

# Attica Bank

## H1 2020 Results

31<sup>st</sup> July 2020

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## Equity

- Best performance of Attica Bank share for the first semester 2020 (among Greek banking sector) and among the first ones in the ASE.
- Net equity at € 463 mln

**+23% in return compared to the average return of the systemic banks**

## Liquidity

- Comfortable liquidity & funding position.
- Deposits increase by 11% yoy
- H1 2020 results outperformed the expected seasonality
- Net Loans to deposits ratio at 56.3%

**+ € 262mln deposits yoy**

## Solid Business model

- Attica Bank's strategy remains firm; just a time shift in achieving income targets.
- Investing in a new digital platform without significantly increasing the Bank's existing cost base.
- Front and Back end digitalization in 2020 and 2021.

**Adapting our operating model; amidst the covid-19 challenge**

**New financing at € 87 mln**

## Asset Quality

- CoR almost x1,5 the CoR for FY 2019

# H1 2020 Performance

<i>Amounts in €mln</i>	H1 2020	H1 2019	Change %
Interest and similar income	44.57	48.01	-7%
Less: Interest expense and similar charges	(20.94)	(24.93)	-16%
<b>Net interest income</b>	<b>23.63</b>	<b>23.08</b>	<b>2%</b>
<b>Fee and commission income</b>	<b>5.47</b>	<b>6.41</b>	<b>-15%</b>
Less: Fee and commission expense	(4.15)	(4.49)	-8%
<b>Net fee &amp; commission income</b>	<b>1.33</b>	<b>1.92</b>	<b>-31%</b>
Profit / (loss) from trading portfolio	1.43	1.09	31%
Profit / (loss) from investment portfolio	6.69	6.64	1%
Other Income	1.24	7.19	-83%
<b>Total Operating income</b>	<b>34.32</b>	<b>39.92</b>	<b>-14%</b>
Personnel expenses	17.56	17.14	2%
General operating expenses	8.04	8.78	-8%
Depreciation	6.40	7.16	-11%
<b>Profit/ (Loss) before taxes and provisions</b>	<b>2.32</b>	<b>6.84</b>	<b>-66%</b>
Provisions for credit risks	(27.84)	(14.93)	86%
Provisions for other risks	(1.26)	(0.85)	48%
Staff retirement compensation	(1.18)	0	-
Income from investment in associates	0.42	0.27	54%
<b>Profit / (Loss) before tax</b>	<b>(27.54)</b>	<b>(8.67)</b>	
Less: Income tax	(2.01)	9.19	
<b>Profit / (Loss) for the period</b>	<b>(29.55)</b>	<b>0.51</b>	

Financing cost down by 16% yoy.

Significant gains from treasury activities in bonds during H1 2020.

Excluding €4.9 mln of one-offs in Q1 2019, other income has only marginally decreased yoy.

Significant increase in CoR to incorporate fully the COVID19 effect



- **Support on employees.** Work from home for a large number of employees; 50% of the total employees work from home (March to April); while 65% employees in branches
- 24/7 telephone support for possible medical queries or psychological support.



- **Operational continuity;** 100% of branches **fully operational**
- Safety measures implemented; disinfections on a regular basis, work spaces appropriately adjusted



- **Support on customers.** Debt payment referrals; State guaranteed loans; Proactive management of Stage 1 loans offering custom made solutions
- **Digital channels enhancement;** new services available promoting electronic transactions



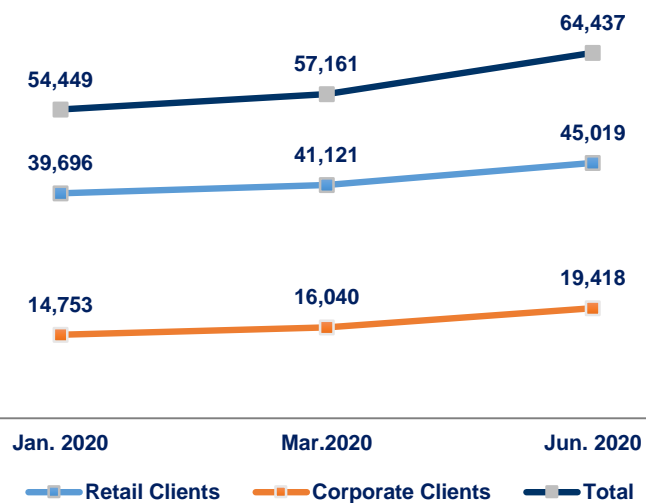
- **Improved liquidity;** Increased customers deposits
- Diversified sources of funding



