

Attica Bank

Q3 2022 Results

December 28th, 2022



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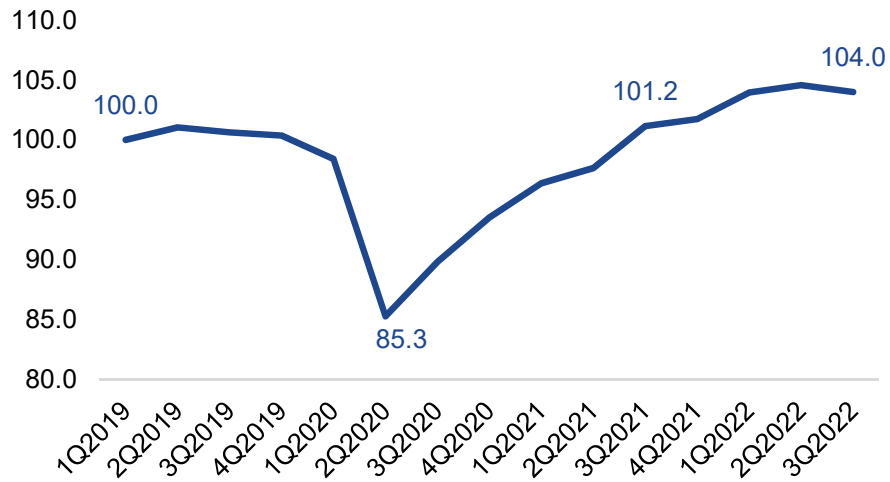


Section 1

Macroeconomic Prospects

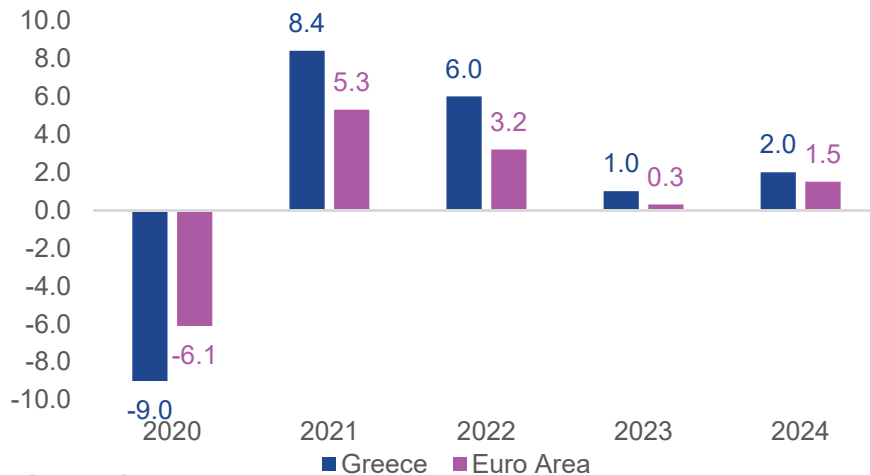
The economy has already recovered surpassing its pre-pandemic levels, with growth set to outperform EU average rates despite inflation & geopolitical risks

2019-3Q22 GDP evolution (rebased to 1Q19)



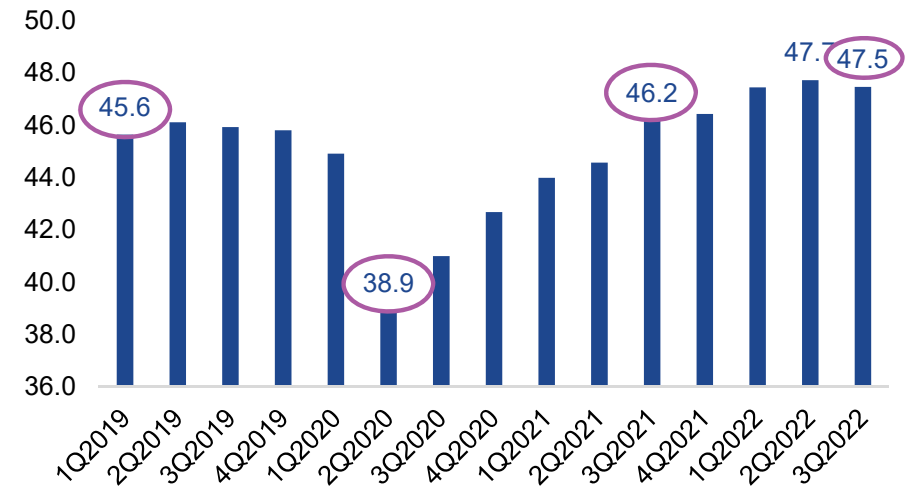
Source: ELSTAT

EC's autumn2022 GDP forecasts (% YoY)



Source: EC

2019-3Q22 Quarterly GDP evolution (EUR bn)



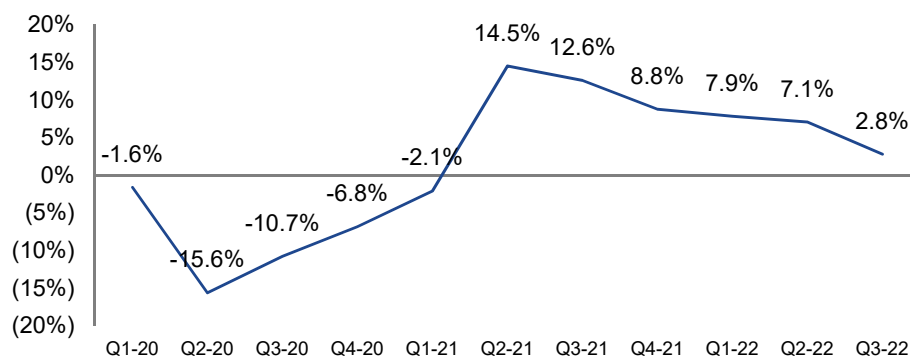
Source: ELSTAT

GDP has recovered and Greece will continue to outperform

- 3Q21 GDP surpassed 2019 relevant levels for the first time during the pandemic
- 2021 and 2022 GDP outperformed strongly (initial expectations and EU peers)
- Outperformance trend is expected to continue in the coming years, with growth surpassing EU average levels for a number of reasons, including the recovery fund, the cyclical rebound from Covid and the 10-year Greek crisis and higher relevant exposure into services

