MARFIN FINANCIAL GROUP

INTERIM FINANCIAL STATEMENT INFORMATION FOR THE NINE MONTHS ENDING 30 SEPTEMBER 2005

It is hereby confirmed that the attached Interim Financial Statements are those approved by the Board of Directors of "MARFIN FINANCIAL GROUP S.A." on 14/11/2005 and have been published on the world wide web, at the address: www.marfingroup.gr. According to the IFRS, it is marked out that the financial statement summaries published on the press, aim at providing the reader with general financial information but do not provide the reader with a complete view of the financial position and results of Marfin F.G, the Parent Company, and Marfin Group. Furthermore, it is indicated that, for simplification, abbreviations and rearrangements have been conducted on some items for the summaries of the financial statements published on the press.

Manolis Xanthakis
Chairman of the Board of Directors
Marfin F.G

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UNQUALIFIED REVIEW REPORT
To the shareholders of "MARFIN FINANCIAL GROUP S.A."

We have reviewed the accompanying interim financial statements as well as the consolidated financial statements of the Societe Anonyme MARFIN FINANCIAL GROUP A.E., as of and for the nine-month period ended 30 September 2005. These interim financial statements are the responsibility of the Company's management. We conducted our review in accordance with the International Standard on Review Engagements as required by the Greek Standards on auditing. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the interim financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data, and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not give a true and fair view in accordance with the International Financial Reporting Standards that have been adopted by the European Union.

Without qualifying our opinion as far as the review conclusions are concerned, we draw attention to note no.35 of the financial statements, concerning the fact that income tax returns of the parent company and its subsidiaries for periods covering from one up to three financial years have not been inspected by tax authorities and consequently it is possible that additional taxes and penalties be imposed when those tax returns are inspected and finalised. The outcome of the tax inspection cannot be reliably estimated at this stage and therefore no relevant provision has been recognised in the financial statements.

Athens, 15 November 2005
Sotiris A. Konstantinou
SOEL reg. no. 13671

Grant Thornton
The Certified Public Accountant
SOEL reg. no. 127
44, Vas. Konstantinou str.
116 35 Athens

Consolidated Income Statement for the period

Amounts in Euro '000	Note	Nine month period up to 30th September 2005	Nine month period up to 30th September 2004	Three month period as of 1st July up to 30th September 2005	Three month period as of 1st July up to 30th September 2004
Turnover					
Interest and similar Income		26 404	17 979	9 524	6 619
Interest and similar expenses		(18 033)	(12 117)	(6 467)	(4 525)
Net interest income	26	**8 371**	**5 862**	**3 057**	**2 094**
Fee and commission income		19 577	16 097	5 730	4 856
Fee and commission expense		(4 276)	(2 968)	(1 721)	(528)
Net fee and commission income	27	**15 301**	**13 129**	**4 009**	**4 328**
Dividend income		6 212	4 365	122	80
Net trading income	28	26 243	11 088	11 307	(2 074)
Other operating income	29	523	2 150	38	111
		32 978	**17 603**	**11 467**	**(1 883)**
Total net income		**56 650**	**36 594**	**18 533**	**4 539**
Staff costs	30	(13 632)	(12 483)	(4 671)	(3 945)
Other operating expenses		(7 666)	(9 504)	(2 647)	(2 821)
Write-off of goodwill		(92)	(2 066)	(6)	0
Depreciation		(816)	(821)	(270)	(254)
Provisions for impairment losses on loans and advances	9	(1 478)	(1 371)	(952)	(388)
Total operating expenses		**(23 684)**	**(26 245)**	**(8 546)**	**(7 408)**
Share of profits / (losses) of associates	11	986	(1 111)	362	(642)
Profit before tax		**33 952**	**9 238**	**10 349**	**(3 511)**
Less: Tax expense	32	(7 938)	(1 726)	(2 319)	(196)
Profit after tax		**26 014**	**7 512**	**8 030**	**(3 707)**
Attributable to:					
Shareholders of Parent Company		23 807	6 442	7 433	(3 768)
Minority rights		2 207	1 070	597	61
		26 014	**7 512**	**8 030**	**(3 707)**
Earnings per share					
- Basic	33	0,952	0,248	0,297	-0,145
- Diluted	33	0,910	0,248	0,280	-0,145

The accompanying notes are an integral part of the financial statements

Consolidated Balance Sheet

Amounts in Euro '000	Note	30th September 2005	31st December 2004
ASSETS			
Cash and balances with central bank	5	14 702	20 407
Loans and advances to credit institutions	6	86 916	131 081
Trading portfolio and other financial instruments at fair value through Profit & Loss	7	411 409	362 014
Derivative financial instruments	8	526	291
Loans and advances to customers	9	390 198	241 501
Investment portfolio	10	136 358	69 493
Participation in associates	11	17 422	16 191
Investment in property	13	6 802	6 802
Property, plant and equipment	13	18 560	18 822
Goodwill and other intangible assets	14	56 243	56 363
Deferred tax asset	15	2 007	1 865
Other assets	16	47 490	34 161
Total assets		**1 188 633**	**958 991**
LIABILITIES			
Due to credit institutions	17	140 684	98 041
Due to customers	18	714 787	559 548
Derivative financial instruments	8	1 702	1 280
Debt securities in issue	19	27 141	26 863
Retirement benefit obligations	20	730	609
Deferred tax liability	15	7 227	2 144
Dividends payable	21	151	254
Other liabilities	22	39 336	20 404
Total liabilities		**931 758**	**709 143**
Shareholders equity			
Share capital	23,24	206 500	217 750
Share premium	23	513	393
Revaluation reserve		1 449	(500)
Other reserves	25	8 795	15 779
Retained earnings	25	7 555	(14 491)
Total shareholders equity		**224 812**	**218 931**
Minority rights		32 063	30 917
		256 875	**249 848**
Total liabilities and shareholders equity		**1 188 633**	**958 991**

The accompanying notes are an integral part of the financial statements

Consolidated Statement of Changes in Equity for the Period ending 30th September 2004

Amounts in Euro '000	Note	Share capital	Share premium	Revaluation reserve	Other reserves	Reserve from F/X adjustment	Results carried forward	Total	Minority rights	Total
		Attributed to the shareholders of the Parent Company								
Opening balance as at 1st January 2004 under GR GAAP	**37**	372 153	393	0	8 845	(12)	(151 884)	229 495	49 570	**279 065**
Adjustments due to first implementation of IFRS		0	0	0	(1 278)	0	10 492	9 214	(2 948)	**6 266**
Balance as at 1st January 2004 under IFRS		**372 153**	**393**	**0**	**7 567**	**(12)**	**(141 392)**	**238 709**	**46 622**	**285 331**
Changes in equity for the period 01/01 - 30/09/2004										
Profits from reval. of fair value of financial assets a.f.s.				268				268		**268**
F/X differences from translation of foreign subsidiaries						3		3		**3**
Less: Tax from profits recognized in equity				(67)				(67)		**(67)**
Net profit / loss directly recognized in equity		0	0	201	0	3	0	204	0	**204**
Net results of the period 01/01-30/09/2004							6 442	6 442	1 070	**7 512**
Total		0	0	201	0	3	6 442	6 646	1 070	**7 716**
Cancellation of treasury shares		(37 153)						(37 153)		**(37 153)**
Decrease in nominal value		(117 250)						(117 250)		**(117 250)**
Offsetting of losses							117 250	117 250		**117 250**
Gains from sale of treasury shares					8 083			8 083		**8 083**
Less: Related tax					(1 094)			(1 094)		**(1 094)**
Increase in participation in subsidiaries (acquisition of minority rights)								0	(16 762)	**(16 762)**
		(154 403)	0	0	6 989	0	117 250	(30 164)	(16 762)	**(46 926)**
Balance as at 30th September 2004		**217 750**	**393**	**201**	**14 556**	**(9)**	**(17 700)**	**215 191**	**30 930**	**246 121**

The accompanying notes are an integral part of the financial statements

Consolidated Statement of Changes in Equity for the Period ending 30th September 2005

		Attributed to the shareholders of the Parent Company								
Amounts in Euro '000	**Note**	**Share capital**	**Share premium**	**Revaluation reserve**	**Other reserves**	**Reserve from F/X adjustment**	**Results carried forward**	**Total**	**Minority rights**	**Total**
Opening balance as at 1st January 2005 under GR GAAP	**37**	217 750	393	0	10 472	(11)	(18 316)	210 288	29 094	**239 382**
Adjustments due to first implementation of IFRS			0	(500)	5 318	0	3 825	8 643	1 823	**10 466**
Balance as at 1st January 2005 under IFRS		217 750	**393**	**(500)**	**15 790**	**(11)**	**(14 491)**	**218 931**	**30 917**	**249 848**
Changes in equity for the period 01/01 - 30/09/2005										
Profits from reval. of fair value of financial assets a.f.s.				2 623		5		2 628		**2 628**
F/X differences from translation of foreign subsidiaries								0		**0**
Tax related to profits recognized in equity				(674)				(674)		**(674)**
Net profit / loss directly recognized in equity		0	0	1 949	0	5	0	1 954	0	**1 954**
Net results of the period 01/01-30/09/2005							23 807	23 807	2 207	**26 014**
Total		0	0	1 949	0	5	23 807	25 761	2 207	**27 968**
Dividend related to 2004 exercise					(6 989)		(1 761)	(8 750)		**(8 750)**
Return of capital to shareholders		(11 250)						(11 250)		**(11 250)**
Increase in Participation in subsidiaries (acquisition of minority rights)								0	(360)	**(360)**
Return of share capital to third parties								0	(701)	**(701)**
Stock option program			120					120		**120**
		(11 250)	120	0	(6 989)	0	(1 761)	(19 880)	(1 061)	**(20 941)**
Balance as at 30th September 2005		**206 500**	**513**	**1 449**	**8 801**	**(6)**	**7 555**	**224 812**	**32 063**	**256 875**

The accompanying notes are an integral part of the financial statements

Consolidated Cash Flow Statement

Amounts in Euro '000	Note	6 month period up to 30th September 2005	30th September 2004
Operating activities			
Profits before tax		**26 014**	**7 512**
Adjustments for:			
Depreciation		816	821
Share of profit / loss from financial assets at fair value		(14 709)	(4 068)
Gains / loss from associates		(986)	1 111
Write-off of goodwill from subsidiaries		92	2 066
Profits / loss from revaluation of derivative financial instruments		187	(1 544)
Provision for employee benefit plan		121	(73)
Employee benefits in the form of stock options		120	
Impairment loss from investments and loans		1 478	1 371
Profit / loss from a.f.s. portfolio at fair value		(1 752)	(2 257)
Profit / loss from disposal of fixed assets		(3)	(138)
Income tax		7 938	1 726
Other		5	(133)
		19 321	6 394
Changes in working capital			
Trading portfolio		(34 675)	(153 561)
Loans and advances to credit institutions		0	(9 029)
Loans and advances to customers		(149 812)	5 850
Other assets		(13 320)	(2 034)
Due to credit institutions		42 643	15 596
Due to customers		155 239	136 832
Other liabilities		15 341	(4 973)
		15 416	(11 319)
Cash flows from operating activities		**34 737**	**(4 925)**
Investing activities			
Portfolios available for sale and held to maturity	10	(67 135)	(1 168)
Purchase of fixed assets		(411)	(1 165)
Acquisition of subsidiaries and associates	11	(664)	(20 627)
Return of share capital of subsidiaries to third parties		(701)	
Other investments		(26)	
Proceeds from a.f.s. portfolio	10	4 270	5 614
Proceeds from sale of property, plant and equipment		6	1 480
Cash flow from investing activities		**(64 661)**	**(15 866)**
Financing activities			
Acquisition of treasury shares			(29 070)
Return of share capital and dividends paid to shareholders of the Parent Company		(19 946)	
Interest on borrowings			(5 121)
Cash flow from financing activities		**(19 946)**	**(34 191)**
Net increase / decrease in cash and cash equivalents		(49 870)	(54 982)
Cash and cash equivalents at the beginning of the period		121 700	144 851
Cash and cash equivalents at the end of the period	34	**71 830**	**89 869**

The accompanying notes are an integral part of the financial statements

Income Statement for the Period (Parent Company)

Amounts in Euro '000	Note	Nine month period up to 30th September 2005	Nine month period up to 30th September 2004	Three month period as of 1st July up to 30th September 2005	Three month period as of 1st July up to 30th September 2004
Income from dividends		10 514	6 455	22	0
Profit / (loss) from financial assets through profit and loss		16 182	6 175	5 130	(3 100)
Other income	29	1 156	5 431	(8)	929
Total income		**27 852**	**18 061**	**5 144**	**(2 171)**
Staff remuneration and other expenses	30	(503)	(708)	(154)	(130)
Reserves			(1 940)		(478)
Depreciation		(115)	(153)	(40)	(27)
Other operating expenses		(1 619)	(3 182)	(628)	(246)
Financial expenses		(2 150)	(2 208)	(745)	(731)
Total operating expenses		**(4 387)**	**(8 191)**	**(1 567)**	**(1 612)**
Profits before tax		**23 465**	**9 870**	**3 577**	**(3 783)**
Income tax	32	(5 367)	(1 144)	(1 014)	(29)
Profit after tax		**18 098**	**8 726**	**2 563**	**(3 812)**

The accompanying notes are an integral part of the financial statements

Balance Sheet (Parent Company)

Amounts in Euro '000	Note	30th September2005	31st December 2004
ASSETS			
Non-current assets			
Property, plant and equipment	13	767	850
Intangible assets	14	3	8
Investments in subsidiaries	12	153 073	146 653
Investments in associates	12	13 260	12 728
Deferred tax assets	15	681	529
Available for sale portfolio	10	18 685	12 995
Other non-current assets	16	9 445	9 912
		195 914	**183 675**
Current assets			
Customer deposits and other receivables	16	5 710	10 314
Financial assets at fair value through profit and loss	7	89 395	54 733
Derivative financial instruments	8		66
Cash and cash equivalents	5	5 580	32 440
		100 685	**97 553**
Total assets		**296 599**	**281 228**
Shareholders equity			
Equity attributed to the shareholders			
Share capital	23	206 500	217 750
Share premium	23	513	393
Revaluation reserve		750	(1 856)
Other reserves	25	6 916	13 905
Retained earnings	25	19 075	2 738
Total shareholders equity		**233 754**	**232 930**
LIABILITIES			
Long-term liabilities			
Bond loans	19	41 847	41 567
Deferred tax liabilities	15	5 545	198
Employee benefit obligations	20	26	21
Other long-term liabilities	22	392	392
Total long-term liabilities		47 810	42 178
Short-term liabilities			
Suppliers and other liabilities	22	1 986	3 890
Short-term liabilities to credit institutions	22	10 000	0
Dividends payable	21	151	97
Current tax liabilities	22	1 760	2 133
Derivative financial instruments	8	1 138	
Total short-term liabilities		15 035	6 120
Total liabilities		**62 845**	**48 298**
Total shareholders equity and liabilities		**296 599**	**281 228**

The accompanying notes are an integral part of the financial statements

Statement of Changes in Equity (Parent Company) for the nine-month period ending 30th September 2004

Amounts in Euro '000	Note	Share Capital	Share Premium	Reval. Reserve	Other Reserves	Retained Earnings	Total
Opening balance as at 1st January 2004 under GR GAAP		372 153	393	0	6 654	(126 332)	**252 868**
Adjustments due to implementation of IFRS	37	0	0	0	(210)	485	**275**
Balance as at 1st January 2004 under IFRS		**372 153**	**393**	**0**	**6 444**	**(125 847)**	**253 143**
Changes in equity for the period 01/01 - 30/09/2004							**0**
After tax profits from revaluation at fair value							**0**
-Available for sale portfolio							**0**
Profits / losses directly transferred to equity				(130)			**(130)**
Less: tax attributed				33			**33**
Profit / loss for the period						8 726	**8 726**
Total profit / (loss) recognized for the period		**0**	**0**	**(97)**	**0**	**8 726**	**8 629**
Cancellation of treasury shares		(37 153)					**(37 153)**
Decrease in nominal value		(117 250)					**(117 250)**
Offsetting of loss						117 250	**117 250**
Gains from write-off of treasury shares					8 083		**8 083**
Less: Tax					(1 094)		**(1 094)**
		(154 403)	**0**	**0**	**6 989**	**117 250**	**(30 164)**
Balance as at 30th September 2004		**217 750**	**393**	**(97)**	**13 433**	**129**	**231 608**

