



2018 EU STRESS TEST PIRAEUS BANK RESULTS

05 May 2018

STRESS TEST MACRO ASSUMPTIONS: 2018 VS. 2015 EXERCISE

2018 Stress Test

2015 Stress Test

Baseline Scenario	2018	2019	2020	3y	2015	2016	2017	3y
Real GDP annual growth (%)	2.4	2.5	2.4	7.5	-2.3	-1.3	2.7	-1.0
HICP annual growth rate (%)	0.9	1.0	1.1	2.9	-0.4	1.5	0.9	2.0
Unemployment rate (end year,%)	19.9	18.3	16.6	-4.9	26.9	27.1	25.7	-0.8
Residential real estate prices (%)	-0.5	0.5	1.0	0.8	-7.5	-5.0	-1.0	-13.0
Commercial real estate prices (%)	0.3	0.3	0.3	0.8	-3.4	-1.2	1.1	-3.5

- 1 GDP is assumed to grow 7.5% in 2018-2020 under the baseline scenario of 2018 ST; in the 2015 exercise GDP was assumed to contract 3.5% (cumulatively in the 2.5years from Jun.15 to Dec.17)

Adverse Scenario	2018	2019	2020	3y	2015	2016	2017	3y
Real GDP annual growth (%)	-1.3	-2.1	0.2	-3.3	-3.3	-3.9	0.3	-6.8
HICP annual growth rate (%)	0.0	-1.1	-1.8	-2.8	-0.7	0.6	-1.0	-1.1
Unemployment rate (end year,%)	20.6	20.0	19.1	-2.5	27.3	28.1	27.5	1.0
Residential real estate prices (%)	-7.3	-6.7	-3.6	-16.6	-7.8	-8.8	-7.8	-22.5
Commercial real estate prices (%)	-9.2	-6.1	-2.2	-16.6	-3.6	-3.4	-2.1	-8.8

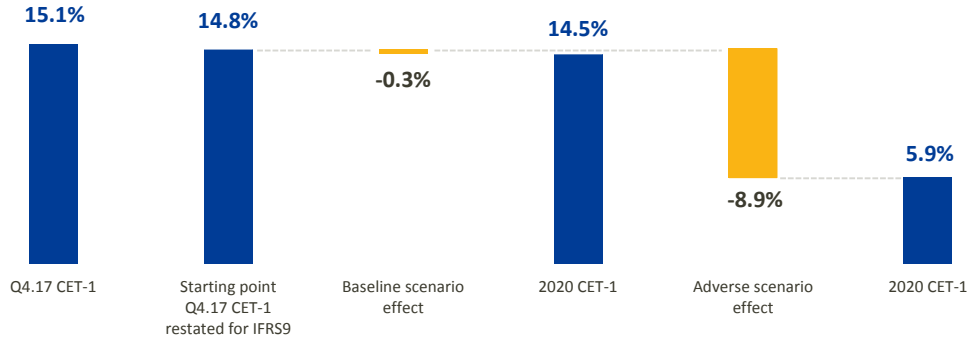
- 2 The adverse scenario assumes a 3.3% GDP decline in 2018-2020 for the 2018 ST, compared to a 10% decline of the 2015 exercise (cumulatively in the 2.5years from Jun.15 to Dec.17)

Source: EBA, compound growth rates



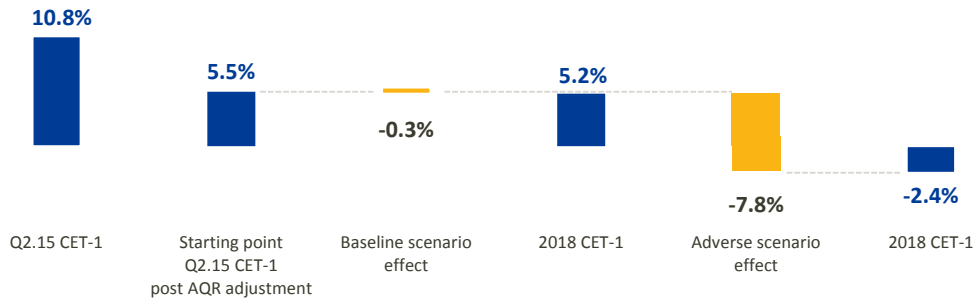
CET-1 DEPLETION IN 2018 VS. 2015 EXERCISE

