

PIRAEUS
FINANCIAL HOLDINGS



Remuneration Report

for the Year 2022





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Letter from the Chairman of the Remuneration Committee

Dear Shareholders,

On behalf of the Remuneration Committee, I am pleased to present the remuneration report for the financial year 2022. This is my first report as a Chair of the Committee, since stepping into the role in June 2022.

2022 was a milestone year for the Group with strong financial results despite the volatile business climate, with the continued impact of the COVID-19 pandemic and the challenges in both the macroeconomic environment due to rising inflation and the geopolitical environment due to the war in Ukraine. The Group managed to outperform its targets across the board, with the contribution and commitment of our people to a high performing culture.

We continued our strategic transformation journey to a leaner and simplified organization in relation to its operating structure. Thus, among the key achievements was the reduction of around 650 employees, which has resulted in substantial cost savings for the organization. It is worth mentioning that the FTE reduction was mainly achieved through savings due to the ongoing transformation of the Group's central functions as well as further optimization of the branch network.

In the remuneration field, the positive momentum achieved in performance year 2021 led to the implementation, during 2022, of the newly designed annual variable incentive schemes for the Group's employees, rewarding consistent high performance and successful outcomes. This was the first time, after many years, that the variable remuneration component of our remuneration policy was implemented, boosting employee morale and satisfaction. Our strategy is built around a pay-for-performance philosophy aiming to attract and retain talented individuals by offering financial and non-financial incentives and creating a competitive working environment.

The signing of both the sectoral collective agreement and the enterprise collective agreement, during 2022, provided a balanced path for the next two years offering improved remuneration to employees in an era of high inflation and escalating competitive dynamics for labor without endangering the Groups' roadmap to profitability.

Improving further the working environment has also been central in last year's objectives. Updating the Group's leadership principles has been a significant milestone to foster a culture of performance, collaboration and development. "Guidewise", the practical offspring of this initiative, has been a toolkit for all managers providing clear guidance as to the expected behaviors and framework to improve the teams' performance and engagement.

For 2023, we remain focused on meeting and exceeding our challenging targets. In addition, we are confident that with the right talents on board, enhancing opportunities for our people to learn and grow and being in a position, from this year onwards, to be able to incentivize our Senior Leadership, we ensure a sustainable future for the Group.

Finally, I would like to thank all our shareholders for their feedback and engagement throughout these years. We are committed to maintaining this insightful and effective dialogue.



Andrew D. Panzures
Chairman of the
Remuneration Committee



1 General information

1.1 | INTRODUCTION

The Greek Law 4548/2018, which is effective as of 1 January 2019, incorporated, inter alia, the provisions of the Shareholders Rights Directive II (SRD II Directive) for the remuneration of the Board of Directors' members (hereinafter "Directors"), Executives and Non-Executives. In compliance with the provisions of the aforementioned law, as of the 2020 Annual General Meeting of Shareholders, all remuneration awarded to the Directors of Piraeus Financial Holdings (Executive and Non-Executive Board members) is disclosed in the annual Remuneration Report.

The Remuneration Report provides a clear and comprehensive total remuneration overview in line with the respective legislative framework (the article 112 of Law 4548/2018). Disclosure of individual Directors' remuneration and the publication of the Remuneration Report are intended to provide increased corporate transparency and Directors' accountability, increased oversight of shareholders on the implementation of the Remuneration Policy and practices, while at the same time demonstrating their coherence with the Group's strategy and performance. The Remuneration Report is submitted for discussion to the Annual General Meeting of Shareholders (hereinafter "AGM") as item on the agenda and shareholders have advisory vote thereon. The Company's auditors examine if and to what extent the Remuneration Report provides the information required by article 112 of Law 4548/2018. The Board of Directors (hereinafter "BoD"), following the respective positive recommendation by the Remuneration Committee (hereinafter "RemCo"), approved the present Remuneration Report for 2022.

Piraeus Group engages regularly with international investors and proxy advisors, constructively exchanging opinions on the Group's remuneration policies and practices, listening to any possible concerns and addressing them, where required. Such dialogue enables the Company to receive valuable feedback on the remuneration approach, ensuring it takes into consideration best international and investors' expectations.

The BoD of the Company consists of members with international leadership expertise and knowhow, possessing in depth knowledge and experience of the banking market.

They actively contribute to the improvement of the corporate governance framework and are driving the respective required amendments whilst participating in the creative debates and the quest for solutions to the challenges faced by the Company and the Group.

The members have the necessary collective skills and knowledge required by the existing regulatory framework for financial holding companies. In this way, the systemic stability, the good relationship of the Company with the Regulatory Authorities and the avoidance of administrative gaps in the operation of the Company and its Group are promoted.

The BoD dedicates significant time and effort to closely monitor the Group's progress and provide timely feedback and guidance; this is evidenced, inter alia, by the content of the minutes of the sixteen (16) meetings held in 2022 (scheduled and extraordinary). Specifically, the Audit Committee convened fifteen (15) times, the Risk Committee twelve (12) times, the Nomination Committee six (6) times and the BoD Ethics and ESG Committee four (4) times. The Remuneration Committee's meetings and activities are described in section 1.2.1.

Information on the current composition of the BoD and its operation as well as short CVs of its members are available on the Piraeus Financial Holding's website ([Board of Directors Composition | Piraeus Financial Holdings](#)) and in the Corporate Governance Statement of the Annual Financial Report of the Company ([Financial Statements & Other Information | Piraeus Financial Holdings](#)).

Following BoD's respective recommendations, the AGM held on 22 July 2022: a) approved (by 100.00%) the remuneration paid to members of the BoD in respect of 2021 and gave preliminary approval for remuneration to be paid for the year 2022, b) casted a positive vote (99.37%) for the Remuneration Report of year 2021, and finally c) approved (by 99.95%) the proposed amendments to the Directors' Remuneration Policy. Both the Remuneration Reports of the years 2019 onwards and the Directors' Remuneration Policy are available in the Company's website ([Directors' Remuneration Policy](#) | [Remuneration Report](#)).



1.2 | REMUNERATION GOVERNANCE

1.2.1 | REMUNERATION COMMITTEE

Governance & Operation

The role of the RemCo is to assist the BoD in remuneration policies, practices and plans. According to its Terms of Reference, the Remuneration Committee is appointed by the BoD of the Company and consists of at least three (3) members of the BoD. The total number of its members should not exceed 40% of the BoD Members, including the HFSF Representative, who participates with full voting rights. The majority of the members are independent as per the definition of article 9 of L. 4706/2020, currently in force. The Chairman of the Committee is an Independent Non-Executive member.

The Committee, 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 to oversee alignment of the Remuneration Policy with the Group's Risk and Capital Strategy. The Remuneration Committee shall meet at the invitation of the Chairman whenever he/she deems it necessary for the execution of its remit, but no less than four (4) times in each calendar year. Resolutions may only be adopted when a quorum of at least half of its members are present. Resolutions of the Committee are adopted by majority vote of the members present.

The Remuneration Committee held eight (8) meetings during 2022 with the related attendance rate for all members reaching 100%¹.

Mission, Responsibilities & Composition

The mission of the RemCo, in alignment with the Group's strategic goal, is to design, monitor the implementation and periodically review the Group's and Directors' Remuneration Policies, in accordance with the applicable legislative and regulatory framework, as currently in force. In the execution of its duties, the Committee takes into account the Risk Appetite Framework (RAF) of the Group, the long-term interests of shareholders, investors and other stakeholders. Within the scope of the Remuneration Committee, the following activities are included: a) the monitoring of the implementation of a framework that objectively evaluates performance and is directly linked to the determination of the remuneration of employees, b) the overview of the Group's talent management and succession

planning policies as well as c) the implementation of strategies aiming at building a corporate culture that will support the Company's objectives and vision.

In alignment with ESG Governance, the RemCo is responsible to ensure that the aforementioned remuneration policies are consistent with the objectives of the Group's business and risk strategy, including environmental, social and governance 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 with climate and sustainability matters.

Information on the responsibilities and the operation of the Remuneration Committee is available on the Piraeus Financial Holdings website ([Board of Directors & Committees](#) | [Piraeus Financial Holdings](#)).

