

Press Release

Piraeus Bank's Board of Directors calls for an Extraordinary General Meeting to approve a capital raising in an amount of up to €4.9bn

The Board of Directors of Piraeus Bank (the "**Bank**") has decided to call an Extraordinary General Meeting ("**EGM**") to approve (i) a capital increase via a non pre-emptive issue of new ordinary shares to the private sector ("**Equity Issue**"), the ongoing Liability Management Exercise (the "**LME**"), launched by the Bank on 15 October 2015, and the issuance of new ordinary shares and Contingent Convertible Bonds ("**CoCos**") to the Hellenic Financial Stability Fund ("**HFSF**") (together, the "**Capital Raising**"), and (ii) a reverse stock split. It is expected that the reverse stock split ratio will be not fewer than 100 existing ordinary shares for every new ordinary share. The Board of Directors intends to raise through the Capital Raising total capital in an amount of up to €4,933m. In the Equity Issue, Piraeus is seeking to raise an amount to cover its capital requirements from the AQR (as defined below) and the ST (as defined below) under the baseline scenario, less the capital amount generated by the LME of up to approximately €600m, less the capital amount attributable to other mitigating actions, if any. Subject to investor demand, Piraeus reserves the right to upsize the Equity Issue. The minimum price in the Equity Issue is €0.3 per ordinary share, which is the nominal value of the ordinary shares.

The Equity Issue is expected to be executed by means of a book-building to institutional and other selected investors. The total amount of the capital that will be sought through the book-building and the HFSF will be adjusted accordingly by the Board of Directors, taking into account the outcome of the Liability Management Exercise.

The Comprehensive Assessment and the capital requirement for Piraeus Bank

The European Central Bank published on 31 October 2015 the capital needs for each of the Greek systemic banks resulting from the Comprehensive Assessment ("**CA**"). The CA included an Asset Quality Review ("**AQR**") and a Stress Test ("**ST**") under a baseline and an adverse scenario. The total capital requirement for Piraeus Bank was assessed at €4,933m, comprising of a capital shortfall of €2,213m resulting from the AQR and the ST under the baseline scenario, and an additional capital shortfall of €2,720m resulting from the ST under the adverse scenario (all amounts exclude mitigating actions expected to be approved by the European Central Bank and to partially offset these shortfalls).

Transaction rationale

In addition to meeting regulatory capital requirements, the Capital Raising will assist Piraeus Bank in:

- Strengthening the capital position of the Bank, bringing it at the top-end among European peers in terms of CET1 capital ratio;
- Increasing private shareholder ownership;
- Enhancing the Bank's perception among domestic depositors and facilitating the accelerated restoration of the Bank's funding base and the subsequent replacement of Emergency Liquidity Assistance (ELA) funding with deposits; and
- Supporting the recovery of the Greek economy by capitalising on the Bank's leading market positioning, leveraging on growth opportunities and fostering healthy credit origination.

EGM invitation

The Capital Raising is subject to the EGM approval which will be convened for 15 November 2015. The Equity Issue is expected to be executed by means of a book-building to institutional and other selected investors.

Athens, 4 November 2015

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