PIRAEUS BANK

# Investor Presentation

May 2014

The Banker
Bank of the Year 2013
GREECE

BEST BANK AWARD • 2014
GLOBAL FINANCE

# Disclaimer

This presentation has been prepared solely for informational purposes. Any projections or other estimates in this presentation, including estimates of returns or performance, comments with respect to our objectives and strategies, or the results of our operations and business, are forward-looking statements based upon certain assumptions and beliefs in light of the information currently available to the company that may be wrong. These assumptions and beliefs may be influenced by factors within or beyond our control, and actual results may differ materially from any estimates and projections. Factors influencing actual results include but are not limited to fluctuations in interest rates and stock indices, the effects of competition in the areas in which we operate, and changes in economic and regulatory conditions.

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In late March 2013, Piraeus Bank acquired the Greek banking operations carve-out of Bank of Cyprus, Cyprus Popular Bank and Hellenic Bank. Therefore, the financials in this presentation contain balance sheet data of the aforementioned acquisition as of 31 March 2013 and onwards and respective results as of 16 March 2013. In mid June 2013, Piraeus Bank acquired 100% of Millennium Bank Greece (MBG). Therefore, the financials in this presentation contain balance sheet data of the aforementioned acquisition as of 30 June 2013 and onwards and respective results as of 20 June 2013. Due to the absorption of the Greek carve-out of Cypriot banks in Q1 2013 and MBG in Q2 2013, as well as 'good' ATEbank in Q3 2012 and Geniki Bank in Q4 2012, comparability of balances and results of Piraeus Group for past financial periods is not always feasible; wherever available, it is included in this presentation.

# Table of Contents

PIRAEUS BANK

# 2014 Capital Strengthening

# Transaction Highlights

## Piraeus Bank's Extraordinary General Meeting on 28 March 2014 decided upon share capital increase in cash via a non-preemptive issue to raise up to €1.75 bn

| | |
|---|---|
| **Amount and Structure** | ▪ Primary capital raising of €1.75 bn<br>▪ Capital increase through the waiving of preemptive rights, as approved by the HFSF |
| **Results** | ▪ Issue of 1,029,411,764 new ordinary shares; subscription price €1.70<br>▪ International book-building process: 926,470,588 new ordinary shares (90% of equity offering)<br>▪ Greek public offering: 102,941,176 new ordinary shares (10% of equity offering) |
| **Transaction Rationale** | ▪ Address the capital needs as determined by the Bank of Greece (BoG) following the BlackRock Solutions (BRS) diagnostic exercise on loan portfolios:<br>- capital needs estimated at €425 mn in the base-case scenario and €757 mn in the adverse scenario<br>▪ Repayment of €750 mn Greek State preference shares (concluded on 21 May 2014)<br>▪ Strengthen the Basel III fully loaded(1) CET-1 ratio to nearly 12%<br>▪ Facilitate access to funding markets at more favorable terms<br>▪ Expand private investor shareholder base |
| **Key Dates** | ▪ International book-building process concluded on 26 March 2014<br>▪ EGM approval on 28 March 2014<br>▪ Greek prospectus approval on 1 April 2014<br>▪ Greek public offering concluded on 9 April 2014 (1.71times oversubscribed)<br>▪ Trading of new shares on ATHEX commenced on 16 April 2014 |

(1) Pro-forma December 2013

# Capital Raising Rationale

Piraeus aims to proactively take advantage of the inflection point in the Greek economy to strengthen its capital base and take another step towards private ownership

### Address capital needs as determined by the BoG

- Meet the capital needs as determined by the BoG following the BRS diagnostic exercise on loan portfolios (capital needs estimated at €425 mn in the base-case scenario and €757 mn in the adverse scenario)

### Facilitate access to funding markets

- Accelerate tapping of wholesale funding markets at favorable terms
- Positive credit perspective from rating agencies
- Further improvement of Piraeus' perception among its customer base

### Repayment of €750 mn of State preference shares (concluded 21 May 2014)

- Enhancement of regulatory capital quality
- Redemption of an expensive, potentially dilutive, capital instrument[1]
- Necessary first step to regain flexibility for future dividend payments

### Increase private ownership

- Significant increase of free float
- Important step towards higher share of private ownership

### Strengthen the Basel III fully loaded capital position

- Basel III fully loaded pro-forma CET-1 ratio[2] at 11.8%
- Positions Piraeus in line with best capitalized European peers

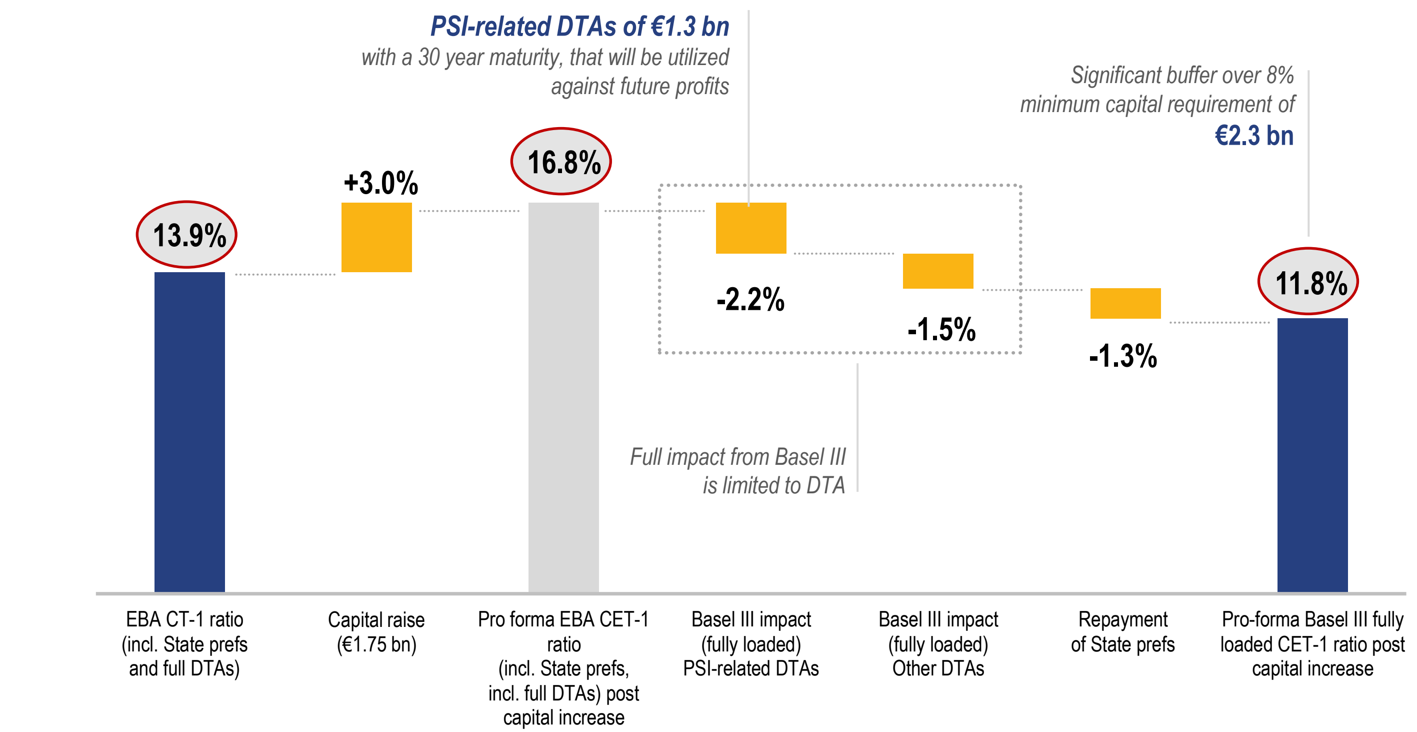
### Move forward from a stronger market position

- Commercial leadership in the domestic market
- Uniquely positioned to benefit from growth opportunities in a recovering Greek economy
- Superior restructuring and synergy potential across the recently acquired businesses

(1) Fixed yield of 10% with a 2% step-up per annum from May 2014 onwards
(2) Pro-forma December 2013

# Piraeus Becomes Strongly Capitalized Under Basel III

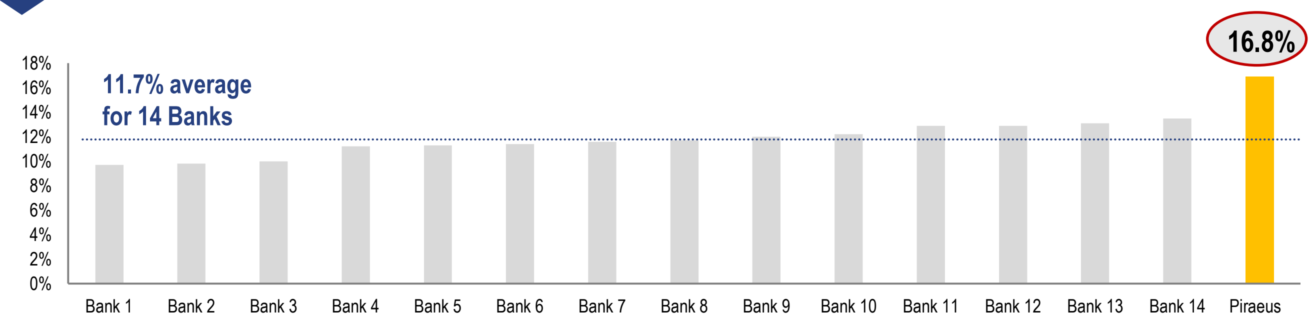
## Capital Strengthening | CET-1 Basel III Fully Loaded Pro-forma Dec.2013



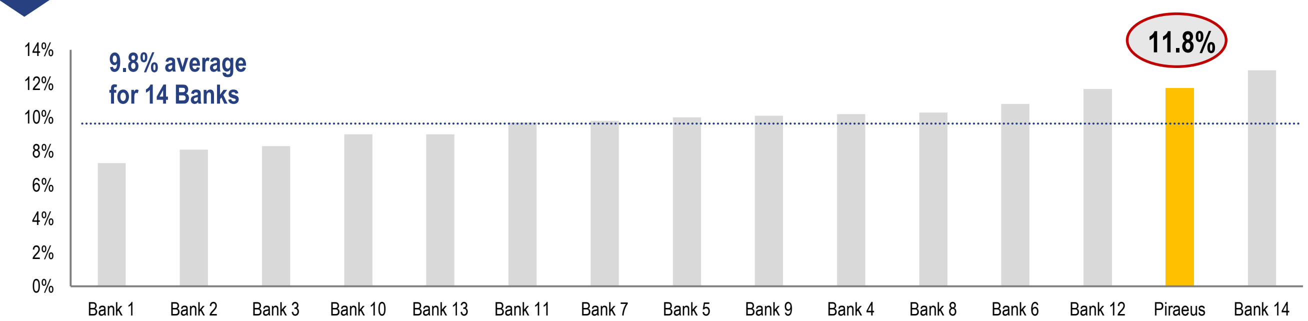

Note: Information provided is based on Piraeus Bank's internal estimates

# Post Capital Increase Piraeus Placed Among the Best Capitalized Banks in Europe

## Euro STOXX Banks Basel II.5 CT-1 Ratios Dec.2013




## Euro STOXX Banks Basel III Fully Loaded CET-1 Ratios Dec. 2013




Note: Group of banks within the Euro STOXX Banks index that have reported their Q4 Basel II.5 CT-1 ratio and Basel III fully loaded CET-1 ratio at this date. Sample consists of Banco Bilbao Vizcaya Argentaria SA, Banco de Sabadell SA, Banco Espirito Santo SA, Banco Popolare SC, Banco Popular Espanol SA, Bank of Ireland, BNP Paribas SA, CaixaBank SA, Commerzbank AG, Credit Agricole SA, Deutsche Bank AG, Erste Group Bank AG, KBC Groep NV, Societe Generale SA.

# Capital Strengthening Consistent with Piraeus' Key Strategic Priorities

Piraeus Bank to capitalize on its strong market position, focusing on the most rewarding segments, for the benefit of its shareholders, customers and employees

| | |
|---|---|
| **Recovery of Profitability** | ▪ Improving revenue generation through lower funding costs and higher fee income<br>▪ Significant restructuring of the operations has resulted in substantial cost savings<br>▪ 2/3 of synergies from acquisitions already achieved, significantly ahead of original targets and timetable<br>▪ Pre provision income (PPI) continues trending up |
| **Further Potential to Optimize Financial Performance** | ▪ Further scope to increase revenues, as time deposit rates continue to converge to European levels and fee income generation continues to recover<br>▪ Efficiency expected to improve as Piraeus will benefit from VES implemented in late 2013, synergies achieved to date (60% of total cost synergies announced) and further synergy and restructuring potential<br>▪ Cost of risk is expected to normalize as the economy continues to recover |
| **Additional Value Extraction Through NPLs Management** | ▪ Level of NPL formation as a % of gross loans has declined drastically since Q4 2012 pointing to a peak of NPL stock in 2014<br>▪ Potential for provision write-backs through the recovery cycle<br>▪ New organizational structure for NPL management, i.e. Recovery Banking Unit & 'Non Core' Bank (Task Force) |
| **On-going Funding Sources Diversification** | ▪ Access to debt capital markets for the first time since the beginning of the Eurozone crisis<br>▪ Reduced reliance on net Eurosystem funding at €11 bn (Dec.2013); zero ELA currently from €31 bn in Dec.2012 |

# Delivering Unprecedented Operational Leverage Improvements

**6** — 6 banks acquired in 12 months since June 2012

**6** — 6 integrations concluded by December 2013

**4.4 mn** — new customers

**317** — branches closed in 2013, 23% of the 1,354 legacy branch network, while total network has been rebranded

**126** — extra branches closed in 2014 y-t-d

**47** — less HQ premises in 2013 (61,000 sqm)

**€550 mn** — target fully-phased synergies p.a.

**€368 mn** — 2/3 of target synergies already achieved in 3 quarters since the latest acquisition

**2,680** — headcount reduction through VES and assisted attrition in Greece, 14% of 19,238 legacy workforce

**€277 mn** — integration costs incurred to date (o/w €186 mn booked in 2013)

**≈€22 bn** — of troubled loans transferred to newly formed Recovery Unit/'Non Core' Bank

**≈1,900 FTEs** — 1,900 professionals to staff the Recovery Unit

# Medium Term Financial Targets

| | Current Level | Medium Term Financial Targets |
|---|---|---|
| Domestic Market Positioning | Market Shares [1]: 30% Loans, 29% Deposits | Maintain market leadership |
| Net Interest Margin [2] | 2.5% | >320 bps |
| Cost / Income Ratio | 62% [3] | ≈ 40% |
| Loans to Deposits | 111% | <110% |
| Net Eurosystem / Assets [4] | 10% | <10% |
| Return on Assets [5] | n.m. | ≈ 140 bps |

(1) Source: solo financials including adjustments for volumes booked in branches abroad, BoG for market
(2) Annualized net interest income over average assets, excluding EFSF bonds and seasonal OPEKEPE funding facility
(3) Excluding one-off items in FY 2013
(4) Net Eurosystem refers to end February 2014 data
(5) Excluding EFSF bonds and seasonal OPEKEPE funding facility
n.m.: non-meaningful