The accompanying notes are an integral part of the financial statements

Statement of Changes in Equity (Parent Company) for the nine-month period ending 30th September 2005

Amounts in Euro '000	Note	Share Capital	Share Premium	Reval. Reserve	Other Reserves	Retained Earnings	Total
Opening balance as at 1st January 2005 under GR GAAP	37	217 750	392	0	7 095	198	**225 435**
Adjustments due to implementation of IFRS		0	0	(1 856)	6 810	2 540	**7 494**
Balance as at 1st January 2005 under IFRS		**217 750**	**392**	**(1 856)**	**13 905**	**2 738**	**232 929**
Changes in equity for the period 01/01 - 30/09/2005							
Gains from revaluation at fair value							
-Available for sale portfolio							
Profits / losses from revaluation directly transferred to equity				3 570			**3 570**
Less: Tax attributed				(963)			**(963)**
Profit / loss for the period						18 098	**18 098**
Total profit / (loss) recognized for the period		**0**	**0**	**2 607**	**0**	**18 098**	**20 705**
Dividends from profits of year ending 2004					(6 989)	(1 761)	**(8 750)**
Stock option			120				**120**
Reduction in share capital through a reduction in nominal share value		(11 250)					**(11 250)**
		(11 250)	**120**	**0**	**(6 989)**	**(1 761)**	**(19 880)**
Balance as at 30th September 2005 according to IFRS		**206 500**	**512**	**751**	**6 916**	**19 075**	**233 754**

The accompanying notes are an integral part of the financial statements

Cash Flow Statement (Parent Company)

Amounts in Euro '000		30th September 2005	30th September 2004
<u>Operating activities</u>			
Profit for the period		**18 098**	**8 726**
Adjustments in profits:			
Income tax		5 367	1 144
Depreciation		115	153
Accrued liabilities for personnel retirement		4	3
Employee benefits in the form of stock options		120	(18)
Profit / (loss) from disposal of tangible fixed assets			(192)
Profit / (loss) from revaluation of financial assets at fair value		(15 380)	(6 172)
Interest and similar income		(634)	(1 016)
Interest expense and similar charges		2 151	2 209
		9 841	*4 837*
Changes in working capital			
Increase / (decrease) in stocks			308
Increase (decrease) in receivables		5 470	3 480
Increase / (decrease) in liabilities other than credit institutions		(3 412)	(3 405)
Increase / (decrease) in trading portfolio		(20 045)	1 640
		(17 987)	*2 023*
Cash flows from operating activities prior to interest and tax		**(8 146)**	**6 860**
Less: Interest expense		(388)	(414)
Less: Tax expense		(1 716)	0
Cash flows from operating activities		**(10 250)**	**6 446**
<u>Investing activities</u>			
Purchase of property, plant and equipment		(29)	(56)
Proceeds from sale of property, plant and equipment			1 420
Acquisition of financial assets available for sale		(441)	(1 132)
Acquisition of associates	12	(255)	
Acquisition of subsidiaries		(6 420)	(16 991)
Sale of financial assets of the available for sale portfolio		11	4 000
Interest received		470	1 016
Cash flows from investing activities		**(6 664)**	**(11 743)**
<u>Financing activities</u>			
Proceeds from share capital increase			(29 070)
Proceeds from loans		10 000	0
Payments paid to shareholders of the Parent Company		(19 946)	
Repayments of loans			(4 689)
Cash flows from operating activities		**(9 946)**	**(33 759)**
Net increase / (decrease) in cash and cash equivalents		**(26 860)**	**(39 056)**
Cash and cash equivalents at the beginning of the period		32 440	96 279
Cash and cash equivalents at the end of the period		**5 580**	**57 223**

The accompanying notes are an integral part of the financial statements

1 Information about the Group

1.1 General Information

Marfin Financial Group S.A. (Parent Company) operates as a holding company (Sociétés Anonymes) in accordance with the Greek Regulations and especially with the provisions of the Law 2190/1920 on Sociétés Anonymes, as it stands.

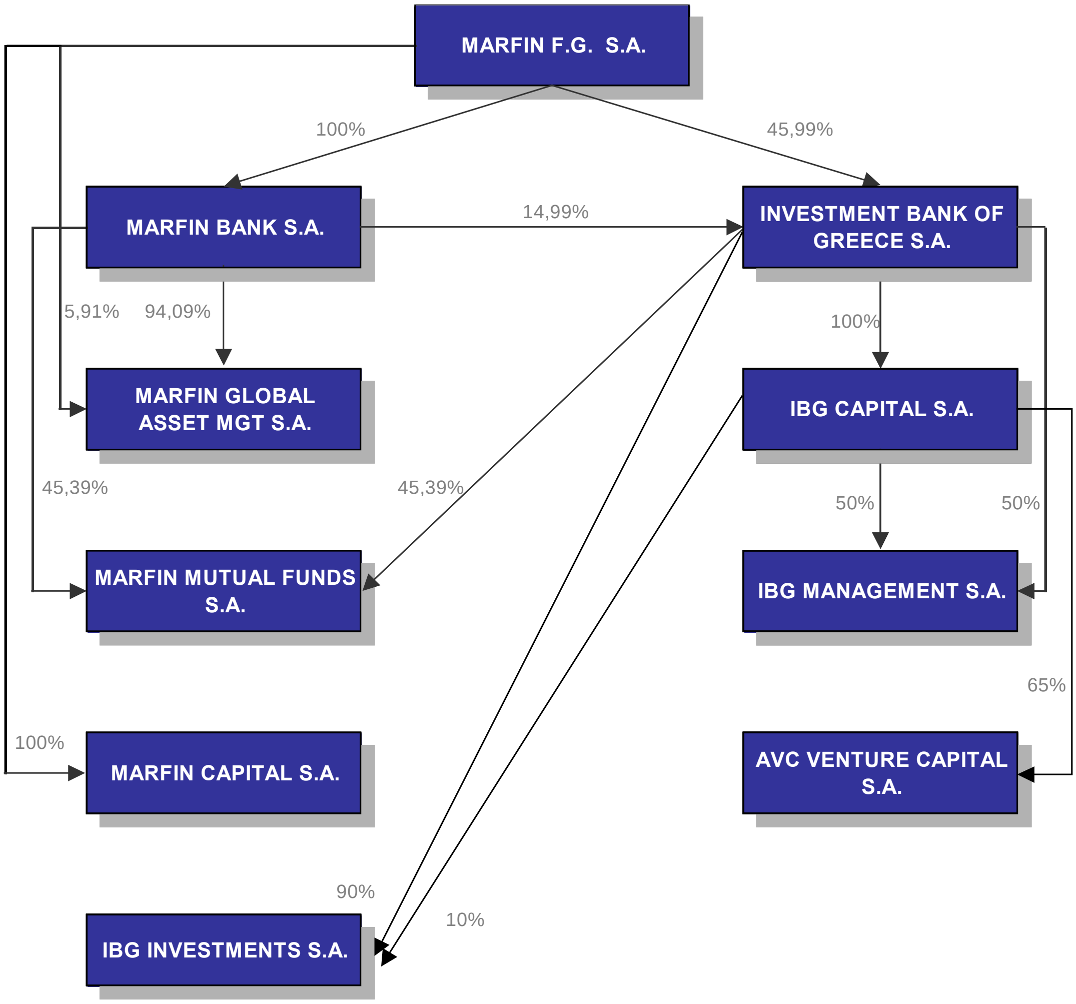
According to article 3 of its Statute, the main objective of the company is to establish and/or participate in established companies or companies under establishment regardless of their nature operating in Greece or abroad.

Marfin F.G. is incorporated and domiciled as well as operates in Greece. Marfin F.G. currently employs 9 people and MARFIN F.G employs 349 people.

Marfin F.G.'s share is included in the A.S.E. General Index and FTSE-40 index

The financial statements for the period ending 30.09.2005 have been approved by the Board of Directors on14/11/2005 and cannot be altered after their issue. They are at the disposal for existing and potential investors at the Head Office of the company, which is located in Marousi, Kifisias 24 Avenue and on the company website (www.marfingroup.gr). Information is available for at least 2 years in accordance with par. 1 of article 2 of the Presidential Act 360/1985, as it stands after its modification from Law 3301/2004.
It is essential to mention that due to rounding, numbers presented throughout this document may not add up precisely to the totals we provide and percentages may not precisely reflect the absolute figures.

1.2 Structure and Activities of the Main Units of the Group



The most important subsidiaries of the Group operate in the following sectors

MARFIN F.G. A.E.	participations in subsidiaries participations in associates medium term investments trading
MARFIN BANK S.A.	private banking personal banking loans and leverage treasury and markets
INVESTMENT BANK OF GREECE S.A.	investment banking securities transactions
MARFIN GLOBAL ASSET MGT S.A.	private portfolios management institutional portfolios management

2. Basis of Preparation of Financial Statements

2.1 Summary of General Accounting Policies

The consolidated financial statements of Marfin F.G. S.A. for the period ending 30th September 2005 have been prepared according to the International Financial Reporting standards (IFRS), which were published by the International Accounting Standards Board (IASB) and adopted by the E.U. The IFRS were developed by the International Financial Reporting Interpretations Committee (IFRIC) and approved by the IASB.

The Group's financial statements have been prepared based on the principle of historical cost as modified by the revaluation of specific assets and liabilities at current values, and the going concern concept. The Group's financial statements are in accordance with the framework imposed by the IASB and the standards mentioned below which constitute the "IFRS Stable Platform 2005".

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(R) = Standard is revised or newly issued in 2003 or 2004

The Interim Financial Statements are covered by IFRS 1 "First-Time Adoption of IFRS" due to the fact of first-time adoption and implementation of IFRS in preparing and publishing the statements. Although the first-time adoption of IFRS is considered to be 01/01/2005, the Group's transition date to the IFRS is considered to be the 1st of January 2004.

The policies to follow have been implemented appropriately in all presented periods, except from those regarding the classification and evaluation of financial instruments. As of the 1st of January 2005 the Group applied IAS 32 and IAS 39 and not IFRS 1.

The last published yearly consolidated financial statements of the Group had been prepared according to the Greek Generally Accepted Principles (GR GAAP). In several cases, the principles of the GR GAAP, are different from those of the IFRS. In preparing the Group's consolidated financial statements, Management modified some of its accounting, revaluation and consolidation methods that were normally used according to the GR GAAP in order to conform to the IFRS. The comparable items for the year ending 2004 have been readjusted based on these modifications. Reconciliation and description of effects of transition from GR GAAP to IFRS in the Income Statement, Cash Flows and Equity are explained in Note 37.

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions in the application of the Entity's accounting policies. Management's assumptions on the application of the Company's accounting policies have been disclosed where appropriate.

2.2 Consolidation

2.2.1 Basis of Consolidation

Subsidiaries: Subsidiary undertakings are those companies over which the parent company has control directly or indirectly through other Group subsidiaries. MFG has power to exercise control over another company if it has more than one half of the voting rights. The existence and effect of potential voting rights that are exercisable are considered when assessing whether the Parent Company controls another entity. Subsidiaries are consolidated using the purchase method from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

The Group uses the purchase method of accounting to account for the acquisition of subsidiaries. The acquisition cost of a subsidiary is measured at the fair value of the assets given, the shares issued and the liabilities undertaken on the date of acquisition, plus any other cost directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair values on the acquisition date. The excess of the cost of acquisition over the fair value of the identifiable net assets of the subsidiary acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the income statement. Goodwill is reassessed yearly for possible impairment and the difference between book value and acquisition cost is recorded in the income statement as an impairment loss.

For acquisitions prior to the Group's transition date to the IFRS (1 January 2004), the purchase method was not used in retrospect. The Group did not recalculate the acquisition cost of the subsidiaries that had been acquired prior to the transition date, nor did it recalculate the fair value of assets and liabilities acquired on the date of acquisition. Furthermore, according to the provisions of IFRS 1, the Group sustained the same book value calculation and method of identification of goodwill as those calculated and stated in the last published financial statements under GR GAAP.

Intra-group transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred. Group's subsidiaries follow the same accounting policies as those adopted by the Group.

Associates: These undertakings include entities over which the Group has significant influence but not control. The assumptions made by the Group suggest that if a Group holds between 20% and 50% of the voting rights of another company, then the group has a significant influence on the company. Investments in associates are initially recorded at acquisition cost on the date of acquisition and then are accounted for using the equity method of accounting in the consolidated financial statements.

At the end of every accounting period, the Group's acquisition cost increases due to its proportion in the associate's changes in equity and decreases from dividends receivable from the affiliate. The Group's share in the associate's profits or losses, after the undertaking, is accounted for in the Income Statement whereas, the Group's share in changes in the reserves after the undertaking is accounted for in reserves. In the case where the Group's proportionate losses exceed its cost of participation in the associate, inclusive of any doubtful debts, the Group does not account for any further losses. After the investor's interest is reduced to zero, additional losses are provided for and a liability is recognized only to the extent that the investor has incurred legal or constructive obligations or made payments on behalf of the associate.

Non-realisable profits from intercompany transactions between the Group and its associates are eliminated by as much as the percentile participation of the Group in the associated companies. Non-realisable losses are eliminated unless if the transaction shows evidence of impairment of the undertaken asset. The accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

2.2.2 Group Companies

In addition to Marfin F.G., the parent company, the consolidated financial statements include the following subsidiaries and associates:

Company name	Head Office	% Holding 30/09/2005	Consolidation method
MARFIN BANK S.A.	Marousi	100,00%	Purchase Method
INVESTMENT BANK OF GREECE S.A.	Marousi	60,98%	Purchase Method
MARFIN GLOBAL ASSET MANAGEMENT A.E.	Marousi	100,00%	Purchase Method
MARFIN SECURITIES CYPRUS	Cyprus	62,10%	Purchase Method
MARFIN MUTUAL FUNDS	Marousi	73,07%	Purchase Method
IBG CAPITAL S.A.	Marousi	60,98%	Purchase Method
IBG MANAGEMENT S.A.	Marousi	60,98%	Purchase Method
AVC VENTURE CAPITAL S.A.	Marousi	39,64%	Purchase Method
EUROLINE INVESTMENT COMPANY S.A.	Athens	48,56%	Equity Method
IBG INVESTMENTS S.A.	British Virgin Islands	60,98%	Purchase Method
MARFIN CAPITAL S.A.	British Virgin Islands	100,00%	Purchase Method
INTERINVEST INVESTMENT COMPANY S.A.	Athens	44,57%	Equity Method
MARFIN GLOBAL INVESTMENTS S.A.	Marousi	42,15%	Equity Method

There were no significant changes in the Group structure within the period 1/1-30/09/2005.

2.3 Financial Instruments

A Financial instrument is defined as a legally enforceable agreement between two or more parties, expressing a contractual right or a right to the payment of money. Practically all documents used in credit are financial instruments, including checks, drafts, notes and bonds.

2.3.1 Initial Recognition

The Group records the total of its financial assets and liabilities including derivative financial instruments in the Balance Sheet. The purchase of financial instruments is recognised on the date of transaction, which is also the date on which the Group signs the contract. These investments are initially measured at fair value adding the corresponding transaction costs except from those transaction costs derived from financial instruments at fair value through the Profit and Loss Account.

