



**PIRAEUS FINANCIAL HOLDINGS**

**PRESS RELEASE**

# **First Half 2023**

## **Financial Results**

31 July 2023



## Strong operating and balance sheet performance achieved in the first half 2023

### Strong financial performance

**14%**

return over tangible book value

**€0.33**

normalized earnings per share

### Cost discipline

**34%**

cost-to-core income

**-2%**

G&A cost YoY

**-1%**

normalized OpEx YoY

### Organic capital generation

**17.1%**

total capital ratio

**+0.6%**

YtD

### Asset quality improvement

**5.5%**

NPE ratio

**57%**

NPE coverage

### Performing book expansion

**+€1.5bn**

YoY

**+6%**

YoY

### Client assets under management

**€8.2bn**

Jun.23

**+26%**

YoY




## Q2 & H1 2023 highlights

- Q2.23 profitability run-rate ahead of FY.23 estimates, with normalized EPS of €0.18 and RoaTBV 15%. Strong profitability in H1.23, with normalized EPS of €0.33 and RoaTBV 14%
- Net interest income at €488mn in Q2.23, driven by expanding margin, 9% growth qoq. Deposit costs at 0.4% in Jun.23, with time deposit cost at 1.6%, while currently new time deposits offer rates of c.1.9%
- Net fee income in Q2.23 at €141mn, increased by 16% qoq and yoy
- Recurring operating expenses continued their downward trend in Q2.23, at €199mn, -2% qoq and -4% yoy, despite inflationary pressures, with G&A costs -6% qoq and -10% yoy. The Group's cost-to-core income ratio reached the historically low level of 32%
- NPE ratio down to 5.5%, from 9.3% a year ago, already meeting NPE year-end target, as the Group accelerated two NPE transactions; NPE coverage up 11 percentage points yoy to 57%
- Performing loan book up €1.5bn in H1.23 yoy, with €0.8bn net credit expansion in Q2.23
- Client assets under management increased to €8.2bn in Q2.23, 9% qoq and 26% yoy
- Reported CET1 ratio increased to 12.2% and total capital ratio to 17.0%, in Jun.23; pro forma for the RWA relief from the NPE sales to be completed in the forthcoming period, CET1 ratio stands at 12.3% and total capital ratio at 17.1%
- Superior liquidity profile, with liquidity coverage ratio at 233%, and loan-to-deposit ratio at 61%
- The Group has successfully completed the 2023 SSM Stress Test Exercise conducted by the EBA. Under the baseline scenario, the fully loaded CET1 ratio stands at 14.3% at year-end 2025, implying capital accretion of c. 2.7% versus 2022. The 3-year period depletion of the adverse scenario for Piraeus (-2.4%) is the 13th lowest among the EBA sample of 70 banks almost half of European banks' average depletion (-4.6%)
- Piraeus Bank was named "Best Bank in Greece" at the international Euromoney Awards for Excellence 2023, following the strong financial results, the continuous improvement of the Bank's key indicators and the consistent implementation of its strategic plan



## 2023 - 2025 financial ambition

Today, Piraeus Group outlines its updated business plan estimates for 2023. The core of our strategy is to leverage Piraeus' position as a driving source of growth and innovation for the Greek economy, supporting our customers and people, and continuing to generate added value for our shareholders.

 <b>Financial KPIs</b>	H1.23 actual	FY.23 31 July 2023 forecast	FY.24 Mar.23 forecast	FY.25 Mar.23 forecast
✓ <b>EPS norm, adj for AT1 coupon (€)</b>	€ 0.33	>€0.65	~€0.70	>€0.65
✓ <b>RoATBV norm, adj for AT1 cpn (%)</b>	14%	~14%	~14%	~12%
✓ <b>Net interest margin (%)</b>	2.5%	~2.5%	~2.2%	~2.2%
✓ <b>Net fee income / assets (%)</b>	0.7%	~0.7%	~0.8%	~0.8%
✓ <b>Cost-to-core income (%)</b>	34%	<38%	<40%	<40%
✓ <b>Organic cost of risk (%)</b>	1.0%	~1.0%	~0.8%	~0.7%
✓ <b>NPE (%)</b>	5.5%	<5%	~4%	~3%
✓ <b>NPE coverage (%)</b>	57%	~60%	~65%	~70%
✓ <b>Net credit expansion<sup>1</sup> (€bn)</b>	€0.6	~€1.6	>€2.0	>€2.0
✓ <b>CET1<sup>2</sup> pro forma (%)</b>	12.3%	~13.0%	~14.0%	>14.5%
✓ <b>Total capital<sup>2</sup> pro forma (%)</b>	17.1%	>17.5%	>18.5%	>19.0%
✓ <b>DFR<sup>3</sup> assumption (end of period, %)</b>	3.50%	4.00%	2.50%	2.00%

<sup>1</sup>Net credit expansion refers to disbursements minus repayments

<sup>2</sup>Capital ratios incorporate provision for dividend distribution of 10% for 2023, 15% for 2024 and 25% for 2025; H1.23 capital ratios are pro forma

<sup>3</sup>DFR refers to ECB's official Deposit Facility Rate



## Management Statement

“Piraeus Bank’s performance in the first half of 2023 reaffirmed the value of its franchise and confirmed we are on the right track towards our targets. In H1.23 we delivered a strong set of results, generating €0.33 normalized earnings per share and 14% RoaTBV. Our Group has achieved sustainable risk-adjusted profitability and capital build-up, while maintaining a superior liquidity profile and cost discipline. Balance sheet clean-up continued, with the NPE ratio dropping further to 5.5%, already meeting our year-end target, while NPE coverage increased to 57%.

The organic capital generation has driven our CET1 ratio to 12.3%, up by 0.7% year-to-date. Our cost discipline efforts continued for yet another quarter, with operating expenses declining further, absorbing the inflationary pressures and achieving historically low cost-to-core income ratio of 32% in the second quarter.

Our Group’s performing loan portfolio grew 6% yoy, with €800mn net credit expansion in Q2 and a strong pipeline of business projects for the second part of the year. Moreover, client assets under management increased to €8.2bn as of June 2023, 9% higher qoq, leveraging our extensive expertise in this field. Overall, our reinforced commercial franchise has delivered a 16% net fee income growth in the first half of 2023 compared to a year ago.

Piraeus Bank has successfully completed the 2023 SSM Stress Test Exercise conducted by the EBA. The 3-year period depletion of the adverse scenario for Piraeus (-2.4%) is the 13th lowest among the EBA sample of 70 banks, almost half of European banks’ average depletion (-4.6%).

On the back of the strong H1.23 performance and the evolving interest rate environment, we upgrade our key financial targets for the full year 2023, now aiming for return over tangible book of approximately 14%, with cost-to-core income of below 38%. NPE ratio is expected to end year-2023 below the 5% milestone level.

