



MARFIN EGNATIA BANK

MARFIN EGNATIA BANK S.A

Financial Statements

As at 31 December 2007

In accordance with the International Financial Reporting Standards

The attached financial statements were approved by the Board of Directors of MARFIN EGNATIA BANK S.A. on February 28, 2007 and have been posted on the Bank's website www.MarfinEgnatiabank.gr.

These financial statements have been translated from the original statutory financial statements that have been prepared in the Greek language. In the event that differences exist between this translation and the original Greek language financial statements, the Greek language financial statements will prevail over this document.



Table of Contents

	Page
Financial statements	
Income statement	3
Balance sheet	4
Statement of changes in shareholders' equity	5
Cash flow statement	6
Notes	
1	7
2	7
2.1	7
2.2	8
2.3	8
2.4	12
3	12
3.1	12
3.2	12
3.3	13
3.4	14
3.5	15
3.6	15
3.7	16
3.8	16
3.9	16
3.10	16
3.11	18
3.12	18
3.13	19
3.14	20
3.15	20
3.16	20
3.17	21
3.18	21
3.19	21
3.20	22
3.21	22
3.22	22
3.23	23
4	23
5	25
5.1	26
5.2	31
6	32
Income Statement	
7	34
8	34
9	35
10	35
11	35

21	Impairment of loans	40
12	Assets impairment losses	35
13	Staff costs	35
25-26	Depreciation / amortization	45-46
14	Operating Expenses	36
15	Income tax	37
16	Earnings Per Share	38
	Assets	
17	Cash and Balances with Central Bank	39
18	Loans and Advances to Banks	39
19	Trading securities	39
20	Derivative financial instruments	39
21	Loans and Advances to Customers	40
22	Investment securities	41
23	Investment in subsidiaries	41
24	Investment in associates	44
25	Intangible Assets	45
26	Property, Plant and Equipment	46
27	Deferred tax	47
28	Other Assets	48
	Liabilities	
29	Deposits from banks	48
30	Deposits from customers	49
31	Debt securities in issue and other borrowed funds	49
32	Employee benefits	51
33	Other provisions	52
34	Other liabilities	52
	Equity	
35	Share Capital	52
36	Reserves	54
	Supplementary information	
37	Contingent Liabilities and Commitments	54
37.1	Litigation	54
37.2	Credit Commitments	55
37.3	Operating Lease	55
38	Related parties transactions	55
39	Transactions with Marfin Investment Group	57
40	Fair value of financial assets and liabilities	57
41	Financial Risk Management	58
41.1	Credit Risk	59
41.2	Market Risk	65
41.3	Interest Rate Risk	66
41.4	Currency Risk	69
41.5	Risk arising from share price changes	70
41.6	Liquidity Risk	71
42	Capital Adequacy	74
	Independent Auditor's Report	76

Income Statement
For the period ended 31 December 2007
(Amounts in thousand Euro)

	<u>Note</u>	<u>2007</u>	<u>2006</u>
Interest and similar income		692.432	424.264
Interest and similar expense		(461.185)	(240.424)
Net interest income	<u>7</u>	231.247	183.840
Fee and commission income		82.579	53.312
Fee and commission expense		(7.605)	(4.205)
Net fee and commission income	<u>8</u>	74.974	49.107
Net trading income	<u>9</u>	27.951	31.556
Income from assets disposal apart from trading portfolio		531	568
Income from dividends	<u>10</u>	3.989	568
Other income	<u>11</u>	5.484	3.764
Operating income		344.176	269.403
Impairment of loans	<u>21</u>	(51.078)	(52.975)
Impairment loss of assets	<u>12</u>	(744)	(5.449)
Staff costs	<u>13</u>	(119.692)	(93.952)
Depreciation	<u>25,26</u>	(11.197)	(10.278)
Other operating expense	<u>14</u>	(76.788)	(58.349)
Profit before taxes		84.677	48.400
Taxes	<u>15</u>	(24.087)	(16.769)
Profit after taxes		<u>60.590</u>	<u>31.631</u>
Earnings per share (in Euro)	<u>16</u>		
Basic and adjusted		0,21	0,15

Athens 28 February 2008

The Chairman
Of the board of Directors

Vassilios N. Theocharakis
I.D. No AB 340063/06

The Managing Director

Efthimios T. Bouloutas
I.D. No X 501092/02

The Manager of the Finance Department

Aggelos N. Sapranidis
I.D. No AA 273117/05
Permit No.
0016834/18-07-2001

The notes presented on pages 7 to 77 constitute an integral part of the financial statements for December 31, 2007.

Balance Sheet
31 December 2007
(Amounts in thousand Euro)

<u>Assets</u>	<u>Note</u>	<u>2007</u>	<u>2006</u>
Cash and balances with Central Bank	<u>17</u>	474.968	284.846
Loans and advances to credit institutions	<u>18</u>	2.092.706	1.570.803
Trading securities	<u>19</u>	245.332	214.554
Derivative financial instruments - assets	<u>20</u>	10.920	8.056
Loans and advances to customers	<u>21</u>	8.854.923	5.798.113
Investment securities	<u>22</u>	675.736	498.486
Investment in subsidiaries	<u>23</u>	293.534	286.411
Investment in associates	<u>24</u>	2.278	2.278
Intangible assets	<u>25</u>	11.898	8.772
Property, plant and equipment	<u>26</u>	60.767	61.120
Deferred tax assets	<u>27</u>	28.310	10.047
Investment property		26.548	20.853
Other assets	<u>28</u>	147.509	72.189
<u>Total Assets</u>		<u>12.925.429</u>	<u>8.836.528</u>
<u>Liabilities</u>			
Deposits from credit institutions	<u>29</u>	2.473.095	730.260
Deposits from customers	<u>30</u>	8.698.300	6.862.243
Derivative financial instruments - liabilities	<u>20</u>	33.422	4.023
Debt securities in issue and other borrowed funds	<u>31</u>	530.803	308.852
Provisions for staff	<u>32</u>	10.153	9.718
Other provisions	<u>33</u>	12.168	620
Current tax		10.729	11.965
Deferred tax liability	<u>27</u>	14.259	3.013
Other liabilities	<u>34</u>	362.475	156.268
Total liabilities		<u>12.145.404</u>	<u>8.086.962</u>
Share capital	<u>35</u>	366.556	353.520
Share premium	<u>35</u>	327.261	312.125
Reserves	<u>36</u>	(13.811)	34.006
Retained earnings		100.019	49.915
Total equity		<u>780.025</u>	<u>749.566</u>
<u>Total liabilities and equity</u>		<u>12.925.429</u>	<u>8.836.528</u>

The notes presented on pages 7 to 77 constitute an integral part of the financial statements for December 31, 2007.



Statement of Changes in Shareholders' Equity
 For the period ended 31 December 2007
 (Amounts in thousand Euro)

	Share capital	Share premium	Reserves	Revaluation reserves available-for-sale	Retained earnings	Total
Equity as publicized on December 31, 2005	107.840	138.479	17.593	(404)	(13.849)	249.659
Further adjustment arising from the merger of the Banks through pooling of interest method	132.792	76.235	18.433	(1.453)	19.784	245.791
New balance as at 01 January 2006	240.632	214.714	36.026	(1.857)	5.935	495.450
Increase of share capital	112.888	121.054				233.942
Dividends for the fiscal year 2005			1.409		(14.038)	(12.629)
Revaluation of available-for-sale portfolio				(1.573)		(1.573)
Results for the period					31.631	31.631
Offset of losses through capitalization of reserves		(23.643)			23.643	
Offset of losses through preferred shares					2.745	2.745
Balance as at 31 December 2006	353.520	312.125	37.435	(3.430)	49.916	749.566
Balance as at 01 January 2007	353.520	312.125	37.435	(3.430)	49.916	749.566
Increase of share capital through transformation of preferred shares into ordinary shares and transformation of bonds	13.036	15.136				28.172
Dividends for the fiscal year 2006			5.871		(10.535)	(4.664)
Revaluation of available-for-sale portfolio				(54.789)		(54.789)
Results for the period					60.590	60.590
Reserves for the stock option plan			1.157			1.157
Other items			(56)		49	(7)
Balance as at 31 December 2007	366.556	327.261	44.407	(58.219)	100.020	780.025

The notes presented on pages 7 to 77 constitute an integral part of the financial statements for December 31, 2007.

Cash Flow Statement
For the period ended 31 December 2007

	2007	2006
Cash flows form operating activities		
Profit before taxes	84.677	48.400
Adjustment for non-cash items		
Depreciation	11.197	10.278
Impairment of loans	51.078	52.975
Other provisions	12.078	0
Employee benefits	1.682	1.369
Valuation trading portfolio	(1.136)	(6.661)
Transfer to investing activities	(40.211)	2.276
Transfer to financing activities	14.468	13.021
	133.833	121.658
Changes in operating assets		
Loans and advances to banks	(78.322)	(86.631)
Trading securities and derivatives	(32.506)	70.360
Loans and advances to customers	(3.107.888)	(934.954)
Other assets	(74.827)	8.654
Net increase (decrease) in operating assets		
Deposits from banks	1.742.832	314.331
Deposits from customers	1.836.057	758.685
Other liabilities	231.378	134.971
Net cash flow from operating activities before taxes	650.557	387.074
Income tax paid	(10.862)	(18.226)
Net cash flow from operating activities	639.695	368.848
Cash flows from investing activities		
Investments in subsidiaries and associates	(17.097)	(188.750)
Disposal (liquidation) of subsidiaries-associates and their cash available	182	0
Net (increase) decrease in investments	(251.551)	(223.955)
Dividends received	13.602	496
Purchase of assets	(25.058)	(11.352)
Sale of assets	5.847	86
Investment portfolio interest received	35.860	5.490
Other flows from investing activities	1.220	219
Net cash flows from investing activities	(236.995)	(417.766)
Cash flows from financing activities		
Dividends distributed	(4.664)	(12.629)
Issue (payment) of debt	235.658	(18.138)
Increase in share capital	0	187.941
Other flows from financing activities	(7)	26.389
Net cash flows from financing activities	230.987	183.563
Total net cash flows	633.687	134.645
Foreign exchange difference	16	700
Net cash flow increase (decrease)	633.703	135.345
Cash and cash equivalents, opening	1.802.631	1.667.286
Cash and cash equivalents, closing	2.436.334	1.802.631
Cash and cash equivalents consist of :		
Cash and Cash and Balances with Central Bank	474.968	284.846
Due from Banks	1.961.366	1.517.785
	2.436.334	1.802.631

The notes presented on pages 7 to 77 constitute an integral part of the financial statements for December 31, 2007.

1. General Information on the Bank

«MARFIN EGNATIA BANK S.A.» (former EGNATIA BANK S.A. and hereafter «the Bank»), with its registered office in Greece, whose shares are traded on Athens Stock Exchange, operates as Societe Anonyme bank in compliance with the requirements of the Company Law 2190/1920 on society anonyme as it is due, the requirements of the Law 3601/2007 on credit institutions as well as the requirements of other similar legislations.

The Bank operates mainly in Greece, while it has subsidiaries, operating in Romania and Cyprus. The bank employs a total of 2.482 people.

The Bank (R. No. 6072/06/B/86/11) arose following the merger of: α) MARFIN BANK S.A. (R. No. 6079/06/B/86/18) and b) LAIKI BANK (Hellas) S.A. (R. No. 27084/06/B/92/16) with EGNATIA BANK S.A. in accordance with the decision K2 – 9985/29.06.2007 of the Ministry of Development. Furthermore, in accordance with the aforementioned decision of the Ministry of Development, there was also approved the modification of Article 1 of the Bank's Charter of Incorporation in compliance with which the name and the discreet title of the Bank were changed into «**MARFIN EGNATIA BANK S.A.**», under the discreet title «**MARFIN EGNATIA ΤΡΑΠΕΖΑ**» and «**MARFIN EGNATIA BANK**».

The Merger was completed and is considered as final starting from 29/06/2007, the date of recording in the Registry under the K-2 9985/29.06.2007 approving decision of the Authority on the merger of the aforementioned S.A. Following the completion of the aforementioned Merger, in every legal way and without any further statement, the Bank is in charge of all the rights and liabilities of the Absorbed Companies that are regarded as legally terminated as independent bodies with no independent legal performance without liquidation requirement in due succession (Article 75 of the Law 2190/1920).

The Commission of Banks and Credit Issues of the Bank of Greece at its meeting in compliance with Protocol 245/3/08.06.2007 approved of the merger with the absorption of the companies « LAIKI BANK (Hellas) S.A.» and «MARFIN BANK S.A.».

The corporate registered office of the Bank is in Municipality of Thessalonica and, in particular, at 4 Danaidon Str.

The objective of the Bank, in accordance with Article 3 of its Charter of Incorporation is to operate in Greece or abroad and provide recognized or by the law assigned to Banks services, on its behalf or on behalf of third parties.

2. Basis of preparation

2.1 Statement of compliance

The financial statements of the Bank are prepared in accordance with the International Financial Reporting Standards (IFRS) and the interpretations adopted by the International Standards Board (IASB) as adopted by the European Union.

The financial statements were approved for publication by the Board of Directors on 28 February 2008 and are subject to final approval of the Ordinary Assembly of the shareholders.

2.2 Basis of presentation

The financial statements are presented in euro which is the reported currency rounded to the nearest thousand. They are prepared on a historic cost basis except for:

- Revaluations of available-for-sale securities,
- Revaluations of assets and liabilities that constitute part of trading securities,
- Revaluations of derivative financial instruments and
- Revaluations of investment property.

2.3 New Accounting Policies

The current financial statement were prepared in full compliance with the International Financial Reporting Standards (IFRS) as well as the interpretations that have been adopted by the European Union, whose adoption is mandatory for the preparation of the financial statements covering the periods after 1.1.2007. Moreover, the Bank proceeded with the adoption of a new accounting policy as that of pooling of interest method. The accounting policies are applied within all the reporting periods.

(i) Pooling of interest method

As far as business combinations and acquisition of entities that are under joint control and that are out of the scope of IFRS 3, the Bank applies the 'pooling of interest method', as described below:

The three merged banks, EGNATIA, LAIKI and MARFIN, have no investment relation among each other, they all constitute subsidiaries of Marfin Popular Bank Public Co LTD. Therefore, the three banks as at the date of merger are under joint control as defined in IFRS 3 «Business Combinations par 10. The Management assumes that business combinations under joint control are out of scope of IFRS 3 "Business Combinations" and that no guidance is foreseen concerning such kind of transactions in International Financial Reporting Standards. In accordance with par 10-12 of IAS 8 «Accounting Policies, Changes in Accounting Estimates and Errors» that among others mention that «In the absence of a Standard or an Interpretation that specifically applies to a transaction, other event or condition, management shall use its judgment in developing and applying an accounting policy that results in information that is relevant to the economic decision-making needs of users and reliable», the Management applied the accounting principles that US GAAP (SFAS 141 Business combinations § D11-D18) and UK GAAP accept for business combinations (merger accounting method or pooling of interests method).

In accordance with 'pooling of interest method', assets and liabilities of the absorbed companies are presented at their book value prior to merger without taking into consideration the acquisition cost of the companies and their equities. Therefore, goodwill from consolidation of the companies included in the merger is not recognized.

There are also analytically presented the financial statements of the three banks and corresponding entries made by them in order to prepare comparative financial statements.

(ii) Adoption of new standards, amendments and interpretations as at effective date of January 1, 2007

The Group has adopted for the first time the following standards and interpretations that are mandatory implemented:

(a) IFRS 7: Financial Instruments: Disclosures

IFRS 7 introduces new disclosures aimed at the improvement of reporting as far as financial instruments are concerned. It replaces IAS 30 «Disclosures in the Financial Statements of Banks and Similar Financial Institutions» as well as all the requirements of IAS 32 referred to in the disclosures, further renamed as IAS 32 «Financial Instruments: Disclosure and Presentation». All the disclosures referring to financial instruments as well as the items of the comparative period have been updated so that they should comply with the requirements of the new standard.

The most significant additional information presented in the financial statements of the Bank includes sensitivity analysis with the view to estimating the exposure of the Bank to the market risks related to its financial instruments, analysis of feasibility of the financial obligations it has thus presenting the remaining contractual obligations as well as quality and quantity analysis of credit risk to which the Bank is exposed.

The first application of the standard has not resulted in the readjustment of the items of prior periods as concerning the cash flows, the net results or other items of the Balance Sheet.

(b) IAS 1 Presentation of Financial Statements: Capital related disclosures

IAS 1 introduces new disclosures as concerning the size and the way of the entity's capital management.

(c) IFRIC 7: Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies.

Interpretation 7 provides guidance on the application of requirements of IAS. Since none of the subsidiaries of the Group has the operating currency that belongs to a hyperinflationary economy, Interpretation 7 is not relevant to the operations of the Group.

(d) IFRIC 8, "Scope of IFRS 2 Share Based payment transactions"

Interpretation 8 requires treatment of share based payments – and share-based payment and the identifiable consideration received appears to be less than the fair value of the share-based payment – in order to define the extent of such transactions belonging to the scope of IFRS 2. The Bank applies IFRIC 8, but it has had no effect on of the accounts of the Bank.

