

# Third Quarter 2014 results

7 November 2014

By attending the meeting where this presentation is made, or by reading the presentation slides, you agree to be bound by the following limitations:  
This presentation has been prepared by Eurobank.

The material that follows is a presentation of general background information about Eurobank and this information is provided solely for use at this presentation. This information is summarized and is not complete. This presentation is not intended to be relied upon as advice and does not form the basis for an informed investment decision. No representation or warranty, express or implied, is made concerning, and no reliance should be placed on, the accuracy, fairness or completeness of the information presented here. The opinions presented herein are based on general information gathered at the time of writing and are subject to change without notice. Neither Eurobank nor any of its affiliates, advisers or representatives or any of their respective affiliates, advisers or representatives, accepts any liability whatsoever for any loss or damage arising from any use of this document or its contents or otherwise arising in connection with this document.

The information presented or contained in this presentation is current as of the date hereof and is subject to change without notice and its accuracy is not guaranteed. Certain data in this presentation was obtained from various external data sources, and Eurobank has not verified such data with independent sources. Accordingly, Eurobank makes no representations as to the accuracy or completeness of that data, and such data involves risks and uncertainties and is subject to change based on various factors. Past performance is no guide to future performance and persons needing advice should consult an independent financial adviser.

This presentation contains statements about future events and expectations that are forward-looking within the meaning of the U.S. securities laws and certain other jurisdictions. Such estimates and forward-looking statements are based on current expectations and projections of future events and trends, which affect or may affect Eurobank. Words such as "believe," "anticipate," "plan," "expect," "target," "estimate," "project," "predict," "forecast," "guideline," "should," "aim," "continue," "could," "guidance," "may," "potential," "will," as well as similar expressions and the negative of such expressions are intended to identify forward-looking statements, but are not the exclusive means of identifying these statements. These forward-looking statements are subject to numerous risks and uncertainties and there are important factors that could cause actual results to differ materially from those in forward-looking statements, certain of which are beyond the control of Eurobank. No person has any responsibility to update or revise any forward-looking statement based on the occurrence of future events, the receipt of new information, or otherwise.

This document and its contents are confidential and contain proprietary and confidential information about Eurobank assets and operations. This presentation is strictly confidential and may not be disclosed to any other person. Reproduction of this document in whole or in part, or disclosure of its contents, without the prior consent of Eurobank is prohibited. This information is provided to you solely for your information and may not be retransmitted, further distributed to any other person or published, in whole or in part, by any medium or in any form for any purpose.

This document is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution would be contrary to law or regulation. In particular this document and the information contained herein does not constitute or form part of, and should not be construed as, an offer or sale of securities and may not be disseminated, directly or indirectly, in the United States, except to persons that are "qualified institutional buyers" as such term is defined in Rule 144A under the United States Securities Act of 1933, as amended (the "Securities Act"), and outside the United States in compliance with Regulation S under the Securities Act. This presentation does not constitute or form part of and should not be construed as, an offer, or invitation, or solicitation or an offer, to subscribe for or purchase any securities in any jurisdiction or an inducement to enter into investment activity. Neither this presentation nor anything contained herein shall form the basis of any contract or commitment. This presentation is not being distributed by, nor has it been approved for the purposes of Section 21 of the Financial Services and Markets Act 2000 (the "FSMA") by, a person authorised under the FSMA.

This presentation is being distributed to and is directed only at (i) persons who are outside the United Kingdom or (ii) persons who are investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") (iii) persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order, and (iv) persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "Relevant Persons"). Any investment activity to which this communication relates will only be available to and will only be engaged with, Relevant Persons. Any person who is not a Relevant Person should not act or rely on this document or any of its contents.

Each person is strongly advised to seek its own independent advice in relation to any investment, financial, legal, tax, accounting or regulatory issues. This presentation should not be construed as legal, tax, investment or other advice. Analyses and opinions contained herein may be based on assumptions that, if altered, can change the analyses or opinions expressed. Nothing contained herein shall constitute any representation or warranty as to future performance of any security, credit, currency, rate or other market or economic measure. Eurobank's past performance is not necessarily indicative of future results.

No reliance may be placed for any purpose whatsoever on the information contained in this presentation or any other material discussed verbally, or on its completeness, accuracy or fairness. This presentation does not constitute a recommendation with respect to any securities.

►	<b>Highlights</b>	<b>3</b>
►	<b>3Q2014 results review</b>	<b>12</b>
►	<b>International operations</b>	<b>20</b>
	<b>Appendix I – Supplementary information</b>	<b>24</b>
	<b>Appendix II – ECB Comprehensive Assessment – Findings</b>	<b>33</b>
	<b>Appendix III – ECB Comprehensive Assessment – Comparison</b>	<b>45</b>
	<b>Appendix IV – Macroeconomic update</b>	<b>49</b>

## Highlights

**1 Core pre-provision income (PPI) (NII plus commissions less operating expenses) up 8% q-o-q, PPI slightly down (-2.3% q-o-q) to €217.1m**

- Net interest income (NII) up by 0.9% q-o-q driven by improving funding cost
- Operating expenses down by 11.4% y-o-y on a comparable basis

**2 Accelerated provisioning in 3Q2014 in order to increase faster the coverage ratio**

- Coverage ratio up by 250 bps q-o-q to 53.6%
- 90dpd formation down 38.2% q-o-q to €236m

**3 Liquidity and Capital**

- Deposits increase by €0.8bn q-o-q, loans / deposits ratio at 99.8%
- Phased – in Common Equity Tier 1 (CET1) ratio at 16.1%
- Fully loaded Basel III CET1 ratio at 13.9% including preference shares

**4 No capital shortfall under the ECB Comprehensive Assessment**

- 2014 provisions in line with the AQR findings
- Stressed CET1 ratio under Dynamic Balance Sheet Baseline scenario at 15.1%
- Stressed CET1 ratio under Dynamic Balance Sheet Adverse scenario at 5.5%, increasing to 9.5% taking into account capital enhancement factors

## Key financials

€ m	3Q2014	2Q2014
Net interest income	378.6	375.3
Commission income	70.9	69.9
Other Income	25.3	44.6
Operating income	474.8	489.9
Operating expenses	(257.7)	(267.6)
Pre-provision income	217.1	222.2
Loan loss provisions	(588.4)	(454.7)
Other impairments	(41.1)	(23.6)
Discontinued operations	0.4	(94.4)
Non-recurring items	168.1	(2.1)
Net income	(186.6)	(301.1)

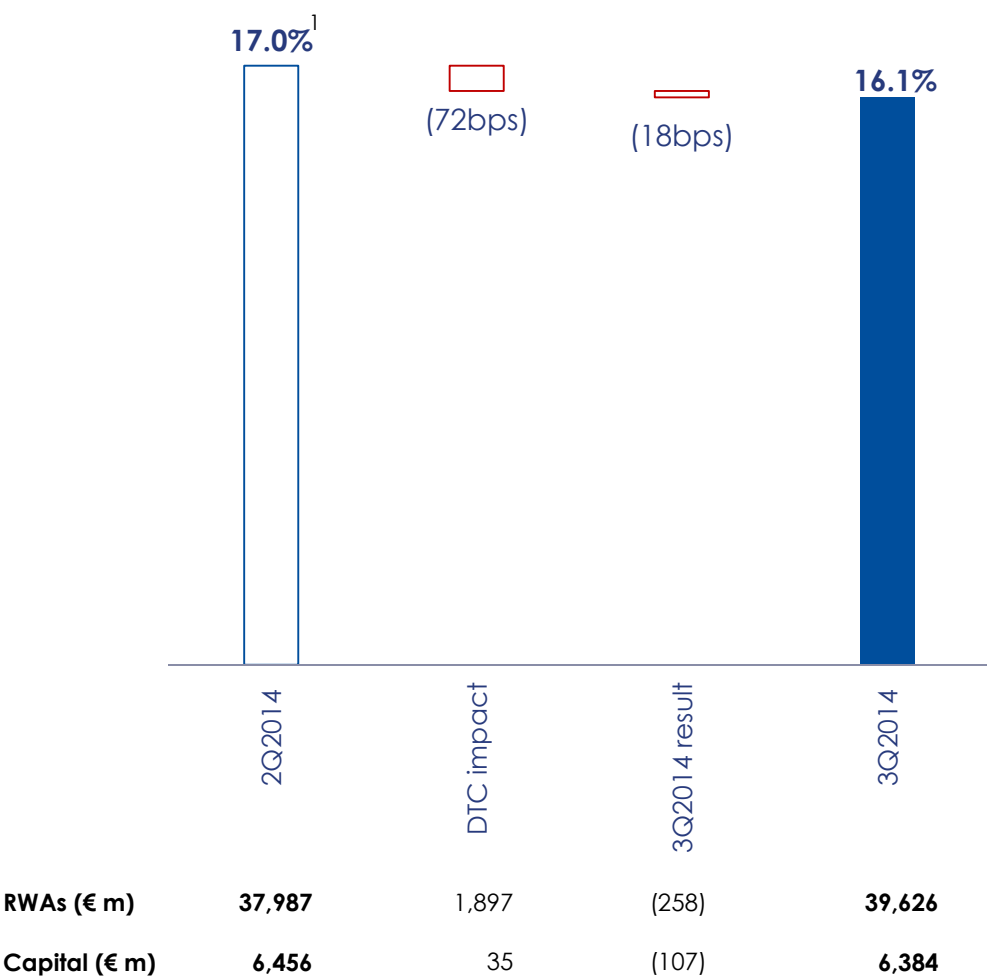
Ratios (%)	3Q2014	2Q2014
Net interest margin	2.04	2.00
Cost / income	54.3	54.6
Cost of risk	5.47	4.15
90dpd	33.0	31.8
Provision coverage	53.6	51.1
CET1	16.1	17.0 <sup>2</sup>
Loans / Deposits	99.8	103.4

1. Ukraine classified as held for sale effective 1Q2014.

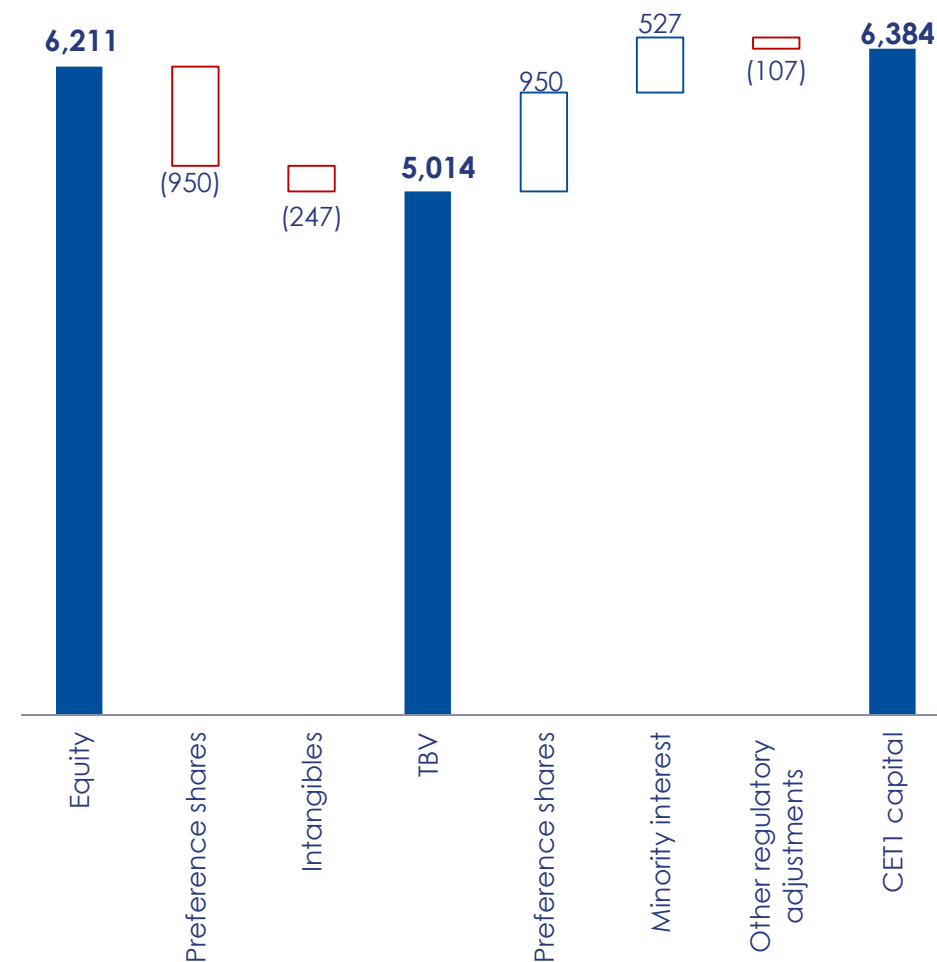
2. CET1 ratio adjusted from 17.7% to 17.0% due to Ukraine's RWAs and non-inclusion of NHPB's portfolio migration to IRB approach.

# Capital position

## Phased-in CET1 ratio



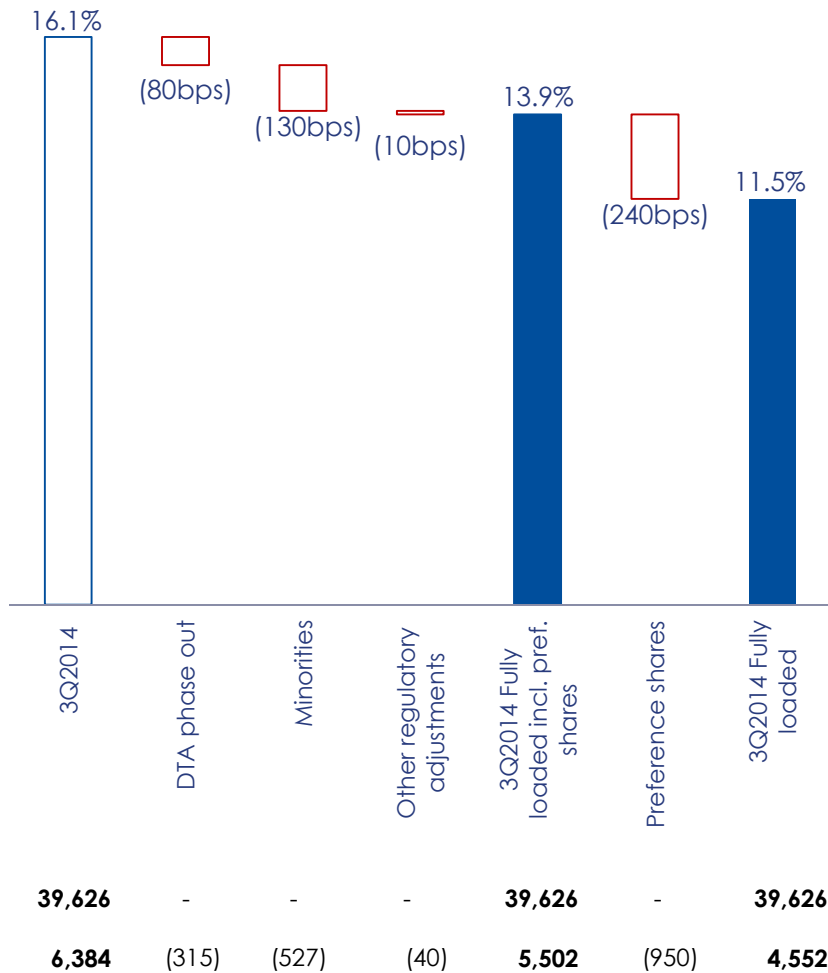
## Equity to CET1 capital bridge (€ m)



1. CET1 ratio adjusted from 17.7% to 17.0% due to Ukraine's RWAs and non-inclusion of NHPB's portfolio migration to IRB approach.

# Capital position under CRDIV/CRR

## Fully loaded Basel III CET1<sup>1</sup>



## Key points

- Regulatory treatment of Deferred Tax Assets (DTA) as per recent legislation
  - DTAs related to loan loss provisions and PSI loss eligible to be converted into Deferred Tax Credits (DTC)
  - Opt-in to DTC scheme approved by 7 November 2014 Extraordinary General Meeting
- €167m DTA related with New Proton Bank loan loss provisions recognised in 3Q2014

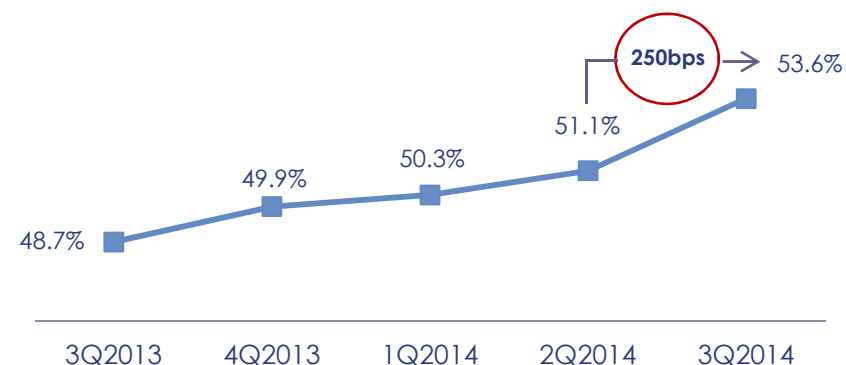
## Tangible Book Value (TBV)

	€ m	€ cent per share
2Q2014 TBV	5,223	35.5
- 3Q2014 result	(187)	(1.3)
- Other	(22)	(0.1)
<b>3Q2014 TBV</b>	<b>5,014</b>	<b>34.1</b>

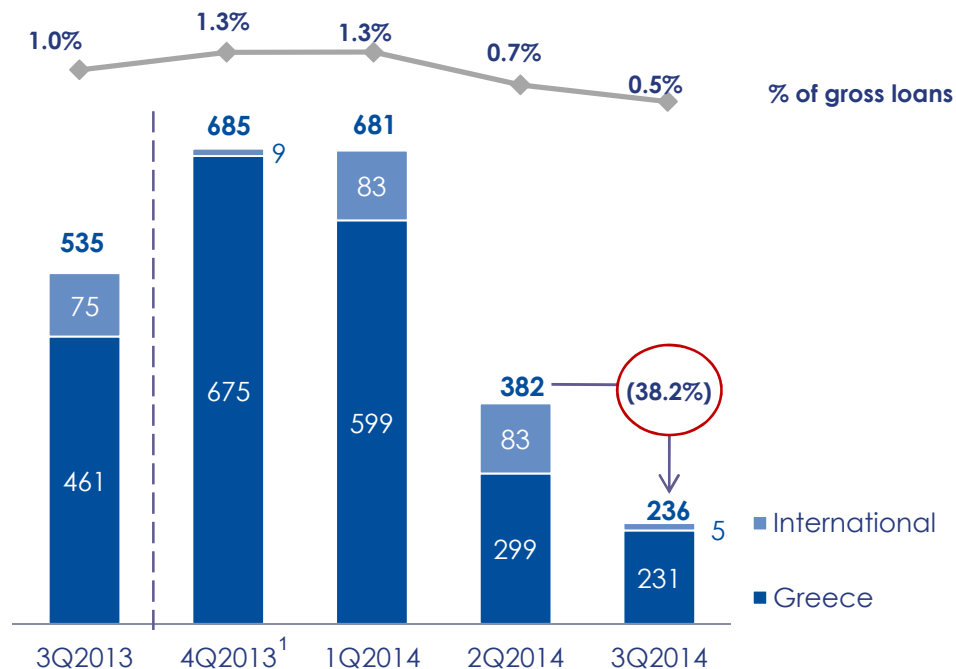
1. Based on 2024 transitional rules

- 90dpd formation down by 38.2% q-o-q, driven by small business and household lending
- Accelerating provisioning in order to increase faster coverage ratio
- Coverage ratio up by 250 basis points q-o-q to 53.6%, post €331m write-offs in 9M2014
- Provisions stock cover 17.7% of gross loans (14.7% in FY2013)
- Increased provisions in International operations result to 60.9% coverage ratio from 52.3% in 1H2014

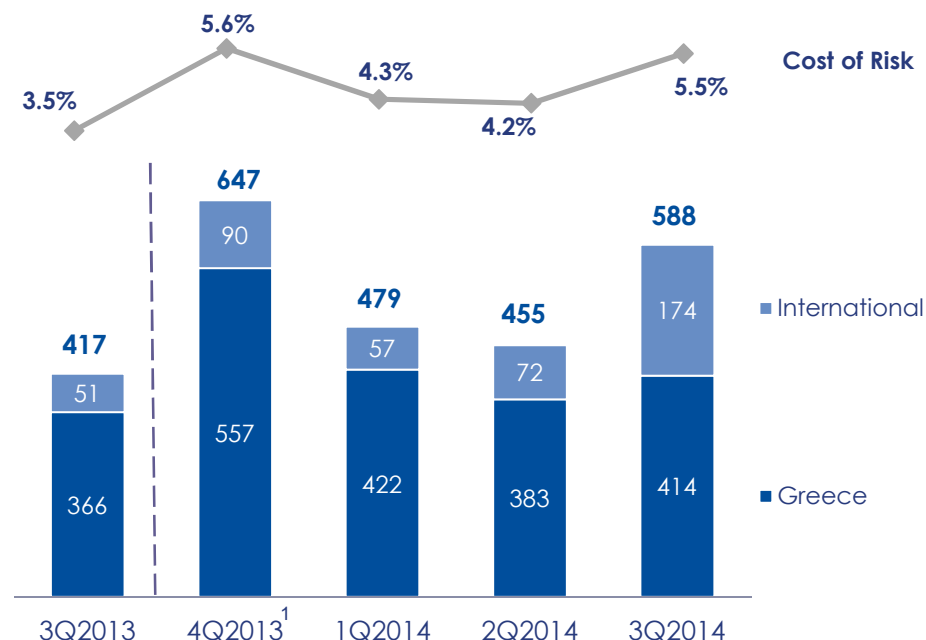
## 90dpd coverage



## 90dpd gross formation (€ m)



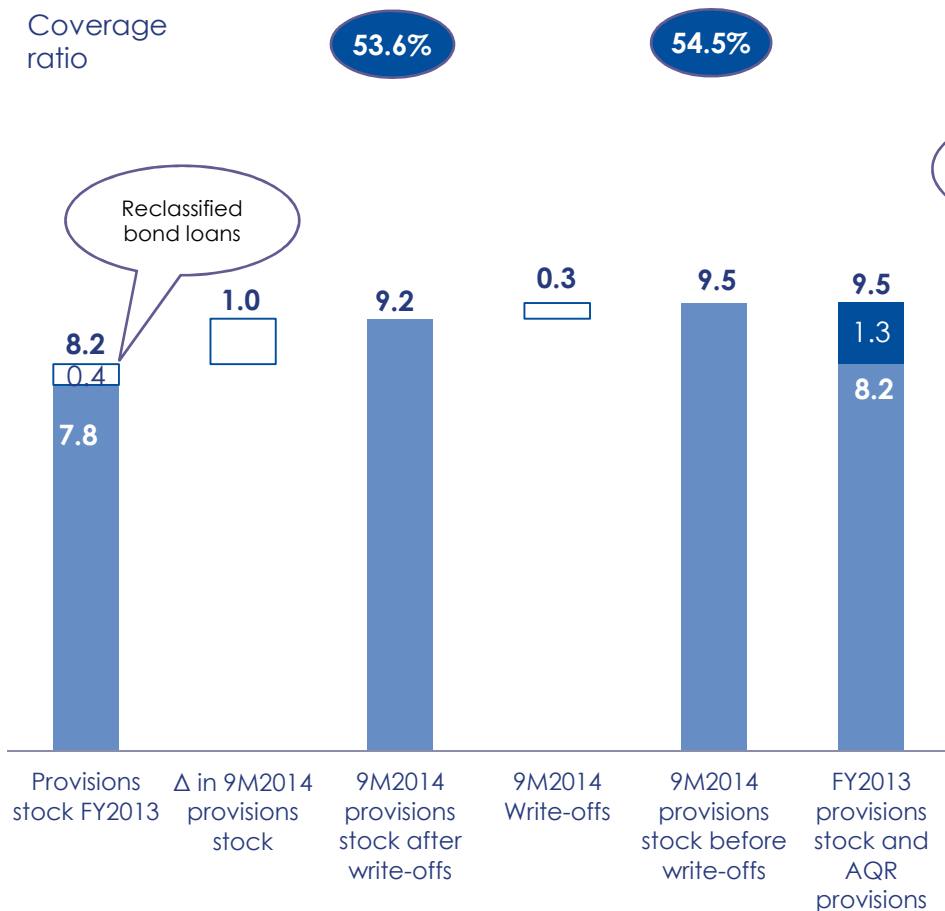
## Loan loss provisions (€ m)



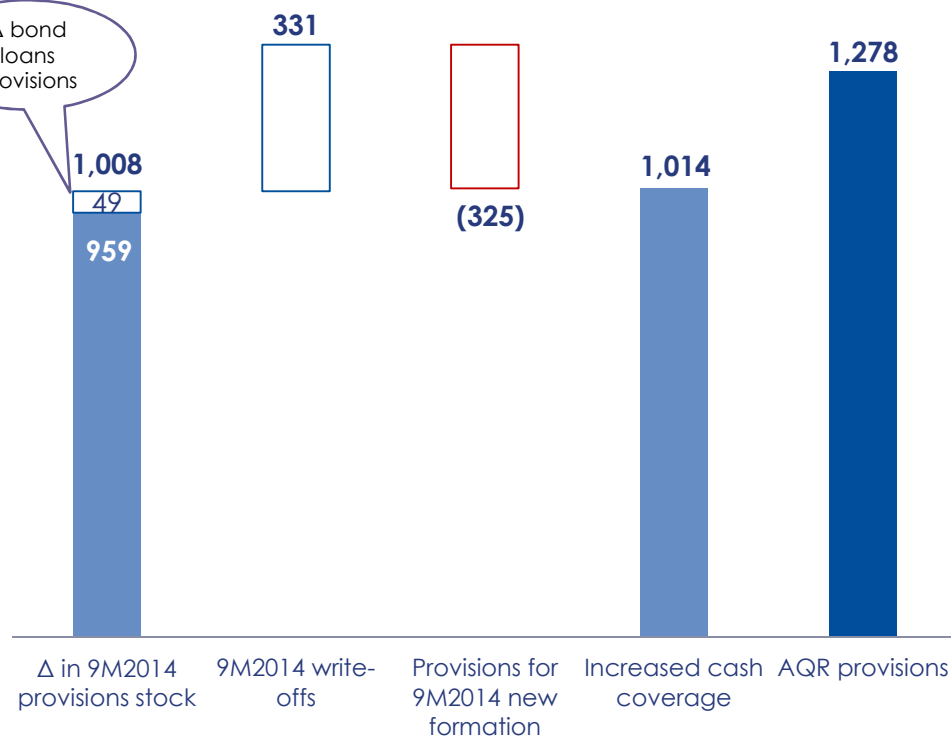
1. Including NHPB & New Proton.

