



2022-2025 Business Plan

*Redefining core activities, to
unlock the Group's return prospects*

Articulating our ambition for 2022 - 2025

- Approximately €27bn new loan disbursements to businesses and households in the 4yr period, leading to net credit expansion of c.€7bn
- Boost net fee income by c.€140mn in the 4yr period, through growth and new strategic initiatives in asset management and real estate management
- Best-in-class operating efficiency, with c.25% cost reduction in the 4yr period
- Doubling recurring pre provision profitability to €1.2bn in 2025, compared to €0.6bn in 2021, setting the base for solid & sustainable returns to shareholders
- Leader in asset management, with target for almost 2x assets by 2025 to c.€12bn
- Clean and fully derisked bank, with the final derisking phase leading to an EU average NPE ratio of c.3% and normalized organic cost of risk c.40bps
- Relying on core business strengths and leading market presence to capture new business opportunities arising from economic landscape and digitization
- Leading positive impact in ESG, with sustainable banking envelope increase of c.€9bn in the 4yr period (financing, asset management, debt issuance)

Setting our financial aspirations for 2025

- NPE ratio to decrease from 13% in 2021 to c.9% in 2022 and c.3% in 2025
- Sustainable return on average TBV of c.6% in 2022 and c.12% in 2025
- 2022 capital trajectory at c.16%, absorbing the remaining NPE cleanup, and thereafter to be driven by organic capital generation, ending above 17% in 2025
- Potential dividend distribution as of 2024 subject to performance and capital trajectory



Clear path to unlock Piraeus Group's prospects for returns

Over the past 4 years, Piraeus has built strong foundations for a fully de-risked, resilient and sustainably profitable bank.

Today, Piraeus Group outlines its strategic plan for **2022-2025**, which enables the Group in attaining a single-digit NPE ratio this year and builds a clear path for tomorrow.

Piraeus Bank delivered a transformative outcome via the execution of Sunrise plan in 2021. The **2022-2025 Business Plan** aims to set distinct strategic priorities for the medium-term that will further enhance stakeholders' confidence in the prospects of our franchise.

The core of our strategy is to further expand Piraeus' position as a leading contributor of stability for the Greek economy, supporting growth and innovation. This new journey further accelerates as the Group's efforts focus on 3 main strategic pillars:

- Deeper cost hunt to reach **best-in-class operating efficiency level**
- **Grow & diversify revenue pools**, targeting high RoRWA sources of income
- **Return on capital optimization** in credit expansion strategy

Piraeus will maintain strict cost discipline and further increase efficiency, aiming for a cost-income ratio below 40% by the end of 2025. Our expectation is to drive efficiencies until 2025 by further reducing expenses at the level of €0.7bn, in order to reinvest in business growth.

Our ambition involves a targeted loan expansion of c.€7bn in 2022-2025, reaching c.€35bn performing loans at the end of the period, by focusing on priority sectors such as manufacturing, hospitality and energy.

A leading role in asset management is another space that Piraeus aspires to become a leader targeting a total of c.€12bn assets under management in 2025.





As a result, Piraeus aims to increase returns on average tangible book value (RoaTBV) to c.6% for 2022 and gradually year after year reach c.12% in 2025. Subject to successful implementation, this would enable us to distribute dividend to our shareholders as of 2024 subject to set conditions and supervisory consent.

Piraeus is also placing attention on exploring other new commercial and strategic initiatives. The Group is stepping up their implementation, namely, increasing our bancassurance business and real estate management. In parallel to the above, we capture digital ecosystem commercial opportunities and enhance our digital offering and value proposition.

Along with our financial performance aspirations, at Piraeus Group, we systematically move forward in the direction of sustainable banking and we create the infrastructure, policies and strategies, that incorporate Environmental, Social and Corporate Governance criteria, known as ESG criteria, in our operations. This strategy will enable us to maximise our contribution to the achievement of the Paris Climate Agreement's targets and the United Nations' sustainable development goals. For the period 2022-2025 we aim to grow our sustainable banking envelope by approximately €9bn.



