



CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED
31 MARCH 2008

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

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

	3 months ended 31.03.2008 € '000	3 months ended 31.03.2007 € '000
Net interest income	172.320	160.269
Net fee and commission income	74.107	61.186
(Loss)/profit on disposal and revaluation of securities	(9.200)	61.441
Foreign exchange and other income	44.363	22.533
Operating income	281.590	305.429
Staff costs	(81.024)	(73.109)
Depreciation and amortisation	(11.280)	(11.297)
Administrative expenses	(36.614)	(28.759)
Profit before provision for impairment of advances	152.672	192.264
Provision for impairment of advances	(24.951)	(18.804)
Profit before share of profit from associates	127.721	173.460
Share of profit from associates	203	131
Profit before tax	127.924	173.591
Tax	(21.045)	(15.285)
Profit after tax from continuing operations	106.879	158.306
Profit after tax from discontinued operations due to reduction in participation	-	16.475
Profit for the period	106.879	174.781
Attributable to:		
Minority interest	2.484	5.817
Equity holders of the Bank	104.395	168.964
	106.879	174.781
Earnings per share – for profit attributable to the equity holders of the Bank		
Earnings per share - cent	13,1	22,9
Earnings per share - for profit after tax from continuing operations attributable to the equity holders of the Bank		
Earnings per share - cent		20,9

The notes on pages 6 to 21 are an integral part of these condensed interim consolidated financial statements.

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

	Note	31.03.2008 €'000	31.12.2007 €'000
Assets			
Cash and balances with Central Banks		925.094	1.347.119
Due from other banks		4.511.126	4.978.224
Financial assets at fair value through profit or loss	7	649.475	716.080
Advances to customers	8	19.687.951	17.615.108
Available-for-sale financial assets		2.781.539	2.737.456
Held-to-maturity financial assets		525.887	375.789
Other assets	7	917.034	537.218
Investments in associates		14.990	14.798
Intangible assets		1.664.778	1.641.565
Property and equipment	10	292.465	286.760
Total assets		31.970.339	30.250.117
Liabilities			
Due to other banks		3.213.261	2.709.374
Customer deposits		21.852.753	20.694.917
Senior debt	11	1.024.015	973.014
Loan capital	12	604.398	604.049
Other liabilities	7	1.672.953	1.786.638
Total liabilities		28.367.380	26.767.992
Share capital and reserves attributable to equity holders of the Bank			
Share capital	13	677.187	680.613
Share premium	13	2.017.708	2.017.708
Reserves	14	790.962	691.274
		3.485.857	3.389.595
Minority interest		117.102	92.530
Total equity		3.602.959	3.482.125
Total equity and liabilities		31.970.339	30.250.117

The notes on pages 6 to 21 are an integral part of these condensed interim consolidated financial statements.

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

Note	Attributable to equity holders of the Bank				Minority interest	Total
	Share capital €'000	Share premium €'000	Other reserves €'000	Revenue reserves €'000	€'000	€'000
Three months ended 31 March 2008						
Balance 1 January 2008	680.613	2.017.708	(45.075)	736.349	92.530	3.482.125
Revaluation and transfer to results on disposal of available-for-sale financial assets net of tax	14	-	809	-	(945)	(136)
Exchange differences arising in the period	14	-	(10.117)	-	(128)	(10.245)
Profit recognised directly in equity		-	(9.308)	-	(1.073)	(10.381)
Profit for the period		-	-	104.395	2.484	106.879
Total recognised profit for the period		-	(9.308)	104.395	1.411	96.498
Difference from conversion of share capital into Euro	13,14	(3.426)	-	3.426	-	-
Cost of share-based payments to employees	14	-	-	920	19	939
Dividend paid by subsidiaries		-	-	-	(559)	(559)
Acquisition of subsidiary		-	-	-	33.585	33.585
Effect of change in minority interest from changes in shareholdings in subsidiaries and other movements	14	-	-	255	(9.884)	(9.629)
		(3.426)	-	3.426	1.175	24.336
Balance 31 March 2008	677.187	2.017.708	(50.957)	841.919	117.102	3.602.959

The notes on pages 6 to 21 are an integral part of these condensed interim consolidated financial statements.