(e) IFRIC 9, "Reassessment of Embedded Derivatives"

IFRIC 9 prescribes that an entity shall assess the extent to which an embedded derivative is to be separated from the host contract and accounted for as a Derivative when the entity is a first time part of this contract. Subsequent reassessment is prohibited unless there is a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract, in which case reassessment is required. The Bank has applied the Interpretation as from January 1, 2007, however, it has had no effect on the accounts of the Bank.

(f) IFRIC 10, "Interim Financial Reporting and Impairment"

In compliance with the Interpretation, an entity shall not reverse an impairment loss recognized in a previous interim period in respect of goodwill or an investment in either an equity instrument or a financial asset carried at cost on a date subsequent to Balance Sheet. The Bank has applied the Interpretation as from January 1st, 2007, but it has had no effect of the accounts of the Bank.

(iii) Early adoption of new interpretations**IFRIC 11, Group and Treasury Share Transactions**

The Bank has applied IFRIC 11 as from January 1, 2007, while the interpretation is mandatory for periods starting from 1 March 2007. IFRIC 11 provides guidance on application of IFRS 2 in three cases: a) share-based payments settled by an entity through buying equity instruments, b) a parent providing share-based payments to the employees of its subsidiary and c) a subsidiary providing to its employees parent share-based payments. The application of the interpretation has resulted in the recognition in the financial statements of the Bank of the cost of share option provided by the parent to the staff of the Bank.

(iv) New standards, amendments and interpretations that have yet to be applied

As at the date of approval of the financial statements, there have been issued the following standards and interpretations that have been approved by the European Union but have not been applied in the current financial statements :

(a) IFRS 8 Operating Segments (due from 1 January 2009)

IFRS 8 replaces IAS 14 «Segment Reporting». The new requires the adoption of a management approach for the presentation of financial reporting as concerning the efficiency of the operating departments of the Bank. The information disclosed is that used by the Management in order to estimate the efficiency of every department as well as the way the financial resources are distributed within the departments. Such reporting might be different from the data used for the preparation of the Balance Sheet and Income Statement. Finally, there are to be provided explanations concerning the basis of preparation of segment reporting as well as the conciliation with the items of the financial statements.

In addition, the below standards, interpretations and amendments have been issued but have not been approved by the European Union.

(b) IFRIC 12 Service Concession Arrangements (due for periods starting from 1 January 2009)

The interpretation is not applicable to the operations of the Bank.

(c) IFRIC 13 Customer Loyalty Programmes (due for periods starting from July 1, 2008)

IFRIC 13 is applied to customer credits awarding. The aforementioned interpretation is applicable to credit cards customers awarding, while its application will have no material effect on the financial statements of the Bank.

(d) IFRIC 14 IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (due as from January 1, 2008)

The interpretation is not applicable to the operations of the Bank.

(e) IAS 23: Borrowing Cost (revised in 2007) (due as from January 1, 2009)

The revised IAS 23 removes the option of immediately recognising as an expense borrowing costs that relate to assets that take a substantial period of time to get ready for use or sale.

The application of the revised standard is not expected to have effect on the financial statements of the Bank.

(f) IAS 1: Presentation of Financial Statements – revised in 2007 (due as from January 1, 2009)

The main changes made to the Standard can be summarized as a separate presentation of changes in equity arising from transactions with owners in their capacity as owners (ex. dividends, capital increases) from other changes in equity (modification reserves). Furthermore, the aforementioned revision of the Standard will result in the changes of definitions as well as in the presentation of the financial statements.

The new definitions of the Standard, however, do not change the regulations for recognition, measurement and disclosures of the particular transactions as well as other items required by the rest of the Standards. The application of the revised standard is expected to modify the structure and the description of the presented financial statements while it is not supposed to bring about modifications in the financial position.

(g) IFRS 3: Business Combinations – revised in 2007 and the further amendments of IAS 27, 28 and 31 (due for periods starting from July 1, 2009)

The revised standard introduces material amendments to the application of acquisition method for the presentation of business combinations. Among other changes made to the standard, are changes to the accounting for non-controlling (minority) interests as at their fair value. Moreover, the revised standards define that acquisitions of additional amount in a subsidiary or disposal of a part of shares of a subsidiary is to be accounted for as transactions with equity holders in their capacity as equity holders and any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognized directly in equity.

The revised IFRS 3 is applicable to business combinations held in the periods starting as from July 1, 2009, while the readjustment of consolidations held prior to the adoption of the revised standard is not required. Therefore, the application of the aforementioned revision will not have effect on the current financial position of the Bank.

(h) IFRS 2 Share-based Payment – Revised in 2008: clarification of vesting conditions and cancellations (due as from January 1, 2009)

The revised standard clarifies that vesting conditions are service conditions and performance conditions only. Other features of a share-based payment are not vesting conditions. It also specifies that all cancellations, whether by the entity or by other parties, should receive the same accounting treatment. The Bank is at the stage of evaluating the effect the application of the aforementioned revised standard will have.

(i) IAS 32 Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements – Revised in 2008: Puttable Financial Instruments and Obligations Arising on Liquidation. (due as from January 1, 2009)

The revised standard defines the classification of particular types of financial instruments that represent a residual interest in the entity but are, at present, classified as financial liabilities. The revised standard in question has not been applicable to the Bank's operations yet.

2.4 Estimates

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amount of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Deviations to accounting estimates are recognized in the period in which the estimate is revised if the revision effects only that period, or in the period of the revision and future periods if the revision affects both the current and future periods.

The sectors that require high degree of judgment as well as the sectors in which estimates and assumptions have material effect on the financial statements are presented in unit 4.

3. Basic accounting principles

The basic accounting principles that were adopted for the preparation of financial statements are as follows:

3.1 Investment in subsidiaries

Investments in subsidiaries and associates are carried at cost price less any possible impairment where necessary.

3.2 Foreign currency transactions

Transactions in foreign currencies are translated to euro the reporting currency at the foreign exchange rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies, at the balance sheet date are translated to euro at the foreign exchange rate ruling at that date.

Foreign exchange differences arising on translation are recognized in the income statement.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated to euro using the exchange rate at the date of the transaction.

Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to euro at foreign exchange rates ruling at the dates the fair value was determined.

3.3 Investments in financial instruments

(a) Classification

Instruments at fair value through profit or loss. This category has two sub categories: financial assets held for trading and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. These include derivative contracts that are not designated and effective hedging instruments.

Loans and receivables are loans and receivables created by the Bank providing money to a debtor other than those created with the intention of short-term profit taking.

Held-to-maturity assets are financial assets with fixed or determinable payments and fixed maturity that the Group has the intent and ability to hold to maturity. These include certain purchased loans and advances to banks and customers, and certain debt investments.

Available-for-sale assets are financial assets that are not held for trading purposes, loans and receivables, or held to maturity. Available-for-sale include certain debt and equity investments.

(b) Recognition

The Bank recognizes financial assets held for trading, available-for-sale and held-to-maturity, on the date it commits to purchase the assets. From this date any gains and losses arising from changes in fair value of the assets are recognized. Loans and receivables are recognized when cash is advanced to the borrowers.

(c) Measurement

Financial instruments are measured initially at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss.

Subsequent to initial recognition all trading instruments and all available-for-sale assets are measured at fair value, except any instrument that does not have a quoted market price in an active market and whose fair value cannot be reliably measured is started at cost, including transaction costs, less impairment losses.

All non-trading financial liabilities, loans and receivables and held-to-maturity assets are measured at amortized cost less impairment losses. Amortized cost is calculated on the effective interest rate method. Premiums and discounts, including initial transaction costs, are included in the carrying amount of the related instrument and amortized based on the effective interest rate of the instrument.

(d) Fair value measurement

The fair value of financial instruments is based on their quoted market price at the balance sheet date without any deduction for transaction costs. If a quoted market price is not available, the fair value of the instrument is estimated using pricing models or discounted cash flow techniques.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimate and the discount rate is a market related rate at the balance sheet date for an instrument with similar terms and conditions. Where pricing models are used, inputs are based on market related measures at the balance sheet date.

The fair value of derivatives that are not exchange-traded is estimated as the amount that the Bank would receive or pay to terminate the contract at the balance sheet date taking into account current market conditions and current creditworthiness of the counter parties.

(e) Gains and losses on subsequent measurement

Gains and losses arising from a change in the fair value of available-for-sale assets are recognized directly in equity. When the financial assets are sold, collected or otherwise disposed of the cumulative gain or loss recognized in equity is transferred to the income statement.

Gains and losses arising from a change in the fair value of instruments at fair value through profit or loss are recognized in the income statement.

f) Derecognition

A financial instrument is derecognized when the Bank loses control on contractual rights that comprise the financial instrument. This occurs when the rights are realized, expire or are surrendered. A financial liability is derecognized when it is extinguished.

3.4 Hedge accounting

Where there is a hedging relationship between a derivative instrument and a related item being hedged, the hedging instrument is measured at fair value. The treatment of any resultant gains and losses is set out below:

A hedging relationship exists where:

- at the inception of the hedge there is formal documentation of the hedge;
- the hedge is expected to be highly effective;
- the effectiveness of the hedge can be reliably measured;
- the hedge is highly effective throughout the reporting period; and
- for hedges of a forecasted transaction, the transaction is highly probable and presents an exposure to variations in cash flows that could ultimately affect net profit or loss.

The fair value of derivative hedging instruments is calculated in the same way as the fair value of trading instruments (see accounting principle 3.3d).

When a derivative financial instrument hedges the exposures to changes in the fair value of a recognized asset or liability, the hedged item is at fair value in respect of the risk being hedged. Gains and losses on remeasurement of both the hedging instrument and the hedged items are recognized in the income statement. These amounts are included in gains less losses from non-trading instrument.

Where a derivative financial instrument hedges the exposure to variability in the cash flow of recognized assets or liabilities or anticipated transactions or firm commitments, the effective part of any gain or loss on remeasurement of the hedging instrument is recognized directly in equity. The ineffective part of any gain or loss is recognized in the income statement.

3.5 Repurchase agreements

The Bank enters into agreements for the purchases (sales) of investments and to resell (repurchase) substantially the identical investments at a certain date in the future at a fixed price. Investments purchased subject to commitments to resell them at future dates are not recognized. The amounts paid are recognized in loans to either banks or customers. The receivables are shown as collateralized by the underlying security. Investments sold under repurchase agreements continue to be recognized in the balance sheet and are measured in accordance with the accounting policy for either assets held for trading or available-for-sale as appropriate. The proceeds from the sale of the investments are reported as liabilities to either banks or customers.

The difference between the sale and repurchase consideration is recognized on an accrual basis over the period of the transaction and is included in interest.

3.6 Property, plant and equipment

Items of property and equipment are stated at cost or deemed cost less accumulated depreciation and impairment losses.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of property, plant and equipment. Land is not depreciated. The estimated useful lives are as follows:

Buildings	40	years
Furniture and office equipment	6-9	years
Vehicles	6-7	years
Computer hardware	4	years

Leasehold improvements are depreciated over the useful life of the improvement or the duration of the lease whichever is the lower.

The assets' useful lives are reviewed and adjusted, if appropriate, at each balance sheet.

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is higher of the assets fair value less

costs to sell and value in use.

Gains and losses on disposal are determined by comparing proceeds with carrying amounts. These are included in the income statement.

3.7 Investment property

Investment property are properties held by the Bank either to earn rental income or for capital appreciation. The Bank records investment property at fair value as determined by an independent valuation company having an appropriate recognised professional qualification. Some of these assets are leased but the lease contract was signed prior to its acquisition by the Bank. Initially investment property is recorded at cost including acquisition expenses. Any gain or loss arising from a change in fair value is recognised in profit or loss.

3.8 Intangible assets

Intangible assets consist of software that has been acquired by the Bank and stated at cost less accumulated amortization and impairment losses.

Amortisation is charged to the income statement on a straight-line basis over the estimated useful life of the software, which is between 4 to 8 years.

3.9 Cash and cash equivalents

Cash and cash equivalents include monetary assets with an original maturity of three months or less, such as cash balance, placements with the Central Bank and amounts due from financial institutions. Cash and cash equivalents are recorded at amortized cost.

3.10 Impairment

(a) Assets carried at amortized cost

The Bank assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the Bank about the following loss events:

- (i) significant financial difficulty of the issuer or obligator;
- (ii) a breach of contract, such as a default or delinquency in interest or principal payments;
- (iii) the Bank granting to the borrower, for economic or legal reasons relating to the borrower's financial difficulty, a concession that the lender would not otherwise consider;

- (iv) it becoming probable that the borrower will enter bankruptcy or other financial reorganization;
- (v) the disappearance of an active market for that financial asset because of financial difficulties; or
- (vi) observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group, including:
- adverse changes in the payment status of borrowers in the group; or
 - national or local economic conditions that correlate defaults on the assets in the groups.

The Bank first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Bank determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on loans and receivables or held-to-maturity investments carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Bank may measure impairment on the basis of an instrument's fair value using an observable market price.

The calculation of the present value of the estimated future cash flows of a collateralized financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics (i.e., on the basis of the Bank's grading process that considers asset type, industry, geographical location, collateral type, past-due status and other relevant assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of the assets in the group of historical loss experience for assets with credit risk characteristics similar to those in the group.

Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently.

Estimates of changes in future cash flows for groups of assets should reflect and be directionally consistent with changes in related observable data from period to period (for example changes in unemployment rates, property prices, payment status, or other factors indicative of changes in the probability of losses in the group and their magnitude). The methodology and assumptions used for estimating future cash flows are reviewed regularly by the Bank to reduce and differences between loss estimates and actual loss experience.

When a loan is uncollectible, it is written-off against the related provision for loan impairment. Such loans are written-off after all necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written-off decrease the amount of the provision for loan impairment in the income statement.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognized in the income statement.

(b) Assets carried at fair value

The Bank assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that asset previously recognized in the income statement – is removed from equity and recognized in the income statement. Impairment losses recognized in the income statement on equity instruments are not reversed through the income statement. If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss is reversed through the income statement.

3.11 Financial liabilities

Financial liabilities are measured at amortized cost using the effective interest rate method. Financial liabilities include amounts due to credit institutions, customers and debt securities issued.

3.12 Financial guarantees

Financial guarantees (collaterals) are contracts on which basis the Bank enters into or retains on transferring to another party financial assets or financial liabilities.

The issued financial guarantees are initially recorded at their fair value and subsequently measured at the higher price of a) the unamortized balance of fees received and accrued and b) the expenditure required to settle the commitment at the balance sheet date.

The liabilities arising from financial guarantees contracts are presented in other liabilities.

3.13 Employee benefits

Short-term benefits: The short-term benefits to the employees (apart from end of service benefits) in cash and kind are recognized as expense when deferred. Employee benefits based on their performance on the Bank's profitability are recognized to extent the Bank has undertaken, as at Balance Sheet date, the actuarial obligation to proceeds to the corresponding payments.

End of service benefits: End of service benefits include the lump sum of pension compensation, pension and other benefits provided to the employees at the end of their service in response to the services they offered. The obligations of the Bank as far as the pension benefits are concerned include both the defined contribution plan and defined benefit plan.

i) Defined contribution plans

Defined contribution plans concern the payment of contributions to Insurance Bodies (ex. Social Insurance Fund) and as a result, the Bank is under no legal obligation in case the State Authorities do not provide the pensions to those insured. The employer's obligation is limited to the payment of contributions to the Funds. The Bank has not further payment adjustments once the contributions have been paid. The obligations for contributions are recognized as an expense in the income statement as incurred.

ii) Defined benefit plans

The Bank's defined benefit plan concerns the legal obligation it undertook for the payment of the lump sum of pension compensation in compliance with the Law 2112/1920. The amount of the payment varies depending upon the employee's length of service and salary on the date of retirement. The Bank's obligation in respect of this defined benefit plan is measured by estimating the present value amount of future benefit is discounted to determine its present value, and the fair value of any plan assets is deducted.

The discount rate is the yield at the balance sheet date on Greek State bonds that have maturity dates approximating the terms of the Bank's obligations. The calculation is performed by an independent qualified actuary using the projected unit method less the fair value of any plan assets and adjusted for unrecognized gains or losses and past service costs.

All actuarial gains and losses are items of benefits obligations of the entity as well as those of end of service obligations recognized in the income statement. Actuarial gains and losses are recognized in the income statement to the extent that any cumulative unrecognized actuarial gain or loss exceeds 10% of the greater of the present value of the defined benefit obligation and the fair value of the plan assets, that portion is recognized in the income statement over the expected average remaining working lives of the employees participating in the plan. Otherwise, the actuarial gain or loss is not recognized.

End of service benefits: End of service benefits are provided in case the employees terminate their service prior to retirement date. The bank provides the aforementioned benefits in case it is bound to end the service of exciting employees in compliance with the detailed plan that cannot be withdrawn

Share based payments: The Bank, through its parent Marfin Popular Bank, provides its employees with stock options of the parent. The payments are settled through the issue of new shares by the parent provided an employee complies with certain requirements concerning his/her performance and exercises the option.

