

First Quarter 2016 Financial Results¹

- **First profitable quarter since 3Q2011 – Net profit at €60m**
- **Net profit from international operations at €27m**
- **Net interest income up 2% q-o-q to €383m**
- **Fee and commission income up 10.0% q-o-q to €68m**
- **Operating expenses down 1.4%² y-o-y**
- **Core pre-provision income up 14.3%³ q-o-q at €198m**
- **Significant deceleration in 90dpd formation, down 82% q-o-q to €42m**
- **Cost of risk declines to 1.76%**
- **Deposits flat in Greece and up at a Group level q-o-q. Current Eurosystem funding decreases further to €22.8bn**
- **Common Equity Tier 1 Ratio at 16.5%**

“The agreement with the European partners for the completion of the First Program Review and the start of the discussion for a viable re-profiling of sovereign debt lays the foundation for reduced uncertainty, improved confidence and restored stability in the Greek economy. Free from the burden of the macroeconomic outlook, the Greek banking system can now focus on its primary role, to restore financing of the real economy without delay; to support healthy and internationally competitive enterprises; to help job creation and to contribute to the transition towards a viable, extrovert and investment-based growth model. The ability of banks to contribute to a sustainable virtuous cycle depends on their dealing with the major challenges, such as the efficient management of NPLs, the return of deposits and the gradual access to capital markets, along with renewed credibility both at home and internationally.

In order to achieve these goals, it is critical to make moves that strengthen market confidence in the country's prospects, to lift all capital controls and to reliably implement reforms that promote economic growth and investment and attract significant and much-needed foreign funds and investments. The expected positive decisions of the ECB, the acceptance of Greek bonds as collateral and the potential participation of Greece in the QE Program, can significantly improve the liquidity and profitability of banking institutions and therefore their ability to support economic recovery and the end of the protracted recession.

In this context, Eurobank is in a prime position to capitalize on the virtuous cycle opportunities on the basis of its strategic plan, its strong international shareholder base, robust balance sheet and the trust of its clients. Holding transparency and up-to-date corporate governance as a top priority, Eurobank can create value for its shareholders, benefit its customers, help the communities and contribute to the economy.”

Nikolaos Karamouzis, Chairman of BoD

“First quarter results confirm that Eurobank is on track to achieve its main objective for 2016 – a return to profitability. The bank had a profitable quarter for the first time after five years of unprecedented crisis for the Greek banking system. Year-round profitability will reflect the significantly improved image of Eurobank in the eyes of regulators and the general public, facilitating the return of deposits and helping the effort to regain access to capital markets.

Pre-provision income improved and was in line with the target set for 2016, while lower loan loss provisions come on the foot of the substantial deceleration in the formation of new NPLs in Q1 2016. The anticipated completion of the First Program Review is expected to pave the way for the gradual return of deposits in Greece, while, in another positive sign, their cost remains in a downward trend, despite the challenges encountered during this

¹ Insurance business is accounted as held for sale in 4Q2015.

² On a comparable basis: 1Q2015 expenses include ¼ of €30m contribution to the new Single Resolution Fund (BRRD) booked in 4Q2015 and €6.5m due to the reclassification of part of NPL expenses from loan loss provisions to operating expenses.

³ On a comparable basis: 4Q2015 expenses include ¼ of €30m contribution to the new Single Resolution Fund (BRRD) booked in 4Q2015, €7.7m due to the reclassification of part of NPL expenses from loan loss provisions to operating expenses and exclude €12m one-off contribution to the resolution of a cooperative bank.

period. The management of non-performing loans aiming at value recovery remains in the current juncture our strategic priority and the greatest challenge.

In this context, the agreement with a leading international investment fund, KKR, with the participation of EBRD, to manage part of the troubled loan portfolio and restructure viable businesses with capital injection is a trend-setting milestone. The management platform is open to the participation of all Greek banks and opens the way for new strategies for troubled corporate loans, which can greatly contribute both to the improvement of banks' portfolios (and hence their ability to finance solid firms), and the reconstruction of companies and sectors to become viable and competitive in international markets.

The performance of our international activities is particularly promising. They are back on a track of sustainable profitability and we expect this trend to continue, as economies in the region are recovering at a relatively strong pace. Finally, our strategy to further strengthen the balance sheets of our subsidiaries abroad includes the sale, at attractive terms, of portfolios of non-performing loans in Bulgaria and Romania.”