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

Note	Attributable to equity holders of the Bank					Minority interest €'000	Total €'000
	Share capital €'000	Share premium €'000	Treasury shares €'000	Other reserves €'000	Revenue reserves €'000		
Three months ended 31 March 2007							
Balance 1 January 2007	675.169	1.901.767	(181.038)	78.457	401.175	139.357	3.014.887
Revaluation and transfer to results on disposal of available- for-sale financial assets net of tax	14	-	-	(38.232)	-	(177)	(38.409)
Exchange differences arising in the period	14	-	-	8.688	-	521	9.209
Profit recognised directly in equity Profit for the period		-	-	(29.544)	-	344	(29.200)
		-	-	-	168.964	5.817	174.781
Total recognised profit for the period		-	-	(29.544)	168.964	6.161	145.581
Shares in the process of being issued	13	5.437	27.186	-	-	-	32.623
Treasury shares sold	13	-	92.213	181.038	-	-	273.251
Dividend paid by subsidiaries		-	-	-	-	(7.161)	(7.161)
Effect of change in minority interest from changes in shareholdings in subsidiaries and other movements	14	-	-	-	-	(25.426)	(25.446)
		5.437	119.399	181.038	-	(32.587)	273.267
Balance 31 March 2007		680.606	2.021.166	-	48.913	112.931	3.433.735

The notes on pages 6 to 21 are an integral part of these condensed interim consolidated financial statements.

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

	3 months ended 31.03.2008	3 months ended 31.03.2007
Note	€ '000	€ '000
Cash used in operations	(351.773)	(169.351)
Tax paid	(33.837)	(3.752)
	(385.610)	(173.103)
Cash flows from investing activities		
Purchase less proceeds from disposal of property and equipment	(792)	(3.327)
Purchase less proceeds from disposal of computer software	(1.653)	(1.165)
Purchase less proceeds from disposal of investment property	(29)	478
Additions less proceeds from redemption and sale of available-for-sale and held-to-maturity financial assets	(213.287)	(658.416)
Income from available-for-sale and held-to-maturity financial assets	41.374	23.688
Acquisition of subsidiary net of cash acquired	104.485	-
Changes in shareholding in subsidiaries	(13.481)	(9.597)
Dividend received from investments in associates	-	849
	(83.383)	(647.490)
Cash flows from financing activities		
Proceeds from sale of treasury shares	13	-
Proceeds from the issue of senior debt	50.000	273.251
Interest paid on senior debt and loan capital	(20.865)	-
Dividend paid by subsidiaries to minority holders	(559)	(5.129)
	(20.865)	(7.161)
Net cash from financing activities	28.576	260.961
Effects of exchange rate changes	31.930	7.846
Net decrease in cash and cash equivalents	(408.487)	(551.786)
Cash and cash equivalents at beginning of period	5.018.066	4.951.501
Cash and cash equivalents at end of period	4.609.579	4.399.715

The notes on pages 6 to 21 are an integral part of these condensed interim consolidated financial statements.

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

1. INFORMATION FOR THE GROUP

The condensed interim consolidated financial statements consolidate the financial statements of Marfin Popular Bank Public Co Ltd (the "Bank") and its subsidiaries (the "Group"), for the three months ended 31 March, 2008.

Marfin Popular Bank Public Co Ltd is the parent company of Marfin Popular Bank Public Co Ltd Group. The principal activities of the Group, which were unchanged from last year, are the provision of banking, financial and insurance 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 consolidated 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 and its Cyprus subsidiaries has changed from Cyprus pounds to Euro. As a result, the financial position of the Bank and the Group 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 consolidated 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 consolidated financial statements for the year 2007 have been adopted in the preparation of the condensed interim consolidated financial statements.

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

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

The Group 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 Group will apply IFRIC 14 upon its endorsement by the European Union.

MARFIN POPULAR BANK PUBLIC CO LTD GROUP
NOTES TO THE CONDENSED INTERIM CONSOLIDATED 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 and its Cyprus subsidiaries has changed from Cyprus pounds to Euro. As a result, the financial position of the Bank and the Group 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.

