

### Integrated Report of the Board of Directors of the Bank

**“ATTICA BANK S.A.” in accordance with art.9 par.1 of Law 3016/2002, articles 4.1.4.1.1 and 4.1.4.1.2. of the Athens Stock Exchange Regulation for the increase of the share capital of the Bank, through the issuance of new, common, registered shares in accordance with Law 3604/2007 and Law 3864/2010 (as in force) up to the amount of 198 million euros with pre-emption right in favor of existing shareholders to the Extraordinary General Meeting**

#### Content of the Integrated Report of the Board of Directors of the Bank to the Extraordinary General Meeting, in accordance with art. 4.1.4.1 of the Athens Stock Exchange Regulation

The Board of Directors of “ATTICA BANK S.A.” (the “**Bank**”) proposes to the Extraordinary General Meeting of the Bank the increase of the common share capital of the Bank, in accordance with article 6 of the Bank’s Articles of Association, that is, through the issuance of new common, registered shares in accordance with Law 3604/2007 and Law 3864/2010 (as in force) up to 198 million euros, with pre-emption right in favor of the existing shareholders. The said capital increase is proposed to take place after the following corporate actions:

1. Increase of the nominal value of each common share of the Bank with simultaneous decrease of the total number of the Bank’s common shares (reverse split).
2. Reduction of the common share capital of the Bank through the reduction of the nominal value of each common, with voting right, share of the Bank up to the amount of 652,313,351 million euros aiming at: a) the write-off of accumulated losses up to 419,253,000 euros and b) the formation of a special reserve of 233,060,351 million euros. Following the above mentioned reduction of the share capital the nominal value of each share will be determined at 0.30 euros without modification of the total number of the common shares. Amendment of article 5 of the Bank’s Articles of Association and granting of relevant authorizations to the Bank’s Board of Directors.
3. Increase of the common share capital of the Bank through the issuance of 660,000,000 new common, registered shares in accordance with Law 3604/2007 (as in force) up to the amount of one hundred ninety eight million euros (€ 198 million) in cash and with pre-emption right in favor of existing common shareholders. Following the above mentioned increase, and in the case it is fully covered, the total common share capital of the Bank will amount to 247,492,667 euros divided into 824,975,557 common shares with nominal value of 0.30 euros each. Granting authorization to the Board of Directors to allocate at its free discretion any unsubscribed shares to shareholders of the Bank or not, amendment of article 5 of the Bank’s Articles of Association and granting relevant authorizations to the Board of Directors.

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4. Acquisition of the preference shares of Law 3723/2008, as in force, with partial use of the share capital of the above mentioned increase or through the issuance of an ordinary bond loan of subordinated claim, in accordance with the provisions of Law 3723/2008, as in force.
5. Granting authorization to the Board of Directors of the Bank to a) increase the share capital of the Bank through the issuance of new shares at the maximum amount permitted according to L.2190/1920 and b) issue bond loan with convertible securities up to the maximum amount permitted on the basis of L. 2190/1920 and according to article 13, paragraph 1 and article 3a paragraph 1 of L.2190/1920 and the provisions of L.3864/2010 (as in force).
6. Granting general authorization to the Board of Directors to specify the terms of the share capital increase according to items 2, 3 and 4 of the agenda, all matters related or associated with the share capital increase, the conclusion of the terms of the bond loan according to item 5 and all material acts and legal transactions in execution of the above.
7. Other announcements

The abovementioned corporate actions do not actually affect the Bank's total own equity, as reflected in the most recent published financial statements of the Bank.

This Report is prepared in order to be submitted to the Extraordinary General Meeting to be held on December 22<sup>nd</sup> 2017 or at any other General Meeting, repeat or taking place after interruption or postponement in accordance with Article 9 par. 1, of Law 3016/2002 and art. 4.1.4.1.1. and 4.1.4.1.2. of the Athens Stock Exchange Regulation for the increase of the common share capital of the Bank.

Based on the above, the Board of Directors informs the shareholders of the Bank as follows:

#### **A. 1. Increase of Share Capital (Item 4 of the EGM Invitation) – Terms of Increase**

The newly appointed management, after undertaking its duties on September 2016, had to resolve liquidity, profitability and capital adequacy issues, while at the same time the dealing of SSM findings was imperative within a rather specific timeframe.

For the above mentioned reasons, the Bank proceeded with the issuance of a bond of 380 million euros guaranteed by the Greek State for ELA funding (bond's expiry date 10/2018) and operational cost cutting actions (voluntary exit scheme of 100 employees, reduction of personnel and general expenses). At the same time an investor was selected for the denounced loans portfolio of the Bank, so that the regulatory capital requirements of the Bank were covered according to the adverse scenario of the stress tests conducted in the second semester of 2015.