# 2014 provisions – AQR findings

## Evolution of provisions stock (€ bn)

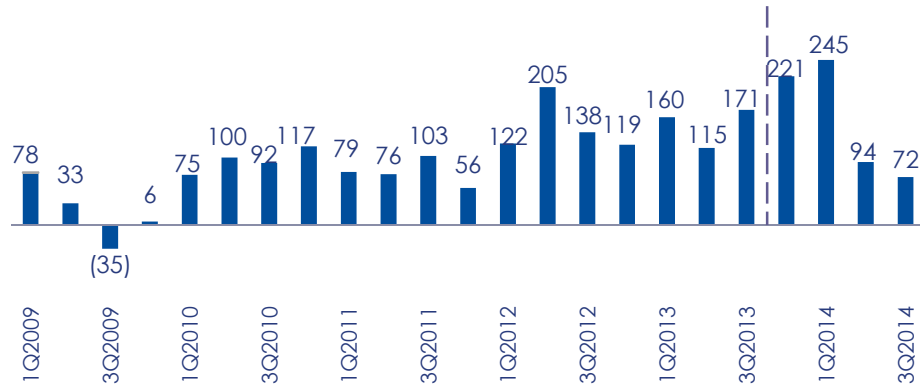


## 2014 provisions analysis (€m)

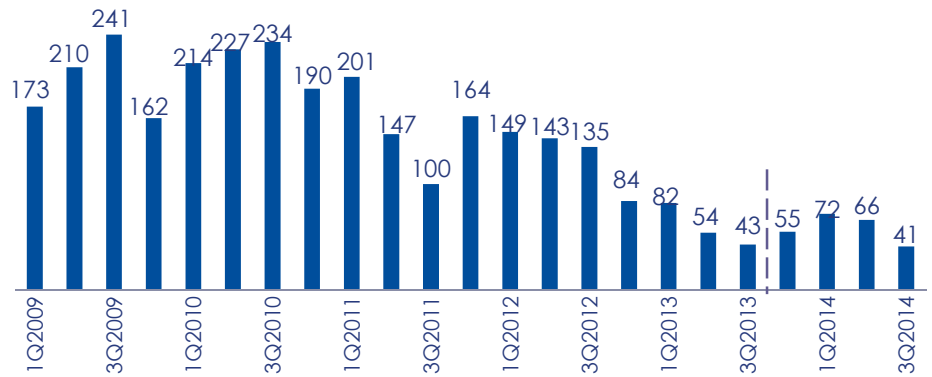


# 90dpd gross formation per segment (Greece)

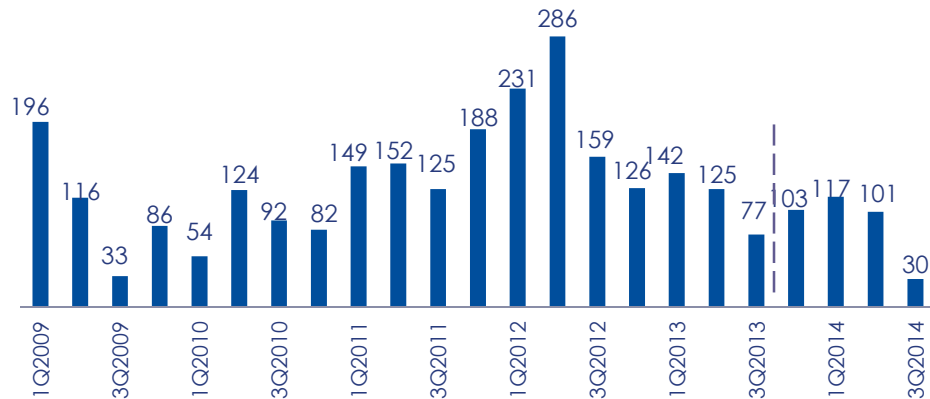
## Mortgages (€ m)



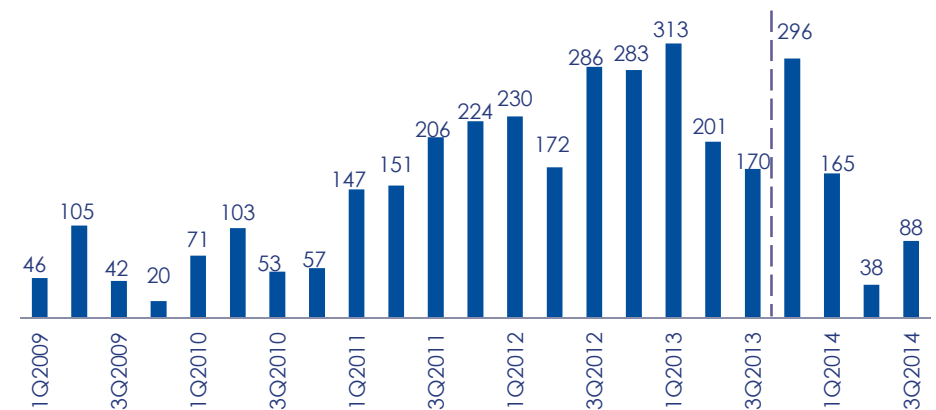
## Consumer (€ m)



## Small business (€ m)



## Corporate (€ m)



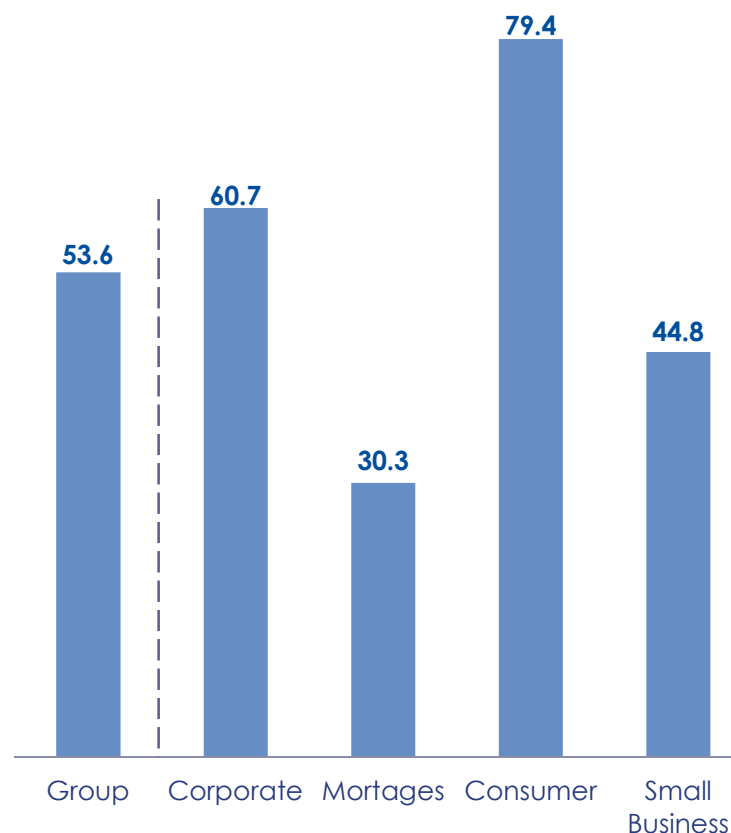
## 90dpd & performing restructured per segment

	>90dpd ratio (%)	>90dpd	0-89 dpd restructured
Consumer	44.6	€3.1 bn	€0.2 bn
Mortgages	21.7	€4.0 bn	€2.2 bn
Small Business	50.5	€3.7 bn	€0.5 bn
Corporate	33.0	€6.3 bn	€1.2 bn
<b>Total</b>	<b>33.0</b>	<b>€17.1 bn</b>	<b>€4.1 bn<sup>1</sup></b>

## 90dpd & coverage per region

%	3Q2013 <sup>2</sup>	4Q2013	1Q2014	2Q2014	3Q2014
<b>90dpd ratio</b>					
Greece	29.1	31.1	32.7	33.6	34.9
International	19.4	19.7	20.8	21.7	21.9
<b>Group</b>	<b>27.7</b>	<b>29.4</b>	<b>30.9</b>	<b>31.8</b>	<b>33.0</b>
<b>Coverage</b>					
Greece	48.6	49.7	50.1	51.0	52.8
International	49.4	52.4	52.2	52.3	60.9
<b>Group</b>	<b>48.7</b>	<b>49.9</b>	<b>50.3</b>	<b>51.1</b>	<b>53.6</b>

## Provisions coverage (%)

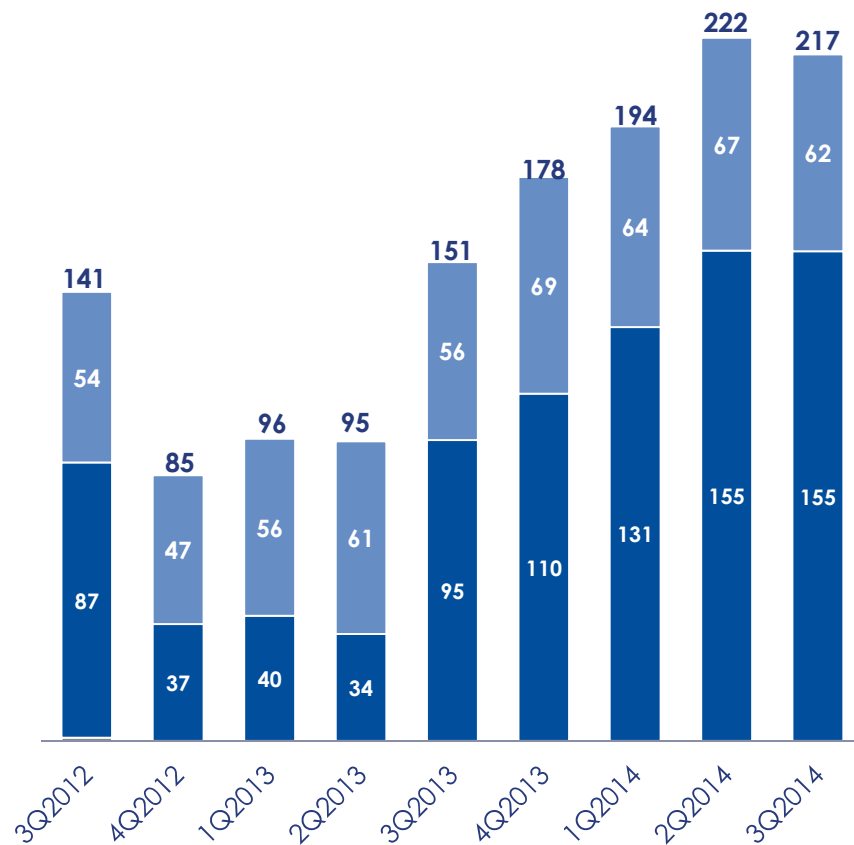


1. On total of restructured loans of €7.6bn. 2. Including NHPB & New Proton.

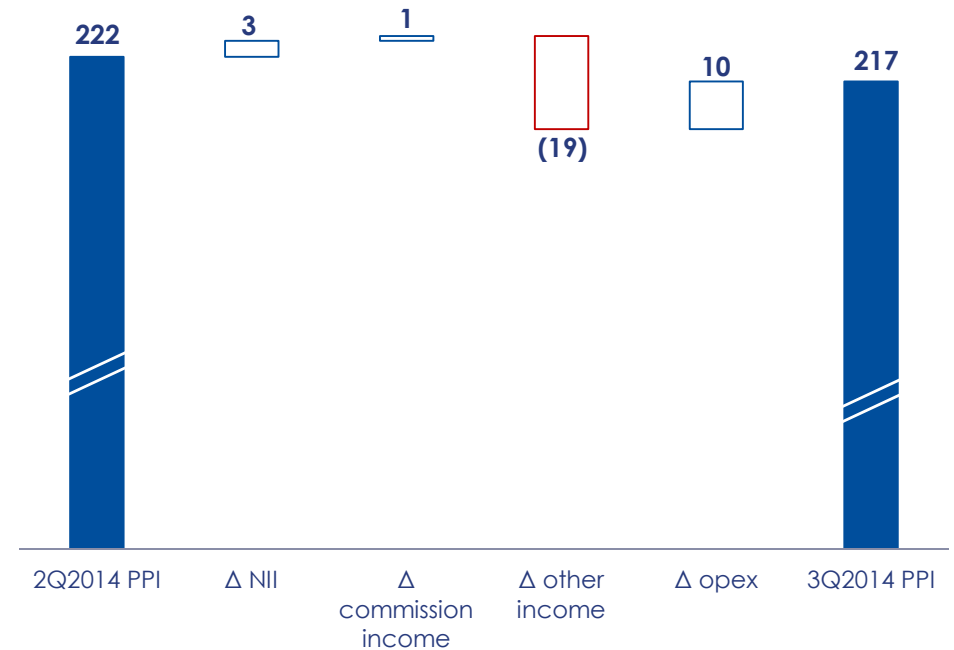
# Pre-provision income (PPI)

## PPI per region (€ m)

■ Greece ■ International



## Δ PPI (€ m)



# Summary performance

## Balance sheet – key figures

€ m	3Q2014	2Q2014
Gross customer loans	51,783	51,785
Provisions	(9,163)	(8,428)
Net customer loans	42,620	43,357
Customer deposits	42,698	41,926
Eurosystem funding	9,100	10,650
Shareholders' equity	6,951	7,154
Tangible book value	5,013	5,223
Tangible book value / share (€)	0.34	0.36
Risk Weighted Assets	39,626	37,987
Total Assets	74,264	74,773
Ratios (%)	3Q2014	2Q2014
CET1	16.1	17.0 <sup>1</sup>
Loans/Deposits	99.8	103.4
90dpd	33.0	31.8
Provision coverage	53.6	51.1
Provisions / Gross loans	17.7	16.3
Headcount (#)	17,527	17,575
Branches and distribution network (#)	1,034	1,042

## Income statement – key figures

€ m	3Q2014	2Q2014
Net interest income	378.6	375.3
Commission income	70.9	69.9
Operating income	474.8	489.8
Operating expenses	(257.7)	(267.6)
Pre-provision income	217.1	222.2
Loan loss provisions	(588.4)	(454.7)
Other impairments	(41.1)	(23.6)
Discontinued operations	0.4	(94.4)
Non-recurring items	168.1	(2.1)
Net income	(186.6)	(301.1)
Ratios (%)	3Q2014	2Q2014
Net interest margin	2.04	2.00
Fee income / assets	0.38	0.37
Cost / income	54.3	54.6
Cost of risk	5.47	4.15

1. CET1 ratio adjusted from 17.7% to 17.0% due to Ukraine's RWAs and non-inclusion of NHPB's portfolio migration to IRB approach.

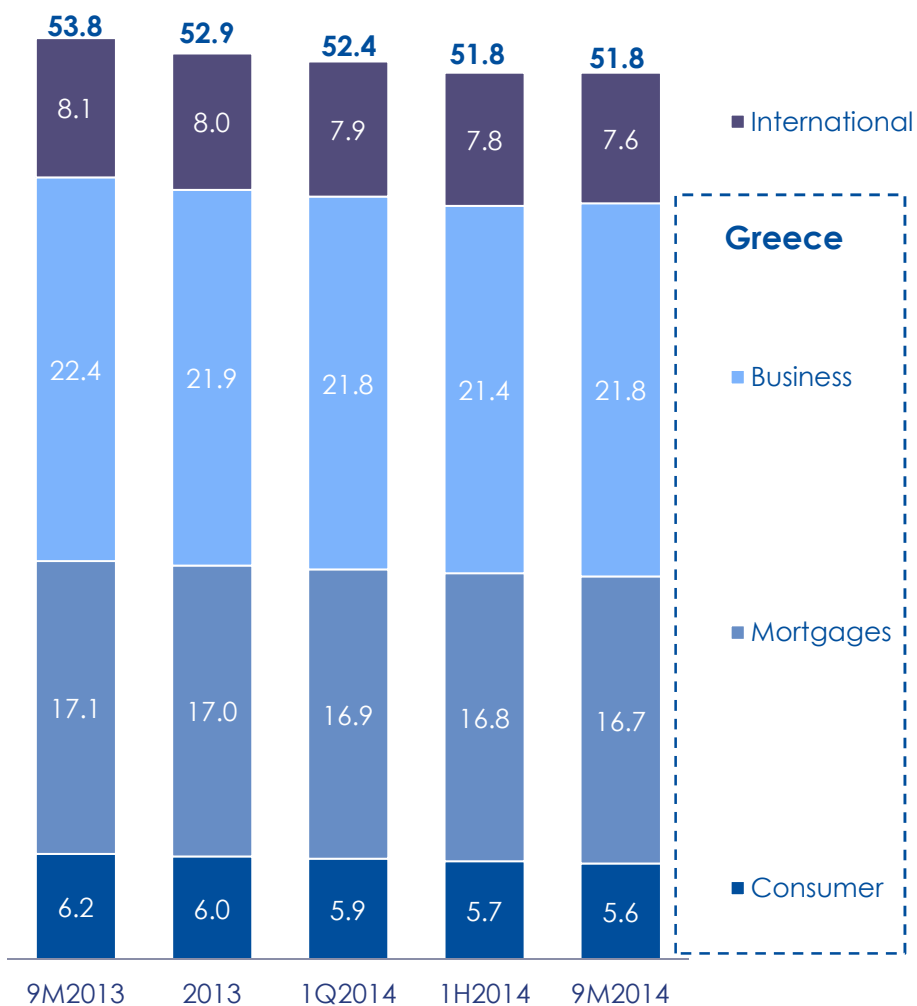
## **3Q 2014 results review**

# Loans and deposits

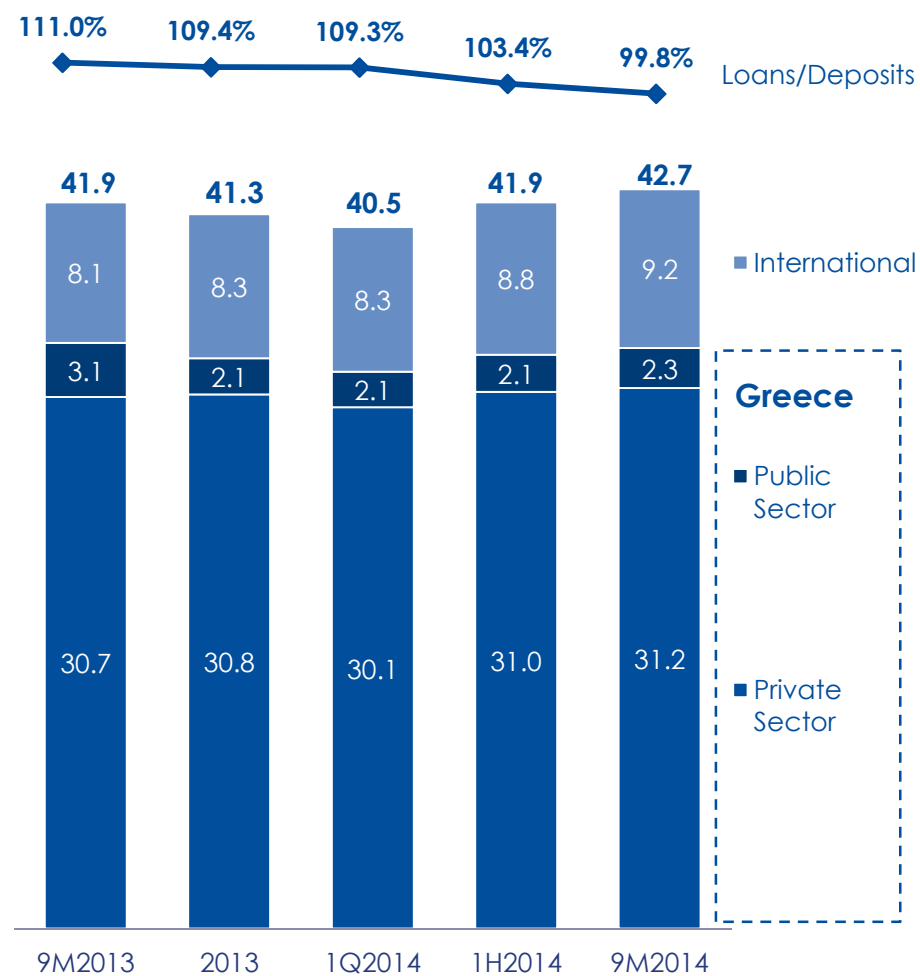
## Gross loans (€ bn)

Δ before write-offs,  
bond loans  
reclassification (€ m)

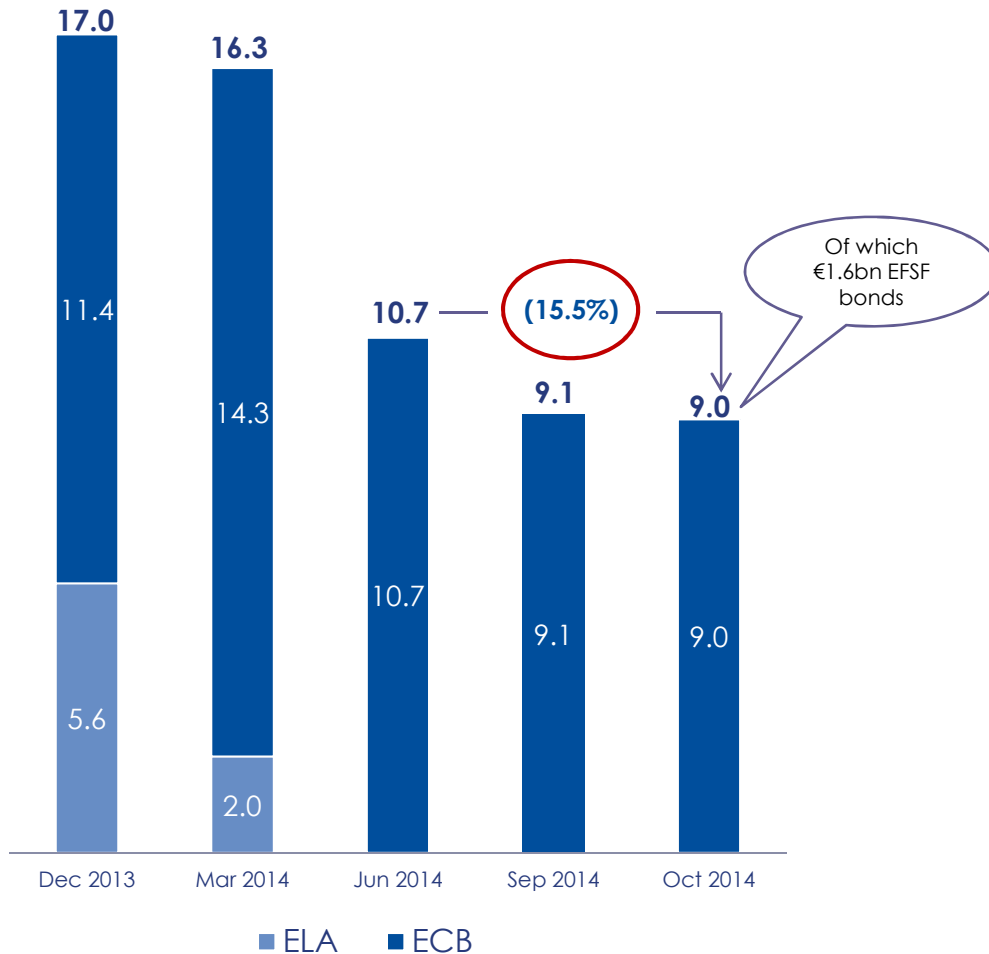
	(456)	(540)	(392)



