

**PIRAEUS BANK S.A.**  
**EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS**

on Thursday, October 30th, 2014 at 11:00, in Athens at the Grande Bretagne Hotel, "Golden Room"  
Hall (1 Vas. Georgiou A' Str., 105 63, 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:

**1<sup>st</sup> Item :**

**Approval of the merger by acquisition between Piraeus Bank S.A. and its subsidiary "Geniki Bank S.A.", according to the provisions of article 79 of Law 2190/1920, as in force and in particular:**

- (i) **Approval of: a) the Draft Merger Agreement by acquisition of Geniki Bank S.A. by Piraeus Bank S.A., b) the Report of the Board of Directors of the Bank to the Shareholders General Meeting, pursuant to the provisions of article 69 par. 4 of Law 2190/1920 and c) the actions and/or statements carried out by the Board of Directors and its representatives or agents for the purposes of the aforementioned merger**
- (ii) **Authorizations for the signing of the merger agreement in the form of a notarial deed**

Quorum: 2/3 of the share capital	Majority: 2/3 of the represented votes
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Within the frame of the General Assembly, the Board of Directors will propose the approval of the merger of the Bank by its subsidiary "Geniki Bank S.A." taking into account the market conditions, the aim to promoting economies of scale and the subsequent benefits stemming of the above mentioned merger, as specified in the 01.09.2014 Report of the BoD. It must be noted that in order to protect the shareholders interest and to complete the merger procedures in the most efficient way, the provisions of the art. 79 C.L. 2190/1920, 1 -5 L. 2166/1993 and art. 16 L. 2515/1997 have been selected as the appropriate legal basis. Consequently, according to the selected legal framework the Bank' s Shareholders will receive the sum corresponding to their shares in cash, instead of acquiring Piraeus Bank shares.

In order to define the price that has to be paid to the Bank's shareholders, an evaluation of the Bank share has been conducted according to the globally approved principles and methods, taking into account the appropriateness of each method. The fair value of the price € 6.86 has been confirmed by external auditors as well, assigned with the above duty.

**2<sup>nd</sup> Item :**

**Cancellation of the Greek State preference shares of Law 3723/2008 following their full repayment. Corresponding reduction of the share capital and amendment of Articles 5 and 27 of the Bank's Articles of Association**

Quorum: 2/3 of the share capital	Majority: 2/3 of the represented votes
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The Board of Directors will propose to the General Meeting the cancellation of the preference shares issued by the Bank in favour of the Greek State, the corresponding reduction of the share capital and the amendment of articles 5 and 27 of the Bank's Articles of Association taking into consideration the following:

According to a resolution adopted by the Bank's shareholders at an Extraordinary General Meeting held on 23 January 2009, the Bank issued on 22/05/2009 77,568,134 redeemable convertible preference shares at a nominal value of €4.77 per share following cancellation of the pre-emption right of the existing shareholders in favor of the Greek State, which were subscribed in their entirety by the Greek state, through the transfer by the latter to the Bank of an equivalent amount of Greek government bonds, in accordance with Law 3723/2008.

In addition, pursuant to a shareholders' resolution passed at the Extraordinary General Meeting on 23.12.2011, the Bank increased its share capital by issuing 1,266,666,666 redeemable convertible preference shares of a nominal value of €0.30 per share, following cancellation of the pre-emption right of its existing shareholders, which were subscribed in their entirety by the Greek state through the transfer by the latter to the Bank of an equivalent amount of Greek government bonds, in accordance with Law 3723/2008.

The General Meeting of the Bank's Shareholders resolved, at its meeting held on 28/03/2012, the increase of the share capital through payment in cash for the purposes of raising capital up to € 1,750,000,000 (including amounts above par) with the increase of the share capital by the amount of €308,823,529.20 and the issuance of 1,029,411,764 new ordinary registered shares of nominal value €0.30 per share and a subscription price of €1.70 per share, and cancellation of the pre-emption rights of existing shareholders, with the aim, *inter alia*, to redeem in full the preference shares held by the Greek State.

After the successful completion of the abovementioned capital increase, the Bank proceeded on 21/05/2014, following relevant decision adopted by its Board of Directors, to the full redemption, pursuant to art.1 para.1 ind. six of Law 3723/2008 and art. 1 para (c) of the Ministerial Decision no 5420/B/2884, as amended and currently in force, of the above-mentioned preference shares amounting to € 750,000,000 held by the Greek State and issued by the Bank in accordance with Law 3723/2008 on "Hellenic Republic Bank Support Plan" and the relevant resolutions of the Bank's Shareholders General Meeting dated 23/01/2009 and 23/11/2011.

Consequently, it is necessary to cancel the abovementioned preference shares issued by the Bank and owned by the Greek State, to reduce the share capital accordingly and to amend articles 5 (share capital) and 27 (share capital historical evolution) of the Bank's Articles of Association in order to reflect the relative change in the share capital following said reduction. Drafts of the proposed amendments are set out below.

## **ARTICLE 5**

### **SHARE CAPITAL**

3. Today, following successive corporate actions set out in detail in article 27 hereof titled “Share Capital Historical Evolution”, the Bank’s total share capital amounts to one billion eight hundred and thirty million five hundred and ninety three thousand, nine hundred fourteen euros and fifty cents (€1,830,593,914.50) divided into six billion, one hundred and one million, nine hundred and seventy nine thousand, seven hundred and fifteen (6,101,979,715) common registered voting shares of a nominal value of thirty cents (€0.30) each.

## **ARTICLE 27**

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### **SHARE CAPITAL HISTORICAL EVOLUTION**

39. Pursuant to the resolution passed at the Extraordinary General Shareholders’ Meeting held on ....., and following the redemption on 21/05/2014 of the entirety of the preference shares issued by the Bank in accordance with the provisions of Law 3723/2008 on “Hellenic Republic Bank Support Plan” and the General Shareholders’ Meetings resolutions dated 23/01/2009 and 23/11/2012 and owned by the Greek State, and their respective cancellation, the share capital was decreased by the amount of € 749,999,999.98.

### **3<sup>rd</sup> Item :**

#### **Miscellaneous announcements**

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