

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

June 28th, 2017

PIRAEUS BANK





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On **Wednesday, June 28th, 2017 at 10:00 a.m.**,
in Athens at the King George Hotel, “Ballroom” Hall
(3 Vas. Georgiou A’ Str., 105 64, Athens)

EXPLANATORY NOTES TO THE AGENDA

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

1st Item

Submission and approval of the Annual Financial Statements for the fiscal year 01.01.2016 - 31.12.2016, together with the relevant Auditors’ and Board of Directors’ Reports

Required quorum: 1/5 of the share capital

Required majority: 50%+1 of votes represented

Note: *The voting rights attached to the shares acquired by the HFSF in the context of the capital increase decided by the Second Iterative General Meeting of Shareholders dated 23.04.2013 shall not be taken into consideration for the purposes of calculating quorum and majority.*

The Board of Directors proposes the approval of the following:

- a) the Annual Financial Statements for the fiscal year 01.01.2016-31.12.2016, along with the relevant Board of Directors’ and the Auditors’ reports. The 2016 Annual Financial Report, the full year 2016 Press Release and the relevant Presentation are available on Piraeus Bank’s website:

<http://www.piraeusbankgroup.com/en/investors/financials/financial-statements>

<http://www.piraeusbankgroup.com/en/investors/financials/financial-results-categories?category=12minou#2016|1>

- b) the non-distribution of dividends to the ordinary Shareholders, according to the applicable provisions (Article 44a Codified Law 2190/1920 as well as Article 1 Law 3723/2008, as in force, in conjunction with Article 19 par. 5 Law 3965/2011).
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2nd Item

Announcement of election of new Board Members in replacement of members who have resigned

The Board of Directors proposes the election of the new Board of Directors’ members by the Board during the period 27.05.2016 - 28.06.2017, in replacement of members who have resigned, for the remaining tenure of the Board, will be announced, pursuant to Article 18 par. 7 of Codified Law 2190/1920 and Article 9 of the Bank’s Articles of Association, as follows:

1. Pursuant to the BoD meeting on 8th June, 2016, Messrs. Karel De Boeck and Arne Berggren were elected as new Independent Non Executive Members,
2. Pursuant to the BoD meeting on 29th June 2016, Mr. George Pouloupoulos was elected as Deputy Managing Director (CEO),
3. Pursuant to the BoD meeting on 1st November, 2016 Mr. George Handjinicolaou was elected as new Non Executive Member,
4. Pursuant to the BoD meeting on 1st November, 2016 Messrs. Solomon Berahas and Enrico



Tommaso Cucchiani, were elected as new Non Executive Members,

5. Pursuant to the BoD meeting on 8th March, 2017 Mr. Christos Megalou was elected as Managing Director, Executive Member.

3rd Item

Release of the members of the Board of Directors and the Auditors from any liability for damages with respect to the fiscal year 01.01.2016 - 31.12.2016

Required quorum: 1/5 of the share capital

Required majority: 50%+1 of votes represented

Note: The voting rights attached to the shares acquired by the HFSF in the context of the capital increase decided by the Second Iterative General Meeting of Shareholders dated 23.04.2013 shall not be taken into consideration for the purposes of calculating quorum and majority.

The General Meeting, in accordance with article 35 of Codified Law 2190/1920, is asked to resolve on discharging the members of the Board of Directors and the Certified Auditors from any liability for damages with respect to the fiscal year 01.01.2016 – 31.12.2016.

4th Item

Nomination of (regular and substitute) Certified Auditors for the fiscal year 01.01.2017 - 31.12.2017

Required quorum: 1/5 of the share capital

Required majority: 50%+1 of votes represented

Note: The voting rights attached to the shares acquired by the HFSF in the context of the capital increase decided by the Second Iterative General Meeting of Shareholders dated 23.04.2013 shall not be taken into consideration for the purposes of calculating quorum and majority.

