



**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED  
30 SEPTEMBER 2008**

**MARFIN POPULAR BANK PUBLIC CO LTD GROUP**  
**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**for the nine months ended 30 September 2008**

<b>CONTENTS</b>	<b>Page</b>
Condensed Interim Consolidated Income Statement for the nine months ended 30 September 2008	1
Condensed Interim Consolidated Income Statement for the three months ended 30 September 2008	2
Condensed Interim Consolidated Balance Sheet	3
Condensed Interim Consolidated Statement of Changes in Equity	4
Condensed Interim Consolidated Cash Flow Statement	6
Notes to the Condensed Interim Consolidated Financial Statements	7

**MARFIN POPULAR BANK PUBLIC CO LTD GROUP**  
**CONDENSED INTERIM CONSOLIDATED INCOME STATEMENT**  
for the nine months ended 30 September 2008

	9 months ended <b>30.09.2008</b> €'000	9 months ended 30.09.2007 €'000
Net interest income	<b>560.734</b>	494.495
Net fee and commission income	<b>222.375</b>	230.444
(Loss)/profit on disposal and revaluation of securities	<b>(23.486)</b>	116.535
Foreign exchange and other income	<b>127.029</b>	77.612
<b>Operating income</b>	<b>886.652</b>	919.086
Staff costs	<b>(260.291)</b>	(225.313)
Depreciation and amortisation	<b>(35.216)</b>	(34.862)
Administrative expenses	<b>(126.196)</b>	(99.142)
Profit before provision for impairment of advances	<b>464.949</b>	559.769
Provision for impairment of advances	<b>(69.898)</b>	(68.256)
Profit before share of profit from associates	<b>395.051</b>	491.513
Share of profit from associates	<b>1.871</b>	1.686
<b>Profit before tax</b>	<b>396.922</b>	493.199
Tax	<b>(64.012)</b>	(68.658)
<b>Profit after tax from continuing operations</b>	<b>332.910</b>	424.541
<b>Profit after tax from discontinued operations due to reduction in participation</b>	<b>-</b>	86.187
<b>Profit for the period</b>	<b>332.910</b>	510.728
<b>Attributable to:</b>		
Minority interest	<b>9.588</b>	28.460
Equity holders of the Bank	<b>323.322</b>	482.268
	<b>332.910</b>	510.728
<b>Earnings per share – for profit attributable to the equity holders of the Bank</b>		
Earnings per share - cent	<b>39,8</b>	62,1
<b>Earnings per share - for profit after tax from continuing operations attributable to the equity holders of the Bank</b>		
Earnings per share - cent		<b>51,7</b>

The notes on pages 7 to 26 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 September 2008**

	<b>3 months ended 30.09.2008</b>	3 months ended 30.09.2007
Note	<b>€'000</b>	€'000
Net interest income	<b>201.450</b>	161.784
Net fee and commission income	<b>75.257</b>	119.199
(Loss)/profit on disposal and revaluation of securities	<b>(21.587)</b>	8.210
Foreign exchange and other income	<b>43.795</b>	41.482
<b>Operating income</b>	<b>298.915</b>	330.675
Staff costs	<b>(92.821)</b>	(76.718)
Depreciation and amortisation	<b>(12.139)</b>	(11.940)
Administrative expenses	<b>(46.202)</b>	(35.626)
Profit before provision for impairment of advances	<b>147.753</b>	206.391
Provision for impairment of advances	<b>(22.689)</b>	(24.080)
Profit before share of profit from associates	<b>125.064</b>	182.311
Share of profit from associates	<b>728</b>	863
<b>Profit before tax</b>	<b>125.792</b>	183.174
Tax	<b>(20.292)</b>	(35.549)
<b>Profit for the period</b>	<b>105.500</b>	147.625
<b>Attributable to:</b>		
Minority interest	<b>2.582</b>	7.492
Equity holders of the Bank	<b>102.918</b>	140.133
	<b>105.500</b>	147.625
<b>Earnings per share – for profit attributable to the equity holders of the Bank</b>		
Earnings per share - cent	4	17,6
	<b>12,4</b>	

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

	Note	30.09.2008 €'000	31.12.2007 €'000
<b>Assets</b>			
Cash and balances with Central Banks		1.311.746	1.347.119
Due from other banks		3.796.238	4.978.224
Financial assets at fair value through profit or loss	8	580.182	716.080
Advances to customers	9	23.121.739	17.615.108
Debt securities lending	7	897.880	-
Available-for-sale financial assets		3.658.397	2.737.456
Held-to-maturity financial assets		1.187.337	375.789
Other assets	8	750.538	537.218
Investments in associates		25.472	14.798
Intangible assets		1.726.299	1.641.565
Property and equipment	11	307.786	286.760
<b>Total assets</b>		<b>37.363.614</b>	<b>30.250.117</b>
<b>Liabilities</b>			
Due to other banks		5.473.666	2.709.374
Customer deposits		24.647.349	20.694.917
Senior debt	12	1.122.736	973.014
Loan capital	13	716.383	604.049
Other liabilities	8	1.749.851	1.786.638
<b>Total liabilities</b>		<b>33.709.985</b>	<b>26.767.992</b>
<b>Share capital and reserves attributable to equity holders of the Bank</b>			
Share capital	14	705.607	680.613
Share premium	14	2.144.141	2.017.708
Reserves	15	661.955	691.274
<b>Minority interest</b>		<b>141.926</b>	<b>92.530</b>
<b>Total equity</b>		<b>3.653.629</b>	<b>3.482.125</b>
<b>Total equity and liabilities</b>		<b>37.363.614</b>	<b>30.250.117</b>

