

PIRAEUS BANK S.A.
EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS
OF COMMON SHARES

June 16th 2020

PIRAEUS BANK





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On **Tuesday, June 16th, 2020 at 10:00 a.m.**

EXPLANATORY NOTES ON THE AGENDA

The Piraeus Bank shareholders are hereby invited by the Board of Directors (BoD) to discuss and resolve upon the following single item of the agenda

SINGLE ITEM

(a) Submission and approval: (i) of the Draft Demerger Agreement of “PIRAEUS INSURANCE AGENCY S.A.” by way of absorption by “PIRAEUS BANK S.A.” and “PIRAEUS AGENCY SOLUTIONS SINGLE-MEMBER SOCIETE ANONYME FOR THE PROVISION OF INSURANCE PRODUCTS’ DISTRIBUTION SERVICES AND FINANCIAL SERVICES” (formerly known as “ACCOUNTING CONSULTING & TAX SERVICES SOCIETE ANONYME CONSULTANTS”) in accordance with the provisions of articles 55 para. 2, 58 and 140 para. 3 of Law 4601/2019, article 16 of Law 2515/1997 and the relevant provisions of Law 4548/2018, as in force, and (ii) of the Auditor’s report ascertaining the book value of the demerged entity’s assets; (b) Approval of the demerger of “PIRAEUS INSURANCE AGENCY S.A.” by way of absorption by “PIRAEUS BANK S.A.” and “PIRAEUS AGENCY SOLUTIONS SINGLE-MEMBER SOCIETE ANONYME FOR THE PROVISION OF INSURANCE PRODUCTS’ DISTRIBUTION SERVICES AND FINANCIAL SERVICES” (formerly known as “ACCOUNTING CONSULTING & TAX SERVICES SOCIETE ANONYME CONSULTANTS”) in accordance with the provisions of articles 55 para. 2, 58 and 140 para. 3 of Law 4601/2019, article 16 of Law 2515/1997 and the relevant provisions of Law 4548/2018, as in force; (c) Granting of authorizations to Bank’s representatives for the execution of the demerger notarial deed.

Required quorum: ½ of share capital	Required majority: 2/3 of represented votes
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The BoD will propose to the Extraordinary General Meeting of the Shareholders of the Bank the approval of the demerger of the wholly owned subsidiary of the Bank “PIRAEUS INSURANCE AGENCY S.A.” by way of absorption by the Bank and the wholly owned subsidiary of the Bank “PIRAEUS AGENCY SOLUTIONS SINGLE-MEMBER SOCIETE ANONYME FOR THE PROVISION OF INSURANCE PRODUCTS’ DISTRIBUTION SERVICES AND FINANCIAL SERVICES” (formerly known as “ACCOUNTING CONSULTING & TAX SERVICES SOCIETE ANONYME CONSULTANTS”) in accordance with the provisions of articles 55 para. 2, 58 and 140 para. 3 of Law 4601/2019, article 16 of Law 2515/1997 and the relevant provisions of Law 4548/2018, as in force («Demerger»), taking into account the market conditions, the aim of promoting economies of scale and the subsequent benefits stemming from the Demerger, as set out in detail in the BoD Report dated 19.12.2019.

The intended outcome of the Demerger is the restructuring and streamlining of the insurance intermediary activities of Piraeus Bank Group, with a view to a more rational allocation of the related operations among the two beneficiary entities of the Group, and enhanced effectiveness of the Group in the relevant field by utilising the existing experience in the sector of insurance distribution and the Bank’s network. In particular, both the



Bank and the demerged entity hold an insurance agency license and can perform insurance agency activities in accordance with the applicable legal framework. The demerged entity, a 100% subsidiary of the Bank, is active in the sector since 2007 and provides insurance intermediation services by utilizing the Bank's network and certified Bank employees as well as internal resources, infrastructure and support functions required for insurance intermediation services. The participation of the second beneficiary entity in this Demerger was deemed appropriate due to the fact that it is an existing company and a 100% subsidiary of the Bank, which has not shown significant activity in recent years and can, therefore, be used for the purpose of the transformation at hand without the need to set up a new company for the demerger process and thus saving the corresponding costs for the Group.

In light of the provisions of Law 4583/2018, which incorporated Directive (EU) 2016/97 on insurance distribution into Greek Law, the Demerger at hand will enable further utilisation of the demerged entity's existing experience in the sector of insurance distribution, as well as better development of the Bank's network and certified employees with regards to insurance distribution by creating an expanded unit within the Bank for the distribution of bancassurance products.

In the context of this Demerger, the transformation will be effected by dividing in two parts (portions) the assets and liabilities of the demerged entity, and the first part will be transferred by way of absorption to the Bank, whereas the second part will be transferred by way of absorption to the second beneficiary entity. The Demerger at hand will allow for a more rational, efficient and facile development of the corporate structure and business operations of the insurance distribution activities of Piraeus Bank Group, and will produce business and economic results in Greece. This specific form of corporate restructuring by way of demerger of the demerged entity and concurrent absorption of the demerged parts by the two beneficiary entities of the Group is considered a highly beneficial decision from a financial and business perspective for the long-term strategy of Piraeus Bank Group in the insurance distribution sector.

This Demerger will, therefore, create further value for the Shareholders of the Bank, mostly by giving them the ability to participate in any surplus value created in the future.

It is, also, noted that, from a legal viewpoint, the Demerger, is effected in accordance with the provisions of article 55 para. 2, article 58 and article 140 para. 3 of Law 4601/2019, article 16 of Law 2515/1997 and the applicable provisions of Law 4548/2018 as in force, and the incentives and advantages provided for under the aforementioned legal framework will be utilized. The transfer of the assets and liabilities of the demerged entity by way of absorption by the two beneficiary entities of the Group will be effected in accordance with the terms applicable to universal succession (assets and liabilities), pursuant to the provisions of article 70 of Law 4601/2019 as in force, and, upon completion of the Demerger, the two beneficiary entities of the Group will substitute automatically, simultaneously and without further formalities, in accordance with applicable law, the demerged entity as universal successors to the assets and liabilities transferred thereto in accordance with the allocation laid down in the Draft Demerger Agreement and the demerger deed.

Furthermore, in view of the fact that the Bank is the sole holder (100%) of the share capital of the demerged entity and of the second beneficiary entity, and pursuant to the applicable provisions of Law 4601/2019, the transfer (by way of absorption) of part of the assets and liabilities of the demerged entity to the Bank will not result in any increase in the Bank's share capital, due to concurrence, and the holding stake of the Bank in the second beneficiary entity will be increased in accordance with the allocation laid down in the Draft Demerger Agreement and in the demerger deed, without applying any share exchange ratio.

Finally, according to Article 16 of Law 2515/1997, the demerger deed, the contribution and transfer of the assets and liabilities of the demerged entity, any related act or agreement, the shares to be issued, the decisions of the General Meetings of the parties involved in the Demerger, the holding percentage in the capital of the second beneficiary entity of the Group, as well as any other agreement or act required for the Demerger and the



publication of the above resolutions in the competent General Commercial Registry are exempted -inter alia- from any taxes, duties or rights in favour of the State or any third parties.

The documents regarding this demerger are already available on the Bank's website, through the following link:

<https://www.piraeusbankgroup.com/en/press-office/press-release/2020/05/announcement-15-05-2020>

<https://www.piraeusbankgroup.com/en/press-office/press-release/2020/05/announcement-15-05-2020-1>

