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Press release

Piraeus Bank's Board of Directors has met today and resolved to call an Extraordinary General Meeting to approve a capital increase in cash via a non pre-emptive share issue of new ordinary shares and to delegate to the Board of Directors the authority to set the subscription price of the capital increase. The Board of Directors intends to use this authority to raise equity in the amount of up to €1.75bn.

The Board of Directors of Piraeus Bank ("**Piraeus Bank**" or the "**Bank**") has resolved to call an Extraordinary General Meeting ("EGM") on 28 March 2014 to approve a share capital increase of the Bank via a non pre-emptive issue of new ordinary shares in cash and to delegate to the Board of Directors the authority to set the subscription price and the size of the capital increase (the "**Equity Issue**").

The Board of Directors will seek authorization from the EGM to determine the timing and specific terms of the Equity Issue and intends to propose to the shareholders a proceeds amount of up to €1.75bn.

The Equity Issue is expected to be executed by means of a book-building to institutional and selected investors abroad and a public offering in Greece. The Bank will consider, to the extent allowed by the regulatory framework, the possibility of offering preferential allocations of new ordinary shares to existing shareholders and warrant holders.

Credit Suisse Securities (Europe) Limited, Deutsche Bank AG London Branch and Goldman Sachs International will act as Joint Global Coordinators and Joint Bookrunners and Mediobanca Banca di Credito Finanziario S.p.A. and UBS Limited will act as Joint Bookrunners for the Equity Issue.

Bank of Greece capital requirement for Piraeus Bank

Bank of Greece has today published the capital needs for each of the Greek banks. The capital requirement for Piraeus Bank has been assessed at €425mn. The key drivers of the capital requirement are the expected life time loan loss provisions, based on an asset quality review conducted by BlackRock Solutions and a number of assumptions selected by Bank of Greece regarding future capital generation.

Capital strengthening rationale

Piraeus Bank aims to proactively take advantage of the inflection point in the Greek economy to strengthen its capital base and take a significant step towards private ownership.

The Equity Issue aims to assist the Bank in the following:

- Meet the capital needs of €425mn in the base case and €757mn in the adverse scenario, as determined by the Bank of Greece;
- Repay in full the outstanding Government preference shares (€750mn) subject to regulatory approvals, implying a significant enhancement in the quality of Piraeus Bank's regulatory capital and a necessary first step to regain flexibility in potential future dividend payments;
- Strengthen the capital position of the Bank compared to other European banks on a Basel III fully loaded basis. Following the Equity Issue and the repayment of the Government preference shares, the Basel III fully loaded pro-forma CET-1 ratio of the Bank will increase to nearly 12%, on a pro-forma basis as of 31 December 2013;
- Facilitate access to funding markets and further improve Piraeus Bank's perception among its customer base;
- Expand the Bank's private shareholder participation as the transaction will increase the free float, representing an important step toward private ownership; and
- Move forward from a strong market position and support the recovery of the Greek economy by capitalizing on growth opportunities.

Michael G. Sallas, Chairman of Piraeus Bank

"Today's announcement is an important milestone, not only for our organization, but for the Greek banking sector as a whole. Piraeus Bank aims to access the equity capital markets, a key step towards the repayment of Governmental capital support and the privatization of the Bank. With this capital increase, Piraeus Bank aims to improve its ability to provide additional support to the recovery of the Greek economy, sooner than otherwise. We expect our initiative to receive compelling support from our existing shareholders, as well as other high quality investors in Greece and abroad."

Anthimos Thomopoulos, CEO of Piraeus Bank

"Piraeus Bank's capital strengthening plan is expected to be a testimony to the improving investor sentiment towards the rebased fundamentals of the Greek banking sector and Piraeus Bank in particular. Piraeus Bank is entering the recovery period of Greece as the strongest bank in the country, able to fully benefit from the improving macroeconomic environment, generating attractive returns for its shareholders. The contemplated capital increase will fortify Piraeus Bank's already strong capital base and support its position as the premier financial institution in Greece."

Q4 2013 financial performance update

Piraeus Bank's Q4 2013 financial performance was in line with management expectations and consistent with recent trends:

- Core banking income improved quarter-on-quarter, mainly driven by lower cost of funding on time deposits and increased net fee generation
    - Net interest income improved 5% quarter-on-quarter, resulting in a net interest margin of 269bps.
    - Net fee income improved 24% quarter-on-quarter, reaching 0.4% of total assets.
- Operating expenses reflect the cost of six successful migrations in 2013 and several one-offs, which represent 1/3 of the total operating expenses in Q4 2013. Costs savings from on-going integrations stand at €26mn in the fourth quarter.
- Actions to realize synergies continue at an accelerated pace compared with the original schedule. A Voluntary Exit Scheme concluded in late fall is expected to result in an annual benefit of €96m per annum from 2014 onwards. 2/3 of the total synergies has been realised already, with €155mn stemming from funding and €209mn from cost synergies.
- Pre-provision income is up 12% quarter-on-quarter at €271mn.
- Despite decelerating NPL formation, impairment charges were up by 38% quarter-on-quarter, driven by an increase in the coverage ratio from 49% in Q3 2013 to 51% in Q4 2013.
- Loans-to-deposits ratio further improved compared to the September 2013 level (declined from 113% to 111%).
- Net Eurosystem funding stood at 10% of total assets at end-February 2014, with zero ELA exposure.
- Downward trend in NPL formation over gross loans continued for the fourth consecutive quarter, down 22% compared to Q3 2013, with total formation more than halved since the peak in Q4 2012. NPL management follows a best practice approach with newly established Recovery and Task Force (non-core operations) Units aiming at homogeneous NPL management processes and policies and a fully dedicated management.
- Capital adequacy remains strong with 12.6% CET-1 and 13.9% EBA CT-1 ratios, as of 31 December 2013.

EGM invitation

The Equity Issue is subject to, among others, approval by the EGM convened on 28 March 2014. Following this approval, or a subsequent repeat, the transaction is expected to be launched and completed in April. The Board of Directors will determine the subscription price and the specific terms of the Equity Issue which is expected to be executed by means of a book-building to institutional and selected investors abroad and a public offering in Greece.

Athens, 6 March 2014

The Board of Directors

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This announcement is not an offer for sale of securities in the United States. Securities may not be offered or sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1933. Piraeus Bank does not intend to register any portion of the offering in the United States or to conduct a public offering of securities in the United States.

This announcement and the offer when made are only addressed to and directed, in member states of the European Economic Area which have implemented the Prospectus Directive (each a "relevant member state"), at persons who are "qualified investors" within the meaning of Article 2(1)(e) of the Prospectus Directive (Directive 2003/71/EC) and pursuant to the relevant implementing rules and regulations adopted by each relevant member state ("Qualified Investors"). Each person in the European Economic Area who initially acquires securities or to whom any offer of securities may be made will be deemed to have represented, acknowledged and agreed that it is a Qualified Investor.

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In the United Kingdom, this announcement is being communicated to and is directed only at "qualified investors" within the meaning of Article 2(1)(e) of the Prospectus Directive (2003/71/EC, as amended by Directive 2010/73/EU) ("qualified investors") who are also: (i) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended, (the "Order"); (ii) persons falling within Article 49(2)(a) to (d) of the Order; or (iii) persons to whom it may otherwise lawfully be communicated (all such persons together being referred to as "relevant persons"). This announcement must not be acted on or relied upon by persons in the United Kingdom other than relevant persons.

The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may or should be placed by any person for any purposes whatsoever on the information contained in this announcement or on its completeness, accuracy or fairness. The information in this announcement is subject to change.

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