



CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED

30 SEPTEMBER 2007

MARFIN POPULAR BANK PUBLIC CO LTD
CONDENSED INTERIM FINANCIAL STATEMENTS
for the nine months ended 30 September 2007

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MARFIN POPULAR BANK PUBLIC CO LTD
CONDENSED INTERIM INCOME STATEMENT
for the nine months ended 30 September 2007

	Note	9 months	9 months	<i>Supplementary</i>	
		ended	ended	<i>information (Note 21)</i>	
		30.09.2007	30.09.2006	9 months	9 months
		C£ '000	C£ '000	ended	ended
				30.09.2007	30.09.2006
				Euro '000	Euro '000
Net interest income		144.199	94.859	246.831	162.374
Net fee and commission income		41.581	33.639	71.176	57.581
Profit/(loss) on disposal and revaluation of securities	6	38.965	(249)	66.697	(426)
Foreign exchange income		9.740	8.467	16.672	14.494
Other income	7	59.543	2.281	101.922	3.904
Operating income		294.028	138.997	503.298	237.927
Staff costs		(59.223)	(52.744)	(101.374)	(90.284)
Depreciation and amortisation		(3.714)	(4.372)	(6.357)	(7.484)
Administrative expenses		(19.260)	(16.180)	(32.968)	(27.696)
Profit before provision for impairment of advances		211.831	65.701	362.599	112.463
Provision for impairment of advances	10	(13.499)	(15.725)	(23.106)	(26.917)
Profit before tax		198.332	49.976	339.493	85.546
Tax		(12.683)	(6.171)	(21.711)	(10.563)
Profit for the period		185.649	43.805	317.782	74.983
Earnings per share – cent	4	23,6	13,5	40,4	23,1

The notes on pages 6 to 19 are an integral part of these condensed interim financial statements.

MARFIN POPULAR BANK PUBLIC CO LTD
CONDENSED INTERIM INCOME STATEMENT
for the three months ended 30 September 2007

	Note	3 months	3 months	<i>Supplementary</i>	
		ended	ended	<i>information (Note 21)</i>	
		30.09.2007	30.09.2006	3 months	3 months
		C£ '000	C£ '000	ended	ended
				30.09.2007	30.09.2006
				Euro '000	Euro '000
Net interest income		46.765	34.796	80.049	59.562
Net fee and commission income		14.566	11.435	24.933	19.574
Profit on disposal and revaluation of securities		11.515	684	19.712	1.171
Foreign exchange income		4.129	3.013	7.067	5.157
Other income	7	645	1.073	1.104	1.836
Operating income		77.620	51.001	132.865	87.300
Staff costs		(20.633)	(18.026)	(35.319)	(30.856)
Depreciation and amortisation		(1.339)	(1.500)	(2.292)	(2.568)
Administrative expenses		(6.680)	(4.355)	(11.435)	(7.454)
Profit before provision for impairment of advances		48.968	27.120	83.819	46.422
Provision for impairment of advances		(4.201)	(5.700)	(7.192)	(9.757)
Profit before tax		44.767	21.420	76.627	36.665
Tax		(4.216)	(2.374)	(7.217)	(4.063)
Profit for the period		40.551	19.046	69.410	32.602
Earnings per share – cent	4	5,1	5,3	8,7	9,1

The notes on pages 6 to 19 are an integral part of these condensed interim financial statements.

MARFIN POPULAR BANK PUBLIC CO LTD
CONDENSED INTERIM BALANCE SHEET
30 September 2007

			<i>Supplementary information (Note 21)</i>		
	Note	30.09.2007 C£ '000	31.12.2006 C£ '000	30.09.2007 Euro '000	31.12.2006 Euro '000
Assets					
Cash and balances with Central Bank		295.285	370.702	505.451	634.545
Due from other banks		1.719.677	1.456.597	2.943.640	2.493.315
Financial assets at fair value					
through profit or loss	8	59.222	118.891	101.373	203.510
Advances to customers	9	3.733.214	2.827.591	6.390.292	4.840.101
Balances with subsidiary companies		427.798	332.153	732.280	568.560
Government bonds and treasury bills		238.128	261.914	407.613	448.329
Available-for-sale financial assets		1.394.711	782.250	2.387.382	1.339.009
Held-to-maturity financial assets		6.178	6.586	10.576	11.274
Other assets		58.999	47.786	100.991	81.797
Investments in subsidiary companies	11	1.528.438	1.688.346	2.616.288	2.890.009
Investments in associates		7.415	6.874	12.693	11.766
Intangible assets		3.106	3.314	5.316	5.673
Property and equipment	12	66.325	65.452	113.531	112.037
Total assets		9.538.496	7.968.456	16.327.426	13.639.925
Liabilities					
Due to other banks		401.870	173.907	687.898	297.684
Customer deposits		5.825.705	5.122.405	9.972.093	8.768.225
Senior debt	13	422.206	173.460	722.707	296.918
Loan capital	14	314.863	319.157	538.963	546.314
Balances with subsidiary companies		329.693	125.270	564.348	214.430
Other liabilities	8	280.301	218.535	479.803	374.075
Total liabilities		7.574.638	6.132.734	12.965.812	10.497.646
Share capital and reserves					
Share capital	15	398.341	395.159	681.857	676.409
Share premium	15	1.128.107	1.113.055	1.931.026	1.905.261
Reserves	16	437.410	327.508	748.731	560.609
Total equity		1.963.858	1.835.722	3.361.614	3.142.279
Total equity and liabilities		9.538.496	7.968.456	16.327.426	13.639.925

