

# Attica Bank

## FY 2013

*May 27<sup>th</sup>, 2014*

@ [www.atticabank.gr](http://www.atticabank.gr)

 **attica bank**  
Μαζί, πιο ισχυροί.

## Attica Bank in 2013

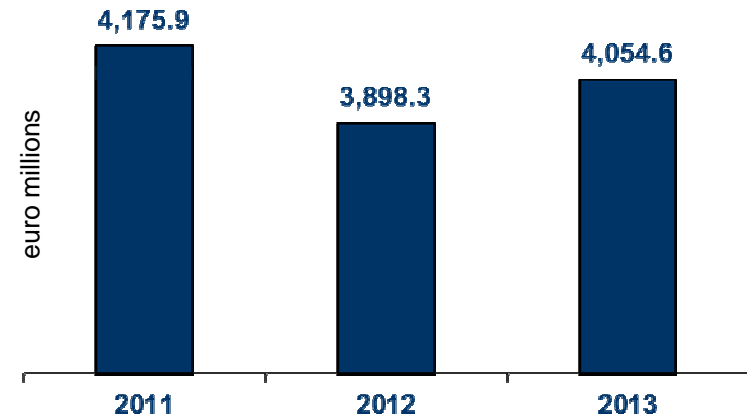
- **Total assets: +4.0%**
- **Loans to customers: +3.7%**
- **Customer deposits: +13.5%**
- **Loans in arrears > 90 days: 26.6% of total loans**
- **Loss after taxes: 112.3 million euros**
- **Operating income: 71.7 million euros**
- **Net interest income: +9.9%**
- **Capital Adequacy Ratio: 12%**
- **Tier I Capital Ratio: 11.4%**

<i>amounts in euro millions</i>	2013	2012	2011
Total Loans before provisions	3,736.9	3,602.7	3,725.7
Accumulated Provisions	436.4	361.8	256.8
Deposits	3,312.5	2,917.7	3,089.8
Shareholders' Equity	408.2	96.3	259.1
Assets	4,054.6	3,898.3	4,175.9
<i>amounts in euro millions</i>	2013	2012	2011
Operating Income	71.7	59.4	119.7
Personnel Expenses	66.0	58.6	66.3
Operating Expenses	44.5	41.1	42.2
Pre- Provision profit	-46.4	-49.1	3.8
Provisions for credit risks	106.9	142.9	253.6
Profit / (loss) before taxes	-153.3	-192.0	-249.8
Taxes	41.1	10.4	0.33
Profit / (loss) after taxes	-112.3	-181.6	-249.8

*Data on a consolidated basis.*

# Attica Bank in 2013

Total Assets, 2011 – 2013

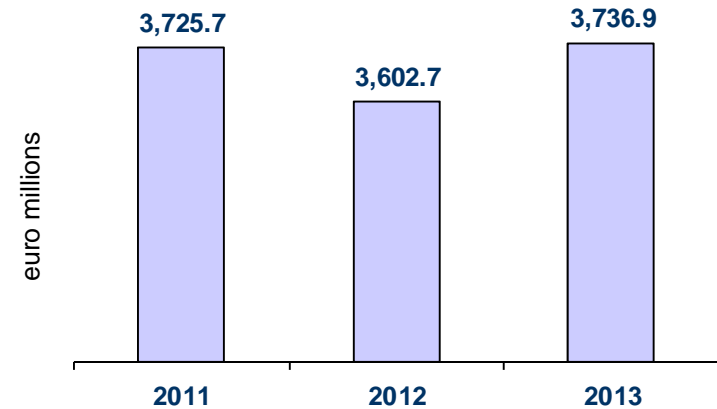


**In 2013:**

Total assets increased by 4.0% y-o-y.

Loans before provisions increased by 3.7% y-o-y.

