

**Attica Bank**

**FY 2014 FINANCIAL RESULTS**

*Strategy Department*

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# *Attica Bank in FY 2014*

# Attica Bank in FY 2014

## Profitability

- 1 Profit before provisions and taxes: 23.4 €m.
- 2 Net Interest Income: + 94.0%
- 3 Total Net Operating Income: + 69.7%
- 4 Net Interest Margin: 2.5%
- 5 Personnel Expenses: -23.5%
- 6 Total Operating Expenses: -15.8%  
(excluding provisions for credit and other risks)

## Loan Portfolio

- 1 Loans before provisions almost stable on a y-o-y basis
- 2 Coverage ratio: 52.3%
- 3 90dpd ratio: 27.9% of gross loans (excluding restructurings)
- 4 Stock of provisions: + 25.2%

## Capital

- 1 Common Equity Tier I ratio (CET 1): 7.1 %
- 2 Tier I Capital Ratio (Tier I): 9.2%
- 3 Capital Adequacy Ratio: 9.7%

<i>amounts in euro millions</i>	FY 2014	FY 2013	Change %
Total Loans before provisions	3,739.4	3,736.9	0.1%
Stock of Provisions	546.3	436.4	25.2%
Deposits	3,254.3	3,312.5	-1.8%
Assets	3,956.3	4,054.6	-2.4%
<i>amounts in euro millions</i>	FY 2014	FY 2013	Change %
Total Net Operating Income	121.7	71.7	69.7%
Total Operating Expenses (excluding provisions for credit and other risks)	98.3	113.9	-15.8%
Personnel Expenses	49.5	64.7	-23.5%
Profit/loss before provisions for credit risk and taxes	23.4	-42.2	
Provisions for credit and other risks	113.4	111.1	
Profit / (loss) before taxes	-90.0	-153.3	
Taxes	40.1	41.1	
Profit / (loss) after taxes	-49.9	-112.3	

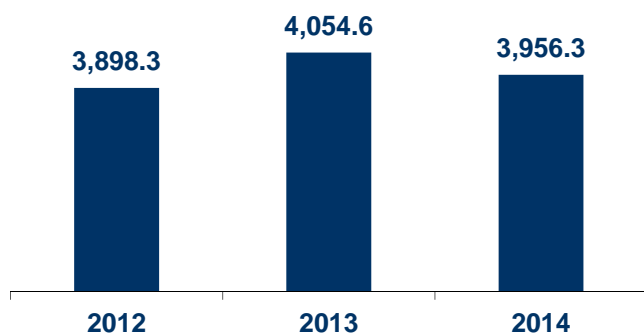
Data on a consolidated basis

# ***Attica Bank in FY 2014***

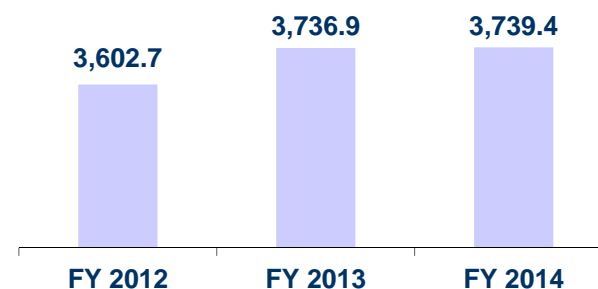
## ***Assets-Loan Portfolio***

# Assets, Deposits

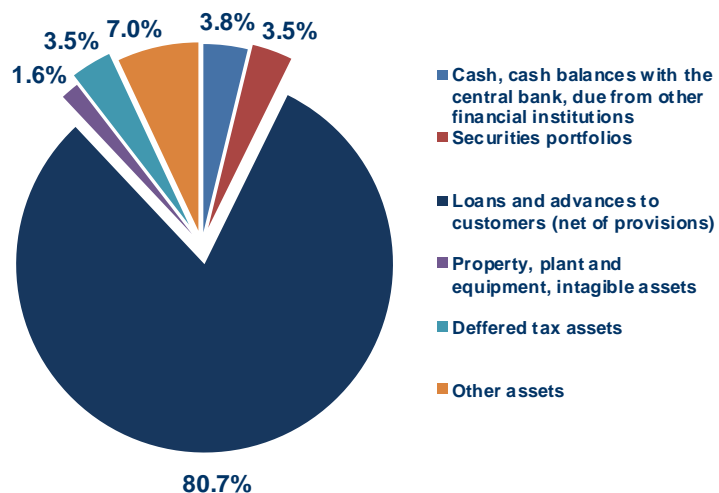
Total Assets, FY 2012 - FY 2014



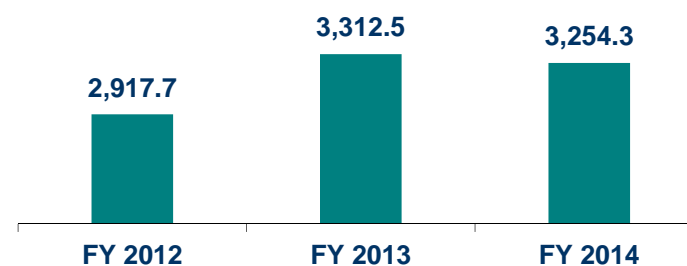
Loans before provisions, FY 2012- FY 2014



Breakdown of Total Assets, (as at 31.12.2014: €3.96 bn.)



