



## CORPORATE SOCIAL RESPONSIBILITY REPORT 2006

The photos included in the Annual Corporate Social Responsibility Report 2006 illustrate the two new Museums of the Piraeus Group Cultural Foundation (PIOP), which were completed in the course of the year.

The creation of a museum network away from the capital is a well-designed choice of Piraeus Bank for the purpose of supporting the Greek regions. It is part of the Group's Corporate Social Responsibility, because these museums first, highlight unique, local technological and industrial developments, and second, become poles of economic and cultural development in the region they are established. As economic development poles, they help attract tourists to remote areas of the country and stimulate local economy. As cultural attraction poles, they attract local communities which grow accustomed to places that except from centres of education, they also become centres of recreation. The multi-purpose halls in the museums host scientific, educational, cultural and social events mainly addressed to the local communities, taking account of their actual capacities. Such events, organized by PIOP with sensitivity and quality-consciousness, aim at the essential involvement of local people in the cultural life of their area. The small coffee shops, next to the museum shops, are effectively conducive to this end.



Roof tile and Brickworks Museum N. & S. Tsalapatas. Interior view of the Hoffmann kiln



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## CHAIRMAN'S NOTE

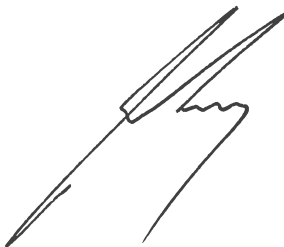
Piraeus Bank Group's conviction is that the development of its activities will be optimal if achieved in a socially robust environment. Today's globalized economy requires governance structures equally without borders, in order to favour the instant private sector activity which aims at beneficial results for the society, environment and economy in an increasingly complex and interconnected world.

With the aim to operate in harmony with society, Piraeus Bank Group attaches special importance to Corporate Social Responsibility issues, implementing specific policies on Corporate Governance, Customer Relations, Human Resources, Social Work, Cultural Interventions and Environmental Issues.

Along with the protection of shareholders' interest, the principles of corporate governance, the trust and accountability relations with customers and suppliers, the equal opportunities and meritocratic criteria policies on human resources development, the social interventions for the assistance of disadvantaged social groups, the dynamic environmental policy and the abundant work of the Piraeus Group Cultural Foundation, make up the pillars of the Corporate Social Responsibility as described in the 2006 Annual Report.

Corporate Social Responsibility for Piraeus Bank Group is not a casual or occasional initiative; it is founded on a specific strategy and integrated planning, through the creation and support of structures that safeguard the long lasting interventions and the ongoing improvement of quantity and quality features.

Michalis G. Sallas



Chairman of the Board of Directors



Museum of Industrial Oil Production of Lesvos. Warehouse for olive-oil jars.

## THE VISION OF PIRAEUS BANK GROUP

The vision of Piraeus Bank Group is to be distinguished as a significant regional “player” in the banking sector of South Eastern Europe and Eastern Mediterranean and become the main bank of service for SMEs, while also being strong in providing solutions to individuals’ banking needs.

The Group’s dynamism is based on its consistent actions. Piraeus Bank places special emphasis on the strategy defining its course in the broader socioeconomic environment.

Specifically, the main strategic goals of Piraeus Bank Group are to:

- be amongst the largest financial groups in Greece, South Eastern Europe & Eastern Mediterranean, with a robust contribution of the international operations;
- become the main bank of service mainly for SMEs and also for individuals, wherever it has presence;
- provide a differentiated value proposition in terms of friendly servicing, based on innovation and quality of delivered services and products;
- grow dynamically in geographic and product banking “areas”, where there are business opportunities for the Group;
- exploit with the most effective way the available sources and infrastructures in a modern technological and homogeneous operational environment.

Its immediate target is to satisfy its customers in terms of quality, completeness and variety of delivered services and products, thus ensuring a competitive edge in a changing environment, and fulfilling the expectations of its shareholders, customers and workforce.

The progress and development of Piraeus Bank Group are founded on our Values which are as follows:

- Customer Focus, thanks to the ongoing efforts to develop mutually beneficial customer relationships,
- High Service Quality,
- Creative Search and Finding of Innovative Solutions,
- Design of Competitive Solutions adding value to our customers,
- Ensuring the Prosperity and Life-long Development of people, with a diffuse team spirit and personality respect,
- Protection of the Bank against all Types of Risks, caring for compliance with the established laws and procedures,
- Ongoing Pursuit of Increase of Shareholders’ Value and
- Social Contribution, with consistency vis-à-vis the environment, culture, people in need of assistance and local communities in general.

## PRINCIPLES OF CORPORATE SOCIAL RESPONSIBILITY

Corporate Responsibility is the voluntary commitment of businesses to include in their business practices social and environmental actions, upon and beyond any legal obligations, which are related to all their stakeholders (employees, shareholders, associates, suppliers, investors, consumers, communities where they operate, etc.).

In this context, Piraeus Bank not only complies with the obligations imposed by Law, but also takes initiatives for actions and activities over and above such obligations, which are related to all the above stakeholders (employees, customers, suppliers, shareholders, social organizations, etc.).

Designing and implementing social responsibility projects and committing itself voluntarily to exceeding the obligations imposed by law, the Bank strives to raise its standards for social development, cultural heritage promotion and safeguarding, environmental protection and respect for fundamental rights.

A principal conviction of Piraeus Bank is that the development of its activities will be optimal if achieved in a socially robust environment. With the aim to operate in harmony with society, Piraeus Bank Group attaches special importance to Corporate Social Responsibility issues. The benefits from such a choice are both direct and indirect. Direct benefits include enhanced working environment, personnel loyalty and improved productivity, active involvement of the employees in issues pertaining to the communities where they are active, competitive edges over competition etc. Indirect benefits include reinforced interest of customers and investors in the Bank, which increases business opportunities, good reputation, positive response on behalf of consumers to its trade name, as well as the inclusion in securities and banking indices whereby companies are rated on the basis of their activities regarding corporate social responsibility issues.

In 2006 Piraeus Bank continued to act voluntarily according to the principles of the UN Global Compact, assuming the initiative to support and promote such principles within the scope of its activities. The Compact encompasses ten fundamental principles pertaining to:

- human rights,
- employment rights,
- environment protection, and
- combat against corruption.





Rooftile and Brickworks Museum N. & S. Tsalapatas. Exterior view In the foreground there are the Decauville steam wagons, the precipitation tanks and drier funnels.

## CORPORATE GOVERNANCE

Guided by its desire to strengthen its value and defend corporate interests, Piraeus Bank has fully adjusted itself to the effective institutional framework of corporate governance.

Specifically, the Bank:

- has “Internal Operating Regulations”, which ensure transparency and symmetrical information and encompass issues not stipulated in the Bank’s Articles of Association but indispensable for its smooth operation, as well as a “Code of Conduct”;
- has a structured internal audit system with instituted responsibilities, made up of the Audit Committee and the internal audit service (Internal Audit Division), which are independent and report directly to the Senior Management of the Bank;
- has properly adjusted the constitution of the Board of Directors in order to be compliant with the effective regulations on non-executive and independent directors;
- has a General Division of Corporate Governance and Administration responsible for the development of Corporate Governance actions and programmes approved by the Senior Management, and the supervision of their application throughout the Bank and all the Group companies in Greece and abroad. Additionally, the General Division of Corporate Governance and Administration supervises the operating support to the BoD, Group Executive Board, Executive Management Committee and Chairman’s Office applying Corporate Governance best practices.
- has a Group Compliance Unit instituting and applying proper procedures and performing the relevant annual Group Compliance Program, in order to ensure timely and permanent compliance of the Bank and Group with the effective regulatory framework and have a complete picture of the target achievement rate at all times. It also guarantees that the Bank and Group are compliant with the regulatory framework on the prevention of the use of the banking system for money laundering and terrorism;
- has organized Investor Relations, Shareholder Registry and Corporate Announcements services, entrusted with the task to inform investors, shareholders and competent supervisory authorities, respectively.

### A. Supreme Management Bodies

The General Meeting of shareholders is the supreme body of Piraeus Bank. The BoD is made up of sixteen (16) members, six (6) of which have executive and ten (10) non-executive duties. Three (3) of the non-executive directors are also independent, according to the law.

#### Board of Directors

##### Executive Members

Michalis G. Sallas, Chairman & Managing Director  
Michalis H. Colakides, Vice-Chairman & Deputy Managing Director  
Theodoros N. Pantalakis, Vice-Chairman & Deputy Managing Director  
Georgios A. Provopoulos, Vice-Chairman and Executive Director  
Stavros M. Lekkakos, Executive Member  
Christodoulos G. Antoniadis, Executive Member

##### Non-executive Vice-Chairmen

Konstantinos P. Angelopoulos, Economist - Businessman  
Ioannis V. Vardinoyiannis, Businessman

##### Non-Executive Members

Iakovos G. Georganas, Financial Advisor  
Georgios P. Alexandridis, Businessman, Member of the BoD of Motor Oil SA, Member of the

#### Audit Committee (\*)

Chariklia A. Apalagaki, Legal Advisor of Piraeus Bank

Eftichios Th. Vassilakis, Businessman, Vice-Chairman of the BoD of Autohellas S.A., Vassilakis Group

Stilianos D. Golemis, Economist, Chairman of Goldair Group of companies

Nicolaos I. Zografos, Economist, Chairman of the Audit Committee (\*)

Fotini A. Karamanli, Lawyer (\*)

Vassilios S. Furlis, Businessman, Chairman & Managing Director of Furlis Holdings S.A.