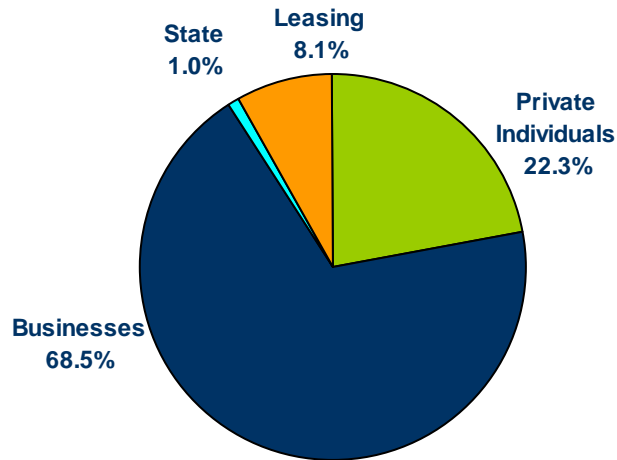
Loans before provisions, 2011 - 2013



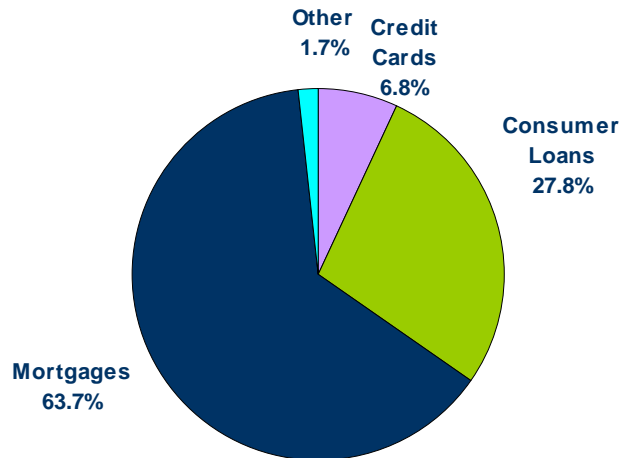
*Data on a consolidated basis.*

# Attica Bank in 2013 – Loan Portfolio

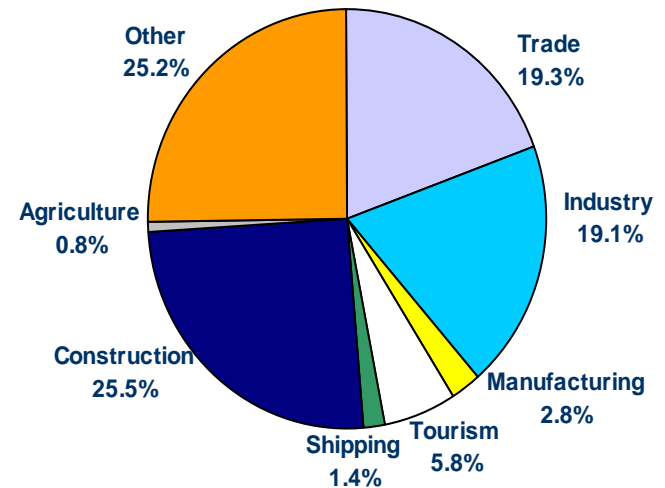
Breakdown of the loan portfolio by type, 2013



Loans to Private Individuals by type, 2013



Loans to businesses by sector, 2013



# Attica Bank in 2013 – Loan Portfolio

In recent years the Greek banking system has been facing increased challenges as a result of worsening macroeconomic conditions.

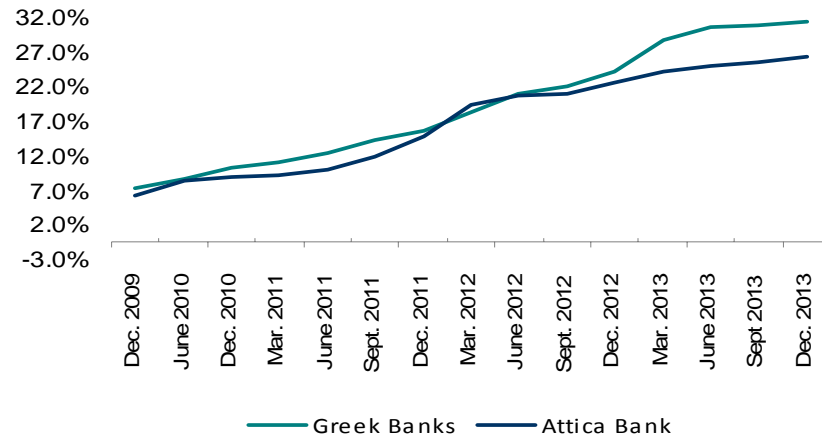
Lending growth rates in the Greek banking system have been falling with the balances of consumer loans and mortgages shrinking faster than the balances of business loans.

At the same time NPLs have been increasing with consumer loans displaying the highest NPL ratios.

