November 19, 2020

9M2020 Financial Results

- **Net profit[1] €348m in 9M2020 compared to €161m in 9M2019**
- **Core pre-provision up by 5.1% y-o-y to €648m**
- **Cost of risk at 1.51% in 9M2020**
- **NPE ratio down by 16.2ppts y-o-y at 14.9%, the lowest in the Greek banking system**
- **NPE stock reduced by €7.8bn y-o-y to €6.1bn**
- **Provisions over NPEs up by 742 basis points y-o-y to 62.5%**
- **Performing loans organic increase by €1.5bn in 9M2020**
- **Deposits expand by €1.4bn since end 2019**
- **Loans to Deposits ratio improves to 80.1% in 9M2020 from 87.3% a year ago**
- **Total CAD 15.6%, CET1 13.2%**

[1] Adjusted net profit.

“One full year after its onset, the pandemic remains the pivot of economic developments. The second wave is hitting hard especially in Europe and the US. However, the prospects are improved, following the announcement that at least two vaccines are extremely effective. In Greece, a second national lockdown is already in place. Although its impact on GDP is expected to be milder, relatively to the first phase, overall, estimates on economic contraction in 2020 have come closer to the adverse scenarios of around 10%.

In this frame, we continue to support our clients with new loan disbursements, moratoria and other support measures. The net organic increase in our performing loans reached €1.5 billion in the first three quarters, roughly the same amount of increase in our deposits. We are in the process of disbursing an additional € 0.7 billion under the Hellenic Development Bank programs, mostly before year-end. Furthermore, we have already given to affected customers deferred payments for loans of € 4.9 billion, until the end of the year, while € 1.3 billion of mortgages have opted-in for the state subsidy of their mortgage repayment under the “Bridge” program in 2021.

At the same time, we keep enhancing our innovative digital offering, allowing households and, importantly, businesses to conduct their banking transactions remotely.

In a year of global disruption, Eurobank continues to perform in line with the guidance provided just after the pandemic outbreak. In the first nine months of 2020, the Bank was solidly profitable with a net profit of 348 million euros. Our core PPI remained resilient, while we boosted provisions, increasing further the coverage ratio to 62.5%. Our NPE stock edged below the 15% threshold, way below the domestic market average. At the same time, we are developing a comprehensive strategy for loans under moratoria which end in 2020.

Apart from the robust balance sheet, we have a diversified business model, which includes two systemic regional banks and an investment property portfolio, consistently delivering a return on tangible book value close to 10%. Despite the unprecedented market challenges, Eurobank is in a position to support its clients and contribute to economic growth anticipated in 2021.”

Fokion Karavias, CEO

9M2020 Financial Results

Despite the challenging conditions set by the Coronavirus outbreak since the onset of 2020, Eurobank Holdings has maintained its core profitability at robust levels in the nine months of 2020 (9M2020), actively supporting at the same time its clients.

- In the first nine months of 2020 **performing loans** grew organically by €1.5bn, with **total loans** reaching €40.7bn, including the senior notes of the Cairo & Pillar securitizations.
- **Customer deposits** rose by €1.4bn in 9M2020 and the **loans to deposits ratio** substantially improved to 80.1%, from 87.3% in 9M2019. The **liquidity coverage ratio** also improved to 122%, from 107% a year ago.
- **Eurosystem funding** remained unchanged versus 2Q2020 at €8.0bn, through the TLTRO III program. **Repos** receded by €5.2bn y-o-y to €0.7bn.
- **Net profit**[2] amounted to €348m in 9M2020, from €161m a year ago.
- **Net interest income** fell by 1.0% y-o-y to €1,020m in 9M2020 and by 5.2% q-o-q to €331m, mainly due to the deconsolidation of the Cairo loans (-€28m q-o-q). The net interest margin in 9M2020 receded by 20 basis points y-o-y to 2.05%.
- **Net fee and commission income** expanded by 10.1% y-o-y to €275m, mainly due to rental income, fees from capital markets and asset management business. On a quarterly basis, fee and commission income was up by 8.3%.
- **Core income** increased by 1.1% y-o-y to €1,295m in 9M2020 but declined by 2.5% q-o-q to €647m. **Total operating income** rose by 13.2% y-o-y to €1,546m in 9M2020 and 22.0% q-o-q to €611m in 3Q2020 due to bond gains.
- **Operating expenses** decreased by 5.6% y-o-y in Greece and 2.5% y-o-y at a Group level to €647m in 9M2020. The cost to income ratio improved to 41.9% in 9M2020 from 48.6% a year ago. The branch network in Greece was contained from 350 in 2019 to circa 300, while a voluntary exit scheme (VES) for 800 employees in Greece was recently concluded, providing an annual benefit of €35m.

