



Solid Operating Trends Demonstrate Piraeus' Franchise Power Execution of Sunrise Plan on Track

Business performance progress

- New loan production: €2.1bn to-date
- Customer deposits at €50.4bn, deposit base restored to pre-crisis levels. +€0.8bn in Q1.21
- Strong growth in client assets (deposits and mutual funds), +€3.5bn in the last 15 months
- Net interest income at €366mn, +1% yoy on the back of funding cost improvement and increased fixed income holdings
- Net fee income at €76mn, +7% yoy, driven by new loans, bancassurance and funds transfers
- Operating expenses on a recurring basis at €218mn, -4% yoy
- Recurring core PPI (NII+NFI-OpEx) at €223mn, +9% yoy
- Underlying cost of risk at 1.4% vs 1.9% in Q1.20
- Pre-tax profit of €257mn, excluding impact from one-off elements
- One-off elements booked in Q1 mainly comprise €0.2bn gains from Greek securities portfolio and €0.8bn loan impairments related to 50% sale scenario for Phoenix-Vega portfolios
- Reported pre-tax result of -€358mn

Capitalization enhanced with successful completion of share capital increase

- Share capital increase of €1.38bn concluded in late April 2021
- Non-dilutive capital actions of €1bn under way, €0.8bn secured, additional €0.2bn by Q4.21
- Total capital ratio at 17.5% and CET1 capital ratio at 15.4% proforma for the capital raise
- Liquidity coverage ratio at 185%, net stable funding ratio at 118% and net loan-to-deposit ratio at 74%

Balance sheet derisking on track with Sunrise plan

- NPE ratio at 35% proforma for the €7bn Phoenix-Vega securitizations, expected to close in Q2.21
- Sunrise 1 & 2 €11bn NPE securitizations and €1.5bn additional NPE sales under way to complete balance sheet derisking and achieve single-digit NPE ratio in the next 12 months
- Q1 organic NPE flow according to Sunrise plan estimates





Management Statement

“As the Greek economy is exiting the Covid-19 restrictive measures and the vaccination program is progressing at an accelerated pace, expectations for economic recovery are building. Piraeus Group is working relentlessly on its Sunrise plan to be able to meaningfully support the investment boost anticipated from late 2021 onwards and the corresponding expected recovery.

Year-to-date, we have made good progress on all aspects of our plan’s execution. The €1.4bn share capital increase, which was completed in late-April 2021, was a great success, with investors’ oversubscribing by more than three times. This success has demonstrated that investors believe in our plan, but also in the prospects of the Greek economy. Furthermore, of the additional €1bn non-dilutive capital actions in our plan, €0.8bn are secured and the remaining €0.2bn are expected by Q4. Post the share capital increase, Piraeus stands on a solid total capital ratio of 17.5%.

Our NPE reduction plan is well on track, with the €7bn Phoenix-Vega NPE securitizations expected to be deconsolidated from the Group’s balance sheet in the current quarter. Sunrise 1 NPE securitization of €7bn is at the binding offer phase, and we expect to conclude the transaction by the end of the year. We are also fast-tracking the Sunrise 2 €4bn project and the €1.5bn non-HAPS NPE sales that will help us to definitively derisk our balance sheet, reaching a single-digit NPE ratio in the next 12 months.

Notwithstanding the challenges related with the Covid-19 pandemic, our operating progress continues above plan. Loan disbursements amount to €2.1bn to-date, well on track to meet our €5.7bn new loan generation target for 2021. Customer deposits increased above the €50bn mark in Q1, for the first time since 2015. Our core pre provision income increased 9% yoy in Q1, demonstrating the Piraeus franchise power.

Recently, Piraeus Bank was the only Greek bank ranking among the 300 leading companies for climate change management initiatives and activities in Europe, according to the Financial Times. The recognition of climate risk and its management along with a comprehensive ESG strategy is a priority for our Bank and resonates with the global principles for responsible banking, which we have adopted. We anticipate additional tangible results and strive to capitalise on the recognitions we have already achieved: another prestigious distinction came from the EBRD. Piraeus Bank received the Gold Award in the category “Financial Intermediaries” for its ESG and sustainability performance. We remain committed on the ESG agenda, in order to actively steer the Greek economy towards a sustainable future.”

