



# 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

Head Office

Company Website

Date of approval of the annual financial statements from which the condensed information has been extracted

Certified Public Accountant

Audit company

Type of Auditor's Report

Bank of Greece, Ministry of Development

[www.marfinagnatiabank.gr](http://www.marfinagnatiabank.gr)

March 24, 2009

Sotiris A. Konstantinou, SOEL Reg. No. 13671

Ioannis Leos, SOEL Reg. No. 24881

Grant Thornton S.A., SOEL Reg. No. 127

Unqualified Opinion

BOARD OF DIRECTORS COMPOSITION

Chairman - Non-Executive member

Vice-chairman - Non-executive member

Managing Director - Executive member

Executive members

Non-executive members

Independent - Non-executive members

Vassilios N. Theocharakis

Alexandros K. Bakatselos

Konstantinos I. Vassilakopoulos

Andreas E. Vgenopoulos

Efthimios T. Bouloutas

Androniki D. Plakomichelaki

Fotios D. Karatzenis

Panagiotis I. Theocharakis

Despina V. Theocharaki

Panagiotis K. Throuvalas

Markos A. Foros

BALANCE SHEET

(Annual Consolidated and non-consolidated) Amounts in thousand Euro

| ASSETS   | GROUP            |                  | BANK             |                  |
|--|------------------|------------------|------------------|------------------|
|  | 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       |
| 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           | 10.152           |
| 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       |

INCOME STATEMENT

(Annual Consolidated and non-consolidated) Amounts in thousand Euro

|   | GROUP                 |                         |           |                       |                         | BANK              |                   |
|---|-----------------------|-------------------------|-----------|-----------------------|-------------------------|-------------------|-------------------|
|   | 1 Jan-31 Dec 2008     |                         |           | 1 Jan-31 Dec 2007     |                         | 1 Jan-31 Dec 2008 | 1 Jan-31 Dec 2007 |
|   | Continuing Activities | Discontinued Activities | Total     | Continuing Activities | Discontinued Activities |                   |                   |
| Interest and similar income             | 970.095               | 159                     | 970.254   | 684.033               | 68                      | 684.101           |                   |
| Interest expense and similar charges    | (673.721)             | (13)                    | (673.734) | (416.741)             | (7)                     | (416.748)         |                   |
| Net interest income                     | 296.374               | 146                     | 296.520   | 267.292               | 61                      | 267.353           |                   |
| Fee and commission income               | 187.454               | 2.127                   | 189.581   | 258.079               | 2.029                   | 260.108           |                   |
| Fee and commission expense              | (38.785)              | (105)                   | (38.890)  | (60.237)              | 0                       | (60.237)          |                   |
| Net fee and commission income           | 148.669               | 2.022                   | 150.691   | 197.842               | 2.029                   | 199.871           |                   |
| Dividend income                         | 4.082                 | 17                      | 4.099     | 2.056                 | 3                       | 2.059             |                   |
| Net trading income / (expense)          | (21.632)              | 1.358                   | (20.274)  | 37.957                | 3                       | 37.960            |                   |
| Other income                            | 10.529                | 2.104                   | 12.633    | 5.158                 | 2.001                   | 7.159             |                   |
| Total income from operating activities  | 438.022               | 5.647                   | 443.669   | 510.305               | 4.097                   | 514.402           |                   |
| Impairment losses on loans and advances | (93.210)              | 0                       | (93.210)  | (59.846)              | 0                       | (59.846)          |                   |
| Staff costs                             | (158.156)             | (1.104)                 | (159.260) | (155.867)             | (890)                   | (156.757)         |                   |
| Other operating expenses                | (110.360)             | (379)                   | (110.739) | (87.545)              | (333)                   | (87.878)          |                   |
| Depreciation                            | (14.509)              | (30)                    | (14.539)  | (13.089)              | (52)                    | (13.141)          |                   |
| Impairment losses from property         | (3.302)               | 0                       | (3.302)   | (744)                 | 0                       | (744)             |                   |
| Share of loss of associates             | 259                   | 0                       | 259       | 193                   | 0                       | 193               |                   |
| Profit before tax                       | 58.744                | 4.134                   | 62.878    | 193.407               | 2.822                   | 196.229           |                   |
| Taxes                                   | (19.664)              | (298)                   | (19.962)  | (54.245)              | (638)                   | (54.883)          |                   |
| Profit after tax                        | 39.080                | 3.836                   | 42.916    | 139.162               | 2.184                   | 141.346           |                   |
| Attributable to:                        |                       |                         |           |                       |                         |                   |                   |
| Equity holders of the Bank              | 34.799                | 3.836                   | 38.635    | 132.902               | 2.184                   | 135.086           |                   |
| 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            |                   |
| Diluted                                 | 0,1206                | 0,0133                  | 0,1339    | 0,4671                | 0,0077                  | 0,4748            |                   |

