

EXPLANATORY REPORT

This Explanatory Report of the Board of Directors of “MARFIN EGNATIA BANK S.A.”(hereinafter “the Bank”) addressed to the Annual General Assembly of the Shareholders contains information regarding the items in article 11a paragraph 1 of Law 3371/2005.

a) Structure of the Company’s Share Capital

On 31.12.2007 the Bank’s share capital amounted to three hundred and sixty six million, five hundred and fifty five thousand, eight hundred and sixty five Euro and eighty two cents (€ 366.555.865, 82), divided into two hundred and eighty eight million six hundred and twenty six thousand six hundred and sixty six (288.626.666) ordinary nominal shares with voting rights, and nominal value per share of one Euro and twenty seven cents (€ 1, 27).

The course of share capital during the year was as follows:

According to the Bank’s Board of Directors’ decisions as of 8.1.2007, 7.2.2007, and 7.3.2007, and as a result of the conversion of one thousand three hundred and thirty (1.330) convertible bonds to ordinary nominal shares, and ten (10) convertible bonds to preference nominal shares of the convertible bond loan that the Bank issued consistent with the decisions of the First Recurring and Adjured Ordinary General Assembly on 28.6.2001 of the Shareholders, owners of ordinary shares, of the First Recurring and Special Ordinary General Assembly on 28.6.2001 of the Shareholders, owners of preference shares, as well as of the Board’s of Directors decisions as of 3.10.2002 and 19.11.2002, the share capital of the Bank for the period 1.1.2007 to 26.3.2007 reached the amount of one hundred and twenty two million one hundred and seventy three thousand three hundred and forty five Euro and seventy one cents (€ 122.173.345,71), divided into ninety three million two hundred and eighty eight thousand and fifty nine (93.288.059) ordinary nominal shares and nominal value per share of one Euro and seventeen cents (€ 1,17), and eleven million one hundred and thirty three thousand six hundred and four (11.133.604) preference nominal shares, with nominal value per share of one Euro and seventeen cents (€ 1,17), namely, a total of one hundred and four million four hundred and twenty one thousand six hundred and sixty three (104.421.663) ordinary and preference nominal shares with nominal value per share of one Euro and seventeen cents (€ 1,17).

Following the decision on 21.06.2007 of the Extraordinary General Assembly of the Shareholders of the Bank, the merger through absorption of “Marfin Bank S.A” and “Laiki Bank (Hellas) S.A.” from the Bank was approved in accordance with regulation discussed in articles 68 par. 2 and 69 par. 77 of Law 2190/1920, in article 16 of Law 2515/1997, in article 1 to 5 of Law 2166/1993, and the commercial legislation in general, while the total share capital increase was determined at the amount of two hundred and forty four million three hundred and eighty thousand four hundred and eighty eight Euro and eleven cents (€ 244.380.488,11), that corresponded to the total amount of the contributed share capital from the Absorbed Companies, namely, two hundred and forty four million three hundred and seventy four thousand four hundred and forty five Euro and seventy seven cents (€ 244.374.445,77), as well as, to the capitalized part of the Absorbing Company’s reserves for the currency translation of its share capital in Euro that totalled six thousand forty two Euro and thirty four cents (€ 6.042,34) and was used for the rounding up of the new shares of the Absorbing Company.

In concert with the aforementioned decision a) the nominal value of the Bank's value per share was increased from one Euro and seventeen cents (€ 1, 17) to one Euro and twenty seven cents (€ 1, 27) and b) the cancellation of preference shares with no voting rights and their conversion to ordinary shares with voting rights, and the corresponding amendment of article 7 par. 1 of the company's Articles of Association was approved. As a result of the above mentioned developments, the Bank's share capital reached the amount of three hundred and sixty six million five hundred and fifty three thousand eight hundred and thirty three Euro and eighty two cents (€ 366.553.833, 82) divided into two hundred and eighty eight million six hundred and twenty five thousand and sixty six (288.625.066) ordinary nominal shares with nominal value per share of one Euro and twenty seven cents (€ 1, 27).

Furthermore, in accordance with the decision of the Board of Directors on 31.12.2007 and due to the conversion of one thousand and six hundred (1.600) convertible bonds into ordinary nominal shares, of the convertible bond loan that was issued by the Bank with reference to the First Recurring and Adjured Ordinary General Assembly of the Shareholders, owners of preference shares, as well as, the decisions of the Board of Directors as of 3.10.2002 and 19.11.2002, the share capital of the Bank for the period 27.3.2007 to 6.12.2007 increased by the amount of two thousand and thirty two Euro (€ 2.032) following the issue of one thousand and six hundred (1.600) new ordinary nominal shares with nominal value per share of one Euro and twenty seven cents (1,27) .

