

PIRAEUS BANK



Athens, 8 July 2016

Announcement

Piraeus Bank agrees the sale of Piraeus Bank Cyprus

Piraeus Bank S.A. ("**Piraeus**" or the "**Group**") announces that it has entered into an agreement with Holding M. Sehnaoui SAL ("**HMS**" or the "**Buyer**"), for the sale of shares in its subsidiary in Cyprus, Piraeus Bank Cyprus Ltd ("**PBC**"), which together with a combination of a concurrent primary capital raise by PBC of Euros 40,000,000 to be fully-subscribed by the Buyer and a group of investors to be procured by HMS (the "**Transaction**"), will result in Piraeus' shareholding in PBC being reduced to 17.6%. The Transaction is subject to customary conditions, including regulatory and other approvals by the respective authorities in the European Commission, Cyprus and Greece, as well as the Hellenic Financial Stability Fund.

As a result of the Transaction the Group's regulatory capital position is expected to improve by approximately 15 basis points, while PBC's regulatory capital position is expected to exceed 15%.

The sale of PBC represents another key step towards the implementation of the Group's Restructuring Plan commitments, as those agreed with the Directorate General of Competition of the European Commission, and follows the successful divestiture of the Group's Egyptian subsidiary in 2015.

UBS Limited acted as exclusive financial advisor of Piraeus for the Transaction. Norton Rose Fulbright acted as international legal advisor of Piraeus and Antis Triantafyllides & Sons LLC as local legal advisor of Piraeus for the Transaction.

About PBC

Established in 2008 and headquartered in Nicosia, PBC offers an array of products and services to domestic and international clients, including retail, SME and corporate banking. As at 31 March 2016, PBC had total assets of EUR 1.1bn, net loans of EUR 0.6bn, customer deposits of EUR 1.0bn and total equity of EUR 70m. PBC operates through 19 banking units and employs circa 310 people.

About the Buyer

Mr. Maurice Sehnaoui is a renowned Lebanese professional banker in Lebanon, Jordan and Cyprus. He has successfully led many banks for more than 30 years as Chairman, CEO and shareholder, among them, BLC Bank and Société Générale de Banque au Liban in Lebanon.