

## NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of the shareholders of MARFIN POPULAR BANK PUBLIC CO LTD (the "Company") will be held at **The Sporting Club of Marfin Laiki Bank** (135, Demetris Stavrou Street, P.S. 2224, Yeri) at Nicosia on **Monday, 2 April 2012 at 16:00**, to consider and if thought fit, pass the following Special Resolutions.

### AGENDA

#### 1. Special Resolution 1:

"That, the authorised share capital of the Company which is Euro 2.465.000.000 divided into 2.900.000.000 ordinary shares of nominal value Euro 0,85 each, as well as the issued share capital of the Company which is Euro 1.369.443.974,30 divided into 1.611.110.558 ordinary fully paid shares of Euro 0,85 each, are reduced, the authorised share capital into Euro 290.000.000 divided into 2.900.000.000 ordinary shares of nominal value Euro 0,10 each and the issued share capital into Euro 161.111.055,80 divided into 1.611.110.558 ordinary fully paid shares of Euro 0,10 each, and that this reduction is carried out with the reduction of the nominal value of each ordinary share from Euro 0,85 each to Euro 0,10 each, for the purpose of writing off losses and/or losses of capital, and immediately after the above reduction the authorised share capital of the Company is re-increased to the amount of Euro 2.465.000.000,00 which will be divided into 24.650.000.000 ordinary shares of Euro 0,10 each."

#### Explanation:

Special Resolution 1 is proposed for the reduction of the nominal value of the Company's share in order to facilitate the implementation of the proposed recapitalization plan of the Company and the issue of new shares and capital securities, as specified in Special Resolutions 3 to 7. Special Resolution 1 is subject to ratification by the Nicosia District Court. The reduction of the issued share capital is proposed for writing off losses and losses of capital, issues arising because of the exposure of the Company in the Greek market and mainly because of the impairment of the Greek government bonds. The nominal value of the share has been set at Euro 0,10 to provide the maximum possible flexibility for the issue of shares, while there is no restriction on the maximum issue price, which may be set from time to time, further to the nominal value.

#### 2. Special Resolution 2:

"That, the share premium balance which is maintained under article 55 of the Companies Law, CAP 113, amounting to Euro 1.900.000.000 is utilised for writing off losses of the Company."

#### Explanation:

Special Resolution 2 is proposed in order to facilitate the implementation of the proposed recapitalization plan of the Company, as explained for Special Resolution 1. Special Resolution 2 is subject to ratification by the Nicosia District Court.

#### 3. Special Resolution 3:

"That, under the condition that Special Resolution 1 for the reduction of the issued and authorised share capital and the re-increase of the authorised share capital is approved, the Board of Directors of the Company be authorised and is hereby authorised to issue and allot such number of shares for raising share capital of up to Euro 1.800.000.000 as follows:

(A) to investors of its choice as follows:

- (i) up to 50% of the amount of Euro 1.800.000.000 at an issue price which will not be lower than Euro 0,30 per share, without these shares being firstly offered to the shareholders of the Company, or

- (ii) up to 50% of the amount of Euro 1.800.000.000 with the issue and allotment by the Board of Directors at par of a Mandatory Convertible Bond ("MCB") into shares, at a conversion price not less than Euro 0,30 and any other additional conditions to be determined by the Board of Directors and will be issued and converted into shares at their nominal value before the 31<sup>st</sup> December 2012, without the MCB and the shares that will result from the mandatory conversion to be offered to the existing shareholders of the Company,

and/or

- (B) a Rights Issue up to the amount of Euro 1.800.000.000 to be offered pro-rata to existing shareholders with an exercise price lower than Euro 0,30 per share and with any other conditions to be determined by the Board of Directors and be included in a Prospectus.

That the Board of Directors be authorised and is hereby authorised to decide and take action for the allotment, including the allotment to third parties, of any Rights offered to the shareholders and not taken up."

**Explanation:**

Special Resolution 3 is proposed to facilitate the actions for the recapitalization of the Company. It enables the issue up to 50% of the capital to be issued of Euro 1.800.000.000 to investors selected by the Board of Directors, either with the issue of shares at a price not less than Euro 0,30 per share, or with the Mandatory Convertible Bond with a conversion price into shares also at not less than Euro 0,30 per share, without the shares issued in any of the above mentioned methods being offered to the shareholders of the Company.

Additionally or alternatively the Board of Directors will be able to issue Rights to the shareholders up to the same amount of share capital of Euro 1.800.000.000 at an exercise price less than Euro 0,30, which is the lowest price at which it might be possible to issue new shares to third party investors according to Part A of this Special Resolution and the Rights not taken up by the shareholders may be offered to third parties at the same exercise price.

