Eurobank Holdings

September 1, 2020

1H2020 Financial Results[1]

- **Completion of Cairo & FPS transactions in June**

- **Best in class asset quality in the Greek banking system, with NPE ratio at 15.3%, down by 17.5 percentage points y-o-y**

- **Provisions over NPEs up by 610 basis points y-o-y to 60.6%**

- **Net profit[2] €176m in 1H2020 compared to €97m in 1H2019**

- **Core pre-provision expands by 8.0% y-o-y to €435m**

- **Cost of risk at 1.44% in 1H2020**

- **Performing loans rise by €1.3bn in 1H2020**

- **Deposits expand by €0.3bn since end 2019**

- **Loans to Deposits ratio improves to 81.6% in 1H2020 from 86.5% a year ago**

- **Total CAD 15.5%, up 110 basis points q-o-q. CET1 13.0%**

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[1] Pro-forma for Cairo senior notes recognition.
[2] Adjusted net profit.

"The pandemic continues to define the economic environment in Greece and globally. Domestic economic outlook tracks Covid-19 developments, leading to an increased chance of deeper recessionary impact.

After successfully concluding our accelerated NPE reduction plan, we are entirely focused on financing the economy and supporting our clients, households and especially businesses, to overcome the challenging juncture. We have provided relief in the form of payment moratoria and we are offering liquidity to meet pandemic-driven demand. Our performing business loan book expanded by 1.1 billion euros in first half of the year. Through our full participation in State initiatives, like the TEPIX II programme and the Guarantee Scheme, we expect business loans after repayments to increase by more than 2 billion euros for the full year.

Despite external challenges, we concluded the agreement with doValue for FPS and the Cairo securitisation, which brings our NPE stock down to c. 15%, setting a benchmark for the sector in Greece, coupled with a robust coverage ratio of more than 60%. Our capital position was further strengthened by more than a full percentage point and our total CAD ratio stands at 15.5%.

In spite of a higher cost of risk compared to the one planned before the pandemic outbreak, Eurobank proved resilient in unprecedented circumstances. Pre-provision income was half a billion euros for the first half of the year with stable NII and strong fee and commission income. The contribution of our international operations was once again significant and our regional footprint remains a major competitive advantage.

Having built a resilient business model and dealt with the NPE legacy issues, with our capital ratio improved and a focused plan to target business expansion, Eurobank is ready to make the most of the upturn when the economy returns to growth."

Fokion Karavias, CEO

September 1, 2020

1H2020 Financial Results

The first half of 2020 was marked with the successful completion of the NPE reduction plan to the area of 15%, the lowest in the Greek banking system. At the same time, the efforts continued to enhance organic profitability and support our clients in the new conditions set by the Covid-19 pandemic outbreak since the start of 2020.

- Main priority in the current juncture is to **support our customers** through payment moratoria programs and new loan disbursements. In 1H2020, moratoria for performing clients amounted to €5bn in Greece and €2.3bn in International operations, while **performing loans** grew by €1.3bn compared to the end of 2019. **Total Loans** reached €38.1bn in 1H2020 or €40.6bn pro-forma for Cairo securitization senior notes recognition.
- **Customer deposits** rose by €0.3bn in 1H2020 and the **loans to deposits ratio** substantially improved to 81.6% during the same period, from 86.5% in 1H2019.
- **Eurosystem funding** amounted to €8.0bn in 1H2020 through the TLTRO III program.
- **Net profit**[3] increased to €176m in 1H2020, from €97m a year ago.
- **Net interest income** grew by 0.6% y-o-y to €689m in 1H2020 and by 2.9% q-o-q to €349m. The net interest margin receding by 19 basis points y-o-y to 2.09%.
- **Net fee and commission income** expanded by 15.7% y-o-y to €180m, mainly due to rental income, fees from capital markets and asset management business. On a quarterly basis fee and commission income was down by 4.9% due to the pandemic outbreak and the lockdown implemented at the end of 1Q2020.
- **Core income** increased by 3.4% y-o-y to €869m in 1H2020 and 1.3% q-o-q to €437m. **Total operating income** rose by 2.6% y-o-y to €935m in 1H2020 and 15.2% q-o-q to €501m in 2Q2020.
- **Operating expenses** decreased by 4.7% y-o-y in Greece and 0.8% y-o-y at a Group level to €434m in 1H2020. The cost to income ratio improved to 46.4% in 1H2020 from 48.0% a year ago.

