REPORT OF THE BOARD OF DIRECTORS

of "Piraeus Financial Holdings S.A."

pursuant to Article 9 of Law 4601/2019 regarding the merger by absorption of "Piraeus Financial Holdings S.A." by "PIRAEUS BANK Société Anonyme" in accordance with Article 16 of Law 2515/1997, as well as Articles 6 para. 2 and 3, 7–21, and Article 140 para. 3 of Law 4601/2019, Law 4548/2018, as in force, and the provisions of the Athens Exchange Rulebook.

Dear Shareholders,

The Boards of Directors of the sociétés anonymes under the corporate name "**PIRAEUS BANK Société Anonyme**" (hereinafter referred to as the "**Absorbing Entity**" or the "**Bank**") and the société anonyme under the corporate name **"Piraeus Financial Holdings S.A."** (hereinafter referred to as the "**Absorbed Entity**" or the "**Company**"), listed on the Main Market of the Athens Exchange, and collectively with the Absorbing Entity referred to as the "**Merging Companies**", resolved at their meetings held on 20 February 2025 to commence the process for the merger by absorption of the Absorbed Entity by the Absorbing Entity, in accordance with Article 16 of Law 2515/1997 and Articles 6 para. 2 and 3, 7 through 21, and Article 140 para. 3 of Law 4601/2019 and Law 4548/2018, as currently in force (hereinafter referred to as the "**Merger**").

The transformation balance sheet date was set as 31 March 2025 (the **"Transformation Balance Sheet Date**").

Furthermore, the Boards of Directors of the Merging Companies appointed the certified public accountants Messrs. Christos Antonopoulos, SOEL Reg. No. 47931, and Dionysios Stamiris, SOEL Reg. No. 47401, of the audit firm under the name "UHY Axon Audit Single Member S.A." (hereinafter the "Statutory Auditors"), to prepare for each of the Merging Companies the reports pursuant to para. 5 of Article 16 of Law 2515/1997 and Article 10 of Law 4601/2019 for the verification of the accounting value of the assets and liabilities of both the Absorbed and the Absorbing Entities, as well as for the review of the Draft Merger Agreement and the issuance of the legally required opinion on the fairness and reasonableness of the share exchange ratio (hereinafter the "**Statutory Auditors' Reports**").

The Boards of Directors of the Merging Companies have jointly drawn up in writing, in accordance with the provisions of Article 7 of Law 4601/2019 and Article 16 of Law 2515/1997, as in force, a draft merger agreement of the Merging Companies (the "**DMA**" or the "**Draft Merger Agreement**"), to which the transformation balance sheets of the Absorbed Entity and the Absorbing Entity, each dated 31 March 2025, are attached as integral parts (each referred to hereinafter as a "**Transformation Balance Sheet**").

In this context, the Absorbed Entity shall transfer to the Absorbing Entity (by way of universal succession) the entirety of its assets and liabilities, as reflected in the Transformation Balance Sheet.

The purpose of this Report is to explain and justify, from both a legal and financial perspective, the Draft Merger Agreement, and in particular, the share exchange ratio between the shares of the Absorbed Entity and the new shares to be issued by the Absorbing Entity.

In light of this obligation, the Board of Directors of the Company has prepared the present Report, which was approved pursuant to its resolution dated 22.05.2025, and is submitted to the General Meeting of the Company's shareholders, who shall be called upon to take the final decision regarding the approval of the Merger and the Draft Merger Agreement, in accordance with Article 14 of Law 4601/2019, as in force, following the lapse of at least one (1) month from the date the Draft Merger Agreement is made publicly available pursuant to Article 8 of Law 4601/2019. During this period, the documents enumerated under Article 11 of Law 4601/2019 shall be made available to the shareholders of the Company.

The resolutions of the General Meetings of the Merging Companies, the final merger agreement which shall be executed in the form of a notarial deed as well as the amendment of the Articles of Association of the Absorbing Entity, shall be subject to the publicity formalities provided by law.

