

# **Second Quarter 2018 Results**

30 August 2018

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## 2Q 2018 results

## Highlights

### 1 Net profit<sup>1</sup> €55m in 2Q18; €113m in 1H18

- Core pre-provision income (PPI) up 6.3% q-o-q; up 1.3% y-o-y
- NII stable q-o-q; down 1.5% y-o-y
- Commission income up 15.3% q-o-q; up 5.5% y-o-y
- Operating expenses Greece down 3.4% y-o-y, total down 2.0% y-o-y

### 2 Asset Quality

- Negative NPE formation at €199m
- NPE stock down €0.6bn in 2Q18; down €1.1bn in 1H18
- NPE ratio down 110bps q-o-q at 40.7%
- Provisions / NPEs at 55.9%

### 3 Liquidity

- Deposits up by €1.1bn q-o-q; Greece up €0.9bn q-o-q, €2.2bn in 1H18
- Current ELA funding at €1.8bn; €6.1bn down from December 2017
- L/D ratio at 99.3%

### 4 Capital

- CET1 at 14.8%, Fully loaded Basel III (FBL3) at 11.9%
- Total CAD at 17.4%

### 5 International operations

- Net profit<sup>1</sup> €40m in 2Q18, up 19.4% q-o-q; €73m in 1H18, up 13.3% y-o-y
- Completion of Romania operations sale in April; €49m loss mainly from reserve recyclement, no capital impact

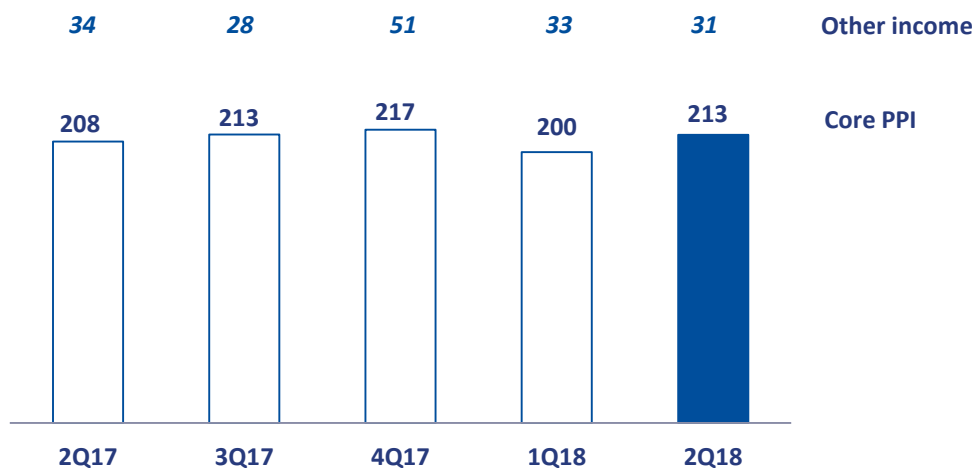
## Key financials

€ m	2Q18	1Q18	Δ(%)	1H18	1H17	Δ(%)
Net interest income	355.9	354.8	0.3	710.7	721.2	(1.5)
Commission income	73.8	64.0	15.3	137.9	130.8	5.5
Other Income	31.3	32.6	(4.2)	63.9	72.3	(11.6)
Operating income	461.0	451.5	2.1	912.5	924.2	(1.3)
Operating expenses	(217.1)	(218.9)	(0.8)	(436.1)	(444.8)	(2.0)
Core Pre-provision income	212.6	200.0	6.3	412.6	407.2	1.3
Pre-provision income	243.9	232.6	4.9	476.5	479.4	(0.6)
Loan loss provisions	(169.3)	(167.2)	1.3	(336.5)	(366.4)	(8.2)
Net Income after tax <sup>1</sup>	55.4	57.2	(3.1)	112.6	71.1	58.5
Net income after tax	1.1	34.5	(96.8)	35.7	76.3	(53.3)

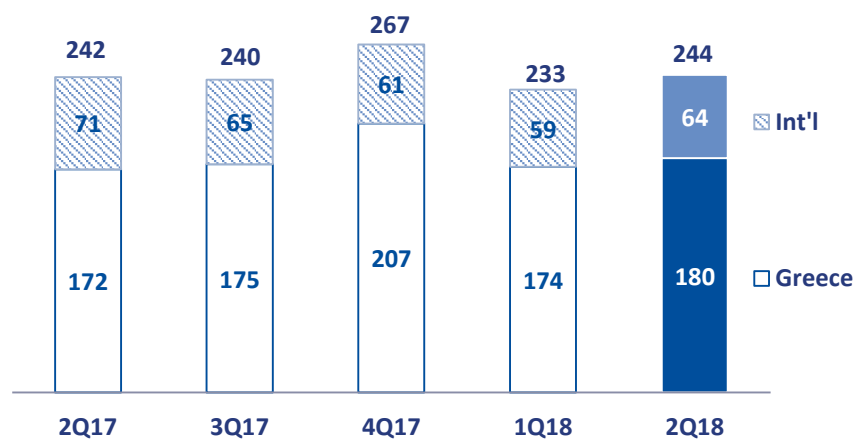
Ratios (%)	2Q18	1Q18	1H18	1H17
Net interest margin	2.51	2.51	2.50	2.32
Cost / income	47.1	48.5	47.8	48.1
Cost of risk	1.88	1.86	1.87	1.95
NPE	40.7	41.8	40.7	45.1
Provisions / NPEs	55.9	56.1	55.9	51.1
90dpd	32.5	33.2	32.5	35.3
Provisions / 90dpd	70.0	70.6	70.0	65.2
CET1	14.8	15.1	14.8	17.4
FLB3 CET1	11.9	12.0	11.9	16.7
Loans / Deposits	99.3	102.2	99.3	116.4
TBV per share (€)	2.22	2.22	2.22	2.64
EPS (€)	0.00	0.02	0.02	0.03

# Pre-provision income (PPI)

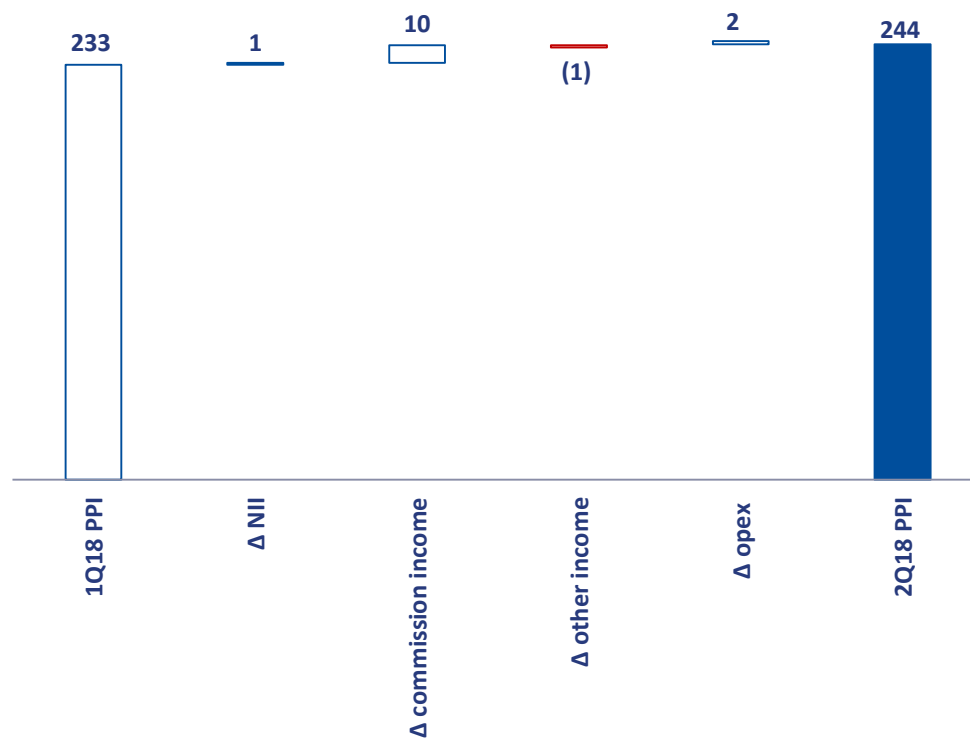
## Core PPI and other income (€ m)



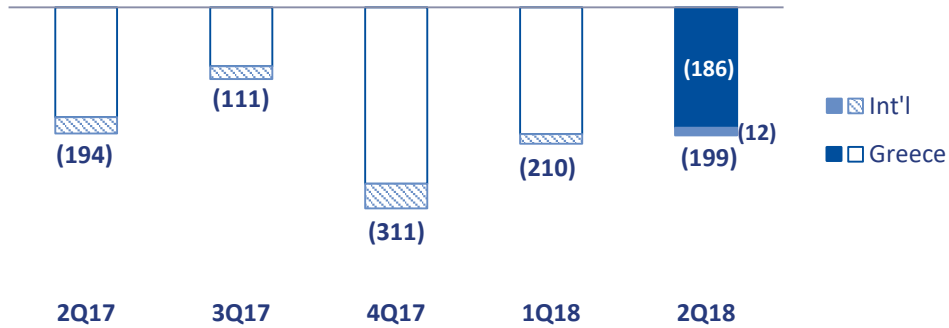
## PPI per region (€ m)



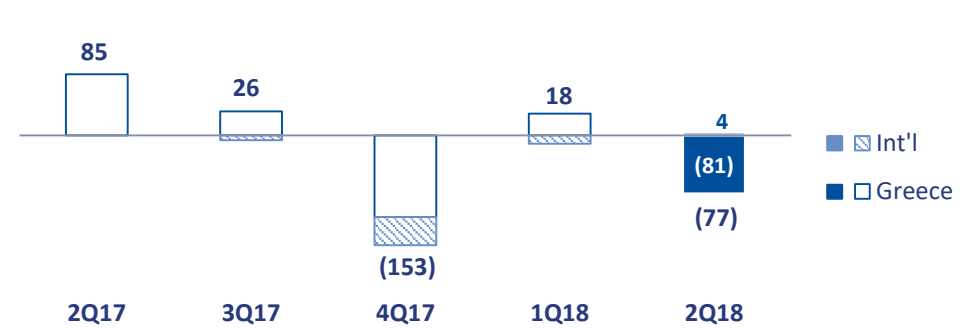
## Δ PPI (€ m)



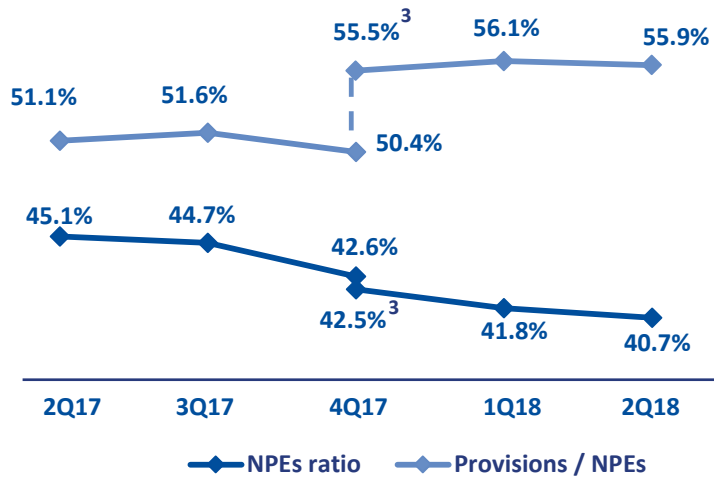
## NPEs formation<sup>1</sup> (€ m)



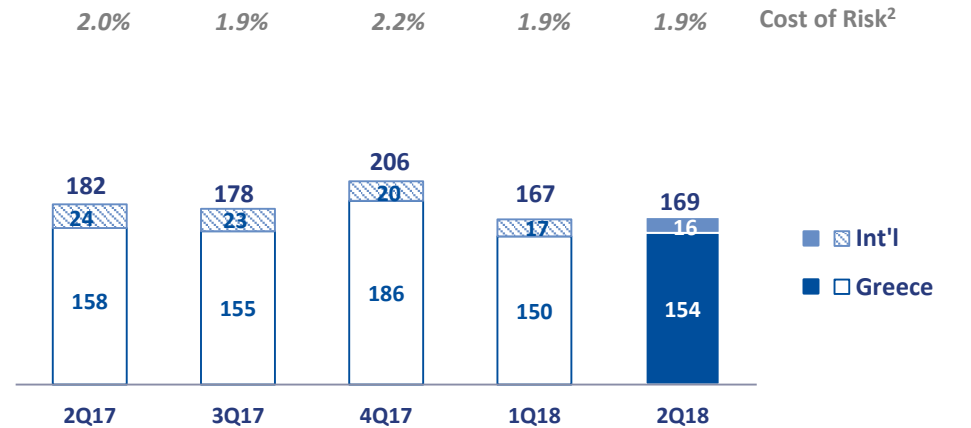
## 90dpd formation<sup>1</sup> (€ m)



## NPEs ratio and Provisions / NPEs (%)



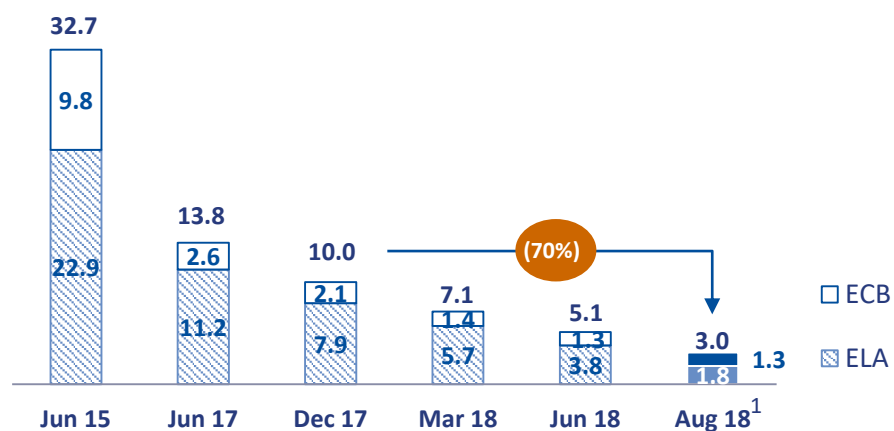
## Loan loss provisions (€ m)



1. q-o-q change before write-offs, sales, FX movements and other. 2. On net loans. 3. IFRS9 Adjusted.

# Funding and liquidity

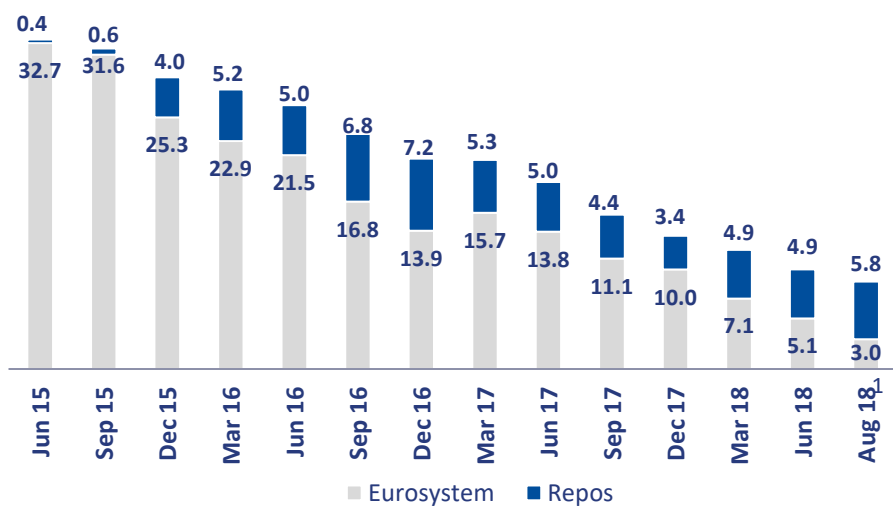
## Eurosystem funding (€ bn)



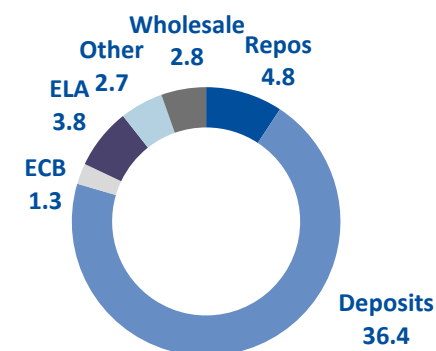
## Highlights

- Current Eurosystem funding at €3.0bn; €7.0bn down from December 2017
- Current ELA funding at €1.8bn; €6.1bn down from December 2017
- Group deposits up by €1.1bn q-o-q; €2.6bn in 1H18
- Greece deposits up €0.9bn q-o-q; €2.2bn in 1H18
- No impact from the expiration of ECB’s waiver for Greek bonds
- SME securitization in 2Q18 provides €0.8bn liquidity

## Interbank repos and eurosystem funding (€ bn)

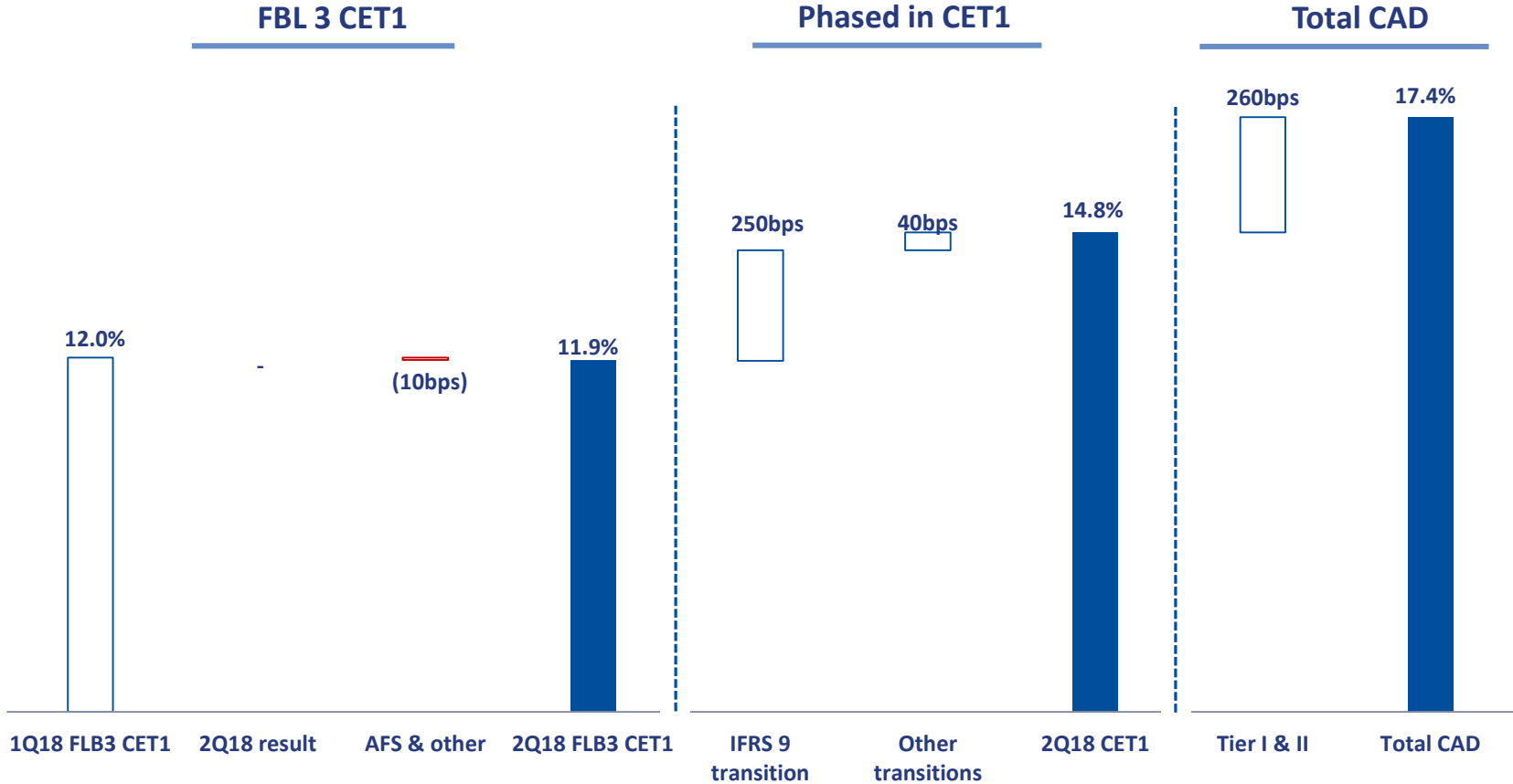


## Liabilities breakdown (€ bn)



1. As at 20<sup>th</sup> August 2018.

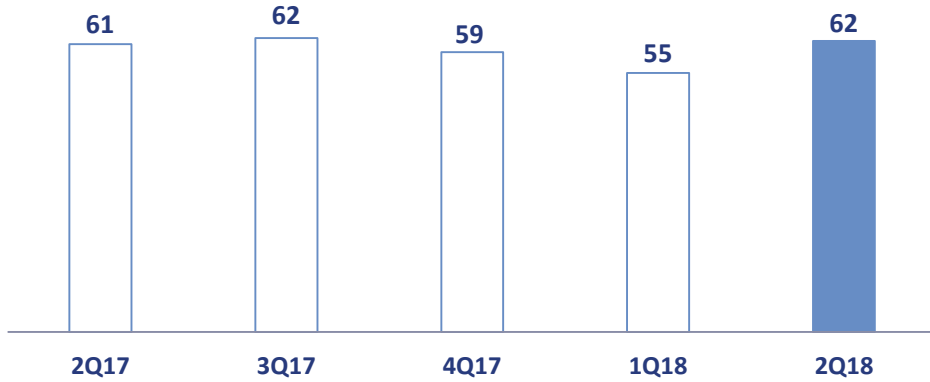




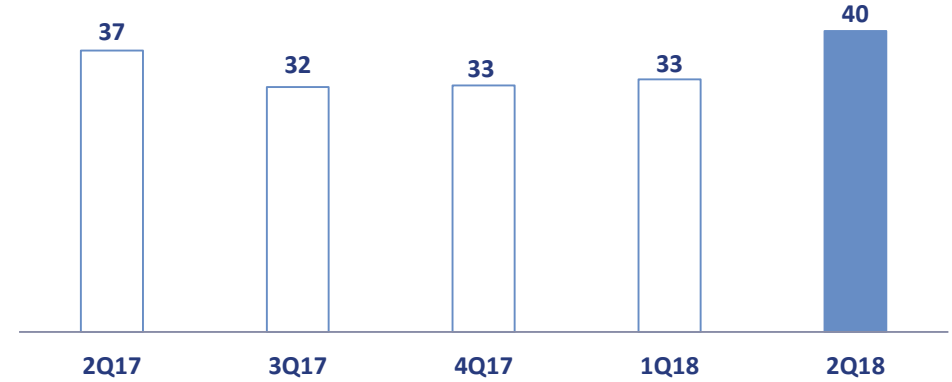
RWAs (€ m)	37,080	-	170	37,250	545	-	37,795	-	37,795
Capital (€ m)	4,443	1	(7)	4,437	1,012	143	5,592	967	6,559

