9M 2024 results

Press release
11 November 2024

9M 2024 key highlights

- 9M 2024 reported net profit stood at €108.2mn compared to € 72.1mn in 9M 2023, an increase of 50 %
- 9M 2024 net profits already higher than the FY 2023 net profits of €103mn
- ROTE stood at 26.8 %
- Net interest income amounted to € 141.1mn, + 43% YoY with NIM of 4.28% thanks to resilient loan spreads
- Net fee income grew 30% YoY at € 29.3mn with increased contribution from loan and asset management fees
- Operating expenses were contained at € 41.2mn, just 7% higher YoY despite increased headcount with industry leading cost to core income of 25.0%, aligned with our FY 2024 target of <30%
- 9M 2024 credit expansion continued unabated with loan disbursements in the tune of € 1.9bn, 29.7% higher YoY
- 9M 2024 loan balances increased by €1.1bn YoY at € 3.3bn, + 48% YoY, while maintaining solid asset quality with NPE ratio at 0.92 %
- Deposits rose by € 1.0bn (+ 32% YoY) to € 4.1bn
- Ample liquidity with loans to deposits ratio of 79%, LCR of 263% and NSFR of 129%
- Phased in total capital ratio and CET1 ratio of 15.7 % including dividend provision
- Assets under management increased by 47% YoY to € 4.0bn, driven by mutual fund inflows and brokerage managed accounts

Strong set of 9M 2024 results driven by volumes growth and resilient spreads

Net Profit	ROTE	Loans	Deposits
9M 2024: **€ 108.2mn** (+ 50% YoY)	9M 2024: **26.8%**	**€ 3.3bn**	**€ 4.1bn**
		Net Loans Δ **€ 1.1bn** (+ 48% YoY)	Deposits Δ **€ 1.0bn** (+ 32% YoY)

Capital

Phased In total capital ratio of **15.7%**

Management statement

Optima bank continued in the 3Q 2024 the strong performance it had in the previous quarters, building on its strong balance sheet and the high demand across its markets. Exemplary customer service and word of mouth remain the main transmission channel of the quality of our work, which allow us to grow the bank every single quarter.

The bank had a strong performance in the 9-month period of 2024 with net profits of €108.2mn, 50% higher YoY and already higher than the FY 2023 net profits of €103mn with an industry leading ROTE of 26.8%, one of the highest in Europe. NIM remained at elevated levels at 4.28% with NII at €141.1mn, 43% higher YoY.

We continued growing our loan book by generating €1.9bn new loan disbursements, almost reaching the FY 2023 production of € 2.0bn, as the demand for credit in our targeted markets remains robust. Our 9M 2024 loan book now stands at € 3.3bn up by € 1.1bn vs the 9M 2023, an increase of 48%. The quality of the book remains a top priority for us, and we are happy to report that the NPE ratio in the 3rd quarter declined to 0.92% vs 1.03% in the 2nd quarter. This is the lowest NPE ratio in the Greek banking system and we are keen to retain an impeccable quality in our book.

Our deposits grew 32% YoY, reaching € 4.1bn, with growth in the 3Q standing at €417mn, the highest pace of quarterly deposit inflows in our history. The loans to deposit ratio shaped up at 79% with LCR at 263% and NSFR at 129%.

These results make us confident that we will comfortably achieve the full year 2024 guidance of net profits in excess of €134mn and ROTE above 24%.