(\*) independent non-executive Board member

## B. Main Committees

For the purpose of more effective and secure operation of the Bank, the Board of Directors has entrusted the following main committees and boards with special issues and specific responsibilities:

### BoD COMMITTEES

#### Group Executive Board

The participants of the Group Executive Board are the Chairman and all the other Executive Members of Piraeus Bank BoD, as well as Heads of Business Units of the Group appointed by the BoD. Today, it is made up of 5 members, comprising all BoD executive members and chaired by the Chairman & Managing Director. The General Manager of Corporate Governance and Administration is the Executive Secretary of the Board. The Executive Board's main competencies include to:

- regularly monitor, analyse and take decisions on strategic choices of the Bank Management (e.g. acquisitions, mergers, absorptions, liquidations, strategic alliances, etc.) and, where appropriate, submit a relevant recommendation to the BoD;
- determine the directions for the Action Plan, the Budget as well as the risk appetite;
- approve strategic or non-strategic business participations and investing in stocks and securities up to 10% of the Bank's regulatory capital, on occasion;
- examine and introduce to the BoD all issues regarding risk limits which exceed the set limits of other internal bodies;
- approve credit policy principles and regulations;
- approve of the Human Resources Policy and annual compensations, benefits and incentives policy within the limits of the Budget, as well as the advancement of managers in positions of Assistant General Managers or more senior positions;
- approve of changes in the Organization Chart introduced by the Executive Management Committee;
- monitor and supervise the application of Corporate Governance rules and programmes and decide on the Group's Compliance measures;
- approve the Group's strategy regarding the information technological infrastructure;
- administer crucial urgent issues as a Crisis Management Committee;
- supervise the operation of the Executive Management Committee.

The Board meets every 15 days.

#### Audit Committee

The Audit Committee made up of non-executive members of the BoD and elected thereby for the purposes of validating and promoting reliable financial statements, as well as ensuring the proper operation of the Bank's internal audit system. The Audit Committee operates according to the provisions of the Bank of Greece Governor's Act 2577/2006.

It comprises three members; it is chaired by a non-executive independent Board member and includes two non-executive Board members, one of whom is independent. It meets at least four times per year. The Committee assists the Board of Directors in exercising its internal audit duties, and is assisted by an Executive Secretary. The main scope of the Committee is to constantly monitor and evaluate the adequacy and effectiveness of the Internal Audit System in the parent company and in the Group level.

The main competencies of the Committee are:

- to evaluate the adequacy and effectiveness of the Internal Audit System and monitor the work of the Internal Audit Division;
- to give an opinion upon selection of External Auditors;
- to reassure the BoD that the Bank observes the procedures ensuring compliance with the laws and regulations governing its operation;
- to review, independently of the involved units, the annual and interim financial statements and other significant data and information to be announced or submitted to authorities or organisations;
- to formulate opinions and observations on the content of the Internal Audit Division Report on the assessment of the credit portfolio quality (adequacy of credit procedures, estimate of potential default, adequacy of provisions, etc.).

#### **Risk Management Committee**

The Risk Management Committee is appointed by the Board of Directors according to the Bank of Greece Governor's Act 2577/2006 and made up of Board members with adequate knowledge of and experience in risk management.

It comprises four members, chaired by the Vice-Chairman and Executive Director and also includes the two Vice-Chairmen and Deputy Managing Directors as members, as well as a non-executive member of the BoD. The Committee's Executive Secretary is the Group's Chief Risk Officer. The Committee has been entrusted by the Board of Directors with the competencies stipulated in Bank of Greece Governor's Act 2577/2006, in order to cover all forms of risk, including operational, and ensure risk's integrated control, specialised management and required coordination both in the parent company and in the Group level.

#### **Executive Management Compensation and Evaluation Committee**

It comprises four members. It is chaired by a non-executive member of the Bank's BoD and includes three non-executive members, one of whom is independent. Among others, the Committee defines the Bank's policy on the remunerations and benefits of the Senior Management's executive members ensuring that they receive remunerations and benefits that reflect their duties and responsibilities, after evaluating their performance and in line with the targets of the approved Budget and prevalent competition conditions.

#### **Succession and Nomination Committee of BoD members**

Depending on the assignment it is called to perform, it has a dual role either as a Succession Committee or as a Nomination Committee regarding the members of Board of Directors. The Succession Committee is comprised of the Chairman of the BoD and Managing Director, the non-executive Vice-Chairmen, the Chairman of the Audit Committee, and three senior non-executive members of the Board of Directors, excluding those previously mentioned. It meets ad hoc whenever it is necessary to select and recommend candidates to the Board of Directors regarding the fill-in of the position of the Bank's Chairman or Managing Director. As a Nomination Committee, it is consisted of the Bank's Chairman, the Chairman of the Audit Committee and the two senior non-executive members of the BoD. The Executive Secretary of the Committee is the General Manager of Corporate Governance and Administration. It meets ad hoc on an extraordinary basis whenever it is necessary to select and recommend replacement candidates for the remaining BoD members.

## **MAJOR COMMITTEES OF THE MANAGEMENT**

### **Executive Management Committee**

It is comprised of thirteen members and is chaired by one Vice-Chairman and Deputy Managing Director; vice chairman of the Committee is the other Vice-Chairman & Deputy Managing Director, while members are eight General Managers, two Deputy General Managers and one Advisor of the Management. The Committee meets at least twice per month. Its main competencies include supervision of the Budget's and the Action Plan's implementation, specialization of the credit and interest rate policy, pricing and introduction of new products policy. Moreover, it complements or reforms Group's accounting policies and approves the marketing strategy. Finally, the Committee controls the level of doubtful loans.

### **Credit Committee**

It comprises seven members and is chaired by one Vice-Chairman and Deputy Managing Director. The members are the other Vice-Chairman and Deputy Managing Director, four General Managers and the Group's Chief Risk Officer. Depending on the issues introduced for approval, the relevant Directors of corresponding Divisions (Corporate Credit, International Corporate Credit, Credit to Individuals) attend the Committee. The Judicial Affairs Division Director also attends the meetings. The Committee meets regularly every week and has approval competencies regarding all kinds of credit and underwriting up to €150 million, and sets the approval limits of the Bank's managers.

### **Assets and Liabilities Committee (ALCO)**

It is made up of nine members. It is chaired by one Vice-Chairman and Deputy Managing Director; vice-chairman is the other Vice-Chairman and Deputy Managing Director and members are two General Managers, one Deputy General Manager, two Assistant General Managers, the Group's Chief Risk Officer and the Head of Business Planning Division. The Committee meets at least once per month. Its main competencies include the definition of the Bank's strategy regarding asset and liability development, asset and liability management, with simultaneous pricing policy for products and services, approval of the introduction of new deposit and loan products, monitoring the adequacy and distribution of equity among business segments, as well as monitoring the application of relevant decisions. Finally, the Committee decides on the maintenance of the Group's liquidity levels at acceptable levels.

### **Expenses, Investment and Infrastructure Approval Committee**

It is made up of four members and chaired by the Vice-Chairman and Executive Director. Members are two General Managers and an Assistant General Manager. Its main competencies consist in approving all kinds of expenses, investments in fixed assets and sale thereof, and investments in infrastructure up to €50 million. The Committee meets at least once per month.

## **C. Piraeus Group Management**

### **Top Management**

Michalis Sallas, Chairman & Managing Director

Michalis Colakides, Vice-Chairman & Deputy Managing Director (\*)

Theodoros Pantalakis, Vice-Chairman & Deputy Managing Director (\*)

Georgios Provopoulos, Vice-Chairman & Executive Director

### **General Managers**

Christodoulos Antoniadis, Northern Greece Branch Network (\*)

Ioannis Vigopoulos, Greater Athens Area Branch Network (\*)

Konstantinos Georgiou, Human Resources and Training (\*)  
Vassiliki Campbell, Investment & Corporate Banking (\*)  
Stavros Lekkakos, Head of Piraeus Bank Romania  
Georgios Liakopoulos, Corporate Governance & Administration (\*)  
Triantafyllos Lysimachou, Insurance Services  
Ilias Milis, International Banking (\*)  
Spyros Papaspyrou, Retail Banking (\*)  
Ioannis Sgourovassilakis, Operations & IT (\*)

#### **Deputy General Managers**

Ioannis Kyriakopoulos, International Banking & Wealth Management (\*)  
Ioannis Papadopoulos, Southern Greece & Islands Branch Network (\*)

#### **Assistant General Managers**

Athanassios Arvanitis, Treasury  
Vassilios Koutentakis, Retail Banking  
Konstantinos Liapis, Financial Services  
Martha Barka, Corporate Credit  
Sotirios Syrmakazis, Electronic Banking

#### **Responsible for the Group's Corporate Social Responsibility**

Sophia Staikou, Chairman of Piraeus Group Cultural Foundation

#### **Management Advisors**

Chariklia Apalagaki, Legal Advisor  
Iakovos Georganas, Financial Advisor  
Panayiotis Yannopoulos, Public Administration & Local Government  
Dimitris Damkalides, International Credit  
Dimitris Kounelakis, Marketing (\*)  
Georgios Mylonas, Group's Chief Risk Officer  
Stylianos Niotis, Shipping  
Dimitris Papademetriou, Tax  
Sophocles Frangos, Group Business Planning & Development

#### **Heads of Main Greek Subsidiaries**

Piraeus Multifin SA, Georgios Drakos, Managing Director  
Piraeus Direct Services SA, Sotirios Syrmakazis, Managing Director  
Piraeus Card Services SA, Vassilios Koutendakis, Managing Director  
Piraeus Insurance and Reinsurance Brokerage SA, Ioannis Gotsis, Vice-Chairman & Managing Director  
ING Piraeus Life Insurance Company SA, Floris Van Spengler, Chairman & Managing Director  
Multicollection SA, Andreas Patsis, Vice-Chairman  
Piraeus Factoring SA, Emmanuel Protopappas, Board Member & General Director  
Piraeus Leasing SA, Ioannis Mavrelas, Managing Director  
Piraeus Best Leasing SA, Ioannis Mavrelas, Managing Director  
Piraeus Securities SA, Alexandros Devletoglou, Vice-Chairman & Managing Director  
Piraeus Asset Management Mutual Funds SA, Haris Makkas, Managing Director  
Piraeus Real Estate Investment Company SA, Herakles Chortarias, Vice-Chairman & Managing Director  
ETBA Industrial Areas SA, Athanassios Kitsidis, Executive Director  
Picar SA, Georgios Papaioannou, Vice-Chairman & Managing Director  
Piraeus Real Estate SA, Georgios Papaioannou, Vice-Chairman & Managing Director  
Exodus SA, Georgios Konstantinidis, Managing Director

