



CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED

31 MARCH 2008

MARFIN POPULAR BANK PUBLIC CO LTD
CONDENSED INTERIM FINANCIAL STATEMENTS
for the three months ended 31 March 2008

CONTENTS	Page
Condensed Interim Income Statement	1
Condensed Interim Balance Sheet	2
Condensed Interim Statement of Changes in Equity	3
Condensed Interim Cash Flow Statement	4
Notes to the Condensed Interim Financial Statements	5

MARFIN POPULAR BANK PUBLIC CO LTD
CONDENSED INTERIM INCOME STATEMENT
for the three months ended 31 March 2008

		3 months ended 31.03.2008	3 months ended 31.03.2007
	Note	€'000	€'000
Net interest income		92.220	85.298
Net fee and commission income		29.765	22.975
Profit on disposal and revaluation of securities	6	61.813	35.276
Foreign exchange and other income		15.712	11.735
Operating income		199.510	155.284
Staff costs		(33.748)	(31.276)
Depreciation and amortisation		(2.196)	(1.892)
Administrative expenses		(9.958)	(10.435)
Profit before provision for impairment of advances		153.608	111.681
Provision for impairment of advances	9	(7.554)	(5.669)
Profit before tax		146.054	106.012
Tax		(8.521)	(8.718)
Profit for the period		137.533	97.294
Earnings per share – cent	4	17,3	12,6

The notes on pages 5 to 17 are an integral part of these condensed interim financial statements.

MARFIN POPULAR BANK PUBLIC CO LTD
CONDENSED INTERIM BALANCE SHEET
31 March 2008

	Note	31.03.2008 €'000	31.12.2007 €'000
Assets			
Cash and balances with the Central Bank		139.563	656.950
Due from other banks		3.394.214	3.155.418
Financial assets at fair value through profit or loss	7	124.722	107.573
Advances to customers	8	7.561.247	6.829.822
Balances with subsidiary companies		894.020	1.036.747
Available-for-sale financial assets		1.799.950	2.065.745
Held-to-maturity financial assets		245.800	283.973
Other assets		463.404	96.997
Investments in subsidiary companies	10	2.552.637	2.550.443
Investments in associates		13.043	12.799
Intangible assets		5.332	5.314
Property and equipment	11	147.153	144.676
Total assets		17.341.085	16.946.457
Liabilities			
Due to other banks		546.973	638.627
Customer deposits		10.976.118	10.699.132
Senior debt	12	724.050	723.104
Loan capital	13	524.261	523.693
Balances with subsidiary companies		702.135	577.762
Other liabilities	7	424.586	421.854
Total liabilities		13.898.123	13.584.172
Share capital and reserves			
Share capital	14	677.187	680.613
Share premium	14	1.927.571	1.927.571
Reserves	15	838.204	754.101
Total equity		3.442.962	3.362.285
Total equity and liabilities		17.341.085	16.946.457

The notes on pages 5 to 17 are an integral part of these condensed interim financial statements.

MARFIN POPULAR BANK PUBLIC CO LTD
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
for the three months ended 31 March 2008

	Note	Share capital €'000	Share premium €'000	Other reserves €'000	Revenue reserves €'000	Total €'000
Three months ended 31 March 2008						
Balance 1 January 2008		680.613	1.927.571	249.172	504.929	3.362.285
Revaluation and transfer to results on disposal of available-for-sale financial assets, investments in subsidiary companies and associates	15	-	-	(58.676)	-	(58.676)
Exchange differences arising in the period	15	-	-	1.346	-	1.346
Profit recognised directly in equity		-	-	(57.330)	-	(57.330)
Profit for the period		-	-	-	137.533	137.533
Total recognised profit for the period		-	-	(57.330)	137.533	80.203
Difference from conversion of share capital into Euro	14,15	(3.426)	-	3.426	-	-
Cost of share-based payments to employees	15	-	-	-	474	474
Effect of merger of Cyprus Popular Bank (Finance) Ltd with the Bank	15	-	-	(44.178)	44.178	-
		(3.426)	-	(40.752)	44.652	474
Balance 31 March 2008		677.187	1.927.571	151.090	687.114	3.442.962
Three months ended 31 March 2007						
Balance 1 January 2007		675.169	1.901.767	232.679	326.902	3.136.517
Revaluation and transfer to results on disposal of available-for-sale financial assets, investments in subsidiary companies and associates	15	-	-	1.154.306	-	1.154.306
Exchange differences arising in the period	15	-	-	(1.170)	-	(1.170)
Profit recognised directly in equity		-	-	1.153.136	-	1.153.136
Profit for the period		-	-	-	97.294	97.294
Total recognised profit for the period		-	-	1.153.136	97.294	1.250.430
Shares in the process of being issued	14	5.437	27.186	-	-	32.623
Balance 31 March 2007		680.606	1.928.953	1.385.815	424.196	4.419.570

The notes on pages 5 to 17 are an integral part of these condensed interim financial statements.

