

PIRAEUS
FINANCIAL HOLDINGS



Investor Update

2023 guidance

30 January 2023

Disclaimer

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We have based these assumptions on information currently available to us at the date the statements are made, and if any one or more of these assumptions turn out to be incorrect, actual outcomes and results may differ materially from what is expressed in such forward-looking statements. While we do not know what impact any such differences may have on our business, if there are such differences, our future results of operations and financial condition, could be materially adversely affected. Therefore, you should not place undue reliance on these forward-looking statements and financial projections.

This presentation also includes certain forward-looking business and financial targets. The targets have been prepared by management in good faith, on the basis of certain assumptions which management believes are reasonable. However, there can be no assurance that the facts on which the assumptions are based will not change and, consequently, our ability to achieve these targets may be affected by a number of changes and risks, which are beyond our control and some of which could have an immediate impact on our earnings and/or financial position. No representation is made as to the reasonableness of the assumptions made in this presentation or the accuracy or completeness of any modelling, scenario analysis or back-testing. We do not undertake any obligation to update these targets and we reserve the right to change our targets from time to time as we respond to real operating, financial and other macro-economic conditions.

The Company/Group has included certain non-IFRS financial measures in this presentation. These measurements may not be comparable to those of other companies. Reference to these non-IFRS financial measures should be considered in addition to IFRS financial measures but should not be considered a substitute for results that are presented in accordance with IFRS.





01. Setting the scene with our 2022 financials


02. Guiding for strengthened returns in 2023






01. Setting the scene
with our 2022 financials

Marked improvement across all key financial performance indicators during 9M.22...

 Financial KPIs	FY.21 Actual	Delta	9M.22 Actual
✓ EPS norm, adj for AT1 cpn (€)	€0.16	+€0.21 annualized	€0.28
✓ RoaTBV norm, adj for AT1 cpn (%)	4%	+5%	9%
✓ Net PE growth - 9M (€bn)	€0.3	+€2.0	€2.3
✓ NPE (%)	13%	-4%	9%
✓ FL CET1 (%)	8.7%	+200bps	10.7%

...resulted in materially upgraded guidance for the FY.22,
as per 9M.22 market disclosure

	Financial KPIs	9M.22 Actual	FY.22 Budget	FY.22 Estimates <small>as per 11 Nov.22 disclosure</small>
✓	EPS norm, adj for AT1 cpn (€)	€0.28	~€0.23	>€0.37
✓	RoaTBV norm, adj for AT1 cpn (%)	9%	~6%	~9%
✓	Net PE growth (€bn)	€2.3	~€1.5	~€2.5
✓	NPE (%)	9%	~9%	<8%
✓	FL CET1 (%)	10.7%	~10%	>11%



02. Guiding for strengthened returns in 2023

2023 will be a milestone year for Piraeus, unveiling the full potential of its franchise, supported by Greece's solid prospects

2023 outlook



- Sustainable growth in Greece
- Strong tourism and FDI
- Rebound in employment
- RRF, a catalyst for the economy
- Fiscal space for support if needed
- Investment grade during the year

2023 outlook



- Expand loans at appropriate RaRoC
- Defend funding costs
- Excel in net interest margin
- Leadership in RRF utilization
- Further strengthen client-focused agenda
- Launch new digital bank

2023 is expected to show further progress across fundamentals, under realistic assumptions



