FINANCIAL RESULTS

Q1 2024

JUNE 2024

attica bank

Strong Growth in Q1 2024 with increasing recurring operating profitability aligned with the Bank's strategy

Net Credit Expansion

+€171mln
YoY

+157mln
Total Market

Asset Quality Improvement

61.5%
NPE ratio

-430 bps
YoY

Enhanced & Qualitative Profitability

€8.7mln
Recurring PPI

vs €0.5mln profit in Q1 2023

Dynamic Revenue Increase

€25.3mln
Recurring Operating Income

+38%
YoY

Strong Liquidity Profile

€3.1bln
Deposits

268.6%
LCR

Efficiency Gains

-7%
Recurring Operating Expenses YoY

32 pps
Cost/Income improvement YoY

Key takeaways

- Recurring Pre-Provision Income of €8.7 mln for Q1 2024, vs profit of €0.5 mln for the comparative period.
- Remarkable increase by 38% of the Group's recurring operating income on an annual basis, amounting to €25.3 mln vs €18.3 mln for the comparative period.
- NII recorded a sizable increase of 36.3% on an annual basis. Key drivers were credit expansion and the increase in interest income from loans and receivables, resulting from the increase of interest rates on floating rate loans.
- Net Commission Income amounted to €3.1 mln recording an increase of 78% YoY up 2% QoQ also, driven mainly by new disbursements and issuance of letters of guarantee.
- Recurring operating expenses decreased by 7% on an annual basis, as a result of the Management's efforts to reduce operating costs and optimize resources.
- Total Group deposits increased by 5% on an annual basis coming in at €3.1 bln. Strong liquidity profile with LCR at 268.6% in March 2024.
- Net Credit Expansion of €171 mln for Q1 2024.
- CET1 Ratio was contained to 10.8% due to the negative impact of the IFRS 9 transitional arrangements and the strong credit expansion recorded in the quarter.
- New Disbursements of €295 mln for Q1 2024. New disbursements continued to accelerate in line with the last quarter of the year. New disbursements relating to corporate banking amounted to €283 mln while those relating to retail banking at €12 mln.
- The Group's Non-Performing Exposures (NPEs) increased by 12% compared to the previous quarter, due to the reclassification of legacy exposure into NPE in the context of the Bank's balance sheet clean-up. Excluding the legacy exposure, the NPE ratio stood at 54.2%, down 270 basis points QoQ and 11.6 percentage points lower YoY. It is noted that default rates in new production for loans disbursed since 2021 is less than 1%.

Management Statement

Following the business recovery of 2023, where the Bank returned to operating profitability, 2024 also got off to a strong start, showing significant improvement in all core operating lines for the 5th consecutive quarter with a recurring pre-provision income of €8.7 mln, confirming the Management's vision for a new dynamic in the banking sector. Performance in the first quarter of 2024 is fully aligned with our goals and strategy and lays the grounds for achieving the year's targets.

Attica Bank continued to improve all key financial ratios, focusing on operating profitability through revenue diversification, operating costs rationalization and prudent credit risk assessment. The remarkable trajectory recorded by the Bank in 2023 continues in the first months of 2024. Our strategy to increase lending mainly to small and medium-sized enterprises is bearing results, with interest income showing a significant increase of 36% YoY. At the same time, net commission income amounted to €3.1 mln increased by 77.6%, demonstrating the Management's commitment to the goal it has set for the restructuring of Attica Bank in the context of the Business Plan implementation.

The significant positive performance in the first quarter of 2024 was mainly driven by the increase in Group's recurring operating revenues, which amounted to €25.3 mln compared to €8.3 mln in the same period last year. Attica Bank, like other banks, benefited from higher interest rates, but the main benefit of its profits comes from the expansion of its operations on the one hand and the reduction of operating costs on the other. In the first quarter of 2024, net credit expansion reached €171 mln, with the Bank achieving significantly higher growth rates than the market. It is also important that the percentage of new disbursements involving small and medium-sized enterprises amounts to 33% or €97 mln. Emphasis will also be placed for 2024 on corporate banking, mainly on small and medium-sized enterprises, as well as on the financing of freelancers, such as engineers, offering holistic service products. Overall, new disbursements accelerated in Q1 to €295 mln (compared to €70 mln in Q1 2023) continuing at the same pace as in the last quarter of 2023.

