



 **attica bank**

DRAFT DECISIONS/COMMENTS OF THE BOARD OF DIRECTORS ON THE ITEMS ON THE AGENDA OF THE EXTRAORDINARY GENERAL ASSEMBLY OF 3 SEPTEMBER 2024

The Board of Directors invites the shareholders of Attica Bank S.A. to discuss and decide on the following items on the agenda of the Extraordinary General Meeting:

Item 1: Merger of “Attica Bank S.A.” (the “Bank”) with “PANCRETA BANK S.A.”, with the absorption of the latter by the former. Approval of the Draft Merger Agreement and the relevant reports.

The Board of Directors informs the General Assembly that pursuant to the decisions of the Boards of Directors of “Attica Bank S.A.” (henceforth the “Bank”) and “PANCRETA BANK S.A.” (“**Pancreta Bank**”) dated 24.07.2024, it has been decided to initiate a merger procedure with the absorption of Pancreta Bank by the Bank (the “**Merger**”), pursuant to the provisions of article 16 of Law No. 4601/2019 and the provisions of Law No. 4548/2018, as well as the agreement dated 18.07.2024 between the Hellenic Financial Stability Fund and Thrivest Holding Ltd regarding, *inter alia*, the Merger (the “**Shareholders' Agreement**”), as ratified by article 1 of Law No. 5127/2024. The transformation balance sheet was defined as the balance sheet as at 31st December 2023, and the exchange ratio was proposed at 90% for the Bank and 10% for Pancreta Bank.

The Bank's management reached the decision for the Merger, assessing, on the one hand, its strategic objectives and, on the other hand, the prospects of the Merger, with the creation of a larger Bank ready to support the needs of the market, as more specifically analyzed in the report of the Board of Directors prepared in accordance with the provisions of article 9 of Law No. 4601/2019 and has been brought to the attention of the Shareholders.

Furthermore, the Board of Directors of the Bank and Pancreta Bank, at their meetings held on 26.07.2024, approved the Draft Merger Agreement. Specifically, on the Draft Merger Agreement, the following are noted:

The Merger of the above two credit institutions will be effected by absorption of Pancreta Bank by the Bank pursuant to the provisions of Article 16 of Law No. 2515/1997, the applicable provisions of Law No. 4601/2019 and the provisions of Law No. 4548/2018, and the provisions of Law No. 5127/2024, as applicable, with consolidation of assets and liabilities.

Under the current legal framework, the merger of the two credit institutions is stipulated on favorable terms. In particular, the provisions of Article 16 of Law No. 2515/1997 provide for tax incentives as well as exemptions. By way of example, according to Article 16 of Law No. 2515/1997, the notarial merger agreement, the transfers and the transactions within the framework of the Merger as well as their registration to the competent land registries are exempted from any tax, stamp duty or any other fee in favour of the Greek State, as well as any levy or right in favour of any third party including fees, fixed and proportional rights, allowances or other fees in favour of land registries / cadastral offices.

The common transformation date was set at 31st December 2023. All transactions carried out after 31 December 2023 shall be deemed to be carried out on behalf of the Bank, which is the legal entity that will survive the transformation, and the financial results of Pancreta Bank, which will arise from that date until the completion of the Merger, shall be considered as the results of the Bank in accordance with the provisions of Article 16 of Law No. 2515/1997 and the relevant amounts will be transferred from the books of Pancreta Bank to the books of the Bank by means of an aggregated entry after the registration of the notarial deed of merger and the approval decision of the competent authority in the General Commercial Register (G.E.MI.)

Upon completion of the Merger, Pancreta Bank will be dissolved as a legal entity without being liquidated, and all its assets and liabilities will be transferred to the Bank, which will be substituted for all the rights and liabilities of Pancreta Bank, as the universal successor of the latter, while the shareholders of Pancreta Bank will become shareholders of the Bank.

The share capital of the Bank after the Merger will amount to €2,653,219.35 and will be divided into 53,064,387 ordinary registered shares with a nominal value of €0.05 each.

In particular:

The Bank's share capital amounted at the date of the transformation balance sheet and continues to amount to €2,500,708.85, divided into 50,014,177 ordinary registered shares with a nominal value of €0.05 each. The share capital of Pancreta Bank amounted at the date of the transformation balance sheet and still amounts to EUR 95,105,431.00, divided into 190,210,862 common registered shares, with a nominal value of EUR 0.50 each.

