

CORPORATE RESPONSIBILITY REPORT 2012



PIRAEUS BANK



PIRAEUS BANK

*Light heightens the sense of sight; it makes objects visible and reveals the path
to a new step – the next one.
There is an image of light in every page of this report.*

The clarity, purity and allurement of light as they are reflected at Piraeus Group headquarters, at CityLink and at PIOP sites and museums were exquisitely captured by photographer Platon Rivellis.

PIRAEUS BANK

CONTENTS

	<i>Chairman's Note</i>	7
	<i>Selected Figures Associated with 2012 Corporate Responsibility</i>	8
	<i>Corporate Responsibility Key Actions and Targets</i>	10
	<i>Corporate Responsibility Principles</i>	14
	<i>Stakeholders' Dialogue</i>	15
	<i>UN Global Compact</i>	17
	<i>Participation in Organizations and CSR Indices and Distinctions</i>	18
Chapter 1	<i>Corporate Governance</i>	23
Chapter 2	<i>Customer and Supplier Relationships</i>	35
Chapter 3	<i>Human Resources</i>	47
Chapter 4	<i>Society, Culture and the Environment</i>	61
	<i>Independent Assurance Report</i>	89
	<i>Appendix GRI Reporting Content</i>	93

PIRAEUS BANK

CHAIRMAN'S NOTE

The Greek banking system is entering a new era, following its restructuring and the recapitalization of Greek banks. For Piraeus Bank, this new era signals an opportunity for a new start, as it has achieved, through its business choices in the last few months, a much greater presence in the Greek market with strong capital adequacy ratios.

At the same time, these achievements create new and increased obligations for the Group. In response to its new role as the largest financial institution in Greece, Piraeus Bank is called upon to accomplish its social and cultural commitments from a position of even greater responsibility.

Given these new conditions, Piraeus Group is fully dedicated to achieving its targets, facing the current challenges responsibly, realistically and fully aware that its actions have direct or indirect effect on its customers, households and businesses, as well as on the Group's employees in Greece and in the other countries where it operates.

The best antidote during any difficult conjuncture is collaboration, collectiveness and responsive action. For this reason, we support:

- **the efforts for the restructuring of the Greek economy towards a new, sustainable model of development,**
- **the initiatives aimed at developing entrepreneurship, enhancing competitiveness and improving productivity of enterprises and business sectors focused on extroversion,**
- **our customers, according to their specialized needs and demands, as they have been shaped by the present economic conditions,**
- **the development of Greek agriculture on a new, contemporary basis with the aim of strengthening its extroversion, its competitiveness and entrepreneurship with "contract farming" as the key means of financing,**
- **our shareholders, by shielding our balance sheet and by strengthening the structures and transparency of company governance,**
- **our 25,000 Group employees, by contributing to their con-**

stant development and to the necessary balance between personal and professional life,

- **our suppliers, our business partners as well as our social partners on a mutual benefit basis and in harmonious collaboration,**
- **every effort to protect the environment, not only in the framework of our internal operation but also by sharing our know-how with all our stakeholders,**
- **corporate responsibility actions, by systematically fostering the Bank's relations with all stakeholders, with particular emphasis on the preservation of culture, traditional technologies and industrial heritage in the Greek region, through the Piraeus Bank Group Cultural Foundation (PIOP) Museum Network, the principles of the UN Global Compact for the protection of human and labor rights, the environment and the efforts to eliminate corruption.**

In this Report, we present the corporate responsibility principles that we apply and the specific actions and results of 2012, as well as the targets we have set for the upcoming period. Among the significant distinctions received, the most noteworthy is the first prize awarded to PIOP by EuropaNostra in the category "Dedicated Services", following a recommendation by the Hellenic Committee of the International Council of Museums (ICOM), making it the first Greek foundation to receive such a distinction.

Trust, consistency, solidarity, collectiveness and action are all basic principles that guide Piraeus Bank Group's corporate activity. These values are more important today than ever in order for the Bank to continue to support its customers, shareholders and employees, as well as to continue to decisively contribute to the stability of the banking system and to the recovery of the Greek economy.



Michalis Sallas
Chairman of the Board of Directors

SELECTED FIGURES ASSOCIATED WITH CORPORATE RESPONSIBILITY IN 2012

<u>Piraeus Bank Group Human Resources</u>	<u>18,600</u>
<u>Training Man-hours at Group level</u>	<u>379,000</u>
<u>Volunteerism</u>	<u>60 actions, 2,956 volunteers</u>
<u>Customers</u>	<u>5.3mn</u>
<u>Customer Satisfaction Index (Greece)</u>	<u>95% of total respondents</u>
<u>Shareholders</u>	<u>164 thousand</u>

Note: Data as of 31.12.2012. Data referring to 2013 acquisitions are not included.

PIRAEUS BANK

9

Culture

MUSEUM NETWORK

- 7 thematic museums in operation at select sites in the Greek regional areas (Soufli, Dimitsana in Arcadia, Lesvos island, Tinos Island, the mountainous region of Korinthia, Volos, Sparta)
- with 105,000 visitors in 2012, 71% of which was free of charge
- 2 museums under preparation: Museum of Chios Mastie on the island of Chios, Silversmithing Museum of Ioannina

CULTURAL ACTIONS AND EDUCATIONAL PROGRAMS

- 11 exhibitions
- 46 cultural actions
- 74 educational programs: ongoing, standalone, lifelong learning (60 programs for minors, 14 programs for adults)

SCIENTIFIC SUPPORT

- 40 cases of provision of scientific support to the academic and research community and various research bodies
- 828 training hours to young scientists
- 728 volumes and 113 series of educational material/books, donations to schools and libraries

CONTRIBUTION TO THE SHAPING
OF CULTURAL POLICIESDISSEMINATION OF RESEARCH WORK TO VARIOUS
GROUPS OF THE PUBLIC***The Environment***

ELECTRICITY CONSUMPTION

- Stabilization of electricity consumption; in the last 5 years the total reduction is over 7.5%

BUSINESS TRAVEL

- Reduction of plane travel by 9% versus 2011

PAPER CONSUMPTION

- 13.7% reduction versus 2011

ENVIRONMENTAL RISK

- Financial estimation of the Bank's environmental risk with the pioneer "climabiz" climate risk management model.

PREVENTION OF GAS EMISSIONS

- 775,000 tons of carbon dioxide emissions were prevented through the Bank's investments in RES in 2012.

GREEN ENTREPRENEURSHIP NETWORKING

- Creation of Green Banking Portal

Contribution to Social, Cultural and Environmental Actions, Programs and Initiatives

- 0.7% of annual Group pre-tax and pre-provision profits in 2012
- Significant contribution to the reduction of the Greek public debt through its participation in the PSI program and the debt buyback program
- Provision of equipment to 85 high schools, primary schools and kindergartens in Greece

CORPORATE RESPONSIBILITY KEY ACTIONS AND TARGETS

Business Environment

2012 KEY ACTIONS

- Significant upgrading of Piraeus Bank Group's position in the Greek banking market with: the absorption of the healthy part of ATEbank¹ (select assets and liabilities) at the end of June; acquisition of GENIKI Bank from Société Générale in December 2012.
- Timely disbursement of approx. €2bn in loans to approx. 700,000 farmers.
- €150mn in funding of very small, small and medium-sized Greek businesses through the granting of loans with particularly favourable terms in the framework of the "Innovative Entrepreneurship, Logistics, Food, Drinks" Action in conjunction with the Entrepreneurship Fund, which is managed by the Hellenic Fund for Entrepreneurship and Development (ETEAN).
- €40mn in funding of urban development projects in the regions of Central Macedonia and Thessaly in the framework of the JESSICA initiative.
- Support of innovative companies successfully active in the fields of cutting edge technology, computing and food on a global scale through the participation of Piraeus-TANEO Capital Fund and JEREMIE Technology Catalyst Fund (PJ Tech Catalyst).
- Over 35% of RES investments in Greece (wind parks, photovoltaics) has been funded by Piraeus Bank.
- Rescheduled and restructured loans approved by Piraeus Group due to financial difficulties on 31/12/2012 amounted to €5.4bn.

2013 TARGETS

- Further strengthening of Piraeus Bank's capital position with the completion of the recapitalization plan for Greek banks by the end of June 2013.
- Smooth integration of banking activities acquired in Greece with the aim of offering unhindered services to our customers and exploiting significant synergies.

¹ Hereafter ATEbank.

PIRAEUS BANK

11

- Strategic focus on the agricultural sector by providing short-term and medium to long-term financing as well as the financing proposal for Contract Farming³. Forming of agreements with the primary bodies involved in rural development such as: the Ministry of Rural Development and Food, Payment and Control Agency for Guidance and Guarantee Community Aid (OPEKEPE), the Greek Agricultural Insurance Organisation (EL.G.A) and Agricultural Insurance Organization (OGA).
- Loan provision totaling €200mn to further enhance liquidity of small and medium-sized businesses in collaboration with the European Investment Bank.
- Allocation of €56.8mn to urban development projects in the regions of Central Macedonia and Thessaly in the framework of the JESSICA initiative, the EU and the European Investment Bank.
- Financing of or participation in select exporting, innovative companies active in the fields of technology, energy, the environment or with specialization in niche markets.
- Participation once again in the ETEAN “Business Restarting” program concerning the financing of small and medium-sized businesses for working capital and investment costs.

Working Environment

2012 KEY ACTIONS

- Securing over 97% retention rate for talents in the Bank
- 80% coverage of vacant positions in the Group through internal reassignments and promotions
- Ensuring 33 training hours per employee on average in the Group
- Expansion of uniform policies and performance review tools to at least 85% of the Group
- Active use of the webinar e-training system: 10% of all Bank training man-hours were accomplished with this system.
- Expanded and more in-depth employee training in e-Banking and Green Banking
- 60 volunteer actions with the participation of 2,956 employees.
- Intensification of coordinated actions aimed at the smooth integration of former ATEbank staff in the Group.

2013 TARGETS

- Securing over 97% retention rate for talents in the Bank.
- 95% coverage of vacant positions in the Group through internal reassignments and promotions.
- Increase of training hours to 37 on average per Group employee and to 42 on average per Bank employee.
- Preservation of uniform policies and performance review tools to at least 85% of the Group.
- Active use of the webinar e-training system to 5% of all Bank training man-hours.
- Accomplishment of 80 volunteer actions with the participation of Group employees.
- Focus on issues of functional integration and common culture of Group employees.
- Conduct Employee Satisfaction Survey.
- Extension of Employee Support Programs at Group level.

³ A new financing program for agricultural production which substantially contributes to liquidity enhancement as well as transactional modernization and purging of the agricultural economy. It regards partial financing of the production cost of agricultural/livestock raising of producers bound by contract, with specific buyer-processor of their produce (cooperatives-groups of producers, processing businesses, etc).

PIRAEUS BANK

12

*Culture***2012 KEY ACTIONS**

- Operation of a Network of 7 thematic technological Museums in the Greek regional areas.
- Preparation for operation of 2 new museums.
- Organizing of high-standard cultural events and educational programs in the Network's Multi-Purpose Halls: 11 exhibitions, 46 other actions, 74 educational programs (60 for minors and 14 for adults).
- Contribution to lifelong learning and internships of young scientists and professionals. Provision of 828 hours of internship to young scientists.
- Donation of educational material to school communities: 113 folders and 728 volumes of PIOP publications.
- Expansion of PIOP's research interest to the basic zones of industrial development in modern Greece.
- Capitalization and promotion of PIOP's research capital to the broader public in order to benefit local communities.
- Contribution to the shaping of national cultural policies.
- Provision of scientific support to agencies, new scientists, researchers and doctoral candidates.
- Scientific support to the Hellenic Ministry of Culture and Tourism program for the promotion of greek intangible cultural heritage (UNESCO).
- Support of academic and research communities: collection and management of a Historical Archive (the history of banks, financial institutions and companies), operation of specialized libraries (museum studies, cultural management, history of technology, economic and banking history), organization of scientific events.
- Presentation of a 2-volume work on the economic history of modern Greece (PIOP publication).

2013 TARGETS

- Enhancement of PIOP's extroversion and contribution to the cultural and broader development of Greece by means of combined cultural/scientific and environmental actions.
- Increase in the number of visitors to and participants in the cultural/educational actions of the 7 thematic Museums operating in Greece and at PIOP headquarters.
- Completion of 2 new museums under preparation (Museum of Chios Mastic on the island of Chios, Silversmithing Museum of Ioannina).
- Organization of exhibitions, a multitude of educational actions and cultural events.
- Creation of a new research reserve, capitalisation and promotion of this reserve to the broad public.
- Provision of scientific counseling to public bodies and local communities.
- Forming policies in the field of culture.
- Digital actions of scientific, educational and popularizing character.
- New publications.
- Continuation of the scientific processing of PIOP's Historical Archive. Addition of former ATEbank's Historical Archive and integration of the two archives with concurrent addition of new material.

*Society***2012 KEY ACTIONS**

- Tangible support of the Greek periphery, with sponsorships, donations and special actions: support to livestock farmers on Chios island following the devastating fires, donation of ambulance to the Municipality of Psara, support to 35 Municipalities and Regions of Greece.
- Immediate response to requests for support of primary and secondary education bodies: scholarships to students in the Region of Crete, provision of equipment to 85 primary, junior and senior high schools and kindergartens in Greece.
- Support of research work and coverage of the needs of secondary and tertiary education institutions: the scholarship program of the University of the Peloponnese, the scholarship program of TEI of Patras.
- Support of the work and coverage of the needs of public

PIRAEUS BANK

13

- health care facilities: AHEPA University General Hospital of Thessaloniki, University General Hospital Attikon, the General Hospital of Nikaia, Agios Pavlos General Hospital of Thessaloniki, Pentelis General Children's Hospital.
- Collaboration with charities and organizations providing social work and financial support of these: ELEPAP, the Hellenic Red Cross, I.A.K.E. (Social Work Development Foundation). Donations to 32 social, cultural and sports clubs, unions, associations.
- Support of charity work and actions by: the Archdiocese of Athens for the soup kitchens for the homeless, the Archdiocese of Crete, the Holy Bishopric of Neapolis and Stavroupolis.

2103 TARGETS

- Unfaltering orientation towards dealing with the challenges society is facing today.
- Creating the conditions for far-reaching and sustainable social development by means of:
 - strengthening and promotion of volunteer actions and support of charities,
 - collaborations with NGO's,
 - sponsorships, realization of educational programs not only for employees but also for targeted groups,
 - organizing of effective actions wherever social solidarity is deemed necessary.

The Environment**2012 KEY ACTIONS**

- Completion of the European climabiz program for estimation of climate change impact on Greek businesses
- 14% reduction in paper consumption versus 2011.
- 10% reduction in ink cartridge/toner consumption versus 2011.
- 9% reduction in business trips by plane versus 2011.
- 40% increase in plastic recycled
- 18% increase in small battery recycling per employee.
- Completion of pilot application for monitoring electricity and water consumption at 10 Bank branches in Attica.
- Approx. 1,250 employees participated in environmental training programs.

2013 TARGETS

- Training of all new Environmental Management Coordinators deriving from the former ATEbank in the Environmental Management System.
- Development of Environmental Management System at Industrial Park in Komotini and at ETVA-Industrial Parks SA.
- ISO 14001:2004 and EMAS certification for PIOP's Environmental Management System.
- Increase in paper and ink cartridge/toner recycled in the Organizational Units in the wider areas of Attica and Thessaloniki.
- Integration of all branch network and central services of the former ATEbank into the Bank's existing ISO 14001 and EMAS - certified Environmental Management System.
- Determination of required actions for gradual integration of the above-mentioned system of the branches in Greece of Cyprus Bank, CPB, Hellenic Bank and Millennium Bank.
- Employee training in climabiz - estimating climate change impacts on enterprises.
- Strengthening of the two corporate responsibility pillars: culture-environment in order to develop common actions and programs through synergies between the Environment Unit and PIOP.

CORPORATE RESPONSIBILITY PRINCIPLES

Corporate Responsibility is the voluntary commitment to include social, environmental and cultural actions in business practices and the assumption of initiatives over and above the legal obligations with the aim of enhancing social welfare and progress.

1. Harmonious Relationship with Social Partners

- Returning part of the value generated by the Bank to its social partners within a strategically designed and systematic framework of social actions.

2. Alignment of Business Targets with Social Progress and Solidarity

- Effective customer service before and after product and service sales, with emphasis on the Bank's consulting role.
- Strengthening of entrepreneurial initiatives with the aim of promoting competitive fields with potential and prospects for growth.

3. Corporate Governance Optimisation

- Transparency in governance and operational structures
- Adoption and realisation of best practices of governance and operation.
- Symmetric and systematic information dissemination to the investment and business communities, media and NGOs.
- Transparent supplier/business partner evaluation and selection procedures.

4. Adoption of Best Workplace Practices

- Development of a humane and responsible organisation, where competent, committed and inspired employees work collectively by taking advantage of diversity to lead the market, innovate by adding value and ensure the prosperity and sustainable development of the Group.

5. Environment Protection using natural resources responsibly and supporting environmentally beneficial business activities

- Systematic support of green entrepreneurship through development of new green products and enhancement of existing ones.
- Development of strategies to improve the Group's environmental performance and reduce its environmental footprint.
- Implementation of institutional and natural risk management procedures due to climate change and the development of evaluation tools.
- Support to individuals and businesses and strengthening of the market to better adapt to the effects of climate change.

6. Promotion of Culture

- Active contribution to the promotion of Greece's cultural identity through the creation of a museum network in Greece and by organizing scientific events and educational programs for adults and minors.
- Continued implementation of research programmes and publications relevant to the purposes of the Piraeus Bank Group Cultural Foundation (PIOP).
- Safeguarding and highlighting of Piraeus Bank's Historical Archive.
- Provision of scientific advisory material to public and local community bodies in shaping cultural policies.

STAKEHOLDERS' DIALOGUE

Investors

COOPERATION FRAMEWORK

Information regarding the course and strategy of the Group to evaluate investment in Piraeus Bank.

MEANS OF COMMUNICATION – COOPERATION

Disclosure of Financial Results (presentations, press releases, teleconferences, internet).
Communication of business developments (press releases, internet).
Contact with the Management and the special Investor Relations Division (events, meetings, teleconferences, roadshows).
Immediate response to individual requests by means of website and e-mail contact form.
Contact with the Shareholder Registry.
General Meetings of Shareholders.

Customers

COOPERATION FRAMEWORK

Responsible information and provision of product and services with respect to the code of business conduct and business ethics.

MEANS OF COMMUNICATION – COOPERATION

24h/7 Customer Call Centre
Branch network and alternative channels (ATMs, e-banking, mobile banking)
Customer Service-complaint handling procedure.
Seminars and informative meetings with customer groups.
Customer satisfaction survey at regular intervals.
Structured discussion between customers and the “Relationship Management Service” for personalized organization and management of their finances.
Immediate response to individual requests by means of website and e-mail contact forms.
Significant presence in social media.
Voice of Customer.

Investment Analysts

COOPERATION FRAMEWORK

Information regarding the course and strategy of the Group to evaluate investment in Piraeus Bank shares or securities.

MEANS OF COMMUNICATION – COOPERATION

Regular contact with Management and special Investor Relations Division (presentations, meetings, teleconferences, roadshows).
Disclosure of Financial Results (press releases, presentations, teleconferences).
Communication of business developments (press releases).

Banks

COOPERATION FRAMEWORK

Mutual Information sharing and representation in agencies.

MEANS OF COMMUNICATION – COOPERATION

Contact and meetings with relevant units at each Bank.
Participation in legislative drafting or technical committees at an international, European and national level.
Cooperation with foreign financial agencies and associations in the framework of bilateral and multi-lateral collaborations.

Non-Governmental Organizations (NGO's)

COOPERATION FRAMEWORK

Supporting environmental and social actions.

MEANS OF COMMUNICATION – COOPERATION

Synergies for common interest actions for society, culture and the environment).
Financial support of specific NGO's actions.
Cooperation through volunteer actions and common European programs.

PIRAEUS BANK

16

*Employees & their Families***COOPERATION FRAMEWORK**

Open Communication with employees and safeguarding their ongoing development, fair treatment and rewarding.

Provisions for strengthening employee resilience in order to effectively manage the challenges they are facing in all aspects of their lives.

MEANS OF COMMUNICATION – COOPERATION

Internal network (intranet).

Internal newsletter "Winners" distributed to all Group employees.

Piraeus Bank Group Employee Satisfaction Survey.

Training programmes.

Open communication with all employees concerning staffing needs to offer development and transfer opportunities.

Established procedure for employee performance review and competency appraisal.

Employee Assistance Programs.

Collective Representation.

*Business Community***COOPERATION FRAMEWORK**

Mutual cooperation on a win-win basis.

MEANS OF COMMUNICATION – COOPERATION

Dialogue and cooperation with Trade Associations, Commercial, and Industrial Chambers.

Participation in Seminars and other information events.

*Credit Rating Agencies***COOPERATION FRAMEWORK**

Information regarding the course and strategy of the Group to evaluate the credit rating of Piraeus Bank.

MEANS OF COMMUNICATION – COOPERATION

Regular communication and meetings with Management and relevant Bank units.

Delivery of financial data.

*Suppliers/Service Providers***COOPERATION FRAMEWORK**

Cooperation on a win-win basis.

MEANS OF COMMUNICATION – COOPERATION

Established procedures for supplier and service provider tendering, evaluation and selection through outsourcing.

Seminars, information meetings and attendance of live material demonstrations for large procurements of information systems, green supplies & procurement etc.

*Local Communities***COOPERATION FRAMEWORK**

Supporting local actions.

MEANS OF COMMUNICATION – COOPERATION

Operation of Museum Network on a national level (support of local economies, job creation, collaboration with local suppliers).

Organizing/support of local social and cultural events/cultural tours and training programs.

Assumption of advisory role in cultural development actions towards third parties.

*The Media***COOPERATION FRAMEWORK**

Information, communication and promotion of corporate actions and products of the Group.

MEANS OF COMMUNICATION – COOPERATION

Press releases and conferences.

Communication through the Bank's Press Office.

Social Media.

*State-Regulatory Authorities***COOPERATION FRAMEWORK**

Group compliance with the regulatory framework.

MEANS OF COMMUNICATION – COOPERATION

Ordinary and extraordinary communication with supervisory authorities.

Data provision, report compilation, meetings, participation in consultations.

U.N. GLOBAL COMPACT

At the beginning of 2004, Piraeus Bank joined voluntarily the UN Global Compact, which pertains to ten principles in the areas of human rights, employment rights, environment protection and anti-corruption. Piraeus Bank took the initiative to support and promote these principles in its scope of activities.

The ten Global Compact principles and the actions taken by Piraeus Bank in order to put them into practice:

Basic Principles

Implementation Method Description or Reference to the 2012 Corporate Responsibility Report

PEOPLE

1. Support, respect and protection of internationally proclaimed human rights within the businesses and their sphere of influence.
2. Ensure that businesses have no complicity in human rights abuses.

- Full compliance of the Group with the relevant Greek and international laws.
- Additionally, implementation of the Group's Human Right's Policy.

LABOR

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
4. Elimination of all forms of forced and compulsory labour.
5. Effective abolition of child labour.
6. Elimination of discrimination in respect of employment and occupation.

- Full compliance of the Group with the relevant Greek and international legislation.
- Corporate Responsibility Report 2012, Human Resources.

LABOR

THE ENVIRONMENT

- Corporate Responsibility Report 2012, Society, Culture and the Environment.

THE ENVIRONMENT

7. Support the precautionary principles in environmental challenges.
8. Undertake initiatives to promote greater environmental responsibility.
9. Encourage the development and expansion of environmentally-friendly technologies.

ANTI-CORRUPTION

- Code of Conduct and Compliance Policy.
- Relevant terms in employment contracts.
- Labour Relations Framework.
- Control mechanisms and procedures, and anti-money laundering information system (including fraud detection).
- Corporate Responsibility Report 2012, Corporate Governance.
- Training programs, Corporate Responsibility Report 2012, Human Resources.

