Eurobank

March 12, 2018

FY2017 Financial Results [1]

- **Net profit[2] €186m in 2017**
- **Core pre-provision income up 5.4% y-o-y to €837m**
- **Operating expenses down 0.9% y-o-y**
- **International operations net profit[2] €130m in 2017**
- **NPEs stock down by €2.5bn in 2017, exceeding the target**
- **NPE formation -€687m in 2017**
- **Deposits up by €1.2bn in Greece and €1.8bn for the Group in 2017**
- **Current ELA funding down by €7.2bn from 2017 peak**
- **Fully-Loaded Basel III CET1 ratio up by 150 basis points versus 2016 to 15.3%[3]**
- **Repayment of €950m of Government preference shares through Tier II bonds**

[1] Romania classified as held for sale.
[2] Before discontinued operations and restructuring costs.
[3] Pro-forma for the disposal of Romania.

"In 2017 Eurobank had a strong and profitable year, with €186m net profits on the back of higher core pre-provision income and strong international activities, achieving all its strategic and business targets and outperforming in key areas.

NPEs were down by €2.5 bn year on year, well over the respective NPE reduction target. In Q4 we had a record quarter, both in NPE stock reduction and formation terms. This is particularly encouraging for 2018, as dealing with the NPE stock remains our top priority and the trend in the last quarter can be attributed to the developments in the legislative framework and the determination to proceed with auctions. Although NPE targets for 2018 are more demanding, we are confident we will achieve them, as banks can fully apply legal tools introduced last year, and of which they have only made limited use in 2017.

ELA funding is down by €4 bn in 2017, driven by an increase in deposits, mainly in Greece, and improved market access. Despite persisting liquidity limitations, we added new business, with a net increase of €400m in loan extensions.

The bank remained capital accretive, with CET1 ratio up by a cumulative 220 bps since 2015, out of which 150 bps during last year. In 2017 we repaid in full the preference shares by issuing Tier II bonds, boosting our fully-loaded Basel III Total Capital ratio to 17.9%.

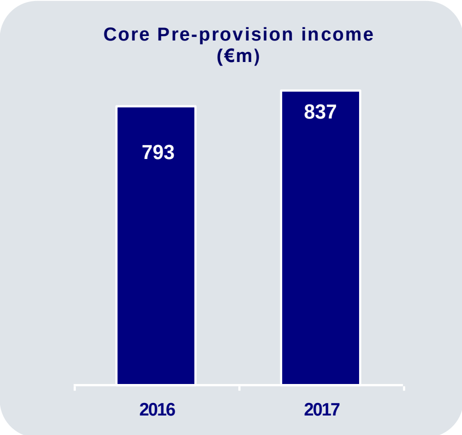
Greece nears the completion of the cycle of economic adjustment programs. As the third program expires in August, financing needs will have to be covered by tapping international markets. To this extent it is important that the exit from the program meets the following conditions: a debt relief with the fewest possible conditionalities, so that no doubts remain with any stakeholder about its viability; financial resilience against external or internal shocks; provisions that minimize the probability of relapse. Furthermore, the agreed reform program, including privatizations and revamping the public sector, should be strictly and timely implemented. The growth forecast of circa 2.1% for 2018 relies on a double-digit increase in investment, which is dependent on international markets crystallizing the same perception for the positive prospects of the Greek economy and the reform agenda.

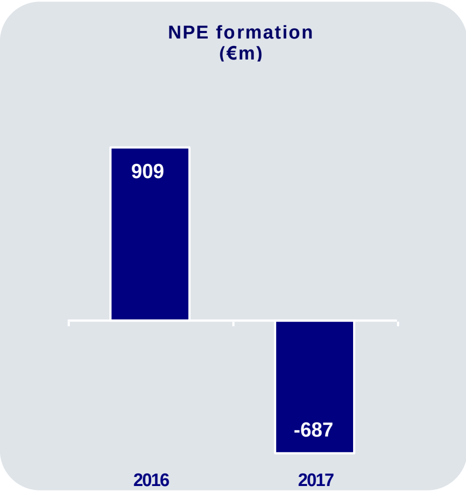
Within an environment of positive growth, Eurobank is well on track to fully achieve the 2018 NPE reduction, maintain profitability, continue the creation of organic capital and strengthen our position in the Greek market and abroad, by providing financing to our clients and assisting businesses and households as economic activity picks up."

