MARFIN EGNATIA BANK

MARFIN EGNATIA BANK S.A

ANNUAL FINANCIAL REPORT 2008

In compliance with the Law 3556/2007

The financial report has been translated from the original financial report that has been prepared in the Greek language. In the event that differences exist between this translation and the original Greek language financial report, the Greek language financial report will prevail over this document.

March 2009

MARFIN EGNATIA BANK

Table of Contents

Statements of members of the Board of Directors (in compliance with Article 4 par. 2 of the Law 3556/2007)

Statements of members of the Board of Directors
(in compliance with Article 4 par. 2 of the Law 3556/2007)

WE HEREBY STATE THAT:

To the best of our knowledge, the attached individual and consolidated Financial Statements for the period from 1st January 2008 to 31st December 2008 that have been prepared according to the current accounting standards present fairly the assets and liabilities, the equity as well as the income statement of MARFIN EGNATIA BANK S.A. and the entities that are included in the consolidation,

AND

that the Board of Director's report, presents fairly the progress, the performance and the financial position of MARFIN EGNATIA BANK S.A. as well as the entities that are included in the consolidation, including a description of the main risks and uncertainties that they face.

Athens, 24 March 2009

The Chairman Of the board of Directors	The Managing Director	BoD member
Vassilios N. Theocharakis I.D. No AB 340063/06	Konstantinos I.Vasilakopoulos I.D. No M 310696/82	Efthimios T. Bouloutas I.D. No X 501092/02

Annual Report of the Board of Directors (Law.3556/2007)

ANNUAL REPORT OF THE BOARD OF DIRECTORS
YEAR 2008

The year 2008 constituted a mile stone in the global economy since it has been characterized by unprecedented crisis through the history of the international financial system, the crisis that in turn has spread to the real economy sectors. In particular, as it is mentioned in the report on «Monetary Policy 2008-2009» of the Bank of Greece, the global economy is faced with the deepest financial and economic crisis ever since 1930.

The fist signs of the crisis became evident in July 2007 in the market of securitizated high risk mortgages of the USA. It quickly spread to both sides of the Atlantics resulting in bankruptcy or nationalization of major banks and investment groups (eg Lehman Brothers, Freddie Mac, Fannie Mae, AIG) due to capital inadequacy and the financial losses incurred.

The consequences of this crisis were limit of the growth of GDP of economies of both – Euro zone and the largest developed countries worldwide, as well as the restriction of credit expansion and widespread lack of liquidity. The central banks were obliged to proceed to strong interference through the decision to accept broad financial instruments as collaterals for liquidity and limit their key intervention rates. There has been noted a reduction in basic rate of ECB borrowing by 275 basic points from October 2008 until currently.

In Greece, the consequences were directly evident in the banking sector, through heavy pressure on spreads deposits as a result of intensified competition. The lack of liquidity has significantly reduced extending credit while upgrading the credit criteria, and domestic demand was retained. Notwithstanding adversity, the Greek economy presented annual GDP growth for 2008 by approximately 3% versus 4% for 2007. For 2009, the rate of change of GDP for Greece is expected to be marginally positive, in contrast to the Euro zone, where as assessed by the ECB, it will vary within the range of -3.2% to -2.2%.

The Group MARFIN EGNATIA BANK S.A. (the "Group") reacted to the existing condition in a satisfactory way, timely applying effective policies for risk management and taking advantage of the available liquidity facilities. Moreover, it had no openings to «toxic» bonds, while its exposure to the markets of Eastern Europe was limited.

Briefly, the Group achieved growth figures in all areas of operations as well as positive economic results, despite the negative international economic environment. It is noteworthy that the Group's total assets exceeded € 19,4 billion showing an annual increase of 41.5%. Both the total loans and deposits of the Group recorded a significant annual increase of 34.8% and 26.1% respectively, led by strong expansion of branch network, consolidation of its brand name, expansion of its customer base and gradual maturation of new branches.

There was a similar increase in lending by 32% in Romania that reached 525 million euro in 2008 versus 397 million in 2007. A similar upward trend was recorded pertaining to deposits in the same geographical area reaching 144 million in 2008 versus 121 million in 2007.

The basic total (continuing and discontinued operations) financial items and ratios of the Group for the year 2008 are shown below as follows:

FINANCIAL RESULTS OF THEN GROUP FOR THE YEAR 2008

Financial Results (€ million)	**31.12.2008**	**31.12.2007**	**Ch.%**
Net interest income	296,5	267,4	10,9%
Net Fee and Commission Income	150,7	199,9	(24,6%)

Income from Financial Activities and other income	(3,5)	47,2	(107,5%)
Total operating income	**443,7**	**514,4**	**(13,8%)**
Operating expenses	(284,5)	(257,8)	10,4%
Provisions for impairment	(96,5)	(60,6)	59,3%
Profit from associates	0,3	0,2	34,0%
Profit before taxes	**62,9**	**196,2**	**(68,0%)**
Taxes	(20,0)	(54,9)	(63,6%)
Net profit after taxes	**42,9**	**141,3**	**(69,6%)**

Basic Balance Sheet Sizes (€ million)	**31.12.2008**	**31.12.2007**	**Ch.%**
Loans	13.003,4	9.648,3	34,8%
Total assets	19.402,6	13.715,0	41,5%
Deposits	11.731,4	9.300,7	26,1%

Basic Ratios	**31.12.2008**	**31.12.2007**
Core Tier I ratio (Tier I)	6,5%	8,0%
Capital adequacy ratio	8,8%	10,8%
Cost/Revenue	64,1%	50,1%
NIM	1,9%	2,4%
NPLs	4,7%	4,2%
Provisions/Loans	80 b.p.	73 b.p.
RoE	5,3%	18,1%
RoA	0,26%	1,23%

Within the year 2008, net interest income increased by 10,9% and stood at € 296,5 million as compared to € 267,4 million in 2007. Net interest margin decreased from 2,4% in 2007 to 1,9% in 2008, as a result of adverse economic conditions and increased competition in deposits market in Greece.

Net fees and commissions income decreased by 24,6% and stood at € 150,7 million mainly due to the adverse conditions in investing banking and in international credit markets.

Because of the extremely volatile conditions in international markets, the Group incurred losses on financial assets amounting to € 3,5 million as compared to € 47,2 million profit in the corresponding period last year. On this basis, total income decreased by 13.8% and reached € 443,7 million in 2008 as compared to € 514,4 million in 2007. Nevertheless, the Investment Bank of Greece, the subsidiary company that is the lever of the Group investment banking, managed to move from the second to the first place in the Greek shares stock market with 20.41% share while continuing the lead in the Greek derivatives stock market with 20.11% share.

Total operating expenses increased by 10.4% on annual basis and reached € 284,5 million. Staff costs increased by 1.6% and amounted to € 159,3 m. Total operating expenses amounted to € 110,7 million, increased by 26%. The efficiency ratio (operating expenses to total revenue) stood at 64.1% in 2008 as compared to 50.1% in 2007.

The above composition was significantly affected by the growth of sales network through opening of 32 new branches and 13 banking centers in Greece, and 8 new branches in Romania. In addition, there was implemented an extensive program of public informing on the new corporate identity (brand name) of the newly created group. Within its operational development, the Group increased its staff by 346 people as from 3602 to 3256 from 31.12.2008 to 31.12.2007.
The above events were hedged by both - the cost accounting broad reorganization of the Group combined with the continued reallocation of staff positions in the promotion of services, and through synergies resulting from the merger of three banks of the Group that occurred in 2007 and began to materialize in 2008.

As for the financial year 2008, net profit attributable to shareholders after tax amounted to € 42,9 million as compared to € 141,3 million in 2007. Profits of 2008 are burdened due to the deterioration in the markets, especially in the fourth quarter, as well s due to market conditions and the decision to increase the provisions for safeguarding the Group as against future risks. Specifically, under this decision, the Group reinforced its provision by 33.4 million or 55.7%, to 80 basic points on loans of 2008 (fiscal year 2007: 73 basic points), while the corresponding provision for the fourth quarter was 131 basic points.
Under the Group's strategy for market penetration in the Greek borrowing market, its market share increased by 5.7% , given November 2008 figures, as from 4.4% in the corresponding period of 2007. In absolute terms, the loan portfolio of the Group amounted to € 13,0 billion in December 2008 as compared to € 9,7 billion in 2007, presenting an increase of 34.8% on an annual basis.

In 2008, the annual growth rate of mortgage and consumer loans of the Group was 21.1% and 31.2% respectively. Business loans had a 37,1% annual growth rate representing 68% of the loan portfolio. Loans past due over 90 days at impairment represent 4.7% of total loans of the Group and the coverage rate from accumulated provisions came to 46%. Including collaterals, the coverage ratio stood at 77%, notwithstanding personal / corporate guarantees. The quality of the loan portfolio of the Group presents stability, while there are made continuing efforts to upgrade the credit risk management and recovery of debts presenting a delay.

The market share of the Bank deposits was 4.8% in 2008 as compared to 4.5% in 2007. The deposits of the Bank amounted to € 11,7 billion, with a significant 26.1% increase as compared to 2007. The loans to deposits ratio stands at 111%, the levels at which most Greek and European banks fluctuate.

As part of ensuring adequate liquidity, the Group in 2008 adopted the first line of (ordinary) covered bonds of EUR 1 billion at credit rating of «AAA / Aaa» with international rating agencies Fitch Ratings and Moody's Investors respectively. The bonds were used as collaterals for raising liquidity from the European Central Bank.
The liquidity of the Group was further reinforced in June 2008 through a bond (Schuldschein) of three year duration of 50 million euro and in September 2008 through a syndicated loan (Club Loan) of two-year duration amounting to EUR 250 million.

Moreover, the constant support of its parent company Marfin Popular Bank has improved the credit rating of the Group. Recently, there was upgraded both the long and the short-term credit rating to «BBB + / F2» as from «BBB/F3» by international rating agencies Fitch Ratings in the midst of the international financial crisis. In parallel, the international rating agency Standard & Poor's on 23 December 2008 downgraded the short-term credit rating of the Group to «BBB» from «BBB +» which is consistent with the similar recent move to downgrade the Greek economy to «A-2» from «A-1».

Under the long-term strategic agreement between the parent bank Marfin Popular Bank and CNP Assurance to develop insurance and pension operations through the Group's banking networks in Greece and Cyprus, Marfin Egnatia Bank made a disposal of 100% subsidiaries Marfin Life A.A.E. and Marfin Factoring Insurance SA. The effect at the earnings after taxes level from discontinued operations amounted to 3.8 million for 2008 versus 2.2 million for 2007.

Despite the difficult economic environment which affected the Group's results and non-participation in state aid program for Greek banks, the capital adequacy ratio stood at 8.79% and Core Capital (Tier I) ratio – at 6.53%.

RISK MANAGEMENT

As a consequence of the nature of its activities, the Group is exposed to the regular risks of the financial market. Given the materiality and extent of both the Bank and its subsidiaries, the Group considers as the main risks the credit risk, market risk, interest rate risk, liquidity risk and operational risk.

The Group has developed policy and procedures, approved by the Board, in accordance with its operational strategy on undertaking, monitoring and risk management as well as determining the acceptable maximum. The aim is to protect the capital and maximize the risk-return relationship in making business decisions.

The probability of recession in Greece or in the countries where the Group operates, the challenge of extreme events arising from the further deterioration of the global economic environment and the possibility of slow recovery of the economy may create further tensions and turbulence in the financial system in general. In seeking to minimize those factors which may jeopardize the course of its development, the Group has developed methodologies and procedures for identifying and evaluating significant or sudden changes in the parameters that shape the risks and techniques for their effective management.

Credit risk is most evident in the banking sector and is absolutely inherent in banking operations in general.
The complex nature of the prolonged economic crisis has affected the economy in an and unprecedented way as well as the banking sector worldwide. In this new environment, the Group has focused on strengthening the quality of the portfolio of assets through practices such as prudent credit policy, avoidance of the sectors presenting unfavorable conditions and prospects, maintaining high quality collaterals, and systematic and timely monitoring the delays at the initial stages of their appearance.
For this reason, the credit risk management policy of the Group is based on detailed procedures for making credit decisions under the following guidelines:

- Sound assessment of client’s creditworthiness,
- Differentiation of trade portfolio
- Pricing adjusted to credit risk basis

All the above factors are implemented and updated in the light of economic realities of each period, taking into account the planned development.

In particular:
- The Group applies a credit risk rating system. The first stage (Credit Grade) is the classification of the creditworthiness of the borrower, while the second (Risk Grade) classifies each line of credit limit separately, taking into account the type of collateral. The distribution of the Risk Grade scale in conjunction with the Credit Grade scale provides information on the quality of the loan portfolio.

- H Credit Policy is defined in line with the principles of risk and strategic planning of the Group. It is a dynamic tool that adjusts individual parameters in the domestic and international developments, defines the limits for undertaken risk, quality of acceptable collaterals and sets as the primary lending criterion the possibility of loan repayment facilities through the cash flows of the borrower. Additionally, it pertains to the segments of economy with adverse market conditions, on the basis of the conducted segment research.
- Under the Group's risk strategy and regulatory directives, there has been established maximum risk exposure to counterparties and counterparty groups, segments of economy, type of collateral and foreign currencies. Monitoring of ratios bring about the possibility of early warning and review of loan portfolios.
- There is performed static and dynamic analysis of the quality of loan portfolio in order to identify deviations from the Group's risk strategy and display evolution trends.
- The Group has adopted unified methodology of provisions estimation as based on IAS 39.
- The Risk Management Committee, taking into account the results of separate committees that monitor the risks, suggests among others, making necessary provisions, as they relate to disclosures and figures given in the financial statements of 31 December 2008.
- The assessment of non-expected risk is conducted through simulation exercises. The characteristics of the simulations follow the current economic conditions, the characteristics of loans and supervisory guidelines.

As regards the risk of counterparty banks, the Group sets ceilings for each counterpart bank separately, thus reflecting the acceptable level of risk, assessing quantitative and qualitative criteria. In addition, it assess the countries that have relative positions, depending on the size, economics and prospects of the country and the extent of credit provided by international rating agencies.

The positions per counterparty bank and per country are examined as against the daily limits in real time. The limits are revised at least once a year. Couterpart banks and countries that have smaller size and low credit rating (non-investment grade) are subject to more frequent analysis and evaluation, where appropriate.

The Group through its open positions that it maintains, is not significantly exposed to the risk of market exchange rates and stock prices and goods. The major market risk to which the Group is exposed is interest rate risk, resulting from the positions in fixed rate bonds. The Group manages / hedges its exposure to interest rates risk by using derivative financial products.

The Group monitors the market risk portfolios for trading and available for sale on a daily basis. The measurement and monitoring of market risk are carried out through applying modern techniques and methodologies for measuring market risk, such as valuation, value at risk '(Value at Risk - VaR) and sensitivity ratios (Sensitivity Factors) that can arise under normal conditions. The method of measuring “Value at Risk” that is used is the method of Fluctuation of Co-fluctuations for one day time horizon and confidence level of 99%.

To control undertaken market risk, there are defined at the Group level, per Company of the Group and per every risk factor, VaR ceilings for trading and available for sale portfolio, thus reflecting the Group policy pertaining to undertaking market risks.
The Group has developed a plan including the conduct of crisis situation exercises simulating every risk factor to which it is exposed, with the aim of firstly, more effective management of risk, and secondly, informing the Management and Supervising authorities.

The Group considers that the deposits base is stable and is highly dispersible per nature and volume of deposits. In managing liquidity, the Group calculates and manages liquidity ratios in order to achieve compliance with regulatory limits.

The Group has developed an effective framework for managing liquidity risk, which includes measurement techniques, limits, stress testing, contingency plans, control points and clear reporting lines.

Operational risk is assessed as one of the biggest risks faced by the Bank and the Group, given the diversity of the Group financial operations. It is not estimated that the Group is affected by the worsening of international and domestic financial conditions. Progressive tests are carried out including assessments and examinations. These tests have intensified and focused on the Group products, procedures, contracts and development projects (Projects), as well as Risk Self Assessment projects.
There has been implemented in 364 Group points the electronic system of recording and monitoring of losses arising from operational risk. Users of the system and their supervisors receive specialized training on the use and application of general training on Basel II issues and risk management.
The Group is particularly sensitive to the related operational risk protection of electronic and information facilities. It has developed a concrete strategy to address the technological and business risks that cause the rapid increase of technological failures and the increasing dependence of business operations on new systems and applications.

As regards future developments, the provisions are mentioned concerning the weakening of global economic growth within the next quarters as well, while economic prospects continue to be characterized by an extremely high uncertainty.

The Greek economy is dependent on cyclical segments, sensitive to external environment such as tourism and shipping, while the banking segment presents an exposure to South Eastern Europe. However, it shows signs of resistance that are evident regarding stability granted to the public sector, indexation of wages, relatively low mortgage penetration, high capital adequacy of Greek banks and relatively small increase in unemployment as compared to other countries of the Euro zone. Moreover, GDP growth for 2009 is expected to be marginally positive in contrast with the slowdown expected in the Euro zone.

The Group monitors developments in international markets and macroeconomic environment of the European Union, Greece and Romania in order to take appropriate measures for effective protection against the risks.

PROSPECTS FOR THE FUTURE

The Management gives particular emphasis to:

- The management of credit risk and loan portfolio quality, directly taking all appropriate measures to safeguard it. As concerns the credit expansion, the Group aims to expand its customer base in both the Retail and Business Banking, taking into account the rates at which the International and the Greek economy is expected to move.
- The maintenance of strong liquidity. Already within this context, the Group will proceed to the completion of the issuance of covered bonds totaling 3 billion Euro, and the securitization of business loans amounting to over 1.5 billion Euro.
- The increase of Core Ratio (Tier I) through Core Capital reinforcing.
- The Maintenance of cost at low levels. The expected slowdown in growth and further sound allocation of the network will help reduce costs to levels below those of 2008.

In the above context, the Group continues to work intensively in order to remain a strong private banking group in the interests of shareholders, customers and staff.
The Board of Directors of the Bank for 2008 will not propose dividend distribution within the frame of implementing the business plan and strengthening the Group's development policy.

TRANSACTIONS WITH RELATED PARTIES

According to the institutional framework, the current report shall include the most significant transactions with related parties, as in accordance with IAS 24, which could materially affect the financial position or performance of the Group.
All transactions with related parties are carried out within the ordinary course of business, under market conditions, approved by the authorised bodies of the Bank and as apart from those elaborated below, there are no other transactions regarded as significant pertaining to the sizes and the results of the Group.

Related parties include: a) BoD members and members of the Bank Management b) subsidiaries, c) the group of the parent Bank (Marfin Popular Bank), d) other related parties (Board Members – Management of the Group subsidiaries, directly economic dependents of members of the BoD and Management, companies having transactions with the Bank, if the total interest of these BoD members and their dependents cumulatively exceeds 20%).

a) Transactions with members of the BoD and management

A) Members of BoD and management	**31 December 2008**	**31 December 2007**
Loans and advances to customers	4.290	3.907
Deposits from customers	112.149	149.565
Income	**1/1 - 31/12/2008**	**1/1 - 31/12/2007**
Interest – Commission	370	82
Expense		
Interest – Commission	7.003	2.011
Wages	7.503	6.328
Employer contributions	233	384
Other employee benefits	121	435
Share based payments	796	720
Total benefits	**8.653**	**7.867**

b) Transactions with subsidiaries

TABLE 1

INTERCOMPANY TRANSACTIONS – MARFIN EGNATIA BANK'S INCOME FROM SUBSIDIARIES

Amounts in thousand Euro

	PARTICIPATION AS AT 31/12/2008		MARFIN EGNATIA BANK'S INCOME							
COMPANIES' EXPENSE	DIRECT	INDIRECT	INTEREST INCOME	INTEREST INCOME FROM INTERBANKING TRANSACTIONS	COMMISSION INCOME – FROM COMMERCIAL TRANSACTIONS	COMMISSION INCOME - FROM TRADING TRANSACTIONS	COMMISSION INCOME - OTHER	DIVIDENDS	OTHER INCOME	TOTAL
MARFIN FACTORS & FORFAITERS S.A.	100,00%	-	7.002						3	**7.005**
MARFIN GLOBAL ASSET MANAGEMENT S.A.	94,5148%	4,0568%			354			493		**847**
MARFIN INSURANCE BROKERS S.A.	-	-			1.200			144	43	**1.387**
MARFIN LIFE INSURANCE S.A.	-	-					1.493	600	41	**2.134**
MARFIN LEASING S.A.	100,00%	-	17.436						229	**17.665**
OBAFEMI HOLDINGS Ltd	100,00%	-	436							**436**
INVESTMENT BANK OF GREECE S.A.	92,19%	-	120	4.895	7	11.147				**16.169**
MARFIN BANK (ROMANIA) S.A.	98,98%	-	(1.171)	12.049						**10.878**
MARFIN TRAVEL LTD	-	99,00%	51		7					**58**
MARFIN LEASING IFN (ROMANIA) S.A.	99,00%	-	8.892					3.779		**12.671**
MARFIN EGNATIA FIN S.A.	99,00%	-	515					155	137	**807**
TOTAL			**33.282**	**16.944**	**1.568**	**11.147**	**1.493**	**5.171**	**453**	**70.057**

TABLE 2

INTERCOMPANY TRANSACTIONS – MARFIN EGNATIA BANK'S EXPENSE FOR SUBSIDIARIES

Amounts in thousand Euro

	PARTICIPATION AS AT 31/12/2008		MARFIN EGNATIA BANK'S EXPENSE					
COMPANIES'INCOME	DIRECT	INDIRECT	INTEREST EXPENSE – FOR DEPOSITS	INTEREST EXPENSE - FOR INTERBANKING TRANSACTIONS	INTEREST EXPENSE – FOR ISSUE OF BONDS	COMMISSION EXPENSE – FROM STOCK EXCHANGE TRANSACTIONS	OTHER EXPENSE	TOTAL
EGNATIA FINANCE Plc	99,998%	0,002%			11.423			**11.423**
IBG INVESTMENTS S.A.	-	92,19%						**0**
MARFIN FACTORS & FORFAITERS S.A.	100,00%	-	26				3	**29**
MARFIN GLOBAL ASSET MANAGEMENT S.A.	94,5148%	4,0568%	213			317		**530**
MARFIN INSURANCE BROKERS S.A.	-	-	48					**48**
MARFIN LIFE INSURANCE S.A.	-	-	353				852	**1.205**
MARFIN LEASING S.A.	100,00%	-	104	57				**161**
INVESTMENT BANK OF GREECE S.A.	92,19%	-	125	3.839		101	60	**4.125**
DYNAMIC ASSET OPERATING LEASES S.A.	-	100,00%						**0**
MARFIN BANK (ROMANIA) S.A.	98,98%	-	34				429	**463**
MARFIN LEASING IFN (ROMANIA) S.A.	99,00%	-	8					**8**
MARFIN EGNATIA FIN S.A.	99,00%	-	13				2.344	**2.357**
TOTAL			**924**	**3.896**	**11.423**	**418**	**3.688**	**20.349**

TABLE 3

INTERCOMPANY TRANSACTIONS - MARFIN EGNATIA BANK'S ASSETS FROM SUBSIDIARIES

Amounts in thousand Euro

	PARTICIPATION AS AT 31/12/2008		MARFIN EGNATIA BANK'S ASSETS								
COMPANIES'LIABILITIES	DIRECT	INDIRECT	LOANS AND ADVANCES TO BANKS – SIGHT DEPOSITS	LOANS AND ADVANCES TO BANKS – FOREIGN CORRESPONDENTS	LOANS AND ADVANCES TO BANKS – INTERBANKING DEPOSITS	LOANS AND ADVANCES TO CUSTOMERS	OTHER ASSETS - SUNDRY DEBTORS	OTHER ASSETS - CLEARING ACCOUNT OF STOCK EXCHANGE TRANSACTIONS	OTHER ASSETS – INTEREST RECEIVABLES	OTHER ASSETS	TOTAL
MARFIN FACTORS & FORFAITERS S.A.	100,00%	-				201.277			171		**201.448**
MARFIN GLOBAL ASSET MANAGEMENT S.A.	94,5148%	4,0568%								54	**54**
MARFIN LEASING S.A.	100,00%	-				328.754	78				**328.832**
OBAFEMI HOLDINGS Ltd	100,00%	-				7.862					**7.862**
INVESTMENT BANK OF GREECE S.A.	92,19%	-	4		126.000			124	146	10.255	**136.529**
MARFIN TRAVEL LTD	-	99,00%				1.052					**1.052**
MARFIN EGNATIA FIN S.A.	99,00%	-				8.650					**8.650**
MARFIN BANK (ROMANIA) S.A.	98,98%	-		124	344.121				344		**344.589**
MARFIN LEASING IFN (ROMANIA) S.A.	99,00%	-				132.798			71		**132.869**
TOTAL			**4**	**124**	**470.121**	**680.393**	**78**	**124**	**732**	**10.309**	**1.161.885**

TABLE 4

INTERCOPMANY TRANSACTIONS - MARFIN EGNATIA BANK'S LIABILITIES TO SUBSIDIARIES

Amounts in thousand Euro

	PARTICIPATION AS AT 31/12/2008		MARFIN EGNATIA BANK'S LIABILITIES							
COMPANIES'ASSETS	DIRECT	INDIRECT	DEPOSITS FROM BANKS - SIGHT	DEPOSITS FROM BANKS-INTERBANKING	SUBORDINATED DEBT LIABILITIES	DEPOSITS FROM CUSTOMERS - SIGHT ACCOUNTS	DEPOSITS FROM CUSTOMERS – TIME DEPOSITS	OTHER LIABILITIES – INTEREST PAYABLES	OTHER LIABILITIES	TOTAL
EGNATIA FINANCE Plc	100,00%	0,00%			80.000			771		**80.771**
IBG INVESTMENTS S.A.	-	92,19%				21				**21**
MARFIN FACTORS & FORFAITERS S.A.	100,00%	-				1.200				**1.200**
MARFIN GLOBAL ASSET MANAGEMENT S.A.	94,5148%	4,0568%				19	7.541	21	377	**7.958**
MARFIN LEASING S.A.	100,00%	-				3.487	10.000		645	**14.132**
OBAFEMI HOLDINGS Ltd	100,00%	-				14				**14**
INVESTMENT BANK OF GREECE S.A.	92,19%	-	428	202.332		5		29		**202.794**
DYNAMIC ASSET OPERATING LEASES S.A.	-	100,00%	181							**181**
MARFIN TRAVEL LTD	-	99,00%				253				**253**
MARFIN EGNATIA FIN S.A.	99,00%	-				362			304	**666**
MARFIN BANK (ROMANIA) S.A.	98,98%	-	111						1.251	**1.362**
MARFIN LEASING IFN (ROMANIA) S.A.	99,00%	-				49				**49**
TOTAL			**720**	**202.332**	**80.000**	**5.410**	**17.541**	**821**	**2.577**	**309.401**

c) Transactions with parent company

TABLE 1

INTERCOMPANY TRANSACTIONS - MARFIN EGNATIA BANK GROUP'S INCOME FROM PARENT'S GROUP MARFIN POPULAR BANK

Amounts in thousand Euro

	ΕΞΟΔΑ ΟΜΙΛΟΥ ΜΗΤΡΙΚΗΣ MARFIN POPULAR BANK									
GROUP OF MARFIN EGNATIA BANK'S COMPANIES' INCOME	MARFIN POPULAR BANK	AS SBM PANK (ESTHONIA)	LAIKI BANK AUSTRALIA	LAIKI FACTORS	LAIKI LDN	LAIKI BANK A.D. (SERBIA)	MARINE TRANSPORT BANK	LAIKI UK LONDON	LAIKI CYPRIALIFE	ΣΥΝΟΛΟ
MARFIN EGNATIA BANK S.A.										
INTEREST INCOME - FIXED RATE BONDS								1.026		**1.026**
INTEREST INCOME – INTERBANKING TRANSACTIONS	8.414	548			50	370	428			**9.810**
OTHER INTEREST INCOME	622									**622**
COMMISSION INCOME - COMMERCIAL TRANSACTIONS			1							**1**
COMMISSION INCOME - LOANS AND LETTERS OF GUARANTEE	756									**756**
MARFIN FACTORS & FORFAITERS S.A.										
COMMISSION INCOME - COMMERCIAL TRANSACTIONS				3						**3**
INVESTMENT BANK OF GREECE S.A.										
OTHER INTEREST INCOME	1									**1**
COMMISSION INCOME - STOCK EXCHANGE TRANSACTIONS	956									**956**
MARFIN GLOBAL ASSET MANAGEMENT S.A.										
COMMISSION INCOME – ASSET MANAGEMENT									173	**173**
MARFIN LIFE INSURANCE A.E.										
INTEREST INCOME – FIXED RATE BONDS	83									**83**
TOTAL	**10.832**	**548**	**1**	**3**	**50**	**370**	**428**	**1.026**	**173**	**13.431**

TABLE 2

INTERCOMPANY TRANSACTIONS - MARFIN EGNATIA BANK GROUP'S EXPENSE TO PARENT'S GROUP MARFIN POPULAR BANK

Amounts in thousand Euro

GROUP OF MARFIN EGNATIA BANK'S COMPANIES' EXPENSE	PARENT'S MARFIN POPULAR BANK'S GROUP INCOME									
	MARFIN POPULAR BANK	EGNATIA FINANCIAL SERVICES	LAIKI FACTORS	LAIKI LDN	LAIKI BANK A.D. (SERBIA)	MARINE TRANSPORT BANK	LAIKI INVESTEMENT LTD	LAIKI INSURANCE AGENCIES LTD (CYPRUS)	LAIKI CYPRIALIFE	TOTAL
MARFIN EGNATIA BANK S.A.										
INTEREST EXPENSE – INTERBANKING TRANSACTIONS	6.404			15.672	166	1				**22.243**
INTEREST EXPENSE – ISSUE OF BONDS	11.905									**11.905**
INTEREST EXPENSE – DEPOSITS FROM CUSTOMERS									538	**538**
NET TRADING INCOME - BONDS	1.162									**1.162**
OTHER INTEREST EXPENSE	79									**79**
OTHER EXPENSE								73	2.413	**2.486**
MARFIN BANK (ROMANIA) S.A.										
INTEREST EXPENSE – INTERBANKING TRANSACTIONS	36									**36**
MARFIN FACTORS & FORFAITERS S.A.										
OTHER INTEREST EXPENSE	4									**4**
COMMISSION EXPENSE - COMMERCIAL TRANSACTIONS			3							**3**
OTHER EXPENSE									27	**27**
MARFIN GLOBAL ASSET MANAGEMENT S.A.										
COMMISSION EXPENSE - COMMERCIAL TRANSACTIONS							30			**30**
OTHER EXPENSE									31	**31**
MARFIN LEASING S.A.										
INTEREST EXPENSE – ISSUE OF BONDS	259									**259**
OTHER EXPENSE									23	**23**
INVESTMENT BANK OF GREECE S.A.										
INTEREST EXPENSE – DEPOSITS FROM CUSTOMERS	70									**70**
COMMISSION EXPENSE – STOCK EXCHANGE TRANSACTIONS		25								**25**
MARFIN LIFE INSURANCE S.A.										
OTHER EXPENSE									14	**14**
MARFIN EGNATIA FIN S.A.										
OTHER EXPENSE									55	**55**
MARFIN INSURANCE BROKERS S.A.										
OTHER EXPENSE									8	**8**
TOTAL	**19.919**	**25**	**3**	**15.672**	**166**	**1**	**30**	**73**	**3.109**	**38.998**

TABLE 3

INTERCOMPANY TRANSACTIONS - MARFIN EGNATIA BANK'S GROUP ASSETS FROM PARENT'S GROUP MARFIN POPULAR BANK

Amounts in thousand Euro

	PARENT'S MARFIN POPULAR BANK'S GROUP LIABILITIES								
GROUP OF MARFIN EGNATIA BANK'S COMPANIES' ASSETS	MARFIN POPULAR BANK	LAIKI BANK A.D. (SERBIA)	LAIKI BANK AUSTRALIA	LAIKI UK LONDON	MARINE TRANSPORT BANK	MARFIN LIFE INSURANCE S.A.	MARFIN INSURANCE BROKES S.A.	LAIKI CYPRIALIFE	TOTAL
MARFIN EGNATIA BANK S.A.									
LOANS AND ADVANCES TO BANKS – FOREIGN CORRESPONDENTS	9.677	5	11	375					**10.068**
LOANS AND ADVANCES TO BANKS – INTERBANKING	440.000	5.023		12.215	14.371				**471.609**
TRADING PORTFOLIO – BONDS FROM OTHER FIN.INSTITUTIONS				26.988					**26.988**
INVESTMENT PORTFOLIO –A.F.S.- BONDS FROM OTHER FIN.INSTITUTIONS				154					**154**
OTHER ASSETS – INTEREST RECEIVABLES	810	1		132	390				**1.333**
OTHER ASSETS	146					1.493	2.152		**3.791**
MARFIN BANK (ROMANIA) S.A.									
LOANS AND ADVANCES TO BANKS – FOREIGN CORRESPONDENTS	67								**67**
ΕΠΕΝΔΥΤΙΚΗ ΤΡΑΠΕΖΑ Α.Ε.									
LOANS AND ADVANCES TO BANKS – FOREIGN CORRESPONDENTS	425								**425**
MARFIN GLOBAL ASSET MANAGEMENT S.A.									
LOANS AND ADVANCES TO CUSTOMERS								206	**206**
TOTAL	**451.125**	**5.029**	**11**	**39.864**	**14.761**	**1.493**	**2.152**	**206**	**514.641**

MARFIN EGNATIA BANK

TABLE 4

INTERCOMPANY TRANSACTIONS - MARFIN EGNATIA BANK'S GROUP LIABILITIES TO PARENT'S GROUP MARFIN POPULAR BANK

Amounts in thousand Euro

GROUP OF MARFIN EGNATIA BANK'S COMPANIES' LIABILITIES	PARENT'S MARFIN POPULAR BANK'S GROUP ASSETS											
	MARFIN POPULAR BANK	EGNATIA FINANCIAL SERVICES	LAIKI BANK A.D. (SERBIA)	LAIKI BANK AUSTRALIA	Laiki Brokerage EPEY Ltd (Cyprus)	LAIKI INVESTEMENT LTD	LAIKI UK - LONDON	MARFIN LIFE INSURANCE S.A.	MARFIN INSURANCE BROKERS S.A.	LAIKI INSURANCE LTD	LAIKI CYPRIALIFE	TOTAL
MARFIN EGNATIA BANK S.A.												
DEPOSITS FROM BANKS – SIGHT DEPOSITS	4.437			324			115					**4.876**
DEPOSITS FROM BANKS – INTERBANKING	100.000		22.500				411.567					**534.067**
DEPOSITS FROM CUSTOMERS – SIGHT DEPOSITS		23			239	2		309	765	222	2.828	**4.388**
DEPOSITS FROM CUSTOMERS – TIME DEPOSITS								23.835	1.000		23.176	**48.011**
OTHER LIABILITIES – INTEREST PAYABLES	575		1				245					**821**
OTHER LIABILITIES – CREDITORS								1.272				**1.272**
OTHER LIABILITIES									152			**152**
ISSUED BONDS	200.000											**200.000**
MARFIN BANK (ROMANIA) S.A.												
DEPOSITS FROM BANKS – SIGHT DEPOSITS	4.736											**4.736**
MARFIN GLOBAL ASSET MANAGEMENT S.A.												
OTHER LIABILITIES – CREDITORS						30					13	**43**
MARFIN LEASING S.A.												
DEPOSITS FROM BANKS - LOANS	8.576											**8.576**
OTHER LIABILITIES – CREDITORS											10	**10**
ΕΠΕΝΔΥΤΙΚΗ ΤΡΑΠΕΖΑ Α.Ε.												
OTHER LIABILITIES		14										**14**
OBAFEMI HOLDINGS Ltd												
OTHER LIABILITIES – CREDITORS		10										**10**
MARFIN LIFE INSURANCE S.A.												
OTHER LIABILITIES – CREDITORS											14	**14**
TOTAL	**318.324**	**47**	**22.501**	**324**	**239**	**32**	**411.927**	**25.416**	**1.917**	**222**	**26.041**	**806.990**

TABLE 5

INTERCOMPANY TRANSACTIONS - MARFIN EGNATIA BANK'S INCOME FROM PARENT'S GROUP MARFIN POPULAR BANK

Amounts in thousand Euro

	PARENT'S GROUP MARFIN POPULAR BANK EXPENSE							
MARFIN EGNATIA BANK'S INCOME	MARFIN POPULAR BANK	AS SBM PANK (ESTHONIA)	LAIKI BANK AUSTRALIA	LAIKI LDN	LAIKI BANK A.D. (SERBIA)	MARINE TRANSPORT BANK	LAIKI UK LONDON	ΣΥΝΟΛΟ
INTEREST INCOME – FIXED RATE BONDS							1.026	**1.026**
INTEREST INCOME – INTERBANKING TRANSACTIONS	8.414	548		50	370	428		**9.810**
INTEREST INCOME	622							**622**
COMMISSION INCOME – COMMERCIAL TRANSACTIONS			1					**1**
COMMISSION INCOME – LOANS AND LETTERS OF GUARANTEE	756							**756**
TOTAL	**9.792**	**548**	**1**	**50**	**370**	**428**	**1.026**	**12.215**

TABLE 6

INTERCOMPANY TRANSACTIONS - MARFIN EGNATIA BANK'S EXPENSE TO PARENT'S GROUP MARFIN POPULAR BANK

Amounts in thousand Euro

	PARENT'S GROUP MARFIN POPULAR BANK INCOME						
MARFIN EGNATIA BANK'S EXPENSE	MARFIN POPULAR BANK	LAIKI LDN	LAIKI BANK A.D. (SERBIA)	MARINE TRANSPORT BANK	LAIKI INSURANCE AGENCIES LTD (CYPRUS)	LAIKI CYPRIALIFE	TOTAL
INTEREST EXPENSE – INTERBANKING TRANSACTIONS	6.404	15.672	166	1			**22.243**
INTEREST EXPENSE – ISSUED BONDS	11.905						**11.905**
INTEREST EXPENSE – DEPOSITS FROM CUSTOMERS						538	**538**
NET TRADING INCOME - BONDS	1.162						**1.162**
OTHER INTEREST EXPENSE	79						**79**
OTHER EXPENSE					73	2.413	**2.486**
TOTAL	**19.550**	**15.672**	**166**	**1**	**73**	**2.951**	**38.413**

TABLE 7

INTERCOMPANY TRANSACTIONS - MARFIN EGNATIA BANK'S ASSETS FROM PARENT'S GROUP MARFIN POPULAR BANK

Amounts in thousand Euro

	PARENT'S GROUP MARFIN POPULAR BANK LIABILITIES							
MARFIN EGNATIA BANK'S ASSETS	MARFIN POPULAR BANK	LAIKI BANK A.D. (SERBIA)	LAIKI BANK AUSTRALIA	LAIKI UK - LONDON	MARINE TRANSPORT BANK	MARFIN LIFE INSURANCE S.A.	MARFIN INSURANCE BROKERS S.A.	TOTAL
LOANS AND ADVANCES TO BANKS – FOREIGN CORRESPONDENTS	9.677	5	11	375				**10.068**
LOANS AND ADVANCES TO BANKS – INTERBANKING	440.000	5.023		12.215	14.371			**471.609**
TRADING PORTFOLIO – BONDS FROM OTHER FIN.INSTITUTIONS				26.988				**26.988**
INVESTMENT PORTFOLIO –A.F.S.- BONDS FROM OTHER FIN.INSTITUTIONS				154				**154**
OTHER ASSETS – INTEREST RECEIVABLE	810	1		132	390			**1.333**
OTHER ASSETS	146					1.493	2.152	**3.791**
TOTAL	**450.633**	**5.029**	**11**	**39.864**	**14.761**	**1.493**	**2.152**	**513.943**

TABLE 8

INTERCOMPANY TRANSACTIONS - MARFIN EGNATIA BANK'S LIABILITIES TO PARENT'S GROUP MARFIN POPULAR BANK

Amounts in thousand Euro

MARFIN EGNATIA BANK'S LIABILITIES	PARENT'S GROUP MARFIN POPULAR BANK ASSETS											
	MARFIN POPULAR BANK	EGNATIA FINANCIAL SERVICES	LAIKI BANK A.D. (SERBIA)	LAIKI BANK AUSTRALIA	Laiki Brokerage EPEY Ltd (Cyprus)	LAIKI INVESTEMENT LTD	LAIKI UK - LONDON	MARFIN LIFE INSURANCE S.A.	MARFIN INSURANCE BROKERS S.A.	LAIKI INSURANCE LTD	LAIKI CYPRIALIFE	TOTAL
DEPOSITS FROM BANKS – SIGHT	4.437			324			115					**4.876**
DEPOSITS FROM BANKS – INTERBANKING	100.000		22.500				411.567					**534.067**
DEPOSITS FROM CUSTOMERS - SIGHT		23			239	2		309	765	222	2.828	**4.388**
DEPOSITS FROM CUSTOMERS – TIME								23.835	1.000		23.176	**48.011**
OTHER LIABILITIES – INTEREST PAYABLES	575		1				245					**821**
OTHER LIABILITIES – CREDITORS								1.272				**1.272**
OTHER LIABILITIES								152				**152**
ISSUED BONDS	200.000											**200.000**
TOTAL	**305.012**	**23**	**22.501**	**324**	**239**	**2**	**411.927**	**25.568**	**1.765**	**222**	**26.004**	**793.587**

d) Other related parties transactions

	31 December 2008	31 December 2007
Assets		
Loans and advances to customers	68.240	37.500
Other assets	133	245
Property, plant and equipment	769	1.100
Total assets	**69.142**	**38.845**
Liabilities		
Deposits from customers	14.312	19.359
Total liabilities	**14.312**	**19.359**

Income	1/1 - 31/12/2008	1/1 - 31/12/2007
Interest income	4.259	1.105
Commission income	96	75
Total income	**4.355**	**1.180**
Expense		
Interest expense	795	347
Other operating expense	358	238
Total expense	**1.153**	**585**
Letters of Guarantee and Letters of credit	**114**	**2.602**

EXPLANATORY REPORT ART. 4, LAW 3556/2007

The current explanatory report of the Board of Directors of MARFIN EGNATIA BANK S.A (hereafter "the Bank") is submitted to the Regular General Assembly of its shareholders and is incorporated in the Report of the Board of Directors as in compliance with Article 4 of the Law 3556/2007.

a) Structure of the Company's Share Capital

On 31.12.2008 the Bank's share capital amounted to three hundred and sixty six million, eight hundred and forty six thousand, one hundred and forty nine Euro and seventy two cents (€366.846.149,72), divided into two hundred and eighty eight million eight hundred and fifty five thousand two hundred and thirty six (288.855.236) ordinary nominal shares with voting rights, and nominal value per share of one Euro and twenty seven cents (€ 1, 27).

The course of share capital during the year was as follows:

In compliance with as at 31.12.2008 decision of the BoD of the Bank and following the conversion of two hundred twenty eight thousand five hundred and seventy (228.570) bonds convertible bonds to ordinary nominal shares of the convertible bond loan issued by the Bank following as at 28.6.2001 decision of the A΄ First Recurring and Adjured Extraordinary General Assembly of owners of preference shares and as of the Board's of Directors decisions as of 3.10.2002 and 19.11.2002, within the period of from 2.1.2008 to 5.8.2008, the share capital of the Bank increased by an amount of two hundred ninety million two hundred eighty three thousand and ninety cents (290.283,90 ευρώ) through the issuance of two hundred twenty eight thousand five hundred and seventy (228.570) new ordinary nominal shares of nominal value per share of one Euro and twenty seven cents (1,27 Euro).

It is to be noted that following the aforementioned conversion of bonds into Bank shares, on 31.12.2008 the remaining outstanding (listed on Athens Stock exchange) bonds amount to 72.110 of nominal value per share of 3,20 Euro convertible into 72.110 ordinary nominal shares of the Bank with voting rights.

The Bank's shares are ordinary, nominal and undivided, registered and listed for trading under the Special Stock Exchange Characteristics category in the Athens Stock Exchange, and have been issued in accordance with Law 2190/1920 and the Bank's Articles of Association.

Each share provides privileges prescribed by the Law and the Articles of Association. In particular, every shareholder has privileges over the receipt of a minimum mandatory dividend distributed annually in accordance with the Law and the Articles of Association of the Bank, as well as the decisions of the General Assemblies of the Bank's Shareholders. They are also entitled to return of the capital paid up by holders of shares from the product of the liquidation of the Bank's assets in the event of the Bank being wound up, in accordance with Law provisions and the Articles of Association. Shareholders exercise their privileges in connection with the Bank's Management only visà- vis the General Assembly. Each share grants privileges for a single vote.

The liability of the Shareholders is limited to the nominal value of the shares they hold.

b) Limits on transfer of the Bank's shares

The Bank's shares may be transferred as provided by the law, including Law 3601/2007, while the Articles of Association provide no restrictions in reference to the transfer of shares.

c) Significant direct or indirect participations in the sense of Law 3556/2007

The only shareholder holding as at 31.12.2008 a percentage higher than 5% of the total voting rights of the Bank is the parent company under the title «Marfin Popular Bank Public Co Ltd», which holds 280.194.980 voting rights pertaining to 97,002% of the total.

d) Shares conferring special control rights

None of the Bank's shares carry any special rights of control.

e) Limitations on voting rights

The Articles of Association make no provision for any limitations on voting rights.

f) Agreements among the Bank's shareholders

The Bank is not aware of any agreements among shareholders entailing limitations on the transfer of shares or limitations on voting rights, nor is there any provision in the Articles of Association providing for the possibility of such agreements to occur.

g) Rules governing the appointment and replacement of members of the Board of Directors and the amendment of the Articles of Association

The Bank is managed by the Board of Directors that comprises of at least five (5) members, and not more than fifteen (15) members, who are elected during the General Assembly for a three-year term extendable up to the Annual General Assembly conducted within the year of the term's expiration.