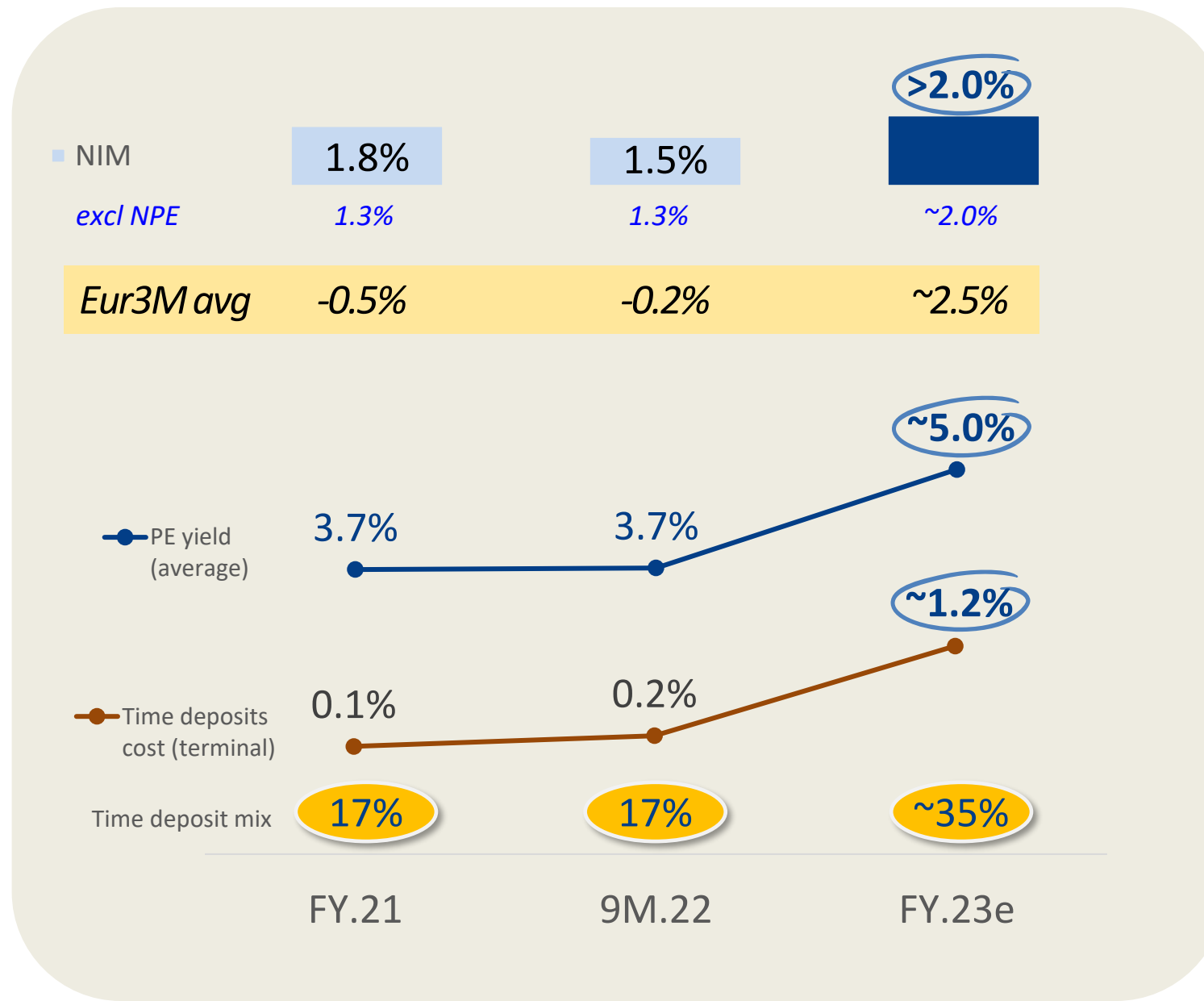
Financial KPIs

FY.23
guidance

✓	EPS norm, adj for AT1 cpn (€)	>€0.45
✓	RoaTBV norm, adj for AT1 cpn (%)	~10%
✓	NIM / Assets (%) <i>NIM / Interest earning assets (%)</i>	>2.0% >2.5%
✓	NFI / Assets (%)	~0.6%
✓	Cost-to-core income (%) <i>OpEx reduction, recurring (%)</i>	<42% ~2%
✓	Net credit expansion (€bn)	~€1.7
✓	NPE (%)	<6%
✓	NPE coverage (%)	>60%
✓	Capital generation (bps)	~100bps