4. EARNINGS PER SHARE

	3 months ended 31.03.2008 €'000	3 months ended 31.03.2007 €'000
Profit attributable to the equity holders of the Bank	104.395	168.964
	3 months ended 31.03.2008 '000	3 months ended 31.03.2007 '000
Weighted average number of shares in issue during the period	796.691	738.823
Earnings per share – cent	13,1	22,9
		3 months ended 31.03.2007 €'000
Profit after tax from continuing operations		158.306
Minority interest		<u>(3.762)</u>
Profit after tax from continuing operations attributable to the equity holders of the Bank		<u>154.544</u>
		3 months ended 31.03.2007 '000
Weighted average number of shares in issue during the period		<u>738.823</u>
Earnings per share – cent		<u>20,9</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 GROUP
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

5. SEGMENTAL ANALYSIS

By business class – primary segment

	Banking services €'000	Insurance services €'000	Financial and other services €'000	Eliminations €'000	Total €'000
Three months ended 31 March 2008					
Total revenues	535.109	49.961	20.832	(28.043)	577.859
Profit before tax	<u>78.792</u>	<u>19.011</u>	<u>30.121</u>		127.924
Tax					<u>(21.045)</u>
Profit for the period					<u>106.879</u>
Three months ended 31 March 2007					
Total revenues	<u>440.549</u>	<u>55.424</u>	<u>64.705</u>	<u>(29.874)</u>	530.804
Profit before tax	<u>113.950</u>	<u>22.254</u>	<u>37.387</u>		173.591
Tax					<u>(15.285)</u>
Profit after tax from continuing operations					158.306
Profit after tax from discontinued operations due to reduction in participation					<u>16.475</u>
Profit for the period					<u>174.781</u>

6. DISCONTINUED OPERATIONS DUE TO REDUCTION IN PARTICIPATION

As disclosed in the consolidated financial statements for the year ended 31 December, 2007, according to IFRS 5 “Non-Current Assets Held for Sale and Discontinued Operations”, the Group’s investment in the non-banking activities of the group of Marfin Investment Group Holdings S.A. is presented as discontinued operations due to reduction in participation and as held for sale at the date of acquisition. The criteria for classification as a disposal group held for sale have been fulfilled within a short period following the acquisition according to the provisions of IFRS 5. Consequently, the results which relate to the non-banking activities of the group of Marfin Investment Group Holdings S.A. for the three months ended 31 March, 2007, during which Marfin Investment Group Holdings S.A. was a subsidiary of Marfin Popular Bank Public Co Ltd are included in the consolidated income statement for the three months ended 31 March, 2007 as profit after tax from discontinued operations due to reduction in participation.

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

6. DISCONTINUED OPERATIONS DUE TO REDUCTION IN PARTICIPATION (continued)

Profit after tax from discontinued operations due to reduction in participation as presented on the condensed interim consolidated income statement is analysed as follows:

	3 months ended 31.03.2007 € '000
Net interest income	1.778
Net fee and commission expense	(45)
Profit on disposal and revaluation of securities	8.874
Foreign exchange and other income	<u>8.321</u>
Operating income	18.928
Staff costs	(449)
Depreciation and amortisation	(7)
Administrative expenses	<u>(1.186)</u>
Profit before share of profit from associates	17.286
Share of profit from associates	<u>193</u>
Profit before tax	17.479
Tax	<u>(1.004)</u>
Profit after tax from discontinued operations due to reduction in participation	<u>16.475</u>

7. DERIVATIVE FINANCIAL INSTRUMENTS

Included within financial assets at fair value through profit or loss is an amount of €59,3 m (31 December, 2007: € 27,5 m) and within other assets an amount of € 6,2 m (31 December, 2007: € 2,3 m) which relates to the positive fair value of derivative financial instruments. Included within other liabilities is an amount of € 82,3 m (31 December, 2007: € 51,3 m), which relates to the negative fair value of derivative financial instruments.