The Board of Directors proposes the acceptance of the proposal of the Board, following the relevant recommendation of the Audit Committee (meeting 146 / 18.01.2017), in accordance with the provisions

of Regulation (EU) 537/2014, that the auditing company under the name «Deloitte S.A.» be engaged to conduct the regular audit of the Bank's standalone and consolidated financial statements for the period from 01.01.2017 to 31.12.2017, at an annual fee of € 1,950,000.00 plus VAT. In order to issue the Annual Tax Certificate, the extra fee of the above auditing firm is € 165,000.00 plus VAT.

Deloitte S.A., having its registered office in Marousi Attikis (Fragoklissias 3a & Granikou), is a member of SOEL, under SOEL Reg. No. 120, registered on Hellenic Accounting and Auditing Standards Oversight Board (ELTE) and is authorized to carry out statutory audits in Greece, intends to assign the statutory audit to its member, Mr. Koutsopoulos Dimitrio, (SOEL Reg. No 26751), as statutory auditor, and its member Mrs. Randulf Hilde Beate, (SOEL Reg. No 37541), as his substitute, in case of impediment of the statutory auditor.

It is noted, as presented in detail in the table below, that the total auditor's fees of the Bank for the fiscal year 2016 amounted to €1.6 mn, out of which € 1.4 mn (90%) for audit related fees and €0.2mn (10%) for non audit related fees.

(amounts in thousand euros)	31.12.2016
Statutory audit fees	1,072
Tax audit fees	236
Other audit related fees	106
Other non audit related fees	154
Total	1,567

5th Item

Approval of fees and remunerations paid in respect of 2016 and preliminary approval for fees to be paid to members of the Board of Directors in respect of 2017

Required quorum: 1/5 of the share capital

Required majority: 50%+1 of votes represented

Note: The voting rights attached to the shares acquired by the HFSF in the context of the capital increase decided by the Second Iterative General Meeting of Shareholders dated



23.04.2013 shall not be taken into consideration for the purposes of calculating quorum and majority.

The BoD proposes the approval, pursuant to article 24 par.2 of Codified Law 2190/1920 of fees and remunerations paid to members of the BoD with respect to the fiscal year 2016. Following the relevant proposal of the Remuneration Committee, which consists of non-executive members of the Board (out of which, 3 independent non-executive members), and having taken into consideration the applicable legislative and regulatory framework, as in force, the total net fees and remunerations for all members of the Board amounted to €991,404.47.

It is noted that no bonus was paid to members of BoD during the fiscal year 2016.

Furthermore, the BoD suggests the preliminary approval of remunerations to be paid to the members of the BoD for the fiscal year 2017, the amount of which has been determined on the basis of the relevant proposal of the Remuneration Committee.

Detailed information on the paid remunerations for the fiscal year 2016 and the proposal of the preliminary approval of the remunerations for the fiscal year 2017 is available on Piraeus Bank's website <http://www.piraeusbank.gr/~media/D33A24643CB14587B70A22F435478776.ashx>

In all cases, the remunerations are paid, in compliance with the legislation and relevant regulatory framework, as in force.

6th Item

Election of the new Board of Directors due to expiration of its term, and appointment of Independent Non Executive Members of the Board, according to Law 3016/2002, as in force

Required quorum: 1/5 of the share capital	Required majority: 50%+1 of votes represented
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Note: The voting rights attached to the shares acquired by the HFSF in the context of the capital increase decided by the Second Iterative General Meeting of Shareholders dated

23.04.2013 shall not be taken into consideration for the purposes of calculating quorum and majority.

The Board of Directors proposes the election of a new Board of Directors due to the expiration of the term of the current Board of Directors elected on the 16th of May, 2014, and the appointment of Independent Non – Executive Members to the Board, in accordance with the applicable legislative and regulatory framework as in force.