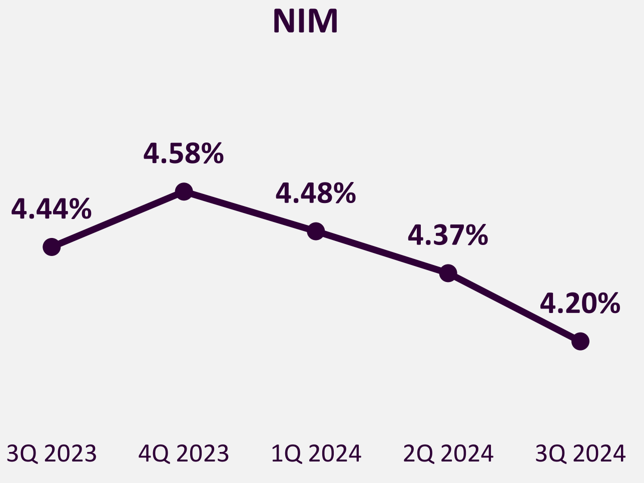
We are not complacent by these good results and we continue working towards increasing our market presence. We have the right strategy, the proper business model and the right mix of people to take advantage of the many opportunities that exist in the market and establish Optima bank as a major player in the Greek banking space.

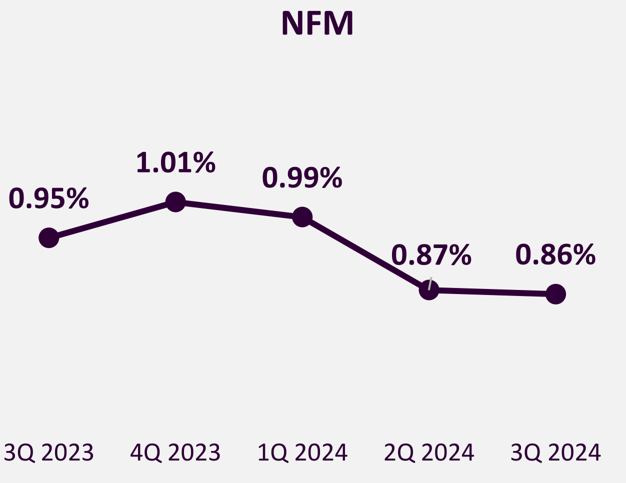
Dimitris Kyparissis

CEO, Optima bank

Profitability

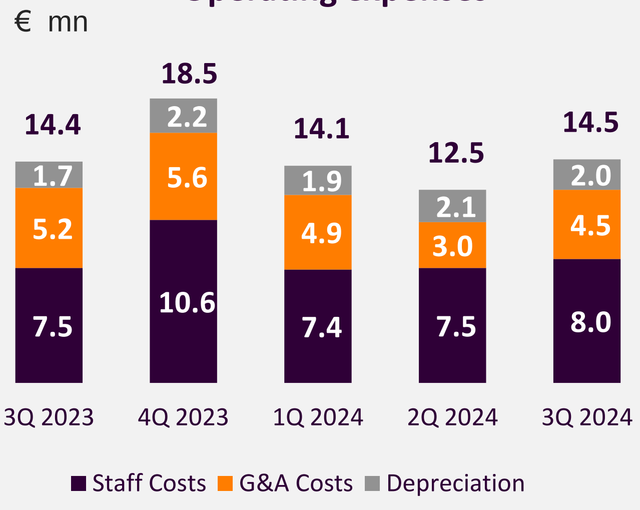
- 9M 2024 NII grew 43% YoY to €141.1mn due to 48% higher loan balances and resilient spreads
- NIM stood at 4.28% vs 4.20% in 9M 2023
- Net fee and commission income grew 30% YoY at €29.3mn, driven by higher loan and asset management fees



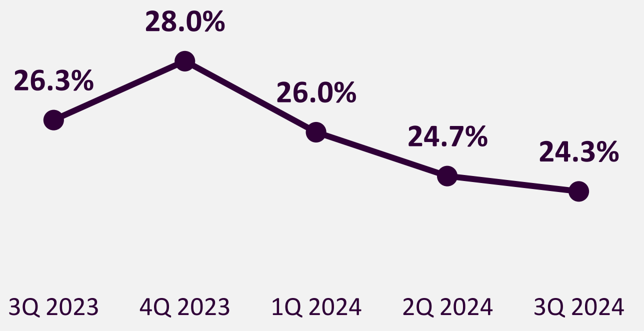


- Operating expenses were 7% higher YoY at €41.2mn. Staff costs were 16% higher YoY, while G&A costs were 10% lower YoY
- Cost to core income fell to 25.0% from 29.9% in 9M 2023