### **Heads of Foreign Subsidiaries**

Piraeus Bank Bulgaria AD (Bulgaria), Athanasios Koutsopoulos  
Piraeus Bank Romania SA (Romania), Stavros Lekkakos  
Piraeus Bank AD Beograd (Serbia), Branimir Markovic  
Piraeus Bank Egypt SAE (Egypt), Gamal Moharam  
Marathon Bank (U.S.A.), Paul Stathoulopoulos  
Tirana Bank IBC (Albania), Dimitris Fraggetis

(\*) members of the Executive Management Committee

### **D. Internal Audit System**

Piraeus Bank Group makes sure that the Internal Audit System (IAS) is constantly developed and upgraded so as to protect its assets and safeguard the interests of shareholders. The IAS is a set of auditing mechanisms and procedures constantly covering every single activity and helping in the effective and secure operation of the Bank. The IAS applies to all the units of the Group in Greece and abroad, meeting the organizational and operational conditions for efficient operation. The IAS aims at effectively managing any risks that might threaten the Bank, and not eliminating them, necessarily. The responsibility of observing the IAS lies with the following:

- Audit Committee, and
- Internal Audit Division

The Board members assess the adequacy and effectiveness of the system annually, and design the strategy for its improvement by submitting a relevant report to the Bank Management along with any remarks thereon made by the Audit Committee. This report and the relevant minutes of the BoD are submitted to the Bank of Greece. Moreover, the Board of Directors is briefed quarterly by the Audit Committee on the audits performed by the Internal Audit Division, and the head of the unit is always present at the General Meetings of Shareholders.

#### **Internal Audit Division**

The Internal Audit Division, reporting directly to the Chairman of the BoD, is an independent unit in on-going contact with the Audit Committee, which is responsible for the implementation of a contemporary and effective internal audit system. Among others, the competencies of the Internal Audit Division are:

- to monitor the implementation and permanent compliance of the Bank and Group with the Internal Operating Regulations and the Code of Conduct, as well as the effective regulatory framework;
- to monitor and report to the BoD instances in which there are conflicts of interests of the BoD members, with the Bank;
- to regularly review the efficiency and effectiveness of the Internal Audit System and constantly provide the top management bodies of the Bank with valid information on the status and progress of the auditing procedures;
- to perform regular or special audits of all the operations and transactions of the Bank, to establish strict observance of all kinds of regulations, operation procedures and pre-emptive audit mechanisms that have been instituted, as well as compliance with the institutional framework governing the Bank's operation;
- to evaluate the effectiveness of the Bank's software and IT systems, monitor systematically the appropriate application of the chart of accounts and data collection, processing, management and safe keeping rules, and verify the validity of accounted data and produced statements;





Museum of Industrial Oil Production of Lesvos. The typical funnel of the plant.



- to monitor and supervise the Group's subsidiary companies;
- to submit recommendation to the Audit Committee regarding issues such as annual audit plans and reports, evaluation of findings and corrective actions, fulfilment of internal audit needs, reports to the Board of Directors and supervisory authorities of independent auditors' reports, and
- to co-operate with the independent auditors (chartered auditors, inspectors of the Bank of Greece) and approve the provision of information during audits;

It is worth noting that the Bank installed and has operated a Fraud Detection Tool since the beginning of 2005. It is an electronic system automatically detecting "suspicious transactions" which, apart from the minimum "transactions to be reviewed with special care" set by the Bank of Greece, reviews and reports 40 more cases as potentially "suspicious transactions". The aim is to ensure the Bank's compliance with the effective provisions on money laundering.

The Internal Audit Division is under the supervision of the General Inspector, who is appointed by the BoD and reports to the Chairman of the BoD and to the Audit Committee regarding the implementation of the Law 3016/2002 on corporate governance.

## E. Group Compliance Unit

In the context of the new Basle II supervisory framework and the relevant guidelines of the Bank of Greece, the Group Compliance Unit was set up in the beginning of 2006. Until then, it has been operating as a department of the Internal Audit Division. The Group Compliance Unit reports to the General Division of Corporate Governance and Administration and is accountable to the Internal Audit Division in terms of the adequacy and effectiveness of the regulatory compliance procedures.

The Unit's competencies are:

- to ensure timely and constant compliance of the Bank and Group with the effective regulatory framework with the aid of the Legal Affairs and Corporate Governance Division;
- to submit annual reports to the Senior Management and the BoD in order to inform them about any identified major violations of the effective regulatory framework or major deficiencies in the observation of the obligations imposed thereby;
- to ensure compliance with the regulatory framework regarding prevention of money laundering and combat of terrorism, and
- to co-ordinate the work of heads of regulatory compliance of the Group's subsidiaries in Greece and abroad.

## F. External Auditors

According to the resolution of the General Meeting of Shareholders of Piraeus Bank made on 12.04.2006, Mr. Vassilios Goutis of PriceWaterhouseCoopers was appointed Regular Certified Auditor for the financial statements (stand-alone and consolidated) of Piraeus Bank in 2006.

It is noted that the certified auditors are elected by the General Meeting of Shareholders annually and the maximum mandate may be four (4) years.

## G. Transparency and Communication

### Investor Relations

Informing the investors is the responsibility of the Investor Relations Unit, which provides systematic and symmetrical information on the progress of Piraeus Bank and the Group. In more detail, investors are informed in the following manners:

- responses to queries of investors (mainly institutional) on the progress of the company on a daily basis;
- organisation of corporate roadshows and one-on-one meetings. In 2006, 374 meetings were held with institutional investors in Greece and abroad through either personal contacts at the Bank's premises or roadshows in Europe and the USA,
- maintenance of the Bank's relevant website section including financial data, press releases, detailed results press releases, as well as anything else deemed necessary to deliver complete information to investors.

### Shareholder Registry

The Shareholder Registry is responsible for the direct and equal information of all shareholders, as well as for helping them exercise their rights on basis of the law and the Bank's Articles of Association. Its competencies are:

- to deliver immediate, correct and equal service to all shareholders with regard to:
  - dividend distribution, acts of new share issues, allocation, subscription, disclaimer and conversion thereof, time limits within which rights should be exercised or changes in the initial time limits;
  - information about Ordinary and Extraordinary General Meetings and resolutions thereof;
  - acquisition of own shares and sale or cancellation thereof.
- to distribute the Annual Bulletin to the shareholders at the Annual Ordinary General Meeting, according to the provisions, as well as all the published corporate publications in hard-copy or electronic form upon request. It is noted that in any case the Annual Bulletin is available to the investment community ten (10) business days prior to the Annual General Meeting of shareholders;
- to keep and update the Bank's shareholder registry, according to effective legislation. To this end, the Shareholder Registry is responsible for all communications with the Central Securities Depository.

### Corporate Announcements Service

The Corporate Announcements Service is responsible for all corporate announcements; it was set up according to L.3016/2002 and the Capital Market Commission's Board resolution no. 5/204/14.11.2000, and is responsible for the Bank's compliance with the institutional framework of such resolution. Its competencies are:

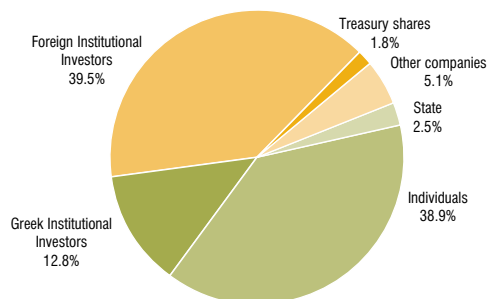
- to notify the competent authorities of the ATHEX and Capital Market Commission on any major business developments;
- to give prior advice of and communicate any major deals and other financial activities of the Board members, third parties acting as Board members, management executives and other insiders, after the accountable persons have announced them to the Bank's BoD, as provided herein.

The Bank's announcements are sent immediately to the Athens Stock Exchange, in order to be recorded in the Daily Official List and inform the investors.

## H. Shareholding Composition

Piraeus Bank is a well-diversified company, as regards to its shareholders. The shareholders' base presents a major diversity, consisting of eminent representatives of the business community, local and foreign institutional investors and numerous private investors. On 29 December 2006, the total number of shareholders reached 179,600; no individual shareholder (legal entity or physical person) held more than 5% of the Bank's total shares. At the end of 2006, 38.9% of total shares were held by individuals and the remaining 61.6% by legal entities, out of which 52% were institutional investors.

Shareholding Structure of Piraeus Bank (29.12.06)



## CUSTOMERS AND SUPPLIERS RELATIONS

In the context of customer information and transparency of transactions, the Bank observes the rules of Code of Banking Ethics, which pertain to the relations between banks and customers and are in accordance with the applicable legislation and transaction ethics.

All transactions with customers are governed by the spirit of mutual trust, and when executing transactions, the Bank shows appropriate attention, makes available at its premises information leaflets on the basic banking services offered and provides, when required, the necessary details in clear, simple and complete manner. Moreover, in the event of unilateral change in the terms and conditions governing the relationship with the customers, and should the Bank be entitled thereto, the latter informs them in the most appropriate manner collectively or individually, depending on the case. Customers will be given reasonable notice prior to any change, so as to be able to terminate in time their relationship if they so wish.

The promotion of banking products/services delivered by Piraeus Bank should be true, clearly specifying the proposed product/service, without exaggerations nor giving inaccurate or misleading information, nor excessive promotion or attempt to conceal the features of the offered products/services or exploit the public's ignorance, inexperience or fears. In this respect, Piraeus Bank has applied the "Voluntary Code of Conduct on Pre-contractual Information for Mortgage Loan Customers", as agreed by the European Consumer Associations and European Credit Sector Associations.

Piraeus Bank reviews systematically its customers' satisfaction rate with regard to services provided, by means of specifically designed surveys. The outcomes of the 2006 survey were very satisfactory showing a satisfaction rate in excess of 90% of the respondents. Additionally, the Bank occasionally uses "mystery shoppers", in order to cross check the standards of provided services.

