

**Press Release****ATTICA BANK GROUP  
Q1 2014 Financial results**

**Profit before provisions of 21 million euros  
against losses of 10 million euros in Q1 2013  
Significant increase of net interest income  
Operational cost containment  
Equity of 414.5 million euros  
Total capital adequacy ratio: 11.8%**

**Statement of the Management:**

*"Following its successful recapitalisation through private sector capital last July, Attica Bank has submitted a capital plan to cover the capital needs identified following the capital needs assessment of the Bank of Greece, published in the first quarter of 2014.*

*The Bank's financial figures and results for Q1 2014 reflect the positive effects of internal reorganisation actions, validate the estimates that had already been expressed based on the Bank's planning, and confirm the Bank's ability, along with the support of its major shareholder, ETAA-TSMEDE, to continue on its autonomous course.*

*As far as the financial figures of Q1 2014 are concerned, along with the Bank's return to organic profitability, what should also be stressed is the improvement of the quality of the loan portfolio and of the NPL coverage ratios resulting from the internal restructuring that has taken place in the Group over the past years and the optimal monitoring and management of credit risk. This is a process that constitutes a key choice of the Bank and is going to be improved further in the future and reflect on the results of the Group as the need to form new provisions will be contained.*

*During the first quarter of 2014 the Group of Attica Bank managed to return to organic profitability and create capital internally. Profit before provisions for the Group was 21 million euros against losses of 10 million euros in Q1 2013, which confirms the improvement of the operating conditions of the Group. The Group displayed a profit after provisions and taxes, too. What is also important is the fact that income from all sources improved, which, combined with further reduction of operating costs will lead the Group to achieving internal capital generation as a necessary condition for its sustainable growth and autonomy.*

*The key financial figures of the Group improved on a year-on-year basis: Total Assets were up by 5.8%, loans before provisions were up by 3.6% and deposits increased by 5.5%. At the same time, operating costs were down by 5.4%. This fact along with the significant improvement of income allowed the formation of new provisions of 18.5 million euros (+ 13.3% against Q1 2013). The formation of new provisions combined with the slow down of the NPL formation rate (NPLs stood at 24.6% of total loans as at 30.3.2014) led to a NPL coverage ratio of 49.2% on 31.3.2014 (up by about 13% against 31.12.2013). The Tier I capital ratio and the total capital adequacy ratio stood at 11.6% and 11.8% respectively.*

*Attica Bank has submitted a comprehensive capital plan to the regulating authorities, which identifies the sources of internal capital generation by taking advantage of all existing possibilities. This, along with the expansion of the shareholder base and the raising of new capital with the participation of international investors, will lead to the coverage of the needs identified in the recent capital needs assessment of the Bank of*

*Greece. The financial results of the first quarter of 2014 and the strengthening of the Bank's extrovertedness along with the implementation of modern management principles identify positive prospects for the implementation of the Bank's business plan.*

*According to the Bank's updated business plan, 2014 is going to be a year of improved operating results as a consequence of lower financing costs and lower operating costs. Special emphasis is placed in the new business plan on managing risks with the aim of reducing NPLs and reducing the need for the formation of additional provisions".*

### **Key Financial Figures**

- The pre-tax result of the Group for Q1 2014 was a profit of 2.8 million euros, against a loss of 25.9 million euros in Q1 2013. Respectively, the result after taxes for Q1 2014 was a profit of 0.6 million euros, against a loss of 18.7 million euros in Q1 2013. Profit before provisions and taxes amounted to 21 million euros, against a loss of 10 million euros in Q1 2013. Total comprehensive income after tax, which represents the internal capital generation of the Bank in Q1 2014, was positive at 4.7 million euros against a loss of 12.3 million euros in Q1 2013.
- The Group's equity amounted to 414.5 million euros
- The Total Assets of the Group reached 4.03 billion euros
- The NPL ratio (loans in arrears for more than 90 days) stood at 24.6% as at 31/03/2014
- Provisions for bad loans amounted to approximately 19 million euros. The stock of provisions stood at 455 million euros versus 374 million euros in Q1 2013. The coverage ratio (loans in arrears more than 90 days) as at 31.03.2014 stood at 49.2 %.
- Net Interest income for the Group reached 28.3 million euros, reflecting a significant increase over Q1 2013, as a result, among other things, of a lower cost of deposits and the Bank's disengagement from the Emergency Liquidity Assistance (ELA), accomplished right after the successful recapitalization of the Bank in 2013
- Total income from operating activities for the Group stood at 41.8 million euros, presenting a remarkable increase over Q1 2013
- Personnel expenses were 11.7 million euros, down by 12.3% on a year-on-year basis
- The Total Capital Adequacy ratio was 11.8%, considerably higher than the minimum levels set by the Bank of Greece.

According to the results of the capital needs assessment exercise performed by the Bank of Greece, the capital needs for Attica Bank for the period from July 2013 to December 2016 were calculated at 397 million euros according to the baseline scenario of the exercise which especially for Attica Bank approaches the results of the adverse scenario. According to the adverse scenario the capital needs of Attica Bank are estimated at 434 million euros. The Management of the Bank, with the strong presence of its main shareholder, along with the expressed will of the shareholders to broaden the Bank's shareholder base and raise new capital, is in process of attracting new investors to join its main shareholder and it is estimated that the Bank will be able to cover its projected future capital needs. At the same time the Bank has

submitted a new capital plan to the regulating authorities and has initiated all necessary actions to generate capital internally.

**ATTICA BANK S.A.**

**Note:** The Financial Statements of Attica Bank on a stand-alone and consolidated basis according to I.F.R.S will be published on 30/05/2014 and will be posted on the Bank's website, [www.atticabank.gr](http://www.atticabank.gr)