The notes on pages 7 to 26 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 nine months ended 30 September 2008

	Note	Attributable to equity holders of the Bank			Revenue reserves €'000	Minority interest €'000	Total €'000
		Share capital €'000	Share premium €'000	Other reserves €'000			
<b>Nine months ended 30 September 2008</b>							
<b>Balance 1 January 2008</b>		<b>680.613</b>	<b>2.017.708</b>	<b>(45.075)</b>	<b>736.349</b>	<b>92.530</b>	<b>3.482.125</b>
Revaluation of property	15	-	-	192	-	-	192
Revaluation and transfer to results on disposal and impairment of available- for-sale financial assets net of tax	15	-	-	(80.499)	-	(3.115)	(83.614)
Exchange differences arising in the period	15	-	-	308	-	(229)	79
Loss recognised directly in equity		-	-	(79.999)	-	(3.344)	(83.343)
Profit for the period		-	-	-	323.322	9.588	332.910
Total recognised profit for the period		-	-	(79.999)	323.322	6.244	249.567
Dividend	15,16	-	-	-	(278.842)	-	(278.842)
Dividend reinvestment	14	28.420	126.717	-	-	-	155.137
Share issue costs	14	-	(284)	-	-	-	(284)
Difference from conversion of share capital into Euro	14,15	(3.426)	-	3.426	-	-	-
Cost of share-based payments to employees	15	-	-	-	2.736	79	2.815
Dividend paid by subsidiaries		-	-	-	-	(1.850)	(1.850)
Acquisition of subsidiary		-	-	-	-	66.035	66.035
Effect of change in minority interest from changes in shareholdings in subsidiaries and other movements	15	-	-	-	38	(21.112)	(21.074)
		<b>24.994</b>	<b>126.433</b>	<b>3.426</b>	<b>(276.068)</b>	<b>43.152</b>	<b>(78.063)</b>
<b>Balance 30 September 2008</b>		<b>705.607</b>	<b>2.144.141</b>	<b>(121.648)</b>	<b>783.603</b>	<b>141.926</b>	<b>3.653.629</b>

The notes on pages 7 to 26 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 nine months ended 30 September 2008**

Note	Attributable to equity holders of the Bank					Minority interest €'000	Total €'000
	Share capital €'000	Share premium €'000	Treasury shares €'000	Other reserves €'000	Revenue reserves €'000		
Nine months ended 30 September 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	15	-	-	(98.113)	-	3.255	(94.858)
Exchange differences arising in the period	15	-	-	24.527	-	1.083	25.610
Transfer of reserves due to transfer of subsidiary to available-for-sale financial assets due to reduction in participation	15	-	-	(3.314)	3.314	-	-
Loss recognised directly in equity		-	-	(76.900)	3.314	4.338	(69.248)
Profit for the period		-	-	-	482.268	28.460	510.728
Total recognised profit for the period		-	-	(76.900)	485.582	32.798	441.480
Dividend	15,16	-	-	-	(245.018)	-	(245.018)
Shares issued	14	5.437	27.186	-	-	-	32.623
Share issue costs	14	-	(3.543)	-	-	-	(3.543)
Treasury shares sold	14	-	92.213	181.038	-	-	273.251
Cost of share-based payments to employees	15	-	-	-	2.893	-	2.893
Dividend paid by subsidiaries		-	-	-	-	(7.270)	(7.270)
Reduction of capital by subsidiary		-	-	-	-	(17.641)	(17.641)
Effect of change in minority interest from changes in shareholdings in subsidiaries and other movements	15	-	-	-	-	10.307	(31.758)
Effect of transfer of subsidiary to available-for-sale financial assets due to reduction in participation		-	-	-	-	(30.252)	(30.252)
		5.437	115.856	181.038	-	(231.818)	(26.715)
Balance 30 September 2007		680.606	2.017.623	-	1.557	97.433	3.452.158

The notes on pages 7 to 26 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 nine months ended 30 September 2008**