### Banking Ombudsman and Customer Service

In response to the institution of the Banking Ombudsman, the Bank has set up the Customer Service the tasks of which are to review and settle any grievances or complaints of Bank customers, and provide information and clarifications with respect to offered banking services. If the customer is not satisfied with the response of the Customer Service, he/she may contact the Banking Ombudsman in writing.

Written and oral complaints filed with the Bank's Customer Service pertained to the following:

- Loans 34%
- Deposits – Cashier Transactions 17%
- General 3%
- Cards 42%
- Investment products 4%

The ratio of Piraeus Bank cases to total Bank cases handled by the Banking Ombudsman in the 9 months of 2006 (latest available data) dropped to 4.2% from 5.2% in the 9 months of 2005 for written complaints and 4.8% versus 5.0% in the three quarters of 2005 for phone calls. Such rates are deemed low compared to the total loans market share of Piraeus Bank (12.4%) in Greece, however further efforts will be made in order to further reduce them in the immediate future.

### Supplier Relations

The Bank's supplier relations are governed by the principles of meritocratic selection and transparency in the contract terms. The Bank cooperates with suppliers who meet objective and measurable criteria, such as the ratio of performance and quality to price, reliability and market position. There are uniform procedures applied to all suppliers, who are regularly evaluated, so as to uphold relations with the most appropriate ones based on the progress of the cooperation.

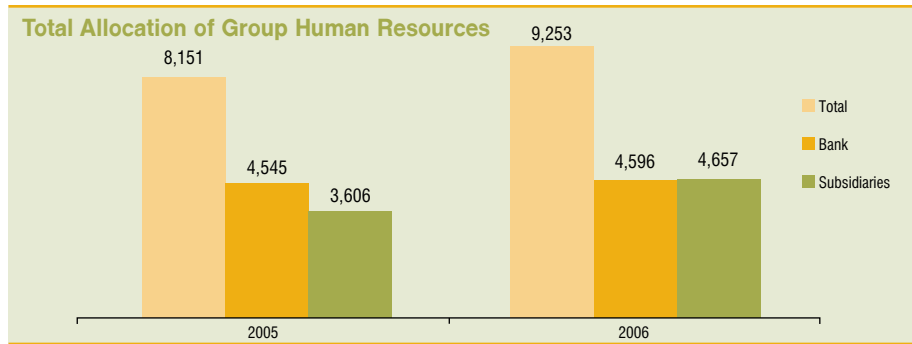


Roof tile and Brickworks Museum N. & S. Tsalapatas. View of the entrance.

## HUMAN RESOURCES

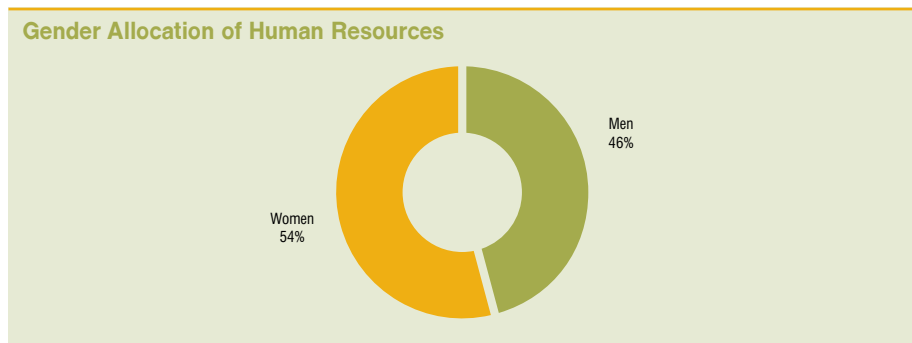
### Group Human Resources Management

At the end of 2006, Piraeus Bank Group employed 9,253 people compared to 8,151 in 2005, up by 13.5%, while Piraeus Bank employed 4,596 people versus 4,545 in 2005, up by 1.1%.



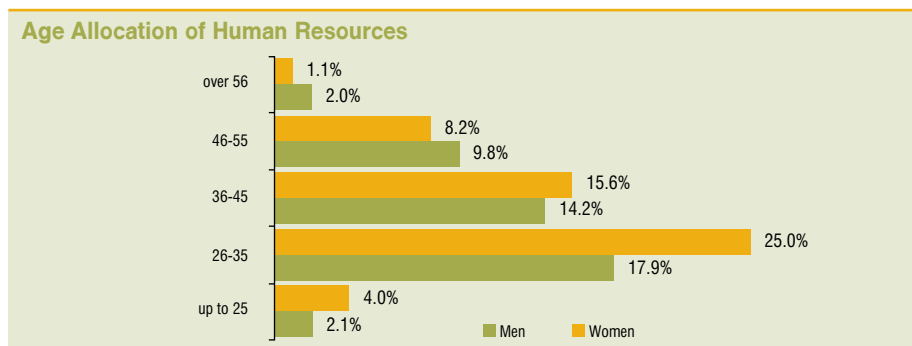
### Gender Allocation of Human Resources

The equal opportunities policy of Piraeus Bank Group is corroborated by the increasing number of female employees. The high representation of the female gender, as shown in the graph below, confirms the confidence placed on women and the major role they play in the achievement of the Group's targets.



### Age Allocation of Human Resources

The average age of the Group's employees was 36 years in 2006. Per gender, average ages were 38 years for men and 35 years for women. Similarly, the average age of the Bank's managerial staff was 42 years in 2006. Finally, the average years of previous experience were 10 years for the Bank in 2006.

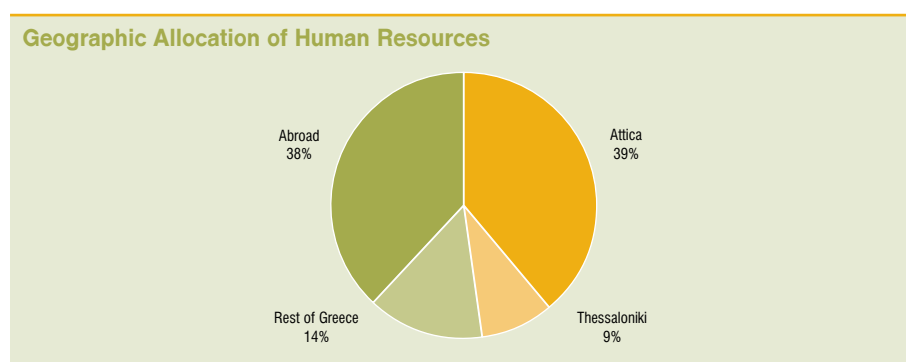


### Allocation of Human Resources per Educational Level

The high educational level of the people employed by the Bank defines the increasingly improving trend in terms of staff quality. Graduate, post-graduate and PhD degree holders outnumber significantly (54%) non-degree holders with secondary education (46%). It is worth noting the high increase rate of post-graduate and PhD degree holders, i.e. 6.4% versus 2005. The above data confirm the attraction of people with expert knowledge and high standard studies, and, on the other hand, the Bank's capacity to adopt new technologies, adapt to the changing environment and deliver solutions to new customer needs rather easily and promptly thanks to its highly educated and specialised staff.

### Geographic Allocation of Human Resources

The majority of the Group's activities are performed in Greater Athens Area, as out of the total human resources, 3,670 (40%) people are employed in Attica, 801 (9%) in the region of Thessaloniki, 1,303 (14%) in the rest of the country and 3,479 (38%) abroad.



### Allocation of Human Resources per Responsibility Position

The equal opportunities policy adopted by the Bank in 2006, too, along with its clear orientation to more efficient and rational management and development of human resources, enabled new managers to develop and be promoted. There was a significant rise by 9% versus 2005 in the number of managers in the Bank. Specifically, managers as a percentage of total staff reached 36%. It is worth noting that women account for 43% of managers, a rather high percentage, which shows the extent of trust placed on the female gender by the Management, as a result of the high efficiency and success rates they attain in all the tasks they perform.

### Human Resources Turnover

The primary objective of Piraeus Bank is to attract and retain high standard human resources, who can embrace the Group's values and vision while decisively contributing to their implementation. The Bank is always interested in people who are professional, highly responsible, result-oriented, team-spirited, initiative-takers, hard working and interested in learning and development.

## Social Report

The social policy applied mainly aims at the increasing improvement of the well-being standards of the Group's staff. Such policy includes a series of additional provisions and benefits, such as full coverage of the group insurance scheme premia (hospital-medical care, life insurance-accident and permanent total disability insurance), nursery costs, rewarding scheme for employees' children who study in universities/technical institutions and equivalent institutions abroad, additional days of leave in case of child sickness or hospitalisation, special one-off benefit for employees who have many children.

Total staff expenses amounted to €301.8 million in 2006 and are broken down as follows:

■ Wages and salaries	€217.8 mn
■ Social security contributions	€46.2 mn
■ Other charges	€13.0 mn
■ Retirement benefits	€24.8 mn

Other charges include the cost of medical care, employees' insurance with death and permanent disability coverage (Group Insurance Scheme), executive staff preventive check-up, as well as expenses for nursery schools, employer's contributions other than insurance funds, etc. It is noted that loans granted under the Collective Bargaining Agreement amounted to €1.3 million in 2006, and their balance was €45.1 million as at 31.12.2006.

## Training

In 2006, the primary objective of training activities was once again to support the strategy of enhancing managers' capability to provide financial advice and services meeting customer needs efficiently and qualitatively.

On the basis of the above strategy, it was also sought to reinforce both Group product and service knowledge and technical knowledge forming the foundation for integrated financial advice, as well as to ensure the quality of Group operation.

All in all 1,479 training courses were held by the Group in 2006 (in-house and external). Training courses accounted for 287,984 man-hours, increased by 40% compared to 2005.

The training man-hours per individual in the Bank reached 37 (up from 33 in 2005), and 68% of the staff participated in at least one training course. The respective figure at Group level amounted to 31 man-hours of training per individual compared to 25 man-hours in 2005.

