Attica Bank

9 – month period 2020 Results

17th December 2020

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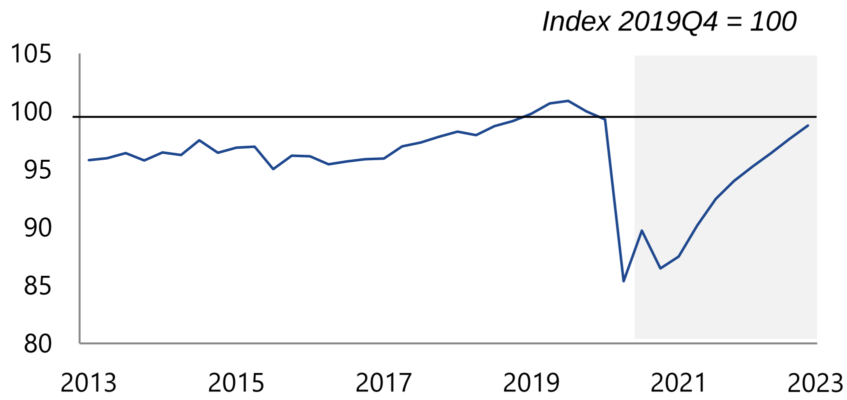
Section 1

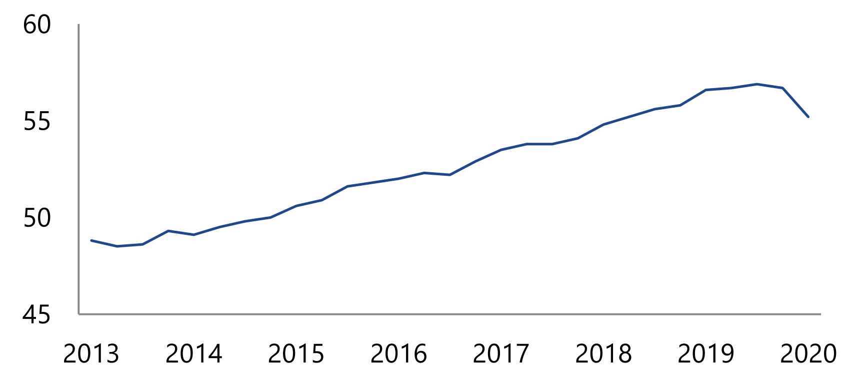
Macroeconomic Prospects

The second wave of Covid-19 had a large impact on the Greek economy

Real GDP (index)



Employment rate (%)



Source: OECD

Commentary

- Whilst the impact of Covid-19 has been severe in Greece with **the economy set to contract by 10% in 2020**, latest OECD estimates indicate a **strong recovery in 2021 and 2022.**
- Latest employment figures suggest **Greece's employment** rate fell by 1.5% as of Q2 2020 but still **remained higher than levels pre 2018**. This fall compares to an average fall of 1.7% for EU countries. The **impact in Q3 remains to be seen.**
- The government has announced a **fiscal package of measures totalling about 14 percent of GDP (€24 billion)**, including loan guarantees, financed from national and EU resources.
- Further boost to the real economy is expected once the funds from EU recovery begin to flow in 2021.
- Domestic consumer and services activity rebounded after restrictions were lifted in May, however accommodation and food services firms' in the third quarter of 2020 recorded a lower turnover by 50% compared to last year.
- **In 2022 the economy is expected to accelerate**, as the virus will be better controlled and vaccines will be generally deployed. Controlling the pandemic sooner, would reduce risks of insolvencies, non-performing loans and declining well-being.

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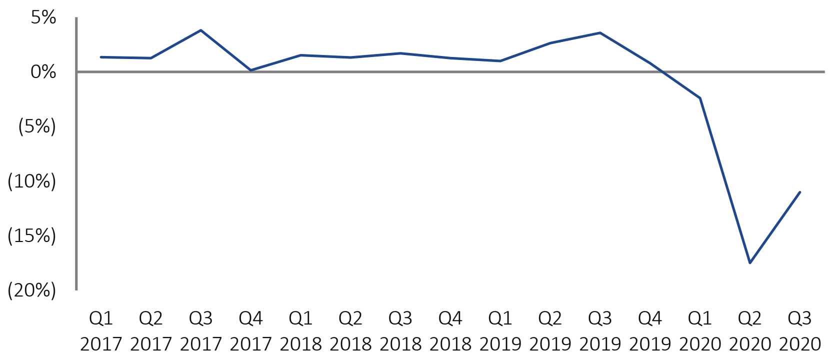
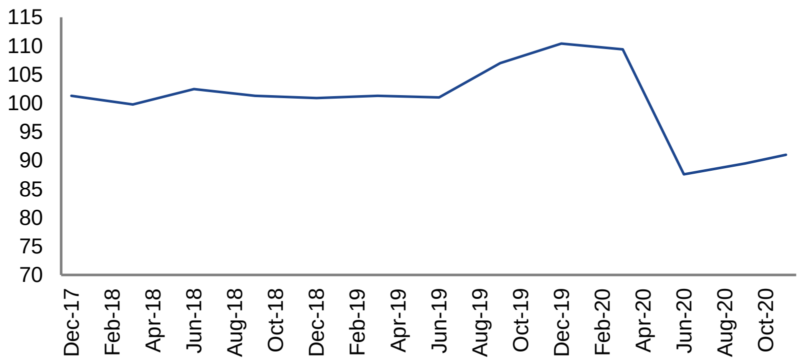
GDP and Consumer Confidence deteriorate noticeably, while economic sentiment indicator mildly declines

GDP growth (yoy)



Source: Hellenic Statistical Authority

Economic Sentiment Indicator (ESI)



Source: Eurostat

Commentary

- GDP **declined by 11.7% in the third quarter of 2020**, from 14.2% in the second quarter of 2020 and growth of 1.2% in the respective period of 2019. The main driver of the recession was the decline of services exports by 80%. In the first nine months of 2020 a cumulative decline of 8.5% was recorded.