¹ More information is available in the Corporate Governance Statement of the Annual Financial Report for the year 2022 (page 67) ([Financial Statements & Other Information](#) | [Piraeus Financial Holdings](#))



On 31 December 2022 and as the date of the present Report, RemCo's composition was as follows:

TABLE 1

Piraeus Financial Holdings Remuneration Committee's Composition	
Name	Capacity
Andrew D. Panzures	Chairman, Independent Non-Executive BoD Member Year of birth: 1958 Nationality: British, Canadian, American Chairman since: June 2022
Francesca A. Tondi	Member, Independent Non-Executive BoD Member Year of birth: 1966 Nationality: Italian Member since: June 2022
Enrico Tommaso C. Cucchiani	Member, Independent Non-Executive BoD Member Year of birth: 1950 Nationality: Italian Member since: November 2016
Solomon A. Berahas	Member, Independent Non-Executive BoD Member Year of birth: 1953 Nationality: Greek Member from February 2017 to September 2017 and reappointed as a Member since: July 2020
Alexander Z. Blades	Member, Non-Executive BoD Member Year of birth: 1970 Nationality: New Zealand Member since: August 2016
Periklis N. Dontas	Member, Non-Executive BoD Member, HFSF Representative under Law 3864/2010 Year of birth: 1957 Nationality: Greek Member since: December 2019

67% Independent Non-Executive

33% Non-Executive



During 2022, the following changes were made to the composition of the Committee: On June 23rd, 2022, Mr. Andrew Panzures was appointed Chairman of the Committee, role which was previously held by Mr. Arne Berggren, who resigned from the BoD. On the same day, Mrs. Francesca Tondi was elected member of the Committee.

Activities

In 2022, RemCo reviewed and recommended for the BoD's approval the following basic items:

- The Annual Variable Incentive Schemes for Performance Year (PY) 2022.
- The 2022 Voluntary Exit Scheme of the Group (hereinafter "VES").
- The Annual Remuneration Report for 2021.
- The amendment of Directors' Remuneration Policy, in order to be submitted for 2022 AGM's approval.
- The BoD members' remuneration for 2021 and advance payment of 2022 remuneration, in order to be submitted for 2022 AGM's approval.

During 2022, the Committee had regular updates on the significant effort that is in progress to create a balance between initiatives to reduce cost and those to increase employee engagement, programs designed to diffuse corporate values throughout the Company. The Committee carefully reviewed the implementation of the annual performance assessment framework and employees' engagement to conduct meaningful performance dialogues. Focus was also given in the new talent management framework aiming to create a pipeline of future leaders in critical positions and thus ensure that a solid succession planning is in place.

For 2023 the Committee will mainly focus on the enrichment of the remuneration mechanisms that will strengthen the Group's competitiveness in alignment with market reality, ensuring talent attraction and retention as key building blocks supporting a culture of belonging and enhancing attitudes of cross functional teamwork, in tune with the organization's strategic objectives and shareholders' interest.

1.2.2 | GROUP REMUNERATION POLICY

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, which applies to all employees of the Company and its subsidiaries (including Piraeus Bank and its subsidiaries) without prejudice to the provisions laid down to art.102 of Law 4261/2014 (and Article 109 of CRD), is consistent with the 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 seek to discourage the undertaking of excessive risk, potential conflicts of interest, or the violation of laws and regulations.

The Group 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 while reflecting risk appetite.
- Promote a culture of compliance and effective risk controls.
- Enhance internal and external transparency.

The key principles of the Remuneration Policy follow 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 voluntarily commitments made by Piraeus. These are linked with the Group's overall agenda for adding value to all stakeholders, establishing 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.

In the context of the harmonization of Group HR Policies during the 1st quarter 2022, the Benefits Policy, which is part of the Group's Remuneration Policy, was implemented based on employees' roles and the new levels of responsibility of the Job Family Model (Group's organizational model).

1.2.3 | DIRECTORS' REMUNERATION POLICY

Directors' remuneration is governed by the Directors' Remuneration Policy, which applies to the Executive and Non-Executive 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 Group's 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.

Contribution to business strategy, long-term interests and value creation

Given the current restrictions, the Directors' Remuneration Policy contributes to the Group's business strategy and long-term interests by:

- Not relying on risk taking, thus encouraging Executive Directors to focus on sustained long-term value creation incorporating ESG risk-related objectives.
- Offering competitive and fair levels of remuneration and benefits to Directors that incentivize their dedication to the Group, the achievement of long-term goals and the creation of long-term value.
- Creating a work environment, which is comprehensive in its diversity, fostering and unlocking individual potential and creating competitive advantage.
- Making adherence to the Group's values, business principles and risk-related policies key considerations when determining remuneration.

The Directors' Remuneration Policy was initially approved by the Annual General Meeting of Shareholders of Piraeus Bank on 28 June 2019 and was further amended following respective resolutions of the relevant Company's AGM in 2021 and 2022. Subject to any subsequent amendments, its validity may be maintained for up to four (4) years thereof unless there is a material change. In this case, the Policy will be submitted to the General Meeting of Shareholders for approval.

The Directors' Remuneration Policy is reviewed on a regular basis by the RemCo to ensure its continued alignment with its principles. The review takes into consideration, among others, the advisory vote of the AGM on the Remuneration Report.

During 2022, the Company had not deviated from its Remuneration Policy.

2022 Review and Amendments

In July 2022, the AGM approved the amendments of the Company's Directors' Remuneration Policy, following a respective recommendation by the RemCo and the BoD. These amendments referred to the:

- Alignment with new legislative provisions (Law 4799/2021 transposing CRDV into Greek national legislation) on variable remuneration of Material Risk Takers.²
- Introduction of provisions for gender-neutral remuneration policy and equal pay for male and female individuals.
- Climate & ESG considerations in the remuneration policy components.
- Addition of the Annual Variable Incentive Scheme's structure in the Appendix. The Annual Variable Incentive Scheme, which will apply to the executive directors, to the extent permitted by law, has been attached to the Directors' Remuneration Policy in order to guarantee shareholders ex-ante disclosure.

The current Directors' Remuneration Policy is available on the Piraeus Financial Holdings' website ([Directors' Remuneration Policy](#))

² Refers to categories of staff who have a material impact on the institution's risk profile in accordance with Directive 2013/36/EU and respective regulatory framework.



1.2.4 | SEVERANCE POLICY

The 2021 Annual General Meeting of Shareholders approved a separate Severance Policy applicable to the Senior Management (defined as those with level of responsibility of General Manager & above) including the Executive Directors. The main objective of a severance payment is to provide eligible executives with a safety net necessary to act responsibly on behalf of the Group, or in case of a new hire, to empower the decision of high caliber executives from market to join. In parallel, it supports the loss of income and ensures a smooth exit process with all of the Group's legal bases covered. The Severance Policy was designed to:

- Enhance the robust governance structure with clear and transparent processes.
- Allow for a smooth transition and succession at Top Management level.
- Be aligned with relevant market practices in the Greek systemic banking sector that provide for severance payments to senior executives.

Executives are entitled to severance payments related to the early termination of an employment contract in good terms. The criteria, which are taken into consideration in order to determine the award of severance payment in alignment with the specific legal and contractual framework, are: a) the executive's tenure in the Group, b) the performance achieved over time as evidenced and documented by the internal Performance Appraisal mechanism, c) the executive's behaviors and attitudes' alignment with Group's internal policies and rules, as well as d) the proximity to retirement age. These payments can range between 12 and up to 24 monthly gross salaries, with an upfront component, which may not exceed 60% of the total amount, to be payable at the expiration of a 6-month non-compete clause. There is no additional payment for the non-compete arrangement. The rest of the amount (40%) shall be deferred in annual installments of an equal amount within a period of five (5) years as defined by the existing legislative and regulatory framework, following the Executive's termination date. Severance payments shall be subject to malus or clawback arrangements up to 100% in accordance with the existing legislative and regulatory framework.

The Severance Policy, as part of the Group's remuneration policies / practices, is subject to an independent review by the control functions, including risk, internal audit and compliance, the feedback of which is incorporated in the Policy. The control functions

will be also reviewing any future amendments to this Policy.