Finally, we are proud to be named "Best Bank in Greece" at the international Euromoney Awards for Excellence 2023, following the strong financial results, the continuous improvement of the Bank’s key indicators and the consistent implementation of its strategic plan.

We will continue to deliver on our plan and we remain focused on creating value for our shareholders, clients, and employees, and supporting the Greek economic recovery.”



**Christos Megalou**  
Chief Executive Officer



## Financial Highlights

SELECTED P&L FIGURES <sup>1</sup>   GROUP (€mn)	H1.2022	H1.2023	Q2.2023
Net Interest Income	591	935	488
o/w from NPEs	79	54	27
Net Fee Income <sup>2, 3</sup>	227	263	141
Trading & Other Income	47	41	33
Total Operating Expenses <sup>3</sup>	405	402	199
<b>Pre Provision Income Normalised</b>	<b>462</b>	<b>837</b>	<b>463</b>
Organic Cost of Risk	(151)	(177)	(102)
Impairment on Other Assets (incl. Associates Income)	(22)	(65)	(44)
<b>Profit / (Loss) Before Income Tax Normalized</b>	<b>288</b>	<b>595</b>	<b>317</b>
<b>Profit / (Loss) After Tax Normalized<sup>8</sup></b>	<b>214</b>	<b>442</b>	<b>238</b>
One-off Elements	399	(142)	(118)
<b>Reported Net Profit Attributable to Shareholders</b>	<b>614</b>	<b>299</b>	<b>120</b>
BALANCE SHEET & CUSTOMER FUNDS   GROUP (€mn)	31.12.22	31.03.23	30.06.23
<b>Assets<sup>4</sup></b>	<b>74,143</b>	<b>74,680</b>	<b>76,983</b>
<b>Gross Loans<sup>4,5</sup></b>	<b>37,332</b>	<b>36,824</b>	<b>36,988</b>
Performing Exposures (PEs) <sup>4,5</sup>	28,634	28,348	28,988
Non Performing Exposures (NPEs) <sup>4,5</sup>	2,624	2,442	2,049
<b>Net Loans<sup>4,5</sup></b>	<b>35,901</b>	<b>35,464</b>	<b>35,824</b>
<b>Customer Deposits</b>	<b>58,372</b>	<b>57,174</b>	<b>58,381</b>
<b>Tangible Equity</b>	<b>5,641</b>	<b>5,825</b>	<b>5,920</b>
<b>Tangible BV per share</b>	<b>4.51</b>	<b>4.66</b>	<b>4.73</b>
<b>Total Equity</b>	<b>6,581</b>	<b>6,765</b>	<b>6,893</b>
<b>Assets Under Management<sup>6</sup></b>	<b>6,938</b>	<b>7,554</b>	<b>8,220</b>
FINANCIAL KPIs   GROUP	H1.2022	H1.2023	Q2.2023
EPS (€) Normalized Adjusted for AT1 Coupon Payment	0.15	0.33	0.18
Net Interest Margin	1.5%	2.5%	2.6%
Net Fee Income / Assets	0.57%	0.70%	0.75%
Cost-to-Income Ratio Core	49%	34%	32%
Organic Cost of Risk	0.85%	0.99%	1.14%
NPE Ratio	9.3%	5.5%	5.5%
NPE Coverage	46%	57%	57%
RoatBV Normalized Adjusted for AT1 Coupon Payment	7.4%	14.4%	15.3%
CET1 Ratio Fully Loaded, pro forma	10.2%	12.3%	12.3%
Total Capital Ratio Fully Loaded, pro forma	15.2%	17.1%	17.1%
COMMERCIAL KPIs   GROUP	30.06.22	31.03.23	30.06.23
<b>Branches</b>	<b>424</b>	<b>403</b>	<b>403</b>
<b>Employees</b>	<b>9,206</b>	<b>8,741</b>	<b>8,829</b>
<b># Clients (mn)</b>	<b>5.7</b>	<b>6.0</b>	<b>6.1</b>
<b>Winbank online transactions, # Clients, avg. (ths)<sup>7</sup></b>	<b>722</b>	<b>775</b>	<b>805</b>

<sup>1</sup> P&L figures are presented on a normalized basis

<sup>2</sup> Net fee income includes rental income and income from non-banking activities

<sup>3</sup> H1.2022 net fee income and general expenses have been restated to reflect the reclassification of fees paid to card services provider

<sup>4</sup> Assets are on an adjusted basis, excluding discontinued operations, and OPEKEPE (agri loan). Gross loans, PEs and Net loans also exclude OPEKEPE (agri loan)

<sup>5</sup> Gross loans, performing exposures, NPEs and net loans include loans and advances to customers measured at fair value through profit or loss

<sup>6</sup> Assets under management include MFMC assets, PB assets, Brokerage and Custody. Iolcus is included as at 30 March 2022

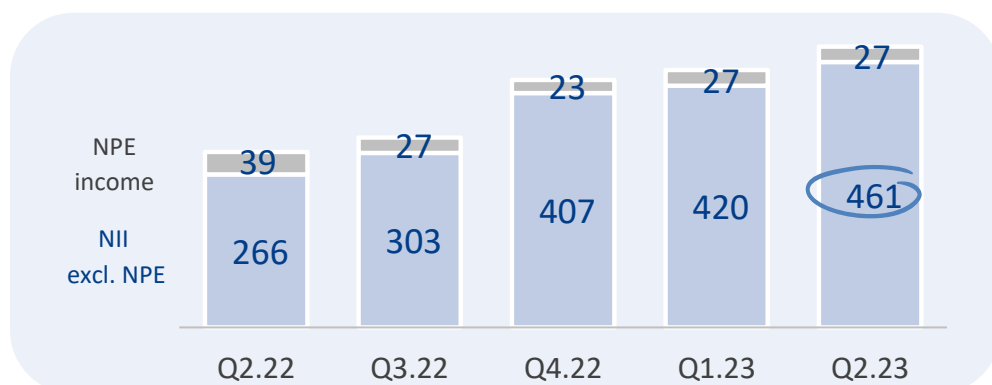
<sup>7</sup> Refers to average number of clients conducting online transactions via winbank on a per week basis

