



**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED  
30 SEPTEMBER 2010**

**MARFIN POPULAR BANK PUBLIC CO LTD GROUP**  
**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**for the nine months ended 30 September 2010**

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**MARFIN POPULAR BANK PUBLIC CO LTD GROUP**  
**CONDENSED INTERIM CONSOLIDATED INCOME STATEMENT**  
for the nine months ended 30 September 2010

	9 months ended <b>30.09.2010</b> €'000	9 months ended 30.09.2009 €'000
Net interest income	<b>537.029</b>	455.925
Net fee and commission income	<b>153.336</b>	164.541
Profit on disposal and revaluation of securities	<b>34.501</b>	122.291
Foreign exchange and other income	<b>51.058</b>	59.132
<b>Operating income</b>	<b>775.924</b>	801.889
Staff costs	<b>(287.253)</b>	(271.086)
Depreciation and amortisation	<b>(41.433)</b>	(39.586)
Administrative expenses	<b>(145.986)</b>	(132.238)
Profit before provision for impairment of advances	<b>301.252</b>	358.979
Provision for impairment of advances	<b>(201.359)</b>	(183.882)
Profit before share of profit from associates	<b>99.893</b>	175.097
Share of profit from associates	<b>9.881</b>	11.464
<b>Profit before tax</b>	<b>109.774</b>	186.561
Tax	<b>(24.653)</b>	(41.815)
<b>Profit for the period</b>	<b>85.121</b>	144.746
<b>Attributable to:</b>		
Owners of the Bank	<b>82.710</b>	143.918
Non-controlling interests	<b>2.411</b>	828
	<b>85.121</b>	144.746
<b>Earnings per share – for profit attributable to the owners of the Bank</b>		
Earnings per share - cent	<b>9,8</b>	17,2

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 September 2010**

	<b>3 months ended 30.09.2010</b>	3 months ended 30.09.2009
Note	<b>€'000</b>	€'000
Net interest income	<b>181.927</b>	169.968
Net fee and commission income	<b>50.978</b>	60.665
Profit on disposal and revaluation of securities	<b>8.031</b>	43.512
Foreign exchange and other income	<b>15.734</b>	16.524
<b>Operating income</b>	<b>256.670</b>	290.669
Staff costs	<b>(95.718)</b>	(91.618)
Depreciation and amortisation	<b>(12.901)</b>	(13.970)
Administrative expenses	<b>(52.373)</b>	(47.067)
Profit before provision for impairment of advances	<b>95.678</b>	138.014
Provision for impairment of advances	<b>(60.898)</b>	(60.291)
Profit before share of profit from associates	<b>34.780</b>	77.723
Share of profit from associates	<b>3.191</b>	4.567
<b>Profit before tax</b>	<b>37.971</b>	82.290
Tax	<b>(5.484)</b>	(27.638)
<b>Profit for the period</b>	<b>32.487</b>	54.652
<b>Attributable to:</b>		
Owners of the Bank	<b>30.099</b>	53.587
Non-controlling interests	<b>2.388</b>	1.065
	<b>32.487</b>	54.652
<b>Earnings per share – for profit attributable to the owners of the Bank</b>		
Earnings per share - cent	4	6,4
	<b>3,5</b>	<b>6,4</b>

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 COMPREHENSIVE INCOME**  
for the nine months ended 30 September 2010

	<b>9 months ended 30.09.2010 €'000</b>	9 months ended 30.09.2009 €'000
<b>Profit for the period</b>	<b>85.121</b>	144.746
<b>Other comprehensive income</b>		
Revaluation and transfer to results on disposal and impairment of available-for-sale financial assets	<b>(109.832)</b>	143.919
Deferred tax on revaluation of available-for-sale financial assets	<b>14.458</b>	(23.565)
	<b>(95.374)</b>	120.354
Amortisation of loss on available-for-sale financial assets reclassified	<b>6.342</b>	2.658
Cash flow hedges, net of tax	<b>(291)</b>	-
Share of fair value reserves of associates	<b>(323)</b>	(131)
Exchange differences arising in the period	<b>4.538</b>	(18.720)
<b>Other comprehensive (loss)/income for the period, net of tax</b>	<b>(85.108)</b>	104.161
<b>Total comprehensive income for the period</b>	<b>13</b>	248.907
<b>Total comprehensive income attributable to:</b>		
Owners of the Bank	<b>(2.464)</b>	245.966
Non-controlling interests	<b>2.477</b>	2.941
	<b>13</b>	248.907

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 COMPREHENSIVE INCOME**  
for the three months ended 30 September 2010

	<b>3 months ended 30.09.2010 €'000</b>	3 months ended 30.09.2009 €'000
<b>Profit for the period</b>	<b>32.487</b>	54.652
<b>Other comprehensive income</b>		
Revaluation and transfer to results on disposal and impairment of available-for-sale financial assets	<b>8.200</b>	73.011
Deferred tax on revaluation of available-for-sale financial assets	<b>(2.355)</b>	(10.517)
	<b>5.845</b>	62.494
Amortisation of loss on available-for-sale financial assets reclassified	<b>2.606</b>	1.205
Cash flow hedges, net of tax	<b>5</b>	-
Share of fair value reserves of associates	<b>58</b>	156
Exchange differences arising in the period	<b>(21.732)</b>	(11.093)
<b>Other comprehensive (loss)/income for the period, net of tax</b>	<b>(13.218)</b>	52.762
<b>Total comprehensive income for the period</b>	<b>19.269</b>	107.414
<b>Total comprehensive income attributable to:</b>		
Owners of the Bank	<b>18.462</b>	105.594
Non-controlling interests	<b>807</b>	1.820
	<b>19.269</b>	107.414

