

# Attica Bank

## Q1 2020 Results

**22<sup>nd</sup> June 2020**

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## Equity

- Best performance of Attica Bank share for Q1 2020 (among Greek banking sector) and among the first ones in the ASE.
- Net equity at € 479 mln

**+26% in return compared to the average return of the systemic banks**

## Liquidity

- Comfortable liquidity & funding position.
- Deposits increase by 11.3% yoy
- Q1 2020 results displayed the expected seasonality
- Net Loans to deposits ratio at 59%, down by 10 bps yoy

**+ € 257mln deposits yoy**

## Solid Business model

- Adapting our operating model amidst the covid-19 challenge;
- Investing in a new digital platform without significantly increasing the Bank's existing cost base
- Front and Back end digitalization in 2020 and 2021.

**Fully operational network (55 branches) throughout the lockdown period**

**Almost € 20 mln new financing**

## Asset Quality

- Limited to zero trading impact in the covid-19 period
- Prudent provisioning policy; 2 mln provisions booked due to covid-19 in Q1 2020

# Q1 2020 Performance

<i>Amounts in €mln</i>	<b>Q1 2020</b>	<b>Q1 2019</b>	<b>Change %</b>
Interest and similar income	22.11	25.13	(12%)
Less: Interest expense and similar charges	(10.28)	(12.66)	(19%)
<b>Net interest income</b>	<b>11.83</b>	<b>12.47</b>	<b>(5%)</b>
<b>Fee and commission income</b>	<b>2.84</b>	<b>3.22</b>	<b>(12%)</b>
Less: Fee and commission expense	(1.97)	(1.86)	6%
<b>Net fee &amp; commission income</b>	<b>0.87</b>	<b>1.36</b>	<b>(36%)</b>
Profit / (loss) from trading portfolio	(0.16)	0.47	(134%)
Profit / (loss) from investment portfolio	2.71	3.42	(21%)
Gain from securitization	0.0	0.0	-
Other Income	0.69	5.32	(87%)
<b>Total Operating income</b>	<b>15.94</b>	<b>23.04</b>	<b>(31%)</b>
Personnel expenses	(8.54)	(8.37)	2%
General operating expenses	(3.92)	(4.39)	(11%)
Depreciation	(3.15)	(3.46)	(9%)
<b>Profit/ (Loss) before taxes and provisions</b>	<b>0.3</b>	<b>6.8</b>	<b>(95%)</b>
Provisions for credit risks	(11.12)	(5.80)	
Income from investment in associates	(0.3)	0.05	
<b>Profit / (Loss) before tax</b>	<b>(11.1)</b>	<b>1.08</b>	
Less: Income tax	(1.5)	(0.44)	
<b>Profit /(Loss) for the period</b>	<b>(12.6)</b>	<b>0.65</b>	

Excluding €2.2 mln one-off in Q1 2019, NII is up by 15% yoy.

Excluding €4.9 mln of one-offs in Q1 2019, Other income is up by 64% yoy.

Further cost base improvement by 10.6% yoy.

€ 2 mln charge in Q1 2020 relates to covid-19 expected impact, based on the alternative macro scenarios.



- **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



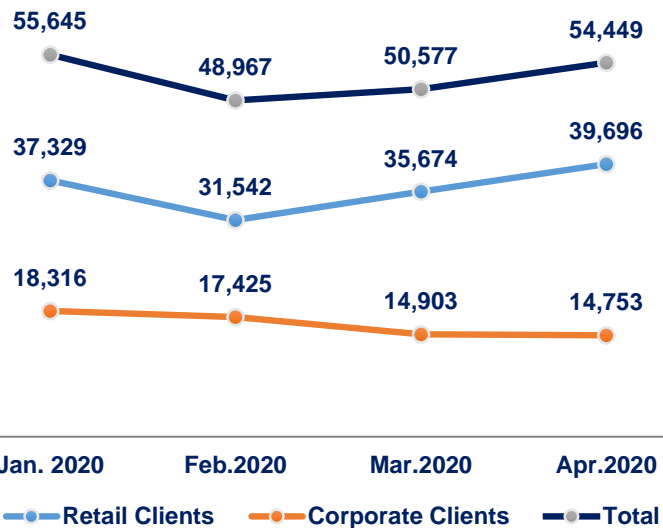
- **Support on customers.** Debt payment referrals; State guaranteed loans; Proactive management of Stage 1 loans offering custom made solutions
- **Digital channels enhancement;** new services available promoting electronic transactions