	9 months ended <b>30.09.2008</b>	9 months ended 30.09.2007
Note	€ '000	€ '000
<b>Cash generated from operations</b>	<b>1.563.519</b>	1.104.763
Tax paid	<b>(83.679)</b>	(152.752)
<b>Net cash from operating activities</b>	<b>1.479.840</b>	952.011
<b>Cash flows from investing activities</b>		
Purchase less proceeds from disposal of property and equipment	<b>(21.277)</b>	(14.286)
Purchase of computer software	<b>(4.665)</b>	(7.250)
Purchase less proceeds from disposal of investment property	<b>30.336</b>	15.728
Additions less proceeds from redemption and disposal of debt securities lending, available-for-sale and held-to-maturity financial assets	<b>(2.685.165)</b>	(677.828)
Income from debt securities lending, available-for-sale and held-to-maturity financial assets	<b>183.214</b>	72.000
Acquisition of subsidiaries net of cash acquired	<b>50.475</b>	(54.692)
Changes in shareholding in subsidiaries	<b>(28.160)</b>	(11.865)
Dividend received from investments in associates	-	849
<b>Net cash used in investing activities</b>	<b>(2.475.242)</b>	(677.344)
<b>Cash flows from financing activities</b>		
Dividend paid	<b>(123.705)</b>	(245.018)
Proceeds from sale of treasury shares	-	273.251
Share issue costs	<b>(284)</b>	(3.543)
Proceeds from the issue of senior debt and loan capital	<b>509.506</b>	727.234
Repayment of senior debt and loan capital	<b>(318.685)</b>	(312.766)
Interest paid on senior debt and loan capital	<b>(68.645)</b>	(48.253)
Dividend and return of share capital by subsidiaries to minority holders	<b>(1.175)</b>	(24.913)
<b>Net cash (used in)/from financing activities</b>	<b>(2.988)</b>	365.992
Effects of exchange rate changes	<b>(881)</b>	21.771
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(999.271)</b>	662.430
<b>Cash and cash equivalents at beginning of period</b>	<b>5.018.066</b>	4.951.501
<b>Cash and cash equivalents at end of period</b>	<b>4.018.795</b>	5.613.931

The notes on pages 7 to 26 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 nine months ended 30 September, 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 nine months ended 30 September, 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 except for the adoption by the Group of the amendments of International Accounting Standard 39 and International Financial Reporting Standard 7 “Reclassification of Financial Assets” issued in October 2008, with effect from 1 July, 2008.

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 nine months ended 30 September, 2008 have not been audited or reviewed by the Group’s external independent auditors.

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.

**Amendments of IAS 39 and IFRS 7 – Reclassification of Financial Assets**

The amendments of IAS 39 allow, under certain circumstances, the reclassification of non-derivative financial assets from the held-for-trading category to other categories as well as the reclassification of financial assets from available-for-sale investments to loans and receivables. The amendments of IFRS 7 require additional disclosures in the financial statements of entities which adopt the above amendments of IAS 39.

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

**2. SIGNIFICANT ACCOUNTING POLICIES** (continued)

**IFRIC 14, IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction**

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.

**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**

	<b>9 months ended 30.09.2008 €'000</b>	9 months ended 30.09.2007 €'000	<b>3 months ended 30.09.2008 €'000</b>	3 months ended 30.09.2007 €'000
Profit attributable to the equity holders of the Bank	<b>323.322</b>	482.268	<b>102.918</b>	140.133
	<b>'000</b>	'000	<b>'000</b>	'000
Weighted average number of shares in issue during the period	<b>811.550</b>	776.518	<b>830.126</b>	796.683
Earnings per share – cent	<b>39,8</b>	62,1	<b>12,4</b>	17,6

	9 months ended 30.09.2007 €'000
Profit after tax from continuing operations	424.541
Minority interest	<u>(23.090)</u>
Profit after tax from continuing operations attributable to the equity holders of the Bank	<u>401.451</u>
	'000
Weighted average number of shares in issue during the period	<u>776.518</u>
Earnings per share – cent	<u>51,7</u>

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 September, 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
<b>Nine months ended 30 September 2008</b>					
Total revenues	<u>1.687.336</u>	<u>87.306</u>	<u>183.371</u>	<u>(87.760)</u>	<u>1.870.253</u>
Profit before tax	<u>272.618</u>	<u>30.998</u>	<u>93.306</u>		<u>396.922</u>
Tax					<u>(64.012)</u>
<b>Profit for the period</b>					<u><b>332.910</b></u>
<b>Nine months ended 30 September 2007</b>					
Total revenues	<u>1.460.572</u>	<u>148.964</u>	<u>194.460</u>	<u>(43.856)</u>	<u>1.760.140</u>
Profit before tax	<u>334.465</u>	<u>34.958</u>	<u>123.776</u>		<u>493.199</u>
Tax					<u>(68.658)</u>
Profit after tax from continuing operations					<u>424.541</u>
Profit after tax from discontinued operations due to reduction in participation					<u>86.187</u>
Profit for the period					<u><b>510.728</b></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 nine months ended 30 September, 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 for the nine months ended 30 September, 2007 is analysed as follows:

	€ '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>86.187</u>

**7. RECLASSIFICATION OF FINANCIAL ASSETS**

The Group adopted the amendments to IAS 39 and IFRS 7 "Reclassification of Financial Assets" and proceeded to reclassify held-for-trading and available-for-sale bonds to debt securities lending. Additionally, it reclassified available-for-sale to held-to-maturity bonds and held-for-trading to available-for-sale bonds. In accordance with the provisions of amended IAS 39, the Group identified the financial assets for which on 1 July, 2008 there was no intention of trading or sale in the foreseeable future. Under IAS 39, as amended, the reclassifications were made with effect from 1 July, 2008 at the fair value at that date.