Note: 2018 CET1 SREP requirement 9.375%. 2018 Overall total capital requirement (OCR) 12.875%

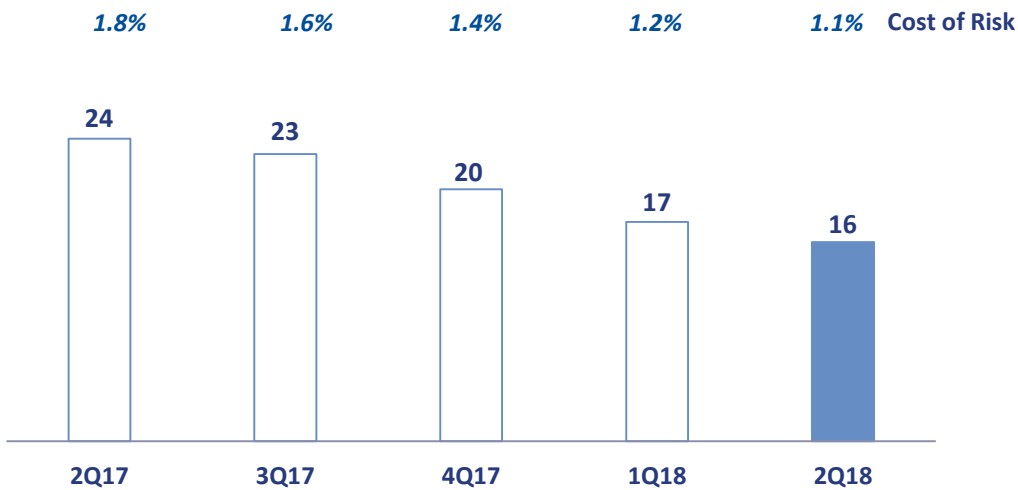
## Core PPI (€ m)



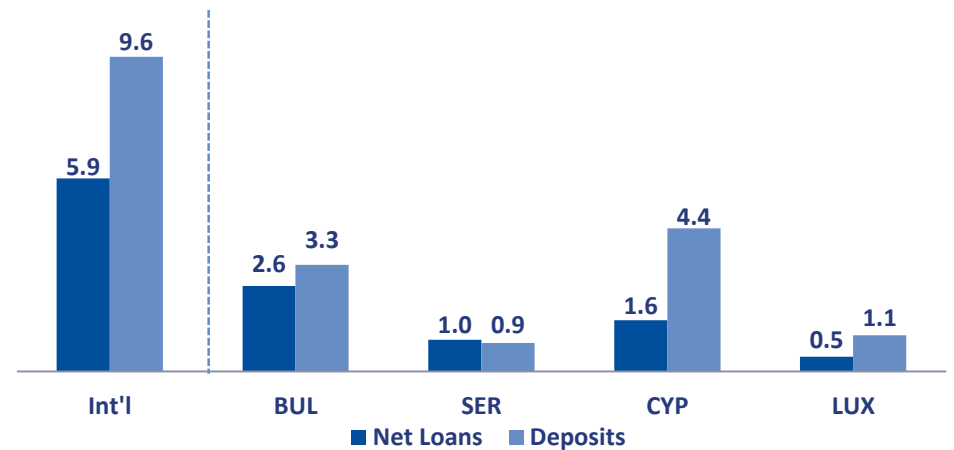
## Net Profit<sup>1</sup> (€ m)



## Loan loss provisions (€ m)



## Net Loans and Deposits (€ bn)

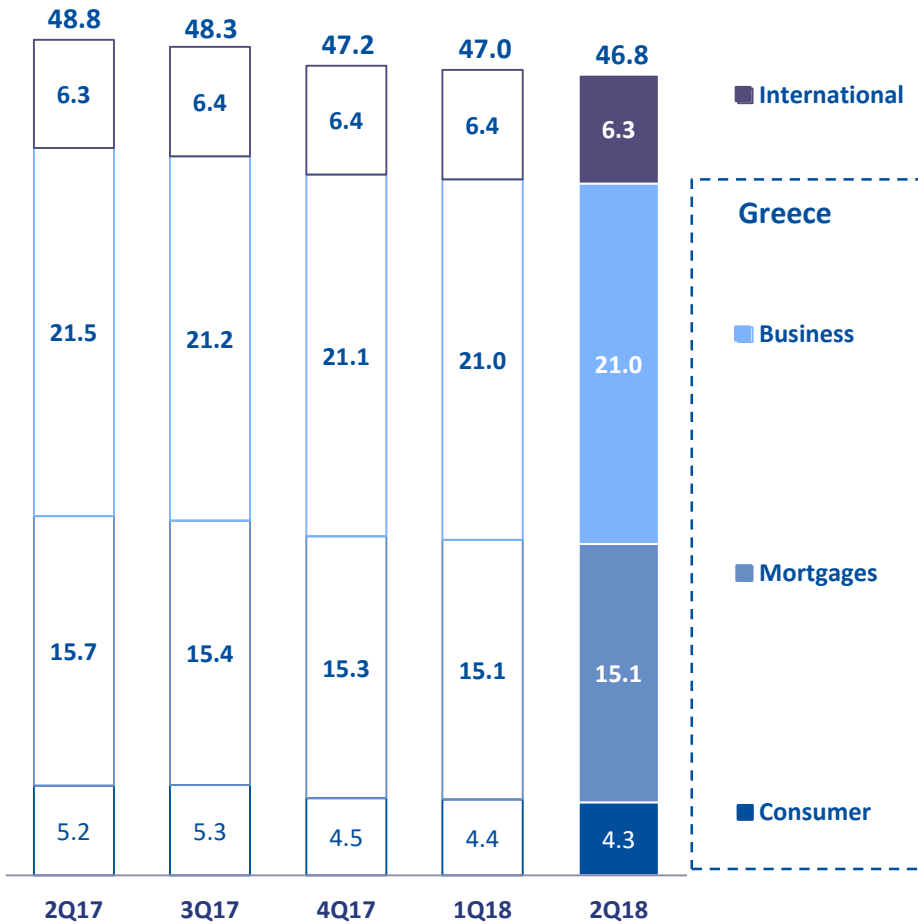


1. Net Profit from continued operations before restructuring costs (after tax).

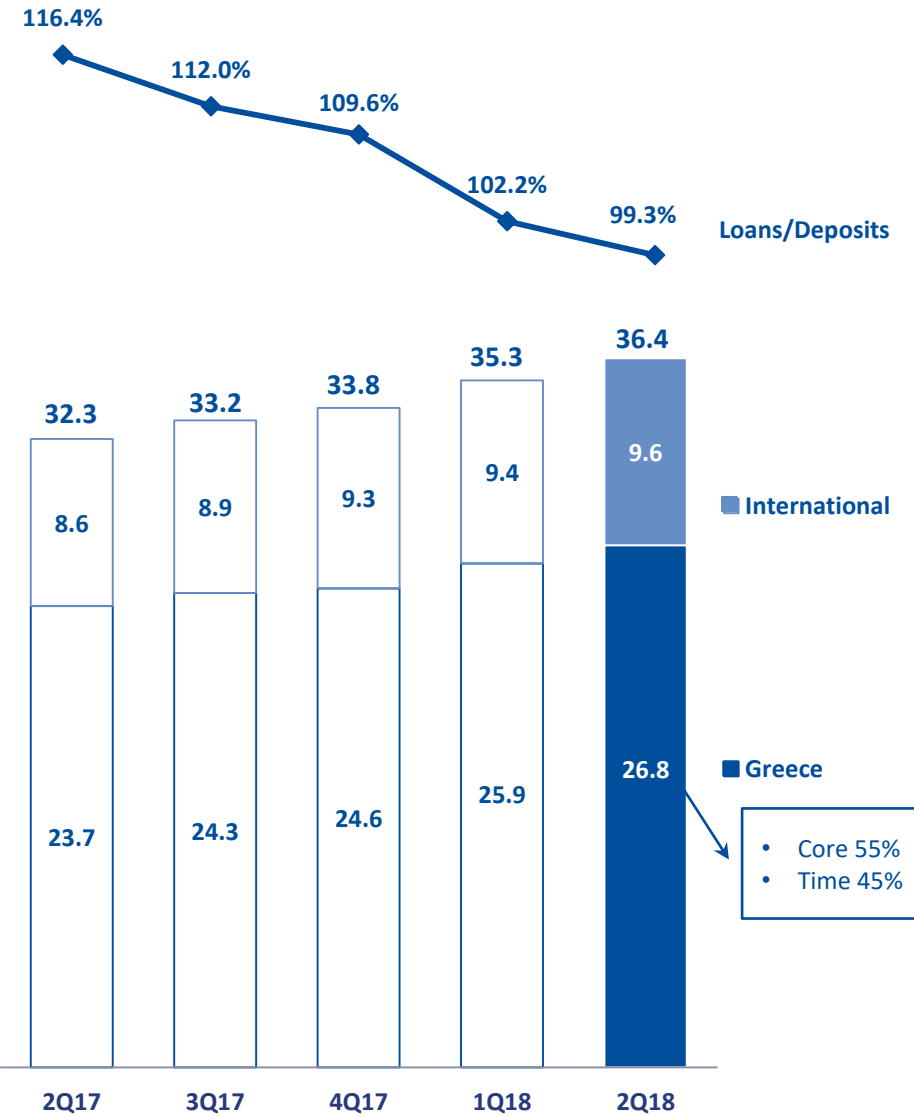
## 2Q 2018 results review

## Gross loans (€ bn)

Δ loans l-f-l<sup>1</sup> (€m)      144      104      33

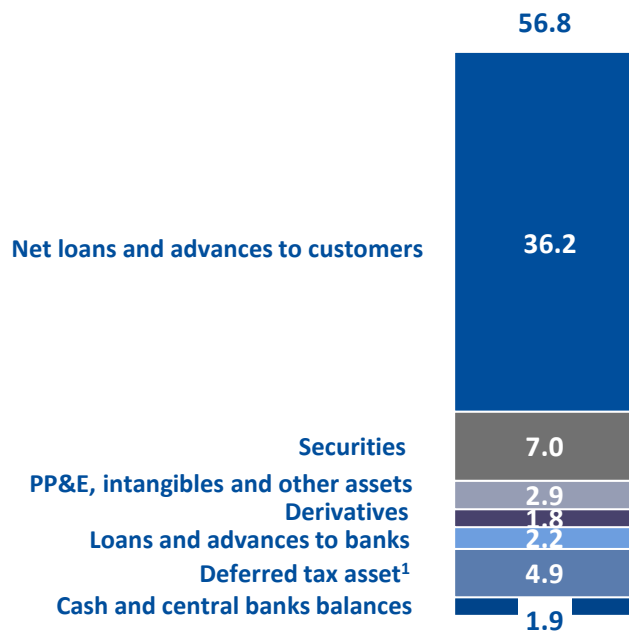


## Deposits (€ bn)

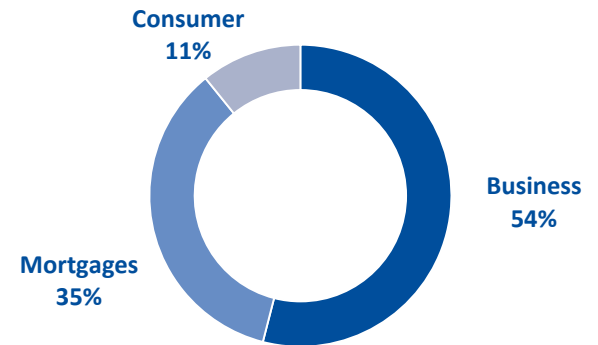


1. Excluding FX effect, write-offs and sales.

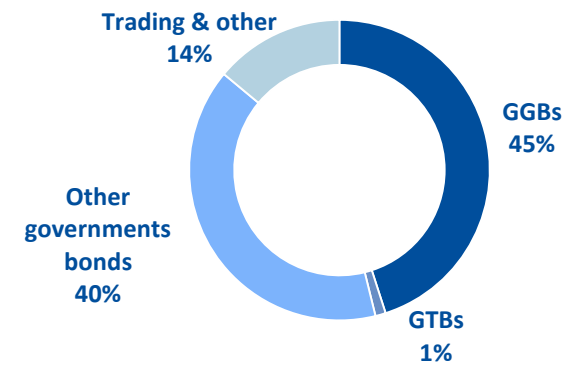
## Total assets (€ bn)



## Gross Loans



## Securities



1. Of which €4.0bn DTC

## Lending spreads (Greece, bps)<sup>1</sup>

Performing	2Q17	3Q17	4Q17	1Q18	2Q18
<b>Corporate</b>	<b>471</b>	<b>468</b>	<b>451</b>	<b>454</b>	<b>424</b>
<b>Retail</b>	<b>397</b>	<b>384</b>	<b>388</b>	<b>384</b>	<b>401</b>
<i>Consumer</i>	<i>1,043</i>	<i>1,006</i>	<i>984</i>	<i>993</i>	<i>1,022</i>
<i>SBB</i>	<i>542</i>	<i>506</i>	<i>523</i>	<i>479</i>	<i>533</i>
<i>Mortgage</i>	<i>244</i>	<i>236</i>	<i>238</i>	<i>242</i>	<i>249</i>
<b>Total</b>	<b>427</b>	<b>418</b>	<b>414</b>	<b>413</b>	<b>410</b>

Non-Performing	2Q17	3Q17	4Q17	1Q18	2Q18
<b>Corporate</b>	<b>239</b>	<b>261</b>	<b>280</b>	<b>267</b>	<b>222</b>
<b>Retail</b>	<b>257</b>	<b>256</b>	<b>264</b>	<b>268</b>	<b>273</b>
<i>Consumer</i>	<i>222</i>	<i>241</i>	<i>259</i>	<i>313</i>	<i>295</i>
<i>SBB</i>	<i>313</i>	<i>306</i>	<i>301</i>	<i>306</i>	<i>319</i>
<i>Mortgage</i>	<i>239</i>	<i>232</i>	<i>244</i>	<i>223</i>	<i>233</i>
<b>Total</b>	<b>251</b>	<b>258</b>	<b>270</b>	<b>268</b>	<b>257</b>

Total	2Q17	3Q17	4Q17	1Q18	2Q18
<b>Corporate</b>	<b>369</b>	<b>378</b>	<b>380</b>	<b>378</b>	<b>343</b>
<b>Retail</b>	<b>323</b>	<b>317</b>	<b>324</b>	<b>326</b>	<b>337</b>
<i>Consumer</i>	<i>486</i>	<i>487</i>	<i>513</i>	<i>570</i>	<i>567</i>
<i>SBB</i>	<i>387</i>	<i>373</i>	<i>379</i>	<i>369</i>	<i>398</i>
<i>Mortgage</i>	<i>242</i>	<i>234</i>	<i>240</i>	<i>234</i>	<i>242</i>
<b>Total</b>	<b>340</b>	<b>339</b>	<b>345</b>	<b>345</b>	<b>339</b>

## Deposit spreads (Greece, bps)

	2Q17	3Q17	4Q17	1Q18	2Q18
Savings & Sight	(49)	(50)	(51)	(50)	(50)
Time	(88)	(83)	(82)	(82)	(81)
<b>Total</b>	<b>(66)</b>	<b>(64)</b>	<b>(64)</b>	<b>(63)</b>	<b>(63)</b>
1M avg Euribor	(37)	(37)	(37)	(37)	(37)

## Net interest margin (bps)

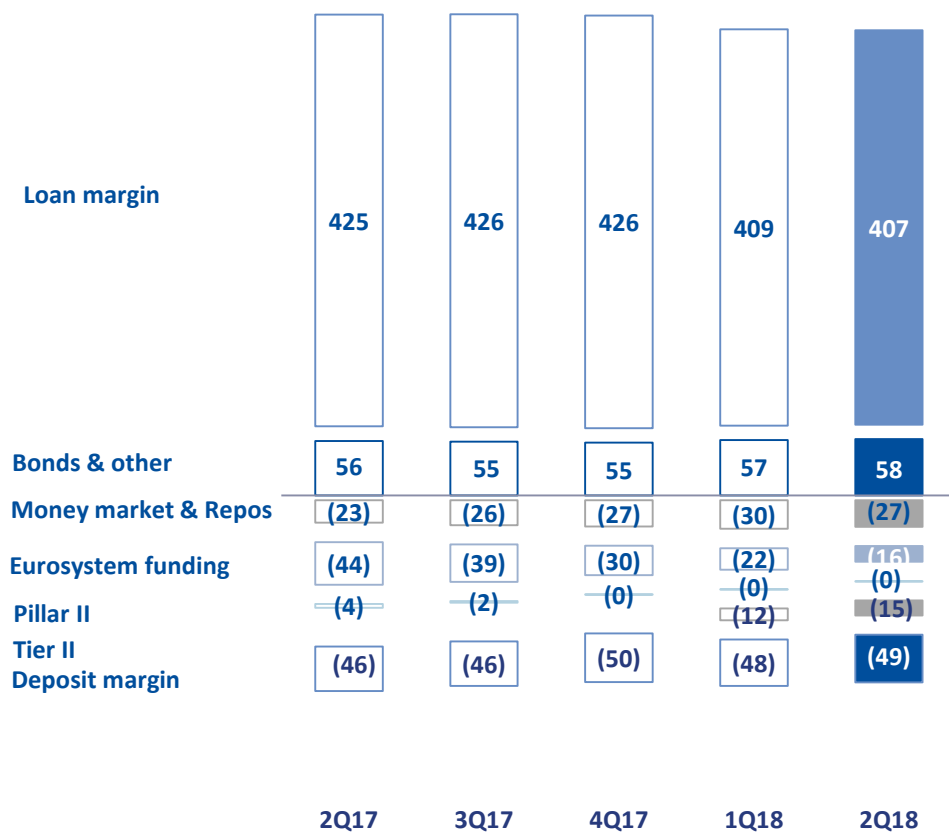
	2Q17	3Q17	4Q17	1Q18	2Q18
Greece	220	233	245	242	241
International	307	307	299	284	291
<b>Group</b>	<b>235</b>	<b>246</b>	<b>255</b>	<b>251</b>	<b>251</b>