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

# Increased usage of remote channels

## No of transactions Attica E-banking & mobile, 01.01.20-30.04.20



## Digital Channels KPIs, 01.01.20-30.04.20

- 11% increase in active users
- € 327 mln value of electronic transactions
- 11% 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

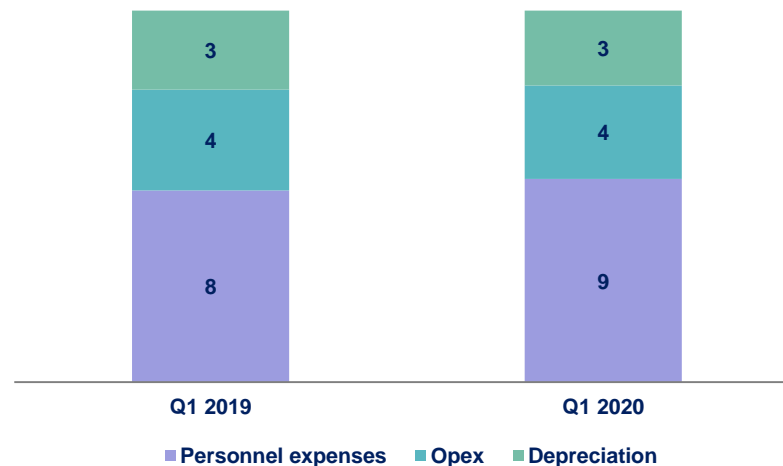
## Operating income by source (€m)

	Q1 2020	Q1 2019	Δ %
Net interest income	11.83	12.47	
<i>Out of which recurring - Net Interest Income</i>	11.83	10.27	15.2%
Net fee and commission income	0.87	1.36	
Gain/ loss from securities	2.55	3.89	
Other income	0.69	5.32	
<i>Out of which recurring - Other Income</i>	0.69	0.42	64.2%
<b>Total</b>	<b>15.94</b>	<b>23.04</b>	

## Comments

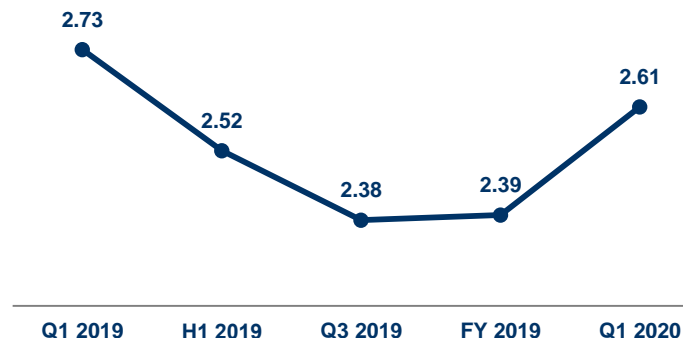
- Rationalization of costs, optimization of procedures will offset the cost of acquiring a new digital platform which will be implemented in 2020.
- Cost base remains stable, also absorbing covid-19 related expenses.
- Subsidiaries portfolio disinvestment. Attica Bank proceeded with the disinvestment from Attica Wealth Management in Q1 2020 (+1.6mIn in P&L) and in Q2 2020 from Attica Bank Properties (+1.2mIn in P&L – estimated and will be presented in the H1 accounts).

