



ANNUAL REPORT
2015

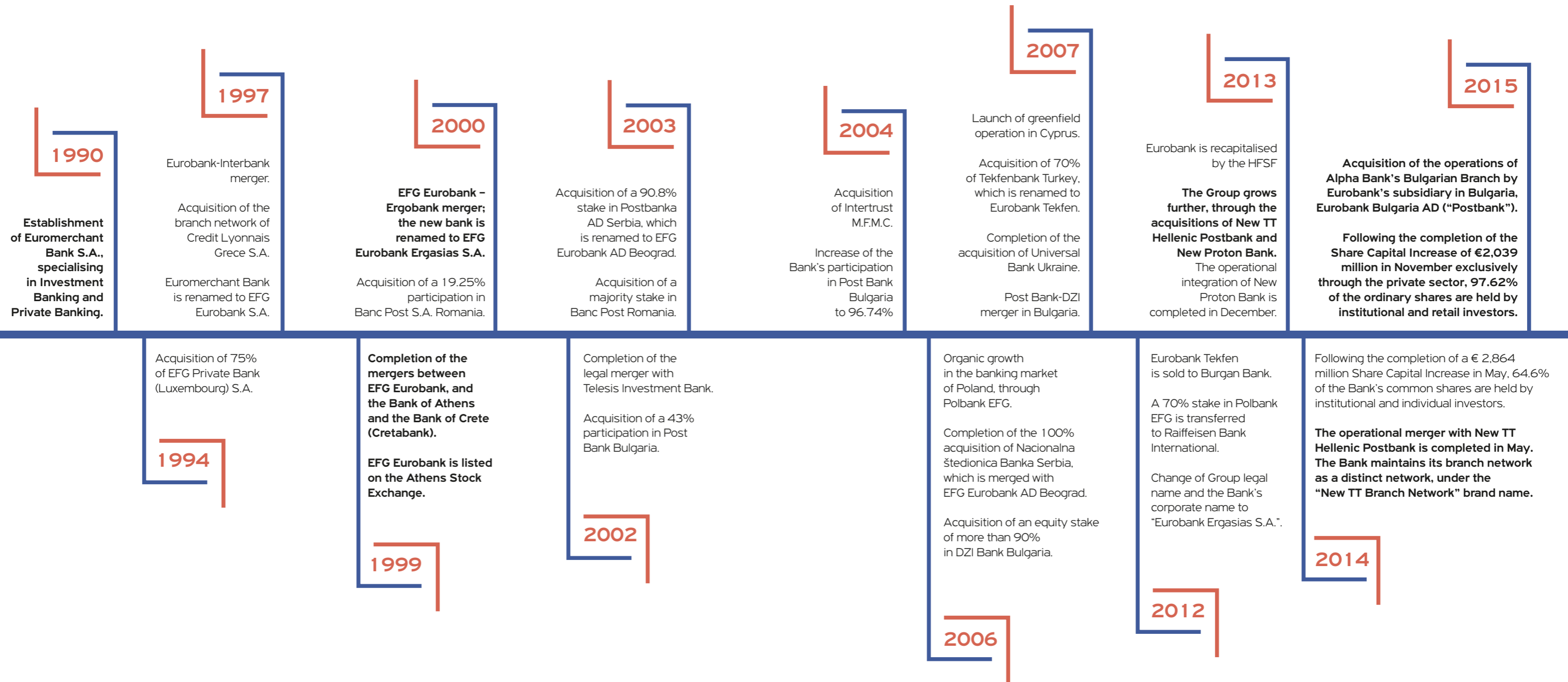




CONTENTS

Historical Milestones	6
Group Financial Figures	8
Letter to Shareholders	10
Share Capital Increase – Capital Adequacy	22
Financial Review	24
Strategic Transformation Programme	26
Corporate Governance	28
Risk Management	40
Priority to Our Customers	54
Retail Banking	54
Group Corporate & Investment Banking	64
Troubled Assets Management	72
Wealth Management	74
International Capital Markets & Treasury	78
Equities Brokerage	80
Insurance Operations	81
Other Activities	82
International Presence	84
Romania	85
Bulgaria	85
Serbia	87
Cyprus	88
Luxembourg	88
Ukraine	89
Corporate Responsibility	92
Priority to our People	94
Priority to Society	102
Priority to Innovation and Youth Entrepreneurship	110
Priority to Communicating with Customers	116
Relations with Suppliers	119
Priority to the Environment and Sustainable Development	120
Management Systems and Certifications	126
Memberships in Associations & Organisations	128
Awards 2015	130
Appendix	132
Financial Data for the Year	

HISTORICAL MILESTONES



GROUP FINANCIAL FIGURES

Major Financial Figures ¹	2015	2014	Δ
Net Interest Income	€1,463 m	€1,470 m	(0.5)%
Net Fee & Commission Income	€244 m	€253 m	(3.8)%
Total Operating Income	€1,761 m	€1,796 m	(1.9)%
Total Operating Expenses	€975 m ²	€1,035 m	(5.8)%
Pre-Provision Income	€787 m ²	€761 m	3.4%
Loan Loss Provisions	€2,665 m	€2,264 m	17.7%
Net Income before non-recurring items	(€1,453) m	(€1,230) m	18.1%
Net Result after non-recurring items	(€1,181) m	(€1,219) m	(3.1)%

¹ Ukraine and Insurance operations classified as held for sale.

² Like-for-like: Excluding €30 m contribution to the new Single Resolution Fund (BRRD) and €12 m one-off contribution to the resolution of a cooperative bank.

Balance Sheet Items	2015	2014
Consumer Loans	€6,565 m	€6,759 m
Mortgages	€18,249 m	€18,335 m
Small Business Loans	€7,246 m	€7,282 m
Large Corporates & SMEs	€19,584 m	€19,447 m
Total Gross Loans	€51,683 m	€51,881 m
Total Customer Deposits	€31,446 m	€40,385 m
Total Assets	€73,553 m	€75,518 m

LETTER TO SHAREHOLDERS

Dear Shareholders,

In previous years Greece and the Greek banking system have endured repeated hardships, recurrent crises and repeated turbulence. Even compared to those difficult years, though, **2015 was an unprecedented year**, marked by completely unforeseen developments, culminating in the imposition of a short-term bank holiday, capital controls and the need for a new, third, significant recapitalisation of the Greek banks.

The 2015 crisis

In the midst of heightened political and financial uncertainty triggered by a dispute with our European partners and the IMF, the financial system was called to respond to a "perfect storm" that was prompted by a sequence of events. Initially a serious liquidity crisis began to gradually emerge in late 2014 due to massive deposit withdrawals and the gradual exclusion of Greek banks from international money and capital markets. Then, the palpable threat of a messy default and Greece's exit from the Eurozone had a direct, severely negative impact on banks as capital controls, payment restrictions and bank holiday were imposed for almost a month, with equivalent side effects on economic activity, the economic climate and the quality of the banks' lending portfolios. Then, following the agreement the Government signed with the Institutions in August 2015, as a major disaster for the country was averted, the four systemic banks underwent a thorough capital review by the European Central Bank which included first a detailed Asset Quality Review (AQR) and second, a particularly strict

stress test in order to identify the final capital needs of each individual bank in case of the adverse scenario. That was followed by the necessary share capital increases in the autumn of 2015 to ensure the banks are adequately capitalised to even cope with the adverse scenario i.e. the most negative future economic developments.

Against such an adverse economic backdrop and in spite of the uncertainties, risks and hardships that prevailed, **Eurobank's strong potential and its personnel's virtues emerged, resulting in the improvement of the bank's relative position and image in the market, its customers and society, compared to its competitors.**

This improvement of the Bank's image, clearly demonstrated by customer satisfaction surveys, was the result of a series of successful strategic choices made during each phase of the crisis. Despite asphyxiating liquidity conditions, the Bank never stopped funding financially robust, viable customers at any time. During the first days of capital controls, ATMs were topped up with cash without any of the problems other banks and their customers had to face. Socially vulnerable groups such as pensioners experienced and appreciated the Bank's human-centred approach and the quality of service offered. All of the Bank's personnel was mobilised to work together in order to provide excellent customer service, particularly in the critical field of imports, where businesses were able to appreciate the advantages of working with Eurobank in terms of rapid service, effective handling of requests and flexible solutions, against the backdrop of difficulties and uncertainties where the impacts on the handling of banking transactions were severe.

The successful stress test marked a positive milestone in Eurobank's development and enhancing customers' trust

The results of the stress tests conducted by the ECB in the autumn of 2015 were a major success and paved the way for the Bank's subsequent successful share capital increase of €2.039 billion that was fully subscribed by private investors, as well as the planning of the Organisation's future strategic initiatives.

The results of the stress tests completely reversed the image that had been formulated over recent years during the crisis. Various conditions over the last years had put Eurobank in a weaker position than its peers, particularly in terms of capital adequacy and balance sheet quality. The November 2014 stress tests had ranked it fourth among the systemic banks. Despite that, within a period of less than a year, Eurobank emerged as the most robust of the Greek banks, with the lowest capital needs in the adverse scenario which was taken into account for the recapitalisation of the Greek banks.

Thanks to our performance, the major endeavours made by all our employees and executives, our improved prospects and image in the eyes of our customers, as well as the markets and investors, we have managed to cover the entire share capital increase by private capital only, despite heightened uncertainty and a negative domestic and global environment around the time of the share capital increase. Our shareholder base includes top investors of global stature such as Fairfax Financial Holdings, companies from the Wilbur Ross Investment Group, Capital Research and Brookfield Asset Management Inc. The fact that international institutional investors

such as the EBRD and IFC also participated in the share capital increase is particularly important in formulating our future initiatives.

Resilience under extreme conditions: The milestones of 2015

Against a backdrop of successive negative developments, the Bank's performance in key sectors demonstrated **the resilience of our business model and the soundness of our strategic planning.**

In terms of business strategy, a comprehensive medium-term plan which the Bank agreed to implement after its successful recapitalisation was updated and approved by the competent supervisory authorities and the DG Comp. Due to the fact that the share capital increase was exclusively subscribed by private capital, without any state participation, the Bank is able to maintain its international operations and subsidiaries provided that the size of their assets is reasonably reduced by 2018. This is an additional important strategic competitive advantage, particularly given the profitability of our international network.

One of the commitments undertaken as part of the agreed business plan is to reduce personnel in Greece by 1,000 employees by the end of 2017. The Bank has drawn up a voluntary redundancy scheme which will be rolled out in 2016, but was accounted in the fourth quarter of 2015.

Implementing the aforementioned business plan and the obligations it entails, we successfully sold **80% of the shares of our subsidiary Eurolife. Eurobank's commitment to divest Eurolife was part of the initial restructuring plan which had already been discussed and agreed with the European Commission/DG Comp since 2014.** An international open auction sale

process was employed, similar to the one used in privatisations, to ensure process transparency and maximisation of price. Five non-binding offers were initially submitted by notable international firms. Subsequently, three of those international firms participated in the due diligence procedure that followed, which also included negotiating a medium-term commercial partnership agreement between the Bank and Eurolife as well as a shareholders agreement. Only one binding offer was eventually submitted. The final decision was taken by the Bank's Board of Directors. At the completion of the process, the Bank's Board of Directors decided the sale of Eurolife to a company controlled by Fairfax Financial Holdings and the Canadian pension fund OMERS Administration Corporation. The key criterion underpinning the sale was the price offered.

Looking at our international operations, we worked with local and European regulatory authorities **to acquire of Alpha Bank's network in Bulgaria for a token price of one euro**. The acquisition made our Bulgarian subsidiary Postbank the country's fourth biggest bank. Note that our non-Greek subsidiaries performed particularly well in 2015, with the Bank's international operations overall returning to profitability for the first time since 2010, with net recurring profits of €67 million, coupled with satisfactory prospects for the future. **The Bank's subsidiaries in SE Europe are completely self-financed, maintaining a robust capital base and surplus liquidity**. We expect the positive developments in 2015 to continue and improve in 2016 as the economies of most countries in the region return to growth.

In Greece, despite the negative impact of external factors on overall operations, major positive steps were taken and initiatives were

launched which confirm Eurobank's ability to rise to challenges and to effectively adapt to the needs of the new emerging environment.

Retail Banking

In Retail Banking, we focused on the key pillars of meeting customers special needs, maintaining and bolstering our position in critical areas, such as SMEs and the retaining of deposits, and strengthening our position in the rapidly changing world of e-payments, and e-Banking in general.

With the imposition of capital controls, we provided our customers, pensioners and salaried employees, with rapid, flexible solutions to ensure they had uninterrupted access to the amounts they could lawfully withdraw and to help them cover major health care and tuition fee costs.

For SMEs in particular, we solved payment and import/export issues, helping facilitate their transactional and commercial operations to the maximum degree possible. During the bank holiday, we immediately put in place infrastructure that allowed us to handle the majority of import requests within 24 hours, thereby attracting 5,000 new customers.

We also retained a leading position in terms of lending and co-financed loans while significantly increasing transactional activities in the SME sector.

We offered depositors advice and solutions and also reduced the cost of money by around 100 base points (1%) and retained the first place in the mutual funds sector.

We played an active part in the new environment of increased use of e-payments. More specifically, we increased POS turnover by over 40% compared to 2014 by installing more than 20,000 new terminals, increased debit and

credit card turnover by over 35%, and increased the number of e-Banking users by 35%, e-Banking transactions by 33%, m-Banking users by 40% and the number of such transactions by 48% (these figures refer to individuals).

Retail banking will play a vital role in the digital transformation of the Bank, in order to radically upgrade customer experience.

Corporate Banking: A strategic focus on exports and tourism – Supporting extrovert businesses

In Corporate Banking, we focused on addressing the problems the crisis had caused for our customers, mainly in imports and payments, and despite the squeeze on liquidity we provided selective financing to the Bank's strategic sectors of activity, taking major steps to support robust, extrovert, innovative companies **and further enhance the leading role occupied by Eurobank, mainly in the fields of exports, tourism and SMEs**.

To support extrovert Greek businesses, we decided to continue the particularly successful **Go International** initiative, adapted to new circumstances and needs. In this context, in early 2016 we prepared and hosted the first **Go In Athens** event which was held under the auspices of the Hellenic Ministry of Foreign Affairs, and was a joint effort between Eurobank and the Panhellenic Exporters Association (PEA), the Greek International Business Association (SEVE), Exporters' Association of Crete (EAC), Hellenic Federation of Enterprises (SEV) and Greek Tourism Confederation (SETE) partnership, and 5 bilateral chambers of commerce. During the event more than 1,400 B2B meetings were held, giving the opportunity to more than 100 Greek exporters to

come in contact with more than 50 representatives of large international import organisations from the EU, Canada and China.

Besides the **Go International** initiative, our actions in this field also include:

- The exports internet portal **Exportgate.gr** which promotes business networking between companies at a global level.
- Participation in the "**Outward Orientation**" programme which has been developed in partnership with the Export Credit Insurance Organization.
- Financing export businesses via Export Factoring and Trade Finance Facility in partnership with the EIB, thus maintaining our leading position in the market.
- Financing businesses to help them ready their end product. Over the period 2009-2015 the Bank provided 1,200 large and medium-sized enterprises with approximately €4.5 billion in financing.

Thanks to the trust our business clients have in the Bank and their response to our initiatives, **our market share in overall exports of goods from the launch of our export initiatives rose significantly, we maintained our leading position in the factoring market with a major share and continued to actively provide investment banking and business restructuring advice**.

Eurobank: Greek tourism's bank of choice

Financing for the tourism sector and the provision of comprehensive banking services are a strategic priority for Eurobank. We have built strong relationships with Greek tourism entrepreneurs, ranging from large business groups to thousands of SMEs, offering competitive services and enjoying the trust they place in us. Despite the asphyxiatingly tight liquidity conditions in 2015, new financing of €200 million for financially robust customers was approved on top of old loan refinancing schemes, total debts of €85 million were restructured and the Bank brokered the entry of strategic investors/sale/placement of internationally respected management teams at problematic tourism businesses across Greece.

High provisions and strengthening of balance sheet

Overall, the adverse conditions that prevailed in Greece within 2015 were reflected in our results, as we had to continue a conservative policy of very high loan loss provisions (€2.7 billion for the year), which played a decisive role in shaping the level of losses we eventually reported, even though pre-provision income stood at €744 million. Having said that, with a strengthened balance sheet (90 days past due coverage rate: 65%, non performing exposures coverage rate: 52% which rises to 102% if real collateral is taken into account), the successful €2.039 billion share capital increase that resulted in a CET1 ratio of 17%, satisfactory pre-provision income and capable personnel ready to give their best, coupled with the prospects of the Greek economy returning to some semblance of normality, Eurobank is in a

strong position to achieve the key strategic goals we have set for the medium term, while returning to profitability and financing customers and the economy.

Communication and Corporate Responsibility

For Eurobank, corporate responsibility is a fundamental driver which is inextricably linked to its strategic planning. Responding to society's current needs, Eurobank continued to actively support important initiatives in the fields of social solidarity, excellence, education, innovation and youth entrepreneurship, culture, sport and the environment.

In this context, despite the drop in funding said initiatives which was essential because of the adverse conditions, in 2015 we supported more than 30 non-profit organisations in total, which mainly support children as well as other socially vulnerable groups. In December 2015, 20 non-profit organisations participated in the first Christmas Love Bazaar hosted by Eurobank for its employees. At the same time, **we significantly increased our support to the "Apostoli supports the pupils" programme run by the "Apostoli", the philanthropic organisation of the Holy Archdiocese of Athens.** With exclusive sponsorship from Eurobank, the "Apostoli" philanthropic organisation distributed more than 30,000 "parcels of love", and as part of its plans to further enhance the programme Eurobank has decided to make Bank employees and customers stakeholders in the project.

Moreover, in 2015 the 13th cycle of the **"Great Moment for Education"** programme was successfully completed. So far 14,850

top-performing high school graduates nationwide, who are currently excelling in their professional or scientific career in Greece, have been rewarded.

In order to support innovative youth entrepreneurship and provide opportunities for sustainable employment for young people, Eurobank has designed and implements in collaboration with Corallia the **egg-enter•grow•go** programme. Following the completion of its first two cycles, and during the third cycle which will be completed in June 2016, 63 business ideas have been turned into modern enterprises.

In the same context, Eurobank and the Hellenic Federation of Enterprises have been organising the **"Greece Innovates!" Applied Research & Innovation Competition**, which aims to build channels of communication and collaboration between the academic and the business world. The 3rd competition was completed in early 2016 with the reward of 4 innovative ideas.

In sports, **Eurobank is proud sponsor of the Hellenic Basketball Federation for 15 years.** This is the longest sponsorship in Greek sports and has proven to be highly successful as Greek basketball has given the country 24 distinctions, including 2 in 2015 as part of the European Championship (a gold medal for the U-18 Men's National Basketball Team and a silver medal for the U-20 Women's National Basketball Team at Division B). **The Bank is also supporting two athletes in their effort to win a medal at the Rio de Janeiro 2016 Olympic Games:** open-sea marathon swimmer Spyros Gianniotis and sailor Sofia Bekatorou.

At the same time, **care for the environment and Sustainable Development** are key elements of the Group's strategy. With that in mind, Eurobank actively participates in a series of

international initiatives to promote Sustainable Development, orients its products and services towards promoting those principles and adopts the best environmental management practices. Moreover, the Group continues to implement certified in accordance with International Standards, Environmental, Energy, Quality, Health & Safety at Work, IT Service, Societal Security - Business Continuity and Information Safety Management Systems.

In the communications sector, we reduced expenditure compared to 2014 and adjusted our priorities to ensure our strategic choices were reflected in our core advertising messages. Our core message is "priority to you" and it reflects Eurobank's traditionally client-centric outlook, the strength, active role, skills and commitment of our personnel to providing quality service, coupled with the need to transition to a model of banking based on relationships of trust between the Bank and every individual customer, against a backdrop of transparency, reliability, respect for the customer's preferences and needs, mutual trust and prospects. At the same time, in 2016 we launched an advertising campaign that broached the particularly sensitive issue of non-performing loans, asking our customers to work with us to find a solution. That campaign garnered a positive response from customers.

Strategic objectives: planning and priorities. Returning Eurobank to profitability

Our main priority for 2016 is to return to operational profitability after reporting losses for 6 years.

Returning to profit is strategically important for the Bank's development.

Firstly, it will showcase our ability to generate positive economic results when the external conditions do not preclude that, and will confirm the quality of our balance sheet.

Secondly, it will improve the Bank's image and credibility in the eyes of European and national regulatory authorities, markets and customers, by confirming the adequacy and dynamic of our equity, and the reliability of the business plan we have put forward.

Thirdly, it will enhance our personnel's trust and confidence in the Bank's prospects.

Fourthly, it will improve our ability to access international capital markets to raise capital and stimulate the return of deposits.

And fifthly, it will create a very robust private shareholder base with strong shareholders, vindicating the trust they have placed in us. Our shareholders have remained dedicated to us throughout this crucial time despite the unforeseen events and particularly negative developments that required a new recapitalisation, in which our main shareholders, and above all Fairfax Financial Holdings, actively participated, increasing their participation in our share capital.

We believe that a return to profitability in 2016 is feasible and the encouraging results of the first quarter confirm those favourable prospects, even despite the adverse economic environment, since

extremely negative scenarios do not occur. In our core assessment of how the Greek economy will perform, we expect that in 2016 pre-provision income will increase by more than 15% and the provisions will be reduced to less than 2% of loans, compared to 2.7% in the fourth quarter of 2015.

To achieve a return to profitability, we have developed a strategy that focuses on three main objectives:

Our first objective is to **effectively manage non-performing loans**, especially after a more flexible and effective legislative framework has eventually been agreed upon. Our goal is to maximise the number of NPLs we convert into performing loans over the medium term, thereby helping viable, dynamic businesses and households return to financial health.

To that end, we have significant provisions accumulated over recent years, amounting to around €11.5 billion, and we intend to use those provisions, even offering a partial capital write-down as a solution to viable, cooperative customers who actively contribute themselves to solving the problem. We plan to do this without undermining competition, by putting in place transparent and open procedures that ensure equal treatment. The problem of NPLs can be converted into an opportunity to restructure and transform Greece's productive base, so that it serves a new, sustainable model of development based on extroversion, innovation and competitiveness of Greek products and services on open, international markets. Against that background, the fact that Greek businesses tend to be small to medium-sized acts as a brake on their ability to withstand international competition.

We are actively contributing to business and industry restructuring, shouldering the cost

when the key requirements for restructuring that ensures prospects of viability are met, above all the inflow of new investment capital or the key shareholders agreeing to participate in a capital increase. Progress has already been made in certain industries or with large clients, where we have agreed to restructure debt by partially writing debt off or converting it to shares, coupled with new shareholders contributing significant levels of investment capital to the businesses concerned.

At present, and over the next few years, the main volume of NPLs will be handled internally by the Bank's own departments. To that end, we have already set up a specialized sector, the Troubled Assets Group (TAG), which combines and integrates all the experience and know-how we have acquired in managing NPLs and occupies around 2,500 executives.

Having said that, we will also be utilising external resources and developing partnerships with specialized firms and organisations such as our recent partnership with Alpha Bank, KKR and EBRD. That partnership does not entail us selling off troubled asset portfolios but handing over management of those portfolios to a platform we share with KKR under certain terms and conditions, utilising its know-how and experience, which means that those loans and the revenues they generate remain part of our balance sheet.

Finally, the option to sell NPLs is an additional potential choice in order to reduce them, but at present this will only be used in selected cases for specific loan portfolios where, to a large extent, we have already exhausted all possibility of alternative in-house solutions. This will avoid selling loans which is not in the interests of either our shareholders or society as a whole.

Agreements have already been reached to sell certain NPL portfolios by our subsidiary banks in Bulgaria and Romania.

Our second objective is to **stimulate the return of deposits and gradually restore access to international money and capital markets.** Given the Bank's improved image in the eyes of customers and the public in general, especially after the experience of the bank holiday, the encouraging stress test results, the robust recapitalisation of the Bank with private funds and the high level of provisions, we aim to further strengthen trust-based relations and work with our customers. More deposits will further bolster our profitability and will accelerate repayment of the expensive government guarantees for our bonds, and will also reduce the Bank's financing from ELA.

Our third objective is to **expand our business.** Our goal is to continue and increase lending to households and businesses, which will improve the overall quality of our lending portfolio. We attach great importance to the issue of business loans to small, medium-sized and large enterprises. Our contribution to helping find solutions that assist Greek businesses overcome the crisis, survive and grow, is decisive for the future of the economy and for how society views us. We want to play a distinct role, by offering a comprehensive range of products and services, and by working in partnership with our particularly skilled and experienced personnel, striving for a developmental leap in terms of funding, the growth of operations and investment financing that the economy needs. We are also working in parallel to increase commission income, offering cutting-edge services and financial solutions, especially by capitalising on the rise in popularity of e-transactions and e-payments.

Transparency, Reliability, Corporate Governance

To implement our strategic business plan, we believe it is necessary to identify the major changes taking place at European and global level in the financial sector, to embrace and to assimilate them by making them part of the Bank's corporate culture.

The key developments in banking internationally are (i) focus on core operations, even by the largest financial institutions, and (ii) adjustment to a new, particularly austere and strict regulatory environment, with regulatory compliance transformed into a top priority, so as to restore the sector's prestige in the wake of the international financial crisis, since, although a thing of the past, its consequences and side effects continue to be felt.

Eurobank is an innovator in adapting new international standards of corporate governance in the Greek banking system, which are also obligations imposed on the systemic banks by the SSM, our European supervisory authority.

In this context we established:

- Regular quarterly briefings of the BoD by senior executives about strategy, business development and risk management issues.
- Regular quarterly briefings of the BoD about the Group's largest loans, loan balances in vulnerable sectors (such as the media, public sector, PEPs etc.) and all corporate loan approvals where the risk assumed is over €25 million.
- Monthly Board Risk Committee meetings.
- Briefing of the BoD by the Head of Internal Audit twice a year.

- A special informal meeting of the Board's non-Executive Directors every quarter.
- Enhancement of the role of the Board's independent Directors on key committees and formation of a top management succession and evaluation plan.
- Enhancement of the role of the Bank's Legal Advisory Board with two independent, experienced, acclaimed legal figures from outside the Bank, and monthly meetings chaired by the Bank's Legal Advisor.

With the aid of an external international expert we also prepared a study evaluating the effectiveness and transparency of the Board of Directors operations and evaluating the entire structure of its competences and responsibilities, as well as corporate governance operating principles, to ensure better compliance with international banking standards. The conclusions and proposals generated by those studies were evaluated by the BoD and the external consultant's proposals are currently being implemented in full.

Regulatory compliance, compliance with corporate governance rules, excellent relations with supervisory authorities, ongoing training for our personnel, transparency rules in the code of conduct and accountability, and transparency checks and balances have all altered the priorities of international banks and are now at the heart of Eurobank's strategy for the future as a necessary starting point to solidify the trust supervisory authorities, customers, shareholders, personnel and the public place in the financial system and our Bank.

Planning Eurobank's future

Despite the ongoing need for crisis management, we cannot overlook or downplay the challenges of tomorrow that require preparatory work, as well as choices and decisions to be made today.

We have already begun to revise and improve our Corporate Banking business model. That process is nearing completion and the focus is now on better, more active customer service. Our central services have already made concerted efforts to rationalise their operating model to improve efficiency and customer service capabilities. In Retail Banking, we launched a comprehensive programme to improve customer experience when interacting with the Bank and are restructuring our branch network according to a new specialized operations model based on international experience and developments in technology, and the new circumstances emerging in Greece and the economic landscape.

All of this is part of our view that during the transitional phase that the financial system is going through in Greece, other countries we operate in and globally, every step we take now needs to reflect how we want the Bank to be in the future. **Our image of Eurobank over the years to come has certain key features: a competitive, prestigious, secure, client-centric Bank that its customers trust; with modern networks, products and services; with capable, reliable, willing and well-trained, customer-friendly personnel that trust the Bank; and with cutting-edge technologies, that offers customers in Greece and other countries where we are present the full potential the digital revolution has to offer.**

A simpler bank

Eurobank in the future also needs to be a simpler, more flexible organisation. Simplicity and flexibility are the answer to all challenges simultaneously: customer relations, customers' experience of the bank, relations with the personnel and the working environment, operating costs. It's no coincidence that the need for simplicity and flexibility is one of the key conclusions of a major personnel survey we conducted, called "WE", and of other similar customer surveys. Those surveys are based on our belief that changes to the Bank ought to take into account customers' opinions and the views of our employees that play such a vital role in improving the services offered.

We are dedicating resources and employees to simplifying our organisational structure and the Bank's procedures and we have engaged leading international consultants, such as BCG, to offer their know-how in this regard. Simple procedures means more transparent procedures and that is an extra reason why simplicity is at the heart of the transformation Eurobank's business and operating model is undergoing.

An international bank

Eurobank will remain an international bank whose head offices and core business are in Greece, but with operations in a much wider geographical area. Our presence in countries in the area confers significant advantages on us compared to the key domestic competitors, additional revenues and profits, a diversified source of revenues and the ability to support the most extrovert Greek businesses on which the recovery of the Greek economy will be based. Working with them will give the Group a stable, sound revenue stream and create prospects for capitalising on opportunities which will emerge in a rising economic cycle to the fullest extent.

The bank of the future is digital

Internationally speaking, the banking system's transition to the digital age is progressing more rapidly than it is in Greece, due to the special conditions in the economy and banking sector which have prevailed for an excessively long time. Having realised that these changes need to be made in the near and not distant future, we have dynamically thrown ourselves behind an ambitious digital transformation programme for the Bank.

Having set up a new Group Digital Banking unit, with an increased budget for infrastructure works, and appointed a Chief Digital Officer, we have laid the foundations for achieving our goal: to make Eurobank the most technologically advanced financial group in Greece and SE Europe. We want to offer our customers top class, personalised experiences that will be provided via an innovative digital platform that places strong emphasis on mobile banking, while also making a strong

contribution to our results by reducing operating costs and generating new revenue sources. The new mobile banking platform is ready, having been developed in partnership between the digital team and IT, and we have put particular emphasis on advertising it, both via traditional communication channels and, for the first time, via modern online platforms, like Google, YouTube, facebook, twitter etc.

The "day after" will see Eurobank as a bank which offers an orchestrated approach to customers irrespective of the point of contact, offering choices, utilising digital potential to provide a uniform, consistent and cohesive experience as the customer "travels" from mobile banking to the branch, from the ATM to e-banking, and so on. However, at the same time, all critical processes will be re-engineered to maximise customer satisfaction and to drastically reduce operating costs. We've always stood out as an innovative Organisation and that innovation will be systematically encouraged and emphasised in our products and services, and our decisions will be based on information derived from advanced analytics based on all available data.

Investing in cyberspace security

The security of IT systems and transactions and ensuring we are protected against the constantly rising threats in cyberspace are top priorities for Eurobank. Eurobank takes all threats very seriously and evaluates them, irrespective of whether they are targeted or just a potential risk. We ensure that optimum security measures are taken on time to respond to constantly developing threats and to keep up with the requirements of the regulatory authorities.

Security is not treated as something separate but is fully integrated into our strategy, structure and operations, from the development of new digital services and products, to how we safeguard IT systems, data and infrastructure.

Despite the economic crisis of recent years and the need to reduce spending, Eurobank continues to make significant investments in security technologies and personnel, to maintain a secure operating environment and bolster the sense of trust that customers, shareholders and employees have in it.

Why Eurobank exists

It really is a pity that all Eurobank's shareholders can't be with us on visits to the Group's branches and offices in Greece and abroad. Only there can one really see and appreciate the quality of our personnel, the level of trust they have in our Organisation, their enthusiasm for their job, their business spirit and team work, which are characteristics all delegations from the regulatory and other authorities, institutional investors and numerous other organisations recognized when they came into contact with Eurobank's personnel over recent years as part of the AQR, stress test and due diligence processes or under extraordinary circumstances such as capital

controls and the bank holiday. We truly rely on our personnel because they underscore the Organisation's present and future (a point we emphasise in our communication strategy). Our people are the Bank's best ambassadors for our customers and the driving force behind the restoration of complete trust in the Bank. Our people are currently our most powerful competitive advantage for the Group's present and future.

