

# Corporate Responsibility Report 2007

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The pictures that are featured in the 2007 Annual Report and 2007 Corporate Responsibility Report illustrate moments of everyday life. This sequence of pictures could have been entitled "Man is the measure of all things", a quote from Protagoras, who places man as the centre of all things, of all values and of life.

People. Life, action, quest, struggle, nature, recreation, history, growth, effort, work, time, learning, hope, discovery, dreams, faith, culture, family, survival, culture, society...

Everything that signifies life is embraced by Piraeus Bank, the Bank with a human face. With anthropocentricity being the keynote of its philosophy, it develops and implements solutions in order to support people and improve the quality of life and future.



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# 1

## Chairman's Note

2007 was yet another year during which Piraeus Bank, along with the achievement of its business goals, successfully planned and implemented particular policies regarding issues of Corporate Governance, Customer Relations and Human Resources Management. Transparency, quality of services and sensitivity have been the driving forces for dealing with these issues, while further enhancing the Bank's social, cultural and environmental contribution.

Acknowledging its employees' contribution to the accomplishing its targets, Piraeus Bank systematically works for the improvement of their working conditions and general quality of life in general. This fact adds directness and special value to both its relationships with employees and its cooperation with customers and suppliers.

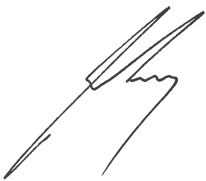
In the field of culture, the Piraeus Bank Cultural Foundation is mainly responsible for the promotion of the history of technology of Modern Greek civilization, through the establishment and operation of a thematic-technological museum network in the Greek periphery. These museums operate in cooperation with the local authorities, strengthening thus the participation procedures and creating focal points of authentic cultural events within local communities.

Finally, at a time when the international community "invests" in the timely dealing of climate changes, most likely the biggest challenge for humanity, Piraeus Bank is up to these challenges, adapting to the new conditions, constantly improving its environmental attitudes and communicating to others its acquired experience and know-how.

Having as absolute priority shareholders' interests, Piraeus Bank maximizes profits from the Group's development, along with the constant incorporation of corporate responsibility indices in its strategic decisions. Corporate Social Responsibility for Piraeus Bank is not an occasional initiative, but an integral part of the Group's corporate culture.

The positive appraisal of these actions, as well as the wide acceptance of their outcome are the reward for the consistency and continuity of our actions, based on the Corporate Social Responsibility principles and operate as a "compass" for further guiding Piraeus Bank Group's course, both in Greece and abroad.

The Chairman of the Board of Directors



Michalis G. Sallas





**Culture**

Everything that signifies life is embraced by Piraeus Bank, the Bank with a human face.



## Corporate Responsibility Principles

Corporate Social Responsibility is the voluntary commitment of organizations to include in their business practices social and environmental actions that go beyond any legal obligations. Piraeus Bank not only complies with the obligations imposed by Law, but also takes initiatives for policies and activities over and above such obligations, which are related to all the Bank's stakeholders (employees, shareholders, partners, suppliers, customers, investors, consumers, communities in which it operates etc).

In this context, the Bank strives to raise its standards for social development, cultural heritage promotion and safeguarding, environmental protection and respect for fundamental human and labour rights.

A principal conviction of Piraeus Bank is that the development of its activities will be optimal if achieved in a socially robust environment. Aiming at operating in harmony with society, it attaches major importance to the issues of Corporate Responsibility. The clear structure and principles of corporate governance, the trust and accountability relations with customers and suppliers, the systematic implementation of equal opportunities and meritocratic criteria on human resources development, the distinct social interventions, the dynamic environmental policy and cultural work constitute the pillars of the Piraeus Group Corporate Responsibility.

Corporate Responsibility for Piraeus Bank Group is founded on a specific strategy and an integrated planning that create and support structures that ensure the longevity of these interventions, while adding value. This value is reflected in the wide and positive response of both the public and its associates whereas, it is sealed by the accession of the Bank in special indices that evaluate businesses, according to the Corporate Social Responsibility performance.

Throughout 2007, 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, environmental protection and anticorruption.

Finally, in 2007 Piraeus Bank harmonized its Annual Report with the fundamental principles and guidelines of the Global Reporting Initiative-GRI (edition G3-2006). This particular reporting methodology aims at facilitating the evaluation of the Annual Report contents and the overall communication with all concerned parties.



# Corporate Governance

Piraeus Bank, aiming at the constant reinforcement of its value and the protection of its corporate interests, has fully adjusted itself to the institutional framework in force regarding corporate governance. Thus, the Bank:

- has Internal Corporate Governance and Operating Regulations, that ensure transparency and symmetrical information and encompass issues not stipulated in the Bank's Articles of Association but are indispensable for its smooth operation, it also possesses a "Code of Conduct"
- has established an Audit Committee, which yearly monitors and evaluates the sufficiency and effectiveness of the Internal Control System on both Bank and Group level, based on the respective data and information acquired by the Internal Audit Unit, the findings and observations of the external auditors, as well as of the supervising authorities
- has established a Group's General Division of Internal Audit - GDIA (Internal Audit Unit, according to the Act 2577/2006 of the Bank of Greece Governor), which is independent and reports to the Board of Directors through the Audit Committee and the Chairman of the Bank's Board of Directors. The GDIA is responsible for the Internal Audit on a Group level
- has adjusted the composition of the Board of Directors (BoD), so as to comply with what is applicable concerning executive, non-executive and independent directors
- has established a General Division of Corporate Governance and Administration, which is responsible for the development of Corporate Governance actions and programs approved by 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 operational support to the Board of Directors, the Group Executive Board and Chairman's Office, applying Corporate Governance best practices
- has established a Compliance Unit, instituting and applying proper procedures and performing the respective annual Group Compliance Program, in order to ensure the timely and permanent compliance of the Bank and Group with the regulative framework actually in force and to provide 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 aimed at preventing the engagement of the banking system in legalizing funds that originate from illegal activities and combating terrorism
- has organised Investor Relations Unit, Shareholder Registry Service and Corporate Announcement Service, having the responsibility to inform investors, shareholders and appropriate regulatory authorities respectively.

## 3.1. Supreme Management Bodies

The General Meeting of shareholders is the supreme body of Piraeus Bank. The BoD is made up of seventeen (17) members, six (6) of which have executive and eleven (11) non-executive duties. Three (3) of the non-executive directors are independent, according to the legislation in force.





## Board of Directors

### Executive Members

Michalis G. Sallas, Chairman of BoD and Head of the Group Executive Board (CEO)  
Theodore N. Pantalakis, Vice Chairman of BoD and Managing Director  
Georgios A. Provopoulos, Vice Chairman of BoD and Managing Director  
Alexandros St. Manos, Deputy Managing Director  
Christodoulos G. Antoniadis, Executive Director  
Stavros M. Lekkakos, Executive Director

### 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 Audit Committee (\*)  
Chariklia A. Apalagaki, Legal Advisor of Piraeus Bank, Professor of Faculty of Law at Aristotle University, Member of Audit Committee  
Eftichios Th. Vassilakis, Businessman  
Stilianos D. Golemis, Economist- Businessman  
Nikolaos I. Zografos, Economist  
Fotini A. Karamanli, Lawyer (\*)  
Theodoros P. Mylonas, Chairman of Audit Committee (\*)  
Vasilios S. Furlis, Businessman  
(\*) independent non-executive member

## 3.2. Main Committees

To ensure an even more effective and secure operation of the Bank, the Board of Directors has entrusted the following main committees and boards with specific responsibilities:

### BOARD OF DIRECTORS (BoD) COMMITTEES

#### Audit Committee

The Audit Committee is made up of non-executive members of the BoD. It coordinates and supervises the Audit Committees of the Group's subsidiaries. The Audit Committee is supported by the Executive Secretary and its operations are regulated by the Governor's Act of the Bank of Greece no. 2577/2006.



The Committee comprises of three members; it is chaired by a non-executive independent Board member of the Bank and two members are non-executive members of the Board, of which one member is independent. The Committee convenes at least 4 times per annum.

The main responsibilities of the Audit Committee are the following:

- to monitor and evaluate annually the adequacy and effectiveness of the Internal Control System, both on a stand alone and group-wide level according to the relevant information provided by the General Division of Group's Internal Audit
- to supervise and evaluate the compilation process of the published annual and interim financial statements of the Group, the Bank and its subsidiaries companies
- to supervise the regular investigation of the Group's annual financial statements executed by chartered External Auditors and/or Accountants and moreover to cooperate with them on a regular basis
- to submit proposals to the BoD upon the selection of regular chartered external Auditors-Accountants. The Committee can also propose whenever appropriate their replacement or succession
- to ensure the independence of the chartered accountants and external auditors according to the legislation in force
- to submit proposals concerning the resolution of detected inefficiencies and monitor the implementation of measures that were decided by the BoD
- to submit proposals for particular areas that require further investigation by internal or external auditors
- to evaluate the work undertaken by the Group's General Division of Internal Audit with emphasis on matters that are relevant to the degree of its independency, the quality and the span of controls which it executes, the priorities which are defined by the external economic environment, the systems and levels of risks and in all the effectiveness of its operations
- to define the bandwidth of coverage and to select and assign periodically -at least every three years - to chartered external auditors-accountants (excluding regular) the evaluation of the adequacy of the Internal System Control.

#### **Risk Management Committee**

Risk Management Committee is nominated by the BoD according to the Act of the Governor of the Bank of Greece no. 2577/2006 and is constituted of members of the BoD, who possess adequate knowledge and experience in risk management.

The Risk Management Committee comprises 4 members, it is chaired by the one Vice-Chairman and Managing Director and its members are consisted of the other Vice-Chairman and Managing Director, the Deputy Managing Director, and a non-executive member of the BoD. The Committee's Executive Secretary is the Head of Group's Risk Management Division.

The Board of Directors has entrusted the Committee with specific responsibilities that comply with the Bank of Greece Governor's Act no. 2577/2006, in order to: manage effectively all forms of risk



including the operational risk, ensure a consolidated risk control and risk management on an ad hoc basis and ensure the required co-ordination both in stand-alone and Group level.

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

The Management Compensation and Evaluation Committee comprises four members. It is chaired by one non-executive member of the Bank's BoD, and includes three non-executive members, one of whom is independent. The Committee, among other responsibilities, defines the Bank's policy on the remuneration and compensation of its Executive Management members, ensuring that executive members of BoD receive compensation and benefits according to their duties and responsibilities, following the evaluation of their performance with regards to the targets of the approved budget and the prevalent conditions in the competitive environment.

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

Depending on the assignment it is required to perform, the committee has a dual role either as a Succession Committee or as a Nomination Committee regarding the members of Board of Directors. The Committee is chaired by the Chairman of the BoD & Head of the Group Executive Board (CEO), while members are the Chairman of the Audit Committee, and the two senior non-executive members of the Board of Directors. As a Succession Committee, it convenes on an ad hoc basis 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 convenes on an extraordinary basis whenever it is necessary to select and recommend to the BoD for replacements for the remaining BoD member positions.