It is also worth noting that the classroom courses were evaluated by Piraeus Bank employees as "excellent" in average and attained an average satisfaction rate of 87%.

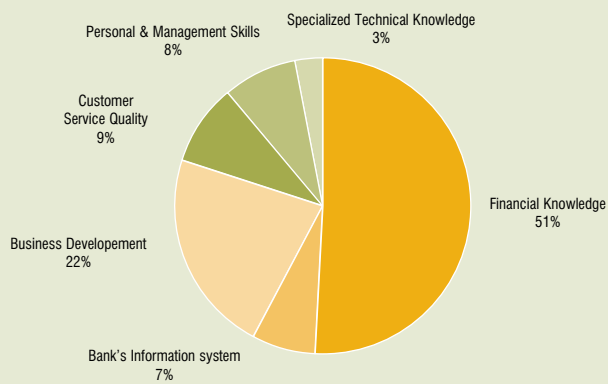
Out of the total manhours, 51% was dedicated to the development of financial knowledge and 22% was dedicated to product and service knowledge and selling skills. 9% of the manhours were dedicated to constant improvement of operation and customer service quality, 8% to personal and management skills, 7% to the enhancement of the Bank's information systems knowledge and, finally, 3% to the development of specialized technical knowledge.



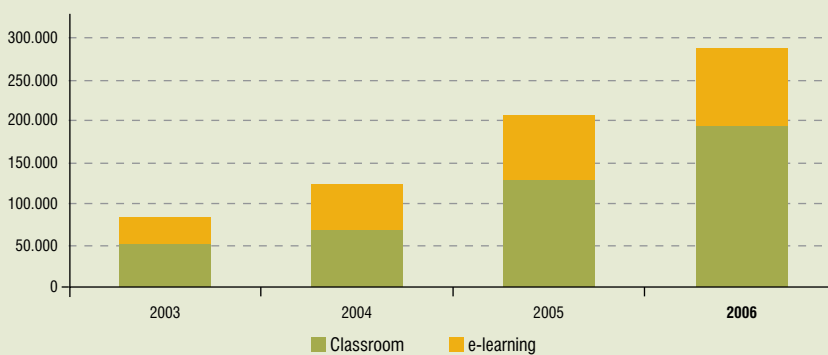
### Training Man-hours per Person in Piraeus Bank



### Allocation of Man-hours based on training courses in Piraeus Bank Group



### Total Man-hours per Teaching Medium of Group Human Resources



In 2006, too, the extensive use of e-learning continued delivering significant benefits to trainees, such as immediate fulfilment of training needs as soon as they are identified, training time flexibility, Internet-based training, and personalized training attendance rate.

Participation in e-learning courses within Piraeus Bank numbered 4,962 in 2006, accounting for 51% of total training man-hours. It must be clarified that a major part of e-learning

participations is affected as integrated articulate programmes which are implemented by the utilization of classroom and e-learning programmes, or other teaching mediums.

Let us note at this point that the implementation of integrated “Schools” in the Bank was pursued in 2006, too. Currently, there are 5 such “Schools” in operation aiming at distinct roles or experience levels, while 4 more such managers’ “Schools” have been planned and will be implemented within 2007. In 2006, Piraeus Bank also continued its highly successful support and development program for young executives, financing the participation of 38 selected individuals in graduate and post-graduate courses.

Finally, emphasis was placed once again on the organisation of customised on-the-job training and rotation programmes. There were 223 individual programs which had an average duration of 120 hours in 2006.

### **Promotion and Career Development**

In line with Piraeus Group’s focus on developing a high performance culture and enhancing the culture of human resources investment, in 2006, the implementation of the available skills use and development project, which had been put in place in 2001, was continued aiming at filling new jobs emerging in the Group companies mainly with existing staff.

This programme was successfully continued for a sixth consecutive year and contributed to optimal staffing, while saving time and cost that would have been required in the event of external selection of staff, as well as reallocation of capabilities and skills on the basis of the changing market requirements.

Specifically, in the framework of this project 63% of 297 announced managerial job vacancies were staffed from within the Group, and 37% through external selection. Moreover, of the managerial jobs that were staffed from within the Group, 77% pertained to the Branch Network and 23% to the Head Offices.

Specifically, the Bank has Evaluation and Development Centres for management positions, in co-operation with external expert consultants. These centres help in the evaluation of competencies of staff destined for management positions and their proper preparation to successfully execute their role. In 2006, 79 managers participated in the Evaluation and Development Centres, 46 of whom (58%) were actually promoted to higher management positions.

Moreover, 14% of managers that had been evaluated in 2005 and 4% of managers that had been appraised in 2004 were promoted upon completion of their customized development plans. Moreover, there are development- promotion perspectives for 19% of the managers who participated in Evaluation and Development Centres in 2006.

### **High Potential Staff Management and Incentives**

In the effort to ensure the constant growth of Piraeus Bank through its human resources and shape a mindset that will further reinforce the commitment of the Bank’s employees, high potential employees - “talents” were identified, in cooperation with the Bank units, and were included in a fast advancement, development and differentiated reward programme.

Additionally, the Board of Directors adopted, in the context of its duties, a set of measures to reinforce corporate culture and long-tem loyalty among Group managers.

The first measures pertain to the upgrading of the working environment and areas, and establishment of events and activities aimed at strengthening team work and effectiveness among managers. Moreover, employee health and well being support programmes are developed along with programmes for the prevention of behaviours that are not consistent with the corporate culture.

Other measures include a set of Length-of-Stay Incentives for managers of the Group, as well as voluntary retirement incentive schemes with compensation rights in the event of adverse administrative or organizational changes in order to enhance the employment security feeling.

### **Best Workplaces Hellas 2007**

Piraeus Bank was distinguished achieving the 15th place at the “Best Workplaces Hellas 2007” competition, organized by Great Place to Work® Institute Hellas. This position was particularly complimentary, since Piraeus Bank employed the biggest number of human resources among the companies which ranked at the first 20 positions and was the 1st among banking institutions.

### **Human Resources Management System**

In 2006, the Human Resources Management System (HRMS) was further upgraded, in order to keep up with most recent system developments and provide users with more possibilities. At the same time new modules were incorporated, such as performance assessment and reporting, which will be fully operational within 2007, achieving pioneering data management and motivating all users for higher use of the systems.

Additionally, the system core modules were installed in the majority of domestic and foreign subsidiaries. In 2007, system capacities will be fully utilised by the subsidiaries and additional modules that will be deemed required will also be installed.

### **Business Excellence Program**

In 2006, Piraeus Bank consistently pursued its way to Business Excellence, starting the preparations of selected Bank Units, which will be candidates for certification in the next EFQM Business Excellence Model levels as soon as they implement certain internal interventions and improvements.

The introduction of the EFQM Business Excellence Model into Piraeus Bank has already brought major benefits to the Organisation, as it mobilises the Bank towards on-going improvement and growth through an integrated approach.

### **Social Contribution**

In 2006 Piraeus Bank proved its dedication to the corporate social responsibility principles co-organised with ALBA the first complete training seminar in Greece on “e-Commerce and e-Banking: The future of Businesses”, wishing to contribute to the dissemination of knowledge and best practices in the Greek financial and business world.

The seminar was taught to 2 groups and attended by 65 participants, owners or managers of small and medium-sized enterprises and self-employed professionals. The seminar was taught by ALBA professors and managers of Piraeus Bank's E-Banking Division. The cost of the seminar was fully paid by Piraeus Bank Group.

Moreover, in an effort to promote entrepreneurship among students, the Human Resources and Training Division sponsored the participation of the 3 groups of students in the Global Management Challenge 2006, organized by SDG Hellas, in virtual business environment. Through their participation in this business game, the students took advantage of the opportunity to gain practical experience in the management of a modern business faced with the recent challenges of the global market.

Finally, the Bank maintained its active involvement in the promotion of the research work performed in the academic community, transferring know-how on a series of subjects, by taking part in research and offering practice opportunities to students; it thus contributes to the establishment of links between education and labour market.

### **Equal Opportunities Policy**

Piraeus Group pays particular attention to its equal opportunities policy, as well as prevention of any racial or other discrimination through the human resources policies.

All procedures, actions and policies of the Group which pertain to Human Resources are designed on the basis of equal opportunities principles and enable everybody – without any discrimination on the basis of gender, nationality, physical ability, age, sexual preference or religion– to make use of and enjoy equal opportunities.

### **Health and Safety at the Workplace**

Piraeus Bank Group has catered for the creation and maintenance of a modern and safe work environment, which reflects the high service standard, which is sought to be provided to both its customers and its human resources.

The close and substantial co-operation with special agencies providing Labour Doctors and highly trained Safety Experts in work and bank safety ensures optimum results in the best possible manner.

### **Collective Representation**

Almost all employees are represented by the four unions, the most representative of which is recognised as the competent body for bargaining with the Management.

## SOCIETY, ENVIRONMENT AND CULTURE

Piraeus Bank sponsors and supports various projects aimed at assisting disadvantaged social groups and protecting the natural environment every year. The Bank has also undertaken remarkable cultural activities through the Piraeus Group Cultural Foundation (PIOP).

In total, the Bank's contribution to actions, projects and initiatives regarding social, cultural and environmental work accounted for approx. 2.6% of annual earnings before tax and 2.4% of operating expenses in 2006.

### U.N. Global Compact

In the beginning of 2004, Piraeus Bank joined voluntarily the UN Global Compact, which pertains to ten principles in the areas of human rights, employment rights, environment protection and combat against corruption. Piraeus Bank took the initiative to support and promote these principles in its scope of activities. The table below shows the ten Global Compact principles and the actions taken by Piraeus Bank in order to put them in practice.