As a result of the Merger, and after taking into account Article 16 of Law No. 2515/1997 and Clause 3.5 (c) of the Shareholders' Agreement, as ratified by Law No. 5127/2024:

- a. the share capital of Pancreta Bank is contributed to the Bank,
- b. at the same time, the share capital of the Bank is reduced by an amount of €125,346.05, due to the cancellation of 2,506,921 shares issued by the Bank and held by Pancreta Bank,
- c. upon completion of the Merger, the Bank's share capital will amount to €2,653,219.35 and will be divided into 53,064,387 ordinary registered shares of €0.05 par value each, which will be distributed to the respective shareholders of each bank in accordance with the Exchange Ratio (as defined below); and
- d. the difference between the above amount corresponding to the share capital of the Bank after the Merger and the sum of the share capital of the merging companies, amounting to €94,827,574.45 (i.e. €2,500,708.85 + €95,105,431.00 = €97,606,139.85 minus €125,346.05 minus €2,653,219.35) will be transferred to a special reserve under article 1 of Law No. 5127/2024.

In order to ensure the above configuration of the post-Merger share capital, until the completion of the Merger, none of the merging credit institutions may acquire its own shares or shares of the other merging credit institution.

The value ratio between the Bank and Pancreta Bank was agreed to be 9 for the Bank and 1 for Pancreta Bank and consequently the ratio of the percentage shareholding of the shareholders of the merging credit institutions to the new amount of share capital of the Bank resulting from the Merger, after taking into account the cancellation of the shares held by Pancreta Bank in the Bank, will amount to 89,5275695920128% for the shareholders of the Bank and 10,4724304079872% for the shareholders of Pancreta Bank.

Therefore, the fair and reasonable exchange ratio (the "**Exchange Ratio**") for the shares of Pancreta Bank is proposed to be 0,0292156343836978 new ordinary registered shares of the Bank for each one (1) ordinary registered share of Pancreta Bank, while the shareholders of the Bank will retain after the Merger the same number of shares they held before the Merger. Consequently, the new total share capital of the Bank, amounting to €2,653,219.35 (as formed in accordance with the above mentioned), divided into 53,064,387 new common registered shares with voting rights, each with a nominal value of €0.05, will be divided into 47,507,256 shares for the shareholders of the Bank and 5,557,131 shares for the shareholders of Pancreta Bank.

In order to determine the range of values and the exchange ratio of the shares of the merging credit institutions, the Bank has entrusted the auditing company "PRICEWATERHOUSECOOPERS S.A." and Pancreta Bank has entrusted the auditing company "KPMG Auditors S.A." to audit the Draft Merger Agreement and to formulate an opinion as to whether the share exchange ratio is fair and reasonable, in accordance with Article 10 of the Law No. 4601/2019 and Article 6 par. 5 of Law No. 2515/1997.

The valuations of the merging companies were carried out on a stand-alone basis by applying, without difficulties, the appropriate approaches/methodologies, which are detailed in the report dated 26.07.2024 by the certified auditor Mr. Dimitrios Sourbis (SOEL Reg. No.: 16891) of the auditing firm "PRICEWATERHOUSECOOPERS SA" titled "*Report of Agreed-Upon Procedures for the Determination of the Accounting Value of the Assets of ATTICA BANK S.A. as of December 31, 2023, based on the provisions of Law 2515/1997, as well as the Examination of the Content of the Draft Merger Agreement according to the provisions of Article 7 of Law 4601/2019.*" for the determination of the accounting value of the Bank's assets,

based on the transformation balance sheet of 31.12.2023 according to Article 16 paragraph 5 of Law 2515/1997, in the report dated 26.07.2024 by the certified auditor Mr. George Mitrellos (SOEL Reg. No.: 32761) of the auditing firm "KPMG Certified Auditors SA" titled "*PANCRETA BANK S.A. - Report on the Determination of the Accounting Value of Assets and Liabilities as of December 31, 2023*" for the determination of the accounting value of Pancreta Bank's assets, based on the transformation balance sheet of 31.12.2023 according to Article 16 paragraph 5 of Law 2515/1997 and in the report of the Board of Directors of the Bank to its shareholders and the corresponding report of the Board of Directors of Pancreta Bank to its shareholders, in accordance with the provisions of Article 9 of Law No. 4601/2019.