In accordance with the current legal and regulatory framework, the Policy shall be effective for a period of up to four (4) years. Should material changes occur, the Policy shall be reviewed and submitted to the competent bodies for approval.

The current Severance Policy is available on the Piraeus Financial Holdings' website ([Severance Policy](#))



2 Piraeus Financial Holdings Group Key Developments

The global economy in 2022 was characterized by new and significant challenges for the global economy. While economic activity gradually returned to its pre-pandemic level, favored by the lifting of restrictive measures for Covid-19 in most countries, Russia's invasion of Ukraine and the rise of inflation to a level that the Western world has not faced since the late 1970s created a completely new economic environment, with increased risks and uncertainty. Particularly in Europe, the impact of the war was not limited to an unprecedented rise in energy prices, but also highlighted the risk of insufficient quantities of natural gas during the winter of 2022-23.

Despite rising inflationary pressures, the strong uncertainty linked to the geopolitical developments and the energy crisis, the Greek economy grew at a solid pace in 2022, largely driven by the positive contribution of the private consumption and investments, the decline of the unemployment rate and the fiscal interventions that the Greek government undertook to battle the effects of inflation and to support the economy.

The Greek banking system in 2022 continued to recover, despite the challenging macroeconomic and geopolitical environment. The measures that ECB had taken to deal with the negative effects of the pandemic, improved the funding and liquidity status of the system, while deposits continued rising in 2022. Furthermore, loans to the domestic private sector presented growth in 2022, following the clean-up of Greek banks' balance sheets and solid new loan origination on the back of an expanding economy.

Group's Key financial achievements & events

The Group has a systemic position in the Greek banking market in terms of total assets, which amount to € 75.7 billion as at 31 December 2022. The Group holds the most extensive footprint in Greece with 389 branches (plus another 16 branches in 2 countries abroad) and a wide customer base of 5.7 million active customers. The branch network in Greece was reduced by 25 units during 2022.

2022 was another milestone year for the Group, which continues to unlock the value of its franchise, underpinned by the completion of the Group's balance sheet clean-up. The Group has delivered strong financial results, outperforming its targets across the board. Specifically:

- The Group generated € 0.42 normalized earnings per share and has achieved steady business loan growth, risk-adjusted profitability, continued cost discipline and accelerated capital build-up.
- The enhanced organic capital generation has driven the fully-loaded CET1 ratio to 11.5%, up by approximately 110 bps in the quarter and by approximately 300 bps in the last 12 months.
- The Group's performing loan portfolio has grown by € 2.7 billion in the full year 2022, with net credit expansion of € 550 million in the fourth quarter. The remaining NPE book continues to be managed actively, reaching a NPE ratio below 7% at year-end 2022 from 13% a year ago.
- The cost containment efforts continued unabated in 2022, notwithstanding inflationary challenges, and resulted in an impressive 11% year on year reduction in administrative expenses and 5% year on year reduction in total operating expenses.

The most important events, which are linked with the information provided in this Report, were the following:

- ✓ On 16 March 2022, the Company announced that Piraeus Bank (hereinafter the "Bank") successfully completed the spin-off of merchant acquiring services to a new company and its subsequent sale to Euronet Worldwide Inc. The total consideration of the transaction amounted to € 300 million.



- ✓ On 15 July 2022, the Bank established a new subsidiary namely «Piraeus Real Estate Management», an independent real estate management company. The Real Estate Owned (“REO”) Assets unit, in its entirety, was transferred to the new company, as well as the operations of the companies «Piraeus Real Estate» and «Piraeus Property».
- ✓ On 19 July 2022, the Company announced that the Bank completed the acquisition of 100% stake in Iolcus Investments AIFM (“Iolcus”), With the completion of Iolcus’ acquisition, the Bank’s Group assets under management are in the order of c. € 6.9 billion as at 31 December 2022.
- ✓ Following the 6 April 2022 announcement of strategic partnership with Natech S.A. to develop an independent innovative digital bank for customers in Greece and the rest of the European Market for their financial and banking journey, the Company fully covered on 14 July 2022 the share capital increase of the subsidiary namely Snappi S.A. with € 19 million. Post the completion of the share capital increase, the Company holds 55% of the shareholding capital of Snappi S.A.. Further, on 31 October 2022, the Company submitted the application for a banking license of Snappi to the Bank of Greece (“BoG”). Snappi will launch as a digital-only bank, the only mobile-first bank in the Greek market able to offer consumer credit. Snappi’s offering will include a full everyday banking platform where users can seamlessly complete digital payments and money transfers.
- ✓ In accordance with its strategic objectives and transformation priorities, the Group initiated in September 2022 a new Voluntary Exit Scheme (“VES”) for a certain group of employees. As a result, a corresponding provision of € 57 million was booked within 2022, increasing equally the staff cost of the Group. The number of full time equivalents that exited during the year 2022, making use of the 2022 VES, as well as the 2021 VES stood at 635.
- ✓ Following the development of the Succession Planning Policy and the identification of potential successors for CEO’s direct reports that were completed in 2021, the identification of critical roles across the organization was conducted in 1st semester 2022 in order to be able to extend the Succession Planning process to the whole organization. The initial identification of potential successors for critical roles was completed by the

Head of the pillars, in order to be validated during the performance calibration meeting of the leadership team.

2.1 | HEALTH, SAFETY (H&S) & WELLBEING

Employees’ health and safety (“H&S”) has always been a top priority. During 2022, actions and practices that highlight the value of physical and mental health prevention were designed with the aim of supporting employees and their family members, while securing the organization from psychosocial risks.

In addition to the fixed measures, the following initiatives were designed and implemented in terms of H&S:

- The Covid-19 telephone line exceeded 8,000 calls during its operation.
- First aid trainings, acuity control measurements and dermatological examinations were organized with more than 540 participations.
- The personalized consulting support through the 24/7 Help Line and free counselling are active for all employees and their families.
- Supporting the parental role, the organization granted to new mothers 131 cumulative maternity leave absences.

In November 2020, the Company established a pension fund that covers all employees through the Institution for Occupational Retirement, Life and Medical Provision (hereinafter “IORP”), a Non-Profit Legal Entity of Private law jurisdiction, which aims to provide insurance protection to its members, in addition to the main ones provided by social security funds. In April 2022, the services provided through IORP were expanded, with the inclusion of the Life Insurance and Medical Care. This expansion will significantly contribute to the improvement of the provided level of service for all employees as insured members.

The Group aims to promote wellbeing with high standards. That is why a program («Ef zin») dedicated to health and wellness has been adopted, through three dimensions: the body, the mind and our links with society and the environment. Employees and their families have the opportunity to participate in activities such as volunteering, fitness programs, inspirational talks, workshops and interactive sessions. During the holistic program for Mind - Body - Bonds in 2022, a total of 60 actions were carried out with more than 7,000 participations. As part of the Group’s commitment to the environment and society, employees participated to beaches



clean-up operations in regions of Athens and Thessaloniki, took part in the Race for the Cure and walked for a good cause, donating to Children's Villages SOS and supporting the Emergency Aid Program for children and families in Ukraine.

2.2 | ETHICS, INCLUSION AND EQUAL OPPORTUNITIES

In full alignment with the Organization's strategic goals and corporate values, Group Human Resources cultivates a cohesive culture of high performance, continuous growth, inclusion and open communication, with equal opportunities for all.

In this framework, within the 1st semester 2022, the revision of the content of the Code of Conduct and Ethics began in order to align it with the current institutional and regulatory framework, but also with the updated policies and regulations of the Group. The amended version of the Code of Conduct and Ethics was approved in early 2023.

The Group is committed to high standards of ethical behavior and operates a zero-tolerance approach to bribery and corruption. In this context, the Group has adopted appropriate measures to protect its reputation in matters of ethical conduct, financial integrity and reliability of its operations. Consequently, all employees receive training for the recognition and avoidance of involvement in bribery and are encouraged for the awareness and prompt reporting of any case in which bribery is suspected within the administration of the Group.