Christos Megalou, Chief Executive Officer





P&L Highlights: Positive Trends in All Core Lines

Stable NII quarterly performance

Net Interest Income (NII) in Q1.21 reached €366mn, +1% yoy, on the back of improving funding costs and increased fixed income holdings. Deposit costs remained supportive, while the increase in performing exposures balances by 5% yoy or by €1.2bn, supported loan interest income. NIM in Q1.2020 stood at 2.0%, lower compared to 2.2% in Q4.20, a movement that was attributed mainly to the increased asset base due to securities' portfolio expansion.

Solid growth in NFI despite lockdowns

Net Fee and Commission Income (NFI) in Q1.21 stood at €76mn, +7% yoy, a robust performance given the lockdown headwinds. Main contributors to this performance were funds transfer business, asset management and credit cards, while new loan generation also comprises a positive driver. Net fee income over assets stood at the level of 0.4%, with our transformation plan in place to produce enhanced fee income.

OpEx further down 4% yoy on a recurring basis

Operating expenses in Q1.21 reached €225mn, -1% yoy, while excluding extraordinary items, OpEx was down 4% yoy at €218mn. Staff costs decreased 9% yoy to €97mn, as the Group realizes the benefits of the voluntary exit scheme executed in 2020. The G&A costs in Q1 were up 11% yoy at €100mn, on the back of higher fees for Piraeus projects that were concluded or are under way (i.e. corporate hive-down, Sunrise plan projects ect). Cost-to-core banking income (NII + NFI) improved to 49% in Q1 vs 53% a year ago, mainly on the back of reduced staff costs and increased core banking income. Further efficiencies are to be achieved along with the ongoing digitization, as well as the implementation of our transformation plan.

PPI exhibits positive trends on strong trading gains

Pre-provision income stood at €634mn in Q1.21, including €403mn trading gains from securities portfolio. The Bank's core franchise strength is reflected in core pre provision income (NII plus NFI minus recurring OpEx), which stood at €223mn in Q1.21, +9% higher yoy.

Organic CoR lower yoy

The Q1.21 loan impairment charges stood at €961mn from €438mn during the respective quarter of 2020. Impairment losses of €829mn associated with a 50% assigned probability sale scenario of Phoenix & Vega (€7bn gross book value) and other NPE portfolio sales were booked in Q1.21. Organic cost of risk as a percentage of net loans stood at 1.4% in Q1.21, compared to 1.9% in Q1.20, in line with Sunrise plan estimates.

Bottom line burdened by extraordinary items

Pre-tax losses in Q1.21 stood at €358mn compared to losses of €340mn in Q1.20. On a recurring basis, pre-tax profit stood at €257mn compared to €12mn losses in the same period last year. Group net results stood at a loss of €407mn, compared to €232mn net losses in Q1.20.





Balance Sheet Highlights: Growth in Performing Loans & Deposits

Customer deposits up 8% yoy at lower cost

Customer deposits amounted to €50.4bn at the end of March 2021, up 8% yoy, reaching their pre-crisis level. Private sector deposits increased by €0.6bn in Q1.21, with improvement in all customer segments. Deposit cost continued to decline to 10bps in Q1.2021 vs 12bps in Q4.20.

Strong liquidity and funding profile

Eurosystem funding stood at €11bn at the end of March 2021. The utilization of ECB's targeted long-term refinancing operations (TLTRO III) funding throughout 2020 led to a significant increase in ECB funding. Piraeus Bank further improved its Liquidity Coverage Ratio (LCR) to the level of 185% at the end March 2021. Strong liquidity profile is reflected on the Group's net loan-to-deposit ratio, which was further improved to 74% vs 81% a year earlier.