2.3.2 Classification and financial asset measurement

The Group's financial instruments are classified in the categories depicted below according to the designation of the contract and the strategic objective of the purchase.

i) Financial assets at fair value through Profit & Loss

This category refers to those financial assets that satisfy the following criteria or presumptions:

- Financial assets and liabilities that are obtained for trading purposes are securities purchased with the objective of realising profits from short-term changes in price, including derivatives, except from those that are designated and qualify as hedges.
- Any other financial asset or liability that was not primarily acquired for trading purposes but during initial recognition had been defined as an asset at fair value through Profit and Loss.
- The above-mentioned financial assets and liabilities are included in the Consolidated Balance Sheet as "Financial Assets at Fair Value through Profit and Loss" (including trading securities).

Changes in derivative fair value are recorded in the Profit and Loss statement as "Profit/loss arising from sale & revaluation of financial instruments". Interest received from bonds and other interest bearing securities which are part of the trading portfolio is accounted for in the "interest received" account, whereas dividends from participations are included in the Income Statement as "dividend received".

ii) Loans and other allowances / claims on customers

Include non-derivative financial assets and liabilities with fixed or determinable payments, which are not quoted in an active market. Loans and claims are carried at amortised cost using the effective interest method.

iii) Investments Held-to-Maturity

These include non-derivative financial assets with fixed or determinable payments and specified maturity date. The Group has the ability and intention to hold these investments up to maturity.

The Held-to-Maturity portfolio, which is kept up to the maturity date, is carried at amortised cost using the effective interest method, less any accumulated impairment in value. A financial asset is impaired if its carrying amount is greater than its estimated recoverable amount. The amount for the impairment loss for assets carried at amortised cost is calculated as the difference between the asset's carrying amount and the present value of expected future cash flows discounted at the financial asset's effective interest rate. Impairment losses are recognised in the Income Statement.

If part of the Held-to-Maturity portfolio is sold or reclassified before the maturity date (unless IAS 39 criteria are met), then the Group cannot classify any financial assets as Held-to-Maturity for the current year and the next 2 years.

In the Group Balance Sheet the Held-to-Maturity portfolio is included in the "Investment Portfolio" account.

iv) Available for sale portfolio

This portfolio includes non-derivative financial assets, which are either classified in this category or cannot be classified in any of the portfolios mentioned above. These financial assets may be sold according to liquidity needs or changes in interest rates or prices. The classification of investments as available for sale is not binding and it is subject to Management intentions as to subsequent reclassification.

Financial assets of the available for sale portfolio are initially recognised at cost (including transaction costs) and then carried at fair value. The non-realised gains or losses arising from changes in the fair value of securities classified as available for sale are recognised directly in equity (Revaluation reserve) up to the point where there the financial assets are disposed or if there is evidence of impairment, in which case the profit or loss is recognised in the Group Income Statement.

Impairment losses that have been recognised in the Income Statement are not reversed through the Income Statement.

2.3.3 Measurement of Financial Liabilities

The Group's financial liabilities include mostly clients' deposits and intra-group deposits. Financial liabilities are initially recognised at their acquisition cost which is the fair value of cash or other financial assets paid. After their initial recognition they are measured using the effective rate method. Interest expenses are recognised in the Profit and Loss account of the period under consideration.

2.3.4 Derivative Financial Instruments and Hedging

The Group holds derivative financial instruments both for its own interests, particularly for profit making or hedging purposes, and for the service of its clients needs.

The Group incurs transactions on derivative products, which include Interest Rate Swaps, Stock futures, FX Futures, Index Futures, Equity Options, FX Options and Forward Rate Agreements.

All of the above derivative financial instruments held by the Group are initially recognised at cost and are subsequently remeasured at fair values at the end of every accounting period. Fair values are obtained from quoted market prices, discounted cash flow models and options pricing models, where market prices are not available. Changes in the fair values of derivative financial instruments are included in the "Income from financial Transactions" account.

Derivatives are recognised as assets when their fair value is positive and as liabilities when their fair value is negative.

The Group classifies derivatives in the following categories:

i) Embedded Derivatives

An embedded derivative is a constituent element of a hybrid (composite) financial instrument, which also includes a non-derivative main contract. A derivative is considered as embedded in a main financial instrument when it cannot be transferred independently from the said instrument. The Group's embedded derivatives include mainly corporate bonds with an embedded option for conversion into shares.

An embedded derivative is separated from the main contract only on the condition that the following requirements are met:

(a) The composite instrument is not measured at fair value through Profit and Loss

(b) The financial attributes and risks of the embedded derivative are not closely linked to the financial attributes and risks of the main contract,

(c) A special financial instrument having the same terms as the embedded derivative would meet the definition of a derivative.

In that case, the derivative financial instrument is measured at its fair value, with the profit or loss evaluated being recognized in the Profit and Loss Statement, whereas the main financial instrument is accounted for depending on the category it is incorporated into (e.g. Available-for-sale [AFS] financial instruments).

In the case where the Group intends to use an embedded derivative for trading purposes, then it does not separate the value of the derivative from the value of the main financial instrument, but classifies the composite financial instrument in the trading portfolio and evaluates it at its fair value with the total change of price being recognized in the Profit and Loss Statement of the financial period. The same accounting treatment is used in case it is impossible to measure the embedded derivative separately, either at the time of acquisition thereof, or at a later date.

ii) Hedge Accounting

The Group also uses derivative financial instruments for hedging risks that arise from the changes of interest rates and exchange rates. The Group applies fair value hedges or cash flows hedges to those derivatives that meet relevant criteria. As for the derivatives that do not meet the criteria for hedge accounting, any profit or loss that arises from the changes in fair value is recorded in the Profit and Loss Statement.

There is a hedge relationship for the purposes of applying hedge accounting when:

(a) Upon commencement of the hedge there is documentation of the hedging relationship and the Group's intention regarding risk management and its strategy applied for undertaking the hedge.

(b) The hedge is expected to be extremely effective for offsetting fair value or cash flow changes attributed to the hedged risk, pursuant to the documented risk management strategy for the said hedge relationship.

(c) As for the forecasted cash flow hedges, it is quite possible that the anticipated transaction being the subject to the hedge may also be exposed to the risk of a cash flow change that could affect the results.

(d) The effectiveness of the hedge can be evaluated reliably.

(e) The hedge is evaluated as extremely effective throughout the period.

As for fair value hedges that meet the criteria for hedge accounting, any profit or loss from the revaluation of the derivative at fair value is recognized through the Profit and Loss Statement. Any profit or loss of the hedged instrument that is due to the hedged risk revaluates the accounting value of the hedged instrument and is inserted into the income statement, irrespective of the classification of the financial instrument (e.g. AFS financial instruments).

As for cash flow hedges that meet the criteria for hedge accounting, the part of the profit or loss from the derivative that is designated as an active hedge is inserted directly into the reserves, and the part that is designated as a non-active hedge is inserted into the income statement. Any profit or loss that had been inserted directly into the reserves account is transferred to the income statement for the period when the hedged transaction affects the results.

Hedge accounting is discontinued when the hedging instrument expires or is sold, is terminated or exercised, or when the hedge does no longer meet the criteria for hedge accounting. In case a hedged transaction is no longer expected to be realized, the net accumulated profit or loss that has been inserted into the reserves account will be transferred to the income statement.

2.3.5 Fair Value Measurement Methods

The fair values of financial assets that are negotiable in active markets are determined by the current bid prices without subtracting the transaction costs. As for non-negotiable assets, the fair values are determined by the application of such evaluation techniques as an analysis of recent transactions, comparable assets that are negotiable, derivative evaluation models and discounted cash flows.

When evaluation models are applied, the data used are based upon relevant market measurements (interest rates, prices of shares, etc.) on the closing date of the balance sheet. In case discounted cash flows techniques are applied, the estimated future cash flows are based upon the best Management estimates and the discount rate is the market rate for an instrument having the same attributes and risks.

Participation titles that are non negotiable in an active market, whose fair value cannot possibly be determined reliably, as well as the derivative financial instruments associated with these participation titles are evaluated at their acquisition cost.

2.3.6 Impairment of Financial Instruments

Financial assets are reviewed at each balance sheet date in order to determine whether there is any objective evidence that an asset or a group of assets has been impaired.

An asset is considered as having been impaired when its book value is higher than its anticipated recoverable amount. If there is such evidence, the recoverable amount of the asset or group of assets is calculated and an allowance for impairment of assets is formed and charged to the Profit and Loss Statement of the financial period. The amount of the allowance is the difference between the book value and the recoverable amount of the loan.

An allowance for impairment of assets associated with loans is recognized if there is evidence that the Group will not be able to collect all the amounts due as set forth in the contractual terms of the loans. Such objective evidence that an asset or group of assets has been impaired or has become uncollectable include the following:

i. A significant financial difficulty on the part of the borrower.

ii. A breach of the terms of the loan agreement (e.g. default or delinquency in interest or principal payments).

iii. The Group, for financial or legal reasons associated with the borrower's financial difficulty grants to the latter a concession that the Group would not consider under different circumstances.

iv. There is a possibility that the borrower will enter bankruptcy or other financial reorganization.

v. Observable data that indicate the existence of a measurable decrease in the estimated future collections from a group of loans in relation to the amount provided, even if the said decrease cannot be identified yet with the individual loan in the group, including: – Adverse changes in the balance payment status of the borrowers in the group (e.g. an increase in the number of overdue payments due to problems in the sector) or – Financial conditions on a national or local scale that are related to delinquency in payments for the loans in the group (e.g. increased unemployment rates in a certain geographical area of borrowers, decreased value of real estate taken as security in the same area, or adverse operating conditions in a certain sector, which have an impact on the borrowers included in the said group).

The identification of impairment is performed on an individual borrower level for the loans that the Group considers significant, and it is performed on an individual borrower level or on a group of borrowers level for those loans it does not consider significant. The loans that have been evaluated on a borrower level without any evidence of impairment, significant or not, are classified in groups of assets that have similar credit risk attributes and are evaluated on a collective basis.

If in a subsequent period the amount of the allowance formed is decreased and the said decrease is associated with objective events that have taken place after the formation of the allowance, such as an improvement in the borrower's credit rating, then the allowance is decreased by having the difference recognized in the Profit and Loss Statement.

2.3.7 Derecognition

A financial asset is derecognized when the Group loses control over the contractual interests included in the said asset. This happens when the said interests expire or are transferred and the Group has actually transferred all the risks and rewards that arise from ownership thereof.

Financial liabilities are derecognized when the Group's commitment to make payments in cash or other financial instruments is eliminated.

2.3.8 Offsetting

Financial assets and liabilities are offset and the net amount is presented in the balance sheet when the Group has a legally enforceable right and intends to realize the asset and settle the liability simultaneously on a net amount basis.

2.3.9 Sale and Repurchase Agreements and Security Lending

The Group makes purchases (sales) of investments based on repurchase (resale) agreements of the same investments at a specific price in the future at a fixed price.

The same investments sold on condition of repurchase (repos) are not written-off from the balance sheet, but continue to be measured depending on their classification (trade portfolio or AFS). The amounts collected are recognized as a liability in the balance sheet and are measured at their amortised cost based on the effective rate method.

The securities purchased, on condition that they will be resold in the future (reverse repos), are not recognized. The amounts paid for purchase thereof are recognized as Receivables from Credit Institutions or Customers respectively and are measured at their amortised cost based on the effective rate.

The Group enters shares purchase agreements making a commitment to resell them (stock reverse repos) through the Athens Derivatives Exchange (ADE). The acquired shares are then sold in the Athens Stock Exchange (ASE). The shares are not recognized as assets. The Group recognizes the commitment to resell the said shares as a liability in the balance sheet, and it is measured at the fair value of the securities that the Group is committed to repurchase and return to the Athens Derivatives Exchange Clearing House (ADECH).

2.4 Conversion into Foreign Currency

The data of the financial statements of the Group's undertakings are measured based on the currency used in the primary financial environment where the Group operates (functional currency). The consolidated financial statements are presented in Euro, which is the functional currency and the reporting currency of the parent Company and most of its subsidiaries.

The assets and liabilities in the financial statements of the foreign subsidiaries included in the consolidation are converted into Euro, based on the exchange rates applicable at the balance sheet date. The gains and losses have been converted into the Group reporting currency based on the average exchange rates prevailing in the period reported. Any differences arising from the said procedure have been charged (or credited) to the foreign currency conversion reserves account of the subsidiaries' balance sheets, of the net position.

Foreign currency transactions are converted into the functional currency by using the exchange rates applicable at the date when the said transactions are performed. Any gains or losses due to exchange rates that result from the settlement of such transactions during the period in question, as well as from the conversion of monetary assets denominated in foreign currency based on the prevailing exchange rates at the balance sheet date, are recognized through the Profit and Loss Statement. The exchange rates due to non-monetary assets that are measured at fair value are considered as part of the fair value and thus are recorded in the same account as the differences in fair value. In the case of effectively hedging the exchange risk for non monetary assets that are measured as AFS, the part of the change in fair value thereof that is due to the exchange rate change is recognized through the Profit and Loss Statement for the period.

2.5 Tangible Fixed Assets

Tangible assets are stated in the financial statements at their acquisition values, less, firstly, the accumulated depreciation and secondly, any potential impairment of fixed assets. The acquisition cost includes all the immediately charged costs incurred for the acquisition of the assets. More specifically, the property, plant and equipment of the Group were measured at the estimated cost pursuant to IFRS 1, which is at their fair value at the date when the change to the International Accounting Standards (IAS) was done (1/1/2004). The fair value of property, plant and equipment was determined by the study of an independent assessor.

Subsequent expenses are recorded as an increase in the book value of tangible assets or as a separate asset only to the degree that the said expenses increase the future financial rewards anticipated from the use of the fixed asset and their cost can be measured reliably. The cost of repair and maintenance works is recorded in the Profit and Loss Statement when the said works are carried out.

Depreciation of other tangible assets (besides lands that are not depreciated) is calculated based on the straight-line method over their estimated useful life as follows:

Buildings	40-50 years
Mechanical equipment	4-7 years
Vehicles	4-5 years
Other equipment	3-5 years

The balance values and useful lives of tangible assets are subject to review at each balance sheet date. When the book values of tangible assets are higher than their recoverable value, then the difference (impairment) is recognized directly as an expense in the Profit and Loss Statement.
Upon sale of tangible assets, the differences between the sale price and their book value are recognized as profit or loss. The repair and maintenance works are recognized as expense for the relevant period

2.6 Investment in Real Estate

The Group owns the lands and buildings, which it holds for investment purposes (e.g. to collect rentals). Investments in Real Estate are measured at fair values, as these are calculated based on acceptable methods. Any profit and loss that arises from the changes in fair value is recognized in the Profit and Loss Statement.

The methods normally applied for the determination of fair value of real estate are as follows:
i) Real estate market data comparing method: Based on the said method, the value ascribed to the property being evaluated is determined by comparing the values of other real estate having similar attributes.
ii) Investment method: The said method is aimed at calculating the capital value of an investor's right to collect a yearly income from certain real estate.

2.7 Intangible Assets

Intangible assets include mainly software licenses, website development costs and goodwill created from the takeover and merger of branches of other banks.

Intangible assets are measured at their acquisition cost less depreciation. Depreciation is performed based on the straight-line method during the useful life of the said assets, which ranges from 1 to 3 years.

The maintenance of software programs is recognized as an expense when it is incurred. On the contrary the costs incurred for the improvement or prolongation of the efficiency of software programs beyond their initial technical specifications, or correspondingly the costs incurred for the modification of software, are incorporated into the acquisition cost of the intangible asset, on the necessary condition that they can be measured reliably.

2.8 Goodwill

Goodwill is the difference between the acquisition cost and fair value of the assets and liabilities of a subsidiary / associate undertaking on the date of the takeover. On the date of acquisition, the Group recognizes the goodwill that arose from the acquisition as an asset and records at cost. The said cost is equal to the amount by which consolidation cost exceeds the share of the undertaking in the assets, liabilities and potential obligations of the acquired undertaking.

Following the initial recognition, goodwill is measured at cost less the accumulated losses due to its impairment. Goodwill is not amortised, but is examined on a yearly basis to determine any possible impairment.

