

**PIRAEUS BANK SOCIETE ANONYME
EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS**

on Sunday, November 15th, 2015 at 10:00 a.m., in Athens at the King George Hotel,
"Ballroom III" Hall (3 Vasileos Georgiou A' Str., 105 64, Athens)

COMMENTS OF THE BOARD OF DIRECTORS ON THE ITEMS OF THE EGM AGENDA

The Board of Directors (BoD) invites the shareholders of Piraeus Bank S.A. to discuss and resolve upon the following matters:

1st Item

Increase of the nominal value of each ordinary share and simultaneous reduction of the total number of ordinary shares of the Bank (reverse split) and, if necessary for the purposes of achieving an integral number of shares, a consequent share capital increase via capitalization of part of the reserve of Article 4 para. 4a of C.L. 2190/1920. Respective amendment of Articles 5 and 27 of the Articles of Association and the grant of relevant authorizations to the Bank's Board of Directors.

Quorum: 1/5 of share capital	Majority: 50%+1 of represented votes
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The BoD proposes the increase of the nominal value of each ordinary share of the Bank and the simultaneous reduction of the total number of ordinary shares (reverse split) as a necessary technical prerequisite for the implementation of the recapitalization of the Bank, taking into consideration the restrictions which ensue from corporate law and the interconnection between the offer price and the price of the share on the Athens Exchange. To the extent this particular corporate action leads to a new, non-integral total number of shares, the BoD also proposes the share capital increase of the Bank via capitalization of part of the reserve of Article 4 para. 4a of C.L. 2190/1920, by such amount as is required to achieve an integral number of new shares.

Further to the above it is proposed that the BoD be authorised to implement the respective resolution of the General Meeting, and if required, to detail and determine the terms and procedure of the reverse split.

Due to the change of the nominal value per share, articles 5 and 27 of the Articles of Association of the Bank will be amended. In particular the BoD proposes the amendment of para. 3, article 5 and the inclusion of a new para. [41] to article 27 of the Articles of Association of the Bank, as follows:

**"ARTICLE 5
SHARE CAPITAL**

.....

3. Today, following successive company actions which are set out in detail in article 27 of the present Articles of Association "Historical evolution of the share capital", the total share capital of the Bank amounts to and..... cents (€), divided into (.....) ordinary voting shares having a nominal value of(€.....) each".

"ARTICLE 27

HISTORICAL EVOLUTION OF THE SHARE CAPITAL

.....
41. Pursuant to the resolution of the Extraordinary General Meeting dated11.2015, the share capital by the amount of euro and cents (€.....) following the

2nd Item

Creation of the special reserve of article 4 para. 4a of C.L. 2190/1920 by means of reduction of the share capital of the Bank through the decrease of the nominal value of each ordinary share without altering the total number of ordinary shares. Respective amendment of Articles 5 and 27 of the Articles of Association of the Bank.

Quorum: 2/3 of share capital	Majority: 2/3 of represented votes
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The BoD proposes to the General Meeting, provided a positive decision is reached on the first item of the agenda, the creation of a special reserve in accordance with article 4 par. 4a of C.L. 2190/1920 by means of an equal reduction of the share capital of the Bank through the decrease of the nominal value of each ordinary share, without the refunding of monies or the alteration of the total number of existing ordinary shares (as such will have been determined pursuant to the decision on the first item of the agenda). It is noted that the creation of the special reserve via the proposed reduction of share capital through the decrease of the nominal value of the ordinary shares is directly connected to the aforesaid prerequisite actions for the implementation of the recapitalization of the Bank, is of a purely technical nature and does not affect the Bank’s own funds.

Further to the above it is proposed that the BoD be authorised to implement the respective resolution of the General Meeting, and, if required, to detail and determine the terms and procedure of the decrease.

Articles 5 and 27 of the Articles of Association will be respectively amended to reflect the changes to the share capital of the Bank. In particular the BoD proposes the amendment of para. 3, article 5 and the inclusion of a new para. [42] to article 27 of the Articles of Association of the Bank, as follows:

**“ARTICLE 5
SHARE CAPITAL**

.....
3. Today, following successive company actions which are set out in detail in article 27 of the present Articles of Association “Historical evolution of the share capital”, the total share capital of the Bank amounts to and..... cents (€), divided into (.....) ordinary voting shares having a nominal value of(€.....) each”.

