



Financial Results

Q3 2023

15TH NOVEMBER 2023

 **attica bank**

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1. Financial Performance Analysis
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9M Performance Highlights – Core operating lines outperform vs 2023 targets

€11.5 mln Recurring PPI	9-month PPI surpasses FY23 target; Q3 PPI at a fresh record of €7.0 mln from losses of €14.1 mln in Q3 2022
+ 78% Net Interest Income yoy	Asset side repricing and higher volumes drive NII growth despite higher deposit rates
+29% Net Fee & Commission Income	Robust growth continuing into H2 mainly from business lending, driven by Project Finance, LGs and network related fees
+101% Total Recurring Revenues	Strong outperformance on the back of robust NII & trading, while disbursements for 9M 2023 rise to €381mln. Q3 2023 disbursements up by 9% vs Q2 2023
+16% New customers	New customers in 9M 2023 at 8.080
289% LCR; 130% NSFR	Robust liquidity profile; LCR & NSFR ratios well above regulatory threshold; 45.0% (Net) Loans to deposits ratio
12.9% CET1	CET 1 & Total Capital flattish QoQ (-10bps), despite credit expansion; <u>pro-forma for period profit CET 1 at 13.6% +50bps QoQ</u>
60.3% Reg. NPE Ratio	Following the successful Astir 1 sale, the NPE ratio drops 570bps YoY and NPE volumes by 14% YoY
62.4% Reg. NPE coverage	NPE coverage at a robust 62.4% despite Astir 1 deleveraging
€3.0 bln Group Deposits	Strong Deposit Base; Current accounts up by 34% yoy

P&L Group Figures

Amounts in €mln	9M 2023	9M 2022	YoY %	2Q 2023	3Q 2023	QoQ%
Net interest income	51.8	29.2	78%	17.9	19.7	10%
Net fee & commission income	5.9	4.6	29%	1.7	2.5	49%
Trading & Other income	6.9	-1.6	531%	2.6	1.9	-27%
Total Recurring Income	64.6	32.1	101%	22.2	24.1	9%
Total Recurring Operating Expenses	53.2	66.4	-20%	18.2	17.2	-5%
Recurring Profit / (Loss) bf provisions & taxes	11.5	-34.2	n.m.	4.0	7.0	75%
Reported Profit / (Loss) bf provisions & taxes	18.7	-34.2	n.m.	3.1	15.1	n.m.
Profit / (Loss) before taxes	17.0	-32.1	n.m.	1.2	13.1	n.m.
Key P&L ratios	9M 2023	9M 2022	YoY	2Q 2023	3Q 2023	QoQ
NIM over average assets (bps)	199	111	+88bps	217	222	+5bps
Cost to income ratio	83%	208%	-126	82%	72%	10.7

P&L Group Highlights

Q3 2023 Group recurring PPI at €7.0mln benefiting from strong core income growth (NII + fees) and good cost control.

Key 3Q 2023 profitability drivers are NII growth by 10.1% QoQ, fee growth of 49% QoQ and ongoing opex rationalization (-5% QoQ); personnel expenses down by 4% QoQ, G&As down by 12% QoQ, despite inflationary pressures.

Q3 2023 Reported profit at new record of €13.1m, benefiting from aforementioned PPI movements plus €8.9m of one-off gains linked with the sale of REO assets.

On a 9-mont basis, recurring PPI reaches €11.5mln, with recurring revenues doubling and OpEx dropping 20% YoY. Bottom line aided also from aforementioned one-offs.

PPI grows further during 3rd quarter; operating results better than expected

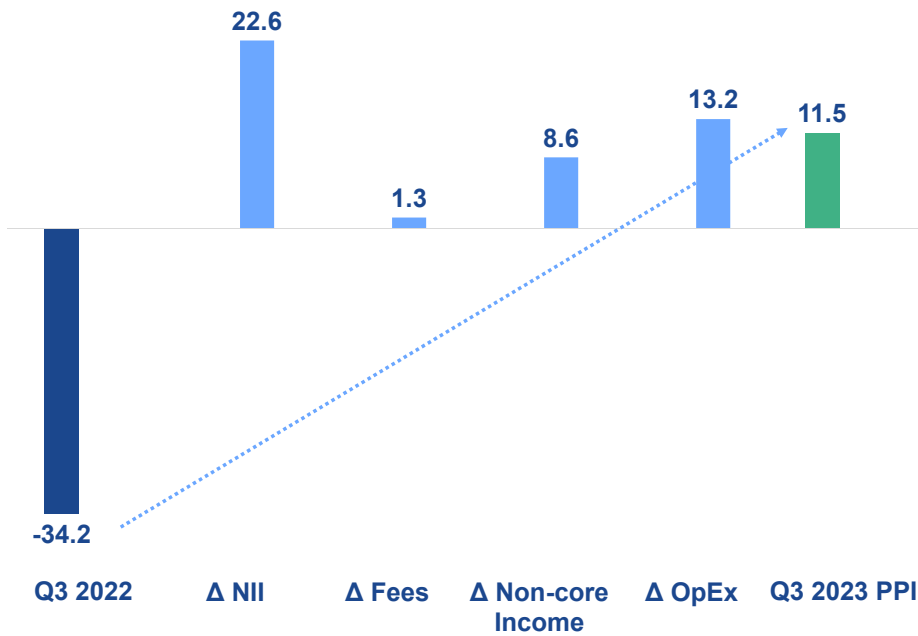
Group Figures (€mln)	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023
Net interest income	9.6	8.7	10.9	11.5	14.2	17.9	19.7
Net fee & commission income	1.8	1.4	1.3	1.1	1.7	1.7	2.5
Trading & Other Income	0.5	(1.2)	(1.6)	3.5	2.4	2.6	1.9
Total Recurring Operating income	11.9	8.9	11.3	16.1	18.3	22.2	24.1
Total Recurring Operating Expenses	(16.7)	(23.9)	(25.8)	(20.4)	(17.9)	(18.2)	(17.2)
Recurring Profit/ (Loss) before taxes and provisions	(4.9)	(15.3)	(14.1)	(4.3)	0.5	4.0	7.0
Reported Profit / (Loss) before taxes and provisions	(4.9)	(15.3)	(14.1)	(4.3)	0.5	3.1	15.1
Profit / (Loss) before tax	(7.6)	(18.8)	(5.8)	(324.5)	2.6	1.2	13.1
Cost to income ratio	142%	278%	225%	127%	97%	82%	71%