I. The Merger from a business and financial perspective

The Absorbed Entity holds 100% of the shares of the Absorbing Entity and is the parent of a group of companies (the "Group"). The proposed Merger aims to establish a new corporate structure for the Group, whereby the Absorbing Entity will become the parent of the Group, with the objective of facilitating the achievement of the Bank's updated strategic goals and key priorities. Specifically, the Merger will enable the Bank to:

- achieve accelerated shareholder value creation (strong capital generation and improved capital allocation);
- perform smooth dividend distributions to shareholders;
- improve cost rationalization & efficiency leading to better strategic alignment and resource allocation, through eliminating redundancies, optimizing operational and cost synergies in line with the Bank's current transformation program;
- reduce administrative burdens and improve operational efficiency (unified Financial Reporting);
- leverage strong investments in people, digital and change management;
- enhance corporate governance, control and effective management through the simplification of its corporate structure (a single Board of Directors, committees for one entity instead of two, etc.);
- efficiently integrate Environmental, Social and Governance (ESG) principles into the Banks's business model and operations
- to reduce its cost of borrowing by leveraging the Bank's higher credit rating relative to the Company's.

It is reminded to shareholders that the corporate transformation that occurred in December 2020 (i.e. the demerger of the core banking operations of the Company by way of hive-down and their contribution to the newly established credit institution under the name "Piraeus Bank S.A.") primarily aimed at addressing the high ratio of non-performing exposures (NPEs) and optimizing

the Group's organizational and capital structure. The implementation of the above mentioned corporate demerger (hive-down) facilitated the derecognition of a significant portion of NPEs from the Bank's balance sheet, leading to a substantial reduction in the NPE ratio which stood at over 50% at the time, and expanded the Bank's capacity to manage the remaining NPEs more effectively. As of February 2025, Piraeus has achieved a substantial improvement in its financial health, with the NPE ratio having dropped to 2.6%. This progress indicates that the challenges which initially triggered the hive-down have been effectively resolved. As a result, the rationale for maintaining the existing corporate structure is no longer relevant.

On top of the above, a more flexible and integrated corporate structure will leverage the Bank's position as a driving source of growth and innovation after the successful completion of the Hellenic Financial Stability Fund's placement facilitating its potential future investments (e.g. Ethniki Asfalistiki acquisition) thereby supporting the Bank's objective of becoming a more formidable player in the financial market.

The Merger of the Merging Companies shall take place through the absorption of the Absorbed Entity by the Absorbing Entity, in accordance with the provisions of Article 16 of Law 2515/1997, as well as Articles 6 para. 2 and 3, Articles 7 through 21, and Article 140 para.3 of Law 4601/2019, as currently in force, through the consolidation of assets and liabilities. Under the applicable legal framework, the Merger is effected under favorable terms.

The Merger will not affect the consolidated financial figures of the Group, given that the Absorbed Entity directly holds 100% of the share capital of the Absorbing Entity. Upon completion of the Merger, all reserves and special reserves of the Absorbed Entity, as presented in the Transformation Balance Sheet, as well as all tax-related reserves of the Absorbed Entity, shall be transferred and reflected in their entirety in corresponding special accounts of the Absorbing Entity.

The common transformation date has been set as 31 March 2025. All transactions carried out after 31 March 2025 shall be deemed, for tax purposes, to have been carried out on behalf of the Bank, which will be the surviving legal entity of the Merger. The tax results of the Absorbed Entity arising from that date until the completion of the Merger shall be considered as tax results of the Bank, pursuant to the provisions of Article 16 para.5 of Law 2515/1997, as in force, and the relevant amounts shall be transferred from the books of the Absorbed Entity to the books of the Bank by means of an aggregate accounting entry, following the registration of the competent authority's approval decision with the General Commercial Registry (G.E.MI.).

