

**CONSOLIDATED MANAGEMENT REPORT FOR THE YEAR ENDING
31 DECEMBER, 2007**

Contrary to prudent estimates the global economy in 2007 outplayed the initial forecasts with a significant growth rate increase of 3,4%. The positive climate was mainly triggered by the European and the Emerging markets that balanced the low U.S. market growth rate. In spite of its high growth record, the world economy was faced with adverse conditions especially during the last quarter due to the shrinkage of credit spreading, the immense increase in the oil prices, as well as the turning point in the U.S. real estate market.

The Greek economy in 2007 achieved a high growth rate of 4%, almost double than the one in the Eurozone (2,2%). The general government debt has noticeably decreased to 93,4% of the GDP from 95,3% in 2006, while the unemployment rate has been on a steep downward trend and reached 8,3% from 9,3% in 2006. The country has gradually made a significant progress in the real convergence process of the Eurozone, with per capita GDP reaching 98,4 in 2007 up from 96,9 in 2006 and measured in constant prices with reference to the average of the Eurozone (100).

In this favorable economic environment the Greek banks have preserved their brisk economic growth, parallel to their expansion programme in the southeastern European markets. Typical of this healthy economic environment is the growth rate in Cyprus that has reached 3,7% in 2007, while the economies of Russia and Ukraine experienced a growth rate increase of more than 6,5%. The growth rate in Romania, a country within which the Bank operates a network of 19 branches, is expected to exceed 7,5% in 2007.

In 2007, that has been yet another profit-bearing year for the Greek banking sector, and following the successful completion of the legal and functional merger of the three banks, the Group of Marfin Egnatia Bank has seen great success and significant growth. At the end of the year, the Group enjoyed total assets of € 13,7 billion, a network of 179 branches in Greece and Romania, and human potential consisting of 3.256 employees. Furthermore, the Management successfully overcame its initial business objectives for the year 2007 and announced a revised business plan for the period 2008-2010.

The consolidated net profit after tax and minority interest has reached the amount of € 135,1 million, an increase of 174% with reference to the comparative period. Net profit after tax before minority interest has increased by €69,3 million (an increase of 96%) with reference to results in 2006.

The Group's total assets have reached the amount of € 13,7 billion with an increase rate of 47% compared to the comparative period as at the end of 2006. Total loans and advances issued by the Group have had a significant annual increase of 54% and have reached €9,6 billion. Loans to entities abroad have reached the amount of € 0,5 billion and correspond to 5,2% of total loans and advances issued by the Group. Respectively, the Group's total deposits have increased by 29% and have reached the amount of € 9,3 billion. This increase is mainly due to the network's extension, the gradual ripeness of the braches, as well as the Group's customer base expansion.

Total operating income has increased by 38,5% and has reached the amount of € 514,4 million. The strengthening in both the loans and the deposits portfolio has led to a significant increase in net interest income that has reached the amount of € 267,4 million with an overall increase by 27% compared to results in 2006.

Fee and commission income has had a remarkable increase by 84% and has reached the amount of € 197,4 million. The increase was mainly due to the rise in banking, broking and investing services, as well as in customers' portfolio management.

Total operating expenses have also increased by 26% to the amount of € 258,3 million. The increase in operating expenses is mainly due to the reestablishment of 10 branches, the opening of 10 new banking centers and 16 new branches in Greece, as well as 11 new branches in Romania. Furthermore, the increase in operating expenses is also due to expenditure for the merger of the three banks and a small voluntary retirement programme.

The Group's operational effectiveness rate has reached 50,2% compared to 55,2% at the end of 2006.

The Group's profitability increase has led to a significant strengthening of Return on Assets to 1,23% with reference to 0,84% in 2006, while Return on Tangible Equity has reached 19,6%.

The Bank in 2007 will not recommend distribution of dividend in the context of the realization of its business plan and the strengthening of its development policies.

During 2007 a series of strategic decision-making has commenced with main objective the improvement of the Bank's position in the local market and the further strengthening of its position abroad.

The most important of these decisions concern:

- Successful completion of the functional and legal merger with absorption of "Marfin Bank S.A." and "Laiki Bank (Hellas) S.A." by Marfin Egnatia Bank. The new Bank is a subsidiary of Marfin Popular Bank by 95,66%.
- Network expansion: Within 2007, 16 new branches in Greece and 10 new banking centers in Romania came into operation, while 11 new branches further expanded the network in Romania.

