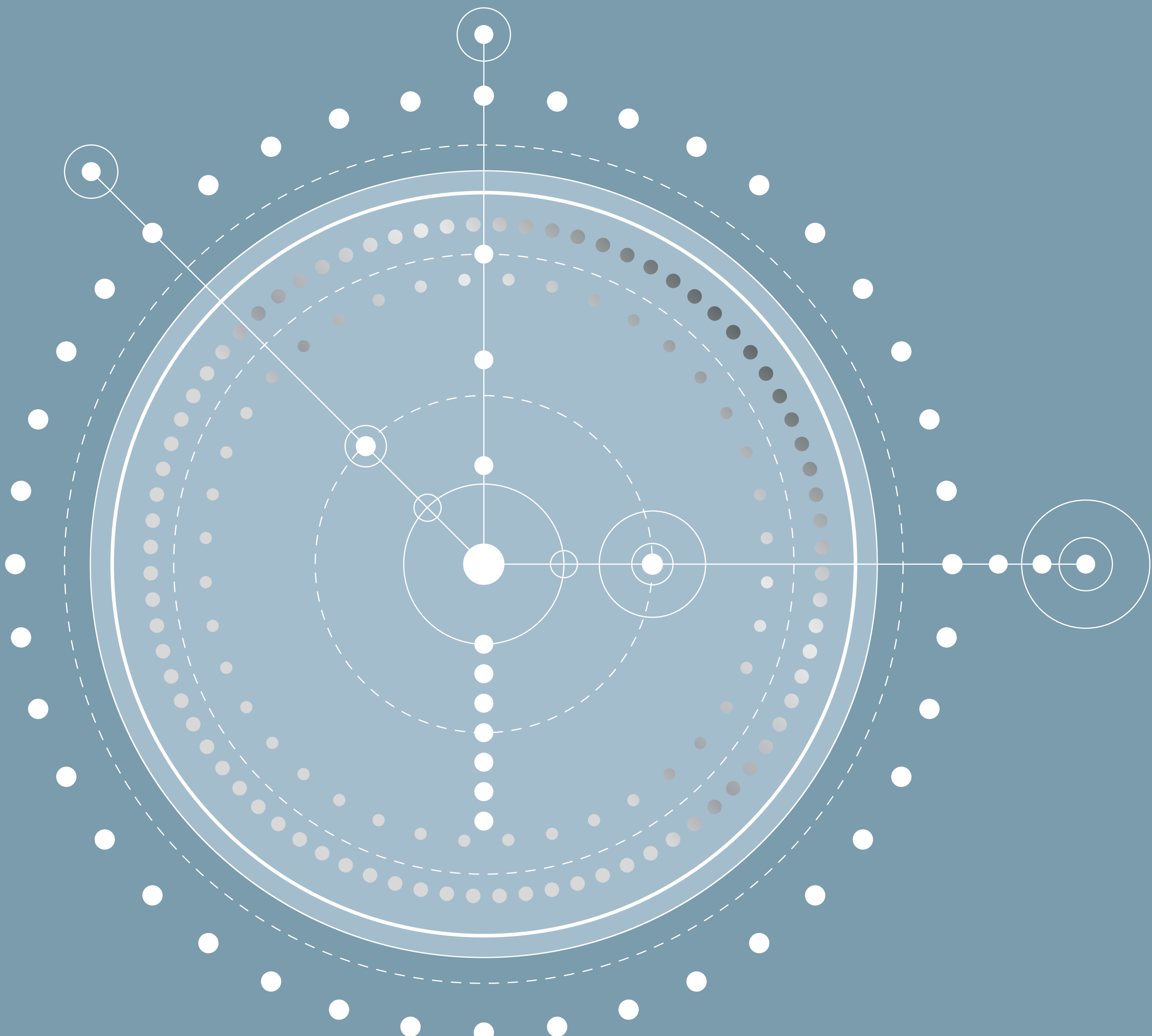
ANNUAL REPORT
2018



Eurobank

Rise in net commission **income** by **16.4%**

Net Result after tax before discontinued operations & restructuring costs **€200m**

Operating **expenses decreased** by **1.7%** y-o-y for the Group and **3.5%** y-o-y in Greece

€39.1 billion
Group **deposits**

Sale of a non-performing loan portfolio, consisting of **unsecured consumer loans**, of total unpaid principal **€1.1 billion**

Announcement of Eurobank's transformation plan: **merger** with **Grivalia** & NPE reduction acceleration plan

For us at Eurobank, a bank is a mechanism.

A mechanism operating with precision, with consistency and according to International standards.

A mechanism with a modern digital profile and a human touch. Our people; who put each client first, building trustful relationships.

Once again this year, the entire mechanism of Eurobank is dedicated to accomplishing a mission: supporting the personal and professional goals of our clients, as well as improving the development potential of the Greek economy.

Eurobank

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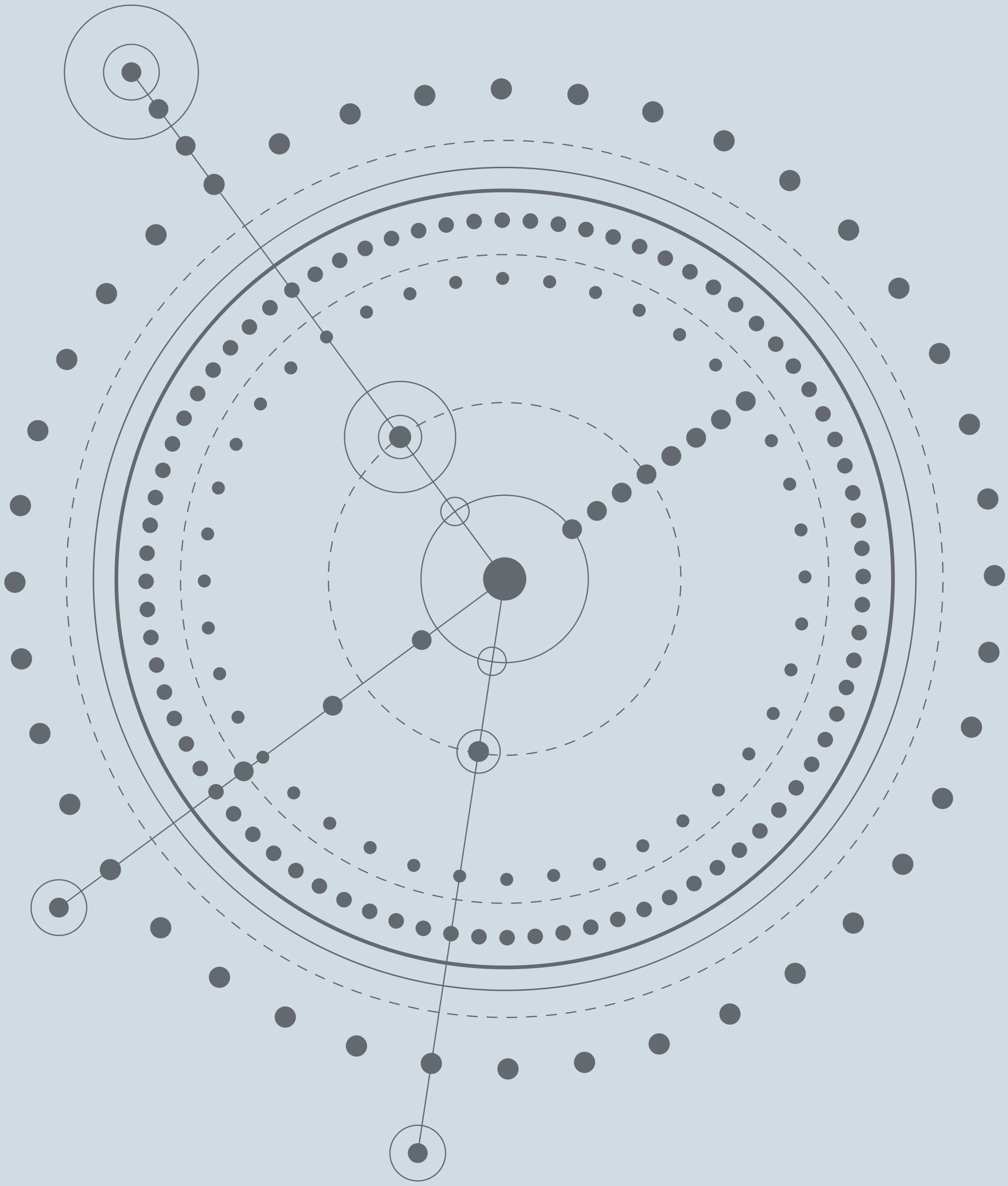

HISTORICAL MILESTONES

1990

Establishment of Euromerchant Bank S.A., specialising in Investment Banking and Private Banking.

1994

Acquisition of 75% of EFG Private Bank (Luxembourg) S.A.

1997

Eurobank-Interbank merger.

Acquisition of the branch network of Credit Lyonnais Grèce S.A.

Euromerchant Bank is renamed EFG Eurobank S.A.

1999

Completion of the mergers between EFG Eurobank, and the Bank of Athens and the Bank of Crete (Cretabank).

EFG Eurobank is listed on the Athens Stock Exchange.

2000

EFG Eurobank-Ergobank merger; the new bank is renamed EFG Eurobank Ergasias S.A.

Acquisition of a 19.25% participation in Banc Post S.A. Romania.

2002

Completion of the merger with Telesis Investment Bank.

Acquisition of a 43% participation in Post Bank Bulgaria.

2003

Acquisition of a 90.8% stake in Postbanka AD Serbia, which is renamed EFG Eurobank AD Beograd.

Acquisition of a majority stake in Banc Post Romania.

2004

Acquisition of Intertrust M.F.M.C.

Increase of the Bank's participation in Post Bank Bulgaria to 96.74%.

2006

Organic growth in the banking market of Poland, through Polbank EFG.

Completion of the 100% acquisition of Nacionalna štedionica Banka Serbia, which is merged with EFG Eurobank AD Beograd.

Acquisition of an equity stake of more than 90% in DZI Bank Bulgaria.

2007

Launch of greenfield operation in Cyprus.

Acquisition of 70% of Tekfenbank Turkey, which is renamed to Eurobank Tekfen.

Completion of the acquisition of Universal Bank Ukraine.

Post Bank-DZI merger in Bulgaria.

2012

Eurobank Tekfen is sold to Burgan Bank.

A 70% stake in Polbank EFG is transferred to Raiffeisen Bank International.

Change of Group legal name and the Bank's corporate name to "Eurobank Ergasias S.A."

2013

Eurobank is recapitalised by the HRSF.

The Group grows further, through the acquisitions of New TT Hellenic Postbank and New Proton Bank.

The operational integration of New Proton Bank is completed in December.

2014

Following the completion of a € 2,864 million Share Capital Increase in May, 64.6% of the Bank's common shares are held by institutional and individual investors.

The operational merger with New TT Hellenic Postbank is completed in May. The Bank maintains its branch network as a distinct network, under the "New TT Branch Network" brand name.

2015

Acquisition of the operations of Alpha Bank's Bulgarian Branch by Eurobank's subsidiary in Bulgaria, Eurobank Bulgaria AD ("Postbank").

Following the completion of the Share Capital Increase of €2,039 million in November exclusively through the private sector, 97.62% of the ordinary shares are held by institutional and retail investors.

2016

Completion of the sale of 80% of Eurolife ERB Insurance Group Holdings S.A.

Acquisition of Eurobank's Ukrainian subsidiary, Universal Bank by TAS Group.

2018

Redemption of preference shares.

Sale of operations in Romania.

Sale of a non-performing loan portfolio, consisting of unsecured consumer loans, of total unpaid principal €1.1 billion.

Agreement for the acquisition of Piraeus Bank Bulgaria.

Announcement of Eurobank's transformation plan: merger with Grivalia and NPE reduction acceleration plan.


TRADING
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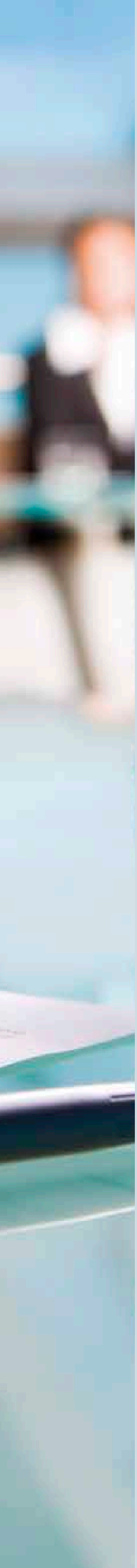
EUROBANK FINANCIAL FIGURES

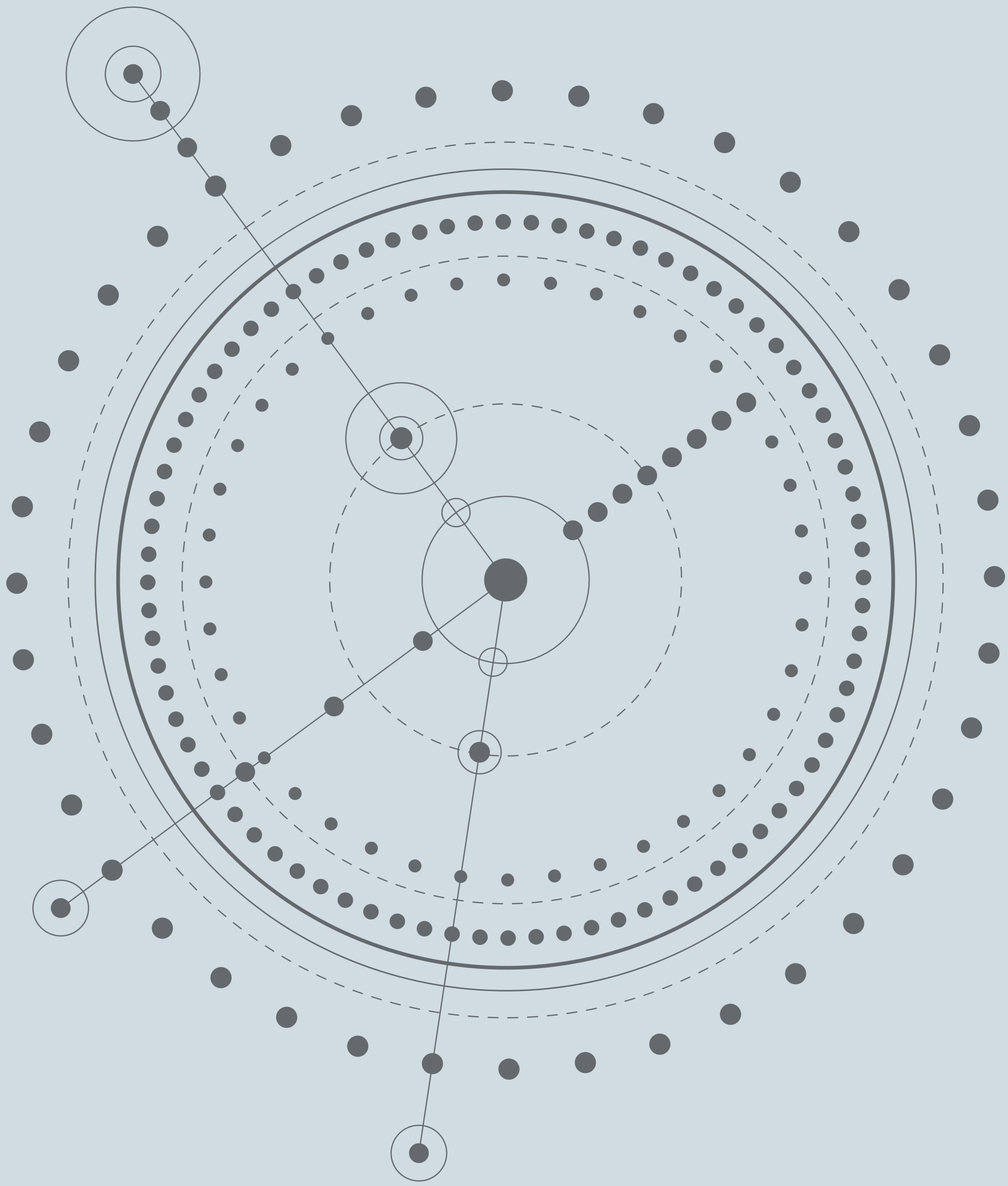
Key Financial Results	2018	2017	Change
Net Interest Income	€1,416m	€1,464m	(3.3%)
Net Fee & Commission Income	€311m	€268m	16.4%
Total Operating Income	€1,845m	€1,882m	(1.9%)
Total Operating Expenses	€879m	€895m	(1.7%)
Core Pre-Provision Income	€848m	€837m	1.4%
Pre-Provision Income	€966m	€987m	(2.1%)
Loan Loss Provisions	€680m	€750m	(9.3%)
Net Result after tax before discontinued operations & restructuring costs	€200m	€185m	8.0%
Net Result after tax, discontinued operations & restructuring costs	€91m	€104m	(12.2%)

Balance Sheet Highlights	2018	2017
Consumer Loans	€3,987m	€5,248m
Mortgages	€16,253m	€16,657m
Small Business Loans	€6,420m	€6,973m
Large Corporates & SMEs	€18,290m	€18,339m
Total Gross Loans	€45,032m	€47,242m
Total Customer Deposits	€39,083m	€33,843m
Total Assets	€57,984m	€60,029m

Financial Ratios	2018	2017
Net Interest Margin	2.47%	2.41%
Cost to Income	47.6%	47.5%
Non-Performing Exposures (NPEs)	37.0%	42.6%
Provisions / NPEs	53.2%	50.4%
Provisions to average Net Loans	1.89%	2.00%
Common Equity Tier 1 (CET1)	14.2%	15.8%
Total Capital Adequacy (CAD)	16.7%	18.4%



LETTER TO SHAREHOLDERS



LETTER TO SHAREHOLDERS

Dear shareholders,

2018 was a year marked by crucial strategic decisions that will shape positive prospects for Eurobank. On the one hand, we continued to work efficiently, on par with previous years, confirming that our business model is correct. The Bank remained profitable, boosted its liquidity, further reduced costs, expanded its market share in core segments, proceeded with actions that strengthened its international presence, continued to invest in cutting-edge technology, such as its digital presence and technical infrastructure, and managed to exceed the targets set in troubled assets management. At the same time, we worked on and announced an innovative plan for front-loaded consolidation of our balance sheet, which was positively welcomed by our shareholders, the market, the regulatory authorities and all stakeholders, both in terms of its strict technical standards and its anticipated result. This plan forms a central pillar of our planning and lays the foundations for the future of Eurobank.

Our vision for the Bank, its role and its presence is the driving force behind each plan. In spite of the adversities, for all of us working at the Group, Eurobank's destiny is to make an essential contribution to the progress of our clients and the growth of the countries where we operate, creating value for our shareholders. Our ultimate goal is to support the long-term growth of businesses and the prosperity of the families and communities that place their trust in us.

A. Macroeconomic developments

In 2018, Greece, the main market where we operate, achieved a positive GDP growth rate, by 1.9% in real terms, for a second year running. This growth, a significant improvement in the economic sentiment indicator and the drop in unemployment from 27.5% in 2013 to 19.3% demonstrate that the Greek economy is on track to recover. In addition, the successful completion of the 3rd economic adjustment programme, the agreement to implement mid-term debt relief measures and the post-memorandum supervision framework, coupled with achieving a primary fiscal surplus higher than the target of 3.5% of GDP for the second year running, have led to a significant reduction in uncertainty. We are expecting that the recovery process will continue this year as well. The prospects are just as positive in the other countries where we also operate. Cyprus, Bulgaria and Serbia demonstrated outstanding growth performances (3.9%, 3.1% and 4.3% respectively) in 2018. Despite the downside risks internationally, we are expecting that these economies will remain on a track of relatively high economic growth rates in 2019. In spite of the slowdown in many cases, they are performing much better compared to the eurozone.

The global economy continued to grow at a rapid pace (+3.6% from 3.8% in 2017), however, with less balanced growth, increased downside risks and concerns for a potential trade war. The GDP growth rate in the USA accelerated to 2.9% from 2.2% in 2017, assisted by a more expansionary fiscal policy. On the contrary, the eurozone growth rate slowed down to 1.8% from 2.4% in 2017, due to temporary domestic factors, but also due to the significant weakening of international trade. The monetary policy of the main central banks remained in an accommodative stance.

B. Financials

Amid this environment, Eurobank managed to reach the business and strategic targets it had set.

The Bank demonstrated strong operating profitability, with net profit of €200 million with a considerable contribution from international operations. The rise in net commission income by 16.4% to €311 million, corresponding to 54 basis points of total assets, also contributed significantly to this result. In 2018, this significant rise mainly arose due to higher income from capital market operations, wealth management and loans. Increasing income in this category is a business priority for the coming years.

The improved commission income counterbalanced the slight reduction in interest income, resulting in operating income remaining unchanged at around €1.7 billion.

The drop in interest income reflects the long-term challenges for the entire banking system in Greece, but also across Europe. Pressure on cash flows due to the fierce competition in pricing – especially for major corporate loans, and overall, due to the euro interest rates remaining at historically low levels – is expected to remain in the visible future. We focus on long-term income viability, and for this reason our efforts are targeted towards activities that on the one hand increase commissions and on the other foster quality loans, despite the fact that healthy demand remains weak for the time being, at least as far as the Greek market is concerned. Loans (excluding write-offs and sales) were on the rise in 2018, due to the increased demand for business loans, a sector that constitutes a strategic priority for us in the coming years.

Meanwhile, we are continuing our efforts to reduce the cost base for the Bank, despite its significant restriction over the last few years. In 2018, operating expenses dropped by 1.7% for the Group and 3.5% for Greece, resulting in a cost-to-income ratio of 47.6% for the Group. Initiatives to reduce the number of employees and to consolidate their distribution based on the new conditions and requirements are expected to further improve the specific financials.

The Bank's results were quite robust in terms of liquidity. Group customer deposits amounted to €39.1 billion from €33.8 billion at the end of 2017, while significant increase in market share was recorded in Greece.

The Treasury operations proved quite significant for the Group's liquidity and results in 2018. Along with the credit rating upgrade of both the Greek state and the banks, Treasury significantly increased the volume of repos with international credit institutions, while at the same time increasing the number of counterparties, so as to further reduce costs. It also completed two loan securitisations (personal, business, SME) via private placement, achieved a significant increase in available surplus for refinancing in the event of an emergency financing need (liquidity buffer) and eliminated the use of the emergency liquidity assistance (ELA) mechanism.

As a result of the significant rise in deposits, (over €5 billion) which mainly arose from Greece and the aforementioned transactions, the Bank eliminated the ELA mechanism.

Meanwhile the efforts for effective NPE management continued throughout 2018 with positive results, surpassing the targets set to reduce NPEs for a second year running. The NPE reserve dropped by €3.5 billion in 2018, €1 billion of which came from the sale of personal loans. The relevant ratio dropped by 550 basis points to 37%, the lowest in the sector. NPE formation was negative – again for a second year running – and stood at -€920 million in 2018. The NPE coverage from accumulated provisions amounted to 53.2% at the end of 2018.

To achieve this result, the Troubled Assets Group General Division worked on a multifaceted work plan. To a great extent, it focused on promoting viable long-term debt settlement solutions through a wide range of products, with specific segmentation criteria based on the client categories concerned. The online auction platform, launched in February 2018, contributed to the effective management of planned actions for auctions.

Many specific steps were taken in 2018 for a number of borrower categories. In retail banking, debt relief was extended to include mortgages, the reward programme for clients consistent with their settlement payments was strengthened, the consensual solutions for property supply and sale were expanded and the planning of specific strategies for clients under Law 3869 proceeded. The new legislation for first homes, which is on the right track in addressing the problem and is a significant step towards tackling it, may accelerate the settlement of non-performing mortgages and essentially reduce stagnant cases.

In Corporate Troubled Asset Management, Eurobank participated, inter alia, in a partnership agreement between a specialised loan management company, doBank S.p.A., and the four significant Greek banks for NPE management pertaining to more than 300 Greek SMEs, of a total nominal value of approximately €1.8 billion.

C. A banking Group with international presence

The strategic development of the Bank's international operations continued successfully. Its main directions were to strengthen its position in the Bulgarian and Cypriot market, to steadily increase the profitability of all international operations and to minimise non-performing portfolios.

By maintaining this strategy, we proceeded with the buyout of the subsidiary of Piraeus Bank in Bulgaria through our subsidiary Postbank. Through this buyout, Postbank significantly strengthened its position in the Bulgarian banking market as one of the three leading banks in the country.

All the foreign subsidiary banks further boosted their liquidity – with Eurobank Cyprus recording yet another year of spectacular results in the area of attracting deposits – and their profitability, making an essential contribution to the Group results. In 2018, net profit from international operations before extraordinary results and discontinued operations amounted to €145 million, posting a 12% rise, while deposits increased by 11%, reaching €10.3 billion. The economies of the countries where we operate in the wider SE European region demonstrate positive growth prospects in the mid-term. Given this, we estimate that our subsidiaries' financials will be similar or better in the coming years, confirming the strategic choice to support international operations. Eurobank will continue to support international operations and depending on the state of affairs in the wider region, will remain the Greek bank with the most extensive international presence.

D. How we will relieve ourselves from the burdens of the past

The Greek economy is on a stable positive growth track, albeit at a slower rate than what we would have anticipated, following a deep and extended recession. The weight of the NPE reserve accumulated over the past decade remained on a non-viable level and constitutes an obstacle regarding the ability to finance the economy to levels significantly higher than the current one.

With our priority being to fully respond to the demands and expectations of our clients today and in the future, we devised a plan for radical and front-loaded consolidation of our balance sheet. This plan is based on three pillars:

i. Further boost the Bank's capital through the Eurobank-Grivalia merger and to introduce a strategic investor in Eurobank Financial Planning Services (Eurobank FPS SA), our subsidiary that has been licensed by the Bank of Greece for servicing non-performing loans.

ii. Proceed with front-loaded impairment of NPEs via two securitised loan portfolios within 2019, targeting an NPE rate below 10% until the end of 2021.

iii. Strengthen profitability from 2020 onwards due to the significant reduction in provisions as a result of the consolidation of our balance sheet, targeting a return over equity close to 10%. It is a complex and demanding plan in terms of its execution, which, however, offers the best prospects for the Bank. The first phases of its implementation have already been completed within the announced deadlines.

The first phase of the plan concerned the Eurobank-Grivalia merger, which has already been concluded. In this letter, we would like to thank the Bank's shareholders for supporting our plan, as the vast majority, voted for the merger of the two companies during the General Meeting convened for this purpose. We would also like to thank the old Grivalia shareholders, who are already Eurobank shareholders, as that is how they voiced their trust in the prospect of creating value through this comprehensive plan.

The merger with Grivalia strengthened the Bank's capital by about €900 million. Our capital base is strong at a European level, with CET1 core capital (fully-loaded Basel III) at 13.8% and total capital adequacy at 19%, based on the pro forma data in December 2018, the highest in the sector in Greece.

The simultaneous securitisation of the €2 billion NPE portfolio (Pillar Project), the first – on a European level – securitisation of multi-asset class loans amounting to €7.5 billion (Cairo Project) and the introduction of a strategic investor in Eurobank FPS SA offered the best combined result for the Bank.

Specifically, the manner in which the Cairo securitisation was designed safeguards the interests of shareholders, and especially those who have chosen long-term placements, at the top. The experience from other banking systems with similar problems in the past has demonstrated that bank shareholders are afflicted by the need to liquidate troubled assets immediately, at prices that do not reflect the value they actually encompass, but they are not measured correctly due to circumstances. As a result, the portfolio buyers reap the value in the long run, at the expense of the shareholders of the sellers, i.e. the banks. Believing that its main obligation is to reciprocate this shareholder trust, Eurobank introduced a revolutionary element in the aforementioned plan. Therefore, during the securitisation of the Cairo Project, the Bank itself shall hold on to the senior notes, while the Eurobank shareholders will receive the largest part of the mezzanine notes as a free benefit, thus gaining a share in the future value that will potentially arise from the active management of this portfolio.

Lastly, the overall planning also includes a technically complex company transformation, resulting in avoiding any state involvement or aid. This protects the Bank's shareholders from the negative impact of their participation if the share issuing mechanism was triggered due to the deferred tax credit (DTC).

The acceleration plan to reduce the NPEs is leading the NPE ratio to 16% by the end of 2019, two years earlier than it would have been reached based on the existing plan that had been submitted to the SSM in September 2018. For 2021, the NPE ratio is estimated at single digits, which would signal a return to European normalcy.

E. Putting our clients first

Yet again in 2018, in all sectors of our operations, including retail banking, Private Banking and Corporate Banking, we put into practice the commitment we undertook for all our clients, with a phrase that reflects the mentality of our Bank: Putting you first. Our customer-centric model offers solutions, products and services that on the one hand generate value for the clients and on the other revenue for the Bank. Therefore, for yet another year, we continued to invest in new products, new services and new technical infrastructure, to provide the best experience and the most efficient services to our clients, both households and businesses, in the most mutually beneficial manner.

F. Corporate banking

Given that Greece is returning to a stable growth track, our strategic priority for Eurobank is to become the bank of choice for innovative and outward-looking Greek businesses that will take centre stage in the upward trend.

Our large business portfolio exceeded €3 billion and includes more than 100 groups of companies, mainly operating in the energy, manufacturing, retail, services, health and construction industries,achieving a net credit expansion of around 9% for 2018. The corresponding medium-sized business portfolio is at around the same level of €3 billion, with nationwide coverage for our clients through a network of 14 business centres.

The Bank maintains a steady presence in shipping finance for over 25 years. The Shipping Finance Unit is situated in Piraeus and operates as a business centre for financing also shipping companies of Greek interests, through Eurobank Cyprus and Eurobank Private Bank Luxembourg SA. In 2018, total shipping loans at Group level amounted to about USD 1.8 billion, increased by 20% compared to the previous year and 60% compared to 2016.

The Hotel and Tourism sector is a strategic priority for the Bank, where we are working continuously with the Greek Tourism Confederation (SETE). The strategy employed by the Hotel and Leisure Unit, which has a portfolio consisting exclusively of 4 and 5-star hotels, is based on three main pillars: financing new projects, restructuring reversible troubled accounts, and implementing permanent solutions for recovering the Bank's receivables in the event of non-cooperating and non-viable borrowers.

In the context of our partnership with Greek Tourism Confederation (SETE), the Bank supported the Wanderlust Greece | Crete campaign, the first digital travel show in Greece, which was designed and launched by Marketing Greece to promote the Cretan tourism product. We also worked with Marketing Greece to organise educational events for tourism businesses on Rhodes and in Thessaloniki.

For an 8th consecutive year, we offered the Tourism Business Banking programme to our clients. It is a programme with exclusive privileges, addressed to purely tourism businesses as well as businesses that operate on the islands and in Chalkidiki, throughout the year.

We also worked towards solidifying our relationships with smaller businesses, which form the largest part of the Greek entrepreneurs community, focused on businesses with higher turnover. The structured Business Check up methodology is the only tool that accurately records the financing needs of each business. The Business Banking Relationship Manager provides consultation as to the most beneficial financing proposals, so as to choose the financing solutions that fully covers the liquidity needs of each business.

Provided SMEs with access to more funding in the context of the Cosme programme, through expanding the original agreement with the European Investment Fund by €390 million. We provide new financing on the guarantee provided by the Cosme Loan Guarantee Facility and the European Fund for Strategic Investments (EFSI). Over the last two years, through the Cosme programme the Bank financed 3,489 small and medium businesses of the eligible sectors with €391 million. Furthermore, through Intermediate Entrepreneurship Fund I, we participated in channeling funds amounting €384 million in total from the banking sector to market, of which €192 million originated from Hellenic Fund for Entrepreneurship and Development (ETEAN SA).

Eurobank has also made an innovative entry in the area of microfinance, in partnership with international organisation Action Finance Initiative (AFI). Together we supported people belonging to vulnerable social groups and small businesses without access to banking finance or the job market, giving them the opportunity to create their own job (self-employment) or develop small business units.

Transactional Banking is a sector where Eurobank is a point of reference for the competition. Yet once more in 2018, the Bank received international awards in all sectors of Transactional Banking. It was awarded as Best Trade Finance Provider, and Best Treasury and Cash Management Provider in Greece by Global Finance magazine, as well as Best Domestic Cash Management by Euromoney magazine. In Custodian Services it received the award for Best Sub-Custodian Bank in Greece by Global Finance magazine for the 12th time in the last 13 years.

What is even more significant is the recognition from our international partners and the selection of Eurobank as a partner. In that vein, the Bank was included in the WeTrade digital global trade platform, through which Greek businesses that are Bank clients can carry out fast, transparent and safe commercial transactions based on blockchain technology. Including Eurobank, 14 banks participate in the platform, from Austria, Belgium, Denmark, Finland, France, Greece, Italy, Netherlands, Norway, Spain, Sweden, Switzerland and the UK.

In the area of Investment Banking, in 2018, the Bank provided strategic financial advisory services to a number of corporate clients, including the Hellenic Telecommunications Organisation (OTE) for the sale of its subsidiary Telekom Albania; the Public Gas Corporation of Greece (DEPA) with the provision of a fairness opinion for the transactions involving Attiki Gas Supply Company (EPA Attikis), Attiki Natural Gas Distribution Company (EDA Attikis) and Zenith; as well as Nexans Participations and Hellenic Healthcare regarding the tender offers for the shares of Nexans and Hygeia.

We have undertaken a series of major initiatives to support robust Greek entrepreneurship, in partnership with major Greek and international partners, which continued their successful course in 2018.

Growth Awards

Since 2016, Eurobank, in partnership with Grant Thornton, established the Growth Awards to award business excellence as a growth leverage of the Greek economy. The 2nd Growth Awards finalists were announced during an official award ceremony held at the Athens Concert Hall, attended by 2,000 guests including representatives of Greece's political and financial life, as well as the academic and business community in Greece.