The need for ongoing crisis management over the entire previous 7-year period in Greece, the country we mainly we operate in, has not diverted the Bank's Management or personnel away from the main reason why Eurobank exists and operates: **to be an innovative Bank, offering comprehensive, consistent support, especially to sound entrepreneurship, building strong trustful relationships with customers and employees, achieving technological superiority in key sectors and activities, supporting growth in all the countries where it operates by financing innovative private businesses and viable households, offering cutting-edge solutions, a comprehensive range of products and services, active customer service, long-term partnerships, thus bringing the benefits of economic progress to society and delivering value to its shareholders, employees and customers.**

Athens, May 31, 2016

Nikolaos V. Karamouzis
Chairman of the Board of Directors



Fokion C. Karavias
Chief Executive Officer



SHARE CAPITAL INCREASE – CAPITAL ADEQUACY

The unfavourable economic conditions in Greece, especially in the second quarter of 2015, impacted negatively on the liquidity of Greek banks, raising concerns about their capital adequacy. The Bank's capital requirements were assessed by both the European Central Bank (ECB) and the Single Supervisory Mechanism (SSM) as part of a Comprehensive Assessment (CA).

On 31.10.2015 the ECB and SSM announced the results of the Comprehensive Assessment of the 4 significant Greek banks. The results were derived from the combined effect of the following two main pillars:

- (a) The Asset Quality Review (AQR), which reviewed the quality of banks' assets, including the adequacy of asset and collateral valuation and related provisions and
- (b) The Stress Test (ST), which examined the resilience of the banks' balance sheets to a potential further deterioration in market conditions.

Capital adequacy was assessed over a 3-year period (2015-2017) based on two stress test scenarios: Baseline and Adverse.

The Comprehensive Assessment combined the aforementioned outcomes and evaluated their effect on regulatory capital, setting the minimum Core Tier I ratio at 9.5% under the baseline scenario and at 8.0% under the adverse scenario.

Based on the CA results, Eurobank had the smallest capital shortfall of the Greek banks in the Adverse scenario, with capital needs of €2,122 million which dropped by €83 million on 13.11.2015 when the SSM recognised the positive difference between the pre-provision

profits for the third quarter of 2015 compared to the estimated amount which had been included in the CA stress tests' baseline scenario. Following that recognition, the maximum amount of funds that needed to be raised as part of the Share Capital Increase was €2,039 million.

On 16.11.2015 the Bank's Extraordinary General Meeting of the Shareholders approved the following:

- The decrease of the ordinary share capital currently amounting to €4,412,362,962.60 by the amount of €4,368,239,333.10 with concurrent (i) increase of the nominal value of each ordinary registered share of the Bank and the decrease of the total number of the Bank's ordinary registered shares through a reverse split at a ratio of 100 existing to 1 new ordinary registered share and (ii) the decrease of the new nominal value of the ordinary registered shares (as it will result after the reverse split) to €0.30 aiming at offsetting equal losses carried forward by forming a special reserve on an equal amount.

- The Share Capital Increase of €2,039 million.

On 18.11.2015 the Bank announced that the book-building process of the private placement of new ordinary registered shares to qualified investors, eligible institutional investors and other eligible investors was completed, and the offer price was set at €0.01 per offered new share or €1.00 following 100-to-1 reverse split. Indicative demand from investors as a result of the book-building exercise, together with the preliminary results of Eurobank's voluntary liability management exercise (LME) decided on 29.10.2015, exceeded the amount the Bank was seeking to raise as part of the Share Capital Increase. As a result around 2,039 million new ordinary shares were issued which were then listed on the Athens Exchange. Trading commenced on 2.12.2015.

Eurobank's €2,039 million Share Capital Increase was subscribed exclusively by the private sector, with the participation of institutional and other investors, which reflects their trust in the Bank's prospects.

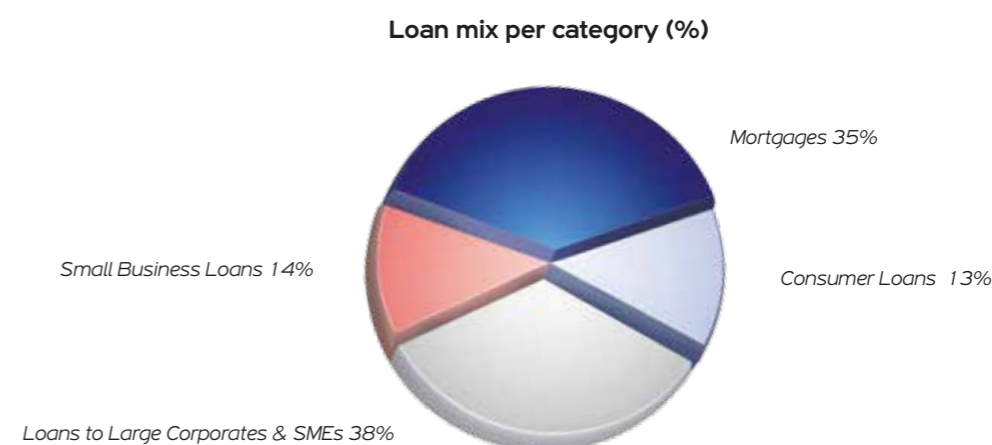
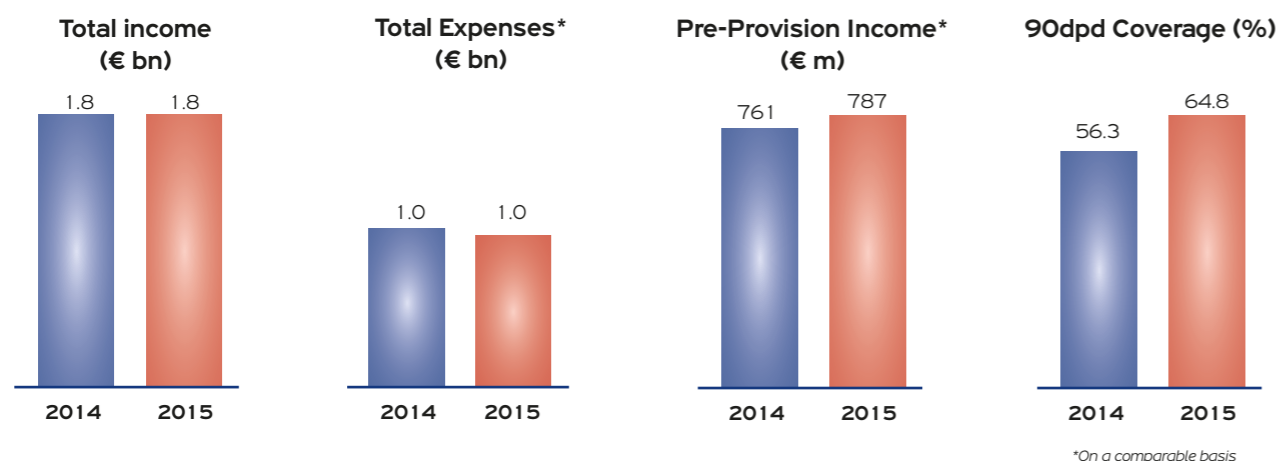
The Bank's successful Share Capital Increase further enhanced its capital position, with its CET1 ratio standing at 17.0% of weighted assets at 31.12.2015.

■ Shareholders Structure

Following the completion of the Share Capital Increase, the HFSF's holding was reduced from 35.4% to 2.4% ordinary shares with voting rights subject to the limitations of Article 7a of Law 3864/2010, whilst 97.6% of ordinary shares is held by institutional and private investors.

As a result of the Share Capital Increase, the shareholder base of the Bank includes investors with a long-term perspective from Europe, USA, Canada and Asia as well as sovereign funds. Specific institutional investors such as Fairfax, WL Ross & Co Funds, Capital Research and Management Funds, Highfields, Brookfield and EBRD invested a total of 34.5% of the funds raised and some are also represented in the Banks' Board of Directors, and its Audit, Risk, Remuneration and Nomination Committees.

FINANCIAL REVIEW



In 2015 the macroeconomic and financial environment was packed with challenges for the Greek banking system. The prolonged uncertainty about whether agreement would be reached with the European partners, the liquidity squeeze, the imposition of restrictions on banking transactions and the temporary bank holiday in the second half of 2015 all impacted the Greek economy. Despite the adverse macroeconomic environment, Eurobank improved its operational results, and, at the same time, further strengthened its balance sheet by significantly increasing loan loss provisions. More specifically:

- **Net interest income** remained flat (-0.5%) at €1.5 billion, since increased dependence on ELA financing was offset by the positive impact of the reduced cost of deposits in Greece. The net interest rate margin stood at 2.02% in 2015.
- **Net fee and commission income** decreased by 3.8% to €244 million

compared to €253 million in 2014. That drop was primarily the result of lower income from capital market and branch network activities, because of the bank holiday in July, but was offset by higher income from asset management operations.

- **Core income** (net interest income and commission income) decreased slightly by 1.0% in 2015 and stood at €1.7 billion, whereas, including trading results, total income stood at €1.8 billion.
- **Operating expenses** decreased by 5.8% year-on-year, to €975 million on a like-for-like basis. Specifically, staff expenses were down by 5.5% to €529 million, administrative by 3.8% to €363 million and depreciation by 15.7% to €83 million.
- **Pre-provision income**, on a like-for-like basis, rose by 3.4% year-on-year and stood at €787 million in 2015, from €761 million in 2014.

- **The cost to income ratio**, on a like-for-like basis, improved year-on-year, from 57.6% in 2014 to 55.3% in 2015, due to the reduction in operating expenses.
- To further strengthen its balance sheet, the Bank increased the **loan loss provisions** by 17.7% to €2.7 billion from €2.3 billion in 2014, increasing coverage for loans 90 days past due by 8.5% to 64.8%. At the end of the year, accumulated provisions reached €11.8 billion, accounting for 22.8% of total loans. Those provisions reflect the results of the ECB's Comprehensive Assessment performed in 2015.
- **Total 90 days past due loans** stood at €18.2 billion or 35.2% of the loan portfolio at the end of 2015, whereas **90 dpd formation** was reduced by 40.8% compared to 2014.

- **Customer loans** stood at €51.7 billion in 2015, with loans to businesses and households amounted to €24.8 billion and €26.8 billion respectively at the end of the year.
- **Customer deposits** were reduced from €40.4 billion in 2014 to €31.4 billion in 2015, whereas the **loans to deposits ratio** increased to 126.9% from 104.3% in 2014.
- **Phased-in CET1** stood at €6.6 billion, accounting for 17.0% of risk weighted assets at the end of 2015, following the successful €2,039 million Share Capital Increase.
- **The net result** stood at (€1.2) billion in 2015.

STRATEGIC TRANSFORMATION PROGRAMME

During 2015, phase one of the Bank's Strategic Transformation Programme was completed. The Strategic Transformation Programme is a comprehensive, bank-wide programme launched in 2013, focusing on the 3 key pillars:

- Risk management and remedial/NPL management optimization.
- Customer-service business model improvement, aiming to maximize revenues and liquidity.
- The transformation of the Bank's operating model, in order to increase efficiency and reduce costs.

Phase one of the programme mainly focused on strengthening the Bank against the backdrop of the crisis, by improving troubled assets management, increasing efficiency and reducing operating costs.

The following initiatives were designed and/or implemented within 2015:

Risk Management and Remedial/NPL Management Optimization

- Plans were made to transform the Troubled Assets Group General Division from a cost centre into a Profit & Loss Unit, with full management responsibility in terms of revenues, costs and profitability, so as to enhance its transparency and efficiency.

- Operating structures and rules were revised to achieve optimum management for NPLs in the credit workout or legal workout process.

- The organisational model for the effective management of the real estate assets that had devolved to the Bank by capitalising on collateral (Other Real Estate Owned – OREO) was defined.

Customer Service Business Model Improvement aiming to Maximize Revenues and Liquidity

In Retail Banking:

- Revised the Small Business Banking customers' segmentation based on their financial return to the Bank, their business profile as well as potential for further growth and development. The respective customer-service models were redesigned accordingly to achieve optimum levels of service.

- Centralized all complaint management units within the retail universe, under a single unit (the Retail Banking Complaints Management Unit) reporting to Customer Experience head within the Digital Banking General Division.

- Further rationalized the Eurobank Network and the New TT Branch Network by merging certain branches of the two networks together.

In **Corporate Banking**, operations and cooperation with other units were further optimized in 2015, based on the transformation of the operating model adopted in 2014, such as the redesign of loan proposals, changes to the assignment and review of the property valuations, the further standardization of legal texts to ensure more rapid loan approvals, the improvement of the cooperation with the branch networks etc.

Transformation of the Bank's Operating Model, in order to Increase Efficiency and Reduce Costs

In 2015, transaction reconciliation and clearing operations for the Custody and Money Market Divisions and Eurobank Equities were merged, and the Group Capital Markets & Custody Operations Sector was created, accelerating the reduction in operating costs and standardising operations to ensure better control over settlement risk. To reduce expenses, legal costs for NPLs underwent an in-depth review and specific steps were taken that generated major cost savings.

Continuation of the Strategic Transformation Programme

Given the new challenges of the ongoing economic crisis in Greece and the structural changes taking place in the financial sector at an international level, in 2015 the Bank designed phase two of its Strategic Transformation Programme, placing emphasis on customer centricity, simplicity and digitalization. Phase 2 of the Bank's Strategic Transformation Programme will focus on the following areas, already kicked-off in 2016:

- Further customer segmentation and respective and differentiation of the service model.
- Branch network transformation.
- Customer Experience redesign.
- Further enhancement of the corporate portfolio.
- Optimization of regional operations.
- Simplification of processes and organisational structures across the Group coupled with continuous cost management.
- Digital transformation.

CORPORATE GOVERNANCE

Transparency, credibility, social responsibility and accountability are fundamental corporate governance principles in the contemporary corporate and social environment. These principles define the framework for the achievement of the Group's objectives, govern the organisation, the operations and the activities of the Group and reflect Eurobank's values, safeguarding the interests of shareholders and of all other stakeholders. The Corporate Governance Code that has been adopted and implemented by the Bank and its subsidiaries, describes corporate governance principles and practices in accordance with Greek law, the international best practices on corporate governance, and the Bank's contractual obligations to the Hellenic Financial Stability Fund (HFSF).

The corporate governance principles applied by the Bank and at Group level ensure that:

- The composition and the operation of the Board of Directors ensure transparency, credibility, and consistency during the decision making process.
- All shareholders enjoy equal treatment and protection of their interests. They have access to adequate and timely information on the course of business of the Bank and the Group.

- The Bank's Internal Control Manual, the Internal Governance Regulations of the Bank's subsidiaries, as well as the organisational structure of the Bank and its subsidiaries lead to a clear and distinct distribution of powers and responsibilities, and to the establishment of a concrete environment of internal control.

- Internal or external conflicts of interest situations are being prevented.

Finally, in order to ensure the best possible and sustained application of corporate governance principles throughout the scope of its business, the Bank has set up a specialized Group Corporate Governance Division, which establishes the management, operations and control frameworks for the Bank and its subsidiaries, ensures their proper implementation, and is responsible to inform the competent supervisory authorities in accordance with the legislative provisions in force.

BOARD OF DIRECTORS - BOARD COMMITTEES - SENIOR MANAGEMENT BODIES

Board of Directors

The Bank is headed by a Board of Directors, which is collectively responsible for the long-term success of the Bank. The Board exercises its responsibilities effectively and in accordance with the Greek legislation, international best practices and the Bank's contractual obligations to the HFSF, under the Relationship Framework Agreement (RFA) signed between the Bank and the HFSF.

The members of the Board are elected by the General Meeting of the Shareholders, which is the Bank's supreme body and also determines the precise number of the Board members, within the limits of the law and of the Articles of Association, their term in office, and designates the independent, non-Executive Directors. Following the resolution of the Bank's Annual General Meeting on 26.6.2015, the term of office of the Bank's current Board was extended for 2 years up to 2018 and particularly until 27.6.2018 prolonged until the end of the period the Annual General Meeting for the year 2018 will take place.

The Executive Directors have responsibility for the day-to-day management and control of the Group and the implementation of its strategy. The non-Executive Directors are responsible for overall promotion and safeguarding of the Bank's interests, constructively challenge and help develop proposals on strategy, and approve, revise and oversee the implementation of remuneration policy both at Bank and Group level.

The Board meets regularly every quarter, as well as on an ad hoc basis whenever is required. During 2015, the Board held 40 meetings (compared to 25 in 2014), and the average ratio of the Directors attendance was 95.5% (compared to 94% in 2014). Decisions are taken following discussions, which exhaust the agenda items to the satisfaction of all Directors present.

The current Board of Directors of the Bank, which was constituted on 13.5.2015, is as follows:

Board of Directors

NIKOLAOS V. KARAMOUZIS

Chairman, Non-Executive Director

SPYROS L. LORENTZIADIS

*Vice Chairman,
Independent Non-Executive Director*

FOKION C. KARAVIAS

Chief Executive Officer, Executive Director

STAVROS E. IOANNOU

Deputy Chief Executive Officer, Executive Director

THEODOROS A. KALANTONIS

Deputy Chief Executive Officer, Executive Director

JON STEVEN B.G. HAICK

Independent Non-Executive Director

BRADLEY PAUL L. MARTIN

Independent Non-Executive Director

STEPHEN L. JOHNSON

Independent Non-Executive Director

WADE SEBASTIAN R.E. BURTON

Non-Executive Director

GEORGE K. CHRYSSEKOS

Non-Executive Director

CHRISTINA G. ANDREOU

Representative of the Greek State under Law 3723/2008, Non-Executive Director

KENNETH HOWARD PRINCE - WRIGHT

Representative of the Hellenic Financial Stability Fund under Law 3864/2010, Non-Executive Director

Board Committees

The Board of Directors is assisted in carrying out its duties by Board Committees, to which it delegates some of its responsibilities, approves their mandate and composition, save for the composition of the Audit Committee whose members are appointed by the General Meeting. The Board of Directors receives regular and ad hoc reports from these Committees, while the self-assessment results are submitted to and discussed with the Board of Directors.

Audit Committee

The primary function of the Audit Committee is to assist the Board in discharging its oversight responsibilities relating to the adequacy of the internal control and risk management systems monitoring of compliance with the regulatory framework, the financial reporting process, the selection and independence of the external auditors and the operation of the Internal Audit function and of the Compliance function.

The Audit Committee's members are appointed by the General Meeting, following a proposal by the Board, for a three years term of office, which may be renewed four more times. The Audit Committee as a whole possesses the necessary skills and experience to carry out its duties.

The Audit Committee meets at least eight times per year or more frequently as circumstances require, reports to the Board on a quarterly basis on its activities, submits the minutes of its meetings to the Board and submits annually an Activity Report to the Board. During 2015, the Audit Committee held 11 meetings (compared to 14 in 2014), and the average ratio of attendance was 98% (the same as in 2014).

The composition of the current Audit Committee, following the resolutions of the Bank's shareholders Annual General Meeting held on 28.6.2014, and the decisions of the Board on 28.6.2014 and 13.5.2015, is as follows:

Audit Committee	
Chairman	SPYROS L. LORENTZIADIS <i>Vice Chairman BoD, Independent Non-Executive Director</i>
	BRADLEY PAUL L. MARTIN <i>Independent Non-Executive Director</i>
Members	STEPHEN L. JOHNSON <i>Independent Non-Executive Director</i>
	KENNETH HOWARD PRINCE - WRIGHT <i>Non-Executive Director, Representative of the HFSF</i>

Board Risk Committee

The Board Risk Committee's role is to approve strategic risk management decisions (e.g. risk appetite, balance sheet profile, and risk management structure). The Board Risk Committee is responsible to monitor the qualitative and quantitative aspects of all market, credit, liquidity and operational risks, and assign credit approval authorities to Management.

The Board Risk Committee's members are appointed by the Board for a term of three years, with an option to renew their appointment for three more times. All the Board Risk Committee members have previous experience in the commercial banking, financial services and more specifically in risk related issues (credit, market, operational and NPL management) and have the necessary qualifications and experience to perform their duties.

The Board Risk Committee meets at least on a monthly basis and reports to the Board on a quarterly basis. During the last quarter of 2015 the Committee did not meet as frequently as its Terms of Reference requires due to the extremely heavy workload of Bank's top management related to the Bank's share capital increase. During 2015, the Board Risk Committee held 10 meetings (compared to 6 in 2014), and the average ratio of attendance was 93.8% (compared to 100% in 2014).

The composition of the current Board Risk Committee, as approved by the Bank's Board on 16.2.2015, is as follows:

Board Risk Committee	
Chairman	WADE SEBASTIAN R.E. BURTON <i>Non-Executive Director</i>
	NIKOLAOS V. KARAMOUZIS <i>Chairman BoD, Non-Executive Director</i>
Members	KENNETH HOWARD PRINCE - WRIGHT <i>Non-Executive Director, Representative of the HFSF</i>
	SPYROS L. LORENTZIADIS <i>Vice Chairman BoD, Independent Non-Executive Director</i>
	BRADLEY PAUL L. MARTIN <i>Independent Non-Executive Director</i>

Remuneration Committee

The Board has delegated to the Remuneration Committee the responsibility to provide specialized and independent advice on matters relating to Remuneration Policy and its implementation at Bank and Group level. The non-Executive Directors have the responsibility to approve and periodically review the Bank's Remuneration Policy, and oversee its implementation at Group level.

The members of the Remuneration Committee are appointed by the Board every two years. The Remuneration Committee meets at least twice a year. During 2015, the Remuneration Committee held 13 meetings (compared to 8 in 2014), and the average ratio of attendance was 89.7% (compared to 90% in 2014).

The composition of the current Remuneration Committee, as approved by the Bank's Board on 13.5.2015, is as follows:

Remuneration Committee

Chairman **BRADLEY PAUL L. MARTIN**
Independent Non-Executive Director

WADE SEBASTIAN R.E. BURTON
Non-Executive Director

SPYROS L. LORENTZIADIS
*Vice Chairman BoD,
Independent Non-Executive Director*

Members **STEPHEN L. JOHNSON**
Independent Non-Executive Director

**KENNETH HOWARD
PRINCE - WRIGHT**
*Non-Executive Director,
Representative of the HFSF*

Nomination Committee

The Board has delegated to the Nomination Committee the responsibility to consider matters related to the Board's adequacy, efficiency and effectiveness, and to the appointment of the key management personnel.

The Nomination Committee's members are appointed by the Board every two years. The Nomination Committee meets at least twice a year and the Chairman of the Committee presents all relevant decisions to the Board. During 2015, the Nomination Committee held 12 meetings (compared to 8 in 2014), and the average ratio of attendance was 90% (compared to 94% in 2014).

The composition of the current Nomination Committee, as approved by the Board of the Bank on 13.5.2015, is as follows:

Nomination Committee

Chairman **BRADLEY PAUL L. MARTIN**
Independent Non-Executive Director

NIKOLAOS V. KARAMOUZIS
*Chairman BoD,
Non-Executive Director*

WADE SEBASTIAN R.E. BURTON
Non-Executive Director

Members **JON STEVEN B.G. HAICK**
Independent Non-Executive Director

STEPHEN L. JOHNSON
Independent Non-Executive Director

**KENNETH HOWARD
PRINCE - WRIGHT**
*Non-Executive Director,
Representative of the HFSF*

Strategic Planning Committee

The Strategic Planning Committee's role is to assist the Board's Executive Officers in planning, developing and implementing the Group's strategy, and also to recommend to the Board certain initiatives in relation to the Group's strategy.

The Committee's members are appointed by the Board on the recommendation of its Chairman, following the proposal by the Nomination Committee. The Committee's members are appointed for a term of three years that can be renewed up to three times. The Committee meets every two weeks or ad hoc when necessary and reports to the Board on a quarterly basis. During 2015, the Committee held 36 meetings and the average ratio of attendance was 93.4% (the Committee was established in 2015).

The composition of the current Strategic Planning Committee, as approved by the Bank's Board on 16.2.2015, is as follows:

Strategic Planning Committee

Chairman **NIKOLAOS V. KARAMOUZIS**
*Chairman BoD,
Non-Executive Director*

FOKION C. KARAVIAS
Chief Executive Officer

STAVROS E. IOANNOU
*Deputy Chief Executive Officer,
Group Chief Operating Officer &
International Activities*

THEODOROS A. KALANTONIS
*Deputy Chief Executive Officer,
Retail Banking*

Members **CHRISTOS N. ADAM**
*General Manager Group Risk
Management, Group Chief Risk Officer*

KONSTANTINOS V. VASSILIOU
*General Manager Group Corporate &
Investment Banking*

CONSTANTINOS A. VOUSVOUNIS
*General Manager
Troubled Assets Group*

HARRIS V. KOKOLOGIANIS
*General Manager Group Finance,
Group Chief Financial Officer*

Senior Management Bodies

The Chief Executive Officer establishes Committees to assist him as required. The most important Committees established by the CEO with approval authority are the Executive Board and the Central Credit Committee, while the Troubled Assets Committee sets the arrears and non-performing loans strategy.

Executive Board

The Executive Board manages the implementation of the Group's strategy as developed by the Strategic Planning Committee, in line with Bank's Board of Directors guidance. The Executive Board meets on a weekly basis or ad hoc when necessary.

The composition of the Executive Board, which was reorganised on 20.2.2015, is as follows:

Executive Board	
Chairman	FOKION C. KARAVIAS <i>Chief Executive Officer</i>
	STAVROS E. IOANNOU <i>Deputy Chief Executive Officer, Group Chief Operating Officer & International Activities</i>
	THEODOROS A. KALANTONIS <i>Deputy Chief Executive Officer, Retail Banking</i>
	CHRISTOS N. ADAM <i>General Manager Group Risk Management, Group Chief Risk Officer</i>
	KONSTANTINOS V. VASSILIOU <i>General Manager Group Corporate & Investment Banking</i>
	CONSTANTINOS A. VOUSVOUNIS <i>General Manager Troubled Assets Group</i>
Members	HARRIS V. KOKOLOGIANIS <i>General Manager Group Finance, Group Chief Financial Officer</i>
	DIMOSTHENIS I. ARCHONTIDIS <i>General Manager Global Markets & Wealth Management</i>
	CHRISTINA TH. THEOFILIDI <i>General Manager Retail Remedial</i>
	IAKOVOS D. GIANNAKLIS <i>Deputy General Manager, Head of Branch Network General Division</i>
	ANASTASIOS L. PANOUSSIS <i>Deputy General Manager, Head of Individual Banking General Division</i>
	MICHALIS L. LOUIS <i>Head of International Activities General Division</i>

Central Credit Committee

The Board Risk Committee has delegated to the Central Credit Committee (CCC) the authority to approve unsecured credit requests above €10 million and up to €50 million. The CCC meets at least once a week.

Unsecured exposures up to €100 million and up to a total limit of €130 million require further approval by the Group Chief Risk Officer. Unsecured exposures over €100 million require further approval by the Chief Executive Officer.

The composition of the current Central Credit Committee, as reorganised on 2.3.2015, is as follows:

Central Credit Committee	
	IVI F. VIGA <i>General Manager Credit</i>
Members	KONSTANTINOS V. VASSILIOU <i>General Manager Group Corporate & Investment Banking</i>

Troubled Assets Committee

The Troubled Assets Committee is established according to the provisions of Bank of Greece Executive Committee Act No. 42/30.5.2014 related to the supervisory framework for the management of exposures in arrears and non-performing loans.

The Committee meets at least once per month, and at least on a quarterly basis informs the Board on the results of its activities.

The composition of the Troubled Assets Committee, as it was formed on 4.3.2015, is as follows:

Troubled Assets Committee	
Chairman	CONSTANTINOS A. VOUSVOUNIS <i>General Manager Troubled Assets Group</i>
	CHRISTINA TH. THEOFILIDI <i>General Manager Retail Remedial</i>
	HARRIS V. KOKOLOGIANIS <i>General Manager Group Finance, Group Chief Financial Officer</i>
Members	ELEFThERIOS N. OIKONOMIDIS <i>Assistant General Manager, Head of Corporate Special Handling Sector</i>
	FAIDON I. HATZAKIS <i>Assistant General Manager, Head of Group Credit Control</i>
	NIKOLAOS A. VLACHAKIS <i>Head of Non-Performing Clients Sector</i>

SYSTEM OF INTERNAL CONTROLS

Principles of Internal Controls

Management has established a System of Internal Controls that is based on international good practices and is designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- efficient and effective operations;
- reliability and completeness of financial and management information;
- compliance with applicable laws and regulations.

Internal Audit

The primary role of the Internal Audit Group ("IAG") is to assist the Board and the Audit Committee by providing reasonable assurance, in the form of independent opinion, as to the adequacy, efficiency and effectiveness of the internal control framework of the Bank and its subsidiaries. The areas in scope of the Internal Audit Group include the Bank and its subsidiaries in Greece and abroad.

A direct reporting line to the Audit Committee strengthens the function of IAG and safeguards its independence. The Chief Audit Executive also holds separate private meetings with the Audit Committee. IAG is independent of the Bank units with operational responsibilities and for administrative purposes reports to the CEO.

IAG follows a risk-based methodology which examines the existence and adequacy of controls that address specific control objectives. Risk assessment covers all units, functions, processes and IT systems of the Bank and constitutes the basis for the preparation of the audit plan which leads to the execution of the audit assignments.

The outcome of the internal audit assignments is captured in the audit reports that are distributed to management, the Audit Committee and the external auditors. IAG holds regular periodical meetings with Senior Management to discuss audit findings and progress and prepares quarterly submissions to the Audit Committee.

IAG in Greece has 79 professionals with significant banking and audit experience. The majority of the IAG staff possesses professional qualifications from internationally recognised professional bodies such as ICAEW, ACCA, CIA and CISA.

IAG complies with the Institute of Internal Auditors' ("IIA") Framework for the Professional Practice of Internal Auditing and has been certified for the performance of audits in accordance with the IIA Standards.

EXTERNAL AUDITORS

The Annual General Meeting of the Shareholders that convened on 26.6.2015 assigned the statutory audit of the Bank's annual financial statements (consolidated and non-consolidated) for the fiscal year 2015 to "PricewaterhouseCoopers Auditing Company S.A." which appointed its member Mr. Marios Th. Psaltis, certified auditor (SOEL Reg. No 38081), as the statutory auditor, also appointing its partner, Mrs. Despina P. Marinou, certified auditor (SOEL Reg. No 17681), as his substitute in case of impediment of the statutory auditor.

In order to safeguard the independence of external auditors, the Bank has been consistently implementing a policy on external auditors' independence, as well as a policy in regard to the tendering process followed by the Bank for the assignment of the statutory audit of its financial statements to external auditors.

As part of the policy on external auditors' independence, the rules concerning the services provided by external auditors are founded on three key principles, the violation of which could affect the auditors' independence: (1) an auditor may not audit his or her own work; (2) an auditor may not perform any administrative role; and (3) an auditor may not provide any services prohibited by the Law or the Bank's policy.

Regarding the tendering policy the Bank follows to assign the statutory audits of its financial statements to external auditors, the main objective is to define the framework by which the Bank receives offers from candidate auditing firms on a periodic basis in order to ensure that (a) the auditors' independence is not compromised and (b) the most appropriate auditors are selected to carry out the Group's statutory audit through a transparent and objective selection process.

GROUP COMPLIANCE

The Board of Directors has delegated responsibility for monitoring the activity of the Group Compliance Sector (GC) to the Bank's Audit Committee. The Head of GC reports to both the Audit Committee and the Chairman of the Board. GC is responsible for the establishment and implementation of appropriate procedures that ensure the timely, complete and continuous compliance of the credit institution with the applicable statutory framework and the credit institution's own internal regulations. In addition, it coordinates the work of the compliance officers of the subsidiaries in Greece and abroad. In September 2015, a new Head of the Group Compliance Sector was appointed aiming to strengthen further the performance of the Sector; the new Head was also appointed as AML Reporting Officer in accordance with the requirements of article 44 of Law 3691/2008. The previous Head of GC has remained in the Sector focusing on project work and quality assurance.

The most important achievements of Group Compliance in 2015 are outlined below:

- Supported the Bank's units to comply with the regulatory requirements by continuously monitoring the changes in the regulatory framework and by recording any deviations from the new requirements and obligations arising for the Bank.
- Ensured Bank's adherence to anti-money laundering legislation. The following steps were taken in this regard:

- The Anti-Money Laundering and combatting the Financing of Terrorism Policy was updated and the Bank's AML IT systems were further enhanced.

- The internal procedures and systems were enriched to ensure more effective compliance with the requirements of Bank of Greece Governor's Act 2652/2012.

- Training sessions on anti-money laundering issues were organised for the Bank's personnel with particular emphasis on retail network staff.

- Followed up the implementation of the capital controls regulations.

- Effectively addressed a large number of requests from regulatory and tax authorities and developed the necessary IT infrastructure to provide data in electronic format to regulatory, tax and other authorities.

- Ensured that Bank policies and procedures on consumer protection were implemented and that Bank products, services and price lists were in line with the applicable regulatory framework.

- Completed the actions required for ensuring compliance with the Foreign Account Tax Compliance Act (FATCA).

