Eurobank

August 30th, 2019

1H2019 Financial Results

- **Net profit[1] €90m in 1H2019**
- **Core pre-provision income €399m**
- **Negative NPE formation by €321m in 1H2019**
- **NPE stock down €2.4bn from end 2018**
- **NPE ratio down to 32.8% from 40.7% in 1H2018**
- **Provisions over NPEs 54.5%**
- **Deposits up by €1.9bn q-o-q**
- **Loans to Deposits at 86.5%**
- **CET1 at 15.9% and CAD at 18.4%**

[1] Before discontinued operations and restructuring costs after tax.

"Eurobank's results for the first half of the year remain positive, on a track of sustained profitability, while we deliver in a timely manner on all aspects of our frontloaded plan for the cleanup of our balance sheet.

The agreement with Pimco on the €2bn NPE securitization and the respective SRT draft decision from SSM received earlier today, mark another milestone for the completion of the accelerated plan. At the same time, negative NPE formation accelerated to €205m in Q2 bringing our total stock down by €2.4 bn for H1.

We are engaged in exclusive negotiations in view of a further securitization transaction on a €7.5 multi-asset-class portfolio of NPEs. The NPE ratio shrank by 7.9 percentage points y-o-y to 32.8%, the lowest among local peers and with an improved coverage. We remain committed to our target of a single-digit NPE ratio by the end 2021.

In an environment of historically low interest rates, pressures on NII persist, largely offset by an increase in fee and commission income. Liquidity improved in Greece and the region, bringing the loans to deposits ratio down to a new low of 86.5%, an improvement of nearly 13 percentage points from the end of 2018. It is important that the acquisition of PBB in Bulgaria was completed, after which our subsidiary Postbank is the country's third lender. International activities continued to contribute significantly to our overall performance and profitability.

Our capital position remains strong, with a CET1 ratio of 15.9% and a total CAD of 18.4%, both comfortably above regulatory requirements allowing us to proceed with our planned actions.

While focused on restoring all the bank's key metrics to normal European sector levels, we are also streamlining our efforts to making the most of the new environment in our main market in Greece. The lessening of political uncertainties along with the prioritization of investment-led growth create new opportunities and new prospects for the economy. The full lifting of the capital controls sends a strong signal of return to normality, especially to the investor community and should further boost economic sentiment, help attracting FDI and contribute to higher growth rates. Eurobank is fully committed to supporting its clients, especially dynamic, innovative and extrovert businesses, and to finance the economy at present and at significantly higher levels of economic activity."

Fokion Karavias, CEO

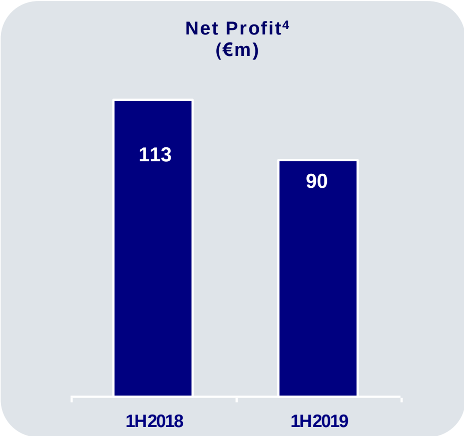
August 30th, 2019

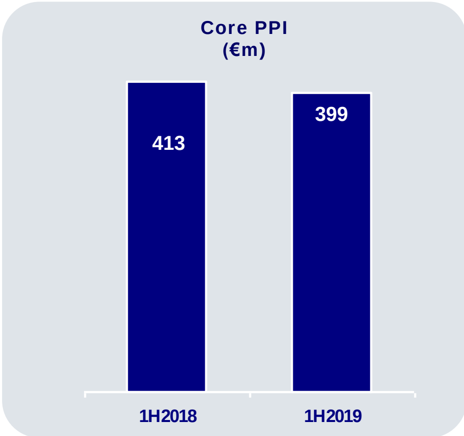
1H2019 Results Analysis

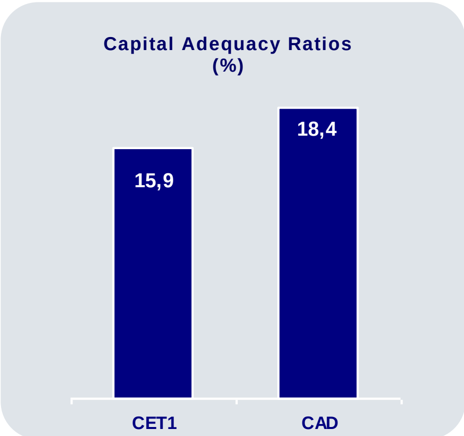
Eurobank performance in the first half of the year was positive, as **net profit**[2] at a Group level reached €90m.