According to art. 8 of the Bank's Articles of Association, the new Board of Directors has a term of three years, namely until the 28th of June, 2020, which may be extended until the Annual General Meeting convened after such term has lapsed.

It is noted that it will be proposed that the new Board of Directors will consist of eleven (11) members (including the HFSF Representative), of which five (5) members will be Independent Non Executive, in accordance with the provisions of Law 3016/2002 and the Law 3864/2010, as in force. The Independent Non Executive Members will be appointed by the General Meeting.

In parallel with the application of the legislative framework regarding the Governance of Financial Institutions Management, those members who will be appointed should have the appropriate formal and professional qualifications, in order to ensure the effective monitoring of the Bank's activities as a whole.

It is also noted that all new Board of Directors members are assessed by the Single Supervisory Mechanism (SSM) of the European Central Bank, as well as by the HFSF, in accordance with the legislative framework.

In the context of the aforementioned and upon the relevant recommendations of the Nominations Committee, the election of eleven (11) members will be proposed to the General Meeting will be proposed, of which five (5) members have the qualifications of Independent Non Executive Members.

A detailed table with the proposed candidates for the new Board of Directors is available on Piraeus Bank's website



<http://www.piraeusbank.gr/~media/9A75AACAA7E1418CA23E55996F27A979.ashx>

The CVs of the above mentioned persons are available on the Bank's website <http://www.piraeusbank.gr/~media/CFE25AF1463D4A4F863ECE3B09F5C2C3.ashx>

7th Item

Appointment of members of Audit Committee, according to article 44, of Law 4449/2017

Required quorum: 1/5 of the share capital

Required majority: 50%+1 of votes represented

Note: *The voting rights attached to the shares acquired by the HFSF in the context of the capital increase decided by the Second Iterative General Meeting of Shareholders dated 23.04.2013 shall not be taken into consideration for the purposes of calculating quorum and majority.*

Following submission of the relevant recommendation of the Nominations Committee, the Board of Directors proposes four (4) members for the composition of the Audit Committee. The HFSF Representative will also participate in the Committee.

The proposed composition of the Audit Committee is available on Piraeus Bank's website <http://www.piraeusbank.gr/~media/9A75AACAA7E1418CA23E55996F27A979.ashx>

In accordance with the current legislative and regulatory framework, the Audit Committee consists of at least three members. The members of the Audit Committee are either Non-Executive BoD Members or Non-Members of the BoD who are elected by the General Meeting especially in order to participate in the Committee. The members of the Committee are mostly Independent, within the meaning of the provisions of Law 3016/2002 as in force, and have documented sufficient knowledge of areas in which the Bank is active. At least one member has documented sufficient knowledge in accounting and auditing (international standards). The Chairman of the Committee must satisfy the independence conditions set out in Law 3016/2002, as in force.

Moreover, according to article 10 Law 3864/2010 and the Relationship Framework Agreement between the Bank and the HFSF, at least 3/4 of the members of the Committee (excluding the HFSF representative) are Independent Non-Executive Members, while the Chairman of the Audit Committee is appointed amongst one of the international experts who participates on the Board of Directors.

In the context of the above, it is noted that the above-mentioned proposed persons, have very good knowledge in the field of banking and general economic sector and their participation in the Audit Committee, will ensure the proper performance by the Committee of its responsibilities, in accordance with applicable law. In addition, the above persons (with the exception of the HFSF Representative appointed by the Fund) have already been proposed to be elected as BoD Members by the General Meeting.

8th Item

Authorization of the members of the Board of Directors and executive officers of the Bank to participate in the management of affiliated (as stipulated in article 32 of Law 4308/2014) companies of the Bank, in accordance with article 23 of Codified Law 2190/1920

Required quorum: 1/5 of the share capital

Required majority: 50%+1 of votes represented

Note: *The voting rights attached to the shares acquired by the HFSF in the context of the capital increase decided by the Second Iterative General Meeting of Shareholders dated 23.04.2013 shall not be taken into consideration for the purposes of calculating quorum and majority.*

The Board of Directors proposes the authorization of the Bank's BoD members, its Managers or Directors-General, its Heads of departments and the other executives to participate in the management of affiliated companies of the Bank, in accordance with article 23 Codified Law 2190/1920.