Due to Customers, 2012 - 2014



Loans (after provisions) / Due to customers

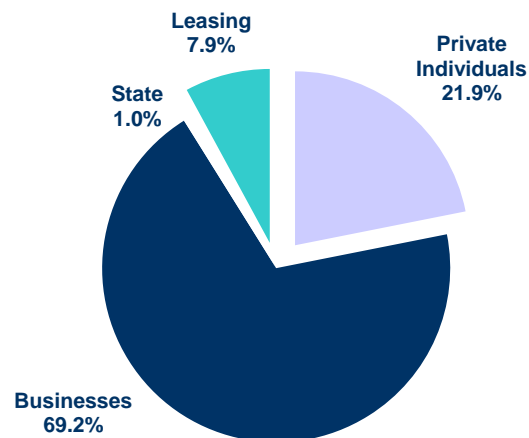
	FY 2012	FY 2013	FY 2014
Loans (after provisions) / Due to customers	111.1%	99.6%	98.1%

For the most part of 2014 deposits increased steadily. However context-specific developments and elevated uncertainty affected the balances of deposits at the end of the year.

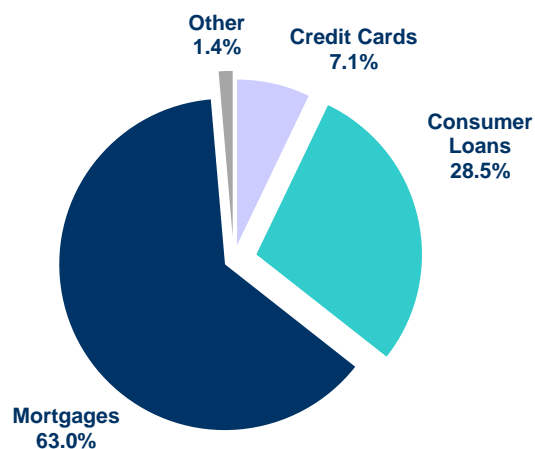
Data on a consolidated basis

# Loan Portfolio

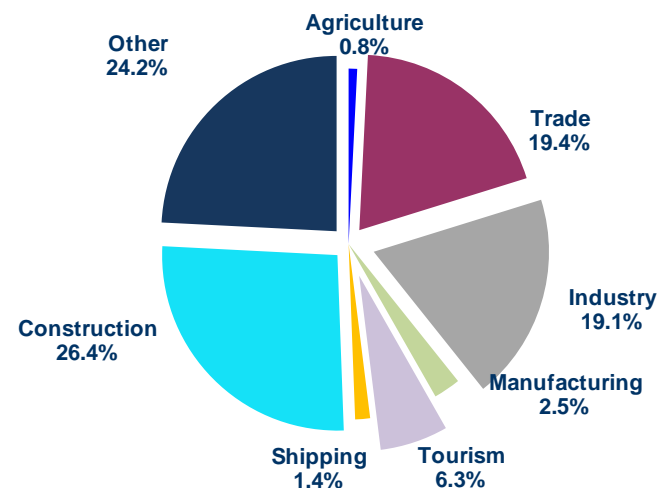
Breakdown of the loan portfolio by type, FY 2014  
(Loans before provisions: €3.74 bn.)



Loans to Private Individuals by type, FY 2014  
(Total : €0.82 bn.)



Loans to businesses by sector, FY 2014  
(Total : €2.6 bn.)