- **Economic sentiment indicator slightly declined in November, however remains at low levels in comparison to January 2020** (-14.5 points). Consumer confidence declined noticeably for a fifth consecutive month by - 20.5 points in comparison to June 2020.

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Facing the Covid-19 challenge

- **Support for employees**. Work from home for a large number of employees; a minimum of 50% of all employees working from home.
- 24/7 telephone support for possible medical queries or psychological support.

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

- **Support to clients**. Debt payment referrals; State guaranteed loans; Proactive management of Stage 1 loans offering custom made solutions ; €99 mln relate to loan exposures under forbearance measures up to September 30th, 2020 due to the covid-19 pandemic, **less than one tenth of the total performing loan book.**
- **Digital channels enhancement**; new services available promoting electronic transactions.

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

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Section 2

Financial Highlights

Attica Bank strategic highlights – Q3 2020

Financial Performance

- Improved Core PPI performance at €6.12 mln, increased by 141% yoy, supported by NII increase and strong trading results
- Continuous emphasis on cost reduction with total general admin expenses at €13.2 million decreased by c.12% yoy

Asset Quality

- New financing at €215 for the 9-month period, providing support mainly to SMEs

Cost Efficiency & Liquidity

- Comfortable liquidity & funding position.
- Increased customers deposits by 6% yoy
- Diversified sources of funding
- Very low Net Loans to deposits ratio (at 58.3%)

Covid-19 Impact

- €99 million relates to forbearance measures in Q3 2020 due to the covid-19 effect ; just 5.3% of the loan book and 9.5% of the performing loan portfolio
- Total Covid-19 impacted loan exposures at €487 mln as at 30 September 2020 out of which €46 mln relate to tourism sector.

Solid Business Model

- Attica Bank's strategy remains firm; just a time shift in achieving income targets due to Covid-19
- Investing in a new digital platform without significantly increasing the Bank's existing cost base
- Front and Back end digitalization in 2020, expected to kick – in during 2021

Q3 2020 financial performance analysis

Amounts in €mln	Q3 2020	Q3 2019	Change %
Interest and similar income	68.88	70.79	(2.7%)
Less: Interest expense and similar charges	(30.62)	(38.24)	(19.9%)
Net interest income	**38.26**	**32.54**	**17.6%**
Fee and commission income	**9.09**	**10.41**	(12.7%)
Less: Fee and commission expense	(6.65)	(7.13)	(6.8%)
Net fee & commission income	**2.44**	**3.28**	(25.7%)
Profit / (loss) from trading portfolio	1.85	2.08	(10.9%)
Profit / (loss) from investment portfolio	10.78	7.70	(40.0%)
Other Income	1.89	7.76	(75.7%)
Total Operating income	**55.22**	**53.36**	3.5%
Personnel expenses	(26.02)	(25.60)	1.6%
General operating expenses	(13.18)	(14.98)	(12.0%)
Depreciation	(9.89)	(10.24)	(3.4%)
Total Operating Expenses	**49.09**	**50.82**	(3.4%)
Profit/ (Loss) before taxes and provisions	**6.12**	**2.54**	141.0%
Provisions for credit risks	(37.90)	(18.50)	104.9%
Provisions for other risks	(1.26)	(1.25)	0.6%
Staff Retirement Expense	(1.17)	-	-
Income from investment in associates	0.42	0.52	(19.2%)
Profit / (Loss) before tax	**(33.78)**	**(16.69)**	
Less: Income tax	(1.88)	17.56	
Profit /(Loss) for the period	**(35.67)**	**0.86**	

Financing cost down by 20% yoy.

Out of which c.€2.5mln relate to gains from the disposal of two subsidiaries in 2020

Continuous emphasis on cost reduction, despite the Covid-19 effect that increased general operating expenses by c. €0.9 mln.

Significant increase in CoR to incorporate fully the Covid-19 effect and to prepare the Bank for the carve out of the remaining legacy NPLs.

