

Fourth Quarter 2014 Financial Results

- Core pre-provision income up by 9.8% in the fourth quarter and 48.8% in 2014.
- 90dpd loans coverage ratio expanded by 270 basis points to 56.3%.
- 90dpd formation maintained at the third quarter low levels.
- Gross loans up by €164m q-o-q for the first time after a period of deleveraging.
- Deposits declined by €1.8bn q-o-q and Eurosystem funding rose to €12.5bn at the end of December.
- Loans to deposits ratio at 103.1% and phased-in Common Equity Tier I ratio (CET1) at 15.2%.
- Bottom-line result -€524m in the fourth quarter, which includes €218m of goodwill impairment and other non-recurring items.

“The macroeconomic and financial environment in Greece remains particularly challenging and uncertain. Despite the challenges, Eurobank maintains its main objective, under the "Commitments" undertaken in 2015, to support its customers and the Greek economy, placing emphasis on efficient and flexible management of non-performing loans and respecting the needs and abilities (capacity) of our customers, to finance competitive enterprises, households, innovative and extrovert business plans and implement modern corporate governance principles.

Our priority is to preserve the capital strength of the Bank, to ensure sufficient liquidity for the Group and support our customers. The required establishment of a newly balanced relationship framework agreement between Greece and its European partners on the basis of a comprehensive plan and the restoration of the markets, customers and the society's confidence in the prospects of the country, will lead to a rapid normalization of market and economic conditions and will attract investments and capital, which are prerequisites for the Greek economy's restart. In such a prospect, Eurobank, relying on the trust of its shareholders, employees and customers, is prepared to lead the developments and contribute decisively to the final return of the Greek economy to a sustainable growth trajectory.”

Nikolaos Karamouzis, Chairman of BoD

“The improvement in the Bank's core operating results continued, despite the gradual deterioration of the economic climate. We execute our business planning consistently adapting to changing conditions.

We strengthened further the balance sheet, keeping provisions at elevated levels, increasing coverage of bad debts above 56% and aligning the stock of provisions with the Comprehensive Assessment carried out by the supervising authorities. The reduction in operating costs outperformed the targets, and exceeded 10% on an annual basis.

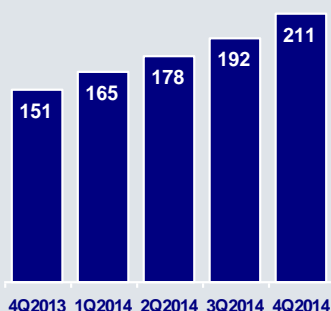
The fourth quarter 2014 was the first quarter of positive credit expansion for the Group, after quite a long time. Despite the deterioration in liquidity conditions since year-end, with deposit outflows being subsiding after the end of February 2015, it is important that the downward trend in the cost of deposits did not reverse.

We remain committed to our goal of returning the Bank to profitability in 2015 albeit acknowledging that the normalization of the macroeconomic and financial environment, as well as its pace, will be critical. Our priority is to address the liquidity pressures in the Greek banking system, the challenges associated with the formation of new NPLs, maintaining a strong capital base and ensuring our ability to finance our customers and the Greek economy.”

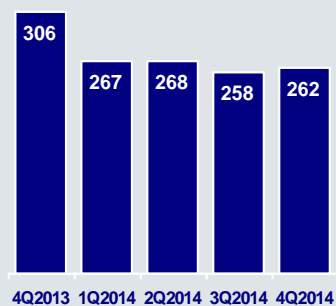
Fokion Karavias, CEO

Fourth Quarter 2014 Results Analysis

Core Pre-Provision Income
(€m)



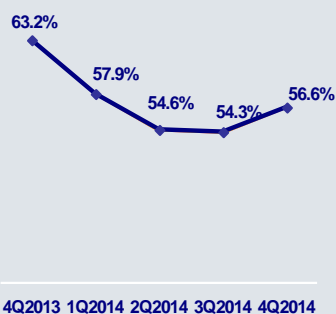
Operating Expenses
(€m)



Pre-Provision Income
(€m)



Cost to Income



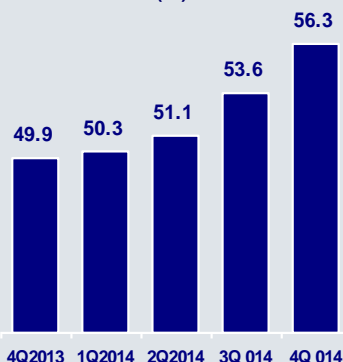
Eurobank's improving operating performance continued in the fourth quarter, as **core pre-provision income** grew by 9.8% to €211m, from €192m in the third quarter. An increase was recorded both in Greece (11.9%) and in international operations (5.3%). In more detail:

- **Net interest income** increased by 4.1% q-o-q and reached €394m, from €379m in the third quarter. The expansion of interest income was mainly due to the de-escalation of the cost of deposits in Greece, as the spread of time deposits decreased by 17 basis points in the fourth quarter 2014. Net interest income rose by 4.7% in Greece and 2.4% in international operations. Net interest margin also expanded from 2.04% to 2.11% in the fourth quarter 2014, also helped by the 2 basis points increase in lending spreads.
- **Net fee and commission income** recorded a remarkable increase of 11.4% to €79m in the fourth quarter 2014, mainly due to higher income from insurance, lending, rental and branch network businesses. Fee expansion came both from Greece (+15.0%) and international business (+4.8%). As a result of this expansion, the ratio of fees over total assets increased to 42 basis points in the fourth quarter 2014, from 38 basis points in the previous quarter.
- **Core income** (net interest income and net fee and commission income) was up by 5.2% q-o-q to €473m, €341m in Greece (up 6.2% q-o-q) and €132m in international operations (up 2.9% q-o-q).
- **Operating expenses** amounted to €262m in the fourth quarter 2014, compared to €258m in the third quarter, an increase of 1.8% on the back of higher administrative expenses. On an annual comparable basis, costs were cut by 10.1% over 2013, 11.1% in Greece and 7.2% abroad.

Market conditions weighed on trading and other income, which came at -€9m in the fourth quarter, versus €25m in the third quarter. As a consequence, both **operating income** and **pre-provision income** receded by 2.3% (to €464m) and 7.3% (to €201m) respectively in the fourth quarter.

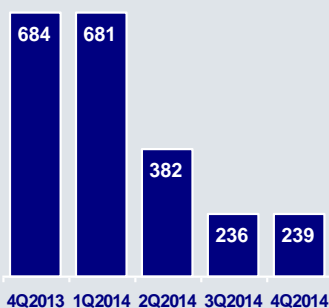
The decline in non-core income drove the cost to income ratio up from 54.3% in the third quarter to 56.6% in the fourth quarter 2014.

The Bank continued to accelerate **provisioning charges**, reaching €742m in the fourth quarter, from €588m in the third quarter, strengthening further the balance sheet and increasing the coverage of loans past due by 270 basis

Coverage of 90dpd Loans (%)


points q-o-q and 640 basis points y-o-y. Accumulated provisions reached €9.7bn at the end of the year, accounting for 18.8% of total loans and 56.3% of loans past due over 90 days. The stock of provisions at the end of 2014 is almost aligned with ECB/EBA Comprehensive Assessment projections for the same period.

90dpd formation was maintained at third quarter's low levels of €239m. Loans past due over 90 days stood at €17.3bn, accounting for 33.4% of the loan portfolio at the end of 2014.

Gross 90dpd formation (€m)


Deleveraging reversed in the fourth quarter 2014, as **Gross customer loans** before write-offs increased by €164m. Loans to businesses amounted to €26.7bn, versus €26.5bn in September and loans to households receded to €25.1bn, from €25.3bn.

Deposits were down by €1.8bn to €40.9bn at the end of 2014. **Eurosystem funding** rose to €12.5bn, from €9.1bn in September, while the **loans to deposits ratio** reached 103.1%, compared to 99.8%.

The phased-in **Common Equity Tier I capital** (CET1- Basel III) reached €5.9bn and accounted for 15.2% of risk weighted assets at the end of the fourth quarter 2014.

The **net result** came at -€524m in the fourth quarter 2014 and includes €218m of goodwill impairment and other non-recurring items.

