



FINANCIAL REPORT FOR THE SIX MONTHS ENDED

30 JUNE 2008

**MARFIN POPULAR BANK PUBLIC CO LTD GROUP
FINANCIAL REPORT
for the six months ended 30 June 2008**

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for the six months ended 30 June 2008

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**MARFIN POPULAR BANK PUBLIC CO LTD GROUP
STATEMENT BY THE MEMBERS OF THE BOARD OF DIRECTORS
AND BY THE GROUP CHIEF FINANCIAL OFFICER**

In accordance with Article 10, sections (3)(c) and (7) of Transparency Requirements (Securities for Trading on Regulated Market) of 2007 Cyprus Law and Article 5(2c) of Greek Law 3556/2007, we the Members of the Board of Directors and the Group Chief Financial Officer of Marfin Popular Bank Public Co Ltd (the "Bank") confirm that, to the best of our knowledge:

- (a) the condensed interim consolidated financial statements and the condensed interim financial statements that are presented in Appendices "A" and "B" respectively:
 - (i) were prepared in accordance with the International Accounting Standard 34 "Interim Financial Reporting" as adopted by the European Union, and in accordance with the provisions of Article 10, section (4) of the Cyprus Law and Article 5 of the Greek Law 3556/2007, and
 - (ii) give a true and fair overview of the assets and liabilities, the financial position and the profit or losses of the Bank and the businesses that are included in the consolidated accounts as a total, and
- (b) the interim management report of the Board of Directors gives a true and fair overview of information required by Article 10 section (6) of the Cyprus Law 190(I)/2007 and Article 5(6) of the Greek Law 3556/2007.

Soud Ba'alawy	-	Non Executive Chairman
Andreas Vgenopoulos	-	Executive Vice Chairman
Neoclis Lysandrou	-	Non Executive Vice Chairman
Efthimios Bouloutas	-	Group Chief Executive Officer
Christos Stylianides	-	Deputy Chief Executive Officer
Panayiotis Kounnis	-	Deputy Chief Executive Officer
Eleftherios Chiliadakis	-	Executive Director
Platon E. Lanitis	-	Non Executive Director
Vassilis Theocharakis	-	Non Executive Director
Stelios Stylianou	-	Non Executive Director
Sayanta Basu	-	Non Executive Director
Constantinos Mylonas	-	Non Executive Director
Marcos Foros	-	Non Executive Director
Nicholas Wrigley	-	Non Executive Director
Annita Philippidou	-	Group Chief Financial Officer

28 August, 2008

MARFIN POPULAR BANK PUBLIC CO LTD GROUP
INTERIM MANAGEMENT REPORT OF THE BOARD OF DIRECTORS

FINANCIAL RESULTS

Summary of key points

Marfin Popular Bank Public Co Ltd Group (the "Group") has achieved exceptionally strong volume growth rates in all geographic regions of operation (Cyprus, Greece and International) and positive financial results despite the difficult international economic environment prevailing during the period. The total assets of the Group have exceeded € 35 bn at 30 June, 2008 reaching an annual increase of 21,7% compared to 30 June, 2007. Both the total advances and deposits of the Group recorded remarkable annual increases of 39,7% and 18,7% respectively, driven by the enlargement of the branch network, the expansion of the customer base and the gradual maturing of new branches.

The key financial data and ratios of the Group for the first half of 2008 are presented below:

Consolidated Income Statement (€ m)	30.06.08	30.06.07	Change%
Net interest income	359,3	332,7	8,0%
Net fee and commission income	147,1	111,2	32,3%
Financial & other income	81,3	94,5	(13,9)%
Recurring operating income	587,7	538,4	9,2%
Income from the sale of stakes	-	50	-
Total operating income	587,7	588,4	(0,1)%
Administrative expenses	(270,6)	(235,0)	15,1%
Provision for impairment of advances	(47,2)	(44,2)	6,7%
Profit from associates	1,2	0,8	38,6%
Profit before tax	271,1	310,0	(12,6)%
Taxes	(43,7)	(33,1)	32,0%
Minority interest	(7,0)	(21,0)	(66,5)%
Profit from discontinued operations (MIG)	-	86,2	-
Net profit after tax and minority interest	220,4	342,1	(35,6)%
Net profit after tax and minority interest¹	220,4	292,1	(24,5)%
Net profit after tax and minority interest²	220,4	205,9	7,0%

Key Balance Sheet Items (€ m)	30.06.08	30.06.07	Change%
Advances	21.207	15.185	39,7%
Total assets	35.274	28.986	21,7%
Deposits	23.793	20.053	18,7%

Key Ratios	30.06.08	30.06.07
Tier I Ratio	8,9%	11,2%
Capital Adequacy Ratio	10,5%	11,8%
Cost/Income	46,0%	43,7% ¹
Net Interest Margin (NIM)	2,44%	2,73% ³
Non Performing Loans Ratio (NPLs)	4,5%	5,3%
Provisioning	47 bps	60 bps
Return on Tangible Equity (RoTE)	20,3%	26,7%
Return on Assets (RoA)	1,35%	2,65%

¹ Adjusted for exceptional income from the sale of stakes in Hellenic Bank and Universal Life.

² Adjusted for exceptional income from the sale of stakes in Hellenic Bank and Universal Life and profit from discontinued operations.

³ Adjusted for interest write backs.

MARFIN POPULAR BANK PUBLIC CO LTD GROUP
INTERIM MANAGEMENT REPORT OF THE BOARD OF DIRECTORS

FINANCIAL RESULTS (continued)

Summary of key points (continued)

- Net interest income increased by 8% year-on-year and reached € 359,3 m.
- Net fee and commission income increased by a significant year-on-year 32%, reaching € 147,1 m.
- Total income increased by 9% year-on-year to € 587,7 m (adjusted for exceptional income € 50 m from sale of stakes in Hellenic Bank and Universal Life during the first half of 2007).
- Efficiency ratio (cost/income) was kept at low levels at 46%, despite the increase in operating expenses by 15% (7% excluding the new subsidiaries that are consolidated) due to the dynamic growth of the Group's operations.
- The consolidated net profit after tax and minority interest reached € 220,4 m, increasing by 11% compared with the first quarter of 2008 and decreased by 25% in relation to the first half of 2007 (adjusted for exceptional income from sale of stakes). The consolidated net profit increased by 7% compared with the first half of 2007 after adjusting for exceptional income and profit from discontinued operations.
- The return on tangible equity (RoTE) reached 20,3%.

Net interest income and net interest margin

Net interest income amounted to € 359,3 m achieving an increase of 8% year-on-year from € 332,7 m in the first half of 2007. Adjusting for the exceptional write backs in the first half of 2007 the increase in net interest income amounts to 16% year-on-year and demonstrates the robust growth of advances and deposits that was achieved, despite the negative factors prevailing. The negative factors affecting net interest income mainly include: Firstly, the downward adjustment of the Base Rate in Cyprus by 0,5% to 4% (the difference between the Cyprus Pound and the Euro Base Rate). The Euro Base Rate was set as the interest rate for the loans that were converted from Cyprus Pounds into Euro on 1st January, 2008 as required by a circular of the Central Bank of Cyprus. Secondly, the decrease of the interest rates in the USA and the devaluation of the US Dollar that reduced the income from the US Dollar transactional deposits mainly of the international business banking operations in Cyprus. Lastly, the intense competition on deposits from competitors with constrained liquidity position in Greece and Cyprus.

Net interest margin decreased from 2,73% (after adjusting for interest write backs) the first half of 2007 to 2,44% the first half of 2008, due to the aforementioned negative cyclical and technical factors. Regarding the imposed decrease in the Base Rate of the loans that were converted into Euro from Cyprus Pound, the Group has already proceeded in a number of compensating actions during 2008 that include the increase of the Base Rate of the Bank for new loans granted by 100 basis points. The gradual reversal of the negative factors will have a positive impact in operational performance of the Group in the coming quarters.

Net fee and commission income

Net fee and commission income recorded a significant increase of 32% year-on-year to € 147,1 m, as a result of the leading position of the Group in investment banking and brokerage, and the dynamic growth of the banking operations.

Financial and other income

Despite the difficult conditions prevailing in the international stock markets, the loss of the Group from disposal and revaluation of securities was limited to € 1,9 m in relation to € 88,9 m profit the corresponding period last year. It is noted that the profit on disposal and revaluation of securities the first half year of 2007 included exceptional income amounting to € 50 m from the sale of the Group's stakes in Hellenic Bank and Universal Life, as mentioned earlier. Income from foreign exchange and other income recorded an increase of 49% and reached € 83,2 m in relation to € 55,6 m the first half of 2007, due to the dynamic growth of the banking operations.

MARFIN POPULAR BANK PUBLIC CO LTD GROUP INTERIM MANAGEMENT REPORT OF THE BOARD OF DIRECTORS

FINANCIAL RESULTS (continued)

Administrative expenses

Total administrative expenses reached € 270,6 m, increased by 15% compared to the first half of 2007. Excluding the expenses of the new subsidiaries consolidated the increase is reduced to 7%. The new subsidiaries consolidated were the Ukrainian bank Marine Transport Bank (from the last quarter of 2007) and Lombard Bank Malta Plc (from 01.03.2008). The increase in expenses is a result of the dynamic growth of the Group's operations and the opening of 36 new branches (6 new branches and 10 business centers in Greece, and 20 new branches in the international network).

Loans and Deposits

The advances of the Group amounted to €21,2 bn at 30 June, 2008 recording an increase 39,7%. The Deposits increased by 18,7% year-on-year and reached €23,8 bn. The loans to deposits ratio stands at the very low 89% for Greek and European Banking standards showing the high liquidity of the Group and its low dependence on the interbank money market.

Non performing loans

The quality of the Group's advances portfolio shows a gradual improvement, as a result of the continuous investments for upgrading the credit risk management and the efforts for recoveries of overdue balances.

The advances with arrears of more than three months (non performing loans) as a percentage of the Group's total advances decreased to 4,5% at 30 June, 2008 in relation to 5,3% the respective period last year. Also, the coverage ratio of the non performing loans with provisions amounted to 61% at 30 June, 2008. The Group retains an annual cost of provisions amounting to 47 basis points over its advances (30 June, 2007: 60 basis points).

Prospects for the future

The difficult economic environment in which the Group operated during the first half of 2008 and the technical factors, like the downward adjustment of the Base Rate in Cyprus, and the cyclical factors, like the decrease of the interest rate in the US and the intense competition on deposits from competitors with constrained liquidity position in Greece and Cyprus, affected negatively the Group's results for the period under review. It is anticipated that the gradual reversal of these factors will bring positive effect in the Group's profitability in the future. The income and expenses synergies from the merger of the three groups started to materialise and it is anticipated that the fast growth rate in volumes will continue, the expenses will be contained and the advances portfolio of the Group will be continually improved.

ACQUISITIONS AND STRATEGIC PARTNERSHIPS

On 28 February, 2008 the Bank acquired the 42,86% of the share capital of Lombard Bank Malta Plc and with the dividend reinvestment the Bank's shareholding increased to 43,08%. The Bank exercises control over Lombard Bank Malta Plc through the power to appoint the majority of members of the Board of Directors and therefore Lombard Bank Malta Plc is accounted for as a subsidiary. More details are included in Note 18 of the Condensed Interim Consolidated Financial Statements.

On 31 March, 2008 the Bank disposed 53.532.184 shares (6,45%) of Marfin Investment Group Holdings S.A. at €7 per share to Dubai Financial Group based on the relevant agreement.

On 22 July, 2008 the Bank and CNP Assurances signed an agreement for a long term business partnership for the development of insurance and pension sales through the Group's banking networks in Greece and Cyprus. This insurance partnership is expected to be extended to other countries in the future following the international expansion of the Group in Southeast Europe. According to the terms of the agreement CNP Assurances will acquire the 50,1% of the insurance business of the Group and will assume management control of these companies. It is expected that the agreement will be finalised by the end of the year, once the necessary regulatory authorisations are obtained.

MARFIN POPULAR BANK PUBLIC CO LTD GROUP INTERIM MANAGEMENT REPORT OF THE BOARD OF DIRECTORS

DIVIDEND

The Annual General Meeting of the Bank, held on 15 May, 2008, approved the payment of a dividend of €0,35 per share of nominal value of €0,85, of a total amount of €278.842.000.

RELATED PARTY TRANSACTIONS

Information regarding related party transactions for the six months ended 30 June, 2008 according to IFRSs are included in Note 19 of the Condensed Interim Consolidated Financial Statements.

RISK MANAGEMENT

In line with all other financial institutions, the Group is exposed to risks, the most important being credit risk, interest rate risk, currency risk and liquidity risk. These risks are being continuously monitored using various methods, so as to avoid concentration of risk above the limits set. The analysis of risks was included in the consolidated financial statements for the year ended 31 December, 2007 in Note 47. The risks in which the Group is exposed are not expected to change significantly during the second half of 2008.

SHARE CAPITAL

On 15 May, 2008 the Extraordinary General Meeting approved the conversion and reduction of the nominal value of the Bank's share, after rounding, from C£ 0,50 to €0,85. Furthermore, the Extraordinary General Meeting approved that the Bank's authorised nominal share capital be converted and reduced to €807.500.000 and the issued share capital to €677.187.000, and that the reduction on the issued share capital resulting from the above conversion of Cyprus Pounds to Euro totalling €3.426.000 is recorded into a special reserve account which is called "Difference from the conversion of share capital into Euro" for future capitalisation or other legal use.

In June, 2008, the Bank issued 33.435.000 new ordinary shares, of nominal value €0,85, which resulted from the reinvestment of the dividend for the year 2007 in accordance with the Dividend Reinvestment Plan.

CAPITAL SECURITIES

The capital securities of the June 2003 issue, amounting to €85 m were repaid in full in accordance with their terms of issue, on 27 June, 2008 and an amount equal to the nominal value plus the accrued interest was paid to the holders. For the period 31.03.2008 – 26.06.2008 these securities carried interest at the rate of 5,20%.

In addition, during the six months ended 30 June, 2008 new capital securities were issued in two phases of a total nominal value €200 m. The capital securities do not have a maturity date but may, at the Bank's discretion, after approval by the Central Bank of Cyprus, be acquired in their entirety at their nominal value, together with any accrued interest, five years after the date of issue or on any interest payment date after that. The capital securities of the 1st Tranche pay 6,50% fixed interest rate for the first four quarters and the capital securities of the 2nd Tranche pay 6,50% fixed interest rate for the first three quarters and subsequently both Tranches pay a floating rate, which is reviewed on a quarterly basis. The interest rate is equal to the three-monthly rate of Euro (Euribor) at the beginning of each quarter plus 1,50% and interest is payable every three months. As stated in the Offering Circular for the issue of the capital securities the proceeds from the issue will be used to enhance the capital base of the Group. The capital securities constitute direct, unsecured, subordinated obligations of the Bank and rank for payment after the claims of the depositors and other creditors. The capital securities of the 1st Tranche were listed on the Cyprus Stock Exchange on 24 July, 2008 and it is expected that the rest of the capital securities will be listed soon.