The book and fair value of the available-for-sale financial assets reclassified to debt securities lending at 1 July, 2008 was € 687,1 m and their book and fair value at 30 September, 2008 were € 697,9 m and € 614,1 m respectively. Out of the reclassified available-for-sale financial assets € 207,2 m have been hedged for changes in their fair value, which arise because of the risk of change in interest rates. The Group will continue to use hedge accounting for these financial assets.

The book and fair value of the available-for-sale financial assets reclassified to held-to-maturity financial assets at 1 July, 2008 was € 91,3 m and their book and fair value at 30 September, 2008 were € 86,7 m and € 84,1 m respectively.

The book and fair value of the held-for-trading financial assets reclassified to debt securities lending at 1 July, 2008 was € 34,2 m and their book and fair value at 30 September, 2008 were € 34,2 m and € 29,2 m respectively.

The book and fair value of the held-for-trading financial assets reclassified to available-for-sale financial assets at 1 July, 2008 was € 11,4 m and their book and fair value at 30 September, 2008 were € 11,9 m and € 10,3 m respectively.

Had the Group not reclassified the bonds on 1 July, 2008 the consolidated income statement for the third quarter 2008 would have included additional unrealised fair value losses for the three months July to September 2008 on the reclassified held-for-trading financial assets of € 6,6 m.

If the reclassification had not been made the fair value reserve would have included € 84,0 m of additional unrealised fair value losses for the three months July to September 2008 as a result of the change in the fair value of the bonds reclassified in and out of the available-for-sale financial assets.

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

**8. DERIVATIVE FINANCIAL INSTRUMENTS**

Included within financial assets at fair value through profit or loss is an amount of € 107,6 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 € 12,3 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 € 94 m (31 December, 2007: € 51,3 m), which relates to the negative fair value of derivative financial instruments.

**9. ADVANCES TO CUSTOMERS**

	<b>30.09.2008</b>	31.12.2007
	<b>€'000</b>	€'000
Advances to customers	<b>22.785.960</b>	17.324.330
Instalment finance and leasing	<b>1.043.202</b>	963.174
	<b>23.829.162</b>	18.287.504
Provision for impairment of advances (Note 10)	<b>(707.423)</b>	(672.396)
	<b>23.121.739</b>	17.615.108

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

**10. PROVISION FOR IMPAIRMENT OF ADVANCES**

Movement in the nine months ended 30 September, 2008 and 30 September, 2007:

	<b>Provision</b>	<b>Suspension</b>	<b>Total</b>
	<b>€'000</b>	<b>of income</b>	<b>€'000</b>
	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
<b>2008</b>			
Balance 1 January	<b>570.386</b>	<b>102.010</b>	<b>672.396</b>
Provision for impairment of advances from acquisition of subsidiaries	<b>9.992</b>	<b>1.598</b>	<b>11.590</b>
Provision for impairment of advances for the period	<b>126.086</b>	<b>-</b>	<b>126.086</b>
Release of provision and recoveries	<b>(56.188)</b>	<b>(13.646)</b>	<b>(69.834)</b>
Advances written-off	<b>(37.023)</b>	<b>(24.934)</b>	<b>(61.957)</b>
Exchange differences	<b>856</b>	<b>-</b>	<b>856</b>
Suspension of income for the period	<b>-</b>	<b>28.286</b>	<b>28.286</b>
Balance 30 September	<b>614.109</b>	<b>93.314</b>	<b>707.423</b>
<b>2007</b>			
Balance 1 January	502.626	119.281	621.907
Provision for impairment of advances from acquisition of subsidiaries	7.962	-	7.962
Provision for impairment of advances for the period	121.606	-	121.606
Release of provision and recoveries	(53.350)	(36.504)	(89.854)
Advances written-off	(17.887)	(6.220)	(24.107)
Exchange differences	2.152	-	2.152
Suspension of income for the period	-	25.436	25.436
Balance 30 September	563.109	101.993	665.102

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

**11. PROPERTY AND EQUIPMENT**

Movement in the nine months ended 30 September, 2008 and 30 September, 2007:

	<b>2008</b>	2007
	<b>€'000</b>	€'000
Net book value at 1 January	<b>286.760</b>	233.155
Property and equipment from acquisition of subsidiaries	<b>14.268</b>	13.451
Additions less disposals of property and equipment	<b>23.358</b>	12.213
Revaluation of property	<b>192</b>	-
Depreciation	<b>(15.608)</b>	(12.782)
Exchange differences	<b>(1.184)</b>	595
	<hr/>	<hr/>
Net book value at 30 September	<b>307.786</b>	246.632