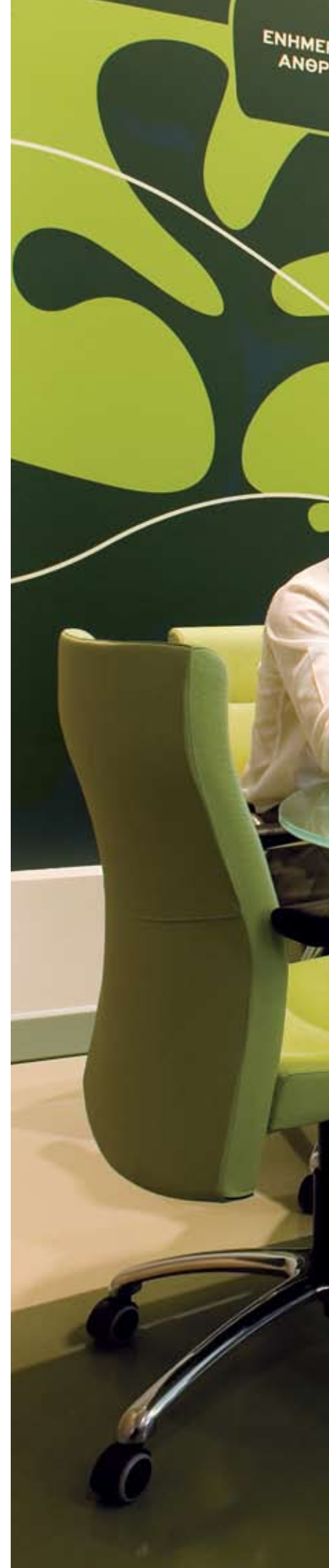
### **MAIN EXECUTIVE AND ADMINISTRATIVE COMMITTEES**

#### **Group Executive Board**

Members of the Group Executive Board are: the Chairman and the Executive Members of Piraeus Bank BoD, as well as the two General Managers of International and Retail Banking. The General Manager of Corporate Governance and Administration is the Executive Secretary of the Board. Co-Chairmen are the two Vice-Chairmen and Managing Directors. The Board's responsibilities concern both Piraeus Bank and its consolidated subsidiaries. Under the authorization of Piraeus Bank's BoD, the Group Executive Board has the following responsibilities, which it can delegate to administrative committees or members of the Board or Bank's executives:

#### Strategic and Administrative Planning Responsibilities

- to monitor regularly, analyse and decide on issues of strategic choices of the Bank's Management (i.e mergers, acquisitions, absorptions, liquidations, strategic alliances etc) and, when required, to make recommendations to the BoD
- to determine the guidelines for the Business Plan and the Budget, as well as the risk appetite and to propose each time the 3-year or 4-year Business Plan, as well as the Annual Budget to the BoD





ΡΩΣΗ ΚΑΙ ΕΚΠΑΙΔΕΥΣΗ  
ΔΙΠΛΟΥ ΔΥΝΑΜΙΚΟΥ

ΜΕΙΩΣΗ  
ΠΕΡΙΒΑΛΛΟΝΤΙΚΩΝ  
ΕΠΙΤΩΣΕΩΝ

ΔΗΜΙΟΥΡΓΙΑ ΠΡΑΣΙΝΩΝ  
ΤΡΑΠΕΖΙΚΩΝ ΠΡΟΪΟΝΤΩΝ

ΕΞΟΙΚΟΝΟΜΗΣΗΣ  
ΝΕΡΟΥ ΚΑΙ ΕΝΕΡΓΕΙΑΣ





- to propose issues to be included in the daily agenda items of the BoD or the Bank's General Meetings, specifically those that regard increases or reductions in the share capital, approval of the proceedings, proposals of the BoD to the General Meeting etc
- to manage crucial and urgent issues as a Crisis Management Committee and to make the appropriate statement to the BoD
- to approve principles and rules of the Bank's Credit Policy, as well as regulations, manuals, policies and procedures for Credit Policy which embrace guidelines for the implementation of these principles
- to approve the Human Resources' Policy and promotions of executives or the recruitment of new ones in the positions of Assistant General Manager or Deputy General Manager or General Manager or Management Advisor, as well as their remuneration, in line with the delegated by the BoD responsibility, according to article 3, paragraph 2 of law 3016/2002
- to approve the annual compensations, benefits and incentives policy for personnel and executives within the limits of the Budget and to make recommendations to the BoD, when it is required
- to monitor and supervise the application of Corporate Governance rules and programmes and decide on the compliance measures following competent units or committees relevant proposals
- to approve, complete or modify the accounting policies of the Group after the appropriate recommendation of the Finance Division
- to approve changes in the organizational structure
- to decide on resolutions of the Bank's interest rate policy and the pricing of banking services and products
- to approve the introduction of new products, as well as the significant modifications of existing products and services and determine their pricing before providing them to the customers
- to approve the marketing strategy and monitor its implementation and effectiveness
- to approve the Group's strategy regarding technological infrastructure
- to approve the launching of partnerships with segments or sectors of the economy
- to set up administrative committees and determine their composition and responsibilities
- to assign to Bank's Divisions the evaluation or/and implementation of projects that are of strategic importance
- to delegate to executives of the Bank and of subsidiaries with Marketing/Lending and Credit Officers responsibilities and define their credit limits, the terms and requirements of their credit authorities, in the context of their participation in various credit approval committees
- to determine, within the range of its defined credit authorities, the credit limits of the administrative committees and the Bank's executives regarding issues that exceed the defined limits of other internal credit approval bodies
- to examine and propose to the BoD all issues regarding risk assumption limits, which exceed the defined limits of the Group Executive Board and require a direct resolution from the BoD, especially for issues that concern underwritings, large credit exposures and major investments
- to administrate the Share Buyback Program of the Bank, in line with the applying each time resolutions of the General Meeting of the Shareholders.



#### Approval Responsibilities

- The Group Executive Board exercises its approval responsibilities either itself or through the Approval Committee. All issues that exceed its defined limits and authorities are introduced for approval to the BoD by the Group Executive Board
- Respectively, transactions, acts or credit that fall into the credit authorities of Marketing/Lending and Credit Officers committees or other internal approval bodies or administrative committees or individual discretion of executives or credit limits of subsidiaries, are approved by these approval bodies and are not introduced for approval to the Approval Committee or the Executive Board.

The Group Executive Board is informed once per month regarding the Bank's asset quality and the Group's subsidiaries and especially regarding the quality of loan portfolio and advances to businesses and individuals. The Group Executive Board convenes once per week.

#### **Approval Committee, as Subcommittee of the Group Executive Board**

As part of the Group Executive Board, the Approval Committee operates as a Subcommittee with approval responsibilities regarding lending, fixed assets and underwritings.

The BoD determines the members of the Committee following the Group's Executive Board recommendation out of the members of the Group Executive Board or other competent executives.

The Committee is chaired by one Vice-Chairman and Managing Director, while its other members are the Deputy Managing Director, an Executive Director, two General Managers, the Assistant General Manager of Corporate Credit, the Head of Group's Risk Management Division and a Deputy General Manager of the branch network. Apart from its regular members, the Head of International Corporate Credit Division or Consumer Credit Division and the Judicial Affairs Division Director also attend and are present during the Committee's session. The Subcommittee convenes regularly once a week.

#### **IT Strategy and Planning Committee, as Subcommittee of the Group Executive Board**

The Committee is chaired by a Vice-Chairman and Managing Director and members are two General Managers, two Deputy General Managers and one Assistant General Manager.

The Committee's aim is:

- to evaluate the short and medium term IT action plans according to the business strategy, as well as the action plans of all units of the Bank, which are relevant or dependent for their implementation on IT systems
- to periodically and annually update the action plans
- to evaluate and approve all the projects of the Group's annual action plan
- to assess the management of risks, which are relevant to the IT systems
- to evaluate feasibility studies, as well as procurements, software and services that relate directly or indirectly to the IT systems
- to monitor all the significant Group projects, which are implemented according to the business strategy, as well as their budget



- to prioritize the implementation of projects
  - to ensure the necessary resources for the timely implementation of projects
  - to evaluate and approve standards policies and processes according to the planning and implementation of IT systems
  - to approve and monitor outsourcing in the area of IT systems or in other relative services.
- The Committee is also informed about the findings of various controls performed on IT systems.

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

The Assets Liabilities Committee comprises ten members. It is chaired by a Vice-Chairman & Managing Director, while the co-chairman is the other Vice-Chairman & Managing Director. Other Members are the Deputy Managing Director, one non executive member of the BoD, one General Manager, three Deputy General Managers, one Assistant General Manager and the Head of Group Risk Management Division. Executive Secretary is the Head of Economic Research Unit. The Committee convenes at least once per month. Its core responsibilities 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 for the introduction of new deposit and loan products, monitoring of the adequacy and the allocation of equity capital 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.

#### **International Steering Committee**

The International Steering Committee consists of 11 members and it is chaired by the General Manager of International Banking. Other members of the Committee are the General Managers of Retail Banking, Human Resources and Training, Central Operations and Group Internal Audit, as well as the Deputy General Managers of Technology and Organization, Financial Management, Treasury and Financial Markets, the Assistant General Managers of International Banking and International Corporate Banking and the Head of Group Risk Management Division. Extraordinary sponsors are the Managing Directors of the Bank's subsidiaries in each country.

The Committee meets regularly every month (according to a specific annual schedule) or on an extraordinary basis when it is necessary. The Committee's main responsibilities are the following:

- the resolution of issues that relate to the business support of the Group abroad, ensuring that International Unit matters are brought to the attention of Top Management
- the monitoring of the progress of the Group's international activities with intervention for the uplifting of constraints arising on centralized supporting processes
- the optimum allocation of human resources in Greece and abroad and the supply of support to the bank subsidiaries abroad
- the alignment of the Bank's subsidiaries abroad with the Group's strategy, aiming at the accomplishment of international targets and the prioritization of the implementation actions
- the commitment on behalf of participants of the appropriate resources for the achievement of crucial support issues, which have significant strategic impact on the Group
- the review of projects that have an impact on the organization processes in all countries, in order



- to identify and cope with potential issues on time, while reinforcing discipline and cooperation among the appropriate parties that manage the project
- the final confirmation of the corporate plan and budget of the country, in reference with support issues of international activities by the Head Offices on an annual basis.

#### **Retail Banking Operations Development Committee**

The Retail Banking Operations Development Committee comprises 12 members and is chaired by one Vice-Chairman of BoD and Managing Director. Co-chairman is the General Manager of Retail Banking. Members of the Committee are: a Management Advisor, an Executive Director of BoD, the General Managers of Attica Network General Division, Insurance Services and Central Operations, the Deputy General Managers of Southern Greece and Islands Network General Division, of Retail Credit, of Electronic Banking, the Assistant General Manager of Human Resources and Training and the Head of Marketing Division. Executive Secretary is the Deputy General Manager of Retail Credit.