Exportgate & Trade Club Alliance

Supporting outward-looking Greek businesses to gain access to international commercial networks is key. The initiatives assisting in this are:

i. Exportgate, the innovative portal that boosts the outward-looking potential of Greek businesses. Exportgate is an institutional initiative of Eurobank in partnership with three main export organisations of Greece, namely, the Panhellenic Exporters Association (PEA), the Greek International Business Association (SEVE) and the Exporters' Association of Crete (EAC), as well as the Hellenic Federation of Enterprises (SEV). Exportgate.gr is one of the most popular trade portals worldwide.

ii. Trade Club Alliance is one of the largest international trade networks. Exportgate.gr forms part of the Trade Club Alliance through the strategic agreement between Eurobank and Banco Santander. Greek and Cypriot businesses – Exportgate members – have the chance to boost their business activities by participating in the first global digital business interconnection network, currently supported by 14 international banking groups in 50 countries. The Trade Club Alliance participants include Banco Santander, Eurobank, Nordea, KBC, Banco BPM, IBK – Industrial Bank of Korea, Attijariwafa, SCB-SIAM Commercial Bank, Abu Dhabi Commercial Bank, Credit Agricole etc. It is a rapidly expanding network that numbers 12,000 companies / bank clients, while the number of participating businesses across the globe is expected to reach 100,000 by the end of 2020. In November 2018, Eurobank hosted the proceedings of the Trade Club Alliance 3rd General Assembly, the supreme coordinating body of the Alliance, in Athens.

Go International

Aiming to strengthen and support Greek exporting businesses, Eurobank organized the “Go in Thessaloniki Business Delegation”, in the context of “Go International Business Delegations” initiatives. More than 3,000 scheduled B2B meetings took place during the event, while more than 120 Greek exporters had the chance to come into contact with over 60 buyers from more than 20 countries worldwide. A Forum was organised at the Thessaloniki Concert Hall as part of the programme, attended by executives from the Bank, representatives of foreign banks / Trade Club Alliance members, and representatives from the local and wider political and business community. Frank Kelly, Managing Director of Deutsche Bank, was the keynote speaker.

G. Individual banking

At the end of the year, the branch network in Greece numbered 350 branches in total. In 2018, we launched a new organisational structure for the Retail Banking General Division, shifting the focus from the products to a customer-centric mentality, while we also concluded the adjustment of the network size.

In order to become more efficient in our relationship with our clients, we needed to make the work simpler, limiting the number of processes to the ones that are truly essential. As part of simplifying and redesigning Retail Banking operations, we concluded more than 60 simplification projects within 2018. The programme is proceeding well and will also assist immensely in improving the quality of services and in controlling costs.

Although the conditions for granting loans to individuals remain adverse, the Bank increased its new loans in all loan categories for individuals. The increase in new mortgage loan disbursements reached 20%, but still remains low compared to the past. Overall, the Bank’s home credit reached €14.97 billion in Greece, while the Bank’s personal loan portfolio in Greece was €3.2 billion.

The increased use of credit and debit cards was one of the strongest trends shaped by the economic crisis, especially after the imposition of capital controls. Eurobank debit cards posted a 24% increase (compared to 2017) in POS sales, reaching new historically high levels both in transaction volumes and in total value. In credit cards, we maintained the highest market share at 32%. The €pistrofi loyalty programme continues successfully, by expanding its partner network, with more than 8,500 partner retailers across Greece, forging new strategic partnerships (Aegean Airlines) or expanding into sectors that meet client needs (Media Markt, Elpedison). This resulted in a 20% increase in the value of transactions and a 45% increase in the value of redeemed euros. Keeping up with the mobile communication trend, the €pistrofi app has become an innovative app that has won more than 14 awards to date and is the No. 1 app in downloads, with 370,000 unique, active subscribers.

Insurance products through the Eurobank network

The mentality shaped over the last few years in retail banking, focuses on fully meeting the needs of our clients and their families through every stage of their lives.

To this end, we have intensified our initiatives and efforts in the area of bancassurance, resulting in the doubling of commissions. Last year, we focused on health packages and regular premium insurance products, always in partnership with Eurolife ERB, who is our exclusive partner for the sale of bancassurance products. Together, we also launched a new investment / insurance product, which offers high yield prospects, combining a modern form of investment with life insurance.

Wealth Management & Private Banking

2018 was the 11th consecutive year that Eurobank Asset Management MFMC was declared the leader in the area of mutual fund and institutional portfolio management in Greece, according to the Hellenic Fund and Asset Management Association. Total funds under management and supervision amounted to €3.6 billion as of 31 December 2018. The initiative undertaken by Eurobank Asset Management MFMC to institutionally seal its active and responsible participation in fulfilling the sustainability and responsibility goals set by the Eurobank Group was extremely important. So, in August 2018, Eurobank Asset Management MFMC became the first asset management company in Greece to become a signatory of the Principles for Responsible Investment (PRI) Initiative, supported by the United Nations.

In the area of mutual fund management, Eurobank Asset Management MFMC maintained its No. 1 ranking among asset management companies, with assets amounting to €1.9 billion. The 12% decrease in assets compared to the end of 2017 led to a market share of 29.84%.

In 2018, the Bank received the award for Best Private Bank in Greece from two prestigious entities, Global Finance and World Finance magazines, reaching 18 awards in total in 13 years.

As part of the long-term strategy to provide an ever expanding platform of quality products and services to its clients, Eurobank made a significant investment, relocating its Private Banking services in Attica to the Private House. The Private House is housed in a privately-owned neoclassical building in the centre of Athens. Private Banking clients are able to have all their needs served under one roof, in a location of unparalleled aesthetics, prestige and quality.

In Trading Services, in 2018 Eurobank Equities SA accounted for 17.3% of the volume of transactions in the Athens Exchange, ranking 1st in market share for the 10th consecutive year being the broker of choice for the largest and most significant institutional investors, and tens of thousands of private investors alike. For yet another year, it was awarded as Leading Brokerage Firm in Greece, with the Best Country Research and the Best Individual Research Analyst in the Greek market according to the Extel survey, the largest assessment survey of the European investment community.

I. How we plan for the future

Cutting-edge digital services

The future is digital and is already here. Our vision for digital at Eurobank is clear and so is our planning: To become the most mature digital bank in SE Europe, a point of reference for the competition. Despite the adverse conditions, we will achieve this by investing human resources and capital in developing our digital services and our technical infrastructure with the most modern hardware and software.

Being an international group, Eurobank is designing and implementing the transition to the digital age step-by-step. It is not an easy task; our client's behaviour and preferences are changing rapidly, expectations are increasing and technology is advancing swiftly. These require human and financial resources, but above all, they require a shift in the Company's mentality. Technology is a key pillar for business performance and operational growth. We have a hard, unwavering target, which must and will be met.

We are continuing the strategic investment plan to upgrade our technical infrastructure and develop innovative digital banking products and services, with the aim of offering clients the ultimate experience. The digital experience was further enhanced by the new e-Banking and Eurobank Mobile Apps, which are supported by modern technology platforms and best practices, such as Agile, Lean and Design Thinking. Meanwhile, we are reinforcing our infrastructure in our subsidiaries in Greece and abroad, to boost our profitability by taking advantage of the latest technological solutions. Having invested over €150 million in technical infrastructure in the last three years, the impact of new technologies is already evident.

Eurobank's digital transformation programme is already under way, advancing in four directions consecutively:

1. Offering personalised, omni-channel experiences at every contact point with the Bank.
2. Providing new digital products and services that will make the everyday banking easier and meet their personal needs.
3. Making the most out of the opportunities offered by big data, advanced analytics and new methodologies for designing new products and services with the help of clients.
4. Simplifying our processes and streamlining our operations.

From the innovative e-Banking and Eurobank Mobile App services to the Bank's new website, which has already won major international awards, the innovative v-Banking digital business service and the award-winning Exportgate international trade portal, Eurobank has been fully responding to the ever-changing needs of the new global digital reality, steadily creating integrated digital experiences for its clients.

e-Banking & Eurobank Mobile App

Through the new omni-channel platform for individuals, which offers access to e-Banking and the Eurobank Mobile App, clients benefit from using new smart interactive tools for managing their finances; carrying out all their transactions from a single point for immediate execution (transfers to other banks, direct payments simply by using one's mobile number with PaF – Pay a Friend); scanning the barcode to pay bills; shopping online (Masterpass); applying for special, internet-only banking products with special terms and acquiring them on the spot, such as Live Account, e-Prepaid card and term deposits; and gaining easy access to online services (digital onboarding), by getting credentials online, without having to visit a branch. Especially in the area of mobile banking, Eurobank has been following the single app strategy, offering a complete range of services for the day-to-day needs of clients in a single app. These services include smart management of finances, all types of transactions (bill payment, instant and online payments, money transfer to friends) and support from a Bank representative. The results are measurable: 80% of transactions at Eurobank are carried out through digital channels (excluding cash withdrawals/deposits), while the new digital omni-channel platform can support a 200% increase in transactions, which may even rise to 500% with further upgrades!

In 2018, e-Banking and the Eurobank Mobile App contributed 37% to the Bank's total transactions (a rise by 4 percentage units compared to the previous year) and 81% compared to the corresponding transactions (91% in international payments, 94% in cash transfers and 67% in payments). So for yet another year, the digital channels maintained the largest share of the Bank's transactions, surpassing the branch network and the ATMs.

In the meantime, the new digital onboarding service was launched, providing clients direct access to the Bank's digital channels without having to visit a branch. A large rise in the use of e-Statements was also achieved in 2018, as more than 297,000 clients discontinued receiving over 756,000 paper account statements. The service is now available to 720,000 clients, who receive around 1,843,000 e-Statements.

v-Banking for businesses

Eurobank is the only Greek bank that has developed the innovative v-Banking service for businesses, introducing the concept of remote communication with a relationship manager via video call (virtual relationship manager). Each client with access to the service has a personal Business Banking Relationship Manager and can conduct all their banking transactions (excluding cash and cheque management), exchange files online, jointly browse online and add third parties to the discussion, without ever having to leave their office.

The awarded Exportgate international trade portal which we mentioned earlier, provides innovative intelligent matchmaking technologies to identify suitable partners for business partnerships among participants. It is one of the first AI applications globally in international trade.

Cybersecurity: no concessions

Information, personal data, IT system and transaction security from the ever increasing threats in cyberspace is a key priority for the Bank. To this end, the Bank sees to the timely implementation of optimal security measures that meet the ever growing threats, as well as the requirements of the regulatory authorities, so as to be protected from random or unlawful destruction, random loss, corruption, prohibited disclosure or access, or any other form of illegal processing.

Cybersecurity and data safety is not something handled individually, but is fully integrated in the Bank's strategy, structure and operation, from the development of new digital products and services to data, IT system and infrastructure protection.

In terms of cybersecurity and data safety, the Bank:

- Ensures it complies with the legislation and the regulatory obligations.
- Implements internationally recognised practices and ensures it complies with them.
- Is certified and operates based on internationally recognised standards.

The Bank's Innovation Centre monitors and assesses all the international digital era and FinTech advancements, in an effort to identify opportunities, best practices, new technologies, and advanced solutions and services to develop innovative products and services which improve client experience. It promotes regular innovation within the Company, while it also cultivates open collaborative innovation with the startup ecosystem. In 2018, the Innovation Centre organised the 3rd Beyond Hackathon regional competition, which was supported by global leaders in technology and financial services, the Eurobank Group, Greek business organizations and academic institutes. Meanwhile, the Innovation Centre and the Human Resources General Division jointly organised the internal competition Centring on Innovation, aiming to boost innovation within the Company, by bringing to life the ideas and talents of the people of Eurobank. The proposals submitted to the competition are at the stage of being implemented, assisting in the day-to-day tasks of all colleagues of Eurobank.

J. Where we are heading

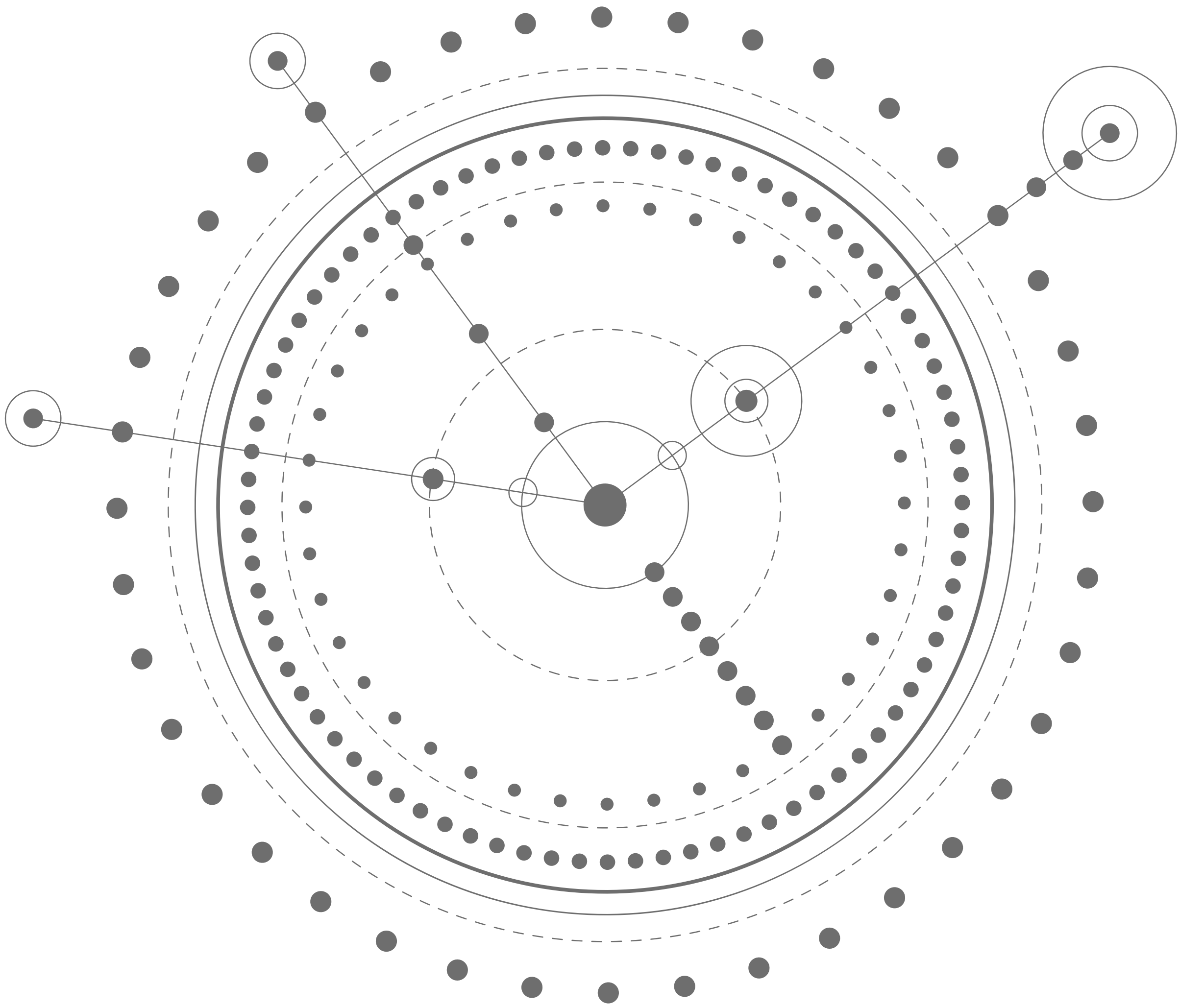
It is no coincidence that for 4 years in a row Eurobank has won the Best Bank in Greece award, in the category of the Best Bank Awards, awarded for the last 26 years by Global Finance magazine. To choose the winners, Global Finance takes into account a series of objective criteria, as well as the views and recommendations of analysts, international rating agencies, banking advisors and financial sector executives, which confirms the Bank's enhanced image vis-a-vis banking executives both in Greece and abroad;

We believe that those of you who have taken the time to read this letter have a clear understanding of what our Bank is, how it is navigating through the still turbulent waters of the economic reality and where it is heading.

Our first step was to restore all of the Bank's key indexes to levels comparable to those of other European banks. Starting from there, and capitalising on the experience of our people, the relationships we have built with our clients for so many years and the new opportunities offered by advancements in technology, we want to provide an outstanding physical and digital experience to all those who choose us and trust us, for all their banking needs, continuously developing our services, so as to keep in step with an ever-changing world. The way to achieve our ultimate aim, which is also the reason for the existence of the Bank, is this: to transform the partnership with each client, individual, family and business into value for each shareholder, value for the economy of every country that welcomes us, value for every society and community we serve, building prosperity and prospects for all.

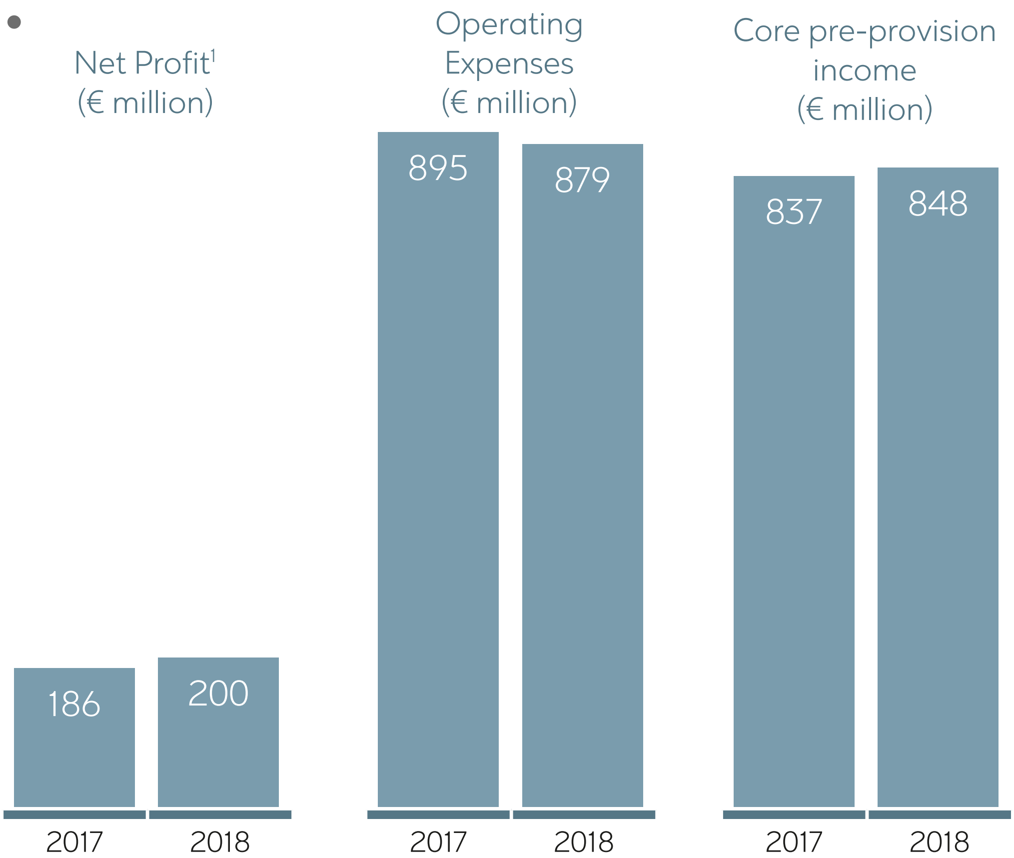
Georgios P. Zanias
Chairman of the Board of Directors

Fokion C. Karavias
Chief Executive Officer



EUR (EUR 52,15)
23.25
22.01
22.01
20.01
18.02
18.02
17.01
17.01
14.02
May 12
Jun 12
Jul 12
Aug 12
Sep 12
Oct 12

FINANCIAL REVIEW



2018 was a year of positive developments for Eurobank, as all operational targets were met. The Group enhanced its profitability, reduced substantially its non-performing exposures (NPEs), improved its liquidity profile and maintained adequate capital buffers. In more detail, **net profit**[1] grew by 8.0% y-o-y and reached €200 million in 2018, while profit before tax[3] increased by 51.3% y-o-y to €294 million.

- **Net interest income** receded by 3.3% y-o-y to €1.4 billion.
- **Net fee and commission income** were up by 16.4% y-o-y to €311 million, mainly on the back of higher fees from capital markets, asset management, lending activities and elimination of Pillar II guarantees. Net fee and commission income accounted for 54 basis points of total assets in 2018.
- The increase in fee and commission income offset the reduction in interest income, thus **Core income** remained stable y-o-y to €1.7 billion.
- **Total operating income** fell by 1.9% y-o-y to €1.8 billion, due to lower other income.
- **Operating expenses** decreased by 1.7% y-o-y for the Group and 3.5% y-o-y in Greece. **The cost / income** ratio for the Group was 47.6% in 2018.
- **Core pre-provision income** increased by 1.4% y-o-y to €848 million, while **pre-provision income** receded by 2.1% y-o-y to €966 million.
- The **NPE formation** was negative for a second consecutive year at €920 million in 2018. The **NPE ratio** decreased by 550 basis points against 2017 to 37.0%. The **stock of NPEs** was down by €3.5 billion in 2018, including the disposal of €1 billion consumer loans. **Provisions over** NPEs reached 53.2% at the end of 2018.

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

- **Loan loss provisions** came down by 9.3% in 2018 to €680 million and accounted for 189 basis points of the average net loans.

- **International operations** remained profitable, as net profit[2] rose to €145 million in 2018, from €130 million in 2017.

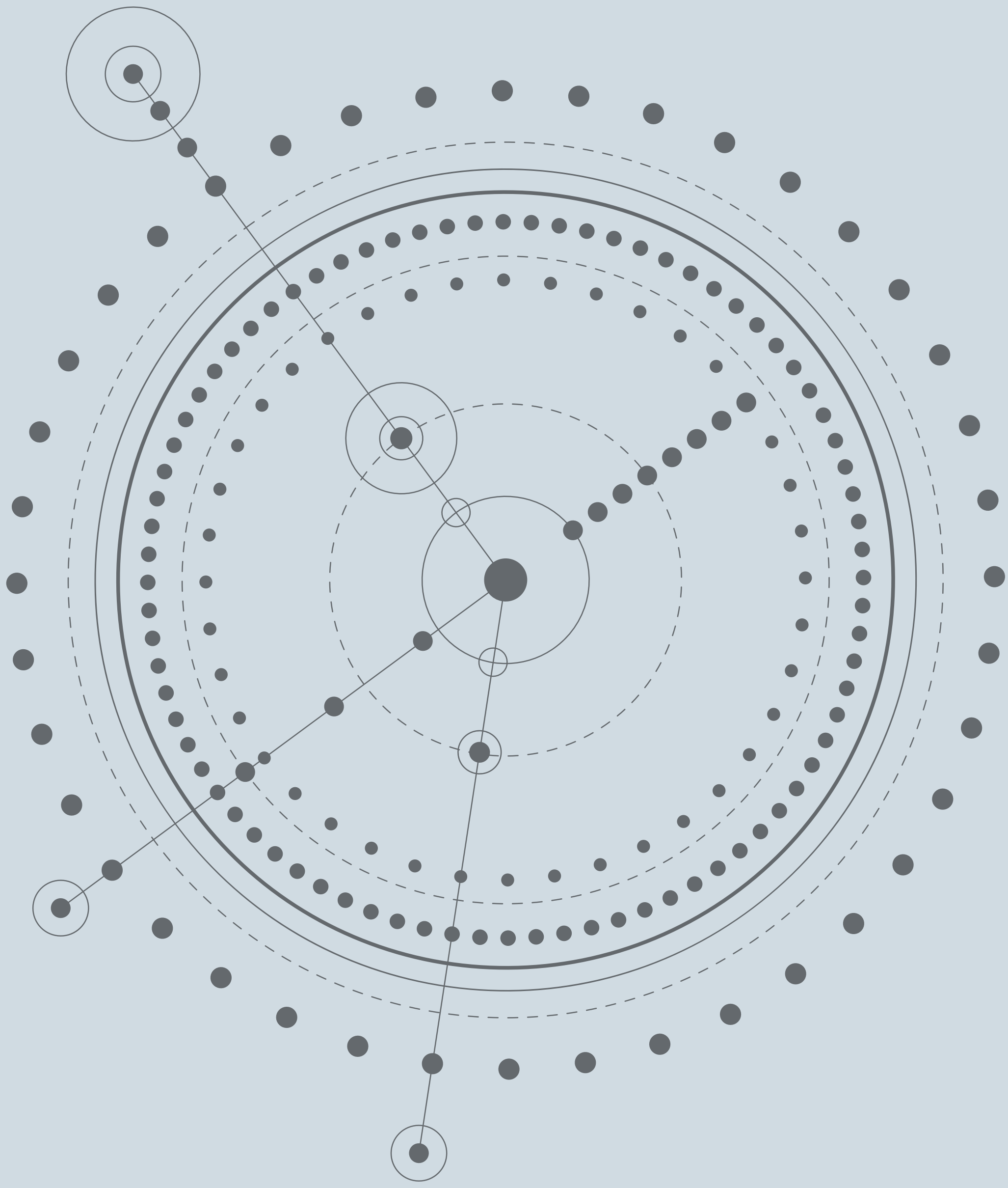
- **Common Equity Tier I ratio** (CET1) stood at 14.2% of risk weighted assets and total CAD reached 16.7% at the end of 2018. Pro-forma for the Grivalia merger, the respective ratios stand at 16.2% and 18.7% respectively and compare to 2019 CET1 OCR of 10.25% and total CAD OCR of 13.75%.

- **Customer deposits** were up by €4.2 billion in Greece and €5.2 billion for the Group in 2018. **Group loans**[3] increased by €0.6 billion y-o-y. The **loans to deposits ratio** improved to 92.6%, from 109.6% in 2017.

2019 will be a landmark year for the Bank. The execution of the **transformation plan** is on track and it is of major importance, as it is anticipated to enhance Eurobank's position and produce substantial benefits to shareholders and customers. The merger with Grivalia creates a bank with the highest total capital ratio in Greece, the NPE ratio is expected to be reduced to 16% in 2019 and single-digit by 2021, while the substantially lower cost of risk as of 2020 is expected to drive strong sustainable earnings per share.

[2] *Before discontinued operations and restructuring costs after tax.*
[3] *Before write-offs, FX impact and sales.*

STRATEGIC TRANSFORMATION PROGRAMME



STRATEGIC TRANSFORMATION PROGRAMME

This is a pivotal year for the Strategic Transformation Programme, since following the merger with Grivalia the Bank will implement its Acceleration Plan. The Plan aims to achieve the already announced targets of the three-year Non Performing Exposures (NPEs) reduction plan, which briefly includes:

- Transferring around €7.5 billion of NPEs to special purpose vehicles (SPVs) through securitisation and assigning their management to Eurobank Financial Planning Services (Eurobank FPS SA), a wholly owned Eurobank subsidiary that has been licensed by the Bank of Greece for servicing NPEs.

- Carving out, through a hive-down, of the banking activities sector and transferring its assets, liabilities and part of the securitisation notes to a new, licensed credit institution ("New Eurobank").

- Selling to a strategic investor via a tender procedure: i. the majority of Eurobank FPS SA share capital, with a 10-year contract for the management of the remaining NPEs of the New Eurobank, and ii. part of the securitisation notes so that the new investor also assumes control of the securitisation SPVs.

- Transferring, also taking into account the future market conditions, of mezzanine and junior securitisation notes, through distribution to the shareholders, or their sale to third-party investors, or any combination thereof.

The implementation of the Strategic Transformation Programme continued in 2018, in line with its 3 key directions:

i. Improving NPEs management.

ii. Creating a new customer service model.

iii. Simplifying processes aiming to make Eurobank the most efficient, flexible and customer-centric bank in Greece.

The following major changes were implemented in 2018:

- The implementation of the new customer-centric organisational model of Retail Banking, which was designed in 2017 (customer segments and integrated product and support units), so that internal operations support the new structure and strategy. Internal procedures were redesigned, the key performance indicators (KPIs) were revised, the Performance Management and Reporting system was simplified, while service-level agreements (SLAs) were agreed between units and the internal governance rules for enhancing cooperation, teamwork and transparency were redesigned.

Finally, the complaints management organisational structure and procedures were also redesigned.

- The Lean and Digital (LED) pilot programme commenced, to support and expand the implementation of the Lean Banking model for optimising end-to-end internal and external customer journeys and to design the model's organisational setup. LED applies best practices, such as Design Thinking, Agile, Ethnographic Research, etc. In addition, Centres of Excellence are being established in specific units, staffed with personnel trained in these methodologies, to implement and transfer the relevant technical know-how across the Bank.

- An analysis of the business risks and opportunities arising from the Payment Services Directive 2 (PSD2) that led to a comprehensive transformation programme of the Bank's commercial strategy, new value-added services and a roadmap for the required changes to systems and procedures to support it.

- The Real Estate and foreclosed real estate (REOs) management and development model was redesigned, in order to fully outsource the relevant tasks to specialised providers with advanced technical know-how and to retain only strategic decision-making responsibility. A new, exclusive 5-year agreement for the provision of valuation and administration services was signed with RE servicer Eurobank Property Services (EPS), a Bank subsidiary, whereby all the relevant tasks performed internally up to now were also transferred to EPS. Following a tender procedure, Cerved Credit Management, a subsidiary of the Italian Cerved Group, was chosen as the strategic partner and 100% of EPS was sold to it. With regard to the strategic asset and portfolio management, it will be transferred to Grivalia Management Company, following the Eurobank-Grivalia merger, through an exclusive 10-year agreement for managing and developing the combined RE property from the merger of the two companies.

Continuation of the Strategic Transformation Programme

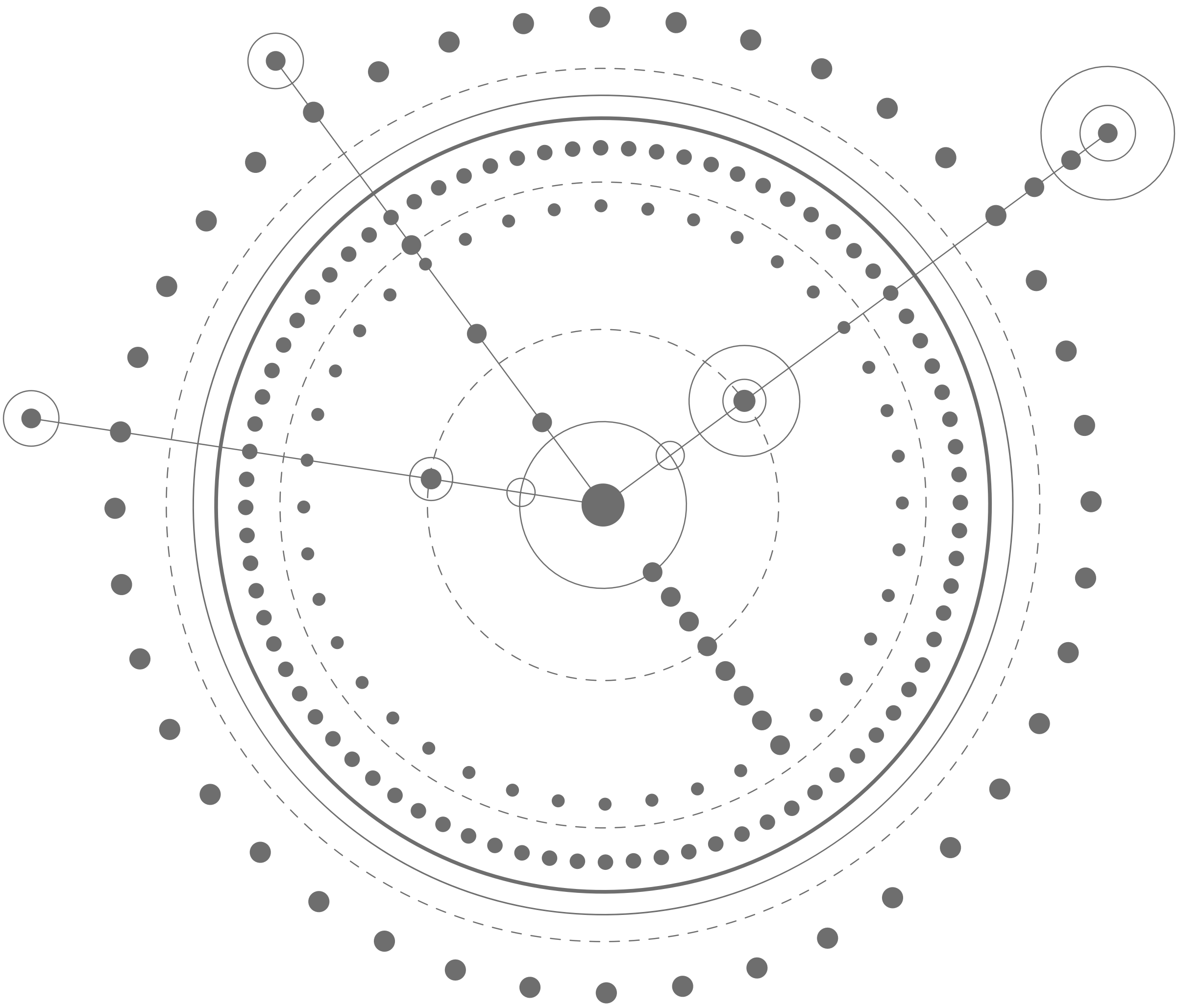
Once the Acceleration Plan has been completed, “New Eurobank” will focus its efforts on further developing its core business. To this end, in 2019, the bulk of the Programme will concentrate on:

- Adjusting the organisational model, operations and procedures of the Bank and Eurobank FPS SA so as to implement the Acceleration Plan, which includes assigning the management of the entire NPE portfolio of New Eurobank to Eurobank FPS SA and concluding the latter’s transformation into a fully independent NPE servicing company.

- Finalising the organisational model for RE management, after its assignment to Grivalia Management Company.

- Completing the organisational structure of Lean Banking and Centres of Excellence, transferring know-how to relevant units and redesigning end-to-end customer journeys, according to their prioritisation.

- Implementing the PSD2 business strategy programme, with specific projects regarding regulatory compliance, services pricing and new value-added services creation.