8. ADVANCES TO CUSTOMERS

	31.03.2008 € '000	31.12.2007 € '000
Advances to customers	19.395.365	17.324.330
Instalment finance and leasing	981.219	963.174
	<u>20.376.584</u>	<u>18.287.504</u>
Provision for impairment of advances (Note 9)	(688.633)	(672.396)
	<u>19.687.951</u>	<u>17.615.108</u>

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

MARFIN POPULAR BANK PUBLIC CO LTD GROUP
NOTES TO THE CONDENSED INTERIM CONSOLIDATED 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	570.386	102.010	672.396
Provision for impairment of advances from acquisition of subsidiaries	2.563	3.541	6.104
Provision for impairment of advances for the period	48.295	-	48.295
Release of provision and recoveries	(23.344)	(4.159)	(27.503)
Advances written-off	(14.174)	(4.598)	(18.772)
Exchange differences	(1.030)	-	(1.030)
Suspension of income for the period	-	9.143	9.143
	582.696	105.937	688.633
2007			
Balance 1 January	509.818	119.281	629.099
Provision for impairment of advances for the period	47.614	-	47.614
Release of provision and recoveries	(28.810)	(25.904)	(54.714)
Advances written-off	(3.874)	(5.314)	(9.188)
Exchange differences	536	-	536
Suspension of income for the period	-	11.159	11.159
	525.284	99.222	624.506

10. PROPERTY AND EQUIPMENT

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

	2008 €'000	2007 €'000
Net book value at 1 January	286.760	233.217
Property and equipment from acquisition of subsidiaries	10.415	-
Additions less disposals of property and equipment	2.663	3.270
Depreciation	(4.817)	(4.164)
Exchange differences	(2.556)	164
	292.465	232.487

11. SENIOR DEBT

	31.03.2008 €'000	31.12.2007 €'000
Debentures Marfin Popular Bank Public Co Ltd	724.050	723.104
Debentures Egnatia Finance Plc	199.965	199.915
Debentures Marfin Egnatia Bank S.A. (2007/2010)	50.000	49.995
Debentures Marfin Egnatia Bank S.A. (2008/2011)	50.000	-
	1.024.015	973.014

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

11. SENIOR DEBT (continued)

Debentures Marfin Popular Bank Public Co Ltd

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-monthly 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).

Debentures Egnatia Finance Plc

In August 2005, Egnatia Finance Plc, subsidiary of Marfin Egnatia Bank S.A., issued € 200 m three year debentures due in August 2008. The debentures pay three-monthly interest rate of Euro (Euribor) plus 0,55%. Interest is paid on 11 February, 11 May, 11 August and 11 November of each year.

The debentures are listed on the Luxembourg Stock Exchange and their market value at 31 March, 2008 was € 200,3 m (31 December, 2007: € 200,2 m).

Debentures Marfin Egnatia Bank S.A. (2007/2010)

In December 2007, Marfin Egnatia Bank S.A. issued € 50 m three year debentures due in December 2010. Interest is paid monthly, quarterly or half yearly, based on the decision of Marfin Egnatia Bank S.A., with the interest rate of Euro (Euribor) of the respective period (month, quarter, half year) plus 0,25%. The debentures or part of them can be repurchased earlier after a decision of Marfin Egnatia Bank S.A.

Debentures Marfin Egnatia Bank S.A. (2008/2011)

In March 2008, Marfin Egnatia Bank S.A. issued € 50 m three year debentures due in March 2011. Interest is paid half yearly, with the interest rate of Euro (Euribor) plus 0,25%. The debentures or part of them can be repurchased earlier after a decision of Marfin Egnatia Bank S.A.

12. LOAN CAPITAL

	31.03.2008	31.12.2007
	€'000	€'000
Convertible debentures 2003/2013	137	366
Non-convertible debentures 2005/2015	80.000	79.990
Eurobonds due 2016	438.831	438.263
Capital securities	85.430	85.430
	604.398	604.049

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

12. LOAN CAPITAL (continued)

Convertible debentures 2003/2013

In January 2003, Marfin Egnatia Bank S.A. issued € 30 m convertible debentures due in 2013. Interest rate is equal to the three-monthly rate of Euro (Euribor) plus 1,75% until their call in date and 3,25% until maturity. The interest is paid every three months on 31 March, 30 June, 30 September and 31 December.

The issuing bank has the right to call in the debentures after the end of the fifth year.