- **€99 mln relates to forbearance** measures in H1 2020 due to the covid-19 effect.
- Total Covid-19 impacted loan exposures at €492 mln (€56 mln relates to tourism sector) as at 30 June 2020.

# Increased usage of remote channels

## No of transactions Attica e-banking & mobile, 01.01.20-30.06.20



## Digital Channels KPIs, 01.01.20-30.06.20

- 28% increase in active users (+4,307 just in Q2 2020)
- € 486 mln value of electronic transactions
- 13% increase in volume of transactions during the lockdown period
- New transactions and services available, ongoing transformation to face covid-19 challenge

# *Profitability*

# Operating Income and Operating Expenses remain rather stable

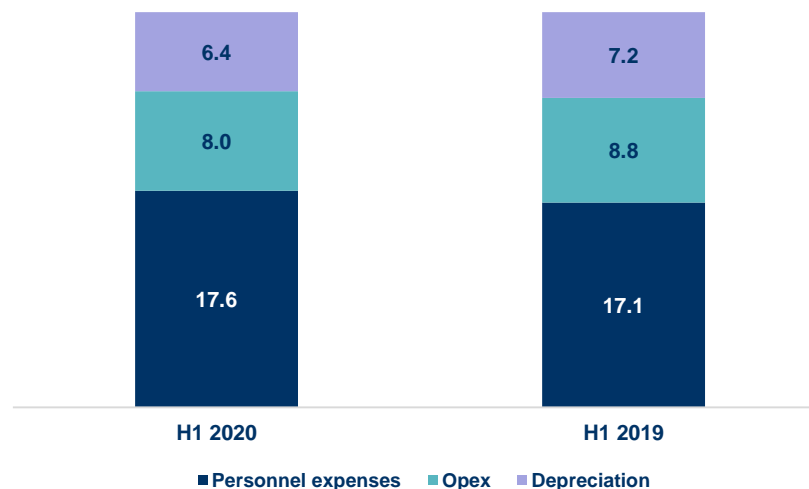
## Operating income by source (€m)

	H1 2020	H1 2019	Δ %
Net interest income	23.63	23.08	2.4%
Net fee and commission income	1.33	1.92	(30.7%)
Gain/ loss from securities	8.12	7.73	5.1%
Other income	1.24	7.19	(82.8%)
<i>Out of which recurring - Other Income</i>	1.24	1.30	(4.6%)
<b>Total</b>	<b>34.32</b>	<b>39.92</b>	

## Comments

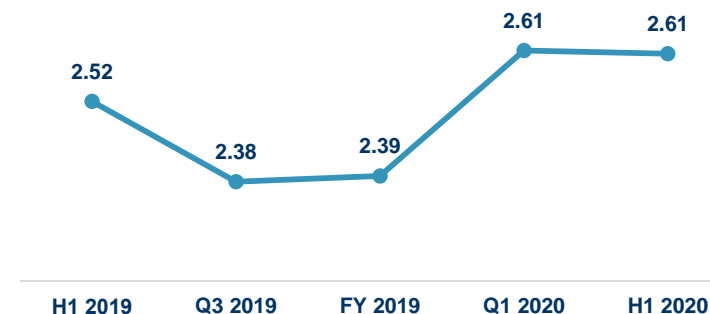
- Cost base improved, also absorbing covid-19 related expenses (up to €0.5 mln).
- Attica Bank proceeded with the disinvestment from Attica Wealth Management (+1.1 mln in P&L).
- Rationalization of costs, optimization of procedures will offset the cost of acquiring a new digital platform which will be implemented in 2020.