54%
average

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

Transparency, credibility, social responsibility and accountability are fundamental corporate governance principles in the contemporary corporate and social environment. These principles define the framework for the achievement of the Group's objectives, govern the organization, operations, and activities of the Group, and reflect Eurobank's values, safeguarding the interests of shareholders and of all other stakeholders. The Corporate Governance Code describes the corporate governance principles and practices that have been adopted, in accordance with Greek law, the international best practices on corporate governance, and the Bank's contractual obligations to the Hellenic Financial Stability Fund (HFSF). The corporate governance principles applied by the Bank and the Group ensure that:

- The composition and operation of the Board of Directors (Board) ensure transparency, credibility, and consistency during the decision making process.
- All shareholders enjoy equal treatment and protection of their interests. They all have access to adequate and timely information on the course of business of the Bank and the Group.
- The Bank's Internal Governance Control Manual, the Internal Governance Regulations of the Bank's subsidiaries, as well as the organizational structure of the Bank and its subsidiaries lead to a clear and distinct distribution of responsibilities and competencies, and to the establishment of a concrete environment of internal control.
- Conflicts of interest situations are being prevented.

Finally, in order to ensure constant and optimal implementation of the corporate governance principles throughout the scope of its business, Eurobank has set up a Group Company Secretariat Sector.

Board of Directors - Board Committees - Senior Management Bodies

Board of Directors

The Bank is headed by a Board of Directors, which is collectively responsible for the long-term success of the Bank. The Board exercises its responsibilities effectively and in accordance with Greek legislation, international best practices and the Bank's contractual obligations to the HFSF, under the Relationship Framework Agreement (RFA) signed between the Bank and the HFSF.

The members of the Board are elected by the General Meeting of the Shareholders, which is the Bank's supreme body and also determines the precise number of the Board members, within the limits of the Law and the Articles of Association, their term in office, and designates the independent, non-Executive members.

On 10 July 2018, the Annual General Meeting of the Shareholders of the Bank elected a new BoD, whose term of office will expire on 10 July 2021, prolonged until the end of the period when the Annual General Meeting for the year 2021 will take place.

The Executive Directors have responsibility for the day-to-day management and control of the Group, and the implementation of its strategy. The non-Executive Directors are responsible for the overall promotion and safeguarding of the Bank's interests, constructively challenge and help develop proposals on strategy and approve, revise and oversee the implementation of the remuneration policy both at Bank and Group level.

The Board meets regularly every quarter, as well as on an ad hoc basis whenever required. During 2018, the Board held twenty-one meetings (compared to eighteen meetings in 2017), and the average ratio of the Directors attendance was 97% (compared to 95% in 2017). Decisions are taken following discussions, which complete the agenda items to the satisfaction of all Directors present.

Board of Directors - Board Committees - Senior Management Bodies

The current Board of Directors of the Bank, following the Board's decisions is as follows:

Board of Directors
GEORGIOS P. ZANIAS Chairman, Non-Executive Director
GEORGE K. CHRYSSIKOS Vice-Chairman, Non-Executive Director
FOKION C. KARAVIAS Chief Executive Officer
STAVROS E. IOANNOU Deputy Chief Executive Officer, Executive Director
THEODOROS A. KALANTONIS Deputy Chief Executive Officer, Executive Director
KONSTANTINOS V. VASSILIOU Deputy Chief Executive Officer, Executive Director
NIKOLAOS A. BERTSOS Independent Non-Executive Director
RAJEEV KAKAR Independent Non-Executive Director
RICHARD P. BOUCHER Independent Non-Executive Director
BRADLEY PAUL L. MARTIN Non-Executive Director
JAWAID A. MIRZA Independent Non-Executive Director
GEORGE E. MYHAL Independent Non-Executive Director
AIKATERINI K. BERITSI Representative of the Hellenic Financial Stability Fund under Law 3864/2010, Non-Executive Director

Board Committees

The Board is assisted in carrying out its duties by Board Committees to which it delegates some of its responsibilities, and approves their mandate and composition, save for the composition of the Audit Committee whose members are appointed by the General Meeting.

The Board receives regular and ad hoc reports from the Audit Committee, Board Risk Committee, Nomination Committee, Remuneration Committee, and Strategic Planning Committee, and assesses their performance as per the provisions of the Bank's Board and Board Committees Evaluation Policy.

Audit Committee

The primary function of the Audit Committee is to assist the Board in discharging its oversight responsibilities primarily relating to the review of the adequacy of the Internal Control and Risk Management systems, and the compliance with rules and regulations monitoring process, the review of the financial reporting process and satisfaction as to the integrity of the Bank's Financial Statements, the External Auditors selection, performance and independence as well as the effectiveness and performance of the Internal Audit and of the Compliance function.

The Shareholders' General Meeting appoints the Audit Committee members upon the Board's proposal to the General Meeting, following the recommendation of the Nomination Committee to the Board. The tenure of the Committee members coincides with the tenure of the Bank's Board, with the option to renew their appointment, but in any case the service on the Committee should not be more than twelve (12) years in total. All AC members have sufficient knowledge in the field of Eurobank's activity and the necessary skills and experience to carry out its duties,

The Audit Committee meets at least eight times per year or more frequently, as circumstances require, reports to the Board on a quarterly basis on its activities, submits the minutes of its meetings to the Board, and submits annually an Activity Report of the Audit Committee to the Board. During 2018 the Audit Committee held thirteen meetings (compared to seventeen in 2017) and the average attendance was 94% (compared to 93% in 2017).

Board of Directors - Board Committees - Senior Management Bodies

The composition of the current Audit Committee is as follows:

Audit Committee
Chairman
JAWAID A. MIRZA Independent Non-Executive Director
Vice Chairman
BRADLEY PAUL L. MARTIN Non-Executive Director
Members
RICHARD P. BOUCHER Independent Non-Executive Director
NIKOLAOS A. BERTSOS Independent Non-Executive Director
AIKATERINI K. BERITSI Non-Executive Director, Representative of the HFSF

Board Risk Committee

The Board Risk Committee's purpose is to assist the Board in the following risk-related issues:

- to ensure that the Group has a well-defined risk strategy and risk appetite in line with its business plan, and that the risk appetite is articulated in a set of qualitative and quantitative statements and risk tolerance levels for all relevant risks;
- to ensure that the Group has developed an appropriate risk management framework which is embedded in the decision making process (e.g. new product and services introduction, risk adjusted pricing, internal risk models, risk adjusted performance measures and capital allocation) of the Group;
- to define the Group risk management principles and ensure that the Bank has the appropriate methodologies, modeling tools, data sources, and a sufficient and competent staff to identify, assess, monitor and mitigate risks;
- to review and assess, at least on a monthly basis the Group's risk profile and the effectiveness of its risk management policies, and to advise the Board accordingly (this review is supported by the Management Risk Committee regular reporting, including aspects of operational risk and reputational risk);

- to ensure that appropriate stress tests are performed, at least on an annual basis, in relation to all major Group risks;
- to review and approve the Bank's internal risk models development (framework, policies, etc.) as well as regularly monitor internal risk models results (incl. validation and back testing),
- to review and approve the Bank's Internal Ratings Based (IRB) rating systems and estimation processes including IRB roll-out plan status and progress report, as well as monitor and report differences between the realized and expected default rates,
- to maintain a sound and effective overall architecture for the implementation of the Internal Capital Adequacy Assessment Process (ICAAP) and the Internal Liquidity Adequacy Assessment Process (ILAAP), ensuring that the ICAAP and the ILAAP are integral parts of the Bank's overall management framework,
- to provide its assessment of the capital adequacy and liquidity adequacy of the Group,
- to assess in compliance with the approved risk appetite and risk tolerance levels, the appropriateness of risk limits, the adequacy of provisions and, in general, the capital adequacy in relation to the risks undertaken by the Group, through, amongst others, the annual report prepared by the Group Risk Management General Division and relevant extract of the report prepared by the Internal Audit Division;
- to keep the Board and Audit Committee updated on relevant risk matters, and recommend to the Board on an annual basis the future risk strategy and risk appetite.
- to provide oversight of, review and approve the Bank's Interest Rate Risk in Banking Book (IRRBB) framework, strategy, policies and processes.

The Board Risk Committee members are appointed by the Board following the recommendation of the Nomination Committee, in accordance with the legal and regulatory framework where applicable and the tenure of the Committee's members coincides with the tenure of the Bank's Board with the option to renew their appointment, but in any case, the service in the Committee should not be more than twelve (12) years in total. The Board Risk Committee meets at least on a monthly basis and reports to the Board, on a quarterly basis.

During 2018, the Risk Committee held sixteen meetings (same as in 2017) and the average attendance was 93% (compared to 91% in 2017).

Board of Directors - Board Committees - Senior Management Bodies

The composition of the current Board Risk Committee is as follows:

Board Risk Committee
Chairman
RICHARD P. BOUCHER Independent Non-Executive Director
Vice Chairman
RAJEEV KAKAR Independent Non-Executive Director
Members
BRADLEY PAUL L. MARTIN Non-Executive Director **JAWAID A. MIRZA** Independent Non-Executive Director **AIKATERINI K. BERITSI** Non-Executive Director, Representative of the HFSF

Remuneration Committee

The Board has delegated to the Remuneration Committee the responsibilities (a) to provide specialized and independent advice for matters relating to remuneration policy and its implementation at Bank and Group level, and for the incentives created while managing risks, capital and liquidity, (b) to safeguard the proper exercise of its duties and responsibilities, the efficient alignment of the personnel's remuneration with the risks that the Bank undertakes and manages, and the required alignment between the Bank and the Group and, (c) to approve, or propose for approval, all exposures of Senior Executives and their relatives (spouses, children, siblings). The nonexecutive Board members have the responsibility to approve and periodically review the Bank's remuneration policy, and to oversee its implementation both at Bank and Group level.

The Remuneration Committee members are appointed by the Board. The tenure of the members of the Committee coincides with the tenure of the Bank's Board with the option to renew their appointment, but in any case, the service in the Committee should not be more than twelve (12) years in total.

The Remuneration Committee meets at least twice a year. During 2018 the Remuneration Committee held seven meetings (compared to eight in 2017) and the average attendance was 96% (compared to 88% in 2017).

The composition of the current Remuneration Committee is as follows:

Remuneration Committee
Chairman
RAJEEV KAKAR Independent Non-Executive Director
Vice Chairman
BRADLEY PAUL L. MARTIN Non-Executive Director
Members
GEORGE E. MYHAL Independent Non-Executive Director
AIKATERINI K. BERITSI Non-Executive Director, Representative of the HFSF

Nomination Committee

The Board has delegated to the Nomination Committee the responsibilities (a) to lead the process for Board and Board Committees appointments, (b) to identify, nominate and recommend candidates for appointment to the Board and (c) to consider matters related to the Board's adequacy, efficiency and effectiveness, for all executives of the Bank at the level of General Manager and above, as well as the Heads of General Divisions.

The Nomination Committee members are appointed by the Board and the tenure of the members of the Committee coincides with the tenure of the Bank's Board with the option to renew their appointment, but in any case, the service in the Committee should not be more than twelve (12) years in total.

The Committee meets at least twice a year. During 2018 the Nomination Committee held nine meetings (compared to ten in 2017) and the average attendance was 92% (compared to 95% in 2017).

Board of Directors - Board Committees - Senior Management Bodies

The composition of the current Nomination Committee is as follows

Nomination Committee
Chairman
RAJEEV KAKAR Independent Non-Executive Director
Vice Chairman
BRADLEY PAUL L. MARTIN Non-Executive Director
Members
GEORGIOS P. ZANIAS Chairman, Non-Executive Director
JAWAID A. MIRZA Independent Non-Executive Director
GEORGE E. MYHAL Independent Non-Executive Director
AIKATERINI K. BERITSI Non-Executive Director, Representative of the HFSF

Strategic Planning Committee

The Strategic Planning Committee is established by the Board and its purpose is to assist the Board's Executive Officers in planning, developing and implementing the Group's Strategy and recommend to the Board certain initiatives in relation to the Group's Strategy.

The Strategic Planning Committee members are appointed by the Board, on the recommendation of its Chairperson, following the proposal by the Nomination Committee. The Strategic Planning Committee meets biweekly or ad hoc when necessary, and reports to the Board on a quarterly basis and whenever required. During 2018 the Strategic Planning Committee held fifty four meetings (compared to forty one in 2017) and the ratio of attendance was 85% (compared to 91% in 2017).

The composition of the current Strategic Planning Committee is as follows:

Strategic Planning Committee
Chairman
GEORGIOS P. ZANIAS Chairman, Non-Executive Director
Members
GEORGE K. CHRYSSIKOS Vice-Chairman, Non-Executive Director
FOKION C. KARAVIAS Chief Executive Officer
STAVROS E. IOANNOU Deputy Chief Executive Officer, Group Chief Operating Officer (Group COO) & International Activities
THEODOROS A. KALANTONIS Deputy Chief Executive Officer, Troubled Assets Group
KONSTANTINOS V. VASSILIOU Deputy Chief Executive Officer, Group Corporate & Investment Banking
CHRISTOS N. ADAM General Manager Group Risk Management, Group Chief Risk Officer (Group CRO)
HARRIS V. KOKOLOGIANNIS General Manager Group Finance, Group Chief Financial Officer (Group CFO)

Board of Directors - Board Committees - Senior Management Bodies

Senior Management Bodies

The Bank's Chief Executive Officer establishes Committees to assist him as required. The most important Committees established by the CEO are the Executive Board, the Management Risk Committee, the Group Asset and Liability Committee, the Central Credit Committees (I & II) and the Troubled Assets Committee.

Executive Board

The Executive Board manages the implementation of the Group's strategy, as developed by the Strategic Planning Committee, in line with the Board's guidance. The Executive Board meets on a weekly basis or ad hoc when necessary.

The composition of the current Executive Board is as follows:

Executive Board
Chairman
FOKION C. KARAVIAS Chief Executive Officer
Members
STAVROS E. IOANNOU Deputy Chief Executive Officer, Group Chief Operating Officer (Group COO) & International Activities
THEODOROS A. KALANTONIS Deputy Chief Executive Officer, Troubled Assets Group
KONSTANTINOS V. VASSILIOU Deputy Chief Executive Officer, Group Corporate & Investment Banking
CHRISTOS N. ADAM General Manager Group Risk Management, Group Chief Risk Officer (Group CRO)
DIMOSTHENIS I. ARHODIDIS General Manager Global Markets & Wealth Management Head of Group Real Estate Asset Management
IAKOVOS D. GIANNAKLIS General Manager Retail Banking
APOSTOLOS P. KAZAKOS General Manager Group Strategy
HARRIS V. KOKOLOGIANNIS General Manager Group Finance, Group Chief Financial Officer (Group CFO)
ANASTASIOS L. PANOUSSIS General Manager Retail Remedial Management
CONSTANTINOS A. VOUSVOUNIS Senior Advisor, Group Risk Management
MICHALIS L. LOUIS Head of International Activities General Division

Board of Directors - Board Committees - Senior Management Bodies

Management Risk Committee

The Management Risk Committee oversees the risk management framework of the Bank. The Management Risk Committee ensures that material risks are identified and promptly escalated to the Board Risk Committee and that the necessary policies and procedures are in place to prudently manage risk and to comply with regulatory requirements.

The Committee reviews the Bank's and its subsidiaries' risk profile vis-a-vis its declared risk appetite, and examines any proposed modifications to the risk appetite. The Committee reviews and approves the methodology, the parameters and results of the Bank's stress testing programme, and determines the appropriate management actions which are discussed and presented to the Executive Board and then are submitted to the Board Risk Committee for approval and maintains at all times a pro-active approach to Risk Management. The Committee meets on a monthly basis or ad hoc when necessary.

The composition of the current Management Risk Committee is as follows:

Management Risk Committee
Chairman
CHRISTOS N. ADAM General Manager Group Risk Management, Group Chief Risk Officer (Group CRO)
Vice Chairman
HARRIS V. KOKOLOGIANNIS General Manager Group Finance, Group Chief Financial Officer (Group CFO)
Members
FOKION C. KARAVIAS Chief Executive Officer
STAVROS E. IOANNOU Deputy Chief Executive Officer, Group Chief Operating Officer (Group COO) & International Activities
THEODOROS A. KALANTONIS Deputy Chief Executive Officer, Troubled Assets Group
KONSTANTINOS V. VASSILIOU Deputy Chief Executive Officer, Group Corporate & Investment Banking
DIMOSTHENIS I. ARHODIDIS General Manager Global Markets & Wealth Management Head of Group Real Estate Asset Management
CONSTANTINOS A. VOUSVOUNIS Senior Advisor, Group Risk Management

Group Asset & Liability Committee

The Group Asset and Liability Committee's (G-ALCO) primary mandate is to formulate, implement and monitor as may be appropriate, the Group's a) liquidity and funding strategies and policies, b) interest rate guidelines, c) the Group's capital investments, as well as FX exposure and hedging strategy and d) the Group's business initiatives and/or investments that meaningfully affect the Bank's market and liquidity risk profile, and to approve or recommend changes to these policies so that they conform with the Bank's risk appetite and levels of exposure as determined by the Board Risk Committee and Management, while complying with the framework established by the regulatory and supervising bodies. G-ALCO convenes once a month and/or whenever required.

The composition of the current Group Asset and Liability Committee is as follows:

Group Asset and Liability Committee
Chairman
HARRIS V. KOKOLOGIANNIS General Manager Group Finance, Group Chief Financial Officer (Group CFO)
Members
STAVROS E. IOANNOU Deputy Chief Executive Officer, Group Chief Operating Officer (Group COO) & International Activities
THEODOROS A. KALANTONIS Deputy Chief Executive Officer, Troubled Assets Group
KONSTANTINOS V. VASSILIOU Deputy Chief Executive Officer, Group Corporate & Investment Banking
CHRISTOS N. ADAM General Manager Group Risk Management, Group Chief Risk Officer (Group CRO)
DIMOSTHENIS I. ARHODIDIS General Manager Global Markets & Wealth Management Head of Group Real Estate Asset Management
IAKOVOS D. GIANNAKLIS General Manager Retail Banking
ANASTASIOS C. IOANNIDIS General Manager Global Markets & Treasury
MICHALIS S. IMELOS Assistant General Manager, Head of Group Market and Counterparty Risk Sector

Board of Directors - Board Committees - Senior Management Bodies

Central Credit Committees

The main objective of the Central Credit Committee I (CCC I) is to ensure objective credit underwriting for all Greek corporate portfolios of performing customers as defined in the Credit Policy Manual - Performing Exposures, so that the risk that is undertaken can be effected in a balanced way between satisfactory return on equity and credit quality.

Central Credit Committee I

The CCC I convenes at least once a week. The Chair of CCC I is a Management Consultant and its members are the Bank's Senior Managers. The main duty and responsibility of CCC I is to assess and approve all credit requests of the Greek wholesale performing portfolio, for total exposure above €50 million and unsecured exposure above €35 million. For total exposure exceeding €75 million and unsecured exposure exceeding €50 million, an additional signature from the Group Chief Risk Management Officer is required, while for total exposure exceeding €150 million and an unsecured exposure exceeding €100 million, an additional signature from the Chief Executive Officer is required.

Furthermore, for exposures higher than 10% of the Bank's regulatory capital the additional approval of the Executive Board is required.

Central Credit Committee II

The main objective of the Central Credit Committee II (CCC II) is the same as for CCC I for lower levels of exposure. The CCC II convenes at least once a week. The Chair of CCC II is a Management Consultant and its members are the Bank's Senior Managers. The main duty and responsibility of CCC II is to assess and approve all credit requests of the Greek wholesale performing portfolio for total exposure from €20 million up to €50 million and unsecured exposure from €10 million up to €35 million.

Troubled Assets Committee

The Troubled Assets Committee (TAC) is established according to the provisions of the Bank of Greece (BoG) Executive Committee Act No. 42/30.5.2014. TAC's main responsibility is to provide strategic guidance and monitor troubled assets management, ensuring independence from business and compliance with the requirements of BoG Act 42. The Committee meets at least once per month, while it informs the Board and relevant committees on the results of its activities at least quarterly.

The composition of the current Troubled Assets Committee is as follows:

Troubled Assets Committee
Chairman
CONSTANTINOS A. VOUSVOUNIS Senior Advisor, Group Risk Management
Members
HARRIS V. KOKOLOGIANNIS General Manager Group Finance, Group Chief Financial Officer (Group CFO)
ANASTASIOS L. PANOUSSIS General Manager Retail Remedial Management
GEORGIOS I. NIKOLAKOPOULOS Deputy General Manager, Head of Corporate Remedial Management General Division
AIKATERINI M. LYGEROU Assistant General Manager, Head of Collaterals Recovery Sector
ANASTASIOS D. NIKOLAOU Assistant General Manager, Head of Credit Control Sector

Principles of Internal Controls

The Management has established a System of Internal Controls based on international best practices; its design reasonably ensures achievement of objectives in the following categories: efficient and effective operations; reliability and completeness of both financial statements and management disclosures; compliance with the legal and regulatory framework in force.

Internal Audit Group

The primary role of the Internal Audit Group (IAG) is to assist the Board and the Audit Committee by providing reasonable assurance, in the form of independent opinion, as to the adequacy, efficiency and effectiveness of the internal control framework of the Bank and its subsidiaries. The areas within scope of the IAG include the Bank and its subsidiaries in Greece and abroad.

A direct reporting line to the Audit Committee strengthens the function of the IAG and safeguards its independence. The Head of the IAG also holds separate private meetings with the Audit Committee. The IAG is independent of the Bank units with operational responsibilities, while for administrative purposes, it reports to the CEO.

The IAG follows a risk-based methodology which examines the existence and adequacy of controls that address corresponding risks. Risk assessment covers all units, functions, processes and IT systems of the Bank and constitutes the foundation for the preparation of the audit plan, which leads to the execution of the audit assignments.

The outcome of the audit assignments is recorded in the audit reports, which are distributed to the Management, the Audit Committee and the external auditors. The IAG holds regular meetings with Senior Management to discuss the audit findings and the progress made in resolving them, and prepares quarterly reports for the Audit Committee.

The IAG in Greece employs 81 professionals with significant banking and auditing experience. The majority of the IAG staff possess professional qualifications from internationally recognised professional bodies, such as ICAEW, ACCA, CIA and CISA. The IAG complies with the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF) and has been certified for the performance of audits in accordance with the IIA Standards.

External Auditors

The Annual General Meeting of the shareholders that convened on 10.7.2018 assigned the statutory audit of the Bank's annual financial statements (consolidated and non-consolidated) for the fiscal year 2018 to KPMG Certified Auditors S.A, which appointed its member Mr. Harry Sirounis, certified auditor (SOEL Reg. No 19071), as the statutory editor, while appointing its partner, Mr. Nikolaos E. Vouniseas certified auditor (SOEL Reg. No 18701) as his substitute in case of impediment of the statutory auditor. In order to safeguard the independence of external auditors, the Bank has been consistently implementing a policy on external auditors' independence, as well as a policy with regards to the tendering process followed by the Bank for the assignment of the statutory audit of its financial statements to external auditors.

As part of the policy on external auditors' independence, the rules concerning the service provided by external auditors are founded on three key principles, the violation of which could affect the auditors' independence: (1) an auditor may not audit his or her own work; (2) an auditor may not perform any administrative role and (3) an auditor may not provide any services prohibited by the law or the Bank's policy.

Regarding the tendering policy that the Bank follows to assign the statutory audit of its financial statements to external auditors, the main objective is to define the framework by which the Bank receives offers from candidate auditing firms on a periodic basis, in order to ensure that (a) the auditors' independence is not compromised and (b) the most appropriate auditors are selected to carry out the Group's statutory audit through a transparent and objective selection process.

Group Compliance

Group Compliance is an independent function with dual reporting to the CEO and the Audit Committee of the Board of Directors.

Its mission is to support the Audit Committee of the Board of Directors and the Executive Management in the management of compliance risk and to promote a corporate culture that encourages ethical conduct through integrity and a commitment to compliance with laws and regulations as well as with international governance standards.

Group Compliance supervises the overall compliance function in the Group. Within this framework, it supervises, monitors, coordinates and evaluates the activities of the Compliance Divisions/Units of the Bank's local and international subsidiaries to ensure compliance with group standards.

In 2018, Group Compliance had to face the constantly evolving regulatory environment and the continuous transformation of the Bank, while effectively assisting the Bank's business units and its subsidiaries in obtaining a better understanding of the regulations and applying them in practice.

Key achievements in 2018 include the following:

- Enhancement of the Compliance Risk Assessment framework, through the update of the Group Compliance Policy and the development of a specialized methodology for the assessment of compliance risk across the Bank.

- Monitoring regulatory developments regarding Financial Crime (including laws and regulations on Anti Money Laundering (AML) and Combatting the Financing of Terrorism (CFT) and legislation aimed at combatting Tax evasion such as FATCA and CRS), ensuring alignment of internal policies and procedures and monitoring adherence to them. In 2018, Group Compliance participated actively in the consultation process for the incorporation of the EU 4th AML Directive in the national legislation and submitted reports for the first time to the Independent Authority of Public Revenues in accordance with the requirements of the Foreign Account Tax Compliance Act (FATCA). In addition, the IT system supporting the identification of unusual and suspicious transactions was upgraded and its enhancement commenced and new requirements were implemented for the IT application supporting the provision of responses to requests arising from regulatory and judicial authorities for the lifting of banking secrecy. Moreover, a new Deputy Money Laundering Officer pursuant to the provisions of article 38 of L.4557/2018 was appointed, in the context of organizational changes.

Group Compliance

- Monitoring adherence to the Capital Markets related legislation regarding the provision of investment products and services to clients (Markets in Financial Instruments Directive – MiFID II), market manipulation and insider trading, by updating policies and processes and ensuring the development of the necessary IT infrastructure. In this context, certain policies, such as Best Execution Policy, were updated, and a control mechanism for monitoring compliance was developed.

- Monitoring of compliance with business and internal conduct rules including conflict of interest and anti-bribery and corruption (ABC). In this context, the Policies on External Engagements and ABC were issued.

- Monitoring of developments and provision of guidance and support to Bank units to ensure compliance with the consumer protection regulatory framework, including dormant accounts legislation, BoG's Code of Conduct for loans, the Payment Services regulatory framework, the Benchmark Regulation and the Deposit Guarantee scheme.

- Monitoring of timely submission of reports to Regulators.

- Provision of adequate training of Bank staff on topics such as AML, conflict of interests and data protection. In parallel, training initiatives continued to further strengthen the knowledge and skills of Group Compliance resources, with particular emphasis on internationally recognised professional certifications, such as ACAMS, ICA, CIA, ACFE.

At the same time, in order to implement the UN Global Compact's 10th principle against corruption, the Bank has adopted:

- Policies, Working Instructions and Procedures for internal conduct rules, such as a Code of Professional Conduct and Policies for Anti-bribery and Corruption (ABC), Conflict of Interests and Reporting Unethical Conduct;

- Specialised staff training courses on compliance issues, fraud detection, code of professional conduct and conflict of interests;

- Control mechanisms and procedures through the use of IT systems for anti-money laundering and combatting terrorist financing, as well as fraud detection systems.

In 2019, Group Compliance will continue to assist the Bank in achieving its financial, operational and strategic goals, while ensuring compliance with laws and regulations and acting as a shield against the full spectrum of compliance risks. More specifically, Group Compliance will place emphasis on the following:

- Further develop and enhance the comprehensive compliance risk assessment framework, as well as monitor the implementation of the actions needed to address the high risk areas.

- Introduce and further develop automated mechanisms for monitoring AML and CFT, including completion of enhancements in the IT systems that support suspicious transactions monitoring.

- Revise the existing Conflict of Interests Policy in parallel with upgrading the applications that support the automated monitoring of potential conflict of interest cases and the detection of market manipulation cases.

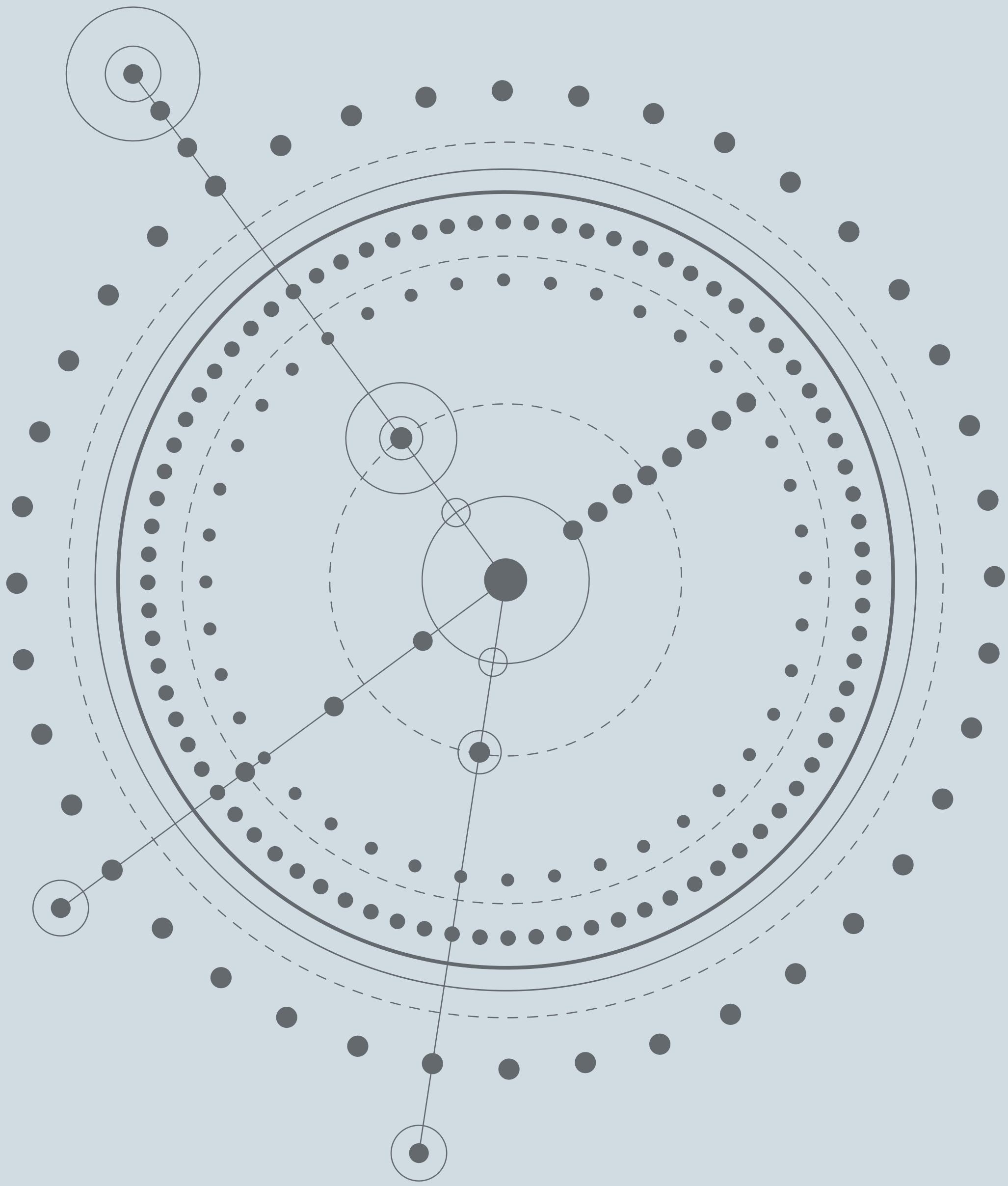
- Establish a framework and mechanism for monitoring adherence to the Anti-Bribery and Corruption Policy and strengthen the process for identification of potential internal fraud.

- Assist the Bank's business Units and subsidiaries in revising and implementing the internal procedures and policies in accordance with the new regulatory requirements on consumer protection.

- Further raise Bank staff awareness on Compliance issues and particularly on AML.

- Further enhance supervision and monitoring of high risk issues in international and local subsidiaries.

RISK MANAGEMENT



RISK MANAGEMENT

The Group acknowledges that risk undertaking is an integral part of its operations, in order to meet its strategic and business objectives.

Therefore, the Group's Management has established adequate mechanisms to identify and monitor these risks in a timely manner and assess their potential impact on meeting its corporate objectives.

The Board of Directors (Board) has delegated specific responsibilities to the Board Risk Committee regarding the design and formulation of the risk management strategy, the management of assets and liabilities, and the establishment of effective mechanisms to identify, assess and manage risks that derive from the Group's activities overall. The Board Risk Committee consists of 6 Non-Executive Directors of the Board, convenes on a monthly basis and reports to the Board on a quarterly basis.

The Group's Management has allocated adequate means for updating its policies, methods and infrastructure, in order to ensure Group's compliance to the requirements of the European Central Bank (ECB), the Single Supervisory Mechanism (SSM), the Single Resolution Mechanism (SRM), the guidelines of the European Banking Authority (EBA) and the Basel Committee for banking supervision, as well as with the best international banking practices.

Risk Appetite Framework

The maximum risk the Group is willing to undertake in order to pursue its strategic objectives is stipulated in an internal document, the Risk Appetite Framework (RAF), and is determined by means of quantitative and qualitative criteria / parameters, which also include specific tolerance levels, both in terms of each risk type and overall. The main objectives that determine the risk appetite are complying with regulatory requirements, safeguarding the Group's ability to smoothly continue its activities, and balancing a strong capital adequacy with high returns on equity.

The Risk Appetite Framework is communicated within the Group, and shapes its risk undertaking and management culture, forming the foundation on which risk policies and risk thresholds are established both overall and per business activity. Risk Appetite Framework comprises the following components:

- Risk capacity – it reflects the maximum level of risk the Group can assume given any regulatory, operating, capital base or liquidity constraints and other obligations.