## Breakdown of Operating expenses (€m)



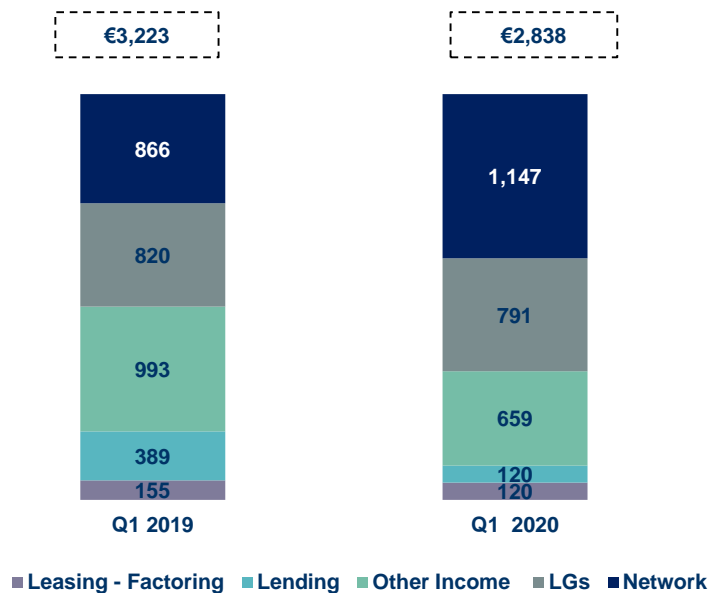
## NIM over gross loans

NIM: Annualized Net Interest Income / Average Gross Loans





## Commission Income Breakdown (€ 000s)

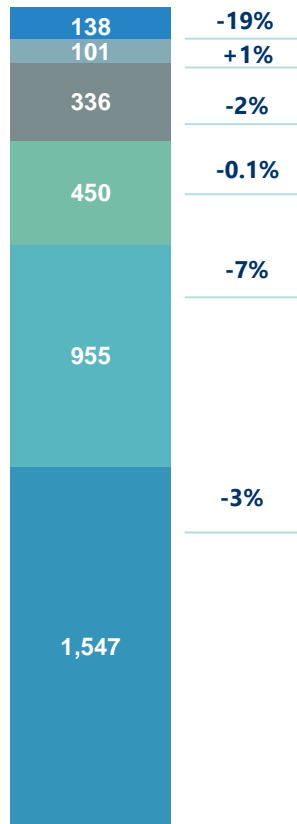


## Comments

- Commission income stemming from pure core banking operations.
- Increased Commission Income in Network by 32% yoy (POS Transactions, Credit Cards and ATM).
- Attica Bank expects fees to grow strongly in 2020 and in 2021 due to greater business volumes as well as due to the development of its new Bancassurance business.

