MARFIN POPULAR BANK

MARFIN POPULAR BANK GROUP
SUMMARY EXPLANATORY NOTE
FOR FINANCIAL RESULTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE, 2007

Note: The Consolidated Income Statement for the six months ended 30 June, 2007 contains the profits of all the companies making up the Marfin Popular Bank Group as at that date. The same period Consolidated Income Statement for the six months to 30 June, 2006 contains the profits of the former Laiki Group only (since the acquisitions of Marfin and Egnatia Groups took place on 22 December, 2006).

Operating income rose by 135% to C£ 344,4 m (€ 590 m) as at 30 June 2007 from C£ 146,4 (€ 250,9 m) for the corresponding period of last year. Net interest income increased by 103% to C£ 194,7 m (€ 333,6 m) mainly stemming from the strong volume growths in Greece and Cyprus and to a lesser extent the recoveries of previously suspended interest resulting from the continuous efforts to improve the collection of interest in arrears in Cyprus. The financial and other income of the Group was also boosted by the good performance of the capital markets and the insurance division of the Group, as well as, from the sale of the stakes in Hellenic Bank and Universal Life (profit of C£ 29,4 m, € 50,4 m).

The growth rate of operating expenses was 76% in the six months ended 30 June, 2007 reaching C£ 137,6 m (€ 235,7 m). The costs of the Marfin Egnatia Groups are now included in the Group results. Expenses in Cyprus rose by 9%. Staff cost grew by 10% on the back of the existing collective agreements and new staff recruitments from the beginning of the year. Other operating expenses grew by 8% mainly due to the expansion of business. The group's Cost to Income ratio dropped to 39,9% compared to 53% reported in the first six months of 2006.

Group provisions have increased by 13% in the six months ended 30 June, 2007 and reached C£ 25,8 m (€ 44,3 m). This is because the size of the advances portfolio has increased substantially from the addition of the Marfin Egnatia Group in Greece.

On 12 July, 2007 the share capital increase of € 5,2 bln of Marfin Investment Group (MIG) was completed. Marfin Popular Bank (the Bank) did not participate in this share capital increase and consequently its participation dropped to 6,45%. For this reason, the profit after tax from these operations is shown separately as "profit after tax from discontinued operations due to reduction in participation". Although the percentage holding of Marfin Popular Bank Group in MIG has dropped to 6,45%, the Group will continue to receive significant incomes from its cooperation with MIG. Among other things, the Marfin Popular Bank Group will offer investment advisory services, which will be provided by the subsidiary of the Group Investment Bank of Greece S.A. The annual fee that will be receive will amount to 1% of MIG´s Net Asset Value.

Finally, it must be noted that the operational and legal merger of the 3 Greek Banks operations (Egnatia, Marfin Bank and Laiki Hellas) has been successfully completed on 30 June, 2007, as originally planned.

PROSPECTS FOR THE FUTURE

The dynamic created from the integration of the three Groups is much stronger than originally anticipated. The revenue and cost synergies already have started to materialise and we can foresee an accelerated asset and revenue growth coupled with a containment of costs and a continuous improvement in asset quality. These dynamics are present in all the high growth geographical areas that the Group operates making the future profitability prospects of the Group extremely positive.