

NOT TO BE DISTRIBUTED IN THE US, CANADA, AUSTRALIA OR JAPAN  
*This press release is not an offer of securities for sale in the United States. The securities described in the press release will not be registered under the U.S. Securities Act of 1933, as amended (the "US Securities Act") or any U.S. state securities laws and may not be offered or sold in the United States absent an applicable exemption from such registration requirements.*

## PIRAEUS BANK - ANNOUNCEMENT OF RIGHTS ISSUE

Athens, 6 July 2007

The Board of Directors of Piraeus Bank (hereafter the "Bank") has today unanimously resolved to increase the share capital of the Bank via a rights issue, in accordance with the resolution of the Bank's general shareholders' meeting dated 3 May 2007. The transaction will raise approximately €1.35 bn. Pursuant to the terms of the capital increase, a total of 67,548,758 new common registered shares will be issued at a subscription price of €20 each (the "Offer Price"). The newly issued shares will have the right to receive dividends and interim dividends, if any, for the year 2007.

The capital increase will be effected via an offering of pre-emptive rights in favour of existing shareholders at a ratio of 1 new to 4 old shares. Subscribing shareholders will be entitled to subscribe at the Offer Price for the acquisition of unsubscribed shares for up to four times their exercised preemptive rights.

Goldman Sachs International and Morgan Stanley will act as Global Coordinators and Bookrunners for the offering, and have agreed to underwrite the capital increase in full.

The proceeds of the capital increase will be used to support the capital adequacy ratios of the Bank and will enhance its financial flexibility for future growth both organically and through selective acquisitions in line with its disciplined acquisition criteria.

The Bank also plans to propose a motion to cancel its 10.4 million (3.8%) treasury shares currently held for a total value of approximately €230 million at its next Annual General Meeting in 2008.

Since announcing its 2007-2010 business plan on 31 January of this year, the Bank has enjoyed a very high level of activity and strong loan growth in the Greek and SEE markets in which it operates. Loan business volume growth, for the first half 2007, has exceeded management expectations due to strong market conditions and continuing market share gains in Greece and abroad. In response to its organic growth opportunities, the Bank intends to accelerate, and selectively augment, the previously announced retail branch opening programme. The Bank intends to invest €175 million in its recently agreed to be acquired banking operations in Ukraine during fall 2007 and €75 million in greenfield commercial banking operations in Cyprus, scheduled for early 2008. The Bank estimates approximately €900 million of the incremental capital will be required to support the accelerated business growth through 2008, while at the same time preserving Capital Adequacy levels above 11% and Core Tier I ratio above 7.5%, in order to maintain the Bank's robustness and credit ratings during this period of fast growth.

The Bank will continue to selectively take advantage of new external development prospects which may arise in its existing markets or other neighboring growth markets. In reviewing any potential opportunities, the Bank will continue to apply a disciplined financial and risks approach to any possible investment.

With respect to the share capital increase, Mr Michalis Sallas, Chairman of the Board of Directors of the Bank, said, “The Board of Directors of Piraeus Bank has today unanimously resolved to increase the share capital of the Bank. Our overall loan growth has been very strong in the first 6 months of this year with a record net increase of approximately €4.5 billion since December 2006 (a 22% growth over the first six months), and we remain very positive about the sustainable growth prospects in both Greece and abroad. We intend to use the proceeds of this transaction to take advantage of the organic and external opportunities available to us, in accordance with our shareholder value creation principle, and to support the growth profile and track record of the Bank for the medium term.”

## RIGHTS ISSUE LOGISTICS

Specifically, as regards the allocation of the newly issued shares, the Board of Directors of Piraeus Bank decided that:

- (a) Pre-emptive rights under the capital increase will be granted to:
  - i) All registered shareholders of the Bank after the closing of the Athens Exchange session on the last business day before the pre-emption right cut-off date, and/or
  - ii) All those who acquire pre-emptive rights during the trading thereof on the Athens Exchange.
- (b) Furthermore, in the event that after exercising pre-emptive rights there are still unsubscribed new shares outstanding, the following rights are provided:
  - i) Those who will have exercised rights under a(i) and a(ii) above are entitled to subscribe for the acquisition of unsubscribed shares at the Offer Price, and up to four times the number of New Shares corresponding to the pre-emptive rights exercised by the said investors (the “Pre-Subscription Right”).
  - ii) Those who are employed by the Bank or its subsidiaries in Greece at the time of the offering of the new shares are entitled to subscribe for the acquisition of unsubscribed shares at the Offer Price (“Piraeus Employees’ Right”).
- (c) In the event that after the exercise of the pre-emptive rights, there are unsubscribed shares left, such shares will be offered by resolution of the Bank’s Board, to the following categories of investors, in order of priority as follows:
  - i) To those who have exercised the Pre-Subscription Right and those who have exercised the Piraeus Employees’ Right. If the number of unsubscribed shares is not sufficient to fully cover the demand by these investors, their demand will be satisfied pro rata until all unsubscribed shares have been taken up in full.
  - ii) Via a private placement to qualified investors (as defined in article 2 par. 1 subpar. st of law 3401/2005) in Greece and eligible international investors abroad (hereafter collectively the “Qualified Investors”). The price at which the Unsubscribed Shares will be offered to the Qualified Investors will result from a bookbuilding process, and in any case will not be lower than the Offer Price.
  - iii) Finally, if notwithstanding the above there are still unsubscribed shares left, they will be acquired by Goldman Sachs International and Morgan Stanley pursuant to a subscription guarantee agreement

The subscription period is expected to begin in the second half of August. The Bank will be filing its Prospectus for the capital increase to the Hellenic CMC within the next few days.

*Copies of this announcement may not be published, distributed or transmitted in or into the United States. This announcement does not constitute an offer to sell or the solicitation of an offer to buy the securities discussed herein. The securities mentioned herein have not been, and will not be, registered under the US Securities Act, or the laws of any state, and may not be offered or sold in the United States (as such term is defined in Regulation S under the US Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities*

*Act and applicable state securities laws. There will be no public offering of the securities in the United States.*

*This announcement is directed only at (i) persons outside the United Kingdom, (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") and (iii) high net worth individuals, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (such persons, "relevant persons"). This announcement is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this press release relates is available only to relevant persons and will be engaged in only with relevant persons.*

*This announcement and any offer of securities to which it relates are only addressed to and directed at persons in member states of the European Economic Area who are "qualified investors" within the meaning of article 2(1)(e) of the Prospectus Directive (Directive 2003/71/EC) ("qualified investors") and any relevant implementing measures (the "Prospectus Directive") other than the offer contemplated in the prospectus to be made available in Greece once that prospectus has been approved by the competent authority in Greece and published in accordance with the Prospectus Directive and Greek implementing legislation.*

GOLDMAN SACHS INTERNATIONAL AND MORGAN STANLEY ARE ACTING EXCLUSIVELY FOR THE COMPANY AND NO ONE ELSE IN CONNECTION WITH THE RIGHTS ISSUE AND WILL NOT REGARD ANY OTHER PERSON (WHETHER OR NOT A RECIPIENT OF THIS DOCUMENT) AS THEIR CLIENT IN RELATION TO THE RIGHTS ISSUE AND WILL NOT BE RESPONSIBLE TO ANYONE OTHER THAN THE COMPANY FOR PROVIDING THE PROTECTIONS AFFORDED TO THEIR CLIENTS NOR FOR GIVING ADVICE IN RELATION TO THE RIGHTS ISSUE OR ANY TRANSACTION, ARRANGEMENT OR OTHER MATTER REFERRED TO IN THIS ANNOUNCEMENT.