Q1.2019: €19mn Net Profit with All Core P&L Lines Improved

Profitability, Driven by Cost Efficiency and Growing Net Interest Income

- Pre Provision Income at €214mn, +9% yoy
- Net Interest Income at €360mn, +2% yoy
- Operating costs at €231mn, -8% yoy
- Cost of risk at 181bps in Q1.2019
- Net profit at €19mn in Q1.2019 vs €83mn losses in Q1.2018

Healthy Loan Generation Under a Risk-Adjusted Approach

- Loan disbursments of €1bn in Q1.2019, in line with our FY.2019 target of €4bn
- Performing loan book in Greece expanded by 2% qoq to €24.5bn, reversing the trend for the first time since the beginning of the crisis
- Loan to deposit ratio at 88% vs 97% a year ago

Balance Sheet Repair Continues Unabated

- NPE reduction of €0.5bn on the back or organic initiatives in Q1.2019
- Sale of NPE portfolios of €1.2bn gross book value to be concluded soon
- On track to meet 2019 NPE reduction target of €3.5bn

Organic Capital Generation Supports Capital Position

- CET-1 ratio at 13.7%, pro-forma for the disposal of the Bulgarian operations
- Q1.2019 result mitigated IFRS9 phasing and IFRS16 impact (-40bps in total)
- Piraeus Bank is working on a number of initiatives to strengthen capital buffers, already recording tangible results

Management Statement

"The beginning of 2019 has been positive for international capital markets, despite concerns on the slowing down of large economies and uncertainties regarding the negotiations on Brexit and international trade.

Reassuringly, at the same time we have seen Greek Government bonds and stock market values gaining a particularly positive momentum in the first months of the year, as investors' interest is gradually being restored.

In Q1.2019, Piraeus Bank built on the progress made in 2018, continuing to improve all aspects of the business, despite the challenges that still exist in the Greek banking system.

Net interest income in Q1.2019 increased 2% annually and 1% quarterly for a second consecutive quarter, at €360mn. Net fee income remained stable on an annual basis and amounted to €69mn, while at the same time the effort in reducing operating costs continued, posting further decrease of 8% on a recurring basis, both annually and quarterly. The Bank posted net profit for Q1.2019 of €19mn compared to a loss of €83mn in the Q1.2018.

On asset quality, NPE balances continued to fall, with a reduction of €0.5bn in Q1.2019 in line with our target. NPE cash coverage ratio remained at 49%. The Bank is on course to meet its annual target for reducing NPEs by €3.5bn.

In line with its business planning, Piraeus Bank focuses on all business growth opportunities, always on the basis of sustainable returns with regards to the associated risks. Along these lines, we advanced €1bn in new loan disbursements in Q1.2019. The net loan-to-deposit ratio of Piraeus was 88% at the end of March 2019 compared to 97% a year ago, indicating that the Bank is in a position to respond to new loan demand.

At the end of March 2019, the pro-forma Common Equity Tier 1 (CET-1) ratio of the Bank was 13.7%. Our focus is on capital generation, both organically and by implementing strategic actions that further improve the efficiency and effectiveness of our Bank.

Along with our Q1.2019 results, we launch our new 5-year strategic roadmap "Agenda 2023" which includes our Strategic Targets, enabled by Sustainable Solutions in order to Satisfy Stakeholders.

We continue to pursue profitability, enhanced liquidity, balance sheet strenghtening, and risk reduction, relying on our core banking operations."

Christos Megalou, Chief Executive Officer

P&L Highlights: Gradually Restoring Profitability

NII remained on a positive trajectory

NII amounted to €360mn in Q1.2019, increasing 1% qoq and 2% yoy. The €2.0bn new loans that were disbursed in Q4.2018 and Q1.2019 are priced higher than the total portfolio, stimulating the NII dynamics. Furthermore, improved funding costs contributed further to NII performance. New time deposits rate stood at 61bps in Q1.2019, down from 71bps same quarter last year. The Bank is also seeing favourable wholesale funding cost impact, given the ELA elimination from mid-2018 onwards. The Net Interest Margin (NIM) in Q1.2019 stood at 248bps vs. 243bps in Q4.2018 and 237bps in Q1.2018.

NFI stable on an annual basis

Net Fee and Commission Income remained stable on an annual basis at €69mn, with performance expected to pick up in the following quarters that traditionally are stronger. Ancillary fee volumes, i.e. from credit cards, improved, signaling that our strategy is gradually paying off.

