FINANCIAL RESULTS

FY 2023

MARCH 2024

attica bank

Strong 2023 Performance supported by increased recurring operating profitability & improved efficiency

Net Credit Expansion

+€324mln
YoY

+7,7%
Market Share

Asset Quality Improvement

56.9%
NPE ratio

-880 bps
YoY

Enhanced Profitability

€21,9mln
Recurring PPI

vs losses of €38.5 mln for 2022

Rising Revenues

€93,2mln
Recurring Operating Income

+93%
YoY

Strong Liquidity Profile

€3.2bln
Deposit Base

251.1%
LCR

Cost Rationalization

-18%
Recurring Operating Expenses YoY

790 bps
Ratio improvement YoY

Key Takeaways

- Recurring Pre Provision Profit of €21.9 mln for 2023, vs loss of €38.5 mln yoy. In the fourth quarter of 2023, recurring operating profit amounted to €10.4 mln, increased by c. 50% compared to the third quarter of 2023, while in the fourth quarter of 2022 the operating result was a loss of € 4.3mln.
- FY23 Profit before taxes of €28.6 mln vs loss of €356.6 mln yoy, a year ago.
- Remarkable Group's recurring operating income of €93.2 mln vs €48.3 mln yoy.
- NII at record high levels, recording a remarkable increase of 82.6%. Key drivers were the Bank's credit expansion, loan re-pricing and the improvement of income from the bond portfolio.
- Net Commission Income amounted to €9.0 mln recording an increase of 58% on annual basis.
- Recurring operating expenses decreased by 18% on an annual basis, as a result of the management's effort to reduce mainly third parties fees coupled with the rationalization of the branch network.
- Total Group Deposits amounted to €3.2 bln displaying a significant increase by 6% yoy. Strong liquidity profile with LCR well above regulatory levels at 251.3% in December 2023.
- Net Credit Expansion of €324 mln resulting in a market share of 7.7% for 2023.
- CET1 Ratio stood at 12.8%, remaining rather unchanged on a quarterly basis, despite credit expansion during the last quarter of 2023.
- New disbursements amounted to €688 mln for 2023. New disbursements accelerated following the completion of the Bank's share capital increase in April 2023, with a remarkable performance being achieved during the last quarter of 2023, where new disbursements amounted to €306 mln, out of which €294 mln concern business banking and €12 mln retail banking.
- Group NPEs displayed a significant decrease vs the previous quarter and on an annual basis, despite the continuous increases of interest rates by ECB and inflationary pressures. In particular, with the completion of the sale of the Astir I portfolio during the third quarter, the NPE ratio further decreased to 56.9%, showing an improvement of 880 bps yoy, while the coverage ratio amounted to a robust 61.3%.

Management Statement

2023 was a milestone year for Attica Bank Group, as Management's intensive efforts have successfully set the Bank on an operating profitability restoration path, after many years. Attica Bank's performance throughout 2023 confirmed the systematic implementation of our goals.

The increased interest income by 86%, the continued increased lending (mainly to small and medium-sized enterprises) and the reduction of operating costs were the drivers of the change of course achieved this year. We managed to improve all operating lines of the Group's, presenting for the 4th consecutive quarter a positive recurring operating result, which amounted to €21.9 million on an annual basis, demonstrating the Management's commitment to the goal set for Attica Bank's restructuring and growth in the context of the Business Plan's implementation.

The Business Plan's implementation and all executives' dedication to the return to operational profitability allowed us to present positive tangible results, not only improving our core figures, but also presenting an unprecedented dynamic in the banking sector, taking into account the Bank's historical course. There is now a structured transformation plan in place, with new procedures that made the Bank more efficient and flexible, with new appealing and market-relevant products. The Bank now creates organic capital and, alongside its deposit and strong liquidity, amounting to €3.2 billion, it can finance individuals and businesses even more effectively.

The significant positive performance for the fiscal year 2023 was mainly due to the increase in the Group's recurring operating income, which amounted to €93.2 million compared to €48.3 million a year ago. Attica Bank, like other banks, benefits from the increase in interest rates in terms of interest income, but the main benefit in its revenues comes from its operations' expansion, on the one hand, and at the same time, by reducing unnecessary costs.