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 September 2010**

	Note	30.09.2010 €'000	31.12.2009 €'000
<b>Assets</b>			
Cash and balances with Central Banks		<b>809.096</b>	1.964.834
Due from other banks		<b>4.408.498</b>	3.447.128
Financial assets at fair value through profit or loss	6	<b>294.625</b>	238.435
Advances to customers	7	<b>26.182.991</b>	25.082.163
Debt securities lending	9	<b>3.898.648</b>	3.395.068
Available-for-sale financial assets		<b>2.277.390</b>	3.564.893
Held-to-maturity financial assets		<b>1.868.444</b>	1.381.330
Other assets	6	<b>898.013</b>	700.144
Investments in associates		<b>122.622</b>	113.071
Intangible assets		<b>1.634.157</b>	1.646.842
Property and equipment	10	<b>286.067</b>	294.455
<b>Total assets</b>		<b>42.680.551</b>	41.828.363
<b>Liabilities</b>			
Due to other banks		<b>11.032.756</b>	10.470.876
Customer deposits		<b>24.889.744</b>	23.885.776
Senior debt	11	<b>519.806</b>	1.398.502
Loan capital	12	<b>1.264.143</b>	1.050.501
Other liabilities	6	<b>1.280.164</b>	1.263.465
<b>Total liabilities</b>		<b>38.986.613</b>	38.069.120
<b>Share capital and reserves attributable to the owners of the Bank</b>			
Share capital	13	<b>729.543</b>	720.930
Share premium	13	<b>2.183.304</b>	2.179.146
Reserves	14	<b>668.421</b>	735.846
<b>Non-controlling interests</b>		<b>112.670</b>	123.321
<b>Total equity</b>		<b>3.693.938</b>	3.759.243
<b>Total equity and liabilities</b>		<b>42.680.551</b>	41.828.363

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**MARFIN POPULAR BANK PUBLIC CO LTD GROUP**  
**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
for the nine months ended 30 September 2010

	Note	Attributable to the owners of the Bank				Non-controlling interests	Total
		Share capital €'000	Share premium €'000	Other reserves €'000	Revenue reserves €'000	€'000	€'000
<b>Nine months ended 30 September 2010</b>							
<b>Balance 1 January 2010</b>		<b>720.930</b>	<b>2.179.146</b>	<b>(212.160)</b>	<b>948.006</b>	<b>123.321</b>	<b>3.759.243</b>
Dividend payment	14,15	-	-	-	(67.390)	-	(67.390)
Dividend re-investment	13	8.613	4.965	-	-	-	13.578
Defence tax on deemed distribution	14	-	-	-	85	71	156
Cost of share-based payments to employees	14	-	-	-	1.858	15	1.873
Share issue costs	13	-	(807)	-	-	-	(807)
Transfer from fair value reserves to revenue reserves	14	-	-	(810)	810	-	-
Dividend paid by subsidiaries		-	-	-	-	(1.735)	(1.735)
Increase in shareholdings in existing subsidiaries	14	-	-	-	563	(11.479)	(10.916)
Effect of change in non-controlling interests from changes in shareholdings in subsidiaries and other movements	14	-	-	-	(77)	-	(77)
		<b>729.543</b>	<b>2.183.304</b>	<b>(212.970)</b>	<b>883.855</b>	<b>110.193</b>	<b>3.693.925</b>
Profit for the period		-	-	-	82.710	2.411	85.121
Other comprehensive (loss)/income for the period, net of tax		-	-	(85.174)	-	66	(85.108)
<b>Total comprehensive (loss)/income for the period</b>		<b>-</b>	<b>-</b>	<b>(85.174)</b>	<b>82.710</b>	<b>2.477</b>	<b>13</b>
<b>Balance 30 September 2010</b>		<b>729.543</b>	<b>2.183.304</b>	<b>(298.144)</b>	<b>966.565</b>	<b>112.670</b>	<b>3.693.938</b>
<b>Nine months ended 30 September 2009</b>							
<b>Balance 1 January 2009</b>		<b>705.607</b>	<b>2.144.141</b>	<b>(278.653)</b>	<b>858.726</b>	<b>139.755</b>	<b>3.569.576</b>
Dividend payment	14,15	-	-	-	(124.519)	-	(124.519)
Dividend re-investment	13	10.409	17.144	-	-	-	27.553
Share issue costs	13	-	(68)	-	-	-	(68)
Cost of share-based payments to employees	14	-	-	-	2.183	55	2.238
Dividend paid by subsidiaries		-	-	-	-	(1.702)	(1.702)
Effect of change in non-controlling interests from changes in shareholdings in subsidiaries and other movements	14	-	-	-	3.379	20.211	23.590
		<b>716.016</b>	<b>2.161.217</b>	<b>(278.653)</b>	<b>739.769</b>	<b>158.319</b>	<b>3.496.668</b>
Profit for the period		-	-	-	143.918	828	144.746
Other comprehensive income for the period, net of tax		-	-	102.048	-	2.113	104.161
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>102.048</b>	<b>143.918</b>	<b>2.941</b>	<b>248.907</b>
<b>Balance 30 September 2009</b>		<b>716.016</b>	<b>2.161.217</b>	<b>(176.605)</b>	<b>883.687</b>	<b>161.260</b>	<b>3.745.575</b>

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**MARFIN POPULAR BANK PUBLIC CO LTD GROUP**  
**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**  
**for the nine months ended 30 September 2010**

	<b>9 months ended 30.09.2010</b>	9 months ended 30.09.2009
Note	€'000	€'000
<b>Cash used in operations</b>	<b>(297.877)</b>	(36.516)
Tax paid	<b>(36.237)</b>	(69.057)
	<b>(334.114)</b>	(105.573)
<b>Cash flows from investing activities</b>		
Purchases less proceeds from disposal of property and equipment	<b>(18.377)</b>	(28.255)
Purchases less proceeds from disposal of computer software	<b>(5.522)</b>	(4.276)
Purchases less proceeds from disposal of investment property	<b>(6.206)</b>	(5.523)
Additions less proceeds from redemption and sale of available-for-sale financial assets and redemption of held-to-maturity financial assets	<b>566.103</b>	(2.382.953)
Income received from financial assets	<b>154.321</b>	137.652
Acquisition of subsidiary net of cash and cash equivalents acquired	-	5.042
Changes in shareholding in subsidiaries	<b>(11.287)</b>	(3.040)
Dividend received from investments in associates	-	936
	<b>679.032</b>	(2.280.417)
<b>Cash flows from financing activities</b>		
Dividend paid	<b>(53.812)</b>	(96.966)
Share issue costs	<b>(807)</b>	(68)
Proceeds from the issue of senior debt and loan capital	<b>310.693</b>	907.808
Repayment of senior debt and loan capital	<b>(965.397)</b>	(134.696)
Interest paid on senior debt and loan capital	<b>(54.609)</b>	(42.374)
Dividend and return of share capital by subsidiaries to non-controlling interests	<b>(1.317)</b>	(1.270)
	<b>(765.249)</b>	632.434
<b>Net cash (used in)/from financing activities</b>	<b>(765.249)</b>	632.434
Effects of exchange rate changes	<b>6.464</b>	(3.675)
<b>Net decrease in cash and cash equivalents</b>	<b>(413.867)</b>	(1.757.231)
<b>Cash and cash equivalents at beginning of period</b>	<b>4.270.313</b>	5.283.772
<b>Cash and cash equivalents at end of period</b>	<b>3.856.446</b>	3.526.541

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 nine months ended 30 September, 2010.