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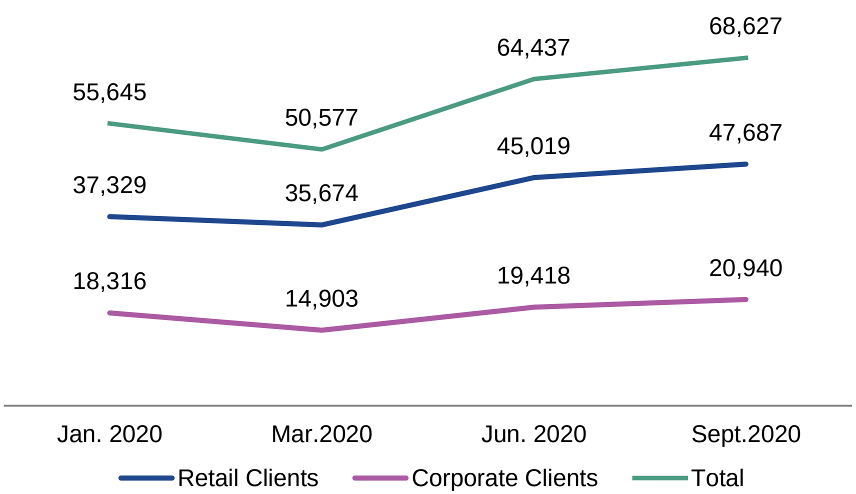
Q3 2020 financial performance analysis

No of transactions Attica e-banking & mobile, 01.01.20-30.09.20



Digital Channels KPIs, 01.01.20-30.09.20

- 26.4% increase in active users
- € 770 mln value of electronic transactions (+58% since 01.01.2020)
- 22% increase in volume of transactions during the lockdown period
- New transactions and services available, ongoing transformation to face Covid-19 challenge

Section 3

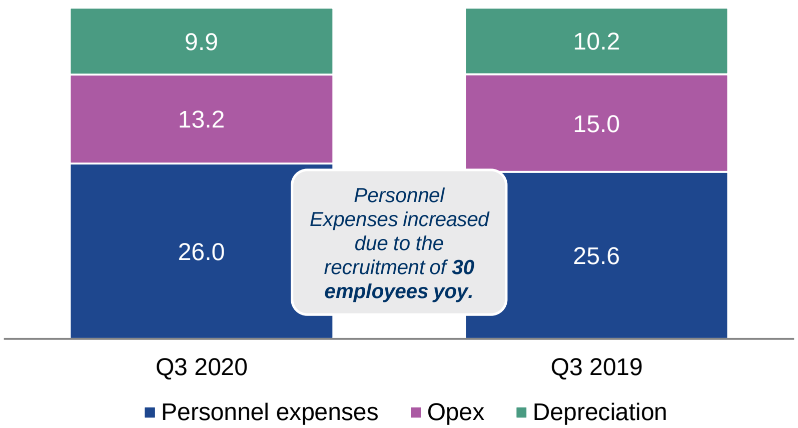
Profitability

Operating income driven by improvement in trading/other income—cost efficiency in line with Attica Bank's expectations

Operating income by source (€mln)

	Q1 2020	Q3 2019	Δ %
Net interest income	38.26	32.54	*18%*
Net fee and commission income	2.44	3.28	*(26%)*
Gain/ loss from securities	12.62	9.78	*29%*
Out of which non - recurring	*2.52*	*3.18*	*(21%)*
Other income	1.89	7.76	*(75.6%)*
Out of which non - recurring	-	*5.90*	-
Total	**55.22**	**53.36**	**3%**

Breakdown of operating expenses (€mln)

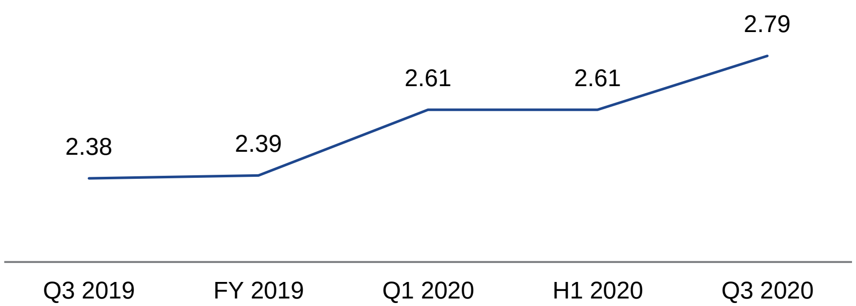


Comments

- Improved Cost base, also absorbing covid-19 related expenses (at €0.91 mln)
- Attica Bank proceeded with the disinvestment from its' subsidiary AtticaBank Properties (+0.7 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 the first half of 2021

NIM over gross loans

NIM: Annualized Net Interest Income / Average Gross Loans



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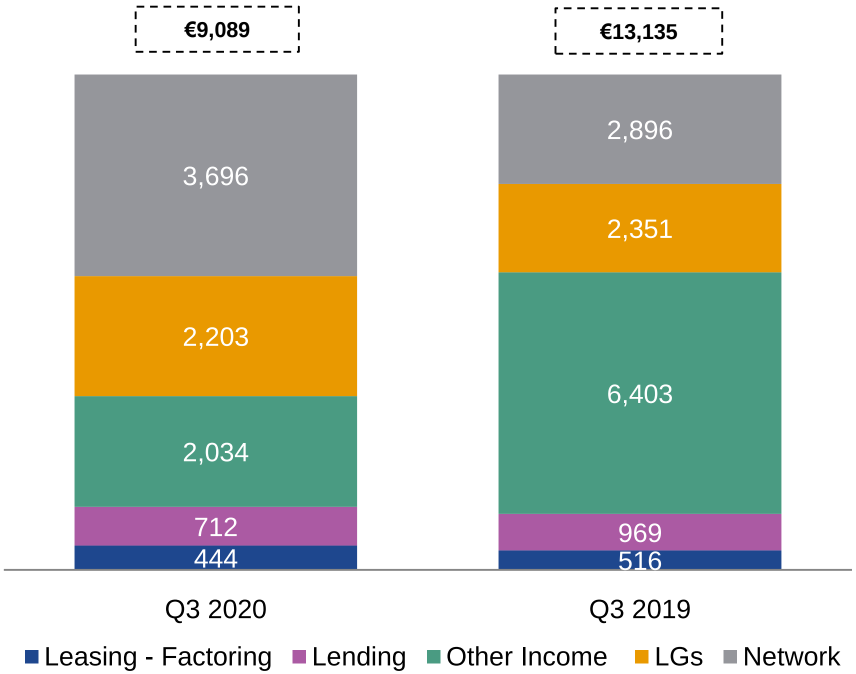
Notable increase in network commission lines in contrast to the challenging external environment due to covid-19