The notes on pages 6 to 19 are an integral part of these condensed interim financial statements.

MARFIN POPULAR BANK PUBLIC CO LTD
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
for the nine months ended 30 September 2007

	Note	Share capital C£ '000	Share premium C£ '000	Fair value and currency translation reserves C£ '000	Revenue reserves C£ '000	Total C£ '000
Nine months ended 30 September 2007						
Balance 1 January 2007		395.159	1.113.055	136.181	191.327	1.835.722
Revaluation of available-for-sale financial assets and investments in subsidiary companies and associates	16	-	-	97.476	-	97.476
Transfer to results on disposal of available-for-sale financial assets	16	-	-	(30.563)	-	(30.563)
Exchange differences arising in the period	16	-	-	(950)	-	(950)
Profit recognized directly in equity		-	-	65.963	-	65.963
Profit for the period		-	-	-	185.649	185.649
Total recognized profit for the period		-	-	65.963	185.649	251.612
Dividend	17	-	-	-	(143.403)	(143.403)
Shares issued	15	3.182	15.911	-	-	19.093
Share issue costs	15	-	(859)	-	-	(859)
Cost of share-based payments to employees	16	-	-	-	1.693	1.693
		3.182	15.052	-	(141.710)	(123.476)
Balance 30 September 2007		398.341	1.128.107	202.144	235.266	1.963.858
Nine months ended 30 September 2006						
Balance 1 January 2006		153.648	4.843	90.689	134.181	383.361
Revaluation of available-for-sale financial assets and investments in subsidiary companies and associates		-	-	34.536	-	34.536
Transfer of fair value reserves to revenue reserves		-	-	(85)	85	-
Exchange differences arising in the period		-	-	854	-	854
Profit recognized directly in equity		-	-	35.305	85	35.390
Profit for the period		-	-	-	43.805	43.805
Total recognized profit for the period		-	-	35.305	43.890	79.195
Dividend		-	-	-	(21.448)	(21.448)
Exercise of rights		25.528	35.740	-	-	61.268
Expenses on the issue of rights		-	(1.053)	-	-	(1.053)
Equity element of convertible debentures		(444)	-	-	-	(444)
		25.084	34.687	-	(21.448)	38.323
Balance 30 September 2006		178.732	39.530	125.994	156.623	500.879

The notes on pages 6 to 19 are an integral part of these condensed interim financial statements.

MARFIN POPULAR BANK PUBLIC CO LTD
CONDENSED INTERIM CASH FLOW STATEMENT
for the nine months ended 30 September 2007

	Note	30.09.2007	30.09.2006	<i>Supplementary information (Note 21)</i>	
		£ '000	£ '000	<u>30.09.2007</u>	<u>30.09.2006</u>
				<u>Euro '000</u>	<u>Euro '000</u>
Cash generated from operations		334.510	441.851	572.595	756.334
Tax paid		(10.456)	(4.013)	(17.898)	(6.869)
Net cash from operating activities		324.054	437.838	554.697	749.465
Cash flows from investing activities					
Purchase less proceeds from disposal of property and equipment		(3.273)	(2.002)	(5.603)	(3.427)
Purchase less proceeds from disposal of computer software		(1.246)	(1.432)	(2.132)	(2.451)
Additions less proceeds from disposal/redemption of available-for-sale financial assets		(378.485)	(134.327)	(647.867)	(229.933)
Income from available-for-sale financial assets		41.642	20.387	71.280	34.897
Dividends from subsidiary companies and associates		191.100	-	327.113	-
Payments less proceeds for changes in shareholdings and capital of subsidiary companies		(94.940)	(30.474)	(162.513)	(52.163)
Net cash used in investing activities		(245.202)	(147.848)	(419.722)	(253.077)
Cash flows from financing activities					
Dividend paid	17	(143.403)	(21.448)	(245.468)	(36.713)
Interest paid on senior debt and loan capital		(22.194)	(7.285)	(37.991)	(12.470)
Proceeds from exercise of rights		-	60.215	-	103.072
Share issue costs	15	(859)	-	(1.471)	-
Proceeds from the issue of senior debt and loan capital		425.631	259.712	728.570	444.559
Repayment of senior debt and loan capital		(168.770)	(36.806)	(288.891)	(63.002)
Net cash from financing activities		90.405	254.388	154.749	435.446
Effects of exchange rate changes on cash and cash equivalents		(445)	1.878	(762)	3.214
Net increase in cash and cash equivalents		168.812	546.256	288.962	935.048
Cash and cash equivalents at beginning of period		1.769.534	1.405.398	3.028.982	2.405.676
Cash and cash equivalents at end of period		1.938.346	1.951.654	3.317.944	3.340.724

The notes on pages 6 to 19 are an integral part of these condensed interim financial statements.