The services provided by the employees are measured at fair value of the options provided to them as at provision date. The fair value of the option is calculated using a widely accepted option estimation model and taking into consideration the stock exchange price of shares as at provision date. The fair value of the options after their issue is amended in case there is a modification in the plan that is favorable for the employees. The calculated value of services of the employees is recognized as expense in the income statement as combined with equal crediting of special reserves in equity. The corresponding amount is divided as within all the duration of the recording period and calculated based on the number of options estimated to be provided annually.

As at exercising the option, the net amount received (after the withdrawal of direct expenses) is recognized in share capital (nominal value of new shares) and in the premium reserves (the difference between the exercise price and the nominal value of the share).

3.14 Provisions

A provision is recognized in the balance sheet when the Bank has a present legal obligation or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate has been made. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money.

3.15 Offsetting

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legal enforceable right to set off recognized amounts and the transactions are intended to be settled on a net basis. Income and expense are offset if they are part of group transactions.

3.16 Leases

The Bank is the lessee: Finance Leases are those that the Bank may enter where risks and rewards of ownership of the leased assets have been assumed by the Bank. At inception finance leases are carried at the lower between the fair value of the lease payments and the present value of the minimum lease payments. Subsequently, the leased land and buildings are revalued at fair value. The leased assets are depreciated over the shorter period between the term of the lease and the useful life unless it is almost certain that the Bank will assume the property of the asset upon the termination of the contract. If the lease transfers the ownership of the asset upon the termination of the contract or if there is the option of purchase at a lower price, then the depreciable period is the asset's useful life. Lease payments are distinguished in the amount referring to interest repayment and capital repayment. The

distinction is made in order to achieve a fixed repayment schedule. Interest payments are charged to the income statement.

Operating Leases are those the Bank enters where risks and rewards of ownership of the assets are retained by the lessor. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

The Bank is the lessor: The Bank operates as a lessor and the classification of the lease is based on the extent to which risks and rewards of ownership of the leased assets belong to the lessor or the lessee. A lease is classified as a finance lease if it transfers substantially all risks and rewards of ownership. In its Balance Sheet, the Bank records all the held assets that are under finance lease as assets whose value is equal to that of net lease investment. Lease payments are carried as capital paying off (repayment) and as financial income.

The record and allocation of financial income is based on a model that reflects a stable periodical performance of the net investment over the outstanding part of the finance lease.

A lease is classified as an operating lease in case it does not transfer all risks and rewards of ownership. The leases of this category in which then Bank participates pertain to investment property of the Bank. Lease payment income less cost of services are charged to the income on a straight-line basis over the period of the lease. The costs, including depreciation, incurred for the acquisition of lease payments income, are charged to the expenses.

3.17 Interest income and expense

Interest income and expense is recognized in the income statement as it accrues, taking into account the effective yield of the instrument or an applicable floating rate. The effective interest rate method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts the future cash payments or receipts through the expected life of the financial instrument. Interest income and expense includes the amortization of any premium or discount or other differences between the initial carrying amount of an interest bearing instrument and its amount at maturity calculated on an effective interest rate basis.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

3.18 Fees and commission income

Fees and commissions are recognised in the income statement on an accrual basis when the period that the service has been provided.

3.19 Net trading income

Net trading income includes gains and losses arising from disposals and changes in the fair value of financial assets and liabilities held for trading.

3.20 Dividend income

Dividend income is recognized in the income statement on the date the dividend is approved.

3.21 Income tax and deferred taxation

Income tax on the profit or loss for year comprises current and deferred tax. Income tax is recognized in the income statement, except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using the tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for tax purposes.

The following temporary differences are not provided for: goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable differences.

The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets or liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is probable that the related tax benefit will not be realized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividends.

Most of the changes in the deferred tax assets or liabilities are recognized as a part of tax expenses in the income statement.

The tax inspection differences concern the additional income taxes and increases made by the tax authorities due to reevaluation of the Bank's taxable income within the frame of statutory or extraordinary tax inspection.

3.22 Share capital

(a) Share issues costs

Incremental costs directly attributable to the issue of new shares or options or to the acquisition of a business are shown in equity as a deduction, net of the tax from the proceeds.

(b) Dividends on ordinary shares

Dividends on ordinary shares are recognized as a liability in the period in which they are approved by the Bank's shareholders.

(c) Treasury shares

When share capital recognized as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognized as a change in equity. Repurchased shares are classified as treasury shares and presented as a deduction from total equity. When such shares are subsequently sold or re-issued, any consideration received is included in shareholders' equity.

3.23 Segment reporting

A segment is a distinguishable component of the Bank that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

4. Estimates and assumptions

The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions while applying the accounting principles of the Bank.

As at application of the accounting principles of the Bank, the Management shall exercise judgment in the following sectors:

(1) Classification of Financial Instruments

The accounting principles applied by the Bank demand the classification of the financial assets and liabilities as at their creation into various categories:

- Held-to-maturity investments. In order to classify an item as that of the category, the Management states the intention of the Bank as well as examines the ability of the Bank to hold the item in question to its maturity.
- Available –for-sale financial instruments. This category includes investments and derivatives created mainly for the purpose of short-term gains.
- Instruments at fair value through profit or loss. The classification of items in this category depends on the way the Management evaluates the performance and the risks of investment. Thus, this category includes investments that do not belong to trading income but to business participation income and are internally monitored in compliance with the Bank's strategy at their fair value.

(2) Hedge accounting

In order to define an effective hedging relation, the Bank is, on one hand, required to state its hedging tactics and, on the other hand, to estimate that hedging will be effective within all the duration of hedging instrument (derivative).

(3) Impairment of financial assets available for sale

The Bank follows the requirements of IAS 39 in order to decide whether a financial asset is impaired. Such a decision requires exercise of material judgment. While exercising the aforementioned judgment, the Bank estimates, among other factors, the duration or the extent to which the fair value of an investment is lower than the cost – an event that might constitute

an objective indication of impairment as well as financial viability and short-term future of such an investment, including factors such as the performance of the industry or the business sector, the changes in technology and operating and financing cash flows.

The sectors in which estimates and assumptions have material effect on the financial statements are as follows:

(1) Credit Risk Provisions

Financial assets are carried at amortized cost are subject to impairment test at each balance sheet date in compliance with those mentioned in 3.10. As far as financial assets examined individually are concerned, the provision for impairment is based on the estimation of the Management regarding the present value of the cash flows that are foreseen to be achieved following the settlement of the loan by the customer as well as from the capitalization of possible coverage. While estimating such flows, the Management makes estimates of the financial position of the counterpart, the possibility of settling and the net value of possible collaterals. As far as the loans examined collectively are concerned, the required provision depends on the estimates of credit risk of every group of loans, economic market conditions and portfolio risks. The required parameters are defined on historical data basis in the present economic conditions. The exactness of the provisions is based on the extent to which there were estimated the future cash flows of the particular counterpart as well as all the other cases and the parameters that have been used in the definition of the total provisions.

(2) Estimation of Fair Value of Financial Instruments

Estimation of fair value of financial instruments for which there are no publicized market prices requires the use of certain estimation techniques. Estimation of their fair value requires various kinds of estimations. The most important ones refer to the estimation of various risks to which the instrument is exposed, such as business risk, liquidity risk etc as well as the estimation of future profitability prospects in the event of impairment of securities

(3) Goodwill Impairment Test

At each balance sheet date, on annual basis, the carrying amount of goodwill is reviewed by the Bank management for evidence of impairment. In case that the recoverable value is lower than the carrying amount, then the goodwill is reduced to its recoverable amount. The methods usually used are those of cash flow present value, future dividends present value and evaluations based on similar entities. In order to apply the aforementioned methods, the Bank is demanded to use data such as the future profitability of subsidiaries, business plans and the market data, such as market interest.

(4) Taxation

The Bank is subject to income taxes in the countries of its operation. In order to define the total of provisions for corporate taxes as presented in the Balance Sheet, there are required significant estimations. As far as the particular transactions and calculations are concerned, the definition of final taxation is uncertain. The Bank recognizes obligations for foreseen tax issues based on the calculations of the extent to which additional taxation may be imposed. When the final tax result of such issues is different from the amount that has been initially

recognized, the differences affect the provision for corporate tax and deferred taxation in the period when the definition was made.

(5) Defined benefit plan

The present value of obligations for defined benefit plans to the employees is estimated based on actuarial estimation using the particular provisions. The main provisions used for the estimation of net cost are referred to in Note 32. Based on the accounting principle of the Bank, any changes to the provisions affect the size of unrecognized actuarial gain or loss.

5. Restatement of Comparative Period

Financial Statements of comparative periods, were reformulated in order to, according to the requirements of accounting consolidation of interests, provide information on how the financial figures of the bank would have been modulated if the merger of the three banks had been realized at 1/1/2006, that is during the opening of the first financial year, for which comparative figures are presented. Balance Sheets, Income Statements, Cash flow Statements and Statements of changes in equity, are based upon historical financial figures of the three absorbing banks as well as upon elimination of all transactions and the balances between the three absorbing companies and their subsidiaries.

In the following part, the financial statements of the three banks and the elimination records that have been operated upon them are analytically indicated, so that the comparative financial statements could be established.

The three first columns concern historical financial statements of the three banks, the next column includes eliminations and the last column includes the published comparative financial statement for the period.

5.1 Amendments for the Preparation of the financial statements as at 31/12/2006

	Publicized Financial Statements of the Bank	Absorption of Laiki Bank	Absorption of MARFIN BANK	Intercompany Adjustments	MARFIN EGNATIA BANK
Income statement of the period 1/1 - 31/12/2006					
<i>Amounts in thousand Euro</i>					
Income and similar income	192.573	170.559	64.134	(3.002)	424.264
Interest and similar expense	(97.642)	(96.117)	(49.667)	3.002	(240.424)
Net interest income	94.931	74.442	14.467	0	183.840
Fee and commission income	23.838	12.175	17.299		53.312
Fee and commission expense	(2.089)	(1.832)	(284)		(4.205)
Net fee and commission income	21.749	10.343	17.015	0	49.107
Net trading income/expense	5.144	1.829	24.583		31.556
Income from assets disposal apart from trading portfolio	568	0	0		568
Income from dividends	496	37	35		568
Other operating income	2.218	1.178	368		3.764
Operating income	125.106	87.829	56.468	0	269.403
Impairment of loans	(18.495)	(28.046)	(6.434)		(52.975)
Impairment losses on assets	(5.449)	0	0		(5.449)
Staff costs	(57.366)	(26.545)	(10.041)		(93.952)
depreciation	(5.737)	(4.082)	(459)		(10.278)
Other operation costs	(26.450)	(25.980)	(5.919)		(58.349)
Profits/losses before taxes	11.609	3.176	33.615	0	48.400
Income tax	2.425	2.311	7.479		12.215
Deferred tax	444	(1.297)	1.780		927
Reserves tax	313	1.302	464		2.079
Tax inspection differences	788	0	760		1.548
Profits/losses after taxes	7.639	860	23.132	0	31.631

	Publicized Financial Statements of the Bank	Absorption of Laiki Bank	Absorption of MARFIN BANK	Intercompany Adjustments	MARFIN EGNATIA BANK
Balance Sheet of the period 1/1 - 31/12/2006					
<i>Amounts in thousand Euro</i>					
ASSETS					
Cash and balances with Central Bank	108.028	126.653	50.165		284.846
Loans and advances to banks	585.721	592.348	626.800	(234.066)	1.570.803
Trading securities	13.037	39.449	162.068		214.554
Derivative financial instruments - assets	937	3.078	4.041		8.056
Loans and advances to customers	2.601.090	2.498.971	698.052		5.798.113
Investment securities	241.995	7.365	249.126		498.486
Investments in subsidiaries and associates	41.496	35.993	211.200		288.689
Intangible assets	7.264	757	751		8.772
Property, plant and equipment	44.162	14.833	2.125		61.120
Deferred tax assets	7.302	1.623	1.122		10.047
Investment property	19.106	275	1.472		20.853
Other assets	26.173	24.917	21.779	(680)	72.189
TOTAL ASSETS	3.696.311	3.346.262	2.028.701	(234.746)	8.836.528
LIABILITIES					
Deposits from banks	277.022	466.496	220.808	(234.066)	730.260
Deposits from customers	2.759.631	2.614.738	1.487.874		6.862.243
Derivative financial instruments - liabilities	2.331	964	728		4.023
Debt securities in issue and other borrowed funds	308.852	0	0		308.852
Employee benefits	7.695	1.550	473		9.718
Other provisions	620	0	0		620
Income tax	2.175	2.311	7.479		11.965
Deferred tax liabilities	652	0	2.361		3.013
Other liabilities	78.523	50.489	27.936	(680)	156.268
Total Liabilities	3.437.501	3.136.548	1.747.659	(234.746)	8.086.962
Share capital	109.145	99.707	144.667		353.520
Share premium	116.827	86.831	108.467		312.125
Reserves	18.605	12.480	2.921		34.006
Retained earnings	14.233	10.696	24.987		49.915
Equity attributable to Bank's equity holders	258.810	209.714	281.042	0	749.566
TOTAL LIABILITIES	3.696.311	3.346.262	2.028.701	(234.746)	8.836.528

Cash Flow Statement 31/12/2006	Publicized Financial Statements of the Bank	Absorption of Laiki Bank	Absorption of MARFIN BANK	Intercompany Adjustments	MARFIN EGNATIA BANK
<i>Amounts in thousand Euro</i>					
Cash flows from operating activities					
Profit before taxes	11.609	3.176	33.615		48.400
Adjustment profit before taxes					
Depreciation	5.737	4.082	459		10.278
Impairment of loans	18.495	28.046	6.434		52.975
Employee benefits provisions	1.031	224	114		1.369
Valuation of trading portfolio	(2.587)	(788)	(3.286)		(6.661)
Transfer to investing activities	(856)	(128)	3.260		2.276
Transfer to financing activities	11.902	12	1.107		13.021
	45.331	34.624	41.703	0	121.658
Changes in operating assets					
Loans and advances to banks	(4.285)		32.374	(114.720)	(86.631)
Trading securities and derivatives	4.236	(26.313)	92.437		70.360
Loans and advances to customers	(304.116)	(291.848)	(299.744)	(39.246)	(934.954)
Other assets	(7.307)	(25.692)	3.720	37.933	8.654
Net increase in operating liabilities					
Deposits from banks	271.337	182.968	93.985	(233.959)	314.331
Deposits from customers	135.244	192.911	430.530		758.685
Other liabilities	(31.652)	31.642	17.055	117.926	134.971
Net cash flows from operating activities before taxes	108.788	98.292	412.060	(232.066)	387.074
Income tax paid	(10.577)		(7.649)		(18.226)
<u>Net cash flows from operating activities</u>	98.211	98.292	404.411	(232.066)	368.848

Notes on the financial statements of
December 31st, 2007

Cash flows from investing activities					
Investments in subsidiaries and associates	(2.900)	0	(185.850)		(188.750)
Net increase (decrease) in investment securities	(114.720)	(5.477)	(103.758)		(223.955)
Dividends received	496	0	0		496
Purchase of assets	(8.723)	(2.245)	(384)		(11.352)
Sale of assets	85	0	1		86
Other flows from investing activities	5.709	0	0		5.709
<i>Net cash flows from investing activities</i>	<i>(120.053)</i>	<i>(7.722)</i>	<i>(289.991)</i>	<i>0</i>	<i>(417.766)</i>
Cash flows from financing activities					
Dividends distributed	(4.462)	0	(8.167)		(12.629)
Issue (payment) of debt	(18.138)	0	0		(18.138)
Increase in share capital	(20.346)	0	208.287		187.941
Other flows from financing activities	26.389	0	0		26.389
<i>Net cash flows from financing activities</i>	<i>(16.557)</i>	<i>0</i>	<i>200.120</i>	<i>0</i>	<i>183.563</i>
<i>Total net cash flows</i>	<i>(38.399)</i>	<i>90.570</i>	<i>314.540</i>	<i>(232.066)</i>	<i>134.645</i>
Foreign exchange difference	700	0	0		700
<i>Net cash flow increase (decrease)</i>	<i>(37.699)</i>	<i>90.570</i>	<i>314.540</i>	<i>(232.066)</i>	<i>135.345</i>
Cash and cash equivalents, opening	677.430	628.431	361.425		1.667.286
Cash and cash equivalents, closing	639.731	719.001	675.965	(232.066)	1.802.631
Cash and cash equivalents consist of :					
Cash and cash equivalents with Central Bank	108.028	126.653	50.165		284.846
Loans and advances to banks	531.703	592.348	625.800	(232.066)	1.517.785

	Publicized Financial Statements of the Bank	Absorption of Laiki Bank	Absorption of MARFIN BANK	Intercompany Adjustments	MARFIN EGNATIA BANK
Statement of changes in Equity 31/12/2006					
<i>Amounts in thousand Euro</i>					
Balance at the beginning of the period (01/01/2006)	249.659	187.645	58.146		495.450
Profit (loss) for the period after taxes	7.639	860	23.132		31.631
Share capital increase / decrease	(20.346)	22.358	208.287		210.299
Dividends paid	(4.462)	0	(8.167)		(12.629)
Net income recorded directly in Equity	(69)	(1.149)	(356)	1	(1.573)
Other changes	26.389	0	0	(1)	26.388
Total change of balance for the period	9.151	22.069	222.896		254.116
Balance at the end of the period	258.810	209.714	281.042	0	749.566

5.2 Equity Adjustment 01/01/2006

	Publicized Financial Statements of the Bank	Absorption of Laiki Bank	Absorption of MARFIN BANK	Intercompany Adjustments	MARFIN EGNATIA BANK
<i>Amounts in thousand Euro</i>					
Share capital	107.840	89.156	43.636		240.632
Share premium	138.479	75.024	1.211		214.714
Reserves	17.189	13.629	3.352		34.170
Retained earnings	(13.849)	9.836	9.947		5.934
Net Equity	249.659	187.645	58.146		495.450

6. Segment Reporting

Geographical segments

The Bank operates mainly in Greece. It has 160 branches. Its income arises from activities in Greece.