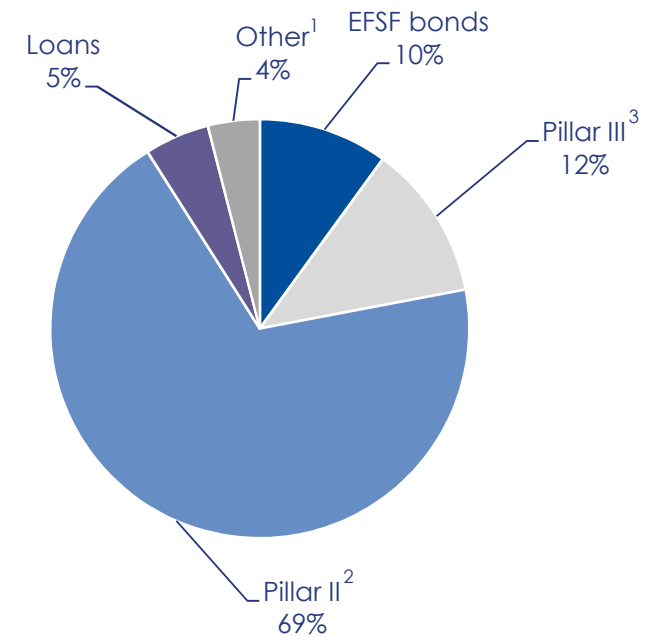
## Deposits (€ bn)



## Eurosystem funding (€ bn)



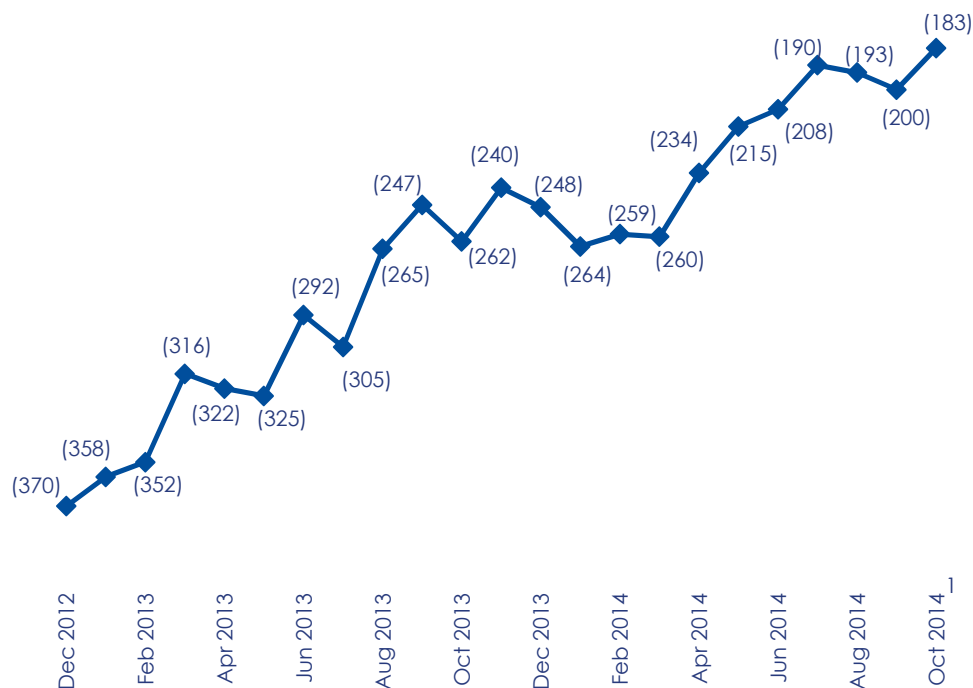
## ECB collateral by type (September 2014)



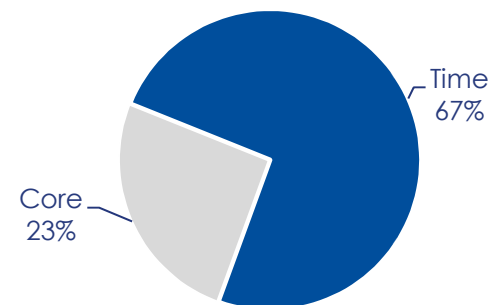
**Total collateral €12.3bn, €3.2bn additional buffer**

# New time deposits spreads and client rates (Greece)

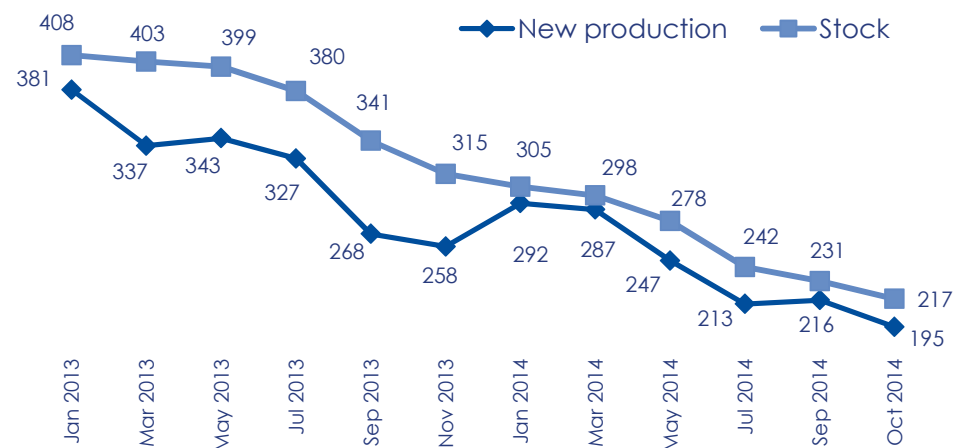
## New time deposit spreads (bps)



## Deposits mix

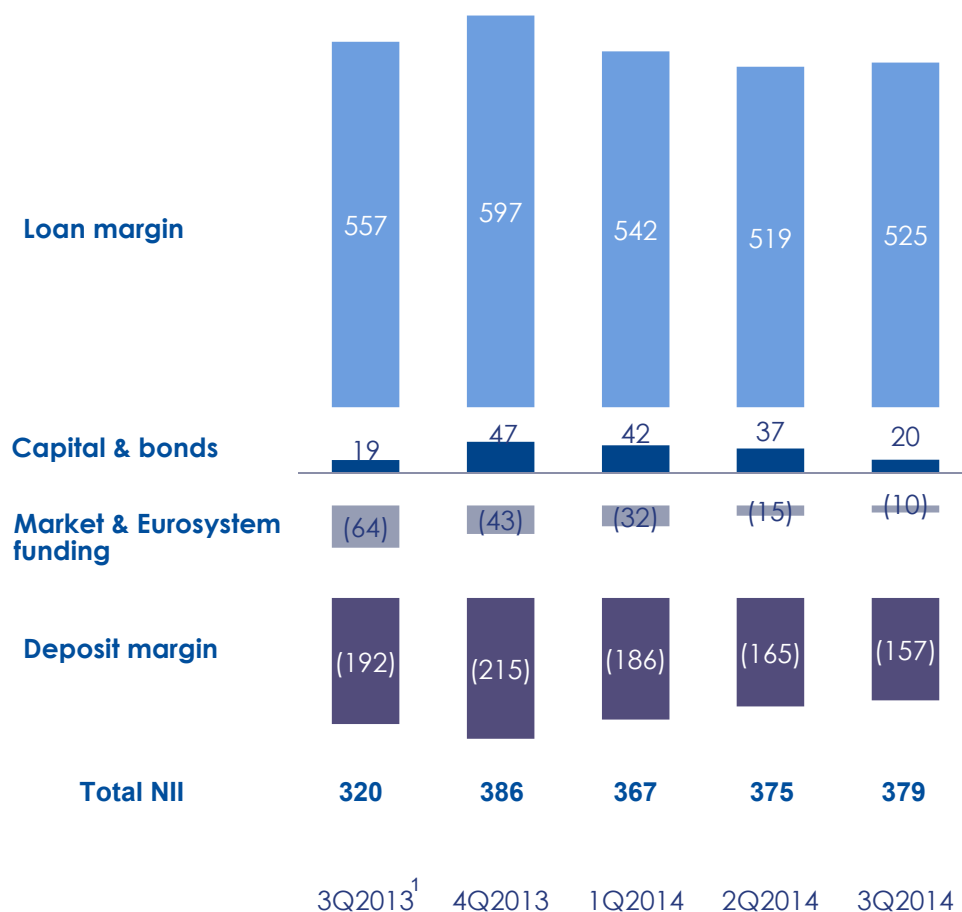


## Time deposit client rates (bps)

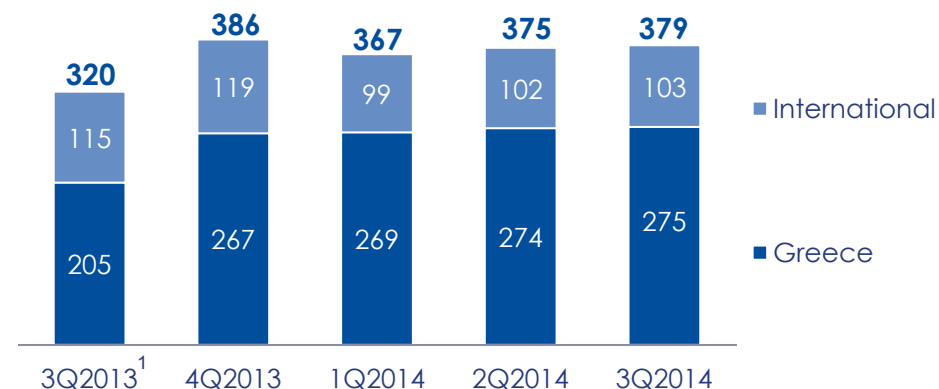


# Net interest income

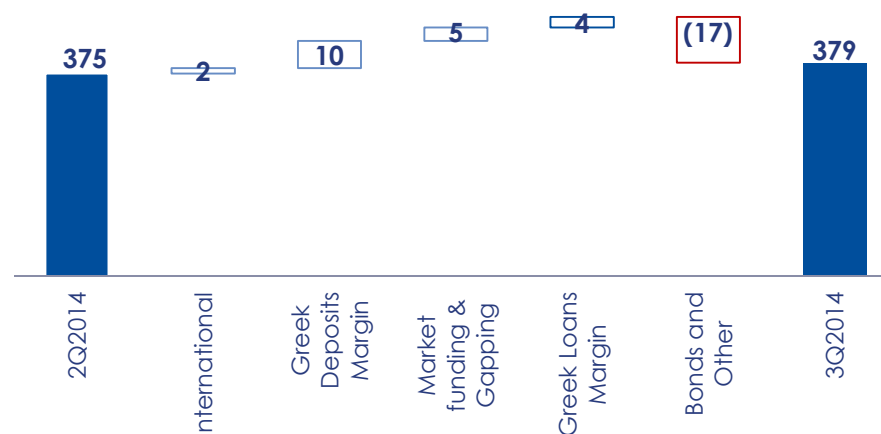
## NII breakdown (€ m)



## NII per region (€ m)



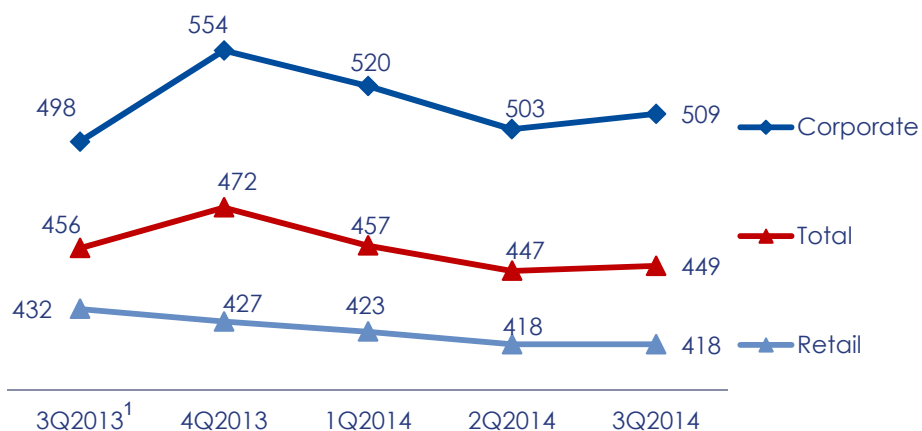
## NII evolution q-o-q (€ m)



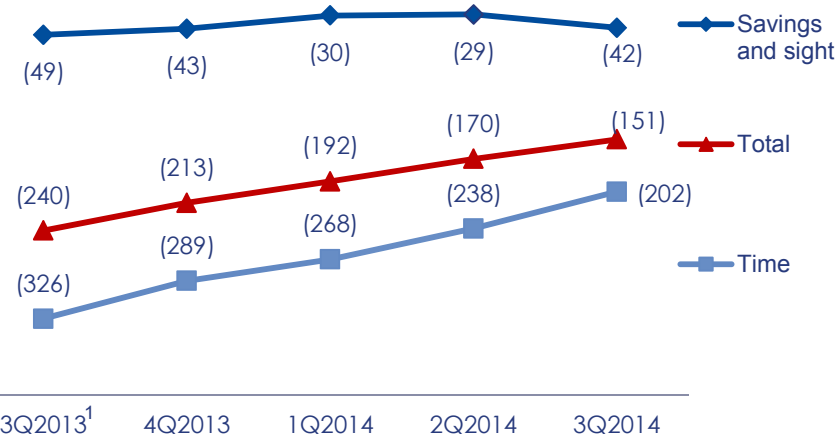
1. NHPB and New Proton included for one month.

# Spreads & net interest margin

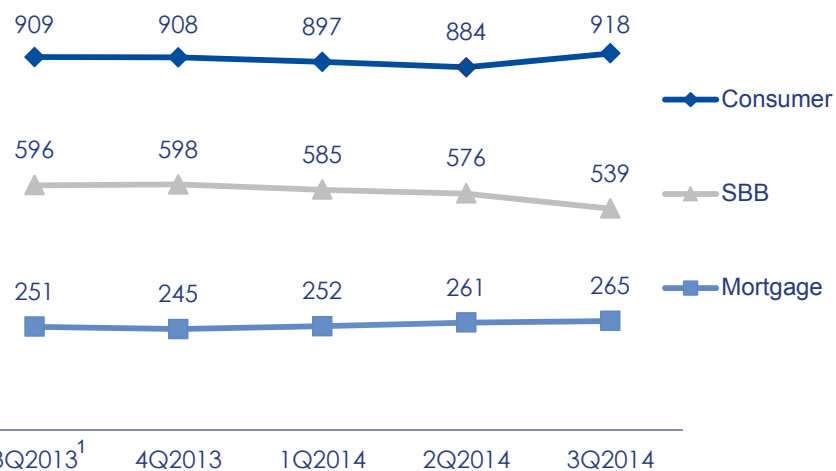
## Lending spreads (Greece, bps)



## Deposit spreads (Greece, bps)



## Retail lending spreads (Greece, bps)

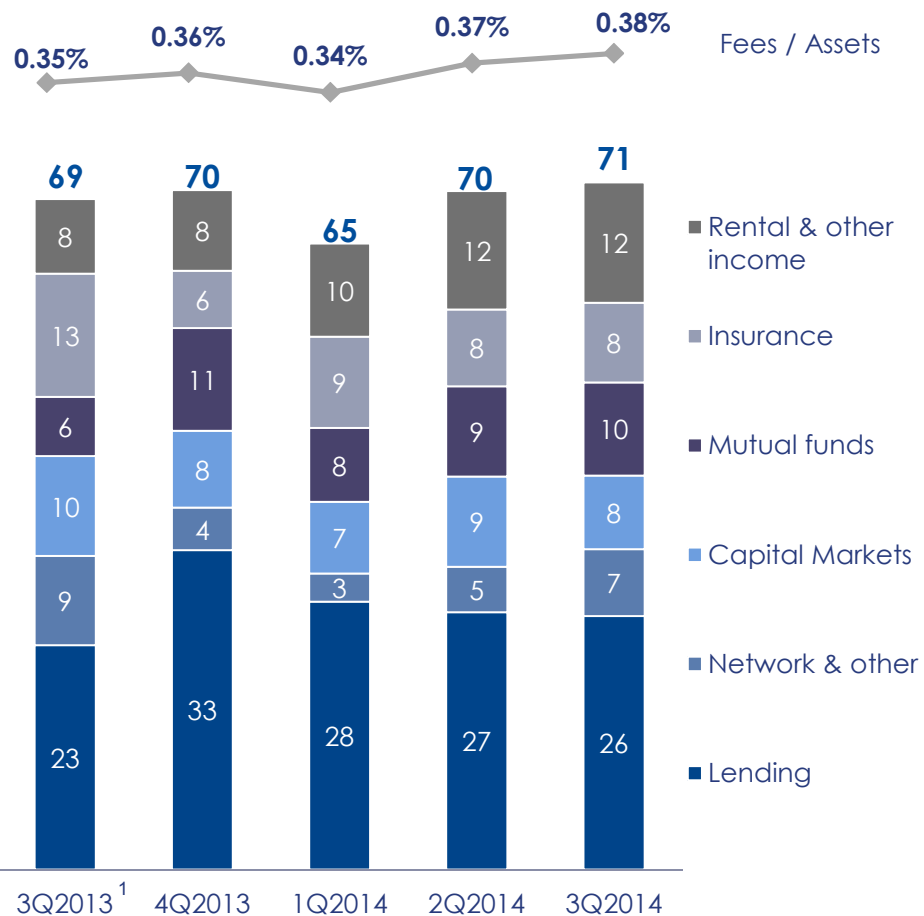


## Net interest margin (bps)

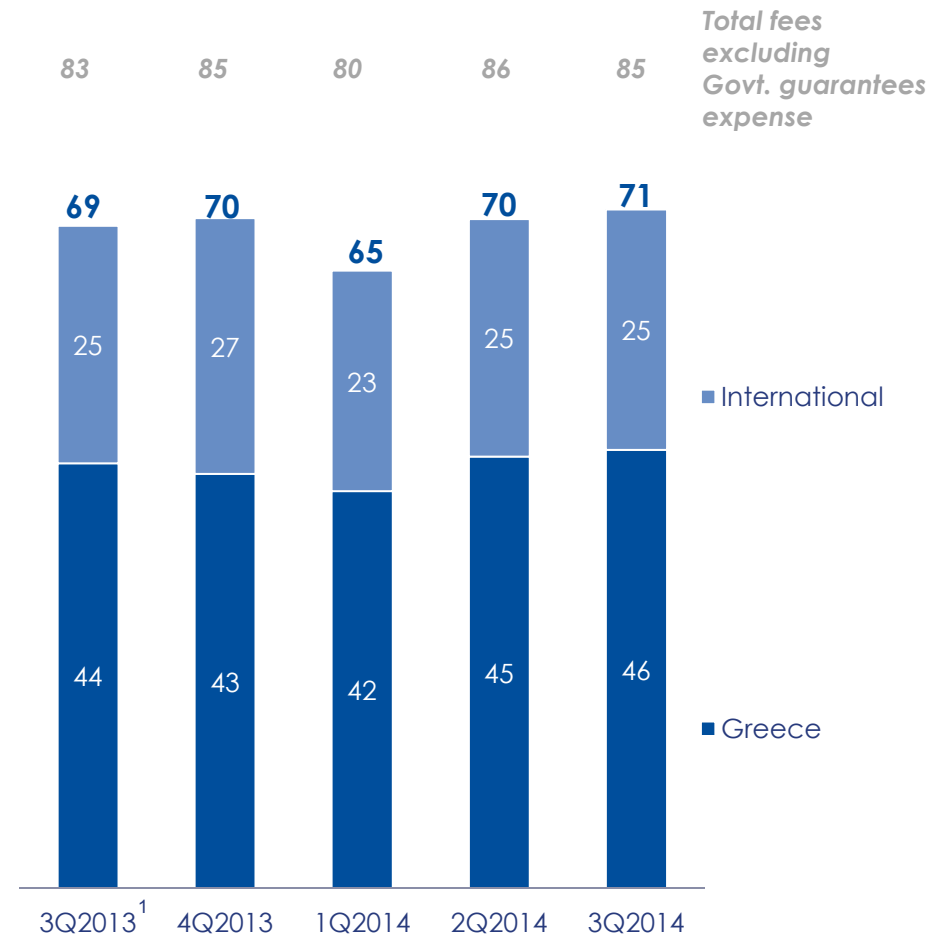
	3Q2013 <sup>1</sup>	4Q2013	1Q2014	2Q2014	3Q2014
Greece	137	163	168	174	178
International	366	382	323	333	334
<b>Group</b>	<b>173</b>	<b>198</b>	<b>193</b>	<b>200</b>	<b>204</b>

# Commission income

## Commission income breakdown (€ m)



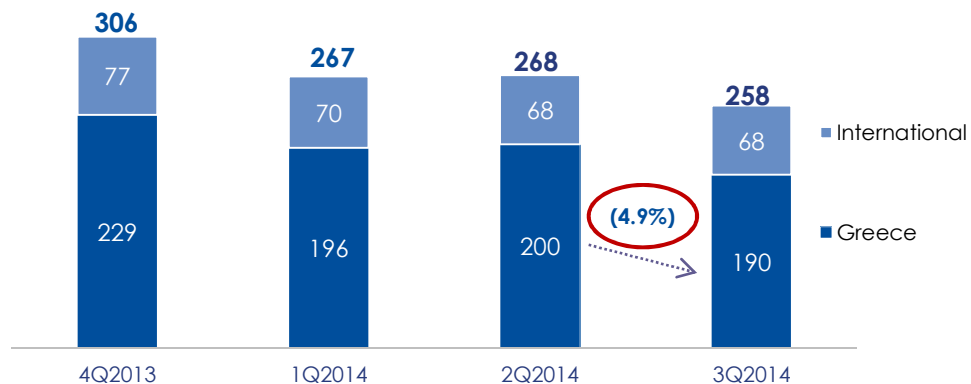
## Commission income per region (€ m)



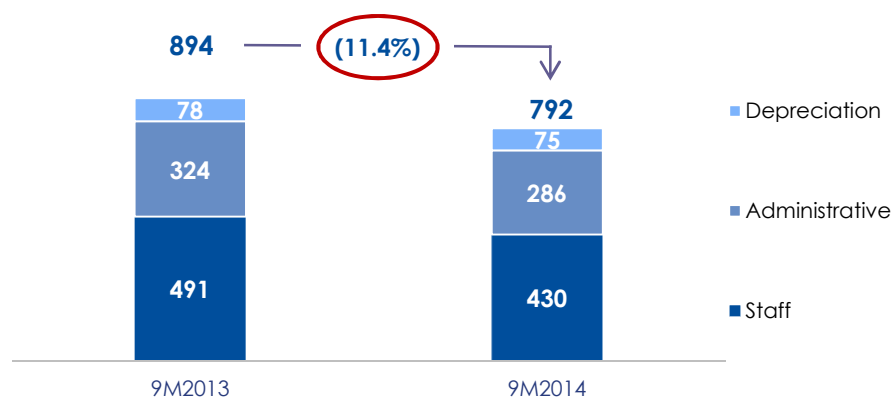
1. NHPB and New Proton included for one month.

