

*Thursday, July 1<sup>st</sup>, 2021*

**PRESS RELEASE**

**Eurobank announces the agreement for the merger of its subsidiary in Serbia, Eurobank a.d. Beograd with Direktna Banka a.d. Kragujevac**

Eurobank S.A. ("Eurobank"), subsidiary of "Eurobank Ergasias Services and Holdings S.A." (Eurobank Holdings), announces that it has concluded an agreement with the shareholders and principals of Direktna Banka a.d. Kragujevac ("Direktna"), for the merger of Direktna with Eurobank's subsidiary in Serbia, Eurobank a.d. Beograd ("Eurobank Serbia") (the "Transaction"), with absorption of Direktna by Eurobank Serbia.

The combined bank ("Eurobank Direktna") will have total assets in excess of €2bn, total equity above €300m and, accounting for the expected fully-phased synergies, pre-provision income and net income in excess of €50m and €35m respectively.

The combined bank's market share will exceed 6.5%, in terms of total loans, making the bank the seventh largest in Serbia.

After the completion of the Transaction, Eurobank will control c. 70% of the combined bank while Direktna's shareholders will own the remaining 30%. Both parties have committed to a growth-oriented business plan, incorporating ambitious expansion targets that will allow the combined bank to finance the Serbian economy and grow profitably in the next few years. Part of the Transaction is the payment of a dividend/capital return to Eurobank. The Transaction is capital neutral for Eurobank and earnings per share (EPS) accretive by 3% post synergies.

The Transaction is consistent with Eurobank's strategy to further strengthen its position in the countries where the Group retains presence and further grow with bolt-on acquisitions and friendly mergers.

Mr. Stavros Ioannou, Deputy CEO, Group Chief Operating Officer (COO) & Head of International Activities of Eurobank, said: "We are pleased to have reached an agreement with the principals of Direktna for the merger of our two banks in Serbia and the creation of a much stronger, larger and dynamic local financial institution. This Transaction is in line with Eurobank's strategy to further expand its international activities and create additional value for its shareholders via targeted acquisitions, mergers or joint ventures. We are excited with our partnership with two exceptional Serbian entrepreneurs Andrej and Bojan and are confident for the success of our ambitious plans in Serbia. The merger of Eurobank Serbia with Direktna has substantial merits for all stakeholders of the combined bank including customers, both retail and corporate, depositors, employees and regulators".

Mr. Andrej Jovanović and Mr. Bojan Milovanović, principals of Direktna, commented: "This merger represents a clear opportunity for enhancing profitable growth that we have experienced with Direktna. We believe that Eurobank Direktna will have a unique opportunity to benefit from strong institutional background and size brought by our partners from Eurobank and from our deep understanding of our home market. The combination of our people and expertise will make Eurobank Direktna a bank of choice in the Serbian market. We are very excited about our agreement and look forward to unlocking all the synergies this merger will bring".

Completion of the Transaction is subject to customary approvals by the competent regulatory and supervisory authorities and is expected to take place during the last quarter of 2021.

BNP Paribas acted as the exclusive financial advisor to Eurobank Serbia in connection with the Transaction while Milbank LLP, Živković Samardžić Law Office and Moravčević Vojnović in cooperation with Schoenherr provided legal assistance and advice.

*Important note: This release contains certain forward-looking statements. These forward-looking statements involve risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. Many factors could cause actual results to differ materially from those projected or implied in any forward-looking statements. Due to these uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date of this announcement. Eurobank disclaims any obligation to update any forward-looking statements contained in this announcement, except as required pursuant to applicable law.*