MARFIN POPULAR BANK PUBLIC CO LTD
CONDENSED INTERIM CASH FLOW STATEMENT
for the three months ended 31 March 2008

	3 months ended 31.03.2008 €'000	3 months ended 31.03.2007 €'000
Cash used in operations	(133.113)	(19.057)
Tax paid	(1.199)	(2.149)
Net cash used in operating activities	(134.312)	(21.206)
Cash flows from investing activities		
Purchase less proceeds from disposal of property and equipment	(4.222)	(1.966)
Purchase less proceeds from disposal of computer software	(507)	(487)
Additions less proceeds from disposal and redemption of available-for-sale and held-to-maturity financial assets	272.076	(670.764)
Income from available-for-sale and held-to-maturity financial assets	27.579	23.816
Dividend received from subsidiary companies and associates	-	240.433
Changes in shareholdings and capital of subsidiary companies	(8.556)	-
Payment for the acquisition of subsidiary	(49.662)	-
Net cash from/(used in) investing activities	236.708	(408.968)
Cash flows from financing activities		
Interest paid on senior debt and loan capital	(16.403)	(1.425)
Net cash used in financing activities	(16.403)	(1.425)
Effects of exchange rate changes	(3.941)	(241)
Net increase/(decrease) in cash and cash equivalents	82.052	(431.840)
Cash and cash equivalents at beginning of period	3.006.627	3.023.428
Cash and cash equivalents at end of period	3.088.679	2.591.588

The notes on pages 5 to 17 are an integral part of these condensed interim financial statements.

MARFIN POPULAR BANK PUBLIC CO LTD

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

1. INFORMATION FOR THE BANK

The condensed interim financial statements present the financial statements of Marfin Popular Bank Public Co Ltd (the "Bank") for the three months ended 31 March, 2008.

The principal activity of the Bank, which was unchanged from last year, is the provision of banking services.

The Bank was established in Cyprus in 1901 under the name "Popular Savings Bank of Limassol". In 1924 it was registered as the first public company in Cyprus under the name "The Popular Bank of Limassol Ltd". In 1967 the Bank changed its name to "Cyprus Popular Bank Ltd" and on 26 May, 2004 it was renamed to "Cyprus Popular Bank Public Company Ltd". An Extraordinary General Meeting held on 31 October, 2006 unanimously approved the change of its name to "Marfin Popular Bank Public Co Ltd". The Bank's shares are listed on the Cyprus Stock Exchange and the Athens Exchange. The Bank's registered office is at 154, Limassol Avenue, 2025 Nicosia, Cyprus.

2. SIGNIFICANT ACCOUNTING POLICIES

The condensed interim financial statements for the three months ended 31 March, 2008 have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as issued by the International Accounting Standards Board and adopted by the European Union.

With the introduction of the Euro as the official currency of the Republic of Cyprus as from 1 January, 2008, the functional currency of the Bank has changed from Cyprus pounds to Euro. As a result, the financial position of the Bank at 1 January, 2008 has been converted into Euro based on the definite fixing of the exchange rate € 1 = C£ 0,585274. The condensed interim financial statements are presented in Euro, which is the functional and presentation currency of the Bank as from 1 January, 2008. All amounts are rounded to the nearest thousand, unless where reported otherwise.

The same accounting policies as for the annual financial statements for the year 2007 have been adopted in the preparation of the condensed interim financial statements.

The condensed interim financial statements do not include all the information and disclosures required for the annual financial statements and should be read in conjunction with the audited financial statements of the Bank for the year ended 31 December, 2007. The Bank also prepares consolidated condensed interim financial statements.

The condensed interim financial statements of the Bank for the three months ended 31 March, 2008 have not been audited or reviewed by the Bank's external independent auditors.