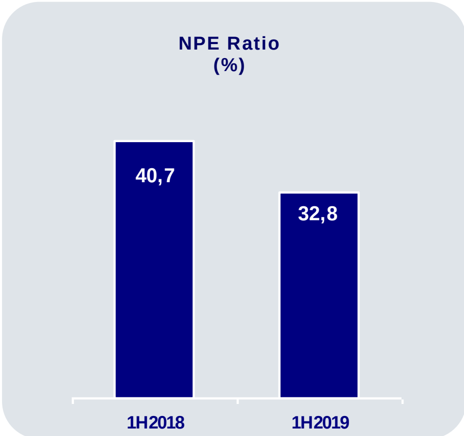
- **Net interest income** receded by 3.6% y-o-y to €685m.
- **Net fee and commission income** were up by 12.9% y-o-y to €156m, due to the merger with Grivalia (€15m) and higher fees mainly from the Branch Network activities.
- **Core income** receded to €841m, from €849m in 1H2018, whereas **total operating income** was stable y-o-y at €912m.
- **Operating** expenses, on a like for like basis[3], decreased by 0.1% y-o-y for the Group and 2.2% y-o-y in Greece.
- **Core pre-provision income** declined by 3.4% y-o-y to €399m and **pre-provision income** receded by 1.4% y-o-y to €470m.
- The **NPE formation** was negative by €321m in 1H2019 and by €205m in 2Q2019. The **NPE ratio** decreased by 7.9 percentage points y-o-y to 32.8% at the end of June, with the target being the ratio to stand below 16% at the end of the current year and to single-digit levels at the end of 2021. The **stock of NPEs** was down by €2.4bn in 1H2019, of which €2.2bn in 2Q2019, mainly driven of the €1.7bn mortgage securitization and the negative NPE formation. **Provisions over** NPEs increased by 70 basis points q-o-q to 54.5%.
- **Loan loss provisions** rose by 3.4% y-o-y to €348m and accounted for 190 basis points of the average net loans in 1H2019.
- **International operations** remained profitable, as net profit[4] increased to €95m in 1H2019, including €30m goodwill gain on Piraeus Bank Bulgaria acquisition.
- **CET1 and CAD** amounted to 15.9% and 18.4% respectively and compare to 2019 CET1 OCR of 10.25% and total CAD OCR of 13.75%.
- **Customer deposits** increased q-o-q by €1.9bn, including €1.1bn from the acquisition of Piraeus Bank Bulgaria. The **loans to deposits ratio** improved to 86.5% in 1H2019, from 99.3% a year ago.

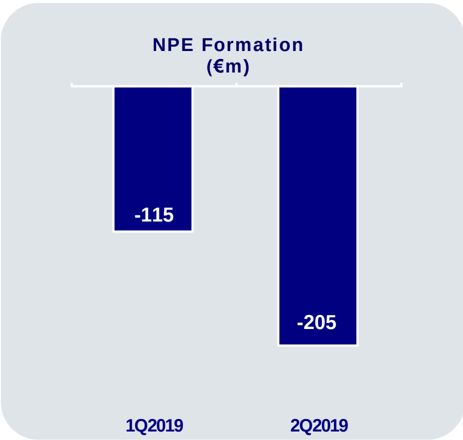
[2] Before discontinued operations and restructuring costs after tax.
[3] Excluding Grivalia and Piraeus Bank Bulgaria.
[4] Before discontinued operations and restructuring costs after tax.

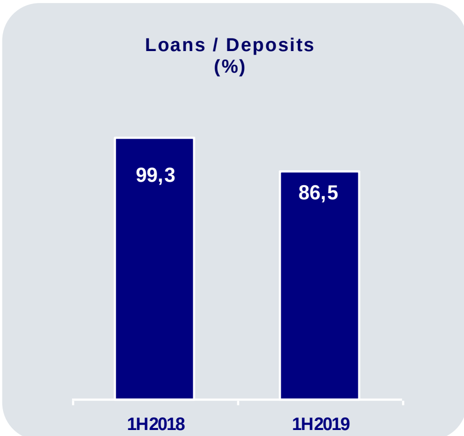

Net Profit[4]
(€m)
113
90
1H2018
1H2019


Core PPI
(€m)
413
399
1H2018
1H2019


Capital Adequacy Ratios
(%)
15,9
18,4
CET1
CAD


NPE Ratio
(%)
40,7
32,8
1H2018
1H2019


NPE Formation
(€m)
-115
-205
1Q2019
2Q2019


Loans / Deposits
(%)
99,3
86,5
1H2018
1H2019

Eurobank Financial Figures

Key Financial Results	1H2019	1H2018	Change	2Q2019	1Q2019	Change
Net Interest Income	€685m	€711m	(3.6%)	€342m	€343m	(0.2%)
Net Fee & Commission Income	€156m	€138m	12.9%	€90m	€66m	36.7%
Total Operating Income	€912m	€913m	(0.1%)	€489m	€423m	15.9%
Total Operating Expenses	€442m	€436m	1.3%	€224m	€218m	3.0%
Core Pre-Provision Income	€399m	€413m	(3.4%)	€208m	€191m	8.9%
Pre-Provision Income	€470m	€477m	(1.4%)	€265m	€205m	29.7%
Loan Loss Provisions	€348m	€337m	3.4%	€183m	€165m	11.3%
Net Result after tax before discontinued operations & restructuring costs after tax	€90m	€113m	(20.0%)	€63m	€27m	>100%
Net Result after tax, discontinued operations & restructuring costs after tax	€26m	€36m	(27.8%)	€6m	€20m	(69.4%)