- Placed special emphasis on the preparation of the Bank for the implementation of regulation regarding the handling of non-performing loans.

- Enhanced the coordination and monitoring of the domestic and international subsidiaries' compliance with the Group requirements.

Furthermore, in order to implement principle 10 of the UN Global Compact on anti-corruption, the Bank has adopted:

- A Personnel Code of Conduct and an Anti-Bribery Guideline.

- Specialised personnel training courses.

- Control mechanisms, procedures and IT systems to prevent and suppress money laundering as well as fraud detection systems.

In 2016 GC plans to focus on the following:

- Follow up regulatory developments in the areas covered by GC (such as implementation of the 4th Anti-Money Laundering EU Directive) and provide advice and support to the Bank units and subsidiaries to ensure policies, procedures and processes are revised to reflect the new regulatory requirements.

- Raise bank-wide awareness on compliance issues through specialized training on anti-money laundering and combatting financing of terrorism, data protection and code of conduct issues.

- Develop appropriate IT infrastructure to produce data in electronic form in response to requests by regulatory authorities.

- Enhance GC's monitoring role by carrying out on-going monitoring assignments, aimed at ensuring compliance with the applicable laws and regulations.

- Assist the Bank in improving the Internal Control System.

- Monitor closely the implementation of the corrective actions identified by previous audits.

- Take actions to ensure compliance with the EU Directive on automatic exchange of financial information as transposed into Greek law.

- Increase and further strengthen the monitoring and supervision of domestic and international subsidiaries.

- Redefine GC's mandate, design its optimal organisational structure and improve efficiency of operations.

RISK MANAGEMENT

The Group acknowledges that risk-taking is an integral part of the activities it undertakes in order to achieve its strategic and business targets. Therefore, the timely and effective management of risks is a key priority of the Management in Greece and abroad.

The Board of Directors has entrusted the Board Risk Committee with certain tasks regarding the design and formulation of the risk management strategy, the management of assets and liabilities, and the creation of effective mechanisms for identifying, assessing and managing the risks that emanate from the Group's overall activities. The Board Risk Committee comprises of five non-Executive Directors, meets on a monthly basis and reports to the Board of Directors on a quarterly basis.

The Group's Management has allocated adequate resources for upgrading policies, methods and infrastructures, in order to ensure compliance with best international practices and the guidelines of the Single Supervisory Mechanism (SSM), the European Banking Authority (EBA) and the Basel Committee on Banking Supervision.

Risk Appetite Framework

The Group has set up a policy framework to monitor and measure the amount of risk assumed per material risk type, with the objective to achieve business growth without compromising asset quality. Growth and profitability can therefore be planned and pursued in a balanced way between the need for a strong capital position and the need for a higher return on equity.

The maximum amount of risk which the Group is willing to assume in the pursuit of its strategic objectives is articulated via a set of quantitative and qualitative statements for specific risk types,

including specific tolerance levels as described in the Group's Risk Appetite Framework. The objective is to guide the Group's business growth, balance the advantages of a strong capital position with those of higher returns on equity through greater leverage, and to ensure the Group's adherence to regulatory requirements.

Risk appetite is clearly communicated throughout the Group, determines risk culture and forms the basis on which risk policies and risk limits are established at Group, business and regional level.

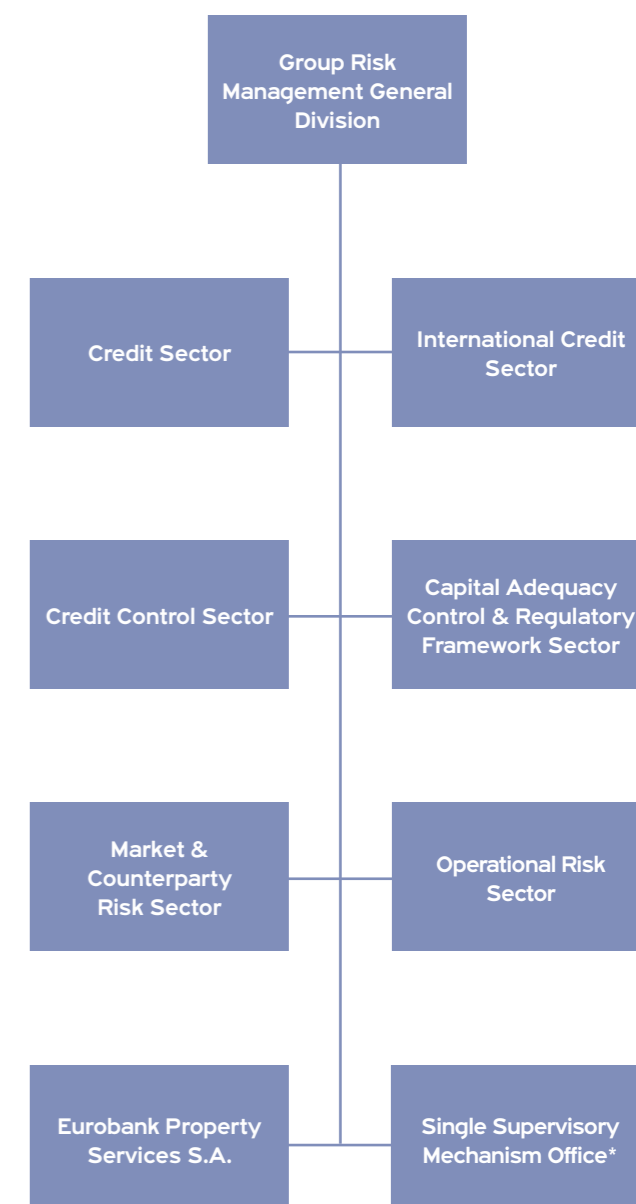
The risk appetite framework comprises the following components:

- Risk Bearing Capacity – this reflects the maximum level of risk at which the Group can operate within capital constraints, funding needs and stakeholder obligations.
- Risk Appetite – this reflects the maximum level of risk that the Group is willing to take in pursuit of its strategic and business objectives. Risk Tolerance reflects the degree of management's acceptance of current risk exposure levels, applicable to certain non-financial risks (e.g. operational risk) which are not actively taken but are tolerated.
- Risk Limits – these reflect specific exposure limiting values placed on specific measures designed to prevent risk exposures from exceeding predefined risk appetite thresholds. Limits are monitored on an ongoing basis.

The Risk appetite framework is appropriately documented. The Board Risk Committee reviews and approves the risk appetite statements and thresholds on an annual basis to ensure that it is consistent with the Group's strategy, business environment and stakeholders requirements. Setting risk appetite aims to ensure that risk is proactively managed to the level desired and approved by the Board Risk Committee. Risk appetite tolerance limits are set at different trigger levels, with clearly defined escalation requirements which enable appropriate actions to be defined and implemented in a timely manner.

Risk Management Structure

The Group Risk Management General Division is headed by the Group Chief Risk Officer (GCRO), operates independently from the business units and is fully responsible for monitoring credit risk, operational risk, market risk and liquidity risk. It comprises of the Credit Sector, the International Credit Sector, the Credit Control Sector, the Capital Adequacy Control & Regulatory Framework Sector, the Market & Counterparty Risk Sector, the Operational Risk Sector as well as the Single Supervisory Mechanism Office. Eurobank Property Services S.A., which is responsible for the appraisal of the properties covering the loans extended by all the units of the Bank as well as for the provision of various services related to the management of the Group's properties in Greece and abroad, is also under the responsibility of the Group Chief Risk Officer.



*The SSM Office also reports to the Group Chief Financial Officer.

CREDIT RISK

Definition of Credit Risk

Credit risk is the risk that a counterparty will be unable to fulfil its payment obligations in full when due. Credit risk also includes country, dilution and settlement risk. Credit risk arises principally from the corporate and retail lending activities of the Group. Credit risk exposure also arises from other activities, such as investments in debt securities, trading activities and settlement activities. Credit risk is the single largest risk the Group faces and is rigorously managed and monitored by centralized dedicated risk units, reporting to the GCRO.

Credit Risk Organization

The diagram below depicts the organisational structure of the Bank's credit risk. The organisation of the credit risk divisions of the Group's foreign subsidiary banks (Bulgaria, Romania, Serbia, Cyprus, Luxembourg and Ukraine) also follows the same model.

All subsidiary banks implement the same risk management structure and the same control procedures as the parent Bank, and their Risk Executives report directly to the Group Chief Risk Officer. Risk management policies and procedures are approved and monitored by the Bank's Credit Risk Management units, thus ensuring their single implementation across the entire Group.

In addition, credit approval and credit review procedures are centralised at individual country level. Key principle for the Bank is to ensure that the units responsible for the customer relationship are independent of those responsible for approval, disbursement and monitoring of the loan over its entire term.

Credit Risk Organization



The credit approval process in Corporate Banking is implemented with escalating credit approval levels through the following Credit Committees:

- Credit Committees, which approve new credit limits, renew or amend existing ones in accordance with their approval authority levels taking into consideration credit ratings, the value and type of collaterals, the cash generation ability of the customer and its position in the market.
- Regional Credit Committees, which approve new credit limits, amend or renew existing ones, and decide how to handle loans to corporate clients of International Operations, when these limits exceed each country's approval authority.
- Special Handling Credit Committees, which decide on the actions to be taken for distressed/problematic exposures.

In addition, other specialized committees have also been established, for the purpose of monitoring specific portfolios (e.g. loans in arrears subject to settlement, staff loans). All Committees convene on a weekly basis, or more frequently if required.

Credit Sector

Credit Sector main responsibilities are (i) review and evaluation of credit requests/proposals for all domestic large and medium scale corporate entities of every risk category, retail sector customers (small scale companies, mortgage and consumer loans) above a predetermined threshold and borrowers of specialized units- therefore an Independent Risk Opinion is issued on each separate request, and (ii) participation with voting right in all credit committees. Credit Sector is also responsible for the maintenance of the credit approval archives of the Bank, the preparation of

the agendas of the Credit Committees, distribution of the respective material and preparation of the respective Credit Committees' minutes.

International Credit Sector

The International Credit Sector (ICS) is a voting member of the Regional Credit Committees and its Head is chairing the Risk Committees of all foreign subsidiary banks. Furthermore, ICS provides advice and support for corporate credit risk affairs including policies, procedures and monitoring of special handling cases to the foreign subsidiaries.

Credit Control Sector

The quality of the Group's lending portfolios (business, consumer, and mortgage loans in Greece and abroad) is monitored and assessed by the Credit Control Sector. The Credit Control Sector operates independently from the other units of the Bank and conducts field reviews at the Bank's (corporate and retail) business units. It is also responsible for establishing and reviewing credit policies in regard to the corporate and retail lending portfolios, as well as for the formulation/revision of the respective provisioning policies.

Capital Adequacy Control & Regulatory Framework Sector

The main tasks of the Capital Adequacy Control & Regulatory Framework Sector are to develop and implement the Internal Ratings Based (IRB) approach in accordance with the Basel framework and the Capital Requirements Directive (CRD) in regard to the Group's lending portfolios. The Sector is also responsible for validating, on an annual basis, the credibility of the models used by the Bank to measure risk parameters and the capital requirements of the lending portfolios. The Sector's mandate also includes managing credit risk related regulatory issues, such as the asset quality reviews (AQRs) and the stress tests.

Management of Past Due Exposures

The Troubled Assets Group General Division has the overall responsibility for managing the Group's problematic loan portfolios and ensures the strict monitoring, rigorous control and adjustment of the programmes, acknowledging and taking into account macroeconomic developments, the supervisory and legal framework, best international practices and new or advanced internal requirements.

The Troubled Assets Group General Division is working together with the Group Risk Management General Division for the mutual understanding and development of the appropriate methodology regarding the assessment of risks emanating from any type of settlement (and type of delinquency), per lending portfolio. The proposals and reports submitted by the General Division to the Board Risk Committee are also submitted to the Group Chief Risk Officer on a quarterly basis or more frequently, if needed.

Measuring Capital Requirements for Credit Risk

In June 2008, the Group obtained the approval of the Bank of Greece to use the Internal Ratings-Based (IRB) Approach to calculate regulatory capital requirements for credit risk. Therefore, effective as of 1.1.2008, the Group has been applying:

- The Foundation Internal Ratings-based Approach for calculating risk-weighted assets for the Bank's corporate loans to large and medium-sized enterprises in Greece.
- The Advanced Internal Ratings-based Approach for the majority of the Bank's retail lending portfolio, e.g. mortgage loans, small business loans, credit cards and revolving consumer loans.

The implementation of the Internal Ratings-based Approach covers 73.8% of the Group's lending portfolio, excluding certain lending portfolio segments that are immaterial in terms of size and risk profile. If the application of the Basel II IRB approach on the mortgage lending portfolio of the New TT Hellenic Postbank, which is subject to SSM approval, is also taken into account, the above ratio rises to 83.4%.

Rating Systems

Rating of Large & Medium-Sized Enterprises

The Bank uses various rating systems to assess corporate customers, in order to more accurately reflect the risks associated with customers who have different characteristics. These systems are:

- Traditional lending: Moody's Risk Advisor (MRA) / Internal Credit Rating (ICR) system for customers that cannot be rated by MRA.
- Specialised lending (shipping, real estate and project finance): Slotting methodology.

The MRA aggregates quantitative and qualitative information about enterprises, in order to assess their creditworthiness and determine their credit rating. More specifically, it takes into account the company's financial performance and balance sheet structure, industry sector trends, peers' performance, qualitative assessment of its management, the company's status, as well as other market and industry structural factors. The MRA has been adapted to reflect the Greek business environment.

Certain types of enterprises cannot be evaluated using the MRA, due to the special characteristics of their financial statements, such as insurance companies, public sector companies and local authorities, brokerage firms, and start-ups. These cases are evaluated with the use of the ICR, which, like the MRA, combines qualitative and quantitative assessment criteria.

In addition, the Bank performs an overall assessment of corporate customers, based both on the borrower rating of the customer (MRA or ICR) and on the collateral and guarantees provided against the credit facility, using a fourteen-grade scale.

In the case of specialized lending portfolios, i.e. those whose primary source of repayment is the income generated by the financed assets, instead of the commercial enterprise's individual capacity, the Bank applies the slotting method. Customers falling under the specialized lending category (shipping, real estate and project finance) are classified in five categories: Strong, Good, Satisfactory, Weak, and Default.

The rating systems described above are an integral part of the corporate lending decision-making and risk management procedures:

- The credit approval process, at both origination and renewal and in the impairment assessment process for the value of loans.
- The calculation of the Economic Value Added of a lending relationship.
- The Risk Adjusted Pricing.

Retail Lending Ratings

The Bank assesses the credit risk of loans extended to retail customers on the basis of statistical models, both at origination, and on an on-going basis, using behavioural scorecards. These models have been developed to predict, on the basis of the available information, the probability of default, loss given default, and exposure at default. They cover the entire range of retail banking products (credit cards, consumer loans, car loans, mortgage loans, and small business loans).

The models are widely used in several processes, such as the approval process, the credit limit management, the collections' process, the risk-based segmentation of customers, the risk-based pricing of products or services as well as to calculate provisions.

The rating systems used by the Bank meet the requirements of the Basel III Internal Ratings-Based (IRB) Approach. The Bank's policy is to validate credit risk assessment models and risk parameters with the use of qualitative and quantitative criteria, in accordance with best international practices and regulatory requirements. This validation is performed on an annual basis and the results are used as the basis for all the necessary adjustments.

Loans and Advances

The following table presents the geographical and industry breakdown of the Group's loans and advances to customers at 31.12.2015, as disclosed for IFRS purposes.

31 December 2015									
	Greece			Rest of Europe			Other countries		
	Gross Amount € million	Out of which: impaired amount € million	Impairment allowance € million	Gross Amount € million	Out of which: impaired amount € million	Impairment allowance € million	Gross Amount € million	Out of which: impaired amount € million	Impairment allowance € million
Retail Lending	28,417	13,078	(6,600)	3,637	994	(497)	23	0	(0)
- Mortgage	16,449	5,470	(2,060)	1,790	346	(112)	22	-	(0)
- Consumer	3,965	2,576	(1,980)	844	201	(152)	1	0	(0)
- Credit Card	1,475	753	(581)	285	75	(52)	-	-	-
- Small Business	6,528	4,279	(1,979)	718	372	(181)	-	-	-
Wholesale Lending	13,392	6,805	(3,720)	3,618	1,367	(836)	1,768	170	(129)
- Commerce and services	6,182	3,411	(2,087)	1,696	627	(461)	673	139	(120)
- Manufacturing	3,209	1,318	(725)	518	162	(92)	16	-	(0)
- Shipping	118	51	(24)	37	12	(1)	619	28	(8)
- Construction	2,076	1,279	(664)	1,086	520	(262)	163	3	(1)
- Tourism	1,291	678	(165)	100	17	(6)	-	-	-
- Energy	267	12	(13)	34	-	(0)	-	-	-
- Other	249	56	(42)	147	29	(14)	297	0	(0)
Public sector	802	1	(8)	26	-	-	-	-	-
Total	42,611	19,884	(10,328)	7,281	2,361	(1,333)	1,791	170	(129)

Loan Portfolio Quality

Seeking to further safeguard its balance sheet, the Bank continued to accelerate credit provisioning since at the end of the year, accumulated provisions amounted to €11.8 billion, covering 64.8% of 90 days past due loan,

which are 35.2% of total loans. These provisions almost fully cover the estimates of the Asset Quality Review (AQR), which was conducted by the European Central Bank. The following table summarises the lending portfolio's quality:

31 December 2015			
	>90 dpd ratio (%)	> 90dpd (€bn)	90dpd Coverage (%)
Consumer loans	49.5	3.3	83.9
Mortgages	26.0	4.7	45.9
Small Business	54.4	4.0	54.7
Corporate	31.7	6.2	75.5
Total	35.2	18.2	64.8

MARKET & COUNTERPARTY RISK

Market Risk

Definition and Policies

The Group is exposed to market risks, which arise from open positions in interest rate, foreign exchange, and equity products, or combinations thereof, which are affected by general and specific market volatility.

In order to ensure the effective monitoring of market risks that emanate from its overall activities, the Group adheres to certain principles and policies, designed to:

- Establish an effective market risk management framework at Group level.
- Ensure compliance with the existing regulatory and legislative framework.
- Create a competitive advantage over the competition, through a more accurate and efficient assessment of the risks assumed.

Internal Models

The Bank uses its own internal Value-at-Risk (VaR) model, which has been validated by the Bank of Greece since 2005, to calculate capital requirements for market risk in its trading book, for the Bank's activities in Greece.

The VaR method is used to estimate financial risk by calculating the potential loss in the market value of a portfolio, for a specific confidence interval and over a specific period.

VaR models are designed to estimate market risk under normal conditions, based on the assumption that any possible changes in the risk factors that affect these normal market conditions will be normally distributed.

Although VaR is a key tool for estimating market risk, the assumptions it is based on impose certain constraints. This is why the actual outcomes are systematically monitored through back testing, in order to check the validity of the assumptions and parameters used in calculating VaR.

Standardised Approach for Market Risk

The Bank uses the Standardised Approach for the measurement of market risk exposure and capital requirements of its subsidiaries in Greece

and in international operations. The following table summarises the capital requirements for market risk per risk factor, based on the Standardised Approach, as at 31.12.2015 and 31.12.2014:

	2015 € million	2014 € million
General risk of traded debt instruments	2	3
Specific risk of traded debt instruments	-	2
General and specific risks of equities	-	2
Credit valuation adjustment risk (CVA)	11	-
Foreign exchange risk	35	31
Total	48	38

Counterparty risk

Definition

Counterparty risk is the risk that a counterparty in an off balance sheet transaction (i.e. derivative transaction) defaults prior to maturity and the Bank has a claim over the counterparty (the market value of the contract is positive for the Bank).

Counterparty Risk Monitoring

The current exposure as at 31.12.2015 is presented in the following table:

Average VaR by risk type (Trading and Investment portfolios) ⁽¹⁾ - Greece and Cyprus		
	2015 € million	2014 € million
Interest Rate Risk	47	18
Foreign Exchange Risk	2	1
Equities Risk	4	4
Total VaR	49	20

Note: ⁽¹⁾ Interest rate volatility applied to all portfolios. Credit spread volatility applied to trading and available-for-sale positions 1 day holding period.

31 December 2015					
	Current exposure before netting € million	Current exposure after netting € million	Netting effect € million	Collateral received/(paid) € million	Total exposure after netting and margin collateral € million
Contracts under ISDA and CSA (derivatives)	1,923	1,129	794	(651)	296
Contracts under GMRA (repos and reverse repos)	245	244	1	(51)	292
Other contracts (derivatives and repos outside ISDA and CSA, GMRA)	77	77	-	-	77
Total	2,245	1,450	795	(702)	665

Notes

1. Netting and collateral posting is applied per counterparty only for contracts under ISDA, CSA or GMRA.
2. Repos and reverse repos with central banks (Bank of Greece, European Central Bank, etc) are excluded.
3. In case of exposure calculation on transactions under GMRA, haircuts are taken into account and increase the exposure.
4. In case of exposure calculation on transactions under CSA threshold & independent amounts are taken into account and increase the exposure.
5. In the "Collateral received / (paid)" column we include Greek Treasury bills received as collateral through the CSA signed with Public Debt Management Agency (PDMA).

OPERATIONAL RISK

Governance

Acknowledging the fact that operational risk is embedded in every business activity undertaken, organisational governance stems from the Board of Directors through the Executive Board and Senior Management to the Heads and staff of every business unit. Organisational governance is applicable to all jurisdictions in which the Group operates accordingly.

An Operational Risk Unit operates in each subsidiary bank of the Group, being responsible for applying the Group's operational risk strategy and framework in the jurisdiction it operates.

The Board of Directors monitors, through the Board Risk Committee, the operational risk level and profile including the level of operational losses, their frequency and severity, and through the Audit Committee, the status of operational risk-related control issues. The Operational Risk Committee assesses the operational risks arising from the activities of the Group, ensures that each business unit has appropriate policies and procedures for the control of its operational risk and that prompt corrective action is taken whenever a high risk area is identified.

The Group Chief Risk Officer is the sponsor of any operational risk related initiative and ensures implementation of the operational risk policy. He also has the overall responsibility and oversight of the Operational Risk Units in the countries that the Bank operates.

The prime responsibility for operational risk management lies with the respective Head of each business unit.

The Operational Risk Sector (ORS) is responsible for defining and rolling out the methodology for the identification, assessment, reporting of operational risk in accordance with the Board of Directors and the Board Risk Committee decisions. ORS implements regulatory requirements and Group guidelines, monitors the operational risk level and profile and reports thereon to the Board Risk Committee on a quarterly basis.

Operational Risk Management Framework

The Group Operational Risk framework is built on four elements: (1) Principles; (2) Governance & Organisation; (3) Procedures and (4) Infrastructure.

Operational risk processes consist of risk identification, assessment (including measurement and valuation), control management, risk mitigation, risk reporting and performance improvement.

These procedures are supported by, and implemented with the following operational risk tools/methods:

- Risk & Control Self-Assessment (RSCA): a technique aiming to identify, assess and ultimately mitigate operational risk.
- Key Risk Indicators (KRIs): metrics based on historical data relevant to specific and measurable activities indicating operational risk exposures.
- Operational Risk Events: identified and recorded with the purpose of populating the internal operational risk event database and creating reports.
- Operational Risk Scenario Analysis, which assesses exposure to a range of significant operational risks through the examination of extreme or catastrophic yet plausible future events.
- Operational risk reporting, for internal and regulatory purposes.
- Operational risk capital charge calculation using the appropriate methodology and assumptions.
- Fraud risk management: which constitutes a major commitment of the Group to mitigate fraud risk and reduce fraud losses.

Operational Risk Measurement

As required by Basel III for the use of the Standardised Approach, the Group's business activities have been divided into eight business lines and the annualised gross operating income for the last three years is calculated for each business line. The required business line beta factors are then applied to the relevant business line gross operating income, to establish the required regulatory capital per business line, with these numbers summed together to establish the overall Pillar 1 regulatory capital requirements for operational risk.

The relevant amount for the operational risk on 31.12.2015 stood at €221 million.

SINGLE SUPERVISORY MECHANISM

The Single Supervisory Mechanism (SSM) is a new system of banking supervision for Europe. It comprises the ECB and the national supervisory authorities of the participating countries.

The SSM's main objectives are to:

- ensure the safety and soundness of the European banking system;
- increase financial integration and stability;
- ensure consistent supervision.

The ECB in cooperation with National Competent Authorities (NCAs) is responsible for the effective and consistent functioning of the SSM.

It has the authority to:

- conduct supervisory reviews, on-site inspections and investigations;
- grant or withdraw banking licences;
- assess banks' acquisition and disposal of qualifying holdings;
- ensure compliance with EU prudential rules;
- set higher capital requirements ("buffers") in order to counter any financial risks.

In order to respond to the increased supervisory requirements, the Bank established the Single Supervisory Mechanism Office (SSM Office). The SSM office role is to coordinate and control initiatives and projects related to the framework of the SSM, and to serve as a central point of reference for the regulatory related requests.

COMPREHENSIVE ASSESSMENT BY THE EUROPEAN CENTRAL BANK (ECB)

Summary

The adverse economic conditions in Greece, especially since the second quarter of 2015, had a negative impact on the liquidity of Greek banks and raised concerns regarding their solvency position. In accordance with the preliminary agreement reached at the Euro Summit on 12.7.2015, the new European Stability Mechanism (ESM) programme would have to include the establishment of a buffer of €10 billion to €25 billion for the banking sector in order to address potential bank recapitalisation needs and resolution costs, and the ECB and SSM would conduct a Comprehensive Assessment (CA) of the supervised four Greek banks. In this context, the CA was conducted taking into account the combined effect of:

- The Asset Quality Review (AQR), by reviewing the quality of banks' Greek portfolios, including the adequacy of asset and collateral valuation and related provisions and
- The forward looking Stress Test (ST), to examine the resilience of the banks' balance sheets to a potential further deterioration of market conditions.

Capital adequacy was assessed over a three-year time period (2015-2017) under two ST scenarios: baseline and adverse. According to the ST process, the banks used as reference the preliminary data for the first semester of 2015 and submitted their 3-year business plans built on base case assumptions: GDP growth as provided from ECB for 2015 -2.3%, 2016 -1.3% and 2017 +2.7%, while the other assumptions, including credit and deposit growth, were based on the four banks Economists' consensus. These business plans were stress-tested by ECB under the baseline and adverse scenarios to assess potential capital shortfalls. On 31 October 2015, ECB announced the results of the CA on the four systemically important Greek banks (Eurobank, National Bank of Greece, Alpha Bank, Piraeus Bank).

Comprehensive Assessment Results (CA) for Eurobank

The CA results for Eurobank are summarised as follows:

AQR Results

The AQR constituted a thorough review of the carrying values of the Bank's Greek portfolios as of 30 June 2015 encompassing 98% of the Greek portfolio. The AQR identified additional provisioning needs of € 1,906 million, primarily driven by the deterioration in the macroeconomic environment in Greece, leading to a CET1 ratio of 8.6%, after taking into account the entire amount of losses identified in the AQR. This implies a capital shortfall of € 339 million, relative to the threshold of a CET1 ratio of 9.5%. The AQR adjusted capital position provided the starting point for the Stress Test (ST).

The 2015 AQR was a prudential exercise, which was performed under the same methodology as the 2014 AQR. The impact of €1,906 million was related mainly to provisions adjustments for loans and advances to customers of €1,876 million. The remaining €30 million were related to provisions for the Bank's exposure to Greek bonds and treasury bills (credit value adjusted-CVA).

Stress Test Results

The ST under the baseline scenario has not triggered further negative impact on the Bank's solvency position, maintaining the post-AQR and baseline scenario CET1 at 8.6%, which corresponds to a capital shortfall of €339 million, relative to a CET1 ratio of 9.5%, which is the threshold in the baseline scenario of the ST.

The ST under the adverse scenario identified further negative impacts on the Bank's solvency position, leading to a CET1 ratio of 1.3%, which implies a capital shortfall of €2,122 million, relative to a CET1 ratio of 8%, which is the threshold in the adverse scenario of the ST.

Eurobank's Assessment of the Comprehensive Assessment Results (CA)

Taking into account the €2,039 million raised as part of the Share Capital Increase which was successfully completed in November 2015, Eurobank, with CET1 ratio of 17% meets the capital thresholds set down for the purposes of the Comprehensive Assessment.

PRIORITY TO OUR CUSTOMERS

RETAIL BANKING

During a difficult and particularly demanding year for Greece and the banking system, Eurobank demonstrated its commitment and support to its customers adversely affected by the new economic conditions, focusing on:

- Directly responding to the increased needs of retail customers during the bank holiday and capital controls, focusing on service issues, helping ensure their requests were handled as smoothly as possible. Special emphasis was placed on issuing debit cards and e-Banking passwords.
- Offering comprehensive support to Greece's SMEs and professionals, providing a wide range of solutions to cover their transaction needs, import requests, immediate installation of POS terminals and specialized solutions for specific sectors like tourism.

In these unprecedented conditions, the Bank's efforts were applauded by customers, who gave the Bank a particularly positive rating overall in a nationwide survey for customer management during the bank holiday, and in relation to specific factors. In particular, Eurobank achieved the highest ratings from its customers for safeguarding their interests against the consequences of the capital controls, good service, rapid and effective

provision of e-Banking passwords, and the provision of solutions to professionals to better cope with the repercussions of the crisis.

In addition, Retail Banking operations in 2015 focused on customer-centricity, relying both on our people and innovative infrastructure we have put in place over the years which are a real "asset" for the Bank. More specifically Retail Banking:

- Supported customers through different service channels (the Eurobank Network and the New TT Branch Network, the associated Hellenic Post branch network offices and electronic service channels) offering solutions tailored to each segment.
- Strengthened the customer-centric units (Individual Banking, Affluent Banking, SMEs and Professionals Banking), investigating the needs of each segment, and then ensuring its proper management and service.
- Extended the successful card loyalty programme "Epistrofi", which comprises more than 7,000 merchants from all sectors, offering customers the chance to benefit from collecting more euros from their purchases, also due to the increased use of cards.



- Developed specialized services and integrated solutions to meet the special needs of public sector bodies and non-profit organisations.
- Implemented actions to improve its customers' transactional activities, utilising new e-Banking channels, such as a wider range of available payment methods at all physical and electronic networks, and developed new, innovative banking services such as real-time remittances.

As part of the Bank's customer-centric strategy, in 2015 we set up a new Retail Customer Experience Division. The new Division's mission is to systematically intensify efforts to constantly improve customer experience, by designing innovative customer journeys, measuring critical points of interaction with the Bank, and to constantly upgrade the user experience at all contact points. Centralising retail banking customers complaint management structures

within this new Division has also been of critical importance. The goal is to ensure faster, better quality responses to customer queries, and to systematically try to analyse and eliminate the causes of such complaints.

Retail Banking's overall efforts resulted in a series of awards from respected organisations, such as the Gold Award for the m-Banking Eurobank App at the Cyta Mobile Excellence Awards and the Best Personalized Services app for the "Epistrofi" App at the 2015 e-volution awards. Moreover, in 2015, Eurobank was named "Best Retail Bank in Greece" by the internationally acclaimed World Finance magazine. This is the 2nd year in a row Eurobank has won this award, confirming the top level of services Eurobank offers in the Retail Banking sector.

■ Service networks

Branch networks

Seeking to provide high quality service and build trustful relationships with its customers, in 2015 Eurobank continued to implement its Retail Banking customer service strategy "One Bank – Two Branch Networks" adopted in 2014, maintaining two distinct branch networks:

- The Eurobank Network, which comprehensively and effectively caters to the daily needs of retail customers, and provides specialized service to Personal Banking clients, as well as for professionals and SMEs, through specialized advisors.
- The New TT Branch Network, which provides Greek families with friendly and swift services, catering to all their banking needs, with the support of the Family Banking Advisor.

Through this strategy, the Bank has been able to respond to the needs of different categories of customers, while still focusing on high quality service. Customers recognise this, having consistently ranked service levels in-branch as very high.

During the particularly tough period of the bank holiday and the subsequent imposition of capital controls, the Bank's networks responded with particular fervor to customers' new, heightened needs. During the bank holiday, 174 branches of Eurobank and New TT Branch Network operated extended hours to facilitate pensioners, ATMs had high levels of cash available to cope with daily withdrawal demand, and a record number of debit cards and e-Banking passwords were issued. Also, at quite a few branches, a special mechanism was put in place to cope with difficult conditions, by providing shade and seating, along with water and soft drinks, for the customers' convenience while waiting. The quality and efficiency of these

measures were applauded by customers and the public, as is clear from the findings of an independent survey regarding the way the four systemic banks handled their customers during the bank holiday and period of capital controls. According to that survey, Eurobank garnered high positive ratings when it came to customer management.