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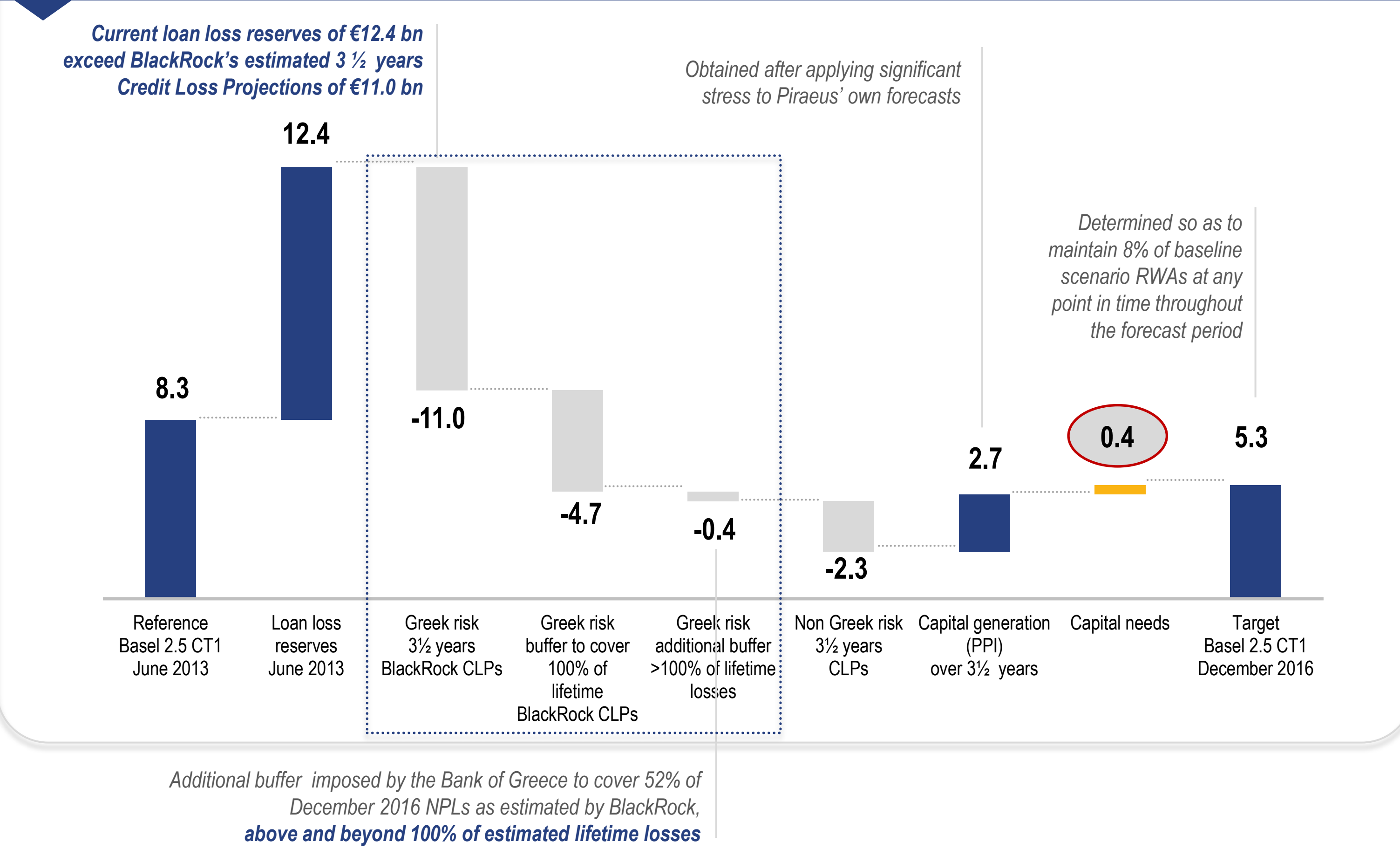
# Bank of Greece Stress Test

# Piraeus Bank Group Capital Needs Estimation by the Bank of Greece

## Bank of Greece Methodology to Calculate Piraeus' Capital Needs (€ bn)




Note: Bank of Greece assessment does not assume repayment of State preference shares. DTAs have not been adjusted to reflect withdrawal of the supervisory filter

# The 2nd BlackRock Diagnostic Assessment & BoG Stress Test

## Stress Test Methodology

| | |
|---|---|
| **Reference Date** | 30 June 2013 |
| **BlackRock Credit Loss Projection (CLP) Analysis Scope** | *Greece & Romania*: based on 95-100% (depending on portfolio) of lifetime loss |
| | *Greek risk*: additional buffer to reach 52% of Dec-16 NPLs as per BRS |
| **Bank of Greece (BoG) CLP Analysis Scope** | *Foreign risk*: using BRS independent reasonability assessment and in accordance with EL methodology developed by EBA in June 2011 EU-wide stress test exercise |
| **Horizon of Analysis** | To 31 December 2016 and lifetime |
| **Scenarios** | Base (binding) & adverse |
| **Min CT1 Ratio - Base-case Scenario** | 8.0% |
| **Min CT1 Ratio - Adverse Scenario** | 5.5% |
| **Capital Needs Assessment** | Comparison of Credit Loss Projection results of each scenario with projected pre-provision income (stressed by BoG) vs. CT-1 capital and stock of LLRs as of June 2013 |
| **Greek Volumes Evolution** | Loans & deposits aligned with GDP evolution |

BoG retained the most severe of the two methodologies, which in the case of Piraeus is the 52% of Dec-16 NPLs estimated by BRS

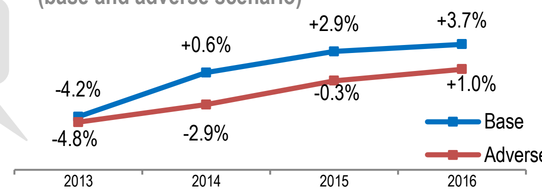
The 52% corresponds to the top quartile among European banks according to the EBA Risk Dashboard Q4 2013

## BlackRock Solutions (BRS) Diagnostic Assessment

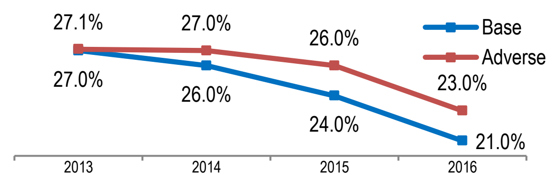
- Thorough bottom-up review of total Greek portfolio on a per-loan-ID basis
- Review of data coupled with files physical inspections, as well as examination of lending practices, credit policies, troubled assets handling processes, workouts strategies assessment and effectiveness of collateral valuation

### Real GDP in Greece (%)
(base and adverse scenario)

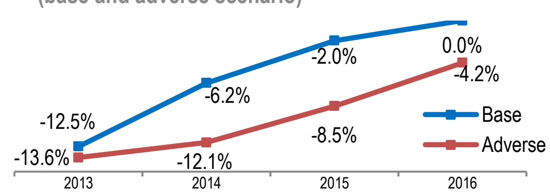
2013 actual: -3.85%




### Unemployment Rate in Greece (%)
(base and adverse scenario)




### Greek Residential House Prices (%)
(base and adverse scenario)




Note: Bank of Greece assessment does not assume repayment of State preference shares. DTAs have not been adjusted to reflect withdrawal of the supervisory filter

# Key Assumptions of the 2nd BlackRock Diagnostic Exercise & BoG Stress Test

## Key Assumptions

### Balance Sheet

| | | |
|---|---|---|
| **Loan growth** | Aligned to GDP growth | |
| **Loan interest rates** | Cap at market average | |
| **RWA adjustments** | Credit RWAs | Over net loans, floor at 1H 2013 level |
| | Market RWAs | Floor at 1H 2013 |
| | Operational RWAs | Over Net Banking Income (3-year average) |
| | All RWAs | Net of additional provisions |
| **Deposit growth** | Aligned to GDP growth | |
| | Potential funding deficit, refinanced through: | |
| | (i) debt securities<br>(ii) secured interbank funding<br>(iii) Eurosystem funding | |
| **Deposit interest rates** | Floor at market average | |
| **Debt securities** | Cap on debt securities issuance as % of liabilities; P&L impact depending on funding cost | |
| **Pillar II bonds** | Refinancing from 1H 2015 if not considered in BP | |
| **Eurosystem interest rates** | ECB | 25 bps in 2013, stressed up to 75 bps from 2014 onwards in Baseline |
| | ELA | 200 bps in 2013, stressed up to 600 bps from 2014 onwards in Baseline |

### Income Statement

| | |
|---|---|
| **Fees and commissions** | Asset linked F&C cap at YE'2013 level (% of loans)<br><br>Other F&C growth between 2013 and 2016 cap at 20% in Baseline and 10% in Adverse scenarios |
| **Trading revenue** | Trading revenue not included if positive, except recurring trading income (client related) |
| **Costs** | As per restructuring plan commitments in the base case |

Note: Bank of Greece assessment does not assume repayment of State preference shares. DTAs have not been adjusted to reflect withdrawal of the supervisory filter

# BlackRock Lifetime Loss Rates

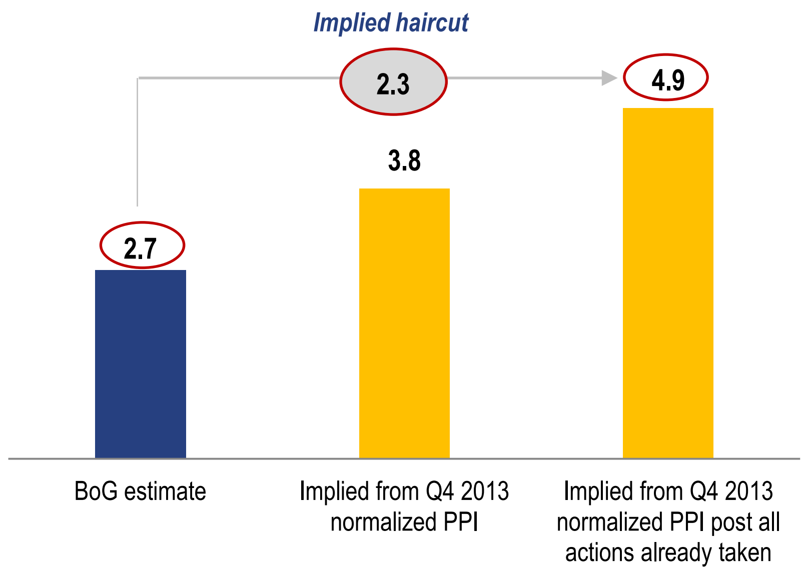
- BlackRock's estimated lifetime losses in the Greek portfolio for Piraeus are 23.2% in the base case and 29.1% in the adverse case, compared to 21.7% and 27.6% respectively on average for the system

## Greek Risk Lifetime Loss Rates as Estimated by BlackRock

| | | Baseline scenario | | | Adverse scenario | | |
|---|---|---|---|---|---|---|---|
| | Funded balance (Piraeus, € bn) | Piraeus | System average | | Piraeus | System average | |
| Mortgages | 17.3 | 4.8% | 7.3% | *-2.5%* | 9.4% | 12.5% | *-3.1%* |
| Consumer | 6.1 | 44.7% | 43.7% | *+1.0%* | 51.9% | 50.9% | *+1.0%* |
| SBP | 4.8 | 18.3% | 30.9% | *-12.6%* | 20.8% | 34.3% | *-13.5%* |
| Commercial | 39.3 | 28.7% | 24.1% | *+4.6%* | 35.3% | 30.7% | *+4.6%* |
| **Total** | **67.5** | **23.2%** | **21.7%** | ***+1.5%*** | **29.1%** | **27.6%** | ***+1.5%*** |

# The Capital Shortfall is Derived from Conservative PPI Assumptions

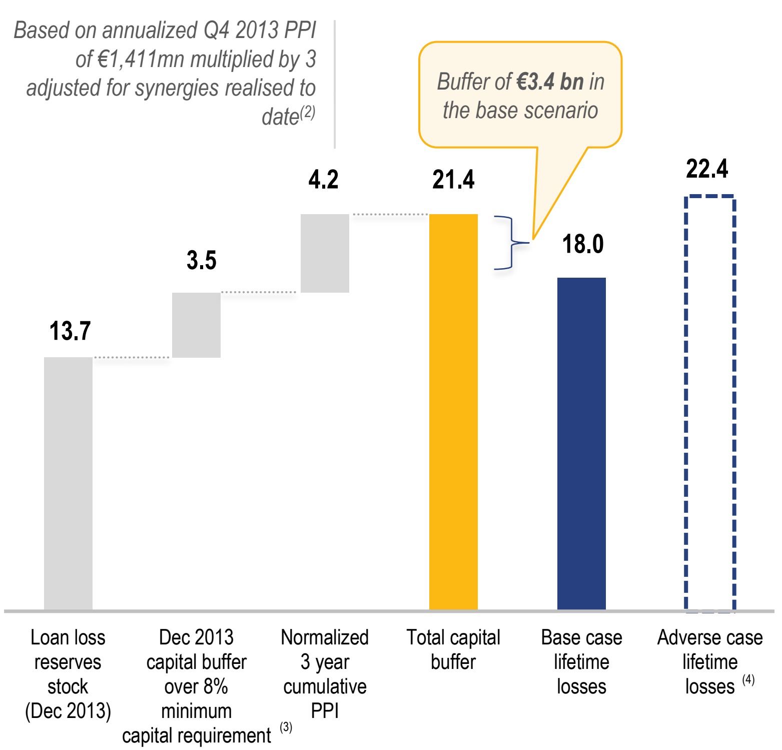
**BoG Assumed 3½ Year Capital Generation Up to 31 Dec.2016 in Perspective (€ bn)**



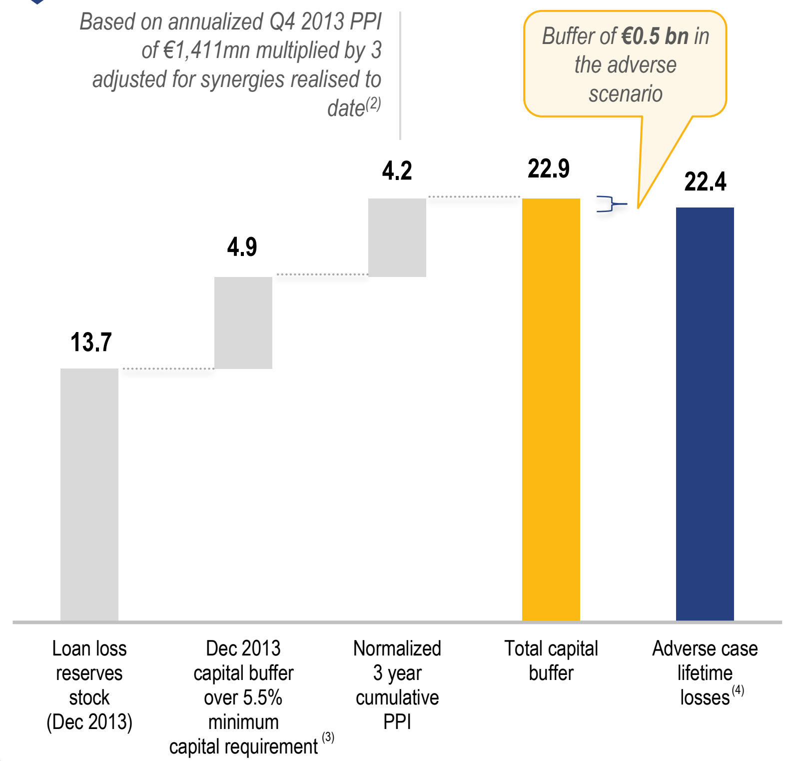

- BoG has adopted conservative assumptions with regard to Piraeus' capital generation capacity compared to the current normalized PPI
- BoG's capital generation estimate for the 3½ years to 31 December 2016 implies substantial haircuts to normalized PPI:
  - €1.1 bn over Q4 2013 normalized PPI of €1,084 mn p.a.
  - €2.3 bn over Q4 2013 normalized PPI adjusted for synergies taken to date, amounting to €1,411 mn p.a.

