

2022-2024 Business Plan Update & 2021 Financial Results

- Business Plan 2022-2024
 - ✓ Core pre-provision income at €1.1bn and cost of risk at 50bps in 2024
 - ✓ 13% average EPS¹ growth p.a.
 - ✓ Sustainable ROTBV¹ at 10% p.a.
 - ✓ Over 100bps capital generation p.a. out of profitability
 - ✓ Fully-loaded Basel III CET1 ratio up by c.200bps versus 2021 to 14.6% in 2024
 - ✓ Initiate dividend distribution out of 2022 profits with payout ratio c.20%²

- 2021 Financial Results - Operating performance above guidance³
 - ✓ Core pre-provision income at €900m
 - ✓ 1st bank in Greece with a single-digit NPE ratio at 6.8%
 - ✓ Cost of risk at 111bps
 - ✓ Core operating profit at €482m, up 64.9% y-o-y
 - ✓ Net profit⁴ at €424m – SEE operations net profit⁴ €148m
 - ✓ EPS⁴ at €0.11
 - ✓ ROTBV⁴ at 8.2%
 - ✓ Provisions over NPEs at 69.2%, up 7.4 ppts y-o-y
 - ✓ Total CAD up 50bps y-o-y to 16.8%⁵
 - ✓ New loan disbursements in Greece €7.8bn in 2021
 - ✓ Customer Deposits up by €5.9bn in 2021

¹ Adjusted net profit.

² Subject to Regulatory approval.

³ As presented in FY2020 results announcement in March 2021.

⁴ Adjusted net profit.

⁵ Pro-forma for strategic partnership for merchant acquiring business (Triangle). Including period profits, subject to AGM approval.



“2021 marked a turning point for Eurobank. As we successfully completed our NPE clean-up plan, we became the first systemic bank to report a single-digit NPE ratio at 6.8%, a milestone for the Greek banking system after more than 10 years under the burden of the crisis and its legacy. At the same time, we continued to perform well across the board. Increased volumes, including new loan disbursements of 7.8bn euro and deposits of 5.9bn euro against 2020, led our core pre-provision income higher by 4% in 2021. On the back of strong profitability and the execution of capital-accretive transactions, our capital base was further enhanced to 16.8%.

The global economy and international trade enter uncharted waters after the Russian invasion of Ukraine, with far-reaching and long-term consequences. As the events are still unfolding, any assessment of their impact is premature. However, for Greece, this is the third wave of adverse juncture, after the long economic crisis and the pandemic. It is too early to assess how deeply the downward drag will affect the economy after a year of impressive recovery and ready to embark on a cycle of strong and sustained growth. However, the fundamentals for the positive scenario are still in place: a pro-business environment, investment appetite, a solid roadmap in the Greece 2.0 government plan and ample sources of funding that include the NextGenEU and the other EU funds. Headwinds coming from the geopolitical upheaval are likely to be mitigated with coordinated measures at the European level, as per the pandemic precedent.

As Greece exits a decade of deleveraging, the economic recovery will be investment-driven and banks have a crucial role to play. We believe we are in pole position to capitalize this growth cycle, and our profitability will be based on loan growth, our leading position in fee businesses, cost containment, with a shift from ‘run the bank’ to ‘grow the bank’ and investments both in people and systems to leverage data and digital tools. And, at the same time, we plan to make good on our promise to support an inclusive, sustainable growth model that can bring long-term prosperity to the countries and communities we are committed to serve.”

Fokion Karavias, CEO

FY2021 Financial Results Review

2021 operating performance exceeded initial expectations in terms of profitability, asset quality and capital strength. **Core pre-provision income** amounted to €900m and the **adjusted profit after tax** reached €424m in 2021, with the return on tangible book value⁶ standing at 8.2%. The NPE ratio declined from 14.0% in 2020 to 6.8% in 2021, setting Eurobank the first Greek bank with a single-digit NPE ratio. In addition, the capital ratios strengthened more than anticipated, as a result of higher profitability and stronger impact from “Mexico” securitization, “Wave” and “Triangle” transactions. Thus, the total capital adequacy ratio rose to 16.8%⁷ and CET1, on a fully-loaded Basel III basis, increased to 13.6%⁷ in 2021.