[3] Adjusted net profit.

- **Core pre-provision income** increased by 8.0% y-o-y to €435m and 5.8% q-o-q to €224m. **Pre-provision income** grew by 5.7% y-o-y to €501m in 1H2020 and 34.1% q-o-q to €287m in 2Q2020.

- **Loan loss provisions** decreased amounted to €271m in 1H2020 and corresponded to 144 basis points of the average net loans.

- **Provisions over** NPEs increased by 610 basis points y-o-y to 60.6% accounting for the Cairo completion.

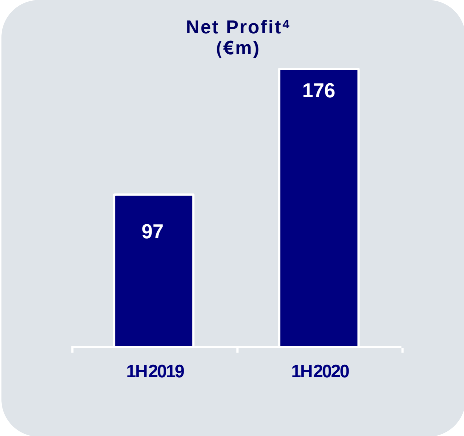
- The **NPE ratio**, post Cairo, decreased by 17.5 percentage points y-o-y to 15.3%, the lowest level among Greek banks. The **NPE formation** was negative by €77m in 2Q2020.

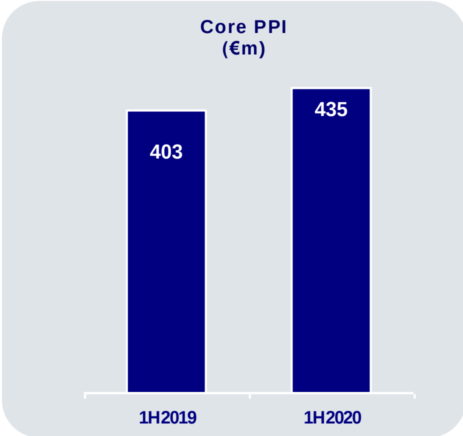
- **International operations** remained profitable, as net profit[4] reached €82m in 1H2020, compared to €99m in 1H2019. Core pre-provision income receded by 7.1% y-o-y to €122m on the back of higher operating expenses (+12.2% y-o-y).

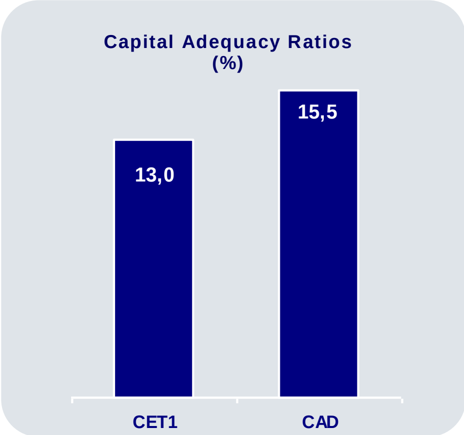
- The **net result** was negative at €1,166m in 1H2020 and includes the total loss from Cairo & FPS of €1,334m (after tax).

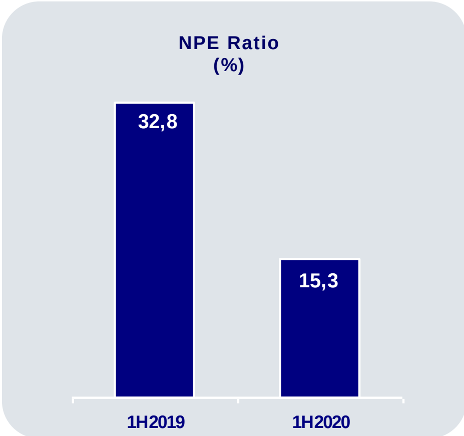
- **The CAD ratio** increased by 110 basis points q-o-q to 15.5% and the **CET1** ratio reached 13.0% in 1H2020, accounting for the Cairo/FPS impact. Risk weighted assets stood at €40.8bn at the end of June 2020.