Upon completion of the Merger, the share capital of the Bank shall be structured as follows:

1. Share capital of the Absorbed Entity prior to the Merger

As of the date of the Transformation Balance Sheet of the Absorbed Entity, i.e. as on 31 March 2025, the share capital of the Absorbed Entity amounted to a total of one billion, one hundred sixty-two million, eight hundred forty-one thousand, five hundred seventeen Euros and thirty-nine cents (€1,162,841,517.39), divided into one billion, two hundred fifty million, three hundred sixty-seven thousand, two hundred twenty-three (1,250,367,223) common registered shares with voting rights, each with a nominal value of ninety-three cents (€0.93).

Subsequently, on 14 April 2025, the Annual General Meeting of Shareholders decided the following: (a) the increase of the share capital of the Absorbed Entity by the amount of three hundred seventy-three million, fifty-five thousand, seven hundred eleven Euros (€373,055,711), by increasing of the nominal value of each common share from ninety-three cents (€0.93) to one Euro and twenty-three cents (€1.23), by capitalizing part of the existing share premium reserve, and simultaneously (b) the reduction of the share capital of the Absorbed Entity by the amount of three hundred seventy-three million, fifty-five thousand, seven hundred eleven Euros (€373,055,711), by reducing the nominal value of each common share from one Euro and twenty-three cents (€1.23) to ninety-three cents (€0.93), and distributing the total amount of the reduction to the shareholders of the Absorbed Entity as a cash payment. On 29 April 2025, the decision of the Ministry of Development with Protocol Number 3607649ΑΠ/29.04.2025, approving the relevant amendment of Articles 5 and 25 of the Entity's Articles of Association, was registered in the G.E.MI. with Registration Number (K.A.K.) 5362666.

Following the above, as of the date of preparation of this present DMA, the share capital of the Absorbed Entity amounts to a total of one billion, one hundred sixty-two million, eight hundred forty-one thousand, five hundred seventeen Euros and thirty-nine cents (€1,162,841,517.39), divided into one billion, two hundred fifty million, three hundred sixty-seven thousand, two hundred twenty-three (1,250,367,223) common registered shares with voting rights, each with a nominal value of ninety-three cents (€0.93).

The Absorbed Entity currently holds a total of 1,313,086 treasury shares with a nominal value of €0.93 each, representing 0.105% of the total shares, which have been acquired under the share buyback program approved by the Annual General Meeting of Shareholders on 27 June 2023. All treasury shares currently held by the Absorbed Entity, as well as any shares acquired in the context of the share buy-back Programme approved by the Annual General Meeting of Shareholders on 14 April 2025, shall be allocated under the existing variable remuneration schemes for the members of the management and employees of the Absorbed Entity and the Group, prior to the completion of the Merger.

2. Share capital of the Absorbing Entity prior to the Merger

As of the date of the Transformation Balance Sheet of the Absorbing Entity, i.e. as on 31 March 2025, the share capital of the Absorbing Entity amounted to the sum of five billion, two hundred seventy-eight million, five hundred ninety-two thousand, seven hundred forty-two Euros

(€5,278,592,742.00), divided into five billion, two hundred seventy-eight million, five hundred ninety-two thousand, seven hundred forty-two (5,278,592,742) common registered shares with voting rights, each with a nominal value of one Euro (€1.00).

Subsequently, by the decision of the Annual General Meeting of Shareholders dated 14 April 2025, the capital of the Absorbing Entity was reduced by the amount of three hundred seventy-three million, fifty-five thousand, seven hundred eleven Euros (€373,055,711), through the cancellation of a total of three hundred seventy-three million, fifty-five thousand, seven hundred eleven (373,055,711) common registered shares, each with a nominal value of one Euro. On 29 April 2025, the decision of the Ministry of Development with Protocol Number 3607614ΑΠ/29-04-2025, approving the relevant amendment of Articles 5 and 25 of the Articles of Association of the Absorbing Entity, was registered in the G.E.MI.) with Registration Number (K.A.K.) 5362701.

Following the above, the share capital of the Absorbing Entity currently amounts to four billion, nine hundred five million, five hundred thirty-seven thousand, thirty-one Euros (€4,905,537,031.00), divided into four billion, nine hundred five million, five hundred thirty-seven thousand, thirty-one (4,905,537,031) common registered shares with voting rights, each with a nominal value of one Euro (€1.00).

