

ANNOUNCEMENT

The Board of Directors of Piraeus Bank convened today 30.05.2014 and decided to proceed with the merger by absorption of the subsidiary Geniki Bank SA, where Piraeus Bank holds a total equity stake of 99,94%. The merger will be carried out in accordance with the provisions of Codified Law 2190/1920 in combination with the provisions of Law 2166/1993 and article 16 of Law 2515/1997 on merger of credit institutions. The Transformation Balance Sheet was set 31.12.2013. The same decision was also taken by the Board of Directors of Geniki Bank SA.

Geniki Bank was acquired by Piraeus Bank in December 2012, and it was initially planned to continue its autonomous operation as a specialized bank in the management of large troubled loan portfolios and related advisory services provider.

Yet, the recent change in the operation environment of the banking system in Greece, mainly through the establishment of new regulatory rules for the management of troubled asset portfolios, has created new conditions in this field, especially after the recent capital increases, which enhanced the capital base of the systemic banks. Banks are required to establish distinct central and organizational autonomous internal units for the non-performing loans' management, staffed with specialized personnel. This amendment offers the opportunity to Piraeus Group to take advantage from the thorough preparation that has already been done at the level of Geniki Bank, which will enhance Piraeus Bank's capabilities, management know-how, specialized systems and high-level recruitment in the field of management of problematic portfolios.

By the intended merger, which is expected to be completed upon receipt of the necessary approvals by 31.12.2014, Piraeus Bank will build-on of the strong capital structure of Geniki Bank and will benefit from the transfer of the deferred tax of 90 million euro approximately, as well as from the synergies that will arise from the integration of the two banks..

Upon completion of the merger, the Managing Director of Geniki Bank, Mr. Nikos Karamouzis, will assume the duties of Management Advisor and will act as a member of the Strategic Planning Committee of Piraeus Bank.