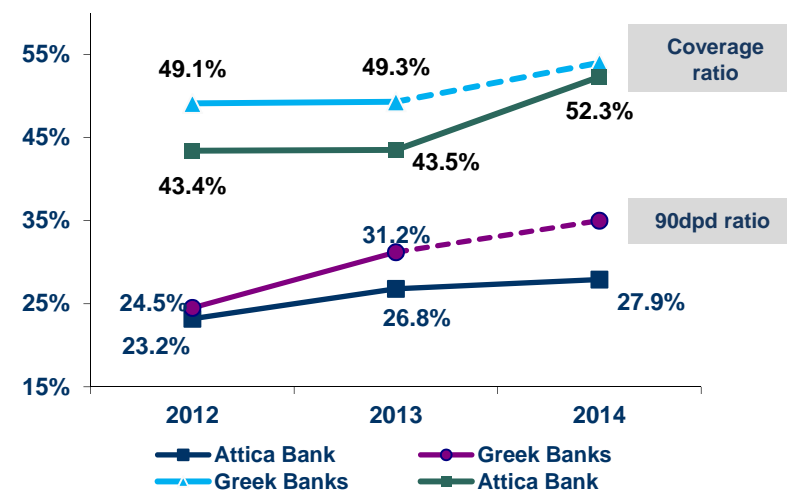
Data on a consolidated basis

# Credit Risk Management Indicators

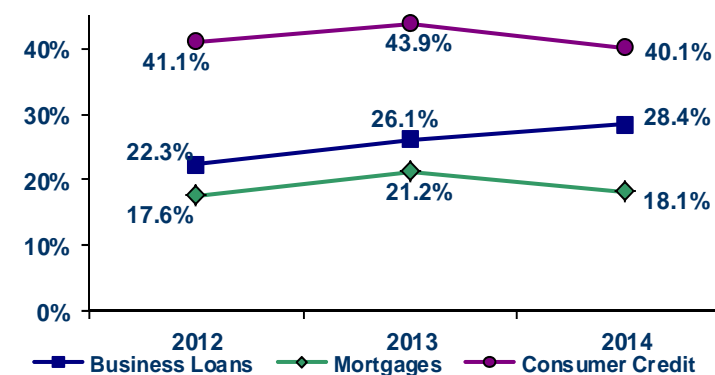
## Non Performing Exposures

	2014	2013
IFRs NPLs, %	28%	27%
Cash Coverage	52%	44%
Collateral Coverage	59%	55%
<b>Total Coverage</b>	<b>111%</b>	<b>99%</b>
Impaired, %	35%	33%
Cash Coverage	41%	35%
Collateral Coverage	51%	63%
<b>Total Coverage</b>	<b>93%</b>	<b>98%</b>
NPEs, %	44%	36%
Cash Coverage	33%	32%
Collateral Coverage	59%	65%
<b>Total Coverage</b>	<b>92%</b>	<b>97%</b>

## 90dpd - Coverage ratios\*



## 90dpd ratio evolution by segment, Attica Bank



\* Excluding restructurings. Data for the Greek banking system for Dec. 2014 refer to estimates.