A legal entity can be elected as a member of the Board of Directors. In such a case, this legal entity is under obligation to appoint a natural person in order to exercise the legal entity's authority as a BoD member.

Deputy BoD members can be elected and their number is defined following the corresponding decision of the General Assembly under which they are elected and which is within the abovementioned limits. The above members can replace a member or members of the Board of Directors that have withdrawn from the Board, whose property of members was withdrawn in any other way as defined in the corresponding decision of the General Assembly.

The Members of the Board of Directors are reappointable indefinitely.

Individuals sentenced for theft, misappropriation, usury, profiteering, deception, blackmail, forgery, issue of dud cheques, bribery, bankruptcy, smuggling or attempts of such violations, as well as, individuals which lack political rights, are under inhibition or judicial apprehension, or have declared bankrupt and have not been reinstated, cannot be appointed members of the Board of Directors. Any elected member of the Board of Directors which will find itself in one or more of the aforementioned positions will be discharged of duties.

h) Authority of the Board of Directors or certain of its members to issue new Shares or to purchase the own shares of the Bank

The Articles of Association assign no such authority to the Board of Directors or certain of its members.

i) Significant agreements put in force, amended or terminated in the event of a change in the control of the Bank, following a public offer

The Bank has no agreements which are put in force, amended or terminated in the event of a change in the control of the Bank following a public offer.

j) Significant agreements with members of the Board of Directors or employees of the Bank

The Bank has no significant agreements with members of the Board of Directors or its employees providing for the payment of compensation, especially in the case of resignation or dismissal without good reason or termination of their period in office or employment due to a public offer. Provisions in accordance with legislation apply. The Bank's compensation provisions due to office leaves as at 31.12.2008 amounted to € 11.012 thousand, while € 200 thousand of the total amount related to individuals holding a position as Managing Director or as member of the Board of Directors.

Athens 24 March 2009

The Chairman Of the board of Directors	The Managing Director
Vassilios N. Theocharakis I.D. No AB 340063/06	Konstantinos I.Vasilakopoulos I.D. No M 310696/82

Consolidated Financial Statements for the year ended as at 31st December 2008

INDEPENDENT AUDITORS' REPORT

To the Shareholders of MARFIN EGNATIA BANK S.A.

Report on the Financial Statements

We have audited the accompanying consolidated Financial Statements of MARFIN EGNATIA BANK S.A.. (the Bank) and its subsidiaries (the Group), which comprise the balance sheet as at December 31, 2008, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these Financial Statements in accordance with International Financial Reporting Standards that have been adopted by the European Union. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with the Greek Auditing Standards, which are based on the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the abovementioned consolidated Financial Statements present fairly, in all material respects, the financial position of the Group as of December 31, 2008, and the financial performance and the Cash Flows of the Group for the year then ended in accordance with International Financial Reporting Standards that have been adopted by the European Union.

Report on Other Legal Matters

We verified the agreement and correspondence of the content of the Board of Directors' Report with the abovementioned Financial Statements, in the context of the requirements of Articles 43^{α}, 107 and 37 of Law 2190/1920.

Athens, March 24 th 2009

The Chartered Accountant	The Chartered Accountant
Sotirios Constantinou	**Ioannis Leos**
SOEL Reg. No 13671	SOEL Reg. No 24881

Grant Thornton

44, Vas. Konstantinou Str, 116 35 Athens
SOEL Reg. No 127

Consolidated Income Statement
For the period ended 31 December 2008
(Amounts in thousand Euro)

	Note	2008	2007
Interest and similar income		970.095	684.033
Interest and similar expense		(673.721)	(416.741)
Net interest income	**7**	**296.374**	**267.292**
Fee and commission interest		187.454	258.079
Fee and commission expense		(38.785)	(60.237)
Net fee and commission income	**8**	**148.669**	**197.842**
Dividend income	**9**	4.082	2.056
Net income from financial instruments	**10**	(21.632)	37.957
Other income	**11**	10.529	5.158
Operating income		**438.022**	**510.305**
Impairment of loans and advances	**20**	(93.210)	(59.846)
Staff costs	**12**	(158.156)	(155.867)
Operating expenses	**13**	(110.360)	(87.545)
Depreciation and amortization	**27, 29**	(14.509)	(13.089)
Impairment losses	**14**	(3.302)	(744)
Share on profit from associates		259	193
Profit / (Loss) before tax		**58.744**	**193.407**
Income tax	**15**	(19.664)	(54.245)
Profit / (Loss) after taxes from continuing operations		**39.080**	**139.162**
Net Profit after tax from discontinued operations	**16**	3.836	2.184
Profit / (Loss) after taxes		**42.916**	**141.346**
Distributed to:			
Shareholders of the company		38.635	135.086
Minority Interest		4.281	6.260
Net Profit per share	**17**		
From continuing and discontinued operations			
Basic (euro per share)		0,1338	0,4751
Diluted(euro per share)		0,1339	0,4748
From continuing operations			
Basic (euro per share)		0,1205	0,4674
Diluted(euro per share)		0,1206	0,4671

The notes presented in pages 40 to 116 constitute an integral part of the consolidated financial statements as at 31 December 2008.

Consolidated Balance Sheet
31 December 2008
(Amounts in thousand Euro)

ASSETS	**Note**	**2008**	**2007**
Cash and balances in Central Bank	**18**	1.483.754	585.464
Loans and advances to Banks	**19**	1.210.235	1.933.596
Loans and advances to customers (net of impairment)	**20**	13.003.410	9.648.283
Derivative financial instruments – assets	**21**	83.485	10.935
Financial instruments at fair value through profit and loss	**22**	180.924	340.274
Available for sale financial instruments	**23**	1.643.289	588.543
Held to maturity investments	**24**	515.331	91.826
Debt securities	**25**	622.616	-
Investment in associates	**26**	2.202	1.988
Property, plant and equipment	**27**	81.805	90.209
Investment properties	**28**	33.512	31.856
Intangible assets	**29**	65.607	62.181
Deferred tax asset	**30**	82.818	34.141
Reinsurance assets		-	628
Other assets	**31**	393.608	295.037
TOTAL ASSETS		**19.402.596**	**13.714.961**
EQUITY AND LIABILITIES			
Share capital	**32**	366.846	366.556
Share premium	**32**	327.699	327.261
Other Reserves	**33**	(88.465)	(4.412)
Retained earnings		154.305	123.092
Capital and reserves attributable to equity holders (a)		**760.385**	**812.497**
Minority Interest (b)		20.162	15.868
Total Equity (c) = (a) + (b)		**780.547**	**828.365**
Deposits from banks	**34**	5.603.626	2.415.322
Deposits from customers	**35**	11.731.448	9.300.747
Derivative financial instruments – liabilities	**21**	251.944	33.869
Other borrowed funds	**36**	630.231	530.803
Employee benefits	**37**	12.319	11.317
Other provisions	**38**	9.862	16.128
Income tax		33.371	41.567
Deferred tax liability	**30**	22.349	17.023
Insurance contract liabilities		-	18.557
Other liabilities	**39**	326.899	501.263
Total Liabilites (d)		**18.622.049**	**12.886.596**
TOTAL EQUITY AND LIABILITIES (c) + (d)		**19.402.596**	**13.714.961**

The notes presented in pages 40 to 116 constitute an integral part of the consolidated financial statements as at 31 December 2008.

Consolidated Statement of Changes in Equity
For the period ended 31 December 2008
(Amounts in thousand Euro)

	Share Capital	Share Premium	Reserves	Investment Valuation Differences	Retained earnings	Net Equity of Shareholders of the Company	Minority Interest	Total Net Equity
Balance 01 January 2007	**353.520**	**312.125**	**38.037**	**(3.505)**	**8.287**	**708.464**	**21.002**	**729.466**
Revaluation of available for sale portfolio				(73.452)		(73.452)	109	(73.343)
Deffered tax from revaluation of available for sale portfolio				18.768		18.768	(27)	18.741
Reserves for foreign exchange currency			(828)			(828)	(12)	(840)
Results for the period					135.086	135.086	6.260	141.346
Total income and expense recognised in 2007			**(828)**	**(54.684)**	**135.086**	**79.574**	**6.330**	**85.904**
Share capital increase through transformation of bonds	13.036	15.136				28.172		28.172
Dividends for the financial year ended in 2006					(4.664)	(4.664)	(1.323)	(5.987)
Formation of reserves			9.033		(9.033)			
Reserves for the stock option plan			1.599			1.599	31	1.630
Impact through Percentage of participation in subsidiaries and other movements			5.965	(29)	(6.584)	(648)	(10.172)	(10.820)
Balance 31 December 2007	**366.556**	**327.261**	**53.806**	**(58.218)**	**123.092**	**812.497**	**15.868**	**828.365**

Consolidated Statement of Changes in Equity
For the period ended 31 December 2008
(Amounts in thousand Euro)

Balance 01 January 2008	**366.556**	**327.261**	**53.806**	**(58.218)**	**123.092**	**812.497**	**15.868**	**828.365**
Revaluation of available for sale portfolio				(114.250)		(114.250)	(23)	(114.273)
Deffered tax from revaluation of avaliable for sale portfolio				26.639		26.639	4	26.643
Reserves for foreign exchange currency			(5.374)			(5.374)	(119)	(5.493)
Results for the period					38.635	38.635	4.281	42.916
Total income and expense recognised in 2008			**(5.374)**	**(87.611)**	**38.635**	**(54.350)**	**4143**	**(50.207)**
Share capital increase through transformation of bonds	290	438				728	0	728
Dividends for the financial year ended in 2008							(9)	(9)
Formation of reserves			11.462		(11.462)			
Movements of reserves			(3.623)		3.623			
Reserves for the stock option plan			1.821			1.821	36	1.857
Impact through Percentage of participation in subsidiaries and other movements			(728)		417	(311)	124	(187)
Balance 31 December 2008	**366.846**	**327.699**	**57.364**	**(145.829)**	**154.305**	**760.385**	**20.162**	**780.547**

In balance 01 January 2007 and in balance 01 January 2008, amounts of (174) thousand euro and (1002) thousand euro, concerning reserves for foreign exchange currency, were reclassified from Retained Earnings to Reserves.

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The notes presented in pages 40 to 116 constitute an integral part of the consolidated financial statements as at 31 December 2008.

MARFIN EGNATIA BANK

Consolidated Cash Flow Statement
For the period ended 31 December 2008
(Amounts in thousand Euro)

	2008	2007
Cash flows from operating activities		
Profit/Loss before tax	58.744	193.407
Adjustments for non-cash items		
Depreciation	14.509	13.089
Loans impairment	93.210	59.846
Other provisions	13.037	23.583
Employee benefits	1.576	1.887
Trading portfolio valuation	35.429	(1.149)
Transfer to investing activities	(122.922)	(37.752)
Transfer to financing activities	32.273	14.705
	125.856	**267.616**
Net changes in operating assets		
Loans and advances to banks	(479.544)	(82.999)
Trading securities and derivatives	86.799	(62.356)
Loans and advances to customers	(3.448.336)	(3.431.669)
Other assets	(96.791)	(192.494)
Net changes in operating liabilities		
Deposits from Banks	3.188.304	1.652.549
Deposits from customers	2.430.701	2.114.792
Other liabilities	185.734	316.312
Net cash flows from Operating Activities before tax	**1.992.723**	**581.751**
Income tax paid	(51.904)	(33.060)
Net Cash Flows from Operating Activities	**1.940.819**	**548.691**
Cash Flows from Investing Activities		
Sale / disposal of subsidiaries-associates and their cash and cash equivalents	-	(8.508)
Net (increase) decrease in investments	(2.217.919)	(246.819)
Dividends received	1.543	176
Purchase of assets	(31.798)	(30.149)
Sale of assets	24.010	7.255
Investment portfolio interests received	107.769	35.860
Other flows from investing activities	6.882	1.257
Net Cash Flows from Investing Activities	**(2.109.513)**	**(240.928)**
Cash flows from Financing Activities		
Dividends distributed	(9)	(5.342)
Issue (payment) of debts	(132.057)	236.205
Other flows from Financing Activities	-	(7)
Net Cash Flows from Financing Activities	**(132.066)**	**230.856**
Total Net Cash Flows	**(300.760)**	**538.619**
Impact of foreign exchange differences on Cash and Cash equivalents	(6.262)	(29)
Net cash flow increase (decrease) from continuing operations	**(307.022)**	**538.590**
Net cash flow from discontinued operating activities	4.176	20.898
Net cash flow from discontinued investing activities	(1.768)	(16.310)
Net cash flow from discontinued financing activities	-	-
Net cash flow increase (decrease) from discontinued operations	**2.408**	**4.588**
Cash and cash equivalents, opening	**2.436.061**	**1.892.883**
Cash and cash equivalents, closing	**2.131.447**	**2.436.061**
Cash and cash equivalents consist of:		
Cash and balances in Central Bank	1.102.762	585.464
Due from Banks	1.028.685	1.850.597
	2.131.447	**2.436.061**

The notes presented in pages 40 to 116 constitute an integral part of the consolidated financial statements as at 31 December 2008.

General information on the Group

«MARFIN EGNATIA BANK S.A.» (herein after «the Bank»), with its registered office in Greece, whose shares are traded in Athens Stock Exchange, operates as a Societe Anonyme Bank in compliance with Greek legislation, and in particular with the requirements of Company Law 2190/1920 as this is due, the requirements of the Law 3601/2007 on credit institutions as well as the requirements of other similar legislations.

The Group of companies of Marfin Egnatia Bank, "the Group", operates mainly in the financial sector and provides a broad range of financial and banking services to individuals and businesses.

The Group's primary activities are in Greece, but it also has subsidiaries that operate in Romania and Cyprus. The Group employs a total of 3.602 persons (31/12/2007: 3.256).
The Bank, (S.A. Records N. 6072/06/B/86/11), which is the group's parent company, arose following the merger of: α) MARFIN BANK S.A. (R. No. 6079/06/B/86/18) and b) LAIKI BANK (Hellas) S.A. (R. No. 27084/06/B/92/16) with EGNATIA BANK S.A. in accordance with the decision K2 – 9985/29.06.2007 of the Ministry of Development. Furthermore, in accordance with the aforementioned decision of the Ministry of Development, there was also approved the modification of Article 1 of the Bank's Charter of Incorporation in compliance with which the name and the discreet title of the Bank were changed into **«MARFIN EGNATIA BANK S.A.»**, under the discreet title **«MARFIN ΕΓΝΑΤΙΑ ΤΡΑΠΕΖΑ»** and **«MARFIN EGNATIA BANK».**

The corporate registered office of the Bank is in Municipality of Thessalonica and, in particular, at 4 Danaidon Str.

The objective of the Bank, in accordance with Article 3 of its Charter of Incorporation is to operate in Greece or abroad and provide recognized or by the law assigned to Banks services, on its behalf or on behalf of third parties.

The consolidated Financial Statements of the Bank are included in the consolidated Financial Statements of Marfin Popular Bank Public Company Ltd, Lemesou Avenue 154, PC. 22032,1598 Nicosia, Cyprus under full consolidation method. Marfin Popular Bank participates in the share capital of the company at an interest of 97,002%.

Group's structure

The consolidated financial statements of the Group also include the following companies:

Under full consolidation method:

			31/12/2008			31/12/2007			
	Name	Country of incorporation	% Direct Participation	% indirect Participation	% Total Participation	% Direct Participation	% indirect Participation	% Total Participation	Tax non-inspected years
1.	Marfin Egnatia Bank S.A. (1)	Greece	-	-	-	-	-	-	2005 – 2008
2.	Marfin Bank Romania S.A. (2)	Romania	98,98%	-	98,98%	98,98%	-	98,98%	-
3.	Marfin Leasing IFN Romania S.A. (3)	Romania	99,00%	-	99,00%	99,00%	-	99,00%	-
4.	Marfin Leasing S.A.	Greece	100,00%	-	100,00%	100,00%	-	100,00%	2005 - 2008
5.	Dynamic Asset Operating Leases S.A. (4)	Greece	-	100%	100%	-	-	-	-
6.	Marfin Egnatia Fin S.A.	Greece	99,00%	-	99,00%	99,00%	-	99,00%	2007 - 2008

7.	EUROCAMBIO Foreign Exchange S.A. (5)	Greece	-	-	-	90,29%	-	90,29%	-
8.	Marfin Insurance BrokersS.A. (10)	Greece	-	-	-	100,00%	-	100,00%	2007
9.	Egnatia Finance PLC	United Kingdom / London	99,998%	0,002%	100,00%	99,998%	0,002%	100,00%	-
10.	Marfin Travel Ltd (6)	Greece	-	99,00%	99,00%	-	99,00%	99,00%	2007 - 2008
11.	Obafemi Holdings LTD	Cyprus	100,00%	-	100,00%	100,00%	-	100,00%	-
12.	Egnatia Properties SRL	Romania	-	100,00%	100,00%	-	100,00%	100,00%	-
13.	Investment Bank of Greece (7)	Greece	92,19%	-	92,19%	92,04%	-	92,04%	2007
14.	Marfin Capital Partners Ltd .(8)	United Kingdom / London	70,00%	-	70,00%	70,00%	-	70,00%	-
15.	Marfin Capital Partners (Cyprus) Ltd .(9)	Cyprus	-	70%	70%	-	-	-	-
16.	Marfin Global Asset Management S.A.	Greek	94,5148%	4,0568%	98,5716%	94,5148%	4,0504%	98,5652%	2007 - 2008
17.	IBG Investments A.E.	British Virgin Island	-	92,19%	92,19%	-	92,04%	92,04%	-
18.	IBG Mutual Funds Management S.A.	Greece	-	92,19%	92,19%	-	92,04%	92,04%	2007 – 2008
19.	Marfin Securities (Cyprus) Ltd	Cyprus	-	92,19%	92,19%	-	92,04%	92,04%	-
20.	IBG Capital S.A.	Greece	-	92,18%	92,18%	-	92,03%	92,03%	2007 – 2008
21.	Marfin Life insurance S.A.. (10)	Greece	-	-	-	100,00%	-	100,00%	2007
22.	Laiki ATTALOS S.A. (7)	Greece	-	-	-	97,51%	-	97,51%	
23.	Marfin Factors & Forfaiters S.A.	Greece	100,00%	-	100,00%	100,00%	-	100,00%	2007 – 2008

(1) Pertains only to the absorbing bank «Egnatia Bank S.A.» The absorbed Marfin Bank and Laiki Bank (Greece) have been tax inspected as till 2006.

(2) On 15/05/2008, the subsidiary was renamed from Egnatia Bank Romania S.A. to Marfin Bank Romania S.A.

In June 2008, the share capital of the company increased by 20.000 thousand Euro. The increase was covered per participating interest in its share capital by Marfin Egnatia Bank S.A. by 98,98% equaling 19.797 thousand Euro. Out of this amount, an amount of 5.797 thousand Euro was deposited in cash, while the amount of 14.000 thousand Euro – through conversion of subordinate debt bonds.

(3) On 20/06/2008, the subsidiary was renamed from Egnatia Leasing Romania S.A. to Marfin Leasing IFN Romania S.A.

(4) The company was established on 27/07/2008, and constitutes by 100% a subsidiary of Marfin Financial Leases S.A. with the share capital of 60 thousand Euro. It is first included in consolidation as at 30/09/2008.

(5) The company Eurocambio is not included in the consolidation as at 31/12/2008 due to its liquidation as at 31/12/2008. It was not included in the consolidation as at 30/09/2008 and neither through the corresponding period of 31/12/2007.

(6) On 11/02/2008, the subsidiary was renamed from Egnatia Bank Travel Ltd to Marfin Travel Ltd.

(7) The company arose following the merger of «Investment Bank of Greece S.A.» and «Laiki ATTALOS S.A.» with the absorption of the latter by the former.
The extraordinary General Assemblies of the shareholders of "Investment Bank of Greece S.A.» and «Laiki ATTALOS S.A.» as at 5/9/2008, unanimously decided on the merger through the absorption by "Investment Bank of Greece S.A.» of «Laiki ATTALOS S.A.» as in compliance with Articles 68 par. 2 and 69-77α of the Law 2190/1920, Article 16 of the Law 2515/1997, Articles 1-5 of the Law 2166/1993, as they are currently effective as well as the commercial legislation in compliance with Merger Agreement Plan as at 06.06.2008.
On 28/11/2008, there was recorded in the Societe Anonyme Registry under Num. K2 - 14014/28-11-2008 the decision of the Ministry of Development according to which there was approved the merger of the societe anonyme under the title «Investment Bank of Greece S.A.» under SA Reg. Num 45090/06/B/00/4 following the absorption of the societe anonyme under the title «Laiki ATTALOS S.A.» under SA Reg. Num 23395/06/B/91, according to the requirements of Articles 68, par. 2, 69 to 77α of the Law 2190/20 as it is currently effective in tandem with the requirements of Article 16 of the Law 2515/1997 as it has been amended and is currently effective and Articles 1-5 of the Law 2166/1993 as they are currently effective, as at 5/9/2008 decisions of Extraordinary General Assemblies of the shareholders of the above companies and according to 10489/11-11-2008 Act of the Notary of Piraeus Stefanos Kon. Vasilakis.
The share capital of «Investment Bank of Greece S.A.» was totally increased by an amount of three million five thousand four hundred and forty (3.005.440) Euro, which corresponds to the total of the absorbed company share capital. Following the finalization of the merger, the share capital of the Bank amounted to one hundred ten million four hundred twenty seven thousand and twenty seven Euro (110.427.027) and is divided into three million seven hundred sixty two thousand and four hundred twenty (3.762.420) nominal shares of per share nominal value of twenty nine Euro and thirty five cents (29,35 Euro).
The exchange balance was shaped as at 1,001191406250 shares for every 1 share of «Laiki ATTALOS S.A.» and 0,99996666849 shares for every 1 share of «Investment Bank of Greece S.A.»
Following the merger and share exchange, the interest of «Marfin Egnatia Bank S.A.» in the share capital of «Investment Bank S.A.» increased from 92,04% to 92,19%. Consequently, there was an analogous increase in indirect participation in the companies of the Group (Marfin GAM SA, Marfin Securities Cyprus, IBG Capital SA, IBG Mutual Funds Management SA, IBG Investment S.A.).

(8) On 07/05/2008 the subsidiary was renamed from MFG Capital Partners Ltd to Marfin Capital Partners Ltd.

(9) The company was established on 27/08/2008, and is by 100% a subsidiary of Marfin Capital Partners Ltd with the share capital of 200 thousand Euro. It was first included in the consolidation as at 30/09/2008.

(10) On 22 July 2008, the parent Bank Marfin Popular Bank, and CNP Assurance signed a long term collaboration agreement aimed at development of insurance and pension scheme projects through the bank networks of the Group in Greece and Cyprus, foreseeing the expansion of the collaboration in other countries following the international expansion of the Group to South Eastern Europe. As in compliance with the terms of the agreement, CNP Assurance will acquire 50,1% of insurance projects of the Group and will hold control of these companies.
Within the frame of the aforementioned agreement, the Bank, as in compliance with the decision of the Extraordinary General Assembly as at 26/08/2008, decided on the disposal of its 100% subsidiaries Marfin Life Insurance S.A. and Marfin Insurance Brokers S.A. to the

newly established company Marfin Insurance Holdings Ltd headquarted in Nicosis, Cyprus, a subsidiary of Marfin Popular Bank Ltd.
On 8/12/2008, the companies Marfin Life Insurance S.A. and Marfin Insurance Brokers S.A sold. See the corresponding Note 16.

Under Equity method :

			31/12/2008			31/12/2007		
	Name	Country of incorporation	% Direct Participation	% indirect Participation	% Total Participation	% Direct Participation	% indirect Participation	% Total Participation
1.	ARIS Capital Management	U.S.A.	30,00%	-	30,00%	30,00%	-	30,00%

Management

The Board of Directors at its meeting on 29/02/2008 reorganized its body as follows:

The Chairman (Non executive member):	Vassilios N. Theocharakis
The Vice Chairman (Non executive member) :	Alexandros K. Mpakatselos
The Managing Director (Executive member) :	Konstantinos I. Vasilakopoulos
Executive members:	Andreas E. Vgenopoulos
	Efthimios T. Bouloutas
	Androniki. D. Plakomichelaki
	Fotios D. Karatzenis
Non-executive members:	Panagiotis I. Theocharakis
	Despina V. Theocharaki
Non executive independent members:	Panagiotis K. Throuvalas
	Markos A. Foros

The auditors of the annual financial statements are as follows:

Regular:	Sotiris A. Constantinou	(SOELReg.No.13671)
	Ioannis G. Leos	(SOELReg.No.24881)
Deputy:	Vassilis K. Kazas	(SOELReg.No.13281)
Of the auditing firm:	Grant Thornton S.A.	(SOELReg.No. 127)

Basis of preparation

2.1 Compliance

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (I.F.R.S), as these have been adopted by the European Union, including all amendments issued by the International Accounting and Auditing Board (I.A.S.B.).

The current consolidated financial statements were approved by the Board of Directors on

March 24, 2009 and are subject to final approval by the General Assembly of the Shareholders.

2.2. Basis of presentation

The consolidated financial statements are prepared in thousand Euro which is the reporting currency and are rounded to the nearest thousand. The consolidated financial statements are prepared on historic cost basis except for:

- Revaluations of available-for-sale securities,
- Revaluations of assets and liabilities classified as items at fair value through profit and loss,
- Revaluations of derivative financial instruments and
- Revaluations of investment property.

2.3 Adoption of new accounting principles

The current financial statements have been prepared in accordance with the International Financial Reporting Standards (I.F.R.S.) and all amendments which have been adopted by the European Union and are effective as at January 1st, 2008 for the preparation of financial statements.

Te accounting principles followed by the Group for the preparation of its annual Financial Statements as at 31/12/2008, are similar to those described in the publicized financial statements for the year ended as at 31/12/2007, taking into account the following amendments to International Accounting Standards and new Interpretations issued by IASB whose application is mandatory as starting from 1/1/2008.

i) Standards, amendments and interpretations effective from January 1st 2008

As at the date of approval of consolidated financial statement, the following standards and interpretations were issued:

(a) Amendments to IAS 39 and IFRS 7 – Reclassification of Financial Assets

The amendments to IAS 39 make provisions, in some cases, for reclassifications from the category of investments held for sale to other categories of non derivative financial assets as well as reclassification of financial assets from the category of available for sale to loans and receivables. The amendments to IFRS 7 require additional disclosures in the financial statements of entities that apply the aforementioned amendments to IAS 39. The Group made use of amendments to International Accounting Standard (IAS) 39 and to International Financial Reporting Standard (IFRS) 7, issued in October 2008 and effective as from 01/07/2008. The effects of the application of the above amendments are presented in Note 25.

(b) IFRIC 12, "Service concession arrangements"

IFRIC 12 provides guidance on the accounting by operators for public-to-private service concession arrangements, where the “grantor” is a public sector entity and the “operator” is a private sector entity in case the services in question include using the infrastructure by the operator (a private sector entity). This interpretation has no application to the Group's activities.

(c) IFIRC 14: " IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction"

IFRIC 14 pertains to a limited number of retirements defined benefit plans and minimum funding requirements. This interpretation has no application to Group benefit plans.

ii) New standards, amendments and interpretations that are not yet effective and have not been early adopted by the Group

At the approval date of the consolidated financial statements the following standards, amendments and interpretations were issued and were endorsed by the European Union but have no effect for the current financial statements:

(a) IFRS 8, "Operating segments" (effective from January 1st, 2009).
IFRS 8 replaces IAS 14 "Segment Reporting". The new IFRS requires a "management approach" to the Group's presentation of financial information under segment reporting. Information disclosed is basically information that the Management uses for internal reporting so as to assess the productivity of segments, as well as the manner in which resources are allocated. Such reporting might differentiate from information used during the preparation of the balance sheet and the income statement. Furtheremore, the standard requires that explanatory notes on the basis of preparation of segment reporting, as well as traces to entries in financial statements should also be disclosed.

(b) IFRIC 13, "Customer Loyalty Programmes (effective for annual accounting periods beginning on or after July 1st, 2008)"
IFRIC 13 is applied on customer loyalty programmes. This Interpretation addresses the accounting by entities that provide their customers with incentives to buy goods or services by providing awards (called 'award credits' in the Interpretation) as part of a sales transaction. IFRIC 13 is applicable to annual periods beginning on or after 1 July 2008. This interpretation is applicable to credit card cutomer loyalty programmes, nevertheless, its adoption will not have a significant impact on the Group's financial position.

(c) IAS 23: (Revised 2007) "Borrowing Costs" (effective from January 1st, 2009):
The revised IAS 23 removes the option of immediately expensing borrowing costs directly attributable to the acquisition, construction, or production of a qualifying asset as part of the cost of that asset. The adoption of the revised IAS will have no significant impact on the Group's financial statements.

(d) IAS 1: "Presentation of Financial Statements" – revised 2007 (effective from January 1st, 2009):
The fundamental change in IAS 1 is concerned with the segregation of the presentation of owner changes in equity in those which are due to transanctions with owners and because of their capacity as owners (e.g. dividents, capital increase), from those which are due to other changes in equity (e.g. reserves). The revision of the Standard produces changes in both the terminology and the presentation of financial statements.
However, the new terms do not affect the rules of recognition, measurment and disclosure of equity transanctions and all other events which are required by other standards. The adoption of the revised standard is expected to transform the structure and description in the

presentation of financial statements without, however, causing any alternations to the financial position of an entity.

(e) IFRS 3: "Business Combinations" – Revised 2007 and subsequent amendments in IAS 27, 28 and 31 (effective the first annual reporting period beginning on or after July 1st, 2009):

The revised standard introduces significant amendments for the application of the acquisition method for business combinations. Among other changes the standard introduces the possibility of minority interests being measured at fair value. Furthermore, the revised standard requires that the acquirer of a subsidiary recognizes the assets acquired and liabilities assumed as a transanction with owners of the business and any difference should be recognized in equity. The revised IFRS 3 applies for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after July 1st, 2009, while no consolidation adjustments are required for the period before the revised standard will become effective. Thus, the adoption of the revised standards will have no significant impact on the Group's financial statements.

(f) IFRS 2: "Share-based Payment" – Amendment 2008: Vesting Conditions and Cancellations (effective from January 1st, 2009)

This amendement clarifies that only service conditions and performance conditions are vesting conditions, while all other features need to be included in the grant date fair value. The Group is currently assessing the implications from the adoption of the aforementioned amendment.

(g) IAS 32 Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements – Amendment 2008: Puttable Financial Instruments and Obligations Arising on Liquidation (effective from January 1st, 2009)

These amendments address the classifications of some puttable financial instruments as well as instruments or their components that impose to the entity an obligation to deliver to another party a *pro rata* share of the net assets of the entity only on liquidation. The above mentioned amendments are not applicable at present for Group activities.

(h) IAS 39 Revision: Eligible Hedged Items (effective from July 1st, 2009):

The amendment to IAS 39 provides guidance on the particular cases in which a hedged risk or segment of cash flows can constitute eligible hedged items in a hedging relationship. The application of the amendment is not expected to affect the Group's financial statements.

(i)IFRIC 15 Agreements for the Constriction of Real Estate (effective from January 1st, 2009)

IFRIC 15 provides guidance on whether agreements for construction of real estate are within the scope of IAS 11 or IAS 18 as well as when the income arising from agreements for construction of real estate shall be recognized. The Interpretation is not applicable to the Group activities.

(g) IFRIC 16: Hedges on a Net Investment in a Foreign Operation (effective for annual periods commencing on or after 1st October 2008)

The Interpretation provides guidance on the nature of hedged risks and the amount recognized in the hedged item for which hedged relationship has been defined as well as which amounts shall be reclassified from the equity to the income statements for both the hedging instrument and the hedged item. The current Interpretation is applied only to net investments in foreign operations while it does not apply to other types of hedges such as, for instance, fair value or cash flows hedges. So far, the Interpretation is not applicable to the Group activities.

(k) IFRIC 17. Distribution of Non-Cash Assets to Owners (effective for annual periods commencing on or after 1st July 2009)

When an entity announces distribution of non-cash assets to owners, it shall recognize a liability for the distributed dividends. The Interpretation provides guidelines pertaining to when an entity shall recognize dividends payable, hoe they shall be measured and how it shall account for the difference between the carrying amount of distributed assets and the carrying amount of the dividends paid in case the entity settles dividends payment.

(l) IFRIC 18. Transfers of Assets from Customers (effective for annual periods commencing on or after 1st July 2009)

IFRIC 18 is aimed at clarifying the requirements of IFRSs pertaining to agreements under which an entity receives from a client a segment of fixed assets (land plots, building facilities or equipment that the entity shall use either when a client constitutes a part of a network or a client shall obtain constant access to provision of goods or services (such as, for instance, provision of electricity or water). The IFRIC is applied mainly to utility entities and is not applicable to the Group activities.

(m) Annual Improvements 2008

Within the frame of annual improvements to IFRSs, in May 2008, the IASB issued limited amendments to a number of IAS and IFRS. The majority of the above amendments are effective from 1 January 2009 or subsequently. The improvements are divided into two parts: Part I includes amendments leading to changes in accountancy and Part II pertains to changes in terminology or publication amendments. There are separate transitional requirements for every Standard. The above amendments are not expected to have material effect on the Group's Financial Statements.

(n) IFRS 7 (Amendment 2009): Improvements to Disclosures of Financial Instruments (effective from January 1st, 2009)

The revision of IFRS provides additional and improved disclosures pertaining to fair value of financial instruments and liquidity risk. One of the expected changes brought by the standard to the Group's operations is the introduction of hierarchy of three levels for fair value definition. Other changes involve a requirement for disclosure of changes to depreciation methods and additional information pertaining to the third level including sensitivity analysis.

2.4 Estimates

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Group's accounting policies. Such policies might affect the balances of Assets and Liabilities, as well as Income and Expense. Actual results might differ from assessments.

Judgments and similar affairs are based on past experience and other factors that are considered reasonable in current circumstances. The outcome of all the above mentioned factors constitutes the basis for decision making on accounting values in assets and liabilities which cannot be tracable otherwise.

Such judgments and assessments are in a constant revision process. Divergence from accounting estimates affects only the revision period and future period if the revision is aimed at present and future accounting periods.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

2.5 Consolidation

Subsidiaries

Subsidiaries are all entities over which the Group, directly or indirectly, has the power to govern the financing and operating policies. Usually in these entities there is a shareholding of more than 50% of the voting rights.
Subsidiaries are consolidated under full consolidation method from the date of acquisition, which is, the date on which control is transferred to the Group and cease to be consolidated from the date on which control ceases. The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of an asset given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired, liabilities and contigent liabilities, assumed during a business combination, are measured initially at fair value on the acquisition date, irrespective of the extent of any minority interest.
The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets of the subsidiary acquired is recorded as goodwill. When the cost of the subsidiary is less than the fair value of the net assets of the subsidiary acquired, then the difference is recognized directly in the consolidated income statement. Goodwill is annually tested for impairment, and the difference between its book and its recoverable value is recognized as impairment loss in the period's results.
Intercompany transactions, balances, and unrealized gains on transanctions between group companies are eliminated on consolidation. Unrealized losses are also eliminated but considered an impairment indicator of the asset transferred. Where necessary, the accounting policies of the subsidiaries have been modified to ensure consistency with those adopted by the Group.

Transactions with minority interests

The Group treats transactions with minority interests as transactions with parties external to the Group. Disposals to minority rights result in gains and losses for the Group that are recorded in the consolidated income statement. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary.

Associates

Associates are all entities over which the Group has significant influence but not control.
Usually, in these entities the Group has a shareholding between 20% and 50% of voting rights. Investments in associates are initially recognized at cost and are then accounted for using the equity method of accounting.

The Group's investments in associates include goodwill identified on acquisition, net of any impairment loss. The Group's share of post-acquisition profits or losses of associates is recognized in the income statement and its share of post-acquisition movements in reserves is recognized in reserves. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, then it does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the assets transferred. Where necessary, the accounting policies of associates have been modified to ensure consistency with those adopted by the Group.

3. Basic Accounting Policies

The basic accounting principles that were adopted for the preparation of financial statements are as follows:

3.1 Foreign currency transactions

(a) Foreign currency transactions

Transactions in foreign currencies are translated to euro the reporting currency at the foreign exchange rate ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies, at the balance sheet date are translated to euro at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognized in the income statement.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated to euro using the exchange rate at the date of the transaction. Nonmonetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to euro at foreign exchange rates ruling at the dates the fair value was determined.

(b) Financial Assets of Subsidiaries

Assets and liabilities including the Goodwill and fair value adjustments on the entities of foreign country are translated to Euro, using the exchange rates ruling at the balance sheet date.

Income and expenses of subsidiaries, none of which has the currency of a hyperinflationary economy, are translated to Euro according to the exchange rates ruling at the dates of the transactions. Any foreign exchange differences are transferred directly to equity.

3.2 Investments in Financial Instruments

(a) Classification

Financial Instruments at fair value through profit or loss. This category has two sub categories: financial assets held for trading and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. These include derivative contracts that are not designated and effective hedging instruments.

Loans and receivables are loans and receivables created by the Group providing money to a debtor other than those created with the intention of short-term profit taking.

Held-to-maturity assets are financial assets with fixed or determinable payments and fixed maturity that the Group has the intent and ability to hold to maturity. These include certain purchased loans and advances to banks and customers, and certain debt investments.

Available-for-sale assets are financial assets that are not held for trading purposes, loans and receivables, or held to maturity. Available-for-sale include certain debt and equity investments.

(b) Recording

The Group recognizes financial assets held for trading, available-for-sale and held-to maturity on the date it commits to purchase the assets. From this date any gains and losses arising from changes in fair value of the assets are recognized. Loans and receivables are recognized when cash is advanced to the borrowers.

(c) Measurement

Financial instruments are measured initially at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss.

Subsequent to initial recognition all trading instruments and all available-for-sale assets are measured at fair value, except that any instrument that does not have a quoted market price in an active market and whose fair value cannot be reliably measured is started at cost, including transaction costs, less impairment losses.

All non-trading financial liabilities, loans and receivables and held-to-maturity assets are measured at amortized cost less impairment losses. Amortized cost is calculated on the effective interest rate method. Premiums and discounts, including initial transaction costs, are included in the carrying amount of the related instrument and amortized based on the effective interest rate of the instrument.

(d) Fair value measurement

The fair value of financial instruments is based on their quoted market price at the balance sheet date without any deduction for transaction costs. If a quoted market price is not available, the fair value of the instrument is estimated using valuation models or discounted cash flow techniques.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimate and the discount rate is a market related rate at the balance sheet date for an instrument with similar terms and conditions. Where valuation models are used, inputs are based on market related prices at the balance sheet date.

The fair value of derivatives that are not exchange-traded is estimated as the amount that the Group would receive or pay to terminate (dissolve) the contract at the balance sheet date taking into account current market conditions and current creditworthiness (credit capability) of the counter-parties.

(e) Gains and losses on subsequent measurement

Gains and losses arising from a change in the fair value of available-for-sale assets are recognized directly in equity. When the financial assets are sold, collected or otherwise disposed of the cumulative gain or loss recognized in equity is transferred to the income statement.

Gains and losses arising from a change in the fair value of instruments at fair value through profit or loss are recognized in the income statement.

f) Derecognition

A financial instrument is derecognized when the Group loses control on contractual rights that comprise the financial instrument. This occurs when the rights are realized, expire or are surrendered. A financial liability is derecognized when it is settled.

3.3 Hedge accounting

Where there is a hedging relationship between a derivative instrument and a related item being hedged, the hedging instrument is measured at fair value. The treatment of any resultant gains and losses is set out below:

A hedging relationship exists where:

- at the inception of the hedge there is formal documentation of the hedge;
- the hedge is expected to be highly effective,
- the effectiveness of the hedge can be reliably measured,
- the hedge is highly effective throughout the reporting period; and
- for hedges of a forecasted transaction, the transaction is highly probable and presents an exposure to variations in cash flows that could ultimately affect net profit or loss.

The fair value of derivative hedging instruments is calculated in the same way as the fair value of trading instruments (see accounting principle 3.2d)

When a derivative financial instrument hedges the exposures to changes in the fair value of a recognized asset or liability, the hedged item is at fair value in respect of the risk being hedged. Gains and losses on remeasurement of both the hedging instrument and the hedged items are recognized in the income statement. These amounts are included in gains less losses from non-trading instrument “income from financial instruments designated at fair value through profit or loss”.

Where a derivative financial instrument hedges the exposure to variability in the cash flow of recognized assets or liabilities or anticipated transactions or firm commitments, the effective part of any gain or loss on remeasurement of the hedging instrument is recognized directly in equity. The ineffective part of any gain or loss is recognized in the income statement.

3.4 Sale and repurchase agreements

The Group enters into agreements for the purchases (sales) of investments and to resell (repurchase) substantially the identical investments at a certain date in the future at a fixed price. Investments purchased subject to commitments to resell them at future dates are not recognized. The amounts paid are recognized in loans and advances to either banks or customers. The receivables are shown as collateralized by the underlying security.
Investments sold under repurchase agreements continue to be recognized in the balance sheet and are measured in accordance with the accounting policy for either assets held for trading or available-for-sale as appropriate. The proceeds from the sale of the investments are reported as liabilities to either banks or customers.

The difference between the sale and repurchase consideration is recognized on an accrual basis over the period of the transaction and is included in interest.

The Group enters into purchases of shares under agreement to resell at certain date (stock reverse repos) through Athens Derivative Exchange. Shares purchased are sold at the Athens Stock Exchange. Shares are not recognized as assets, however, the commitment to resell is recognized as liability in the balance sheet and it is valued at the fair value on which the group is committed to rebuy and return them at the Clearing Transactions over Derivatives Company.

3.5 Property, plant and equipment

Property, plant and equipment are stated at cost or deemed cost less accumulated depreciation and accumulated impairment losses.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of property, plant and equipment. Land is not depreciated. The estimated useful lives are as follows:

Buildings	40 Years
Furniture and other equipment	6-9 Years
Vehicles	6-7 Years
Computer hardware and software	4 Years

Leasehold improvements are depreciated over the useful life of the improvement or the duration of the lease whichever is lower.

The assets' useful lives are reviewed and adjusted, if appropriate, at each balance sheet.
Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount at cost may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the income statement.

3.6 Investment property

Investment property are properties held by the Group either to earn rental income or for capital appreciation. The Group records investment property at fair value as determined by an independent valuation company having an appropriate recognised professional qualification.

Some of these assets are leased but the lease contract was signed prior to its acquisition by the Group. Initially investment property is recorded at cost including acquisition expenses. Any gain or loss arising from a change in fair value is recognised in profit or loss.

3.7 Intangible assets

Intangible assets consist of software that has been acquired by the Bank and stated at cost less accumulated amortization and impairment losses.

Amortisation is charged to the income statement on a straight-line basis over the estimated useful life of the software, which is between 4 to 8 years.

3.8 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired undertaking at the date of acquisition. The cost of acquisition is adjusted for changes in the purchase consideration contingent on future events. Goodwill on acquisitions of subsidiaries is included in ‘intangible assets’. The carrying amount of goodwill is re-assessed annually and if found to be impaired it is written down to its recoverable amount. Goodwill is allocated to cash generating units for the purpose of impairment testing. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

3.9 Impairment of non-financial assets

The carrying amounts of the Group’s non-financial assets, other than investment property and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset’s recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.10 Cash and cash equivalents

Cash and cash equivalents include monetary assets with an original maturity of three months or less, such as cash balance, unrestricted balances held with the Central Bank and amounts due from financial institutions. Cash and cash equivalents are recorded at amortized cost.

3.11 Impairment of financial assets

(a) Assets carried at amortised cost

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred and only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.
Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the Bank about the following loss events:
i. Significant financial difficulty of the issuer or obligator;
ii. A breach of contract, such as a default or delinquency in interest or principal payments;
iii. The Bank granting to the borrower, for economic or legal reasons relating to the borrower's financial difficulty, a concession that the lender would not otherwise consider;
iv. It becoming probable that the borrower will enter bankruptcy or other financial reorganization;
v. The disappearance of an active market for that financial asset because of financial difficulties; or
vi. Observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group, including:
• adverse changes in the payment status of borrowers in the group; or
• national or local economic conditions that correlate with defaults on the assets in the group.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.
If there is objective evidence that an impairment loss on loans and receivables or held- to-maturity investments carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

The calculation of the present value of the estimated future cash flows of a collateralized financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics (i.e., on the basis of the Group's grading process that considers asset type, industry, geographical location, collateral type, past-due status and other relevant factors). Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of the assets in the group of historical loss experience for assets with credit risk characteristics similar to those in the group.
Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently.

Estimates of changes in future cash flows for groups of assets should reflect and be directionally consistent with changes in related observable data from period to period(for example, changes in unemployment rates, property prices, payment status, or other factors indicative of changes in the probability of losses in the group and their magnitude). The methodology and assumptions used for estimating future cash flows are reviewed regularly by the Group to reduce any differences between loss estimates and actual loss experience.