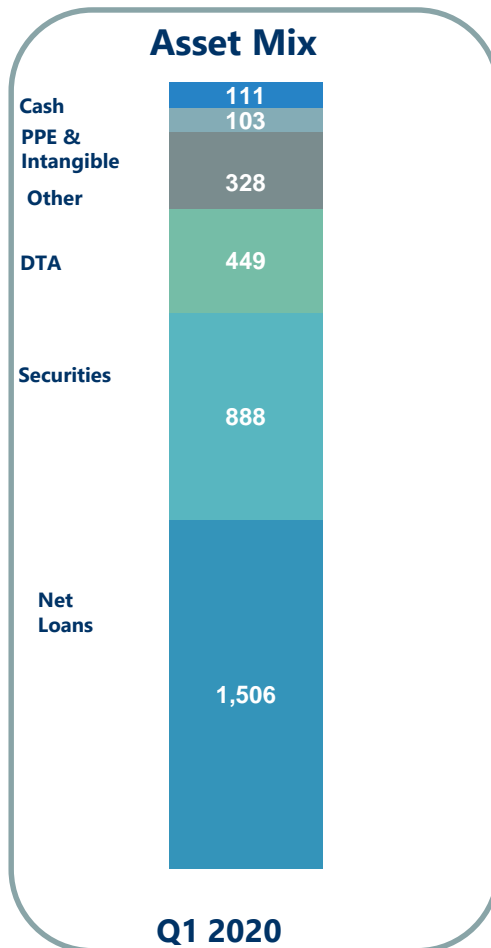
# *Selected Balance sheet items*

# Asset and Liabilities Overview



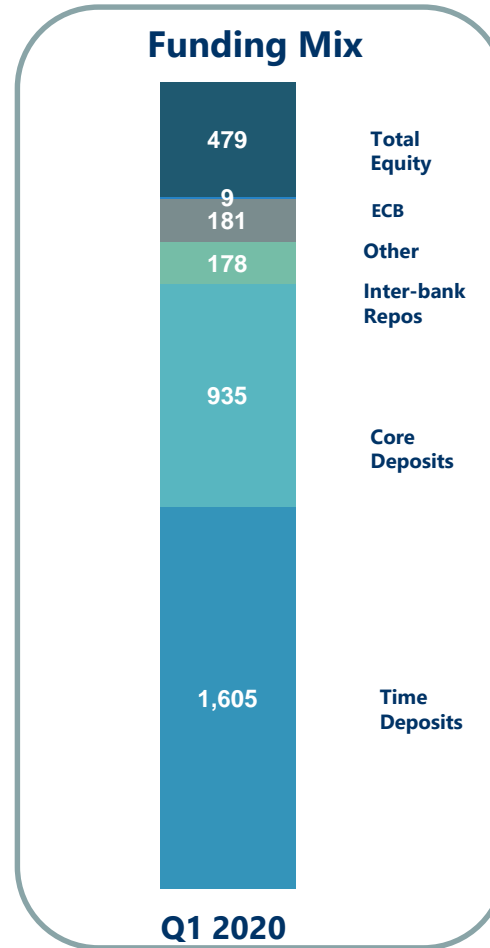
FY 2019

3,53bn total assets



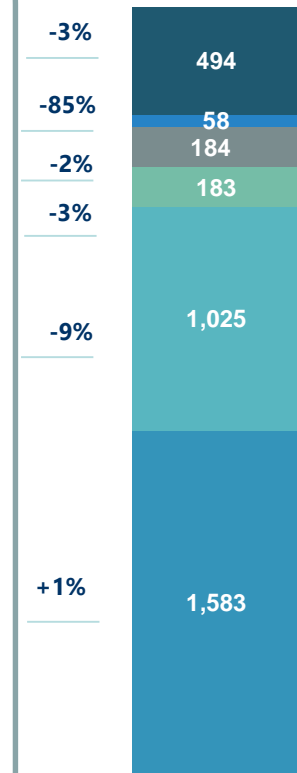
Q1 2020

3,39bn total assets



Q1 2020

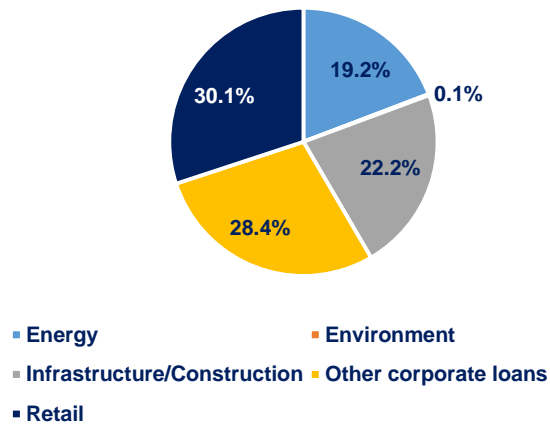
3,39bn total liabilities & equity



FY 2019

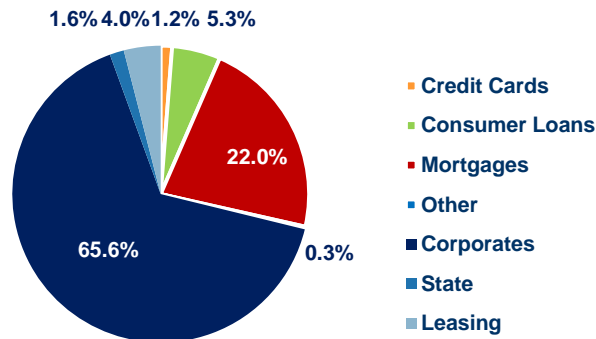
3,53bn total liabilities & equity

## Loan Portfolio Breakdown by industry – Q1 2020



- In Q1 2020 loans to businesses in energy, environment & infrastructure amounted to 42% of total loan book.
- New Loans' Disbursements for 2020-2022 will focus on infrastructure (33.7%), energy (25.3%), and environment (2.2%).