The successful completion of the Bank's Share Capital Increase of €473.3 million strengthened the Bank's capital adequacy and liquidity, confirming the confidence of both old and new shareholders. This is evident from the fact that the Bank presented a strong increase in loans' balances (excluding securitizations) by 31% already in 2023, mainly driven by the loans in small and medium-sized enterprises. Overall for 2023, net credit expansion amounted to €324 million, leading to a market share of 7.7% in net new disbursements. Attica Bank's credit expansion is expected to increase further in 2024 as a result of our Business Plan's implementation. Emphasis will also be placed for 2024 on corporate banking, mainly to small and medium-sized enterprises, as well as on the financing of freelancers, such as e.g. engineers, offering holistic services and products. Furthermore, new disbursements also accelerated in the second half of 2023 and amounted to €497 million (compared to €191 million in Q1 2023). Specifically, new disbursements to SMEs and small enterprises amounted to €257 million, i.e. 37% of the total, in fiscal year 2023. We continue to focus on the dynamic sectors of the Greek economy involving major projects in energy, infrastructure, tourism, real estate and manufacturing. Attica Bank's main goal is the improved customer service driven by the gradual optimization of internal procedures. Attica Bank aims to become the customer's bank of choice, a result of the customer-centric service model we are building. In this context, we proceeded to expand our activities in financial products and services, taking into account the growing trend prevailing in the market for bond loan issuances. In parallel, for the first time, the Bank created and launched a Mutual Fund bearing its name, demonstrating its flexibility to enter new markets.

Our main objective remains the balance sheet clean up from Non-Performing Loans as well as the reduction of the relevant ratio. In this context, the successful completion of the agreement with investment funds managed by AB CarVal Investors, L.P. for the sale of the entire portfolio of the Astir I securitization, strengthened both the Bank’s capital and liquidity, giving us additional impetus to continue the path of transformation and growth, as it constitutes the first NPE de-recognition transaction in the bank’s history. In addition, in October 2023, we proceeded with the repurchase of all bonds of the Metexelixis and Omega securitizations, aiming at their optimal management through all available tools and options. Non-Performing Exposures also decreased in the last quarter of the year, with the ratio declining and reaching to 56.9%, benefiting at the same time from the increase of the performing portfolio by 23% on an annual basis. It is noted that the further restructuring of the Bank's balance sheet will be assessed in parallel with the possible inclusion of part of its NPEs in the "HAPS III" guarantee program, along with the processes for the possible merger with Pancreta Bank, which have not yet been decided. Any decision by the Management to join “HAPS III" guarantee program will be taken subject to the assessment of the impact the inclusion in the “HAPS III” will have in the Bank's results and only on condition that any impact will be offset by other relevant capital enhancement actions. The Bank will promptly inform investors for any decisions once the aforementioned evaluation has been completed in the context of the “HAPS III" guarantee program.

The Bank's Management appears very optimistic for this year, as it has sufficient liquidity and capital, which is channeled into the market to support businesses and households. With flexibility, personalized service, modern banking culture and the proper human resources, Attica Bank has all the assurances to succeed. The new year, which coincides with the celebration of its 100 years of operation, marks the beginning of a new clean, adequately capitalized and customer-centric flexible Bank that aims to return value to its shareholders, employees and customers. Already since the beginning of 2024, Attica Bank's Management, in the context of the implementation of its strategic plan, has already initiated all the required actions for the possible merger with Pancreta Bank, aiming at the synergies that will arise to lead to the restructuring of both credit institutions through increasing their size and their presence in the banking system.