Operating expenses down 8% yoy

Recurring group operating expenses stood at €231mn in Q1.2019 down 8% both on a qoq and a yoy basis. The Horizon project, focusing on further operational excellence through resource rationalization, digitalization and automation initiatives and overall efficiencies, is bearing results. We expect this clear downward trend to continue in the following quarters. The cost-to-income ratio stood at 52% on a recurring basis for Q1.2019.

Pre provision income trend

Group Pre Provision Income (PPI) amounted to €214mn in Q1.2019 posting a 3% increase qoq; when excluding one off expenses, PPI was down 6% qoq, due to seasonality, but +9% yoy on the back of improved NII and OpEx.

Loan Impairment Charges

The Q1.2019 loan impairment charges stood at €174mn compared to €163mn in Q1.2018. Cost of risk for Q1.2019 was at 181bps. The Cost of Risk guidance for FY.2019 remains at 160 - 180bps over net loans.

Positive net result

Group's net profit amounted to €19mn in Q1.2019 vs. €83mn losses in Q1.2018.

Balance Sheet Highlights: Strengthening of Balance Sheet and Loan Growth

Customer deposits +2% yoy

Group customer deposits amounted to €43.8bn at the end of Mar.2019, an increase of 2% yoy. On a quarterly basis, deposits were 2% lower due to seasonality and the impact from deposits related with farmers' subsidies. Deposit costs continued to decline in Q1.2019 to 42bps for the total book vs 46bps a year ago.

Improved liquidity and funding profile

Eurosystem funding stood at €1.7bn at the end of Mar.2019 from €6.1bn a year ago, of which €2.1bn was ELA in Q1.18. ELA funding has been eliminated since mid-July 2018. The Bank continued shifting interbank repo to ECB's main refinancing operations at zero cost utilizing its €4bn ECB eligible covered bond pool. Hence, its interbank repo balances have decreased to €1.5bn at the end of Mar.2019 from €1.7bn at the end of 2018.

Performing loan book expands

Gross loans before impairments and adjustments amounted to €51.6bn at the end of Mar.2019, while net loans amounted to €38.5bn respectively. The Bank's domestic performing loan book increased by €0.6bn in the Q1.2019, with business lending driving the trend. New loan disbursements reached €1.0bn in the Q1.2019, emulating the performance of Q4.2018. The net loan-to-deposit ratio of Piraeus stood at 88%.

CET-1 ratio

The Common Equity Tier 1 (CET1) ratio of the Group as on 31 Mar.2019 was at 13.7% on a pro-forma basis, adjusted for the Risk Weighted Assets relief from the disposal of Piraeus Bank Bulgaria, which is expected to be completed within Jun.2019, and profit for the period. The management remains focused on strengthening the Bank's capital buffers. In this context, the Bank is working on a number of initiatives to strengthen capital position, creating buffers above supervisory requirements. The fully loaded CET-1 ratio has been consistently improving in the past three quarters, indicating the Bank's progress in terms of profitability restoration.

NPE strategy on track

Total reduction of Group NPEs was €0.5bn in Q1.2019, bringing the stock down to €26.9bn at the end of Mar.2019. The respective NPE coverage by cumulative provisions ratio remained at the level of 49%. The annual reduction of NPEs totaled €5.3bn and was a result of both organic and inorganic actions. The Bank completed in Q4.2018 the transactions related to the disposal of 2 NPE portfolios of €1.8bn aggregated gross book value, and two more NPE portfolio sales are in the pipeline, a portfolio of consumer unsecured loans with a gross book value of €0.7bn, and another potfolio of secured shipping loans with €0.5bn gross book value. The Bank is on target to meet its 2019 NPE reduction target of €3.5bn.

Footprint & headcount

Piraeus Bank's branch network in Greece at the end of Mar.2019 constituted of 548 units, reduced by 49 yoy. The Group's headcount for continuing operations was 12,521 employees at the end of Mar.2019, of which 12,067 in Greece

Launching the Bank's New Strategic Roadmap: "Agenda 2023"

Piraeus Bank, holding a prominent position in the Greek banking market, is a key player for the restoration of the dynamics of the Greek economy.

Piraeus Bank, under the leadership of its new management team, introduces its new strategic roadmap up to 2023, namely **"Agenda 2023"**, reflecting its vision to be the most trusted Bank in Greece.

"Agenda 2023" is based on the following pillars:

- **Strategic Targets:** specific, measurable goals are set, that place the Bank on course to fully restoring its fundamentals and enhancing its profitability**;**

- **Satisfying Stakeholders:** this is top priority for the Bank. Key stakeholders for Piraeus Bank are its customers, shareholders, employees, suppliers and society at large;

- **Sustainable Solutions:** a complete framework of solutions is established, that through a focused and effective implementation, will enable the Bank to develop its full potential, with the aim of creating value from all its functions.