The principal activities of the Group are the provision of banking and financial services. The Group also offers insurance services through its associate Marfin Insurance Holdings Ltd.

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 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, 2010 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.

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

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, 2009.

The condensed interim consolidated financial statements for the nine months ended 30 September, 2010 have not been audited or reviewed by the Group's external independent auditors.

The same accounting policies as for the annual consolidated financial statements for the year 2009 have been adopted in the preparation of the condensed interim consolidated financial statements except for the adoption by the Group of all applicable new and revised International Financial Reporting Standards (IFRSs) and all revised International Accounting Standards (IASs), which are relevant to its operations and are applicable for accounting periods beginning on 1 January, 2010 as stated below:

**(a) IFRS 3 (Revised 2008), Business Combinations**

The revised standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed. There were no new business acquisitions during the period.

**(b) IFRS 5 (Amendment), Non-Current Assets Held for Sale and Discontinued Operations**

The amendment clarifies that all of a subsidiary's assets and liabilities are classified as held for sale if a partial disposal sale plan results in loss of control. Relevant disclosure should be made for this subsidiary if the definition of a discontinued operation is met. These amendments did not have any impact in the condensed interim consolidated financial statements.

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

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

**(c) IFRIC 17, Distribution of Non-Cash Assets to Owners**

IFRIC 17 clarifies the accounting treatment and disclosures in the case of distributions (dividends) of non-cash assets to owners. A dividend obligation is recognised when the dividend is authorised by the appropriate body and is no longer at the discretion of the entity. This dividend obligation should be recognised at the fair value of the net assets to be distributed. The difference between the dividend paid and the carrying amount of the net assets distributed should be recognised in profit or loss. Additional disclosures are to be made if the net assets being held for distribution to owners meet the definition of a discontinued operation. These amendments did not have any impact in the condensed interim consolidated financial statements.

**(d) Amendment to IFRIC 9, Reassessment of Embedded Derivatives and IAS 39, Financial Instruments: Recognition and Measurement**

The amendment to IFRIC 9 specifies that an entity can reassess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative when there is a reclassification of a financial asset out of the fair value through profit or loss category, in which case an assessment is required. The amendment to IAS 39 specifies that if an entity is unable to measure separately the embedded derivative that would have to be separated on reclassification of a hybrid contract out of the fair value through profit or loss category, that reclassification is prohibited. In such circumstances the hybrid contract remains classified as at fair value through profit or loss in its entirety. These amendments did not have any impact in the condensed interim consolidated financial statements.

**(e) IFRIC 16, Hedges of a Net Investment in a Foreign Operation**

IFRIC 16 clarifies the accounting treatment in respect of the hedging of a net investment in a foreign operation. This includes a clarification that net investment hedging relates to differences in functional currency and not presentation currency, and hedging instruments may be held anywhere in the Group. These amendments did not have any impact in the condensed interim consolidated financial statements.

**(f) IAS 27 (Revised 2008), Consolidated and Separate Financial Statements**

The revised standard requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting treatment when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss. The amendments to IAS 27 were applied by the Group in relation to transactions with non-controlling interests in respect of increase in shareholdings in existing subsidiaries. The effect of transactions with non-controlling interests during the period was the recording of € 563.000 credit in equity, instead of recording in the condensed interim consolidated income statement.

**3. COMPARATIVES**

Where necessary comparative figures have been adjusted to conform to changes in presentation in the current period.

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

**4. EARNINGS PER SHARE**

	<b>9 months ended 30.09.2010 €'000</b>	9 months ended 30.09.2009 €'000	<b>3 months ended 30.09.2010 €'000</b>	3 months ended 30.09.2009 €'000
Profit attributable to the owners of the Bank	<b>82.710</b>	143.918	<b>30.099</b>	53.587
	<b>'000</b>	'000	<b>'000</b>	'000
Weighted average number of ordinary shares in issue during the period (a)	<b>848.057</b>	835.115	<b>853.743</b>	842.372
Earnings per share – cent	<b>9,8</b>	17,2	<b>3,5</b>	6,4

- (a) The weighted average number of ordinary shares for the nine months ended 30 September, 2010 does not include the 5.781.000 shares that are in the process of being issued in the context of the completion of the Cross-Border Merger through the absorption of Marfin Egnatia Bank S.A. by the Bank.

Diluted earnings per share in relation to the Share Options is not presented, 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 Athens Exchange during the period ended 30 September, 2010 and 30 September, 2009.

**5. SEGMENTAL ANALYSIS**

Under IFRS 8, reported segment results are based on internal management reporting information that is regularly reviewed by management, and is reconciled to the Group's profit. The Group has six main business segments on a worldwide basis:

- (a) Corporate and investment banking, which includes all commercial and investment banking business derived from corporate clients.
- (b) Retail banking, which includes all commercial banking business from retail clients.
- (c) Wealth management, which includes all business from high net worth individuals (banking and asset management business).
- (d) International business banking, which includes all business from services offered to international business banking customers.
- (e) Treasury and capital markets, which includes all treasury and capital market activity.
- (f) Participations, investments and other segments which includes the various participations and investments of the Group and all other business not falling into any of the other segments, none of which constitutes a separately reportable segment.