3. Share capital of the Absorbing Entity after the Merger

Upon the completion of the Merger,

- The share capital of the Absorbed Entity is contributed to the Absorbing Entity in accordance with para. 5 of Article 16 of Law 2515/1997, and, consequently, the share capital of the Absorbing Company is increased by the amount of EUR 1,162,841,517.39, divided into 1,250,367,223 common registered shares with voting rights, each with a nominal value of EUR 0.93.
- The shares of the Absorbing Entity, which are currently wholly (100%) owned by the Absorbed Entity, namely 4,905,537,031 common registered shares with voting rights, each with a nominal value of EUR 1.00, representing the entire share capital of the Absorbing Entity in the amount of EUR 4,905,537,031, shall, as a result of the Merger and by universal succession, be transferred to the Absorbing Entity itself and, therefore, become treasury shares of the Absorbing Entity pursuant to Article 49 para. 4 (b) of Law 4548/2018, and simultaneously cancelled. Consequently, the share capital of the Absorbing Entity shall be reduced by the amount of EUR €4,905,537,031.00 through the cancellation of all 4,905,537,031 treasury shares of the Absorbing Company, each with a nominal value of EUR 1.00.

Consequently, upon completion of the Merger, the share capital of the Absorbing Entity shall amount to EUR 1,162,841,517.39, divided into 1,250,367,223 common registered shares with voting rights, each with a new nominal value of EUR 0.93.

The Absorbing Company shall take all necessary actions to amend its Articles of Association so as to reflect the changes resulting from the above.

4. Share exchange ratio

In exchange for the contribution and transfer to the Absorbing Entity of all assets of the Absorbed Entity, the shareholders of the Absorbed Entity will receive the new shares to be issued by the Absorbing Entity as a result of the Merger, based on the following agreed exchange ratio: for each (1) existing common registered share with voting rights, with a nominal value of €0.93, of the Absorbed Entity, the holder of that share will receive one (1) new common registered share with voting rights, non-material, of the Absorbing Entity with a nominal value of €0.93 in the share capital of the Absorbing Entity as it will be formed in the context of the Merger.

The terms of the Merger can only be considered fair and reasonable, as the sole shareholder of the Absorbing Entity is the Absorbed Entity, and due to the Merger, the shareholders of the Absorbed Entity will become shareholders of the Absorbing Entity and will jointly hold 100% of the shares of the Absorbing Entity, while each of them will retain in the Absorbing Entity, following the completion of the Merger, the same shareholding percentage they held in the Absorbed Entity prior to the Merger.

The exchange ratio proposed by the Boards of Directors of the Merging Companies was deemed by the Certified Auditor to be reasonable, fair, and logical, as set forth in the 22.05.2025 Report of the Certified Auditor. Specifically, the following are mentioned in said Report:

"Statement on the Share Exchange Ratio

The merger is conducted in accordance with Article 16 of Law 2515/1997 in book values. Furthermore, the Absorbed Entity "Piraeus Financial Holding S.A." is the sole shareholder of the Absorbing Entity "Piraeus Bank Société Anonyme" and therefore the shareholders of the Absorbed Entity indirectly hold 100% of the shares of the Absorbing Entity. Following completion of the corporate transformation the shareholders of the Absorbed Entity will become direct shareholders of 100% of the Absorbing Entity holding the exact same shareholding percentage previously held in the Absorbed Entity. The proposed exchange ratio is the following: for any one existing common share with a nominal value of EUR 0.93 of the Absorbed Company the owner thereof shall receive one new common share of the Absorbing Company with a nominal value of EUR 0.93. It is thus concluded that the proposed exchange ratio is fair and reasonable since following the merger the shareholders of the Absorbed Entity will retain the same shareholding percentage in the Absorbing Entity."