The Bank has adopted all applicable new and revised International Financial Reporting Standards (IFRSs) and International Accounting Standards (IASs), which are relevant to its operations and are applicable for accounting periods beginning on 1 January, 2008 as stated below.

IFRIC 14, IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (effective from 1 January, 2008)

IFRIC 14 provides guidance on assessing the limit in IAS 19 on the amount of the surplus that can be recognised as an asset. It also explains how the pension asset or liability may be affected by a statutory or contractual minimum funding requirement. This interpretation is subject to endorsement by the European Union. The Bank will apply IFRIC 14 upon its endorsement by the European Union.

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

3. COMPARATIVES

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current period. With the introduction of the Euro as the official currency of the Republic of Cyprus as from 1 January, 2008, the functional currency of the Bank has changed from Cyprus pounds to Euro. As a result, the financial position of the Bank at 1 January, 2008 has been converted into Euro based on the definite fixing of the exchange rate € 1 = C£ 0,585274. All comparatives have been converted into Euro with the above exchange rate.

Other income for the period 1 January, 2007 to 31 March, 2007 in the condensed interim financial statements for the three months ended 31 March, 2007 included dividend of € 236 m paid by Marfin Investment Group Holdings S.A. The treatment of this dividend has been revised in the condensed interim financial statements for the six months ended 30 June, 2007 and the dividend has been deducted from the cost of the Bank's investment in the subsidiary company (Note 10). Comparatives have been restated to accommodate this revision.

4. EARNINGS PER SHARE

	3 months ended 31.03.2008 €'000	3 months ended 31.03.2007 €'000
Profit for the period	<u>137.533</u>	<u>97.294</u>
	3 months ended 31.03.2008 '000	3 months ended 31.03.2007 '000
Weighted average number of shares in issue during the period	<u>796.691</u>	<u>772.180</u>
Earnings per share – cent	<u>17,3</u>	<u>12,6</u>

Diluted earnings per share in relation to the Share Options is not disclosed, as the exercise price of the Share Options was higher than the average market price of Marfin Popular Bank Public Co Ltd shares at the Cyprus Stock Exchange and the Athens Exchange during the period ended 31 March, 2008.

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

5. SEGMENTAL ANALYSIS

By geographical region – primary segment

	Cyprus €'000	United Kingdom €'000	Eliminations €'000	Total €'000
Three months ended 31 March 2008				
Total revenues	302.461	41.227	(10.296)	333.392
Profit before tax	<u>140.982</u>	<u>5.072</u>		146.054
Tax				<u>(8.521)</u>
Profit for the period				<u>137.533</u>
Three months ended 31 March 2007				
Total revenues	<u>247.750</u>	<u>23.811</u>	<u>(11.184)</u>	260.377
Profit before tax	<u>101.048</u>	<u>4.964</u>		106.012
Tax				<u>(8.718)</u>
Profit for the period				<u>97.294</u>

6. PROFIT ON DISPOSAL AND REVALUATION OF SECURITIES

Included within profit on disposal and revaluation of securities is an amount of €65 m which relates to the profit from the sale of 6,45% of the Bank's investment in Marfin Investment Group Holdings S.A. (31 March, 2007: €36 m from the disposal of the Bank's investment in Universal Life Insurance Public Co Ltd and Hellenic Bank Public Company Ltd).

7. DERIVATIVE FINANCIAL INSTRUMENTS

Included within financial assets at fair value through profit or loss is an amount of €39,7 m (31 December, 2007: €17,6 m), which relates to the positive fair value of derivative financial instruments. Included within other liabilities is an amount of €39,4 m (31 December, 2007: €17,4 m), which relates to the negative fair value of derivative financial instruments.

8. ADVANCES TO CUSTOMERS

	31.03.2008	31.12.2007
	€'000	€'000
Advances to customers	7.556.300	7.155.064
Instalment finance and leasing	413.409	-
	7.969.709	7.155.064
Provision for impairment of advances (Note 9)	(408.462)	(325.242)
	<u>7.561.247</u>	<u>6.829.822</u>

The amount of income suspended is included in provision for impairment of advances.

