

PIRAEUS BANK



Announcement

Subsequent to the 30 October and 12 November 2020 announcements, Piraeus Bank would like to inform the investment community that it has received a draft preliminary decision of the Supervisory Board of the European Central Bank (ECB) indicating the supervisor's intention not to approve the request of the Bank to pay in cash the coupon of the Contingent Convertible Security (CoCo) in the amount of €165mn to the Hellenic Financial Stability Fund (HFSF), due on 2 December 2020.

According to the applicable procedure, the final decision will be taken by the ECB's Governing Council and is expected to be communicated to the Bank in the following days. As soon as the final decision is received, Piraeus Bank will inform the investment community, in accordance with the existing legislative and regulatory framework.

In case the final ECB decision rules out the cash payment of the CoCo coupon and non-payment of the coupon leads to conversion of the CoCo into ordinary shares, the Bank's capital trajectory will be materially improved given: (a) the transformation of the CoCo into tangible book value; and (b) the approximately 40 basis points of additional CET1 capital generation per annum, or €495mn in coupon payment savings in three years by 2022, further strengthening the overall capital structure of the Bank. It is noted that, in accordance with the terms of the CoCo, the fully discretionary non-payment of the coupon and the resulting CoCo conversion do not constitute a default in payment and will not trigger any cross-default clauses.

The enhanced capital trajectory is expected to facilitate the Bank's NPE reduction strategy in the forthcoming period. The progress of the Bank's operating performance continues unabated, as well as the execution of its NPE derisking and transformation plan. Total capital adequacy ratio currently stands at 16.1% with CET1 ratio at 14.1%.

Piraeus Bank will publish its nine months 2020 results on Monday 23 November 2020, post the closing of the ATHEX trading session.

Athens, 16 November 2020