NIM expansion to be driven by higher rates on healthy growing balance sheet

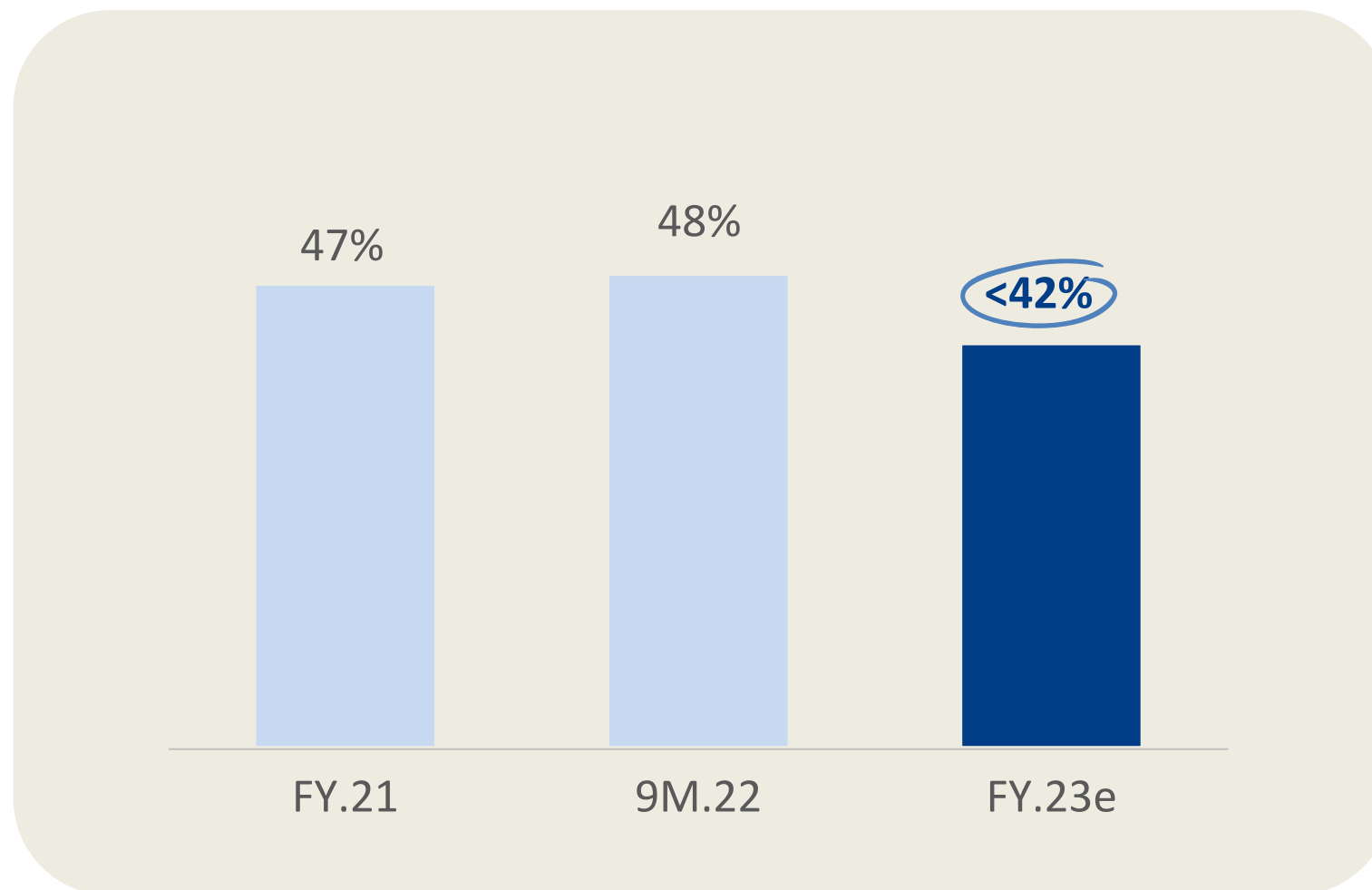


- NIM to peak in 2023 at **>2.0%**
- EUR Deposit Facility Rate assumed at **~2.5%**
- Loan repricing at **~0.7x** pass-through over DFR delta, along with spread contraction in selected categories
- Time deposit costs assumed to reach a pass-through of **~0.5x** over DFR level
- Managed transition from overnight to time deposits, mix assumed up to **~35%**



Tight cost management to continue against the current headwinds

Cost-to-core income ratio (%)