The prevention, detection and reporting of bribery is the responsibility of all employees and management of the Group as detailed in the Whistle Blowing Policy. For the purposes of the foregoing, the Group has established appropriate communication channels for those reporting on cases of bribery, fraud and corruption or for any potential suspicion, with the utmost confidentiality so as to immediately inform the competent authority. Upon authorization of the Group Audit Committee, the Group Internal Audit has been charged with the management concerning the confidential reporting of staff on issues of bribery, corruption and fraud.

With respect to the EQUALL Bank's innovative program (more detailed reference in section 2.3 below), the initiatives for the cultivation of common understanding on issues of inclusion and equal opportunities in the workplace, with the series of speeches «We put an end to prejudices» were completed. The 5 different speeches gathered more than 5,000 participations.

Moreover, firmly oriented towards ensuring a working environment that promotes respect and zero tolerance for incidents of violence and harassment, the Group established a new Policy and Procedure for Preventing and Combating

Incidents of Discrimination, Violence and Harassment in the Workplace, which was signed in October 2022. The new Policy highlights the Group's principles and values and describes and encourages the desired behaviors in the organization. At the same time, the Group is committed to investigate and handle any related complaint with confidentiality and respect for human dignity.

Additionally, a practical guide was designed to help managers align, motivate, and get closer to their team members through collaborative practices and initiatives, based on the following 3 new Leadership Principles, developed during 2022:

- Different views unite, when expressed openly.
- Development of our people, the key priority.
- Technology driven business with our people at the core.

2.3 | GENDER EQUALITY & SUSTAINABLE BANKING

Gender Diversity

The Group commits, through its actions, to contribute to the formation of a society of equal people. In this framework, the 2021-2024 ESG Strategy action plan includes establishing an integrated policy to promote gender equality and women's empowerment in the workplace, marketplace and society. In addition, the Group has signed the United Nations ("UN") Declaration «United in the Business of a Better World», supporting global business partnerships with responsibility and transparency, the Women's Empowerment Principles of the UN Global Compact and UN Women and the Commitment to Financial Health and Inclusion of the United Nations Environment Programme – Finance Initiative ("UNEP FI").

Taking a further step in this direction, the Company launched the 2nd cycle of the EQUALL actions 'Women Founders and Makers', 'Women Back to Work' and 'Profession has no Gender', which are designed to promote gender equality and eliminate gender stereotypes. EQUALL is part of Piraeus multidimensional corporate responsibility strategy, which is directly linked to the Greek society's development needs.

Piraeus aims to support women who participate in the training courses, providing them with the necessary skills and knowhow to fulfill their potential and get the job they deserve. The programme facilitates this ambition by enhancing equal access to employment and entrepreneurial activation, which are essential for the autonomy and development of every person. In addition, the Company commits to educate young people



and raise awareness for alternative pathways to employment, in an effort to eradicate any social stereotypes that influence students in the process of choosing a profession.

Gender diversity of the BoD currently meets the legal requirement of Law 4706/2020 on corporate governance of societies anonymes. The Company has made progress during 2022 towards enhancing women representation of the BoD by nominating Ms. Tondi as an Independent Non-Executive member, and has committed to make effort to gradually further increase the under-represented gender in the BoD in the next years. The Group also aspires to increase percentage of women in upper management positions to 35% by 2025 (currently at 32%).

Participation in Sustainability Initiatives

Piraeus Group is included in the FTSE4Good sustainability index and the Bloomberg Gender Equality Index (“GEI”) which assesses the organization’s contribution to gender equality. The Group received a “Management B” rating (A to D scale) in the climate change assessment of the independent non-profit organization CDP, an “A” rating from the MSCI ESG index (AAA to CCC scale). ISS Corporate Solutions rated the Bank with «1 – HIGHER DISCLOSURE» in the environment and society pillars and 2 in the governance and society pillars (a score of 10 indicates higher governance risk).

Moreover, the Group has signed the Collective Commitment to Climate Action (“CCCCA” – UNEP FI), aiming to reduce financed emissions and support a transition to a low carbon economy. It is also a full member of Hellenic Network of Corporate Social Responsibility (“CSR Hellas”) of the Environmental, Social and Governance (“ESG”) – Sustainability – Governance & Green Banking Steering Committee of the Hellenic Banking Association (“HBA”) and participates in working groups for sustainable banking.

Piraeus Bank is the only Greek company included in the Financial Times list of «Europe’s Climate Leaders» in 2022, for the second consecutive year, regarding its performance in the climate change management. Finally, the Group is included in the «Ethibel EXCELLENCE Investment Register» and the «Ethibel PIONEER» list.

The Principles of Responsible Banking aim to align the activities of banks with the 17 UN Sustainable Development Goals (“SDGs”) and the Paris Climate Agreement. The overall oversight for their implementation rests with the Group CEO, who is also one of the 19 Heads of banks and insurance companies from around the world participating in the «Leadership Council» of UNEP FI, a new international advisory body, which aims to shape the strategy of the financial sector to achieve the goals of sustainable development. At the same

time, the Company has been elected on the Banking Board of UNEP FI. In December 2021, it committed to strengthen financial inclusion by signing the «Commitment to Financial Health and Inclusion» of UNEP FI.

In this context, the Bank is actively participating in UNEP FI working groups for the development of new tools to measure the impact of banks on sustainable development. Thus, the «Portfolio Impact Analysis Tool for Banks» has been developed, which estimates the positive and negative impacts of a bank’s portfolios on the economy, society, and the environment. The goal is to enhance financing and investments that contribute positively to sustainable development, while at the same time mitigating or offsetting negative impacts. The Bank conducted the second impact analysis of its portfolio, which concludes that its financing has positive impacts on the sustainable economic development and society of Greece. In 2022, the Group published its third progress report on its implementation of the Principles of Responsible Banking ([Principles for Responsible Banking](#)).

Along with Group’s financial performance aspirations, PFH systematically moves forward in the direction of sustainable banking and creates the infrastructure, policies and strategies that incorporate ESG criteria, in its operations. This strategy will enable to maximize the Company’s contribution to the achievement of the Paris Climate Agreement’s targets and the United Nations’ sustainable development goals.

More information on ESG related issues are/will be included in the Company’s Sustainability Report and other ESG disclosures.



Piraeus' ESG Blueprint

#NRG TRANSITION TARGETS	PIRAEUS AGENDA
Bank & portfolio net zero target	by 2050
Intermediary targets (2030)	-73% Scope 1 & 2
Science Based targets validation	✓
Green asset ratio (EU taxonomy eligible portfolio)	>30%
GOVERNANCE	PIRAEUS AGENDA
Board's ESG oversight	✓
Executive compensation criteria linked to ESG	under assessment
BoD ESG Training	⌚
GENDER EQUALITY	PIRAEUS AGENDA
Gender pay equity target horizon	~3.3mn by 2025
Bloomberg Gender Equality Index	GEI 81% disc 100%
L1-L4 women representation	35% vs 33% now
ESG REPORTING	PIRAEUS AGENDA
Double materiality assessment	✓
3rd party verification of reporting	✓
Sustainability reporting	✓
Green Bond Framework	✓
REPORTING FRAMEWORKS	PIRAEUS AGENDA
TCFD (Task force on Climate Related Financial Disclosures)	✓
PRB (UNEP FI Principles of Responsible Banking)	✓
PRI (Principles of Responsible Investment)	✓
ESG RATINGS	PIRAEUS AGENDA
MSCI	A (targeting AA)
ISS	E: 1 S: 2 G: 2
CDP	B (targeting A)
Sustainalytics	28 (targeting 10-20)



3 Total Remuneration of Directors

The Remuneration paid to Directors in 2022 includes the following components, as those are further described in the Directors' Remuneration Policy:

NON-EXECUTIVE DIRECTORS OF THE BOARD (NEDS)

TABLE 2

Current Piraeus Bank NEDs Fee Structure	
Capacity	Fees (in €)
Chair of the BoD fee	253,800
Non-Executive Director base fee	36,000
Vice Chairman of the BoD fee	72,000
Chair fee of Audit Committee or Risk Committee	84,000
Member fee of Audit Committee or Risk Committee	24,000
Chair fee of Remuneration Committee or Nomination Committee or Strategy Committee	64,000
Member fee of Remuneration Committee or Nomination Committee or Strategy Committee	12,000

Main Principles

1. The Chair of the BoD does not receive the Non-Executive Director base fee, or any other additional fees.
2. Chairs of Committees do not receive the committee member fee.
3. For Chairs of Committees relevant caps apply to their total fees:
 - € 160,000 for the Chairs of Audit Committee or Risk Committee.
 - € 120,000 for the Chairs of Remuneration Committee or Nomination Committee or Strategy Committee.
4. There is no differentiation between the fees paid to members and those paid to the Vice Chairs of Committees. There is provision for specific fees only for the Vice Chair of the BoD.
5. NEDs do not receive additional fees for attendance to the BoD and/or its Committees.
6. Fees are paid proportionally for as long as each member holds the corresponding position.