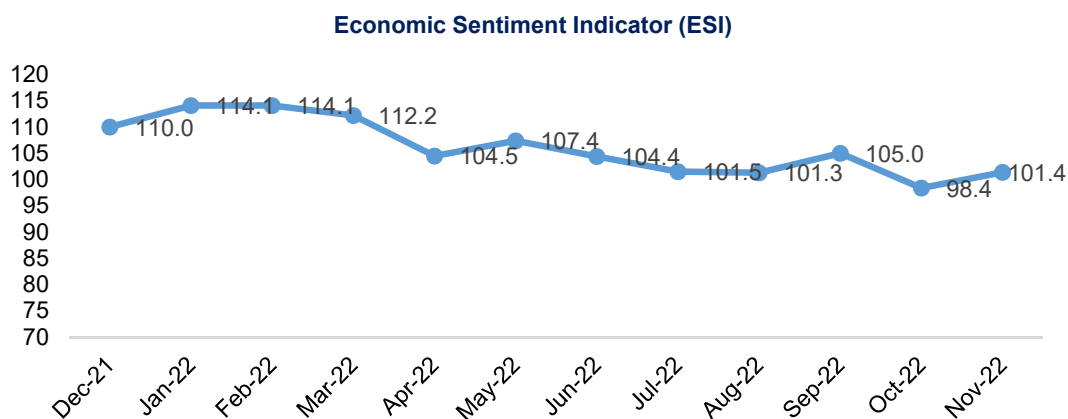
Despite the inflationary headwinds, Greece's outlook remains robust, even under the recently revised forecasts

GDP growth (yoy)



Source: Hellenic Statistical Authority

Economic Sentiment Indicator (ESI)



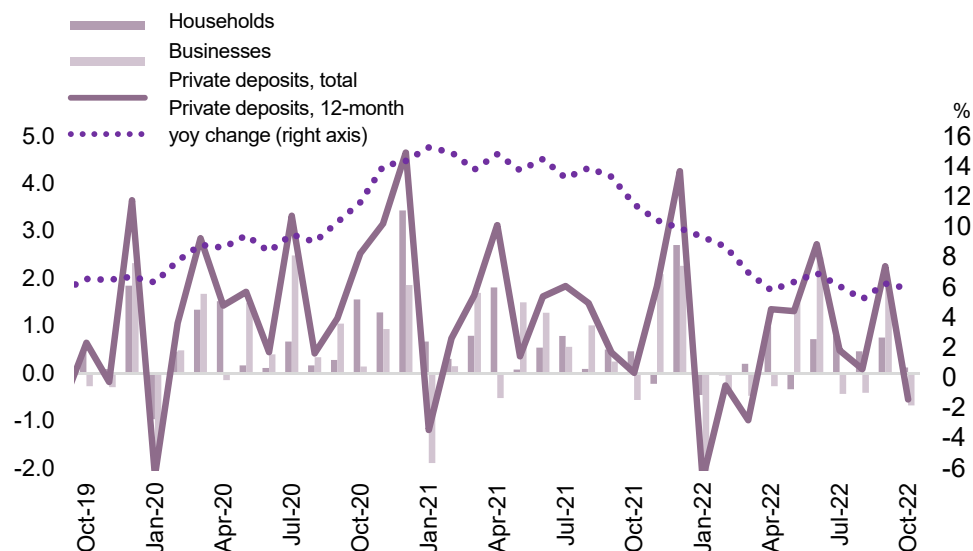
Source: Eurostat, EC - Summer 2022 Economic Forecast

Commentary

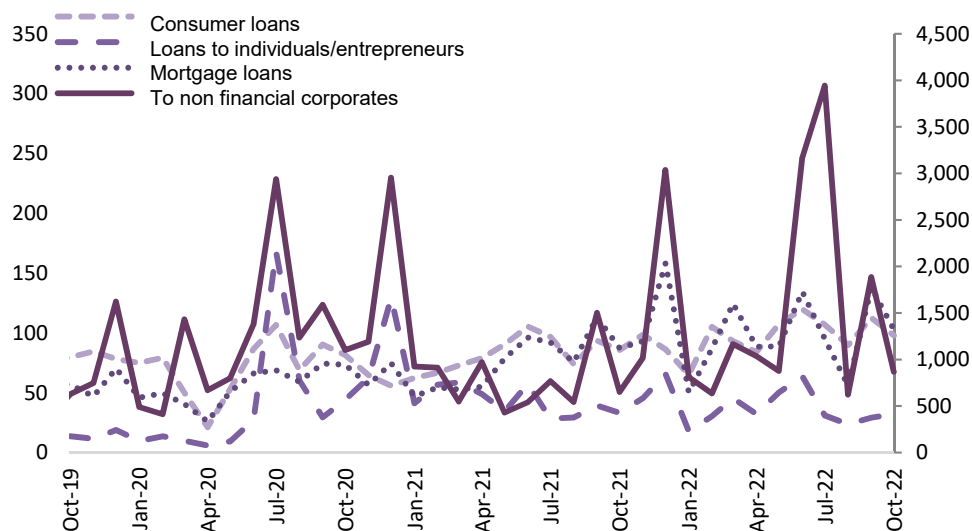
- Economic growth in Greece kept its momentum in the nine-month period of 2022, with growth slowing however to 5.9% (from 7.7% in 1H) reflecting strong export performance and a significant contribution from private consumption.
- Growth in the nine-month period outperformed previous estimates, despite the impact of higher inflation and the resulting squeeze of real disposable incomes. The persistence of high inflation, fading dynamics in job creation, notably due to weaker output growth in sectors affected by high input costs, are expected to negatively affect household spending in the following quarters and this is why 2023 forecasts call for significantly lower growth levels compared to 2022 and 2021.
- According to Eurostat's autumn 2022 economic forecasts real GDP is forecast to grow by 6.0% in 2022 and to slow down to 1.0% in 2023, while the inflation rate is forecasted at 10.0% for 2022 and 6.0% for 2023.
- Economic Sentiment Indicator stood at 101.4 points in November 2022 vs 98.4 points in October, effectively reverting to the summer levels.
- IMF's latest report (World economic Outlook) as at October 2022, concluded that growth is expected to remain robust at 5.2% in the current year while inflation at a multi year high of 9.2%. Both growth and inflation are expected to decelerate in 2023, reaching 1.8% and 3.2% respectively.