<sup>8</sup> As restated for the projected tax rate of 2023



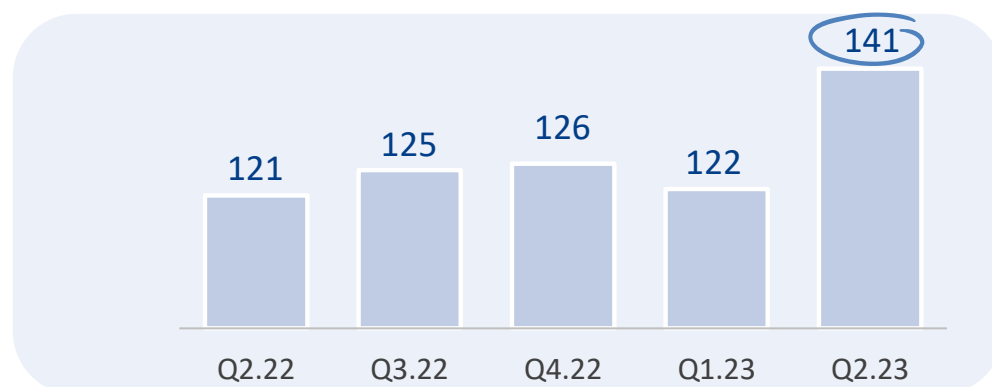
## P&L Highlights

### Strong performance of net interest income and margin



Net interest income (NII) in Q2.23 stood at €488mn, up 9% qoq and 60% yoy, continuing the positive trend of the previous quarters, mainly supported by the favorable interest rate environment, as well as by the pick-up in loan volumes. In H1.23, NII amounted to €935mn, up 58% yoy. Time deposit costs have increased in Q2.23, climbing to 1.5%, while June 2023 average time deposit costs stood at 1.6% and currently new time deposit are priced at c.1.9%. Overall, NIM over assets reached 2.6% in Q2.23, compared to 2.4% in the previous quarter, while it stood at 2.5% in H1.23.

### Net fees increased 16% qoq in Q2, at a historical high for Piraeus



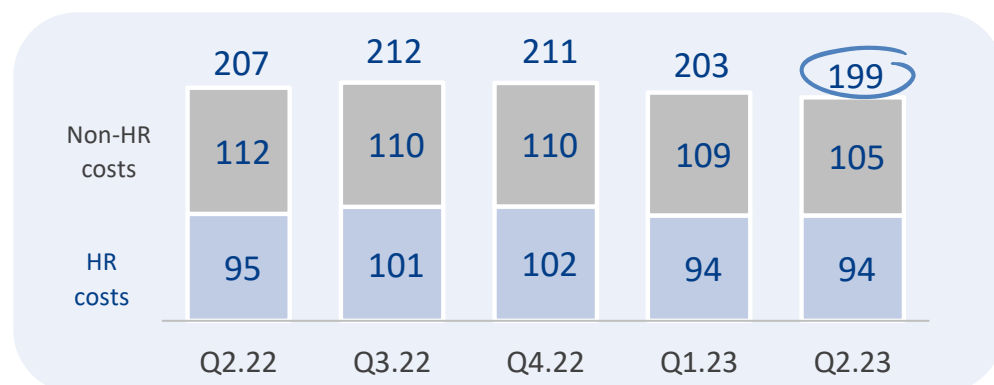
\* Net fee income includes rental income and income from non-banking activities

Recurring net fee income amounted to €263mn in H1.23, 16% higher compared to H1.22. Recurring net fee income (NFI) amounted to €141mn in Q2.23, up 16% both qoq and yoy. Rental income performed strongly, while other contributors to the performance were loan origination, funds transfer, and asset management. NFI over assets stood at the level of 0.75% in Q2.23, 10 bps higher compared to previous quarter and up 15 bps compared to Q2.22. In H1.23, NFI over assets increased to 0.70%.



## P&L Highlights (cont'd)

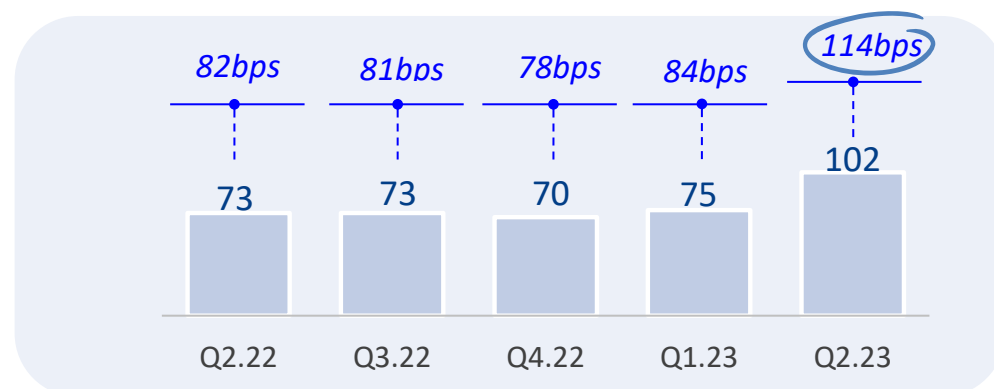
**Cost-to-core income ratio at record-low 32%, with efficiencies countering inflationary headwinds**



\* Operating expenses depicted on a recurring basis

Recurring operating expenses in Q2.23 reached €199mn, -2% qoq and down 4% yoy, while they stood at €402mn in H1.23, down 1% yoy. Respectively, recurring staff costs were flat yoy at €94mn in Q2.23. Piraeus continued its staff restructuring efforts, with the Group's headcount totaling 8,829 employees as at 30 June 2023, of which 8,233 are employed in Greece, down by 605 yoy. Notably, G&A costs in Q2.23 declined by 6% qoq and by 10% yoy to €78mn, since the Group's cost efficiency efforts more than offset inflationary headwinds. As a result, cost-to-core income ratio on a recurring basis stood at the lowest ever 32% in Q2.23 vs 36% in the previous quarter and 48% a year ago.

## Organic cost of risk absorbed a corporate case default in Q2.23



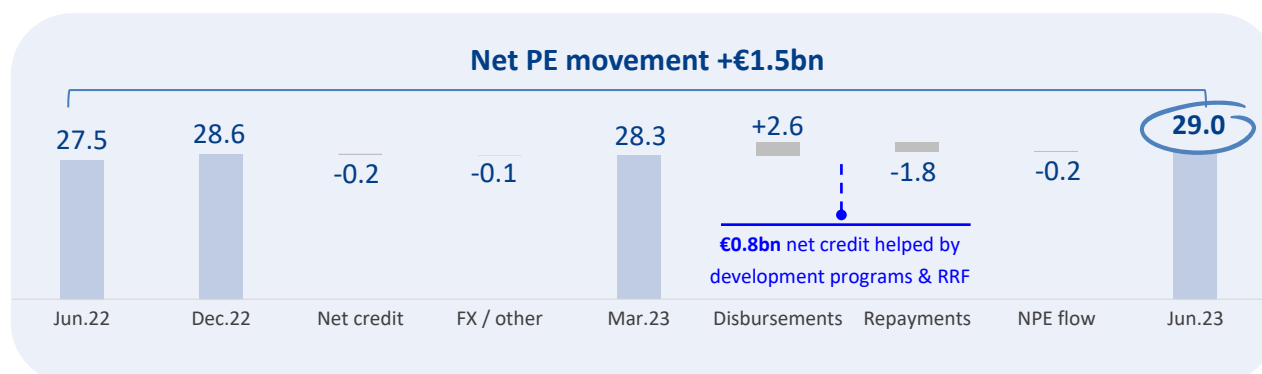
The Q2.23 organic loan impairment charges stood at €102mn, higher vs. the previous quarter (€75mn), due to a corporate case that defaulted in Q2.23, while for the same reason NPE formation was positive by €0.1bn. On top, non-recurring impairment charges of €181mn in Q2.23 were associated with provisions related to NPE cleanup, mainly corresponding to Senna, Delta and Wheel II projects. Organic cost of risk over net loans (including servicing fees) in Q2.23 stood at 114bps, vs 73bps a year ago.