28 August, 2008

APPENDIX “A”



**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED
30 JUNE 2008**

MARFIN POPULAR BANK PUBLIC CO LTD GROUP
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
for the six months ended 30 June 2008

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Report by the Independent Auditors on Review of Condensed Interim Consolidated Financial Statements to the Board of Directors of Marfin Popular Bank Public Co Ltd

Introduction

We have reviewed the condensed interim consolidated financial statements of Marfin Popular Bank Public Co Ltd (the "Bank") and its subsidiaries (the "Group") on pages 2 to 24 which comprise of the condensed interim consolidated balance sheet as at 30 June, 2008, and the related condensed interim consolidated statements of income, changes in equity and cash flows for the six-month period then ended, and other explanatory notes. Our review was restricted to financial information for the six-month period as a whole and did not include a review of financial information in relation to the Group's financial performance for the three-month period from 1 April, 2008 to 30 June, 2008 as a separate quarter, as presented on page 3 in the accompanying condensed interim consolidated financial statements. Management is responsible for the preparation and presentation of these condensed interim consolidated financial statements in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting" as issued by the International Accounting Standards Board and adopted by the European Union. Our responsibility is to express a conclusion on these condensed interim consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of the interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 "Interim Financial Reporting".

PricewaterhouseCoopers Limited
Chartered Accountants

Grant Thornton
Chartered Accountants

Nicosia, 28 August, 2008

MARFIN POPULAR BANK PUBLIC CO LTD GROUP
CONDENSED INTERIM CONSOLIDATED INCOME STATEMENT
for the six months ended 30 June 2008

	6 months ended 30.06.2008	6 months ended 30.06.2007
Note	€ '000	€ '000
Net interest income	359.284	332.711
Net fee and commission income	147.118	111.245
(Loss)/profit on disposal and revaluation of securities	(1.899)	88.905
Foreign exchange and other income	83.234	55.550
	<hr/>	
Operating income	587.737	588.411
Staff costs	(167.470)	(148.595)
Depreciation and amortisation	(23.077)	(22.923)
Administrative expenses	(79.994)	(63.515)
	<hr/>	
Profit before provision for impairment of advances	317.196	353.378
Provision for impairment of advances	(47.209)	(44.176)
	<hr/>	
Profit before share of profit from associates	269.987	309.202
Share of profit from associates	1.143	824
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Profit before tax	271.130	310.026
Tax	(43.720)	(33.110)
	<hr/>	
Profit after tax from continuing operations	227.410	276.916
Profit after tax from discontinued operations due to reduction in participation	-	86.187
	<hr/>	
Profit for the period	227.410	363.103
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Attributable to:		
Minority interest	7.006	20.968
Equity holders of the Bank	220.404	342.135
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	227.410	363.103
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Earnings per share – for profit attributable to the equity holders of the Bank		
Earnings per share - cent	4	44,7
	<hr/>	
Earnings per share - for profit after tax from continuing operations attributable to the equity holders of the Bank		
Earnings per share - cent	4	34,1
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The notes on pages 8 to 24 are an integral part of these condensed interim consolidated financial statements.

MARFIN POPULAR BANK PUBLIC CO LTD GROUP
CONDENSED INTERIM CONSOLIDATED INCOME STATEMENT
for the three months ended 30 June 2008

	3 months ended 30.06.2008	3 months ended 30.06.2007
Note	€ '000	€ '000
Net interest income	186.964	172.442
Net fee and commission income	73.011	50.059
Profit on disposal and revaluation of securities	7.301	27.464
Foreign exchange and other income	38.871	33.017
Operating income	306.147	282.982
Staff costs	(86.446)	(75.486)
Depreciation and amortisation	(11.797)	(11.626)
Administrative expenses	(43.380)	(34.756)
Profit before provision for impairment of advances	164.524	161.114
Provision for impairment of advances	(22.258)	(25.372)
Profit before share of profit from associates	142.266	135.742
Share of profit from associates	940	693
Profit before tax	143.206	136.435
Tax	(22.675)	(17.825)
Profit after tax from continuing operations	120.531	118.610
Profit after tax from discontinued operations due to reduction in participation	-	69.712
Profit for the period	120.531	188.322
Attributable to:		
Minority interest	4.522	15.150
Equity holders of the Bank	116.009	173.172
	120.531	188.322
Earnings per share – for profit attributable to the equity holders of the Bank		
Earnings per share - cent	4	14,4 21,9
Earnings per share - for profit after tax from continuing operations attributable to the equity holders of the Bank		
Earnings per share - cent	4	13,5

The notes on pages 8 to 24 are an integral part of these condensed interim consolidated financial statements.

MARFIN POPULAR BANK PUBLIC CO LTD GROUP
CONDENSED INTERIM CONSOLIDATED BALANCE SHEET
30 June 2008

	Note	30.06.2008 € '000	31.12.2007 € '000
Assets			
Cash and balances with Central Banks		995.481	1.347.119
Due from other banks		4.829.914	4.978.224
Financial assets at fair value through profit or loss	7	628.725	716.080
Advances to customers	8	21.206.879	17.615.108
Available-for-sale financial assets		4.057.550	2.737.456
Held-to-maturity financial assets		888.727	375.789
Other assets	7	680.631	537.218
Investments in associates		15.655	14.798
Intangible assets		1.672.082	1.641.565
Property and equipment	10	298.560	286.760
Total assets		35.274.204	30.250.117
Liabilities			
Due to other banks		4.502.247	2.709.374
Customer deposits		23.792.665	20.694.917
Senior debt	11	1.024.039	973.014
Loan capital	12	708.062	604.049
Other liabilities	7	1.672.280	1.786.638
Total liabilities		31.699.293	26.767.992
Share capital and reserves attributable to equity holders of the Bank			
Share capital	13	705.607	680.613
Share premium	13	2.144.425	2.017.708
Reserves	14	612.436	691.274
		3.462.468	3.389.595
Minority interest		112.443	92.530
Total equity		3.574.911	3.482.125
Total equity and liabilities		35.274.204	30.250.117

The notes on pages 8 to 24 are an integral part of these condensed interim consolidated financial statements.

MARFIN POPULAR BANK PUBLIC CO LTD GROUP
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the six months ended 30 June 2008

	Note	Attributable to equity holders of the Bank			Minority interest	Total	
		Share capital € '000	Share premium € '000	Other reserves € '000	Revenue reserves € '000	€ '000	€ '000
Six months ended 30 June 2008							
Balance 1 January 2008		680.613	2.017.708	(45.075)	736.349	92.530	3.482.125
Revaluation of property	14	-	-	205	-	-	205
Revaluation and transfer to results on disposal and impairment of available- for-sale financial assets net of tax	14	-	-	(29.031)	-	(1.631)	(30.662)
Exchange differences arising in the period	14	-	-	2.959	-	(40)	2.919
Loss recognised directly in equity		-	-	(25.867)	-	(1.671)	(27.538)
Profit for the period		-	-	-	220.404	7.006	227.410
Total recognised profit for the period		-	-	(25.867)	220.404	5.335	199.872
Dividend	14,15	-	-	-	(278.842)	-	(278.842)
Dividend reinvestment	13	28.420	126.717	-	-	-	155.137
Difference from conversion of share capital into Euro	13,14	(3.426)	-	3.426	-	-	-
Cost of share-based payments to employees	14	-	-	-	1.836	56	1.892
Dividend paid by subsidiaries		-	-	-	-	(1.848)	(1.848)
Acquisition of subsidiary		-	-	-	-	33.628	33.628
Effect of change in minority interest from changes in shareholdings in subsidiaries and other movements	14	-	-	-	205	(17.258)	(17.053)
		24.994	126.717	3.426	(276.801)	14.578	(107.086)
Balance 30 June 2008		705.607	2.144.425	(67.516)	679.952	112.443	3.574.911

The notes on pages 8 to 24 are an integral part of these condensed interim consolidated financial statements.

MARFIN POPULAR BANK PUBLIC CO LTD GROUP
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the six months ended 30 June 2008

Note	Attributable to equity holders of the Bank					Minority interest	Total
	Share capital € '000	Share premium € '000	Treasury shares € '000	Other reserves € '000	Revenue reserves € '000		
Six months ended 30 June 2007							
Balance 1 January 2007	675.169	1.901.767	(181.038)	78.457	401.175	161.863	3.037.393
Revaluation and transfer to results on disposal of available- for-sale financial assets net of tax	14	-	-	4.094	-	(1.172)	2.922
Exchange differences arising in the period	14	-	-	18.861	-	1.020	19.881
Profit recognised directly in equity		-	-	22.955	-	(152)	22.803
Profit for the period		-	-	-	342.135	20.968	363.103
Total recognised profit for the period		-	-	22.955	342.135	20.816	385.906
Dividend	14,15	-	-	-	(245.018)	-	(245.018)
Shares issued	13	5.437	27.186	-	-	-	32.623
Share issue costs	13	-	(2.201)	-	-	-	(2.201)
Treasury shares sold	13	-	92.213	181.038	-	-	273.251
Cost of share-based payments to employees	14	-	-	-	1.497	-	1.497
Dividend paid by subsidiaries		-	-	-	-	(7.391)	(7.391)
Reduction of capital by subsidiary		-	-	-	-	(17.641)	(17.641)
Effect of change in minority interest from changes in shareholdings in subsidiaries and other movements	14	-	-	-	12.750	(36.520)	(23.770)
		5.437	117.198	181.038	-	(230.771)	11.350
Balance 30 June 2007		680.606	2.018.965	-	101.412	512.539	3.434.649

The notes on pages 8 to 24 are an integral part of these condensed interim consolidated financial statements.

MARFIN POPULAR BANK PUBLIC CO LTD GROUP
CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT
for the six months ended 30 June 2008

	6 months ended 30.06.2008	6 months ended 30.06.2007
Note	€ '000	€ '000
Cash generated from operations	1.643.627	1.826.751
Tax paid	(63.394)	(109.359)
Net cash from operating activities	1.580.233	1.717.392
Cash flows from investing activities		
Purchase less proceeds from disposal of property and equipment	(10.489)	(8.138)
Purchase of computer software	(3.185)	(5.372)
Purchase less proceeds from disposal of investment property	31.453	(207)
Additions less proceeds from redemption and sale of available-for-sale and held-to-maturity financial assets	(1.933.986)	(861.335)
Income from available-for-sale and held-to-maturity financial assets	100.607	48.184
Acquisition of subsidiary net of cash acquired	87.001	-
Changes in shareholding in subsidiaries	(24.974)	(7.712)
Dividend received from investments in associates	-	849
Net cash used in investing activities	(1.753.573)	(833.731)
Cash flows from financing activities		
Dividend paid	(123.705)	(245.018)
Proceeds from sale of treasury shares	-	273.251
Share issue costs	-	(2.201)
Proceeds from the issue of senior debt and loan capital	239.000	748.340
Repayment of senior debt and loan capital	(85.430)	(24.353)
Interest paid on senior debt and loan capital	(40.393)	(29.362)
Dividend and return of share capital by subsidiaries to minority holders	(1.173)	(25.032)
Net cash (used in)/from financing activities	(11.701)	695.625
Effects of exchange rate changes	(1.230)	21.479
Net (decrease)/increase in cash and cash equivalents	(186.271)	1.600.765
Cash and cash equivalents at beginning of period	5.018.066	4.951.501
Cash and cash equivalents at end of period	4.831.795	6.552.266

The notes on pages 8 to 24 are an integral part of these condensed interim consolidated financial statements.

MARFIN POPULAR BANK PUBLIC CO LTD GROUP

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The condensed interim consolidated financial statements consolidate the financial statements of Marfin Popular Bank Public Co Ltd (the "Bank") and its subsidiaries (the "Group"), for the six months ended 30 June, 2008.

The principal activities of the Group, which were unchanged from last year, are the provision of banking, financial and insurance services.

The Bank was established in Cyprus in 1901 under the name "Popular Savings Bank of Limassol". In 1924 it was registered as the first public company in Cyprus under the name "The Popular Bank of Limassol Ltd". In 1967 the Bank changed its name to "Cyprus Popular Bank Ltd" and on 26 May, 2004 it was renamed to "Cyprus Popular Bank Public Company Ltd". An Extraordinary General Meeting held on 31 October, 2006 unanimously approved the change of its name to "Marfin Popular Bank Public Co Ltd". The Bank's shares are listed on the Cyprus Stock Exchange and the Athens Exchange. The Bank's registered office is at 154, Limassol Avenue, 2025 Nicosia, Cyprus.

2. SIGNIFICANT ACCOUNTING POLICIES

The condensed interim consolidated financial statements for the six months ended 30 June, 2008 have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as issued by the International Accounting Standards Board and adopted by the European Union.

With the introduction of the Euro as the official currency of the Republic of Cyprus as from 1 January 2008, the functional currency of the Bank and its Cyprus subsidiaries has changed from Cyprus pounds to Euro. As a result, the financial position of the Bank and the Group at 1 January, 2008 has been converted into Euro based on the definite fixing of the exchange rate € 1 = C£ 0,585274.

The condensed interim consolidated financial statements are presented in Euro, which is the functional and presentation currency of the Bank as from 1 January, 2008. All amounts are rounded to the nearest thousand, unless where reported otherwise.

The same accounting policies as for the annual consolidated financial statements for the year 2007 have been adopted in the preparation of the condensed interim consolidated financial statements.

The condensed interim consolidated financial statements do not include all the information and disclosures required for the annual consolidated financial statements and should be read in conjunction with the audited consolidated financial statements of the Group for the year ended 31 December, 2007.

The condensed interim consolidated financial statements for the six months ended 30 June, 2008 have not been audited by the Group's external independent auditors. The Group's external independent auditors have conducted a review in accordance with the International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

The Group has adopted all applicable new and revised International Financial Reporting Standards (IFRSs) and International Accounting Standards (IASs), which are relevant to its operations and are applicable for accounting periods beginning on 1 January, 2008 as stated below.

IFRIC 14, IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (effective from 1 January, 2008)

IFRIC 14 provides guidance on assessing the limit in IAS 19 on the amount of the surplus that can be recognised as an asset. It also explains how the pension asset or liability may be affected by a statutory or contractual minimum funding requirement. This interpretation is subject to endorsement by the European Union. The Group will apply IFRIC 14 upon its endorsement by the European Union.

MARFIN POPULAR BANK PUBLIC CO LTD GROUP
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

3. COMPARATIVES

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current period. With the introduction of the Euro as the official currency of the Republic of Cyprus as from 1 January, 2008, the functional currency of the Bank and its Cyprus subsidiaries has changed from Cyprus pounds to Euro. As a result, the financial position of the Bank and the Group at 1 January, 2008 has been converted into Euro based on the definite fixing of the exchange rate € 1 = C£ 0,585274. All comparatives have been converted into Euro with the above exchange rate.

4. EARNINGS PER SHARE

	6 months ended 30.06.2008 € '000	6 months ended 30.06.2007 € '000	3 months ended 30.06.2008 € '000	3 months ended 30.06.2007 € '000
Profit attributable to the equity holders of the Bank	220.404	342.135	116.009	173.172
	'000	'000	'000	'000
Weighted average number of shares in issue during the period	801.892	765.771	807.093	792.327
Earnings per share – cent	27,5	44,7	14,4	21,9
			6 months ended 30.06.2007 € '000	3 months ended 30.06.2007 € '000
Profit after tax from continuing operations			276.916	118.610
Minority interest			(15.599)	(11.835)
Profit after tax from continuing operations attributable to the equity holders of the Bank			261.317	106.775
			'000	'000
Weighted average number of shares in issue during the period			765.771	792.327
Earnings per share – cent			34,1	13,5

Diluted earnings per share in relation to the Share Options is not disclosed, as the exercise price of the Share Options was higher than the average market price of Marfin Popular Bank Public Co Ltd shares at the Cyprus Stock Exchange and the Athens Exchange during the period ended 30 June, 2008.