When a loan is uncollectable, it is written off against the related provision for loan impairment.
Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off decrease the amount of the provision for loan impairment in the income statement.
If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the income statement.

(b) Assets carried at fair value

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. In case of equity and debt investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity investments are not reversed through the income statement. If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the income statement.

3.12 Financial Liabilities

Financial liabilities are stated at amortised cost which occurs using the effective interest method. Deposits from banks, deposits from customers and debt securities in issue are classified in this category.

3.13 Financial guarantee contracts

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument.

Commission from financial guarantee contracts are initially recognized as liability (at fair value) and they are taken to the income statement gradually through contract's duration.

Subsequent to initial recognition, the Group's liabilities under such guarantees are measured at the higher of the initial measurement, less amortisation calculated to recognise in the income statement the fee income earned on a straight line basis over the life of the guarantee and the best estimate of the expenditure required to settle any financial obligation arising at the balance sheet date.

Financial guarantee contracts are included in the entry "Other liabilities".

3.14 Employee benefits

Short-term benefits: Short-term benefits to personnel (except for termination of employment benefits) in cash and kind are recognised as an expense when considered accrued. Any unpaid amount is recognised as a liability, whereas in case the amount already paid exceeds the benefits' amount, the entity identifies the excessive amount as an asset (prepaid expense) only to the extent that the prepayment shall lead to a future payments' reduction or refund.

Retirement Benefits: Benefits following termination of employment include lump-sum severance grants, pensions and other benefits paid to employees after termination of employment in exchange for their service. The Group's liabilities for retirement benefits cover both defined contribution schemes and defined benefit plans.

i) Defined contribution plans
For defined contribution plans, the Group pays contributions to publicly administered pension insurance funds (i.e. Social Security Foundation) and therefore the Group has no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to pension obligations. The regular contributions constitute net periodic costs for the year in which they are due and as such they are included in line 'staff costs' of the Income Statement.

ii) Defined benefit plans

The Group's defined benefit plan regards the legal commitment to pay lump-sum severance grant, pursuant to L.2112/1920. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as years of service and compensation. The liability recognized in the balance sheet for

defined benefit plans is the present value of the liability for the defined benefit less the plan assets' fair value (reserve from payments to an insurance company), the changes deriving from any actuarial profit or loss and the service cost. The defined benefit commitment is calculated on an annual basis by an independent actuary with the use of the projected unit credit method.
The present value of the liability which incurs from the defined benefit plan is calculated by discounting the future cash outflows with the long-term Greek bonds' rate.
Actuarial profits and losses form part of the Company's commitment to grant the benefit and of the expense which shall be recognized in the income statement. The adjustments' outcome based on historical data, if below or above a 10% accumulated liability margin, is recognized in the income statement within the expected insurance period of the plan's participants. The service cost is directly recognized in the income statement except for the case where plan's changes depend on employees' remaining years of service. In such a case, the service cost is recognized in the income statement using the fixed method during the maturity period.

Employment Termination Benefits: Benefits due to employment termination are paid when employees step down prior to the retirement date. The Group recognizes these benefits upon committing itself that it terminates employees' employment according to a detailed plan for which there is no withdrawal possibility.
Remuneration based on Equity Instruments: The Group, through the Parent Company Marfin Popular Bank, grants the personnel stock options for the acquisition of Parent Company shares. These benefits are settled by issuing new shares from the Parent
Company, on the condition that the employee fulfils certain vesting conditions linked to his/her performance and exercises his/her options.
Services rendered by employees are measured according to the fair value of the options granted on the grant date. Option fair value is calculated by using a widely accepted option pricing model and taking into account the share's closing price on grant date. Options' fair value, following their issue, is readjusted in case there is a modification in the plan favorable for employees. Employees' services residual value is recognized as an expense in the income statement by an equal credit amount ın equity, in the share premium account. The relative amount is divided throughout the vesting period and is calculated on the basis of the number of options set to vest in each year.
During the exercise of stock options, the net collected amount (after subtracting direct costs) is recognized in share capital (new shares nominal value) and in share.

3.15 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and reliable estimates of the amount of the obligation can be made. If the effect is significant, provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

3.16 Leased Agreements

Group Undertaking as the Lessee: Leases of fixed assets where all the risks and rewards related to the ownership of an asset have been transferred to the Group, irrespective of whether the title of the said asset is finally transferred or not, are classified as finance leases.

The said leases are capitalized at inception of the lease at the lowest between the fair value of the fixed asset or the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant fixed rate on the remaining financial liability. The corresponding rental obligations, net of finance charges, are included in liabilities. The part of the finance charge related to financial leases is recognized in the income statement over the lease term. The fixed assets acquired under finance leases are depreciated over the shortest between the useful life of the fixed assets or the lease term thereof.

Leases where the lessor transfers the right to use an asset for an agreed period of time, without transferring the risks and rewards of ownership thereof, are classified as operating leases. Payments made under operating leases (net of any incentives offered by the lessor) are recognized in the income statement proportionally over the lease term.

Group Undertaking as the Lessor: When assets are leased out under a capital lease, the present value of the lease payments is recognized as a claim. The difference between the gross amount of the claim and the present value of the claim is recognized as unearned financial income. Lease income is recognized in the income statement over the lease term using the net investment method, which reflects a constant periodic rate of return.

Assets leased out under operating leases are included in property, plant and equipment in the balance sheet. They are depreciated over their anticipated useful lives on a basis consistent with similar owned property. Rental income (net of any incentives offered to lessees) is recognized using the straight-line method over the lease term.

3.17 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. Offsetting income with expenses is allowed only if they are part of the same entry.

3.18 Interest income and expenses

Interest income and expenses are recognized in the income statement for all interest bearing instruments on an accruals basis, using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

3.19 Fees and commissions

Fee and commission income is recognized on an accrual basis when the relevant service has been provided unless they influence the effective interest rate.

3.20 Net income from financial instruments

Net income from financial instruments comprises gains less losses related to trading assets and liabilities, and includes all realised and unrealised fair value changes of trading financial assets and liabilities.

3.21 Dividend income

Dividend income is recognized when the right to receive income is established.

3.22 Income Tax and Deferred Tax

The income tax charge involves current taxes, deferred ones and the differences of preceding financial years' tax audit.

Income tax is recognized in the financial year's income statement, except for the tax on transactions recognized directly in equity, in which case it is recognized accordingly to equity.
To assess the annual tax charge, all the required adjustments on the accounting result are taken into account in order to establish the final taxable income.

The current income taxes include short-term liabilities or claims vis-à-vis fiscal authorities pertaining to the payable taxes on the year's taxable income and any additional income taxes regarding previous financial years.

Current taxes are measured on the basis of tax rates and fiscal regulations in force during the corresponding financial years, based on the yearly taxable profit.

Deferred taxes are the taxes or the tax relieves from the financial encumbrances or benefits of the financial year in question, which have been allocated or shall be allocated to different financial years by tax authorities. Deferred income tax is provided by using the liability method which is determined by the temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. In case it is not possible to clearly determine the time needed to invert the temporary differences, the tax rate to be applied is the one in force on the financial year after the balance sheet date.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Most of the changes in the deferred tax assets or liabilities are identified as a part of tax charges in the income statement Tax audit differences regard additional income taxes and additional charges on behalf of the fiscal authorities due to the Group taxable income redenomination in the framework of the ordinary or extraordinary tax audit.

3.23 Share capital

(a) Incremental costs of share capital increase

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

(b) Dividends

Dividend distribution on ordinary shares is recognised as a deduction in the Group's equity when approved by the Company's shareholders.

(c) Equity share capital

Where any Group company purchases the Company's equity share capital (treasury shares), the consideration paid including any directly attributable incremental costs (net of income taxes), is deducted from shareholders' equity. Where such shares are subsequently sold or reissued, any consideration received is included in shareholders' equity.

3.24 Segment reporting

A Business segment is a group of assets and operations engaged in providing services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing services about the Group's activities within a particular economic environment that are subject to risks and returns that are different from those of segments of operating in other economic environments

4. Critical accounting estimates and judgments

The preparation of financial statements in accordance with the I.F.R.S. requires estimates and assumptions being made by Management during the implementation of the Group's accounting policies.

The following areas are affected by Management's estimates and assumptions:

(1) Classification of Financial Instruments

The Group's accounting policies require classification upon initial recognition of financial assets and liabilities in the following categories:

- Financial instruments held to maturity. Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity.
- Financial instruments held for trading. This category consists of investments and derivatives which are held for achieving profits in the near term.
- Loans and receivables: This category includes derivative financial assets that have certain or definable payments and that are not traded on active markets and which the Group has no intention to sell in the direct future.

- Financial assets and liabilities at fair value though profit or loss. The classification of an investment in this category depends on the way Management estimates its profitability and risk. This category also comprises of certain investments, such as equity investments, that are managed and evaluated on a fair value basis in accordance with a documented risk management or investment strategy and which are reported to key management personnel.

(2) Reclassification of Financial Instruments

The accounting principles followed by the Group make provisions, in case certain conditions are met, to reclassify a financial instrument after the initial recognition date. Assessing such circumstances requires application of Management's judgment.

- Transfer of equity shares from trading portfolio to the category «financial assets available for sale» is permitted in case there are extreme economic conditions and the above asses are no longer held for the purpose of sale or repurchase in the direct future. The Management estimates that the global crisis of the financial system within the year contributes to those "extreme" cases for the purposes of application of the above accounting principle.
- Transfer of debt securities from the portfolio of «financial assets available for sale» to «loans and receivables» is permitted in case the assets meet the definition of loans and receivables and the Management intends to keep them in the direct future or till maturity. The Management shall exercise its estimation concerning whether a financial asset falls within the definition of "loans and receivables" and mainly the extent to which there is no active market for this asset.
- Transfer from the category of available for sale to the category of "investments held to maturity" is permitted in case the assets meet the required definition and there is a possibility and intention to keep them to maturity.

The effect of the aforementioned reclassification on the financial statements of the Group is presented in Note 25.

(3) Hedge Accounting

The Group documents, at the inception of the transaction, the relationship between hedged items and hedging instruments, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the instruments (derivatives) that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

(4) Impairment of available for sale financial assets

The Group follows the IAS 39 guidance to determine whether the value of an investment is impaired when there has been a significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires judgment. In making this judgment, the Group evaluates among other factors, the normal volatility in share price. In addition, impairment may be appropriate when there is evidence of a deterioration in the financial health of the investee, industry and sector performance, changes in technology, and operational and financing cash flows.

In the following part the segments in which estimates and assumptions by Management have a significant effect are assessed:

(1) Credit risκ provisions

The financial assets measured at amortised cost are subject to impairment testing on each balance sheet date, according to section 3.9. For the claims examined on a case by case basis the impairment test is based on the Management's assessment for the present value of cash flows set to inflow from the loan servicing by the debtor and from any cover liquidation.
Calculating these cash flows, Management makes assessments on the counter-party's financial position, on the possibility of a settlement and on the net value of any guarantees.
With regard to loans monitored on a collective basis, the necessary provision depends on assessments regarding each loan group credit risk, the market's economic factors, and the inherent portfolio risks. The parameters required are defined based on historical data and present economic conditions. Provisions' accuracy is determined by how well future cash flows of specific counterparties have been estimated and how well all hypotheses and parameters have been used to define all the provisions.

(2) Estimates on fair value of financial instruments

Financial assets and liabilities fair value calculation for which there are no published market prices requires the use of specific measurement techniques.

Initially, the Group examines the extent to which active market exists for a financial asset. On one hand, there is examined the volume and the frequency of transactions and on the other hand – the variation of prices disclosed by various market factors for the same asset. Usually, significant variations constitute an indication that the market for such an asset is not regarded as "active". The financial assets for which, in compliance with the Group estimations, there is no active market are estimated through use of models. Fair value calculation calls for various kinds of assessments. The most important ones involve assessment of various risks an instrument is subject to, such as business risk, liquidity risk etc. and businesses profitability future perspectives assessment in case of equity instrument measurement. The corresponding calculation was made with reference to market data of Credit Default Swap, where possible. However, as far as certain financial instruments are concerned, there is no available information and higher degree of judgment is required. In such a case, reference is usually made to prices of other items with the similar risk characteristics and suitable amendments are made.

(3) Goodwill impairment testing

The Group tests for impairment of goodwill on acquired subsidiaries on an basis. In order to ascertain whether there is evidence for impairment, the value in use and the fair value of a business unit need to be calculated. Usually the methods used are the cash flows present value method, future dividends present value method and measurement on the basis of similar entity indicators. To apply the specific methods, Management needs to use data, such as the subsidiary's estimated future profitability, business plans and market data, such as interest rates.

(4) Income tax

The Group is subject to income tax in various jurisdictions in which it operates. In order to establish the current and deferred tax, as presented in the balance sheet, significant assumptions are required. For specific transactions and calculations the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(5) Defined Benefit Plans

The liability recognized in the balance sheet for defined benefit plans is the present value of the liability for the defined benefit less the plan assets' fair value (reserve from payments to an insurance company), the changes deriving from any actuarial profit or loss and the service cost. The defined benefit commitment is calculated on an annual basis by an independent actuary with the use of the projected unit credit method. The main assessments used are mentioned in Note 37.

5. Reclassification of comparative periods

Results for the period 1/1 – 31/12/2007	As published 31/12/2007	As presented 31/12/2008 – Continuing Operations	As presented 31/12/2008 – Discontinued Operations	As presented 31/12/2008 – Total	Reclassification
Interest and similar income	746.829	684.033	68	684.101	(62.728)
Interest and similar expense	(479.476)	(416.741)	(7)	(416.748)	62.728
Fee and Commission Income	257.662	258.079	2.029	260.108	2.446
Other income	9.605	5.158	2.001	7.159	(2.446)

The comparative data have been reclassified so as to be consistent with the changes that the Bank has adopted in the presentation of its financial information for the current period that ended at 31 December 2008.

Furthermore, the income statement and the cash flow statement of the comparative period were adjusted for the purposes of presenting effect from discontinued operations (Note 16).

6. Segment Reporting

Business segment

The Group is organized into the following business segments:
a) Investment and corporate banking
b) Retail banking
c) Asset Management
d) Treasury
e) Investments & participations

31/12/2008

Amounts in thousand Euro	Investment and corporate banking	Retail banking	Asset management	Treasury	Investments and participations	Total	Discontinued operations	Group (continuing operations)
Operating revenue	128.063	241.456	56.331	17.582	237	443.669	5.647	438.022
Profit before tax	74.669	(33.042)	21.085	980	(814)	62.878	4.134	58.744
Income tax						(19.962)	(298)	(19.664)
Profit after tax						42.916	3.836	39.080
Total Assets	5.009.462	7.656.085	1.286.258	5.442.899	7.893	19.402.597	-	19.402.597
Total Liablities	1.919.081	7.414.774	1.299.319	7.988.151	725	18.622.050	-	18.622.050
Additions in tangible assets	3.388	22.292	1.606	1.130	15	28.431	-	28.431
Depreciation and amortization	1.232	11.110	1.036	925	236	14.539	30	14.509
Impairment of loans and advances and of other investments	13.944	78.728	538	3.302		96.512	-	96.512

31/12/2007

Amounts in thousand Euro	Investment and corporate banking	Retail banking	Asset management	Treasury	Investments and participations	Total	Discontinued operations	Group 's continuing operations
Operating revenue	**148.673**	**202.846**	**80.757**	**81.356**	**770**	**514.402**	**4.097**	**510.305**
Profit before tax	**82.259**	**3.466**	**48.257**	**62.375**	**(128)**	**196.229**	**2.822**	**193.407**
Income tax						**(54.883)**	**(638)**	**(54.245)**
Profit after tax						**141.346**	**2.184**	**139.162**
Total Assets	**3.445.251**	**6.041.564**	**1.156.946**	**3.062.742**	**8.458**	**13.714.961**	**-**	**13.714.961**
Total Liabilities	**1.577.863**	**6.206.246**	**1.207.015**	**3.894.914**	**558**	**12.886.596**	**-**	**12.886.596**
Additions in tangible assets	**10.300**	**14.724**	**1.558**	**1.383**	**17**	**27.982**	**-**	**27.982**
Depreciation and amortization	**1.589**	**9.712**	**1.083**	**572**	**185**	**13.141**	**52**	**13.089**
Impairment of loans and advances and of other investments	**16.176**	**43.311**	**359**	**744**		**60.590**	**0**	**60.590**

Geographical segment

The Group mainly operates in Greece. The banking network of the Group has 226 branches, 197 – in Greece and 29 in Romania. Income from operations in Greece constitutes 88% of total income, while the assets constitute 96% of the Group.

	31/12/2008				
	Greece	**Other Counties**	**Total**	**Discontinued operations**	**Group's continuing operations**
Total Income	391.470	52.458	443.928	5.647	438.281
Profit before tax	42.627	20.251	62.878	4.134	58.744
Assets	18.673.239	729.357	19.402.596		19.402.596

	31/12/2007				
	Greece	**Other Counties**	**Total**	**Discontinued operations**	**Group's continuing operations**
Total Income	486.004	28.591	514.595	4.097	510.498
Profit before tax	179.575	16.654	196.229	2.822	193.407
Assets	13.168.309	546.652	13.714.961		13.714.961

7. Net interest income

(Amounts in thousand Euro)

	2008	2007
Interest and similar income		
Interest from bonds	113.009	48.968
Interest from advances to customers	792.585	532.627
Interest from other banks	58.007	95.461
Other interest	6.494	6.977
	970.095	**684.033**
Interest and similar expense		
Interest on customer deposits	(472.795)	(340.758)
Interest to other banks	(164.967)	(60.112)
Interest on loan capital	(32.273)	(14.511)
Other interest	(3.686)	(1.360)
	(673.721)	**(416.741)**
Net interest income from continuing operations	**296.374**	**267.292**
Net interest income from discontinued operations	**146**	**61**
Net interest income	**296.520**	**267.353**

Trading portfolio bonds equal to € 5.203 (2007: € 7.007 thousand) and net interest equal to € 40.925 (2007: € 9.158 thousand) from interest rate derivatives classified as fair value hedging instruments have been included in net interest income.

8. Net fee and commission income

(Amounts in thousand Euro)

	2008	2007
Fee and commission income		
Loans	36.215	32.174
Letters of guarantee	4.571	3.942
Retail banking	16.559	11.995
Custodian	2.525	2.497
Capital transfers	5.677	5.391
Import – Export	1.419	1.760
Stock exchange transactions – income	57.479	102.891
Cash management	6.549	5.187
Investment Bank	46.318	82.583
Tourist services rendering	4.512	4.957
Other income	5.630	4.702
	187.454	**258.079**
Fee and commission expense		
Consumer	(3.541)	(2.825)
Stock exchange transactions – expense	(23.556)	(11.009)
Investment Bank	-	(34.626)
Tourist services rendering	(3.723)	(4.193)
Other expense	(7.965)	(7.584)
	(38.785)	**(60.237)**

Net fee and commission income from continuing operations	**148.669**	**197.842**
Net fee and commission income from discontinued operations	**2.022**	**2.029**
Net fee and commission income	**150.691**	**199.871**

9. Dividend income

(Amounts in thousand Euro)

	2008	2007
Dividend from Available-For-Sale portfolio	1.547	124
Dividend from trading securities	2.535	1.932
Dividend income from continuing operations	**4.082**	**2.056**
Dividend income from discontinued operations	**17**	**3**
Dividend income	**4.099**	**2.059**

10. Net income from financial instruments

(Amounts in thousand Euro)

	2008	2007
Foreign exchange differences	5.984	6.633
Profit / (Loss) from sale and revaluation of trading securities	(25.295)	8.613
Profit / (Loss) from derivative financial instruments	(11.603)	22.256
Proft / (Loss) from sale of financial instruments classified other than in trading portfolio	9.282	455
Net income from financial instruments from continuing operations	**(21.632)**	**37.957**
Net income from financial instruments from discontinued operations	**1.358**	**3**
Net income from financial instruments	**(20.274)**	**37.960**

11. Other income

(Amounts in thousand Euro)

	2008	2007
Income from sale / lease of property	5.213	1.223
Other	5.316	3.935
Other income from continuing operations	**10.529**	**5.158**
Other income from discontinued operations	**2.104**	**2.001**

Other income	**12.633**	**7.159**

Insuranse services income from discontinued operations could be analytically presented as follows:

	2008	2007
Insuranse contracts and similar income	5.568	6.830
Less: Reinsuranse contracts	(1.179)	(1.136)
Insurance contracts commission	(753)	(678)
Reimbursement provisions	(2.058)	(3.397)
Add: Reimbursement covered by reinsurance contracts	526	382
Net insurance services income from discontinued operations	**2.104**	**2.001**

12. Staff costs

(Amounts in thousand Euro)

	2008	2007
Wages and salaries	(113.362)	(105.892)
Social security contributions	(26.363)	(22.673)
Defined benefit plans (Note 37)	(3.909)	(7.544)
Stock option plan expense	(1.853)	(1.627)
Other expense	(12.669)	(18.131)
Staff costs from continuing operations	**(158.156)**	**(155.867)**
Staff costs from discontinued operations	**(1.104)**	**(890)**
Staff costs	**(159.260)**	**(156.757)**

The number of employees as at the end of the year *was* 3.602 (2007 : 3.256).

Stock Options Plan

In May 2007, the Extraordinary General Meeting of the shareholders of the parent company Marfin Popular Bank (hereinafter the “parent Bank”) approved of the introduction of a Share Options Scheme (the “Scheme”) for the members of the Board of Directors of the parent Bank and the Group’s employees. Following the aforementioned approval and the ensuant decision of the parent Bank’s Board of Directors on May 8, 2007, 70.305.000 Options were granted, from which 33.600.000 where allocated to the Board of Directors and the employees of Marfin Egnatia Bank and its subsidiaries. The Options with an exercise price of € 10 on the parent company’s shares and maturity date is December 15, 2011. Within the year 2008 no option was exercised or annulled.

The fair value of the Options granted was measured using the Black and Scholes model. The significant inputs into the model were: a) share price of € 8,48 at the grant date, b) expected share price volatility. The expected volatility was defined at 12% based on the examination of historic evidence of listed European banks, c) exercise price of € 10, d) risk-free euro interest rate curve for the duration of the Scheme 4,15% (average), e) dividend yield 3,58 and f) expected options duration fluctuating between 1-2 years. The weighted average fair value of options granted during the period was € 0,19. The total fair value of granted options, burdening the results of the year 2008, has been calculated as that amounting € 1.857 thousand.

13. Operating Expenses

(Amounts in thousand Euro)

	2008	2007
Rent (operating leases)	(24.600)	(20.075)
Operating expenses for buildings	(8.194)	(6.345)
Tax, stamps and duties	(10.182)	(8.408)
Repairs and maintenance	(4.210)	(3.515)
Third party fees (legal, engineers, etc)	(14.455)	(13.836)
Telephone and postage	(8.257)	(6.783)
Promotion and advertisement	(14.818)	(8.951)
Provision for other risks	(3.525)	(5.339)
Subscriptions – Contributions	(4.089)	(5.386)
Other expenses	(18.030)	(8.907)
Operating expenses from continuing operations	**(110.360)**	**(87.545)**
Operating expenses from discontinued operations	**(379)**	**(333)**
Operating expenses	**(110.739)**	**(87.878)**

14. Impairment losses

(Amounts in thousand Euro)

	2008	2007
Impairment loss of shares in the available-for-sale portfolio	(3.255)	(744)
Impairment loss of bonds in the available-for-slae portfolio	(47)	-
	(3.302)	**(744)**

15. Income tax

(Amounts in thousand Euro)

	2008	2007
Income for the period	(34.585)	(42.497)
Deferred tax	17.112	(10.218)
Impact on deferred tax from change in tax rates	(403)	-
Tax on reserves	(1.732)	-
Tax inspection differences	(55)	(1.530)
Income tax from continuing operations	**(19.664)**	**(54.245)**
Income tax from discontinued operations	**(298)**	**(638)**
Income tax	**(19.962)**	**(54.883)**

Detailed information on deferred tax is available in Note 30. The reconciliation of the effective tax rate for the financial year is indicated as follows :

	%	2008	%	2007
Profit before tax		**62.878**		**196.229**
Tax based on tax rate	25%	15.720	25%	48.540
Non-deductable expense	4%	2.193	1%	1.486
Tax-exempt revenues	(4%)	(2.262)	(1%)	(1.584)

Prior year taxes	-	-	1%	1.627
Adjustment of tax rate for deferred tax	1%	403	-	-
Other diferrences	5%	3.097	2%	3.469
Difference of companies from abroad	1%	811	1%	1.385
Income tax	**32%**	**19.962**	**29%**	**54.883**

In Greece the results disclosed to the tax authorities are considered temporary and can be modified until the accounting books and data are examined by tax authorities and the tax declarations are considered conclusive. Consequently, the companies are subject to probable penalties and taxes which can be imposed during the assessment of the books and data. In calculating the tax expense for the current financial year, the Group took into consideration the additional tax obligations which would occur from a possible tax audit. The relevant provision for contingent additional tax differences amounting to € 1.374 thousand is included in the "Deferred tax liabilities" account.

16. Net profits after tax from discontinued operations

On 22 July 2008, the parent Bank Marfin Popular Bank, and CNP Assurance signed a long term collaboration agreement aimed at development of insurance and pension scheme projects through the bank networks of the Group in Greece and Cyprus, foreseeing the expansion of the collaboration in other countries following the international expansion of the Group to South Eastern Europe. As in compliance with the terms of the agreement, CNP Assurance will acquire 50,1% of insurance projects of the Group and will hold control of these companies.
Within the frame of the aforementioned agreement, the Bank, as in compliance with the decision of the Extraordinary General Assembly as at 26/08/2008, decided on the disposal of its 100% subsidiaries Marfin Life Insurance S.A and Marfin Insurance Brokers S.A. to the newly established company Marfin Insurance Holdings Ltd headquarted in Nicosis, Cyprus, a subsidiary of Marfin Popular Bank Ltd.
On 8/12/2008, the company Marfin Insurance Brokers S.A. was sold as against 1.297.120,00 Euro and Marfin Life Insurance S.A. as against 7.480.000,00 Euro. The payment was fully made in cash.
The results of Marfin Life Insurance S.A. and Marfin Insurance Brokers S.A. defined as discontinued operations for the year 01/01/2008 till the disposal date (for simplicity purposes - 31/12/2008) as well as the profit arising from the disposal are included in the account « Net earnings after tax from discontinued operations». Furthermore, for reasons of comparability, the relative results have been separated for the year 01/01/2007 to 31/12/2007 .
The analysis of net earnings after tax from discontinued operations is as follows:

(Amounts in thousand Euro)

	2008	2007
Interest and similar income	159	68
Interest and similar expense	(13)	(7)
Net interest income	**146**	**61**
Fee and commission interest	2.127	2.029
Fee and commission expense	(105)	-
Net fee and commission income	**2.022**	**2.029**
Dividend income	17	3

Profit on disposal of Marfin Life Insurance S.A. and Marfin Insurance Brokers S.A.	2.020	-
Net income from financial instruments	(662)	3
Other income	2.104	2.001
Operating income	**5.647**	**4.097**
Staff costs	(1.104)	(890)
Operating expenses	(379)	(333)
Depreciation and amortization	(30)	(52)
Profit / (Loss) before tax	**4.134**	**2.822**
Income tax	(298)	(638)
Profit / (Loss) after taxes from discontinued operations	**3.836**	**2.184**

The financial items of the subsidiaries as at 31/12/2008 were as follows:

	31/12/2008	
Amounts in thousand Euro	**MARFIN LIFE INSURANCE S.A.**	**MARFIN INSURANCE BROKERS S.A.**
Cash and balances in Central Bank	-	6
Loans and advances to Banks	24.145	1.765
Financial instruments at fair value through profit and loss	1.359	-
Held-to-maturity investments	3.412	-
Property, plant and equipment	10	6
Intangible assets	5	2
Other assets	3.416	2.353
Employee benefits	(30)	(16)
Other provisions	(31)	-
Current tax	(127)	(94)
Deferred tax liability	(39)	-
Other liabilities	(26.378)	(3.124)
Total Net Assets	**5.742**	**892**

The net cash outflow from the disposal of the subsidiaries is as follows:

Amounts in thousand Euro	**MARFIN LIFE INSURANCE S.A.**	**MARFIN INSURANCE BROKERS S.A.**	**TOTAL**
Proceeds	7.480	1.297	8.777
Less : Cash and cash equivalents as at the date of disposal	(8.693)	(1.852)	(10.545)
Net cash outflow	**(1.213)**	**(555)**	**(1.768)**

17. Earnings per share

Basic earnings per share are calculated through net profits attributable to Shareholders, minority interests and the weighted average number of shares in issue during the year.

Diluted earnings per share are calculated through net profits attributable to Shareholders, minority interests as well as interest accrued from the Convertible Bond Loan (C.B.L.) and the weighted average number of shares in issue during the year, increased by the weighted average number of the convertible bonds.

BASIC EARNINGS PER SHARE

	2008	2007
Basic earnings per share from continuing and discontinued operations		
Profit attributable to the Shareholders of the Bank from continuing and discontinued operations	38.636	135.087
Weighted average number of outstanding ordinary shares	288.818.569	284.349.215
Basic earnings per share from continuing and discontinued operations	**0,1338**	**0,4751**

	2008	2007
Basic earnings per share from continuing operations		
Profit attributable to the Shareholders of the Bank from continuing operations	34.801	132.902
Weighted average number of outstanding ordinary shares	288.818.569	284.349.215
Basic earnings per share from continuing operations	**0,1205**	**0,4674**

	2008	2007
Basic earnings per share from discontinued operations		
Profit attributable to the Shareholders of the Bank from discontinued operations	3.835	2.184
Weighted average number of outstanding ordinary shares	288.818.569	284.349.215
Basic earnings per share from discontinued operations	**0,0133**	**0,0077**

DILUTED EARNINGS PER SHARE

	2008	2007
Diluted earnings per share from continuing and discontinued operations		
Profit attributable to the Shareholders of the Bank from continuing and discontinued operations	38.667	135.144
Weighted average number of outstanding ordinary shares	288.927.347	284.651.197
Diluted earnings per share from continuing and discontinued operations	**0,1339**	**0,4748**

	2008	2007
Diluted earnings per share from continuing operations		
Profit attributable to the Shareholders of the Bank from continuing discontinued operations	34.832	132.960
Weighted average number of outstanding ordinary shares	288.927.347	284.651.197
Diluted earnings per share from continuing operations	**0,1206**	**0,4671**

	2008	2007
Diluted earnings per share from discontinued operations		
Profit attributable to the Shareholders of the Bank from discontinued operations	3.835	2.184
Weighted average number of outstanding ordinary shares	288.927.347	284.651.197
Diluted earnings per share from discontinued operations	**0,0133**	**0,0077**

18, Cash and Balances with Central Banks

(Amounts in thousand Euro)

	2008	2007
Cash	68.162	53.586
Other placements at Central Bank	1.034.600	262.437
Regulatory deposits with Central Bank	380.992	269.441
Cash and balances with Central Bank	**1.483.754**	**585.464**

19. Loans and advances to Banks

(Amounts in thousand Euro)

	2008	2007
Current accounts	352.312	80.588
Loans to banks	-	19.000
Placements at banks	857.923	1.834.008
Loans and advances to banks	**1.210.235**	**1.933.596**

20. Loans and advances to customers

(Amounts in thousand Euro)

	2008	2007
Retail customers:		
Consumer	1.903.314	1.482.902
Credit cards	203.200	162.082
Housing	2.187.541	1.797.699
	4.294.055	**3.442.683**
Corporate loans :	**8.994.279**	**6.427.598**
Total loans and advaces to customers	**13.288.334**	**9.870.281**
Less: impairment of loans	**(284.924)**	**(221.998)**
Loans and advances to customers (net of impairment)	**13.003.410**	**9.648.283**

Movement in impairment :

	2008	2007
Balance 1 January	222.431	169.804
Impairment	93.210	59.846
Write-offs	(30.717)	(7.652)
Balance 31 December	**284.924**	**221.998**

Loans to customers include leasing:

	2008	2007
Gross investment in leasing:		
Less than 1 month	55.313	67.273
Over 1 but less than 3 months	29.823	22.231

Over 3 but less than 12 months	97.241	97.420
Over 1 but less than 5 years	232.095	282.951
Over 5 years	244.802	234.783
Total investment in leasing	**659.274**	**704.658**
Unearned leasing income	(72.264)	(138.635)
Investment in leasing at present value:	**587.010**	**566.023**

Net investment in leasing is analysed in maturity dates as follows::

	2008	2007
Less than 1 month	53.441	53.964
Over 1 but less than 3 months	26.912	17.473
Over 3 but less than 12 months	85.712	77.481
Over 1 but less than 5 years	204.476	232.848
Over 5 years	216.469	184.257
Total	**587.010**	**566.023**

The Group has granted fixed interest rate loans for which it proceeded to interest rate risk hedge. The hedging instruments used are interest rate exchange agreements.
The total fair value of these instruments is presented in the account of receivables and liabilities from derivatives for loans fair value hedging and amounted as at 31/12/2008 to € 6.479 thousand and € 77.513 thousand respectively. The amount of € 71.034 thousand that constitutes adjustment-increase in fair value of those loans is included in the mortgages to individuals.
The account of trading results includes both – the loss of € 76.655 thousand on hedging instrument and the equal profit from the hedged item.

21. Derivative financial instruments

(Amounts in thousand Euro)

		Fair value	
31 December 2008	**Nominal value**	**Assets**	**Liabilites**
Foreign currency derivatives			
Currency deposits	21.750	5.456	8.100
Currency swaps	933.734	37.992	50.913
Spot	5.794	133	139
Derivatives on Securities / Index			
Options	3.486	1.970	795
Commodities	227	13.462	13.235
Currency	597		29
CDS	214.185	30	14.233
Asset swaps	2.371	4	
Interest derivatives			
Interest Rate Swaps	851.008	15.393	11.704
Interest Rate Swaps - term	100.000		278
Derivatives for trading purposes		**74.440**	**99.426**
Fair value hedging			
Customer deposits with embedded derivatives	71.379	2.566	2.788
Interest Rate Swaps for loans hedging	2.267.857	6.479	77.513
Interest Rate Swaps for bonds hedging	1.062.927		72.217
Derivatives for risk hedging purposes		**9.045**	**152.518**

Derivative financial instruments in total		83.485	251.944

31 December 2007	Nominal value	Fair Value Assets	Nominal value
Foreign currency derivatives			
Currency deposits	134.928	822	11.545
Currency swaps	579.870	2.611	10.004
Derivatives on Securities / Index			
Futures	144.682	-	420
Options	44.578	489	272
CDS	93.776	111	1.494
Asset swaps	2.242	12	7
Interest Derivatives			
Interest Rate Swaps	339.895	4.582	1.660
Derivatives for trading purposes		**8.627**	**25.402**
Fair value hedging			
Options	64.759		447
Futures	137.048	13	-
Customer deposits with embedded derivatives	70.871	2.295	2.399
Interest rate swaps for loans hedging	952.649	-	5.621
Derivatives for risk hedging purposes		**2.308**	**8.467**
Derivative financial instruments in total		**10.935**	**33.869**

The Group has in its portfolio fixed interest rate bonds for which it proceeded to interest rate risk hedge. The hedging instruments used are interest rate exchange agreements.
The total fair value of these instruments is presented in the account of liabilities from derivatives for bonds fair value hedging and amounted as at 31/12/2008 to € 72.217 thousand.

Out of this amount, the amount of € 43.621 thousand pertains to hedging of bonds of the portfolio of Available for sale, and the remaining amount of € 28.596 thousand pertains to fixed interest rate bonds included in the account «borrowing portfolio debt securities».
The account of trading results includes both from the hedged items amounting to € 77.856 thousand and loss from hedging instrument amounting to € 72.217 thousand.

22. Financial assets at fair value through profit and loss

(Amounts in thousand Euro)

	2008	2007
Greek government treasury bills (fixed rate)	897	43.412
Other government treasury bills (fixed rate)	8.433	8.667
Greek government treasury bills (floating rate)	909	1.009
Other government treasury bills (floating rate)	1.656	1.508
Corporate bonds (fixed rate)	14.550	19.716
Corporate bonds (floating rate)	50.063	70.258
Total treasury bills and bonds	**76.508**	**144.570**
Shares listed in Athens Stock Exchange.	19.433	86.979
Shares listed in Foreign exchanges	113	190
Mutual funds (domestic)	1.267	8.317
Mutual funds (foreign)	83.603	100.218
Financial instruments at fair value through profit and loss	**180.924**	**340.274**

23. Available-for-sale financial instruments

(Amounts in thousand Euro)

	2008	2007
Mutual funds (domestic)	4.204	13.462
Shares listed in Athens Stock Exchange	13.875	7.043
Shares listed in Athens Stock Exchange (pledged)	-	414
Shares listed in foreign exchanges	2.692	2.069
Shares listed in foreign exchanges (in custody for third parties)	371	-
Not listed shares	1.330	1.141
Customers' bond loans listed in the Athens Stock Exchange	30.549	-
Greek government treasury bills (fixed rate)	415.964	161.527
Greek government treasury bills (floating rate)	134.325	115.553
Other government treasury bills (fixed rate)	107.424	97.559
Corporate bonds (fixed rate)	472.565	105.822
Corporate bonds (floating rate)	459.990	83.953
Available-for-sale financial instruments	**1.643.289**	**588.543**

24. Held-to-maturity investments

(Amounts in thousand Euro)

	2008	2007
Greek government treasury bills (fixed rate)	29.435	53.314
Greek government treasury bills (floating rate)	10.000	10.000
Other government treasury bills	11.574	0
Corporate bonds (fixed rate)	963	2.025
Corporate bonds (floating rate)	463.359	26.487
Held-to-maturity investments	**515.331**	**91.826**

This portfolio also includes bonds of carrying amount of € 35.745 thousand that within the year 2008 were transferred from the available for sale portfolio. The fair value of the bonds as at transfer date amounted to € 34.743 thousand. The aforementioned bonds were transferred to investments held to maturity since the Group does not intend to sell them.

25. Debt securities

(Amounts in thousand Euro)

	2008	2007
Other government treasury bills (fixed rate)	87.775	-
Corporate bonds (fixed rate)	345.024	-
Corporate bonds (floating rate)	189.817	-
Debt securities	**622.616**	**-**

The Bank applied amendments to IAS 39 and IFRS 7 ''Reclassification of Financial Assets" and reclassified investments in securities held for trading to investments in securities available for sale and debt securities. In compliance with the requirements of revised IAS 39, the Bank defined assets, which as at July 1, 2008 it had no intention to trade or sell in the direct future. The reclassification was carried out as starting from July 1, 2008, in compliance with the requirements of IAS 29 at carrying amount of the investments as at that date. The carrying amount and the fair value of reclassified investments is presented below:

(Amounts in thousand Euro)

	1 July 2008	31 December 2008	
	Book value	Book value	Fair value
Investments of trading portfolio reclassified as available-for-sale investments	11.442	9.823	9.823
Available-for-sale investments reclassified as debt securities	513.537	543.541	457.612

If the Bank had not reclassified investment in securities on 1 July 2008, the income statement for the second half of 2008 would have included unrealized losses from the change in fair value of financial assets for trading in EUR thousand € 1.618, which burdened the Equity. As at the reclassification date, the interest rates of trading portfolio ranged from 5,162% to 8.20% with recoverable value amounting to thousands of € 12.118.

Furthermore, if the above reclassification had not been carried out, there would have been recognized in fair value reserves of financial assets available for sale unrealized losses amounting to € 85.929 thousand that represent the change in fair value for the second half of 2008 of reclassified investments available for sale.
Of the amount of available for sale portfolio that has been transferred, the amount of 224.318 thousand Euro has been hedged for changes in fair value, which are due to the risk of interest rate changes, for which the Bank will continue to apply hedging policy. The carrying amount of these bonds has been adjusted by the amount of € 28.596 thousand that represents the change in fair value of the bonds pertaining to the hedged risk for the period from July 1 as till the Balance Sheet date. The interest rates from the securities that have been transferred will continue to be recognized in interest rate income, using the effective rate method.

As at the reclassification date, the interest rates of available for sale portfolio fluctuated from 4,0% to 8,875% and their recoverable amount came to € 569.782 thousand.

26. Investment in associates

(Amounts in thousand Euro)

	2008	2007
Company	**ARIS Capital Management (U.S.A.)**	
Total % Participation	30.00%	30.00%
Assets	1.542	1.684
Liabilites	394	909
Income	1.550	1.671
Profit /(Loss)	864	672
Share capital	8	8
Total participation	**2.202**	**1.988**

27. Property, plant and equipment

(Amounts in thousand Euro)

	Land	Buildings	Leasehold improvements	Furniture and equipment	Other	Total
Acquisition cost						

Balance 1 January 2007	24.323	28.747	50.867	69.931	8.279	182.147
Additions	337	663	8.402	7.962	751	18.116
Disposals / Transfers	(2.294)	(47)	(1.822)	(7.888)	(2.775)	(14.825)
Balance 31 December 2007	**22.366**	**29.363**	**57.447**	**70.005**	**6.256**	**185.437**
Acquistion cost						
Balance 1 January 2008	22.366	29.363	57.447	70.005	6.256	185.437
Additions		33	13.065	6.108	2.490	21.696
Disposals / Transfers	(8.008)	(14.107)	(903)	(5.338)	(903)	(29.259)
Balance 31 December 2008	**14.358**	**15.289**	**69.609**	**70.775**	**7.844**	**177.874**
Depreciation						
Balance 1 January 2007	-	5.245	29.491	52.826	4.655	92.217
Depreciation	-	575	3.726	5.138	795	10.234
Decreases	-	(80)	(1.591)	(4.281)	(1.271)	(7.223)
Balance 31 December 2007	**-**	**5.740**	**31.626**	**53.683**	**4.179**	**95.228**
Depreciation						
Balance 1 January 2008	-	5.740	31.626	53.683	4.179	95.228
Depreciation	-	604	4.398	5.568	795	11.366
Decreases	-	(4.159)	(438)	(5.237)	(690)	(10.524)
Balance 31 December 2008	**-**	**2.185**	**35.586**	**54.014**	**4.285**	**96.070**
Amounts in the Balance Sheet						
As at the 1st January 2007	24.323	23.502	21.376	17.105	3.624	89.930
As at the 31st December 2007	**22.366**	**23.623**	**25.821**	**16.322**	**2.077**	**90.209**
As at the 1st January 2008	22.366	23.623	25.821	16.322	2.077	90.209
As at the 31st December 2008	**14.358**	**13.104**	**34.023**	**16.761**	**3.559**	**81.805**

28. Investment properties

(Amounts in thousand Euro)

	2008	**2007**
Balance 1 January	31.856	26.161
Additions	3.367	4.224
Transfer from Property, plant and equipment	-	1.984
Disposals	(1.711)	(513)
Balance 31 December	**33.512**	**31.856**

29. Intangible assets

(Amounts in thousand Euro)

	Goodwill	**Software**	**Total**
Acquisition cost			
Balance 1 January 2007	46.667	33.382	80.049
Additions	3.602	6.264	9.866
Disposals	-	(261)	(261)
Balance 31 December 2007	**50.269**	**39.385**	**89.654**
Balance 1 January 2008	50.269	39.385	89.654
Additions	-	6.735	6.735

Disposals	(116)	(545)	(661)
Balance 31 December 2008	**50.153**	**45.576**	**95.728**
Accumulated amortisation			
Balance 1 January 2007	71	24.505	24.576
Additions	-	2.906	2.906
Disposals	-	(9)	(9)
Balance 31 December 2007	**71**	**27.403**	**27.474**
Balance 1 January 2008	71	27.403	27.474
Additions	-	3.173	3.173
Disposals	-	(526)	(526)
Balance 31 December 2008	**71**	**30.050**	**30.121**
Amounts in the Balance Sheet			
As at the 1 January 2007	46.596	8.877	55.473
As at the 31 December 2007	**50.198**	**11.983**	**62.181**
As at the 1st January 2008	50.198	11.983	62.181
As at the 31st December 2008	**50.082**	**15.527**	**65.607**

Goodwill impairment testing

Goodwill is allocated to cash-generating units (CGUs) for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The Group allocates goodwill using the country of operation and economic segment as the allocation basis. Goodwill almost in total is allocated to Investment Bank of Greece a subsidiary which operates mainly in the financial sector and provides a broad range of financial and investment services to individuals and businesses.

The recoverable amounts of the subsidiary have been determined based on value in use calculations. These calculations require the use of estimates and assumptions and use calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. The growth rates do not exceed the long-term average growth rate for the business in which each CGU operates. Estimates and assumptions used for calculating cash flow projections from the Group's participation in the Investment Bank of Greece are as follows:

	2008	2007
Average income growth from fees and commissions	5,05%	16,67%
Minimum capital adequacy ratio (Tier I)	8%	8%
Average divident growth (cash flows) for the period		15,29%
Growth rate after 2013	2%	2%
Returns in equity after 2012	25%	25%
Discount rate	13,15%	14,15%

The main source of income of the subsidiary pertains to commissions with the investment bank and financial transactions. The estimation of the relative income was made under particularly conservative assumptions and was based on historic evidence, though suitable adjustments were made for the foreseen developments within the following years. Net commissions of the subsidiary (after intragroup eliminations) for 2008 amounted to approximately € 79 million. For the first year, there is foreseen a decrease of approximately 53%, while for the following years there is foreseen a gross annual increase at average of approximately 5%.

The recoverable amount of the subsidiary exceeds the relative carrying amount by approximately 20% while no other revision of the assumptions is expected to have material impact of the results of impairment testing.