9th Item

Approval of agreements according to article 23a, of Codified Law 2190/1920

Required quorum: 1/5 of the share capital

Required majority: 50%+1 of votes represented

Note: *The voting rights attached to the shares acquired by the HFSF in the context of the capital increase decided by the Second Iterative General Meeting of Shareholders dated 23.04.2013 shall not be taken into consideration for the purposes of calculating quorum and majority.*

The Board of Director, in compliance with Article 23a, paragraph 2 of Codified Law 2190/1920, proposes the approval by the General Meeting of the following related party contracts:

1. Non executive member mandate, between the Bank and Mr. George Handjinicolaou, Chairman, for a three - year term, total annual gross remuneration 253,800 euros, participation in the existing bank's insurance programs, coverage of professional expenses and severance redress equal to 2 years aggregate pay in the event of termination of the contract, by the Bank without cause.
2. Executive member mandate, between the Bank Mr. Christos Megalou, Managing Director, for a three - year term, total annual gross remuneration 318,000 euros (including pension plan costs), with participation in the existing bank's insurance programs, coverage of professional expenses and severance redress equal to 2 years aggregate pay, in the event of termination of the contract, by the Bank without cause.

10th 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 Codified Law 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

Required quorum: 1/5 of the share capital

Required majority: 50%+1 of votes represented

The Bank's Board of Directors proposes to the Annual General Meeting of shareholders the increase in the nominal value of each common voting share of the Bank from EUR 0.30 to EUR 6.00 with reduction in the aggregate number of the Bank's old common registered voting shares from 8,733,183,280 down to 436,659,164 new common registered voting shares by means of a reverse split at a rate of twenty (20) old common shares of the Bank to one (1) new common share of the Bank.

The reverse split proposed is of a purely technical nature. It is aimed at facilitating Piraeus Bank stock trading in various international electronic platforms, by avoiding the current status of having three (3) decimals in the share price.

The Board of Directors believes that the reverse split proposed will facilitate the marketability of the Bank's stock to a broader range of investors, whose internal policies may prohibit them from investing in lower priced stocks.

The Bank's share capital post the aforementioned corporate action will remain unchanged versus pre reverse split execution status, thus at EUR 2,619,954,984.

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 par. 3, article 5 and the inclusion



of a new par. [43] to article 27 of the Articles of Association of the Bank, as follows:

or resolution (e.g. announcement of the resignation or replacement of a member of the Board of Directors, the course of the Bank's operations since the beginning of the fiscal year, etc.).

ARTICLE 5

SHARE CAPITAL

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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 two billion, six hundred and nineteen million, nine hundred and fifty four thousand, nine hundred and eighty four euro (2,619,954,984) divided into four hundred and thirty six million six hundred fifty nine thousand one hundred and sixty four (436,659,164) common registered voting shares of a nominal value of six euro (€6.00) each.

ARTICLE 27

HISTORICAL EVOLUTION OF THE SHARE CAPITAL

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43. Pursuant to the resolution of the Annual General Meeting dated 28.06.2017, it was decided the increase of the nominal value of each common share from thirty cents (€0.30) to six euros (€6.00), the simultaneous reduction, due to consolidation, of the total number of common shares of the Bank from eight billion, seven hundred and thirty three million, one hundred and eighty three thousand, two hundred and eighty (8,733,183,280) to four hundred and thirty six million six hundred fifty nine thousand one hundred and sixty four (436,659,164) (reverse split)

11th Item

Miscellaneous announcements

This item usually includes announcements regarding issues that the Board of Directors wishes to disclose to the General Meeting, but does not require voting