**12. SENIOR DEBT**

	<b>30.09.2008</b>	31.12.2007
	<b>€'000</b>	€'000
Debentures Marfin Popular Bank Public Co Ltd (2007/2010)	<b>724.050</b>	723.104
Debentures Egnatia Finance Plc	-	199.915
Bond loan (Schuldschein) Marfin Egnatia Bank S.A. (2007/2010)	<b>50.000</b>	49.995
Bond loan (Schuldschein) Marfin Egnatia Bank S.A. (2008/2011)	<b>50.000</b>	-
Bond loan (Schuldschein) Marfin Egnatia Bank S.A. (2008/2010)	<b>250.000</b>	-
Promissory notes Rossiysky Promyishlenny Bank	<b>48.686</b>	-
	<hr/>	<hr/>
	<b>1.122.736</b>	973.014

**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 September, 2008 was € 703,7 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 paid three-monthly interest rate of Euro (Euribor) plus 0,55%. Interest was paid on 11 February, 11 May, 11 August and 11 November of each year. The debentures were listed on the Luxembourg Stock Exchange.

The debentures were repaid in full, in accordance with their terms of issue, on 11 August, 2008, and an amount equal to the nominal value of the debentures plus accrued interest was paid to the holders.

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

**12. SENIOR DEBT (continued)**

**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 six-monthly 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.

**Bond loan (Schuldschein) Marfin Egnatia Bank S.A. (2008/2010)**

In September 2008, Marfin Egnatia Bank S.A. issued € 250 m two year bond loan (Schuldschein) due in September 2010. Interest is paid every three months, with the three-monthly rate of Euro (Euribor) plus 0,60%. The debentures or part of them can be repurchased earlier after a decision of Marfin Egnatia Bank S.A.

**Promissory Notes Rossiysky Promyishlenny Bank**

The Bank sells promissory notes both to customers and other banks. The promissory notes can be issued at face value baring an interest rate of 5,5% and at a discount at a discounting rate of 9,6% and repaid at face value.

**13. LOAN CAPITAL**

	<b>30.09.2008</b>	31.12.2007
	<b>€'000</b>	€'000
Convertible debentures 2003/2013	<b>231</b>	366
Non-convertible debentures 2005/2015	<b>80.000</b>	79.990
Eurobonds due 2016	<b>438.831</b>	438.263
Capital securities	<b>189.000</b>	85.430
Subordinated debt 2007/2014	<b>8.321</b>	-
	<b>716.383</b>	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.

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 September, 2008 there were in issue 72.110 convertible debentures, of a nominal value of € 3,20.

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

**13. LOAN CAPITAL** (continued)

**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 September, 2008 was € 72 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 September, 2008 was € 411,1 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%.

On 17 March, 2008 the Board of Directors of the Bank approved the issue of new capital securities up to the amount of € 200 m which would be included in its Hybrid Tier I Capital. Capital securities of € 116 m (1<sup>st</sup> 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 (2<sup>nd</sup> 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 1<sup>st</sup> Tranche pay 6,50% fixed interest rate for the first four quarters and the capital securities of the 2<sup>nd</sup> 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.

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

**13. LOAN CAPITAL** (continued)

**Capital securities** (continued)

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 1<sup>st</sup> Tranche were listed on the Cyprus Stock Exchange on 24 July, 2008 and of the 2<sup>nd</sup> Tranche on 6 November, 2008.

**Subordinated debt 2007/2014**

In December 2007, Rossiysky Promyishlenny Bank received a deposit maturing in 2014. Interest rate is set at 8% annually. The deposit constitutes direct obligation and ranks for payment after the claims of other creditors.

**14. SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES**

	Number of shares '000	Share capital €'000	Share premium €'000	Treasury shares €'000	Total €'000
<b>Nine months ended 30 September 2008</b>					
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
Shares issue costs	-	-	(284)	-	(284)
<b>Balance 30 September</b>	<b>830.126</b>	<b>705.607</b>	<b>2.144.141</b>	<b>-</b>	<b>2.849.748</b>
<b>Nine months ended 30 September 2007</b>					
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	-	-	(3.543)	-	(3.543)
<b>Balance 30 September</b>	<b>796.683</b>	<b>680.606</b>	<b>2.017.623</b>	<b>-</b>	<b>2.698.229</b>

(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.

(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 issue 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.

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

**14. SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES** (continued)

- (c) The shares issued during the nine month period ended 30 September, 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 nine month period ended 30 September, 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 and it currently stands at € 9,02.

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 nine months ended 30 September, 2008 for Options granted amounts to € 2.815.000 (30 September, 2007: € 2.893.000).