MARFIN POPULAR BANK PUBLIC CO LTD
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

1. INFORMATION FOR THE BANK

The condensed interim financial statements present the financial statements of Marfin Popular Bank Public Co Ltd (the "Bank") for the nine months ended 30 September, 2007.

The principal activity of the Bank, which is unchanged from last year, is the provision of banking services.

The Bank was established in Cyprus in 1901 under the name "Popular Savings Bank of Limassol". In 1924 it was registered as the first public company in Cyprus under the name "The Popular Bank of Limassol Ltd". In 1967 the Bank changed its name to "Cyprus Popular Bank Ltd" and on 26 May, 2004 it was renamed to "Cyprus Popular Bank Public Company Ltd". An Extraordinary General Meeting held on 31 October, 2006 unanimously approved the change of its name to "Marfin Popular Bank Public Co Ltd". The Bank's shares are listed on the Cyprus Stock Exchange and Athens Exchange. The Bank's registered office is at 154, Limassol Avenue, 2025 Nicosia.

2. SIGNIFICANT ACCOUNTING POLICIES

The condensed interim financial statements for the nine months ended 30 September, 2007 have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as issued by the International Accounting Standards Board and adopted by the European Union.

The condensed interim financial statements are presented in Cyprus Pounds, which is the functional and presentation currency of the Bank. All amounts are rounded to the nearest thousand, unless where reported otherwise.

The same accounting policies as for the annual financial statements for the year 2006 have been adopted in the preparation of the condensed interim financial statements. In addition, during the period the Bank adopted an accounting policy for share-based compensation in relation to the newly implemented Share Options Scheme (Note 15) as set out below.

The Bank's Share Options Scheme is an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognized as an expense with a corresponding credit in equity. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each balance sheet date, the Bank revises its estimates of the number of options that are expected to vest. It recognizes the impact of the revision of original estimates, if any, in the income statement, with a corresponding adjustment to equity. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

The condensed interim financial statements do not include all the information and disclosures required for the annual financial statements and should be read in conjunction with the audited financial statements of the Bank for the year ended 31 December, 2006. The Bank also prepares consolidated condensed interim financial statements.

The condensed interim financial statements of the Bank for the nine months ended 30 September, 2007 have not been audited by the Bank's external independent auditors.

The Bank has adopted all applicable new and revised International Financial Reporting Standards (IFRSs) and International Accounting Standards (IASs), which are relevant to its operations and are applicable for accounting periods beginning on 1 January, 2007 as stated below.

MARFIN POPULAR BANK PUBLIC CO LTD
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

IFRS 7, Financial Instruments: Disclosures and IAS 1 (Revised) Presentation of Financial Statements – Capital Disclosures (effective from 1 January, 2007)

IFRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk. It replaces IAS 30 Disclosures in the Financial Statements of Banks and similar Financial Institutions, and disclosure requirements in IAS 32 Financial Instruments: Disclosure and Presentation. The amendment to IAS 1 introduces disclosures about the level of an entity's capital and how it manages capital. The additional disclosures required will be presented in the annual financial statements of the Bank for 2007.

IFRIC 10, Interim Financial Reporting and Impairment (effective for annual accounting periods beginning 1 November, 2006)

The Bank has applied IFRIC 10, which requires an entity not to 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. The application of the Interpretation had no effect on these condensed interim financial statements.

3. COMPARATIVES

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current period.

4. EARNINGS PER SHARE

	9 months ended 30.09.2007 C£ '000	9 months ended 30.09.2006 C£ '000	3 months ended 30.09.2007 C£ '000	3 months ended 30.09.2006 C£ '000
Profit for the period	<u>185.649</u>	43.805	<u>40.551</u>	19.046
	9 months ended 30.09.2007 '000	9 months ended 30.09.2006 '000	3 months ended 30.09.2007 '000	3 months ended 30.09.2006 '000
Weighted average number of shares in issue during the period	<u>787.245</u>	325.129	<u>796.683</u>	357.465
Earnings per share – cent	<u>23,6</u>	13,5	<u>5,1</u>	5,3

Diluted earnings per share in relation to the Share Options is not disclosed, as the exercise price of the Share Options was higher than the average market price of Marfin Popular Bank Public Co Ltd shares at the Cyprus Stock Exchange and Athens Exchange during the period ended 30 September, 2007.

