

ANNOUNCEMENT, 28/2/2017

ATTICA BANK: UPDATE ON RECENT DEVELOPMENTS

Attica Bank informs investors about the following:

- 1) The current Management of the Bank which was appointed last September has implemented a series of measures aiming at restructuring the Bank and re-gaining the trust of the Bank's customers, depositors and shareholders. The key objective of these actions is to place the Bank's operations on a sound basis in accordance with best practices established in the market.
- 2) The current Management of the Bank has formulated a plan of corrective actions to address the recommendations contained in the report of the audit that was performed in 2016 by a joint team of Bank of Greece (BoG) and ECB officials. The plan has been communicated to the Bank of Greece and is being implemented with its consent. So far, Attica Bank has complied with 70% of the recommendations of the report, submitting reports to the BoG on the progress of the specific project on a monthly basis.
- 3) As to the more specific issues raised in the report:
 - When it comes to the credit operations of the Bank, all recommendations regarding the pricing policy, the assessment and categorization of customers have been fully addressed.
 - The issue of the participation of some of the Bank's customers in its latest share capital increase has already been addressed (see relevant note in the Q3 2016 financial statements) and the Bank of Greece has been informed accordingly.
 - The anticipated communication of the report to the judicial authorities by the BoG and the related processes should be considered as expected. The Bank addresses this issue accordingly.
 - Attica Bank has drafted a Restructuring Plan which is being implemented successfully, and which has been submitted for approval to DG Competition of the European Commission.
- 4) The conclusion of a 3-year, enterprise-wide wage agreement constitutes another restructuring action. The agreement was signed with the Bank's Workers' Association on February 17th 2017, it envisages an average reduction of personnel costs by 17%, and simplifies the existing pay structure of the Bank, placing it close to the market average. The conclusion of the agreement confirms the convergence of views between the Management and the staff of the Bank as to the need to achieve the common goal of placing the Bank on a sound and profitable track.

Finally, the following are also worth mentioning:

- The Bank has already committed to not provide new loans to firms related directly or indirectly to the mass media.
- The Bank remains focused on its main tasks, namely, slimming down its balance sheet by co-operating with an investor on the management of the Bank's denounced loans and raising capital to cover the capital needs that still need to be covered under the adverse scenario of the 2015 capital needs assessment.
- The Bank is working on co-operating with local and international organisations that foster growth, with the aim of supporting the growth of the Greek economy by providing credit to businesses.

The completion of a voluntary exit scheme, the successful reorganization of the Bank's operations, the expected completion of the NPE transaction in co-operation with an international investor, and the strengthening of the Bank's capital basis are the first, major steps in the Bank's restructuring.

ATTICA BANK S.A.