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

**5. SEGMENTAL ANALYSIS (continued)**

	Corporate and investment banking €'000	Retail banking €'000	Wealth management €'000	International business banking €'000	Treasury and capital markets €'000	Participations, investments and other segments €'000	Total €'000
<b>Nine months ended 30 September 2010</b>							
Operating income from external customers	<b>259.379</b>	<b>322.274</b>	<b>25.534</b>	<b>62.247</b>	<b>111.049</b>	<b>4.232</b>	<b>784.715</b>
Segment result	<b>174.098</b>	<b>(122.632)</b>	<b>(6.181)</b>	<b>16.704</b>	<b>90.177</b>	<b>(35.324)</b>	<b>116.842</b>
<b>As at 30 September 2010</b>							
Advances to customers	<b>10.651.972</b>	<b>12.394.504</b>	<b>1.441.463</b>	<b>1.695.052</b>	-	-	<b>26.182.991</b>
Customer deposits	<b>4.070.606</b>	<b>12.777.522</b>	<b>1.470.641</b>	<b>5.798.522</b>	<b>772.453</b>	-	<b>24.889.744</b>
<b>Nine months ended 30 September 2009</b>							
Operating income from external customers	291.923	225.680	40.446	76.286	176.657	(5.550)	805.442
Segment result	151.676	(167.933)	5.189	48.452	163.352	(9.325)	191.411
<b>As at 30 September 2009</b>							
Advances to customers	10.306.022	11.373.621	1.395.453	1.282.684	-	-	24.357.780
Customer deposits	4.127.691	13.654.227	1.612.304	4.347.501	810.453	-	24.552.176

The Group's management reporting is based on a measure of profit before tax and before share of profit from associates comprising of net interest income, net fee and commission income, financial and other income, less operating expenses and provision for impairment of advances. This measurement basis excludes non-recurring expenditure of the operating segments such as goodwill impairments when the impairment is the result of an isolated, non-recurring event as well as amortisation of intangible assets.

Operating income from external customers is reconciled to the Group's operating income for the period as follows:

	<b>9 months ended 30.09.2010 €'000</b>	9 months ended 30.09.2009 €'000
Operating income from external customers	<b>784.715</b>	805.442
Consolidation and adjustments	<b>(8.791)</b>	(3.553)
Group operating income for the period	<b>775.924</b>	801.889

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

**5. SEGMENTAL ANALYSIS** (continued)

Segment result is reconciled to the Group's profit for the period as follows:

	<b>9 months ended 30.09.2010 €'000</b>	9 months ended 30.09.2009 €'000
Segment result	<b>116.842</b>	191.411
Amortisation of intangible assets	<b>(16.949)</b>	(16.314)
Share of profit from associates	<b>9.881</b>	11.464
Tax	<b>(24.653)</b>	(41.815)
Group profit before tax	<b>85.121</b>	144.746

**6. DERIVATIVE FINANCIAL INSTRUMENTS**

Included within financial assets at fair value through profit or loss is an amount of € 165,1 m (31 December, 2009: € 74,5 m) which relates to the positive fair value of derivative financial instruments and within other assets an amount of € 3,5 m (31 December, 2009: € 7,9 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 € 395,9 m (31 December, 2009: € 249,9 m), which relates to the negative fair value of derivative financial instruments.

**7. ADVANCES TO CUSTOMERS**

	<b>30.09.2010 €'000</b>	31.12.2009 €'000
Advances to customers	<b>26.086.021</b>	24.782.469
Instalment finance and leasing	<b>1.082.662</b>	1.111.323
Provision for impairment of advances (Note 8)	<b>27.168.683 (985.692)</b>	25.893.792 (811.629)
	<b>26.182.991</b>	25.082.163

**8. PROVISION FOR IMPAIRMENT OF ADVANCES**

	<b>Individual impairment €'000</b>	<b>Collective impairment €'000</b>	<b>Total €'000</b>
<b>2010</b>			
Balance 1 January	<b>561.984</b>	<b>249.645</b>	<b>811.629</b>
Provision for impairment of advances for the period	<b>166.760</b>	<b>113.388</b>	<b>280.148</b>
Release of provision and recoveries	<b>(73.364)</b>	<b>(5.425)</b>	<b>(78.789)</b>
Advances written-off	<b>(13.512)</b>	<b>(15.059)</b>	<b>(28.571)</b>
Exchange differences	<b>283</b>	<b>992</b>	<b>1.275</b>
Balance 30 September	<b>642.151</b>	<b>343.541</b>	<b>985.692</b>
<b>2009</b>			
Balance 1 January	486.153	144.183	630.336
Provision for impairment of advances for the period	132.465	96.514	228.979
Release of provision and recoveries	(44.838)	(259)	(45.097)
Advances written-off	(30.661)	(1)	(30.662)
Exchange differences	(2.033)	(822)	(2.855)
Balance 30 September	541.086	239.615	780.701

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**9. RECLASSIFICATION OF FINANCIAL ASSETS**

During 2010, the Group proceeded with additional reclassifications of financial assets. Following the provisions of the amended IAS 39 and IFRS 7 "Reclassification of Financial Assets", the Group has reclassified certain available-for-sale financial assets to debt securities lending with effect from 1 April, 2010. The Group identified the debt securities for which, on the date of reclassification, there was no intention of trading or sale in the foreseeable future and which met the criteria for reclassification.

The book and fair value of the reclassified debt securities at 1 April, 2010 was € 228,5 m and their book and fair values at 30 September, 2010 were € 238 m and € 182,8 m respectively. Out of the reclassified available-for-sale financial assets € 72 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.

Had the Group not reclassified the debt securities on 1 April, 2010, the Group's fair value reserves would have included € 55,2 m of additional unrealised revaluation losses as a result of the change in the fair value of these reclassified debt securities.