**“ARTICLE 27
HISTORICAL EVOLUTION OF THE SHARE CAPITAL**

.....
42. Pursuant to the resolution of the Extraordinary General Meeting dated11.2015, the share capital by the amount of euro and cents (€.....) following the

3rd Item

Increase of the share capital of the Bank pursuant to L. 3864/2010 with the issuance of new ordinary shares in order to raise funds up to the amount of Euro 4.933 billion (of which the amount of Euro 2.213 billion is equal to the capital requirements of the Bank arising from the results of the baseline scenario of the stress test and together with the amount of Euro 2.720 billion being the capital requirements of the Bank arising from the results of the adverse scenario of the stress test), which will be covered through payments in cash and / or through capitalization of liabilities and / or through contributions in kind, and cancellation of the pre-emption rights of existing shareholders. Respective amendment of Articles 5 and 27 of the Articles of Association and grant of relevant authorizations to the Board of Directors, including the authorization of Article 13 par. 6 of C.L. 2190/1920 in conjunction with the provisions of Article 7 of L. 3864/2010 for the determination of the offer price and the detailing of the structure and other terms of the share capital increase.

Quorum: 1/5 of share capital	Majority: 50%+1 of represented votes
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The BoD proposes the increase of the share capital of the Bank in order to raise funds up to the amount of Euro 4.933 billion, which will be used to cover the capital requirements of the Bank, as such were determined by the European Central Bank (ECB) and announced to the Bank on 30.10.2015 following the publication of the results of the Comprehensive Assessment carried out by the Single Supervisory Mechanism. The aforementioned capital requirements are expected to be reduced, once additional capital support actions have been taken into account, which are included in the Capital Plan of the Bank which was submitted to the ECB for approval following the publication of the Comprehensive Assessment Results. It is noted that the Comprehensive Assessment includes the results of the Asset Quality Review of the Bank and the stress test under both the baseline and adverse scenarios, including after having taken into consideration the capital support measures included in the baseline business plan submitted by the Bank in the context of the stress test. Of the above total capital requirements the amount of Euro 2.213 billion is equal to the capital requirements of the Bank arising from the results of the AQR and the basic scenario stress test, which is expected to be required to be covered by the Bank with private means in accordance with the provisions of article 32, para.3, case d, subcase cc, of L. 4335/2015 (precautionary recapitalization).

The proposed increase is conditional upon obtaining all requisite corporate, supervisory and other approvals and the issue of the prerequisite resolutions of the competent supervisory and regulatory authorities, and, in accordance with the letter dated 30.10.2015 from the ECB, will have to be completed by 11.12.2015.

In particular, the BoD proposes the increase of the share capital of the Bank pursuant to L. 3864/2010 with the issuance of new ordinary shares in order to raise funds up to the amount of Euro 4.933 billion, which includes the amount above par, and the cancellation of the pre-emption right of the existing shareholders. The determination of the amount of the share capital increase, the number of new ordinary shares to be issued and the offer price is proposed to be carried out by the BoD of the Bank pursuant to the authorization of the General Meeting and in accordance with the provisions of article 7 of L. 3864/2010.

The share capital increase is proposed to be covered through payments in cash and / or through capitalization of liabilities and / or through contributions in kind with the objective

of maximizing the participation of private investors, taking into consideration market conditions, and in particular:

- through the current Liability Management Exercise (LME) by Receiptholders, who will opt for the Share Consideration or the Cash Resale Amount in accordance with the particular provisions of the Exchange Offer Memorandum dated 15.10.2015 of the Bank. The participation of Receiptholders will be carried out within the framework of the Exchange Offer dated 15.10.2015 of the Bank and/or of the Mandatory Exchange by the Existing Issuers in respect of (i) Series A Floating Rate Non-cumulative Guaranteed Non-voting Preferred Securities having a total nominal value of €200,000,000 issued by Piraeus Group Capital Limited (XS0204397425) and (ii) the Subordinated Callable Step-up Floating Rate Notes due 2016, having total nominal value of €400,000,000 and issued by Piraeus Group Finance PLC (XS0261785504) and (iii) the Senior Notes issued by Piraeus Group Finance PLC, with total nominal value €500,000,000 5.00%, due March 2017 (XS1048577529); and/or
- through a private placement (without a public offering within the meaning of L. 3401/2005 and Directive 2003/71/EC) to qualified investors within the meaning of L. 3401/2005 and Directive 2003/71/EC, to other institutional investors (including any “qualified institutional buyers” in the U.S.A. and special institutional investors as “anchor investors”) in accordance with and under the terms of the provisions of applicable law of the competent jurisdiction, and other qualified investors who fulfil the exclusion criteria of Directive 2003/71/EC or any respective criteria in connection with the non-application of the obligation to publish a prospectus in any respective jurisdictions. The private placement is proposed to be carried out through a book building procedure which will be coordinated by a group of international investment banks, and to which the independent financial advisor of the HFSF will have access in accordance with the provisions of article 7 of L. 3864/2010. The procedure of the book building will also comprise the basis for the determination by the BoD of the offer price per new share in accordance with paragraph 5 of article 7 of L. 3864/2010; and /or
- through any mandatory conversion of claims of third parties against the Bank into ordinary shares, in the event of the mandatory implementation of the measures of article 6a of L. 3684/2010, in accordance with the particular terms and procedure set out in the aforesaid article of L. 3684/2010 and the respectively authorised and to be issued Cabinet Act, or in the event of the implementation of any measures under the provisions of L. 4335/2015; and/or
- by the HFSF following the procedure for the activation of the Fund in accordance with articles 6 – 7 of L. 3864/2010, through the contribution of ESM bonds for such amount as has not been covered in accordance with the above, and up the amount of the capital support, which will be determined in accordance with L. 3864/2010 and Cabinet Act 36/02.11.2015, and which amount must be covered by the HFSF in the context of the share capital increase of the Bank.

In the event that, following the participation of the HFSF in the share capital increase of the Bank in accordance with the above, the funds raised are less than the amount of Euro 4.933 billion the share capital of the Bank will be increased up to the final covered amount, in accordance with article 13a of C.L. 2190/1920.

For the purposes of facilitating and expediting the procedures of the share capital increase it is proposed that the BoD be authorised to implement the respective resolution of the General Meeting for the share capital increase of the Bank in order to raise funds up to the amount of Euro 4.933 billion, and the detailing of the structure and other terms of the increase (including for the avoidance of the doubt the express authority of the Board to

amend the terms and structure of the share capital increase in any aspect, other than with respect to the maximum amount of funds to be raised, with the objective of maximizing the participation of private investors), such as the particular items of the structure and the allocation of the new shares to each, the final amount of the increase, the offer price and the number of new shares to be issued.

With respect to the proposed cancellation of the pre-emption right of existing shareholders it is noted that the BoD deems that the cancellation of this right is imperative under the present conditions, since:

- It will expedite the respective procedures for the fastest possible completion of the share capital increase, within the recently significantly amended legal framework for the recapitalization of the banks and within the inelastic time limit set by the supervisory authorities, whilst providing the Bank with the greatest possible room to manoeuvre,
- It will facilitate the determination of the offer price of the new shares on the basis of the offers of investors in the book building procedure in a transparent, expeditious and competitive manner, in accordance with the particular provisions of article 7 para. 5 of L. 3864/2010,
- It will allow the Bank to avail itself of the existing investor interest and to benefit from the investment opportunity without delays,
- It will ensure the participation of significant amounts of private funds in the increase and the consequent avoidance of the enforcement of the resolution measures of L. 4335/2015,
- It will allow the increase of the private sector participation in the share capital of the Bank and the simultaneous increase of the share's free float.