Additionally, in 2015, the rationalisation of network operating costs continued steadily, with branches being merged and others relocating to new premises, with the aim of improving facilities so we could provide better customer service.

In this challenging year, during which daily operations at the branches became more complex, our networks successfully contributed in maintaining the Bank's overall market share in deposits. At the same time, during the last 4 months of the year, a series of events were held for Retail Banking customers to strengthen dialogue and contact between the Bank and customers in the local communities.

Having recognised the important role of network personnel, in 2015 the Bank introduced awards for branch performance in various categories of products and services to reward the efforts and contribution they make. Also, training programmes for branch network executives on modern customer-centric approach and service methods continued apace.

Hellenic Post (ELTA) Branch Network

The Bank has an exclusive cooperation agreement with Hellenic Post (ELTA) which allows the Bank's customers to enjoy core banking services at the Hellenic Post branch network. With more than 710 branches and 99 ATMs throughout Greece, the Hellenic Post network provides extensive service nationwide, in both urban areas and remoter areas where banking presence is limited or non-existent.

In 2015, the Bank concentrated on improving banking operations at the Hellenic Post network, primarily supporting geographical areas with the potential for growth.

Working in close partnership with Hellenic Post's Management and its front line employees, the Bank, through the division which has undertaken to foster relations between the two organisations, began offering in 2015 simple saving and insurance products from Eurolife ERB Insurance via the Hellenic Post network. The flagship product on offer was "Prolipsi & Frontida" ("Prevention & Care"), a primary health care plan specially designed from a functional and pricing viewpoint to meet the day-to-day needs of Hellenic Post's customers. The option to enter into cashless transactions via POS was also provided.

The Bank's key concern is to develop closer partnership with and activate the Hellenic Post network to promote a wider range of products, and to ensure high levels of service via regular training and daily support to the Hellenic Post's personnel.

Electronic Networks

For yet another year Eurobank remained dedicated to its strategy of constantly developing and expanding its electronic services, with its primary goal being to provide high quality services to its customers.

In that context, in 2015 we set up the new Group Digital Banking unit, laying the foundations for the Bank's digital transformation, to make it a technologically advanced financial group which will offer customers cutting-edge, personalised experiences via an innovative digital platform that places emphasis on mobile banking.

The goal is to utilise digital services to provide a uniform, consistent and cohesive experience as the customer "travels" from mobile banking to the branch, from the ATM to e-banking, and so on, while at the same time all critical processes will be re-engineered to maximise customer satisfaction and drastically reduce operating costs.

In recognition of the work done in the e-Banking sector, the Bank once again received major distinctions and awards in Greece and abroad (Global Finance, e-volution awards, etc.).

Eurobank e-Banking & Eurobank m-Banking

In 2015, especially since the beginning of the bank holiday and the imposition of capital controls, e-Banking services played a vital role in meeting the transactional needs of the Bank's customers. During the bank holiday, our e-Banking and m-Banking services were the main alternative for customers to perform general transactions (transfers, remittances, payments) and access their accounts and products (statements and balances for deposit accounts, investments and cards).

The primary role played by electronic channels and the convenience they provide led to an unprecedented rise in usage for the Greek market. For example, applications for e-Banking passwords rose by over 700% for retail banking customers and over 60% for companies, daily. Overall, the

rise in new users registering for e-Banking services in July 2015 was around 155% for individual customers and 110% for legal entities, while transactions rose 50% compared to the monthly average in the first half of 2015. Increased use of the Bank's e-services continued throughout the rest of the year and as result more than 70% of related transactions across all Bank networks were carried out using electronic channels.

Overall, in 2015, e-Banking expanded its customer base by 33% while the number of transactions rose by 30%. E-Banking's contribution to overall transactions executed by Eurobank in 2015 was 21.4%, with corresponding transactions (payments, transfers) reaching approximately to 73.2%.

Equally strong was the increase in the usage of the e-Statements facility by 47%, as 204,000 customers have discontinued the receipt of more than 579,000 printed statements, and have selected to receive information by electronic means only.

M-Banking services also showed similarly impressive growth rates in 2015, as active users increased by 39%, while the value of transactions rose 51.7%.

In terms of new services, emphasis was placed on expanding the payment distribution network using the physical networks of associated businesses, on the ability to transfer money to other Greek banks in real time which was first developed by Eurobank, on distributing EuroLife ERB's car insurance product, and on many other upgrades to improve the user's overall digital experience.

Eurobank continues to hold a leading position in the Greek e-Banking market with substantial market share, and in 2015 received 7 important awards for its e-services from various organizations in Greece (e-volution Awards, Mobile Excellence Awards, App Awards), and abroad (Global Finance Best Internet Bank Awards).

EuroPhone Banking

EuroPhone Banking is Greece's largest and most advanced contact centre, covering all modern means of communication with customers, such as phone calls, emails, Personal Messages, click2call & click2chat, while also offering the largest number of inquiries and financial transactions in the market.

During 2015, major improvements were made to the quality of the self-service voice customer service platform by incorporating Natural Language Understanding technology, while new self-service transactions such as card activation and requests for e-Banking passwords were also added.

In 2015, EuroPhone handled around 2.62 million contacts with customers, increased by 44% compared to the previous year, while a total of 3.45 million inquiries and financial transactions were executed via agents or the self-service platform, with a total volume of almost €230 million.

During the bank holiday and capital controls, EuroPhone Banking was one of the key customer service pillars, successfully responding to unprecedented numbers of incoming calls, which in July alone rose 177% (for phone calls), 258% (for emails) and 558% (for chats).

The contribution made by the contact centre's well-trained team in achieving the Bank's goals was also significant, since EuroPhone Banking is one of the key channels for promoting Eurobank's products and services as well as EuroLife ERB's bancassurance products. In particular, during 2015, 1,768 insurance savings plans were sold via EuroPhone Banking, generating new registered premiums of €380,000, increased by 20% compared to 2014. The contact centre's team was also involved in other promotional measures which generated remarkable results.

ATMs & Automated Payment Systems

In the field of Self-Service Banking Terminals, the Bank enables its customers to perform banking transactions easily and with safety, 24 hours a day, at 825 ATMs located at Eurobank, New TT Branch Network and Hellenic Post branches and other commercial locations. In addition, customers can use 478 Automated Payment Systems (APS) for real-time deposits and payments, as well as transfers to accounts held with other banks. More than 51 million inquiries and financial transactions were performed through ATMs and APS by the end of the year, representing a total volume of more than €7.5 billion.

Moreover, in 2015 the ATM network generated commission of around €4 million, increased significantly by 26.3% compared to the previous year. This achievement was due to both the rise in transactions from customers from other banks (using the DIAS networks) and the development of an offsite network of ATMs at new tourist locations which was used by foreign customers. An attempt was also made to rationalize the network of Hellenic Post ATMs to utilise premises on the islands, which also generated equally important benefits.

Business Process Improvement

In order to provide support to the Bank's branch networks, in 2015 the Eurobank Help Desk & NTT Network Support responded to 97,000 calls relating to procedures and applications, thereby helping identify and resolve malfunctions. The Help Desk also made a major contribution during the bank holiday, responding to more than 20,000 calls.

Likewise, the Hellenic Post Network Support team received and responded to more than 165,000 calls relating to inquiries or requests for support about new procedures and applications and execution of transactions. The volume of transactions executed was €108 million and the number of transactions 183,500.

Aiming to support Direct Banking, BPI was involved in managing the unit's operations, revising existing and drafting new procedures, and also handled 650 customer complaints, 23,000 requests and responded to 9,300 calls for support.

Retail Services

Deposit and Saving Solutions

Deposits are a strategic priority for the Bank, to meet customer needs, to ensure adequate liquidity, as well as to safeguard and improve profitability. The Bank offers a comprehensive range of deposit products with specially designed every-day, savings and time deposit accounts, that are coupled with special privileges and reward programmes.

With the aim of increasing the use of debit cards, rewarding customers and expanding the customer base, the Bank launched deposit reward campaigns which were very popular with customers with different deposit capacity.

At the same time, the New TT Branch Network which has been consistently and actively supporting its customers, continued to support their saving efforts by offering a wide range of savings solutions for the entire family that reflects their needs and stage of life, such as:

- The “Megalono” (“Growing up”) savings account, which is designed for children under the age of 18 and provides an extra boost to their savings, through prize draws that offer them the chance to double their account balances. During 2015 more than 650 children doubled their savings as the Bank credited their accounts with a total of €1,000,000.
- The “Apotamievo” (“I save”) account, which rewards regular saving with particularly high returns.

Despite the conditions capital controls created, the Bank managed to maintain its share of deposits in Retail and Corporate Banking. It also achieved a major decrease in the cost of deposits which helped improve the Bank’s financial results. The reduction in cost was also helped by the improved mix of simple saving / time deposits, which shifted from 37%/63% in 2014, to 59%/41% in 2015.

The Bank’s total deposit balances in Greece stood at €22.1 billion at the end of 2015.

Mortgages & Consumer Loans

In a year of adverse economic conditions, the Bank managed to maintain its leading position in mortgage loan disbursements and to retain its consumer loan portfolio with the fewest possible losses.

Particular emphasis was placed on successfully completing the subsidised “Saving at Home” programme which offered major incentives for repairs in order to save energy. As part of the programme, Eurobank funded almost 10,000 households who were able to improve their home’s energy efficiency.

In 2015, there was an increase in new mortgages by 15% compared to the previous year, while during the first half of the year, before capital controls were imposed, the figure compared to the corresponding period in 2014 was increased by 138%. Overall, the Bank’s Mortgage Lending portfolio stood at €16.5 billion in Greece.

In the consumer credit sector, disbursements of amortising consumer loans, before the capital controls were imposed, were up 141% in the first half of the year, while car loans were increased by 18% compared to the corresponding period in 2014. A turning point for the year as a whole was the Payroll Personal Loan for civil servants and pensioners, which accounted for more than 50% of all consumer loans disbursed. The Bank’s Consumer Loans portfolio amounted to €4 billion in Greece.

Credit & Debit Cards

In 2015, Eurobank focused its strategy on:

- Directly aligning to current trends in the Greek economy, which led to a major rise in card usage.
- Capitalising on the momentum of the “Epistrofi” loyalty programme.
- Promoting further penetration of credit and debit card usage among the Bank’s customers.

Turnover for the Bank’s debit cards rose over 100% compared to 2014, with average monthly turnover after capital controls were imposed being 3 times higher than the previous period of the year. The Bank successfully responded to customers’ increasing needs by immediately issuing and delivering new debit cards. 600,000 new cards were produced, increased by 26% compared to the previous year, while the Bank’s market share in debit cards also rose.

Despite the capital control restrictions and thus the restriction on cash withdrawals and e-commerce transactions abroad, total turnover for the credit card portfolio rose compared to the previous year, resulting in the increase of the Bank’s market share in credit cards compared to 2014.

Additionally, in 2015, the Bank further enhanced the “Epistrofi” card loyalty programme by adding important new partners (such as Marinopoulos, Praktiker, Marks & Spencer, GAP etc). The programme is recorded as the most recognisable, since it has the largest network of merchants (over 7,000) including market leaders such as the OTE Group, EKO, Sklavenitis, Attica, Jumbo, Public, Plaisio, and others.

In the POS Acquiring sector, Eurobank reorganised and redesigned its infrastructure, and upgraded its systems to more effectively cope with the rising volume of transactions. The Bank

recorded an all-time high turnover, which was over 40% higher than 2014, managing to increase its market share by the end of the year thanks to its performance, according to data from Visa and MasterCard. More than 20,000 new terminals were installed compared to 2014, bringing the number of POS to more than 85,000.

Bancassurance

As Eurolife ERB’s tied insurance agent, the Bank has incorporated a full range of bancassurance products into its product line, providing real, comprehensive satisfaction of its customers’ economic and insurance needs, and making it a leader in the Greek bancassurance market.

2015 kicked off with very encouraging results and despite the uncertainties in the first half of the year, which did not favour the long-term placement that acquisition of insurance savings products entails, the Bank’s sales of Eurolife ERB’s bancassurance products in its capacity as tied insurance agent, were increased by 9% compared to the same period in 2014. Thereafter, sales of bancassurance products focused on insurance products to cover immediate needs, such as car, home and borrower insurance, resulting in the encouraging trend from the first half of the year being halted.

The Bank was also heavily involved in promoting business insurance, by incorporating insurance solutions into its comprehensive proposals for cooperation with tourism enterprises. The first signs were particularly encouraging, given that sales of bancassurance products to tourism enterprises tripled.

Payroll Services

Being a great asset in the field of payroll services and having consolidated its position at the top of the Greek market, even during the recession, the Bank's subsidiary Eurobank Business Services continued to offer specialized advisory services and software to its clients' Human Resources departments in 2015.

Especially, during the year, the company offered high-quality services in the fields of Payroll Outsourcing, Payroll payments, HR Advisory - Managed Services - Technology & tools, to more than 550 corporate clients, which account for 40,000 employees and 25,000 pensioners, substantially enhancing the Bank's customer base.

Personal Banking

In a difficult year for the Greek banking system, Eurobank's Personal Banking service remained dedicated to its goal of providing high quality personal banking customer service. Relying on its personnel, Personal Banking immediately and efficiently responded to the special conditions that emerged, offering choices tailored to the special, constantly changing needs of its customers. In 2015 all Personal Banking's highly specialized, certified executives stood by the customers, keeping them constantly up to date about alternative customer service methods, products and services, and offering solutions during the bank holiday, such as the immediate delivery of new debit cards, access to e-Banking services, and advice tailored to their investment needs. These actions resulted in more than 500,000 contacts, 33,000 new debit cards being issued and 10,000 new e-Banking accounts being activated.

At the end of 2015 Personal Banking was managing more than 90,000 customers, with a 6.2% increase in product retention due to the rise in sales especially of everyday banking products, investment products as well as bancassurance products of Eurolife ERB Insurance.

The personal, trust-based relationships Personal Banking builds with its customers is confirmed by them, as is clear from the increase of their long-term partnership, with 3 out of 4 customers having collaborated with the Bank for more than 2 years.



Small Business Banking

2015 was a year loaded with challenges and upsets for the banking sector overall. Due to the imposition of capital controls, there was a clear change in how customers' needs were dealt with and targeted during the first and second half of the year. Those conditions triggered a shift in customer transactional habits, with a swing to e-Banking services and the use of plastic money.

During the first half of 2015, Eurobank remained the leader in Small Business Banking, with a loan portfolio of €6,541 million, and in co-financed loans, assisting the SME economy. Moreover, it successfully completed its involvement in the funding programme provided in cooperation with IFG, with total loans of €33 million.

In that context, the Bank continued to approach SMEs with the highest turnover and highest cross sales dynamic, which led to a major increase in customers' transactional activity; a move that was exceptionally effective in terms of profitability and customer loyalty.

The second half kicked off with adapting our systems to cope with the restrictions imposed by the capital controls. To encourage business, Eurobank responded immediately to these conditions and took specific steps in the fields of transactional banking and electronic networks. More specifically:

- It put in place infrastructure at central level to assist its importers - customers. By introducing a new app at branches, it was able to handle the majority of requests within 24 hours and attract 5,000 new customers.
- It capitalised on the turn towards plastic money, expanded the Bank's POS Acquiring customer base by reaching out to SMEs and freelancers and installed 11,550 new terminals generating recorded turnover of €111 million and increasing deposits by €21.3 million.
- It set up a special Small Business Banking support line to help customers with capital controls, imports and POS issues.
- For the 5th consecutive year it offered the "Tourism Business" programme, a comprehensive set of solutions for businesses and freelancers operating in tourist areas, thereby enhancing local economies and supporting tourism which is one of the key pillars of the Greek economy and entrepreneurship.

These actions resulted in the increase of business deposit levels by €40 million.

GROUP CORPORATE & INVESTMENT BANKING



Group Corporate and Investment Banking's main objective is to provide fully integrated solutions and excellent customer service to its clients, consisting of large and complex business groups as well as medium-sized enterprises both in Greece and in the region of South Eastern Europe. The main customer service pillars are the Global Corporate Clients unit, responsible for the provision of integrated business solutions to very large clients, covering their complex financing needs; the Commercial Banking unit, which is responsible for the provision of services to large and medium-sized enterprises, offering banking products and solutions designed to cover their financing and transactional needs; and the specialized units — Project Finance, Commercial Real Estate, Leverage Finance, Hotels & Leisure, and Shipping — which ensure the efficient provision of services, based on industry expertise and knowhow.

In a difficult and changing economic environment, Group Corporate and Investment Banking in 2015 continued to offer support to strategic sectors of the Greek economy, while also focusing on maintaining the quality of the loan portfolio.

In particular, with regards to new financing, the Bank, consistent to its philosophy of supporting extrovert enterprises and business plans that bolster the economy and based on banking criteria to evaluate its clients, arranged major transactions and financed robust business groups.

Despite the impact of capital controls on business liquidity, Group Corporate and Investment Banking contributed to the completion of several restructuring programmes, by actively managing the troubled section of the portfolio handled by specialized lending units, thereby helping improve the overall quality of the Bank's portfolio.

Moreover, in the particularly challenging business environment of 2015, Group Corporate and Investment Banking also took important steps to support its customers. During the second half of the year in particular, after capital controls were imposed, Group Corporate and Investment Banking in cooperation with the corresponding specialized units adapted its operating model to the new regulatory framework, placing particular emphasis on supporting customers in the field of imports, ensuring their efficient operations and further increasing Eurobank's share in commercial transaction services.

The Bank also continued its strategy of utilising development programmes and actions as an alternative source of capital for its customers, and actively supported extrovert sectors of the Greek economy, by taking initiatives and channelling funds to finance export oriented companies.

On 31.12.2015 the total portfolio of loans to large corporations and medium-sized enterprises stood at €15.6 billion on a consolidated basis.

Global Corporate Clients

Global Corporate Clients (GCC) is responsible for covering the strategic, financial, and banking needs of very large and sophisticated corporate clients, both in Greece and in the region of South Eastern Europe. GCC serves for the Bank's large clients as the main point of contact for the provision of all financial solutions and products, managing a portfolio of 3.2 billion at the end of 2015, including more than 90 groups which mainly operate in energy, manufacturing, retail trade, services, health, and construction sector.

Apart from its presence in Greece, GCC also handles large clients, in cooperation with expert associates of the Group's subsidiary banks, in Romania, Serbia and Bulgaria, having arranged landmark deals during the past few years.

In 2015 GCC's net credit expansion was 1.1% compared to 2014. Particular emphasis was placed on trade finance deals worth over €200 million to finance large extrovert enterprises.

Commercial Banking

Commercial Banking's (CB) main purpose is to build strong and solid business relationships with large and medium-sized enterprises, through the provision of standard or tailor-made financing solutions, as well as an entire range of banking services. The CB unit is staffed with experienced Relationship Managers, who guarantee instant results and high-quality services to their clients. In 2015, the loan portfolio of the Bank's CB unit stood at approximately €5.9 billion.

CB is divided into two main business sectors:

1. Central Commercial Banking (CCB) responsible for covering the largest corporate clients, mainly in the region of Attica; and
2. Commercial Banking Network (CBN) responsible for the relationships with medium-sized clients, offering country-wide coverage through a network that consisted of 16 business centres at the end of 2015.

This structure is intended to ensure proximity with clients and high quality services, more rigorous performance monitoring and proactive risk-mitigating actions, as well as maintaining the quality of the Bank's assets.

CB played a leading role in initiatives to support its clients against the backdrop of the particularly challenging business environment in 2015. During the second half of the year in particular, with the market conditions that emerged following the imposition of capital controls, CB in cooperation with the specialized Bank units (such as Trade Operations, Transaction Banking and Treasury), ensured the smooth operations of the medium-sized enterprises, which are the backbone of the Greek economy.

Utilising development programmes and actions available during 2015, CB provided €92 million in new credit facilities to SMEs, both via programmes co-financed by the Hellenic Fund for Entrepreneurship and Development (ETEAN) and in cooperation with the Institution for Growth in Greece (IFG).

Structured Finance

Structured Finance is provided by 3 specialized departments, Project Finance, Commercial Real Estate Finance and Leverage Finance & Special Situations. The unit's portfolio, despite the major restructurings and write-offs of €42 million, rose overall by €60 million based on the conclusion of new, robust, structured financings.

Project Finance

Project Finance provides a wide range of services primarily involving advisory services, structuring and arrangement of complex financing for major infrastructure and energy projects in Greece and the countries of South Eastern Europe as well as for public & private partnerships (PPPs). In 2015, Project Finance focused on providing advisory services for infrastructure and development projects such as the privatisation of Greece's regional airports, where the Bank acted as advisor to the Hellenic Republic Asset Development Fund (HRADF) as well as on managing and enriching a healthy lending portfolio. In terms of lending, emphasis was placed on the completion of new financing deals in the renewable energy sector, on terms that reflected the volatile conditions in the market. Finally, it is worth noting that, following the restructurings successfully concluded in 2013, performance of the loan portfolio was very positive with few problematic loans (accounting for less than 1% of the portfolio).

Commercial Real Estate Finance

Commercial Real Estate Finance provides financial consulting services and arrangement of complex financing transactions for all types of large commercial property such as office buildings, malls, and mixed-used complexes, while large-scale housing complexes and industrial buildings also fall within its remit. In 2015, particular emphasis was placed on handling the

non-performing part of the portfolio, the formulation of a specific strategy for the entire portfolio and the implementation of some long-term restructurings with substantial results.

Commercial Real Estate Finance is focusing on building long-term relationships with its clients, offering tailor-made financing solutions aimed at meeting customer needs, while also introducing unique, innovative solutions.

In 2015 Eurobank received the Euromoney Magazine award for "Best Real Estate M&A Advisory".

Leverage Finance & Special Situations

Leverage Finance & Special Situations is responsible for the structuring and arrangement of complex transactions concerning company acquisitions and complex/structured financing deals. Leverage Finance & Special Situations has become a benchmark in the Greek market, also assisting other units of the Bank, as an internal advisor, in structuring complex transactions and restructuring deals. Among other transactions, in 2015 it completed two major deals (the acquisition of the Sani Resort by foreign investment funds and other investors, and the acquisition of Macro by Sklavenitis). The division maintains open channels of communication with investors in Greece and abroad relating to new transactions. Leverage Finance also completed two major loan restructurings, while in parallel, with its role as Special Situations unit, it cooperated with other departments of the Bank and completed a major loan restructuring with the participation of a strategic foreign investor in the share capital and also prepared other similar transactions.

Hotel & Tourism Financing

Given that tourism is one of the main pillars of Eurobank's strategy, the Bank's aim is to play a key role in supporting the industry. As partner of the Association of Greek Tourist Enterprises (SETE) for the past 10 years, Eurobank has consistently and unswervingly supported tourist enterprises, during rather adverse conditions. The tourism industry is characterized by certain inherent peculiarities, such as the seasonality of cash flows, the need for continuous investment in the maintenance and upgrading of facilities and, therefore, high borrowing requirements as well as guaranteed revenues through agreements with Tour Operators.

Through its Hotels & Leisure unit the Bank aims not only to support sound hotel operators, but also to play a key role in shaping developments in Greece's most important "internationally tradable good". Here are some key facts regarding Eurobank's tourism portfolio:

- 80% of loan balances are accounted for by the 30 largest Greek hotel groups, which represent 160 medium-sized and large hotel units, with a total capacity of almost 35,000 rooms.
- The vast majority of tourism investments financed by the Bank are located in three of Greece's most popular vacation destinations: 40% in Crete, 28% in Rhodes, and 18% in Kos.
- More than 80% of the financed hotels are 4 or 5-star facilities, and their vast majority applies to units that were constructed or fully renovated during the past 10 years.

The strategy currently developed by the Hotels & Leisure unit is based on three main axes:

- Restructuring of problematic, albeit reversible, relationships, through a series of operational, financing, and capital restructuring arrangements, combined with the identification of strategic investors, with the aim of resetting these relationships on a sustainable and sound basis.
- Selective financing of new investment projects, concerning existing or new resorts.
- Provision of high-quality service, with the aim of turning the Hotels & Leisure unit into a one-stop-shop for the industry, regarding both Opex & Capex Financing, Financial & Operational Advisory, as well as Management/ Lease and Sale Agreements.

Total new loans approved in 2015 amounted to €200 million while existing clients were offered restructuring deals worth a total of €85 million. Moreover, Eurobank, being consistent with its effort to reset Greece's tourism business map on a sound and sustainable financial basis, acted as an intermediary for the entry of strategic investors in five hotel units, with the consent of their previous owners, and placed new, world-class managers in 2 hotel enterprises, rendering them viable. Moreover, in 2015 Eurobank as a strategic partner of SETE participated at the ITB trade show in Berlin (4-8 March), the world's leading travel trade show, attended the official press conference to present Greek tourism (with SETE, Aegean Airlines, the Central Macedonia Prefecture and Marketing Greece) and held B2B meetings with leading Greek and international representatives from the tourism sector. Under the same capacity (strategic partner of SETE), the Bank also attended the World Travel Market (WTM) trade show held in London in November, where a review of the closing season is presented (based on 10 months' worth of data) along with a clear picture of how the next tourism season is expected to evolve based on pre-bookings.

■ Shipping Finance

Eurobank has a steady presence of more than 20 years in the field of shipping finance, working with traditional Greek private, as well as publicly listed shipping companies, and providing loans with conservative terms. Shipping loans are offered to Greek-owned companies with large and medium-sized fleets, mainly for financing new investments either for the purchase of second-hand tonnage, or newbuildings. The financed fleet includes vessels that belong in the main categories (dry bulk, wet cargo, and containers).

Apart from financing, the Group also provides its shipping customers with comprehensive corporate and private wealth management services. Eurobank's main aim is to preserve and further develop the high credit quality of its shipping portfolio, by forging relationships with new shipping groups that meet the Bank's lending criteria.

2015 was yet another tough year for the shipping industry. Nevertheless, the Bank expanded its portfolio and extended new loans (to existing and new clients) of approximately USD 200 million. At the same time, adopting dynamic management practices, it adapted the terms of outstanding loans to the conditions prevailing in the shipping market, applying banking criteria. The above actions led to a substantial improvement of profitability and the preservation of the high quality of the lending portfolio.

The "Shipping Financier of the Year" award for 2015 is a significant recognition of Eurobank's contribution to financing Greek shipping. The award came from the prestigious British shipping journal Lloyd's List as part of the internationally acclaimed annual Lloyd's List Greek Shipping Awards 2015.

The Bank's involvement in Greek shipping finance for the past two decades has assisted in creating a large deposit base, while total shipping loans (including committed facilities) stood at USD 1.3 billion as at 31.12.2015.

■ Investment Banking

In 2015, Investment Banking was focused on the provision of financial advisory services to complete or continue major deals in the fields of mergers, acquisitions, and capital markets.

Specifically, in 2015, the Investment Banking unit acted, among others, as advisor to the Board of Directors of HERACLES GCCo for the takeover bid submitted by the parent company, and also supported the Bank sell 80% of the Eurolife ERB Insurance Group to Fairfax Financial Holdings via a tender process in which international investors participated.

Moreover, in 2015, the Division was actively involved in the Bank's Share Capital Increase which raised €2.039 billion, and provided advisory services in the Nexans Hellas Share Capital Increase resulting in raising capital of €21 million in early 2016.

■ Loan Syndications & Debt Capital Markets

The Loan Syndications & Debt Capital Markets unit is responsible for the arrangement and agency of a wide range of specialized and highly-structured financing deals. The Division acts as Mandated Lead Arranger and Facility Agent in corporate bonds / syndicated loans, convertible bonds, LBO transactions and debt restructurings, being one of the leaders in the Greek Syndicated Loans market during the past five years, and arranging some of the most important and pioneering deals on behalf of the largest companies of the Greek market.

By participating in the arrangement of the majority of syndicated loans / corporate bond deals in Greece during 2015, Eurobank maintained its leading role in the market, a market that featured deal volumes of almost €2.3 billion.

Moreover, it was the leader in various syndicated loans such as the arrangement of a €120 million loan for CORAL and was actively involved in the arrangement of other loans, such as a €288 million loan to the Aluminium of Greece as well as a €164.7 million loan to Lamda Development.

In 2015, it acted as Agent in 15 new syndicated loans, increasing the number of deals under Eurobank management to 78.

In the secondary loan market, Eurobank further enhanced its presence, contributing to the effort of optimising the Group's capital adequacy and liquidity.

■ Leasing

In 2015, the subsidiary Eurobank Ergasias Leasing S.A. increased its share, in an otherwise declining market, by 14.6%, with new loans reaching €50 million. The new loans primarily related to production equipment. The loans were channelled to both existing and new customers with encouraging financial results, dynamism and extrovert production orientation. The company also implemented major restructuring and settlement plans for customers with difficulties servicing their debts. Relationships worth €100 million underwent restructuring, allowing the uninterrupted operations of many productive enterprises. Due to the current economic crisis, the company formed adequate bad debt provisions based on the Asset Quality Review and Stress Test organised by the competent supervisory authorities, and continued to implement international standards for the impairment of the book values of Real Estate assets. It also reorganised internal services and reduced operating costs by capitalising on synergies which arose from the mergers of T Leasing S.A. and T Credit S.A. Those actions resulted in reduction of operating costs by 19%. All the above actions, in conjunction with the high level technical know-how and expertise, have made the company the top choice for clients seeking Leasing Financing.

■ Factoring

2015 was a critical year for Eurobank Factors due to the negative conditions arising from capital controls. Nonetheless, the company responded in a dynamic and efficient manner, offering direct solutions to customers without suffering losses from credit events.

Despite the relevant downturn in operations following the bank holiday and the capital controls, especially those associated with export activities, Eurobank Factors achieved the highest profits in its history, while not undermining the quality of its portfolio and maintaining its leading position in the Greek market.

In cooperation with the Bank's Commercial Banking network and Global Corporate Clients unit, the company continuously invested in expanding its clientele and providing innovative products and services, focusing on Reverse Factoring - Suppliers Financing.

In export factoring, Eurobank Factors remained among the top-positioned companies in the rankings of Factors Chain International, capitalising on its long-standing and successful partnerships, enhancing its reputation as a two-time world-leader in the recent past.

■ Transaction banking

Eurobank's Transaction Banking Sector, offering high-quality services and addressing our clients' transactional banking needs, continues to forge relations of trust with its clients in Greece and remains the local preferred cash management partner for a substantial number of international banks. In 2015, the Bank was named "Best Domestic Cash Manager in Greece" for a fifth consecutive year, by the internationally acclaimed Euromoney magazine, while it was also named "Best Corporate/Institutional Internet Bank 2015 in Greece" for a sixth year and "Best Treasury & Cash Management Bank 2015 in Greece", by the Global Finance magazine.

In an unprecedented and constantly changing economic environment, the growth momentum in the use of electronic transaction settlement channels and innovative services remained strong within 2015. Particular emphasis was placed on supporting customers in the imports sector, which contributed to a further rise in Eurobank's share of the trade services market. Moreover, in line with the Bank's overall strategy to support the export orientated Greek companies, the Bank continued in 2015 to provide pre and post Trade financing to selected clients. The Transaction Banking unit was heavily involved in providing liquidity to our clients through our participation in the "Outward Orientation" programme run by the Export Credit Insurance Organisation, as well as in facilitating imports, mainly of raw materials, through the use of confirmed letters of credit and letters of guarantee, in close cooperation with international banks and the European Investment Bank.

■ Extroversion – Entrepreneurship: Key Strategic Pillars

In 2015, Eurobank continued to invest steadily and consistently in strategic initiatives aimed at enhancing the extroversion of Greek enterprises, in order to support sound entrepreneurship, and upgrade the quality of key business sectors.

Continuing initiatives to support the export sector which is critical for the Greek economy, the Bank hosted the 1st Eurobank Greek Exports Convention in Thessaloniki, which followed on from a similar event hosted in Athens the previous year. The convention, organised in partnership with the Greek International Business Association (SEVE) addressed "Competitiveness – Extroversion. Incentives and disincentives for Greek exports" and took place in April 2015, attracting a large number of business people and institutional organisations.

A multi-faceted study of Greek exports and extroversion prepared by Eurobank's Economic Research Division was presented at the convention, and during its proceedings the challenges that the Greek export sector faces were fully outlined and a series of policy proposals were made to bolster extroversion of the Greek economy.