Principle	Reference to the Annual Report or Implementation Method Description
1 Support and respect the protection of internationally proclaimed human rights within businesses and their sphere of influence	Full compliance with the relevant Greek and international laws
2 Make sure that businesses are not complicit in human rights abuses	Full compliance with the relevant Greek and international laws
3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	Annual Corporate Social Responsibility Report "Human Resources"
4 Elimination of all forms of forced and compulsory labour	Full compliance with the relevant Greek and international laws
5 Effective abolition of child labour	Full compliance with the relevant Greek and international laws
6 Elimination of discrimination in respect of employment and occupation	Annual Corporate Social Responsibility Report "Human Resources"
7 Support a precautionary approach to environmental challenges	Annual Corporate Social Responsibility Report "Society, Environment and Culture"
8 Undertake initiatives to promote greater environmental responsibility	Annual Corporate Social Responsibility Report "Society, Environment and Culture"
9 Encourage the development and diffusion of environmentally friendly technologies	Annual Corporate Social Responsibility Report "Society, Environment and Culture"
10 Businesses should work against all forms of corruption, including extortion and bribery	<ul style="list-style-type: none"> <li>- Code of Conduct</li> <li>- Relevant terms in employment contracts</li> <li>- Relevant labour relations framework in the Bank</li> <li>- Control mechanisms and procedures, and anti-money laundering information system (including corruption)</li> </ul>



Museum of Industrial Oil Production of Lesvos. The steam engine of the plant.

## Social Actions

Piraeus Bank supports major programmes aimed at aiding disadvantaged social groups. In particular, Piraeus Bank:

- since 2000 has implemented a special programme, in collaboration with the Greek Church to assist families with many children in Thrace, subsidising every year all disadvantaged families with three children;
- since 2000 has been financing organised communities, associations and organisations for disadvantaged and orphan children. It has been the exclusive sponsor of major fund-raising events for disadvantaged children or children suffering from severe or incurable diseases or special abilities;
- started financing organisations supporting elderly people, in the same year, and
- continues to actively support peoples detoxification and their smooth social re-integration after the conclusion of their therapy.

## Cultural Actions

The year 2006 was marked by significant growth for Piraeus Group Cultural Foundation (PIOP). It was marked by the expansion of three of the museums in operation, which are part of the Thematic Museum Network developed by PIOP in the Greek regions, and the addition of two new museums to the Network, which operates care of the Foundation and is financed by the Bank. At the same time, new proposals were lodged with the Foundation by Local Government agencies on the creation of new museums. All the activities of the Foundation (publications, research, events, historic archive) were developed significantly resulting in the reorganisation of PIOP's structures and increase in the number of staff.

### Piraeus Group Cultural Foundation

Aspasia Louvi, General Director of PIOP

Specifically, the actions undertaken per department are as follows:

#### A. MUSEUMS SERVICE

##### I. Museums in operation

- Silk Museum in Soufli
  - Welcome of the President of the Republic, Mr. Karolos Papoulias (Easter Sunday)
  - In the last quarter 2006, the Museum was included in the 3rd Community Support Framework (CSF); as a result works were scheduled to start on 1 January 2007 and finish in mid 2008. During this period the Museum will be closed. The project has been included in the Regional Operational Programme (ROP) of Eastern Macedonia-Thrace 2000-2006 and is also financed by Piraeus Bank
- Open-Air Water Power Museum in Dimitsana
  - Its successful operation continued in 2006, having attracted approx. 40,000 visitors
  - The construction of the parking space and the multi-purpose hall was completed. The project was financed by the 3rd CSF (ROP Peloponnesus 2000-2006) and Piraeus Bank
- Museum of the Olive and Greek Olive Oil in Sparta
  - Its successful operation continued in 2006, having attracted approx. 11,000 visitors
  - Phase B of the project "Establishment of an outdoor exhibition and equipment of the multi-purpose hall" is currently under way. The project is financed by the 3rd CSF (ROP Peloponnesus 2000-2006) and Piraeus Bank
  - Event titled "Without oil and vinegar how can we go on a trip" on the occasion of the

- International Museum Day (18-19.05.06)
- Performance "I offer an olive branch" on the occasion of the "Museums Nights" celebration (20.05.06)
- Museum of Industrial Olive-Oil Production on Lesvos island, Agia Paraskevi in Lesvos
  - The Museum was completed. The project was financed by the 3rd CSF (ROP N. Aegean Region 2000-2006) and Piraeus Bank
  - The Museum was successfully inaugurated by the President of the Republic, Mr. Karolos Papoulias on 15.09.06
  - Event titled "I offer an olive branch" on the occasion of the "European Heritage Days" celebrations (22-24.06.06)
  - Welcome and guided tour of the President of the European Parliament, Mr. Josep Borrell (29.10.06)
- Rooftile and Brickworks Museum N. & S. Tsalapatas in Volos
  - The Museum was completed and opened its doors to the public on 27.12.06. The project was financed by Piraeus Bank.
  - Welcome and guided tour of 400 participants in the 46th ERSA Conference (31.08.06)

## **II. Projects in progress**

- Museum of Marble Crafts in Pyrgos, Tinos island
  - The construction of the building and the multi-purpose hall have been completed and the museological work is expected to finish in the beginning of 2007. The project is financed by the 3rd CSF (ROP S. Aegean Region 2000-2006) and Piraeus Bank
- Museum of Traditional Crafts and Environment of Stymphalia, at Stymphalia lake
  - Building construction and museum infrastructure works are continued. The project is financed by the 3rd CSF (ROP Peloponnesus 2000-2006) and Piraeus Bank

## **III. Projects to be introduced**

- Museum of Mastic on Chios island
  - All necessary deliberations with the local Mastic Growers Association of Chios regarding the location of the museum have been completed
  - All the necessary designs and surveys are being prepared and it is expected that a measure will be announced for the project's inclusion into a European financing programme
- Museum of Paper Technology and Greek Typography
  - The collection of material was continued
  - There were investigations for an appropriate building to house the museum
- Finally, the possibility of a Museum of Gold and Silversmithery Technology in Ioannina is explored.

## **IV. Conferences**

- Presentation of the Museums Network at the Table Ronde «L'avenir des Musées» (Paris, 25.04.06)
- Participation in the 3rd International Conference of Museology-Annual ICOM-AVICOM Conference 2006 "Audiovisuals as cultural heritage and their use in museums" (Mytilene, 07.06.06). Paper on "The use of technologies at the Museum of Industrial Olive Oil Production of Lesvos"
- Participation in the ERSA 46th Conference on "Enlargement, South Eastern Europe and the Mediterranean" (Volos, 31.08.06). Paper on «The Museums Network model of the Piraeus Bank Group Cultural Foundation»
- Presentation of the Museums Network at the conference «Picture final Conference: Pro-active Management of the Impact of Cultural Tourism upon Urban Resources and Economies» of the European Institute of Cultural Routes (Luxemburg, 21-23.09.06)
- Presentation of the educational folder of the Museum of the Olive and Greek Olive Oil at the 10th Annual Information Meeting "Education and modern Greek cultural heritage" of



the Modern Cultural Heritage Directorate (Athens, Greek section of ICOM, 08.12.05)

- Presentation of the Museums Network in the context of the postgraduate Museology Studies (AUTH and NTUA) by PIOP staff.

## **B. RESEARCH AND PROMOTION DEPARTMENT**

### **B1. Research:**

#### **I. Research programme on the preparation of the Museum of Paper Technology and Greek Typography**

A three-year research programme on the history of paper technology and manufacture was completed. Research was conducted nationally and internationally for the purpose of preparing the Museum of Paper Technology and Greek Typography. The findings will be included in a special publication by the Foundation on the history of paper in Greece.

#### **II. Research programme on the identification of information regarding areas under the Venetian rule**

The five-year research programme was completed in collaboration with the Hellenic Institute of Byzantine and Post-Byzantine Studies of Venice, and the findings were delivered. The programme aimed at identifying information in the Venice archives and libraries regarding technology issues with an emphasis on the Greek areas under the Venetian rule. Related material was collected at the Foundation in the form of microfilms (drawings, maps, etc.) and was entered into a special databank, which contains approx. 2,500 exhibits and is accessible by researchers via the PIOP library. This databank is enriched with document summaries and transcriptions of legends that accompany the collected exhibits.

#### **III. Research program "Tin craft in the 20th century. The case of Georgios Hatzilaos"**

The research programme on tin craft was continued. It specifically pertains to the products manufacturing and distribution to the market. The research findings will be used for the authoring of a relevant monograph and structuring of a travelling exhibition that will be shown at the PIOP Museum Network.

#### **IV. Research programme on the Inventory of traditional workshops and cottage-industries in Pelio**

The research programme on the inventory of traditional workshops in Pelio was continued for a sixth consecutive year. Research, covering the entire area of Pelio, is conducted by work groups and consists of workshop identification, ethnological and historical documentation, architectural plotting and mechanical equipment recording, where it is applicable.

#### **V. Research programme on the preparation of the Museum of Mastic on Chios island**

A research programme appropriate to the needs of preparing the Museum of Mastic in Chios was conducted, a series of relevant designs and studies were assigned (archaeological, historical, and architectural) and the collection of archival and other primary material was organised.

#### **VI. PIOP's participation in the "Kaleidoscope" Programme (Equal Initiative)**

Support was offered to research (documentation and study of the cultural reserve in the Peloponnese Region) conducted in the framework of a project pertaining to the development of local entrepreneurship in cultural tourism in Peloponnese (supervision by the Ministry of Employment, Equal Initiative).

#### **VII. Research programme "Registry of Businesses and Businessmen in Messinia"**

A research programme was designed and all necessary tasks were assigned in order to set

up an electronic data base “Messinias Bibliography: Economy-Society-Crafts/Technology in modern times”, as well as a “Registry of Businesses and Businessmen in Messinia, 19th-20th centuries”. The programme is implemented in the framework of PIOP’s participation in the Kaleidoscope programme financed thereby.

**VIII.** Research programme on raisin-production in western Peloponnesus in association with the Association of Agricultural Co-operatives of Ilia-Achaia

A research programme on raisin-production in the Western Peloponnesus was designed, in association with the Association of Agricultural Co-operatives of Ilia-Achaia, for the purpose of conducting a relevant study.