Fokion Karavias, CEO

March 12, 2018

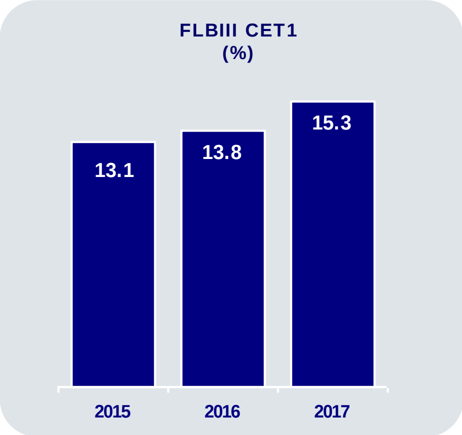
FY2017 Results Analysis

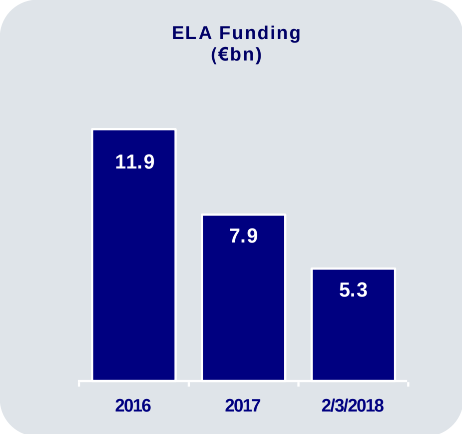


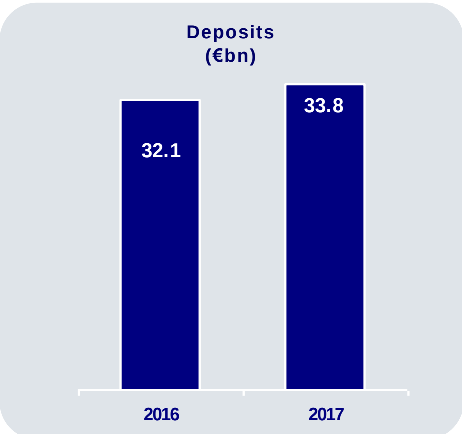


2017 was a positive year for Eurobank, as it improved its core operating performance, enhanced its capital and liquidity position and reduced the stock of non performing exposures (NPEs), exceeding the annual target. Specifically:

- **Net profit** before discontinued operations and restructuring costs reached €186m in 2017.
- **Net interest income** remained flat y-o-y to €1.5bn, as the reduction in Eurosystem funding and Pillar II utilization cost offset lower income from loans.
- **Net interest margin** improved by 19 basis points against 2016 to 2.41%.
- **Net fee and commission income** rose by 14.5% y-o-y to €268m, mainly due to lower government guarantee cost.
- **Core income** expanded by 2.1% in 2017, whereas **other operating income** receded by 28.4% y-o-y to €151m.
- **Total operating income** came lower by 1.3% y-o-y to €1.9bn.
- **Operating expenses** decreased by 0.9% y-o-y to €894m, with costs in Greece down by 2.0% y-o-y. **The cost / income** ratio for the Group remained below the 50% mark at 47.5%.
- **Core pre-provision income** was up by 5.4% versus 2016 to €837m, whereas **pre-provision income** declined by 1.7% y-o-y to €987m.
- The **NPE formation** was negative for all quarters in 2017 and totaled -€687m for the year. The **NPE ratio** decreased by 340 basis points y-o-y to 42.6%, from 46.0% in 2016, while the **stock of NPEs** was down by €2.5bn in 2017, exceeding the initial target by €0.7bn. The **coverage of NPEs** reached 50.4% at the end of 2017. Pro-forma for IFRS9 first-time adoption, the NPE coverage improves by more than 500 basis points to 55.5%, due to the increase in the provisions stock by €1.0bn.







- **International operations** remained profitable, as net profit before discontinued operations and restructuring costs totaled €130m in 2017.

- **Common Equity Tier I ratio** (CET1) stood at 15.8%[4] of risk weighted assets at the end of 2017. Fully-loaded Basel III CET1 (FLBIII) amounted to 15.3%[5] and was up by 150 basis points y-o-y and 220 basis points since 2015 and total CAD stood at 17.9%[4], up 450 basis points against 2015. Pro-forma for IFRS9 first-time adoption, FLBIII CET1 comes at 12.4%.