## Balance Sheet Highlights

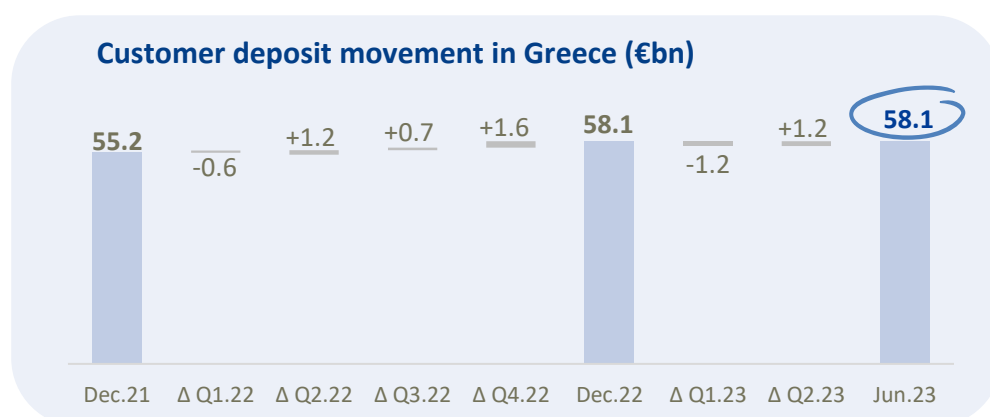
Solid credit expansion in Q2, driven by business lending



\* Performing loans include CLOs (€0.5bn) and exclude senior tranches of HAPS securitizations (€6.0bn)

Performing loan portfolio rose 2% qoq and 6% yoy, reaching €29.0bn in Q2.23, overhauled by a strong finish in the second quarter. The vast majority of disbursements were channeled to businesses, with manufacturing, transportation, energy, followed by wholesale and retail trade and hospitality accounting for the largest share, whilst there is also a strong pipeline of projects for the second part of the year. It is noted that the gross loan figure as at Jun.23 includes €6.0bn of senior notes associated with the NPE securitizations concluded until now, namely Phoenix, Vega, Sunrise 1 and Sunrise 2.

## Customer deposits continue to grow

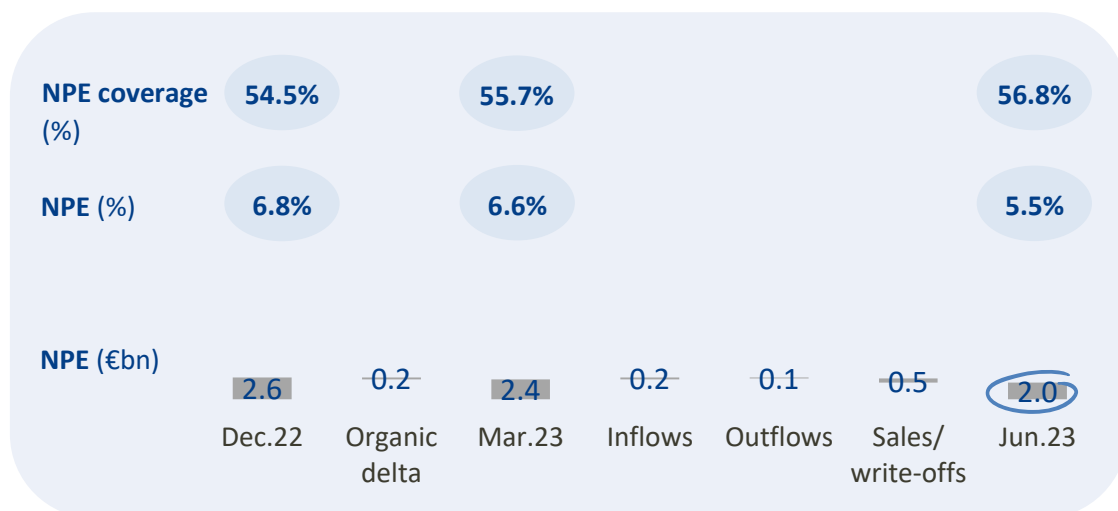


Customer deposits continue to grow, amounting to €58.4bn (€58.1bn in Greece) at the end of Jun.23, up 4% yoy and 2% qoq. Overall, the Group's diversified and stable deposit structure is a key strength, with mass retail consisting 51% of the total deposit base.



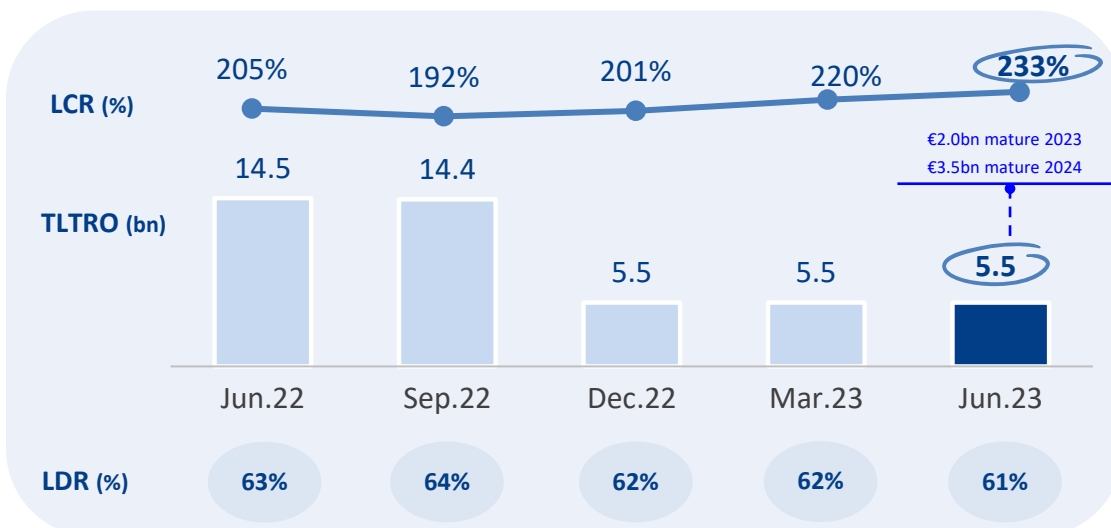
## Balance Sheet Highlights (cont'd)

### Further NPE reduction



NPEs retracted to €2.0bn at the end of June 2023, dropping 16% qoq and 40% yoy, supported by both the execution of the Group's clean-up plan and organic reduction. In Q2.23, Piraeus accelerated two NPE transactions, namely projects Delta and Senna. Delta refers to a Romanian NPE portfolio classified as held for sale, while Senna transaction refers to an NPE portfolio comprising mainly mortgage, consumer and SB loans, that was acquired by Intrum Holding AB. Consequently, the NPE ratio continued its downward trend to 5.5% from 6.6% in the previous quarter, standing substantially lower vs the end of June 2022 (9.3%).