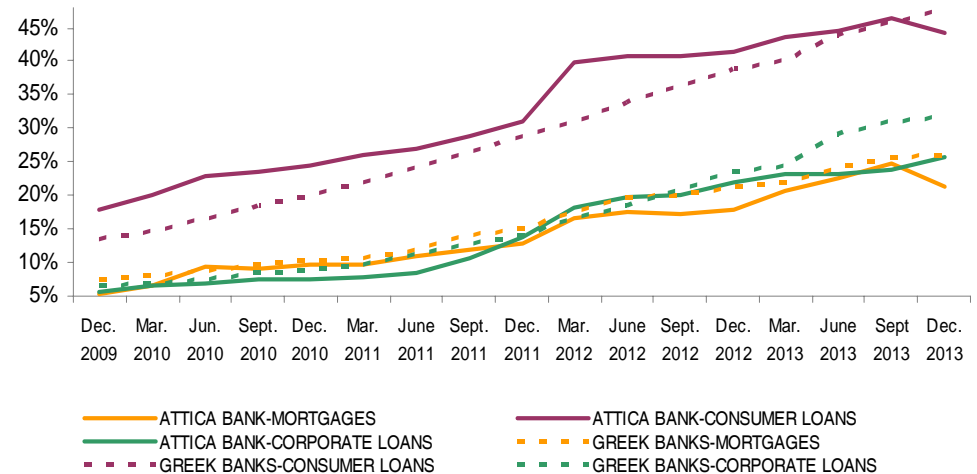
As shown in the diagrams, in the last years NPL ratios for Attica Bank have been below the sector average, as the Bank mainly focuses in business loans (76.6 % of the loan portfolio) that display lower NPL ratios.

The NPL ratio for consumer loans for the Bank in the past has been higher than the sector average. However, consumer loans account for less than 10% of the Bank's total loans.

NPL ratio, % of total loans



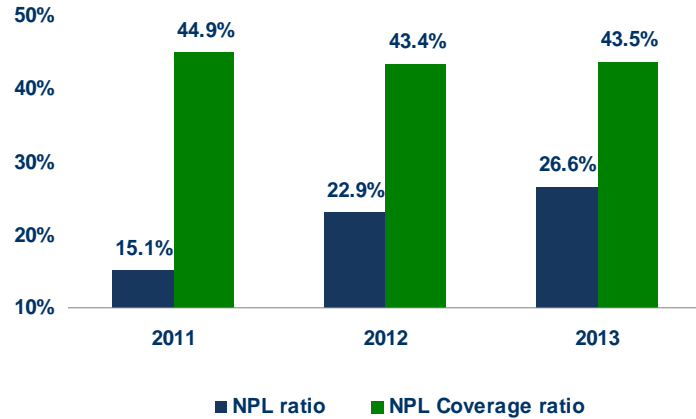
NPL ratio by segment



Source: Attica Bank, Bank of Greece and Moody's Investors Service.

# Attica Bank in 2013 – Loan Portfolio

## NPL ratio (loans in arrears > 90 days) - Coverage ratio, 2011 – 2013



As at 31.12.2013 the NPL ratio of the Bank (loans in arrears for more than 90 days) stood at 26.6%.

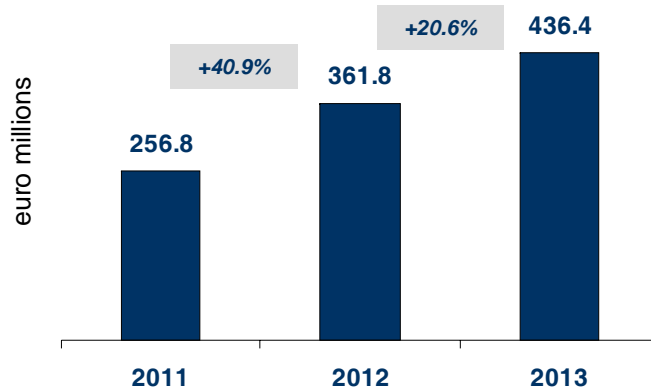
The formation of new NPLs dropped to 169 million euros in 2013 after peaking at 262.2 million euros in 2012.

Accumulated provisions for non-performing loans amounted to 436.4 million euros, displaying an annual increase of 20.6%.

The Bank formed loan loss provisions of about 100 million euros in 2013 to cover credit risk.

The coverage ratio for loans that are more than 90 days in arrears from accumulated provisions was 43.5% for 2013.

## Accumulated provisions, 2011 – 2013



Data on a consolidated basis.

## Main factors influencing liquidity in the Greek Banking system:

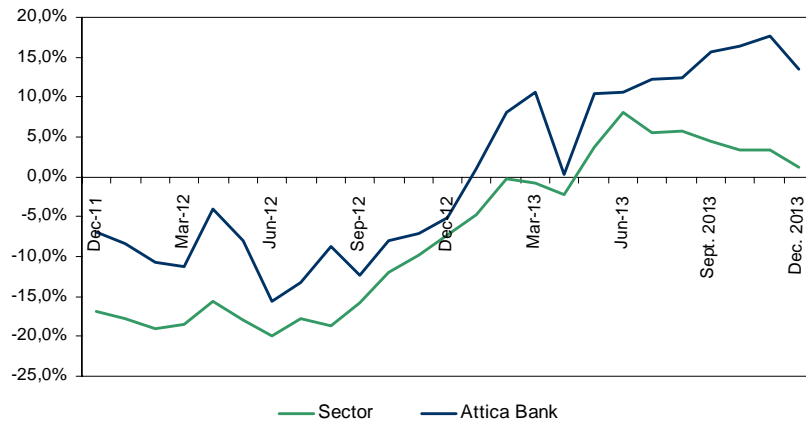
- Shrinking deposit balances due to the recession
- Deteriorating quality of collateral used for central bank funding
- High cost of liquidity