The debentures are not secured and they rank for payment after the claims of depositors and other creditors.

The convertible debentures form a series of nominal debentures convertible into new ordinary shares of the issuing bank of a nominal value of € 1,27 at the conversion rate of 10:10. At 31 March, 2008 there were in issue 72.330 convertible debentures, of a nominal value of € 3,20.

Non-convertible debentures 2005/2015

In May 2005, Egnatia Finance Plc issued € 80 m non-convertible debentures due on 4 May, 2015. Interest is set at 1,10% above the three-monthly rate of Euro (Euribor) until their call in date and 2,40% until maturity. The debentures pay interest every three months on 4 February, 4 May, 4 August and 4 November.

The issuing company has the right to call in the debentures after the end of the fifth year.

The debentures are not secured, but are guaranteed by Marfin Egnatia Bank S.A., and they rank for payment after the claims of depositors and other creditors. The debentures are listed on the Luxembourg Stock Exchange and their market value at 31 March, 2008 was € 80,1 m (31 December, 2007: € 80,1 m).

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).

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

12. LOAN CAPITAL (continued)

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, 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.

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.

13. SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES

	Number of shares '000	Share capital €'000	Share premium €'000	Treasury shares €'000	Total €'000
2008					
Balance 1 January	796.691	680.613	2.017.708	-	2.698.321
Difference from conversion of share capital into Euro (a)	-	(3.426)	-	-	(3.426)
Balance 31 March	796.691	677.187	2.017.708	-	2.694.895
2007					
Balance 1 January	790.319	675.169	1.901.767	(181.038)	2.395.898
Shares in the process of being issued (b)	6.364	5.437	27.186	-	32.623
Treasury shares sold (c)	-	-	92.213	181.038	273.251
Balance 31 March	796.683	680.606	2.021.166	-	2.701.772

- (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 14) for future capitalisation or other legal use.

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

13. SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES (continued)

- (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.
- (c) The treasury shares, which were held at 31 December, 2006 by Marfin Investment Group Holdings S.A. in Marfin Popular Bank Public Co Ltd were sold during 2007 and the gain from the disposal was taken to the share premium account in the consolidated financial statements.

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

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

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 consolidated income statement for the three months ended 31 March, 2008 for Options granted amounts to € 939.000.

MARFIN POPULAR BANK PUBLIC CO LTD GROUP
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14. RESERVES

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

	2008	2007
	€ '000	€ '000
Revenue reserves		
Balance 1 January	736.349	401.175
Profit for the period attributable to equity holders of the Bank	104.395	168.964
Cost of share-based payments to employees	920	-
Other movements	255	(20)
	841.919	570.119
Property fair value reserves		
Balance 1 January and 31 March	55.644	26.560
Available-for-sale financial assets fair value reserves		
Balance 1 January	(116.260)	52.574
Revaluation for the period and transfer to results on disposal of available-for-sale financial assets	(3.450)	(38.268)
Deferred tax	4.259	36
	(115.451)	14.342
Currency translation reserves		
Balance 1 January	15.541	(677)
Exchange differences arising in the period	(10.117)	8.688
	5.424	8.011
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	790.962	619.032

15. 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.

16. CONTINGENCIES AND COMMITMENTS

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

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

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

17. NET ASSETS ATTRIBUTABLE TO LIFE POLICYHOLDERS

	31.03.2008	31.12.2007
	€'000	€'000
Deposits with banks	185.355	197.798
Financial assets at fair value through profit or loss	228.029	234.794
Advances to policyholders	28.890	29.978
Balances recoverable from reinsurers and other assets	7.731	13.366
Investment property	9.035	9.095
Liabilities	(1.311)	(1.546)
	457.729	483.485

The aforementioned assets and liabilities attributable to life policyholders of the insurance subsidiaries of the Group are included in the respective assets and liabilities of the condensed interim consolidated balance sheet.

18. INVESTMENTS IN SUBSIDIARY COMPANIES

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

Company name	⁽¹⁾ Effective shareholding	Country of incorporation	Activity sector
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.

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

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

18. INVESTMENTS IN SUBSIDIARY COMPANIES (continued)

(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.