Prospects for the Financial – Banking Sector

Net flows of private deposits in Greek Banks (in € bn)



Flows of fixed term loans to the private domestic sector (in € mln)



Recent Developments

- Deposits from the private sector decreased in October 2022 by €0.55 bn, due to non-financial corporations which experienced outflows of €0.68 bn, and were partly offset from incremental inflows (of €0.12 bn) in household deposits. The annual growth rate of private sector's deposits decelerated to 5.9% from 6.2% in September.
- Overall, on top of the €16.2 bn of deposit inflows in 2021 and the €20.6 bn in 2020, private sector deposits have increased by an incremental € 4.2 bn YtD (October), despite the high energy prices and elevated inflation, illustrating the strong momentum of the economy up to now. Flows remained positive in both households and corporates.
- After 8 consecutive months with positive flows, financing to corporates turned into negative territory in October, with net flows coming in at minus €665 mln. Net financing to households continued to slightly decrease, coming in at minus €154 mln in October.
- Since the beginning of the year, financing to the private sector has accelerated significantly, driven solely from corporations as deleveraging continues in households. Net credit flows to corporations reached € 4.9 bn YtD (October), from € 3.3bn and € 6.9 bn for the entire 2021 and 2020 respectively. Importantly, these amounts do not include the impact of RRF related loans, as only very minor disbursements linked to the RRF have occurred thus far.

Source: Attica Economic Review (November 2022), BoG



Section 2

Financial Highlights

Attica Bank Q3 2022 Financial Results



Financial Performance

- Net Fee & Commission Income up by 24.1% yoy
- Continuous emphasis on cost reduction; personnel expenses decreased by c. 9.4% yoy while recurring operating expenses displayed a decrease of 8% yoy



Asset Quality

- Regulatory NPE ratio stands at 65.97%
- New financing and re-financing at €241.2 mln for Q3 2022, out of which €221.8 mln concern corporate and €19.4 mln retail loans



Cost Efficiency & Liquidity

- Strong deposit's base at €2.72 bn
- Gross Loans to deposits ratio at 61.3%
- Diversified sources of funding (collaboration with Raisin platform)
- Digital deposit offering for retail deposits expected to launch



Solid Business Model

- Attica Bank's strategy remains firm; capital actions unfolding in the first quarter of 2023; Tackle NPE legacy issues
- Additional Share Capital Increase of €473.3 mln is committed by the Bank's shareholders
- Additional capital actions starting in 2023; disposal of all owned real estate properties of the bank; reinitiating the POS sale process with a view to achieving profitable transaction in 2024
- Targeted retail strategy, with a view to ensure a stable and competitive funding mix; Corporate strategy aiming at SME business and at specialized sectors; Establish and nurture partnerships and relationships with key professional associations (Civil Engineers, Hotels and tourism, Manufacturing, Retailers) in order to enhance product offering tailored to their needs
- Digitalize the customer interface and customer service to the extent possible

Q3 2022 Financial Performance Analysis

Group Profit & Loss			
Amounts in €mln	Q3 2021	Q3 2022	Δ %
Interest and similar income	60.2	46.8	(22.1%)
Less: Interest expense and similar charges	(22.0)	(17.7)	(19.7%)
Net interest income	38.1	29.2	(23.5%)
Fee and commission income	11.4	12.8	11.9%
Less: Fee and commission expense	(7.7)	(8.2)	6.1%
Net fee & commission income	3.7	4.6	24.1%
Profit / (loss) from trading portfolio	(1.5)	(3.5)	131.1%
Profit / (loss) from investment portfolio	(1.1)	(0.6)	(43.6%)
Other Income	2.2	1.7	(24.7%)
Total Operating income	41.5	31.3	(24.5%)
Personnel expenses	(25.2)	(22.9)	(9.4%)
General operating expenses	(17.7)	(30.2)	70.0%
Depreciation	(10.6)	(12.5)	18.1%
Total Operating Expenses	(53.6)	(65.5)	22.3%
Profit/ (Loss) before taxes and provisions	(12.1)	(34.2)	
Provisions for credit and other risks	(7.6)	3.3	
Provisions for other risks	(0.3)	(0.3)	
Staff retirement compensation	(0.2)	(0.7)	
Income from investment in associates	0.3	(0.3)	
Profit / (Loss) before tax	(19.8)	(32.1)	
Less: Income tax	(7.1)	9.3	
Profit /(Loss) for the period	(26.9)	(41.4)	

Nil down by 23.5% due to large repayments in Q3 2022 and the conclusion of Omega securitization, resulting in the decrease of the loan accruing base and also the decrease of the coupon of the senior note. The decrease was partially offset by the lower financing cost by 29.4% yoy.

Fee & commission income up by 24.1%, driven by increased commissions from credit and debit cards as well as increased commissions from loans and letters of guarantee.

Personnel expenses down by 9.4%; effect by 2 concluded VES.

Recurring operating expenses down by 8%; one-off €13.8 mln restructuring & transformation costs.



Section 3

Profitability

Resilient Core Banking Income driven by sustainable fee income growth

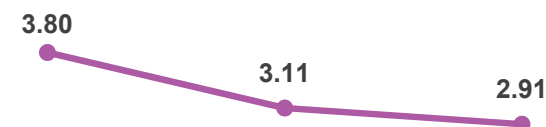
Core Banking Income breakdown

	Q3 2021	Q3 2022	Δ %
Net interest income	38.1	29.2	(23.5%)
Net fee and commission income	3.7	4.6	24.1%
Gain/ loss from securities	(2.6)	(4.1)	59.2%
Other income	2.2	1.7	(24.7%)
Total	41.5	31.3	(24.5%)

Comments

- Net interest income at €38.1 mln, -23.5% yoy driven by a lower borrowers' base of Omega securitization and by the repricing of the senior notes held by the Bank.
- Robust Fee and Commission income in Q3 2022 at €4.6 mln, up by 24.1% yoy. Transactions through credit and debit cards and interbank networks continue to pick up as well as commissions from letters of guarantee.
- NIM (over net loans) at 2.91 bps.