## The response of Attica Bank

- Reduce dependence on Eurosystem funding
- Reasonable pricing that does not fuel the pricing race
- Focus on keeping a stable customer base
- Make good use of all available collateral for central bank funding

# Attica Bank in 2013 - Deposits, Funding

Greek Banking System, Deposits: y-o-y changes (%)

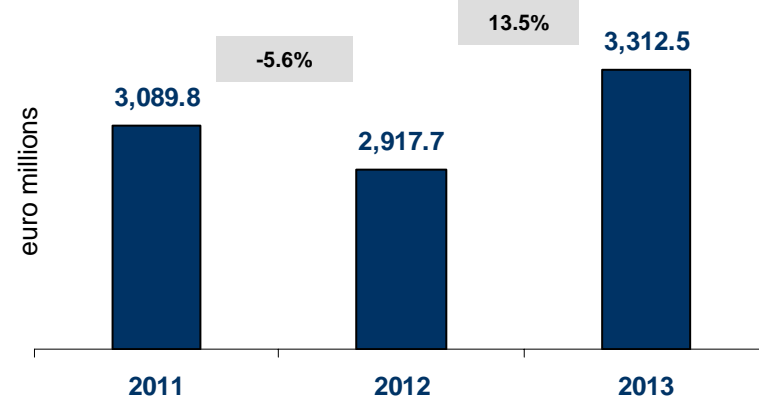


In 2013 the deposits balances of the Bank improved at a faster pace when compared to the banking sector average.

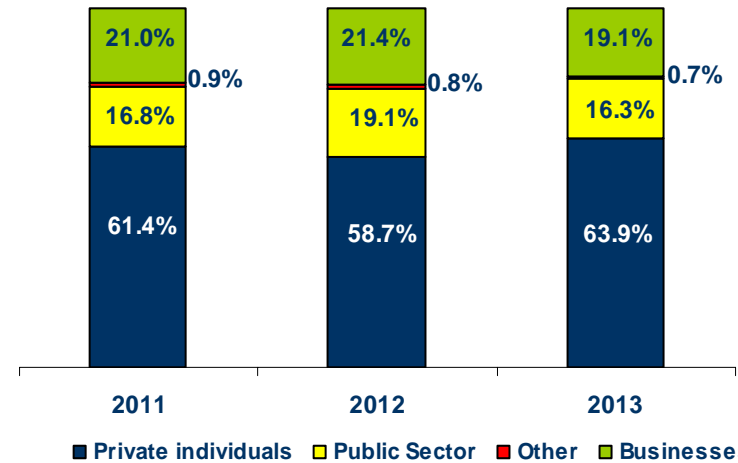
The outflow of deposits observed in June 2013 has been recovered and exceeded in the last months of 2013.

The Bank has a stable depositor base consisting of a large number of private individuals.

Attica Bank, Deposits, 2011 – 2013



Breakdown of deposits per type of customer, 2011 – 2013

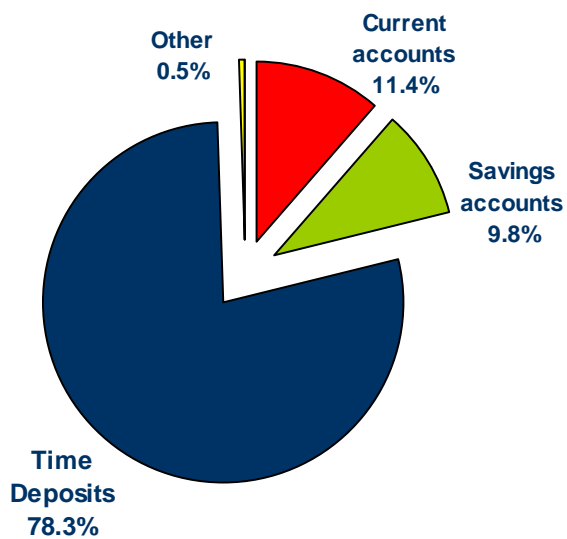


Data on a consolidated basis.