ANTI-CORRUPTION

10. Businesses should work against all forms of corruption, including extortion and bribery.

CORPORATE RESPONSIBILITY INDICES AND DISTINCTIONS

In 2012 Piraeus Bank once again participated in international initiatives and indices aimed at advancing and promoting corporate responsibility to both the business world and the social environment, driven by the principles of sustainable development. Furthermore, Piraeus Bank adopts self assessment mechanisms for its CSR policies and practices based on international standards and practices. In this framework, Piraeus Bank received the following distinctions:

- *for its performance in implementing corporate responsibility practices based on the CR Index at the highest, -PLATINUM - level. CR Index assessment in Greece is undertaken by the Corporate Responsibility Institute.*
- *in the Perception Index for the environment, society and the market, in the framework of the “BRAVO” Award for Sustainable Development by the QualityNet Foundation.*
- *in the 2012 Business IT Excellence Awards. These awards were instituted by “netweek” magazine with the support of ELTRUN – the e-Business Research Center of Athens University of Economics & Business – and concern applying best practices in exploiting Information and Communications Technology in business. The Bank received two awards: the first for extensive application of virtualization technology at Data Centers and at the Bank’s work stations; the second for using Managed Printing Services at all the Bank’s administration buildings in Athens and Thessaloniki, thus enabling more extensive and safer use of modern equipment with advanced printing, scanning, faxing and other features as well as significant reduction in printing costs.*
- *in a comparative study by WWF Greece on 2010 environmental data, where Piraeus Bank scored 54.3/100, was classified in the 5th tier and was ranked 1st in its field with notable performance in the field of “Management Effectiveness Tracking Tool” (management, tool effectiveness, information and public awareness).*
- *in the “Green Leader” awards, organized by the CSE (Centre for Sustainability and Excellence) and the international NGO myclimate for a second year in Greece as the organization which has taken proven steps towards reducing greenhouse gas emissions resulting from its operations.*
- *in the international certification ‘Investors in People’ for Piraeus Group’s Human Resources Division for a second time; ‘Investors in People’ certifies businesses and organizations which recognize the key role that human resources hold in enhancing competitiveness.*

PIRAEUS BANK

19

- *in the 2011 “Responsible Business Awards”, where the subsidiary Piraeus Bank Bulgaria received the 1st prize in the “Cause-related Marketing” category for its “Blagodeltel” (Benefactor) campaign in collaboration with Unicef.*
- *in a study conducted by Eurocharity in collaboration with the Technical University of Crete, entitled “Multi-criteria Evaluation of Corporate Social Responsibility and its Effect on Business Performance”, in which the Bank ranked in the top 5 corporations in Greece and 1st among the banks for its corporate responsibility performance.*

The Piraeus Bank Group Cultural Foundation (PIOP) received the following distinctions/certifications in 2012:

- *The European Union Prize for Cultural Heritage, category 3: Dedicated Service, Europa Nostra, for its Museum Network, following the proposal by the Hellenic Committee of the International Council of Museums (ICOM), 2012.*
- *Children’s Literature Book Award, 2011 for “A girl hovers in Kerameikos. An anti-war story in the Athens of Classical times” by Christos Bouliotis, Diavazo Ekdotiki SA publications.*
- *the distinction “Members whose projects deserve publication” in the CECA Best Practice Award” for the 12-page e-training ‘Festive Celebrations at the PIOP Museums’.*
- *PIOP received the UNESCO certification of National Expert in Intangible Cultural Heritage matters of traditional technologies.*

PIRAEUS BANK



PIRAEUS BANK

CORPORATE GOVERNANCE

For the purpose of safeguarding its corporate interest as well as the interests of its shareholders, Piraeus Bank has adjusted itself to the institutional framework of corporate governance. At the same time, the constant upgrading of the systems of governance and internal control, regulatory compliance, transparency and information dissemination towards the investment community. The integration of best governance principles to cover all activities are of primary concern to the Group. Within this framework, Piraeus Bank applies the following:

- Adjustments to the composition of the Board of Directors in order to be compliant with the effective regulations on Executive, Non-Executive and Independent members.
- The Audit Committee, comprised of non-Executive and Independent non-Executive Directors, which monitors and evaluates the efficiency and effectiveness of the Internal Control System at Parent and Group levels, based on the data and information provided by the Internal Audit Unit, and findings and remarks of the external auditors and regulatory authorities.
- The Risk Management Committee, which aims to cover all forms of risk (credit, market, operational), and ensure integrated risk control, expert risk management and the required coordination on individual and consolidated basis.
- The Corporate Governance and Company Management Divisions, which are responsible for the development of Corporate Governance actions and programmes approved by the Management, and for the supervision of their implementation in the Bank and the Group's companies in Greece and abroad. Additionally, the General Division of Corporate Governance supervises the operational support provided to the BoD and Its committees by applying Corporate Governance best practices.
- The Internal Corporate Governance and Operating Regulations Manual, which ensures transparency and symmetrical information, and encompasses issues which are not stipulated in the Bank's Articles of Association but are indispensable for its smooth operation as well as the Code of Conduct, which governs the obligations of the Group's employees.
- The General Division of Internal Audit (Internal Audit Unit under Act 2577/2006 of the Governor of the Bank of Greece), which is independent, reports to the Board of Directors-through the Audit Committee-and the CEO of the Bank, and is responsible for Group-wide internal control.
- The Compliance Division, which institutes and applies procedures and prepares the annual compliance programme in order to achieve the Group's timely and permanent compliance with the effective regulatory framework, to ensure complete adjustment to the regulatory framework for preventing the involvement of the banking system in legalizing funds that originate from illegal activities and combating terrorism.
- Investor Relations, Shareholder Registry and Corporate Announcements services, entrusted with the task of informing investors, shareholders and appropriate regulatory authorities accordingly.

For more details on implementation of institutional regulations& Corporate Governance practices, please refer to:

Consolidated Annual Financial Report 2012 > Corporate Governance Statement

Supreme Management Bodies

The supreme body of Piraeus Bank is the Shareholders' General Meeting, which elects the Board of Directors (BoD), manages and represents the Bank judicially and extrajudicially. The BoD's primary duty and responsibility is the constant strengthening of the Bank's long-term economic value and protection of its general corporate interest. BoD members and any third parties who have been assigned responsibilities by the BoD, deal with corporate affairs in the interests of the Bank and its shareholders, ensure implementation of corporate strategy and are forbidden from pursuing personal interests conflicting with the Bank's interests.

The BoD serves a 3-year term of office with member election taking place at the Shareholders' General Meeting, where any BoD member replacement during the term is announced. BoD members can be reelected. The BoD convenes at least once a month following a call by the Chairman, minutes are kept and signed by the members present. Remuneration may be submitted to BoD members and is determined by specific decision of the regular Shareholders' General Meeting.

The present BoD is composed of 16 members, 5 with executive duties and 11 with non-executive role. Executive members deal with the Bank's day-to-day administrative duties while non-executive members are responsible for promoting corporate issues. Three of the eleven non-executive members are independent non-executive members, without material or pecuniary relationship with the Bank, pursuant to the legal requirements. The independent members of the BoD may submit, individually or jointly, reports separately from those of the BoD to the regular or extraordinary General Meeting of the Bank's shareholders, should they deem it necessary.

In the framework of the Bank's inclusion in the capital strengthening Pillar of the Liquidity Enhancement Plan pursuant to Article 1 of Law 3723/2008 on "Enhancing liquidity in the economy to address the impact of the international financial crisis" and by the 26320/B 1278 resolution of the Minister of the Economy and Finance, Mr. Athanasios Tsoumas was appointed Representative of the Greek State with duties defined by Law 3723/2008. Moreover, Mr. Solomon Berachas and Ms. Ekaterini Beritsi were appointed Representatives of the Hellenic Financial Stability Fund pursuant to Law 3864/2010.

PIRAEUS BANK

25

Piraeus Bank's Board of Directors, elected by the Regular Shareholders' General Meeting on 29.04.2012 is as follows after changes (resignations, replacement of members), the conversion of BoD into a body and the designation of executive and non-executive members pursuant to Law 3016/2002:

Michalis G. Sallas, Chairman of the Board of Directors
Non-Executive Member

REPRESENTATIVE OF THE GREEK STATE - LAW 3723/2008
Athanasios A. Tsoumas

NON-EXECUTIVE VICE CHAIRMEN

Iakovos G. Georganas
First Vice Chairman

REPRESENTATIVE OF THE HELLENIC FINANCIAL STABILITY FUND - LAW 3864/2010

Solomon A. Berachas

Panagiotis V. Roumeliotis

Ekaterini C. Beritsi

EXECUTIVE MEMBERS

Stavros M. Lekkakos
Managing Director & CEO

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

Anthimos C. Thomopoulos
Managing Director & Deputy CEO

Board of Directors (BoD) Committees

- Audit Committee
- Risk Management Committee
- Remuneration Committee
- Succession and Nomination Committee of BoD Members
- Strategic Planning Committee
- Executive Committee

Christodoulos G. Antoniadis
Deputy Managing Director

Ilias D. Milis
Deputy Managing Director

Spiridon A. Papaspyrou
Deputy Managing Director

Main Executive and Administrative Committees

- IT Strategy and Planning Committee
- Supreme Approval Committee
- Assets and Liabilities Committee (ALCO)
- Retail Banking Development Committee
- International Planning Committee
- Budget and Expenses Committee
- Corporate Social Responsibility Committee
- Crisis Management Committee

NON-EXECUTIVE MEMBERS

Georgios P. Alexandridis
Independent Non Executive Member

Chariklia A. Apalagaki

Eftychios Th. Vassilakis

Stylianios D. Golemis
Independent Non Executive Member

Theodoros P. Mylonas
Independent Non Executive Member

Vassilios St. Furlis

Jiří Šmejč

Konstantin Yanakov

For more details on Group Administrative, Managerial and Regulatory Bodies and Committees, please refer to:

www.piraeusbankgroup.com > Investor Relations > Corporate Governance

Remuneration Policy

A remuneration policy has been established, as an integral part of the Group's corporate governance, aimed at deterring from excessive risk-taking and strengthening the Group's values and its long-term interests.

The remuneration policy, designed in the framework of the Governor's Act 2650/19.1.2012 of the Bank of Greece, is in accordance with the Group's business strategy and supports its performance-driven culture, which aligns the organization's goals with those of the interested parties, employees, management and shareholders.

The policy is aimed at aligning remuneration with profitability, with risk and capital adequacy; at enhancing performance; at attracting and retaining talents; at compliance with the regulatory framework; and at internal transparency.

The remuneration-defining procedures are clear, recorded and with internal transparency.

REMUNERATION COMMITTEE

The Remuneration Committee is responsible for regular reviews of the Group's Remuneration Policy as well as monitoring its implementation. The Committee is composed of Non-Executive BoD members, the majority of whom are independent, including its Chairman. The Committee takes into account the long-term interests of the shareholders, investors and interested parties of the credit institution; it is oriented towards long-term, prudent management of the institution and towards prevention or minimizing of conflict of interest situations which would be detrimental to this management.

The function and detailed responsibilities of the Committee are governed by its regulation framework. Its responsibilities include:

- The preparation of the decisions concerning remuneration, ultimately taken by the BoD, which should correspond to their authority, duties, specialization, performance and responsibilities and which have an effect on the institution's risk-taking and management as well as checking the implementation of these decisions.
- To ensure that during the evaluation of the mechanisms adopted to align the remuneration policy with the risks undertaken, all kinds of risks along with the Bank's liquidity and capital adequacy, are taken into account.
- Ensuring the necessary advisory contribution of the supervised institution's relevant Divisions (Risk Management Division, Regulatory Compliance Division, Internal Audit Division, Human Resources Division, Strategic Planning Division) as well as that of external experts – when deemed necessary by the BoD- is provided for shaping, reviewing and consistently implementing the remuneration policy.

OTHER INVOLVED PARTIES

The Remuneration Policy is designed by the Group's Human Resources with the participation of the Risk Management, Compliance and Internal Audit Division. It is submitted to the Remuneration Committee which in turn, proceeds with any potential necessary changes or amendments, before submitting it to the BoD for final approval.

The independent audit units contribute to the design of remuneration policy nevertheless they are primarily involved in the Policy's review and monitoring process which takes place at least annually.

It is duly noted that no external advisor participated in the shaping/review of the Bank's Remuneration Policy in 2012.

REMUNERATION SYSTEM STRUCTURE

Total remuneration may include variable components, apart from the fixed ones, in order to ensure a link between remuneration and long-term business effectiveness. In all cases, standard remuneration constitutes the greatest part of total remuneration to a degree that an employee's living standards are not defined by their variable remuneration.

PIRAEUS BANK

27

Variable remuneration may be provided as reward for performance based on pre-defined qualitative and quantitative targets and are linked to the individual's performance, their division, the credit institution/Group and the long-term business targets. Indicative criteria that are assessed for payment of variable remuneration may include among other, profitability, minimum capital adequacy, effectiveness, management of change, development of partnerships etc.

It is duly noted that evaluation of employees with auditing duties is not linked to the outcomes of the procedures/divisions audited by them.

In order to strengthen the link between variable remuneration with long-term Group targets, payment of this is made over time; the directly-paid as well as the deferred amounts are not only paid in money but in other means as well (eg. shares).

CRITERIA FOR CANCELLATION/RETURN OF VARIABLE REMUNERATION

The Bank may cancel payment of deferred variable remuneration if specific indices performance indicators are not met. The same may apply if serious breaches in regulations/procedures are detected. Moreover, if at a later date it is decided that the reasons for payment of this variable remuneration were wrong, the total deferred payment originally calculated may be cancelled. If deceit or misleading of the Group concerning payment of variable remuneration is detected, the employee may be required to return it, with compliance to labor laws.

PRINCIPLE OF PROPORTIONALITY

The Bank applies the current regulatory framework based on the Principle of Proportionality taking into consideration the Bank's nature and size, its structure, complexity of activities etc.

REMUNERATION DISCLOSURE

The following tables provide quantitative information on remuneration of senior management and employees with significant impact on the Group's risk profile, analyzed by business sector (amounts in thousands €):

	Total number of employees by business area	Total fixed remuneration by business area	Total variable remuneration by business area ⁱ
Investment banking	49	€3,727.86	€98.56
Retail banking	12	€890.85	0,00
Asset management	3	€149.13	0,00
Other	95	€6,360.01	€455.42

ⁱ Variable remuneration paid -before implementation of remuneration policy- exclusively to local executives in the framework of the sale of the Egyptian division which were cancelled in 7/2012.

PIRAEUS BANK

28

	Senior management	Persons assuming risks	Persons with control duties
Number of employees per category	80	50	29
Total fixed remuneration	€6,894.51	€3,081.92	€1,151.41
Total variable remuneration ⁱ , of which:	€421.12	€132.87	0.00
- In cash	€421.12	€132.87	0.00
- In shares or equivalent ownership rights	0.00	0.00	0.00
- Other	0.00	0.00	0.00
Total annual deferred variable remuneration, of which:	0.00	0.00	0.00
- Vested	0.00	0.00	0.00
- Non-vested	0.00	0.00	0.00
Total amount of compensation adjustments applied during the year, for performance or remuneration awarded in precious years	0.00	0.00	0.00
Number of employees receiving sign-in payment within the year	0	0	0
Total amount of sign-in payments within the year	0.00	0.00	0.00
Number of employees receiving severance pay	1	0	0
Total amount of severance payment within the year	€100	0.00	0.00
Highest amount of the above category paid to an individual within the year	0.00	0.00	0.00

Internal Audit System (IAS)

The Bank has set up a strong Internal Audit System to ensure protection of its assets, the individual and detailed maintenance and safeguarding of its customers' assets and to ensure the interests of its shareholders. It systematically monitors the efficiency and effectiveness of the existing System, promptly implementing the actions that may be required to constantly deal with and reduce risks as the IAS aims to not only eliminate possible risks but also deal with them effectively and in a timely manner. At the same time, the Group applies early warning mechanisms to ensure consistent implementation of the IAS in the Divisions as well as full compliance of all parties involved with the principles and targets of the System.

It is a priority for the Bank to develop and constantly upgrade the Internal Audit system, on both an individual and group level. Detailed recording of the auditing mechanisms and procedures which cover all activities and transactions and conduct to the Bank's effective and safe operation, synthesize the IAS.

ⁱ Variable remuneration paid -before implementation of remuneration policy- exclusively to local executives in the framework of the sale of the Egyptian division which were cancelled in 7/2012.

In accordance with the effective statutory framework, the IAS is supported by an integrated communication and Management Information System (MIS) as well as mechanisms which complement each other and constitute an integrated audit system of the organisational structure and the activities and the Bank as well as of the Regulations.

The Internal Auditor, the Audit Committee and Internal Audit are all in charge of adherence of IAS. The members of the Board of Directors have the ultimate responsibility for maintaining, monitoring and assessing the efficiency and effectiveness of IAS. They assess IAS annually and design the strategy for its improvement based on the relevant report submitted by the Bank's Management and on the Audit Committee's report observations. The efficiency evaluation of IAS on a Bank and Group level is assigned to external, non-regular, chartered auditors-accountants and takes place periodically and at least once every three years and following Audit Committee recommendation. The relevant evaluation report is made known to the Bank of Greece within the first six months of the year following the three-year expiry.

For more details on IAS and Internal Audit, please refer to:

Annual Financial Report 2012 > Corporate Governance Statement

Internal Audit

The Group's General Division of Internal Audit, established in 2007, is independent and reports to the Bank's Board of Directors, through the Audit Committee and supervises and coordinates the activities of Internal Control Divisions in the Group subsidiaries.

In this context, in 2012, the General Division of Internal Audit:

- The Bank maintained its continual observation and monitoring of branch activities in Greece and subsidiary banks in Bulgaria, Romania, Albania, Egypt and Serbia by means of the Regional Divisions' Auditors.
- continued the development of a data base using own resources aimed at electronic transaction tracing, the development of fraud identification and prevention "scenarios", and at supporting the auditing work performed by Regional Divisions' Auditors.
- Completed the implementation of the above system in its Subsidiary Bank in the Ukraine while its implementation in Cyprus is in progress.
- provided consulting in the development of specific Bank processes in order for them to incorporate proper auditing mechanisms.
- participated in the development and conducting of specialized seminars on more effective operation of branches and combating fraud.
- Supported once again training and further specialization of its people, directing them towards appropriate professional certifications (ACCA, CIA, CISA etc.)
- Conducted the annual quality assurance control for the Internal Audit Division of the Bank's subsidiaries in Romania, Cyprus and Ukraine, thus confirming that they are operating in compliance with international Internal Control Standards and the Group's General Division of Internal Audit's guidelines.

With the completion of the absorption of ATEbank, the Internal Audit Division proceeded with smooth integration of the equivalent audit structure by implementing the following during the third quarter of 2012:

- Provided training to all employees deriving from ATEbank on the mode of operation of the General Division of Internal Audit.
- Updated the audit programs of the audit areas placing emphasis on branch network and loan audits.
- Submitted a revised Plan of Action for the rest of 2012, including auditing of ATEbank branches and head offices.

The action plan for the Group's 2013 Internal Audit, which aims to continuously perform its duties smoothly and successfully in order to strengthen IAS operation in the parent Bank as well as to Group subsidiaries in Greece and abroad, will place particular emphasis on the following, among others:

- Further developing scenarios of examination of related transactions, including ATEbank's bank network operations – following the transfer of ATEbank's computer system to Piraeus Bank's, as well as the incorporation of the rest of the banking activities.
- Controlling that the manuals for credit policy, credit practices and for centralized credit control system adequacy and effectiveness assurance are all being applied.

PIRAEUS BANK

30

- Controlling that corporate governance rules are being implemented.
- Integration of subsidiary Bank of Cyprus into the monitoring system.
- Overall coordination of internal audit of subsidiaries active abroad and quality interventions to strengthen subsidiaries in Egypt and Serbia.
- Application of quality assurance in audit processes at Group level.
- Participation of Internal Audit executives of the Group as speakers at training sessions targeted mainly at Branch executives and new employees, with the aim of informing them about risks assumed while conducting transactions.
-

External Auditors

According to the resolution of the General Meeting of Shareholders of Piraeus Bank made on 29.06.2012, the audit firm PricewaterhouseCoopers was chosen as Certified Auditors for Piraeus Bank's stand alone and consolidated financial statements for 2012; specifically Mr. Dimitrios Sourbis (Reg. no. 16891) was appointed Regular Certified Auditor and Ms. Despina Marinou (Reg. no. 17681) as Substitute Certified Auditor. It is duly noted that the certified auditors are elected by the General Meeting of Shareholders annually and the maximum mandate may be up to five consecutive annual fiscal years.

Compliance

The independent Group Compliance Division operates in the context of the "Basel II" supervisory framework and the relevant guidelines of the Bank of Greece. It operates and reports directly to the Management (General Manager of Corporate Governance), in accordance with the provisions of the Bank of Greece Governor's Act 2577/2006 and is accountable to the Group's General Division of Internal Audit in terms of the adequacy and effectiveness of the compliance procedures, which the Bank is additionally certified for based on the model ISO 9001:2008.

In 2012 the following actions were implemented:

- gap analysis of the ATEbank Compliance Policy sub-department in the framework of absorption of the healthy ATEbank sectors by Piraeus Bank to allow for its uniform operation with the Group's Compliance Policy.
- Management approved the new organizational structure of the Compliance Policy, with the creation of new fields of responsibility for more effective accomplishment of the increased compliance duties of the Bank.
- Successful incorporation of ATEbank Compliance Policy sub-department employees, bringing the total number of employees in this sector to 57.
- Inspections of Branch networks to ascertain their compliance to internal policies, procedures and regulatory framework.
- Installation of the Anti-Money Laundering system (AML) modules at subsidiaries Piraeus Bank Bulgaria and Tirana Bank to be fully compliant with International Organizations' restrictive measures in real time; in Tirana Bank this was also applied for automated customer segmentation in accordance with the regulatory framework.
- Completion of risk analysis on money laundering and terrorist funding at Group level.
- Structures were developed for constant monitoring of transactions and customers based on the obligations of the institutional framework.
- Connecting the Compliance Chart with internal policies and procedures of the Bank, to ensure the Bank's compliance to the regulatory framework.
- Updating of training material and organizing of training programs on money laundering and terrorist funding to Bank employees in collaboration with the Group's Human Resources Division.

In 2013 the following are expected to be implemented:

- Use of an ATEbank's special information system for more effective monitoring of timely submission of institutional reports by the Bank.
- Implementation of all necessary actions for compliance with the Foreign Account Tax Compliance Act (FATCA).

PIRAEUS BANK

31

- Extended inspection and examination of Bank Divisions, Bank subsidiaries and companies on money laundering and terrorist funding and compliance with the regulatory framework in general.
- Development of model for regulatory compliance risk assessment at Group level.
- Installation of the Anti-Money Laundering system (AML) modules at subsidiary JSC Piraeus Bank ICB.
- Installation of the Anti-Money Laundering system (AML) modules for automated customer segmentation in accordance with the regulatory framework at subsidiaries Piraeus Bank Bulgaria AD, Piraeus Bank Cyprus, Piraeus Bank Egypt SAE, Piraeus Bank Romania and Piraeus Bank Beograd.
- Updating of training material on regulatory compliance, in collaboration with the Group's Human Resources Division.
- Continual training of Bank employees in money laundering, terrorist funding and regulatory compliance.

For further information regarding the Group's Compliance Policy please refer to:

www.piraeusbankgroup.gr > Investor Relations > Corporate Governance > Compliance

Shareholder Relations

INVESTOR AND ANALYSTS RELATIONS

Investor and Analyst information is provided by the Business Planning and Investor Relations Division with the active involvement of the Top Management. Its purpose is to provide systematic and symmetrical information to individual and institutional investors regarding the course and progress of Piraeus Group.

SHAREHOLDER REGISTRY

The Shareholder Registry is responsible for providing direct and symmetrical information to all shareholders, as well as assisting them in exercising their rights in accordance with the law and the Bank's Articles of Association.