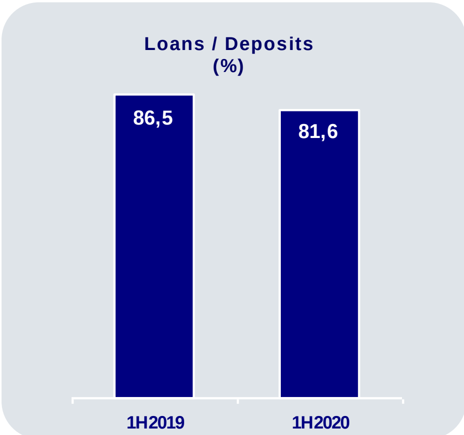
[4] Adjusted net profit.

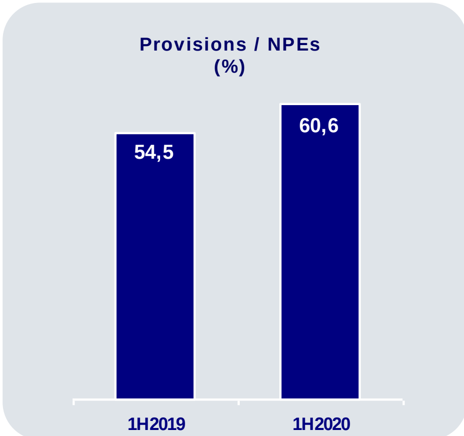

Net Profit[4]
(€m)
97
176
1H2019
1H2020


Core PPI
(€m)
403
435
1H2019
1H2020


Capital Adequacy Ratios
(%)
13,0
15,5
CET1
CAD


NPE Ratio
(%)
32,8
15,3
1H2019
1H2020


Loans / Deposits
(%)
86,5
81,6
1H2019
1H2020


Provisions / NPEs
(%)
54,5
60,6
1H2019
1H2020

Eurobank Holdings

September 1, 2020

Eurobank Holdings Financial Figures

Key Financial Results[5]	1H2020	1H2019	Change
Net Interest Income	€689m	€685m	0.6%
Net Fee & Commission Income	€180m	€156m	15.7%
Total Operating Income	€935m	€912m	2.6%
Total Operating Expenses	€434m	€438m	-0.8%
Core Pre-Provision Income	€435m	€403m	8.0%
Pre-Provision Income	€501m	€474m	5.7%
Loan Loss Provisions	€271m	€348m	-22.1%
Adjusted Net Profit	€176m	€97m	82.2%
Net Income after tax	-€1,166m	€32m	-

Balance Sheet Highlights	1H2020	1H2019
Consumer Loans	€3,456m	€3,960m
Mortgages	€11,777m	€14,152m
Small Business Loans	€4,117m	€6,528m
Large Corporates & SMEs	€17,686m	€18,841m
Senior Notes	€1,062m	-
Total Gross Loans	€38,142m	€43,563m
Total Customer Deposits	€45,157m	€41,344m
Total Assets	€66,965m	€62,402m

Financial Ratios	1H2020	1H2019
Net Interest Margin	2.09%	2.28%
Cost to Income	46.4%	48.0%
Non-Performing Exposures (NPEs)	15.3%	32.8%
Provisions / NPEs	60.6%	54.5%
Provisions to average Net Loans (Cost of Risk)	1.44%	1.90%
Common Equity Tier 1 (CET1)	13.0%	15.9%
Total Capital Adequacy (CAD)	15.5%	18.4%

[5] As of 4Q2019 investment property is accounted for according to the fair value model (IAS40) instead of the cost model previously. 2019 quarters OPEX and other impairment lines have been restated for the fair value adjustment of investment property.

