

12 month Financial Results

FY 2021 GROUP FINANCIAL RESULTS

- Significant Net Commission Income increase by 69% yoy
- Decrease of financing cost by 16% on annual basis
- Increase of Core Banking Income (excl. results from financial investment transactions) by 4.7% compared to the comparative year.
- Increase of deposits by 4.3% yoy
- Credit Expansion in 2021 with new financing and refinancing increased by 12% compared to the comparative period, amounting to €361 mln
- 11.2% of the performing loan portfolio (before provisions) relate to covid-19 exposures
- IFRS NPE ratio stands at 33.6% and NPE Cash Coverage Ratio at 45.5%.
- CET1 at 8.3% and CAD at 11.84%

Management Statement

In 2021, Attica Bank concluded successfully the share capital increase of €240 mln as well as the enhancement of its capital and liquidity ratios. 2022 is expected to be a milestone year for Attica Bank in its course up today, as according to the shareholders' agreement – TMEDE, Rinoa/Ellington Solutions S.A. and HFSF – for the further capital enhancement and privatization of the Bank, setting the bases for achieving its main business objectives for the period 2022- 2024, that will contribute which will fundamentally contribute to the sustainable transformation and development of the Bank. In this context, the Bank is facilitated to focus on pure banking operations, enhancing the credit expansion of enterprises and households and, consequently, financing the real economy.

During the previous year, Attica Bank has focused its business plan on the modernization of key areas such as the improvement and upgrading of IT infrastructure, the digital transformation and the automation of processes. The conclusion of strategic alliances with companies of recognized prestige in the context of optimizing the internal infrastructure of the Bank and the creation of a restructuring framework that will help the Bank play an important role in the domestic banking market in the forthcoming years.

For 2021, new financing and refinancing amounted to €361 mln resulting in a significant increase in fee and commission income. Particularly, there was a significant improvement in almost all operating lines. Net commission income showed a remarkable increase of 69% on annual basis (including non-recurring commission income of €5.5 mln) with the largest improvement being achieved through the increase of lending income by 55%, while the cost of financing of the Bank's operations continued its downsize trend during the last quarter of 2021. Additionally, Attica Bank continued to improve its liquidity and presented a substantial increase as customers' deposits' balances improved on an annual basis by 4.3%.

During the first months of 2022, Attica Bank planned additional actions to further enhance its regulatory capital. More specifically, the Management of the Bank has decided on the sale of the POS (merchant acquiring) business and the active utilization of its investment property.

Moreover, in April 2022, the Management of the Bank received a letter from the main shareholders TMEDE, Rinoa Ltd – Ellington Solutions S.A. and HFSF, which outcomes, on the basis of their agreement, the intention of the main shareholders for a second investment in the context of covering any possible losses to restore the capital adequacy ratios and the capital enhancement, so as the Bank is in place to implement its growth plan in the base of its strategic business plan, which among other assumes, the reduction of NPEs to a single digit number.

2022 will be a milestone year for Attica Bank with the completion of the securitization evaluation process and the implementation of the individual actions of the main shareholders' agreement. In this context, the rationalization of the Balance Sheet will be achieved and capital funds will be released, which will be channeled for the development of the Bank's operations and the significant increase of its loan portfolio.

In addition, it is noted that for 2022 the prospects of the Greek economy appear attractive despite the escalation of the international energy crisis, the increasing inflation and growing geopolitical tensions as a result of the Russian invasion of Ukraine and global supply and demand conditions. Although the magnitude of the impact of the geopolitical turmoil on the domestic economy cannot be accurately estimated, the country is expected to grow significantly in the coming years, also benefiting from access to European Recovery and Resilience Fund (RRF) funds.

Balance Sheet Highlights

- Attica Bank continued to support its customers throughout 2021. The Bank participated in all state-guaranteed sponsored programs for the benefit of its customers and at the same time increased funding in order to support the real economy.

Loan-book composition

- Gross Loans amounted to €1.66 bln. New financing and refinancing stood at c. €361 mln, out of which €334,0 mln concern corporate and €27.1 mln retail loans that is expected to increase further in the coming quarters as a result of the Bank's strategy for financing investments mainly in the energy, infrastructure and tourism sectors.

Strong liquidity and funding capacity

- Eurosystem funding stood zero at the end of 2021 from €155mln in FY 2020.
- As at 31.12.21, deposits' balances amounted to €2.92 bln, increased by c. €120 mln and by 4.3% yoy, while currently, customer deposits already exceed €3.01 bln, reflecting the positive developments in the domestic market.
- The increase in deposits reflects the inflows of deposits mainly from individuals amounting to €86 mln and from companies amounting to €85.2 mln on an annual basis.

Increase of deposits by +4.3% yoy with lower cost

- Current and savings accounts stood at €1,096 mln and time deposits at €1,814 mln.
- At the same time, the average cost of deposits decreased further by 0.29 bps compared to FY 2020, while a further decrease was observed in the average cost of time deposits by 0.33 bps. The significant improvement in liquidity has made the Group more focused on cost management, in an effort to strike a balance between attracting deposits and reducing interest expenses.
- As a result, gross loans to deposits ratio stood at 56.7%, while the LCR stood at 256%, well above the supervisory threshold.