MARFIN POPULAR BANK PUBLIC CO LTD GROUP
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

5. SEGMENTAL ANALYSIS

By business class – primary segment

	Banking services € '000	Insurance services € '000	Financial and other services € '000	Eliminations € '000	Total € '000
Six months ended 30 June 2008					
Total revenues	1.068.696	62.246	116.106	(55.647)	1.191.401
Profit before tax	<u>179.596</u>	<u>24.738</u>	<u>66.796</u>		271.130
Tax					<u>(43.720)</u>
Profit for the period					<u>227.410</u>
Six months ended 30 June 2007					
Total revenues	<u>892.693</u>	<u>106.933</u>	<u>123.981</u>	<u>(31.874)</u>	1.091.733
Profit before tax	<u>217.324</u>	<u>29.834</u>	<u>62.868</u>		310.026
Tax					<u>(33.110)</u>
Profit after tax from continuing operations					276.916
Profit after tax from discontinued operations due to reduction in participation					<u>86.187</u>
Profit for the period					<u>363.103</u>

6. DISCONTINUED OPERATIONS DUE TO REDUCTION IN PARTICIPATION

As disclosed in the consolidated financial statements for the year ended 31 December, 2007, according to IFRS 5 “Non-Current Assets Held for Sale and Discontinued Operations”, the Group’s investment in the non-banking activities of the group of Marfin Investment Group Holdings S.A. is presented as discontinued operations due to reduction in participation and as held for sale at the date of acquisition. The criteria for classification as a disposal group held for sale have been fulfilled within a short period following the acquisition according to the provisions of IFRS 5. Consequently, the results which relate to the non-banking activities of the group of Marfin Investment Group Holdings S.A. for the six months ended 30 June, 2007, during which Marfin Investment Group Holdings S.A. was a subsidiary of Marfin Popular Bank Public Co Ltd are included in the consolidated income statement for the six months ended 30 June, 2007 as profit after tax from discontinued operations due to reduction in participation.

MARFIN POPULAR BANK PUBLIC CO LTD GROUP
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

6. DISCONTINUED OPERATIONS DUE TO REDUCTION IN PARTICIPATION (continued)

Profit after tax from discontinued operations due to reduction in participation as presented on the condensed interim consolidated income statement is analysed as follows:

	6 months ended 30.06.2007 € '000
Operating income	95.479
Staff costs	(777)
Depreciation and amortisation	(13)
Administrative expenses	<u>(1.768)</u>
Profit before share of profit from associates	92.921
Share of profit from associates	<u>302</u>
Profit before tax	93.223
Tax	<u>(7.036)</u>
Profit after tax from discontinued operations due to reduction in participation	<u><u>86.187</u></u>

7. DERIVATIVE FINANCIAL INSTRUMENTS

Included within financial assets at fair value through profit or loss is an amount of € 43,6 m (31 December, 2007: € 27,5 m) which relates to the positive fair value of derivative financial instruments and within other assets an amount of € 40,7 m (31 December, 2007: € 2,3 m), which relates to the positive fair value of derivative financial instruments, for which hedge accounting is applied. Included within other liabilities is an amount of € 51,3 m (31 December, 2007: € 51,3 m), which relates to the negative fair value of derivative financial instruments.

8. ADVANCES TO CUSTOMERS

	30.06.2008 € '000	31.12.2007 € '000
Advances to customers	20.908.496	17.324.330
Instalment finance and leasing	1.000.877	963.174
	<u>21.909.373</u>	<u>18.287.504</u>
Provision for impairment of advances (Note 9)	(702.494)	(672.396)
	<u>21.206.879</u>	<u>17.615.108</u>

The amount of income suspended is included in provision for impairment of advances.

MARFIN POPULAR BANK PUBLIC CO LTD GROUP
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

9. PROVISION FOR IMPAIRMENT OF ADVANCES

Movement in the six months ended 30 June, 2008 and 30 June, 2007:

	Provision € '000	Suspension of income € '000	Total € '000
2008			
Balance 1 January	570.386	102.010	672.396
Provision for impairment of advances from acquisition of subsidiaries	5.746	1.598	7.344
Provision for impairment of advances for the period	91.859	-	91.859
Release of provision and recoveries	(44.650)	(12.712)	(57.362)
Advances written-off	(22.790)	(9.082)	(31.872)
Exchange differences	231	-	231
Suspension of income for the period	-	19.898	19.898
	600.782	101.712	702.494
2007			
Balance 1 January	502.626	119.281	621.907
Provision for impairment of advances for the period	86.634	-	86.634
Release of provision and recoveries	(42.458)	(32.704)	(75.162)
Advances written-off	(13.340)	(5.143)	(18.483)
Exchange differences	2.067	-	2.067
Suspension of income for the period	-	17.834	17.834
	535.529	99.268	634.797

10. PROPERTY AND EQUIPMENT

Movement in the six months ended 30 June, 2008 and 30 June, 2007:

	2008 € '000	2007 € '000
Net book value at 1 January	286.760	233.155
Property and equipment from acquisition of subsidiaries	10.329	-
Additions less disposals of property and equipment	12.553	8.058
Revaluation of property	205	-
Depreciation	(10.141)	(8.367)
Exchange differences	(1.146)	1.175
	298.560	234.021

11. SENIOR DEBT

	30.06.2008 € '000	31.12.2007 € '000
Debentures Marfin Popular Bank Public Co Ltd (2007/2010)	724.050	723.104
Debentures Egnatia Finance Plc	199.989	199.915
Bond loan (Schuldschein) Marfin Egnatia Bank S.A. (2007/2010)	50.000	49.995
Bond loan (Schuldschein) Marfin Egnatia Bank S.A. (2008/2011)	50.000	-
	1.024.039	973.014

MARFIN POPULAR BANK PUBLIC CO LTD GROUP
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

11. SENIOR DEBT (continued)

Debentures Marfin Popular Bank Public Co Ltd (2007/2010)

During 2004 the Bank set up a Euro Medium Term Note (EMTN) Programme for a total amount of € 750 m. In May 2006 an increase of the size of the Programme to € 1 bln was approved and in May 2007 a further increase to € 3 bln was approved. Pursuant to the Programme the Bank has the ability to issue senior and/or subordinated debt in accordance to its needs.

In May 2007, the Bank issued € 750 m of senior debt due in 2010. The bonds are repayable within three years from their issue (2007/2010) and pay interest every three months. The interest rate is set at the three-monthly rate of Euro (Euribor) plus 0,29%.

The bonds are listed on the Luxembourg Stock Exchange and their market value at 30 June, 2008 was € 707,4 m (31 December, 2007: € 718,9 m).

Debentures Egnatia Finance Plc

In August 2005, Egnatia Finance Plc, subsidiary of Marfin Egnatia Bank S.A., issued € 200 m three year debentures due in August 2008. The debentures pay three-monthly interest rate of Euro (Euribor) plus 0,55%. Interest is paid on 11 February, 11 May, 11 August and 11 November of each year.

The debentures are listed on the Luxembourg Stock Exchange and their market value at 30 June, 2008 was € 199,9 m (31 December, 2007: € 200,2 m).

Bond loan (Schuldschein) Marfin Egnatia Bank S.A. (2007/2010)

In December 2007, Marfin Egnatia Bank S.A. issued € 50 m three year bond loan (Schuldschein) due in December 2010. Interest is paid monthly, quarterly or half yearly, based on the decision of Marfin Egnatia Bank S.A., with the interest rate of Euro (Euribor) of the respective period (month, quarter, half year) plus 0,25%. The debentures or part of them can be repurchased earlier after a decision of Marfin Egnatia Bank S.A.

Bond loan (Schuldschein) Marfin Egnatia Bank S.A. (2008/2011)

In March 2008, Marfin Egnatia Bank S.A. issued € 50 m three year bond loan (Schuldschein) due in March 2011. Interest is paid half yearly, with the interest rate of Euro (Euribor) plus 0,25%. The debentures or part of them can be repurchased earlier after a decision of Marfin Egnatia Bank S.A.

12. LOAN CAPITAL

	30.06.2008	31.12.2007
	€ '000	€ '000
Convertible debentures 2003/2013	231	366
Non-convertible debentures 2005/2015	80.000	79.990
Eurobonds due 2016	438.831	438.263
Capital securities	189.000	85.430
	708.062	604.049

Convertible debentures 2003/2013

In January 2003, Marfin Egnatia Bank S.A. issued € 30 m convertible debentures due in 2013. Interest rate is equal to the three-monthly rate of Euro (Euribor) plus 1,75% until their call in date and 3,25% until maturity. The interest is paid every three months on 31 March, 30 June, 30 September and 31 December.

MARFIN POPULAR BANK PUBLIC CO LTD GROUP
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

12. LOAN CAPITAL (continued)

Convertible debentures 2003/2013 (continued)

The issuing bank has the right to call in the debentures after the end of the fifth year.

The debentures are not secured and they rank for payment after the claims of depositors and other creditors.

The convertible debentures form a series of nominal debentures convertible into new ordinary shares of the issuing bank of a nominal value of € 1,27 at the conversion rate of 10:10. At 30 June, 2008 there were in issue 72.210 convertible debentures, of a nominal value of €3,20.

Non-convertible debentures 2005/2015

In May 2005, Egnatia Finance Plc issued € 80 m non-convertible debentures due on 4 May, 2015. Interest is set at 1,10% above the three-monthly rate of Euro (Euribor) until their call in date and 2,40% until maturity. The debentures pay interest every three months on 4 February, 4 May, 4 August and 4 November.

The issuing company has the right to call in the debentures after the end of the fifth year.

The debentures are not secured, but are guaranteed by Marfin Egnatia Bank S.A., and they rank for payment after the claims of depositors and other creditors. The debentures are listed on the Luxembourg Stock Exchange and their market value at 30 June, 2008 was €78,4 m (31 December, 2007: €80,1 m).

Eurobonds due 2016

During 2004 the Bank set up a Euro Medium Term Note (EMTN) Programme for a total amount of € 750 m. In May 2006, an increase of the size of the Programme to € 1 bln was approved and in May 2007 a further increase to € 3 bln was approved. Pursuant to the Programme the Bank has the ability to issue senior and/or subordinated debt in accordance to its needs.

In May 2006, the Bank issued €450 m of subordinated debt (Tier II capital). The issue was in the form of subordinated bonds, maturing in 10 years. The Bank has the right to call in the bonds after five years from the issue date. Interest rate is set at the three-monthly rate of Euro (Euribor) plus 0,75%, increased by 1% if the bonds are not called in.

The bonds constitute direct, unsecured, subordinated obligations of the Bank and rank for payment after the claims of the depositors and other creditors. The bonds are listed on the Luxembourg Stock Exchange and their market value at 30 June, 2008 was €409,2 m (31 December, 2007: €430,5 m).

Capital securities

The capital securities of the June 2003 issue, amounting to € 85 m (C£ 50 m) were repaid in full in accordance with their terms of issue on 27 June, 2008 and an amount equal to the nominal value plus accrued interest was paid to the holders. For the period 31.03.2008 – 26.06.2008 these securities carried interest at the rate of 5,20%.

MARFIN POPULAR BANK PUBLIC CO LTD GROUP
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

12. LOAN CAPITAL (continued)

Capital securities (continued)

On 17 March, 2008 the Board of Directors of the Bank approved the issue of new capital securities which will be included in its Hybrid Tier I Capital up to the amount of € 200 m. Capital securities of € 116 m (1st Tranche) that were offered to a limited group of individuals, professional investors and individuals who each invested at least € 50,000, were issued on 14 April, 2008 at a nominal value of € 1.000 each. During the second phase (2nd Tranche), capital securities of € 84 m that were offered to the general public through a Public Offer, were issued on 30 June, 2008, at a nominal value of € 1.000 each.

The capital securities do not have a maturity date but may, at the Bank's discretion, after approval by the Central Bank of Cyprus, be acquired in their entirety at their nominal value, together with any accrued interest, five years after the date of issue or on any interest payment date after that. The capital securities of the 1st Tranche pay 6,50% fixed interest rate for the first four quarters and the capital securities of the 2nd Tranche pay 6,50% fixed interest rate for the first three quarters, and subsequently a floating rate, which is reviewed on a quarterly basis. The interest rate is equal to the three-monthly rate of Euro (Euribor) at the beginning of each quarter plus 1,50% and interest is payable every three months, at 31 March, 30 June, 30 September and 31 December.

The capital securities constitute direct, unsecured, subordinated obligations of the Bank and rank for payment after the claims of the depositors and other creditors. The capital securities of the 1st Tranche were listed on the Cyprus Stock Exchange on 24 July, 2008.

13. SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES

	Number of shares '000	Share capital € '000	Share premium € '000	Treasury shares € '000	Total € '000
Six months ended 30 June 2008					
Balance 1 January	796.691	680.613	2.017.708	-	2.698.321
Difference from conversion of share capital into Euro (a)	-	(3.426)	-	-	(3.426)
Dividend reinvestment (b)	33.435	28.420	126.717	-	155.137
Balance 30 June	830.126	705.607	2.144.425	-	2.850.032
Six months ended 30 June 2007					
Balance 1 January	790.319	675.169	1.901.767	(181.038)	2.395.898
Shares issued (c)	6.364	5.437	27.186	-	32.623
Treasury shares sold (d)	-	-	92.213	181.038	273.251
Shares issue costs	-	-	(2.201)	-	(2.201)
Balance 30 June	796.683	680.606	2.018.965	-	2.699.571

- (a) On 15 May, 2008 the Extraordinary General Meeting following the recommendation of the Registrar of Companies approved the conversion and reduction of the nominal value of the Bank's share, after rounding, from C£ 0,50 to € 0,85. Furthermore the Extraordinary General Meeting approved that the Bank's authorised nominal share capital be converted and reduced to € 807.500.000 and the issued share capital to € 677.187.000, and that the reduction on the issued share capital resulting from the above conversion of Cyprus Pounds to Euro totalling € 3.426.000 is recorded into a special reserve account which is called "Difference from the conversion of share capital into Euro" (Note 14) for future capitalisation or other legal use.

MARFIN POPULAR BANK PUBLIC CO LTD GROUP
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

13. SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES (continued)

- (b) In June, 2008, the Bank issued 33.435.000 new ordinary shares, of nominal value € 0,85, which resulted from the reinvestment of the dividend for the year 2007 in accordance with the Dividend Reinvestment Plan. Based on the Plan the Bank's shareholders had the option of part or full reinvestment of the net 2007 dividend that was paid, into additional shares of the Bank. The exercise price of the reinvestment right of the 2007 dividend was set at € 4,64 per share, that was 10% lower than the average closing price of the Bank's share in the Cyprus Stock Exchange and the Athens Exchange for the period from 23 to 29 May, 2008. The trading of the newly issued shares commenced on 18 June, 2008. After the listing of 33.435.000 new ordinary shares, the share capital of the Bank amounts to € 705.607.000, divided into 830.126.000 ordinary shares, of nominal value € 0,85 each.
- (c) The shares issued during the six month period ended 30 June, 2007, relate to shares, which were allocated to the shareholders of Marfin Investment Group Holdings S.A., who exercised their right to exit. These shares were issued on 17 April, 2007 and were listed on the Cyprus Stock Exchange and the Athens Exchange on 23 April, 2007.
- (d) The treasury shares, which were held at 31 December, 2006 by Marfin Investment Group Holdings S.A. in Marfin Popular Bank Public Co Ltd were sold during the six month period ended 30 June, 2007 and the gain from the disposal was taken to the share premium account in the consolidated financial statements.

All issued ordinary shares are fully paid and carry the same rights.

The share premium is not available for distribution to equity holders.

Share Options

In April 2007, the Extraordinary General Meeting of the shareholders approved the introduction of a Share Options Scheme (the "Scheme") for the members of the Board of Directors of the Bank and the Group's employees. The shares to be issued with the application of this Scheme will have the same nominal value as the existing issued shares, that is, € 0,85 each. The exercise price of each share option (the "Option") was set at € 10, but it is subject to adjustments following corporate actions.

