

## Third Quarter 2015 Trading Update

- Pre-provision income up by 8.4% q-o-q at €230m.
- Resilient net interest income (-1.8% q-o-q) despite capital controls.
- Operating expenses down by 6.4% y-o-y. Cost to income ratio improved to 51.8%, from 53.7% in 2Q2015.
- Credit provisions reached €2.4bn in 9M2015, incorporating the results of ECB's Asset Quality Review. 90dpd coverage improved by 940 basis points to 65.0% in 3Q2015.
- 90dpd formation was contained at €166m, despite bank holiday and capital controls.
- Eurosystem funding off-peak at €29.6bn; loans to deposits ratio stabilized at 131.2%.
- Common Equity Tier Ratio at 12.1% and 17.7% pro-forma for the €2.1bn share capital increase.
- International operations net income at €20m in 3Q2015 and €54m in 9M2015.
- Bottom-line result at €406m in 3Q2015 and -€1.0bn in 9M2015.

"The recapitalization of Greek banks is a milestone for the country's banking system and lays the foundations for economic growth. The capital shield will enable Greek banks to gradually recover both their deposit base and the confidence of international financial markets and will provide the necessary liquidity to finance households and the economy. This action will once and for all deliver a new sustainable growth model, grounded on innovation, private entrepreneurship and international competitiveness.

The improvement of corporate governance, the enhancement of transparency and meritocracy, and the establishment of internal control institutions are critical challenges for the banks to meet new demands. Eurobank, as demonstrated by the recent ECB stress tests, has all the prerequisites and the willingness to play a leading role in the recovery of the Greek economy. With a clear company vision and awareness of our responsibility towards our customers, shareholders, employees and the society at large we will devote all our efforts to create a pioneering bank in the private sector in Greece."

*Nikolaos Karamouzis, Chairman of BoD*

"The third quarter results demonstrate the resilience of Eurobank within adverse conditions created by the imposition of capital controls. New NPL formation was significantly reduced compared to the first quarter, despite the imposition of capital controls and a long bank holiday. The increase in pre-provision income under such conditions shows the potential performance of the bank in an environment of normality. The restoration of stability and the recapitalization of Greek banks set forth the return to such an environment.

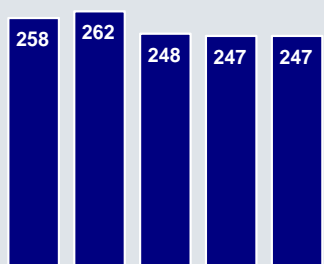
In the Comprehensive Assessment by the ECB, Eurobank emerged as the Greek bank with the smaller capital needs in the adverse scenario. The AQR confirmed the relative quality of our loan portfolio. The continuation of the conservative provisioning policy leads the coverage ratio of NPLs to the notably high level of 65% and aims to the complete cleaning up and shielding of our balance sheet.

From this positive starting point we proceed with a share capital increase aiming to cover the capital needs identified by the ECB in the adverse scenario (€ 2.1 billion). Our ambition is to provide Eurobank with all conditions to star in the return of the Greek economy to growth, supporting our customers and producing value for our shareholders and the society at large."

*Fokion Karavias, CEO*

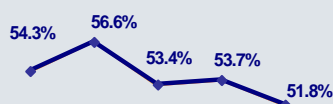
### Third Quarter 2015 Results Analysis

Operating Expenses  
(€m)



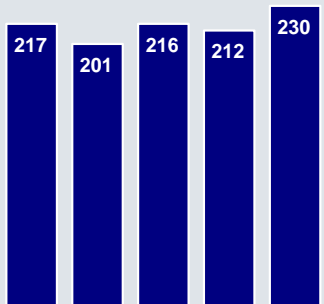
3Q2014 4Q2014 1Q2015 2Q2015 3Q2015

Cost to Income



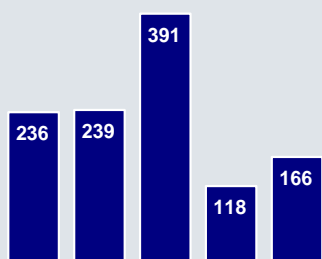
3Q2014 4Q2014 1Q2015 2Q2015 3Q2015

Pre-Provision Income  
(€m)



3Q2014 4Q2014 1Q2015 2Q2015 3Q2015

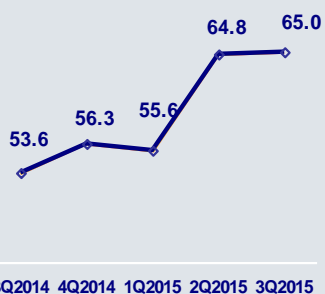
Gross 90dpd formation  
(€m)



