

**Athens, 31/07/2020**

### **H1 Financial Results 2020**

- **Net Interest Income increased by 2.4% excluding non-recurring revenue of €2.2 mln in the comparative period, the increase amounted to 13%.**
- **Increase of deposits by 10.9% yoy.**
- **Reduction of total operating expenses by 3.3% yoy.**
- **New financing and refinancing amounted to €87 mln for the first semester 2020 compared to €64 mln for the comparative period.**
- **Total Assets increased by 3% to €3,62 bln compared to 31.12.2019**
- **Net Loans decreased marginally by 3.7% compared to 31.12.2019.**
- **Gross Loans / Deposits Ratio amounted to 68%, decreased compared to 31.12.2019 (70.1%).**
- **NPEs amounted to €16 mln for the first semester and NPE Cash Coverage Ratio: 35.4%.**
- **Total Equity stood at €463 mln while Total Capital Adequacy Ratio stood at 13.05%.**

## Management Statement

Since the outbreak of the pandemic in March 2020, the main priority of Attica Bank has been to ensure the smooth operation for the Bank and its Branch Network, while ensuring all the necessary safety and hygiene conditions for both the Bank's employees and its clients, introducing teleworking.

An important priority is the gradual restoration of the daily lifecycle of the public. The immediate positive reaction of some businesses and households to health changes, as reflected in their expectations, highlights the possibility of a relatively rapid reversal of the adverse climate. The completion of an overall development plan and the establishment of mechanisms for the efficient use of the resources of the approved EU Recovery Fund are preconditions for reorganization in the post-COVID-19 era.

Attica Bank has adapted its 2020 budget to the new conditions brought about by the health crisis and is introducing on changes in its strategy that will allow to take advantage of the rapidly improving conditions after the end of the crisis.

The share of Attica Bank was at the top of the returns in the first half of 2020 (+ 23% of the average return of the total of bank shares), with the investors rewarding the efforts made by the Bank's management for the final consolidation of its balance sheet and achieving a better return for its shareholders.

The planning of medium-term strategies, both in Greece and in the EU, is of great importance, as they will be the ones that will help in the effective management of the new conditions in the long run and will create new prospects of growth. At the same time, the completion of a development plan and the establishment of mechanisms for the use of the resources of the planned EU Recovery Fund remain crucial.

With regard to new financing and refinancing in H1 2020 c. €87 mln were disbursed compared to €64 mln for the comparative period while Attica Bank continues its efforts to expand its market position. The preservations of the loans to deposits ratio at the level of 56% allows the focus on the credit expansion strategy. Furthermore, Attica Bank continued to improve its liquidity, as deposit balances increased by 10.9% compared to the comparative period of 2019.

Operating costs (excluding depreciation costs) decreased by 2% annually on a recurring basis, while the total number of employees decreased by 8.5% taking into account the termination of the agreement of the rented employees.

Attica Bank has completed the transfer of management of the biggest part of the portfolio of NPEs to Servicer QQuant, as a first stage of the upcoming securitization of the latest NPEs.

Following a conservative policy, Attica Bank increases its credit risk forecasts to be consistent with the financial implications of adverse scenarios for 2020.

The management of Attica Bank and all its employees, we are confident that together we will successfully deal with the effects of the coronavirus pandemic and 2021 will be the year that will mark the return of the economy to growth rates, successfully addressing the challenges ahead.

### **Key Points of Attica Bank's Group Balance Sheet**

- Group Total Assets amounted to €3.6 bln and its structure remained rather stable.
- Gross Loans amounted to €1.8 bln, while net loans amounted to €1.5 bln reduced by 3.7% compared to 31.12.2019. New financing and refinancing for the period amounted to €87 mln.
- The accumulated provisions for impairment losses on loans and advances to customers stood at €307 mln.
- Gross Loans to Deposits Ratio stood at 68% as at 30.06.2020, marginally decreased compared to 31.12.2019 (70.1%).
- Deposits stood at €2.7 bln up by 1.6% compared to 31.12.2019.
- Total Equity stood at €462.7 mln, decreased by 6.4% compared to the comparative period.