# Operating expenses

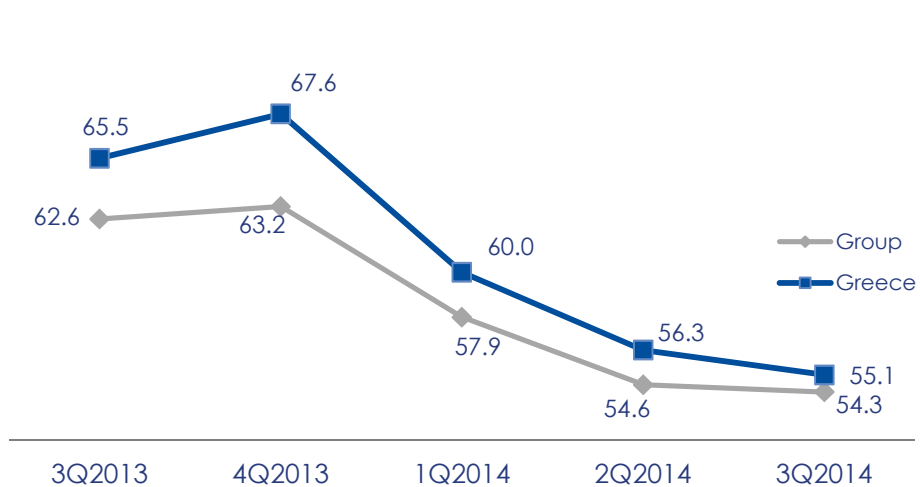
## OpEx per region (€ m)



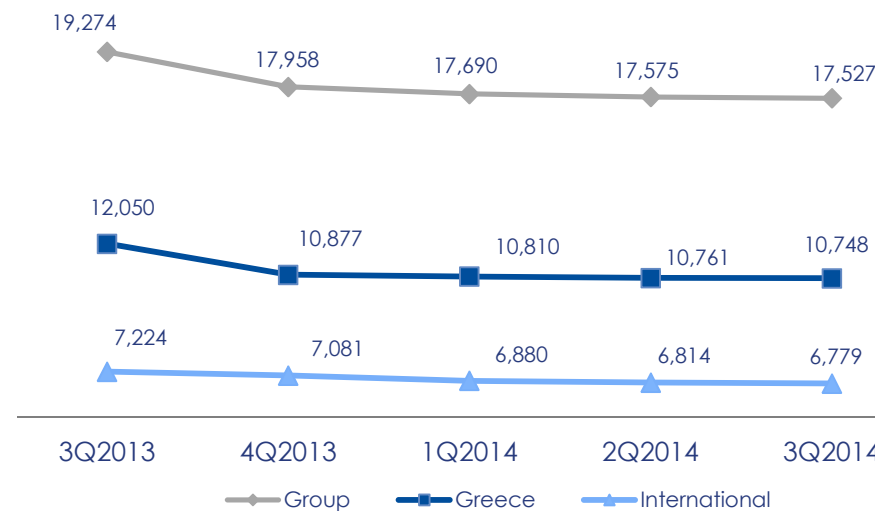
## OpEx breakdown (€ m)<sup>1</sup>



## Cost-to-income ratio (%)



## Headcount evolution (#)



1. On a comparable basis: NHPB, New Proton and other adjustments in 9M2013.

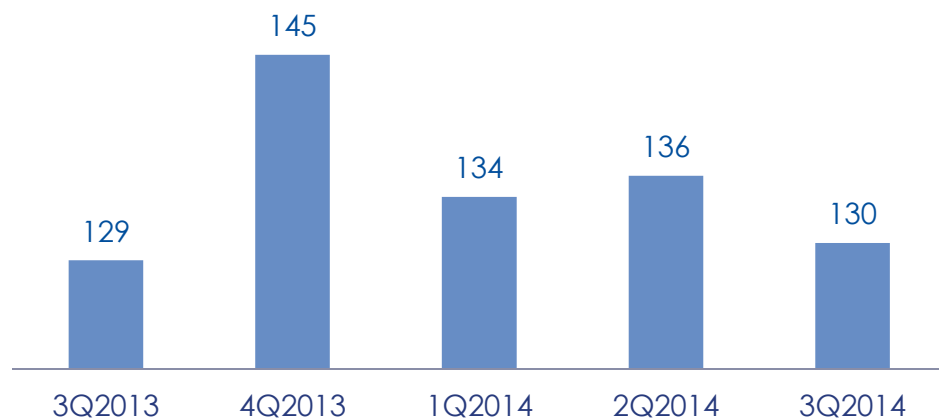
# International operations

# International presence

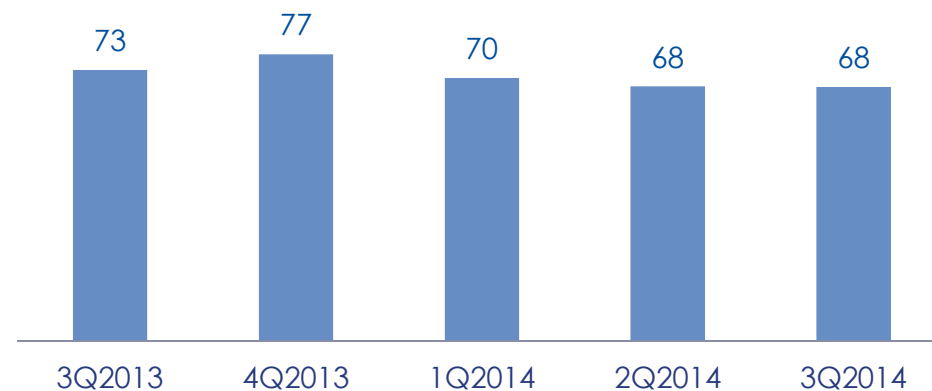


# Income statement highlights

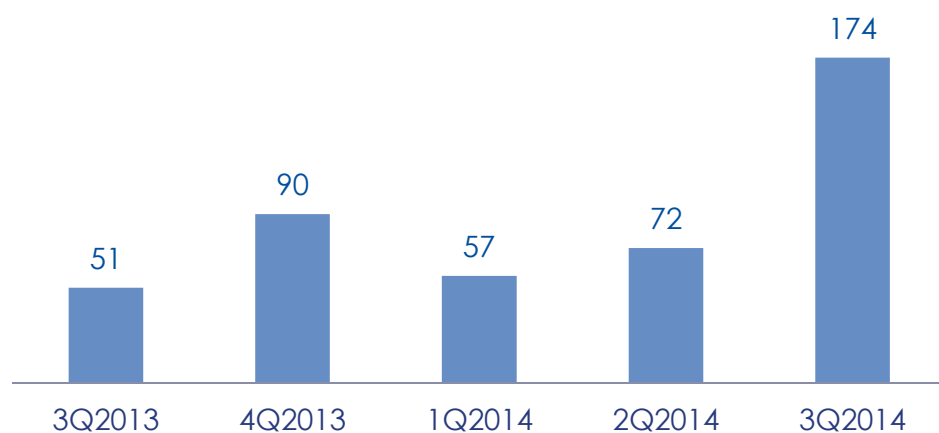
## Operating income (€ m)



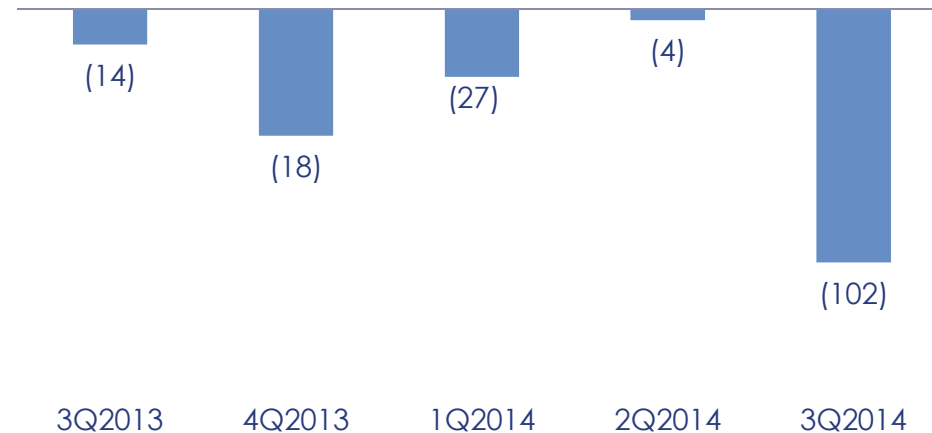
## Operating expenses (€ m)



## Provision charge (€ m)



## Net income before non-recurring charges (€ m)



# Key figures

		Romania	Bulgaria	Serbia	Cyprus	Lux	Sum
Balance Sheet (€m)	Assets	3,382	2,977	1,445	3,650	1,016	12,470
	Gross loans	2,576	2,546	936	1,177	369	7,604
	Net loans	2,040	2,192	859	1,131	369	6,591
	90dpd Loans	822	595	151	94	2	1,664
	Deposits	1,875	2,542	819	3,183	753	9,172
Income statement (€m)	Operating Income	42.3	41.8	21.5	20.0	4.9	130.5
	Operating Expenses	(27.0)	(19.6)	(12.1)	(6.1)	(3.6)	(68.4)
	Loan loss provisions	(104.0)	(51.0)	(15.3)	(3.8)	(0.0)	(174.1)
	Profit before tax & minorities	(88.8)	(28.7)	(5.8)	10.1	1.4	(111.8)
	Net Profit before non-recurring charges	(77.6)	(27.7)	(5.0)	8.0	0.9	(101.4)
Branches (#)	Retail	187	179	95	-	-	461
	Business / Private banking centers	9	8	8	7	1	33
Headcount (#)		2,658	2,429	1,388	227	77	6,779

## Appendix I – Supplementary information

# Quarterly financials

Income Statement (€ m)	3Q2013 <sup>1</sup>	4Q2013 <sup>2</sup>	1Q2014	2Q2014	3Q2014
Net Interest Income	319.9	386.0	367.2	375.3	378.6
Commission income	69.2	70.0	64.5	69.9	70.9
Other Income	15.2	27.7	29.2	44.6	25.3
Operating Income	404.2	483.7	460.9	489.8	474.8
Operating Expenses	(252.8)	(305.5)	(266.6)	(267.6)	(257.7)
Pre-Provision Income	151.4	178.2	194.3	222.2	217.1
Loan Loss Provisions	(416.5)	(647.1)	(479.4)	(454.7)	(588.4)
Other impairments	(30.3)	(129.5)	(40.0)	(23.6)	(41.1)
Profit before tax	(295.9)	(597.6)	(325.1)	(256.1)	(412.4)
Net Profit before non-recurring charges	(231.3)	(450.3)	(226.7)	(204.5)	(355.1)
Discontinued operations	(6.1)	(57.8)	(56.1)	(94.4)	0.4
Non-recurring items	(47.8)	(405.0)	75.4	(2.1)	168.1
Net Profit	(285.2)	(913.1)	(207.4)	(301.1)	(186.6)

Balance sheet (€ m)	3Q2013 <sup>2</sup>	4Q2013	1Q2014	2Q2014	3Q2014
Consumer Loans	7,445	7,285	7,132	6,983	6,822
Mortgages	18,918	18,786	18,682	18,597	18,524
<b>Household Loans</b>	<b>26,363</b>	<b>26,071</b>	<b>25,814</b>	<b>25,580</b>	<b>25,346</b>
Small Business Loans	7,337	7,320	7,309	7,263	7,191
Corporate Loans	20,052	19,458	19,260	18,883	19,187
<b>Business Loans</b>	<b>27,389</b>	<b>26,778</b>	<b>26,568</b>	<b>26,146</b>	<b>26,378</b>
Total Gross Loans	53,817	52,910	52,442	51,785	51,783
Total Deposits	41,940	41,250	40,526	41,926	42,698
Total Assets	80,060	77,586	75,995	74,773	74,264

1. Incl. NHPB & New Proton for one month. 2. Incl. NHPB & New Proton.

# Nine month financials

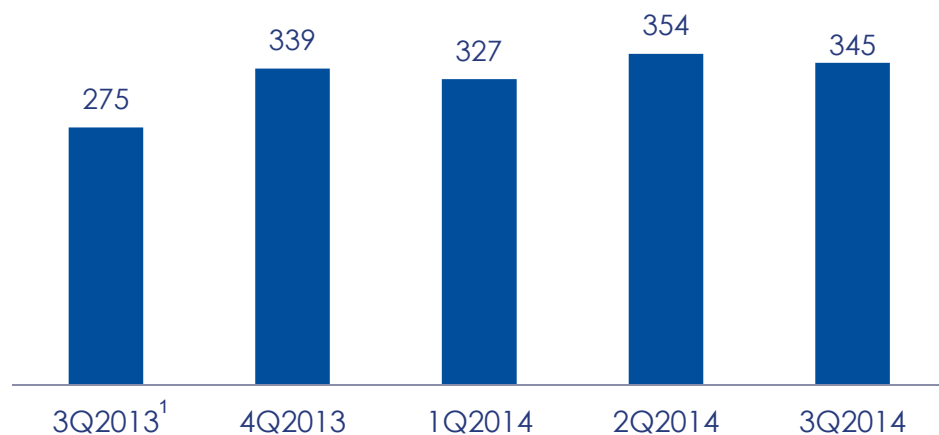
Income Statement (€ m)	9M2013 <sup>1</sup>	9M2014	Δ y-o-y (%)
Net Interest Income	883.8	1,121.1	26.9
Commission income	199.1	205.3	3.1
Other Income	(8.5)	99.1	>100.0
Operating Income	1,074.4	1,425.5	32.7
Operating Expenses	(732.8)	(791.9)	8.1
Pre-Provision Income	341.6	633.6	85.5
Loan Loss Provisions	(1,252.9)	(1,522.5)	21.5
Other impairments	(59.9)	(104.6)	74.7
Profit before tax	(972.4)	(993.5)	2.2
Net Profit before non-recurring items	(741.2)	(786.3)	6.1
Discontinued operations	(57.0)	(150.1)	>100.0
Non-recurring items	557.5	241.4	(56.7)
Net Profit	(240.7)	(695.0)	>100.0

Balance sheet (€ m)	9M2013 <sup>2</sup>	9M2014	Δ y-o-y (%)
Consumer Loans	7,445	6,822	(8.4)
Mortgages	18,918	18,524	(2.1)
<b>Household Loans</b>	<b>26,363</b>	<b>25,346</b>	<b>(3.9)</b>
Small Business Loans	7,337	7,191	(2.0)
Corporate Loans	20,052	19,187	(4.3)
<b>Business Loans</b>	<b>27,389</b>	<b>26,378</b>	<b>(3.7)</b>
Total Gross Loans	53,817	51,783	(3.8)
Total Deposits	41,940	42,698	1.8
Total Assets	80,060	74,264	(7.2)

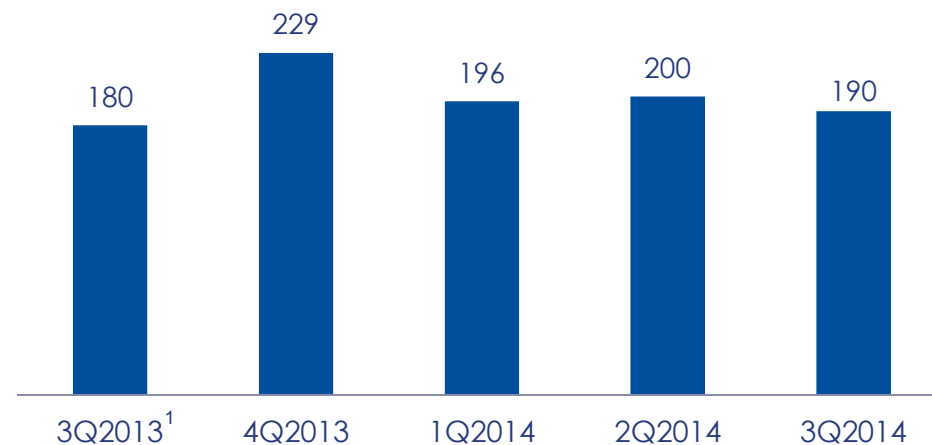
1. Incl. NHPB & New Proton for one month. 2. Incl. NHPB & New Proton.

# Income statement highlights (Greece)

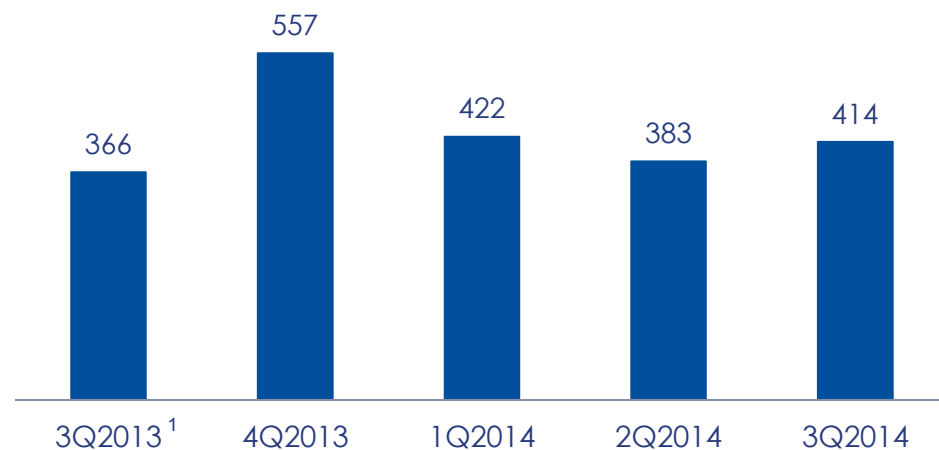
## Operating income (€ m)



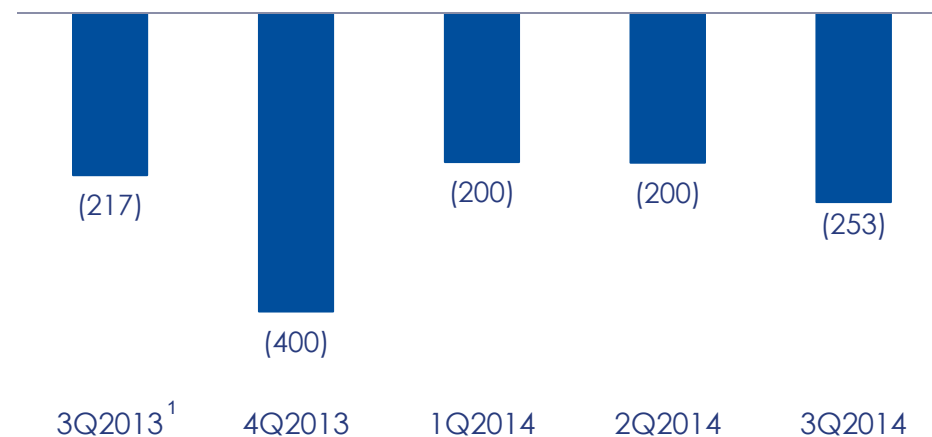
## Operating expenses (€ m)



## Provision charge (€ m)

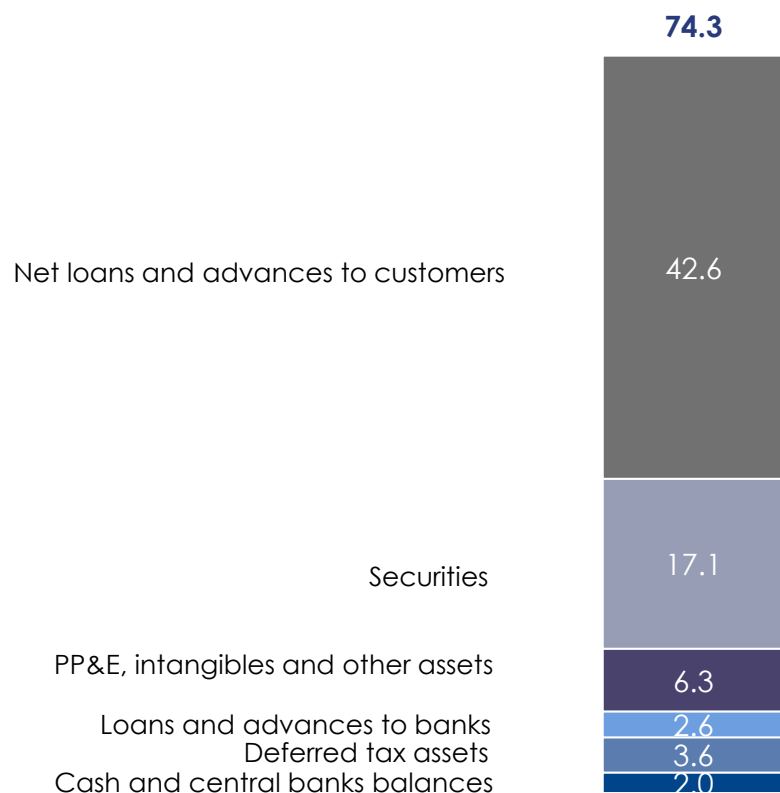


## Net income before non-recurring charges (€ m)

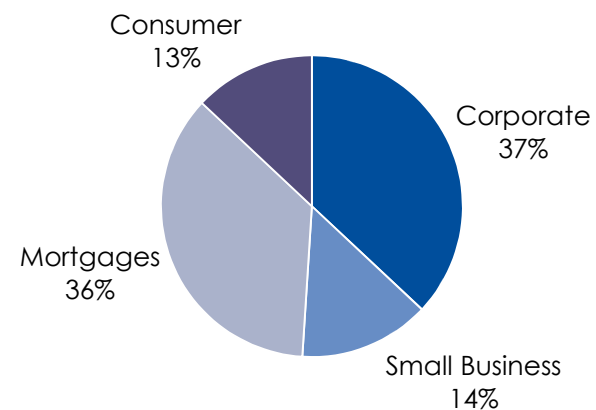


1. NHPB and New Proton included for one month.

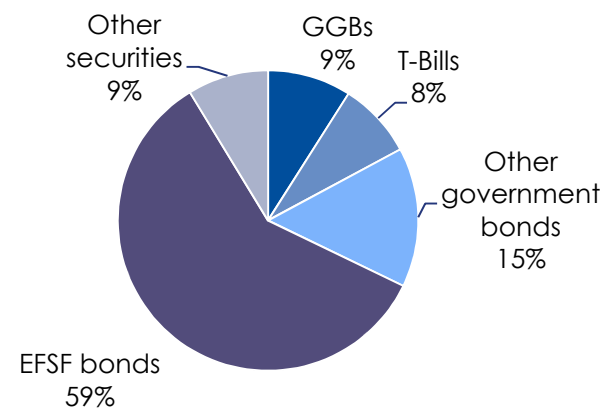
## Total assets (€ bn)



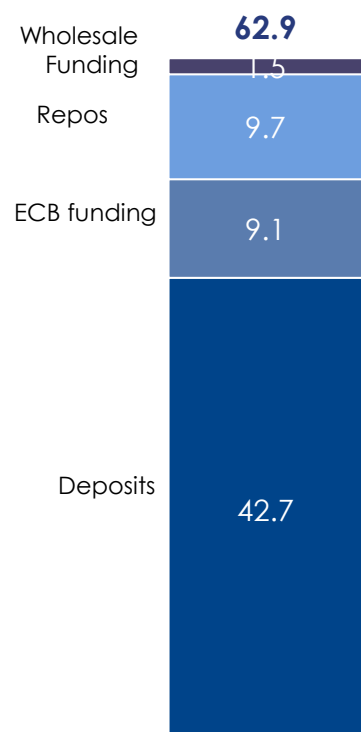
## Gross Loans



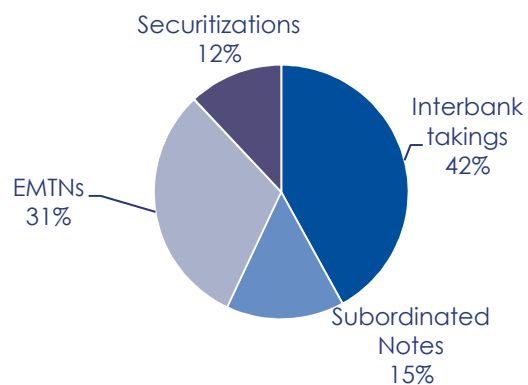
## Securities



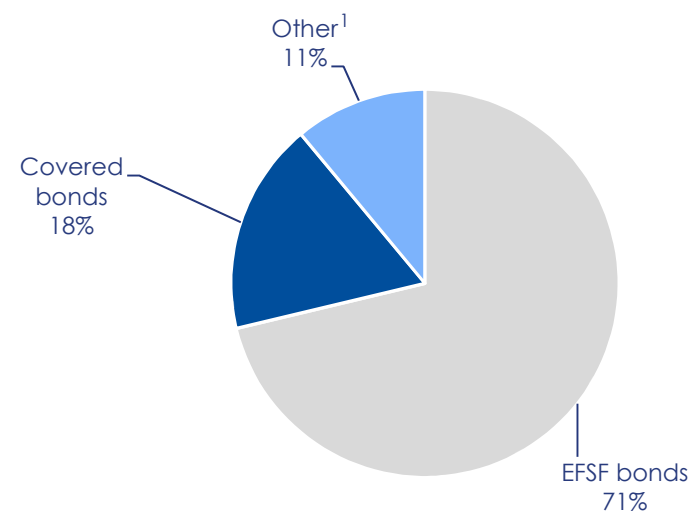
## Funding (€ bn)