Moreover, Exportgate.gr, the innovative Internet portal that aims at enhancing the extroversion of Greek enterprises through their interconnection with foreign buyers, and brings 1,500 exporters together with 150,000 importers from more than 25 countries worldwide, was upgraded in 2015, through the further enhancement of the online community and the development of the exporter information and promotion tools, and by enriching the online international trade library with macroeconomic, commercial and statistical data about more than 180 countries. Exportgate.gr, the outcome of collaboration between PSE, SEVE, SEK and SEV, is now one of the largest international Trade Portals, offering comprehensive and effective support to exporters, in all stages of their activity, in cooperation with Eurobank's "Ask the Experts" specialized unit.

TROUBLED ASSETS MANAGEMENT

Since the establishment of Troubled Assets Group General Division in July 2014, the Bank has undertaken several initiatives for the effective management of exposures in arrears and non-performing loans. The Troubled Assets Group ("TAG") with a direct reporting line to the Chief Executive Officer has the overall responsibility for the management of the Group's troubled assets portfolio, from pre-delinquency status to legal workout.

TAG consists of the Retail Remedial General Division, the Corporate Special Handling Sector, the Non-Performing Clients Sector, the Retail Remedial Credit Sector and the TAG Risk Management & Business Policies Sector, also includes Eurobank Financial Services S.A. (FPS), a highly specialized subsidiary of the Bank dedicated and responsible for the management and monitoring of delinquent retail exposures.

In order to ensure the efficient management of the Troubled Assets Portfolio more than 2,500 full-time equivalent employees are involved in NPL management operations across the Bank, of whom over 1,150 are dedicated professionals within the various operating units of TAG.

In 2015, aiming to deliver its strategic goals, the Bank incorporated a comprehensive transformation strategy of its organizational structure for the management of the troubled assets portfolio, not only to comply with the regulatory requirements, but also to conform to the international best practices. In a challenging macroeconomic environment the Bank continued to empower the management of the Troubled Assets Portfolio and to adopt the regulatory requirements of the Bank of Greece Executive Committee's Acts No. 42/30.05.2014 and 47/09.02.2015, which outline the supervisory directives regarding the management of exposures in arrears and non-performing loans.

The Bank utilizes a robust and interactive governance model, through remedial management demarcation of the Business Units of troubled assets portfolio. The main objectives of this model are:

- to facilitate customers with financial difficulties to meet their obligations;
- to reduce overall handling costs of non performing loans;
- to improve the overall profitability of loan portfolios by maintaining low portfolio delinquency rates; and
- to facilitate renegotiations with delinquent customers.

The objective of TAG is by employing best-in-class strategies, technical resources and human capital to significantly contribute to the Bank's return to profitability at the earliest possible, in a socially responsible manner. To this end, the main actions undertaken by TAG in 2015 were the following:

- Gradually shifted its strategy from short term to long-term sustainable restructuring solutions provided through a wide product mix, segmentation criteria and decision trees.
- Deployed new products, policies and other innovative propositions that lead to long-term sustainable restructuring solutions.
- Developed a set of dynamic decision support systems (e.g. Loss Budget Allocation Framework, Net Present Value tools) to enable decision-making, facilitate choice of optimal course of action and, ultimately, reduce uncertainty.
- Ensured a consistent approach for managing troubled assets across all business units.
- Implemented EWS to reduce the rate of new delinquencies and to assess the probability of non-delinquent borrowers from rolling to delinquency.

- Defined targeted risk mitigating actions to ensure portfolio risk reduction.
- Conducted quality assurance exercises via self-assessment to ensure the effectiveness of restructuring solutions.
- Optimal implementation of the latest legal framework including Law 3869 in order to develop a holistic framework of troubled assets that actively copes with the portfolio under L.3869, through a dedicated special handling unit.
- Established Troubled Assets Group Units (TAG Units) in S.E. Europe countries.
- Further reinforced people development through additional training programs and e-learning courses throughout the year.
- Finalized key requirements for the conversion of TAG from a cost center to a P/L unit, with its own balance sheet and profit & loss statement, which will be reported separately in Bank's financial results.

Furthermore, the Troubled Assets Committee ("TAC") provides strategic guidance and monitoring of the troubled assets portfolio of the Bank. TAC, with reporting line to the CEO, determines and monitors the Arrears and Non-Performing Loans Strategy (ANPLs) consistent with the Bank's operational targets and the guidelines provided by the Supervisory Authorities, ensuring the availability of necessary technical resources and personnel. More specifically TAC:

- Determines and monitors the Arrears and Non-Performing Loans policies, the available restructuring and rescheduling types, as well as the monitoring of their effectiveness via appropriate key performance indicators.

- Sets and validates the criteria to assess the sustainability of proposed forbearance and closure solutions.
- Ensures the implementation of the Code of Conduct according to the legislation in force.
- Receives, reviews and evaluates all the internal reports regarding the management of the Arrears and Non-Performing Loans according to BoG requirements.
- Determines the parameters and the responsibilities of the bodies and officers involved in the assessment of viability and sustainability of the proposed modifications and the subsequent monitoring of their implementation.
- Designs, monitors and evaluates pilot modification programs.
- Monitors on a regular basis the effectiveness and the progress of the management of Arrears and Non-Performing Loans (ANPLs).
- Reviews and re-evaluates the strategic guidelines of the management of Arrears and Non-Performing Loans.
- Coordinates and evaluates proposals for the sale of Troubled ANPLs and other assets owned by the Bank (i.e. Real Estate etc.), as well as for potential servicing of third parties in management of troubled assets.
- Supervises and provides guidance to ERB subsidiaries (in Greece and in S.E. Europe) on the management of troubled assets.

WEALTH MANAGEMENT

In a year marked by both adverse conditions and highly volatile global markets, the priorities of the Wealth Management business of Eurobank were to ensure the abundance of options for clients and to provide world-class solutions in relation to their wealth management needs. In particular, the Bank's activities in this area focused on four main targets:

- To further enrich the international options offered to clients, in response to the complex situation that arose in Greece and the macroeconomic developments at a global level.
- To preserve the assets under management by offering clients, among other things, the option of utilising the Private Banking services offered by the Group in Luxembourg, Cyprus, and the United Kingdom.
- To provide clients with comprehensive Wealth Management support (a) through the further promotion of the Discretionary Portfolio Management and Investment Advisory services, and (b) with regular updates on the current financial environment, mainly through presentations by the Bank's specialized executives and international Asset Managers in the context of the Eurobank Private Circle Events.
- To maintain the Bank's leading position in the field of Wealth Management, where both Private Banking and Eurobank Asset Management M.F.M.C. preserved their long-standing leadership in the Greek market.

In 2015, Eurobank's Private Banking was named for the second time "Best Private Bank" in Greece by two international institutions, the prestigious World Finance and Global Finance magazines. Eurobank Asset Management M.F.M.C. remained the No. 1 company in terms of assets under management in Greece (ranking based on the total assets of UCITS and institutional portfolios under management, according to the Hellenic Fund and Asset Management Association's data as at 31.12.2015), with total assets under management and supervision of €5.3 billion. Of these, €3.35 billion were mutual funds under management, €926 million are institutional and private client portfolios under management, €138 million concern advisory asset management, and more than €906 million concern third-party mutual funds, which are distributed through Eurobank's Private Banking in Greece, Cyprus, and Luxembourg, as well as through sub-distributors. The company's leading position is confirmed by the awards received for another year from Citywire Global, the international financial information and manager rating house, and the Morningstar® international rating agency.

■ Mutual Fund Management

Eurobank Asset Management M.F.M.C., a wholly-owned subsidiary of Eurobank, retained its leading position in the fund industry in terms of assets under management in Greece according to the Hellenic Fund and Asset Management Association's data, with total assets under management and supervision of €5.3 billion as at 31.12.2015.

In the field of mutual fund management, the company was ranked first, for the eighth consecutive year, among the Greek asset management companies, based on the net assets of its mutual funds under management, with a market share of 45.9%. Specifically, the net assets of mutual funds under management rose by 56% in 2015 and stood at €3.35 billion at the end of the year, mainly due to inflows to the money market mutual funds in the first half of the year.

In a year marked by high volatility in markets globally, and by adverse conditions in Greece in the second half of the year following the imposition of the capital controls, the returns achieved by the investment managers' team of Eurobank Asset Management M.F.M.C. were unavoidably affected, however they managed to bring the company to the top of the market, especially in the Fund of Funds category.

More specifically, the Eurobank I (LF) Fund of Funds Balanced Blend US, with a return of 10.06%, was ranked first in the balanced Fund of Funds category, the Eurobank I (LF) Fund of Funds Dynamic Fixed Income, with a return of 5.78%, was ranked first in the bond Fund of Funds category, and the Eurobank I (LF) Fund of Funds – Equity Blend, with a return of 11.17%, was ranked second in the equity Fund of Funds category.

It is worth noting that the Eurobank I (LF) Greek Government Bond Fund, with a return of 21.84%, was ranked second among 269 mutual funds in the Greek market and was also ranked second in the Greek bond mutual funds category. The Interamerican Dollar (USD) Bond Fund was ranked first in the government bond funds-developed countries category with a return of 10.97%. Moreover, the Eurobank Dollar Plus Money Market was ranked first in the money market mutual funds category with a return of 11.79% in euro terms. Finally, the Eurobank NTT Global Bond Fund was among the top-five in the bond funds global category, with a return of 6.51%.

The skills of the investment managers of Eurobank Asset Management M.F.M.C. were also recognised as competitive at a global level in 2015. Citywire Global, the international financial information and manager rating house, awarded the A rating to three of the four bond mutual fund managers and an honorary distinction (+) to the head of the Fund of Funds. Moreover, in 2015, Citywire Global also maintained the highest distinction (Platinum) in the Bonds-Eurozone and Equity-Eurozone categories for Eurobank Asset Management M.F.M.C.

Furthermore, Morningstar®, the international rating agency, gave a five-star -the highest- rating to the Interamerican Money Market fund. Three out of the 66 mutual funds managed by Eurobank Asset Management M.F.M.C. and distributed in Greece, Bulgaria, Romania, and Luxembourg, were ranked with four stars.

These distinctions, together with the distribution agreements signed by Eurobank Asset Management M.F.M.C. with international distribution platforms, boosted the brand awareness of the company and the mutual funds it manages abroad. The company's participation in foreign conferences, along with various articles published in specialized international magazines, also contributed to this objective.

■ Institutional Asset Management

Eurobank Asset Management M.F.M.C. also specialises in the field of institutional asset management and has been consistently involved in the tenders for the appointment of external managers for institutional investor funds, in Greece and abroad, over the years.

In 2015, Eurobank Asset Management M.F.M.C. expanded its footprint in the management of occupational pension funds' and insurance companies' portfolios, adding two new clients to its extensive list of institutional investors with which it has management agreements. Two new insurance clients were also added in the list of institutional clients to which the company provides investment advisory services. As a result, the total funds under management exceeded €500 million, with a total number of 29 portfolios.

An impressive growth of 51% was also recorded by the assets and number of portfolios managed by Eurobank Asset Management M.F.M.C. on behalf of Private Banking clients in Greece, Cyprus and Luxembourg, with total assets of €400 million.

In all three countries the company is also offering Fund Selection Services for the analysis, evaluation, classification and active selection of third-party mutual funds, which are distributed to private and institutional clients through Eurobank Private Banking, with total funds under distribution of approximately €1 billion at the end of 2015.

■ Private Banking

2015 was yet another year full of challenges for Private Banking. The year started with a continuing deterioration in the domestic investment climate, which had already become visible from 2014. Political and economic conditions coupled with the imposition of capital controls in June made for a very complicated picture.

Despite the reduction in funds under management, the unit's return remained unchanged compared to the previous period, and the gradual relaxation of capital management restrictions allowed a more active management of the clients portfolios.

Private Banking consistently seeks to provide clients with a wide range of choices that guarantees world-class wealth management and matches the financial conditions prevailing at each given time. This was the background of the initiatives taken by the Bank during 2015, which included:

- Ongoing development of the Open Architecture strategy, which provides clients with access to third party funds.
- Further promotion of the Discretionary Portfolio Management service, which is offered through Eurobank Asset Management M.F.M.C., and enables clients to enjoy professional portfolio management by a leading Greek company. Ten percent of funds under management are now placed in this service, whose importance was clearly demonstrated over the summer after capital controls were imposed.

- Promotion of the option of using the Private Banking services offered by the Group's subsidiary banks in Luxembourg and Cyprus, with the aim of retaining and increasing client funds.
- Extension of Advisory Services to areas such as Family Office Structuring for families with significant net worth, who want to put management of their assets on a firmer footing.
- Provision of clients with continual, systematic and timely updates on current developments in the financial environment. In this context, numerous presentations by product specialists and events attended by international Asset Managers were arranged under the auspices of the "Eurobank Private Circle Events".
- Improvement of customer experience during visits to the Private Banking Centres, by taking steps to upgrade reception and service areas (by installing screens showing the Bloomberg satellite channel, etc.).

The Bank's strong commitment to the provision of top-quality services to its clients, culminated in the continuous distinctions bestowed to its Private Banking operations. In 2015, the Bank received the "Best Private Bank" in Greece award for the 2nd year by two acclaimed international institutions, the Global Finance and World Finance magazines, thus winning a total of 12 distinctions in 10 years.

INTERNATIONAL CAPITAL MARKETS & TREASURY

Global Markets Trading Sector

In 2015, Eurobank was ranked fourth among 22 primary dealers in the primary and secondary markets for Greek government bonds. The Group is engaged in interest rate derivatives, bond derivatives, and bond trading through the EuroMTS. The Group was actively engaged in corporate bonds in Western Europe, as well as government bonds in the local markets of South Eastern Europe.

In regards to investment and trading activities, the Group applies strict limits, which are daily monitored by the Risk Management Division. Trading limits include:

- Counterparty risk limit, according to the credit rating.
- Country limits.
- Concentration limits.
- Monitoring of Value-at-Risk (VaR).

The trading control system supports monitoring and management of Eurobank's positions in a precise and efficient manner.

Treasury

2015 was a particularly difficult year, full of challenges. Over the entire year, and especially in the second and third quarter as the Greek crisis culminated and capital controls were imposed, liquidity management was Eurobank's top priority. Treasury successfully managed the Bank's liquidity, the communication with supervisory authorities and coordination with all other Bank divisions. Ongoing communication with counterparty banks (especially abroad) was particularly important, resulting in the preservation to the maximum degree possible of essential access to markets to manage the Bank's position in all currencies.

Moreover, throughout the year, Treasury, in pursuit of its strategic objectives of reducing Eurosystem financing reliance, diversifying its funding sources and managing funding cost, undertook several initiatives which resulted in:

- The optimal use of eligible assets, to maximise liquidity and secure a surplus for contingency liquidity buffer.
- The reduction of deposit costs, in collaboration with other units of the Bank.
- The performance of medium-term transactions with international financial institutions to secure financing for the Bank in all currencies.
- The relaunch of repos transactions with international financial institutions capitalising on the gradual return to normal market conditions in the final quarter of 2015, to meet liquidity needs and reduce reliance on the Eurosystem.

Treasury played a vital role in securing uninterrupted liquidity for the Bank, coupled with a major drop in cost.

Sales and Structuring

Despite unparalleled economic conditions and the imposition of capital controls in June 2015, Sales & Structuring sector provided for yet another year reliable, high-quality information and targeted solutions/services to private, corporate and institutional clients.

The experienced personnel provided timely support in regards to regulatory and statutory changes (capital controls), resulting in the quick return to "normality" and profitability. Steps were also taken to provide information to smaller businesses about FX hedging products. Continuing improvement of customer deposit cost remained the upmost priority throughout the year. Sales division played a definite role in the successful completion of the Bank's LME in November 2015.

The Structuring Sector for yet another year ensured the Bank's leading position in FX and interest rate solutions for corporate and institutional clients.

Global Markets International - Subsidiaries

The Global Markets & Treasury Division offers a holistic and standardised approach for the countries of South Eastern Europe, based on a central management and supervision model run from Greece. The strategic objective of the Eurobank group is to preserve and develop, through the experienced staff of local Treasury units, its important regional footprint in the fields of liquidity management, foreign exchange, interest rates, fixed income, and derivatives trading, as well as the sales of financial and investment products in the local markets.

In 2015 the Group managed to:

- Significantly increase liquidity position of subsidiaries and ensure efficient and optimum allocation within the Group.
- Increase interbank limits and the number of international counterparties, which are trading directly with the Group's subsidiaries, despite the adverse international environment and the imposition of capital controls.
- Ensure uninterrupted operation for all local Treasury units during the bank holiday and initial period of capital controls in Greece.
- Substantially decrease the cost of deposits, along with an overall increase in deposits volumes regionally.
- Downsize bond portfolio and mitigate the respective risks assumed, while at the same time maintain a leading role in the primary and secondary market dealership for local government bonds, the provision of liquidity to local and international counterparties (in the securities and currency markets), as well as the provision of services to a diverse client base (private, corporate, and institutional investors).

EQUITIES BROKERAGE

Eurobank Equities, a Eurobank subsidiary, maintained its leading position in the investment services market for yet another year in 2015. Licensed to provide a comprehensive range of investment services for all types of investment products, the company once again operated in the Athens Exchange and leading international stock exchanges and derivatives exchanges worldwide. For the 7th consecutive year Eurobank Equities ranked first among its peers, with a market share of 17% in the Athens Stock Exchange. During 2015, Eurobank Equities along with its parent Eurobank Ergasias S.A. have settled the majority of AthexClear transactions (Athens Exchange Clearing House S.A.), i.e. 37.8% of all market transactions amounting to around €14.5 billion.

The company's key activities are:

- Providing investment services to Greek and international institutional clients, private clients as well as listed or unlisted corporate clients.
- Market-making.
- Proprietary trading.

As a market maker the company provides liquidity in 25 securities and 33 derivative products, listed in the Athens Exchange. In this context, in the fourth quarter of 2015 Hellenic Exchanges S.A. awarded the company with a top rating as an Equities Market Maker, based on the criteria of time, spread, and volume provided on the equities market.

Eurobank Equities was actively involved in the "4th Greek Investment Forum" held in New York, and the "10th Annual Greek Roadshow" held in London, under the auspices of the Athens Exchange to attract foreign investments.

Eurobank Equities' leading position was once again acclaimed with the honourable awards it was attributed by the EXTEL survey for 2015. This well respected international survey involves some of the world's largest and most important international institutional investors.

The Firm received the following Pan European Awards:

- Leading Brokerage Firm for Greece for the 2nd consecutive year.
- Best Country Research for the Greek market for the 3rd consecutive year.
- Best Country Research Individual Analyst for the Greek market for the 4th consecutive year.
- Second place in Equity Sales for the Institutional Investors Division.

It is also worth noting that Eurobank Equities played an important role in the Bank's recapitalisation, acting as Joint Bookrunner with regards to the institutional investors' book, alongside Nomura, Barclays, BNP Paribas and AXIA.

INSURANCE OPERATIONS

2015 was a year of major developments for the Eurolife ERB Insurance Group, laying the foundations for it to continue its steady growth and become an even more reliable partner for its clients, assisting them in all their activities, family or business-related.

In December Fairfax Financial Holdings Limited signed an agreement with which it will acquire 80% of the shares as well as management control of the Eurolife ERB Insurance Group, subject to closing conditions and regulatory approvals. Eurobank retains 20% of the shares and will continue the exclusive bancassurance cooperation with our companies for many years to come.

At the same time, in 2015, the Eurolife ERB Insurance Group further enhanced its high capital adequacy. In particular, the group companies, Eurolife ERB Insurance S.A. and Eurolife ERB General Insurance S.A., fulfilled their statutory obligations in regard to the technical reserves and the solvency margin as per 31.12.2015. As a result own funds under the SOLVENCY I framework dated 31.12.2015 oversubscribed the Required Solvency Margin by 573% for Life Insurance and by 424% for General Insurance. Moreover, the insurance companies of the Group also cover their solvency requirements in line with the SOLVENCY II framework, which is effective as of January 1st 2016 by 176% for Life Insurance and by 152% for General Insurance.

Despite the continuing recession in Greece, the Eurolife ERB Insurance Group (Eurolife ERB Life Insurance S.A. and Eurolife ERB General Insurance S.A.) held 13.2% of the Life Insurance market and 3.2% of the General Insurance market, occupying 4th place and capturing 8.1% of the total market (based on the annual premium data published by the Hellenic Association of Insurance Companies).

ERB Insurance Services S.A., a subsidiary of the Group, operating since 1992 as a broker in mediating insurance operations, specializing in business insurance, sustained its momentum with an increase in under management, presenting pre-tax profits of €1.1 million.

In Romania, the subsidiaries in Life Insurances, Eurolife ERB Asigurari de Viata and Damage Insurances, Eurolife ERB Asigurari Generale increased their penetration in Bancpost's customer base, through savings and investment solutions, recording pre-tax profits of €1.4 million.

At Group level, in 2015 Eurolife ERB reported pre-tax profits of €68 million, reduced by 5% compared to the previous year, mainly as a result of the one-off tax reforms made in 2014. Total premium production stood at almost €308 million, reduced by 22.6% compared to 2014, which reflects the negative impact of the financial conditions that prevailed in the Greek market in 2015.

OTHER ACTIVITIES

■ Securities Services

In 2015, the Group focused on the provision of the fullest possible range of post-trade services to institutional investors in Greece and in the countries of South Eastern Europe where it operates. In this context, the Group successfully responded to a series of regulatory changes, managing, at the same time, to innovate, in response to the institutional investors' ever-changing needs. The guarantees of this success were its highly specialized personnel, long-term relationships of customer support, as well as the prestige resulting from its long-standing constructive and direct cooperation with Regulators and Institutional Counterparties.

Once again, the quality of the Group's post-trade services was internationally recognised. In the Greek market, the Eurobank group was awarded, for an 11th consecutive year, "Top Rated Custodian for Institutional Investors" recording the best performance in the Greek market in 2015. Similar distinctions were achieved in the countries of South Eastern Europe, where, for a 6th consecutive year, Bancpost and Postbank were awarded "Top Rated Custodians for Institutional Investors" by the Global Custodian magazine, with the best performance in the Romanian market and 2nd best performance in the Bulgarian market in 2015. In the same survey, Eurobank Cyprus was awarded "Top Rated Custodian for Institutional Investors" in Cyprus, for a 7th year in a row, with the best performance in the Cypriot market in 2015.

■ Real Estate

Eurobank Property Services S.A., a wholly owned subsidiary of the Bank, is the Group's specialized real estate arm. The company offers real estate services, operating in line with modern standards. Its executives and staff possess considerable experience in the field of real estate, holding TEGoVA (European Group of Valuers' Associations) and RICS (Royal Institution of Chartered Surveyors) certifications, while the company is ISO 9001:2008 and 14001 certified.

Within the framework of its service lines, the Company offers the following services:

- Property valuations for both the Bank and third party clients.
- Advisory and Market Research services related to property exploitation and management.
- Real Estate Brokerage services, promoting all types of properties such as residential, commercial and investment properties.
- Technical and Facility Management, as well as integrated Energy Efficiency Upgrade services.

■ Public Sector Banking

Having recognised the importance of bodies such as local government, hospitals, schools and professional associations, in 2015 the Bank set up a specialist Public Sector Banking Division. The new division's role is to mark out overall strategy to foster ties with such agencies and develop comprehensive proposals that meet their specific, complex banking needs, across their entire range of economic activities, including, among others: deposit solutions to optimise cash management, comprehensive transactional solutions that automate and simplify cash flow / receipts / payment management, specialized e-services such as the e-Auctions platform, payroll services and financing solutions, including co-financed and European programmes and public private partnerships.

■ E-Auctions and E-Invoicing Services

The year 2015 was the 14th year of the Business Exchanges S.A. subsidiary's activity in the field of inter-company transactions: e-Auction, e-Procurement, and e-Invoicing.

During the year, the company successfully conducted 392 e-Auctions, both for the Eurobank group and private sector companies, as well as for Government entities. Moreover, 1,098 requests for quotation (RFQs) were made through the e-Auction service.

In e-Procurement, and as far as the Eurobank group is concerned, transaction volume rose to €47.1 million in 2015 from €33.1 million in 2014, increased by 42.05%.

Finally, in the field of e-Invoicing services, the turnover of services related to the electronic filing and management of invoices grew by 16.9% year-on-year.

INTERNATIONAL PRESENCE

Eurobank group has established a presence in Eurozone-member states (Cyprus, Luxembourg), EU-member states (Romania, Bulgaria and the UK), accession states (Serbia), as well as in Ukraine.

On 31.12.2015, the Group's foreign subsidiaries (excluding the operations of the Ukrainian subsidiary, which are classified as held for sale) had total loans and advances of €7.6 billion, deposits amounting to €9.3 billion and a network of 372 branches and 30 business centers. The Eurobank group is committed to the countries in which it operates, the main pillar of its strategy being the support of the real economy, with a focus on sectors that have a multiplier effect on the growth of the local communities.

International operations returned to profitability recording a net profit after tax of €67 million compared to losses in previous years. Pre-provision income from international operations stood at €256 million in 2015, as compared to

€253 million in 2014 (a year-on-year increase of 1.2 %), while operating expenses were reduced by 6% year-on-year. As a result, the cost to income ratio was improved, to 50% in 2015, as compared to 52% in 2014.

The Group maintains long-standing partnerships with international organizations, such as the European Bank for Reconstruction and Development (EBRD), the International Finance Corporation (IFC) and the European Investment Bank (EIB), in order to channel, through its subsidiary banks in Romania, Bulgaria, Serbia and Cyprus, credit facilities aimed at supporting small and medium-sized enterprises. The existing partnerships, as well as any additional specialized trade-finance facilities with these organizations, constitute a strategic decision of the Group, aimed at better exploiting any opportunities presented worldwide for supporting the region's economies and businesses.

■ Romania

Bancpost continued to actively support trade related enterprises in Romania, which constitute a key pillar of its strategy to boost the local economy. Total foreign trade volumes through the bank exceeded €2.5 billion in 2015. This development was based on the intensive usage of the trade finance facilities provided by international financial institutions, as financing through IFC and EBRD programs increased by 53% in 2015, as compared to 2014.

During the 7th Annual Global Trade Partners Meeting of IFC (International Finance Corporation) held in Milan, Bancpost was distinguished with "The Best IFC Partner in Southern Europe for Global Trade Financing" award.

In Retail Banking, in 2015 special emphasis was placed on improving sales effectiveness. Bancpost together with ERB Retail Services invested on new on-line lending application systems aiming to deliver a seamless Omni channel experience. Bancpost maintains leading market positions in household lending, point-of-sale financing, deposits and payroll services.

In the field of credit cards, Bancpost has a 15% share in Romanian total active credit card market, by offering products guaranteed by the three industry leaders: American Express, VISA, and MasterCard. The cooperation with Wizz Air is enforcing the expertise that Bancpost holds in the credit card business.

Bancpost also supported its retail customers to get through this challenging economic phase, while continuing to offer products designed to cover its customers' insurance needs, through the EuroLife ERB Insurance's subsidiary.

A first new concept agency has been opened in Baneasa Mall in April 2015 to join the already existing 147 branches of its network.

As far as the bank's financial performance is concerned, at the end of 2015 total loans (before provisions) stood at €2.3 billion, while total deposits amounted to €1.8 billion. Operating expenses were reduced by 9.7% year-on-year. The capital adequacy ratio of Bancpost stood at 20.51%, much higher than the 10% limit set by the country's Central Bank.

■ Bulgaria

In 2015, Bulgaria's economy expanded by 3% year-on-year, as compared to 1.6% in 2014. Economic activity in the country was driven by exports and investments. The banking system remained stable and profitable, while customer confidence remained high. The system's liquidity and capital adequacy were very satisfactory.

Postbank has been among the leaders on the banking market in Bulgaria for 25 years. The bank has been a leading factor in innovation and trend setting in the banking sector in the country in the past years and has been awarded many times for its innovations.

Postbank's liquidity ratio stood at 31.75% and capital adequacy ratio at 24.74%, well above the market average. The return on equity stood at 10%.

During the year, Postbank held a strategic position in Retail and Corporate Banking in Bulgaria. It was once again one of the leaders in the market of credit and debit cards, mortgage and consumer lending, saving products and products for corporate clients – from small firms to large international companies, operating in the country. The bank has built one of the best-developed branch networks and modern alternative service channels.

In 2015, the bank went beyond the conventional market of banking products, by

establishing a new client-centred banking model. The bank has invested in an innovative branch network and 20 new specialized customer service centers in the fields of mortgage lending, personal banking and small business lending were opened by the end of 2015.

On July 17th 2015 Postbank and Alpha Bank reached a preliminary agreement for the acquisition of the banking operations of Alpha Bank in Bulgaria by Postbank. In November 2015 the two banks concluded a definitive agreement regarding the acquisition, which was concluded on March 1st 2016. Following the merger of Alpha Bank's banking operations in Bulgaria, the new institution, under the Postbank brand name, is one of the country's leading banks, as it has become the fourth biggest bank in Bulgaria in terms of loans and deposits, with over BGN 6.3 billion assets, a broad branch network across the country and a considerable client base. The operational merger, the integration of the branch network and all resulting changes will be finalized till end of May 2016. Till then, the operating systems, products and services of Alpha Bank Bulgaria, including internet banking platforms, will be unified with those of Postbank.

In June 2015, the Bulgarian Credit Rating Agency (BCRA) reaffirmed Postbank's long-term financial rating at BB+ and its short-term rating at B with a stable outlook. This is the Bank's fifth credit evaluation by BCRA.

In 2015, the bank granted new corporate loans totaling almost BGN 500 million to companies in all economic sectors, and has set even more ambitious development plans for 2016. The European Bank for Reconstruction and Development (EBRD) gave Postbank the "Most Active Issuing Bank in Bulgaria" award for commercial financing for a second consecutive year.

In August, the financial institution granted a total of BGN 30 million loans to small and medium-sized enterprises in Bulgaria in line with the partnership agreement under the new programme of the Bulgarian Development Bank for indirect

financing of Bulgarian business, called "Forward" (Napred). Under the new credit line, Postbank financed companies willing to develop, open new jobs and contribute to Bulgaria's economic progress. The loans were designed for operating and investment purposes, project financing of technological renovation and for improvement of the small business competitiveness and potential.

Throughout the year, Postbank organized a number of specialized conferences under the slogan "Postbank Meets the Business" in support of the business in the country (Vratsa, Montana, Yambol, Haskovo, Pazardzhik, Varna, Burgas, Silistra, Targovishte, Plovdiv, Kardzhali, Kazanlak, Blagoevgrad and Dupnitsa). The meetings' objective was Postbank's experts to present strategic solutions in support of the business and entrepreneurs in the respective regions. In 2015, the financial institution launched its latest initiative "Open Doors for the Business" that included consultations for small and medium-sized enterprises and funding with favorable conditions, in various cities in Bulgaria (Varna, Burgas, Sofia, Silistra, Targovishte and many others).

In 2015, Postbank continued to invest in providing innovative solutions and some of the highlights were the consumer lending offers to the bank's customers. In the course of the year, the bank developed and presented its new smartphone application "MyCard", which was specially developed for Postbank's credit card holders. The modern and interactive application is unique on the market. Using a Google-based map, it shows the shortest route to any branch or ATM of the bank in the country. The app also contains detailed information about any of Postbank's partners in the MyRewards loyalty programme, including available discounts and the outlets' contacts.

The bank is well developing mutual funds distributions, as well, and tripled its sales volume in 2015. The financial institution has considerable achievements in investment banking and received many prestigious international awards for its custody services. For the fifth consecutive year, in

April, Postbank was named number one custodian bank on the local market by the Global Custodian Magazine and won first place for custody services in Bulgaria in the chart of the Global Investor Magazine.

Also, in April, Postbank received a very valued recognition by the Bulgarian business sector, first place in the Innovations category of the annual awards for successful business of the Confederation of Employers and Industrialists in Bulgaria. The prestigious award was bestowed to the financial institution for its innovative approach to banking, for the development of products, new for the Bulgarian market, and the set up of modern service channels and web-based services.

In September, Postbank was the only financial institution representing Bulgaria, which reached the finals of the 9th edition of the international competition for best business practices and high achievements, the "European Business Awards".

Finally, investments in sustainable development are an essential element in Postbank's operations. In 2015, the bank was highly active in corporate social responsibility and implemented a number of socially significant projects in the fields of education, environment protection, sport and corporate donations.

■ Serbia

In 2015, the Serbian economy's output rose by approximately 0.7%, mainly as a result of higher investments inflow in the second half of the year and a less than expected drop in personal spending. Most of the macroeconomic high frequency indicators show clearly that the country has come out of recession and should remain on the upside path in both 2016 and 2017, with projected growth rates of 1.8% and 2.5%, respectively.