[2] Adjusted net profit.

- **Core pre-provision income** increased by 5.1% y-o-y to €648m but decreased by 4.8% q-o-q to €213m. **Pre-provision income** grew by 28.1% y-o-y to €899m in 9M2020 and 38.4% q-o-q to €397m in 3Q2020.

- **Loan loss provisions** amounted to €427m in 9M2020 and corresponded to 151 basis points of the average net loans.

- **Provisions over** NPEs increased by 740 basis points y-o-y to 62.5% at the end of September.

- The **NPE ratio** decreased to 14.9%, from 15.3% in 2Q2020, the lowest level among Greek banks. On an annual basis, the NPE ratio was down by 16.2 percentage points. The **stock of NPEs** declined by €7.8bn y-o-y and €130m q-o-q to €6.1bn. The **NPE formation** was negative by €128m in 9M2020 and €46m in 3Q2020.

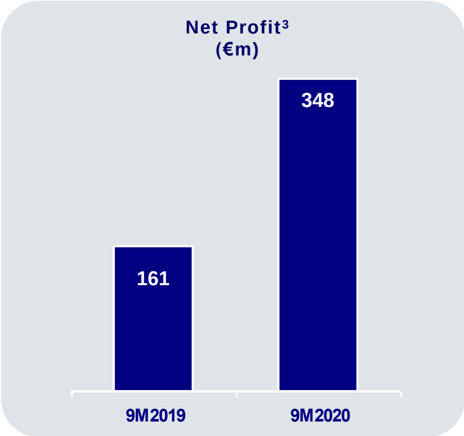
- **International operations** remained profitable, as net profit[3] reached €111m in 9M2020, compared to €146m a year ago. Core pre-provision income receded by 10.3% y-o-y to €181m on the back of higher operating expenses (+7.1% y-o-y driven by the acquisition of Piraeus Bank Bulgaria).

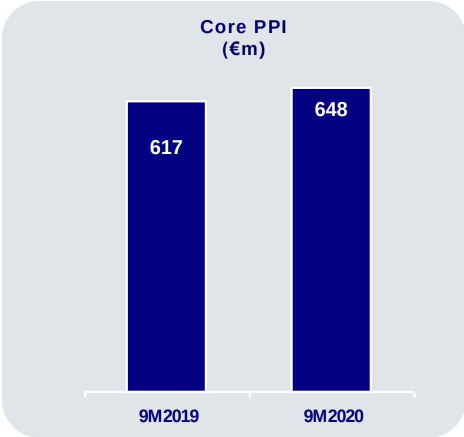
- The **net result** of Eurobank Holdings was negative at €1,081m in 9M2020 and includes the total loss from Cairo & FPS of €1,334m (after tax) and the VES cost of €87m (after tax).

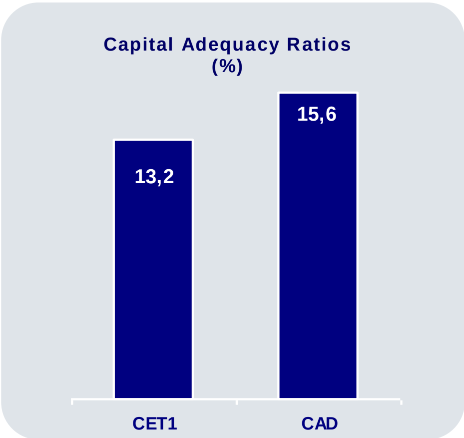
- Despite the VES hit, total **CAD** increased by 10 basis points q-o-q to 15.6% and **CET1** reached 13.2% in 9M2020.