II. The Merger from a legal perspective

As of the date of registration with the G.E.MI. of the Merger deed, which shall be executed in the form of a notarial document, the Merger shall be completed (the "Merger Completion Date") and, by operation of law and simultaneously, the following legal effects shall arise, both between the Absorbing Entity and the Absorbed Entity and vis-à-vis third parties, as specifically set forth in the Draft Merger Agreement:

1) The Absorbing Entity shall, by operation of law, pursuant to the provisions of Article 16 of Law 2515/1997 and Article 18 para. 2 of Law 4601/2019, as currently in force, be substituted as the universal successor in all assets and liabilities of the Absorbed Entity, as such are reflected in the Transformation Balance Sheet and as they are formed up to the Merger Completion Date. The universal succession encompasses all rights, intangible assets, entitlement, demands, claims, whether disputed or undisputed, obligations, and legal relationships in general of the Absorbed Entity, including any administrative licenses and approvals issued in favor of the Absorbed Entity.

2) Following the completion of the Merger, the Absorbing Entity will become the parent undertaking of the Absorbed Entity's group, maintaining, directly and indirectly, ownership in all entities included in the consolidated financial statements of the Absorbed Entity.

3) Any other right, intangible asset, entitlement, demand, claim, whether disputed or undisputed, legal relationship, administrative license, or any other asset, equity item or liability of the Absorbed Entity shall be transferred to the Absorbing Entity, pursuant to Article 16 para. 7 of Law 2515/1997, even if – due to omission or inadvertent error– such is not specifically referred to or accurately described in this Draft Merger Agreement by absorption, the Transformation Balance Sheet, or the final merger agreement which shall be executed in the form of a notarial deed.

4) The registration of real estate and generally in rem rights which are transferred from the Absorbed to the Absorbing Entity shall be effected in accordance with para. 8 and 9 of Article 16 of Law 2515/1997, as currently in force.

5) Any pending legal proceedings of the Absorbed Entity shall continue ipso jure, pursuant to Article 16 of Law 2515/1997 and para. 3 of Article 18 of Law 4601/2019, as currently in force, by or against the Absorbing Entity, without any further formalities and without the merger constituting a ground for compulsory discontinuance of proceedings. Regarding any pending legal proceedings of the Absorbed Entity conducted abroad, the Absorbing Entity shall take any necessary action or formality required or imposed by the applicable procedural laws for the substitution of the Absorbed by the Absorbing Entity and continuation of the proceedings by the latter. Any pending tax audits of the Absorbed Entity shall likewise continue without any specific action or formality required on the part of the Absorbing Entity.

6) Rights, obligations, and legal relationships of the Absorbed Entity governed by foreign law shall be transferred to the Absorbing Entity ipso jure pursuant to Article 16 of Law 2515/1997 and Article 18 of Law 4601/2019, as currently in force, in accordance with the applicable Greek law (lex societatis).

7) In the event that either foreign law does not recognize the universal succession provided under Greek transformation law (which is the applicable *lex societatis*), or the relevant foreign legal provisions require additional actions or formalities to be undertaken by either the Absorbed or the Absorbing Entity, as the case may be, the Absorbing Entity shall proceed with all actions or formalities required or imposed by such foreign legal provisions for the completion of the substitution as described above and for the benefits, costs or risks to be transferred, upon completion of the substitution, to the Absorbing Entity.

8) The Absorbing Entity shall also acquire:

(i) all obligations, rights, and legal relationships of the Absorbed Entity relating to its capacity as issuer of a bond loan with respect to the issuance of the perpetual fixed rate reset notes with temporary write-down features, qualifying as Additional Tier 1 Capital Instruments, in the aggregate amount of EUR 600,000,000, issued on 16 June 2021 (settlement date: 16/06/2021), subject to terms providing for contingent temporary capital write-down, as such obligations, rights, and legal relationships will have been formed up to the Merger Completion Date.