With the completion of the above, the Management of the Bank focuses on the strengthening of its depositor's base, which will result in the funding of Small and Medium Sized Enterprises (given the projected recovery of the Greek economy) and on the orientation of the Bank to profitable activities, aiming mainly at the increase of commission income.

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For the achievement of the above and taking into account that the Bank has to repay the preference shares of the Greek State, the capital base should be furthered strengthened through Share Capital Increase, in order to cover the increased regulatory capital needs following the implementation of IFRS 9 and to comply with the trend in European level of stricter supervision of smaller banks in terms of capital adequacy ratios.

In this context, the Bank in cooperation with a specialized advisor (Rothschild) examined the alternative solutions and decided to proceed with a Share Capital Increase, as the best alternative, through the issuance of 660,000,000 new common, registered shares in accordance with Law 3604/2007 (as in force) up to the amount of one hundred ninety eight million euros (€ 198 million) in cash and with pre-emption right in favor of existing shareholders. Following the above mentioned increase, and in the case it is fully covered, the total share capital of the Bank will amount to 247,492,667 euros divided into 824,975,557 common shares with nominal value of 0.30 euros each.

The above mentioned solution aims at the 3 following main goals:

- Maintain the participation of the major shareholder in the share capital in a significant percentage, so that the major shareholder can exercise its rights in the constitutional meetings.
- At the same time, participation of recognized and creditworthy investors in the capital structure, if this is desirable and possible.
- Cost savings so that the Bank is able to proceed to the necessary for its growth, investments in the upgrade of its technological equipment and information technology systems.

It should be mentioned that if the preference shares are not repaid or replaced, the legal framework provides for their conversion into common shares (resulting in the increase of the participation of the Greek State in the capital structure of the Bank).

**(b) Issue price:**

The issue price of the New Shares (hereinafter, the Issue Price) is proposed to be determined by the Extraordinary General Meeting which shall approve the increase.

The Issue Price shall be common for all investors who shall subscribe for New Shares, by participating in the Increase. The Issue Price shall not be less than €0.30 per new share (article 14 Law 2190/1920).

**(c) Coverage of/Subscription in the Share Capital Increase:**

The Increase with respect to the coverage of capital needs of the Bank is proposed to be covered exclusively through cash payment.

The period for the completion of the Increase is proposed to be the maximum, as specified in the legislation in force (namely, four (4) months from the date on which the decision was taken by the Extraordinary General Meeting on the Increase and the setting of the Issue Price of the New Shares), which may be extended by the Board of Directors for one (1) more month.

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According to the above, and in cooperation with the specialized financial advisor (Rothschild), capital of 198 million euros is required. Regarding the use of proceeds, the preference shares of the Greek state are expected to be repaid (100,200,000 euros) and the formation of the provisions for the remaining non-performing loans portfolio and the implementation of IFRS 9 will be completed.

This Share Capital Increase aims at strengthening the equity of the Bank so that the Bank continues to perform its usual activities as a commercial bank, maintaining the capital adequacy ratio at current level.

**(d) Preemptive rights:**

The retention of pre-emptive rights according to the Law and the Articles of Association of the Bank is proposed.

**(e) Granting of authorizations to the Bank's Board of Directors:**

The granting of authorization to the Board of Directors is proposed in order for it to proceed to all necessary actions for the implementation of the resolutions of the General Meeting and to further specify the terms of the share capital increase by ensuring that all necessary actions for the successful completion of the issuance and the offer and the listing of the new common shares in the Athens Exchange are implemented.

For the coverage of the required capital needs, a Share Capital Increase is proposed to take place with pre-emption right in favor of existing shareholders and up to the amount of 198 million euros. This solution, apart from the repayment of the preference shares, at the same time results into the growth of the Bank (funding of the economy), with allocation of any unsubscribed shares at the discretion of the Board of Directors in existing or new strategic investors.

**A.2. Information regarding the use of proceeds of the last share capital increase.**

The Bank's Report dated 31.03.2016 regarding the use of proceeds resulting from the last share capital increase and the relevant auditor report in respect of the use of the raised funds resulting from the increase of the share capital of the Bank through the payment of cash and the exercise of preemptive rights of the existing shareholders, is provided below:

**ATTICA BANK SA**  
**REPORT OF THE USE OF FUNDS RAISED FROM SHARE CAPITAL INCREASE**  
**IN CASH AND RIGHTS ISSUE TO EXISTING SHAREHOLDERS**

It is notified in accordance with the decision 4.1.2. of the Athens Stock Exchange 25 / 17.07.2008 and the Hellenic Capital Market Commission Board of Director's decision 7/448/11.10.2007 that the Bank's share capital was increased by issuing 2,270,026,033 new ordinary nominal value of € 0.30 per share and raised total funds of € 681,007,809.90. The issuance costs amounted to € 17,806,446.39 and were covered entirely by funds raised from the above increase. Therefore the net amount of the increase after the deducting of costs amounted to € 663,201,363.51.