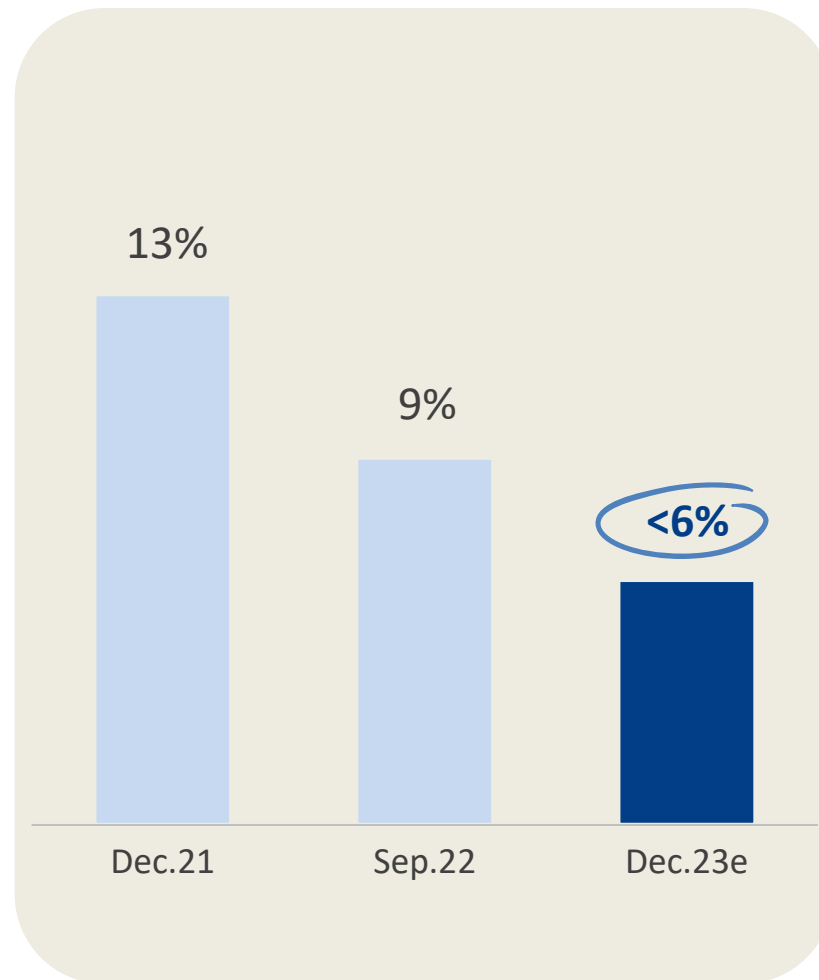


- ✓ Cost trajectory to continue in its downward trend
- ✓ Additional ~2% recurring OpEx reduction in 2023
- ✓ Further G&A efficiency gains of c.2% to be pursued, despite inflationary pressures, on the back of ongoing initiatives

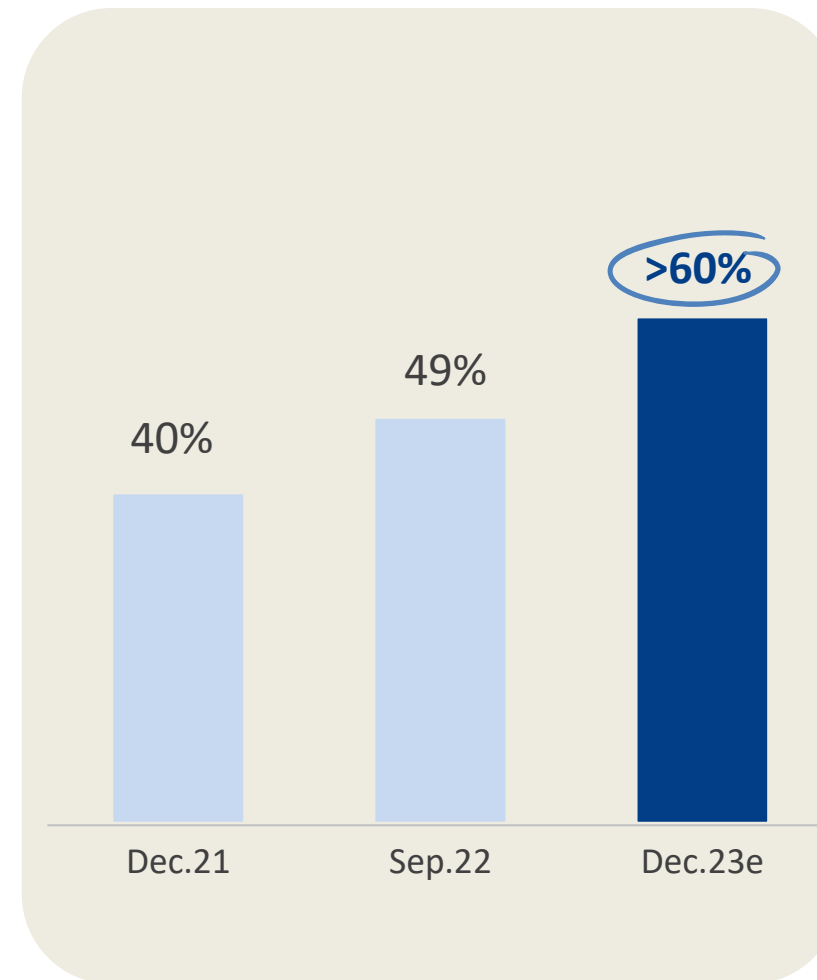


Further normalization is expected in 2023 for NPE, accounting for market conditions