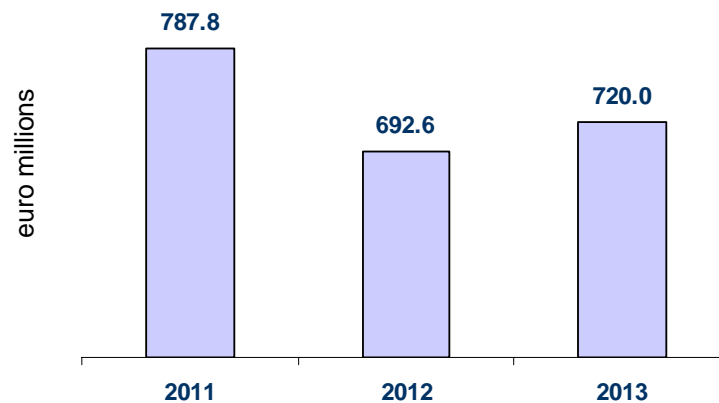


# Attica Bank in 2013 - Deposits, Funding

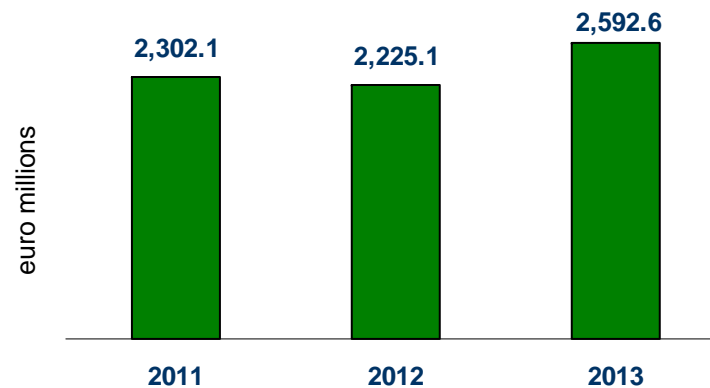
### Breakdown of deposits per type, FY 2013



### Core Deposits, 2011 – 2013



### Time Deposits, 2011 – 2013



Data on a consolidated basis.

## Attica Bank in 2013 – Deposits, Liquidity

The reliance of Greek banks on borrowing from the ECB and the Bank of Greece (ELA) increased significantly during 2012, peaking in June 2012 and falling since then.

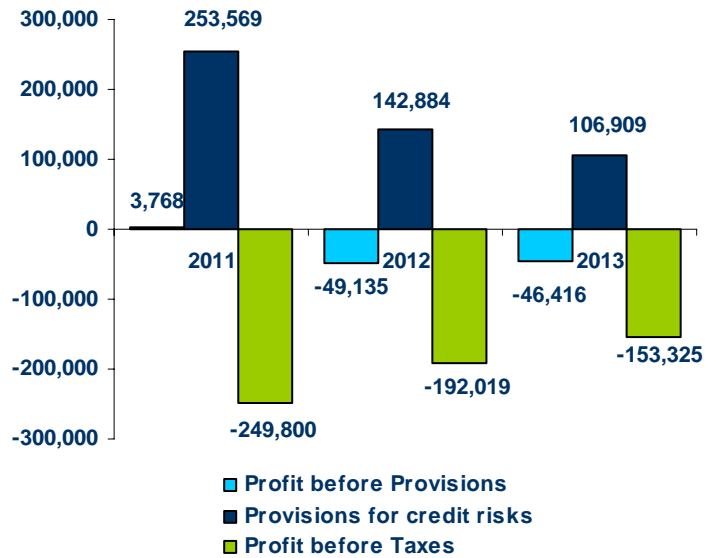
The Bank's reliance on Eurosystem funding at 31.12.2013 stood at 3.69% of total assets against a sector average of 17.95%.

ECB and ELA funding, % of total assets		
	Sector	Attica Bank
31/12/2009	10.10%	9.50%
31/3/2010	13.30%	11.80%
30/6/2010	17.30%	14.50%
30/9/2010	17.90%	15.40%
31/12/2010	19.00%	12.60%
31/3/2011	17.70%	13.00%
30/6/2011	20.50%	14.80%
30/9/2011	26.70%	14.90%
31/12/2011	23.90%	14.90%
31/3/2012	28.80%	19.50%
30/6/2012	30.90%	27.60%
30/9/2012	29.90%	24.80%
31/12/2012	27.50%	17.70%
31/3/2013	22.30%	11.30%
30/6/2013	19.60%	13.20%
30/9/2013	17.30%	5.30%
31/12/2013	17.95%	3.69%