**4. Special Resolution 4:**

"That, under the condition that Special Resolution 1 for the reduction of the issued and the authorised Share Capital and the re-increase of the authorised share capital is approved, the Board of Directors of the Company be authorised and is hereby authorised to proceed with the issue of Enhanced Capital Securities ("ECS") of a total nominal value of Euro 737.753.000 which will be issued to the holders of the capital securities (i) issued in 2008 CPBCS (200.000 capital securities of nominal value Euro 1.000 each), (ii) issued in 2009 CPBCB (242.229 capital securities of nominal value Euro 1.000 each) and (iii) issued in 2010 CPBCC (295.524 capital securities of nominal value Euro 1.000 each), referred to as "Capital Securities Under Exchange", who will accept the offer of the Company for the voluntary exchange of the Capital Securities Under Exchange with ECS at their nominal value.

That the Board of Directors be authorised and is hereby authorised to proceed with the issue and allotment of the required number of shares, in the framework of the ECS conversion into ordinary shares of the Company which is activated under certain conditions to be determined in the issue terms of the ECS, as these will be defined by the Board of Directors and be included in a Prospectus, without these shares being firstly offered to the shareholders of the company but be allotted to the holders of the ECS."

**Explanation:**

Special Resolution 4 enables the Board of Directors to issue Enhanced Capital Securities ("ECS") of a total nominal value up to Euro 737.753.000 to the holders of capital securities issued in 2008, 2009 and 2010 for voluntary exchange of their capital securities. The ECS will constitute Tier I capital compatible with Basel III. The conversion of ECS into shares of the Company will be activated under certain conditions and in

accordance with the terms that will be decided by the Board of Directors and will be included in a Prospectus, without the shares being firstly offered to the shareholders.

The purpose of Special Resolution 4 is to facilitate the recapitalization of the Company.

#### **5. Special Resolution 5:**

“That, under the condition that Special Resolution 1 for the reduction of the issued and the authorised Share Capital and the re-increase of the authorised share capital is approved, the Board of Directors of the Company be authorised and is hereby authorised to proceed with the issue and allotment of new ordinary shares to the holders of capital securities (i) issued in 2008 CPBCS (200.000 capital securities of nominal value Euro 1.000 each), (ii) issued in 2009 CPBCB (242.229 capital securities of nominal value Euro 1.000 each) and (iii) issued in 2010 CPBCC (295.524 capital securities of nominal value Euro 1.000 each), referred to as “Capital Securities Under Exchange”, who will accept the offer of the Company, under such terms that will be determined by the Board of Directors and will be included in the Prospectus, for the voluntary exchange of Capital Securities Under Exchange they hold, at their nominal value, with ordinary shares of the Company at a conversion price to be determined during the Rights Issue in accordance with Special Resolution 3 (B). The maximum amount of Capital Securities Under Exchange that could be exchanged with shares will not exceed 50% of the total nominal value of Euro 737.753.000, while in case of oversubscription of the available amount, the allotment will be made pro rata. The shares that might be issued and allotted in the framework of such an offer for a voluntary exchange of the Capital Securities Under Exchange, will not be firstly offered to the existing shareholders of the Company.”

#### **Explanation:**

Special Resolution 5 enables the Board of Directors to issue new shares of total nominal value that will not exceed 50% of the total nominal value of Euro 737.753.000 to the holders of capital securities issued in 2008, 2009 and 2010 for the voluntary exchange of their securities. The exchange of the said capital securities and the conversion into shares of the Company will be made under the terms that will be decided by the Board of Directors at the Rights Issue, without the shares being firstly offered to the shareholders.

The purpose of Special Resolution 5 is to facilitate the recapitalization of the Company. The holders of capital securities issued in 2008, 2009 and 2010 will be able to choose if they so wish, and in accordance with the terms to be determined, to voluntarily exchange their capital securities in accordance with Special Resolution 4 and/or Special Resolution 5.

#### **6. Special Resolution 6:**

“That, under the condition that Special Resolutions 4 and 5 are approved, Special Resolution 1 as approved by the Extraordinary General Meeting dated 28 September 2011, be cancelled and is hereby cancelled.”

#### **Explanation:**

With the approval of Special Resolutions 4 and 5, the provisions of Special Resolution 1 as approved at the Extraordinary General Meeting of 28 September 2011 become redundant and its cancellation is therefore proposed.

#### **7. Special Resolution 7:**

“That, under the condition that Special Resolution A for the reduction of the issued and authorised share capital and the re-increase of the authorised share capital is approved, the Board of Directors of the Company be authorised and is hereby authorised to issue Share Warrants to (i) the acquirers of new shares to be issued by the Company under Special Resolutions 3(B) and/or 5 and (ii) at its absolute discretion to the acquirers of new shares to be issued by the Company under Special Resolution 3(A), in the ratio of one (1) Share Warrant for every five (5) new shares to be acquired and with the exercise of

one (1) Share Warrant one (1) new share will be allotted and with any other terms to be decided by the Board of Directors as included in a Prospectus. The above mentioned Share Warrants and the new shares resulting from the exercise of the Share Warrants will be issued to the beneficiaries without being firstly offered to the existing shareholders of the Company.”

**Explanation:**

Special Resolution 7 enables the Board of Directors (i) to issue Share Warrants to persons who will acquire new shares under the provisions of Special Resolutions 3(B) and/or 5 and (ii) at its absolute discretion to issue Share Warrants to the acquirers of new shares under Special Resolution 3(A), i.e. to investors of its choice. The provision of the authority to issue Share Warrants, as the proposed resolution, aims to facilitate the recapitalization of the Company.

