ANNOUNCEMENT, 11/05/2017

CLARIFICATIONS ON THE ITEMS OF THE AGENDA OF THE EXTRAORDINARY GENERAL MEETING OF MAY 15TH 2017

The Board of Directors of Attica Bank, following the request of a minority shareholder, representing 5.625% of the total share capital of the Bank, met pursuant to article 39 par. 4 cl. 2190/1920 today, Thursday, May 11th 2017 and with regard to the items of the Agenda of the Extraordinary General Meeting of its Shareholders, which will be held on Monday, May 15th 2017, makes the following clarifications:

1. Following the recent decisions taken by the Board of Directors of the Bank during the second half of the 2016 and in 2017 which had been previously discussed during the meetings of the Executive Committee and the Strategic Planning Committee of the Bank, and following the decisions of the Extraordinary General Meeting that took place on December 14th 2016, the Board of Directors of Attica Bank proceeded with an open tender for the following:

    a) The selection of an investor, who will complete the adverse scenario of the 2015 recapitalization of the Bank, amounting to 70 million euros.

    b) The acquisition, with the aim of managing it, of a portfolio of NPLs of more than 1 billion euros.

It should be noted that Attica Bank remained in constant contact with the supervisory authorities throughout the procedure.

2. Seven candidates participated in the tender procedure, three of which fulfilled the conditions for the implementation of the Bank's above-mentioned program.

3. Following a legal and financial audit, Aldridge EDC Specialty Finance (AEDC) submitted a binding offer on April 7th 2017.

4. Short Profile of the Investor.

AEDC has its base in the United Kingdom and has been managed by well-known executives in the area of management of non-performing loans in Europe, with many years of experience in investments and complex transactions in the Europe.

The business strategy of Aldridge EDC Specialty Finance Partners (AEDC) consists in the undertaking of management projects in the financial sector and the management other bank/ financial assets (performing loans, NPLs) in Europe.

The main target is to invest in: (i) platforms and assets -performing and non-performing loans- covered or uncovered, (ii) financial platforms (with low cost and high fin-tech) that offer payments, and solutions for specialized consumers and (iii) supervised financial institutions (including banks).

AECD currently holds the 48.81% (6,618,263 shares) of the shares of the Swiss company, DDM Holding AG.

DDM Holding AG (Nasdaq First North Stockholm: DDM) (Capitalization (09/05/2017) SEK 501.70 millions) is an international listed investor and asset manager (NPLs). Since 2007, the DDM Group has created a successful platform in Europe, which currently manages a portfolio of 2.3 million customers and claims of a nominal value of 2 billion euros.

5. The contractual documents that have been prepared, implement exactly what has been decided in the Extraordinary General Meeting of Shareholders of Attica Bank which was held on 14.12.2016

More specifically, the individual stages for the completion of the investment plan are the following, in the same order as those that have been pre-approved at the Extraordinary General Meeting of 14.12.2016:

NPLs MANAGEMENT

Step 1: Securitization of denounced loans

1. The Bank will transfer the subject loan portfolio of an amount of 1,331.6 million Euros to a special purpose vehicle (SPV) according to the provisions of Law 3156/2003.

2. The SPV will issue the following two bonds:

   a. A Series A Bond with face value of e.g. EUR 525.2 million (Senior Note)
   b. A Series B Bond with face value of e.g. EUR 806.4 million (Junior Note)

   c. The two bonds result from the securitization of this loan portfolio, as this has grown due to the lapse of time, in accordance with the provisions of Law 3156/2003, being by default collateralized with the aforementioned loans.

3. The Series A Bond, with face value of EUR 525.2 million will be ranked first, with regards to repayment whereas the Series B Bond with face value of EUR 806.4 million will follow.

Step 2: Establishment of a NPLs Asset Management Company by Attica Bank

1. The Bank established a NPL Asset Management Company (AMC), in accordance with the provisions of Law 4354/2015, under the name “THEA ARTEMIS”, the Articles of Association of which have been registered to the General Commercial Registry (“GEMI”).

2. The SPV that will sign a 7-year Service Level Agreement (SLA) with regards to the loan portfolio was established in Luxembourg as a special purpose

vehicle. The Service Level agreement between the AMC and the SPV shall be based on international standards.

Step 3: The prospective investor acquires 80% of the AMC

The prospective investor will acquire 80% of the AMC by paying an amount equal to the nominal value of its participation in the total equity required for the AMC.

Step 4: Sale of the Junior Note – Coverage of the adverse scenario of the 2015 stress test

The Bank will sell the Junior Note to the Investor (Step 1, par.3) for an amount of 70 million euros in a form acceptable by the regulatory authorities in order to cover the remaining amount of the adverse scenario of the 2015 stress test. It should be noted that the Junior Note is fully covered by the credit risk provisions that have been formed to cover the loan portfolio that is being transferred. Therefore, by recognizing an equivalent profit, the Bank will be fully recapitalized and the abovementioned amount will account as Tier I capital. At the same time, the Bank retains the right to collect by priority any amount from the management of the loans of the senior bond which has a nominal value of 525.2 million euros. Therefore, the Bank receives 70 million euros in a form accepted by the regulatory authorities and, in addition, it keeps its claim on the collections related to the senior bond.

In addition, following the completion of the transaction, the Bank – apart from its full recapitalization:

- Achieves the increase of its CET ratio from 14.8% (as at 31/12/2016) to c. 17% (pro forma).
- Safeguards the interests of its shareholders, as its current shareholder structure remains unchanged and a possible dilution is avoided.
- NPL management becomes more efficient (both in terms of structure as well as in economic terms) through the establishment of the AMC. It should be noted that the portfolio that is being transferred includes loans that the Bank had decided to denounce by 31/3/2017, following the implementation of all processes envisaged under the BoG Code of Conduct for NPL management. Furthermore, the portfolio that is being transferred does not contain main residence mortgages nor loans to vulnerable population groups.
- The goal is, on the basis of the above, that the agreement should contain the relevant terms and conditions so that, on the basis of accounting and supervisory rules, all asset quality ratios of the Bank can be improved.
- The Bank remains a shareholder in the AMC with a share of 20% and will not appoint an executive member in the BoD of the company.

Therefore, ATTICA BANK, having achieved its full recapitalization, free of the load of the NPL portfolio that is being transferred, and displaying high capital adequacy ratios, will be in a position to further develop all its activities easily, and achieve its objectives to the benefit of its shareholders, its depositors, its employees, its customers and investors in general.

ATTICA BANK S.A.