**10. PROPERTY AND EQUIPMENT**

Movement in the nine months ended 30 September, 2010 and 30 September, 2009:

	<b>2010</b>	2009
	<b>€'000</b>	€'000
Net book value at 1 January	<b>294.455</b>	274.858
Property and equipment from:		
Business acquisition	-	13.672
Business disposal	<b>(6.947)</b>	-
Transfer to the category "Investment property"	-	(2.764)
Additions less disposals of property and equipment	<b>18.083</b>	28.241
Depreciation	<b>(18.839)</b>	(17.718)
Exchange differences	<b>(685)</b>	(878)
	<hr/>	<hr/>
Net book value at 30 September	<b>286.067</b>	295.411

**11. SENIOR DEBT**

	<b>30.09.2010</b>	31.12.2009
	<b>€'000</b>	€'000
Debentures Marfin Popular Bank Public Co Ltd (2007/2010)	-	612.711
Debentures Marfin Popular Bank Public Co Ltd (2009/2012)	<b>370.575</b>	377.280
Debentures Marfin Popular Bank Public Co Ltd (2009/2014)	<b>23.533</b>	23.185
Debentures Egnatia Finance Plc (2009/2010)	-	7.552
Debentures Egnatia Finance Plc (2009/2013)	<b>16.400</b>	15.390
Bond loan (Schuldschein) Marfin Egnatia Bank S.A. (2007/2010)	<b>50.000</b>	50.000
Bond loan (Schuldschein) Marfin Egnatia Bank S.A. (2008/2011)	<b>50.000</b>	50.000
Syndicated loan Marfin Egnatia Bank S.A. (2008/2010)	-	250.000
Promissory Notes Rossiysky Promyishlenny Bank Company Ltd	<b>9.298</b>	12.384
	<hr/>	<hr/>
	<b>519.806</b>	1.398.502

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

In May 2010, the loan capital matured and the Bank repaid the remaining debentures of € 650 m in accordance with their terms of issue and an amount equal to the nominal value of the debentures plus accrued interest was paid to the holders. Part of the debentures were held by Group companies.

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

**11. SENIOR DEBT (continued)**

**Debentures Egnatia Finance Plc (2009/2010)**

In March 2010, the loan capital matured and Egnatia Finance Plc repaid the full amount of € 10 m debentures, in accordance with their terms of issue and an amount equal to the nominal value of the debentures plus accrued interest was paid to the holders. Part of the debentures were held by Group companies.

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

In September 2010, the € 250 m two year syndicated loan matured and Marfin Egnatia Bank S.A. repaid it in accordance with its term of issue.

**12. LOAN CAPITAL**

	<b>30.09.2010</b>	31.12.2009
	<b>€'000</b>	€'000
Debentures Egnatia Finance Plc (2005/2015)	-	80.000
Eurobonds Marfin Popular Bank Public Co Ltd due 2016	<b>413.656</b>	424.724
Debentures Egnatia Finance Plc (2009/2019)	<b>103.867</b>	95.138
Capital securities Marfin Popular Bank Public Co Ltd	<b>737.869</b>	442.229
Subordinated debt Rossiysky Promyishlenny Bank Company Ltd (2004/2014)	<b>8.751</b>	8.410
	<b>1.264.143</b>	<b>1.050.501</b>

**Debentures Egnatia Finance Plc (2005/2015)**

In May 2010, following the approval of the Bank of Greece, Egnatia Finance Plc proceeded to early repayment of the full amount of € 80 m debentures, in accordance with their terms of issue and an amount equal to the nominal value of the debentures plus accrued interest was paid to the holders.

**Eurobonds Marfin Popular Bank Public Co Ltd due 2016**

In June 2010, the Bank repurchased and cancelled bonds of € 23 m. The bonds were held by Group companies.

**Capital securities Marfin Popular Bank Public Co Ltd**

On 30 March, 2010 the Board of Directors of the Bank approved the issue of capital securities, in one or more series, up to the amount of € 300 m which would be included in the Hybrid Tier I Capital of the Bank. The first tranche, which was addressed to a limited group of individuals, professional investors and individuals who invested at least € 50.000 each, was completed on 19 May, 2010 and amounted to € 250,5 m. The second tranche, which was addressed to the wide public, was completed on 25 June, 2010 and amounted to € 45,1 m. The capital securities bear a fixed interest rate of 7% and the interest is payable every three months. The capital securities were listed on the Cyprus Stock Exchange on 18 June, 2010 and 3 August, 2010 respectively.

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 constitute direct, unsecured, subordinated obligations of the Bank and rank for payment after the claims of the depositors and other creditors.

**MARFIN POPULAR BANK PUBLIC CO LTD GROUP**  
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**13. SHARE CAPITAL AND SHARE PREMIUM**

	Number of shares '000	Share capital €'000	Share premium €'000	Total €'000
<b>Nine months ended 30 September 2010</b>				
Balance 1 January (a)	848.153	720.930	2.179.146	2.900.076
Dividend re-investment (b)	10.133	8.613	4.965	13.578
Share issue costs	-	-	(807)	(807)
	<b>858.286</b>	<b>729.543</b>	<b>2.183.304</b>	<b>2.912.847</b>
<b>Nine months ended 30 September 2009</b>				
Balance 1 January	830.126	705.607	2.144.141	2.849.748
Dividend re-investment	12.246	10.409	17.144	27.553
Share issue costs	-	-	(68)	(68)
	<b>842.372</b>	<b>716.016</b>	<b>2.161.217</b>	<b>2.877.233</b>

- (a) Includes 5.781.000 shares in the process of being issued in the context of the completion of the Cross-Border Merger through the absorption of Marfin Egnatia Bank S.A. by the Bank.
- (b) In June 2010, the Bank issued 10.133.067 new ordinary shares, of nominal value € 0,85, which resulted from the re-investment of the dividend for the year 2009 in accordance with the Dividend Re-investment Scheme ("Scheme"). Based on the Scheme the Bank's shareholders had the option of part or full re-investment of the 2009 dividend, into shares of the Bank. The exercise price of the re-investment right of the 2009 dividend was set at € 1,34 per share, that was 10% lower than the average closing price of the Bank's share on the Cyprus Stock Exchange and the Athens Exchange for the period from 1 June to 7 June, 2010. The trading of the new ordinary shares commenced on 15 July, 2010.

At the Extraordinary General Meeting of the shareholders of the Bank which was held on 25 May, 2010 approval was granted for the increase of the authorised nominal share capital of the Bank from € 935.000.000 to € 1.062.500.000 by the creation of 150.000.000 additional shares of € 0,85 nominal value each.

As at 30 September, 2010 the Bank's authorised share capital comprises 1.250.000.000 shares (31 December, 2009: 1.100.000.000 shares) of €0,85 each (31 December, 2009: €0,85).