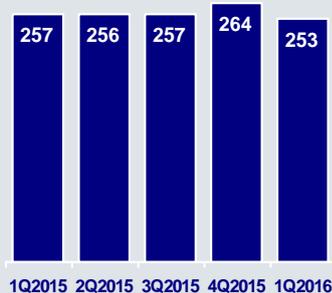
Fokion Karavias, CEO

First Quarter 2016 Results Analysis

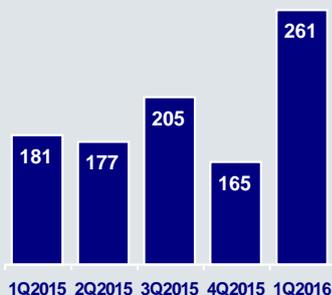
Core Income
(€m)



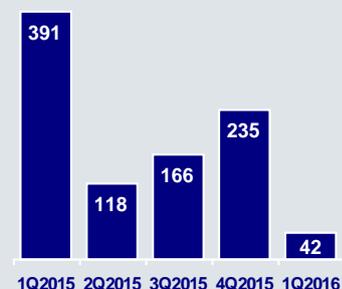
Operating Expenses
(Like-for-like, €m)



Pre-provision income
(Like-for-like, €m)



90dpd formation
(€m)



Eurobank turned profitable in the first quarter 2016 (1Q2016), for the first time since 3Q2011. Net profit reached €60m, against losses of €175m in 4Q2015, due to the substantial improvement in the Bank's operating performance.

In more detail, **net interest income** grew by 2.0% q-o-q to €383m in 1Q2016, mainly driven by lower eurosystem funding cost. In addition, net interest margin expanded further to 2.15% in 1Q2016, from 2.09% in 4Q2015.

Net fee and commission income increased by 10.0% q-o-q to €68m in 1Q2016, due to higher income from capital markets' related activities and lower expenses from pillar II bonds utilization.

As a result, **core income** grew to €451m in 1Q2016, from €437m in 4Q2015, while other operating income amounted to €64m, compared to €8m losses in 4Q2015. Thus, **total operating income** stood at €514m, registering an increase of 19.7% q-o-q.

Operating expenses decreased by 1.4%⁴ y-o-y and amounted to €253m in 1Q2016. **The efficiency ratio (cost / income)** substantially improved and was down to 49.2% in 1Q2016, from 58.7%⁴ a year ago.

Core pre-provision income grew by 14.3%⁵ q-o-q to €198m in 1Q2016, from €173m⁵ in 4Q2015. **Pre-provision income** rose by 57.9%⁵ q-o-q to €261m, against €165m⁵ in 4Q2015.

90 days past due (90dpd) formation decelerated substantially during 1Q2016. Specifically, **90dpd formation** declined by 82% q-o-q, from €235m to €42m in 1Q2016, as a result of the Bank's initiatives to efficiently tackle with NPLs. **Total 90dpd loans** also receded to 35.8% of the portfolio in 1Q2016, from 35.2% at the end of 2015. **Coverage of 90dpd loans** remained at a high 64.3%.

In the context of efficient NPLs management, an agreement with KKR and EBRD was signed today, which will offer to corporates strategic and technical expertise as well as new funding. This agreement is aligned with Eurobank's strategy towards assisting Greek corporates facing financial difficulties to recover.

⁴ On a comparable basis: 1Q2015 expenses include ¼ of €30m contribution to the new Single Resolution Fund (BRRD) booked in 4Q2015 and €6.5m due to the reclassification of part of NPL expenses from loan loss provisions to operating expenses.

⁵ On a comparable basis: 4Q2015 expenses include ¼ of €30m contribution to the new Single Resolution Fund (BRRD) booked in 4Q2015, €7.7m due to the reclassification of part of NPL expenses from loan loss provisions to operating expenses and exclude €12m one-off contribution to the resolution of a cooperative bank.

Loan loss provisions totaled €175m in 1Q2016, versus €263m⁶ in 4Q2015 and accounted for 1.76% of net loans.

International operations recorded a robust performance for one more quarter, as net profit stood at €27m, from €14m in 4Q2015, with operations in all countries being profitable.

Eurosystem Funding Exposure (€bn)



Capital adequacy remained at high levels, as the **Equity Tier I capital (CET1)** accounted for 16.5% of risk weighted assets at the end of March 2016.

Current Eurosystem funding registered a notable decrease to €22.8bn, from €25.3bn at the end of December 2015, due to increased repo transactions. **Customer deposits** were flat in Greece q-o-q and grew by €382m in international operations, also due to the acquisition of Alpha Bank Bulgaria. Group deposits stood at €31.8bn at the end of March 2016.

Gross loans reached €51.3bn. Loans to businesses and households amounted to €26.6bn and €24.7bn respectively at the end of 1Q2016. The loans to deposits ratio improved to 125.1%, from 126.9% at the end of 2015.