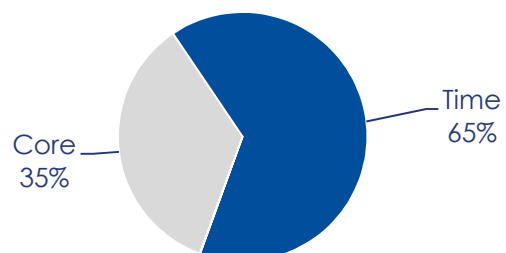
## Wholesale funding



## Repos



## Deposits

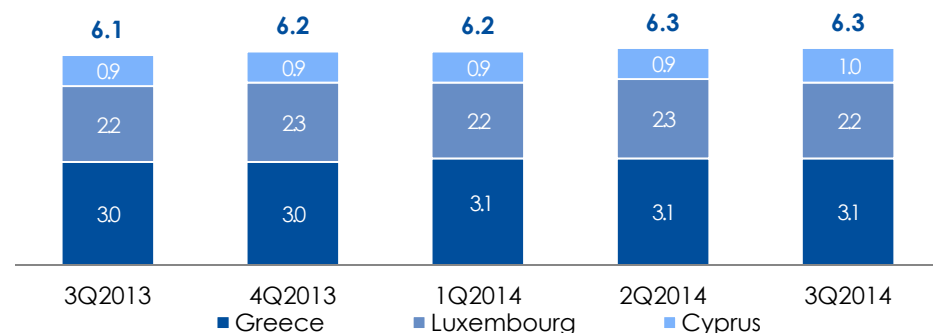


1. GGBs, GTBs, Corporate, Sovereign and Government guarantee bonds

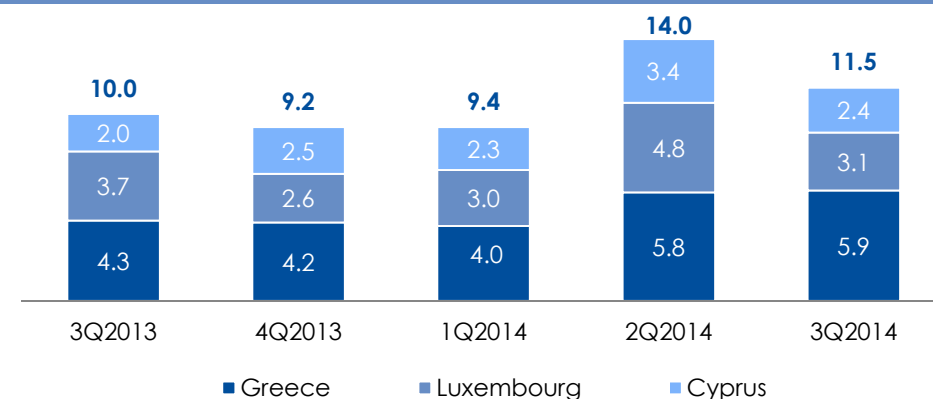
# Private Banking

Market leader in Greece with holistic servicing model in 3 countries

## AuM (€ bn)



## Revenue Breakdown (€ m)



## Data as of September 2014

	AuM (€ m)	Clients (#)	Relationship Managers (#)
Greece	3,068	3,651	45
Luxembourg	2,167	1,056	11
Cyprus	1,023	1,250	5
<b>Total</b>	<b>6,258</b>	<b>5,957</b>	<b>61</b>

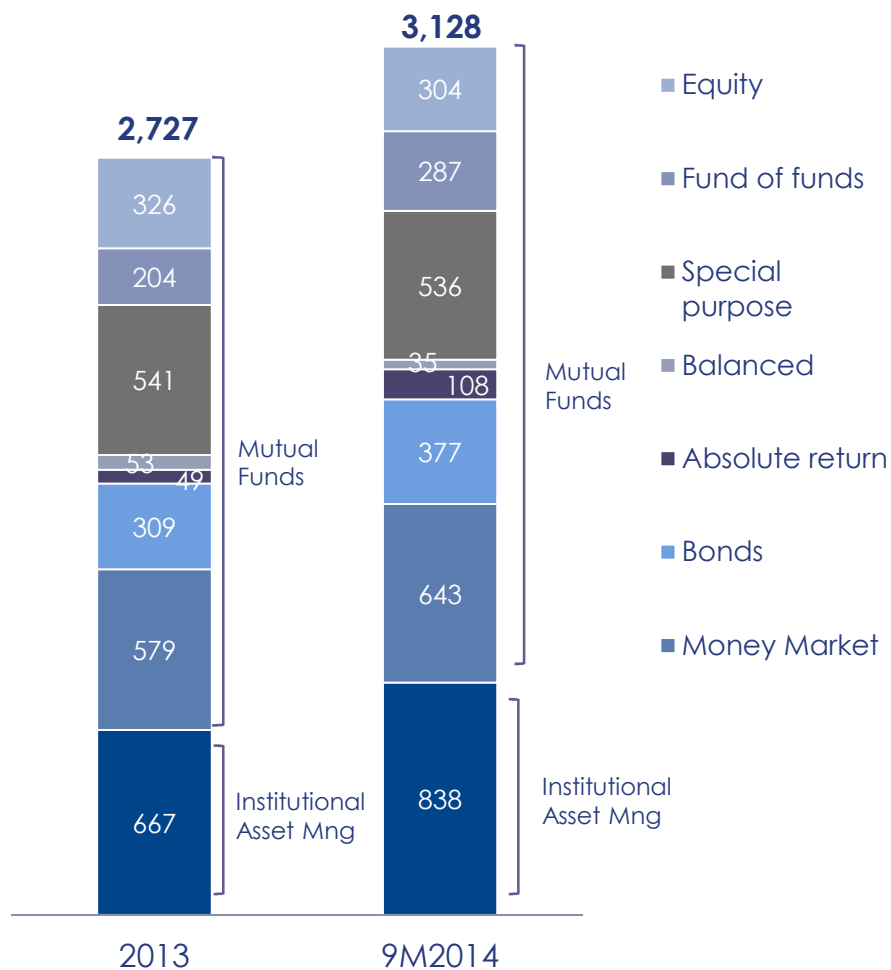
## Asset Mix (%)

	Greece	Luxembourg	Cyprus	Total
Cash	38%	66%	68%	52%
Bonds	22%	7%	13%	16%
Equities	15%	6%	13%	12%
Funds and Managed Products	25%	21%	6%	20%

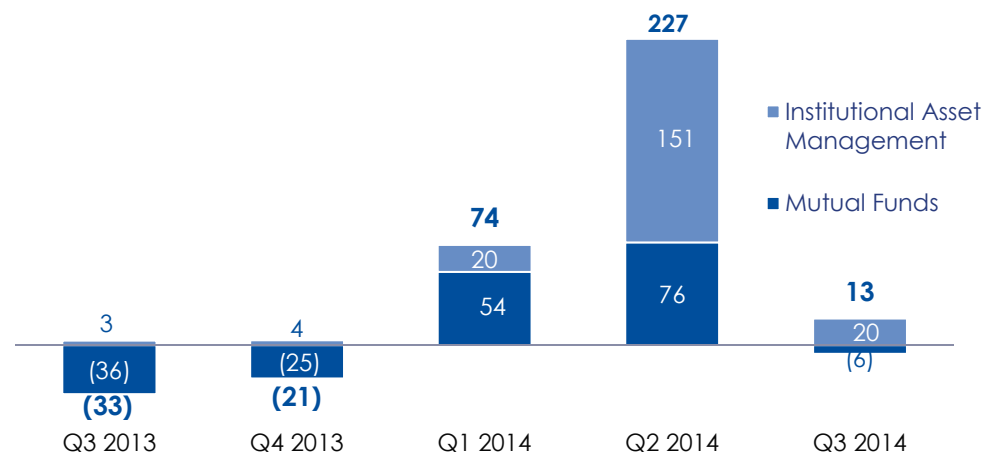
# Asset Management

Market leader in Greece with 26.9% market share in mutual funds

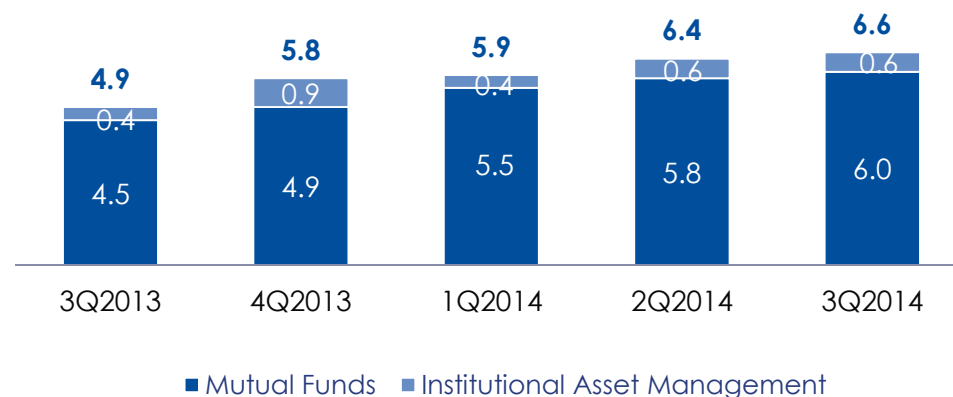
## AuM (€ m)



## Net Inflows (€ m)



## Revenues (€ m)



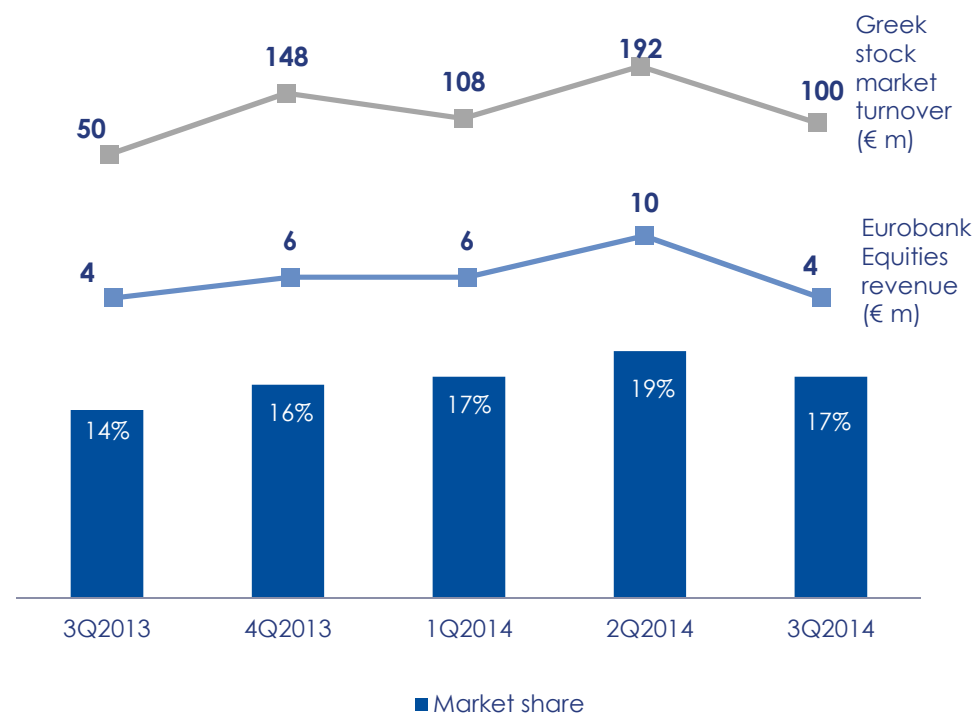
## Eurolife ERB Insurance

- 3rd largest insurance provider in Greece in 2013, operating both in life and non-life segments, focused on retail
- 2013 ROE at 16% and 29% for the Greek Life and the Greek Non-life insurance business, respectively
- Diversified distribution channels
  - Exclusive bancassurance agreements with Eurobank and/or Eurobank subsidiaries
  - Third party channel consisting of approximately 1,400 agreements with agents, independent brokers and insurance advisors
- Solvency I ratios of 532% and 469% for Life and Non-life businesses in Greece, respectively, as at 30 September 2014
- Fast growing and profitable Romanian operations
- Eurobank is considering various options to reduce its stake in its insurance business, including a potential IPO of its newly established wholly owned subsidiary, Eurolife ERB Insurance Group S.A.

€ m	2013	9M 2014
Gross Written Premium <sup>1</sup>	345	289
Total Income <sup>1</sup>	397	330
Profit after tax <sup>1</sup>	57	48

## Eurobank Equities

- Dominant position in domestic capital markets, consistently ranking number one over the past 5 years
- Profitable through-out the crisis due to constant cost optimization
- Voted best Brokerage firm in Greece (2014) and best research (2013, 2014) by Extel Survey



1. Based on the respective financial statements of Eurolife's insurance and insurance brokerage subsidiaries as applicable, and before any eliminations and adjustments to consolidate such subsidiaries

# Appendix II – ECB Comprehensive Assessment

Findings

# Comprehensive Assessment (CA) Overview

- Unprecedented exercise performed by European Central Bank (ECB) across 130 European banks
- The CA represents a step towards the full harmonisation of the European banking system
- Results and findings of the CA based on two main pillars: Asset Quality Review (AQR) and Stress Test (ST)

## 1 Asset Quality Review (AQR)

- Unprecedented exercise aimed to enhance the transparency of bank balance sheets (B/S), by reviewing the quality of banks' assets, including the adequacy of asset and collateral valuation and related provisions
- Review of loan portfolios and projections based on large samples within each category
- Standardised approach across all banks assessed, taking into account the bank's exposures and the underlying borrowers financials and collateral valuation as of 31<sup>st</sup> December 2013
  - 84% of Eurobank portfolio reviewed through samples
  - Credit file review for €9.9bn of Greek corporate loans, representing 64% of the Greek Corporate portfolio

## 2 Stress Test (ST)

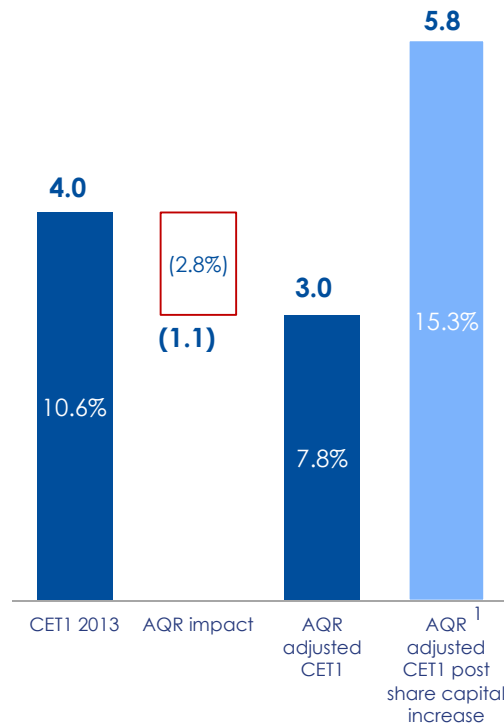
- Performed in cooperation with the European Banking Authority (EBA) to examine the resilience of banks' B/S to two stress test scenarios: Baseline and Adverse
- Capital adequacy was assessed over a three-year time period (2014-2016) against a Common Equity Tier 1 (CET 1) ratio benchmark of 8.0% and 5.5% in the Baseline and Adverse scenario, respectively
- The CA was carried out on both the Static and Dynamic B/S assumptions, with only the latter incorporating the effect of measures announced and committed in the Restructuring Plan approved by European Commission for the period 2014-2016

# Comprehensive Assessment Results (1/2)

- ECB will use the Dynamic B/S to assess the capital position of Eurobank
- The Dynamic B/S, which includes the €2.9bn share capital increase completed in May 2014, incorporates the Restructuring Plan (RP) for the 2014-2016 period approved by European Commission, stressed under the Baseline and Adverse scenario
- Eurobank meets the CA benchmark in both the Baseline and the Adverse Dynamic B/S scenario

## Dynamic B/S

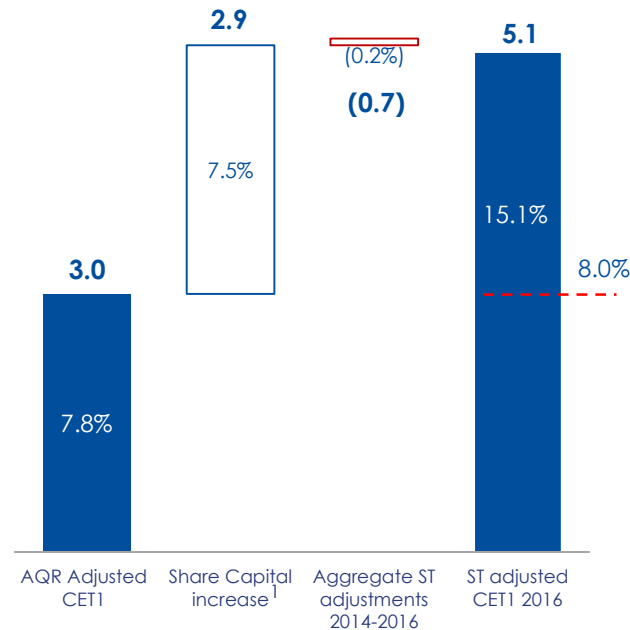
### AQR Overview (€ bn)



RWAs €38.1bn

€38.1bn

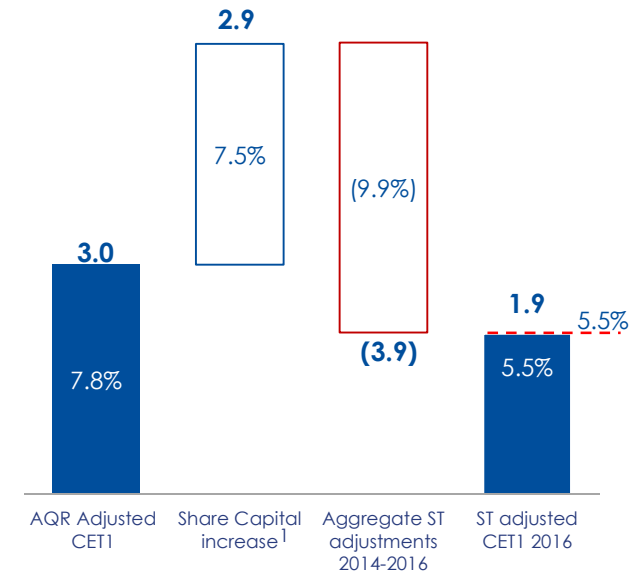
### Baseline (€ bn)



€38.1bn

€33.7bn<sup>2</sup>

### Adverse (€bn)



€38.1bn

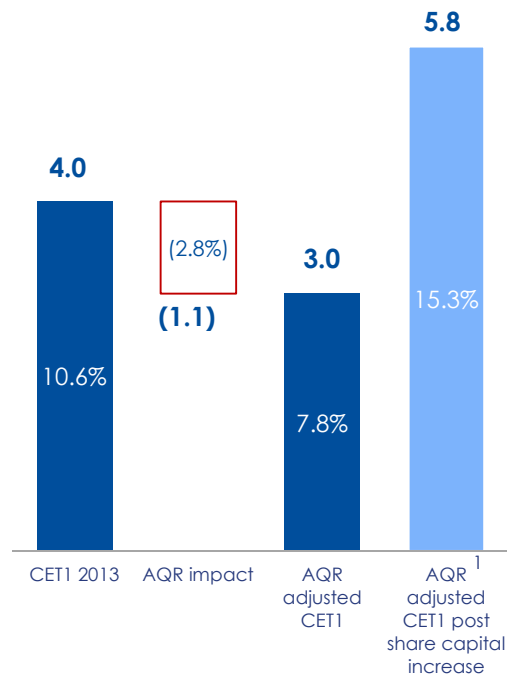
€35.2bn<sup>2</sup>

1. Share capital increase completed in May 2014.  
2. As derived from the stress test.

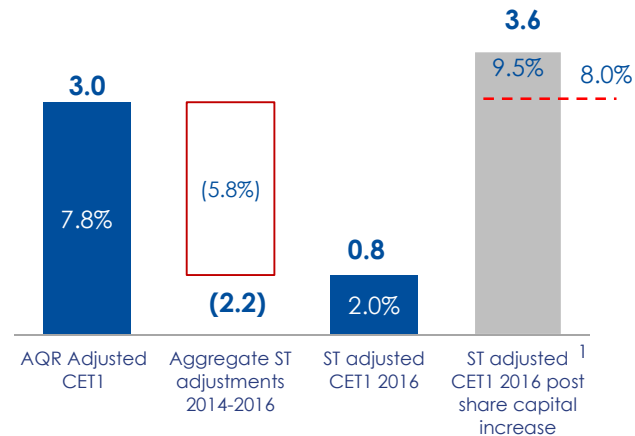
# Comprehensive Assessment Results (2/2)

## Static B/S

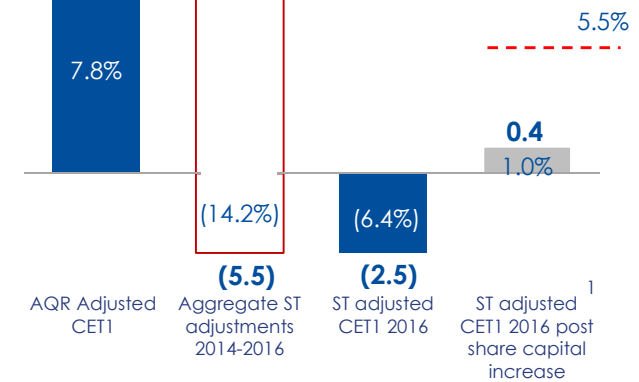
### AQR Overview (€ bn)



### Baseline (€ bn)



### Adverse (€bn)



RWAs €38.1bn

€38.1bn

€38.1bn

€38.2bn<sup>2</sup>

€38.1bn

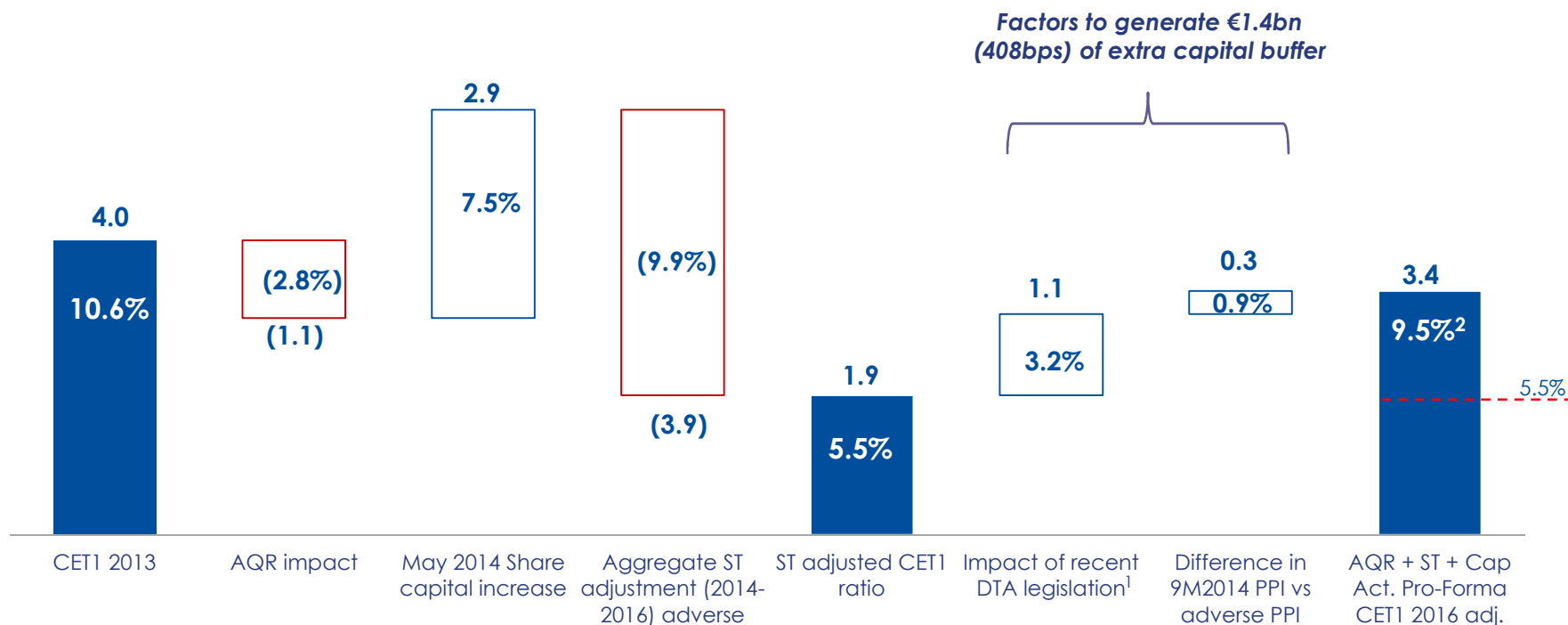
€38.8bn<sup>2</sup>

1. Share capital increase completed in May 2014.  
2. As derived from the stress test.

# Capital Enhancement Factors

- The following factors would create a capital buffer of €1.4bn to increase the stressed CET1 ratio from 5.5% to 9.5%<sup>2</sup>

## Dynamic B/S Adverse Scenario & Capital Enhancement Factors (€ bn)



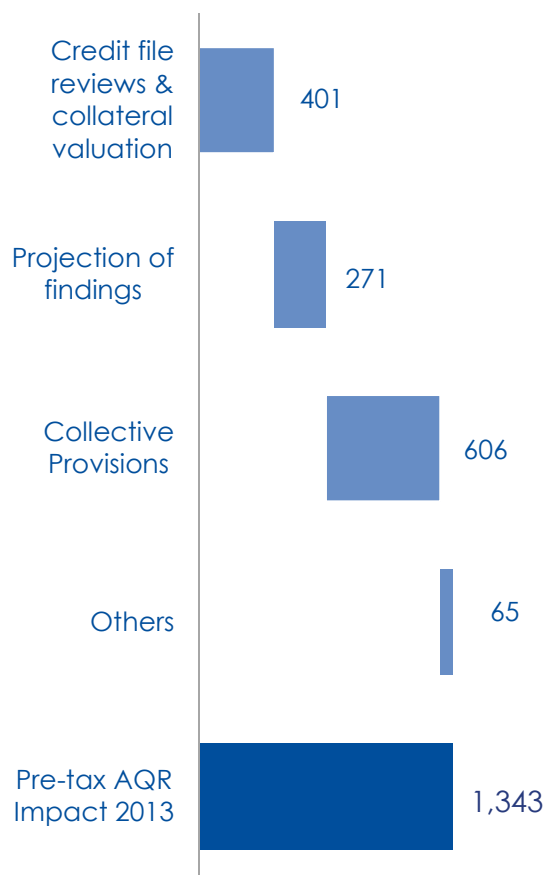
1. Conditional to the approval of opt-in to the scheme by the forthcoming 7 November 2014 EGM.

