

Q3 2020 FINANCIAL RESULTS

- Net Interest Income increased by 17.6% compared to the comparative period.
- Reduction of general operating expenses by 12.0% yoy.
- Increase of deposits by 6.2% yoy.
- New financing and refinancing amounted to €215 mln for the nine-month period 2020 compared to €75 mln for the comparative period.
- 5.3% of the total loan portfolio and 9.5% of the performing loan portfolio (before provisions) have been restructured due to covid-19.
- Total Assets increased by 2.2% to €3,60 bln compared to 31.12.2019
- NPE Ratio: 37.4% and NPE Cash Coverage Ratio: 37.1%
- Total Equity stood at €454 mln while Total Capital Adequacy Ratio stood at 12.6%.
- New securitization of non-performing exposures amounting to approximately €715 mln, € 371 mln for retail banking NPEs and approximately € 344 mln for business banking NPEs.

Management Statement

The pandemic continues to negatively affect economic growth. The second wave of the pandemic, which spread with greater intensity in Europe, led the Greek Government to the decision for a second lockdown throughout the territory. However, the outlook for vaccine efficacy and the launch of vaccinations in Europe in December is promising.

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.

With regard to new financing and refinancing in Q3 2020 c. €215 mln were disbursed compared to €75 mln for the comparative period while Attica Bank continues intensively its efforts to expand its market position. The preservation of the loans to deposits ratio at the level of 58% allows the focus on the credit expansion strategy. Furthermore, Attica Bank continued to improve its liquidity, as deposit balances increased by 6.2% compared to the comparative period of 2019.

At the same time, Attica Bank in 2020, in the context of the implementation of its business plan, proceeded to the staffing of key positions, thus strengthening its administrative and operational structure to meet the new challenging environment while the Bank's operating costs (excluding depreciation) were reduced by almost 3.4% per annum.

Attica Bank S.A. proceeded with the restructuring of the Bonds of the Artemis Project, in accordance with the new supervisory framework that followed the securitization and furthermore, the increase of the cash receipts received by the Bank, the improvement of the bonds and the management efficiency optimization.

Following a conservative policy, Attica Bank increases its credit risk forecasts to be consistent with its Business Plan.

The management of Attica Bank, its shareholders and all its employees, we are determined and ready to proceed in order to succeed not only with the completion of the Bank's strategic plan but also achieving Attica Bank's transition to a modern Bank, starting with its own distinct and supportive role in the development of the real economy. The completion of the digital transformation, the implementation of its business plan with emphasis on the creation and promotion of new innovative products but also the emphasis on areas of the new national production model describe the Bank's business goal for the upcoming year, in order for customers, employees, shareholders and the Greek economy to benefit.

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 with no significant change compared to 31.12.2019. New financing and refinancing for the period amounted to €215 mln.
- The accumulated provisions for impairment losses on loans and advances to customers stood at €317 mln.
- Net Loans to Deposits Ratio stood at 58.3% as at 30.09.2020, marginally decreased compared to 31.12.2019 (59.3%).
- Deposits stood at €2.7 bln up by 1.7% compared to 31.12.2019.
- Total Equity stood at €454 mln, decreased by 8.1% compared to the comparative period.

Group's Efficiency

- Net Interest Income increased by 17.6% compared to 30.09.2019 mainly due to the reduction of financing costs by 20%.
- Fee and Commission Income decreased compared to 30.09.2019 (by 12.7%) and stood at €9.09 mln.
- The results from operations of the investment portfolio are marginally increased compared to the comparative period and stood at €10.7 mln.
- The average number of employees of the Group for Q3 2020 amounted to 765 employees, compared to 727 employees for the comparative period. It is noted that on 30.09.2019, the Bank employed 99 people through companies with which it had concluded a project contract, versus 6 people for the current period. At the same time, Attica Bank in 2020, in the context of the implementation of its business plan, proceeded to the staffing of key positions, thus strengthening its administrative and operational structure. Due to this, staff remuneration and expenses showed a marginal increase of 1.6% during Q3 2020 compared to the comparative period for the Group.

- General Operating Expenses before provisions display a decrease of 12.0% compared to the comparative period.
- For Q3 2020, total provisions amounted to €37.9 mln comprising of provisions for impairment losses on loans and advances to customers amounted to €36.2 mln, provisions for impairment on off balance sheet items amounted to €1.4 mln and provisions €0.3 mln and provisions for financial assets portfolio of €0.3 mln.
- Loss before taxes amounted to €33.8 mln versus losses of €16.7 mln compared to the comparative period (30.09.2019), mainly due to the recognition of a significant amount of credit risk provisions for the current period.

Summary Of Financial Data

All amounts in EUR Thousands				
Profit & Loss Statement	Sept-20	Sept-19	Δ EUR	Δ %
Net Interest Income	38,265	32,543	5,722	17.6%
Net Commission Income	2,439	3,285	(846)	(25.8%)
Total Operating Income	55,218	53,359	1,859	3.5%
Total Expenses	(49,092)	(50,820)	(1,728)	(3.4%)
Pre Provision Income	6,127	2,539	3,588	141.3%
Total Provisions	(39,154)	(19,747)	19,407	98.3%
Staff Retirement Expense	(1,172)	-	1,172	-
Results from associates	420	515	(95)	(18.5%)
Profit / (Loss) before taxes	(33,779)	(16,694)		
Income Tax	(1,884)	17,558		
Profit / (Loss) after taxes	(35,664)	0,864		

All amounts in EUR Thousands	Sept-20	Dec-19	Δ EUR	Δ %
Balance Sheet Figures				
Gross Loans & Advances to Customers	1,862,307	1,828,379	33,928	1.9%
Net Loans & Advances to Customers	1,545,493	1,547,494	(2,001)	(0.1%)
Financial Assets at fair value through other comprehensive income (FVOCI)	553,772	590,046	(36,274)	(6.1%)
Tangible. Intangible Assets. Investment Property	162,688	159,700	2,988	1.9%
Deferred Tax Assets	449,649	449,734	(85)	-
Other Assets	892,027	780,761	111,266	14.3%
Total Assets	3,603,629	3,527,734	75,895	2.2%
Deposits form banks	331,300	262,456	68,844	26.2%
Deposits from customers	2,653,072	2,608,157	44,915	1.7%
Other Liabilities	165,264	163,040	2,226	1.4%
Total Liabilities	3,149,637	3,033,653	115,984	3.8%
Total Equity	453,992	494,081	(40,089)	(8.1%)
Total Liabilities & Equity	3,603,629	3,527,734	75,895	2.2%

Note: The Q3 2020 Financial Statements will be available on the Bank's website <https://www.atticabank.gr/en/> on 17.12.2020.