MARFIN POPULAR BANK PUBLIC CO LTD
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

5. SEGMENTAL ANALYSIS

By geographical region – primary segment

	Cyprus C£ '000	United Kingdom C£ '000	Eliminations C£ '000	Total C£ '000
Nine months ended 30 September 2007				
Total revenues	470.155	58.999	(21.055)	508.099
Profit before tax	<u>190.129</u>	<u>8.203</u>		198.332
Tax				<u>(12.683)</u>
Profit for the period				<u>185.649</u>
Nine months ended 30 September 2006				
Total revenues	254.529	35.109	(14.598)	275.040
Profit before tax	<u>44.560</u>	<u>5.416</u>		49.976
Tax				<u>(6.171)</u>
Profit for the period				<u>43.805</u>

6. PROFIT ON DISPOSAL AND REVALUATION OF SECURITIES

Included within profit on disposal and revaluation of securities is an amount of C£ 33,7 m which relates to the profit from the sale of shares of Universal Life Insurance Public Co Ltd, shares and warrants of Hellenic Bank Public Company Ltd and shares of Bank of Cyprus Public Company Ltd held by the Bank.

7. OTHER INCOME

Included within other income is an amount of C£ 52,6 m, which relates to dividend received from Cyprus Popular Bank (Finance) Ltd and Egnatia Bank S.A., subsidiary companies of the Bank (Note 19).

8. DERIVATIVE FINANCIAL INSTRUMENTS

Included within financial assets at fair value through profit or loss is an amount of C£ 13,1 m which relates to the positive fair value of derivative financial instruments. Included within other liabilities is an amount of C£ 13,1 m, which relates to the negative fair value of derivative financial instruments.

MARFIN POPULAR BANK PUBLIC CO LTD
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

9. ADVANCES TO CUSTOMERS

	30.09.2007
	C£ '000
Advances to customers	3.927.278
Provision for impairment of advances (Note 10)	(194.064)
	<u>3.733.214</u>

The amount of income suspended is included in provision for impairment of advances.

10. PROVISION FOR IMPAIRMENT OF ADVANCES

Movement in the nine months to 30 September 2007:

	Provisions	Suspension	Total
	C£ '000	of income	C£ '000
		C£ '000	
Balance 1 January 2007	130.866	65.240	196.106
Provision for impairment of advances for the period	40.755	-	40.755
Release of provision and recoveries	(27.256)	(20.457)	(47.713)
Advances written-off	(5.932)	(3.258)	(9.190)
Exchange differences	(59)	-	(59)
Suspension of income for the period	-	14.165	14.165
	<u>138.374</u>	<u>55.690</u>	<u>194.064</u>
Balance 30 September 2007			

11. INVESTMENTS IN SUBSIDIARY COMPANIES

Movement in the nine months to 30 September 2007:

	C£ '000
Balance 1 January 2007	1.688.346
Increase of shareholding in Laiki Investments E.P.E.Y. Public Company Ltd and Egnatia Financial Services (Cyprus) Ltd	5.448
Increase of share capital and shareholding in Laiki Bank a.d.	17.656
Changes in shareholdings in subsidiary companies in Greece	34.842
Transfer of AS SBM Pank	3.769
Dividend from Marfin Investment Group Holdings S.A.	(137.980)
Acquisition of Marine Transport Bank, Investment Lease Company Renta, Premier Capital and Sintez Autoservice	59.248
Transfer of Marfin Investment Group Holdings S.A. to available-for-sale financial assets due to reduction in participation	(309.066)
Revaluation for the period	166.175
	<u>1.528.438</u>
Balance 30 September 2007	

MARFIN POPULAR BANK PUBLIC CO LTD
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

11. INVESTMENTS IN SUBSIDIARY COMPANIES (continued)

The main subsidiary companies of the Bank, including indirect holdings through its subsidiary companies as at 30 September, 2007 were as follows:

Company name	(1)		
	Effective shareholding	Country of incorporation	Activity sector
Marfin Egnatia Bank S.A. (a)	95%	Greece	Banking
Investment Bank of Greece S.A. (b)	87%	Greece	Investment banking
Laiki Investments E.P.E.Y. Public Company Ltd (f)	62%	Cyprus	Investment and brokerage services and investments
Laiki Bank (Australia) Ltd	100%	Australia	Banking
Marfin Leasing S.A. (b)	95%	Greece	Leasing
Laiki Bank a.d. (g)	97%	Serbia	Banking
Egnatia Bank (Romania) S.A.	94%	Romania	Banking
Pan-European Insurance Co Ltd	100%	Cyprus	Investment company
Laiki Insurance Ltd	100%	Cyprus	General insurance
AS SBM Pank (h)	50%	Estonia	Banking
Laiki Cyprialife Ltd	100%	Cyprus	Life insurance
Philiki Insurance Co Ltd	100%	Cyprus	Investment company
Marfin Global Asset Management Mutual Funds Management S.A. (b)	94%	Greece	Mutual funds and private portfolio management
Cyprialife Ltd	100%	Cyprus	Investment company
Open Joint-Stock Company Marine Transport Bank (i)	99%	Ukraine	Banking
Marfin Factors & Forfaiters S.A.	95%	Greece	Factoring, invoice discounting
The Cyprus Popular Bank (Finance) Ltd	100%	Cyprus	Instalment finance, leasing
Laiki Bank (Guernsey) Ltd	100%	Guernsey	Banking
MFG Capital Partners Ltd (d)	67%	United Kingdom	Investment company
Laiki Factors Ltd	100%	Cyprus	Factoring, invoice discounting
IBG Investments S.A.	87%	British Virgin Islands	Investing services