As a result of the share capital increase in accordance with the above, articles 5 and 27 of the Articles of Association will be respectively amended. In particular, the BoD proposes the amendment of para. 3 of article 5 and the inclusion of a new para. [43] to article 27 of the Articles of Association of the Bank, as follows:

**"ARTICLE 5
SHARE CAPITAL**

.....

3. Today, following successive company actions which are set out in detail in article 27 of the present Articles of Association "Historical evolution of the share capital", the total share capital of the Bank amounts to and..... cents (€), divided into (.....) ordinary voting shares having a nominal value of(€.....) each".

**"ARTICLE 27
HISTORICAL EVOLUTION OF THE SHARE CAPITAL**

.....

43. Pursuant to the resolution of the Extraordinary General Meeting dated11.2015, the share capital by the amount of euro and cents (€.....) following the"

4rth Item

Issue of a bond loan with Contingent Convertible Bonds pursuant to the provisions of L. 3864/2010 and Cabinet Act 36/02.11.2015 up to the amount of Euro 2.040 billion (which is equal to 75% of the difference between the capital requirements of the Bank pursuant to the results of the adverse scenario of the stress test and the capital requirements of the Bank pursuant to the results of the baseline scenario) to be subscribed to exclusively by the Hellenic Financial Stability Fund. Grant of relevant authorizations to the Board of Directors for the determination of the principal amount and the other terms of the bond loan within the framework of the Cabinet Act 36/02.11.2015.

Quorum: 1/5 of share capital	Majority: 50%+1 of represented votes
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The BoD proposes, in the event the funds raised through the share capital increase are less than the amount of Euro 4.933 billion, the issuance of a bond loan with Contingent Convertible Bonds in accordance with the provisions of L. 3864/2010 and Cabinet Act 36/02.11.2015 up to the amount of Euro 2.040 billion to be subscribed to exclusively by the HFSF. The aforesaid total maximum amount is equal to 75% of the difference between the capital requirements of the Bank pursuant to the results of the adverse scenario of the stress test (4.933 billion) and the capital requirements of the Bank pursuant to the results of the baseline scenario of the stress test (2.213 billion). The final principal amount of the bond loan will be equal to 75% of the amount of the capital support provided by the HFSF as such will be determined in accordance with L. 3864/2010 and Cabinet Act 36/02.11.2015 with respect to the allocation of the capital support provided by the HFSF between ordinary shares and conditional convertible bonds. The contingent convertible bonds will be subscribed for exclusively by the HFSF, without the right of participation of existing shareholders, in view of the nature and the particularities of the aforesaid bond loan, as well as the legal and regulatory provisions which govern the same, since the securities shall qualify as Common Equity Tier 1 instruments only when such securities are fully subscribed and held by the State or a relevant public authority or public-owned entity (article 31 Regulation EU no. 575/2013 – CRR)

Within the above framework it is proposed that the BoD be authorised to implement the respective resolution of the General Meeting, and to determine the final principal amount and other terms of the bond loan within the framework of the Cabinet Act 36/02.11.2015.

5th Item

Grant of authorization to the Board of Directors to increase the share capital of the Bank and to issue bond loans with convertible bonds, in accordance with Articles 13 para. 1 and 3a para. 1 of C.L. 2190/1920.

Quorum: 2/3 of share capital	Majority: 2/3 of represented votes
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The BoD proposes the grant of authorization by the General Meeting to the Board of Directors to increase the share capital of the Bank in order to raise funds up to the amount of Euro one billion (1,000,000,000) and to issue bond loans with convertible bonds, in accordance with the provisions of articles 13 para. 1 and 3a para.1 of C.L. 2190/1920, for the purposes of facilitating the expeditious raising of funds by the Bank in the future, if required, especially in light of the payment of interest and /or repayment, in all or in part, of any conditional convertible securities which may be subscribed by the HFSF in accordance with the aforementioned.

6th Item

Various announcements

Matters falling under this item include announcements on matters, which the Board of Directors wishes to announce at the General Meeting, but which do not require a vote or a decision to be reached (indicatively, the announcement regarding any resignations or replacements of members of the BoD in accordance with the law and the Articles of Association of the Bank, the status of and developments in its operations since the beginning of the financial year).