0,2131

0,2131

0,0042

0,0043

| STATEMENT OF CHANGES IN EQUITY<br>from January 1st, 2008 to June 30th, 2008<br><i>(Annual Consolidated and non-consolidated) Amounts in thousand Euro</i> | GROUP            |                  | BANK             |                  |
|---|------------------|------------------|------------------|------------------|
|   | 31 December 2008 | 31 December 2007 | 31 December 2008 | 31 December 2007 |
| 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 translating foreign operation   | (5.493)          | (840)            | 0                | 0                |
| Profit for the period after tax   | 42.916           | 141.346          | 1.202            | 60.590           |
| <b>Total registered results for the year 2008</b>   | <b>(50.207)</b>  | <b>85.904</b>    | <b>(85.798)</b>  | <b>5.801</b>     |
| 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)              |
| <b>Balance at the end of the period</b>   | <b>780.547</b>   | <b>828.365</b>   | <b>696.201</b>   | <b>780.025</b>   |

  

| CASH FLOW STATEMENT<br>from January 1st, 2008 to June 30th, 2008<br><i>(Annual Consolidated and non-consolidated) Amounts in thousand Euro</i> | GROUP              |                   | BANK               |                   |
|--|--------------------|-------------------|--------------------|-------------------|
|  | 1 Jan-31 Dec 2008  | 1 Jan-31 Dec 2007 | 1 Jan-31 Dec 2008  | 1 Jan-31 Dec 2007 |
| 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                 |
| <b>Net cash flows from operating activities (a)</b>  | <b>1.944.995</b>   | <b>569.589</b>    | <b>2.179.590</b>   | <b>639.695</b>    |
| 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                 |
| <b>Net cash flows from investing activities (b)</b>  | <b>(2.111.281)</b> | <b>(257.238)</b>  | <b>(2.111.571)</b> | <b>(236.995)</b>  |
| Financing activities from continuing Activities  | (132.066)          | 230.856           | 67.639             | 230.987           |
| Financing activities from discontinued Activities  | 0                  | 0                 | 0                  | 0                 |
| <b>Net cash flows from financing activities (c)</b>  | <b>(132.066)</b>   | <b>230.856</b>    | <b>67.639</b>      | <b>230.987</b>    |
| <b>Net increase (decrease) in cash and cash equivalents (a) + (b) + (c)</b>  | <b>(298.352)</b>   | <b>543.207</b>    | <b>135.658</b>     | <b>633.687</b>    |
| Effect of exchange rate fluctuations on cash and cash equivalents  | (6.262)            | (29)              | (165)              | 16                |
| <b>Total cash flow for the period</b>  | <b>(304.614)</b>   | <b>543.178</b>    | <b>135.493</b>     | <b>633.703</b>    |
| <b>Cash and cash equivalents at the beginning of the period</b>  | <b>2.436.061</b>   | <b>1.892.883</b>  | <b>2.436.334</b>   | <b>1.802.631</b>  |
| <b>Cash and cash equivalents at the end of the period</b>  | <b>2.131.447</b>   | <b>2.436.061</b>  | <b>2.571.827</b>   | <b>2.436.334</b>  |

  

**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 31<sup>ST</sup> 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:

**New companies:** 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 08/12/2008 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 20/06/2008, 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.

6) The absorbing bank Egnatia Bank S.A. has been tax inspected till the fiscal year 2004 inclusively. The absorbed Marfin Bank and Laiki Bank (Hellas) have been tax inspected till the fiscal year 2006 inclusively. The tax non-inspected fiscal years for the Group companies are, analytically, presented in note 1 of the consolidated, condensed 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:

| December 2008                    |              | Bank         |  | Amounts in thousand Euro |               |
|----------------------------------|--------------|--------------|--|--------------------------|---------------|
| Group                            |              |              |  | December 2007            | 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        |
|                                  | <b>9.862</b> | <b>6.998</b> |  | <b>16.128</b>            | <b>12.168</b> |

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 and 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.

13) The consolidated financial statements of the Bank are included in the consolidated financial statements of Marfin Popular Bank Public Company Ltd, Lemessou Avenue, 154, PC 22032, 1598 Nicosia, Cyprus, under full consolidation method. Marfin Popular Bank participates in the share capital of the company with the percentage of 97,002%.

THE PRESIDENT OF THE BOARD OF DIRECTORS

VASSILIOS N.THEOCHARAKIS

Reg. No AB 340063/06

Athens, March 24, 2009

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