Main responsibilities of the Committee are:

- to coordinate the actions of Retail Banking General Division, General Division of Branch Network, General Division of Insurance Services and the Marketing Division
- to propose the commercial policy of Piraeus Bank in Greece
- to cooperate, aiming at a unified sales plan for all Bank's distribution channels.

#### **Corporate Social Responsibility Committee**

The Corporate Social Responsibility Committee comprises 6 members and is chaired by the Chairman of Piraeus Bank Group Cultural Foundation and Management Advisor for Corporate Social Responsibility Issues. Other members of the Committee are: the General Manager of Corporate Governance and Administration, the Assistant General Manager of Human Resources and Training, the Assistant General Manager of Business Planning and IR, the Management Advisor responsible for the Environmental Department and the General Director of Piraeus Bank Group Cultural Foundation.

The Committee's responsibilities are:

- to evaluate and support programs that support social groups in need and protect the natural environment
- to evaluate philanthropy programmes and submit proposals for the Bank's contribution
- to examine and participate in programs that lead to the creation of museums
- to supervise Bank's sponsorships and press subscriptions

### **3.3. Piraeus Group Management**

#### **Members of Group Executive Board**

Michalis Sallas, Chairman of BoD and Head of the Group Executive Board (CEO)  
Theodore Pantalakis, Vice Chairman of BoD and Managing Director





Georgios Provopoulos, Vice Chairman of BoD and Managing Director  
Alexandros Manos, Deputy Managing Director  
Christodoulos Antoniadis, Executive Director  
Stavros Lekkakos, Executive Director, Head of Piraeus Bank Romania  
Ilias Milis, General Manager International Banking  
Spyros Papaspyrou, General Manager Retail Banking

### General Managers

Ioannis Vigopoulos, Attica Area Branch Network  
Konstantinos Georgiou, Human Resources and Logistics  
Ioannis Kiriakopoulos, Head of International Commerce Bank, Ukraine  
Georgios Liakopoulos, Corporate Governance & Administration  
Triantafillos Lisimachou, Insurance Services  
Ioannis Sgourovassilakis, Central Operations  
Athanasios Psathas, Group's Internal Audit

### Deputy General Managers

Athanasios Arvanitis, Treasury & Financial Markets  
Ioannis Delis, Technology & Organization  
Vassilios Koutentakis, Consumer Credit  
Konstantinos Liapis, Financial Services & Participations  
Martha Barka, Corporate Credit  
Ioannis Papadopoulos, Southern Greece & Islands Branch Network  
Sotiris Syrmakizis, Electronic Banking

### Assistant General Managers

Alkiviadis Alexandrou, Large Enterprises  
Spyros Gianniotis, Shipping Banking  
Georgios Theodorou, Northern Greece Branch Network  
Eftihia Kasselaki, Human Resources and Training  
Penelope Lazaridou, Project Finance & Public Sector Operations Division  
Georgios Mantakas, International Banking  
Iosif Mixailidis, Capital Markets and Investment Banking Division  
Chrissanthi Papadopoulou, Southern Greece & Islands Branch Network  
Georgios Papaioannou, International Corporate Banking  
Emmanouil Poulakis, Attika Area Branch Network  
Georgios Pouloupoulos, Business Planning & Investor Relations



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

Sophia Staikou, Chairman of Piraeus Group Cultural Foundation and Management Advisor for Corporate Social Responsibility Issues

### Management Advisors

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

(\*) Mr. George Mylonas resigned from his duties in February 2008 and Mr. Michalis Haralambidis was named Head of Group's Risk Management Division

### Heads of Main Greek Subsidiaries

Piraeus Multifin SA, Georgios Drakos, Managing Director  
Piraeus Direct Services SA, Sotirios Syrmakizis, Managing Director  
Piraeus Card Services SA, Vassilios Koutendakis, Managing Director  
Piraeus Insurance and Reinsurance Brokerage SA, Ioannis Gotsis, Vice-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/ Olympic Commercial & Tourist Enterprises (Avis Hellas), Iraklis Pettas, 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, Konstantinos Chrisikos, 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 International Subsidiaries

Piraeus Bank Bulgaria AD (Bulgaria), Athanassios 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 (Albania), Dimitris Fraggetis  
 International Commerce Bank (Ukraine), Ioannis Kyriakopoulos  
 Piraeus Bank Cyprus Ltd (Cyprus), Konstantinos Loizidis

### 3.4. Internal Control System

Piraeus Bank Group is continuously aiming for the development and the continuous improvement of the Internal Control System (ICS) in order to achieve the following objectives:

- adoption of international best practices and corporate governance principles
- reliable implementation of the business strategy with effective utilization of available resources
- identification and mitigation of all undertaken risks of any nature, including operational risk
- ensure the completeness and reliability of the data and information required for the accurate and timely assessment of the Group's financial position and the preparation of reliable financial statements
- compliance with the legal framework regulating the Group's operations, focusing on Law 3016/2002 concerning corporate governance and the Bank of Greece Governor's Act No 2577/2006 regarding the operational principles framework and the evaluation criteria of the structure and the Internal Control System of financial institutions and the responsibilities of the management, including internal regulations and code of ethics
- the prevention and elimination of erroneous actions and irregularities that could jeopardize the reputation and the interests of the Group, and its stakeholders.

The Internal Control System consists of internal controls and processes that constantly cover every activity and contribute to the effective and invulnerable operations of the Group. The Internal Control System applies to all operational units and companies of the Group in Greece as well as abroad.

The Board of Directors (BoD) is responsible for the adoption of appropriate policies aiming to ensure that an adequate and effective Internal Control System is in place. The Management is responsible for the development and implementation of processes and internal controls that are suitable for the extent, size and nature of the Group's operations, the periodic evaluation of the significant malfunctions concerning their consequences, as well as the effective implementation of the Internal Control System in general. Among the Audit Committee's main responsibilities is included the monitoring and the annual evaluation of the adequacy and efficiency of the Internal Control System on a Group level.





**Tradition**

Everything that signifies life is embraced by Piraeus Bank, the Bank with a human face.



### 3.5. Internal Audit

The Group's General Division of Internal Audit (GDIA) was established in December 2007, succeeding the existed Bank's division. It is independent and reports to the BoD of the Bank, through the Audit Committee and to the Chairman of the BoD of the Bank (this is the Unit of Internal Inspection as defined in the Governor's Act 2577/2006 of the Bank of Greece). The GDIA is responsible for the internal audit activities on a Group level.

It is a Group target, that in the year 2008 the GDIA will work further towards the direction of the implementation of a robust audit model in all subsidiaries in Greece and abroad, similar to the model established in the parent Bank. For this purpose:

- proper procedures, standards and methodologies will be developed according to the global best practices, the International Standards of Auditing (GAAS) and the International Internal Audit Standards (IAS). This model will be used as a reference for the universal implementation to the entire Group
- an audit plan will be developed anticipating an audit cycle of two years
- the proper development of the internal auditors will be furthermore strengthened with main direction to the professional qualifications (IESOEL, ACCA, CIA, CISA etc.) and specialization
- advanced capabilities of the installed system for fraud detection will be enhanced
- quality assurance procedures will be developed, for the services that the GDIA is providing, including self assessment evaluation methodologies and feedback procedures of the audited units and the Management (satisfaction surveys).

### 3.6. Compliance Division

In the context of the new Basle II supervisory framework and the respective guidelines of the Bank of Greece, the Group Compliance Unit was set up in the beginning of 2006, as a self-sufficient and independent unit.

In December 2007, the Unit was upgraded to a Division and during 2008 it is reinforced by human resources in order to meet the ongoing needs resulting from the new regulatory framework. The Group Compliance Division reports directly to the Senior Management (General Division of Corporate Governance and Administration), according to the Governor's Act BoG 2577/2006 and is accountable to the Group's General Division of Internal Audit in terms of the adequacy and effectiveness of the regulatory compliance procedures.

The Division's responsibilities are the following:

- to ensure timely and constant compliance of the Bank and Group with the regulatory framework in force with the aid of the Legal Affairs and Corporate Governance Division
- to submit annual reports to the Senior Management, the Audit Committee and the Board of



- Directors, 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 the prevention of money laundering and the combat against terrorism
  - to provide the Public Authorities (supervising, investigatory and judicial) with information and apply restrictive measures
  - to co-ordinate the work of the heads of regulatory compliance of the Group's subsidiaries in Greece and abroad.

The following important projects, along with the appropriate human resources, will be completed or/and are approved for implementation during 2008:

- the completion of the installation and operation of the new upgraded application of Norkom for Anti Money Laundering (AML) in the Bank and its subsidiaries abroad (to replace the existing AML system in the Bank)
- the completion of the Group Compliance Policy and procedures development according to the standard ISO 9001:2000
- the development of policy and procedures resulting from the application of MiFID and more specifically the procedures for the avoidance of conflict of interests
- the development of policy and procedures for the assignment of activities to third parties (outsourcing)
- the development of policy and procedures for protection from actions constituting market abuse (Market Abuse Directive).

### 3.7. External Auditors

According to the resolution of the General Meeting of Shareholders of Piraeus Bank made on 03.04.2007, Mr. Vassilios Goutis of PriceWaterhouseCoopers was appointed Regular Certified Auditor for the financial statements (stand-alone and consolidated) of Piraeus Bank in 2007.

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

### 3.8. Transparency and Communication

#### Investor Relations

Informing the investors is the main responsibility of the Investor Relations Unit, which provides systematic and symmetrical information on the progress of Piraeus Bank and the Group.



More specifically, investors are informed by the following process:

- responses to investors' queries (mainly institutional) on the progress of the company on a daily basis
- organisation of corporate road shows and one-on-one meetings. In 2007, investor relations meetings were held with 456 institutional investors
  - in Greece, 49 one-on-one meetings took place and 97 institutional investors were informed by group meetings
  - corporate road shows were organised in Europe, USA and Asia with 190 one-on-one meetings and 120 institutional investors were informed in group meetings
- 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 assisting them exercise their rights according to the law and the Bank's Articles of Association. Its duties and responsibilities 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 concerning Ordinary and Extraordinary General Meetings and resolutions thereof
- to distribute the Annual Bulletin to the shareholders at the Annual Ordinary General Meeting, according to the provisions, as well as all 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

Corporate announcements are the responsibility of the Corporate Announcements Service which was formed 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 the resolution described above. Its competencies are:

- to notify the competent authorities of the ATHEX and Capital Market Commission on any major business developments



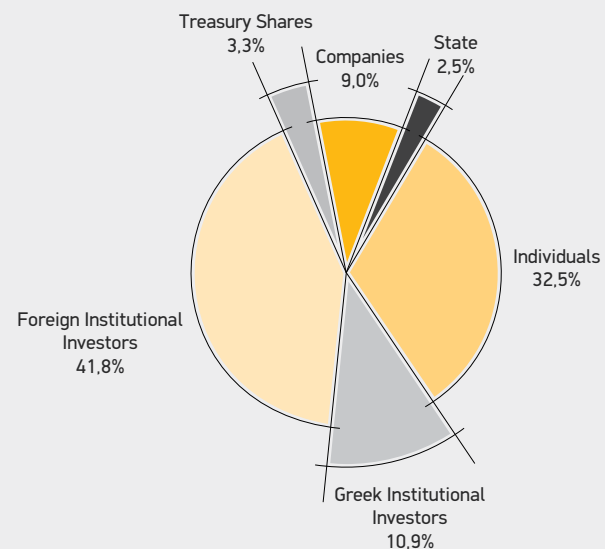
- to give prior advice of and communication on any major deals and other financial activities of the Board members, management executives and other insiders, after the accountable persons have announced them to the Bank's BoD, as provided herein.

