

Athens, 21 May 2015

ANNOUNCEMENT

Piraeus Bank successfully agrees disposal of stake in Piraeus Bank Egypt to ABK

Piraeus Bank announces that it has entered into a definitive agreement with Al Ahli Bank of Kuwait K.S.C.P. ("ABK") to dispose its stake (98.5%) in Piraeus Bank Egypt S.A.E. ("PBE"), its Egyptian subsidiary, subject to Central Bank of Egypt and other regulatory approvals in Egypt, Greece and Kuwait, including the Hellenic Financial Stability Fund.

ABK has agreed to a consideration of \$150 mn for Piraeus Bank's stake in PBE, valuing the bank at 1.5x PBE's book value as of 31 December 2014. As part of the agreement, ABK has also agreed to acquire at par value \$23 mn of parent book loans related to the Egyptian operations.

The transaction has a positive and accretive impact on Piraeus' financials, as it results in:

- ♦ an increase of the pro-forma 31 March 2015 CET-1 ratio by c.30 bps;
- ♦ additional liquidity of c.€200 mn for the Group.

The signing of this agreement marks the successful conclusion of the due diligence process and the negotiations between Piraeus Bank and ABK and represents another step forward towards the implementation of Piraeus' restructuring plan as approved by the European Commission.

Anthimos Thomopoulos, CEO of Piraeus Bank, commented: "The successful conclusion of the disposal of Piraeus Bank Egypt underlines our commitment to our shareholders, in full alignment with our restructuring plan. The transaction reflects a fair value for our subsidiary and provides our Group with capital accretion, freeing liquidity at the same time. We believe that now it is our duty to focus towards financing the Greek economy. We are grateful to our customers and colleagues in Egypt who have made our presence stronger over the past ten years."

Mediobanca acted as sole financial advisor of Piraeus Bank and Norton Rose Fulbright as legal advisor for the Transaction.

PBE

Founded in 1978 and headquartered in Cairo, PBE operates exclusively in Egypt offering a wide array of products and services to corporate and retail clients, both in local and foreign currency. As of December 31 2014, PBE had total assets of €1.0 bn, net loans of €0.5 bn, total deposits of €0.9 bn and equity of €91 mn (14% capital adequacy ratio under Basel II, as adopted by the Central Bank of Egypt). PBE has c.1,250 employees and 39 branches.

ABK

Established in 1967, ABK is a leading commercial and retail bank in Kuwait with market capitalization in excess of \$2.0 bn, total assets of \$11.9 bn, net loans of \$8.3 bn and customer deposits of \$6.6 bn as of 31 December 2014. ABK enjoys a strong capital position with equity at \$1.9 bn and a Core Tier I ratio of 22.7%. ABK is rated by reputable international credit rating agencies, with A+ and A2 ratings assigned by Fitch and Moody's, respectively.