Eurobank Financial Results

Major Financial Figures¹	4Q2014	3Q2014	Δ	2Q2014	1Q2014	2014	2013
Net Interest Income	€394m	€379m	4.1%	€375m	€367m	€1,515m	€1,270m
Net Fee & Commission Income	€79m	€71m	11.4%	€70m	€65m	€284m	€269m
Total Operating Income	€464m	€475m	-2.3%	€490m	€461m	€1,889m	€1,558m
Total Operating Expenses	€262m	€258m	1.8%	€268m	€267m	€1,054m	€1,038m
Core Pre-Provision Income	€211m	€192m	9.8%	€178m	€165m	€745m	€501m
Pre-Provision Income	€201m	€217m	-7.3%	€222m	€194m	€835m	€520m
Credit Loss Provisions	€742m	€588m	26.1%	€455m	€479m	€2,264m	€1,900m
Net Income before non-recurring items	-€393m	-€354m		-€203m	-€227m	-€1,175m	-€1,191m
Net Result after non-recurring items	-€524m	-€187m		-€301m	-€207m	-€1,219m	-€1,154m

Balance Sheet Items	2014	2013
Consumer Loans	€6,759m	€7,285m
Mortgages	€18,335m	€18,699m
Small Business Loans	€7,282m	€7,406m
Large Corporates & SMEs	€19,447m	€19,458m
Total Gross Loans	€51,881m	€52,910m
Total Customer Deposits	€40,878m	€41,250m
Total Assets	€75,518m	€77,586m

Financial Ratios	4Q2014	3Q2014
Net Interest Margin	2.11%	2.04%
Cost to Income	56.6%	54.3%
90 Days Past Due Loans	33.4%	33.0%
90dpd Coverage	56.3%	53.6%
Provisions to average Net Loans	7.00%	5.47%
Common Equity Tier I (CET1)	15.2%	16.1%

¹ Ukraine reclassified as held for sale as of 1Q2014.

CONSOLIDATED BALANCE SHEET

	In € million	
	31 Dec 2014	31 Dec 2013
ASSETS		
Cash and balances with central banks	1,948	1,986
Loans and advances to banks	3,059	2,567
Financial instruments at fair value through profit or loss	360	375
Derivative financial instruments	2,134	1,264
Loans and advances to customers	42,133	45,610
Investment securities	17,849	18,716
Property, plant and equipment	702	770
Investment property	876	728
Intangible assets	150	266
Deferred tax assets	3,894	3,063
Other assets	2,143	2,241
Assets of disposal group classified as held for sale	270	-
Total assets	75,518	77,586
LIABILITIES		
Due to central banks	12,610	16,907
Due to other banks	10,256	10,192
Derivative financial instruments	2,475	1,558
Due to customers	40,878	41,535
Debt issued and other borrowed funds	811	789
Other liabilities	2,020	2,082
Liabilities of disposal group classified as held for sale	164	-
Total liabilities	69,214	73,063
EQUITY		
Ordinary share capital	4,412	1,641
Share premium and other reserves	197	1,574
Preference shares	950	950
Total equity attributable to shareholders of the Bank	5,559	4,165
Preferred securities	77	77
Non controlling interests	668	281
Total equity	6,304	4,523
Total equity and liabilities	75,518	77,586

CONSOLIDATED INCOME STATEMENT

	In € million	
	1 Jan - 31 Dec 2014	1 Jan - 31 Dec 2013
Net interest income	1,515	1,270
Net banking fee and commission income	200	199
Net insurance income	36	36
Income from non banking services	48	34
Dividend income	3	3
Net trading income	(5)	(16)
Gains less losses from investment securities	85	41
Net other operating income	7	(9)
Operating income	1,889	1,558
Operating expenses	(1,055)	(1,037)
Profit from operations before impairments and non recurring income/(expenses)	834	521
Impairment losses on loans and advances	(2,264)	(1,900)
Impairment losses on intangible assets	(100)	(142)
Other impairment losses	(205)	(114)
Restructuring costs and other non recurring income/(expenses)	57	(264)
Share of results of associated undertakings and joint ventures	(0)	(2)
Profit/(loss) before tax	(1,678)	(1,901)
Income tax	462	454
Non recurring tax adjustments	252	329
Net Profit/(loss) from continuing operations	(964)	(1,118)
Net Profit/(loss) from discontinued operations	(232)	(39)
Net profit/(loss)	(1,196)	(1,157)
Net profit/(loss) attributable to non controlling interests	23	(3)
Net profit/(loss) attributable to shareholders	(1,219)	(1,154)

Notes:

- The consolidated income statement for the year ended 31 December 2014 includes the results of New TT Hellenic Postbank group and New Proton Bank, which are incorporated in the Eurobank group's financial statements from 1 September 2013 prospectively.
- The Annual Financial Report for the year ended 31 December 2014 will be published by 31 March 2015.