On 18 November, 2010 an Extraordinary General Meeting of the shareholders took place and approval was unanimously granted for the increase of the authorised share capital of the Bank from € 1.062.500.000 divided into 1.250.000.000 ordinary shares of nominal value € 0,85 each to € 1.776.500.000 divided into 2.090.000 ordinary shares of nominal value of €0,85 each by the creation of 840.000.000 new ordinary shares of nominal value of €0,85 each, which will have the same rights as the existing ordinary shares.

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

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

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

**13. SHARE CAPITAL AND SHARE PREMIUM (continued)**

**Share Options**

In April 2007, the Extraordinary General Meeting of the shareholders of the Bank 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.

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 a maturity date 15 December, 2011. The Options could be exercised by their 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 initially during the year 2007 using the Black and Scholes model. The model's pricing inputs were: share price of € 8,48 at the grant date, risk-free Euro swap interest rate curve for the duration of the Scheme 4,15% (average), implied share price volatility determined on the basis of historic volatility 12% and dividend yield 3,82%.

On 23 December, 2009 the Extraordinary General Meeting of the shareholders of the Bank approved the amendment of the terms of the Scheme originally approved by the Extraordinary General Meeting in April 2007. In particular, it approved the amendment of the exercise price from € 10 to € 4,50 and the extension of the Scheme by two years with 2013 as the last exercise period instead of 2011. The incremental fair value arising from the modification of the terms of the Scheme was calculated based on the following: share price as at 23 December, 2009 of € 2,32, risk-free Euro swap rate curve for the duration of the Scheme 1,88%, share price volatility of 27,3% and dividend yield 3,45%. This incremental fair value is recognised over the period from the modification date until the date when the options vest.

The total expense recognised in the condensed interim consolidated income statement for the nine months ended 30 September, 2010 for Options granted amounts to € 1.873.000 (30 September, 2009: € 2.238.000). During the years 2007, 2008, 2009 and the first nine months of 2010 no Options were exercised and as at 30 September, 2010 the number of Options outstanding was 70.305.000.

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

**14. RESERVES**

Movement in the nine months ended 30 September, 2010 and 30 September, 2009:

	2010 €'000	2009 €'000
<b>Revenue reserves</b>		
Balance 1 January	948.006	858.726
Profit for the period attributable to the owners of the Bank	82.710	143.918
Dividend (Note 15)	(67.390)	(124.519)
Cost of share-based payments to employees	1.858	2.183
Defence tax on deemed distribution	85	-
Transfer from fair value reserves to revenue reserve	810	-
Increase in shareholdings in existing subsidiary companies	563	-
Effect of change in non-controlling interests from changes in shareholdings in subsidiaries and other movements	(77)	3.379
	<u>966.565</u>	<u>883.687</u>
Balance 30 September		
<b>Property fair value reserves</b>		
Balance 1 January	49.759	50.219
Share of fair value reserves of associates	-	(3)
Transfer from fair value reserves to revenue reserve	(810)	-
	<u>48.949</u>	<u>50.216</u>
Balance 30 September		
<b>Available-for-sale financial assets fair value reserves</b>		
Balance 1 January	(189.460)	(285.338)
Revaluation for the period and transfer to results on disposal of available-for-sale financial assets	(111.724)	136.751
Deferred tax on revaluation	14.466	(22.837)
Transfer to results due to impairment	2.434	2.038
Amortisation of loss on available-for-sale financial assets reclassified	6.342	2.614
Share of fair value reserves of associates	(323)	(128)
	<u>(278.265)</u>	<u>(166.900)</u>
Balance 30 September		
<b>Currency translation reserves</b>		
Balance 1 January	(76.130)	(46.960)
Exchange differences arising in the period	3.922	(16.387)
	<u>(72.208)</u>	<u>(63.347)</u>
Balance 30 September		
<b>Cash flow hedges reserve</b>		
Balance 1 January	245	-
Losses from changes in fair value recognised directly in equity	(416)	-
Deferred tax	125	-
	<u>(46)</u>	<u>-</u>
Balance 30 September		
<b>Difference from conversion of share capital into Euro reserve</b>		
Balance 1 January and 30 September	<u>3.426</u>	<u>3.426</u>
<b>Total reserves 30 September</b>	<u><u>668.421</u></u>	<u><u>707.082</u></u>

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

**15. DIVIDEND**

The Annual General Meeting of the shareholders of the Bank, held on 25 May, 2010, approved the payment of a dividend of € 0,08 per share of nominal value € 0,85, amounting to € 67.390.000 (30 September, 2009: € 0,15 per share of nominal value € 0,85, € 124.519.000). The dividend was paid to the shareholders on 21 June, 2010. Part of the dividend amounting to € 13.578.000 (30 September, 2009: € 27.553.000) has been re-invested into shares of the Bank.

Following the amendment of the Articles of Association of the Bank, that was approved by the Extraordinary General Meeting of the shareholders on 18 November, 2010, so that the Board of Directors is empowered to decide the payment of interim dividends by the distribution of shares or other securities of any kind, the Board of Directors has decided on 25 November, 2010 the distribution of an interim dividend of € 0,22 per share, by the distribution of shares of the Bank. The share issue price was set at € 1,4472, which was 10% below the average closing price of the Bank's share on the Cyprus Stock Exchange and the Athens Stock Exchange for the period from 11 to 15 October, 2010.

**16. CONTINGENCIES AND COMMITMENTS**

Commitments for capital expenditure of the Group at 30 September, 2010 amounted to € 7,8 m (31 December, 2009: € 7,2 m).

As at 30 September, 2010 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 recognised in the condensed interim consolidated financial statements regarding these cases.