## Breakdown of Operating expenses (€m)



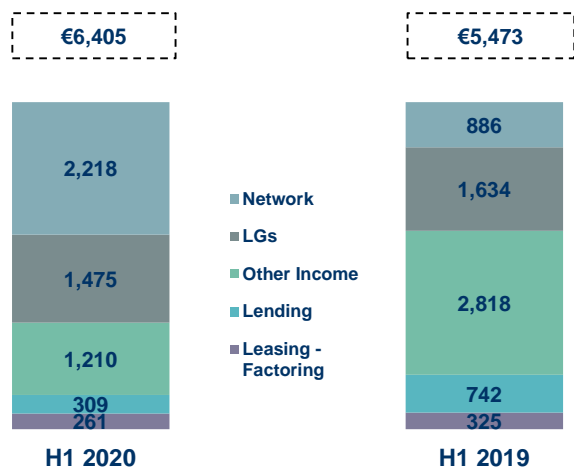
## NIM over gross loans

NIM: Annualized Net Interest Income / Average Gross Loans





## Commission Income Breakdown (€ 000s)

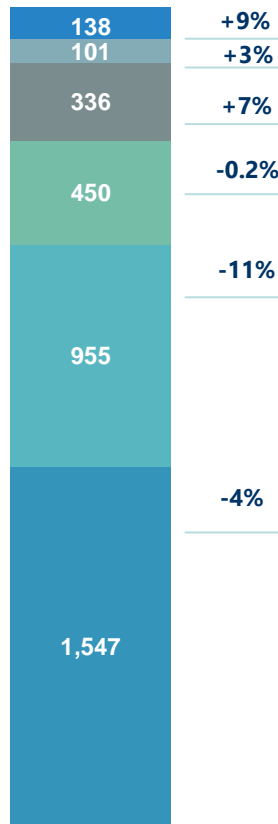


## Comments

- Commission income stemming from pure core banking operations.
- Increased Commission Income in Network mainly due to 127% increase yoy in POS Transactions.
- Attica Bank expects fees to grow going forward due to greater business volumes as well as due to the development of the new Bancassurance business.

