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month

Financial
Results

Q3 2021 GROUP FINANCIAL RESULTS

- Full Coverage of Share Capital Increase of €240 mln
- CET1 12.1% and CAD 15.6% on a pro forma level
- Decrease of financing cost by 19% on annual basis
- Significant Net Commission Income increase by 52% yoy
- Increase of deposits by 8.4% yoy
- New financing and refinancing for the three quarters of 2021, amounting to €257 mln
- 12.4% of the performing loan portfolio (before provisions) relate to covid-19 exposures
- NPE ratio stands at 34.1% and NPE Cash Coverage Ratio at 44.5%.

Management Statement

On December 21, 2021, the Management of Attica Bank announced the full coverage of its share capital increase, amounting to 240 million euros following the implementation of the shareholders' agreement, as originally planned, thus achieving one of its main business goals. It is pointed out that the share capital increase is the starting point for the Bank's growth, which will contribute to the acceleration of the strengthening of its customer position and its business activity.

The successful completion of the share capital increase of € 240 million, with the participation of the HFSF with a percentage of 62.93%, of TMEDE with a percentage of participation of 14.7% and of the company RINOA LTD with a percentage of 9.87%, secured the Bank's CET1 capital adequacy ratio which amounts to a pro forma level and based on the published data of 30.09.2021, at about 12%, significantly above the minimum limits currently in force, thus giving it a boost to contribute to the sustainable transformation and the Bank's development.

The year 2022, with the maturation of the securitization evaluation and their inclusion in the "HAPS 2" program, will be a milestone year for Attica Bank. The consolidation of the Balance Sheet is achieved and supervisory funds are released, which will be channeled for the development of the Bank's operations and the significant increase of its loan portfolio.

The strengthening of the regulatory capital and the increase of deposits to high levels have led to a significant increased liquidity, which is a guarantee that Attica Bank will develop its operations and contribute significantly to the implementation of its business plan.

Attica Bank has focused on its plan, the modernization in key areas such as the improvement and upgrading of IT infrastructure, the digital transformation, the automation of processes, as well as the creation of digital stores that will lead to the gradual transformation of the traditional Network at digital service points. The conclusion of strategic alliances with companies of recognized prestige in the context of optimizing the internal infrastructure of the Bank and the creation of a restructuring framework, will help the Bank to play an important role in the domestic banking market in the forthcoming years.

In particular, during the nine-month period, there is a significant improvement in almost all operational lines of Attica Bank's financial results. Net commission income showed a significant increase of 52% with the largest improvement being achieved through the increase of lending income, amounting to 74%, while the cost of financing of the Bank's operations continues its downward trend during the third quarter of 2021.

More specifically, the new financing and refinancing for the period 01.01.2021 to 30.9.2021 amounts to approximately €257 million and the loan-to-deposit ratio (before provisions) amounts to 56%, after the conclusion of Omega securitization. In addition, Attica Bank continued to improve its liquidity, and showed a significant increase as deposit balances increased on an annual basis by 8.4%.

The Management of Attica Bank, its shareholders and employees, looking to the future, are committed to implement responsibly and efficiently the strategic plan of the Bank so as for Attica Bank to acquire a leading role with its own distinct and supportive part in the development of the real economy.

Balance Sheet Highlights

Loan-book composition

- In Q3 2021, Attica Bank managed to support businesses and households, in unprecedented conditions of uncertainty and financial instability due to the coronavirus pandemic. The Bank participated in all state-guaranteed sponsored programs for the benefit of its customers and at the same time increased funding in order to support the real economy.

- Gross Loans amounted to €1.6 bln. New financing and refinancing stood at c. €257 mln, out of which €238.4 mln concern corporate and €18.1 mln retail loans.

- Since 2016, the Bank has paid to the BoG/ECB the amount of €1.1 bln cumulatively for the full elimination of ELA that corresponds to the 1/3 of its total assets and has increased its deposits, since December 2016, by 52%.

- Eurosystem funding increased in Q3 2021 and stood at €55mln from €155mln in FY 2020, while at the same time, funding cost decreased. For the current period, Eurosystem funding stands zero.

Strong liquidity and funding capacity

- As at 30.09.21, deposits' balances amounted to €2.87 bln, increased by c. €224 mln and by 8.4% yoy, while currently, customer deposits already exceed €3.1 bln, reflecting the positive developments in the domestic market.

- The increase in deposits reflects the inflows of deposits mainly from individuals amounting to €89 million and from companies amounting to €75 million on an annual basis.