Following the aforementioned approval and the ensuing decision of the Bank's Board of Directors on 9 May, 2007, 70.305.000 Options were granted with an exercise price of € 10 and maturity date 15 December, 2011. The Options can be exercised by the holders during the years 2007 to 2011, according to the allocation determined by the Board of Directors, following a recommendation by the Remuneration Committee, based on the holders' performance being up to the Bank's expectations.

The fair value of the Options granted was measured using the Black and Scholes model. The significant inputs into the model were: share price of € 8,48 at the grant date, risk-free Euro interest rate curve for the duration of the Scheme 4,15% (average), share price volatility determined on the basis of historic volatility 12% and dividend yield 3,82%. The weighted average fair value of Options granted during the period was € 0,19 per Option. The total expense recognised in the condensed interim consolidated income statement for the six months ended 30 June, 2008 for Options granted amounts to € 1.892.000 (30 June, 2007: € 1.497.000).

MARFIN POPULAR BANK PUBLIC CO LTD GROUP
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

14. RESERVES

Movement in the six months ended 30 June, 2008 and 30 June, 2007:

	2008	2007
	€ '000	€ '000
Revenue reserves		
Balance 1 January	736.349	401.175
Profit for the period attributable to equity holders of the Bank	220.404	342.135
Dividend (Note 15)	(278.842)	(245.018)
Cost of share-based payments to employees	1.836	1.497
Effect of change in minority shareholdings from reorganisation of subsidiaries and other movements	205	12.750
	<hr/> 679.952	<hr/> 512.539
Balance 30 June		
Property fair value reserves		
Balance 1 January	55.644	26.560
Revaluation of property	205	-
	<hr/> 55.849	<hr/> 26.560
Balance 30 June		
Available-for-sale financial assets fair value reserves		
Balance 1 January	(116.260)	52.574
Revaluation for the period and transfer to results on disposal of available-for-sale financial assets	(38.394)	(2.751)
Deferred tax	9.063	6.845
Transfer to results due to impairment	300	-
	<hr/> (145.291)	<hr/> 56.668
Balance 30 June		
Currency translation reserves		
Balance 1 January	15.541	(677)
Exchange differences arising in the period	2.959	18.861
	<hr/> 18.500	<hr/> 18.184
Balance 30 June		
Difference from conversion of share capital into Euro reserve		
Balance 1 January	-	-
Difference arising on conversion of share capital into Euro	3.426	-
	<hr/> 3.426	<hr/> -
Balance 30 June		
Total reserves 30 June	<hr/> 612.436	<hr/> 613.951

MARFIN POPULAR BANK PUBLIC CO LTD GROUP
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

15. DIVIDEND

The Annual General Meeting of the Bank, held on 15 May, 2008, approved the payment of a dividend of € 0,35 per share of nominal value € 0,85, of a total amount of € 278.842.000 (30 June, 2007: € 245.018.000 per share, € 0,31 per share). The dividend was paid to the shareholders on 2 June, 2008.

The Annual General Meeting also approved the Dividend Reinvestment Plan proposed by the Board of Directors (Note 13(b)).

16. CONTINGENCIES AND COMMITMENTS

Commitments for capital expenditure of the Group at 30 June, 2008 amounted to € 5 m (31 December, 2007: € 16 m).

As at 30 June, 2008 there were pending litigations against the Group in connection with its activities. Based on legal advice the Board of Directors believes that there is adequate defence against all claims and it is not probable that the Group will suffer any significant loss. Therefore, no provision has been recognised in the condensed interim consolidated financial statements regarding these cases.

17. NET ASSETS ATTRIBUTABLE TO LIFE POLICYHOLDERS

	30.06.2008	31.12.2007
	€ '000	€ '000
Deposits with banks	199.149	197.798
Financial assets at fair value through profit or loss	220.678	234.794
Advances to policyholders	28.025	29.978
Balances recoverable from reinsurers and other assets	10.087	13.366
Investment property	9.167	9.095
Liabilities	(2.774)	(1.546)
	<u>464.332</u>	<u>483.485</u>

The aforementioned assets and liabilities attributable to life policyholders of the insurance subsidiaries of the Group are included in the respective assets and liabilities of the condensed interim consolidated balance sheet.

MARFIN POPULAR BANK PUBLIC CO LTD GROUP
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

18. INVESTMENTS IN SUBSIDIARY COMPANIES

The main subsidiary companies of the Group, as at 30 June, 2008 were as follows:

Company name	Effective shareholding	Country of incorporation	Activity sector
	(1)		
Marfin Egnatia Bank S.A. (b)	97%	Greece	Banking
Investment Bank of Greece S.A.	89%	Greece	Investment banking
Laiki Investments E.P.E.Y. Public Company Ltd (c)	71%	Cyprus	Investment and brokerage services and investments
Laiki Bank (Australia) Ltd	100%	Australia	Banking
Marfin Leasing S.A.	97%	Greece	Leasing
Marfin Bank (Romania) S.A. (h)	96%	Romania	Banking
Marfin Bank JSC Belgrade	97%	Serbia	Banking
Pan-European Insurance Co Ltd	100%	Cyprus	Investment company
Laiki Insurance Ltd	100%	Cyprus	General insurance
Marfin Pank Eesti AS	50%	Estonia	Banking
Marfin Factors & Forfaiters S.A.	97%	Greece	Factoring, invoice discounting
Laiki Cyprialife Ltd	100%	Cyprus	Life insurance
Open Joint-Stock Company			
Marine Transport Bank	99%	Ukraine	Banking
Philiki Insurance Co Ltd	100%	Cyprus	Investment company
Lombard Bank Malta Plc (a)	43%	Malta	Banking
Cyprialife Ltd	100%	Cyprus	Investment company
Marfin Global Asset Management			
Mutual Funds Management S.A. (f)	95%	Greece	Mutual funds and private portfolio management
Laiki Bank (Guernsey) Ltd	100%	Guernsey	Banking
Laiki Factors Ltd	100%	Cyprus	Factoring, invoice discounting
IBG Investments S.A. (g)	89%	British Virgin Islands	Investment services
MFG Capital Partners Ltd	68%	United Kingdom	Investment management

(1) The effective shareholding includes the direct holding of Marfin Popular Bank Public Co Ltd and the indirect holding through its subsidiary companies.

Marfin Popular Bank Public Co Ltd is registered in Cyprus and operates in Cyprus and the United Kingdom.

The full consolidation method is applied to all the subsidiary companies of the Group.

(a) Acquisition of Lombard Bank Malta Plc

On 28 February, 2008 the Bank acquired 42,86% of the share capital of Lombard Bank Malta Plc for € 50,1 m. During the six months ended 30 June 2008, Lombard Bank Malta Plc paid a dividend of € 2.243.000. The amount attributable to the Bank, which was reinvested, was € 962.000. This reinvestment brings the Bank's holding to 43,08% and the goodwill arising was € 98.000.

The Bank exercises control over Lombard Bank Malta Plc through the power to appoint the majority of members of the Board of Directors and therefore Lombard Bank Malta Plc is accounted for as a subsidiary.

Lombard Bank Malta Plc is Malta's third largest bank listed on the local stock exchange and operates under the supervision of the Central Bank of Malta. It was established in 1969 in Valletta and it offers complete banking services via a network of six branches. Lombard Bank Malta Plc will also offer services via MaltaPost, in which it is a major shareholder.

MARFIN POPULAR BANK PUBLIC CO LTD GROUP
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

18. INVESTMENTS IN SUBSIDIARY COMPANIES (continued)

(a) Acquisition of Lombard Bank Malta Plc (continued)

For the six months ended 30 June, 2008 the effect on the income and the net profit of the Group from the acquisition of Lombard Bank Malta Plc from the date of the acquisition 28 February, 2008 to 30 June, 2008 was € 12,6 m and € 3,4 m respectively.

Details regarding the net assets acquired are as follows:

	€ '000
Consideration for acquisition	50.079
Fair value of net assets acquired	<u>(22.479)</u>
Goodwill	<u>27.600</u>

The assets and liabilities acquired at the acquisition date were as follows:

	Fair value € '000	Book value € '000
Cash and cash equivalents	137.080	137.080
Advances to customers	263.072	263.072
Other assets	31.953	31.953
Held-to-maturity investments	63.717	63.717
Property and equipment	10.329	10.329
Customer deposits	(401.782)	(401.782)
Other liabilities	<u>(48.262)</u>	<u>(48.262)</u>
Net assets	56.107	56.107
Minority interest	<u>(33.628)</u>	<u>(33.628)</u>
Net assets acquired	<u>22.479</u>	<u>22.479</u>
Cash paid		(49.663)
Acquisition expenses		(416)
Cash and cash equivalents in subsidiary acquired		<u>137.080</u>
Cash inflow from acquisition		<u>87.001</u>

The aforementioned information is based on initial accounting determined provisionally according to IFRS 3. The Group is in the process of carrying out the fair valuation of the net assets acquired, including intangible assets and the purchase price allocation. The accounting will be completed within twelve months from the date of acquisition and as a result any adjustment to the preliminary values and to the purchase price allocation will be recognised within a period of twelve months from the acquisition date according to the provisions of IFRS 3.

(b) Increase in shareholding in Marfin Egnatia Bank S.A.

During the six months ended 30 June, 2008 4.535.000 shares of Marfin Egnatia Bank S.A. were acquired and the convertible bonds held by the Bank were converted into 206.000 shares. These acquisitions bring the Bank's holding to 96,7% and the goodwill arising on the additional shares was € 7.043.000.

MARFIN POPULAR BANK PUBLIC CO LTD GROUP
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

18. INVESTMENTS IN SUBSIDIARY COMPANIES (continued)

(c) Increase in shareholding in Laiki Investments E.P.E.Y. Public Company Ltd

In March 2008, the Bank acquired 3,6 m shares of Laiki Investments E.P.E.Y. Public Company Ltd for € 1,4 m. This acquisition brings the Bank's holding in the company to 71,4%. Goodwill arising on the additional shares acquired was € 0,4 m.

(d) Merger of the Cyprus Popular Bank (Finance) Ltd with the Bank

Effective from 1 January, 2008 the Cyprus Popular Bank (Finance) Ltd, a 100% subsidiary of the Bank specialising in hire purchase and leasing, was merged with the Bank and the Bank has undertaken its operations, assets and liabilities, rights and obligations and will offer from now on the respective services. The Bank and the Cyprus Popular Bank (Finance) Ltd, the General Meeting of the Cyprus Popular Bank (Finance) Ltd's creditors and the Court of Law, based on the relevant Cyprus legislation, approved the Restructuring and Merger.

(e) Transfer of Egnatia Financial Services (Cyprus) Ltd

In January 2008 the Bank sold 100% of the share capital of Egnatia Financial Services (Cyprus) Ltd to Laiki Investments E.P.E.Y. Public Company Ltd. This transaction reduces the effective holding of the Bank in Egnatia Financial Services (Cyprus) Ltd to 71,4%.

(f) Decrease of share capital of Marfin Global Asset Management Mutual Funds Management S.A.

The decrease of the share capital of Marfin Global Asset Management Mutual Funds Management S.A. was approved during February and March 2008 by the decisions of the Executive Committee of the Capital Market Commission and the Ministry of Development. The decrease of the share capital for the amount of € 4 m was made by a respective decrease of the nominal value of each share for the amount of € 14, in order to return the amount to the shareholders.

(g) Increase of share capital of IBG Investments S.A.

During the six months ended 30 June, 2008 an increase of the share capital of IBG Investments S.A. was made, for the amount of € 236.000, which was covered by Investment Bank of Greece S.A. (90%) and IBG Capital S.A. (10%), prorata, based on the respective shareholdings.

(h) Increase of share capital of Marfin Bank (Romania) S.A.

In June 2008 an increase of the share capital of Marfin Bank (Romania) S.A. was made for the amount of € 20 m, which was covered by Marfin Egnatia Bank S.A. (98,98%), prorata, based on the respective shareholdings.

MARFIN POPULAR BANK PUBLIC CO LTD GROUP
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

19. RELATED PARTY TRANSACTIONS

	30.06.2008	31.12.2007
	€ '000	€ '000
Advances to Directors and their connected persons	259.369	193.232
Advances to other key management personnel and their connected persons	415	449
Total advances	259.784	193.681
Commitments for guarantees and letters of credit:		
Guarantees to Directors and their connected persons	28.689	23.784
Letters of credit to Directors and their connected persons	19.007	16.279
	47.696	40.063
Total advances and commitments	307.480	233.744
Tangible securities	394.812	250.342
Deposits	154.224	147.092
	6 months ended	6 months ended
	30.06.2008	30.06.2007
	€ '000	€ '000
Interest income	8.037	1.743
Interest expense	1.071	267

There were no commitments relating to other key management personnel of the Group.

The amount of tangible securities is presented aggregately in the preceding table. Therefore, it is possible that some individual facilities are not fully covered with tangible securities. The total amount of facilities that are unsecured at 30 June, 2008 amounts to € 42,4 m (31 December, 2007: € 54,3 m).

Connected persons include the spouse, minor children and companies in which key management personnel hold directly or indirectly at least 20% of the voting rights in a general meeting.

The deposits by associates of the Group at 30 June, 2008 were € 24 m (31 December, 2007: € 22 m), and the interest on these deposits during the six months ended 30 June, 2008 was € 626.000 (30 June, 2007: € 580.000). In addition, during the six months ended 30 June, 2007 the Group received dividend from its associates amounting to € 849.000. The deposits of the provident funds of the employees of the Group in Cyprus at 30 June, 2008, which are also regarded as related parties, were € 15,6 m (31 December, 2007: € 26 m) and the interest on these deposits during the six months ended 30 June, 2008 was € 149.000 (30 June, 2007: € 410.000). Additionally, the Group had total interest and commission income for the six months ended 30 June, 2008, from the Dubai Financial Limited Liability Company group amounting to € 1.230.000.

Other transactions with related parties

During the six months ended 30 June, 2008 the Group received commissions on stock exchange transactions from key management personnel amounting to € 58.000 and purchased goods and received services amounting to € 114.000 from companies connected to Lanitis group. Additionally, the Group sold land to a company connected to Lanitis group at consideration of € 29.600.000.

The above transactions are carried out as part of the normal activities of the Group, on commercial terms.

MARFIN POPULAR BANK PUBLIC CO LTD GROUP
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

19. RELATED PARTY TRANSACTIONS (continued)

Group key management personnel compensation

	6 months ended 30.06.2008 € '000	6 months ended 30.06.2007 € '000
Fees paid to Directors as members of the Board	95	72
Remuneration of Directors under executive role:		
Salaries and other short-term benefits	854	391
Employer's social insurance contributions	46	26
Retirement benefits scheme expense	36	26
	936	443
Consultancy services fees of Directors under non executive role	162	164
Compensation of other key management personnel:		
Salaries and other short-term benefits	327	704
Employer's social insurance contributions	21	87
Retirement benefits scheme expense	10	96
	358	887
Share-based payment compensation	690	-
	2.241	1.566

In addition to the above, the members of the Board of Directors who retired received:

	6 months ended 30.06.2008 € '000	6 months ended 30.06.2007 € '000
Fees paid to Directors as members of the Board	-	114
Remuneration of Directors under executive role:		
Salaries and other short-term benefits	-	65
Employer's social insurance contributions	-	5
Retirement benefits scheme expense	-	18
	-	88
Consultancy services fees of Directors under non executive role	-	1
	-	203

During the six months ended 30 June, 2008, key management personnel received a total bonus of € 1,7 m based on the results of 2007.