Key Financial Figures

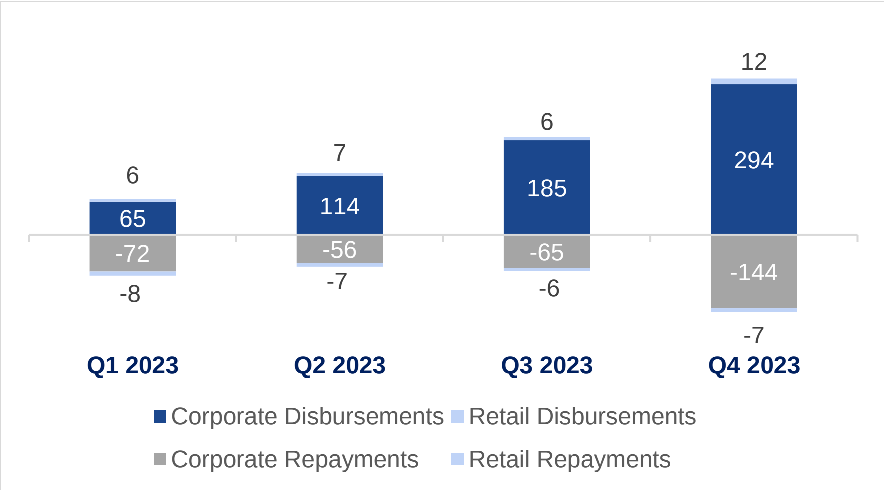
Profit & Loss Statement (All amounts in € million)	Dec-23	Dec-22	YoY (%)	4Q 2023	3Q 2023	4Q 2022	QoQ (%)	YoY (%)
Net Interest Income	74.2	40.6	83%	22.4	19.7	11.5	0.1	95%
Net Fee & Commission Income	9.0	5.7	58%	3.0	2.5	1.1	0.2	180%
Results from trading portfolio	3.6	-2.2	258%	0.9	0.8	1.3	0.0	-32%
Other Income	6.5	4.2	55%	2.2	1.1	2.3	1.0	-3%
Recurring Operating Income	93.2	48.3	93%	28.6	24.2	16.1	0.2	77%
Total Operating Income	111.1	48.3	130%	37.0	33.0	16.1	0.1	130%
Personnel Expenses	-30.4	-30.4	0%	-7.5	-7.5	-6.8	0.0	-11%
General Administrative Expenses	-25.5	-39.2	35%	-6.7	-5.7	-9.0	-0.2	26%
Depreciation	-15.5	-17.1	10%	-3.9	-4.0	-4.6	0.0	16%
Recurring Operating Expenses	-71.3	-86.8	18%	-18.1	-17.2	-20.4	-0.1	11%
Total Operating Expenses	-83.4	-97.4	14%	-23.3	-19.5	-30.1	-0.2	23%
Recurring Pre Provision Income	21.9	-38.5	157%	10.4	7.0	-4.3	0.5	344%
Pre Provision Income	27.7	-49.2	156%	13.7	13.5	-14.0	0.0	198%
Total Provisions	0.6	-307.0	100%	-2.3	-0.4	-310.3	-5.1	99%
Results from associates	0.3	-0.5	152%	0.2	0.0	-0.2	-	225%
Profit / (Loss) before taxes	28.6	-356.6	108%	11.6	13.1	-324.5	-0.1	104%
Tax	-1.0	-29.9	97%	0.8	0.0	-20.7	285.3	104%
Profit / (Loss) after taxes	27.6	-386.6	107%	12.5	13.1	-345.2	-0.1	104%

Balance Sheet	Dec-23	Dec-22	YoY (%)
Total Assets	3,774.8	3,098.0	22%
Net Loans & advances to customers	2,267.9	1,275.8	78%
Financial Assets	634.4	968.3	-34%
Due to customers	3,146.2	2,966.1	6%
Total Equity	446.4	-54.6	918%

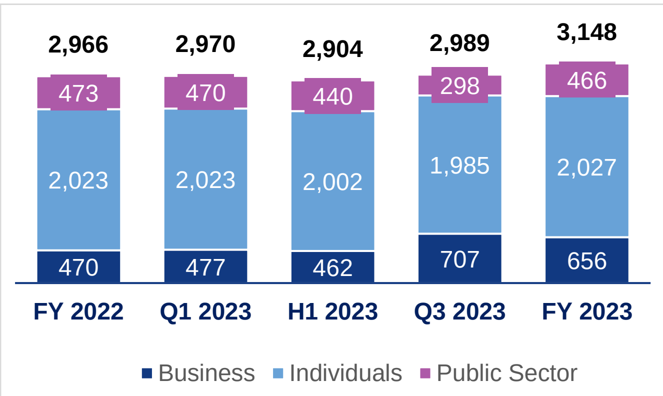
Key Ratios	Dec-23	Dec-22	YoY (%)
Profitability			
Net Interest Margin	2.2%	1.2%	80%
Recurring Cost / Income Ratio	-76%	-180%	57%
Capital			
CET1	12.8%	-6.23%	
CAD	16.6%	-1.95%	
Liquidity			
LDR	72%	43%	
LCR	251.2%	160.1%	
Asset Quality			
NPE	56.9%	65.7%	
NPE Coverage	61.3%	67.0%	

