REPORT OF THE BOARD OF DIRECTORS
OF “Eurobank Ergasias S.A.”

TO ITS SHAREHOLDERS

pursuant to article 69 par. 4 c.l. 2190/1920 and par. 4.1.3.13.3. of ATHEX Rulebook

on the merger by absorption of “«GRIVALIA PROPERTIES Real Estate Investment Company” by “Eurobank Ergasias S.A.”

Dear Shareholders,

The managing bodies of “Eurobank Ergasias S.A.” (hereinafter “Eurobank” or “the Bank” or “Acquiring Company”) and “GRIVALIA PROPERTIES Real Estate Investment Company” (hereinafter “Grivalia” or “Absorbed Company”) have resoluted for the commencement of the merger process for the two companies.

The above managing bodies have announced their intention to carry on with the merger on November 26th, 2018. They have reached their decision after evaluation, on the one hand, of their strategic goals and, on the other hand, the prospects of this merger, for the establishment of a highly capitalized bank, ready to support the needs of the market. In particular, the managing bodies have considered:
I. The need for creating a stronger and highly capitalized bank.

II. The need for de-risking the Bank’s balance sheet with an accelerated reduction of its Non Performing Exposures (NPE) portfolio.

III. The opportunity for expanding the real estate portfolio of the Bank with the inclusion of Grivalia’s assets and the enhancement of the portfolio via the application of best-in-class real estate management skills provided by the Grivalia team.

Specifically, on the Draft Merger Agreement, we note the following:

The merger of the two companies shall be conducted by absorption of Grivalia by the Bank, pursuant to the relevant provisions of the Greek Codified Law 2190/1920, of Greek Law 2515/1997 and Greek Law 2166/1993, as in force, by aggregation of assets and liabilities. Under the current legislation, the merger of the two companies shall be conducted on favorable terms. Particularly, l. 2515/1997 and l. 2166/1993 provide for tax exemptions, as well as tax incentives.

All actions and deeds carried out from December 31, 2018 are considered, financially, as conducted on behalf of Eurobank, while the financial results of Grivalia, emerging from the above date to the date of the completion of the merger, shall be considered as financial results of Eurobank, pursuant to the provisions of articles 69 par. 2ε, 74 and 75 of C.L. 2190/1920, in conjunction with articles 2 par. 6 of L. 2166/93 and 16 of L.2515/1997 and the above amounts shall be transferred from the financial accounts of the first to the financial accounts of the latter by consolidated entry, following the registration with the General Commercial Registry of the approval decision of the competent authority.

Following the completion of the merger, Grivalia shall be dissolved as legal entity, not following liquidation process, while the whole of its assets (assets and liabilities) shall be transferred to Eurobank, which shall be substituted to the total of Grivalia's rights and obligations, as successor of the latter, while the shareholders of Grivalia shall be shareholders of Eurobank.

The share capital of Eurobank shall equal, following the merger, to the sum of the share capital of the companies being merged, (sum added rounding the nominal value of the ordinary shares of Eurobank).
More specifically:

The share capital of Eurobank amounted on the date of the merger balance sheet, and to this date, to € 655,799,629.50, divided into 2,185,998,765 ordinary registered shares of nominal value euros 0.30 each.

The share capital of Grivalia amounted to € 215,683,800 and was divided into 101,260,000 common registered shares of nominal value € 2.13 each. However, pursuant to the resolution of the extraordinary General Meeting dated 17.12.2018, the following was decided:

i. the cancellation of four million eight hundred and fifty seven thousand two hundred and seventy three (4,857,273) own shares through a reduction of the share capital by ten million three hundred and forty five thousand nine hundred and ninety one euro and forty nine cents (€ 10,345,991.49) and a reduction of the share premium by twenty two million two hundred seventy five thousand three hundred twenty six and eighty six cents (€22,275,326.86); and

ii. a reduction of the share capital by forty million four hundred eighty nine thousand one hundred and forty five euros and thirty four cents (€ 40,489,145.34) through a reduction of the nominal value of each share by € 0.42, i.e. from €2.13 to €1.71 and the distribution of this amount to the shareholders.