The outcome of the above mentioned decisions was realized immediately vis-à-vis the significant improvement in market shares for all product lines. The Bank has raised its share in total loans issued to 4,4% in 2007 compared to 3,6% in 2006 and in deposits to 4,8% compared to 3,9% respectively. Equally significant was the improvement of market shares in specific loan categories. In particular Marfin Egnatia bank has improved its market share in mortgage loans to 2,6% in 2007 compared to 1,8% on the prior year and in business loans to 5,3% from 4,3% respectively. Furthermore, in 2007, the Group's subsidiary Investment Bank of Greece S.A. took over the second position in the trading market with a market share of 18,1% from 12,1 in 2006, while in the derivative market it remained in the first position with a market share of 21% in 2007.

The Group exploits all modern capital adequacy management methods. It has issued a 10year Bond loan as secondary capital (Tier II capital) for capital adequacy purposes, utilises the Schuldschein programme, and has approved of a Covered Bonds programme consisting of mortgage and shipping loans, which is scheduled to commence during 2008.

In such a manner, the Group has succeeded in maintaining a strong and stable capital basis that traditionally exceeds compliance with the capital requirements of the Bank of Greece (BoG). The Capital Adequacy ratio as at the end of the year has reached 10,79% (compared to 8% of regulatory requirements), while the Tier ratio has reached 7,95% (compared to required 4%).

The issue of consultation papers by the Bank of Greece on the implementation of the Basel II framework gave drive to the reorganization of the Group's traditional risk assessment units (credit and market risks), the implementation of an operational risk department, and the formulation of a special unit for the application of the Basel II framework. Also, a Risk Management Committee has been introduced to supervise the aforementioned activities.

Risk Management Committee takes part in the processes of product/service development and modification. Its participation is aimed at evaluation and consultation before the actual products/services are introduced, so that existing risks be recognized and blocked.

Following the completion of the merger of the three banks on June 30, 2007, common structures for credit risk systems and a unified credit policy handbook have been implemented. Furthermore the increased requirements from the Basel II framework have been incorporated. A single methodology for the identification and the measurement of the Group's credit risk has been introduced with a common two-dimensional risk grading system and a single risk provisions methodology. The credit policy determines the basic principles concerning risk undertaking, risk grades with reference to risk assessment tools, and the strategic plan on the Bank's development, and constitutes a dynamic handbook that accommodates specific parameters to current events. The assessment of unexpected risks is implemented with the conduct of crisis conditions' simulation and the production of reports aiming either at the reduction of risks through action plans produced by the risk management units, or at planning for the allocation of necessary resources.

For managing the Group's market risks, a recorded policy is available, as well as specific procedures and grades with reference to its constituent components (fluctuation and volatility of prices, interest rate risks, currency risks, liquidity risks, counterparty risks, etc) which are backed by specialized risk management systems and automated reports. Market risk measurement reports are produced on a daily basis according to a "Value at Risk" model, while crisis simulations are conducted periodically.

For monitoring the Group's operational risk the newly established department has laid foundations for its three most important tools, Operational Loss Event Collection (Loss Database), Risk Control Self Assessment workshops, and key Risk Indicators. At the same time it has systematized controls for outsourcing in accordance with regulatory requirements.

A special unit for information systems' security has also been established and implements a specific security policy for the Group.

As far as insurance coverage is concerned, the Bank is covered by the "Bankers Blanket Bond", while the members of the Boards of Directors and executives of the Group's companies are covered for negligence in the exercise of their duties.

Following the completion of the merger of the three banks which nowadays constitute Marfin Egnatia Bank, and the formulation of its new strong shareholder synthesis, FITCH international agency reassessed the bank's credit rating which at the end of the year was as follows: long term rating: BBB, short-term rating: F3, financial strength: C and outlook: positive. At the same time Moody's agency has reassessed deposits in foreign currency and results are as follows: long term rating: Baa1, short-term rating: P-2, financial strength- : D+ and outlook: stable. The Bank has also been assessed by Standard & Poor's and has received the following credit ratings: long-term issuer: BBB+, short-term-issuer: A2 and outlook: stable.

Apart from its effective business activities, the Group of Marfin Egnatia Bank promotes the principles of corporate governance and invests in corporate social responsibility considerations. The corporate social responsibility programme applied by the Group includes human aid initiatives as well as the development of local communities and the protection of the environment. The most significant of such initiatives include the annual organization of a radio marathon for children, the

revenues of which reinforce nursing, medical treatment and rehabilitation institutions for children with serious health problems. It is worth mentioning that the programme also provides financial support to Parnitha National Park protection and development projects, as well as to sporting associations which maintain teams for children and teenagers.

Thessaloniki, 28 February 2008

THE PRESIDENT OF
THE BOARD OF DIRECTORS

VASSILIOS N.THEOCHARAKIS

Attached: Explanatory Report of the Board of Directors to the General Assembly of the Shareholders.