Source: Bank of Greece and Attica Bank

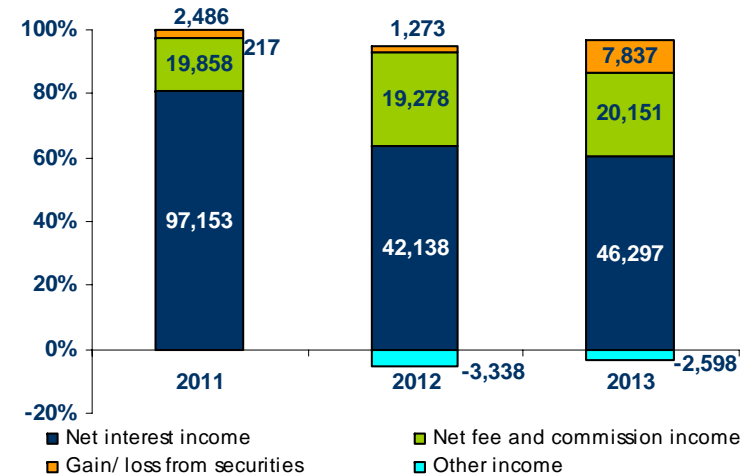
# Attica Bank in 2013 – Profit & Loss, Operating Income

P & L Evolution 2011 - 2013 (euro 000s)



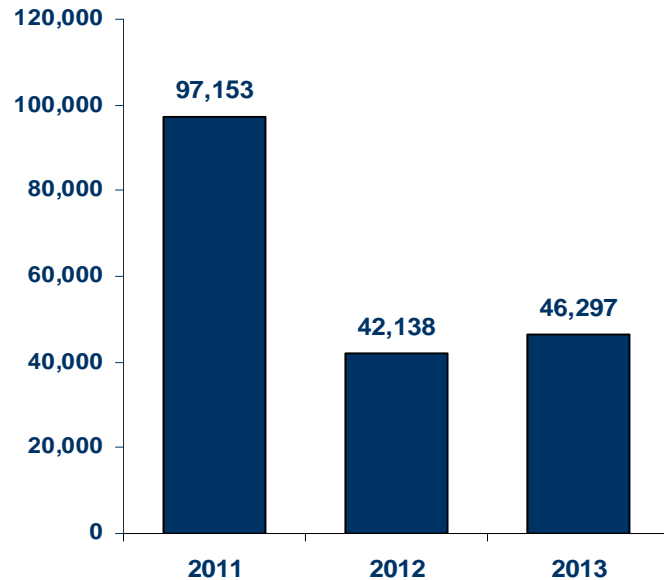
The Bank had a pre-tax loss of 153.3 million euros in 2013, against a loss of 192.0 million euros in 2012, driven mainly by high loan loss provisions and one-off expenses related to the early retirement scheme that was implemented in 2013.

Operating income by source 2011 – 2013 (euro 000s)

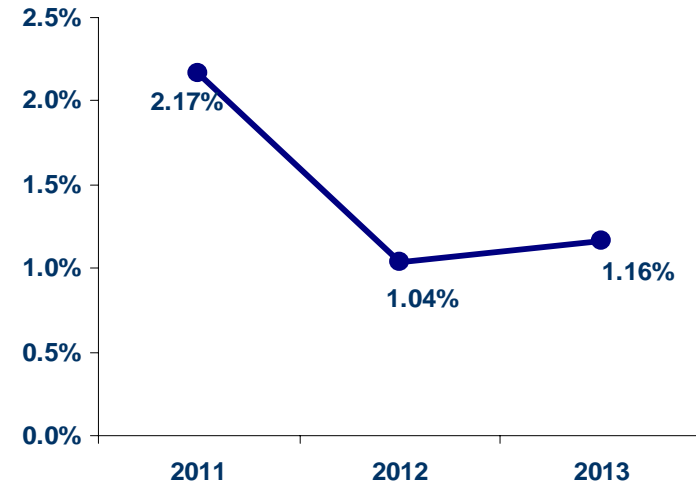


# Attica Bank in 2013 - Interest Income

Group Net Interest Income 2011 - 2013 (euro 000s)