The relevant amendment of article 5 of the Articles of Association of the Absorbed Company was approved by the Decision under no 6339 / 18-01-2019 of the Ministry of Economy and Development (ΑΔΑ: 6Σ59465Χ18-5Κ8) and was registered with General Commercial Registry on 18.1.2019.

Considering the above, the share capital of Grivalia as it shall be added to the share capital of Eurobank currently amounts to one hundred and sixty four million eight hundred and forty eight thousand six hundred and sixty three and seventeen cents (€ 164,848,663.17) and is divided into ninety six million four hundred two seven hundred twenty seven (96,402,727) common registered shares of nominal value of one euro and seventy-one cents (€ 1.71) each.

Pursuant to Article 16 of Greek Law 2515/1997 and Article 2 paragraph 2 of Greek Law 2166/1993, the share capital of Grivalia is transferred to Eurobank, which increases its share capital by an amount equal to the share capital of Grivalia.

As a result, the sum of the share capital of Eurobank and Grivalia amounts to €820,648,292.67 (655,799,629.50 plus 164,848,663.17 = 820,648,292.67).

Furthermore, for the purpose of rounding the nominal value of the common shares of Eurobank, the amount of thirty two million four hundred fifty eight thousand nine hundred thirty three euros and twenty nine cents (€ 32,458,933.29) is capitalized, derived from taxed (in accordance with article 26 of Greek Law 3634/2008) profits, which are recorded in the books of Eurobank in “special taxed reserve accounts” and in particular, an amount of taxed reserves is capitalized (a) by capitalization of the total reserve of twenty four million four hundred and ninety four thousand seven hundred euros and thirty one cents (€24,494,700.31), from “taxed reserves from securities, in accordance with article 26 of Greek Law 3634/2008” and (b) by a part of an aggregate reserve of twenty million seventy two thousand two hundred five euros and two cents (€ 20,072,205.02), from the “taxed reserves from profits, in accordance with article 26 of Greek Law 3634/2008” and in particular a reserve of seven million nine hundred and sixty four thousand two hundred thirty two euros and ninety eight cents (€ 7,964,232.98). In total, an amount of thirty-two million four hundred and fifty-eight thousand nine hundred and thirty-three euros and twenty nine cents (€ 32,458,933.29) is capitalized and, given the above aggregation of the share capital of the merging companies, the final nominal value of Eurobank’s ordinary shares shall change from € 0.30 to € 0.23.

In light of the abovementioned, the new share capital of Eurobank will be eight hundred fifty-three million one hundred and seven thousand two hundred twenty-five and ninety-six cents (€853,107,225.96) divided into three billion seven hundred nine million one hundred sixty-one thousand eight hundred fifty-two (3,709,161,852) ordinary shares of nominal value of € 0.23 each.

So that the abovementioned configuration of the post-merger share capital is ensured, Grivalia undertakes the obligation not to acquire treasury shares until the completion of the merger.

Regarding Grivalia, no shareholders with special rights or owners of other titles other than shares exist.

No special advantages are attributed to the members of the Boards of Directors or to the statutory auditors of any of the merging companies.

Regarding the method determining the share exchange ratio, we observe the following:

Based on internationally accepted valuation methods, the value ratio between Eurobank and Grivalia was 1.435170523535670:1.

After the completion of the merger and the (total) increase of Eurobank’s share capital, the new ratio of the Merging Companies’ shareholders’ participation to the new share capital of Eurobank resulting from the merger will amount to 58.93511397517740% (Eurobank’s shareholders) and 41.06488602482260% (Grivalia’s shareholders). Consequently, on the new share capital, of €853,107,225.96 of Eurobank, divided into 3,709,161,852 new common registered voting shares of a new nominal value of Euro 0.23 each, of which 2.185.998.765 shares shall be allocated to the shareholders of Eurobank and 1,523,163,087 to the shareholders of Grivalia.