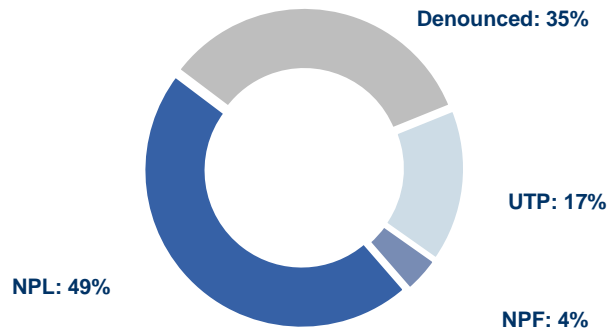
## Loan Portfolio Breakdown by segment – Q1 2020



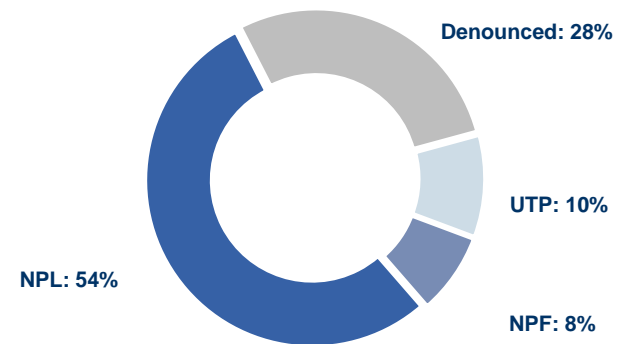
# NPE analysis, Q1 2020 – FY 2019 (1/2)

## NPE per category

Q1 2020

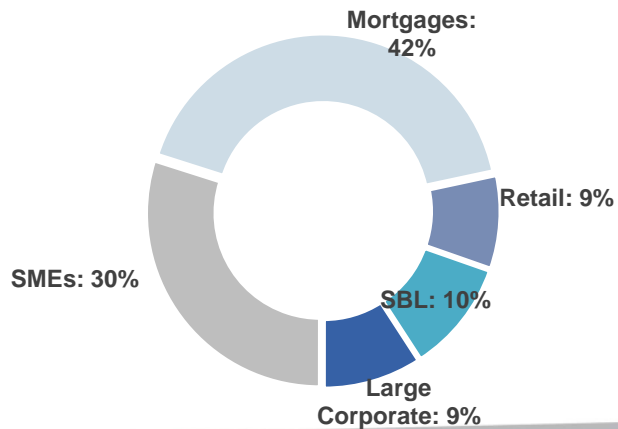


FY 2019

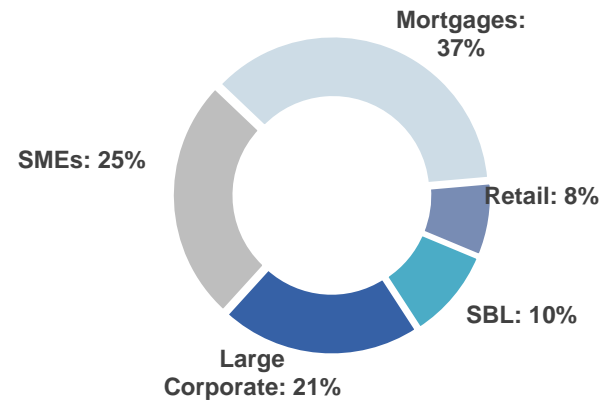


## NPL per segment

Q1 2020



FY 2019



# NPE analysis, Q1 2020 – FY 2019 (2/2)

## NPE Portfolio, collateral and cash coverage, 31.03.2020 (in € mln)

Category	Loan Balance (Gross)	LLAs	Collateral Coverage	Total Coverage	Contribution Loan Balance (Gross)
Business	508	233	75%	121%	58.6%
Mortgages	288	47	108%	124%	33.3%
Consumer	70	22	56%	87%	8.1%
<b>Total</b>	<b>867</b>	<b>302</b>		<b>119%</b>	<b>100.0%</b>
NPL	404				46.7%
NPF	33				3.8%
UTP	138				15.9%
Denounced	291				33.6%
	867	35%			