# Strong Capital Buffers Before PPI Re-Rating

## Capital Buffer Above BlackRock Estimated Lifetime Losses[1] in the Base Scenario (€ bn)




## Capital Buffer Above BlackRock Estimated Lifetime Losses[1] in the Adverse Scenario (€ bn)




(1) Including 3½ years losses in the foreign loan book
(2) VES, synergies and time deposit costs reduction
(3) Based on Q4 2013 CT-1 ratio of 13.9%
(4) Based on BlackRock lifetime losses for Greece of €15.7bn and €19.6bn in the base and adverse scenario respectively, and foreign loan book 3½ years losses of €2.3bn and €2.8bn in the base and adverse scenario respectively

PIRAEUS BANK

# Financial Highlights

# Q4 2013 Financial Highlights

## Pre provision income enhancement

- Q4 PPI [1] up 12% q-o-q at €271 mn
- NII rises 5% q-o-q, NIM reaches 269 bps [2]
- Greek time deposit average cost declines by 153 bps y-o-y to 3.05%
- Front book Greek time deposits priced at 271 bps
- Fees climb 24% q-o-q reaching 40 bps / assets

## Integration concluded in record time

- 4 migrations concluded in Q4 2013 (6 in FY 2013)
- "One bank-one platform" in Greece following the integration of all acquired banks [3]
- Greek workforce -14%, branches -23% y-o-y
- C/I at 45% adjusted for total synergistic pool

## Synergistic potential released

- 67% of total synergies' target crystallized to-date (€368 mn p.a.)
- €155 mn funding synergies secured (97%)
- €209 mn cost synergies secured (60%)
- €277 mn integration costs booked to-date (66%)

## Sound balance sheet

- 13.9% EBA CT-1, 12.6% excluding State prefs; 16.8% and 15.5% respectively post capital offering
- LLR / loans 18.5%; coverage incl. collateral c.130%
- LDR 111%
- Net Eurosystem funding / assets 12% (8% currently)

## NPLs formation further decelerated

- Formation declines for 4th consecutive quarter, down 22% q-o-q to €982 mn
- Greek NPLs formation down 17%, international 53%
- Business NPLs formation down 19%, retail 27%
- Q4 cost of risk 363 bps, increasing coverage by 201 bps q-o-q to 51%

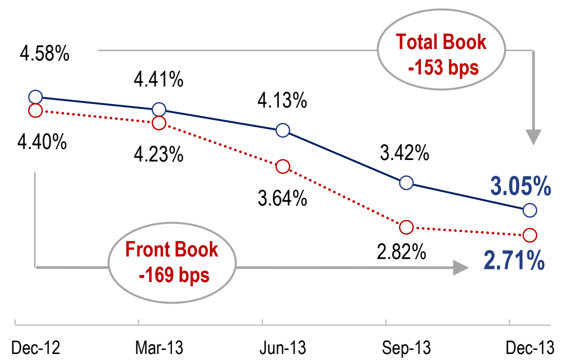
## NPL management under best practice approach

- Specialized Recovery and 'Non Core' Bank (Task Force) Units, with dedicated management resources
- Streamlined NPL management process applying targeted policies & treatments; specialist analytics to support decision making and treatment choice

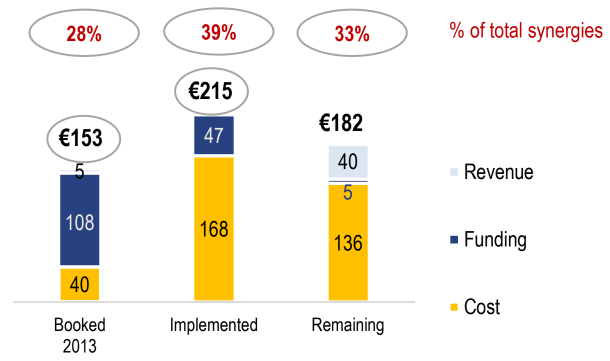
(1) Normalized for one off items as per slide 25
(2) Over interest earning assets excluding EFSF and seasonal OPEKEPE funding facility
(3) Except for Geniki Bank

# All PPI Drivers are Progressing

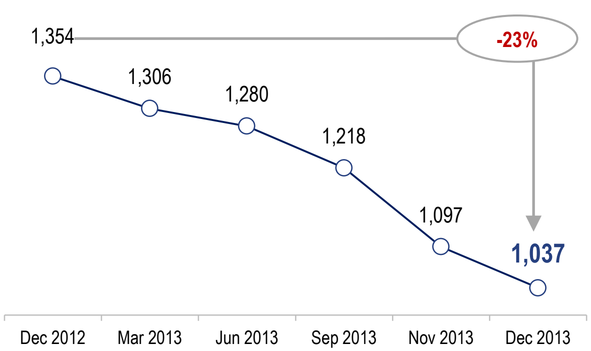
## Tightening of Greek Time Deposit Rates



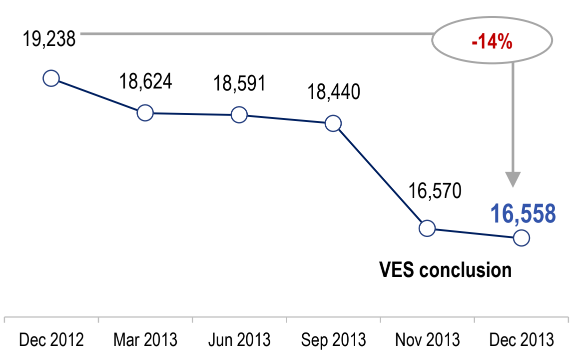

## Synergy Potential Being Realized (€ mn)




## Optimizing Greek Branch Network



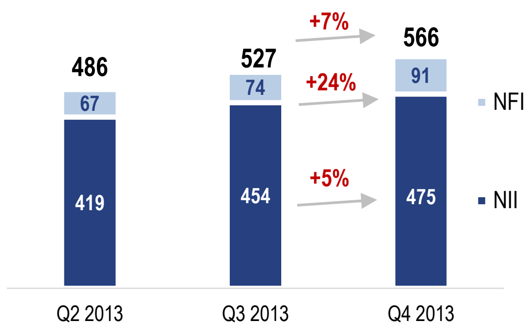

## Accelerated Greek Headcount Reduction




Note: All graphs pro forma for all acquisitions except for the one with Greek time deposit rates (all apart from Geniki Bank)

# Top Line Recovery Driven by NII and NFI Bolsters PPI

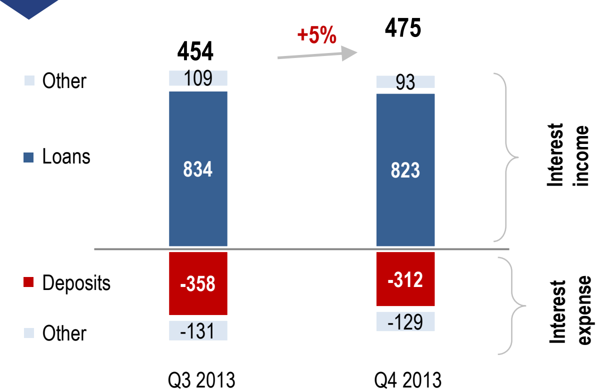
## Core Revenues Increase Across the Board (€ mn)



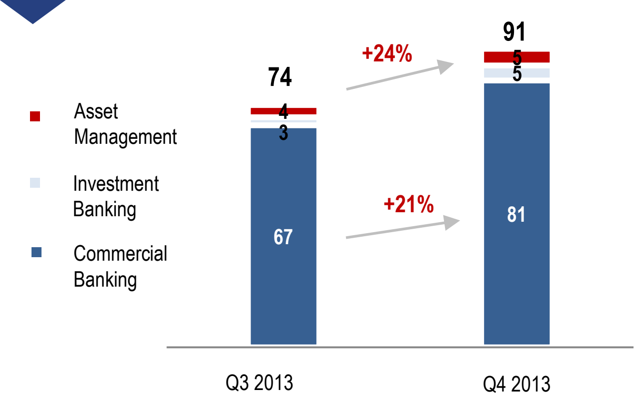

## Core Revenues Recover Further in Q4

- Banking income up 7% q-o-q
- NII up 5% q-o-q, as time deposit costs decline further
- NFI up 24% q-o-q, driven by commercial banking fees (+21% q-o-q); 89% of NFI originated from commercial banking
- NFI / assets at 0.4% (pre crisis level peak at 0.7%)
- Potential for further improvement as market stabilizes and the Bank establishes its new market position

## Net Interest Income Composition (€ mn)

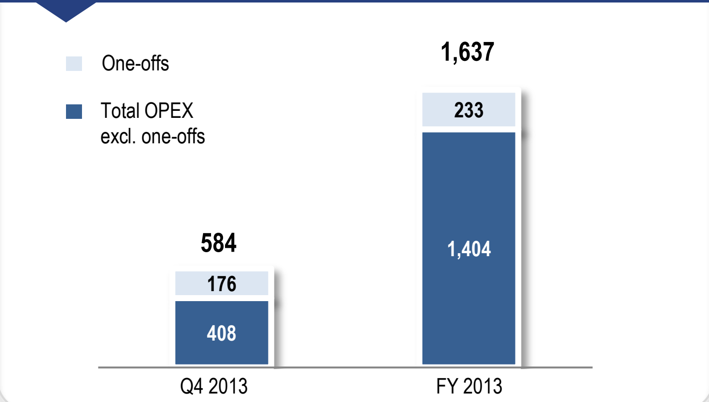



## Net Fee Income Composition (€ mn)

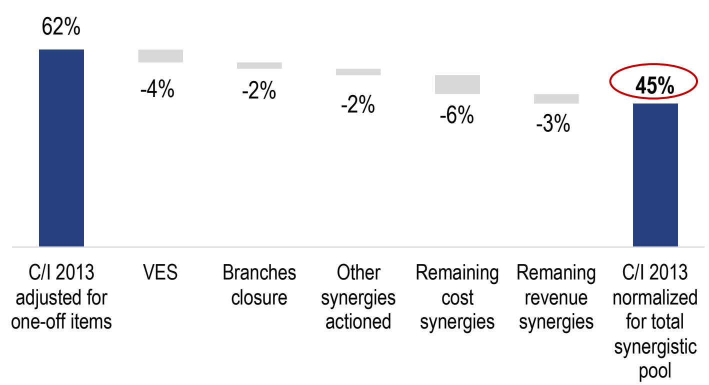


# Cost Cutting Initiatives Well on Track

## Total Operating Expenses (€ mn)




## Full Realization of Synergies Leads to C/I Ratio of 45%




## Cost Cutting Across the Board

- €102 mn VES in Q4 (FY cost €126 mn); 11% of Greek workforce exited generating an annual benefit of €96 mn (€12 mn positive impact already in Q4 2013)
- Network downsizing reached 23% in 2013 (-317 units); 126 branches less in 2014 y-t-d in Greece
- Substantial rationalization in HQs premises, as well as IT, advertisement, servicing and other costs
- 47 premises less in 2013 (61,000 sqm) resulting in €16 mn annual rental and admin expenses relief
- Second wave of VES program concluded in February 2014 (138 FTEs exit the Bank, €7 mn one-off cost, €6 mn benefit p.a.)
- One-off extraordinary contribution to the Greek Deposit Guarantee Scheme of €44 mn to cover the build-up of the required funds for the resolution mechanism

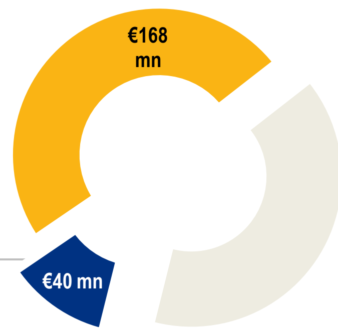
| (€ mn) | Q2 2013 | Q3 2013 | Q4 2013 |
|---|---|---|---|
| **One-off OPEX items** | | | |
| VES | - | 24 | 102 |
| Integration | 17 | 16 | 29 |
| DGS one-off contribution | | | 44 |
| **One-off costs** | **17** | **40** | **176** |