NIM over net loans

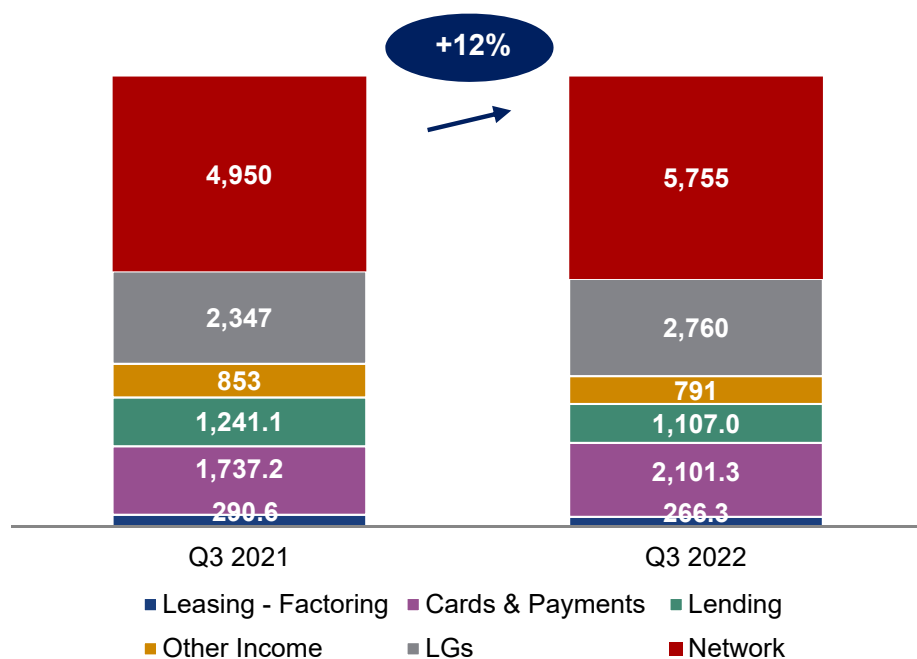


Q3 2021 FY 2021 Q3 2022

NIM: Annualized Net Interest Income / Average Net Loans

Impressive fee income growth for six continuous quarters

Fee & Commission Income Decomposition yoy (€ mln)

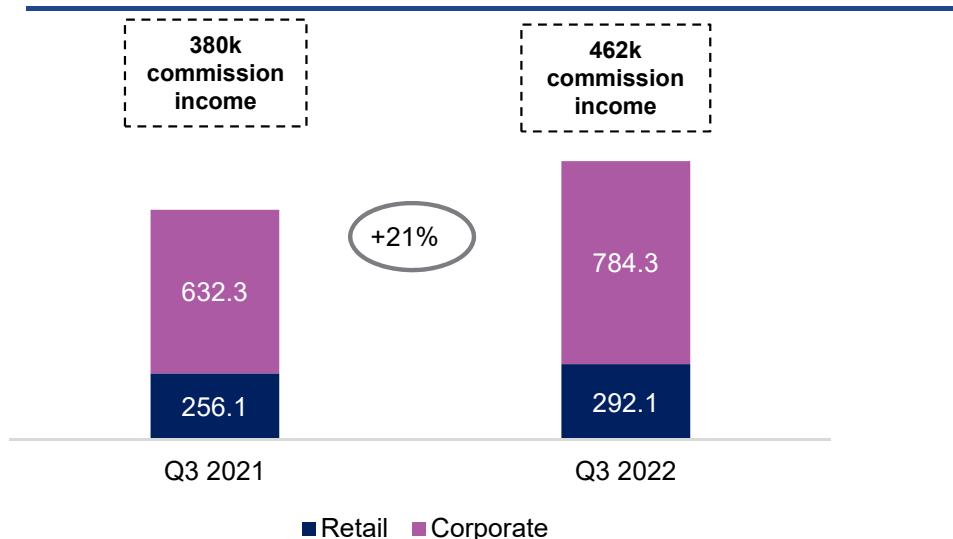


Comments

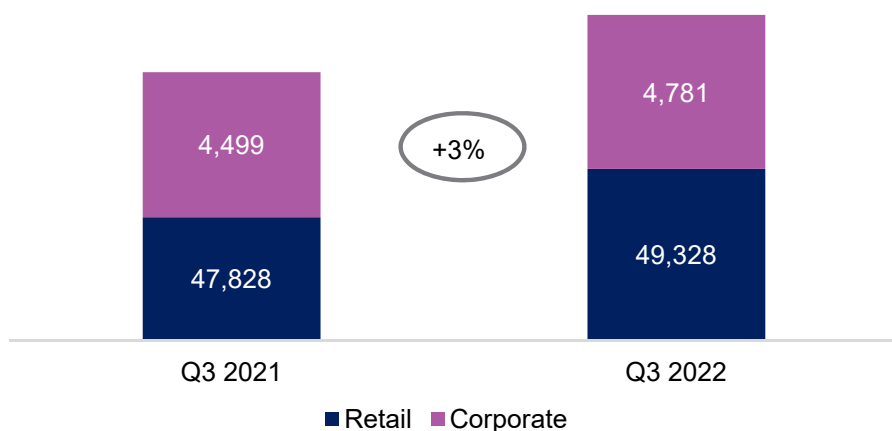
- Fee and Commission income as at 30.09.2022 stood at €12.8 mln, up by 11.9% on an annual basis, primarily attributable to higher loan commissions and increased fee generation from credit and debit card transactions.
- Commissions from letters of guarantee and network transactions rebounded strongly, displaying an increase of 18% and 16% yoy respectively.
- Attica Bank expects fees to grow going forward due to greater business volumes in terms of Bancassurance and transactions from digital channels.

Transactions through digital channels pick up

Value of monetary transactions Attica e-banking & mobile, Q3 2021 – Q3 2022 (€ mln)



Active e-banking & mobile users, Q3 2021 – Q3 2022

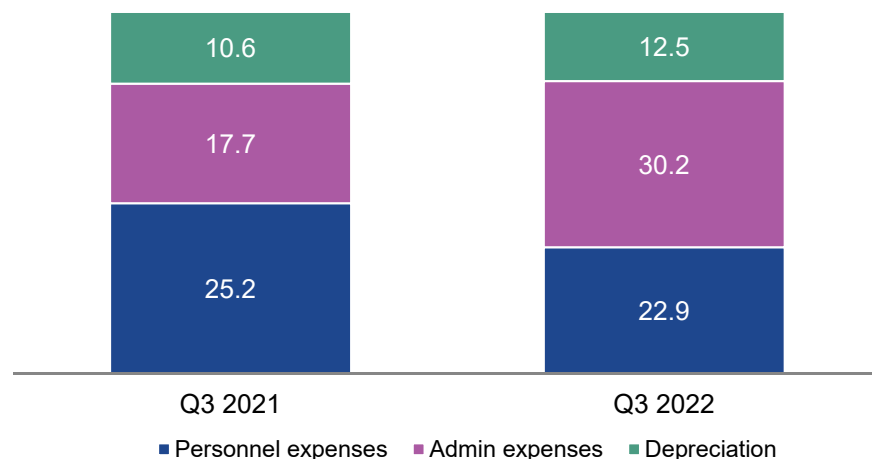


Digital Channels KPIs, Q3 2022

- **16% yoy increase** in active users in mobile banking.
- **21% yoy increase** in value of monetary transactions from e-banking and mobile channels.
- **Steady increase** in volume of mobile-banking monetary transactions; **42% yoy** with a significant **increase in volume of corporate mobile banking** transactions by approximately **three times**.
- Ongoing digital transformation; New transactions and services available