Full Coverage of Share Capital Increase

- In December 2021, the Bank successfully completed the full coverage of the share capital increase, amounting to €240 mln.
- In April 2022, and following their letter dated 13.12.2021, the Bank received a letter from the main shareholders TMEDE, Rinoa Ltd – Ellington Solutions S.A. and HFSF relating to the basic terms of their agreement and their intention to proceed to a second investment in the Bank, up to € 365 mln, through a second share capital increase and, if required, to a third capital injection and / or additional alternative actions.

Capital Restoration Plan

- The process until the receipt of the preliminary credit rating is on going and the relevant reports are expected during the two-month period of June - July 2022.
- Due to the fact that all the required procedures are still in progress, at this point the Bank's Management cannot make a reliable assessment of the value of the high repayment bonds of Omega, Astir 1 and 2 securitizations, and consequently to reliably measure the amount of additional impairment losses that may arise if the Bank continues with Omega, Astir 1 and 2 securitizations' management strategy so to obtain the required minimum credit rating (BB-).
- During the first months of 2022, Attica Bank also proceeded with additional actions to further enhance its regulatory capital. More specifically, the Bank's management envisages the sale of the POS activity (estimated positive effect of 80 basis points on the CET1) and the active utilization of its investment property (estimated positive effect of 30 basis points on CET1 terms).

Group's Efficiency

- The Bank for 2021 presented an operating result before provisions, a loss of € 25.1 million mainly due to the reduction of interest income and the significant reduction resulting from the results of financial operations and investment portfolio of the Bank.

**Reducing
financing costs
keeps revenue
base rather
stable**

- Net interest income decreased by 16.2% compared to the corresponding comparative period of 2020. This negative impact is mainly related to the reduction of interest income by 12.4% from loans and receivables as a result of large repayments during 2021, which decrease was partially offset by the lower financing cost of the Bank's operations by 16% compared to the comparative period of 2020. The reduction of financing costs is the result of the revaluation of deposit products as well as the de-escalation of financing costs by liquidity-raising mechanisms.

**Remarkable
Increase of
Commission
Income**

- Fee and Commission Income amounted for 2021 to €21.4 mln, a remarkable performance throughout the year. Moreover, for the last two quarters of 2021, commission income increased by approximately €15 mln, +222% compared to the revenue generated in the first half of the year. Key contributors to the significant increase were the granting of new loans and letters of guarantee as well as the income from transactions via credit cards.

**Reduction of
Personnel
Expenses yoy.
Cost Base
rationalization.**

- Attica Bank's personnel expenses decreased by 3.4% on an annual basis, as it reflects savings from human resources' restructuring actions. Moreover, Attica Bank proceed with a Voluntary Exit Plan, with the participation of 64 employees with the annual savings to be estimated at about € 2.6 mln.

**New Voluntary
Exit Plan**

- On March 9, 2022, the Bank announced a new voluntary exit plan. The participation in this program amounted to 104 people, which corresponds to about 14% of the total staff of the Bank. The annual savings amount to 4.5 million euros.

Profit & Loss Statement

<i>All amounts in EUR mln</i>	<i>Dec-21</i>	<i>Dec-20</i>	<i>Δ EUR</i>	<i>Δ %</i>
Net Interest Income	45.49	54.29	-8.80	-16.2%
Net Fee & Commission Income	10.54	1.58	8.96	568.4%
Total Operating Income	53.34	72.71	-19.37	-26.6%
Total Operating Expenses	-78.47	-72.65	-5.82	8.0%
Pre Provision Income	-25.13	0.05	-25.19	-47,697.6%
Results from the transfer of loans through securitizations	-55.40	0.00	-55.40	-
Total Provisions	-24.54	-287.20	262.66	-91.4%
Results from associates	0.70	1.29	-0.58	-45.3%
Profit / (Loss) before taxes	-104.37	-285.87	181.49	-63.5%
Tax	-0.67	-20.56	19.89	-96.7%
Profit / (Loss) after taxes	-105.04	-306.42	201.38	-65.7%

Balance Sheet Figures

<i>All amounts in EUR mln</i>	Dec-21	Dec-20	Δ EUR	Δ %
Gross Loans & Advances to customers	1,655.3	1,986.9	-331.6	-16.7%
Net Loans & Advances to customers	1,325.5	1,600.9	-275.4	-17.2%
Financial Assets	1,182.3	981.1	201.3	20.5%
Tangible. Intangible Assets. Investment Property	156.1	162.2	-6.2	-3.8%
Deferred Tax Assets	267.4	420.3	-152.8	-36.4%
Other Assets	734.7	414.0	320.8	77.5%
Total Assets	3,666.1	3,578.4	87.6	2.4%
Deposits from Banks	222.7	401.2	-178.5	-44.5%
Deposits from customers	2,920.6	2,801.4	119.1	4.3%
Other Liabilities	191.4	166.5	24.8	14.9%
Total Liabilities	3,334.6	3,369.1	-34.6	-1.0%
Total Equity	331.5	209.3	122.2	58.4%
Total Liabilities & Equity	3,666.1	3,578.5	87.6	2.4%

Note: The Annual Financial Report for the year ended 31 December 2021 will be published on the Bank's web-site <https://www.atticabank.gr/en/> on 03.05.2022.