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

**15. RESERVES**

Movement in the nine months ended 30 September, 2008 and 30 September, 2007:

	<b>2008</b>	2007
	<b>€'000</b>	€'000
<b>Revenue reserves</b>		
Balance 1 January	<b>736.349</b>	401.175
Profit for the period attributable to equity holders of the Bank	<b>323.322</b>	482.268
Dividend (Note 16)	<b>(278.842)</b>	(245.018)
Cost of share-based payments to employees	<b>2.736</b>	2.893
Effect of change in minority shareholdings from reorganisation of subsidiaries and other movements	<b>38</b>	10.307
Transfer of fair value and currency translation reserves due to transfer of subsidiary to available-for-sale financial assets due to reduction in participation	-	3.314
	<hr/> <b>783.603</b>	<hr/> 654.939
Balance 30 September		
<b>Property fair value reserves</b>		
Balance 1 January	<b>55.644</b>	26.560
Revaluation of property	<b>192</b>	-
	<hr/> <b>55.836</b>	<hr/> 26.560
Balance 30 September		
<b>Available-for-sale financial assets fair value reserves</b>		
Balance 1 January	<b>(116.260)</b>	52.574
Revaluation for the period and transfer to results on disposal of available-for-sale financial assets	<b>(106.553)</b>	(110.208)
Deferred tax	<b>15.754</b>	12.095
Transfer to results due to impairment	<b>10.300</b>	-
Transfer to revenue reserves due to transfer of subsidiary to available-for-sale financial assets due to reduction in participation	-	75
	<hr/> <b>(196.759)</b>	<hr/> (45.464)
Balance 30 September		
<b>Currency translation reserves</b>		
Balance 1 January	<b>15.541</b>	(677)
Exchange differences arising in the period	<b>308</b>	24.527
Transfer to revenue reserves due to transfer of subsidiary to available-for-sale financial assets due to reduction in participation	-	(3.389)
	<hr/> <b>15.849</b>	<hr/> 20.461
Balance 30 September		
<b>Difference from conversion of share capital into Euro reserve</b>		
Balance 1 January	-	-
Difference arising on conversion of share capital into Euro	<b>3.426</b>	-
	<hr/> <b>3.426</b>	<hr/> -
Balance 30 September		
<b>Total reserves 30 September</b>	<hr/> <b>661.955</b>	<hr/> 656.496

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

**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 September, 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 14(b)).

**17. CONTINGENCIES AND COMMITMENTS**

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

As at 30 September, 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.

**18. NET ASSETS ATTRIBUTABLE TO LIFE POLICYHOLDERS**

	<b>30.09.2008</b>	31.12.2007
	<b>€'000</b>	€'000
Deposits with banks	<b>191.303</b>	197.798
Financial assets at fair value through profit or loss	<b>208.716</b>	234.794
Advances to policyholders	<b>27.223</b>	29.978
Balances recoverable from reinsurers and other assets	<b>12.819</b>	13.366
Investment property	<b>9.123</b>	9.095
Liabilities	<b>(1.244)</b>	(1.546)
	<b><u>447.940</u></b>	<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**

**19. INVESTMENTS IN SUBSIDIARY COMPANIES**

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

Company name	Effective shareholding	Country of incorporation	Activity sector
Marfin Egnatia Bank S.A. (d)	97%	Greece	Banking
Investment Bank of Greece S.A.	89%	Greece	Investment banking
Laiki Investments E.P.E.Y. Public Company Ltd (e)	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. (j)	96%	Romania	Banking
Rossiysky Promyishlenny Bank Company Ltd (b)	50%	Russia	Banking
Closed Joint-Stock Company RPB Holding (b)	50%	Russia	Holding company
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 (c)	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. (h)	96%	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. (i)	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 € 49,7 m. During the nine months ended 30 September 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 company of the Group.

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**

**19. INVESTMENTS IN SUBSIDIARY COMPANIES (continued)**

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

For the nine months ended 30 September, 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 September, 2008 was €21,4 m and €4,6 m respectively.

Details regarding the net assets acquired are as follows:

	<b>€'000</b>
Consideration for acquisition	49.663
Acquisition expenses	424
	<hr/>
Total consideration for acquisition	50.087
Fair value of net assets acquired	(22.479)
	<hr/>
Goodwill	27.608
	<hr/>

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

	<b>Fair value €'000</b>	<b>Book value €'000</b>
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	(48.262)	(48.262)
	<hr/>	<hr/>
Net assets	56.107	56.107
Minority interest	(33.628)	(33.628)
	<hr/>	<hr/>
Net assets acquired	22.479	22.479
	<hr/>	<hr/>
Consideration for acquisition		(49.663)
Acquisition expenses		(424)
Cash and cash equivalents in subsidiary acquired		137.080
		<hr/>
Cash inflow from acquisition		86.993
		<hr/>

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) Acquisition of Rossiysky Promyishlenny Bank (Rosprombank)**

On 4 September, 2008 the Bank finalised the acquisition of the Russian Commercial Bank Rossiysky Promyishlenny Bank (Rosprombank), after securing all necessary approvals by the supervisory authorities of Russia and Cyprus. The acquisition was finalised with the transfer of 50,04% of the share capital of the Russian Closed Joint-Stock Company RPB Holding, parent company of Rosprombank against the sum of €83,6 m.