**8. Special Resolution 8:**

“That the name of the company be changed and is hereby changed to Cyprus Popular Bank Public Co Ltd.”

**Explanation:**

The proposed changed name of the Company is considered more appropriate to the nature of the Company as a Cypriot entity.

**Note:** Prior to the Extraordinary General Meeting, the Board of Directors of the Company will inform the shareholders, subject to the provisions of Section 15(1)(e) of the Takeover Bid Law of 2007 (N.41(I)/2007), with an Information Memorandum for the details of the proposal they are asked to approve and the Information Memorandum will include an Independent Opinion relating to the proposals and the new share structure and the proposed issue price will be explained. It is noted that the acquisition of any percentage of voting rights in the share capital of the Company higher than the specific percentages as defined by applicable legislation, is subject to the approval and/or the granting of exception from the relevant supervisory authorities and any investor should request independent legal advice.

By order of the Board of Directors

Stelios Hadjiosif  
Secretary

Nicosia, 28 February 2012

**Notes:**

**1. RECORD DATE**

The record date for participation at the Extraordinary General Meeting of April 2, 2012 is set to be Wednesday, 28<sup>th</sup> March 2012 (“Record Date”).

Only Members registered at the record date in the Central Depository / Registry of the Cyprus Stock Exchange and the Dematerialised Securities System of “Hellenic Exchanges S.A.” may exercise the right to participate and vote at the Extraordinary General Meeting and any change in the recording in the register after the record date will not be counted in determining the right of any person to attend and vote at the Extraordinary General Meeting. The Member’s right to participate in the Extraordinary General Meeting and vote for the shares held is not subject to the condition that the shares are deposited with, or transferred to, another person or registered in the name of another person before the Extraordinary General Meeting. The Member is free to sell or otherwise transfer shares of the Company at any time between the record date and the date of the Extraordinary General Meeting to which it applies.

At the Extraordinary General Meeting, evidence of the shareholder's status may be established with the presentation of the Identity Card or other certificate of recognition, based on which the Company can make possible the identification with the Shareholders Registry.

## **2. MEMBERS' RIGHTS**

### **(a) Right of placement of proposed resolution**

Member or Members have the right until Thursday, 29<sup>th</sup> March 2012, to submit a proposed resolution as a subject of the Agenda of the Extraordinary General Meeting, (1) through electronic means (at the electronic address [kliakou@marfinbank.com](mailto:kliakou@marfinbank.com)), (2) by sending fax to +357 22811491, or (3) by postal means at the registered address of the Company 154 Limassol Ave., P.S. 2025, Nicosia, provided that they own at least 5% of the issued share capital which represents at least 5% of the total voting rights of all the members which have the right to vote at the general meeting to which the application for the inclusion of the subject relates.

### **(b) Right of submission of questions**

Subject to any measures the Company may take in order to safeguard the identity of the Member and in accordance with the provisions of article 128C(2) of the Companies Law Cap. 113 (the "Law"), any Member has the right to submit questions relating to the subjects of the agenda of the general meeting, during the discussion at the general meeting of the item, which the questions relate and obtain answers to these questions. The Company may provide a general answer to questions with the same content.

### **(c) Right of voting**

A Member which attends either in person or through a proxy and has the right of more than one vote does not need, if he does vote, to use all the votes or cast all the votes he will use in the same way.

## **3. RIGHT TO APPOINT PROXY**

Any Member entitled to attend, speak, ask questions and vote at a general meeting is entitled to appoint another person, either a Member, or not, as his proxy, or where permitted by the Law, one or more proxies to attend, speak, ask questions and vote in his place.

The appointed proxy may be an individual or legal person and will act according to the instructions given by the Member appointing him.

For the purpose of the Extraordinary General Meeting of April 2, 2012, the Company has made available on its website, [www.marfinbank.com](http://www.marfinbank.com) (Latest News / Extraordinary General Meeting 2 April 2012), instrument of proxy. The proxy is appointed by a relevant instrument of proxy which has to be submitted &/or notified to the Company at least 48 hours before the date of the meeting by one of the following ways:

- By post to the Company's registered address 154 Limassol Avenue, P.S. 2025 Nicosia
- Through electronic means by sending to fax: +357 22811491
- By electronic transmission (e-mail) to the e-mail address [kliakou@marfinbank.com](mailto:kliakou@marfinbank.com)

The Member is requested to ensure the confirmation of a successful transmission of the instrument of proxy and its receipt by the Company by calling the phone number: +357 22811044.

## **4. AVAILABLE DOCUMENTS AND INFORMATION**

The full and complete text of the proposed resolutions and any documents referred to article 127A(4) of the Law will be available on the Company's website [www.marfinbank.com](http://www.marfinbank.com), and copies of the said documents may be received from the registered office of the Company (154 Limassol Ave., P.S. 2025, Nicosia) without any charge in accordance with the current legislation.