NEDs, including the Chairman, receive annual Board fees and additional fees for membership and chairmanship of a Board Committee as depicted in Table 2.

Fees are paid in cash and are subject to periodic revision. In the interest of maintaining an internationally diverse Board³ but also due to respective legislative requirements⁴, the Company needed to source NEDs from international markets. It had effectively achieved to do so, despite imposed caps, managing to attract high-caliber individuals with the appropriate level of skills and expertise, as well as motivate them to demonstrate their commitment and invest time to the Board.

The annual remuneration of the NEDs for 2022 was in line with the pre-approval of the AGM held on 22 July 2022. NEDs were paid by the Company and Piraeus Bank. More specifically, in respect with the year 2022, and due to the increased complexity of issues managed by the Company's BoD in the face of a rapidly changing and challenging environment, the AGM's pre-approval set the base fee at € 25,000 for the NEDs of the Company, including the Chairman of the BoD, with no additional fees paid for membership and/or chairmanship in the BoD Committees. For Piraeus Bank respectively, AGM pre-approved the NEDs' fee structure (Table 2) to remain at the level of 2021 and in accordance with the composition of relevant BoD Committees.

According to the Directors' Remuneration Policy, NEDs do not receive any variable pay.

In Table 3 fees paid to NEDs for the financial year 2022, are presented broken down per Committee.

³ The current BoD is consisted of members of seven (7) different nationalities (Greece, Britain, Italy, New Zealand, USA, Belgium, Canada).

⁴ In force until mid-June 2022 where the Law 3864/2010 was amended and former applicable suitability criteria for Board members provided in article 10 were abolished.



TABLE 3

Distribution of NEDs Fees per Committee for 2022										
Name	Capacity	PFH Base Fees in (€) ¹	Piraeus Bank Base Fees in (€) ¹	Audit Committee in (€) ¹	Risk Committee in (€) ¹	Remuneration Committee in (€) ¹	Nomination Committee in (€) ¹	Strategy Committee in (€) ¹	Chairman / Vice Chairman of BoD in (€) ¹	Total Annual Fees for 2022 ^{1,3} in (€)
George Handjinicolaou	Chairman of BoD	25,000.00	-	-	-	-	-	-	253,800.00	278,800.00
Karel De Boeck ³	Vice Chairman of BoD, Chairman of Risk Committee & Vice Chairman of Board Ethics & ESG Committee	25,000.00	36,000.00	19,840.00	29,760.00	-	4,960.00	9,920.00	59,520.00	185,000.00
David Hexter ³	Chairman of Nomination Committee & Vice Chairman of Strategy Committee	25,000.00	36,000.00	20,160.00	-	-	53,760.00	10,080.00	-	145,000.00
Arne Berggren ²	Independent Non-Executive	-	18,000.00	-	-	29,949.85	5,615.60	5,615.60	-	59,181.05
Enrico Tommaso Cucchiani ³	Chairman of Strategy Committee & Vice Chairman of Nomination Committee	25,000.00	36,000.00	-	-	11,454.55	11,454.55	61,090.90	-	145,000.00
Francesca Tondi ²	Chair of Board Ethics and ESG Committee	13,055.53	18,000.00	13,066.67	-	6,533.33	-	-	-	50,655.53
Venetia Kontogouris	BoD Member	25,000.00	36,000.00	-	-	-	12,000.00	12,000.00	-	85,000.00
Solomon Berahas ²	Vice Chairman of Risk & Audit Committee	25,000.00	36,000.00	24,000.00	24,000.00	12,000.00	-	-	-	121,000.00
Andrew Panzures ^{2,3}	Chairman of Remuneration Committee	25,000.00	36,000.00	10,956.52	21,913.05	34,695.65	5,478.26	10,956.52	-	145,000.00
Anne Weatherston	Chair of Audit Committee	25,000.00	36,000.00	50,395.88	12,341.85	6,170.92	-	6,170.92	-	181,000.00
Blades Alexander	BoD Member	25,000.00	36,000.00	-	24,000.00	12,000.00	12,000.00	12,000.00	-	121,000.00
Periklis Dontas	HFSF BoD Representative	25,000.00	36,000.00	24,000.00	24,000.00	12,000.00	12,000.00	12,000.00	-	145,000.00
Total		263,055.53 ⁴	1,398,581.05 ⁵							1,661,636.58

Footnotes

- The amounts are presented on a gross basis.
- The changes below that occurred in the composition of the BoD Committees during 2022 were taken into account for the calculation of the fees.
On 23.06.2022:
Mr. A. Berggren resigned from the BoD.
Mr. S. Berahas: was appointed Vice-Chair of the Audit Committee.
Mr. A. Panzures was appointed Chairman of the Remuneration Committee and member of the Nomination Committee and ceased to be Vice-Chair of the Audit Committee.
Ms. F. Tondi was appointed member of the Audit Committee, the Remuneration Committee and Chair of the Board Ethics and ESG Committee.
- The sum of fees paid by Piraeus Financial Holdings and Piraeus Bank during 2022. The allocation of fees per Committee was adjusted proportionally based on the relevant caps.
- Total fees paid by Piraeus Financial Holdings during 2022.
- Total fees paid by Piraeus Bank during 2022.



EXECUTIVE DIRECTORS OF THE BOARD

Fixed Remuneration

Executive Directors received a fixed monthly salary, payable in cash. The Group has developed a fixed remuneration framework, which defines the salary structure and ranges, in order to attract and retain talented individuals by reference to:

- Their seniority, as established by job evaluation.
- Benchmarking of the required skillset, based on market rate survey results.

The Group offers fair rates of pay and **benefits** to Executive Directors, in line with peers and market practice and existing caps dictated by regulation. The Bank and the Company provide for Medical Care, Life, Accident and Defined Contribution Group Insurance plans for members of Management, including the Executive Directors, Children's Aids plans, use of company car are also provided to employees always in line with market.

In addition, as of 2020, the Group has established the IORP through which introduced a Defined Contribution Pension Plan that covers all employees. The Group as an employer contributes to the employee's individual account a flat 2% of the monthly gross salary paid 14 times annually. Employee's participation, as those of the Executive Directors, in the IORP is voluntary and their contribution is optional: it can range from zero up to 20% of their gross monthly salary. Employee's contributions may be modified during employment tenure, depending on the capital that each employee chooses to create for his/her future, always within the maximum ceiling of 20% of the gross monthly salary. As of April 2022, the Group proceeded with the inclusion of the Life Insurance and Medical Care coverage also through the IORP. The IORP is governed by its Board of Directors and operates under the supervision of the regulatory authorities: the Department of Occupational Insurance at the Ministry of Labor and Social Affairs, the National Actuarial Authority and the Hellenic Capital Market Commission.

Variable Remuneration

As a matter of principle, variable remuneration is an important component of remuneration for Executive Directors as it enhances incentivisation to promote the Group towards the strategic direction endorsed by the Board and in alignment with shareholder value creation.

In compliance with the provisions of Law 3864/2010, as amended and in force, on the prohibition of granting of variable remuneration to BoD members for the performance period

2022, no variable remuneration was paid to the Executive Directors in 2022.