Net Interest Margin (NIM) 2011 – 2013

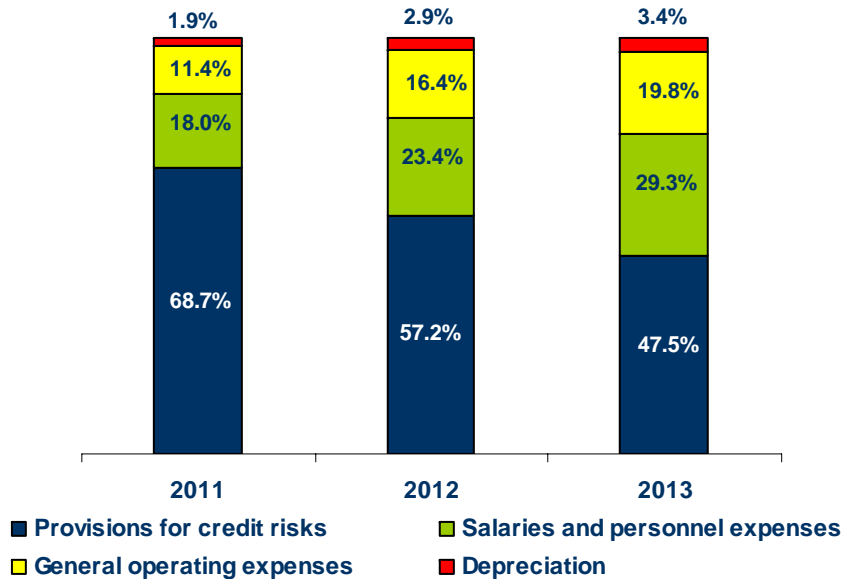


The Group Net Interest Income in 2013 increased by 9.9% on a year-on-year basis. The NIM (Net Interest Income / Average Total Assets) increased to 1.16% in 2013 (2012: 1.04%).

Attica Bank's performance was also affected by the high funding cost incurred in the period preceding share capital increase in June 2013 (interbank funding consisting mainly of ELA funding, a relatively costly source of funding, for the period that capital ratios remained below the regulatory minimum).

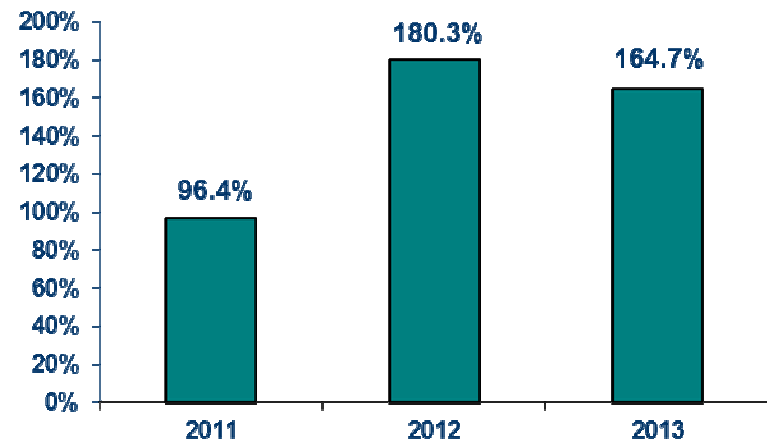
# Attica Bank in 2013 - Operating Expenses

Operating expenses breakdown 2011 – 2013



In 2013 the share of personnel expenses in total operating expenses increased due to the one-off expenses of the voluntary exit scheme implemented by the Bank.

Cost / Income Ratio (excluding provisions) 2011 – 2013



# Attica Bank in 2013 - Capital /Shareholders

## Share Capital

The Bank's share capital amounts to 412.7 million euros and is divided into:

- 1,041,560.993 Common Shares, with a nominal value of € 0.30 each, listed on the Athens Stock Exchange.
- 286,285,714 Preference shares, with a nominal value of € 0.35 each, issued under the Government Support Scheme in 2009 and held by the Greek State.

## Other Tier I Capital

Contingent convertible bond of current outstanding balance of 96.8 million euros converting into 322.8 million common shares of the Bank:

- In full in 2018
- At the option of the bond holders twice a year
- Compulsorily in the case of a capital contingency event