- **Net interest income** fell by 2.1% in 2021 to €1,321m, mainly as a result of NPE loans de-consolidation. **The net interest margin** receded to 1.84% in 2021, from 2.03% in 2020.
- **Net fee and commission income** expanded by 18.7% y-o-y to €456m, mainly due to fees from network activities, lending business and wealth management. Fee and commission income accounted for 64 basis points of total assets in 2021, compared to 58 basis points in 2020.
- The increase in fee and commission income more than offset net interest income reduction, thus **core income** grew by 2.5% to €1,776m in 2021. **Other income** fell to €128m in 2021, from €439m in 2020, mainly due to lower bond gains. As a result, **total operating income** decreased by 12.3% y-o-y to €1,904m in 2021.
- **Operating expenses** were up by 0.8% y-o-y to €876m, with the **cost to income ratio** remaining steadily below the 50% threshold at 46.0%.
- **Core pre-provision income** was up by 4.1% y-o-y to €900m.
- **Pre-provision income** declined by 21.1% in 2021 to €1,028m, due to lower other income.
- **Loan loss provisions** reached €418m in 2021 and corresponded to 111 basis points of the average net loans, as the NPE formation was substantially lower than anticipated.
- As a result of the above, **core operating profit** increased by 64.9% over 2020 to €482m.
- **Adjusted profit before tax** amounted to €585m and **adjusted net profit** totaled €424m in 2021.
- **SEE operations** were profitable, as the **adjusted net profit** reached €148m in 2021. **Core pre-provision income** increased by 7.5% y-o-y and amounted to €259m, with **core operating profit** rising by 28.0% y-o-y to €186m.
- The **NPE ratio** fell by 7.2 percentage points y-o-y to 6.8% at the end of 2021, setting Eurobank the first bank in Greece with a single-digit ratio. The **stock of NPEs** decreased by €2.9bn in 2021 to €2.8bn. **Provisions over NPEs** increased by 7.4 percentage points y-o-y to 69.2%.

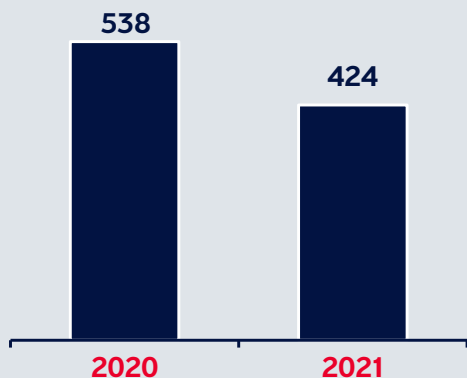
⁶ Adjusted net profit.

⁷ Pro-forma for strategic partnership for merchant acquiring business (Triangle). Including period profits, subject to AGM approval.

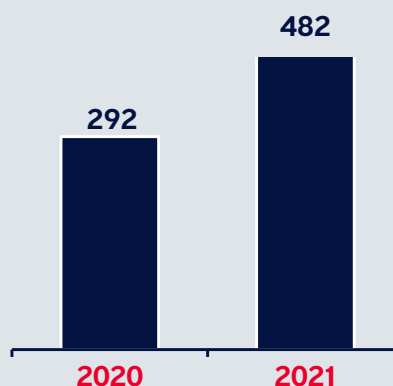
- **CET1** rose by 60bps y-o-y to 14.5%⁸ and **Total CAD** was up by 50bps y-o-y to 16.8%⁸ in 2021. These ratios are substantially higher than the respective 2022 total SREP capital requirements of 6.2% and 11.0%. The fully-loaded Basel III CET1 ratio strengthened by 160bps y-o-y to 13.6%⁸, driven by higher profitability and stronger impact from “Mexico” securitization, “Triangle” and “Wave” transactions. The binding agreement with Worldline B.V. for the sale of 80% of Eurobank’s merchant acquiring business (project “Triangle”) contributes 80 basis points to capital and the synthetic securitization of €1.7bn performing loans (project “Wave”) adds 40 basis points. The substantial reduction of NPEs in 2021 combined with the strengthening of regulatory capital led the **Texas ratio** to improve from 63% in 2020 to 36% in 2021.
- **Risk weighted assets** amounted to €39.9bn in 2021.
- **New loan disbursements in Greece** reached €7.8bn in 2021. **Group performing loans** grew organically by €1.5bn y-o-y. **Total gross loans** amounted to €40.8bn at the end of 2021, including senior notes of €5.1bn. Corporate loans stood at €22.4bn, mortgages at €10.1bn and consumer loans at €3.2bn.
- **Customer deposits** rose by €5.9bn in 2021. Savings and sight deposits amounted to €40.6bn, while time and other deposits stood at €12.6bn. The **loans to deposits ratio** further improved to 73.2%, from 79.1% in 2020. The **liquidity coverage ratio** also improved to 152.4% in 2021, from 123.7% in 2020.