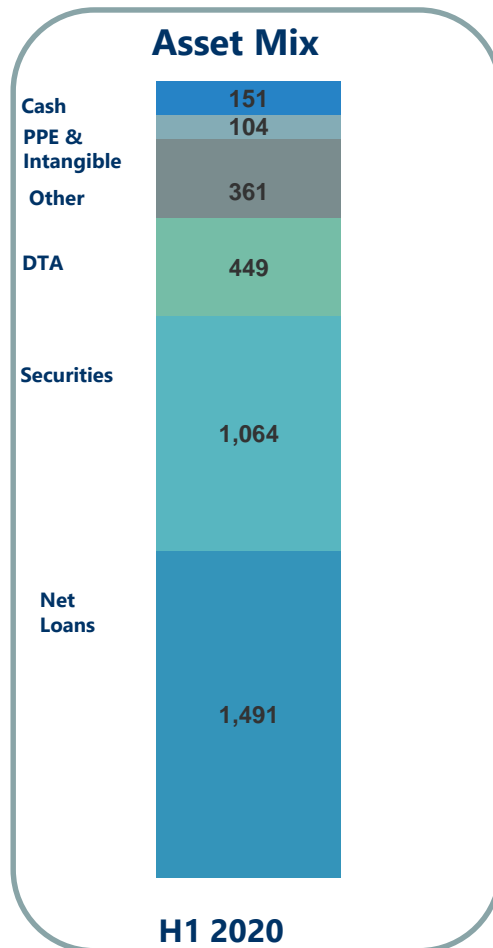
# *Selected Balance sheet items*

# Asset and Liabilities Overview



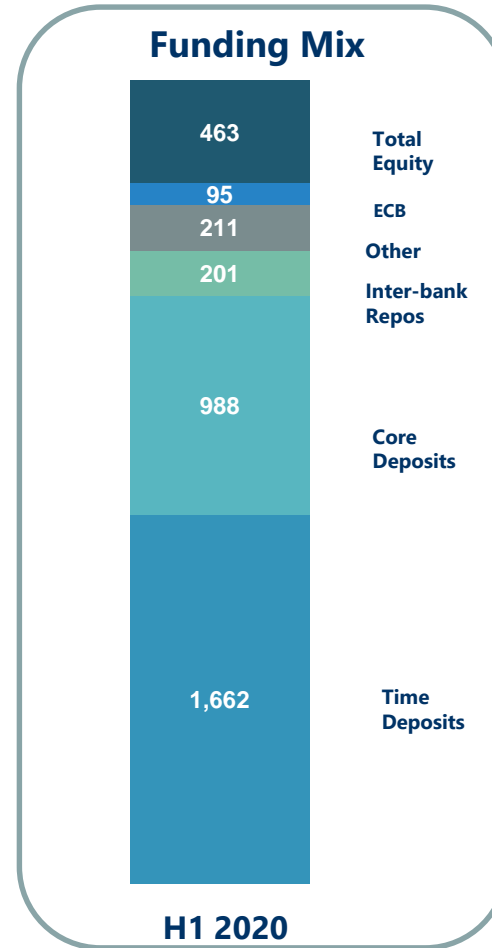
FY 2019

3,53bn total assets



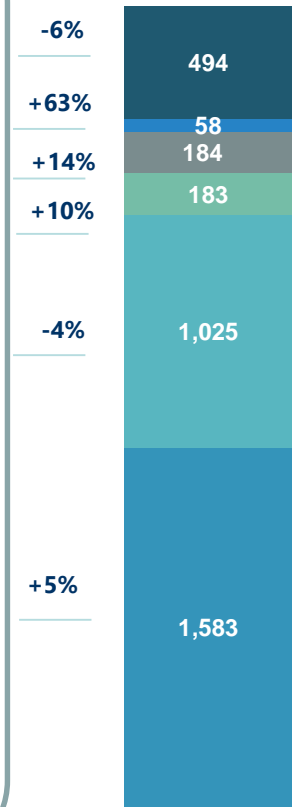
H1 2020

3,62bn total assets



H1 2020

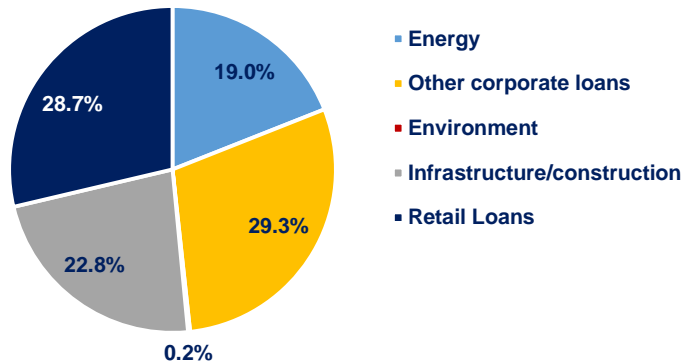
3,62bn total liabilities & equity



FY 2019

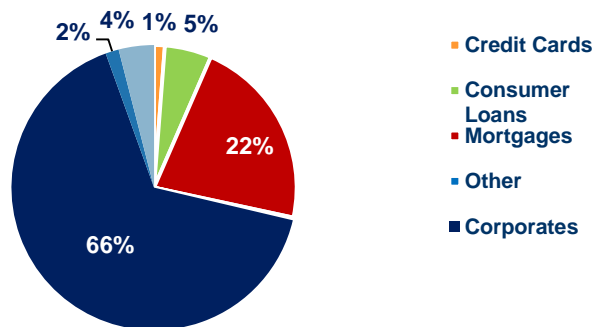
3,53bn total liabilities & equity

## Loan Portfolio Breakdown by industry – H1 2020



- In H1 2020 loans to businesses in energy, environment & infrastructure amounted to 42% of total loan book.
- New Loans' Disbursements for 2021-2023 will focus on infrastructure, energy and environment.