As a result of the above mentioned developments, the Bank's share capital amounted to three hundred and sixty six million five hundred and fifty five thousand eight hundred and sixty five Euro and eighty two cents, (€ 366.555.865, 82) divided into two hundred and eighty eight million six hundred and twenty six thousand six hundred and sixty six (288.626.666) ordinary nominal shares with nominal value per share of one Euro and twenty seven cents (€1, 27).

It should be noted that as a result of the above mentioned bond conversions to the Bank's shares, on 31.12.2007 the remaining (Athens Stock Exchange listed) bonds amounted to three hundred thousand six hundred and eighty (300.680) with nominal value per bond of three Euro and twenty cents (€ 3, 20) convertible to three hundred thousand six hundred and eighty (300.680) ordinary nominal shares of the Bank with voting rights.

The Bank's shares are ordinary, nominal and undivided, registered and listed for trading under the Special Stock Exchange Characteristics category in the Athens Stock Exchange, and have been issued in accordance with Law 2190/1920 and the Bank's Articles of Association.

Each share provides privileges prescribed by the Law and the Articles of Association. In particular, every shareholder has privileges over the receipt of a minimum mandatory dividend distributed annually in accordance with the Law and the Articles of Association of the Bank, as well as the decisions of the General Assemblies of the Bank's Shareholders.

They are also entitled to return of the capital paid up by holders of shares from the product of the liquidation of the Bank's assets in the event of the Bank being wound up, in accordance with Law provisions and the Articles of Association.

Shareholders exercise their privileges in connection with the Bank's Management only vis-à-vis the General Assembly. Each share grants privileges for a single vote. The liability of the Shareholders is limited to the nominal value of the shares they hold.

b) Limits on transfer of the Bank's shares

The Bank's shares may be transferred as provided by the law, including Law 3601/2007, while the Articles of Association provide no restrictions in reference to the transfer of shares.

c) Significant direct or indirect participations in the sense of Law 3556/2007

On 5.1.2007 the parent company MARFIN POPULAR BANK PUBLIC CO LTD held 80.634 960 ordinary shares and voting rights that corresponded to the percentage of 86, 21% of the Bank's total share capital and the 86, 44% of total voting rights.

On 5.1.2007 MARFIN INVESTMENT GROUP HOLDINGS S.A. (former MARFIN FINANCIAL GROUP HOLDINGS S.A.) ceased to obtain any participation to the share capital and total voting rights of the Bank.

On 5.1.2007 TALANTON INVESTMENT INC ceased to obtain any participation to the share capital and total voting rights of the Bank.

On 5.1.2007 SICAV Fidelity Funds ceased to obtain any participation to the share capital and total voting rights of the Bank.

On 5.9.2007 MARFIN POPULAR BANK PUBLIC CO LTD held 274.300.646 ordinary shares and voting rights that corresponded to the percentage of 95,073% of the share capital and total voting rights of the Bank.

d) Shares conferring special control rights

None of the Bank's shares carry any special rights of control.

e) Limitations on voting rights

The Articles of Association make no provision for any limitations on voting rights.

f) Agreements among the Bank's shareholders

The Bank is not aware of any agreements among shareholders entailing limitations on the transfer of shares or limitations on voting rights, nor is there any provision in the Articles of Association providing for the possibility of such agreements to occur.

g) Rules governing the appointment and replacement of members of the Board of Directors and the amendment of the Articles of Association

The Bank is managed by the Board of Directors that comprises of at least five (5) members, and not more than fifteen (15) members, which are elected during the General Assembly for a three-year term extendable up to the Annual General Assembly conducted within the year of the term's expiration. The Members of the Board of Directors are re-appointable indefinitely.

Individuals sentenced for theft, misappropriation, usury, profiteering, deception, blackmail, forgery, issue of dud cheques, bribery, bankruptcy, smuggling or attempts of such violations, as well as, individuals which lack political rights, are under inhibition or judicial

apprehension, or have declared bankrupt and have not been reinstated, cannot be appointed members of the Board of Directors. Any elected member of the Board of Directors which will find itself in one or more of the aforementioned positions will be discharged of duties.

h) Authority of the Board of Directors or certain of its members to issue new Shares or to purchase the own shares of the Bank

The Articles of Association assign no such authority to the Board of Directors or certain of its members.

i) Significant agreements put in force, amended or terminated in the event of a change in the control of the Bank, following a public offer

The Bank has no agreements which are put in force, amended or terminated in the event of a change in the control of the Bank following a public offer.

j) Significant agreements with members of the Board of Directors or employees of the Bank

The Bank has no significant agreements with members of the Board of Directors or its employees providing for the payment of compensation, especially in the case of resignation or dismissal without good reason or termination of their period in office or employment due to a public offer. Provisions in accordance with legislation apply. The Bank's compensation provisions due to office leaves as at 31.12.2007 amounted to € 10.153 thousand, while € 214 thousand of the total amount related to individuals holding a position as Managing Director or as member of the Board of Directors.