▶▶ New record in quarterly recurring PPI of €7mln vs €4mln in Q2 2023, €0.5mln in Q1 2023 and losses in all 4 quarters of 2022

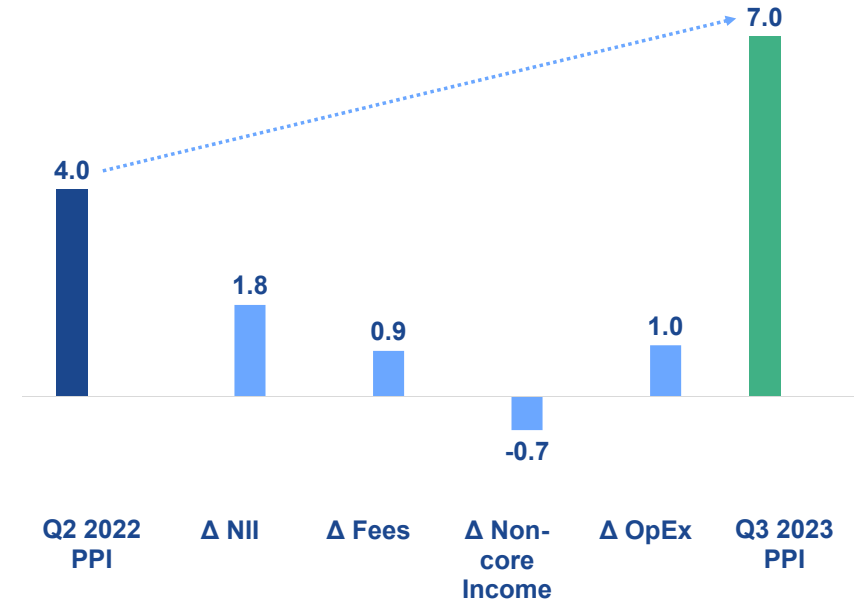
Record low cost-to-income ratio

NII recovery and cost rationalization drive PPI to sustainable higher levels

■ Recurring PPI Bridge, 9M 2022 – 9M 2023 (€ mln)



■ Recurring PPI Bridge, Q2 2023 – Q3 2023 (€ mln)

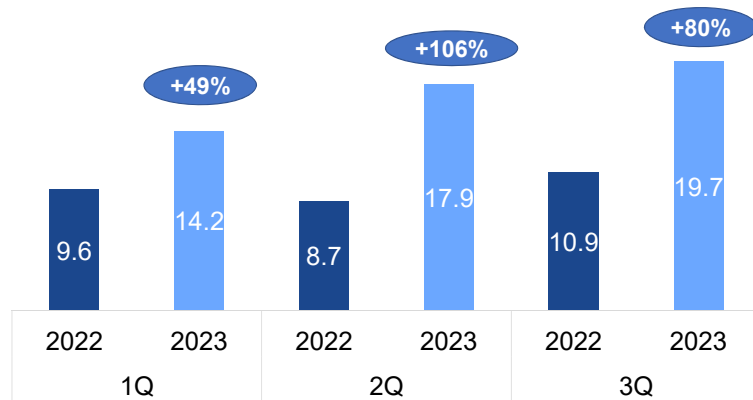


▶ *Q3 2023; Performance aiming at sustaining positive PPI throughout the year*

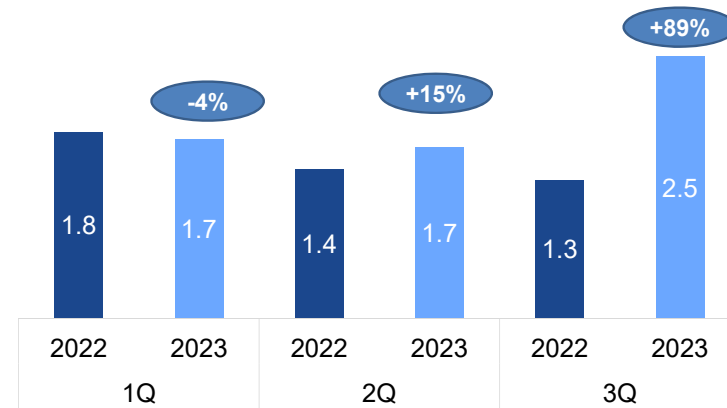
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Improvements continue in all core operating lines

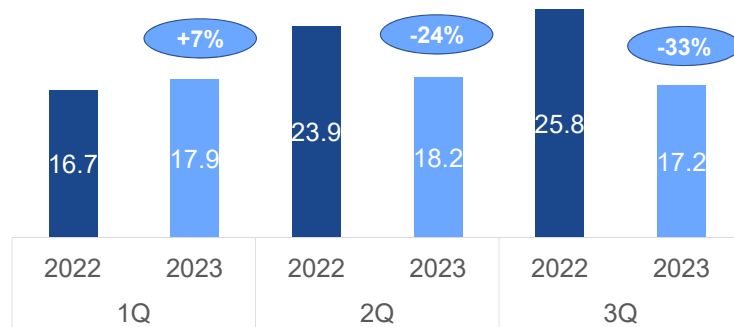
■ NII evolution per Q (€ mln)



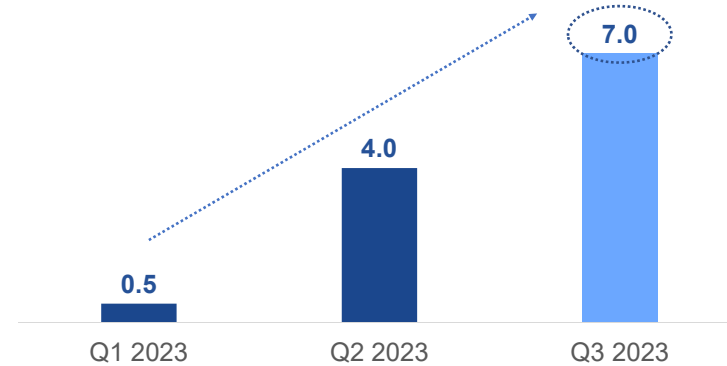
■ NFI evolution per Q (€ mln)



■ Recurring OpEx evolution per Q (€ mln)