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

### 3.9. Shareholders' Structure

Piraeus Bank is a well-diversified company, with regards to its shareholders' composition. The shareholders' base presents major diversity, consisting of eminent representatives of the business community, local and foreign institutional investors and numerous private investors. On 31 December 2007, the total number of shareholders reached 145,424; no individual shareholder (legal entity or individual person) held more than 5% of the Bank's total shares. At the end of 2007, 32.5% of total shares were held by individuals and the remaining 67.5% by legal entities, out of which 52.7% were institutional investors.

Shareholders' Structure of Piraeus Bank (31.12.07)







## 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.

Piraeus Bank reviews systematically its customers' satisfaction rate with regard to services provided, by means of specifically designed surveys executed by independent firms. The outcomes of the 2007 surveys were very satisfactory showing a satisfaction rate in excess of 95% of the respondents and in certain issues 99% while Piraeus Bank presents the highest performance among large Greek Banks. 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 33%
- Cards 46%
- Deposits – Cashier Transactions 13%
- Investment products 4%
- General 3%



The ratio of Piraeus Bank cases to total Bank cases handled by the Banking Ombudsman in 2007 represented 5.7% for the written complaints and 5.0% for phone calls. It is noted that the majority of cases (96%) described above concern consumer complaints, while businesses have a small representation of 4%.

The rates described above are deemed low compared to the total loans market share of Piraeus Bank (14.2% in 2007 and 12.5% in 2006) in Greece, however further efforts will be made in order to further reduce them in the immediate future.

Furthermore, in 2007 Customer Service, aiming at enhancing customer communication designed a specialized platform of customer communication, available on the Bank's website where customers can get explicit information on different initiatives they can pursue in order to communicate their case to Piraeus Bank.

### **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.

It is noted that per country of Piraeus Bank's presence, 100% of supplies are procured by local suppliers with the exception of furniture, cashiers desks and merchandising signs where there's a Group consolidated agreement in order to preserve a uniform corporate identity.



## Human Resources

The primary objective of Piraeus Bank Group is to promote its human resources and ensure their commitment to achieving excellent results and constantly surpassing the challenges of a fast-changing environment.

Acknowledging the contribution of its employees in its continuous growth, Piraeus Bank Group daily invests in them and strives to enhance a work environment that:

- offers equal opportunities to all, regardless of gender, age, religion, nationality and physical aptitude
- designs and implements actions, systems of development and motivation in order to attract, select and put to good use its human resources, in relation to its developmental needs in Greece and abroad
- offers opportunities and stimuli for professional development and growth, "openly" communicating its human resources needs and aiming at filling new job positions by priority with internal existing staff
- invests in the training and development of its employees, using modern training methods and specialized tools
- offers competitive remuneration and compensation
- promotes, apart from the everyday contact, "open" communications by using various channels and means of information and bilateral communication
- offers programs of support and active management of the health and well-being of the employees
- provides a safe work environment
- treats people with respect, adopting the principles of the U.N. Global Compact and promoting its fundamentals regarding human rights, employment rights, environmental protection and combat against corruption. Piraeus Bank fully aligned with the principles of the U.N. Global Compact for human rights and applying the principle of equal opportunities in all of its actions, opposes to any kind of discrimination and unequal treatment.

The above principles dictate the policies and practices of human resources management. This way, the Bank ensures there is no room for discrimination, while individual differences are acknowledged and promoted.

Additionally, Piraeus Bank, aiming to stay in touch and communicate with its employees, has created a special intranet site, where the employees communicate with the Human Resources General Division on issues of their concern.

Furthermore, in 2007 the Bank created within the Human Resources General Division, the Unit of Internal Communication and Organizational Health, which among other responsibilities, provides counseling to employees facing personal or employment issues. In this context, no incidents of discrimination or unequal treatment were reported during 2007.





Athletics

Everything that signifies life is embraced by Piraeus Bank, the Bank with a human face.



### Increase of human resources for the achievement of corporate goals

At the end of 2007, Piraeus Bank Group employed 12,357 people compared to 9,253 in 2006, up by 34%, while Piraeus Bank employed 4,878 people versus 4,573 in 2006, recording an increase of 7%.

### Allocation of human resources according to gender, educational level, age and geographical area

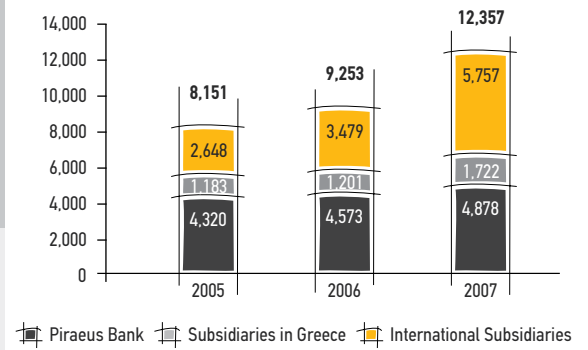
The equal opportunities policy of Piraeus Bank Group is fully applied in the case of its employees. Women represent 56% of total employees.

The age allocation of its human resources is yet another important advantage of the Group, as the majority (84%) refers to age groups up to 45 years, facilitate the Group to introduce and implement changes in technologies, methods and targets with great flexibility.

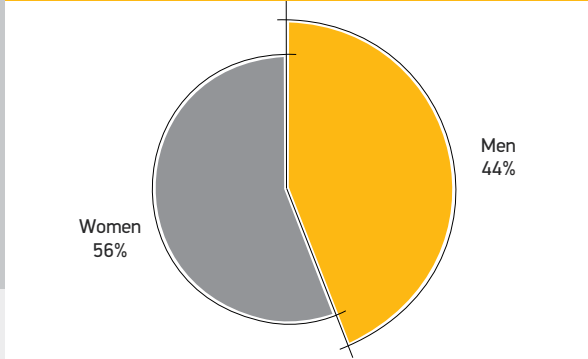
At the same time, Piraeus Bank Group takes advantage of the high rate of graduate and post-graduate degree holders (68%), so that its highly educated and specialized staff contributes substantially to the achievement of its corporate targets.

More emphasis was awarded in 2007 to the international network's human resources as a result of the Group's geographical expansion. More specifically, the staff employed abroad reached 5,757 employees (47% of the Group) at the end of the year. In Greece a large percentage of the Group's

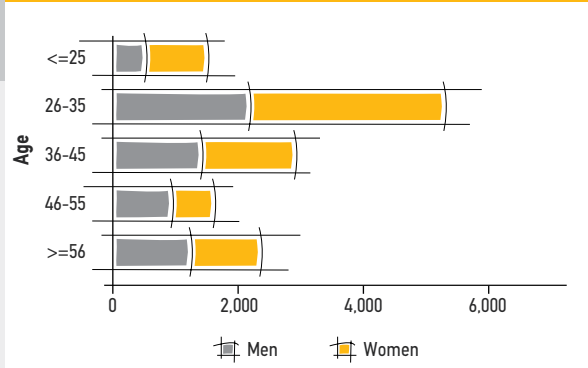
#### Total Allocation of Group Human Resources



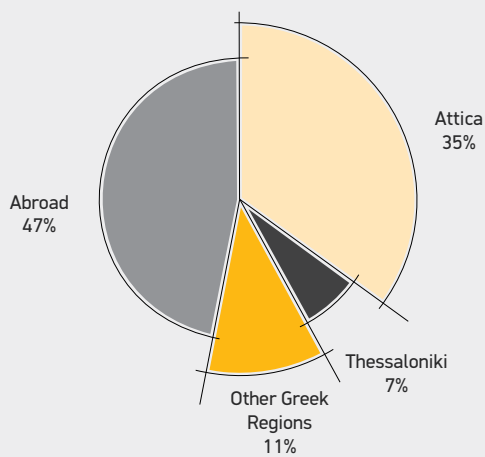
#### Gender Allocation of Human Resources



#### Age Allocation of Human Resources



**Geographic Allocation of Human Resources**



activity is taking place in Attica prefecture and therefore its human resources are proportionally allocated, resulting in 4,401 (35%) employees in the prefecture of Attica, 831 employees (7%) in the region of Thessaloniki and 1,368 (11%) in the rest of the country.

**Allocation of human resources according to type of employment and employment contract**

Piraeus Bank Group hires at a full time basis 99% of its employees. More specifically, the 100% of the staff employed at Piraeus Bank are full-time employees, while the respective percentage at the subsidiaries is 98.5%.

The 89% of the people employed in Piraeus Bank Group are employed by an indefinite time contract, while the 11% are employed by the Group by definite time contracts, in the context of a trial period, starting right after their hiring. The 100% of the employees are employed according to the collective agreements.

**Prominence of Human Resources according to gender**

The equal opportunities policy of the Bank, along with its clear orientation to more efficient and rational management and development of human resources, enabled new executives to develop and get promoted. More specifically, 1,398 men (57%) and 1,049 women (43%) comprise middle and top management, while from 2005 until the end of 2007 an increase of 2% was recorded in holding middle, high and top management positions by women.

**The Bank's view on human resources communication**

In everyday practice, Piraeus Bank exploits every opportunity for an open, bilateral communication between management and employees. Piraeus Bank seeks and systematically stays in touch sharing Vision and Group Values, while there's a common perception of business priorities and strategic targets for growth and development of Piraeus Bank Group.

Piraeus Bank Group provides all its employees with multiple communication channels, aspiring to ensure two-way communication on all levels. Apart from everyday contact, there are various other means and tools to this end, available to all the employees of the Bank and the majority of the Group's companies:



### Internal Communications Channels for the People of the Group

- Intranet site
- Individualized and group electronic communication via e-mail
- Winners, internal communication edition distributed to all the Group's employees
- Corporate activities
- Unit meetings
- Training programs
- Employees' performance and competencies appraisal
- Counseling support and guidance to employees
- Focus groups
- Surveys on corporate culture and employee satisfaction

### Employees' engagement to the continuous development of the Group

Every two years the Group runs a survey on corporate culture and employee satisfaction, in co-operation with external consultants. Thus, everyone gets the chance to express their opinions on their job and the way they perceive the corporate culture and work climate.