Increase of deposits by +8.4% yoy with lower cost

- Current and savings accounts stood at €1,133 mln and time deposits at €1,734 mln.

- At the same time, the average cost of deposits decreased by 0.28 bps compared to FY 2020. The significant improvement in liquidity has made the Group more focused on cost management, in an effort to strike a balance between attracting deposits and reducing interest expenses. The new cooperation with Raisin, a deposit platform for citizens of the European Union, through which the inflows increased by €196 mln during the nine months, also contributed significantly.

Capital Restoration Plan

- As a result, gross loans to deposits ratio stood at 56.2%.
- In December 2021, the full coverage of the share capital increase, amounting to €240 million, was successfully completed.
- In relation to other capital enhancement actions, Attica Bank has recruited advisors concerning the legal and technical part of Omega, Astir 1 and 2 securitizations. For Astir 1 and 2 securitizations, an international house has already been appointed to determine credit rating of senior notes. Finally, Attica Bank has already received a non-binding offer for the Mezzanine note of the Astir 1 securitization. The relevant procedure is being completed

Group's Efficiency

Positive trend of net interest income

- Net interest income decreased by 7.5% compared to the corresponding comparative period of 2020. This was due to the reduction of interest income by 6.9% from loans and receivables as a result of large repayments during the nine months 2021, which decrease was partially offset by the lower financing cost of the Bank's operations by 19.1% compared to the comparative period of 2020, as a result of the revaluation of deposit products as well as the de-escalation of financing costs by liquidity mechanisms

Remarkable

Increase of Net Commission Income

- Fee and Commission Income amounted for Q3 2021 to €11.4 mln, a resilient outcome, given the constraints of the economic activity due to covid-19 pandemic. The main contributors to the aforementioned resilience were the new loan production as well as the income from Bancassurance.

Cost Base

- At the same time, although Attica Bank's personnel decreased marginally, personnel expenses decreased by 3.0% on an annual basis.
- In addition and following the announcement of the Voluntary Exit Plan of 13.5.2021, the first phase has been completed with the participation of 61 employees with the annual savings to be estimated at about € 2.5 mln. Based on the relevant consents received by the competent administrative units of the Bank, with the completion of the voluntary exit plan on 31.12.2021, 64 employees will have join the Voluntary Exit Plan with a total cost savings on an annual basis of €2,6 million.

Summary of Financial Data

<i>All amounts in EUR million</i>				
Profit & Loss Statement	Sep-21	Sep-20	Δ EUR	Δ %
Net Interest Income	35.40	38.26	-2.87	-7.5%
Net Fee & Commission Income	3.70	2.44	1.26	51.7%
Total Operating Income	38.76	55.22	-16.46	-29.8%
Total Operating Expenses	-50.86	-49.09	1.77	3.6%
Pre Provision Income	-12.10	6.13	-18.22	-297.4%
Total Provisions	-8.03	-40.32	-32.29	-80.1%
Results from associates	0.32	0.42	-0.10	-24.0%
Profit / (Loss) before taxes	-19.81	-33.78	-13.96	
Tax	-7.05	-1.88	5.17	
Profit / (Loss) after taxes	-26.86	-35.66	-8.80	

<i>All amounts in EUR million</i>				
Balance Sheet Figures	Sept-21	Dec-20	Δ EUR	Δ %
Gross Loans & Advances to customers	1,617.0	1,986.9	-370.0	-18.6%
Net Loans & Advances to customers	1,294.4	1,600.9	-306.5	-19.1%
Financial Assets	583.6	981.1	-397.4	-40.5%
Tangible. Intangible Assets. Investment Property	159.7	162.2	-2.5	-1.6%
Deferred Tax Assets	261.9	421.4	-159.4	-37.8%
Assets held for sale	696.9	30	666.9	2,223%
Other Assets	507.4	383.9	123.5	32.2%
Total Assets	3,504.0	3,579.5	-75.6	-2.1%
Deposits from Banks	264.3	401.2	-136.8	-34.1%
Deposits from customers	2,877.2	2,801.4	75.8	2.7%
Other Liabilities	181.4	170.2	11.1	6.5%
Total Liabilities	3,322.9	3,372.9	-50.0	-1.5%
Total Equity	181.1	206.7	-25.6	-12.4%
Total Liabilities & Equity	3,504.0	3,579.5	-75.6	-2.1%

Note: The Q3 2021 Financial Statements will be available on the Bank's website <https://www.atticabank.gr/en/> on 28.12.2021.