Performing loan book expansion

Gross loans before impairments and adjustments amounted to €47.9bn at the end of Mar.21 stable from the end of Dec.20. At the end of the reported period, the Group's net loans amounted to €37.4bn. Piraeus' domestic performing loan book increased by €0.2bn in Q1.21, with business lending being the main driver. Loan disbursements reached €1.2bn in Q1.21, up 18% compared to same period in 2020.

Covid-19 State sponsored facilities & debt moratoria

Piraeus actively participates in the execution of financing programmes of the Greek State through the provision of guarantees and interest rate subsidies. The programme sponsored by the Greek Ministry of Finance for the support of mortgage loan borrowers ("Gefyra") has entered the implementation phase with Piraeus Bank at c.€1.2bn implemented applications. At the same time, Piraeus Bank closely monitors the progress of c.€5bn performing debt moratoria, both active and expired.

Capital ratios at satisfactory levels

The Common Equity Tier 1 (CET1) ratio of the Group as at Q1.21 was at 12.1%, while total capital ratio stood at 14.2%, comfortably above the total capital requirement including COVID-19 flexibility of 11.25%. Pro-forma for the recent capital raise, the CET1 stands at 15.4%, while the Total Capital ratio stands at 17.5%. Fully loaded CET1 and total capital ratio stands at 13.6% and 15.7% respectively.

NPE reduction continues

NPE reduction continued throughout the Covid-19 crisis. NPEs stood at €22.1bn at the end of Q1.21 down from €24.1bn a year ago and €22.5bn at the end of Dec.20. The €7bn Phoenix and Vega securitizations are expected to be completed in Q2.21. The pro-forma for the aforementioned transactions NPE ratio stands at 35% at the end of March 2021. The total €19bn HAPS and NPE sales are well on track and will complete the balance sheet derisking efforts, building on the improved capital trajectory of the Group.

Further information on the financials & KPIs of Piraeus Group can be found on the [Q1.2021 Financial Results](#) presentation and the [Q1.2021 Financial Statements available](#) on the company's website.

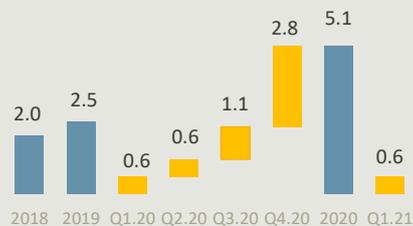




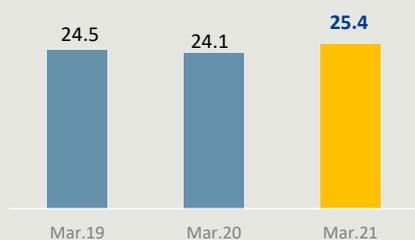
New Loan Disbursements (€bn)



New Private Sector Deposits (€bn)



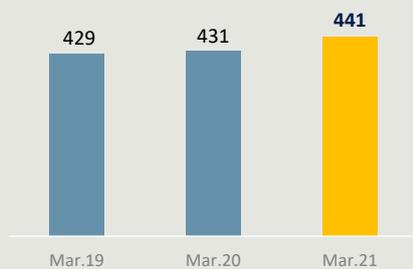
Performing Exposures | Greece (€bn)



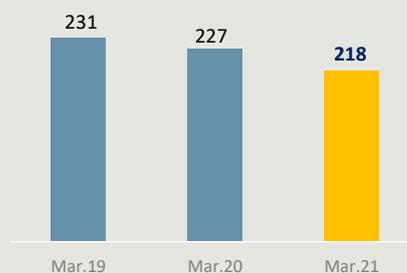
Non Performing Exposures | Greece (€bn)



Recurring Core Income: NII + NFI (€mn)



Recurring Operating Expenses (€mn)