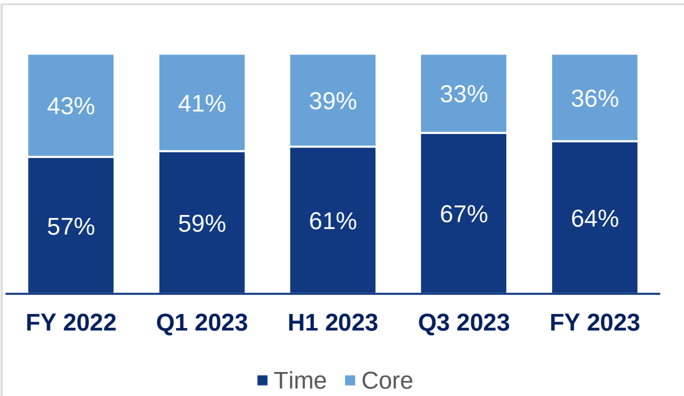
FY 2023 Financial Analysis

Gross Loans stood at €3.48 bln, taking into account the buy-back of the Omega and Metexelixis securitizations portfolio and their consequent change to the pre-securitization period, i.e. as loans and receivables to customers. New disbursements accelerated during the last quarter of 2023 and stood at approximately €306 mln, out of which €294 mln concern corporate and €12 mln retail loans. Net credit expansion was mainly driven by corporate loans targeted by the Bank in the context of the implementation of its Business Plan and amounted to €155 mln during the last quarter, a remarkable performance considering that during the nine month period, net credit expansion amounted to €165 mln. For 2023, new disbursements reached a record level of €688 mln, while net credit expansion stood at €324 mln.



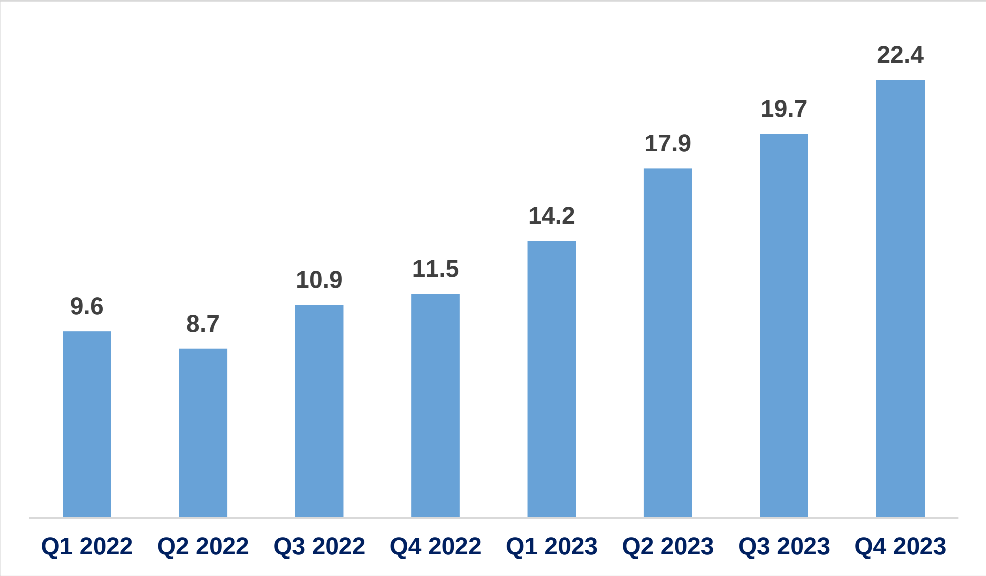
Deposits' Balances stood at c. €3.2 bln, as at 31.12.2023, presenting a steady increase of 6% yoy. Overall, the Group's steady deposit structure is a key advantage with deposits from the wide retail base accounting to account for 64% of total deposits. Consequently, as at 31.12.2023, Group's gross loans to deposits ratio stood at 42.3% (excl. securitizations), while LCR amounted to 251.3%, well above regulatory thresholds.