⁶ On a comparable basis: 4Q2015 loan loss provisions have been reduced by €7.7m to reflect the reclassification of part of NPL expenses from loan loss provisions to operating expenses.

Eurobank Financial Figures

Key Financial Results⁷	1Q2016	4Q2015	Change
Net Interest Income	€383m	€375m	2.0%
Net Fee & Commission Income	€68m	€62m	10.0%
Total Operating Income	€514m	€430m ⁸	19.7%
Total Operating Expenses	€253m	€264m ⁸	(4.2)%
Pre-Provision Income	€261m	€165m ⁹	57.9%
Loan Loss Provisions	€175m	€263m	(33.4)%
Net Income before non-recurring items	€59m	-€98m	
Net Result after non-recurring items	€60m	-€175m	

Balance Sheet Highlights	1Q2016	4Q2015
Consumer Loans	€6,486m	€6,565m
Mortgages	€18,172m	€18,249m
Small Business Loans	€7,217m	€7,246m
Large Corporates & SMEs	€19,407m	€19,584m
Total Gross Loans	€51,323m	€51,683m
Total Customer Deposits	€31,828m	€31,446m
Total Assets	€72,938m	€73,553m

Financial Ratios	1Q2016	4Q2015
Net Interest Margin	2.15%	2.09%
Cost to Income	49.2%	61.5% ⁸
90 Days Past Due Loans (90dpd)	34.8%	35.2%
90dpd Coverage	64.3%	64.8%
Provisions to average Net Loans	1.76%	2.64% ⁹
Common Equity Tier 1 (CET1)	16.5%	17.0%

⁷ Eurobank operations in Ukraine and Insurance operations are classified as held for sale.

⁸ On a comparable basis: 4Q2015 expenses include ¼ of €30m contribution to the new Single Resolution Fund (BRRD) booked in 4Q2015, €7.7m due to the reclassification of part of NPL expenses from loan loss provisions to operating expenses and exclude €12m one-off contribution to the resolution of a cooperative bank.

⁹ On a comparable basis: 4Q2015 loan loss provisions have been reduced by €7.7m to reflect the reclassification of part of NPL expenses from loan loss provisions to operating expenses.

CONSOLIDATED BALANCE SHEET

	In € million	
	31 Mar 2016	31 Dec 2015
ASSETS		
Cash and balances with central banks	1,564	1,798
Due from credit institutions	2,846	2,808
Financial instruments at fair value through profit or loss	89	100
Derivative financial instruments	2,073	1,884
Loans and advances to customers	39,819	39,893
Investment securities	15,894	16,291
Property, plant and equipment	660	666
Investment property	939	925
Intangible assets	127	127
Deferred tax assets	4,859	4,859
Other assets	2,042	2,151
Assets of disposal groups classified as held for sale	2,026	2,051
Total assets	72,938	73,553
LIABILITIES		
Due to central banks	22,922	25,267
Due to credit institutions	5,830	4,516
Derivative financial instruments	2,614	2,359
Due to customers	31,828	31,446
Debt securities in issue	98	150
Other liabilities	722	742
Liabilities of disposal groups classified as held for sale	1,815	1,941
Total liabilities	65,829	66,421
EQUITY		
Ordinary share capital	656	656
Share premium, reserves and retained earnings	4,810	4,814
Preference shares	950	950
Total equity attributable to shareholders of the Bank	6,416	6,420
Preferred securities	43	43
Non controlling interests	650	669
Total equity	7,109	7,132
Total equity and liabilities	72,938	73,553

CONSOLIDATED INCOME STATEMENT

	In € million	
	1 Jan - 31 Mar 2016	1 Jan - 31 Mar 2015
Net interest income	383	362
Net banking fee and commission income	54	55
Income from non banking services	14	13
Net trading income	(4)	(9)
Gains less losses from investment securities	4	9
Net other operating income	63	8
Operating income	514	438
Operating expenses	(253)	(243)
Profit from operations before impairments and restructuring costs	261	195
Impairment losses on loans and advances	(175)	(302)
Other impairment losses	(2)	(23)
Restructuring costs	(9)	(2)
Profit/(loss) before tax	75	(132)
Income tax	(17)	36
Net profit/(loss) from continuing operations	58	(96)
Net profit/(loss) from discontinued operations	9	8
Net profit/(loss)	67	(88)
Net profit/(loss) attributable to non controlling interests	7	6
Net profit/(loss) attributable to shareholders	60	(94)

Note:

The Consolidated Interim Financial Statements for the three months ended 31 March 2016 will be published by 19 May 2016.