2018 EU-Wide Stress Test



1 Baseline effect of **-0.3%** in 2018 exercise, just as in 2015

2015 Greek Banks Stress Test

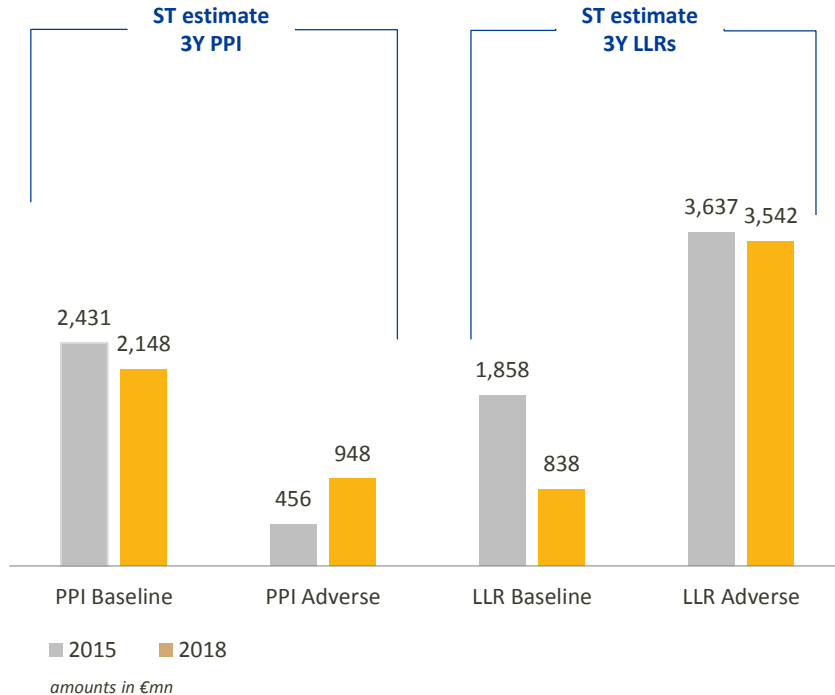


2 Adverse effect of **-8.9%** in 2018 ST exercise, demonstrating that the Bank can withstand a higher adverse effect when compared to the 2015 ST adverse effect, which was **-7.8%**

Note: starting point in 2018 exercise adjusted for IFRS9 phase-in. 2015 starting point adjusted for AQR, which is not applicable to 2018



STRESS TEST PPI & LLR PROJECTION IN 2018 VS. 2015 EXERCISE



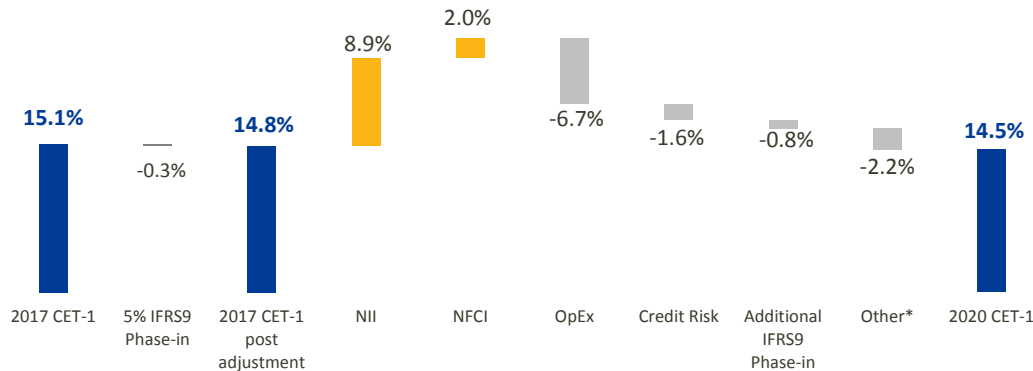
Prudent assumptions adopted on capital generation capacity, impacting the PPI forecast estimates:

- 1 the 3-year cumulative baseline **PPI** was assumed at **€2.4bn** in 2015 ST, while the 2018 ST PPI was at **€2.1bn** for the 3-year period
- 2 the 3-year cumulative adverse **LLR** was at **€3.5bn** in the 2018 ST adverse, relatively at the same level as in 2015, albeit de-risking efforts taken by the Bank in the meantime
- 3 the Stress Test Methodology is based on a static balance sheet approach, and, in principle, does not incorporate planned or ongoing initiatives



Cumulative Baseline CET-1 Impact: -0.3 ppts Depletion

Depletion vs. 2017 reported CET-1 level post restatement due to IFRS9 transition



* Other incorporates effects stemming by operational risk, CoCo payment, REO, other phased-in deductions

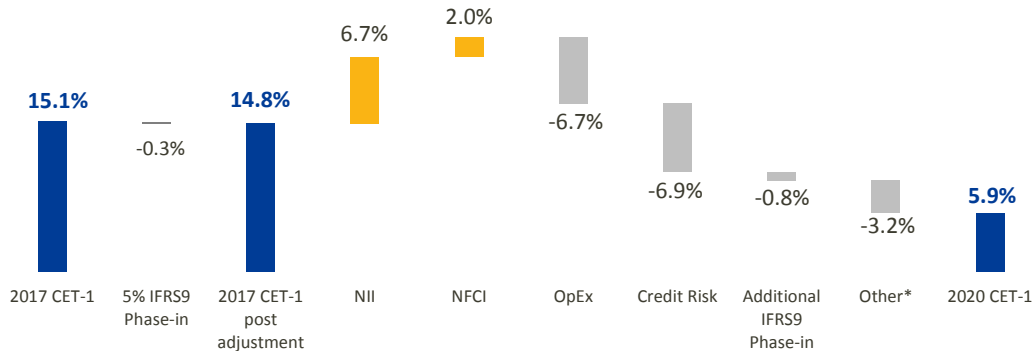
- 1 Under the baseline scenario, CET-1 depletion amounts to **-0.3ppts** resulting in a 3year end CET-1 ratio of **14.5%**
- 2 Distribution of projected credit losses: 2018 **€0.5bn**, 2019 **€0.2bn**, 2020 **€0.2bn**, driving the ratio of LLRs to gross loans to **31%** from **29%**
- 3 Exercise assumes Opex remains static at **2017 levels**





Cumulative Adverse CET-1 Impact: -8.9 ppts Depletion

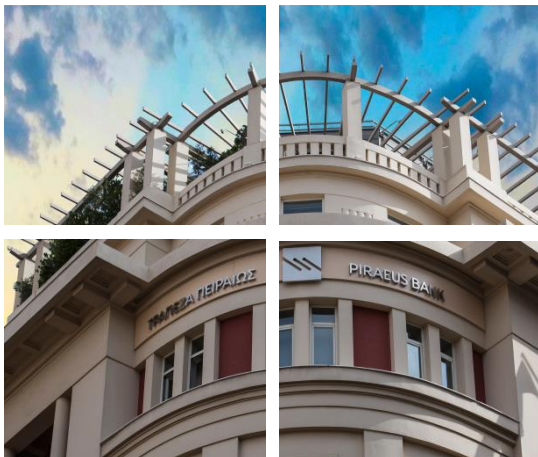
Depletion vs. 2017 reported CET-1 level post restatement due to IFRS9 transition



* Other incorporates effects stemming by operational risk, REO, other phased in deductions

- 1 Under the adverse scenario, CET-1 depletion amounts to **-8.9ppts** resulting in a 3year end CET-1 ratio of **5.9%**
- 2 Distribution of projected credit losses: 2018 **€2.4bn**, 2019 **€0.7bn**, 2020 **€0.5bn**, driving the ratio of LLRs to gross loans to **35%** from **29%**
- 3 Exercise assumes Opex remains static at **2017 levels**





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