Selected Figures of Piraeus Financial Holdings Group

Consolidated Data (amounts in €mn)					
Selected Balance Sheet Figures	31.03.21	31.03.20	Δ yoy	31.12.20	Δ qoq
Assets	72,114	60,378	19%	71,576	1%
Customer Deposits	50,431	46,697	8%	49,636	2%
Gross Loans before Adjustments	47,884	48,676	-2%	48,012	0%
Cumulative Provisions	10,453	10,990	-5%	9,904	6%
Total Equity	6,699	7,509	-11%	7,153	-6%
Selected P&L Figures	Q1.2021	Q1.2020	Δ yoy	Q4.2020	Δ qoq
Net Interest Income	366	360	1%	378	-3%
Net Fee & Commission Income	76	71	7%	85	-11%
Net Gain (Losses) from Financial Instruments	403	-33	n/m	12	>100%
Other Operating Income & Dividend Income	14	14	1%	0	n/a
Net Income	859	412	108%	475	81%
-excluding one-off items ¹	638	412	55%	475	34%
Staff Costs	(97)	(107)	-9%	(252)	-61%
-excluding one-off items ¹	(97)	(107)	-9%	(105)	-8%
Admin. Expenses including Gains from Sale of Property	(100)	(91)	11%	(119)	-15%
-excluding one-off items ¹	(94)	(91)	3%	(119)	-21%
Depreciation & Other Expenses	(28)	(29)	-5%	(28)	-3%
Total Operating Expenses	(225)	(227)	-1%	(399)	-44%
- excluding one-off items ¹	(218)	(227)	-4%	(252)	-13%
Pre Provision Income	634	185	>100%	77	>100%
- excluding one-off items	420	185	>100%	223	88%
Impairment Losses & Provisions	(985)	(510)	93%	(477)	>100%
-o/w one-off items ¹	(829)	(329)	>100%	(277)	>100%
Associates' Results	(6)	(16)	-61%	3	n/a
Pre-Tax Result	(358)	(340)	5%	(397)	-10%
- excluding one-off items ¹	257	(12)	n/a	27	>100%
Income Tax	46	(110)	n/a	118	n/a
Net Result	(407)	(232)	75%	(518)	-22%
Net Result Attrib. to SHs from Continuing Operations	(404)	(230)	76%	(511)	-21%
Non-Controlling Interests for Continuing Operations	(0)	(0)	n/a	(4)	n/a
Net Result from Discontinued Operations	(3)	(2)	n/a	(3)	-11%

(1) One-off items refer to (a) the gain from the GGB securities' portfolio amounting to €221mn in Q1.2021 in trading income, (b) Voluntary Exit Scheme costs of €147mn in Q4.2020 in staff costs, (c) non-recurring impairment on loans and other assets for COVID-19 affected cases/portfolios and impairment in the context of the NPE reduction plan of a total amount of €329mn in Q1.2020, €277mn in Q4.2020 and €829mn in Q1.2021 (the latter mainly relates with sale scenario associated with a 50% assigned probability sale scenario for Phoenix & Vega NPE securitisations)





GLOSSARY / ALTERNATIVE PERFORMANCE MEASURES (APM)