2022 – 2025 business plan aspirations

Financial Aspirations	2021a	2022f	2023f	2024f	2025f
RoaTBV	3%	c.6%	c.8%	c.10%	c.12%
NPE ratio	13%	c.9%	c.5%	c.3%	c.3%
FL CET1	9%	c.10%	c.11%	c.12%	c.13%

(1) Data on a recurring basis

Capturing business opportunities

Chanelling financing into emerging, extrovert industries

Piraeus is the leading commercial bank in Greece, and the strategic advisor of choice to Greek businesses, with c.25% share of performing loans, and active relationships with c.80% of domestic businesses. Going forward, the Bank will focus on the most promising industries of the country, which display resilience, export orientation, quality and sustainability. Following a risk adjusted return approach, sectors of focus will be manufacturing, hospitality, and energy, which are expected to draw almost half of the business loan originations in the 4yr period 2022 - 2025.

New asset management pillar to ride the market dynamics

A new Business Pillar will be deployed in the Group, comprising the mutual fund, equity brokerage and private banking businesses with total €6bn AuM in Dec.21, to exploit the strong dynamics of the Greek asset management market. With this move, the Group targets for doubling its assets under management by 2025 based on footprint, know-how, deep market knowledge and motivated sales workforce. The incorporation of Iolcus Investments AIFM in the Group assists in this direction.

New real estate plan, capitalizing on market trends and internal know-how

The Group aspires to transform its real estate function, focusing on derisking its balance sheet from legacy and low-yielding assets, cost cutting for services that can be conducted much more efficiently and growing in areas with upside market potential. The Group's new real estate plan will result in a reduction of total real estate assets in the medium term by c.€1bn, from €3.2bn currently, while at the same time increasing rental income to c.€60mn in 2025 from €34mn in 2021.





Piraeus Bank enters into strategic joint venture with Natech

Piraeus Bank enters into strategic joint venture 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 new BankTech, combining leading technological and banking expertise, will provide Banking-as-a-Service, Buy-Now-Pay-Later, digital onboarding and other Consumer Financial products, purely on a digital and agile manner.

The structure is expected to kick-off from the retail market segment, with Piraeus potentially contributing e-friendly customers, radically reducing costs and time to serve. In addition, by tapping the product offering opportunity, additional revenue is expected to be generated. Both these cost and revenue opportunities are not included in the current business plan.

About Natech

Natech S.A. is a leading IT services provider firm with a strong presence in the areas of financial services, retail, and manufacturing, as well as in the Greek public sector. For over 20 years, Natech has been providing robust banking technology and services to local, national and multinational banks, payment providers and challengers the world over. Customers rely on the company's modular & easy to integrate solutions, combined with the unique live-ledger technology, reducing latency and risk between the banking front-end and back-office processes. Into this exciting endeavour, Natech will contribute a strong foundation of technology together with the specialized knowhow of engineers, analysts, financial experts and customer support specialists





GLOSSARY / ALTERNATIVE PERFORMANCE MEASURES (APM)