The Board of Directors at its meeting on December 30, 2015, certified the amount of capital increase. The Steering Board Stock Market of the Athens Exchange during the meeting of 14.1.2016, approved the admission to trading of 2,270,026,033 new ordinary shares. The trading of the new shares on the Athens Stock Exchange held on 18.01.2016.

The purpose of the capital increase was sufficient strengthening of basic own funds for the needs arising from the exercise of AQR ( «Asset Quality Review» ) and stress tests which made to the Group by the Bank of Greece.

<b>TABLE OF USE OF FUNDS RAISED FROM SHARE</b>			
			<b>(Amounts in €)</b>
<b>Description of the use of raised funds</b>	<b>Amount of fund Raised</b>	<b>Funds utilized until 31.12.2015</b>	<b>Balance of funds as at 31.12.2015</b>
Enhancement of Bank's capital adequacy ratios from AQR	681.007.809,90	681.007.809,90	-
Issue costs of new shares	(17,806,446.39)	(17,806,446.39)	-
<b>Total</b>	<b>663.201.363,51</b>	<b>663.201.363,51</b>	<b>-</b>

**Athens, 31 March 2016**

**THE CHAIRMAN OF THE BOARD**

**THE CHIEF EXECUTIVE OFFICER (C.E.O.)**

**THE CHIEF FINANCIAL OFFICER (C.F.O.)**

**IOANNIS P. GAMVRILIS**  
**I.D. No AZ 995770**

**ALEXANDROS P. ANTONOPOULOS**  
**I.D. No N 138716**

**CHRISTOS K. MARANTOS**  
**I.D. No M 481653**  
**E.C.D LICENSE No 17216/A'**

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**Report of factual findings**  
**(Translation from the original in Greek)**

To the Board of Directors of  
Attica Bank S.A.

According the instructions received from the Board of Directors of Attica Bank A.E. (the “Bank”) we have performed the agreed upon procedures enumerated below with respect to the data of the “Table for the use of proceeds from the share capital increase” (the “Table”). Our engagement was undertaken in accordance with the International Standard on Related Services 4400 applicable to agreed-upon procedures engagements. We have agreed to perform the following procedures and report to you the factual findings resulting from our work.

**Procedures performed**

Our procedures are summarized as follows:

- 1) We compared the amounts reported as allocated funds in the attached “Table for the use of proceeds from the share capital increase” with the respective amounts recorded in the Bank’s books and records during the related period.
- 2) We examined and verified the consistency of the Table’s data with the Prospectus issued by the Bank on 27 November 2015 for this purpose as well as with the relative announcements and decisions from the responsible bodies of the Bank.

We report our findings below:

- a) With respect to item 1 we found that the allocated funds per year as shown in the attached “Table for the use of proceeds from the share capital increase” are in agreement with the Bank’s books and records for the respective periods.
- b) With respect to item 2 we confirmed that the amounts in the column “Use of raised funds” are derived from the prospectus of Alpha Bank A.E. issued on 27 November 2015.

Since the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements we do not express any assurance in addition to those mentioned above.

Had we performed additional procedures or had we performed an audit or review in accordance with International Standards on Auditing or International Standards on Review Engagements, other matters might have come to our attention that would have been reported to you.

Our report is solely for the purpose set forth in the first paragraph of this report in compliance with the obligations to the Supervisory Authorities, and is not be used for any other purpose.

This report relates only to the data specified above and does not extend to any financial statements of the Bank, taken as a whole.

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Ioannis Axillas, Certified Auditor Accountant  
AM SOEL 12831

**A.3. Information from which the investment plan of the issuer, its timetable and step plan as well as the specific analysis of the use of proceeds should be concluded with adequacy and clarity.**

The Share Capital increase takes place in order to cover exclusively the Bank's capital needs, according to the legislation in force. In particular, the raising of the new funds up to 198 million euros is intended (after deducting the costs for issuance):

- i. to cover the increased needs of regulatory capital from the implementation of IFRS 9.
- ii. to reinforce the capital adequacy of the Bank, so as to be more flexible in its capital basis and to comply with the trend in European level of stronger supervision of smaller banks in terms of capital adequacy ratios.
- iii. to enable the repayment of the preference shares of the Greek State, without the decrease of the Capital Adequacy Ratio below acceptable levels from the Regulatory Authorities.

No other use of the funds to be raised is foreseen by the Board of Directors of the Bank.

**A.4. Information regarding the Issue Price.**

The issue price shall be common for all investors participating in the Increase, who shall subscribe for New Shares. The issue price shall not be less than €0.30 per new share (article 14 of Law 2190/1920) and can be higher than the market price at the date of the cut-off of the preemptive rights.

Athens, November 29<sup>th</sup> 2017

The Board of Directors