The aforementioned Sustainable Solutions address the following three aspects:

1. **De-risking of Legacy Assets:** the Bank will decisively continue de-risking its balance sheet, with the aim of reaching internationally accepted, i.e. single-digit, NPE ratio levels. In parallel, Piraeus Bank intends to further strengthen its capital base, ensuring that it continues to remain at all times above the supervisory requirements by c.200bps.
2. **Growth of Assets:** by deepening the existing 5.3mn client relationships, Piraeus Bank will focus on leveraging the competitive advantages of its core business in Greece. The Bank envisages to remain a prominent SME & SBL Bank, along with increased generation of retail products, under a risk-adjusted approach. The Bank has identified revenue prospects across all business segments, utilizing the capabilities of its advanced digital platform, providing innovative solutions.
3. **Efficiency & Simplification:** the goal is to maximise the Bank's resources efficiency. This will be achieved through a simplified structure, further operational cost rationalisation measures, as well as further optimisation and automation of internal processes. Through the focused execution of the "Agenda 2023" plan, by the end of 2023, Piraeus Bank is expected to have evolved in a completely efficient financial institution, with a cost-to-income ratio at low 40's and satisfactory Return on Tangible Equity to a high single-digit area.

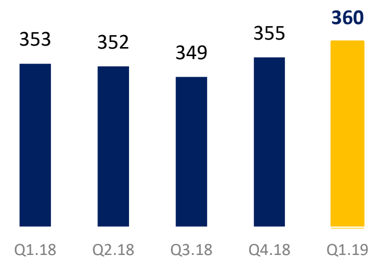
Targets	Agenda 2023
Cost to Income	**Low 40's Cost to Income ratio**
NPE	**Single-digit NPE ratio**
RoTE	**High single-digit RoTE**
Regulatory capital	**200bps above the expected requirement**

Selected Figures of Piraeus Bank Group

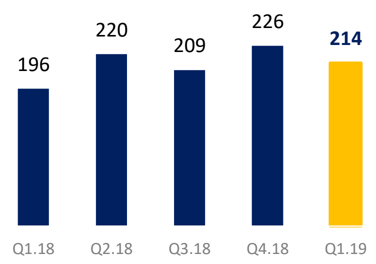
Consolidated Data (amounts in €mn)	31.03.19	31.12.18	31.03.18	Δ qoq	Δ yoy
Selected Balance Sheet Figures					
Assets	**59,254**	**61,880**	**63,559**	-4%	-7%
Deposits	**43,838**	**44,739**	**43,151**	-2%	2%
Gross Loans before Adjustments	**51,581**	**53,091**	**57,702**	-3%	-11%
Cumulative Provisions	**13,099**	**13,333**	**16,344**	-2%	-20%
Total Equity	**7,562**	**7,506**	**7,842**	1%	-4%
Selected P&L Results	Q1 2019	Q4 2018	Q1 2018	Δ qoq	Δ yoy
Net Interest Income	360	355	353	1%	2%
Net Fees & Commission Income	69	76	69	-9%	0%
Net Trading & Inv. Securities Income	4	36	13	-88%	-67%
Other Operating Income & Dividend Income	11	9	12	19%	-10%
Net Income	445	477	448	-7%	-1%
Staff costs	(120)	(114)	(259)	5%	-54%
-excluding one-off items [1]	(120)	(96)	(127)	25%	-6%
Administrative Expenses	(81)	(129)	(97)	-37%	-17%
Depreciation & Other Expenses	(30)	(26)	(27)	18%	13%
Total Operating Costs	(231)	(269)	(383)	-14%	-40%
- excluding one-off items [1]	(231)	(250)	(251)	-8%	-8%
Pre Provision Income	214	208	64	3%	>100%
- excluding one-off items [1]	214	226	196	-6%	9%
Impairment Losses on Loans	(174)	(137)	(163)	27%	7%
Impairment Losses on Other Assets	(7)	(64)	(8)	-89%	-13%
Associates' Results	(10)	28	(8)	-	-
Pre Tax Result	23	34	(115)	-34%	-
Income Tax	(9)	103	35	-	-
Net Result	19	133	(83)	-86%	-
Net Result Attrib. to SHs Cont. Operations	14	145	(79)	-	-
Non-Controlling Interest Continuing Operations	0	(7)	(1)	-	-
Net Result from Discontinued Operations	5	(4)	(3)	-	-