#	Performance Measure	Definition
1	CET1 Capital Ratio (Fully loaded) on a recurring basis	CET1 capital, as defined by Regulation (EU) No 575/2013, excluding one-off items related to the corresponding period as per item #21
2	Cost of Risk (CoR)	ECL impairment losses on loans and advances to customers at amortized cost of the period annualised over (/) Net Loans
3	Cost of Risk Organic	Cost of risk minus (-) non-recurring impairment impact over (/) Net loans
4	Cost-to-income ratio (C:I)	Total operating expenses before provisions over (/) total net income excluding one-off items related to the corresponding period as per item #21
5	Cumulative provisions (Loan loss reserves - LLR)	ECL allowance on loans and advances to customers at amortised cost
6	Deposits or Customer Deposits	Due to customers
7	Gross Book Value (GBV)	Value of gross loans of described portfolio
8	Gross Loans or Customer Loans	Loans and advances to customers at amortised cost before ECL allowance
9	Impairments or provisions	ECL Impairment Losses on loans and advances to customers at amortised costs plus (+) other credit-risk related charges on loans and advances to customers at amortised cost
10	Net Fee Income (NFI or net fees)	Net Fee and Commission Income, Fee Income minus (-) Fee Expense
11	NFI normalized	2021 NFI normalized figure excludes €39mn forgone acquiring income and includes €34mn rental income from property rental (previously in other operating income)
12	Net Interest Margin (NIM) over assets	Net interest income annualised over (/) average total assets
13	Net Loans	Loans and advances to customers at amortised cost
14	Net Result Normalized	Profit / (loss) for the period attributable to shareholders of the Bank normalized for 2021 for one-off items as per item #21 as well as the 50bps extra TLTRO III benefit of €84mn related with the achievement of the lending criteria for the year, as well as €90mn of gains from GGBs that were recycled from OCI and the net interest income related with 2021 NPE securitizations and sales, and DTA impairment of €0.3bn.
15	New Loan Generation	New loan disbursements that were realized after previous end period or that are estimate to be disbursed during the respective period for future periods
16	NFI over Assets	Net fee and commission income annualised over (/) Average Total assets
17	NII	Net Interest Income, Interest Income minus (-) Interest Expense
18	NII normalized	2021 NII normalized excludes €300mn forgone NPE income due to 2021 derisking and €84mn TLTRO3 one-off benefit
19	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
20	NPE Ratio	Non Performing Exposures over (/) Gross Loans
21	One-off Items	One-off items refer to (a) the gains from sovereign bond portfolio amounting to €387mn in Q1.2021 and from Mayfair transaction amounting to c.€184mn in Q4.2021 in trading income, (b) Voluntary Exit Scheme costs of €40mn in Q2.2021 and €15mn staff restructuring cost reversals in Q4.21 in staff costs, (c) €7mn non-recurring costs in Q1.2021 in G&A expenses, (d) non-recurring impairment on loans and other assets for COVID-19 affected cases/portfolios in 2020 and impairment in the context of the NPE reduction plan in 2021 as following: of a total amount of €695mn in FY.2020, €829mn in Q1.2021, €2,207mn in Q2.2021, €734mn in Q3.2021 and €126mn in Q4.21
22	Operating Costs - Expenses (OpEx)	Total operating expenses before provisions
23	OpEx (recurring)	Operating costs minus (-) non-recurring costs in the respective period



#	Performance Measure	Definition
24	Performing Exposures (PE)	Gross loans minus (-) Non Performing Exposures minus (-) NPE securitization senior tranches
25	Pre Provision Income (PPI)	Profit before provisions, impairments and income tax
26	Pre-provision income normalized	Pre-provision income for 2021 excluding one-off items related to the corresponding period as per item #21 and additionally the 50bps extra TLTRO III benefit of €84mn related with the achievement of the lending criteria for the year, as well as c.€90mn of gains from GGBs that were recycled from OCI and the net interest income related with 2021 NPE securitizations and sales
27	RaRoC	RaRoC is computed based on recurring profitability divided by regulatory capital consumed, i.e. RWA multiplied by overall capital requirement
28	Recurring Operating expenses (Recurring OpEx)	Operating Expenses excluding "One-off Items" as per item #21
29	Recurring Pre Provision Income (Recurring PPI)	PPI excluding one-off items related to the corresponding period as per item #21
30	Recurring Pre Tax Result	Pre Tax Results excluding one-off items related to the corresponding period as per item #21
31	Recurring Total Net Revenues	Total net income minus (-) one-off income related to the corresponding period as per item #21
32	Return on Average Tangible Book Value (RoatBV)	Profit before income tax for the period annualised over (/) average Tangible Book Value
33	Tangible book value or Tangible Equity	Total equity minus the nominal value of Contingent Convertible bonds minus intangible assets. Post 2020 and coco conversion, Tangible book value excludes intangible assets & Additional Tier 1 capital
34	Total Regulatory Capital (Phased in)	Total capital, as defined by Regulation (EU) No 575/2013, with the application of the regulatory transitional arrangements for IFRS 9 impact



Disclaimer

This press release has been prepared by Piraeus Financial Holdings S.A. (formerly known as Piraeus Bank S.A.) and its subsidiaries and affiliates (the “Group” or “We”) solely for informational purposes. References to the “Company”, “Piraeus Bank”, “Piraeus Bank S.A.” or to the “Bank” should be read and construed to be references to Piraeus Financial Holdings S.A. (formerly Piraeus Bank Société Anonyme) both prior to and after the completion of the demerger on 30 December 2020, where the core banking operations of the former Piraeus Bank Société Anonyme were contributed into a newly-formed credit institution, i.e., “Piraeus Bank Société Anonyme”, (the “Demerger”), except to the extent otherwise specified or the context otherwise requires, including, among others, in the context of references to the entity acting as a credit institution responsible for the Group’s core banking operations (in which case, such references shall be deemed to refer to (i) the former Piraeus Bank Société Anonyme (now renamed Piraeus Financial Holdings S.A.) prior to 30 December 2020, and (ii) the newly-formed banking entity, Piraeus Bank Société Anonyme, on and after 31 December 2020).