(1) The effective shareholding includes the direct holding of Marfin Popular Bank Public Co Ltd and the indirect holding through its subsidiary companies.

Marfin Popular Bank Public Co Ltd is registered in Cyprus and operates in Cyprus and the United Kingdom.

(a) Investment in the Groups of Marfin Investment Group Holdings S.A. and Marfin Egnatia Bank S.A.

(i) Transfer of shares of Marfin Bank S.A.

On 4 May, 2007 the Bank announced the completion of the sale and transfer of 100% of the share capital of Marfin Bank S.A. from Marfin Investment Group Holdings S.A. to the Bank against the sum of euro 616,5 m, C£ 359,9 m.

MARFIN POPULAR BANK PUBLIC CO LTD
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

11. INVESTMENTS IN SUBSIDIARY COMPANIES (continued)

(a) Investment in the Groups of Marfin Investment Group Holdings S.A. and Marfin Egnatia Bank S.A. (continued)

(ii) Merger by absorption of Marfin Bank S.A. and Laiki Bank (Hellas) S.A. by Egnatia Bank S.A.

The merger of subsidiary companies Egnatia Bank S.A., Marfin Bank S.A. and Laiki Bank (Hellas) S.A. was completed by 30 June, 2007. The new bank, which is a subsidiary of Marfin Popular Bank Public Co Ltd, operates under the new name Marfin Egnatia Bank S.A. The merger was completed according to the relevant Greek legislation by consolidating the assets and liabilities of the merged companies. Following the completion of the merger, the share capital of Marfin Egnatia Bank S.A. amounted to euro 366.553.834, divided into 288.625.066 ordinary shares of a nominal value of euro 1,27 per share.

(iii) Increase in the share capital of Marfin Investment Group Holdings S.A.

On 12 July, 2007 the share capital increase of euro 5,19 bln of Marfin Investment Group Holdings S.A. was completed and the Bank did not participate in this share capital increase. As a result, the Bank's percentage holding in the share capital of Marfin Investment Group Holdings S.A. decreased from 97% to 6,45% and the investment is now classified as an available-for-sale financial asset.

(b) Merger of subsidiary companies of Marfin Egnatia Bank S.A.

(i) As from 30 June, 2006 Egnatia Finance S.A. merged by absorption with Investment Bank of Greece S.A.

(ii) As from 31 December, 2006 Laiki Leasing S.A. merged by absorption with Egnatia Leasing S.A. The new form was named Marfin Leasing S.A.

(iii) As from 31 December, 2006 Egnatia Mutual Funds Management S.A., Laiki Mutual Funds Management S.A. and Marfin Global Asset Management Investing Services S.A. merged by absorption with Marfin Mutual Funds Management. The new form was named Marfin Global Asset Management Mutual Funds Management S.A.

(iv) As from 31 March, 2007 Laiki Insurance Agencies S.A. merged by absorption with Egnatia Insurance Brokers S.A. The new form was named Marfin Insurance Brokers S.A.

(c) Increase in shareholding in Marfin Securities (Cyprus) Ltd

On 13 June, 2007 Investment Bank of Greece S.A. acquired 50.000 shares in its subsidiary company Marfin Securities (Cyprus) Ltd, which corresponds to 3% of its share capital. These were acquired for euro 87 thousands, C£ 51 thousands and bring Investment Bank of Greece S.A. holding in the company from 97% to 100%.

(d) Reduction in shareholding in MFG Capital Partners Ltd

In July 2007, 500.100 existing shares of MFG Capital Partners Ltd with nominal value of GBP 1 were split into 500.100 common shares (with voting rights) with nominal value of GBP 0,25 and 500.100 deferred shares (without voting rights) with nominal value of GBP 0,75. Additionally, 214.328 new common shares of a nominal value of GBP 0,25 per share were issued at GBP 0,43 per share. The new common shares were acquired by the "Employee Benefit Trust". Following the aforementioned, Marfin Egnatia Bank S.A. percentage holding decreased from 100% to 70% on the voting rights that arise from the common shares.