**IX.** Registry of Greek Industrial Heritage TICCIH (The International Committee for the Conservation of the Industrial Heritage)

On the initiative of the Greek section of TICCIH an attempt is made to document the pre-industrial and industrial heritage monuments in the Greek territory, with the involvement of organizations such as the Ionian University, University of Ioannina, University of Thessaly, National Research Foundation and the Municipal Centre for History of Volos.

**X.** Support of the research programme “Archive of Musical Illustration”

In 2006, PIOP supported, for a second consecutive year, a five-year research programme “Archive of Musical Illustration” of the Music Studies Department, School of Fine Arts, AUTH, with the aim to set up an electronic data base accessible to the entire academic community.

**XI.** In 2006, the Foundation sought also to upgrade its operating infrastructure:

- a. creation of an electronic archive tree to collect the material managed by the Foundation,
- b. organization of the Library (overall restructuring, completion of the material inventory, selection of titles to be removed, acquisition of approx. 550 new book titles, etc.),
- c. detailed inventory and further enrichment of the Photographic Archive,
- d. detailed inventory of the Foundation’s Drawings Library.

## **B2. Promotion**

The upgrade of the operating infrastructure of the promotion sector was sought after:

- a) documenting and indexing of the Photographic Archive;
- b) documenting and indexing of Press clippings;
- c) creating a pool of documents and presentations made by the Foundation; and
- d) documenting and indexing of similar organizations with the aim of networking and establishing partnerships with the Foundation.

The Foundation was promoted also by a series of almost 30 events in the following fields:

- scholarly (international and Greek fora to establish partnerships; lectures-presentations in conferences and universities)
- trade (exhibitions, cultural tourism events)
- local (schools, local associations, Kaleidoscope programme)
- daily, periodical and scholarly Press.

## **C. PUBLICATIONS DEPARTMENT**

In 2006, the following works were published under the auspices of the Foundation’s Publications Department:

- Kolonas Vassilis, To ktirio tou Metochikou Tameiou Stratou (The Building of the Army Pension Fund, in Greek)
- Hooper-Greenhill Eilean, Museum and its precursors (in Greek)



Rooftile and Brickworks Museum N. & S. Tsalapatas. Interior view of the driers.



- Pikoulas Yiannis, Dromoi tou Ladiou stin Anatoliki kai Notia Peloponiso stin Arhaiotita (Olive Oil Roads in Eastern and South Peloponnesus in antiquity, in Greek)
- Oikonomou Andromachi – Psaraki-Belessioti Niki, Me ti dynami tou Nerou 3. O Baroutomylos (With water power 3. The Powder Mill, in Greek) (educational programme of the Open-Air Water Power Museum)
- To dakry tis Elias (The tear of Olive, in Greek) (illustrated popular fairy tale for the educational programme of the Museum of the Olive and Greek Olive Oil)

II. At the same time 26 new publications were prepared of which the following were published in the beginning of 2007:

- Zivas Dionyssis, Anaplasti stin Plaka (Regeneration in Plaka, in Greek)
- Desyllas Christos, To Monte di Pietà tis Kerkyras (1630-1864) (The Monte di Pietà of Corfu (1630-1864), in Greek)

III. Reprinting of “Pilioritiki Oikodomia” (Masonry of Pelio, in Greek) by Yiannis Kizis, and “Synoptiki Istoría ton Technikon” (Concise History of Crafts, in Greek) by Bruno Jacomy that had been exhausted.

IV. The Publications Department attended to the design and production of educational folders, games, etc. on behalf of the Museum Network (Museum of the Olive and Greek Olive Oil, Museum of Industrial Olive Oil Production of Lesvos, Open Air Water Power Museum, Rooftile and Brickworks Museum N. & S. Tsalapatas).

#### **D. HISTORICAL ARCHIVE DEPARTMENT**

The Department of the Historical Archive of PIOP, the main tasks of which are to safeguard and promote Piraeus Bank’s historical records and make them available for research, has been active in the management of major archives and collections according to the international archiving standards.

In 2006, by decision of the Special Management Service of the Operational Programme for the Information Society (OPIS), the project “Development, highlighting and promotion of integrated digital archive collection of the Piraeus Group Cultural Foundation” was included in OPIS. The project is co-financed by 75% by the European Regional Development Fund and 25% by national resources.

The Foundation’s Special Library, which provides specific information on economic history and the history of banking and businesses, was enriched with new Greek and international book and review titles.

#### **Environmental Activities**

The indisputable facts that the environment is deteriorating at an alarming rate and that the private sector has a distinct responsibility in dealing with the problem, have led Piraeus Bank to plan and implement its Environmental Policy as early as 2003, thus committing the Bank to a responsible “environmental behaviour” both internally and externally. Hence, the Bank has a vested interest, on the one hand, in the mitigation of the environmental impacts induced by its operation and on the other hand, in the development of an appropriate corporate behaviour towards environmental issues in general.

#### **Responsible for the Environmental Department**

Vrasidas Zavras, Management Advisor

The principles of the Environmental Policy, as approved by the Board of Directors, are as follows:

“Piraeus Bank recognises that energy sources are not inexhaustible and must, therefore, be used rationally. As a result, its contribution to the protection of the environment is two-fold, internal and external. Internally, the Bank endeavours to reduce the environmental impact of its activities. Externally, it endeavours to raise the awareness of its customers regarding the environment, and support actions taken outside Piraeus Bank, which are aimed at the protection of the environment in general for the generations to come. To meet this objective, an Environmental Management System has been implemented, following the European EMAS Regulation.

The Management of Piraeus Bank commits itself to the consistent application and ongoing improvement of the Environmental Management System, as well as its compliance with international and national regulations and codes of conduct regarding its operation and taking of preventive and corrective measures to forestall the downgrading of the Bank’s internal and external environment. The ongoing improvement of the Environmental Management System is achieved through reviews and revisions of both the system per se and the overall management objectives.

All the personnel employed with Piraeus Bank is obliged to follow the relevant working procedures and guidelines, as well as any revisions thereof, arising from the application of the Environmental Management System.

In this context, the overall environmental management objectives of the organization are defined as follows:

- to constantly explore preventive and corrective initiatives to be undertaken, in order to use the resources required for the Bank’s efficient operation in a more sustainable manner;
- to constantly raise the awareness of the staff regarding environmental issues;
- to constantly try to reduce potential environmental impacts through the improvement of services and products delivered by the Bank;
- to communicate the environmental impacts induced by the operation of Piraeus Bank, as well as the measures taken to mitigate such impacts;
- to preserve and reinforce the organisation’s reputation regarding environment protection.

Such objectives may be achieved by applying control, monitoring and measurement methods on all the processes involved in the functions of products/services design and production, supplies and partnerships, technical support etc., as well as by defining measurable management objectives. For the purpose of implementing the environmental policy and attaining the effective or revised environmental targets and objectives, the Bank provides all and any required means and runs environmental management projects, which are appropriately communicated to the parties involved.”

The mitigation of the environmental impacts of the Group’s operation, the introduction of environmentally friendly processes into the operating structures, the expansion and reinforcement of environmentally friendly products on the market, the contribution to the reduction of CO2 emissions and the intensification of efforts for the protection of nature are the strategic thrusts of Piraeus Bank’s Environmental Department. The latter works in close co-operation with all the Bank’s competent Sections and Departments for the implementation of specific projects.

2006 of its proposal submitted to the LIFE programme, which is the principal financing instrument for the promotion of the EU's environmental policy. The proposal, titled "GREENBANKING4LIFE", was evaluated as one of the most comprehensive at the European level and was the only proposal from Greece to be approved in 2006. The Project has a three-year duration (October 2006 - October 2009), €2,000,000 budget and is 50% co-financed by the European Union. Partner to the implementation of the Project is the Ecological Recycling Society, a Greek environmental non profit organization with long experience in material re-use and recycling.

The purpose of the "GREENBANKING4LIFE" project is to mitigate the Bank's environmental impacts induced by both its internal and business operation, and transfer know-how to other businesses or services associated with the Bank as well as to the broader public.

The Project implementation assumes and further promotes the existing participative nature of the Bank's environmental initiatives. A number of Bank managers from specific Divisions (HR, Business Planning, Training, Marketing and Communication, IT, Corporate Credit, Retail Banking, Purchases, etc.) devoted part of their time to draft the proposal and now over 50 of them are being involved in the implementation of the Project's actions.

The increased responsibilities resulting from the "GREENBANKING4LIFE" project coupled with the Management's commitment to further develop this sector, led to the reinforcement of the Environmental Department with the hiring of new expert staff.

Taking further initiatives started in 2005, the measurement and processing of environment indices were standardised in 2006. Such indices include paper, power and water consumption levels as well as travels. The aim of these initiatives is to assess the environmental impacts of the Bank's internal operation and implement strategies to reduce them. The Environmental Management System follows the procedures stipulated in the EMAS (Eco-Management and Audit Scheme) Regulation (EU) No. 761/2001.

Specifically in 2006, recycled, chlorine-free paper successfully substituted the conventional paper use by 92% and 94.6% for A4 and A3 paper, respectively. The total amount of substituted paper for the Bank's internal needs reached 300 tons. This made Piraeus Bank the single largest user of recycled, chlorine-free paper in the Balkans. The table below shows indicative environmental benefits derived from the use of recycled paper:

Environmental benefits from use of 300 tons of recycled paper		
Trees not cut	5,100	trees
Prevention of CO2 emissions	286.80	tons
Reduced water consumption	9,900,000	litres
Reduced solid waste	152.7	tons
Reduced power consumption	1,407,000	kWh

In the same framework, the collection of used paper in special recycling bins continued in various Management offices of Piraeus Bank. At the same time, a paper collection system was designed for the Bank's Headquarters at CityLink. Specifically, 70 bins were placed in 2006 having resulting in the collection of 26.6 paper tons in this building alone. All in all, in 2006, 100 tons of paper were delivered for recycling from all the Bank's buildings versus 76.5 tons in 2005, thus recording an increase of 31%. The table below shows indicative environmental benefits derived from the use of recycled paper:

Environmental benefits from recycling 100 tons of used paper		
Trees not cut	1,700	trees
Prevention of CO2 emissions	95.60	tons
Reduced water consumption	3,300,000	litres
Reduced solid waste	50.9	tons
Reduced power consumption	469,000	kWh

Moreover, during the same year a database was set up to record staff travels (by air, sea, railway and road). This was an improvement over an initiative which started in 2005. In 2006, domestic air travels reached an average of 180 km per person, slightly down from 2005. Similarly, air travels abroad reached an average of 518 km per person. This category showed an increase compared to 2005, mainly due to the major growth of the Bank's activities in SE Europe and Egypt. In order to reduce these travels, video conferences were installed in the international subsidiary companies.