(ii) all obligations, rights, and legal relationships of the Absorbed Entity relating to its capacity as issuer of a bond loan with respect to the issuance of the fixed rate reset Tier 2 notes due 2034, qualifying as Additional Tier 2 Capital Instruments, in the aggregate amount of EUR 500,000,000, issued on 17 January 2024 (settlement date: 17/01/2024), under the EUR 25,000,000,000 Euro Medium Term Note Programme (Euro EMTN Programme) of the Absorbed Entity, as such obligations, rights, and legal relationships will have been formed up to the Merger Completion Date and

(iii) all obligations, rights, and legal relationships of the Absorbed Entity relating to its capacity as issuer of a bond loan with respect to the issuance of the dated subordinated fixed rate reset Tier 2 notes due 2035, qualifying as Additional Tier 2 Capital Instruments, in the aggregate amount of EUR 650,000,000, issued on 18 September 2024 (settlement date: 18/09/2024), also under the EUR 25,000,000,000 Euro Medium Term Note Programme (Euro EMTN Programme) of the Absorbed Entity, as such obligations, rights, and legal relationships will have been formed up to the Merger Completion Date.

9) All reserves and special reserves of the Absorbed Entity, as reflected in the Transformation Balance Sheet, as well as all reserves in general in the tax basis of the Absorbed Entity, , shall be transferred and reflected in their entirety in corresponding special accounts of the Absorbing Entity.

10) The employees of the Absorbed Entity shall be transferred to the Absorbing Entity, which shall ipso jure substitute the Absorbed Entity as their employer. Said employees shall be duly and timely informed of the Merger in accordance with applicable legislation.

11) The totality of accumulated tax losses of the Absorbed Entity shall be transferred to the Absorbing Entity, provided such transfer is permitted by law, and under the same conditions that would have applied to the Absorbed Entity had the Merger not taken place.

12) The shareholders of the Absorbed Entity shall become shareholders of the Absorbing Entity, receiving the shares of the Absorbing Entity that will be issued as a result of the Merger.

13) The Absorbed Entity shall be dissolved without liquidation and shall cease to exist, and its shares shall be delisted from the Athens Stock Exchange.

The Bank retains its license to provide banking services.

Finally, it is noted that, pursuant to para. 9 of article 16 of Law 2515/1997, in the context of the present Merger, the notarial deed of merger, the articles of association, the contribution and transfer of the assets of the Absorbed Entity, any relevant act or agreement relating to the contribution or transfer of assets or liabilities or other rights and obligations, as well as any real, contractual or other right, the shares to be issued, the resolution of the General Meeting of shareholders of the Absorbed Entity, the participation interest in the share capital of the credit institution, as well as any other agreement or act required for the Merger, the articles of association of the Absorbing Entity, the publication of these documents and the registration in the relevant land registry books of real rights, shall be exempt from any tax, stamp duty or other duty, levy or fee in favor of the State or any third party, including notarial fees, fixed or proportional rights, allowances, or other fees in favor of land registrars.

The completion of the Merger is subject to the receipt of all necessary regulatory and corporate approvals required under applicable legislation.

For the listing of the existing shares of the Absorbing Entity on the Main Market of the Athens Exchange, a prospectus will be prepared and published in accordance with Regulation (EU) 2017/1129, following approval by the Hellenic Capital Market Commission. The prospectus will include, among other things, the necessary information required to inform investors about the Merger, in accordance with applicable legislation.

Following the completion of the Merger, the Bank will proceed with all necessary actions to ensure the electronic registration of its dematerialized shares (as provided by applicable legislation) in the Dematerialized Securities System managed by the Hellenic Central Securities Depository S.A., and to facilitate the delivery of the Bank's shares to the shareholders of the Company in accordance with the above exchange ratio (one (1) share of the Company for one (1) share of the Bank). The entitled shareholders will be informed in accordance with the applicable legal framework.

For all the aforementioned reasons, the Board of Directors of the Company considers the Merger to be fully justified from both a financial and legal perspective and to serve the corporate interest of the Company. Therefore, it submits this Report to the General Meeting of the shareholders of the Company and recommends the adoption of a resolution approving the Draft Merger Agreement prepared by the Board of Directors, this Report, the proposed Merger in general, and all related actions, reports, and disclosures required for its implementation.

Athens, 22 May 2025

For the Board of Directors of

"Piraeus Financial Holdings S.A."

Christos Megalou

Managing Director (CEO)

Executive Board Member