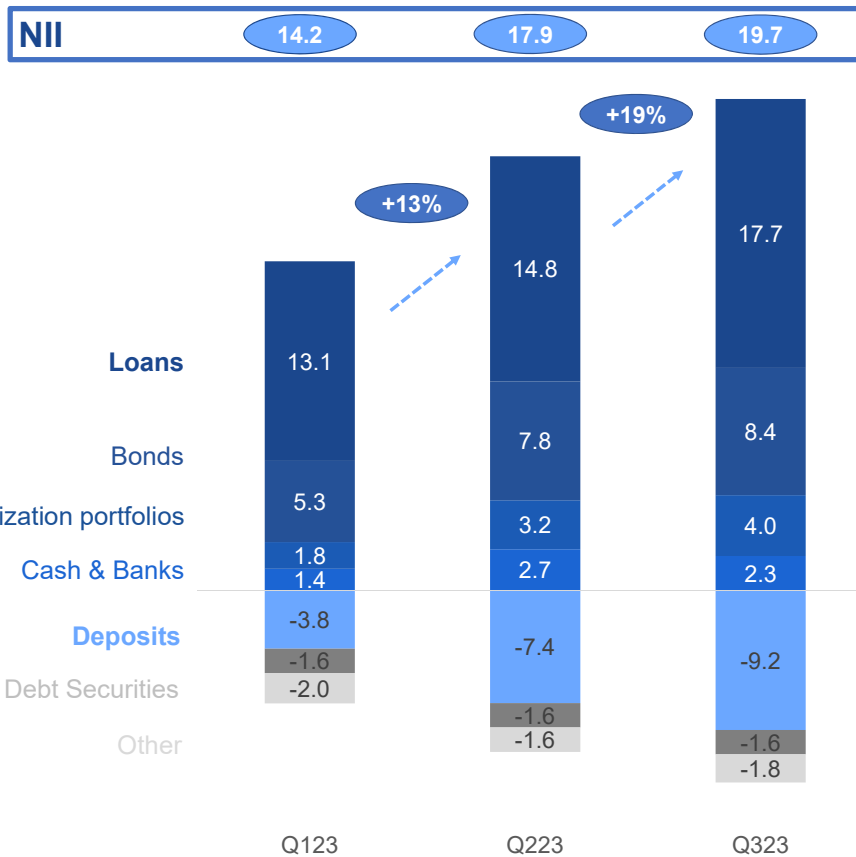


■ Recurring PPI evolution (€ mln)

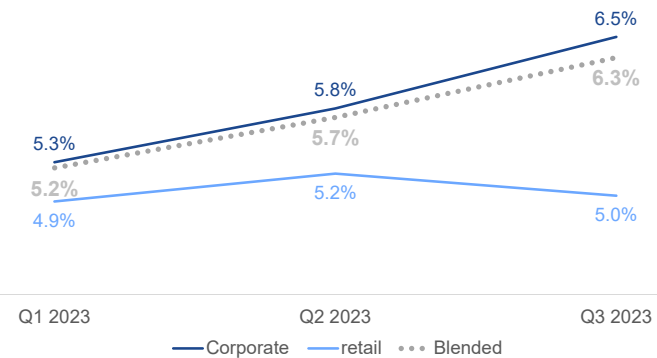


Loan Income reaches a new record, up 19% QoQ, driving NII 10% higher QoQ

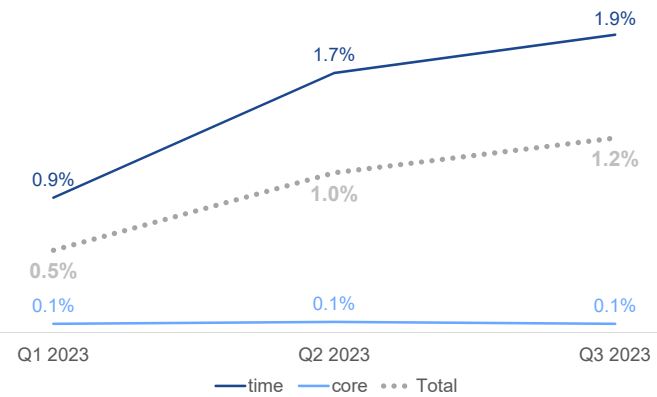
NII evolution per Q (€ mln)