# Synergies: 2/3 Already Secured

## COST SYNERGIES

**Fully phased: €345 mn**

Actions already implemented



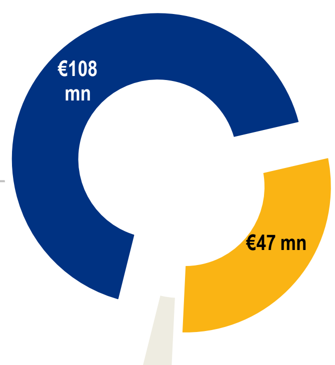

Actions taken crystallize
**€208 mn (60%)**
of total cost synergies

Booked in 2013

## FUNDING SYNERGIES

**Fully phased: €160 mn**

Booked in 2013



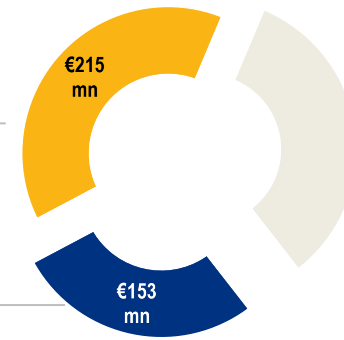

Actions already implemented

Actions taken crystallize
**€155 mn (97%)**
of total funding synergies

## TOTAL SYNERGIES

**Fully phased: €550 mn**
(incl.€45 mn revenue synergies)

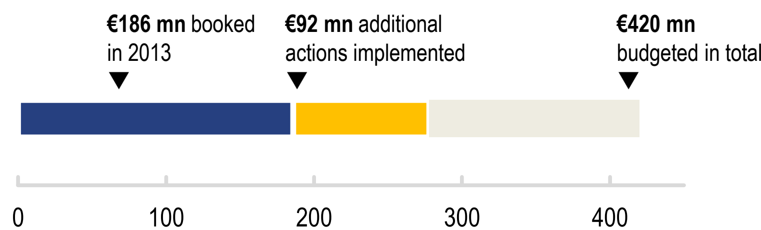
Actions already implemented




Booked in 2013

Actions taken crystallize
**€368 mn (67%)**
of total synergies

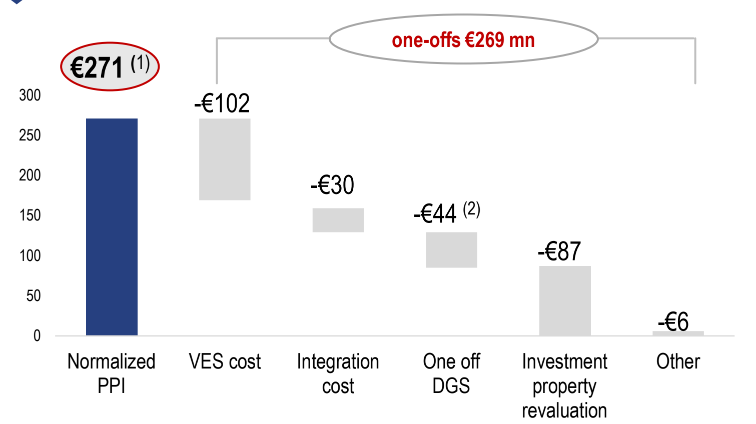
## INTEGRATION COSTS



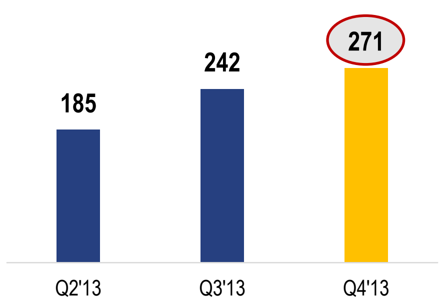

**€277 mn (66%)** of integration costs already incurred

# Normalized PPI Up 12% q-o-q on the Back of Recovering Core Revenues

## Q4 2013 Normalized PPI (€ mn)




## Normalized PPI Trajectory (€ mn)

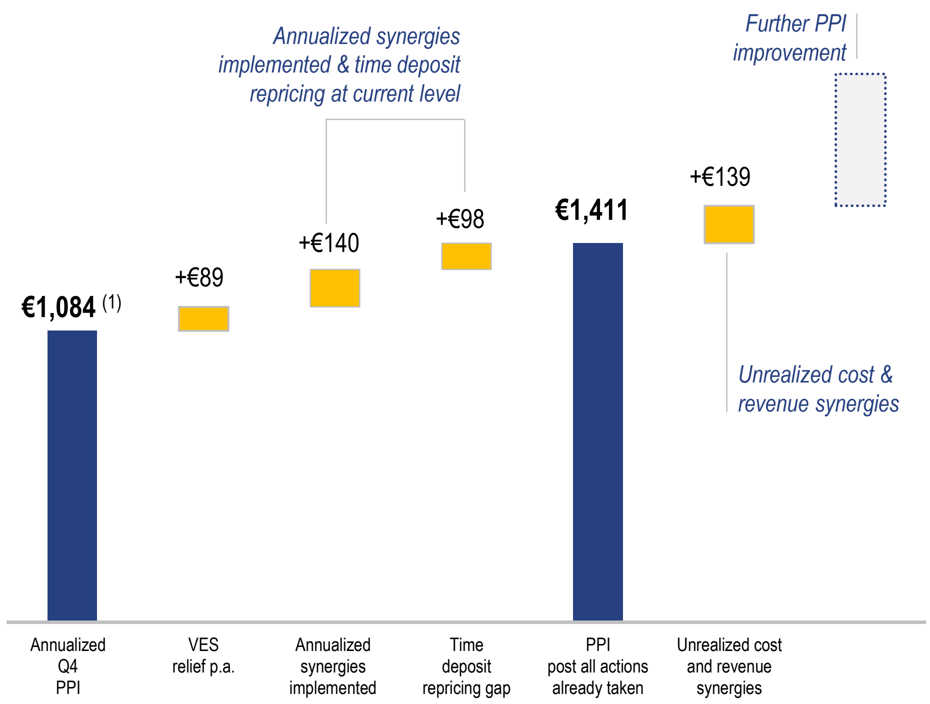



- Piraeus Group normalized PPI for Q4 at €271 mn, up by 12% q-o-q
- FY 2013 normalized PPI at €945 mn
- Banking income up 7% q-o-q at €566 mn (€527 mn in Q3)
- Significant amount of operational integration expenses in Q4 (€132 mn) and FY (€188 mn)
- PPI to improve further from synergies crystallization and market stabilization
- Geniki has reached breakeven in Q4 2013 (Q1 -€14 mn, Q2 -€9 mn, Q3 -€4 mn, Q4 -€1 mn)
- Millennium follows the same improving trend (Q1 -€19 mn, Q2 -€14 mn, Q3 -€11 mn, Q4 -€5 mn)

(1) Piraeus Group PPI for Q4 2013: reported €2 mn, adding back one-off items (€269 mn in total)
(2) One-off extraordinary contribution to the Greek Deposit Guarantee Scheme to cover the build-up of the required funds for the resolution mechanism

# Significant PPI Re-rating Potential

## Piraeus PPI Trajectory (€ mn)

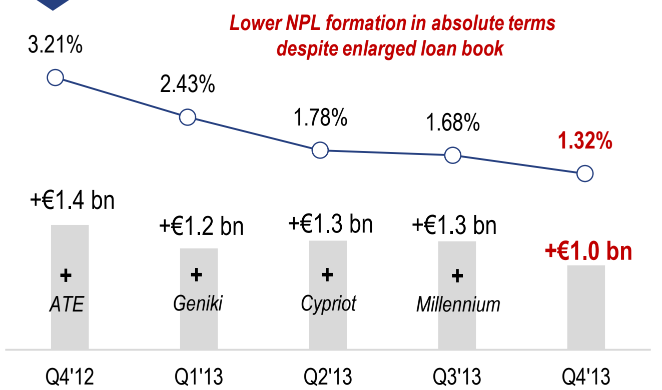



- Annualized Q4 PPI close to €1.1 bn
- Q4 PPI does not incorporate further market stabilization and the forthcoming reversal of the economic cycle
- Significant PPI potential to be derived from:
  - ✓ further declining of time deposit costs, converging towards EMU averages
  - ✓ fee income increase from current depressed levels
  - ✓ benefit from core deposits as market rates increase overtime

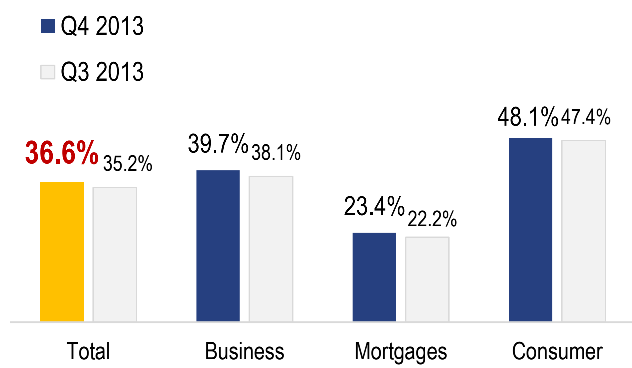
(1) Piraeus Group normalized PPI for Q4 2013 (€271 mn) multiplied by 4
Note: Data on this slide refer to financial targets

# Rate of NPL Generation More Than Halved Post Peak in Q4 2012

## Piraeus Group NPLs Formation[1]




## NPLs Ratio - 90dpd for All Segments (%)



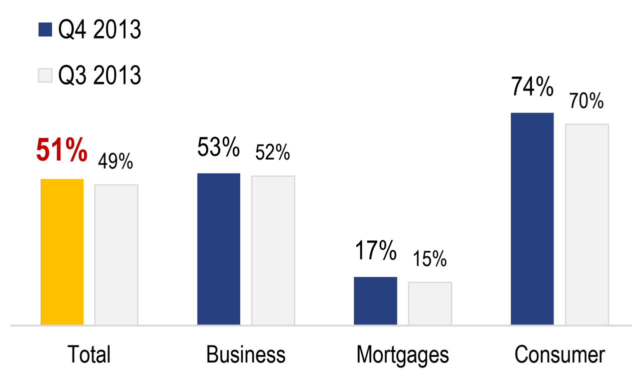

*NPLs coverage by LLRs and collateral + guarantees*

**126%**

## Group NPLs Composition - Q4 2013

| NPLs | Q4 2013 | NPLs | Q4 2013 |
|---|---|---|---|
| Business | €19.1 bn | Greece | €24.8 bn |
| Mortgages | €4.2 bn | International | €2.3 bn |
| Consumer | €3.8 bn | | |
| **TOTAL** | **€27.2 bn** | **TOTAL** | **€27.2 bn** |

## Coverage of NPLs by LLRs (%)




*Q4 cost of risk*

**363 bps**

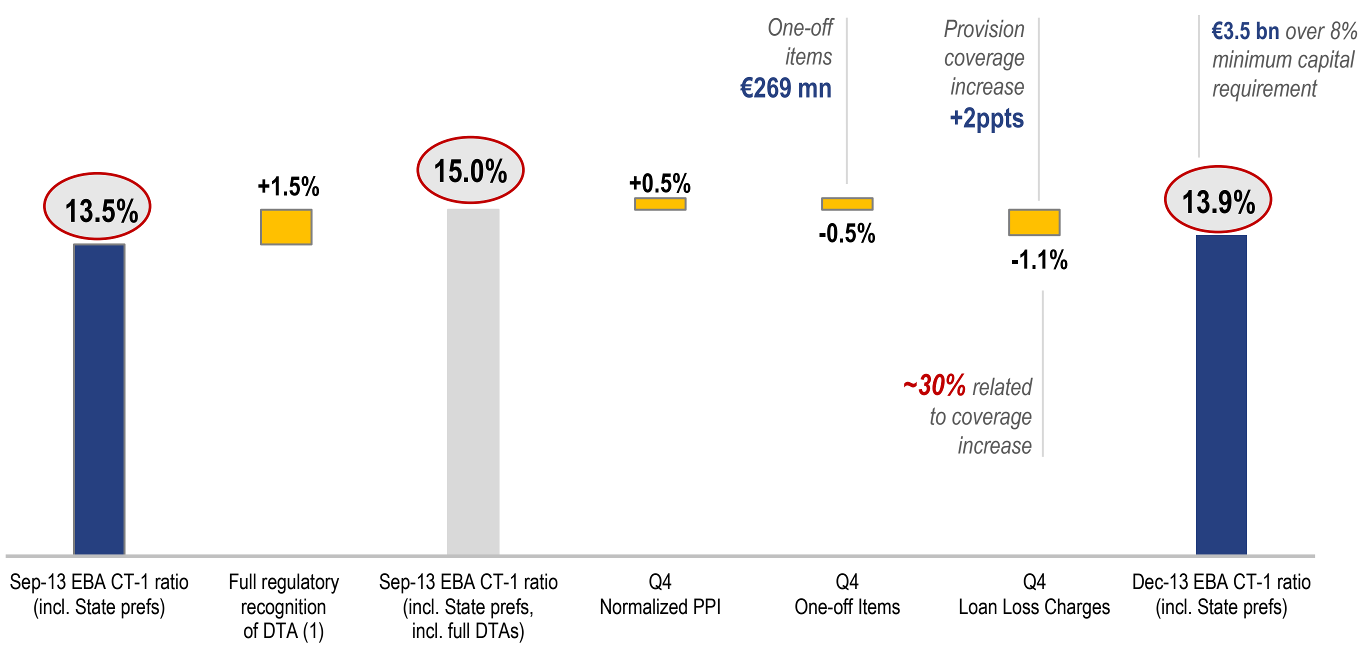
*Average LTV for Group mortgage book*

**76%**

(1) Pre write-off quarterly NPL formation (amount and bps over end-quarter loan balance)

# EBA CT-1 Ratio Evolution in Q4

## Core Tier 1 Basel II.5 Ratio




Sept.2013 RWAs €59,173 mn

Dec.2013 RWAs €59,036 mn

(1) Lift of 20% DTA cap by BoG (Act 36/23.12.13)

PIRAEUS BANK

# Financial Results

# Q4 2013 Financial Highlights

1 **Pre provision income continues to rise**

- Group normalized PPI up 12% q-o-q at €271 mn

2 **NPL formation slowing down; NPL coverage increases**

- Q4 NPL formation at 132 bps over gross loans (168 bps Q3, 321 bps Q4 2012); improvement in all segments
- LLR over gross loans at 18.5% vs. 14.5% Greek market average(1); Coverage up by 2 ppts q-o-q to 51%

3 **Superior funding profile**

- LDR ratio improved by 2 ppts q-o-q at 111% (same q-o-q improvement in Greece at 110%)
- Zero ELA utilization currently; best in class net Eurosystem funding support over total assets at 10%(2)

4 **Funding cost contraction**

- Further drop in time deposit rates (Q4 down c.37 bps for total stock at 3.05%, current rollover price c.270 bps)

5 **Synergies' contribution**

- c.€26 mn of additional cost synergies recognized in Q4 2013; c.€40 mn in FY 2013
- c.€30 mn of funding synergies recognized in Q4 2013; c.€108 mn in FY 2013

6 **Integration process frontloaded**

- 181 branches closed in Q4 2013 in Greece, 317 during 2013 in total and 126 in addition in 2014 y-t-d
- c.€132mn of integration costs in Q4 (€102 mn from VES); €188 mn in FY 2013
- c.€96 mn annual cost relief from VES; new targeted programme just concluded, €6 mn extra annual relief

7 **Strong capital position**

- EBA CT-1 at 13.9% (12.6% excluding Greek State prefs); buffer of €3.5 bn above 8% regulatory threshold
- Post capital increase, ratios stand at 16.8% and 15.5% respectively pro forma for Dec.2013

(1) Source: Bank of Greece website
(2) End February 2014

# Banking Income Up by 7% in Q4 2013; Normalized PPI Posts Further Recovery

## PPI Evolution

| € mn | Q4.13 | Q3.13 | qoq% | FY13[1] |
|---|---|---|---|---|
| Net interest income | 475 | 454 | +5% | 1,662 |
| Net fee income | 91 | 74 | +24% | 287 |
| **Banking income** | **566** | **527** | **+7%** | **1,949** |
| Other income | 20 | 66 | -70% | 186 |
| **Income** | **586** | **593** | **-1%** | **2,135** |
| *One-off: property revaluation, ELA cost* | *-87* | *-2* | *-* | *-148* |
| **Income (normalized)** | **673** | **596** | **+13%** | **2,283** |
| | | | | |
| Personnel expenses (normalized)[2] | -210 | -201 | +5% | -758 |
| Adm.costs & depreciation (normalized) | -198 | -168 | +18% | -646 |
| **Operating Expenses (normalized)** | **-408** | **-369** | **+11%** | **-1,404** |
| *One offs:* | | | | |
| *VES* | *-102* | *-24* | *-* | *-126* |
| *Integration costs & DGS* | *-74* | *-16* | *-* | *-107* |
| **Operating Expenses** | **-584** | **-409** | **+43%** | **-1,637** |
| *Other adjustments[3]* | *6* | *15* | | *66* |
| **PPI (normalized)** | **271** | **242** | **+12%** | **945** |

## PAT reconciliation

| € mn | Q4.13 | Q3.13 | qoq% | FY13[1] |
|---|---|---|---|---|
| PPI (normalized) | 271 | 242 | +12% | 945 |
| Loan impairments | -674 | -489 | +38% | -2,218 |
| **Pre tax result (normalized)** | **-403** | **-247** | **-** | **-1,273** |
| | | | | |
| One offs | -269 | -42 | - | -447 |
| Other impairments[4] | -174 | -30 | - | -314 |
| Negative goodwill[5] | - | - | | 3,810 |
| Associate income | -24 | -0 | - | -29 |
| **Pre tax result** | **-871** | **-335** | **-** | **1,748** |
| Taxes[6] | 161 | 57 | - | 769 |
| Minorities | -10 | -1 | - | -16 |
| **Net result attrib. to SHs** | **-700** | **-277** | **-** | **2,532** |

1. Includes good ATEbank, Geniki Bank, the Greek operations of Cypriot banks (as of 16 March 2013) and Millennium Bank Greece (as of 20 June 2013)
2. Staff costs: extra 1/2 payroll for Q4 vs. Q3 (c.€20 mn)
3. Millennium and Geniki PPI loss add-back plus positive PPI of Cypriot operations for the period 01.01.2013 to 16.03.2013 (€21 mn) for FY 2013 column
4. Other impairments include €38 mn goodwill, €35 mn investment securities, €23 mn investment property, as well as other provisions
5. Due to acquisitions of good ATE, Cypriot carve-out and Millennium Bank Greece
6. Tax credit of c.€0.5 bn due to change of corporate tax rate to 26% from 20% in FY 2013

# Balance Sheet Highlights

## Selected Figures (31 December 2013)

| | |
|---|---|
| Total assets | €92.0 bn |
| Tangible book value | €7.4 bn |
| Regulatory EBA CET-1 capital | €8.2 bn |
| RWAs | €59.0 bn |
| EBA CT-1 ratio (excluding State prefs) | 12.6% |
| EBA CT-1 ratio | 13.9% |
| Gross customer loans | €76.1 bn |
| Loan loss reserves | €(13.7) bn |
| Net loans to customers | €62.4 bn |
| Customer deposits | €54.3 bn |
| Customers (#) | 6.9 mn |
| Branches (#) | 1,449 |
| Employees (#) | 22,509 |
| Loans / deposits | 111% |
| Loan loss reserves / gross loans | 18.5% |
| NPL ratio | 36.6% |
| Coverage ratio | 51% |

*10x tangible assets to tangible book [1]*

*Loans down 1% q-o-q (excluding €1.9 bn seasonal funding facility to farmers, repaid in early 2014)*

*Deposits down 1% q-o-q, but up 2% q-o-q excluding general government deposits depletion of €1.2 bn*

