



# MARFIN EGNATIA BANK

**MARFIN EGNATIA BANK S.A.**  
**S.A. Registry No. 6072/06/B/86/11**  
**20 Metropoleos str. & Komnion str., 54624, Thessaloniki**  
**FINANCIAL INFORMATION**  
**FOR THE PERIOD ENDED 30th JUNE 2010**

**In accordance with Hellenic Capital Market Commission (HCMC) Resolution 4/507/28.04.2009**

The financial information presented below deriving from the financial statements, aims at a general information about the financial position and results of Marfin Egnatia Bank S.A. and the Group. Therefore, we recommend the reader, prior to making any investment choice or other transaction with the Bank, to visit the Bank's website, where the aforementioned financial information as well as the legal auditor's report, when necessary, are posted.

## Company Information

Responsible Regulatory Body - Prefecture	Bank of Greece, Ministry of Economy, Competitiveness & Shipping, Directorate of Societe : Anonyme Companies & Credit
Website Address	: <a href="http://www.marfinegnatiabank.gr">www.marfinegnatiabank.gr</a>
Date of approval of the financial statements by the Board of Directors The Certified Auditors	: August 30th, 2010 : Vassilios Kazas, SOEL Reg. No. 13281 Ioannis Leos, SOEL Reg. No. 24881
Audit company	: Grant Thornton S.A. (SOEL Reg. No. 127)
Type of Auditor's Report	: Unqualified opinion

## STATEMENT OF FINANCIAL POSITION

(Amounts in thousand Euro)

	GROUP		BANK	
	30 June 2010	31 December 2009	30 June 2010	31 December 2009
<b>ASSETS</b>				
Cash and balances with Central Bank	316,088	1,174,973	224,964	1,075,041
Loans and advances to financial institutions	2,457,031	2,649,796	2,687,389	2,854,873
Loans and advances to customers (net of provisions)	14,131,715	13,685,282	13,345,438	12,907,258
Derivative financial instruments - Assets	98,714	67,149	98,881	67,077
Financial instruments at fair value through profit or loss	217,215	272,856	203,202	245,086
Financial instruments available for sale	1,758,857	2,138,930	1,758,104	2,140,262
Investment securities held to maturity	672,116	577,323	615,427	529,841
Debt securities of lending portfolio	2,219,630	1,912,328	2,219,630	1,912,328
Investments in subsidiaries	0	0	364,542	351,660
Investments in associates	2,304	2,005	2,278	2,278
Self-occupied tangible assets	93,371	93,198	54,342	54,693
Investment property	43,392	40,688	38,084	35,380
Intangible assets	65,204	66,497	14,832	16,030
Other assets	589,105	506,602	645,643	547,256
<b>TOTAL ASSETS</b>	<b>22,664,742</b>	<b>23,187,627</b>	<b>22,272,756</b>	<b>22,739,063</b>

## LIABILITIES AND EQUITY

Deposits from banks	8,407,245	8,360,500	8,490,443	8,464,723
Deposits from customers	10,188,201	10,867,846	9,914,316	10,490,000
Derivative financial instruments - Liabilities	339,204	226,560	335,421	226,560
Debt securities in issue & other borrowed funds	2,292,391	2,162,580	2,297,844	2,176,974
Retirement benefit obligations	14,230	13,622	12,684	12,174
Other provisions	4,953	4,842	2,592	2,776
Other liabilities	356,685	412,138	251,651	323,519
<b>Total Liabilities (a)</b>	<b>21,602,909</b>	<b>22,048,088</b>	<b>21,304,951</b>	<b>21,696,726</b>
Share Capital	366,846	366,846	366,846	366,846
Share premium	328,334	328,334	328,334	328,334
Other reserves and retained earnings	54,215	124,268	(27,375)	47,157
<b>Total Equity attributable to the owners of the parent company (b)</b>	<b>749,395</b>	<b>819,448</b>	<b>667,805</b>	<b>742,337</b>
Non-controlling interest (c)	12,438	20,091	0	0
Hybrid Capital (d)	300,000	300,000	300,000	300,000
<b>Total Equity (e) = (b) + (c) + (d)</b>	<b>1,061,833</b>	<b>1,139,539</b>	<b>967,805</b>	<b>1,042,337</b>
<b>TOTAL LIABILITIES AND EQUITY (a) + (e)</b>	<b>22,664,742</b>	<b>23,187,627</b>	<b>22,272,756</b>	<b>22,739,063</b>