1. On average gross loans.

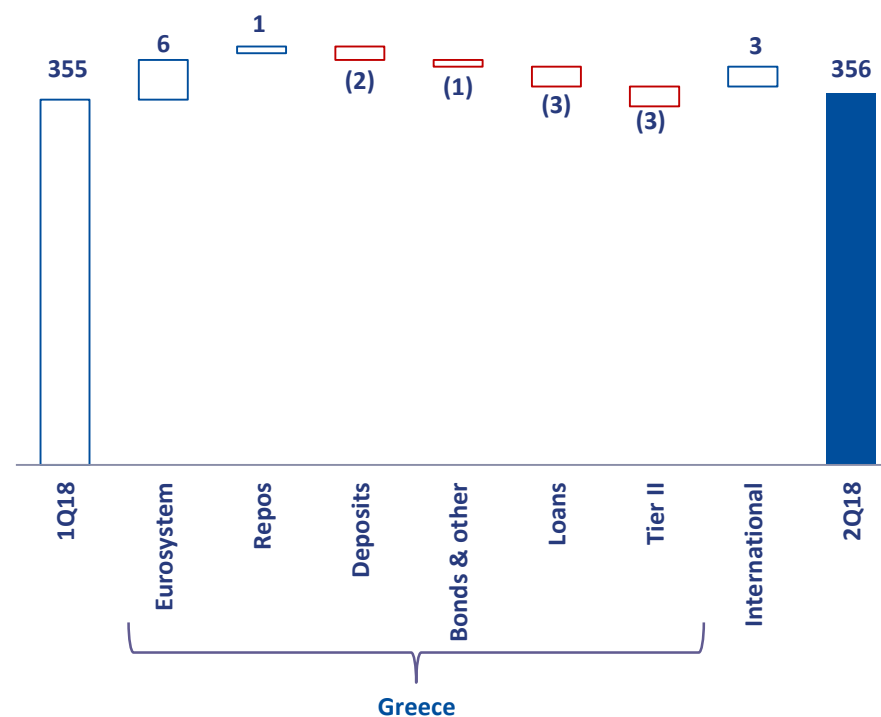
# Net interest income

## NII breakdown (€ m)

<b>Total NII</b>	<b>364</b>	<b>369</b>	<b>373</b>	<b>355</b>	<b>356</b>
<i>o/w Greece</i>	281	286	289	274	272
<i>o/w International</i>	84	83	84	81	84

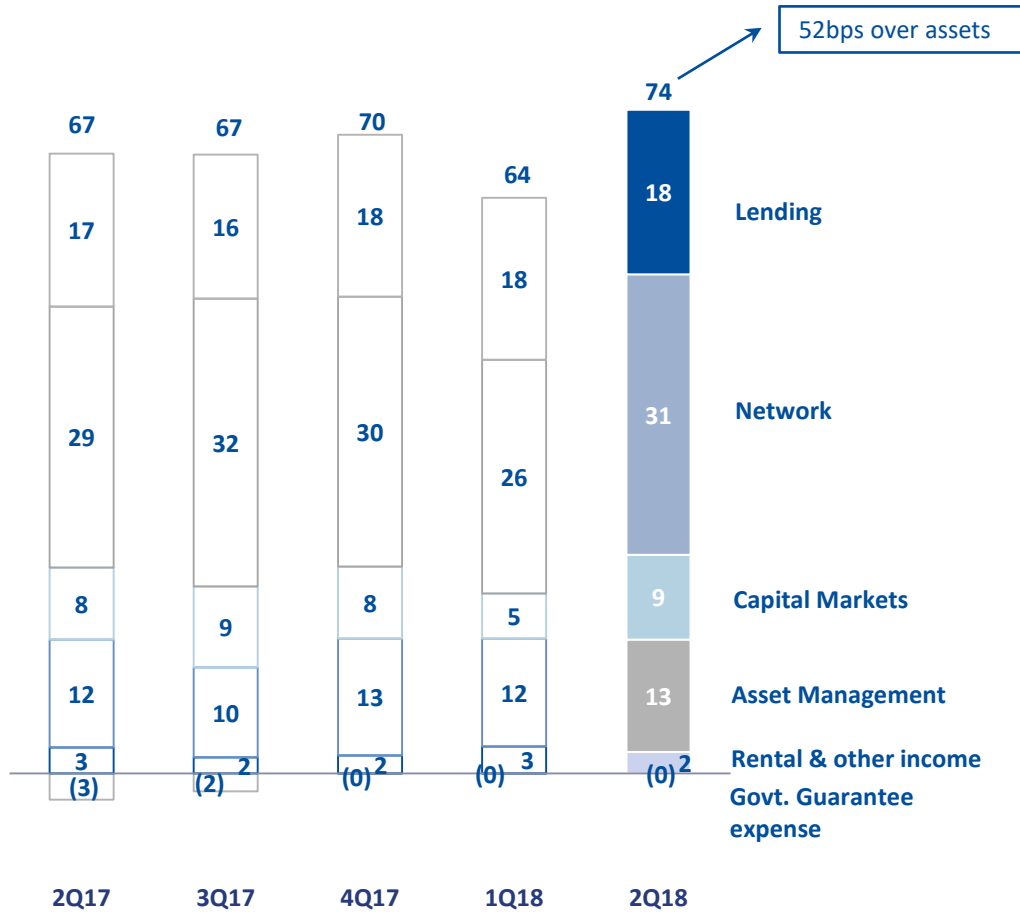


## NII evolution (q-o-q, € m)

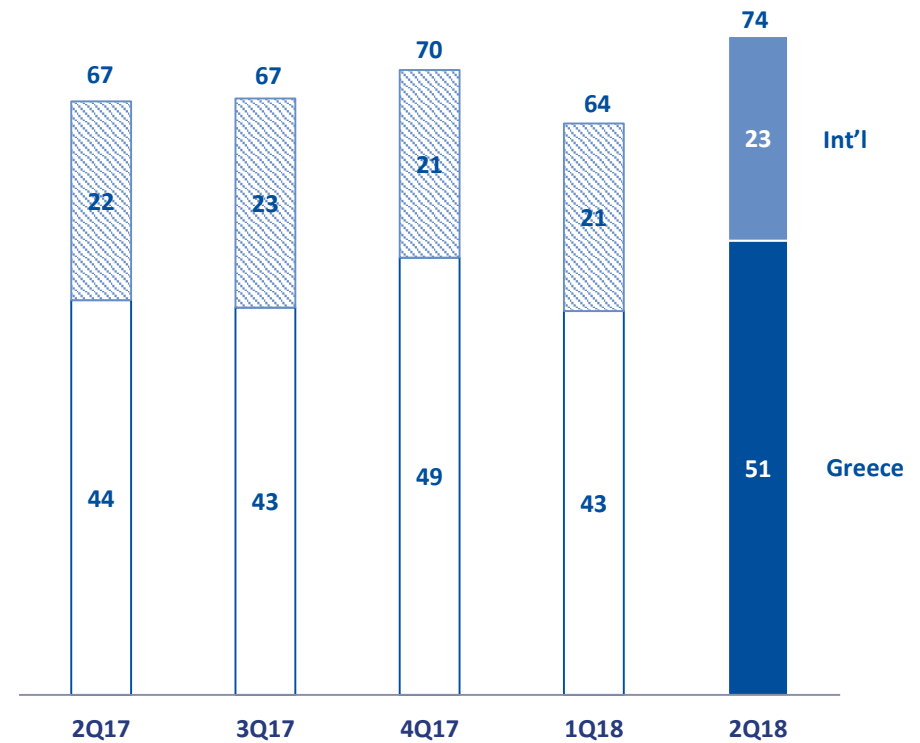


# Commission income

## Commission income breakdown (€ m)



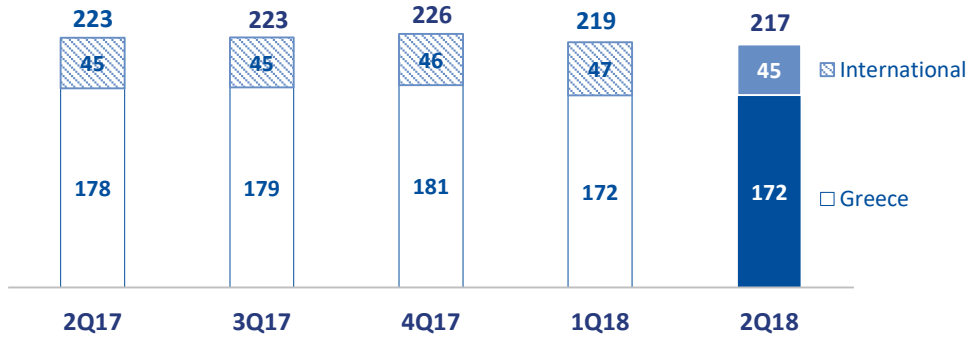
## Commission income per region (€ m)



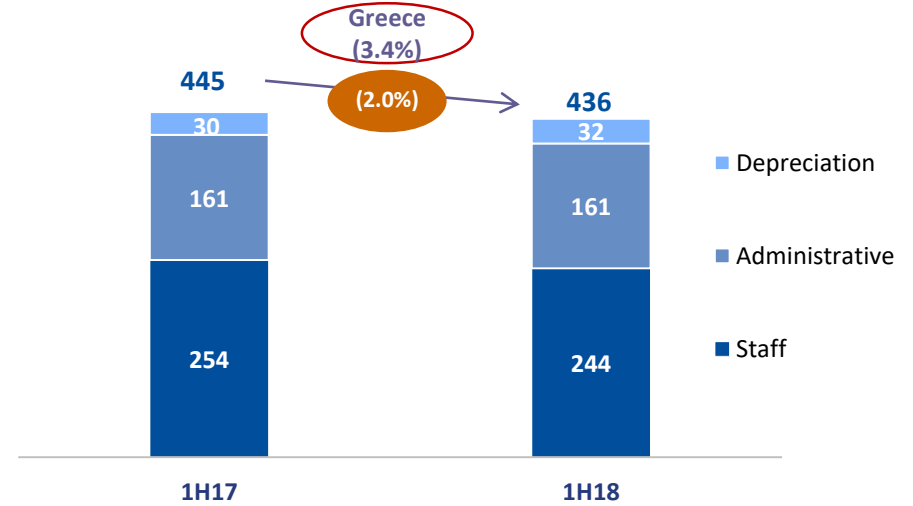


# Operating expenses

## OpEx per region (€ m)



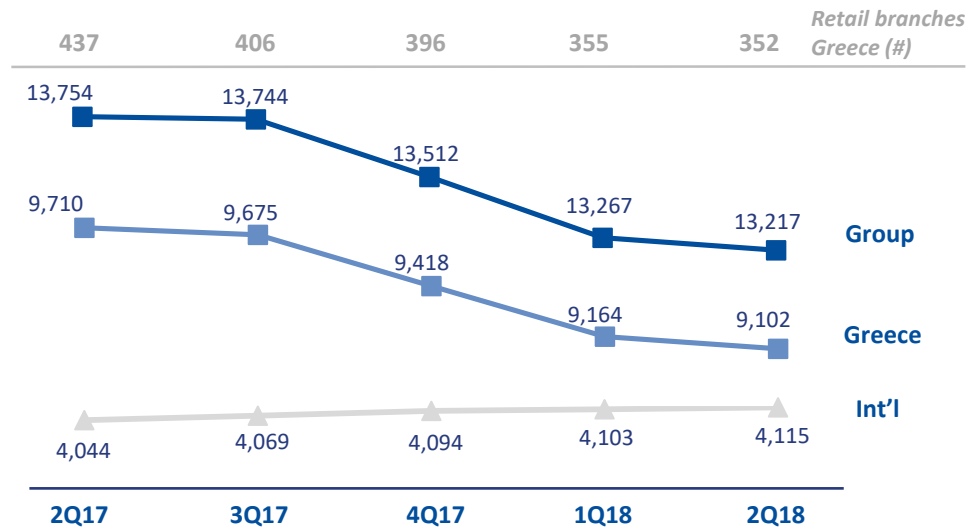
## OpEx breakdown (€ m)



## Cost-to-income ratio (%)

	2Q17	3Q17	4Q17	1Q18	2Q18
Greece	50.9	50.5	46.7	49.7	48.8
International	39.0	40.6	42.8	44.5	41.5
<b>Group</b>	<b>47.9</b>	<b>48.1</b>	<b>45.9</b>	<b>48.5</b>	<b>47.1</b>

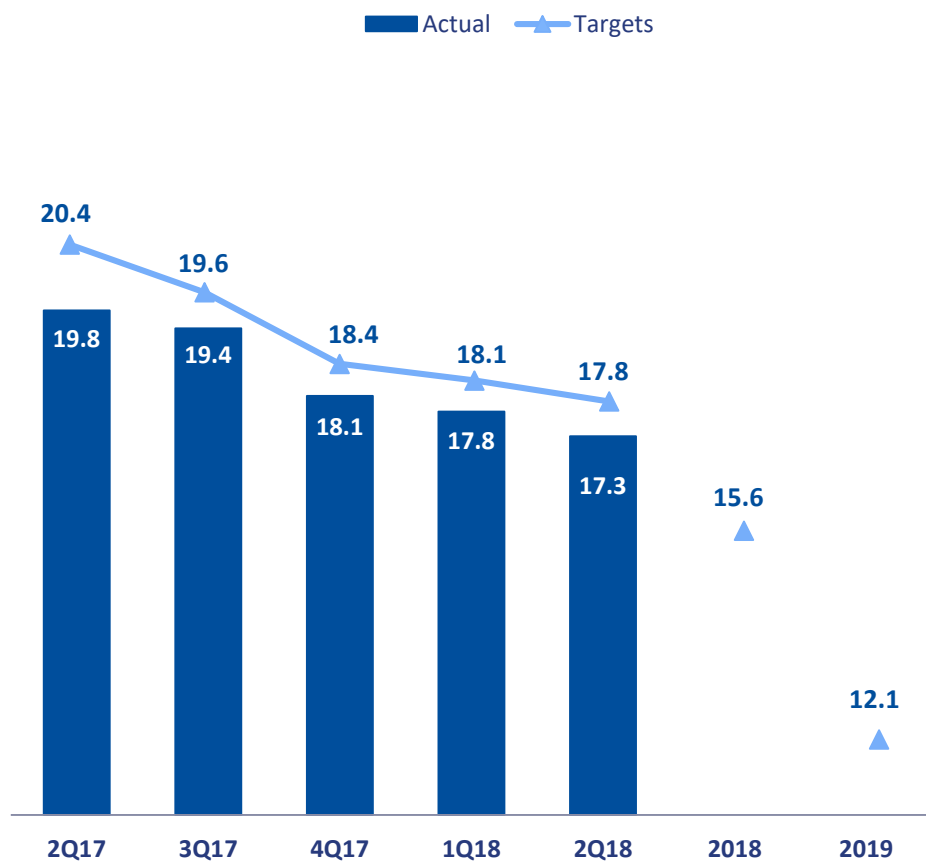
## Headcount and network evolution (#)



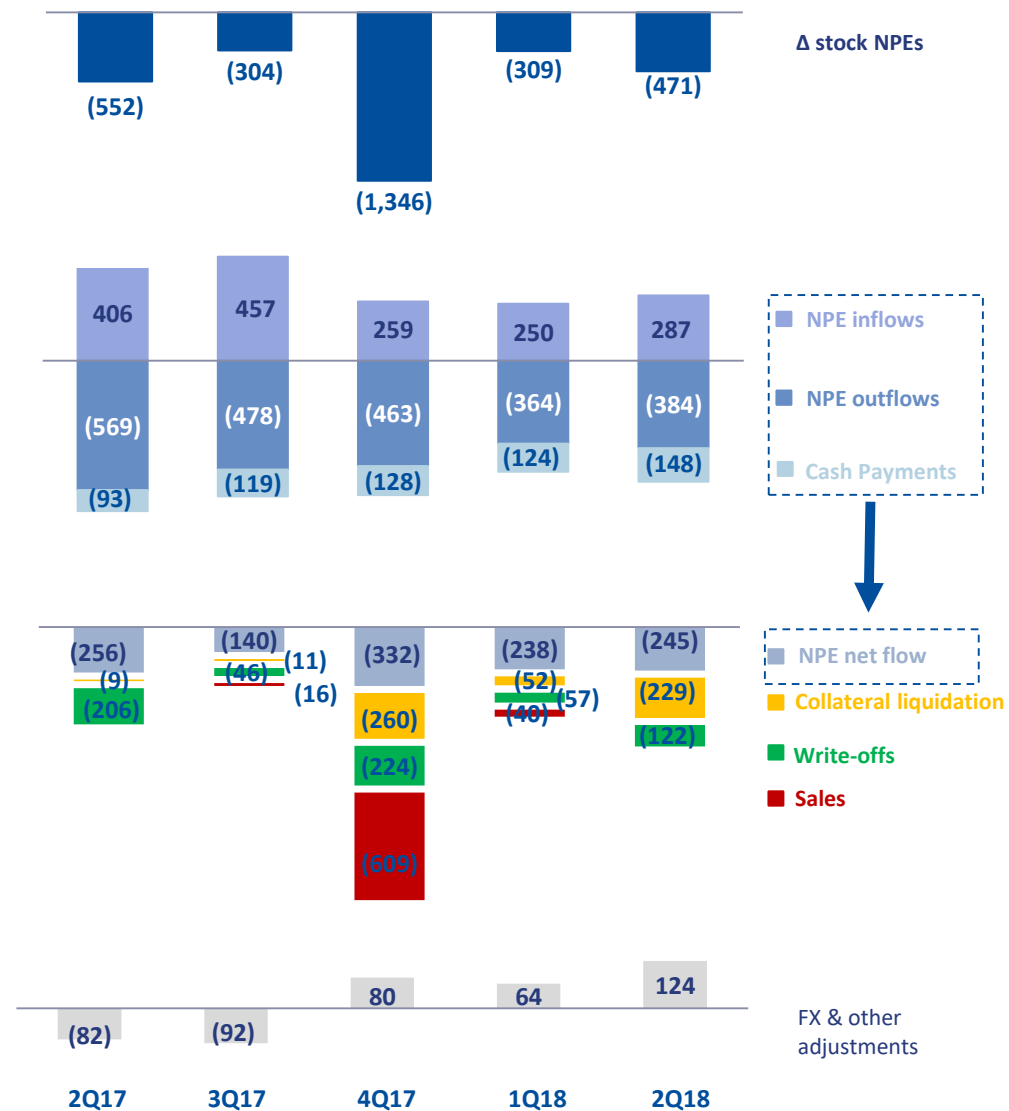
# Asset Quality

# NPE stock evolution vs. SSM targets<sup>1</sup>

## Stock evolution vs targets (€ bn)



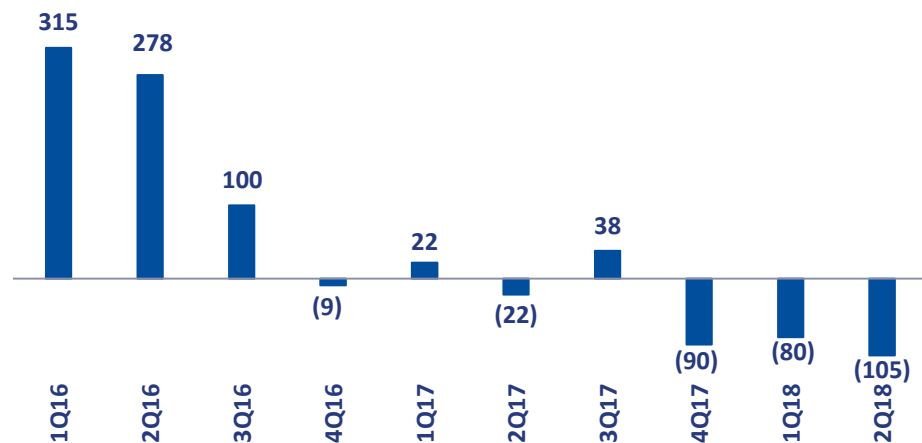
## Δ stock NPEs (€ m)



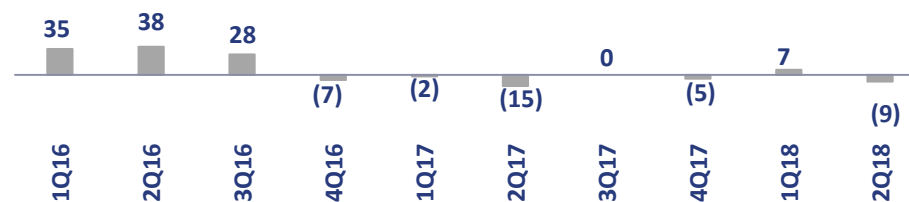
1. SSM targets based on Bank Solo accounts including loans accounted at fair value through the P&L (€110m).