Inflation remained low throughout the year, ending at 1.5%, a full percentage point below the targeted corridor set by the National Bank of Serbia. Low commodity prices along with subdued local demand drove the Consumer Price Index (CPI)

to these levels and the trend is expected to last at least until mid-year 2016. The NBS embarked on a quite aggressive monetary easing cycle, ending year 2015 with the Key Policy Rate of 4.5%, a full 350bps lowering in the year. The reduction expectedly spurred interest rate declines across the sector and resulted in cheaper borrowing for both the state and businesses alike.

The fiscal consolidation efforts showed solid initial results, with the consolidated budget deficit dropping from 6.7% to 3.7%, mostly as a consequence of pension and public sector wage cuts. The fiscal adjustments made are part of the three year precautionary stand-by arrangement with the IMF which, in turn, confirmed the good standing and performance of the administration's measures by completing three full reviews throughout the year. Lending activity began rising in the second half of the year; the loan book of the banking sector rose 1.8% by year end, with household loans showing the highest pace of growth.

As at 31.12.2015, Eurobank's network in Serbia comprised of 80 retail branches and 6 business centers, while the Bank's total assets stood at €1.3 billion. Despite the evidently challenging economic situation, Eurobank Serbia returned a pre-provision operating profit of €38 million. However, due to a sizeable one-off loss related to new regulations introduced by the Central Bank and affecting mortgage loans in foreign currency coupled with a further strengthening of the balance sheet to address the results of the comprehensive Asset Quality Review carried out by NBS, the net loss for the year amounted to €2 million.

Retail Banking remained the driving force behind the bank's performance. In the consumer sector, Eurobank Serbia is considered to be one of the market front-runners, with innovative solutions and recognizable marketing campaigns, such as "Take 100 - pay back 110" or "300,000 for 3 years regardless of the salary". Similarly, in the mortgage sector, the bank has maintained a very strong presence, while adhering to the NBS stringent

regulation all along. The card business was also on the rise, with the successful cooperation with Manchester United FC entering the second year followed with very solid sales of co-branded cards. As customer needs are changing in recent years, leading to a growing number of banking transactions online and through mobile channels, Eurobank Serbia is fully committed to the further virtualization of its service, as part of its medium term strategy.

In Corporate Banking, Eurobank Serbia focused on preserving a healthy relationship with existing clients and extending its operations to a number of new clients, mainly in the sector of small and medium-sized enterprises. The pre-approval campaign in the SME segment brought a significant number of first time clients. Also, the Bank took part in the most prominent deals that took place in Serbia in 2015, including syndicate deals by large corporations.

In addition, Eurobank Serbia was recognized as "The Best Bank in the area of Trade Financing" by the renowned US financial publication "Global Finance".

■ Cyprus

In 2015, Eurobank Cyprus delivered positive results strengthening further its position in the Cyprus banking sector. The bank's strength and robust financial position is demonstrated by its financial performance. As at 31.12.2015 net profit after tax stood at €39.1 million, total deposits at €3.3 billion, loans to deposits ratio (excluding cash collateral loans) stood at 30%, Capital Adequacy Ratio (CAD) at 30.56%, and non-performing loans ratio, based on the new regulations by the European Banking Authority (EBA), stood at 6.8%.

The profitable course of Eurobank Cyprus over the eight years of its operations, confirms the prudent and conservative approach adopted by the bank to deal with the significant challenges of the global macroeconomic environment. Eurobank Cyprus has managed to maintain its financial robustness and continue its profitable path,

strengthening at the same time its leading position in the areas of International Business Banking, Wealth Management, Corporate and Commercial Banking and Capital Markets.

Eurobank Cyprus was also recognized for the fifth time, by the independent Euromoney magazine, as "Best Private Bank in Cyprus" for 2015. The award constitutes a reaffirmation of the superior quality of service provided by Eurobank Cyprus to its Wealth Management clients, the professionalism and technical knowledge of its high caliber personnel and the high level of operational excellence.

■ Luxembourg

Eurobank Private Bank Luxembourg S.A. is an autonomous and operationally independent bank incorporated in 1986 under Luxembourg law. Through thirty years of experience and a focused business model, the bank offers a comprehensive range of products and customized services in Private Banking, Wealth Management and Investment Fund Services, as well as selected corporate banking services. On the 1st June 2015, the bank undertook a strategic expansion in the United Kingdom through the acquisition of Eurobank Ergasias's Branch in London. The London acquisition allowed the bank to (i) deploy profitably part of its excess capital and liquidity, (ii) expand its geographic footprint to a global financial center and top real estate market, and (iii) grow the reach of its Private Banking and Wealth Management platform to London based clients and non-UK clients interested in London.

Throughout 2015 the bank's capital adequacy and liquidity remained very high with a Basel III solvency ratio of 43.4%, liquidity buffers of €1.1 billion, and a loans-to-deposits ratio (excluding cash secured loans) of 35.1% as of year-end. As in previous years, the bank maintained its conservative risk approach, with zero sovereign and minimal interbank exposures (€15.6 million as of 31st December 2015) towards the European periphery. Furthermore, Luxembourg's AAA rating

and well-functioning institutions complemented to the robustness of the bank.

In 2015 the bank had another strong year with increases of 23% in the number of clients and 31% in total funds under management, and a healthy top line growth, especially in fees and commission revenue. In Private Banking, the bank's exclusive service combined with its strong Investment Advisory and Wealth Structuring teams addressed increasingly complex needs of existing and new clients. Portfolio and property lending was also strong, especially with the addition of London's real estate financing through the London Branch in the second half of the year. Furthermore, Investment Fund Services and Custody activity increased as a result of higher demand by the Group and third party Institutional and Family Office clients. Finally, in Corporate Banking, the bank realized higher volumes in cash management and corporate transactions banking/payment services for Corporate and Shipping clients.

Overall, the dedication and broad expertise of personnel, as well as the high quality and innovation of products and services will remain the driving force for the bank's continued growth and excellence, as it enters its fourth decade of operation in 2016. Furthermore, Luxembourg's status as Eurozone's premier financial hub and a global center of excellence for Wealth Management and Investment Funds, combined with London's global reach, will continue to be key points of attraction for the bank's clients.

■ Ukraine

Ukraine in 2015 was subject to significant restructurings and transformation and, at the same time, had to face challenges in the eastern part of the country. The country survived several political crises while the economy was in deep recession, resulting in significant devaluation of local currency and weak consumption. Despite the adverse factors, the country managed to significantly improve its macros as of the year end, gaining state budget surplus in January 2016 and having upgraded long-term foreign currency rating by Fitch.

Despite the adverse market condition during 2015, Universal Bank maintained a satisfactory liquidity position, exceeding regulatory limits and with cost-efficiency efforts managed to further reduce its operating expenses by 31%. Conservative risk management policy supported by a share capital increase of €77 million ensured the level of loan loss provisions fully covers credit risks. Recoveries from written-off loans grew by 39% in 2015.

In 2015, Universal Bank increased its focus on transactional banking, fees and commission income. By keeping a customer-centric approach, demonstrating transparency, consistency and sound balance in all of its activities in the market, Universal Bank maintained its reputation among all the stakeholders, including the authorities, regulators, media and clientele. This performance constantly confirms the highest bank's deposit rating at the level "5" as well as long-term rating at the level "uaAA" with a stable outlook (which is one of the highest long-term credit ratings in Ukraine).

Moreover, the bank significantly grew in its broad recognition and led the line of most reputable and trustworthy banks of the country by entering TOP-5 ranking of reliability among largest and large banks in overall 2015, outpacing other bigger European players.

MOMENTS 2015



Exhibition of the finalists of the 3rd "Greece Innovates!" Applied Research and Innovation Competition, held in Thessaloniki



Eurobank successfully completed the "Great Moment for Education" programme for the 13th consecutive year



"Loyalty 2015" event during which 219 Group employees were awarded for their tenure and performance



Eurobank's CEO, Mr. Fokion Karavias, addressing the 1st Eurobank Greek Exports Convention in Thessaloniki



Eurobank's team, comprised of 350 employees and members of their families, participated in the "Greece Race for the Cure - 2015" to raise money for breast cancer



In December 2015, Eurobank organised a Christmas Love Bazaar to support 20 non-profit organisations



Mr. Nikolaos Karamouzis, Chairman of Eurobank's Board of Directors and Mr. Fokion Karavias, Chief Executive Officer of Eurobank, hosted a "Christmas Love Dinner" attended by Hieronymos II, the Archbishop of Athens and All Greece, to further support the "Apostoli supports the Pupils" programme



Teams participating in the 3rd cycle of the innovative youth entrepreneurship programme egg - enter • grow • go



In April 2015 the permanent exhibition of TT Hellenic Postbank historical documents was officially opened



As part of the World Savings Day celebrations, a series of school guided tours at the permanent exhibition of TT Hellenic Postbank historical documents were organised



Eurobank honoured the U-18 Men's National Basketball Team for winning the gold medal at the 2015 European Championship



Eurobank won 3 Gold Awards for energy management and savings at the Energy Mastering Awards in December 2015

CORPORATE RESPONSIBILITY

Great Moment for Education

13 years, **14,850** students and counting...

egg-enter•go•grow

63 ideas were turned into modern businesses

“Greece Innovates!” Competition

3 Competitions, **747** applications

Apostoli Supports the Pupils

more than **30,000** parcels of love

Support of **30** non-profit organisations

77.05% of employees participated in training programmes

Proud Sponsor of the

Hellenic Basketball Federation for **15** years

1 1.3% reduction of energy consumption

compared to 2014

Corporate Responsibility is a key driver of the Eurobank group's strategic planning, governing its entire range of operations and actions, since its very inception. In these current difficult times, the Group responds to society's needs, actively helping improve the economic and social environment in which it operates, by adopting responsible practices that promote transparency and ethical business.

An integral part of the Group's corporate responsibility is forging strong relationships based on trust, partnership and mutual benefit with all stakeholders, directly or indirectly affected by its operations. In this context, the Group promotes two-way communication and engages in ongoing dialogue with them to provide a practical response to the expectations, concerns and issues of all stakeholders: Shareholders, Employees, Customers, Regulatory and Supervisory Authorities, the Media, State Organisations and other Agencies.

Top priority and competitive advantage for the Eurobank group is our people. Having recognised the definitive importance of employees for the Group's operations, development and success, the Group has adopted a comprehensive career development framework aimed at providing ongoing, systematic improvements of their performance and development at all levels, while focusing on recognition and reward. The Group has also put in place policies that ensure equal opportunities and respect diversity, and also ensures that proper labour relations are built through ongoing communication and safeguards the health, quality and safety of the working environment.

At Eurobank, Corporate Responsibility is developed with programmes and initiatives aimed at supporting Social Solidarity, Education, Culture and Sports, as well as actions that contribute to Sustainable Development and the protection of the Environment.

The Group places particular emphasis on fostering social cohesion, especially for socially vulnerable groups, and supports organisations, agencies and institutions with proven and effective action in the field of social solidarity. Having recognised the important role of education as a key pillar of society, the Group also focuses on programmes and initiatives that promote learning and noble competition. In addition, the Group supports major cultural events and activities, and consistently supports and contributes to the dissemination of sport.

Firmly committed to youth innovative entrepreneurship, the Group implements a series of programmes aimed to support youth creativity and young people's efforts to transform their ideas into successful businesses. It also undertakes initiatives to encourage research, innovation and extroversion.

The Group attaches primary importance to the principles of Sustainable Development, having implemented systems and policies for responsible environmental management and "green" procurement, which highlight its concern for the environment and its responsible environmental stance.

Finally, in order to constantly improve the services it offers, while respecting and acting responsibly towards the environment, society, employees and all stakeholders, the Group continues to implement certified in accordance with International Standards Environmental, Energy, Quality, Health & Safety at Work, IT Service, Societal Security - Business Continuity and Information Safety Management Systems.

PRIORITY TO OUR PEOPLE

2015 was a particularly difficult year for the Greek banking sector. Eurobank's employees at all positions, and especially those working in the front line, had to deal with unprecedented situations in everyday customer service. Their efforts to stand by the customers in a sensitive, caring manner were successful, making us feel especially proud of the Group's personnel, its most valuable asset and strongest competitive advantage.

The Bank's progress and achievements in 2015 were based on our employees' commitment to shareholders, customers and society.

The Bank remained firmly committed to its core promise to manage employees in a systematic, efficient manner while promoting their development. To that end, bearing in mind the economic situation in 2015, the Eurobank group placed particular emphasis on:

- Actively and systematically utilising its employees to meet internal needs, especially in Greece.
- Providing all employees with equal training and career development opportunities, irrespective of gender, race, religion or age.
- Nurturing an environment of constant recognition and reward.
- Providing employees with continuous information and ensuring the transparency of all practices and procedures implemented.

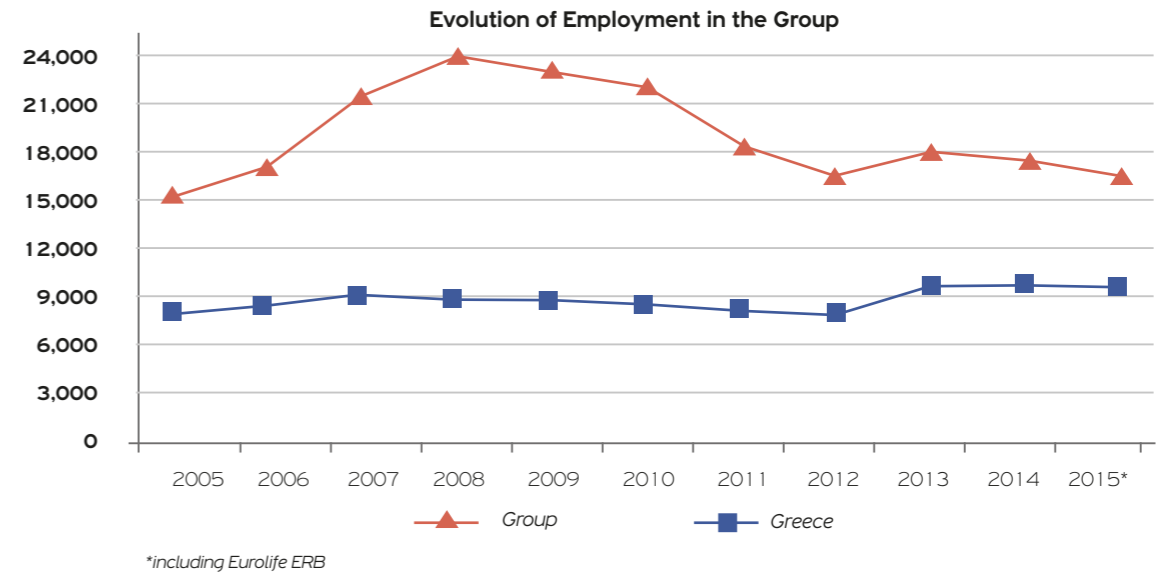
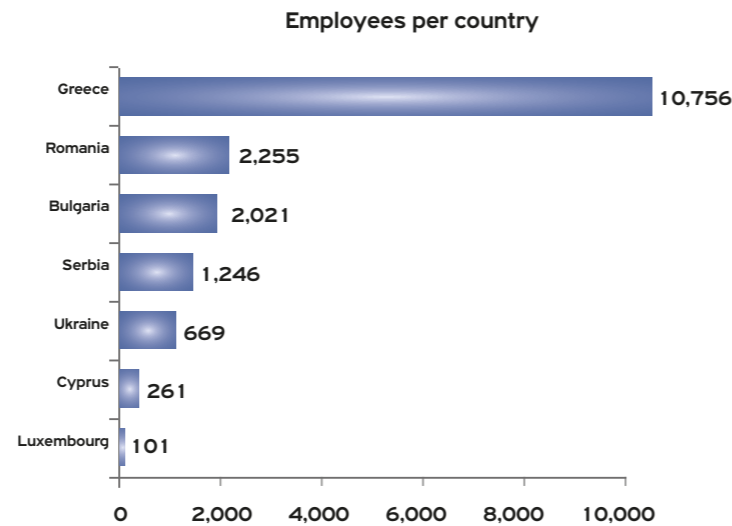
■ Employment

At the end of 2015 the Eurobank group, which includes the Bank and its subsidiaries, employed 17,309 people: 62% in Greece and 38% abroad.

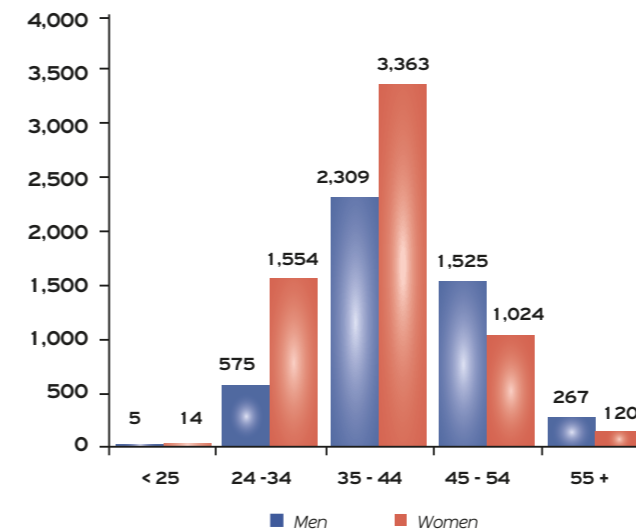
Gender and age distribution reflect the equal opportunities policy that Eurobank implements. At Group level in Greece:

- More than 70% of the employees are less than 45 years old, while the majority of employees belong to the 35-44 age group.
- The gender distribution is quite balanced, as women account for 56% of the total workforce.

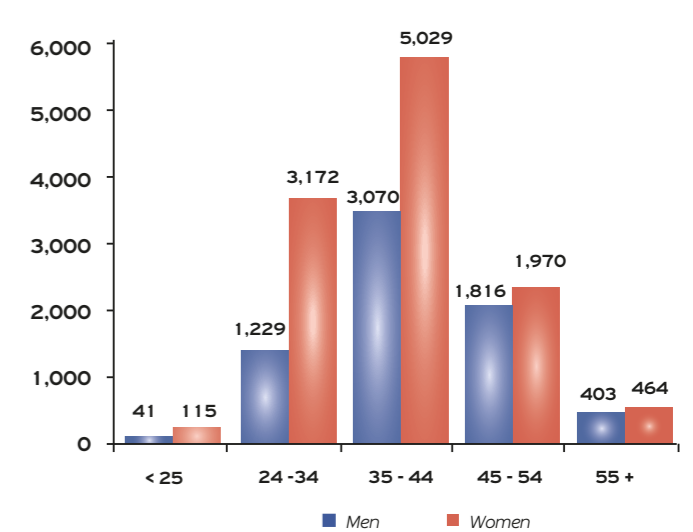
Outside Greece, the Group has a significant presence, employing around 6,500 people in 6 countries.



Number of Employees per age group and gender in Greece 31/12/2015



Number of Employees per age group and gender in the Group 31/12/2015



■ Sourcing

The sourcing process is considered to be the starting point of a long-lasting and mutually beneficial partnership between the employee and the Group. With particular emphasis on objectivity, transparency and fairness, the selection procedure, both for external and internal candidates, is based on predetermined criteria, fully aligned with the values and vision of the Group.

These criteria are applied in written assessments, structured interviews, psychometric methods, assessment centres and up to date methodologies. The selection procedure, applied by the Bank of Greece, is certified with the ISO 9001 standard since 2000 and is carried out by highly specialized personnel.

Internal Recruitment

The Group focuses on utilising its human resources for covering its internal staffing needs. This is a strategic priority, aimed at improving the Group's competitiveness and offering career development opportunities to all employees.

In 2015, 57% of job vacancies within the Group, including its foreign subsidiaries, were internally covered, while in Greece this ratio stood at 85%.

New Hires

New hires for 2015 covered mostly the needs of international subsidiaries on the Group (91% international subsidiaries — 9% Greece).

At Group level, recruitment focused on executives with high academic qualifications (91% hold of graduate-postgraduate university degrees) and working experience (63% with more than 5 years of experience). The respective rates in Greece stood at 89% and 54%.

In addition, in 2015 internship programmes continued successfully, mainly in Greece with the participation of 242 university and technological educational institution students.

Career Development & Training

Eurobank implements a modern Training and Career Development Framework, which has been awarded for its innovation, successful practices and positive impact.

Career Development

Career Development Programmes include:

- Executive and Leadership programmes, which aim at enhancing leadership efficiency.
- Professional Development Applications, which aim at developing professional competencies and employee skills as part of existing and/or new roles.
- Mentoring Programmes, which aim at enhancing skills and encouraging teamwork and interdepartmental cooperation.
- Professional Development Intranet site, which provides information about career development and the prerequisites for succeeding in different roles.

For example, as part of the Executive and Leadership programmes, 60 executives participated in the "Leadership Development Programme" in 2015, which is the most advanced programme for Group executives and is implemented in cooperation with the Alba Graduate Business School.

Training

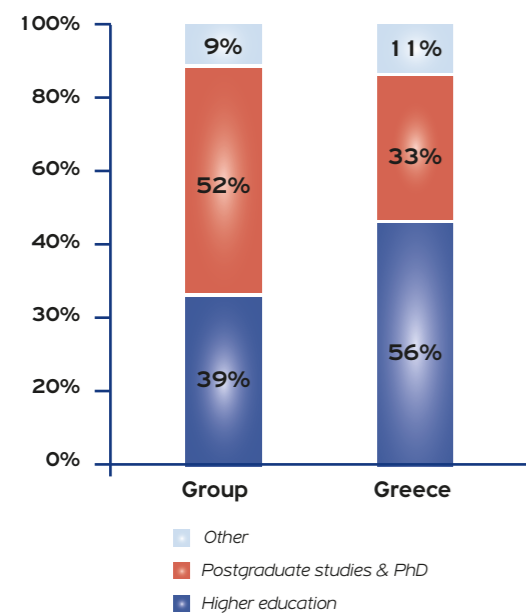
Seeking, above all, to offer training based on the employees' needs and Group's priorities, Eurobank implements policies and procedures certified in accordance with the ISO 9001 standard and develops Learning Plans per position.

Eurobank places special emphasis on programmes for:

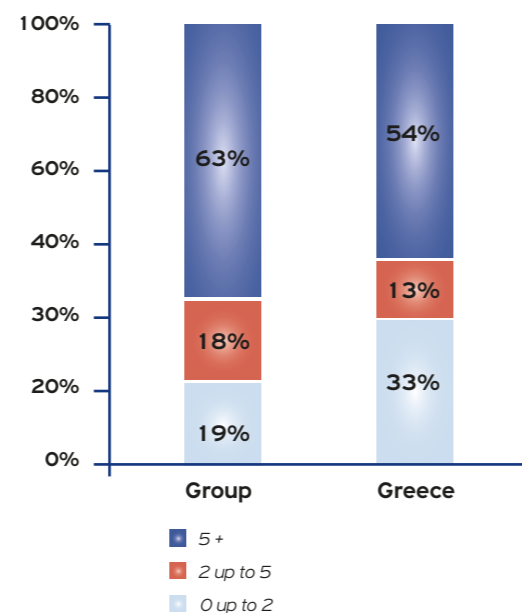
- **Developing leadership and managerial skills.** Skill development is one of the Group's strategic priorities and all relevant programmes are offered in cooperation with recognised educational institutions such as ALBA, Harvard Business Publishing, the Athens University of Economics and Business, and other institutions. In 2015, 814 executives participated in the Harvard Business Publishing programmes, while the seventh cycle of the "Eurobank-ALBA MBA in Financial Services" was continued, consisting of 28 participants at Group level.

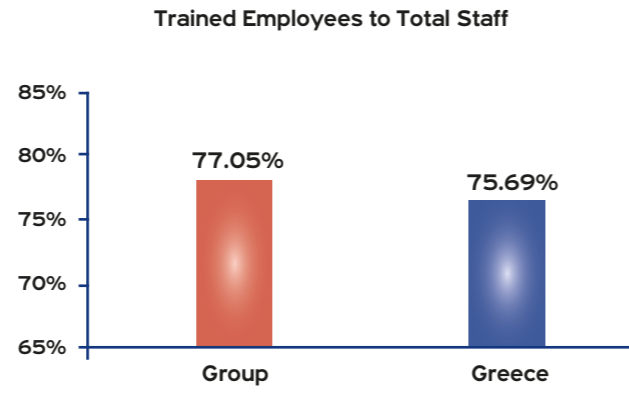
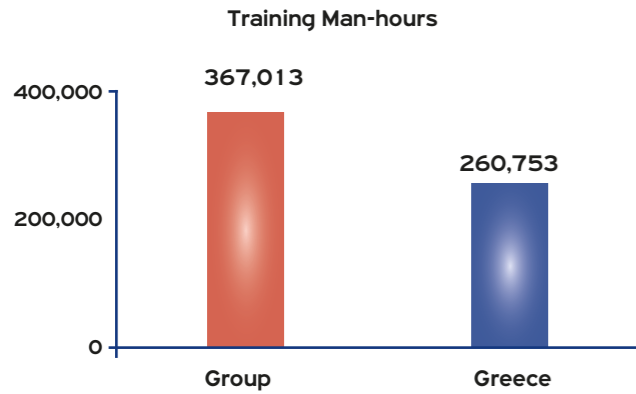
- **Acquiring knowledge, job-related skills and practical banking experience** on all levels. Some of these programmes also offer certification in various fields. Training for the Retail Branch network executives on modern customer-centric approach and service-related issues continued in 2015 with 633 participants. With regard to Bank of Greece Certification, during the year 1,059 employees obtained professional certification for the Provision of Investment Services and 196 were certified on Insurance Intermediation. Moreover, 2,954 employees of the Group attended training courses on the New NPL Management Regulatory Framework and the Code of Conduct adapted by the Bank of Greece.

Educational Background of 2015 New Hires



Years of Working Experience of 2015 New Hires





- **“Counter Fraud”**, which aims at creating a common culture and awareness on fraud-related issues, focusing on fraud prevention and detection mechanisms. It is noted that, in 2015, 1,414 employees attended the Counter Fraud training programmes at Group level.

- **Positivity** (Life Skills, Time & Stress Management and Work Life Balance) **and collaboration enhancing programmes**, which aim at enhancing the capacity of employees and teams in dealing more effectively with the socioeconomic turbulent environment.

The Group’s Training Key Performance Indicators for 2015 were as follows:

- Training days per employee: 3.53.
- Total participations in training programmes: 64,246.
- Training man-hours: 367,013.
- Percentage of employees who participated in training: 77.05%.
- E-learning training: 28.83%.

■ Performance Evaluation

In the Eurobank group, performance management is very important and is achieved through the Performance Appraisal System, which aims at:

- Providing effective guidance and support to the employees’ work.
- Achieving the targets set for units as well as professional advancement for all employees. Each employee can realise his or her strengths and, at the same time, identify areas in need of improvement and therefore take the necessary actions to constantly improve.
- Assessing and identifying the contribution of employees, by linking their work to Eurobank’s success.

In 2015, the annual performance appraisal system was upgraded in order to enhance clarity, participation and cooperation between the appraiser and the employee. As part of the upgrade process, focus groups were conducted in various cities around Greece which involved employees at all grades. Emphasis was also placed on communication through a series of presentations and specially developed e-learning courses.

■ Internal Communication

The Internal Communication programme of the Group aims at providing employees with accurate and timely information, ensuring transparency and promoting the culture and identity of the Organisation.

The Internal Communication programme is based upon the following pillars:

- **Information about all business issues** that pertain to the operation of the Group in Greece and abroad, including policies, procedures, financial updates, and briefings on other relative initiatives.
- **Communication between the Management and Employees** to exchange views concerning day-to-day work-related issues. To this end, Management holds frequent meetings with employees from all grades in the form of official business briefing meetings, visits to Group facilities, and social events.
- **Recognition and rewards** to employees for their long-standing excellent performance in the Organisation. At the same time, Eurobank recognises the academic achievements of both its employees and their children, by rewarding top-performers and encouraging them to continue pursuing educational and personal advancement goals.

- **Strengthening family bonds**, through initiatives and events for the employees and their families. These events are social, cultural and sports-related. Christmas theatrical plays, summer camps for children, free tickets for sports events and many other, reinforce the bond between the employees’ families and the Group, and nurture meaningful relationships among the employees.

- **Contributing to society**, through the involvement of employees and their families in volunteer initiatives in Athens and Thessaloniki. In 2015, employees supported the Group’s efforts to distribute more “parcels of love” through the “Apostoli” (“Mission”), the philanthropic organisation of the Holy Archdiocese of Athens, to pupils and their families who are affected by the economic crisis. Eurobank made an open call to customers and employees towards this regard and employees responded not only by making financial contributions but also by offering food supplies.

Similar corporate communication activities, as well as social or other events, also take place abroad for employees and their families.

HR4U Help Desk

The Group Human Resources General Division offers HR4U Help Desk, a channel of communication for the Bank's employees, created to ensure the unified, consistent and friendly handling of their requests.

In 2015, HR4U handled 34,977 requests, 81% of which were addressed on the spot. This percentage rises to 93% in the case of requests resolved within two days, following the cooperation with the responsible departments of the Human Resources General Division and a follow-up call to the employee concerned.

Health & Safety

In the context of the Preventive Health programme offered to its employees, Eurobank has been implementing a series of actions, such as:

- **The operation of four fully equipped medical centres** in the Attica region, where staff physicians offer clinical and medical consultation services.
- The opportunity to undergo **general check-up** on a regular basis.
- The operation of a **Blood Bank** which has been created and is maintained by the donations of the Bank's employees. The goal is to cover any blood transfusion needed. In 2015, 228 blood units were collected through the Blood Donation Centre of the "Amalia Fleming" hospital, and 170 units were made available to patients, following employee requests for covering personal or family needs.
- The development of a **Health & Safety Management System**, certified in accordance with the OHSAS 18001:2007 and EL0T 1801:2008 standards, with the aim of ensuring a superior and safe working environment. In 2015 the New TT Branch Network was also included in the Bank's certified system. In this context, premises evacuation and emergency drills are performed on an annual basis, along with training on occupational health and safety issues.

- **Critical Incident Stress Management (CISM)** programme: management of traumatic events and crises inside and outside the workplace (such as robberies, accidents, terrorist attacks, workplace violence, inappropriate employee or customer behaviour, sudden deaths, natural disasters etc.) which directly or indirectly affect the employee and / or the work environment.

- **Case Management (CM)** service: Comprehensive support is provided to employees facing difficulties, by a team of specialists (psychology consultants), in order to better manage and overcome such issues.

Dialogue & Labour Rights

The Bank respects each employee's constitutional right to membership in Labour Unions. Six such unions are currently operating within the Bank, representing 91.5% of the staff, i.e. almost 8,000 employees.

The most multitudinous of these unions is recognised as the official representative in labour negotiations with the Bank's Management. The Bank's employees are covered by (industry-wide and enterprise-level) collective labour agreements, while labour relations are regulated by the current laws and the Bank's Statute of Internal Service.

The Bank's policy is to communicate with the employees, both individually, through the Internal Communication channels, as well as institutionally, through their unions. The Bank's Management cooperates with the unions, also supporting scheduled work meetings which provide a forum for exchange of views on the evolution of the working environment.

PRIORITY TO SOCIETY

■ Social Solidarity

Despite the difficult economic situation, in 2015 the Eurobank group continued to support a significant number of non-profit and charitable organisations, mostly involved in child protection.

“Apostoli” (“Mission”) of the Holy Archdiocese of Athens

Having recognised the importance of the social work done by the “Apostoli” (“Mission”), the philanthropic organisation of the Holy Archdiocese of Athens, in 2015 Eurobank extended the support to the “Apostoli supports the pupils” programme.

The programme is implemented in cooperation with the Greek Ministry of Education, Research and Religious Affairs and aims at offering support to families of elementary and secondary education students with nutritional problems, in a manner that ensures their anonymity, dignity and the smooth continuation of their relations within the school environment. With exclusive sponsorship from Eurobank to the programme, Apostoli distributed more than 30,000 “parcels of love” which covered a small but substantial part of the daily nutritional needs of students and their families.

At Christmas 2015, instead of gifts and greeting cards, the Eurobank group chose to further enhance its support to the programme, inviting participation from employees and customers, guaranteeing “parcels of love” to even more students and their families.

Support to Public Welfare Organisations

In 2015, the Eurobank group supported more than 30 non-profit organisations and institutions that mainly support children and socially vulnerable groups and are active both in Athens and across Greece.

In December, Eurobank organised a Christmas Love Bazaar for employees and their families attended by 20 non-profit organisations. As part of their Christmas shopping, Group employees had the chance to provide a small helping hand to organisations that support children with family problems, the disabled, the elderly, and other organisations that address critical social issues such as environmental protection.