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

9. PROVISION FOR IMPAIRMENT OF ADVANCES

Movement in the three months to 31 March, 2008 and 31 March, 2007:

	Provision €'000	Suspension of income €'000	Total €'000
2008			
Balance 1 January	230.034	95.208	325.242
Provision and suspension of income of Cyprus Popular Bank (Finance) Ltd merged with the Bank	82.642	4.624	87.266
Provision for impairment of advances for the period	25.965	-	25.965
Release of provision and recoveries	(18.411)	(4.073)	(22.484)
Advances written-off	(11.295)	(4.527)	(15.822)
Exchange differences	(223)	-	(223)
Suspension of income for the period	-	8.518	8.518
	308.712	99.750	408.462
2007			
Balance 1 January	223.598	111.469	335.067
Provision for impairment of advances for the period	33.878	-	33.878
Release of provision and recoveries	(28.209)	(25.527)	(53.736)
Advances written-off	(2.030)	(5.098)	(7.128)
Exchange differences	(32)	-	(32)
Suspension of income for the period	-	10.838	10.838
	227.205	91.682	318.887

10. INVESTMENTS IN SUBSIDIARY COMPANIES

Movement in the three months to 31 March, 2008 and 31 March, 2007:

	2008 €'000	2007 €'000
Balance 1 January	2.550.443	2.884.710
Increase of shareholding in Marfin Investment Group Holdings S.A.	-	32.623
Dividend from Marfin Investment Group Holdings S.A.	-	(235.584)
Acquisition of Lombard Bank Malta Plc	49.662	-
Restructuring and merger with the Cyprus Popular Bank (Finance) Ltd	(53.251)	-
Disposal of Egnatia Financial Services (Cyprus) Ltd	(5.181)	-
Changes in shareholding in subsidiary companies	14.878	-
Revaluation for the period	(3.914)	1.178.975
	2.552.637	3.860.724

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

10. INVESTMENTS IN SUBSIDIARY COMPANIES (continued)

The main subsidiary companies of the Bank as at 31 March, 2008 were as follows:

Company name	Effective shareholding	Country of incorporation	Activity sector
	(1)		
Marfin Egnatia Bank S.A. (b)	96%	Greece	Banking
Investment Bank of Greece S.A.	88%	Greece	Investment banking
Laiki Investments E.P.E.Y. Public Company Ltd	71%	Cyprus	Investment and brokerage services and investments
Laiki Bank (Australia) Ltd	100%	Australia	Banking
Marfin Leasing S.A.	96%	Greece	Leasing
Marfin Bank a.d.	97%	Serbia	Banking
Marfin Bank (Romania) S.A.	95%	Romania	Banking
Pan-European Insurance Co Ltd	100%	Cyprus	Investment company
Laiki Insurance Ltd	100%	Cyprus	General insurance
Marfin Pank Eesti AS	50%	Estonia	Banking
Marfin Factors & Forfaiters S.A.	96%	Greece	Factoring, invoice discounting
Laiki Cyprialife Ltd	100%	Cyprus	Life insurance
Philiki Insurance Co Ltd	100%	Cyprus	Investment company
Marfin Global Asset Management Mutual Funds Management S.A. (e)	95%	Greece	Mutual funds and private portfolio management
Lombard Bank Malta Plc (a)	43%	Malta	Banking
Cyprialife Ltd	100%	Cyprus	Investment company
Open Joint-Stock Company Marine Transport Bank	99%	Ukraine	Banking
Laiki Bank (Guernsey) Ltd	100%	Guernsey	Banking
Laiki Factors Ltd	100%	Cyprus	Factoring, invoice discounting
IBG Investments S.A. (f)	88%	British Virgin Islands	Investment services
MFG Capital Partners Ltd	67%	United Kingdom	Investment management

(1) The effective shareholding includes the direct holding of Marfin Popular Bank Public Co Ltd and the indirect holding through its subsidiary companies.

Marfin Popular Bank Public Co Ltd is registered in Cyprus and operates in Cyprus and the United Kingdom.

(a) Acquisition of Lombard Bank Malta Plc

On 28 February, 2008 the Bank acquired 42,86% of the share capital of Lombard Bank Malta Plc for € 49,7 m. The Bank exercises control over Lombard Bank Malta Plc through the power to cast the majority of votes at meetings of the Board of Directors and therefore Lombard Bank Malta Plc is accounted for as a subsidiary.

Lombard Bank Malta Plc is Malta's third largest bank listed on the local stock exchange and operates under the supervision of the Central Bank of Malta. It was established in 1969 in Valletta and it offers complete banking services via a network of six branches. Lombard Bank Malta Plc will also offer services via MaltaPost, in which it is a major shareholder.