# NPEs formation per segment (Greece)

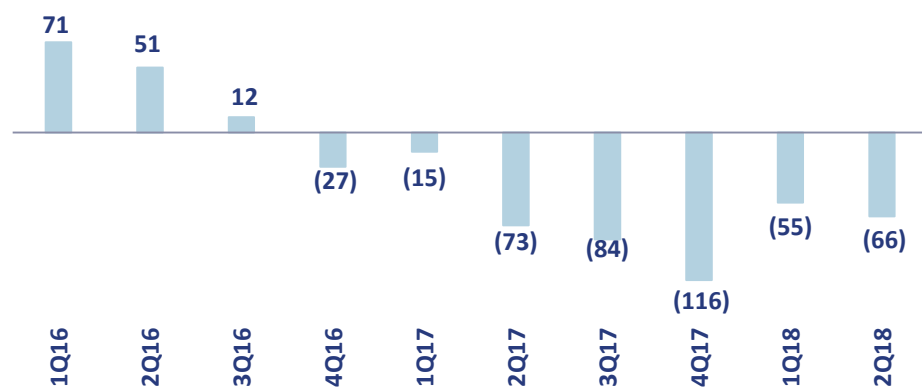
## Mortgages (€ m)



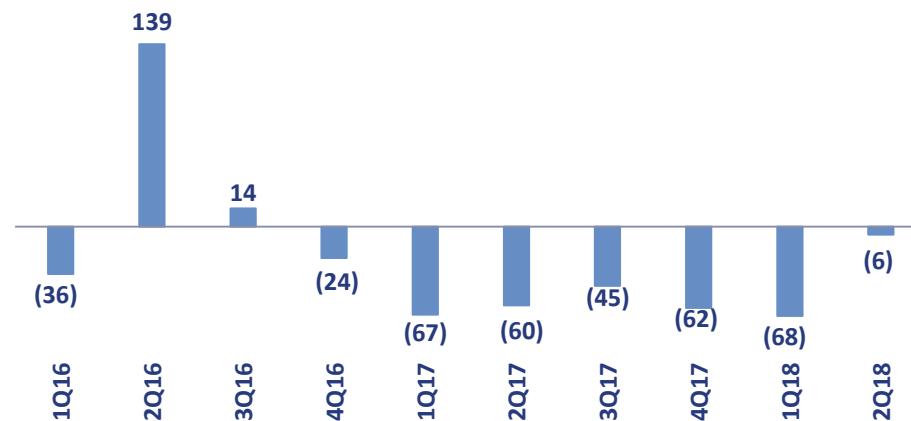
## Consumer (€ m)



## Small business (€ m)

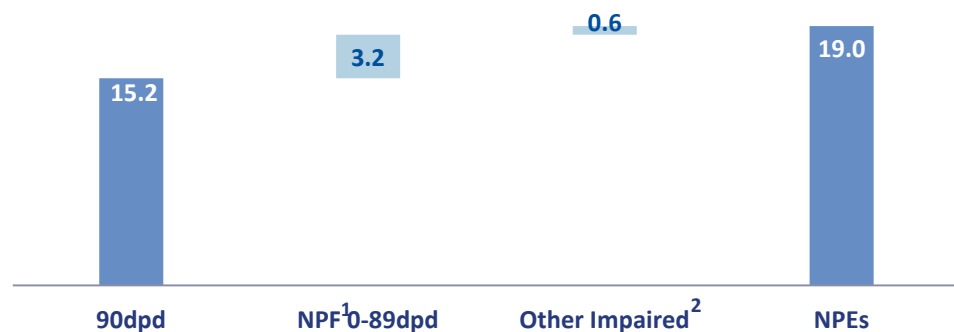


## Corporate (€ m)



# NPEs metrics (Group)

## 90dpd bridge to NPEs (€ bn)



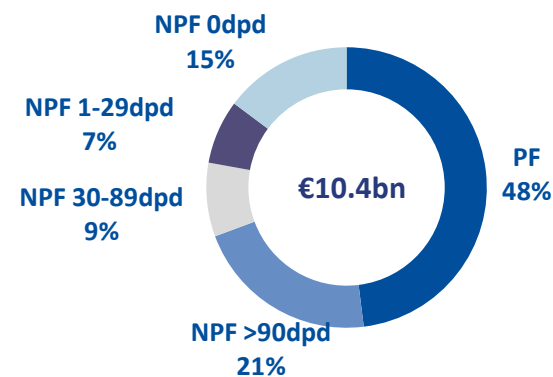
## NPEs (€ bn)



## NPEs per region

	Total NPEs (€ bn)	NPEs ratio <sup>4</sup> (%)	Provisions/ NPEs (%)	Provisions & collaterals / NPEs (%)
Consumer	2.5	58.2	87.9	94
Mortgages	6.0	39.7	41.8	112
Small Business	4.0	61.7	55.9	106
<b>Total Retail</b>	<b>12.4</b>	<b>48.3</b>	<b>55.5</b>	<b>106</b>
Corporate	5.7	38.9	57.4	102
<b>Greece</b>	<b>18.1</b>	<b>44.9</b>	<b>56.1</b>	<b>105</b>
Int'l	0.9	13.9	51.2	111
<b>Total</b>	<b>19.0</b>	<b>40.7</b>	<b>55.9</b>	<b>105</b>

## Forborne loans (%)



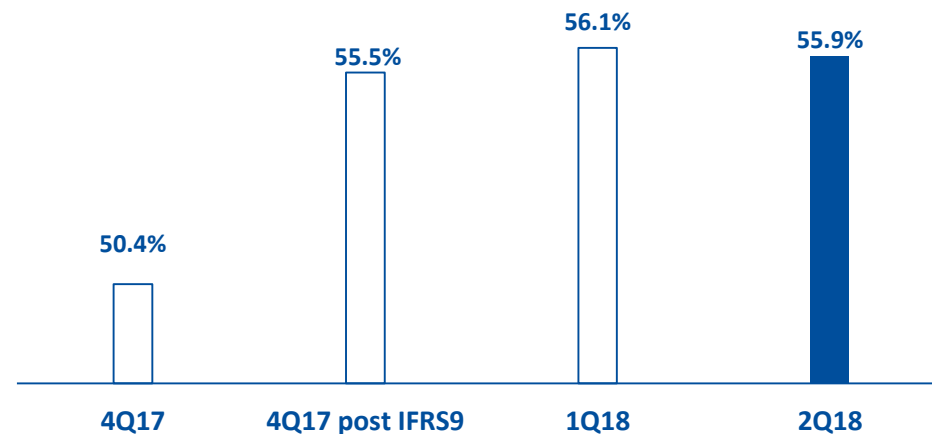
1. Non-performing forborne loans. 2. Loans impaired due to triggers other than the existence of forbearance measures. 3. Non – Performing. 4. NPE ratio at 37.5% including €4.2bn off-balance sheet exposures.

# Loans' stage analysis (Group)

## Loans' stage breakdown

(€ bn)	4Q17	1Q18	2Q18	Δ q-o-q
Stage 1	19.5	19.8	20.3	0.5
Stage 2	7.6	7.6	7.4	(0.2)
Stage 3 (NPEs)	20.0	19.6	19.0	(0.6)
<b>Total</b>	<b>47.1</b>	<b>47.0</b>	<b>46.7</b>	<b>(0.3)</b>

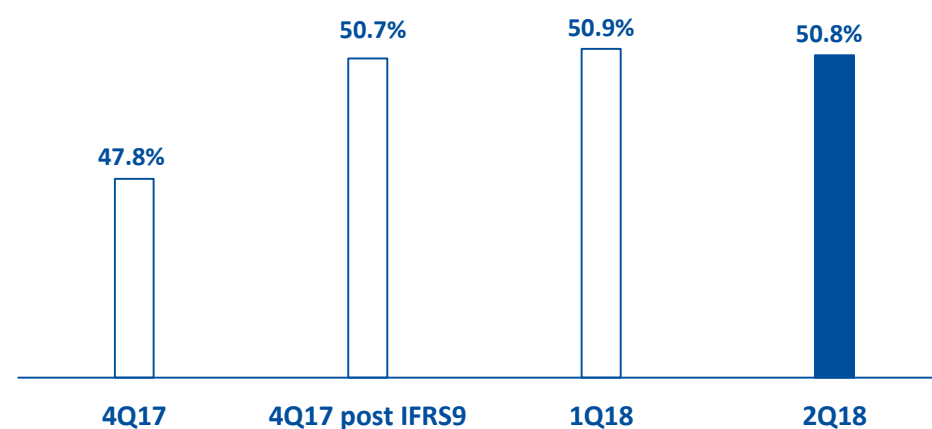
## Provisions stock over NPEs



## Stage 2 loans coverage

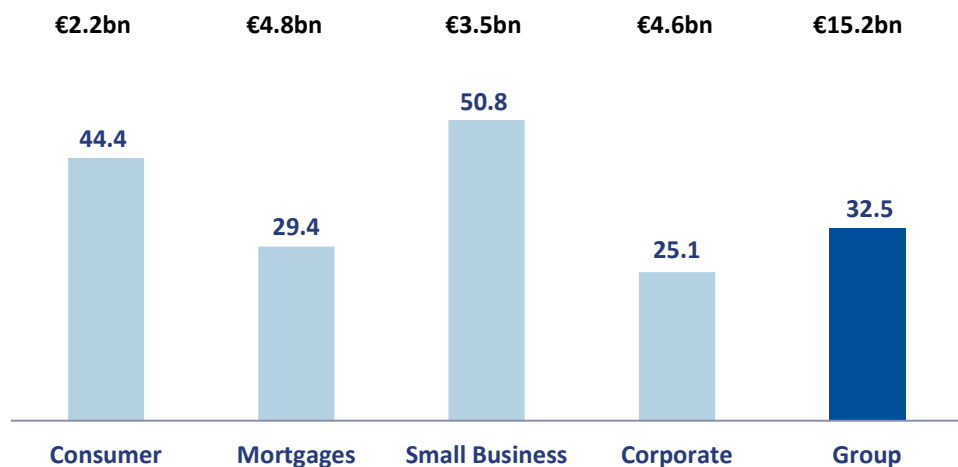


## Stage 3 loans coverage (NPEs)

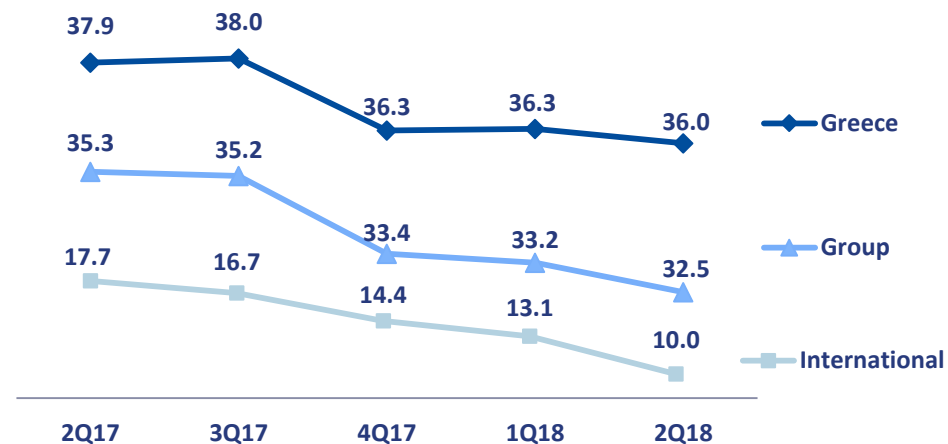


# Asset quality metrics - 90dpd loans

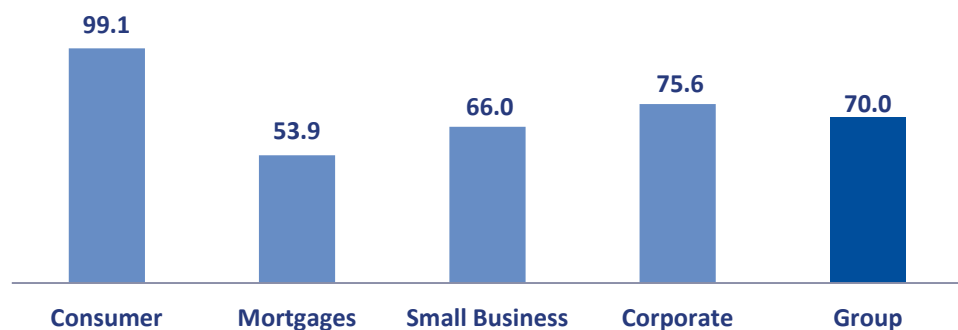
## 90dpd ratio per segment (%)



## 90dpd ratio per region (%)



## Provisions over 90dpd loans per segment (%)

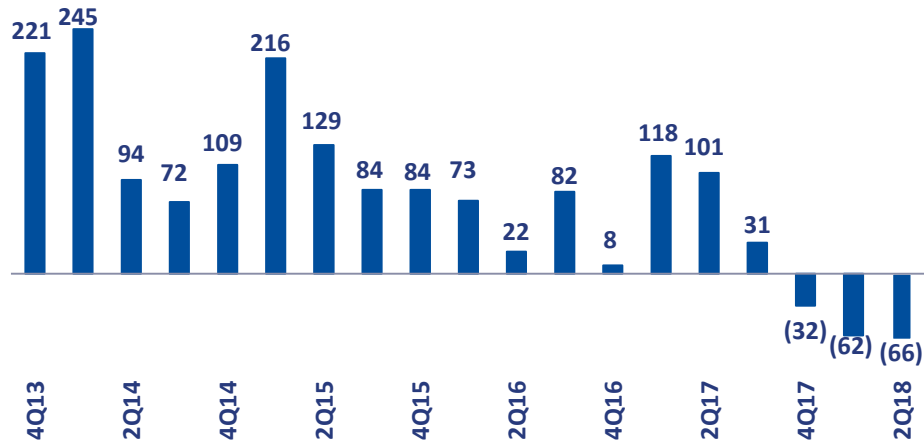


## Provisions over 90dpd loans per region (%)

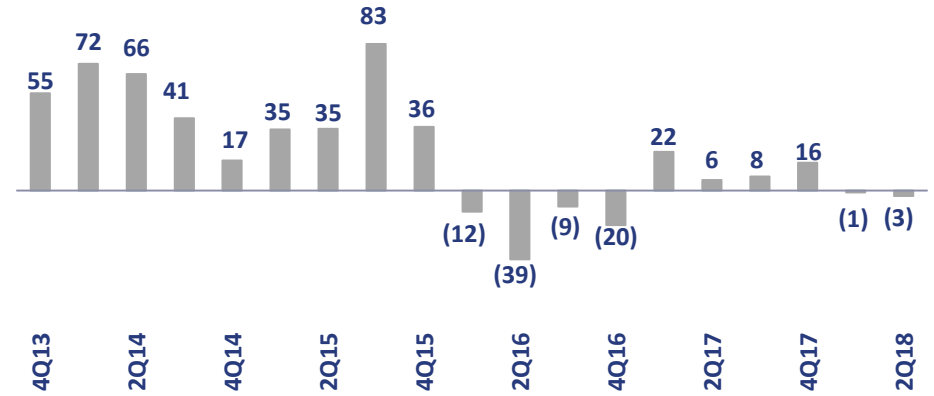
	2Q17	3Q17	4Q17	1Q18	2Q18
Greece	65.0	65.2	64.0	70.2	69.9
International	68.6	69.2	69.1	78.0	70.6
<b>Group</b>	<b>65.2</b>	<b>65.5</b>	<b>64.3</b>	<b>70.6</b>	<b>70.0</b>

# 90dpd formation per segment (Greece)

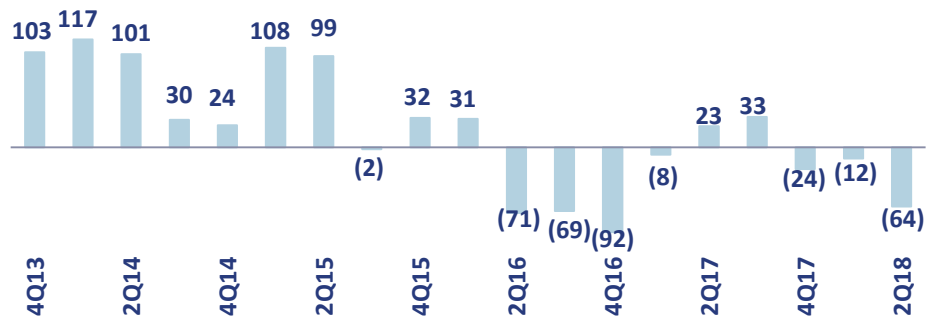
## Mortgages (€ m)



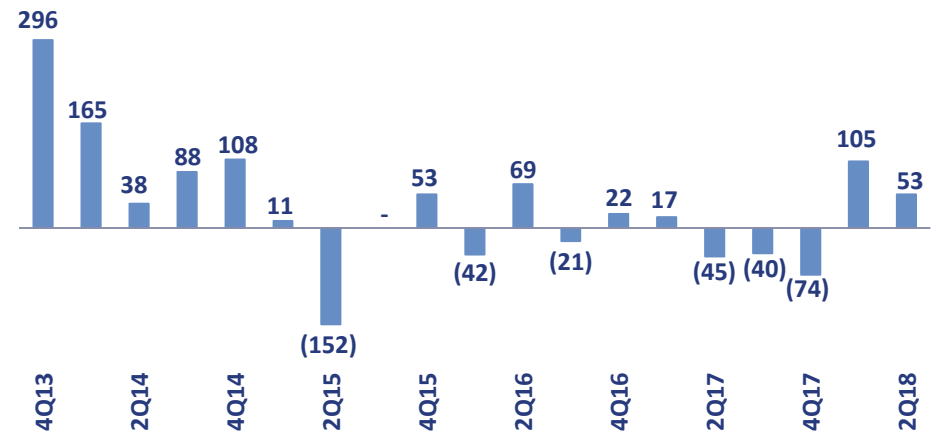
## Consumer (€ m)