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

**17. INVESTMENTS IN SUBSIDIARY COMPANIES**

The main subsidiary companies of the Group, as at 30 September, 2010 were as follows:

<b>Company name</b>	<b>Effective shareholding<sup>(1)</sup></b>	<b>Country of incorporation</b>	<b>Activity sector</b>
Investment Bank of Greece S.A. (a)	96%	Greece	Investment banking
Marfin Global Asset Management Mutual Funds Management S.A.	99%	Greece	Portfolio management, investment and brokerage services
Marfin CLR Public Co Ltd	54%	Cyprus	Portfolio management, investment and brokerage services
Laiki Bank (Australia) Ltd	100%	Australia	Banking
Marfin Bank JSC Belgrade (b)	99%	Serbia	Banking
Marfin Bank (Romania) S.A. (c)	99%	Romania	Banking
Public Joint-Stock Company Marfin Bank (d)	100%	Ukraine	Banking
Rossiysky Promyishlenny Bank Company Ltd	50%	Russia	Banking
Marfin Pank Eesti AS (e)	63%	Estonia	Banking
Lombard Bank Malta Plc (f)	48,8%	Malta	Banking
Laiki Bank (Guernsey) Ltd	100%	Guernsey	Banking
Marfin Leasing S.A.	100%	Greece	Leasing
Marfin Factors & Forfaiters S.A.	100%	Greece	Factoring, invoice discounting
Laiki Factors Ltd	100%	Cyprus	Factoring, invoice discounting
Closed Joint-Stock Company RPB Holding	50%	Russia	Investment company
Paneuropean Insurance Co Ltd	100%	Cyprus	Investment company
Philiki Insurance Co Ltd	100%	Cyprus	Investment company
Cyprialife Ltd	100%	Cyprus	Investment company
IBG Investments S.A.	96%	British Virgin Islands	Investment services
Marfin Capital Partners Ltd	70%	United Kingdom	Investment management
Synergatis Plc	-	United Kingdom	Special purpose entity

(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 through branches in the United Kingdom. On 23 December, 2009 an Extraordinary General Meeting of the shareholders of the Bank approved the Cross-Border Merger through the absorption of Marfin Egnatia Bank S.A. by Marfin Popular Bank Public Co Ltd, in accordance with the provisions of Directive 2005/56/EC of the European Parliament and the Council of 26 October, 2005, as well as in accordance with Cypriot and Greek laws as defined by the Common Terms of the Cross-Border Merger dated 13 November, 2009.

In accordance with the terms of the Cross-Border Merger Plan as of 1 July, 2009 and until the date of effect of the merging companies' merger, the deeds of Marfin Egnatia Bank S.A. will be considered from an accounting point of view to be effected on behalf of the Bank, and the financial results of Marfin Egnatia Bank S.A. from that date and until the entering of the merger into effect will be considered as results of the Bank, and the relevant amounts will be transferred to its books in one or more consolidating entries.

**MARFIN POPULAR BANK PUBLIC CO LTD GROUP**  
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**17. INVESTMENTS IN SUBSIDIARY COMPANIES (continued)**

In accordance with the announcement dated 30 March, 2010 the Bank and Marfin Egnatia Bank S.A. submitted to the District Court of Nicosia the petition for the approval of the Cross-Border Merger and the setting of the starting date of its results. The Cross-Border Merger is expected to be completed by the end of 2010.

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

**(a) Increase in shareholding in Investment Bank of Greece S.A.**

In February 2010, Marfin Egnatia Bank S.A. acquired 59.897 shares in its subsidiary Investment Bank of Greece S.A. for € 3,9 m. This acquisition increased the holding of Marfin Egnatia Bank S.A. from 92,8% to 94,4%. In June 2010, 52.737 additional shares were acquired for €3,6 m, increasing the Bank's holding to 95,8%.

**(b) Increase of share capital of Marfin Bank JSC Belgrade**

In March 2010, an increase of the share capital of Marfin Bank JSC Belgrade was made for the amount of € 15 m, which was fully covered by the Bank. As a result the Bank's holding increased from 98,7% to 99%.

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

In April 2010, an increase of the share capital of Marfin Bank (Romania) S.A. was made for the amount of € 5 m, which was fully covered by Marfin Egnatia Bank S.A. As a result, the Bank's holding increased from 99,2% to 99,3%.

**(d) Change of name of Open Joint-Stock Company Marine Transport Bank**

On 12 November, 2010 Open Joint-Stock Company Marine Transport Bank was renamed to Public Joint-Stock Company Marfin Bank.

**(e) Increase of share capital of Marfin Pank Eesti AS**

In March 2010, an increase of the share capital of Marfin Pank Eesti AS was made for the amount of € 2,8 m, which was fully covered by the Bank. As a result the Bank's holding increased from 52,8% to 63%.

**(f) Increase in shareholding in Lombard Bank Malta Plc**

In April 2010, Lombard Bank Malta Plc paid a dividend of € 2,3 m. The amount attributable to the Bank, which was re-invested into company's shares, was € 1 m. Additionally, in May and June of 2010, the Bank acquired 1.267.643 shares of Lombard Bank Malta Plc for € 3,8 m. Following the above, the Bank's holding increased from 44,9% to 48,8%.

**(g) Increase of share capital of Dynamic Asset Operating Leasing S.A.**

On 23 September, 2010 an increase of the share capital of Dynamic Asset Operating Leasing S.A. was made, for the amount of € 1 m, which was paid fully by its sole shareholder Marfin Leasing S.A.

**(h) Disposal of shareholding in Egnatia Properties S.A.**

On 23 July, 2010 Obafemi Holdings Ltd sold its shareholding (99,96%) in Egnatia Properties S.A., established in Romania, to MIG Real Estate, established in Greece.

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

**18. RELATED PARTY TRANSACTIONS**

**Transactions with key management personnel**

	<b>30.09.2010</b>	31.12.2009
	<b>€'000</b>	€'000
Advances to Directors and their connected persons	<b>316.524</b>	316.805
Advances to other key management personnel and their connected persons	<b>13.339</b>	12.926
	<hr/>	<hr/>
Total advances	<b>329.863</b>	329.731
Commitments for guarantees and letters of credit:		
Guarantees to Directors and their connected persons	<b>41.555</b>	38.418
Letters of credit to Directors and their connected persons	<b>9</b>	9
	<hr/>	<hr/>
	<b>41.564</b>	38.427
	<hr/>	<hr/>
Total advances and commitments	<b>371.427</b>	368.158
	<hr/>	<hr/>
Tangible securities	<b>405.637</b>	406.041
	<hr/>	<hr/>
Deposits	<b>29.385</b>	119.118
	<hr/>	<hr/>
	<b>9 months ended</b>	9 months ended
	<b>30.09.2010</b>	30.09.2009
	<b>€'000</b>	€'000
Interest income	<b>9.812</b>	9.273
	<hr/>	<hr/>
Interest expense	<b>895</b>	2.009
	<hr/>	<hr/>

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 September, 2010 amounts to €63.174.000 (31 December, 2009: €60.540.000).