“The Smile of the Child” & “SOS Children’s Villages Greece”

Focusing on initiatives that assist children in real need, the Bank supported the organisation “To Hamogelo tou Paidiou” (“The Smile of the Child”) and the “SOS Children’s Villages Greece” by increasing the distinctive donation boxes placed at Eurobank and New TT Branch Network branches, compared to 2014.

“PNOE - Friends of Children’s Intensive Care”

For the past 15 years, Eurobank has been consistently supporting the great effort of the “PNOE - Friends of Children’s Intensive Care” non-profit organisation, helping it realise its objective, which focuses on the creation and material support of paediatric Intensive Care units and the provision of support to children hospitalised in Intensive Care and their parents.

“Fashion Targets Breast Cancer” Campaign

The Bank’s collaboration with the “Fashion Targets Breast Cancer” (FTBC) campaign started in 2004, with the launch of the EuroLine Style card, the first women-only credit card. For the past 12 years, Eurobank has been consistently supporting the campaign’s efforts in Greece, actively contributing to the attainment of its goals, i.e. to inform and raise the awareness of women about the importance of the prevention and timely diagnosis of breast cancer.

The “Light into Europe” Foundation – Bancpost Romania

Bancpost sponsored in 2015 the “Light into Europe” Foundation’s social activities aimed at improving the lives of the hearing and sight impaired people through the “Guide Dogs” programme, which helps these people in their daily activities.

“Made in Rural” Project – Bancpost Romania

Bancpost actively supports the Romanian economy through the “Made in Rural” programme, which focuses on the economic development of rural areas and the stimulation of entrepreneurship in villages from 11 counties in Romania. The participants were helped to draw up business plans and then competed for financing the best business ideas.

“The Best Start For Every Child” – Postbank Bulgaria

Postbank’s corporate social responsibility programmes focus on the young people and children in Bulgaria. Postbank continued in 2015, in partnership with UNICEF, its support to “The Best Start for Every Child” programme, which aims to develop a network of maternal and child healthcare centers. In December 2015, the programme was the subject of a major communication campaign which raised donations of BGN 630,000.

“The Best Start for Every Child” programme is the biggest corporate social responsibility project that has been implemented by a financial institution in Bulgaria, as it has received 5 awards in total.

Supporting Socially Disadvantaged – Postbank Bulgaria

Throughout the year, Postbank continued its long-standing support and work with socially disadvantaged groups and encouraged their active role in the society.

Postbank Business Run – Postbank Bulgaria

For a second consecutive year, Postbank became the main partner in the charity relay run Postbank Business Run, which is organized each year by Runner Club. In 2015, over 900 participants from 150 companies operating in various business sectors took part in the contest. The initiative raised BGN 8,040 that covered the therapeutic activities which St. Sofia Support Centre provides to children with special needs or developmental difficulties.

“Big Heart” – Eurobank Serbia

Eurobank Serbia and the “Ana and Vlade Divac” Foundation continued to support the “Veliko Srce” (“Big Heart”) programme through the MasterCard credit card, in order to raise money for the restoration of recreation areas in day care centres and elementary schools all over the country. A total of over 22,000 cards have been issued since the programme was launched in 2010, and their use has made it possible to fully refurbish 33 recreation areas in various Serbian cities.

Education

Having recognised the key role of education, the Eurobank group has been systematically and effectively supporting programmes and initiatives that promote education and demonstrate the importance of timeless values, such as learning, noble competition and the effort to reach great goals.

“Great Moment for Education” Programme

Eurobank successfully completed the “Great Moment for Education” Programme for the 13th consecutive year, which was launched in 2003 and is implemented with the support of the Greek Ministry of Education, Research and Religious Affairs. The programme is one of the Group’s most important and enduring corporate social responsibility actions, which has consistently supported initiatives that promote education, young people and their efforts for learning and distinction. The Programme’s primary aim is to reward the efforts of young people in their pursuit of knowledge and to recognise those who have achieved excellence and who present a prospect and a guarantee for the future. As part of the Programme, which applies to all final year high school students, Eurobank rewards top-performing high school graduates from each of the General and Vocational, public and private, daily and night, high schools of the country, who get the highest grades (above 18) at the university admission examinations. Each award is accompanied by a €800 cash prize.

In the 2014-2015 school year, 845 top-performing students were awarded during nine award ceremonies that were held in Athens, Thessaloniki, Patra, Heraklion, Larissa, Ioannina, Veria, Tripoli and Chalkis.

During its second decade, with more than 14,850 students having received awards, the programme firmly reflects Eurobank’s decision to consistently support long-term social responsibility initiatives and reflects its intention to maintain stable, enduring relationships of trust with society.

World Savings Day

Continuing TT Hellenic Postbank’s tradition and honouring the timeless value of saving, Eurobank once again organised a series of celebrations and educational events at schools all over the country. For the occasion of the World Savings Day, in October 2015, branch managers of the New TT Branch Network and the Hellenic Post network visited more than 200 elementary schools nationwide, delivered speeches aimed at propagating the value of saving to the next generation and distributed money boxes to the schoolchildren.

Saving is an idea bound up with TT Hellenic Postbank, the organisation which first introduced the idea of saving in Greece long before October 31 was established as the World Savings Day.

High School Graduates Awards – Eurobank Serbia

For the tenth consecutive year, Eurobank Serbia supported the work of the “Crown Prince Aleksander II Foundation” by rewarding the 500 top-performing high school graduates in the country.

“Finances By Music Notes” – Postbank Bulgaria

In November 2015, Postbank carried out national representative survey of the financial literacy level in the country, which marked the beginning of the new corporate social responsibility campaign “Finances by Music Notes”. The ambition of Postbank’s team is the new campaign to build upon the bank’s achievements in the field of education by implementing new technologies and using digital communication channels.

Culture

The involvement of the Eurobank group in the support and promotion of culture has been a tradition since its very inception. Deeply convinced that all opportunities for intellectual improvement must be encouraged, Eurobank is actively helping to get the public acquainted with classical, as well as modern cultural creations.

Athens Concert Hall – “Around the World in Eighty Days”

The Bank supported the musical “Around the World in Eighty Days” by Jules Verne, successfully presented at the Athens Concert Hall’s children’s theatre musical from December 2014 to April 2015.

“Around the World in Eighty Days” is Jules Verne’s most acclaimed novel, which praises ingenuity as well as the customs and traditions of foreign cultures. This theatrical adaptation takes you on an exciting voyage, full of action, humour, impressive costumes, live music and interactive video screenings.

Athens Concert Hall – “Sunday Morning at the Athens Concert Hall”

Eurobank once again sponsored the “Sunday Morning” programme of the Athens Concert Hall for the 2014-2015 season. This is a highly successful series of events, which was realised for a 19th consecutive year, mainly addressed to children and young people.

The Sunday Morning Events aim to introduce children to the magical world of music in an interactive and pleasant manner. The programme included concerts featuring popular themes from the symphonic repertoire, commented on and presented in an attractive manner by experienced musicologists, offering young audience knowledge, enjoyment, and helping them become familiar with them.

Greek National Opera – Tribute to “Tereza Stratas”

In May 2015, Eurobank supported the Greek National Opera’s special tribute to the Greek-Canadian soprano Tereza Stratas. For a one night only, the Greek audience had the unique opportunity to enjoy an opera play tribute to the life and career of the legendary artist, who has enjoyed a distinguished international career in opera, holding a record of appearances at the New York Metropolitan Opera.

Greek National Opera – “Pagliacci” Suitcase Opera

Eurobank supported the Greek National Opera’s Suitcase Opera “Pagliacci”, Ruggero Leoncavallo’s first major work. In November 2015, the opera travelled with great success to Aigio, Patra, Trikala, Ioannina, Loutraki, Kavala, Rethymnon, and Heraklion, thanks to Eurobank’s exclusive sponsorship.

The Suitcase Opera emerged in 2011 by the Greek National Opera (GNO) as an artistic action whose pivotal objective was to fascinate a new audience by initiating it into the magical world of opera and its repertoire. The productions of the Suitcase Opera are flexible and travel to unusual places (cultural centres, museums, libraries, archaeological sites), featuring the GNO’s superb singers, accompanied by a piano instead of an orchestra, whereas all stage sets are packed in a... suitcase.

"The Royal Camerata" Partnership – Bancpost Romania

In 2015, Bancpost initiated a strategic partnership with "Camerata Regala" (The Royal Camerata), a young orchestra composed of Romanian artists, aged between 20 and 35 years old, with the aim of sustaining young talented artists. The project is promoted under the extensive platform "#bancpostforculture", which comprises the programmes developed by Bancpost in sustaining young talents and promoting culture within Romania.

Historical Archive

Recognising how important it is to preserve historical memory and to promote Eurobank's history and the history of the banks that were merged into the Group, in 2014 the Bank's Historical Archive Department was established. The Historical Archive manages all historical (inactive) archives held by the Bank in accordance with the rules and standards of International Archival Science so that they can be used by both the Bank and researchers. Its activities include locating, saving, collecting, classifying, describing and safely preserving historical and archival material which Eurobank has in its possession, as well as material from the credit institutions which have been absorbed by the Bank over the years, such as TT Hellenic Postbank, Ergasias Bank (Ergobank), Bank of Crete, Interbank and others.

During 2015, the newly founded Historical Archive completed its organisational and administrative structure and created functional repositories, equipped with the necessary security systems and vital infrastructure.

Regarding its documentational and archival role, during the year the Historical Archive :

- Finalised the archive and collections' structure, as well as identified and rescued a diverse range of archival – historical material belonging to the Bank, creating lists of transfer and record schedules, in order to accommodate the needs of the Bank's units.
- Began accessioning and selecting archival material from the repositories of the Bank and other external custodians. Priority was given to TT Hellenic Postbank, the oldest bank Eurobank has absorbed.

- Created a specialised library which currently contains around 1,000 titles in the fields of economy and social history, theoretical economics, banking, archiving, as well as bank and companies' annual reports, in addition to 20 journal titles.

- Supported the work of a special team of researchers who are studying the Bank's early years and preparing a "Chronicle" of its first ten years of operation, by locating, identifying and providing them with original documentation.

- Accepted donations of archival and museum materials from third parties and processed them accordingly.

Permanent Exhibition of TT Hellenic Postbank Historical Documents

To mark 115 years from the establishment of a postal savings bank in Greece, in April 2015 the permanent exhibition of TT Hellenic Postbank (Greek Postal Savings Bank) historical documents was officially opened, entitled "Greek Postal Savings Bank 1900-2015, 115 Years contribution to Greek Society". The opening event was attended by a large number of government and various organisations' representatives, the research community and Eurobank employees.

The exhibition includes displays divided into 7 thematic sections:

1. History of the Greek Postal Savings Bank (institutional texts).
2. From GPSB's contribution to Greece's economy and society (archival material, press reports, official texts-laws, passbooks, money boxes).
3. Saving, World Savings Day, International Savings Bank Institute (publications, vintage calendars, passbooks, etc.).
4. Evolution and progress over time (annual budgets, reports, balance sheets etc., visual representation of the major milestones of its activity).
5. The premises of the Greek Postal Savings Bank (Images, press reports and photos showing GPSB's premises from its establishment to the present time).
6. The people (staff bylaws-regulations, archival material, pictures of employees at work).
7. Calendars, promotion, celebrations (calendars, promotional material, pocket calendars, commemorative posters and publications).

The exhibition is being hosted at the building at 2-6 Pasmazoglou St. in Athens, which for 43 years was the headquarters of TT Hellenic Postbank, and is open to the public on working days from 10:00 to 17:00.

World Savings Day Events

To celebrate World Savings Day, a series of school guided tours around the TT Hellenic Postbank exhibition were organised in November 2015. 150 school pupils were taken on a tour of the exhibition, learning about the idea of saving and receiving a money box and information brochures.

In cooperation with Hellenic Post, the Historical Archive designed and produced a commemorative stamp to mark the 115-year contribution TT Hellenic Postbank has made. The release of the commemorative stamp was accompanied by a well-designed, collector's 3-page leaflet which briefly describes TT Hellenic Postbank's history.

Partnership with the "K. Kapsaskis" Foundation

The Historical Archive worked in partnership with the "K. Kapsaskis" Foundation to host a one-day event entitled "Konstantinos Kapsaskis and Ergasias Bank - Vision and Creation". The event was held to mark 40 years from the founding of Ergasias Bank, Greece's first ever bank with a wide shareholder base, and to honour its founder Mr. Konstantinos Kapsaskis.

Sports

Since its inception the Eurobank group has demonstrated its commitment to promoting sport and recognises its educational nature and importance, especially in shaping young people, helping them develop a rounded personality and a moral value system.

Hellenic Basketball Federation

For 15 years now the Eurobank group is proud sponsor of the Hellenic Basketball Federation. This is the longest active sponsorship in Greek sports and one of the longest in Europe.

Basketball has demonstrated that teamwork, persistence and discipline to targets are key elements for distinction and success. This sponsorship has proven to be one of the most successful, as Greek Basketball has brought Greece a total of 24 medals. Among these, the most important are the silver medal at the 2006 World Championship, the gold medal at the 2005 European Championship, and the silver medal at the 2005 U-20 World Championship for Men. In 2015, another two important distinctions were achieved at the European Championship. The U-18 Men's National Team won the gold medal, while the U-20 Women's National Basketball Team won the silver medal at Division B.

Spyros Gianniotis - Marathon Swimmer

Since 2014, Eurobank has been sponsoring the efforts of marathon, open water swimmer Spyros Gianniotis to achieve a distinction at the Rio de Janeiro Olympic Games in 2016. That is the athlete's 5th participation at the Olympic Games.

Spyros Gianniotis is a member of the Greek National Swimming Team and holds an impressive resume that includes participations and distinctions at Olympic Games and International and European Swimming Championships. He has won seven medals at open water world championships, while in 2012 he was nominated for the "Athlete of the Year" title in this category. In 2015, he won the bronze medal at the open water world championship at Kazan in Russian winning him a place at the Rio 2016 Olympic Games.

Sofia Bekatorou - Sailor in the NACRA 17 Olympic Class

Since 2015, Eurobank has been sponsoring the renowned sailor Sofia Bekatorou in her effort to win a medal at Rio 2016 Olympic Games in the NACRA 17 class.

This is Sofia Bekatorou's 4th participation at the Olympic Games and she is the only athlete to have won medals at two consecutive Olympic Games in different sporting categories. In 2008 she won bronze at Beijing and in 2004 gold at the Athens Olympic Games. In both those years she also won the world best athlete award in sailing. Having represented Greece worthily, this Greek athlete's participation at the Rio Olympic Games is another chance of distinction for us and our country.

International Chess Festival - Bancpost Romania

Under the platform #bancpostforeducation, Bancpost continued to support the "Bancpost International Chess Festival", organised by the "Caissa Chess Club", which reached its 18th Edition in 2015. Over 80 players from Romania and neighboring countries participate every year in the event, which is live broadcasted on Internet and its results are registered in the Chessresults Austria and TWIC London websites.

Romanian National Football Team Strategic Partnership - Bancpost Romania

Bancpost signed, in March 2015, a strategic partnership with the Romanian Football Federation, supporting the most beloved sport in the country by becoming the Official Sponsor of FRF and the National Football Team during a very important period - the qualifiers and final tournament of the Euro 2016 and of the 2018 World Cup.

Running Teams - Bancpost Romania

Bancpost supports both sports and a work-life balance and reinforces this statement by providing to its staff for the third consecutive year with the possibility of enrolling in running competitions. During 2015, Bancpost has provided its staff with over 400 enrollments to the "Bucharest International Marathon" and "Bucharest International Half Marathon" events.

Main Sponsor of the Men's National Tennis Team - Postbank Bulgaria

Postbank invests in the support of developing sports that achieve international success. In 2015, the bank became the main sponsor of the Men's National Tennis Team and supported its preparations for the upcoming Davis Cup games in Luxembourg.

PRIORITY TO INNOVATION & YOUTH ENTREPRENEURSHIP

egg: enter •grow •go



Egg-enter•grow•go, a Corporate Social Responsibility initiative of Eurobank, designed and implemented in collaboration with the Corallia unit of the Research Centre "Athena", is one of Greece's most successful incubators, whose aim is to support youth innovative entrepreneurship and improve sustainable employment opportunities in Greece, especially for young people.

The Programme provides teams of young entrepreneurs with an integrated framework of business incubation, acceleration and co-working space by offering them a range of supporting actions and tools that help them transform their business plans, original ideas or prototypes, into complete, marketable products and services.

Structure of the Programme

The Programme comprises three stages:

enter: the Programme is open to young people aged 18 to 44 from all over Greece, whose innovative ideas cover all industries. The applicants may submit their proposals, as specified in the Call for Expression of Interest; the proposals are evaluated by distinguished experts on the basis of their innovation, prospects and viability.

grow: young people whose business plans qualify for entry to the Programme are initially assisted in setting up their own business (if not already active). For the next twelve months — the duration of each "cycle" of the Programme — they are given the opportunity to focus intensively on developing their idea/business by utilising the infrastructure and support services offered by the Programme, and seek partnerships and synergies with other participants, as members of a dynamic "ecosystem", demonstrating in practice the potential and viability of their business plan.

go: the Programme is completed, with the pursuit that all participating businesses have managed to bring their business plans to maturity, and are perfectly ready to make their entrepreneurial "leap": to capitalise on the value of their idea by using their own resources or an investment scheme. The Programme's organisers support the participating businesses with financial and advisory services, professional networking, potential commercial synergies, while also helping them network with investment funds.

Benefits of the Programme

■ **Mentoring** by distinguished and acclaimed persons from all industries and disciplines who provide each participating team with advice on business development issues. These are people with experience and a strong business background, ready to offer advice, guidance and encouragement, and also suggest solutions to the challenges young entrepreneurs face, having regular meetings with them.

■ **Building Infrastructure**, comprising fully functional and properly equipped office clusters, close to the centre of Athens, which house young entrepreneurs throughout their participation in the Programme. The egg facilities offer state-of-the-art technological infrastructure and appropriately arranged premises for mentoring, support services, and business training. They also offer common areas (conference rooms, training and entertainment areas etc.) that promote the exchange of ideas, networking with research institutions and enterprises, as well as cooperation for achieving economies of scale and joint initiatives.

■ **One-stop-shop Services** that cover all key business operation and start-up issues faced by each participating team, and, in particular, accounting and corporate management services, human resource management services, corporate identity and communication services, copyright and legal protection services, as well as information technology and communications support services.

■ **Bootcamp Training** in areas of critical importance for a successful business operation, through a pre-defined intensive, practically-oriented, training programme (Business Bootcamp), as well as additional lectures on specialized topics (egg expert seminars). The intensive training programme lasts three months and covers various subjects, such as project management, copyright management, corporate communication and public relations, strategic marketing, sales policies, product development, accreditation and quality control, talent management, investment and asset management, exports, public financing, investor presentation skills, etc.

■ **Financial tools and business networking**, to support business operations and development of the young teams, and support their financial viability during the "incubation" stages as part of the Programme. More specifically, the Bank has developed a comprehensive package of financial services for companies developed as part of the egg Programme, which covers potential financing needs, both in terms of working capital and investments in assets, offering special privileges and favourable terms. Financing is aimed at teams which have completed one of the Programme cycles, has very low interest rates, long repayment terms and a grace period of up to 3 years, and does not require collateral to be provided by the start-ups. Conditions are the existence of an innovative product or service, ranking well based on the Key Performance Indicators and a positive report from the team's mentor.

Administration & Operation of the Programme

The Programme is supervised by the Steering Committee, made up of executives of both organisations, Eurobank and Corallia, and has a 10-member Advisory Board, composed of distinguished scientists, businesspeople and experts.

The high quality of the Programme's services and infrastructure is guaranteed by a wide network of leading companies and organisations from the Greek and international markets, while the mentors' team comprises distinguished and acclaimed persons from all industries and disciplines, who provide all participating business teams with advice on business development issues.

Achievements of the Programme

In almost three years of operation, egg has established itself as one of the most complete business acceleration programmes in Greece. It is also highly regarded by both domestic and foreign audiences, has substantially improved its positive image with tangible results in Greece and abroad, and has become a role model for every new initiative taken in the ecosystem of Greek start-ups.

Following the completion of its first two cycles in June 2014 and 2015, and during the third cycle, which will be completed in June 2016, egg has the following achievements to show:

- 63 business ideas were turned into modern enterprises.
- 15 businesses received financing from Eurobank financing tools and from Business Angels.
- 15 women were entrepreneurs or CEOs.
- 159 new associates were recruited by the founding teams.
- 50 partnerships and synergies between companies participating in the Programme.
- 10 patent applications submitted by egg companies.
- 408 private consultations with mentors.
- 291 one-stop-shop sessions on business operation issues.
- 73 specialized vocational training seminars.

Moreover, egg's footprint on Greek society is enhanced through a series of actions taken by the Programme and its teams, with the aim of:

- Establishing contacts in Greece and abroad, in order to support the Programme and the extroversion of the start-ups.
- Improving the know-how of the Programme and its teams/companies.
- Supporting and developing synergies in the innovation ecosystem.
- Establishing business networking and promotion for its companies.

■ "Greece Innovates!" Applied Research and Innovation Competition



With the aim of supporting the capable workforce in Greece and encouraging research, innovation and extroversion as key pillars to improve its competitiveness, Eurobank has developed a series of actions to provide practical support to Greek scientists and entrepreneurs whose vision of Greece is a country with prospects and development.

In this context, Eurobank and the Hellenic Federation of Enterprises (SEV) have been jointly organising the "Greece Innovates!" Applied Research and Innovation Competition, since 2010, for the purpose of mobilising the creative forces of the academic and scientific community, in order to draw attention to world-class Greek innovators.

The main objective of the Competition is to build channels of communication and collaboration between the academic and the business community, for the productive implementation of applied research and innovation proposals, through the creation of products and services that help improve everyday life, as well as to develop and enhance the economy's extroversion.

The "Greece Innovates!" Competition is addressed to research groups, individual researchers, companies involved in production and/or research in Greece, as well as domestic research foundations operating in Greece, and aims at:

- Promoting innovation as the driver of Greece's economic growth, business development, and the enhancement of employment, especially for young people.

- Mobilising the country's creative forces.
- Connecting the academic community with entrepreneurship and production.
- Attracting private capital for the realisation and commercial exploitation of the relevant proposals.

The assessment of the proposals comprises two stages: the Written Assessment stage, whose completion produces the 20 shortlisted proposals for the next stage, the Oral Assessment stage.

Written Assessment

The Written Assessment of the proposals is conducted by specialized evaluators, under the supervision of a Scientific Board that comprises distinguished scientists and highly-esteemed academics, on the basis of the following criteria:

- Maturity and innovation of work compared to international benchmarks.
- Possibility of practical application and commercial exploitation.
- The competitive advantage it offers.
- Contribution to the Greek economy's extroversion.
- Improvement of everyday life – Sustainability.
- Repeatability, mass production or use, and diffusion of benefits.
- Improvement of the position of the organisation / business which holds the rights to exploit the innovative idea (in terms of financials, market position, extroversion, etc.).

The proposals that pass the written assessment stage (up to 10 in Applied Research and up to 10 in Innovation) are presented to the public through a series of initiatives, including regional events held in metropolitan areas with universities, the publication of a relevant album, the Competition's Internet platforms, media promotional activities, as well as extensive print and electronic media publicity actions.

Oral Assessment

A maximum of 20 proposals that qualify for the oral assessment stage, are called to participate in this final process, which is carried out in a transparent and unbiased manner, during an open session. The oral assessment is conducted by a three-member committee, appointed by the Scientific Board for each proposal, which consists of reviewers who also took part in the written assessment, or other evaluators of a high stature in the scientific and business communities.

Two monetary prizes are awarded in each field (first and second prize in Applied Research and first and second prize in Innovation), accompanied by an honorary plaque.

The first two Competitions, which were completed in 2011 and 2013, demonstrated that there is another Greece which is growing and evolving thanks to the work done in Greek research centres, universities and enterprises. It is a Greece of ingenuity, excellence and creativity. Behind that effort stands a large, valued scientific community that produces internationally competitive knowledge, actively contributing to the effort of restoring Greece's status as a society of action and creative adjustment. At those competitions we rewarded 40 innovative ideas, services and products from the fields of applied research and innovation, paving the way for the commercial development of many of them.

3rd "Greece Innovates!" Competition

In June 2014 the 3rd "Greece Innovates!" Competition was announced and was supported by an extensive promotional programme in all conventional media, in order to inform the public about its launch and attract entry applications. The campaign also included presentations at universities and research centres, as well as attendances at innovation expositions, with the aim of motivating the country's creative forces to join the 3rd "Greece Innovates!" Competition.

The Competition was also supported by 360° digital communication, designed to directly reach out to all the people whose creative work is worth promoting. By promoting the relevant content, the Competition's Internet channels provided all, directly or indirectly, interested persons (scientists, researchers, students, entrepreneurs) with an online bridge that connects research, innovation and entrepreneurship, while the publicity enjoyed by the finalists of the previous Competitions had a highly positive effect, creating role models for the next generation.

The first stage of the 3rd Competition ended in September 2014, having attracted a total of 208 proposals, verifying the initiative's recognition by the country's scientific and business communities. Out of these, 29 concerned the "Applied Research" category and 179 the "Innovation" category, while it is worth noting that strong interest was shown by businesses, which submitted a total of 72 proposals. The proposals covered a wide range of applications in the following fields: the environment, health/medicine, information technology, communications/internet applications, primary sector/food, energy conservation/renewable energy, tourism/culture.

In May 2015 the Written Assessment was completed and the shortlisted proposals from the 3rd Competition who moved on to the oral assessment were chosen.

The finalists enjoyed extensive promotion in the conventional media, the social media and on the Competition's site, as well as in the business and academic community, through events held in the Greek periphery. The events / exhibitions featuring the finalists held in May and June in Thessaloniki and Heraklion, Crete, respectively, introduced the public to a creative side of Greece which has innovative ideas, promotes cutting edge research, develops outstanding international partnerships and wins prizes.

The oral assessment took place at the end of June 2015 at the Foundation of the Hellenic World. Each team was invited to give a 15-minute presentation to showcase the proposal's features and argue how the targets set in the written assessment were met. Following the presentation, there was a 10-minute Q&A session involving the evaluators and each team.

The 3rd "Greece Innovates!" Competition was completed in February 2016, with the announcement of the 4 winners during a special ceremony.

It is worth noting that all three "Greece Innovates!" Competitions attracted a total of 747 applications (180 in the "Applied Research" and 567 in the "Innovation" category).

PRIORITY TO COMMUNICATING WITH CUSTOMERS

For Eurobank one of our key priorities is to remain firmly focused on transparency, reliability and safety, and this drives how we communicate with customers, to build even stronger relationships of trust with them.

That goal is achieved by:

- Providing valid and timely information on existing and potential customers about our products and services in each stage of the transactional process.
- Adopting mechanisms to ensure proper advertising and promotion of the Bank's products and services.
- Ensuring ongoing dialogue and communication with customers, by systematically measuring customer satisfaction levels and exploring their needs, and by holding meetings with them.
- Adopting procedures and cutting edge customer complaint management systems.

■ Responsible Customer Information

As part of the Code of Banking Ethics, the Bank has put in place control mechanisms to ensure that the legislative and regulatory framework is correctly implemented, and has also developed simple, easy-to-understand, accessible procedures and forms so that the products and services it offers are straightforward and simple to use, reliable and appropriate for each customer's profile. To ensure this, the Bank provides customers with suitable and clear information about the type and characteristics of products/services offered, at the pre-contractual stage, upon signing the contract, periodically during the contract term and after the contract expires, and keeps records for the minimum time period specified by the applicable laws.

The General Terms of Transactions (GTTs) and the Agreement for the Provision of Payments Services provide customers with all information considered necessary prior to initiating a contractual relationship with the Bank or following an application for the provision of any service. Customers are also advised that GTTs and the Agreement for the Provision of Payment Services apply to all transactional relations with the Bank and may be amended and/or specified by separate agreements which contain more specific terms regarding certain services or products. It should be clarified that, by means of the GTTs and the Agreement for the Provision of Payments Services, the customers are also informed in advance about the processing of their personal data, as well as about the recipients of the processed data.

In regard to lending products, during the pre-contractual stage, customers may receive oral and written information about the features of the product they are interested in, while simple, easily comprehensible numerical examples help them understand their rights and obligations for the use of a lending product. If a customer uses a lending product, he/she will sign and receive a copy of the relevant contract, and then receive periodic updates as specified by law.

Similar information is provided to investment product customers, by certified executives, in the pre-contractual stage, upon signing the agreement, and on a periodic basis.

Whenever required, all customers can also receive information about their contractual relationship with the Bank, from any branch of the Bank's network or online, through Eurobank e-Banking, provided they have access for performing transactions and receiving information.

The Bank also seeks to provide both prospective and existing customers with as much information as possible in regard to the products and services it offers, through the www.eurobank.gr website. Moreover, the Bank is taking all the necessary and critical IT precautions, in order to offer a secure environment for performing electronic transactions. This allows the Bank to guarantee and pledge that it will cover any loss of money that may occur as a result of unauthorised electronic transactions.

■ Responsible Marketing & Communication

To ensure proper advertising, Eurobank has been implementing all mechanisms and procedures required by the regulatory and legislative framework to ensure honest, non-misleading promotion of its products and services.

Each new communication activity is designed in an organised and transparent framework, which involves systematic and methodical procedures and actions for all competent units. Each advertising and/or promotional activity only proceeds with the relevant approval of the Bank's competent units in the context of the regulatory principles.

Responding directly to the situation which arose from the bank holiday and capital controls, in 2015 the Bank posted the relevant information via all the Bank's communication channels to ensure that customers were fully and clearly informed. The Bank also published a special press ad about the branches serving the public during the bank holiday and provided, whenever required, specific briefings to customers about the terms and conditions of use of products and services under the capital controls.

To be able to successfully respond to the constantly changing conditions, the Bank systematically carries out quantitative and qualitative market surveys to monitor market trends, record attitudes and habits, explore needs and expectations, and regularly measures customers' satisfaction with its services, products and service networks and their views about the Bank and the banking system in general.

Of the surveys conducted in 2015, it is worth referring to the nationwide survey of bank customers, carried out by an independent company, to evaluate the way banks handled their customers during the capital controls overall, and then the customers of each bank were asked to evaluate their main bank, in terms of how satisfied they were with how it behaved during the period of capital controls. The findings of the survey indicate that Eurobank obtained very high positive ratings in terms of overall customer management. In terms of individual evaluation parameters, Eurobank obtained the highest ratings from its customers for safeguarding customer interests against the consequences of the capital controls in the best possible manner, best customer service, rapid and effective issuing of e-Banking passwords, and providing solutions for professionals to better cope with the consequences of the crisis. It also received a very high score for its efforts to provide customers with solutions to limit the impact of the capital controls, and for issuing cards with effective, rapid processes.

Finally, having continuous, open and honest dialogue with its customers as a fundamental aim, in 2015 the Bank held more than 200 events and meetings nationwide, in order to brief its customers, understand their demands, and offer integrated solutions to their financial, personal, family and business needs.

RELATIONS WITH SUPPLIERS

Customer Relations

The preservation of the mutual trust that we have built with our customers as well as continuous quality improvement of the provided services constitute the highest priority for the Eurobank group.

The Group considers customer complaint management as one of its most important functions stemming from its strong sense of responsibility towards customers. In this context, the Group Client Relations Office has developed and implemented a Group wide complaints management system in order to ensure that individual customer cases are dealt with, in a considerate, uniform, impartial and frank manner, aiming at finding a fair solution within the time threshold dictated by the current regulatory framework for Credit Institutions (Bank of Greece / Governor's Act 2501/2002). To ensure customer satisfaction, the Bank has developed flexible and innovative procedures for swift and efficient complaints' handling and identification of business areas that may need improvement. More specifically, having adopted ISO 9001 certified procedures and policies, fully compliant to International Practices, the Bank has established a framework that encourages customers to submit complaints for any issue that may concern them. Furthermore, appropriate mechanisms have also been developed to monitor and analyze the root causes of complaints (utilizing Root Cause Analysis methodology) in an attempt to reduce and eliminate the sources of customer dissatisfaction.

Complaints can be submitted to the Bank via multiple channels disclosed to customers in a clear and comprehensible manner that is communicated through specialized brochures available at Branches, as well as the Bank's website (www.eurobank.gr), EuroPhone Banking and e-Banking.

We constantly seek to establish a channel of open communication with customers and to treat them with utmost respect and understanding. Hence we strive to enhance relations that augment our customers' positive experience. Customers' cases are handled in a personalized manner and if the customer is not satisfied, the Group Client Relations Office thoroughly re-examines the case to achieve an amicable resolution of the matter.