⁸ Pro-forma for strategic partnership for merchant acquiring business (Triangle). Including period profits, subject to AGM approval.

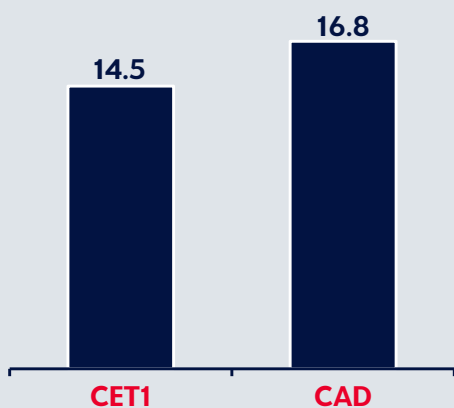
Adjusted Net Profit
(€m)



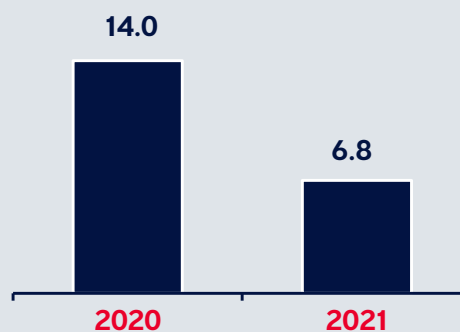
Core Operating Profit
(€m)



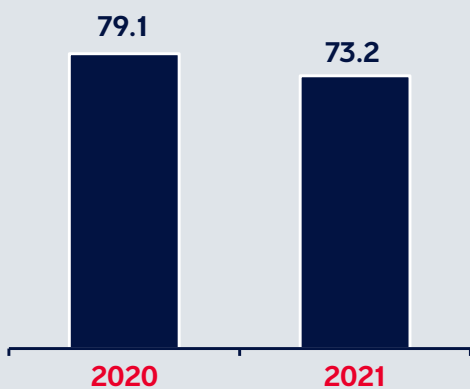
Capital Adequacy Ratios⁸
(%)



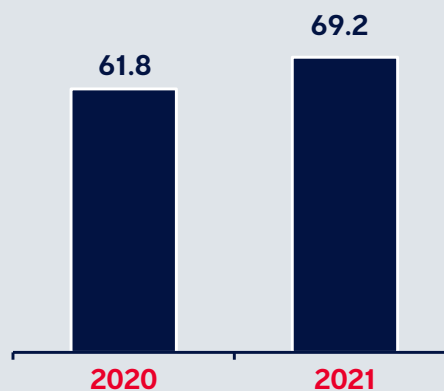
NPEs Ratio
(%)



Loans / Deposits
(%)



Provisions / NPEs
(%)



P&L	2021	2020	Change
Net Interest Income	€1,321m	€1,349m	-2.1%
Net Fee & Commission Income	€456m	€384m	18.7%
Total Operating Income	€1,904m	€2,172m	-12.3%
Total Operating Expenses	€876m	€869m	0.8%
Core Pre-Provision Income	€900m	€865m	4.1%
Pre-Provision Income	€1,028m	€1,303m	-21.1%
Loan Loss Provisions	€418m	€572m	-26.9%
Core Operating Profit	€482m	€292m	64.9%
Adjusted Net Profit	€424m	€538m	-21.2%
Net Income after tax	€328m	-€1,215m	

Balance Sheet	2021	2020
Consumer Loans	€3,241m	€3,406m
Mortgages	€10,097m	€11,641m
Small Business Loans	€3,752m	€4,476m
Large Corporates & SMEs	€18,604m	€17,832m
Senior Notes	€5,116m	€3,505m
Total Gross Loans	€40,839m	€40,901m
Total Customer Deposits	€53,168m	€47,290m
Total Assets	€77,852m	€67,721m