Recurring Opex remained resilient yoy

Evolution of operating expenses (€ mln)



Comments

- Total operating expenses at €65.5 mln, as a result of increased one-off Operating Expenses and depreciation.
- On a recurring basis, administration expenses presented a decrease by 8% YoY.
- Operating Expenses increased by 70% primarily due to non recurring costs for the implementation of the Shareholders' agreement as well as to consulting services for the evaluation of the Bank's loan portfolio of a total amount of 13.8 mln.
- Improving cost base on the back of lower personnel expenses (-9.4% yoy) as a result of the conclusion of VEP in 2022.

Breakdown of Recurring operating expenses (€ mln)

	Q3 2021	Q3 2022	Δ %
Personnel Expenses	25.2	22.9	-9.4%
Administration Expenses	17.74	16.4	-7.8%
<i>Out of which non-recurring (turnaround expenses)</i>	0.0	13.8	N/A
Depreciation	10.6	12.5	18.1%
Total Recurring Operating Expenses	53.6	51.7	-3.4%
Total Operating Expenses	53.6	65.5	22.3%



Section 4

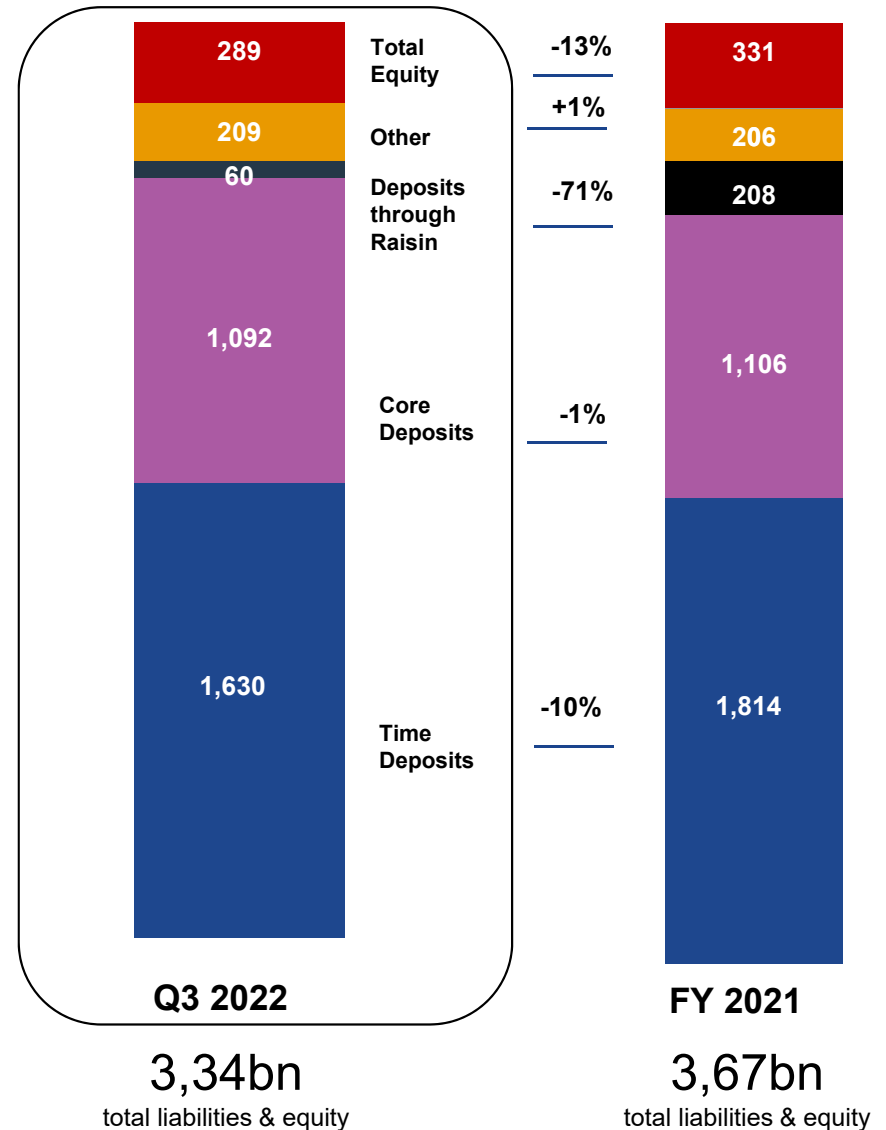
Selected Balance Sheet Items

Balance Sheet composition

Asset Mix

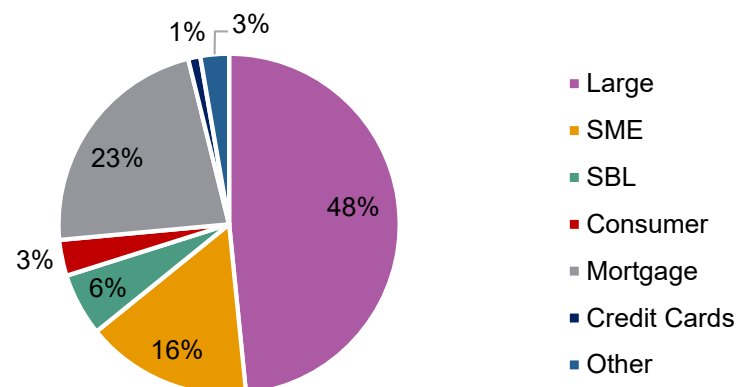


Funding Mix



Revenue to be supported by a continuous increase in new disbursements

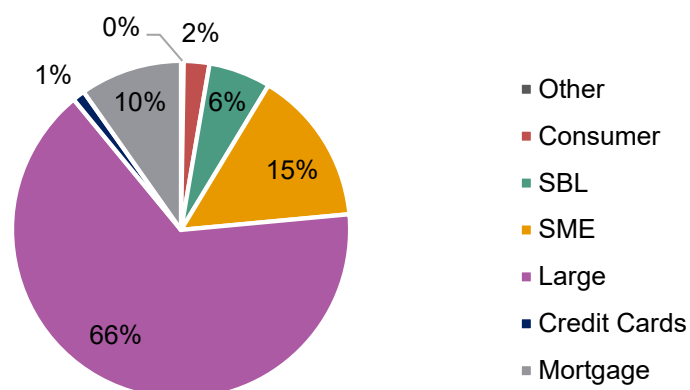
Loan Portfolio Breakdown by segment – Q3 2022



