

**PIRAEUS BANK S.A.**  
**EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS HOLDING  
ORDINARY SHARES**

23 November 2010, 10:00 a.m.  
Royal Hall, Grande Bretagne Hotel (1, Vas. Georgiou A' Street., Athens)

**COMMENTS BY THE BOARD OF DIRECTORS ON THE AGENDA ITEMS**

According to the Law and the Bank's Articles of Association, holders of the Bank's ordinary registered shares (the "**Shareholders**") are called to attend an **Extraordinary General Meeting** to discuss and decide on the following items on the agenda:

**Item 1:**

**Increase of the Bank's share capital by up to €800,000,000 in cash, via the offering of pre-emptive rights to existing shareholders and issue of new ordinary registered shares. Grant of the relevant authorisations to the Bank's Board of Directors and corresponding amendment to articles 5 and 27 of the Articles of Association.**

Quorum: 2/3 of share capital	Majority 2/3 of represented votes
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The Board of Directors will propose to the General Meeting an increase of the share capital by up to **€800,000,000** in cash, issue of new ordinary registered shares and offering pre-emptive rights to existing shareholders, with the aim of raising capital in the amount of 800,000,000 euros.

In order to complete the share capital increase procedures, the General Meeting will be called to grant the relevant authorisations to the Bank's Board of Directors, among which are determining the sale price of the new shares, according to article 13 para. 6 of codified Law 2190/1920, which will be determined in conjunction with a resolution to reduce the share par value, as detailed below (item 3).

Articles 5 and 27 of the Bank's Articles of Association will be amended accordingly, so as to reflect the relevant change in its share capital. Drafts of the proposed amendments can be found here ([link](#)).

It should be noted that the Bank has reached an agreement with the joint Arrangers and underwriters of the share capital increase, that it shall not issue any new capital instruments before the lapse of 180 days from completion of the proposed share capital increase (lock-up period), without their consent.

**Item 2:**

**Issue of a convertible bond loan up to an amount of €250,000,000 with a waiver of the existing shareholders' pre-emption rights. Grant of the relevant authorisations to the Bank's Board of Directors.**

Quorum: 2/3 of share capital	Majority 2/3 of represented votes
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The Board of Directors proposes issuing a convertible bond loan up to the amount of **€250,000,000** with a waiver of the existing shareholders' pre-emption rights. According to article 3<sup>a</sup>, paragraph 2, of codified Law 2190/1920, the General Meeting shall be called to decide on the time and manner of exercising the right to convert bonds into Bank shares, as well as on the range of the conversion ratio.

Moreover, the General Meeting shall be called to afford all relevant authorisations to the Bank's Board of Directors (including determining the sale price of bonds), in order to offer the convertible bond loan through private placement within a reasonable period of time, not exceeding three years from the date of the relevant General Meeting's resolution to this effect. The conversion price shall be determined upon issue of the instruments, and shall not be lower than the prevailing stock market price of the Bank's share in the period immediately preceding the Board of Directors' resolution to proceed with the issue. It should be noted that issuing convertible bond loan instruments is subject to a six-month

lock-up period restriction, as agreed in the context of the share capital increase, in the previous agenda item.

The Bank will benefit from the offer of the bond loan to third-party investors with a waiver the of existing shareholders' pre-emption rights because these instruments will enhance its financial flexibility and enable the Bank to further boost its capital, whenever this is deemed expedient. The price of conversion to shares shall be equal to or greater than the prevailing stock market price of the Bank's share at the time of the issue. Moreover, the speed and flexibility that can be achieved in offering the instruments facilitates the success of the issue, enabling the Bank's Board of Directors to seek and select the most suitable time and investor profile to offer the instruments, under the conditions prevailing each time.

### **Item 3**

**Reduction of the Bank's share capital by reduction of the par value of ordinary registered shares, for the purposes of creating a special capital reserve, according to article 4 of codified Law 2190/1920; amending articles 5 and 27 of the Bank's Articles of Association accordingly and adjustment of the resolution of the 2<sup>nd</sup> Iterative General Meeting of the Shareholders on 3.5.2007, to authorise the Board of Directors to increase the share capital, according to article 13 §1b of codified Law 2190/1920.**

Quorum: 2/3 of share capital	Majority 2/3 of represented votes
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The Board of Directors will recommend to the General Meeting a reduction of the Bank's share capital by reduction of the par value of ordinary registered shares and transfer of the resulting difference into a special capital reserve, according to article 4 of codified Law 2190/1920, i.e. neither with a cash return nor an increase in the number of existing shares through issue of new free shares.

It should be noted that the proposed share capital reduction with the purpose of reducing the par value is purely of a technical nature, and that does not affect the Bank's equity capital which, overall, remains the same.

Articles 5 and 27 of the Bank's Articles of Association will be amended accordingly, in order to reflect this change to its share capital. Drafts of the proposed amendments can be found here ([link](#)).

Furthermore, in the context of making the necessary adjustments as a result of the above reduction of the par value of ordinary registered shares, the Board of Directors will also recommend to the General Meeting the amendment to its resolution dated 3.5.2007, which had authorised the Board of Directors to increase the share capital according to article 13 §1b of codified Law 2190/1920. This adjustment is necessary in order to bring the above authorisation in line with the reduction of the share's par value, without changing the amount and duration of the initial authorisation.

### **CONSENT OF THE GREEK STATE**

It should be noted that in its capacity as the Bank's sole preferred shareholder by virtue of Law 3723/2008, the Greek State shall be called to provide its consent on all the above items, during a special general meeting to be convened for this purpose.

Attachments:

1. The BoD's Report for the increase of the Bank's share capital with cash contribution, pre-emptive right for the existing shareholders and issue of new ordinary registered shares;
2. the BoD's Report for the issue of the Convertible Bond Loan and abrogation of existing shareholders' pre-emptive rights
3. number of shares and voting rights