- **Current ELA funding** stands at €5.3bn and is €7.2bn down from 2017 peak.

- **Customer deposits** were up by €1.2bn y-o-y in Greece and €1.8bn at a Group level in 2017.

- **Gross loans** (before write-offs, FX impact and sales) increased by €0.4bn during the year.

- The **loans to deposits ratio** improved to 109.6% in 2017, from 117.6% a year ago.

[4] Pro-forma for the redemption of €950m preference shares with Tier II bonds and the disposal of Romania.
[5] Pro-forma for the disposal of Romania.

Eurobank Financial Figures

Key Financial Results[6]	2017	2016	Change	4Q2017	3Q2017	2Q2017	1Q2017
Net Interest Income	€1,464m	€1,463m	0.1%	€373m	€369m	€364m	€357m
Net Fee & Commission Income	€268m	€234m	14.5%	€70m	€67m	€67m	€64m
Total Operating Income	€1,882m	€1,907m	(1.3)%	€494m	€464m	€465m	€459m
Total Operating Expenses	€894m	€903m	(0.9)%	€226m	€223m	€223m	€222m
Core Pre-Provision Income	€837m	€794m	5.4%	€217m	€213m	€208m	€199m
Pre-Provision Income	€987m	€1,004m	(1.7)%	€267m	€240m	€242m	€237m
Loan Loss Provisions	€750m	€741m	1.2%	€206m	€178m	€182m	€184m
Net Result after tax before discontinued operations & restructuring costs	€186m	€240m	(22.5)%	€53m	€61m	€37m	€34m
Net Result after tax, discontinued operations & restructuring costs	€104m	€235m	(55.8%)	€43m	(€15)m	€40m	€37m

Balance Sheet Highlights[6]	2017	2016
Consumer Loans	€5,248m	€5,983m
Mortgages	€16,657m	€17,311m
Small Business Loans	€6,973m	€6,991m
Large Corporates & SMEs	€18,339m	€18,876m
Total Gross Loans	€47,242m	€49,195m
Total Customer Deposits	€33,843m	€32,093m
Total Assets	€60,029m	€66,432m

Financial Ratios[6]	2017	2016
Net Interest Margin	2.41%	2.22%
Cost to Income	47.5%	47.4%
Non-Performing Exposures (NPEs)	42.6%	46.0%
90 Days Past Due Loans (90dpd)	33.4%	35.3%
NPEs Coverage	50.4%	50.6%
90dpd Coverage	64.3%	66.0%
Provisions to average Net Loans	2.0%	1.9%
Common Equity Tier 1 (CET1)	15.8%[7]	17.6%

[6] Romania classified as held for sale.
[7] Pro-forma for the redemption of €950m preference shares with Tier II bonds and the disposal of Romania.

Glossary

Commission income: The total of Net banking fee and commission income and Income from non-banking services of the reported period.

Other Income: The total of Dividend income, Net trading income, Gains less losses from investment securities and net other operating income of the reported period.

Core Pre-provision Income: 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.

Pre-provision Income: Profit from operations before impairments and restructuring costs as disclosed in the financial statement for the reported period.

Net Interest Margin: The net interest income of the reported period, annualised and divided by the average balance of total assets. The average balance of total assets is the arithmetic average of total assets at the end of the reported period and of total assets at the end of the previous period.

Fees/Assets: Calculated as the ratio of annualized Commission income divided by the average balance of total assets. The average balance of total assets is calculated as the arithmetic average of total assets at the end of the period under review and of total Assets at the end of the previous period.

Cost to Income ratio: Total operating expenses divided by total operating income.

Cost of Risk: Impairment losses on Loans and Advances charged in the reported period, annualized and divided by the average balance of Loans and Advances to Customers. The average balance of Loans and Advances to Customers is calculated as the arithmetic average of Loans and Advances to Customers at the end of the reported period and of total assets at the end of the previous period.

Provision/Gross Loans: Impairment Allowance for Loans and Advances to Customers divided by Gross Loans and Advances to Customers at the end of the reported period.

90dpd ratio: Gross Loans more than 90 days past due divided by Gross Loans and Advances to Customers at the end of the reported period.

