FINANCIAL RESULTS

Q1 2023

JUNE 2023

Attica Bank's premises in Piraeus

attica bank

Key Takeaways

- Pre provision profit of €0.5 mln vs loss of €4.9 mln in the comparative period.
- Significant increase of 55% in operating income for the Group on an annual basis.
- NII at record high for the last 6 quarters, recording a significant increase of 48.6% on an annual basis. Key driver was the increase of interest income from loans by 31%, as a result of the increase in floating interest rate loans. Also, a significant increase was recorded in interest income from credit institutions, resulting from the use of the excess liquidity in interbank term deposits.
- Commission fees from letters of guarantee up by 10% on an annual basis.
- Recurring operating expenses decreased by 3% on an annual basis, as a result of the management's cost containment efforts despite high inflation.
- Total Group Deposits increased by 7.3% on an annual basis with the balance of current accounts displaying a significant increase by €263 mln, compared to last year. Group deposits amounted to €2.97 bln.
- LCR well above regulatory levels; at 140.7% in March 2023, while NSFR stood at 142.1%.
- New disbursements amounted to €70 mln in the first quarter of 2023.
- Group NPEs of the remained almost stable vs the previous quarter, despite the continuous increases of interest rates by ECB. Specifically, the NPE ratio as well as the NPE coverage ratio remained flattish at 65.8% and 67% respectively, while total NPEs decreased by 10 mln. According to IFRS, NPE ratio amounted to 39.1% and NPE coverage ratio at 61.8% for on-balance sheet items.

Management Statement

On 26.04.2023, Attica Bank successfully concluded a share capital increase of €473.3m, significantly improving its capital ratios. Furthermore, from the beginning of the current year, the Bank has recorded significant improvements in almost all of its core operating lines, achieving a positive operating result (PPI) of €0.5 million, demonstrating Management's commitment the goal in achieving operational profitability after many years, based on its approved Business Plan.

The aforementioned positive performance resulted primarily from the increase in the Group's operating income by 55% versus the comparative period. At the same time, new disbursements amounted to €70 million, while the Bank continued to improve its liquidity, as a result of the increase in customer deposit balances by 7.3% year-on-year, despite the terbulance and uncertainty in the international environment.

Employees and Management focused on growing the Bank's operations and supporting customers, taking advantage of the strong recovery of the economy after the pandemic, despite the challenging conditions that still exist in the markets, but with the prospects for the country remaining especially positive.

In this favorable environment, Attica Bank's priority for 2023 remains credit expansion, as well as the increase of revenues, through the expansion of its range of products and services and its more efficient operation thanks to the ongoing operational reorganization and investment in human resources. With the successful completion of the Share Capital Increase, the Bank will be able to achieve its main objectives: a) to immediately restore its regulatory capital (above thresholds) and effectively manage NPEs, b) to implement its business plan that will contribute to its restructuring and growth and mainly c) to achieve sustainable profitability within the next 3 years, which constitutes the biggest challenge.

Attica Bank is called upon to play the role it deserves in the Greek economy in the following years, so as to offer a tangible solutions to the needs of Greek businesses, freelancers and individuals for a more competitive banking environment, through partnerships, innovative solutions and substantial support of the real economy. During the 1st quarter of 2023, the foundations were set for the implementation of our 3-year business plan, which we expect to be further consolidated following the successful completion of the share capital increase - a milestone for the Bank.

Key Financial Figures

Profit & Loss Statement *All amounts in EUR million*	Q1 2023	Q1 2022	Δ EUR	Δ %
Net Interest Income	14.2	9.6	4.6	48.6%
Net Fee & Commission Income	1.7	1.8	-0.1	-3.9%
Total Operating Income	18.3	11.8	6.5	54.9%
Total Operating Expenses	-17.9	-16.7	-1.2	7.0%
Pre Provision Income	0.5	-4.9	5.3	
Total Provisions	2.1	-2.8	4.9	
Profit / (Loss) before taxes	2.6	-7.6	10.3	
Tax	-1.6	-0.9	-0.7	
Profit / (Loss) after taxes	1.0	-8.5	9.6	

Balance Sheet *All amounts in EUR million*	Q1 2023	Q1 2022	Δ EUR	Δ %
Gross Loans & Advances to customers	1,665	1,682	-17	-1.0%
Net Loans & Advances to customers	1,263	1,276	-13	-1.0%
Financial Assets	1,013	968	45	4.6%
Tangible, Intangible Assets & Investment Property	154	155	-1	-0.4%
Deferred Tax Assets	213	214	-1	-0.7%
Other Assets	451	485	-34	-7.0%
Total Assets	**3,094**	**3,098**	**-4**	**-0.1%**
Deposits from Banks	19	32	-13	-39.5%
Deposits from customers	2,975	2,966	9	0.3%
Other Liabilities	154	154	-1	-0.5%
Total Liabilities	**3,148**	**3,153**	**-5**	**-0.2%**
Total Equity	-54	-55	1	-1.2%
Total Liabilities & Equity	**3,094**	**3,098**	**-4**	**-0.1%**

Note: *The Q1 2023 Financial Statements will be published on the Bank's website https://www.atticabank.gr/en on 08.06.2023.*

Q1 2023 Financial Results Analysis

Gross Loans stood at €1.67 bln. New disbursements for the first quarter stood at c. €70.3 mln, out of which €64.7 mln concern corporate and €5.6 mln retail loans, that is expected to grow further in the upcoming quarters as a result of the new business plan of the Bank for financing investments mainly in the energy, infrastructure and tourism sectors. Based on the approved NPE reduction strategy, a decrease of the relevant ratio was recorded this year, already at the beginning of 2023. The Bank **displayed a significant reduction in non-performing loans (IFRS)** on an annual basis by 7%.

Deposit's balance stood at €2.97 bln as at 31.03.2022, up by c. 7.3% on an annual basis. Consequently, as at 31.03.2023 net loans to deposits ratio amounted at 43%, while the LCR stood at 140.7%, well above regulatory thresholds.

In Q1 2023 the Bank recorded **pre provision profits** of €0.5mln versus a loss of €4.9 mln in the comparative period of Q1 2022, mainly due to the increase of interest income and the reduction of the cost base, in the context of the implementation of the new Business Plan.

Net interest income amounted to €14.2 mln, increased significantly by 48.6% yoy. Growth was derived from the increase in interest income from loans by 31%, due to the increases in interest rates of floating rate loans. At the same time, a significant increase was observed in interest income from credit institutions, deriving from the use of the excess liquidity in interbank time deposits during the first quarter of 2023. The increase was partially offset by the higher cost of financing the Bank's operations by 35% in relation to the comparative period of 2022, as a result of the repricing of deposit products to the new market interest rates.

Net commission income displayed a marginal decrease versus the comparative period of 2022, as a result of the decrease in commission income from transactions with the use of credit and debit cards and through accepting transactions at the Bank's POS. However, the Bank presented for another quarter a significant increase in commissions from the issuance of letters of guarantee, which amounted to 10% versus the comparative period of 2022.

Total operating income increased by 55% on an annual basis. Key factor for this increase was the significant improvement in net interest and commission income by 40.2%, as well as the increase in other income and income from financial operations, which grew fourfold compared to the respective period of 2022.

Recurring general operating expenses decreased by 3.3% year-on-year. This reduction resulted from the management's effort to reduce general operating expenses despite high inflation.