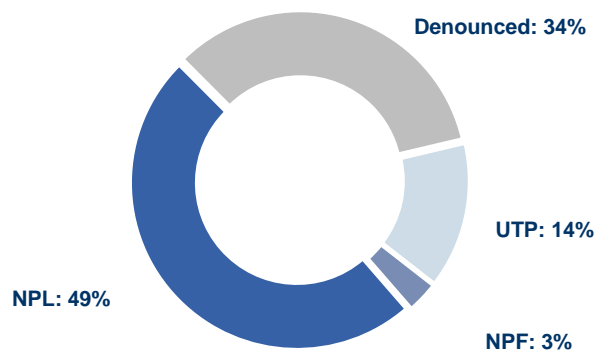
## Loan Portfolio Breakdown by segment – H1 2020



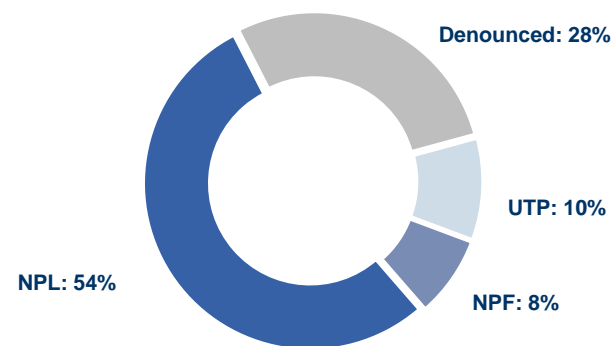
# NPE analysis, H1 2020 – FY 2019 (1/2)

## NPE per category

H1 2020

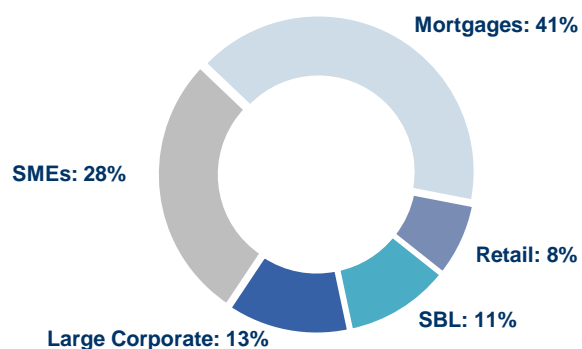


FY 2019

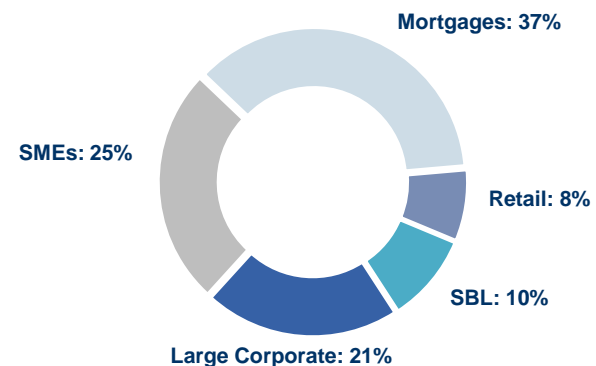


## NPL per segment

H1 2020



FY 2019



# NPE analysis, H1 2020 – FY 2019 (2/2)

## NPE Portfolio, collateral and cash coverage, 30.06.2020 (in € mln)

Category	Loan Balance (Gross)	LLAs	Collateral Coverage	Total Coverage	Contribution Loan Balance (Gross)
Business	499	240	73%	122%	57,9%
Mortgages	290	50	108%	125%	33,7%
Consumer	73	28	57%	96%	8,4%
<b>Total</b>	<b>861</b>	<b>318</b>		<b>121%</b>	<b>100,0%</b>
NPL	421				48,9%
NPF	27				3,1%
UTP	122				14,2%
Denounced	291				33,8%
	861	37%			



- NPE cash coverage (c.37% on balance sheet items cash coverage)
- Total coverage at 121%
- During H1 2020 the Bank has assigned the NPE management of a portfolio with a carrying amount of c. € 370 mln to a third party servicer.