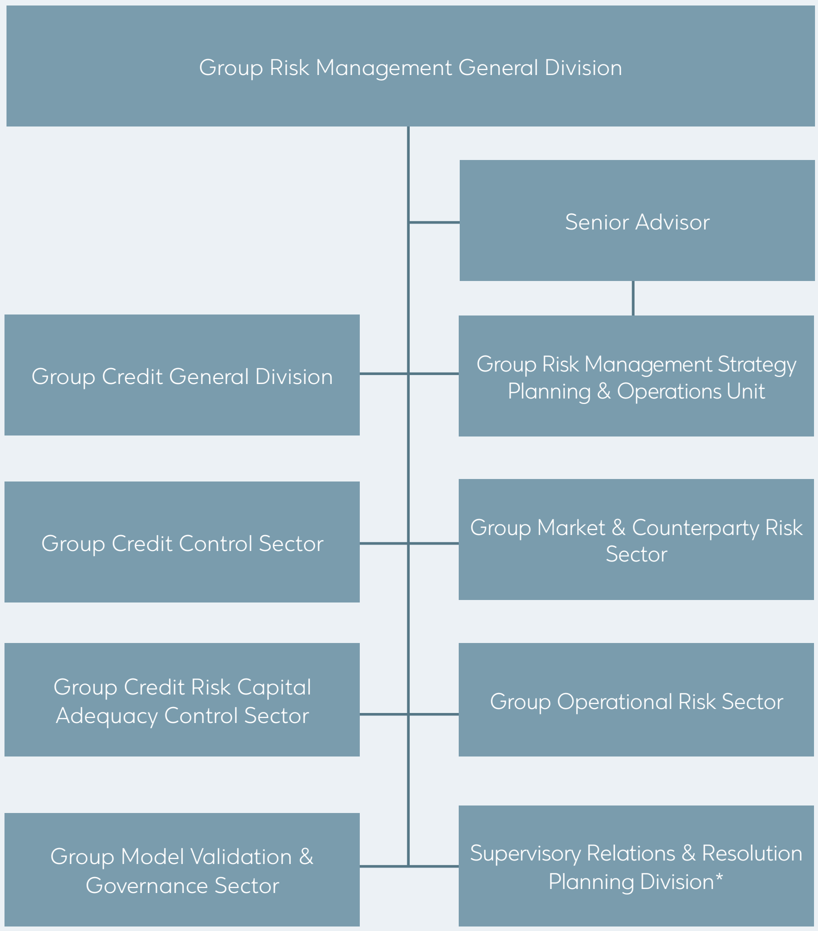
- Risk appetite – it reflects the maximum level of risk the Group is willing to assume in pursuit of its strategic and business objectives.

- Risk limits - they reflect limiting values on specific key risk indicators, which have been determined with the aim to prevent risk exposures from exceeding the risk appetite thresholds.

The Risk Appetite Framework is sufficiently specified and documented. The Board Risk Committee reviews and approves the risk appetite statements and risk assumption thresholds annually, to ensure that they are consistent with the Group's strategy and the prevailing business environment . The Group's Management has established adequate mechanisms to monitor that the Risk Appetite Framework and the related thresholds are observed and implemented. In cases where these thresholds have been exceeded, the Group implements clearly defined procedures and escalation actions, so as to make the necessary decisions on time and take action as the case may be.

Risk Management Structure

The Group's Risk Management General Division, is headed by the Group Chief Risk Officer (GCRO), functions independently from the business units, and is fully responsible for monitoring the credit, market, liquidity and operational risks. It comprises a Senior Advisor with direct reporting line to the GCRO, the Group Credit General Division, the Group Credit Control Sector, the Group Credit Risk Capital Adequacy Control Sector, the Group Market & Counterparty Risk Sector, the Group Operational Risk Sector, the Group Model Validation & Governance Sector, the Group Risk Management Strategy Planning & Operations Unit, and the Supervisory Relations & Resolution Planning Division (with dual reporting also to the Group CFO).



**SRRP Division has a dual reporting line to the Group CRO (Group Chief Risk Officer) and to the Group CFO (Group Chief Financial Officer).*

Credit Risk

Definition of Credit Risk

Credit risk is the risk that a counterparty will be unable to fully meet the contractual loan obligations when due. It includes risks arising from the loan portfolio, from the country where the counterparty is registered or operates, as well as from dilution of rights, off-balance sheet exposures and completion / settlement risk.

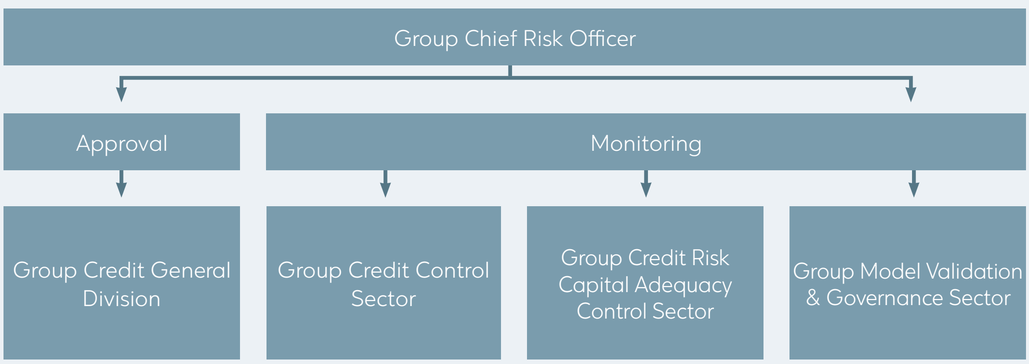
Credit risk derives predominantly from the Group's corporate and retail loan portfolios, including credit facilities, such as financial guarantees and letters of credit. The Group is also exposed to credit risk arising from other activities, such as investments in debt securities, trading activities and settlement activities.

Credit risk is managed and monitored by independent, centralised and dedicated risk units, which report to the GCRO.

Credit Risk Management Structure

The diagram below depicts the Bank's structure for managing credit risk. A similar credit risk management structure is followed by the subsidiary banks abroad (Bulgaria, Serbia, Cyprus and Luxembourg).

All subsidiary banks follow the same control procedures as the parent Bank. The Heads of Risk Management of the Subsidiary Banks report directly to the GCRO. The credit risk policies and procedures are approved and monitored by the Bank's Credit Risk Management Units, therefore, ensuring common perception and application across the entire Group. In addition, the procedures for credit approval and credit rating assessment of creditors are centralised at country level. A fundamental principle of the Bank is to ensure that the units responsible for customer relations are independent from those responsible for the approval and monitoring of the loan throughout its life cycle.



Credit Risk

The approval for corporate loans is granted through escalating approval levels by the following committees:

- Credit Committees of performing loans -as per the EBA-, authorised to approve new credit limits, renewals or amendments to the existing limits, in accordance with their approval authorities, taking into account the client's credit rating, borrower's risk classification (i.e. high, medium or low), as well as the value and type of the provided collateral.

- Special Handling Credit Committees, authorised to decide on credit issues and actions that must be taken for cases related to Non-Performing – as per the EBA – borrowers (high-risk customers).

- International Credit Committees, authorised to approve new credit limits, and renew or modify existing limits, as well as decide on how to handle troubled assets for corporate borrowers of subsidiaries abroad, when exposures exceed the approved limits set for each country.

In addition, other special committees have been established to monitor specific portfolios (e.g. staff loans). All Committees convene on a weekly basis, or more frequently if required.

Group Credit General Division

Within an environment marked with increased demands in risk management, the Group Credit General Division's (GCGD's) mission is to safeguard the Bank's assets by assessing the credit risk and formulating documented recommendations, so that the risk assumed per borrower (debtor) is considered acceptable, in accordance with the approved Risk Appetite Framework.

In this context, the GCGD is responsible for assessing credit proposals from large and medium-sized enterprises and special portfolios, as well as credit proposals for individual banking customers (small businesses and retail banking loans) in cases where the total risk exposure exceeds a set limit. It is also responsible for preparing an independent Risk Opinion, which includes an analysis of the borrower's credit profile – based on qualitative and quantitative criteria (market, operational, structural and financial), focusing on the activity sector – indicating, where deemed necessary, alternative ways to handle the situation, so that a well-structured credit facility is drawn up. The GCGD also participates with voting rights in the Credit Committees, and plays an active role in the regulatory and external audits of the Bank.

In addition, through the International Credit Sector, the GCGD actively participates in designing, implementing and reviewing the credit procedure for the corporate borrowers of international subsidiaries. Furthermore, the International Credit Sector offers advisory services, supports the Risk Management Divisions, attends the Risk Committees' sessions of the foreign subsidiaries and is also responsible for the operational support of the International Credit Committees, where its executives participate with voting rights.

Group Credit Control Sector

The Group Credit Control Sector operates independently of other Bank units, monitors and assesses the quality of the Bank's loan portfolio (business, personal and mortgage loans in Greece and abroad), by conducting onsite and desktop reviews. The Sector is also responsible for reviewing the design of the credit policies and procedures of the Bank and its subsidiaries in Greece and abroad. Furthermore, the Sector monitors and assesses the effectiveness of the strategies adopted and the solutions offered for handling NPEs and for meeting the reduction targets as are agreed with the supervisory authorities. Moreover, the Sector controls the proper implementation of credit policies and procedures and of the credit limits by the Bank's units.

During 2018, 17 field reviews were performed to the entirety of units handling Performing and Non-Performing borrowers.

The Sector is also responsible for formulating / reviewing and monitoring the provisioning policy, in accordance with the new accounting standard IFRS 9, and for calculating the relevant credit risk provisions for the loan portfolios, based on both collective and individual assessment in Greece. Through the specialised Early Warning Unit (EWU), the Sector is responsible for assessing the corporate portfolio and identifying possible future distress signals for specific borrowers or portfolios, by using a multivariable application (Early Warning System), which operates alongside the Bank's rating systems.

Finally, the Sector is responsible for the issuance of a significant number of supervisory reports related to credit risk and its evolution on a regular basis. It also prepares regular reports addressed to the Management of the Bank, and offers expert knowledge and expertise to other Bank Divisions in relation to business and credit procedures, coverage policies, new loan products and debt restructuring schemes.

Group Credit Risk Capital Adequacy Control Sector

The main responsibilities of the Group Credit Risk Capital Adequacy Control Sector is to develop and implement the Internal Ratings Based (IRB) Approach in accordance with the Basel framework and the Capital Requirements Directive (CRD) for the loan portfolios of the Group.

The Sector is also responsible for developing and updating models on borrower assessment, and for assessing the risk parameters, with the aim of calculating the capital requirements and the IFRS9 provisions. This Sector also coordinates the stress tests at Group level, in Greece and abroad.

During 2018, a European stress test was performed. The models that had been developed for the Bank's adjustment to the IFRS9 requirements as well as the staging criteria were validated. In the third quarter of the year, the review of the IRB models for the corporate portfolio commenced, in line with the ECB programme (Targeted Review of Internal Models – TRIM).

Credit Risk

Measurement of Credit Risk Capital Requirements

As of 1 January 2008 the Group implements:

- The Foundation Internal Ratings Based Approach (Foundation IRB) for calculating risk-weighted assets for the Bank's corporate credit facilities granted to large and medium-sized enterprises in Greece.

- The Advanced Internal Ratings Based Approach (Advanced IRB) for the majority of the Bank's retail lending portfolio, e.g. mortgage loans, small business loans, credit cards and revolving consumer loans.

The implementation of the IRB approach covers 78.4% of the Group's lending portfolio (as of the end of 2018), excluding portfolio segments which are immaterial in terms of size and risk profile, as well as other permanent exemptions.

Rating Systems

The Bank uses various rating systems to assess corporate customers / borrowers, in order to more accurately determine the risks associated with borrowers who have different characteristics. These systems are:

Rating of Large & Medium-Sized Enterprises

- Corporate lending: Moody's RiskAnalyst (MRA) / internal credit rating (ICR) system for those customers that cannot be rated by the MRA. The majority of this portfolio is analysed by MRA.

- Specialized lending (shipping, real estate and project finance): slotting methodology.

The MRA and ICR gather quantitative and qualitative information on companies, in order to assess their creditworthiness and determine their credit rating.

In addition, the Bank performs an overall assessment of corporate customers, based both on the customer's creditworthiness (MRA or ICR) and on the collaterals and guarantees provided against the credit facility, using a fourteen-grade scale.

In case of specialized lending portfolios, i.e. for which the primary source of repayment is the income generated by the financed assets, the Bank applies the slotting methodology.

The rating systems described above are an integral part of the corporate lending decision making and risk management procedures for large and medium-sized enterprises (corporate portfolio):

- The credit approval process, at both origination and renewal and in the impairment assessment process.
- The calculation of the Economic Value Added of a lending relationship.
- The Risk Adjusted Pricing.

Retail Lending Risk Assessment (Internal Ratings)

The Bank assesses the credit risk of retail banking loans based on statistical models, both at origination and on an ongoing basis, also taking into account behavioural scorecards.

These models have been developed to predict, based on the available information, probability of default, loss given default and exposure at default. They also cover the entire range of retail banking products (credit cards, personal loans, car loans, mortgage loans and financing of SMEs / small business banking).

These models are widely used in several processes, such as the approval process, credit limit management, overdue debt collections, risk-based segmentation of clients, risk-based pricing and calculation of necessary provisions.

The rating systems used by the Bank meet the requirements of the Basel III internal rating-based (IRB) approach. The Bank's policy is to validate credit risk assessment models and risk parameters by using qualitative and quantitative criteria, in accordance with the best international practices and regulatory requirements.

Overdue Debt Management

The Troubled Assets Group General Division is responsible overall for managing the Group's non-performing loans, and ensuring close monitoring, strict control and adjustment of programmes, recognising and taking into account the macroeconomic developments, supervisory and legislative framework, best international practices, and new advanced internal requirements.

The Troubled Assets Group General Division works with the Group Risk Management General Division to mutually understand and develop the suitable methodology for assessment of risks emerging from any type of settlement (and default category), per loan portfolio. The recommendations and reports are submitted by the General Division to the Board Risk Committee as well as the Group's Head of Risk Management quarterly or more frequently if necessary.

Credit Risk

Loans and Advances

The following table presents the geographical and industry breakdown of the Group's loans and claims by customers, on 31.12.2018, as disclosed for IFRS purposes.

31 December 2018									
	Greece			Rest of Europe			Other Countries		
	Gross amount € million	Out of which: impaired amount € million	Impairment allowance € million	Gross amount € million	Out of which: impaired amount € million	Impairment allowance € million	Gross amount € million	Out of which: impaired amount € million	Impairment allowance € million
Retail Lending	24,043	10,630	(5,433)	2,620	425	(207)	8	1	(0)
- Mortgage	14,896	5,812	(2,454)	1,359	230	(93)	7	1	(0)
- Consumer	2,096	967	(860)	689	43	(34)	1	0	(0)
- Credit card	1,086	389	(336)	116	5	(5)	0	0	(0)
- Small business	5,965	3,462	(1,783)	456	147	(75)	-	-	-
Wholesale Lending	13,033	5,018	(2,831)	3,207	469	(250)	1,995	109	(77)
- Commerce and services	5,364	2,308	(1,388)	640	144	(80)	132	56	(43)
- Manufacturing	3,268	1,026	(556)	557	31	(17)	6	-	(0)
- Shipping	39	-	(0)	247	78	(59)	1,636	35	(24)
- Construction	2,228	1,158	(692)	675	83	(54)	102	18	(10)
- Tourism	1,469	506	(180)	382	13	(5)	0	-	(0)
- Energy	614	9	(14)	72	17	(6)	16	-	(0)
- Other	51	11	(1)	634	103	(29)	103	-	(0)
Public Sector	57	1	(2)	2	0	(0)	8	-	(0)
Total	37,133	15,649	(8,266)	5,829	894	(457)	2,011	110	(77)
Credit related Commitments	3,164	102	(55)	1,462	5	(3)	81	0	(0)
– Loan commitments	2,408	1	(6)	1,120	4	(2)	57	0	(0)
– Financial guarantee contracts and other commitments	756	101	(49)	342	1	(1)	24	0	(0)

Loan Portfolio Quality

At the end of the year, accumulated provisions amounted to €8.9 billion, covering 67.2% of 90 days past due loans, which represent 29.3% of the total loan portfolio. With regard to NPEs, the respective ratios were 53.2% and 37.0%.

The Group's loan portfolio quality is briefly presented in the following tables:

Credit Risk - Loan Portfolio Quality					
2018	Total Balance (in € billion)	NPE Balances (in € billion)	Total Provisions[1]	NPE (% on Ttl Loans)	NPE Coverage ratio (%)
Consumer	4.0	1.4	1.2	35.2%	88.3%
Mortgage	16.3	6.0	2.5	37.2%	42.2%
Small business	6.4	3.6	1.9	56.2%	51.6%
Wholesale	18.3	5.6	3.2	30.6%	57.4%
TOTAL at amortized cost	**45.0**	**16.7**	**8.9**	**37.0%**	**53.2%**

[1] *Includes provisions from commitments related to the credit risk (Off BS)*

31 December 2018			
	>90 dpd (% on Ttl loans)	>90 dpd (in € bil)	90+ coverage ratio (%)
Consumer	31.2%	1.2	99.8%
Mortgage	29.3%	4.8	53.5%
Small business	47.3%	3.0	61.3%
Wholesale	22.6%	4.1	77.6%
TOTAL at amortized cost	**29.3%**	**13.2**	**67.2%**

Market Risk

The Group is exposed to market risks, which arise from open positions in interest rates, foreign exchange and equity products or combinations of them , which are affected by general and specific market volatility conditions.

Definitions & Policies

In order to ensure the efficient control of the market risks that arise from the Group's overall activities, the Group follows certain principles and policies, in order to:

- Establish an effective market risk management framework at Group level
- Ensure compliance with the existing regulatory and institutional framework
- Take advantage of the benefits arising from the more accurate and effective assessment of the risks assumed

Internal Models

The Bank uses its own internal value at risk (VaR) model, which has been approved by the Bank of Greece since 2005, for the calculation of its capital requirements for market risk in its trading portfolio, for its activities in Greece.

In addition, the Bank employs respective internal models in order to calculate and manage the market risk both of its trading and banking book portfolio.

The VaR model calculates a possible negative change in the market value of a portfolio, at a specific confidence level and for a predetermined duration. VaR models are designed to measure market risk under normal market circumstances; it is assumed that any changes occurring to the risk factors and affecting normal market conditions will follow the normal distribution.

Although the VaR model is an important tool for measuring market risk, the assumptions on which the model is based, give rise to specific limitations.

To this end, the actual outcomes are monitored regularly via back testing, in order to check the validity of the assumptions and the parameters used.

Average VaR per risk category (Trading and Banking book) – Greece and Cyprus

	2018 Average € million	2017 Average € million
Interest Rate Risk[1]	35	17
Foreign Exchange Risk	1	1
Equities Risk	1	1
Total VaR	**35**	**18**

[1] Interest rate volatility applied to all portfolios.
Credit Spread volatility applied to FVTPL and FVOCI positions.

Market, Counterparty & Liquidity Risk

Default & Downgrade Risk in the Trading Portfolio

Default risk and downgrade risk of debt securities included in the trading portfolio are also considered part of market risk. The Bank uses the credit VaR methodology in order to calculate additional capital requirements for that risk (incremental risk charge – IRC). This method calculates the possible negative change in the market value of a securities' portfolio, associated with default or downgrade events, for a medium-term period (typically one year).

Standardised Approach for Market Risk

The Bank uses the standardised approach for the measurement of market risk and the calculation of capital requirements, for its subsidiaries in Greece and its international operations. The following table summarises the capital requirements for market risk per risk factor, based on the standardised approach, as at 31 December 2018 and 31 December 2017:

Standardised Approach for Market Risk	2018 € million	2017 € million
General risk of debt securities		1
Specific risk of debt securities		
General and Specific risk of equities	1	2
Credit Valuation Adjustment (CVA) Risk	6	11
Foreign Exchange Risk	15	4
Total	**22**	**18**

It is worth noting that in 2017, the Bank participated in the Targeted Review of Internal Models (TRIM). During the TRIM, the supervisory authorities reviewed all models used by the Bank for the measurement and management of market risk, default risk and downgrade risk in the trading portfolio.

Standardised Approach for Credit Risk in the Banking Book

The Bank uses the standardised approach for the measurement of credit risk in its Banking Book and the calculation of the respective capital requirements.

These are summarised in the following table:

Standardized Approach for Credit Risk of Banking Book	2018 € million	2017 € million
Debt securities	57	53
Equities	41	17
Total	**98**	**70**

Counterparty Risk

Definition

Counterparty risk refers to the risk that a counterparty in an off-balance sheet transaction (e.g. a transaction in a derivative product) defaults prior to maturity of this transaction while the Bank still has a claim over this counterparty (the current market value of the transaction is positive for the Bank).

Market, Counterparty & Liquidity Risk

Monitoring of Counterparty Risk

The current exposure as of 31 December 2018 is presented in the following table:

31 December 2018	Current exposure before netting € million	Current exposure after netting € million	Netting effect € million	Collateral received / (paid) € million	Total exposure after netting and exchange of collateral € million
Contracts under ISDA and CSA (derivatives)	1.777	1.252	525	96	50
Contracts under GMRA (repos and reverse repos)	1.609	1.608	1	15	1.594
Other contracts (derivatives and repos outside ISDA and CSA, GMRA)	67	67	-	-	67
Total	**3.453**	**2.927**	**526**	**111**	**1.711**

Notes
1. *Netting and collateral exchange is applied per counterparty only for contracts under ISDA, CSA or GMRA.*
2. *Repo and reverse repos with central banks (Bank of Greece, European Central Bank, etc.) are excluded.*
3. *In case of exposure calculation on transactions under GMRA, haircuts are taken into account and increase the exposure.*
4. *In case of exposure calculation on transactions under CSA, thresholds & independent amounts are taken into account and increase the exposure.*
5. *In the "Collateral received / (paid)" column, Greek Treasury bills received as collateral through the CSA signed with Public Debt Management Agency (PDMA) are included.*

Liquidity Risk

Liquidity risk management is of critical importance for the smooth operation and profitability of a banking group. At the Eurobank Group, liquidity risk management is structured as follows:

- The Board Risk Committee is responsible overall for devising the liquidity management strategy.
- The Group Assets and Liabilities Committee (G-ALCO) is responsible for devising the liquidity policies and monitoring their application, as well as for the periodic (monthly) monitoring of liquidity at Group level.
- The Group Global Markets and Treasury General Division is responsible for the implementation of the Group's liquidity strategy as well as for the daily management of the Group's liquidity.
- The Group Market and Counterparty Risk Sector is responsible for measuring and monitoring the liquidity of the Group, as well as for preparing regular and ad hoc internal and supervisory reports.

The Bank submits to the supervisory authorities on an annual basis the Internal Liquidity Adequacy Assessment Process (ILAAP). The ILAAP document describes in detail all the issues related to liquidity management as well as the information depicting the current situation concerning liquidity.

Operational Risk

Governance

Operational risk is embedded in every business activity undertaken by the Group. The primary aim of operational risk management is to ensure the integrity of the Group's operations and its reputation by mitigating its impact. However, by nature, it cannot be fully eliminated. To manage operational risk more efficiently, the Group operates an Operational Risk Management Framework, which defines its approach to identifying, assessing, managing, monitoring and reporting operational risks.

Governance responsibility for operational risk management stems from the Board of Directors (Board), through the Executive Board and Senior Management, and passes down to the Heads and staff of every business unit. The Board approves the mechanisms used by the Group to manage operational risk, by setting the tone and expectations at top management and delegating responsibility. The Board Risk Committee and the Audit Committee monitor the operational risk level and profile, including the level of operational losses, their frequency and severity.

The Group Chief Risk Officer (GCRO) is responsible for all operational risk-related programmes and ensures implementation of the Operational Risk Management Framework. The GCRO has the overall responsibility and oversight of the Operational Risk Units in the countries where the Bank operates.

The Operational Risk Committee is the Management Committee that assesses the operational risks arising from the activities of the Group, while it ensures that each business unit has suitable policies and procedures in place for managing operational risk, and that prompt mitigating actions are taken whenever a high risk area is identified.

The Group Operational Risk Sector is responsible for establishing and updating the Group's Operational Risk Management Framework and for overseeing operational risk at Group level. An Operational Risk Unit operates within every Group's subsidiary and is responsible for implementing the Group's Operational Risk Management Framework. The Group Operational Risk Sector is responsible for:

- Determining the methodology for identifying, assessing and reporting operational risk.
- Implementing regulatory requirements and Group guidelines.
- Monitoring the operational risk level and profile and reporting thereon to the Board Risk Committee.
- Determining and applying the methodology for the calculation of the regulatory capital requirements for operational risk.

Operational Risk

The Heads of each Business Unit (the risk owners) are primarily responsible for the day-to-day management of operational risk and the adherence to relevant controls. To this end, every business unit:

- Identifies, evaluates and monitors its operational risks, and implements risk mitigation controls and techniques.
- Assesses the efficiency of control mechanisms.
- Reports all relevant issues.
- Has access and uses the methods and tools introduced by the Group Operational Risk Sector, to facilitate in identifying, assessing and monitoring operational risks.

Each Business Unit has appointed an OpRisk Partner, who is responsible for coordinating the operational risk management efforts of the Business Unit, while acting as a liaison to the local Operational Risk Unit. Certain Business Units have established a dedicated Anti-Fraud Unit/ Operation, taking into account the fraud risk they are exposed to. Their main objective is to continuously identify fraud risk and to undertake all required actions to address and mitigate this risk in a timely manner.

Operational Risk Management Framework

The Group's Operational Risk Management Framework is based on four elements:

- Principles
- Governance and organisation
- Processes
- Infrastructure

The operational risk management processes consist of risk identification and assessment (including risk measurement and valuation), control management, risk transfer, risk reporting and performance improvement. These processes are supported by the following operational risk tools and methods:

- **Risk and Control Self-Assessment (RCSA)**
  RCSA is a team-based technique aiming to identify, assess and mitigate operational risk. This creates a register of operational risks per business unit, which determines the outline of the operational risk profile.

- **Key Risk Indicators (KRIs)**
  KRIs are metrics based on historical data and are based on specific, measurable activities indicating operational risk exposures. The indicators are expressed as an amount, a percentage or a ratio, corresponding to specific operational risks and are linked to risk tolerance.

- **Operational Risk Events**
  Operational risk events are identified and recorded in the internal operational risk events database and reports are created.

- **Operational Risk Scenario Analysis**
  Operational risk scenario analysis assesses the exposure to a range of significant operational risks through the examination of exceptional but plausible scenarios. The scenarios take into account the current and projected business, economic, social and geopolitical environment.

- **Operational Risk Reporting**
  Operational risk reports are produced for internal and regulatory purposes.

- **Operational Risk Management and Mitigation Techniques**
  The main strategy employed by the Group to limit its exposure to operational risk is to maintain an effective control environment. In addition, with regard to the risk transfer mechanisms in place, Eurobank is covered by crime and professional liability insurance policies through the London market, covering the entirety of its operations Group-wide.

- **Operational Risk Culture**
  Operational risk culture encompasses employee risk awareness, as well as the attitude and conduct of employees with regard to risk assumption and adherence to controls. The Group continuously seeks to improve its operational risk culture.

- **Fraud Risk Management**
  Fraud risk management is a major commitment of the Group, which aims to mitigate fraud risk and reduce fraud losses.

Operational Risk Calculation Method

As required by the Capital Requirements Regulation (EU) No. 575/2013 for the use of the Standardised Approach, the Group's business activities have been divided into eight business lines and the annualised gross operating income for 2016, 2017 and 2018 is calculated for each business line. The annual gross operating income is weighted against specific factors, so as to calculate the required regulatory capital per business line. These amounts are summed together to establish the overall Pillar 1 regulatory capital requirements for operational risk. The relevant amount for operational risk as of 31 December 2018 was €254 million.

Other Risk Management Functions

Group Model Validation & Governance Sector

The Group Model Validation and Governance Sector was established in September 2018 and has two key mandates:

- To design and implement the model governance and validation framework for the Group.
- To perform independent control and validation of the technical and operational completeness of all models and their parameters used by the Bank and its subsidiaries, and ensure their compliance with international practices and specifications laid down by supervisory authorities.

The model management tasks include: completing a registry of the models, the way these operate and their associated owners, and integrating the supervisory requirements and international practices in the Group's policies for models.

The model validation tasks include: establishing and reporting on the appropriateness, performance and stability of models, periodically presenting the results to Management, submitting proposals for potential improvements of said models to Management for approval, and participating in the approval process for new models.

Group Risk Management Strategy Planning & Operations Unit

An independent unit was established at the Group Risk Management General Division in September 2018 to better support issues relating to the Group's risk management strategy. The Unit has a dual reporting line both to the General Manager and the Senior Advisor of the Group Risk Management General Division.

The main duties of the Unit are as follows:

- Preparation and support of the formulation of the Group's Risk Management Strategy as well as monitoring its implementation
- On-going monitoring and assessment of significant technological, legal, regulatory or other developments and trends that may have an impact on the Group's Risk Management Strategy.
- Management, coordination and implementation of key strategic projects that fit under the responsibility of Group Risk Management Genaral Division, and coordination of the General Division's individual units participation in projects implemented by other Bank Units.
- Participation in the updating of the General Division's Policies and Procedures, to ensure compliance with the General Division's strategy.

Single Supervisory Mechanism & Single Resolution Mechanism

The Single Supervisory Mechanism (SSM) refers to the system of banking supervision in Europe. It consists of the European Central Bank (ECB) and the national supervisory authorities of the participating countries. Its main aims are to:

- Ensure the safety and soundness of the European banking system.
- Reinforce financial integration and stability.
- Ensure consistent supervision.

As an independent EU institution, the ECB coordinates banking supervision from a European perspective by:

- Establishing a common approach to the day-to-day supervision of credit institutions.
- Taking harmonised supervisory actions and corrective measures.
- Ensuring consistent application of regulations and supervisory policies.

Along with the national supervisory authorities, the ECB is responsible for ensuring that the European banking supervision is effective and consistent. The ECB has the authority to:

- Conduct supervisory reviews, onsite inspections and investigations.
- Grant or withdraw banking licences.
- Assess the banks' acquisition and disposal of qualifying holdings.
- Ensure compliance with EU prudential rules.
- Set higher capital requirements ("buffers") to counter any financial risks.

The SSM is one of the two pillars of the EU banking union. The other pillar is the Single Resolution Mechanism (SRM). Its main purpose is to ensure the orderly resolution of failing banks, with minimum impact on the real economy and public finances of the participating EU member states. The SRM consists of the Single Resolution Board (SRB), which is the resolution authority of the significant banks and other cross-border groups within the banking union, and the national resolution authorities. As a supervising authority, the ECB plays an important role in deciding whether a bank is failing or likely to fail.

Single Supervisory Mechanism & Single Resolution Mechanism

The main tasks of the Single Resolution Board are:

- Establish standard rules and procedures for the resolution of credit institutions.
- Take decisions on resolution within the Banking Union according to a standard process.
- Establish credible and feasible arrangements for resolution.
- Remove any obstacles in the banks' resolution, so as to make the banking system in Europe safer.
- Minimise resolution costs and avert value impairment, unless this is necessary to meet the resolution objectives.
- Provide essential benefits for taxpayers, banks and deposit holders.
- Promote financial and economic stability across the EU.

In this context, a single rulebook has been established, which is a set of legislative texts that determine legal and administrative standards to regulate, supervise and govern the financial sector in all EU countries more efficiently. It includes rules on capital requirements, recovery and resolution processes and a system for harmonised national deposit guarantee schemes.

Aiming to respond efficiently to the increased requirements of the supervisory authorities, the Bank has established the Supervisory Relations and Resolution Planning Division, which has a coordinating and supervisory role in projects and initiatives associated with the SSM and the SRM institutional framework, and constitutes a central point of reference for requests by regulatory and supervisory authorities. To this end, it has become the primary link between the Bank and the supervisory authorities, aiming to enhance the relationship and timely response of the Bank to the supervisory requirements.

The Division Head reports to the Group CRO and the Group CFO. As part of its duties, the Division works closely with all the Group Sectors that report to the Group CRO and the Group CFO, as well as with the Group Strategy General Division and the Group's banking subsidiaries abroad.

The Supervisory Relations and Resolution Planning Division has the following main responsibilities:

- Constitutes the Bank's primary link with the Single Supervisory Mechanism ("SSM") and the Single Resolution Mechanism ("SRM"), and manages the Bank's day-to-day relationship with the supervisory authorities.

- Has a coordinating and supervisory role for projects and initiatives associated with the SSM and the SRM, such as, indicatively: the Internal Capital Adequacy Assessment Process, the Recovery Plan, the Risk Appetite Framework, the regulatory stress tests, the information required for the purpose of the Group's Resolution Plan and the determination of Minimum Requirement for Own Funds and Eligible Liabilities ("MREL").

- Coordinates the Group's resolution planning, MREL planning and resolvability enhancing activities.

- Ensures the prompt and effective management of ad-hoc requests and reports required by the SSM or the SRM.

- Provides a single point of contact for the cross-border support of the Bank's international subsidiaries mainly with respect to supervisory reviews, exercises and reports.

ACTIVITY PILLARS

ACTIVITY PILLARS

Retail Banking

2018 was an important and above all, a profitable year for Retail Banking, with a series of remarkable achievements that stemmed from the collaboration, team spirit, dedication to set targets and professionalism shown by its executives. Within a dynamic economic environment of ever-changing financial conditions, Retail Banking focused on client needs and on building long lasting relationships of trust and mutual benefit:

- It managed to increase its market share in almost all product categories, such as businesses and households, mutual funds, mortgages, personal loans, and credit cards.

- It established the new management and operational model across its branch network, putting clients and their needs first, and greatly increasing productivity in all measurable areas. It focused on upgrading the service quality for Personal Banking and Business Banking clients. At the same time, it simplified day-to-day banking through introducing digital services and streamlined processes, aiming to improve the overall experience of both customers and branch employees.

- It targeted the backbone of Greek entrepreneurship for yet another year, via the Business Banking segment, providing an integrated consulting framework, aiming to strengthen its relationship with small and medium-sized enterprises, but also to target enterprises with higher turnover (over €1 million). In 2018, the Business Banking segment achieved the highest amount of new loan draw-downs for the past eight years, helping businesses improve their competitiveness and extroverted potential.