Business segment

The Bank is organized into the following business segments:

- a) Investment and corporate banking
- b) Retail banking
- c) Asset Management
- d) Treasury
- e) Investments and participations

31 December 2007						
Amounts in thousand Euro	Investment and corporate banking	Retail banking	Asset Management	Treasury	Investments and Participations	Total
Operating revenue	83.234	182.554	11.425	66.963		344.176
Profit before taxes	35.184	(3.311)	3.356	49.448		84.677
Income tax						(24.087)
Profit after taxes						60.590
Total assets	3.062.006	5.670.343	1.130.894	3.062.186	-	12.925.429
Total liabilities	1.156.924	6.203.100	1.172.613	3.612.767	-	12.145.404
Additional assets	3.679	13.748	581	1.355	-	19.363
Depreciation	1.049	9.316	399	433	-	11.197
Impairment of loans and investments	14.310	36.548	220		744	51.822



31 December 2006						
Amounts in thousand Euro	Investment and corporate banking	Retail banking	Asset Management	Treasury	Investments and Participations	Total
Operating revenue	64.866	143.409	2.211	58.917		269.403
Profit before taxes	18.243	(8.039)	(3.004)	47.758	(6.558)	48.400
Income tax						(16.769)
Profit after taxes						31.631
Total assets	2.055.105	4.002.771	267.658	2.510.994	-	8.836.528
Total liabilities	693.035	5.337.502	935.871	1.120.554	-	8.086.962
Additional assets	1.270	12.169	232	448	-	14.119
Depreciation	2.780	7.006	98	394	-	10.278
Impairment of loans and investments	20.457	32.445	73	-	5.449	58.424

7. Net Interest Income

(amounts in thousand Euro)

	2007	2006
Interest income		
Securities	41.838	24.075
Loans and advances to customers	507.359	329.934
Loans and advances to banks	102.361	54.972
Other interest income	40.874	15.283
	692.432	424.264
Interest expense		
Customers deposits	(338.140)	(199.155)
Deposits from banks	(80.710)	(15.398)
Debt securities	(14.468)	(11.902)
Other interest expense	(27.867)	(13.969)
	(461.185)	(240.424)
Net interest income	231.247	183.840

Interest income includes the interest on the amount of € 5.978 (2006: € 2.940) on the bonds of trading securities. Furthermore, there are included net interests amounting to € 7.921 from derivative interest that has been defined as effective fair value hedging means.

8. Net fee and commission income

(Amounts in thousand Euro)

	2007	2006
Fee and commission income		
Loans	21.326	11.691
Letters of guarantee	3.934	3.499
Credit cards	11.995	8.513
Consumer credit	31.344	8.226
Custodian	2.497	1.736
Working capital	4.758	14.133
Imports-exports	1.742	1.887
Equity brokerage activities	1.431	449
Other	3.552	3.178
	82.579	53.312
Fee and commission expense		
Credit cards	(2.825)	(2.636)
Consumer credit	(3.217)	(64)
Other/Λοιπά	(1.563)	(1.505)
	(7.605)	(4.205)
Net fee and commission income	74.974	49.107

9. Net trading income

(amounts in thousand Euro)

	2007	2006
Foreign exchange differences	6.443	4.360
Gains from sale and revaluation of trading securities	167	21.884
Gains from derivative financial instruments	21.341	5.312
Net trading income	27.951	31.556

10. Dividend income

(amounts in thousand Euro)

	2007	2006
Dividends from subsidiaries	3.719	357
Dividends from available-for-sale securities	91	107
Dividends from trading securities	179	104
Dividend income	3.989	568

11. Other operating income

(amounts in thousand Euro)

	2007	2006
Investment property	1.098	168
Other	4.386	3.596
Other operating income	5.484	3.764

12. Assets impairment losses

(amounts in thousand Euro)

	2007	2006
Impairment of shares available-for-sale	744	-
Impairment of investment in subsidiaries	-	5.449
	744	5.449

13. Staff costs

(amounts in thousand Euro)

	2007	2006
Wages and salaries	(82.766)	(72.581)
Social security contributions	(18.568)	(16.391)
Defined benefit plan expense (Note.32)	(7.287)	(1.998)
Stock option plan expense	(1.157)	-
Other costs	(9.914)	(2.982)
Personnel expenses	(119.692)	(93.952)

The number of employees as at the end of the year was 2.482 (2006 : 2.365).

Share based payments

In May 2007, the Management of the parent Marfin Popular Bank, prepared a stock option provision plan to the employees of all the companies of the Group, based on the as at 5/4/07 decision of the Extraordinary General Assembly of its shareholders. In particular, on 8/5/2007 the Board of Directors of the parent, following the corresponding decision of the Nomination and Remuneration Committee, proceeded to the provision of a total of 70.305.000 stock options, out of which 33.600.000 stock options were allocated to the members of the Board of Directors and the personnel of Marfin Egnatia Bank as well as its subsidiaries.

Based on the criteria that were established, the options in question are provided gradually within the five year period of 2007-2011. The options are settled through the issue of new shares by the parent. The price of exercising the option amounts to € 10 per option and all the options maturity date is December 15th, 2011. During the period, no option has been exercised or cancelled.

The fair value of the options provided to the personnel has been measured as at the provision date based on the estimation model of Black & Scholes. The elements used as at the implementation of the model are as follows: α) fair value (closing price) of the share as at provision date € 8,48, b) expected fluctuation of the share price. The expected fluctuation of the share price was defined as that of 12% based on the estimation of historical data on European listed banks, c) exercising price € 10, d) interest without risk based on the fluctuation of interest of Euro during the plan 4,15% (average), e) dividend performance that was defined as that of 3,58% and f) expected duration of options that fluctuates between 1-2 years.

The average of the fair value of the provided options amounts to € 0,19. The total fair value of all the options provided that burdens the results of the year 2007, was computed as that of € 1.157 thousand.

14. Operating expenses

(amounts in thousand Euro)

	2007	2006
Rent (operating leases)	(17.631)	(16.002)
Operating expenses of building	(4.927)	(3.667)
Tax, stamps and duties	(7.495)	(2.416)
Repairs and maintenance	(2.648)	(2.621)
Third party fees (legal, engineers, etc)	(11.598)	(7.205)
Telephone and postage	(5.488)	(4.949)
Promotion and advertisement	(8.736)	(6.144)
Provisions for other risks	(4.473)	(305)
Contributions - payments	(4.306)	(1.812)
Other expenses	(9.486)	(13.228)
Operating expenses	(76.788)	(58.349)

15. Income tax

(amounts in thousand Euro)

	2007	2006
Income tax	(11.322)	(12.215)
Deferred tax	(11.750)	(926)
Tax on reserves	-	(2.079)
Tax inspection differences	(1.015)	(1.549)
Income tax	(24.087)	(16.769)

The information concerning the deferred tax is provided in note 27. The reconciliation of the effective tax rate is as follows:

	%	2007	%	2006
Profit before tax		84.677		48.400
Tax based on tax rate	25%	21.169	29%	14.036
Non-deductable expense	1%	780	6%	2.800
Tax exempt revenues	(1%)	(997)	(5%)	(2.243)
Prior years taxes	1%	1.015	3%	1.548
Tax on reserves	-	-	4%	2.079
Other	3%	2.120	(3%)	(1.451)
Income tax	29%	24.087	34%	16.769

In Greece, the results reported to the tax authorities by an entity are provisional and subject to revision until such time as the tax authorities examine the books and records of the entity and the related tax returns are accepted as final. Therefore entities remain contingently liable for additional taxes and penalties, which may be assessed upon such examination. Because of the method under which the tax obligations are ultimately concluded in Greece, the Bank remains contingently liable for additional taxes and penalties for its open tax years (2005-2007) for which adequate provisions have been made.

For the tax non-inspected fiscal years 2005-2006 of the former Egnatia Bank there has been made an application for tax inspection under Prot. No. 2619/26-06-2007 to authorities of Thessalonica.

Tax Inspection of the absorbed company Laiki Bank (Hellas) S.A.

The Bank has been tax inspected until the fiscal year 2006 inclusively by authorities of Athens, and its financial sizes were considered as those exact, fairly presented and finalized.

Following the tax inspection of the fiscal years 2004 – 2005, that was completed in May 2007, there were defined accounting differences of total amount of € 2.403.628,60 and total tax differences amounting to € 449.428,90 apart from increases amounting to € 125.609,03 arose. The total amount of € 575.037,93 was paid as lump sum on 09/05/2007 at a discount of 5%.

The tax inspection of the fiscal year 2006 was completed in June 2007, and there were defined accounting differences totally amounting to € 900.625,00 and total tax differences amounting to € 277.543,02 apart from increases amounting to € 6.194,33 and further advance amounting to € 209.113,00 arose. The total amount of € 492.850,35 was paid as lump sum on 28/06/2007 at a discount of 5%.

Tax Inspection of the absorbed company Marfin Bank S.A.

Marfin Bank has been tax inspected until the fiscal year 2006 inclusively by authorities of Athens , and its financial sizes were considered as those exact, fairly presented and finalized.

Following the tax inspection of the fiscal year 2006 that was completed in June 2007, there were defined accounting differences of total amount of € 993.793,35 and further total tax differences amounting to € 280.361,00 and further advance amounting to € 230.560,00 arose. The total amount of taxes of € 510.921,00 was paid as lump sum on 28/06/2007.

16. Earnings per share

Basic earnings per share is calculated by dividing the profit after tax that is attributable to the shareholders of the parent company with the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share is calculated by dividing the profit after tax that is attributable to the shareholders of the parent company after adjusting for the interest expense attributable to the holders of the Bank's convertible bond issue with the weighted average number of ordinary shares adjusted by the number of ordinary shares converted from the convertible bond issue.

	2007	2006
Basic earnings per share		
Profit attributable to shareholders of the Bank	60.590	31.631
Weighted average number of outstanding ordinary shares	284.349.215	212.599.751
Basic earnings per share	0,21	0,15
Diluted earnings per share		
Profit attributable to shareholders of the Bank	60.645	31.711
Weighted average number of outstanding ordinary shares	284.651.197	213.206.749
Diluted earnings per share	0,21	0,15

The previous year items have been adjusted as concerning the new number of shares arising from the merger.

17. Cash and balances with Central Bank

(Amounts in thousand Euro)

	2007	2006
Cash	49.891	46.099
Other placements with Central Bank	252.814	112.129
Obligatory reserve deposits with the central Bank	172.263	126.618
Cash and balances with Central Bank	474.968	284.846

18. Loans and advances to banks

(Amounts in thousand Euro)

	2007	2006
Current accounts	38.408	27.434
Loans to banks	19.000	27.000
Placements with banks	2.035.298	1.516.369
Loans and advances to banks	2.092.706	1.570.803

19. Trading securities

(Amounts in thousand Euro)

	2007	2006
Fixed rate Greek Government bonds	43.412	38.588
Fixed rate foreign government bonds	8.667	16.383
Floating rate Greek Government bonds	1.009	40.257
Floating rate foreign government bonds	1.508	2.850
Fixed rate corporate bonds	19.716	13.263
Floating rates corporate bonds	70.258	51.185
Bonds	144.570	162.526
Equity securities listed on ASE	474	2.746
Equity securities listed on foreign Stock Exchange	70	-
Domestic mutual funds units	-	10.545
Foreign mutual funds units	100.218	38.737
Trading securities	245.332	214.554

20. Derivative financial instruments

(Amounts in thousand Euro)

31 December 2007

	Nominal amount	Fair value	
		Assets	Liabilities
Foreign currency derivatives			
Currency deposits	134.928	822	11.545
Currency swaps	577.839	2.609	10.004
Deposits in index options			
Futures	144.682	-	420
Options	244.272	489	272
CDS	93.776	111	1.494
Assets swaps	2.242	12	7



Notes on the financial statements of
December 31st, 2007

Interest derivatives			
IRS	339.895	4.582	1.660
Trading derivatives		8.625	25.402
Fair value hedging			
Customers deposits in embodied derivatives	70.871	2.295	2.399
IRS	952.649	-	5.621
Risk hedging derivatives		2.295	8.020
Total derivatives		10,920	33,422

31 December 2006

	Nominal amount	Fair value	
		Assets	Liabilities
Foreign currency derivatives			
Currency deposits	83.908	152	169
Currency swaps	835.157	1.409	3.312
Deposits in index options			
Futures	84.073	497	-
Options	117.157	603	81
CDS	68.797	304	412
Interest derivatives			
IRS	486.686	5.042	-
Trading derivatives		8.007	3.974
Fair value hedging			
Customers deposits in embodied derivatives	1.223	49	49
Risk hedging derivatives		49	49
Total derivatives		8.056	4.023

21. Loans and advances to customers

(Amounts in thousand Euro)

	2007	2006
Retail customers:		
Customer	1.330.664	871.776
Credit cards	162.082	143.615
Housing	1.782.279	1.008.041
Other	22.455	3.567
	3.297.480	2.026.999
Corporate customers:		
	5.738.826	3.907.662
Total loans and advances to customers	9.036.306	5.934.661
Less: impairment of loans	(181.383)	(136.548)
Loans and advances to customers	8.854.923	5.798.113



Movement in impairment :

	2007	2006
Balance as at 1 January	136.548	147.575
Impairment	51.078	52.975
Write offs	(6.243)	(64.002)
31 December	181.383	136.548

22. Investment securities

(Amounts in thousand Euro)

	2007	2006
Investment securities available for sale		
Mutual funds (local)	13.145	1.921
Mutual funds (abroad)	-	37.965
Shares listed in Athens Stock Exchange	5.302	1.261
Shares listed in Athens Stock Exchange (pledged)	414	-
Entries to shares currently not issued (local)	31	-
Shares listed in foreign stock exchanges	2.069	1.136
Not-listed shares	708	628
Greek government treasury bills (fixed interest)	161.528	68.721
Greek government treasury bills (floating interest)	115.553	40.579
Other government treasury bills (fixed interest)	97.559	57.861
Corporate entity bonds(fixed interest)	-	
Corporate entity bonds (floating interest)	105.822	95.959
Investment securities available for sale	83.952	83.471
Investment securities available for sale	586.083	389.502
Investments held to maturity		
Greek government treasury bills (fixed interest)	52.848	60.532
Greek government treasury bills (floating interest)	10.000	13.074
Corporate entity bonds(fixed interest)	2.025	5.833
Corporate entity bonds (floating interest)	24.780	29.545
Investments held to maturity	89.653	108.984
Investment securities	675.736	498.486

23. Investment in subsidiaries

(amounts in thousand Euro)

Name	Country of incorporation	31/12/2007			
		% Direct participation	% Indirect participation	Total % Participation	Total participation
Egnatia Bank Romania S.A.	Romania	98,98%	-	98,98%	18.317
Egnatia Leasing Romania S.A.	Romania	99,00%	-	99,00%	218
Marfin Leasing S.A. (1)	Greece	100,00%	-	100,00%	27.106
Marfin Egnatia Fin S.A.	Greece	99,00%	-	99,00%	291
EUROCAMBIO Foreign Exchange S.A. (2)	Greece	90,29%	-	90,29%	0
Marfin Insurance Brokers S.A.(3)	Greece	100,00%	-	100,00%	612
	United	99,998%	0,002%	100,00%	18