- NPE cash coverage (c.35% on balance sheet items cash coverage)
- Total coverage at 119%
- In Q1 2020 the Bank has assigned the NPE management of a portfolio with a carrying amount of c. € 370 mln to a servicer

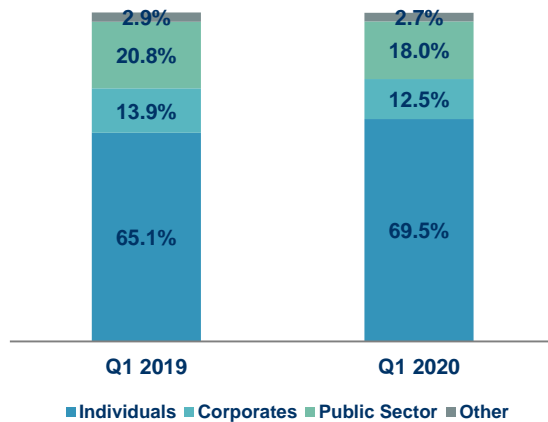
## NPE Portfolio, collateral and cash coverage, 31.12.2019 (in € mln)

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%			

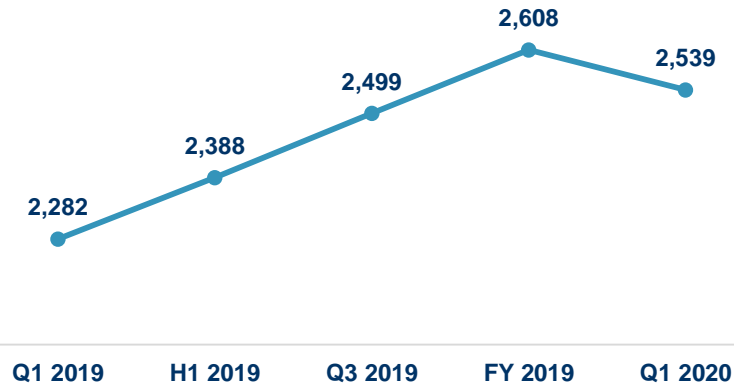
\*NPE figures include only on balance sheet items

# Steady increase of deposits yoy

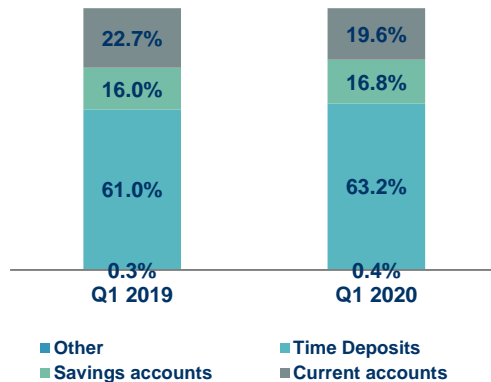
## Deposits Breakdown by customer – Q1 2020