- It supported the pillar Tourism of the Greek economy, for an 8th consecutive year through the Tourism Business Banking initiative, providing enhanced privileges for banking and non-banking services, in order to meet the needs of businesses in this sector.

- It addressed farmers and the agricultural businesses of Greece for a 2nd year running through the Business Banking Agricultural Sector initiative to provide steady and flexible support, given the intricacies of the sector, taking into account their needs, the seasonality of their work and the unpredictable factors they face.

- It supported vulnerable social groups and youth entrepreneurship, in partnership with AFI and with EIF's support, through providing micro-credit facilities.

- It established the innovative v-Banking service. A ground-breaking service for Greece, which takes advantage of technology and offers SMEs the ability to receive personalised consulting services and conduct numerous banking transactions from their business location.

- It remained loyal to the most long-lived initiative for affluent customers in the Greek banking industry for yet another year, by continuing to offer personalised services of the highest standards to its Personal Banking clients, aiming to establish beneficial and long-term relationships with them.

- It stood by its individual clients, offering them comprehensive solutions for the day-to-day needs of salaried employees, pensioners and younger customers. At the same time, it further expanded the €pistrofi loyalty programme, with more than 8,500 partner retailers across all sectors, giving its customers the opportunity to benefit from earning even more €pistrofi euros from their purchases.

- It supported all clients facing difficulties in paying off their loans, treating each case with sensitivity and a deep sense of respect, seeking optimum sustainable solutions.

- It implemented an ambitious simplification programme (LEAN) regarding its operations, consisting of more than 60 projects, that ultimately aim to reduce costs, increase productivity and increase engagement time between bank officers and high net worth clients.

- It increased its presence through ATMs across Greece.

- It achieved high profitability as a result of increased income and fees, and all of the above.

All these efforts have been further recognised by reputable organisations. For a 5th consecutive year, it was awarded the Best Retail Bank and Best Savings Bank awards. v-Banking was awarded the Product of the Year award, the €pistrofi card loyalty programme received 14 awards, the Tourism Business Banking initiative also received awards, while Retail Banking was awarded the 1st prize at the National Customer Service Awards in the category “Professional of the Year”. These awards illustrate part of what Retail Banking has achieved thanks to its organisation, planning, discipline, coordination, but also passion, strong will to succeed and need to conquer the market.

Armed with this arsenal, and led by values such as trust, empathy, drive, innovation, cooperation, i.e. the set of values the Bank is committed to, Retail Banking is gradually trasforming to integrate all the competitive advantages that will allow it to play a fundamental role in helping society and households recover, always putting clients first.

Retail Banking

Branch Networks

In 2018, Retail Banking enhanced its customer-centric model, which focuses on meeting special client needs through competitive and tailor-made solutions that generate both value for the customers and income for the Bank.

At the end of the year, the Bank had a network of 350 branches in total (Eurobank Network and New TT Branch Network). As part of enhancing quality service for our customers the Bank:

- Invested in special training programmes for branch network officers for yet another year.

- Launched media campaigns to inform and provide offers to clients to motivate them to conduct basic transactions via alternative channels, so that branch officers may more easily focus on complex cases and provide consultation as required.

The new administration model, putting clients and their needs first, was established. The regional market branches cater to the needs of all individual clients, while at the same time the larger branches have dedicated advisors who serve Personal Banking and Business Banking clients (freelancers and SMEs) through scheduled appointments with high net worth customers, aiming to keep and also develop the relationship. Aiming to improve customer service, a new role was introduced to welcome clients in branches and assist/train them in using digital channels.

This year the Branch network entered the paperless era. At the same time, numerous processes became streamlined to save time for network officers, so that they may expand their client base and improve the overall experience of clients with the Bank.

The new NEMO Q queuing system was implemented to manage wait time for customers wishing to conduct cash transactions. A ticket is issued and assigns priority depending on the customer's level of cooperation with the Bank.

As part of the greater branch network restructuring, new branches were inaugurated in Ekali, Kefalonia, Mytilini, Edessa and in Metropolitan Hospital. The new branches serve the Bank's strategy to support clients and reinforce the two-way relationship between the Bank and the local community.

In 2018, there was visible improvement with regard to the Net Promoter Score (NPS) for the Branch network, which traces customer intention to recommend the Bank, confirming that all these actions focus on customer satisfaction and experience improvement, leading customers to recommend the Bank to friends and family.

For a 2nd year running, all branches actively participated in celebrating National Customer Service Week, organising various events for customers and welcoming senior management executives at the branches. National Week was supported by the Hellenic Institute of Customer Service. This is an international celebration, with more than 60 countries, thousands of businesses across all industries, government agencies and educational institutes participating. This celebration raises awareness of quality customer service and the vital role it plays in how an organisation operates and develops.

For yet another year, on 31 October, Eurobank celebrated the timeless concept of saving through its branch network. For World Savings Day, Branch Managers across Greece visited 200 primary schools, gave away money boxes and explained to the children the value of saving, which has supported many generations of Greeks.

Hellenic Post (ELTA) Branch Network

The Bank has an exclusive cooperation agreement with Hellenic Post (ELTA), which allows the Bank's customers to enjoy core banking services through the Hellenic Post branch network. With more than 650 branches and 108 ATMs across Greece, the Hellenic Post branch network provides extensive nationwide service, both in urban and in remote areas, where banking presence is limited or non-existent.

In 2018, the Bank focused on improving banking operations at the Hellenic Post branch of branches, primarily supporting geographical areas with growth potential and prospects. Working closely with Hellenic Post Management, the Bank, coordinated by the Division responsible for fostering relationships between the two organisations, continued to promote simple savings and deposit products throughout 2018, while supporting non-cash transactions by use of POS terminals.

Deposit & Savings Solutions

Attracting new deposits is a top priority for the Bank. As of 31 December 2018 the Bank's deposit balances stood at €39.1 billion, compared to €33.8 billion as at 31 December 2017, recording the largest market share increase on an annual basis historically.

The Bank offers a comprehensive range of deposit products, including accounts for day-to-day transactions, savings accounts and time deposits, along with privileges and a loyalty programme.

Retail Banking

In 2018, we continued to apply its customer-centric approach and focused on client needs, providing them with the opportunity to gain additional benefits through the €pistrofi loyalty programme. At the same time, with the aim of supporting professionals and businesses operating in Tourism, the Group created a special package for tourism businesses across Greece, to help them gain more on their deposits and reward them for choosing Eurobank as their primary bank. Actively supporting the savings efforts of Greek households, the Bank now offers the products Apotamievo TT (Saving) and Megalono TT (Growing up) also via the Eurobank branches. These products can meet the savings needs of each family member, depending on each person's life stage. In 2018, more than 670,000 customers held a Megalo Tamieftirio (Mega Savings) account. 170,000 children already hold the Megalono (Growing up) savings account and are entitled to take part in draws to further build up their savings, as the reward can double their account balance by up to the amount of €50,000.

Also, the Bank continued to offer deposit products via e-Banking. Specifically:

— Time Deposit for All Live with €pistrofi offers clients privileged returns by combining interest and rewards in €pistrofi euros, which may be redeemed by customers when they use their cards at more than 8,500 affiliated €pistrofi loyalty partners.

— Live Account was further promoted, with a privileged interest rate of 0.50% for amounts exceeding €3,000. Finally, within the context of its cooperation with Aegean Airlines, Eurobank launched the Taksidevo (Travel) time deposit, which combines interest rate and rewards in airline tickets using the Aegean Airlines and Olympic Air network.

Mortgages & Consumer Loans

Despite the prolonged adverse economic conditions, for yet another year the Bank managed to increase new loans in all categories of loan products targeted at individuals, while keeping its leading position in the mortgage sector. 2018 saw a rise in the number of new mortgages, up 23% compared to the previous year, while at the same time the Bank continued to contribute to the green home loans through the new Saving at Home II Programme. The Bank's mortgage lending portfolio in Greece stood at €14.87 billion in total.

In the consumer credit sector, disbursements of amortising consumer loans stood at €39 million, up 9% compared to 2017, the leading product being Payroll Personal Loan, which increased by 27.5% compared to the previous year, accounting for 70% of total disbursements. Disbursements of car loans were also up 6% compared to 2017, standing at €120 million in 2018. This increase is surely due to the purchase of new cars, which constitutes the largest part of such lending; new loans amounted to €92.5 million, an increase of 14% compared to 2017. The Bank's consumer lending loan portfolio in Greece amounted to €3.2 billion in total, including credit card balances.

Credit & Debit Cards

Aiming to remain as the No. 1 choice for clients when it comes to day-to-day transactions, the Bank designed and implemented a series of tailor-made actions allowing customers to benefit from their repetitive daily card transactions, through the use of cards. As a result, the Bank's debit card turnover had a 27% increase in purchases via POS terminals (compared to 2017), reaching new historically high levels both in transaction volumes and in total value.

In the area of credit cards, the Bank maintained its leading position in the domestic market (32.5% market share on credit card balances according to the data provided by the Bank of Greece), whereas total turnover increased by 7.5% year-on-year.

In 2018, the performance of the €pistrofi card loyalty programme remained robust. Its network currently comprises over 8,500 partner retailers nationwide, forging new strategic partnerships (Aegean Airlines) and expanding into new sectors to meet every aspect of client needs (Media Markt, Elpedison). This resulted in a 20% increase in the value of transactions and a 45% increase in the value of redeemed euros. Keeping up with the mobile communication trend, the €pistrofi app has won more than 14 awards to date and remains the No. 1 mobile app in downloads, among all bank card loyalty programmes. The €pistrofi app now has over 370,000 active subscribers.

Through its successful partnerships – COSMOTE World Mastercard / YES VISA / Reward World Mastercard / masoutis VISA – Eurobank continues to offer exclusive privileges and real added value to the most dynamic strata of its clientele.

In the POS acquiring sector, Eurobank had a turnover of €7.4 billion in 2018, i.e. a 15% increase compared to 2017. This performance allowed the Bank to maintain its leading position in 2018 with a 25% market share. Moreover, there was a 6% increase in gross revenues from commission fees, reaching €55.3 million compared to 2017.

To comply with the relevant EU legislation, the Bank, in cooperation with the international organisations of Visa and Mastercard, has adopted and gradually implements stricter security requirements for electronic transactions (strict requirements for customer ID verification), aiming to achieve a high level of security for its clients, both cardholders and businesses.

Retail Banking

Bancassurance

In 2018, the Bank achieved high performance and results in bancassurance activity. Commissions doubled compared to the previous year, verifying the success of the Bank's efforts. In 2018, health products were one of the Bank's priorities and they posted the highest performance to date. Also, the sales of regular premium insurance policies doubled year on year, creating an optimistic view for future performance. Moreover, in partnership with Eurolife ERB Insurance, the Bank's exclusive partner for insurance products, Eurobank, aiming to meet all market needs, launched a new insurance-based investment product, which offers high yield prospects, combining a modern form of investment with life insurance.

At the same time, in 2018, bancassurance products were also distributed and sold through v-Banking and Telemarketing, further boosting sales.

Finally, note that starting from 1 October 2018, the Bank successfully launched all actions to comply with Law 4583/2018 regarding insurance distribution (IDD).

Individual Banking

Individual Banking remained focused on serving and developing 85% of the Bank's active customers (around 3 million active customers). Putting the needs of individual clients first, it created comprehensive customised programmes and flexible solutions, covering the entire range of Retail Banking products and services. Aiming to become the Bank of first choice for individual clients, Individual Banking aims to efficiently meet the needs of its clientele through appropriate deposit and investment solutions, transactional services, household lending products and cards, bancassurance products and loyalty programmes.

In that light, in 2018, it focused on creating and implementing a comprehensive plan to approach and develop individual clients, taking into account their life stage, their distinct traits and special needs. In this context, integrated commercial actions were planned and implemented, which promoted targeted products and services to each audience, combined with special loyalty schemes. At the same time, the existing comprehensive programmes, (For me for Pensioners, Payroll Privilege for Employees, Allies Every Day exclusively targeted at civilian and uniformed personnel of the Armed and Security Forces, and Eurobank Youth Project for young people over 18), were improved and further developed.

Moreover, regular automated actions were designed and implemented aiming to approach each audience through digital and alternative channels, providing a different media experience. Particular emphasis was placed on the effort to attract the regular income source of employees and pensioners, increasing the market share of the Bank in these categories and creating substantial and long-term relationships.

Acknowledging the importance of individual clients in implementing the Bank's growth strategy, Individual Banking collaborates with all Retail Banking units to identify dynamic audiences and designs each business plan and commercial action with the aim to offer innovative solutions, simplified procedures, to provide high service level, and achieve long-term value for its clients and the Bank.

Personal Banking

In 2018, Eurobank Personal Banking remained focused on its primary goal, of providing personal banking customer service of the highest standards to its customers. This is achieved through the exclusive service provided by dedicated and certified Personal Banking Relationship Managers, who are supported by cutting-edge technology and aim to create mutually beneficial and long-term relationships with the clients.

Personal Banking aims to offer an integrated approach in fulfilling its clients' personal, family and business needs, through a series of products and solutions. To this direction, it gives priority to:

- Conducting daily banking transactions in exclusive service areas.
- Offering customised services and products at preferential pricing.
- Supporting its clients' financial goals through a tailor-made plan based on each client's personal investment profile.
- Providing regular updates on the economy and market developments.

In 2018, certain initiatives were implemented, such as the launch of new deposit, investment and bancassurance products, as well as the organisation of client events in order to further enhance their relationship with the Bank.

Personal Banking significantly contributed to the maintenance of Eurobank Asset Management MFMC as the market leader with a 29.84% market share. The participation raised up to 50% with respect to the funds managed by Eurobank Asset Management MFMC for mutual funds. Moreover, Personal Banking contributed by 80% to the Bank's new production in total insurance premiums.

By the end of 2018, Personal Banking had managed to significantly increase its client base by 9%, reaching 93,000 clients. This increase is accompanied by a respective increase of the Segment's deposits by 8.3%, with balances that now stand over €10 billion.

Business Banking

Despite the challenges facing SMEs in the wider environment, the Small Businesses Banking Segment seized the opportunity to strengthen its relationship with them and focused on businesses with higher turnover (over €1 million), significantly boosting income figures. This upward trend is apparent both in the basic quantitative data as well as in the qualitative satisfaction and service indicators.

Retail Banking

In 2018, emphasis was placed on strategic support pillars that are important to small and medium businesses taking into account the needs of an era that demands consistency, continuation, digital solutions and innovation. In 2018, Small Businesses Banking:

- Implemented the Tourism Business Banking initiative for an 8th consecutive year, a programme of exclusive privileges addressed to businesses operating purely in the tourism industry, but also to businesses operating on the islands and in Chalkidiki, throughout the year. The programme includes banking and non-banking services in partnership with third party companies (such as digital promotion, professional training, revenue management), covering all industry needs. Moreover, a reward scheme was launched for members of the Programme, offering discounts and privileges based on the level of their cooperation with the Bank (Basic, Silver and Gold members). By further customising the services under the Tourism Business Banking programme, the Bank announced a new financing solution, Hotel Business Credit, which will appropriately support the needs of hotel businesses.

- Through the online newsletter Business inSight, it provided the Tourism Business Banking clients with the opportunity to get regular updates on industry-related issues, current offers of the Tourism Business Banking initiatives, interviews by market opinion leaders and experts as well as success stories of the Bank's clients whom Eurobank has actively supported.

Offered for a 2nd consecutive year, the Business Banking Agricultural Sector programme, aims to cover all financial needs of agricultural enterprises and farmers. Acknowledging the industry's value and needs, the Small Business Banking Segment launched initiatives to help businesses in the wider Agricultural/Food sector increase productivity, and enhance innovation and extroversion, by providing a series of products and services that accommodate their needs, such as:

  - Financing facilities for new farmers.
  - Providing liquidity throughout all stages of the production line.
  - Modernising and developing crop and livestock farms.
  - Boosting extroversion and expansion into new markets.

- In order to support both programmes mentioned above, The Small Business segment organised customer events and actively participated in prominent industry exhibitions across Greece, which further strengthened the relationship with regional clients.

- The structured methodology of the Business Check up service was applied for yet another year. Through Business Check up, all business needs are recorded in detail, enabling the Business Banking Relationship Manager to provide consultation as to the most efficient financing solutions which are appropriate to cover its liquidity needs.

In line with the digital era, the Business Check up tool is now publicly available online at eurobank.gr. The user has the opportunity to check/get informed on:

- The eligibility of the Business for subsidised programmes.
- The real needs in short-term financing for the Business.
- The major liquidity, cost and performance indexes benchmarked against the relevant Sector in their local market.

EUROPEAN INVESTMENT FUND

European Commission

- Provided SMEs with access to more funding in the context of the Cosme programme, through expanding the original agreement with the European Investment Fund by €390 million. The programme provides financing with fewer requirements as to the provision of securities and preferential terms of pricing. We provide new financing on the guarantee provided by the Cosme Loan Guarantee Facility and the European Fund for Strategic Investments (EFSI). Financing in this context is made possible thanks to the guarantee provided by Cosme and the EFSI, which was established as part of the Investment Plan for Europe. The aim of the EFSI is to contribute to financing and carrying out production investments within the European Union, and to secure increased access to financing. Since the signing of the original agreement on September 16th 2016, and until the end of 2018, the Bank used the Cosme programme to finance 3,489 small and medium businesses in the eligible sectors with the amount of €391 million.

- Participated in financing the market with €384 million through the Intermediate Entrepreneurship Fund I, of which €192 million originated from ETEAN SA, aiming to support SME liquidity and competitiveness. In the context of continuing the Intermediate Entrepreneurship Fund I initiative, the Bank and ETEAN SA have established a joint fund and have both invested funds (50% each) to provide financing with preferential terms. For each financing, 50% of the principal is provided by the Entrepreneurship Fund and is interest-free, while the other 50% is provided by the Bank at a preferential interest rate. As a result, the annual weighted average interest rate of the eligible loans is quite low.

ACTION FINANCE INITIATIVE

- Provided micro-credit financing (up to €12,500), in partnership with AFI in order to support vulnerable social groups and business people with limited access to bank loans or the job market, giving them the opportunity to create their own job (self-employment) or develop small businesses and create new jobs. In particular, AFI undertakes to select, train and mentor candidates, while Eurobank is responsible for their credit assessment and financing. These facilities are supported by the European Union in the context of the Guarantee Mechanism, established by virtue of Regulation (EU) No 1296/2013 of the European Parliament and of the Council for Employment and Social Innovation (EaSI).

Retail Banking

- Boosted competitiveness and the extroversion of businesses through the Partnership Agreement for the Development Framework 2014-2020 (ESPA).
- Launched new products and initiatives to support businesses operating in international commerce:
    - Offered to new customers / importers the Capital Control e-Payments service, which provides the option of online payment orders through e-Banking.
    - Included many customers / exporters in the Bank's extroversion strategic initiatives, such as Go In Thessaloniki and Trade Club Alliance.

The strategy performance mentioned above is evident in the very positive results. Deposits were up by €524 million, which was the result of targeted actions aiming at deepening customer relationships, as well as combined actions promoting initiatives and sectoral programmes. Moreover, total disbursements of new loans in 2018 amounted to €424 million, an increase of 31% compared to 2017, which represents a record performance since 2010. At the same time, the approval rate concerning new loans was further increased to 74% (in comparison to 72% in 2017), confirming the quality of applications submitted by financially healthy enterprises, despite the unstable business conditions. Finally, and with regards to qualitative values, such as customer service, despite the increase in the volume of reviews during 2018 (+46% in the amount of new loans compared to last year), the total average time of initial decision and loan disbursements remained quite low (10 days and 26 days respectively), while reworks were significantly improved to 30% compared to 42% in the previous year.

The target for 2019 is to support SMEs by participating in all national and EU funding initiatives and by developing integrated programmes for key sectors, such as Tourism, Manufacturing, Commerce and Exports. Finally, we also aim to capitalise on digital communications and technology in order to offer innovative services, giving priority to entrepreneurs who trust the Bank and its values.

v-Banking

v-Banking is an innovative service designed to address our clients' (SMEs and professionals) increasing needs for personalised service and consultancy at their place of business.

v-Banking is a service that provides entrepreneurs with the opportunity to communicate with their personal Business Banking Relationship Manager and conduct various banking transactions without having to visit their local branch. Using the secure environment of e-Banking, professionals or businesses place a video call and communicate face-to-face with their personal Business Banking Relationship Manager via the computer screen in order to find solutions to their business issues, exchange informations and documents as well as digitally conduct transactions, swiftly and safely, at a convenient time and place for them.

2018 represents the year of service establishment, as the number of customers taking advantage of it to conduct business transactions with the Bank increased. In the context of continuous development and upgrading, there was further development of the service's existing infrastructure.

During the year, the business functionalities available to customers were expanded and include:

- The ability of co-joint navigation when conducting import transactions through the e-Banking service.
- Indicating the online status of the Business Banking Relationship Manager.
- Further expansion of the customer's storage room.

In 2018, v-Banking service achieved:

- 100% increase in deposits for entrepreneurs who made at least one video call.
- More than 12,000 video calls to 3,000 clients.
- More than 20,000 phone calls to 8,000 new clients in order to incorporate them into the service channel.
- Conducted 20% of the Business Check-ups, i.e. the structured assessment method to identify financing needs for SMEs.
- Successfully managed 2,500 cheques.
- Completed out 14 million imports requirements (2,000 items).
- Issued letters of guarantee remotely for the first time.

Retail Banking

Alternative Networks

EuroPhone Banking

EuroPhone Banking is a modern banking Contact Centre in Greece, which has received significant awards at the Teleperformance Greece Grand Prix Customer Service Awards for the services it offers. Also, many officers have been awarded by the Hellenic Institute of Customer Service. As a service channel, it offers all modern communication tools to clients, such as phone calls, emails, personal messages, Click2Call and Click2Chat, and a large number of banking transactions, 24/7.

In 2018, 3.11 million calls were placed by clients, down by about 0.7% compared to 2017; the number of transactions increased by 0.2%, and total volume decreased by 20%. At the same time, based on measurements by automated customer surveys that were successfully launched throughout the year, total customer satisfaction from the services provided was particularly high. The percentage of customers stating "Very satisfied" and "Extremely satisfied" reached 90.7%. The percentage of customers stating that they were served during the first call reached 87%. The NPS ratio, which depicts the possibility of recommending the bank to friends/acquaintances based on their experience, reached 51.3%.

The Contact Centre's well-trained team made a major contribution in meeting the Bank's goals, as EuroPhone Banking is one of the key channels for promoting Eurobank products and services; it also participates in other promotional activities with impressive results.

ATMs & Automated Payment Systems

The Self-Service Banking Terminal network consists of 1,417 service points, including 932 ATMs and 485 Automated Payment Systems (APSs) located in the network branches, as well as another 441 ATMs located outside branches, in central points, tourist areas etc., and 108 ATMs located in Hellenic Post network branches. Through these service points, customers may carry out banking transactions easily, quickly and securely, 24/7. By the end of the year, 57.9 million transactions had been carried out through ATMs and APSs. During the year, 85 new off-site ATMs were set in operation, 43 of which were placed in tourist areas, positively contributing to income.

Moreover, more than 140 ATMs were replaced with new advanced ones. The new ATMs now have larger high definition touch screens and upgraded systems for secure transactions. The increase of Branch BNA ATMs from 66% to 98% is considered the factor that most contributed to the impressive 73% increase in deposits. After roll-out, 75% of the network acquired a new, modern look and feel, contributing to the Bank's improved image and upgrade.

Lean Retail

In the context of simplifying and redesigning Retail Banking operations, in 2018 the Bank focused on the overall redesign of business operations, set a target of simplifying and digitalising key operations and focused on spreading the Lean Six Sigma methodology, with a view to reducing costs and increasing productivity.

In 2018, more than 60 simplification projects were completed. According to surveys, the (internal) Customer Satisfaction Indicator improved to 163% compared to 32%.

Group Corporate & Investment Banking

Group Corporate and Investment Banking main objective is to provide fully integrated business solutions and excellent customer service to its clients, consisting of large and complex corporate customers and medium sized enterprises, both in Greece and in SE Europe.

To fully respond to the expectations of this sophisticated client base, the structure of Group Corporate and Investment Banking has been designed and constantly adapts to meet the needs of corporate clients. The main client service pillars are: Large Corporate Unit, responsible for providing integrated business solutions to very large clients to meet their complex financing needs; Commercial Banking Unit, responsible for providing services to large and medium-sized enterprises; and the specialised units – Project Finance, Commercial Real Estate Finance, Leverage Finance and Special Situations, and Hotels and Leisure Finance – which support structured financing; and Shipping. Through this structure, the Bank ensures efficient provision of services based on industry expertise and know-how.

Being fully aware of the challenges corporate clients face, Group Corporate and Investment Banking continued to support strategic sectors of the Greek economy and finance robust business plans, supporting their growth plans, investment programmes and exports. In terms of new financings, the Group Corporate and Investment Banking, organised and executed important transactions, significantly increasing its loan portfolio, while maintaining its quality.

At the same time, with the aim of offering top quality services, Group Corporate and Investment Banking continued investing in the development of online and digital services, focusing on innovative solutions to meet transactional needs of corporate clients while, it significantly increased its deposit base contributing to the optimisation of the Bank's capital adequacy and liquidity.

Through designing and developing programmes such as the Exportgate digital platform, and the participation in the Trade Club Alliance, forging a strategic partnership with Banco Santander and cooperating with other major international banks, Group Corporate and Investment Banking Division seeks to enhance the outward-looking potential and exporting activity of Greek enterprises to new markets. In this context, the Go in Thessaloniki Business Delegation was successfully completed in 2018. During the Go in Thessaloniki Business Delegation, more than 3,000 scheduled meetings took place, while more than 120 Greek exporters had the chance to meet more than 60 buyers from more than 20 countries worldwide. Continuing to support one of the most significant pillars of entrepreneurship in Greece, namely tourism, for yet another year, the Bank actively participated in the initiatives undertaken by the Greek Tourism Confederation (SETE), which has been Eurobank's strategic partner for a number of years.

The Bank continued pursuing its strategy to capitalise on development programmes and initiatives as an alternative source of capital for its corporate clients and actively supported outward-looking sectors of the Greek economy, undertaking various initiatives and channelling funds to export-oriented businesses. In particular, through the Bank's agreements with the European Investment Bank (EIB), the Institute for Growth (IfG) and the European Investment Fund (EIF), the Bank secured credit lines to finance SMEs.

Group Corporate & Investment Banking

This methodical, targeted and well-planned strategy, combined with the calibre of the executives at Group Corporate and Investment Banking, gained recognition and received significant awards from the most prestigious entities abroad.

Large Corporate

Large Corporate (LC) is responsible for serving and meeting the financial and banking needs of very large corporate clients of the Bank, both in Greece and in SE Europe. LC serves as the main point of contact for all financial solutions and products included in the Bank portfolio for major clients. At the end of 2018, the portfolio managed by the Bank exceeded €3 billion and included more than 100 groups of companies, mainly operating in the energy, manufacturing, retail, services, health and construction industries. In 2018, LC continued to support strategic sectors of the Greek economy and finance large-scale robust business plans, mainly in the energy, manufacturing and retail industries, achieving a net credit expansion of around 9%.

Commercial Banking

The main objective of Commercial Banking (CB) is to build a strong holistic relationship with medium-sized enterprises as well as MidCaps, by providing both standard and tailor-made financing solutions, as well as a broad range of banking services (e.g. Global Transaction Banking, Insurance Services, Treasury, etc.).

Client relationship management is entrusted to experienced Relationship Managers, who comprise the CB team and aim to provide top quality services. The CB lending portfolio amounted to €3.1 billion in 2018. The CB Network is responsible for managing relationships with MidCaps nationwide, through a network that numbered 14 business centres (4 flagships) at the end of 2018. This structure aims at ensuring proximity, closer monitoring of customer operations and performance, and proactive risk management, aiming to maintain the Bank's asset quality.

Moreover, CB actively supports medium-sized Greek enterprises – the backbone of the Greek economy. In 2018, in partnership with the European Investment Bank (EIB) and the Institution for Growth in Greece (IfG), CB extended new loans to medium-sized businesses and MidCaps amounting to €175 million.

Structured Finance

Structured Finance (SF) offers full and integrated services through four dedicated departments: Project Finance, Commercial Real Estate Finance, Leverage Finance and Special Situations, and Hotels and Leisure Finance. Based on their industry know-how and expertise, the SF departments coordinate the actions of all Group companies, both within and outside Greece, while they are responsible for handling both healthy portfolios and non-performing loans, the latter under the supervision of the Troubled Assets Group General Division. The Unit's portfolio stands at €1.7 billion, with new loans amounting to €440 million in 2018.

Project Finance

The Project Finance Unit provides a broad range of services, primarily involving advisory services, as well as structuring and organising complex financing for major infrastructure and energy projects in Greece and the countries of SE Europe, as well as public private partnerships (PPPs).

In 2018, Project Finance focused on providing advisory services for infrastructure projects, such as the privatisation of the Egnatia Motorway, as well as on managing and enriching a robust lending portfolio with new loans. With regards to new loans, emphasis was placed on the completion of new financing deals in the renewable energy sector, under terms that reflected the volatile market conditions, thus enabling experienced groups operating in this sector to implement their investment plans. Finally, despite the credit expansion, the portfolio performance is positive, with very few non-performing loans (less than 1% of the portfolio).

Commercial Real Estate Finance

In the area of Commercial Real Estate Finance, the Bank is active in structuring and organising complex financing for all types of large commercial real estate – such as office buildings, malls and mixed-used complexes – industrial buildings and large-scale housing complexes. In 2018, emphasis was placed on handling specific non-performing loans, with substantial results in terms of the targets set by the Bank. As part of its activities, the Unit also manages special purpose vehicles (SPVs), which came into the possession of the Bank either upon consensus, through share transfer, or following the execution of contractual rights on the part of the Bank. All SPVs perform satisfactorily under the current market conditions.

At the same time, a series of bilateral and syndicated refinancing transactions was completed and new potential financings were prepared, aiming at further developing the performing part of the portfolio in Greece, Bulgaria and Cyprus.

Commercial Real Estate Finance focuses on building and strengthening long-term relationships with its clients, offering tailor-made financing solutions aimed at meeting client needs, while also introducing unique and innovative financing solutions.

The Bank was awarded the Best Real Estate Bank Overall in Greece for the 3rd consecutive year in 2018, ranking first in all categories relating to Real Estate Finance (Loan Finance, Equity Finance, Debt Capital Markets, M&A Advisory) in the annual Euromoney magazine competition.

Leverage Finance & Special Situations

The Leverage Finance and Special Situations Unit specialises in structuring and arranging leverage finance transactions for company acquisitions and complex/structured financing. The Unit has become a benchmark in the Greek market, also playing a vital role, as an internal advisor, to other Bank units. In 2018, it continued supporting and financing a series of transactions for Group Sani / IKOS Resorts and it also financed the public offer for the acquisition of Diagnostic and Therapeutic Centre of Athens Hygeia SA by CVC Capital Partners. The Unit maintains open channels of communication with the investment community in Greece and abroad with regards to new transactions, while it works closely with other departments within the Bank to complete a number of restructuring and complex financing deals, with the most important for 2018 being Vivartia Group's debt restructuring. Finally, the Leverage Finance and Special Situations Unit finalised two other major restructurings/settlements relating to loans within its portfolio, so that said portfolio is now almost entirely restructured.

Hotels & Leisure Finance

With tourism being one of the main pillars of Eurobank's strategy, the Bank aims to play a key role in supporting the industry. Having identified well before any competitor the industry's prospects and the need for improved customer service, in 2013 the Bank established a dedicated Unit, namely Hotels and Leisure Finance.

Group Corporate & Investment Banking

The Unit, capitalising on its 5-year experience, has built important long-term relationships with the largest hotel groups and international investors in the market, and has acquired in-depth knowledge of the industry. The Unit's portfolio consists of 4 and 5-star hotels and the vast majority of tourism investments financed by the Bank are mainly located in popular holiday destinations in Greece: 26% in Crete, 55% in the Dodecanese islands, 5% in Mykonos and Santorini etc. the Hotel and Leisure Unit's strategy is based on three main pillars:

- New projects financing relating to investments in existing or new hotels and acquisitions financing. In 2018, a substantial number of financings was completed, while new potential financings were prepared, creating the conditions for an increased volume of transactions, expected to be completed in 2019, given the industry's growth rate.
- Restructuring reversible troubled accounts, through a series of operational, financing and capital restructuring arrangements, combined with attracting strategic investors, aiming at resetting the accounts on a sustainable and sound basis.
- Implementing permanent solutions for recovering the Bank's receivables in the event of non-cooperating and non-viable borrowers, mainly aiming to transfer the hotel and/or business to robust investors with vision and plan to further develop it.

For yet another year, Eurobank worked closely with its strategic partners, namely the Greek Tourism Confederation (SETE) and Marketing Greece, on initiatives aiming to enhance and promote Greek tourism. In this context, the Bank supported the Wanderlust Greece | Crete campaign, the first digital travel show in Greece, which was designed and launched by Marketing Greece to promote the Cretan tourism product.

Also, the Bank worked with Marketing Greece and organised two educational events, 'Rhodes Loading | Digital Marketing for tourism businesses' and 'Thessaloniki Loading | Digital Marketing for tourism businesses', with the aim of supporting and enhancing the extroversion of tourism.

Loan Syndications

The Loan Syndications Unit is responsible for organising and monitoring (Agency) a broad range of specialised and highly structured financing deals. The Unit assumes the role of organiser/coordinator and agent for corporate syndicated bond loans, convertible bond loans, merger and acquisition financing, as well as debt restructuring. Over the last five years, it has held a leading position in the syndicated loan market in Greece, organizing the most important transactions involving the largest companies in the Greek market. The Bank maintained its leading position in the market participating in the arrangement of the majority of syndicated loans/bond loans granted in 2018 in Greece, with the volume of transactions reaching €3.6 billion. In 2018, the Bank acted as Agent in 11 new syndicated loans (the lenders being credit institutions and/or investment companies), increasing the number of the syndicated relationships under its management to 98. In the secondary loan market, the Loan Syndications unit continued to contribute to the optimization of the Bank's portfolio through loan sale transactions, and to keep communication channels open with international and domestic investors to identify opportunities to buy or sell at the most profitable price.