Financial Ratios	2021	2020
Net Interest Margin	1.84%	2.03%
Cost to Income	46.0%	40.0%
NPEs Ratio	6.8%	14.0%
Provisions / NPEs	69.2%	61.8%
Provisions to average Net Loans (Cost of Risk)	1.11%	1.52%
Return on Tangible Book Value ⁶	8.2%	9.7%
Common Equity Tier 1 (CET1)	14.5% ⁸	13.9%
Total Capital Adequacy (CAD)	16.8% ⁸	16.3%

2022-2024 Business Plan

Having delivered on all targets set for 2021 and without underestimating the risks from the current geopolitical crisis, Eurobank is in a pole position to gain the most out of the macroeconomic recovery in the countries of presence. Its unique business model among Greek banks, which includes presence in Greece, in selective SEE countries and operations in Investment Property together with the best-in-class asset quality metrics in the Greek market, offer a strong competitive advantage. The strategy for 2022-2024 is summarized as follows:

- Finance the new growth cycle.
- Maintain the leading position in fee-generating businesses.
- Leverage digital and data.
- Generate sustainable returns and reinstate dividends.
- ESG: Support the green transition and financial inclusion.

More in detail, the financial goals are:

- Average EPS⁹ growth of c.13% p.a.
- Sustainable RoTBV⁹ of 10% p.a.
- Over 100bps capital generation p.a. out of profitability to finance assets growth, distribute dividends and enhance the capital ratio.
- Initiate dividend distribution out of 2022 profits with c.20% payout ratio subject to regulatory approval.
- NPE ratio to decrease from 6.8% in 2021 to 4.8% in 2024.

⁹ Adjusted net profit.

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

- **Adjusted net profit:** Net profit/loss from continuing operations after deducting restructuring costs, goodwill impairment, gains/losses related to the transformation plan and income tax adjustments.
- **Basic Earnings per share (EPS):** Net profit attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue during the period, excluding the average number of ordinary shares purchased by the Group and held as treasury shares.
- **Common Equity Tier 1 (CET1):** Common Equity Tier I regulatory capital as defined by Regulation (EU) No 575/2013 as in force, based on the transitional rules for the reported period, divided by total Risk Weighted Assets (RWA).
- **Core Operating Profit:** Core pre-provision income minus loan loss provisions.
- **Core Pre-provision Income (Core PPI):** The total of net interest income, net banking fee and commission income and income from non banking services minus the operating expenses of the reported period.
- **Cost to Income ratio:** Total operating expenses divided by total operating income.
- **Fees and commissions:** The total of net banking fee and commission income and income from non banking services of the reported period.
- **Fully loaded Common Equity Tier I (CET1):** Common Equity Tier I regulatory capital as defined by Regulation No 575/2013 as in force, without the application of the relevant transitional rules, divided by total RWA.
- **Income from trading and other activities:** The total of net trading income, gains less losses from investment securities and other income/ (expenses) of the reported period.
- **Loans to Deposits ratio:** Loans and advances to customers at amortised cost divided by due to customers at the end of the reported period.
- **Liquidity Coverage Ratio (LCR):** The total amount of high quality liquid assets over the net liquidity outflows for a 30-day stress period.
- **Net Interest Margin (NIM):** The net interest income of the reported period, annualised and divided by the average balance of continued operations' total assets (the arithmetic average of total assets, excluding discontinued operations' assets, at the beginning and the end of the reported period as well as at the end of interim quarters).
- **Non-performing exposures (NPEs):** Non Performing Exposures (in compliance with EBA Guidelines) are the Group's material exposures which are more than 90 days past-due or for which the debtor is assessed as unlikely to pay its credit obligations in full without realization of collateral, regardless of the existence of any past due amount or the number of days past due. The NPEs, as reported herein, refer to the gross loans at amortised cost except for those that have been classified as held for sale.
- **NPEs formation:** Net increase/decrease of NPEs in the reported period excluding the impact of write offs, sales and other movements.
- **NPEs Coverage ratio:** Impairment allowance for loans and advances to customers, including impairment allowance for credit related commitments (off balance sheet items), divided by NPEs at the end of the reported period.
- **NPEs ratio:** Non Performing Exposures (NPEs) divided by gross loans and advances to customers at amortised cost at the end of the reported period.
- **Pre-Provision Income (PPI):** Profit from operations before impairments, provisions and restructuring costs as disclosed in the financial statements for the reported period.