The Group's Non-Performing Exposures (NPEs) increased by 12% compared to the previous quarter, due to the transfer of loans of the Bank's legacy portfolio to NPE status in the context of the Bank's restructuring. Excluding these legacy exposures, the NPE ratio stood at 54.2%, down 270 basis points QoQ and 11.6 percentage points YoY.

It is noted that the further clean-up of the Bank's balance sheet will be examined in parallel with the inclusion of NPEs in the "Hercules III" guarantee program, along with the preparatory actions for the possible merger with Pancreta Bank, for which no decision has currently been taken by the competent bodies of the Bank. Any decision by the Management vis-a-vis the "Hercules III" program will be taken following the assessment of the impact on the Bank's results and only if this impact is offset from other corresponding capital enhancement actions.

Additionally, on 27 June 2024, the Bank received a letter from the Bank of Greece indicating that as of reference date 31.03.2024, capital adequacy ratios were below the Pillar 2 Guidance ("P2G"). It is noted that P2G is a capital guidance and not a regulatory binding requirement, aiming at addressing potential losses, in case of stress. It is clarified that the Bank meets the binding capital adequacy requirements for all three capital ratios, namely CET 1, Tier 1 and Total Capital Adequacy Ratio.

Furthermore, the same letter argued that, taking into account the intended merger with Pancreta Bank, the Bank is requested to inform the Bank of Greece in writing by 5.7.2024 on how the new banking entity resulting from the merger, will ensure that it meets the minimum mandatory supervisory capital ratios in force, taking into account the expected losses in case NPE portfolios are included in the "HERCULES III" program. In addition, the BoG requested the imminent submission of Shareholders' Key terms agreement of the financial institutions, including details on the capital raising strategy. It is noted that as of to date, the management has not been informed of any such final agreement between shareholders.

Attica Bank's main objective remains the offering of best customer service through the gradual optimization of internal operations and processes. Attica Bank wants to become customers' bank of choice, a result of the customer-centric service model we are building. In this context, with our participation in the lending program of the Recovery and Resilience Fund (RRF), we remain faithful to our growth plans, taking advantage of the opportunities and financial tools of the Fund for our clientele. We actively support the growth and modernization of Greek businesses and the transition of the Greek economy to a new, sustainable, digital and extrovert growth model.

Pending the implementation of the shareholder agreement that will allow the immediate restructuring of the Bank in parallel with the assessment of the merger with Pancreta Bank, the Bank's Management continues intensively the transformation and modernization of the Bank, focusing on the overall better customer experience and actively supporting the growth of the Greek economy by creating conditions of healthy competition.

Key Financial Figures

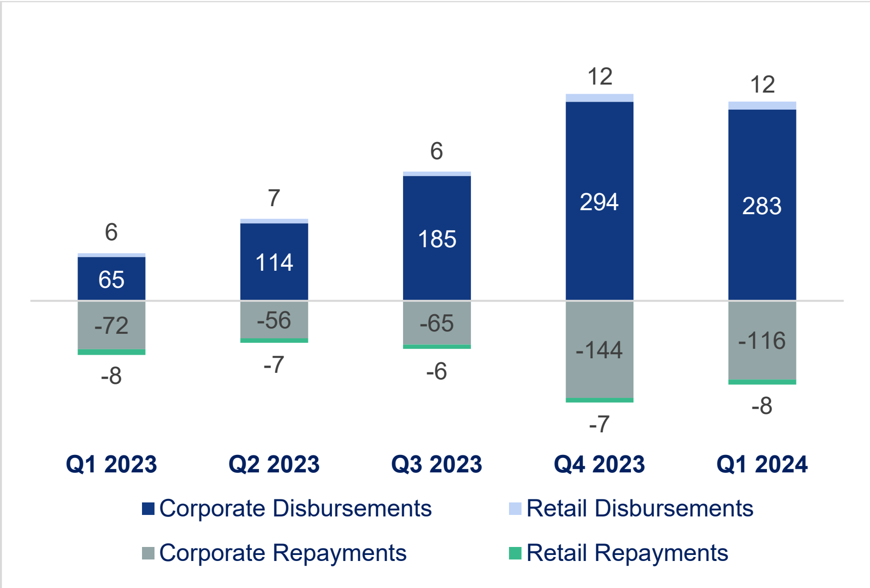
Profit & Loss Statement (amounts in € million)	Q1 2024	Q4 2023	Δ (%)	Q1 2023	Δ (%)
Net Interest Income	19,4	22,4	-14%	14,2	36%
Net Fee & Commission Income	3,1	3,0	2%	1,7	78%
Results from trading portfolio	0,8	0,9	-4%	1,2	-31%
Other Income	2,0	2,2	-10%	1,2	67%
Recurring Operating Income	**25,3**	**28,6**	**-11%**	**18,3**	**38%**
Total Operating Income	**28,6**	**37,0**	**-23%**	**18,3**	**56%**
Personnel Expenses	-7,9	-7,5	-4%	-7,6	-3%
General Administrative Expenses	-4,7	-6,7	30%	-6,5	27%
Depreciation	-4,0	-3,9	-4%	-3,8	-7%
Recurring Operating Expenses	**-16,6**	**-18,1**	**8%**	**-17,9**	**7%**
Total Operating Expenses	**-17,4**	**-23,3**	**26%**	**-19,3**	**10%**
Recurring Pre Provision Income	**8,7**	**10,4**	**-17%**	**0,5**	**-**
Pre Provision Income	**11,2**	**13,7**	**-18%**	**-1,0**	**-**
Total Provisions	-14,6	-2,3	-	3,6	
Results from associates	0,0	0,2	-	0,0	
Profit / (Loss) before taxes	**-3,4**	**11,6**	**-**	**2,6**	
Tax	-0,2	0,8	-	-1,6	
Profit / (Loss) after taxes	**-3,6**	**12,5**	**-**	**1,0**	