30. Deferred tax

(Amounts in thousand Euro)

Recognised deferred tax asset and liability

Deferred tax asset and liability are attributable to::

	2008	2007
Deferred tax asset		
Intangible assets	193	319
Employee benefit obligations	2.333	2.708
Impairment of loans and advances	9.781	3.170
Impairments of investments	46.077	20.803
Deferred income	3.756	3.199
Preference shares	7.041	-
Valuation reserve from disposal of listed shares	6.659	-
Valuation of bank book and derivative financial instruments	757	
Other	6.221	3.941
	82.818	**34.141**
Deferred tax liability		
Property, plant and equipment	1.686	1.572
Impairment of loans and advances	-	4.683
Commission	7.349	5.740
Valuation of bank book and derivative financial instruments	27	2.059
Intangible assets	947	614
Suspension of loans' accrual	1.928	-
Other	10.412	2.355
	22.349	**17.023**

Movement in temporary differences during the fiscal year

	Balance 1 January 2007	Recognised in Income	Recognised in Equity	Balance 31 December 2007
Intangible assets	159	(462)	-	(303)
Employee benefit obligations	3.124	125	-	3.249
Impairment of loans	4.187	(5.590)	-	(1.403)
Impairment of investments	1.397	(646)	-	751
Deferred income	1.355	1.149	-	2.504
Effective Rate of loans	-	(5.740)		(5.740)
Preferense shares	227	(227)	-	-
Property, plant and equipment	(2.206)	(200)	-	(2.406)
Finance leases	-	(91)	-	(91)
Valuation of derivative financial instruments	(589)	-	-	(589)

Valuation of bank book	(103)	-	-	(103)
Available for sale financial instruments	654	-	18.682	19.336
Other	512	1.401	-	1.913
	8.717	**(10.281)**	**18.682**	**17.118**

	Balance 1 January 2008	Recognised in Income	Recognised in Equity	Balance 31 December 2008
Intangible assets	(303)	(462)	-	(765)
Employee benefit obligations	3.249	(386)	-	2.863
Impairment of loans	(1.403)	11.516	-	10.113
Impairment of investments	751	(1.267)	-	(516)
Deferred income	2.504	276	-	2.780
Effective Rate of loans	(5.740)	(2.178)	-	(7.918)
Property, plant and equipment	(2.406)	(114)	-	(2.520)
Finance leases	(91)	-	-	(91)
Valuation of derivative financial instruments	(589)	8.971	-	8.382
Valuation of bank book	(103)	-	-	(103)
Available for sale financial instruments	19.336	-	26.643	45.979
Suspension of loans' accrual	-	(1.928)	-	(1.928)
Temporary differences from tax losses	-	6.169	-	6.169
Valuation reserve from disposal of listed shares	-	757	-	757
Other	1.913	(4.646)	-	(2.733)
	17.118	**16.708**	**26.643**	**60.469**

31. Other assets

(Amounts in thousand Euro)

	2008	2007
Guarantees	14.368	37.397
Prepaid expenses	5.924	4.332
Clearing accounts for securities transactions of ASE, ADEX and foreign stock exchanges	12.914	61.592
Accrued income	192.025	104.994
Extra contribution to Hellenic Deposit Guarantee Fund	43.561	-
Other	124.816	86.722
Other assets	**393.608**	**295.037**

Following Article 6 of the Law 3714/7.11.2008, there was increased the amount of deposits covered through deposit security system from 20.000 Euro to 100.000 Euro per deposit. There also increased the percentage of calculating contribution deposited by banks to Deposit Security Fund.

Therefore, the banks deposited additional contributions for the year 2008. The Law 3746/16.2.2009 «Deposit and Investment Security Fund (TEKE)» makes provisions that the amount of difference of regular annual contributions of credit institutions arising from the application of paragraph 2, Article 6 of the Law 3714/7.11.2008, is held in the special property unit whose items commonly belong, as in compliance with the proportion of interest, to credit institutions with participating interest.

32. Share Capital

	2008	2007
Number of ordinary shares	288.855.236	288.626.666
Nominal value	1,27	1,27
Share capital paid (in thousand Euro)	366.846	366.556
Share premium (in thousand Euro)	327.699	327.261

Within the year 2008, the Share Capital and the Share Premium have increased by 290 thousand Euro and 438 thousand Euro respectively, due to the conversion of 228.570 ordinary bonds of the Convertible Bond Loan issued as at 21/01/2003 into ordinary shares.

The shares of the Bank are nominal, indivisible and are traded under the Special Stock Exchange Characteristics category in the Athens Stock Exchange (ASE) and have been issued in accordance with the requirements of Law 2190/1920 and the Bank's Charter of Incorporation

33. Other reserves

(Amounts in thousand Euro)

	2008	2007
Statutory reserve	25.516	19.346
Tax-exempt reserve	4.752	5.449
Extradoinary reserve	29.993	28.382
Revaluation reserve of available for sale financial instruments	(145.829)	(58.218)
Stock Option plan reserve	3.479	1.630
Reserves for foreign exchange currency differences	(6.376)	(1.001)
Other reserves	**(88.465)**	**(4.412)**

Statutory reserve: Under the provisions of Greek corporate law, entities are required to transfer 5% of their annual profits to a statutory reserve until the reserve equals one third of the issued capital. This reserve is not available for distribution but may be applied to cover losses.

Untaxed reserve: In the event of reserves being distributed, tax is applied on the rate in effect as at the date of distribution.
In accordance with Law 3634/2008, untaxed reserves of banking organizations from: profits by listed shares (both domestic and foreign), profits by derivative financial instruments (both domestic and foreign), as well as, untaxed earnings in accordance with article 99 of Law 2238/1994, are taxed at the rate outstanding for the Bank. The reserves in question can be distributed or capitalized at any time with no further taxes applied.

Extraordinary reserve: Includes all other reserves that cannot be categorized within the aforementioned categories.

34. Deposits from Banks

(Amounts in thousand Euro)

	2008	2007
Deposits with Central Bank	2.670.527	180.000

Sight	28.066	13.512
Term	54.401	24.551
Other placements	2.372.561	1.884.112
Advances from Credit Institutions	478.071	313.147
Deposits from banks	**5.603.626**	**2.415.322**

35. Deposits from Customers

(Amounts in thousand Euro)

	2008	2007
Retail customers:		
Sight	410.152	728.612
Saving accounts	652.508	763.119
Term	6.137.569	4.095.186
	7.200.229	**5.586.917**
Corporate custoemers:		
On demand	683.521	1.179.977
Term	3.769.705	2.442.817
	4.453.226	**3.622.794**
Government entities:		
On demand	70.292	77.754
Term	7.701	13.282
	77.993	**91.036**
Deposits from customers	**11.731.448**	**9.300.747**

36. Other borrowed funds

(Amounts in thousand Euro)

	2008	2007
Convertible subordinated debt - maturity 2013	231	862
Subordinated debt – maturity 2015	80.000	80.000
Subordinated debt - maturity 2017	200.000	200.000
Bond loan - maturity 2010	50.000	50.000
Bond loan - maturity 2011	50.000	-
Syndicated loan - maturity 2010	250.000	-
Intercompany loan - maturity 2008	-	199.941
Other borrowed funds	**630.231**	**530.803**

The convertible bond was issued on 21st January 2003 and has a maturity of 10 years with the right of first redemption after 5 years. It has a 3-month Euribor interest rate plus 1,75% up to the date of redemption and 3,25% until maturity. Interest accrues every 3 months starting from 21 January 2003

Convertible subordinated debt holders have the right to exchange ten notes for ten shares. At 31/12/2008 there were 72.110 common bonds, the holders of which have the right to exchange for the respective number of common shares per value of 1,27 Euro. The par value of each debt security is Euro 3,20.

The subordinated debt with maturity 2015 was issued 4 May 2005 and it has a 10 year term with the right to fixed redemption after the end of the fifth year. It has a 3-month Euribor interest rate plus 1,10% up to redemption date and 2,40% up to maturity. It accrues interest on a quarterly basis starting from 4 August 2005. The bond loan is listed on Stock exchange of Luxemburg and its fair value as at 31/12/2008 was 60 εmillion (31/12/2007: 80,1 million.)

The subordinated debt with maturity 2017 was issued on 31 December 2007 it has a 10 year term with the right to fixed redemption after the end of the fifth year. It has an interest rate of Euribor three months plus 0.95% up to redemption date and 1.95% up to maturity. It accrues interest quarterly starting 31 March 2008. The issue of the bond loan was decided following the approval of the Ordinary General Assembly of the Shareholders of the company on 22 June 2006 and was covered in total by the parent «Marfin Popular Bank Public co ltd».

The subordinated debt is used as secondary capital (Tier II Capital) for capital adequacy purposes.

The bond loan (Schuldschein) with maturity 2010 was issued on 28 December 2007 and it has a 3 year term. It has an interest rate of Euribor 1, 3 or 6 months plus 0.25% up to maturity. It accrues interest every 1, 3 or 6 months starting on 28 January 2008.

The bond loan (Schuldschein) with maturity 2011 was issued on 5 March 2008 and it has a 3 year term. It has an interest rate of Euribor 6 months plus 0.25% up to maturity. It accrues interest every 6 months starting on 4 September 2008.

The loan with maturity 2008 (3 years) has an interest rate Euribor plus 0,55% up to maturity (11/08/2008). It accrues interest every 3 months starting on 11 November 2005. On 11/08/2008 there matured the loan issued as at 11/08/2005 amounting to 200 million Euro.

In September there was undertaken a syndicated loan of two years' term amounting to 250 million Euro. The issue date is 25/09/2008 and the term is 2 years. It has an interest rate of Euribor 3 months plus 0.60% up to maturity. It accrues interest every 3 months starting on 29/12/2008.

The Board of Directors of the Bank at its meeting as at 17/11/2008 decided on the issuance of the first line of (ordinary) covered bonds of EUR 1 billion of up to 2 years duration at credit rating of «AAA / Aaa» with international rating agencies Fitch Ratings and Moody's Investors respectively at additional margin of 1,10% annually. The first in Greece direct issuance of the bonds was carried out within the frame of the plan for issuance of (ordinary) covered bonds of up to 3 billion Euro. The security portfolio, defined by the «coverage», within the definition of par. 3. Article 91 of the Law 3601/2007 on the Bonds is composed of mortgages. Furthermore, in order to cover receivables due to Bond Creditors and other Security Lenders, MARFIN POPULAR BANK PUBLIC CO LTD has agreed to provide credit facilities to the Bank. The bonds wre traded on Stock Exchange of Ireland and, following their issuance, were acquired by the Bank at a price of their issuance, ie as against one (1) billion Euro for the purposes of their redistribution to institutional investors till their maturity. As till the issuance of new bands to institutional investors, the bonds will be used for security purposes pertaining to obtaining liquidity from the European Central Bank through the Bank of Greece.

The liability arising from H the issuance of covered bonds is not presented in the account «Other borrowing liabilities», since the titles in question are self owned by the bank. In compliance with the respective accounting policy, offsetting financial assets with liabilities is permitted in case there is a legal right to offset the recorded amounts and there is an intention for simultaneous settlement of the total amount of the financial assets as well as liabilities

Information stated in Article 25 of he Law 3601/2007, pertaining to covered bonds:

A.Covered bonds and assets in security portfolio

(Amounts in thousand Euro)

	Nominal value	Net present value	Net present value if interest rates increased by 200 base rates	Net present value if if interest rates decreased by 200 base rates	Average weighted interest rate	Value of secured property
A. Assets (exclusive of derivative financial instruments)						
A.1 Balances secured by guarantees from central governments, central banks, public entities and organizations						
A.2 Balances with or balances secured by guarantees from central governments, or central banks, outside the EU, multilateral banks or international organizations						
A.3 Balancesvwith or secured by guarantees from regional governments and logal authorities, as well as state companies and organizations						
A.4 Balances with credit institutions and SFSLTDs						
A.5 Loans covered by residential property	1.251.879	1.265.005	1.064.581	1.534.962	3,908%	2.858.444
A.6 Loans covered by commercial property						
A.7 Loans covered by nautical pledges						

B. Derivative financial instruments with counter-party					
B.1 a central government or central bank – EU member					
B.2 a regional government or local authority –EU member					
B.3 an international organization					
B.4 a State Company or Organization of an EU member					
B.5 a credit institution or SFSLTD	699.880	6.009	17.428	8.382	
B.6 a central or organized market					
Total assets in security portfolio (A+B)	1.251.879	1.271.013	1.082.009	1.543.344	
C. Covered bonds	1.000.000	1.024.837	1.026.287	1.023.256	3,635%
D.Overcollateralized [C-(A+B)]	251.879	246.176	55.722	520.088	

B.Table of maturity of covered bonds and assets in security portfolio

(Amounts in thousand Euro)

	Assets		**Derivative financial instruments**		**Covered bonds**	
	in €	**in foreign currency**	**in €**	**in foreign currency**	**in €**	**in foreign currency**
≤ 1 year	241					
>1 ≤ 5 years	11.004				1.000.000	
>5 ≤ 10 years	88.185					
>10 years	1.152.449		699.880			
Total	1.251.879		699.880		1.000.000	

C. Table of effectiveness test of risk hedging for assets in security portfolio and reconciliation of interest receivable and payable

(Amounts in thousand Euro)

	Net present value	Interest income	Interest expense
A. Assets in security portfolio	1.265.005	46.628	
B. Derivative financial instruments used for hedging:			
B.1 Interest rate risk	6.009	19.076	25.561
B.2 Foreign currency risk			
B.3 Liquidity risk			
Total assets in security portfolio(A+B)	1.271.013	65.703	25.561
C. Covered bonds	1.024.837		36.500
D. Hedge effectiveness (>0%)			
E. Differense between interest income and expense [(A+B) - C]		65.703	62.061

D. Total amount of pastdue loans in security portfolio

(Amounts in thousand Euro)

Past due loans over 90 days	0

37. Employee benefits

(Amounts in thousand Euro)

	2008	2007
Present value of unfunded obligations	8.414	8.911
Present value of funded obligations	-	-
Total present value	**8.414**	**8.911**
Unrecognised actuarial gains and losses	3.905	2.406
Recognised liability for defined benefit obligations	**12.319**	**11.317**
Movement in plan assets:		
Opening balance	-	1.874

Expected return	-	49
Contributions paid	-	(1.335)
Settlement – termination	-	(589)
Closing balance	**-**	**-**

Net liability for defined benefit obligations at January 1st	**11.317**	**10.705**
Benefits paid	(2.872)	(6.940)
Effect from disposal of subsidiaries	(45)	-
Expense recognised in the income statement from continuing operations	3.909	7.544
Expense recognised in the income statement from discontinued operations	10	8
Net liability for defined benefit obligation at December 31st	**12.319**	**11.317**

Expense recognised in the income statement

Current service costs	1.243	1.413
Actuarial loss recognition	(66)	-
Termination cost – settlement	2.296	5.658
Interest on obligation	446	481
	3.919	**7.552**

The principal actuarial assumptions used for 2008 and 2007 were as follows:

	2008	**2007**
Discount rate	5,50%	5,00%
Increase in salaries	4,00%	4,50%

38. Other provisions

(Amounts in thousand Euro)

	2008	**2007**
Provisions for risks and liens	3.659	5.585
Provisions for taxes	1.374	800
Other personnel provisions	4.829	9.744
Other provisions	**9.862**	**16.128**

From total provisions for risks and liens for the years 2008 and 2007 amounting to 3.659 thousand Euro and 5.585 thousand Euro respectively, the amounts of 465 thousand Euro and 1.011 thousand Euro pertain to disputed claims. The remaining amounts of 3.194 thousand Euro and 4.574 thousand Euro respectively pertain to the coverage of extraordinary losses that might arise from doubtful receivables other than loans.

39. Other liabilities

(Amounts in thousand Euro)

	2008	**2007**

Taxes and duties (non-income tax)	11.468	9.586
Due to social security funds	5.970	5.588
Suppliers and other creditors	24.474	24.712
Third party participation in SC increases of the companies	225	189.303
Amounts collected on behalf and due to third parties	29.665	26.440
Deferred income	2.667	52.239
Due to customers / stock exchange from stock exchange transactions	19.829	98.421
Accrued expenses	169.120	15.629
Cheques and orders payable	36.074	63.365
Other liabilities	27.407	15.980
Other liabilities	**326.899**	**501.263**

40. Contingent liabilities and commitments

40.1 Litigation

The Group is a defendant in certain claims and legal actions arising in the ordinary course of business. In the opinion of management, after consultation with legal counsel, the ultimate disposition of these matters is not expected to have a material adverse effect on the financial position of the Group apart from those referred to in Note 38.

40.2 Credit commitments

The contractual amounts of the off balance sheet items, binding the Group to issue credits to customers are as follows (Amounts in thousand Euro):

	31/12/2008	31/12/2007
Letters of guarantee	633.698	499.750
Letters of credit	5.982	5.069

40.3 Operating lease

The Group's liability from operating lease contracts concern buildings used as branches and other operating units. The minimum future lease payments are as follows (in thousand of Euro):

	2008	2007
Up to1 year:	23.682	19.000
1 to 5 years:	73.719	61.408
Over 5 years:	54.769	32.876

40.4 Commitments on assets

	2008	2007
Loans and advances to customers	1.251.879	0
Held to maturity investments	544.775	0

Financial instruments at fair value through profit and loss	25.690	0
Available for sale financial instruments	1.196.072	237.288
Debt securities	1.417.133	0
	4.435.549	**237.288**

Target II	373.887	181.288
Foreign Credit Institutions (liquiditiy)	2.809.783	56.000
	3.183.670	**237.288**

The Group has pledged loans to customers as a portfolio security for the issuance of covered bonds.

AOf these securities, an amount of 373,887 thousand Euro has been pledged as security by the Bank of Greece, to facilitate the transaction through the TARGET II, while the amount of 2,809,783 thousand - for participation in refinancing.

Of the above securities, the amount of EUR 1 billion has come from the issuance of covered bonds self-owned by the Bank. These securities are not presented in the account "Debt Securities borrowing portfolio" due to offsetting with the corresponding obligation.

41 Related party transactions

Related parties consist of: a) members of the Board of Directors and management, b) the parent Bank's group (Marfin Popular Bank), as well as, c) other related parties (members of the BoD – management of the Group's subsidiaries, next of keen or financially dependent members for members of the BoD and management, and companies that trade with the Bank, in cases where total participation of the members of the BoD and management in these companies and of their dependent members does not exceed 20% in total.

Letters of guarantee and letters of credit to related parties comprise a minimum percentage of total loans and advances of the Group.

All of the Group's transactions are objective and are conducted during the ordinary conditions and terms, and are within the framework of day-to-day operations.

The volume of transactions per category is as follows (amounts in thousand Euro):

A) Management and Board of Directors	**31 December 2008**	**31 December 2007**
Loans and advances to customers	4.290	3.907
Deposits from customers	112.149	149.565
Income	**1/1 - 31/12/2008**	**1/1 - 31/12/2007**
Interest – Fee and Commission	370	82
Expense		
Interest – Fee and Commission	7.003	2.011
Wages	7.503	6.328
Employer contributions	233	384
Other employee benefits	121	435
Share-based payments	796	720
Total benefits	**8.653**	**7.867**

B) Group of the parent Marfin Popular Bank	**31 December 2008**	**31December 2007**
Assets		

Loans and advances to customers	206	0
Loans and advances to banks	482.169	264.458
Other assets	5.124	20.952
Financial instruments at fair value through profit and loss	26.988	0
Available fir sale financial instruments	154	0
Total assets	**514.641**	**285.410**
Liabilities		
Deposits from customers	52.400	18.633
Deposits from banks	552.255	355.944
Issued bonds and other borrowed funds	200.000	200.000
Other liabilities	2.335	5.421
Total liabilities	**806.990**	**579.998**

Income	**1/1 - 31/12/2008**	**1/1 - 31/12/2007**
Interest income	11.541	8.137
Fee and commission income	1.890	3.826
Other income	0	82
Total income	**13.431**	**12.045**
Expense		
Interest expense	35.134	21.921
Fee and commission income	58	341
Financial	1.162	0
Other operating expense	2.644	58
Total expense	**38.998**	**22.320**
Letters of guarantee and letters of credit	**57**	**0**

C) Other related parties	**31 December 2008**	**31 December 2007**
Assets		
Loans and advances to customers	68.240	37.500
Other assets	133	245
Property, plant and equipment	769	1.100
Total assets	**69.142**	**38.845**
Liabilities		
Deposits from customers	14.312	19.359
Total liabilities	**14.312**	**19.359**

Income	**1/1 - 31/12/2008**	**1/1 - 31/12/2007**
Interest income	4.259	1.105
Fee and commission income	96	75
Total income	**4.355**	**1.180**
Expense		
Interest expense	795	347
Other operating expense	358	238
Total expense	**1.153**	**585**
Letters of guarantee and letters of credit	**114**	**2.602**

42 Transactions with Marfin Investment Group

(Amounts in thousand Euro)

Transactions with Marfin Investment Group	31 December 2008	31 December 2007
Assets		
Loans and advances to custoemers	205.455	136.122
Trading portfolio	0	0
Investment portfolio	30.246	0
Other assets	18.556	0
Total assets	**254.257**	**136.122**
Liabilities		
Deposits from customers	988.347	461.787
Deposits from banks	0	0
Other liabilities	7.338	0
Total Liabilities	**995.685**	**461.787**
Income	**1/1 - 31/12/2008**	**1/1 - 31/12/2007**
Interest income	11.256	3.076
Fee and commission income	46.689	86.294
Dividend income	2	0
Other income	399	0
Total income	**58.346**	**89.370**
Expense		
Interest expense	43.772	33.697
Fee and commission expense	1	0
Other operating expense	5.983	0
Total expense	**49.756**	**33.697**
Letters of guarantee and letters of credit	**3.539**	**44.000**

During the year 2008 there were sold self-owned tangible fixed assets of the Bank to the company MIG Real Estate S.A. for the total amount of 8.420 thousand Euro. The profit from the aforementioned sale has reached the amount of 1.898 thousand Euro.

43. Categories of Financial Assets and Liabilities

Financial assets and liabilities as at the Balance Sheet date are classified into the following categories:

	Book value 31.12.2008	Loans and advances	Financial instruments at fair value through profit and loss: Trading portfolio	Financial instruments at fair value through profit and loss: at initial recognition	Available for sale	Held to maturity investments Nominal value 31.12.2008
Loand and advances to banks	1.210.235	1.210.235				
Loans and advances to customers (net of impairment)	13.003.410	13.003.410				
Derivative financial instruments - assets	83.485		83.485			

Financial instruments at fair value through profit and loss	180.924		97.321	83.603		
Available for sale financial instruments	1.643.289				1.643.289	
Held to maturity investments	515.331					515.331
Debt securities	622.616	622.616				
Other assets	77.253	77.253				
	17.336.543	14.913.514	180.806	83.603	1.643.289	515.331

		Liabilities at	
	Bookvalue 31.12.2008	**Amortised cost**	**Fair value**
Deposits from banks	5.603.626	5.603.626	
Deposits from customers	11.731.448	11.731.448	
Derivative financial instruments – liabilities	251.944		251.944
Other debt obligations	630.231	630.231	
Other liabilities	110.042	110.042	
	18.327.291	18.075.347	251.944

44. Fair value of financial assets and liabilities

The fair value represents the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Differences might arise between the carrying amount and the fair value of financial assets and liabilities.

The items of transaction portfolio, the derivatives and securities available for sale are presented in the financial statements at their fair value. Loans and other advances, securities held to maturity and financial liabilities are presented at amortized cost. The carrying amount of the aforementioned items is presented below:

	31 December 2008		**31 December 2007**	
	Book value	**Fair value**	**Nominal value**	**Fair value**
Assets				
Loans and advances to banks	1.210.235	1.210.235	1.933.596	1.933.596
Loans and advances to customers (net of impairment)	13.003.410	13.004.349	9.648.283	9.648.283
Held to maturity investments	515.331	466.798	91.826	90.890
Debt securities	622.616	516.108	-	-
Other assets	77.253	77.253	61.592	61.592
Liabilities				
Deposits from banks	5.603.626	5.606.629	2.415.322	2.415.322
Deposits from customers	11.731.448	11.878.627	9.300.747	9.300.747
Other debt obligations	630.231	610.231	530.803	531.472
Other liabilities	110.042	110.042	376.401	376.401

The fair value of held-to-maturity securities is defined through reference to secondary acquisition or prices provided by brokers/agents. In the event no such information is available, the fair value is calculated using the market price of the securities similar to those in question, maturity period and return characteristics. The fair value of securities is defined under revaluation model. The data used to greater extent is the related to observable market data. In determining the appropriate margin (spread) in relation to the credit risk of those securities, there is made a reference to the market for credit default swap prices for the same issuer. If there are no corresponding prices, there are made estimates according to other securities with similar credit risk.

The fair value of loans to customers is calculated based on appropriate curve of the interbank market interest rates and after adding a margin (spread) of the loan applied for credit risk at the balance sheet date. Similarly, the fair value of deposits is estimated based on the curve of interest rates and interbank market minus the margin of the client (spread) to the type of deposit. The receivables and obligations of the interbank market on the basis of discounted rates curve of interbank market rates are applicable at the balance sheet date. The fair value of other financial assets and liabilities is not materially different from book value.

45. Financial risk management

As all the other credit institutions, the Group is exposed to risks. Those risks are constantly monitored in various ways in order to avoid undue risk concentrations. The nature of the aforementioned risks as well as the ways of risk management are explained below. There is further presented information on the description of extent and nature of financial risks faced by the Group together with the comparative data concerning the prior period. The comparative reporting is presented in a consolidated way on the three Banks that have merged, while it is to be noted that risk management did not use to be common in the prior period.

The responsibilities for managing risk have been delegated by the BoD of the Bank to the Risk Management Committee, which shapes the strategy and principles for management and undertaking of risks and assessment of the adequacy and effectiveness of risk management, adequacy of limits, of provisions and capital in relation to the type and level of risk. The Risk Management Committee receives and evaluates the reports submitted to the Division of Risk Management and notifies the Board of Directors of effective risk management, submits proposals and recommends corrective actions if necessary.

45.1 Credit risk

Credit risk is the risk of loss resulting from counter party default. The Group considers credit risk for loans as the loss, which the Group would suffer if a client or counter party fails to meet their contractual obligations. Credit risk management is focused on maintaining a certain

disciplined mentality, transparency and conscious risk undertaking based on internationally recognized practice.

Credit Risk Management

Credit risk methodology is defined in order to reflect the economic environment. Various methods that are used, are annually, or whenever considered necessary, revised and adjusted in compliance with the Group’s strategy as well as with the Group’s short term and long term objectives.

Various segment and domicile analyses of economies, in combination with the economic provisions provide the guidance for definition of the credit policy which is revised at least every six months.

The Group has established credit limits based on the creditworthiness of the counter party in order to minimize the credit risk that the Group undertakes. The creditworthiness analysis for each client is based on the country domicile, the business sector and other qualitative and quantitative characteristics for the client, the nature of the transaction and the collateral.

At the same time, there have been defined the limits of credit facilitation and the duties have been divided as during the crediting process in order to ensure objectivity, independence and control over new and already existing credits

During the credit approval procedure, there is examined the total credit risk for every counterparty or groups of counterparties that are further compared and thus lead to the establishment of the credit limits approved by various subsidiaries of the Group.

The monitoring of credibility of counterparts as well as credit openings in combination with the corresponding limits that have been approved, is carried out on a systematic basis.

At the same time, any concentration is analyzed and monitored on a systematic basis with a view to limiting the contingent bid openings and dangerous concentrations so that they would be within the approved limitations of the credit policy. Credit risk concentration can be created at the levels of economy sector, counterparty or groups of counterparties, country, currency and nature of transaction. In particular, as far as retail clients are concerned, the systematic monitoring of the credit performance is carried out with the assistance of specific analysis.

There can be indicatively mentioned vintage analysis and flow rate analysis.

Balancing the relation between profit and risk is a matter of vital importance for the Group's profitability. The aforementioned relation is analyzed at customer and product level through the system of profitability measurement as well as pricing definition that has been developed with the aim of connecting the incurred risk with the expected returns.

At the same time, within the framework of credit risk management policy, there is evaluated the effect that the extreme but feasible scenarios will have on the quality of credit and available funds through conducting the stress testing.

Credit rating system

The methods of evaluation of credibility are modified as depending on the nature of the counterpart in the following categories: central governments (for purchase and holdings of debt instruments), financial institutions, corporate customers , small and medium size entities (SME) and retail customers.

As far as evaluation of central governments and financial institutions is concerned, it is analyzed below under the titles «Counter party banks risk» και «Country risk».

Retail customers are evaluated based on two different systems of credit rating as concerning the subsidiary to which they belong as well as the information available. The first system (behavioural credit scoring) takes into account the qualitative and financial information of the customer when the customer applies for a loan, while the second system (application credit scoring) depends on evaluating the payment performance and the Group's relationship with the customer (income, assets). As far as the Retail credits are concerned, there are four applications pertaining to Consumer Loans, Credit Cards and Car Loans.

As far as the assessment of large, small and medium size entities is concerned, there is used an extended system of risk classification. The first part concerns the classification of creditworthiness of the business into ten levels based on quantitative and qualitative analysis, thus defining the possibility of his not meeting his contractual obligations. The significance of the criteria varies in compliance with the nature and size of the operations conducted by the business. In order to assess large size entities there is additionally used the Moody's Risk Advisor credit rating system.

The degree of creditworthiness of a client is used in combination with the degree of sufficiency of collaterals (i.e. unsecured risk) at the credit approval stage as well as for the definition of the corresponding limitations. In particular, the allocation of the degree of creditworthiness of business portfolio is systematically monitored for the purposes of interior calculation of possible failure to meet contractual obligations as well as for the purposes of timely locating unfavorable modifications in various degrees of quality/risk of portfolio aimed as the development of proper strategy of incurred risk hedging.

Credit rating of loans and advances to customers

The table below presents the amounts of loans and advances to customers per customer as well as provision for loans impairment for every category of the Group's credit rating.

(Amounts in thousand Euro)

	2008		2007	
	Loans and advances to customers %	Provision for loans impairment %	Loans and advances to customers %	Provision for loans impairment %
Credit rating category:				
Low risk	29,33	0,04	53,18	0,20
Medium risk	63,35	0,06	42,13	0,40
High risk	7,32	28,5	4,69	42,11
Total	**100**	**2,14**	**100**	**2,25**

Total exposure to credit risk prior to acquired collateral and other credit upgrades

The table below presents the highest exposure of the Group to credit risk arising from financial instruments as presented in the balance sheet without taking into consideration collaterals or other credit risk revisions made. As far as the financial instruments presented in the balance sheet are concerned, the exposure to credit risk equals their carrying amount.

(Amounts in thousand Euro)

	2008	2007
Exposure to credit risk from on balance sheet items:		
Loans and advances to banks	1.210.235	1.933.596

Trading portfolio securities	76.508	144.570
Derivative financial instruments – assets	83.485	10.935
Loans and advances to customers (net of impairment)		
Loans to retail customers	4.167.055	3.365.728
Corporate loans:		
Large entities and organizations	5.182.162	3.522.841
Small and medium-sized entities	3.654.193	2.759.714
Investment portfolio securities:		
Available for sale	1.620.817	564.413
Held to maturity	515.331	91.826
Debt securities	622.616	0
Other assets	77.253	61.592
Total on Balance Sheet items	**17.209.655**	**12.455.215**
Exposure to credit risk from off-Balance Sheet items:		
Letters of guarantee	633.698	499.750
Letters of credit	5.982	5.069
Total	**17.849.335**	**12.960.034**

Loans and advances

The table below presents the nature of loans and advances of the Group.

(Amounts in thousand Euro)

	2008		2007	
	Loans and advances to customers	**Loans and advances to banks**	**Loans and advances to customers**	**Loans and advances to banks**
Loans and advances neither pastdue nor impaired(a)	10.928.847	1.210.235	8.284.296	1.933.596
Past due loans and advances not impaired(b)	1.739.447	0	1.172.413	0
Impaired (γ)	620.040	0	413.572	0
Loans before provisions	13.288.334	1.210.235	9.870.281	1.933.596
Provision for impairment	(284.924)	0	(221.998)	0
Loans and advances (net of impairment)	**13.003.410**	**1.210.235**	**9.648.283**	**1.933.596**

(a) Loans and advances neither past due nor impaired

The table below presents the loans of the Group without delay and impairment for every category of interior credit rating.

(Amounts in thousand Euro)

	Loans and advances to customers			Total	Loans and advances to banks
	Retail	Corporate			
		Large entities and organizations	Small and medium-sized entities		
2008					
Credit rating category:					
Low risk	1.616.270	588.162	719.026	**2.923.458**	1.210.235
Medium risk	1.567.212	4.146.169	2.161.471	**7.874.852**	**0**
High risk	26.858	42.953	60.726	**130.537**	**0**

Total	**3.210.340**	**4.777.284**	**2.941.223**	**10.928.847**	**1.210.235**
2007					
Credit rating category:					
Low risk	2.147.384	2.093.985	960.666	**5.202.035**	1.933.596
Medium risk	678.039	1.149.271	1.254.484	**3.081.794**	**0**
High risk	0	467	0	**467**	**0**
Total	**2.825.423**	**3.243.723**	**2.215.150**	**8.284.296**	**1.933.596**

The category includes the settled receivables from loans totally amounting to € 10.008 thousand. Had the above receivables not been settled, they would have been included in one of the following categories.

(b) Past due loans and advances not impaired

The table below presents the analysis of time delay of the loans that were delayed but not impaired as at the balance sheet date per category as well as the estimated fair value of collaterals received.

(Amounts in thousand Euro)

	Loans and advances to customers			
	Retail	**Corporate**		**Total**
		Large entities and organizations	**Small and medium-sized entities**	
2008				
Delay up to 30 days	410.911	325.665	241.474	**978.050**
Delay from 31 to 60 days	223.459	23.685	98.360	**345.504**
Delay from 61 to 90 days	137.403	23.263	132.774	**293.440**
Delay over 90 days	50.156	0	72.297	122.453
Total	**821.929**	**372.613**	**544.905**	**1.739.447**
Fair value of collateral	**301.900**	**322.223**	**240.958**	**865.081**
2007				
Delay up to 30 days	278.350	194.703	280.989	**754.042**
Delay from 31 to 60 days	122.605	9.341	70.805	**202.751**
Delay from 61 to 90 days	67.423	61.985	86.212	**215.620**
Total	**468.378**	**266.029**	**438.006**	**1.172.413**
Fair value of collateral	**261.697**	**186.153**	**235.218**	**683.068**

(c) Impaired loans and advances

The table below presents impaired loans and advances where estimation of impairment was made on individual basis, as well as the estimated fair value of collaterals per category. The loans included in this table present a delay of over 90 days and are classified as unsettled.

(Amounts in thousand Euro)

	Loans and advances to customers		
	Retail	**Corporate**	**Total**

		Large entities and organizations	Small and Medium-sized entities	
2008				
Loans examined on an individual basis for Impairment	247.712	80.731	291.597	**620.040**
Fair value of collateral	67.005	16.670	107.982	**191.657**
2007				
Loans examined on an individual basis for Impairment	148.882	70.051	194.639	**413.572**
Fair value of collateral	36.359	12.118	68.111	**116.588**

Investment in securities, state treasury bills and other bonds accepted for refinancing

The table below analytically presents the credit categories (based on Standard & Poor's rating) of state, corporate and other securities.

(Amounts in thousand Euro)

	State bonds and treasury bills	Other transaction portfolio investments	Other investment securities	Total
31 December, 2008				
AAA	93.000	1.809	506.968	**601.777**
AA- to AA+	0	13.453	262.246	**275.699**
A- to A+	611.863	42.684	766.961	**1.421.508**
Lower than A-	103.527	6.668	395.544	**505.739**
Unrated	0	0	30.549	**30.549**
Total	**808.390**	**64.614**	**1.962.268**	**2.835.272**
31 December, 2007				
AAA	15.763	3.699	26.903	**46.365**
AA- to AA+	0	40.990	23.711	**64.701**
A- to A+	406.711	31.565	79.665	**517.940**
Lower than A-	70.074	13.628	81.335	**165.037**
Unrated	0	93	6.673	**6.765**
Total	**492.549**	**89.974**	**218.286**	**800.809**

Acquisition of ownership of gained collaterals

The carrying amount of the assets that came to the ownership of the Group during the year, either through acquisition of ownership or through activation of other credit measures that meet the recognition criteria of other standards amount to 3.367 thousand Euro, while in 2007 it amounted to 4.223 thousand Euro.

Concentration of credit risk

(a) Geographical segment

The table below presents the carrying amount of financial assets of the Group exposed to credit risk per geographical segment. For the purposes of the table, the classification of exposure of financial assets per geographical segment has been conducted based on the country of operation of the counter parties.

(Amounts in thousand Euro)

	Greece	Other countries	Total
Loans and advances to banks	333.100	877.135	**1.210.235**
Trading portfolio securities	14.629	61.879	**76.508**
Derivative financial instruements – assets		83.485	**83.485**
Loans and advances to customers (net of impairment)			
Loans to retail customers	4.050.349	116.706	**4.167.055**
Corporate loans:			
Large entities and organizations	2.255.168	2.926.994	**5.182.162**
Small and medium-sized entities	3.239.532	414.661	**3.654.193**
Investment portfolio securities:			
Available for sale	589.438	1.031.380	**1.620.818**
Held to maturity	185.612	329.719	**515.331**
Loans and advances	47.101	575.515	**622.616**
Other assets	77.253		**77.253**
31 December, 2008	**10.792.182**	**6.417.474**	**17.209.656**
31 December, 2007	**9.413.769**	**3.041.446**	**12.455.215**

(b) Business segment

The table below presents the carrying amount of financial assets of the Group exposed to credit risk per business segment in which the counter parties operate.

(Amounts in thousand Euro)

	Industry	Tourism	Commerse	Property and Construction	Shipping	Retail customers, professional and lresidential	Other	Total
Loans and advances to banks							1.210.235	1.210.235
Trading portfolio securities							76.508	76.508
Derivative financial instruements – assets							83.485	83.485
Loans and advances to customers (net of impairment)								
Loans to retail custoemers						4.134.622	32.433	4.167.055
Corporate loans:								
Large entities and organizations	254.819	135.271	282.448	683.072	2.091.504	95.877	1.639.171	5.182.162
Small and medium-sized entities	483.116	191.847	1.493.731	436.851	23.175	90.183	935.290	3.654.193
Investment portfolio securities:								
Available for sale							1.620.818	**1.620.818**
Held to maturity				425.830			89.500	**515.330**
Loans and advances	67.786						554.831	**622.617**
Other assets								**77.253**
31 December, 2008	**805.721**	**327.118**	**1.776.179**	**1.545.753**	2.114.679	4.320.682	6.319.524	17.209.656
31 December, 2007	**525.670**	**198.043**	**1.086.904**	**457.622**	**1.245.128**	**3.359.998**	**5.581.849**	**12.455.215**

Counter-party banks' risk

The Group is exposed to the risk of capital losses due to contingent delayed payment of outstanding and contingent obligations of the counter party banks.

On a day-to-day basis of its operations, the Bank conducts transactions with other banks and credit institutions. While conducting such transactions, the Bank is exposed to the risk of capital loss in case the counter party banks delay the payment of their outstanding or contingent obligations.

The limits of counter party banks reflect the accepted risk level and are further divided to various Foreign Exchange Services or Foreign Exchange Available or other services facing the aforementioned risk in compliance with the needs and size of operation of each service. Generally, the highest possible limits are defined following the evaluation models of the banks and the directions of supervising authorities.

The counter risk assessment is conducted using a special banks and other credit institutions assessment model (Scoring Model). The model assesses each counter part in compliance with the economic quantitative as well as qualitative criteria. As far as quantitative criteria are concerned (capital adequacy, profitability, liquidity etc), the banks and credit institutions are assessed based on various ratios that are automatically provided by the Bankscope software system. The qualitative criteria (previous positive transaction record, management assessment etc) are provided in compliance with the judgment of risk management.

The credit limit for each counter party is split into sub limits, thus covering placements, investments, foreign currency acquisition as well as defined trade limits. The actual data is examined as against the limits on everyday basis in real time.

Country risk

The Group is exposed to country risk of capital loss due to international and political developments, as well as other developments in a particular country where the funds or cash and cash available of the Group have been placed or invested in various local banks or credit institutions.

All the countries are assessed in accordance with size, economic data and country's prospects as well as the credibility degree by international appraising organizations (Moody's, Standard & Poor's). The actual data per country is examined as against the limits on everyday basis. The limits are revised at least once annually as concerning the countries with the smaller size and lower solvency ratio while there is conducted a bigger and more frequent analysis and assessment where considered necessary.

45.2 Market risk

Market risk is the risk of occurring possible losses caused by the fluctuation and volatility of market prices, such as share prices, interest rate and foreign exchange rate fluctuations.

The Risk Management Committee (RMC), which is a body responsible for the definition of market risk management policy, has approved the procedures of the market risk management and has defined the corresponding limits of incurring the aforementioned risk per product and portfolio. The limits in question are monitored systematically examined and revised once annually and modified in compliance with the Group's strategy and the existing market conditions.

The Group holds open positions and therefore, is exposed to market risk at FX Trading Book and Fixed Income Book and Equities/ Equity and Index Derivatives Book.

Measurement, control and monitoring of market risk is conducted by MRM unit on a daily basis for all the parts of portfolio and for the Bank total. The measurements are conducted using IT systems applying modern methodologies and market risk measurement techniques such as Value At Risk – VAR or Sensitivity Factors. The assessment of VAR defined the biggest possible portfolio loss with a confidence level of 99% and a one holding day period without taking into consideration the modifications of prices that are due to unusual economic reasons and violent events. The VAR module of calculation of the biggest possible loss incurred based on variance-covariance methodology, covers all the trading portfolio and available for sale portfolio of the companies of the Group.

Market risk, in terms of VaR, for the aforementioned positions as at 31 December 2008, amounted to 2,4 million Euro as analyzed in the table below.

	2008	2007
Currency risk	€ 0,5 mil.	€ 0,3 mil.
Bonds' portfolio interest risk	€ 2,8 mil.	€ 0,9 mil.
Financial products' portfolio market risk	€ 1,4 mil.	€ 0,6 mil.
Decrease due to portfolio diversification	€ (2,3) mil.	€ (0,8) mil.
Net Market Risk	**€ 2,4 mil.**	**€ 1,0 mil.**

Apart from the aforementioned measurements, the market risk of portfolios is monitored by a range of additional limits such as the highest opening position limit for every product and stop-loss limits for every portfolio.

Finally, at regular intervals and by all means in the end of every year, there are conducted, as far as the market risk is concerned, measurements of various scenarios similar to those of critical situations affecting the market risk in order to achieve, on one hand, more effective management of the aforementioned risk and, on the other hand, update the Management and the supervisory bodies. The results of the measurements in question are then presented concerning every kind of risks involved.

45.3 Interest Rate Risk

Interest rate risk is the investment risk faced by the Group that arises from the changes in market interest rates. Interest rate risk arises from interest rate fluctuations to the extent that interest-earning assets and interest –bearing liabilities mature or reprice at different times or in different amounts.

The Group mainly applies the method of Static Repricing Gap in order to estimate the exposure to interest rate risk of transaction portfolio and group portfolio. The Static Repricing

Gap method is used in order to estimate the sensitivity level of all the current assets and liabilities of the group and the companies of the Group (Balance Sheet and off Balance Sheet items).

The method in question separates products by maturity (fixed) or next repricing (floating) and calculates the gap each period as well as measures sensitivity, thus calculating the interest rate opening, the balance between the assets and liabilities for each period.

Various financial derivative products are used for hedging of interest rate risk that is contingent to arise from the balance sheet management. In particular, there is made use of interest rate swaps in order to hedge cash flows of future interest arising from long term loans or/and deposits.

The Tables below present the Group's exposure to interest rate risk. The Tables present assets and liabilities of the Group at their carrying amounts classified based on interest rate revaluation date as far as fluctuating interest rates are or maturity date as far as fixed interest rates are concerned. It is noted that a significant part of open interest rate positions are hedged through the use of interest rate swaps.