### Strong liquidity and funding profile



Piraeus Group Liquidity Coverage Ratio (LCR) further increased at the very satisfactory level of 233% mainly driven by increased high quality liquid assets. Strong liquidity profile is also reflected on the Group's net loan-to-deposit ratio, standing at 61.4% at the end of June 2023. The Group's TLTRO outstanding amount remains at €5.5bn, with €2.0bn maturing in Dec.23, €2.5bn in Jun.24 and €1.0bn in Dec.24.



## Capital position

### Organic capital generation



*Note: CET1 & total capital ratios as of Jun.23 are displayed on a pro forma level, for the RWA relief arising from the NPE portfolio sales to be completed in the forthcoming period*

The Common Equity Tier 1 (CET1) ratio of the Group at the end of June 2023 remained at the previous quarter's level of 12.2%, vs. fully loaded 11.5% at the end of 2022, mainly driven by organic capital generation. The total capital ratio stood at 17.0%, comfortably above capital requirements, as well as supervisory guidance. Pro forma for the RWA relief from the NPE sales to be completed in 2023 (Sunrise III, Solar and Delta), CET1 ratio stood at 12.3% and total capital ratio at 17.1%. Q2.23 capital position fully absorbed the €0.2bn NPE cleanup costs.

Further information on the financials & KPIs of Piraeus Group can be found on the [H1.2023 Financial Results presentation](#) and the First Half 2023 Financial Statements that is expected to be available on the company's [website](#) on 31 July 2023.



## Business developments

### 2023 NPE Clean-up

#### **Senna – NPE portfolio sale:**

In June 2023, Piraeus Bank completed the sale of a NPE portfolio, amounting to €0.3bn gross book value, to Intrum Holding AB. The agreed total consideration reached approximately 21% of the gross book value. The NPE portfolio comprised mainly of c.60% small-sized mortgages, and c.40% consumer and small business loans. The PnL impact booked in Q2.23 amounted to €0.1bn.

#### **NPE portfolios classified as held for sale:**

In June 2023, Piraeus Bank classified as held for sale two NPE portfolios, namely portfolio Delta (Romanian NPEs) and Wheel II, with a total gross book value of €0.1bn. The PnL impact booked in Q2.23 for the two transactions amounted to €0.05bn. The first transaction is expected to be concluded within 2023 and the second transaction was concluded in July 2023.

#### **Remaining Hellenic Asset Protection Scheme (HAPS) transactions**

In February 2023, the Bank received recognition of significant risk transfer (“SRT”) for the Sunrise III NPE portfolio, which has been classified as held for sale as of June 2022. The transfer of 95% Class B and C notes to the investors will be effected upon fulfillment of the HAPS condition precedent, which is expected by year-end 2023.

For the Solar NPE portfolio, which has been classified as held for sale as of June 2022, the Bank submitted applications to HAPS and SRT recognition in October 2022. Following signing of the relevant commitment letter, completion of the transaction shall be subject to HAPS and SRT approvals.

The sale of the Sunshine NPE portfolio (leasing NPEs) of gross book value €0.5bn, which is classified as held for sale as at September 2021, is subject to the approval by competent authorities, expected within Q3.23.

### The Bank successfully issued a Senior Preferred Bond amounting to €500mn

In July 2023, the Bank successfully completed the issuance of a new €500mn Senior Preferred Bond at a yield of 7.25%, attracting the interest of a large number of institutional investors. The bond has a maturity of five (5) years, an embedded issuer call option after four (4) years and is listed on the Luxembourg Stock Exchange’s Euro MTF market. The issuance is part of the Bank’s strategy to increase its MREL ratio, which is a requirement for all banks that are directly supervised by the ECB/SRB. Pro forma for the new Senior Preferred bond, Piraeus Bank Group’s MREL ratio stood at 21.6% at the end-June 2023.



## Business developments

### Election of a new BoD at Annual General Meeting (“AGM”) of the Company

Following the resolution at the Annual General Meeting of the Company's Shareholders on 27 June 2023, the Board of Directors (BoD) which was elected, in accordance with the Articles of Association and the Law, appointed the Chairman, the Vice-Chairman and the Senior Independent Director, the Managing Director, as well as its executive and non-executive members and was constituted in body. It is noted that no change occurred in the composition of the BoD.

### Piraeus Bank named “Best Bank in Greece” by Euromoney

Piraeus Bank was named “Best Bank in Greece” for 2023 by the prestigious international magazine, Euromoney in its Awards for Excellence 2023. The award highlights the performance of Piraeus Bank and has recognised the Bank's leading role in the Greek market. Piraeus Bank brought non-performing exposures down from 13% of loans in 2021 to 6.8% by the end of 2022, it has grown customer deposits by €3bn year on year, expanded its book of performing and new credits, all while cutting total operating expenses by 5% in 2022.

Piraeus Bank invested heavily in developing a wide array of digital banking services, within the framework of its overall transformation program, which covers the areas of business and retail banking, as well as the internal reorganization of the Bank.

Finally, it was also taken into account that Piraeus Bank is a leader in matters of climate change, environmental protection and sustainable development, while it is the only Greek company included in the list of "Europe's Climate Leaders" of the Financial Times for 2023, for the third year in a row.

### Morgan Stanley Financials' Finest

Morgan Stanley included Piraeus stock in its Financials' Finest List, on 11 July 2023. Piraeus is one of the 14 most preferred global financial plays, along with JPMorgan, Wells Fargo from the US, Caixabank and ING from Europe and others from China, Brazil, India and Japan. Among other reasons, Piraeus preference is based on its lower than peers P/BV forward multiple and conservative consensus RoTE, which leaves room for upward estimate revisions, as well as its resilient asset quality and solid loan growth expectations.