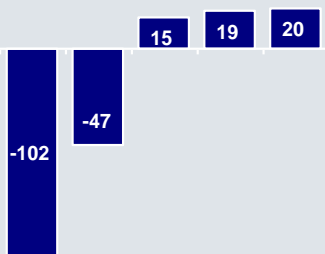
3Q2014 4Q2014 1Q2015 2Q2015 3Q2015

The third quarter 2015 (3Q2015) was particularly challenging for the Greek banking system, as a result of the 21 days bank holiday and the imposition of capital controls. However, their impact on the Bank's financial performance was contained both in terms of revenues and new NPLs creation. In more detail:

- **Net interest income** was resilient and receded only by 1.8% to €371m in 3Q2015, from €378m in 2Q2015. On the positive side, the cost of deposits in Greece was further down by 18 basis points for the total book against 2Q2015 and net interest margin continued expanding and reached 2.01% in 3Q2015.
- **Net fee and commission income** was down by 32.2% q-o-q to €49m, from €72m in 2Q2015, as a result of the bank holiday, which mainly affected fees and commissions from banking and capital market related activities.
- **Total operating income** increased by 4.1% q-o-q to €477m, with trading gains and other income reaching €57m in 3Q2015, from €8m in 2Q2015.
- **Operating expenses** were flat q-o-q at €247m and receded by 6.4% y-o-y to €741m in 9M2015, due to lower staff related costs (-5.6%) and administrative & other expenses (-7.4%). As a result of all the above, the **cost to income ratio** improved to 51.8% in 3Q2015, from 53.7% in 2Q2015.
- The increase in operating income drove **pre-provision income** higher by 8.4% q-o-q to €230m in 3Q2015, from €212m in 2Q2015.
- The Bank booked €2.4bn of **credit provisions** in 9M2015 to strengthen further its balance sheet and incorporate the results of the Asset Quality Review (AQR), which was recently conducted by the ECB. As a result of elevated provisions, the 90 days past due (90dpd) **coverage ratio** improved by 940 basis points compared to 1Q2015 and reached 65.0%, from 55.6% at the end of March. The stock of provisions rose to €11.7bn and accounted for 22.7% of the total loan portfolio at the end of 3Q2015. It is also noteworthy that despite the implementation of bank holiday and capital controls, **90dpd gross formation** was contained at €166m, from €391m in 1Q2015 and €118m in 2Q2015. **Total 90dpd loans** accounted for 35.0% of the portfolio at the end of September.
- The **net result** was €406m in 3Q2015 and -€1.0bn in 9M2015.
- **Total gross loans** reached €51.7bn, from €52.8bn at the end of June. Loans to businesses and households amounted to €26.7bn and €24.9bn respectively at the end of 3Q2015.

**90dpd Coverage Ratio (%)**


3Q2014 4Q2014 1Q2015 2Q2015 3Q2015

**International Operations Net Profit (€m)**


3Q2014 4Q2014 1Q2015 2Q2015 3Q2015

- **Deposits in Greece** stabilised in 3Q2015 and were down by €207m to €21.9bn. At a Group level, deposits amounted to €30.4bn, of which 53.3% savings and sight and 46.7% time. **Eurosystem funding** was off-peak at €29.6bn at the end of October, from €32.7bn at the end of June 2015, while the **loans to deposits ratio** stabilized at 131.2%.
- The phased-in **Common Equity Tier I capital** (CET1- Basel III) reached €4.7bn and accounted for 12.1% of risk weighted assets at the end of 3Q2015. Pro-forma for the €2.1bn share capital increase, phased-in CET1 stands at 17.7%<sup>1</sup>.
- **International operations** registered a positive performance, as net profit increased for third consecutive quarter to €20m, from €19m in 2Q2015. It is noteworthy that all international subsidiaries were profitable in 3Q2015.