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

**19. INVESTMENTS IN SUBSIDIARY COMPANIES (continued)**

**(b) Acquisition of Rossiysky Promyishlenny Bank (Rosprombank) (continued)**

Rosprombank was established in 1997 and has a dynamic presence in Russia via a network of 32 branches and selling points covering the big cities of the Russian Federation.

For the nine months ended 30 September, 2008 the effect on the income and the net profit of the Group from the acquisition of the Russian companies from the date of the acquisition 4 September, 2008 to 30 September, 2008 was € 1.860.000 and € 278.000 respectively.

Details regarding the net assets acquired are as follows:

	<b>€'000</b>
Consideration for acquisition	83.648
Acquisition expenses	<u>1.324</u>
Total consideration for acquisition	84.972
Fair value of net assets acquired	<u>(32.419)</u>
Goodwill	<u>52.553</u>

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

	<b>Fair value €'000</b>	<b>Book value €'000</b>
Cash and cash equivalents	50.095	50.095
Restricted balances with Central Bank	4.938	4.938
Due from other banks (due in more than 3 months)	2.759	2.759
Advances to customers	189.196	189.196
Other assets	9.117	9.117
Available-for-sale financial assets	26.060	26.060
Held-to-maturity financial assets	287	287
Investments in associates	8.779	8.779
Intangible assets	516	516
Property and equipment	3.939	3.939
Due to other banks	(3.091)	(3.091)
Customer deposits	(153.047)	(153.047)
Senior debt	(61.722)	(61.722)
Loan capital	(8.128)	(8.128)
Other liabilities	(2.505)	(2.505)
Deferred tax liabilities	<u>(2.367)</u>	<u>(2.367)</u>
Net assets	64.826	64.826
Minority interest	<u>(32.407)</u>	<u>(32.407)</u>
Net assets acquired	<u>32.419</u>	<u>32.419</u>
Consideration for acquisition		(83.648)
Acquisition expenses		(1.324)
Cash and cash equivalents in subsidiary acquired		<u>50.095</u>
Cash outflow from acquisition		<u>(34.877)</u>

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

**19. INVESTMENTS IN SUBSIDIARY COMPANIES (continued)**

**(b) Acquisition of Rossiysky Promyishlenny Bank (Rosprombank) (continued)**

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.

**(c) Acquisition of Marine Transport Bank**

On 18 September, 2007, following the obtaining of the necessary approvals by the competent authorities of Cyprus and Ukraine, the Bank completed the acquisition of 99,21% of the share capital of Marine Transport Bank (MTB) in Ukraine for € 100,7 m.

MTB is a bank organised as an Open Joint-Stock Company under the laws of Ukraine. It is a universal bank having licenses for a full range of banking operations.

Details regarding the net assets acquired are as follows:

	<b>€'000</b>
Consideration for acquisition	100.721
Acquisition expenses	2.916
	<hr/>
Total consideration for acquisition	103.637
Fair value of net assets acquired	(38.348)
	<hr/>
Goodwill	65.289
	<hr/>

Goodwill is attributable to securing a banking license in Ukraine achieved through the acquisition which will allow the Group to take advantage of the high margins enjoyed by the Ukrainian banking sector.

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

	<b>Fair value €'000</b>	<b>Book value €'000</b>
Cash and cash equivalents	47.857	47.857
Advances to customers	112.696	112.696
Other assets	1.793	1.793
Intangible assets	17.529	-
Property and equipment	13.779	13.779
Due to other banks	(4.193)	(4.193)
Customer deposits	(138.333)	(138.333)
Deferred tax liabilities	(4.382)	-
Other liabilities	(8.093)	(6.752)
	<hr/>	<hr/>
Net assets	38.653	26.847
Minority interest	(305)	(211)
	<hr/>	<hr/>
Net assets acquired	38.348	26.636
	<hr/>	<hr/>

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

**19. INVESTMENTS IN SUBSIDIARY COMPANIES (continued)**

**(c) Acquisition of Marine Transport Bank (continued)**

	<b>€'000</b>
Cash outflow from acquisition 2007:	
Consideration for acquisition	(100.721)
Acquisition expenses	(1.275)
Acquisition of subsidiary's loan capital	(1.301)
Cash and cash equivalents in subsidiary acquired	47.857
	(55.440)
 Cash outflow from acquisition 2008:	
Acquisition expenses	(1.641)

In September 2008, the Bank completed the fair valuation and purchase price allocation for the acquisition of MTB. Based on adjustments to the preliminary accounting adopted in the consolidated financial statements for the year ended 31 December, 2007, the Group recognised € 17,5 m intangible assets, which relate to the estimated fair value for core deposits and customer relationships. A deferred tax liability of € 4,4 m in relation to the aforementioned intangible assets has also been recognised.