## Evolution of Deposits – Q1 2020



## Deposits Breakdown by type of product – Q1 2020

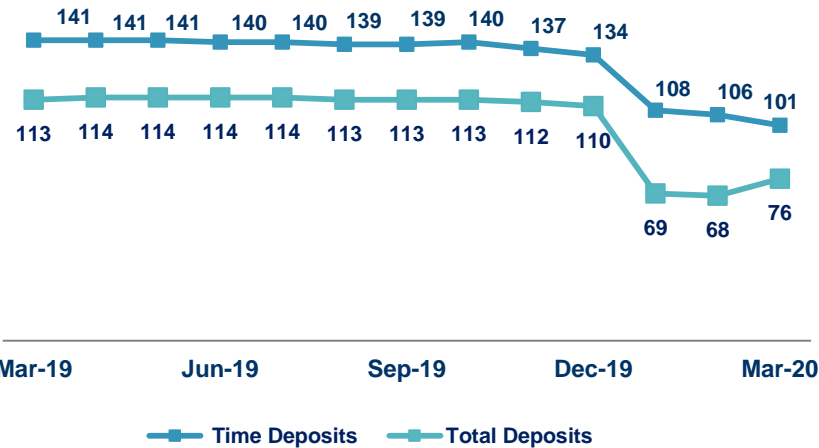


## Highlights

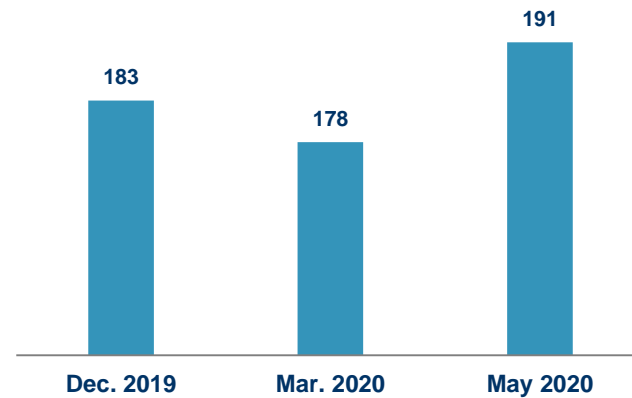
- Deposits increased by 11% yoy or + €257 mln.
- Slight decrease in the last quarter due to seasonality

# Continued improvement of liquidity metrics

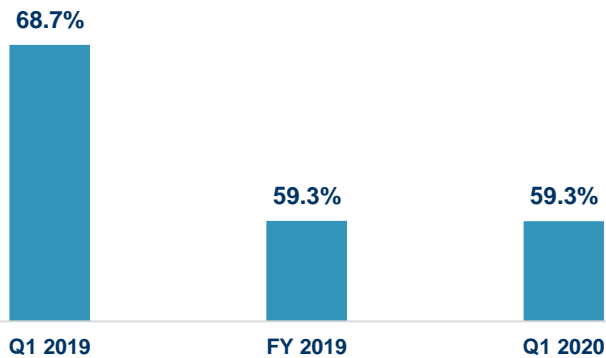
## Cost of Deposits (stock/bps)



## Repos Balances (€ mln)

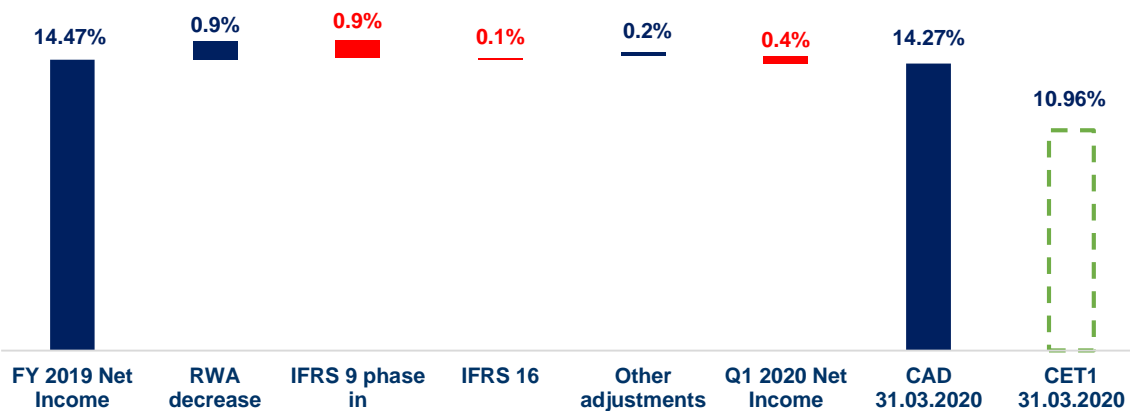


## Net Loans to Deposits ratio (%)



- LCR 31.05.20 at 99.5% (31.03.20: 54%)
- NSFR at 110.5% (preliminary figure)
- ECB funding at €9 mln





- Comfortable capital position considering extraordinary measures taken by NCAs.
- New OCR for 2020 at 10.71% and CET1 at 6.02%. OCR and CET1 as at 31.03.2020 well above minimum thresholds.
- RWAs at € 3,012mln.