Balance Sheet Highlights	1H2019	1H2018
Consumer Loans	€3,960m	€5,048m
Mortgages	€14,152m	€16,423m
Small Business Loans	€6,528m	€6,899m
Large Corporates & SMEs	€18,841m	€18,305m
Total Gross Loans	€43,563m	€46,760m
Total Customer Deposits	€41,344m	€36,388m
Total Assets	€62,395m	€56,789m

Financial Ratios	1H2019	1H2018
Net Interest Margin	2.28%	2.50%
Cost to Income	48.5%	47.8%
Non-Performing Exposures (NPEs)	32.8%	40.7%
Provisions / NPEs	54.5%	55.9%
Provisions to average Net Loans	1.90%	1.87%
Common Equity Tier 1 (CET1)	15.9%	14.8%
Total Capital Adequacy (CAD)	18.4%	17.4%

Glossary - Definition of Alternative Performance Measures (APMs) and other selected financial measures/ ratios

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 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 profit from continuing operations, before restructuring costs: Net profit from continuing operations after deducting restructuring costs net of tax.

Net Interest Margin (NIM): 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 discontinued operations, 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.

NPEs ratio: Non Performing Exposures (NPEs) at amortized cost divided by gross loans and advances to customers at amortized cost at the end of the reported 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.

NPEs formation: Net increase/decrease of NPEs in the reported period excluding the impact of write offs, sales and other movements.

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.

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, including those that have been classified as held for sale, at the end of the reported period and at the end of the previous period).

Loans to Deposits: Loans and advances to customers at amortized cost divided by due to customers at the end of the reported period.

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 for those that have been classified as held for sale.

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.

Total Capital Adequacy ratio: Total regulatory capital as defined by Regulations (EU) No 575/2013 and No 2395/2017 based on the transitional rules for the reported period, divided by total Risk Weighted Assets (RWA).

Phased in Common Equity Tier I (CET1): Common Equity Tier I regulatory capital as defined by Regulations No 575/2013 and No2395/2017 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).

EUROBANK ERGASIAS S.A.
General Commercial Registry No: 000223001000

CONSOLIDATED BALANCE SHEET

	In € million	
	30 June 2019	31 Dec 2018
ASSETS		
Cash and balances with central banks	**3,311**	1,924
Due from credit institutions	**3,056**	2,307
Derivative financial instruments	**2,351**	1,871
Loans and advances to customers	**35,828**	36,232
Investment securities	**7,097**	7,772
Property, plant and equipment	**787**	353
Investment property	**1,113**	316
Intangible assets	**419**	183
Deferred tax assets	**4,861**	4,916
Other assets	**2,422**	2,090
Assets of disposal groups classified as held for sale	**1,150**	20
Total assets	**62,395**	57,984
LIABILITIES		
Due to central banks	**1,250**	2,050
Due to credit institutions	**6,639**	6,376
Derivative financial instruments	**2,736**	1,893
Due to customers	**41,344**	39,083
Debt securities in issue	**2,762**	2,707
Other liabilities	**1,265**	844
Total liabilities	**55,996**	52,953
EQUITY		
Share capital	**852**	655
Share premium, reserves and retained earnings	**5,505**	4,334
Preferred securities	**42**	42
Total equity	**6,399**	5,031
Total equity and liabilities	**62,395**	57,984

CONSOLIDATED INCOME STATEMENT

	In € million	
	1 Jan - 30 June 2019	1 Jan - 30 June 2018
Net interest income	**685**	711
Net banking fee and commission income	**134**	133
Income from non banking services	**22**	5
Net trading income/(loss)	**(6)**	11
Gains less losses from investment securities	**44**	46
Other income/(expenses)	**33**	7
Operating income	**912**	913
Operating expenses	**(442)**	(436)
Profit from operations before impairments, provisions and restructuring costs	**470**	477
Impairment losses relating to loans and advances to customers	**(348)**	(337)
Other impairment losses and provisions	**(17)**	(4)
Restructuring costs	**(81)**	(44)
Share of results of associates and joint ventures	**3**	27
Profit before tax	**27**	119
Income tax	**2**	(37)
Net profit from continuing operations	**29**	82
Net loss from discontinued operations	**(3)**	(46)
Net profit attributable to shareholders	**26**	36

Notes:

(1) The consolidated financial statements for the six months ended 30 June 2019 have incorporated the results of Grivalia group and Piraeus Bank Bulgaria A.D. as of 1 April 2019 and 1 June 2019, respectively.

(2) The Interim Financial Report for the six months ended 30 June 2019 will be available on the Bank's website on 30 August 2019.