The financial and operational information of the Group as at and for the full year ended 31 December 2021 and forward-looking statements included in this press release is based on preliminary figures and estimates of the management of the Group which are based on a number of assumptions that are subject to inherent uncertainties and changes, which may be both foreseeable and unforeseeable. Such financial and operational information is not intended to be a comprehensive statement of the Group’s financial and operational information as at and for the full year ended 31 December 2021. Such information has been prepared by our senior management and has not been audited, reviewed or verified by our independent auditors. As such, you should not place undue reliance on it. By their very nature, forward-looking statements involve risks and uncertainties.

For the purposes of this disclaimer, the press release shall mean and include materials, including and together with any oral commentary or presentation and any question-and-answer session. You are deemed to have agreed to the following terms, conditions and restrictions and acknowledged that you understand the legal and regulatory sanctions attached to the misuse, disclosure or improper circulation of the press release or any information contained herein. You also acknowledge that, if electronically transmitted and delivered, the present is confidential and intended only for you, and you agree that you will not forward, copy, download or publish the electronic transmission or the press release to any other person.

This press release does not purport to be comprehensive and no representation, warranty or undertaking is made hereby or is to be implied by any person as to the completeness, accuracy or fairness of the information contained in this press release. The Company/Group, its financial and other advisors, and their respective directors, officers, employees, agents, and representatives expressly disclaim any and all liability, which may arise from this press release and any errors contained herein and/or omissions therefrom, or from any use of this press release or its contents or otherwise in connection therewith, and accept no liability for any loss howsoever arising, directly or indirectly, from any use of the information in this press release or in connection therewith. Neither the Company/Group nor any other person gives any undertaking, or is under any obligation, to update any of the information contained in this press release, including forward-looking statements, for events or circumstances that occur subsequent to the date of this press release. Each recipient acknowledges that neither it nor the Company/Group intends that the Company act or be responsible as a fiduciary to such attendee or recipient, its management, stockholders, creditors or any other person, and that it expressly disclaims any fiduciary relationship and agrees that is responsible for making its own independent judgment with respect to the Company/Group and any other matters regarding this document.

The Company/Group has included certain non-IFRS financial measures in this press release. 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. Certain information or statements contained in this press release that are not statements of historical fact, including, without limitation, any statements preceded by, followed by or including the words “targets,” “believes,” “expects,” “aims,” “intends,” “may,” “anticipates,” “would,” “could” or similar expressions or the negative thereof, constitute forward-looking statements, notwithstanding that such statements are not specifically identified. Examples of forward-





looking statements include, but are not limited to, statements which are not statements of historical fact and may include, among other things, statements relating to the Company/Group's strategies, plans, objectives, initiatives and targets, its businesses, outlook, political, economic or other conditions in Greece or elsewhere, the Company/Group's financial condition, results of operations, liquidity, capital resources and capital expenditures and development of markets and anticipated cost savings and synergies, as well as the intention and beliefs of the Company/Group and/or its management or directors concerning the foregoing. Forward-looking statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions which are difficult to predict and outside of the control of the Company/Group. Therefore, actual outcomes and results may differ materially from what is expressed in such forward-looking statements. We have based these assumptions on information currently available to us, and if any one or more of these assumptions turn out to be incorrect, actual market results may differ significantly. 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. You should not place undue reliance on these forward-looking statements. The information in this press release also includes rounded numbers. Accordingly, the sum of certain data may not conform to the expressed total.

Group Investor Relations

4 Amerikis St., 105 64 Athens

Tel. : (+30) 210 3335818

Bloomberg: TPEIR GA | Reuters: BOPr.AT

ISIN: GRS014003024

investor_relations@piraeusholdings.gr

www.piraeusholdings.gr