CORPORATE ANNOUNCEMENTS SERVICE

Corporate announcements are the responsibility of the Corporate Announcements Service. It was set up in accordance with Law 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 this resolution. The Bank's announcements are sent immediately to the Hellenic Exchanges in order to be recorded in the Daily Official List and to inform the investors.

SHAREHOLDER STRUCTURE

Piraeus Bank is a multi-shareholder company with a broad shareholder base consisting of eminent representatives of the business world, local and foreign institutional investors and numerous private investors.

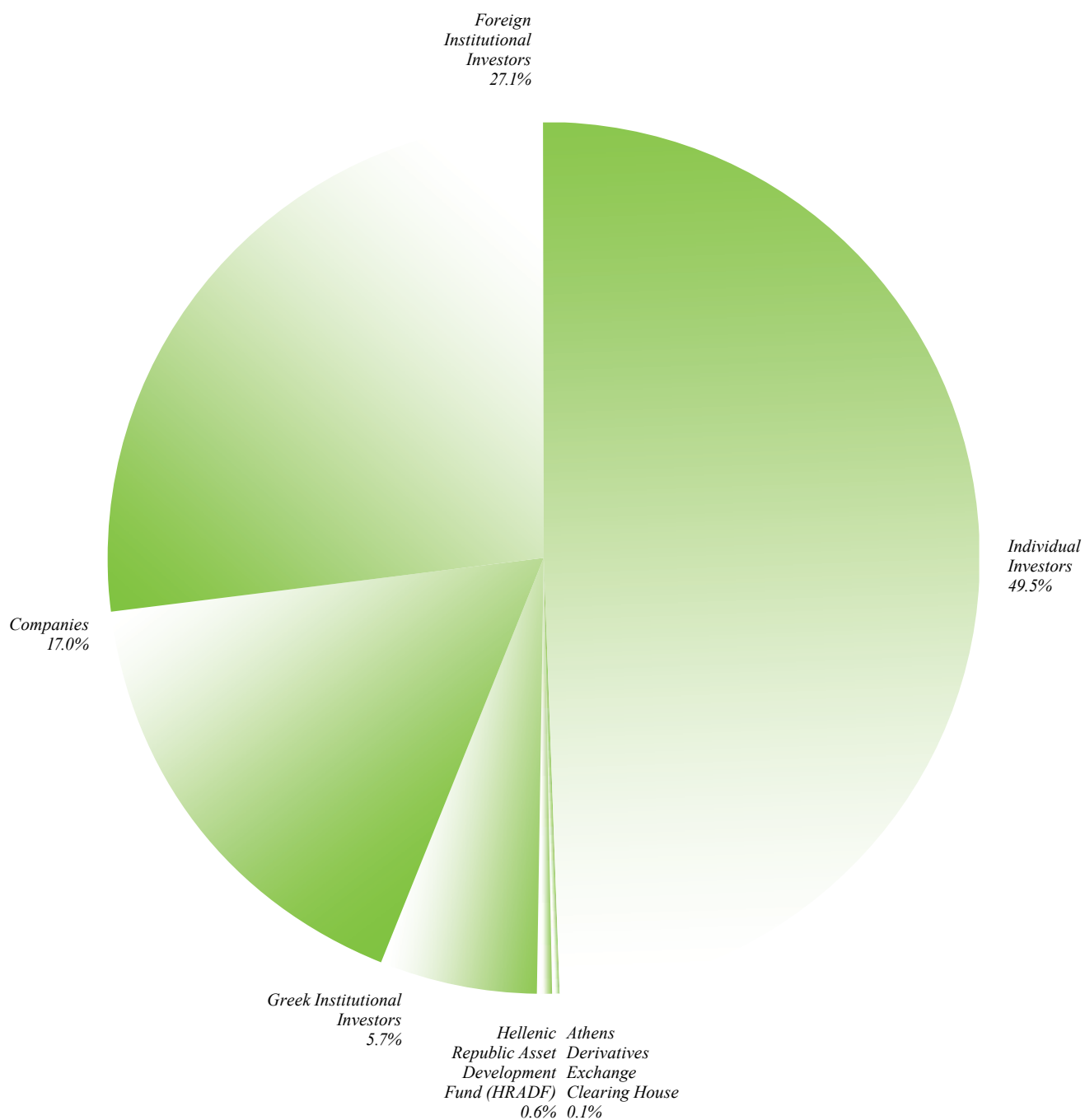
On 31.12.2012 the total number of Bank shareholders was 163,953 and of the total common shares (1,143,326,564 shares) 49.5% was held by natural persons and the remaining 50.5% by legal entities.

Furthermore Piraeus Bank has issued 1,344,234,800 preference shares (77,568,134 on 14.05.09 and 1,266,666,666 on 30.12.11) with no voting rights in favor of the Greek State according to the provisions of Law 3723/2008.

PIRAEUS BANK

32

Common Shareholders' Structure 31.12.2012



PIRAEUS BANK



PIRAEUS BANK

CUSTOMER RELATIONSHIP

Our customers are at the center of Piraeus Bank's philosophy and operation. Creating steady and long-term partnerships with our customers is of primary importance for us.

Relationships of Trust, Transparency and Responsibility

Forming relationships of trust is the cornerstone of the Bank's relationship with its customers. This is achieved primarily through clarity of information provision, transparency in contractual terms and security in all types of transactions, including electronic ones.

The Bank has adopted self-regulation mechanisms at all stages of creation, promotion and distribution of its products, thus ensuring compliance with the principles of the regulatory framework as well as the rules of the Code of Banking Ethics⁴, which govern the relations between banks and customers. More specifically, the Bank's product or service divisions are involved in designing an advertising campaign for a relevant product or service, so as to ensure the campaign's success, without misleading its recipients. The content and style of the campaign have been previously evaluated and approved by the Promotion and Advertising Committee. The final campaign plan is communicated to the Group's Regulatory Compliance, which ensures that the content is in full compliance with the regulatory framework. The above processes ensure that the products and services are advertised accurately, without exaggerations, inaccurate or misleading statements, excessive promotion or attempts to conceal any features of such products and services thus eliminating any possibility of exploiting the public's ignorance, inexperience or fears.

The Bank provides timely and clear pre-contractual information for housing credit products; equally, for consumer credit contracts, the Bank ensures the implementation of the 2008/48 EU Directive as has been agreed on by the European Consumer Associations and the European Credit Sector Associations. Moreover, concerning payment services, the Bank fully complies with EU Directive 2007/64/EK, (Payment Systems Directive-PSD)⁵. Piraeus Bank has modified and gathered the existing General Terms concerning payment services into a unified agreement –the Provision on Payment Services Agreement thus making these terms fully comprehensible and clear. In all cases, when providing its services, the Bank operates strictly within the framework of the national and EU legislation as well as its internal regulations and policy.

Piraeus Bank places particular emphasis on security of internet transactions. It was the first bank to receive ISO:9001 certification in 2004 and PCI DSS certification in 2011, the latter pertaining to the safeguarding of transactions made with credit cards and of cardholder data. Thus, in 2012 Piraeus Bank continued offering its innovative service Piraeus Customer Protection. In case of loss, theft or suspicion of theft of personal or bank data, this service offers its holder banking and insurance coverage (wallet & shopping protection), both in Greece and abroad. In 2013, the Bank is planning to expand the scope of this service in order to more extensively cover the needs of the Bank's customers.

⁴ The Code is a result of interbank collaboration under the auspices of the Hellenic Bank Union and is in accordance with the applicable legislation and business ethics.

⁵ The Directive applies to all EU payment services.

PIRAEUS BANK

36

FOCUSING ON INDIVIDUAL NEEDS AND CUSTOMER SUPPORT

Since the beginning of the financial crisis, Piraeus Bank has been continuously intensifying its support to its customers -businesses and households- facing difficulties in repaying their loans by implementing debt adjustment programs for existing loans.

Individualized customer service is a priority for Piraeus Bank. The Bank designs and provides customer-centred services that cater to each customer's needs, such as granting new loans or balance transfer programs with superior favorable terms. Moreover, the Relationship Manager, a specialized bank executive responsible for the personalized organisation of a customer's complete banking relationship, undertakes to manage, among others: regular transactions, financial check-up⁶, financial planning and monitoring of their portfolio. Additionally, in order to make the Bank's products and services accessible to foreigners, specific Bank branches have employees qualified in the equivalent languages.

The Bank seeks to enhance its customers' financial literacy and to facilitate their access to its services. Particular emphasis is placed on customer familiarisation with terminology, thus ensuring their comprehension of special transaction and product terms, as well as with the use of new technologies. More specifically, in 2012, by means of the Alternative Channel Promotion Program "Save Time" -which commenced in 2010 and was implemented by the Customer Experience Management division- a notable number of customers were given instruction in the new service methods, resulting in a 2% increase in the use of alternative channels instead of branch Tellers for transactions.

Educating customers and the public in general focuses on issues of environmental management and sustainable development. A special website - Green Banking Portal (www.greenbanking.gr) - was created to promote and present good practices in environmental footprint reduction and in green entrepreneurship. This website offers clients and non-clients information on developments in the environment, climate change and green entrepreneurship.

EXTENSIVE BRANCH NETWORK AND ACCESSIBILITY

The acquisition of ATEbank and GENIKI Bank raised the number of Bank branches in Greece to 889⁷, thus making it accessible to an even greater segment of the population. It should be noted that certain branches, operating in non-urban or sparsely-populated areas, constitute the only bank presence at local level - such as the branches in Zagliveri in Volvi, Socho in Lagada, Sikourio in Larissa - or even at municipality level, such as the branch on Paxoi islands. A key concern for the Bank was to ensure the smooth operation of the new, more extensive branch network and to provide customers with even greater accessibility to services. Since August 1, 2012, transactions from the common ATM network have been free of charge and since the end of the same year many bank transactions have become available from the common branch network.

The Bank takes care to facilitate its customers' presence in the branch network. More specifically, the special architectural design of the branches, the removal of natural obstacles from their entrances and the installation of ramps have facilitated the access to disabled and people with special needs.

E-banking services are continuously developed in order to simplify them as much as possible and to make them more accessible to even broader segments of the population. More specifically, in 2012 two new innovative methods for running the winbank easypay App application for iPhone and Android were activated, enabling for e-payment of bills with debit, credit or pre-paid cards in two simple steps:

- a. entering cardholder data simply by scanning the card or storing its data,
- b. entering bill information - by barcode scanning, photographing the bill or keying in the information.

The "One Stop" service for payment of 2013 Road Tax was created to simplify the relevant procedures and facilitate the process for both customers and the Ministry of Finance. Customers who selected this service paid the Tax by simply providing the vehicle's registration and the owner's VAT Registration Number, and were offered the possibility of paying in 6 interest-free installments by use of the Bank's credit cards.

⁶ A free service which by means of an easily accessible 18-question tool advises the customer on their finances and recommends the most suitable products.

⁷ December 2012 data.

PIRAEUS BANK

37

AGRICULTURAL DEVELOPMENT, DEVELOPMENT PROGRAMS AND SUPPORT OF ENTREPRENEURIAL INNOVATION

Piraeus Bank Group took a leading role in supporting the agricultural sector, one of the key pillars of growth of the Greek economy. With the acquisition of ATEbank – which by definition has a particular customer base and specialized know-how – as the starting point, Piraeus Bank expedited implementation of the investment programs of the National Strategic Plan for Rural Development for enhancing sector liquidity. The first step in this direction was the approval by the Bank's BoD of €2.9bn in funding to OPEKEPE – the Greek Payment Authority of Common Agricultural Policy (C.A.P.) Aid Schemes – to allow it to proceed with disbursement of funds to beneficiaries. The disbursement of the 2012 EU funds to 700 thousand farmers, totalling approx. €2.1bn, was successfully completed on time in December 2012. The Bank can tend to farmers' needs by issuing letters of guarantee – to receive an advance payment of the disbursement they are entitled to – or by providing loans – to ensure implementation of planned investments.

The Bank recognizes that the recovery of Greek entrepreneurship is a means for the re-launching the Greek economy. Thus, in 2012 Piraeus Bank supported specific innovative business sectors with growth prospects:

- It granted low-interest long-term loans to small, very small and medium-sized businesses in the framework of the “Innovative Entrepreneurship, Logistics, Food, Drinks” Action in conjunction with the Hellenic Fund for Entrepreneurship and Development (ETEAN) amounting to €150mn.
- ETVA-Industrial Parks boosted local economies of the Greek periphery, with the inclusion of 1,000 new small and medium-sized businesses and the creation of 15,000 new jobs.
- It supported modernization of the networks and infrastructures of 26 Industrial Areas around Greece and particularly in Eastern Macedonia and Thrace.
- It supported the creation of new Business Parks with energy-efficient infrastructures for businesses involved in environmentally-friendly activities, according to Eco-Industrial Park standards.
- It promoted investments in energy production from RES's with an emphasis on photovoltaic, biomass and biogas power stations.
- It contributed to the creation of composting units and recycling sorting plants in select areas of the periphery.
- It supported the creation of Integrated Environmental Business Parks on islands.
- It funded of urban development projects amounting to €40mn in Central Macedonia and Thessaly in the framework of the JESSICA initiative.

Moreover, in 2012 Piraeus Bank invested in innovative Greek companies with a clear competitive advantage and exporting character. These include:

- Advent Technologies, active in cutting edge fuel cell technology HT-PEMF (High Temperature Proton Membrane Fuel Cell) and UNISMACK ABEE-Food Industry (Brand name: Wellaby's) based in Kilkis. These companies were supported through Piraeus-TANEO Capital Fund of Piraeus Capital Management. Piraeus-TANEO Capital Fund invests in innovative companies which are active in the global competitive environment. The Fund has already supported 6 companies since 2009.
- Newly-founded IT companies, with competitive prospects in the global technology market, were included in a funding program by means of a new venture capital fund - the JEREMIE Technology Catalyst Fund (“PJ Tech Catalyst”).

CONTINUOUS IMPROVEMENT OF CUSTOMER SATISFACTION AND E-BANKING SERVICE EXPERIENCE

The total number of Piraeus Group customers in Greece and abroad, reached 5.3million in December 2012. The Bank is committed to and strives to improve its response to customer requests. In order to appraise its customer satisfaction level, among other measures, it systematically monitors its customer satisfaction rate by means of specifically designed annual surveys performed by independent companies. In this manner, information is provided on customer satisfaction as a whole and on other customer-related indices.

According to the 2012 survey, total satisfaction with Piraeus Bank scored particularly high, as the combined rate of (“totally” and “generally”) satisfied customers remained unchanged (95%) with the rate of “totally” satisfied rising slightly from 68% in 2011 to 69% in 2012.

The level of satisfaction with “the provision of complete information, with clear explanations from the beginning” is significantly high, as 86% of customers replied “Totally Satisfied” to the question. Similarly, to the question “If in the future you wanted more products/services from a Bank, how likely would you be to turn to Piraeus Bank?”, the percentage of customers who replied “Highly Probable” is 68% in 2012.

PIRAEUS BANK

The Bank aims to maintain the high level of customer satisfaction. In conclusion, it should be pointed out that when the survey is conducted, customers are asked to identify areas of improvement in the standard of service provided by the Bank, and the information collected is used by the Bank to implement respective corrective actions.

Systematic procedures are followed in order to improve the customers' total experience of using all Bank service networks. Piraeus Bank applied once again the Voice of the Customer⁸ programme for a structured and measurable recording of the customers' experience, with the aim of improving it by developing specific contact points that are significant to the customer (Moments of Truth - MoT) and influence their perception of and loyalty towards the Bank. In 2012 and in the framework of this programme, the Bank continued the analysis and measurement of the digital customer satisfaction rate, assessing improvements in all channels of products and services utilized by customers. In 2013, measurement of digital customer satisfaction will gradually be extended to other customer target groups: Piraeus Axia Personal Banking, Small and Medium-sized Businesses.

In 2012, Piraeus Bank commenced systematic recording and categorization of customer complaints with implementation of the "Multi-channel Customer Complaint Management" program, the aim of which is to increase customer satisfaction by defining the real cause of the problem/complaint and by addressing these complaints in an overall manner.

CUSTOMER SERVICE AND OMBUDSMAN FOR BANKING-INVESTMENT SERVICES

In response to the institution of the Banking Ombudsman, the Bank has set up a Customer Service, the tasks of which are to review and settle any grievances or complaints of Bank customers and to provide information and clarifications with respect to banking services and products offered. It has established a mechanism to receive and immediately investigate customer concerns; through a simple process, customers can choose one of the numerous means of communication to address their concern (at a branch, call center, via fax, e-mail, the internet) in order to receive the appropriate responses-clarifications.

For further information regarding the ways to communicate with the Customer Service, please refer to:

www.piraeusbank.gr > Individuals > Customer Service

Written and verbal complaints filed with the Bank's Customer Service in 2012 including the equivalent ATEbank Service by product category were as follows:

- Loans: 62% (Loans: 69% - Cards: 31%)
- Deposits: 18%
- Investment/Complex Products: 3%
- Remittances: 9%
- Other: 8%

The Bank's customer cases handled by the Ombudsman for Banking-Investment Services, of the total cases of banks operating in Greece, amounted to 11.67% of total written complaints and 9.29% of total phone calls.

At the same time, due to the increasing number of formal complaints to the relevant agencies (General Secretariat for Consumers, Hellenic Consumers' Ombudsman, Ombudsman for Banking and Investment Services), the Customer Service division submitted a proposal to amend the policy whereby charges were made to customer payroll accounts for payment of overdue loans. The approval of this proposal resulted in changes in managing this issue.

⁸ Piraeus Bank was the first bank to implement this program in 2010.

Supplier Relationship

Piraeus Bank's supplier relations are governed by the principle of merit-based selection and are based on established criteria and selection processes, which are incorporated both in the responsibilities of the Group Engineering Project Management & Administration Support Division and in the relevant Group's Outsourcing Policy.

Collaboration proposals and financial offers submitted by potential business partners and suppliers are evaluated on the basis of specific, objective and measurable criteria, such as the quality to price ratio, reliability and market position. There are uniform procedures which apply to all suppliers. Collaboration with all existing suppliers and business partners is regularly evaluated, taking into consideration the state of collaboration, so as to maintain relations with the most appropriate partners.

In an effort to ensure smooth and transparent supply management, for both products and services to the Group, the "Group Procurement Regulation" has been adopted, which defines relations with existing and potential suppliers, contains the rules and basic principles on all product and services supplied, and describes the manner in which supply requests of all Group organizational units are handled to cover their operational needs.

This Regulation is uniformly applied to entire Group (Piraeus Bank and subsidiaries both in Greece and abroad). Its basic goals are:

- formation of a regulatory framework, through which transparent and clear supply processes take place,
- uniformity in procurement management throughout the Group,
- definition of quantitative and qualitative specifications for all products and services supplied,
- mitigation of operational and credit risks which might arise from collaboration with suppliers,
- timely supply of products and services to the Group's Organizational Units,
- restraining the cost of supplying products and services, by using e-auctions,
- formation of long-term collaborations with suppliers who are evaluated on a regular basis,
- establishment of a uniform contractual framework and its enforcement on prospective suppliers and external partners, and
- definition of a cooperation framework between the organizational units involved in the supply management.

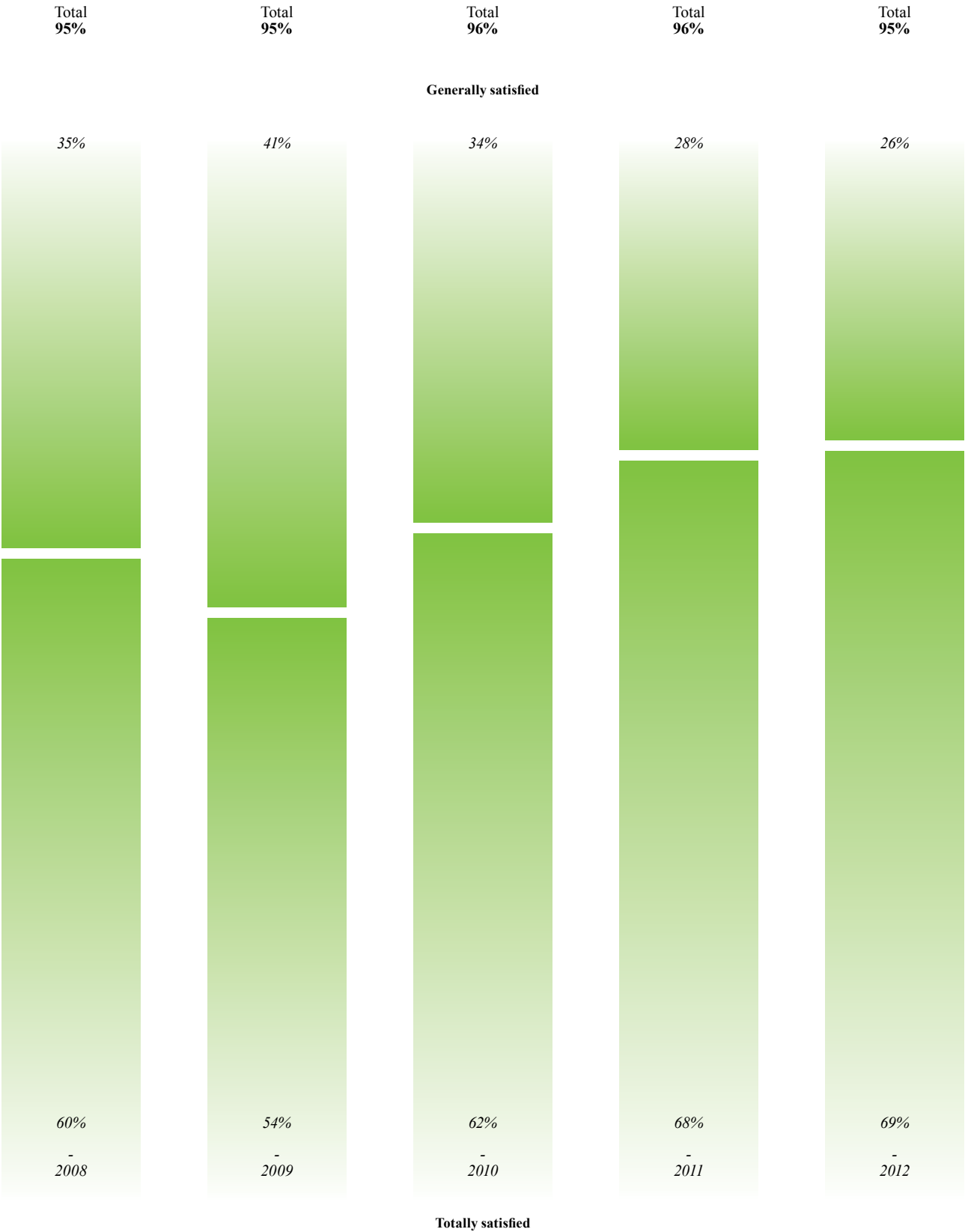
In line with its effort to support local economies and communities and to reduce transportation of goods thus limiting its environmental footprint, the Bank ensures that almost 100% of its procurements are made by local suppliers, with the exception of furniture, cashier counters and signs, for which the Group has signed a global contract in order to maintain a uniform corporate identity.

The "green supplies" policy that Piraeus Bank implements, reflects its philosophy on environmentally responsible operation and promotes the developments of new markets. Consequently, among others, the Bank makes exclusive use of eco-friendly paper, recycled consumables, LED technology light bulbs and low CO₂ emission corporate vehicles.