Shipping

Eurobank has maintained a steady presence in shipping finance for over 25 years, cooperating mainly with traditional Greek privately owned companies with proven ability to manage shipping turnovers over time. Shipping finance is extended to companies representing Greek interests, with large or medium fleets, aiming at financing new investments, either for purchasing second-hand vessels or for building new ones. The financed fleet includes main category vessels (transporting dry bulk cargo, wet cargo and containers). The Bank's main objective is to maintain the high quality of its shipping portfolio and to develop further, by forging ties with new shipping groups that meet the Bank's lending criteria. 2018 was yet another challenging year for the shipping industry. In these times, the Bank managed to enhance its portfolio by extending new financing (to existing and new customers/groups) of over USD 670 million, while, at the same time, continued the effective management of the existing portfolio implementing the Bank's lending criteria. As a result, profitability rose and portfolio high credit quality was maintained.

The Shipping Finance Unit is situated in Piraeus and operates as a business centre for financing shipping companies of Greek interests, through Eurobank Cyprus and Eurobank Private Bank Luxembourg SA. In 2018, total shipping loans at Group level amounted to about USD 1.8 billion, an increase of 20% compared to the previous year. Eurobank's traditional support of the Greek shipping industry remains a strategic decision and contributes to improving the Group's deposit base, as well as, fostering synergies with other units at Bank and Group level.

In 2018, the Bank sponsored and, participated in the Lloyd's List Greek Shipping Awards 2018, while in the 2017 Awards, Ms Christina Margelou, Head of Shipping Finance, received the Shipping Financier of the Year award. The Shipping Unit had received a similar award in 2015, demonstrating its steady and successful course, its professionalism and the emerging role of the Bank in financing Greek shipping.

Investment Banking

Investment Banking offers strategic financial advisory services to corporate clients and their shareholders regarding mergers and acquisitions, divestitures and capital restructurings.

In addition, Investment Banking offers strategic financial advisory services for raising capital and for capital market issues. The Principal Capital Strategies Department manages the Bank's investments in corporate and investment vehicles, amounting to approx. €24 million.

In 2018, the Investment Banking Unit provided strategic financial advisory services to a number of corporate clients, including the Hellenic Telecommunications Organisation (OTE) for the sale if its subsidiary Telekom Albania; the Public Gas Corporation of Greece (DEPA) with the provision of a fairness opinion for the transactions involving Attiki Gas Supply Company (EPA Attikis), Attiki Natural Gas Distribution Company (EDA Attikis) and Zenith; as well as Nexans Participations and Hellenic Healthcare regarding the tender offers for the shares of Nexans and Hygeia. Moreover, Investment Banking, in cooperation with Structured Finance, provided advisory services to the Hellenic Republic Asset Development Fund (HRADF) for the extension of the concession agreement for Athens International Airport.

Group Corporate & Investment Banking

Eurobank acted as the Coordinator and Lead Underwriter for the public offering of bonds amounting to €120 million issued by GEK TERNA SA HOLDINGS and their admission to trading in the Athens Exchange. Also, it acted as Lead Underwriter for the public tender of bonds amounting to €90 million issued by CORAL SA. The Investment Banking Unit participated in providing services as a Coordinator and Lead Underwriter for the public tender of bonds amounting to €200 million issued by AEGEAN AIRLINES SA and their admission to trading on the Athens Exchange, while it also provided advisory services to other companies regarding their listing on the Athens Exchange.

Leasing

In 2018, Eurobank Ergasias Leasing SA, a subsidiary of the Bank, extended new financing and maintained its leading position with a market share of 25% based on outstanding balances. These new loans primarily related to production equipment and vehicles and were granted to new customers who, despite the crisis, managed to stand out for their positive financial performance, their robustness and their outward-looking potential in the areas of manufacturing, commerce and tourism. At the same time, the company continued its policy of supporting cooperating borrowers through restructuring and settlement plans and ensured, in many cases, the smooth, continuating operation of major manufacturing companies. Furthermore, the company efficiently exploited its movable and immovable assets through commercial lease agreements and sales of property, vehicles and movable equipment.

In 2018, the company continued efforts to improve its operational performance, by restructuring and upgrading its methodologies and procedures, withholding operating costs, despite the rise in new projects.

All these actions, combined with the high level of technical expertise and experience of the company's executives, contributed to Eurobank Leasing being the first choice for customers seeking financial leases.

Factoring

2018 was yet another positive year for Eurobank Factors SA, in terms of both turnover (total assigned claims), outstanding balances as well as high profitability. The company maintains its leading position in the Greek market and acts as a pioneer and point of reference in SE Europe for transactions related to Reverse Factoring / Suppliers' Financing, through a streamlined approach, which allows the company to efficiently manage a large volume of transactions.

The quality of the Eurobank Factors loan portfolio remains high. Finally, the company enjoys recognition on an international level and is constantly ranked high by associate correspondents, all members of Factors Chain International (FCI) which has awarded Eurobank Factors with two global gold awards and one bronze award for Export Factoring.

Transactional Banking

Through the provision of high-quality services by properly addressing clients' transactional banking needs Eurobank continues to build trustful relationships with its clients in Greece and abroad, and remains the preferred domestic cash management partner for a substantial number of international banks. Once more in 2018, the Bank received international awards in all sectors of Transactional Banking. For its Cash and Trade Services, it was awarded as Best Trade Finance Provider and Best Treasury and Cash Management Provider in Greece by Global Finance magazine, as well as Best Domestic Cash Management by Euromoney magazine. In Custodian Services it received the award for Best Sub-Custodian Bank in Greece by Global Finance magazine for the 12th time in the last 13 years. Also, the Bank has maintained every year since 2006, the top position in the annual survey for Custodians in the Greek market conducted by the international Global Custodian magazine. The rating awarded to the Bank by international and domestic institutional clients in the annual "Agent Banks in Emerging Markets 2018" survey was the highest in the Greek market and was higher than the average rating of all providers operating in other markets (except for Greece) that participated in the survey. This year's award concerns the following distinctions: Category Outperformer, Market Outperformer and Global Outperformer.

Also, Eurobank was distinguished at the Global Custodian's 2018 Global Excellence Award as one of the three banks in the category Best Asset Servicing – Emerging Markets Europe (along with BNP Paribas Securities Services, Poland, and VTB Bank, Russia).

Moreover, in October 2018, Eurobank announced its participation in WeTrade, the digital global trade platform, through which Greek businesses Bank clients can carry out fast, transparent and safe commercial transactions based on blockchain technology. Including Eurobank, 14 banks participate in the platform, from Austria, Belgium, Denmark, Finland, France, Greece, Italy, Netherlands, Norway, Spain, Sweden, Switzerland and the UK. Businesses participating in the WeTrade platform can negotiate and execute orders, agree on commercial terms and use the financial services provided through the platform.

Additionally, the Bank continued to provide pre- and post-trade financing to selected exporters. The Transactional Banking Sector was actively involved in providing liquidity to customers through its participation in the Extroversion (Exostrefia) Programme, run by the Export Credit Insurance Organization, as well as in facilitating imports (mainly of raw materials). At the same time, the Bank further enhanced its collaboration with the European Investment Bank (EIB), the European Bank for Reconstruction and Development (EBRD) and the International Finance Corporation (IFC), facilitating the promotion of important trade tools, such as confirmed letters of guarantee and letters of credit.

Group Corporate & Investment Banking

Securities Services

In 2018, the Securities Services Division continued to provide quality post-trade services to the Group's institutional clients in Greece and the countries of SE Europe where it operates. In this context, the Group focused on restructuring operations, by applying centralised, customer-centric processes, and further developing cutting-edge technological applications. These initiatives ensure a high level of customer service and optimisation of services provided by the Bank's experienced and highly qualified personnel. Moreover, the Group, and in particular the Securities Services Sector, proceeded promptly with implementing a series of regulatory changes, providing new products and services, as well as innovative solutions, in response to the investors' ever-changing needs.

For yet another year, in 2018, the quality of the Group's post-trade services was internationally recognised. Eurobank Ergasias SA received the "Best Securities Services Provider in the Greek Market" award for 2018 by Global Finance magazine for the 12th time over the last 13 years. The Bank also maintains the top distinctions since 2006 in the annual survey for Custodians in the Greek market conducted by the international Global Custodian magazine. The rating awarded to the Bank by international and domestic institutional customers in the annual "Agent Banks in Emerging Markets 2018" survey was the highest in the Greek market and was higher than the average rating of all providers operating in other markets that participated in the survey. This year's award concerns the following distinctions: Category Outperformer, Market Outperformer and Global Outperformer.

Also, Eurobank was distinguished at the Global Custodian 2018 Global Excellence Award as one of the three top banks in the Best Asset Servicing – Emerging Markets Europe category.

Major Initiatives

Growth Awards

Since 2016, Eurobank, in partnership with Grant Thornton, established the Growth Awards to award business excellence as a growth leverage of the Greek economy. The awards aspire to become one of the leading ways of acknowledging business excellence and supporting the growth of robust enterprises in Greece. The Growth Awards award enterprises that manage to combine high financial performance with a successful corporate history, and have the potential to contribute to shaping the new corporate and work culture landscape.

Starting from a database of published financial statements for more than 8,000 companies that operate in Greece, and using key financial indicators from Grant Thornton's "Financial Growth/Health Matrix" evaluation model and Eurobank's credit rating tools, 200 leading companies stood out. The excellent financial performance of these companies was accompanied by stories worth spreading, submitted by the 200 candidates to the dedicated awards website: **www.growthawards.gr**.

The winners emerged through a 3-step procedure:

1. The evaluation procedure carried out by the research team was based on the use of financial reviews and indicators, which depicted the financial position and performance of each company over time.

2. 200 companies emerged from the evaluation, which were then invited to send additional financial and qualitative details, to be evaluated by the Nomination Committee.

3. The Nomination Committee shortlisted 21 companies. Their files were passed on to the Award Committee, which decided on the 6 winners, after thorough examination of all the candidates. The Award Committee consisted of distinguished individuals from the Greek business and academic arena. Upon completion of the evaluation procedure by the Award Committee, the 6 winners with the highest performance in the following categories were:

    1. Special Business Excellence Award – TSIMENTON TITAN SA
    2. Operating/Business Improvement – DEMO AVEE
    3. Market/Product Development – SYSTEMS SUNLIGHT
    4. Human Resources and Work Culture – DIAMANTIS MASOUTIS SA
    5. Investments – ELVIAL SA
    6. Corporate Social Responsibility – GENESIS PHARMA SA

The 2nd Growth Awards finalists were announced during an official award ceremony held at the Athens Concert Hall on 6 February 2018. More than 2,000 guests attended the award ceremony, including representatives of Greece's political and financial world, as well as the world academic and business arena.

Exportgate

Exportgate, the innovative portal that boosts the outward-looking potential of Greek businesses, is an institutional initiative of Eurobank in partnership with the three main export organisation of Greece, namely, the Panhellenic Exporters Association (PEA), the Greek Exporters Association (SEVE) and the Exporters' Association of Crete (EAC), as well as the Hellenic Federation of Enterprises (SEV). The portal offers one of the largest e-libraries on exports and imports of products, and promotes entrepreneurial networking of Greek and Cypriot companies across the globe. Through the e-library, the Exportgate members discover all the latest market trends and developments, consumer behaviours, macroeconomic and statistical information, and other useful tools, for more than 180 countries. At the same time, the members of the internet portal also have access to databases of more than 200,000 importers from 32 countries.

Group Corporate & Investment Banking

Eurobank, in strategic agreement with Banco Santander, included Exportgate in the Trade Club Alliance, the first global digital business interconnection network, which is supported by international banks. Eurobank is one of the original members of TCA and exclusively represents both Greece and Cyprus in the Trade Club Alliance.

Currently, Greek and Cypriot businesses – Exportgate members – have the chance to boost their business activities by participating in one of the largest online networks for international trade, where thousands of businesses participate and which is supported by international banking groups in over 40 countries. In 2019, the network is expected to expand to more than 60 countries, in collaboration with even more international banks, covering a wide range of target markets worldwide.

The members selected to participate in the Trade Club may receive an additional credit limit of up to €1 million to finance international trade transactions, under certain conditions. The limit shall refer both to the issuance of letters of credit or letters of guarantee, and to financing their supply chain, for instance, payment of import invoices. As for exporting companies, it will be applicable to preshipment and postshipment financing

In November 2018, Eurobank hosted the proceedings of the Trade Club Alliance 3rd General Assembly in Athens. This is the first general assembly to take place outside Madrid, where Banco Santander's registered offices are located, underlying the importance of Greece's strategic location and the country's role as an intermediary hub for international trade.

Go in Thessaloniki

Aiming to strengthen and support Greek exporting businesses, on 12-14 November 2018, Eurobank organized the "Go in Thessaloniki Business Delegation", in the context of "Go International Business Delegations" initiatives. During the Go in Thessaloniki Business Delegation, more than 3,000 scheduled B2B meetings took place, while more than 120 Greek exporters had the chance to come into contact with over 60 buyers from more than 20 countries worldwide. Most of the foreign buyers were proposed by the banks – Trade Club Alliance members – and belonged to their client base. Apart from the 60 foreign buyers who physically participated in the Go in Thessaloniki event, 80 more foreign businesses were represented in the business meetings by their cooperating banks, through the Trade Corridor service.

A Forum was organised at the Thessaloniki Concert Hall as part of the programme, attended by executives from the Bank, representatives of foreign banks / Trade Club Alliance members, and representatives from the local and wider political and business community. Francis (Frank) Kelly, Managing Director and Head Government & Public Affairs Americas of Deutsche Bank, was the keynote speaker. His speech was entitled "Political Risk and the Global Markets: Key Risks and Opportunities in 2019 and Beyond".

The Go in Thessaloniki event is part of the Bank's initiatives aiming to enhance the outward-looking potential of Greek businesses, a strategic choice of Eurobank since 2009. The Go in Thessaloniki event was held under the auspices of the Greek Ministry of Foreign Affairs; was co-hosted by the Greek Exporters' Association (SEVE), in cooperation with, the Panhellenic Exporters Association (PSE), the Exporters' Association of Crete (SEK) and the Greek Tourism Confederation (SETE); and was supported by the Spanish banking group Banco Santander.

Digital Banking & Innovation

Digital Channels

Aiming to offer premium quality services and innovative solutions with a view to facilitating the day-to-day banking needs of its customers, for yet another year Eurobank invested in upgrading and developing its digital services.

As part of the Bank's digital transformation, in 2018, the new upgraded e-Banking and Eurobank Mobile App services became available to customers. Based on best international practices and modern trends, both in terms of design and technological implementation, the Bank built the new digital services aiming to offer its customers an integrated banking service experience by being part of their everyday life and making their transactional needs as simple as possible. Especially in the area of mobile banking, the Bank has been following the single app strategy, offering a complete range of services for the day-to-day needs of clients in a single app. These services include smart management of finances, all types of transactions (bill payment, payments at shops and online, money transfer to friends), support from a Bank representative etc.

Eurobank's new interchannel strategy redefines the banking experience. To implement these new services, Eurobank adopted modern methodologies for product design (design thinking) and project management (agile development). At the same time, the technological omni-channel platform allows the Bank to be fast and flexible when launching new services in the future, to meet the ever-changing needs of its customers, offering them a unified user experience regardless the service point.

e-Banking & Mobile App

Providing the Bank's individual clients with the new omni-channel platform for e-Banking and mobile Banking led to increased use and registrations for these services. During 2018, 844,000 customers used the e-Banking and mobile Banking services (+24% compared to the previous year) and carried out a total of 35.4 million transactions, with a total value of €62 billion. 40% of these customers, i.e. 392,000 customers, used the Eurobank Mobile App (+45% compared to the previous year) increasing transactions through mobile by 71%.

In 2018, e-Banking and the Eurobank Mobile App contributed 37% to the Bank's total transactions (a rise by 4 percentage units compared to the previous year) and 81% compared to the corresponding transactions (91% in international payments, 94% in cash transfers and 67% in payments). So, for yet another year, the digital channels maintained the largest share of the Bank's transactions, surpassing branch networks and ATMs.

In the meantime, the new digital onboarding service was launched within the year, providing clients direct access to the Bank's digital channels without having to visit a branch.

A large rise in the use of e-Statements was also achieved in 2018, as more than 297,000 clients discontinued receiving over 756,000 paper account statements. The service is now available to 720,000 clients, who receive around 1,843,000 e-Statements.

Finally, in 2018, Global Finance magazine named the Bank "Best Digital Bank in Greece" for consumers.

Digital Banking & Innovation

Non-Banking Services for Businesses (Business Exchanges SA)

At a time when efficient management and cost cutting are a priority for all businesses in Greece, services such as e-procurement and e-invoicing assist in achieving these goals.

For the 18th consecutive year, Business Exchanges SA, a subsidiary of Eurobank, successfully operated in the B2B transactions sector, offering value-added digital services to its customers. Business Exchanges assists businesses, including the Eurobank Group, to streamline their supply chain through e-auctions, e-procurement and e-invoicing services. Also, it offers financial services for businesses (the new mybusiness service was launched in 2018), as well as financial management to 6 Group subsidiaries.

During the year, the Company successfully conducted 881 e-auctions for the Eurobank Group, private sector companies and public sector organisations. With regard to e-procurement for the Eurobank Group, transactions reached €104.7 million in 2018 (+2.5% compared to 2017). At the same time, regarding e-invoicing, turnover related to the digital filing and management of invoices was stable compared to 2017.

Also, in 2018, Business Exchanges SA, in partnership with Crowe SOL consultants, developed mybusiness, an innovative online service for financial and consulting information for SMEs and startups. Through mybusiness, businesses acquire modern tools to analyse their financials, an overall view of financial years over time, estimates of monthly results and the option to compare those with set targets. Also, it provides tailor-made solutions based on the business needs, best practices to save resources and direct updates when an action poses a financial risk for the business.

Digital Presence

In 2018, the digital transformation of the Bank continued, aiming to optimise innovative digital practice, leading to excellent customer-centric service of the highest standards. The Digital Presence Unit continuously applies the best international practices, using the omni-channel approach, to upgrade its digital presence, aiming to improve the overall customer experience and strengthen the Bank's competitive advantage.

In 2018, the Digital Presence Unit implemented projects that were innovative and created real value to the customer. This effort was recognised and the projects achieved important distinctions, confirming the Bank's important position in the digital space.

Group websites & Digital Creative Hub

In 2018, the Bank digitally enriched the content of eurobank.gr (over 2,000 changes and new pages and sections) and also integrated the functionality of the €pistrofi loyalty programme website, which was transferred to one of the most advanced platforms (Sitecore), aiming to simplify day-to-day transactions and facilitate users. Moreover, more than 30 targeted campaigns regarding products and services, such as the launch of the new e-Banking, were implemented through the website.

Also, new tools were added, the most important being the Model Portfolio Tool of Eurobank Asset Management MFMC. This redesigned and advanced tool is under the Individual Clients section. The Model Portfolio Tool is an online tool which presents to users the available capabilities and options of investing in mutual fund groups, and provides them with estimates on potential returns on such investments and with historical returns of up to 3 years.

All these actions in upgrading and enriching the new eurobank.gr contributed to receiving the Best Web Content Experience in Southern Europe award for 2018 at the Sitecore Experience Awards.

Eurobank also designed and launched 3 new websites, in accordance with the Group's specified digital rules and voice. All three websites were adjusted to the very needs of each Unit and are easily accessible from all devices: mobile (mobile 1st approach), tablet and computer. The three websites are: the new corporate website of Eurobank Private Bank Luxembourg, the new corporate website of Eurobank Financial Planning Services, which is addressed to both investors and borrowers, and findyourproperty.gr for the needs of the Property Unit, where all property owned by the Bank will be hosted.

The Digital Creative Hub team met the needs of 256 targeted email campaigns for the Bank's products and services, assisting in updating customers fast and accurately, and creating a unified communication image for the Bank.

Social Media & Native Content

The social media team is responsible for the Bank's presence in social media, constantly generating new content (180 testimonials, 35 videos, 50 interviews and 30 articles), aiming to directly inform users of the Bank's activities and initiatives.

Eurobank's corporate channel on LinkedIn integrates its corporate identity into the digital environment and is constantly growing. Within one year, followers increased by 65%, now exceeding 35,000 followers, while the page ranks 1st among the four Greek banks in terms of engagement rate.

The €pistrofi card loyalty programme, through its official Facebook page, took advantage of all the new features that Facebook provides to promote the programme and achieved a 70% increase in Likes and over a 300% increase in post engagement. The Hellenic Basketball Federation, the egg – enter•grow•go and the "Growth Awards" communities had an upward trend and are growing at positive rates.

Digital Banking & Innovation

On Instagram, the Bank's official presence was enhanced by 45 new profiles of top students, aiming to connect youth audiences with the digital promotion of "The Great Moment for Education" programme. This is a corporate responsibility initiative through which the Bank has been supporting the new generation and education for the last 16 years. For this initiative, the Bank established a new communication platform, which brings together students, graduates and young people in general.

Digital Analytics & Performance Marketing

Eurobank was one of the first companies in Greece that invested in advanced digital technologies and measurement tools, such as Google Analytics 360, DoubleClick, Google Optimize, Klipfolio, Hotjar and Alexa, for its websites and applications. The Bank's aim is to improve user experience and increase efficiency of its websites and applications, to achieve the Bank's business objectives. To achieve this goal, in 2018, the Bank:

- Continued to invest in measurement tools, making the most of Google Data Studio, Google Cloud and Big Query.
- Continued with implementation techniques, applying for the first time processes such as A/B testing and Personalization Rules. In total, it completed more than 20 A/B tests and 11 Personalization tests.
- Installed Advanced Digital Analytics in 8 additional websites, the most important being the Bank's new Intranet, and 2 mobile applications.

Through the Roll-Up Reporting of Google Analytics 360, the Bank can now gather data from the various digital channels, having both an overview and a combined presentation, to better assess the efficiency of each action.

In 2018, organic traffic was the top traffic source for eurobank.gr. It had the lowest bounce rate and was also the top source for page views per visit. Moreover, the Bank launched more than 30 digital media campaigns on the internet, through Google Search and Google Display Network, but also on important social networks, such as Facebook, YouTube and LinkedIn. These reinforced the Bank's presence in the digital environment and enhanced the promotion of strategic initiatives, products and services.

At the same time, the Bank used new technologies and digital tools to monitor data from the media it uses for advertising. This way, it significantly improved audience targeting, measurability and assessment of advertising campaigns. The Bank can now launch personalised campaigns, offering users a personalised experience based on their device, interests and searches.

These results, coupled with the 17 awards the Bank received for Performance Marketing in 2018, confirm both the Search Engine Optimisation (SEO) strategy, applied since 2017, and the Bank's choice to apply the most cutting-edge practices for data-driven marketing

Customer Journeys & Feedback Management

In 2018, the B2C Customers Journey was designed, aiming to optimise the customer experience and the digital and innovative services provided by the Bank. Applying the Design Thinking methodology, which is based on identifying the client's real needs through an engaging, hands-on procedure, in cooperation with the competent units, the Unit identified the clients' needs and problems they face at their contact points with the Bank. Improvement actions were implemented to ensure the best possible experience, which will reinforce the clients' trust in and their relationship with the Bank, therefore, leading to increased income for the Bank.

Applying the Voice of Customer methodology, the experience of 34,500 clients in the various service channels (branch networks, EuroPhone Banking, e-Banking, digital channels, etc.) was evaluated, while 14,000 comments were gathered from all available sources (e.g. social media, complaints, surveys). Through the analysis and evaluation of these data, crucial issues were identified, 300 improving actions were proposed to the competent Bank units, and designing/redesigning of the Customer Journeys was proposed, always adding real value to our clients.

With the objective to highlight the Bank's customer-centric approach, the Journeys and Feedback Management team undertook the Bank's participation in the National Customer Service Week for a 2nd consecutive year, an event celebrated in over 60 countries by companies operating in all sectors. It organised activities for employees and customers and managed to successfully highlight Eurobank's focus on quality service.

In this context, the team also undertook the selection and support procedure for the Bank's nomination at the National Customer Service Awards. One of our people received the 1st prize in the category Professional of the Year: Customer Service.

Advanced Analytics & Campaign Management

Regarding Advanced Analytics, this year, the full range of Machine Learning algorithms was implemented to support all product categories. Constant development and enrichment of the algorithms meet most targeted needs of Retail commercial actions, and is visualized through Power BI reports. Similar algorithms and triggers have also been developed to predict attrition, for both deposits and cards usage for purchases. Moreover, special segmentation schemes and propensity models were created to meet the goals of digital transformation. Finally, a partnership with the Group Corporate and Investment Banking Unit was established, estimating expected revenue and lending for potential customers, creating the conditions for extended future cooperation.

All targeted communications across the entire active client base are managed centrally through the Campaign management platform. Over 2,000 campaigns were launched throughout the year. New digital channels, such as Viber, were also added to the platform, increasing the clients' experience with the Bank. Emphasis was placed on personalized communication in certain circumstances, resulting in increasing efficiency and reducing workload. Moreover, the Net Promoter Score (NPS) is measured daily through emails to all customers transacting with the Bank's branches. Through this process, we gather customer comments and analyze them applying Natural Language Processing techniques, to classify the issues and support the Voice of Customer (VoC). Next year, NPS and VoC will be a streamlined process, which will apply AI to identify issues and propose solutions to improve relations with clients.

Digital Banking & Innovation

Finally, participation in Work Streams of the Retail Banking Network transformation was decisive. We worked on designing and implementing innovative tools for the visualization of data, which constitute part of the basic operational methodology of the Branch Network. These tools enhance the customer-centric approach ("Know your Customer") and the further development of relationships with customers. At the same time, having acquired knowledge and expertise on using Power BI, we have fulfilled our commitment to drive business to Self Service BI by providing in-house training to technically implement dashboards over existing infrastructures.

User Experience Management

Aiming to provide the best possible digital experience to the users of the Bank's digital channels, the User Experience (UX) division significantly contributes to Eurobank's digital transformation.

In this context, it significantly contributed to optimising the new www.eurobank.gr and launching the Bank's new e-Banking and Eurobank Mobile App. Also, UX participated in the migration of the €pistrofi and Eurobank Properties microsites to the Bank's website. Moreover, it participated in projects, such as the replacement of the ATM and APS display screens and the RM tool, an application for preparing the annual budget for the Commercial Banking customer base. Also, it significantly contributed in designing the payment page for the e-Commerce platform.

For these projects, UX asked for the opinion of internal and external users over 3,600 times, following applied UX methodologies. In the context of agile methodology, the Unit conducted interviews, workshops and questionnaires to receive immediate results. Finally, by building the Digiators group, which consists of 1,700 users (Bank employees who are willing to express their opinion by participating in the tests), the UX team has managed to actively engage a dynamic group of people in designing the Bank's products and services.

Innovation Centre

The Bank's Innovation Centre monitors and assesses all the international digital era and FinTech advancements, in an effort to identify opportunities, best practices, new technologies, and advanced solutions and services which improve client experience. It promotes regular innovation within the Company, while it also cultivates open collaborative innovation with the startup ecosystem. In particular, the Innovation Centre:

- Systematically monitors and evaluates all international FinTech advancements, in an effort to identify best practices, new technologies, advanced solutions and services, and in partnership with the appropriate units, come up with the best solutions for new products and services.
- Creates the infrastructure and organises integrated actions for the promotion of a new model of open innovation, seeking talent within and outside the Bank, so as to create, by way of synergies, new innovative products and services in the area of FinTech, which will transform the customer experience.
- Designs training programmes in partnership with Human Resources, aiming at encouraging creativity, and cultivating, in terms of mentality and practice, the notion of intra-enterprise, transforming ideas into actual products and services.
- Establishes partnerships, training structures, financial tools, infrastructure, and any other effective method and technological tool with associates abroad, while it stands by every idea worth being transformed into an enterprise in the area of FinTech, and in need of the Bank's support.
- Develops actions to support innovation in youth FinTech entrepreneurship.

Innovation Contests

In 2018, the Bank organised the 3rd Beyond Hackathon by Eurobank regional FinTech competition, in partnership with Found.ation M.P. and The Cube WORKSPACE, which was supported by global leaders in technology and financial services, the Eurobank Group, Greek business organizations and academic institutes. During the competition, the participating teams developed their ideas and then presented them to the Committee to claim one of the two cash awards (€7,000 and €3,000 respectively).

Meanwhile, the Innovation Centre and the Human Resources General Division jointly organised the internal competition Innovation at the epicentre, aiming to boost innovation within the Company, by bringing to life the ideas and talents of the people of Eurobank, and to encourage teamwork and recognise effort. 96 proposals were submitted in total. The 8 proposals that stood out enjoyed a constructive entrepreneurship experience at the 3-day Innovation Lab, where they learned how to deploy their idea, how to develop the prototype and how to properly pitch it, as if they were actual startups.

Wealth Management

In 2018, financial conditions improved in Greece, but international markets faced intense fluctuations. In this context, the priority of Wealth Management services provided by the Bank remained the efficient management of investment portfolios, while at the same time providing qualitative and innovative choices to the customers. In particular, the Bank's actions focused on:

- The inclusion of Eurobank Asset Management MFMC in the international Principles for Responsible Investment (PRI), which is supported by the United Nations and entails the adoption of the ESG (Envirionmental, Social, Governance) investment philosophy.
  In this context, Eurobank Asset Management MFMC created the (LF) Fund of Funds – ESG Focus mutual fund, which combines absolute return with factors relating to environment, society and corporate governance.

- Offering a unique customer experience to Private Banking customers through the Private House. The Private House, which is housed in a neoclassical building in the centre of Athens, hosts all Private Banking services of the Bank in Attica and reflects the values and top quality of our services.

- Preserving and increasing the assets under management, by offering customers, among others, the option of using the Private Banking services of the Group in Luxembourg, Cyprus and the United Kingdom.

- Maintaining the Bank's leading position in the area of Wealth Management, where both Private Banking and Eurobank Asset Management MFMC maintained their long-standing leading position in the Greek market. In 2018, Eurobank's Private Banking received international awards for a 13th year. It was ranked "Best Private Bank in Greece" by Global Finance and World Finance magazines. At the same time, Eurobank Asset Management MFMC remained, for the 11th consecutive year, the No. 1 company in terms of assets under management in Greece (ranking is based on total assets in UCITS and institutional portfolios under management, according to the Hellenic Fund and Asset Management Association data as of 31 December 2018), with total assets under management and fund selection standing at €3.6 billion, of which €1.9 billion are mutual funds under management, €900 million are institutional and private investor portfolios under management, and €700 million refer to fund selection services in UCITS undertakings managed by cooperating global investment companies, such funds being distributed through Eurobank Private Banking and other sub-distributors. The Company's leading position is also confirmed by the awards received for yet another year from Citywire Global, the international financial information and manager rating house, and Morningstar®, the international mutual funds rating agency.

Asset Management

2018 was the 11th consecutive year that Eurobank Asset Management MFMC was declared the leader in the area of mutual funds and institutional portfolio management in Greece, according to the Hellenic Fund and Asset Management Association. Total funds under management and supervision amounted to €3.6 billion as of 31 December 2018.

Significant Initiatives

The initiative undertaken by Eurobank Asset Management MFMC to institutionally seal its active and responsible participation in fulfilling the sustainability and responsibility goals set by the Eurobank Group was extremely important. Eurobank Asset Management MFMC was the first asset management company in Greece, in August 2018, to become a signatory of the Principles for Responsible Investment (PRI) Initiative, supported by the United Nations, in the context of a broader range of actions to promote sustainable development and responsible business https://www.unpri.org/.

Eurobank Asset Management MFMC adopts an ESG investment philosophy that interconnects environmental sustainability, social responsibility and corporate governance criteria in the investment analysis and decision-making process when managing institutional portfolios. At the same time, the company strengthens its ESG footprint through the creation of the (LF) Fund of Funds – ESG Focus mutual fund, which aims to achieve medium-long term returns, combining performance with factors relating to the environment, society and corporate governance, thus paving the way to responsible investing in mutual funds management.

Mutual Fund Management

In the area of mutual fund management, Eurobank Asset Management MFMC maintained its No. 1 ranking among asset management companies, with assets amounting to €1.9 billion. The 12% decrease in assets compared to the end of 2017, which led to a market share of 29.84%, was mainly driven by the extremely negative performance of global equity and bond markets during the last months of the year, the outflows from money market funds, the redemptions of funds promoted by external channels and the maturity of special purpose funds that were rolled over during the last month of the year. Balanced funds and bond funds attracted positive net inflows, enhancing the rationalisation trend of the mutual funds blend offered through our distribution channels, with greater emphasis on mutual fund options that reflect the investment profile of unit-holders and strengthen the importance of investing with a medium to long-term horizon.

In this context, the proceeds from money market fund redemptions and maturing special purpose funds were largely directed to asset allocation funds, to short duration bond funds and to the Eurobank (LF) Absolute Return, which featured a positive performance of 0.59% for the year.

Wealth Management

In concordance with the above, the quality of the investment management results was acknowledged by Morningstar, the international mutual fund rating agency, which awarded: five stars to various share classes of the Eurobank (LF) Income Plus EUR mutual fund and four stars to various share classes of the Eurobank (LF) Fund of Funds Global High, Eurobank (LF) Fund of Funds Global Medium, Eurobank (LF) Fund of Funds Global Low and Eurobank (LF) Fund of Funds Balanced Blend. Four stars were also awarded to the GF Global Foreign Bond Fund, Eurobank (LF) Global Bond Fund and Prelium B (LF) Total Return Fund. At the same time, the expertise of the Eurobank Asset Management MFMC management team in the area of bond investing was recognized by Citywire Global, an international financial information and manager rating house, for its cumulative risk-weighted performance for the period 31/12/2011-31/12/2018 with the silver award for European bond securities management, the bronze award for eurozone bond securities management and the bronze award for international bond securities management. Also, Citywire Global awarded the two head managers of the Eurobank (LF) Absolute Return fund with an A rating, for both their methodology and strategy.