The Board of Directors considers the Exchange Ratio to be fair and reasonable based on the value of each of the participating companies resulting from the above valuations.

The Board of Directors notes that the following documents were brought to the attention of the shareholders on 30.07.2024, i.e. at least one month before the meeting of the Extraordinary General Assembly of 03.09.2024, in accordance with article 11 of Law No. 4601/2019:

1. the draft merger agreement for the absorption of Pancreta Bank by the Bank, pursuant to article 7 of Law No. 4601/2019,
2. the annual financial statements and the annual management reports of the Board of Directors for the last three (3) financial years of the Bank,
3. the annual financial statements and the annual management reports of the Board of Directors of the last three (3) financial years of the Pancreta Bank,
4. the Bank's balance sheet as at 31.03.2024,
5. the transformation balance sheets of the Bank and Pancreta Bank as of 31.12.2023,
6. the report of the Board of Directors of the Bank to its shareholders, in accordance with article 9 of Law No. 4601/2019,
7. the report of the Board of Directors of Pancreta Bank to its shareholders, pursuant to article 9 of Law No. 4601/2019,
8. the report dated 26.07.2024 by the auditor Mr. Dimitris Sourmpis (A.M. SOEL: 16891) of the auditing company "PRICEWATERHOUSECOOPERS S.A." entitled "*Opinion Report based on the provisions of Article 16 of Law No. 2515/1997 and Article 10 of Law No. 4601/2019 on the forthcoming merger of the banks "Attica Bank Société Anonyme Banking Company S.A." and "Pancreta Bank S.A."*" for the examination of the draft merger agreement and the formulation of an opinion on the fairness and reasonableness of the proposed share exchange ratio according to article 10 of Law No. 4601/2019 and article 16 par. 5 of Law No. 2515/1997, on behalf of the Bank, and
9. the report dated 26.07.2024 by the auditor Mr. Dimitris Sourmpis (A.M. SOEL: 16891) of the auditing company "PRICEWATERHOUSECOOPERS AE" entitled "*Report of pre-agreed procedures for the determination of the book value of the assets of ATTICA VANK SA as at 31 December 2023 based on the provisions of L. 2515/1997, as well as the examination of the content of the Draft Merger Agreement in accordance with the provisions of article 7 of L. 4601/2019.*" for the determination of the book value of the Bank's assets, based on the transformation balance sheet as of 31.12.2023 in accordance with Art. 5 of L.2515/1997.

The Board of Directors notes that the Draft Merger Agreement was registered in the G.E.M.I. on 29.07.2024 with Registration Code No. 4334575, in accordance with the announcement of the G.E.M.I. No. 3333647/29.07.2024. Since the above registration to date, no creditor of the merging credit institutions has appeared requesting the provision of guarantees pursuant to Article 13 of Law No. 4601/2019.

It is noted that the completion of the Merger is subject to the condition of obtaining the required licenses and approvals from the competent authorities according to the law, as stipulated by the applicable legislation.

Therefore, the Board of Directors recommends to the General Meeting:

(a) the approval of the Merger of "Attica Bank S.A." (the "Bank") with "PANCRETA BANK S.A." by absorption of the latter by the former, in accordance with the provisions of Article 16 of Law 2515/1997, the applicable provisions of Law 4601/2019, Law 4548/2018, and Law 5127/2024, as in force, and the Draft Merger Agreement, as approved by the Boards of Directors of the abovementioned merging credit institutions and published in the General Commercial Registry (GEMI), and

(b) the approval of the Board of Directors' report of the Bank in accordance with Article 9 of Law 4601/2019, the certified auditor's report on the examination of the draft merger agreement, and the issuance of an opinion on the fairness and reasonableness of the proposed share exchange ratio in accordance with Article 10 of Law 4601/2019 and Article 16 paragraph 5 of Law 2515/1997, on behalf of the Bank, and the certified auditor's report on the determination of the accounting value of the Bank's assets, based on the transformation balance sheet of December 31, 2023, in accordance with Article 16 paragraph 5 of Law 2515/1997.

