

## Piraeus Bank S.A. announces Tender Offers for certain Subordinated Securities

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2 March 2012. Piraeus Bank S.A. (the **Bank**) announced today its invitation to (a) holders of the outstanding €200,000,000 Series A Floating Rate Non-Cumulative Guaranteed Non-Voting Preferred Securities of Piraeus Group Capital Limited (ISIN: XS0204397425) (the **Preferred Securities**) to tender their Preferred Securities for purchase by the Bank for cash and (b) holders of the outstanding €400,000,000 Subordinated Callable Step-up Floating Rate Notes due 2016 of Piraeus Group Finance PLC (ISIN: XS0261785504) (the **Lower Tier 2 Notes** and, together with the Preferred Securities, the **Securities**) to tender their Lower Tier 2 Notes for purchase by the Bank for cash (each an **Offer** and together the **Offers**).

The Offers are being made on the terms and subject to the conditions contained in the tender offer memorandum dated 2 March 2012 (the **Tender Offer Memorandum**) prepared by the Bank, and are subject to the offer restrictions set out below and as more fully described in the Tender Offer Memorandum.

Copies of the Tender Offer Memorandum are (subject to distribution restrictions) available from the Tender Agent as set out below. Capitalised terms used in this announcement but not defined have the meanings given to them in the Tender Offer Memorandum.

	ISIN / Common Code	Outstanding Nominal Amount / Liquidation Preference *	Purchase Price	Amount subject to the relevant Offer
<b>Preferred Securities</b>	XS0204397425 / 020439742	€158,636,000	37 per cent.	Any and all
<b>Lower Tier 2 Notes</b>	XS0261785504 / 026178550	€330,172,000	50 per cent.	Any and all

\* Nominal amount or liquidation preference, as applicable, of the Securities outstanding, excluding Securities previously purchased by the Bank or its subsidiaries and held by the Bank or its subsidiaries as at the date of this Tender Offer Memorandum.

### Rationale for the Offer

The purpose of the Offers is to generate Core Tier One capital for Piraeus Bank S.A. and its subsidiaries (together, the **Group**) and to optimise the Group's regulatory capital structure. If completed, the Offers would generate a gain for the Group and thereby increase Core Tier One capital. The Offers also provide investors with an opportunity to monetise their investments at the relevant Purchase Price.

The Offers reflect the Group's focus on the generation of capital of the highest quality with a positive impact on the Group's Core Tier One capital, ahead of the implementation in the European Union of the proposals (known as Basel III) relating to risk-based capital ratios promulgated by the Basel Committee on Banking Supervision in December 2010. In addition, the Bank of Greece has also emphasised a need for Greek banks to increase their Core Tier One capital ratios following the Greek sovereign debt crisis, which has had severe implications for Greek financial institutions, as well as the potential additional adverse impact on capital resulting from the diagnostic exercise on the Bank's Greek loan book, similar to exercises being carried out on all major Greek banks by BlackRock (as mandated by the Bank of Greece pursuant to the stabilisation programme agreed by the Greek government in May 2010 and jointly supported by the International Monetary Fund, the European Central Bank and the member states of the eurozone (the **IMF/eurozone Stabilisation and Recovery Programme**)) and the expected participation of the Bank in the Private Sector Involvement (known as the PSI) through a voluntary rollover of Greek government bonds. In view of these challenges, Greek banks are now expected to be required by the IMF/eurozone Stabilisation and Recovery Programme to maintain a Core Tier One ratio of initially 9 per cent. within 2012 and 10 per cent. as of 1 January 2013, with measures necessary to meet such thresholds to be commenced in 2012.

As at the date of this announcement, no decisions have been taken with regard to the exercise of call rights in respect of the Preferred Securities, and any decision to exercise calls in respect of Preferred Securities that are not acquired pursuant to the Offers will be made on the basis of prevailing economic conditions, the then-current regulatory framework and the best interests of the Group, subject, in any case, to the approval of the Bank of Greece. Any decision with respect to payments of future distributions on Preferred Securities that are not acquired pursuant to the Offers will also be made on the basis of these considerations, subject to any limitations contained in the terms of the Preferred Securities not to make such payments and, if contemplated or permitted by the relevant terms, any requirement of the Bank of Greece not to make such payments. In addition, currently, no calls or payments of distributions may be made without first consulting the European Commission Directorate-General for Competition (the **DG Comp**) pursuant to European Commission State Aid measures put in place for Greece. The DG Comp has communicated that, in principle, banks should not call financial instruments or pay distributions if it would endanger the viability of the relevant bank or if it would be contrary to the principle of state aid.