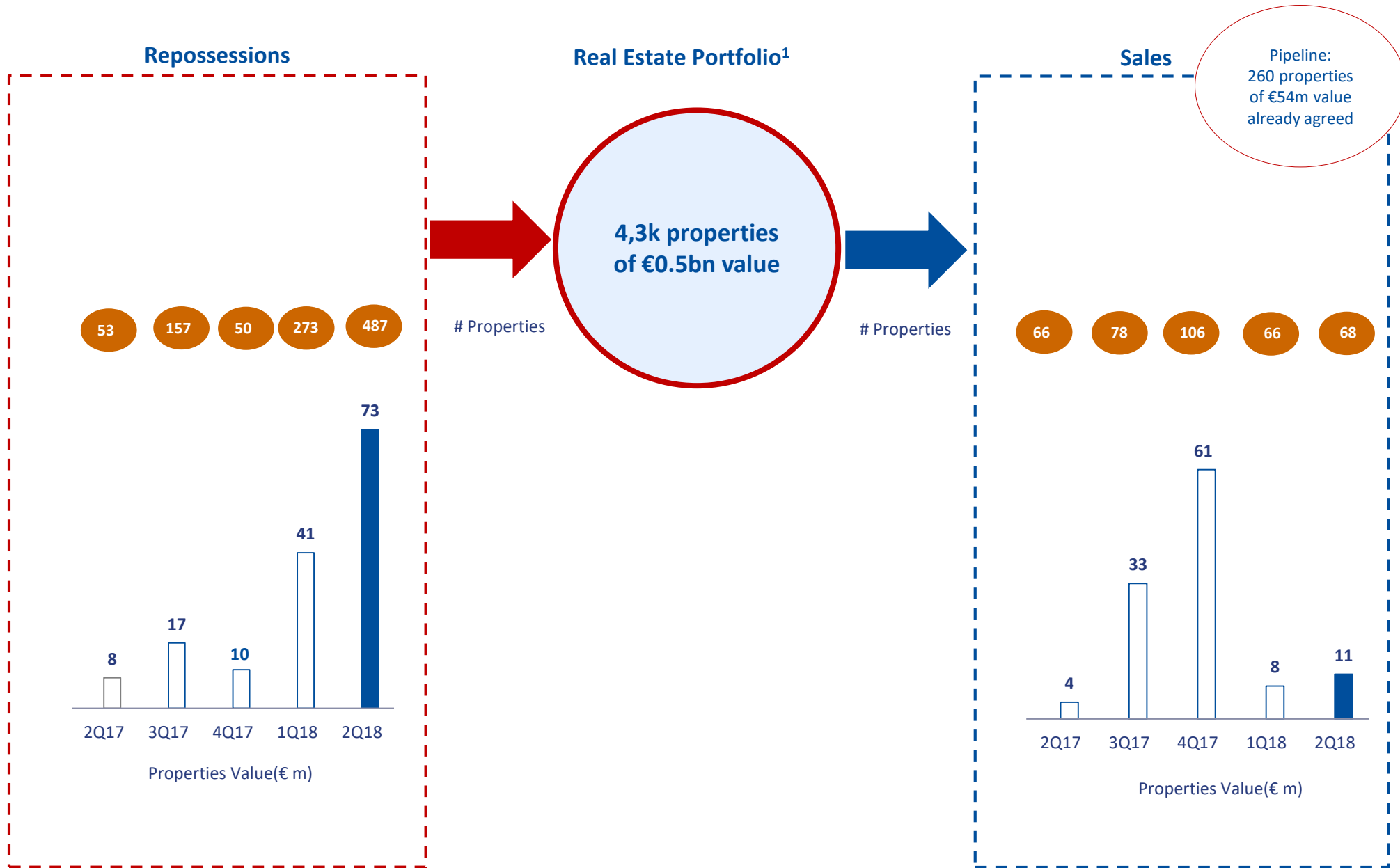
## Small business (€ m)



## Corporate (€ m)



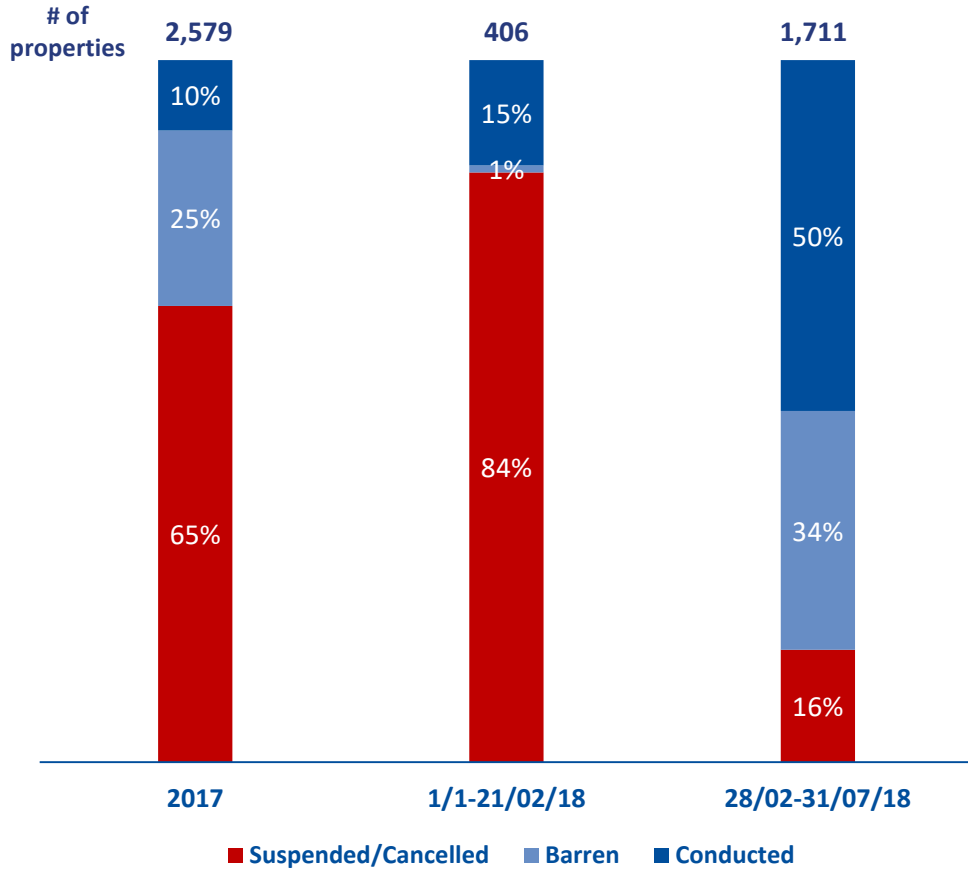




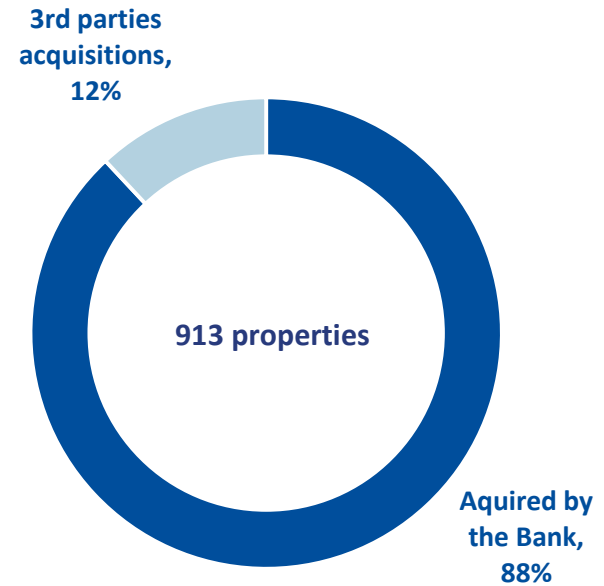
1. There is a timing lag between auctions and actual repossessions of properties. Pro-forma figures.

# Property Auctions progress

## Property auctions breakdown



## Conducted auctions breakdown (Jan-Jul 2018)



# International operations

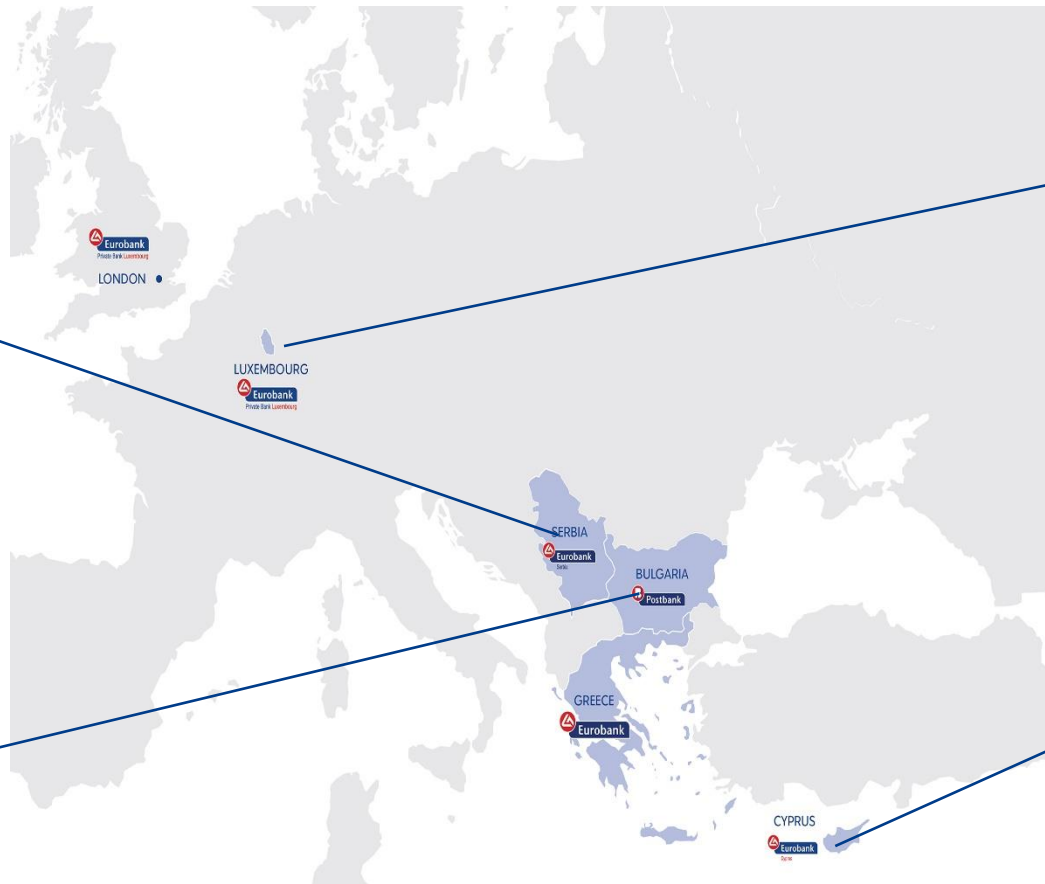
# International presence

**Eurobank**  
Srbija

Total Assets (€ bn)	1.4
Net Loans (€ bn)	1.0
Deposits (€ bn)	0.9
Branches (#)	80

**Postbank**

Total Assets (€ bn)	3.8
Net Loans (€ bn)	2.6
Deposits (€ bn)	3.3
Branches (#)	174



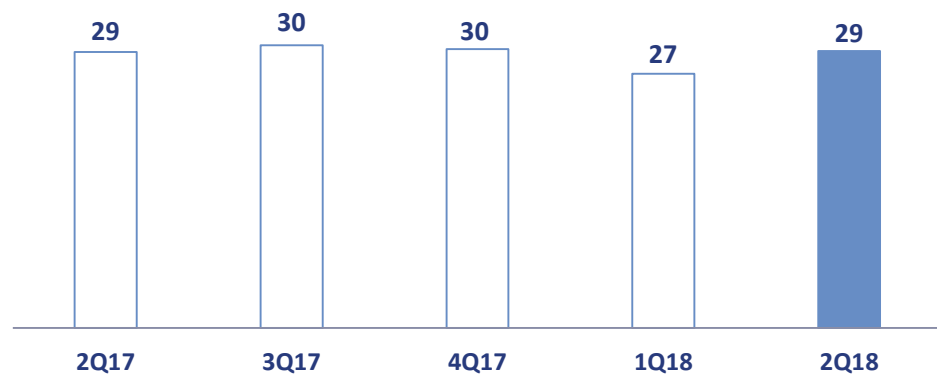
**Eurobank**  
Private Bank Luxembourg

Total Assets (€ bn)	1.3
Net Loans (€ bn)	0.5
Deposits (€ bn)	1.1

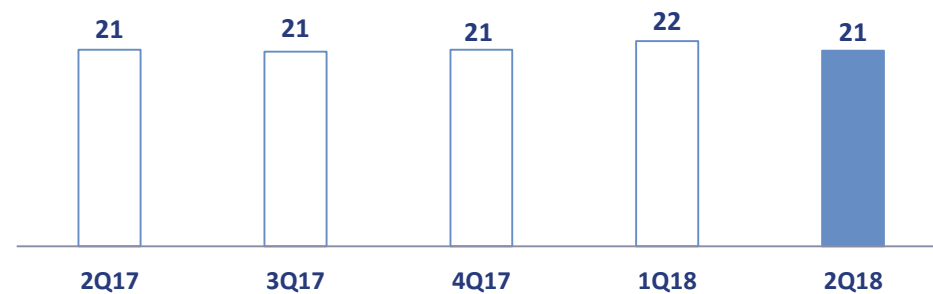
**Eurobank**  
Cyprus

Total Assets (€ bn)	5.0
Net Loans (€ bn)	1.6
Deposits (€ bn)	4.4
Private Banking centers (#)	8

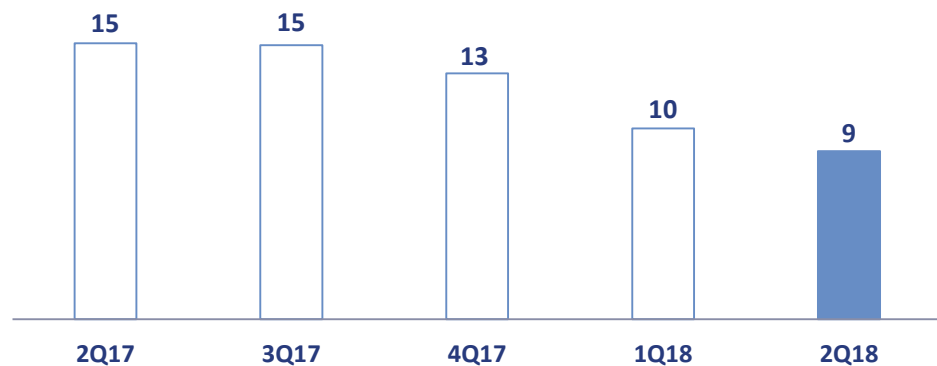
## PPI (€ m)



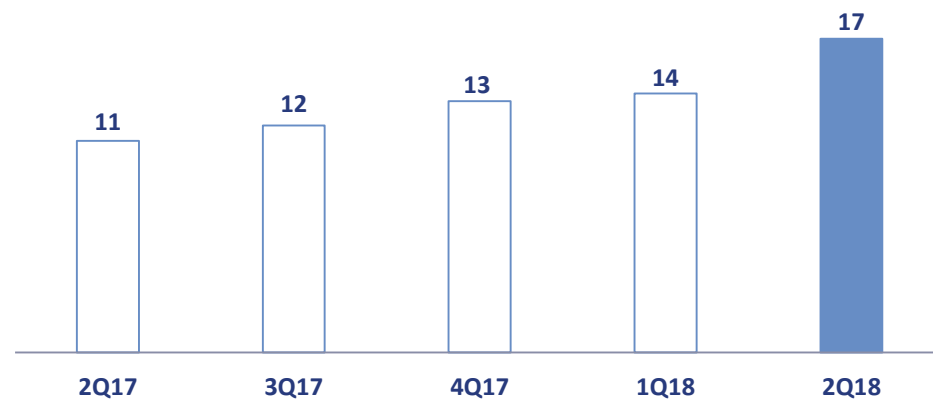
## OpEx (€ m)



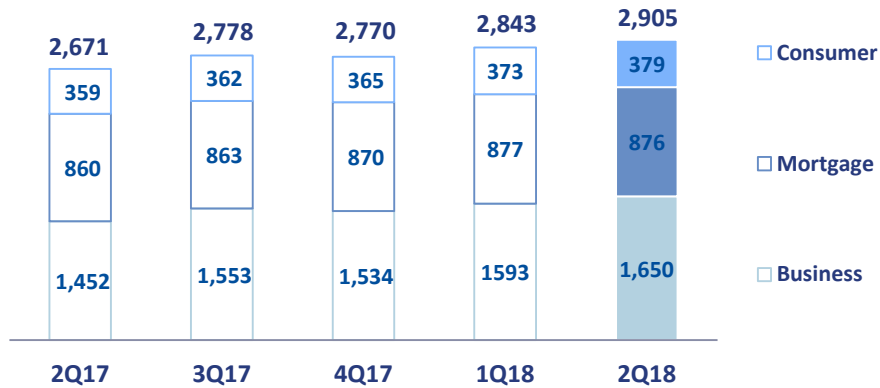
## Loan loss provisions (€ m)



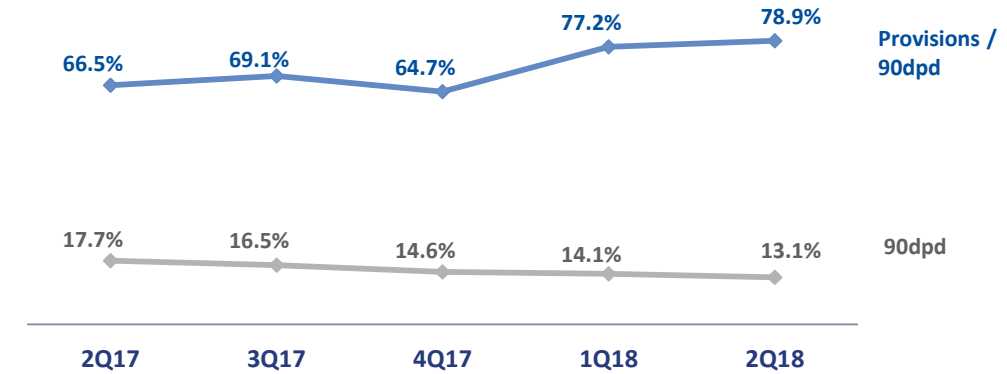
## Net Profit (€ m)



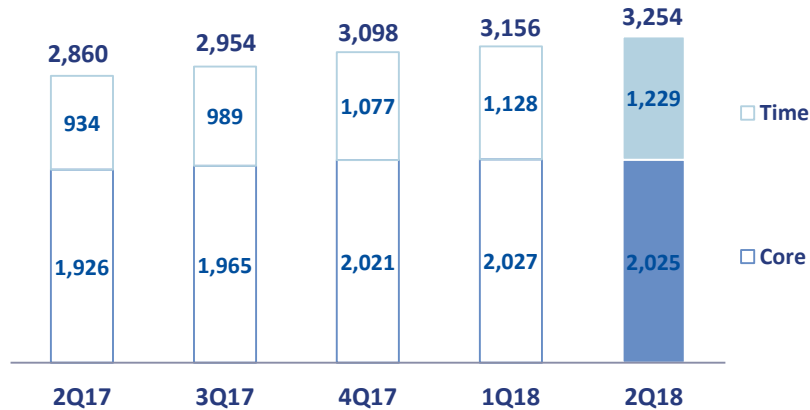
## Gross Loans (€ m)



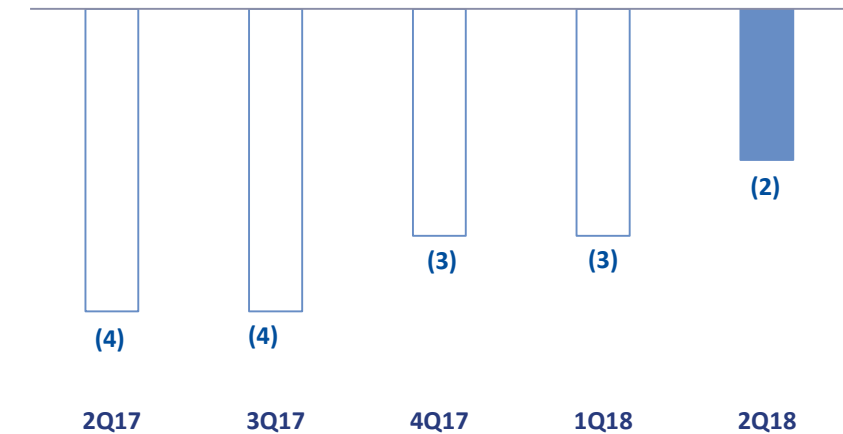
## 90dpd ratio and Provisions / 90dpd



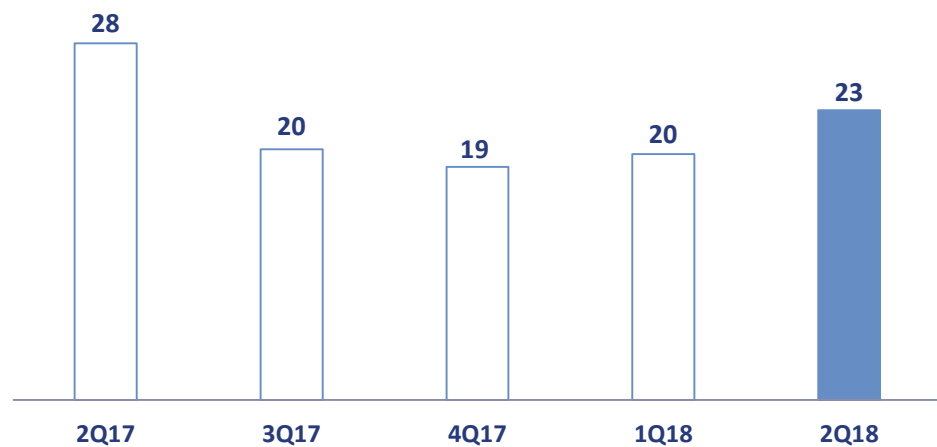
## Deposits (€ m)