90dpd Coverage: Impairment Allowance for Loans and Advances to Customers divided by loans more than 90 days past due at the end of the reported period.

90dpd formation: Net increase/decrease of 90 days past due loans in the reported period excluding the impact of write offs, sales and other movements.

Non Performing Exposures (NPEs): Non Performing Exposures (in compliance with EBA Guidelines) are the Bank'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.

NPE ratio: Non Performing Exposures (NPEs) divided by Gross Loans and Advances to Customers at the end of the relevant period.

NPE Coverage ratio: Impairment Allowance for Loans and Advances to Customers divided by NPEs at the end of the reported period.

NPE formation: Net increase/decrease of NPEs in the reported period excluding the impact of write offs, sales and other movements.

Loans to Deposits: Net Loans and Advances to Customers (net of Impairment Allowance) divided by Due to Customers at the end of the reported period.

Risk-weighted assets (RWAs): Risk-weighted assets are the bank'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.

Phased in Common Equity Tier I (CET1): Common Equity Tier I regulatory capital as defined by Regulation No 575/2013 based on the transitional rules for the reported period, divided by total Risk Weighted Assets (RWAs).

Fully-loaded Common Equity Tier I (CET1): Common Equity Tier I regulatory capital as defined by Regulation No 575/2013 without the application of the relevant transitional rules, divided by total Risk Weighted Assets (RWAs).

Eurobank

EUROBANK ERGASIAS S.A.
General Commercial Registry No: 000223001000

CONSOLIDATED BALANCE SHEET

	In € million	
	31 Dec 2017	31 Dec 2016
ASSETS		
Cash and balances with central banks	**1,524**	1,477
Due from credit institutions	**2,123**	2,759
Derivative financial instruments	**1,878**	1,980
Loans and advances to customers	**37,108**	39,058
Investment securities	**7,605**	12,518
Property, plant and equipment	**390**	638
Investment property	**277**	905
Intangible assets	**152**	145
Deferred tax assets	**4,859**	4,929
Other assets	**1,929**	2,023
Assets of disposal groups classified as held for sale	**2,184**	-
Total assets	**60,029**	66,432
LIABILITIES		
Due to central banks	**9,994**	13,906
Due to credit institutions	**3,997**	7,780
Derivative financial instruments	**1,853**	2,441
Due to customers	**33,843**	34,031
Debt securities in issue	**549**	102
Other liabilities	**684**	778
Liabilities of disposal groups classified as held for sale	**1,959**	-
Total liabilities	**52,879**	59,038
EQUITY		
Ordinary share capital	**655**	655
Share premium, reserves and retained earnings	**5,499**	5,106
Preference shares	**950**	950
Total equity attributable to shareholders of the Bank	**7,104**	6,711
Preferred securities	**43**	43
Non controlling interests	**3**	640
Total equity	**7,150**	7,394
Total equity and liabilities	**60,029**	66,432

CONSOLIDATED INCOME STATEMENT

	In € million	
	1 Jan - 31 Dec 2017	1 Jan - 31 Dec 2016
Net interest income	**1,464**	1,463
Net banking fee and commission income	**258**	223
Income from non banking services	**10**	11
Net trading income	**67**	18
Gains less losses from investment securities	**73**	120
Other income/(expenses)	**10**	72
Operating income	**1,882**	1,907
Operating expenses	**(895)**	(903)
Profit from operations before impairments, provisions and restructuring costs	**987**	1,004
Impairment losses on loans and advances	**(750)**	(741)
Other impairment losses and provisions	**(50)**	(55)
Restructuring costs	**(13)**	(66)
Share of results of associates and joint ventures	**7**	(5)
Profit before tax	**181**	137
Income tax	**(5)**	54
Tax adjustments	**-**	31
Net profit from continuing operations	**176**	222
Net profit/ (loss) from discontinued operations	**(61)**	32
Net profit	**115**	254
Net profit attributable to non controlling interests	**11**	19
Net profit attributable to shareholders	**104**	235

Notes:

1. The comparative information has been adjusted with a) the presentation of the operations of the Romanian disposal group and Grivalia subgroup (until June 2017) as discontinued and b) the change in the effective interest rate (EIR) methodology for specific types of financial instruments (change in accounting policy).

2. The Annual Financial Report for the year ended 31 December 2017 will be published by the end of March 2018.