

PIRAEUS
FINANCIAL HOLDINGS



Investor Update

2023 guidance

*2023: the year in which Piraeus will
demonstrate the full value
of its franchise*

Guiding for continued improved returns in 2023

Greece remains on a path of economic expansion into 2023, reflecting its different position in the economic cycle compared to other developed economies, as well as its improved resilience and competitiveness. In addition, the deployment of the Recovery and Resilience funds will propel the economy to higher rates of growth in 2023 and beyond.

With confidence based on the Bank's consistent track record of successful business plan execution and Greece's favorable economic prospects, Piraeus Group outlines today its 2023 forward guidance. The key elements are more than €0.45 normalized earnings per share; an estimated minimum sustainable return on tangible equity of 10%; and further boost to capital of c.100 basis points, all under a set of realistic assumptions.

The Group's 2023 plan includes supporting healthy business and individuals to grow and innovate, claiming the leading banking role in utilization of the RRF funds, and further strengthening the client-focused agenda. Piraeus is also enhancing its digital offering and value proposition, including by launching its new digital bank within 2023.

Piraeus Group will report its full year 2022 financial results on 24 February 2023.





2023 financial guidance

- Further enhancement of shareholder returns, with more than €0.45 of normalized earnings per share expected in 2023, rising from above €0.37 per share estimated for 2022 as per the 11 November 2022 disclosure
- Approximately 100bps of incremental capital generation in 2023, via strong organic profitability
- Approximately €1.7bn net credit expansion, supporting businesses and households
- Best-in-class operating efficiency, with cost-core-income ratio below 42% and c.2% absolute reduction in recurring operating expenses, notwithstanding inflationary pressures
- Further derisking of the balance sheet, leading to an NPE ratio of below 6% with NPE coverage ratio above 60%
- Expanding net interest margin to above 2.0%, driven by higher rates on a growing balance sheet, while adjusting deposit rates in alignment with European banking trends
- Maintaining net fee income generation at 0.6% of assets on an expanding balance sheet
- Assuming successful execution of 2023 budget on which forward guidance is based, Piraeus management is paving the way for shareholder capital distribution, subject to conditions and supervisory consent



2023 guidance

Financial KPIs	2023 guidance
EPS norm, adj for AT1 cpn (€)	>€0.45
RoaTBV norm, adj for AT1 cpn (€)	~10%
NIM / assets (%)	>2.0%
<i>NIM / Interest earning assets (%)</i>	>2.5%
NFI / assets (%)	~0.6%
Cost-to-core income (%)	<42%
<i>OpEx reduction, recurring (%)</i>	~2%
Net credit expansion (€bn)	~€1.7
NPE (%)	<6%
NPE coverage (%)	>60%
Capital generation (%)	~100bps

Note: Data on a recurring basis



2023 Financial Calendar

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

Friday, 24 February 2023	FY.2022 Financial Results
Friday, 05 May 2023	1Q.2023 Financial Results
Monday, 31 July 2023	1H.2023 Financial Results
Friday, 03 November 2023	9M.2023 Financial Results

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

Piraeus Financial Holdings S.A. reserves the right to change the aforementioned dates, following relevant timely information of the public.





GLOSSARY / ALTERNATIVE PERFORMANCE MEASURES (APM)

#	Performance Measure	Definition
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 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
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





#	Performance Measure	Definition
		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 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 of 2021, 2022 and 2023 respectively, (c) non-recurring depreciation charges of €4mn related to Thalix 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 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



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