Key management personnel for the six months ended 30 June, 2008 include fourteen Directors, five of which had executive duties and the members of the executive management.

**MARFIN POPULAR BANK PUBLIC CO LTD GROUP
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

20. POST BALANCE SHEET EVENTS

On 22 July, 2008 the Bank and CNP Assurances (CNP) signed an agreement of long-term partnership with the intention the growth of insurance and pension operations through the banking networks of the Group in Greece and Cyprus, with the possibility of expansion of the partnership in other countries following the international expansion of the Group in Southeast Europe.

According to the terms of the agreement CNP will acquire 50,1% of the insurance operations of the Group and will have the control of the management of these companies by paying the amount of € 145 m plus an earn-out of about € 20 m linked to business objectives. The agreement is subject to obtaining all the necessary regulatory approvals. The agreement is expected to be finalised by the end of 2008, following the receipt of the necessary approvals from the respective regulatory authorities.

The insurance companies of the Group in which the agreement refers are Laiki Cyprialife Ltd (with principal activity the life insurance and head office in Cyprus), Laiki Insurance Ltd (with principal activity the general insurance and head office in Cyprus), Marfin Life S.A. (with principal activity the life insurance and head office in Greece) and Marfin Insurance Brokers S.A. (with principal activity the insurance broker and head office in Greece).

In the note of the consolidated financial statements "Segment Analysis" these companies form the segment "Insurance services".

On 1 August, 2008 Laiki Investments E.P.E.Y. Public Company Ltd (subsidiary of the Group) announced that the Board of Directors of the company approved the Restructuring Plan and Merger, based on which CLR Capital Public Limited will be merged and absorbed by the company. Upon the completion of the merger, the total shareholders of the company will participate in its share capital by 70% and the total shareholders of CLR Capital Public Limited by 30%.

The Board of Directors of CLR Capital Public Limited approved the Restructuring Plan and Merger.

The merger is subject on the condition of obtaining the necessary approvals from the competent authorities and the completion of the pre outlined procedures based on the Companies Law.

21. TRANSACTIONS WITH THE GROUP OF MARFIN INVESTMENT GROUP HOLDINGS S.A.

During the period, the Group had material transactions with Marfin Investment Group Holdings S.A. group. The total income earned by the Group amounted to € 39 m and total expenses recognised by the Group amounted to € 14 m. Additionally, as at 30 June, 2008 the Group's total exposure regarding facilities granted to Marfin Investment Group Holdings S.A. group amounted to € 433 m (31 December, 2007: € 473 m) and deposits placed by Marfin Investment Group Holdings S.A. group amounted to € 1.354 m (31 December, 2007: € 462 m).

22. APPROVAL OF FINANCIAL STATEMENTS

The condensed interim consolidated financial statements were approved by the Board of Directors of the Bank on 28 August, 2008.

Andreas Vgenopoulos
Executive Vice Chairman
Identity Card No. K231260

Efthymios Bouloutas
Group Chief Executive Officer
Identity Card No. X501092/02

Annita Philippidou
Group Chief Financial Officer
Identity Card No. 704873

APPENDIX “B”



CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED

30 JUNE 2008

MARFIN POPULAR BANK PUBLIC CO LTD
CONDENSED INTERIM FINANCIAL STATEMENTS
for the six months ended 30 June 2008

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**Report by the Independent Auditors on Review of Condensed Interim Financial Statements
to the Board of Directors of Marfin Popular Bank Public Co Ltd**

Introduction

We have reviewed the condensed interim financial statements of Marfin Popular Bank Public Co Ltd (the "Bank") on pages 2 to 20, which comprise of the condensed interim balance sheet as at 30 June, 2008 and the related condensed interim statements of income, changes in equity and cash flows for the six-month period then ended, and other explanatory notes. Our review was restricted to financial information for the six-month period as a whole and did not include a review of financial information in relation to the Bank's financial performance for the three-month period from 1 April, 2008 to 30 June, 2008 as a separate quarter, as presented on page 3 in the accompanying condensed interim financial statements. Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting" as issued by the International Accounting Standards Board and adopted by the European Union. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for the financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with IAS 34 "Interim Financial Reporting".

PricewaterhouseCoopers Limited
Chartered Accountants

Grant Thornton
Chartered Accountants

Nicosia, 28 August, 2008

MARFIN POPULAR BANK PUBLIC CO LTD
CONDENSED INTERIM INCOME STATEMENT
for the six months ended 30 June 2008

	Note	6 months ended 30.06.2008 € '000	6 months ended 30.06.2007 € '000
Net interest income		188.050	166.476
Net fee and commission income		57.265	46.158
Profit on disposal and revaluation of securities	6	61.818	46.900
Foreign exchange and other income		29.631	110.220
Operating income		336.764	369.754
Staff costs		(67.441)	(65.934)
Depreciation and amortisation		(4.475)	(4.058)
Administrative expenses		(22.431)	(21.494)
Profit before provision for impairment of advances		242.417	278.268
Provision for impairment of advances	9	(16.407)	(15.885)
Profit before tax		226.010	262.383
Tax		(16.750)	(14.467)
Profit for the period		209.260	247.916
Earnings per share – cent	4	26,1	31,7

The notes on pages 7 to 20 are an integral part of these condensed interim financial statements.

MARFIN POPULAR BANK PUBLIC CO LTD
CONDENSED INTERIM INCOME STATEMENT
for the three months ended 30 June 2008

	Note	3 months ended 30.06.2008 € '000	3 months ended 30.06.2007 € '000
Net interest income		95.830	81.179
Net fee and commission income		27.500	23.184
Profit on disposal and revaluation of securities		5	11.624
Foreign exchange and other income		13.919	98.486
Operating income		137.254	214.473
Staff costs		(33.693)	(34.659)
Depreciation and amortisation		(2.279)	(2.165)
Administrative expenses		(12.473)	(11.060)
Profit before provision for impairment of advances		88.809	166.589
Provision for impairment of advances		(8.853)	(10.216)
Profit before tax		79.956	156.373
Tax		(8.229)	(5.749)
Profit for the period		71.727	150.624
Earnings per share – cent	4	8,9	19,0

The notes on pages 7 to 20 are an integral part of these condensed interim financial statements.

MARFIN POPULAR BANK PUBLIC CO LTD
CONDENSED INTERIM BALANCE SHEET
30 June 2008

	Note	30.06.2008 € '000	31.12.2007 € '000
Assets			
Cash and balances with the Central Bank		266.971	656.950
Due from other banks		3.468.563	3.155.418
Financial assets at fair value through profit or loss	7	109.196	107.573
Advances to customers	8	8.159.270	6.829.822
Balances with subsidiary companies		941.464	1.036.747
Available-for-sale financial assets		2.215.196	2.065.745
Held-to-maturity financial assets		365.772	283.973
Other assets		105.973	96.997
Investments in subsidiary companies	10	2.593.695	2.550.443
Investments in associates		13.716	12.799
Intangible assets		5.226	5.314
Property and equipment	11	149.460	144.676
Total assets		18.394.502	16.946.457
Liabilities			
Due to other banks		877.691	638.627
Customer deposits		11.592.483	10.699.132
Senior debt	12	724.050	723.104
Loan capital	13	638.831	523.693
Balances with subsidiary companies		647.729	577.762
Other liabilities	7	510.745	421.854
Total liabilities		14.991.529	13.584.172
Share capital and reserves			
Share capital	14	705.607	680.613
Share premium	14	2.054.288	1.927.571
Reserves	15	643.078	754.101
Total equity		3.402.973	3.362.285
Total equity and liabilities		18.394.502	16.946.457

The notes on pages 7 to 20 are an integral part of these condensed interim financial statements.

MARFIN POPULAR BANK PUBLIC CO LTD
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
for the six months ended 30 June 2008

	Note	Share capital € '000	Share premium € '000	Other reserves € '000	Revenue reserves € '000	Total € '000
Six months ended 30 June 2008						
Balance 1 January 2008		680.613	1.927.571	249.172	504.929	3.362.285
Revaluation and transfer to results on disposal and impairment of available-for-sale financial assets, investments in subsidiary companies and associates	15	-	-	(45.045)	-	(45.045)
Exchange differences arising in the period	15	-	-	(771)	-	(771)
Loss recognised directly in equity		-	-	(45.816)	-	(45.816)
Profit for the period		-	-	-	209.260	209.260
Total recognised profit for the period		-	-	(45.816)	209.260	163.444
Dividend	15,16	-	-	-	(278.842)	(278.842)
Dividend reinvestment	14	28.420	126.717	-	-	155.137
Difference from conversion of share capital into Euro	14,15	(3.426)	-	3.426	-	-
Cost of share-based payments to employees	15	-	-	-	949	949
Effect of merger of Cyprus Popular Bank (Finance) Ltd with the Bank	15	-	-	(44.178)	44.178	-
		24.994	126.717	(40.752)	(233.715)	(122.756)
Balance 30 June 2008		705.607	2.054.288	162.604	480.474	3.402.973
Six months ended 30 June 2007						
Balance 1 January 2007		675.169	1.901.767	232.679	326.902	3.136.517
Revaluation and transfer to results on disposal of available-for-sale financial assets, investments in subsidiary companies and associates	15	-	-	258.508	-	258.508
Exchange differences arising in the period	15	-	-	(1.557)	-	(1.557)
Profit recognised directly in equity		-	-	256.951	-	256.951
Profit for the period		-	-	-	247.916	247.916
Total recognised profit for the period		-	-	256.951	247.916	504.867
Dividend	15,16	-	-	-	(245.018)	(245.018)
Shares issued	14	5.437	27.186	-	-	32.623
Share issue costs	14	-	(125)	-	-	(125)
Cost of share-based payments to employees	15	-	-	-	1.497	1.497
		5.437	27.061	-	(243.521)	(211.023)
Balance 30 June 2007		680.606	1.928.828	489.630	331.297	3.430.361

The notes on pages 7 to 20 are an integral part of these condensed interim financial statements.

MARFIN POPULAR BANK PUBLIC CO LTD
CONDENSED INTERIM CASH FLOW STATEMENT
for the six months ended 30 June 2008

	6 months ended 30.06.2008	6 months ended 30.06.2007
Note	€ '000	€ '000
Cash generated from operations	522.143	822.744
Tax paid	(2.498)	(2.994)
	<hr/>	<hr/>
Net cash from operating activities	519.645	819.750
Cash flows from investing activities		
Purchase less proceeds from disposal of property and equipment	(8.028)	(4.440)
Purchase of computer software	(1.166)	(1.044)
Additions less proceeds from redemption and disposal of available-for-sale and held-to-maturity financial assets	(291.549)	(877.489)
Income from available-for-sale and held-to-maturity financial assets	56.944	48.626
Dividend received from subsidiary companies and associates	-	326.513
Changes in shareholdings and capital of subsidiary companies	(20.048)	(54.077)
Payment for the acquisition of subsidiary	(50.079)	-
	<hr/>	<hr/>
Net cash used in investing activities	(313.926)	(561.911)
Cash flows from financing activities		
Dividend paid	(123.705)	(245.018)
Interest paid on senior debt and loan capital	(34.516)	(22.299)
Share issue costs	-	(125)
Proceeds from the issue of senior debt and loan capital	200.000	748.339
Repayment of loan capital	(85.430)	-
	<hr/>	<hr/>
Net cash (used in)/from financing activities	(43.651)	480.897
Effects of exchange rate changes	(3.725)	210
	<hr/>	<hr/>
Net increase in cash and cash equivalents	158.343	738.946
Cash and cash equivalents at beginning of period	3.006.627	3.023.428
	<hr/>	<hr/>
Cash and cash equivalents at end of period	3.164.970	3.762.374
	<hr/>	<hr/>

The notes on pages 7 to 20 are an integral part of these condensed interim financial statements.

MARFIN POPULAR BANK PUBLIC CO LTD

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The condensed interim financial statements present the financial statements of Marfin Popular Bank Public Co Ltd (the "Bank") for the six months ended 30 June, 2008.

The principal activity of the Bank, which was unchanged from last year, is the provision of banking services.

The Bank was established in Cyprus in 1901 under the name "Popular Savings Bank of Limassol". In 1924 it was registered as the first public company in Cyprus under the name "The Popular Bank of Limassol Ltd". In 1967 the Bank changed its name to "Cyprus Popular Bank Ltd" and on 26 May, 2004 it was renamed to "Cyprus Popular Bank Public Company Ltd". An Extraordinary General Meeting held on 31 October, 2006 unanimously approved the change of its name to "Marfin Popular Bank Public Co Ltd". The Bank's shares are listed on the Cyprus Stock Exchange and the Athens Exchange. The Bank's registered office is at 154, Limassol Avenue, 2025 Nicosia, Cyprus.

2. SIGNIFICANT ACCOUNTING POLICIES

The condensed interim financial statements for the six months ended 30 June, 2008 have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as issued by the International Accounting Standards Board and adopted by the European Union.

With the introduction of the Euro as the official currency of the Republic of Cyprus as from 1 January, 2008, the functional currency of the Bank has changed from Cyprus pounds to Euro. As a result, the financial position of the Bank at 1 January, 2008 has been converted into Euro based on the definite fixing of the exchange rate € 1 = C£ 0,585274.

The condensed interim financial statements are presented in Euro, which is the functional and presentation currency of the Bank as from 1 January, 2008. All amounts are rounded to the nearest thousand, unless where reported otherwise.

The same accounting policies as for the annual financial statements for the year 2007 have been adopted in the preparation of the condensed interim financial statements.

The condensed interim financial statements do not include all the information and disclosures required for the annual financial statements and should be read in conjunction with the audited financial statements of the Bank for the year ended 31 December, 2007. The Bank also prepares consolidated condensed interim financial statements.

The condensed interim financial statements for the six months ended 30 June, 2008 have not been audited by the Bank's external independent auditors. The Bank's external independent auditors have conducted a review in accordance with the International Standard on Review Engagement 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

The Bank has adopted all applicable new and revised International Financial Reporting Standards (IFRSs) and International Accounting Standards (IASs), which are relevant to its operations and are applicable for accounting periods beginning on 1 January, 2008 as stated below.

IFRIC 14, IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (effective from 1 January, 2008)

IFRIC 14 provides guidance on assessing the limit in IAS 19 on the amount of the surplus that can be recognised as an asset. It also explains how the pension asset or liability may be affected by a statutory or contractual minimum funding requirement. This interpretation is subject to endorsement by the European Union. The Bank will apply IFRIC 14 upon its endorsement by the European Union.

MARFIN POPULAR BANK PUBLIC CO LTD
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

3. COMPARATIVES

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current period. With the introduction of the Euro as the official currency of the Republic of Cyprus as from 1 January, 2008, the functional currency of the Bank has changed from Cyprus pounds to Euro. As a result, the financial position of the Bank at 1 January, 2008 has been converted into Euro based on the definite fixing of the exchange rate € 1 = C£ 0,585274. All comparatives have been converted into Euro with the above exchange rate.

4. EARNINGS PER SHARE

	6 months ended 30.06.2008 € '000	6 months ended 30.06.2007 € '000	3 months ended 30.06.2008 € '000	3 months ended 30.06.2007 € '000
Profit for the period	209.260	247.916	71.727	150.624
	'000	'000	'000	'000
Weighted average number of shares in issue during the period	801.892	782.254	807.093	792.327
Earnings per share – cent	26,1	31,7	8,9	19,0

Diluted earnings per share in relation to the Share Options is not disclosed, as the exercise price of the Share Options was higher than the average market price of Marfin Popular Bank Public Co Ltd shares at the Cyprus Stock Exchange and the Athens Exchange during the period ended 30 June, 2008.

