

Friday, July 24th, 2020

ANNOUNCEMENT

In view of the Annual General Meeting of the Shareholders on 28 July 2020, which has been invited to resolve inter alia, on the share capital decrease in kind of Eurobank Ergasias Services and Holdings S.A. (“Holdings”), i.e. the last step of the acceleration plan that was announced on 26 November 2018, a summary of the process up to this stage and the impact on the group financials is presented below:

- In June 2019, Eurobank, through its subsidiary special purpose vehicles “Cairo No. 1 Finance Designated Activity Company”, “Cairo No. 2 Finance Designated Activity Company” and “Cairo No. 3 Finance Designated Activity Company”, issued senior, mezzanine and junior notes of total value of ca. € 7.5 billion, via a securitization of a mixed portfolio consisting primarily of non-performing loans.
- On 20 March 2020, the demerger of Eurobank through the hive down of the banking business sector and the establishment of a new company-credit institution under the corporate name “Eurobank S.A” (“Bank”) was completed. The Bank assumed, inter alia (a) 100% of the senior notes, which shall be opted-in to the Hellenic Asset Protection Scheme (Hercules) and (b) 5% of the mezzanine and junior notes. The rest of the notes, i.e. the 95% of the mezzanine and junior notes, remained with Holdings (the demerged entity).
- In June 2020 the sale to doValue S.p.A. of (a) 80% of Eurobank Financial Planning Services (“FPS”) and (b) 20% of the mezzanine and 50.1% of the junior notes, was completed.
- On 24 June 2020, the notes that remained with Holdings, were contributed, following a decision by the Board of Directors, to the Cyprus-based subsidiary company MAIRANUS LIMITED (which will be renamed to Cairo Mezz Plc) (“SPV”) and, in return of the aforementioned contribution, Holdings received newly-issued shares of the SPV.

The Board of Directors of Holdings has proposed to the General Meeting the decrease in kind of Holdings’ share capital, in order the shareholders to receive 1 SPV share for every 12 Holdings’ shares held. Subject to prior receipt of the relevant approvals, such shares are expected to be listed to the Alternative Market (ENA) of the Athens Stock Exchange.

For the assessment of the fair value of Holdings’ participation in the SPV, in order to achieve an equal reduction of the share capital of Holdings, the valuation provided by article 17 of Law 4548/2018 was assigned to Deloitte Business Solutions S.A. (“Deloitte”). According to Deloitte’s report, which can be accessed at the website of Holdings, the fair value of the SPV’s shares is estimated at €57,492th.

The completion of the transactions with doValue and the initiation of the capital reduction have an impact of ca. -340¹ bps on the total capital ratio of Holdings. The 2Q 2020 consolidated financial statements shall include a detailed description of the accounting treatment of: a) the loss from the reclassification of the Cairo securitization notes as held-for-sale and b) the profit from the sale of 80% of FPS. The impact from the distribution of the SPV shares to the

¹ Pro-forma for 1Q 2020



shareholders on the consolidated accounts, i.e. the reduction by an equal amount of the share capital of Holdings, shall be reflected upon its consummation in the 3rd quarter of 2020.