# *Appendix - Financial Figures*

# Group P&L and balance sheet

Amounts in € million	GROUP		
	Q1 2020	FY 2019	CHANGE
<b>ASSETS</b>			
Cash and balances with central bank	111.2	138.1	(19.5%)
Due from other financial institutions	57.2	67.4	(15.1%)
Derivative financial instruments - assets	0.3	0.1	137.5%
Financial instruments at fair value through P&L	6.8	12.0	(43.2%)
Net loans and advances to customers	1,505.9	1,547.5	(2.7%)
Financial assets at fair value through other comprehensive income	524.3	590.0	(11.1%)
Financial assets at amortized cost	357.3	353.1	1.2%
Investments in associates	4.2	4.5	(6.7%)
Property, plant & equipment	48.1	48.5	(0.8%)
Investment property	58.3	58.3	-
Intangible assets	54.6	52.9	3.3%
Deferred tax assets	449.3	449.7	0.1%
Other assets	207.7	205.5	1.1%
<b>Total assets</b>	<b>3,385.3</b>	<b>3,527.7</b>	<b>(4.0%)</b>
<b>LIABILITIES</b>			
Due to financial institutions	202.8	262.5	(22.7%)
Due to customers	2,539.4	2,608.2	(2.6%)
Debt securities issued	99.7	99.7	-
Defined benefit obligations	12.0	11.7	3.0%
Other provisions	16.4	15.0	9.1%
Deferred tax liabilities	0.0	0.0	-
Other liabilities	36.3	36.6	(0.8%)
<b>Total liabilities</b>	<b>2,906.7</b>	<b>3,033.6</b>	<b>(4.2%)</b>
<b>EQUITY</b>			
Share capital (common Shares)	138.4	138.4	-
Share capital (preference Shares)	0.0	0.0	-
Reserves	445.7	448.8	(0.7%)
Retained earnings	(105.5)	(93.0)	13.3%
<b>Equity attributable to parent owners</b>	<b>480.1</b>	<b>494.1</b>	<b>(2.8%)</b>
<b>Non controlling interests</b>	<b>(0.04)</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>478.6</b>	<b>494.1</b>	<b>(3.1%)</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>3,385.3</b>	<b>3,527.7</b>	<b>(4.0%)</b>

Amounts in € million	GROUP		
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Other Income/ (Expenses)	0.69	5.32	(87%)
<b>Operating income</b>	<b>15.94</b>	<b>23.04</b>	<b>(31%)</b>
Personnel expenses	(8.54)	(8.37)	2%
General operating expenses	(3.92)	(4.39)	(11%)
Depreciation	(3.15)	(3.46)	(9%)
<b>Total operating expenses</b>	<b>15.61</b>	<b>6.8</b>	<b>(95%)</b>
Impairment charge for losses on loans	(11.12)	(5.80)	
Results from investments from associates	(0.3)	0.05	
<b>Profit / loss before income tax</b>	<b>(11.1)</b>	<b>1.08</b>	
Less: Income tax	(1.5)	(0.44)	
<b>Profit / loss for the period</b>	<b>(12.6)</b>	<b>0.65</b>	

# Key financial ratios

<b>BALANCE SHEET STRUCTURE</b>	<b>Q1 2020</b>	<b>FY 2019</b>
<i>Due to Customers / Loans and Advances to customers (after provisions)</i>	<b>168.6%</b>	<b>168.5%</b>
<i>Due to customers / Total Assets</i>	<b>75.0%</b>	<b>73.9%</b>
<i>Loans and Advances to customers (after provisions) / Total Assets</i>	<b>44.5%</b>	<b>43.9%</b>
<i>Total Equity / Total Assets</i>	<b>14.1%</b>	<b>14.0%</b>
<i>Total Equity / Due to Customers</i>	<b>18.8%</b>	<b>18.9%</b>
<b>EFFICIENCY</b>	<b>Q1 2020</b>	<b>Q1 2019</b>
<i>Profit before taxes / Average Equity (RoAE)</i>	<b>(2.3%)</b>	<b>(0.8%)</b>
<i>Profit before taxes / Average Total Assets (RoAA)</i>	<b>(0.3%)</b>	<b>0.1%</b>
<i>Total operating expenses less provisions for credit risk /Total Assets</i>	<b>0.5%</b>	<b>2.8%</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.

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).
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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