Loan Yields



Deposit Costs

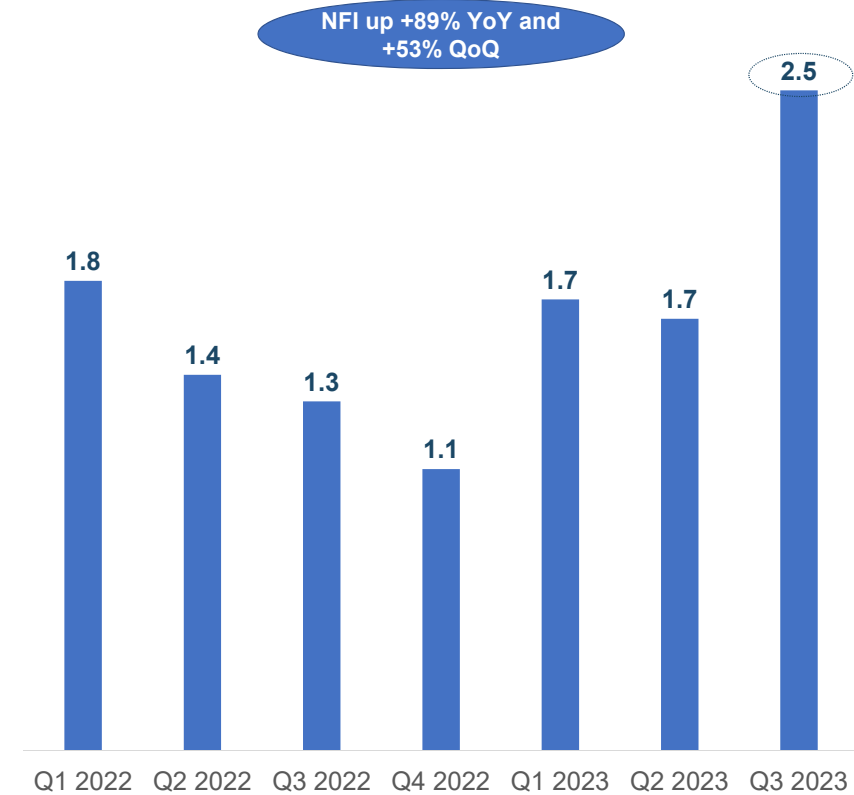
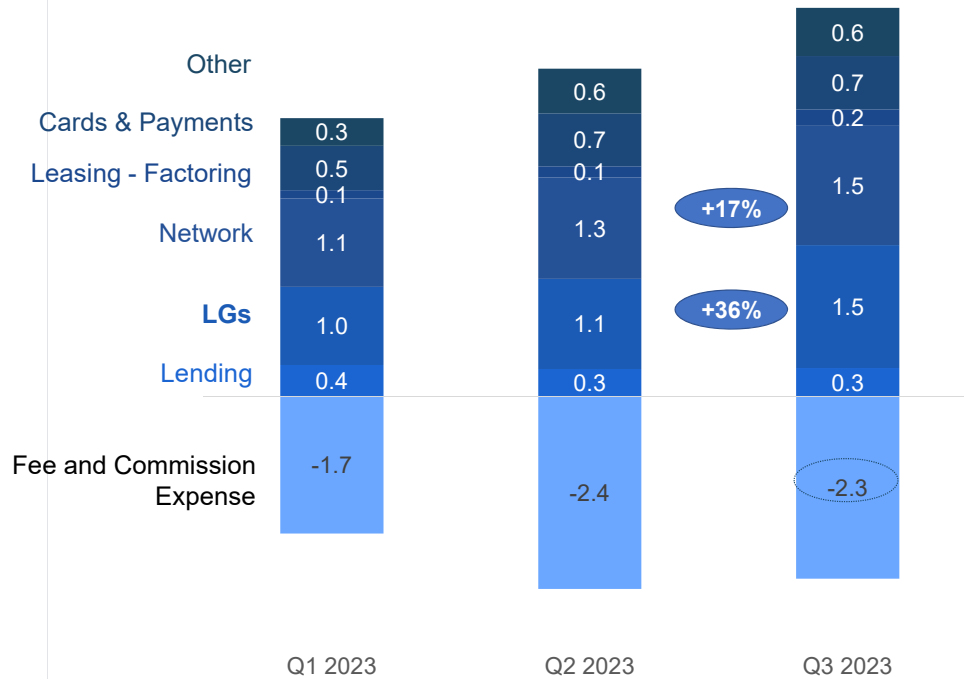


NFI reaches another quarterly record, driven from LG's and network relates fees, on well contained expenses

NFI evolution per Q per category (€ mln)

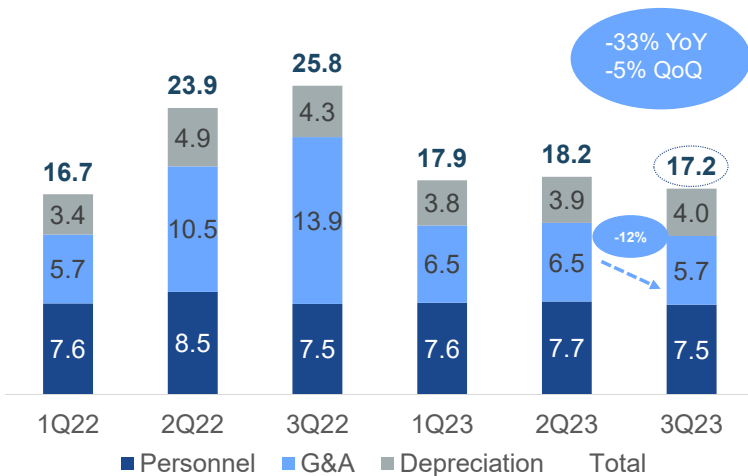
NFI evolution (€ mln)

Fee Income 3.4 4.0 4.8



Focus on cost rationalization – 9M 2023 Recurring operating expenses -19% YoY

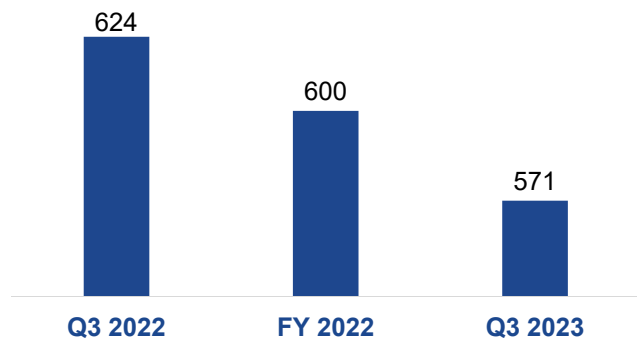
Breakdown of Recurring Operating Expenses (€ mln)



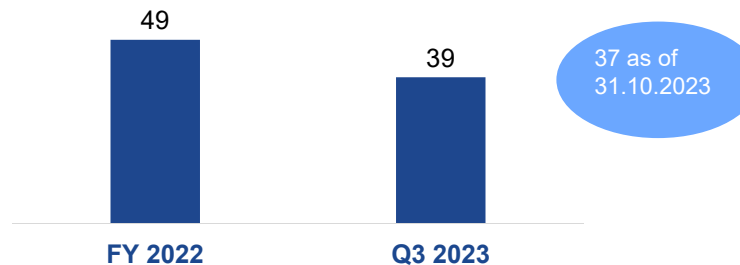
Comments

- 9M2023 recurring operating expenses at €53.2 mln, down 20% YoY, primarily driven from cuts in G&A
- Q3 2023 recurring OpEx down 33% YoY and -5% QoQ
- Savings from further VES effected in 2023 expected to kick in by the second half of 2023.
- Staff costs include investment in key staff in line with our business plan, aiming at upskilling our personnel across both business lines and control functions

HC (#)