2. CET1 ratio excludes an additional benefit of c.30bps expected from the migration of NHPB mortgage portfolio to IRB approach.

# AQR review perimeter and key findings (1/2)

- 84% of Eurobank loan book reviewed; 97% of Greek and 17% of International portfolio
- Credit file review and collateral valuation performed over €9.9bn of Greek corporate loans representing 64% of the Greek Corporate portfolio
- The AQR review resulted in a total provisions adjustment of €1,343m or €1,070m after tax

## Pre-tax AQR Impact Details (€ m)

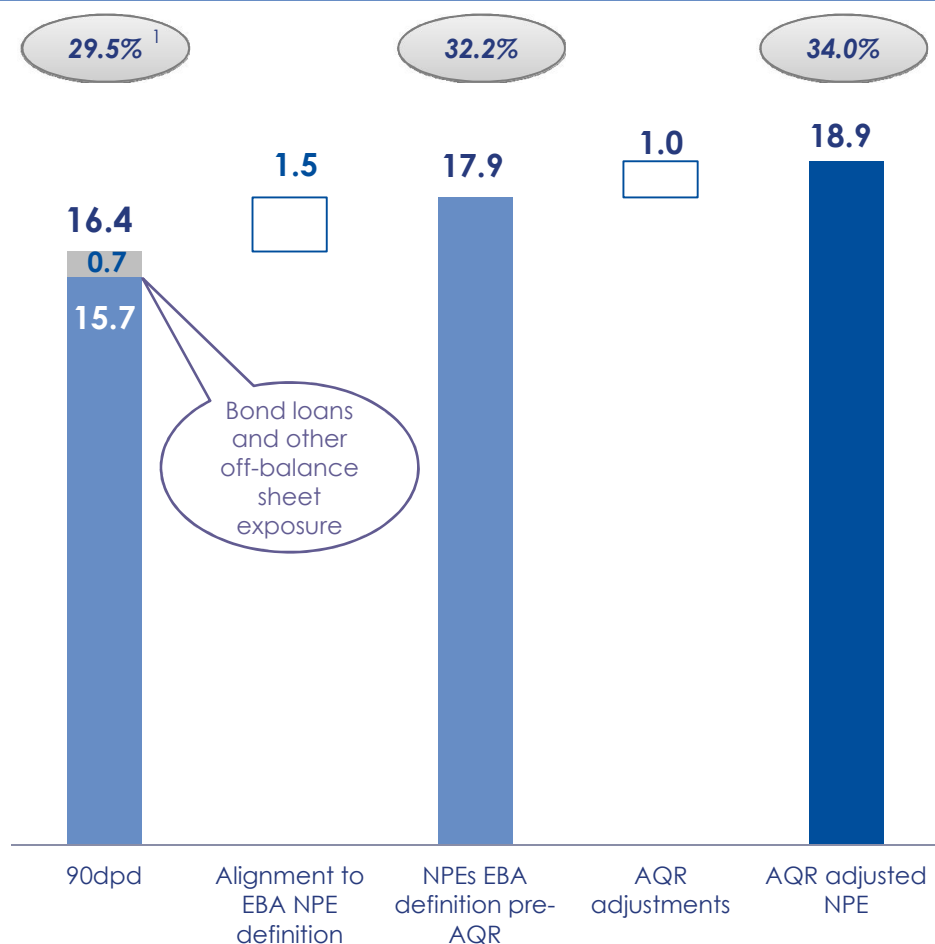


- 887 files of Greek Corporate portfolio reviewed (64% of total Greek Corporate exposure)
  - 79 files of Bulgaria's Large Corporate portfolio reviewed (93% of Bulgaria's Large Corporate)
  - 388 files of Greek Residential Real Estate portfolio reviewed
- 
- Impact of projection of findings on provisioning for the unsampled component of the portfolios
- 
- Collectively assessed provisions adjustment, of which:
    - € 257m on corporate
    - € 256m on Residential Real Estate
- 
- Includes:
    - €51m from challenger model review on CVA provisions
    - €14m from reduction in fair value on non derivative exposures
- 
- € 1,070m net of tax impact

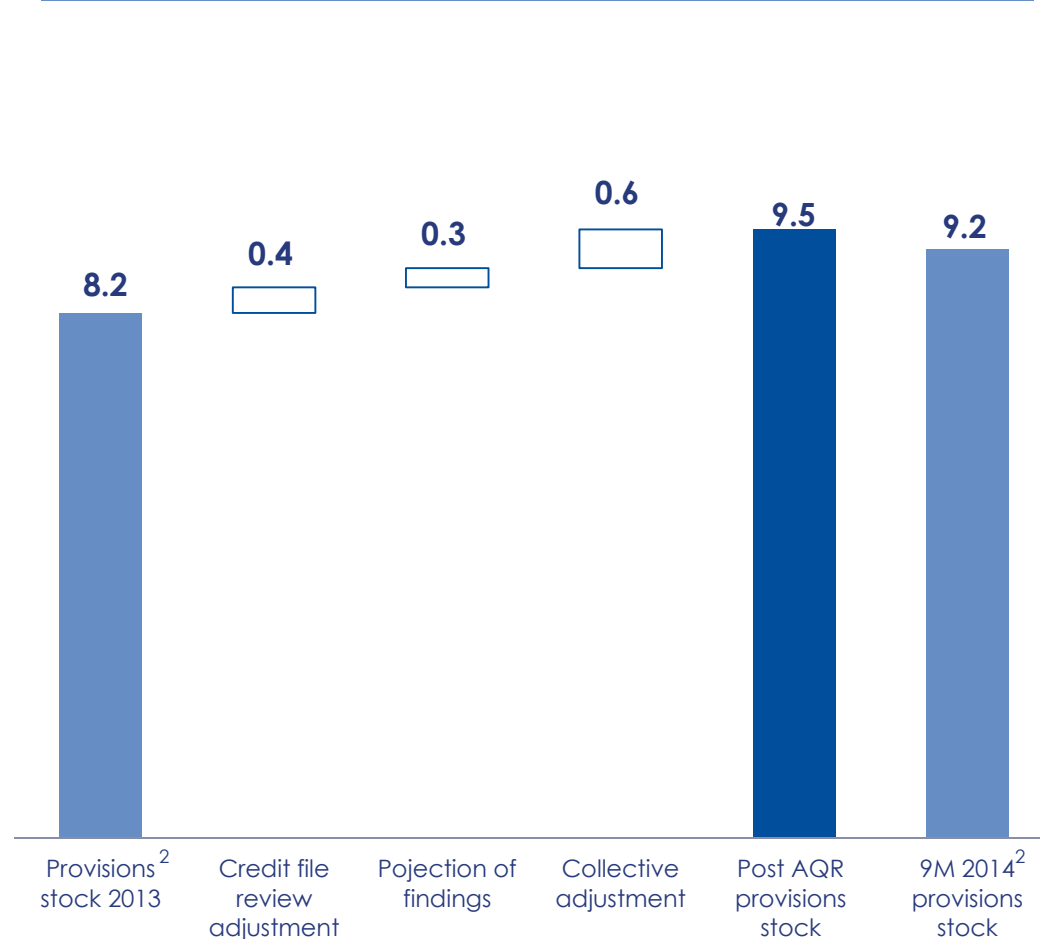
# AQR review perimeter and key findings (2/2)

- Limited adjustments in terms of NPEs from the credit file review, mainly stemming from the SME portfolio
- Stock of provisions in place as of September 2014, largely in line with the level envisaged in the AQR exercise

## NPEs evolution (€ bn)



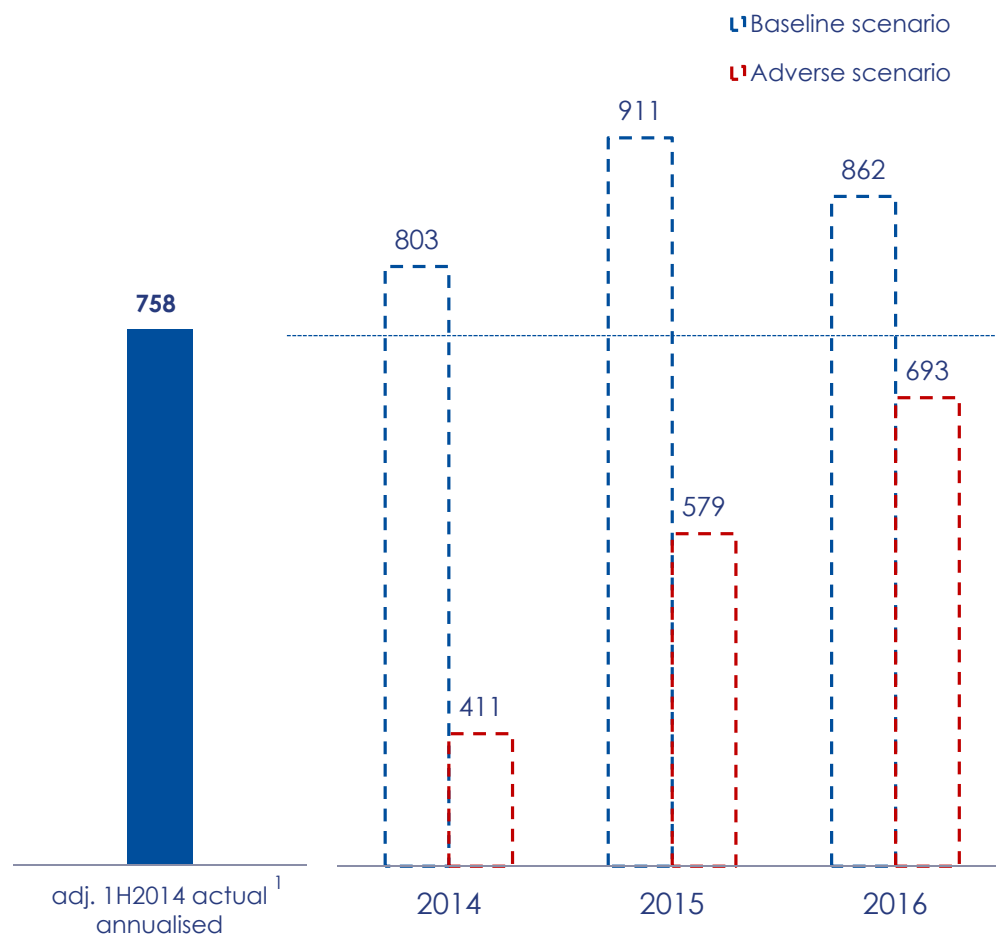
## Provisions post AQR (€ bn)



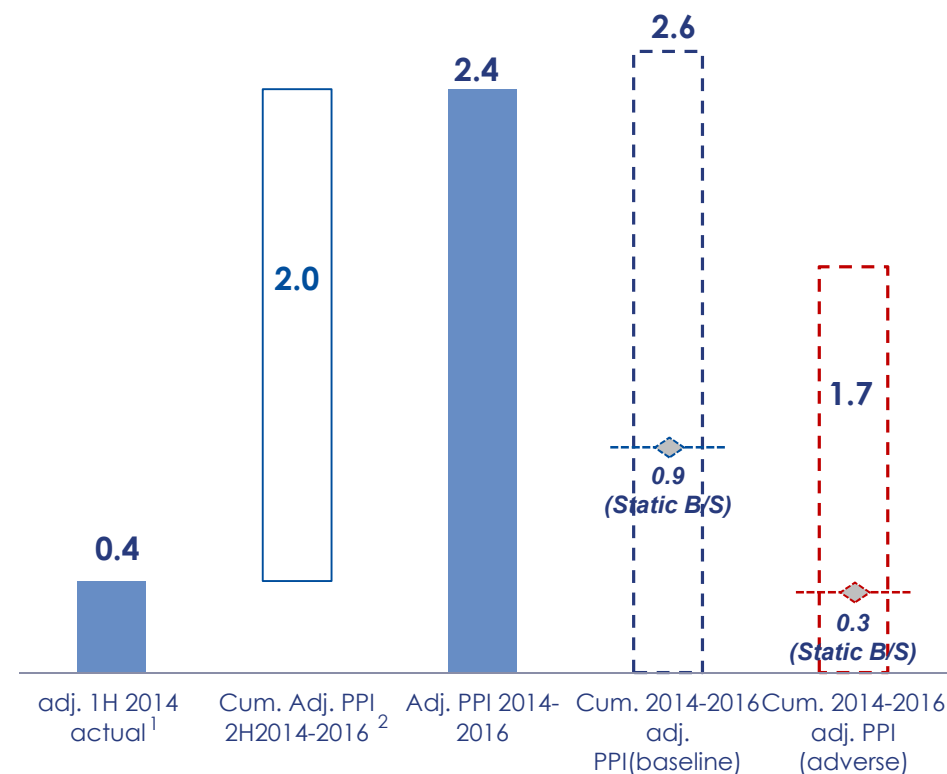
1. Ratio includes corporate bonds and off-balance sheet exposures. 2. Including corporate bonds.

# Stress Test (Dynamic B/S) – Adjusted PPI<sup>1</sup>

## Adjusted PPI evolution (€ m)



## Adjusted PPI current run rate vs stressed (€ bn)

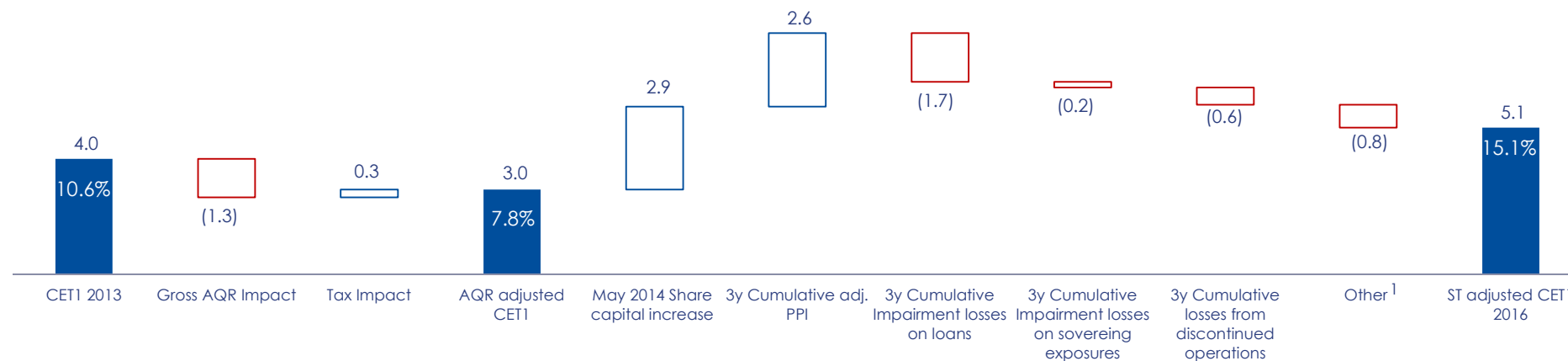


1. Excluding insurance PPI of €37m in 1H 2014 adj. PPI. (According to the ST methodology insurance operations are not included in the CA).

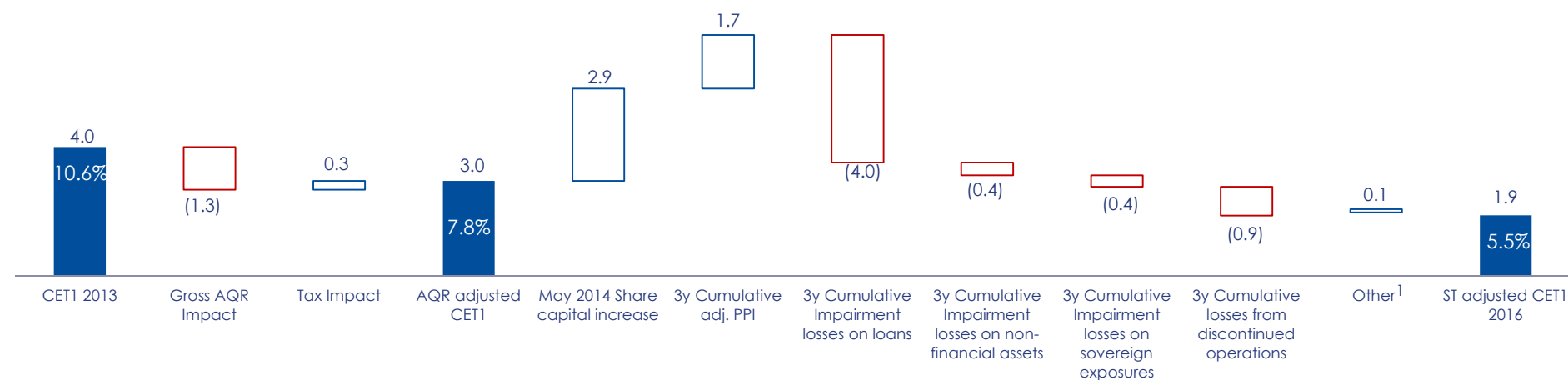
2. Based on 2Q 2014 adjusted PPI, kept flat for all the periods considered.

# Stress Test Summary results – Dynamic B/S

## Baseline Scenario (€ bn)



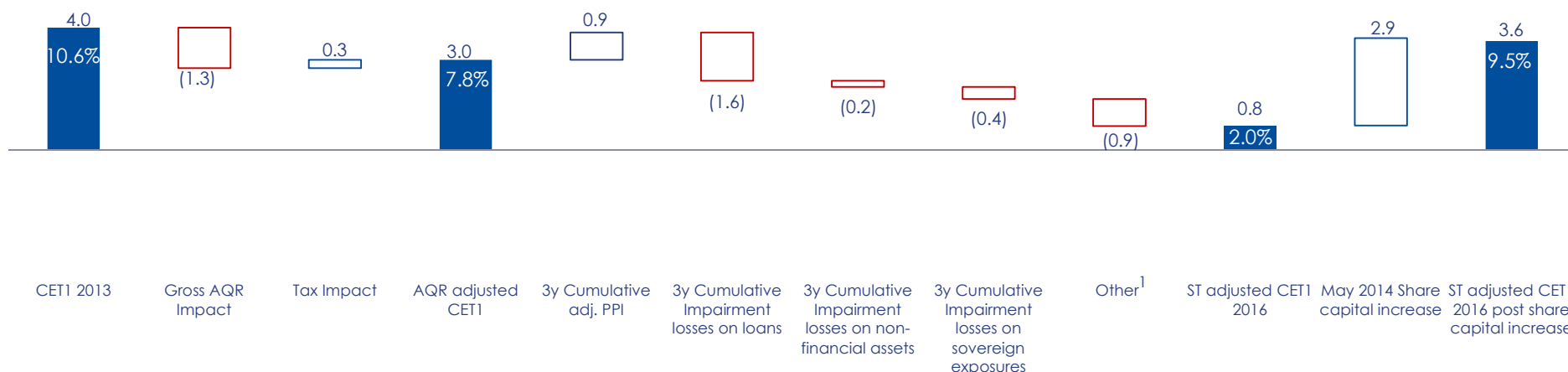
## Adverse Scenario (€ bn)



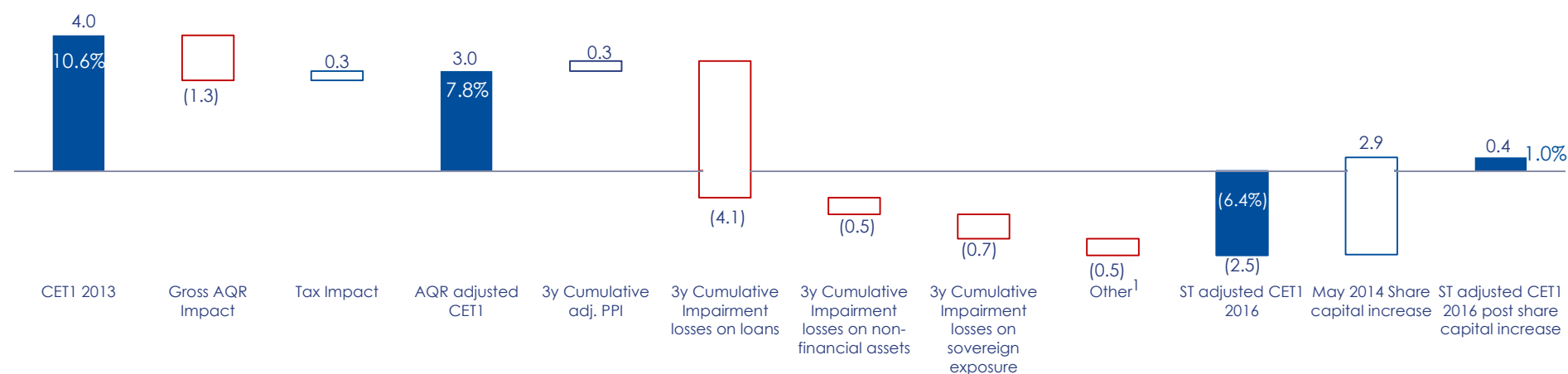
1. Includes CET1 transitional impact based on Basel III CRDIV rules and tax effect.

# Stress Test Summary results – Static B/S

## Baseline Scenario (€ bn)



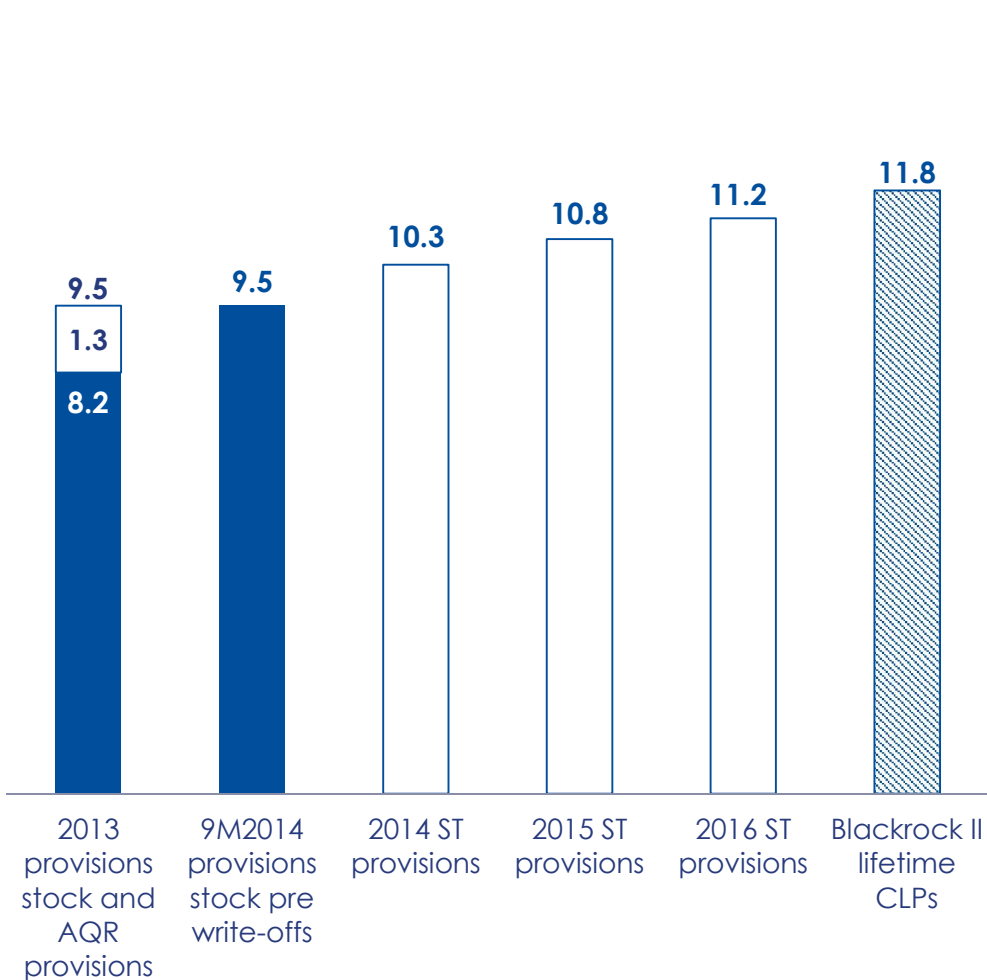
## Adverse Scenario (€ bn)



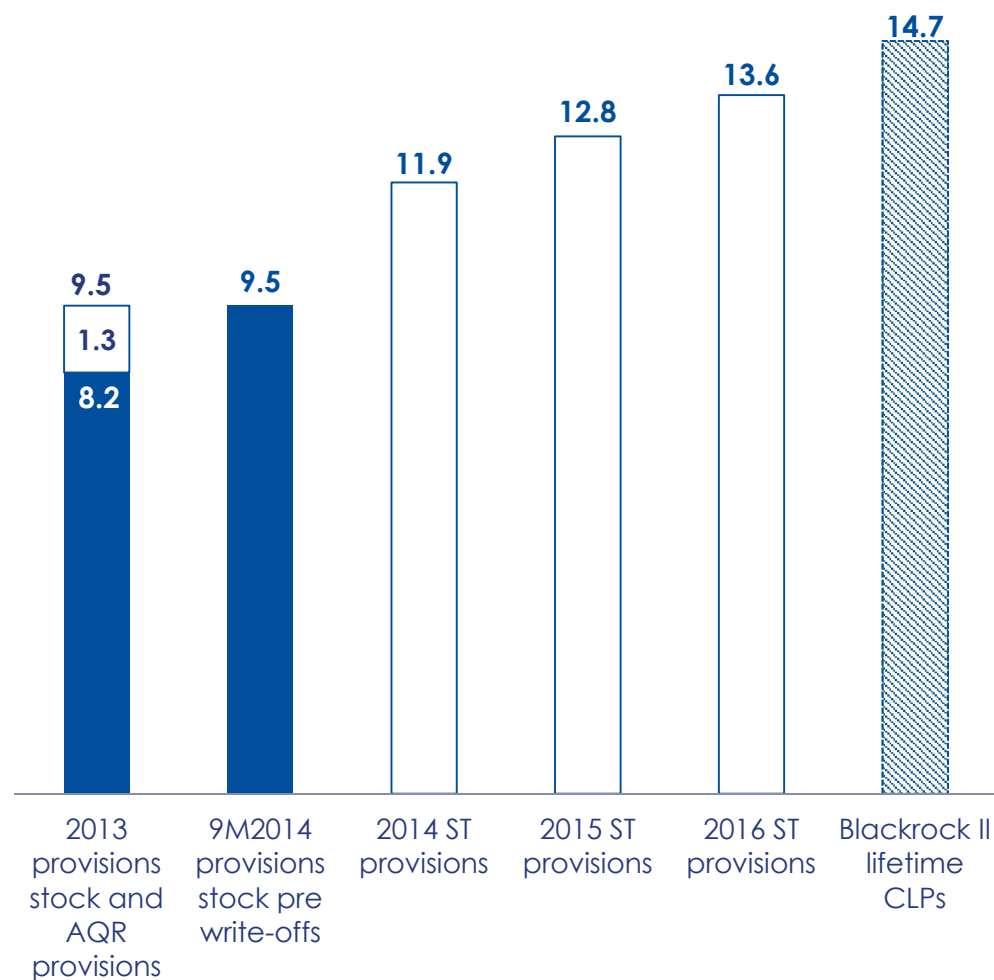
1. Includes CET1 transitional impact based on Basel III CRDIV rules and tax effect.