MARFIN POPULAR BANK PUBLIC CO LTD
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

5. SEGMENTAL ANALYSIS

By geographical region – primary segment

	Cyprus € '000	United Kingdom € '000	Eliminations € '000	Total € '000
Six months ended 30 June 2008				
Total revenues	550.936	79.564	(20.013)	610.487
Profit before tax	<u>216.518</u>	<u>9.492</u>		226.010
Tax				<u>(16.750)</u>
Profit for the period				<u>209.260</u>
Six months ended 30 June 2007				
Total revenues	<u>559.834</u>	<u>63.746</u>	<u>(25.872)</u>	597.708
Profit before tax	<u>252.765</u>	<u>9.618</u>		262.383
Tax				<u>(14.467)</u>
Profit for the period				<u>247.916</u>

6. PROFIT ON DISPOSAL AND REVALUATION OF SECURITIES

Included within profit on disposal and revaluation of securities is an amount of € 65 m which relates to the profit from the sale of 6,45% of the Bank's investment in Marfin Investment Group Holdings S.A. (30 June, 2007: € 36 m from the disposal of the Bank's investment in Universal Life Insurance Public Co Ltd and Hellenic Bank Public Company Ltd).

7. DERIVATIVE FINANCIAL INSTRUMENTS

Included within financial assets at fair value through profit or loss is an amount of € 23 m (31 December, 2007: € 17,6 m), which relates to the positive fair value of derivative financial instruments. Included within other liabilities is an amount of € 24,3 m (31 December, 2007: € 17,4 m), which relates to the negative fair value of derivative financial instruments.

8. ADVANCES TO CUSTOMERS

	30.06.2008	31.12.2007
	€ '000	€ '000
Advances to customers	8.145.096	7.155.064
Instalment finance and leasing	425.002	-
	8.570.098	7.155.064
Provision for impairment of advances (Note 9)	(410.828)	(325.242)
	<u>8.159.270</u>	<u>6.829.822</u>

The amount of income suspended is included in provision for impairment of advances.

MARFIN POPULAR BANK PUBLIC CO LTD
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

9. PROVISION FOR IMPAIRMENT OF ADVANCES

Movement in the six months ended 30 June, 2008 and 30 June, 2007:

	Provision € '000	Suspension of income € '000	Total € '000
2008			
Balance 1 January	230.034	95.208	325.242
Provision for impairment of advances of Cyprus Popular Bank (Finance) Ltd merged with the Bank	82.642	4.624	87.266
Provision for impairment of advances for the period	50.764	-	50.764
Release of provision and recoveries	(34.357)	(12.542)	(46.899)
Advances written-off	(14.904)	(9.010)	(23.914)
Exchange differences	(205)	-	(205)
Suspension of income for the period	-	18.574	18.574
	313.974	96.854	410.828
2007			
Balance 1 January	223.598	111.469	335.067
Provision for impairment of advances for the period	52.416	-	52.416
Release of provision and recoveries	(36.531)	(31.860)	(68.391)
Advances written-off	(7.570)	(4.630)	(12.200)
Exchange differences	26	-	26
Suspension of income for the period	-	17.195	17.195
	231.939	92.174	324.113

10. INVESTMENTS IN SUBSIDIARY COMPANIES

Movement in the six months ended 30 June, 2008 and 30 June, 2007:

	2008 € '000	2007 € '000
Balance 1 January	2.550.443	2.884.710
Increase of shareholding in Laiki Investments E.P.E.Y. Public Company Ltd and Egnatia Financial Services (Cyprus) Ltd	-	9.308
Increase of share capital and shareholding in Marfin Bank JSC Belgrade	-	30.167
Dividend from Marfin Investment Group Holdings S.A.	-	(235.752)
Acquisition of Lombard Bank Malta Plc	50.079	-
Reinvestment of dividend from Lombard Bank Malta Plc	962	-
Restructuring and merger with the Cyprus Popular Bank (Finance) Ltd	(53.251)	-
Disposal of Egnatia Financial Services (Cyprus) Ltd	(5.181)	-
Changes in shareholding in subsidiary companies	26.370	59.065
Revaluation for the period	24.273	220.577
	2.593.695	2.968.075
Balance 30 June	2.593.695	2.968.075

MARFIN POPULAR BANK PUBLIC CO LTD
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

10. INVESTMENTS IN SUBSIDIARY COMPANIES (continued)

The main subsidiary companies of the Bank as at 30 June, 2008 were as follows:

Company name	Effective shareholding	Country of incorporation	Activity sector
Marfin Egnatia Bank S.A. (b)	97%	Greece	Banking
Investment Bank of Greece S.A.	89%	Greece	Investment banking
Laiki Investments E.P.E.Y. Public Company Ltd (c)	71%	Cyprus	Investment and brokerage services and investments
Laiki Bank (Australia) Ltd	100%	Australia	Banking
Marfin Leasing S.A.	97%	Greece	Leasing
Marfin Bank (Romania) S.A. (h)	96%	Romania	Banking
Marfin Bank JSC Belgrade	97%	Serbia	Banking
Pan-European Insurance Co Ltd	100%	Cyprus	Investment company
Laiki Insurance Ltd	100%	Cyprus	General insurance
Marfin Pank Eesti AS	50%	Estonia	Banking
Marfin Factors & Forfaiters S.A.	97%	Greece	Factoring, invoice discounting
Laiki Cyprialife Ltd	100%	Cyprus	Life insurance
Open Joint-Stock Company			
Marine Transport Bank	99%	Ukraine	Banking
Philiki Insurance Co Ltd	100%	Cyprus	Investment company
Lombard Bank Malta Plc (a)	43%	Malta	Banking
Cyprialife Ltd	100%	Cyprus	Investment company
Marfin Global Asset Management			
Mutual Funds Management S.A. (f)	95%	Greece	Mutual funds and private portfolio management
Laiki Bank (Guernsey) Ltd	100%	Guernsey	Banking
Laiki Factors Ltd	100%	Cyprus	Factoring, invoice discounting
IBG Investments S.A. (g)	89%	British Virgin Islands	Investment services
MFG Capital Partners Ltd	68%	United Kingdom	Investment management

(1) The effective shareholding includes the direct holding of Marfin Popular Bank Public Co Ltd and the indirect holding through its subsidiary companies.

Marfin Popular Bank Public Co Ltd is registered in Cyprus and operates in Cyprus and the United Kingdom.

(a) Acquisition of Lombard Bank Malta Plc

On 28 February, 2008 the Bank acquired 42,86% of the share capital of Lombard Bank Malta Plc for € 50,1 m. During the six months ended 30 June 2008, Lombard Bank Malta Plc paid a dividend of € 2.243.000. The amount attributable to the Bank, which was reinvested, was € 962.000. This reinvestment brings the Bank's holding to 43,08%.

The Bank exercises control over Lombard Bank Malta Plc through the power to appoint the majority of members of the Board of Directors and therefore Lombard Bank Malta Plc is accounted for as a subsidiary.

Lombard Bank Malta Plc is Malta's third largest bank listed on the local stock exchange and operates under the supervision of the Central Bank of Malta. It was established in 1969 in Valletta and it offers complete banking services via a network of six branches. Lombard Bank Malta Plc will also offer services via MaltaPost, in which it is a major shareholder.

MARFIN POPULAR BANK PUBLIC CO LTD
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

10. INVESTMENTS IN SUBSIDIARY COMPANIES (continued)

(b) Increase in shareholding in Marfin Egnatia Bank S.A.

During the six months ended 30 June, 2008 4.535.000 shares of Marfin Egnatia Bank S.A. were acquired and the convertible bonds held by the Bank were converted into 206.000 shares. These acquisitions bring the Bank's holding to 96,7%.

(c) Increase in shareholding in Laiki Investments E.P.E.Y. Public Company Ltd

In March 2008 the Bank acquired 3,6 m shares of Laiki Investments E.P.E.Y. Public Company Ltd for € 1,4 m. This acquisition brings the Bank's holding in the company to 71,4%.

(d) Merger of the Cyprus Popular Bank (Finance) Ltd with the Bank

Effective from 1 January, 2008 the Cyprus Popular Bank (Finance) Ltd, a 100% subsidiary company of the Bank specialising in hire purchase and leasing, was merged with the Bank and the Bank has undertaken its operations, assets and liabilities, rights and obligations and will offer from now on the respective services. The Bank and the Cyprus Popular Bank (Finance) Ltd, the General Meeting of the Cyprus Popular Bank (Finance) Ltd creditors and the Court of Law, based on the relevant Cyprus legislation, approved the Restructuring and Merger.

(e) Transfer of Egnatia Financial Services (Cyprus) Ltd

In January 2008 the Bank sold 100% of the share capital of Egnatia Financial Services (Cyprus) Ltd to Laiki Investments E.P.E.Y. Public Company Ltd. This transaction reduces the effective holding of the Bank in Egnatia Financial Services (Cyprus) Ltd to 71,4%.

(f) Decrease of share capital of Marfin Global Asset Management Mutual Funds Management S.A.

The decrease of the share capital of Marfin Global Asset Management Mutual Funds Management S.A. was approved during February and March 2008 by the decisions of the Executive Committee of the Capital Market Commission and the Ministry of Development. The decrease of the share capital for the amount of € 4 m was made by a respective decrease of the nominal value of each share for the amount of € 14, in order to return the amount to the shareholders.

(g) Increase of share capital of IBG Investments S.A.

During the six months ended 30 June 2008 an increase of the share capital of IBG Investments S.A. was made for the amount of € 236.000, which was covered by Investment Bank of Greece S.A. (90%) and IBG Capital S.A. (10%), pro rata, based on the respective shareholdings.

(h) Increase of share capital of Marfin Bank (Romania) S.A.

In June 2008 an increase of the share capital of Marfin Bank (Romania) S.A. was made for the amount of € 20 m, which was covered by Marfin Egnatia Bank S.A. (98,98%), pro rata, based on the respective shareholdings.

MARFIN POPULAR BANK PUBLIC CO LTD
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

11. PROPERTY AND EQUIPMENT

Movement in the six months ended 30 June, 2008 and 30 June, 2007:

	2008	2007
	€ '000	€ '000
Net book value at 1 January	144.676	111.831
Property and equipment of Cyprus		
Popular Bank (Finance) Ltd merged with the Bank	241	-
Additions less disposals of property and equipment	7.978	4.449
Depreciation	(2.829)	(2.523)
Exchange differences	(606)	58
	<hr/>	<hr/>
Net book value at 30 June	149.460	113.815

12. SENIOR DEBT

During 2004 the Bank set up a Euro Medium Term Note (EMTN) Programme for a total amount of € 750 m. In May 2006, an increase of the size of the Programme to € 1 bln was approved and in May 2007 a further increase to € 3 bln was approved. Pursuant to the Programme the Bank has the ability to issue senior and/or subordinated debt in accordance to its needs.

In May 2007, the Bank issued € 750 m of senior debt due in 2010. The bonds are repayable within three years from their issue (2007/2010) and pay interest every three months. The interest rate is set at the three-monthly rate of Euro (Euribor) plus 0,29%.

The bonds are listed on the Luxembourg Stock Exchange and their market value at 30 June, 2008 was € 707,4 m (31 December, 2007: € 718,9 m).

13. LOAN CAPITAL

	30.06.2008	31.12.2007
	€ '000	€ '000
Eurobonds due 2016	438.831	438.263
Capital securities	200.000	85.430
	<hr/>	<hr/>
	638.831	523.693

Eurobonds due 2016

During 2004 the Bank set up a Euro Medium Term Note (EMTN) Programme for a total amount of € 750 m. In May 2006, an increase of the size of the Programme to € 1 bln was approved and in May 2007 a further increase to € 3 bln was approved. Pursuant to the Programme the Bank has the ability to issue senior and/or subordinated debt in accordance to its needs.

In May 2006, the Bank issued € 450 m of subordinated debt (Tier II capital). The issue was in the form of subordinated bonds, maturing in 10 years. The Bank has the right to call in the bonds after five years from the issue date. Interest rate is set at the three-monthly rate of Euro (Euribor) plus 0,75%, increased by 1% if the bonds are not called in.

The bonds constitute direct, unsecured, subordinated obligations of the Bank and rank for payment after the claims of the depositors and other creditors. The bonds are listed on the Luxembourg Stock Exchange and their market value at 30 June, 2008 was € 409,2 m (31 December, 2007: € 430,5 m).

MARFIN POPULAR BANK PUBLIC CO LTD
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

13. LOAN CAPITAL (continued)

Capital securities

The capital securities of the June 2003 issue, amounting to € 85 m (C£ 50 m) were repaid in full in accordance with their terms of issue on 27 June, 2008 and an amount equal to the nominal value plus accrued interest was paid to the holders. For the period 31.03.2008 – 26.06.2008 these securities carried interest at the rate of 5,20%.

On 17 March, 2008 the Board of Directors of the Bank approved the issue of new capital securities which will be included in its Hybrid Tier I Capital up to the amount of € 200 m. Capital securities of € 116 m (1st Tranche) that were offered to a limited group of individuals, professional investors and individuals who each invested at least € 50,000, were issued on 14 April, 2008 at a nominal value of € 1.000 each. During the second phase (2nd Tranche), capital securities of € 84 m that were offered to the general public through a Public Offer, were issued on 30 June, 2008, at a nominal value of € 1.000 each.

The capital securities do not have a maturity date but may, at the Bank's discretion, after approval by the Central Bank of Cyprus, be acquired in their entirety at their nominal value, together with any accrued interest, five years after the date of issue or on any interest payment date after that. The capital securities of the 1st Tranche pay 6,50% fixed interest rate for the first four quarters and the capital securities of the 2nd Tranche pay 6,50% fixed interest rate for the first three quarters, and subsequently a floating rate, which is reviewed on a quarterly basis. The interest rate is equal to the three-monthly rate of Euro (Euribor) at the beginning of each quarter plus 1,50% and interest is payable every three months, at 31 March, 30 June, 30 September and 31 December.

The capital securities constitute direct, unsecured, subordinated obligations of the Bank and rank for payment after the claims of the depositors and other creditors. The capital securities of the 1st Tranche were listed on the Cyprus Stock Exchange on 24 July, 2008.

14. SHARE CAPITAL AND SHARE PREMIUM

	Number of shares '000	Share capital € '000	Share premium € '000	Total € '000
Six months ended 30 June 2008				
Balance 1 January	796.691	680.613	1.927.571	2.608.184
Difference from conversion of share capital into Euro (a)	-	(3.426)	-	(3.426)
Dividend reinvestment (b)	33.435	28.420	126.717	155.137
Balance 30 June	830.126	705.607	2.054.288	2.759.895
Six months ended 30 June 2007				
Balance 1 January	790.319	675.169	1.901.767	2.576.936
Shares issued (c)	6.364	5.437	27.186	32.623
Share issue costs	-	-	(125)	(125)
Balance 30 June	796.683	680.606	1.928.828	2.609.434

(a) On 15 May, 2008, the Extraordinary General Meeting following the recommendation of the Registrar of Companies approved the conversion and reduction of the nominal value of the Bank's share, after rounding, from C£ 0,50 to € 0,85. Furthermore, the Extraordinary General Meeting approved that the Bank's authorised nominal share capital be converted and reduced to € 807.500.000 and the issued share capital to € 677.187.000, and that the reduction on the issued share capital resulting from the above conversion of Cyprus Pounds to Euro totalling € 3.426.000 is recorded into a special reserve account which is called "Difference from the conversion of share capital into Euro" (Note 15) for future capitalisation or other legal use.