Operating expenses



Cost to core income

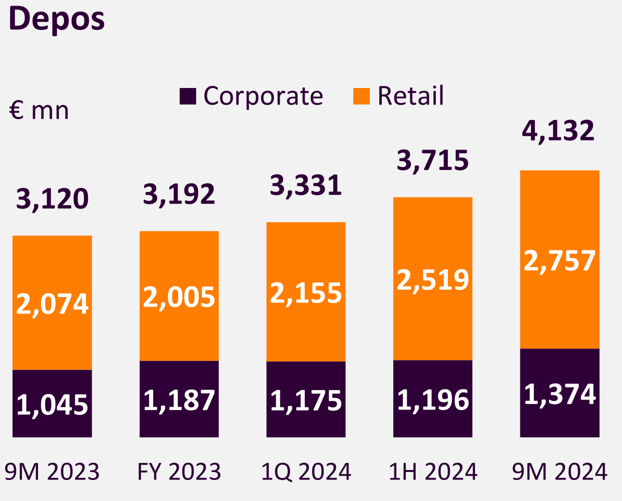


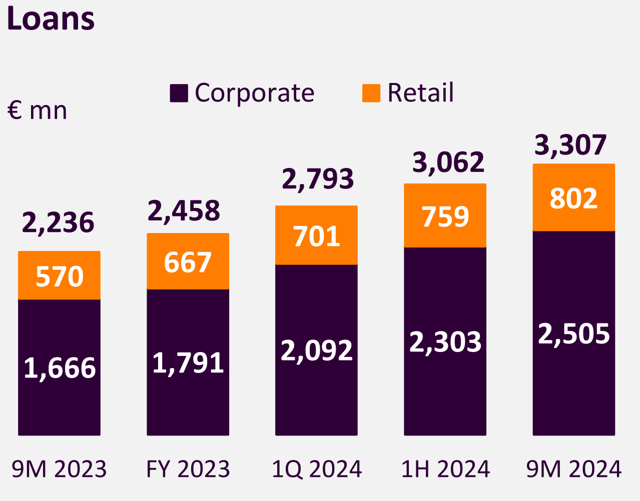
- Cost of risk stood at 50bps compared to 59bps in the same period last year
- Net profit stood at €108.2mn vs €72.1mn in 9M 2023; on a quarterly basis, reported net profit stood at €39.2mn vs €28.0mn in 3Q 2023, an increase of 40%

**2Q 2024 G&A includes €1.4mn one off gain*

Balance sheet

- Gross loans stood at €3.3bn, an increase of 48% compared to 9M 2023
- New disbursements in 9M 2024 stood at €1.9bn compared to € 1.5bn in the same period last year, with the overwhelming majority being corporate loans
- Deposits grew 32% YoY and 11% QoQ at €4.1bn





- Loans to deposits stood at 79.2% from 70.8% in 3Q 2023. Other liquidity metrics remained robust with LCR at 263.0% and NSFR at 129.1%, while the bank retained zero ECB funding
- The NPE/NPL ratios remained at an industry low level of 0.92% and 0.89%. NPE coverage, including collaterals stood at 169%
- CET1 and Total Capital ratio, on a phased in basis, stood at 15.7%, well above the regulatory minimum threshold of 13.10%

Financial highlights

P&L (€m)	9M 2024	9M 2023	% change
Net interest income	141.1	99.0	43%
Net fees	29.3	22.5	30%
Trading & other income	17.7	13.5	30%
Total income	188.0	135.0	39%
Total operating expenses	-41.2	-38.5	7%
Pre-Provision income normalized	146.9	96.6	52%
Impairments	-10.7	-8.7	23%
Profit before tax	136.3	87.8	55%
Profit after tax reported	108.2	72.1	50%
Balance Sheet (€m)			
Total assets	4,921	3,680	34%
Net loans	3,272	2,210	48%
Securities	634	628	1%
Deposits	4,132	3,120	32%
Tangible equity	578	318	82%
KPIs			
NIM	4.28%	4.20%	
NFM	0.89%	0.96%	
Cost to core income	25.0%	29.9%	
Cost of risk	0.50%	0.59%	
NPE ratio	0.92%	0.49%	
CAR phased in	15.7%	11.6%	
RoTE	26.8%	34.3%	

