

ANNOUNCEMENT

Piraeus Bank announces the completion of the sale of ATE Insurance to ERGO International AG

Piraeus Bank announces the completion of the agreement for the sale of 100% of the share capital of ATE Insurance to ERGO International AG, a subsidiary of Munich Re, following the fulfillment of all the conditions under the relevant agreement, as well as the receipt of all necessary approvals from the competent bodies, including the Hellenic Financial Stability Fund.

ERGO International AG paid a consideration of €90.1 mn in cash for the total stake of Piraeus Bank in ATE Insurance's share capital. The consideration may be subject to adjustment, after the completion of the sale, on the basis of customary purchase price adjustment criteria, under the terms of the relevant share sale and purchase agreement. The transaction improves the CET-1 ratio of Piraeus Bank Group by approximately 5 basis points, based on end of March 2016 financial data, mainly due to risk weighted assets relief by €0.2bn.

ATE Insurance holds an important position in the Greek insurance market in the non-life segment, while also providing life and health insurance products.

Mr. George Pouloupoulos, Deputy CEO of Piraeus Bank, commented:

“The sale of ATE Insurance is further evidence of our commitment to the implementation of the Bank's Restructuring Plan, which includes, inter alia, the divestment of certain non-core banking activities. This investment in Greece, by a major insurance Group such as ERGO, highlights the strength of international investor interest in the prospects of the Greek economy, at a time when foreign direct investment and employment are of paramount importance for the domestic market. We believe that the expertise and strong reputation of ERGO will ensure the continued successful development of ATE Insurance, with the assistance of its employees and to the benefit of its customers”.

Athens, 1 August 2016