

MARFIN POPULAR BANK GROUP  
SUMMARY EXPLANATORY NOTE  
FOR FINANCIAL RESULTS  
FOR THE THREE MONTHS ENDED 31 MARCH 2008

Operating income of the Group reached € 281,6 m for the first quarter of 2008. The corresponding income for the first quarter of 2007 was € 305,4 m but as it was announced these included exceptional items of € 50 m from the sale of the Group's shareholdings in Hellenic Bank and Universal Life. Total income, adjusted for these exceptional items, increased by 9% year-on-year. Income from international operations was € 30 m representing 11% of the Group's total income.

Net interest income supported by the robust increase in loans and deposits reached € 172,3 m, 8% increase from € 160,3 m the first quarter of 2007. This increase was achieved, although interest income was negatively affected by the depreciation of the US dollar, the decline of US interest rates, the adjustment of the base rate in Cyprus and the ongoing deposit competition from peers with constrained liquidity position in Greece and Cyprus. It should also be noted that the interest income for the first quarter of 2007 was increased due to the exceptional write-backs of suspended interest of € 12 m as it was announced. Adjusted for the exceptional write-backs the annual increase in the net interest income reaches 17%.

Net interest margin, adjusted for interest write-backs, decreased from 2,82% the first quarter of 2007 to 2,49% the corresponding quarter of 2008. The negative impact of the above cyclical and technical factors was 33 bps the first quarter of 2008. The reversal of these factors will have a positive impact on the Group's operating performance in the future.

Fees and commissions income and foreign exchange and other income posted remarkable increases boosted by the leading position of the Group in the investment and brokerage franchise, the development of the banking business and the increased in the insurance business.

During the first quarter of 2008, the Group incurred losses from the disposal and revaluation of securities amounting to € 9,2 m compared to profits of € 61,4 m the corresponding period in 2007. These losses are due to the revaluation of Group financial assets and originate mostly from the considerable decrease of the share prices during the first three months of 2008, both in the Cyprus Stock Exchange and Athens Exchange, but also due to the difficult conditions in the international markets. It is also noted that the profit from the disposal and revaluation of securities for the first quarter of 2007 included exceptional items amounting to € 50 m from the sale of the Group's shareholdings in Hellenic Bank and Universal Life, as mentioned above.

Total operating expenses reached € 128,9 m increased by 13% compared with the first quarter of 2007. Cost growth was affected by the opening of 3 new branches and 4 business centres in Greece, 11 new branches in international locations, and the consolidation of the Ukrainian bank Marine Transport Bank the fourth quarter of 2007 and Lombard Bank Malta Plc from 01.03.2008.

During the first quarter of 2008, all geographic regions of operation (Cyprus, Greece and International) have achieved exceptionally strong volume growths. Total assets of the Group reached € 32 bn recording an increase of 29% year-on-year. Group total loans recorded a robust increase of 44% year-on-year to € 19,7 bn, driven by solid demand in all geographic areas. International loans reached € 2,4 bn or 12% of the total. Similarly, Group deposits registered a growth of 28% and reached € 21,9 bn due to the expansion of the branch network, the gradual maturing of new branches and the increase in the client base of the Group.

Finally, during the first quarter of 2008 the acquisition of 43% of Lombard Bank Malta Plc, the third largest bank in Malta, was completed. Control was acquired and the new subsidiary is consolidated for the first time for one month the first quarter of 2008.

#### PROSPECTS FOR THE FUTURE

Within the first quarter of 2008, the net revenues of the Group were negatively affected by the depreciation of the US dollar, the decline of US interest rates, the adjustment of the base rate in Cyprus and the ongoing deposit competition from peers with constrained liquidity position in Greece and Cyprus. These factors relate to the economic cycles and therefore the gradual reversal of these factors will cause a positive impact on the Group's operating performance in the future. The income and expense synergies from the merger of the three groups have started to materialise and it is anticipated that the fast growth rate of volumes will continue, accompanied by the containment of expenses and the continued improvement of the quality of the loan portfolio of the Group.