<sup>1</sup> Might change subject to approvals by various authorities

## Eurobank Financial Figures

<b>Major Financial Figures<sup>2</sup></b>	<b>3Q2015</b>	<b>2Q2015</b>	<b>Δ</b>	<b>1Q2015</b>	<b>4Q2014</b>	<b>3Q2014</b>
Net Interest Income	€371m	€378m	-1.8%	€373m	€394m	€379m
Net Fee & Commission Income	€49m	€72m	-32.2%	€77m	€79m	€71m
Total Operating Income	€477m	€459m	4.1%	€463m	€464m	€475m
Total Operating Expenses	€247m	€247m	0.3%	€248m	€262m	€258m
Pre-Provision Income	€230m	€212m	8.4%	€216m	€201m	€217m
Credit Loss Provisions	€256m	€1.835m	-86.0%	€303m	€742m	€588m
Net Income before non-recurring items	€37m	-€1.271m		-€86m	-€393m	-€354m
Net Result after non-recurring items	€406m	-€1.317m		-€94m	-€524m	-€187m

<b>Balance Sheet Items</b>	<b>3Q2015</b>	<b>2Q2015</b>
Consumer Loans	€6,572m	€6,620m
Mortgages	€18,348m	€18,727m
Small Business Loans	€7,261m	€7,377m
Large Corporates & SMEs	€19,470m	€20,025m
Total Gross Loans	€51,693m	€52,792m
Total Customer Deposits	€30,450m	€31,009m
Total Assets	€73,755m	€74,544m

<b>Financial Ratios</b>	<b>3Q2015</b>	<b>2Q2015</b>
Net Interest Margin	2.01%	1.99%
Cost to Income	51.8%	53.7%
90 Days Past Due Loans (90dpd)	35.0%	34.3%
90dpd Coverage	65.0%	64.8%
Provisions to average Net Loans	2.53%	17.48%
Common Equity Tier I (CET1)	12.1%	10.4%

<sup>2</sup> Ukraine reclassified as held for sale as of 1Q2014.

**CONSOLIDATED BALANCE SHEET**

	In € million	
	30 Sep 2015	31 Dec 2014
<b>ASSETS</b>		
Cash and balances with central banks	1,892	1,948
Due from credit institutions	3,242	3,059
Financial instruments at fair value through profit or loss	276	360
Derivative financial instruments	1,848	2,134
Loans and advances to customers	39,955	42,133
Investment securities	17,710	17,849
Property, plant and equipment	690	702
Investment property	921	876
Intangible assets	150	150
Deferred tax assets	4,893	3,894
Other assets	2,075	2,143
Assets of disposal group classified as held for sale	103	270
<b>Total assets</b>	<b>73,755</b>	<b>75,518</b>
<b>LIABILITIES</b>		
Due to central banks	31,585	12,610
Due to credit institutions	1,203	10,256
Derivative financial instruments	2,393	2,475
Due to customers	30,450	40,878
Debt securities in issue	642	811
Other liabilities	2,014	2,020
Liabilities of disposal group classified as held for sale	106	164
<b>Total liabilities</b>	<b>68,393</b>	<b>69,214</b>
<b>EQUITY</b>		
Ordinary share capital	4,411	4,412
Share premium, reserves and retained earnings	(738)	197
Preference shares	950	950
<b>Total equity attributable to shareholders of the Bank</b>	<b>4,623</b>	<b>5,559</b>
Preferred securities	77	77
Non controlling interests	662	668
<b>Total equity</b>	<b>5,362</b>	<b>6,304</b>
<b>Total equity and liabilities</b>	<b>73,755</b>	<b>75,518</b>

**CONSOLIDATED INCOME STATEMENT**

	In € million	
	1 Jan - 30 Sep 2015	1 Jan - 30 Sep 2014
Net interest income	1,122	1,121
Net banking fee and commission income	138	146
Net insurance income	21	25
Income from non banking services	39	34
Dividend income	3	2
Net trading income	41	16
Gains less losses from investment securities	28	75
Net other operating income	8	7
<b>Operating income</b>	<b>1,400</b>	<b>1,426</b>
Operating expenses	(742)	(792)
<b>Profit from operations before impairments and non recurring income/(expenses) and provisions</b>	<b>658</b>	<b>634</b>
Impairment losses on loans and advances	(2,394)	(1,523)
Other impairment losses	(53)	(105)
Non recurring income/(expenses) and provisions	(46)	93
<b>Profit/(loss) before tax</b>	<b>(1,835)</b>	<b>(901)</b>
Income tax	501	201
Non recurring tax adjustments	432	249
<b>Net profit/(loss) from continuing operations</b>	<b>(902)</b>	<b>(451)</b>
Net profit/(loss) from discontinued operations	(85)	(226)
<b>Net profit/(loss)</b>	<b>(987)</b>	<b>(677)</b>
Net profit/(loss) attributable to non controlling interests	19	18
<b>Net profit/(loss) attributable to shareholders</b>	<b>(1,006)</b>	<b>(695)</b>

**Note:**

The Interim Financial Statements for the nine months ended 30 September 2015 will be published on 10 November 2015.