**(d) Increase in shareholding in Marfin Egnatia Bank S.A.**

During the nine months ended 30 September, 2008 5.438.000 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 97% and the goodwill arising on the additional shares was € 8.359.000.

**(e) 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 to 71,4%. Goodwill arising on the additional shares acquired was € 0,4 m.

**(f) 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.

**(g) 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%.

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

**19. INVESTMENTS IN SUBSIDIARY COMPANIES** (continued)

**(h) 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.

**(i) Increase of share capital of IBG Investments S.A.**

During the nine months ended 30 September, 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.

**(j) 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.

**20. RELATED PARTY TRANSACTIONS**

	<b>30.09.2008</b>	31.12.2007
	<b>€'000</b>	€'000
Advances to Directors and their connected persons	<b>276.316</b>	193.232
Advances to other key management personnel and their connected persons	<b>1.842</b>	449
Total advances	<b>278.158</b>	193.681
Commitments for guarantees and letters of credit:		
Guarantees to Directors and their connected persons	<b>23.160</b>	23.784
Letters of credit to Directors and their connected persons	<b>7.486</b>	16.279
	<b>30.646</b>	40.063
Total advances and commitments	<b>308.804</b>	233.744
Tangible securities	<b>419.369</b>	250.342
Deposits	<b>143.440</b>	147.092
	<b>9 months ended</b>	9 months ended
	<b>30.09.2008</b>	30.09.2007
	<b>€'000</b>	€'000
Interest income	<b>7.789</b>	2.508
Interest expense	<b>5.385</b>	456

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

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

**20. RELATED PARTY TRANSACTIONS** (continued)

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 September, 2008 amounts to €41,8 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 September, 2008 were €23,8 m (31 December, 2007: €22 m), and the interest on these deposits during the nine months ended 30 September, 2008 was €616.000 (30 September, 2007: €580.000). In addition, during the nine months ended 30 September, 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 September, 2008, which are also regarded as related parties, were €15,7 m (31 December, 2007: €26 m) and the interest on these deposits during the nine months ended 30 September, 2008 was €278.000 (30 September, 2007: €561.000). Additionally, the Group had total interest and commission income for the nine months ended 30 September, 2008, from the Dubai Financial Limited Liability Company group amounting to €1.230.000.

**Other transactions with related parties**

During the nine months ended 30 September, 2008 the Group received commissions on stock exchange transactions from key management personnel amounting to €217.000 and purchased goods and received services amounting to €145.000 from companies connected to Lanitis group. Additionally, the Group sold land to a company connected to Lanitis group at consideration of €29.800.000.

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

**Group key management personnel compensation**

	<b>9 months ended 30.09.2008 €'000</b>	9 months ended 30.09.2007 €'000
<b>Fees paid to Directors as members of the Board</b>	<b>143</b>	96
<b>Remuneration of Directors under executive role:</b>		
Salaries and other short-term benefits	1.213	593
Employer's social insurance contributions	75	46
Retirement benefits scheme expense	61	50
	<b>1.349</b>	689
<b>Consultancy services fees of Directors under non executive role</b>	<b>241</b>	246
<b>Compensation of other key management personnel:</b>		
Salaries and other short-term benefits	821	745
Employer's social insurance contributions	45	82
Retirement benefits scheme expense	17	103
	<b>883</b>	930
<b>Share-based payment compensation</b>	<b>1.036</b>	-
	<b>3.652</b>	1.961

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

**20. RELATED PARTY TRANSACTIONS** (continued)

**Group key management personnel compensation** (continued)

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

	<b>9 months ended 30.09.2008 €'000</b>	9 months ended 30.09.2007 €'000
Fees paid to Directors as members of the Board	-	117
Remuneration of Directors under executive role:		
Salaries and other short-term benefits	-	135
Employer's social insurance contributions	-	10
Retirement benefits scheme expense	-	19
	-	164
Consultancy services fees of Directors under non executive role	-	1
	-	282

During the nine months ended 30 September, 2008, key management personnel received a total bonus of €3,6 m based on the results of 2007.

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

**21. POST BALANCE SHEET EVENTS**

On 11 November, 2008 the Bank announced that, having obtained the required by law relevant approvals by the regulatory authorities in Cyprus, increased its percentage participation in the share capital of the Estonian bank Marfin Pank Eesti AS (ex AS SBM Pank) by 2,71% by purchasing 544.000 shares. Consequently, the total percentage of its participation in the share capital of Marfin Pank Eesti AS increased to 52,84%.

**22. 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 recognised by the Group amounted to €60 m and total expenses recognised by the Group amounted to €31 m. Additionally, as at 30 September, 2008 the Group's total exposure regarding facilities granted to Marfin Investment Group Holdings S.A. group amounted to €502 m (31 December, 2007: €473 m) and deposits placed by Marfin Investment Group Holdings S.A. group amounted to €1.188 m (31 December, 2007: €462 m).

**23. APPROVAL OF FINANCIAL STATEMENTS**

The condensed interim consolidated financial statements were approved by the Board of Directors of the Bank on 27 November, 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