Egnatia Finance PLC	Kingdom/London				
Egnatia Bank Travel S.A.	Greece	-	99,00%	99,00%	-
Obafemi Holdings LTD	Cyprus	100,00%	-	100,00%	2
Egnatia Properties SRL	Romania	-	100,00%	100,00%	-
Investment Bank of Greece S.A.(5)	Greece	92,04%	-	92,04%	212.647
MFG Capital Partners Ltd (6)	United Kingdom/London	70,00%	-	70,00%	723
Marfin Global Asset Management S.A. (7)	Greece	94,5148%	4,0504%	98,5652%	12.787
IBG Investments S.A.	British Virgin Island	-	92,04%	92,04%	-
IBG Mutual Funds S.A.	Greece	-	92,04%	92,04%	-
Marfin Securities (Cyprus) Ltd (8)	Cyprus	-	92,04%	92,04%	-
Investment S.A.	Greece	-	92,03%	92,03%	-
Marfin Life Insurance S.A. .	Greece	100,00%	-	100,00%	3.181
Laiki ATTALOS S.A.	Greece	97,51%	-	97,51%	5.347
Marfin Factors & Forfaiters S.A. (9)	Greece	100,00%	-	100,00%	12.285
					293.534

31/12/2006

Name	Country of incorporation	% Direct participation	% Indirect participation	Total % Participation	Total participation
Egnatia Bank Romania S.A.	Romania	98,98%	-	98,98%	18.317
Egnatia Leasing Romania S.A.	Romania	99,00%	-	99,00%	218
Egnatia Finance S.A. (5)	Greece	70,00%	-	70,00%	13.002
Egnatia Asset Management S.A. (7)	Greece	51,00%	-	51,00%	307
Egnatia Leasing (1)	Greece	99,90%	-	99,90%	9.001
Egnatia Fin S.A. .	Greece	99,00%	-	99,00%	291
EUROCAMBIO Foreign Exchange S.A. (2)	Greece	90,290%	-	90,29%	0
Egnatia Insurance Brokers S.A. (3)	Greece	60,00%	-	60,00%	180
Egnatia Finance PLC	United Kingdom/London	99,998%	0,002%	100,00%	19
Egnatia Bank Travel S.A.	Greece	-	99,00%	99,00%	-
Egnatia Consumer Services S.A. (4)	Greece	-	99,00%	99,00%	-
Obafemi Holdings LTD	Cyprus	100,00%	-	100,00%	2
Egnatia Properties SRL	Romania	-	100,00%	100,00%	-
Egnatia Financial Services Ltd (11)	Cyprus	5,00%	46,00%	51,00%	161
Investment Bank of Greece S.A. (5)	Greece	90,99%	-	90,99%	199.938
Marfin A.E.Δ.A.K. (7)	Greece	47,18%	43,42%	90,11%	1.130
MFG Capital Partners Ltd (6)	United Kingdom/London	100,00%	-	100,00%	742

Marfin Global Asset Management S.A. (7)	Greece	100,00%	-	100,00%	7.109
AVC Consulting S.A. (10)	Greece	-	59,14%	59,14%	-
IBG Investments S.A.	British Virgin Island	-	90,99%	90,99%	-
IBG Mutual Funds S.A.	Greece	-	90,99%	90,99%	-
Marfin Securities (Cyprus) Ltd (8)	Cyprus	-	90,99%	90,99%	-
Investment S.A.	Greece	-	90,99%	90,99%	-
Laiki Asset Management S.A. (7)	Greece	97,62%	-	97,62%	1.913
Laiki Life Insurance S.A. .	Greece	100,00%	-	100,00%	3.181
Laiki Leasing S.A. (1)	Greece	100,00%	-	100,00%	18.095
Laiki ATTALOS S.A.	Greece	97,51%	-	97,51%	5.347
Laiki Factoring S.A. (9)	Greece	100,00%	-	100,00%	7.276
Laiki Factors & Forfaiters Ltd (3)	Greece	100,00%	-	100,00%	182
					286.411

(1) The company arose following the merger of Egnatia Leasing S.A. and Laiki Leasing S.A. with the absorption of the latter by the former in compliance with N 22870/07 decision of the Prefecture of Athens. Following the No. 28522/08.08.2007 decision of the Prefecture of Athens, there was approved the change of the name as from « EGNATIA LEASING FINANCE LEASES S.A.» to «MARFIN FINANCE LEASES S.A» under the discrete title «MARFIN LEASING S.A.». On 8.11.07, Marfin Leasing S.A. increased its share capital by 7.326 Euro with the equal capitalization from the account “Retained earnings”.

(2) The company is at liquidation stage.

(3) The company arose following the merger of «Egnatia Insurance Brokers LTD» and «Laiki Insurance Brokers LTD» with the absorption of the latter by the former in compliance with No K3 – 6176/22.06.2007 decision of the Ministry of Development. In compliance with the aforementioned decision, there was approved the change of the name from « Egnatia Insurance Brokers LTD» to «Marfin Insurance Brokers LTD» and the discrete title «Marfin Brockers LTD».

(4) The company was liquidated on 26/11/2007.

(5) The company arose following the merger of Investment Bank of Greece S.A. and Egnatia Finance S.A., with the absorption of the latter by the former under No K2 - 9485/22.06.2007 decision of the Ministry of Development.

(6) In July, MFG Capital Partners Ltd issued a split on its shares. During the split, 500.100 shares with nominal value 1 GBP were split into 500.100 ordinary shares (with voting right), with nominal value 0,25 GBP, and 500.100 deferred shares (no voting right) with nominal value 0,75 GBP. During the same period, the company proceeded with an increase in its share capital, where 214.328 new ordinary shares were issued, with nominal value 0,25 GBP per share, and issue price 0,43 GBP per share, and were contracted by “Employee Benefit Trust”. As a result, the Bank’s percentage on voting rights of ordinary shares was reduced from 100% to 70%.

(7) The company arose following the merger of «MARFIN MUTUAL FUNDS MANAGEMENT S.A.» and «MARFIN GLOBAL ASSET MANAGEMENT INVESTMENT SERVICES S.A.», «LAIKI MUTUAL FUNDS MANAGEMENT S.A» and «EGNATIA MUTUAL FUNDS MANAGEMENT S.A», with the absorption of the second, third and fourth companies by the former in compliance with No K2 – 10866/20.07.2007 decision of the Ministry of Development. In compliance with the aforementioned decision, there was approved the change of the name as from «MARFIN MUTUAL FUNDS MANAGEMENT S.A.» to «MARFIN GLOBAL ASSET MANAGEMENT MUTUAL FUNDS MANAGEMENT S.A » under the discrete title «MARFIN G.A.M. MUTUAL FUNDS MANAGEMENT S.A.».

(8) Investment Bank of Greece S.A. purchased 50.000 shares of the subsidiary Marfin Securities Cyprus Ltd that correspond to the percentage of 2,86% of the share capital, as against the price of 87,4 thousand Euro. Therefore, the percentage of Investment Bank of Greece in the subsidiary has increased from 97,14% to 100% while the indirect percentage of the Group – from 90,99% σε 92,04%.

(9) On 24.12.07 Marfin Factors & Forfaiters increased its share capital by 5.010 Euro. The increases was covered in total by the Bank.

(10) The company was liquidated in the second six month period of 2007.

(11) On 27.06.2007 there was completed the sale of 5% and 46% of the share capital of Egnatia Financial Services Ltd, to Egnatia Bank and Egnatia Finance S.A. correspondingly, to Marfin Popular Bank Public Co Ltd. Thus, they don't participate as from 27/06/2007 in the share capital of Egnatia Financial Services Ltd.

24. Investment in associates

(amounts in thousand Euro)

	2007	2006
Company	ARIS Capital Management (H.Π.A.)	
Total % Participation	30.00%	30.00%
Assets	1.684	1.554
Liabilities	909	1.176
Income	1.671	1.727
Gains	672	643
Share capital	8	8
Participation	2.278	2.278

25. Intangible assets

(amounts in thousand Euro)

	Goodwill	Software	Total
Cost			
Balance as at January 1, 2006	713	25.071	25.784
Additions	-	1.663	1.663
Disposals	-	-	-
Balance as at 31 December 2006	713	26.734	27.447
Balance as at 1 January 2007	713	26.734	27.447
Additions	-	5.689	5.689
Disposals	-	-	-
Balance as at 31 December 2007	713	32.423	33.136
Accumulated amortization			
Balance as at 1 January 2006	71	16.641	16.712
Additions	-	1.963	1.963
Disposals	-	-	-
Balance as at 31 December 2006	71	18.604	18.675
Balance as at 1 January 2007	71	18.604	18.675
Additions	-	2.563	2.563
Disposals	-	-	-
Balance as at 31 December 2007	71	21.167	21.238
Carrying amounts			
As at 1 January 2006	642	8.430	9.072
As at 31 December 2006	642	8.130	8.772
As at 1 January 2007	642	8.130	8.772
As at 31 December 2007	642	11.256	11.898

26. Property, plant and equipment

(amounts in thousand Euro)

	Land	Building	Leasehold improvements	Furniture and equipment	Other	Total
Acquisition Cost						
Balance as at 1 January 2006	11.923	17.633	44.418	50.967	4.850	129.791
Additions	-	360	3.022	8.772	302	12.456
Disposals	-	-	(2.078)	(44)	(112)	(2.234)
Balance as at 31 December 2006	11.923	17.993	45.362	59.695	5.040	140.013
Acquisition Cost						
Balance as at 1 January 2007	11.923	17.993	45.362	59.696	5.040	140.014
Additions	338	659	5.735	6.665	277	13.674
Disposals/Transfers	(1.984)	-	(1.662)	(6.692)	(323)	(10.661)
Balance as at 31 December 2007	10.277	18.652	49.435	59.669	4.994	143.027
Depreciation						
Balance as at 1 January 2006	-	4.509	25.322	39.997	2.949	72.777
Depreciation	-	454	3.088	4.257	516	8.315
Decreases	-	-	(2.076)	(43)	(80)	(2.199)
Balance as at 31 December 2006	-	4.963	26.334	44.211	3.385	78.893
Depreciation						
Balance as at 1 January 2007	-	4.962	26.334	44.211	3.385	78.892
Depreciation	-	401	3.179	4.527	527	8.634
Decreases	-	(47)	(1.547)	(3.407)	(265)	(5.266)
Balance as at 31 December 2007	-	5.316	27.966	45.331	3.647	82.260
Amounts in the Balance Sheet						
As at 1 January 2006	11.923	13.124	19.096	10.970	1.901	57.014
As at 31 December 2006	11.923	13.030	19.028	15.484	1.655	61.120
As at 1 January 2007	11.923	13.030	19.028	15.484	1.655	61.120
As at 31 December 2007	10.277	13.336	21.469	14.338	1.347	60.767

27. Deferred tax

(amounts in thousand Euro)

Recognized deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	2007	2006
Deferred tax assets		
Intangible assets	312	324
Employee benefit obligations	2.514	2.387
Impairment of loans and advances	-	1.869
Impairment of investments	20.803	2.035
Deferred income	2.121	1.968
Preference shares	-	227
Valuation of transaction and derivative portfolio	-	232
Other	2.560	1.005
	28.310	10.047
Deferred tax liabilities		
Property, plant and equipment	226	129
Impairment of loans and advances	4.683	-
Provisions	5.740	-
Valuation of transaction and derivative portfolio	1.930	1.196
Intangible assets	591	275
Other	1.089	1.413
	14.259	3.013

Movement in temporary differences during the year

	Balance 1 January 2006	Recognized in income	Recognized in Equity	Balance 31 December 2006
Intangible assets	364	(315)	-	49
Employee benefit obligations	2.299	88	-	2.387
Impairment of loans	2.186	(316)	-	1.870
Impairment of investments	35	1.362	-	1.397
Deferred income	1.154	203	-	1.357
Preference shares	-	227	-	227
Property, plant and equipment	(352)	(60)	-	(412)
Valuation of derivatives	(123)	(1.183)	-	(1.306)
Valuation of transaction portfolio	(390)	291	-	(99)
Financial instruments available for sale	639	-	(1)	638
Other	2.150	(1.224)	-	926
Total	7.962	(927)	(1)	7.034

	Balance 1 January 2007	Recognized in income	Recognized in Equity	Balance 31 December 2007
Intangible assets	49	(328)	-	(279)
Employee benefit obligations	2.387	127	-	2.514
Impairment of loans	1.870	(6.553)	-	(4.683)
Impairment of investments	1.397	-	-	1.397
Deferred income	1.357	787	-	2.144
Effective Rate of loans	-	(5.740)	-	(5.740)
Preference shares	227	(227)	-	-
Property, plant and equipment	(412)	(98)	-	(510)
Valuation of derivatives	(1.306)	796	-	(510)
Valuation of transaction portfolio	(99)	(1.320)	-	(1.419)
Financial instruments available for sale	638	-	18.767	19.405
Other	926	806	-	1.732
Total	7.034	(11.750)	18.767	14.051

28. Other assets

(amounts in thousand Euro)

	2007	2006
Prepayment	3.414	2.924
Accrued income	88.285	40.743
Other	55.810	28.522
Other assets	147.509	72.189

29. Deposits from banks

(amounts in thousand Euro)

	2007	2006
Deposits with Central Bank	180.000	205.000
Current	17.628	36.862
Term	7.051	5.279
Placements in banks	1.963.988	447.988
Loans from banks	304.428	35.131
Due to banks	2.473.095	730.260

30. Deposits from customers

(amounts in thousand Euro)

	2007	2006
Retail customers		
Current accounts	686.642	890.188
Saving accounts	756.771	801.072
Term deposits	3.995.842	2.583.166
	5.439.255	4.274.426
Corporate customers		
On demand	822.036	782.273
Term	2.347.226	1.734.622
	3.169.262	2.516.895
Government entities		
On demand	76.501	26.484
Term	13.282	44.438
	89.783	70.922
Deposits from customers and due from customers	8.698.300	6.862.243

31. Debt securities in issue and other borrowed funds

(Amounts in thousand Euro)

	2007	2006
Preference shares	-	13.026
Share premium on preference shares	-	15.130
Convertible subordinated debt maturity - 2013	862	852
Subordinated debt maturity - 2015	80.000	80.000
Subordinated debt maturity - 2017	200.000	-
Bond loan maturity - 2010	50.000	-
Intercompany loan maturity - 2008	199.941	199.844
Debt securities in issue and other borrowed funds	530.803	308.852

Following the 21-6-2007 decision of the Extraordinary General Assembly of the shareholders of common shares and as of 21-6-2007 decision of the Special General Assembly of shareholders of preferred shares there was made a decision on the cancellation of benefits and the transition of preferred shares without voting rights into ordinary nominal shares with voting rights. The corresponding amendment of Article 7 par.1 of the Charter of Incorporation of the Bank was approved by the Ministry of Development by the Decision No. K2-9985/29.6.2007.

The convertible bond was issued on 21st January 2003 and has a maturity of 10 years with the right of first redemption after 5 years. It has a rate of interest of Euribor plus 1,75% up to the date of redemption and 3,25% until maturity. Interest accrues every 3 months starting 21 January 2003.

The Board of Directors via authorization among other issues discussed at 27.4.2007 Assembly of convertible debt holders of the convertible bond issued by the Bank following the decision of 28.6.2001 of the First Repetitive General Assembly following the postponement of the Ordinary General Assembly of common shares shareholders, the First Repetitive Special General Assembly preferred shares shareholders of 28.6.2001 as well as the decisions of the Board of Directors as of 3.10.2002 and 19.11.2002, at its meeting on 26.7.2007 decided on the adjustment of the aforementioned change as the convertible bond so that after the completion of the merger through absorption by the Bank of "MARFIN BANK S.A." and "LAIKI BANK (HELLAS) S.A", and on the cancellation of benefits and and the transition of preferred shares without voting rights into ordinary nominal shares with voting rights as well as on the amendment of Article 7 par.1 of the Charter of Incorporation of the Bank, ten (10) bonds, convertible into either ordinary or preferred shares should be hereafter the highest time point 1 of convertible into ten (10) new ordinary nominal shares of the Bank of nominal value of one Euro and twenty seven cents (1,27 €). It was also established that following the cancellation of benefits and transition of preferred shares without voting rights into ordinary shares with voting rights the aforementioned convertible bond issued by the Bank will be composed of a number of bonds convertible into new ordinary nominal shares of the Bank.

Convertible subordinated debt holders have the right to exchange ten notes for ten shares. As at 31.12.2007 there were 300.680 ordinary notes whose holders had the right to exchange them for the corresponding number of ordinary shares. The nominal value of the notes is 3.20 Euro per note.

The subordinated debt with maturity 2015 was issued 4 May 2005 and has a 10 year term with the right to fixed redemption after the end of the fifth year. It has an interest rate of Euribor plus 1,10% up to redemption date and 2,40% up to maturity. It accrues interest quarterly starting 4 August 2005.

The subordinated debt with maturity 2017 was issued on 31 December 2007 has a 10 year term with the right to fixed redemption after the end of the fifth year. It has an interest rate of Euribor three months plus 0.95% up to redemption date and 1.95% up to maturity. It accrues interest quarterly starting 31 March 2008. The issues of the bond loan was decided following the approval of the Ordinary General Assembly of the shareholders of the company on 22 June 2006 and was covered in total by the parent «Marfin Popular Bank Public co ltd».

The subordinated debt is used as secondary capital (Tier II capital) for capital adequacy purposes.

Debt security matures in 2008 (3 years) and pays Euribor plus 0,55% until maturity. The interest rate period is 3 months, with the effective date of 11 November 2005.

