



REPORT
Of the Board of Directors of Attica Bank S.A.

To the Extraordinary General Meeting of Common Shareholders to be held on February 5th 2013 (including any reiterative of or pursuant to a postponement of such meeting) in accordance with article 4.1.4.1.2 of the ATHEX Regulation and article 13, par. 10 of Law 2190/1920 about the issuance of a convertible bond (the 'Bond').

Honourable Shareholders,

In accordance with article 13, par. 10 of Law 2190/1920 and article 4.1.4.1.2 of the ATHEX Regulation as it they currently apply, we submit to you this report regarding the issuance of a convertible bond by Attica Bank S.A. (hereinafter "the Bank" or "Attica Bank").

The Board of Directors wishes to inform the Extraordinary General Meeting that in addition to the share capital increase through the payment of cash and the issuance of new common, registered, bearing voting rights shares amounting up to 199.4 million euros, the Bank intends to raise up to 200 million euros through the issuance of a convertible bond.

More precisely, the Board of Directors proposes the issuance of notes that may be converted in common, registered shares of the Bank in accordance with the provisions of art. 3a of Law 2190/1920 and art. 8 of Law 3156/2003. Furthermore, it is proposed that the bond be compulsorily converted into common shares five years following its issuance.

1. REASONS FOR THE CANCELLATION OF THE PRE-EMPTIVE RIGHTS

The Board of Directors proposes that the pre-emptive rights of all existing shareholders be cancelled to the benefit of those common shareholders (old and/or new) that will have previously participated in the share capital increase through the payment of cash and the issuance of new common shares. It is specified that, for reasons relating to the equal treatment of shareholders, existing common shareholders will be granted pre-emptive rights in the share capital increase that will be effected through the payment of cash and the issuance of new common shares.

Having observed the rules of good faith, due care and sound management and having considered and assessed the facts and alternatives available with the assistance of reliable and expert consultants, the Board of Directors hereby presents the reasons that call for the cancellation of the pre-emptive rights and point to the purpose, the necessity and the appropriateness of the cancellation of the pre-emptive rights for obvious reasons relating to the company's best interest:

(a) The effort to maintain an autonomous presence, to continue operating efficiently and reinforce its competitive position, given current developments in the banking sector, is a key strategic choice of the Bank, which serves the long-term objectives of maximising shareholder value and safeguarding sustainability. This strategic choice can first of all be fulfilled only if the Bank raises new capital and satisfies, using its own means, the minimum capital requirements and capital adequacy ratios that apply today according to the existing regulatory framework. Therefore, a successful share capital increase with the payment of cash and the issuance of new common shares and a successful issuance of a convertible bond appear as necessary and appropriate

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means to raise new capital, to satisfy the current minimum capital requirements and capital adequacy ratios and therefore to support the prosperity of the Bank.

(b) Given the conditions prevailing in the Greek market, and especially in the banking sector, the necessary and most appropriate means to make the participation of common shareholders in the share capital increase through the payment of cash and the issuance of new common shares more attractive to them, is to give them priority over old shareholders when it comes to their participation in the issuance of the convertible bond, and safeguard the value of their investment, always according to business ethics and in good faith.

(c) In all cases, the cancellation of the pre-emptive right in reality does not affect the rights of existing shareholders, given that shareholders are informed in advance that their participation in the share capital increase through the payment of cash and the issuance of new common shares is a necessary condition for their participation in the convertible bond issue.

(d) The outcome of the bond issuance and most importantly the continuity and the efficient operation of the Bank with the objective of growing further through the raise of new capital and the strengthening of capital adequacy will be positive for all existing shareholders regardless of whether they participate in the share capital increase through the payment of cash and the issuance of new common shares and, by consequence in the bond issue, or not.

For all the above-mentioned reasons the cancellation of the pre-emptive rights of all old shareholders in the issuance of the convertible bonds to the benefit of the common shareholders that will have previously participated in the share capital increase through cash payment constitutes a necessary, appropriate, effective and reasonable means for serving the overarching objective of the company which consists in safeguarding its status and its sustainability and the achievement of the long-term aims set in its policies as well as for safeguarding its economic value.

2. CONVERSION RATIO AND PRICE OF NEW SHARES

It must be noted that according to the provisions of art. 3a , par. 2 of Law 2190/1920, the General Meeting will have to decide on the price or the conversion ratio (or a range of these) of the notes that will be issued and may be converted into common shares of the Bank ('the Notes') provided the conversion right is exercised. The Board of Directors proposes that the General Meeting determine the range of the conversion ratio as follows: One note may be converted into 0.5-3.3 common share(s) of the Bank bearing voting rights. It is also proposed that the Board of Directors be authorised to determine the final conversion ratio which will fall within the abovementioned range.

Furthermore, the Board of Directors proposes that the nominal value of each note be 1 euro, with the offer price set at par (1 euro), underlining that according to the law, the issue of shares of a nominal value which is higher than the issue price of the convertible notes is not allowed.

The maximum number of shares that can be issued after the conversion of the notes that will be issued, and in the case that conversion rights are exercised in full, will depend on the final amount of the Convertible Bond and the final conversion rate that will be defined by the Board of Directors within the range that will be determined by the General Meeting.

If the proposed Convertible Bond reaches its maximum amount, that is 200 million euros, then the total number of notes will be issued may be converted into common, bearing voting rights shares of the Bank which (after the reverse split and the completion of the share capital increase of the Bank through the payment of cash and the issuance of common shares) will not exceed 660 million.

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The exercise of the conversion right attached to the notes, will be effected through an irrevocable statement that will be sent to the Manager of the Convertible Loan, within the periods set for the exercise of the right.

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