Interest rate risk

(Amounts in thousand Euro)

	Up to 1 month	Up to 3 months	From 3 months to 1 year	From 1 year to 5 years	Over 5 years	Non-interest bearing items	Total
2008							
Assets							
Cash and balances with Central Bank	1.414.405	0	0	0	0	69.349	**1.483.754**
Loans and advances to banks	1.162.008	339	11	0	0	47.878	**1.210.236**
Trading portfolio	9.462	52.066	4.077	7.217	3.687	104.417	**180.924**
Derivative financial instruments – assets						83.485	**83.485**
Loans and advances to customers	8.197.199	1.965.014	965.654	1.360.310	785.456	-270.225	**13.003.410**
Investment portfolio	470.898	705.401	145.595	294.451	1.142.420	22.471	**2.781.236**
Other assets	9					659.543	**659.552**
Total assets	**11.253.981**	**2.722.820**	**1.115.337**	**1.661.978**	**1.931.563**	**716.918**	**19.402.597**
Liablities							
Deposits from banks	3.893.402	1.056.040	350.013	293.777		10.393	**5.603.626**
Deposits from customers	6.136.335	3.116.425	2.271.361	54.595	14.750	137.982	**11.731.448**
Derivative financial instruments- liabilities						251.944	**251.944**
Issued bonds and other borrowed funds	50.231	580.000					**630.231**
Other liabilities						404.801	**404.801**
Total liablilities	**10.079.968**	**4.752.465**	**2.621.374**	**348.372**	**14.750**	**805.120**	**18.622.050**
Nominal value of Interest Rate Swaps and other derivative financial instruments on interest rates	**1.066.044**	**1.155.570**	**695.344**	**(1.964.744)**	**(952.214)**	**0**	**0**
Net interest rate gap	**2.240.057**	**(874.075)**	**(810.693)**	**(651.138)**	**964.599**	**(88.202)**	**780.547**
2007							
Ενεργητικό							
Cash and balances with Central Bank	530.111	0				55.353	**585.464**
Loans and advances to banks	1.876.081	16.871	13.630	0	0	27.014	**1.933.596**
Trading portfolio	147.020	29.362	44.234	18.679	6.038	94.942	**340.274**
Derivative financial instruments	15					10.920	**10.935**

– assets							
Loans and advances to customers	5.747.69	1.742.648	712.407	1.190.333	238.475	17.151	**9.648.283**
Investment portfolio	59.125	66.395	282.556	85.913	183.366	3.015	**680.369**
Other assets					11	516.030	**516.040**
Total assets	**8.359.621**	**1.855.276**	**1.052.827**	**1.294.925**	**427.889**	**724.424**	**13.714.961**
Liablities							
Deposits from banks	1.735.459	671.543	0	0	0	8.320	**2.415.322**
Deposits from customers	6.490.329	1.472.994	1.041.721	123.443	13.288	158.972	**9.300.747**
Derivative financial instruments- liabilities	447	0	0	0	0	33.422	**33.869**
Issued bonds and other borrowed funds	50.862	279.941	200.000	0	0	0	**530.803**
Other liabilities	0	0	0	0	14.554	591.300	**605.855**
Total liabilities	**8.277.099**	**2.424.477**	**1.241.721**	**123.443**	**27.843**	**792.013**	**12.886.596**
Nominal value of Interest Rate Swaps and other derivative financial instruments on interest rates	**0**	**343.210**	**549.102**	**-36.500**	**-838.812**	**-17.000**	**0**
Net interest rate gap	**82.523**	**-569.201**	**-188.894**	**1.171.481**	**400.046**	**-67.590**	**828.365**

Furthermore, the Group in the frame of the interest rate risk assessment, estimates the negative effect on the annual interest rate results of a parallel change in the interest rate fluctuation on all the currencies. The aforementioned measurements, conducted on the balances of December 2008 showed that in the event of interest rate increases by 100 units,

the Group will incur losses amounting to € 37,3 million as against € 0,3 million on December 31, 2007.

45.4 Currency risk

Currency risk is the risk of fluctuating value of financial instruments as well as assets and liabilities caused by changes in currency rates. Foreign currency transactions risk arises from an open position, positive or negative, which exposes the Group to currency exchange risk.

Such risk can be created in the event the assets are carried in one currency financed by liabilities in another currency or can arise from forwards and swaps or derivatives including options.

Moreover, there is estimated the highest possible loss on the open position in various currencies using similar crisis management scenarios. The scenarios in question examine possible big modifications in all the currencies variation on the way the Group's profitability will be negatively affected.

The Tables below present the Group's exposure to currency risk. The Tables present assets and liabilities of the group at their carrying amounts classified per currency. The Tables also present per currency the theoretical value of financial instruments used for currency risk hedging.

Currency risk

(Amounts in thousand Euro)

	Euro	USD	GBP	CHF	JPY	Other	Total
2008							
Assets							
Cash and balances with Central Bank	1.299.001	147.055	1.810	367	535	34.988	**1.483.754**

Loans and advances to banks	962.376	221.671	8.357	864	62	16.905	**1.210.235**
Trading portfolio	94.752	86.171				2	**180.924**
Derivative financial injstruments- assets	59.371	23.751		3			**83.485**
Loans and advances to customers	10.802.457	1.808.958	14.917	74.424	227.844	74.810	**13.003.410**
Invcestment portfolio	2.614.011	139.349				27.876	**2.781.236**
Other assets	617.418	20.214	446	727	85	20.663	**659.552**
Total assets	**16.449.745**	**2.447.169**	**25.531**	**76.384**	**228.525**	**175.243**	**19.402.597**
Liabilities							
Deposits from banks	4.738.240	588.868	817	8.965	244.537	22.199	**5.603.626**
Deposits from customers	8.819.064	2.459.066	60.700	6.049	154.690	231.879	**11.731.448**
							251.944
Derivative financial instruments – assets	209.410	42.515	20				
Issued bonds and other borrowed funds	630.231						**630.231**
Other liabilities	361.651	25.352	1.389	122	257	16.029	**404.800**
Total liabilities	**14.758.595**	**3.115.801**	**62.925**	**15.136**	**399.485**	**270.107**	**18.622.050**
Net on balance sheet position	**1.691.149**	**(668.632)**	**(37.394)**	**61.249**	**(170.959)**	**(94.864)**	**780.548**
Forwards and other currency derivatives	(948.575)	661.801	43.175	(64.827)	171.933	136.493	**0**
Net currency position	742.574	(6.831)	5.781	(3.579)	974	41.628	**780.548**
2007							
Total assets	**11.436.524**	**1.922.367**	**57.953**	**83.626**	**48.303**	**166.188**	**13.714.961**
Total liablities	**9.896.595**	**2.075.060**	**85.315**	**14.121**	**493.536**	**321.969**	**12.886.596**
Net on balance sheet position	**1.539.929**	**-152.693**	**-27.362**	**69.505**	**-445.233**	**-155.781**	**828.365**
Forwards and other currency derivatives	-749.652	167.282	26.469	-68.740	448.214	176.427	**0**
Net currency position	790.277	14.589	-893	765	2.981	20.646	**828.365**

Moreover, the Group in the frame of the highest possible currency risk, estimates the negative effect on the annual results of change in the currency variations. The aforementioned measurements, conducted on the balances of December 2008 showed that in the event of changes in the currency market as that by +/- 10% as far as the main currency is concerned and by + / - 20% as far as secondary currency is concerned, the Group will incur losses amounting to € 4,1 as against € 5,6 million on December 31. 2007.

45.5 Risk arising from share prices changes

The risk pertaining to shares and other securities held by the Group arises from possible negative changes of the share and other securities prices. The Group invests in shares on Athens Stock Exchange (ASE) and Cyprus Stock Exchange (CSE) and in compliance with the investment objective they are allocated to the relevant portfolio (fair value measurement through profit and loss or available for sale). Investments are also made with the aim of exploitation of short term changes in share/ratios prices or of covering open positions through the use of derivative products on shares or ratios.

The Group in the frame of the highest possible prices risk, estimates the negative effect on the annual results of change in the share prices. The aforementioned measurements, conducted on the balances of December 2008 showed a decreases of share prices as that by 20% that will cause to the Group losses amounting to € 8 million.

45.6 Liquidity Risk

Liquidity risk is the risk that the Group is unable to fully meet payment obligations and potential payment obligations as and when they fall due because of lack of liquidity. This risk includes the possibility that the Group may have to raise funding at cost or sell assets on a discount.

The aforementioned risk is controlled through a developed liquidity management structure comprising various types of control, procedures and limits. This way, there is assured the compliance with the regulations on liquidity ratios set by the relative authorities as well as the internal limits.

Control and management of liquidity risk are achieved within the period through the use of the following ratios:

(a) Cash Available Ratio, defined as estimation of «cash available» of the period up to 30 days direct maturity as defined by the corresponding act of the Governor of the Bank of Greece (PD 2560/1.4.2005) as far as «borrowed funds» are concerned as defined by the corresponding act of the Governor of the Bank of Greece.

(b) Maturity Disagreement Ratio defined as estimation of the balance between «assets and liabilities» of the period up to 30 days as defined by the corresponding act of the Governor of the Bank of Greece as far as «borrowed funds» are concerned as defined by the corresponding act of the Governor of the Bank of Greece.

A significant part of assets are financed by customers deposits and bonds. Direct cask needs are financed mainly through time and current deposits. Financing of long term investments is mainly covered through bonds and time deposits.

The Bank conducts similar measurements in liquidity.

The Tables below analyze liabilities to other banks, customers' deposits, issued bonds and other borrowed funds as well as other liabilities to the Group's customers in the corresponding periods as from the remaining period as from the balance sheet date to maturity date.

The presented amounts are contractual non-discounted cash flows.

Liquidity risk

(Amounts in thousand Euro)

	Up to 1 month	Up to 3 months	From 3 months to 1 year	From 1 year to 5 years	Over 5 years	Total
2008						
Liabilites						
Deposits from banks	3.899.431	1.062.209	354.996	305.613	3	5.622.252
Deposits from customers	6.282.025	3.125.579	2.353.109	64.315	20.006	**11.845.034**
Issued bonds and other borrowed funds	2.230	4.244	19.782	412.976	318.261	**757.493**
Other liabilities	656.744					**656.744**
Total liabilities	10.840.430	4.192.032	2.727.887	782.904	338.270	18.881.523
Total assets	**6.456.150**	**572.586**	**1.158.080**	**5.195.922**	**6.019.859**	**19.402.597**
2007						
Liabilites						
Deposits from banks	1.569.664	518.396	5.000	333.098	2	**2.426.159**

Deposits from customers	6.292.045	1.434.892	1.208.973	461.228	235	**9.397.374**
Issued bonds and other borrowed funds	2.504	6.977	217.521	122.125	362.017	**711.144**
Other liabilities	377.529					**377.529**
Total liabilities	8.241.742	1.960.266	1.431.495	916.452	362.254	12.912.207
Total assets	**5.521.315**	**419.573**	**1.154.861**	**3.058.318**	**3.560.894**	**13.714.961**

Cash flows from derivative financial instruments

The below tables of liquidity risk analyze cash flows from derivative financial instruments of the Group within the periods in compliance with remaining period as from the balance sheet date to maturity date.

(a) Derivative financial instruments with offsetting basis

The derivative products of the Group of offsetting settlement include the contracts of future payment on ratios and interest rate.

(Amounts in thousand Euro)

	Up to 1 month	Up to 3 months	From 3 months to 1 year	From 1 year to 5 years	Over 5 years	Total
2008						
Trading derivatives:						
Interest rate derivatives	0	0	(1.139)	(136)	0	(1.275)
Total	**0**	**0**	**(1.139)**	**(136)**	**0**	**(1.275)**
2007						
Trading derivatives:						
Derivatives on ratios / securities	(865)	0	0	0	0	(865)
Total	**(865)**	**0**	**0**	**0**	**0**	**(865)**

(b) Derivative financial instruments with mixed base settlement

The derivative products of the Group that are settled without offsetting include currency time contracts and interest rate swaps.

(Amounts in thousand Euro)

	Up to 1 month	Up to 3 months	From 3 months to 1 year	From 1 year to 5 years	Over 5 years	Total
2008						
Trading derivatives:						
Currency derivatives						
Outflow	(1.586.593)	(431.031)	(117.181)	(17.537)	0	(2.152.342)
Inflow	1.570.529	429.071	119.766	16.923	0	2.136.289
Interest rate derivatives						
Outflow	(1.339)	(2.714)	(17.857)	(51.897)	(28.199)	(102.007)
Inflow	1.413	2.622	17.917	53.111	30.357	105.419
Hedging derivatives:						
Currency derivatives						

Outflow	(111.762)	0	0	0	0	(111.762)
Inflow	109.614	0	0	0	0	109.614
Interest rate derivatives						
Outflow	(9.267)	(43.346)	(145.796)	(370.989)	(164.923)	(734.321)
Inflow	20.542	38.222	116.869	269.101	141.763	586.498
Total outflows	**(1.708.961)**	**(477.092)**	**(280.834)**	**(440.423)**	**(193.122)**	**(3.100.432)**
Total inflows	**1.702.098**	469.914	254.552	339.135	172.120	2.937.819
2007						
Trading derivatives:						
Currency derivatives						
Ouflow	(911.373)	(523.757)	(41.070)	(18.278)	0	(1.494.477)
Inflow	910.159	504.880	41.413	18.395	0	1.474.848
Interest rate derivatives						
Outflow	(704)	(2.000)	(6.778)	(21.244)	(4.947)	(35.673)
Inflow	755	1.688	7.154	21.978	4.930	36.504
Hedging derivatives:						
Currency derivatives						
Outflow	(267)	0	0	0	0	(267)
Inflow	269	0	0	0	0	269
Interest rate derivatives						
Outflow	(4.033)	(7.424)	(33.021)	(78.751)	(1.616)	(124.846)
Inflow	4.197	7.182	33.027	75.087	1.857	121.351
Total outflows	**(916.378)**	**(533.181)**	**(80.868)**	**(118.273)**	**(6.563)**	**(1.655.263)**
Total inflows	**915.380**	**513.750**	**81.594**	**115.460**	**6.787**	**1.632.971**

45.7 Operating risk

An operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events.

The Group has adopted a Framework and operational risk management procedures that provide for the identification, assessment, management, monitoring and updating of the operational risks of the Group.

Recognition and assessment of operational risk is largely carried out through risk assessment workshops, a process which is further intensified now in order to cover the entire Group. The major risks that are recognized are addressed through specific action plans as appropriate.

However, recognition and assessment also take place during the statutory process «Evaluation of new products and processes», conducted by the committee of the Department of Internal Audit, Compliance and Risk Management. The risks recorded there - including operational – are handled automatically in the content of the circulars. Finally, Key Risk Indicators (KRIs) are used as an additional tool for the assessment and control.

The Operational Risk Management Department implements a wide-ranging action plan pertaining to the establishment of operational risk across all levels of the Group. It provides information to the middle and upper level personnel of the Group and in particular to the designated users of Loss database, RCSAs etc. on Basel II, texture and scale of operational risk and gear identification, assessment and treatment.

The procedures for monitoring at the level of operating risks include recording of operating losses in a special database (operational loss database), which operates across the Group.

Finally, at regular intervals, there are prepared, reports on operational risk issues. These reports cover all the important issues and the results of the operational risk management.

Measurement of operational risk is currently carried out through the standard method. The Group, however, intends to apply the method of key indicators, as soon as possible.

45.8 System and Information Security Risk

Development and operation of an independent information security department has now become an integral part of the process of achieving the strategic goals of companies, especially banks due to the criticality and sensitivity of data and information they manage.

The existing organizational structure of the Bank Security includes an independent department, the Unit Information Security Systems belonging to the Risk Management Division. The Unit of Information Security Systems faces several technological and business risks that cause both the rapid growth of technological shortcomings and the increasing dependence of business functions on new systems and applications. In parallel, the need for collaboration and interface with the third parties, as ell as the new demands set by the legal and regulatory frameworks make it more necessary to create and operate a corporate security framework.

The role of this department is to develop, operate, maintain and monitor the effectiveness of an integrated program of information security management and effective implementation of the necessary mechanisms to protect confidentiality, integrity and availability of data.

45.9 Basel II - Pillar I

As far as Pillar I is concerned, Capital Adequacy Index (LCI) of the Bank and the Group in accordance with the supervisory requirement is calculated and reported by the end of Q1 2008. The calculation is carried out under the standard method for credit risk and market risk, while upgrading is carried out under IRB method. As far as operational risk is concerned, there is implemented the key indices method and the basis has been defined for the adoption of standard methods.

As far as Pillar II is concerned, following the guidance provided by outsource consultants, there was implemented the corresponding ICAAP for the Group.

The method followed was that of building blocks, ie the total of the Group risk components. The risks were treated under materiality criteria and analyzed in terms of portfolio, methodology, management and reporting, while at the same time there was achieved the adequacy of the Group's risk governance.

There were primarily taken into account the 3 main risks of Pillar I, but a deeper analysis was carried out pertaining to concentration risk by customer and by industry, issuer risk, counterparty, country and settlement. Finally there were assessed other risks of Pillar II, such as liquidity, interest rate, strategic, compliance, reputation, insurance, tax etc.

There was simulated an unfavorable scenario and there was examined its impact on the Group's three-year business plan for the purposes of enhancing the maximum capital requirements.

ICAAP is currently at the the last stage of finalization.

As far as Pillar III is concerned, the corresponding groups of executives of the Financial Division and the Division of Risk Management are actively working on the project on the required disclosure of information.

46. Capital Adequacy

The Group is subject to the supervision of the Bank of Greece that sets and monitors the demands for capital adequacy as far as the banks are concerned. The subsidiary bank in Romania is further subject to the supervision of the local authorities while the Group, as a member of Marfin Popular Bank Group, is subject to indirect supervision of the Central Bank of Cyprus.

The Bank of Greece requires that every Credit Institution should have a minimum ratio arising from the proportion between supervisory equity and the assets as well as off balance sheet items weighed as against the risk involved. The price of this ratio was internationally defined as 8% and it is designed in order to cover the foreseeable risks (counter parties, market, currency).

For the calculation of capital adequacy as from 01/01/2008 there applies the new supervisory framework (Basel II) which was incorporated into Greek legislation based on Law 3601/2007, which modifies the measurement of credit risk and introduces capital requirements for operational risk. No material changes have been made to market risk measurement. In particular, the investment portfolio credit risk and operational risk are measured under the standard method.

The capital adequacy of the Bank is monitored at regular intervals by the Economic Department of the Bank and the results are presented every three months to the Bank of Greece.

The supervisory equity of the Bank is divided into two categories:
- Tier I. The category comprises mainly share capital, reserves and retained earnings. They are further adjusted as in compliance with PD 2587/20.08.07.
- Tier II. The category comprises mainly reduced securements of certain duration.

The basic objective of the Bank, as far as supervisory capital management is concerned, is on one hand, the compliance with the capital requirements of the Bank of Greece and, on the other hand, maintenance of strong and stable capital basis that supports the business plans of the Bank's Management.

The Capital Adequacy of the Bank ratio as at 31/12/2008 is as follows::

	2008 Basel II	2007 Basel I
Share capital	366.846	366.556
Share premium	327.699	327.261
Other reserves	(87.906)	(4.078)

Retained earnings	175.306	135.326
Goodwill and other intangible assets	(65.591)	(62.020)
Other supervisory bodies' adjustments	116.213	39.298
Total Tier I	**832.567**	**802.343**
Subordinated term loans and preference shares	280.231	280.862
Other supervisory bodies' adjustments	7.354	4.664
Total Tier I	**287.585**	**285.526**
Total Capital	**1.120.152**	**1.087.869**
Weighted assets		
- on balance sheet items	11.325.598	9.409.572
- off balance sheet items	362.178	360.787
- trading portfolio	332.157	315.974
- operating risk	725.636	-
Total	**12.745.569**	**10.086.333**
Capital Adequacy Ratio	**8.79%**	**10,79%**

Data that concern the publication of regulatory disclosures about the capital adequacy and the risk management (Basel II, Pillar III – PD/BOG 2592/07), will be available at Bank's website.

47. Events subsequent to Financial Statements

There are no subsequent material events worth reporting that took place after the Balance Sheet date as at 31/12/2008 till the date of approval of the Annual Financial Report by the Board of Directors as at 24/03/2009.

Athens 24 March 2009

The Chairman Of the board of Directors	The Managing Director	Chief of Financial Services Department
Vassilios N. Theocharakis I.D. No AB 340063/06	Konstantinos I.Vasilakopoulos I.D. No M 310696/82	Aggelos N. Sapranidis License A Class Reg. Num. 0016834/18-07-2001

Financial Statements for the year ended as at 31st December 2008

INDEPENDENT AUDITORS' REPORT

To the Shareholders of MARFIN EGNATIA BANK S.A.

Report on the Financial Statements

We have audited the accompanying Financial Statements of MARFIN EGNATIA BANK S.A. (the Bank) which comprise the balance sheet as at December 31, 2008, and the income statement, the statement of changes in equity and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these Financial Statements in accordance with International Financial Reporting Standards that have been adopted by the European Union. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with the Greek Auditing Standards, which are based on the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making these risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the abovementioned Financial Statements present fairly, in all material respects, the financial position of the Bank as of December 31, 2008, and the financial performance and the Cash Flows of the Bank for the year then ended in accordance with International Financial Reporting Standards that have been adopted by the European Union.

Athens, March 24 th 2009

The Chartered Accountant	The Chartered Accountant
Sotirios Constantinou	**Ioannis Leos**
SOEL Reg. No 13671	SOEL Reg. No 24881

Grant Thornton

44, Vas. Konstantinou Str, 116 35 Athens
SOEL Reg. No 127

Income Statement
For the period ended 31 December 2008
(Amounts in thousand Euro)

	Note	1 Jan-31 Dec 2008	1 Jan-31 Dec 2007
Interest and similar income		896.502	629.704
Interest and similar expense		(645.794)	(398.457)
Net interest income	**7**	**250.708**	**231.247**
Fee and commission interest		66.641	86.095
Fee and commission expense		(5.095)	(7.605)
Net fee and commission income	**8**	**61.546**	**78.490**
Dividend income	**9**	6.692	3.989
Net income from financial instruments	**10**	(20.750)	28.482
Other income	**11**	8.268	1.968
Operating income		**306.464**	**344.176**
Impairment of loans and advances	**19**	(70.300)	(51.078)
Staff costs	**12**	(126.024)	(119.692)
Operating expenses	**13**	(91.963)	(76.788)
Depreciation and amortisation	**27, 29**	(12.169)	(11.197)
Impairment losses	**14**	(3.302)	(744)
Profit / (Loss) before tax		**2.706**	**84.677**
Income tax	**15**	(1.504)	(24.087)
Profit / (Loss) after taxes		**1.202**	**60.590**
Earnings per share (in Euro)	**16**		
Basic		0,0042	0,2131
Diluted		0,0043	0,2131

The notes presented in pages 124 to 194 constitute an integral part of the financial statements of the Bank as at 31 December 2008.

Balance Sheet
31 December 2008
(Amounts in thousand Euro)

ASSETS	Note	2008	2007
Cash and balances in Central Bank	**17**	1.297.490	474.968
Loans and advances to Banks	**18**	1.666.072	2.092.706
Loans and advances to customers (net of impairment)	**19**	12.206.304	8.854.923
Derivative financial instruments – assets	**20**	82.637	10.920
Financial instruments at fair value through profit and loss	**21**	160.614	245.332
Available-for-sale financial instruments	**22**	1.640.935	586.083
Held-to-maturity investments	**23**	503.757	89.653
Debt securities	**24**	622.616	-
Investment in subsidiaries	**25**	323.834	293.534
Investment in associates	**26**	2.278	2.278
Property, plant and equipment	**27**	51.571	60.767
Investment properties	**28**	28.203	26.548
Intangible assets	**29**	15.294	11.898
Deferred tax asset	**30**	67.575	28.310
Other assets	**31**	287.672	147.509
TOTAL ASSETS		**18.956.852**	**12.925.429**
EQUITY AND LIABILITIES			
Share capital	**32**	366.846	366.556
Share premium	**32**	327.699	327.261
Other Reserves	**33**	(95.030)	(13.811)
Retained earnings		96.686	100.019
Total Equity		**696.201**	**780.025**
Deposits from Banks	**34**	5.743.428	2.473.095
Deposits from customers	**35**	11.327.928	8.698.300
Derivative financial instruments – liabilities	**20**	251.944	33.422
Other borrowed funds	**36**	630.231	530.803
Employee benefits	**37**	11.012	10.153
Other provisions	**38**	6.998	12.168
Current tax		14.646	10.729
Deferred tax liability	**30**	12.828	14.259
Other liabilities	**39**	261.636	362.475
Total Liabilites		**18.260.651**	**12.145.404**
TOTAL EQUITY AND LIABILITIES		**18.956.852**	**12.925.429**

The notes presented in pages 124 to 194 constitute an integral part of the financial statements of the Bank as at 31 December 2008.

Statement of Changes in Equity
For the period ended 31 December 2008
(Amounts in thousand Euro)

	Share capital	Share premium	Reserves	Investment valuation differences	Retained earnings	Total
Balance 01 January 2007	**353.520**	**312.125**	**37.435**	**(3.430)**	**49.916**	**749.566**
Revaluation of available for sale portfolio				(73.557)		(73.557)
Deffered tax from revaluation of avaliable for sale portfolio				18.768		18.768
Results for the period					60.590	60.590
Total income and expense recognised in 2007				**(54.789)**	**60.590**	**5.801**
Share capital increase through transformation of bonds	13.036	15.136				28.172
Dividends for the financial year ended in 2006					(4.664)	(4.664)
Formation of reserves			5.871		(5.871)	
Reserves for the stock option plan			1.157			1.157
Other movements			(56)		49	(7)
Balance 31 December 2007	**366.556**	**327.261**	**44.407**	**(58.219)**	**100.020**	**780.025**
Balance 01 January 2008	**366.556**	**327.261**	**44.407**	**(58.219)**	**100.020**	**780.025**
Revaluation of available for sale portfolio				(113.453)		(113.453)
Deffered tax from revaluation of avaliable for sale portfolio				26.453		26.453
Results for the period					1.202	1.202
Total income and expense recognised in 2008				**(87.000)**	**1.202**	**(85.798)**
Share capital increase through transformation of bonds	290	438				728
Formation of reserves			7.576		(7.576)	
Movement between reserves			(3.040)		3.040	
Reserves for the stock option plan			1.246			1.246
Balance 31 December 2008	**366.846**	**327.699**	**50.189**	**(145.219)**	**96.686**	**696.201**

The notes presented in pages 124 to 194 constitute an integral part of the financial statements of the Bank as at 31 December 2008.

Cash Flow Statement
For the period ended 31 December 2008
(Amounts in thousand Euro)

	Note	2008	2007
Cash flows from operating activities			
Profit/Loss before tax		2,706	84,677
Adjustments for non-cash items			
Depreciation		12,169	11,197
Loans impairment		70,300	51,078
Other provisions		4,246	12,078
Employee benefits		1,359	1,682
Trading portfolio valuation		35,884	(1,136)
Transfer to investing activities		(130,909)	(40,211)
Transfer to financing activities		32,518	14,468
		28,273	**133,833**
Net changes in operating assets			
Loans and advances to Banks		(260,396)	(78,322)
Trading securities and derivatives		(22,883)	(32,506)
Loans and advances to customers		(3,421,681)	(3,107,888)
Other assets		(153,701)	(74,827)
Net changes in operating liabilities			
Deposits from Banks		3,270,333	1,742,832
Deposits from customers		2,629,628	1,836,057
Other liabilities		112,497	231,378
Net cash flows from Operating Activities before tax		**2,182,070**	**650,557**
Income tax paid		(2,480)	(10,862)
Net Cash Flows from Operating Activities		**2,179,590**	**639,695**
Cash Flows from Investing Activities			
Investments in subsidiaries and associates		(32,731)	(17,097)
Sale / disposal of subsidiaries-associates and their cash and cash equivalents		8,777	182
Net (increase) decrease in investments		(2,205,782)	(251,551)
Dividends received		6,692	13,602
Purchase of assets		(27,417)	(25,058)
Sale of assets		24,240	5,847
Investment portfolio interests received		107,769	35,860
Other flows from investing activities		6,881	1,220
Net Cash Flows from Investing Activities		**(2,111,571)**	**(236,995)**
Cash Flows from Financing Activities			
Dividends distributed		0	(4,664)
Issue (payment) of debts		67,639	235,658
Other flows from Financing Activities		0	(7)
Net Cash Flows from Financing Activities		**67,639**	**230,987**
Total Net Cash Flows		**135,658**	**633,687**
Impact of foreign exchange differences on Cash and Cash equivalents		(165)	16
Net cash flow increase (decrease)		**135,493**	**633,703**
Cash and cash equivalents, opening		**2,436,334**	**1,802,631**
Cash and cash equivalents, closing		**2,571,827**	**2,436,334**
Cash and cash equivalents consist of:			
Cash and balances in Central Bank		1,087,305	474,968
Due from Banks		1,484,522	1,961,366
		2,571,827	**2,436,334**

The notes presented in pages 124 to 194 constitute an integral part of the financial statements of the Bank as at 31 December 2008.
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1. General information on the Bank

«MARFIN EGNATIA BANK S.A.» (herein after «the Bank»), with its registered office in Greece, whose shares are traded in Athens Stock Exchange, operates as a Societe Anonyme Bank in compliance with Greek legislation, and in particular with the requirements of Company Law 2190/1920 as this is due, the requirements of the Law 3601/2007 on credit institutions as well as the requirements of other similar legislations.

The Bank's primary activities are in Greece, but it also has subsidiaries that operate in Romania and Cyprus. The Bank employs a total of 2.732 persons (31/12/2007: 2.482).

The Bank, (S.A. Records N. 6072/06/B/86/11) arose following the merger of: α) MARFIN BANK S.A. (R. No. 6079/06/B/86/18) and b) LAIKI BANK (Hellas) S.A. (R. No. 27084/06/B/92/16) with EGNATIA BANK S.A. in accordance with the decision K2 – 9985/29.06.2007 of the Ministry of Development. Furthermore, in accordance with the aforementioned decision of the Ministry of Development, there was also approved the modification of Article 1 of the Bank's Charter of Incorporation in compliance with which the name and the discreet title of the Bank were changed into **«MARFIN EGNATIA BANK S.A.»,** under the discreet title **«MARFIN ΕΓΝΑΤΙΑ ΤΡΑΠΕΖΑ»** and **«MARFIN EGNATIA BANK».**

The corporate registered office of the Bank is in Municipality of Thessalonica and, in particular, at 4 Danaidon Str.

The objective of the Bank, in accordance with Article 3 of its Charter of Incorporation is to operate in Greece or abroad and provide recognized or by the law assigned to Banks services, on its behalf or on behalf of third parties.

Management

The Board of Directors at its meeting on 29/02/2008 reorganized its body as follows:

The Chairman (Non executive member):	Vassilios N. Theocharakis
The Vice Chairman (Non executive member) :	Alexandros K. Mpakatselos
The Managing Director (Executive member) :	Konstantinos I. Vasilakopoulos
Executive members:	Andreas E. Vgenopoulos
	Efthimios T. Bouloutas
	Androniki. D. Plakomichelaki
	Fotios D. Karatzenis
Non-executive members:	Panagiotis I. Theocharakis
	Despina V. Theocharaki
Non executive independent members:	Panagiotis K. Throuvalas
	Markos A. Foros

The auditors of the annual financial statements are as follows:

Regular:	Sotiris A. Constantinou	(SOELReg.No.13671)
	Ioannis G. Leos	(SOELReg.No.24881)
Deputy:	Vassilis K. Kazas	(SOELReg.No.13281)
Of the auditing firm:	Grant Thornton S.A.	(SOELReg.No. 127)

2. Basis of preparation

2.1 Compliance

The financial statements of the Bank have been prepared in accordance with International Financial Reporting Standards (I.F.R.S), as these have been adopted by the European Union, including all amendments issued by the International Accounting and Auditing Board (I.A.S.B.).

The current financial statements were approved by the Board of Directors on March 24 28, 2009 and are subject to final approval by the General Assembly of the Shareholders.

2.2. Basis of presentation

The financial statements are prepared in thousand Euro which is the reporting currency and are rounded to the nearest thousand. The financial statements are prepared on historic cost basis except for:

- Revaluations of available-for-sale securities,
- Revaluations of assets and liabilities classified as items at fair value through profit and loss,
- Revaluations of derivative financial instruments and
- Revaluations of investment property.

2.3 Adoption of new accounting principles

The current financial statements have been prepared in accordance with the International Financial Reporting Standards (I.F.R.S.) and all amendments which have been adopted by the European Union and are effective as at January 1st, 2008 for the preparation of financial statements.

Te accounting principles followed by the Bank for the preparation of its annual Financial Statements as at 31/12/2008, are similar to those described in the publicized financial statements for the year ended as at 31/12/2007, taking into account the following amendments to International Accounting Standards and new Interpretations issued by IASB whose application is mandatory as starting from 1/1/2008.

i) Standards, amendments and interpretations effective from January 1st 2008

As at the date of approval of financial statement, the following standards and interpretations were issued:

(a) Amendments to IAS 39 and IFRS 7 – Reclassification of Financial Assets

The amendments to IAS 39 make provisions, in some cases, for reclassifications from the category of investments held for sale to other categories of non derivative financial assets as well as reclassification of financial assets from the category of available for sale to loans and receivables. The amendments to IFRS 7 require additional disclosures in the financial statements of entities that apply the aforementioned amendments to IAS 39. The Bank made use of amendments to International Accounting Standard (IAS) 39 and to International Financial Reporting Standard (IFRS) 7, issued in October 2008 and effective as from 01/07/2008. The effects of the application of the above amendments are presented in Note 24.

(b) IFRIC 12, "Service concession arrangements"

IFRIC 12 provides guidance on the accounting by operators for public-to-private service concession arrangements, where the "grantor" is a public sector entity and the "operator" is a private sector entity in case the services in question include using the infrastructure by the operator (a private sector entity). This interpretation has no application to the Bank's activities.

(c) IFIRC 14: " IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction"

IFRIC 14 pertains to a limited number of retirements defined benefit plans and minimum funding requirements. This interpretation has no application to Bank benefit plans.

ii) New standards, amendments and interpretations that are not yet effective and have not been early adopted by the Bank

At the approval date of the financial statements the following standards, amendments and interpretations were issued and were endorsed by the European Union but have no effect for the current financial statements:

(a) IFRS 8, "Operating segments" (effective from January 1st, 2009).
IFRS 8 replaces IAS 14 "Segment Reporting". The new IFRS requires a "management approach" to the Bank's presentation of financial information under segment reporting. Information disclosed is basically information that the Management uses for internal reporting so as to assess the productivity of segments, as well as the manner in which resources are allocated. Such reporting might differentiate from information used during the preparation of the balance sheet and the income statement. Furtheremore, the standard requires that explanatory notes on the basis of preparation of segment reporting, as well as traces to entries in financial statements should also be disclosed.

(b) IFRIC 13, "Customer Loyalty Programmes (effective for annual accounting periods beginning on or after July 1st, 2008)"
IFRIC 13 is applied on customer loyalty programmes. This Interpretation addresses the accounting by entities that provide their customers with incentives to buy goods or services by providing awards (called 'award credits' in the Interpretation) as part of a sales transaction. IFRIC 13 is applicable to annual periods beginning on or after 1 July 2008. This interpretation is applicable to credit card cutomer loyalty programmes, nevertheless, its adoption will not have a significant impact on the Bank's financial position.

(c) IAS 23: (Revised 2007) "Borrowing Costs" (effective from January 1st, 2009):
The revised IAS 23 removes the option of immediately expensing borrowing costs directly attributable to the acquisition, construction, or production of a qualifying asset as part of the cost of that asset. The adoption of the revised IAS will have no significant impact on the Bank's financial statements.

(d) IAS 1: "Presentation of Financial Statements" – revised 2007 (effective from January 1st, 2009):
The fundamental change in IAS 1 is concerned with the segregation of the presentation of owner changes in equity in those which are due to transanctions with owners and because of their capacity as owners (e.g. dividents, capital increase), from those which are due to other changes in equity (e.g. reserves). The revision of the Standard produces changes in both the terminology and the presentation of financial statements.
However, the new terms do not affect the rules of recognition, measurment and disclosure of equity transanctions and all other events which are required by other standards. The adoption of the revised standard is expected to transform the structure and description in the presentation of financial statements without, however, causing any alternations to the financial position of an entity.

(e) IFRS 3: "Business Combinations" – Revised 2007 and subsequent amendments in IAS 27, 28 and 31 (effective the first annual reporting period beginning on or after July 1st, 2009):
The revised standard introduces significant amendments for the application of the acquisition method for business combinations. Among other changes the standard introduces the possibility of minority interests being measured at fair value. Furthermore, the revised standard requires that the acquirer of a subsidiary recognizes the assets acquired and liabilities assumed as a transanction with owners of the business and any difference should be recognized in equity. The revised IFRS 3 applies for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after July 1st, 2009, while no consolidation adjustments are required for the period before the revised standard will become effective. Thus, the adoption of the revised standards will have no significant impact on the Bank's financial statements.

(f) IFRS 2: "Share-based Payment" – Amendment 2008: Vesting Conditions and Cancellations (effective from January 1st, 2009)
This amendment clarifies that only service conditions and performance conditions are vesting conditions, while all other features need to be included in the grant date fair value. The Bank is currently assessing the implications from the adoption of the aforementioned amendment.

(g) IAS 32 Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements – Amendment 2008: Puttable Financial Instruments and Obligations Arising on Liquidation (effective from January 1st, 2009)
These amendments address the classifications of some puttable financial instruments as well as instruments or their components that impose to the entity an obligation to deliver to another party a *pro rata* share of the net assets of the entity only on liquidation. The above mentioned amendments are not applicable at present for Bank activities.

(h) IAS 39 Revision: Eligible Hedged Items (effective from July 1st, 2009):

The amendment to IAS 39 provides guidance on the particular cases in which a hedged risk or segment of cash flows can constitute eligible hedged items in a hedging relationship. The application of the amendment is not expected to affect the Bank's financial statements.

(i)IFRIC 15 Agreements for the Constriction of Real Estate (effective from January 1st, 2009)

IFRIC 15 provides guidance on whether agreements for construction of real estate are within the scope of IAS 11 or IAS 18 as well as when the income arising from agreements for construction of real estate shall be recognized. The Interpretation is not applicable to the Bank activities.

(g) IFRIC 16: Hedges on a Net Investment in a Foreign Operation (effective for annual periods commencing on or after 1st October 2008)

The Interpretation provides guidance on the nature of hedged risks and the amount recognized in the hedged item for which hedged relationship has been defined as well as which amounts shall be reclassified from the equity to the income statements for both the hedging instrument and the hedged item. The current Interpretation is applied only to net investments in foreign operations while it does not apply to other types of hedges such as, for instance, fair value or cash flows hedges. So far, the Interpretation is not applicable to the Bank activities.

(g) IFRIC 17. Distribution of Non-Cash Assets to Owners (effective for annual periods commencing on or after 1st July 2009)

When an entity announces distribution of non-cash assets to owners, it shall recognize a liability for the distributed dividends. The Interpretation provides guidelines pertaining to when an entity shall recognize dividends payable, hoe they shall be measured and how it shall account for the difference between the carrying amount of distributed assets and the carrying amount of the dividends paid in case the entity settles dividends payment.

(k) IFRIC 18. Transfers of Assets from Customers (effective for annual periods commencing on or after 1st July 2009)

IFRIC 18 is aimed at clarifying the requirements of IFRSs pertaining to agreements under which an entity receives from a client a segment of fixed assets (land plots, building facilities or equipment that the entity shall use either when a client constitutes a part of a network or a client shall obtain constant access to provision of goods or services (such as, for instance, provision of electricity or water). The IFRIC is applied mainly to utility entities and is not applicable to the Bank activities.

(l) Annual Improvements 2008

Within the frame of annual improvements to IFRSs, in May 2008, the IASB issued limited amendments to a number of IAS and IFRS. The majority of the above amendments are effective from 1 January 2009 or subsequently. The improvements are divided into two parts: Part I includes amendments leading to changes in accountancy and Part II pertains to changes in terminology or publication amendments. There are separate transitional requirements for every Standard. The above amendments are not expected to have material effect on the Bank's Financial Statements.

(m) IFRS 7 (Amendment 2009): Improvements to Disclosures of Financial Instruments (effective from January 1st, 2009)

The revision of IFRS provides additional and improved disclosures pertaining to fair value of financial instruments and liquidity risk. One of the expected changes brought by the standard to the Bank's operations is the introduction of hierarchy of three levels for fair value definition. Other changes involve a requirement for disclosure of changes to depreciation methods and additional information pertaining to the third level including sensitivity analysis.

2.4 Estimates

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Group's accounting policies. Such policies might affect the balances of Assets and Liabilities, as well as Income and Expense. Actual results might differ from assessments.

Judgments and similar affairs are based on past experience and other factors that are considered reasonable in current circumstances. The outcome of all the above mentioned factors constitutes the basis for decision making on accounting values in assets and liabilities which cannot be tracable otherwise.

Such judgments and assessments are in a constant revision process. Divergence from accounting estimates affects only the revision period and future period if the revision is aimed at present and future accounting periods.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

3 Basic Accounting Policies

The basic accounting principles that were adopted for the preparation of financial statements are as follows:

3.1 Investment in subsidiaries and associates

Investments in subsidiaries and associates are carried at cost price less any possible impairment where necessary.

3.2 Foreign currency transactions

Transactions in foreign currencies are translated to euro the reporting currency at the foreign exchange rate ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies, at the balance sheet date are translated to euro at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognized in the income statement.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated to euro using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to euro at foreign exchange rates ruling at the dates the fair value was determined.

3.3 Investments in Financial Instruments

(a) Classification

Financial Instruments at fair value through profit or loss. This category has two sub categories: financial assets held for trading and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. These include derivative contracts that are not designated and effective hedging instruments.

Loans and receivables are loans and receivables created by the Bank providing money to a debtor other than those created with the intention of short-term profit taking.

Held-to-maturity assets are financial assets with fixed or determinable payments and fixed maturity that the Bank has the intent and ability to hold to maturity. These include certain purchased loans and advances to banks and customers, and certain debt investments.

Available-for-sale assets are financial assets that are not held for trading purposes, loans and receivables, or held to maturity. Available-for-sale include certain debt and equity investments.

(b) Recording

The Bank recognizes financial assets held for trading, available-for-sale and held-to maturity on the date it commits to purchase the assets. From this date any gains and losses arising from changes in fair value of the assets are recognized. Loans and receivables are recognized when cash is advanced to the borrowers.

(c) Measurement

Financial instruments are measured initially at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss.

Subsequent to initial recognition all trading instruments and all available-for-sale assets are measured at fair value, except that any instrument that does not have a quoted market price in an active market and whose fair value cannot be reliably measured is started at cost, including transaction costs, less impairment losses.

All non-trading financial liabilities, loans and receivables and held-to-maturity assets are measured at amortized cost less impairment losses. Amortized cost is calculated on the effective interest rate method. Premiums and discounts, including initial transaction costs, are included in the carrying amount of the related instrument and amortized based on the effective interest rate of the instrument.

(d) Fair value measurement

The fair value of financial instruments is based on their quoted market price at the balance sheet date without any deduction for transaction costs. If a quoted market price is not available, the fair value of the instrument is estimated using valuation models or discounted cash flow techniques.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimate and the discount rate is a market related rate at the balance sheet date for an instrument with similar terms and conditions. Where valuation models are used, inputs are based on market related prices at the balance sheet date.

The fair value of derivatives that are not exchange-traded is estimated as the amount that the Bank would receive or pay to terminate (dissolve) the contract at the balance sheet date taking into account current market conditions and current creditworthiness (credit capability) of the counter-parties.

(e) Gains and losses on subsequent measurement

Gains and losses arising from a change in the fair value of available-for-sale assets are recognized directly in equity. When the financial assets are sold, collected or otherwise disposed of the cumulative gain or loss recognized in equity is transferred to the income statement.

Gains and losses arising from a change in the fair value of instruments at fair value through profit or loss are recognized in the income statement.

f) Derecognition

A financial instrument is derecognized when the Bank loses control on contractual rights that comprise the financial instrument. This occurs when the rights are realized, expire or are surrendered. A financial liability is derecognized when it is settled.

3.4 Hedge accounting

Where there is a hedging relationship between a derivative instrument and a related item being hedged, the hedging instrument is measured at fair value. The treatment of any resultant gains and losses is set out below:

A hedging relationship exists where:

- at the inception of the hedge there is formal documentation of the hedge;
- the hedge is expected to be highly effective,
- the effectiveness of the hedge can be reliably measured,
- the hedge is highly effective throughout the reporting period; and
- for hedges of a forecasted transaction, the transaction is highly probable and presents an exposure to variations in cash flows that could ultimately affect net profit or loss.

The fair value of derivative hedging instruments is calculated in the same way as the fair value of trading instruments (see accounting principle 3.3d).

When a derivative financial instrument hedges the exposures to changes in the fair value of a recognized asset or liability, the hedged item is at fair value in respect of the risk being hedged. Gains and losses on remeasurement of both the hedging instrument and the hedged items are recognized in the income statement. These amounts are included in gains less losses from non-trading instrument “income from financial instruments designated at fair value through profit or loss”.

Where a derivative financial instrument hedges the exposure to variability in the cash flow of recognized assets or liabilities or anticipated transactions or firm commitments, the effective part of any gain or loss on remeasurement of the hedging instrument is recognized directly in equity. The ineffective part of any gain or loss is recognized in the income statement.

3.5 Sale and repurchase agreements

The Bank enters into agreements for the purchases (sales) of investments and to resell (repurchase) substantially the identical investments at a certain date in the future at a fixed price. Investments purchased subject to commitments to resell them at future dates are not recognized. The amounts paid are recognized in loans and advances to either banks or customers. The receivables are shown as collateralized by the underlying security.

Investments sold under repurchase agreements continue to be recognized in the balance sheet and are measured in accordance with the accounting policy for either assets held for trading or available-for-sale as appropriate. The proceeds from the sale of the investments are reported as liabilities to either banks or customers.

The difference between the sale and repurchase consideration is recognized on an accrual basis over the period of the transaction and is included in interest.

3.6 Property, plant and equipment

Property, plant and equipment are stated at cost or deemed cost less accumulated depreciation and accumulated impairment losses.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of property, plant and equipment. Land is not depreciated. The estimated useful lives are as follows:

Buildings	40	Years
Furniture and other equipment	6-9	Years
Vehicles	6-7	Years
Computer hardware and software	4	Years

Leasehold improvements are depreciated over the useful life of the improvement or the duration of the lease whichever is lower.