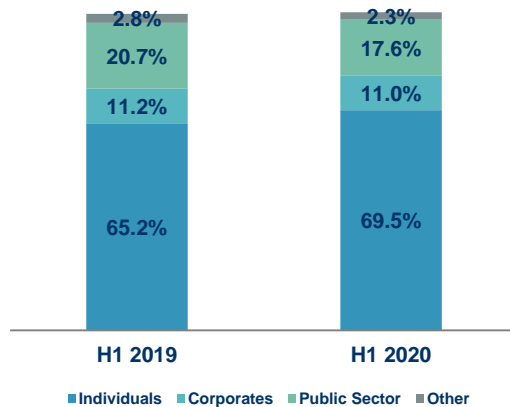
## NPE Portfolio, collateral and cash coverage, 31.12.2019 (in € mln)

Category	Loan Balance (Gross)	LLAs	Collateral Coverage	Total Coverage	Contribution Loan Balance (Gross)
Business	499	221	81%	125%	58.7%
Mortgages	282	48	105%	122%	33.2%
Consumer	69	21	56%	86%	8.1%
<b>Total</b>	<b>851</b>	<b>290</b>		<b>121%</b>	<b>100.0%</b>
NPL	449				52.8%
NPF	35				4.1%
UTP	132				15.5%
Denounced	235				27.6%
	851	34%			

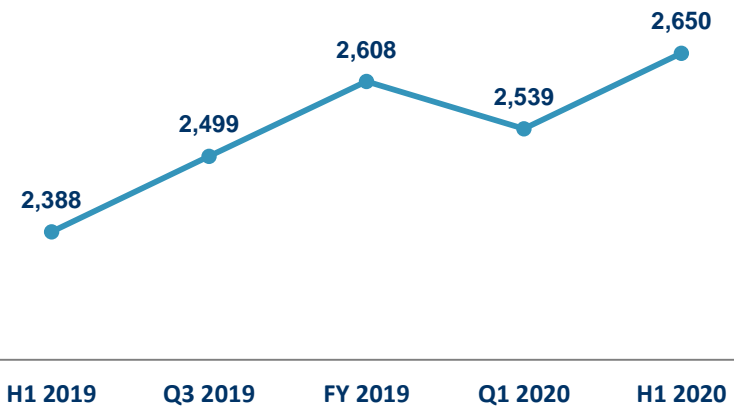
\*NPE figures include only on balance sheet items

# Significant increase of deposits yoy

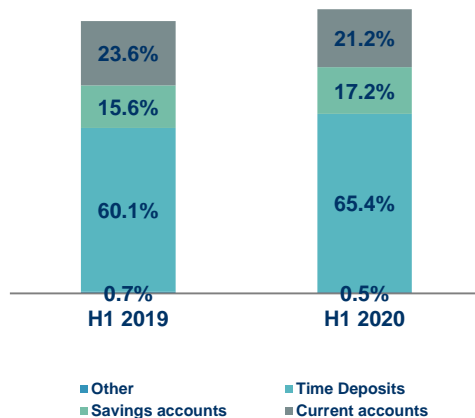
## Deposits Breakdown by customer – H1 2020