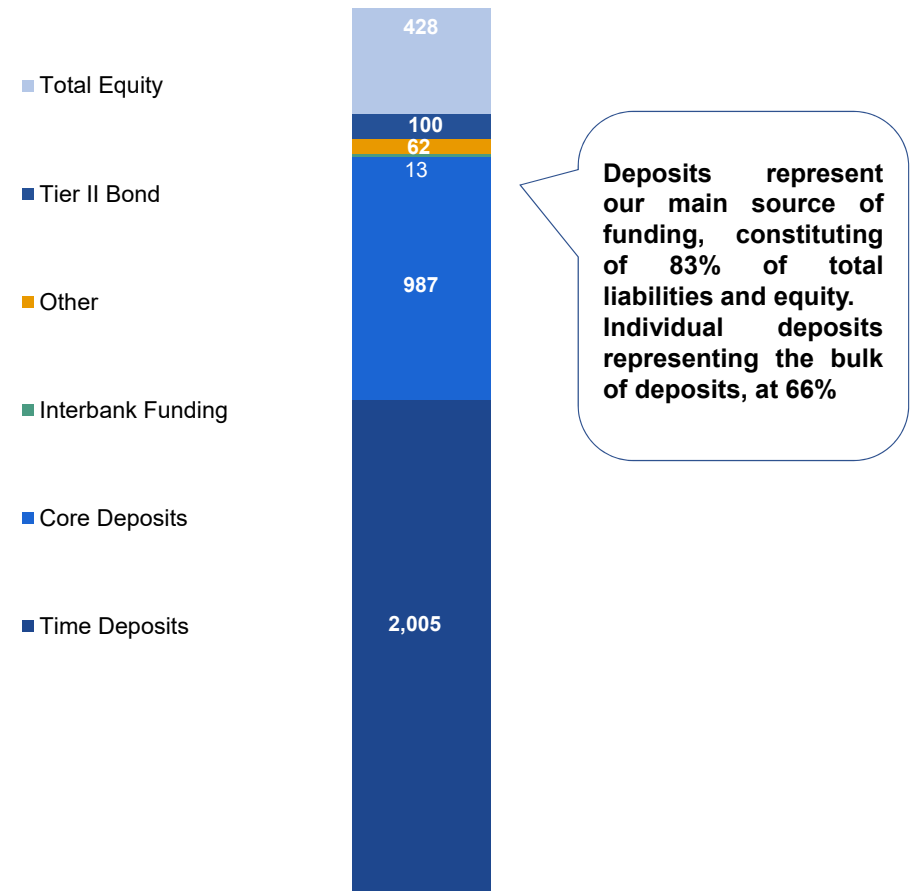
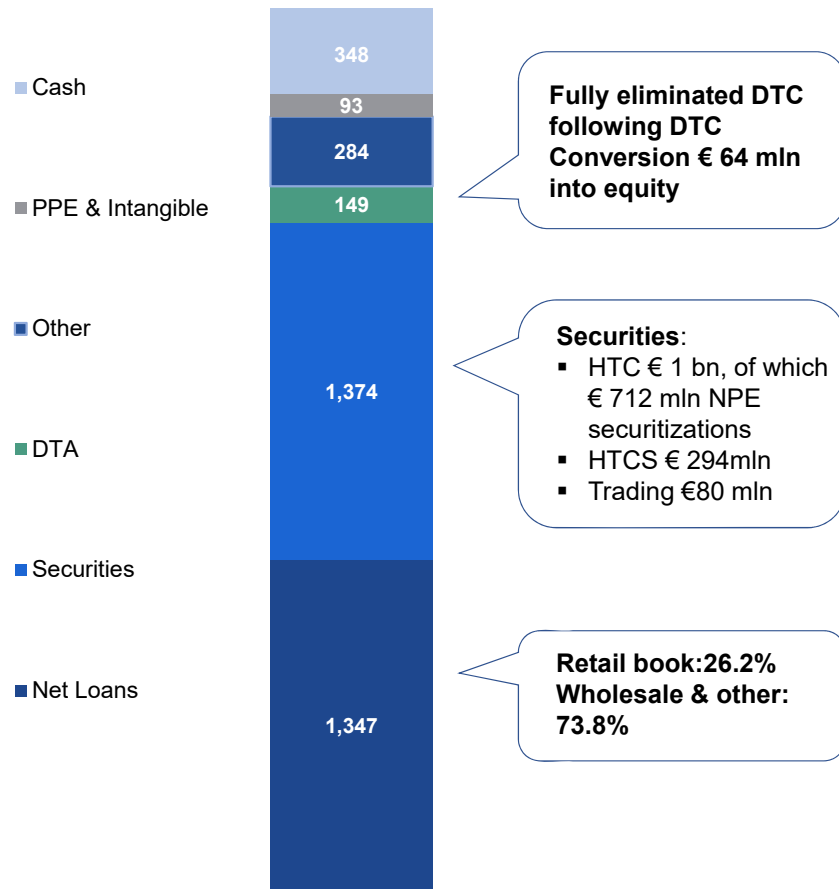


Branches (#)



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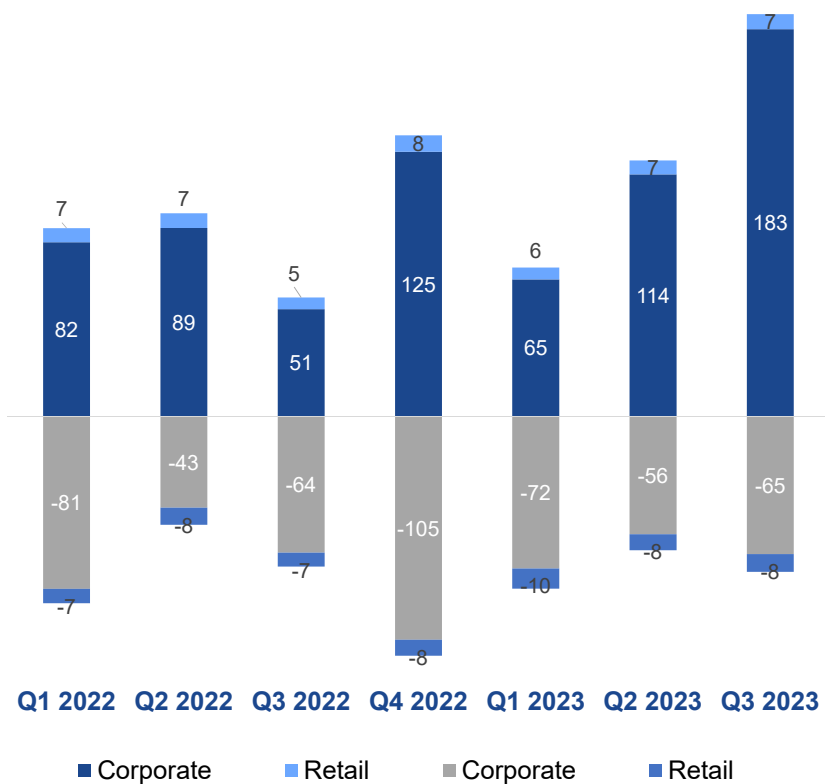
Balance Sheet| NPE clean-up actions in place – DTA deleveraging