2.9 Impairment of Assets

The assets that have an indefinite useful life are not depreciated and are subjected to impairment control on a yearly basis, as well as when there is certain evidence that their book value may be unrecoverable. The assets that are depreciated are subject to impairment control when there is evidence that their book value will not be recovered. The recoverable value is the higher amount between the net selling price and the value in use. The loss incurred due to the impairment of assets is recognized by the undertaking when the book value of the said assets (or of the Cash Generating Units [CGU]) is higher than their recoverable amount.

The net selling value is the amount collected from the sale of an asset as part of a bilateral transaction where the parties thereto are fully informed and have proceeded willingly, after subtracting any additional direct selling cost of the asset, whereas the value in use is the present value of the estimated future cash flows expected to arise for the undertaking from the use of an asset, as well as from its disposal at the end of its estimated useful life.

2.10 Leased Agreements

Group Undertaking as Lessee: Leases of fixed assets where all the risks and rewards related to the ownership of an asset have been transferred to the Group, irrespective of whether the title to the said asset is finally transferred or not, are classified as finance leases. The said leases are capitalized at the inception of the lease at the lower of the fair value of the fixed asset or the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant fixed rate on the remaining balance. The corresponding rental obligations, net of finance charges cost, are included in liabilities. The part of the financial cost related to financial leases is recognized as Profit and Loss over the lease term. The fixed assets acquired under finance leases are depreciated over the shorter of the useful life of the fixed assets or the lease term thereof.

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

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

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

2.11 Non-Current Assets Held for Sale

The Group acquires property, plant and equipment as part of settling loans and other lending. The property, plant and equipment acquired is classified as "non current assets held for sale" if the Group intends and is able to sell the said property, plant and equipment within one year from their classification date. The said property, plant and equipment are estimated at the lowest value between their book value right after they are classified as held for sale and their fair value less the cost of sale.
In case the classification criteria are not met, the acquired property, plant and equipment are classified under "other assets" and are measured at their acquisition cost less the accumulated losses due to impairment thereof.

2.12 Cash and Cash Equivalents

The cash and cash equivalents account includes balances with a maturity date up to three months from the first day of acquisition thereof (initial term) such as: cash in hand, cash and balances with central banks and loans and advances to credit institutions.

2.13 Treasury Shares

On acquisition of treasury shares, the amount payable, including transaction costs, is depicted in deduction of shareholders' equity (share capital and share premium).
Profits or losses incurred from the sale or cancellation of treasury shares are recognised directly in shareholders equity deducting the proportionate income tax.

2.14 Bond Loans

The Group has issued two convertible bond loans. The said bond loans, on the one hand, create a financial obligation for the Group and, on the other hand, provide the possessor with the option of converting his/her bonds into common shares of the Company. The financial obligation is measured initially at the present value of all future payments undertaken by the Group irrespective of whether bond holders exercise their options or not. The discount rate is the interest rate effective in the market at the issuance date for a similar loan that does not have the embedded option to convert. At a later date, the said obligation is measured at amortised cost by using the effective interest rate. The interest that arises from bond loans is included in the interest expenses.

The difference between the net product issued and the present value of the financial obligation is shown, after subtracting the corresponding income tax, directly in equity.

2.15 Income Tax and Deferred Tax

The income tax charges over the period reported includes the present taxes and deferred taxes, that is the taxes or tax reductions related to the financial rewards that arise over the period but have already been charged, or are to be charged, by taxation authorities to different periods. The income tax is recognized in the Profit and Loss Statement of the period, except for the tax that pertains to transactions recorded directly in shareholders' equity, in which case it is directly recorded, correspondingly, in the shareholders' equity.

The present income tax includes the short-term liabilities to or receivables from Public Financial Authorities, including, the State, Tax Authorities, Social Insurance Funds etc. that pertain to payable taxes on the taxable income of the period and any potential additional income taxes associated with prior financial years.

The current taxes are measured according to tax rates and taxation laws applicable to the reporting periods they are associated with, based on the taxable profit for the year. All changes in the short-term tax data of the assets or in the liabilities are recognized as part of the tax expense in the Profit and Loss Statement.

Deferred income tax is calculated, using the liability method, on all temporary differences arising between the book values and the tax bases of assets and liabilities. Deferred tax is not calculated if the initial recognition of an asset or liability over a transaction, except for the merger of undertakings, has shown that it has not affected either the accounting or the taxable profit or loss.

Deferred tax assets and liabilities are measured according to the tax rates that are expected to be applied to the period in which, the claim or liability will be settled, taking into account the applicable tax rates (and tax laws) which effectively apply up to the balance sheet date. In the case where it is not possible to determine the reversal time of the differences, the tax factor applied is the one after the balance sheet date.

Deferred tax assets are recognized up to the point where a future tax profit will be realized for the use of the temporary difference, which causes the deferred tax asset.

Deferred tax is recognized from temporary differences that arise from investments in subsidiaries and affiliates, except from the case where the reversal of temporary differences is controlled by the Group and it is probable that the temporary differences will not be reversed in the foreseeable future.

Most changes in deferred tax assets and liabilities are recognized as a part of tax expenses in the Profit & Loss statement for the period. Only those changes in assets and liabilities that affect the temporary differences are recognized directly in the Group's shareholders' equity are those which cause the relative change in assets or liabilities to be charged against shareholders' equity.

2.16 Employee Benefits

Short-term benefits: The short-term employee benefits (except for the benefits associated with the termination of the employment relation) in cash and in kind are recognized as cost when accrued. Any potential non-paid amount is recorded as a liability, or in the case where the already paid amount exceeds the amount of benefits, the undertaking recognizes the exceeding amount as an asset (prepaid cost) only to the extent that the prepayment will lead to a decrease in future payments or to a return.

Benefits on retirement: The benefits on retirement include a lump sum pension indemnity paid to employees upon retirement in exchange for their service. The obligations of the Group regarding pension benefits pertain both to defined contribution plans and defined benefit plans. The cost incurred for the defined contribution plan is recorded as an expense for the period under consideration. The pension schemes provided by the Group are financed through incurring payments to insurance companies and State Social Insurance Institutions.

i) Defined contribution plan

The defined contribution plans are related to the payment of contributions to Social Security Entities (e.g. Social Security Organization [IKA]), so that the Group will have no further liability in case the State Fund is unable to make pension payments to the insured person. The employer's only obligation is to make relevant contributions to the said Funds. The contribution due by the Group as part of a defined contribution plan is recognized as a liability after subtracting the contribution paid, whereas the accrued contributions are recognized as cost in the Profit and Loss Statement of the period.

ii) Defined benefit plan

The defined benefit plan of the Group pertains to the legal commitment undertaken for paying a lump sum pension indemnity. The establishment of a right to participation in such plans is normally based upon an employee's years of service until retirement. Part of the obligation of the Group is funded through contributions made by the Group to an Insurance Company.

The obligation recorded in the balance sheet for the defined benefit plans is the present value of the obligation concerning the defined benefit less the fair value of the assets of the plan (reserve resulting from payments made to the insurance company) and the valuations that arise from any actuarial profit or loss and the cost of previous service. The defined benefit commitment is calculated on a yearly basis by an independent actuary by the use of the projected unit credit method. For prepayment thereof, the exchange rate of the long term Greek Government bonds is used.
The actuarial profits or losses are part of both the benefit obligation of the undertaking and the cost that will be recognized in the Profit and Loss Statement. Those arising from adjustments based on historical data that are higher or lower than the 10% margin of the accumulated obligation are recorded in the Profit and Loss Statement within the anticipated average insurance time of the participants to the plan. The cost of previous service is recognized directly in the Profit and Loss Statement, except for the case where the changes in the plan are dependent upon the remaining time of service of the employees. In the said case, the cost of previous service is recorded in the Profit and Loss Statement using the straight-line method within the maturity period.

Employment termination benefits: The benefits due to termination of the employment relationship are paid when employees leave before their normal retirement date. The Group records such benefits when it is committed, either when it actually terminates the employment of current employees based upon a detailed formal plan without possibility of withdrawal, or when it provides the said benefits as an incentive for voluntary redundancy.

2.17 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligations and when a reliable estimate of the relevant amount can be made. Provisions are reviewed at the date of drawing up each balance sheet and are adjusted so as to reflect the present value of the cost expected to be required for settling the obligation. Possible liabilities are not recognized in the financial statements, but are published, unless the possibility for income outflows incorporating financial benefits is extremely limited. Potential claims are not recognized in the financial statements, but are published provided that the inflow of financial benefits is possible.

2.18 Revenue Recognition

The revenues of the Group include mainly income from interest arising from loans and interest-bearing securities, portfolio management commissions, foreign exchange trade letters of guarantees and other banking transactions, income from dividends and other income. The inter-company revenues within the Group are completely eliminated.
The revenues are recognized as follows:

i) Interest and Similar Income
Income from interest pertains to all interest-bearing assets included in the balance sheet and are recognized on an accrued basis, by using the actual interest rate calculated based on the purchasing price. Income from interest includes interest coupons from fixed interest rate securities and trading securities, the accrued premium/discount of government securities and other securities similar to them, as well as the interest that arises from loans/deposits.

ii) Fee and Commission Income
Income from fees and commissions are recognized depending on the completion of the transaction so as to associate them with cost of providing the service, whereas the ones associated with the undertaking of credit risk are recorded in the Profit and Loss Statement on a fixed basis for as long as the risk is present.

iii) Dividend Income
Dividends are recognized as revenue when the right to receive payment is established.

2.19 Dividend Distribution

The distribution of dividends among the shareholders of the parent Company is recognized as a liability in the consolidated financial statements at the date when distribution thereof is approved by the General Assembly of Shareholders.

2.20 Segment Reporting

A business segment is a set of assets and activities which provide products and services that are subject to risks and returns different from those of other business segments.
A geographical segment is a geographical area where products and services are provided, which is subject to risks and returns different from those of other areas.

A criterion for the determination of the primary segment was the source of Group revenues. The Group is active in 4 segments: Retail Banking, Corporate Banking, Investment Banking, Capital Management and Treasury. To determine the segments for which financial information is provided, the Group has applied the 10% limit on the consolidated profits or the consolidated assets.

2.21 New Accounting Standards and Interpretations of the IFRIC

The International Accounting Standards Board as well as the Interpretations Committee have already issued a series of new accounting standards and interpretations which are not part of the "IFRS Stable Platform 2005". The IFRSs and IFRICs are obligatory for the accounting periods starting from the 1st January 2006. The application of the new standards and interpretations is not expected to have a substantial impact on the financial statements of the Group.

3 Financial Risk Management

3.1 Credit Risk

Credit risk from loans derives from borrowers breach of promise to pay their debt in part or in whole, within their contractual deadlines.

The Group's basic credit policy principle is the undertaking of selected and calculable credit risks against corresponding profitability, aiming to the optimization of the Group's invested capital and the protection of its depositors and shareholders.
In order to achieve the above target, the Group's Management, gives great importance in the adequate management of credit risk, having set in place the necessary structures and procedures.

Given the Group's strategy (i.e. Marfin Bank being a "Private Bank" and Investment Bank of Greece being an Investment Bank), financed customers are mainly individuals having a business activity and secondly corporations, of large and medium size, operating either in the private, or in the broader public sectors.

The methods applied for credit risk assessment (Credit Rating) differentiate in accordance with the above-mentioned categories of Borrowers and are based on both quantitative and qualitative data/criteria.

The Group has developed and applies a credit risk assessment model for each one facility (Risk Rating), which calculates both the borrower's solvency as well as the quality and adequacy of securities. Risk

Rating is the combination of the Credit Rating which is then incorporated into a second model which calculates the credit risk for each Borrower/Facility in accordance with the Default Given Recovery Ratio.

Furthermore, the Group offers a range of standardized loan products for individuals (Housing Loans, Overdraft Accounts, Personal Loans) and also for professionals (Working Capital Loans, Loans for acquisition of professional property and Loans for purchase of Equipment). For this category of Borrowers, the Group has developed and applies a Credit Scoring model.

The overall credit risk of the Group per Borrower, per Borrowers category, per Group of Borrowers, as well as per type of credit/product, is followed by the Credit Division.

3.2 Market Risk

Market risk is the risk of loss in the various trading portfolios due to adverse developments in the prices of the products included in the said portfolios. Such portfolios include equities and financial indices, interest rates, commodities, currencies, etc. portfolios.

MARFIN BANK maintains open positions and thus it is exposed to Market risk in Currency trading portfolios (FX Trading Book), in Interest Rates and Bonds (Fixed Income Book) and Derivatives on Stock Exchange Indices (Index Derivatives Book).

The INVESTMENT BANK is active mainly in the area of banking transactions and thus the primary Bank portfolio, which includes Market risk, is that of shares and derivatives on shares and indices (Equities/ Equity and Index Derivatives Book) listed in the Greek Stock Exchange.

Each Executive Committee, which is the entity authorized for the determination of Market Risk Management Policy, has approved the Market Risk management procedures and has established relevant market risk limits per product and portfolio. The said limits are monitored and controlled systematically, are reviewed once a year, and are changed, if required, depending on the strategy of the Bank and the conditions prevailing in the market.

The measurement and monitoring of the Market risk is performed by the Risk Management Unit on a daily basis, through mechanical systems that apply modern Market Risk measurement techniques such as Value at Risk (VAR) measurement and Sensitivity Factors.

The Value at Risk measurement is an estimate of the maximum potential loss in a portfolio assuming a one-day holding period and utilizing a 99% Confidence Level, without taking into account the changes in prices that are due to extraordinary financial reasons and violent acts.

Market risk is monitored constantly through a series of limits such as market exposure and stop-loss

3.3 Currency Risk

FX risk is the investment risk deriving from unfavorable currency rate movements, at times when there are foreign exchange positions open.

Management has set specific maximum currency exposure for the Group, which is constantly monitored, per currency and per Group's entity.

These limits are higher during the regular trading session (daylight hours), while they are lower for overnight carried positions.
Specific maximum FX loss for each working day and calendar month are also set and monitored.

FX risk also arises from the Group's activities outside its reference currency (Euro).
Marfin Financial Group often offsets most of this risk by holding respective liabilities in the same currency.

Amounts in Euro '000	EUR	USD	GBP	CHF	JPY	Other currencies	Total
As at 30th June 2005							
Foreign exchange risk for assets							
Cash and balances with central bank	14 594	91	11			6	**14 702**
Loans and advances to credit institutions	34 608	45 245	2 003	1 806	1 675	1 579	**86 916**
Derivative financial instruments	(16 846)	17 370		2			**526**
Trading portfolio	385 914	25 403				92	**411 409**
Loans and advances to customers	340 754	47 175	73	1 983	213		**390 198**
Investment portfolio	83 418	52 940					**136 358**
Investments in subsidiaries and associates	17 422						**17 422**
Goodwill and other intangible assets	56 243						**56 243**
Property, plant and equipment	25 362						**25 362**
Other assets	44 606	2 325	1 472	538	(67)	623	**49 497**
Total assets	**986 075**	**190 549**	**3 559**	**4 329**	**1 821**	**2 300**	**1 188 633**
Foreign exchange risk of liabilities							
Due to credit institutions	140 289	16				379	**140 684**
Due to customers	554 607	155 931	1 747	1 004	522	976	**714 787**
Derivative financial instruments	(29 350)	28 970		2 082			**1 702**
Debt securities in issue	27 141						**27 141**
Other liabilities	38 215	5 787	1 318	1 186	207	1	**46 714**
Retirement benefit obligations	730						**730**
Total liabilities	**731 632**	**190 704**	**3 065**	**4 272**	**729**	**1 356**	**931 758**
Net on-balance sheet position	**254 443**	**(155)**	**494**	**57**	**1 092**	**944**	**256 875**
As of 31st December 2004							
Total assets	737 860	182 806	1 358	2 324	32 534	2 109	958 991
Total liabilities	501 065	169 783	1 457	2 991	32 989	858	709 143
Net on-balance sheet position	**236 795**	**13 023**	**(99)**	**(667)**	**(455)**	**1 251**	**249 848**

3.4 Interest Rate Risk

"Interest rate risk" is the undertaken investment risk of loss that arises from adverse changes in the market interest rates.