## Shareholders

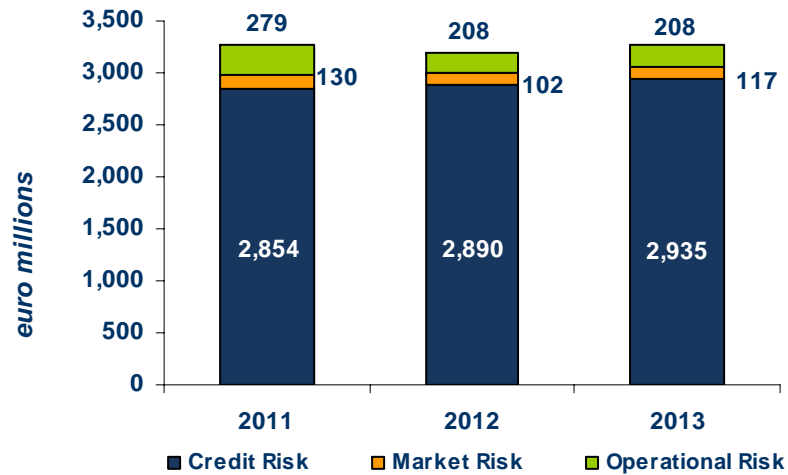


# Attica Bank in 2013 - Capital

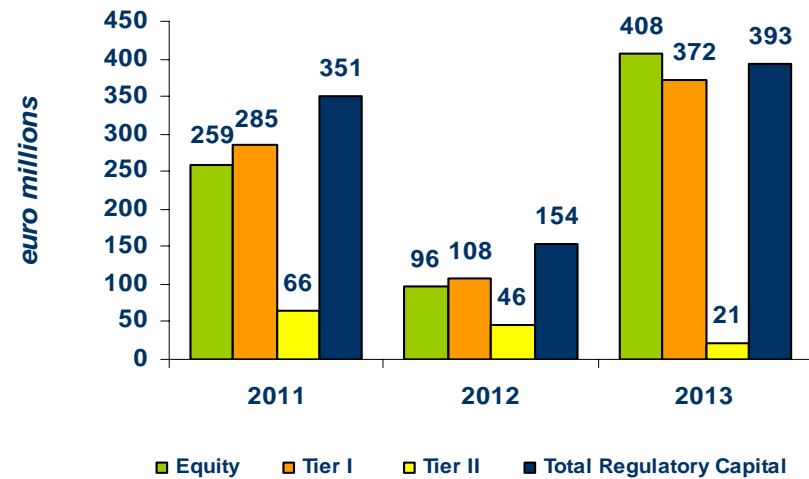
## Capital Adequacy ratios - 2013

- Tier I Capital ratio: 11.4%
- Capital Adequacy ratio: 12%

## Risk Weighted Assets 2011 - 2013



## Capital 2011 – 2013



The capital needs assessment performed by the Bank of Greece in 2013 resulted into additional capital needs of 397 million euros.

The Bank has put in place an extensive internal capital generation programme that will be complemented by raising capital from the market.

To that end, the Bank is already cooperating with a well-known investment bank and international financial advisors.

The aim is to build a shareholder structure that will join forces with the Bank's major shareholder to create the only truly private listed bank in Greece that will claim a stronger role in the domestic banking system.



## Attica Bank: Strong Points

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Attica Bank is currently the only private, listed bank in Greece with no State involvement.

Strong commitment of the Bank's largest shareholder.

Historically above sector average loan portfolio quality.

A bank that is planned to grow at a time when the banking sector in Greece is likely to shrink.

Investment in innovative IT systems.

Open to the participation of new investors.

## Vision

To establish Attica Bank as an autonomous and specialized medium-sized bank with a stronger presence in the market

## Key areas of action

Focus on loans to businesses active in sectors with growth potential

Control NPLs and keep adequate provisions

Develop new, income-generating activities

Cost-containment

Attract new deposits



# *Appendix*

## Key Financial Ratios

BALANCE SHEET STRUCTURE	Bank			Group		
	2011	2012	2013	2011	2012	2013
Customer Deposits / Loans and Advances to customers (before provisions)	83.28%	81.37%	89.05%	82.93%	80.99%	88.64%
Customer Deposits / Total Assets	74.19%	75.04%	81.95%	73.99%	74.85%	81.70%
Loans and Advances to customers (after provisions) / Total Assets	82.95%	82.97%	81.29%	83.07%	83.14%	81.40%
Total Equity / Total Assets	6.07%	2.35%	9.96%	6.21%	2.47%	10.10%
Total Equity / Customer Deposits	8.18%	3.13%	12.15%	8.39%	3.30%	12.37%
<b>EFFICIENCY</b>						
Profit (loss) before taxes / Average Equity (RoAE)	-65.70%	-111.04%	-62.39%	-63.93%	-108.04%	-60.60%
Profit (loss) before taxes / Average Total Assets (RoAA)	-5.68%	-4.75%	-3.89%	-5.58%	-4.76%	-3.86%

## Key Financial Ratios

	Bank			Group		
	2011	2012	2013	2011	2012	2013
Total operating expenses less provisions and depreciation / Total Assets	2.51%	2.47%	2.62%	2.60%	2.56%	2.73%
Total operating expenses less provisions and depreciation / Total operating income	94.90%	176.67%	161.31%	90.67%	167.95%	154.12%
NPL ratio (>90 days in arrears)	15.13%	22.93%	26.61%	15.13%	22.93%	26.61%
Provisions / Loans in arrears for more than 90 days	45.00%	43.40%	43.50%	45.00%	43.40%	43.50%
NPL ratio (>180 days in arrears)	12.84%	19.96%	24.65%	12.84%	19.96%	24.65%
Provisions / Loans in arrears for more than 180 days	53.00%	49.80%	47.00%	53.00%	49.80%	47.00%
Tier I Capital Ratio	8.60%	3.30%	11.30%	8.70%	3.40%	11.40%
Capital Adequacy Ratio	10.60%	4.70%	11.90%	10.70%	4.80%	12.00%

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