Evolution of New Financing & Refinancing per category – Q3 2022

	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022
Business	66	96	82	89	51
Individuals	6	9	7	7	6
Total	72	105	89	96	57

Loan Portfolio Breakdown Q3 2022 (excl. Astir 1 & 2)



Comments

- New disbursements of €242 mln in Q3 2022
- 93% corporate, 7% retail banking
- New Loans' Disbursements for 2022-2025 focus on infrastructure, energy, environment and tourism.

IFRS NPE analysis, Q3 2022 vs FY 2021 (1/2)

NPE Portfolio, collateral and cash coverage, 30.09.2022 (in €mln)

Category	Loan Balance (Gross)	LLAs	Collateral Coverage	Total Coverage	Contribution Loan Balance (Gross)
Business	304	193	83%	147%	45.9%
Mortgages	273	71	115%	141%	41.2%
Consumer	86	44	64%	115%	12.9%
Total	663	308		140%	100%
NPL	321				48.5%
Denounced	298				44.9%
UTP	12				1.7%
NPF	32				4.9%
PE	0,0				0.0%
	663	47%			

Comments

- NPE cash coverage (46.53% for on balance sheet items)
- Total Coverage including collateral at 140%

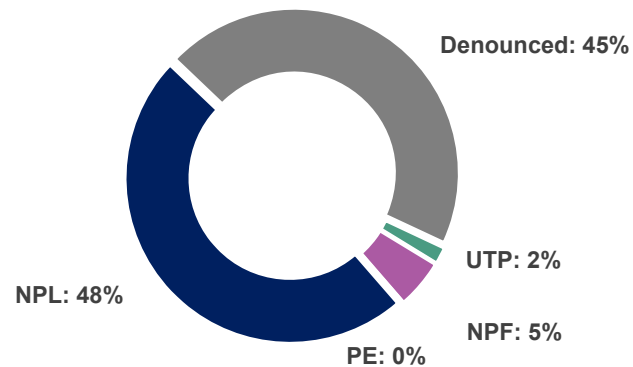
NPE Portfolio, collateral and cash coverage, 31.12.2021 (in €mln)

Category	Loan Balance (Gross)	LLAs	Collateral Coverage	Total Coverage	Contribution Loan Balance (Gross)
Business	322	197	82%	144%	46.0%
Mortgages	288	80	109%	137%	41.2%
Consumer	89	46	59%	111%	12.8%
Total	699	324		137%	100%
NPL	349				50.0%
NPF	27				3.9%
UTP	27				3.9%
Denounced	295				42.2%
	699	46%			

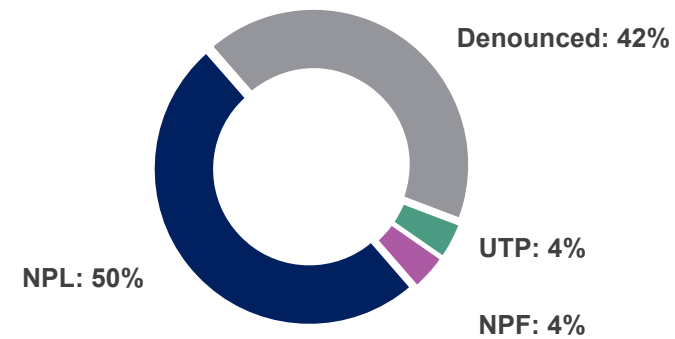
IFRS NPE analysis, Q3 2022 vs FY 2021 (2/2)