PIRAEUS BANK

40

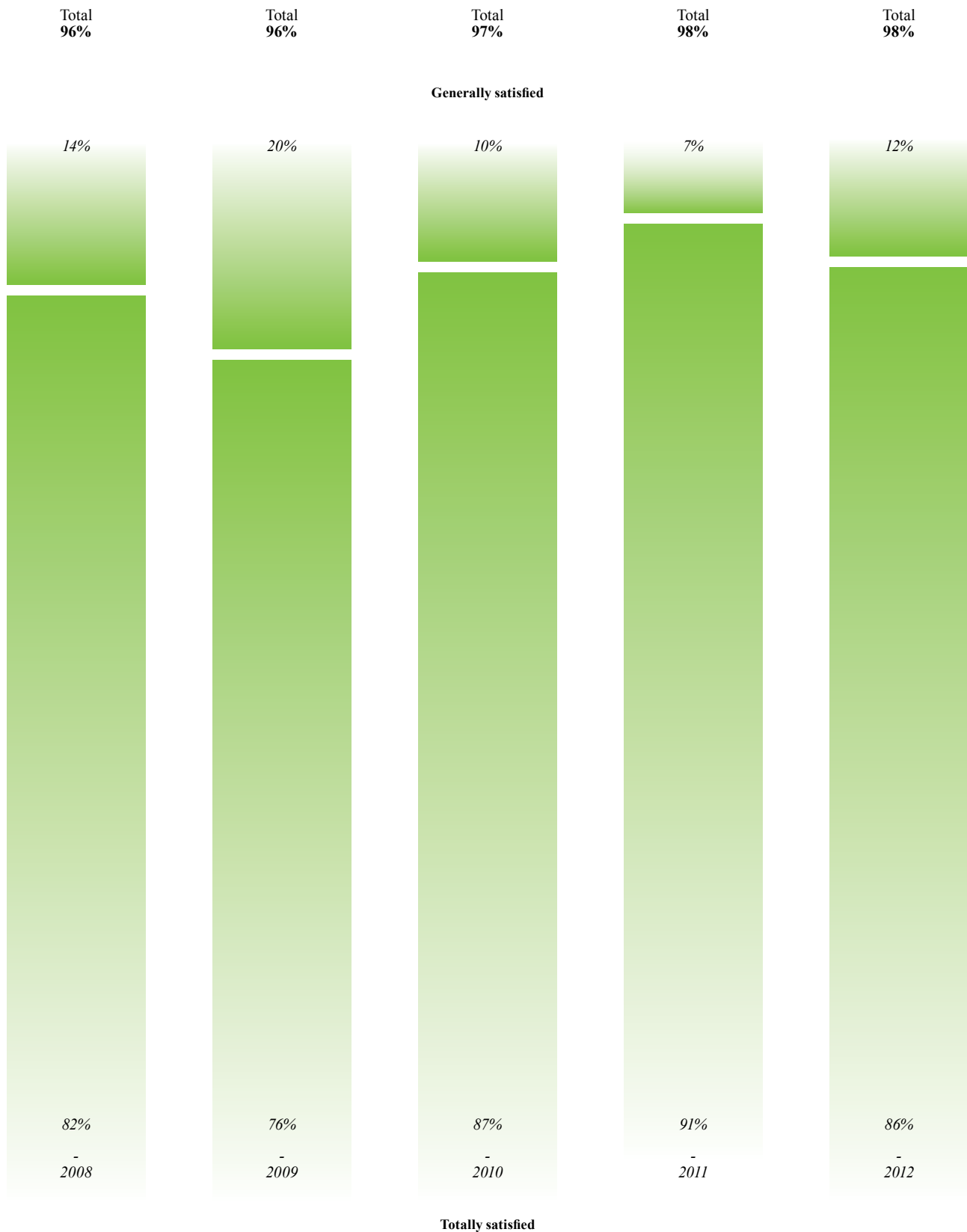
Overall Customer Satisfaction with the Bank



PIRAEUS BANK

41

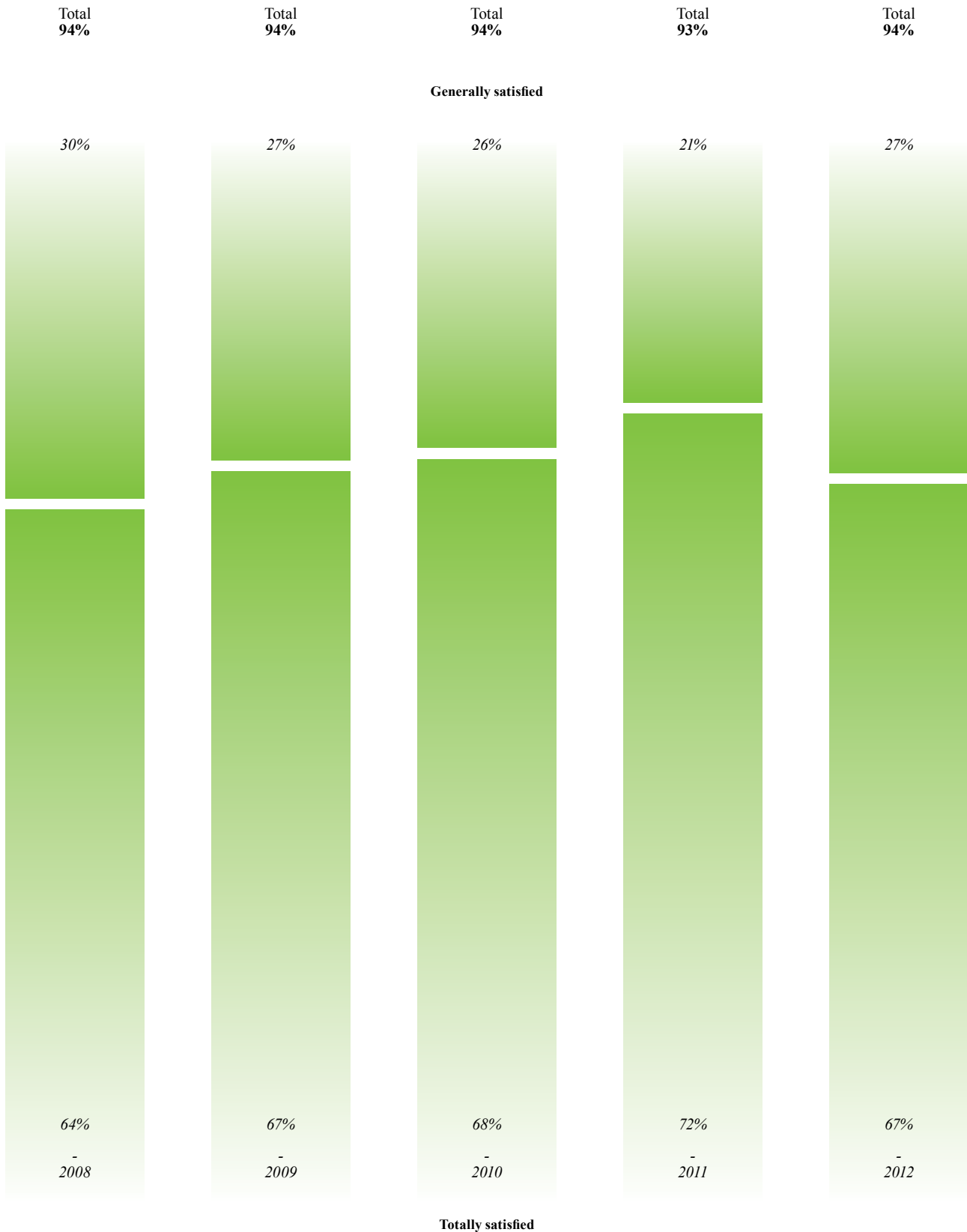
**Overall Customer Satisfaction with the Complete Information
and Clear Explanations the Bank Provides**



PIRAEUS BANK

42

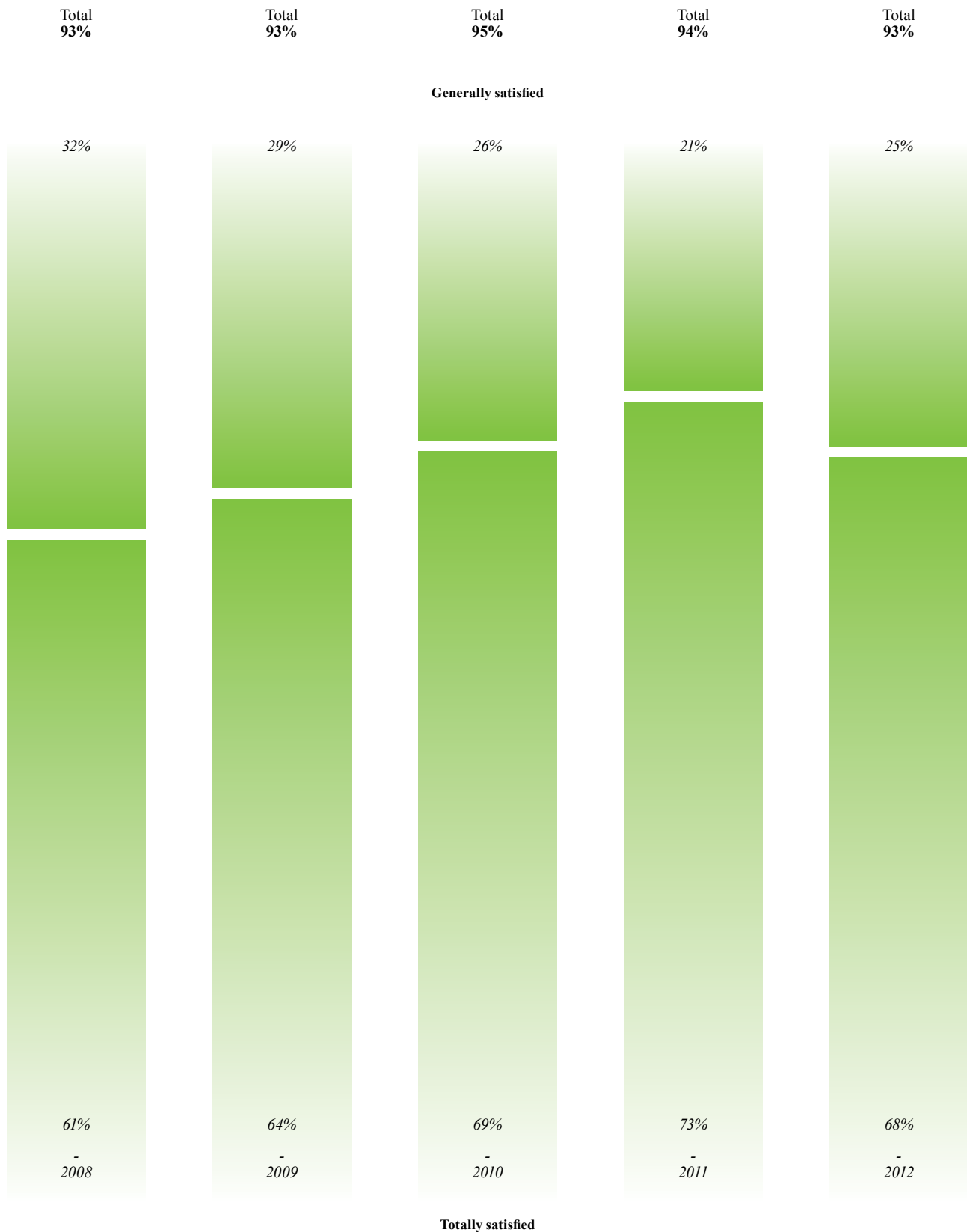
Intention to Recommend Piraeus Bank to Friends/Colleagues



PIRAEUS BANK

43

Intention to Use the Bank for Further Products/Services



PIRAEUS BANK



PIRAEUS BANK

HUMAN RESOURCES

Piraeus Bank Group operates fully acknowledging that human resources constitute a key success factor for any organized activity aimed at achieving Group strategic goals. It perceives human resource management as a complete set of actions and operations undertaken in order to acquire, retain and utilize skilled employees who successfully and productively execute their tasks. Excellent staffing according to business needs and the creation of strong relations with employees are both key points of the Group's philosophy. At the same time, special emphasis is placed on issues of morality, trust, devotion, team spirit in the workplace as well as human resource development.

In 2012, the Bank reaffirmed its commitment towards its employees and ensured job positions, full-employment contracts, support and strengthening of human resources with pioneering training programs, support and empowerment of its people and recruitment procedures free of discriminations adopting specific candidate selection systems.

During the second half of 2012, following acquisition of ATEbank and fully aligned with the Group's strategic goals, a uniform policy was applied to allow for a smooth and successful transition of employees to the new combined form of the Group.

The Division's actions were mainly focused on the following:

- implementing internal transfers to fill vacant positions created to a great extent by the increased number of retirements, compared to 2011,
- limiting of hirings, only covering specialized positions,
- cost rationalization of group insurance programs,
- differentiating remuneration in positions where it was required or permitted according to their job weight, and
- reducing the cost of each training man-hour by 70% versus 2011.

Commitment to Safeguarding Human Rights

Piraeus Bank has adopted the principles of the UN Global Compact for the protection of human rights, applies equal opportunity principles to all its actions and is opposed to any form of discrimination, inequality or human rights violation. All the Bank's policies, procedures and human resource management practices are all governed by respect for human rights. Thus, the Bank ensures that there is no possibility of discrimination, while at the same time individuality is recognised and promoted. All employees have access to the Group's fully-defined Human Rights Policy on the internal internet contact point (intranet). Dissemination of the Policy is achieved through systematic training of the Group's human resources in Greece and abroad and has a twofold aim to inform and sensitize. In this framework, Piraeus Bank continued to provide the e-learning training unit "Human Rights in Piraeus Bank Group", which in 2012 was enriched with an additional unit analyzing the Group's standpoint on issues of all forms of harassment. 77% of all Bank employees have already attended this training program. At the same time, human rights issues are also a separate course in the curriculum of the Management Academy. The study material of these courses is based on the six fundamental principles of human rights according to the UN Global Compact and ILO Conventions: Forced Labour, Child Labour, Equal Opportunities, Collective Bargaining, Health and Safety at Work and Working Conditions.

Fully supporting human rights, the Bank has an internal process for complaints regarding the protection of human rights. In 2012, there was one incident of human rights violation, which was managed in accordance with the established procedures for complaint management.

Consistently with all the above and with the aim of actively contributing to the elimination of child and / or forced / compulsory labour, the Group's Human Resource Division evaluates its partners and suppliers on these parameters.

Number of People Working at Piraeus Group

At the end of 2012, with the incorporation of ATEbank and GENIKI Bank employees (5,292 and 1,420 respectively), Piraeus Bank Group employed 18,597 people versus 12,647 in 2011. Piraeus Bank in Greece employed 9,629 people in 2012 versus 4,662 in 2011. In total, at the end of 2012, the Group employed 12,365 people in Greece and 6,232 abroad compared to 6,172 and 6,476 respectively, a year earlier.

The average age of the Group's employees is 40 years. With 66% in the age group up to 45 years old, the age composition is such that it facilitates the introduction and implementation of changes in technology, methods and target-setting. The Group's highly-trained employees provided invaluable support in offering efficient customer guidance and services in the particularly critical year that elapsed.

By employing a high rate of graduate and post-graduate degree holders – 69% in Greece and 84% in subsidiaries abroad – the Group has managed to have in its employment high quality and trained employees who contribute substantially to the achievement of its business goals.

Distribution per Employment Type and Contract

Piraeus Bank Group employs 99% and Piraeus Bank 100% of their manpower on a full-time basis. In the Group, 93% of the employees hold an indefinite time contract, with the equivalent percentage for the Bank at 91%. Moreover, 100% of Piraeus Bank employees receive as a minimum the compensation and benefits agreed to in the employment contracts that resulted from collective bargaining while at Group level, this percentage is 62.4%.

Promoting Equal Opportunities for Career Development

The equal opportunities policy of the Bank and its clear orientation towards the effective development of its people, enabled new managers to develop and get promoted, covering positions that arose mainly from retirement. Regarding career advancement, irrespective of level of management, 386 persons, of which 222 men (57.5%) and 164 women (42.4%), were promoted. Concerning Group subsidiaries abroad, 461 persons, of which 227 men (49.8%) and 234 women (50.8%), were promoted.

Selecting the Right People for the Right Roles

For Piraeus Bank Group, respect of human value, ethos and integrity of character carry special weight. This is reflected in the philosophy and practices of human resources management, starting from the selection and recruitment stage. For the purpose of candidate selection and evaluation, the Group uses a set of standard tools, which vary according to the candidate's level of education and experience and which ensure a transparent and objective recruitment procedure. The tools include job simulation exercises, competency tests, occupational personality questionnaires and a structured interview.

Piraeus Bank Group makes great effort to cover any hiring needs that arise with internal hiring from its existing human resources as

apriority. Consequently, most business needs are covered by internal reallocations. This active policy has contributed to optimal utilization of the existing human resources based on their skills and knowledge. More specifically, in 2012, the need arose to cover 1,249 positions at Bank level, of which 91.8% were covered with internal reallocations and promotions, achieved by means of:

- open communication of vacancies and fully transparent selection processes,
- development and career incentives to all employees in combination with each individual's prospects for development,
- Assessment & Development Centres are used for middle and higher management roles,

Moreover, expatriation is encouraged, with the posting of executives to Group subsidiaries abroad for optimal coverage of staffing needs with experienced and able executives. In 2012, at Group level there were 32 executive postings active in 6 countries, of which 8 were new postings that commenced in 2012. The average duration of expatriation postings is 3.2 years.

In 2012, Piraeus Bank's vacancies were filled by new hirings by 2.4%. Of the total hirings, 33.5% were men and 66.5% women. It should be noted that as far as new hirings are concerned, the Group places particular emphasis on local candidates, thus achieving: strengthening of the local communities where it operates as well as better understanding of the local needs, leading to achievement of business goals. 99% of the Branch Managers in the Greek periphery were locals. In 2012, at Group level, 696 new hirings took place, with the inclusion of locality in the criteria. Of these, 92% are in the 25 to 45 age group and 63.7% were women.

During the second half of 2012, the Human Resources Division was faced with the particularly important task of incorporating 5,292 ATEbank employees (4,998 Bank, 294 Subsidiaries) into the Piraeus Bank Group. The key principles that were strengthened in this process were the new employees' active participation in the Group's operation right from the start and the offer of opportunities for high performance and creativity.

Employee Turnover

Piraeus Bank Group recorded a 3% turnover rate in 2012, all stemming from voluntary departures. At Bank level, the turnover rate from voluntary departures remained at significantly low levels, amounting to 1% with no gender differentiation.

Human Resources Communication Philosophy

In everyday practices, the Group takes advantage of every opportunity for open and two-way communication between management and employees. In order to enhance communication, the Group uses systematic and reliable communication channels and provides counseling to employees in all aspects of their lives. To this end, the Human Resources Division created the internal internet contact point (intranet), through which employees communicate any issues that concern them and are able to receive guidance from specialized professionals the Group collaborates if they wish to do so.

Focused communication actions were undertaken in order to allow for smooth incorporation of ATEbank employees and their transition to the new structure during the second half of 2012. More specifically, 27 meetings were held between Higher Management and branch network executives around Greece, as well as meetings with their customers. All meetings arranged with employees are gradually being completed.

Unification of the internal websites of Piraeus Bank Group and ATEbank into the common intranet was of outmost importance. The new, unified form and common image presented to employees was utilized extensively in order to achieve simultaneous and complete information to everyone involved.

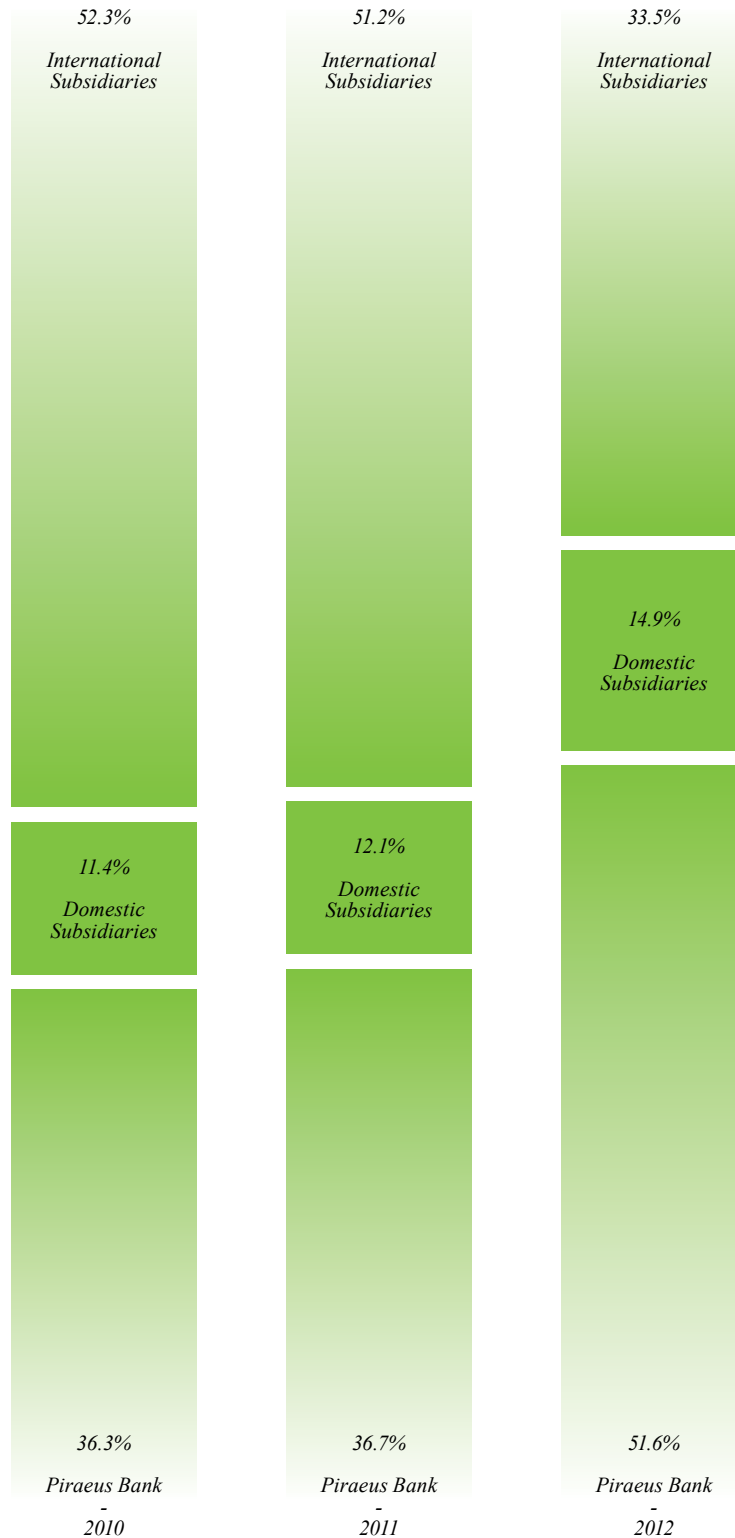
For further information concerning the available communication channels, please refer to:

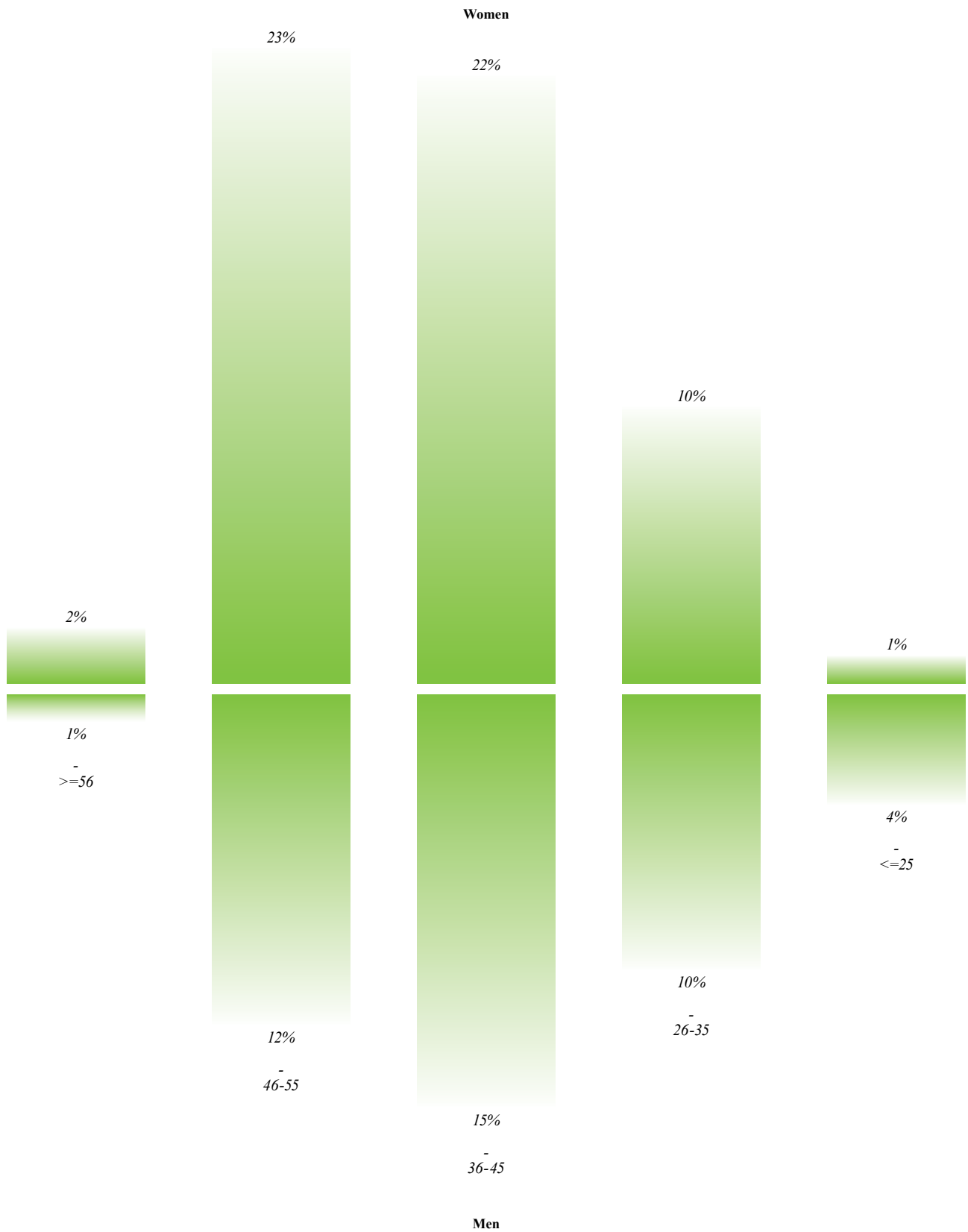
www.piraeusbankgroup.com > Human Resources > Human Resource Management > Open Communication

PIRAEUS BANK

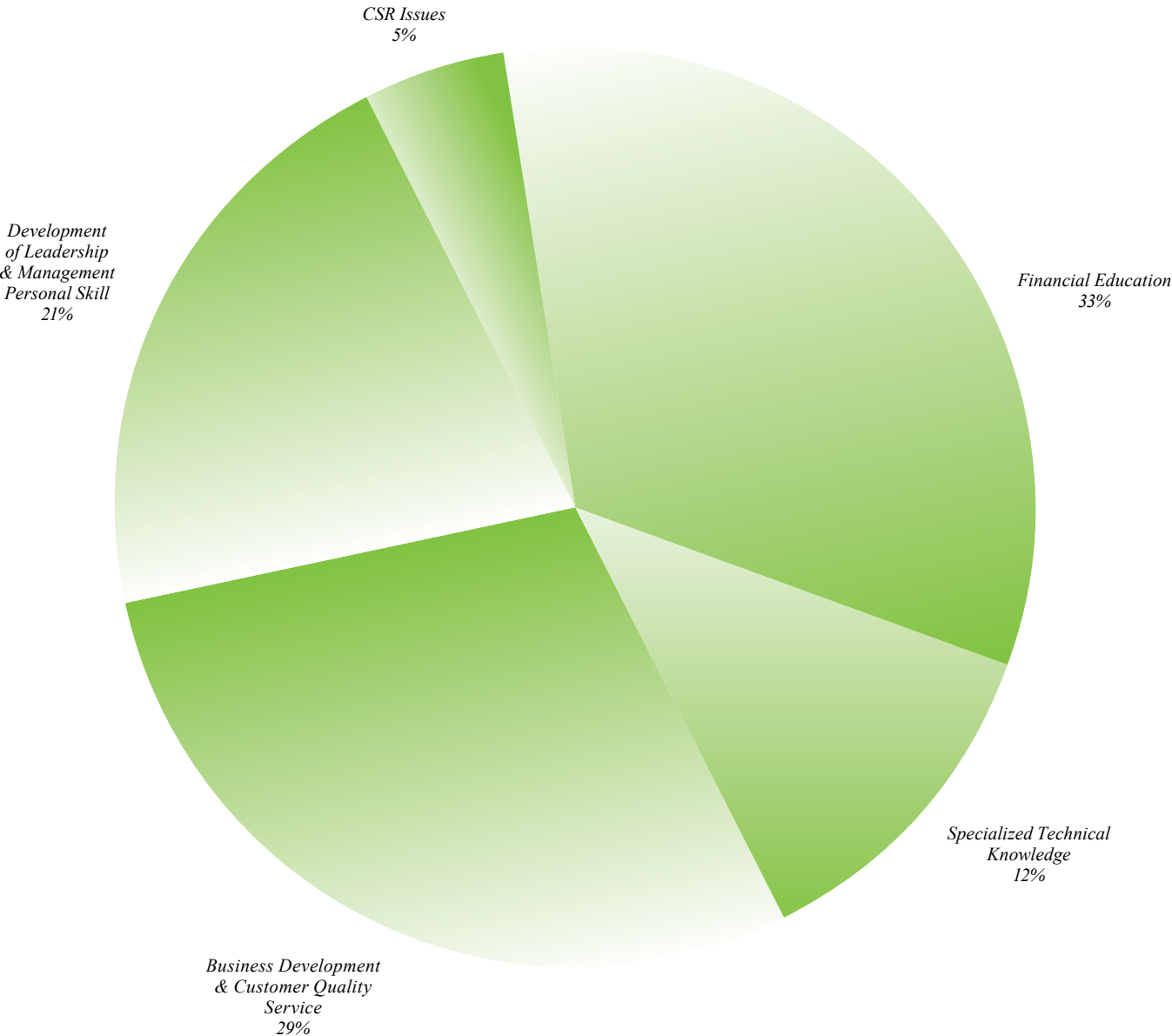
50

Piraeus Group's Employees



Distribution by Gender & Age Group

Piraeus Bank Group Distribution of Training Man-Hours by Topic



Investing in People's Development and Continual Training

Piraeus Bank Group consistently invests in the development and improvement of its employees' competencies and skills, creating a learning and development environment, aiming to bring out the full potential of its people. The use of standard efficiency criteria, incorporated into the advanced evaluation systems used by Piraeus Bank Group, enables the alignment of human resources performance with the Group's strategic goals.

The performance appraisal procedure ensures continuous communication and guidance of employees by their managers, and creates the framework for recognizing individual contribution. Similarly, employees are given the opportunity to make self-assessment, then review their evaluation and openly express their views prior to the finalization of the procedure.

Annual performance appraisals based upon standard criteria and following a specific procedure were applied to 100% of the Bank and subsidiaries employees in Greece in 2012. At Group level, the above performance review system was applied to 86% of total employees, marking a 3% increase versus 2011.

In alignment with its strategy, the Group invests in continuous training for its employees, designing and implementing high added-value training activities in two directions: **a)** to establish an integrated skills development system made up of specifically designed "Academies", and **b)** to conform to the existing legal and regulatory framework and be systematically covered against any possible risks (operational, credit, market).

In total, 379,041 training man-hours were recorded in Piraeus Bank Group in 2012 while 3,248 educational courses (in-house and external) were organized or attended. More specifically, at Group level there were recorded, 33 training man-hours per person on average, while the percentage of Group employees to have attended at least one training course increased 84% from 79% in 2011. The respective figures for Piraeus Bank were 42 training man-hours per person in 2012, while 90% of employees participated in at least one training course during the year, increased by 3% versus the previous year.

42.6% of training man-hours were addressed at women and 57.3% at men while their allocation according to the Group's internal hierarchy was as follows: 62% of training man-hours were aimed at employees, 37% at middle and higher management and 1% at top management.

In the framework of integrating the banking systems of Piraeus Bank and ATEbank, following the acquisition of the latter, 2,600 people from the branch network received training in the basic operation system. At the same time, a special e-learning was designed which was attended by 3,623 employees. Lastly, all network executives received training in Regulatory Compliance and in eliminating corruption.

Emphasis was placed on training the Bank's human resources in corporate social responsibility issues. More specifically, the following were reinforced: safeguarding of human rights and equal opportunities, management of operational risk associated with human factor, and management of traumatic event associated with robberies at branches. Finally, employees who participated in voluntary social and environmental actions received the relevant training through focused programs.

In 2012, 70 employees of Piraeus Bank were certified in providing specialized insurance advice and 104 employees were certified in financial investment services. Additionally, 324 network employees deriving from ATEbank were trained and participated in the Insurance Intermediary Certification examinations with an 84% success rate.

Moreover, the Group continued to invest extensively in the training of employees and also in raising their awareness of issues related to fraud and corruption: 67 Bank branch employees were trained in these issues and all network Managers received training in dealing with robberies.

PIRAEUS BANK

54

In 2012, the implementation of two academies (each of 3-year duration) continued with complete success. Specifically, the Branch Top Management Academy, which is attended by 31 top branch managers of branch network, is aimed at creating an already active and fully-trained group of leaders; and the Management Academy, which is attended by 173 (including 65 new participants) middle and high level managers, aimed at strengthening their managerial and leadership skills.

At the same time, the following continued their successful course: “Piraeus Bank Group Management e-Academy” with the participation of Group Managers from the Bank and subsidiaries abroad; “The Stepping up to Management” e-learning programme, which is certified by the prominent Harvard Business School Publishing; at Group level, the “Corporate Banking & Credit Academy” program targeted at young, talented executives.

E-learning proved once again a major foothold for training work. There was increased use of e-learning with 205,740 training man-hours versus 198,911 hours in 2011. It should be noted that a high percentage of participation in e-learning courses is recorded in the framework of integrated modular courses, implemented with the use of classroom, e-learning courses or other learning means.

Finally, in 2012 as well, Piraeus Bank Group continued its highly successful support and development programme for employees, financing the participation of 19 selected individuals in under-graduate and post-graduate courses. In addition, 303 individual training programmes and individual development plans were designed and executed.

Rewarding Human Resources

The Group uses benchmarking with other organizations so as to keep compensation and benefits at a competitive level and according to the level of experience knowledge and skills. Compensation and benefits are an integral part of the Group-employee relationship and evolves over time according to employees’ business maturity and growth. On the basis of the equal opportunities policy, no discriminations are made in the definition of minimum wages between men and women, nor in the various hierarchy levels or age groups. With the aim of improved performance and efficiency, employees’ additional effort is recognized and rewarded. For this reason, bonus systems have been designed to reward both individual and team effort. It should be noted that the incentives provided are aligned with the regulatory framework of operation of Financial Institutions and bonuses are structured in such a manner that they prevent the assumption of excessive risks or the focusing on short-term benefit against long-term targets.

Maintaining a competitive level of compensation/benefits is particularly difficult to maintain in this critical economic climate. Nevertheless, group benefits covering basic and essential employee needs remain at competitive levels and Support Programs for employees and their families continue unabated. The importance of incentives of qualitative value which place emphasis on employee development is recognized even more in these difficult times. Such types of incentives include: training, ethical rewards, enrichment of knowledge / experiences in different aspects of work, etc.

Providing a Modern and Safe Working Environment

Piraeus Bank complies with the legislative regulations regarding employees’ health and safety. Fully respecting its legal obligations and the importance of the issue, and being showing particular sensitivity to employees’ physical and mental health, the Bank takes care to provide a modern, healthy and safe workplace. During 2012, there were no accidents or injuries at Piraeus Bank.

For further information regarding health and safety at the work place, please refer to:

www.piraeusbankgroup.com > Human Resources > Human Resource Management

PIRAEUS BANK

55

Social Policy

Piraeus Group aims to offer its employees the compensation and benefits that ensure a satisfactory standard of living and motivate productivity. Total payroll expenses of the Group reached €424million on 31 December, 2012, allocated as follows:

- Staff compensations	€312mn
- Social insurance contributions	€77mn
- Other expenses	€15mn
- Retirement benefits	€20mn

Other expenses include the cost of: medical care, employee insurance with death and/or permanent disability coverage (Group Insurance Scheme), preventive check-up for managers, nursery schools, employer contributions other than social security funds, etc.

For further information regarding Piraeus Group's Social Policy and additional benefit employees, please refer to:
www.piraeusbankgroup.com > ***Human Resources > Human Resource Management > Remuneration & Benefits***

With the acquisition of ATEbank, the following were developed and enacted to all its employees: group life insurance with death and/or permanent disability coverage, medical care as well as a child assistance program

In the framework of uniform operation in the new structure of the Group, uniformity was also applied to the products offered to employees by Piraeus Bank and ATEbank as well as to the process for employee loan approval.

New mortgage loans worth €1.3 million were granted to Bank employees in 2012, while employee outstanding loan balances amounted to €48.5 million at the end of 2012.

Talent Management and Retention

Ensuring the Group's business continuity and the continued strengthening of its human capital remain Piraeus Group's main objectives. In particular, via a variety of actions the Group ensures the constant development and the best possible use of its talented employees' skills and abilities. In the last 4 years it has established a systematic approach to managing talents and as a result of the above actions, the Bank achieved the significantly high talent retention rate of 97% in 2012.

Employee Assistance Programmes - EAPs

In 2012, all Bank employees and members of their families had the opportunity to take advantage of the internationally-certified Employee Assistance Programs: EAPs. These programs offer counselling and psychosocial support for prevention and intervention in order to manage more effectively the issues being faced in different aspects of their lives. With the acquisition of ATEbank, all the above support programs and services were also made available to its employees.

More specifically, in collaboration with the external EAP provider (with multi-year experience in the field), the following services were provided: 24/7 Helpline, face to face counselling, critical incident stress management.

PIRAEUS BANK

56

At the same time:

- In the framework of promoting health and wellness in the workplace, implementation of the relevant training and awareness sessions of senior executives, aimed at reducing operational risk associated with the human factor, was systematically continued.
- Thematic lectures were organized, aimed at strengthening employee resilience and at providing ways of managing changes that may be taking place in their lives.
- Strengthening of employee information was achieved via the internal website (intranet) and specific thematic brochures.

In the framework of the Employee Support Programs and placing particular emphasis on the need for offering guidance to teenagers concerning the key issue of career orientation, 52 high school students whose parents are Group employees were given the opportunity to take advantage of a specialised career orientation test and individual counselling based on their test results.

It should be noted that in 2012 there was extensive utilization of these services by employees and members of their families, which reflects the steadily growing need for support in a constantly changing financial and social environment.

As far as implementation of EAPs in subsidiaries abroad is concerned:

- Support to expatriate Group executives was continued, with the aim of ensuring the smooth transition of their families and themselves to a new culture and working environment. These support services include, among others, a 24/7 Helpline with certified counselors and individual sessions.
- The heads of human resources divisions of subsidiaries were informed about the importance of the Programs and emphasis was placed on the need for their activation, which is being designed for all the countries with Group presence and is expected to be implemented in 2013.

HR Management Systems

The integrated human resource management system (HRMS) remains the core platform for the human resource information management thus ensuring automation of the relevant procedures. In 2012, emphasis was placed on the particularly demanding task of data migration of employees who were incorporated into Piraeus Group in order to achieve unification of all HR procedures into the central management platform. More specifically, within a very short time, all employee data – with complete background- of 6,712 ATEbank and Geniki Bank employees were incorporated into HRMS.

Collective Representation

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

Seeking to empower the dialogue with employees and their collective representation bodies, in order to establish an even better working environment, the Bank not only fully complies with the respective legislation framework and the individual and business contracts, but also organizes a work meeting among top management executives and Union representatives at least once a month. During these meetings, among other activities, parties are informed about the Group's activities- including important operational changes- and opinions are expressed.

Contribution to Information Society and Entrepreneurship

Executives of the Bank are encouraged to take part in conferences and seminars in Greece and abroad, in an effort to actively contribute to enhanced entrepreneurship and dissemination of the organisation's best practices. In this context and in support of the business and

academic community, 14 executives of the Bank participated in conferences and scientific seminars in 2012, providing know-how and best practices of the financial sector to the market.

With a sense of social responsibility, the Bank participated in the Future Leaders in Greece programme contributing actively to the advancement and promotion of the leaders of tomorrow and utilization of their ideas as well as to the support of local communities. Specifically, 2 Group executives acted as coaches providing guidance to 2 groups of university students in the field of planning and implementation of projects in different regions in Greece. At the same time, in collaboration with the Junior Achievement Greece and the Association of Youth Entrepreneurship, the Group contributed to a program for teenagers' familiarization with the financial environment and the development of entrepreneurial thinking. In total, 7 such programs took place in 7 different High Schools in Attica, Thessaloniki and Mytilini to a total of 200 students. In the aforementioned activities 23 Bank executives participated on a voluntary basis.

PIRAEUS BANK

PIRAEUS BANK

59



PIRAEUS BANK

SOCIETY, CULTURE AND THE ENVIRONMENT

Piraeus Bank has incorporated on a volunteer basis social and ecological concerns into its business activities and its contact with other interested parties. It is continuously promoting a balanced approach to the financial, social and environmental impact of its operation, based on economic development, sustainability and social cohesion. In this framework, every year it sponsors and supports various programmes aimed at assisting disadvantaged social groups and protecting the natural environment. Moreover, the Bank has made remarkable contribution to preserving and promoting the cultural heritage of Greece through the Piraeus Bank Group Cultural Foundation (PIOP). In total, the Bank's contributions to actions, programs and initiatives regarding social, cultural and environmental work in 2012 accounted for 0.7% of the Group's annual pre tax and provision profit and for 1.0% of the Group's operational costs for 2012.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Corporate Social Responsibility remains a strategic investment for Piraeus Bank, and through it the Bank contributes to developing the economy and the community in every possible way. In the last years, the Bank has adopted a systematic and strategic approach to managing Corporate Social Responsibility both in its internal and external environment. Within this context, the Bank has established a Corporate Social Responsibility Committee of 7 members chaired by Mrs. Sophia Staikou, Chairman of the Piraeus Bank Group Cultural Foundation (PIOP). The other 5 members of the Committee are: five General Managers of the Bank and the General Manager of Piraeus Bank Group Cultural Foundation.

The Committee's responsibilities are:

- to evaluate and promote programs that support: disadvantaged social groups, charity actions, protection of the natural environment and submission of proposals for the Bank's contribution to these,
- to examine and participate in programs that lead to the creation of museums,
- to supervise the Bank's sponsorships and press subscriptions.

Social Actions

In 2012, Piraeus Bank Group continued to strengthen and support the fields of family, education, health and entrepreneurship by means of employee volunteer actions, direct grants and donations and collaboration with non-governmental organizations. At the same time, it provided assistance groups and individuals facing difficulties on a professional and individual level. More specifically:

Considering it its duty to undertake social actions, Piraeus Bank, by BoD decision, contributed to the reconstruction efforts of the local economy of the island of Chios which on August 18, 2012 faced devastating fires. Piraeus Group's actions to assist "Chios get back on its feet" include: extending payment of loan installments owed to Piraeus Bank and the former ATEbank for one year for masticha growers and the Chios Gum Mastic Growers Association (EMX); reduction of interest rate on loans by EMX from Group banks; immediate

PIRAEUS BANK

62

funding amounting to € 25,000 to the Region for the purchase of animal feed to support livestock farmers; and funding to support a plant nursery as soon as EMX proceeds with this.

Recognizing the action of Non-Governmental Organizations NGOs, Piraeus Group pursued collaborations with these, it supported their efforts in a multitude of ways and ensured its customers' informing about the NGOs important work. Indicatively, some of the organizations the Group supports are: the Greek Red Cross, the Hellenic Society for Disabled Children (ELEPAP), UNICEF, Merimna Society for the Care of Children and Families Facing Illness and Death, The Smile of the Child, SOS Children's Villages.

The Group also supported many research agencies multifariously. These include I.A.K.E. (Social Work Development Foundation), the University of the Peloponnese, the scholarship program of TEI of Patras and Alexander Technological Educational Institute of Thessaloniki (ATEITH).

In the framework of its broader social work and in response to the crucial demands and needs of public health units, Piraeus Bank proceeded with donations to AHEPA University General Hospital of Thessaloniki, University General Hospital Attikon, the General Hospital of Nikaia, Agios Pavlos General Hospital of Thessaloniki, Pentelis General Children's Hospital in 2012.

Moreover, wishing to contribute to schools in order to create an environment for better learning, the Group continued to provide decommissioned equipment to these. More specifically, 89 high schools, primary schools and kindergartens were supplied with computers, printers and office equipment in 2012 as well.

Aiming to cover the needs and demands of the local communities where it is active, Piraeus Bank proceeded with donations to 35 Municipalities and Regions of Greece, purchase and donation of an ambulance to the Municipality of Psara as well as support to the beneficial social actions of 32 social, sports and cultural clubs and associations. Moreover, it supported various ecclesiastical organizations in aid of their important social work, such as: the Archdiocese of Athens for the soup kitchens for the homeless, the Archdiocese of Crete, the Holy Bishopric of Neapolis and Stavroupolis.

The same anthropocentric philosophy and corporate responsibility principles are adopted and applied by the Group's international subsidiaries. They take on initiatives that support charity work aiming to integrate harmoniously into these societies. More specifically, in 2012:

- Piraeus Bank Bulgaria informed and motivated its customers to support UNICEF and SOS Children's Villages actions as well as sponsoring art and traditional events.
- Piraeus Bank Beograd enhanced its socially responsible character through sponsorships to university students and donations of high-tech hospital equipment to premature baby wards.
- Tirana Bank supported actions such as tree-planting, donation of equipment to educational institution as well as sponsoring of training programs, university conferences and exhibitions aimed at promoting issues such as sustainable growth and training in the workplace. In addition, the Bank cooperated closely with the local divisions of the Red Cross and SOS Children's Villages with the aim of supporting their causes.
- Piraeus Bank Romania is official sponsor of the Romanian Olympic Committee for the London 2012 Olympic Games. Additionally, the Bank supported the work of NGOs such as Greenpeace, World Vision Romania, Save the Children, Save the Danube & the Delta and New Horizons Foundation.
- In Cyprus, Piraeus Bank (Cyprus)Ltd offered scholarships to distinguished Cypriot students and university students. At the same time, by means of specific actions and information and awareness-raising of employees and customers, the Bank supported the Cyprus Breastfeeding Association "Gift for Life", Cyprus Autistic Association, UNICEF, Europa Donna among others.

With the aim of promoting a spirit of volunteerism within the Group, 60 voluntary actions were organized with a focus on strengthening the family as an institution, protection of children and youths (in particular orphan, destitute, seriously ailing or drug-addicted), care and treatment of the elderly, environmental protection and enhancement of youth entrepreneurship. The total number of employees who participated in voluntary initiatives reached 2995 in 2012.

Cultural Actions

The Cultural Foundation of Piraeus Group (PIOP) is a public benefit foundation which is subsidized for its operation by Piraeus Bank. It designs and implements actions and programs related to culture while at the same time it meets an important part of the principles and targets of the Group's commitment to Corporate Social Responsibility.

OPERATION FRAMEWORK

Its primary statutory targets are to safeguard the traditional technologies and industrial heritage of Greece and to contribute to the cultural and economic development of the Greek periphery, through the promotion and exploitation of its cultural reserve. It fulfils its targets through the:

- implementation of research programs and serving research needs of the scientific community,
- strengthening of rescue actions,
- organization of the historical archive which is related to the economic and industrial development of Greece,
- publication of scientific works,
- organization of cultural actions,
- PIOP's involvement in public dialogue to help shape cultural policies and
- creation and management of an extensive network of thematic technological museums in the Greek periphery. These museums do not belong to PIOP or the Bank but to the Local Government or the Greek State. The Foundation shoulders the museums' exemplary operation, covering their operational and maintenance costs, managing their collections and organizing cultural events for 50 years. Following that period, the owners of these museums take on these responsibilities, if they choose to do so.