The bond loan (Schuldschein) with maturity 2010 was issued on 28 December 2007 and has a 3 year term. It has an interest rate of Euribor 1. 3 or 6 months plus 0.25% up to maturity. It accrues interest in 1. 3 or 6 months starting on January 28, 2008.

32. Employee benefits

(amounts in thousand Euro)

	2007	2006
Present value of unfunded obligations	7.828	11.665
Present value of funded obligations	-	1.751
Total present value	7.828	13.416
Fair value of plan assets	-	(1.874)
Limitation on assets that can be recognized	-	378
Unrecognized past service cost	-	(1.008)
Unrecognized actuarial gains and losses	2.325	(1.195)
Recognized liability for defined benefit obligations	10.153	9.718
Movement in plan assets		
Opening balance	1.874	1.682
Expected return	49	73
Contributions received	-	240
Contributions paid	(1.335)	(257)
Amounts in income statement	-	(2)
Settlement-termination	(589)	-
Actuarial (loss)/gain	-	139
Closing balance	-	1.874

Net liability for defined benefit obligations at 1 January	9.718	8.735
Contributions received	-	(225)
Benefits paid	(6.853)	(790)
Expense recognized in the income statement	7.287	1.998
Net liability for defined benefit obligation at 31 December	10.153	9.718

Expense recognized in the income statement

Current service costs	1.245	998
Expected return on plan assets	-	(73)
Actuarial loss recognition	-	60
Effect from the limitations on recognized assets from insurance contract	-	22
Termination cost - Settlement	5.605	507
Interest on obligation	437	484
	7.287	1.998

Principal actuarial assumptions used for 2007 and 2006 were as follows:

	2007	2006
Discount rate	5.00%	4.10%-4.20%
Expected return on plan assets	-	4.10%-4.20%
Salary increases	4.50%	4.00%-6.00%

33. Other provisions

(amounts in thousand Euro)

	2007	2006
Provisions for risks and liens	5.584	-
Provisions for taxes	800	-
Other personnel provisions	5.784	620
Other provisions	12.168	620

34. Other liabilities

(amounts in thousand Euro)

	2007	2006
Taxes and duties (non income tax)	5.110	4.389
Due to social security funds	4.409	3.762
Suppliers and other creditors	9.814	11.711
Third parties participation in SC increases of the companies	189.303	-
Amounts collected on behalf and due to third parties	26.440	12.534
Deferred income	49.841	15.726
Accrued expenses	9.770	20.184
Cheques and orders payable	62.303	60.519
Other liabilities	5.485	27.443
Other liabilities	362.475	156.268

35. Share capital

	31.12.2007	31.12.2006
Number of ordinary shares	288.626.666	277.490.132
Nominal value	1,27	*1,27
Share capital paid (in thousand Euro)	366.556	353.520
Share premium (in thousand Euro)	327.261	312.125

* The nominal value of share of Egnatia Bank as at 31/12/2006 (prior to merger) was 1,17 Euro, the above amount of 1,27 arises following the absorption of Marfin Bank and Laiki Bank.

SHARE CAPITAL OF ABSORBING COMPANY BEFORE AND AFTER THE MERGER (in €)	Number of shares	Share capital
I. Share capital OF EGNATIA BANK S.A. before the merger	93,286,729	109,145,472.93
II. Changes of share capital due to the merger :		
Increase in capital by the arising share capital of LAIKI BANK (HELLAS) S.A. (31/12/2006) (6.796.661 ordinary nominal shares of nominal value € 14,67)	88,635,383	99,707,016.87
Increase in capital by the arising share capital of MARFIN BANK S.A. (31/12/2006) (482.224.763 ordinary nominal shares of nominal value € 0,30)	95,568,020	144,667,428.90

Increase in capital from Reserves account from conversion of share capital into Euro of the absorbing company for approximation purposes of the nominal value of the shares of the absorbing company..		6,042.34
Total increases in capital due to merger		244,380,488.11
Share capital of the new bank after the merger (I+II)		353,525,961.04
Issue of new ordinary shares	2,930	3,588.10
Transformation of preference shares into ordinary shares	11,133,604	13,026,316.68
Share Capital of Marfin Egnatia Bank as at 31.12.2007	288,626,666	366,555,865.82

Exchange correlation

For the shareholders of EGNATIA BANK S.A .	One (1) old ordinary or preferred share of EGNATIA BANK S.A. as against 1 new ordinary nominal share of MARFIN EGNATIA BANK S.A.
For the shareholders of LAIKI BANK (HELLAS) S.A.	One (1) share of LAIKI BANK (HELLAS) S.A. as against 13,041018670786 new ordinary nominal shares of MARFIN EGNATIA BANK S.A.
For the shareholders of MARFIN BANK S.A.	One (1) share of MARFIN BANK S.A. as against 0,198181485757 new ordinary nominal shares of MARFIN EGNATIA BANK S.A.
Trading unit at Athens Stock Exchange	Title of 1 share

In compliance with Schedule of Contract Merger, as approved by the Extraordinary General Assemblies of the Merging Companies as at 21/06/2007, the share capital of the Absorbing Company is totally increased by an amount of 244.380.488,11 Euro, that refers, on one hand, to the total share capital of the Absorbed Companies amounting to 244.374.445,77 Euro, and, on the other hand, to the capitalized portion of Reserve Balance Account arising from the transition of share capital of the Absorbing Company to Euro of the amount of 6.042,34 Euro for the new Absorbing Company shares approximation purposes and, at the same time, there is increased the nominal value of the Absorbing Company total shares from 1,17 Euro to 1,27 Euro.

The BoD of the Athens Stock Exchange during its meeting on 23.08.2007 has approved the introduction of 11.133.604 new ordinary shares of the Bank arising from the transformation of the equal number of preference ordinary shares.

August 29, 2007 has been set as the date of suspension for the old preferred shares and convertible bonds, while September 5, 2007 the date of renegotiation of the new ordinary shares and bonds.

At the same date, 05.09.2007, the Bank's 184.203.403 new ordinary shares, which replaced the old shares during the merger with Marfin Bank and Laiki Bank, have also been listed to the stock exchange.

As of September 5, 2007 the total amount of listed shares of the Bank is 288.625.066 ordinary shares with voting rights,

Therefore, following the completion of the merger, the Absorbing Company share capital amounted to **Euro 366.553.833,82** three hundred sixty six million, five hundred fifty three thousand eight hundred thirty three Euro and eighty two cents divided into **288.625.066** two hundred eighty eight million six hundred twenty five thousand and sixty six common nominal shares of each share value amounting to **Euro 1,27** one Euro and twenty seven cents.

Following the merger, 1.600 ordinary bonds were transformed into the corresponding ordinary shares. Following the aforementioned transformation, the share capital of the Company amounted to **Euro 366.555.865,82** three hundred sixty six million, five hundred fifty five thousand eight hundred sixty five Euro and eighty two cents divided into **288.626.666** two hundred eighty eight million six hundred twenty six thousand six hundred sixty six common nominal shares of each share value amounting to **Euro 1,27** one Euro and twenty seven cents.

The shares of the Bank are nominal, indivisible and are traded in Big Capitalization Category of ASE and have been issued based on the requirements of the Law 2190/1920 and the Charter of Incorporation of the Bank.

36. Reserves

(amounts in thousand Euro)

	2007	2006
Statutory reserve	13.010	11.469
Untaxed reserves	4.311	2.145
Extraordinary reserves	25.929	23.821
Revaluation reserve available-for-sale securities	(58.218)	(3.429)
Reserves for Stock Options plan	1.157	-
Reserves	(13.811)	34.006

Statutory reserve: Under the provisions of corporate law, entities are required to transfer 5% of their annual profits to a statutory reserve until the reserve equals one third of the issued capital. This reserve is not available for distribution but may be applied to cover losses.

Untaxed reserves: In the event that the reserves are distributed they will be tax at the rate applicable on the date of distribution.

Extraordinary reserves: Include all the other reserves that do not belong to the aforementioned categories.

37. Contingent liabilities and commitments

37.1 Litigations

The Bank is a defendant in certain claims and legal actions arising in the ordinary course of business. In the opinion of management, after consultation will legal counsel, the ultimate disposition of these matters is not expected to have a material adverse effect on the financial position of the Bank.

37.2 Credit commitments

The contractual amounts of the Group's off-balance sheet financial instruments that commit to extend credit to customers are as follows (amounts in thousands of Euro):

	2007	2006
Letters of guarantees	493.313	401.722
Letters of credit	5.069	12.723

37.3 Operating lease

The Bank's liability from operating lease contracts concern buildings used as branches and other operating units. The minimum future lease payments are as follows (in thousand of Euro):

	2007	2006
Up to 1 year:	17.926	14.269
1 to 5 years:	55.816	50.558
Over 5 years:	32.195	18.742

38. Related parties transactions

All transactions are neutral and are performed under the same normal procedures as with any third party.

The total amount of transactions with related parties amount to (amounts in thousand Euro):

A) Management and Board of Directors	31 December 2007	31 December 2006
Loans and advances to customers	3.907	7.862
Deposits and similar liabilities	149.565	42.845
Income	1/1 - 31/12/2007	1/1 - 31/12/2006
Interest - Commission	82	126
Expense		
Interest - Commission	2.011	1.516
Wages	6.328	5.903
Employer contributions	384	239
Other employee benefits	435	242
Share based payments	720	0
Total benefits	7.867	6.384
B) Related parties (subsidiaries)	31 December 2007	31 December 2006
Assets		
Loans and advances to banks	213.740	128.238
Loans and advances to customers	652.063	167.496
Other assets	29.401	6.203
Total assets	895.204	301.937



Liabilities

Deposits from banks	192.831	41.743
Deposits from customers	35.597	254.394
Debt securities	279.941	279.843
Other liabilities	4.924	3.911
<u>Total liabilities</u>	<u>513.293</u>	<u>579.891</u>

Income

	1/1 - 31/12/2007	1/1 - 31/12/2006
Interest and similar income	36.040	18.589
Commission income	32.074	2.251
Dividend income	3.720	357
Other operating income	498	1.501
<u>Total income</u>	<u>72.332</u>	<u>22.698</u>

Expenses

Interest and similar expenses	34.918	15.427
Commission expenses	607	49
Other operating expenses	3.848	1.577
<u>Total expenses</u>	<u>39.373</u>	<u>17.053</u>

C) Group of the parent Marfin Popular Bank

31 December 2007

31 December 2006

Assets

Loans and advances to banks	264.227	26.683
<u>Total assets</u>	<u>264.227</u>	<u>26.683</u>

Liabilities

Deposits from customers	14.609	15.006
Deposits from banks	348.086	242.527
Debt securities	200.000	0
Other liabilities	32	722
<u>Total liabilities</u>	<u>562.727</u>	<u>258.255</u>

Income

	1/1 - 31/12/2007	1/1 - 31/12/2006
Interest and similar income	7.951	419
Commission income	23	0
Other income	47	0
<u>Total income</u>	<u>8.021</u>	<u>419</u>

Expenses

Interest and similar expense	20.273	3.323
Other operating expenses	0	252
<u>Total expenses</u>	<u>20.273</u>	<u>3.575</u>

D) Other related parties

31 December 2007

31 December 2006

Assets

Loans and advances to customers	37.500	23.441
Other loans and advances	245	28
Property, plant and equipment	1.100	1.552
<u>Total assets</u>	<u>38.845</u>	<u>25.021</u>

Liabilities

Deposits from customers	19.359	57.106
Deposits from banks	0	91
Other liabilities	0	1.362
Total liabilities	19.359	58.559

Income	1/1 - 31/12/2007	1/1 - 31/12/2006
Interest and similar income	1.105	2.086
Commission income	75	176
Total income	1.180	2.262

Expenses		
Interest and similar expenses	347	899
Other operating expenses	238	958
Total expenses	585	1.857

39. Transactions with Marfin Investment Group

(amounts in thousand Euro)

	31 December 2007	31 December 2006
Assets		
Loans and advances to customers	63.107	0
Liabilities		
Deposits from customers	460.941	0

Income	1/1 - 31/12/2007	1/1 - 31/12/2006
Interest and similar income	1.746	0
Commission income	105	0
Total income	1.851	0

Expenses		
Interest and similar expenses	18.381	0

40. Fair value of financial assets and liabilities

The fair value represents the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Differences might arise between the carrying amount and the fair value of financial assets and liabilities.

The items of transaction portfolio, the derivatives and securities available for sale are presented in the financial statements at their fair value. Loans and other advances, securities held to maturity and financial liabilities are presented at amortized cost. The carrying amount of the aforementioned items, as presented in the financial statements, does not materially differ from their fair value. In particular:

(a) Loans and advances to banks

Loans and advances to bank mainly include short term interbank placements and other collectibles. The vast majority of the placements have their maturity date within one month and, therefore, their fair value is quite similar to their carrying amount.

(b) Loans and advances to customers

Loans and advances to customers are presented following the deduction of the corresponding provision for their impairment. The vast majority of loans (78%) refer to loans of fluctuating interest that will be re-estimated (or the loan will mature) within three months as from the balance sheet date. Furthermore, the biggest part of the loans with fixed interest for the period over one year have been hedged for changes of the interests. The carrying amount of the aforementioned loans has been adjusted at profit amounting to € 5.621 thousand so that they should reflect fair value changes arising from changes in interest (hedged risk). Thus, the carrying amount of the loans and advances to customers does not materially differ from their fair value as at balance sheet date.

(c) Held-to-maturity securities

The fair value of held-to-maturity securities amounts to € 88.742 thousand (2006: € 108.624 thousand). The fair value of the aforementioned securities is defined through reference to secondary acquisition or prices provided by brokers/agents. In the event no such information is available, the fair value is calculated using the market price of the securities similar to those in question, maturity period and return characteristics.

(d) Deposits

The fair value of deposits without fixed maturity date (saving and current accounts), is the amount that the Bank should pay when demanded by a customer, equal to their carrying amount. Deposits from customers as well as placements from other banks have average maturity period as that lower than three months. Therefore, their estimated fair value does not materially differ from their carrying amount.

(e) Debt securities

As described in Note 31, all bonds and loans bear fluctuating interest rate at a re-evaluating period of within three months. Therefore, the fair value of the bonds is quite similar to their carrying amount. The bonds of carrying amount of € 280.803 thousand (2006: € 308.852 thousand) are traded on organized market and their financial value has been defined as that of € 281.472 thousand (2006: 310.868). Furthermore, the remaining borrowed funds amounting to € 250.000 refer to the bonds issued during the last working days of the year. The bonds in question, as well as all the financial liabilities, were initially recognized at their fair value.

41. Financial risk management

As all the other credit institutions, the Bank is exposed to risks. Those risks are constantly monitored in various ways in order to avoid undue risk concentrations. The nature of the aforementioned risks as well as the ways of risk management are explained below. There is further presented information on the description of extent and nature of financial risks faced by the Bank together with the comparative data concerning the prior period. The comparative reporting is presented in a consolidated way on the three Banks that have merged, while it is to be noted that risk management did not use to be common in the prior period.

41.1 Credit risk

Credit risk is the risk of loss resulting from counter party default. The Bank considers credit risk for loans as the loss, which the Bank would suffer if a client or counter party fails to meet their contractual obligations. Credit risk management is focused on maintaining a certain disciplined mentality, transparency and conscious risk undertaking based on internationally recognized practice.

Credit Risk Management

Credit risk methodology is defined in order to reflect the economic environment. Various methods that are used, are annually, or whenever considered necessary, revised and adjusted in compliance with the Bank's strategy as well as with the Bank's short term and long term objectives.

Various segment and domicile analyses of economies, in combination with the economic provisions provide the guidance for definition of the credit policy which is revised at least every six months.

The Bank has established credit limits based on the creditworthiness of the counter party in order to minimize the credit risk that the Bank undertakes. The creditworthiness analysis for each client is based on the country domicile, the business sector and other qualitative and quantitative characteristics for the client, the nature of the transaction and the collateral.

At the same time, there have been defined the limits of credit facilitation and the duties have been divided as during the crediting process in order to ensure objectivity, independence and control over new and already existing credits

During the credit approval procedure, there is examined the total credit risk for every counterparty or groups of counterparties that are further compared and thus lead to the establishment of the credit limits approved by various subsidiaries of the Bank.

The monitoring of credibility of counterparts as well as credit openings in combination with the corresponding limits that have been approved, is carried out on a systematic basis.

At the same time, any concentration is analyzed and monitored on a systematic basis with a view to limiting the contingent bid openings and dangerous concentrations so that they would be within the approved limitations of the credit policy. Credit risk concentration can be created at the levels of economy sector, counterparty or groups of counterparties, country, currency and nature of transaction. In particular, as far as retail clients are concerned, the systematic monitoring of the credit performance is carried out with the assistance of specific analysis. There can be indicatively mentioned vintage analysis and flow rate analysis.

Balancing the relation between profit and risk is a matter of vital importance for the Bank's profitability. The aforementioned relation is analyzed at customer and product level through the system of profitability measurement as well as pricing definition that has been developed with the aim of connecting the incurred risk with the expected returns.