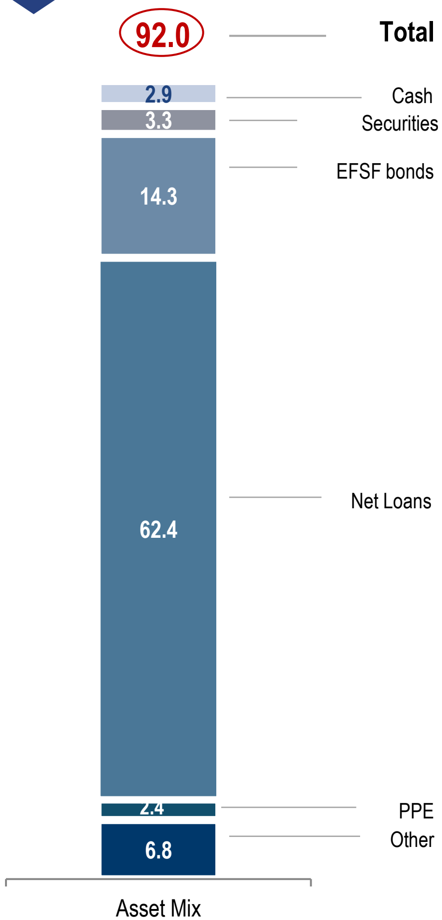
*2 ppts improvement q-o-q, 110% in Greece*

*+2 ppts q-o-q, 50% in Greece, 55% abroad*

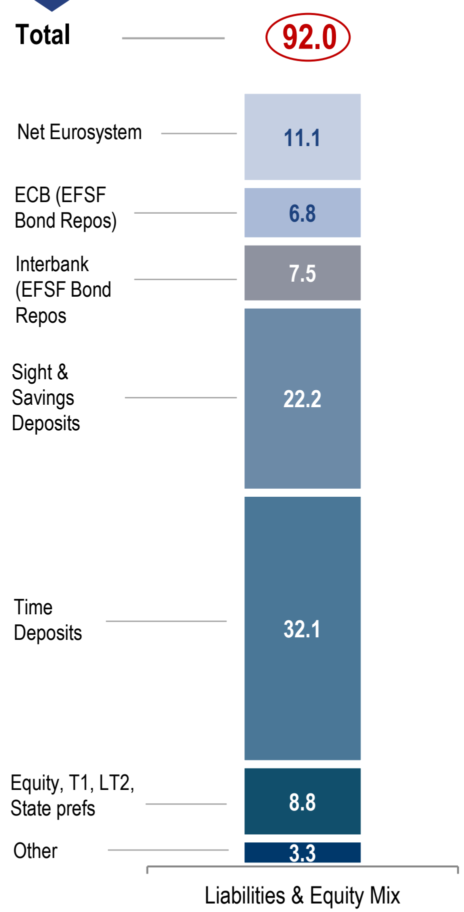
(1) Excluding EFSF bonds
Note: Ratios are adjusted for OPEKEPE seasonal funding facility

# Assets and Liabilities Mix

## Asset Mix (€ bn)

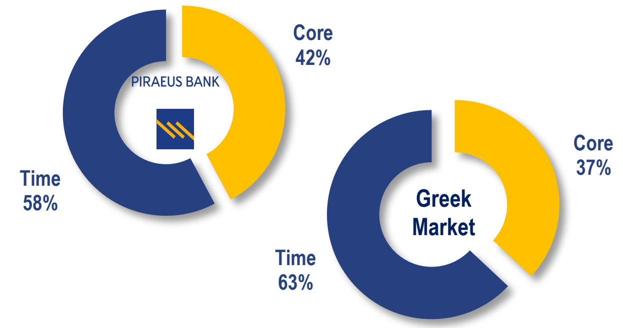



## Funding Mix (€ bn)



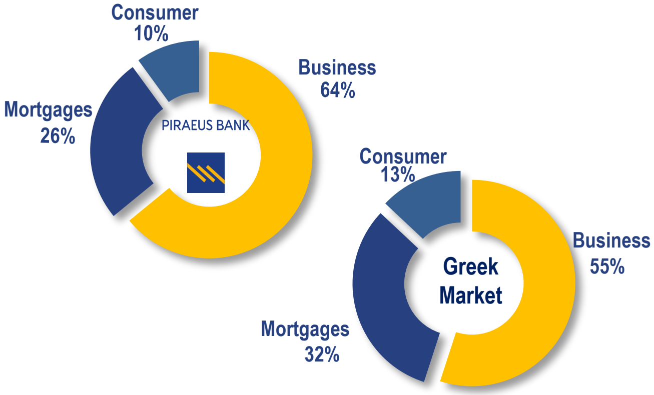

## Deposits Breakdown (%)

(Piraeus in Greece vs. Greek Market)




## Loans Breakdown (%)

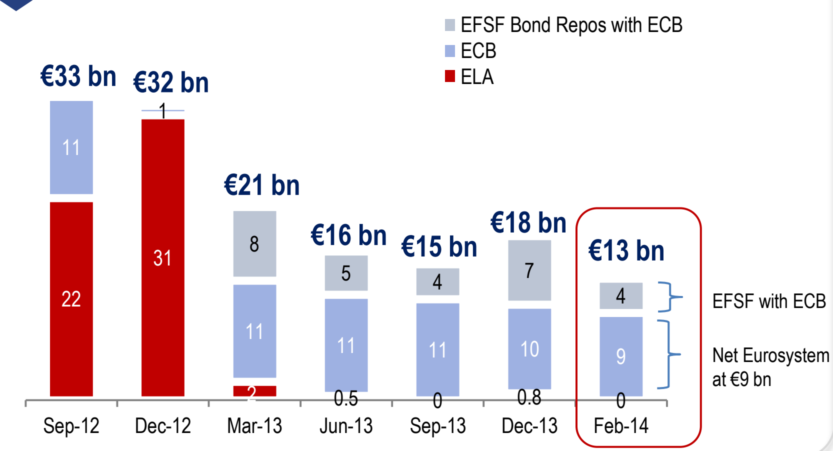
(Piraeus in Greece vs. Greek Market)




Notes:
1. For Greek deposit market, State deposits are included in time deposits since their split per deposit category is not available
2. For loans, balances of government and private sector are included, excluding OPEKEPE seasonal loan of €1.9 bn both from Piraeus and market

# Low Reliance on Eurosystem Funding, Regained Access to Debt Markets

## Eurosystem Refinancing Breakdown (€ bn)




- Lowest Eurosystem dependency compared to peers (10% in Feb.2014, 8% level currently)
- Significant reduction in Eurosystem funding. Zero ELA (end February 2014)
- Stable funding through interbank repos against EFSF bonds
- Insignificant ELA utilization (€0.8 bn) at the end of December 2013 due to OPEKEPE seasonal loan (related to EU support funds to farmers)
- Operational readiness for tapping issuance opportunities

## ECB Collateral (cash value mtm, € bn)

| ECB Collateral Breakdown | Dec.2013 |
|---|---|
| EFSF bonds | €6.8 bn |
| L.3723/2008 securities | €9.2 bn |
| Other securities | €0.3 bn |
| Non marketable assets | €0.8 bn |
| **Collateral Value Pledged** | **€17.1 bn** |

- On 18 March 2014, Piraeus successfully placed in the international debt capital markets a €500 mn 3-year senior unsecured benchmark note with an annual fixed rate coupon of 5.00%
- Investor demand surpassed €3 bn; over 240 institutional investors from 25 countries participated in the transaction
- Piraeus regained access to the international debt capital markets after a period of almost 5 years, diversifying its funding sources and validating the prospects and trust to both the Bank and the Greek economy

# Deposit Repricing Continues

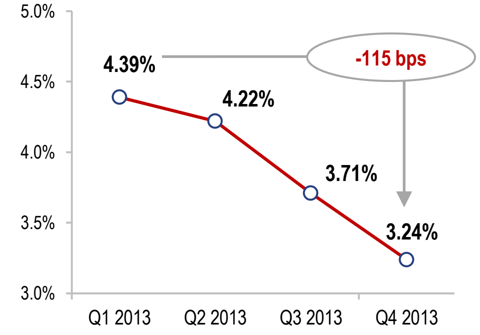
## Customer Rates (quarterly average)[1]

| | Q1 2013 (average) | Q2 2013 (average) | Q3 2013 (average) | Q4 2013 (average) |
|---|---|---|---|---|
| **Deposits** | **-2.94%** | **-2.83%** | **-2.53%** | **-2.19%** |
| **Sight** | -0.78% | -0.86% | -0.98% | -0.93% |
| **Savings** | -0.54% | -0.51% | -0.53% | -0.41% |
| **Time** | -4.39% | -4.22% | -3.71% | -3.24% |
| **Loans** | **5.03%** | **5.09%** | **5.02%** | **4.80%** |
| **Mortgages** | 2.88% | 2.95% | 2.99% | 2.85% |
| **Consumer** | 9.55% | 9.70% | 9.97% | 9.57% |
| **Business** | 5.45% | 5.53% | 5.36% | 5.13% |

(1) Rates refer to parent level data

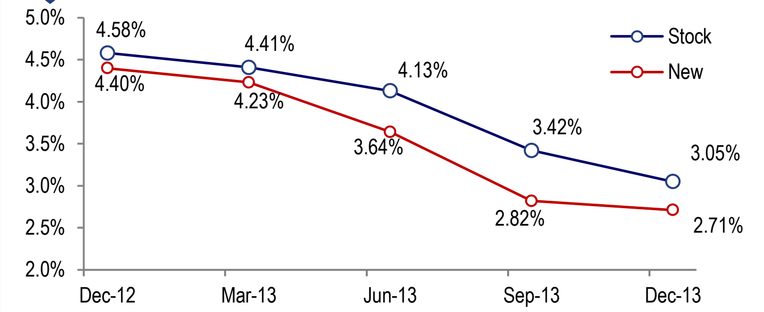
- Cost of time deposits significantly improved bringing down the cost of total deposits
- Loan rates slightly decreased to 4.80% in Q4, at the back of falling ECB refi rate
- Loan interest income affected by both deleveraging as well as NPLs formation; however, this is more than offset by deposit costs improvement

**Greek Time Deposit Rates (%)**
(quarterly averages)

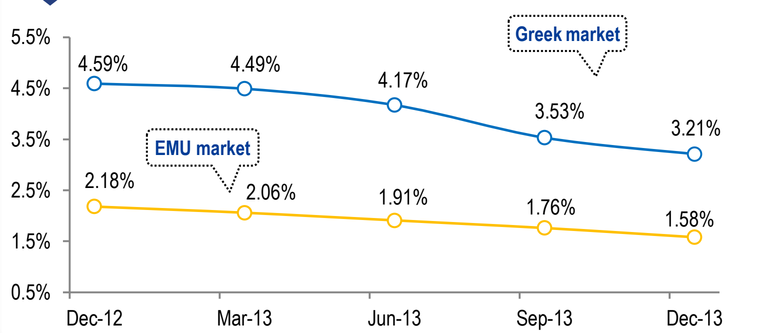


# Time Deposits Costs Reach New Lows

## Piraeus Greek Time Deposit Cost (%)



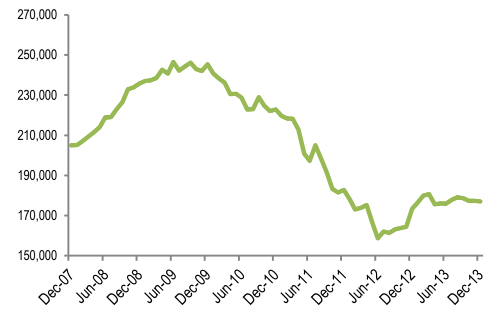

## Time Deposit Cost Evolution



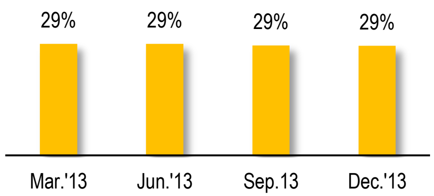

Note: Rates refer to monthly average data, source for market data: ECB and Bank of Greece time deposit rates for duration up to 2 years from households and firms

- Significant improvement of time deposits interest rates due to stabilization of market and concentration of banking sector

### Market Deposits in Greece (€ mn)
(Bank of Greece)

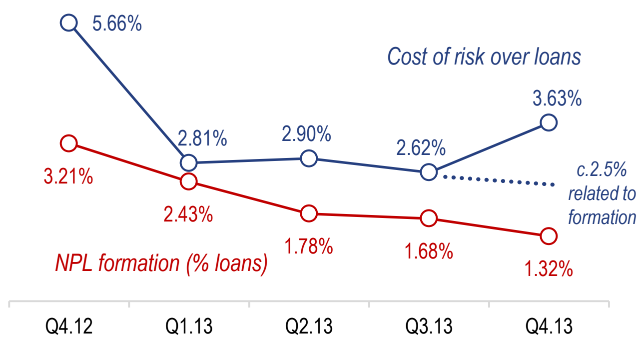



### Piraeus Deposit Market Share in Greece
(total deposits)



# Increased NPL Coverage in All Segments

## Piraeus Group KPIs




## Total NPL Coverage per Segment - Dec.2013 (%)

| December 2013 | 90dpd Ratio | LLR coverage of NPLs | | Tangible collateral coverage of NPLs | | Total Coverage |
|---|---|---|---|---|---|---|
| Business | 40% | 53% | + | 54% | = | 108% |
| Mortgages | 23% | 17% | + | 83% | = | 100% |
| Consumer | 48% | 74% | + | 13% | = | 87% |
| **Total** | **37%** | **51%** | + | **53%** | = | **104%** |

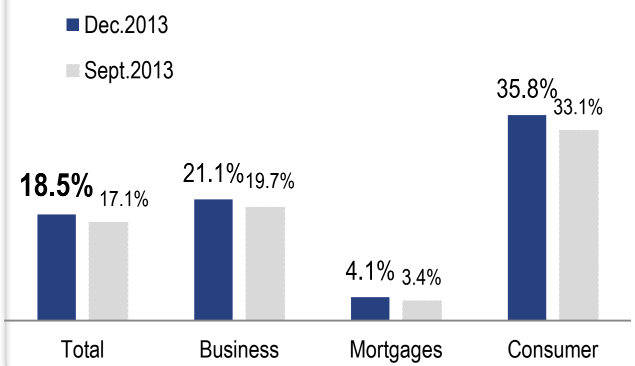
**Tangible collateral i.e. excluding guarantees; adding guarantees, coverage reaches 126%**

## Group LLRs Composition - Dec.2013

| LLRs | Dec.2013 |
|---|---|
| Business | €10.2 bn |
| Mortgages | €0.7 bn |
| Consumer | €2.8 bn |
| **TOTAL** | **€13.7 bn** |

| LLRs | Dec.2013 |
|---|---|
| Greece | €12.5 bn |
| International | €1.3 bn |
| **TOTAL** | **€13.7 bn** |

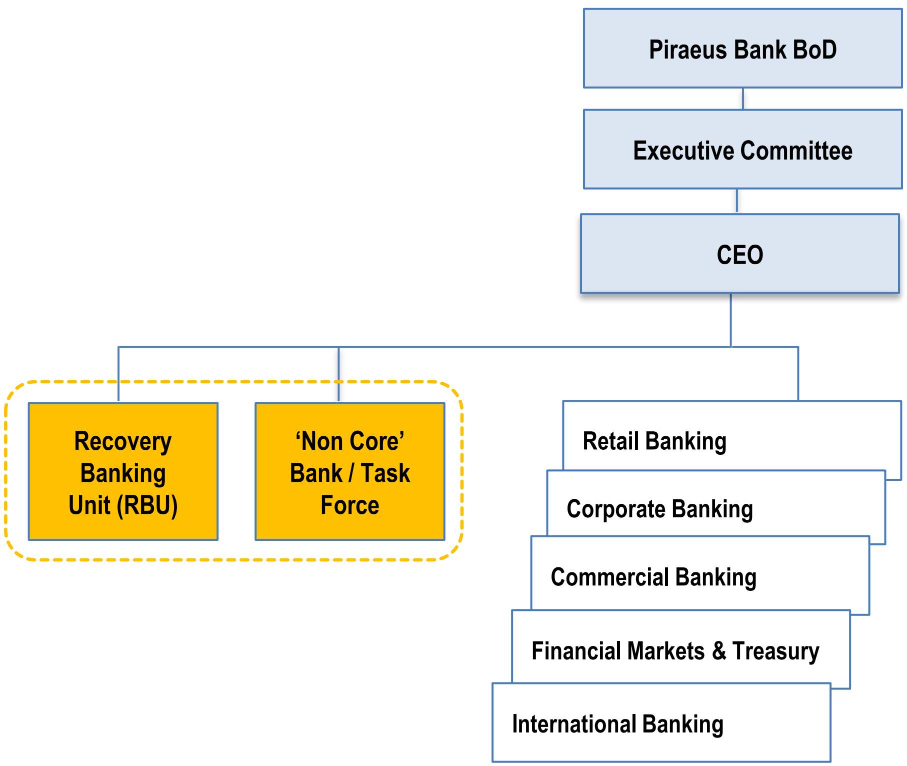
## LLRs over Gross Loans (%)