MARFIN POPULAR BANK PUBLIC CO LTD
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

11. INVESTMENTS IN SUBSIDIARY COMPANIES (continued)

(e) Increase in shareholding in Egnatia Financial Services (Cyprus) Ltd

In June 2007, the Bank acquired 49% of the share capital of Egnatia Financial Services (Cyprus) Ltd from a number of shareholders and the remaining 51% from its subsidiary companies Egnatia Bank S.A. and Egnatia Finance S.A. As a result, the total share capital of Egnatia Financial Services (Cyprus) Ltd is held directly by the Bank. The total price for the acquisition of the aforementioned holdings was C£ 2,9 m.

(f) Increase in shareholding in Laiki Investments E.P.E.Y. Public Company Ltd

In April 2007, 9,5 m shares of Laiki Investments E.P.E.Y. Public Company Ltd were acquired by the Bank for C£ 2,5 m. This acquisition brings the Bank's holding in the company to 62%.

(g) Increase in shareholding in Laiki Bank a.d.

In June 2007, the Bank acquired the new shares issued by Laiki Bank a.d. in Serbia for C£ 17,6 m (euro 30 m) increasing its shareholding to 97%.

(h) Transfer of AS SBM Pank

On 14 June, 2007 the Bank announced the pre-agreement for the acquisition of 50,12% of the share capital of the Estonian AS SBM Pank from Marfin Investment Group Holdings S.A. against the sum of euro 6,4 m, C£ 3,7 m. The acquisition was completed on 28 September, 2007 when the Cypriot and Estonian competent authorities approval was obtained.

(i) Purchase of Marine Transport Bank and three affiliated companies

The Bank announced on 19 March, 2007 that it signed an agreement for the purchase of 99% of the share capital of Marine Transport Bank (MTB) in Ukraine for C£ 58,9 m. The acquisition was completed on 18 September, 2007 following the safeguard of the necessary approvals by the competent authorities of Cyprus and Ukraine.

MTB is a bank organized as an open joint stock company under the laws of Ukraine. It is a universal bank having licenses for a full range of banking operations.

On 18 September, 2007 the acquisition of three affiliated companies of MTB operating in the area of leasing was also completed; 100% of the share capital of Investment Lease Company Renta, 91% of the share capital of Premier Capital and 81% of the share capital of Sintez Autoservice were acquired for C£ 300 thousands.

12. PROPERTY AND EQUIPMENT

Movement in the nine months to 30 September 2007:

	C£ '000
Net book value at 1 January 2007	65.452
Additions less disposals of property and equipment	3.264
Depreciation	(2.266)
Exchange differences	(125)
	<hr/>
Net book value at 30 September 2007	66.325

MARFIN POPULAR BANK PUBLIC CO LTD
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

13. SENIOR DEBT

During 2004 the Bank set up a Euro Medium Term Note Programme for a total amount of euro 750 m, pursuant to which the Bank would have the ability to issue senior and/or subordinated debt in accordance to its requirements. In July 2004 the Bank issued euro 300 m of senior debt from this Programme. In May 2006, an increase of the size of the Euro Medium Term Note Programme from euro 750 m to euro 1 bln was approved. In May 2007, after approval of the increase of the size of the Euro Medium Term Note Programme from euro 1 bln to euro 3 bln, the Bank issued euro 750 m of senior debt from this Programme. The euro 300 m senior debt issued in July 2004 was repaid in July 2007.

14. LOAN CAPITAL

	30.09.2007 C£ '000
Non-convertible debentures 2003/2007	8.968
Eurobonds due 2016	255.895
Capital securities	50.000
	314.863
Total loan capital	314.863

The repayment date of the non-convertible debentures 2003/2007 falls in the period of “three months or less” from the balance sheet date. The repayment date of eurobonds due 2016, falls in the period of “over five years” from the balance sheet date. The capital securities are perpetual.

Non-convertible debentures 2003/2007

In April 2003 the Bank issued C£ 15 m non-convertible debentures due 2007. The debentures pay interest every six months on 30 June and 31 December of each year. Interest was fixed at 6,50% on nominal value until 31 December, 2004. Thereafter, the debentures pay floating interest equal to the weighted average base rate for the relevant six-monthly period plus 1%.

The Bank has the right to repurchase the debentures in the market, by special agreement or by offer to all debenture holders at any price. In July 2006, the Bank made an offer to repurchase the debentures according to their terms of issue at the price of C£ 1.012 for each debenture of nominal value of C£ 1.000 plus accrued interest. In October 2006, the purchase of 6.016 debentures was completed with the payment of the relevant amounts to the beneficiaries. The debentures are not secured and they rank for payment after the claims of depositors and other creditors.

Eurobonds due 2016

During 2004 the Bank set up a Euro Medium Term Note Programme for a total amount of euro 750 m, pursuant to which the Bank would have the ability to issue senior and/or subordinated debt in accordance to its requirements.