At the same time, within the framework of credit risk management policy, there is evaluated the effect that the extreme but feasible scenarios will have on the quality of credit and available funds through conducting the stress testing.

Credit rating system

The methods of evaluation of credibility are modified as depending on the nature of the counterpart in the following categories: central governments (for purchase and holdings of debt instruments), financial institutions, corporate customers, small and medium size entities (SME) and retail customers.

As far as evaluation of central governments and financial institutions is concerned, it is analyzed below under the titles «Counter party banks risk» και «Country risk».

Retail customers are evaluated based on two different systems of credit rating as concerning the subsidiary to which they belong as well as the information available. The first system (behavioural credit scoring) takes into account the qualitative and financial information of the customer when the customer applies for a loan, while the second system (application credit scoring) depends on evaluating the payment performance and the Bank's relationship with the customer (income, assets). As far as the Retail credits are concerned, there are four applications pertaining to Consumer Loans, Credit Cards and Car Loans.

As far as the assessment of large, small and medium size entities is concerned, there is used an extended system of risk classification. The first part concerns the classification of creditworthiness of the business into ten levels based on quantitative and qualitative analysis, thus defining the possibility of his not meeting his contractual obligations. The significance of the criteria varies in compliance with the nature and size of the operations conducted by the business. In order to assess large size entities there is additionally used the Moody's Risk Advisor credit rating system.

Another part of transaction risk assessment is a ten level independent system of assessment of quality and sufficiency of collaterals, thus defining the expected loss in case the counter party fails to meet the contractual obligations.

The degree of creditworthiness of a client is used in combination with the degree of sufficiency of collaterals (i.e. unsecured risk) at the credit approval stage as well as for the definition of the corresponding limitations. In particular, the allocation of the degree of creditworthiness of business portfolio is systematically monitored for the purposes of interior calculation of possible failure to meet contractual obligations as well as for the purposes of timely locating unfavorable modifications in various degrees of quality/risk of portfolio aimed as the development of proper strategy of incurred risk hedging.

Loans and advances to customers credit rating

The table below presents the amounts of loans and advances to customers per customer as well as provision for loans impairment for every category of the Bank's credit rating.

(amounts in thousand Euro)

	2007		2006	
	Loans and advances to customers %	Provision for loans impairment %	Loans and advances to customers %	Provision for loans impairment %
Credit rating category:				
Low risk	56,51	0,14	30,81	0,16
Medium risk	39,61	0,17	64,46	0,33
High risk	3,88	47,92	4,73	44,07
Total	100,00	2,01	100,00	2,30

Highest exposure to credit risk prior to calculation of collaterals and other credit risk protection measures

The table below presents the highest exposure of the Bank to credit risk arising from financial instruments as presented in the balance sheet without taking into consideration collaterals or other credit risk revisions made. As far as the financial instruments presented in the balance sheet are concerned, the exposure to credit risk equals their carrying amount.

(Amounts in thousand Euro)

	Highest Exposure	
	2007	2006
Exposure to credit risk of the Balance Sheet items:		
Loans and advances to banks	2.092.706	1.570.803
Transaction portfolio securities	144.570	162.526
Financial derivatives - assets	10.920	8.056
Loans and advances to customers (after provisions)		
Loans to retail customers	3.228.231	1.989.012
Corporate loans:		
Bid size entities and organizations	3.788.956	2.260.836
Small and medium size entities	1.837.736	1.548.264
Investing portfolio securities:		
Available for sale	564.413	346.589
Held to maturity	89.654	108.985
Total Balance Sheet Items	11.757.186	7.995.071
Exposure to credit risk pertaining to off Balance Sheet items:		
Letters of guarantee	493.313	401.722
Letters of credit	5.069	12.723
Total	12.255.569	8.409.517

Loans and advances

The table below presents the nature of loans and advances of the Bank.

(amounts in thousand Euro)

	2007		2006	
	Loans and advances to customers	Loans and advances to banks	Loans and advances to customers	Loans and advances to banks
Loans without delay and impairment (a)	7.913.942	2.092.706	5.352.955	1.570.803
Delayed but not impaired (b)	782.249	0	338.414	0
Impaired (c)	340.115	0	243.292	0
Loans before provisions	9.036.306	2.092.706	5.934.662	1.570.803
Provision for impairment	(181.383)	0	(136.549)	0
Loans after provisions	8.854.923	2.092.706	5.798.113	1.570.803

(a) Loans and advances without delay and impairment

The table below presents the loans of the Bank without delay and impairment for every category of interior credit rating

(amounts in thousand Euro)

	Loans and advances to customers			Total	Loans and advances to banks
	Retail	Corporate			
		Large size			



		entities and organizations	Small and medium size entities		
2007					
Credit rating category:					
Low risk	2.059.478	2.519.096	527.782	5.106.356	2.092.706
Medium risk	632.494	1.056.954	1.118.138	2.807.586	0
High risk	0	0	0	0	0
Total	2.691.972	3.576.050	1.645.920	7.913.942	2.092.706
2006					
Credit rating category:					
Low risk	918.541	1.509.320	798.134	3.225.995	1.570.803
Medium risk	748.088	712.768	664.039	2.124.896	0
High risk	156	1.020	889	2.065	0
Total	1.666.785	2.223.108	1.463.062	5.352.955	1.570.803

(b) Loans and advances delayed but not impaired

The table below presents the analysis of time delay of the loans that were delayed but not impaired as at the balance sheet date per category as well as the estimated fair value of collaterals received

	Retail	Loans and advances to customers Corporate Large size entities and organizations	Small and medium size entities	Total
2007				
Delay up to 30 days	275.559	151.829	44.610	471.998
Delay from 31 to 60 days	121.686	9.341	18.403	149.430
Delay from 61 to 90 days	67.423	39.708	53.690	160.821
Total	464.668	200.878	116.703	782.249
Fair value of collaterals	259.647	161.707	64.152	485.506
2006				
Delay up to 30 days	199.635	13.117	26.719	239.471
Delay from 31 to 60 days	46.745	364	7.668	54.777
Delay from 61 to 90 days	35.172	2.070	6.923	44.166
Total	281.552	15.551	41.310	338.414
Fair value of collaterals	83.337	2.658	9.406	95.401

(c) Impaired loans and advances

The table below presents impaired loans and advances where estimation of impairment was made on individual basis, as well as the estimated fair value of collaterals per category. The loans included in this table present a delay of over 90 days and are classified as unsettled.

(Amounts in thousand Euro)

	Loans and advances to customers			Total
	Retail	Corporate Large size entities and organizations	Small and medium size entities	
2007				
Loans defined on individual basis as impaired	140.840	60.065	139.210	340.115
Fair value of collaterals	35.958	11.056	39.831	86.845
2006				
Loans defined on individual basis as impaired	78.662	67.100	97.530	243.292
Fair value of collaterals	32.261	25.624	45.593	103.478

Investment in securities, state bonds and bonds accepted as refinancing

The table below analytically presents the credit categories (based on Standard & Poor's rating) of state, corporate and other securities.

(Amounts in thousand Euro)

	State bonds and treasury bills	Other transaction portfolio securities	Other investing securities	Total
31 December, 2007				
AAA	15.763	3.699	26.903	46.365
AA- to AA+	0	40.990	23.711	64.700
A- to A+	406.246	31.565	79.665	517.475
Lower than A-	70.074	13.628	79.628	163.331
Non rated	0	93	6.673	6.765
Σύνολο	492.084	89.974	216.579	798.637
31 December, 2006				
AAA	16.942	2.850	29.708	49.500
AA- to AA+	0	8.725	13.579	22.304
A- to A+	256.768	14.296	15.839	286.903
Lower than A-	65.134	33.765	133.099	231.998
Non rated	0	4.812	22.583	27.395
Total	338.844	64.447	214.808	618.100

Acquisition of ownership of gained collaterals

The carrying amount of the assets that came to the ownership of the Bank during the year, either through acquisition of ownership or through activation of other credit measures that meet the recognition criteria of other standards amount to 4.223 thousand Euro in 2007 and to 705 thousand Euro in 2006.

Concentration of credit risk

(a) Geographical segment

The table below presents the carrying amount of financial assets of the Bank exposed to credit risk per geographical segment. For the purposes of the table, the classification of exposure of financial assets per geographical segment has been conducted based on the country of operation of the counter parties.

(Amounts in thousand Euro)

	Greece	Other countries	Total
Loans and advances to banks	782.211	1.310.495	2.092.706
Transaction portfolio securities	64.784	79.786	144.570
Derivative financial instruments - assets	0	10.920	10.920
Loans and advances to customers (after provisions)			
Loans to retail customers	3.228.185	46	3.228.231
Corporate loans:			
Big size entities and organizations	2.493.526	1.295.429	3.788.956
Small and medium size entities	1.785.869	51.867	1.837.736
Investing portfolio securities:			
Available for sale	288.057	276.356	564.413
Held to maturity	82.632	7.022	89.654
31 December, 2007	8.725.264	3.031.922	11.757.186
31 December, 2006	5.803.224	2.191.847	7.995.071

(b) Business segment

The table below presents the carrying amount of financial assets of the Bank exposed to credit risk per business segment in which the counter parties operate

(amounts in thousand Euro)

	Industry	Tourism	Commerce	Property and Constructions	Shipping	Retail customers, professional and self occupancy	Other segments	Total
Loans and advances to banks							2.092.706	2.092.706
Transaction portfolio securities							144.570	144.570
Derivative financial instruments - assets							10.920	10.920
Loans and advances to customers (after provisions):								
Loans to retail customers						3.228.231		3.228.231
Corporate loans:								
Big size entities and organizations	106.119	51.218	103.076	107.056	1.218.675		2.202.811	3.788.956
Small and medium size entities	247.776	77.986	743.710	223.631	19.167		525.465	1.837.736
Investing portfolio securities:								
Available for sale							564.413	564.413
Held to maturity							89.654	89.654
31 December, 2007	353.895	129.204	846.786	330.688	1.237.842	3.228.231	5.630.539	11.757.186
31 December, 2006	465.247	202.989	1.150.340	357.564	604.147	1.995.748	3.219.035	7.995.071

Counter party banks risk

The Bank is exposed to the risk of capital losses due to contingent delayed payment of outstanding and contingent obligations of the counter party banks.

On a day-to-day basis of its operations, the Bank conducts transactions with other banks and credit institutions. While conducting such transactions, the Bank is exposed to the risk of capital loss in case the counter party banks delay the payment of their outstanding or contingent obligations

The limits of counter party banks reflect the accepted risk level and are further divided to various Foreign Exchange Services or Foreign Exchange Available or other services facing the aforementioned risk in compliance with the needs and size of operation of each service. Generally, the highest possible limits are defined following the evaluation models of the banks and the directions of supervising authorities.

The counter risk assessment is conducted using a special banks and other credit institutions assessment model (Scoring Model). The model assesses each counter part in compliance with the economic quantitative as well as qualitative criteria. As far as quantitative criteria are concerned (capital adequacy, profitability, liquidity etc), the banks and credit institutions are assessed based on various ratios that are automatically provided by the Bankscope software system. The qualitative criteria (previous positive transaction record, management assessment etc) are provided in compliance with the judgment of risk management.

The credit limit for each counter party is split into sub limits, thus covering placements, investments, foreign currency acquisition as well as defined trade limits. The actual data is examined as against the limits on everyday basis in real time.

Country risk

The Bank is exposed to country risk of capital loss due to international and political developments, as well as other developments in a particular country where the funds or cash and cash available of the Bank have been placed or invested in various local banks or credit institutions.

All the countries are assessed in accordance with size, economic data and country's prospects as well as the credibility degree by international appraising organizations (Moody's, Standard & Poor's). The actual data per country is examined as against the limits on everyday basis. The limits are revised at least once annually as concerning the countries with the smaller size and lower solvency ratio while there is conducted a bigger and more frequent analysis and assessment where considered necessary

41.2 Market risk

Market risk is the risk of occurring possible losses caused by the fluctuation and volatility of market prices, such as share prices, interest rate and foreign exchange rate fluctuations.

The Bank holds open positions and therefore, is exposed to market risk at FX Trading Book, Fixed Income Book and.

The Risk Management Committee (RMC), which is a body responsible for the definition of market risk management policy, has approved the procedures of the market risk management and has defined the corresponding limits of incurring the aforementioned risk per product and portfolio. The limits in question are monitored systematically examined and

revised once annually and modified in compliance with the Bank's strategy and the existing market conditions.

RMC is also responsible for approving the corresponding limits for the counter party risks. Issuer and country following the suggestion of the Market Risk Management unit (MRM) based on internal or/and external economic analysis.

Measurement, control and monitoring of market risk is conducted by MRM unit on a daily basis for all the parts of portfolio and for the Bank total. The measurements are conducted using IT systems applying modern methodologies and market risk measurement techniques such as Value At Risk – VAR or Sensitivity Factors. The assessment of VAR defined the biggest possible portfolio loss with a confidence level of 99% and a one holding day period without taking into consideration the modifications of prices that are due to unusual economic reasons and violent events. The VAR module of calculation of the biggest possible loss incurred based on variance-covariance methodology, covers all the trading portfolio and available for sale portfolio of the companies of the Bank.

Market risk, in terms of VaR, for the aforementioned positions as at 31 December 2007, amounted to 1,0 million Euro as analyzed in the table below.

	2007	2006
Currency risk	€ 0,3 million	€ 0,1 mil.
Security portfolio interest risk	€ 0,9 million	€ 0,1 million
Financial products portfolio market risk	€ 0,3 million	€ 0,2 mil.
Decreases due to portfolio modification	€ (0,5) million	-
Total (Net Market Risk)	€ 1,0 million	€ 0,4 million

Apart from the aforementioned measurements, the market risk of portfolios is monitored by a range of additional limits such as the highest opening position limit for every product and stop-loss limits for every portfolio.

Finally, at regular intervals and by all means in the end of every year, there are conducted, as far as the market risk is concerned, measurements of various scenarios similar to those of critical situations affecting the market risk in order to achieve, on one hand, more effective management of the aforementioned risk and, on the other hand, update the Management and the supervisory bodies. The results of the measurements in question are then presented concerning every kind of risks involved.

41.3 Interest rate risk

Interest rate risk is the investment risk faced by the Bank that arises from the changes in market interest rates. Interest rate risk arises from interest rate fluctuations to the extent that interest-earning assets and interest –bearing liabilities mature or reprice at different times or in different amounts.

The Bank mainly applies the method of Static Repricing Gap in order to estimate the exposure to interest rate risk of transaction portfolio and bank portfolio. The Static Repricing Gap method is used in order to estimate the sensitivity level of all the current assets and liabilities of the Bank and the companies of the Group (Balance Sheet and off Balance Sheet items).

The method in question separates products by maturity (fixed) or next repricing (floating) and calculates the gap each period as well as measures sensitivity, thus calculating the interest rate opening, the balance between the assets and liabilities for each period.

Various financial derivative products are used for hedging of interest rate risk that is contingent to arise from the balance sheet management. In particular, there is made use of interest rate swaps in order to hedge cash flows of future interest arising from long term loans or/and deposits.

At the same time, the Bank has been provided with Value At Risk – VAR market risk measurement model that through the use of modern methods assesses the extent to which the Bank is exposed to the aforementioned risk. The particular model makes use of variance-covariance methodology for the assessment of VaR with a confidence level of 99% and a one holding day period.

Furthermore, there is estimated at regular intervals the highest possible loss arising from interest rate exposure to various currencies for every period, using similar scenario methods at the Bank as well as at the consolidated level. The scenarios in question examine possible big modifications in interest rates of all currencies and in all the periods during which there is exposure to the risk.

The procedures of measurement, control and monitoring of interest rate risk have been assigned to the Market Risk Management unit (MRM) at the Group level. The Unit informs the Management on a daily basis through the corresponding reports about the size of the Bank's exposure to the risk in question as far as the relevant limits are concerned as well as about the possible violations.

It is to be noted that the particular limits that pertain to interest rate risk are systematically monitored and revised at least once annually and readjusted should it be demanded by the Bank's strategy as well as the existing market conditions since they are previously approved by the relevant authorities.

The Tables below present the Bank's exposure to interest rate risk. The Tables present assets and liabilities of the Bank at their carrying amounts classified based on interest rate revaluation date as far as fluctuating interest rates are or maturity date as far as fixed interest rates are concerned. It is noted that a significant part of open interest rate positions are hedged through the use of interest rate swaps.