Note: Pre write-off quarterly NPL formation (amount and bps over end-quarter loan balance)

# Piraeus' New Organizational Structure with Dedicated NPL Management Units

## Piraeus Bank has a new organisational structure, with dedicated NPL management units




## NPL management is Piraeus' top priority for 2014

**Mission**

- Dedicated, fair and consistent management of all borrowers in financial difficulties
- Value creation for Piraeus Bank through a streamlined NPL management process, in line with international best practice
- Addressing the systemic importance of Piraeus Bank for the Greek economy, being the largest bank in the country

**Approach**

- New dedicated organization and management structure
- Dedicated policies and customer solutions and treatments based on detailed customer segmentation
- Best in class processes to enable customer needs identification and customer solution selection
- Appropriate staffing of the units, professional training and new performance management systems
- Development of suite of analytical tools and "test and learn" capabilities
- New, detailed MIS and reporting capabilities across all levels within the organization
- Appropriate IT infrastructure in place to facilitate new structures and processes

# RBU and 'Non Core' Bank / Task Force Have Distinct Roles & Responsibilities

## RBU is offering end-to-end customer solutions to borrowers facing financial difficulties across all portfolios

**Recovery Banking Unit (RBU)**

- **Retail and Small Business Recovery and Workout**
- **Commercial Recovery (SME)**
- **Wholesale Recovery (Corporate & Shipping)**
- **Wholesale & Commercial Workout**

- Dedicated teams with differentiated customer solutions for each segment
- Specialized analytics designed to support decision making
- Implementation of campaigns and customer solutions for specific segments of the portfolio
- Channels in place (branch support for Retail and Small Businesses, dedicated Recovery Centers for SMEs) to provide effective solutions to borrowers
- Dedicated IT and technology support-continuous investment
- Clear transfer criteria and handover processes in place

## 'Non Core' Bank / Task Force Unit's mission is to manage critical exposures in entire sectors of the Greek economy, as well as all participations

**'Non Core' Bank / Task Force Unit**

- **'Non Core' Bank / Task Force Unit**
- **Private Equity and Participations**
- **Real Estate Companies**

- On the back of market consolidation, Piraeus now has significant share in key industries / infrastructure projects, the appropriate restructuring of which will be crucial for the future of the Greek economy
- Mission of the 'Non Core' Bank / Task Force Unit is to work on restructuring solutions for those complex exposures in a dedicated structure
- At the same time, the 'Non Core' Bank / Task Force Unit will own all of the Group's participations and other non core assets (e.g. real estate), working to maximize the value creation for Piraeus Bank

# RBU: €22 bn Balances or 425 th Loans Are Being Internally Transferred

| | **Balances** (€ bn) | **Loans** (# th) |
|---|---|---|
| **Retail** | **7.2** | **390** |
| **Small Business** | **1.2** | **20** |
| **Commercial** | **13.2** | **15** |
| **Total** | **21.6** | **425** |


*≈1,300 Restructuring Officers, some of the Bank's most experienced people, have already been assigned to RBU*

*≈600 additional Officers from Credit, Legal, Administration, Collections have already joined force with RBU*

- Clear perimeter criteria have been applied in-line with regulatory delinquency definitions:
  - Taking into account arrears status, as well as other valid early warning indicators
  - Retail and Small Business customers enter the RBU from early stage arrears
  - Commercial clients enter the RBU based on a mix of risk flags (one of which is days in arrears) and indicators of financial weaknesses
- Approximately €22 bn in balances are being transferred to the new unit, representing c.425 th loans; 70% of these balances and more than 95% of the loans have already been transferred as of March 1st; transfer process expected to be finalized in April 2014

Note: Figures are based on latest estimates (work in progress), balances of Piraeus Bank SA banking operations in Greece

PIRAEUS BANK

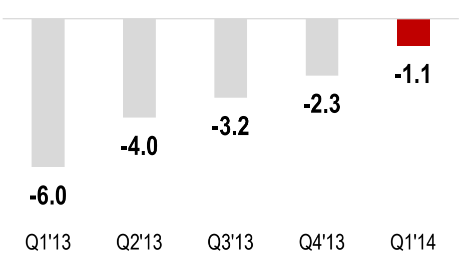
# Macro & Banking Market Update

# Greek Macro & Banking Market Update

## Macro Environment (1)

- **From twin deficits to twin surpluses**
  (C/A of 0.8% of GDP; primary fiscal balance of 0.8% in 2013; 2014 projection 2.0% and 1.6% respectively)
- **Economy has regained lost competitiveness** as measured by the nominal unit labor cost
- **Greece's first bond issue after a 4-year period**
- **Travel surplus** up 20% in 2013 vs. 2012; increase in tourist receipts by 16% y-o-y and tourists arrivals by 19% y-o-y
- **PMI** at 51.1 in Apr.2014, entering expansion area after 4.5 years
- **Greek economic sentiment** improved by 2.9 ppts to 95.5 in Apr.2014 vs. 92.6 in Jan.2014, highest since Sept.2008
- **Increased FDIs** in sectors such as real estate, energy, ports, logistics, construction, banking, gaming lottery, retail

### Greek GDP y-o-y change (%)




## Banking Environment

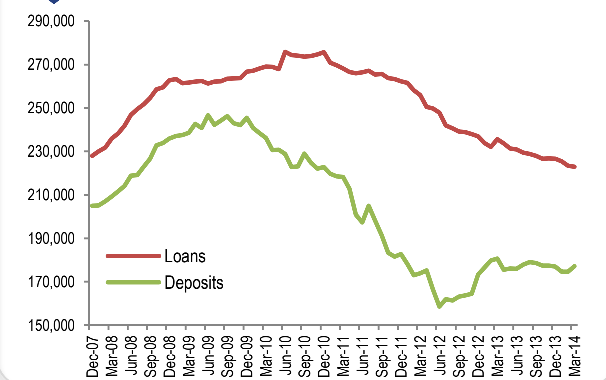
- **Customer deposits** have increased by 12% from trough (Jun.2012-Mar.2014)
- **Loans to deposits ratio** improved to 101% in Mar.2014 compared to 129% in Jun.2012
- **Interest rates on new time deposits** decreased by 220 bps since Jun.2012, down to 281 bps in Mar.2014 (2)
- **Eurosystem financing** down to €61 bn in Mar.2014, -55% vs. Jun.2012 peak (€136 bn)
- **Currency in circulation** down to €34 bn in Mar.2014, -25% vs. €45 bn peak in Jun.2012 (€20 bn level pre crisis)
- **LLRs over gross loans ratio** increased to15.6% in Mar.2014 (2.8% in Dec.2008)
- **€8.3 bn capital raised from 4 Banks in 2014,** in parallel with bond issues by 2 Banks

### Greek 10yr Bond Yield

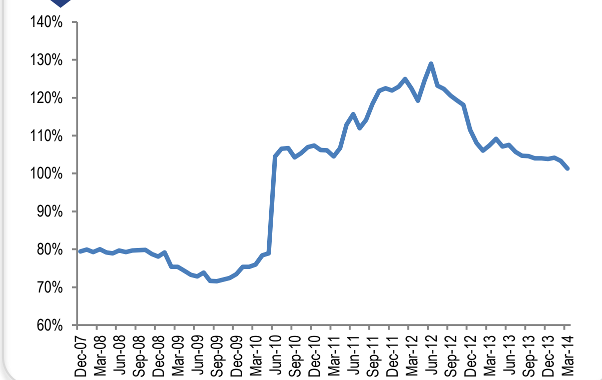

(1) IMF/ECB/European Commission. Other sources for this slide: EL.STAT., Eurostat, BoG, Markit. Note: PMI>50 level indicates growth
(2) Deposits from households with agreed maturity up to 1 year

# Greek Banking Market Key Figures

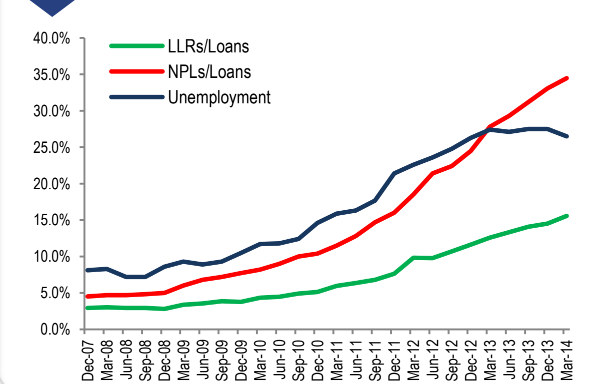
## Market Volumes Stabilzation (€ mn)



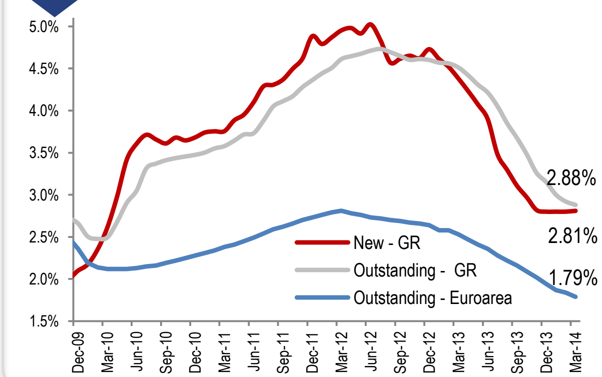

## Loan to Deposit Ratio at Healthy Level (%)




## High Level of LLRs and NPLs (% over Loans)




## Household Time Deposit Rates Decrease (%)

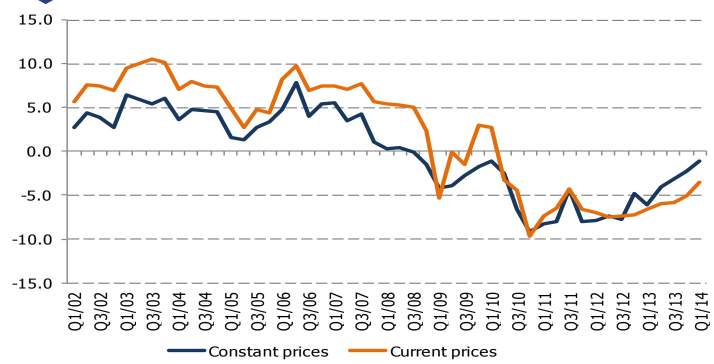



- Deposit market has remained stable y-t-d in Mar.2014
- Loan deleveraging continues; -4% y-o-y in Mar.2014
- NPLs ratio remains elevated (c.33% Dec.2013) post 6 years of recession; yet, LLRs over gross loans have climbed to 15.6% in Mar.2014
- **Banking market consolidation and deposit conditions normalization have contributed to the significant reduction of time deposit rates, providing upward potential for net interest income**

Source: Bank of Greece

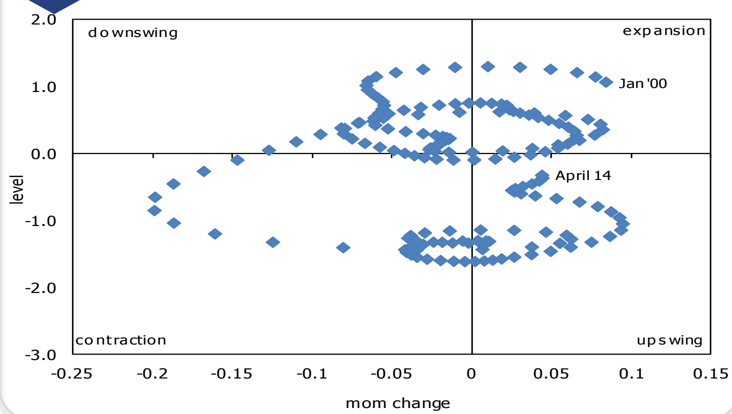
# Greek Economy Back on Track (I)

## GDP (y-o-y % change, nsa data)

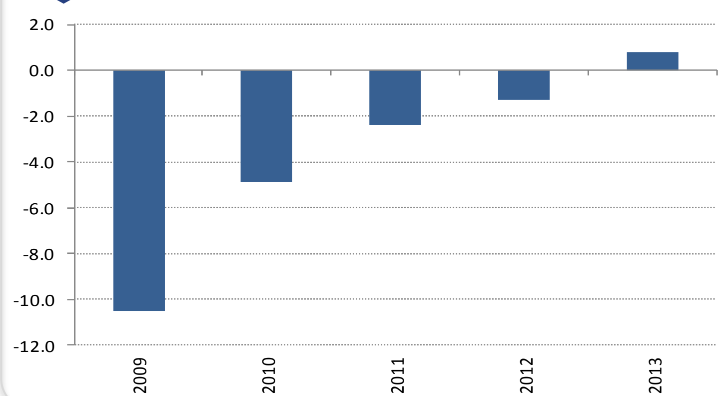



- According to the mapping of the business cycle, the Greek economic climate seems to be in an upswing phase
- In Q1 2014 real GDP contracted by 1.1% y-o-y. While this means that the Greek economy remains in recession, it also provides positive sign for the economy going forwards, as it is in full accordance with the trend observed since mid 2012, i.e. deceleration in the pace of contraction
- On the fiscal front challenges still remain, while fiscal consolidation is progressing. The 2013 primary balance budget target was met by a sizable margin. In 2013 the primary balance reached 0.8% of GDP (target 0.0% of GDP)
- Greece has returned to the Bond Markets after a 4year period. A 5-year bond with a principal amount of €3 bn, was issued on 10 April with an annual coupon of 4.75%. Demand was very high

## Economic Tracer




## General Government Primary Balance (% of GDP)*

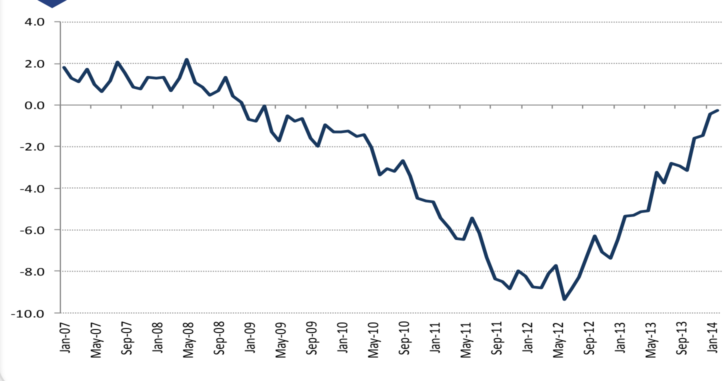



* Calculations based on program definitions as outlined in the TMU

Sources: European Commission DG ECFIN, ELSTAT, IMF, Piraeus Bank Economic Research