These awards, the distribution agreements with international fund platforms and the participation of Eurobank Asset Management MFMC executives in European fund selector conferences continued to constitute the main pillars of the Company's strategic outward-looking policy.

Institutional Asset Management

2018 was a particularly good year for institutional asset management, in terms of adding new assets to existing portfolios and on-boarding new institutional portfolios. During the year, the Company participated in numerous requests for proposals (RFPs) in Greece and Cyprus. Currently, it strategically focuses on assignments with a pricing policy that reflects the complex character of the agreed investment guidelines and the maintenance of a high level of investment management and client servicing. Total funds under management reached €515 million, through 26 distinct portfolios.

The funds managed by Eurobank Asset Management MFMC on behalf of Private Banking customers in Greece, Cyprus and Luxembourg posted a significant increase to €409 million, through the increase in the number of distinct portfolios.

Finally, total funds under distribution to Eurobank's private banking clients in the three countries reached €0.7 billion in 2018 supported by the services offered by Eurobank Asset Management MFMC for the analysis, evaluation, classification and selection of UCITS funds managed by the 14 co-operating international investment houses.

Private Banking

2018 was a positive year for Private Banking, much like the previous year. Although international markets were quite volatile, we were given the opportunity to manage our customers' portfolios towards securing capital gains while proceeding with major restructuring based on the various opportunities that appeared in the markets.

Funds under management and return on assets (RoA) remained at the same levels as last year. Despite that, total net profitability improved, as a result of further optimising operating cost and successfully managing the various provisions.

As part of Private Banking's long-term strategy to provide an ever expanding platform of quality products and services to its clients, Eurobank made a significant investment, relocating its Private Banking services in Attica to the Private House. This is a unique, signature - building dedicated to Private Banking in Greece, which was re-designed in order to provide a unique experience to both clients and employees.

The Private House is housed in a privately-owned neoclassical building in the centre of Athens where Private Banking clients are able to have all their needs served under one roof, in a location of unparalleled aesthetics, prestige and quality. This initiative has already led to major cost-cutting as well as synergies that significantly contribute to providing an even more attractive overall experience to our Private Banking customers.

The numerous awards received by Private Banking underpin the Bank's commitment to offer the top quality services to its customers. In 2018, the Bank received the award for Best Private Bank in Greece from two prestigious entities, Global Finance and World Finance magazines, reaching 18 awards, in total, in 13 years.

International Capital Markets & Treasury

Global Markets Trading Sector

The Eurobank Group operates in the primary and secondary markets of Greek sovereign bonds, as well as in the corporate and state bond market of developed and developing countries.

It is also present in the derivatives, interest rate and currency markets.

With regard to own account trading, the Group applies strict limits, which are monitored daily by the Risk Management Division. Trading limits include:

- The amount of exposure to counterparty risk, according to the credit risk assessment.
- The concentration limits of various maturities.
- The monitoring of Value-at-Risk (VaR).

The trading audit system supports monitoring and managing Eurobank's positions in a precise and efficient manner.

Product Sales & Structuring

The Sales Division was distinguished in 2018 for the top quality of complex services, its customer-centric mentality and its important contribution to the Bank's performance.

Through pioneering ideas, such as the e-FX for Business service, the Division invests in the continuous development and improvement of customer service, making the most out of new technologies.

Also remarkable was the effort to attract and/or manage liquidity, as well as to offer alternative deposit or investment products or hedging solutions. Finally, for yet another year, the Division was actively involved in the structuring and distribution of bonds issued by Greek corporates, with spectacular results.

Treasury

In 2018, market conditions and the country's macro-economic environment continued to improve, while the credit rating for Greece and Greek banks was further upgraded. Making the most of these conditions, Eurobank continued to undertake certain initiatives, aiming to secure long-term liquidity, further decrease the Bank's dependency on the Eurosystem and secure the maximum possible access to markets, so as to optimise the management of potential risks (interest rate, currency risks) for the Bank's balance sheet.

Specifically, in 2018, Treasury:

- Increased considerably the volume of repo transactions with international credit institutions, while also increasing the number of counterparties in order to further reduce funding cost and increase the dispersion of financing resources. Moreover, it continued optimising the use of available eligible assets, resulting in a significant increase in liquidity.

- Completed two loan securitisation transactions (involving consumer, small business, SME/corporate loans) via private placement of the issued senior notes, ensuring important long-term funding.

- Achieved significant increase in available surplus for refinancing in the event of an emergency financing need (liquidity buffer) and minimised the use of the emergency liquidity assistance (ELA) mechanism.

- Increased the volume of transactions with international financial institutions, aiming to secure financing for the Bank, while supporting its clients' needs in foreign currencies.

Global Markets International – Subsidiaries

The Global Markets Division offers an integrated and standardised approach to the countries of Southeast Europe, based on a central management and supervision model that is run from Greece. The Eurobank Group's strategic objective is to preserve and develop its important regional footprint in the areas of liquidity management, foreign exchange, interest rates, bonds and derivative trading, as well as the sale of financial and investment products in the local markets.

In 2018, the Group managed to:

- Significantly increase the subsidiaries' liquidity and ensure its efficient use within the Group.

- Enrich the investment portfolio with fixed income and FX products and improve the income-assumed risk ratio, while maintaining a leading role in the primary and secondary market dealership for local government bonds, providing liquidity to local and international counterparties (in the securities and currency markets) as well as quality services to a diverse client base (retail, corporate and institutional customers).

- Execute benchmark transactions for asset/liability management with foreign credit institutions.

- Increase interbank limits and the number of international counterparties (credit institutions) trading directly with the Group's subsidiaries, despite the adverse international environment and ongoing capital controls in Greece.

- Continue to drastically decrease the cost of deposits, along with an overall increase in deposit volumes in terms of international operations.

Equities Brokerage

In 2018, Eurobank Equities SA accounted for 17.3% of the volume of transactions in the Athens Exchange, ranking 1st in market share for the 10th consecutive year being the broker of choice for the largest and most significant institutional investors, and tens of thousands of private investors alike.

The Company is a leader in the industry, offering access to a full range of investment products, including trading in stocks, derivatives, bonds and mutual funds around the globe. Qualified officers and exclusive representatives and associates provide services to retail investors, covering the entire country. EurobankTrader is the company's digital image. This online trading platform was recently upgraded and is constantly developed, exhibiting a plethora of features for retail investors, such as real time price-feed from a number of exchanges, access to technical analysis tools, economic news and the company's award winning research . As a leader in its field Eurobank Equities participates in both the annual Greek Investment Forum in New York and the Greek Roadshow in London, under the auspices of the Athens Exchange. Both conferences are landmark events of the Athens Exchange, as over 1,000 meetings take place among over 200 international institutional investors, over the course of both events.

According to the annual Extel survey, the largest assessment survey of the European investment community, in 2019 Eurobank Equities received the following top awards:

- Leading Brokerage Firm in Greece
- Best Country Research for Greece
- Best Individual Research Analyst in the Greek market

Its award-winning Research division provides active and continuous services and expertise to the company's client base and other Eurobank business units that offer investment services. The team covers 22 listed companies, reflecting 75% of the ATHEX capitalisation and over 90% of the traded value. It also provides secondary coverage on the largest foreign markets and listed large cap names.

Finally, the Market Making Division of Eurobank Equities provides liquidity on the shares of 23 listed corporate entities and 34 derivatives, capitalizing on its extensive experience and proprietary technology.

Other Activities

Public Sector Banking

Working with public sector entities, fortifying their work and supporting the functions offered to the citizens by the State constitute a strategic priority for the Bank. The dedicated Public Sector Division aims at creating integrated solutions that meet the special and complex banking needs of such entities, covering the entire range of their economic activities. In 2018, the Public Sector Banking Division responded to over 300 calls for expression of interest, offering a comprehensive cooperation package that included: competitive treasury solutions, comprehensive trading services, innovative e-Banking solutions, customised real estate management proposals, a broad range of insurance products, flexible financing solutions and privileged payroll packages.

During the year, the Division achieved some important results. Specifically, the Division managed to increase its market share of the General Government by 598 basis points, while in the sub-categories of central government and local-government authorities its market share exceeded 20%. By activating and making use of all available networks and product units of the Group, General Government deposits increased by 20%, the Bank's position in strategic sectors of government organisations was enhanced, and its geographic presence was expanded, now serving over 2,000 customers that form part of this specific sector.

Troubled Assets Management

Since the establishment of the Troubled Assets Group General Division, back in July 2014, the Bank has proceeded with several initiatives in order to effectively manage its exposures in arrears and non-performing loans. The Troubled Assets Group General Division (TAG), with a reporting line directly to the CEO, has the overall responsibility for the end-to-end management of the Group's troubled assets portfolio, from the early stages of delinquency until the stage of legal actions and auctions.

The Deputy CEO and Member of the Board of Directors is Head of the Troubled Assets Group General Division, and is entrusted with the close monitoring of the Troubled Assets Management Strategy.

The General Division consists of the Retail Remedial General Division, the Corporate Remedial General Division, the Collaterals Recovery Sector, the TAG Risk Management and Business Policies Sector, the TAG Business Planning Sector, the TAG Operational Risk Management Sector and the Business Improvement Programme Management Sector. To ensure the efficient management of the troubled assets portfolio, more than 2,500 employees are involved in NPL management operations across the Bank, of whom ca 1,200 are dedicated professionals in the operating units of the General Division (TAG).

The Retail Remedial General Division includes Eurobank Financial Planning Services SA (Eurobank FPS SA), a Eurobank subsidiary responsible for the management of the Bank's Retail troubled assets. In March 2017, Eurobank FPS SA obtained a license for the management of delinquent loan portfolios pursuant to Law 4354/15.

In line with the continuous effort to address the short-term and medium-term challenges of the banking system, and with a view to attaining its strategic objectives, the Bank has set as a key priority the active management of its NPL portfolio, and to capitalise on its human resources and relevant infrastructure (procedures, systems and products).

Through the independent management of non-performing loans by the Troubled Assets Group General Division, a dynamic and robust governance model emerged, one that not only complies with the existing regulatory requirements, but also meets the best international standards.

In addition, the Troubled Assets Committee (TAC) has been established to provide strategic guidance and monitoring of the Bank's troubled assets management, ensuring independence from business activities and compliance with the requirements of BoG Executive Committee Act No. 42/2014. The TAC's propositions and reports are also submitted to the Group Chief Risk Officer, who expresses an opinion on the effectiveness of the troubled assets management strategy to the BoD through the submission of the relevant report to the Board Risk Committee.

Within a volatile economic environment, business initiatives have continued, in compliance with the regulatory requirements for the management of exposures in arrears and non-performing loans.

In 2018, the key initiatives undertaken by the Troubled Assets Group General Division, both on a strategic and on an operational level, were the following:

- Similarly, with 2017, TAG has overall exceeded in 2018 the key regulatory targets for NPE reduction.
- Continued and strengthened the strategic focus towards long-term viable restructuring solutions offered through a wide range of products, segmentation criteria and decision trees.
- Leveraged the electronic auction platform, which was launched in February 2018, and contributed to the effective management of the planned foreclosure actions.
- Developed a set of dynamic decision-support systems, in the context of managing the troubled assets portfolio, aiming to improve decision-making, facilitate the offering of the optimal solutions and limit uncertainty.
- Restructured and reinforced key functions of the General Division in order to be able to integrate the new legislative developments for the reduction of NPEs and to ensure the efficient management of the troubled assets portfolio.
- The Bank's staff was further developed through additional training programmes and e-learning courses.
- Evolved and further developed a comprehensive programme aiming to support and monitor in a structured manner all business and Information Technology (IT) actions and initiatives that will enable the NPE reduction plan, which is a top priority for the Bank.
- Actively participated in key interbank initiatives to establish a solid governance framework and collaborative partnership among all banks to reduce NPEs.
- Enhanced the strategic segmentation of the customer base that links borrowers to actions and channels, and designed specific strategies for borrowers under the provisions of Law 3869.

Troubled Assets Management

Retail Troubled Assets Management

As regards the Retail Remedial General Division (which manages mortgage loans, consumer loans, small business loans and loans to professionals), the following strategies and operational actions that were applied in 2018 are worth mentioning:

- Exceeded the targets set by the Single Supervisory Mechanism (SSM) on an annual basis.
- Developed new viable solutions, including the extension of partial Debt Forgiveness to secured loans, and strengthened the reward programme for customers who meet their financial obligations with the Bank.
- Expanded the amicable solutions for voluntary sale of property" by adding new functionalities.
- Completed the streamlined model for the segmentation and assignment of customers to all involved channels, including small business loans and loans to professionals, so as to provide the most appropriate and effective solutions to debtors.
- Further enriched, expanded and streamlined the functionalities of the legal actions model, and progressed the transition to a new system (AROTRON), for the overall support and optimisation of legal actions.
- Reorganised Collection activities of branches and expanded the role of the IRC to include management responsibility for small business loans and professionals
- Redesigned Law 3869 supporting functions and infrastructure and achieved, to a large extent, a customer-centric portfolio management:
    - Eurobank played a key role in the operation of the L. 3869 interbank platform regarding the common management of customers of the 4 major Greek banks.
    - Emphasis was given on: i. planning and implementing out-of-court settlements and ii. proceeding with legal actions towards eligible borrowers, by actively involving branches.
- Eurobank FPS SA, a wholly owned subsidiary of Eurobank (Servicer), operates as a benchmark company, since it is the largest loan and credit claim management company in Greece, with a total portfolio of over €23 billion. During 2018:
    - It achieved a commercial agreement with 2 additional funds regarding the management of 2 unsecured portfolios (Zenith & Venus) amounting to a total claim of €3.5 billion. Venus is the 1st managed portfolio not originated by Eurobank.
    - For the first time, Eurobank FPS SA started managing part of Eurobank's SME portfolio.

- Both Retail Remedial General Division and Eurobank FPS SA made considerable enhancement relevant to regulatory compliance. Areas of operational and compliance audit were identified and were aligned with the stricter regulatory requirements, successfully completing very important audits. Moreover, Eurobank FPS SA revisited its corporate governance and internal controls framework, including new Divisions in its organizational structure (such as, Internal Control, GDPR, Out-of-Court Work Out, SME etc.), thus transforming into the most integrated Servicer in the market.

Corporate Troubled Assets Management

With regard to the Corporate Remedial General Division, the following strategic and business initiatives are worth mentioning for 2018:

- Setting and achievement of operational targets by analysing the strategy for the entire portfolio in detail, and closely monitoring inflows and outflows with a view to substantially reducing NPEs.

- Focusing on long-term, sustainable restructuring strategies through the offering of an array of product combinations.

- The Bank participated in the cooperation agreement between the specialised loan management servicer doBank S.p.A. and the four major Greek banks for the management of NPEs. doBank S.p.A. will support the four major banks by exclusively managing common NPEs of 300 Greek SMEs, amounting to approximately €1.8 billion (nominal value), thus facilitating the selection of efficient and viable restructuring solutions for borrowers, where possible.

- Assigning of an SME portfolio to Eurobank FPS SA, aiming to rationalize human resources and utilize them more efficiently in the course of the implementation of the NPE reduction strategy of the Bank.

- Identifying the appropriate portfolios eligible for sale and devising the optimal transaction mix to further remediate the portfolio.

- Implementing an internal reorganisation of the Corporate Remedial General Division, aiming at a more rational segmentation of the portfolio and a targeted management per exposure, days in arrears, sector, geography, feasibility of assignment/sale to third parties.

- Participating in inter-bank initiatives to jointly handle large non-performing corporate loan exposures

- Focusing on continuous training and development and building on the experience of the existing officers through participation in specialised training programmes.

Communication Strategy

Our focus at Eurobank is to operate having our customer in the epicenter of our business, which we refer to as our human centric approach. Following from this in 2015, Eurobank launched as its communication promise “putting you first” which emphasizes the specialized and diverse needs of our customers. Our communication strategy combines a solid visual identity, based on personalized communication which aims to demonstrate the quality of service to our customers.

The emphasis on the human-centric approach was the common ground for all 2018 communication activities. This year, the strategic pillars of the Economy (Entrepreneurship Support), Society (Youth Support) and Customer (Reward) were supported by specific initiatives and activities under one integrated communications platform that promotes the notion of Forwardness.

In 2018, the Bank designed and implemented 52 integrated communication campaigns, both in offline and digital communication media, the aim of which were to address the challenges businesses face today as well as communicating the continuation of high quality services to our customers.

Economy / Entrepreneurship

Eurobank firmly supports entrepreneurship and extroversion of Greek companies, with initiatives which have evolved into solid foundations.

Extroversion of Greek Businesses is primarily supported by two major initiatives (a) the Go International business delegations programme and (b) the Exportgate portal.

With the "Go International Business Delegations" initiative, Eurobank organised the Business Mission “Go in Thessaloniki” whereby more than 3,000 predefined B2B meetings were held and more than 120 selected Greek exporters were given the opportunity to connect with 60 buyers from more than 20 countries worldwide.

Exportgate is an innovative web portal designed to enhance the extroversion of Greek businesses through their interconnection with foreign buyers. The portal also offers one of the largest digital libraries for exports and imports of products and promotes networking of Greek and Cypriot companies worldwide. Through the digital library, Exportgate members can access business information and data for more than 180 countries, in terms of market trends, consumer behavior, macroeconomic issues, statistics and other useful tools. Members of the portal can also, among other things, access databases with over 200,000 importers from 32 countries.

Additionally, Eurobank has demonstrated its ongoing support for Greek entrepreneurship with contemporary funding programs.

Our ongoing commitment and championing of the innovative start / up entrepreneurship programme egg-enter•grow•go has seen it evolve into one of the most successful business accelerators in Greece. Its aims to foster progressive entrepreneurial activity and to also boost the prospect of sustainable employment of one of our most precious assets – our young entrepreneurs.

We are also supportive and actively involved in a critical sector for the Greek economy which is tourism. In this context, we are a strategic partner of the Hellenic Tourism Cofederation (S.E.T.E), as well as providing an enriched package with financial and contextual advice specifically for business in this sector which is called “Business Banking Tourism”. Furthermore, we have also addressed the needs of the agricultural sector, for farmers and rural oriented business, by creating the “Business Banking Agricultural Sector program” providing support and addressing their specific needs.

To reward business excellence as a lever for the growth for the Greek economy, Eurobank, in partnership with Grant Thornton, established in 2016, the Growth Awards for growth and entrepreneurship. The Growth Awards aim to become one of the leading means of recognizing business excellence and supporting development of dynamic businesses in Greece. Thus, the Growth Awards reward those businesses who have managed to combine high economic performance with a successful, contemporary business story, and thus have the potential to contribute to shaping a new landscape of entrepreneurship and work culture.

Needs / Customer Rewards

Eurobank is highly sensitive to an issue that concerns the general public – that of protecting the family in health matters arising from unexpected events, and as such we have developed a category of insurance programmes focusing on family needs. These programmes have been created in conjunction with Eurolife ERB Insurance, under the product umbrella product "Secure".

The campaign message "Life, defies the chances and always brings us the most unpredictable moments. Some are good ... and others not so (good)..." highlights the importance of the topic and the need be prepared for every eventuality.

Rewarding customers is a strategic priority for Eurobank. The €pistrofi card holders' loyalty program, which has received many awards, undertook a targeted and general awareness communications programme.

Another initiative for Eurobank debit and credit card holders is the partnership with Aegean Airlines launched in 2018 with the scope of offering wonderful travel experiences to customers at a very low cost. €pistrofi credit and debit card holders have the option of redeeming the euros in the form of rebates accumulated from card usage, to obtain tickets at predetermined pricing classes.

In 2018, our final communication campaign was based on the festive offerings of the €pistrofi program, rewarding the relationship with the Bank's customers.

Communication Strategy

Innovation

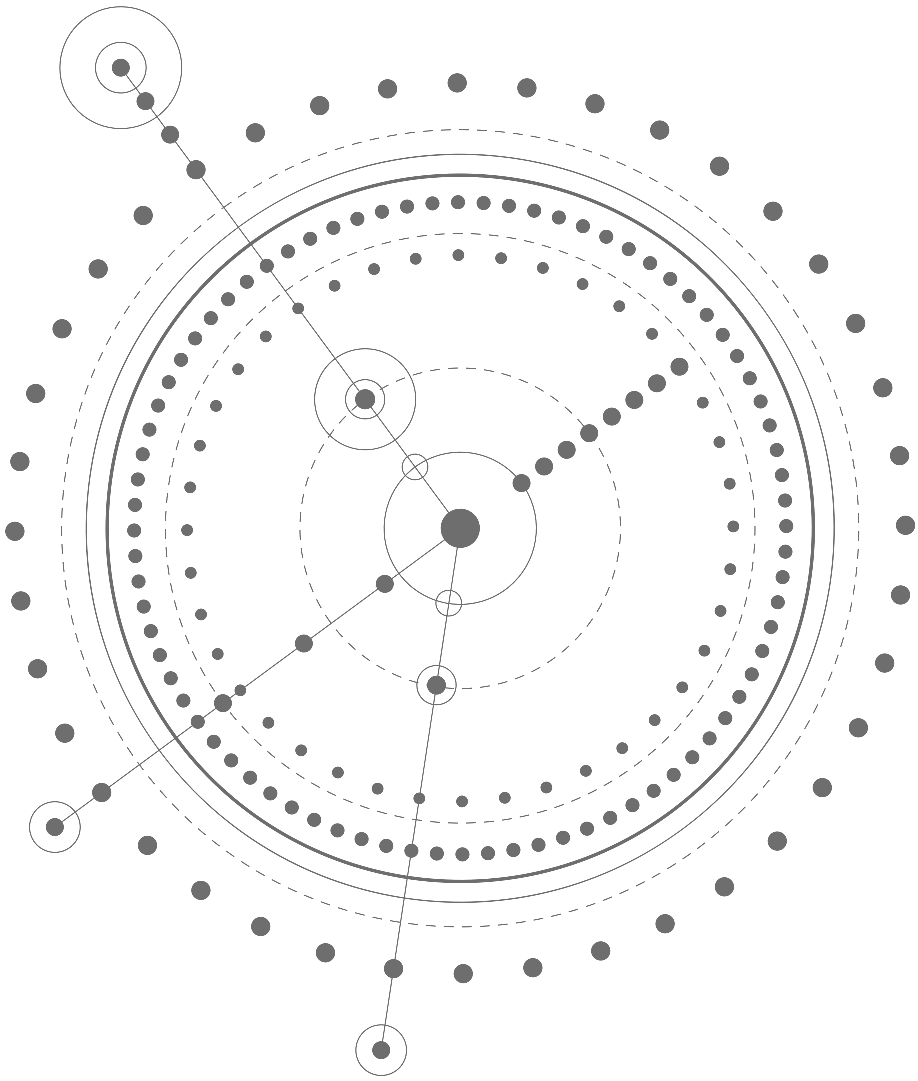
Eurobank, firm in its pledge to provide substantial and multifaceted business support, launched the new v-Banking service as part of our overall commitment to support the entrepreneurial community. The advertising campaign communicates the entrepreneur's ease to do banking online from their business as they were at the Bank. V-Banking is an innovative service designed to respond to the challenges and requirements of the digital transformation that is being implemented in the field of Banking and to the growing needs of our clients (Small and Medium-Sized Enterprises and Freelancers) for personal service and advice.

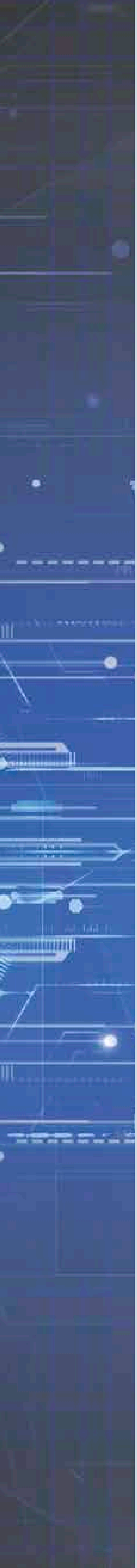
Furthermore, as part of the Bank's Digital Transformation Program, Eurobank's new digital banking service has been presented, through which e-Banking and Eurobank Mobile App have been launched, emphasizing immediacy, digital onboarding, transparency and positive user experience for everyday customer transactions from all digital service points (an omni-channel approach). For Eurobank, innovation means providing tools and services aimed at simplifying the daily routine of our customers. Digital services have been supported by a modular communication campaign that has won a number of awards both in Corporate Communications, Retail Banking and Digital Performance.

Society

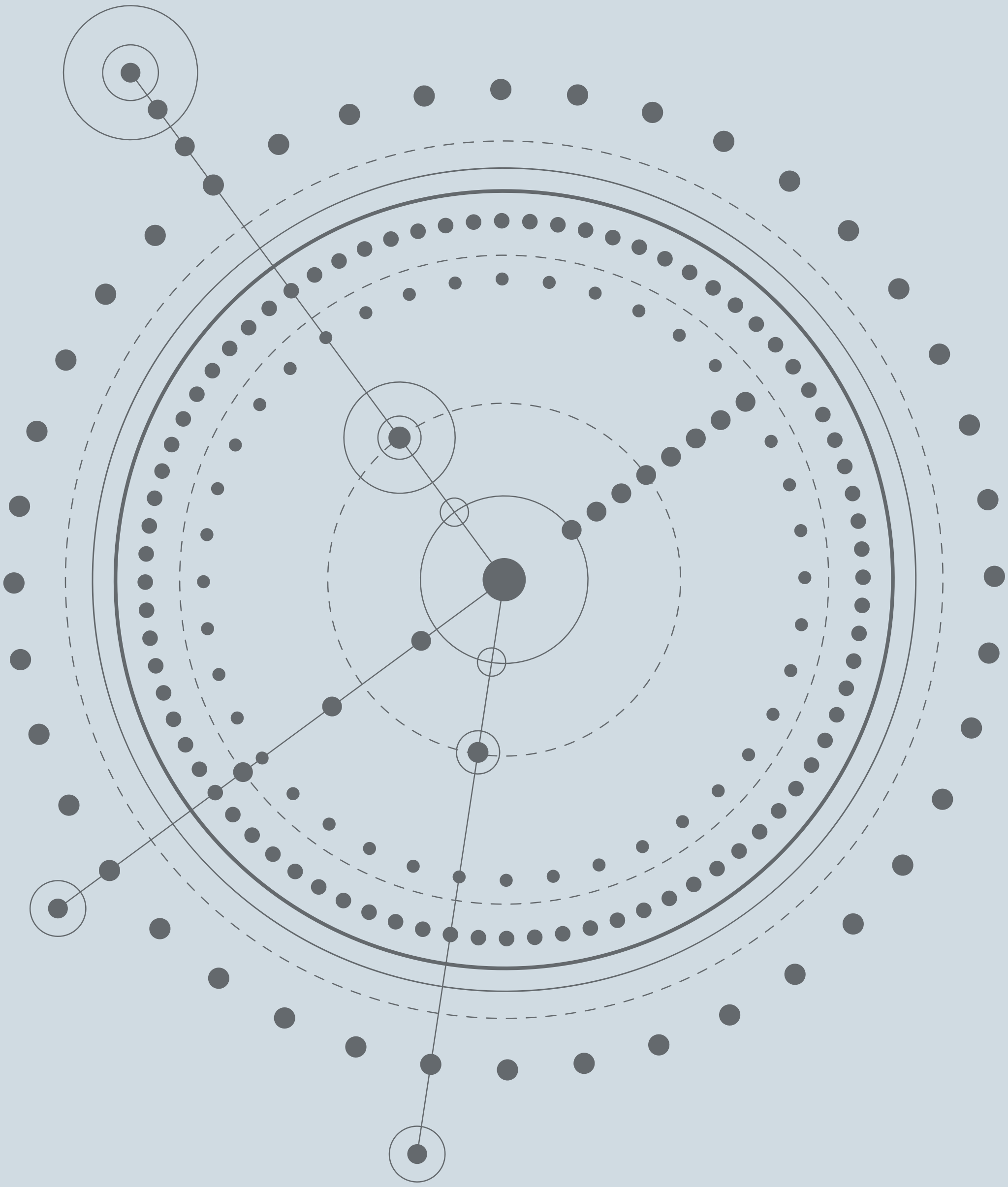
At Eurobank, we believe that a responsible organization should contribute to the stability of the social and economic community, by fostering a series of initiatives which not only support society but also cultivate the conditions for progress and development. Within this framework, "The Great Moment for Education" now in its 16th consecutive year, rewards student excellence. We also support Greek sports including all National Basketball Teams, as well as cultural programs on a larger scale. In 2018, we also remained committed to supporting vulnerable social groups, delivering a range of solidarity actions, as well as a message of hope.

All communication activities aim to ensure the unified image and identity of the Bank and in most cases are based on insights derived from market research, conducted at regular intervals. The Bank's strategic priorities and Corporate Social Responsibility activities support specific target groups, through Public Relations. Finally, the promotion of products and services is through targeted marketing activities to selected customer segments of the Bank.





TECHNOLOGY



TECHNOLOGY

IT & Technology

Technology is at the core of Eurobank's strategic growth in the new digital era. In 2018, its role was further enhanced to expand banking operations and optimize the Bank's digital capabilities. In 2018, following the completion of its strategic planning until 2020, Eurobank continued to invest in technology, focusing on improving customer experience, supporting its operations more efficiently and making use of innovative technologies, with a view to transforming into a digital, customer-oriented Bank. In line with these objectives, the General Division of Information Technology mainly focused on the following areas:

- Manage non-performing exposures (NPEs).
- Enhance the digital experience of the provided services.
- Simplify and streamline banking operations.
- Redesign the branch network.
- Comply with the regulatory framework.

In addition, the Bank enhanced its technology and security infrastructure, introduced new methods to design new products (Design Thinking), simplified processes (Lean Six Sigma), and established the Robotic Process Automation (RPA) Center of Excellence, which aims to streamline the execution of recurring operations with significant volume.

Information System Development

The General Division of Information Technology is a main pillar for the Bank's operational support and development. In 2018, the Division delivered over 240 projects, with the availability of all IT services exceeding 99.9%, while the Help Desk responded to more than 63,000 phone requests. Moreover, investment in IT projects continued to meet major business needs.

Troubled Assets Management

Technology constitutes a catalyst for the efficient management of the Bank's troubled assets. In 2018, initiatives were implemented to sell a non-performing loan portfolio (Zenith), which resulted in a significant reduction in the Bank's NPEs. In this context, the Bank improved and developed new debt settlement products, and a platform was launched for the management of legal actions, including auctions. Also, the Bank further streamlined the procedures and improved the tools that assist in reaching solutions for customers. Moreover, the Out-of-Court Work Out (OCW) platform and operating model was completed.

Digital Banking Experience

In 2018, Eurobank continued its programme aiming to provide clients with a unified digital experience through all service channels (omnichannel experience). In the context of this omnichannel experience, Eurobank presented the new e-Banking for individuals, designed under Design Thinking principles, and the new Eurobank Mobile App. Also, in 2018, we developed and improved online products for digital services, aiming to provide over 840,000 active e-Banking users with new features. In particular, additional transactions were included in the new v-Banking service, and the online Time Deposit, Live Account and e-Prepaid products were improved. In this very context, the Masterpass Digital Wallet was incorporated into the mobile app, while the ATM and APS networks expanded further.

In 2018, the Information Technology Division significantly contributed to improving the digital experience for the Bank's employees too. Eurobank's new intranet, namely Connected, was launched. Connected features new tools that foster employees' collaboration and day-to-day communication. In the same context, new tools have been provided to all employees that enable them to view and analyze business data from their terminal (self-service BI).

Redesign of the Branch Network

The Bank continued the major operational redesign project for its branch network. In 2018, the Information Technology General Division actively participated in implementing initiatives to activate the MicroMarkets model, i.e. to streamline and simplify procedures for card products (MiTOS). Moreover, it activated more transactions supporting e-signature, and digitized the processing and management of loan archives for Business Banking customers.

Aiming to improve the experience for the Bank's Prime clients, the waiting infrastructure was modified. They now receive immediate service, while they also have the option of customized Wealth Management functionalities (portfolio dashboards, investment reminder). In this context, customer analytics was improved and visualization capabilities were enriched.

Regulatory Compliance

For yet another year, the Bank was required to align with many regulatory directives. Note that regulatory needs constituted 20% of deliverables. The Information Technology General Division carried out the necessary actions and system modifications to fulfil regulatory obligations that arise both from the Greek and the EU regulatory authorities, such as the new EU General Data Protection Regulation (GDPR), International Financial Reporting Standard 9 (IFRS 9), MiFID II (600/2014/EU), FATCA (Foreign Account Tax Compliance Act), AnaCredit Regulation (ECB/2016/13) and OECD Common Reporting Standard (CRS). Furthermore, it supported and concluded a series of actions to meet ECB, EBA, stress test, and TRIM (Targeted Review of Internal Models) requirements.

Corporate Banking & Transactional Banking

The Bank continued to implement its strategic plan to reinforce Corporate and Transactional Banking. The Information Technology General Division moves forward with integrating systems for more efficient product management and continues to upgrade the Payment and Trade Finance infrastructure. Moreover, in line with European Directive 2015/2366 – PSD2, the Bank is developing the necessary functionalities to facilitate interconnection between the Bank and other companies and organizations (known as APIs). The Information Technology General Division implemented and kept improving the Eurobank API, which is used to connect Eurobank with third-party service providers. In this context, it also started to plan and implement the provision of banking services through partner platforms.

Infrastructure Evolution

Aiming at continuous and smooth operation and constant improvement of the Bank's services, over 110 improvements were made to the Bank's systems and infrastructure. The most important included:

i. Implementing the internal cloud architecture to support the omnichannel program.

ii. Making targeted improvements to the core systems, aiming to increase the capacity to process a much higher volume of transactions.

iii. Upgrading network infrastructure to improve the telecommunication infrastructure Unified Communications and v-Banking.

iv. Upgrading end-user terminals and central infrastructure operational systems.