For the 3 months ended 31 March, 2008 the effect on the income and the net profit of the Group from the acquisition of Lombard Bank Malta Plc from the date of the acquisition 28 February, 2008 to 31 March, 2008 was €3,1 m and €0,8 m respectively.

Details regarding the net assets acquired are as follows:

	€'000
Consideration for acquisition	49.662
Fair value of net assets acquired	<u>(22.447)</u>
Goodwill	<u>27.215</u>

The assets and liabilities acquired at the acquisition date were as follows:

	Fair value €'000	Book value €'000
Cash and cash equivalents	154.147	197.707
Advances to customers	263.072	275.261
Other assets	24.113	24.040
Held-to-maturity investments	46.647	46.640
Property and equipment	10.415	10.499
Customer deposits	(401.782)	(471.240)
Other liabilities	<u>(44.243)</u>	<u>(26.733)</u>
Net assets	52.369	56.174
Minority interest	<u>(29.922)</u>	<u>(33.727)</u>
Net assets acquired	<u>22.447</u>	<u>22.447</u>

The aforementioned information is based on initial accounting determined provisionally according to IFRS 3. The Group is in the process of carrying out the fair valuation of the net assets acquired, including intangible assets and the purchase price allocation. The accounting will be completed within twelve months from the date of acquisition and as a result any adjustment to the preliminary values and to the purchase price allocation will be recognised within a period of twelve months from the acquisition date according to the provisions of IFRS 3.

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

18. 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% and the goodwill arising on the additional shares was €3.077.000.

(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 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's 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 Group 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%), prorata, based on their respective shareholdings.

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

19. RELATED PARTY TRANSACTIONS

	31.03.2008	31.12.2007
	€'000	€'000
Advances to Directors and their connected persons	253.295	193.232
Advances to other key management personnel and their connected persons	419	449
Total advances	253.714	193.681
Commitments for guarantees and letters of credit:		
Guarantees to Directors and their connected persons	32.433	23.784
Letters of credit to Directors and their connected persons	7.817	16.279
	40.250	40.063
Total advances and other commitments	293.964	233.744
Tangible securities	405.625	250.342
Deposits	160.412	147.092
	3 months ended	3 months ended
	31.03.2008	31.03.2007
	€'000	€'000
Interest income	2.191	1.051
Interest expense	369	161

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

The amount of tangible securities is presented aggregately in the preceding table. Therefore, it is possible that some individual facilities are not fully covered with tangible securities. The total amount of facilities that are unsecured at 31 March, 2008 amounts to €44 m (31 December, 2007: €54,3 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 associates of the Group at 31 March, 2008 were €29 m (31 December, 2007: €22 m), and the interest on these deposits was €17.000 (2007: €97.000). In addition, during the first three months of 2007 the Group received dividend from associates of €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).

Other transactions with related parties

During the first three months of 2008 the Group received commissions on stock exchange transactions from key management personnel amounting to €43.000 and 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 Group, on commercial terms.

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

19. RELATED PARTY TRANSACTIONS (continued)

Group 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	85
Remuneration of Directors under executive role:		
Salaries and other short-term benefits	423	231
Employer's social insurance contributions	22	20
Retirement benefits scheme expense	18	26
	463	277
Consultancy services fees of Directors under non executive role	81	84
Compensation of other key management personnel:		
Salaries and other short-term benefits	157	357
Employer's social insurance contributions	8	43
Retirement benefits scheme expense	5	48
	170	448
Share-based payment compensation	345	-
Total compensation of key management personnel	1.111	894

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.

20. 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 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.

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

20. POST BALANCE SHEET EVENTS (continued)

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.

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

During the period, the Group had material transactions with Marfin Investment Group Holdings S.A. group. The total income earned by the Group amounted to €15,3 m and total expenses paid by the Group amounted to €2,4 m. Additionally, as at 31 March, 2008 the Group's total exposure regarding facilities granted to Marfin Investment Group Holdings S.A. group amounted to €580 m (31 December, 2007: €473 m) and deposits placed by Marfin Investment Group Holdings S.A. group amounted to €177 m (31 December, 2007: €462 m).

22. APPROVAL OF FINANCIAL STATEMENTS

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