The assets' useful lives are reviewed and adjusted, if appropriate, at each balance sheet.

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount at cost may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the income statement.

3.7 Investment property

Investment property are properties held by the Bank either to earn rental income or for capital appreciation. The Bank records investment property at fair value as determined by an independent valuation company having an appropriate recognised professional qualification.

Some of these assets are leased but the lease contract was signed prior to its acquisition by the Bank. Initially investment property is recorded at cost including acquisition expenses. Any gain or loss arising from a change in fair value is recognised in profit or loss.

3.8 Intangible assets

Intangible assets consist of software that has been acquired by the Bank and stated at cost less accumulated amortization and impairment losses.

Amortisation is charged to the income statement on a straight-line basis over the estimated useful life of the software, which is between 4 to 8 years.

3.9 Cash and cash equivalents

Cash and cash equivalents include monetary assets with an original maturity of three months or less, such as cash balance, unrestricted balances held with the Central Bank and amounts due from financial institutions. Cash and cash equivalents are recorded at amortized cost.

3.10 Impairment of financial assets

(a) Assets carried at amortised cost

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred and only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.
Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the Bank about the following loss events:

i. Significant financial difficulty of the issuer or obligator;
ii. A breach of contract, such as a default or delinquency in interest or principal payments;
iii. The Bank granting to the borrower, for economic or legal reasons relating to the borrower's financial difficulty, a concession that the lender would not otherwise consider;
iv. It becoming probable that the borrower will enter bankruptcy or other financial reorganization;
v. The disappearance of an active market for that financial asset because of financial difficulties; or
vi. Observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group, including:
- adverse changes in the payment status of borrowers in the group; or
- national or local economic conditions that correlate with defaults on the assets in the group.

The Bank first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Bank determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on loans and receivables or held- to-maturity investments carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Bank may measure impairment on the basis of an instrument's fair value using an observable market price.

The calculation of the present value of the estimated future cash flows of a collateralized financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics (i.e., on the basis of the Bank's grading process that considers asset type, industry, geographical location, collateral type, past-due status and other relevant factors). Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of the assets in the group of historical loss experience for assets with credit risk characteristics similar to those in the group.

Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently.
Estimates of changes in future cash flows for groups of assets should reflect and be directionally consistent with changes in related observable data from period to period(for example, changes in unemployment rates, property prices, payment status, or other factors indicative of changes in the probability of losses in the group and their magnitude). The methodology and assumptions used for estimating future cash flows are reviewed regularly by the Bank to reduce any differences between loss estimates and actual loss experience.

When a loan is uncollectable, it is written off against the related provision for loan impairment.
Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off decrease the amount of the provision for loan impairment in the income statement.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the income statement.

(b) Assets carried at fair value

The Bank assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. In case of equity and debt investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity investments are not reversed through the income statement. If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the income statement.

3.11 Financial Liabilities

Financial liabilities are stated at amortised cost which occurs using the effective interest method. Deposits from banks, deposits from customers and debt securities in issue are classified in this category.

3.12 Financial guarantee contracts

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument.

Commission from financial guarantee contracts are initially recognized as liability (at fair value) and they are taken to the income statement gradually through contract’s duration.

Subsequent to initial recognition, the Bank’s liabilities under such guarantees are measured at the higher of the initial measurement, less amortisation calculated to recognise in the income statement the fee income earned on a straight line basis over the life of the guarantee and the best estimate of the expenditure required to settle any financial obligation arising at the balance sheet date.

Financial guarantee contracts are included in the entry “Other liabilities”.

3.13 Employee benefits

Short-term benefits: Short-term benefits to personnel (except for termination of employment benefits) in cash and kind are recognised as an expense when considered accrued. Any unpaid amount is recognised as a liability, whereas in case the amount already paid exceeds the benefits’ amount, the entity identifies the excessive amount as an asset (prepaid expense) only to the extent that the prepayment shall lead to a future payments’ reduction or refund.

Retirement Benefits: Benefits following termination of employment include lump-sum severance grants, pensions and other benefits paid to employees after termination of employment in exchange for their service. The Bank’s liabilities for retirement benefits cover both defined contribution schemes and defined benefit plans.

i) Defined contribution plans

For defined contribution plans, the Bank pays contributions to publicly administered pension insurance funds (i.e. Social Security Foundation) and therefore the Bank has no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to pension obligations. The regular contributions constitute net periodic costs for the year in which they are due and as such they are included in line 'staff costs' of the Income Statement.

ii) Defined benefit plans

The Bank's defined benefit plan regards the legal commitment to pay lump-sum severance grant, pursuant to L.2112/1920. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as years of service and compensation. The liability recognized in the balance sheet for defined benefit plans is the present value of the liability for the defined benefit less the plan assets' fair value (reserve from payments to an insurance company), the changes deriving from any actuarial profit or loss and the service cost. The defined benefit commitment is calculated on an annual basis by an independent actuary with the use of the projected unit credit method.
The present value of the liability which incurs from the defined benefit plan is calculated by discounting the future cash outflows with the long-term Greek bonds' rate.
Actuarial profits and losses form part of the Company's commitment to grant the benefit and of the expense which shall be recognized in the income statement. The adjustments' outcome based on historical data, if below or above a 10% accumulated liability margin, is recognized in the income statement within the expected insurance period of the plan's participants. The service cost is directly recognized in the income statement except for the case where plan's changes depend on employees' remaining years of service. In such a case, the service cost is recognized in the income statement using the fixed method during the maturity period.

Employment Termination Benefits: Benefits due to employment termination are paid when employees step down prior to the retirement date. The Bank recognizes these benefits upon committing itself that it terminates employees' employment according to a detailed plan for which there is no withdrawal possibility.

Remuneration based on Equity Instruments: The Bank, through the Parent Company Marfin Popular Bank, grants the personnel stock options for the acquisition of Parent Company shares. These benefits are settled by issuing new shares from the Parent
Company, on the condition that the employee fulfils certain vesting conditions linked to his/her performance and exercises his/her options.
Services rendered by employees are measured according to the fair value of the options granted on the grant date. Option fair value is calculated by using a widely accepted option pricing model and taking into account the share's closing price on grant date. Options' fair value, following their issue, is readjusted in case there is a modification in the plan favorable for employees. Employees' services residual value is recognized as an expense in the income statement by an equal credit amount ın equity, in the share premium account. The relative amount is divided throughout the vesting period and is calculated on the basis of the number of options set to vest in each year.
During the exercise of stock options, the net collected amount (after subtracting direct costs) is recognized in share capital (new shares nominal value) and in share.

3.14 Provisions

Provisions are recognised when the Bank has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and reliable estimates of the amount of the obligation can be made. If the effect is significant, provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

3.15 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. Offsetting income with expenses is allowed only if they are part of the same entry.

3.16 Leased Agreements

Bank Undertaking as the Lessee: Leases of fixed assets where all the risks and rewards related to the ownership of an asset have been transferred to the Bank, irrespective of whether the title of the said asset is finally transferred or not, are classified as finance leases. The said leases are capitalized at inception of the lease at the lowest between the fair value of the fixed asset or the present value of the minimum lease payments Each lease payment is allocated between the liability and finance charges so as to achieve a constant fixed rate on the remaining financial liability. The corresponding rental obligations, net of finance charges, are included in liabilities. The part of the finance charge related to financial leases is recognized in the income statement over the lease term The fixed assets acquired under finance leases are depreciated over the shortest between the useful life of the fixed assets or the lease term thereof.
Leases where the lessor transfers the right to use an asset for an agreed period of time, without transferring the risks and rewards of ownership thereof, are classified as operating leases. Payments made under operating leases (net of any incentives offered by the lessor) are recognized in the income statement proportionally over the lease term.

Bank Undertaking as the Lessor: When assets are leased out under a capital lease, the present value of the lease payments is recognized as a claim. The difference between the gross amount of the claim and the present value of the claim is recognized as unearned financial income. Lease income is recognized in the income statement over the lease term using the net investment method, which reflects a constant periodic rate of return.

Assets leased out under operating leases are included in property, plant and equipment in the balance sheet. They are depreciated over their anticipated useful lives on a basis consistent with similar owned property. Rental income (net of any incentives offered to lessees) is recognized using the straight-line method over the lease term.

3.17 Interest income and expenses

Interest income and expenses are recognized in the income statement for all interest bearing instruments on an accruals basis, using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Bank estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

3.18 Fees and commissions

Fee and commission income is recognized on an accrual basis when the relevant service has been provided unless they influence the effective interest rate.

3.19 Net income from financial instruments

Net income from financial instruments comprises gains less losses related to trading assets and liabilities, and includes all realised and unrealised fair value changes of trading financial assets and liabilities.

3.20 Dividend income

Dividend income is recognized when the right to receive income is established.

3.21 Income Tax and Deferred Tax

The income tax charge involves current taxes, deferred ones and the differences of preceding financial years' tax audit.

Income tax is recognized in the financial year's income statement, except for the tax on transactions recognized directly in equity, in which case it is recognized accordingly to equity.
To assess the annual tax charge, all the required adjustments on the accounting result are taken into account in order to establish the final taxable income.

The current income taxes include short-term liabilities or claims vis-à-vis fiscal authorities pertaining to the payable taxes on the year's taxable income and any additional income taxes regarding previous financial years.

Current taxes are measured on the basis of tax rates and fiscal regulations in force during the corresponding financial years, based on the yearly taxable profit.

Deferred taxes are the taxes or the tax relieves from the financial encumbrances or benefits of the financial year in question, which have been allocated or shall be allocated to different financial years by tax authorities. Deferred income tax is provided by using the liability method which is determined by the temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. In case it is not possible to clearly determine the time needed to invert the temporary differences, the tax rate to be applied is the one in force on the financial year after the balance sheet date.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Most of the changes in the deferred tax assets or liabilities are identified as a part of tax charges in the income statement Tax audit differences regard additional income taxes and additional charges on behalf of the fiscal authorities due to the Bank taxable income redenomination in the framework of the ordinary or extraordinary tax audit.

3.22 Share capital

(a) Incremental costs of share capital increase

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

(b) Dividends

Dividend distribution on ordinary shares is recognised as a deduction in the Bank's equity when approved by the Company's shareholders.

(c) Equity share capital

Where the Company or any of its subsidiaries purchases the Company's equity share capital (treasury shares),the consideration paid including any directly attributable incremental costs (net of income taxes), is deducted from shareholders' equity. Where such shares are subsequently sold or reissued, any consideration received is included in shareholders' equity.

3.23 Segment reporting

A segment is a distinguishable component of the Bank that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

4. Critical accounting estimates and judgments

The preparation of financial statements in accordance with the I.F.R.S. requires estimates and assumptions being made by Management during the implementation of the Bank's accounting policies.

The following areas are affected by Management's estimates and assumptions:

1 Classification of Financial Instruments

The Group's accounting policies require classification upon initial recognition of financial assets and liabilities in the following categories:

- Financial instruments held to maturity. Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity.

- Financial instruments held for trading. This category consists of investments and derivatives which are held for achieving profits in the near term.
- Loans and receivables: This category includes derivative financial assets that have certain or definable payments and that are not traded on active markets and which the Group has no intention to sell in the direct future.
- Financial assets and liabilities at fair value though profit or loss. The classification of an investment in this category depends on the way Management estimates its profitability and risk. This category also comprises of certain investments, such as equity investments, that are managed and evaluated on a fair value basis in accordance with a documented risk management or investment strategy and which are reported to key management personnel.

2 Reclassification of Financial Instruments

The accounting principles followed by the Group make provisions, in case certain conditions are met, to reclassify a financial instrument after the initial recognition date. Assessing such circumstances requires application of Management's judgment.

- Transfer of equity shares from trading portfolio to the category «financial assets available for sale» is permitted in case there are extreme economic conditions and the above asses are no longer held for the purpose of sale or repurchase in the direct future. The Management estimates that the global crisis of the financial system within the year contributes to those "extreme" cases for the purposes of application of the above accounting principle.
- Transfer of debt securities from the portfolio of «financial assets available for sale» to «loans and receivables» is permitted in case the assets meet the definition of loans and receivables and the Management intends to keep them in the direct future or till maturity. The Management shall exercise its estimation concerning whether a financial asset falls within the definition of "loans and receivables" and mainly the extent to which there is no active market for this asset.
- Transfer from the category of available for sale to the category of "investments held to maturity" is permitted in case the assets meet the required definition and there is a possibility and intention to keep them to maturity.

The effect of the aforementioned reclassification on the financial statements of the Group is presented in Note 24.

3 Hedge Accounting

The Group documents, at the inception of the transaction, the relationship between hedged items and hedging instruments, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the instruments (derivatives) that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

4 Impairment of available for sale financial assets

The Group follows the IAS 39 guidance to determine whether the value of an investment is impaired when there has been a significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires judgment. In making this judgment, the Group evaluates among other factors, the normal volatility in share price. In addition, impairment may be appropriate when there is evidence of a deterioration in the financial health of the investee, industry and sector performance, changes in technology, and operational and financing cash flows.

In the following part the segments in which estimates and assumptions by Management have a significant effect are assessed:

(1) Credit risк provisions

The financial assets measured at amortised cost are subject to impairment testing on each balance sheet date, according to section 3.9. For the claims examined on a case by case basis the impairment test is based on the Management's assessment for the present value of cash flows set to inflow from the loan servicing by the debtor and from any cover liquidation.
Calculating these cash flows, Management makes assessments on the counter-party's financial position, on the possibility of a settlement and on the net value of any guarantees.
With regard to loans monitored on a collective basis, the necessary provision depends on assessments regarding each loan group credit risk, the market's economic factors, and the inherent portfolio risks. The parameters required are defined based on historical data and present economic conditions. Provisions' accuracy is determined by how well future cash flows of specific counterparties have been estimated and how well all hypotheses and parameters have been used to define all the provisions.

(1) Estimates on fair value of financial instruments

Financial assets and liabilities fair value calculation for which there are no published market prices requires the use of specific measurement techniques.

Initially, the Group examines the extent to which active market exists for a financial asset. On one hand, there is examined the volume and the frequency of transactions and on the other hand – the variation of prices disclosed by various market factors for the same asset. Usually, significant variations constitute an indication that the market for such an asset is not regarded as "active". The financial assets for which, in compliance with the Group estimations, there is no active market are estimated through use of models. Fair value calculation calls for various kinds of assessments. The most important ones involve assessment of various risks an instrument is subject to, such as business risk, liquidity risk etc. and businesses profitability future perspectives assessment in case of equity instrument measurement. The corresponding calculation was made with reference to market data of Credit Default Swap, where possible. However, as far as certain financial instruments are concerned, there is no available information and higher degree of judgment is required. In such a case, reference is usually made to prices of other items with the similar risk characteristics and suitable amendments are made.

(2) Goodwill impairment testing

The Group tests for impairment of goodwill on acquired subsidiaries on an basis. In order to ascertain whether there is evidence for impairment, the value in use and the fair value of a business unit need to be calculated. Usually the methods used are the cash flows present value method, future dividends present value method and measurement on the basis of similar entity indicators. To apply the specific methods, Management needs to use data, such as the subsidiary's estimated future profitability, business plans and market data, such as interest rates.

(3) Income tax

The Group is subject to income tax in various jurisdictions in which it operates. In order to establish the current and deferred tax, as presented in the balance sheet, significant assumptions are required. For specific transactions and calculations the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(4) Defined Benefit Plans

The liability recognized in the balance sheet for defined benefit plans is the present value of the liability for the defined benefit less the plan assets' fair value (reserve from payments to an insurance company), the changes deriving from any actuarial profit or loss and the service cost. The defined benefit commitment is calculated on an annual basis by an independent actuary with the use of the projected unit credit method. The main assessments used are mentioned in Note 37.

5. Reclassification of comparative periods

Results for the period 1/1 – 31/12/2007	As published 31/12/2007	As presented 31/12/2008	Reclassification
Interest and similar income	692.432	629.704	(62.728)
Interest and similar expense	(461.185)	(398.457)	62.728
Fee and commission income	82.579	86.095	3.516
Other income	5.484	1.968	(3.516)

The comparative data have been reclassified so as to be consistent with the changes that the Bank has adopted in the presentation of its financial information for the current period that ended at 31 December 2008.

6. Segment Reporting

Geographical segment

The Bank mainly operates in Greece. The banking network of the Bank has 192 branches. Bank's income constitutes from operations in Greece.

Business segment

The Group is organized into the following business segments:
a) Investment and corporate banking
b) Retail banking
c) Asset Management
d) Treasury
e) Investments and participations

31/12/2008						
Amounts in thousand Euro	**Investment and corporate banking**	**Retail banking**	**Asset management**	**Treasury**	**Investments and participations**	**Total**
Operating revenue	72.157	206.082	17.872	10.353		306.464
Profit before tax	38.349	(33.603)	2.327	(4.367)		2.706
Income tax						(1.504)
Profit after tax						1.202
Total Assets	4.526.480	6.399.714	1.280.073	6.750.585		18.956.852
Total Liablities	1.756.465	7.100.297	1.296.993	8.106.896		18.260.651
Additions in tangible assets	3.367	17.653	1.299	1.731		24.050
Depreciation and amortization	773	10.488	475	433		12.169
Impairment of loans and advances and of other investments	6.414	63.348	538	3.302		73.602

31/12/2007						
Amounts in thousand Euro	**Investment and corporate banking**	**Retail banking**	**Asset management**	**Treasury**	**Investments and participations**	**Total**
Operating revenue	**83.234**	**182.554**	**11.425**	**66.963**		**344.176**
Profit before tax	**35.184**	**(3.311)**	**3.356**	**49.448**		**84.677**
Income tax						**(24.087)**
Profit after tax						**60.590**
Total Assets	**3.062.006**	**5.670.343**	**1.130.894**	**3.062.186**		**12.925.429**
Total Liablities	**1.156.924**	**6.203.100**	**1.172.613**	**3.612.767**		**12.145.404**
Additions in tangible assets	**3.679**	**13.748**	**581**	**1.355**		**19.363**
Depreciation and amortisation	**1.049**	**9.316**	**399**	**433**		**11.197**
Impairment of loans and advances and of other investments	**14.310**	**36.548**	**220**	**744**		**51.822**

7. Net interest income

(Amounts in thousand Euro)

	2008	**2007**
Interest income		
Interest from bonds	112.972	41.838
Interest from advances to customers	709.128	483.982
Interest from other banks	72.026	100.861
Other interest	2.376	3.023
	896.502	**629.704**
Interest expense		
Interest on customer deposits	(450.932)	(309.050)
Interest to other banks	(162.344)	(74.938)
Interest on loan capital	(32.518)	(14.469)
Other interest	-	-
	(645.794)	**(398.457)**
Net interest income	**250.708**	**231.247**

Trading portfolio bonds equal to € 5.203 (2007: € 5.978 thousand) and net interest equal to € 40.925 (2007: € 7.921 thousand) from interest rate derivatives classified as fair value hedging instruments have been included in net interest income.

8. Net fee and commission income

(Amounts in thousand Euro)

	2008	2007
Fee and commission income		
Loans	18.254	21.461
Letters of guarantee	4.426	3.934
Retail banking	16.559	11.995
Investment banking	10.530	31.344
Custodian	2.525	2.497
Capital transfers	4.901	4.740
Import – Export	1.419	1.760
Trading	959	1.431
Insuranse-related	2.696	2.446
Other	4.372	4.487
	66.641	**86.095**
Fee and commission expense		
Retail banking	(3.541)	(3.316)
Investment banking	-	(3.217)
Other	(1.554)	(1.072)
	(5.095)	**(7.605)**
Net fee and commission income	**61,546**	**78.490**

9. Dividend income

(Amounts in thousand Euro)

	2008	2007
Dividend from subsidiaries	5.151	3.719
Dividend from Available-For-Sale portfolio	1.541	91
Dividend from trading securities	-	179
Dividend income	**6.692**	**3.989**

10. Net income from financial instruments

(Amounts in thousand Euro)

	2008	2007
Foreign exchange differences	3.497	6.443
Profit / (Loss) from sale and revaluation of trading securities	(25.444)	167
Profit / (Loss) from derivative financial instruments	(13.069)	21.341
Proft / (Loss) from sale of financial instruments classified other than in trading portfolio	14.266	531
Net income from financial instruments	**(20.750)**	**28.482**

11. Other income

(Amounts in thousand Euro)

	2008	2007
Income from sale / lease of property	5.059	1.098
Other	3.209	870
Other income	**8.268**	**1.968**

12. Staff costs

(Amounts in thousand Euro)

	2008	2007
Wages and salaries	(90.588)	(82.766)
Social security contributions	(21.278)	(18.568)
Defined benefit plans (Note 37)	(3.692)	(7.287)
Stock option plan expense	(1.246)	(1.157)
Other expense	(9.220)	(9.914)
Staff costs	**(126.024)**	**(119.692)**

The number of employees as at the end of the year was 2.732 (2007 : 2.482).

Stock Options Plan

In May 2007, the Extraordinary General Meeting of the shareholders of the parent company Marfin Popular Bank (hereinafter the "parent Bank") approved of the introduction of a Share Options Scheme (the "Scheme") for the members of the Board of Directors of the parent Bank and the Group's employees. Following the aforementioned approval and the ensuant decision of the parent Bank's Board of Directors on May 8, 2007, 70.305.000 Options were granted, from which 33.600.000 where allocated to the Board of Directors and the employees of Marfin Egnatia Bank and its subsidiaries. The Options with an exercise price of € 10 on the parent company's shares and maturity date is December 15, 2011. Within the year 2008 no option was exercised or annulled.

The fair value of the Options granted was measured using the Black and Scholes model. The significant inputs into the model were: a) share price of € 8,48 at the grant date, b) expected share price volatility. The expected volatility was defined at 12% based on the examination of historic evidence of listed European banks, c) exercise price of € 10, d) risk-free euro interest rate curve for the duration of the Scheme 4,15% (average), e) dividend yield 3,58 and f) expected options duration fluctuating between 1-2 years.

The weighted average fair value of options granted during the period was € 0,19. The total fair value of granted options, burdening the results of the year 2008, has been calculated as that amounting € 1.280 thousand.

13. Operating expenses

(Amounts in thousand Euro)

	2008	2007
Rent (operating leases)	(21.902)	(17.631)
Operating expenses for buildings	(6.810)	(4.927)
Tax, stamps and duties	(9.135)	(7.495)
Repairs and maintenance	(3.789)	(2.648)
Third party fees (legal, engineers, etc)	(12.586)	(11.598)
Telephone and postage	(6.595)	(5.488)
Promotion and advertisement	(14.515)	(8.736)
Provision for other risks	(400)	(4.473)
Subscriptions – Contributions	(2.582)	(4.306)
Other expenses	(13.649)	(9.486)
Operating expenses	**(91.963)**	**(76.788)**

14. Impairment losses

(Amounts in thousand Euro)

	2008	2007
Impairment loss of shares in the available-for-sale portfolio	(3.255)	(744)
Impairment loss of bonds in the available-for-slae portfolio	(47)	-
	(3.302)	**(744)**

15. Income tax

(Amounts in thousand Euro)

	2008	2007
Income for the period	(14.647)	(11.322)
Deferred tax	14.646	(11.750)
Impact on deferred tax from change in tax rates	(403)	-
Tax on reserves	(1.100)	-
Tax inspection differences	-	(1.015)
Income tax	**(1.504)**	**(24.087)**

Information concerning deferred tax is provided in note 30. The reconciliation of the effective tax rate is as follows:

	%	2008	%	2007
Profit before tax		**2.706**		**84.677**
Tax based on tax rate	25%	677	25%	21.169
Non-deductable expense	38%	1.035	1%	780
Tax-exempt revenues	(56%)	(1.523)	(1%)	(997)
Prior year taxes	-	-	1%	1.015
Adjustment of tax rate for deferred tax	15%	403	-	-
Other diferrences	34%	912	3%	2.120
Income tax	**56%**	**1.504**	**29%**	**24.087**

In Greece the results disclosed to the tax authorities are considered temporary and can be modified until the accounting books and data are examined by tax authorities and the tax declarations are considered conclusive. Consequently, the companies are subject to probable penalties and taxes which can be imposed during the assessment of the books and data. In calculating the tax expense for the current financial year, the Bank took into consideration the additional tax obligations which would occur from a possible tax audit. The relevant provision for contingent additional tax differences amounting to € 1.200 thousand is included in the “Deferred tax liabilities” account.

16. Earnings per share

Basic earnings per share are calculated through net profits attributable to Shareholders, minority interests and the weighted average number of shares in issue during the year.

Diluted earnings per share are calculated through net profits attributable to Shareholders, minority interests as well as interest accrued from the Convertible Bond Loan (C.B.L.) and the weighted average number of shares in issue during the year, increased by the weighted average number of the convertible bonds.

	2008	2007
Basic earnings per share		
Profit attributable to the Shareholders of the Bank	1.202	60.590
Weighted average number of outstanding ordinary shares	288.818.569	284.349.215
Basic earnings per share	**0,0042**	**0,2131**
Diluted earnings per share		
Profit attributable to the Shareholders of the Bank	1.233	60.648
Weighted average number of outstanding ordinary shares	288.927.347	284.651.197
Diluted earnings per share	**0,0043**	**0,2131**

17. Cash and balances with Central Bank

(Amounts in thousand Euro)

	2008	2007
Cash	63.161	49.891
Other placements at Central Bank	1.024.144	252.814
Regulatory deposits with Central Bank	210.185	172.263
Cash and balances with Central Bank	**1.297.490**	**474.968**

18. Loans and advances to Banks

(Amounts in thousand Euro)

	2008	2007
Current accounts	342.401	38.408
Loans to banks	-	19.000
Placements at banks	1.323.671	2.035.298
Loans and advances to banks	**1.666.072**	**2.092.706**

19. Loans and advances to customers

(Amounts in thousand Euro)

	2008	2007
Retail customers:		
Consumer	1.796.528	1.353.119
Credit cards	203.200	162.082
Housing	2.164.500	1.782.279
	4.164.228	**3.297.480**
Corporate loans :	**8.266.435**	**5.738.826**
Total loans and advaces to customers	**12.430.663**	**9.036.306**
Less: impairment of loans	**(224.359)**	**(181.383)**
Loans and advances to customers (net of impairment)	**12.206.304**	**8.854.923**

Movement in impairment :

	2008	2007
Balance 1 January	181.383	136.548
Impairment	70.300	51.078
Write-offs	(27.324)	(6.243)
31 December	**224.359**	**181.383**

The Bank has granted fixed interest rate loans for which it proceeded to interest rate risk hedge. The hedging instruments used are interest rate exchange agreements.
The total fair value of these instruments is presented in the account of receivables and liabilities from derivatives for loans fair value hedging and amounted as at 31/12/2008 to € 6.479 thousand and € 77.513 thousand respectively. The amount of € 71.034 thousand that constitutes adjustment-increase in fair value of those loans is included in the mortgages to individuals.
The account of trading results includes both – the loss of € 76.655 thousand on hedging instrument and the equal profit from the hedged item.

20. Derivative financial instruments

(Amounts in thousand Euro)

31 December 2008

		Fair value	
	Nominal value	**Assets**	**Liabilites**
Foreign currency derivatives			
Currency deposits	21.750	5.456	8.101
Currency swaps	933.734	37.992	50.913
Spot	5.794	133	139
Derivatives on Securities / Index			
Options	2.167	1.122	795
Commodities	227	13.462	13.235
Currency	597		29
CDS	214.185	30	14.233
Asset swaps	2.371	4	
Interest derivatives			
Interest Rate Swaps	851.008	15.393	11.704
Interest Rate Swaps - term	100.000		278
Derivatives for trading purposes		**73.592**	**99.427**
Fair value hedging			
Customer deposits with embedded derivatives	71.379	2.566	2.787
Interest Rate Swaps for loans hedging	2.267.857	6.479	77.513
Interest Rate Swaps for bonds hedging	1.062.927		72.217
Derivatives for risk hedging purposes		**9.045**	**152.517**
Derivative financial instruments in total		**82.637**	**251.944**

31 December 2007

		Fair Value	
	Nominal value	**Assets**	**Liabilities**
Foreign currency derivatives			
Currency deposits	134.928	822	11.545
Currency swaps	577.839	2.609	10.004

Derivatives on Securities / Index			
Futures	144.682	-	420
Options	44.578	489	272
CDS	93.776	111	1.494
Asset swaps	2.242	12	7
Interest Derivatives			
Interest Rate Swaps	339.895	4.582	1.660
Derivatives for trading purposes		**8.625**	**25.402**
Fair value hedging			
Customer deposits with embedded derivatives	70.871	2.295	2.399
Interest rate swaps for loans hedging	952.649	-	5.621
Derivatives for risk hedging purposes		**2.295**	**8.020**
Derivative financial instruments in total		**10.920**	**33.422**

The Bank has in its portfolio fixed interest rate bonds for which it proceeded to interest rate risk hedge. The hedging instruments used are interest rate exchange agreements.
The total fair value of these instruments is presented in the account of liabilities from derivatives for bonds fair value hedging and amounted as at 31/12/2008 to € 72.217 thousand.

Out of this amount, the amount of € 43.621 thousand pertains to hedging of bonds of the portfolio of Available for sale, and the remaining amount of € 28.596 thousand pertains to fixed interest rate bonds included in the account «borrowing portfolio debt securities».
The account of trading results includes both from the hedged items amounting to € 77.856 thousand and loss from hedging instrument amounting to € 72.217 thousand.

21. Financial instruments at fair value through profit and loss

(Amounts in thousand Euro)

	2008	2007
Greek government treasury bills (fixed rate)	897	43.412
Other government treasury bills (fixed rate)	8.433	8.667
Greek government treasury bills (floating rate)	909	1.009
Other government treasury bills (floating rate)	1.656	1.508
Corporate bonds (fixed rate)	14.550	19.716
Corporate bonds (floating rate)	50.063	70.258
Total treasury bills and bonds	**76.508**	**144.570**
Shares listed in Athens Stock Exchange.	483	474
Shares listed in Foreign exchanges	20	70
Mutual funds (foreign)	83.603	100.218
Financial instruments at fair value through profit and loss	**160.614**	**245.332**

22. Available-for-sale financial instruments

(Amounts in thousand Euro)

	2008	2007
Mutual funds (domestic)	3.382	13.145

Shares listed in Athens Stock Exchange	12.746	5.302
Shares listed in Athens Stock Exchange (pledged)	-	414
Shares listed in foreign exchanges	2.692	2.069
Shares listed in foreign exchanges (in custody for third parties)	371	-
Not listed shares	928	739
Customers' bond loans listed in the Athens Stock Exchange	30.549	-
Greek government treasury bills (fixed rate)	415.964	161.528
Greek government treasury bills (floating rate)	134.325	115.553
Other government treasury bills (fixed rate)	107.423	97.559
Corporate bonds (fixed rate)	472.565	105.822
Corporate bonds (floating rate)	459.990	83.952
Available-for-sale financial instruments	**1.640.935**	**586.083**

23. Held-to-maturity investments

(Amounts in thousand Euro)

	2008	2007
Greek government treasury bills (fixed rate)	29.435	52.848
Greek government treasury bills (floating rate)	10.000	10.000
Corporate bonds (fixed rate)	963	2.025
Corporate bonds (floating rate)	463.359	24.780
Held-to-maturity investments	**503.757**	**89.653**

This portfolio also includes bonds of carrying amount of € 35.745 thousand that within the year 2008 were transferred from the available for sale portfolio. The fair value of the bonds as at transfer date amounted to € 34.743 thousand. The aforementioned bonds were transferred to investments held to maturity since the Group does not intend to sell them.

24. Debt securities

(Amounts in thousand Euro)

	2008	2007
Other government treasury bills (fixed rate)	87.775	-
Corporate bonds (fixed rate)	345.024	-
Corporate bonds (floating rate)	189.817	-
Debt securities	**622.616**	**-**

The Bank applied amendments to IAS 39 and IFRS 7 ''Reclassification of Financial Assets" and reclassified investments in securities held for trading to investments in securities available for sale and debt securities. In compliance with the requirements of revised IAS 39, the Bank defined assets, which as at July 1, 2008 it had no intention to trade or sell in the direct future. The reclassification was carried out as starting from July 1, 2008, in compliance with the requirements of IAS 29 at carrying amount of the investments as at that date. The carrying amount and the fair value of reclassified investments is presented below:

(Amounts in thousand Euro)

	1 July 2008	31 December 2008	
	Book value	Book value	Fair value
Investments of trading portfolio reclassified as available-for-sale investments	11.442	9.823	9.823
Available-for-sale investments reclassified as debt securities	513.537	543.541	457.612

If the Bank had not reclassified investment in securities on 1 July 2008, the income statement for the second half of 2008 would have included unrealized losses from the change in fair value of financial assets for trading in EUR thousand € 1.618, which burdened the Equity.

As at the reclassification date, the interest rates of trading portfolio ranged from 5,162% to 8.20% with recoverable value amounting to thousands of € 12.118.

Furthermore, if the above reclassification had not been carried out, there would have been recognized in fair value reserves of financial assets available for sale unrealized losses amounting to € 85.929 thousand that represent the change in fair value for the second half of 2008 of reclassified investments available for sale.

Of the amount of available for sale portfolio that has been transferred, the amount of 224.318 thousand Euro has been heged for changes in fair value, which are due to the risk of interest rate changes, for which the Bank will continue to apply hedging policy. The carrying amount of these bonds has been adjusted by the amount of € 28.596 thousand that represents the change in fair value of the bonds pertaining to the hedged risk for the period from July 1 as till the Balance Sheet date. The interest rates from the securities that have been transferred will continue to be recognized in interest rate income, using the effective rate method.

As at the reclassification date, the interest rates of available for sale portfolio fluctuated from 4,0% to 8,875% and their recoverable amount came to € 569.782 thousand.

25. Investment in subsidiaries

(Amounts in thousand Euro)

	31/12/2008				
Company	**Country of Incorporation**	**% Direct Participation**	**% Indirect participation**	**Total % Participation**	**Tota participatior**
Marfin Bank Romania S.A. (1)	Romania	98,98%	-	98,98%	38.113
Marfin Leasing IFN Romania S.A. (2)	Romania	99,00%	-	99,00%	218
Marfin Leasing S.A. (3)	Greece	100,00%	-	100,00%	45.184
Dynamic Asset Leasing S.A. (4)	Greece	-	100%	100%	-
Marfin Egnatia Fin S.A.	Greece	99,00%	-	99,00%	291
EUROCAMBIO Foreign Exchange S.A. (5)	Greece	-	-	-	0
Marfin Insurance Brokers S.A. (6)	Greece	-	-	-	0
Egnatia Finance PLC	United Kingdom/London	99,998%	0,002%	100,00%	18
Marfin Travel LTD (7)	Greece	-	99,00%	99,00%	-
Obafemi Holdings LTD	Cyprus	100,00%	-	100,00%	2
Egnatia Properties SRL	Romania	-	100,00%	100,00%	-
Investment Bank of Greece S.A. (8)	Greece	92,19%	-	92,19%	217.994
Marfin Capital Partners Ltd (9)	United Kingdom/London	70,00%	-	70,00%	723
Marfin Capital Partners (Cyprus) Ltd (10)	Cyprus	-	70%	70%	-
Marfin Global Asset Management S.A. (11), (8)	Greece	94,5148%	4,0568%	98,5716%	9.006
IBG Investments S.A. (12), (8)	British Virgin Island	-	92,19%	92,19%	-
IBG Mutual Funds S.A. (8)	Greece	-	92,19%	92,19%	-

Marfin Securities (Cyprus) Ltd (8)	Cyprus	-	92,19%	92,19%	-
Investment S.A. (8)	Greece	-	92,18%	92,18%	-
Marfin Life Insurance S.A. (6)	Greece	-	-	-	0
Marfin Factors & Forfaiters S.A.	Greece	100,00%	-	100,00%	12.285
					323.834

31/12/2007

Company	Country of Incorporation	% Direct participation	% Indirect participation	Total % participation	Total participation
Egnatia Bank Romania S.A. (1)	Romania	98,98%	-	98,98%	18.317
Egnatia Leasing Romania S.A. (2)	Romania	99,00%	-	99,00%	218
Marfin Leasing S.A.	Greece	100,00%	-	100,00%	27.106
Marfin Egnatia Fin S.A.	Greece	99,00%	-	99,00%	291
EUROCAMBIO Foreign Exchange S.A. (5)	Greece	90,29%	-	90,29%	0
Marfin Insurance Brokers S.A.(6)	Greece	100,00%	-	100,00%	612
Egnatia Finance PLC	United Kingdom/London	99,998%	0,002%	100,00%	18
Egnatia Bank Travel LTD (7)	Greece	-	99,00%	99,00%	-
Obafemi Holdings LTD	Cyprus	100,00%	-	100,00%	2
Egnatia Properties SRL	Romania	-	100,00%	100,00%	-
Investment Bank of Greece S.A. (8)	Greece	92,04%	-	92,04%	212.647
MFG Capital Partners Ltd (9)	United Kingdom/London	70,00%	-	70,00%	723
Marfin Global Asset Management S.A. (11), (8)	Greece	94,5148%	4,0504%	98,5652%	12.787
IBG Investments S.A. (12), (8)	British Virgin Island	-	92,04%	92,04%	-
IBG Mutual Funds S.A.(8)	Greece	-	92,04%	92,04%	-
Marfin Securities (Cyprus) Ltd (8)	Cyprus	-	92,04%	92,04%	-
Investment S.A. (8)	Greece	-	92,03%	92,03%	-
Marfin Life insurance S.A. (6)	Greece	100,00%	-	100,00%	3.181
Laiki Attalos S.A. (8)	Greece	97,51%	-	97,51%	5.347
Marfin Factors & Forfaiters S.A.	Greece	100,00%	-	100,00%	12.285
					293.534

(1) On 15/5/2008, the subsidiary was renamed from Egnatia Bank (Romania) SA to Marfin

Bank (Romania) S.A. On June 2008 the latest share capital increase of the company has taken place for the amount of 20.000 thousand Euro. The increase was covered pro rata of the participation in the company's share capital by Marfin Egnatia Bank S.A. for 98,98% and thus by the amount of 19.797 thousand Euro. From this total the amount of 5.797 thousand Euro were paid in cash, while the amount of 14.000 thousand Euro through the conversion of the subordinated debt bond loan.

(2) On 20/06/2008 the subsidiary was renamed from Egnatia Leasing Romania S.A. to Marfin Leasing IFN Romania S.A.

(3) At the Extraordinary General Meeting of 20/11/2008 a share capital increase of 18.078 thousand euro was decided, which was covered by the only shareholder of the company Marfin Egnatia Bank. On 8/12/2008 the amount of the share capital increase was deposited.

(4) The company was established on 27/07/2008, and constitutes by 100% a subsidiary of Marfin Financial Leases S.A. with the share capital of 60 thousand Euro. It is first included in consolidation as at 30/09/2008.

(5) The company was cleared on 31/12/2008.

(6) Sale of Subsidiaries. On 22 July 2008, the parent Bank Marfin Popular Bank, and CNP Assurance signed a long term collaboration agreement aimed at development of insurance and pension scheme projects through the bank networks of the Group in Greece and Cyprus, foreseeing the expansion of the collaboration in other countries following the international expansion of the Group to South Eastern Europe. As in compliance with the terms of the agreement, CNP Assurance will acquire 50,1% of insurance projects of the Group and will hold control of these companies.
Within the frame of the aforementioned agreement, the Bank, as in compliance with the decision of the Extraordinary General Assembly as at 26/08/2008, decided on the disposal of its 100% subsidiaries Marfin Life Insurance S.A. and Marfin Insurance Brokers S.A. to the newly established company Marfin Insurance Holdings Ltd headquarted in Nicosis, Cyprus, a subsidiary of Marfin Popular Bank Ltd.
On 8/12/2008, the companies Marfin Life Insurance S.A. and Marfin Insurance Brokers S.A were sold. The proceeds of disposal of Marfin Insurance Brokers S.A. were 1.297.120,00 euro and the proceeds of disposal of Marfin Life Insurance S.A. were 7.480.000,00 euro

(7) On 11/02/2008, the subsidiary was renamed from Egnatia Bank Travel Ltd to Marfin Travel Ltd.

(8) On 28/11/2008, there was recorded in the Societe Anonyme Registry under Num. K2 - 14014/28-11-2008 the decision of the Ministry of Development according to which there was approved the merger of the societe anonyme under the title «Investment Bank of Greece S.A.» under SA Reg. Num 45090/06/B/00/4 following the absorption of the societe anonyme under the title «Laiki ATTALOS S.A.» under SA Reg. Num 23395/06/B/91, according to the requirements of Articles 68, par. 2, 69 to 77α of the Law 2190/20 as it is currently effective in tandem with the requirements of Article 16 of the Law 2515/1997 as it has been amended and is currently effective and Articles 1-5 of the Law 2166/1993 as they are currently effective, as at 5/9/2008 decisions of Extraordinary General Assemblies of the shareholders of the above companies and according to 10489/11-11-2008 Act of the Notary of Piraeus Stefanos Kon. Vasilakis.
The share capital of «Investment Bank of Greece S.A.» was totally increased by an amount of three million five thousand four hundred and forty (3.005.440) Euro, which corresponds to the total of the absorbed company share capital. Following the finalization of the merger, the share capital of the Bank amounted to one hundred ten million four hundred twenty seven thousand and twenty seven Euro (110.427.027) and is divided into three million seven hundred sixty two thousand and four hundred twenty (3.762.420) nominal shares of per share nominal value of twenty nine Euro and thirty five cents (29,35 Euro).
The exchange balance was shaped as at 1,001191406250 shares for every 1 share of «Laiki ATTALOS S.A.» and 0,99996666849 shares for every 1 share of «Investment Bank of Greece S.A.».
Following the merger and share exchange, the interest of «Marfin Egnatia Bank S.A.» in the share capital of «Investment Bank S.A.» increased from 92,04% to 92,19%. Consequently, there was an analogous increase in indirect participation in the companies of the Group (Marfin GAM S.A., Marfin Securities Cyprus, IBG Capital SA, IBG Mutual Funds Management S.A., IBG Investment S.A.).

(9) On 07/05/2008 the subsidiary was renamed from MFG Capital Partners Ltd to Marfin Capital Partners Ltd.

(10) The company was established on 27/08/2008, and is by 100% a subsidiary of Marfin Capital Partners Ltd with the share capital of 200 thousand Euro. It was first included in the consolidation as at 30/09/2008.

(11) The decrease of the share capital of Marfin Global Asset Management S.A. was approved under the 5/802/4.2.2008 and the K2 – 2756/4.3.2008 decisions of the Executive Committee of Hellenic Capital Market Commission and of the Ministry of Development respectively. The decrease of 4.001 thousand euro was realised with the decrease of 14 euro of the nominal value of each share, in order this amount to be returned to the shareholders. The portion of the Bank was 3.781 thousand ευρώ, while the one of the Group was 3.957 thousand euro.

(12) During the year ended 31/12/2008 the company's share capital was increased by 236 million euro. The increase was covered proportionally by Investment Bank of Greece (90%) and by IBG Capital SA.