Data on a consolidated basis

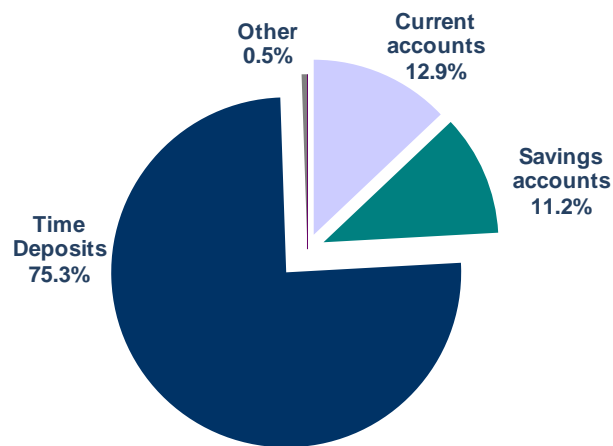


# ***Attica Bank in FY 2014***

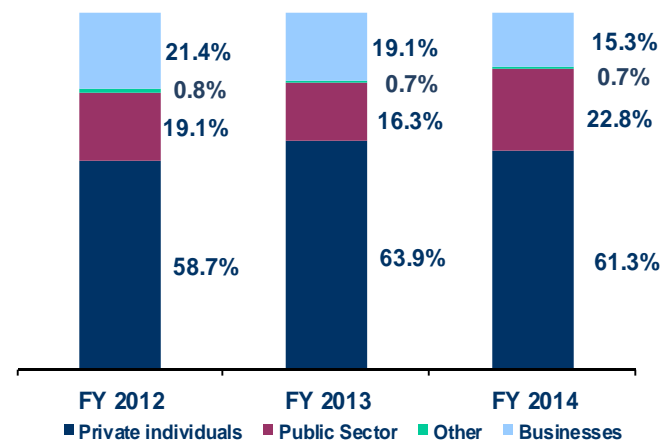
## ***Deposits, Funding***

# Customer Deposits, Funding

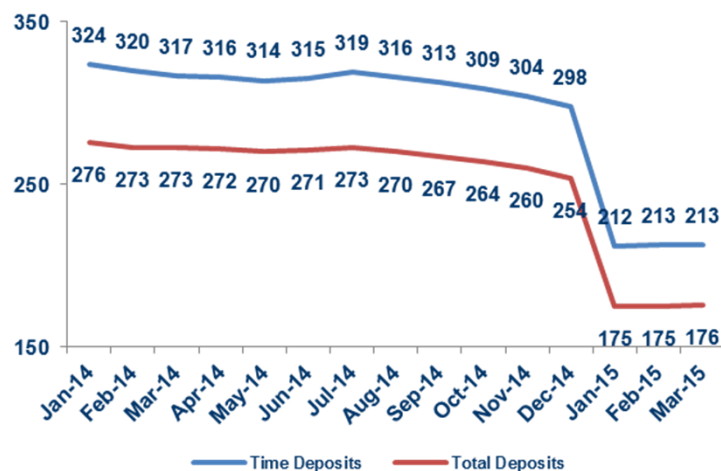
Breakdown of due to customers per type, FY 2014



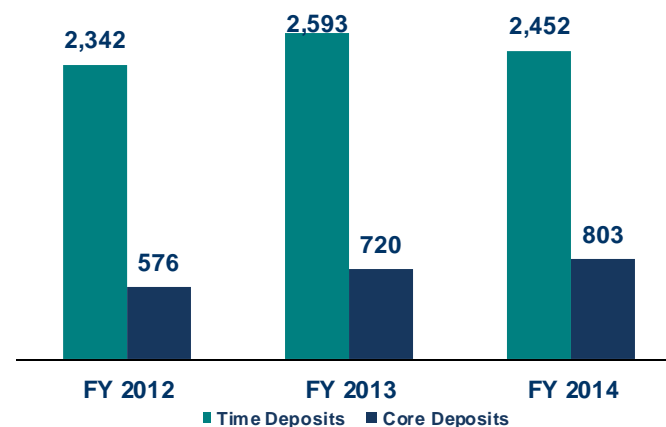
Breakdown of due to customers per type of customer, FY 2012 - FY 2014



Cost of Deposits 01/2014 - 03/2015 (bps)



Time and Core Deposits, FY 2012 – FY 2014



Data on a consolidated basis

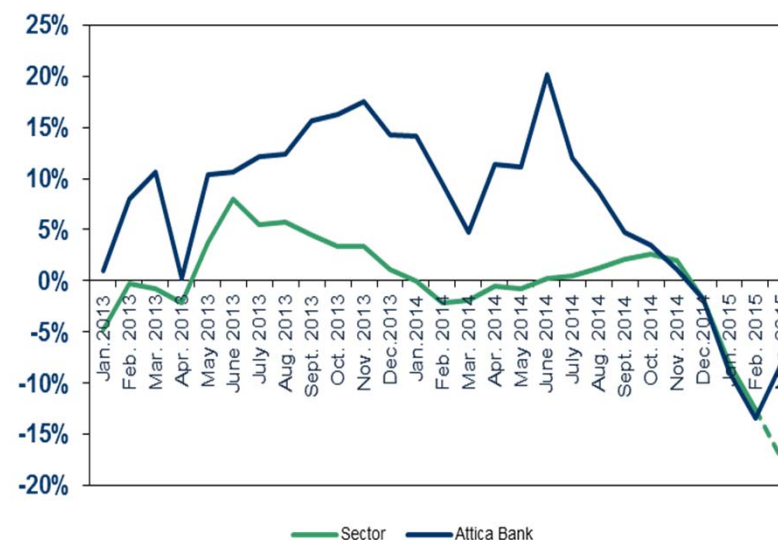
# Liquidity, Deposits

## EuroSystem Funding

The Bank's reliance on the ECB and ELA as a percentage of total assets in recent years has been lower than the system average and as at 28.02.2015 stood at 10.87% of total assets against a sector average of 26.31%.

ECB & ELA Funding, % of Total Assets		
	Sector	Attica Bank
31/12/2013	17.95%	3.69%
31/3/2014	15.02%	4.22%
30/6/2014	11.34%	2.49%
30/9/2014	10.81%	2.55%
31/12/2014	14.39%	4.33%
28/2/2015	26.31%	10.87%

## Deposits: y-o-y changes (%)\*



In 2014 the deposits balances of the Bank improved at a faster pace when compared to the banking sector average.

In the period from December 2014 to March 2015, the Bank's deposits have decreased at a slower pace than the system average (- 9% against a sector average of an estimated - 17%).

\* Data for the Greek banking system for March 2015 refer to estimates.