Commission Income Breakdown (€ 000s)



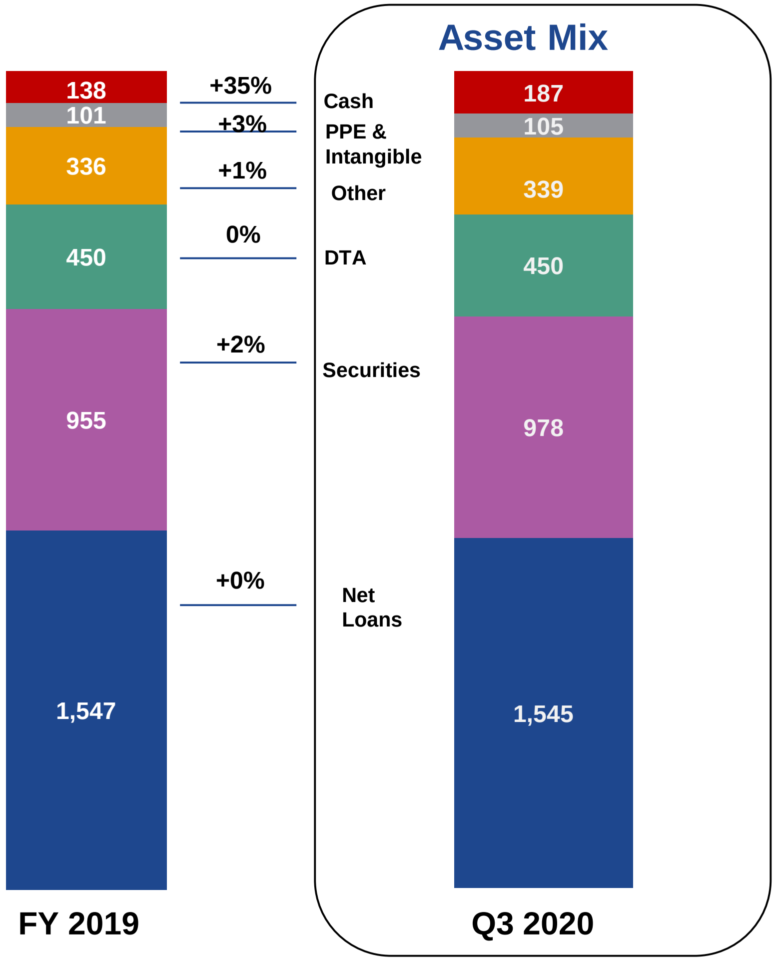
Comments

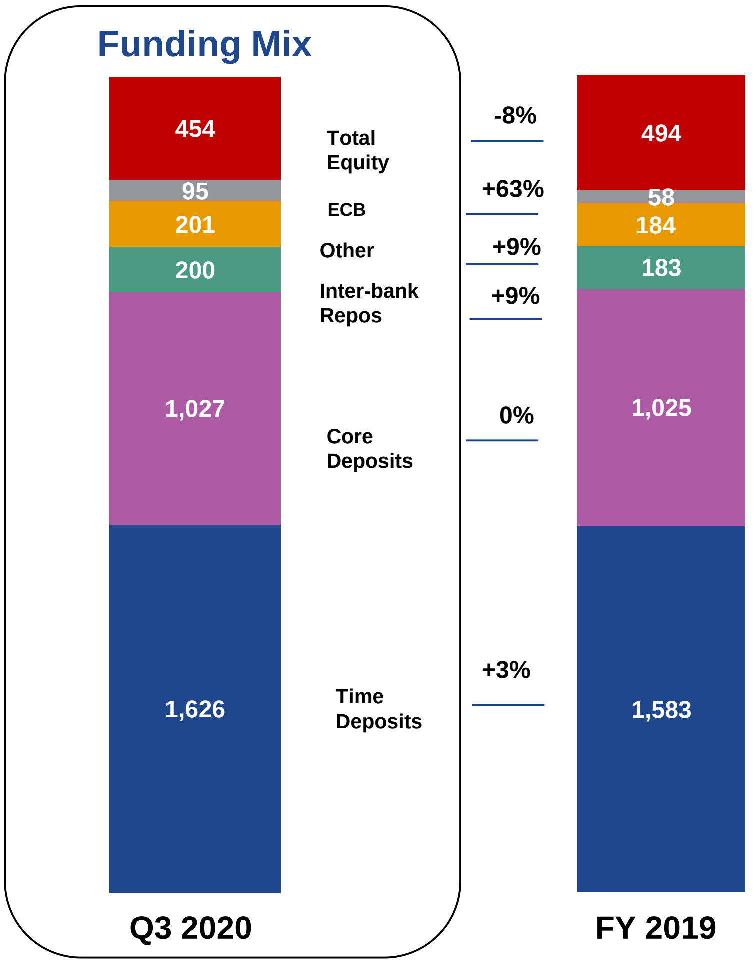
- Commission income stemming from pure core banking operations
- Increased Commission Income in Network by 28% mainly due to the increase in POS Transactions
- Attica Bank expects fees to grow going forward due to greater business volumes as well as due to the development of the new Bancassurance business, that is gaining significant ground during the last months of 2020