The Group intends to hold any Preferred Securities purchased by the Bank pursuant to the Offers and, in relation to any Lower Tier 2 Notes purchased by the Bank pursuant to the Offers, reserves the right to transfer, re-issue, resell or surrender such securities for cancellation.

The Bank is a member of the Group and each issuer of the Securities is aware of the Bank's intention to make the Offers.

### **Details of the Offers**

The Bank will pay for the Preferred Securities validly tendered and accepted by it for purchase pursuant to the relevant Offer a purchase price (the **Preferred Securities Purchase Price**) equal to 37 per cent. of the nominal liquidation preference of such Preferred Securities, and will also pay an Accrued Dividend Payment in respect of such Preferred Securities.

The Bank will pay for the Lower Tier 2 Notes validly tendered and accepted by it for purchase pursuant to the relevant Offer a purchase price (the **Lower Tier 2 Notes Purchase Price** and, together with the Preferred Securities Purchase Price, the **Purchase Prices** and each a **Purchase Price**) equal to 50 per cent. of the nominal amount of such Lower Tier 2 Notes, and will also pay an Accrued Interest Payment in respect of such Lower Tier 2 Notes.

### **Tender Instructions**

In order to participate in, and be eligible to receive the relevant Purchase Price pursuant to the relevant Offer, Holders must validly tender their Securities by delivering, or arranging to have delivered on their behalf, a valid Tender Instruction that is received by the Tender Agent by 4.00 p.m. (London time) on 9 March 2012. **Tender Instructions will be irrevocable** except in the limited circumstances described in the Tender Offer Memorandum.

Tender Instructions must be submitted in respect of a minimum liquidation preference or nominal amount, as applicable, of Securities of the relevant Series of no less than the minimum liquidation preference or denomination, as applicable, for such Series (being €1,000 in the case of the Preferred Securities and €50,000 in the case of the Lower Tier 2 Notes), and may thereafter be submitted in integral multiples of €1,000.

A separate Tender Instruction must be completed on behalf of each beneficial owner and in respect of each Series.

## Indicative Timetable for the Offer

<i>Events</i>	<i>Times and Dates</i>
Commencement of the Offers	Friday, 2 March 2012
Expiration Deadline	4.00 p.m. (London time) on Friday, 9 March 2012
Announcement of Offer Results	As soon as reasonably practicable on Monday, 12 March 2012
Expected Settlement Date for the Offers	Wednesday, 14 March 2012

*The Bank may, in its sole discretion, extend, re-open, amend, waive any condition of or terminate either or both of the Offers at any time (subject to applicable law and as provided in the Tender Offer Memorandum) and the above times and dates are subject to the right of the Bank to so extend, re-open, amend and/or terminate either or both of Offers.*

*Holders are advised to check with any bank, securities broker or other intermediary through which they hold Securities when such intermediary would need to receive instructions from a Holder in order for that Holder to be able to participate in, or (in the limited circumstances in which revocation is permitted) revoke their instruction to participate in, the Offers by the deadlines set out above. **The deadlines set by any such intermediary and each Clearing System for the submission and withdrawal of Tender Instructions will be earlier than the relevant deadlines set out above and in the Tender Offer Memorandum.***

*Unless stated otherwise, announcements in connection with the Offers will be made (i) by publication on the website of the Luxembourg Stock Exchange at [www.bourse.lu](http://www.bourse.lu) and (ii) by the delivery of notices to the Clearing Systems for communication to Direct Participants. Such announcements may also be found on the relevant Reuters Insider Screen and be made by the issue of a press release to a Notifying News Service. Copies of all such announcements, press releases and notices can also be obtained upon request from the Tender Agent, the contact details for which are below. Significant delays may be experienced where notices are delivered to the Clearing Systems and Holders are urged to contact the Tender Agent for the relevant announcements during the course of the Offers. In addition, Holders may contact the Dealer Managers for information using the contact details below.*

**Holders are advised to read carefully the Tender Offer Memorandum for full details of, and information on the procedures for, participating in the Offers.**

Barclays Bank PLC and Morgan Stanley & Co. International plc are acting as Dealer Managers for the Offers and Lucid Issuer Services Limited is acting as Tender Agent.

Questions and requests for assistance in connection with the Offers may be directed to the Dealer Managers.

### ***The Dealer Managers***

**Barclays Bank PLC**  
5 The North Colonnade  
Canary Wharf  
London E14 4BB  
United Kingdom

Telephone: +44 20 7773 8575  
Attention: Liability Management Group  
Email:  
[eu.lm@barcap.com](mailto:eu.lm@barcap.com)

**Morgan Stanley & Co. International plc**  
25 Cabot Square  
Canary Wharf  
London E14 4QA  
United Kingdom

Telephone: +44 20 7677 0541  
Attention: Liability Management Europe  
Email:  
[liabilitymanagementeuropa@morganstanley.com](mailto:liabilitymanagementeuropa@morganstanley.com)

Questions and requests for assistance in connection with the delivery of Tender Instructions may be directed to the Tender Agent.