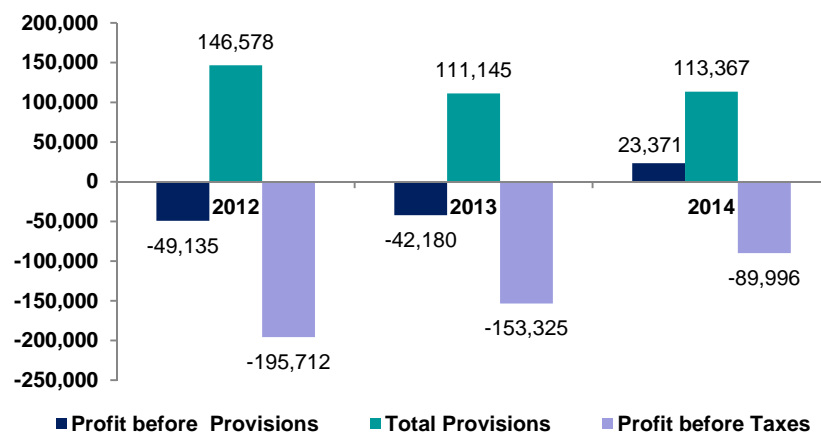
Data on a consolidated basis

# ***Attica Bank in FY 2014***

## ***Profit & Loss Account***

# Profit & Loss account, Operating Income

P & L Evolution (euro 000s)

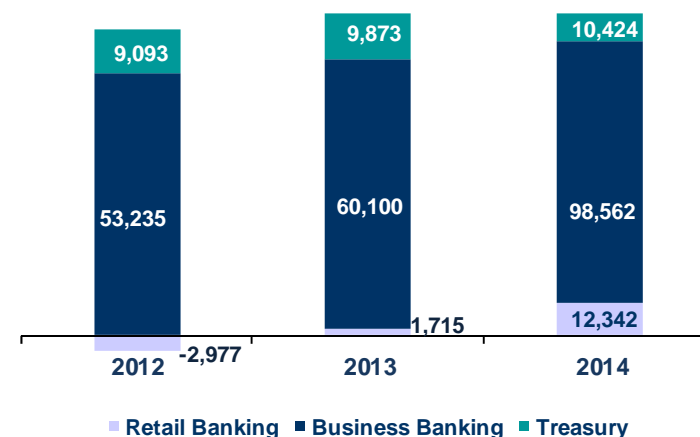


The Group had a pre-provision profit of 21.4 million euros in 2014, against loss of 42.2 million euros in 2013 and 49.1 in 2012, driven mainly by the significant increase of net interest income due to the reduced cost of funding and the containment of operating expenses.

Operating income by source (euro 000s)

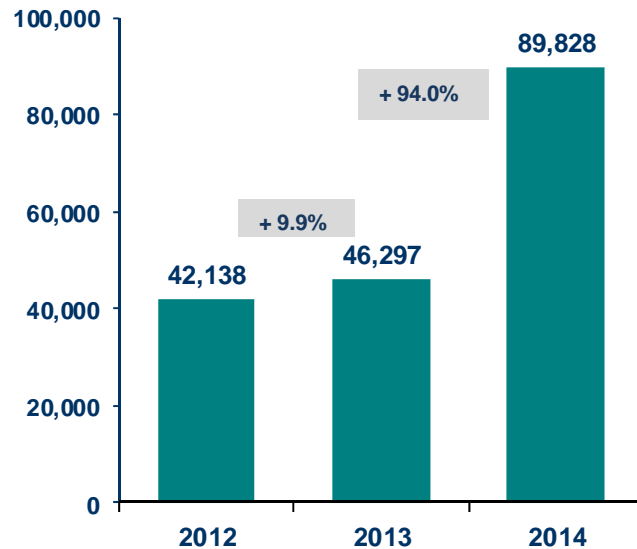
OPERATING INCOME	2012	2013	2014
Net interest income	42,138	46,297	89,828
Net fee and commission income	19,278	20,151	20,005
Gain/ loss from securities	1,273	7,837	8,435
Other income	-3,338	-2,598	3,060
<b>Total</b>	<b>59,351</b>	<b>71,688</b>	<b>121,328</b>

Operating income by segment (euro 000s)

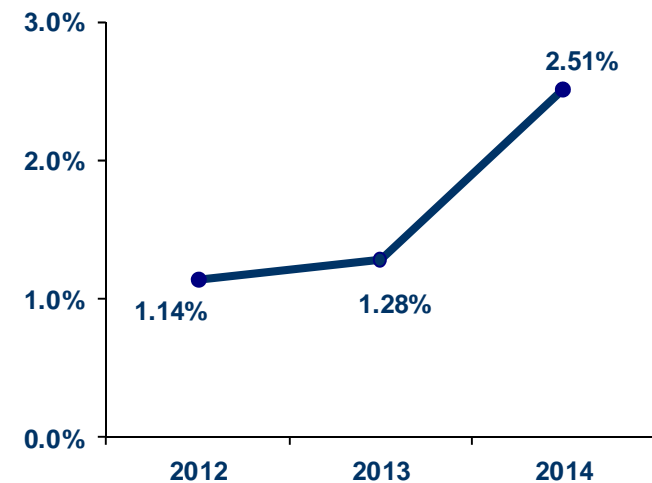


## Net Interest Income – Net Interest Margin

Group Net Interest Income (euro 000s)



Group Net Interest Margin (NIM)



The Group Net Interest Income in 2014 increased by 94% on a year-on-year basis.