Section 4

Selected Balance sheet items

Balance sheet composition





3,53bn
total assets

3,60bn
total assets

3,60bn
total liabilities & equity

3,53bn
total liabilities & equity

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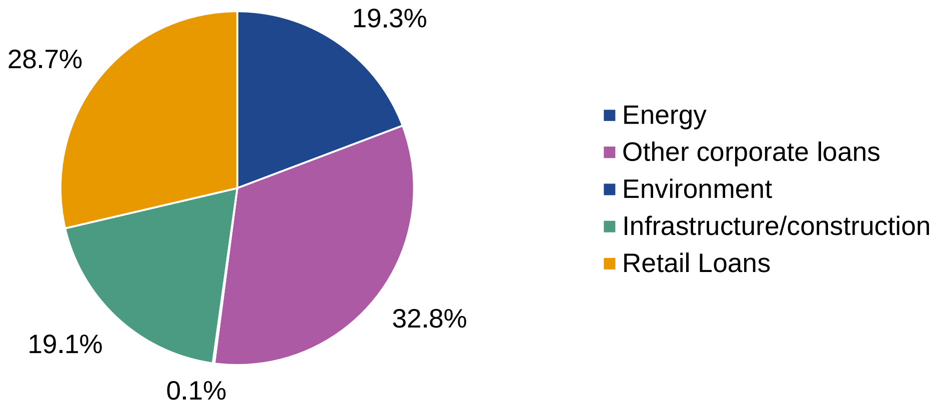
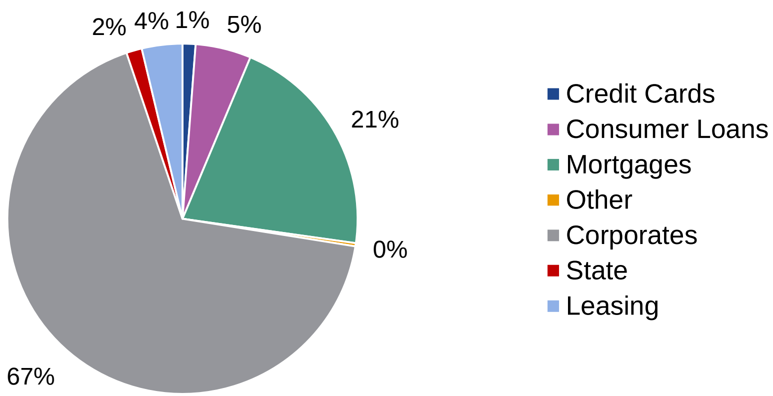
Loan portfolio overview

Loan Portfolio Breakdown by industry – Q3 2020



Loan Portfolio Breakdown by segment – Q3 2020



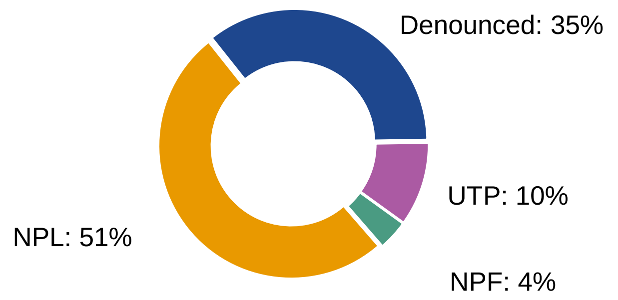
Comments

- In Q3 2020 loans to businesses in energy, environment & infrastructure amounted to c. 39% of total loan book.
- New Loans' Disbursements for 2021-2023 will focus on infrastructure, energy and environment.

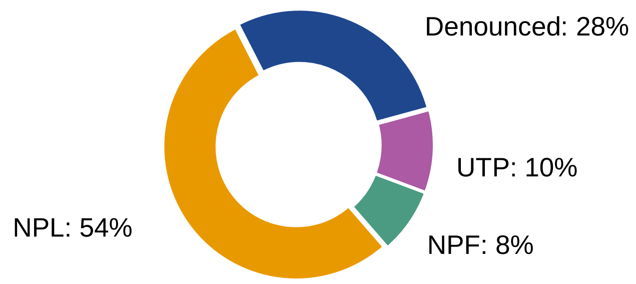
NPE analysis, Q3 2020 – FY 2019 (1/2)