Interest rate risk

(amounts in thousand Euro)

	Up to 1 month	Up to 3 months	From 3 months to 1 year	From 1 year to 5 years	Over 5 years	Non-interest items	Total
2007							
Assets							
Cash and balances with Central Bank	423.309	0	0	0	0	51.659	474.968
Loans and advances to banks	2.031.604	21.000	13.630	0	0	26.472	2.092.706
Trading securities	147.020	29.362	44.234	18.679	6.038	0	245.332
Derivative financial instruments - assets	0	0	0	0	0	10.920	10.920
Loans and advances to customers	5.352.544	1.583.031	590.456	1.094.728	223.724	10.441	8.854.923
Investment securities	59.125	64.688	282.556	85.859	182.954	554	675.736
Other assets	0	0	0	0	0	570.844	570.844
Total assets	8.013.602	1.698.080	930.875	1.199.266	412.716	670.890	12.925.429
Liabilities							
Loans and Advances to banks	1.793.301	671.474	0	0	0	8.320	2.473.095
Loans and advances to customers	5.956.837	1.408.072	1.038.428	122.935	13.056	158.972	8.698.300
Derivative financial instruments - liabilities	0	0	0	0	0	33.422	33.422
Bonds issued and other borrowings	50.803	280.000	200.000	0	0	0	530.803
Other liabilities	0	0	0	0	0	409.784	409.784
Total liabilities	7.800.941	2.359.546	1.238.428	122.935	13.056	610.498	12.145.404
Nominal value of swaps and other interest rate	343.210	549.102	(36.500)	(838.812)	(17.000)	0	0
Net interest rate gap	212.661	(661.466)	(307.553)	1.076.331	399.660	60.392	780.025
2006							
Assets							
Cash and balances with Central Bank	253.602	0	0	0	0	31.244	284.846
Loans and advances to banks	1.499.762	59.383	6.126	0	0	5.533	1.570.803
Trading securities	6.627	35.187	20.799	61.784	35.049	55.108	214.554
Derivative financial instruments - assets	7.118	0	0	0	0	937	8.056
Loans and advances to customers	3.874.676	988.662	360.005	443.135	120.012	11.624	5.798.113
Investment securities	78.082	77.501	65.270	153.142	84.761	39.730	498.486
Other assets	0	603	93	137	3.208	457.629	461.670
Total assets	5.719.867	1.161.335	452.292	658.198	243.031	601.804	8.836.528
Liabilities							
Loans and Advances to banks	450.908	273.237	3.346	0	0	2.769	730.260
Loans and advances to customers	4.882.338	1.340.867	556.168	16.354	0	66.516	6.862.243
Derivative financial instruments - liabilities	0	0	0	0	0	4.023	4.023
Bonds issued and other borrowings	0	0	0	0	0	308.852	308.852
Other liabilities	0	0	0	0	0	181.584	181.584
Total liabilities	5.333.246	1.614.104	559.514	16.354	0	563.744	8.086.962
Net interest rate gap	386.621	(452.769)	(107.221)	641.844	243.031	38.060	749.566

Furthermore, the Bank in the frame of the interest rate risk assessment, estimates the negative effect on the annual interest rate results of a parallel change in the interest rate

fluctuation on all the currencies. The aforementioned measurements, conducted on the balances of December 2007 showed that in the event of interest rate increases by 100 units, the Bank will incur losses amounting to € 1,9 million.

41.4 Currency risk

Currency risk is the risk of fluctuating value of financial instruments as well as assets and liabilities caused by changes in currency rates. Foreign currency transactions risk arises from an open position, positive or negative, which exposes the Group to currency exchange risk. Such risk can be created in the event the assets are carried in one currency financed by liabilities in another currency or can arise from forwards and swaps or derivatives including options.

Measurement, control and monitoring of market risk is conducted by MRM unit on a daily basis for all the parts of portfolio and for the Bank total. The Group conducts measurements using market risk measurement model (VaR) that in combination with the use of modern methodology assesses the Group's exposure to the aforementioned risk. The particular model uses the methodology of Variance-Covariance with a confidence level of 99% and a one holding day period

Moreover, there is estimated the highest possible loss on the open position in various currencies using similar crisis management scenarios. The scenarios in question examine possible big modifications in all the currencies variation on the way the Group's profitability will be negatively affected.

The particular limits are systematically monitored and controlled and revised at least once annually and readjusted should it be demanded by the Group's strategy as well as the existing market conditions.

The Tables below present the Group's exposure to currency risk. The Tables present assets and liabilities of the group at their carrying amounts classified per currency. The Tables also present per currency the theoretical value of financial instruments used for currency risk hedging. The Tables include net currency position, open currency positions arising from life insurance contracts as well as assets pertaining to life insurance contracts. These currency positions do not constitute the Group's positions but the positions of the contracts holders.

Currency risk
(amounts in thousand Euro)

	Euro	USD	GBP	CHF	JPY	Other	Total
2007							
Assets							
Cash and balances with Central Bank	472.858	988	204	116	4	798	474.968
Loans and advances to banks	1.208.802	771.578	35.340	761	14.021	62.204	2.092.706
Trading securities	138.234	107.098	0	0	0	0	245.332
Derivative financial instruments - assets	9.217	1.703	0	0	0	0	10.920
Loans and advances to customers	7.786.235	944.004	20.455	72.132	31.962	135	8.854.923
Investment securities	589.710	67.498	0	0	0	18.528	675.736
Other assets	556.473	12.010	1.133	305	59	861	570.844
Total assets	10.761.529	1.904.879	57.132	73.314	46.046	82.526	12.925.429
Liabilities							
Loans and Advances to banks	1.673.690	553.892	298	0	244.346	869	2.473.095
Loans and advances to customers	6.668.845	1.492.908	82.653	3.845	248.897	201.152	8.698.300
Derivative financial instruments - liabilities	31.290	2.132	0	0	0	0	33.422
Bonds issued and other borrowings	530.803	0	0	0	0	0	530.803
Other liabilities	397.374	9.431	1.076	19	239	1.643	409.784
Total liabilities	9.302.002	2.058.363	84.027	3.864	493.482	203.664	12.145.404
Net on balance sheet position	1.459.527	(153.484)	(26.895)	69.450	(447.436)	(121.138)	780.025
Forwards and other currency derivatives	(713.219)	167.282	26.647	(68.740)	448.214	139.816	0
Net currency position	746.308	13.798	(248)	710	778	18.678	780.025
2006							
Total assets	7.560.527	1.090.310	28.900	43.981	46.454	66.356	8.836.528
Total liabilities	6.162.567	1.086.207	109.972	6.244	490.898	231.075	8.086.962
Net on balance sheet position	1.397.961	4.103	(81.072)	37.737	(444.444)	(164.719)	749.566
Forwards and other currency derivatives	(680.112)	70.039	78.384	(17.878)	399.490	150.076	0
Net currency position	717.849	74.142	(2.688)	19.860	(44.954)	(14.642)	749.566

Moreover, the Bank in the frame of the highest possible currency risk, estimates the negative effect on the annual results of change in the currency variations. The aforementioned measurements, conducted on the balances of December 2007 showed that in the event of changes in the currency market as that by +/- 10% as far as the main currency is concerned and by + / - 20% as far as secondary currency is concerned, the Bank will incur losses amounting to € 5,1 million.

41.5 Risk arising from share prices changes

The risk pertaining to shares and other securities held by the Bank arises from possible negative changes of the share and other securities prices. The Bank invests in shares on Athens Stock Exchange (ASE) and Cyprus Stock Exchange (CSE) and in compliance with the investment objective they are allocated to the relevant portfolio (fair value measurement through profit and loss or available for sale). Investments are also made with the aim of exploitation of short term changes in share/ratios prices or of covering open positions through the use of derivative products on shares or ratios.

The Bank is not exposed to risks as far as commodities prices are concerned.

The Bank in the frame of the highest possible prices risk, estimates the negative effect on the annual results of change in the share prices. The aforementioned measurements, conducted on the balances of December 2007 showed a decreases of share prices as that by 30% will cause to the Bank losses amounting to € 6,5 million.

41.6 Liquidity risk

Liquidity risk is the risk that the Bank is unable to fully meet payment obligations and potential payment obligations as and when they fall due because of lack of liquidity. This risk includes the possibility that the bank may have to raise funding at cost or sell assets on a discount.

The aforementioned risk is control through a developed liquidity management structure comprising various types of control, procedures and limits. This way, there is assured the compliance with the regulations on liquidity ratios set by the relative authorities as well as the internal limits.

Control and management of liquidity risk are achieved within the period through the use of the following ratios:

(α) Cash Available Ratio, defined as estimation of «cash available» of the period up to 30 days direct maturity as defined by the corresponding act of Management Committee as far as «borrowed funds» are concerned as defined by the corresponding act of Management Committee.

(β) Maturity Disagreement Ratio defined as estimation of the balance between «assets and liabilities» of the period up to 30 days as defined by the corresponding act of Management Committee as far as «borrowed funds» are concerned as defined by the corresponding act of Management Committee.

A significant part of assets are financed by customers deposits and bonds. Direct cash needs are financed mainly through time and current deposits. Financing of long term investments is mainly covered through bonds and time deposits.

Although the aforementioned deposits can be withdrawn without further notice if demanded, the division of deposits in number and kind assure the absence of significant fluctuations and therefore, as in their majority, constitute a fixed deposit basis.

The Bank conducts similar measurements in liquidity.

The Tables below analyze liabilities to other banks, customers' deposits, issued bonds and other borrowed funds as well as other liabilities to the Bank's customers in the corresponding periods as from the remaining period as from the balance sheet date to maturity date.

The presented amounts are contractual non-discounted cash flows.

Liquidity risk
(amounts in thousand Euro)

	Up to 1 month	Up to 3 months	From 3 months to 1 year	From 1 year to 5 years	Over 5 years	Total
2007						
Liabilities						
Deposits from banks	1.753.843	431.934	0	294.348	2	2.480.127
Deposits from customers	6.023.663	1.424.883	1.205.804	167.065	0	8.821.415
Issued bonds and other borrowed funds	2.504	6.977	217.521	122.125	362.017	711.144
Other liabilities	287.860	0	0	0	0	287.860
Total liabilities	8.067.869	1.863.794	1.423.326	583.538	362.019	12.300.547
Total assets	5.293.287	306.428	791.630	3.172.384	3.361.700	12.925.428
2006						
Liabilities						
Deposits from banks	274.454	458.288	0	2	2	732.746
Deposits from customers	3.324.076	2.246.020	608.745	690.288	38.129	6.907.259
Issued bonds and other borrowed funds	1.075	3.885	14.307	307.230	46.909	373.406
Other liabilities	86.807					86.807
Total liabilities	3.686.412	2.708.193	623.052	997.521	85.040	8.100.218
Total assets	2.240.984	1.506.151	1.260.100	1.654.307	2.174.986	8.836.528

Cash flows from derivative financial instruments

The below tables of liquidity risk analyze cash flows from derivative financial instruments of the Bank within the periods in compliance with remaining period as from the balance sheet date to maturity date.

(a) Derivative financial instruments of offsetting settlement

The derivative products of the Bank of offsetting settlement include the contracts of future payment on ratios and interest rate.

(amounts in thousand Euro)

	On first demand	Up to 3 months	From 3 months to 1 year	From 1 year to 5 years	Over 5 years	Total
2007						
Trading derivatives:						
Derivatives on ratios/securities	(419)	0	0	0	0	(419)
Total	(419)	0	0	0	0	(419)
2006						
	497	0	0	0	0	497
Total	497	0	0	0	0	497

(b) Derivative financial instruments of mixed base settlement

The derivative products of the Bank that are settled without offsetting include currency time contracts and interest rate swaps.

(amounts in thousand Euro)

	On first demand	Up to 3 months	From 3 months to 1 year	From 1 year to 5 years	Over 5 years	Total
2007						
Trading derivatives:						
Currency derivatives						
Outflow	(510.299)	(924.832)	(41.070)	(18.278)	0	(1.494.477)
Inflow	509.276	905.762	41.413	18.395	0	1.474.848
Interest rate derivatives						
Outflow	(177)	(2.527)	(6.778)	(21.244)	(4.947)	(35.673)
Inflow	177	2.266	7.154	21.978	4.930	36.504
Hedging derivatives:						
Currency derivatives						
Outflow	(267)	0	0	0	0	(267)
Inflow	269	0	0	0	0	269
Interest rate derivatives						
Outflow	(432)	(11.025)	(33.021)	(78.751)	(1.616)	(124.846)
Inflow	69	11.311	33.027	75.087	1.857	121.351
Total outflows	(511.174)	(938.384)	(80.868)	(118.273)	(6.563)	(1.655.263)
Total inflows	509.791	919.339	81.594	115.460	6.787	1.632.971
2006						
Παράγωγα για εμπορία:						
Currency derivatives						
Outflow	0	(192.442)	(1.714)	0	0	(194.156)
Inflow	0	193.198	1.739	0	0	194.937
Interest rate derivatives						
Outflow	0	(774)	(2.916)	(13.182)	(2.686)	(19.558)
Inflow	0	817	2.808	12.917	2.686	19.227
Παράγωγα για αντιστάθμιση:						
Currency derivatives						
Outflow	0	(347.571)	(13.619)	(10.497)	0	(371.686)
Inflow	0	343.665	13.785	10.501	0	367.951
Interest rate derivatives						
Outflow	0	(217)	(815)	(2.430)	0	(3.462)
Inflow	0	151	724	2.229	0	3.104
Total outflows	0	(541.004)	(19.064)	(26.109)	(2.686)	(588.862)
Total inflows	0	537.832	19.055	25.647	2.686	585.219

42. Capital adequacy

The Bank is subject to the supervision of the Bank of Greece that sets and monitors the demands for capital adequacy as far as the banks are concerned. The subsidiary bank in Romania is further subject to the supervision of the local authorities while the Group, as a member of Marfin Popular Bank Group, is subject to indirect supervision of the Central Bank of Cyprus.

The Bank of Greece requires that every Credit Institution should have a minimum ratio arising from the proportion between supervisory equity and the assets as well as off balance sheet items weighed as against the risk involved. The price of this ratio was internationally defined as 8% and it is designed in order to cover the foreseeable risks (counter parties, market, currency).

The capital adequacy of the Bank is monitored at regular intervals by the Economic Department of the Bank and the results are presented every three months to the Bank of Greece.

The supervisory equity of the Bank is divided into two categories:

- Tier I. The category comprises mainly share capital, reserves and retained earnings. They are further adjusted as in compliance with PD 2587/20.08.07.
- Tier II. The category comprises mainly reduced securements of certain duration.

The basic objective of the Bank, as far as supervisory capital management is concerned, is on one hand, the compliance with the capital requirements of the Bank of Greece and, on the other hand, maintenance of strong and stable capital basis that supports the business plans of the Bank's Management.

The Capital Adequacy of the Bank ratio as at 31/12/2007 is as follows:

	2007	2006
Share capital	366.556	109.145
Share premium	327.261	116.827
Other reserves	(13.811)	18.605
Retained earnings	100.019	14.233
Goodwill and other intangible assets	(11.898)	(7.264)
Other supervisory bodies adjustments	45.973	(14.418)
Total Tier I	814.100	237.128
Reduced securement of certain duration obligations	280.862	80.852
Other supervisory bodies adjustments	7.339	37.825
Total Tier I	288.201	118.677
Other capital items		
Total supervisory capitals	1.102.301	355.805



Notes on the financial statements of
December 31st, 2007

Weighed assets

- balance sheet items	8.993.567	2.705.298
- off balance sheet items	314.422	143.655
- transaction portfolio items	228.347	17.088
Total	9.536.336	2.866.041
<hr/>		
Capital Adequacy Ratio	11,56%	12,41%

INDEPENDENT AUDITOR'S REPORT

To the shareholders of «MARFIN EGNATIA BANK S.A. »

Report on Financial Statements

We have audited the accompanying financial statements of “ MARFIN EGNATIA BANK S.A.” (the Bank) which comprise the balance sheet as at 31 December 2007, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Responsibility of the Management for the Financial Statements

The preparation and fair presentation of the aforementioned financial statement in accordance with International Financial Reporting Standards, as they were adopted by the European Union, burdens the Bank's Management. The above responsibility comprises organization, application and maintenance of internal audit systems concerning the preparation and fair presentation of financial statements free of material misstatement due to fraud or error. The above responsibility also comprises the choice and application of suitable accounting principles and the conduct of accounting assessments that are rendered reasonable concerning the circumstances.

Responsibility of the Auditor

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Greek Auditing Standards, which are based on the International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. The procedures are selected in accordance with the auditor's judgement and comprise the assessment of material misstatement risk , due to fraud or error. In order to assess the above risk, an auditor takes into consideration the internal audit system concerning the preparation and fair presentation of financial statements, with the objective of designation of auditing procedures on a case basis and not of expressing opinion on the effectiveness of internal audit systems of the Bank. An audit also includes assessing the accounting principles used and significant estimates made by the Bank's management, evaluating the overall financial statement presentation.

We believe that the audit data collected by us is sufficient and provides a reasonable basis for our opinion.

Opinion

In our opinion the attached Financial Statements give a true and fair view of the financial position of the Bank as at 31 December 2007, and of the results of its operations as well as of its cash flows for the year then ended in accordance with International Financial Reporting Standards that have been adopted by the European Union.

Athens, 28 February, 2008
The Certified Public Accountant

Sotiris Constantinou
SOEL Reg. No 13 671



44, Vas. Konstantinou Str.
116 35 Athens
SOEL Reg. No 127