## Business developments (cont'd)

### Piraeus among World's Best Investment Banks 2023 by Global Finance Magazine Award

Piraeus Bank has been included in the list of the World's Best Investment Banks 2023 by the Global Finance Magazine. Piraeus was the top choice for Greece for the year 2023 in the category of financial institutions in Western Europe.

### Digital Transformation Program

At Piraeus Bank, our commitment to digital transformation and customer-centric innovation drives us to continually improve and expand our services, providing our customers with an unparalleled level of convenience, flexibility, and modernity in their banking journey. Piraeus is pleased to introduce recent updates:

- Our customers have now access to the newly launched new winbank app designed from scratch with a friendly and easy to use modern digital banking experience
- Only in Piraeus Bank, our customers can split their transactions into instalments, a new repayment option, applicable for debit cards. Following the successful launch for split Transactions into Installments for credit cards
- New Home e-loan application: our customers can apply for a mortgage loan online. Enabling our customers to apply and select the mortgage loan of their choice, while utilizing the provided calculator to customize specific characteristics.

Furthermore, the Bank has successfully expanded its primary product offerings, making them available through its digital platform. Customers can now easily access and apply for various financial products, including savings accounts, small business, mortgages, consumer loans, credit cards, and insurance products directly through winbank.

### Corporate & Investment Banking developments

Thermoilektriki Komotinis SA CCGT:

Piraeus Bank, as a co-Mandated Lead Arranger underwrote 45% of a €325mn non-recourse financing for the development and construction of the new gas-fired combined-cycle gas turbine (CCGT) power plant in Komotini, with a nominal capacity of 877MW. This plant will be one of the most modern CCGT plants in Europe and will play a pivotal role in the decarbonization of power generation in Greece. Revenue sources include bilateral Contracts for Difference (CfDs) with Heron and MORE (Motor Oil Renewable Energy).



## Business developments

### Piraeus Securities

Piraeus Securities maintains top market position in H1.23 with 22% market share regarding volumes in Athens Stock Exchange.

### UNHCR and Piraeus Bank launch Refugee Women Academy

UNHCR, the UN Refugee Agency, in Greece and Piraeus Bank announced the official launch of the Refugee Women Academy, an innovative program aimed at bolstering the skills and opportunities of refugee women in Greece through vocational training. The program offers a pathway to decent and sustainable employment in the thriving tourism industry. Furthermore, it will serve as a valuable resource by generating a manual containing information, practical advice and lessons learnt, shaping and inspiring similar initiatives by other interested stakeholders in the future.

The Refugee Women Academy directly addresses the specific challenges faced by refugee women, who often encounter barriers to education and employment opportunities. By equipping them with relevant skills and knowledge, the program aims to help them to become self-reliant and contribute to their host communities.



## Credit Ratings

	Greek Sovereign Credit Rating	Piraeus Bank Long term	Piraeus Bank Outlook	Piraeus Bank Senior Preferred
MOODY'S 7 November 2022	Ba3	Ba3	Stable	B1
S&P Global Ratings 25 April 2023	BB+	B+	Positive	B+
FitchRatings 31 January 2023	BB+	B	Positive	B
MORNINGSTAR DBRS 07 December 2022	BB high	B high	Stable	B high

Moody's rating refers to long term deposit rating; dates refer to the last publication report date on Piraeus



## Sustainability

### Reducing our carbon footprint guides us to support the transition plans of our clients

Acknowledging that it is critical to move from commitment to action, Piraeus Group has set detailed targets verified by SBTi, and adopted a dedicated monitoring approach to ensure that we will deliver against those in the future. We have already achieved against our targets in Scope 1 & Scope 2 emissions (-74% vs baseline) that emanate from our operation. Furthermore, we have been tracking systematically our indirect financed emissions deriving from banking activities (Scope 3, cat.15, i.e. the Scope 1 and Scope 2 emissions of clients), and we have set an ambition to halve the climate impact in nine specific asset classes by 2030. To meet this target, Piraeus Group is focusing on opportunities from the low carbon transition and supporting its clients in preventing the worst effects of climate change, with the Energy Transition Plan a concrete commercial action plan, that will result to €5bn finance stock by 2025 and overall €8bn including bonds issuance and in-house mutual funds.





## Awards, Distinctions & Certifications



Piraeus Bank was named Best Bank in Greece for 2023 by the prestigious international magazine Euromoney. The award highlights the performance of Piraeus Bank and recognizes the Bank's leading role in the Greek market.



### FTSE4Good

Piraeus Financial Holdings is once again a constituent of the FTSE4Good Index of FTSE Russell, for its performance in the fields of environment, society and governance. The overall score of Piraeus has improved to 3.6/5 versus 3.4/5 and is higher than the average score of the financial sector worldwide (2.6/5.)



Piraeus Bank is the only Greek company and Greek Bank included in the 2023 Financial Times list of "500 Climate Leaders of Europe", for the third consecutive year, regarding its performance in the climate change management.



MSCI upgraded Piraeus Bank to 'A' from 'BBB' in mid-February 2023, driven by improvements in its corporate governance practices. Further, it leads most home market peers on business ethics, with practices such as whistleblower protection from retaliation.



The Science Based Targets initiative (SBTi) is a partnership between Carbon Disclosure Project, WWF, UN Global Compact and the World Resources Institute. Piraeus received validation by SBTi for its 2030 emission reduction targets for its operation and for selected asset classes, whilst it is the first Greek Bank to have achieved that.



Piraeus Financial Holdings became member of the 2023 Bloomberg Gender-Equality Index (GEI), a modified market capitalization-weighted index developed to gauge the performance of public companies dedicated to reporting gender-related data.

For more information, please visit the following link:

<https://www.piraeusholdings.gr/en/group-profile/awards/2023>



## ALTERNATIVE PERFORMANCE MEASURES (APMs)

### CET1 Ratio FL (fully loaded), pro forma<sup>1</sup>

(percentage, %)

Common Equity Tier 1 (CET1) regulatory ratio as defined by Regulation (EU) No 575/2013, subtracting from the denominator the RWA of the Sunrise III, Solar NPE securitizations and the RWA of the Delta and Wheel II NPE portfolios, classified as held for sale as at 30 June 2023. For 2022, we subtract from the denominator the RWA of Sunrise III and Solar NPE securitizations.

Relevance of use: Capital position regulatory metric

	June 2023	June 2022
CET1 (€ mn)	3,866	3,067
/ RWAs (€ mn)	31,336	30,011
= <b>CET1 Ratio FL, pro forma</b>	<b>12.34%</b>	<b>10.22%</b>

### Cost of risk (CoR) Organic

(percentage, %)

Organic cost of risk is calculated by dividing loan loss provisions excluding provisions related to NPE securitisations and sales (herein defined as organic loan loss provisions) over the net loans and advances to customers at amortised cost including loans and advances to customers measured at fair value through profit or loss.