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

10. INVESTMENTS IN SUBSIDIARY COMPANIES (continued)

(b) Increase in shareholding in Marfin Egnatia Bank S.A.

During the 3 months ended 31 March, 2008 2.347.320 shares of Marfin Egnatia Bank S.A. were acquired and the convertible bonds held by the Bank were converted into 205.610 shares. These acquisitions bring the Bank's holding to 95,9%.

(c) Merger of the Cyprus Popular Bank (Finance) Ltd with the Bank

Effective from 1 January, 2008 the Cyprus Popular Bank (Finance) Ltd, a 100% subsidiary company of the Bank specialising in hire purchase and leasing, was merged with the Bank and the Bank has undertaken its operations, assets and liabilities, rights and obligations and will offer from now on the respective services. The Bank and the Cyprus Popular Bank (Finance) Ltd, the General Meeting of the Cyprus Popular Bank (Finance) Ltd creditors and the Court of Law, based on the relevant Cyprus legislation, approved the Restructuring and Merger.

(d) Transfer of Egnatia Financial Services (Cyprus) Ltd

In January 2008 the Bank sold 100% of the share capital of Egnatia Financial Services (Cyprus) Ltd to Laiki Investments E.P.E.Y. Public Company Ltd. This transaction brings the effective holding of the Bank in Egnatia Financial Services (Cyprus) Ltd to 71%.

(e) Decrease of share capital of Marfin Global Asset Management Mutual Funds Management S.A.

The decrease of the share capital of Marfin Global Asset Management Mutual Funds Management S.A. was approved during February and March 2008 by the decisions of the Executive Committee of the Capital Market Commission and the Ministry of Development. The decrease of the share capital for the amount of € 4 m was made by a respective decrease of the nominal value of each share for the amount of € 14, in order to refund the amount to the shareholders.

(f) Increase of share capital of IBG Investments S.A.

In February 2008 an increase of the share capital of IBG Investments S.A. was made for the amount of € 6.000, which was covered by Investment Bank of Greece S.A. (90%) and IBG Capital S.A. (10%), pro rata, based on their respective shareholdings.

11. PROPERTY AND EQUIPMENT

Movement in the three months to 31 March, 2008 and 31 March, 2007:

	2008	2007
	€'000	€'000
Net book value at 1 January	144.676	111.831
Net book value of property and equipment of Cyprus Popular Bank (Finance) Ltd merged with the Bank	241	-
Additions less disposals of property and equipment	4.195	1.975
Depreciation	(1.318)	(1.180)
Exchange differences	(641)	(68)
Net book value at 31 March	147.153	112.558

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

12. SENIOR DEBT

During 2004 the Bank set up a Euro Medium Term Note (EMTN) Programme for a total amount of € 750 m. In May 2006, an increase of the size of the Programme to € 1 bln was approved and in May 2007 a further increase to € 3 bln was approved. Pursuant to the Programme the Bank has the ability to issue senior and/or subordinated debt in accordance to its needs.

In May 2007, the Bank issued € 750 m of senior debt due in 2010. The bonds are repayable within three years from their issue (2007/2010) and pay interest every three months. The interest rate is set at the three-month rate of Euro (Euribor) plus 0,29%.

The bonds are listed on the Luxembourg Stock Exchange and their market value at 31 March, 2008 was € 708,9 m (31 December, 2007: € 718,9 m).

13. LOAN CAPITAL

	31.03.2008	31.12.2007
	€'000	€'000
Eurobonds due 2016	438.831	438.263
Capital securities	85.430	85.430
	524.261	523.693

Eurobonds due 2016

During 2004 the Bank set up a Euro Medium Term Note (EMTN) Programme for a total amount of € 750 m. In May 2006, an increase of the size of the Programme to € 1 bln was approved and in May 2007 a further increase to € 3 bln was approved. Pursuant to the Programme the Bank has the ability to issue senior and/or subordinated debt in accordance to its needs.

In May 2006, the Bank issued € 450 m of subordinated debt (Tier II capital). The issue was in the form of subordinated bonds, maturing in 10 years. The Bank has the right to call in the bonds after five years from the issue date. Interest rate is set at the three-monthly rate of Euro (Euribor) plus 0,75%, increased by 1% if the bonds are not called in.