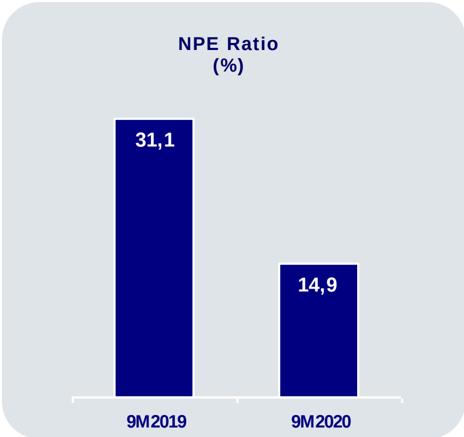
- The **diversified business model** of Eurobank, apart from the Greek banking operations, includes presence in two systemic banks in the SEE region (Bulgaria & Cyprus) and the investment property portfolio, which generate a **return on tangible book value** of close to 10%. Total return on TBV for the Group exceeded 8% in 9M2020.

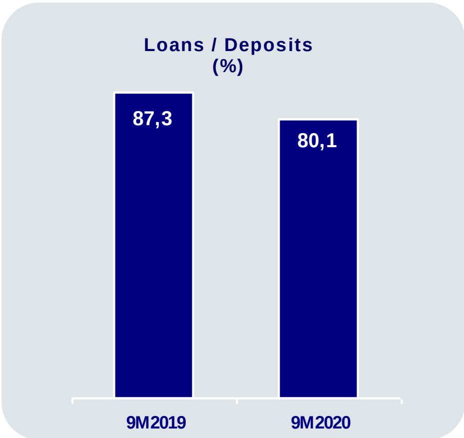
[3] Adjusted net profit.

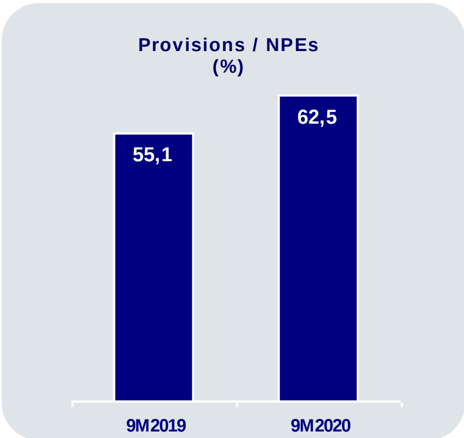

Net Profit[3]
(€m)
161
348
9M2019
9M2020


Core PPI
(€m)
617
648
9M2019
9M2020


Capital Adequacy Ratios
(%)
13,2
15,6
CET1
CAD


NPE Ratio
(%)
31,1
14,9
9M2019
9M2020


Loans / Deposits
(%)
87,3
80,1
9M2019
9M2020


Provisions / NPEs
(%)
55,1
62,5
9M2019
9M2020

November 19, 2020

Eurobank Holdings Financial Figures

Key Financial Results[4]	9M2020	9M2019	Change
Net Interest Income	€1,020m	€1,031m	-1.0%
Net Fee & Commission Income	€275m	€250m	10.1%
Total Operating Income	€1,546m	€1,365m	13.2%
Total Operating Expenses	€647m	€664m	-2.5%
Core Pre-Provision Income	€648m	€617m	5.1%
Pre-Provision Income	€899m	€701m	28.1%
Loan Loss Provisions	€427m	€493m	-13.4%
Adjusted Net Profit	€348m	€161m	115.9%
Net Income after tax	-€1,081m	€94m	-