Loan loss provisions are defined as ECL impairment losses on loans and advances to customers at amortised cost (as in the consolidated financial statements of the period), plus other credit-risk related charges on loans and advances to customers at amortised cost.

For Q2.23 organic cost of risk includes charges of €19mn included in line-item other provision (charges)/releases.

Relevance of use: Asset quality metric

	Q2 2023	Q2 2022
Loan loss provisions (€mn)	283	190
- Loan loss provisions related to NPE securitizations and sales (€mn)	181	117
= Organic loan loss provisions, annualized	102*4 = 408	73*4 = 292
/ Net loans and advances to customers at amortised cost including FVTPL (€ mn)	35,824	35,445
= <b>Cost of risk organic</b>	<b>1.14%</b>	<b>0.82%</b>

### Cost-to-core income ratio

(percentage, %)

Cost-to-core income ratio is calculated by dividing the recurring operating expenses, which equal total operating expenses before provisions minus one-off expenses, with core income.

<sup>1</sup> As regards the calculation of the capital adequacy ratios of the Group, a prudential DTC amortization adjustment was deducted from Group's regulatory capital so as not to affect the pace of the regulatory amortization of DTC loan in line with the 2021 modification of article 27 of L. 4172/2013.



## ALTERNATIVE PERFORMANCE MEASURES (APMs)

Core income equals net interest income plus net fee and commission income and income from non-banking activities. One-off expenses refer to Voluntary Exit Scheme costs of €2 million booked in staff costs and NPE clean-up costs of €181 million in Q2 2023 and Voluntary Exit Scheme costs of €7 million in Q2 2022.

Relevance of use: Efficiency metric

	Q2 2023	Q2 2022
Recurring operating expenses (€ mn)	199	207
/ Core income (€ mn)	629	427
= <b>Cost-to-income ratio, core</b>	<b>32%</b>	<b>48%</b>

## Earnings per share (EPS) normalized, adjusted for AT1 coupon (€)

Earnings per share are calculated by dividing the normalized net profit (as defined herein) adjusted for AT1 capital instrument coupon payment for the period, with total number of shares outstanding at the end of the period.

Relevance of use: Profitability metric

	Q2 2023	Q2 2022
Normalized net profit (€ mn)	238	80
- AT1 coupon payment (€ mn)	13	13
/ Number of shares (mn)	1,250	1,250
= <b>Earnings per share, normalized</b>	<b>0.18</b>	<b>0.05</b>

## Liquidity coverage ratio (LCR) (percentage, %)

The Liquidity Coverage Ratio as defined by Regulation (EU) 2015/61 (amended by Regulation (EU) 2018/1620) is the value of the stock of unencumbered High Quality Liquid Assets (HQLA) held by a credit institution, over its projected total net cash outflows, under a severe 30-day stress scenario.

Relevance of use: Liquidity risk regulatory metric

	June 2023	June 2022
HQLA (€ mn)	21,155	18,242
/ Total net cash outflows over the next 30 calendar days (€ mn)	9,090	8,892
= <b>LCR</b>	<b>232.7%</b>	<b>205.2%</b>



## ALTERNATIVE PERFORMANCE MEASURES (APMs)

### Loans to Deposits ratio (LDR)

(percentage, %)

The loans to deposits ratio is calculated by dividing the net loans, i.e., loans and advances to customers at amortised cost including loans and advances to customers measured at fair value through profit or loss (as in the consolidated financial statements of the period) over the deposits (corresponds to “Due to customers” in the consolidated financial statements of the period).

Relevance of use: Liquidity metric

	June 2023	June 2022
Net loans and advances to customers at amortised cost including FVTPL (€ mn)	35,824	35,445
/ Deposits (€ mn)	58,381	56,079
= <b>LDR</b>	<b>61.4%</b>	<b>63.2%</b>

### Net Fee Income (NFI) over assets

(percentage, %)

Recurring net fee income equals net fee and commission income plus income from non-banking activities, over average total assets of two consecutive periods adjusted (as defined, herein).

For Q2 2023, total assets are calculated by taking the average of the periods of the two consecutive periods of 31/3/2023 and 30/6/2023; total assets for Q2 2022 are calculated by taking the average of the periods of the two consecutive periods of 31/3/2022 and 31/6/2022.

Relevance of use: Profitability metric

	Q2 2023	Q2 2022
Net fee income, annualized (€ mn)	141*4 = 564	122*4 = 488
/ Total assets, adjusted average of 2 periods (€ mn)	75,831	80,570
= <b>NFI/assets</b>	<b>0.75%</b>	<b>0.60%</b>

### Net Interest Margin (NIM)

(percentage, %)

Net interest margin equals net interest income (as in the consolidated financial statements of the period) annualized over average total assets of two consecutive periods adjusted (as defined, herein).

For Q2 2023, total assets are calculated by taking the average of the periods of the two consecutive periods of 31/3/2023 and 30/6/2023; total assets for Q2 2022 are calculated by taking the average of the periods of the two consecutive periods of 31/3/2022 and 31/6/2022.

Relevance of use: Profitability metric



## ALTERNATIVE PERFORMANCE MEASURES (APMs)

	Q2 2023	Q2 2022
Net interest income, annualized (€ mn)	488*4 = 1,952	306*4 = 1,224
/ Total assets, adjusted average of 2 periods (€ mn)	75,831	80,570
= <b>NIM/assets</b>	<b>2.57%</b>	<b>1.52%</b>

### Net Profit, normalized

(million €)

Normalized net profit is the profit/(loss) attributable to the equity holders of the parent (as in the consolidated financial statements of the period), excluding acquiring fees, one-off revenues, one off expenses, loan loss provisions related to NPE securitizations and sales, defined at any given period and adjusted for the projected effective corporate tax rate of 2023 at 26% over normalized pre tax profit. Adjustment for the effective corporate tax rate as of Q2.2023.

One-off revenues for Q2 2022 refer to the trading gains from fixed income portfolio booked in net gains from financial instruments measured at FVTPL amounting to €109mn. In Q2 2023, no recurring revenue was recognized.

One-off expenses refer to Voluntary Exit Scheme costs of €2 million in Q2 2023 and €7 million in Q2 2022 booked in staff costs.

One-off loan loss provisions for NPE securitizations and sales for Q2 2023 which amount to €181 million non-recurring impairment in the context of the NPE reduction plan in Q2.23 mainly corresponding to Senna (€123mn including all associated expenses), Delta (€31mn), and Wheel II (€19mn) projects plus €8mn post-cutoff expenses arising from Sunrise III and Sunshine projects. For Q2 2022 loan loss provisions of €118 million are related to the Solar and Sunrise III NPE securitizations as well other held for sale NPE portfolios and post-cutoff expenses for Sunshine.