The corporate culture and employee satisfaction survey acts as an index of the employees' engagement, which guides the Management to plan appropriate improvement actions that may contribute to the Group's corporate development through its human resources.

### Best Work Place 2007

The good work environment of the Bank was acknowledged in the best possible way by the employees themselves, who participated in the award for "Best Workplaces Hellas 2007", organized by the "Great Place to Work Institute Hellas" at a percentage of 82.5%. The employees themselves appraised positively the way they live in their daily work reality fundamental values that characterize the best work environments. The values underlined were credibility, respect, fairness, pride and camaraderie. Piraeus Bank was one with the highest number of employees among the top 20 ranked companies. Additionally, this special distinction assumes special importance when taking into consideration the uninterrupted developmental course and growth of Piraeus Bank Group in Greece and abroad.





Entertainment

Everything that signifies life is embraced by Piraeus Bank, the Bank with a human face.





### Promotion and career development of human resources

In the effort to ensure the active support of the corporate targets of Piraeus Bank Group through its acquiring of appropriate human resources, a total of 3,582 job positions were allocated in 2007.

In the framework of effective management and best possible utilization of human resources, our people were given the opportunity and the motive to undertake different responsibilities depending on knowledge, experience and skills. To this end, internal placement was actively supported during the last few years:

- job vacancies are "openly" communicated and staffed from within the Group by priority
- the development of a group of executives, with the competencies to occupy managerial and executive posts in the medium-term is ensured and
- all employees are provided with development and professional growth motivation, along with the design of customized career paths.

More specifically, in the context of this project, 75% of the announced managerial job vacancies in 2007 were occupied from within the Group, while of the total of job vacancies, 31% were occupied from within the Group and 69% through external acquiring.

It is worth mentioning that Piraeus Bank Group organizes specialized Assessment and Development Centers for management positions, in co-operation with external expert consultants. These programs evaluate the potential of staff destined for management positions and assist them in their proper preparation to successfully fulfill their role. In 2007, 124 executives participated in the Evaluation and Development Centers, 113 of whom were actually promoted to higher management positions.

As far as external hiring is concerned, Piraeus Bank, aspiring to financially support the local communities, staffs its branches by giving priority to local residents in the selection process. More specifically, in 2007, this criterion was 100% met for the senior management of provincial branches. The conviction of Piraeus Bank is that through this process, it achieves the best possible understanding and servicing of local needs, along with the development of the Group. For the same reason, the Bank has always tried to apply this criterion in the most functional way to cover needs of internal staffing or human resources relocation.

### Investment in human development

Piraeus Bank Group uses advanced human resources evaluation systems, achieving thus the alignment of performance with the targets of the Group and the acknowledgement of individual contribution. Using the appropriate tools, such as the annual evaluation or "evaluation 360o" (evaluation of professional behavior of managers by their supervisors and associates), it ensures the tracing of the

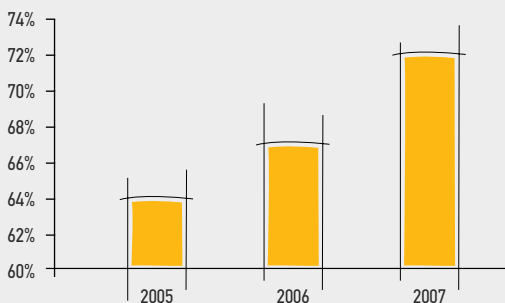
managers' strengths and weaknesses, creating action plans aiming at further developing and boosting the competencies of the human resources of the Group.

Fully aligned with the Group's strategic goals is also the investment on the continuous training through the design and deployment of "Academies" and certified programs.

It is worth noting that in 2007, 297 managers were certified through programs of knowledge and skills certification organized by Piraeus Bank, in providing specialized financial advice on private enterprises financing or issues of customers' investment needs.

Additionally, in the context of the provisions of the new Directive on the Financial Markets of Financial Means, and the respective resolutions of Bank of Greece and the Hellenic Capital Markets Commission, in 2007 Piraeus Bank proceeded with the evaluation and selection of 981 of its employees, fulfilling the criteria of certification by the Bank of Greece on the provision of investment services. Furthermore, in 2007 a continuous training program was designed and started being implemented to further enrich the specialized knowledge of already certified employees.

Coverage of Human Resources from Training Programmes



Piraeus Bank Group continued investing in the systematic training of its consultants, further enhancing their ability to openly communicate with customers, building long lasting and mutually profitable relationships.

In total, during 2007 Piraeus Bank Group organized 2,090 training sessions (internal and external) resulting in 281,645 employee training manhours.

The training man hours per employee time in Piraeus Bank reached 34, while 72% of the staff participated in at least one training session during the year. The respective figure at a Group level amounted to 26 man hours of training per employee, while 55% participated in at least one training course.

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 89%.

91% of Employee Training-Man Hours in Piraeus Bank in 2007 was addressed to entry and medium level employees, 8% to higher level Managers and 1% to Top Managers.

Out of the total employee-man hours, 42% were invested in the development of financial knowledge, while 25% to product and services knowledge and selling skills. 13% of the man hours were invested in the constant improvement of the already excellent customer communication and services, 9% in personal and management skills, 5% in the enhancement of the Bank's information systems and, finally, 6% in the development of specialized technical knowledge.



9% of Piraeus Bank employees received during 2007 training on issues of against fraud and corruption. 14% of those employee training-man hours were addressed to top managers of the Bank and 86% to entry and medium level employees.

In 2007, the extensive use of e-learning in the Bank and some of its subsidiaries continued. Furthermore, at the beginning of the year an extensive upgrade of both the e-learning administration platform was completed also updating its electronic library with new titles and courses.

Taking full advantage of the new courses provided from Harvard Business School Publishing, the Bank launched Piraeus Bank Group Management e-Academy, enrolling to approximately 40 managers.

Participants in e-learning programs within Piraeus Bank numbered 7,210 in 2007. It is important to clarify that a major part of the e-learning programs was conducted within the context of integrated blended programs implemented by the utilization of classroom and e-learning programs, or other learning methods.

In 2007, Piraeus Bank Group also continued financing the participation of 38 selected individuals in graduate and post-graduate courses, as well as foreign language learning for 120 employees.

Finally, emphasis was laid once again on the organization of customized on-the-job training or/and rotation programs. There were 217 individual programs of average duration of 120 hours in 2007.

## People Rewards

Piraeus Bank's goal is to attract and retain the best professionals of the market. Compensation and Benefits offered are very important to the achievement of this target. Piraeus Bank aims to be as competitive as possible, as far as compensation is concerned, in order to ensure the best possible care for the employees' needs.

Compensation and benefits evolve depending on the job role, experience, skills and responsibility of each employee.

In compliance with the Bank's Policy of Equal Opportunities, there is no discrimination in the designation of the base salary of men and women, neither within different levels of hierarchy, nor within different age groups.

Additionally, the market changes are constantly monitored, in order to maintain compensations and benefits competitive. Our aim is to acknowledge and reward the additional effort of each employee through systems of additional short-term or long-term rewards.

### Providing a modern and safe workplace

Piraeus Bank complies with the legislative regulations regarding the employees' health and safety. Acknowledging the importance of the matters and considering the physical and psychological well-being of its employees, the Bank has taken care to provide them with a modern, healthy and safe workplace, applying best practices above and beyond its legal obligations. Indicatively:

- in large cities, Athens and Thessaloniki where the majority of its staff is employed, the Bank has established health offices in each of its three main office buildings, where three co-operating doctors and two nurses attend the employees' needs
- the Bank co-operates also with companies legitimately authorized by the Ministry of Employment, for the provision of services by Occupational Physicians, covering the needs of the rest of its employees
- taking into consideration the harmful consequences of smoking, the Bank has designated special smoking areas, protecting non-smokers while respecting the rights of smokers
- the Bank has ensured clear workplace atmosphere through modern systems of air-conditioning and ventilation
- the Bank provides employees with latest technology computers complying with all safety standards regarding acceptable radiation levels and ergonomic keypads
- all working areas are aesthetically attractive, designed on the basis of modern and ergonomic specifications.

### Social Policy

Piraeus Bank aspires to continuously improve the prosperity level of its employee, so it offers them competitive compensations and benefits. In 2007 the total employee expenses of the Group reached €379.0 million, distributed as following:

■ Wages & Salaries	€271.7 million
■ Social insurance contributions	€56.2 million
■ Other staff costs	€15.9 million
■ Retirement benefit charges	€35.2 million

Furthermore, Piraeus Bank provides its employees with a series of additional benefits presented in the following table:



### Additional benefits for Piraeus Bank employees

- Annual free check up for all employees in co-operation with the Union of Employees
- Full coverage of the Group insurance scheme (Hospital-Medical Care, Life Insurance-Accident and Permanent Total Disability Insurance)
- Coverage of childcare expenses
- Rewards to employees' children who are students in Greece or abroad
- Extra days of leave (motherhood and child hospitalization)
- Monthly allowance for the transportation of blind and disabled employees
- Special one-off allowance for employees who have many children
- Privileged price policy

It is worth mentioning that, in the context of the Bank's social policy, the housing loans amount granted to employees in 2007 tripled compared to 2006, reaching €4.6 million, while their total balance amounted to €46.3 million on 31.12.2007.

Additionally, motivated by its high sense of social responsibility and care for the employees, Piraeus Bank established and provides programs of support and active management of their health and well-being since 2007. The care for health and well-being is implemented through a series of programs designed to meet the special needs of all different aspects of our lives. More particularly, the following programs are actually implemented:

- programs of information and sensitization on the active management of health and well-being (wellness programs)
- traumatic events management programs
- employees counseling and guidance programs

### Investment in the most advanced available solutions for human resources management

In order to achieve the aforementioned goals, the Bank has invested from 2003 in an integrated Information System of Human Resources Management (HRMS), a solution automating all important procedures, while allowing all the Group employees to actively participate therein. Hence, human resources management is optimized, employees' participation feeling is reinforced and the anthropocentric philosophy of the Group is corroborated.

In 2007, the HRMS was further upgraded, in order to keep up with new needs and adjust it ever better to the Group's vision and values. The goal for 2008 is to continue even more dynamically, by fully utilizing the HRMS platform capacities, and expand its use by the Group subsidiaries both in Greece and abroad.

### Collective Representation

Almost all employees are represented by the three employee unions and the most representative association is identified as the competent body for negotiating with the Management with regard to employee issues.

Aspiring to enhance the dialogue with the people and the collective bodies representing them, in order to establish a better workplace, the Bank not only fully complies with the respective legislation framework, but organizes at least once a month a work meeting among top management executives and Union's representatives. During these meetings, parties are informed about the Group's activities including important functional changes.

It is worth noting that the Group guarantees that the 100% of Piraeus Bank human resources enjoy the compensations and benefits agreed in the collective employment agreements.