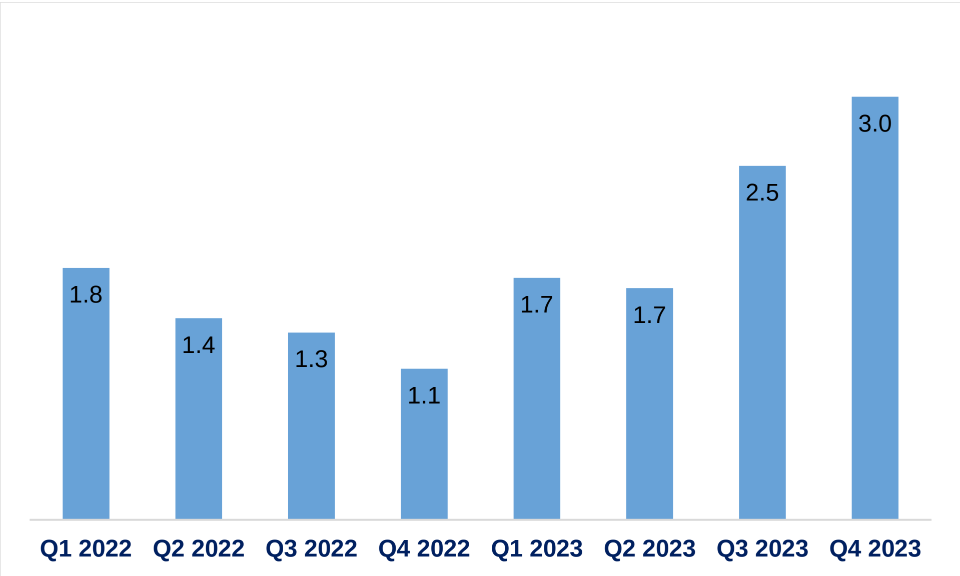


In 2023, **the Bank recorded a pre provision profit of €21.9 mln**, vs loss of €38.5 mln a year ago, mainly due to the increase of interest income and the reduction of the cost base, in the context of the implementation of the Bank's Business Plan**. Profit before taxes recorded an all-time high of €28.6 mln, vs loss of €356.6 mln, in FY22.**

Net recurring interest income amounted to €74.2 mln, displaying a significant increase by 82.6% compared to 2022, continuing the positive trend of the previous quarters of 2023, boosted mainly by the favorable increase in interest income, as well as by the remarkable increase in loan volumes during the last quarter. This change is mainly due to an increase in interest income from loans and advances to customers, due to higher balances and increase in interest rates of floating rate loans. The increase was mainly offset by the significantly higher cost of financing the Bank's operations in relation to 2022, as a result of the repricing of deposit products to the new market interest rates.

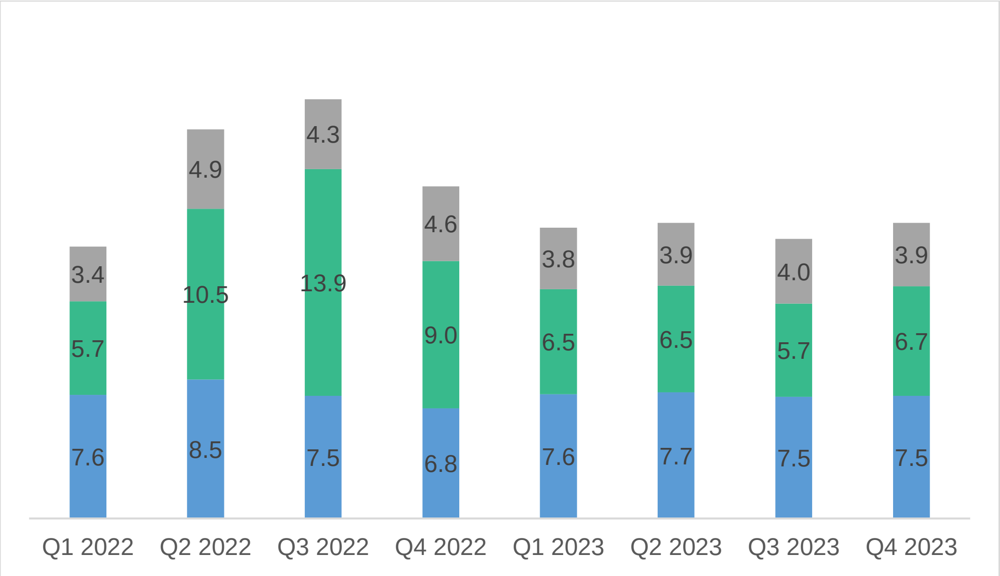


Net commission income stood at €9.0 mln, displaying an increase by 58.0% on an annual basis and by 19.5% during the last quarter. On an annual basis, the letters of guarantee as well as the loan production presented a significant contribution, which was partially offset by the decrease in commission income from transactions both using credit and debit cards and through accepting transactions at the Bank's POS, due to the change of provider regarding the clearance of transactions.