## STATEMENT OF CHANGES IN EQUITY

from January 1st, 2010 to June 30th, 2010

(Amounts in thousand Euro)

	GROUP		BANK	
	30 June 2010	30 June 2009	30 June 2010	30 June 2009
<b>Total Equity at the beginning of period (01/01/2010 &amp; 01/01/2009)</b>	<b>1,139,539</b>	<b>780,547</b>	<b>1,042,337</b>	<b>696,201</b>
Revaluation difference of Available for Sale financial assets	(61,417)	42,988	(60,744)	41,177
Exchange differences from currency translation of financial statements	(1,241)	(3,222)	0	0
Profit / (Loss) for the period after tax	(7,896)	(5,490)	(14,398)	(18,707)
<b>Total Comprehensive Income for the period after Tax</b>	<b>(70,554)</b>	<b>34,276</b>	<b>(75,142)</b>	<b>22,470</b>
Dividends paid	(47)	0	0	0
Reserve for stock option plan	758	719	610	497
Other Movements	(7,863)	(201)	0	0
<b>Total Equity at the end of the period (30/06/2010 &amp; 30/06/2009)</b>	<b>1,061,833</b>	<b>815,341</b>	<b>967,805</b>	<b>719,168</b>

## CASH FLOW STATEMENT

from January 1st, 2010 to June 30th, 2010

(Amounts in thousand Euro)

	GROUP		BANK	
	1 Jan-30 June 2010	1 Jan-30 June 2009	1 Jan-30 June 2010	1 Jan-30 June 2009
Total inflows / (outflows) from Continuing Operating Activities	(907,040)	806,253	(954,219)	1,031,331
<b>Net cash flows from Operating Activities (a)</b>	<b>(907,040)</b>	<b>806,253</b>	<b>(954,219)</b>	<b>1,031,331</b>
Total inflows / (outflows) from Continuing Investing Activities	(24,805)	(1,305,363)	(15,662)	(1,303,006)
<b>Net cash flows from investing activities (b)</b>	<b>(24,805)</b>	<b>(1,305,363)</b>	<b>(15,662)</b>	<b>(1,303,006)</b>
Total inflows / (outflows) from Continuing Financing Activities	30,469	93,372	109,659	41,304
<b>Net cash flows from financing activities (c)</b>	<b>30,469</b>	<b>93,372</b>	<b>109,659</b>	<b>41,304</b>
<b>Net increase (decrease) in cash and cash equivalents (a) + (b) + (c)</b>	<b>(901,376)</b>	<b>(405,738)</b>	<b>(860,222)</b>	<b>(230,371)</b>
Effect of exchange rate fluctuations on cash and cash equivalents	(4,400)	(3,935)	(2,065)	(649)
<b>Total cash flow for the period</b>	<b>(905,776)</b>	<b>(409,673)</b>	<b>(862,287)</b>	<b>(231,020)</b>
Cash and cash equivalents at the beginning of the period	1,674,513	2,131,447	1,848,255	2,571,827
<b>Cash and cash equivalents at the end of the period</b>	<b>768,737</b>	<b>1,721,774</b>	<b>985,968</b>	<b>2,340,807</b>

## STATEMENT OF COMPREHENSIVE INCOME

(Amounts in thousand Euro)