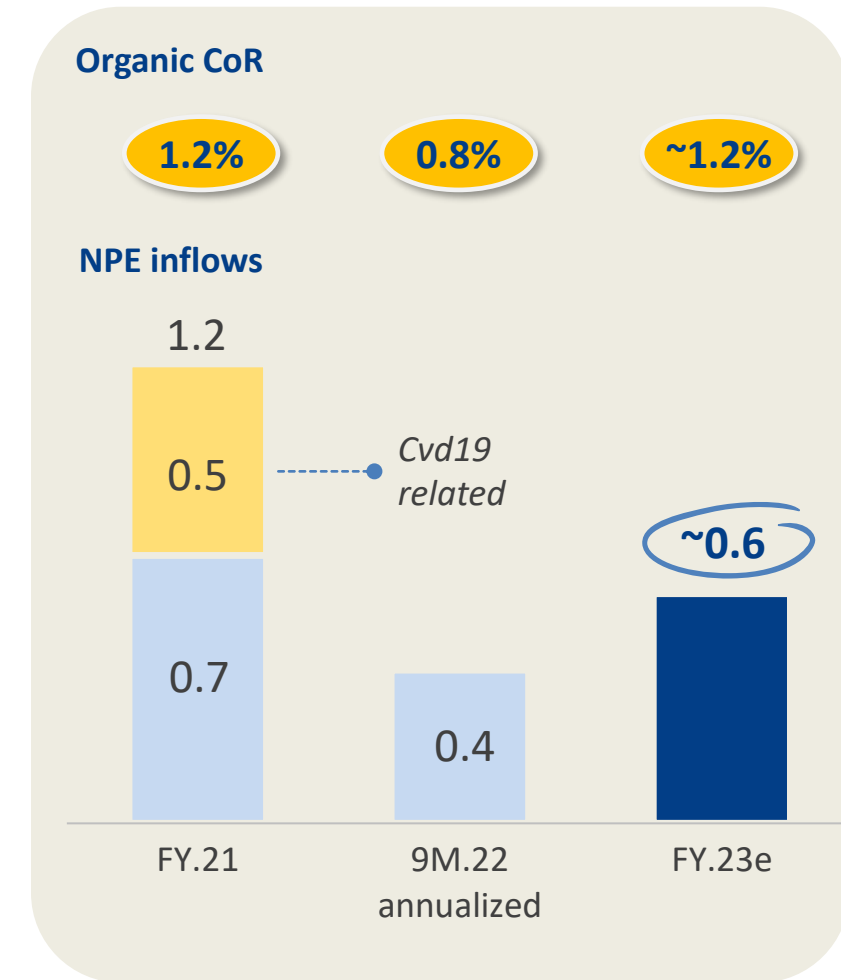
NPE ratio (%)



NPE coverage (%)