The bonds constitute direct, unsecured, subordinated obligations of the Bank and rank for payment after the claims of the depositors and other creditors. The bonds are listed on the Luxembourg Stock Exchange and their market value at 31 March, 2008 was € 410,3 m (31 December, 2007: € 430,5 m).

Capital securities

In June 2003 the Bank issued C£ 25 m (€ 42,7 m) capital securities, which were offered to a limited number of investors. In September 2003 the Bank issued an additional C£ 25 m (€ 42,7 m) capital securities, which were offered to the Bank's shareholders and to the public. The capital securities pay floating interest rate, which is revised at the beginning of each interest period. The floating interest rate is equal to the base rate at the beginning of the interest period plus 1,20%. The interest is paid quarterly at 31 March, 30 June, 30 September and 31 December of each year.

The capital securities are perpetual, but can be repurchased in full at the option of the Bank at nominal value plus accrued interest on 30 June, 2008 or at any interest payment date thereafter, after approval from the Central Bank of Cyprus.

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

13. LOAN CAPITAL (continued)

Capital securities (continued)

In case the capital securities are not repurchased by the Bank 10 years after their issue, then the holder has the right to exchange the securities with ordinary shares of the Bank at any interest payment date thereafter, at a discount of 10% on the average price of the ordinary share as this will be traded on the Cyprus Stock Exchange for a period of one month before the respective exchange date.

On 27 March, 2008 the Central Bank of Cyprus approved the repayment of the capital securities. The repayment will take place on 27 June, 2008 and for the period 31/03/2008 – 26/06/2008 these securities will carry interest at the rate of 5,20%.

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

14. SHARE CAPITAL AND SHARE PREMIUM

	Number of shares '000	Share capital €'000	Share premium €'000	Total €'000
Three months ended 31 March 2008				
Balance 1 January	796.691	680.613	1.927.571	2.608.184
Difference from conversion of share capital into Euro (a)	-	(3.426)	-	(3.426)
Balance 31 March	796.691	677.187	1.927.571	2.604.758
Three months ended 31 March 2007				
Balance 1 January	790.319	675.169	1.901.767	2.576.936
Shares in the process of being issued (b)	6.364	5.437	27.186	32.623
Balance 31 March	796.683	680.606	1.928.953	2.609.559

- (a) On 15 May, 2008, the Extraordinary General Meeting following the recommendation of the Registrar of Companies approved the conversion and reduction of the nominal value of the Bank's share, after rounding, from C£ 0,50 to € 0,85. Furthermore, the Extraordinary General Meeting approved that the Bank's nominal share capital be converted and reduced to € 807.500.000 and the issued share capital to € 677.187.000, and that the reduction on the issued share capital resulting from the above conversion of Cyprus Pounds to Euro totalling € 3.426.000 is entered into a special reserve account which is called "Difference from the conversion of share capital into Euro" (note 15) for future capitalisation or other legal use.
- (b) The shares in the process of being issued during the period ended 31 March, 2007 relate to shares, which were allocated to the shareholders of Marfin Investment Group Holdings S.A. who exercised their right to exit. These shares were issued on 17 April, 2007 and were listed on the Cyprus Stock Exchange and the Athens Exchange on 23 April, 2007.

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

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

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

14. SHARE CAPITAL AND SHARE PREMIUM (continued)

Share Options

In April 2007, the Extraordinary General Meeting of the shareholders approved the introduction of a Share Options Scheme (the "Scheme") for the members of the Board of Directors of the Bank and the Group's employees. The shares to be issued with the application of this Scheme will have the same nominal value as the existing issued shares, that is € 0,85 each. The exercise price of each share option (the "Option") will be € 10.

Following the aforementioned approval and the ensuing decision of the Bank's Board of Directors on 9 May, 2007, 70.305.000 Options were granted with an exercise price of € 10 and maturity date 15 December, 2011. The Options can be exercised by the holders during the years 2007 to 2011 according to the allocation determined by the Board of Directors, following a recommendation by the Remuneration Committee, based on the holders' performance being up to the Bank's expectations.

The fair value of the Options granted was measured using the Black and Scholes model. The significant inputs into the model were: share price of € 8,48 at the grant date, risk-free Euro interest rate curve for the duration of the Scheme 4,15% (average), share price volatility determined on the basis of historic volatility 12% and dividend yield 3,82%. The weighted average fair value of Options granted during the period was € 0,19 per Option. The total expense recognised in the condensed interim income statement for the three months ended 31 March, 2008 for Options granted amounts to € 474.000.