In the context of the holistic review of remuneration strategy and taking into account the momentum generated from the implementation of an ambitious transformation plan and the need to deliver the multiple and challenging business targets, it becomes extremely important for the Group to be aligned with market reality and reward the employees for their performance, motivate and engage them in the Group's vision for the future. Therefore, in October 2021 the BoD approved the introduction of a variable remuneration framework that adheres to a set of specific principles and is designed using clearly stated parameters, being also consistent with the most recent national and international regulatory requirements. In this effort, a highly reputed international consulting firm (Boston Consulting Group) was selected by the Management, in accordance with RemCo's recommendation, to contribute in the formulation of the annual variable incentive schemes that cover the entire employee base of the Group, with three key objectives:

- Link reward to measurable outcomes in order to cultivate results-driven culture,
- Incentivize appropriate behaviors and boost staff productivity,
- Energize staff and counter organizational fatigue,
- Rally employees across levels behind the Group's strategy and incentivize them to deliver ambitious targets within the relevant risk limits.

The Executive Directors participate in the Senior Management Scheme, whose main design elements are described in detail in the Appendix section of the Directors' Remuneration. Non-Executive Directors are not eligible to participate in the aforementioned scheme. As per Directors' Remuneration Policy the maximum payout for the Executive Directors cannot exceed the 100% of the annual fixed remuneration. The General Meeting of Shareholders 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.

Variable remuneration for Executive Directors is currently subject to the provisions of Law 3864/2010, as amended in mid-June 2022 and in force. The aforementioned law provides that any



variable remuneration (bonuses) of Directors shall be abolished as long as the ratio of non-performing loans to total loans exceeds ten percent (10%)⁵, or for the financial years referring up to 2022. Similarly, for the period of participation of the Company (and the Bank) in the capital enhancement program of Article 7 of this Law, variable remuneration may only take the form of shares or stock options or other instruments within the meaning of Articles 52 or 63 of Regulation 575/2013, in accordance with Article 86 of Law 4261/2014.

During the 2nd semester of 2022, the newly designed variable incentive schemes were implemented to Group's employees for the performance year 2021, rewarding consistent high performance and successful target achievement. Executive Directors were excluded from receiving any variable remuneration according to the Law 3864/2010. These schemes are structured to enhance both the individual and team effort taking into account quantitative and qualitative KPIs at Group, Unit/Pillar and individual level, that incorporate the Group's medium and long-term strategy and contribute to the alignment of employees' interests to those of the Group and shareholders.

During 2022:

No severance payments were made to Executive Directors.

No stock option plan was adopted by the Group and therefore no share options were granted to Executive Directors. It is reminded that the 2021 Extraordinary GM of the Shareholders of the Company granted authorization to the BoD of the Company to establish a five (5) year stock option plan in accordance with the provisions of article 113 para.4 of Law 4548/2018 to 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 (stock options), by increasing the share capital with the issuance of new shares and to determine, without prejudice to the provisions of the Law 3864/2010, the terms of the stock options, at its discretion, in accordance with the provisions of article 113 of Law 4548/2018. The authorization is valid for five (5) years from the resolution of the GM. The maximum nominal value of all shares that may be awarded through the plan which may be established by the BoD will correspond to 1.5% of the paid-up share capital of the Company on the date of the establishment of the plan by the BoD of the Company. As at the date of the publication of the present report, there is no active stock option plan.

All remuneration decisions and proposals made by RemCo in 2022 were in line with the Directors' Remuneration Policy, as such was approved by the 2022 AGM.

The table below provides an analysis of the Directors' remuneration paid in 2022 by the Group, broken down by component, as required by the provisions of par.2a of Article 112 of Law 4548/2018.

⁵ Not currently applicable to the Company or the Bank



TABLE 4

Total Remuneration of Directors for 2022									
Name	Position	Capacity	Fixed Remuneration ¹ in (€)			Pension Benefits ^{1,6} in (€)	Variable Remuneration ^{1,2} in (€)	Total Remuneration ^{1,3,4} in (€)	Proportion Fixed / Variable Remuneration
Non-Executives			Base Salary	Fees	Other Benefits ⁵				
George Handjinicolaou	Chairman of BoD	Non-Executive	-	278,800.00	2,370.31	5,076.00 ⁶	0.00	286,246.31	100% / 0%
Karel De Boeck	Vice Chairman of BoD, Chairman of Risk Committee & Vice Chairman of the Board Ethics & ESG Committee	Senior Independent Director Independent Non-Executive	-	185,000.00	-	-	0.00	185,000.00	100% / 0%
David Hexter	Chairman of Nomination Committee Vice Chairman of Strategy Committee	Independent Non-Executive	-	145,000.00	-	-	0.00	145,000.00	100% / 0%
Francesca Tondi	BoD Member (since 23.06.22) / Chair of Ethics & ESG Committee	Independent Non-Executive	-	50,655.53	-	-	0.00	50,655.53	100% / 0%
Enrico Tommaso Cucchiani	Chairman of Strategy Committee Vice Chairman of Nomination Committee	Independent Non-Executive	-	145,000.00	-	-	0.00	145,000.00	100% / 0%
Arne Berggren	BoD Member (up to 23.06.22)	Independent Non-Executive	-	59,181.05	-	-	0.00	59,181.05	100% / 0%
Venetia Kontogouris	BoD Member	Independent Non-Executive	-	85,000.00	-	-	0.00	85,000.00	100% / 0%
Solomon Berahas	Vice Chairman of Risk Committee & Audit Committee	Independent Non-Executive	-	121,000.00	-	-	0.00	121,000.00	100% / 0%
Andrew Panzures	Chairman of Remuneration Committee	Independent Non-Executive	-	145,000.00	-	-	0.00	145,000.00	100% / 0%
Anne Weatherston	Chair of Audit Committee	Independent Non-Executive	-	181,000.00	-	-	0.00	181,000.00	100% / 0%
Alexander Blades	BoD Member	Non-Executive	-	121,000.00	-	-	0.00	121,000.00	100% / 0%
Periklis Dontas	HFSF BoD Representative	Non-Executive	-	145,000.00	-	-	0.00	145,000.00	100% / 0%
Total Non-Executives			-	1,661,636.58	2,370.31	5,076.00	0.00	1,669,082.89	100% / 0%
Executives									
Christos Megalou	CEO	Executive	365,000.00	-	21,464.46	56,036.99	0.00	442,501.45	100% / 0%
Vasileios Koutentakis ⁷	BoD Member	Executive	296,481.50	-	16,827.27	121,395.46	0.00	434,704.23	100% / 0%
Total Executives			661,481.50	-	38,291.73	177,432.45	0.00	877,205.68	100% / 0%
Total Directors									
Total Directors			661,481.50	1,661,636.58	40,662.04	182,508.45	0.00	2,546,288.57	100% / 0%

Footnotes

- The amounts are presented on a gross basis.
- No variable remuneration was paid to the Directors (Executives and Non-Executives).
- The sum of fixed remuneration, pension benefits and variable remuneration.
- Directors' remuneration was paid by Piraeus Bank S.A. and Piraeus Financial Holdings. Directors did not receive any remuneration from any other subsidiary.
- Include gross amounts paid by Piraeus Bank S.A. for medical care, life insurance, child savings plan as well as the annual corporate car leasing costs. Cars granted as a security measure to a Director are not included in their remuneration (i.e. Chairman of the Board and the CEO).
- Amounts paid by the Bank for defined contribution pension plans. The Chairman of the BoD participated with a low contribution capped at 2% of his annual fees. It is noted that as of Q3 2023 and onwards the Chairman of the BoD will no longer be eligible.
- Mr. V. Koutentakis's remuneration derives exclusively from his employment contract dated 04.2008 with Piraeus Bank S.A., pertaining to his role as Executive General Manager in Retail Banking & Distribution Network of Piraeus Bank S.A. Mr Koutentakis does not receive any form of additional remuneration in connection with his participation in the BoD.