Such changes in interest rates can affect the earnings of MARFIN GROUP, since they can be affected by:

-net interest income

-the value of interest income and operating expenses that are sensitive to interest changes.

-the value of the bank's Assets and Liabilities as the present value of future cash flows (and in some cases, the cash flows themselves) changes when interest rates change.

MARFIN Group monitors the interest rate risk systematically, on a consolidated basis, always according to the supervisory stipulations and the internal regulations.

More specifically, a variety of widely accepted techniques are used, such as Interest Rate Gap Analysis, as well as more sophisticated dynamic interest rate risk modeling techniques, which produce useful and necessary conclusions about the profit-making of MARFIN Group, based on the changes in interest rates. In addition, MARFIN Group, uses various derivative financial instruments for offsetting any potential interest rate risks that arise from the management of the balance sheet.

The attached chart shows the Group's level of exposure to interest rate risk, according to an Interest Rate Gap Analysis. Those assets or liabilities lacking an actual maturity date are assigned to the time band up to one month.

Amounts in Euro '000	**Up to 1 month**	**1-3 months**	**3-12 months**	**1-2 years**	**2-5 years**	**Over 5 years**	**Non-interest bearing**	**Total**
Assets								
Cash and balances with central bank	12 680						2 022	**14 702**
Loans and advances to credit institutions	56 626	501	29 789					**86 916**
Trading portfolio	25 595	42 440	105 472	1 899	87 291	79 640	69 072	**411 409**
Loans and advances to customers	226 742	121 158	20 070	6 081		7 000	9 147	**390 198**
Investment portfolio	18 196	19 560	7 542	7 289	40 096	23 557	20 118	**136 358**
Other assets		36	0				149 014	**149 050**
Total assets	**339 839**	**183 695**	**162 873**	**15 269**	**127 387**	**110 197**	**249 373**	**1 188 633**
Liabilities								
Due to credit institutions	123 569	17 115						**140 684**
Due to customers	647 887	38 865	12 509	15 526				**714 787**
Bond loans			750	26 391				**27 141**
Other borrowed funds								**0**
Other liabilities		257					48 889	**49 146**
Total liabilities	**771 456**	**56 237**	**13 259**	**41 917**	**0**	**0**	**48 889**	**931 758**
Total interest sensitivity gap	**(431 617)**	**127 458**	**149 614**	**(26 648)**	**127 387**	**110 197**	**200 484**	**256 875**

3.5 Liquidity Risk

"Liquidity risk" is defined as the risk of MARFIN Group not being able to meet its current and future financial obligations, fully and validly, as they become due, owing to a lack of the required liquidity.
The said risk also includes the possibility of being in need of refunding at higher interest rates, as well as of selling assets.

To monitor liquidity risk, MARFIN Group focuses on the management of cash flows and outflows over each time period, so that, under normal conditions, the Group is able to meet its payment obligations.

For this purpose, the Cash and Cash Equivalents Management Division uses the Liquidity Gap Analysis in order to have an overview of the expected cash flows arising from all Balance Sheet items, per time period.

Supervisory authorities have also set certain liquidity measurement indices, based on their own criteria, in order to control the net liquidity gap. The Risk Management Department and the Internal Control Department are responsible for complying with the internal regulations and the limitations imposed by supervisory authorities.

Amounts in Euro '000	**Up to 1 month**	**1 to 3 months**	**3 to 12 months**	**1 to 2 years**	**2 to 5 years**	**Over 5 years**	**Total**
At 30th September 2005							
Asset liquidity							
Cash and balances with central bank	14 702						**14 702**
Loans and advances to credit institutions	56 626	501	29 789				**86 916**
Derivative financial instruments		526					**526**
Trading portfolio	68 697		67 398	16 053	104 404	154 857	**411 409**
Loans and advances to customers	195 468	45 872	50 020	24 200	23 484	51 154	**390 198**
Investment portfolio			11 716	27 985	58 407	38 250	**136 358**
Investments in associates						17 422	**17 422**
Other assets	17 955	4 535	9 262	17 806	770	80 774	**131 102**
Total assets	**353 448**	**51 434**	**168 185**	**86 044**	**187 065**	**342 457**	**1 188 633**
Liability liquidity							
Due to credit institutions	109 672	31 012					**140 684**
Derivative financial instruments	1	618		1 083			**1 702**
Due to customers	647 887	38 865	12 509	15 526			**714 787**
Bond loans				26 391	750		**27 141**
Other borrowed funds							**0**
Other liabilities	28 236	4 012	4 512	2 751	5 643	2 290	**47 444**
Total liabilities	**785 796**	**74 507**	**17 021**	**45 751**	**6 393**	**2 290**	**931 758**
Net liquidity gap	**(432 348)**	**(23 073)**	**151 164**	**40 293**	**180 672**	**340 167**	**256 875**
At 31st December 2004							
Total assets	326 499	23 107	109 155	76 426	129 255	294 549	**958 991**
Total liabilities	512 026	117 818	43 595	6 077	26 884	2 743	**709 143**
Net liquidity gap	**(185 527)**	**(94 711)**	**65 560**	**70 349**	**102 371**	**291 806**	**249 848**

4 Business Segments

The Group has divided its activities into 4 Business Segments. Commercial Banking includes a) Retail Banking β) Private Banking & Asset Management and c) Loans & Leverage

Amounts in Euro '000	Commercial Banking	Investment Banking	Treasury and Capital Markets	Securities Transactions	THE GROUP
Period between 1st January - 30th September 2005					
Net Income	**11 545**	**22 230**	**12 718**	**10 157**	**56 650**
Result before Tax	1 118	19 720	9 373	3 741	33 952
Tax					(7 938)
Result after Tax					**26 014**
Other items by segment					
Impairment charge	1 115	293	70		1 478
Depreciation	315	148	112	241	816
Write-off of goodwill	(92)				(92)
Period between 1st January - 30th September 2004					
Net Income	**5 715**	**16 253**	**8 663**	**5 963**	**36 594**
Result before Tax	(4 591)	7 546	5 580	703	9 238
Tax					(1 726)
Result after Tax					7 512
Other items by segment					
Impairment charge	1 371				1 371
Depreciation	273	193	101	254	821
Write-off of goodwill	(2 066)				(2 066)
At 30th September 2005					
Assets	313 964	149 466	705 300	15 519	1 184 249
Balances between segments					4 384
Total assets					1 188 633
Liabilities	727 779	64 091	170 030	20 811	982 711
Balances between segments					(50 953)
Total liabilities					931 758
At 31st December 2004					
Assets	226 645	147 928	595 742	29 498	999 813
Balances between segments					(40 822)
Total assets					958 991
Liabilities	594 457	57 272	131 861	21 712	805 302
Balances between segments					(96 159)
Total liabilities					709 143

5 Cash and Balances with Central Bank

The cash and balances with Central Bank figure is analysed as follows:

	THE GROUP	
Amounts in Euro '000	**30th September 2005**	**31st December 2004**
Cash in hand	2 022	1 467
Balances with central bank	12 680	18 940
Total	**14 702**	**20 407**

For September 2005, the obligatory deposit reserves, on average, which the two banks are obliged to maintain in the Bank of Greece, amount to € 14.194 thous.

The Company's cash and cash equivalents are analysed as follows:

	THE COMPANY	
Amounts in Euro '000	**30th September 2005**	**31st December 2004**
Cash in hand and sight accounts	2 360	3 713
Short-term deposit with banks within the Group	3 220	28 727
Total	**5 580**	**32 440**

6 Loans and Advances to Credit Institutions

Group loans and advances from transactions and deposits with other credit institutions are analysed as follows:

	THE GROUP	
Amounts in Euro '000	**30th September 2005**	**31st December2004**
Loans to credit institutions	40 463	84 969
Nostri accounts in foreign banks	8 145	5 560
Nostri accounts in local banks	35 890	37 269
Sight accounts	2 390	3 123
Cheques receivable	28	160
Total	**86 916**	**131 081**

7 Trading Portfolio

The trading portfolio is analysed as follows:

	THE GROUP		THE COMPANY	
Amounts in Euro '000	30th September 2005	31st December 2004	30th September 2005	31st December 2004
Government treasury bills				
Greek Government treasury bills	106 533	97 200		
Other government treasury bills	64 005	60 106		
Corporate entity bonds	46 806	33 830		
Bank bonds	82 267	86 767		
	299 611	*277 903*	*0*	*0*
Shares & other variable income securities				
Shares listed in Athens Stock Exchange	65 460	45 076	45 134	18 642
Shares listed in foreign stock exchanges	92	522	51	468
Non-listed shares		360		
Mutual funds	3 520	6 625	1 484	4 097
	69 072	*52 583*	*46 669*	*23 207*
Securities with embedded derivatives				
Bonds with embedded derivatives (convertible into local shares)	14 627	14 627	14 627	14 627
Bonds with embedded derivatives (convertible into shares abroad)	28 099	16 900	28 099	16 900
	42 726	*31 527*	*42 726*	*31 527*
Trading portfolio	**411 409**	**362 013**	**89 395**	**54 734**

During the third quarter 2005, MARFIN GROUP acquired 9.081.069 ordinary registered shares of EGNATIA BANK S.A. amounting to € 32 332 thous., that is, acquisition of 9,50% of the share capital of EGNATIA BANK S.A. or 10,64% of its total voting rights.

Book values of financial assets are classified as follows:

	THE GROUP		THE COMPANY	
Amounts in Euro '000	30th September 2005	31st December 2004	30th September 2005	31st December 2004
Available for sale	267 329	362 013	89 395	54 734
Measured at fair value during initial recognition	144 080			
	411 409	**362 013**	**89 395**	**54 734**

Government bonds designated for collaterals amount to € 144.080 thous. This amount is recorded in the cash flow statement, under the operating activities entry as a part of the changes in working capital.

The trading portfolio has been measured at fair value except from the non-listed shares and some convertible bonds which have been valued at acquisition cost as it was not possible to determine the fair value due to fact that there was insufficient evidence in the market on similar financial instruments. Changes in fair value of the trading portfolio are recognized in the "Profit / loss of financial assets through profit and loss" account in the Parent's income statement and in the "Trading results" account in the consolidated income statement. Interest received from fixed rate bonds is recorded in the "Interest and similar income" account in the profit & loss statement using the effective rate method.

8 Derivative Financial Instruments

The derivatives described below were negotiable at the period ending 30th September 2005

	THE GROUP					
	30th September 2005			**31st December 2004**		
		FAIR VALUE			**FAIR VALUE**	
Amounts in Euro '000	**Notional amount**	**Assets**	**Liabilities**	**Notional amount**	**Assets**	**Liabilities**
Derivatives held for trading						
Currency derivatives:						
FX Forwards	16 000	16	16	4 258		1
Swaps	3 984	2		64 921	1	36
Other derivative instruments OTC	2 619	17	137	147		
		35	**153**		**1**	**37**
Interest rate derivatives						
Swaps	27 689					
		0	**0**		**0**	**0**
Index/equity derivatives						
Futures	10 194			20 959		
Options	18 303	491	280	1 243		1 243
Index futures	17 941					
Reverse repos	5 939		186			
		491	**466**		**0**	**1 243**
Derivatives held for trading		**526**	**619**		**1**	**1 280**
Derivatives designated as fair value hedges						
FX Forwards	12 000		1 055			
EURO CALL	3 000		(15)			
EURO PUT	3 000		43			
Futures				3 250	66	
Index Futures	117 037			176 901	224	
Total fair value hedge		**0**	**1 083**		**290**	**0**
Derivatives designated as cash flow hedges						
FX futures						
Total cash flow hedge		**0**	**0**		**0**	**0**
Total recognised derivatives		**526**	**1 702**		**291**	**1 280**

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Amounts in Euro '000	30th September 2005 Notional amount	Fair value Assets	Liabilities	31st December 2004 Notional amount	Fair value Assets	Liabilities
Index / equity derivatives						
Futures	5 048		55			
		0	**55**		**0**	**0**
Derivatives designated as fair value hedges						
FX Forwards	12 000		1 055			
EURO CALL	3 000		(15)			
EURO PUT	3 000		43			
Futures				3 250	66	
Index Futures						
Total fair value hedge		**0**	**1 083**		**66**	**0**
Total		**0**	**1 138**		**66**	**0**

9 Loans and Advances to Customers

The Group's loan portfolio is analysed as follows:

THE GROUP

Amounts in Euro '000	30th September 2005	31st December 2004
Consumer loans	43 683	24 847
Mortgages	13 574	3 452
Loans to individuals	27 422	24 153
Corporate loans	306 912	201 939
Loans to public entities & municipalities	14 134	1 540
	405 725	255 931
Less: allowance for losses (impairment) on loans and advances to customers	(15 527)	(14 430)
Total	**390 198**	**241 501**

The maturity or adjustment of the interest rate of the loans is on average one month. The fair value of loans does not differ substantially from their nominal value.

Past due loans are the loans of which no interest has been paid for the period of six months. Interest posting for these loans is affected off-balance sheet.

	THE GROUP	
Amounts in Euro '000	**30th September 2005**	**31st December 2004**
Off-balance sheet past due interest account	2 242	1 235

The movements of the provisions account for loan impairment is described as follows:

	THE GROUP	
Amounts in Euro '000	**30th September 2005**	**31st December 2004**
Balance at beginning of period	(14 430)	(12 504)
Expense for the period	(1 115)	(1 962)
Loans written-off	18	36
Balance at end of period	**(15 527)**	**(14 430)**

10 Investment Portfolio

The Group's investment portfolio comprises of financial assets held to maturity and financial assets available for sale.

	THE GROUP		THE COMPANY	
Amounts in Euro '000	**30th September 2005**	**31st December 2004**	**30th September 2005**	**31st December 2004**
Available for sale portfolio (at fair value)				
Greek Government bonds				
Foreign government bonds	26 311			
Corporate entity bonds	62 365	29 578		
Bank bonds	4 443	4 072		
Non-negotiable bank bonds	2 115			
Total fixed income securities	*95 234*	*33 650*	*0*	*0*
Available for sale portfolio (at amortsied cost)				
Shares listed in Athens Stock Exchange				
Shares listed in foreign stock exchanges				
Non-listed local shares	1 592	2 223	159	170
Shares and other variable income securities				
Non-listed foreign shares	18 526	12 487	18 526	12 825
Total variable income securities	*20 118*	*14 710*	*18 685*	*12 995*
Total available for sale securities	**115 352**	**48 360**	**18 685**	**12 995**
Investments held-to-maturity				
Greek Government bonds	19 463	19 566		
Foreign government bonds				
Corporate entity bonds	1 543	1 567		
Total investment held-to-maturity	**21 006**	**21 133**	**0**	**0**
Total investment portfolio	**136 358**	**69 493**	**18 685**	**12 995**

The movement for the investment portfolio for the period between 1/1 – 30/09/2005 is:

	THE GROUP			THE COMPANY
Amounts in Euro '000	**Financial assets available for sale**	**Investments held-to-maturity**	**Total**	**Financial assets available for sale**
Balance as at 1st January 2005	48 291	21 202	**69 493**	12 995
Additions	67 135		**67 135**	441
Disposals – write-offs	(4 269)		**(4 269)**	(11)
Transfer from investment portfolio to consolidation	(376)		**(376)**	
Exchange differences	1 948	(196)	**1 752**	1 967
Adjustments in fair value directly transferred to reserves	2 623		**2 623**	3 293
Balance as at 30th September 2005	**115 352**	**21 006**	**136 358**	**18 685**

11 Investments of the Group in Associated Undertakings

Investments in associates include the entities over which the Group has substantial control. The associates are consolidated using the equity method. The movement of the account is described below:

	THE GROUP	
Amounts in Euro '000	**30th September 2005**	**31st December 2004**
Beginning of period	16 191	10 565
Additions	256	7 066
Disposals / impairment	(11)	(187)
Write-off of goodwill		0
Group share of profit / (loss) after tax and minority interest	986	(1 253)
End of period	**17 422**	**16 191**

In the "investments in associated undertakings" account, goodwill has not been accounted for.