Balance Sheet	Mar-24	Dec-23	Δ (%)
Total Assets	3.744,0	3.774,8	-1%
Net Loans & advances to customers	2.409,0	2.267,9	6%
Financial Assets	715,5	634,4	13%
Due to customers	3.124,7	3.146,2	-1%
Total Equity	445,1	446,4	0%

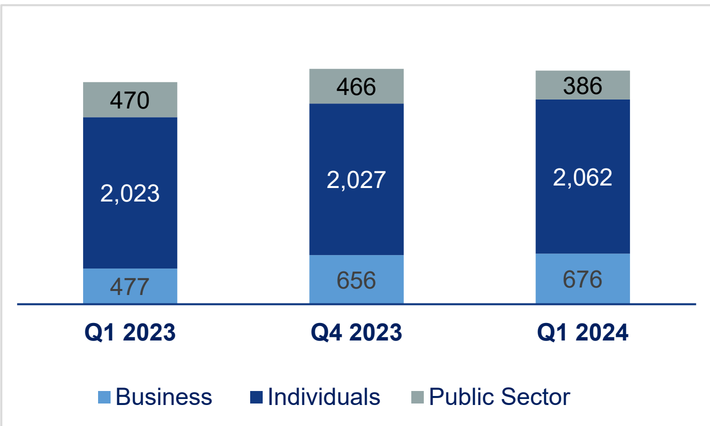
Key Ratios	Mar-24	Dec-23	Δ (%)
Profitability			
Net Interest Margin	0,5%	0,4%	25%
Recurring Cost / Income Ratio	66%	97%	-32%
Capital			
CET1	11,2%	12,8%	
CAD	14,7%	16,6%	
Liquidity			
LDR	77%	72%	
LCR	268,6%	251,2%	
Asset Quality			
NPE	58,3%	56,9%	
NPE Coverage	57,7%	61,3%	