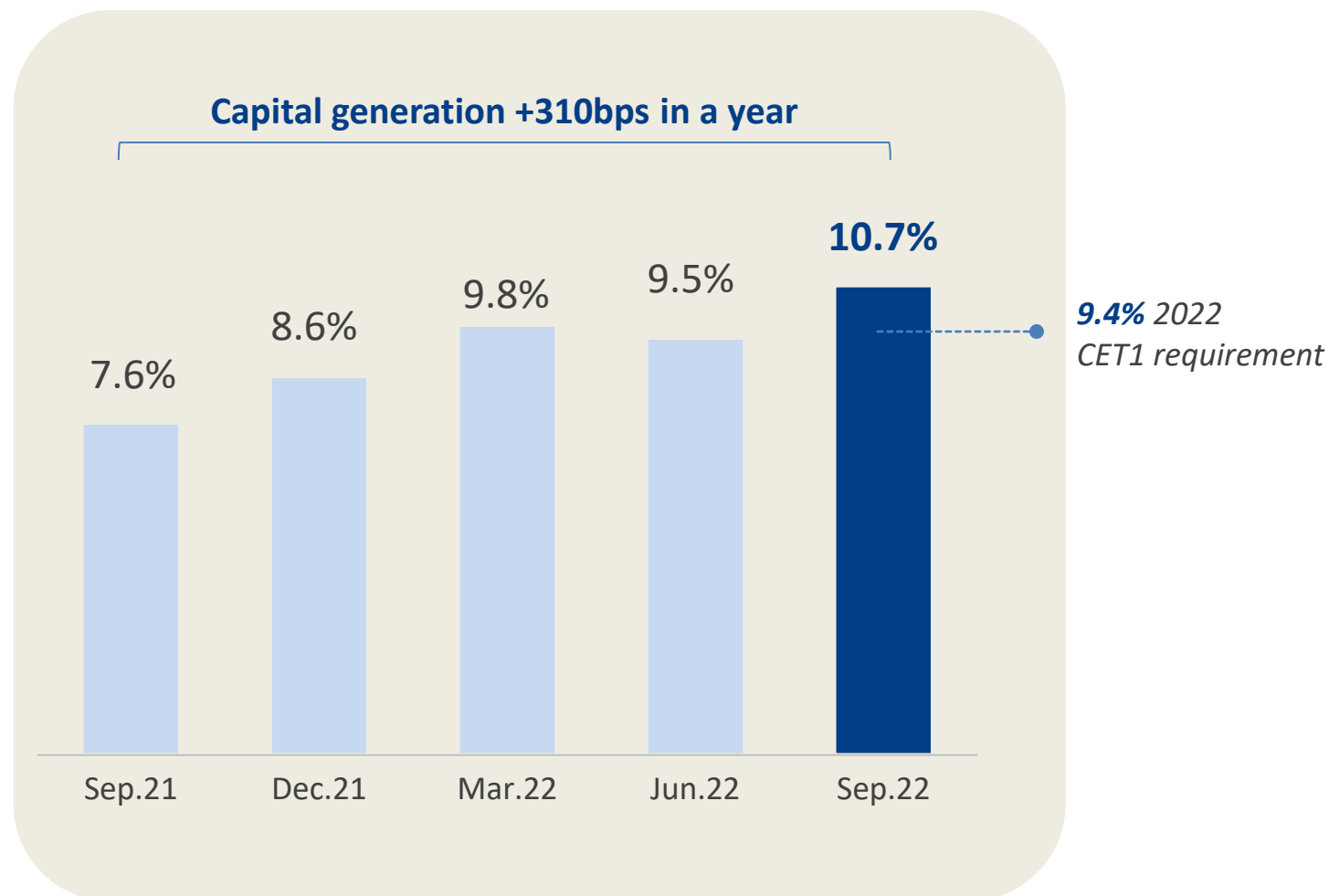


NPE inflows (€bn) & CoR (%)