Further integration of the Piraeus Group's Corporate Responsibility Principles to PIOP's operation, was pursued in 2012 as well. More specifically, the following were implemented:

- further additions to and monitoring of key performance indices concerning its environmental performance,
- revision of its Quality Management System,
- training of employees (1,060 training hours for all 54 employees),
- preparation for the implementation of an environmental management system (already adopted by Piraeus Bank) in the Foundation's premises and museums, with consistent compliance to relevant procedures and measurements (paper, ink cartridge/toner, battery, light bulb recycling).

The constantly growing involvement of the Foundation's employees in the implementation of the principles of Corporate Social Responsibility and the relevant commitments of Piraeus Bank Group is achieved through the continuous provision of information which covers all sectors where it is applied, its actions and public accountability. In order to carry out this commitment, a PIOP executive was certified as CSE Practitioner.

The Foundation's communication strategy is defined by its close relationship to Piraeus bank, the institutional establishment it abides by, the distinctiveness of its field of operation and the scope described in its Statute.

PIOP measures and analyzes the effects of its actions on target groups by means of:

- systematic data collection on visitor numbers to Museum Network,
- visitor log books at Museum Network,
- systematic recording of requests and comments/complaints,
- continuous contact with all interested parties and response to written requests and comments,
- qualitative and quantitative analysis of visitors to its website,
- monitoring readership of PIOP's e-newsletter and
- monitoring press releases.

2012 KEY ACTIONS

In 2012, PIOP once again upheld the high specifications for operation in and services to Greek society despite the objective difficulties of the present economic conjunction. As a result the first prize by Europa Nostra in the European Union Prize for Cultural Heritage (category 3: Dedicated Services) for its Museum Network, following its nomination by the Hellenic Committee of ICOM.

The Museum Network consists of seven thematic technological museums which depict and preserve the local traditions of technique and industrial production: Silk Museum- Soufli, Open-Air Water-Power Museum- Dimitsana, Museum of the Olive and Greek Olive Oil- Sparta, Museum of Industrial Olive Oil Production in Lesvos-Aghia Paraskevi, Lesvos island, Rooftile and Brickworks Museum N. & S. Tsalapatas- Volos, Museum of Marble Crafts- Pyrgos, Tinos island, Museum of the Environment- Stymfalia. During 2012, construction began on two new museums: Museum of Chios Mastic on the island of Chios and Silversmithing Museum of Ioannina, which are to be included in the Museum Network in the near future. PIOP ensures the sustainability of these local museums by covering all their operational costs as well as ensuring their smooth operation through a centralized management system; there are also monitoring committees in which local stakeholders and representatives of the Hellenic Ministry of Culture and Tourism also participate. Smooth operation of the Network Museums also entails dealing with all regular and extraordinary management issues: maintenance-extension work and event supporting, enrichment and management of the Museum Shops, cafés as well as further enrichment of their collections (data base management, maintenance-storage, framing, digital programs etc). In addition to contributing to the increase in tourists' visiting distant regions or islands, PIOP also contributes to the economic development of local communities, as 80% of goods and 50% of products sold in the museum cafés and shops are supplied by the local markets. The staff of the museums are mostly hired from the local community and undergo regular training, thus upgrading the standard of services offered to visitors (assistance of people with vision problems, use of audio tour guides, evacuation in case of an emergency etc). The number of visitors reached 105,000 in 2012, 71% of which are free of charge. Visitor numbers stem from the support provided by the local communities, which recognise the benefits of the promotion of their cultural identity and the strengthening of the local economy, and from continuous renewal of cultural actions – by means of periodic exhibitions, lectures, conferences and a multitude of cultural events.

The organizing of high-standard cultural events in the Multi-Purpose Halls of the Museum Network aims to establish them as permanent cultural centres for the local communities in which they operate. The Foundation organizes artistic and scientific actions which are related to the character of each museum or are presented in the entire network; it often collaborates with local bodies and houses their events in its Multi-Purpose Halls. In particular, in 2012, 11 exhibitions, 46 actions, 60 regular and standalone educational programs for minors numbering 25,418 participants were organized. Namely actions connected with the exhibition “Myrtis: face to face with the past”; the exhibition “Stymphalia project – man and the environment” in collaboration with the Athens School of Fine Arts; Platon Rivellis' seminars on art photography; music events; guided tours for officials, foreign dignitaries, scientific and professional bodies.

Research is an integral part of PIOP's threefold strategy: research/exhibition/publication for the creation of its museums. This work is interdisciplinary and is based on the Foundation's long-standing, renowned and specialized experience in specific thematic research and the development of similar innovation. The results are implemented for the:

- creation of thematic technological museums,
- enrichment of museum collections,
- organization of exhibitions,
- publication of studies – often setting the basis for the existing bibliography,
- creation of marketing tools to promote local economies,
- digitization of research output which contributes to research development,
- the Foundation's participation in national - scale initiatives on behalf of Greece and in collaboration with well-established cultural institutions.

With regard to topic selection, emphasis is placed on traditional technologies, the country's natural resource management, material wealth and culture. The study of the most important sectors of the Greek economy is of priority, with special products-techniques also meriting

study. Other studies concern local traditions of particular regions – often at the request of the relevant local community – as well as cultural tourism issues. In 2012, the following took place:

- preparation of a mobile exhibition “The art of Tinsmithing in the 20th Century. The case of Georgios Chatzilaos” and a relevant monography,
- continuation of the in-house research program entitled “Long-lasting Short Stories”, referring to Piraeus Bank’s historic overview, to be included in *Winners* and the future publication of a relevant volume in the near future,
- emphasis was placed on further utilization of the research reserve, on employees’ scientific specialization as well as their networking with the research community for the creation of cultural products and services for the benefit of schools, as well as research, professional and local communities.

Extension of PIOP’s educational actions to lifelong learning was achieved with an annual workshop for 80 participants – young scientists and professionals of 6 different expert fields: 10 sessions, 300 training hours, 40 tutors from the university and research community. The workshop was held at PIOP headquarters in collaboration with the Hellenic Section of the International Committee for the Conservation of Industrial Heritage (TICCIH). The workshop focused on the multifariousness of industrial heritage and the need for an interdisciplinary approach, which was achieved by the formation of 4 volunteer groups which undertook the interdisciplinary study of equally significant industrial heritage monuments in Attica.

University student internship, under the supervision of a PIOP employee, was provided to five trainees (828 hours of one-to-one mentoring) from the Department of Philosophy and History of Science of the National and Kapodistrian University of Athens.

Organizing scientific and experiential actions, with emphasis on producing new and promoting previous research findings. These actions are organized in a manner which enables local communities to utilize their cultural reserve towards their self-awareness and their cultural and economic growth. In this framework, the following actions were successfully organized:

- “The industrial reserve of Elefsina and Thriasio Pedio” (presentation of a research program in March 2012).
- “A tour of the industrial heritage of Nea Ionia, Attica” (June 2012).
- “The Greek Manchester. The historical industrial reserve of Piraeus” (November 2012).
- “Lavrio, a mining area of two ages” (in collaboration with Lavrion Technological and Cultural Park –LTCP- and the National and Kapodistrian University of Athens).
- “Brikia Kollame?” (research program on the widely-known tinsmithing technique of the past, November 2012).

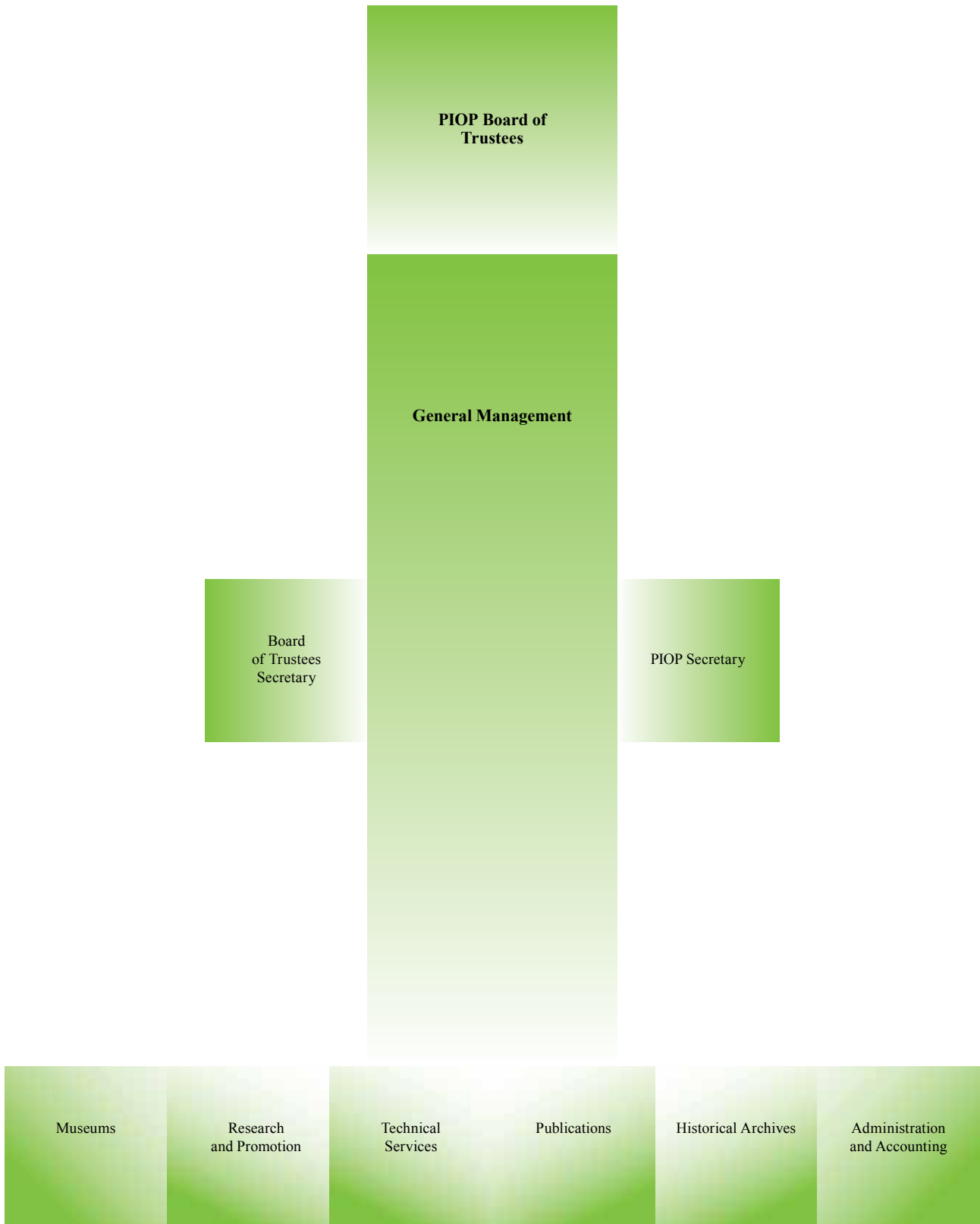
In addition, a series of similar actions were organized, related to the history of technology of past periods in Greece, specific fields of technology and the economic history of Greece or local traditions, in collaboration with leading scientific institutions and local authorities.

Donation of educational folders and other PIOP publications continued, aiding in preparing for visits to the Museum Network. Moreover, PIOP publications were sent free of charge to schools, universities and research libraries upon request (a total of 841 in 2012). Additionally 767 copies (29 titles) were sent as university textbooks at a significantly reduced price.

Operation of the library, highly specialized in museum studies and cultural management, constitutes one more key action for PIOP. Already including 6,035 titles, it is constantly being enriched in order to better serve the research and education communities. The acquisition of material (monographs, periodical titles and educational materials) is achieved through purchase and exchange with similar institutions (40 new titles in 2012). Researchers have free access to PIOP research findings in the Central Section of the Library. Digitized output is also located in the following databases:

- “Information on technology through Archives and Libraries of Venice”, the result of a research programme on technology in the Greek regions of the post-Byzantine period, by PIOP in collaboration with the Greek Institute of Byzantine and Post-Byzantine Studies of Venice, and,
- “Greek Musical Instruments”, the result of a five-year research programme from the Department of Music Iconography of the School of Fine Arts, Aristoteleio University of Thessaloniki.

PIOP Organizational Chart



PIOP: Collaborations and Synergies



Provision of scientific advisory support to national and public agencies, local authorities, educational institutions, Environmental Education Centres (EEC), young scientists, researchers and doctoral candidates upon their request to prepare cultural actions, products or projects related to PIOP topics. In 2012, there were 40 cases. Some of these, related to Chios Mastic, are:

- Support for the nomination in the National List of cultural products to be declared as part of UNESCO Intangible Cultural Heritage under the title: "Chios Mastic: a cultural product"; it is the first cultural product that Greece is attempting to include in the List. PIOP guided Ministry of Culture and Tourism/ Directorate of Modern Cultural Heritage employees through the process of completing the required questionnaire, provided research and audio-visual material and coordinated contacts with local authorities for collection of petitions in support of the nomination.
- Scientific and management support to institutions such as the Greek section of the International Committee for the Conservation of Industrial Heritage (TICCIH) and the Greek Division of the International Molinology Society (TIMS).
- Provision of scientific material to the Greek public television (The Hellenic Broadcasting Corporation) for production of a documentary on Chios Mastic.

Participation in national and international educational institutions constitutes a key action point for PIOP, through which it aims to:

- contribute to the shaping of cultural policies with the participation of the Director General in the Museums Council of the Ministry of Culture and Tourism; frequent participation of both the Director General and PIOP executives in scientific fora (approx. 35 in 2012); collaborations with the Ministry of Culture and Tourism (participation in the Ministry of Culture and Tourism actions, collaborations within the NSRF framework, participation of the Ministry of Culture and Tourism in PIOP Museum Monitoring Committees);
- PIOP's participation in research and academic partnerships for the development of international scientific programs: "Re-connecting the bonds between archaeological artifacts and historicity" project; "The Civil Society Facility–EU–Turkey Intercultural Dialogue, Museums (ICD-MUSE)" program;
- PIOP's international networking, both with scientific agencies (TICCIH, TIMS, etc) and with European foundation networks (European Foundation Center, Ecsite) for know-how transfer, the observance of "good practices", the enhancement of opportunities for scientific collaborations and pursuit of common project funding.

Support of historical research and Bank operations is achieved through the operation of the PIOP Historical Archive. The Archive consists of the complete archives of the former ETBAbank together with the historical archives of banks, organizations, enterprises and individuals who were directly linked to the Group's business activities (61 collections of which 3 are bank archives, 4 organization archives, 52 enterprise archives and 2 individual archives). The Archive deals with requests from external researchers interested in economic history and industrial archaeology as well as Bank research requests concerning a large section of its semi-active archive. In 2012, the following archival material was organized, sorted and classified:

- active and semi-active Bank and Group archives (approx. 9,500 files),
- historical archives (approx. 1,250 files),

Also in 2012:

- Following the acquisition of ATEbank by Piraeus Bank Group, in September 2012 the process of incorporating the Historical Archive of the former with the Group's Archive was initiated.
- 116 research requests for archive material were handled, 40 of which were related to the Bank's active archive.
- The Special Library was enriched with 28 new book titles and assisted 56 researchers.

Publications from a wide range of research fields, such as the history of technology, industrial archaeology, museological studies and economic history, is a defining PIOP action. The Foundation's publications are mainly in coordination with the Museum Network's actions and the research programs that are in progress, have already been completed or presented to research or broader communities. They also include submitted studies within the framework of the Foundation's statutory objectives. The fact that PIOP publications are selected as university textbooks shows the extent of their success in the scientific world. At the same time, other publications have a more popularised orientation. In 2012, 5 works were published, 3 basic works/university manuals were reprinted and 19 publications were completed, among which: 4 doctoral theses, monographies, Three-Day Workshop proceedings, manuals of museology, science

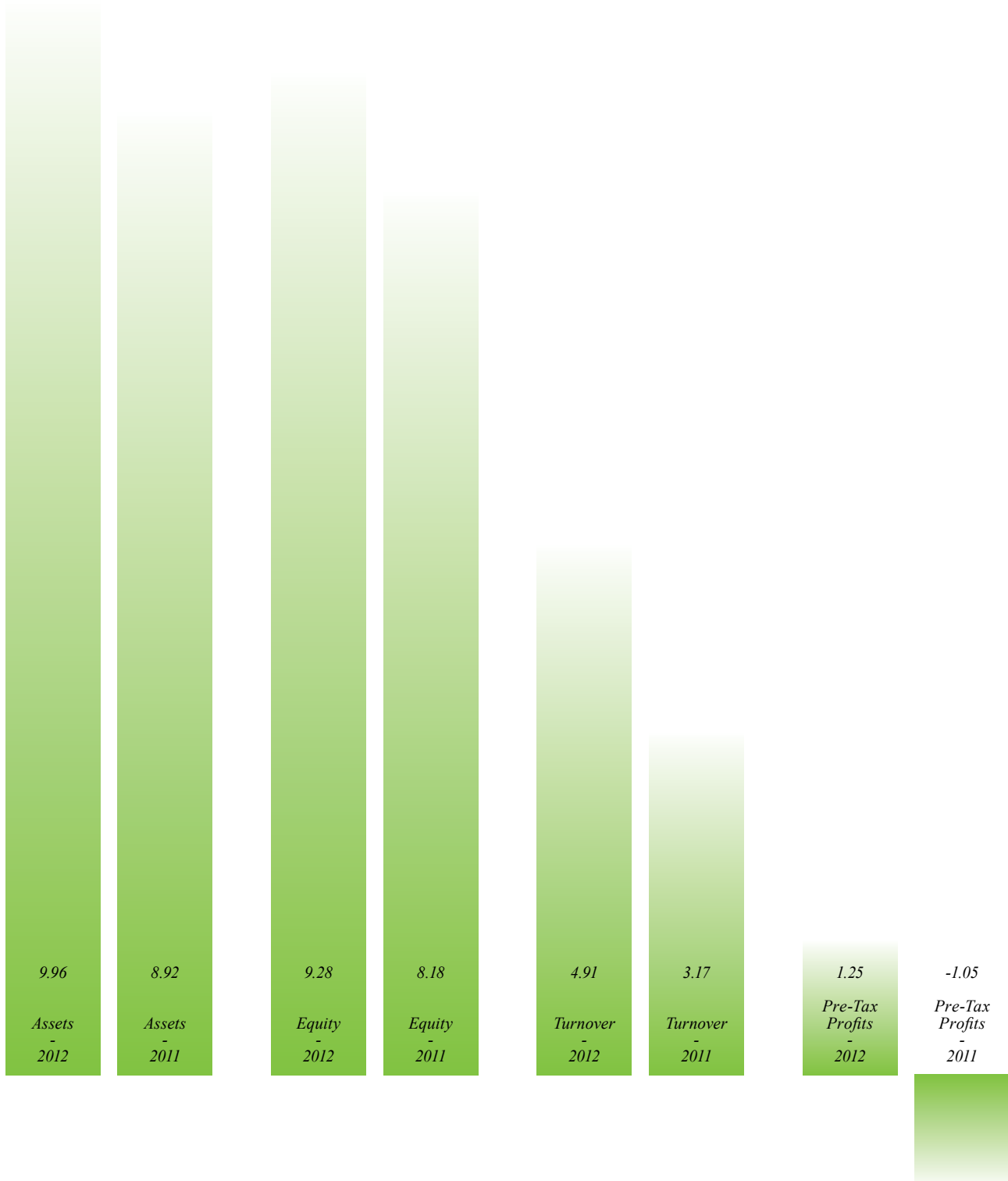
PIOP Communication Actions

<i>Communication Means</i>	<i>Group</i>	<i>Special Communication Methods</i>
<u>www.piop.gr</u>	Piraeus Bank Group	Intranet, “winners”
Internet Sales		
	Scientific Community	Participation in Fora, Events Hosted by Universities and Scientific Associations
Publication Sales and Museum Souvenirs		
	Specific Professional Networks, Cultural Tourism Networks, Educational Institutions and Unions	The e-newsletter “piopnews”
Printed Promotional Material		
	Local Communities	Events Hosted by Local Authorities and Environmental Education Centres (EEC) and Information Campaigns at Schools
Social Media (Facebook, youTube)		
	The daily Press, Periodicals and Scientific Journals	Special Features or Articles in the Press or Periodicals

PIRAEUS BANK

70

PIOP Financials (€ mn)



and technology, museum and cultural guides, fairy tales, reprinting of Foundation publications, educational folders, museum brochures, products for the Museum Network shops and promotional material for Foundation events.

TARGETS FOR THE NEAR FUTURE

PIOP's aims for the near future mainly concern the completion of construction and museum work on the Museum of Chios Mastic on the island of Chios and the Silversmithing Museum of Ioannina, which will broaden the Foundation's influence on the cultural map of Greece. Fully coordinated high quality actions will continue in the Greek regional areas to support the local communities both culturally and financially – through the creation of tourist attractions. Further to the continuation of the basic activities, the Foundation's target in the immediate future is further dissemination of its work to multiple public groups, following Piraeus Group's Corporate Responsibility Principles. More analytically, the Cultural Foundation's aims are to:

- maintain and enhance the level of its operation as well as of the satisfaction of all its stakeholders,
- intensify the provision of scientific assistance to public bodies, local/social institutions and young scientists,
- extend its research to the major industrial zones of modern Greek history,
- extend its educational action to adult lifelong learning with emphasis on people in the field of education and young scientists,
- offer educational material through its website, making it widely accessible to the education community,
- create an interactive web portal for more direct communication with the public and the provision of information (scientific, popularized and educational) and methodology on the Foundation's basic field of interest.

Environmental Actions

ENVIRONMENTAL STRATEGY AND STRUCTURE

Piraeus Bank's long-term environmental actions serve the Group's target to become the most prominent banking Group with specialization in green entrepreneurship based on an innovative model of development upholding the principles of Corporate Social Responsibility and sustainable banking. In the last ten years, coordinated and strategically-planned actions have been implemented in this direction:

- 2004 The Bank's BoD approves the Environmental Management Policy.
Start of operation of Environmental Office.
- 2008 The environmental dimension is included in the amended Articles of Association of the Bank with specific reference and commitments to its targets.
- 2009 The Environmental Office upgraded to the Environment Unit in 2009.
The Green Business Sector was formed, which includes, among others, the Green Banking Products Division.
- 2010 BoD approves the revised Environmental Policy placing emphasis on Green Banking and sustainable development. It also shapes its Climate Change Strategy aiming for the reduction of the Bank's environmental footprint in addition to evaluating the risks and opportunities that arise from climate change.
Board of Director member is appointed in charge of environmental issues.
- 2011 EMAS (Eco-Management Audit Scheme) and ISO 14001 certification of the Bank's Environmental Management System.
- 2012 Gradual incorporation of ATEbank in a uniform Environmental Management System certified under EMAS.

At the end of 2012, coalescence of Piraeus Group's environmental and cultural dimensions was initiated, aimed at creating a new framework of cooperation between the Environment Unit and PIOP to further enhance the three fields of action: society – environment – culture.

Since 2010, a Green Banking Advisor has been appointed at all Bank branches in Greece, who is trained in environmental issues and green entrepreneurship, thus providing even more specialized advisory services to professionals and individuals interested in mitigating their environmental footprint, reducing their operational costs and, ultimately, protecting the environment.

The dedicated Database on Environmental Legislation & Case Law (DEL&CL) supports Piraeus Bank's compliance with the applicable legal requirements and corporate responsibility commitments regarding the environment. DEL&CL provides the Bank with the necessary legal information regarding:

- the general obligations and trends of international, EU and national environmental law,
- the development and implementation of Environmental Management System programs,
- the task to reduce indirect environmental impacts.