Business performance | Credit expansion fuels up in Q3 2023

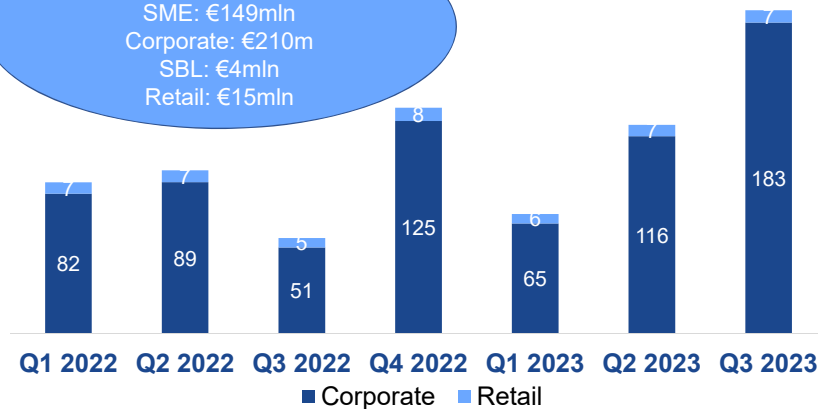
Net Credit Expansion, Q1 2022 – Q3 2023 (€ mln)

▶	1	45	-15	20	-11	59	117
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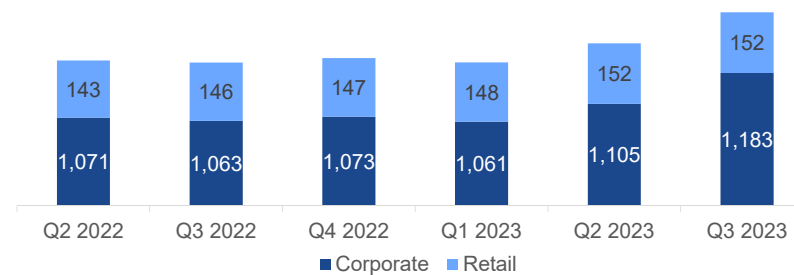


New Disbursements, Q1 2022 – Q3 2023 (€ mln)

9M23 total disbursements
€381mln of which:
 SME: €149mln
 Corporate: €210mln
 SBL: €4mln
 Retail: €15mln

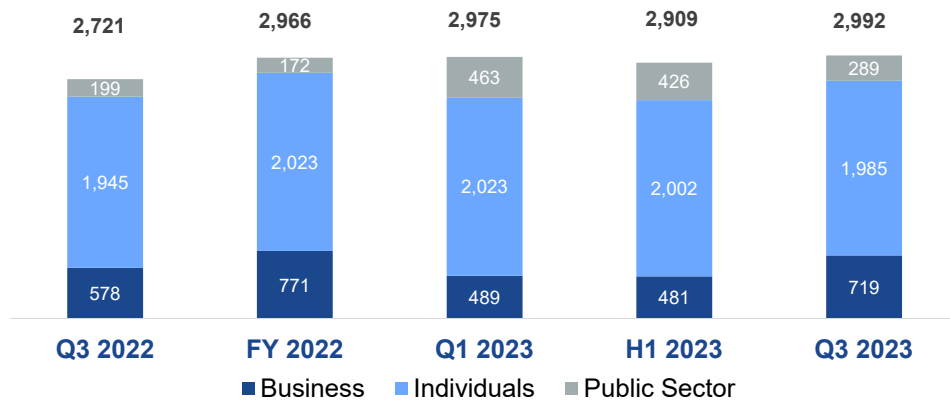


Performing Loans, Q2 2022 – Q3 2023 (€ mln)

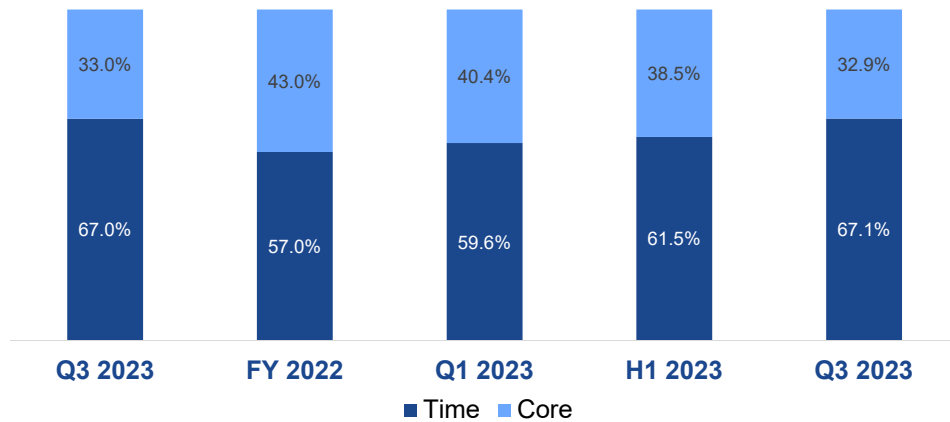


Deposits Balances & Mix evolution

Deposits per customer type Evolution (EUR m)



Deposit Mix Evolution (%)



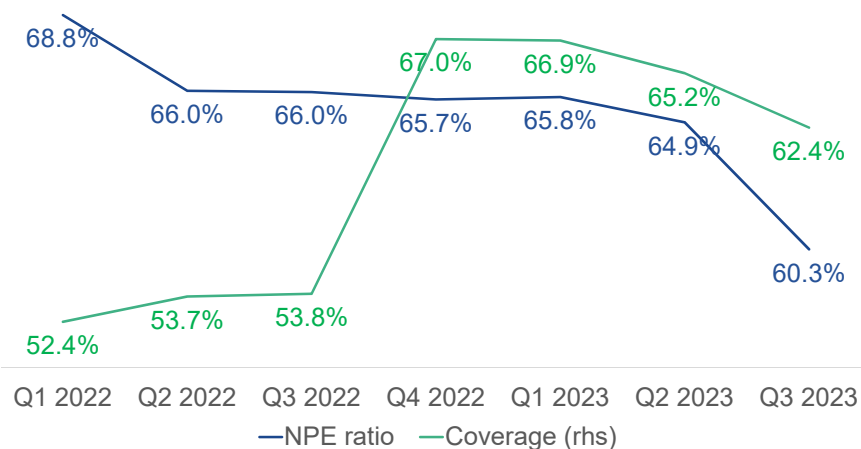
▶▶ **Group deposits up by a robust 10% YoY, with the total inflows adding to € 271mln.**

Inflows experienced in all three categories.