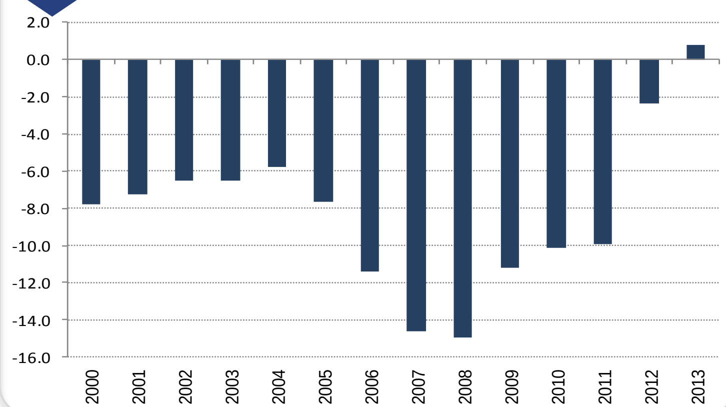
# Greek Economy Back on Track (II)

## Employment (y-o-y % change, sa data)

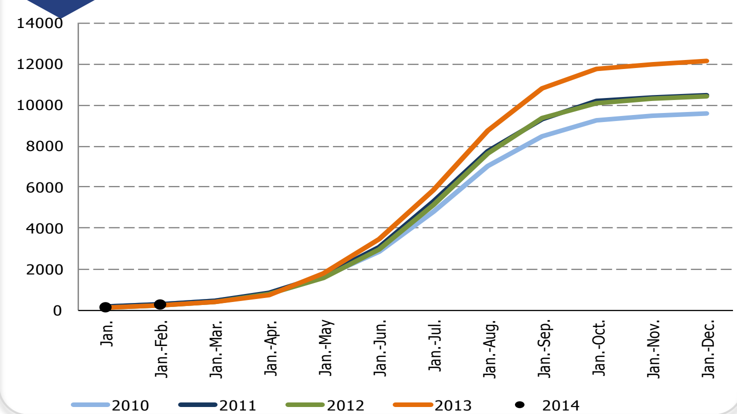



- Employment continues to decline, albeit at a slower pace, making high unemployment one of the major challenges for the Greek economy. Nonetheless, the implementation of a series of actions to boost employment will help limit increases in the unemployment rate
- The Current Account Balance shows a significant improvement, posting a surplus of €1.4bn (0.8% of GDP) in 2013
- The tourism industry is expected to be one of the main sectors which will lay foundations for the stabilization of the Greek economy

## Current Account Balance (as % of GDP)



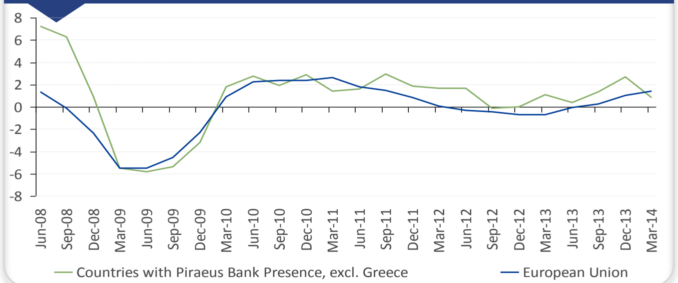

## Travel Receipts (cummulative, mn€)




Sources: Bank of Greece, ELSTAT, Piraeus Bank Economic Research

# SEE Macro Outlook

## Economic Growth




## Unemployment Rate

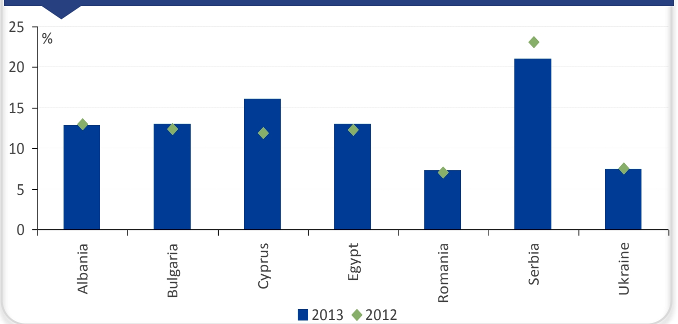



**Table of Economic Forecasts**

| | Real GDP (% y-o-y) | | Inflation | | Fiscal Balance (% GDP) | | Current Account Balance (% GDP) | |
|---|---|---|---|---|---|---|---|---|
| | 2013 | 2014f | 2013 | 2014f | 2013 | 2014f | 2013 | 2014f |
| Albania | 0.4 | 1.9 | 1.9 | 2.5 | -4.7 | -5.6 | -10.6 | -11.0 |
| Bulgaria | 0.8 | 1.9 | 0.9 | 1.0 | -1.8 | -1.9 | 1.9 | 0.5 |
| Cyprus | -5.4 | -4.2 | -0.4 | 0.5 | -5.1 | -5.5 | -1.9 | -1.0 |
| Egypt | 2.1 | 2.2 | 6.9 | 10.3 | -14.1 | -12.5 | -2.7 | -1.6 |
| Romania | 3.3 | 2.9 | 4.0 | 3.0 | -2.5 | -2.9 | -1.1 | -2.0 |
| Serbia | 2.5 | 1.3 | 7.9 | 5.1 | -4.8 | -6.5 | -4.9 | -4.9 |
| Ukraine | 0.0 | -5.0 | -0.3 | 8.3 | -4.4 | -5.2 | -9.2 | -4.4 |

*Sources: Piraeus Bank Research, IMF Ukraine: Country Report, National Statistical Sources*

## General Comments

- All countries in the region -with the exception of Egypt, Ukraine, Cyprus- are expected to register solid growth rates in 2014. Nevertheless, the transition to a new growth model based on investment and exports is proving rather challenging, limiting growth to levels substantially below their potential
- In 2013, the local Central Banks started a monetary policy easing cycle in order to strengthen local economic activity as inflationary pressures subside, but they are expected to halt the easing in 2014
- Fiscal measures have proved effective for most countries. However, the IMF has increased, and is expected to further increase, its involvement in the region
- External imbalances persist, but have significantly improved as activity and exports gain momentum

## Country Specifics

- **Albania:** strong ties to Greece and Italy keep economic activity subdued. The newly established financial assistance from the IMF will help to define the country's structural weaknesses and address the key growth drivers
- **Bulgaria:** economic activity has rebounded steadily due to strong services, as the country attempts to change the export-driven economic model. Impressive correction in the fiscal and external imbalances
- **Cyprus:** the country managed to outperform troika's expectations on a macro and fiscal level, providing visible green shoots, as economic contraction moderates. The implementation of the Economic Adjustment Programme and the restructuring of banking system will keep the economy in recession throughout 2014
- **Egypt:** growth remains at a standstill due to the ongoing political uncertainty, which threatens macroeconomic stability. The financial aid from the Arab world, however, in the last months of 2013 re-established much needed stability in the country
- **Romania:** economic activity improved significantly in 2013, while a positive step towards further improvement was the approval of the SBA by the IMF and from the European Commission (€2.0 bn each)
- **Serbia:** exports growth due to the automotive industry in the last year has led to a significant improvement in economic activity and the external sector. However, domestic final consumption is expected to counterbalance the positive effects from imports in the current year
- **Ukraine:** the ongoing developments in Ukraine remain extremely volatile, as the country has split into two parts. Key challenges the country will have to face, in addition to the socio-political turmoil, are debt service and the devaluation of the Ukrainian currency against the dollar. However, a positive development is the recently agreed IMF funding of USD 17 bn

PIRAEUS BANK

# Appendix

# Piraeus History at a Glance

*Assets: €92bn*

## 2012-2013
Consolidation, Piraeus Commercial Leadership

- **2013** - Migration of 6 banks - Recap €8.4 bn - Acquisition of Greek carve-out of Bank of Cyprus, Cyprus Popular Bank & HellenicBank, as well as Millennium Bank
- **2012** - Acquisition of "good" ATEbank and Geniki Bank

*€49bn*

## 2009-2011
Weathering the Economic Crisis

- **2012** - OPEX containment FTE rationalization branches optimization, participation in the PSI, sale of subsidiary Marathon Bank NY
- **2011** - Rights Issue of €0.8bn

*€55bn*

## 2004-2008
Strong Domestic and International Expansion

- **2008** - Establishment of Piraeus Bank Cyprus
- **2007** - Acquisition of ICB Ukraine
- **2005** - Acquisition of Eurobank in Bulgaria (Piraeus Bank Bulgaria), Atlas Banka in Serbia (Piraeus Bank Beograd), Egyptian Commercial Bank in Egypt (Piraeus Bank Egypt)

*Assets: €15bn*

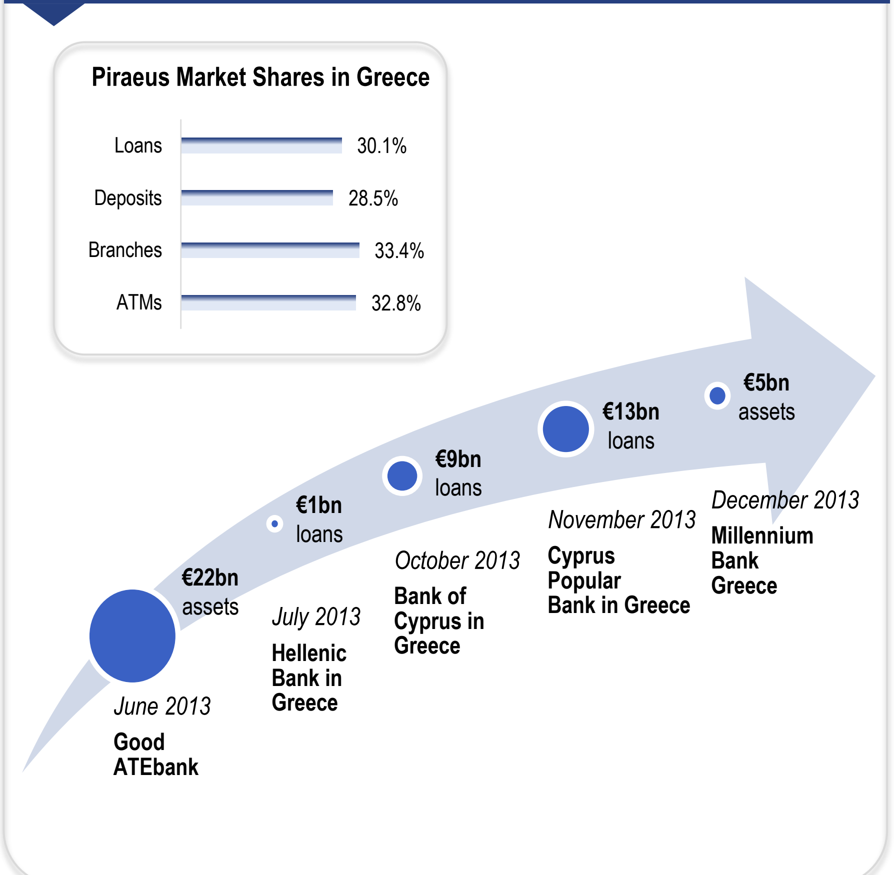
## 1992-2003
Critical Mass Attainment & Operational Overhaul

- **2003** - ETBAbank
- **2000** - Xiosbank, Macedonia-Thrace (triple merger)
- **1999** - NatWest Greece
- **1998** - Credit Lyonnais Greece
- **1997** - Chase Manhattan Greece
- **1996** - Establishment of Tirana Bank in Albania
- **1993** - 1st foreign branch in Bulgaria

Note: asset size refers to Dec.2003, Dec.2008, Dec.2011 and Dec.2013 respectively for each period illustrated

# Record-Time Integration of Legacy Banks

## Integration Roadmap




### Proven track record in post acquisition integration

- More than 20 mergers and acquisitions in the last 15 years
- 6 fully successful banking migration projects in the last 6 months
- Last 2 migrations in December 2013 (Millennium and ATEbank Romania) have completed the integration program, 6 months ahead of original timeline

'One Bank-One Platform'

### Superior infrastructure & project management culture

- 'Best in class' business and technology infrastructure
- Brand new, highly scalable Data Center in Athens; state-of-the-art Disaster Data Center in Salonica
- Data Center certified by Uptime Institute (Tier 4): only bank in Greece and among 50 top companies worldwide to have this certification
- Employees' training and culture homogenization among key priorities in the integration agenda, with emphasis in the front line

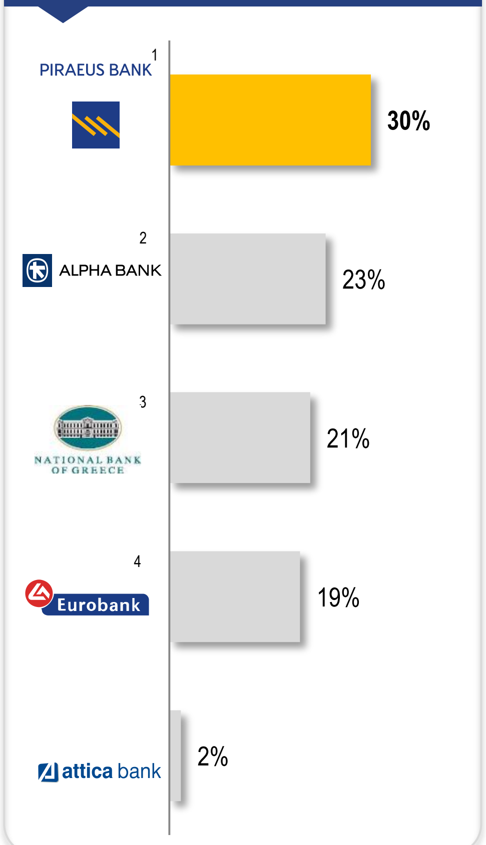
### Customer centric business approach

- Customer satisfaction and perception rates further improved as Piraeus has emerged as the #1 bank in the country

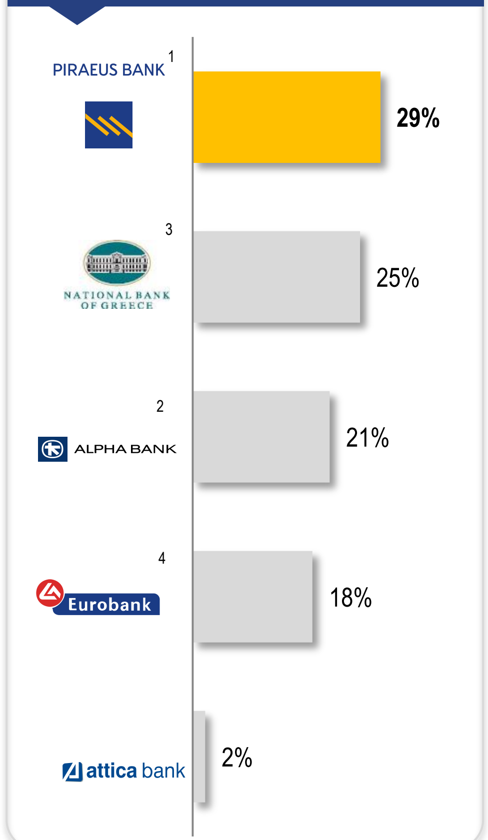
#1 web bank in Greece

# Premiere Franchise in Greece by Loans, Deposits and Footprint

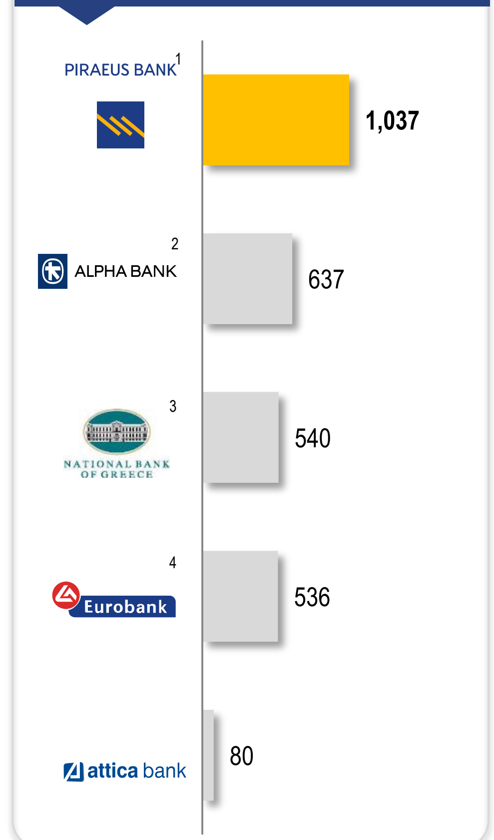
## Gross Loans - Greece (%)