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

15. RESERVES

Movement in the three months to 31 March, 2008 and 31 March, 2007:

	2008	2007
	€ '000	€ '000
Revenue reserves		
Balance 1 January	504.929	326.902
Effect of merger of Cyprus Popular Bank (Finance) Ltd with the Bank	44.178	-
Profit for the period	137.533	97.294
Cost of share-based payments to employees	474	-
	687.114	424.196
Property fair value reserves		
Balance 1 January and 31 March	44.953	19.292
Available-for-sale financial assets and investments in subsidiary companies and associates fair value reserves		
Balance 1 January	203.923	212.654
Effect of merger of Cyprus Popular Bank (Finance) Ltd with the Bank	(44.178)	-
Revaluation for the period and transfer to results on disposal of available-for-sale financial assets, investments in subsidiary companies and associates	(58.676)	1.154.306
	101.069	1.366.960
Currency translation reserves		
Balance 1 January	296	733
Exchange differences arising in the period	1.346	(1.170)
	1.642	(437)
Difference from conversion of share capital into Euro reserve		
Balance 1 January	-	-
Difference arising on conversion of share capital into Euro	3.426	-
	3.426	-
Total reserves 31 March	838.204	1.810.011

16. DIVIDEND

The Annual General Meeting of the Bank, held on 15 May, 2008, approved the payment of a dividend of €0,35 per share of nominal value €0,85. The dividend will be paid on 2 June, 2008.

The Annual General Meeting also approved the Dividend Reinvestment Plan proposed by the Board of Directors. According to the Dividend Reinvestment Plan, the exercise price of the right for the dividend reinvestment in shares will be 10% lower than the average closing price of the share in the Cyprus Stock Exchange and the Athens Exchange from 23 May to 29 May, 2008.

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

17. CONTINGENCIES AND COMMITMENTS

Capital expenditure of the Bank at 31 March, 2008 amounted to € 14 m (31 December, 2007: € 16 m).

As at 31 March, 2008 there were pending litigations against the Bank in connection with its activities. Based on legal advice the Board of Directors believes that there is adequate defence against all claims and it is not probable that the Bank will suffer any significant loss. Therefore, no provision has been recognised in the condensed interim financial statements regarding these cases.

18. RELATED PARTY TRANSACTIONS

	31.03.2008	31.12.2007
	€'000	€'000
Advances to Directors and their connected persons	174.284	95.772
Advances to other key management personnel and their connected persons	417	449
Total advances	174.701	96.221
Commitments for guarantees and letters of credit:		
Guarantees to Directors and their connected persons	29.607	21.345
Letters of credit to Directors and their connected persons	7.813	16.276
	37.420	37.621
Total advances and commitments	212.121	133.842
Tangible securities	364.315	187.120
Deposits	22.839	11.383
	3 months ended	3 months ended
	31.03.2008	31.03.2007
	€'000	€'000
Interest income	650	1.030
Interest expense	23	46

There were no commitments relating to other key management personnel of the Bank.

The amount of tangible securities is presented aggregately in the preceding table. Therefore, it is possible that some individual facilities are not fully covered with tangible securities. The total amount of facilities that are unsecured at 31 March, 2008 amounts to € 1,2 m (31 December, 2007: € 2,6 m).

Connected persons include the spouse, minor children and companies in which key management personnel hold directly or indirectly at least 20% of the voting rights in a general meeting.

The deposits by JCC Payment Systems Ltd, associate of the Bank, at 31 March, 2008 were € 29 m (31 December, 2007: € 22 m), and the interest on these deposits was € 17.000 (2007: € 53.000). In addition, during the first three months of 2007 the Bank received dividend from its associate amounting to € 849.000. The deposits of the provident funds of the employees of the Group in Cyprus at 31 March, 2008, which are also regarded as related parties, were € 13 m (31 December, 2007: € 26 m) and the interest on these deposits was € 65.000 (2007: € 204.000).

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

18. RELATED PARTY TRANSACTIONS (continued)

Other transactions with related parties

During the first three months of 2008 the Bank purchased goods and received services amounting to € 110.000 from companies connected to Lanitis Group.

The above transactions are carried out as part of the normal activities of the Bank, on commercial terms.