NPE per category

Q3 2022

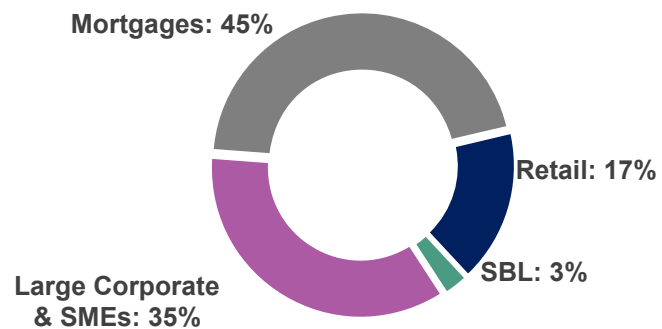


FY 2021

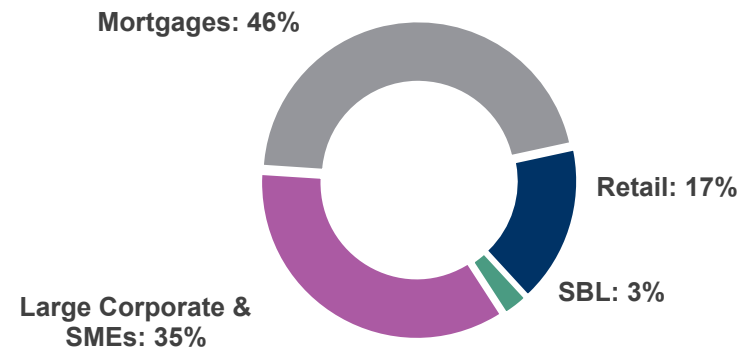


NPL per segment

Q3 2022

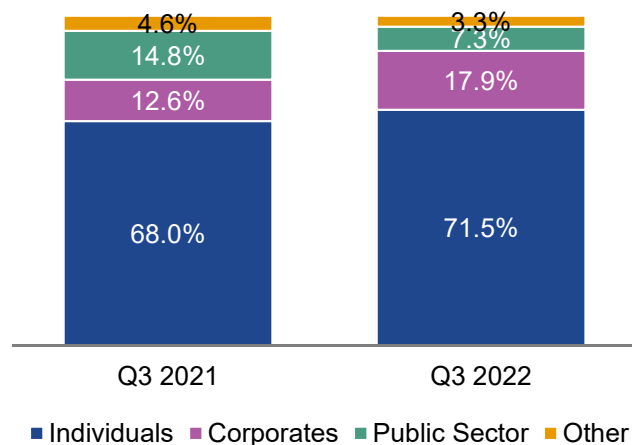


FY 2021

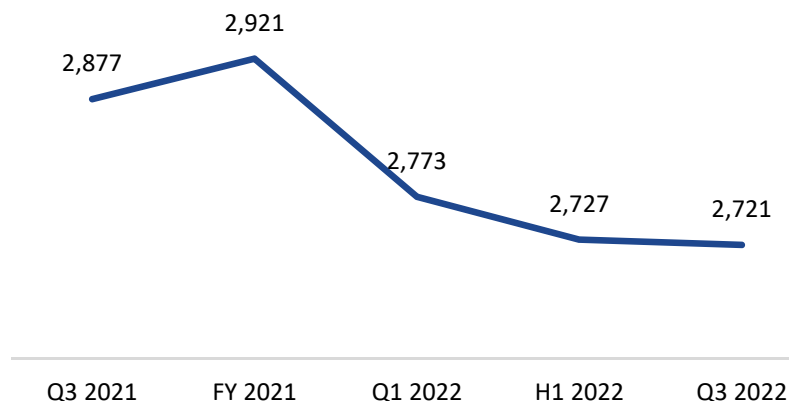


Comfortable liquidity position at € 2.72 bn

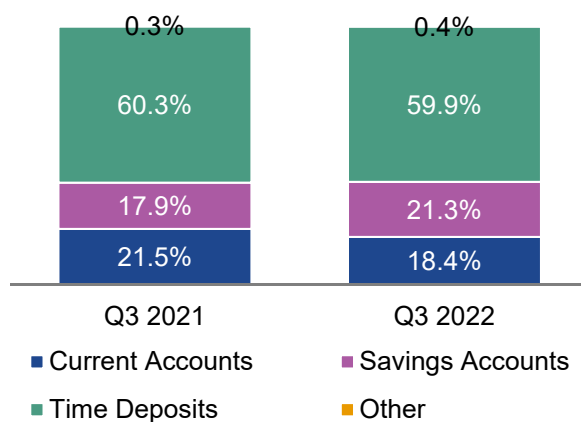
Deposits breakdown by customer – Q3 2022



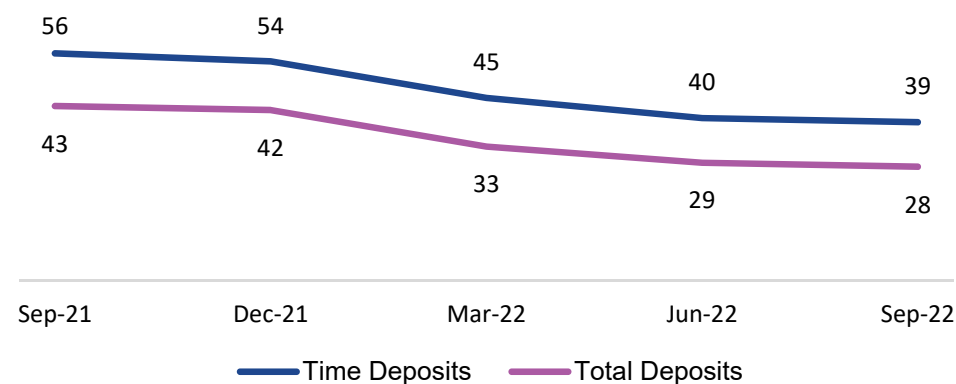
Evolution of deposits, Q3 2021 – Q3 2022



Deposits breakdown by type of product – Q3 2022

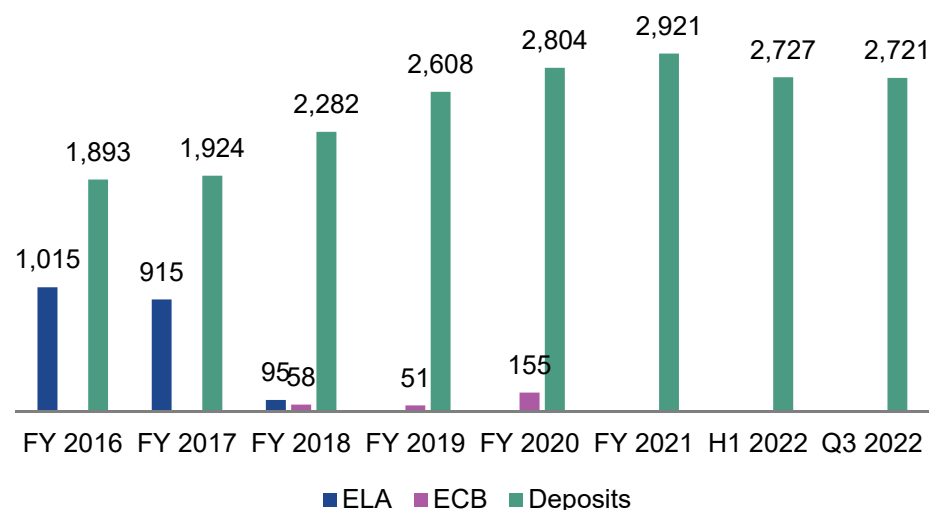


Cost of deposits (stock/bps)



Robust liquidity position

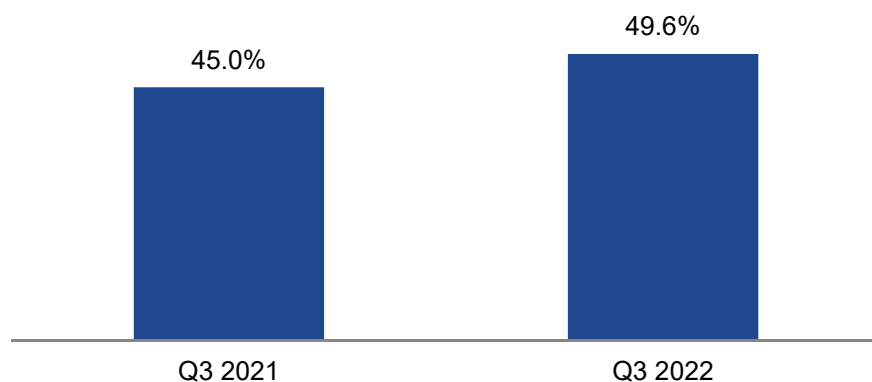
Deposits, Eurosystem Funding (€ mln)