Total Operating income displayed a remarkable increase and stood at €111.1 mln vs €48.3 mln yoy. On a recurring basis, Total Operating Income reached €93.2 mln, again significantly higher than a year ago. Key factor for this increase was the significant improvement in net interest and commission income by 82.3%, as well as the increase in other income (+274%) and in income from financial operations, which presented a substantial increase compared to 2022.

Total recurring operating expenses decreased by **18% on an annual basis**, due to the continuous effort for cost reduction and optimization of resources, despite inflationary pressures. Recurring personnel expenses presented a decrease on a quarterly basis, while on an annual basis remained stable due to the Bank's continuous effort to optimize its own resources by investing in the Bank's continuous operational reorganization and strengthening of its human resources. The Bank's personnel stood at 568 as at 31 December 2023, displaying a decrease by 5% on an annual basis as a result of the Bank's network restructuring within 2023, which amount to 37 branches vs 49 in 2022, constantly aiming at reducing its operating costs. As a result, cost to income ratio on a recurring basis amounted at 76% for the full year, while in Q4 2023, the ratio dropped to an all-time low of 63.5%.



Group's Key Business Developments

NPE Strategy

On October 2023, Attica Bank concluded the re-acquisition, of the notes of the "Metexelixis" and "Omega" securitization, while on February 2024, the Bank announced a new servicer for the Omega portfolio. Cepal Hellas Financial Services, Single Member S.A. – Servicing of Receivables from Loans and Credits and DoValue Greece Loan and Credit Claim Management Company SA will undertake the management of the aforementioned non-performing loan portfolio. Each company will service different parts of the aforementioned portfolio.

New Shareholders' structure in the context of implementation of the provisions of L.4172/2013 (DTC)

On November 2023, following the completion of the admission of the new common shares in the context of implementation of the provisions of Article 27a of L.4172/2013, the Bank's Shareholders' structure is the following:

Shareholders	% Participation
HELLENIC FINANCIAL STABILITY FUND	72.5%
e-EFKA	7.6%
PANCRETA BANK	5%
THRIVEST HOLDING LTD	4.4%
ENGINEERS AND PUBLIC WORKS CONTRACTORS' FUND	4%
OTHER SHAREHOLDERS (<5%)	6.5%

Termination of accession in the context of Article 27a of L.4172/2013

On November 2023, the Bank's BoD decided the termination of the Bank's inclusion in the framework of the provisions of Art. 27A of L.4172/2013, a request approved by the Supervisory Authority.

New Products

Attica Bank expanded its range of term deposits' products by introducing a new term deposit "Attica Progress" with a step up interest rate of up to 3.10% per quarter and with monthly interest payments. In the field of financial products, Attica Bank offered a complete package of "Attica Hospitality" for the country's hotel industry with three competitive special short- and medium-long-term credit products, designed to meet the different needs of small and medium-sized hotel businesses. With Attica Hospitality Operate, Develop & Sustain products, hotel businesses aim : a) to achieve the best service for their operation, b) to implement seamlessly its annual logistics operation, c) to cover maintenance / improvement necessities and d) to give to businesses the opportunity to be able to proceed with investments of a developmental nature (with environmental and social criteria).

At the same time, utilizing the two new actions of the "Competitiveness ESPA 2021-2027" Program, Attica Bank has created a complete package of services with preferential terms for small and medium-sized enterprises under establishment or new small and medium-sized enterprises, including those that are already active in the tourism sector, which have specially adapted the terms of the ESPA actions.

New Functionality on Visa cards

At Attica Bank, our commitment to provide the best possible customer service drives us to continuously improve and expand our services, providing to our clientele with a high level of comfort, flexibility and modernization in their banking transactions. In this context, Attica Bank enabled Visa cardholders to carry out their contactless transactions through Apple Pay, Google Pay and Garmin Pay digital wallets, simplifying their daily transactions through the Bank's credit, debit and prepaid cards.

CSR Actions

Attica Bank, in the context of its Corporate Social Responsibility programs, incorporating ESG principles into its daily operation and activity, supports actions for children and education, investing in the future and development of the new generation. Attica Bank collaborates with Make-A-Wish Greece as a Grand Donor, assisting the important effort of the organization. Also, in collaboration with Infokids.gr, the Bank equipped three libraries of Primary Schools in Keratsini. At the same time, Attica Bank responds every year to relevant requests from public schools by donating computers and electronic equipment.