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

- **Loans to Deposits ratio:** Loans and advances to customers at amortised cost divided by due to customers 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.
- **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.
- **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).
- **Fees and commissions:** The total of net banking fee and commission income and income from non banking services of the reported period.
- **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.
- **Cost to Income ratio:** Total operating expenses divided by total operating income.
- **Adjusted net profit:** Net profit from continuing operations after deducting restructuring costs, Goodwill impairment and gains/losses related to the transformation plan, net of tax.
- **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 ratio:** Non Performing Exposures (NPEs) divided by gross loans and advances to customers at amortised cost at the end of the reported period.
- **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.
- **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).
- **Total Capital Adequacy ratio:** Total regulatory capital as defined by Regulations (EU) No 575/2013 and No 2395/2017 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.
- **Common Equity Tier 1 (CET1):** Common Equity Tier I regulatory capital as defined by Regulations (EU) No 575/2013 and No 2395/2017 based on the transitional rules for the reported period, divided by total Risk Weighted Assets (RWA).
- **Fully loaded Common Equity Tier I (CET1):** Common Equity Tier I regulatory capital as defined by Regulations No 575/2013 and No 2395/2017 without the application of the relevant transitional rules, divided by total RWA.

- **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.
- **Return on tangible book value (RoTBV):** Adjusted net profit divided by tangible book value.
- **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.

EUROBANK ERGASIAS SERVICES and HOLDINGS S.A.
General Commercial Registry No: 000223001000

CONSOLIDATED BALANCE SHEET

	In € million	
	30 June 2020	31 Dec 2019
ASSETS		
Cash and balances with central banks	**3,943**	4,679
Due from credit institutions	**3,962**	3,007
Derivative financial instruments	**2,545**	2,262
Loans and advances to customers	**34,442**	37,365
Investment securities	**9,803**	7,951
Property and equipment	**740**	746
Investment property	**1,370**	1,184
Goodwill and other intangible assets	**388**	378
Deferred tax assets	**4,719**	4,766
Other assets	**2,494**	2,348
Assets of disposal groups classified as held for sale	**2,559**	75
Total assets	**66,965**	64,761
LIABILITIES		
Due to central banks	**8,019**	1,900
Due to credit institutions	**1,914**	5,022
Derivative financial instruments	**3,211**	2,726
Due to customers	**45,157**	44,841
Debt securities in issue	**2,041**	2,406
Other liabilities	**1,179**	1,199
Total liabilities	**61,521**	58,094
EQUITY		
Share capital	**853**	852
Share premium, reserves and retained earnings	**4,591**	5,813
Preferred securities	**-**	2
Total equity	**5,444**	6,667
Total equity and liabilities	**66,965**	64,761

CONSOLIDATED INCOME STATEMENT

	In € million	
	1 Jan - 30 June 2020	1 Jan - 30 June 2019
Net interest income	**689**	685
Net banking fee and commission income	**140**	134
Income from non banking services	**40**	22
Gains less losses from investment securities	**49**	44
Other income/(expenses)	**236**	27
of which gain on "FPS" disposal	*219*	
Operating income	**1,154**	912
Operating expenses	**(434)**	(438)
Profit from operations before impairments, provisions and restructuring costs	**720**	474
Impairment losses relating to loans and advances to customers	**(1,780)**	(348)
of which loss on "Cairo" transaction	*(1,509)*	
Other impairment losses and provisions	**(18)**	(14)
Restructuring costs	**(11)**	(81)
Share of results of associates and joint ventures	**7**	3
Profit/(loss) before tax	**(1,082)**	34
Income tax	**(84)**	2
Net profit/(loss) from continuing operations	**(1,166)**	36
Net profit/(loss) from discontinued operations	**-**	(4)
Net profit/(loss) attributable to shareholders	**(1,166)**	32

Notes:

1. The comparative information of the consolidated income statement has been restated due to change in accounting policy for investment property performed in the fourth quarter of 2019.
2. The Interim Financial Report for the six months ended 30 June 2020 will be available on the Company's website on 15 September 2020.