In May 2006, after approval of the increase of the size of the Euro Medium Term Note Programme from euro 750 m to euro 1 bln, the Bank successfully completed a subordinated debt issue (Tier 2 capital) totaling euro 450 m. The issue was in the form of subordinated bond, maturing in 10 years. The Bank has the right to redeem the bonds after 5 years from the issue date. The interest rate is set at the three-monthly rate of euro (Euribor) plus 0,75%, increased by 1% if the bond is not redeemed within the first five years of issue.

The bond which constitutes unsecured, subordinated obligations of the Bank and which ranks for payment after the claims of the depositors and other creditors, is listed on the Luxembourg Stock Exchange and its market value at 30 September, 2007 was euro 438,3 m, C£ 256,1 m.

MARFIN POPULAR BANK PUBLIC CO LTD
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

14. LOAN CAPITAL (continued)

Capital securities

In June 2003 the Bank issued C£ 25 m capital securities, which were offered to a limited number of investors. In September 2003 the Bank issued an additional C£ 25 m capital securities, which were offered to the Bank's shareholders and to the public. The securities pay floating interest, which is revised at the beginning of each interest period. The floating interest rate is equal to the base rate at the beginning of the interest period plus 1,2%. The capital securities pay interest quarterly at 31 March, 30 June, 30 September and 31 December of each year.

The capital securities are perpetual, but can be repurchased in full at the option of the Bank at nominal value plus accrued interest on 30 June, 2008 or at any interest payment date thereafter, after approval from the Central Bank of Cyprus.

In case the capital securities are not repurchased by the Bank 10 years after their issue, then the holder has the right to exchange the securities with ordinary shares of the Bank at any interest payment date thereafter, at a discount of 10% on the average price of the ordinary share as this will be traded on the Cyprus Stock Exchange for a period of one month before the respective exchange date.

The capital securities constitute direct non-secured and subordinated obligations of the Bank. They rank for payment after the claims of depositors and other creditors.

15. SHARE CAPITAL AND SHARE PREMIUM

	Number of shares '000	Share capital C£ '000	Share premium C£ '000	Total C£ '000
Balance 1 January 2007	790.319	395.159	1.113.055	1.508.214
Shares issued	6.364	3.182	15.911	19.093
Share issue costs	-	-	(859)	(859)
Balance 30 September 2007	796.683	398.341	1.128.107	1.526.448

The total authorised share capital of the Bank at 30 September, 2007 was 950 m shares of a nominal value of C£ 0,50 each (C£ 475 m).

The shares issued during the period relate to shares issued to the shareholders of Marfin Investment Group Holdings S.A., who exercised their right to exit. These shares and 18.138.000 shares, which were in the process of being issued as at 31 December, 2006 were issued on 17 April, 2007 and were listed on the Cyprus Stock Exchange and Athens Exchange on 23 April, 2007.

In April 2007, the Extraordinary General Meeting of the shareholders approved the introduction of a Share Options Scheme (the "Scheme") for the members of the Board of Directors and the Bank's employees, as well as the associated and related companies. The shares to be issued with the application of this Scheme will amount to 80 m maximum and will have the same nominal value as the existing issued shares, that is, 50 cents each. The exercise price of each share option (the "Option") will be euro 10. The authorisation to the Board of Directors to determine the terms of the Scheme and proceed to any other action necessary for its enforcement was also approved.

Following the aforementioned approval and the ensuing decision of the Bank's Board of Directors on 8 May, 2007, 79.668.276 share options were granted with an exercise price of euro 10 and maturity date 15 December, 2011.

MARFIN POPULAR BANK PUBLIC CO LTD
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

15. SHARE CAPITAL AND SHARE PREMIUM (continued)

The fair value of the Options granted was measured using the Black and Scholes model. The significant inputs into the model were: share price of euro 8,48 at the grant date, risk-free euro interest rate curve for the duration of the Scheme 4,15% (average), expected share price volatility 12% and dividend yield 3,82%.

16. RESERVES

Movement in the nine months to 30 September 2007:

	C£ '000
Revenue reserves	
Balance 1 January 2007	191.327
Profit for the period	185.649
Dividend paid (Note 17)	(143.403)
Cost of share-based payments to employees	1.693
	<hr/>
Balance 30 September 2007	235.266
Property fair value reserves	
Balance 1 January and 30 September 2007	<hr/> 11.291
Available-for-sale financial assets and investments in subsidiary companies and associates fair value reserves	
Balance 1 January 2007	124.461
Revaluation for the period	97.476
Transfer to results on disposal of available-for-sale financial assets	(30.563)
	<hr/>
Balance 30 September 2007	191.374
Currency translation reserves	
Balance 1 January 2007	429
Exchange differences arising in the period	(950)
	<hr/>
Balance 30 September 2007	(521)
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Total reserves 30 September 2007	<hr/> 437.410 <hr/>

17. DIVIDEND

The Annual General Meeting of the Bank, held on 17 April, 2007, approved the payment of a dividend of 36% (18 cent per share of nominal value 50 cent). The dividend, which amounts to C£ 143,4 m, was paid on 3 May, 2007.