## Customer Deposits - Greece (%)




## Greek Branch Network (#)

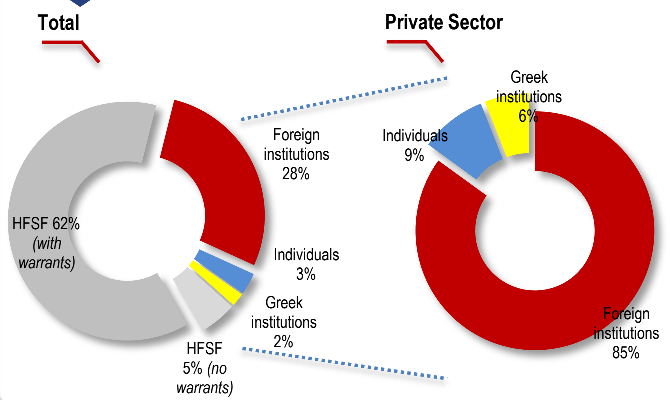



Source: Dec.2013 solo financial statements for Greek balances, i.e. adjusting for volumes booked in branches abroad; BoG for market data; peers' investor material for branches

(1) Includes Geniki, good ATEbank, Greek operations of Cypriot banks and Millennium
(2) Includes Emporiki Bank and the deposits of the 3 co-operative banks of West Macedonia, Dodecanese and Euboea
(3) Includes new FBB and new Probank
(4) Includes new Hellenic Postbank and new Proton Bank

# Shareholder Structure - Piraeus Stock Data

## Shareholder Structure - April 2014 (%)




- Shareholder structure of Piraeus Bank presents great diversity; total number of common shareholders 167 th
- The Hellenic Financial Stability Fund holds 67% of outstanding common shares post 2014 capital issue
- The remaining 33% is held by the private sector and in particular 30% by legal entities and 3% by individuals
- Largest private sector participation in Jun.2013 rights issue in absolute and relative terms (€1.4 bn or 20%)
- Strong international presence with 85% of free float currently held by foreign institutional investors

## Piraeus Stock & Warrant Data

| Common shares | |
|---|---|
| HFSF | 4.106 bn |
| Private sector | 1.996 bn |
| **Total*** | **6.102 bn** |

* post 2014 capital issue

| Warrant information | |
|---|---|
| Issued warrants | 849 mn |
| Shares per warrant | 4.48 |

**Warrant information**

| Exercise Date | Strike price |
|---|---|
| *Jan 2nd 2014* | *€1.7340* |
| Jul 2nd 2014 | €1.7680 |
| Jan 2nd 2015 | €1.8105 |
| Jul 2nd 2015 | €1.8530 |
| Jan 2nd 2016 | €1.9040 |
| Jul 2nd 2016* | €1.9550 |
| Jan 2nd 2017 | €2.0145 |
| Jul 2nd 2017 | €2.0740 |
| Jan 2nd 2018 | €2.1420 |

* end of HFSF lock-up period

- For each share subscribed by a private investor in the rights issue of Jun.2013, 1 warrant granting the right to acquire 4.48 common Piraeus shares from the HFSF has been provided
- Warrants can be exercised within 4.5 years following the share offering of Jun.'13; **second strike date July 2nd 2014 at €1.768**
- Strike price = subscription price + interest accruing at 4% in year 1, with an annual 1% step-up thereafter
- Warrants are traded on the ATHEX, detached from Piraeus Bank shares

# Loan Portfolio

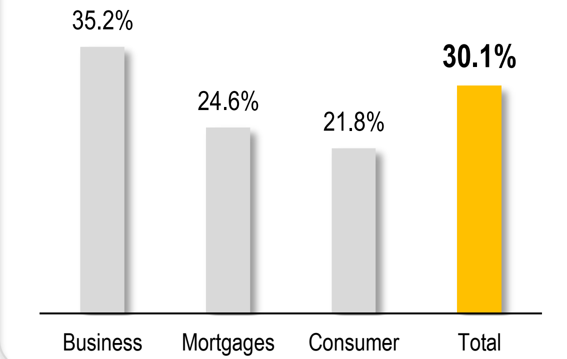
## Gross Loans Like-for-Like Evolution (€ mn)

| | Dec.'12 | Mar.'13 | Jun.'13 | Sept.'13 | Dec.'13 |
|---|---|---|---|---|---|
| **GROUP** | **78,624** | **76,535** | **75,679** | **74,787** | **76,114** |
| Business | 51,325 | 49,881 | 49,116 | 48,582 | 50,167 |
| Mortgages | 18,940 | 18,690 | 18,528 | 18,349 | 18,084 |
| Consumer | 8,359 | 7,964 | 8,034 | 7,856 | 7,862 |
| **GREECE** | **71,286** | **69,220** | **68,472** | **67,660** | **69,063** |
| Business | 45,945 | 44,474 | 43,759 | 43,278 | 44,916 |
| Mortgages | 18,213 | 17,975 | 17,820 | 17,651 | 17,392 |
| Consumer | 7,127 | 6,771 | 6,893 | 6,732 | 6,756 |
| **INTERNATIONAL** | **7,338** | **7,315** | **7,207** | **7,127** | **7,050** |
| Business | 5,380 | 5,407 | 5,358 | 5,304 | 5,252 |
| Mortgages | 727 | 715 | 708 | 699 | 692 |
| Consumer | 1,232 | 1,193 | 1,141 | 1,124 | 1,106 |

Note: December 2012 and 2013 included OPEKEPE seasonal loan of €2.1 bn and €1.9 bn respectively

- Group loans -3% y-o-y like for like and -1% q-o-q (excl. OPEKEPE seasonal facility)

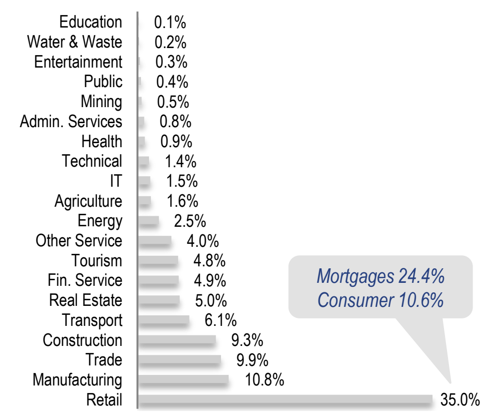
## Piraeus Bank Greek Loan Market Shares



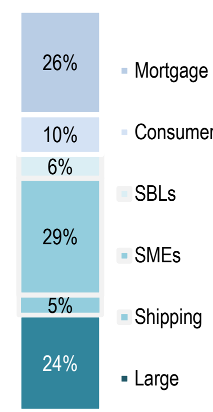

Source: solo financial statements of banks incl. adjustments for volumes booked in branches abroad, Bank of Greece for market

## Group Loans Breakdown (%)

(per sector, NACE II)




## Greek Portfolio Mix (%)



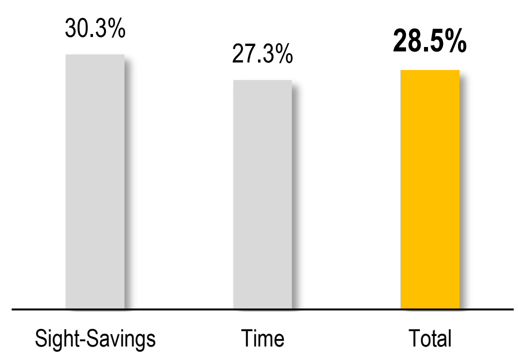

Shipping at 4% (included in transport); data exclude OPEKEPE

# Deposit Portfolio

## Deposits Like-for-Like Evolution (€ mn)

| | Dec.'12 | Mar.'13 | Jun.'13 | Sept.'13 | Dec.'13 |
|---|---|---|---|---|---|
| **GROUP** | **54,852** | **56,254** | **54,733** | **54,692** | **54,279** |
| Savings | 12,923 | 12,412 | 12,113 | 12,346 | 12,870 |
| Sight | 8,327 | 8,768 | 8,498 | 9,255 | 9,337 |
| Time | 33,602 | 35,074 | 34,123 | 33,091 | 32,072 |
| **GREECE** | **50,293** | **51,627** | **50,243** | **50,173** | **49,650** |
| Savings | 12,650 | 12,145 | 11,838 | 12,036 | 12,550 |
| Sight | 7,350 | 7,760 | 7,578 | 8,305 | 8,421 |
| Time | 30,293 | 31,722 | 30,828 | 29,831 | 28,679 |
| **INTERNATIONAL** | **4,559** | **4,627** | **4,490** | **4,519** | **4,629** |
| Savings | 273 | 266 | 275 | 310 | 320 |
| Sight | 977 | 1,008 | 920 | 950 | 916 |
| Time | 3,309 | 3,353 | 3,294 | 3,259 | 3,393 |

## Piraeus Bank Greek Deposit Market Shares




Source: solo financial statements of banks incl. adjustments for volumes booked in branches abroad, Bank of Greece for market

- Group deposit portfolio down 1% y-o-y on a like-for-like basis; same change q-o-q
- Same changes for Greek deposit portfolio; **excluding deposits from general government, group deposits portfolio increased +2% q-o-q**

# Selective Presence in the Region

## Market Shares (December 2013)

| | Loans | Deposits |
|---|---|---|
| Albania | 8.0% | 8.3% |
| Bulgaria | 4.3% | 2.9% |
| Cyprus | 1.3% | 2.0% |
| Egypt | 0.8% | 0.5% |
| Romania | 3.6% | 2.0% |
| Serbia | 2.8% | 2.0% |
| Ukraine | 0.2% | 0.2% |

Piraeus Bank volumes as per IFRS local books and Central Banks for market volumes

- 7 subsidiaries
- 2 branches (London, Frankfurt)

### Romania

| | |
|---|---|
| Branches (#) | 140 |
| Employees (#) | 1,690 |
| Assets (€ mn) | 1,851 |

### Bulgaria

| | |
|---|---|
| Branches (#) | 83 |
| Employees (#) | 920 |
| Assets (€ mn) | 1,773 |

### Albania

| | |
|---|---|
| Branches (#) | 53 |
| Employees (#) | 474 |
| Assets (€ mn) | 732 |

Net funding €0.1 bn
Capital €0.04 bn

### Ukraine

| | |
|---|---|
| Branches (#) | 37 |
| Employees (#) | 629 |
| Assets (€ mn) | 231 |

### Serbia

| | |
|---|---|
| Branches (#) | 42 |
| Employees (#) | 577 |
| Assets (€ mn) | 519 |

### Egypt

| | |
|---|---|
| Branches (#) | 41 |
| Employees (#) | 1,318 |
| Assets (€ mn) | 843 |

### Cyprus

| | |
|---|---|
| Branches (#) | 14 |
| Employees (#) | 307 |
| Assets (€ mn) | 1,100 |

### London

| | |
|---|---|
| Branch (#) | 1 |
| Employees (#) | 23 |
| Assets (€ mn) | 1,814 |

### Frankfurt

| | |
|---|---|
| Branch (#) | 1 |
| Employees (#) | 15 |
| Assets (€ mn) | 122 |

# Group P&L and Balance Sheet

| PROFIT & LOSS* (€ mn) | FY 2013 |
|---|---|
| Net interest income | 1,662 |
| Net fee income | 287 |
| Trading & other income | 186 |
| **Total net revenues** | **2,135** |
| *- o/w one-off items* | *(148)* |
| Employee costs | (885) |
| Administrative expenses | (626) |
| Depreciation & other | (127) |
| **Total operating costs** | **(1,637)** |
| *- o/w one-off items* | *(233)* |
| **Pre Provision Income** | **498** |
| *- PPI normalized for one-off items*** | *945* |
| Income from associates | (29) |
| Impairment charges on loans | (2,218) |
| Impairment charges on other assets | (314) |
| Negative goodwill from acquisitions | 3,810 |
| Profit Before Tax | 1,748 |
| Tax | 769 |
| **Net Profit attributable to SHs** | **2,532** |
| Discontinued Operations*** | 30 |

| BALANCE SHEET (€ mn) | Dec. 2013 |
|---|---|
| Cash/balance with central banks | 2,875 |
| Loans & advances to banks | 293 |
| Gross Loans | 76,114 |
| (Cumulative provisions) | (13,748) |
| Securities | 17,583 |
| *- o/w EFSF bonds* | *14,293* |
| Intangibles & goodwill | 300 |
| Fixed assets | 2,354 |
| Deferred tax assets | 2,862 |
| Other assets | 3,019 |
| Assets from discontinued operations | 358 |
| **Total assets** | **92,010** |
| Due to banks | 26,275 |
| Deposits | 54,279 |
| Debt securities | 561 |
| Other liabilities | 1,794 |
| Liabilities from discontinued operations | 557 |
| **Total liabilities** | **83,467** |
| Total equity | 8,543 |
| **Total liabilities & equity** | **92,010** |

* includes good ATEbank, Geniki, the Greek operations of Cypriot banks (as of 16 March 2013) and Millennium Bank Greece (as of 20 June 2013)
** including PPI from Cypriot carve-out 01.01.13-16.03.13, excluding Millennium and Geniki PPI loss
*** discontinued operations refer to ATE Insurance and ATE Insurance Romania

# Group Results: Domestic / International

## GREECE (€ mn)

| | FY 2013 |
|---|---|
| Net interest income | 1,338 |
| Net fee income | 237 |
| Trading & other income | 162 |
| Total net revenues | 1,737 |
| Employee costs | (781) |
| Administrative expenses | (520) |
| Depreciation & other | (94) |
| Total operating costs | (1,394) |
| Pre provision income | 342 |
| **Normalized pre provision income** | **789** |
| Impairment charges on loans | (1,912) |
| Impairment charges on other assets | (218) |
| Negative goodwill from acquisitions | 3,810 |
| Profit/Loss before tax | 1,992 |
| Tax | 758 |
| Net profit attributable to SHs | 2,758 |
| Discontinued operations* | 30 |

* discontinued operations refer to ATE Insurance

## INTERNATIONAL (€ mn)

| | FY 2013 |
|---|---|
| Net interest income | 324 |
| Net fee income | 50 |
| Trading & other income | 25 |
| Total net revenues | 399 |
| Employee costs | (104) |
| Administrative expenses | (106) |
| Depreciation & other | (33) |
| Total operating costs | (243) |
| Pre provision income | 156 |
| **Normalized pre provision income** | **156** |
| Impairment charges on loans | (305) |
| Impairment charges on other assets | (95) |
| Negative goodwill from acquisitions | - |
| Profit/Loss before tax | (244) |
| Tax | 11 |
| Net profit attributable to SHs | (226) |
| Discontinued operations* | 0 |

* discontinued operations refer to ATE Insurance Romania

# Communication

**Anthimos Thomopoulos,** CEO

**George Poulopoulos,** CFO

**Costas Adamopoulos,** Head, Business Planning, IR & Economic Analysis

**George Marinopoulos,** Director, Business Planning & IR

**Ilias Lekkos,** Chief Economist

**Chryssanthi Bermpati,** Head, IR

**Vicky Diamantopoulou,** Head, Business Planning


4 Amerikis St, 105 64 Athens
Tel. : (+30 ) 210 333 5026
investor_relations@piraeusbank.gr

Bloomberg: TPEIR GA <F8>
Reuters: BOPr.AT
www.piraeusbankgroup.com

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