26. Investment in associates

(Amounts in thousand Euro)

	2008	2007
Company	**ARIS Capital Management (U.S.A.)**	
Total % Participation	30,00%	30,00%
Assets	1.542	1.684
Liabilites	394	909
Income	1.550	1.671
Gains	864	672
Share capital	8	8
Total participation	**2.278**	**2.278**

27. Property, plant and equipment

(Amounts in thousand Euro)

	Land	Buildings	Leasehold improvements	Furniture and equipment	Other	Total
Acquisition cost						
Balance 1 January 2007	11.923	17.993	45.362	59.696	5.040	140.014
Additions	338	659	5.735	6.665	277	13.674
Disposals / Transfers	(1.984)	-	(1.662)	(6.692)	(323)	(10.661)
Balance 31 December 2007	**10.277**	**18.652**	**49.435**	**59.669**	**4.994**	**143.027**
Acquistion cost						
Balance 1 January 2008	10.277	18.652	49.435	59.669	4.994	143.027
Additions	-	33	11.339	5.436	1.080	17.888
Disposals / Transfers	(7.943)	(13.704)	-	(3.917)	(723)	(26.287)
Balance 31 December 2008	**2.334**	**4.981**	**60.774**	**61.188**	**5.351**	**134.628**
Depreciation						
Balance 1 January 2007	-	4.962	26.334	44.211	3.385	78.892
Depreciation	-	401	3.179	4.527	527	8.634
Decreases	-	(47)	(1.547)	(3.407)	(265)	(5.266)
Balance 31 December 2007	**-**	**5.316**	**27.966**	**45.331**	**3.647**	**82.260**

Depreciation						
Balance 1 January 2008	-	5.316	27.966	45.331	3.647	82.260
Depreciation	-	273	3.877	4.886	366	9.402
Decreases	-	(4.129)	-	(3.891)	(585)	(8.605)
Balance 31 December 2008	-	**1.460**	**31.843**	**46.326**	**3.428**	**83.057**
Amounts in the Balance Sheet						
As at the 1st January 2007	11.923	13.030	19.028	15.484	1.655	**61.120**
As at the 31st December 2007	10.277	13.336	21.469	14.338	1.347	**60.767**
As at the 1st January 2008	10.277	13.336	21.469	14.338	1.347	**60.767**
As at the 31st December 2008	2.334	3.521	28.931	14.862	1.923	**51.571**

28. Investment properties

(Amounts in thousand Euro)

	2008	2007
Balance 1 January	26.548	20.853
Additions	3.366	4.224
Transfer from Property, plant and equipment	-	1.984
Disposals	(1.711)	(513)
Balance 31 December	**28.203**	**26.548**

29. Intangible assets

(Amounts in thousand Euro)

	Goodwill	Software	Total
Acquisition cost			
Balance 1 January 2007	713	26.734	27.447
Additions	-	5.689	5.689
Disposals	-	-	-
Balance 31 December 2007	**713**	**32.423**	**33.136**
Balance 1 January 2008	713	32.423	33.136
Additions	-	6.163	6.163
Disposals	-	-	-
Balance 31 December 2008	**713**	**38.586**	**39.299**
Accumulated amortisation			
Balance 1 January 2007	71	18.604	18.675
Additions	-	2.563	2.563
Disposals	-	-	-
Balance 31 December 2007	**71**	**21.167**	**21.238**
Balance 1 January 2008	71	21.167	21.238
Additions	-	2.767	2.767
Disposals	-	-	-
Balance 31 December 2008	**71**	**23.934**	**24.005**

Amounts in the Balance Sheet			
As at the 1 January 2007	642	8.130	8.772
As at the 31 December 2007	**642**	**11.256**	**11.898**
As at the 1st January 2008	642	11.256	**11.898**
As at the 31st December 2008	**642**	**14.652**	**15.294**

30. Deferred tax

(Amounts in thousand Euro)

Recognised deferred tax asset and liability

Deferred tax asset and liability are attributable to:

	2008	2007
Deferred tax asset		
Intangible assets	191	312
Employee benefit obligations	2.053	2.514
Impairment of loans and advances	6.833	-
Impairments of investments	45.894	20.803
Deferred income	3.194	2.121
Preference shares	-	-
Valuation reserve from disposal of listed shares	757	
Valuation of bank book and derivative financial instruments	7.041	-
Other	1.612	2.560
	67.575	**28.310**
Deferred tax liability		
Property, plant and equipment	67	226
Impairment of loans and advances	-	4.683
Suspension of loans' accrual	1.928	-
Commission	7.348	5.740
Valuation of bank book and derivative financial instruments	-	1.930
Intangible assets	929	591
Other	2.556	1.089
	12.828	**14.259**

Movement in temporary differences during the year

	Balance 1 January 2007	Recognised in Income	Recognised in Equity	Balance 31 December 2007
Intangible assets	49	(328)	-	(279)
Employee benefit obligations	2.387	127	-	2.514
Impairment of loans	1.870	(6.553)	-	(4.683)
Impairment of investments	1.397	-	-	1.397
Deferred income	1.357	787	-	2.144
Effective Rate of loans	-	(5.740)	-	(5.740)
Preferense shares	227	(227)	-	-
Property, plant and equipment	(412)	(98)	-	(510)
Valuation of derivative financial instruments	(1.306)	796	-	(510)

Valuation of bank book	(99)	(1.320)	-	(1.419)
Available for sale financial instruments	638	-	18.767	19.405
Other	926	806	-	1.732
Total	**7.034**	**(11.750)**	**18.767**	**14.051**

	Balance 1 January 2008	Recognised in Income	Recognised in Equity	Balance 31 December 2008
Intangible assets	(279)	(459)	-	(738)
Employee benefit obligations	2.514	(461)	-	2.053
Impairment of loans	(4.683)	11.517	-	6.834
Impairment of investments	1.397	(1.362)	-	35
Deferred income	2.144	1.643	-	3.787
Effective Rate of loans	(5.740)	(2.179)	-	(7.919)
Property, plant and equipment	(510)	160	-	(350)
Valuation of derivative financial instruments	(510)	8.971	-	8.461
Valuation of bank book	(1.419)	-	-	(1.419)
Available for sale financial instruments	19.405	-	26.453	45.858
Suspension of loans' accrual	-	(1.929)		(1.929)
Valuation reserve from disposal of listed shares	-	757		757
Other	1.732	(2.415)	-	(683)
Totla	**14.051**	**14.243**	**26.453**	**54.747**

31. Other assets

(Amounts in thousand Euro)

	2008	2007
Prepaid expenses	5.541	3.414
Accrued income	180.104	88.285
Extra contribution to Hellenic Deposit Guarantee Fund	42.784	-
Other	59.243	55.810
Other assets	**287.672**	**147.509**

Following Article 6 of the Law 3714/7.11.2008, there was increased the amount of deposits covered through deposit security system from 20.000 Euro to 100.000 Euro per deposit. There also increased the percentage of calculating contribution deposited by banks to Deposit Security Fund.

Therefore, the banks deposited additional contributions for the year 2008. The Law 3746/16.2.2009 «Deposit and Investment Security Fund (TEKE)» makes provisions that the amount of difference of regular annual contributions of credit institutions arising from the application of paragraph 2, Article 6 of the Law 3714/7.11.2008, is held in the special property unit whose items commonly belong, as in compliance with the proportion of interest, to credit institutions with participating interest.

32. Share Capital

	2008	2007
Number of ordinary shares	288.855.236	288.626.666
Nominal value	1,27	1,27
Share capital paid (in thousand Euro)	366.846	366.556
Share premium (in thousand Euro)	327.699	327.261

Within the year 2008, the Share Capital and the Share Premium have increased by 290 thousand Euro and 438 thousand Euro respectively, due to the conversion of 228.570 ordinary bonds of the Convertible Bond Loan issued as at 21/01/2003 into ordinary shares.

The shares of the Bank are nominal, indivisible and are traded under the Special Stock Exchange Characteristics category in the Athens Stock Exchange (ASE) and have been issued in accordance with the requirements of Law 2190/1920 and the Bank's Charter of Incorporation.

33. Other reserves

(Amounts in thousand Euro)

	2008	2007
Statutory reserve	15.815	13.010
Tax-exempt reserve	425	4.311
Extraodinary reserve	31.545	25.929
Revaluation reserve of available for sale financial instruments	(145.219)	(58.218)
Stock Option plan reserve	2.404	1.157
Other reserves	**(95.030)**	**(13.811)**

Statutory reserve: Under the provisions of Greek corporate law, entities are required to transfer 5% of their annual profits to a statutory reserve until the reserve equals one third of the issued capital. This reserve is not available for distribution but may be applied to cover losses.

Untaxed reserve: In the event of reserves being distributed, tax is applied on the rate in effect as at the date of distribution.

In accordance with Law 3634/2008, untaxed reserves of banking organizations from: profits by listed shares (both domestic and foreign), profits by derivative financial instruments (both domestic and foreign), as well as, untaxed earnings in accordance with article 99 of Law 2238/1994, are taxed at the rate outstanding for the Bank. The reserves in question can be distributed or capitalized at any time with no further taxes applied.

Extraordinary reserve: Includes all other reserves that cannot be categorized within the aforementioned categories.

34. Deposits from Banks

(Amounts in thousand Euro)

	2008	2007
Deposits with Central Bank	2.670.527	180.000
Sight	18.513	17.628
Term	10.014	7.051
Other placements	2.574.893	1.963.988
Advances from Credit Institutions	469.481	304.428
Deposits from banks	**5.743.428**	**2.473.095**

35. Deposits from Customers

(Amounts in thousand Euro)

	2008	2007
Retail customers:		
Sight	372.222	686.642
Saving accounts	650.190	756.771

Term	6.048.617	3.995.842
	7.071.029	**5.439.255**
Corporate customers:		
On demand	667.222	822.036
Term	3.514.252	2.347.226
	4.181.474	**3.169.262**
Government entities:		
On demand	67.724	76.501
Term	7.701	13.282
	75.425	**89.783**
Deposits from customers	**11.327.928**	**8.698.300**

36. Other borrowed funds

(Amounts in thousand Euro)

	2008	**2007**
Convertible subordinated debt - maturity 2013	231	862
Subordinated debt – maturity 2015	80.000	80.000
Subordinated debt - maturity 2017	200.000	200.000
Bond loan - maturity 2010	50.000	50.000
Bond loan - maturity 2011	50.000	-
Syndicated loan - maturity 2010	250.000	-
Intercompany loan - maturity 2008	-	199.941
Other borrowed funds	**630.231**	**530.803**

The convertible bond was issued on 21st January 2003 and has a maturity of 10 years with the right of first redemption after 5 years. It has a 3-month Euribor interest rate plus 1,75% up to the date of redemption and 3,25% until maturity. Interest accrues every 3 months starting from 21 January 2003.
Convertible subordinated debt holders have the right to exchange ten notes for ten shares. At 31/12/2008 there were 72.110 common bonds, the holders of which have the right to exchange for the respective number of common shares per value of 1,27 Euro. The par value of each debt security is Euro 3,20.

The subordinated debt with maturity 2015 was issued 4 May 2005 and it has a 10 year term with the right to fixed redemption after the end of the fifth year. It has a 3-month Euribor interest rate plus 1,10% up to redemption date and 2,40% up to maturity. It accrues interest on a quarterly basis starting from 4 August 2005. The bond loan is listed on Stock exchange of Luxemburg and its fair value as at 31/12/2008 was 60 million (31/12/2007: 80,1 million.)

The subordinated debt with maturity 2017 was issued on 31 December 2007 it has a 10 year term with the right to fixed redemption after the end of the fifth year. It has an interest rate of Euribor three months plus 0.95% up to redemption date and 1.95% up to maturity. It accrues interest quarterly starting 31 March 2008. The issue of the bond loan was decided following the approval of the Ordinary General Assembly of the Shareholders of the company on 22 June 2006 and was covered in total by the parent «Marfin Popular Bank Public co ltd».

The subordinated debt is used as secondary capital (Tier II Capital) for capital adequacy purposes.

The bond loan (Schuldschein) with maturity 2010 was issued on 28 December 2007 and it has a 3 year term. It has an interest rate of Euribor 1, 3 or 6 months plus 0.25% up to maturity. It accrues interest every 1, 3 or 6 months starting on 28 January 2008.

The bond loan (Schuldschein) with maturity 2011 was issued on 5 March 2008 and it has a 3 year term. It has an interest rate of Euribor 6 months plus 0.25% up to maturity. It accrues interest every 6 months starting on 4 September 2008.

The loan with maturity 2008 (3 years) has an interest rate Euribor plus 0,55% up to maturity (11/08/2008). It accrues interest every 3 months starting on 11 November 2005. On 11/08/2008 there matured the loan issued as at 11/08/2005 amounting to 200 million Euro.

In September there was undertaken a syndicated loan of two years' term amounting to 250 million Euro. The issue date is 25/09/2008 and the term is 2 years. It has an interest rate of Euribor 3 months plus 0.60% up to maturity. It accrues interest every 3 months starting on 29/12/2008.

The Board of Directors of the Bank at its meeting as at 17/11/2008 decided on the issuance of the first line of (ordinary) covered bonds of EUR 1 billion of up to 2 years duration at credit rating of «AAA / Aaa» with international rating agencies Fitch Ratings and Moody's Investors respectively at additional margin of 1,10% annually. The first in Greece direct issuance of the bonds was carried out within the frame of the plan for issuance of (ordinary) covered bonds of up to 3 billion Euro. The security portfolio, defined by the «coverage», within the definition of par. 3. Article 91 of the Law 3601/2007 on the Bonds is composed of mortgages. Furthermore, in order to cover receivables due to Bond Creditors and other Security Lenders, MARFIN POPULAR BANK PUBLIC CO LTD has agreed to provide credit facilities to the Bank. The bonds wre traded on Stock Exchange of Ireland and, following their issuance, were acquired by the Bank at a price of their issuance, ie as against one (1) billion Euro for the purposes of their redistribution to institutional investors till their maturity. As till the issuance of new bands to institutional investors, the bonds will be used for security purposes pertaining to obtaining liquidity from the European Central Bank through the Bank of Greece.

The liability arising from the issuance of covered bonds is not presented in the account «Other borrowing liabilities», since the titles in question are self owned by the bank. In compliance with the respective accounting policy, offsetting financial assets with liabilities is permitted in case there is a legal right to offset the recorded amounts and there is an intention for simultaneous settlement of the total amount of the financial assets as well as liabilities.

Information stated in Article 25 of he Law 3601/2007, pertaining to covered bonds:

A. Covered bonds and assets in security portfolio

(Amounts in thousand Euro)

	Nominal value	Net present value	Net present value if interest rates increased by 200 base rates	Net present value if if interest rates decreased by 200 base rates	Average weighted interest rate	Value of secured property

A. Assets (exclusive of derivative financial instruments)						
A.1 Balances secured by guarantees from central governments, central banks, public entities and organizations						
A.2 Balances with or balances secured by guarantees from central governments, or central banks, outside the EU, multilateral banks or international organizations						
A.3 Balancesvwith or secured by guarantees from regional governments and logal authorities, as well as state companies and organizations						
A.4 Balances with credit institutions and SFSLTDs						
A.5 Loans covered by residential property	1.251.879	1.265.005	1.064.581	1.534.962	3,908%	2.858.444
A.6 Loans covered by commercial property						
A.7 Loans covered by nautical pledges						
B. Derivative financial instruments with counter-party						
B.1 a central government or central bank – EU member						
B.2 a regional government or local authority –EU member						
B.3 an international organization						
B.4 a State Company or Organization of an EU member						
B.5 a credit institution or SFSLTD	699.880	6.009	17.428	8.382		

B.6 a central or organized market					
Total assets in security portfolio (A+B)	1.251.879	1.271.013	1.082.009	1.543.344	
C. Covered bonds	1.000.000	1.024.837	1.026.287	1.023.256	3,635%
D. Ovecollateralised [C-(A+B)]	251.879	246.176	55.722	520.088	

B. Table of maturity of covered bonds and assets in security portfolio

(Amounts in thousand Euro)

	Assets		Derivative financial instruments		Covered bonds	
	in €	in foreign currency	in €	in foreign currency	σε €	in foreign currency
≤ 1 year	241					
>1 ≤ 5 years	11.004				1.000.000	
>5 ≤ 10 years	88.185					
>10 years	1.152.449		699.880			
Total	1.251.879		699.880		1.000.000	

C. Table of effectiveness test of risk hedging for assets in security portfolio and reconciliation of interest income and expense

(Amounts in thousand Euro)

	Net present value	Interest income	Interest expense
A. Assets in security portfolio	1.265.005	46.628	
B. Derivative financial instruments used for hedging:			
B.1 Interest rate risk	6.009	19.076	25.561
B.2 Foreign currency risk			
B.3 Liquidity risk			
Total assets in security portfolio(A+B)	1.271.013	65.703	25.561
C. Covered bonds	1.024.837		36.500

D. Hedge effectiveness (>0%)

E. Differense between interest income and expense [(A+B) - C]	65.703	62.061

D. Total amount of pastdue loans in security portfolio

(Amounts in thousand Euro)

Past due loans over 90 days	0

37. Employee benefits

(Amounts in thousand Euro)

	2008	2007
Present value of non-funded obligations	7.487	7.828
Total present value	**7.487**	**7.828**
Unrecognized actuarial (losses) / gains	3.525	2.325
Recognized obligation for defined benefit plan	**11.012**	**10.153**
Movement in the value of assets in the plan are as follows:		
Balance at the beginning of year		1.874
Expected return of assets in the plan		49
Benefits paid		(1.335)
Settlement result		(589)
Balance at the end of the year	**-**	**-**

Net obligation for defined benefit plans as at January 1st	10.153	9.718
Contributions	(2.833)	(6.853)
Expense recognized in the income statement	3.692	7.287
Net obligation for defined benefit plans as at January 31st	**11.012**	**10.153**

Expense recognised in the income statement

Current service costs	1.063	1.245
Actuarial losses	(59)	-
Termination cost – Settlement	2.297	5.605
Interest on obligation	391	437

	3.692	**7.287**

The principal actuarial assumptions used in 2008 and 2007 were as follows:

	2008	**2007**
Discount rate	5,50%	5,00%
Increase in salaries	4,00%	4,50%

38. Other provisions

(Amounts in thousand Euro)

	2008	**2007**
Provisions for risks and liens	3.168	5.584
Provisions for taxes	1.200	800
Other personnel provisions	2.630	5.784
Other provisions	**6.998**	**12.168**

From total provisions for risks and liens for the years 2008 and 2007 amounting to 3.168 thousand Euro and 5.584 thousand Euro respectively, the amounts of 315 thousand Euro and 1.011 thousand Euro pertain to disputed claims. The remaining amounts of 2.853 thousand Euro and 4.573 thousand Euro respectively pertain to the coverage of extraordinary losses that might arise from doubtful receivables other than loans

39. Other liabilities

(Amounts in thousand Euro)

	2008	**2007**
Taxes and duties (non income tax)	8.519	5.110
Due to social security funds	4.821	4.409
Suppliers and other creditors	14.377	9.814
Third parties participation in SC increases of the companies	225	189.303
Amounts collected on behalf and due to third parties	29.665	26.440
Deferred income	1.130	1.221
Accrued expenses	165.779	58.390
Cheques and orders payable	30.804	62.303
Other liabilities	6.316	5.485
Other liabilities	**261.636**	**362.475**

40. Contingent liabilities and commitments

40.1 Litigation

The Bank is a defendant in certain claims and legal actions arising in the ordinary course of business. In the opinion of management, after consultation with legal counsel, the ultimate disposition of these matters is not expected to have a material adverse effect on the financial position of the Bank apart from those referred to in Note 38.

40.2 Credit commitments

The contractual amounts of the off balance sheet items, binding the Bank to issue credits to customers are as follows (Amounts in thousand Euro):

	2008	2007
Letters of guarantee	625.074	493.313
Letters of credit	5.982	5.069

40.3 Operating lease

The Bank's liability from operating lease contracts concern buildings used as branches and other operating units. The minimum future lease payments are as follows (in thousand of Euro):

	2008	2007
Up to 1 year:	22.451	17.926
1 to 5 years:	67.765	55.816
Over 5 years:	53.969	32.195

40.4 Commitments on assets

	2008	2007
Loans and advances to customers	1.251.879	0
Held to maturity investments	544.775	0
Financial instruments at fair value through profit and loss	25.690	0
Available for sale financial instruments	1.196.072	237.288
Debt securities	1.417.133	0
	4.435.549	**237.288**
Target II	373.887	181.288
Foreign Credit Institutions (liquidity)	2.809.783	56.000
	3.183.670	**237.288**

The Bank has pledged loans to customers as a portfolio security for the issuance of covered bonds.

Of these securities, an amount of 373,887 thousand Euro has been pledged as security by the Bank of Greece, to facilitate the transaction through the TARGET II, while the amount of 2,809,783 thousand - for participation in refinancing.

Of the above securities, the amount of EUR 1 billion has come from the issuance of covered bonds self-owned by the Bank. These securities are not presented in the account "Debt Securities borrowing portfolio" due to offsetting with the corresponding obligation.

41. Related party transactions

Related parties consist of: a) members of the Board of Directors and management, b) subsidiaries c) the parent Bank's group (Marfin Popular Bank), as well as, d) other related parties (members of the BoD – management of the Group's subsidiaries, next of keen or financially dependent members for members of the BoD and management, and companies that trade with the Bank, in cases where total participation of the members of the BoD and management in these companies and of their dependent members does not exceed 20% in total).

Letters of guarantee and letters of credit to related parties comprise a minimum percentage of total loans and advances of the Bank.

All of the Bank's transactions are objective and are conducted during the ordinary conditions and terms, and are within the framework of day-to-day operations.

The volume of transactions per category is as follows (amounts in thousand Euro):

A) Management and Board of Directors	**31 December 2008**	**31 December 2007**
Loans and advances to customers	4.290	3.907
Deposits and similar liabilities	112.149	149.565
Income	**1/1 - 31/12/2008**	**1/1 - 31/12/2007**
Interest – Fee and Commission	370	82
Expense		
Interest – Fee andCommission	7.003	2.011
Wages	7.503	6.328
Employer contributions	233	384
Other employee benefits	121	435
Share based payments	796	720
Total benefits	**8.653**	**7.867**

B) Subsidiaries	**31 December 2008**	**31 December 2007**
Assets		
Loans and advances to banks	470.248	213.740
Loans and advances to customers	680.394	652.063
Other assets	11.243	29.401
Total assets	**1.161.885**	**895.204**
Liabilities		
Deposits from banks	203.051	192.831
Deposits from customers	22.952	35.597
Debt securities	80.000	279.941
Other liabilities	3.398	4.924
Total liabilities	**309.401**	**513.293**

Income	**1/1 - 31/12/2008**	**1/1 - 31/12/2007**
Interest income	50.226	36.040
Fee and commission income	14.207	32.074
Dividend income	5.171	3.720
Other operating income	453	498
Total income	**70.057**	**72.332**
Expense		
Interest expense	16.243	34.918
Fee and commission expense	418	607
Other operating expense	3.688	3.848
Total expense	**20.349**	**39.373**

Letters of guarantee and letters of credit	**212.914**	**94.867**

C) Group of the parent Marfin Popular Bank	**31 December 2008**	**31 December 2007**
Assets		
Loans and advances to banks	481.677	264.227
Other assets	5.124	0
Financial instruments at fair value through profit and loss	26.988	0
Available for sale financial instruments	154	0
Total assets	**513.943**	**264.227**
Liabilities		
Deposits from customers	52.400	14.609
Deposits from banks	538.942	348.086
Debt securities	200.000	200.000
Other liabilities	2.245	32
Total liabilities	**793.587**	**562.727**

Income	**1/1 - 31/12/2008**	**1/1 - 31/12/2007**
Interest income	11.457	7.951
Fee and commission income	758	23
Other income	0	47
Total income	**12.215**	**8.021**
Expense		
Interest expense	34.765	20.273
Financial	1.162	0
Other operating expense	2.486	0
Total expense	**38.413**	**20.273**
Letters of guarantee and letters of credit	**57**	**0**

D) Other related parties	**31 December 2008**	**31 December 2007**
Assets		
Loans and advances to customers	68.240	37.500
Loans and advances to banks	0	0
Other assets	133	245
Property, plant and equipment	769	1.100
Total assets	**69.142**	**38.845**
Liabilities		
Deposits from customers	14.312	19.359
Total liabilities	**14.312**	**19.359**

Income	**1/1 - 31/12/2008**	**1/1 - 31/12/2007**
Interest income	4.259	1.105
Fee and commission income	96	75
Total income	**4.355**	**1.180**
Expense		
Interest expense	795	347
Other operating expense	358	238
Total expense	**1.153**	**585**

Letters of guarantee and letters of credit	**114**	**2.602**

42. Transactions with Marfin Investment Group

(Amounts in thousand Euro)

	31 December 2008	31 December 2007
Assets		
Loans and advances to customers	166.290	63.107
Investment portfoilio	30.246	0
Other assets	766	0
Total assets	**197.302**	**63.107**
Liabilities		
Deposits from customers	976.443	460.941
Other liabilities	3.498	0
Total liabilities	**979.941**	**460.941**
Income	**1/1 - 31/12/2008**	**1/1 - 31/12/2007**
Interest income	8.622	1.746
Fee and commission income	249	105
Other income	242	0
Total income	**9.113**	**1.851**
Expense		
Interest expense	43.453	18.361
Other operating expense	3.366	0
Total expense	**46.819**	**18.361**
Letters of guarantee and letters of credit	**3.539**	**44.000**

During the year 2008 there were sold self-owned tangible fixed assets of the Bank to the company MIG Real Estate S.A. for the total amount of 8.420 thousand Euro. The profit from the aforementioned sale has reached the amount of 1.898 thousand Euro

43. Categories of financial assets and liabilities

Financial assets and liabilities as at the Balance Sheet date are classified into the following categories:

			Financial instruments at fair value through profit and loss			
	Book value 31.12.2008	**Loans and advances**	**Trading portfolio**	**at initial recognition**	**Available for sale**	**Held to maturity investments**
Loand and advances to banks	1.666.072	1.666.072				
Loans and advances to customers net of impairment	12.206.304	12.206.304				
Derivative financial instruments - assets	82.637		82.637			

Financial instruments at fair value through profit and loss	160.614		77.011	83.603		
Available for sale financial instruments	1.640.935				1.640.935	
Held to maturity investments	503.757					503.757
Debt securities	622.616	622.616				
	16.882.935	**14.494.992**	**159.648**	**83.603**	**1.640.935**	**503.757**

	Book Value 31.12.2008	**Liabilities at**	
		Amortised Cost	**Fair Value**
Deposits from banks	5.743.428	5.743.428	
Deposits from customers	11.327.928	11.327.928	
Derivative financial instruments – liabilities	251.944		251.944
Other debt obligations	630.231	630.231	
Other liabilities	75.071	75.071	
	18.028.602	**17.776.658**	**251.944**

44. Fair value of financial assets and liabilities

The fair value represents the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Differences might arise between the carrying amount and the fair value of financial assets and liabilities.

The items of transaction portfolio, the derivatives and securities available for sale are presented in the financial statements at their fair value. Loans and other advances, securities held to maturity and financial liabilities are presented at amortized cost. The carrying amount of the aforementioned items is presented below:

.	**31.12.2008 Book value**	**31.12.2008 Fair value**	**31.12.2007 Book value**	**31.12.2007 Fair value**
Assets				
Loans and advances to banks	1.666.072	1.666.072	1.933.596	1.933.596
Loand and advances to customers (net of impairment)	12.206.304	12.207.714	9.648.283	9.648.283
Held to maturity investments	503.757	453.574	91.826	90.890
Debt securities	622.616	516.108	-	-
Liabilites				
Deposits from banks	5.743.428	5.746.431	2.415.322	2.415.322
Deposits from customers	11.327.928	11.475.107	9.300.747	9.300.747
Other debt obligations	630.231	610.231	530.803	531.472
Other liabilities	75.071	75.071	261.420	261.420

The fair value of held-to-maturity securities is defined through reference to secondary acquisition or prices provided by brokers/agents. In the event no such information is available, the fair value is calculated using the market price of the securities similar to those in question, maturity period and return characteristics. The fair value of securities is defined under revaluation model. The data used to greater extent is the related to observable market data. In determining the appropriate margin (spread) in relation to the credit risk of those securities, there is made a reference to the market for credit default swap prices for the same issuer. If there are no corresponding prices, there are made estimates according to other securities with similar credit risk

The fair value of loans to customers is calculated based on appropriate curve of the interbank market interest rates and after adding a margin (spread) of the loan applied for credit risk at the balance sheet date. Similarly, the fair value of deposits is estimated based on the curve of interest rates and interbank market minus the margin of the client (spread) to the type of deposit. The receivables and obligations of the interbank market on the basis of discounted rates curve of interbank market rates are applicable at the balance sheet date. The fair value of other financial assets and liabilities is not materially different from book value.

45. Financial risk management

As all the other credit institutions, the Bank is exposed to risks. Those risks are constantly monitored in various ways in order to avoid undue risk concentrations. The nature of the aforementioned risks as well as the ways of risk management are explained below. There is further presented information on the description of extent and nature of financial risks faced by the Bank together with the comparative data concerning the prior period.

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The responsibilities for managing risk have been delegated by the BoD of the Bank to the Risk Management Committee, which shapes the strategy and principles for management and undertaking of risks and assessment of the adequacy and effectiveness of risk management, adequacy of limits, of provisions and capital in relation to the type and level of risk. The Risk Management Committee receives and evaluates the reports submitted to the Division of Risk Management and notifies the Board of Directors of effective risk management, submits proposals and recommends corrective actions if necessary.

45.1 Credit risk

Credit risk is the risk of loss resulting from counter party default. The Bank considers credit risk for loans as the loss, which the Bank would suffer if a client or counter party fails to meet their contractual obligations. Credit risk management is focused on maintaining a certain disciplined mentality, transparency and conscious risk undertaking based on internationally recognized practice.

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Credit Risk Management

Credit risk methodology is defined in order to reflect the economic environment. Various methods that are used, are annually, or whenever considered necessary, revised and adjusted in compliance with the Bank's strategy as well as with the Bank's short term and long term objectives.

Various segment and domicile analyses of economies, in combination with the economic provisions provide the guidance for definition of the credit policy which is revised at least every six months.

The Bank has established credit limits based on the creditworthiness of the counter party in order to minimize the credit risk that the Bank undertakes. The creditworthiness analysis for each client is based on the country domicile, the business sector and other qualitative and quantitative characteristics for the client, the nature of the transaction and the collateral.

At the same time, there have been defined the limits of credit facilitation and the duties have been divided as during the crediting process in order to ensure objectivity, independence and control over new and already existing credits.

During the credit approval procedure, there is examined the total credit risk for every counterparty or groups of counterparties that are further compared and thus lead to the establishment of the credit limits approved by various subsidiaries of the Group.

The monitoring of credibility of counterparts as well as credit openings in combination with the corresponding limits that have been approved, is carried out on a systematic basis.

At the same time, any concentration is analyzed and monitored on a systematic basis with a view to limiting the contingent bid openings and dangerous concentrations so that they would be within the approved limitations of the credit policy. Credit risk concentration can be created at the levels of economy sector, counterparty or groups of counterparties, country, currency and nature of transaction. In particular, as far as retail clients are concerned, the systematic monitoring of the credit performance is carried out with the assistance of specific analysis.

There can be indicatively mentioned vintage analysis and flow rate analysis.

Balancing the relation between profit and risk is a matter of vital importance for the Bank's profitability. The aforementioned relation is analyzed at customer and product level through the system of profitability measurement as well as pricing definition that has been developed with the aim of connecting the incurred risk with the expected returns.

At the same time, within the framework of credit risk management policy, there is evaluated the effect that the extreme but feasible scenarios will have on the quality of credit and available funds through conducting the stress testing.

Credit rating system

The methods of evaluation of credibility are modified as depending on the nature of the counterpart in the following categories: central governments (for purchase and holdings of debt instruments), financial institutions, corporate customers , small and medium size entities (SME) and retail customers.

As far as evaluation of central governments and financial institutions is concerned, it is analyzed below under the titles «Counter party banks risk» και «Country risk».

Retail customers are evaluated based on two different systems of credit rating as concerning the subsidiary to which they belong as well as the information available. The first system (behavioural credit scoring) takes into account the qualitative and financial information of the customer when the customer applies for a loan, while the second system (application credit scoring) depends on evaluating the payment performance and the Group's relationship with the customer (income, assets). As far as the Retail credits are concerned, there are four applications pertaining to Consumer Loans, Credit Cards and Car Loans.

As far as the assessment of large, small and medium size entities is concerned, there is used an extended system of risk classification. The first part concerns the classification of creditworthiness of the business into ten levels based on quantitative and qualitative analysis, thus defining the possibility of his not meeting his contractual obligations. The significance of the criteria varies in compliance with the nature and size of the operations conducted by the business. In order to assess large size entities there is additionally used the Moody's Risk Advisor credit rating system.

The degree of creditworthiness of a client is used in combination with the degree of sufficiency of collaterals (i.e. unsecured risk) at the credit approval stage as well as for the definition of the corresponding limitations. In particular, the allocation of the degree of creditworthiness of business portfolio is systematically monitored for the purposes of interior calculation of possible failure to meet contractual obligations as well as for the purposes of timely locating unfavorable modifications in various degrees of quality/risk of portfolio aimed as the development of proper strategy of incurred risk hedging.

Credit rating of loans and advances to customers

The table below presents the amounts of loans and advances to customers per customer as well as provision for loans impairment for every category of the Bank's credit rating.

(Amounts in thousand Euro)

	2008		2007	
	Loans and advances to customers %	Provision for impairment of loans %	Loans and advances to customers %	Provision for impairment of loans %
Credit rating category:				
Low risk	29,61	0,034	56,51	0,14
Medium risk	64,78	0,034	39,61	0,17
High risk	5,61	31,57	3,88	47,92
Total	**100**	**1,80**	**100,00**	**2,01**

Total exposure to credit risk prior to acquired collateral and other credit upgrades

The table below presents the highest exposure of the Bank to credit risk arising from financial instruments as presented in the balance sheet without taking into consideration collaterals or other credit risk revisions made. As far as the financial instruments presented in the balance sheet are concerned, the exposure to credit risk equals their carrying amount.

(Amounts in thousand Euro)

	Total exposure 2008	2007
Exposure to credit risk from on-Balance Sheet items:		
Loans and advances to banks	1.666.072	2.092.706
Trading portfolio securities	76.508	144.570
Derivative financial instruments – assets	82.637	10.920
Loans and advances to customers (net of impairment)		
Loans to retail customers	4.059.351	3.228.231

Corporate loans:		
Large entities and organizations	5.503.758	3.788.956
Small and medium-sized entities	2.643.195	1.837.736
Investment portfolio securities:		
Available for sale	1.620.817	564.413
Held to maturity	503.757	89.654
Debt securities	622.616	0
Other assets		
Total Balance Sheet items	**16.778.711**	**11.757.186**
Exposure to credit risk from off-Balance Sheet items:		
Letters of guarantee	625.074	493.313
Letters of credit	5.982	5.069
Total	**17.409.767**	**12.255.568**

Loans and advances

The table below presents the nature of loans and advances of the Bank.

(Amounts in thousand Euro)

	2008		2007	
	Loans and advances to customers	Loans and advances to banks	Loans and advances to customers	Loans and advances to banks
Loans and advances neither pastdue nor impaired (a)	10.607.048	1.666.072	7.913.942	2.092.706
Past due loans and advances not impaired(b)	1.348.619	0	782.249	0
Impaired (c)	474.996	0	340.115	0
Loans before provisions	12.430.663	1.666.072	9.036.306	2.092.706
Provision for impairment	(224.359)	0	(181.383)	0
Loans and advances (net of impairment)	12.206.304	**1.666.072**	**8.854.923**	**2.092.706**

(a) Loans and advances neither past due not impaired

The table below presents the loans of the Bank without delay and impairment for every category of interior credit rating.

(Amounts in thousand Euro)

	Loans and advances to customers				Loans and advances to banks
	Retail	Corporate		Total	
		Large entities and organisations	Small and medium-sized entities		
2008					
Credit rating category:					
Low risk	1.555.906	1.158.018	514.321	**3.228.245**	1.666.072
Medium risk	1.555.906	3.989.781	1.772.016	**7.317.703**	0
High risk	0	42.309	18.791	**61.100**	0
Total	**3.111.812**	**5.190.108**	**2.305.128**	**10.607.048**	**1.666.072**
2007					
Credit rating category:					
Low risk	2.059.478	2.519.096	527.782	**5.106.356**	2.092.706
Medium risk	632.494	1.056.954	1.118.138	**2.807.586**	0
High risk	0	0	0	**0**	0
Total	**2.691.972**	**3.576.050**	**1.645.920**	**7.913.942**	**2.092.706**

(b) Past due loans and advances not impaired

The table below presents the analysis of time delay of the loans that were delayed but not impaired as at the balance sheet date per category as well as the estimated fair value of collaterals received.

	Loans and advances to customers			
	Retail	Corporate		Total
		Large entities and organisations	Small and Medium-sized entities	
2008				
Delay up to 30 ημέρες	403.403	245.190	74.066	**722.659**
Delay from 31 to 60 days	221.946	21.207	29.300	**272.453**
Delay from 61 to 90 days	137.170	19.756	105.818	**262.744**
	50.156	0	40.607	90.763
Total	**812.675**	**286.153**	**249.791**	**1.348.619**
Fair value of collaterals	287.955	240.236	107.174	**635.365**
2007				
Delay up to 30 days	275.559	151.829	44.610	**471.998**
Delay from 31 to 60 days	121.686	9.341	18.403	**149.430**
Delay from 61 to 90 days	67.423	39.708	53.690	**160.821**
Total	**464.668**	**200.878**	**116.703**	**782.249**
Fiar value of collaterals	259.647	161.707	64.152	**485.506**

(c) Impaired loans and advances

The table below presents impaired loans and advances where estimation of impairment was made on individual basis, as well as the estimated fair value of collaterals per category. The loans included in this table present a delay of over 90 days and are classified as unsettled.

(Amounts in thousand Euro)

	Loans and advances to customers			
	Retail	Corporate		Total
		Large entities and organizations	Small and Medium-sized entities	
2008				
Loans examined on an individual basis for impairment	239.741	68.449	166.806	**474.996**
Fair value of collateral	66.955	15.622	57.937	**140.514**
2007				
Loans examined on an individual basis for impairment	140.840	60.065	139.210	**340.115**
Fair value of collateral	35.958	11.056	39.831	**86.845**

Investment in securities, state treasury bills and other bonds accepted for refinancing

The table below analytically presents the credit categories (based on Standard & Poor's rating) of state, corporate and other securities.

Amounts in thousand Euro)

	State bonds and treasury bills	Other transaction portfolio investments	Other investment securities	Total
31 December, 2008				
AAA	93.000	1.809	506.968	**601.777**
AA- to AA+	0	13.453	262.246	**275.699**
A- to A+	611.863	42.684	766.961	**1.421.508**
Lower than A-	91.952	6.668	395.544	**494.164**
Unrated	0	0	30.549	**30.549**
Total	**796.815**	**64.614**	**1.962.268**	**2.823.697**
31 December, 2007				
AAA	15.763	3.699	26.903	**46.365**
AA- to AA+	0	40.990	23.711	**64.700**
A- to A+	406.246	31.565	79.665	**517.475**
Lower than A-	70.074	13.628	79.628	**163.331**
Unrated	0	93	6.673	**6.765**
Total	**492.084**	**89.974**	**216.579**	**798.637**

Acquisition of ownership on acquired collaterals

The carrying amount of the assets that came to the ownership of the Bank during the year, either through acquisition of ownership or through activation of other credit measures that meet the recognition criteria of other standards amount to 3.367 thousand Euro, while in 2007 it amounted to 4.223 thousand Euro

Concentration of credit risk

(a) Geographical segment

The table below presents the carrying amount of financial assets of the Bank exposed to credit risk per geographical segment. For the purposes of the table, the classification of exposure of financial assets per geographical segment has been conducted based on the country of operation of the counter parties.

(Amounts in thousand Euro)

	Greece	Other countries	Total
Loans and advances to banks	450.789	1.215.283	**1.666.072**
Trading portfolio securities	14.629	61.879	**76.508**
Derivative financial instruments – assets		82.637	**82.637**
Loans and advances to customers (net of impairment)			
Loans to retail customers	4.020.679	38.672	**4.059.351**
Corporate loans:			
Large entities and organizations	2.736.022	2.767.736	**5.503.758**
Small and medium-sized entities	2.620.224	22.971	**2.643.195**
Investment portfolio securites:			
Available for sale	589.438	1.031.379	**1.620.817**
Held to maturity	185.612	318.145	**503.757**
Loans and advances	47.101	575.515	**622.616**
31 December, 2008	**10.664.494**	**6.114.217**	**16.778.711**
31 December, 2007	**8.725.264**	**3.031.922**	**11.757.186**

(b) Business segment

The table below presents the carrying amount of financial assets of the Bank exposed to credit risk per business segment in which the counter parties operate.

(Amounts in thousand Euro)

	Industry	Tourism	Commerse	Property and Constructions	Shipping	Retail customers, Professional and residential	Other segments	Total
Loans and advances to banks							1.666.072	1.666.072
Trading portfolio securities							76.508	76.508
Derivative financial instruments – assets							82.637	82.637
Loans and advances to custoemers (net of impairment)								
Loans to retail customers						4.059.351		4.059.351
Corporate loans:								
Large entities and organizations	238.271	125.934	265.953	617.705	2.085.423	95.877	2.074.594	5.503.758
Small and medium-sized entities	352.068	123.082	1.195.040	360.486	23.180	90.183	499.158	2.643.195
Investment portfolio secirities:								
Available for sale							1.620.817	1.620.817
Held to maturity						425.830	77.926	503.757
Loans and advances	67.786						554.831	**622.616**
31 December, 2008	**658.124**	**249.016**	**1.460.994**	**978.191**	**2.108.603**	**4.671.241**	**6.652.543**	**16.788.711**
31 December, 2007	**353.895**	**129.204**	**846.786**	**330.688**	**1.237.842**	**3.228.231**	**5.630.539**	**11.757.186**

Counter-party banks' risk

The Bank is exposed to the risk of capital losses due to contingent delayed payment of outstanding and contingent obligations of the counter party banks.

On a day-to-day basis of its operations, the Bank conducts transactions with other banks and credit institutions. While conducting such transactions, the Bank is exposed to the risk of capital loss in case the counter party banks delay the payment of their outstanding or contingent obligations.

The limits of counter party banks reflect the accepted risk level and are further divided to various Foreign Exchange Services or Foreign Exchange Available or other services facing the aforementioned risk in compliance with the needs and size of operation of each service. Generally, the highest possible limits are defined following the evaluation models of the banks and the directions of supervising authorities.

The counter risk assessment is conducted using a special banks and other credit institutions assessment model (Scoring Model). The model assesses each counter part in compliance with the economic quantitative as well as qualitative criteria. As far as quantitative criteria are concerned (capital adequacy, profitability, liquidity etc), the banks and credit institutions are assessed based on various ratios that are automatically provided by the Bankscope software system. The qualitative criteria (previous positive transaction record, management assessment etc) are provided in compliance with the judgment of risk management. The credit limit for each counter party is split into sub limits, thus covering placements, investments, foreign currency acquisition as well as defined trade limits. The actual data is examined as against the limits on everyday basis in real time.

Country risk

The Bank is exposed to country risk of capital loss due to international and political developments, as well as other developments in a particular country where the funds or cash and cash available of the Bank have been placed or invested in various local banks or credit institutions.

All the countries are assessed in accordance with size, economic data and country's prospects as well as the credibility degree by international appraising organizations (Moody's, Standard & Poor's). The actual data per country is examined as against the limits on everyday basis. The limits are revised at least once annually as concerning the countries with the smaller size and lower solvency ratio while there is conducted a bigger and more frequent analysis and assessment where considered necessary.

45.2 Market risk

Market risk is the risk of occurring possible losses caused by the fluctuation and volatility of market prices, such as share prices, interest rate and foreign exchange rate fluctuations. The Risk Management Committee (RMC), which is a body responsible for the definition of market risk management policy, has approved the procedures of the market risk management and has defined the corresponding limits of incurring the aforementioned risk per product and portfolio. The limits in question are monitored systematically examined and revised once annually and modified in compliance with the Bank's strategy and the existing market conditions.

The Bank holds open positions and therefore, is exposed to market risk at FX Trading Book and Fixed Income Book and Equities/ Equity and Index Derivatives Book.

Measurement, control and monitoring of market risk is conducted by MRM unit on a daily basis for all the parts of portfolio and for the Bank total. The measurements are conducted using IT systems applying modern methodologies and market risk measurement techniques such as Value At Risk – VAR or Sensitivity Factors. The assessment of VAR defined the biggest possible portfolio loss with a confidence level of 99% and a one holding day period without taking into consideration the modifications of prices that are due to unusual economic reasons and violent events. The VAR module of calculation of the biggest possible loss incurred based on variance-covariance methodology, covers all the trading portfolio and available for sale portfolio of the companies of the Bank.

Market risk, in terms of VaR, for the aforementioned positions as at 31 December 2008, amounted to 2,4 million Euro as analyzed in the table below.

	2008	2007
Currency risk	€ 0,4 mil.	€ 0,3 mil.
Bonds' portfolio interest risk	€ 2,8 mil.	€ 0,9 mil.
Financial products' portfolio market risk	€ 1,3 mil.	€ 0,3 mil.
Decrease due to portfolio diversification	€ (2,1) mil.	€ (0,5) mil.
Net Market Risk	**€ 2,4 mil.**	**€ 1,0 mil.**

Apart from the aforementioned measurements, the market risk of portfolios is monitored by a range of additional limits such as the highest opening position limit for every product and stop-loss limits for every portfolio.

Finally, at regular intervals and by all means in the end of every year, there are conducted, as far as the market risk is concerned, measurements of various scenarios similar to those of critical situations affecting the market risk in order to achieve, on one hand, more effective management of the aforementioned risk and, on the other hand, update the Management and the supervisory bodies. The results of the measurements in question are then presented concerning every kind of risks involved.

45.3 Interest rate risk

Interest rate risk is the investment risk faced by the Bank that arises from the changes in market interest rates. Interest rate risk arises from interest rate fluctuations to the extent that

interest-earning assets and interest –bearing liabilities mature or reprice at different times or in different amounts.

The Bank mainly applies the method of Static Repricing Gap in order to estimate the exposure to interest rate risk of transaction portfolio and group portfolio. The Static Repricing Gap method is used in order to estimate the sensitivity level of all the current assets and liabilities of the Bank and the companies of the Group (Balance Sheet and off Balance Sheet items).
The method in question separates products by maturity (fixed) or next repricing (floating) and calculates the gap each period as well as measures sensitivity, thus calculating the interest rate opening, the balance between the assets and liabilities for each period.

Various financial derivative products are used for hedging of interest rate risk that is contingent to arise from the balance sheet management. In particular, there is made use of interest rate swaps in order to hedge cash flows of future interest arising from long term loans or/and deposits.

It should be mentioned that the approved limits of interest rate risk are systematically under surveillance and they are reviewed at least once a year. Additionally, they change accordingly to Bank's strategy changes and to the dominant market conditions after being approved from the appropriate authorities.

The Tables below present the Group's exposure to interest rate risk. The Tables present assets and liabilities of the Group at their carrying amounts classified based on interest rate revaluation date as far as fluctuating interest rates are or maturity date as far as fixed interest rates are concerned. It is noted that a significant part of open interest rate positions are hedged through the use of interest rate swaps.