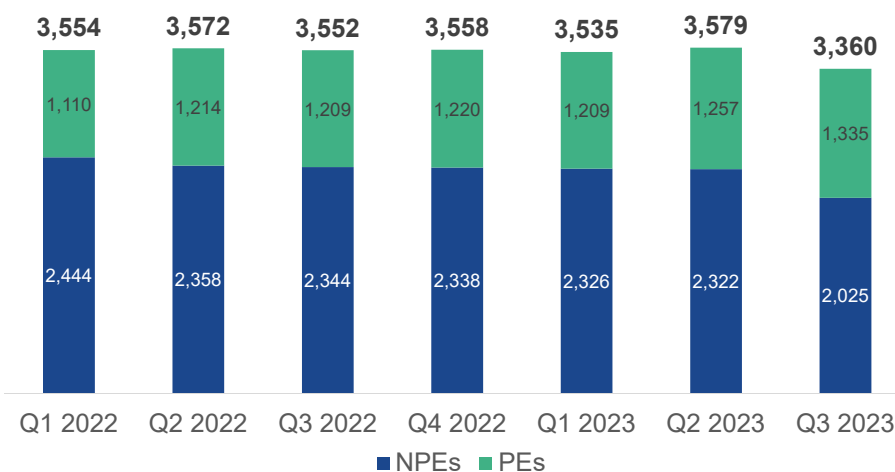
On a quarterly basis (Q3 vs. Q2), total deposits grew 2.9% QoQ, reaching c. € 3bn.

Balance sheet clean-up actions initiated; conclusion of Astir 1 portfolio sale on 29.09.2023

NPE ratio and NPE coverage, Q1 2022 – Q3 2023



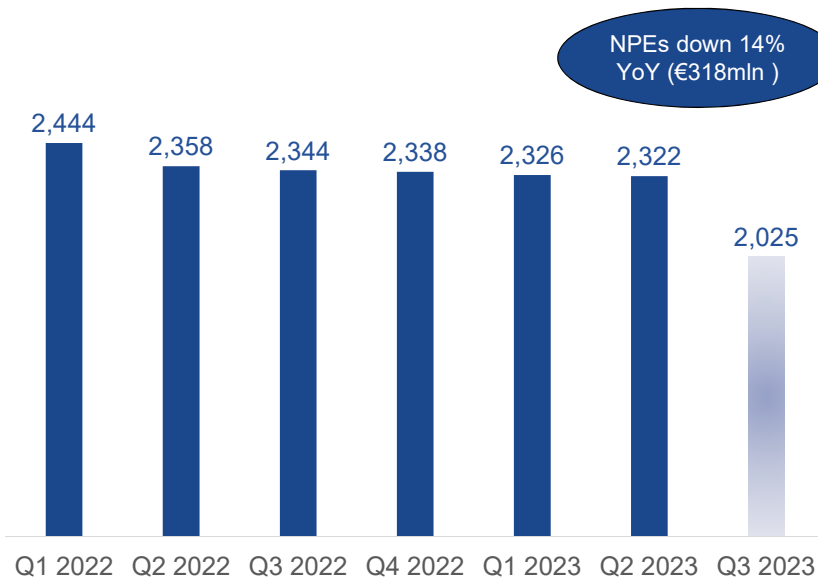
NPEs and PEs, Q1 2022 – Q3 2023



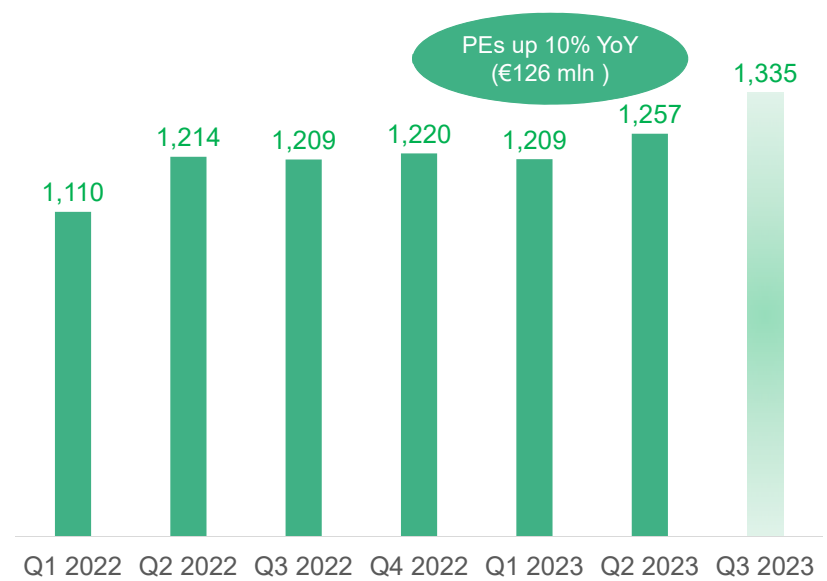
▶▶ *Following the successful conclusion of the Astir 1 portfolio sale, the NPE ratio dropped further to 60.3% in Q3 2023, down by 570bps YoY. In parallel, the NPE coverage stands at a strong 62.4%. Relevant actions are scheduled for the remaining securitizations portfolios leading to a further improvement of the NPE ratio.*

NPEs decrease (-14% YoY) following Astir 1 sale | PEs rise 10% YoY on new disbursements

NPE evolution, Q1 2022 – Q3 2023 (€mln)




PE evolution, Q1 2022 – Q3 2023 (€mln)




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Transformation Program Pillars




Business Growth (Framework)

- ❑ **Corporate**
 - Decreased TTM by 40%
 - New business Model – front/middle/back
 - New tools: Customer MI, CRM and Pipeline monitoring
 - Structured Finance expertise
- ❑ **Retail**
 - Mortgage Loan re-engineering reduced TTM by 50%
- ❑ **Financial Markets**
 - New Financial Institutions & Government Unit established / specialized services




Business Growth (Products)

- ❑ **Corporate**
 - Attica Hospitality: New Hotel Business financing products offering.
 - Redesign process for offering HDB & other subsidized products, fast & efficient
- ❑ **Retail**
 - Your Attica: Set up of new Centralized Virtual Channel
- ❑ **Financial Markets**
 - New investment product, first time for Attica bank to launch a tailor made Mutual Fund product, with 3K partners



Digital

- ❑ **Digital on Boarding**
 - Digital onboarding at branch
 - Digital Onboarding at web - 2nd phase
- **New e-banking functionalities**
 - Corporate Loan enhancements
 - Cards Information
 - E-Gov / e-KYC in app




People & Culture

- ❑ **Classroom Training Programs:** Significant investment in “soft skills” training programs, tailor made to the Bank’s business expectations, upskilling staff at all levels.
- ❑ **e-learning Attica Bank,** 24/7 for all lessons through all media (Pc, mobile, tablet)
- ❑ **“Talking Forward”** opinion exchange sessions with EXCO members covered more than 40% of staff at all levels. Action plan established and monitored.