Security of Information Systems

The Bank is certified to ISO/IEC 27001:2013. Acknowledging the significance of IT security, it closely works with the Group Corporate Security Division to provide secure services and data protection to customers. In this context, major projects were planned and implemented in 2018. The most important included:

i. Upgrading the infrastructure to combat new and sophisticated cyber-attacks.

ii. Activating infrastructure to monitor and analyze events relating to system security.

iii. Upgrading the infrastructure for secure access to corporate data from mobile devices.

iv. Completing works to improve security for the wired and wireless corporate network.

v. Upgrading the existing protection mechanism against malicious content in the Bank's onsite email infrastructure.

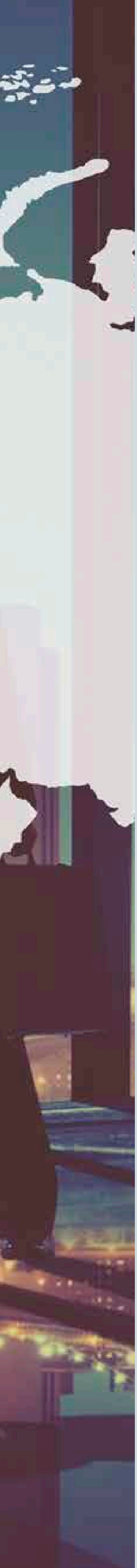
vi. Conducting a substantial number of penetration tests on critical information systems and infrastructure.

Operating Model

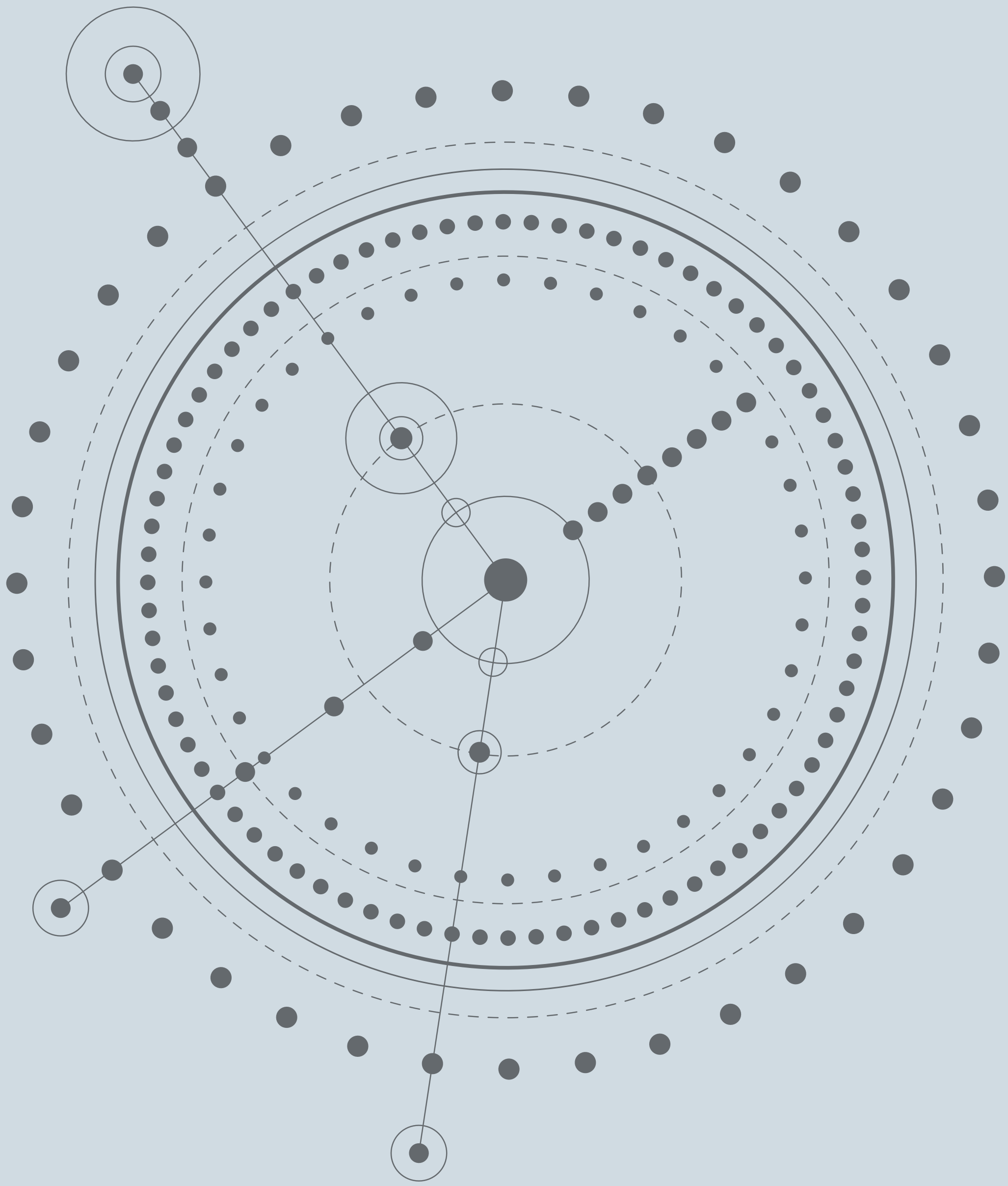
Eurobank is one of the few banks in Europe that is certified to ISO/IEC 20000 for the management of all IT services. Striving to improve its operational model constantly, in 2018, the Information Technology General Division streamlined and updated many internal processes. These improvements aimed to manage the project portfolio better, to develop the IT digital architecture, and to manage implementation risks more efficiently. Moreover, it continues to expand the use of the Agile Scrum methodology through more working groups, while it applies Lean Six Sigma, Design Thinking and Ethnographic Research methods for developing customer-centric products, simplifying and improving services and procedures.

Forging Ahead

Being a strategic partner of the business units, the Information Technology General Division is dedicated to carrying out the strategic planning until 2020. In 2019, many important initiatives will be completed. The operational merger with Grivalia and the hive-down of Eurobank FPS SA, aiming to drastically reduce NPEs, will be a landmark. At the same time, the omnichannel program will continue and expand the provided services to improve the corporate digital experience. Transaction Banking will move to a modern transaction platform. We will continue to simplify and digitize our processes across all banking operations, and the implementation of the New Branch Model will get scheduled. We will make new investments in data analysis, while we will improve our infrastructure to respond to the increasing demands and challenges of the new economic environment.



INTERNATIONAL PRESENCE



INTERNATIONAL PRESENCE

Eurobank Group has a significant presence in 4 countries apart from Greece. It operates in Cyprus, where it provides Corporate Banking, Private Banking and Wealth Management services, and in Luxembourg, where it provides Private Banking services. In Bulgaria and Serbia, it operates in Retail and Corporate Banking, Wealth Management and Investment Banking through a network of 280 branches and business centres. Also, the subsidiary bank in Luxembourg operates a branch in London.

As of 31 December 2018, outside Greece, the Group held a total loans and advances portfolio of €6.4 billion, while deposits amounted to €10.3 billion. At the same time, the Group's activities abroad remained profitable throughout 2018, posting a net profit[1] of €145 million, compared to €130 million in 2017 (an increase of 12%). The Eurobank Group shows strong commitment in the countries where it operates. The main pillar of its strategy is to support the real economy, focusing on sectors that have a multiplier effect on the growth of local communities, in this way confirming its systemic role in the region.

The Group continues to institutionally support the economies of the broader region through participating in the Vienna Initiative. The Vienna Initiative focuses on particular issues of broad interest, such as faster absorption of funds from various sources, strengthening of local currencies through lending in such currencies and more efficient management of doubtful loans.

Moreover, Eurobank maintains its partnerships with international organisations, such as the European Bank for Reconstruction and Development (EBRD), the International Finance Corporation (IFC) and the European Investment Bank (EIB), to channel credit facilities aiming at supporting SMEs through its subsidiaries in Bulgaria, Serbia and Cyprus. These partnerships, coupled with additional dedicated trade finance facilities with these organisations, constitute a strategic choice for Eurobank, aiming at better seizing any opportunities arising worldwide for supporting local economies and businesses.

[1] *before discontinued operations and restructuring costs after tax*

Bulgaria

In Bulgaria, the Group operates banking activities through its wholly owned subsidiary Eurobank Bulgaria AD (Eurobank Bulgaria), under the trade name Postbank. As of 31 December 2018, Postbank ran 174 branches and 10 business centres. During that period, the Group's total gross loans in Bulgaria amounted to €2.9 billion, 45% of which were loans to individuals (households) and 55% were loans to businesses, while total deposits amounted to €3.5 billion.

In the third quarter of 2018, GDP grew by 2.7% according to preliminary information by the Bulgarian Statistical Authority. Growth came mainly from domestic consumption, which posted an increase of 7.5% compared to the respective quarter of 2017. The investment growth rate slowed down to 3.0%, while exports were negatively affected. In real terms, exports decreased by 3.2% (less than in the previous quarter, when exports decreased by 2.3%), while imports maintained a steady growth rate of 3.8%.

This was probably the most successful year for the country's banking system since the end of the crisis. Total gross loans were up by 9.2%, while deposits increased by 7.9%. In absolute terms, both loans and deposits posted the largest increase of the past decade. Net profit for the banking system in Bulgaria reached €860 million, posting a new record. Postbank holds a strategic position in Retail and Corporate Banking in Bulgaria. Postbank maintained its long-term strategy, which is based on adopting a customer-centric model and contributing to society. At the same time, it went beyond conventional banking, establishing a new customer-centric banking model, focusing on digitalisation and innovation. In 2018, the Group's activities in Bulgaria generated a net profit of €63.1 million. Provisions for non-performing loans were kept at the same level.

Eurobank Bulgaria maintains robust capital adequacy. The capital adequacy ratio (regulated capital / weighted risk assets) stood at 20.1% as of 31 December 2018, significantly higher than the minimum threshold of 13.75% set by the Central Bank of Bulgaria.

The Group successfully continues to attract deposits in Bulgaria, while decreasing deposit costs. The deposit base renders the Group's activities in Bulgaria fully self-financed, with a loan-to-deposit ratio of 79% as of 31 December 2018.

Moreover, Eurobank Bulgaria offered new financing and factoring products to support SMEs, also providing appropriate restructuring solutions to customers facing financial difficulties. Eurobank announced the agreement with Piraeus Bank for the acquisition of the latter's subsidiary in Bulgaria, namely Piraeus Bank Bulgaria AD (PBB), by Eurobank Bulgaria (the Transaction). Following the acquisition, Postbank will significantly improve its position in the Bulgarian banking industry.

The Transaction is subject to competent regulatory approvals and is expected to be completed within the first half of 2019.

Serbia

In Serbia, the Group operates banking activities through its wholly owned subsidiary Eurobank AD Beograd (Eurobank Beograd). As of 31 December 2018, Eurobank Beograd ran 80 branches and 6 business centres. As of 31 December 2018, the Group's total gross loans in Serbia amounted to €1.1 billion and total deposits amounted to €0.9 billion.

In 2018, the Serbian economy over-exceeded expectations and posted a growth rate of around 4.4%, as a result of strong investment activity, which was supported by domestic consumption and exports. Inflation remained steady and low, increasing by 2.0% on average, while at the end of the year it remained at the same level. Core inflation reached 1.0%, confirming the weak inflation pressures that allowed the National Bank of Serbia (NBS) to cut its official rate to 3.0% during the first half of the year, and keep it unchanged until the end of the year.

During the first three quarters of 2018, the state budget had a surplus (1.5% of GDP), while public debt continued to decline. Following the successful completion of Serbia's precautionary Stand-By Arrangement with the IMF, a new 30-month Policy Coordination Instrument (PCI) was approved. Macroeconomic stabilisation and improvement in the business environment contributed to the further increase in direct foreign investments (over €3 billion in 2018) that focused on commerce. Manufacturing exports sustained the strong growth momentum and posted an annual increase of around 9.8%.

Stability in the banking sector was maintained and further enhanced. The NPE ratio was down to 6.1% at the end of November 2018, recording the lowest level since 2008, when this ratio was introduced.

Total lending activity of Eurobank Beograd increased by 8% (on an annual basis), mainly supported by retail banking (11.8%, excluding non-performing loan write-offs and sales since 2016).

Eurobank Beograd remains one of the key players in the Serbian banking market in 2018. It further increased its assets by 6.6% (on an annual basis), holding a 4.6% market share in terms of assets and ranking 8th among 28 active banks.

Despite continuing pressures on the interest rate margins, in 2018, the Group's activities in Serbia generated pre-provision income of €31 million and net profit after tax of €18 million. Eurobank Beograd managed to further expand its deposit base, posting an annual increase of over 6%. Retail Banking, which has always been the cornerstone of the Group's activities in Serbia, maintained its upward trend, recording growth in all sectors. Personal loans in particular posted an annual increase of 17%.

The further improvement in the macroeconomic environment and the adoption of a flexible approach to developing market sectors led to the expansion of the corporate lending portfolio, especially in large corporate, where loans were up by 9% on an annual basis. Eurobank Beograd remains committed to maintaining healthy relationships with its customers, while expanding its services to meet the ever increasing needs, especially in digital banking services.

Eurobank Serbia maintains robust capital adequacy. The capital adequacy ratio (regulated capital / weighted risk assets) stood at 28.4% as of 31 December 2018, significantly higher than the minimum threshold of 8% set by the National Bank of Serbia.

Eurobank Beograd continued to successfully manage its non-performing loans through the dedicated division/unit established for this purpose. Said unit efficiently implemented the appropriate procedures and achieved increased recoveries, cost reductions and a gradual decrease in non-performing loans. The NPE ratio stood at 7.8%.

Cyprus

In 2018, Eurobank Cyprus Ltd (Eurobank Cyprus) steadily maintained its upward course, further strengthening its position within the banking market in Cyprus and establishing for yet another year its leading position in the sectors of International Business Banking, Wealth Management, Corporate and Commercial Banking and Capital Markets.

Net profit after tax amounted to €60.8 million. At the same time, it posted quite satisfactory recurring profitability and demonstrated a robust capital position, with the capital adequacy ratio and the Common Equity Tier 1 (CET1) at 24.5%. Also, there was significant excess liquidity. Deposits stood at €4,840 million and the loan-to-deposit ratio (excluding cash collateral loans) stood at 30%. The NPE ratio (based on the EBA guidelines) remained quite low at 4.1% and the cost-to-income ratio stood at 30% confirming the top quality of the lending portfolio and the efficient management of operating costs respectively.

Based on a customer-centric operating model and prudent risk management, Eurobank Cyprus continues to support the economy and any sustainable development initiatives, while creating new jobs based on the growth of its activities and investing heavily, aiming to remain competitive in the new digital environment and offer upgraded services of even higher quality.

Luxembourg

Eurobank Private Bank Luxembourg SA is an autonomous and operationally independent bank operating in Luxembourg since 1986. It also operates a branch in London and a representative office in Athens.

The Bank offers services in Private Banking, Wealth Management and Investment Fund Services, as well as selected Corporate Banking services. Through a wide spectrum of innovative products and services, and highly qualified and experienced staff, the Bank follows a targeted business model along with a conservative approach with regard to risk assumption.

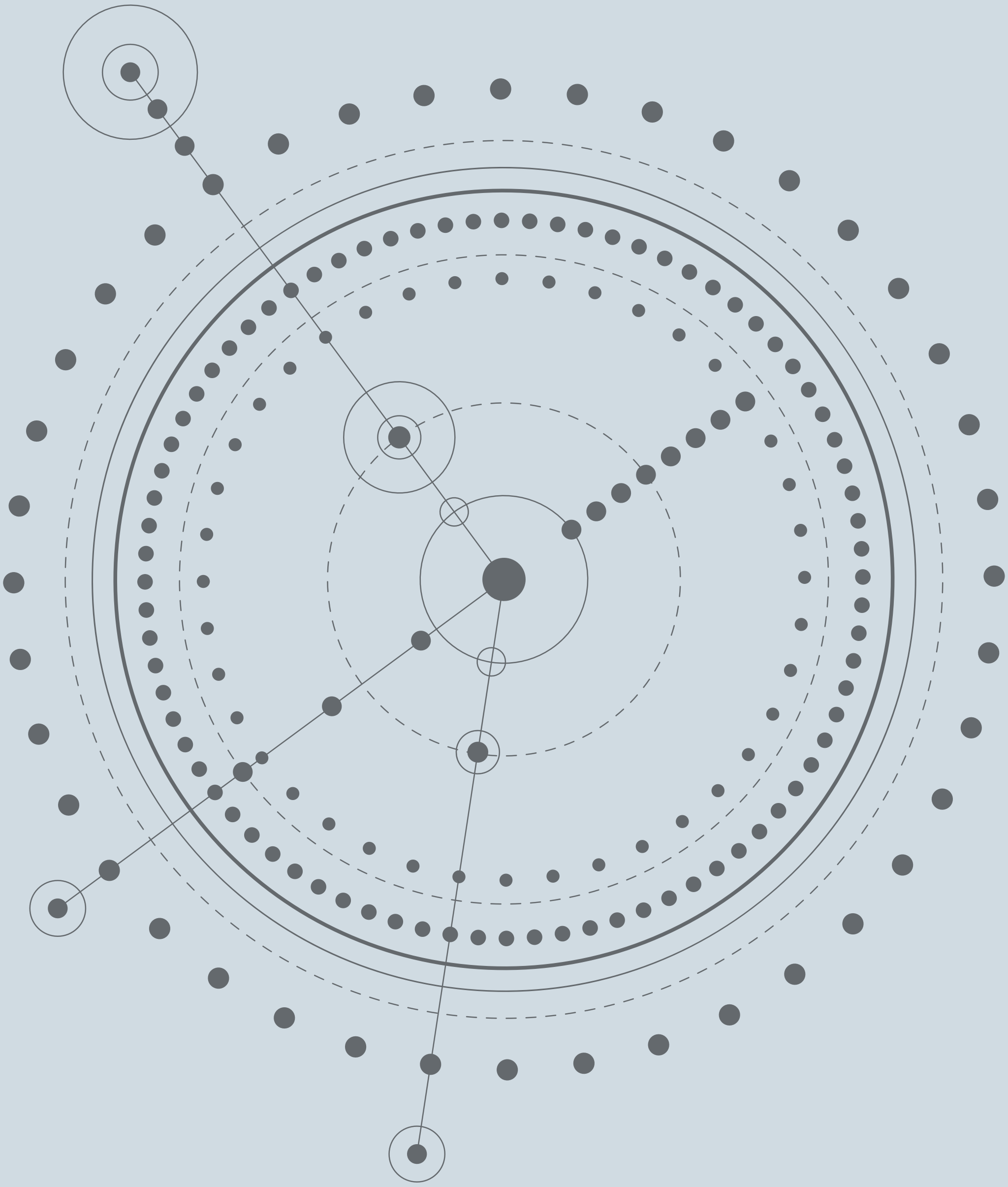
As a leading financial hub with a AAA credit rating and well-functioning institutions, Luxembourg offers the Bank an excellent environment to further expand its operations.

During 2018, the Bank maintained its profitability levels and continued to attract new clients, while at the same time maintaining its capital adequacy and liquidity at very high levels. At the end of 2018, the capital adequacy ratio (under Basel III) stood at 33.3%, and the loan-to-deposit ratio (excluding cash collateral loans) stood at 61.2%.

In 2018, despite pressures on profit margins due to negative interest rates, the Bank managed to maintain operating income at the same level as in 2017, through the increase in financing and commissions.

In the area of Private Banking, the Bank expanded its customer base in 2018, despite the adverse conditions in international markets during the last months of the year. Both Luxembourg, as an international Wealth Management Excellence Hub, and London's global reach constitute key factors in attracting new clients. Working along with the Bank's dedicated Investment Advisory and Wealth Structuring teams, Private Banking offered its clients investment products that address market challenges and comply with the new and more demanding regulatory framework.

Finally, the further development of the online applications (e-Banking), which is expected to be completed within the first half of 2019, shall improve even further customer service and overall customer experience.



EUROBANK ERGASIAS S.A.

SELECTED FINANCIAL DATA
FOR THE YEAR ENDED 31 DECEMBER 2018

The complete Annual Financial Report for the year 2018
is available on the Group's website www.eurobank.gr

8 Othonos Street, Athens 105 57, Greece, www.eurobank.gr, Tel.: (+30) 210 333 7000
General Commercial Registry No: 000223001000

EUROBANK ERGASIAS S.A.
CONSOLIDATED INCOME STATEMENT

	Year ended 31 December	
	2018 € million	2017 € million
Interest income	**2,186**	2,164
Interest expense	**(770)**	(700)
Net interest income	**1,416**	1,464
Banking fee and commission income	**422**	372
Banking fee and commission expense	**(124)**	(114)
Net banking fee and commission income	**298**	258
Income from non banking services	**13**	10
Net trading income	**37**	67
Gains less losses from investment securities	**83**	73
Other income/(expenses)	**(2)**	10
Operating income	**1,845**	1,882
Operating expenses	**(879)**	(895)
Profit from operations before impairments, provisions and restructuring costs	**966**	987
Impairment losses relating to loans and advances to customers	**(680)**	(750)
Other impairment losses and provisions	**(21)**	(50)
Restructuring costs	**(62)**	(13)
Share of results of associates and joint ventures	**29**	7
Profit before tax	**232**	181
Income tax	**(76)**	(5)
Net profit from continuing operations	**156**	176
Net loss from discontinued operations	**(65)**	(61)
Net profit	**91**	115
Net profit attributable to non controlling interests	**0**	11
Net profit attributable to shareholders	**91**	104
	€	€
Earnings per share		
- Basic and diluted earnings per share	**0.04**	0.05
Earnings per share from continuing operations		
- Basic and diluted earnings per share	**0.07**	0.08

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EUROBANK ERGASIAS S.A.
CONSOLIDATED BALANCE SHEET

	31 December	
ASSETS	**2018 € million**	2017 € million
Cash and balances with central banks	**1,924**	1,524
Due from credit institutions	**2,307**	2,123
Securities held for trading	**43**	49
Derivative financial instruments	**1,871**	1,878
Loans and advances to customers	**36,232**	37,108
Investment securities	**7,772**	7,605
Investments in associates and joint ventures	**113**	156
Property, plant and equipment	**353**	390
Investment property	**316**	277
Intangible assets	**183**	152
Deferred tax assets	**4,916**	4,859
Other assets	**1,934**	1,724
Assets of disposal groups classified as held for sale	**20**	2,184
Total assets	**57,984**	60,029
LIABILITIES		
Due to central banks	**2,050**	9,994
Due to credit institutions	**6,376**	3,997
Derivative financial instruments	**1,893**	1,853
Due to customers	**39,083**	33,843
Debt securities in issue	**2,707**	549
Other liabilities	**844**	684
Liabilities of disposal groups classified as held for sale	**-**	1,959
Total liabilities	**52,953**	52,879
EQUITY		
Ordinary share capital	**655**	655
Share premium	**8,055**	8,055
Reserves and retained earnings	**(3,721)**	(2,556)
Preference shares	**-**	950
Preferred securities	**42**	43
Non controlling interests	**0**	3
Total equity	**5,031**	7,150
Total equity and liabilities	**57,984**	60,029

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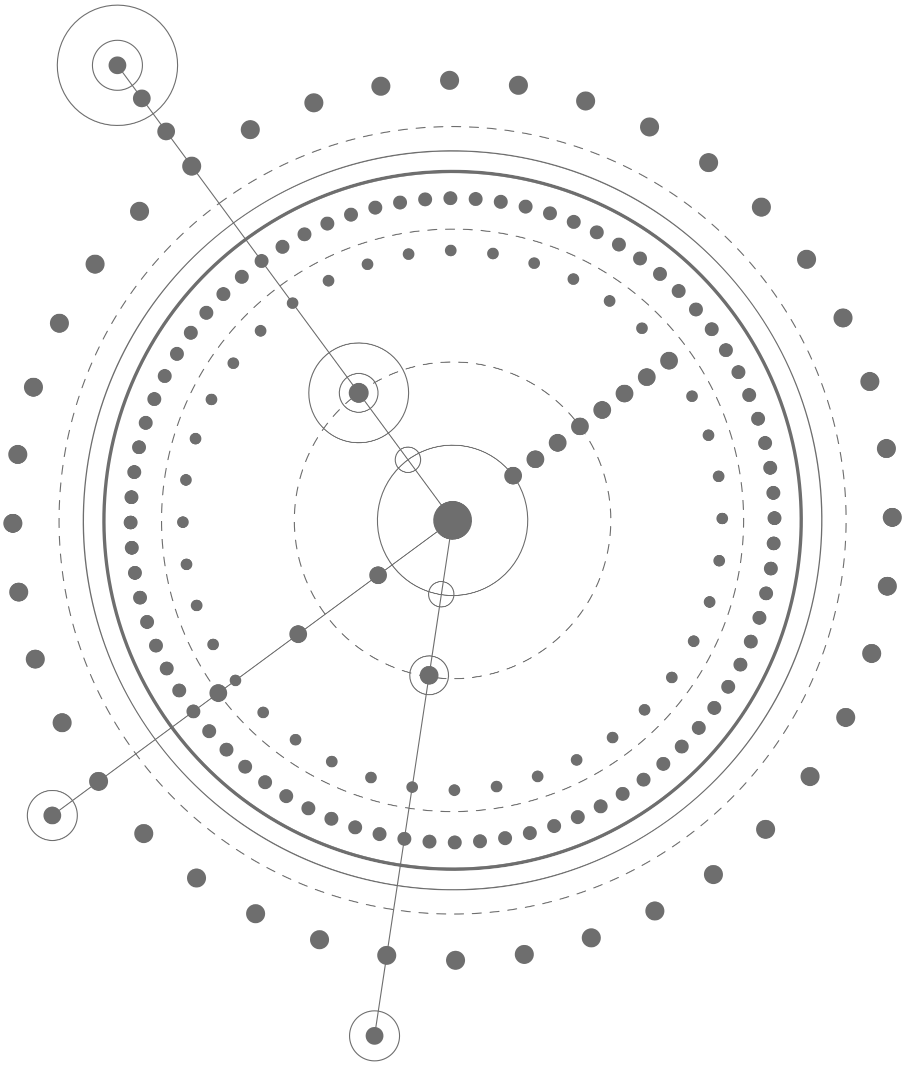
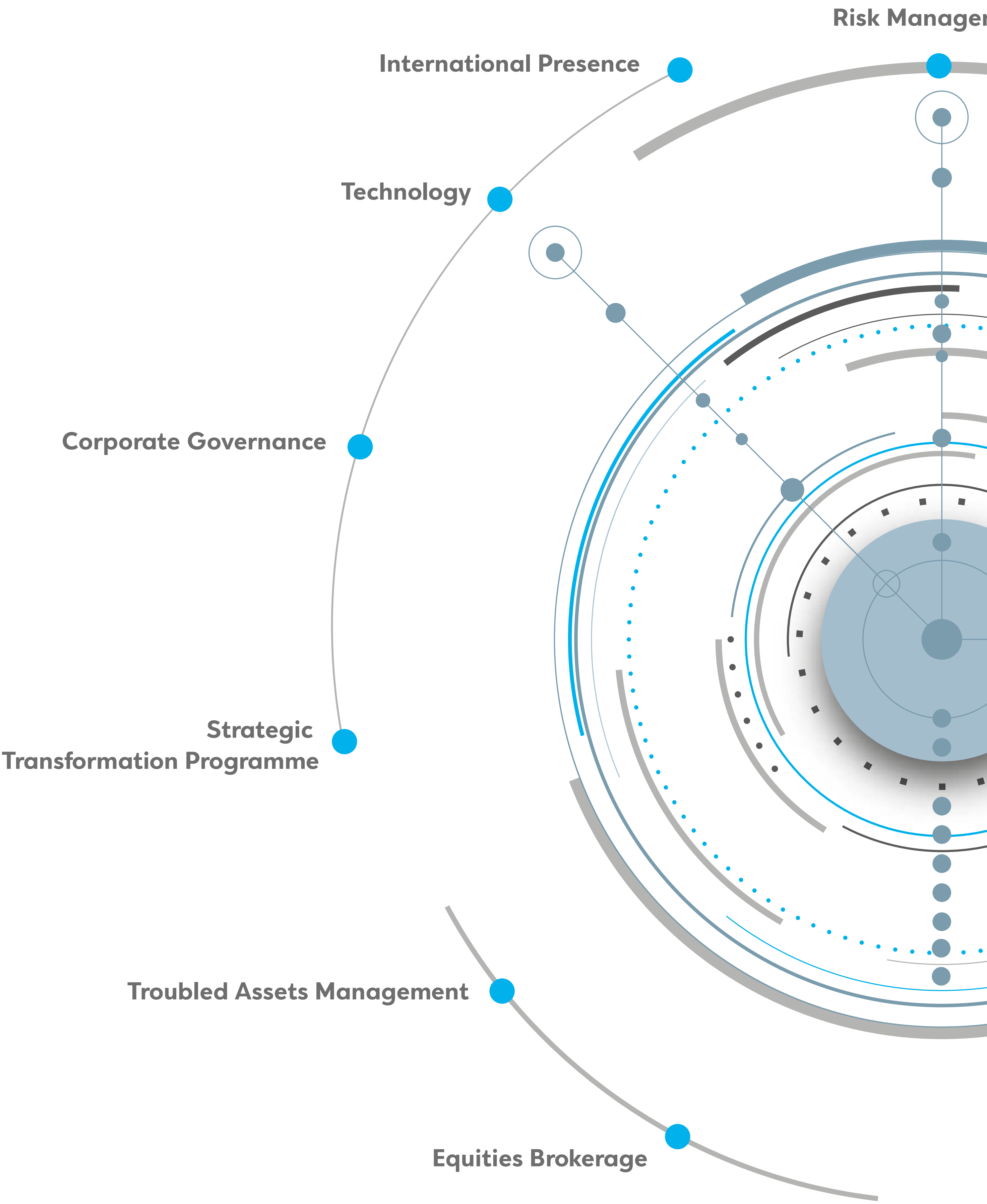
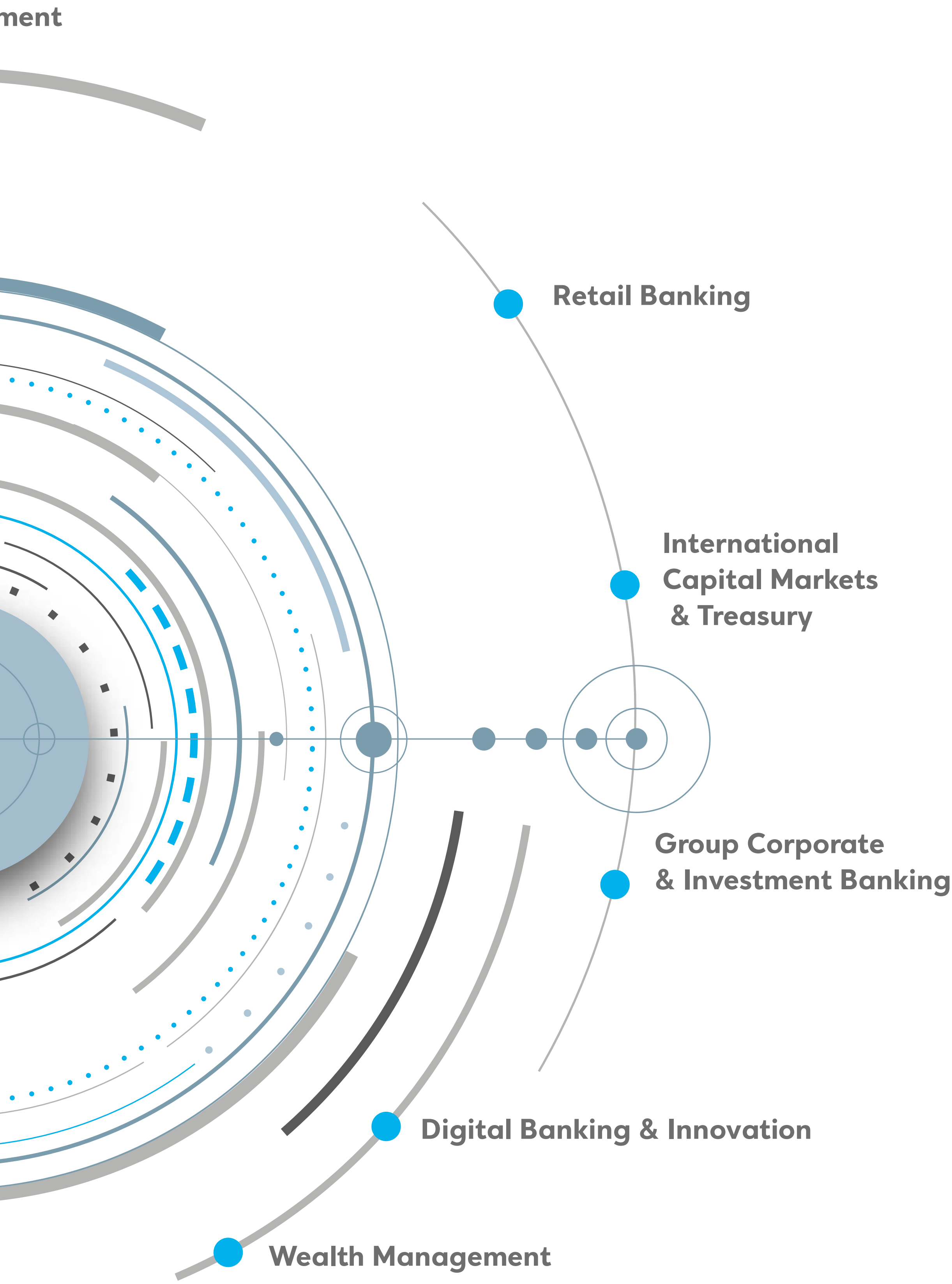



Risk Managem
International Presence
Technology
Corporate Governance
Strategic
Transformation Programme
Troubled Assets Management
Equities Brokerage



ment
Retail Banking
International Capital Markets & Treasury
Group Corporate & Investment Banking
Digital Banking & Innovation
Wealth Management

www.eurobank.gr/annualreport2018_en