Comments

- Comfortable liquidity position at € 2.72 bn despite the decrease of disposable income
- Deposits through Raisin stood at €60mln as at 30.09.2022
- Significant drop in funding cost by 15bps vs 31.12.2021
- Zero dependence on ECB and interbank funding
- LCR ratio at 127% far exceeding regulatory threshold
- Net loans to deposits ratio at 49.6%

Net loans to deposits ratio (%)





Appendix

Financial Figures Q3 2022

Group P&L and Balance Sheet

Balance Sheet			
Amounts in €mln	FY 2021	Q3 2022	Change
Assets			
Cash and balances with central bank	477.8	224.9	(52.9%)
Due from other financial institutions	77.9	7.9	(89.9%)
Derivative financial instruments - assets	1.1	0.6	(45.3%)
Net loans and advances to customers	1,325.5	1,350.2	1.9%
Financial assets	1,182.3	1,178.8	(0.3%)
Investments in associates	5.1	4.8	(6.0%)
Property, plant & equipment	40.6	38.3	(5.6%)
Investment property	57.5	57.5	(0.0%)
Intangible assets	57.9	58.6	1.1%
Deferred tax assets	267.4	235.3	(12.0%)
Other assets	172.9	181.8	5.1%
Total assets	3,666.1	3,338.7	(8.9%)
Liabilities			
Due to financial institutions	222.7	132.0	(40.7%)
Due to customers	2,920.6	2,721.4	(6.8%)
Debt securities issued	99.8	99.9	0.0%
Defined benefit obligations	6.3	6.1	(3.5%)
Other provisions	22.5	16.0	(28.8%)
Other liabilities	62.7	73.3	16.9%
Total liabilities	3,334.6	3,048.7	(8.6%)
Equity			
Share capital (common Shares)	244.8	85.7	(65.0%)
Reserves	613.1	795.0	29.7%
Retained earnings	-675.0	-739.2	9.5%
Shares at par	148.5	148.5	0.0%
Total equity	331.5	290.0	(12.5%)
Total liabilities & Equity	3,666.1	3,338.7	(8.9%)

Group Profit & Loss			
Amounts in €mln	Q3 2021	Q3 2022	Change %
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Total Operating Expenses	(53.6)	(65.5)	22.3%
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Less: Income tax	(7.1)	9.3	
Profit /(Loss) for the period	(26.9)	(41.4)	

Key Financial Ratios

Balance sheet structure	FY 2021	Q3 2022
Due to Customers / Gross Loans	176.4%	161.6%
Due to customers / Total Assets	45.2%	48.9%
Net Loans/ Total Assets	36.2%	39.3%
Total Equity / Total Assets	9.0%	8.7%
Total Equity / Due to Customers	11.4%	11.0%

Glossary of Terms

Terms	Definitions
Common Equity Tier 1 ratio (CET 1)	Common Equity Tier 1 regulatory capital as defined by Regulation (EU) 573/2013.
Overall Capital Ratio (OCR)	Total regulatory capital divided by total Risk Weighted Assets, as defined by Regulation (EU) 573/2013.
Cost of Risk (CoR)	Loan Loss Reserves for the period divided by Gross Loans of the relevant period.
Deferred Tax Assets (DTA)	Amounts of income taxes recoverable in future periods, in respect of deductible temporary differences, unused tax losses that can be carried forward and unused tax credits.
Deferred Tax Credit (DTC)	Amounts of tax credits that are eligible for conversion in tax credits under specific circumstances.
Forborne Exposures	An exposure where forbearance measures have been extended, i.e. concessions, such as a modification or refinancing of loans and debt securities, has been granted as a result of a counterparty's financial difficulty.
Liquidity Coverage Ratio	The proportion of highly liquid assets held by financial institutions, to ensure their ongoing ability to meet short-term obligations.
Loan Loss Allowances (LLAs)	Provisions to cover credit risk.
Net Interest Margin (NIM)	Net Interest Income for the period, annualized and divided by average Gross Loans
Non-Recurring Items (NRIs)	Expenses or income that occurs only for the period under examination.
Net Interest Income (NII)	Interest Income less Interest Expense.
Net Commission Income (NCI)	Commission Income less Commission Expense.

Glossary of Terms

Terms	Definitions
Non Performing Exposures (NPEs)	An exposure that is a) 90 days past-due (material exposure) and b) unlikely to be repaid in full without collateral realization (irrespective of any past-due amount or of the number of days past-due), in compliance with EBA Guidelines. In this document, NPEs are reported under IFRS. For regulatory reporting purposes, NPEs also include Omega and Metexelixis underlying loan exposures.
Non Performing Exposures Coverage (NPE coverage)	Loan Loss Reserves divided by Non Performing Exposures for the period.
Net Stable Funding Ratio (NSFR)	A liquidity standard requiring banks to hold enough stable funding to cover the duration of their long-term assets.
Pre Provision Income (PPI)	Total Operating Income for the period less Total Operating Expenses for the period.
Preference Shares	Non-transferable redeemable preference shares of a nominal value of €0.35 each. The shares were issued pursuant to the provisions of Law 3723/2008 on enhancement of the liquidity of the Greek economy to limit the impact of the international financial crisis.
Risk Weighted Assets (RWAs)	Risk Weighted Assets are the Bank's assets and off-balance sheet exposures, weighted according to risk factors based on the Regulation (EU) 575/2013 for credit, market and operational risk.
Tier II instrument	Secondary component of the bank capital, in addition to Tier 1 capital, that makes up the bank's required regulatory reserves.
Stage 1	Loan Loss Reserves for exposures classified under Stage 1 are calculated from the initial recognition of the loan on a 12-month period. (Expected Credit Losses).
Stage 2	Loan Loss Reserves for exposures classified under Stage 2 are calculated for the lifetime of the exposure. (Lifetime Expected Credit Losses).
Stage 3	Includes credit impaired exposures. Loan Loss Reserves for exposures classified under Stage 3 are calculated for the lifetime of the exposure. (Lifetime Expected Credit Losses).
Unlikely to pay (UTP)	The debtor is assessed as unlikely to pay its credit obligations in full without realization of collateral, regardless of the existence of any past-due amount or of the number of days past due (Regulation (EU) 575/2013).
Voluntary Exit Plan (VEP)	A plan that provides an incentive for employees to retire early.

Disclaimer and contact information

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