Interest rate risk

(Amounts in thousand Euro)

	Up to 1 month	**Up to 3 months**	**From 3 Months to 1 year**	**From 1 year to 5 years**	**Over 5 Years**	**Non Interest-baring items**	**Total**
2008							
Assets							
Cash and balances with Central Bank	1.233.142					64.348	**1.297.490**
Loans and advances to banks	1.610.817	10.000				45.255	**1.666.072**
Trading securites	9.462	52.066	4.077	7.216	3.687	84.106	**160.614**
Derivative financial instruments - assets						82.637	**82.637**
Loans and advances to customers	7.874.748	1.498.770	911.509	1.345.481	785.456	-209.659	**12.206.305**
Investment portfolio	470.898	705.401	134.021	294.451	1.142.419	20.118	**2.767.308**
Other assets	9					776.417	776.426
Total assets	**11.199.076**	**2.266.237**	**1.049.607**	**1.647.148**	**1.931.562**	**863.221**	**18.956.852**
Liablities							
Deposits from banks	4.034.238	1.054.988	350.013	293.777		10.412	**5.743.428**
Deposits from customers	5.894.230	2.994.989	2.235.424	50.325	14.713	138.247	**11.327.927**
Derivative financial instruments – liabilities						251.944	251.944
Issued bonds and other borrowed funds	50.230	580.000					**630.231**
Other liabilities						307.120	307.120
Total liabilites	**9..978.698**	**4.629.976**	**2.585.437**	**344.102**	**14.713**	**707.724**	**18.260.651**
Nominal value of Interest Rate Swaps and other derivative financial instruments on interest rates	1.066.043	1.155.570	695.344	(1.964.744)	(952.214)	0	**0**
Net interest rate gap	**2.286.421**	**(1.208.170)**	**(840.486)**	**(661.698)**	**964.635**	**155.499**	**696.202**
2007							
Assets							
Cash and balances with Central Bank	423.309	0	0	0	0	51.659	**474.968**
Loans and advances to banks	2.031.604	21.000	13.630	0	0	26.472	**2.092.706**
Trading portfolio	147.020	29.362	44.234	18.679	6.038	0	**245.332**
Derivative financial instruments - assets	0	0	0	0	0	10.920	**10.920**
Loans and advances to customers	5.352.544	1.583.031	590.456	1.094.728	223.724	10.441	**8.854.923**
Investment portfolio	59.125	64.688	282.556	85.859	182.954	554	**675.736**
Other assets	0	0	0	0	0	570.844	**570.844**
Total assets	**8.013.602**	**1.698.080**	**930.875**	**1.199.266**	**412.716**	**670.890**	**12.925.429**
Liabilities							
Deposits from banks	1.793.301	671.474	0	0	0	8.320	**2.473.095**

Deposits from customers	5.956.837	1.408.072	1.038.428	122.935	13.056	158.972	**8.698.300**
Derivative financial instruments – liabilities	0	0	0	0	0	33.422	**33.422**
Issued bonds and other borrowed funds	50.803	280.000	200.000	0	0	0	**530.803**
Other liabilities	0	0	0	0	0	409.784	**409.784**
Total liabilities	**7.800.941**	**2.359.546**	**1.238.428**	**122.935**	**13.056**	**610.498**	**12.145.404**
Nominal value of Interest Rate Swaps and other derivative financial instruments on interest rates	343.210	549.102	(36.500)	(838.812)	(17.000)	0	**0**
Net interest rate gap	**212.661**	**(661.466)**	**(307.553)**	**1.076.331**	**399.660**	**60.392**	**780.025**

Furthermore, the Bank in the frame of the interest rate risk assessment, estimates the negative effect on the annual interest rate results of a parallel change in the interest rate fluctuation on all the currencies. The aforementioned measurements, conducted on the balances of December 2008 showed that in the event of interest rate increases by 100 units,

the Group will incur losses amounting to € 39,9 million as against € 1,9 million on December 31, 2007.

45.4 Currency risk

Currency risk is the risk of fluctuating value of financial instruments as well as assets and liabilities caused by changes in currency rates. Foreign currency transactions risk arises from

an open position, positive or negative, which exposes the Bank to currency exchange risk.

Such risk can be created in the event the assets are carried in one currency financed by

liabilities in another currency or can arise from forwards and swaps or derivatives including options

The Tables below present the Bank's exposure to currency risk. The Tables present assets and liabilities of the group at their carrying amounts classified per currency. The Tables also present per currency the theoretical value of financial instruments used for currency risk hedging.

Currency risk

(Amounts in thousand Euro)

2008	Euro	USD	GBP	CHF	JPY	Other	Total
Assets							
Cash and balances with Central Bank	1.288.634	3.414	1.737	334	535	2.836	**1.297.490**
Loans and advances to banks	1.237.109	368.891	6.721	738	10	52.603	**1.666.072**
Trading portfolio	74.443	86.171					**160.614**
Derivative financial instruments – assets	58.883	23.751		3			82.637
Loans and advances to customers	10.069.445	1.828.150	14.917	65.865	227.813	115	**12.206.305**
Investment portfolio	2.611.657	139.346				16.302	**2.767.306**
	755.250	19.323	959	339	74	483	776.428

Other assets							
Total assets	16.095.422	2.469.046	24.334	67.279	228.432	72.339	18.956.852
Liabilities							
Deposits from banks	4.754.947	742.775	842		244.537	324	**5.743.428**
Deposits from customers	8.655.534	2.301.514	60.691	6.029	154.676	149.481	**11.327.927**
Derivative financial instruments - liabilities	209.409	42.514	19				**251.944**
Issued bonds and other borrowed funds	630.230						630.230
Other liabilities	279.490	25.007	641	20	232	1.728	**261.636**
Total liabilities	**14.529.614**	**3.111.812**	**62.194**	**6.048**	**399.446**	**151.535**	**18.260.651**
Net on balance sheet position	**1.565.757**	**(642.763)**	**(37.861)**	**61.229**	**(171.015)**	**(79.195)**	**696.151**
Forwards and currency derivatives	(901.126)	657.309	43.175	-64.827	171.933	93.536	**0**
Net currency position	**664.681**	**14.546**	**5.314**	**(3.598)**	**917**	**14.340**	**696.201**
2007							
Total assets	**10.761.529**	**1.904.879**	**57.132**	**73.314**	**46.046**	**82.526**	**12.925.429**
Total liabilites	**9.302.002**	**2.058.363**	**84.027**	**3.864**	**493.482**	**203.664**	**12.145.404**
Net on balance sheet position	**1.459.527**	**(153.484)**	**(26.895)**	**69.450**	**(447.436)**	**(121.138)**	**780.025**
Forwards and other currency derivatives	(713.219)	167.282	26.647	(68.740)	448.214	139.816	**0**
Net currency position	**746.308**	**13.798**	**(248)**	**710**	**778**	**18.678**	**780.025**

Moreover, the Bank in the frame of the highest possible currency risk, estimates the negative effect on the annual results of change in the currency variations. The aforementioned measurements, conducted on the balances of December 2008 showed that in the event of changes in the currency market as that by +/- 10% as far as the main currency is concerned and by + / - 20% as far as secondary currency is concerned, the Group will incur losses amounting to € 4,1 as against € 5,1 million on December 31. 2007.

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45.5 Risk arising from share prices changes

The risk pertaining to shares and other securities held by the Group arises from possible negative changes of the share and other securities prices. The Group invests in shares on Athens Stock Exchange (ASE) and Cyprus Stock Exchange (CSE) and in compliance with the investment objective they are allocated to the relevant portfolio (fair value measurement through profit and loss or available for sale). Investments are also made with the aim of exploitation of short term changes in share/ratios prices or of covering open positions through the use of derivative products on shares or ratios.

The Bank in the frame of the highest possible prices risk, estimates the negative effect on the annual results of change in the share prices. The aforementioned measurements, conducted on the balances of December 2008 showed a decreases of share prices as that by

20% that will cause to the Bank losses amounting to € 6,9 million.

45.6 Liquidity risk

Liquidity risk is the risk that the Group is unable to fully meet payment obligations and potential payment obligations as and when they fall due because of lack of liquidity. This risk includes the possibility that the Group may have to raise funding at cost or sell assets on a discount.

The aforementioned risk is control through a developed liquidity management structure comprising various types of control, procedures and limits. This way, there is assured the compliance with the regulations on liquidity ratios set by the relative authorities as well as the internal limits.

Control and management of liquidity risk are achieved within the period through the use of the following ratios:

(α) Cash Available Ratio, defined as estimation of «cash available» of the period up to 30 days direct maturity as defined by the corresponding act of the Governor of the Bank of Greece (PD 2560/1.4.2005) as far as «borrowed funds» are concerned as defined by the corresponding act of the Governor of the Bank of Greece

(b) Maturity Disagreement Ratio defined as estimation of the balance between «assets and liabilities» of the period up to 30 days as defined by the corresponding act of the Governor of the Bank of Greece as far as «borrowed funds» are concerned as defined by the corresponding act of the Governor of the Bank of Greece.

The Bank's policy of maintaining a stable depository basis, through the division, on both number and kind, of deposits contributes on the effective management of liquidity and assures the absence of significant fluctuations over the liquidity of the Bank and of the Group.

The Bank conducts similar measurements in liquidity.

The Tables below analyze liabilities to other banks, customers' deposits, issued bonds and other borrowed funds as well as other liabilities to the Bank's customers in the corresponding periods as from the remaining period as from the balance sheet date to maturity date.

The presented amounts are contractual non-discounted cash flows.

Liquidity risk

(Amounts in thousand Euro)

	Up to 1 month	Up to 3 months	From 3 months to 1 year	From 1 year to 5 years	Over 5 years	Total
2008						
Liabilities						
Deposits from banks	4.048.092	1.062.209	354.996	296.651	3	5.761.951
Deposits from customers	6.032.193	3.006.824	2.328.610	53.207	19.513	11.440.347
Issued bonds and other borrowed funds	2.230	4.244	19.781	412.977	318.261	757.493
Other liabilities	559.065					559.065
Total liabilities	**10.641.580**	**4.073.277**	**2.703.387**	**762.835**	**337.777**	**18.518.856**
Total assets	**6.515.402**	**432.076**	**973.303**	**4.907.863**	**6.128.206**	**18.956.852**

2007						
Liabilities						
Deposits from banks	1.753.843	431.934	0	294.348	2	**2.480.127**
Deposits from customers	6.023.663	1.424.883	1.205.804	167.065	0	**8.821.415**
Issued bonds and other borrowed funds	2.504	6.977	217.521	122.125	362.017	**711.144**
Other liabilities	287.860	0	0	0	0	**287.860**
Total liabilities	**8.067.869**	**1.863.794**	**1.423.326**	**583.538**	**362.019**	**12.300.547**
Total assets	**5.293.287**	**306.428**	**791.630**	**3.172.384**	**3.361.700**	**12.925.428**

Cash flows from derivative financial instruments

The below tables of liquidity risk analyze cash flows from derivative financial instruments of the Group within the periods in compliance with remaining period as from the balance sheet date to maturity date.

(a) Derivative financial instruments with offsetting settlement

The derivative products of the Bank of offsetting settlement include the contracts of future payment on ratios and interest rate.

(Amounts in thousand Euro)

	Up to 1 month	Up to 3 months	From 3 months to 1 year	From 1 year to 5 years	Over 5 years	Total
2008						
Trading derivatives:						
Derivatives on ratios/securities	0	0	(1.139)	(136)	0	(1.275)
Total	**0**	**0**	**(1.139)**	**(136)**	**0**	**(1.275)**
2007						
Trading derivatives:						
Derivatives on ratios / securities	(419)	0	0	0	0	(419)
Total	**(419)**	**0**	**0**	**0**	**0**	**(419)**

(b) Derivative financial instruments with mixed base settlement

The derivative products of the Group that are settled without offsetting include currency time contracts and interest rate swaps.

(Amounts in thousand Euro)

			From 3 months	From 1 year		

	Up to 1 month	Up to 3 months	to 1 year	to 5 years	Over 5 years	Total
2008						
Trading derivatives:						
Currency derivatives						
Outflow	(1.586.593)	(431.031)	(117.181)	(17.537)	0	(2.152.342)
Inflow	1.570.529	429.071	119.766	16.923	0	2.136.289
Interest rate derivatives						
Outflow	(1.339)	(2.714)	(17.857)	(51.897)	(28.199)	(102.007)
Inflow	1.413	2.622	17.917	53.111	30.357	105.419
Hedging derivatives:						
Currency derivatives						
Outflow	(2.059)	0	0	0	0	(2.059)
Inflow	2.041	0	0	0	0	2.041
Interest rate derivatives						
Outflow	(9.267)	(43.346)	(145.796)	(370.989)	(164.923)	(734.321)
Inflow	20.542	38.222	116.869	269.101	141.763	586.498
Total outflows	**(1.599.258)**	**(477.092)**	**(280.834)**	**(440.423)**	**(193.122)**	**(2.990.729)**
Total inflows	1.594.525	469.914	254.552	339.135	172.120	2.830.247
2007						
Trading derivatives:						
Currency derivatives						
Outflow	(911.373)	(523.757)	(41.070)	(18.278)	0	(1.494.477)
Inflow	910.159	504.880	41.413	18.395	0	1.474.848
Interest rate derivatives						
Outflow	(704)	(2.000)	(6.778)	(21.244)	(4.947)	(35.673)
Inflow	755	1.688	7.154	21.978	4.930	36.504
Hedging derivatives:						
Currency derivatives						
Outflow	(267)	0	0	0	0	(267)
Inflow	269	0	0	0	0	269
Interest rate derivatives						
Outflow	(4.033)	(7.424)	(33.021)	(78.751)	(1.616)	(124.846)
Inflow	4.197	7.182	33.027	75.087	1.857	121.351
Totol outflows	**(916.378)**	**(533.181)**	**(80.868)**	**(118.273)**	**(6.563)**	**(1.655.263)**
Total inflows	915.380	513.750	81.594	115.460	6.787	1.632.971

45.7 Operating risk

An operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events.

The Bank has adopted a Framework and operational risk management procedures that provide for the identification, assessment, management, monitoring and updating of the operational risks of the Bank.

Recognition and assessment of operational risk is largely carried out through risk assessment workshops, a process which is further intensified now in order to cover the entire Bank. The major risks that are recognized are addressed through specific action plans as appropriate.

However, recognition and assessment also take place during the statutory process «Evaluation of new products and processes», conducted by the committee of the Department of Internal Audit, Compliance and Risk Management. The risks recorded there - including operational – are handled automatically in the content of the circulars. Finally, Key Risk Indicators (KRIs) are used as an additional tool for the assessment and control

The Operational Risk Management Department implements a wide-ranging action plan pertaining to the establishment of operational risk across all levels of the Bank. It provides information to the middle and upper level personnel of the Bank and in particular to the designated users of Loss database, RCSAs etc. on Basel II, texture and scale of operational risk and gear identification, assessment and treatment.

The procedures for monitoring at the level of operating risks include recording of operating losses in a special database (operational loss database), which operates across the Bank.

Finally, at regular intervals, there are prepared, reports on operational risk issues. These reports cover all the important issues and the results of the operational risk management.

Measurement of operational risk is currently carried out through the standard method. The Bank, however, intends to apply the method of key indicators, as soon as possible.

45.8 System & Information Security Risk

Development and operation of an independent information security department has now become an integral part of the process of achieving the strategic goals of companies, especially banks due to the criticality and sensitivity of data and information they manage.

The existing organizational structure of the Bank Security includes an independent department, the Unit Information Security Systems belonging to the Risk Management Division. The Unit of Information Security Systems faces several technological and business risks that cause both the rapid growth of technological shortcomings and the increasing dependence of business functions on new systems and applications. In parallel, the need for collaboration and interface with the third parties, as well as the new demands set by the legal and regulatory frameworks make it more necessary to create and operate a corporate security framework.

The role of this department is to develop, operate, maintain and monitor the effectiveness of an integrated program of information security management and effective implementation of the necessary mechanisms to protect confidentiality, integrity and availability of data.

45.9 Basel II - Pillar I

As far as Pillar I is concerned, Capital Adequacy Index (LCI) of the Bank in accordance with the supervisory requirement is calculated and reported by the end of Q1 2008. The calculation is carried out under the standard method for credit risk and market risk, while upgrading is carried out under IRB method. As far as operational risk is concerned, there is implemented the key indices method and the basis has been defined for the adoption of standard methods.

As far as Pillar II is concerned, following the guidance provided by outsource consultants, there was implemented the corresponding ICAAP for the Bank.

The method followed was that of building blocks, ie the total of the Group risk components. The risks were treated under materiality criteria and analyzed in terms of portfolio, methodology, management and reporting, while at the same time there was achieved the adequacy of the Bank's risk governance.

There were primarily taken into account the 3 main risks of Pillar I, but a deeper analysis was carried out pertaining to concentration risk by customer and by industry, issuer risk, counterparty, country and settlement. Finally there were assessed other risks of Pillar II, such as liquidity, interest rate, strategic, compliance, reputation, insurance, tax etc.

There was simulated an unfavorable scenario and there was examined its impact on the Group's three-year business plan for the purposes of enhancing the maximum capital requirements.

ICAAP is currently at the last stage of finalization.

As far as Pillar III is concerned, the corresponding groups of executives of the Financial Division and the Division of Risk Management are actively working on the project on the required disclosure of information..

46. Capital adequacy

The Bank is subject to the supervision of the Bank of Greece that sets and monitors the demands for capital adequacy as far as the Group is concerned. The subsidiary bank in Romania is further subject to the supervision of the local authorities while the Group, as a member of Marfin Popular Bank Group, is subject to indirect supervision of the Central Bank of Cyprus.

The Bank of Greece requires that every Credit Institution should have a minimum ratio arising from the proportion between supervisory equity and the assets as well as off balance sheet items weighed as against the risk involved. The price of this ratio was internationally defined as 8% and it is designed in order to cover the foreseeable risks (counter parties, market, currency).

For the calculation of capital adequacy as from 01/01/2008 there applies the new supervisory framework (Basel II) which was incorporated into Greek legislation based on Law 3601/2007, which modifies the measurement of credit risk and introduces capital requirements for operational risk. No material changes have been made to market risk measurement. In particular, the investment portfolio credit risk and operational risk are measured under the standard method.

The capital adequacy of the Bank is monitored at regular intervals by the Economic Department of the Bank and the results are presented every three months to the Bank of Greece.

The supervisory equity of the Bank is divided into two categories:

- Tier I. The category comprises mainly share capital, reserves and retained earnings. They are further adjusted as in compliance with PD/TE 2587/20.08.07.
- Tier II The category comprises mainly reduced securements of certain duration

The basic objective of the Bank, as far as supervisory capital management is concerned, is on one hand, the compliance with the capital requirements of the Bank of Greece and, on the other hand, maintenance of strong and stable capital basis that supports the business plans of the Bank's Management.

The Capital Adequacy of the Bank ratio as at 31/12/2008 is as follows:

	2008 Basel II	2007 Basel I
Share capital	366.846	366.556
Share premium	327.699	327.261
Other reserves	(95.030)	(13.811)
Retained earnings	96.686	100.019
Goodwill and other intangible assets	(15.294)	(11.898)
Other supervisory bodies' adjustments	118.996	45.973
Total Tier I	**799.903**	**814.100**
Subordinated term loans and preference shares	280.231	280.862
Other supervisory bodies' adjustments	10.136	7.339
Total Tier I	**290.367**	**288.201**
Other items reducing capital		
Total Capital	**1.090.270**	**1.102.301**
Weighted assets		
- on balance sheet items	9.977.876	8.993.567
- off balance sheet items	306.885	314.422
- trading portfolio	264.416	228.347
- operating risk	521.642	-
Total	**11.070.819**	**9.536.336**
Capital Adequacy Ratio	**9,85%**	**11,56%**

Data that concern the publication of regulatory disclosures about the capital adequacy and the risk management (Basel II, Pillar III – PD/BOG 2592/07), will be available at Bank's website.

47. Events subsequent to Financial Statements

There are no subsequent material events worth reporting that took place after the Balance Sheet date as at 31/12/2008 till the date of approval of the Annual Financial Report by the Board of Directors as at 24/03/2009.

Athens, 24 March 2009

The Chairman Of the board of Directors	The Managing Director	Chief of Financial Services Department
Vassilios N. Theocharakis I.D. No AB 340063/06	Konstantinos I.Vasilakopoulos I.D. No M 310696/82	Aggelos N. Sapranidis License A Class Reg. Num. 0016834/18-07-200

Financial Data and Information for the period from 1 January 2008 to 31 December 2008

MARFIN EGNATIA BANK

MARFIN EGNATIA BANK S.A.

S.A. Registry No. 6072/06/B/86/11

4 Danaidon str., 54626, Thessaloniki

FINANCIAL INFORMATION

FOR THE PERIOD ENDED 31st DECEMBER 2008

(In accordance with Law 2190, art. 135, for the companies that draw up annual financial statements, consolidated and non-consolidated, under IFRS)

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 auditor's report are posted.

Company Information

Responsible Regulatory Body	Bank of Greece, Ministry of Development
Company Website	www.marfinegnatiabank.gr
Date of approval of the annual financial statements from which the condensed information has been extracted	March 24, 2009
Certified Public Accountant	Sotiris A. Konstantinou, SOEL Reg. No. 13671
	Ioannis Leos, SOEL Reg. No. 24881
Audit company	Grant Thornton S.A., SOEL Reg. No. 127
Type of Auditor's Report	Unqualified Opinion

BOARD OF DIRECTORS COMPOSITION

Chairman - Non-Executive member	:	Vassilios N. Theocharakis
Vice-chairman - Non-executive member	:	Alexandros K. Bakatselos
Managing Director - Executive member	:	Konstantinos I.Vassilakopoulos
Executive members	:	Andreas E. Vgenopoulos
		Efthimios T.Bouloutas
		Androniki D.Plakomichelaki
		Fotios D. Karatzenis
Non-executive members	:	Panagiotis I. Theocharakis
		Despina V. Theocharaki
Independent - Non-executive members	:	Panagiotis K. Throuvalas
		Markos A. Foros

BALANCE SHEET
(Annual Consolidated and non-consolidated) Amounts in thousand Euro

	GROUP		BANK	
ASSETS	31 December 2008	31 December 2007	31 December 2008	31 December 2007
Cash and balances with Central Bank	1,483,754	585,464	1,297,490	474,968
Loans and advances to financial institutions	1,210,235	1,933,596	1,666,072	2,092,706
Loans and advances to customers (net of provisions)	13,003,410	9,648,283	12,206,304	8,854,923
Derivative financial instruments - Assets	83,485	10,935	82,637	10,920
Financial instruments at fair value through profit or loss	180,924	340,274	160,614	245,332
Financial instruments available for sale	1,643,289	588,543	1,640,935	586,083
Investment securities held to maturity	515,331	91,826	503,757	89,653
Debt securities of lending portfolio	622,616	0	622,616	0
Investments in subsidiaries	0	0	323,834	293,534
Investments in associates	2,202	1,988	2,278	2,278
Self-occupied tangible assets	81,805	90,209	51,571	60,767
Investment property	33,512	31,856	28,203	26,548
Intangible assets	65,607	62,181	15,294	11,898
Other assets	476,426	329,806	355,247	175,819
TOTAL ASSETS	**19,402,596**	**13,714,961**	**18,956,852**	**12,925,429**

INCOME STATEMENT
(Annual Consolidated and non-consolidated) Amounts in thousand Euro

	GROUP						BANK	
	1 Jan-31 Dec 2008			1 Jan-31 Dec 2007				
	Continuing Activities	Discontinued Activities	Total	Continuing Activities	Discontinued Activities	Total	1 Jan-31 Dec 2008	1 Jan-31 Dec 2007
Interest and similar income	970,095	159	970,254	684,033	68	684,101	896,502	629,704
Interest expense and similar charges	(673,721)	(13)	(673,734)	(416,741)	(7)	(416,748)	(645,794)	(398,457)
Net interest income	**296,374**	**146**	**296,520**	**267,292**	**61**	**267,353**	**250,708**	**231,247**
Fee and commission income	187,454	2,127	189,581	258,079	2,029	260,108	66,641	86,095
Fee and commission expense	(38,785)	(105)	(38,890)	(60,237)	0	(60,237)	(5,095)	(7,605)
Net fee and commission income	**148,669**	**2,022**	**150,691**	**197,842**	**2,029**	**199,871**	**61,546**	**78,490**
Dividend income	4,082	17	4,099	2,056	3	2,059	6,692	3,989
Net trading income / (expense)	(21,632)	1,358	(20,274)	37,957	3	37,960	(20,750)	28,482
Other income	10,529	2,104	12,633	5,158	2,001	7,159	8,268	1,968
Total income from operating activities	**438,022**	**5,647**	**443,669**	**510,305**	**4,097**	**514,402**	**306,464**	**344,176**
Impairment losses on loans and advances	(93,210)	0	(93,210)	(59,846)	0	(59,846)	(70,300)	(51,078)
Staff costs	(158,156)	(1,104)	(159,260)	(155,867)	(890)	(156,757)	(126,024)	(119,692)
Other operating expenses	(110,360)	(379)	(110,739)	(87,545)	(333)	(87,878)	(91,963)	(76,788)
Depreciation	(14,509)	(30)	(14,539)	(13,089)	(52)	(13,141)	(12,169)	(11,197)
Impairment losses from property	(3,302)	0	(3,302)	(744)	0	(744)	(3,302)	(744)

EQUITY AND LIABILITIES				
Share Capital	366,846	366,556	366,846	366,556
Share premium	327,699	327,261	327,699	327,261
Other reserves and retained earnings	65,840	118,680	1,656	86,208
Equity attributable to the Bank's equity holders (a)	**760,385**	**812,497**	**696,201**	**780,025**
Minority interest (b)	20,162	15,868	0	0
Total Equity (c) = (a) + (b)	**780,547**	**828,365**	**696,201**	**780,025**
Deposits from banks	5,603,626	2,415,322	5,743,428	2,473,095
Deposits from customers	11,731,448	9,300,747	11,327,928	8,698,300
Derivative financial instruments - Liabilities	251,944	33,869	251,944	33,422
Debt securities in issue & other borrowed funds	630,231	530,803	630,231	530,803
Retirement benefit obligations	12,319	11,317	11,012	10,153
Other provisions	9,862	16,128	6,998	12,168
Other liabilities	382,619	578,410	289,110	387,463
Total Liabilities (d)	**18,622,049**	**12,886,596**	**18,260,651**	**12,145,404**
TOTAL EQUITY AND LIABILITIES (c) + (d)	**19,402,596**	**13,714,961**	**18,956,852**	**12,925,429**

Share of loss of associates	259	0	259	193	0	193	0	0
Profit before tax	**58,744**	**4,134**	**62,878**	**193,407**	**2,822**	**196,229**	**2,706**	**84,677**
Taxes	(19,664)	(298)	(19,962)	(54,245)	(638)	(54,883)	(1,504)	(24,087)
Profit after tax	**39,080**	**3,836**	**42,916**	**139,162**	**2,184**	**141,346**	**1,202**	**60,590**
Attributable to:								
Equity holders of the Bank	34,799	3,836	38,635	132,902	2,184	135,086	1,202	60,590
Minority interest	4,281	0	4,281	6,260	0	6,260		
Earnings per share (Euro per share)								
Basic	0.1205	0.0133	0.1338	0.4674	0.0077	0.4751	0.0042	0.2131
Diluted	0.1206	0.0133	0.1339	0.4671	0.0077	0.4748	0.0043	0.2131

STATEMENT OF CHANGES IN EQUITY	**GROUP**		**BANK**	
from January 1st, 2008 to June 30th, 2008	**31 December 2008**	**31 December 2007**	**31 December 2008**	**31 December 2007**
(Annual Consolidated and non-consolidated) Amounts in thousand Euro				
Balance at January 1st, 2008 and 2007	828,365	729,466	780,025	749,566
Available for Sale Portfolio Reserve	(87,630)	(54,602)	(87,000)	(54,789)
Exchange differences on translatting foreign operation	(5,493)	(840)	0	0
Profit for the period after tax	42,916	141,346	1,202	60,590
Total registered results for the year 2008	**(50,207)**	**85,904**	**(85,798)**	**5,801**
Share capital increase/decrease	728	28,172	728	28,172
Dividends paid	(9)	(5,987)	0	(4,664)
Stock option plan Reserve	1,857	1,630	1,246	1,157
Other adjustments	(187)	(10,820)	0	(7)
Balance at the end of the period	**780,547**	**828,365**	**696,201**	**780,025**

CASH FLOW STATEMENT	**GROUP**		**BANK**	
from January 1st, 2008 to June 30th, 2008	**1 Jan-31 Dec 2008**	**1 Jan-31 Dec 2007**	**1 Jan-31 Dec 2008**	**1 Jan-31 Dec 2007**
(Annual Consolidated and non-consolidated) Amounts in thousand Euro				
Operating activities from continuing Activities	1,940,819	548,691	2,179,590	639,695
Operating activities from discontinued Activities	4,176	20,898	0	0
Net cash flows from operating activities (a)	**1,944,995**	**569,589**	**2,179,590**	**639,695**
Investing activities from continuing Activities	(2,109,513)	(240,928)	(2,111,571)	(236,995)
Investing activities from discontinued Activities	(1,768)	(16,310)	0	0
Net cash flows from investing activities (b)	**(2,111,281)**	**(257,238)**	**(2,111,571)**	**(236,995)**
Financing activities from continuing Activities	(132,066)	230,856	67,639	230,987
Financing activities from discontinued Activities	0	0	0	0
Net cash flows from financing activities (c)	**(132,066)**	**230,856**	**67,639**	**230,987**
Net increase (decrease) in cash and cash equivalents (a) + (b) + (c)	**(298,352)**	**543,207**	**135,658**	**633,687**
Effect of exchange rate fluctuations on cash and cash equivalents	(6,262)	(29)	(165)	16
Total cash flow for the period	**(304,614)**	**543,178**	**135,493**	**633,703**
Cash and cash equivalents at the beginning of the period	2,436,061	1,892,883	2,436,334	1,802,631
Cash and cash equivalents at the end of the period	**2,131,447**	**2,436,061**	**2,571,827**	**2,436,334**

Notes :

1) The accounting principles adopted by the Group and the Bank are consistent with I.F.R.S.
The Bank and the Group have used the modifications of I.A.S.39 and I.F.R.S.7, which have been published on October 2008 and are applied as of July 1st, 2008, as it is described in detail, in notes 24 and 25 of the Financial Statements of the Bank and the Group, respectively.
2) There are no liens on the assets of the Group.
3) The number of employees at the end of 31/12/2008: Group 3.602, Bank 2.732, (31/12/2007: 3.256, 2.482).
4) The companies included in the consolidation of December 31ST 2008 are presented in note 1 of the consolidated, condensed financial statements. The note includes information regarding the companies' domicile, the Group participation percentage in their share capital, the consolidation method used and the tax non-inspected fiscal years. The notes 25 and 26 of the Bank's, condensed financial statements include the direct and indirect holdings of the Bank and its respective participation percentage in their share capital.
5) During the period 1/1/2008 and 31/12/2008 the following changes took place in the companies which are included in the consolidated financial statements:
Newcompanies: The company "Dynamic Asset Operating Leasing S.A." was established on 27/07/2008 and is 100% subsidiary of Marfin Financial Leasing S.A with a capital stock of 60 thousand euros. The company was included for the first time in the consolidation as at 30/09/2008. The Company Marfin Capital Partners (Cyprus) Ltd was established on 27/08/2008 and is 100% subsidiary of Marfin Capital Partners Ltd. with a capital stock of 200 thousand euros. The company was also included for the first time in the consolidation as at 30/09/2008.
Mergers: In accordance with decision K2 - 14014/28-11-2008 of the Ministry of Development, it was approved the merger of "Investment Bank of Greece S.A. (R. No. MAE 45090/06/B/00/4 with the absorption of the company "LAIKI ATTALOS A.E.P.E.Y. under R. No MAE 23395/06/B/91.
Disposals/Liquidations:
The companies, with the disposal of 100% subsidiaries Marfin Life S.A. and Marfin Insurance Brokers S.A., have not been consolidated on 31/12/2008 due to their sale on 03/12/2008 to the company Marfin Insurance Holdings Limited, which is situated in Nicosia, Cyprus and is a subsidiary of the parent company Popular Bank Ltd. The companies' profit and loss results and the profit from their sale are presented as discontinued activities. The aforementioned change has not caused changes higher than 25% to the turnover or/and earnings after taxes and minority interest of the company and/or the equity of the company's shareholders.
The company Eurocambio is absolutely impaired under liquidation, on 31/12/2008. Eurocambio is not included in the consolidation as at 30/09/2008, and the corresponding period 31/12/2007.
The aforementioned change has not caused change higher than 25% to the turnover or/and earnings after taxes and minority interest of the company and/or the equity of the company's shareholders.
Company's change of title: On 11/02/2008 Egnatia Bank Travel M.E.P.E was renamed to Marfin Travel M.E.P.E. On 07/05/2008, MFG Capital Partners Ltd was renamed to Marfin Capital Partners Ltd. On 15/05/2008, Egnatia Bank Romania S.A. was renamed to Marfin Bank Romania S.A. On 20/06/2000, Egnatia Leasing Romania S.A. was renamed to Marfin Leasing IFN Romania S.A.
Relevant note 1 and 25 of the Group's and Bank's financial statements.

7) The outcome of the existing legal cases or litigations of the Bank and the Group is not expected to have an impact on the financial statements.
The bank and the Group have made the following provisions:

Amounts in thousand Euro

	December 2008		December 2007	
	Group	**Bank**	**Group**	**Bank**
Legal cases or litigations :	465	315	1,011	1,011
Tax non-inspected fiscal years :	1,374	1,200	800	800
Other Provisions :	8,023	5,483	14,317	10,357
	9,862	**6,998**	**16,128**	**12,168**

Relevant note 38 of the Group's and Bank's financial statements.
8) The results the have been registered directly in the equity are reported in detail above in the section "Statement of changes in Equity".
9) The Bank ant the Group's companies do not hold any equity shares.
10) The first series of covered bonds of 1.000 million euros was issued on 17/11/2008. Relative note 36 of the Group's and the Bank's financial statements.
11) The transactions of the Group with the related parties are as follows: Receivables 583.783 thousand Euro, liabilities 821.302 thousand Euro, letters of guarantee and documentary credits 114 thousand Euros, income 17.786 thousand Euros, expenses 40.151 thousand Euros. The transactions of the Bank with the related parties (including subsidiaries), are as follows: Receivables 1.744.970 thousand Euros, liabilities 1.117.300 thousand Euros, letters of guarantee and documentary credits 213.028 thousand Euro, income 86.627 thousand Euros, expenses 59.915 thousand Euros. The transactions of the Bank and the Group with the members of the management and the executives are as follows: Receivables 4,290 thousand Euros, liabilities 112.149 thousand Euros, income 370 thousand Euros, expenses 12.726 thousand Euros out of which – fees 5.723 thousand Euros.
12) For comparability reasons, the comparative financial information as at 31/12/2007 has been adjusted relatively to the financial information publicized in the respective period last year. Details concerning the aforementioned modifications are analytically presented in the note 5 of the Bank and the Group financial statements as well as in the consolidated table of the change in Equity.

Athens, March 24, 2009

THE PRESIDENT OF THE BOARD OF DIRECTORS

VASSILIOS N.THEOCHARAKIS
Reg. No AB 340063/06

MANAGING DIRECTOR

KONSTANTINOS I. VASSILAKOPOULOS
Reg. No M 310696/82

CHIEF FINANCIAL OFFICER

AGGELOS N. SAPRANIDIS
Reg. No AA 273117/05
Permit 0016834/18-07-2001

Information of article 10 law 3401/2005

The corporate announcements of 2008 are available at Bank's website: www.marfinegnatiabank.gr.

Date	Subject
20/3/2009	Announcement of the Early Repayment of the CBL
16/3/2009	Announcement of the Early Repayment of the CBL
9/2/2009	Announcement according to Law 3556/2007
30/12/2008	Interest Rate for the next quarterly period (January 1, 2008 - March 31, 2008) of the Convertible Loan
18/11/2008	Issue of Covered Bonds
18/11/2008	Announcement according to Law 3556/2007
13/11/2008	ECB Basic Rate decrease of 0,50%
21/10/2008	Announcement
29/9/2008	Interest Rate for the next quarterly period (October 1, 2008 - December 31, 2008) of the Convertible Loan
11/9/2008	Announcement of regulated information pursuant to article 9 para. 5 of law 3556/2007
5/9/2008	Admission to stock exchange from share capital increase due to conversion of bonds
27/8/2008	Extraordinary General Meeting of the Shareholders' Decisions
18/8/2008	Announcement according to Law 3556/2007
13/8/2008	Announcement according to Law 3556/2007
12/8/2008	Announcement according to Law 3556/2007
11/8/2008	Announcement according to Law 3556/2007
8/8/2008	Announcement according to Law 3556/2007
7/8/2008	Announcement according to Law 3556/2007
6/8/2008	Announcement according to Law 3556/2007
5/8/2008	Announcement according to Law 3556/2007
4/8/2008	Announcement according to Law 3556/2007
1/8/2008	Announcement according to Law 3556/2007
1/8/2008	Extraordinary General Meeting of the Shareholders' Invitation
31/7/2008	Announcement according to Law 3556/2007
21/7/2008	Announcement according to Law 3556/2007
17/7/2008	Announcement of regulated information pursuant to article 9 para. 5 of law 3556/2007
11/7/2008	Admission to stock exchange from share capital increase due to conversion of bonds
11/7/2008	Announcement according to Law 3556/2007
10/7/2008	Announcement according to Law 3556/2007
9/7/2008	Announcement according to Law 3556/2007
8/7/2008	Announcement according to Law 3556/2007
7/7/2008	Announcement according to Law 3556/2007
4/7/2008	Announcement according to Law 3556/2007
3/7/2008	Announcement according to Law 3556/2007
2/7/2008	Announcement according to Law 3556/2007
1/7/2008	Announcement according to Law 3556/2007
30/6/2008	Announcement according to Law 3556/2007
30/6/2008	Interest Rate for the next quarterly period (July 1, 2008 - September 30, 2008) of the Convertible Loan
30/6/2008	Annual General Meeting of the Shareholders' Decisions
26/6/2008	Announcement according to Law 3556/2007
25/6/2008	Announcement according to Law 3556/2007
24/6/2008	Announcement according to Law 3556/2007
23/6/2008	Announcement according to Law 3556/2007
20/6/2008	Announcement according to Law 3556/2007
18/6/2008	Announcement according to Law 3556/2007
17/6/2008	Announcement according to Law 3556/2007
11/6/2008	Announcement according to Law 3556/2007
10/6/2008	Announcement according to Law 3556/2007

9/6/2008	Announcement according to Law 3556/2007
6/6/2008	Annual General Meeting of the Shareholders' Invitation
4/6/2008	Announcement according to Law 3556/2007
3/6/2008	Announcement according to Law 3556/2007
2/6/2008	Announcement according to Law 3556/2007
30/5/2008	Announcement according to Law 3556/2007
29/5/2008	Announcement according to Law 3556/2007
28/5/2008	Announcement according to Law 3556/2007
27/5/2008	Announcement according to Law 3556/2007
26/5/2008	Announcement according to Law 3556/2007
23/5/2008	Announcement according to Law 3556/2007
22/5/2008	Announcement according to Law 3556/2007
20/5/2008	Announcement according to Law 3556/2007
19/5/2008	Announcement according to Law 3556/2007
16/5/2008	Announcement according to Law 3556/2007
15/5/2008	Announcement according to Law 3556/2007
14/5/2008	Announcement according to Law 3556/2007
13/5/2008	Announcement according to Law 3556/2007
13/5/2008	Announcement of regulated information pursuant to article 9 para. 5 of law 3556/2007
12/5/2008	Announcement according to Law 3556/2007
9/5/2008	Announcement according to Law 3556/2007
8/5/2008	Announcement according to Law 3556/2007
8/5/2008	Admission to stock exchange from share capital increase due to conversion of bonds
7/5/2008	Announcement according to Law 3556/2007
6/5/2008	Announcement according to Law 3556/2007
5/5/2008	Announcement according to Law 3556/2007
2/5/2008	Announcement according to Law 3556/2007
30/4/2008	Announcement according to Law 3556/2007
29/4/2008	Announcement according to Law 3556/2007
24/4/2008	Announcement according to Law 3556/2007
23/4/2008	Announcement according to Law 3556/2007
22/4/2008	Announcement according to Law 3556/2007
21/4/2008	Announcement according to Law 3556/2007
18/4/2008	Announcement according to Law 3556/2007
17/4/2008	Announcement according to Law 3556/2007
16/4/2008	Announcement according to Law 3556/2007
15/4/2008	Announcement according to Law 3556/2007
15/4/2008	Announcement according to Law 3556/2007
14/4/2008	Announcement according to Law 3556/2007
11/4/2008	Announcement of regulated information pursuant to article 9 para. 5 of law 3556/2007
11/4/2008	Announcement according to Law 3556/2007
10/4/2008	Announcement according to Law 3556/2007
9/4/2008	Announcement according to Law 3556/2007
8/4/2008	Admission to stock exchange from share capital increase due to conversion of bonds
8/4/2008	Announcement according to Law 3556/2007
7/4/2008	Announcement according to Law 3556/2007
4/4/2008	Announcement according to Law 3556/2007
3/4/2008	Announcement according to Law 3556/2007
2/4/2008	Announcement according to Law 3556/2007
1/4/2008	Announcement according to Law 3556/2007
31/3/2008	Interest Rate for the next quarterly period (April 1, 2008 - June 30, 2008) of the Convertible Loan
31/3/2008	Announcement according to Law 3556/2007
28/3/2008	Announcement according to Law 3556/2007

27/3/2008	Announcement according to Law 3556/2007
21/3/2008	Announcement according to Law 3556/2007
20/3/2008	Announcement according to Law 3556/2007
19/3/2008	Announcement according to Law 3556/2007
18/3/2008	Announcement according to Law 3556/2007
17/3/2008	Announcement according to Law 3556/2007
14/3/2008	Announcement according to Law 3556/2007
13/3/2008	Announcement according to Law 3556/2007
12/3/2008	Announcement according to Law 3556/2007
11/3/2008	Announcement according to Law 3556/2007
7/3/2008	Announcement according to Law 3556/2007
6/3/2008	Announcement of regulated information pursuant to article 9 para. 5 of law 3556/2007
4/3/2008	Announcement according to Law 3556/2007
3/3/2008	Announcement according to Law 3556/2007
29/2/2008	Announcement according to Law 3556/2007
29/2/2008	Admission to stock exchange from share capital increase due to conversion of bonds
29/2/2008	Disclosure of change in Board of Directors' Structure
28/2/2008	Announcement according to Law 3556/2007
27/2/2008	Announcement according to Law 3556/2007
26/2/2008	Announcement according to Law 3556/2007
25/2/2008	Announcement according to Law 3556/2007
22/2/2008	Announcement according to Law 3556/2007
21/2/2008	Announcement according to Law 3556/2007
20/2/2008	Announcement according to Law 3556/2007
19/2/2008	Announcement according to Law 3556/2007
18/2/2008	Announcement according to Law 3556/2007
18/2/2008	Announcement according to Law 3556/2007
14/2/2008	Announcement according to Law 3556/2007
13/2/2008	Announcement according to Law 3556/2007
12/2/2008	Announcement according to Law 3556/2007
11/2/2008	Announcement according to Law 3556/2007
8/2/2008	Announcement according to Law 3556/2007
8/2/2008	Announcement of regulated information pursuant to article 9 para. 5 of law 3556/2007
7/2/2008	Announcement according to Law 3556/2007
6/2/2008	Announcement according to Law 3556/2007
5/2/2008	Announcement according to Law 3556/2007
4/2/2008	Announcement according to Law 3556/2007
1/2/2008	Announcement according to Law 3556/2007
1/2/2008	Admission to stock exchange from share capital increase due to conversion of bonds
31/1/2008	Announcement according to Law 3556/2007
30/1/2008	Announcement according to Law 3556/2007
29/1/2008	Announcement according to Law 3556/2007
28/1/2008	Announcement according to Law 3556/2007
25/1/2008	Announcement according to Law 3556/2007
24/1/2008	Announcement according to Law 3556/2007
23/1/2008	Announcement according to Law 3556/2007
22/1/2008	Announcement according to Law 3556/2007
21/1/2008	Announcement according to Law 3556/2007
18/1/2008	Announcement according to Law 3556/2007
18/1/2008	Announcement of regulated information pursuant to article 9 para. 5 of law 3556/2007
17/1/2008	Announcement according to Law 3556/2007
16/1/2008	Announcement according to Law 3556/2007
15/1/2008	Announcement according to Law 3556/2007
14/1/2008	Announcement according to Law 3556/2007

11/1/2008	Announcement according to Law 3556/2007
11/1/2008	Admission to stock exchange from share capital increase due to conversion of bonds
10/1/2008	Announcement according to Law 3556/2007
9/1/2008	Announcement according to Law 3556/2007
2/1/2008	Announcement according to Law 3556/2007
2/1/2008	Issue of subordinate bond

Note: Some of the aforementioned announcements are available at the Bank's web site, only in the Greek language.

Availability of Annual Financial Report

The Annual Financial Report which includes the:

- Statement of the Members of the Board
- Board of Directors' Annual Management Report
- Independent Auditors' Report for the Group and the Bank
- Annual Financial Statements of the Group and the Bank
- Financial Data and Information of the Group and the Bank

is available at the Bank's website: www.marfinegnatiabank.gr.

The Annual Financial Statements, the Independent Auditors' Reports and the Board of Directors' Annual Management Report of the companies included in the Consolidated Financial Statements are available at the Bank's website: www.marfinegnatiabank.gr.