Given below is concise financial information on the associate Companies of the Group:

		30th September 2005				
Amounts in Euro '000	**Domicile**	**Assets**	**Liabilities**	**Portfolio Management proceeds**	**Profits / (losses)**	**Participation %**
EUROLINE S.A.	Greece	18 842	361	1 819	1 018	48,56%
INTERINVEST S.A.	Greece	12 415	77	1 332	677	44,57%
MARFIN GLOBAL INVESTMENTS S.A.	Greece	7 077	84	360	(42)	42,15%
		38 334	522	3 511	1 653	

Amounts in Euro '000	Domicile	31st December 2004 Assets	31st December 2004 Liabilities	30th September 2004 Portfolio management proceeds	30th September 2004 Profits / (losses)	31st December 2004 Participation %
EUROLINE S.A.	Greece	17 661	198	(1 054)	(1 863)	48,57%
INTERINVEST S.A.	Greece	12 221	560	(4 751)	(5 344)	40,68%
MARFIN GLOBAL INVESTMENTS S.A.	Greece	7 083	48	(55)	(648)	42,15%
		36 965	806	(5 860)	(7 855)	

12 Investments of the Parent Company in Subsidiaries and Associate Undertakings

Investments in subsidiaries, in the Parent's financial statements, have been measured at acquisition cost.

Investments in associates have been measured at fair value. Profits and losses arising from the measurement of associates are recognized directly in shareholders' equity.

The movements of the associated undertakings account in the Marfin F.G.'s balance sheet is described below:

Amounts in Euro '000	THE COMPANY 30th September 2005	31st December 2004
Balance at beginning of period	12 728	7 500
Additions		
- Acquisition of shares		3 594
- Increase in participation of established investments	255	3 472
Adjustment in fair value directly transferred to reserves	277	(1 838)
Balance at end of period	**13 260**	**12 728**

The addition in the period refers to the Parent's additional acquisition of shares of its associates INTERINVEST S.A. and EUROLINE S.A. by 3,97% and 0,01% respectively.

13 Investments in Property and Property, Plant and Equipment

Changes in the tangible assets account are stated below:

	THE GROUP					
	Property, plant and equipment					
Amounts in Euro '000	Land-buildings	Mechanical equipment & transport	Furniture & other equipment	Assets under construction	Total	**Investment in property**
Acquisition cost on 1st January 2004	16 846	3 393	6 473	86	26 798	6 802
Less: Accumulated depreciation	(468)	(1 728)	(4 818)		(7 014)	
Book value on 1st January 2004	**16 378**	**1 665**	**1 655**	**86**	**19 784**	**6 802**
Additions	888	31	493	-	1 412	
Write-off – disposals	(666)	(2 277)	(895)	(86)	(3 924)	
Depreciation for the period	(203)	(140)	(570)	-	(913)	
Depreciation attributed to disposed or written-off	197	1 540	726	-	2 464	
Acquisition cost on 31st December 2004	17 068	1 147	6 070	-	24 286	6 802
Less: Accumulated depreciation	(474)	(327)	(4 662)	-	(5 463)	
Book value on 31st December 2004	**16 594**	**819**	**1 409**	**0**	**18 823**	**6 802**
Additions	182		229		411	
Transfers						
Write-off – disposals	(128)	(1)	(13)		(142)	
Depreciation for the period	(158)	(73)	(440)		(671)	
Depreciation attributed to disposed-written-off	128	2	9		139	
Acquisition cost on 30th September 2005	17 122	1 146	6 287	0	24 555	6 802
Less accumulated depreciation	(504)	(398)	(5 093)	0	(5 995)	0
Book value on 30th September 2005	**16 618**	**748**	**1 194**	**0**	**18 560**	**6 802**

THE COMPANY

Property, plant and equipment

Amounts in Euro '000	Land-buildings	Mechanical equipment & transport	Furniture & other equipment	Assets under construction	Total
Acquisition cost on 1st January 2004	594	3 264	1 575	1	5 433
Less: Accumulated depreciation	(275)	(1 634)	(1 301)		(3 210)
Book value on 1st January 2004	**319**	**1 630**	**274**	**1**	**2 224**
Additions	50		7		57
Write-off – disposals	(515)	(2 256)	(794)	(1)	(3 566)
Depreciation for the period	(15)	(127)	(119)		(261)
Depreciation attributed to disposed or written-off	162	1 525	711		2 397
Acquisition cost on 31st December 2004	128	1 007	789		1 924
Less: Accumulated depreciation	(128)	(237)	(709)		(1 074)
Book value on 31st December 2004	**0**	**771**	**79**	**0**	**850**
Additions			28		28
Write-off – disposals	(128)				(128)
Depreciation for the period	0	(63)	(48)		(111)
Depreciation attributed to disposed-written-off	128	0	0		128
Acquisition cost on 30th September 2005		1 007	817		1 824
Less accumulated depreciation		(300)	(757)		(1 057)
Book value on 30th September 2005	**0**	**708**	**59**	**0**	**767**

14 Goodwill and Other Intangible Assets

The change in goodwill and in "other intangible assets" is described below:

	THE GROUP					THE COMPANY
Amounts in Euro '000	**Goodwill**	**Goodwill on acquisition of branches**	**Software and sundry expenses**	**Other intangibles**	**Total**	**Software and sundry expenses**
Acquisition on 1st January 2004	55 337	641	3 334		59 312	566
Less: Accumulated depreciation			(2 869)		(2 869)	(479)
Book value on 1st January 2004	**55 337**	**641**	**465**	**0**	**56 443**	**87**
Additions	1 983		253		2 236	0
Write-off – disposals			(103)		(103)	(102)
Depreciation for the period			(272)		(272)	(19)
Impairment (write-off) of goodwill	(1 983)		0		(1 983)	0
Depreciation attributed to disposed – written-off			42		42	42
Acquisition cost on 31st December 2004	55 337	641	3 484		59 462	464
Less: Accumulated depreciation			(3 099)		(3 099)	(456)
Book value on 31st December 2004	**55 337**	**641**	**385**	**0**	**56 363**	**8**
Additions			29		29	0
Write-off – disposals			(6)		(6)	0
Depreciation for the period			(145)		(145)	(5)
Depreciation attributed to disposed – written off			2		2	0
Acquisition cost on 30th September 2005	55 337	712	3 436		59 485	464
Less: Accumulated depreciation	0	(71)	(3 171)		(3 242)	(461)
Book value on 30th September 2005	**55 337**	**641**	**265**	**0**	**56 243**	**3**

15 Deferred Tax

Deferred tax has been calculated based on the nominal tax rate for the taxable period (27% for the Company and 32% for the subsidiary banks) on temporary taxable and deductible differences.

Deferred tax assets and liabilities are offset when, there is an applicable legal right to offset current tax receivables against current tax liabilities and secondly, when deferred income tax is applicable to the same Tax Authority. The offset amounts are mentioned in the next page:

	THE GROUP				THE COMPANY			
	30th September 2005		31st December 2004		30th September 2005		31st December 2004	
Amounts in Euro '000	Def. tax asset	Def. tax liability	Def. tax asset	Def. tax liability	Def. tax asset	Def. tax liability	Def. tax asset	Def. tax liability
Assets or liabilities								
Investments in property and property, plant and equipment		1 519		1 430				
Intangible fixed assets	369	(93)	907			(93)	218	
Trading portfolio and other financial assets at fair value through profit & loss	34	4 806		856		4 971		340
Available for sale portfolio	(15)	704	(120)			538	185	
Derivative financial instruments	292	162			292			
Participations in associates	230		305		230		305	
Loans and other advances								
Cash in hand								
Bond loans	23			43	23			43
Employment benefit obligations	161		124		7		6	
Derivative financial instruments	193		621					
Tax losses to be offset against future taxable income	591		213					
Other short-term liabilities								
Total	*1 876*	*7 098*	*2 050*	*2 329*	*552*	*5 416*	*714*	*383*
Off-setting	129	129	(185)	(185)	129	129	(185)	(185)
Total	**2 007**	**7 227**	**1 865**	**2 144**	**681**	**5 545**	**529**	**198**

A deferred tax asset is realized when it is reasonably expected to be offset against future taxable income. The following deferred tax asset has not been recognized in the consolidated balance sheet.

	THE GROUP	
Amounts in Euro '000	30th September 2005	31st December 2004
Provisions for impairment of loan and other receivables	2 809	2 854
Impairment of the value of participation in associates	624	624
Tax losses to be offset against future taxable income	855	1 848
Total	**4 288**	**5 326**

16 Other Assets

Other assets are analysed as follows:

Amounts in Euro '000	THE GROUP 30th September 2005	THE GROUP 31st December 2004	THE COMPANY 30th September 2005	THE COMPANY 31st December 2004
Other debtors	11 595	6 499	3 613	6 715
Less provisions	(255)	(255)		
Debtors after provisions	*11 340*	*6 244*	*3 613*	*6 715*
Customers not related to banking and financial activities	501	767	501	767
Less provisions	(257)	(257)	(257)	(257)
Non-related customers after provisions	*244*	*510*	*244*	*510*
Guarantee deposit funds	3 478	3 691		470
Complementary A.S.E. members guarantee fund	5 883	5 883		
Clearing accounts for securities transactions of ASE, ADEX and foreign stock exchanges	3 651			
Claims on the Greek State	5 568	6 319	1 064	2 341
Margin derivative trading account	10 813	3 490		
Interest and other receivable income	6 073	7 651	164	
Cheques awaiting clearance	25	248	25	147
Expenses in forthcoming periods		114		
Guarantees	260		45	43
Advances	155	9		
Loans to third parties		0	10 000	10 000
	35 906	27 405	11 298	13 001
Total	**47 490**	**34 159**	**15 155**	**20 226**

The above stated accounts appear in the Parent's balance sheet as follows:

Amounts in Euro '000	THE COMPANY 30th September 2005	THE COMPANY 31st December 2004
Other long-term receivables	9 445	9 912
Due to customers and other short-term liabilities	5 710	10 314
Total	**15 155**	**20 226**

17 Due to Credit Institutions

Liabilities to other credit institutions are analysed as follows:

	THE GROUP	
Amounts in Euro '000	**30th September 2005**	**31st December 2004**
Amounts due to central bank	82 151	61 515
Interbank deposits	57 379	35 025
Due to credit institutions – sight accounts	1 154	1 501
Total	**140 684**	**98 041**

18 Customer Deposits and Other Customer Accounts

Bank deposits and other customer accounts are analysed below:

	THE GROUP	
Amounts in Euro '000	**30th September 2005**	**31st December 2004**
Sight deposits	275 050	49 140
Savings account	9 607	10 211
Time deposits	369 190	391 936
Blocked deposits	60 940	44 806
Repos		63 454
Total	**714 787**	**559 547**

19 Bond Loans

Marfin F.G. has issued bond loans as described below:

Type of bond	Issue date	Maturity date	Total number of bonds	Bonds held by third parties	Nominal value of bond	Coupon rate	Maturity date	Eff. rate
Convertible bonds non-negotiable	19/12/2001	19/12/2006	1 813 750	1 484 000	17,8	6,50%	19/12/2006	6,75%
Convertible bonds non-negotiable	12/06/2003	12/06/2008	100 000	1 820	90	Euribor+1%	12/06/2008	7,35%

The liability arising from bond loans is measured at amortised cost using the effective rate method. The present value of the liability is presented next:

Amounts in Euro '000	THE GROUP 30th September 2005	THE GROUP 31st December 2004	THE COMPANY 30th September 2005	THE COMPANY 31st December 2004
Bond loan with maturity date: December 2006	27 705	26 373	33 876	32 260
Bond loan with maturity date: June 2008	472	599	9 732	9 586
Total	**28 177**	**26 972**	**43 608**	**41 846**
Distributed to:				
Bond loans (long-term liabilities)	27 141	26 863	41 847	41 567
Coupons payable	1 036	109	1 761	279
Total	**28 177**	**26 972**	**43 608**	**41 846**

20 Retirement Benefit Obligations

The benefits on retirement include a lump sum pension indemnity paid to employees upon retirement and are analysed as follows:

Amounts in Euro '000	THE GROUP 30th September 2005	THE GROUP 31st December 2004	THE COMPANY 30th September 2005	THE COMPANY 31st December 2004
Recognition in balance sheet:				
Lump sum pension indemnity				
- Funded				
- Non-funded	730	609	26	21
	730	**609**	**26**	**21**

Amounts in Euro '000	THE GROUP 30th September 2005	THE GROUP 30th September 2004	THE COMPANY 30th September 2005	THE COMPANY 30th September 2004
Recognition in profit & loss				
Lump sum pension indemnity				
- Funded	45	45		
- Non-funded	121	85	5	3
	166	**130**	**5**	**3**

The amounts recorded in the balance sheet are indicated below:

Amounts in Euro '000	THE GROUP 30th September 2005	THE GROUP 31st December 2004	THE COMPANY 30th September 2005	THE COMPANY 31st December 2004
Present value of funded obligations	785	721		
Fair value of plan assets	(1 051)	(1 013)		
	(266)	(292)	0	0
Less: Restriction on assets	266	292		
Balance for recognition	0	0	0	0
Present value of non-funded obligations	763	642	29	25
Unrecognised actuarial profits or losses	(33)	(33)	(3)	(4)
Unrecognised cost of services rendered		0		0
Amount recognized in the balance sheet	**730**	**609**	**26**	**21**

The amounts recorded in the income statement are analysed below:

Amounts in Euro '000	THE GROUP 30th September 2005	THE GROUP 30th September 2004	THE COMPANY 30th September 2005	THE COMPANY 30th September 2004
Current service cost	138	97	4	2
Cost	47	45	1	1
Expected return on plan assets	(38)	(35)		
Net actuarial gains / (losses) recognized in the period				
Effect from restriction on assets from insurance policy	19	23		
Total included in staff costs	**166**	**130**	**5**	**3**

The following changes have been incurred in the liabilities account:

Amounts in Euro '000	THE GROUP 30th September 2005	THE GROUP 31st December 2004	THE COMPANY 30th September 2005	THE COMPANY 31st December 2004
Opening book amount	609	661	21	17
Total included in staff costs	121	113	5	4
Contributions paid		(165)		
Closing book account	**730**	**609**	**26**	**21**

The main actuarial principles used for accounting purposes are the following:

Amounts in Euro '000	30th September 2005	31st December 2004
Discount rate	4,15%	4,15%
Expected return on plan assets	4,15%	4,15%
Future salary increases	6,00%	6,00%

21 Dividends Payable

The dividends payable are described below:

	THE GROUP		THE COMPANY	
Amounts in Euro '000	30th September 2005	31st December 2004	30th September 2005	31st December 2004
Dividends from year ending 2004				
Obligation arising from share capital return				
Parent's dividend from previous accounting periods	151	97	151	97
Subsidiaries' dividends in minority		157		
At period end	**151**	**254**	**151**	**97**

22 Other Liabilities

Other liabilities are stated below:

	THE GROUP		THE COMPANY	
Amounts in Euro '000	30th September 2005	31st December 2004	30th September 2005	31st December 2004
Other creditors	9 871	1 785	218	3 599
Short-term liabilities to credit institutions			10 000	
Due to customers from securities transactions	14 534	12 312		
Liabilities arising from taxes	4 732	2 474	1 760	2 133
Interest and other related expenses	3 700	3 380	1 761	279
Insurance companies	293	61	7	12
Other liabilities (cheques payable)	5 815			
Grants	392	392	392	392
Total	**39 337**	**20 404**	**14 138**	**6 415**

The entries indicated above are recognized in the Parent's balance sheet as follows:

	THE COMPANY	
Amounts in Euro '000	30th September 2005	31st December 2004
Other long-term liabilities	392	392
Short-term liabilities to credit institutions	10 000	0
Suppliers and other liabilities	1 986	3 890
Current tax liabilities	1 760	2 133
	14 138	**6 415**

23 Share Capital

Changes in share capital are described below:

Amounts in Euro '000	Number of shares	Nominal value	Share capital	Share premium	Total
1st January 2004	186 076 540	€2.00	372 153	393	372 546
Acquisition and cancellation of treasury shares	18 576 540	€2.00	(37 153)		(37 153)
Reduction in nominal value for reduction or retained loss	167 500 000	-€ 0,70	(117 250)		(117 250)
Reverse split 6,7:1	6,7:1				
31st December 2004	**25 000 000**	**€ 8,71**	**217 750**	**393**	**218 143**
Stock option					
- Fair value of rendered services				120	120
Reduction in share capital with return of cash to shareholders		-€ 0,45	(11 250)		(11 250)
30th September 2005	**25 000 000**	**€8.26**	**206 500**	**513**	**207 013**

24 Call Options Granted

The Company has offered the following stock options plan:

a) Stock option program

In January 2004 the Company initiated a stock option plan. The Company has granted 2.500.000 call options with strike price € 8,27. The initial strike price was set at € 8,72 and was later modified after a general meeting decision to € 8,27, due to the reduction of the face value of the share. During the past nine months there were no further changes in the option plan.