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 or act as directors or exercise control of the entities in any way.

**Other transactions with key management personnel**

During the nine months ended 30 September, 2010 the Group received commissions on stock exchange transactions from key management personnel amounting to €133.000 (30 September, 2009: €58.000) and purchased goods and received services amounting to €149.000 (30 September, 2009: €34.000) from companies connected to Lanitis group.

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**

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

**Compensation of key management personnel**

	<b>9 months ended 30.09.2010 €'000</b>	9 months ended 30.09.2009 €'000
<b>Fees paid to Directors as members of the Board</b>	<b>148</b>	126
<b>Remuneration of Directors under executive role</b>		
Salaries and other short-term benefits	<b>1.006</b>	1.008
Employer's social insurance contributions	<b>92</b>	96
Retirement benefits scheme expense	<b>88</b>	78
	<b>1.186</b>	1.182
<b>Remuneration of Directors under non executive role</b>		
Salaries and other short-term benefits	<b>48</b>	45
Employer's social insurance contributions	<b>13</b>	12
Retirement benefits scheme expense	<b>13</b>	11
	<b>74</b>	68
<b>Consultancy services fees of Directors under non executive role</b>	<b>150</b>	150
<b>Compensation of other key management personnel</b>		
Salaries and other short-term benefits	<b>1.165</b>	869
Employer's social insurance contributions	<b>66</b>	55
Retirement benefits scheme expense	<b>25</b>	21
	<b>1.256</b>	945
<b>Share-based payment compensation</b>	<b>643</b>	805
	<b>3.457</b>	3.276

Key management personnel for the nine months ended 30 September, 2010 include the members of the Board of Directors, four of which had executive duties, and the members of the Group Executive Committee, four of which are not members of the Board of Directors, (30 September, 2009: 3 members) and the Group Chief Financial Officer.

**Transactions with other related parties**

At 30 September, 2010 the balances with other related parties were the following:

	<b>30.09.2010</b>		<b>31.12.2009</b>	
	<b>Receivables €'000</b>	<b>Payables €'000</b>	Receivables €'000	Payables €'000
<b>Consolidated balance sheet</b>				
Marfin Insurance Holdings Ltd group (associate)	<b>6.634</b>	<b>232.078</b>	6.656	205.077
JCC Payment Systems Ltd (associate)	<b>2.193</b>	<b>23.346</b>	-	23.294
Provident Funds of the employees of the Group in Cyprus	<b>5</b>	<b>27.318</b>	-	17.429
	<b>8.832</b>	<b>282.742</b>	6.656	245.800

Additionally, the group of Marfin Insurance Holdings Ltd held at 30 September, 2010 senior debt and loan capital of the Group of nominal value of €39,3 m (31 December, 2009: € 15,1 m).

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

During the period ended 30 September, 2010 the following transactions were realised with other related parties:

	2010		2009	
	Income €'000	Expense €'000	Income €'000	Expense €'000
<b>Consolidated income statement</b>				
Marfin Insurance Holdings Ltd group (associate)	1.406	8.005	2.615	10.700
JCC Payment Systems Ltd (associate)	2	674	2	914
Provident Funds of the employees of the Group in Cyprus	33	567	15	640
Dubai Financial Limited Liability Company (major shareholder)	-	-	560	-
	<b>1.441</b>	<b>9.246</b>	<b>3.192</b>	<b>12.254</b>

During the period ended 30 September, 2009 the Group received dividend of € 936.000 from JCC Payment Systems Ltd.

**19. POST BALANCE SHEET EVENTS**

On 11 November, 2010 the Board of Directors approved the issue of Convertible Capital Securities with the waiving of the pre-emptive rights of the existing shareholders up to a total amount of € 660 m with a minimum conversion price of € 1,80 per share. Following the request of the Dubai Financial Group and other shareholders of the Bank, the Convertible Debentures will be firstly offered to existing shareholders.

On 18 November, 2010 an Extraordinary General Meeting of the Shareholders was held. The General Meeting of the shareholders decided the following:

- (a) The unanimous approval of the increase of the share capital of the Bank by € 488,6 m via a rights issue of new shares to existing shareholders at a ratio of one new share for every two shares held at a price of € 1,00 per share. The proposed issue price corresponds to a discount of 30% to the closing market price of Marfin Popular Bank Public Co Ltd on the 1<sup>st</sup> of November, 2010, the date on which the relevant recommendation was announced. Shareholder Dubai Financial Group stated that it will participate in the increase of the share capital.
- (b) The unanimous approval of the amendment of the Articles of Association so that the Board of Directors is empowered to decide the payment of interim dividends by the distribution of shares or other securities of any kind.
- (c) The unanimous approval of the increase of the authorised share capital of the Bank from € 1.062.500.000 divided into 1.250.000.000 ordinary shares of nominal value € 0,85 each to € 1.776.500.000 divided into 2.090.000 ordinary shares of nominal value of € 0,85 each by the creation of 840.000.000 new ordinary shares of nominal value of € 0,85 each, which will have the same rights as the existing ordinary shares.
- (d) The approval of the amendment of the Articles of Association to include a clause for the sending or availability of documents of the Bank, such as the Annual Financial Report, to the shareholders either in printed or electronic format.

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

As at 30 September, 2010 the Group had receivables from Marfin Investment Group Holdings S.A. group of € 756 m (31 December, 2009: € 699 m) and payables of € 604 m (31 December, 2009: € 587 m). Additionally, the income and expenses recognised by the Group for the nine months period to 30 September, 2010 amounted to € 26,7 m and € 15,6 m respectively (30 September, 2009: € 30,9 m and € 24,4 m respectively).

**21. APPROVAL OF FINANCIAL STATEMENTS**

The condensed interim consolidated financial statements were approved by the Board of Directors on 25 November, 2010.