	GROUP				BANK			
	1 Jan-30 June 2010	1 Jan-30 June 2009	1 Apr-30 June 2010	1 Apr-30 June 2009	1 Jan-30 June 2010	1 Jan-30 June 2009	1 Apr-30 June 2010	1 Apr-30 June 2009
Interest and similar income	336,757	371,883	177,103	172,212	301,177	334,053	158,953	152,190
Interest expense and similar charges	(175,876)	(275,564)	(95,540)	(109,570)	(167,736)	(262,441)	(91,492)	(103,605)
<b>Net interest income</b>	<b>160,881</b>	<b>96,319</b>	<b>81,563</b>	<b>62,642</b>	<b>133,441</b>	<b>71,612</b>	<b>67,461</b>	<b>48,585</b>
Fee and commission income	54,724	56,995	24,894	28,725	27,823	20,800	13,081	11,226
Fee and commission expense	(13,075)	(13,374)	(6,799)	(7,342)	(3,990)	(3,051)	(2,192)	(1,491)
<b>Net fee and commission income</b>	<b>41,649</b>	<b>43,621</b>	<b>18,095</b>	<b>21,383</b>	<b>23,833</b>	<b>17,749</b>	<b>10,889</b>	<b>9,735</b>
Dividend income	1,100	596	1,081	468	844	360	826	239
Net trading income / (expense)	25,913	66,671	(252)	33,146	21,461	62,621	(1,761)	30,148
Other income	2,122	4,299	639	2,500	1,758	1,559	715	743
<b>Total income from operating activities</b>	<b>231,665</b>	<b>211,506</b>	<b>101,126</b>	<b>120,139</b>	<b>181,337</b>	<b>153,901</b>	<b>78,130</b>	<b>89,450</b>
Impairment losses on loans and advances	(87,042)	(78,643)	(40,812)	(46,835)	(76,566)	(62,500)	(36,000)	(40,000)
Staff costs	(81,954)	(77,049)	(40,781)	(38,483)	(66,460)	(62,446)	(33,086)	(31,341)
Other operating expenses	(48,932)	(47,680)	(24,884)	(25,008)	(41,697)	(41,528)	(21,278)	(21,829)
Depreciation	(8,909)	(8,425)	(4,119)	(4,407)	(6,855)	(6,905)	(3,079)	(3,497)
Share of profit / (loss) of associates	44	32	(53)	16	0	0	0	0
<b>Profit / (Loss) before tax</b>	<b>4,872</b>	<b>(259)</b>	<b>(9,523)</b>	<b>5,422</b>	<b>(10,241)</b>	<b>(19,478)</b>	<b>(15,313)</b>	<b>(7,217)</b>
Taxes	(12,768)	(5,231)	(7,434)	(6,087)	(4,157)	771	(1,234)	(1,978)
<b>Profit / (Loss) after tax (A)</b>	<b>(7,896)</b>	<b>(5,490)</b>	<b>(16,957)</b>	<b>(665)</b>	<b>(14,398)</b>	<b>(18,707)</b>	<b>(16,547)</b>	<b>(9,195)</b>
<b>Attributable to:</b>								
Parent company owners	(8,346)	(6,653)	(16,996)	(1,307)	(14,398)	(18,707)	(16,547)	(9,195)
Minority interest	450	1,163	39	642	0	0	0	0
<b>Other Comprehensive income net of tax (B)</b>	<b>(62,658)</b>	<b>39,766</b>	<b>(52,848)</b>	<b>58,186</b>	<b>(60,744)</b>	<b>41,177</b>	<b>(48,903)</b>	<b>57,615</b>
<b>Total Comprehensive income net of tax (A+B)</b>	<b>(70,554)</b>	<b>34,276</b>	<b>(69,805)</b>	<b>57,521</b>	<b>(75,142)</b>	<b>22,470</b>	<b>(65,450)</b>	<b>48,420</b>
<b>Attributable to:</b>								
Parent company owners	(70,923)	32,917	(69,784)	56,805	(75,142)	22,470	(65,450)	48,420
Minority interest	369	1,359	(21)	716	0	0	0	0
<b>Earnings / (Loss) per share (Euro per share)</b>								
Basic & Diluted	(0.0289)	(0.0230)	(0.0588)	(0.0045)	(0.0498)	(0.0648)	(0.0572)	(0.0319)