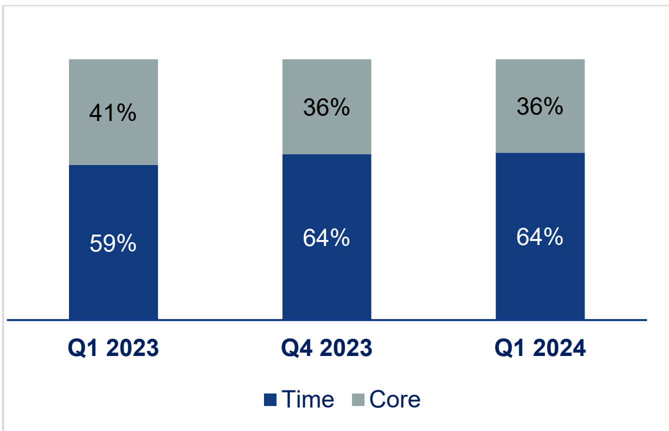
Financial Analysis Q1 2024

Gross loans stood at €3.63 bln, taking into account the buy-back of the bonds of Metexelixis and Omega securitizations and their consequent change to the pre-securitization accounting status, i.e. as loans and receivables to customers. New disbursements accelerated in the first quarter of 2024 and amounted to €295 mln, out of which €283 mln concern corporate banking and €12 mln retail banking. Net credit expansion was mainly driven by corporate loans in the context of its Business Plan implementation and amounted to €171 mln, a remarkable performance considering last year's negative performance for the same period (by €10 mln) as well as the performance of the total market that showed a credit expansion by only €156 mln.



Deposits' Balances amounted to approximately €3.1 bln at 31.03.2024, increased by 5% on an annual basis with the Group's liquidity remaining flattish on a quarterly basis. Overall, the Group's steady deposit structure is a key advantage, with deposits from the wide retail base accounting for 64% of total deposits. The liquidity coverage ratio (LCR) stood at a very satisfactory level of 268.6%, well above regulatory thresholds at the end of March. The strong liquidity profile is also reflected in the Group's ratio of gross loans to deposits, which reached 47.6% (excluding securitizations).

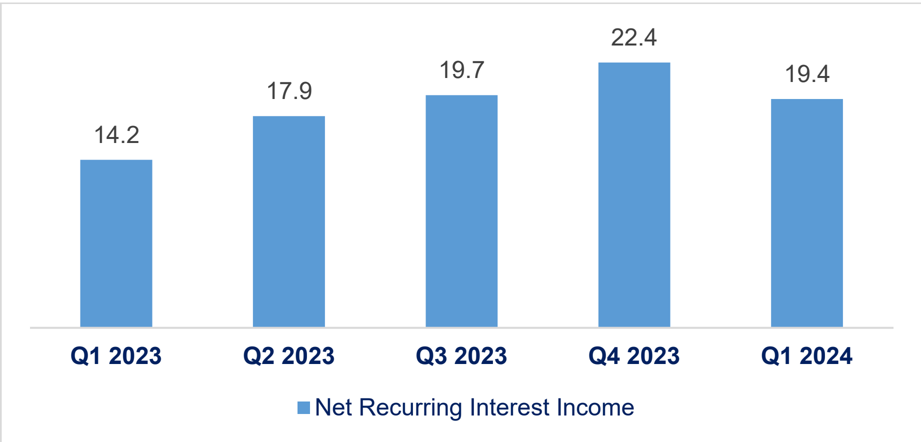




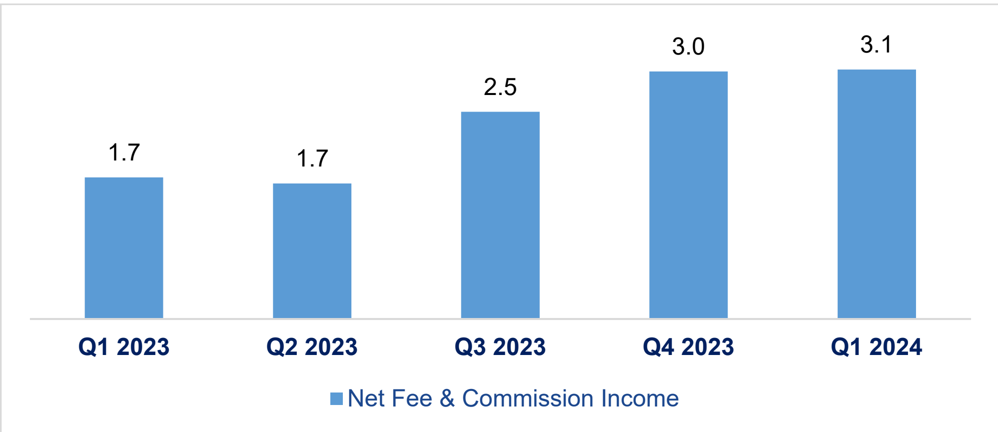
In the context of the Group's capital enhancement plan, the Management proceeded with the sale of the Bank's properties during the first quarter of 2024. The capital impact of these actions since their inception in mid-2023 until today amounts to c. 50 basis points. In the first quarter of 2024, profit from the sale of real estate (fair value adjustment) amounted to €3.3mln. Including the impact of the de-consolidation of these properties, the capital gain from realised sales in 2023 and the first quarter of 2024 is expected to stand at around 65 basis points.