In 2013, emphasis will be placed on subject areas pertaining to natural environment protection and management with protected areas, preservation of the individual characteristics of the areas, cultural heritage and wise use of natural resources as benchmarks.

For further details regarding the Group's Environmental Dimension, please refer to:

www.piraeusbankgroup.com > Corporate Responsibility > Environment

ENVIRONMENTAL MANAGEMENT

Piraeus Bank is in a position to monitor and manage the environmental impacts of its operation. Indicatively, data concerning electricity, heating fuel, water and other natural resource consumption are collected annually and, by means of the Environmental Footprint Calculator Database, are applied to calculate specific indices which reflect the total environmental performance. In 2012, the Group's environmental footprint was reduced with almost all environmental performance indices showing improvement. Reduction of paper consumption and employee transport for the second consecutive year are noteworthy.

In 2013, apart from incorporating of the ATEbank buildings into the Environmental Management System (EMS), EMS development and certification for PIOP and VI.PE Kommotini are also on course.

Electricity Consumption

Electricity consumption has the greatest impact on the Bank's environmental footprint (>90% of CO₂ emissions are the result of indirect emissions from electricity consumption). In 2012, due to increased electricity needs for cooling of buildings in the June-September 2012 period, electricity consumption per unit surface shows approx. 7% increase.

Heating Fuel Consumption

Due to the increased heating fuel price, its use was limited, with increased use of A/C units for heating where possible. Consequently, in 2012 heating fuel supply was reduced by 10% versus 2011.

Water Consumption

In 2012, total water consumption in Bank buildings reached 36,127 m³, with an 11% decrease in water consumption/employee (7.4m³ per employee).

Moreover, a pilot application was implemented at 10 branches in Attica, aimed at monitoring both energy and water consumption. It is the first time a measuring system is applied in the Bank and it will allow for useful conclusions to be drawn concerning employee water consumption.

Consumables

Paper

Total paper consumption noted a 14% reduction versus 2011. This was achieved mainly by the reduction in A4/A3 photocopy paper supply for internal tasks of the Bank. At the same time, the use of recycled chlorine free paper reached almost 70% of total paper consumption.

Ink cartridges and Toners

In 2012, the Managed Print Services application (centralized operation of printing equipment) was extended to include the 7 largest Administration Buildings with more than 2,000 employees. The same application has already been installed on a pilot basis at certain Network branches. The results so far have shown an approx. 20% reduction in total printing volume. In 2012, total ink cartridge and toner consumption fell by almost 10%, exceeding the 5% set target.

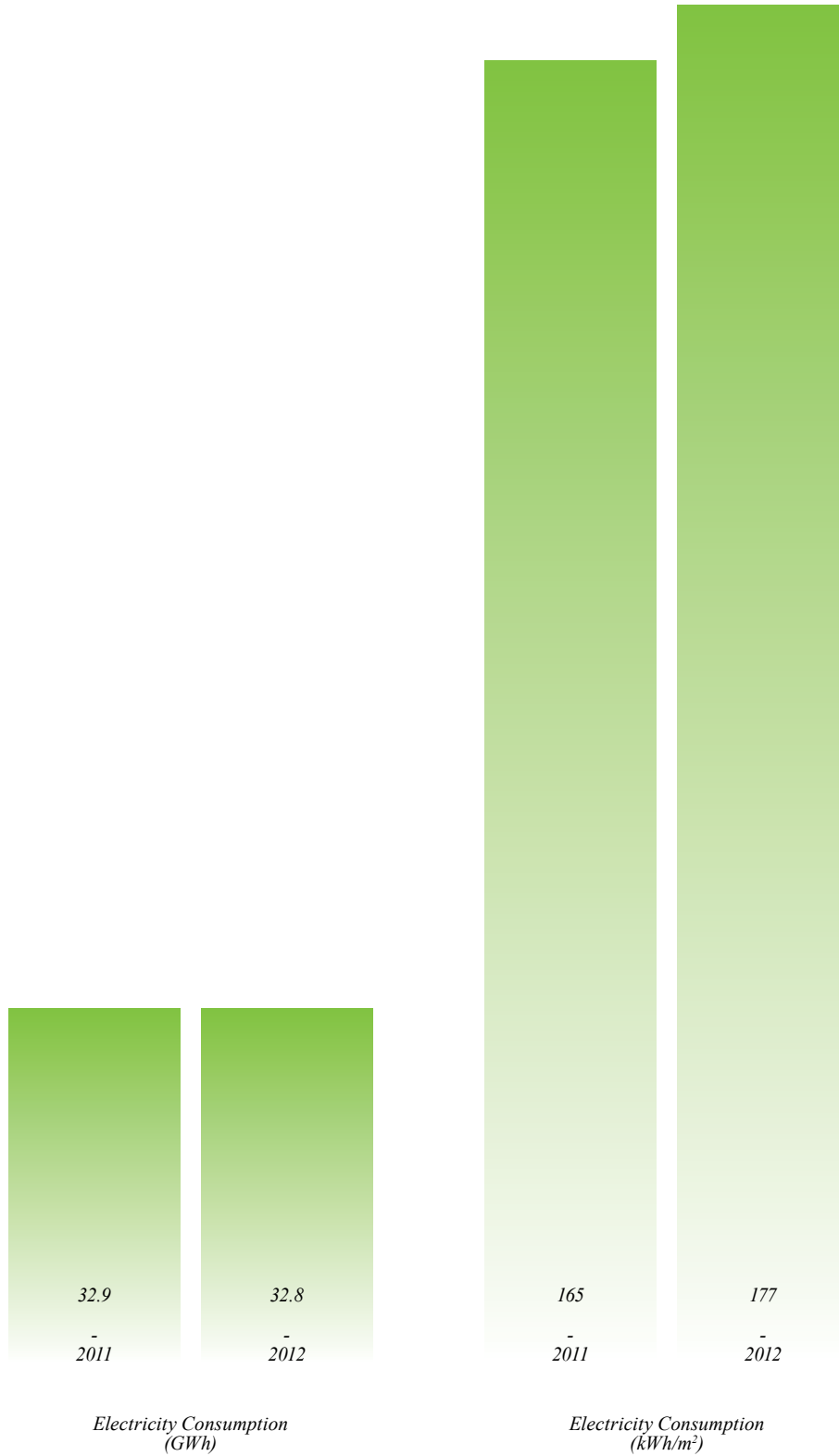
Solid Waste Management

Since 2010, recycling programs have been implemented in branches in the district as well as in Attica and Thessaloniki in collaboration with licenced collectors. At the end of 2012, with the aim of creating a recycling program to serve almost all Network branches in Greece, a pilot paper and ink cartridge collection program was initiated in Crete. Indicatively, in December 1.7 tonnes of paper and 65 ink cartridges were sent for recycling.

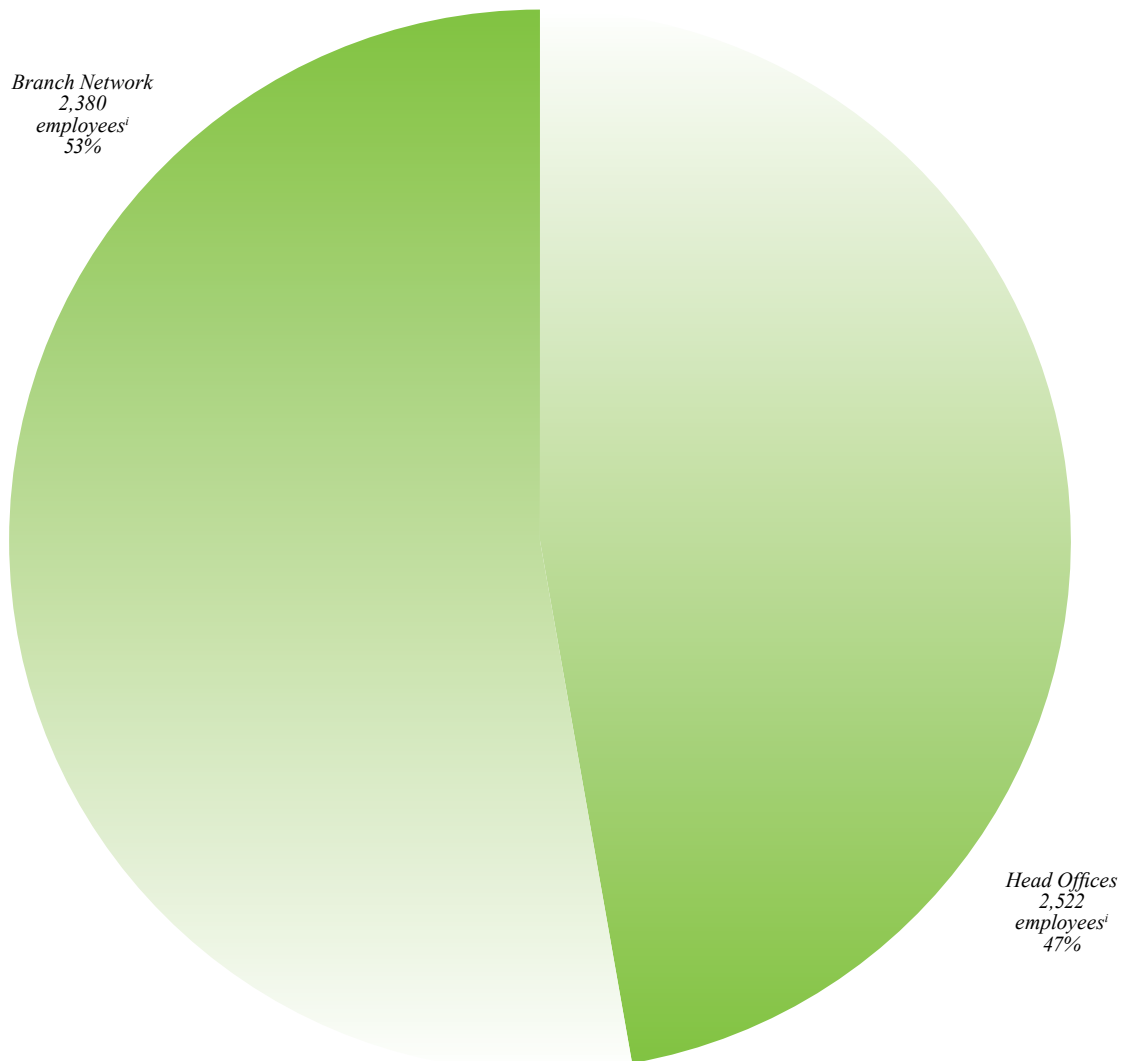
In total, the great reduction in paper and ink consumption resulted in the equivalent reduction in the quantity of the above materials recycled. More specifically, approx. 208 tonnes of paper were delivered for recycling and more than 5,800 ink cartridges for reuse and recycling.

In contrast, there was a significant increase in plastic recycling, reaching 40%, with a further increase in small battery and large accumulators recycling as well. In conclusion, in 2012, more than 20 tonnes of electrical and electronic equipment were delivered to the agency in charge of organizing and operating the Collective System of Alternative Management of Waste Electrical and Electronic Equipment (WEEE e-waste) in Greece.

Electricity Consumption

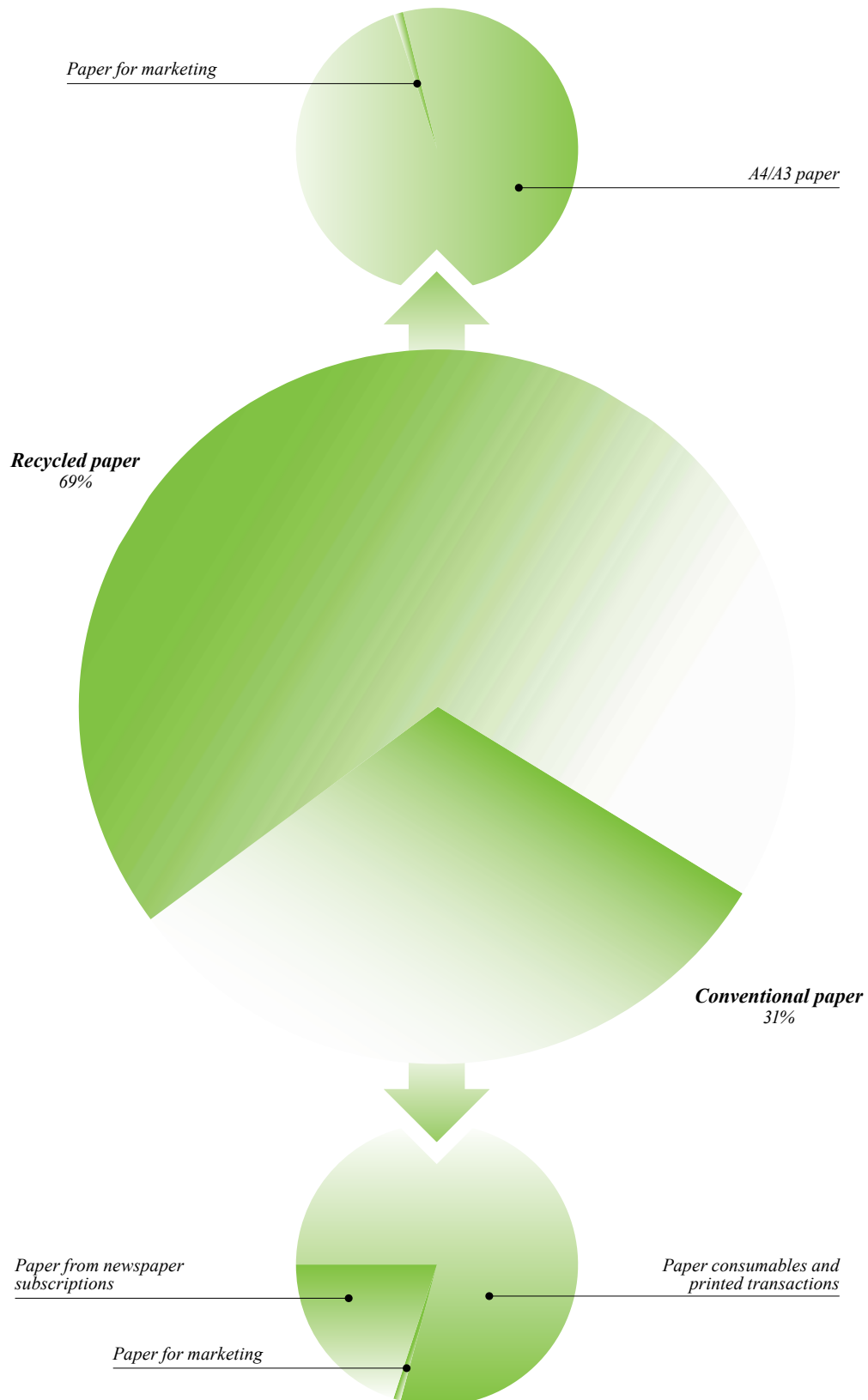


Piraeus Bank 2012 Electricity Consumption

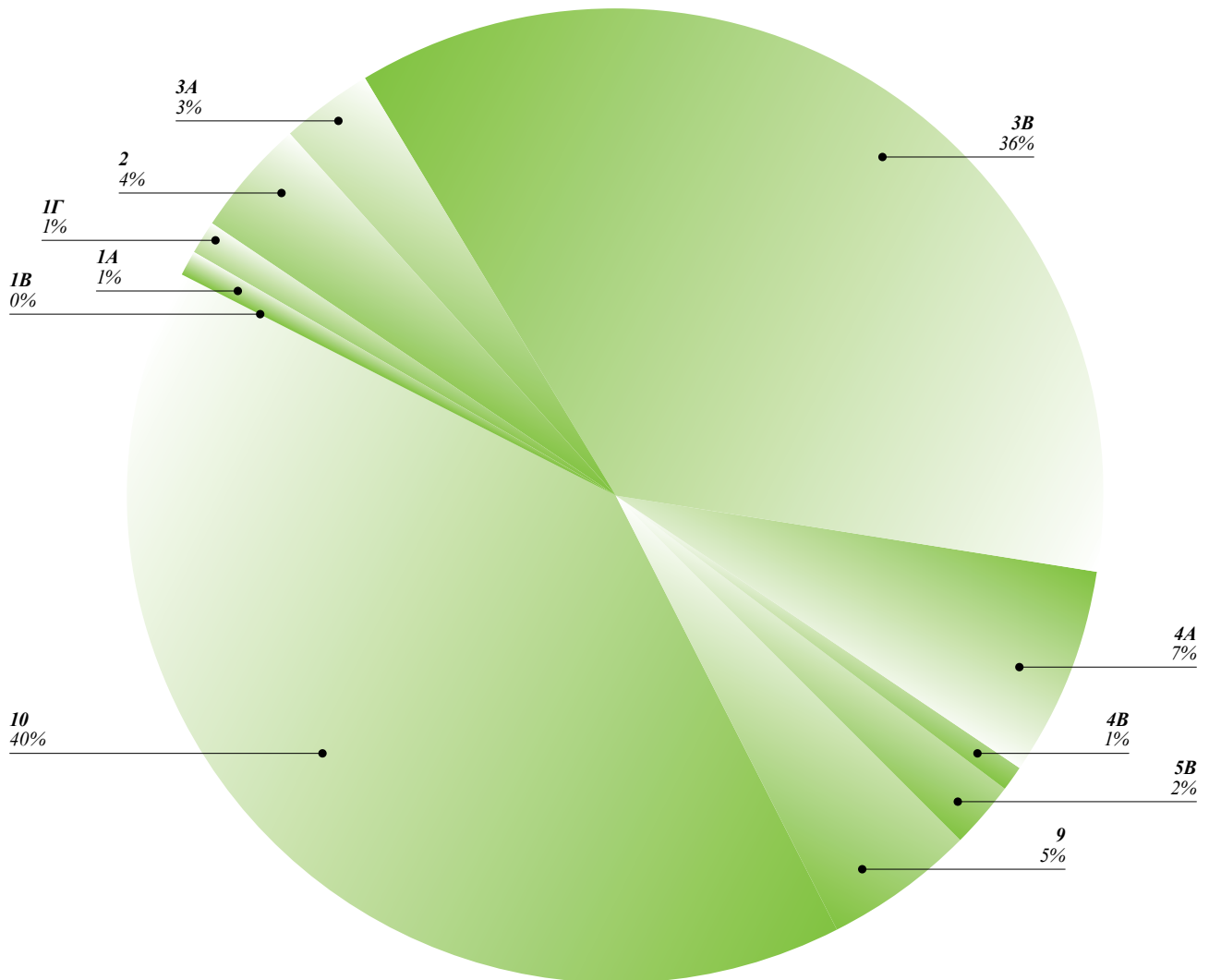


ⁱ Total recorded employees are calculated as an annual average by the Environmental Footprint Calculator Database.

2012 Paper Consumption



2012 Electrical and Electronic Equipment Recycling/Waste Category



Waste Category

- | | |
|--|--|
| 1A Refrigerators, freezers and other cooling appliances | 3B Computer and telecommunication appliances excluding 3A |
| 1B A/C units | 4A TV sets |
| 1F Large household appliances, excluding 1A and 1B | 4B Consumer goods excluding 4A |
| 2 Small household appliances | 5B Light bulbs |
| 3A PC screens | 9 Monitoring and measuring equipment |
| | 10 Automatic distribution appliances |

PIRAEUS BANK

78

Since 2005 the following have been delivered for recycling:

- 1,500 tonnes of paper
- 20,000 ink cartridges
- 30 tonnes of plastic
- 19 tonnes of small batteries
- 9 tonnes of large accumulators
- 100 tonnes of electrical and electronic appliances

Transportation

In 2012, all employee transportation, whether for training or business purposes, noted further reduction versus 2011. More specifically, air travel reduction reached almost 10%.

Gas Emissions

As the Bank's total CO₂ emissions are almost proportionate to the electricity consumption in its branches and buildings, all gas emissions from the Bank's activities noted a reduction of between 0.2% and 1% in 2012. The equivalent ratios regarding gas emissions per employee rose by approx. 5%.

E-BANKING

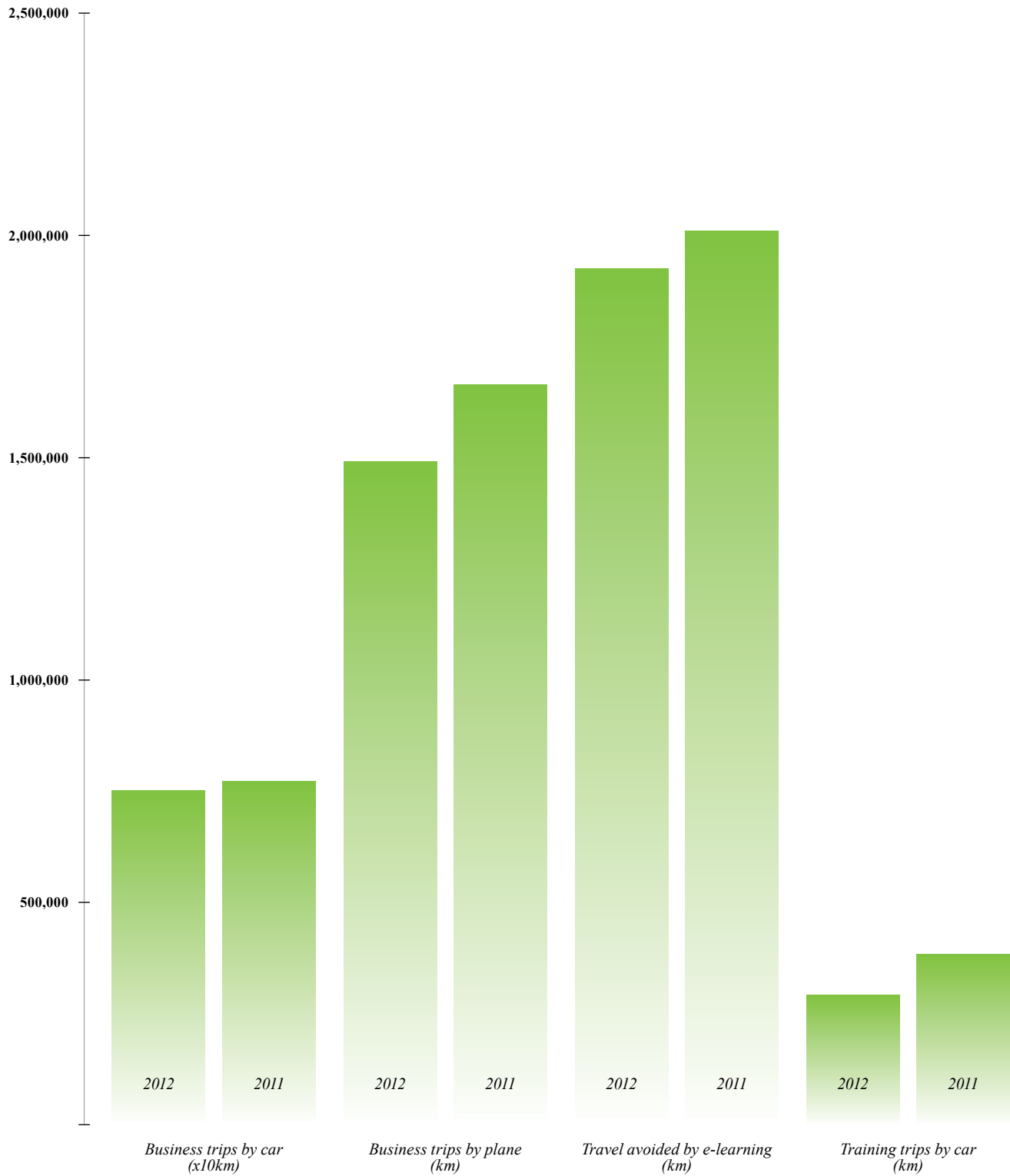
In 2012 more than 27.5mn e-transactions took place, leading to almost 150 tonnes of paper saved. Taking into account that for the production of 1 tonne of paper 17 trees are cut, it is estimated that by choosing alternative channels, such as winbank transactions, easypay platform and use of Phone, Mobile and SMS Banking, the cutting of 2,500 trees in 2012 was prevented.