	Minimum Required Quorum	Minimum Required Majority
Extraordinary General Meeting	½ of the total common, voting, dematerialized shares issued by the Bank.	2/3 present or representing of the total voting rights
Repeat General Meeting	1/5 of the total common, voting, dematerialized shares issued by the Bank.	

ITEM 2: Increase of the Bank's share capital as a result of the above merger, due to the contribution of the share capital of "PANCRETA BANK PUBLIC LIMITED COMPANY" to the Bank, with a simultaneous decrease in the Bank's share capital due to the cancellation by confusion of the shares issued by the Bank that were held by "PANCRETA BANK PUBLIC LIMITED COMPANY," and so that the Bank's share capital at the completion of the Merger amounts to €2,653,219.35, divided into 53,064,387 common registered shares with a nominal value of €0.05 each, with the difference between the above amount corresponding to the Bank's share capital after the Merger and the sum of the share capitals of the merging companies being transferred to the special reserve of Article 1 of Law 5127/2024. Amendment of Article 5 of the Bank's Articles of Association regarding share capital as a consequence of the above.

Furthermore, the Board of Directors notes that, according to the provisions of the Draft Merger Agreement, the Bank's share capital after the Merger will amount to €2,653,219.35 and will be divided into 53,064,387 ordinary registered shares of nominal value of €0.05 each. Therefore, it becomes necessary to amend Article 5 of the Bank's Articles of Association.

As specifically mentioned above, as a result of the Merger and taking into account Article 16 of Law 2515/1997 and Clause 3.5 (c) of the Shareholders' Agreement, as ratified by Law 5127/2024:

- The share capital of Pancreta Bank is contributed to the Bank,
- Simultaneously, the Bank's share capital is reduced by the amount of €125,346.05 due to the cancellation of 2,506,921 shares issued by the Bank that are held by Pancreta Bank,
- Upon completion of the Merger, the Bank's share capital will amount to €2,653,219.35 and will be divided into 53,064,387 common registered shares with a nominal value of €0.05 each, which will be allocated to the respective shareholders of each bank according to the Exchange Ratio (as defined below), and
- The difference between the above amount corresponding to the Bank's share capital after the Merger and the sum of the share capitals of the merging companies, amounting to €94,827,574.45 (i.e., €2,500,708.85 + €95,105,431.00 = €97,606,139.85 minus €125,346.05 minus €2,653,219.35), will be transferred to a special reserve under Article 1 of Law 5127/2024.

Therefore, the Board of Directors notes that it is necessary to amend Article 5 of the Bank's Articles of Association and recommends adding the following final paragraphs to Article 5 of the Articles of Association as follows:

"Following the decision of the Extraordinary General Meeting of the Bank's shareholders on 03.09.2024, due to the merger of the Bank with the public limited banking company under the name "PANCRETA BANK PUBLIC LIMITED COMPANY", which was dissolved—without liquidation—by its absorption by the Bank, in accordance with the provisions of Article 16 of Law 2515/1997, the applicable provisions of Law 4601/2019, Law 4548/2018, and Article 1 of Law 5127/2024, the above capital of the Bank was increased by the share capital of the absorbed "PANCRETA BANK PUBLIC LIMITED COMPANY" by the amount of ninety-five million one hundred five thousand four hundred thirty-one euros (€95,105,431.00), reduced by the amount of one hundred twenty-five thousand three hundred forty-six euros and five cents (€125,346.05) due to the cancellation by confusion of the two million five hundred six thousand nine hundred twenty-one (2,506,921) shares issued by the Bank that were held by "PANCRETA BANK PUBLIC LIMITED COMPANY", and amounted to two million six hundred fifty-three thousand two hundred nineteen euros and thirty-five cents (€2,653,219.35), divided into fifty-three million sixty-four thousand three hundred eighty-seven (53,064,387) common registered shares with a nominal value of five cents (€0.05) each. The difference between the above amount corresponding to the Bank's share capital after the merger and the sum of the share capitals of the merging companies, amounting to ninety-four million eight hundred twenty-seven thousand five hundred seventy-four euros and forty-five cents (€94,827,574.45) (i.e., €2,500,708.85 + €95,105,431.00 = €97,606,139.85 minus €125,346.05 minus €2,653,219.35), was transferred to a special reserve under Article 1 of Law 5127/2024.