***The Tender Agent***

**Lucid Issuer Services Limited**

Leroy House  
436 Essex Road  
London N1 3QP  
United Kingdom

Telephone: +44 20 7704 0880  
Attention: David Shilson / Thomas Choquet  
Email: [piraeus@lucid-is.com](mailto:piraeus@lucid-is.com)

**DISCLAIMER** This announcement must be read in conjunction with the Tender Offer Memorandum. This announcement and the Tender Offer Memorandum contain important information which should be read carefully before any decision is made with respect to the Offers. If any Holder is in any doubt as to the contents of the Tender Offer Memorandum or the action it should take, it is recommended to seek its own financial advice, including in respect of any tax consequences, from its stockbroker, bank manager, solicitor, accountant or other independent financial, tax or legal adviser. Any individual or company whose Securities are held on its behalf by a broker, dealer, bank, custodian, trust company or other nominee must contact such entity if it wishes to tender such Securities pursuant to the Offers. None of the Bank, the Dealer Managers or the Tender Agent or any of their respective directors, employees or affiliates makes any recommendation whether Noteholders should tender Securities pursuant to the Offers.

**OFFER AND DISTRIBUTION RESTRICTIONS**

The distribution of this announcement and the Tender Offer Memorandum in certain jurisdictions may be restricted by law. Persons into whose possession this announcement and/or the Tender Offer Memorandum comes are required by each of the Bank, the Dealer Managers and the Tender Agent to inform themselves about, and to observe, any such restrictions. Neither this announcement nor the Tender Offer Memorandum constitutes an offer to buy or a solicitation of an offer to sell the Securities (and tenders of Securities in an Offer will not be accepted from Holders) in any circumstances in which such offer or solicitation is unlawful. In those jurisdictions where the securities, blue sky or other laws require an Offer to be made by a licensed broker or dealer and any Dealer Manager or any of the Dealer Managers' affiliates is such a licensed broker or dealer in any such jurisdiction, such Offer shall be deemed to be made by such Dealer Manager or such affiliate, as the case may be, on behalf of the Bank in such jurisdiction.

**United States.** The Offers are not being made, and will not be made, directly or indirectly, in or into, or by use of the mails of, or by any means or instrumentality of interstate or foreign commerce of, or of any facilities of a national securities exchange of, the United States or to any U.S. Person (as defined in Regulation S of the United States Securities Act of 1933, as amended (each a **U.S. Person**)). This includes, but is not limited to, facsimile transmission, electronic mail, telex, telephone, the internet and other forms of electronic communication. The Securities may not be tendered in the Offers by any such use, means, instrumentality or facility from or within the United States or by persons located or resident in the United States or by, or by any person acting for the account or benefit of, a U.S. Person. Accordingly, copies of this announcement, the Tender Offer Memorandum and any other documents or materials relating to the Offers are not being, and must not be, directly or indirectly, mailed or otherwise transmitted, distributed or forwarded (including, without limitation, by custodians, nominees or trustees) in or into the United States or to any persons located or resident in the United States or to any U.S. Person. Any purported tender of Securities in an Offer resulting directly or indirectly from a violation of these restrictions will be invalid and any purported tender of Securities made by, or by any person acting for the account or benefit of, a U.S. Person or by a person located in the United States or any agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within the United States will be invalid and will not be accepted. Each holder of Securities participating in an Offer will represent that it is not a U.S. Person, it is not located in the United States and is not participating in such Offer from the United States or it is acting on a non-discretionary basis for a principal located outside the United States that is not giving an order to participate in such Offer from the United States and is not a U.S. Person. For the purposes of this paragraph, **United States** means the United States of America, its territories and possessions (including Puerto Rico, the U.S Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands), any state of the United States of America and the District of Columbia.