MARFIN POPULAR BANK PUBLIC CO LTD
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

14. SHARE CAPITAL AND SHARE PREMIUM (continued)

- (b) In June 2008 the Bank issued 33.435.000 new ordinary shares, of nominal value € 0,85, which resulted from the reinvestment of the dividend for the year 2007, in accordance with the Dividend Reinvestment Plan. Based on the Plan the Bank's shareholders had the option of part or full reinvestment of the net 2007 dividend that was paid, into additional shares, of the Bank. The exercise price of the reinvestment right of the 2007 dividend was set at € 4,64 per share, that was 10% lower than the average closing price of the Bank's share in the Cyprus Stock Exchange and the Athens Exchange for the period from 23 to 29 May, 2008. The trading of the newly issued shares commenced on 18 June, 2008. After the issuance of 33.435.000 new ordinary shares, the share capital of the Bank amounts to € 705.607.000, divided into 830.126.000 ordinary shares, of nominal value € 0,85 each.
- (c) The shares issued during the six month period ended 30 June, 2007 relate to shares, which were allocated to the shareholders of Marfin Investment Group Holdings S.A. who exercised their right to exit. These shares were issued on 17 April, 2007 and were listed on the Cyprus Stock Exchange and the Athens Exchange on 23 April, 2007.

All issued ordinary shares are fully paid and carry the same rights.

The share premium is not available for distribution to equity holders.

Share Options

In April 2007, the Extraordinary General Meeting of the shareholders approved the introduction of a Share Options Scheme (the "Scheme") for the members of the Board of Directors of the Bank and the Group's employees. The shares to be issued with the application of this Scheme will have the same nominal value as the existing issued shares, that is € 0,85 each. The exercise price of each share option (the "Option") was set at € 10, but it is subject to adjustments following corporate actions.

Following the aforementioned approval and the ensuing decision of the Bank's Board of Directors on 9 May, 2007, 70.305.000 Options were granted with an exercise price of € 10 and maturity date 15 December, 2011. The Options can be exercised by the holders during the years 2007 to 2011 according to the allocation determined by the Board of Directors, following a recommendation by the Remuneration Committee, based on the holders' performance being up to the Bank's expectations.

The fair value of the Options granted was measured using the Black and Scholes model. The significant inputs into the model were: share price of € 8,48 at the grant date, risk-free Euro interest rate curve for the duration of the Scheme 4,15% (average), share price volatility determined on the basis of historic volatility 12% and dividend yield 3,82%. The weighted average fair value of Options granted during the period was € 0,19 per Option. The total expense recognised in the condensed interim income statement for the six months ended 30 June, 2008 for Options granted amounts to € 949.000.

MARFIN POPULAR BANK PUBLIC CO LTD
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

15. RESERVES

Movement in the six months ended 30 June, 2008 and 30 June, 2007:

	2008	2007
	€ '000	€ '000
Revenue reserves		
Balance 1 January	504.929	326.902
Effect of merger of Cyprus Popular Bank (Finance) Ltd with the Bank	44.178	-
Profit for the period	209.260	247.916
Dividend (Note 16)	(278.842)	(245.018)
Cost of share-based payments to employees	949	1.497
	<hr/> 480.474	<hr/> 331.297
Property fair value reserves		
Balance 1 January and 30 June	<hr/> 44.953	<hr/> 19.292
Available-for-sale financial assets and investments in subsidiary companies and associates fair value reserves		
Balance 1 January	203.923	212.654
Effect of merger of Cyprus Popular Bank (Finance) Ltd with the Bank	(44.178)	-
Revaluation for the period and transfer to results on disposal of available-for-sale financial assets, investments in subsidiary companies and associates	(45.345)	258.508
Transfer to results due to impairment	300	-
	<hr/> 114.700	<hr/> 471.162
Currency translation reserves		
Balance 1 January	296	733
Exchange differences arising in the period	(771)	(1.557)
	<hr/> (475)	<hr/> (824)
Difference from conversion of share capital into Euro reserve		
Balance 1 January	-	-
Difference arising on conversion of share capital into Euro	3.426	-
	<hr/> 3.426	<hr/> -
Total reserves 30 June	<hr/> 643.078	<hr/> 820.927

16. DIVIDEND

The Annual General Meeting of the Bank, held on 15 May, 2008, approved the payment of a dividend of € 0,35 per share of nominal value € 0,85, of a total amount of € 278.842.000 (30 June, 2007: € 245.018.000, € 0,31 per share). The dividend was paid to the shareholders on 2 June, 2008.

The Annual General Meeting also approved the Dividend Reinvestment Plan proposed by the Board of Directors (Note 14(b)).

MARFIN POPULAR BANK PUBLIC CO LTD
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

17. CONTINGENCIES AND COMMITMENTS

Commitments for capital expenditure of the Bank at 30 June, 2008 amounted to € 5 m (31 December, 2007: € 16 m).

As at 30 June, 2008 there were pending litigations against the Bank in connection with its activities. Based on legal advice the Board of Directors believes that there is adequate defence against all claims and it is not probable that the Bank will suffer any significant loss. Therefore, no provision has been recognised in the condensed interim financial statements regarding these cases.

18. RELATED PARTY TRANSACTIONS

	30.06.2008	31.12.2007
	€ '000	€ '000
Advances to Directors and their connected persons	174.650	95.772
Advances to other key management personnel and their connected persons	415	449
Total advances	175.065	96.221
Commitments for guarantees and letters of credit:		
Guarantees to Directors and their connected persons	26.252	21.345
Letters of credit to Directors and their connected persons	19.007	16.276
	45.259	37.621
Total advances and commitments	220.324	133.842
Tangible securities	357.626	187.120
Deposits	16.214	11.383
	6 months ended	6 months ended
	30.06.2008	30.06.2007
	€ '000	€ '000
Interest income	4.818	1.710
Interest expense	304	84

There were no commitments relating to other key management personnel of the Bank.

The amount of tangible securities is presented aggregately in the preceding table. Therefore, it is possible that some individual facilities are not fully covered with tangible securities. The total amount of facilities that are unsecured at 30 June, 2008 amounts to € 4,6 m (31 December, 2007: € 2,6 m).

Connected persons include the spouse, minor children and companies in which key management personnel hold directly or indirectly at least 20% of the voting rights in a general meeting.

The deposits by JCC Payment Systems Ltd, associate of the Bank, at 30 June, 2008 were € 24 m (31 December, 2007: € 22 m), and the interest on these deposits during the six months ended 30 June, 2008 was € 626.000 (30 June, 2007: € 580.000). In addition, during the six months ended 30 June, 2007 the Bank received dividend from its associate amounting to € 849.000. The deposits of the provident funds of the employees of the Group in Cyprus at 30 June, 2008, which are also regarded as related parties, were € 15,6 m (31 December, 2007: € 26 m) and the interest on these deposits during the six months ended 30 June, 2008 was € 149.000 (30 June, 2007: € 410.000).

MARFIN POPULAR BANK PUBLIC CO LTD
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

18. RELATED PARTY TRANSACTIONS (continued)

Other transactions with related parties

During the six months ended 30 June, 2008 the Bank purchased goods and received services amounting to € 114.000 from companies connected to Lanitis group.

The above transactions are carried out as part of the normal activities of the Bank, on commercial terms.

Key management personnel compensation

	6 months ended 30.06.2008 € '000	6 months ended 30.06.2007 € '000
Fees paid to Directors as members of the Board	95	68
Remuneration of Directors under executive role:		
Salaries and other short-term benefits	168	82
Employer's social insurance contributions	34	17
Retirement benefits scheme expense	36	26
	238	125
Consultancy services fees of Directors under non executive role	162	164
Compensation of other key management personnel:		
Salaries and other short-term benefits	57	316
Employer's social insurance contributions	10	72
Retirement benefits scheme expense	10	96
	77	484
Share-based payment compensation	553	-
	1.125	841

In addition to the above, the members of the Board of Directors who retired received:

	6 months ended 30.06.2008 € '000	6 months ended 30.06.2007 € '000
Remuneration of Directors under executive role:		
Salaries and other short-term benefits	-	65
Employer's social insurance contributions	-	5
Retirement benefits scheme expense	-	18
	-	88

During the six months ended 30 June, 2008, key management personnel received a total bonus of € 485.000 based on the results of 2007.

Key management personnel for the six months ended 30 June, 2008 include fourteen Directors, five of which had executive duties and the members of the executive management.

MARFIN POPULAR BANK PUBLIC CO LTD
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

18. RELATED PARTY TRANSACTIONS (continued)

Transactions with subsidiary companies

(a) Income and expenses from transactions with subsidiary companies

	6 months ended 30.06.2008 € '000	6 months ended 30.06.2007 € '000
Interest income	21.989	13.465
Interest expense	9.395	8.728
Dividend income	962	89.910
Other income	574	567
Other expenses	1.500	1.041

(b) Balances with subsidiary companies

	30.06.2008 € '000	31.12.2007 € '000
Placements	941.464	1.036.747
Deposits	647.729	577.762

19. POST BALANCE SHEET EVENTS

On 22 July, 2008 the Bank and CNP Assurances (CNP) signed an agreement of long-term partnership with the intention the growth of insurance and pension operations through the banking networks of the Group in Greece and Cyprus, with the possibility of expansion of the partnership in other countries following the international expansion of the Group in Southeast Europe.

According to the terms of the agreement CNP will acquire the 50,1% of the insurance operations of the Group and will have the control of the management of these companies by paying the amount of € 145 m plus an earn-out of about € 20 m linked to business objectives. The agreement is subject to obtaining all the necessary regulatory approvals. The agreement is expected to be finalised by the end of 2008, following the receipt of the necessary approvals from the respective regulatory authorities.

The insurance companies of the Group in which the agreement refers are Laiki Cyprialife Ltd (with principal activity the life insurance and head office in Cyprus), Laiki Insurance Ltd (with principal activity the general insurance and head office in Cyprus), Marfin Life S.A. (with principal activity the life insurance and head office in Greece) and Marfin Insurance Brokers S.A. (with principal activity the insurance broker and head office in Greece).

On 1 August, 2008 Laiki Investments E.P.E.Y. Public Company Ltd (subsidiary of the Group) announced that the Board of Directors of the company approved the Restructuring Plan and Merger, based on which CLR Capital Public Limited will be merged and absorbed by the company. Upon the completion of the merger, the total shareholders of the company will participate in its share capital by 70% and the total shareholders of CLR Capital Public Limited by 30%.

The Board of Directors of CLR Capital Public Limited approved the Restructuring Plan and Merger.

The merger is subject on the condition of obtaining the necessary approvals from the competent authorities and the completion of the pre outlined procedures based on the Companies Law.

MARFIN POPULAR BANK PUBLIC CO LTD
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

20. TRANSACTIONS WITH THE GROUP OF MARFIN INVESTMENT GROUP HOLDINGS S.A.

As at 30 June, 2008 the Bank's total exposure regarding facilities granted to Marfin Investment Group Holdings S.A. group amounted to € 303 m (31 December, 2007: € 259 m) and deposits placed by Marfin Investment Group Holdings S.A. group amounted to € 11 m (31 December, 2007: € 668.000). Additionally, the total income earned by the Bank during the period amounted to € 10 m and the total expenses recognised by the Bank amounted to € 99.000.

21. APPROVAL OF FINANCIAL STATEMENTS

The condensed interim financial statements of the Bank were approved by the Board of Directors of the Bank on 28 August, 2008.

Andreas Vgenopoulos
Executive Vice Chairman
Identity Card No. K231260

Efthymios Bouloutas
Group Chief Executive Officer
Identity Card No. X501092/02

Annita Philippidou
Group Chief Financial Officer
Identity Card No. 704873

APPENDIX “C”

MARFIN POPULAR BANK PUBLIC CO LTD

H.E. 1 - ADDRESS: 154, LIMASSOL AVENUE, P.O. BOX 22032, 1598 NICOSIA, CYPRUS

DATA AND INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2008

In accordance with the Decision 6/448/11.10.2007 of the Board of Directors of the Capital Markets Commission

The following data and information that derive from the financial statements aim to a general update for the financial position and results of Marfin Popular Bank Public Co Ltd (Bank) and of its Group. We therefore recommend to the reader, before making any kind of investment decision or other transaction with the Bank, to visit the website, where the financial statements as well as the review report of the chartered accountant whenever required, are posted.

Website of the Bank: www.laiki.com

Date of approval by the Board of Directors of the six months financial statements: 28 August, 2008

MARFIN POPULAR BANK PUBLIC CO LTD GROUP CONDENSED INTERIM CONSOLIDATED INCOME STATEMENT for the six months ended 30 June 2008

	01/01 - 30/06/2008 € '000	Continuing operations 01/01 - 30/06/2007 € '000	Discontinued operations 01/01 - 30/06/2007 € '000	Total 01/01 - 30/06/2007 € '000	01/04 - 30/06/2008 € '000	Continuing operations 01/04 - 30/06/2007 € '000	Discontinued operations 01/04 - 30/06/2007 € '000	Total 01/04 - 30/06/2007 € '000
Net interest income	359.284	332.711	2.108	334.819	186.964	172.442	330	172.772
Net fee and commission income	147.118	111.245	(100)	111.145	73.011	50.059	(55)	50.004
(Loss)/profit on disposal and revaluation of securities	(1.899)	88.905	83.380	172.285	7.301	27.464	74.506	101.970
Foreign exchange and other income (Note 2)	83.234	55.550	10.091	65.641	38.871	33.017	1.770	34.787
Operating income	587.737	588.411	95.479	683.890	306.147	282.982	76.551	359.533
Staff costs	(167.470)	(148.595)	(777)	(149.372)	(86.446)	(75.486)	(328)	(75.814)
Depreciation and amortisation	(23.077)	(22.923)	(13)	(22.936)	(11.797)	(11.626)	(6)	(11.632)
Administrative expenses	(79.994)	(63.515)	(1.768)	(65.283)	(43.380)	(34.756)	(582)	(35.338)
Profit before provision of impairment of advances	317.196	353.378	92.921	446.299	164.524	161.114	75.635	236.749
Provision for impairment of advances	(47.209)	(44.176)	-	(44.176)	(22.258)	(25.372)	-	(25.372)
Profit before share of profit from associates	269.987	309.202	92.921	402.123	142.266	135.742	75.635	211.377
Share of profit from associates	1.143	824	302	1.126	940	693	109	802
Profit before tax	271.130	310.026	93.223	403.249	143.206	136.435	75.744	212.179
Tax	(43.720)	(33.110)	(7.036)	(40.146)	(22.675)	(17.825)	(6.032)	(23.857)
Profit for the period	227.410	276.916	86.187	363.103	120.531	118.610	69.712	188.322
Attributable to:								
Minority interest	7.006	15.599	5.369	20.968	4.522	11.835	3.315	15.150
Equity holders of the Bank	220.404	261.317	80.818	342.135	116.009	106.775	66.397	173.172
	227.410	276.916	86.187	363.103	120.531	118.610	69.712	188.322
Earnings per share – for profit attributable to the equity holders of the Bank								
Earnings per share - cent	27,5	34,1	10,6	44,7	14,4	13,5	8,4	21,9

MARFIN POPULAR BANK PUBLIC CO LTD CONDENSED INTERIM INCOME STATEMENT for the six months ended 30 June 2008