NPE per category

Q3 2020

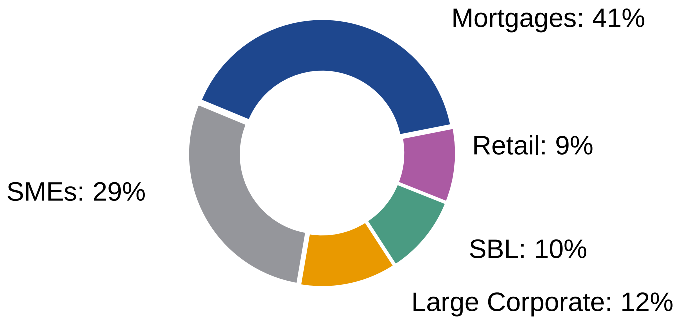


FY 2019

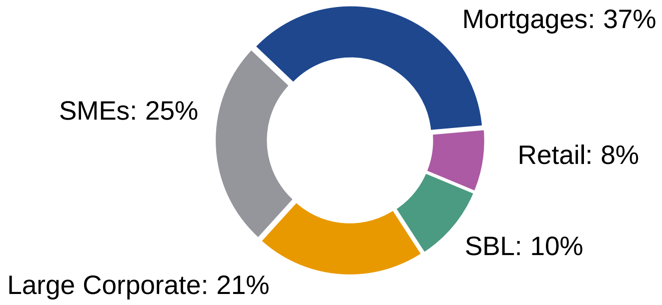


NPL per segment

Q3 2020



FY 2019



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NPE analysis, Q3 2020 vs. FY 2019 (2/2)

NPE Portfolio, collateral and cash coverage, 30.09.2020 (in €mn)

Category	Loan balance (Gross)	LLAs	Collateral coverage	Total coverage	Contribution Loan balance (Gross)
Business	460	251	80%	134%	56.1%
Mortgages	288	50	108%	125%	35.1%
Consumer	73	27	58%	95%	8.8%
Total	820	328		128%	100.0%
NPL	*416*				*50.7%*
NPF	*30*				*3.7%*
UTP	*84*				*10.2%*
Denounced	*291*				*35.4%*
	820	40%			

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

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%
Total	851	290		121%	100.0%
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

Comments

- NPE cash coverage (c.40% on balance sheet items cash coverage)
- Total coverage at 128%
- 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

Astir securitisation

Astir securitisation NPE Portfolio, (in €mln)

Corporate Portfolio	No. of loans	Avg. ticket / Loan	Total Balances
Corporate Bonds	30	3,4	101,0
Corporate Call Accounts	486	0,2	107,2
Corporate Long Term Loans	226	0,4	100,1
Leasing	155	0,16	25,0
Other Corporate Loans	5	1,5	7,5
Total	**902**	**0,38**	**340,8**

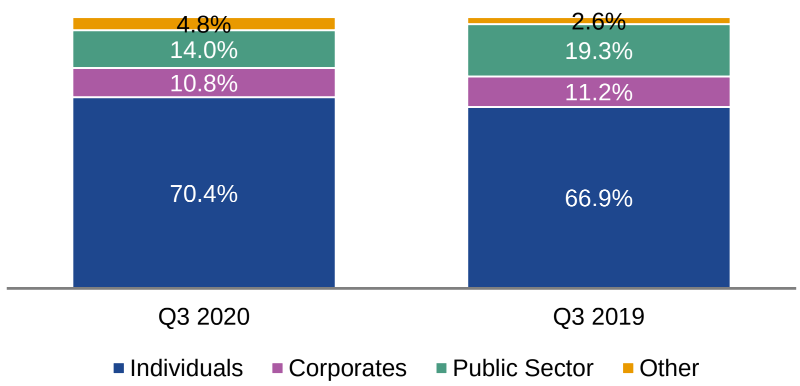
Retail Portfolio	No. of loans	Avg. ticket / Loan	Total Balances
Consumer Loans	2,825	0,03	73,4
Corporate Call Accounts	43	0,08	3,3
Credit Cards	2,954	0,003	7,7
Mortgages	3,235	0,08	274,3
Other Retail Loans	166	0,08	12,6
Total	**9,223**	**0,04**	**371,3**

Comments

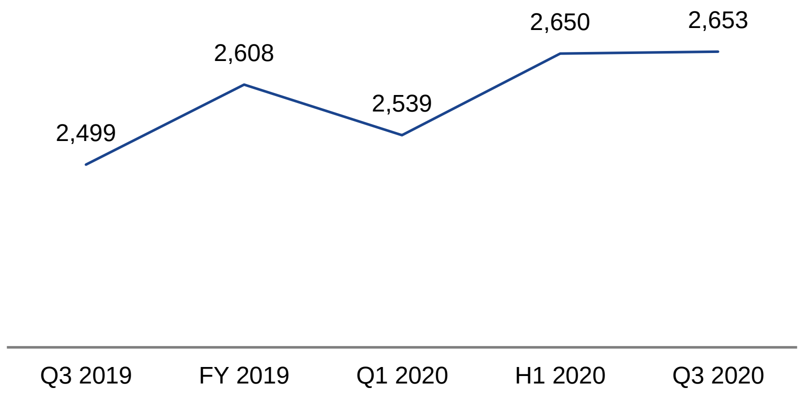
- As at 17 December 2020, the Bank has transferred to two SPVs in Ireland, loan exposures of a total Gross Book Value of € c. 712mln.
- This action is part of the Bank's stated strategy to minimize legacy NPLs within early 2021.