Glossary - Definition of alternative performance measures (APMs)

- Adjusted net profit: Net profit/loss adjusted after adding back one off expenses or deducting one off revenues
- Basic earnings per share (EPS): Net profit attributable to ordinary shareholders divided by the weighted average number of shares
- Common equity tier 1 (CET1): Common equity tier I regulatory capital as defined by Regulation (EU) No 575/2013 as in force. based on the transitional rules for the reported period. divided by total Risk Weighted Assets (RWA)
- Core operating income: The total of net interest income. net banking fee and commission income and income from non banking services
- Cost to core income ratio: Total operating expenses divided by total core operating income.
- Cost to income ratio: Total operating expenses divided by total operating income
- Cost of risk (CoR): Impairment charge in the P&L, annualized, divided by the average net loans over the period
- Earnings per share (EPS) underlying: Net profit attributable to ordinary shareholders excluding one off items, divided by the number of shares that resulted post the latest share capital increase
- Fees and commissions: The total of net banking fee and commission income and income from non banking services of the reported period
- Fully loaded common equity tier 1: Common Equity Tier I regulatory capital as defined by Regulation (EU) No 575/2013 as in force without the application of the relevant transitional rules for the reported period. divided by total Risk Weighted Assets (RWA)
- Gross loans: Loans and advances to customers at amortised cost before expected credit loss allowance for impairment on loans and advances to customers at amortized cost and Loans and advances to customers mandatorily measured at FVTPL
- Liquidity coverage ratio (LCR): total amount of high quality liquid assets over the net liquidity outflows for a 30-day stress period
- Loans to deposits ratio (L/D): Loans and advances to customers at amortised cost divided by due to customers at the end of the reported period
- Impairments on loans: Impairment charge for expected credit loss

Glossary - Definition of alternative performance measures (APMs)

- Net loans: Gross loans and advances to customers at amortised cost after ECL allowance for impairments
- Net interest income: the net interest income from interest bearing assets for the reported period
- Net interest margin (NIM): the net interest income, annualized divided by the average balance of total assets
- Net profit on a recurring basis: Net profit/loss attributable to ordinary shareholders excluding one-off items
- Net stable funding ratio (NSFR): The NSFR refers to the portion of liabilities and capital expected to be sustainable over the time horizon considered by the NSFR over the amount of stable funding that must be allocated to the various assets, based on their liquidity characteristics and residual maturities
- Non performing exposures (NPEs): as per EBA guidelines, non performing exposures are exposures in arrears of more than 90 days past due or for which the debtor is 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
- Non performing loans (NPLs): Loans and advances to customers at amortised cost in arrears for 90 days or more
- NPE ratio: NPEs divided by Gross Loans
- NPL ratio: NPLs divided by Gross Loans
- NPE coverage: ECL allowance for loans and advances to customers divided by NPEs, excluding loans and advances to customers mandatorily measured at FVTPL, at year/period end
- NPL coverage: ECL allowance for loans and advances to customers divided by NPLs, excluding loans and advances to customers mandatorily measured at FVTPL, at year/period end
- Risk weighted assets (RWAs): Assets and off-balance-sheet exposures, weighted according to risk factors based on Regulation (EU) No 575/2013
- Tangible equity: Equity attributable to shareholders less goodwill, software and other intangible assets
- Return on tangible equity (RoTE): net profit annualized divided by average tangible equity for the period
- Return on tangible equity (RoTE) underlying: net profit excluding one off items, annualized divided by average tangible equity for the period

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