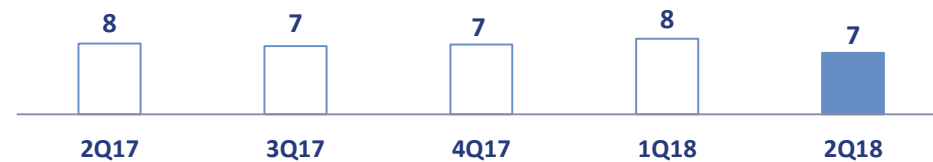
## 90dpd formation (€ m)



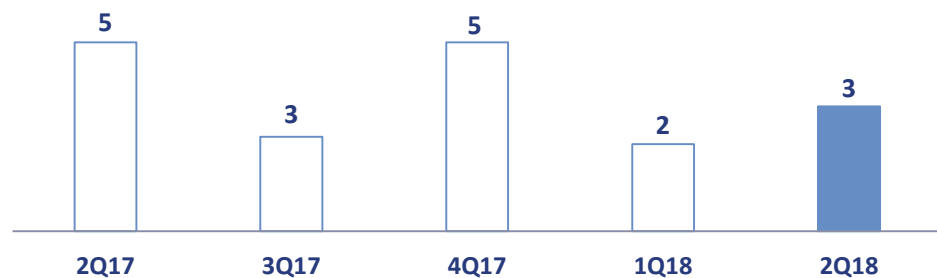
## PPI (€ m)



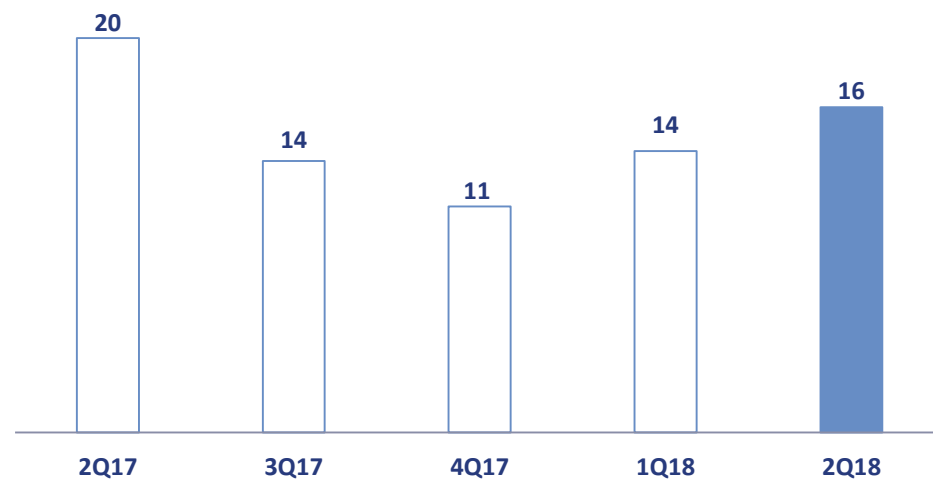
## OpEx (€ m)



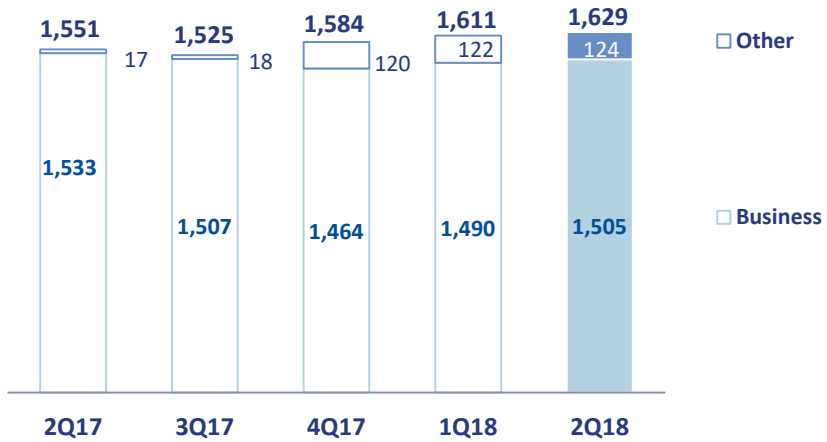
## Loan loss provisions (€ m)



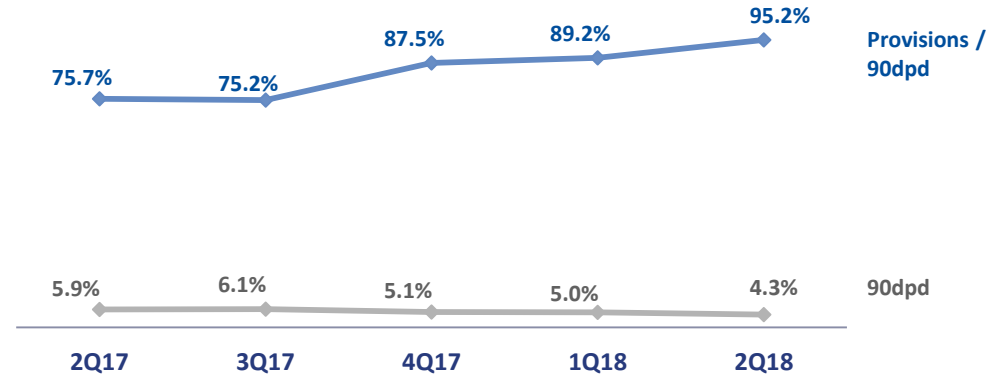
## Net Profit (€ m)



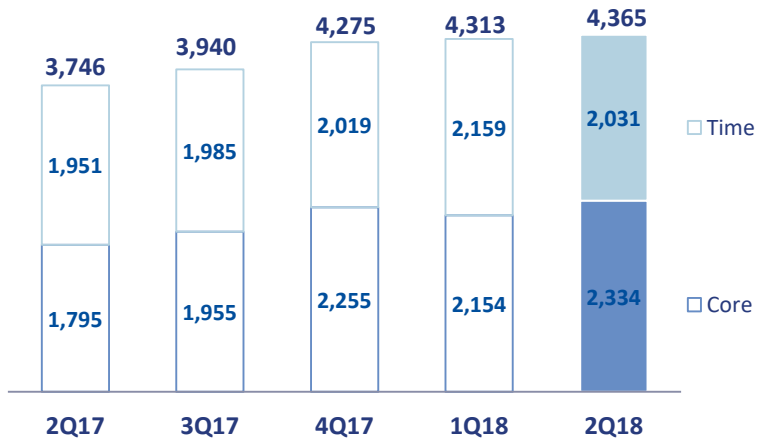
## Gross Loans (€ m)



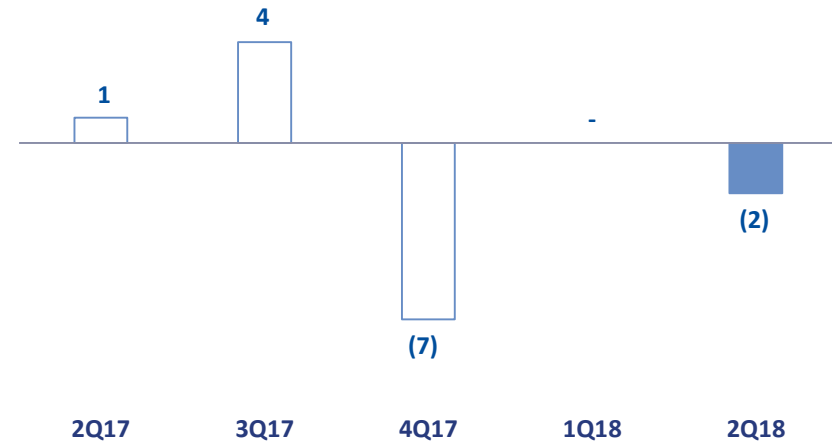
## 90dpd ratio and Provisions / 90dpd



## Deposits (€ m)

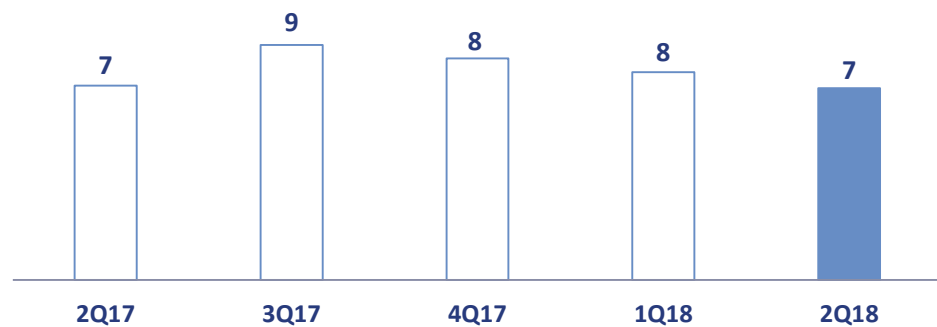


## 90dpd formation (€ m)

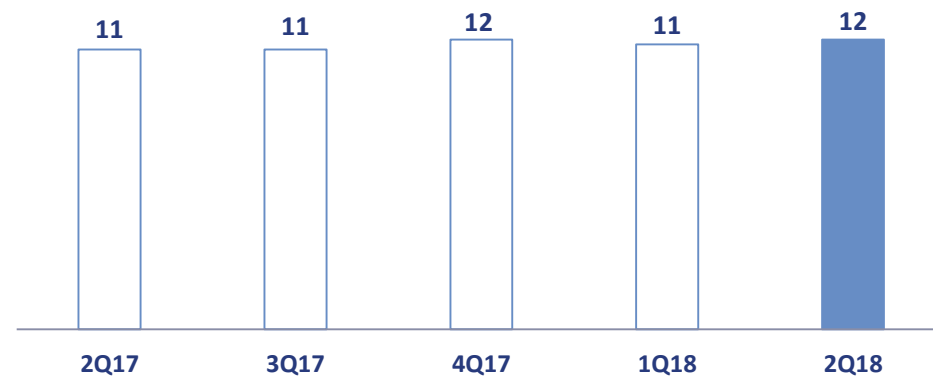




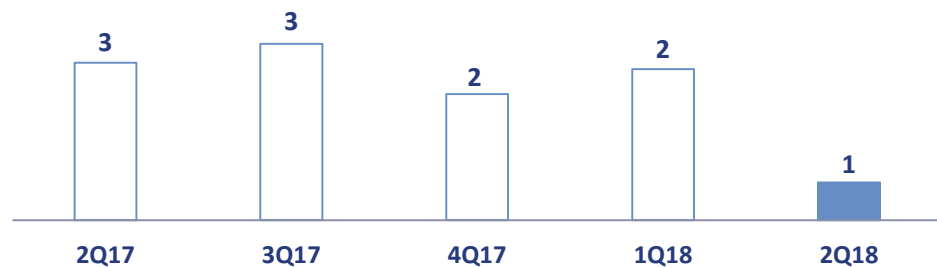
## PPI (€ m)



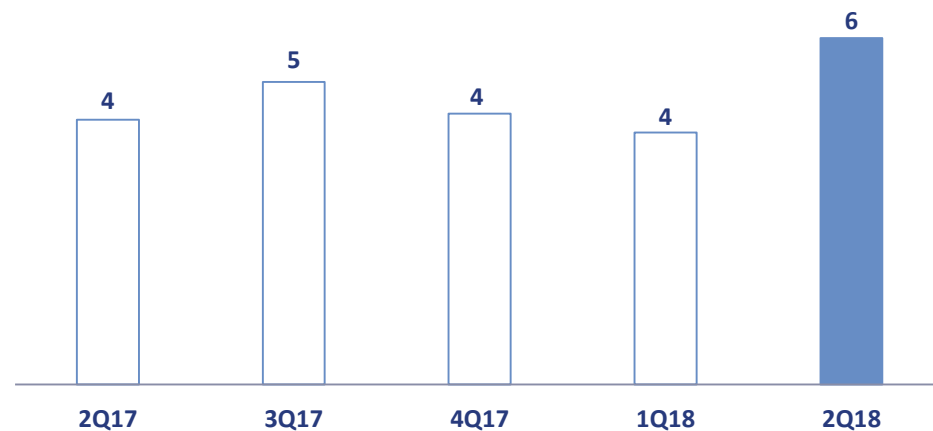
## OpEx (€ m)



## Loan loss provisions (€ m)

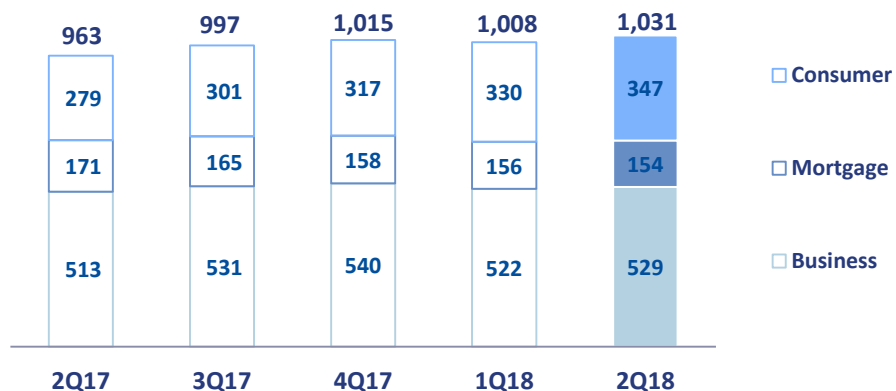


## Net Profit (€ m)

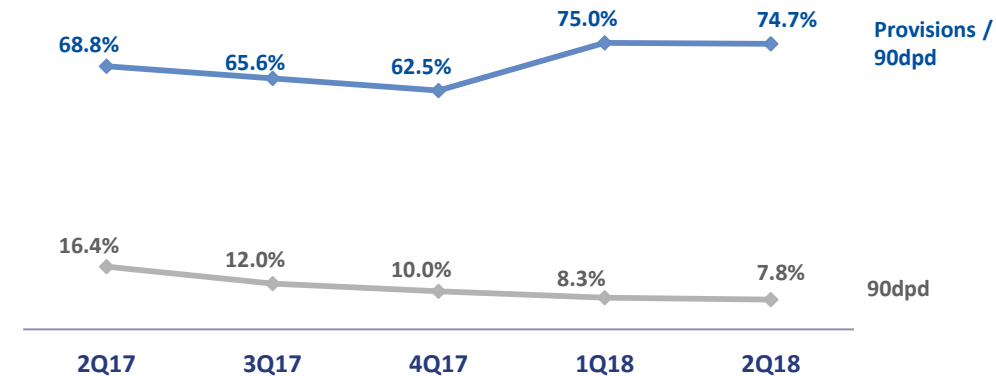


# Serbia B/S and Asset quality

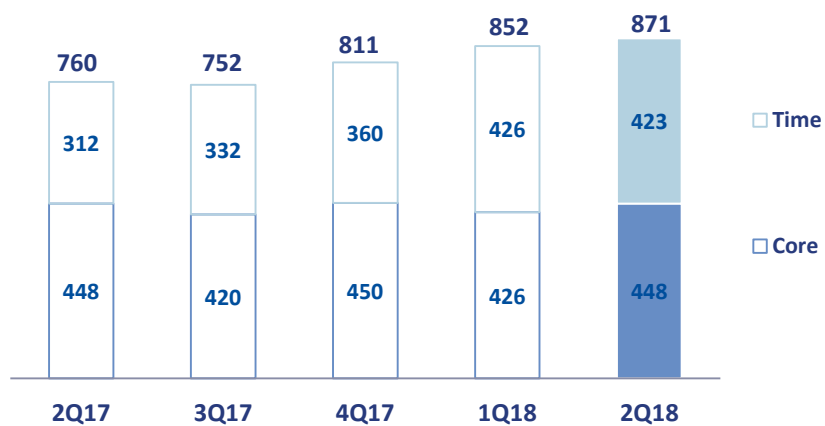
## Gross Loans (€ m)



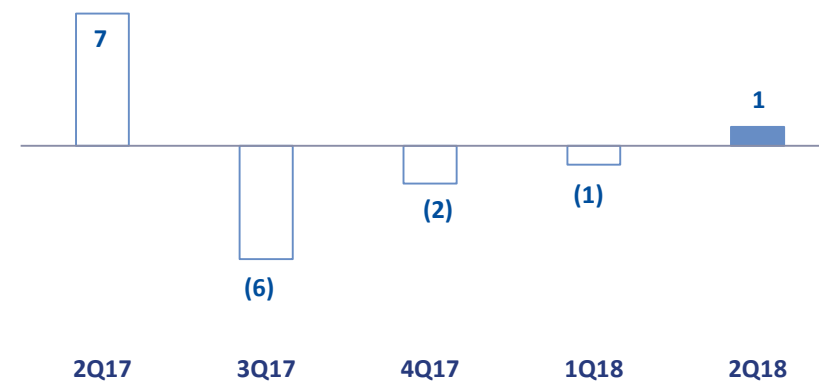
## 90dpd ratio and Provisions / 90dpd



## Deposits (€ m)



## 90dpd formation (€ m)



# Key figures – 2Q18

		Bulgaria	Cyprus	Serbia	Lux	Sum
<b>Balance Sheet</b> (€m)	Assets	3,779	4,965	1,407	1,332	<b>11,483</b>
	Gross loans	2,905	1,629	1,031	454	<b>6,019</b>
	Net loans	2,606	1,563	972	453	<b>5,594</b>
	90dpd Loans	380	70	80	2	<b>532</b>
	NPE loans	514	90	103	2	<b>709</b>
	Deposits	3,254	4,365	871	1,102	<b>9,592</b>
<b>Income statement</b> (€m)	Operating Income	50.0	29.5	18.6	7.8	<b>105.9</b>
	Operating Expenses	(20.7)	(6.5)	(11.5)	(4.4)	<b>(43.1)</b>
	Loan loss provisions	(8.9)	(3.3)	(0.6)	0.1	<b>(12.7)</b>
	Profit before tax & minorities	19.2	19.5	6.2	3.5	<b>48.4</b>
	Net Profit	16.6	16.4	5.5	3.1	<b>41.6</b>
<b>Branches (#)</b>	Retail	174	-	80	-	<b>254</b>
	Business / Private banking centers	10	8	6	2	<b>26</b>
<b>Headcount (#)</b>		2,384	352	1,248	100	<b>4,084</b>

## Appendix I – Supplementary information

## Balance sheet – key figures

€ m	2Q18	1Q18
Gross customer loans	46,760	47,046
Provisions	(10,555)	(10,952)
Net customer loans	36,206	36,094
Customer deposits	36,388	35,260
Eurosystem funding	5,050	7,080
Shareholders' equity	5,020	5,001
Tangible book value	4,852	4,843
Tangible book value / share (€)	2.22	2.22
Earnings per share (€)	0.00	0.02
Risk Weighted Assets	37,795	37,652
Total Assets	56,789	58,512
Ratios (%)	2Q18	1Q18
CET1	14.8	15.1
Loans/Deposits	99.3	102.2
90dpd	32.5	33.2
Provisions / 90dpd	70.0	70.6
Provisions / Gross loans	22.6	23.3
Headcount (#)	13,217	13,267
Branches and distribution network (#)	656	659

## Income statement – key figures

€ m	2Q18	1Q18
Net interest income	355.9	354.8
Commission income	73.8	64.0
Operating income	461.0	451.5
Operating expenses	(217.1)	(218.9)
Pre-provision income	243.9	232.6
Loan loss provisions	(169.3)	(167.2)
Other impairments	(2.9)	(1.5)
Net income before tax <sup>1</sup>	85.9	76.8
Discontinued operations	(49.1)	3.2
Restructuring costs (after tax) & Tax adj.	(5.2)	(25.9)
Net income after tax	1.1	34.5
Ratios (%)	2Q18	1Q18
Net interest margin	2.51	2.51
Fee income / assets	0.52	0.45
Cost / income	47.1	48.5
Cost of risk	1.88	1.86