Attica Bank's liquidity in Q3 2020 driven by significant improvement in deposit inflows

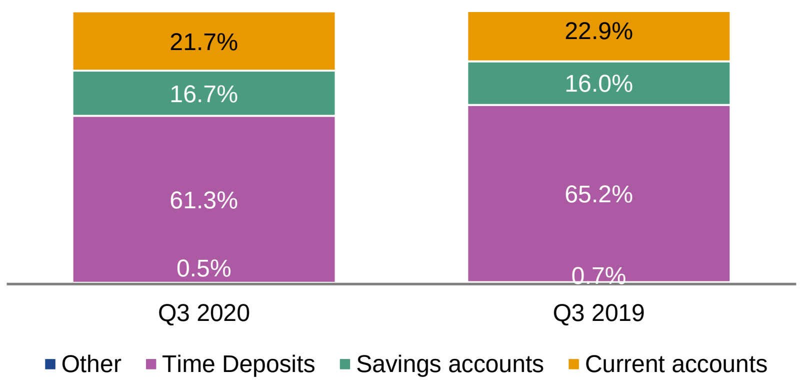
Deposits breakdown by customer – Q3 2020



Evolution of deposits – Q3 2020



Deposits breakdown by type of product – Q3 2020



Highlights

- Deposits increased by 6% yoy.
- Substantial increase in the last semester (+€114 m) despite the covid-19 effect

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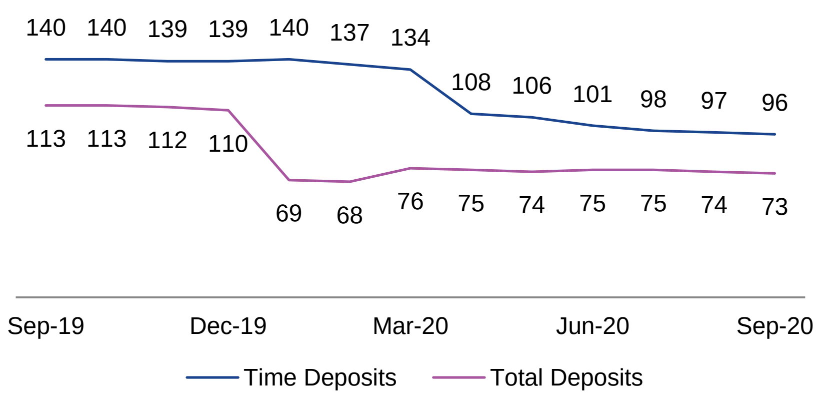
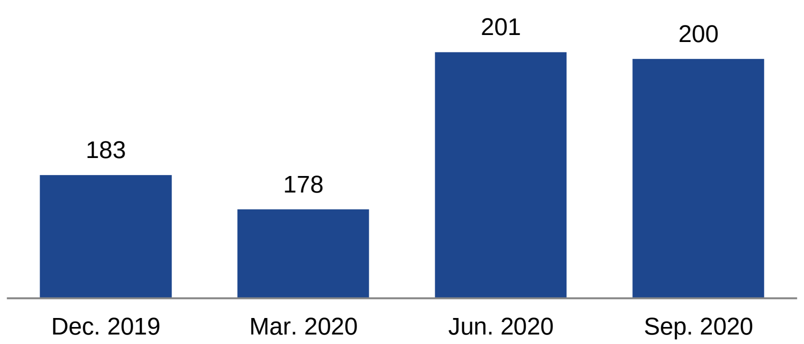
Continued improvement of liquidity metrics

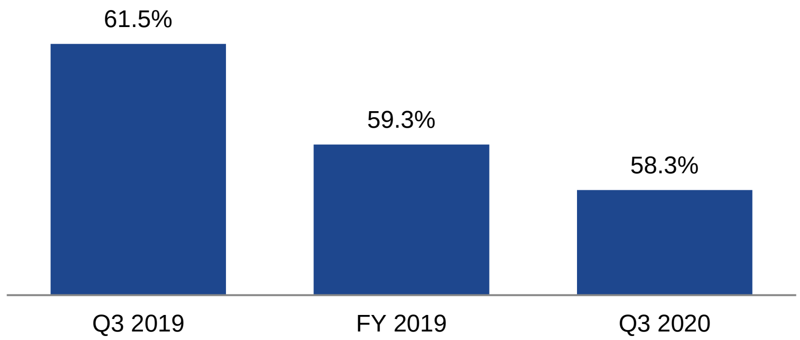
Cost of deposits (stock/bps)



Repos balances (€mln)