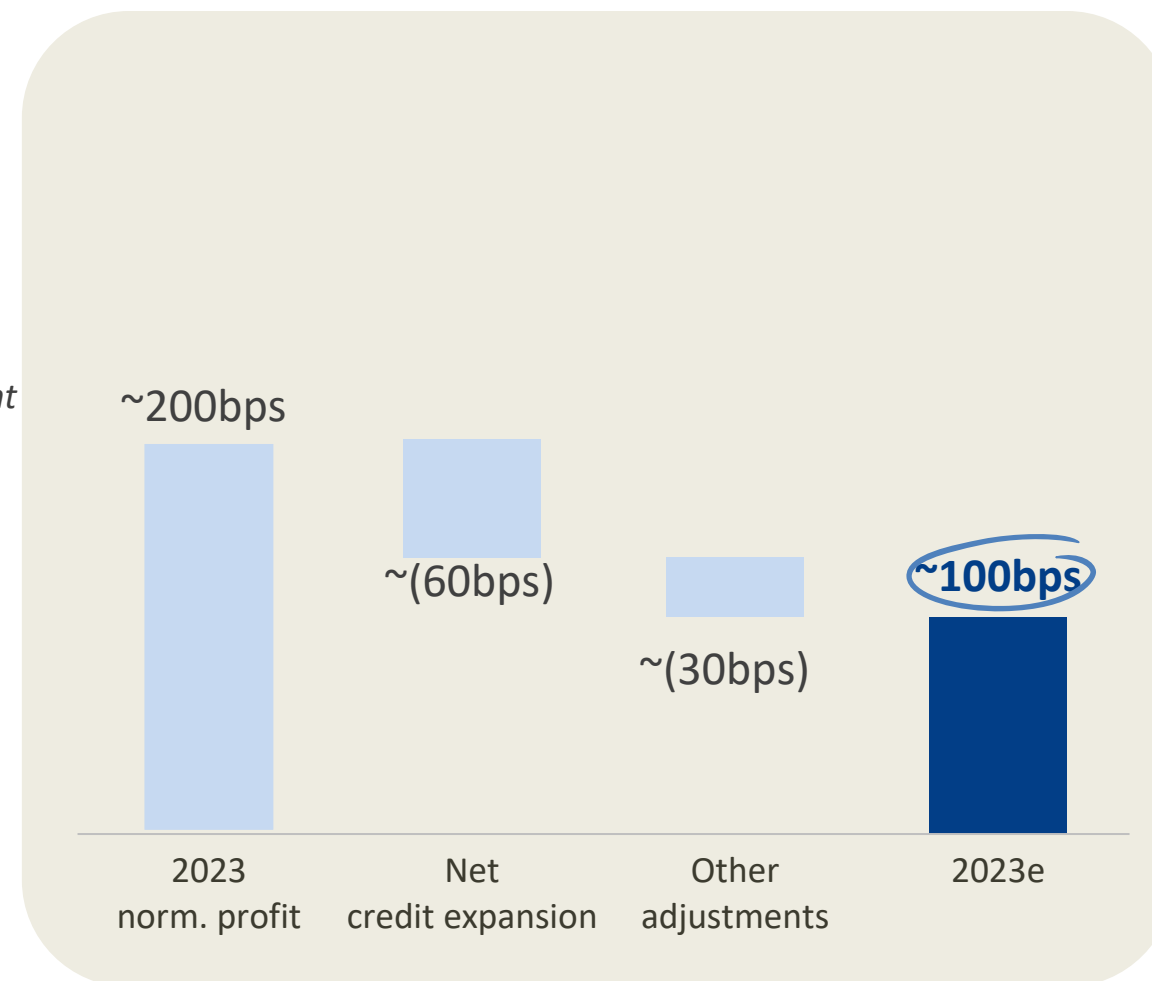


The sustainable profitability profile of 2022 paves the way for solid FLCET1 accretion in 2023

CET1, fully loaded (%)



Guidance for 2023 new capital generation



2023 financial calendar

Piraeus Financial Holdings is accelerating its provision of financial information to investors in 2023, as set forth in the calendar below:



FY.22
financial results



Q1.23
financial results



H1.23
financial results



9M.23
financial results

The date of the Ordinary General Meeting of shareholders will be specified with a later announcement

Piraeus reserves the right to change the aforementioned dates, following relevant timely information of the public

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Alternative Performance Measures / Glossary (1/2)

1	2023 Capital Generation	The capital expected to be generated between end of period 2022 and end of period 2023, measured in basis points over expected end of period 2023 Risk Weighted Assets. Other adjustments include one-offs related to cost restructuring and balance sheet cleanup
2	CET1 Capital Ratio (Fully loaded)	CET1 capital, as defined by Regulation (EU) No 575/2013. For September 2022, CET1 regulatory ratio is not calculated on a pro-forma basis. As of 1 October 2022, FL CET1 ratio of 10.7% incorporates recognized fair value through OCI reclassification impact
3	Core Operating Income	Net interest income plus (+) net fee and commission income plus (+) rental income minus (-) recurring operating expenses, underlying cost of risk, servicing fees, credit protection costs and other impairments, including associates income
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	Underlying cost of risk is calculated by dividing loan loss provisions excluding provisions related to NPE securitisations and sales and servicing fees and credit protection fees over the loans and advances to customers at amortised cost. Loan loss provisions are defined as ECL impairment losses on loans and advances to customers at amortised cost, plus other credit-risk related charges on loans and advances to customers at amortised cost
6	Cost-to-core income ratio (C:I)	Core cost-to-income ratio is calculated by dividing the recurring operating expenses which equal total operating expenses before provisions minus one-off costs with core income (as defined, herein). One-off costs are defined as per line item #28
7	Cumulative provisions (Loan loss reserves - LLR)	ECL allowance on loans and advances to customers at amortised cost
8	Deposit Facility Rate (DFR)	The deposit facility rate is one of the three interest rates the ECB sets every six weeks as part of its monetary policy. The rate defines the interest banks receive for depositing money with the central bank overnight
9	Deposits or Customer Deposits	Due to customers
10	Earnings Per Share (EPS), normalized adj for AT1 cpn	Earnings per share are calculated by dividing normalized net profit adjusted for AT1 coupon payment for the period, with total number of shares outstanding
11	Gross Loans or Customer Loans	Gross loans are reported as total gross loans and advances to customers at amortised cost, grossed up with PPA adjustment (purchase price allocation)
12	Interest earning assets	Total assets excluding equity and mutual fund financial assets, participations, goodwill and intangibles, fixed assets, deferred tax assets and discontinued
13	Net Credit Expansion	New loan disbursements minus loan repayments that were realized after previous end period, not accounting for net curings and FX impact
14	Net Fee Income (NFI or net fees)	Net Fee and Commission Income, Fee Income minus (-) Fee Expense
15	Net Interest Margin (NIM) excluding NPE over assets	Net interest margin equals net interest income reported, excluding NPE income in 2021, in 2022, and in 2023 over average total assets for the period
16	Net Interest Margin (NIM) over assets	Net interest margin equals net interest income reported annualized over average total assets for the period
17	Net Interest Margin (NIM) over interest earning assets	Net interest income annualized over (/) average interest earning assets for the period (as defined, herein)
18	Net Loans	Loans and advances to customers at amortised cost
19	Net PE growth	New loan disbursements minus loan repayments that were realized after previous end period accounting also for net curings and FX impact