## Notes :

- The accounting principles, adopted by the Group and the Bank for the preparation of the condensed, interim financial statements as at 30/06/2010 are consistent with those principles referred to in the respective financial statements for the year ended 31/12/2009.
  - In the present financial statements, the accounting estimation of the beneficial life of some fixed assets changed by the Management, starting from 1/1/2010. Relative note 13 of the Group and the Bank financial statements, respectively.
  - There are no liens on the assets of the Group.
  - The number of employees at the end of 30/06/2010: Group 3,624, Bank 2,740, (30/06/2009: 3,546, 2,719 respectively).
  - The companies included in the consolidation of June 30<sup>th</sup>, 2010 are presented in note 5 of the condensed, interim consolidated financial statements. The aforementioned note also includes information on the companies' domicile, the Group participation percentage in their share capital, the consolidation method used and the tax non-inspected fiscal years. The notes 11 and 12 of the Bank's condensed, interim financial statements indicate the direct and indirect holdings of the Bank and its respective participation percentage in the companies' share capital.
  - On 30/09/2009, it was the first time that the Special Purpose Vehicle (SPV) "Synergatis plc" was included in the consolidation. On 31/03/2010, it was the first time that Marfin Collections S.A., a company that notifies debtors about their debts, was included in the consolidation. (Respective note 5 of the consolidated financial statements).
  - The absorbing bank Egnatia Bank S.A. has been tax inspected till the fiscal year 2004 inclusively. The absorbed Marfin Bank and Laiki Bank (Hellias) have been tax inspected till the fiscal year 2006 inclusively. The tax non-inspected fiscal years for the Group companies are thoroughly presented in note 5 of the consolidated financial statements.
  - The outcome of the existing legal cases or litigations of the Bank and the Group is not expected to have a significant impact on the financial statements.
- The bank and the Group have made the following provisions:

	June 2010		December 2009	
	GROUP	BANK	GROUP	BANK
Legal cases or litigations :	666	443	779	627
Tax non-inspected fiscal years :	2,144	1,500	2,194	1,500
Other Provisions :	2,143	649	1,869	649
	<b>4,953</b>	<b>2,592</b>	<b>4,842</b>	<b>2,776</b>

Relevant note 18 and 17 of the Group's and Bank's financial statements respectively.

9) The amount and the nature of the comprehensive income are reported in detail, above, in the section "Statement of changes in Equity".

10) The Bank and the Group's companies do not hold any equity shares.

11) The transactions of the Group with the related parties are as follows: Receivables 2,046,566 thousand Euros, liabilities 4,149,659 thousand Euros, letters of guarantee and documentary credits 382 thousand Euros, income 27,387 thousand Euros, expenses 30,036 thousand Euros. The transactions of the Bank with the related parties (including subsidiaries), are as follows: Receivables 3,279,251 thousand Euros, liabilities 4,382,027 thousand Euros, letters of guarantee and documentary credits 171,161 thousand Euros, income 39,068 thousand Euros, expenses 36,719 thousand Euros. The transactions of the Bank and the Group with the members of the Management and the Executives are as follows: Receivables 4,448 thousand Euros, liabilities 13,635 thousand Euros, income 210 thousand Euros, expenses 2,896 thousand Euros out of which – remuneration 2,703 thousand Euros.

12) Cross-Border Merger : The Extraordinary General Meeting of Bank's Board of Directors held on 23.12.2009, approved the Cross-Border Merger through the absorption of Marfin Egnatia 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 26.10.2005, as well as in accordance with the Cypriot and Greek Laws, as defined by the Common Draft Terms of a Cross-Border Merger, dated as of November 13<sup>th</sup>, 2009.

13) The consolidated financial statements of the Bank are included in the consolidated financial statements of Marfin Popular Bank Public Company Ltd, Lemessou Avenue, 154, P.O. BOX 22032, CY-1598 Nicosia, Cyprus, under full consolidation method. Marfin Popular Bank participates in the share capital of the company with the percentage of 97.0248%.

14) Under the Law 3842/23.4.2010 "Re-establishment of tax justice, confrontation of tax evasion and other provisions", it is imposed, in the name of legal entity, tax of 40% in the profits that are distributed, while the undistributed profits are taxed according to the current tax rate. With the payment of tax 40%, the tax obligation is fulfilled when the beneficiary is legal entity, while when beneficiary is an individual he is taxed under the general provisions. The aforementioned are applied also to the profits of preceding periods that are going to be distributed of capitalized starting from 1/1/2011.

THE PRESIDENT OF THE BOARD OF DIRECTORS

VASSILIOS N.TEOCHARAKIS  
Reg. No AB 340063/06Athens, August 30th, 2010  
MANAGING DIRECTORKONSTANTINOS I. VASSILAKOPOULOS  
Reg. No M 310696/82

CHIEF FINANCIAL OFFICER

AGGELOS N. SAPRANIDIS  
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