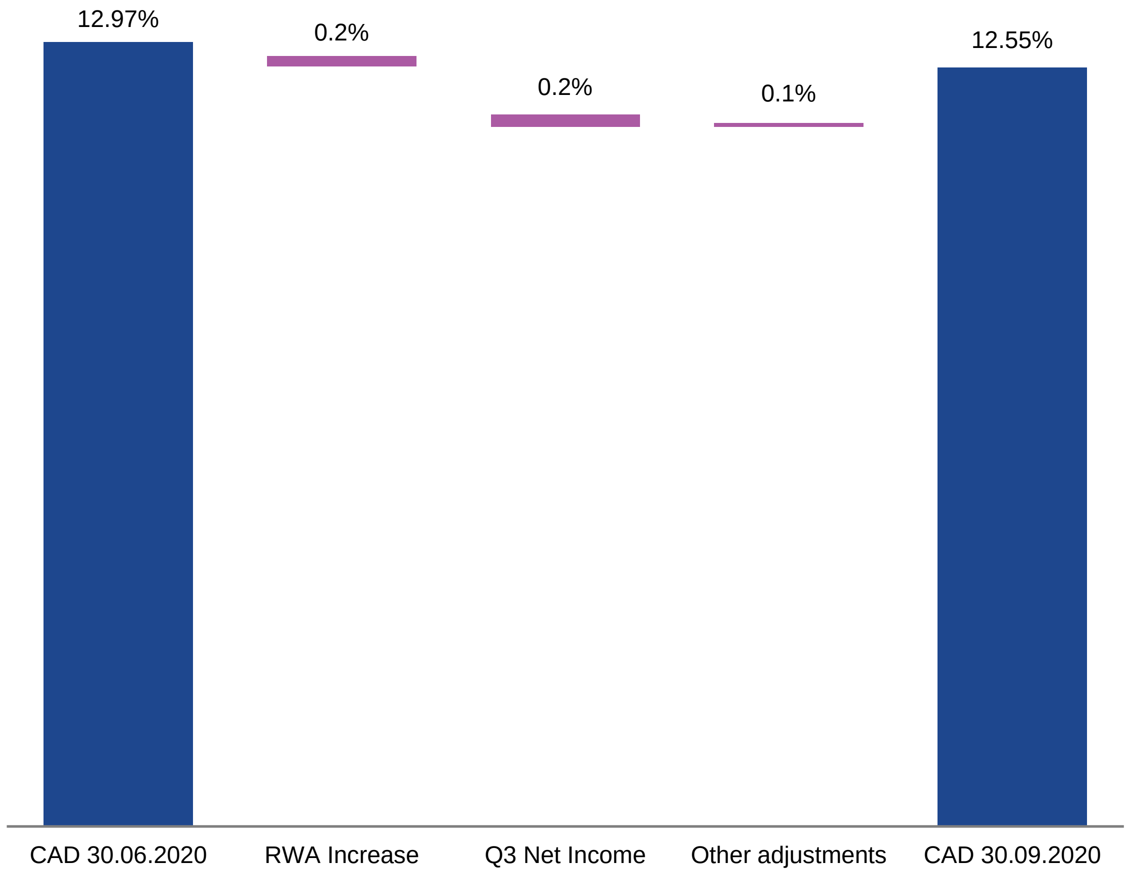
Net loans to deposits ratio (%)



Comments

- Significant drop in funding cost c. 40bps over the last 12 months
- ECB funding at €95 mln

Resilient capital adequacy



Comments

- New OCR at 10.71% and CET1 at 6.02%. CET1 as at 30.09.2020, above minimum thresholds (9.4%).
- RWAs at € 3.134 mln.

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Appendix B

Financial Figures

Group P&L and Balance sheet

Amounts in €mln	Group Q3 2020	Group FY 2019	Group Change
Assets			
Cash and balances with central bank	186.7	138.1	35.2%
Due from other financial institutions	56.3	67.4	(16.5%)
Derivative financial instruments - assets	0.1	0.1	-
Financial instruments at fair value through P&L	6.9	12.0	(42.3%)
Net loans and advances to customers	1,545.5	1,547.5	(0.1%)
Financial assets at fair value through other comprehensive income	553.8	590.0	(6.1%)
Financial assets at amortized cost	417.1	353.1	18.1%
Investments in associates	3.5	4.5	(22.1%)
Property, plant & equipment	48.0	48.5	(0.9%)
Investment property	58.1	58.3	(0.4%)
Intangible assets	56.5	52.9	6.8%
Deferred tax assets	449.6	449.7	-
Other assets	221.3	205.5	7.7%
Total assets	**3,603.6**	**3,527.7**	**2.2%**
Liabilities			
Due to financial institutions	331.3	262.5	26.2%
Due to customers	2,653.1	2,608.2	1.7%
Debt securities issued	99.8	99.7	-
Defined benefit obligations	12.2	11.7	5.0%
Other provisions	16.1	15.0	7.1%
Deferred tax liabilities	0.0	0.0	-
Other liabilities	37.1	36.6	1.5%
Total liabilities	**3,149.6**	**3,033.6**	**3.8%**
Equity			
Share capital (common Shares)	138.4	138.4	-
Reserves	444.2	448.8	(1.0%)
Retained earnings	(128.6)	(93.0)	38.3%
Equity attributable to parent owners	454.0	494.1	(8.1%)
Total equity	**454.0**	**494.1**	**(8.1%)**
TOTAL LIABILITIES & EQUITY	**3,603.6**	**3,527.7**	**2.2%**

Amounts in €mln	Group Q3 2020	Group Q3 2019	Group Change
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Profit / loss before income tax	**(33.78)**	**(16.69)**	
Less: Income tax	(1.88)	17.56	
Profit / loss for the period	**(35.67)**	**0.86**	

Key financial ratios

Balance sheet structure	Q3 2020	FY 2019
Due to Customers / Loans and Advances to customers (after provisions)	171.7%	168.5%
Due to customers / Total Assets	73.6%	73.9%
Loans and Advances to customers (after provisions) / Total Assets	42.9%	43.9%
Total Equity / Total Assets	12.6%	14.0%
Total Equity / Due to Customers	17.1%	18.9%

Efficiency	Q3 2020	Q3 2019
Profit before taxes / Average Equity (RoAE)	(7.1%)	(3.4%)
Profit before taxes / Average Total Assets (RoAA)	(0.9%)	(0.5%)
Total operating expenses less provisions for credit risk /Total Assets	1.4%	1.5%

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).
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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