After the above, the total share capital of the Bank amounts to two million six hundred fifty-three thousand two hundred nineteen euros and thirty-five cents (€2,653,219.35) and is divided into fifty-three million sixty-four thousand three hundred eighty-seven (53,064,387) common registered shares with a nominal value of five cents (€0.05) each.

Finally, the Board of Directors notes that the implementation of the Exchange Ratio may result in fractional balances. It is clarified that any fractional balances will not give rise to a right to receive a fractional share and will be disposed of by the Bank following completion of the Merger, with the final net proceeds of the sale being returned to the beneficiaries by the Bank. It further notes that following completion of the Merger, the Bank will take the necessary steps to make the electronic registrations of intangible securities (as required by applicable law) for all new shares resulting from the Merger. Beneficiary shareholders will be informed accordingly in accordance with the law. For the delivery of the new shares resulting from the Merger to the beneficiary shareholders of Pancreta Bank, the beneficiaries must have a securities account in the Intangible Securities System administered by the Hellenic Central Securities Depository and must have notified the Bank of the details thereof.

Therefore, the Board of Directors recommends to the General Meeting:

- (a) to approve the increase of the Bank's share capital by the amount of €95,105,431.00 due to the contribution of the share capital of "PANCRETA BANK PUBLIC LIMITED COMPANY" to the Bank, in accordance with Article 16 of Law 2515/1997, with a simultaneous reduction of the Bank's share capital by the amount of €125,346.05 due to the cancellation by confusion of 2,506,921 shares issued by the Bank that were held by "PANCRETA BANK PUBLIC LIMITED COMPANY," so that the Bank's share capital at the completion of the Merger amounts to €2,653,219.35, divided into 53,064,387 common registered shares with a nominal value of €0.05 each, and the difference between the above amount corresponding to the Bank's share capital after the Merger and the sum of the share capitals of the merging companies, amounting to €94,827,574.45, to be transferred to the special reserve under Article 1 of Law 5127/2024, and
- (b) to approve the amendment of Article 5 of the Bank's Articles of Association as mentioned above.

		Minimum Required Quorum	Minimum Required Majority
Extraordinary Meeting	General	½ of the total common, voting, dematerialized shares issued by the Bank.	2/3 present or representing of the total voting rights
Repetitive Meeting	General	1/5 of the total common, voting, dematerialized shares issued by the Bank.	

ITEM 3: Granting of Relevant Authorizations to the Bank's Board of Directors

Following the abovementioned of items 1 and 2, the Board of Directors recommends to the General Meeting:

(a) to grant relevant authorizations for the signature before a notary, on behalf of the Bank, of the notarial deed of the merger of Pancreta Bank with the Bank through the absorption of the first by the latter, as well as any other documents, applications, declarations, certificates, etc., deemed necessary for the completion of the Merger, and

(b) to authorize the Board of Directors:

- i. following the amendment of Article 5 of the Articles of Association as described above to proceed to all necessary actions in compliance with the publicity requirements prescribed by law,
- ii. to address, in coordination with the relevant authorities, the procedural matters and technical details related to the issuance and listing on the Athens Stock Exchange of the new shares, which will result from the merger and
- iii. to immediately dispose, through the Athens Stock Exchange, of shares resulting from the aggregation of fractional remnants, if any, arising from the Merger, according to the abovementioned in item 2 for the formation of whole numbers of shares and to distribute the proceeds from the disposal to the entitled parties.

	Minimum quorum required	Minimum majority required
Extraordinary General Assembly	½ of all the common registered shares with voting rights issued by the Bank	2/3 of all voting rights present or represented
Repeat General Assembly	1/5 of all the common registered shares with voting rights issued by the Bank	

ITEM 4: Decisions and authorizations for the transfer of shares of the shareholders of "PANCRETA BANK S.A." arising from the merger to the dematerialized securities system.

In this item, the necessary decisions and authorizations will be made for the transfer of the shares of the shareholders of "PANCRETA BANK S.A." which will arise from the merger, into the dematerialized securities system.

	Minimum Required Quorum	Minimum Required Majority
Extraordinary General Meeting	1/2 of the total common, voting, dematerialized shares issued by the Bank.	2/3 present or representing of the total voting rights
Repetitive General Meeting	1/5 of the total common, voting, dematerialized shares issued by the Bank.	

The Chairman of the Board of Directors

Ioannis Zographakis