(1) One-off item refer to Voluntary Exit Scheme costs

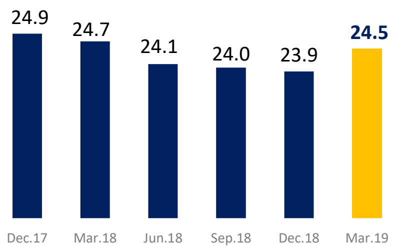
Net Interest Income (€mn)



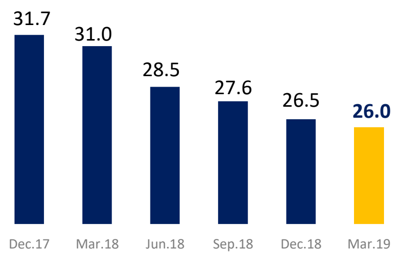
Recurring PPI (€mn)



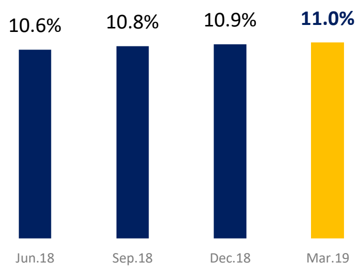
Performing Exposures | Greece (€bn)



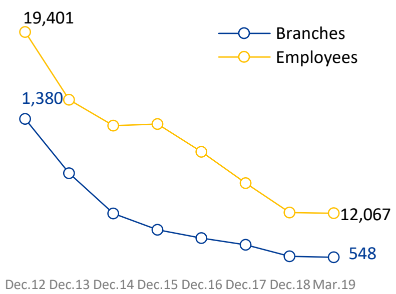
Non Performing Exposures | Greece (€bn)



Pro-forma CET-1 Fully Loaded (%)



Employees & Branches in Greece (#)



GLOSSARY / ALTERNATIVE PERFORMANCE MEASURES (APM) AT GROUP LEVEL

#	Performance Measure	Definition
1	**NII**	Net Interest Income
2	**NFI**	Net Fee and Commission Income
3	**DTAs**	Deferred Tax Assets
4	**PPA Adjustment**	Purchase price allocation (PPA) adjustments relating to the acquisition of the seven banks [i.e. former ATEbank, the Greek banking operations of Cypriot Banks in Greece (Bank of Cyprus, Cyprus Popular Bank, Hellenic Bank), Millennium Bank S.A., Geniki Bank S.A. and Panellinia Bank S.A.] amounting to €5.6bn at the end of Mar. 2018, €3.5bn at the end of Dec. 2018, and €3.3bn at the end of Mar. 2019
5	**Adjusted Total Assets**	Total assets excluding assets amounting to: 1) €3.3bn in Dec. 2018 of discontinued operations in Albania and Bulgaria, the OPEKEPE seasonal agri-loan, and other discontinued operations 2) €1.2bn in Mar. 2019 of discontinued operations in Bulgaria and other discontinued operations 3) €3.8bn in Mar. 2018 of discontinued operations in Serbia and Romania, other discontinued operations and operations in Bulgaria and Albania
6	**Gross Loans before Impairments & Adjustments**	Loans and advances to customers at amortised cost before ECL allowances for loans and advances to customers at amortised cost gross of PPA adjustments
7	**Net Loans**	Loans and advances to customers at amortised cost
8	**Net Loans to Deposits Ratio**	Net loans over deposits due to customers adjusted for seasonal agri-loan
9	**Core (Banking) Income or NII+NFI**	Net interest income plus net fee and commission income
10	**Net Interest Margin (NIM)**	Net Interest Income over adjusted total assets
11	**Net Fee Income on a Recurring Basis over Assets**	Net Fee and Commission Income excluding the one-off items related to the corresponding period, as per item #12
12	**One-off Items**	In Q1.2018, in Q3.2018 and in Q4.2018 of Voluntary Exit Scheme staff costs of €132mn, €4mn and €18mn respectivelywere classified as one-off. In Q2.2018, €35mn in other impairments and -€24mn of other operating income were classified as one-off. In Q3.2018, €48mn on net fee income was classified as one-off.
13	**Pre Provision Income (PPI)**	Total net income less total operating expenses. The relevant amounts corresponds to "Profit before provisions, impairments and income tax"
	Pre Provision Income (PPI) on a recurring basis	Total net income less total operating expenses excluding one-off items. The relevant amounts corresponds to "Profit before provisions, impairments and income tax" excluding the one-off items related to the corresponding period, as per item #12
14	**Cost to Income Ratio (Recurring)**	Total operating expenses before provisions over total net income excluding the one-off items related to the corresponding period, as per item #12
15	**CET1 Capital Ratio on Pro-forma Basis**	CET1 capital ratio taking into account RWA relief for the divestments of Piraeus Bank Bulgaria
16	**NPLs - Non Performing Loans**	Loans and advances to customers in arrears over 90 days past due gross of PPA adjustments
17	**NPEs - Non Performing Exposures**	On balance sheet credit exposures before ECL allowances for loans and advances to customers at amortised cost gross of PPA adjustments that are: (a) past due over 90 days; (b) impaired or those which the debtor is deemed as unlikely to repay its obligations in full without liquidating collateral, regardless of the existence of any past due amount or the number of past due days; (c) forborne and still within the probation