4 Comparison of Remuneration and Group's Performance Over Time



TABLE 5

Comparative table on the variance of remuneration and performance (as required by the provisions of par.2b of Article 112 of Law 4548/2018)							
5.1 Directors' Remuneration ^{1,2} in (€)			2018	2019	2020	2021	2022 ⁴
Name	Position / Capacity	Membership					
George Handjinicolaou	Chairman of BoD Non-Executive	since 01.11.2016	261,871.92	256,374.08	265,837.66	260,799.66	286,246.31
		change (%) ⁷	-0.5%	-2.1%	3.7%	-1.9%	9.8%
Karel De Boeck	Vice Chairman of BoD Senior Independent Non-Executive ³	since 08.06.2016	160,000.00	160,000.00	160,000.00	160,000.00	185,000.00
		change (%) ⁷	0.0%	0.0%	0.0%	0.0%	15.6%
David Hexter	Independent Non-Executive	since 27.01.2016	160,000.00	160,000.00	156,000.00	148,039.76	145,000.00
		change (%) ⁷	0.0%	0.0%	-2.5%	-5.1%	-2.1%
Francesca Tondi	Independent Non-Executive	since 23.06.2022	-	-	-	-	50,655.53
		change (%) ⁷	-	-	-	-	-
Enrico Tommaso Cucchiani	Independent Non-Executive	since 15.11.2016	72,000.00	72,000.00	72,000.00	99,011.09	145,000.00
		change (%) ⁷	0.0%	0.0%	0.0%	37.5%	46.4%
Venetia Kontogouris	Independent Non-Executive	since 28.06.2017	60,000.00	60,000.00	65,290.32	65,766.67	85,000.00
		change (%) ⁷	26.0%	0.0%	8.8%	0.7%	29.2%
Solomon Berahas	Independent Non-Executive	since 01.11.2016	96,000.00	96,000.00	96,000.00	96,000.00	121,000.00
		change (%) ⁷	20.0%	0.0%	0.0%	0.0%	26.0%
Andrew Panzures	Independent Non-Executive	since 26.06.2020	-	-	44,951.65	102,233.33	145,000.00
		change (%) ⁷	-	-	-	18.8%	42.0%
Anne Weatherston	Independent Non-Executive	since 26.06.2020	-	-	34,371.01	111,079.57	181,000.00
		change (%) ⁷	-	-	-	68.9%	62.9%
Arne Berggren	Independent Non-Executive	since 08.06.2016 up to 23.06.2022	120,000.00	120,000.00	120,000.00	120,000.00	59,181.05
		change (%) ⁷	0.0%	0.0%	0.0%	0.0%	0.0%
Alexander Blades ⁵	Non-Executive	since 27.01.2016	0.00	0.00	0.00	0.00	121,000.00
		change (%) ⁷	-	-	-	-	-
Periklis Dontas	HFSF BoD Representative Non-Executive	since 18.12.2019	-	4,600.00	120,000.00	120,000.00	145,000.00
		change (%) ⁷	-	-	0.0%	0.0%	20.8%
Christos Megalou	CEO, Executive	since 08.03.2017	317,067.57	310,020.22	323,707.15	391,850.85	442,501.45
		change (%) ⁷	-0.3%	-2.2%	4.4%	21.1%	12.9%
Vasileios Koutentakis	Executive	since 28.05.2020	-	-	197,568.96	296,914.09	434,704.23
		change (%) ⁷	-	-	-	-2.0%	46.4%
Total Directors' Remuneration ^{1,2} in (€) (only for active members)			1,246,939.49	1,238,994.30	1,655,726.75	1,971,695.02	2,546,288.57
Total Directors (including non-active members)		No of Directors as of 31.12	11	10	13	13	13
		Annual Remuneration ⁶ in (€)	1,682,526.26	1,595,669.82	1,655,726.75	1,971,695.02	2,546,288.57
		change (%)	-1.2%	-5.2%	3.8%	19.1%	29.1%

Footnotes

- The amounts are presented on a gross basis and include fees, base salary, pension and other benefits (including medical care, life insurance, child savings plan, as well as the annual corporate car leasing costs).
- Information is provided for the Directors who performed their mandate under the reported financial year (2022).
- In 2021, BoD has adopted the role of the Senior Independent Director and appointed the Vice Chairman of the Board, Mr. K. De Boeck, as the Senior Independent Director. His remuneration was not affected by this change.
- Due to changes occurred in the composition of the BoD Committees in 2022, as referred in the footnote No.2 of the Table 3."Distribution of NEDs Fees per Committee for 2022" and the base fee of € 25,000 for the NEDs of the Company, including the Chairman of the BoD, that the 2022 AGM pre-approved (reference on page 15). The Executive Directors' remuneration change for 2022 derives from the contributions of Piraeus Bank S.A. to the defined contribution insurance/pension plans.
- Mr. A. Blades, upon his request, relinquished the right to receive any remuneration for the years 2017 to 2021.
- The relevant amounts include the remuneration of all Directors, who were active during the respective year.
- For the calculation of the % change, the amounts have been adjusted on an annualized basis, taking into consideration, where needed, the relevant remuneration caps.



5.2 Performance ⁸		2018	2019	2020 ⁹	2021 ¹⁰	2022 ¹¹
Quantitative Measures	Staff Costs to Core income ratio ¹	25.94%	25.76%	23.51%	21.08%	21.22%
	change (bps)	-23	-18		-243	14
	Adjusted Pre Tax Result / Tangible Equity ²	0.96%	0.52%	-13.79%	-	-
				4.60%	10.28%	12.67%
	change (bps)	93	-44		568	239
	FTEs ³	11,794	10,843	10,429	9,493	8,658
	change (%)	-8.7%	-8.1%		-9.0%	-8.8%
	ASSETS / FTEs ⁴	4.99	5.48	6.72	8.24	8.56
	change (%)	2.4%	10.0%		22.6%	3.9%
	NPE ratio ¹²	51.6%	48.9%	45.3%	12.7%	6.8%
	change (bps)	-290	-270	-360	-3,260	-590
Qualitative Measures	TR*M index ⁵	84	86	82	81	81
	CDP ⁶ (level / score)	Management/B	Management/B	A-listed	Management/B	Management/B
	VIGEO-EIRIS ⁷ (performance / score)		Advanced / 60		Advanced / 60	Advanced / 60
	MSCI ¹³	BBB	BBB	BBB	BBB	A

Footnotes

- Total staff costs excluding VES costs over (/) total Net Income (Net Interest Income + Net Fee Income) related to the corresponding period.
- Tangible equity 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.
Adjusted pre tax result is pre tax result excluding one-off items related to the corresponding period (please refer to footnote No. 10).
- Number of Full-time equivalent at end of year.
- Adjusted total assets over (/) FTEs (amount in million euro).
- Index that shows the overall customer satisfaction and Bank preference.
- This index is measured by CDP Global, an international non-profit organization, the most trusted and renowned in collecting information on the management of the environmental and climate impact of companies and other entities.
- Vigeo Eiris, acquired by Moody's in 2019, is a rating and research agency evaluating organizations' integration of social, environmental and governance factors into their strategies, operations and management. Vigeo Eiris' frequency is every two years.
- Figures and quantitative measures for the years 2018-2019 refer to Piraeus Financial Holdings (former Piraeus Bank), while for the year 2020-2022 figures and quantitative measures refer to Piraeus Financial Holdings Group.
- Comparable quantitative measures for 2019 at a Group level: Staff costs to Core income ratio 26.72%, RoTE reported 5.06% (vs -13.79% in 2020) and RoTE adjusted 3.01% (vs 4.60% in 2020). Adjustments in 2019 refer to €351mn Intrum transaction gain, 36 mn staff restructuring costs, one-off impairments of €87mn, FTEs 11,615 and Assets per FTE at €5.13 mn.
- Comparable reclassified quantitative measures for 2021 at a Group level: Staff costs to Core income ratio 21.08%, RoTE adjusted 10.28%. One-off items in 2021 refer to: (a) the gains from sovereign bond portfolio amounting to €387mn in Q1.21 and 91mn in Q2.21, from Mayfair transaction amounting to €185mn in trading income, (b) Voluntary Exit Scheme costs of €40mn in Q2.21 and €15mn staff restructuring cost reversals in Q4.21 in staff costs, (c) impairment in the context of the NPE reduction plan of €3,874mn, (d) €39mn acquiring fees in FY.21 related with the cards merchant acquiring business that will not be repeated.
- Comparable quantitative measures for 2022 at a Group level: Staff costs to Core income ratio 21.22%, RoTE adjusted 12.67%.
One-off items in 2022 refer to (a) the gains from the carve-out of the cards merchant acquiring business in Q1.22, amounting to €282mn, (b) Voluntary Exit Scheme costs of €57mn in FY.22 and €4mn non-recurring depreciation charges related to Thalys transaction in Q1.22, (c) non-recurring impairment in the context of the NPE reduction plan in 2022 as following: €152mn in Q1.22, €117mn in Q2.22, €18mn in Q3.22 and €33mn in Q4.22, (d) non-recurring gain from fixed income portfolio of €230mn, €109mn and €52mn in Q1.22, Q2.22 and Q3.22 respectively, (e) €6mn in FY.22 acquiring fees, (f) €26 million are related with the sale of Renewable Energy Storage infrastructure booked in associates' income.
- NPEs over (/) gross loans grossed up with Purchased Price Allocation adjustments. NPE ratio refers to Piraeus Financial Holdings Group.
- MSCI (acronym for Morgan Stanley Capital International) is a finance company headquartered in New York City, serving as a global provider of equity, fixed income, hedge fund stock market indexes, multi-asset portfolio analysis tools and ESG products. MSCI publishes the MSCI BRIC, MSCI World and MSCI EAFE Indexes. MSCI ESG Research analyses c.8,500 companies worldwide, to help institutional investors understand how ESG and climate considerations can impact the long-term risks and opportunities in financial markets. MSCI ESG Research data and MSCI ESG Ratings are used in the construction of MSCI equity and fixed income indexes from the MSCI Index operating segment.