Additionally, in 2006, all power consumption data were collected from the Public Power Company bills for the years 2005 and 2006. Based on these data and given the total surface area of the Bank's facilities, consumption in 2006 was estimated at 172 kWh/m<sup>2</sup> in 2006. Further analysis of and measures for the reduction of power consumption are included in the 2007 targets.

An additional major achievement in 2006 was the completion of a database where both Greek and EU environment legislations were entered. The database is being constantly updated by an external assistant.

In the context of Piraeus Bank's strategy to support alternative energy sources and mitigate environmental impacts caused by air pollution, the Environmental Department in collaboration with other Bank Divisions designed and promoted the first integrated "green" banking product in Greece. It is a financing product for investment in photovoltaic systems and was launched at the end of 2006. This financing product is targeted to both businesses and individuals. Additionally, an insurance programme was specifically designed in close collaboration with Piraeus Insurance and Reinsurance Brokerage S.A. to cover liabilities for such investments.

Raising awareness of the staff regarding environmental issues was started in 2006. A methodology was devised for the collection and dissemination of information regarding global development and new trends in the fields of the environment and economy. Moreover, articles concerning the Bank's environmental policy and products were included in its targeted newsletters (Newline, Winners, Business Choices, and Investment Choices).

Participations in conferences and exhibitions for the environment enabled Piraeus Bank to communicate its environmental policy to the public. It is worth mentioning the ECOLIFE Exhibition held on 23-26 June 2006, where Piraeus Bank was a sponsor and had its own stand. In the framework of the exhibition, the Bank participated in a seminar on the "Perspectives of the Greek Photovoltaics market", and had the opportunity to stress once again publicly its interest in supporting investments in Renewable Energy Sources.

Regarding the ongoing commitment for the protection of biodiversity in Greece, Piraeus Bank designed in 2006, a strategy for the support of dynamic and reliable non-governmental and non-profit organisations aiming at the protection of vulnerable habitats, rescue and

protection of endangered species, training as well as raising public awareness. As a result, a special sponsoring programme was established to support aid for actions aiming at the protection of the Mediterranean seal, the loggerhead sea turtle and the brown bear, in collaboration with the respective Non Government Organizations, MOM, ARCHELON and ARKTOUROS. Equally important is the Bank's participation in the EU programme LIFE-Nature implemented by MOM aiming at improving the Fishing Policy and reducing the loss of income incurred by coastal fishermen.

Piraeus Bank remains the exclusive sponsor of a monthly ecological review with approximately 30,000 prints in circulation.

Finally, it should be noted that Piraeus Bank continues to meet the FTSE4Good index criteria following a positive evaluation. The international FTSE4Good index was established by the independent organisation FTSE, known for its creation and management of indices, in order to respond to the increasing needs of socially responsible investors for placements in companies meeting globally acknowledged Corporate Social Responsibility standards.

**Total Environmental benefit for 2006**

Trees not cut	6,800	trees
Prevention of CO2 emissions	382.4	tons
Reduced water consumption	13,200,000	litres
Reduced solid waste	203.6	tons
Reduced power consumption	1,876,000	kWh



	2006 STATUS	2007 OBJECTIVES
<b>APPLICATION LEVEL</b>		
<b>INTERNAL ENVIRONMENT</b>		
<b>POWER</b>		
Total power/m2	172 kWh/m <sup>2</sup>	Pilot use of photovoltaic systems in 2 Bank buildings.
<b>DOMESTIC TRAVELS</b>		
Total flights/ person	180 km/person	Pilot implementation of travel reduction programmes.
<b>TRAVELS ABROAD</b>		
Total flights/ person	518 km/person	Pilot implementation of travel reduction programmes.
<b>PAPER</b>		
Total paper consumption for in house Bank needs/person	72 kg/person, of which 66 kg recycled, chlorine-free A4 paper	Implementation of a recycling programme throughout the Bank's organizational units and in 15% of Athens and Thessaloniki Branches.
Total paper recycled/person	21 kg/person	
% use of recycled paper for in house Bank needs	92% in A4 95% in A3	
<b>EXTERNAL ENVIRONMENT</b>		
Creation of "green" banking products	"Green" banking product for investment in Photovoltaics	Further promotion of existing "green" products and design of new ones.
<b>ORGANISATION LEVEL</b>		
<b>INTERNAL ENVIRONMENT</b>		
<b>POWER</b>		
Total oil/m <sup>2</sup>	Consumption measurement (lit/m <sup>2</sup> )	Implementation of reduced consumption strategy
<b>WATER</b>		
Total consumption/person	Consumption measurement (lit/person)	Pilot implementation of water saving techniques in Branches of areas with drought problems
<b>INK CARTRIDGES</b>		
Total ink cartridges used	Consumption measurement (number of items) (items/person)	Implementation of the recycling programme in 30% of Athens and Thessaloniki Branches
Total ink cartridges recycled	Recycling measurement (Number of items) (Number of items/person)	
<b>BATTERIES</b>		
Total batteries recycled	Recycling measurement (kg/ branch)	Implementation of a recycling project in 30% of the Athens and Thessaloniki Branches
<b>PLASTICS</b>		
Total tons of plastics /person	Consumption measurement (kg/ person)	Implementation of a PET recycling project at the Group's head offices.
Total plastics recycled/person	Recycling measurement (kg/ person)	
<b>CLEANING PRODUCTS</b>		
Number of different cleaning product types	% of Branches using eco-labelled cleaning products	Implementation of green supplies project through the purchase of environmentally friendly cleaning products
Number of different eco-labelled cleaning product types	% of Branches using eco-labelled cleaning products	
<b>ELECTRONIC DEVICES</b>		
Total use of devices (items and weight)	Consumption measurement (items and tons)	Implementation of used electronics recycling project throughout the Bank's network
Total recycled devices (items and weight)	Recycling measurement (number of items and tons)	





Museum of Industrial Oil Production of Lesvos. The processing room of the plant.

## PIRAEUS BANK GROUP CULTURAL FOUNDATION PUBLICATIONS



*Dromoi tou Ladiou stin Anatoliki kai Notia Peloponniso  
stin Arhaiotita*  
(*Oil Routes in the Eastern and Southern Peloponnese  
in Antiquity, in Greek*)  
Pikoulas Yiannis



*Tis Elias to Dakry*  
(*The Tear of Olive, in Greek*)  
(illustrated popular fairy tale for the educational programme  
of the Museum of the Olive and Greek Olive Oil)



*Museums and the Shaping of Knowledge*  
(*translation in Greek*)  
Eileen Hooper-Greenhill



*Me ti dynami tou Nerou 3. O Baroutomylos*  
(*With the Power of Water 3. The Powder Mill, in Greek*)  
(educational programme of the Open-Air Water Power  
Museum)



*To Megaro tou Metochikou Tameiou Stratou*  
(*The Army Share Fund Building, in Greek*)  
Kolonas Vassilis

## SELECTION OF ITEMS FROM THE MUSEUMS' SHOPS OF THE PIOP NETWORK



«ELPA Lesvos» soap in a cotton bag  
(Museum of Industrial Olive Oil Production in Lesvos)



Gift box containing three soaps  
(AVEA, LESEL, KENDOURIS)  
(Museum of the Olive and Greek Olive Oil, Sparta)



Ceramic base with six olive shaped candles  
(Museum of Industrial Olive Oil Production in Lesvos-  
Museum of the Olive and Greek Olive Oil, Sparta)



Set of six pencils  
(PIOP Museums Network)



Bookmark  
(Open-Air Water Power Museum, Dimitsana)



Notebook,  
(Museum of the Olive and Greek Olive Oil,  
Sparta)



Exercise books  
(Museum of Industrial Olive Oil Production  
in Lesvos)



Exercise books  
(Open-Air Water Power Museum,  
Dimitsana)



Exercise books  
(Museum of the Olive and Greek Olive Oil,  
Sparta)



Exercise books  
(Rooftile and Brickworks Museum  
N. & S. Tsalapatas, Volos)



Special thematic collection of Hellenic Post  
(Museum of the Olive and Greek Olive Oil,  
Sparta)



Special thematic collection of Hellenic Post  
(Museum of Industrial Olive Oil Production  
in Lesvos)



Puzzle "Powder mill"  
(Open-Air Water Power Museum,  
Dimitsana)



Memory game "Animals and Plants in Arkadia"  
(Open-Air Water Power Museum, Dimitsana)



Memory game "Olive Olive"  
(Museum of the Olive and Greek Olive Oil,  
Sparta)



Eraser  
(Rooftile and Brickworks Museum  
N. & S. Tsalapatas, Volos)



Paperweight  
(Rooftile and Brickworks Museum  
N. & S. Tsalapatas, Volos)



Trough and dipper  
(Rooftile and Brickworks Museum  
N. & S. Tsalapatas, Volos)



Bricks on a pallet  
(Rooftile and Brickworks Museum  
N. & S. Tsalapatas, Volos)



Silver pin 925°  
(Museum of the Olive and Greek Olive Oil,  
Sparta)



Silk tie  
(Rooftile and Brickworks Museum  
N. & S. Tsalapatas, Volos)



Silk tie  
(Museum of Industrial Olive Oil Production in Lesvos)



Silk scarf  
(Rooftile and Brickworks Museum  
N. & S. Tsalapatas, Volos)



Silk scarf  
(Museum of Industrial Olive Oil Production in Lesvos)



Silver cufflinks 925°  
(Rooftile and Brickworks Museum  
N. & S. Tsalapatas, Volos)



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