Relevance of use: Profitability metric

	Q2 2023	Q2 2022
Profit/(loss) attributable to the equity holders of the parent	120	92
- Acquiring fees	0	(1)
- One-off revenues	0	109
- One-off expenses	(2)	(7)
- Loan loss provisions related to NPE securitization / sales	(181)	(117)
+ Tax	15	0
- Tax normalized	79	28
= <b>Net Profit, normalized</b>	<b>238</b>	<b>80</b>



## ALTERNATIVE PERFORMANCE MEASURES (APMs)

### NPE Coverage Ratio

(percentage, %)

NPE coverage ratio is calculated by dividing ECL allowance for impairment losses on loans and advances to customers at amortised cost and fair value adjustment on loans and advances to customers mandatorily measured at FVTPL corresponding to € 13 million for 30/06/2022 and € 11 million for 30/06/2023 over the non-performing exposures (NPEs).

NPEs are on balance sheet credit exposures before ECL allowance for impairment on loans and advances to customers at amortised cost that include: (a) loans measured at amortized cost classified in stage 3; plus (b) Purchased or originated credit impaired (POCI) loans measured at amortized cost that continue to be credit impaired as of the end of the reporting period; plus (c) loans to customers mandatorily measured at fair value through profit or loss that are credit impaired as of the end of the reporting period.

Relevance of use: Asset quality - credit risk metric

	Q2 2023	Q2 2022
ECL allowance (€ mn)	1,164	1,567
/ NPEs (€ mn)	2,049	3,426
= <b>NPE coverage</b>	<b>57%</b>	<b>46%</b>

### Non-Performing Exposure (NPE) Ratio

(percentage, %)

NPE ratio is calculated by dividing NPEs by gross loans, before impairments and adjustments (as defined herein).

Gross loans are reported as total gross loans and advances to customers at amortised cost, grossed up with PPA adjustment (as presented in the consolidated financial statements of the period). Gross loans and NPEs include loans and advances to customers mandatorily measured at fair value through profit or loss.

Relevance of use: Asset quality - credit risk metric

	Q2 2023	Q2 2022
NPEs measured at FVTPL (€ mn)	2,049	3,426
/ Gross loans and advances to customers (€ mn)	36,988	37,013
= <b>NPE ratio</b>	<b>5.5%</b>	<b>9.3%</b>



## ALTERNATIVE PERFORMANCE MEASURES (APMs)

### Pre-provision income, normalized

(million €)

Normalized pre-provision income corresponds to profit/ (loss) before provisions, impairment and income tax (as in the consolidated financial statements of the period), excluding the acquiring fees, one-off items from revenues and operating expenses.

One-off revenues for Q2 2022 refer to the trading gains from the fixed income portfolio booked in net gains from financial instruments measured at FVTPL amounting to €109 million. In Q2 2023, no recurring revenue was recognized.

One-off expenses refer to Voluntary Exit Scheme costs of €2 million in Q2 2023 and €7 million for Q2 2022 booked in staff costs.

Relevance of use: Profitability metric

	Q2 2023	Q2 2022
Profit/ (loss) before provisions, impairment and income tax	461	298
- Acquiring fees	0	1
- One-off revenues	0	109
- One-off expenses	(2)	(7)
= <b>Pre-provision income, normalised</b>	<b>463</b>	<b>196</b>

### Return on average Tangible Book Value (RoaTBV) normalized, adjusted for AT1 coupon

(percentage, %)

The RoaTBV normalized, adjusted for AT1 coupon, is calculated by dividing normalized net profit for the period, annualized, minus AT1 coupon payment annualized over tangible book value.

Tangible Book Value for Q2 2023 (as defined herein) is calculated by taking the average of the two consecutive periods of 31/3/2023 and 30/6/2023. For Q2 2022, TBV is calculated by taking the average of the periods of the two consecutive periods of 31/3/2022 and 30/6/2022.

Relevance of use: Return obtained on shareholders' funds, not including intangible assets

	Q2 2023	Q2 2022
Normalized net profit, annualized (€ mn)	238*4 = 952	80*4 = 320
- AT1 coupon payment, annualized (€ mn)	52.5	52.5
Tangible book value, average of 2 periods (€ mn)	5,873	5,308
= <b>RoaTBV</b>	<b>15.3%</b>	<b>5.0%</b>



## ALTERNATIVE PERFORMANCE MEASURES (APMs)

### Tangible Equity (TE)

(million €)

Tangible equity or Tangible Book Value (TBV) equals capital and reserves attributable to equity holders of the parent (as presented in the consolidated financial statements of the period) excluding other equity instruments, i.e., Additional Tier 1 (AT1) capital and intangible assets (as reported in the consolidated financial statements of the period).

Relevance of use: Standard banking terminology

	June 2023	June 2022
Capital and reserves attributable to equity holders of the parent	6,850	6,196
- Other equity instruments (AT1 capital)	600	600
- Intangible assets	330	283
= <b>Tangible Equity</b>	<b>5,920</b>	<b>5,312</b>

### Total assets adjusted

(percentage, %)

Assets adjusted are the total assets reported in the condensed annual financial statements of the Group, excluding the seasonal OPEKEPE agri loan and assets from discontinued operations.

Relevance of use: Standard banking terminology

	June 2023	June 2022
Total assets	76,983	81,872
- OPEKEPE	0	0
- Discontinued operations	407	622
= <b>Total assets, adjusted</b>	<b>76,575</b>	<b>81,251</b>

### Total Capital Ratio FL (fully loaded) <sup>2</sup> pro forma

(percentage, %)

Total Capital Ratio, as defined by Regulation (EU) No 575/2013, subtracting from the denominator the RWA of the Sunrise III, Solar NPE securitizations and the RWA of the Delta and Wheel II NPE portfolios, classified as HFS as at 30 June 2023. For 2022, we subtract from the denominator the RWA of Sunrise III and Solar NPE securitizations.

Relevance of use: Capital position regulatory metric

<sup>2</sup> As regards the calculation of the capital adequacy ratios of the Group, a prudential DTC amortization adjustment (as defined above) was deducted from Group's regulatory capital so as not to affect the pace of the regulatory amortization of DTC loan in line with the 2021 modification of article 27 of L. 4172/2013.





## ALTERNATIVE PERFORMANCE MEASURES (APMs)

	June 2023	June 2022
Total Capital (€ mn)	5,360	4,560
/ RWAs (€ mn)	31,336	30,011
= <b>Total Capital Ratio FL, pro forma</b>	<b>17.11%</b>	<b>15.19%</b>



## Disclaimer

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This presentation pertaining to Piraeus Financial Holdings S.A. (formerly known as Piraeus Bank S.A.) and its subsidiaries and affiliates (the “Group” or “We”), its business assets, strategy and operations is 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 of 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).

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

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

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

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