derivative financial instruments” comprises mainly of interest rate swaps and options.

Balance 31.07.2020 (mln)

Derivative financial instruments	€ 531
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Reverse repos with customers

The account balance “Reverse repos with customers” comprises of securities purchased under agreement to resell with customers.

Balance 31.07.2020 (mln)

Reverse repos with customers	€ 24
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Loans and advances to customers at amortized cost

The account balance “Loans and advances to customers at amortized cost” comprises of retail and corporate loans, other than those containing contractual terms that give rise to cash flows which are not solely payments of principal and interest on the principal amount outstanding.

Balance 31.07.2020 (mln)

Loans and advances to customers at amortized cost	€ 37,424
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Loans and advances to customers mandatorily measured at FVTPL

The account balance “Loans and advances to customers mandatorily measured at FVTPL” comprises of loans and receivables to customers with contractual cash flows that are not solely payments of principal and interest on the principal amount outstanding.

Balance 31.07.2020 (mln)

Loans and advances to customers mandatorily measured at FVTPL	€ 124
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Financial assets measured at fair value through other comprehensive income (“FVTOCI”)

The account balance “Financial assets measured at fair value through other comprehensive income” comprises of Greek Government Bonds, Greek Treasury bills, Corporate Bonds and equity securities.

Balance 31.07.2020 (mln)

Financial assets measured at fair value through other comprehensive income (“FVTOCI”)	€ 2,099
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Debt securities at amortized cost

The account balance "Debt securities at amortized cost" comprises of Greek and Foreign Government Bonds.

Balance 31.07.2020 (mln)

Debt securities at amortized cost	€ 3,258
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Assets held for sale

The account balance "Assets held for sale" comprises of loan portfolios for disposal.

Balance 31.07.2020 (mln)

Assets held for sale	€ 192
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Investment property

The account balance "Investment property" comprises of land and buildings held for long-term rental yields or capital appreciation.

Balance 31.07.2020 (mln)

Investment property	€ 452
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Investments in subsidiaries

The account balance "Investments in subsidiaries" comprises of all Bank's subsidiaries except for: i) Piraeus Agency Solutions Single-Member Societe Anonyme for the provision of insurance products' distribution services and financial services, ii) JSC PIRAEUS BANK ICB, an Ukrainian banking corporation and iii) Piraeus Group Capital Ltd, which is registered in the United Kingdom and its business activity is the issue of debt securities.

Balance 31.07.2020 (mln)

Investments in subsidiaries	€ 565
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Investments in associated undertakings and joint ventures

The account balance "Investments in associated undertakings and joint ventures" comprises of all Bank's associates and joint ventures.

Balance 31.07.2020 (mln)

Investments in associated undertakings and joint ventures	€ 277
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Property and equipment

The account balance "Property and equipment" comprises mainly of own-held land and buildings, equipment and land and buildings under leases.

Balance 31.07.2020 (mln)

Property and equipment	€ 943
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Intangible assets

The account balance "Intangible assets" comprises mainly of software.

Balance 31.07.2020 (mln)

Intangible assets	€ 238
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Current tax assets

The account balance "Current tax assets" comprises of withholding taxes on interest of Greek Government Bonds, Greek Treasury bills, Corporate Bonds and other tax claims.

Balance 31.07.2020 (mln)

Current tax assets	€ 191
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Deferred tax assets

The account balance "Deferred tax assets" comprises of deferred tax recognized upon measurement differences.

Balance 31.07.2020 (mln)

Deferred tax assets	€ 6,425
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Other assets

The account balance "Other assets" comprises mainly of Claims from the Greek State, receivables from the Deposit and Investment Guarantee Fund, inventories (repossessed assets) and trade receivables.

Balance 31.07.2020 (mln)

Other assets	€ 3,033
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Liabilities

Due to banks

The account balance “Due to banks” comprises of amounts due to the European Central Bank and central banks and securities sold under agreement to repurchase.

Balance 31.07.2020 (mln)

Due to banks	€ 7,406
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Due to customers

The account balance “Due to customers” comprises mainly of savings accounts and retail and corporate current, sight deposits and time deposits.

Balance 31.07.2020 (mln)

Due to customers	€ 46,838
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Liabilities at FVTPL

The account balance “Liabilities at FVTPL” comprises of amounts due from unsettled purchase transactions of Greek Government Bonds.

Balance 31.07.2020 (mln)

Liabilities at FVTPL	€ 22
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Derivative financial instruments

The account balance “Derivative financial instruments” comprises mainly of interest rate and cross currency interest rate swaps.

Balance 31.07.2020 (mln)

Derivative financial instruments	€ 515
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Debt securities in issue

The account balance “Debt securities in issue” comprises solely of covered bonds issued by the Bank.

Balance 31.07.2020 (mln)

Debt securities in issue	€ 468
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Retirement benefit obligations

The account balance "Retirement benefit obligations" comprises of retirement indemnities offered to the Beneficiary's employees.

Balance 31.07.2020 (mln)

Retirement benefit obligations	€ 120
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Provisions

The account balance "Provisions" comprises mainly of provision for litigations and Expected Credit Loss allowance on off balance sheet commitments.

Balance 31.07.2020 (mln)

Provisions	€ 158
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Other liabilities

The account "Other liabilities" comprises mainly of accrued expenses, lease liabilities, amounts due resulting from transactions through DIAS system and other amounts due to third parties.

Balance 31.07.2020 (mln)

Other liabilities	€ 1,073
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Summary (amounts in €mln)

Total Assets (A):	€ 62,224
Total Liabilities (B):	€ 56,600
Total Equity (A) - (B):	€ 5,624