Balance Sheet Highlights	9M2020	9M2019
Consumer Loans	€3,531m	€3,904m
Mortgages	€11,717m	€14,160m
Small Business Loans	€4,203m	€6,504m
Large Corporates & SMEs	€17,723m	€18,811m
Senior Notes	€3,506m	€1,080m
Total Gross Loans	€40,722m	€44,542m
Total Customer Deposits	€46,156m	€42,308m
Total Assets	€67,454m	€64,038m

Financial Ratios	9M2020	9M2019
Net Interest Margin	2.05%	2.25%
Cost to Income	41.9%	48.6%
Non-Performing Exposures (NPEs)	14.9%	31.1%
Provisions / NPEs	62.5%	55.1%
Provisions to average Net Loans (Cost of Risk)	1.51%	1.80%
Common Equity Tier 1 (CET1)	13.2%	16.3%
Total Capital Adequacy (CAD)	15.6%	18.6%

[4] 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

- **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.
- **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.
- **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).
- **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.
- **Cost to Income ratio:** Total operating expenses divided by total operating income.
- **Fees and commissions:** The total of net banking fee and commission income and income from non banking services of the reported period.
- **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.
- **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.
- **Loans to Deposits ratio:** Loans and advances to customers at amortised cost divided by due to customers at the end of the reported period.
- **Liquidity Coverage Ratio (LCR):** The total amount of high quality liquid assets over the net liquidity outflows for a 30-day stress 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).
- **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 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.
- **NPEs ratio:** Non Performing Exposures (NPEs) divided by gross loans and advances to customers at amortised cost 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.
- **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).

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

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

CONSOLIDATED BALANCE SHEET

	In € million	
	30 Sep 2020	31 Dec 2019
ASSETS		
Cash and balances with central banks	**5,591**	4,679
Due from credit institutions	**3,827**	3,007
Derivative financial instruments	**2,502**	2,262
Loans and advances to customers	**36,988**	37,365
Investment securities	**8,851**	7,951
Property and equipment	**745**	746
Investment property	**1,413**	1,184
Goodwill and other intangible assets	**395**	378
Deferred tax assets	**4,732**	4,766
Other assets	**2,356**	2,348
Assets of disposal groups classified as held for sale	**54**	75
Total assets	**67,454**	64,761
LIABILITIES		
Due to central banks	**8,009**	1,900
Due to credit institutions	**1,554**	5,022
Derivative financial instruments	**2,965**	2,726
Due to customers	**46,156**	44,841
Debt securities in issue	**2,175**	2,406
Other liabilities	**1,247**	1,199
Total liabilities	**62,106**	58,094
EQUITY		
Share capital	**816**	852
Share premium, reserves and retained earnings	**4,532**	5,813
Preferred securities	**-**	2
Total equity	**5,348**	6,667
Total equity and liabilities	**67,454**	64,761

CONSOLIDATED INCOME STATEMENT

	In € million	
	1 Jan - 30 Sep 2020	1 Jan - 30 Sep 2019
Net interest income	**1,020**	1,031
Net banking fee and commission income	**213**	209
Income from non banking services	**63**	41
Gains less losses from investment securities	**233**	66
Other income/(expenses)	**236**	18
of which gain on "FPS" disposal	*219*	
Operating income	**1,765**	1,365
Operating expenses	**(647)**	(664)
Profit from operations before impairments, provisions and restructuring costs	**1,118**	701
Impairment losses relating to loans and advances to customers	**(1,935)**	(493)
of which loss on "Cairo" transaction	*(1,509)*	
Other impairment losses and provisions	**(24)**	(33)
Restructuring costs	**(135)**	(85)
Share of results of associates and joint ventures	**22**	17
Profit/(loss) before tax	**(954)**	107
Income tax	**(127)**	(10)
Net profit/(loss) from continuing operations	**(1,081)**	97
Net profit/(loss) from discontinued operations	**-**	(3)
Net profit/(loss) attributable to shareholders	**(1,081)**	94

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 consolidated financial statements for the nine months ended 30 September 2020 will be available on the Company's website by 20 November 2020.