# ECB CA provisions versus Blackrock II Lifetime Credit Loss Projections (CLPs)

Static B/S - Baseline scenario (€ bn)



Static B/S - Adverse scenario (€ bn)



## Scope of Exercise

- Capital adequacy was assessed over a three-year time period (2014-2016) against a Common Equity Tier 1 (CET 1) ratio benchmark of 8.0% and 5.5% in the Baseline and Adverse scenario, respectively
- The CA was carried out on both the Static and Dynamic balance sheet assumptions:
  - According to the Static B/S assumption, the actual B/S as of 31 December 2013 was used as reference, thus not taking into account any subsequent capital action and/or executed capital raising as well as structural operating performance improvement
  - According to the Dynamic B/S assumption, which includes the €2.9bn share capital increase completed in May 2014, the effect of measures announced and committed in the Restructuring Plan (RP) approved by DG Competition for the 2014-2016 period have been incorporated. These were then stress-tested under the Baseline and Adverse scenario

## Macro Assumptions

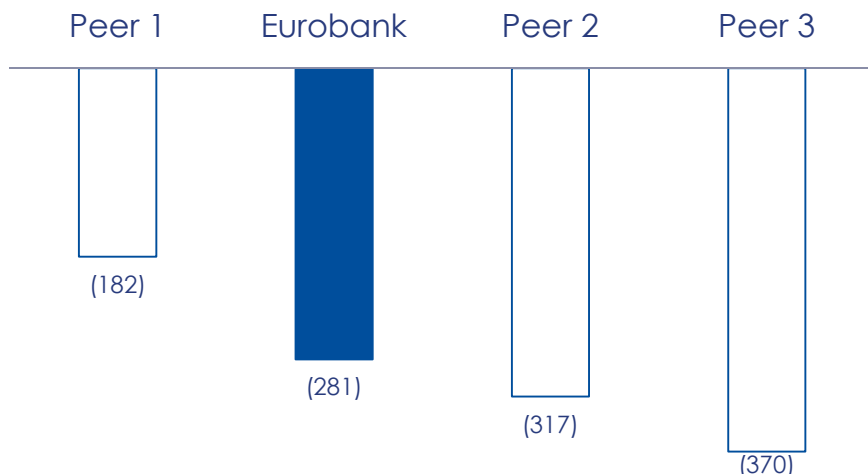
Variable	Baseline Scenario			Adverse Scenario		
(%)	2014	2015	2016	2014	2015	2016
Real GDP Growth	0.6	2.9	3.7	(1.6)	(0.6)	1.2
Unemployment Rate	26.0	24.0	19.5	26.5	25.3	21.6
Inflation	(0.6)	0.2	1.1	(1.0)	(0.9)	(0.7)
Residential House Prices	(7.7)	(3.7)	(1.2)	(11.1)	(9.9)	(7.9)
Commercial Real estate Prices	(3.7)	(0.8)	0.6	(5.9)	(4.5)	(3.5)
Relevant CET 1 Threshold	8.0%			5.5%		

# Appendix III – ECB Comprehensive Assessment

Comparison with peers

# AQR comparison versus peers

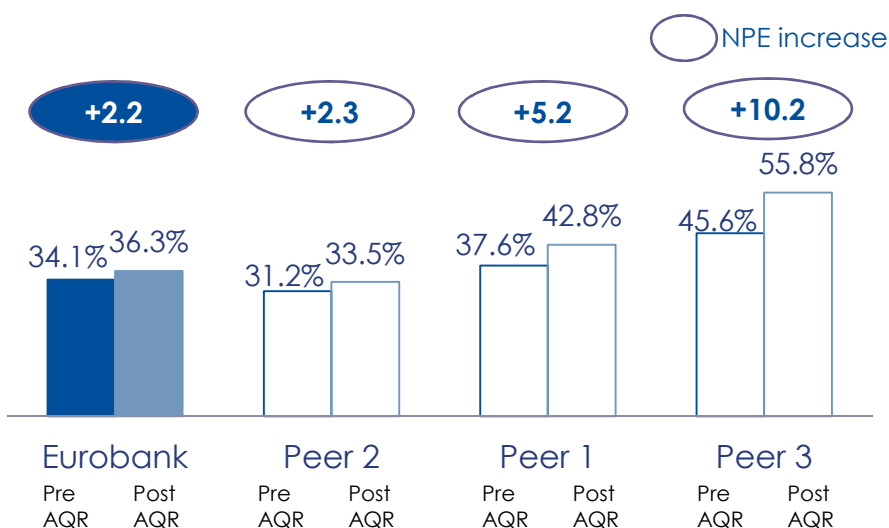
## AQR impact on CET 1 ratio (bps)



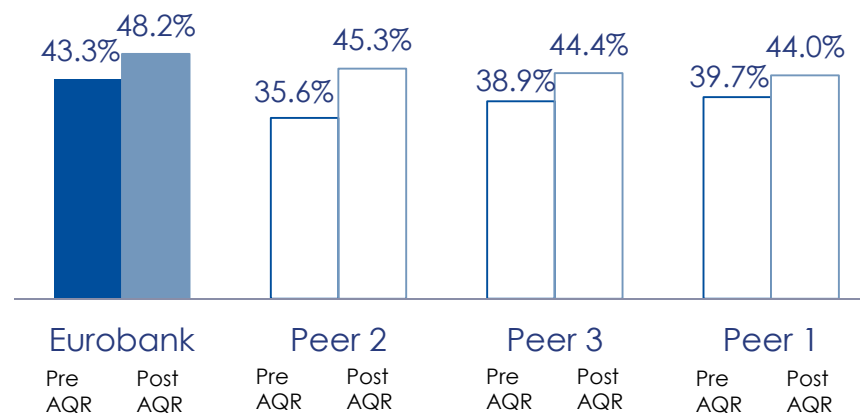
## AQR key findings

- Lowest adjustment to NPE ratio (+2.2%)
- Highest coverage ratio both pre and post AQR adjustment

## NPE ratio<sup>1</sup>



## Coverage ratio<sup>1</sup>

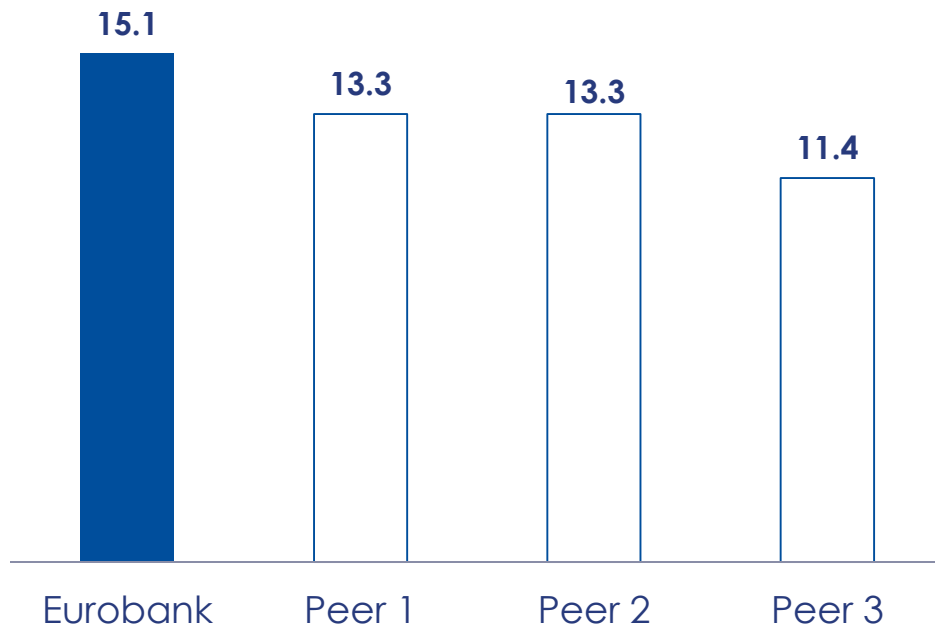


1. Ratios refers to AQR perimeter (in-scope)

# Stress Test (ST) CET1 comparison versus peers (Dynamic B/S)

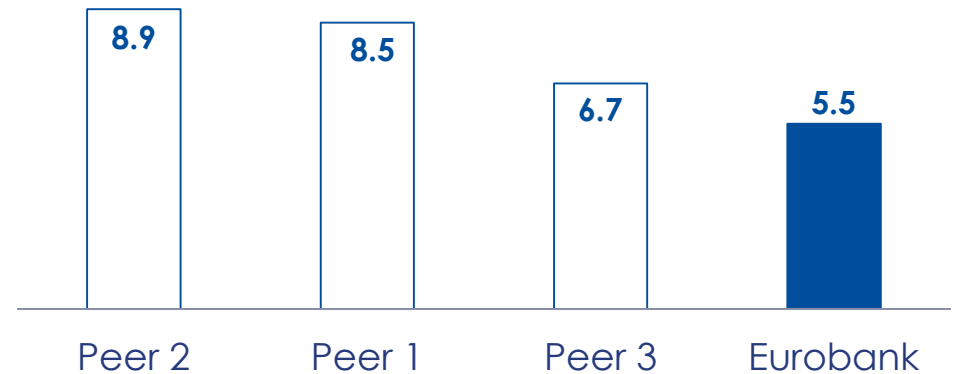
## Baseline Scenario CET1 (%) post AQR and ST

- Baseline Dynamic scenario included PPI from Restructuring Plans and impairments according to EBA methodology
- Most likely macroeconomic scenario to be realized



## Adverse Scenario CET1 (%) post AQR and ST

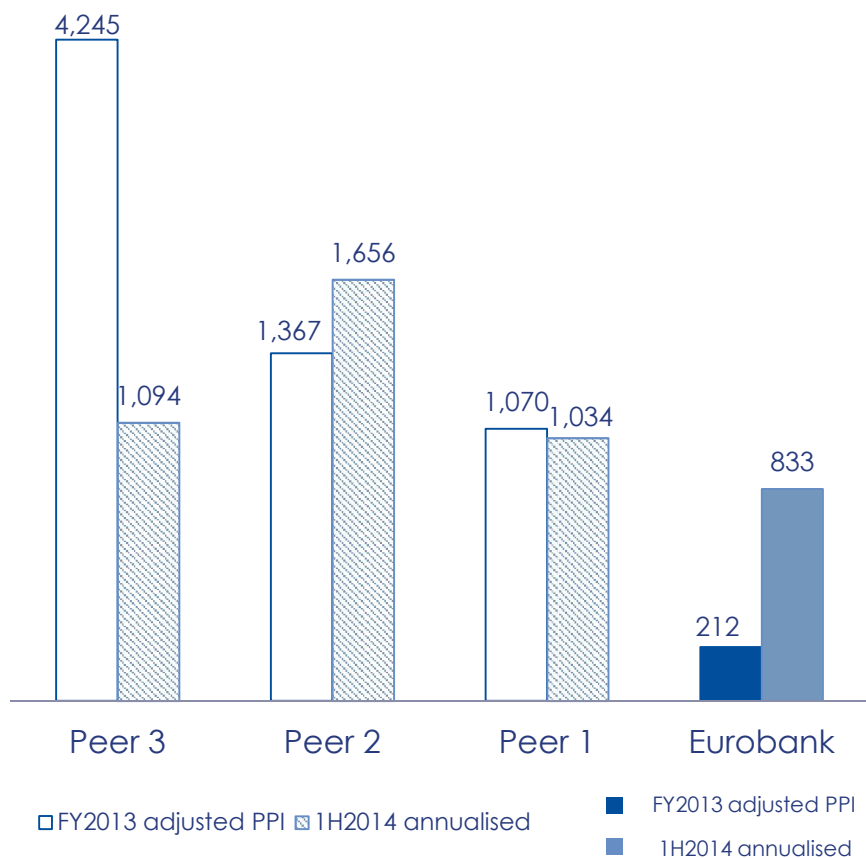
- Mitigating factors (actual 9M2014 PPI, DTC), provide a significant buffer of €1.4bn (c408bps) over 5.5% threshold



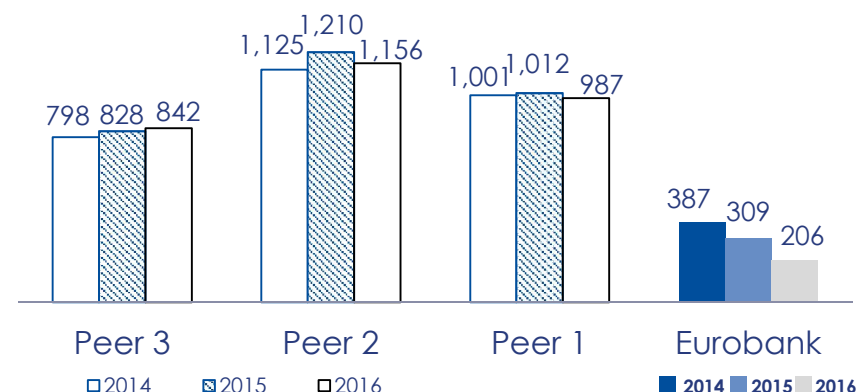
# PPI comparison versus peers (Static B/S)

Eurobank's actual 2013 PPI affected negatively the ST PPI projections under the Static B/S and the Dynamic Adverse scenario

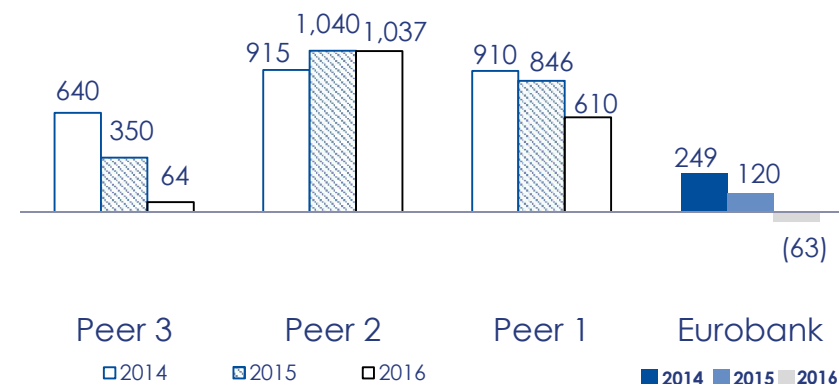
## Adjusted PPI versus actual (€ m)



## ST PPI projections 2014-2016 - Baseline scenario (€ m)



## ST PPI projections 2014-2016 - Adverse scenario (€ m)



## Appendix IV – macroeconomic update

# Adjustment program success stories & socioeconomic costs

## Success stories

	2009	2013	Δ 2013/2009 (improvement )
General government (% GDP)	-15.6	-3.2	12.4
General government primary balance (% GDP)	-10.5	0.8	11.3
Interest expense (€ bn)	12.3	7.3	5.0
Current account balance (% GDP)	-11.2	0.7	11.9
Current account excl. oil, ships & net interest payment (% GDP)	-2.6	7.1	9.7

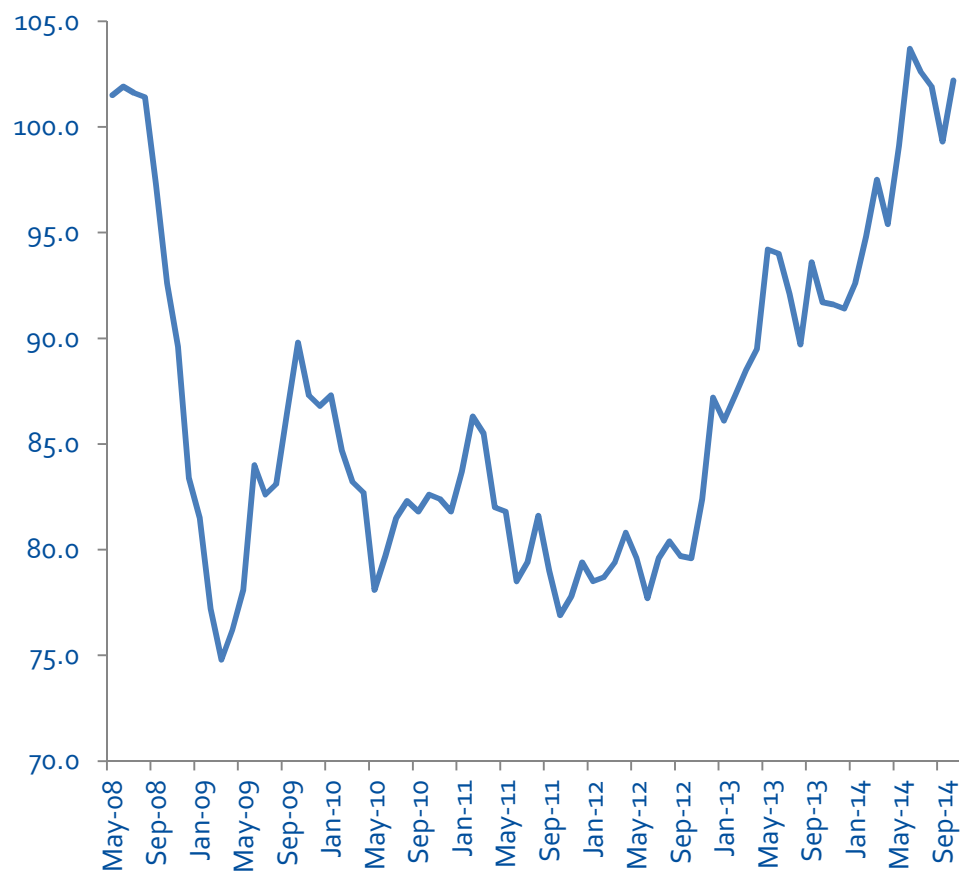
## Socioeconomic costs

	2009	2013	Δ 2013/2009 (deterioration)
Nominal GDP (€ bn)	237.4	182.4	55
Unemployment rate (% e.o.p)	10.7	27.5	17
Total number of employees of 15yrs of age and over (thousands)	4,490	3,485	1,005
Gross public debt (% GDP)	129.7	174.9	(59 ppts of which due to snowball effect)

# Economic sentiment indicator close to 6½ year highs; PMI manufacturing levels above the boom-or-bust threshold of 50 early in 2014 for the first time since mid-2008

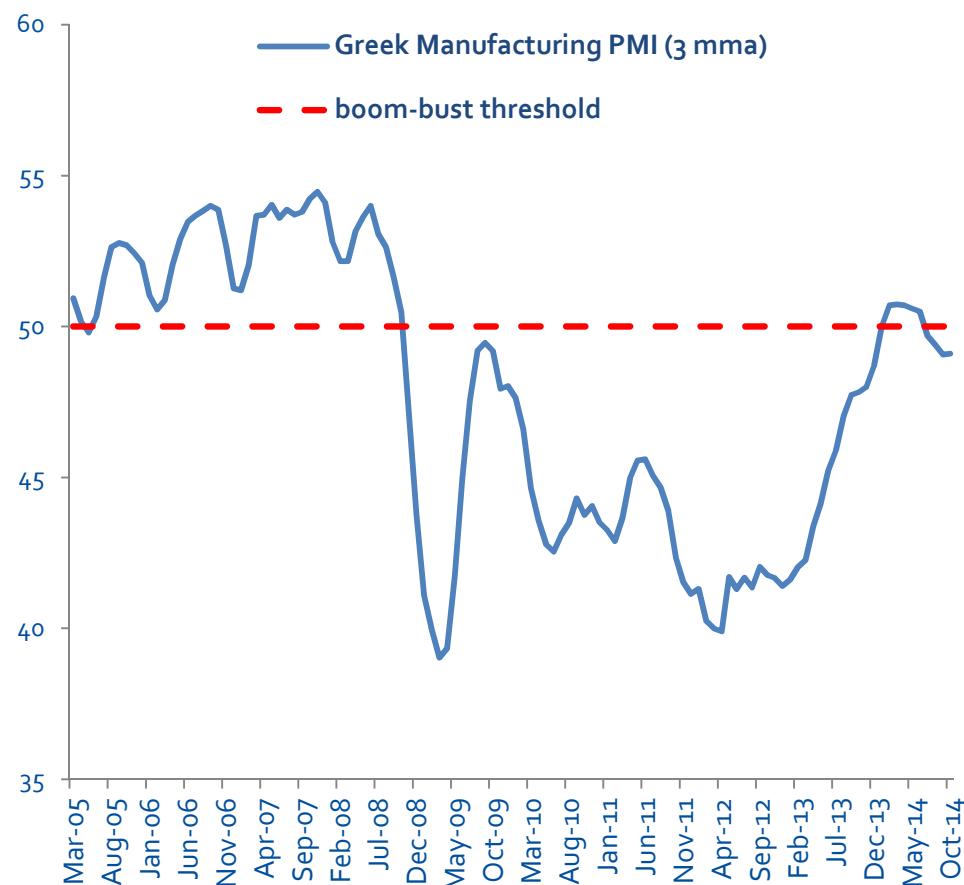
- Improvement in key real-activity & sentiment indicators signals brightening macroeconomic conditions going forward
- Bounce in deposit inflows since June 2012 election, but still down > 30% from the December 2009 peak
- Banking system reduces dependency on ECB liquidity measures; ELA funding close to zero