Gas Emissions	Results		Trend 2011-2012 (%)	Target 2012 (%)	Target 2013 (%)
	2011 ⁱ	2012			
Emissions CO ₂ (tonnes)	28,789.73	28,676.64	-0.39		
Emissions CO ₂ (kg/employee)	5,543.86	5,851.58	5.55	-1	0
Emissions CH ₄ (tonnes)	0.83	0.82	-1.20		
Emissions CH ₄ (kg/employee)	0.16	0.17	6.25	-1	0
Emissions NO _x (tonnes)	68.91	68.66	-0.36		
Emissions NO _x (kg/employee)	13.27	14.01	5.58	-1	0
Emissions SO ₂ (tonnes)	91.94	91.80	-0.15		
Emissions SO ₂ (kg/employee)	17.70	18.73	5.82	-1	0
Emissions CO (tonnes)	67.31	66.54	-1.14		
Emissions CO (kg/employee)	12.96	13.58	4.78	-1	0
Emissions VOC (tonnes)	9.08	8.97	-1.21		
Emissions VOC (kg/employee)	1.75	1.83	4.57	-1	0
Emissions PM10 (tonnes)	14.73	14.71	-0.14		
Emissions PM10 (kg/employee)	2.84	3.00	5.63	-1	0

CO₂ = carbon dioxide, CH₄ = methane, NO_x = nitrogen oxides, SO₂ = sulphur dioxide, CO = carbon monoxide, VOC = Volatile Organic Compounds, PM10 = Particulate Matter

ⁱ The 2011 data regarding gas pollutants were reviewed. These changes are attributed to the updating of gas pollutant emission factors for electricity production based on the latest data regarding the energy mix in the electrical energy sector of the country.

Piraeus Bank 2012 Employee Transportation



PIRAEUS BANK

80

Piraeus Bank Environmental Footprint ⁱ	Results		Trend	Target	Target ^{vii}
	2011	2012	2012-2011 (%)	2012 (%)	2013 (%)
Consumables					
Newspaper consumption from subscriptions (tonnes) [I]	31.96	24.37	-23.75		
Paper consumption from the use of paper consumables & bank transaction forms (tonnes) [II]	137.22	119.16	-13.16		
Paper consumption from Marketing (tonnes) [III]	2.41	0.42	-82.57		
Total conventional paper consumption (tonnes) [I]+[II]+[III]	171.59	143.95	-16.11		
Total conventional paper consumption (kg/employee)	33	29	-12.12		
Consumption of toner and cartridges (items)	21,373	19,146	-10.42	-5	-5
Consumption of toner and cartridges (items/employee)	4.12	3.91	-5.09		
Green Procurement					
A4 and A3 recycled paper consumption (tonnes) [IV]	355.23	312.93	-11.91		
A4 and A3 recycled paper consumption (kg/employee)	68	64	-5.88		
Recycled paper consumption from Marketing [V]	5.68	2.45	-56.87		
Total recycled paper consumption (tonnes) [IV]+[V]	360.91	315.38	-12.62		
Total paper consumption (tonnes) [I]+[II]+[III]+[IV]+[V]	532.50	459.33	-13.74	-5	
Total paper consumption (kg/employee)	103	94	-8.74		-5
Energy Consumption					
Consumption of electricity (GWh)	32.85 ⁱⁱ	32.81	-0.12		
Consumption of electricity (kWh/employee)	6,326	6,695	-5.84	-2	0
Consumption of electricity (kWh/m ²)	165	177	7.27		
Heating fuel consumption (litres)	138,032 ⁱⁱ	123,888	-10.25		
Heating fuel consumption (litres/employee)	26.58	25.28	-4.89		
Heating fuel consumption (litres/m ²)	0.69	0.67	-2.90		

PIRAEUS BANK

81

Piraeus Bank Environmental Footprint ⁱ	Results		Trend	Target	Target ^{vii}
	2011	2012	2012-2011 (%)	2012 (%)	2013 (%)
Water Consumption					
Water consumption (m ³) ⁱⁱⁱ	43,027	36,127	-16.04		
Water consumption (m ³ /employee)	8.3	7.4	-10.84	-2	-5
Solid Waste Management					
Paper recycled (tonnes) ^{iv}	233.93	207.59	-11.26		
Paper recycled (kg/employee)	45.05	42.36	-5.96	+5	
Percentage of paper recycled (recycled/consumed)	43.93%	45.19%	2.88		+5
Recycled ink cartridges/toners (items) ^{iv}	8,392	5,826	-30.58	+5	
Percentage of ink cartridges/toners (recycled/consumed)	39.26%	30.43%	-22.49		+3
Plastic recycled (kg) ^v	9,593	13,386	39.54	+10	+10
Small batteries recycled (kg)	5,150	5,753	11.71		
Small batteries recycled (kg/employee)	0.99	1.17	18.18	+5	+10
Transportation					
Business travel by plane (km)	1,656,537	1,503,346	-9.25	-5	
Business travel by plane (km/employee)	319	307	-3.76		
Business travel by car (km)	7,635,101	7,585,759	-0.65	-5	
Business travel by car (km/employee)	1,470	1,548	5.31		
Travel by car for educational purposes (km)	376,834 ^{vi}	292,419	-22.40	-2	-5
Travel avoided by opting for e-learning (km)	2,006,543	1,928,328	-3.90		

For further information, please refer to:

www.piraeusbankgroup.com > *Corporate Responsibility > Environment > Environmental Fields of Action > Environmental Management > Environmental Footprint*

i The Environmental Footprint refers to the effects stemming from Piraeus Bank's operation in Greece during 2012.

ii 2011 data was updated due to delayed receipt of certain utility bills.

iii Water consumption concerns data for 2011 and 2012, consumption based on utility bills received by early April 2013.

iv Calculation of the amounts of paper, ink cartridges and toners recycled is made in organizational units in Attica, Thessaloniki, Crete and certain branches of the region.

v Plastic recycling is undertaken for administration buildings and certain branches of the region.

vi Reviewed data including calculation of return trip (km).

vii 2013 targets concern total certified infrastructures of the Bank.

Environmental Risk Assessment

Climate change constitutes one of the greatest environmental challenges of our times and is already having a positive or negative effect on our natural and socio-economic environment. Fully aware of how significant the role of a financial institution is in dealing with climate change – both in recognizing the economic climatic risks and in exploiting investment opportunities – Piraeus Bank developed a strategy focusing on four fields of action:

1. gradual reduction of Piraeus Group's carbon footprint,
2. support of investments in RES and energy-saving projects,
3. assessment of risk deriving from climate change for Greek businesses,
4. finding solutions to deal with climate change and adjustment of businesses to the new environment.

In this framework, in 2012 the Bank completed a pioneer EU project entitled "Financial Institutions: Preparing the Market for Adapting to Climate Change", with the acronym climabiz. Climabiz was implemented by Piraeus Bank in collaboration with WWF Greece and FACE³TS and was co-funded by the EU by means of the "LIFE+ Environment Policy and Governance" funding instrument.

The EU climabiz project's innovation lies in the creation of the Climate Risk Management Model, which calculates in financial terms the climate risk for Greek businesses, and provides solutions to reducing this risk. More specifically, the Model allows for calculation of the following:

- the cost of natural and institutional risk at sector, sub-sector and business level
- the cost of the practices a business may apply to reduce its climate risk,
- the environmental footprint (gas pollutants, greenhouse gases, liquid waste, solid waste) at sub-sector and business level.

All the above is calculated for economic sectors and subsectors of manufacturing, agriculture, shipping, the tertiary sector (hotels, offices, hospitals) and energy production (conventional fuels and RES). With the Climate Risk Management Model, Piraeus Bank examined a specific sample of businesses in branches of the economy which may be adversely affected by climate change. Assessment of the consequences, as a percentage of total portfolio (2.8%-4%) was made taking into account both climatic conditions and possible effects on the economy as well as fluctuations in the price of carbon dioxide emission allowances. In this case, 2.8% is the result of calculations based on a price of €4/CO₂ tonne while 4% is based on a price of €25/CO₂ tonne.

The greatest part (82%) of the total calculated climate impact is related to the institutional framework aimed at reducing greenhouse gas emissions (mainly through the EU Greenhouse Gas Emission Allowance Trading Scheme). As far as contributions from individual sectors are concerned, the combined industrial and energy production is responsible for approx. 61% of the estimated natural impact and 98% of the estimated institutional impact.

The above data constitute the first attempt at calculating climate risk in Greece and the broader region. This calculation allows for analysis of the gravity of the climate risk in relation to other financial risks, thus enabling its incorporation into the financial sector's general risk management. Moreover, prompt information provision to businesses and implementation of the appropriate practices may reduce this risk thus resulting in possible reductions in operating costs and/or increase in sales.

Green Entrepreneurship

In the present economic environment, which is the result of the continuous recession of the Greek economy, it is certain that Green Business may lead the Greek economy towards sustainable development. For this reason, Piraeus Bank is the first bank in Greece which, in addition to managing its operating environmental impact, has also developed products and services aimed at supporting every business and individual action respecting the principles of sustainable development.

PIRAEUS BANK

83

In 2012, there was continuous development of banking products aimed at serving certain Green Business sectors (RES, energy-saving, alternative waste and water management, green chemistry, green transportation, responsible agriculture, ecotourism-agrotourism), thus enhancing the Group's specialization in Green Banking.

As a result of these actions, in 2012 the Bank's financing led to a 26% increase in the green loan limit portfolio to €1.3bn, loans to RES projects with 471MW capacity and the prevention of 775,000 tonnes of CO₂ emissions.

For further details regarding Green Banking of Piraeus Bank, please refer to:

www.piraeusbankgroup.com > Investor Relations > Annual Reports > Annual Report 2012

Collaborations

In the framework of Piraeus Bank's strategic alliances with the civil society for the protection of biodiversity and the environment, the Bank has a long-standing co-operation with the environmental organization MOM for the protection of the endangered Mediterranean Monk Seal. Piraeus Bank has also supported activities of ARCHELON, the Hellenic Ornithological Society, the Society for the Protection of Prespa, Callisto and the Ecological Recycling Society. WWF Greece is a partner in the implementation of the three year European climabiz project of Piraeus Bank. In the framework of employee participation in volunteer programs, in 2012 the Bank collaborated with the Hellenic Ornithological Society (clean-up of the Vravrona wetland), WWF and the Management Agency of Parnitha National Park (tree-planting at Parnitha – 150 fir saplings planted over 2 acres). Annual meetings are held with the above-mentioned organizations to exchange views on issues of environmental policies and strategies. Furthermore, Piraeus Bank extended its collaboration with the social cooperation of limited liability "Klimax plus" for the collection of paper to be recycled in Attica. This collaboration, apart from contributing to the achievement of the Bank's environmental goals, is also part of the Bank's policy to support organizations that are involved in the rehabilitation of disadvantaged social groups.

Environmental Training and Communication

TRAINING

Environmental training takes place on two levels. The first one is general, with e-learning programs that describe basic environmental terminology and the Bank's environmental work. On the second level, training is more specialized and it concerns green entrepreneurship, the Bank's green products and the Environmental Management System procedures in accordance with EMAS.

Approx. 75% of the Bank's employees have participated in at least two training activities regarding the environment and green banking in the last two years. More specifically, in 2012:

- 180 employees attended a series of five-hour long e-learning courses on sustainable development, energy, water, recycling and green supplies. In total, over 4,100 employees have attended these courses since 2009.
- More than 730 employees have completed an e-learning course created in the climabiz framework on risks and opportunities arising from climate change
- 35 employees attended the special e-learning training in the Environmental Management System EMAS. Since 2010, 550 employees have attended this.
- Approx. 70 Small Business Officers received training in use of "Climate Risk Management Model "(climabiz).

At the same time, a training session was organized and realized in classroom as well as with e-learning, related to "Climate Risk Management Model for "Small Business Officers", who applied it to present their customers complete solutions to dealing with climate change impacts.

PIRAEUS BANK

84

It is the aim of the Group to continually train, inform and sensitize its human resources as this constitutes a prerequisite for the improvement of its environmental performance. Consequently, in 2013 the Group aims to extend the e-learning environmental programs to more Group employees with emphasis on those coming from the ATEbank.

INFORMATION - AWARENESS

In early 2008, “Green News” was posted for the first time on the Bank’s intranet, where select brief news from around the world related to protection of biodiversity and ecosystems, climate change, green business, sustainable development and green banking are posted. “Green News” is viewed by 300 employees monthly on average. Employees in some Group subsidiaries also have access to it (eg, ETVA-Industrial Parks, Piraeus Direct Services, Piraeus Bank Cyprus).

A significant incentive for employee sensitization are the annual competitions where branch employees and administrative buildings with the best performance in recycling of consumables and energy saving are rewarded. Moreover, in 2012 and in the scope of sensitizing employees, posters with specially-designed frames with energy-saving guidelines were placed in regular positions. Information on and the results of environmental initiatives are disseminated to human resources by means of regular presentations in “winners”.

PUBLICATIONS

In 2012, the composition of a technical report entitled “Climate Change and the Financial Sector” was completed, which describes the know-how Piraeus Bank developed during the implementation of climabiz, with particular emphasis on the method of calculating climate risk in the financial sector.

EXTERNAL COMMUNICATION

In February 2011, the “Think Green” platform started operating with presence in the most popular social networks (Facebook, Twitter, YouTube, Flickr) which has created an online user community sensitized in environmental issues. The platform has had a wide public acceptance in its one year of operation and already has 20,000 friends on facebook. In addition, the website www.climabiz.gr informs about the course and completed actions of the EU climabiz project.

GREEN BANKING PORTAL

The Green Banking Portal (www.greenbanking.gr) was created in the framework of the climabiz project, in order to create a contact point for businesses and investors for green business purposes. The website www.greenbanking.gr offers a presentation of good practices implemented by institutions and businesses for the reduction of their environmental footprint (eg, energy-consumption reduction through building insulation or use of special light bulbs), as well as a presentation of businesses producing/selling products or providing services included in the green business sectors.

ATEbank Environmental Actions

In the framework of implementing Corporate Social Responsibility, ATEbank has developed in the past years actions to protect the environment, reduce the impact of its day-to-day operation on climate change and to enhance sustainable development.

Environmental Management in ATEbank**CONSUMABLES**

In 2012, reduction of photocopy and printing paper consumption was achieved. More specifically, duplex printing was implemented, a campaign was organized aimed at employee awareness on avoiding unnecessary paper use “Think before you print” and printing of circulars was reduced by opting for more information provision through electronic means.

PIRAEUS BANK

85

Paper

Weekly use of printed newspapers was reduced by 20% versus last year. The table below shows analytically ATEbank's performance regarding A4 and A3 photocopy paper consumption.

	2011	2012	Trend 2012-2011 (%)
Reams of A4 ⁱ paper	127,035	118,385	-7%
Reams of A3 ⁱ paper	980	985	1%
Reams of ciel-coloured A4 ⁱ paper	915	375	-59%

Ink cartridges and Toners

A 6% reduction was achieved in ink cartridge/toner supply. In 2012, 6,894 ink cartridges were used.

SOLID WASTE MANAGEMENT*Paper*

ATEbank implemented a paper recycling program at its head offices in Athens. In 2012, the Thessaloniki branches collaborated with the municipality of Thessaloniki regarding paper collection. It also collaborated with the social cooperation limited liability "Klimax plus". In total, 53.5 tonnes of paper were collected in 2012.

Batteries

ATEbank delivered more than 1,000kg of small batteries to AFIS (battery recycling company).

Light bulbs

Its collaboration with Fotokiklosi SA, a collective system of electrical and electronic alternative management, resulted in the delivering of 178.5 kg of used light bulbs.

e-BANKING - ATE Web Banking

ATEbank promoted e-banking products and services for cost saving and to reduce its operating environmental impact. In 2012, more than 54,000,000 e-transactions took place, approx. 3% higher than 2011.

ENHANCEMENT OF ENVIRONMENTAL RESEARCH

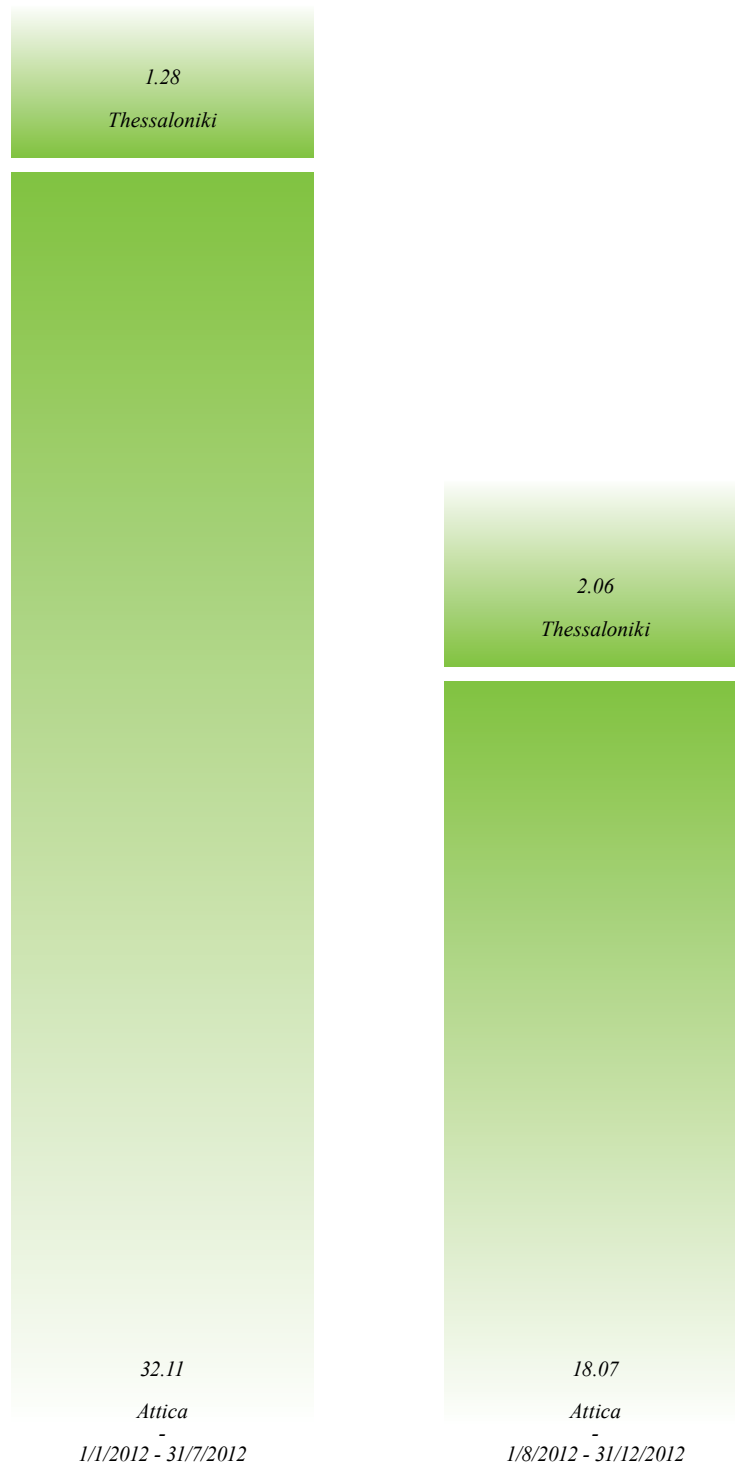
ATEbank supported the Faculty of Crop Science of the Agricultural University of Athens for a study regarding the calculation of climate change impacts on Greek agriculture.

DISTINCTIONS

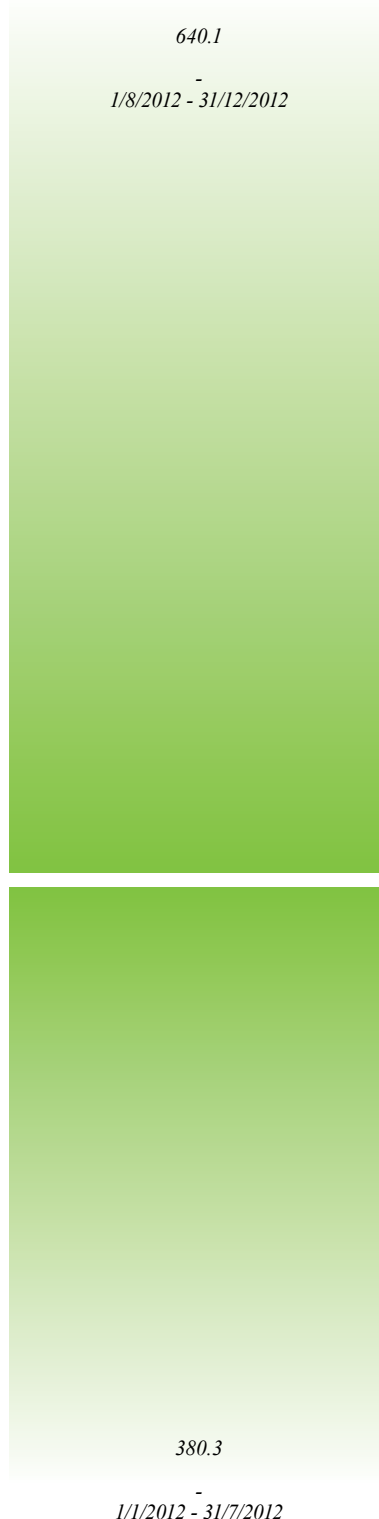
In 2012, the Department of Environment of the University of the Aegean awarded ATEbank for its 2011 Corporate Social Responsibility Report, in accordance with the international GRI-G3.1 guidelines of the Global Reporting Initiative (GRI).

ⁱ The above quantities of photocopy paper are for all the former ATEbank network and the supplied paper is chemical pulp, 80(+4)gr/m² in weight.

ATEbank 2012 Paper Recycling (tonnes)



ATEbank 2012 Battery Recycling (kg)



Subsidiaries Abroad – The Environment

In the framework of climabiz, three workshops took place in Romania, Bulgaria and Cyprus for executives and management of the Bank subsidiaries (60 people in total). The aim of the workshop was to discuss climate change impacts on businesses as well as to recognize opportunities that arise from climate change. In the same framework, 230 employees of subsidiaries in Romania and Bulgaria attended a special e-learning session on climate change and its impact on the economy.






The Bank's international subsidiaries undertake actions that focus on reducing their environmental footprint and enhancing green entrepreneurship, or on raising awareness of both employees and the public. Specifically:

- In Bulgaria, Piraeus Bank Bulgaria continued sending to customers electronic monthly statements, thus saving significant quantities of paper and protecting the environment.
- In Serbia, Piraeus Bank Beograd, which has also signed the UN Global Compact, places great emphasis on employee training on issues of corporate responsibility. Electronic equipment recycling actions were undertaken.
- In Albania, Tirana Bank, continued the tree planting initiatives in the area of Tirana and in the region.
- In Romania, Piraeus Bank Romania continues to offer the "Green consumer loan" for energy saving at home. Moreover, the use of social media was continued in order to encourage and inform about environmental practices such as carpooling. More specifically, Piraeus Bank Romania in collaboration with Greenpeace has promoted an environmentally friendly application for carpooling.
- In Cyprus, Piraeus Bank continued placing recycling bins in collaboration with the Municipalities of Cyprus as well as promoting "Green news" on intranet, aimed at employee environmental training.

Concept & Design: mnp

Editing, Layout & Production Management: ez-dot

The 2012 Piraeus Bank Corporate Responsibility Report was printed on 3 types of paper, deriving from sustainably managed forests and obtained by environmentally-friendly processes.

	Covers	Interior	Photographs	    
Eco/brown	•			• • •
Munken Lynx		•		• • • •
GardaPat 13 Kiara It is made up of paper fibers deriving from certified and controlled timber cultivation by 32.3% and of other controlled fibrous raw material by 67.7%, without optical brighteners.			•	• • • •