## Evolution of Deposits – H1 2020



## Deposits Breakdown by type of product – H1 2020

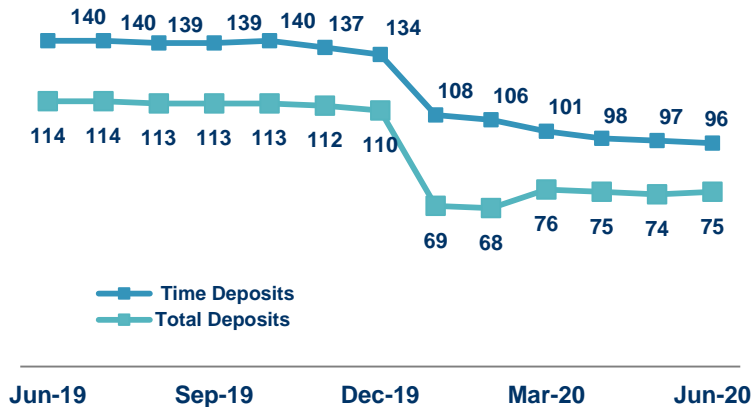


## Highlights

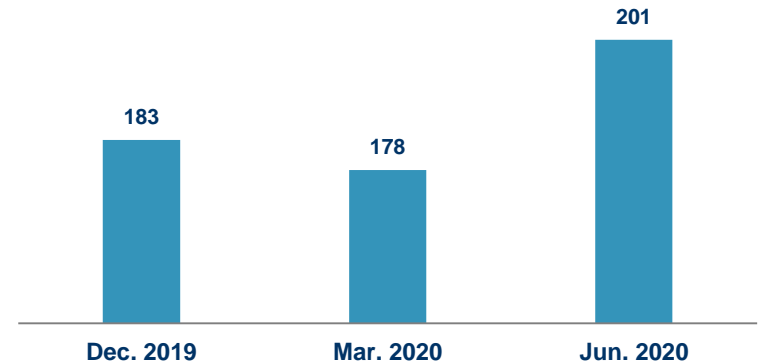
- Deposits increased by 11% yoy.
- Substantial increase in the last quarter (+€111 mln) despite the covid-19 effect.

# Continued improvement of liquidity metrics

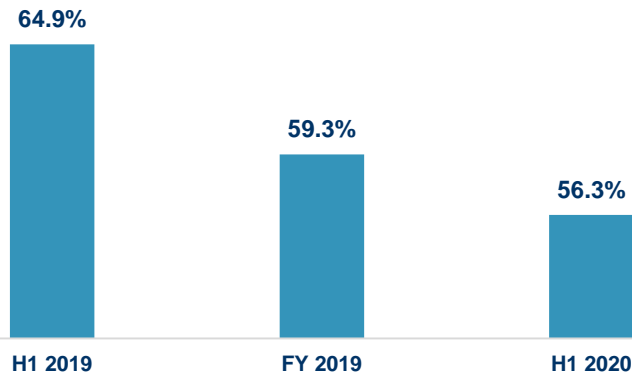
## Cost of Deposits (stock/bps)



## Repos Balances (€ mln)

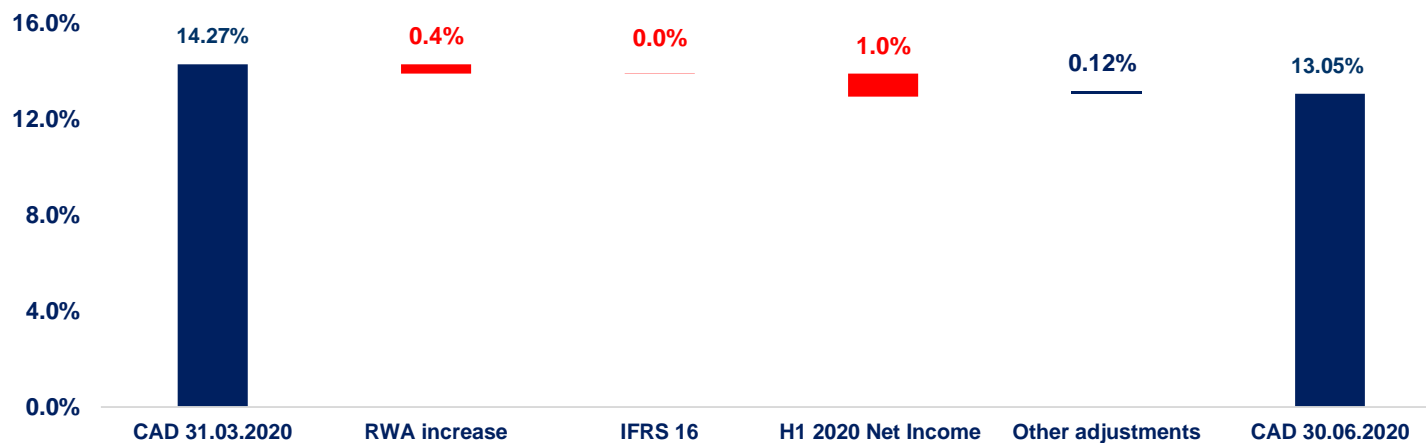


## Net Loans to Deposits ratio (%)



- Significant drop in funding cost c.39bps over the last 12 months
- LCR 30.06.20 at 113% (31.03.20: 54%)
- NSFR at 110.5% (preliminary figure)
- ECB funding at €95 mln





- New OCR for 2020 at 10.71% and CET1 at 6.02%. CET1 as at 30.06.2020, above minimum thresholds (9.82%)
- RWAs at € 3,093mln.