Technology & Operational Excellence

- ❑ **Corporate**
 - Centralization of front line tasks and development of loan monitoring tool
 - New standardized Credit Memo
- ❑ **Retail**
 - Reviewed Branch footprint
 - New Retail Branch roles and priorities
 - Product Sales Guides and communication
- ❑ **Various Centralizations of products and services** in Operations
- ❑ **New system** for Financial Markets (FIS) and Bonds (Newton)



ESG

- ❑ **Finance transition to a sustainable economy**
 - Flawless offering for all customers through RRF and special products
 - Planning lending policies for critical sectors like energy and construction
- ❑ **ESG criteria** in Management assessment & remuneration policy
- ❑ **Executive ESG Steerco and Violence & harassment committee**
- ❑ Climate Law regulatory requirement completed

Our Commitment to ESG

E



- ❑ **Finance transition to a sustainable economy**
 - Flawless offering for all customers through RRF and special products
 - Planning lending policies for critical sectors like energy and construction
 - Inserting customers' ESG scoring in credit and pricing criteria
 - Include ESG product in every customer group proposition
- ❑ **Reduction in own emissions**
 - Reduce energy consumption from keeping air conditions at 25 C in summer and 22 in winter time
 - Decrease air condition usage to 12 hrs
 - Shut down PCs and printers during off hours
 - Replace all lightning with LED (phased)
 - Cars: Only hybrid/electric for new hires
 - Training: At least 2 trainings to staff on how to save energy
 - Non paper policy and printer metrics (gradual)

S



- ❑ **Promote Financial Literacy**
 - Various initiatives to be planned to assist younger generation with financial planning
- ❑ **Help small companies thrive**
 - New Start up companies offering
 - Help small companies trade program
 - Lead small companies to becoming more extrovert with networking through the Bank's internet
- ❑ **First Bank that signed the Diversity Charter in Greece - completed**
- ❑ **School Libraries - completed**
- ❑ **Water to Thessaly flooded areas - completed**
- ❑ **Assistance to fire-fighting initiatives in Attica - completed**

G



- ❑ **ESG criteria in Management assessment & remuneration policy**
- ❑ **Executive ESG Steerco and Violence & harassment committee**
- ❑ **Diversity of opinions for innovation**
 - "Attica Talking Forward" , cross business exchange meetings to improve day to day - completed
 - Focus groups with staff across all levels
 - Idea generation contests
 - Talk to the CEO
- ❑ **Up-skilling programs**
 - Sales program offered to all front line staff - completed
 - Project Management program – one of the best in market
 - Leadership program – one of the best in market

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Group Balance Sheet and P&L *

Group Balance Sheet			
Amounts in €mln	FY 2022	9M 2023	Change%
Cash and balances with central bank	254	348	37%
Due from other financial institutions	90	52	(42%)
Derivative financial instruments - assets	0	1	n.m.
Net loans and advances to customers	1,276	1,347	6%
Financial assets	968	1,374	42%
Investments in associates	2	2	0%
Property, plant & equipment	38	34	(10%)
Investment property	59	37	(30%)
Intangible assets	58	58	1%
Deferred tax assets	214	149	(31%)
Assets held for sale	0	27	n.a
Other assets	139	165	19%
Total assets	3,098	3,595	16%
Due to financial institutions	32	13	(58%)
Due to customers	2,966	2,992	1%
Debt securities issued	100	100	0%
Defined benefit obligations	5	5	(1%)
Other provisions	16	18	15%
Other liabilities	34	39	15%
Total liabilities	3,152	3,167	n.a
Share capital (common Shares)	0	2	n.m.
Reserves	878	942	7%
Retained earnings	(1,085)	(1,140)	5%
Shares premium	152	624	n.m.
Total equity	(55)	428	n.m.
Total Liabilities & Equity	3,098	3,595	16%

Group Profit & Loss			
Amounts in €mln	9M2022	9M2023	Change %
Interest and similar income	46.8	82.5	76%
Less: Interest expense and similar charges	(17.7)	(30.8)	74%
Net interest income	29.2	51.8	78%
Fee and commission income	12.8	12.3	(4%)
Less: Fee and commission expense	(8.2)	(6.3)	(23%)
Net fee & commission income	4.6	5.9	29%
Profit / (loss) from trading portfolio	(3.5)	2.7	>100%
Profit / (loss) from investment portfolio	(0.6)	3.9	>100%
Other Income	2.5	9.7	>100%
Total Operating income	32.1	74.1	130%
Personnel expenses	(23.7)	(22.9)	(3%)
General operating expenses	(30.2)	(20.7)	(31%)
Depreciation	(12.5)	(11.8)	(6%)
Total Operating Expenses	(66.4)	(55.4)	(17%)
Profit/ (Loss) before taxes and provisions	(34.2)	18.7	>100%
Provisions for credit and other risks	3.1	3.0	(4%)
Staff leaving compensation	(0.7)	(4.7)	n.m.
Income from investment in associates	(0.3)	0.0	n.m.
Profit / (Loss) before tax	(31.9)	17.0	(153%)
Income tax	(9.3)	(1.8)	(80%)
Profit /(Loss) for the period	(41.2)	15.2	>100%

* Published FS of 30.09.2023

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). in compliance with EBA Guidelines. In this document, NPEs are reported under IFRS. For regulatory reporting purposes, NPEs also include Omega and Metexelixis underlying loan exposures.
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-month 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 Scheme (VES)	A scheme that provides an incentive for employees to retire early.

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