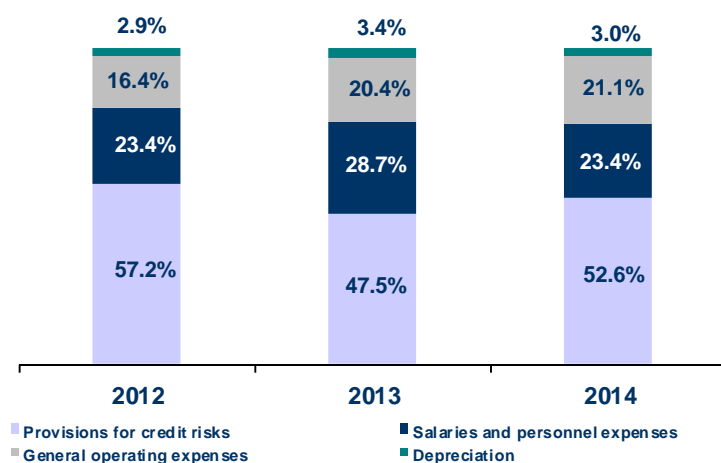
The NIM (Net Interest Income / Average Interest - bearing Assets) increased to 2.51% in 2014 (2013:1.28%, 2012:1.14%).

# Operating Expenses

## Cost / Income Ratio (excl. provisions)



## Operating expenses breakdown



## Breakdown of general operating expenses

	2012	2013	2014
Rents	17.6%	15.3%	13.8%
Advertising and promotion expenses	2.5%	2.8%	3.9%
Telecommunication expenses	5.6%	5.1%	4.9%
Repairs and maintenance	4.5%	2.9%	2.8%
Utility Services	3.5%	3.3%	3.3%
Third party fee and expenses	13.0%	18.2%	21.0%
Legal expenses	6.4%	6.5%	5.8%
Visa expenses	4.4%	3.5%	3.7%
Other	42.4%	42.5%	40.9%
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

	2012	2013	2014
Number of Branches	80	80	70
Group Employees	1,037	932	899

# *Attica Bank in FY 2014*

## *Capital*



# Shareholding and capital structure

## Shareholders

ETAA – TSMEDE	50.67%
Other shareholders	49.33%

- **ETAA:** The pension fund insuring professionals (civil engineers, lawyers, doctors etc.). **TSMEDE:** Pension fund of the construction sector (engineers and public works contractors) with about 110,000 members and 21,000 pensioners. Part of ETAA since 2008.

- **Free Float:** About 20,000 shareholders. No single shareholder holds more than 5% of common shares.

## Capital Structure

### 1. Share capital of 413.9 million euros and is divided into:

- 1.045.794.145 Common Shares, with a nominal value of € 0.30 each, listed on the Athens Stock Exchange.
- 286,285,714 Preference shares, with a nominal value of € 0.35 each, issued under the Government Support Scheme in 2009 and held by the Greek State.

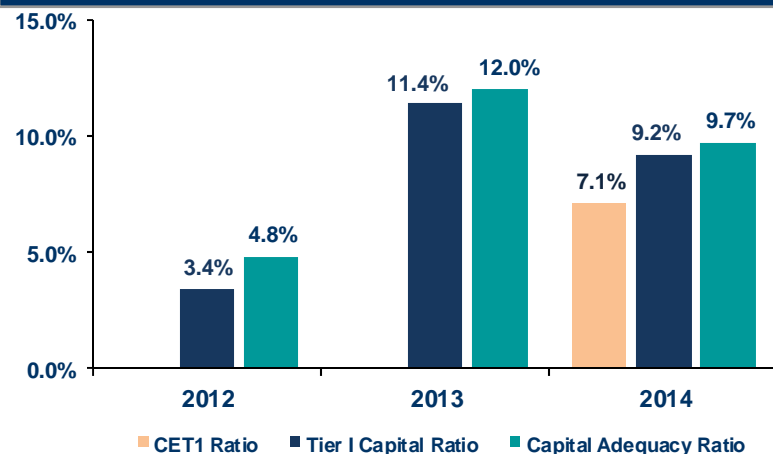
### 2. Contingent convertible bond of current outstanding balance of 95.6 million euros converting into 318.6 million common shares of the Bank:

- In full in 2018
- At the option of the bond holders twice a year
- Compulsorily in the case of a capital contingency event

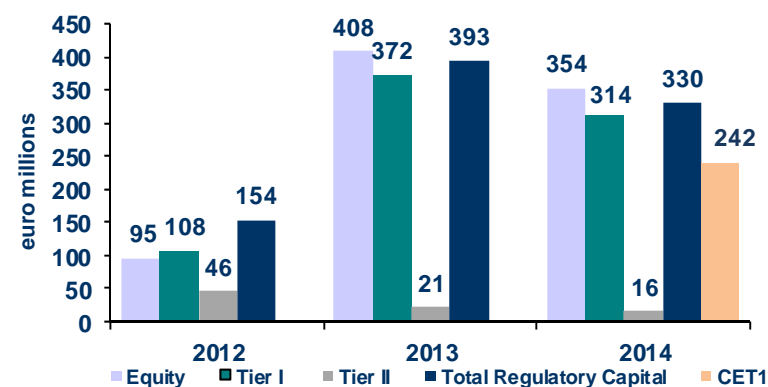
### 3. Lower Tier II bond of outstanding balance of 79.3 million euros matured in March 2015.

# Capital position

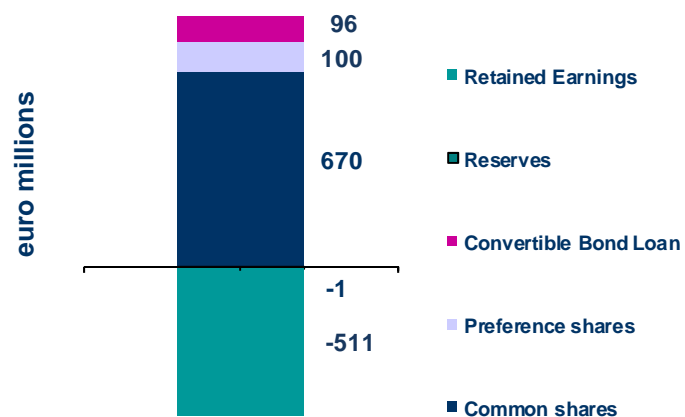
## Capital Adequacy Ratios



## Capital

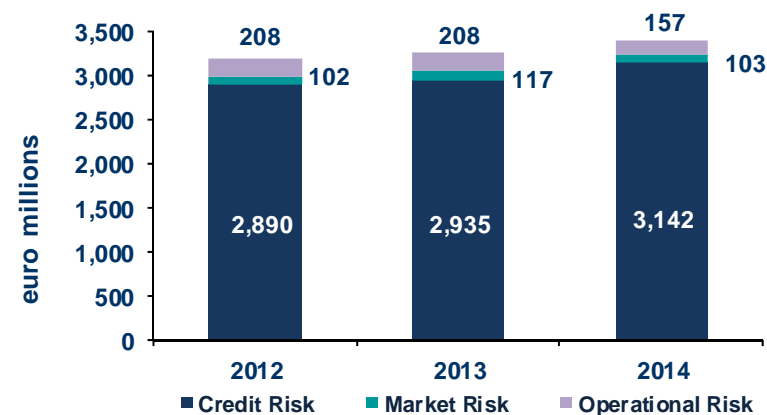


## Equity Breakdown



2014

## Risk Weighted Assets



Data on a consolidated basis.

## Share Capital Increase

In March 2014, the Bank of Greece published the results of its capital needs assessment of Greek Banks.

Attica Bank is currently in the process of raising 433.4 million euros to cover the adverse scenario of the exercise.

**Summary of capital needs calculation in the Adverse Scenario**  
(June 2013 – December 2016; consolidated basis)

(million euro)

Banks	Reference Core Tier 1 capital (June 2013) (A)	Loan loss reserves (June 2013) (B)	CLPs for Greek risk (C)	CLPs for foreign risk (D)	Internal capital generation (E)	Stress Test Core Tier 1 capital (Dec. 2016) (F)	Capital needs (G) = (F) - (A) - (B) - (C) - (D) - (E)
Alpha	7,380	10,416	-15,720	-3,238	3,172	2,570	560
Eurobank	2,228	7,000	-10,522	-2,001	25	1,710	4,980
NBG	4,821	8,134	-9,509	-3,536	656	3,068	2,502
Piraeus	8,294	12,362	-17,183	-2,832	1,831	3,228	757
Attica	225	403	-1,000	0	77	139	434
Panellinia	61	66	-260	0	-35	17	186
<b>Total</b>	<b>23,009</b>	<b>38,380</b>	<b>-54,195</b>	<b>-11,606</b>	<b>5,726</b>	<b>10,732</b>	<b>9,418</b>

Source: Bank of Greece.