# *Appendix - Financial Figures*

# Group P&L and balance sheet

Amounts in € million

	GROUP		
	H1 2020	FY 2019	CHANGE
<b>ASSETS</b>			
Cash and balances with central bank	151.2	138.1	9.5%
Due from other financial institutions	83.8	67.4	24.3%
Derivative financial instruments - assets	0.1	0.1	26.7%
Financial instruments at fair value through P&L	8.5	12.0	(29.2%)
Net loans and advances to customers	1,490.9	1,547.5	(3.7%)
Financial assets at fair value through other comprehensive income	657.6	590.0	11.5%
Financial assets at amortized cost	397.9	353.1	(12.7%)
Investments in associates	4.9	4.5	9.3%
Property, plant & equipment	47.6	48.5	(1.7%)
Investment property	58.3	58.3	-
Intangible assets	56.7	52.9	7.2%
Deferred tax assets	448.5	449.7	(0.3%)
Other assets	213.3	205.5	3.7%
<b>Total assets</b>	<b>3,619.5</b>	<b>3,527.7</b>	<b>2.6%</b>
<b>LIABILITIES</b>			
Due to financial institutions	343.6	262.5	30.9%
Due to customers	2,650.1	2,608.2	1.6%
Debt securities issued	99.8	99.7	-
Defined benefit obligations	12.1	11.7	3.8%
Other provisions	16.3	15.0	8.0%
Deferred tax liabilities	0.0	0.0	-
Other liabilities	34.9	36.6	(4.5%)
<b>Total liabilities</b>	<b>3,156.8</b>	<b>3,033.6</b>	<b>4.1%</b>
<b>EQUITY</b>			
Share capital (common Shares)	138.4	138.4	-
Share capital (preference Shares)	0.0	0.0	-
Reserves	446.8	448.8	(0.4%)
Retained earnings	(122.5)	(93.0)	31.6%
<b>Equity attributable to parent owners</b>	<b>462.7</b>	<b>494.1</b>	<b>(6.4%)</b>
<b>Non controlling interests</b>	<b>0</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>462.7</b>	<b>494.1</b>	<b>(6.4%)</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>3,619.5</b>	<b>3,527.7</b>	<b>2.6%</b>

Amounts in € million

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Less: Income tax	(2.01)	9.19	
<b>Profit / loss for the period</b>	<b>(29.55)</b>	<b>0.51</b>	

# Key financial ratios

<b>BALANCE SHEET STRUCTURE</b>	<b>H1 2020</b>	<b>FY 2019</b>
<i>Due to Customers / Loans and Advances to customers (after provisions)</i>	<b>177.8%</b>	<b>168.5%</b>
<i>Due to customers / Total Assets</i>	<b>73.2%</b>	<b>73.9%</b>
<i>Loans and Advances to customers (after provisions) / Total Assets</i>	<b>41.2%</b>	<b>43.9%</b>
<i>Total Equity / Total Assets</i>	<b>12.8%</b>	<b>14.0%</b>
<i>Total Equity / Due to Customers</i>	<b>17.5%</b>	<b>18.9%</b>
<b>EFFICIENCY</b>	<b>H1 2020</b>	<b>H1 2019</b>
<i>Profit before taxes / Average Equity (RoAE)</i>	<b>(5.8%)</b>	<b>(1.8%)</b>
<i>Profit before taxes / Average Total Assets (RoAA)</i>	<b>(0.8%)</b>	<b>(0.3%)</b>
<i>Total operating expenses less provisions for credit risk /Total Assets</i>	<b>1.0%</b>	<b>1.0%</b>

<i>Terms</i>	<i>Definitions</i>
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.

<i>Terms</i>	<i>Definitions</i>
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).
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-months 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.

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