#	Performance Measure	Definition
1	Adjusted Total Assets	Total assets excluding assets amounting to: 1) €1.7bn as at 31 December 2019 of discontinued operations and seasonal OPEKEPE agri-loan 2) €1.6bn of discontinued operations and seasonal OPEKEPE agri-loan as at 31 December 2020 3) €0.1bn of discontinued operations as at 31 March 2021
2	Core Banking Income or NII+NFI	Net interest income plus (+) net fee and commission income
3	Core PPI	Net interest income plus (+) net fee and commission income minus (-) recurring operating expenses
4	Cost of Risk (CoR)	ECL impairment losses on loans and advances to customers at amortized cost of the period annualised over (/) Net Loans
5	Cost of Risk Underlying	Cost of risk minus (-) non-recurring impairment impact over (/) Net loans
6	Cost to Core Banking Income Ratio (Recurring)	Total operating expenses before provisions over (/) total core banking income excluding one-off items related to the corresponding period as per item #28
7	COVID-19 Impact	COVID-19 impact for 2020 referring to incremental ECL impairment losses on loans and advances to customers and on other assets, to reflect worsening economic outlook as a result of COVID-19
8	Cumulative Provisions	Accumulated ECL allowance on loans and advances to customers at amortised cost.
9	Deposits or Customers Deposits	Due to Customers
10	Gross Book Value (GBV)	Gross loans and advances to customers at amortised cost
11	Gross Loans before Impairments & Adjustments	Loans and advances to customers at amortised cost before ECL allowances for impairment on loans and advances to customers
12	LCR (Liquidity Coverage Ratio)	Liquidity coverage ratio is the amount of sufficient liquidity buffer for a bank to survive a significant stress scenario lasting one month
13	HAPS (Hercules Asset Protection Scheme) & HAPS2	HAPS aims at supporting the reduction of non-performing loans held by Greek banks via a state-sponsored asset protection scheme, which enables NPEs to be securitized and sold to investors with Greek government guarantees for the "senior" tranche of securitized notes. The HAPS scheme expired in April 2021, and was extended for another 18 months and expanded to cover additional €12bn guarantees
14	Impairments	ECL impairments losses on loans and advances to customers at amortized cost plus(+) Impairment losses on other assets plus(+) ECL impairment losses on financial assets plus(+) Impairments on subsidiaries and associates plus(+) Impairment of Property and equipment and intangible assets plus(+) Other impairment losses plus(+) Other provision charges
15	Loan to Deposit Ratio (LDR)	Net loans (excluding seasonal OPEKEPE agri-loan facility) over (/) Deposits





#	Performance Measure	Definition
16	Loan Impairment Charges	ECL impairment losses on loans and advances to customers at amortised cost
17	Net Interest Margin (NIM)	Net interest income annualised over (/) Adjusted total assets
18	Net Loans	Loans and advances to customers at amortised cost
19	(Net) Loan to Deposit Ratio (LDR)	Net loans over Deposits
20	Net Results or Net Profit	Profit / (loss) for the period
21	Net Revenues	Total Net Income
22	NFI	Net Fee and Commission Income = Fee and Commission Income minus (-) Fee and Commission Expenses
23	NFI over assets	Net fee and commission income annualised over (/) Adjusted total assets
24	NII (Net Interest Income)	Net Interest Income = Interest Income minus (-) Interest Expenses
25	NPEs - Non Performing Exposures	On balance sheet credit exposures before ECL allowances for loans and advances to customers at amortised cost that are: (a) past due over 90 days; (b) impaired or those which the debtor is deemed as unlikely to pay ("UTP") its obligations in full without liquidating collateral, regardless of the existence of any past due amount or the number of past due days; (c) forbore and still within the probation period under EBA rules; (d) subject to contagion from (a) under EBA rules and other unlikely to pay (UTP) criteria
26	NPE Ratio	Non-performing exposures over Gross Loans before Impairments & Adjustments
27	NPE (Cash) Coverage Ratio	Cumulative provisions over NPEs
28	One-off (non-recurring) Items	Non Recurring Items for Q1.21 include €829mn related mainly with Phoenix & Vega 50% sale scenario booked in loan impairment, €221mn gains from Greek sovereign securities in trading income and €7mn G&A costs. Q1.20 and Q4.20 include €329mn and €277mn COVID-19 related impairments and other impairments in the context of the new NPE reduction plan. Q4.20 include €147mn related with VES costs
29	Operating Expenses (OpEx)	Total operating expenses before provisions
30	Operating Expenses (Recurring)	Operating costs minus (-) non-recurring VES costs in 2019 and 2020
31	Performing Loans (Exposures)	Gross loans adjusted for the seasonal OPEKEPE agri-loan minus (-) Non Performing Exposures
32	Pre Provision Income (PPI)	Profit before provisions, impairments and income tax
33	Pre Provision Income, Recurring	PPI excluding the one-off items, as per item #28
35	Pre Tax Profit / (Loss)	Profit / (loss) before income tax
36	Pre Tax Profit (recurring & excluding COVID-19 impact)	Pre Tax Results excluding one-off items related to the corresponding period as per item #28





Disclaimer

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