Maturity date	Strike price	Options
December 2005	8,27	992 000
December 2006	8,27	572 000
December 2007	8,27	312 000
December 2008	8,27	312 000
December 2009	8,27	312 000
Total		2 500 000

b) Embedded derivatives to convert bonds into common shares

Type of bond	**Maturity date**	**Number of bonds**	**Conversion ratio into shares**	**Number of shares in case of exercise of options**	**Bonds held by third parties**	**Number of shares corresponding to bonds held by third parties**	**Period of exercise of options**
Convertible bonds non-negotiable	19/12/2006	1.813.750	1 bond against 0,929118 shares	1 685 188	1 484 000	1 378 811	On renewal date (December) up to maturity
Convertible bonds non-negotiable	12/06/2008	100.000	1 bond against 7,033301245 shares	703 330	1 820	12 801	Anytime up to maturity
				2 388 518		**1 391 612**	

On 05/05/2005 the conversion rate was modified due to the reduction in the face value of the shares through reduction of capital.

	Conversion ratio	
	Before modification	**After modification**
Bonds maturing in December 2006	1 bond against 0,929118 shares	1 bond against 0,9797358 shares
Bonds maturing in December 2008	1 bond against 7,033301245 shares	1 bond against 7,4164714096 shares

25 Other Reserves and Retained Earnings

Other reserves and retained earnings are analysed below:

THE GROUP

Amounts in Euro '000	Legal reserve	Reserves from convertible bonds	Extraordinary reserve	Tax free and special reserves	Treasury shares transactions	Currency conversion reserves	Total	Retained earnings' balance
Balance as at 1st January 2004	**1 507**	**213**	**501**	**5 346**	**0**	**(12)**	**7 555**	**(141 392)**
Offsetting of loss by reducing share capital							0	117 250
F/X conversion differences						1	1	9 651
Changes from distribution of profits	577			657			1 234	
Profits from cancellation of treasury shares					8 083		8 083	
Less: Related income tax					(1 094)		(1 094)	
Balance as at 31st December 2004	**2 084**	**213**	**501**	**6 003**	**6 989**	**(11)**	**15 779**	**(14 491)**
F/X differences							0	
Dividends from 2004 exercise					(6 989)		(6 989)	(1 761)
Results of the period 1/1 – 30/9/2005						5	5	23 807
Balance as at 30th September 2005	**2 084**	**213**	**501**	**6 003**	**0**	**(6)**	**8 795**	**7 555**

THE COMPANY

Amounts in Euro '000	Legal reserve	Reserves from convertible bonds	Extraordinary reserve	Tax free and special reserves	Treasury shares transactions	Total	Retained earnings balance
Balance as at 1st January 2004	**1 219**	**213**	**501**	**4 512**	**0**	**6 445**	**(125 847)**
Offsetting of loss by reducing share capital						**0**	**117 250**
Changes from distribution profits	**470**					**470**	**11 335**
Profits from cancellation of treasury shares					8 083	8 083	
Less: Related income tax					(1 094)	(1 094)	
Balance as at 31st December 2004	**1 689**	**213**	**501**	**4 512**	**6 989**	**13 904**	**2 738**
Dividends from year ending 2004					(6 989)	(6 989)	**(1 761)**
Results for of the period 1/1-30/9/2005						**0**	**18 098**
Balance as at 30th September 2005	**1 689**	**213**	**501**	**4 512**	**0**	**6 915**	**19 075**

The non-taxable reserves are free for distribution after the related tax payment has been incurred.

According to GR GAAP, profit arising from the cancellation of treasury shares was recorded in the Profit & loss statement. This profit was taxed and then distributed to shareholders as a dividend. According to IFRS this profit is recorded directly in the reserves account.

26 Net Interest Income

The net income figure is analysed as follows:

	THE GROUP	
Amounts in Euro '000	**30th September 2005**	**30th September 2004**
Interest income		
Interest on fixed income securities	10 526	7 751
Interest received from loans	12 401	7 593
Interest received from interbank transactions	2 140	1 302
Other interest related income	1 337	1 333
Total	**26 404**	**17 979**
Interest expense		
Customer deposits	(13 268)	(9 337)
Interbank transactions	(1 757)	(518)
Bond loan issuance	(1 382)	(1 570)
Other interest related expenses	(1 626)	(692)
Total	**(18 033)**	**(12 117)**
Net interest income	**8 371**	**5 862**

27 Net Fee and Commission Income

Net fee and commission income are analysed below:

	THE GROUP	
Amounts in Euro '000	**30th September 2005**	**30th September 2004**
Net fees and commission income from Commercial Banking	4 152	4 144
Net fees and commission income from Asset Management	1 286	1 222
Net fees and commission income from Investment Banking	264	823
Net fees and commission income from Securities transactions	9 385	6 794
Other	214	146
Net fees and commission income	**15 301**	**13 129**

28 Trading Result

The trading result is analysed as follows:

	THE GROUP	
Amounts in Euro '000	**30th September 2005**	**30th September 2004**
Net result from shares, mutual funds, and shares hedging	11 490	8 862
Net result from FX and FX hedging	950	(1 487)
Net result from bonds and bonds hedging	15 715	5 551
Net result from derivatives held for trading	(1 912)	(1 838)
Total	**26 243**	**11 088**

29 Other Income

a) Marfin Group

Other income results are explained below:

	THE GROUP	
Amounts in Euro '000	**30th September 2005**	**30th September 2004**
Result of non-banking companies	14	1 039
Other operating income	506	899
Proceeds from disposal of fixed assets	3	212
	523	**2 150**

The result from non-financial activities is derived from the operations of the Company in the mass media sector, which are gradually ceased. The amount is analysed as follows:

	THE GROUP	
Amounts in Euro '000	**30th September 2005**	**30th September 2004**
Proceeds from sale of goods		2 429
Proceeds from services rendered	225	549
Total	225	2 978
Less: Cost of reserves used up	(211)	(1 939)
Less: Other expenses		
Result from non-financial segment	**14**	**1 039**

b) Marfin F.G.

The "Other income" entry of the Parent is analysed below:

	THE COMPANY	
Amounts in Euro '000	30th September 2005	30th September 2004
Income from sales of goods	0	2 429
Income from services	225	549
FX revaluation of time deposits	470	1 016
Income from fixed assets disinvestments	0	192
Buildings & equipment rentals	148	221
Interest on loans	164	0
Gains on FX dealing and FX derivatives transactions	149	1 025
Total	**1 156**	**5 432**

30 Employee Benefits and Remuneration

The number of staff employed by the Group is 349 (the Parent employs 9). The total charge in the results for the period is analysed as follows:

	THE GROUP		THE COMPANY	
Amounts in Euro '000	30th September 2005	30th September 2004	30th September 2005	30th September 2004
Wages and salaries	11 227	10 485	325	589
Social insurance contribution	1 827	1 618	43	96
Pension plan costs	101	325	3	8
Stock options attributed to employees	120	0	120	0
Other staff costs	357	55	12	15
Total	**13 632**	**12 483**	**503**	**708**

31 Stock Options

In January 2005, Management issued a stock option program enforced by the 2/11/04 decision of the Shareholders' General Meeting.

According to the stock option program, between November of 2005 and November of 2009, 2.500.000 stock options will be offered gradually to the members of the Board of Directors, Management executives and other employees. Stock option details are explained as follows:

					Modification	
Establishment date	**Options**	**Strike date**	**Strike price**	**Initial fair value option**	**Strike price**	**Fair value option**
November 2005	992 000	31/12/2005	8,72	0,02	8,27	0,06
November 2006	572 000	31/12/2006	8,72	0,06	8,27	0,12
November 2007	312 000	31/12/2007	8,72	0,11	8,27	0,18
November 2008	312 000	31/12/2008	8,72	0,15	8,27	0,23
November 2009	312 000	31/12/2009	8,72	0,18	8,27	0,27
	2 500 000					

Participating in the stock option program requires:

- That the beneficiary remains as a member of the Board of Directors, or as an executive, or as a Company employee
- The yearly approval of the Board of directors. Prior to the Board of Directors' decision it is required that a proposition is made by the Hiring and Remuneration Committee which has made a judgment on whether each beneficiary has performed according to the Company's expectations.

The fair value of the stock options to be offered to the staff was measured on grant date (14/01/2005) based on the Black & Scholes evaluation model. The data used for the application of the model are: a) the fair value of the share (closing price) on the grant date which was € 7,04, b) the expected fluctuation of the share price. The share price fluctuation was calculated as 13% which is equal to the 3 month fluctuation prior to the grant date, c) exercise price equal to € 8,72.

After the resolution of the Shareholders' General Meeting the exercise price of the share was reduced to € 8,27 due to the decrease in share prices. According to IFRS 2, in the case of modification of the terms and conditions of the program, fair values, before and after the modification date, are recalculated and the additional value is added to the initially estimated fair value. According to the statements made above, the Black & Scholes model was applied on 4/5/05 with a share price of € 13,30 and an exercise price of € 8,72 and on 6/5/2005 the model was applied with a share price and exercise price of € 12,88 and € 8,27 respectively.

The total fair value calculated is equal to € 345 thous. and will be charged in the profit & loss statement for the periods 2005 to 2009.

32 Income Tax

The tax expense incurred for the period is analysed as follows:

	THE GROUP		THE COMPANY	
Amounts in Euro '000	30th September 2005	30th September 2004	30th September 2005	30th September 2004
Income statement				
Current tax	3 672	4 234	1 136	3 846
Deferred tax	4 266	(2 508)	4 231	(2 702)
Tax adjustment for previous tax audit				
Total	**7 938**	**1 726**	**5 367**	**1 144**

Tax charge for the Group mainly arises from taxes imposed on the Parent Company and its subsidiary banks. The current income tax for the Company has been calculated at 27% after taking into account the non-taxable income from dividends. For Marfin Bank the relative tax was calculated with a mean tax factor of 30% which is to be applied on the year-end profits. As for the Investment Bank, no current tax has been calculated due to accumulated tax losses

33 Earnings per Share

Basic and diluted earnings per share are analysed as follows:

	30th September 2005	30th September 2004
Basic earnings per share		
Profits attributable to the Parent Company's shareholders	23 806 991	6 441 554
Weighted average number of shares in issue	25 000 000	25 977 329
Basic earnings per share (Euro per share)	0,952	0,248
Diluted earnings per share		
Profits attributable to the Parent Company's shareholders according to the Income statement of the period	23 806 991	6 441 554
Adjustments for interest expense of convertible bonds	971 535	1 029 489
Adjustments for employee's benefits	120 044	
Adjusted profits attributable to the Parent Company's shareholders	24 898 570	7 471 043
Weighted average number of shares	25 000 000	25 977 329
Plus: increase in number of shares due to probable exercise of bonds convertibility option	1 467 426	1 488 526
Plus: adjustment for employee's stock option rights that have not yet been attributed	904 555	
Weighted average number of shares for the diluted earnings per share	27 371 981	27 465 855
Diluted earnings per share (Euro per share)	0,910	0,248

Convertible Bonds held by the Group are not taken into account for the calculation of diluted earnings per share.

34 Cash Flows

In forming the Group cash flow statement, short-term deposits made to other credit institutions, being either immediately available or available within 90 days, are included in the "cash in hand" account.

	THE GROUP	
Amounts in Euro '000	**30th September 2005**	**30th September 2004**
Cash and balances with central bank	14 702	21 803
Immediately available and short-term deposits made to other banks	57 128	68 066
Total	**71 830**	**89 869**

The Company's cash flow from operating activities includes dividends from subsidiaries and long-term participations in other companies, as well as, transactions in the Company's trading portfolio.

35 Commitments, Contingent Assets and Liabilities

a) Contingent liabilities from guarantees

Book values of contingent liabilities are analysed as follows:

	THE GROUP	
Amounts in Euro '000	**30th September 2005**	**31st December 2004**
Contingent Liabilities from guarantees		
Guarantees from income	57	39 155
Letters of Guarantee (Bid and Performance books)	10 166	10 445
Letters of Guarantee (Advance Payment, Retention of Tenths, Prompt Payment)	12 867	39 024
	23 090	88 624
Other Contingent Liabilities		
Import letters of credits and confirmed letters of credit	451	58
	451	58
Total	**23 541**	**88 682**

b) Contingent tax liabilities

Group tax liabilities are not conclusive as there still exist fiscal periods which have not been inspected by tax authorities. Information is given below:

SUBSIDIARIES	NON-AUDITED TAX PERIODS
MARFIN FINANCIAL GROUP S.A.	01/01/2004-30/09/2005
INVESTMENT BANK OF GREECE S.A.	01/07/2003-30/09/2005
MARFIN BANK S.A.	01/01/2003-30/09/2005
MARFIN GLOBAL ASSET MANAGEMENT S.A.	01/01/2003-30/09/2005
MARFIN MUTUAL FUNDS S.A.	01/01/2003-30/09/2005
IBG CAPITAL S.A.	01/01/2003-30/09/2005
IBG MANAGEMENT S.A.	01/01/2003-30/09/2005
AVC VENTURE CAPITAL S.A.	01/01/2003-30/09/2005
MARFIN SECURITIES CYPRUS LTD	01/01/2003-30/09/2005
MARFIN CAPITAL	N/A*
IBG INVESTMENTS	N/A*

*MARFIN CAPTIAL is an offshore company
*MARFIN CAPTIAL is an offshore company

c) Contingent legal liabilities

As of 30th September 2005, the Group does not have unsettled legal disputes that may substantially affect its financial position.

36 Balances with Related Parties

1) Loans to related parties

	THE GROUP	
Amounts in Euro '000	**30th September 2005**	**31st December 2004**
a) Loans to members of Board of Directors and management personnel of the Group		
Loans outstanding	7 763	6 534
Interest due	12	0
Other due amounts		33
Total	**7 775**	**6 567**
b) Loans to associates		
Various liabilities	**323**	**4**
Total	**323**	**4**
Total	**8 098**	**6 571**

2) Management Remuneration

Amounts in Euro '000	THE GROUP 30th September 2005	THE GROUP 31st September 2004	THE COMPANY 30th September 2005	THE COMPANY 31st September 2004
Fees and members of Board of Directors	1 151	1 093	405	380
Salaries	3 860	3 482	312	289
Other short-term obligations	491	329		
Total	**5 502**	**4 904**	**717**	**669**

3) Liabilities' Balances

Amounts in Euro '000	THE GROUP 30th September 2005	THE GROUP 31st December 2004
a) Balance from customer deposits		
Board of Directors and Management of the Company and subsidiaries	28 381	6 423
Associates (equity method)	5 270	13 838
Total	**33 651**	**20 261**
b) Other liabilities' balance		
Board of Directors and Management of the Company and subsidiaries	0	**177**
Subsidiaries	0	**0**
Associates (equity method)	2 374	**72**
Total	**2 374**	**249**
Total liabilities balances	**36 025**	**20 510**

4) The Company's deposits and loans amounts due, eliminated from the consolidated financial statements

The amounts given below have been eliminated from the Group consolidated financial statements

Amounts in Euro '000	THE COMPANY 30th September 2005	THE COMPANY 31st December 2004
Receivables account		
Deposits	3 947	29 392
Other receivables	3 050	750
Total	**6 997**	**30 142**
Payables account		
Bond loan	14 706	14 704
Short-term liabilities to credit insitutions	10 000	
Other liabilities	781	18
Total	**25 487**	**14 722**

37 Analysis of Adjustments Related to First Time Adoption of IFRS

The table below presents the balance between previous years' shareholders' equity as initially published in accordance with the GR GAAP and shareholders' equity of the period under consideration.