In the first quarter of 2024, **the Bank recorded a pre provision profit of €8.7 mln**, vs profit of €0.5 mln in the same period last year, mainly due to the increase of interest income and the reduction of operating costs, in the context of the implementation of the Bank's Business Plan.

Recurring Net interest income amounted to €19.4 mln displaying a significant increase by 36.3% compared to 2023, continuing the positive trend of the previous quarters in 2023, supported from both the favorable interest rate environment, as well as by the remarkable increase in loan volumes during Q1 2024. NII growth came mainly from the increase in interest income from loans customers resulting from higher balances and increases in interest rates on floating rate loans. This increase was offset by the significantly higher cost of financing the Bank's operations compared to the comparative period of 2023, as a result of the repricing of deposit products to the new market interest rates.

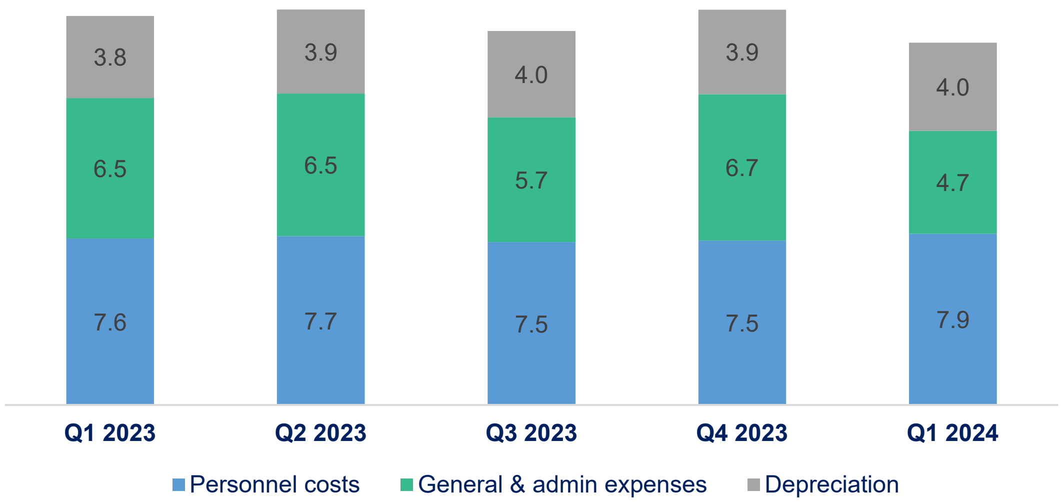


Net commission income amounted to €3.1 mln, increased by 77.6% on an annual basis. This increase was mainly driven by a significant improvement in the issuance of letters of guarantee (+50% YoY), while new loan disbursements presented a significant contribution (+30% YoY), with the fee & commission expenses remaining unchanged on an annual basis.



Total recurring operating income increased significantly by 38% reaching €25.3 mln compared to €18.3 mln for the comparative period. This remarkable increase was mainly driven by a significant improvement in net interest and commission income by 40.8%, as well as an increase in other income and income from operations of the investment portfolio, which recorded an improvement of 18% compared to 2023.

Recurring operating expenses decreased by 7% on an annual basis, due to the continued effort for cost reduction, rationalization in third-party expenses as well as the zeroing of contributions to the Hellenic Deposit & Investment Guarantee Fund and the Resolution Scheme, due to the reduced annual target as set by the Single Resolution Fund for the fiscal year 2024. Recurring personnel expenses increased marginally due to the Bank continuous effort to optimize its own resources and by investing in the Bank's ongoing operational reorganization and strengthening of its human capital. The Group's personnel amounted to 578 people as of 31 March 2024, displaying a decrease by 3% on annual basis as a result of the Bank's network restructuring within 2023, which now amounts to 37 branches. As a result, the cost to income ratio on a recurring basis amounted to 65.8% in Q1 2024 vs 97% for the comparative period.