1. Net Profit from continued operations before restructuring costs (after tax) and Tax Adjustments.

# Consolidated quarterly financials

Income Statement (€ m)	2Q18	1Q18	4Q17	3Q17	2Q17
Net Interest Income	355.9	354.8	372.9	369.3	364.4
Commission income	73.8	64.0	69.9	66.8	66.5
Other Income	31.3	32.6	50.7	27.5	34.4
Operating Income	461.0	451.5	493.6	463.6	465.3
Operating Expenses	(217.1)	(218.9)	(226.3)	(223.2)	(223.1)
Pre-Provision Income	243.9	232.6	267.3	240.4	242.2
Loan Loss Provisions	(169.3)	(167.2)	(205.7)	(177.9)	(182.3)
Other impairments	(2.9)	(1.5)	(23.3)	(8.2)	(15.6)
Profit before tax	85.9	76.8	40.1	57.2	45.5
Net Profit before discontinued operations, restructuring costs & tax adj. <sup>1</sup>	55.4	57.2	53.3	61.2	37.3
Discontinued operations	(49.1)	3.2	(3.0)	(75.3)	3.3
Restructuring costs (after tax) & tax adjustments	(5.2)	(25.9)	(7.4)	(1.2)	(0.8)
Net Profit	1.1	34.5	42.8	(15.3)	39.7

Balance sheet (€ m)	2Q18	1Q18	4Q17	3Q17	2Q17
Consumer Loans	5,048	5,202	5,248	5,953	5,897
Mortgages	16,423	16,512	16,657	16,716	17,019
<b>Household Loans</b>	<b>21,471</b>	<b>21,714</b>	<b>21,905</b>	<b>22,669</b>	<b>22,916</b>
Small Business Loans	6,899	6,952	6,973	6,966	7,034
Corporate Loans	18,305	18,297	18,339	18,680	18,780
<b>Business Loans</b>	<b>25,205</b>	<b>25,249</b>	<b>25,312</b>	<b>25,647</b>	<b>25,813</b>
Total Gross Loans	46,760	47,046	47,242	48,343	48,758
Total Deposits	36,388	35,260	33,843	33,201	32,253
Total Assets	56,789	58,512	60,029	60,839	64,054

1. Net Profit from continued operations before restructuring costs (after tax) and Tax Adjustments.

# Consolidated financials

Income Statement (€ m)	1H18	1H17	Δ y-o-y (%)
Net Interest Income	710.7	721.2	(1.5)
Commission income	137.9	130.8	5.5
Other Income	63.9	72.3	(11.6)
Operating Income	912.5	924.2	(1.3)
Operating Expenses	(436.1)	(444.8)	(2.0)
Pre-Provision Income	476.5	479.4	(0.6)
Loan Loss Provisions	(336.5)	(366.4)	(8.2)
Other impairments	(4.3)	(18.1)	(76.2)
Profit before tax	162.6	97.4	66.9
Net Profit before discontinued operations, restructuring costs & tax adj. <sup>1</sup>	112.6	71.1	58.5
Discontinued operations	(45.9)	6.3	-
Restructuring costs (after tax) & tax adjustments	(31.1)	(1.1)	
Net Profit	35.7	76.3	(53.3)
Balance sheet (€ m)	1H18	1H17	Δ y-o-y (%)
Consumer Loans	5,048	5,897	(14.4)
Mortgages	16,423	17,019	(3.5)
<b>Household Loans</b>	<b>21,471</b>	<b>22,916</b>	<b>(6.3)</b>
Small Business Loans	6,899	7,034	(1.9)
Corporate Loans	18,305	18,780	(2.5)
<b>Business Loans</b>	<b>25,205</b>	<b>25,813</b>	<b>(2.4)</b>
Total Gross Loans	46,760	48,758	(4.1)
Total Deposits	36,388	32,253	12.8
Total Assets	56,789	64,054	(11.3)

1. Net Profit from continued operations before restructuring costs (after tax) and Tax Adjustments.

## Appendix II – Macroeconomic update



# Recent Developments

---

- Completion of ESM programme and strong tourism season (Jan-Jun travel receipts up 18.9% YoY) support expectations for a further improvement in domestic economic activity in H2 2018;
- Budget execution, positive carry over and fiscal measures agreed in the context of the 1st review of the 3rd programme (June 2016) support attainability of FY-2018 programme primary surplus target (3.5% of GDP)
- Official target for full-year GDP growth at 1.9% (EC Spring Forecast, May 2018)
- Jobless rate stood at 19.5% in May-18 (21.7% in May-17), with employment growing on average by 1.5 YoY% in Jan-May 18
- Disbursement of EUR15.0bn (€5.5 bn for 2018 financing needs & €9.5bn for the cash buffer) and completion of ESM programme (20 August 2018)
  - According to the PDMA, a cash buffer of c. €24.0bn is equivalent to 2 years of gross financing needs after the end of the programme or 4 years assuming that the current stock of T-bills will be rolled over

## Rating Agencies Upgrades

- Fitch upgraded Greece's Long-Term Foreign Currency Issuer Default Rating (IDR) to 'BB-' from 'B' with outlook 'stable' (Aug18)
- S&P raised its foreign and local currency long-term sovereign credit ratings on Greece to 'B+' from 'B' (Jun18) and raised its outlook to 'positive' (Jul18)
- Moody's upgraded Greece's issuer rating to B3 from Caa2 as well as its unsecured bond and programme ratings to B3/(P)B3 from Caa2/(P)Caa2 and kept its outlook 'positive' (Feb18)
- Moody's upgraded the ratings of all Greek mortgage covered bonds to B3 from Caa2

# Key macro indicators

## Realizations & forecasts

	2017, €bn*	2017*	2018**	2019**
	(nominal)	Real (YoY%)	Real (YoY%)	Real (YoY%)
GDP	177.7	1.4	1.9	2.3
Private Consumption	123.3	0.1	0.5	0.9
Government Consumption	35.5	-1.1	1.2	0.4
Gross Fixed Capital Formation	22.5	9.6	10.3	12.1
Exports	59.0	6.8	5.7	4.6
Imports	61.0	7.2	5.5	4.4
GDP Deflator (YoY%)		0.7	0.9	1.3
HICP (YoY%)		1.1	0.5	1.2
Unemployment Rate (%)		21.5	20.1	18.4

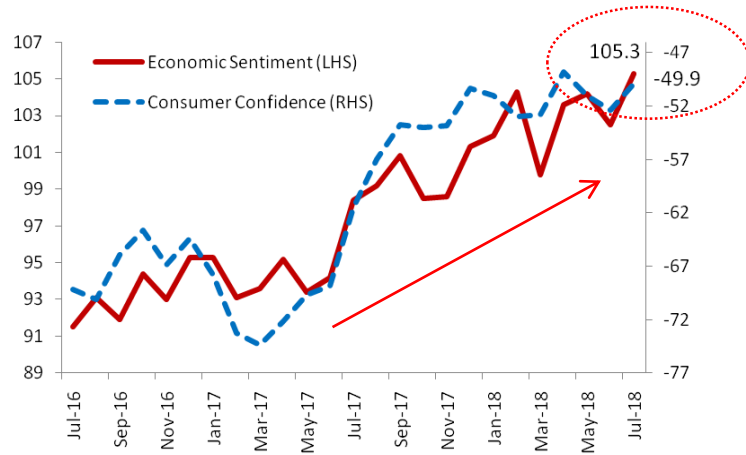
*MTFS 2019-2022 real GDP growth forecasts: 2.0%, 2.4%, 2.3%, 2.1% and 1.8% for 2018, 2019, 2020, 2021 and 2022*

*Real GDP growth rate consensus forecast for 2018 and 2019 at 2.0% and 2.2% respectively (source: Bloomberg)*

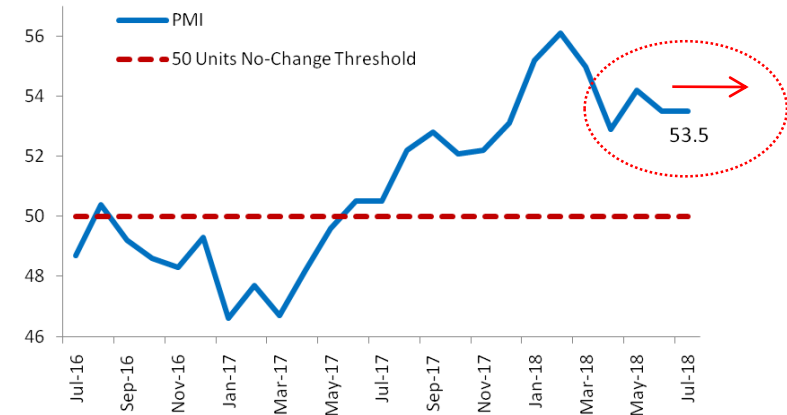
# Selected indicators of domestic economic activity

## The overall trend remains positive

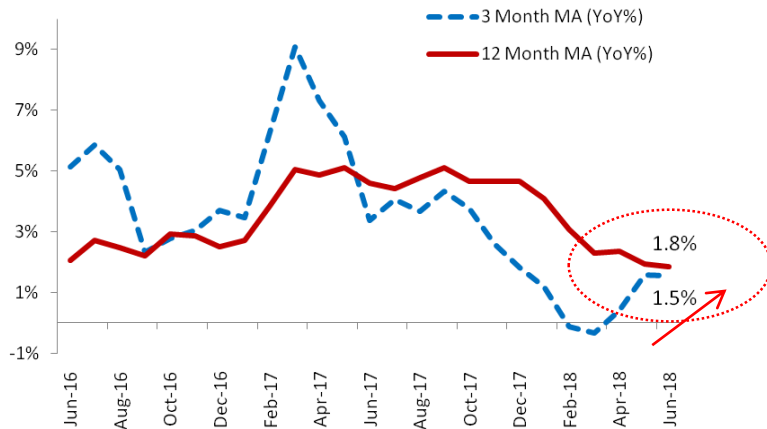
**Economic Sentiment Indicator:** on an upward trend despite the recent variability



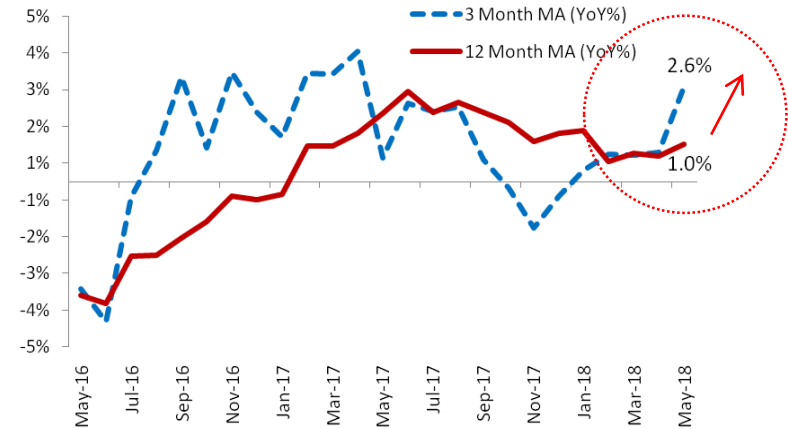
**PMI manufacturing:** above the recession/expansion threshold for 14 months in a row



**Industrial production:** growth improves in 2018Q2



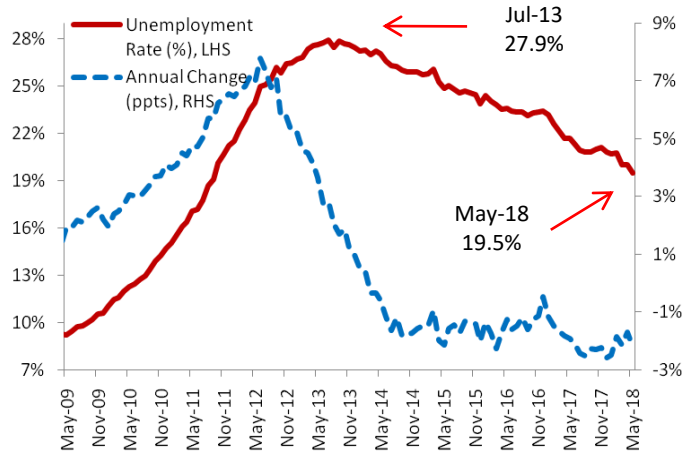
**Retail trade volume:** growth accelerates in May-18



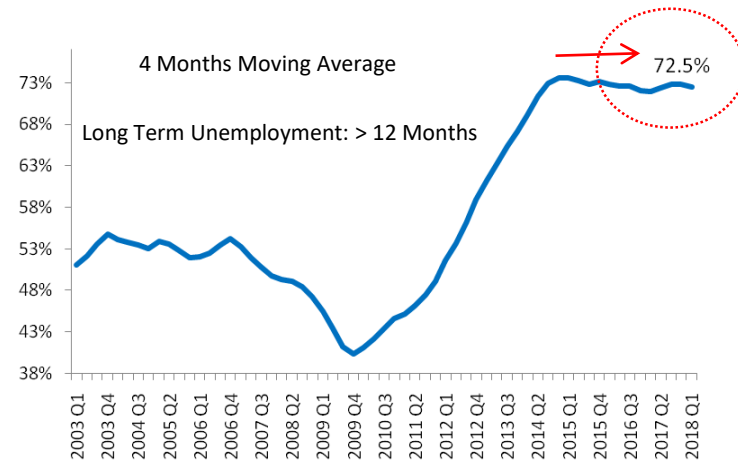
# Domestic labour market

## Conditions improving lately, but serious challenges remain

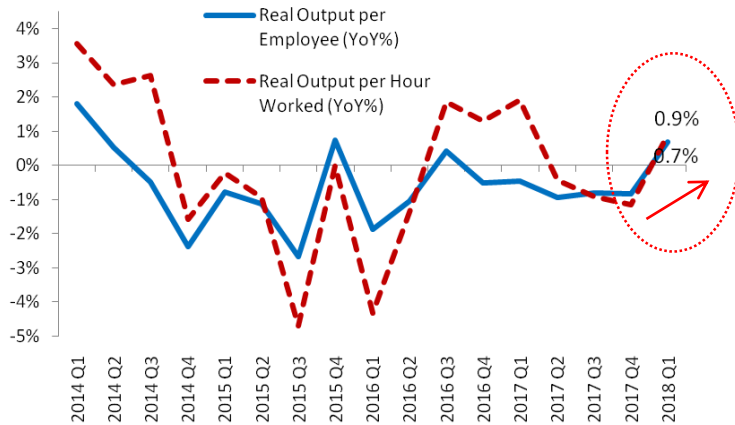
**Unemployment rate: still elevated despite recent declines**



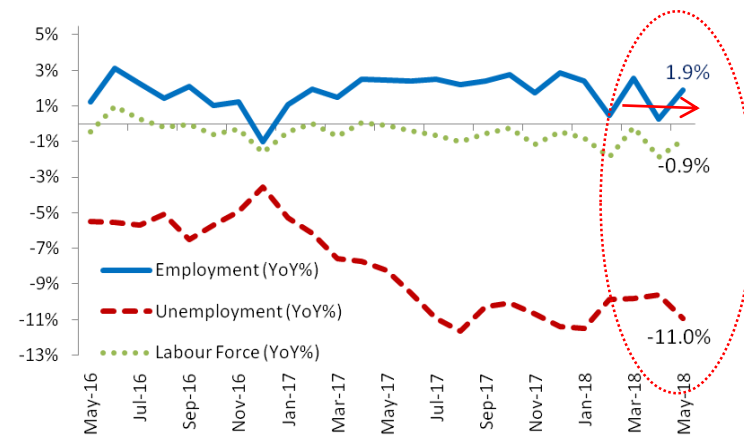
**Long term unemployment: a drain on human capital stock**



**Labour productivity growth: weak rebound in 2018Q1**

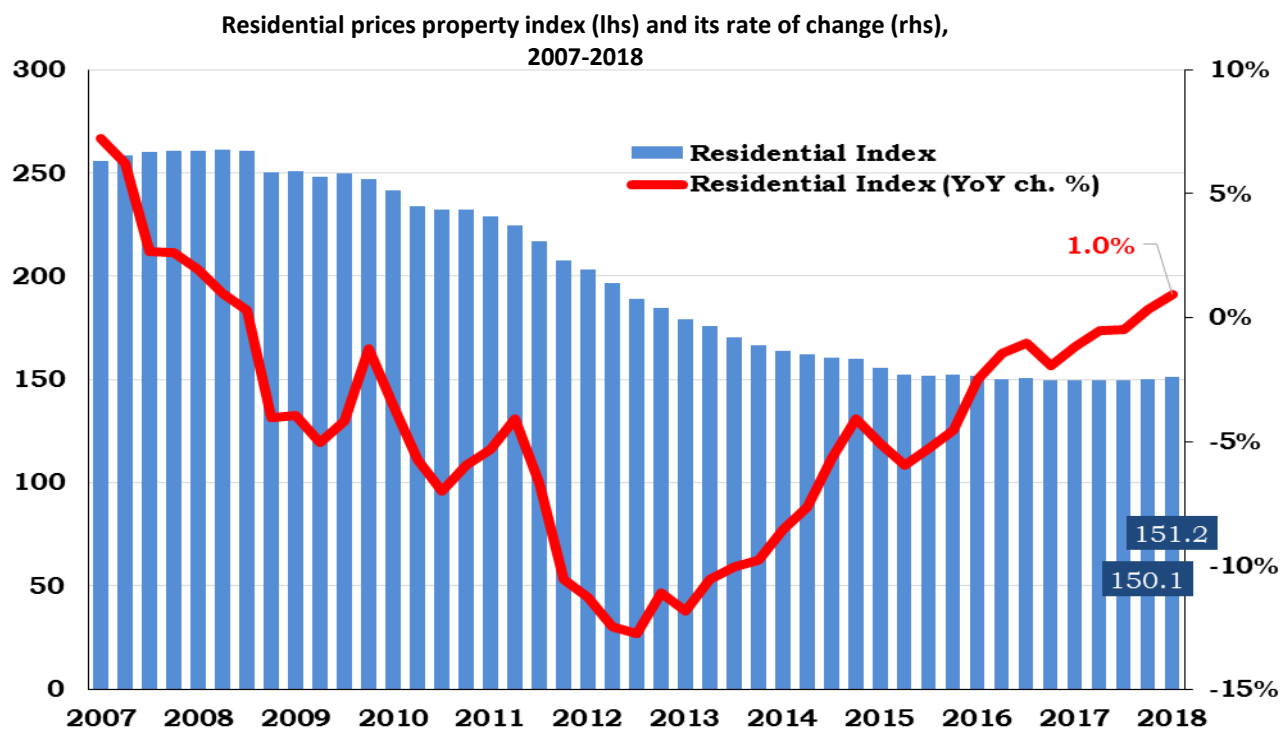


**Employment: growth decelerates in Apr-May relative to 2018Q1**



# Real Estate prices: Increase in H1 2018 after a multi-year decline

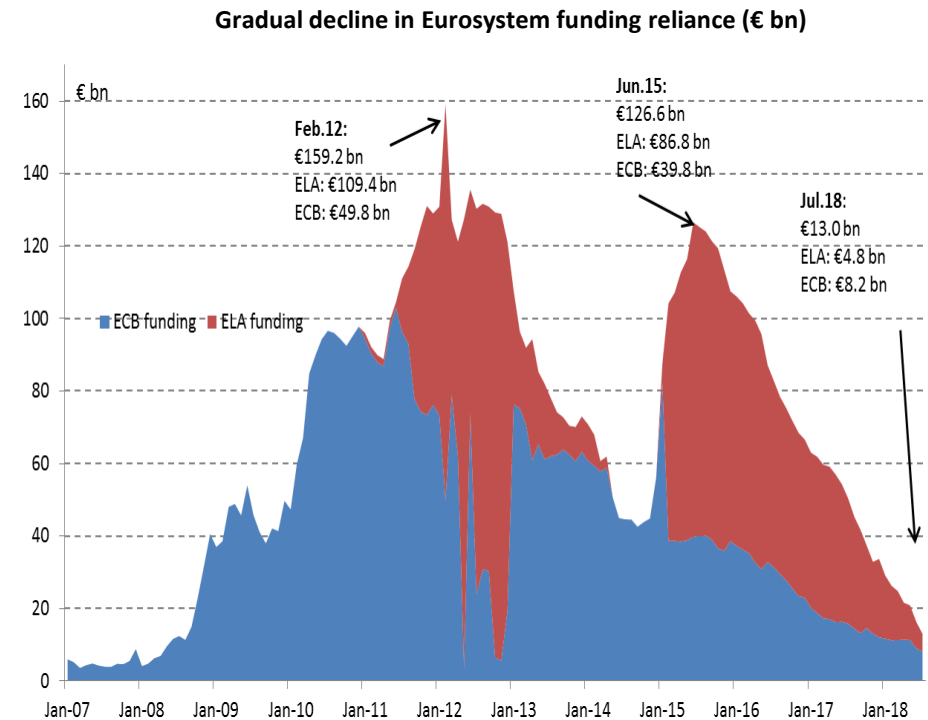
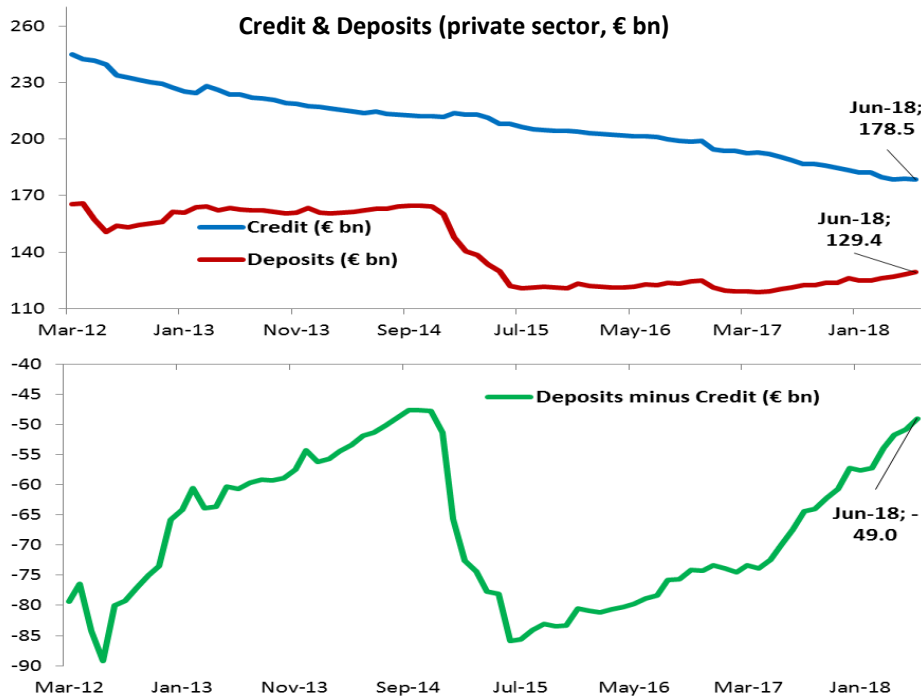
- According to the Bank of Greece, residential prices followed a decreasing path from 2009 to end 2017; real estate prices increased in Q1 and Q2 2018 respectively.
  - Downward index trend mainly due to the contraction of disposable income, the increase of unemployment, limited access to credit and the excess supply of residential properties.
  - For the period between the fourth quarter of 2007 and the fourth quarter of 2017, apartment prices declined cumulatively by 42.3 per cent;
  - Recovery trends mainly due to touristic rentals demand