### Contribution in the promotion of entrepreneurship

Keeping its clear orientation towards people and society, while boosting the sense of entrepreneurship, Piraeus Bank participates and supports research and developmental activities implemented by universities and research institutions. More specifically, in 2007 the Bank participated in the Business Game organized by Global Management Challenge, supporting 4 student groups. The Business Game is addressed to students who wish to acquire some experience in the management of a modern enterprise, as each year it is reorganized based on new parameters, in order to correspond to the latest challenges of the global market.

In 2007 the Bank also continued the initiative started the previous year in co-operation with ALBA Graduate Business School deploying the first complete training program in Greece on "e-Commerce & e-Banking: The future of Businesses". The seminar was conducted for 2 groups and was successfully attended by 73 participants, owners or managers of small and medium-sized enterprises and self-employed professionals.

Moreover, Piraeus Bank implemented in 2007 a series of educational interventions addressed to managers and owners of small and medium-sized enterprises which were existing costumers. The 21 workshops organized with the participation of Piraeus Bank executives and experienced external specialized trainers, were attended by 3,355 people, who received information on a series of extremely interesting issues regarding the further development of their business.

The succes of these initiatives, along with the positive response of the business world, motivate the Group to continue sharing practises and diffusing experience and knowledge to the society.

# 5

## 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 notable cultural activities through the Piraeus Group Cultural Foundation (P.I.O.P.).

In total, the Bank's contribution to actions, projects and initiatives regarding social, cultural and environmental work accounted for approximately 2.9% of annual profit before tax and 2.8% of operating expenses in 2007.

### U.N. Global Compact

In the beginning of 2004, Piraeus Bank joined voluntarily the UN Global Compact, which identifies ten principles in the areas of human rights, employment rights, environmental protection and combat against corruption. Piraeus Bank undertook the initiative to support and promote these principles in its scope of activities. The table below outlines 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 Responsibility Report section titled "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 Responsibility Report section titled "Human Resources"
7	Support a precautionary approach to environmental challenges	Annual Corporate Responsibility Report section titled "Society, Environment and Culture"
8	Undertake initiatives to promote greater environmental responsibility	Annual Corporate Responsibility Report section titled "Society, Environment and Culture"
9	Encourage the development and diffusion of environmentally friendly technologies	Annual Corporate Responsibility Report section titled "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, procedures, and information system preventing and restraining the legalization of funds that come from criminal or terrorist activities (anti-money laundering) and detecting fraud transactions</li> </ul>



Art  
Everything that signifies life is embraced by Piraeus Bank, the Bank with a human face.





## 6.1. SOCIAL ACTIONS

The cooperation with non profit organizations, with major characteristic the contribution to the three three-fold, i.e. Child, Family and Health is a strategic choice of Piraeus Bank regarding its social interventions. Indicative examples of the aforementioned interventions are the following:

- the special program, in collaboration with the Greek Orthodox Church, to assist families with many children in Thrace
- the financing of particular communities for the detoxification of young people from drugs and their smooth social re-integration
- the systematic support to organized communities, associations and organizations for disadvantaged and orphan children
- the financing of organizations supporting elderly people and
- the establishment of preventive medicine services in remote Communities and municipalities in Greece.

### Donation to Fire victims

The BoD of Piraeus Bank reacting with sensibility to the catastrophic consequences of the fires of summer 2007, both to the environment and local communities decided on 27.08.2007 to donate €5 million in the special fund for fire victims. Furthermore, Piraeus Bank decided to donate to the Fire Fighting Department, 30 state of the art firefighting vehicles along with their equipment of a total value of €6.5 million.

## 6.2. CULTURAL ACTIONS

The Piraeus Bank Group Cultural Foundation implements the Group's policy in the field of Corporate Responsibility and more specifically in the cultural domain, promoting the main statutory goals, that is, the preservation of traditional technology and industrial heritage.

2007 was an important year of development for the Piraeus Bank Group Cultural Foundation (P.I.O.P.), characterized by the completion of the Museum Network and the organization of the first important events in the Multi-Purpose Halls of the Network. At the same time, the Foundation received new propositions from Public authorities for the creation of new museums. Generally, all the Foundation's activities (Research Programs, Scientific Events, Publications, Historical Archive) have developed substantially, in combination with the re-organization of the P.I.O.P. structures and the increase of its personnel.

### Piraeus Bank Group Cultural Foundation

Aspasia Louvi, General Director of Piraeus Bank Group Cultural Foundation



## MUSEUMS DEPARTMENT

### I. Museums in operation:

In 2007 the Open-Air Water Power Museum (Dimitsana) was visited by 35,000 people, the Museum of the Olive and Greek Olive Oil (Sparta) by 17,000 people, the Museum of Industrial Olive Oil Production on Lesbos Island (Agia Paraskevi) by 13,000 people, the Rooftiles and Brickworks Museum N. & S. Tsalapatas (Volos, opening 17.03.07) by 6,000 people, while the Museum of Marble Crafts (Pirgos, Tinos island) opened on 30.09.07. The parking lot and Multi-Purpose Hall of the Open-Air Water Power Museum were completed (3<sup>rd</sup> Community Support Framework - C.S.F.). The open-air exhibition, the equipment of the Multi-Purpose Hall and the site [www.oliveoilmuseums.gr](http://www.oliveoilmuseums.gr) of the Museum of the Olive and Greek Olive Oil were completed (3<sup>rd</sup> Community Support Framework - C.S.F.). The Multi-Purpose Hall and the surrounding areas of the Museum of Marble Crafts of Tinos were completed (3<sup>rd</sup> Community Support Framework - C.S.F.).

### II. Events

The staff of the Foundation organized several exhibitions, educational programs, guided tours, meetings and other events in the Multi-Purpose Halls of all the operating Museums. The most important among them was the relocation of the exhibition "Athens-Sparta: from the 8th until the 5<sup>th</sup> century B.C." from New York to the Multi-Purpose Hall of the Museum of the Olive and Greek Olive Oil, where it was visited by 9,500 people. The building construction of the Environment Museum of Stymphalia continued, while began the restoration and re-organization of the Museum of Silk in Soufli. The Department's scientific personnel participated in congresses, conferences and meetings, posting announcements regarding cultural management and the creation of thematic museums.

## RESEARCH AND PROMOTION DEPARTMENT

The Department coordinated the following research programs: "Mastic in Chios", "Tin craft in the 20th century. The case of Georgios Hatzilaos", "Inventory of traditional workshops and cottage-industries in Pelion", "Registry of Businesses and Businessmen in Messinia, Raisin production in western Peloponnesus", "Cotton production and trade in Egypt", "History of the Lyceum of Greek Women", "Silk industry in the Byzantium", "Data about technology from Venice Archives and Libraries", "Participation in the Kaleidoscope Program (Equal Initiative)" and "Archive of Musical Illustration" of the Music Studies Department, School of Fine Arts, Aristotle University of Thessalonica - AUTH. The library department of the Foundation was re-organized, enriched with 700 new titles and provided literature support to researchers acting under the auspices of the Foundation or independently.



## PUBLICATIONS DEPARTMENT

In 2007, the following works were published under the auspices of the P.I.O.P's Publications Department: Desillas Hristos, *The Monte di Pietà of Corfu (1630-1864)*, Maisrou Eleni, Mavrokordatou Dimitra, Machairas Giorgos, Mpelavilas Nikos, Papastefanaki Leda, *Chemicals and Fertilizers S.A 1909-1993*, Zivas Dionisis, *Plaka 1973-2003. The Chronicle of the intervention for the protection of the Old City of Athens, Athens-Sparta, Information on the technology of greek areas under Venitian occupation*, Picon Antoine, *Saint-simonists. Orthology, fantasy, utopia*, Karampela Maria, *Recipes with oil and olives, Cooking with oil (and more...) in Agia Paraskevi in Lesvos island Traditional recipes, Collective work The land... olive bearing. The presence of the olive tree in Peloponnesus*, Sifnaiou Evridiki, *Industry and society of citizens The public machine in Agia Paraskevi Lesvos*, Plitas Antonis, *The introduction of diesel in the field of industrial technology*, Plitas Antonis, *Refinery, Olive-stone industry, Soap industry*, Plitas Antonis. The Department also continued the preparation of new publications and reprinted books that were out of stock.

## HISTORICAL ARCHIVE DEPARTMENT

The collections of the Historical Archive were enriched with new archive material, documenting and supporting the wide field of activities of the Foundation, concerning the protection, promotion and research of the technological culture and economic history of the country.

The implementation of the project "Development, distinction and promotion of integrated digital historical archive collections" of the Piraeus Group Cultural Foundation started in 2007, which is co-financed by 80% by the European Regional Development Fund and 20% by national resources. In the context of this project, expected to be completed by the end of 2008, archive material regarding the economic development of the country during the post-war era has been digitalized and scientifically documented. These archive documents are of outmost importance to the research of the country's economic recovery and will soon be available both to the Greek and the international research community, through the internet.

The Specialized Library of the Historical Archive department has been enriched with new titles of Greek and foreign books and magazines.

## 6.3. ENVIRONMENTAL ACTIONS

Piraeus Bank responding to the contemporary environmental challenges, has incorporated in the context of its Corporate Responsibility the development and implementation of a dynamic Environmental Policy since 2003.





**Recycling**

Everything that signifies life is embraced by Piraeus Bank, the Bank with a human face.



## Responsible for the Environmental Department

Vrasidas Zavras, Management Advisor

### I. Principles of the Environmental Policy of Piraeus Bank

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 degradation 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 environmental 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.”*

## II. Environmental Department

In order to ensure an integrated approach to the implementation of its Environmental Policy, Piraeus Bank has established, within the remits of its Corporate Social Responsibility, an Environmental Department, with the main objectives to reduce operational environmental impacts of the Group, to incorporate environmentally friendly procedures in the operational structures, to promote and support environmentally friendly products on the market, to contribute to the reduction of carbon dioxide (CO<sub>2</sub>) emissions, to raise awareness and educate employees and the general public, as well as to support efforts for the protection of nature.

The Environmental Department is staffed by employees with longstanding experience in the management of environmental and energy issues, as well as in regards to the legal and financial dimensions of the environment.

## III. The European Project GREENbanking4Life



A key point in the implementation of the Bank's environmental policy is the implementation of the Project GREENbanking4Life, within the context of the LIFE European program, the main financial instrument for the promotion of the European Union's environmental policy. The Project has a three-year duration (10/2006 - 10/2009), a budget amounting to €2,000,000, and is 50% co-funded by the European Union. The non-governmental organization "Ecological Recycling Society" is the partner for the implementation of the Project.

## IV. Participations

From as early as 2003, Piraeus Bank continues to meet the FTSE4Good index criteria. The international FTSE4Good index was established by the international organization FTSE, known for its creation and management of indices, in order to respond to the increasing needs of socially responsible investors for investments in companies meeting globally acknowledged Corporate Social Responsibility standards.