- **Provisions (charge) to average Net Loans ratio (Cost of Risk):** Impairment losses relating to loans and advances charged in the reported period, annualised and divided by the average balance of loans and advances to customers at amortised cost (the arithmetic average of loans and advances to customers at amortised cost, including those that have been classified as held for sale, at the beginning and the end of the reported period, as well as at the end of interim quarters).
- **Return on tangible book value (RoTBV):** Adjusted net profit divided by average tangible book value.
- **Tangible Book Value (TBV):** Total equity excluding preference shares, preferred securities and non controlling interests minus intangible assets.
- **Tangible Book Value/Share (TBV/S):** Tangible book value divided by outstanding number of shares as at period end excluding own shares.
- **Texas Ratio:** Non-performing exposures (NPEs) divided by the sum of impairment losses relating to loans and advances and Common Equity Tier 1.
- **Total Capital Adequacy ratio:** Total regulatory capital as defined by Regulation (EU) No 575/2013 as in force, based on the transitional rules for the reported period, divided by total Risk Weighted Assets (RWA). The RWA are the Group's assets and off-balance-sheet exposures, weighted according to risk factors based on Regulation (EU) No 575/2013, taking into account credit, market and operational Risk.

CONSOLIDATED BALANCE SHEET

	In € million	
	31 Dec 2021	31 Dec 2020
ASSETS		
Cash and balances with central banks	13,515	6,637
Due from credit institutions	2,510	3,336
Derivative financial instruments	1,949	2,552
Loans and advances to customers	38,967	37,424
Investment securities	11,316	8,365
Property and equipment	815	778
Investment property	1,492	1,459
Intangible assets	269	254
Deferred tax assets	4,422	4,519
Other assets	2,597	2,397
Total assets	77,852	67,721
LIABILITIES		
Due to central banks	11,663	7,999
Due to credit institutions	973	1,502
Derivative financial instruments	2,394	2,939
Due to customers	53,168	47,290
Debt securities in issue	2,552	1,556
Other liabilities	1,467	1,173
Total liabilities	72,217	62,459
EQUITY		
Share capital	816	815
Share premium, reserves and retained earnings	4,723	4,447
Non controlling interests	96	0
Total equity	5,635	5,262
Total equity and liabilities	77,852	67,721

CONSOLIDATED INCOME STATEMENT

	In € million	
	1 Jan - 31 Dec 2021	1 Jan - 31 Dec 2020
Net interest income	1,321	1,349
Net banking fee and commission income	358	298
Income from non banking services	98	86
Gains less losses from investment securities	101	430
Other income/(expenses)	22	237
<i>of which gain on "FPS" disposal</i>	-	218
<i>of which derecognition gain/(loss) on "Mexico" / "Cairo" loans</i>	(5)	9
Operating income	1,900	2,400
Operating expenses	(876)	(869)
Profit from operations before impairments, provisions and restructuring costs	1,024	1,531
Impairment losses relating to loans and advances to customers	(490)	(2,081)
<i>of which loss on projects "Mexico" and "Cairo" in 2021 and 2020, respectively</i>	(72)	(1,509)
Impairment losses on goodwill	-	(160)
Other impairment losses and provisions	(52)	(43)
Restructuring costs	(25)	(147)
Share of results of associates and joint ventures	26	21
Profit/(loss) before tax	483	(879)
Income tax	(156)	(336)
<i>of which tax adjustments</i>	-	(160)
Net profit/(loss)	327	(1,215)
Net profit/(loss) attributable to non controlling interests	(1)	(0)
Net profit/(loss) attributable to shareholders	328	(1,215)

Notes:

1. The comparative information has been restated due to change in accounting policy following the IFRIC agenda decision for attributing benefit to periods of service (IAS 19).

2. The above information is unaudited. The Annual Financial Report for the year ended 31 December 2021, including the Independent Auditor's Report, will be published by early April 2022.