Pursuant to the above, the exchange ratio of 15.80000000414930 new ordinary registered shares of Eurobank for each one (1) ordinary registered share of Grivalia is proposed as a fair and reasonable exchange ratio for the shares of Grivalia, while Eurobank's shareholders will retain the number of ordinary shares they currently hold.

For the determination of the relative values and the share exchange ratio of the merging companies, Eurobank engaged Deloitte Business Solutions S.A («Deloitte») as required by law and in addition Deutsche Bank AG, London Branch and Perella Weinberg Partners UK LLP («PWP») (PWP and Deloitte together «Independent Experts») and Grivalia engaged Ernst & Young (Hellas) Certified Auditors Accountants S.A. as required by law and in addition Bank of America Merrill Lynch and Axia Ventures Group Limited to render their opinion as to whether the proposed share exchange ratio is fair and reasonable.

More specifically, the Independent Experts evaluated the merging companies on a stand-alone basis using, without any difficulties, the methodologies summarized below, being those which were considered appropriate:

- Discounted cash flow/Dividend Discount Model: Enterprise valuations were derived by discounting the forecasted cash flows of each company at the appropriate discount rate. For Eurobank projected dividends and cash flows to equity have been discounted using an estimated cost of equity. For Grivalia, the projected enterprise free cash flows have been discounted using an estimated weighted average cost of capital to calculate a range of implied enterprise values, which have then been adjusted for the latest reported net financial debt and other relevant items.

- Trading multiples of selected comparable companies: The trading multiples of a selected set of comparable companies for Eurobank and Grivalia respectively have been applied to the forecasts of the two entities. The trading multiples considered: (a) for Eurobank, include Price to Earnings (P/E), Price to Book Value (P/BV) and Price to Tangible Book Value (P/TBV) ratios; and (b) for Grivalia, Funds from Operations ("FFO") yield and Price to Net Asset Value ratios.

- Historical trading prices and volumes: historical trading performance of the shares of Eurobank and Grivalia, based on the daily volume weighted average price, over a period prior to 23 November 2018 (the last trading day prior to the announcement of the transaction).

Based on the above methodologies and appropriate weighting, PWP and Deloitte determined the following implied share exchange ratio from the relative valuations of Eurobank and Grivalia:

Share exchange ratio Eurobank : Grivalia	**Min**	**Max**
PWP	9.7 : 1.00	18.5 : 1.00
Deloitte	12.42 : 1.00	16.78 : 1.00

According to the opinions of the independent experts PWP and Deloitte, the proposed exchange ratio falls within the implied share exchange ratio from the valuation of the merging entities and hence it is fair and reasonable.

In addition, Deutsche Bank, London Branch acting as Eurobank's advisor on the merger, has also confirmed in its opinion dated 8.2.2019, that the proposed exchange ratio is fair, from a financial point of view.

After the completion of the merger in accordance with the law, existing Eurobank shareholders shall continue to hold the same number of Eurobank shares as before the merger, with a new, however, nominal value, of €0.23 each.

Any resulting fractional balances shall be settled by virtue of a resolution of the Acquiring Company's General Meeting, which shall decide on the merger. It is clarified that any fractional balances do not provide right to receive a fraction of share.

The shares exchange ratio is considered fair and reasonable based on the resulting value by the aforementioned evaluations of each of the participating companies.

IN CONCLUSION

Eurobank shall take all necessary actions for the electronic registration of the dematerialized securities (in accordance with the provisions of the legislation in force) for all new shares to be «exchanged» with old Shares. The beneficiary shareholders shall be notified in accordance with the law.

Athens, 22 February 2019

FOR THE BOARD OF DIRECTORS OF EUROBANK

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