**Italy.** None of the Offers, this announcement, the Tender Offer Memorandum or any other document or materials relating to the Offers have been submitted to the clearance procedures of the *Commissione Nazionale per le Società e la Borsa (CONSOB)* pursuant to Italian laws and regulations. The Offers are being carried out in Italy as exempted offers pursuant to article 101-bis, paragraph 3-bis of the Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial Services Act**) and article 35-bis, paragraph 3 of CONSOB Regulation No. 11971 of 14 May 1999, as amended (the **Issuers' Regulation**). Accordingly, the Offers are not available to investors located in Italy that do not qualify as qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of the Financial Services Act and Article 34-ter, paragraph 1, letter b) of the Issuers' Regulation (**Ineligible Italian Investors**). Ineligible Italian Investors may not tender Securities in either Offer and none of this announcement, the Tender Offer Memorandum or any other documents or materials relating to the Offers or the Securities may be distributed or made available to Ineligible Italian Investors. Holders or beneficial owners of the Securities that are located in Italy and qualify as qualified investors (*investitori qualificati*) can tender Securities for purchase through authorised persons (such as investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007, as amended from time to time, and Legislative Decree No. 385 of September 1, 1993, as amended) and in compliance with applicable laws and regulations or with requirements imposed by CONSOB or any other Italian authority.

**United Kingdom.** This announcement and the Tender Offer Memorandum have been issued by Piraeus Bank S.A. (the **Bank**), which is regulated by the Bank of Greece and is also subject to limited regulation by the United Kingdom Financial Services Authority (the **FSA**) of 25 The North Colonnade, Canary Wharf, London E14 5HS, United Kingdom. This announcement and the Tender Offer Memorandum are being distributed only to existing holders of the Securities, and are only addressed to such existing Holders where they would (if they were clients of the Bank) be professional clients or eligible counterparties of the Bank within the meaning of the FSA rules. Neither this announcement nor the Tender Offer Memorandum are addressed to or directed at any persons who would be retail clients within the meaning of the FSA rules and any such persons should not act or rely on it. Recipients of this announcement or the Tender Offer Memorandum should note that the Bank is acting on its own account in relation to the Offers and will not be responsible to any other person for providing the protections which would be afforded to clients of the Bank or for providing advice in relation to either Offer.

In addition, the communication of this announcement, the Tender Offer Memorandum and any other documents or materials relating to the Offers has not been approved by an authorised person for the purposes of section 21 of the Financial Services and Markets Act 2000. Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials as a financial promotion is only being made to those persons in the United Kingdom falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the **Financial Promotion Order**)), persons who are within Article 43 of the Financial Promotion Order or any other persons to whom it may otherwise lawfully be made under the Financial Promotion Order.

**France.** The Offers are not being made, directly or indirectly, to the public in the Republic of France (**France**). None of this announcement, the Tender Offer Memorandum or any other document or material relating to the Offers has been or shall be distributed to the public in France and only (i) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*) and/or (ii) qualified investors (*investisseurs qualifiés*), other than individuals, acting for their own account, all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French *Code monétaire et financier*, are eligible to participate in the Offers. Neither this announcement nor the Tender Offer Memorandum have been or will be submitted for clearance to or approved by the *Autorité des Marchés Financiers*.

**Belgium.** None of this announcement, the Tender Offer Memorandum or any other documents or materials relating to the Offers have been submitted to or will be submitted for approval or recognition to the Belgian Financial Services and Markets Authority (*Autoriteit voor Financiële Diensten en Markten / Financial Services and Markets Authority*) and, accordingly, neither Offer may be made in Belgium by way of a public offering, as defined in Article 3 of the Belgian Law of 1 April 2007 on public takeover bids or as defined in Article 3 of the Belgian Law of 16 June 2006 on the public offer of placement instruments and the admission to trading of placement instruments on regulated markets, each as amended or replaced from time to time. Accordingly, neither Offer may be advertised and neither Offer will be extended, and none of this announcement, the Tender Offer Memorandum or any other documents or materials relating to the Offers (including any memorandum, information circular, brochure or any similar documents) has been or shall be distributed or made available, directly or indirectly, to any person in Belgium other than "*qualified investors*" in the sense of Article 10 of the Belgian Law of 16 June 2006 on the public offer of placement instruments and the admission to trading of placement instruments on regulated markets (as amended from time to time), acting on their own account. Insofar as Belgium is concerned, this announcement and the Tender Offer Memorandum have been issued only for the personal use of the above qualified investors and exclusively for the purpose of the Offers. Accordingly, the

information contained in this announcement and the Tender Offer Memorandum may not be used for any other purpose or disclosed to any other person in Belgium.

**Greece.** None of this announcement, the Tender Offer Memorandum or any other documents or materials relating to the Offers constitute a "public offer" (*dimossia prosfora*), within the meaning of Greek Law 3401/2005, or a "tender offer" (*dimossia protassi*), within the meaning of Greek Law 3461/2006, for the purchase of Securities in the territory of the Hellenic Republic. Accordingly, neither the Tender Offer Memorandum, this announcement or any other documents or materials relating to the Offers have or will be submitted to the Hellenic Capital Market Commission for approval pursuant to such laws.