# *Appendix*

## Group Results by Segment

(euro millions)	Retail	Business Banking	Investment Banking & Treasury	Retail	Business Banking	Investment Banking & Treasury	Retail	Business Banking	Investment Banking & Treasury	2013	2014	Change %
<b>Operating Income</b>	<b>-3.0</b>	<b>53.2</b>	<b>9.1</b>	<b>1.7</b>	<b>60.1</b>	<b>9.9</b>	<b>12.3</b>	<b>98.6</b>	<b>10.4</b>	<b>71.7</b>	<b>121.3</b>	<b>69.2%</b>
- Net interest income	-50.77	103.83	-10.93	-45.80	97.06	-4.97	-30.05	116.71	3.17	46.3	89.8	94.0%
- Net fee and commission income	2.97	16.55	-0.23	2.93	18.39	-1.16	2.63	17.82	-0.44	20.2	20.0	-0.7%
- Income from trading & other income	-0.24	-2.90	1.07	-0.27	-2.28	7.79	2.10	4.25	5.15	5.2	11.5	119.4%
- Adjustment between segments	45.06	-64.25	19.19	44.86	-53.07	8.21	37.66	-40.21	2.56			
Income from investments in associates	0.00	0.00	-1.45	0.00	0.00	0.00	0.00	0.00	0.37	0.0	0.4	
Profit / (loss) before taxes	-52.19	-130.02	-9.80	-44.27	-106.53	-2.52	-16.86	-79.85	6.72	-153.3	-90.0	-41.3%
Taxes										41.1	40.1	-2.5%
Profit / (loss) after taxes										-112.3	-49.9	-55.5%
Provisions for credit risks and securities impairment	-25.14	-105.24	0.00	-16.17	-83.38	0.00	-8.03	-101.97	0.00	-99.5	-110.0	10.5%
Provisions for PSI	0.00	0.00	-12.51	0.00	0.00	-7.36	0.00	0.00	-1.25	-7.4	-1.3	-83.0%
Depreciation	-1.65	-5.35	-0.35	-1.59	-5.70	-0.33	-1.35	-4.85	-0.18	-7.6	-6.4	-16.2%
Total Assets	840.43	2,719.02	338.82	816.34	2,856.73	381.50	808.04	2,900.35	247.91	4,054.6	3,956.3	-2.4%
Total Liabilities	-2,189.54	-1,517.71	-94.69	-2,279.95	-1,285.67	-79.26	-2,161.92	-1,360.10	-79.26	-3,644.9	-3,601.3	-1.2%

## Key financial ratios, FY 2012 – FY 2014

	Bank			Group		
BALANCE SHEET STRUCTURE	2014	2013	2012	2014	2013	2012
Due to Customers / Loans and Advances to customers (before provisions)	87.40%	89.05%	81.37%	87.03%	88.64%	80.99%
Due to customers / Total Assets	82.48%	81.95%	75.04%	82.26%	81.70%	74.85%
Loans and Advances to customers (after provisions) / Total Assets	80.59%	81.29%	82.97%	80.71%	81.40%	83.14%
Total Equity / Total Assets	8.82%	9.96%	2.35%	8.97%	10.10%	2.47%
Total Equity / Due to Customers	10.70%	12.15%	3.13%	10.91%	12.37%	3.30%
EFFICIENCY						
Profit before taxes / Average Equity (RoAE)	-24.15%	-62.39%	-111.04%	-23.54%	-60.60%	-108.04%
Profit before taxes / Average Total Assets (RoAA)	-2.27%	-3.89%	-4.75%	-2.25%	-3.86%	-4.76%

## Key financial ratios, FY 2012 – FY 2014

	Bank			Group		
	2014	2013	2012	2014	2013	2012
Total operating expenses less provisions / Total Assets	2.45%	2.80%	2.66%	2.54%	2.91%	2.75%
Operating expenses less provisions / Total operating income	82.78%	172.57%	190.06%	82.79%	164.75%	180.35%
NPL ratio (>90 days in arrears excuding restructurings)	27.90%	26.80%	23.20%	27.90%	26.80%	23.20%
Provisions / Loans in arrears > 90 days excluding restructurings	52.34%	43.51%	43.38%	52.34%	43.51%	43.38%
CET I	7.00%			7.10%		
Tier I Capital Ratio (Tier I)	9.10%	11.30%	3.30%	9.20%	11.40%	3.40%
Capital Adequacy Ratio	9.60%	11.90%	4.70%	9.70%	12.00%	4.80%

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