The Bank's commitment to maintain a high level of customer service and its honest interest towards its customers are identified in each stage of the complaint management process, through continuous progress updates. Particularly, once the complaint letter is sent, we confirm receipt within 24 hours and the customer is given an estimated response time. Customers are briefed in each stage about the progress of the case, until a final response is sent. We also remain in contact after the matter is resolved, to explore customer satisfaction and register possible comments and remarks.

Group Client Relations Office also ensures that procedures are aligned with the applicable European and Greek regulatory framework and maintains close cooperation with the Regulatory Authorities, Public Bodies, Consumer Associations, the Hellenic Ombudsman for Banking – Investment Services and the Hellenic Consumer's Ombudsman.

It also represents the banking sector as a member of the "Consumer Affairs" working group, of the Hellenic Federation of Enterprises (SEV), seeking to join in activities that preserve consumer rights and enhance best practices thus upgrading customer service.

In 2015, the Eurobank group continued to apply a centralised approach in regard to the Bank and all its domestic and foreign subsidiaries purchases, through the Group Procurement Sector and on the basis of its unified operating model, achieving important negotiation savings in terms of turnover and the number of applications, despite the persistently tough economic situation.

Emphasis was placed on tender-based procurement, with the ultimate aim of ensuring complete transparency. The use of the electronic marketplace for processing requests of strategic and tactical IT purchases and other requests made by individual units and subsidiaries of the Bank was extended thanks to the addition of revised catalogues of standard goods and services, resulting in a major increase in use by the Bank's personnel.

A major deal was also signed for the transition to a new ERP in 2016 which will handle both invoicing and purchase orders placed to suppliers, contracts, fixed asset management and budgeting, thereby optimising requests' handling and cost monitoring.

The use of e-invoicing was also extended. Contract completion was more systematically monitored and updates were made to certain aspects of compliance with Environmental Policy by the Bank's associates in the context of implementing the Environmental Management System. More specifically, e-invoicing was extended to specific suppliers, thereby reducing the volume of paper used and invoice processing and approval times.

The Procurement Sector's contribution to the environment lead to saving 18 trees, 56 m³ of water and 45 tn of CO₂.

These measures helped achieve the maximum possible efficiency in procurement times, as well as in the outcome of supplier agreements.

Apart from ensuring that procurement costs are kept as low as possible, great emphasis was placed on securing the quality of procurement through ISO 9001 and 14001 certifications, and their extension to foreign subsidiaries, through the alignment of the applicable specifications.

Moreover, in order to enhance quality assurance, the supplier evaluation platform was extended to foreign subsidiaries, with increasing numbers of evaluators within the competent units, thus ensuring unified suppliers evaluation, on the basis of common criteria and through a central report management system, and facilitating appropriate decision-making at Group level.

In regards to Green Procurement, by the end of 2015 the use of Managed Print Services (MPS) had been extended to the entire branches network, apart from Administration buildings. The Bank also signed new and beneficial electricity supply agreements, to help reduce costs and stimulate the use of clean energy. Finally, in 2015, the Bank signed an energy-shared savings agreement with Eurobank Property Services, to take initiatives that will result in reduced energy consumption.

PRIORITY TO THE ENVIRONMENT AND SUSTAINABLE DEVELOPMENT

■ Commitment to Sustainable Banking

Environmentally and socially responsible actions are an essential part of sustainable business growth for the Eurobank group.

As a financial group, we are aware of the environmental and social impacts of our own operations and we therefore endorse, and set specific objectives and targets for the optimal use of natural resources, the mitigation of waste production, the protection of environment, the mitigation of climate change, and the protection of biodiversity and ecosystems.

Moreover, the Group encourages its clients, suppliers, shareholders, broader stakeholders and the society at large to join us in the adoption of best sustainability practices in accordance with International Organisations' Guidelines and Initiatives.

Since 2004, Eurobank has been the first bank in Greece and one of the few banks in Europe, to have established an ISO 14001 and EMAS compliant Environmental Management System, while it has captured the highly prestigious European Award for Participatory Environmental Management "EMAS Award 2011" as well as the National EMAS Award for three consecutive years.

Sustainability issues are considered to be of paramount importance for Eurobank's Management, and monitoring them has been assigned to the Group Sustainability Committee (GSC). The Committee's main objective is to provide strategic direction on Sustainability initiatives, measure progress on key Sustainability indicators and ensure the proper implementation of pertinent policies and procedures. The Chairman of the Group Sustainability Committee is the Deputy Chief Executive Officer, Group Chief Operating Officer (COO) & International Activities. The Committee comprises the heads of all Bank units involved in implementing the Group Sustainability, Environmental, Energy Management and Quality Policies, as well as the heads of certified subsidiaries, so that pertinent decision-making and planning are dealt with at the strategic level.

The Committee convenes at least once or twice a year, with minutes being kept during its meetings, while its main results and decisions are submitted by the Committee's Chairman to the authorized Bank's management bodies (Executive Board) and the Chief Executive Officer.

The Committee's main responsibilities are to:

- Review progress against policy objectives and annual targets.
- Provide strategic direction on Sustainability initiatives.
- Report on key issues of concern related to Sustainability risks and opportunities.
- Ensure that all Group's Sustainability formal/informal, international/national, mandatory/voluntary commitments are fulfilled.

One of the Group's core principles is that the path to Sustainable Development requires wide partnerships between companies, organisations, networks and other economic and social players. To that end, the Eurobank group is actively involved in a series of international initiatives, such as the United Nations Environment Program Finance Initiative (UNEP FI), having held top management positions such as the Chairmanship of the European Task Force, the membership of the Banking Commission and of the Global Steering Committee. Through its significant role to the UNEP FI operations, the Group had a key contribution to the drawing up and publication of the first of its kind UNEP FI Sustainable Banking Guide, which constitutes a best practices' manual for banks worldwide.

Eurobank is also a member of the expert panel of the European Commission Energy Efficiency Financial Institutions Group and the Sustainable Development Committee of the Hellenic Bank Association, and is a sustainability ambassador for the Sustainable Greece 2020 Initiative.

In addition, Eurobank has co-signed, and adheres to, the environmental principles of the UN Global Compact, implementing a proactive approach in regard to environmental challenges (Environmental Management System, Environmental Risk Assessment etc.), taking initiatives aimed at enhancing environmental responsibility (Environmental Policy, sponsorships etc.). It also encourages the development and dissemination of environmentally friendly technologies (i.e. financing the installation of photovoltaic systems, "Saving at Home" Programme, Energy Management System etc.).

■ Key Actions in 2015

Demonstrating its commitment to the concept of Sustainable Banking, Eurobank transforms its sustainability policy into key support tools and action plans.

Environmental and Social Risk Management

Major institutional investors such as the European Bank for Reconstruction and Development (EBRD) and the World Bank through the International Finance Corporation (IFC), were actively involved in the Bank's Share Capital Increase in 2015. These internationally prestigious institutions make a major contribution to highlighting the importance of integrating environmental and social risk management mechanisms into lending and investment banking operations, through their established mechanisms and conditions for financing the economy. As an organisation that is constantly improving its in-house know-how on such issues, Eurobank was prepared to upgrade its pertinent mechanisms for identification and management of potential credit, operational and legal risks, as well as reputational risks that could derive from its clients' environmental and social behaviour, in order to generate the fewest possible repercussions to the Greek economy, but also through developing conditions to highlight major opportunities for strengthening environmentally and socially responsible entrepreneurship.

Green Products and Services

Understanding the evolving needs of the society and the markets, Eurobank is orienting its products and services in a manner that promotes the principles of Sustainable Development, by developing "green" banking products with a positive environmental impact. The "Green Entrepreneurship / Environmental Risk" Team supervises and coordinates the development of such products, for example the "Green Home Loans", the participation in the state-subsidised "Saving at Home" home-energy efficiency improvement Programme, as well as the WWF Eurobank Visa card, which has been offering tangible support to this NGO's uninterrupted operation for the past 15 years.

Operational Footprint

Whenever possible, the Bank seeks and implements best environmental management practices, which include energy efficiency, rational water use, recycling of all recyclable materials, and waste reduction. To that end, the Bank's main concern is to procure and use environmentally friendly products, whilst, more specifically, all the A4 paper used for all Bank services' needs, bears the ECOLABEL sign.

Environmental performance regarding the improvement of the operational environmental footprint is monitored through specific environmental indicators in order to identify any deviations and to proceed accordingly to the appropriate corrective/preventive actions, before it is subsequently published in the Annual Report and the Environmental Report (EMAS).

Energy Efficiency

Deploying the "Shared Savings Energy Performance Contract" tool with an ESCO company, the project for the energy efficiency optimization for all Bank's buildings and branches, was launched in 2015. As part of this project, energy data is collected, analysed and monitored for each location, energy inspections are carried out and then targeted technical interventions and management solutions are being implemented, in order to lead to energy consumption reduction. The Bank's Energy Management Team, comprised of the Group Real Estate & Infrastructure Sector, the Group Sustainability / Environmental & Social Affairs Division and the subsidiary Eurobank Property Services S.A., meets on a monthly basis to review the data mentioned above, and the results of the meetings are submitted to Management.

To further enhance environmental awareness among employees across the entire Group, the Energy Saving Campaign was launched in 2015, which contributed to achieving energy saving targets and reducing the contribution to the greenhouse effect. In addition to this and in order to cover the employees' need to support vulnerable social groups, the campaign was also combined with a charitable cause, since part of the money deriving from the achieved energy savings, was donated to the Lyreio Foundation for Children which offers free care, rearing, support and education to parentless children, either because their parents have passed away, or due to family and social problems.

In 2015, collective efforts coupled with the adoption of every energy efficiency optimisation mechanism, resulted in a major reduction of energy consumption by 11.3% compared to the previous year.

Green Procurement Policy

Through its Green Procurement Policy, the Bank directly involves its suppliers in its philosophy and commitment to reduce environmental impacts, evaluating them in accordance with environmental criteria, whereas its Energy Management Policy evaluates suppliers in accordance with energy criteria, thereby seeking to optimise energy efficiency for both the services and products it procures.

LEED Building Certification (Leadership in Energy & Environmental Design)

The Bank participated in the initiative of the owner of one of the Bank's leased buildings (Grivalia Properties), to achieve the LEED Platinum certification for one of the buildings in which it is based. The building at 25th Martiou and Teo St. in Tavros, constitutes the first office building in Greece to attain such a certification, demonstrating the excellent working environment the Bank fosters. A key element in achieving this certification was Eurobank's contribution, data provision, and coordination while the fact that there are already certified Environmental and Energy Management Systems in place across the entire Bank, made Eurobank the ideal tenant to support the owner's endeavours in order to achieve such a certification.

Achievements/Awards

The Bank's efforts and initiatives as part of the certified Energy Management System it has established and implements, as well as its overall approach in the field of energy management and energy savings, were rewarded with 3 gold awards in the "Energy Certification", "Energy Conservation" and "Energy Efficiency" categories at the Energy Mastering Awards.

Targets

The Group's Management aims at gradually extending its certified and award-winning practices to its subsidiaries in Greece and abroad.

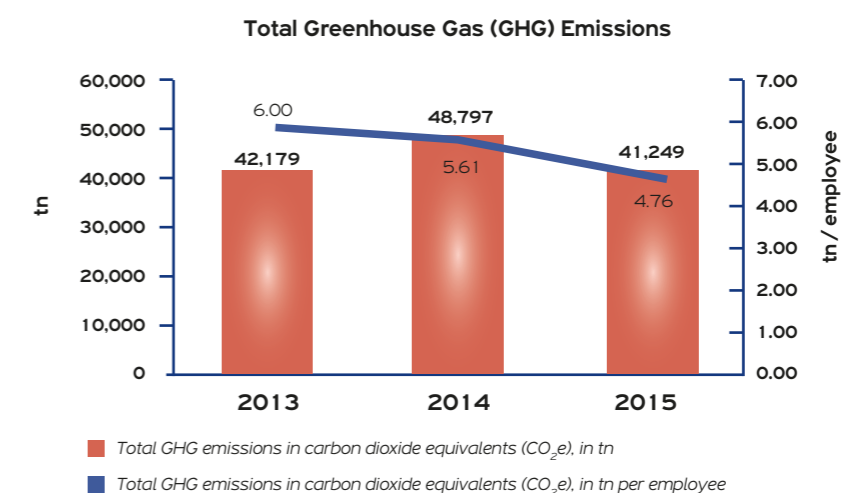
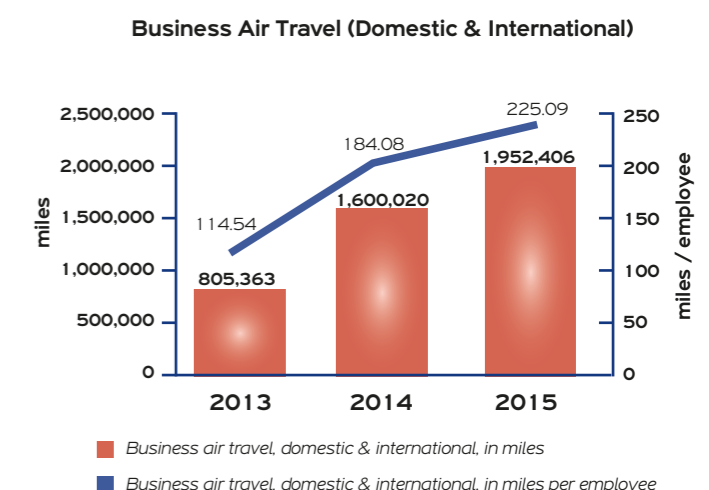
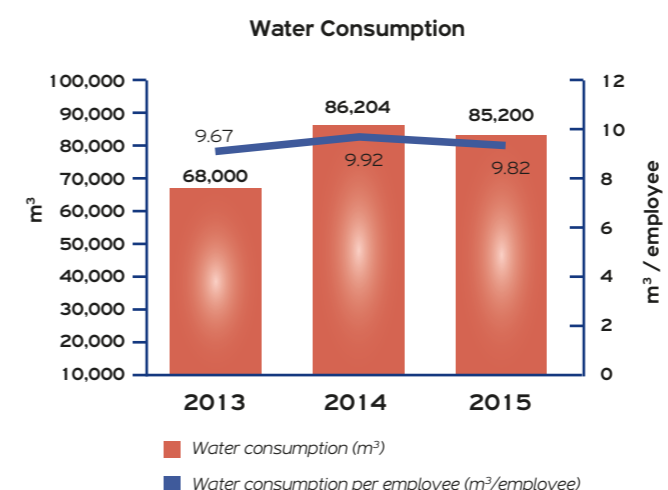
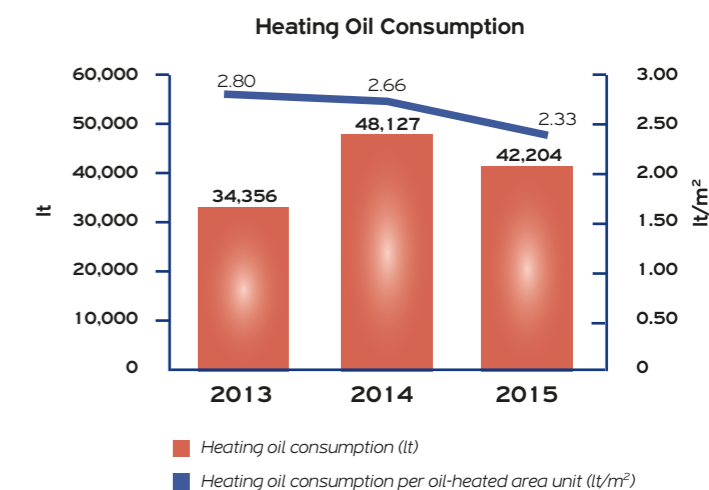
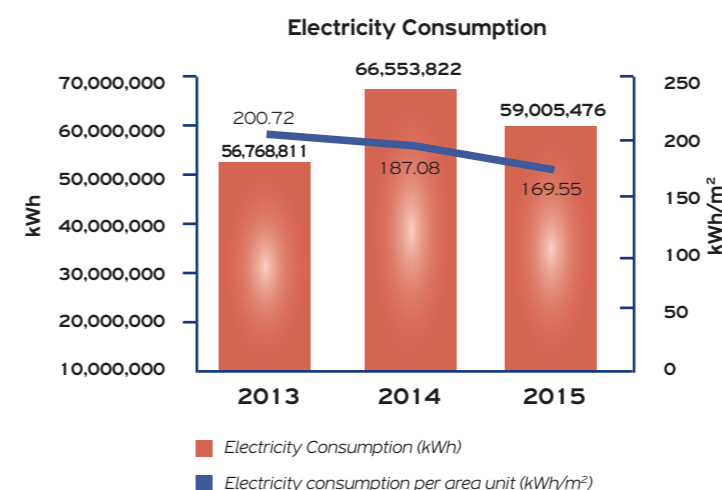
The Bank's target for its operations is to reduce energy consumption by 10% on an annual basis within the next 2 years, and by 2020 it aims to reduce overall greenhouse gas emissions (GHG - Category 1 and 2) by 10%.

ENVIRONMENTAL INDICATOR	PERFORMANCE IN 2013	PERFORMANCE IN 2014	PERFORMANCE IN 2015	CHANGE Y-O-Y
Electricity Consumption (kWh)	56,768,811	66,553,822*	59,005,476	(11.34)%
Electricity consumption per area unit (kWh/m ²)	200.72	187.08	169.55	(9.37)%
Electricity consumption per employee (kWh/employee)	8,074.07	7,656.91	6,803.00	(11.15)%
Heating oil consumption (lt)	34,356	48,127	42,204	(12.31)%
Heating oil consumption per oil-heated area unit (lt/m ²)	2.80	2.66	2.33	(12.42)%
Natural gas consumption (kWh)	2,242,126	2,510,195	2,200,000	(12.36)%
Natural gas consumption per gas-heated area unit (kWh/m ²)	40	48	42	(12.36)%
Water consumption (m ³)	68,000	86,204	85,200	(1.16)%
Water consumption per employee (m ³ / employee)	9.67	9.92	9.82	(0.96)%
Paper supply (kg)	402,150	574,138	548,939	(4.39)%
Toners supply (units)	3,776	3,713	823	(77.83)%
Business air travel, domestic & international, in miles	805,363	1,600,020	1,952,406	22.02%
Business air travel, domestic & international, in miles per employee	114.54	184.08	225.09	22.28%
Total greenhouse gas emissions (GHG) in carbon dioxide equivalents (CO ₂ e), in tn	42,179	48,797	41,249	(15.47)%
Total greenhouse gas emissions (GHG) in carbon dioxide equivalents (CO ₂ e), in tn per employee	6.00	5.61	4.76	(15.29)%
Total greenhouse gas emissions (GHG) in carbon dioxide equivalents (CO ₂ e), in tn per area unit (tn / m ²)	0.149	0.137	0.119	(13.59)%
Total SO ₂ emissions in tn	0.024	0.034	0.030	(12.31)%
Total NO _x emissions in tn	0.381	0.450	0.394	(12.34)%
Total particulate emissions in tn	0.024	0.030	0.026	(12.33)%
Number of electronic equipment units donated (units)	572	976	1,809	85.34%
Number of employees trained on environmental issues	101	142	248	74.64%
Number of environmental due diligence inspections at large projects	16	19	22	15.79%
Carbon Intensity (tnCO ₂ e/€m revenue)	52.99	42.07	27.80	(35.57)%

Calculations of CO₂ emissions and consequently of CO₂e arising from electricity consumption, have been made in accordance with the kWh/CO₂ conversion factor of the internationally accepted WBCSD/WRI GHG Protocol to ensure comparability at global level.

* According to the actual electricity consumption figure for 2014 which has been amended compared to the figure presented in the 2014 Annual Report (68,280,149 kWh) as it included the relevant predictions.

The detailed presentation of the environmental programmes and performance of the Bank, along with the Environmental Reports verified by an independent accredited Verifier, are available in the relevant section of the Group's website.



MANAGEMENT SYSTEMS AND CERTIFICATIONS

Strengthening the way environmental and social (E&S) issues are integrated into the Group's business model for Sustainable Development is included in the Management's core strategies. In this context, the Group is upgrading the existing management systems, by developing, in parallel and supplementarily, an Environmental & Social Management System (ESMS) in accordance, amongst others, with the requirements and expectations of its institutional investors, shareholders and other stakeholders.

At the same time, the Group continues to implement certified in accordance with International Standards, Environmental (ISO 14001/EMAS), Energy (ISO 50001), Quality (ISO 9001), Health & Safety at Work (OHSAS 18001), IT Service (ISO 20000-1), Societal Security - Business Continuity (ISO 22301) and Information Safety (ISO 27001) Management Systems. Their implementation contributes to the sustainability of the Organisation and focuses on the continuous improvement of services, with respect and responsibility towards the environment, the society, the employees and all stakeholders.

■ Energy Management System

By extending and specifying the Environmental Management System it implements, as part of its dedication to continually improving energy efficiency, in 2015 Eurobank became the first bank in Greece to develop and implement an Energy Management System certified in accordance with the ISO 50001 international standard.

As part of the System, Eurobank has established and implements a specific Policy and energy management procedures, which encompass monitoring and analysing energy consumption, in order to implement technical interventions and adopt management solutions if needed, following scientific methodology to document the predicted energy efficiency improvements.

As a result comes the reduction of energy consumption and consequently, of GHG emissions. The methodology Eurobank follows to reduce its energy consumption needs, is based on the "Pay as You Save" model, in partnership with the Energy Services Company (ESCO) in the context of an innovative "Shared Savings Energy Performance Contract".

■ Quality Management System

Continually improving the services it offers to the client, is an integral part of the systematic approach taken to Sustainability issues. In this context, the Group has set a specific Quality Policy, realised through the implementation of a Quality Management System, certified in accordance with the ISO 9001 International Standard.

The annual surveillance of the existing certifications of the Quality Management System of the Bank and the Group's subsidiaries in Greece, Eurobank Property Services S.A., Eurobank Asset Management M.F.M.C., as well as of BE-Business Exchanges S.A., was successfully completed in 2015. In addition, the process to extend the scope of application of the system to the Group Real Estate & Infrastructure Sector's services was also successfully completed.

■ IT Service Management System

The Information Technology Service Management System implemented by the Bank includes, among others, the design and development of services, acceptance testing and integration of services into production, service-level management, change and supplier management, technical, human and financial resources management, incidents and problems resolution etc. The system was certified in April 2013 in accordance with the ISO 20000-1 International Standard. This certification, which was re-confirmed by the follow-up audit of September 2015, covers the entire range of IT services provided to the Bank's business units and concerns the IT operating model overall (policies, procedures, guidelines, organisational structure, roles and responsibilities etc.).

Eurobank is the only banking institution in Greece, and one of the few worldwide, to have received such a certification for a similar range of services.

■ Societal Security - Business Continuity Management System

Securing the uninterrupted provision of banking and financial services according to the needs and expectations of stakeholders (clients, shareholders, suppliers, employees etc.) is a commitment the Eurobank group has made. In this vein, the Group has adopted Business Continuity Plans, whose implementation is based on an ISO 22301:2012 compliant Management System, renewed in September 2015.

The guardian of the Management System is integrated in the organisational structure of the Group Organisation and Planning Sector, its main responsibility being to ensure the implementation of the Business Continuity Policy and the achievement of the objectives emanating from it. The Business Continuity Policy applies to all Group subsidiaries in Greece and abroad, and is implemented by Business Continuity Units established in those subsidiaries.

MEMBERSHIPS IN ASSOCIATIONS & ORGANISATIONS

As part of its Corporate Responsibility drive, the Bank is a member of various Associations and Organisations that promote Sustainable Development and Responsible Entrepreneurship.

United Nations Global Compact

The UN Global Compact is an international voluntary initiative designed to promote sustainability and responsible business. It provides a framework of 10 internationally accepted principles in the areas of human rights, labour, environmental protection and anti-corruption, which provides a basis for participating companies to commit to align their strategy and operations. Eurobank has been a member and signatory of the UN Global Compact since 2008, actively supporting and promoting its 10 principles while each year it publishes a report with the activities that reflect its commitments to those principles.

The Principles of the UN Global Compact

Human Rights	
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights
Principle 2	Businesses should make sure that they are not complicit in human rights abuses.
Labour	
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
Principle 4	Businesses should uphold the elimination of all forms of forced and compulsory labour.
Principle 5	Businesses should uphold the effective abolition of child labour.
Principle 6	Businesses should uphold the elimination of discrimination in respect of employment and occupation.
Environment	
Principle 7	Businesses should support a precautionary approach to environmental challenges.
Principle 8	Businesses should undertake initiatives to promote greater environmental responsibility
Principle 9	Businesses should encourage the development and diffusion of environmentally friendly technologies.
Anti-Corruption	
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.

United Nations Environment Program Finance Initiative (UNEP FI)

Since 2005 Eurobank has been a member of the United Nations Environment Program Finance Initiative (UNEP FI) on the promotion of Sustainable Development. From 2010 to 2014 Eurobank was a member of the Banking Commission and the Global Steering Committee. During the same period the Bank also held the Chairmanship of the European Task Force, coordinating the campaign for the promotion of Sustainable Banking in the European Union, and was instrumental in the publication of the first Sustainable Banking Guide in the world.

Sustainable Greece 2020

Since 2014, Eurobank is an ambassador for the Sustainable Greece 2020 Initiative. This Initiative is realised by the QualityNet Foundation, in cooperation with Greece's most important business associations and aims at raising awareness in regard to Sustainable Development and Responsible Entrepreneurship through systematic Dialogue and the creation of methodologies and tools, such as the Sustainability Observatory, concerning the three pillars of Sustainable Development: the economy, the environment and the society.

CSR Hellas

Eurobank has been a member of the Hellenic Network for Corporate Social Responsibility (CSR Hellas) since 2003. The aim of CSR Hellas is to promote, and raise awareness on, the Corporate Responsibility of Greek enterprises and organisations, through a series of initiatives, best practices and actions that help enhance social cohesion and Sustainable Development.

Global Sustain

Global Sustain promotes corporate responsibility, green economy, sustainability, business ethics and excellence, responsible investments, transparency, human rights and accountability through the provision of innovative services. Its members include corporations, non-governmental and non-profit organisations, academic institutions, and other public or private bodies.

Sustainable Development Committee of the Hellenic Bank Association

Eurobank played a leading part in the establishment of the Sustainable Development Committee of the Hellenic Bank Association, and continues to coordinate its work till this date.

Energy Efficiency Financial Institution Group (EEFIG) - European Commission

The Bank is a member of the permanent European Commission expert panel on Energy Efficiency Financing (EEFIG - Energy Efficiency Financial Institutions Group).

AWARDS 2015

Retail Banking

Best Retail Bank	Greece	World Finance Magazine
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Private Banking

Best Private Bank	Greece	Global Finance Magazine
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Best Private Bank	Greece	World Finance Magazine
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Best Private Bank	Cyprus	Euromoney Magazine
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Electronic Services

Best Corporate/Institutional Digital Bank	Greece	Global Finance Magazine
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Gold Award for the m-Banking Eurobank App	Greece	Cyta Mobile Excellence Awards
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Securities Services

Top Rated Custodian for Institutional Investors	Greece	Global Custodian Magazine
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Top Rated Custodian for Institutional Investors	Romania	Global Custodian Magazine
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Top Rated Custodian for Institutional Investors	Bulgaria	Global Custodian Magazine
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Top Rated Custodian for Institutional Investors	Cyprus	Global Custodian Magazine
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1st place for custody services	Bulgaria	Global Investor Magazine
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Trade Finance

The Best Bank in the area of Trade Financing	Serbia	Global Finance Magazine
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The Best IFC Partner in Southern Europe for Global Trade Financing	Romania	Annual Global Trade Partners Meeting of IFC
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Shipping Finance

Shipping Financier of the Year	Greece	Lloyd's List Greek Shipping Awards
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Transaction Banking

Best Domestic Cash Manager	Greece	Euromoney Magazine
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Best Treasury & Cash Management Bank	Greece	Global Finance Magazine
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The Innovators 2015 - Transaction Services for exportgate.gr	Greece	Global Finance Magazine
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Equities Brokerage

Leading Brokerage Firm	Greece	
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Best Country Research for the Greek market	Greece	Thomson Reuters Extel Survey
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Best Country Research Individual Analyst for the Greek market	Greece	
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Real Estate

Best Real Estate M&A Advisory	Greece	Euromoney Magazine
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Mutual Funds Management

Top distinction of "Citywire Platinum" in Equities Eurozone and Bonds-Eurozone	Greece	Citywire Global
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"Citywire A" to three bond mutual fund managers and "Citywire +" to a Fund of Funds manager	Greece	Citywire Global
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5 stars rating to Interamerican Money Market fund and 4 stars rating to Eurobank Global Bond Foreign Bond fund, Eurobank Balanced Blend Fund of Funds Balanced and Bancpost (LF) Balanced - Active Fund (RON)	Greece	Morningstar®
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Corporate Responsibility

Gold Award in the "Energy Efficiency - Banks" category	Greece	
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Gold Award in the "ISO EN 50001 Certification" category	Greece	Energy Mastering Awards
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Gold Award in the "Energy Conservation" category	Greece	
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Award for egg - enter*grow*go innovative youth entrepreneurship program in the "Bravo Society" category	Greece	Bravo Sustainability Awards - QualityNet Foundation
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APPENDIX

EUROBANK ERGASIAS S.A.

SELECTED FINANCIAL DATA
FOR THE YEAR ENDED 31 DECEMBER 2015

The complete Annual Financial Report for the year 2015 is available
on the Group's official website www.eurobank.gr

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General Commercial Registry No: 000223001000

EUROBANK ERGASIAS S.A.

CONSOLIDATED INCOME STATEMENT

	Year ended 31 December	
	2015 € million	2014 € million
Interest income	2,586	2,870
Interest expense	(1,123)	(1,400)
Net interest income	1,463	1,470
Banking fee and commission income	370	367
Banking fee and commission expense	(178)	(162)
Net banking fee and commission income	192	205
Income from non banking services	52	48
Dividend income	2	3
Net trading income	28	(9)
Gains less losses from investment securities	15	72
Net other operating income	10	7
Operating income	1,762	1,796
Operating expenses	(1,017)	(1,035)
Profit from operations before impairments and non recurring income/(expenses) and provisions	745	761
Impairment losses on loans and advances	(2,665)	(2,264)
Impairment losses on intangible assets	-	(100)
Other impairment losses	(87)	(205)
Non recurring income/(expenses) and provisions	(79)	57
Share of results of associated undertakings and joint ventures	0	(0)
Profit/(loss) before tax	(2,086)	(1,751)
Income tax	604	484
Non recurring tax adjustments	432	246
Net profit/(loss) from continuing operations	(1,050)	(1,021)
Net profit/(loss) from discontinued operations	(105)	(175)
Net profit/(loss)	(1,155)	(1,196)
Net profit/(loss) attributable to non controlling interests	26	23
Net profit/(loss) attributable to shareholders	(1,181)	(1,219)
	€	€
Earnings/(losses) per share		
-Basic and diluted earnings/(losses) per share	(4.02)	(10.58)
Earnings/(losses) per share from continuing operations		
-Basic and diluted earnings/(losses) per share	(3.68)	(9.06)

The complete Annual Financial Report for the year 2015 is available on the Group's official website www.eurobank.gr

EUROBANK ERGASIAS S.A.

CONSOLIDATED BALANCE SHEET

	31 December	
	2015 € million	2014 € million
ASSETS		
Cash and balances with central banks	1,798	1,948
Due from credit institutions	2,808	3,059
Financial instruments at fair value through profit or loss	100	360
Derivative financial instruments	1,884	2,134
Loans and advances to customers	39,893	42,133
Investment securities	16,291	17,849
Property, plant and equipment	666	702
Investment property	925	876
Intangible assets	127	150
Deferred tax assets	4,859	3,894
Other assets	2,151	2,143
Assets of disposal groups classified as held for sale	2,051	270
Total assets	73,553	75,518
LIABILITIES		
Due to central banks	25,267	12,610
Due to credit institutions	4,516	10,256
Derivative financial instruments	2,359	2,475
Due to customers	31,446	40,878
Debt securities in issue	150	811
Other liabilities	742	2,020
Liabilities of disposal groups classified as held for sale	1,941	164
Total liabilities	66,421	69,214
EQUITY		
Ordinary share capital	656	4,412
Share premium	8,055	6,682
Reserves and retained earnings	(3,241)	(6,485)
Preference shares	950	950
Total equity attributable to shareholders of the Bank	6,420	5,559
Preferred securities	43	77
Non controlling interests	669	668
Total equity	7,132	6,304
Total equity and liabilities	73,553	75,518

The complete Annual Financial Report for the year 2015 is available on the Group's official website www.eurobank.gr

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