	01/01 - 30/06/2008 € '000	01/01 - 30/06/2007 € '000	01/04 - 30/06/2008 € '000	01/04 - 30/06/2007 € '000
Net interest income	188.050	166.476	95.830	81.179
Net fee and commission income	57.265	46.158	27.500	23.184
Profit on disposal and revaluation of securities	61.818	46.900	5	11.624
Foreign exchange and other income (Note 2)	29.631	110.220	13.919	98.486
Operating income	336.764	369.754	137.254	214.473
Staff costs	(67.441)	(65.934)	(33.693)	(34.659)
Depreciation and amortisation	(4.475)	(4.058)	(2.279)	(2.165)
Administrative expenses	(22.431)	(21.494)	(12.473)	(11.060)
Profit before provision for impairment of advances	242.417	278.268	88.809	166.589
Provision for impairment of advances	(16.407)	(15.885)	(8.853)	(10.216)
Profit before tax	226.010	262.383	79.956	156.373
Tax	(16.750)	(14.467)	(8.229)	(5.749)
Profit for the period	209.260	247.916	71.727	150.624
Earnings per share - cent	26,1	31,7	8,9	19,0



MARFIN POPULAR BANK PUBLIC CO LTD GROUP
CONDENSED INTERIM CONSOLIDATED BALANCE SHEET
30 June 2008

MARFIN POPULAR BANK PUBLIC CO LTD
CONDENSED INTERIM BALANCE SHEET
30 June 2008

	30/06/2008 € '000	31/12/2007 € '000
Assets		
Cash and balances with Central Banks	995.481	1.347.119
Due from other banks	4.829.914	4.978.224
Financial assets at fair value through profit or loss (Note 4)	628.725	716.080
Advances to customers	21.206.879	17.615.108
Available-for-sale financial assets	4.057.550	2.737.456
Held-to-maturity financial assets	888.727	375.789
Other assets (Notes 4, 5)	639.169	479.350
Investments in associates	15.655	14.798
Intangible assets	1.672.082	1.641.565
Investment property	41.462	57.868
Property and equipment	298.560	286.760
Total assets	35.274.204	30.250.117
Liabilities		
Due to other banks	4.502.247	2.709.374
Customer deposits	23.792.665	20.694.917
Senior debt	1.024.039	973.014
Loan capital	708.062	604.049
Other liabilities (Notes 6, 7)	1.672.280	1.786.638
Total liabilities	31.699.293	26.767.992
Share capital and reserves attributable to equity holders of the Bank		
Share capital (Note 15)	705.607	680.613
Share premium	2.144.425	2.017.708
Reserves	612.436	691.274
Minority interest	3.462.468	3.389.595
	112.443	92.530
Total equity	3.574.911	3.482.125
Total equity and liabilities	35.274.204	30.250.117

	30/06/2008 € '000	31/12/2007 € '000
Assets		
Cash and balances with the Central Bank	266.971	666.950
Due from other banks	3.468.563	3.155.418
Financial assets at fair value through profit or loss (Note 4)	109.196	107.573
Advances to customers	8.159.270	6.829.822
Balances with subsidiary companies (Note 3)	941.464	1.036.747
Available-for-sale financial assets	2.215.196	2.065.745
Held-to-maturity financial assets	365.772	283.973
Other assets	103.359	94.383
Investments in subsidiary companies	2.593.695	2.550.443
Investments in associates	13.716	12.799
Intangible assets	5.226	5.314
Investment property	2.614	2.614
Property and equipment	149.460	144.676
Total assets	18.394.502	16.946.457
Liabilities		
Due to other banks	877.691	638.627
Customer deposits	11.592.483	10.699.132
Senior debt	724.050	723.104
Loan capital	638.831	523.693
Balances with subsidiary companies (Note 3)	647.729	577.762
Other liabilities (Notes 6, 7)	510.745	421.854
Total liabilities	14.991.529	13.584.172
Share capital and reserves		
Share capital (Note 15)	705.607	680.613
Share premium	2.054.288	1.927.571
Reserves	643.078	754.101
Total equity	3.402.973	3.362.285
Total equity and liabilities	18.394.502	16.946.457

DATA OF CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the six months ended 30 June 2008

DATA OF CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
for the six months ended 30 June 2008

	01/01 - 30/06/2008 € '000	01/01 - 30/06/2007 € '000
Total equity, 1 January	3.482.125	3.037.393
Profit for the period	227.410	363.103
Increase of share capital	151.711	30.422
Dividend	(278.842)	(245.018)
(Loss)/profit recognised directly in equity	(27.538)	22.803
Other changes in minority interest	14.578	(61.552)
Treasury shares sold	-	273.251
Other changes	5.467	14.247
Total equity, 30 June	3.574.911	3.434.649

	01/01 - 30/06/2008 € '000	01/01 - 30/06/2007 € '000
Total equity, 1 January	3.362.285	3.136.517
Profit for the period	209.260	247.916
Increase of share capital	151.711	32.498
Dividend	(278.842)	(245.018)
(Loss)/profit recognised directly in equity	(45.816)	256.951
Other changes	4.375	1.497
Total equity, 30 June	3.402.973	3.430.361

DATA OF CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT
for the six months ended 30 June 2008

DATA OF CONDENSED INTERIM CASH FLOW STATEMENT
for the six months ended 30 June 2008

	01/01 - 30/06/2008 € '000	01/01 - 30/06/2007 € '000
Net cash from operating activities from continuing operations	1.580.233	1.877.884
Net cash used in operating activities from discontinued operations	-	(160.492)
Total net cash from operating activities	1.580.233	1.717.392
Net cash used in investing activities from continuing operations	(1.753.573)	(841.188)
Net cash from investing activities from discontinued operations	-	7.457
Total net cash used in investing activities	(1.753.573)	(833.731)
Net cash (used in)/from financing activities from continuing operations	(11.701)	471.763
Net cash from financing activities from discontinued operations	-	223.862
Total net cash (used in)/from financing activities	(11.701)	695.625
Net (decrease)/increase in cash and cash equivalents	(185.041)	1.579.286
Effects of exchange rate changes	(1.230)	21.479
Total cash for the period	(186.271)	1.600.765
Cash and cash equivalents at beginning of period	5.018.066	4.951.501
Cash and cash equivalents at end of period	4.831.795	6.552.266

	01/01 - 30/06/2008 € '000	01/01 - 30/06/2007 € '000
Net cash from operating activities	519.645	819.750
Net cash used in investing activities	(313.926)	(561.911)
Net cash (used in)/from financing activities	(43.651)	480.897
Net increase in cash and cash equivalents	162.068	738.736
Effects of exchange rate changes	(3.725)	210
Total cash for the period	158.343	738.946
Cash and cash equivalents at beginning of period	3.006.627	3.023.428
Cash and cash equivalents at end of period	3.164.970	3.762.374

NOTES

1. The Condensed Interim Consolidated Financial Statements for the six months ended 30 June, 2008 were approved for publication by decision of the Board of Directors of the Bank on 28 August, 2008.
The condensed interim consolidated financial statements are prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as issued by the International Accounting Standards Board and adopted by the European Union.
With the introduction of the Euro as the official currency of the Republic of Cyprus as from 1 January, 2008, the functional currency of the Bank and its Cyprus subsidiaries has changed from Cyprus pounds to Euro. As a result, the financial position of the Bank and the Group at 1 January, 2008 has been converted into Euro based on the definite fixing of the exchange rate € 1 = C£ 0,585274. The condensed interim consolidated financial statements are presented in Euro, which is the functional and presentation currency of the Bank as from 1 January, 2008. The condensed interim consolidated financial statements for the six months ended 30 June, 2008 have not been audited by the Group's external independent auditors. The Group's external independent auditors have conducted a review in accordance with the International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".
2. Foreign exchange and other income for the period ended 30 June, 2008 include dividend income of € 11.381 thousands for the Group (corresponding period in 2007: € 13.321 thousands) and for the Bank € 9.584 thousands (corresponding period in 2007: € 99.347 thousands).
3. Balances as at 30 June, 2008 arising from transactions with subsidiary companies are presented on the Bank's Balance Sheet as "Balances with subsidiary companies".
4. Financial assets at fair value through profit or loss for the Group at 30 June, 2008 include the positive fair value of derivative financial instruments of € 43,6 m (31 December, 2007: € 27,5 m) and for the Bank € 23 m (31 December, 2007: € 17,6 m) and other assets for the Group at 30 June, 2008 include the positive fair value of derivative financial instruments of € 40,7 m (31 December, 2007: € 2,3 m).
5. Other assets for the Group at 30 June, 2008 include an amount of € 39.042 thousands tax receivable (31 December, 2007: € 23.784 thousands) and an amount of € 47.234 thousands deferred tax asset (31 December, 2007: € 36.263 thousands).
6. Other liabilities for the Group at 30 June, 2008 include an amount of € 54.609 thousands current tax liabilities (31 December, 2007: € 57.993 thousands) and € 125.292 deferred tax liabilities (31 December, 2007: € 124.427 thousands). Other liabilities for the Bank at 30 June, 2008 include € 20.293 thousands current tax liabilities (31 December, 2007: € 6.161 thousands) and an amount of € 11.196 thousands deferred tax liabilities (31 December, 2007: € 11.196 thousands).
7. Other liabilities for the Group at 30 June, 2008 include the negative fair value of derivative financial instruments of € 51,3 m (31 December, 2007: € 51,3 m) and for the Bank € 24,3 m (31 December, 2007: € 17,4 m).
8. The number of staff employed by the Group at 30 June, 2008 was 8.457 (corresponding period in 2007: 6.275) and by the Bank 2.670 (corresponding period in 2007: 2.297).
9. Information for the subsidiary companies that are included in consolidation at 30 June, 2008 are presented in note 18 of the condensed interim consolidated financial statements.
10. Investments in Subsidiary Companies
(a) Acquisition of Lombard Bank Malta Plc
On 28 February, 2008 the Bank acquired 42,86% of the share capital of Lombard Bank Malta Plc for € 50,1 m. During the six months ended 30 June, 2008, Lombard Bank Malta Plc paid dividend of € 2.243 thousands. The amount attributable to the Bank, which was reinvested, was € 962 thousands. This reinvestment brings the Bank's holding to 43,08% and the goodwill arising was € 98 thousands.
The Bank exercises control over Lombard Bank Malta Plc through the power to appoint the majority of members of the Board of Directors and therefore Lombard Bank Malta Plc is accounted for as a subsidiary.
The acquisition price amounted to € 50,1 m, the fair value of the net assets acquired was € 22,5 m and the goodwill that arose from the acquisition amounted to € 27,6 m.
(b) Increase in shareholding in Marfin Egnatia Bank S.A.
During the six months ended 30 June, 2008 4.535 thousands shares of Marfin Egnatia Bank S.A. were acquired and the convertible bonds held by the Bank were converted into 206 thousands shares. These acquisitions bring the Bank's holding to 96,7% and the goodwill arising on the additional shares was € 7.043 thousands.
(c) Increase in shareholding in Laiki Investments E.P.E.Y. Public Company Ltd
In March 2008, the Bank acquired 3,6 m shares of Laiki Investments E.P.E.Y. Public Company Ltd for € 1,4 m. This acquisition brings the Bank's holding in the company to 71,4%. Goodwill arising on the additional shares acquired was € 0,4 m.
11. In the consolidation at 30/06/2008, as in the 31/03/2008 consolidation, the companies Lombard Bank Malta Plc and Open-Joint Stock Company Marine Transport Bank are included using the full consolidation method, which were not included in the 30/06/2007 consolidation. These companies constitute new acquisitions.
As disclosed in the consolidated financial statements for the year ended 31 December, 2007, according to IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations", the Group's investment in the non-banking activities of the group of Marfin Investment Group Holdings S.A. is presented as discontinued operations due to reduction in participation and as held for sale at the date of acquisition. The criteria for classification as a disposal group held for sale have been fulfilled within a short period following the acquisition according to the provisions of IFRS 5. Consequently, the results which relate to the non-banking activities of the group of Marfin Investment Group Holdings S.A. for the six months ended 30 June, 2007, during which Marfin Investment Group Holdings S.A. was a subsidiary of Marfin Popular Bank Public Co Ltd are included in the consolidated income statement for the six months ended 30 June, 2007 as profit after tax from discontinued operations due to reduction in participation.
12. The Annual General Meeting of the Bank, held on 15 May, 2008, approved the payment of a dividend of € 0,35 per share of nominal value € 0,85, of a total amount of € 278.842 thousands (corresponding period 2007: € 245.018 thousands, € 0,31 per share). The dividend was paid to the shareholders on 2 June, 2008. The Annual General Meeting also approved the Dividend Reinvestment Plan proposed by the Board of Directors.
13. There are no charges in favour of third parties against Group fixed assets at 30 June, 2008.
14. At 30 June, 2008 there were pending litigations against the Group in connection with its activities. Based on legal advice, the Board of Directors believes that there is adequate defence against all claims and it is not probable that the Group will suffer any significant damage. Therefore, no provision has been made in the condensed interim consolidated financial statements regarding these cases.
15. During the six months ended 30 June, 2008, the share capital of the Bank decreased by € 3.426 thousands, due to the conversion in Euro and the reduction of the nominal value of the Bank's share, after rounding, from C£ 0,50 to € 0,85. Also, the share capital of the Bank increased by € 28.420 thousands, due to the dividend reinvestment. Details regarding the movement in share capital are presented in Note 13 of the Condensed Interim Consolidated Financial Statements.
16. Related party transactions for the period 1 January, 2008 to 30 June, 2008

	Group € '000	Bank € '000
Income	38.925	28.343
Expenses	1.960	12.088
Placements	-	941.464
Deposits	39.600	687.329
Transactions and compensation of directors and key management personnel	2.241	1.125
Advances and commitments of directors and key management personnel	307.480	220.324
Deposits by directors and key management personnel	154.224	16.214
17. Post Balance Sheet Events
On 22 July, 2008 the Bank and CNP Assurances (CNP) signed an agreement of long term partnership with the intention the growth of insurance and pension operations through the banking networks of the Group in Greece and Cyprus, with the possibility of expansion of the partnership in other countries following the international expansion of the Group in Southeast Europe.
According to the terms of the agreement CNP will acquire 50,1% of the insurance operations of the Group and will have the control of the management of these companies by paying the amount of € 145 m plus an earn-out of about € 20 m linked to business objectives. The agreement is subject to obtaining all the necessary regulatory approvals. The agreement is expected to be finalised by the end of 2008, following the receipt of the necessary approvals from the respective regulatory authorities.
The insurance companies of the Group in which the agreement refers are Laiki Cyprialife Ltd (with principal activity the life insurance and head office in Cyprus), Laiki Insurance Ltd (with principal activity the general insurance and head office in Cyprus), Marfin Life S.A. (with principal activity the life insurance and head office in Greece) and Marfin Insurance Brokers S.A. (with principal activity the insurance broker and head office in Greece).
On 1 August, 2008 Laiki Investments E.P.E.Y. Public Company Ltd (subsidiary of the Group) announces that the Board of Directors of the company approved the Restructuring Plan and Merger, based on which CLR Capital Public Limited will be merged and absorbed by the company. Upon the completion of the merger, the total shareholders of the company will participate in its share capital by 70% and the total shareholders of CLR Capital Public Limited by 30%.
The Board of Directors of CLR Capital Public Limited approved the Restructuring Plan and Merger.
The merger is subject on the condition of obtaining the necessary approvals from the competent authorities and the completion of the pre outlined procedures based on the Companies Law.

Nicosia, 28 August, 2008

EXECUTIVE VICE CHAIRMAN
ANDREAS VGENOPOULOS
Identity Card No. K231260

GROUP CHIEF EXECUTIVE OFFICER
EFTHYMIOS BOULOUTAS
Identity Card No. X501092/02

GROUP CHIEF FINANCIAL OFFICER
ANNITA PHILIPPIDOU
Identity Card No. 704873