## Economic Sentiment Indicator



Source: EC, Eurobank Global Markets Research

## PMI in Manufacturing

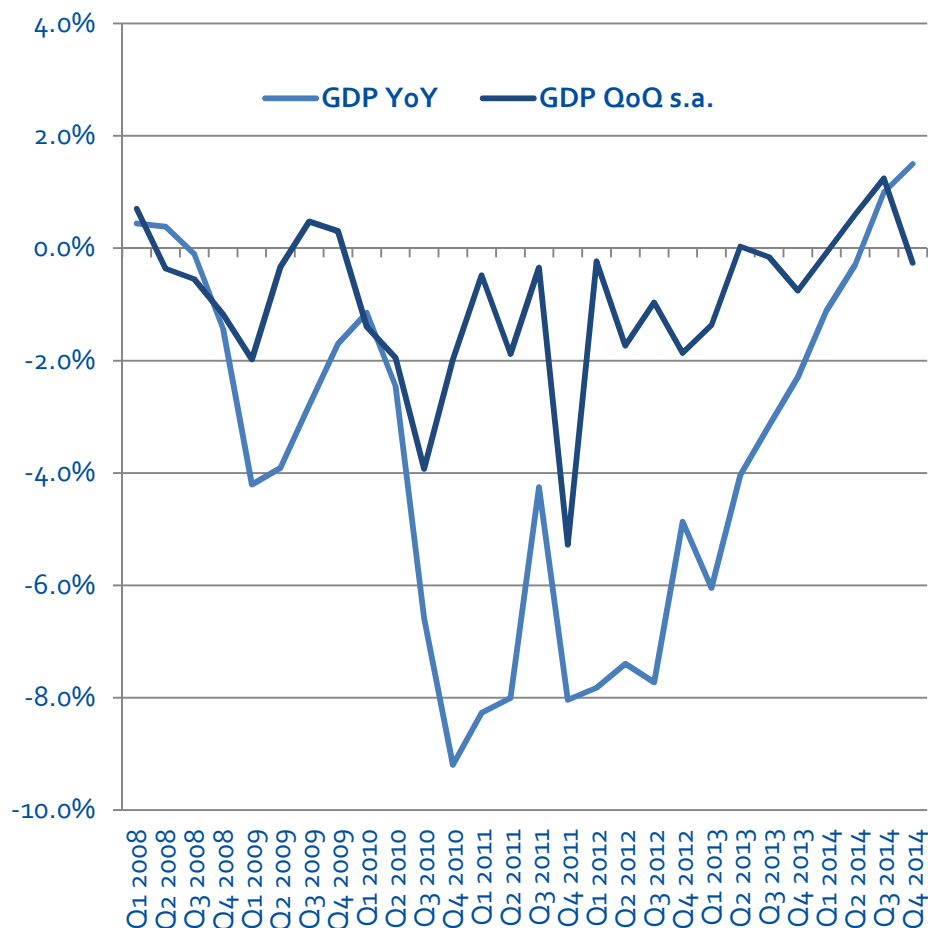


Source: MARKIT, Eurobank Global Markets Research

# External deficit closing rapidly while real GDP is slightly recovering

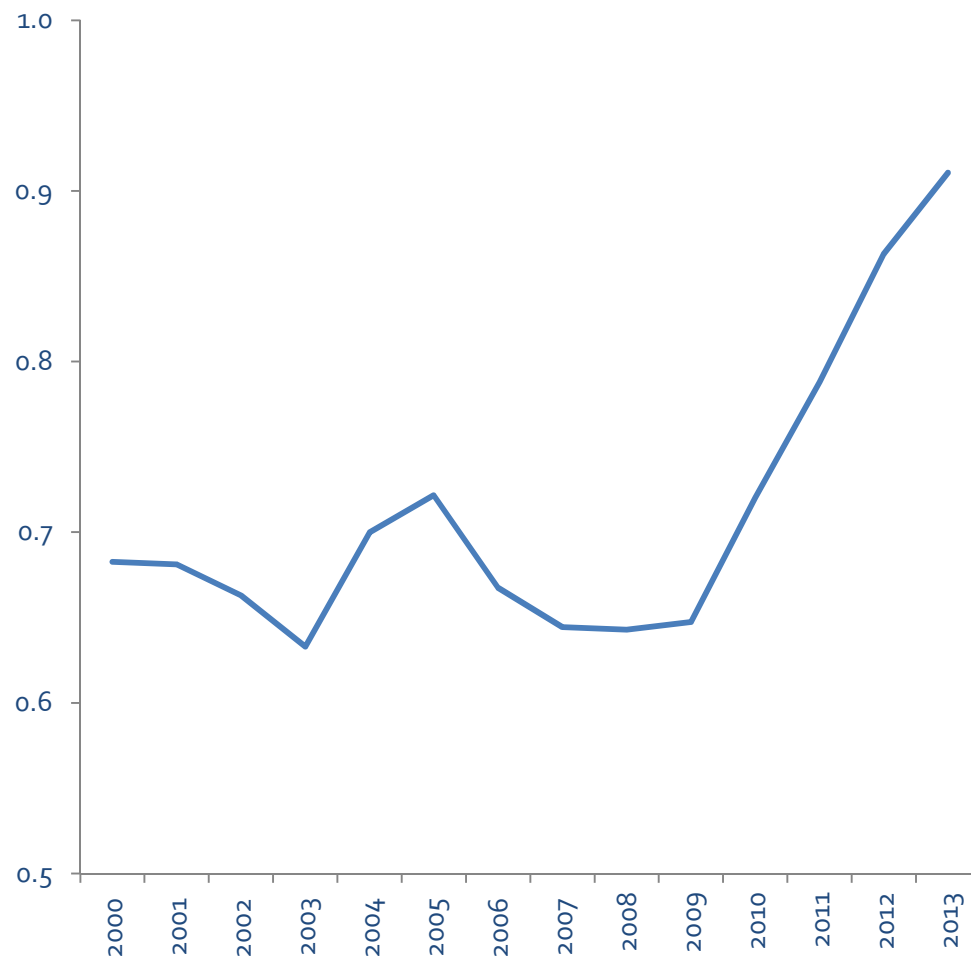
- Benefiting from increasing tourism revenue, recovering exports & lower interest payments

## Real GDP growth YoY and QoQ seasonally adjusted-realisations & forecasts\* (ESA95)



\* Greek GDP Nowcasting model -Eurobank Global Markets Research

## Ratio of exports to imports of goods and services



# Greek real GDP growth and components (% YoY)

## Realizations & forecasts

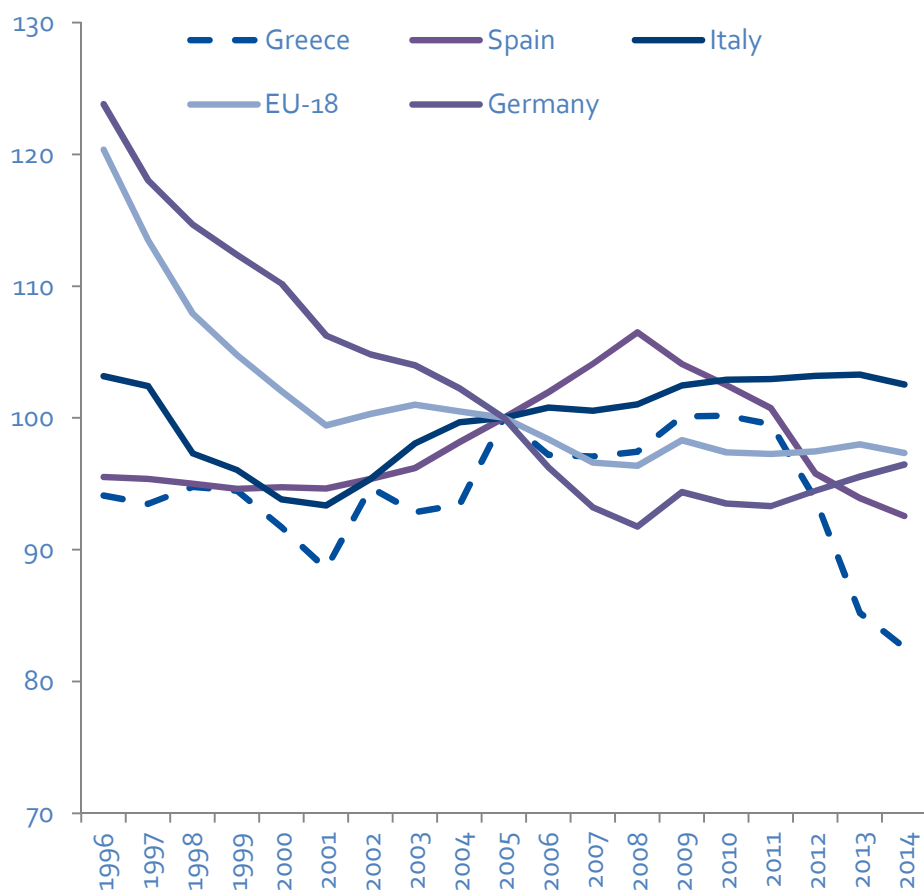
	2008	2009	2010	2011	2012	2013	2014F	2015F
Private consumption	3.1%	-1.4%	-7.3%	-10.9%	-8.1%	-2.0%	-0.6%	1.6%
Public consumption	-2.1%	1.6%	-4.3%	-6.6%	-5.0%	-6.5%	-3.1%	-2.9%
Gross fixed capital formation	-6.6%	-13.2%	-20.9%	-16.8%	-28.7%	-4.6%	4.5%	11.7%
Exports of goods & services	3.5%	-18.5%	4.6%	0.0%	1.2%	2.1%	5.3%	5.4%
Imports of goods & services	2.6%	-19.6%	-5.5%	-9.0%	-9.1%	-1.6%	0.4%	2.1%
<b>GDP</b>	<b>-0.4%</b>	<b>-4.4%</b>	<b>-5.4%</b>	<b>-8.9%</b>	<b>-6.6%</b>	<b>-3.3%</b>	<b>0.6%</b>	<b>2.9%</b>

# Key domestic product markets further facilitate the price adjustment process

- Post-EMU entry cumulative losses in labour cost competitiveness already eliminated
- Wage pass-through to domestic consumer inflation still incomplete, but accelerating lately

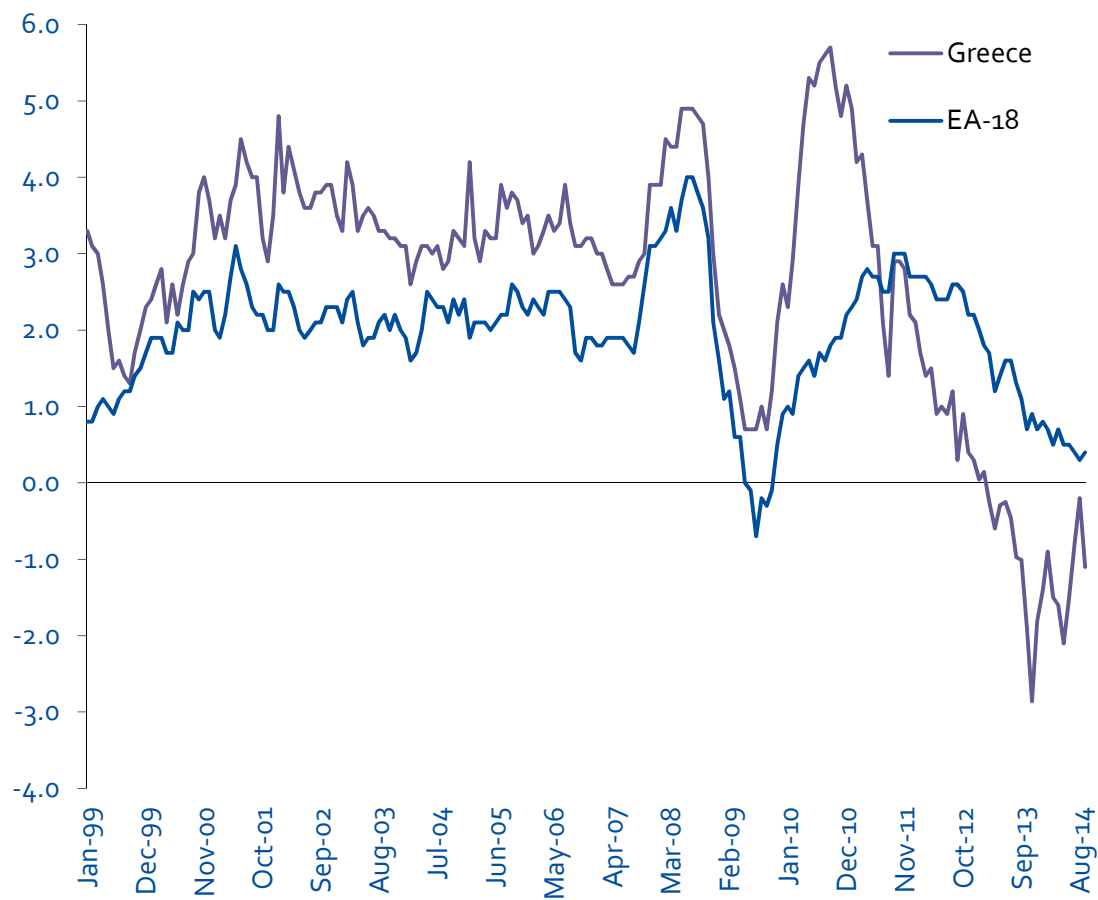
## ULC-based REER Greece's REER cumulative growth

Relative to 36 major industrial countries (2010 = 100)



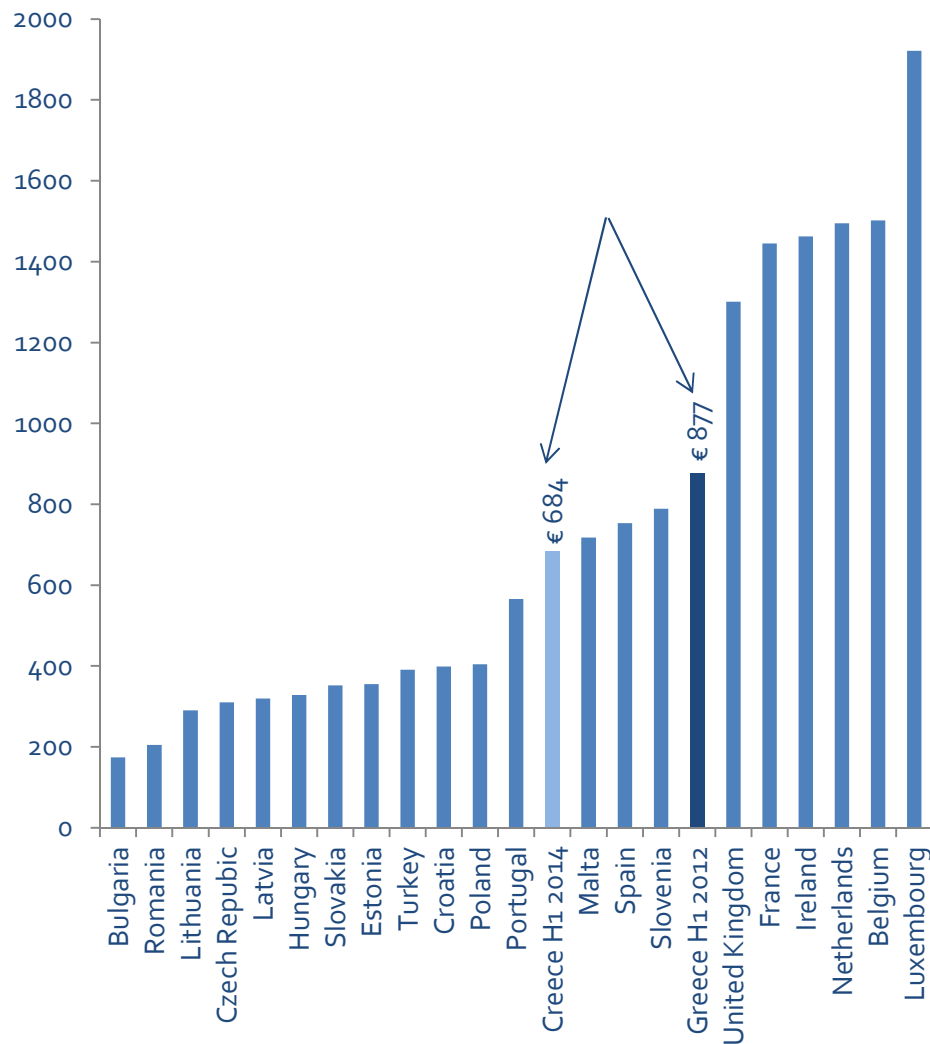
## Consumer price inflation

HICP (% YoY)

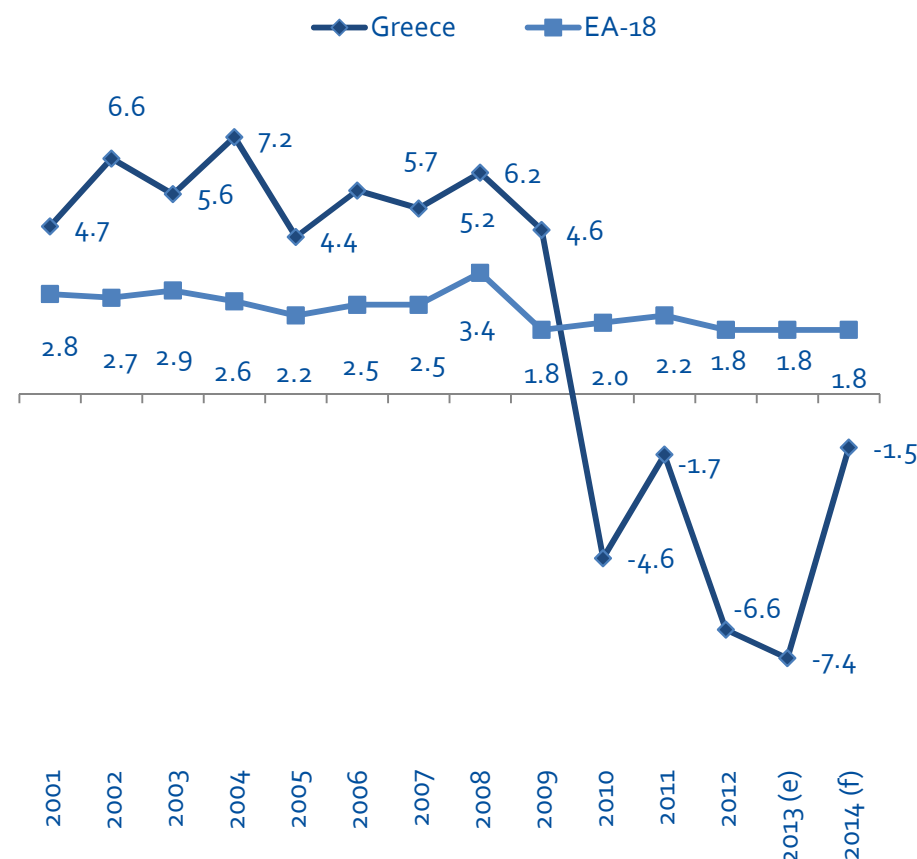


# Labour market reform and the domestic recession lead to rapid wage adjustment

## Minimum wage (€ per month)

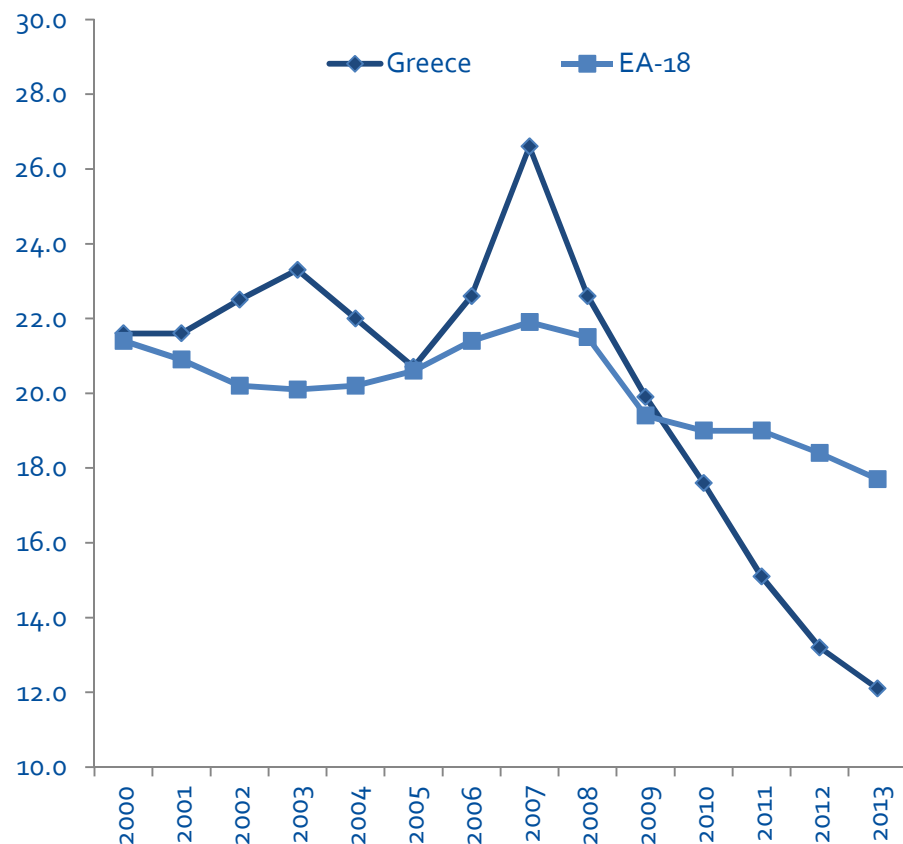


## Average annual earnings (% YoY)

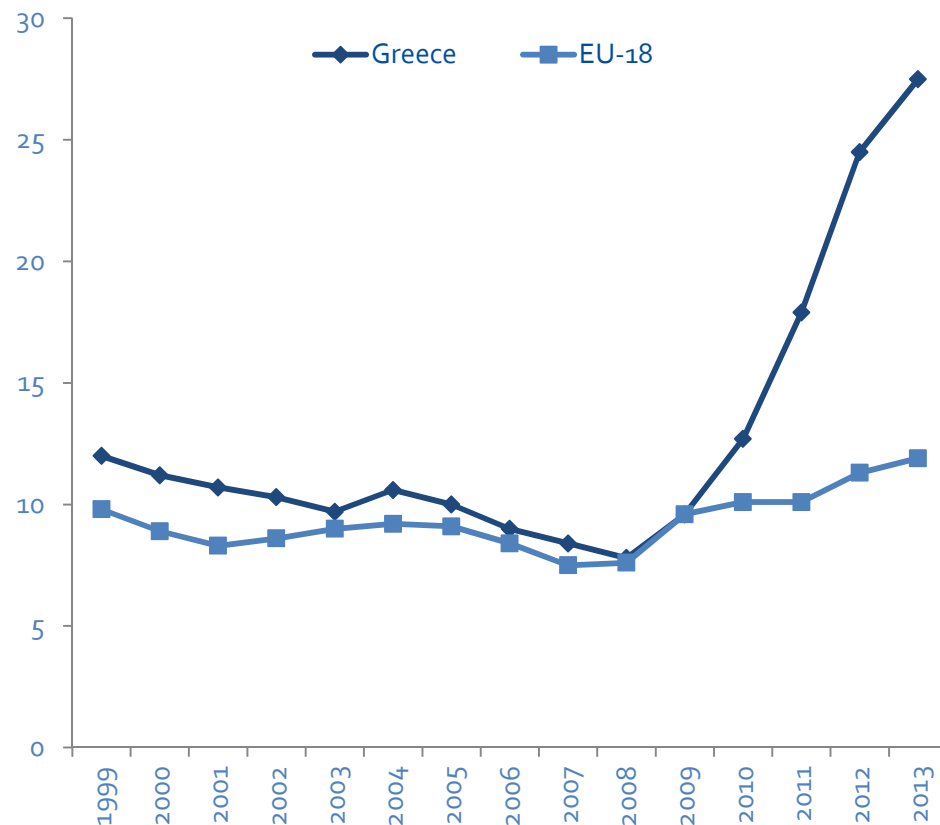


# Destruction of physical (and human) capital risks a decline of potential output in the initial post-crisis years

## Gross fixed capital formation (% GDP)



## Unemployment rate % (yearly average)



- **Fiscal multiplier of public investment as high as 3 in periods of deep economic recessions<sup>(1)</sup>**

Source: Eurostat, EL.STAT, IMF

(1) P. Monokroussos & D. Thomakos, "Greek fiscal multipliers revisited: Government spending cuts vs. tax hikes and the role of public investment expenditure", Eurobank Research, March 2013

# Key issues on the agenda of the 5<sup>th</sup> program review

Measures for the coverage of projected 2015 fiscal gap (1.1%-of-GDP)

Social Security System reform agenda (e.g., additional reforms required to secure long-term viability of the Social Security System, measures for improving social security contribution receipts, other)

Labor market reform (collective dismissals, industrial actions)

Public administration reform ( additional layoffs by end 2014, fiscally-neutral review of the existing wage grid)

Assessment of the privatization program  
(e.g (i) issuance of a list of pending actions required for the privatization of key State entities; (ii) completion of an assessment of the management and board members of companies in the HRADF portfolio)

New framework to deal with private sector indebtedness (e.g. out-of-court restructuring framework for enterprises, review of the personal and corporate insolvency laws, other)

Regulatory framework of product and services markets  
(e.g. review of the evolution of over-the-counter medicine prices & likely liberalization of their retail channels)

Review of the VAT framework (e.g, existing lower VAT rates in small islands)

---

Source: EU Commission (April 2014), IMF Country Report No. 14/151 (June 2014), Eurobank Global Markets Research

# Investor Relations contacts

Dimitris Nikolos	+30 210 3337 688 E-mail: <a href="mailto:dnikolos@eurobank.gr">dnikolos@eurobank.gr</a>
Yannis Chalaris	+30 210 3337 954 E-mail: <a href="mailto:ycharalis@eurobank.gr">ycharalis@eurobank.gr</a>
Christos Stylios	+30 210 3337 428 E-mail: <a href="mailto:cstylios@eurobank.gr">cstylios@eurobank.gr</a>
Address:	20 Amalias Avenue, 105 57, Athens, Greece
Group E-mail:	<a href="mailto:investor_relations@eurobank.gr">investor_relations@eurobank.gr</a>
Fax: +30 210 3337 160	Internet: <a href="http://www.eurobank.gr">www.eurobank.gr</a>
Reuters: EURBr.AT	Bloomberg: EUROB GA