In 2007, Piraeus Bank signed the Statement of accession to the UNEP FI (United Nations Environment Program Finance Initiative), the Financial Initiative of the U.N. Environmental Program. The UNEP FI is an international co-operation between the United Nations and the financial sector. This international network comprises of 170 banks and insurance companies, committed to take sustainability into consideration for their corporate decisions. Also in 2007, Piraeus Bank, first in Greece, signed the declaration "Caring for Climate: The business leadership platform" of the UN Global Compact.



Finally, in 2007, Piraeus Bank became full member of the Hellenic Network for Corporate Social Responsibility, that aim at the promotion of Corporate Social Responsibility (CSR) and good practices among Greek enterprises and the public.

## V. Co-operations

Regarding the ongoing commitment for the protection of Greek nature, Piraeus Bank has formulated a strategy for the support of dynamic and reliable organizations contributing to the protection of sensitive habitats, protection and rehabilitation of endangered species, education, as well as raising public awareness. As a result of this strategy, the Bank supports the actions of the Greek environmental organization MOM for the protection of the endangered Mediterranean seal.

Moreover, the co-operation of the Bank with the Ecological Recycling Society, an environmental organization with experience in issues of re-use and recycling of materials, for the implementation of the European project GREENbanking4Life is a pioneering initiative in creating synergy between business community and civil society.

## VI. Operational environmental impact management

### VI.1. A special environmental database

In 2007, Piraeus Bank completed the design of a special database set up to allow the ongoing monitoring and detailed recording of its operational environmental performance, namely the consumption of power, water and other natural resources, the use of recycled consumables and employees' travels.

The methodology of data collection and processing was developed based on the guidelines of the Greenhouse Gas Protocol (GHG) Initiative of the International Institute of Natural Resources. The estimation of the Ecological Footprint was based on the respective international and national researches. Moreover, this Corporate Responsibility Report is based on the indices suggested by the Global Reporting Initiative (GRI).

The following results concern the network of retail branches and central management units of Piraeus Bank in Greece (with average of 4,421 employees in 2006 and 4,665 employees in 2007, that is up by 6%, and buildings surface 155,564 m<sup>2</sup> in 2006 and 176,738 m<sup>2</sup> in 2007).

### VI.2. Consumables

Total paper consumption was estimated by the combined consumption of conventional and recycled-chlorine free paper. Conventional paper includes paper consumables, bank transaction transcripts and newspapers with their inserts.





Piraeus Bank supports the actions for the protection of the endangered Mediterranean seal  
Everything that signifies life is embraced by Piraeus Bank, the Bank with a human face.



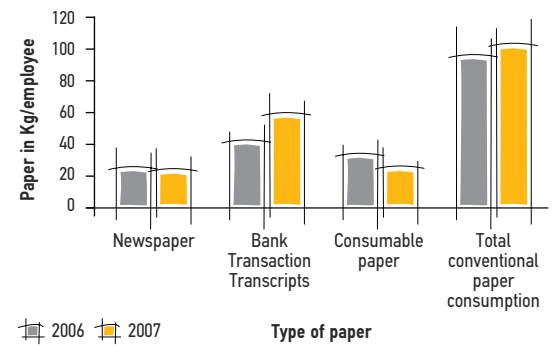


The Bank uses almost exclusively 100% recycled and chlorine-free paper as writing paper for internal needs. The calculations don't yet include the paper used for marketing material and Bank statements. The reduction in paper consumables by approximately ¼ per employee compared to the previous year is obvious. There is an increase in the use of paper for transaction receipts, due to changes implemented in the Bank's internal procedures and the substantial increase of the Bank's businesses. The reduction of paper consumables on the one hand and the increase in the use of transaction receipts on the other, led to a positive paper consumption balance of 8.6% per employee. At the same time, the consumption of recycled paper has increased, while the consumption of ink and toner shows a declining trend compared to 2006 as it is illustrated on page 51.

### VI.3. Green Supplies

In 2007, Piraeus Bank was the largest buyer and, consequently, user of recycled and chlorine-free writing paper in the Balkans. The Bank is a pioneering enterprise in Greece, as it has incorporated several "green" criteria in its general supplies policy. The increase of certified recycled, chlorine-free paper use compared to conventional paper from 92.7% in 2006 to 98.1% in 2007 is a striking feature. The environmental benefits are presented below:

Paper Consumption during 2006 and 2007



#### Environmental benefits from using 390 tonnes of recycled paper

Trees not cut	9,360	trees
Reduced water consumption	16,699,410	litres
Reduced power consumption	2,159,170	kWh
Prevention of Carbon Dioxide emissions (CO <sub>2eq</sub> )	433	tonnes
Reduced solid waste	220	tonnes

### VI.4. Energy

Oil consumption appears almost invariable (in 20 buildings of the Bank's Network that use oil for heating). A small increase, of approximately 3%, is observed in electricity consumption (192.0 kWh/m<sup>2</sup> in 2007 compared to 186.3 kWh/m<sup>2</sup> in 2006). These figures are close to the average consumption (187kWh/m<sup>2</sup>) recorded in studies for tertiary domain office buildings. As presented in the figure that follows in the next page, the biggest environmental impacts of the Bank are due to electricity consumption; this is why the Bank, from mid-2007, has proceeded with the gradual change of its power policy, the results of which will become evident in 2008.

### VI.5. Water

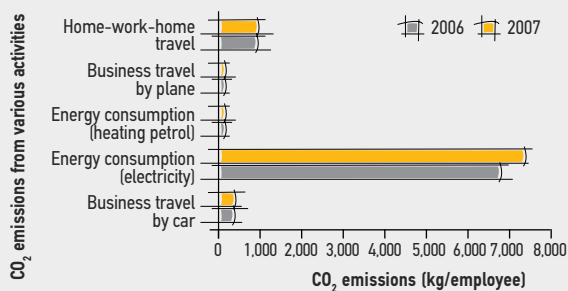
Water consumption per employee increased by 2.6% in 2007 compared to 2006. Although the increase is relatively small, the total consumption is considered substantial and requires action. This is why Piraeus Bank will proceed in 2008 with the implementation of water saving practices.

### VI.6. Greenhouse gas emissions

Greenhouse gas emissions from Piraeus Bank increased in 2007 compared to 2006. It should be noted that gas emissions were not estimated based only on power consumption and employees'



**CO<sub>2</sub> Emissions from Piraeus Bank Operational Activities in 2006 and 2007**



professional trips, but additional parameters-variables were considered such as gas emissions from the employees' daily transportation (home-work-home). Figures show that the highest CO<sub>2</sub> emissions result from electricity consumption and the employees' daily transportation (home-work-home).

**VI.7. Solid waste management**

**Electronic equipment**

In 2007, Piraeus Bank delivered to "Appliances Recycling S.A." approximately 32.2 tonnes of used electronic devices (828 computer screens, 786 computers, 134 servers, 455 printers, 64 scanners and 115 boxes of keyboards, mice and cables etc). The estimated environmental benefit is indicated below:

**Environmental benefit from recycling 32.2 tonnes of used electronic equipment**

Prevention of environmental pollution by:

7.4 tonnes	plastic
11.2 tonnes	aluminium
8.1 tonnes	glass
2.1 tonnes	lead
14 kg	noxious trace elements

**Paper recycling**

The results of paper recycling in 2007 presented an increase of 55.5% compared to 2006. As much as 155.5 tonnes of paper were recycled, mainly originating from the recycling system of the organizational units of the broader Athens and Thessaloniki areas. The goal for 2008 is to expand the recycling programme to the 50% of all Attica and Thessaloniki branches, along with the collection and re-use of ink cartridges and toners.

**VI.8. Transportation**

Business travels by airplane demonstrate a decreasing trend. The raised awareness of employees on the use of teleconference and videoconference systems played a decisive part in this decrease. It is also worth mentioning that, in order that the training interventions reach faster, a greater number of individuals and in a more environmentally friendly way, the e-learning approach has been highly promoted. The environmental benefits from the implementation of e-learning programmes in 2007 are presented in the following table.

**Environmental benefits from reduced employee road transportation (266,310 km) due to e-learning courses**

Reduced gas emissions:

53.92	tonnes of CO <sub>2</sub>
2.92	tonnes of CO
0.24	tonnes of NO <sub>x</sub>
0.40	tonnes of NMVOC
0.02	tonnes of CH <sub>4</sub>

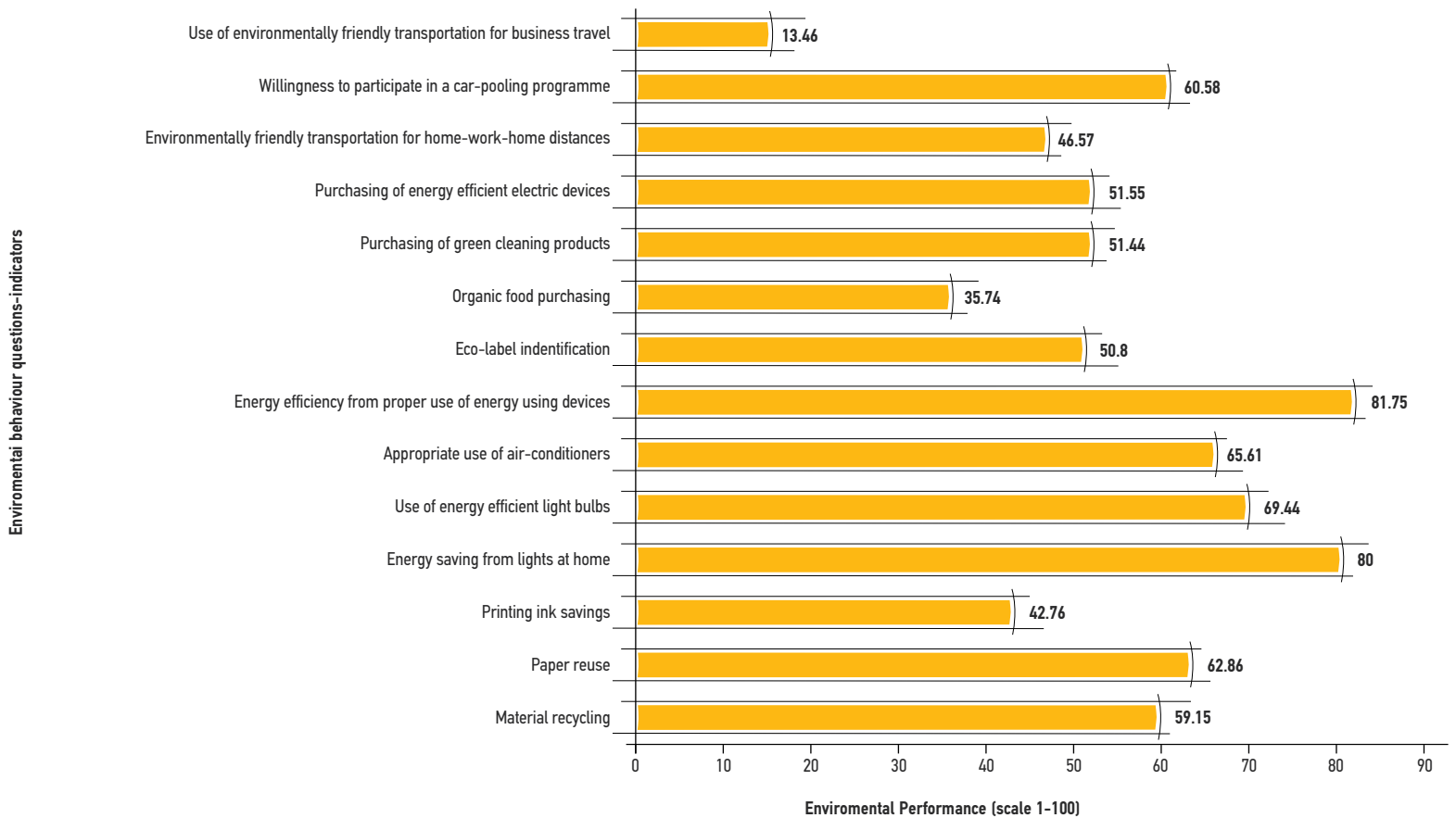
CO<sub>2</sub>: carbon dioxide, CO: carbon monoxide, NO<sub>x</sub>: nitrogen oxides, NMVOC: volatile organic compound, CH<sub>4</sub>: methane.