Reconciliation of Equity (Group)

Amounts in Euro '000	**Note**	**1st January 2005**	**30th September 2004**	**1st January 2004**
Shareholders equity as last reported under GR GAAP	i	**239 381**	**189 842**	**279 065**
Changes in equity prior to adjustment due to adoption of IFRS		0	6 609	3 756
Adjusted shareholders equity under GR GAAP		239 381	196 451	282 821
IFRS Adjustments				
Effects from measurement of property investments at fair value	ii	3 420	4 432	4 162
Reclassification of grants from equity to liabilities (income from subsequent periods)		(549)	(994)	(1 010)
Reclassification of treasury shares deducted from equity		0	0	0
Effect due to non-recognition of set-up costs as intangible assets		(1 896)	(2 820)	(4 231)
Recognition of dividend at the date of approval at the General Meeting		8 750	0	0
Effect from measurement of financial assets at fair value	iii	3 242	(3 140)	3 439
Recognition of accrued liability for personnel retirement	iv	(374)	(375)	(448)
Effect from application of effective rate method in measurement of financial assets and liabilities		160	(30)	172
Recognition and measurement of derivative financial instruments		(1 942)	(5)	0
Recognition of deferred tax		(279)	900	(446)
Recognition of income tax for the period		0	(4 234)	0
Recognition of employee remuneration on an accrual basis		(360)	(270)	0
Reversal of amortisation of goodwill arising from the purchase of banking branches		36	27	0
Recognition of goodwill arising from consolidation		641	55 337	0
Reversal of general banking risk provision	vi	1 000	1 000	1 000
Change in equity concerning associates consolidated using the equity method	vii	(1 381)	(158)	(127)
Total adjustments		***10 468***	***49 670***	***2 511***
Shareholders equity according to IFRS		**249 849**	**246 121**	**285 332**

Adjustments in the Consolidated Income Statement

Amounts in Euro '000	**Note**	**9 month period up to 30/09/2004**	**3 month period up to 30/09/2004**
Net results as last reported under GR GAAP		**24 025**	**(2 776)**
Adjustments in the Profit and Loss Statement for subsidiaries disinvested hence non-consolidated	i	886	620
Adjusted net result under GR GAAP		24 911	(2 156)
IFRS adjustments			
Effects from measurement of property investments at fair value	ii	270	102
Effect due to non-recognition of set-up costs as intangible assets		1 411	588
Effect from measurement of financial assets at fair value		(6 846)	(1 598)
Recognition of accrued liabilities for personnel retirement	iv	73	5
Effect from application of effective rate method in measurement of financial assets and liabilities		(202)	(59)
Transfer of net result after tax) from transactions of treasury shares directly into equity	vii	(6 989)	0
Recognition and measurement of derivative financial instruments		(5)	(245)
Recognition of deferred tax		1 413	338
Reversal of goodwill amortisation	vii	27	9
Write-off of goodwill		(2 066)	0
Recognition of the income tax for the period		(4 234)	(535)
Change in equity concerning associates consolidated using the equity method	vii	19	(66)
Recognition of employee remuneration on an accrual basis		(270)	(90)
Total adjustments		***(17 399)***	***(1 551)***
Net result according to IFRS		**7 512**	**(3 707)**

Reconciliation of Equity (Parent Company)

Amounts in Euro '000	Note	1st January 2005	30th September 2004	1st January 2004
Shareholders equity as last reported under GR GAAP		**225 436**	**240 084**	**252 868**
IFRS Adjustments				
Reclassification of grants from equity to liabilities (income from subsequent periods)		(392)	(408)	(423)
Reclassification of treasury shares deducted from equity				
Effect due to non-recognition of set-up costs as intangible assets		(808)	(1 214)	(1 490)
Recognition of dividend at the date of approval at the General Meeting		8 750	0	0
Effect from measurement of financial assets at fair value	iii	(555)	(4 170)	2 409
Recognition of employee remuneration on an accrual basis	iv	9	(8)	(5)
Adjustments from application of IAS 32 for recognition of bonds		160	(242)	13
Recognition of result from transactions in treasury shares directly in equity				
Recognition and measurement of derivative financial instruments				
Recognition of deferred tax		331	1 412	(229)
Recognition of income tax for the period			(3 846)	
Total adjustments		***7 495***	***(8 476)***	***275***
Shareholders equity according to IFRS		**232 931**	**231 608**	**253 143**

Adjustments in the Income Statement (Parent Company)

Amounts in Euro '000

	Note	9 months up to 30/09/2004	3 months up to 30/09/2004
Net results as last reported under GR GAAP		**24 384**	**(996)**
IFRS adjustments			
Effect due to non-recognition of set-up costs as intangible assets		276	173
Effect from measurement of financial assets at fair value	iii	(6 449)	(2 847)
Recognition of employee remuneration on an accrual basis	iv	(3)	(1)
Adjustments from application of IAS 32 for recognition of bonds		(255)	(112)
Transfer of net result (after tax) from transactions in treasury shares directly in equity	v	(6 989)	0
Recognition and measurement of derivative financial instruments	iii	0	0
Recognition of deferred tax		1 608	697
Recognition of a.f.s. revaluation result (after tax) directly in equity		0	0
Recognition of income tax for the period		(3 846)	(726)
Total adjustments		***(15 658)***	***(2 816)***
Net result according to IFRS		**8 726**	**(3 812)**

i) Consolidation Adjustments prior to the IFRS Transition

In the IFRS transition procedure, several adjustments were made in the consolidated balance sheets for the fiscal periods under comparison. These modifications do not concern the first time adoption of the new accounting principles, they concern the correction of mistakes previously made in the consolidation and non-consolidation procedures of subsidiaries sold in the past.

	THE GROUP	
Amounts in Euro '000	**30th September 2004**	**1st January 2004**
Reversal of goodwill from non-consolidated subsidiaries	20 035	20 257
Reduction in Group shareholder equity with reduction in shareholders equity of non-consolidated subsidiaries	(680)	(2 509)
Recognition in consolidated reserves account on fair values of participations recognized in the Company's financial statements	(12 228)	(12 228)
Total adjustments on non-consolidated subsidiaries	7 127	5 520
Adjustments in shareholders equity from modification of a subsidiary's balance sheet after the formation of the consolidated balance sheet		(1 246)
Correction made in consolidated balance sheets of previous accounting periods	(518)	(518)
Total adjustments	**6 609**	**3 756**

Marfin Financial Group S.A. resulted from a merger between the companies "COMM GROUP S.A. MASS MEDIA AND COMMUNICATIONS HOLDING COMPANY", MARITIME AND FINANCIAL INVESTMENTS S.A. and MARFIN CLASSIC INVESTMENT COMPANY.

As a result of the merger, which was completed on 05/03/2004, the Group's participations in subsidiaries and associates were included in its Investment portfolio, although these companies operated in sectors different from the Group's strategic operational sectors. During the restructuring process, the Group put forward a disinvestment program on all of its participations not meeting its strategic objectives, which was finalized at the end of the year 2004. Therefore, the new Group structure formed after the merger, advocated a temporary control of the Group over the subsidiaries. The reason for this was that the Group's main objective was to set forward the disinvestment program of the subsidiaries mentioned below:

Company Name	Domicile	Participation %	Total Equity 31/12/03 according to GR GAAP (thous. €)
MASS S.A.	Marousi	53,59%	2 868
NEXT S.A.	Marousi	51,00%	876
A. ANDREOU S.A.	Marousi	70,00%	1 432
EPIFANIA PRODUCTION S.A.	Marousi	100,00%	64
STEFI S.A.	Marousi	50,00%	1 090
LEON & PARTNERS S.A.	Marousi	50,05%	285
OPEN MEDIA S.A.	Agia Paraskevi	42,69%	(172)
STEFICON S.A.	Vrilissia	24,50%	111
FILMIKI S.A.	Halandri	41,37%	151

The disinvested subsidiaries were not included in the financial statements of the periods ending: 31/12/2003, 30/09/2004 and 31/12/2004. This action was taken in order for the financial statements of the period ending 30/09/2005 to be fully comparable with those of preceding periods. Furthermore, due to the fact that the Group is not related anymore to the disinvested subsidiaries, financial information in accordance to the IFRS on these entities is not available to the Group so as to include it in the Group consolidated financial statements.

Conversely, these subsidiaries have been measured using the lowest between their acquisition cost and their sale price, as estimated during the formation of the Company's financial statements for the fiscal year 2003 under GR GAAP. It is noted that these actions are in accordance with IFRS 5 "Non current Assets Held for Sale and Discontinued Operations".

(ii) Effects from measurement of property investments and own property, plant and equipment

Property, plant and the largest part of mechanical equipment were measured at deemed cost on the date of transition to the IFRS (1/1/2004) according to IFRS 1. Deemed cost is defined as the fair value of a fixed asset on the IFRS transition date. An independent certified estimator conducted studies in order to determine the fair values.

The remaining tangible assets (transportation means, furniture and computer hardware) were measured at acquisition cost subtracting accumulated depreciation. Depreciation was determined based on the estimated useful lives of the assets.

As far as Investments in property are concerned (land and buildings held for investment purpose, i.e. rent payments), their revaluation at fair value was conducted according to IAS 40. In this respect, depreciation does not apply for the "investments on property" account, as such, the depreciation value considered for the year ending 2004 under GR GAAP, is reversed.

The reconciliation of equity from revaluation of property at fair values is analysed below:

Amounts in Euro '000	**Property, plant and equipment**	**Investment in property**	**Total**
Book value of property according to GR GAAP on 1st January 2004	13 329	4 642	17 971
Plus: Acquisition expenses recognized in set-up costs	807	239	1 047
Total	14 136	4 881	19 018
Fair value on 1st January 2004	16 378	6 802	23 180
Adjustment	**2 242**	**1 921**	**4 162**

(iii) Financial assets at fair value

Due to their complexity IAS 32 and IAS 39 could be exempted, according to IFRS 1. The Group classified its financial assets in the following categories: "Financial Assets Available for Sale", "Financial Assets at Fair Value through Profit & Loss" and "Financial assets Held to Maturity". Financial assets were revalued on the IFRS transition date (1/1/2004) according to IAS 39.

The adjustments made in equity and the results by applying IAS 39 are due to the fact that the trading portfolio of the Banks has been measured according to GR GAAP by using the lowest between the current price and acquisition cost, whereas according to IAS, the financial assets of the trading portfolio should be measured at fair value, i.e. at their bid price on the balance sheet date.

Furthermore, the adjustments of the "available for sale portfolio" for the year ending 2004, is directly recognized in the reserves account, whereas under GR GAAP, adjustments were recognized in the profit & loss statement.

(iv) Recognition of accrued liability for personnel retirement

Based on the new accounting principles, the present value of the legal commitment of a lump sum pension indemnity paid to employees upon retirement is recognized by the Group as a liability.

According to GR GAAP, the lump sum pension indemnity was recognized in the financial statements on a cash flow basis.

(v) Transaction in treasury shares

According to GR GAAP, the profit arisen during the fiscal year ending 2004 from the acquisition of shares at a bid price lower than that of their book value and their consequent write-off, was recognized in the Profit & loss statement. This profit was taxed and distributed to shareholders as a dividend. According to IFRS, this profit is directly recognized in the reserves account. The total profit amounted to € 8.083 thous. And the proportionate income tax paid was equal to € 1.094 thous.

(vi) Provisions for general banking risk

According to the previous accounting principles, the banks of the Group had formed a particular provision for general banking risk. According to the new accounting standards it is obligatory to reassess the balance sheet assets for possible impairment at the period end, whereas the formation of general banking risks is prohibited.

Consequently, the calculated general banking provisions that had already been recognized, had to be distributed to those balance sheet assets, which had undergone impairment. Provisions amounting to €1.000 thous. Were recognized as a reduction in the Investment Bank's participation in another subsidiary of the Group. Under the previous accounting principles, as far as the consolidated balance sheet was concerned, the specific loss had already been recognized due to the fact that the subsidiary was consolidated using the purchase method.

(vii) Consolidation of subsidiaries and associates

In consolidating the Group's associates, differences arose in the Group shareholders' equity as well as profit & loss statement, due to adjustments incurred in the associates' financial statements in order for them to be compatible with the IFRS.

As far as subsidiaries are concerned, the differences in the profit & loss statement are due to the occurrence of the two events to follow:

a) During the year ending 2004, goodwill that had arisen from the initial consolidation of the two banks, was amortised according to GR GAAP. Conversely, according to IFRS, goodwill is not amortised but reassessed for possible impairment. No recognition for impairment loss was made for goodwill on the initial transition date to IFRS due to their higher fair values compared to their acquisition costs.

b) Goodwill arising in 2004 from the remaining changes in the participations in subsidiaries was written off in the profit & loss statement. The amount has been calculated based on the subsidiaries' equities according to the new standards.

38 Post-Balance Sheet Events

- Marfin F.G.: 400 million Euro share capital increase

On 29/09/05 MARFIN F.G. decided after its General Shareholders Meeting of the Company to proceed to a share capital increase of Euro 206.5 million aiming at raising capital amounting to Euro 400 million by issuing 25.000.000 new shares which will be distributed at 16 Euro per share without priority rights to the existing shareholders.

The new shares will be placed at the discretion of MARFIN F.G. Board of Directors to the following three categories of investors:

1. Shareholders of Banks and Companies in the Financial Sector in order to facilitate acquisitions and/or strategic alliance agreements.
2. Strategic Investors from Greece or abroad.
3. Institutional Investors from Greece or abroad.

Furthermore, MARFIN F.G. Board of Directors decided to distribute a pre-dividend of 0,30 Euros per share to the shareholders on record on 31/10/2005.

- Pre-dividend of Euro 0,30 per share

MARFIN F.G. announces to its shareholders that beneficiaries for the pre-dividend for F.Y. 2005 Euro 0,30 per share, which has been decided by its Board of Directors on 29/9/2005, are the shareholders of record at the end of the Athens Stock Exchange trading on the 31st of October 2005.

- Agreement for the acquisition of OMEGA BANK

The agreement for the acquisition of OMEGA BANK by MARFIN FINANCIAL GROUP was signed on 24/10/05. Pursuant to this agreement, MARFIN FINANCIAL GROUP will acquire the 20,9% of the shares of OMEGA BANK and additional voting rights representing the 19,1% of the bank. After the conclusion of its on-going share capital increase, MARFIN FINANCIAL GROUP will make an offer to the remaining shareholders of OMEGA BANK for the purchase of their shares under the same financial terms and will also undertake to cover the share capital increase of OMEGA BANK which will be considered necessary for the materialization of a revised business plan which will provide for the development of the bank on a stand-alone basis, until the final merger of all the banks which will be willing to co-align to the plan of consolidation in the mid-cap Greek banking sector.

The fulfillment of the above agreement is subject to the approval of the Bank of Greece and detailed financial and legal due diligence of OMEGA BANK in order to confirm its adjusted book value in accordance with IFRS which, for the purposes of this agreement, has been reported to be in the level of € 119 m. The agreed price (corresponding per share) is 1,2 times the adjusted book value of OMEGA BANK as above and on the fulfillment of the agreement MARFIN FINANCIAL GROUP will take over management control of the bank forthwith.