# Domestic financial conditions

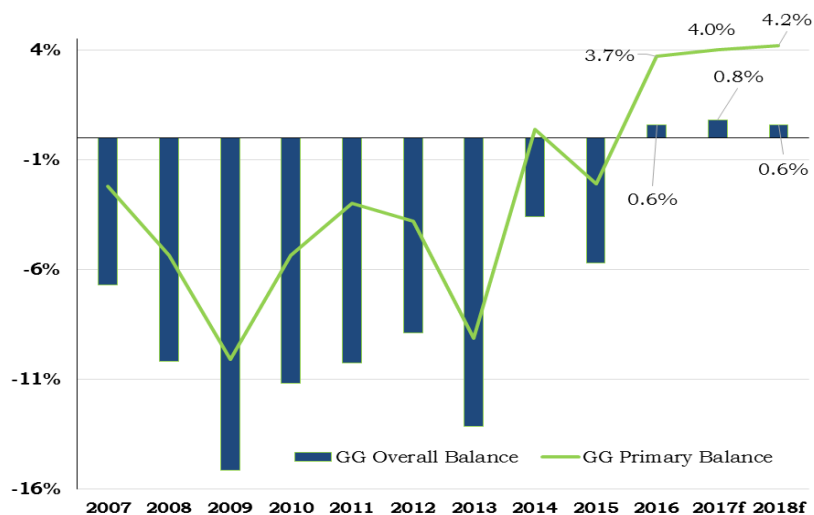
## Gradual improvement underway

- Further stabilization of macro environment to facilitate return of bank deposits and relaxation of Capital Controls
  1. Private-sector deposits recorded a 2.4% increase year to date; July 2018 increase at 7.5% yoy.
  2. Cash outside the Greek banking system in July 2018 at €31.5 bn or 17.1% of GDP (significantly below the respective Feb 2017 level of €41.9 bn or 24.0% of GDP) vs. 17.3% of GDP in Sep 2014 & 10.0% of GDP EA average
  
- Reduction in ELA funding facilitated by deposits' return, continued deleveraging and increased bank access to interbank funding (c. €21.8bn in June 2018 vs. €9.8bn in November 2015)

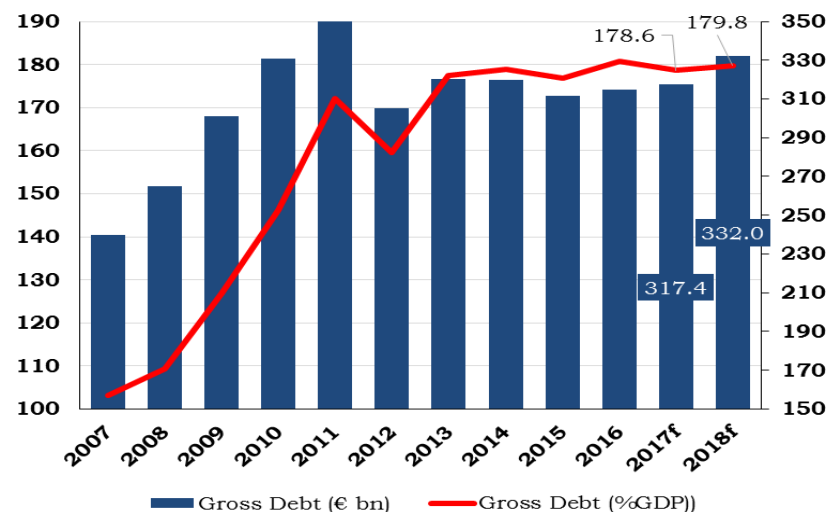


- 2017 marks the 4th year out of 5 consecutive years of with a surplus position in the general government primary balance (in 2014 the primary balance was zero).
- FY-2017 primary surplus at 4.2% of GDP vs. a 1.75% target and FY-2017 gross public debt at 178.6% of GDP.
- 2018 Budget foresees FY-2018 primary surplus in program terms at 3.82% of GDP vs program target of 3.5%, despite downward revision of 2018 revenue by €0.6 bn.
- 2018 Budget foresees FY-2018 gross public debt at 179.8% of GDP.

**General Government overall and primary fiscal balances as % of GDP (in ESA-2010 terms)**

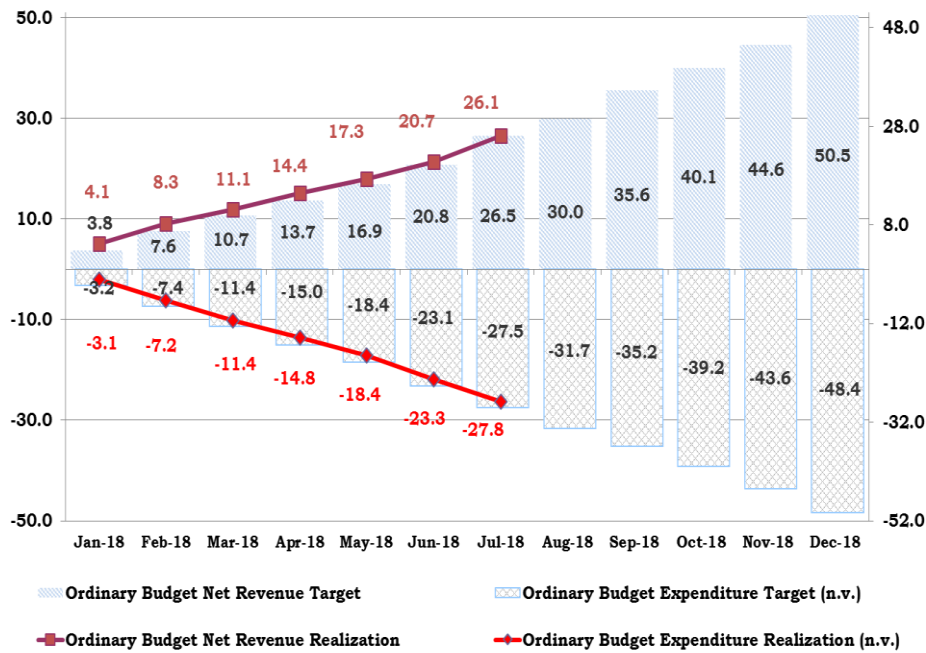


**General Government gross public debt (ESA-2010)**

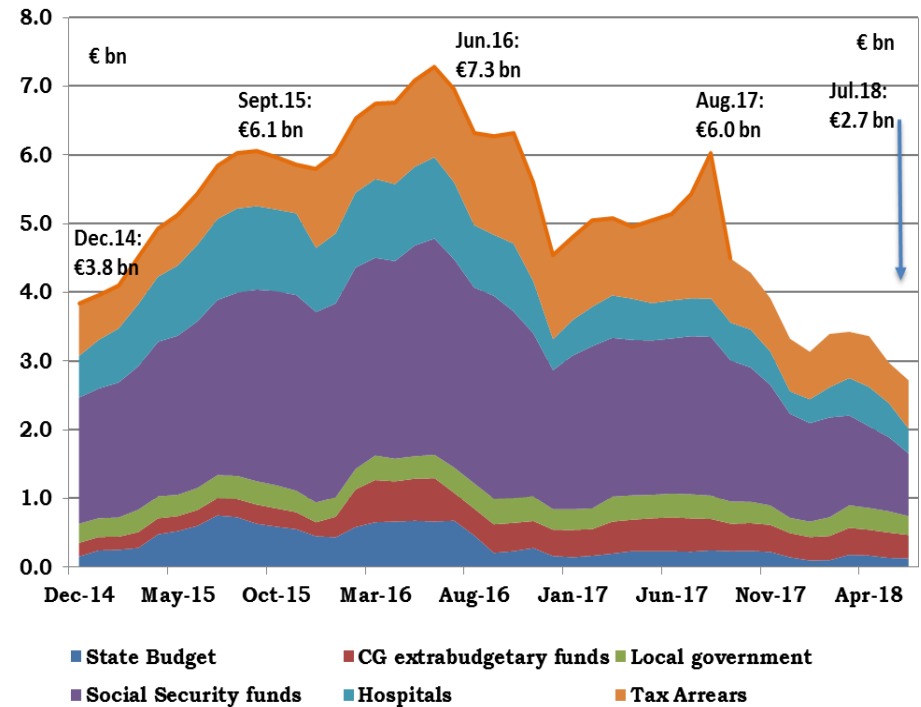


- Year-to-July 2018 budget execution data compatible with the achievement of the 2018 fiscal targets:
  - Primary surplus at €2.0 bn against a target €0.9 bn (revenues and expenditures were above target by €0.5 bn and €0.1 respectively; public Investment Budget expenditure was below target by €0.8 bn).
- The stock of arrears at the end of July 2018 was at €2.7 bn from €6.0 bn in August 2017. According to the ESM March 2018 Compliance Report ,arrears are expected to be cleared by the end of 2018

State budget execution Jan-Apr. 2018 (EUR bn)



General Government Arrears to the private sector Feb. 2018 (EUR bn)





### Fourth (final) programme review

- All agreed prior actions were deemed complete

### Primary surplus targets

- 3.5% of GDP until 2022
- 2.2% of GDP on average from 2023 to 2060

### Medium-term debt relief measures

- Abolition of step-up interest rate margin related to debt buy-back tranche of the 2<sup>nd</sup> Greek programme as of 2018
- Return of SMP/ANFA income equivalent amounts as of budget year 2017
- Deferral of EFSF interest and amortisation by 10 years and extension of maximum weighted average maturity by 10 years

### European Commission DSA

- debt is found unsustainable before the adoption of the above debt relief measures
- ... but sustainable when the measures are adopted

### Enhanced Post Programme Surveillance (EU Regulation 472/2013)

- Quarterly reviews by EC/ECB/ESM/IMF to monitor economic/fiscal/financial situation & policy commitments
- Policy commitments linked to return of SMP/ANFA income equivalent amounts and abolition of step-up interest rate margin up to 2022
- Access will be granted to all necessary information regarding economic, fiscal and financial situation of Greece

### Loan tranche & cash buffer

- €15 billion: €5.5 billion for debt-servicing and €9.5 billion for cash buffer.

## Post-programme commitments *(excl. privatisations)*

### Fiscal and structural

- Keep agreed primary surplus targets
- Adjust property tax values for ENFIA
- IAPR and end-to-end IT collection systems
- No new arrears accumulation
- General Government Treasury account system / Chart of Accounts

### Labour & product markets

- Wage setting in line with Law 4172/2012
- Action plan for undeclared work
- Completion of investment licensing legislation and cadastre
- Divestment of PPC lignite-fired capacity
- Launch of Target Model
- Amendment of NOME auction system

### Financial stability

- Restore the health of the banking system
- Phases I and II of e-justice system
- Electronic filing of legal documents
- Exit strategy for the sale of HFSF stakes in systemic banks
- Relaxation of capital controls in line with published roadmap

### Social welfare

- Completion of single pension fund (EFKA)
- Rollout of primary health care system
- Reform of social safety nets

### Public administration

- Administrative Secretary Generals and Directors General according to law 4369/2016
- Integrated HR Management System
- Labour Law Code and Code of Labour Regulatory Provisions
- National Gateway for Codification and Reform of Greek Legislation
- Implementation of GRECO recommendations

## Appendix III – Glossary

This document contains financial data and measures as published or derived from the published consolidated financial statements which have been prepared in accordance with International Financial Reporting Standards (IFRS). Additional sources used, include information derived from internal information systems consistent with accounting policies and other financial information such as consolidated Pillar 3 report. The financial data are organized into two main reportable segments, Greece view and International Operations view.

Greece view includes the operations of Eurobank Ergasias S.A. and its Greek subsidiaries, incorporating all business activities originated from these entities, after the elimination of intercompany transactions between them.

International Operations include the operations in Bulgaria, Serbia, Cyprus and Luxembourg. Each country comprises the local bank and all local subsidiaries, incorporating all business activities originated from these entities, after the elimination of intercompany transactions between them.

**Commission income:** The total of Net banking fee and commission income and Income from non-banking services of the reported period.

**Other Income:** The total of Dividend income, Net trading income, Gains less losses from investment securities and other income/ (expenses) of the reported period.

**Core Pre-provision Income (Core PPI):** The total of Net interest income, Net banking fee and commission income and Income from non-banking services minus the operating expenses of the reported period.

**Pre-provision Income (PPI):** Profit from operations before impairments, provisions and restructuring costs as disclosed in the financial statements for the reported period.

**Net Interest Margin:** The net interest income of the reported period, annualized and divided by the average balance of continued operations' total assets (the arithmetic average of total assets, excluding assets classified as held for sale, at the end of the reported period and at the end of the previous period).

**Loans Spread:** Accrued customer interest income over matched maturity and currency libor, annualized and divided by the reported period average Gross<sup>1</sup>Loans and Advances to Customers. The period average for Gross Loans and Advances to Customers is calculated as the weighted daily average of the customers' loan volume as derived by the Bank's systems.

<sup>1</sup>Up to FY-2017 Loans spread was calculated based on Net Loans & Advances to Customers. Comparatives have been restated accordingly

**Deposits Spread:** Accrued customer interest expense over matched maturity and currency libor, annualized and divided by the reported period average Due to Customers. The period average for Due to Customers is calculated as the daily average of the customers' deposit volume as derived by the Bank's systems.

**Deposits Client Rate:** Accrued customer interest expense, annualized and divided by the reported period average Due to Customers. The average for Due to Customers is calculated as the daily average of the customers' deposit volume as derived by the Bank's systems.

**Fees/Assets:** Calculated as the ratio of annualized Commission income divided by the average balance of continued operations' total assets (the arithmetic average of total assets, excluding assets classified as held for sale, at the end of the reported period and at the end of the previous period).

**Cost to Income ratio:** Total operating expenses divided by total operating income.

**Cost to Average Assets:** Calculated as the ratio of annualized operating expenses divided the by the average balance of continued operations' total assets for the reported period(the arithmetic average of total assets, excluding assets classified as held for sale, at the end of the reported period and at the end of the previous period).

- Cost of Risk:** Impairment losses on Loans and Advances charged in the reported period, annualized and divided by the average balance of Loans and Advances to Customers at amortized cost (the arithmetic average of Loans and Advances to Customers at amortized cost at the end of the reported period and at the end of the previous period).
- Provisions/Gross Loans:** Impairment Allowance for Loans and Advances to Customers including impairment allowance for credit related commitments (off balance sheet items)-divided by Gross Loans and Advances to Customers at amortized cost at the end of the reported period.
- 90dpd ratio:** Gross Loans at amortized cost more than 90 days past due divided by Gross Loans and Advances to Customers at amortized cost at the end of the reported period.
- Provisions/90dpd loans:** Impairment Allowance for Loans and Advances to Customers, including impairment allowance for credit related commitments (off balance sheet items) divided by Gross Loans at amortized cost more than 90 days past due at the end of the reported period.
- 90dpd formation:** Net increase/decrease of 90 days past due gross loans at amortized cost in the reported period excluding the impact of write offs, sales and other movements.
- Non Performing Exposures (NPEs):** Non Performing Exposures (in compliance with EBA Guidelines) are the Group's material exposures which are more than 90 days past-due or for which the debtor is assessed as unlikely to pay its credit obligations in full without realization of collateral, regardless of the existence of any past due amount or the number of days past due. The NPEs, as reported herein, refer to the gross loans at amortized cost, except as otherwise indicated.
- NPE ratio:** Non Performing Exposures (NPEs) at amortized cost divided by Gross Loans and Advances to Customers at amortized cost at the end of the relevant period.
- Provisions/NPEs ratio:** Impairment Allowance for Loans and Advances to Customers, including impairment allowance for credit related commitments (off balance sheet items) divided by NPEs at amortized cost at the end of the reported period.
- NPE formation:** Net increase/decrease of NPEs at amortized cost in the reported period excluding the impact of write offs, sales and other movements.
- Forborne:** Forborne exposures (in compliance with EBA Guidelines) are debt contracts in respect of which forbearance measures have been extended. Forbearance measures consist of concessions towards a debtor facing or about to face difficulties in meeting its financial commitments (“financial difficulties”).
- Forborne Non-performing Exposures (NPF):** Forborne Non-performing Exposures (in compliance with EBA Guidelines) are the Bank's Forborne exposures that meet the criteria to be classified as Non-Performing.
- Loans to Deposits:** Loans and Advances to Customers at amortized cost divided by Due to Customers at the end of the reported period.

**Risk-weighted assets (RWAs):** Risk-weighted assets are the Group's assets and off-balance-sheet exposures, weighted according to risk factors based on Regulation (EU) No 575/2013, taking into account credit, market and operational risk.

**Phased in Common Equity Tier I (CET1):** Common Equity Tier I regulatory capital as defined by Regulations No 575/2013 and No 2395/2017 based on the transitional rules for the reported period, divided by total Risk Weighted Assets (RWAs).

**Fully loaded Common Equity Tier I (CET1):** Common Equity Tier I regulatory capital as defined by Regulations No 575/2013 and No 2395/2017 without the application of the relevant transitional rules, divided by total Risk Weighted Assets (RWAs).

**Earnings per share (EPS):** Net profit attributable to ordinary shareholders divided by the weighted average number of ordinary shares excluding own shares.

**Tangible Book Value:** Total equity attributable to shareholders of the Bank excluding preference shares minus Intangible Assets.

**Tangible Book Value/Share:** Tangible book value divided by outstanding number of shares as at period end excluding own shares.

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