### VI.9. Human resources environmental behaviour (questionnaire)

In the context of the GREENbanking4Life project a questionnaire was designed titled: "Daily habits and the environment", which was voluntarily completed on the Banks' intranet by the employees in June 2007. The positive response of the employees was considered quite satisfactory (21% of all employees). The questionnaire recorded the environmental behaviour both in the house and the workplace through 14 questions-indicators. The average of the employees' environmental behaviour was 5.8 (maximum 10), that is, a little above the average level.

**Environmental Performance of Piraeus Bank Employees**  
(Scoring from Answers to Questionnaire entitled: "Daily Habits and the Environment")





Piraeus Bank Ecological Footprint			
	Results 2007	Results 2006	Difference [%]
<b>Consumables</b>			
Paper consumption from paper consumables (tonnes)	107.14	134.27	-20.2
Paper consumption from paper consumables (kg/employee)	22.96	30.37	-24.4
Paper consumption from newspaper subscriptions (tonnes)	100.40	98.02	+2.4
Paper consumption from newspaper subscriptions (kg/employee)	21.52	22.17	-2.9
Paper consumption from transaction receipts (tonnes)	253.34	169.96	+49.0
Paper consumption from transaction receipts (kg/employee)	54.30	38.44	+41.2
Total consumption of conventional paper (tonnes)	460.87	402.26	+14.6
Total consumption of conventional paper (kg/employee)	98.79	90.98	+8.6
Consumption of ink cartridges and toners (pieces)	20,145	21,009	-4.1
Consumption of ink cartridges and toners (pieces/employee)	4.31	4.75	-9.3
<b>Green consumables</b>			
Consumption of recycled A4 and A3 paper (tonnes)	390	300	+29.9
Consumption of recycled A4 and A3 paper (kg/employee)	83.51	67.85	+23.1
Percentage of recycled A4 and A3 paper consumption compared to conventional A3 and A4 (%)	98.13	92.67	+5.9
<b>Energy</b>			
Heating oil consumption in 20 buildings (litres)	96,751	97,776	-1.0
Heating oil consumption (litres/m <sup>2</sup> )	4.94	4.99	-1.0
Heating oil consumption (litres/employee)	176.87	178.74	-1.0
Electricity consumption (kWh)	33,929,000	28,978,154	+17.1
Electricity consumption (kWh)/employee)	7,279	6,554	+11.0
Electricity consumption (kWh/m <sup>2</sup> )	191.97	186.28	+3.0
<b>Water</b>			
Water consumption (m <sup>3</sup> )	36,387	33,600	+8.3
Water consumption (m <sup>3</sup> /employee)	7.8	7.6	+2.6



**Piraeus Bank Ecological Footprint**

		Results 2007	Results 2006	Difference [%]
<b>Greenhouse gas emissions</b>				
Emissions of CO <sub>2</sub> (tonnes)		41,549	36,667	+13.3
Emissions of CO <sub>2</sub> (kg/employee)		8,907	8,294	+7.4
Emissions of CH <sub>4</sub> (tonnes)		0.97	0.94	+3.2
Emissions of CH <sub>4</sub> (kg/employee)		0.21	0.21	0
Emissions of NO <sub>x</sub> (tonnes)		49.25	43.53	+13.1
Emissions of NO <sub>x</sub> (kg/employee)		10.56	9.85	+7.2
Emissions of SO <sub>2</sub> (tonnes)		45.64	39.05	+16.9
Emissions of SO <sub>2</sub> (kg/employee)		9.78	8.83	+10.7
Emissions of CO (tonnes)		130.80	126.49	+3.4
Emissions of CO (kg/employee)		28.04	28.61	-2.0
Emissions of VOC (tonnes)		19.39	18.79	+3.2
Emissions of VOC (kg/employee)		4.16	4.25	-2.1
Emissions of PM (tonnes)		9.25	7.92	+16.8
Emissions of PM (kg/employee)		1.98	1.79	+10.6
<b>Solid waste management</b>				
Used paper recycled (tonnes)		155.5	100	+55.5
Used electric and electronic equipment recycled (tonnes)		32.2	-	-
<b>Transportation</b>				
Professional airplane travels (km)		2,666,863	2,632,793	+1.3
Professional airplane travels (km/employees)		572	596	-4.0
Professional road travels (km)		7,555,000	-	-
Professional road travels (km/employee)		1,619	-	-
Reduced transportation due to e-learning training (km)		266,312	-	-

= gas emissions from airplane travels  
 = gas emissions from road travels  
 = gas emissions from power travels

CO<sub>2</sub> = carbon dioxide, CH<sub>4</sub> = methane, NO<sub>x</sub> = nitrogen oxides, SO<sub>2</sub> = sulfur dioxide, CO = carbon monoxide, VOC = volatile organic compound, PM = microparticles

**VI.10. Compliance with environmental legislation**

Piraeus Bank operates in harmony with the European and national environmental legislation. It has also developed a special database on environmental legislation related to the financial sector, in order to ensure continuous monitoring of developments and immediate response to new regulations.



## VII. "Green" business

Apart from the operational activities, Piraeus Bank proceeded with the evaluation of the environmental impact of its core business activities. An integral part of its environmental policy is the definition of the "core business environmental impact" resulting from external activities, as well as the development of "green" banking products that could reduce it.

In 2007 the Bank proceeded with the development of the first in Greece complete package of "green" products and services, in order to promote investments that matter to the environment. More specifically, the Bank designed a series of products addressed to photovoltaic systems investors. It is a series of products for individuals, small, medium enterprises and large corporates that are accompanied by a complete insurance package. Apart from the innovative combination of services provided according to each investor's needs, the Bank also ensures simplified procedures for every type of financing.

In order to provide the best possible services but also to safeguard any prospective investors, the Bank implemented in 2007 a series of informative seminars on photovoltaic technology and the procedures concerning corresponding investments. More specifically, 14 seminars held in several cities of Greece were attended by more than 1,500 prospective investors.

Moreover, 10 training seminars were organized for the Bank's personnel, attended by more than 500 employees, on issues concerning investments in photovoltaic systems and the technical evaluation of such investments.

As early as 2007, Piraeus Bank proceeded with the financing of photovoltaic parks (capacity of 100 KW) corresponding in total to 33% of the operating photovoltaic parks in Greece. In the same year additional projects of total capacity of 17.42 MW were approved for financing investments in photovoltaic parks.

Apart from the photovoltaic parks Piraeus Bank has also financed other Renewable Energy Projects (wind farms and small hydroelectric projects) through the Project Finance Division. By 2006 it had financed projects of 61.5 MW wind farms and 7.4 MW in small hydroelectric projects. In 2007, it financed projects of 76.8 MW wind farms and 15.1 MW in small hydroelectric projects, which are under construction.

The environmental benefits from these investments are indisputable: Each KWh of electricity produced from photovoltaic systems (that is, not from conventional fuel), corresponds to the reduction of one kilogram of carbon dioxide emissions (1 Kg CO<sub>2</sub>) in the atmosphere (based on the actual energy mix used in Greece and the average losses from the electricity distribution grid). A standard photovoltaic system of one megawatt (1 MW) corresponds to the reduction of carbon dioxide emissions in the atmosphere of approximately 1,170 tonnes per year, that is, the equivalent absorbed by 2,000 acres of forest, or 100,000 trees. Similarly, regarding investments in wind farms, it is worth mentioning that a wind turbine of 1 MW in Greece produces an average of 3 million Kilowatt hours (KWh) of



electricity per year. This corresponds to the reduction of carbon dioxide emissions in the atmosphere by approximately 2,800 tonnes of carbon dioxide, that is, the equivalent absorbed by 4,000 acres of forest, or 200,000 trees. Finally, the small hydroelectric projects also contribute to the reduction of gas emissions. A standard small hydroelectric unit of 1 MW, produces approximately 6 million kWh of electricity per year, which corresponds to the reduction of carbon dioxide emissions in the atmosphere by approximately 2,800 tonnes of carbon dioxide.

According to the above, Piraeus Bank has, to the present day, financed projects concerning Renewable Energy Sources (RES) which reduce the emissions of CO<sub>2</sub> in the atmosphere by 538,215 tonnes per year, including the new projects that were completed in 2007.

**Environmental benefits form RES projects & Financing**

	By the end of 2007	By the end of 2006
Reduction of CO <sub>2</sub> emission (tonnes/year)	538,215	217,370
Approval of RES projects financing (€ million)	166.8	52.5

**VIII. Environmental awareness and education**

Raising awareness and educating employees, as well as the public, regarding environmental issues was set once more as a priority for Piraeus Bank in 2007. Articles concerning the Bank's environmental policy were regularly included in its targeted newsletters (Newslines, Winners, Business Choices, and Investment Choices). It is also indicative that in 2007 both the print and the electronic press responded positively, with many publications, to the Bank's environmental activities, while a special website providing information on the achievements of the LIFE Project ([www.greenbanking.gr](http://www.greenbanking.gr)) was designed and updated.

Finally, it is worth mentioning that Piraeus Bank supported for the first time in Greece the photographic exhibition with the 100 best photographs of the international competition "wildlife photographer" organized by the BBC Wildlife Magazine and London Natural History Museum. The exhibition was open to the public from 23 April to 13 May 2007 in the Spirou Miliou gallery in City Link center in Athens and was visited by 130,000 people including many school children.





Young visitors at the "Wild Nature" photo exhibition organized for the first time in Greece and supported by Piraeus Bank. Everything that signifies life is embraced by Piraeus Bank, the Bank with a human face.





# Table of Performance Indicators

## According to Global Reporting Initiative–GRI

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EC3-Coverage of the organization's defined benefit plan obligations	<b>35-36</b>
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EC6-Policy, practices, and proportion of spending on locally-based suppliers	<b>25</b>
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