All amounts in EUR thousands

|  | Jun-20           | Dec-19           | Δ EUR          | Δ %          |
|--|------------------|------------------|----------------|--------------|
| <b>Gross Loans &amp; Advances to Customers</b>                                   | 1,798,140        | 1,828,379        | -30,239        | -1.7%        |
| <b>Net Loans &amp; Advances to Customers</b>                                     | 1,490,898        | 1,547,494        | -56,596        | -3.7%        |
| <b>Financial Assets at fair value through other comprehensive income (FVOCI)</b> | 657,575          | 590,046          | 67,529         | 11.4%        |
| <b>Tangible. Intangible Assets. Investment Property</b>                          | 162,655          | 159,700          | 2,955          | 1.9%         |
| <b>Deferred Tax Assets</b>   | 448,516          | 449,734          | -1,218         | -0.3%        |
| <b>Other Assets</b>  | 859,819          | 780,761          | 79,058         | 10.1%        |
| <b>Total Assets</b>  | <b>3,619,463</b> | <b>3,527,735</b> | <b>91,728</b>  | <b>2.6%</b>  |
| <b>Deposits form banks</b>   | 343,557          | 262,456          | 81,101         | 30.9%        |
| <b>Deposits from customers</b>   | 2,650,147        | 2,608,157        | 41,990         | 1.6%         |
| <b>Other Liabilities</b>   | 163,053          | 163,037          | 16             | 0.0%         |
| <b>Total Liabilities</b>   | <b>3,156,758</b> | <b>3,033,650</b> | <b>123,107</b> | <b>4.1%</b>  |
| <b>Total Equity</b>  | <b>462,705</b>   | <b>494,081</b>   | <b>-31,376</b> | <b>-6.4%</b> |
| <b>Total Liabilities &amp; Equity</b>  | <b>3,619,463</b> | <b>3,527,731</b> | <b>91,731</b>  | <b>2.6%</b>  |

### **Group's Efficiency**

- Net Interest Income increased by 2.4% compared to 30.06.2019 and stood at €23.6 mln.
- Fee and Commission Income decreased compared to 30.06.2019 (by 14.6%) and stood at €5.5 mln.
- The results from operations of the investment portfolio are marginally increased compared to the comparative period by 0.8% and amounted to €6.7 mln.
- The average number of employees of the Group for H1 2020 amounted to 763 employees (Bank: 757 employees), compared to 719 employees (Bank: 708 employees) for the comparative period. It is noted that on 30.06.2019, the Bank employed 99 people through companies with which it had concluded a project contract, therefore taking into account the above, the employed staff of the Group showed a decrease of approximately 9%. Due to this, staff remuneration and expenses showed a marginal increase of 1.8% during H1 2020 compared to the comparative period for the Group.
- General Operating Expenses before provisions display a decrease of 8.4% compared to the comparative period.
- For H1 2020, total provisions amounted to €27.8 mln comprising of provisions for impairment losses on loans and advances to customers amounted to €26.4 mln, and provisions for impairment on off balance sheet items amounted to €1.5 mln, while the provisions for financial assets portfolio of €0.1 mln were reversed.
- Loss before taxes amounted to €27.5 mln versus losses of €8.7 mln compared to the comparative period (30.06.2019), mainly due to the recognition of a significant amount of credit risk provisions for the current period, as well as the recognition of non-recurring other revenues in the comparative period.

*All amounts in EUR thousands*

|                                     | Jun-20         | Jun-19        | Δ EUR          | Δ %           |
|-------------------------------------|----------------|---------------|----------------|---------------|
| <b>Net Interest Income</b>          | <b>23,628</b>  | <b>23,076</b> | <b>552</b>     | <b>2.4%</b>   |
| <b>Net Commission Income</b>        | <b>1,328</b>   | <b>1,918</b>  | <b>-590</b>    | <b>-30.8%</b> |
| <b>Total Operating Income</b>       | <b>34,318</b>  | <b>39,917</b> | <b>-5,599</b>  | <b>-14.0%</b> |
| <b>Total Expenses</b>               | <b>32,002</b>  | <b>33,077</b> | <b>-1,075</b>  | <b>-3.2%</b>  |
| <b>Pre Provision Income</b>         | <b>2,316</b>   | <b>6,840</b>  | <b>-4,524</b>  | <b>-66.1%</b> |
| Total Provisions                    | -30,268        | -15,782       | -14,486        | 91.8%         |
| Results from associates             | 417            | 270           | 147            |               |
| <b>Profit / (Loss) before taxes</b> | <b>-27,535</b> | <b>-8,672</b> | <b>-18,863</b> |               |
| Income Tax                          | -2,013         | 9,186         |                |               |
| <b>Profit / (Loss) after taxes</b>  | <b>-29,547</b> | <b>514</b>    |                |               |

### **Attica Bank S.A.**

**Note:** The H1 2020 Financial Statements will be available on the Bank's website <https://www.atticabank.gr/en/> on 31.07.2020.

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