Key management personnel compensation

	3 months ended 31.03.2008 €'000	3 months ended 31.03.2007 €'000
Fees paid to Directors as members of the Board	52	27
Remuneration of Directors under executive role:		
Salaries and other short-term benefits	83	80
Employer's social insurance contributions	17	17
Retirement benefits scheme expense	18	26
	118	123
Consultancy services fees of Directors under non executive role	81	84
Compensation of other key management personnel:		
Salaries and other short-term benefits	23	157
Employer's social insurance contributions	4	36
Retirement benefits scheme expense	5	48
	32	241
Share-based payment compensation	276	-
Total compensation of key management personnel	559	475

Key management personnel for the first three months of 2008 include fifteen Directors, five of which had executive duties and the members of the executive management.

Transactions with subsidiary companies

(a) Income and expenses from transactions with subsidiary companies

	3 months ended 31.03.2008 €'000	3 months ended 31.03.2007 €'000
Interest income	10.464	5.883
Interest expense	6.077	3.026
Dividends received	-	4.000
Other income	190	345
Other expenses	1.037	798

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

18. RELATED PARTY TRANSACTIONS (continued)

Transactions with subsidiary companies (continued)

(b) Balances with subsidiary companies

	31.03.2008	31.12.2007
	€'000	€'000
Placements	894.020	1.036.747
Deposits	702.135	577.762

19. POST BALANCE SHEET EVENTS

On 17 March, 2008 the Board of Directors of the Bank approved the issue of capital securities which will be included in its Hybrid Tier I Capital up to the amount of € 200 m. The rights and claims of the capital securities' holders will be subordinated and will be of secondary priority compared to claims by creditors including the Bank depositors, but will have priority over the Bank's shareholders. The capital securities, which will be issued will not have a maturity date but may, at the Bank's discretion, after approval by the Central Bank of Cyprus, be acquired in their entirety at their nominal value, together with any accrued interest, five years after the date of issue or on any interest payment date after that. Capital securities will have a 6,50% fixed interest rate for the first two quarters and subsequently a floating rate, which will be reviewed on a quarterly basis. The interest rate will be equal to the three-monthly rate of Euro (Euribor) at the beginning of each quarter plus 1,50% and interest will be payable every three months. Capital securities up to € 100 m were initially offered to a limited group of individuals, professional investors and individuals who each invested at least € 50.000. On 21 April, 2008 the Bank announced the oversubscription of the initial issue (1st Tranche) which ultimately amounted to € 116 m. During the second phase (2nd Tranche), capital securities amounting up to € 84 m will be offered to the general public through a Public Offer.

The Annual General Meeting (AGM) held on 15 May, 2008 was informed that Vincent Pica has submitted his resignation from his position as Board Member with effect from the AGM date. It also approved the reelection of the remaining Members of the Board. The Board of Directors, which was reelected, was constituted as follows: Soud Ba'alawy – Chairman, Non Executive Member, Neoclis Lysandrou – Vice Chairman, Non Executive Member, Andreas Vgenopoulos – Vice Chairman, Executive Member, Efthimios Bouloutas – Group Managing Director, Executive Member, Christos Stylianides – Deputy Managing Director, Executive Member, Panayiotis Kounnis – Deputy Managing Director, Executive Member, Eleftherios Hiliadakis – Executive Member, Platon Lanitis – Non Executive Member, Constantinos Mylonas – Independent Non Executive Member, Vassilis Theocharakis – Non Executive Member, Stelios Stylianou – Non Executive Member, Marcos Foros – Independent Non Executive Member, Sayanta Basu – Non Executive Member and Nicholas Wrigley – Independent Non Executive Member.

The AGM has set the annual remuneration of the Non Executive Members of the Board at € 20.000 and the Chairman of the Audit Committee at € 10.000. It also decided to reappoint PricewaterhouseCoopers and Grant Thornton as joint auditors and authorised the Board of Directors to set their remuneration.

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

As at 31 March, 2008 the Bank's total exposure regarding facilities granted to Marfin Investment Group Holdings S.A. group amounted to € 269 m (31 December, 2007:€ 259 m) and deposits placed by Marfin Investment Group Holdings S.A. group amounted to € 574.000 (31 December, 2007:€ 668.000). Additionally, the total income earned by the Bank during the period amounted to € 343.000.

21. APPROVAL OF FINANCIAL STATEMENTS

The condensed interim financial statements of the Bank were approved by the Board of Directors of the Bank on 29 May, 2008.