Group’s Key Business Developments

Recovery and Resilience Fund Loans

In early April 2024, the Bank announced the signing of the operational agreement with the Ministry of Economy and Finance for its participation in the National Recovery and Resilience Plan. By participating in the Plan "Greece 2.0", Attica Bank supports the resilience of businesses by targeting investments that will substantially contribute to their strengthening in order to enhance competitiveness and transform Greece's economy. This program provides low-interest financing of up to 50% with funds from the Recovery Fund, 20% covered by own funds while the remaining will be covered by financing from the Bank.

New Competitive Products

The Bank significantly strengthens the portfolio of the investment options available to its customers and, in combination with the investment know-how of 3K Investment Partners, proceeded with the issuance of a new two-year mutual fund **“3K/Bank of Attica Premier Income Bond Fund 2026”**, offering investors the opportunity to “lock” the future value of their investment, regardless of the fluctuations of the deposit rates.

In addition, in the context of ESG actions implemented by the Bank, in collaboration with the NPO “New Agriculture New Generation”, it supports the growth program for agri-food businesses **“Agroanelixi – Farmers of the Future”** from the region of Crete, which has a 6-month duration.

Attica Bank continues to support small and medium-sized entrepreneurship by participating in the new business funds “TEPIX III” managed by the Hellenic Development Bank S.A.:

- **TEPIX III Guarantee Fund**: It is divided into two sub-funds depending on the characteristics of the enterprise a) “General Entrepreneurship”, for loans to SMEs guaranteed by 70% by the fund b) “Entrepreneurship of Start-ups”, for loans to micro and small enterprises up to 5 years of operation guaranteed by 80% by the fund.
- **TEPIX III Loan Fund**: Provision of new fixed-maturity loans on favorable terms to SMEs, with co-investment of funds of the Bank and the Co-financing Fund, managed by the EBA. 40% of the capital provided by the fund is interest-free.

With the needs of its customers as a top priority, Attica Bank proceeded with the design of payroll packages that combine preferential interest rates and provide additional privileges, some of them for the first time to the Bank, by utilizing additional products, such as the provision of insurance programs through Anytime:

- **Attica Payroll PLUS**: New product for businesses with more than 15 employees.
- **Attica Payroll**: Product for individual payrolls of private & public sector employees as well as businesses employing more than 15 employees.
- **Attica Engineers Payroll**: Product exclusively for salaried engineers.

At the same time, the Bank continues to actively support mortgage borrowers with floating interest rates and in April 2024 proceeded with the expansion of the **Loyalty Program for Consistent Mortgage Borrowers**. This program is extended for another twelve months, until May 2025 with the same terms, as individual customers who meet the criteria to automatically join the Loyalty Program. The financing needs of the Residential Loan Loyalty Program are fully covered by the Bank, which rewards and strengthens its consistent customers.

Transformation Program

Attica Bank's Transformation program focuses on the Bank's organic and sustainable growth, through systems and process optimization, digital transformation, as well as excellent customer experience. Prudent risk management as well as the development of a culture of people based on responsibility, trust and fair treatment are at the heart of the Bank's transformation strategy.

During Q1 2024, a significant number of actions of the Transformation strategy were completed with the following results:

- The pre-approval time for mortgages was reduced, resulting in a loan pre-approval in 2 business days, while the total disbursement time was reduced by 50%.
- For corporate loans, the total time to money was reduced by 40%. In addition, transactional banking services were improved with same-day execution of letters of guarantee requests and automated sending of a swift copy to the customer. Also, the e-banking of corporates was enriched with various additional daily functionalities.
- Significant progress has been made in the field of digital transformation, with the digital opening of a customer in the branch, , using e-Gov KYC and simultaneously opening an account, debit card and access to e-banking.
- The possibilities of transactional banking increased with the introduction of Apple Pay wallets.
- The Bank's Corporate Website was redesigned to a more user-friendly version, while at the same time, the Corporate Web, e-banking and mobile app were enriched with various functionalities as well as the receipt of customer requests.
- A new methodology for goal setting and personnel evaluation was developed, as well as an incentive program, which was successfully implemented for the first time in the history of the Bank.
- A significant leadership skills training program "Leading Forward" was implemented and completed for all senior executives of the Bank.
- Planned changes and improvements to the Bank's internal procedures were implemented, indicatively the change in the Credit Policy and the development of a methodology and model for loan pricing.