#	Performance Measure	Definition
		period under EBA rules; (d) subject to contagion from (a) under EBA rules and other unlikely to pay (UTP) criteria
18	**NPL Ratio**	Non-performing loans over Gross Loans before Impairments & Adjustments
19	**NPE Ratio**	Non-performing exposure over Gross loans before impairments & Adjustments
20	**NPL (Cash) Coverage Ratio**	ECL allowance for impairments on loans and advances to customers at amortised cost gross of PPA adjustments over NPLs
21	**NPE (Cash) Coverage Ratio**	ECL allowance for impairments on loans and advances to customers at amortised cost gross of PPA adjustments over NPEs
22	**Cost of Risk (CoR)**	ECL allowance for impairments on loans and advances to customers at amortised cost gross of PPA adjustments over net loans
23	**Return on Assets (RoA)**	Profit / (loss) for the period over adjusted total assets
24	**Net Results or Net Profit**	Profit / (loss) for the period attributable to equity holders of the parent
25	**Cumulative Provisions**	ECL allowance for impairment on loans and advances to customers at amortised cost gross of PPA adjustments
26	**Operating Expenses (OpEx)**	Total operating expenses before provisions
27	**Loan Impairment Charges**	ECL impairment charges on loans and advances to customers at amortised cost
28	**Pre Tax Results**	Profit / (loss) before income tax
29	**Net Revenues**	Total Net Income
30	**Deposits or Customers Deposits**	Due to Customers
31	**New Loan Generation**	New loan disbursements that were realized after previous end period
32	**Performing Exposures**	Gross loand before impairments and adjustments
33	**NPE Formation**	Change of the stock of adjusted NPEs adding back write-downs or other adjustments i.e. loan sales or debt to equity transactions over loans and advances to customers before ECL allowance for impairment on loans and advances to customers at amortised cost.
34	**RoTE (Return on Tangible Equity)**	Net profit over: (Total Equity minus cocos minus goodwill and intangibles
35	**NSFR**	The NSFR is expressed as a ratio that relates the bank's available stable funding (AFS) to its required stable funding (RSF). A bank's total ASF is the portion of its capital and liabilities that will remain with the institution for more than one year. A bank's total RSF is the amount of stable funding that it is required to hold given the liquidity characteristics and residual maturities of its assets and the contingent liquidity risk arising from its off-balance sheet exposures.
36	**LCR (Liquidity Coverage Ratio)**	Liquidity coverage ratio is the amount of sufficient liquidity buffer for a bank to survive a significant stress scenario lasting one month
37	**RWA Density**	Risk Weighted Assets over Adjusted total Assets
38	**Gross Book Value**	Gross loans

This press release has been prepared solely for informational purposes. Any projections or other estimates in this press release, including estimates of returns or performance, comments with respect to our objectives and strategies, or the results of our operations and business, supersede all previous projections or other estimates, and are forward-looking statements based upon certain assumptions and beliefs in light of the information currently available to the company that may be wrong. These assumptions and beliefs may be influenced by factors within or beyond our control, and actual results may differ materially from any estimates and projections. Factors influencing actual results include but are not limited to fluctuations in interest rates and stock indices, the effects of competition in the areas in which we operate, and changes in economic and regulatory conditions.

This press release is not an offer to buy or sell or a solicitation of an offer to buy or sell any security or instrument or to participate in any trading strategy. No part of this press release may be construed as constituting investment advice or a recommendation to enter into any transaction. No representation or warranty is given with respect to the accuracy or completeness of the information contained in this press release, and no claim is made that any future offer to transact any securities will conform to any terms that may be contained herein. Before entering into any transaction, investors should determine any economic risks and benefits, as well as any legal, tax and accounting consequences of doing so, as well as their ability to assume such risks, without reliance on the information contained in this presentation.