TABLE 5.3

5.3 Employees' Average Remuneration on a full-time equivalent basis ^{1,3}	2018 ²	2019 ²	2020	2021	2022
Average Annual Remuneration in (€)	29,811.89	30,475.64	31,563.38	32,516.31	36,103.04
change (%)	-2.1%	2.2%		3.0%	11.0% ⁴

Footnotes

- The above amounts are presented on a gross basis and calculated by dividing Total Remuneration to Average Number of FTEs, where:
Total Remuneration: The sum of a) Wages & Salaries, b) Other staff costs and c) Retirement benefit charges, as disclosed in Note "Staff Costs" of the published annual financial statements and the annual car leasing costs for the respective year. The annual remuneration paid to Directors for each financial year (including non - active members at Table 5.1) has been deducted.
Average Number of FTEs: Average number of active FTEs as of 01.01 and 31.12.
- Average Annual Remuneration has been properly adjusted for comparability purposes. Excluding these adjustments, the Average Annual Remuneration for 2018 and 2019 would be € 28,023.34 and € 31,683.60, respectively.
- Due to the hive-down process on 31 Dec. 2020, the Average Annual Remuneration of employees for the years 2018-2019 refers to Piraeus Financial Holdings (former Piraeus Bank), while for the years 2020, 2021 and 2022 refers to Piraeus Financial Holdings Group.
- Increase in the 2022 Average Annual Remuneration is mainly due to the payments of the annual variable incentive schemes for the performance year 2021.



5 Other Standard Disclosures

Piraeus Group annually discloses both quantitative and qualitative information (disclosures of the article 450 of (EU) Regulation No. 575/2013, Pillar III) related to the remuneration, in line with all applicable legal and regulatory requirements.

Detailed aggregate quantitative information on the remuneration of PFH Directors (including those of subsidiaries), Senior Management and the categories of staff whose activities have a material impact on the Group's risk profile (Material Risk Takers), is available on the Piraeus Financial Holdings' website.

([Pillar III disclosures](#) | [Piraeus Financial Holdings](#))



6 Use of the Right to Reclaim

The Group made no use of any right to reclaim any remuneration in 2022.



7 Auditor's report



TRUE TRANSLATION FROM THE ORIGINAL IN GREEK

REPORT OF THE INDEPENDENT AUDITOR ON THE REMUNERATION REPORT ACCORDING TO ARTICLE 112 OF LAW 4548/2018

To the Board of Directors of Piraeus Financial Holdings S.A.

We performed our work, as described below in paragraph “Scope of Work”, based on our engagement letter dated 12 May 2023 and according to the provisions of paragraph 4 of Article 112 of Law 4548/2018, in order to determine if and to what extent the Remuneration Report (Appendix A) for the year 2022 of Piraeus Financial Holdings S.A. (the Company) includes the information as provided in Article 112 of Law 4548/2018.

REGULATORY FRAMEWORK

Under the provisions of Article 112 of Law 4548/2018, entities with shares listed on a regulated market are obligated to prepare a clear and comprehensive Remuneration Report, which includes an overview of the total remuneration as stipulated in the remuneration policy of the entity, in accordance with Article 110 of Law 4548/2018. The Remuneration Report shall be submitted for discussion to the Annual General Meeting of Shareholders as a separate item of the Agenda. Following the discussion held at the Annual General Meeting of Shareholders, the Remuneration Report is published in accordance with paragraph 4 of Article 112 of Law 4548/2018 and is available for a period of ten (10) years. The same paragraph of this Law also states that the entity’s auditors should determine whether and to what extent the Remuneration Report includes the information required by Article 112 of Law 4548/2018.

RESPONSIBILITIES OF COMPANY’S MANAGEMENT

Management is responsible for the preparation and the overall fair presentation of the Remuneration Report in accordance with Article 112 of Law 4548/2018. In this context, Management is responsible to prepare a clear and comprehensive Remuneration Report, which provides an overview of the total remuneration as stipulated in the remuneration policy of the Company, in accordance with Article 110 of Law 4548/2018.

Management is also responsible for designing all necessary internal controls to ensure Company’s compliance with the provisions of Articles 110, 111 and 112 of Law 4548/2018, as effective.

AUDITOR’S RESPONSIBILITY

Our responsibility is limited to the issue of this Report and is based on the work performed to determine whether and to what extent the Remuneration Report for the year 2022 of the Company includes the information required by of Article 112 of Law 4548/2018.

Our work is limited to the items described in “Scope of Work” paragraph below and was performed in accordance with the International Standard on Assurance Engagements 3000, “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information”.

SCOPE OF WORK

Our work was performed to determine whether the Remuneration Report includes, as a minimum, the following information regarding the remuneration of each individual member of the Company’s Board of Directors:

- (a) total remuneration awarded, including remuneration of paragraph 2 of Article 109, providing analysis per type, fixed and variable remuneration percentages, as well as an analysis of the implementation of performance criteria and how total remuneration complies with the approved remuneration policy,
- (b) the annual change of remuneration of each member of the Board and the Chief Executive Officer, the performance of the Company and the average remuneration, on a full-time equivalent basis, of the employees of the Company, other than directors, over the last five (5) financial years, presented in a manner that allows comparison from the shareholders,



- (c) any remuneration of all kinds from any company belonging to the same group of companies, as defined in Article 32 of Law 4308/2014,
- (d) the number of shares and share options granted or offered to the members of the Board of Directors and the main conditions for the exercise of these rights, including the exercise price and date and any change thereof,
- (e) any share options vested by the Board of Directors under the Company's share-based remuneration plans,
- (f) information in relation to the use of the ability to recover variable remunerations,
- (g) information in relation to any deviation from the remuneration policy, pursuant to paragraph 7 of Article 110, including a description of the nature of the exceptional circumstances and the indication of the specific elements of the remuneration policy that has been breached.

CONCLUSION

Based on the work performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Remuneration Report (Appendix A) for the year 2022 of Piraeus Financial Holdings S.A. does not include the information required by Article 112 of Law 4548/2018.

RESTRICTION OF USE

Our Report has been prepared solely for the purpose stated in its first paragraph and is addressed exclusively to the Company's Board of Directors and shall not be used for any other purposes.

Athens, 26 May 2023

The Certified Public Accountant

Alexandra V. Kostara
Reg. No. SOEL: 19981
Deloitte Certified Public Accountants S.A.
3α Fragoklissias & Granikou str.,
151 25 Maroussi
Reg. No. SOEL: E120



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