Alternative Performance Measures / Glossary (2/2)

20	New Loan Generation / Disbursements	New loan disbursements that were realized after previous end period or that are estimate to be disbursed during the respective period for future periods
21	NFI over Assets	Net fee income equals net fee and commission income plus rental income, plus income from non-banking activities (presented as “dividend income” in the condensed interim consolidated income statement) annualized, over total assets adjusted (as defined, herein)
22	NII	Net Interest Income, Interest Income minus (-) Interest Expense
23	Non Performing Exposures (NPEs)	On balance sheet credit exposures before ECL allowance for impairment on 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) forborne and still within the probation period under EBA rules; (d) subject to contagion under EBA rules or other unlikely to pay (UTP) criteria
24	Normalized net profit	Normalized net profit is the profit/(loss) attributable to the equity holders of the parent, excluding one-off revenues, one off expenses and loan loss provisions related to NPE securitizations and sales (as defined herein), defined at any given period. One-off items are defined as per line item #28 and tax included in total
25	NPE (Cash) Coverage Ratio	NPE coverage ratio is calculated by dividing ECL allowance on loans and advances to customers at amortised cost over the NPEs (as defined, herein)
26	NPE Inflows	Gross inflows to NPEs, i.e. Defaults, Redefaults and Other for the period. For FY.2021 €0.5bn NPE inflows related with Covid-19 related moratoria
27	NPE Ratio	Non Performing Exposures over (/) Gross Loans
28	One-off Items	One-off items refer to (a) the gains from sovereign bond portfolio, IRS and OCI reserves recycled to PnL amounting to €479mn and the gains from the carveout of the non-core equity participations (Mayfair transaction) amounting to €185mn in 2021, the gains from the carve-out of the cards merchant acquiring business amounting to €282mn and non-recurring gains from the fixed income portfolio of €380mn in 2022 in trading income, (b) Voluntary Exit Scheme costs in 2021, in 2022 and in 2023 respectively, (c) non-recurring depreciation charges of €4mn related to Thalys transaction in 2022, (d) non-recurring impairment on loans and other assets in the context of the NPE reduction plan in 2021, 2022 and 2023
29	Performing Exposures (PE)	Gross loans (as defined, herein) adjusted for the seasonal OPEKEPE agri-loan minus (-) Non Performing Exposures minus (-) NPE securitization senior tranches. Performing exposures include CLOs
30	Performing Exposures (PE) yield (average)	Gross interest income accrued on performing exposures over average performing exposure balances for the period
31	Recurring Operating expenses (Recurring OpEx)	Operating Expenses excluding "One-off Items" as per item #28
32	Return on Average Tangible Book Value (Normalized RoaTBV)	The normalized RoaTBV is calculated by dividing normalized net profit (as defined herein) for the period annualized minus AT1 coupon payment over average tangible book value
33	Tangible book value or Tangible Equity	Tangible equity or Tangible Book Value (TBV) equals capital and reserves attributable to equity holders of the parent excluding other equity instruments, i.e., Additional Tier 1 (AT1) capital and intangible assets
34	Time deposits cost	Gross interest expense accrued on time deposits over average time deposit balances for the period
35	Time deposits mix	The percentage of term deposits over total deposits



