

**Announcement, 27/07/2016**

**Response to questions by the Hellenic Capital Market Commission**

Attica Bank S.A. informs investors that yesterday, in consultation with – among others- the Bank of Greece (BoG), the Bank's Board of Directors (BoD) was restructured, following the resignation of the CEO, Mr. Alexandros Antonopoulos, and six other members of the Board.

The new BoD consisting of a small number of members was set up as a body with Ms. Anna Pouskouri as its executive Chairwoman, Mr. Athanasios Tsadaris assuming the role of the Bank's Executive Director, and Mr. Konstantinos Makedos (Chairman of the BoD of the Bank's largest shareholder, TSMEDE) holding the position of the Board's Vice- Chairman. Five more Directors, most of whom with an experience in banking, also participate in the BoD.

The Bank's new Management is going to proceed quickly with a far-reaching restructuring of the Bank and its operations based on sound banking criteria. The new Management will also proceed to the coverage of the remaining capital needs of the Bank, based on the adverse scenario used in the Bank's latest recapitalization which was completed in December 2015, amounting to 70 million euros, by employing Tier I instruments.

Furthermore:

- a) As already known, Attica Bank, is not among the systemic banks where the Hellenic Financial Stability Fund (HFSF) participates, but it is supervised by the BoG, which is following the principles that the Single Supervisory Mechanism imposes to banks belonging to the Eurosystem.

The most recent pieces of legislation that is directly applicable in the case of Attica Bank are clauses 1 et seq. of art. 2, Law 4335/2015, and especially clauses 27, 28 and 29, along with the provisions of Law 4261/2014 which supplement them.

It should be noted that through Law 4335/2015, Directive 2014/59/EU (on the recovery and resolution of credit institutions and investment firms) was transferred into national law. Furthermore, through Law 4261/2014, Directive 2013/36/EU (on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms) was transferred into national law.

- b) On 3.6.2016 the Bank received the preliminary draft of the findings of the on-site audit performed by a joint group of auditors of the ECB (SSM) and the BoG.

The findings included in the aforementioned draft fall into the following categories:

1. Internal governance
2. Business model
3. Share capital increase
4. Credit risk management processes
5. Information technology.

The Bank has responded in writing to all of the findings of the draft on 10.06.2016. Furthermore, the Bank's new Management is addressing the issue of the Bank's full and prompt compliance with the findings. The final draft of the findings is expected this September.

c) Some key financial ratios based on the latest published financial figures of the Bank (as at 31.3.2016) are provided below:

- NPE ratio: 57%
- NPE coverage ratio : 51%
- Loans to deposits ratio : 140%
- Core Equity Tier 1 ratio %): 17,6%
- Capital adequacy ratio % : 17,6%
- Liquidity coverage : 59%

Based on preliminary financial data for the first half of 2016, the ratios have not changed materially. This is going to be confirmed with the announcement of the Bank's H1 2016 figures, which will take place within the deadlines set by Law.

Finally, it should be noted that this announcement is made following a related enquiry by the Hellenic Capital Market Commission.

**ATTICA BANK S.A.**