18. CONTINGENCIES AND COMMITMENTS

Capital expenditure for the Bank at 30 September, 2007 amounted to C£ 7,1 m.

As at 30 September, 2007 there were pending litigations against the Bank in connection with its activities. Based on legal advice the Board of Directors believes that there is adequate defence against all claims and it is not probable that the Bank will suffer any significant loss. Therefore, no provision has been recognised in the financial statements regarding these cases.

MARFIN POPULAR BANK PUBLIC CO LTD
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

19. RELATED PARTY TRANSACTIONS

	30.09.2007 C£ '000
Advances to Directors and their connected persons	70.170
Advances to other key management personnel and their connected persons	267
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Total advances	70.437
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Guarantees to Directors and their connected persons	12.793
Letters of credit to Directors and their connected persons	9.726
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Total contingencies and commitments for guarantees and letters of credit	22.519
	<hr/>
Total advances and other liabilities	92.956
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Tangible securities	112.379
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Interest income	1.457
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Deposits	8.028
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Interest expense	56
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The total amount of securities is presented in aggregate in the preceding table. Therefore, it is possible that some individual facilities are not fully covered with tangible securities. The total amount of facilities that are unsecured at 30 September, 2007 amounts to C£ 7,9 m.

Connected persons include the spouse, minor children and companies in which key management personnel hold directly or indirectly at least 20% of the voting rights in a general meeting.

The deposits of the Bank's associate at 30 September, 2007 were C£ 10,1 m, and the interest on these deposits was C£ 339 thousands. In addition, during the first nine months of 2007 the Bank received dividend from its associate amounting to C£ 497 thousands. The deposits of the provident funds of the employees of the Bank, which are also regarded as related parties, were C£ 9,2 m as at 30 September, 2007.

Other transactions with related parties

During the first nine months of 2007 the Bank purchased goods and received services amounting to C£ 100 thousands from companies connected to Lanitis Group.

The above transactions are carried out as part of the banking operations of the Bank, on commercial terms.

MARFIN POPULAR BANK PUBLIC CO LTD
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

19. RELATED PARTY TRANSACTIONS (continued)

Key management personnel compensation

	30.09.2007 C£ '000
Fees paid to Directors as members of the Board	<u>55</u>
Remuneration of Directors under executive role:	
Salaries and other short-term benefits	96
Employer's social insurance contributions	20
Retirement benefits scheme expense	<u>29</u>
Total remuneration of Directors under executive role	<u>145</u>
Consultancy services fees of Directors under non-executive role	<u>144</u>
Compensation of other key management personnel:	
Salaries and other short-term benefits	209
Employer's social insurance contributions	38
Retirement benefits scheme expense	<u>60</u>
Total compensation of other key management personnel	<u>307</u>
Total compensation of key management personnel	<u>651</u>

In addition to the above, the compensation of the members of the Board of Directors that retired during 2007 was:

	C£ '000
Fees as members	<u>2</u>
Remuneration under executive role:	
Salaries and other short-term benefits	38
Employer's social insurance contributions	3
Retirement benefits scheme expense	<u>11</u>
Total remuneration under executive role	<u>52</u>
Total compensation	<u>54</u>

Key management personnel for the first nine months of 2007 include fifteen Directors, five of which had executive duties and the members of the executive management.

Transactions with subsidiary companies

(a) Income and expenses from transactions with subsidiary companies

	30.09.2007 C£ '000
Interest income	10.537
Interest expense	8.288
Dividends received (Note 7)	52.622
Other income	509
Other expenses	1.254

MARFIN POPULAR BANK PUBLIC CO LTD
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

19. RELATED PARTY TRANSACTIONS (continued)

Transactions with subsidiary companies (continued)

(b) Balances with subsidiary companies

	30.09.2007
	C€ '000
Placements	427.798
Deposits	329.693

20. POST BALANCE SHEET EVENTS

On 5 October, 2007 the Bank announced that at the meeting of the Board of Directors of Laiki Investment E.P.E.Y. Public Company Ltd it was decided to start the merger procedures with the absorbance of CLR Capital Public Ltd. Laiki Investment will participate in the new Group by 70% and CLR Capital by 30%. The decision is subject to an ordinary legal – accounting – tax audit, the results of which will be deemed satisfactory by the parties and the agreement as to the terms of the merger plan. It is also expected that Laiki Brokerage E.P.E.Y. Ltd, CLR Securities & Financial Services Ltd and Egnatia Financial Services (Cyprus) Ltd will merge.

On 12 October, 2007 the Bank announced that it intends to sell 6,45% of its stake in the share capital of Marfin Investment Group after the expiry of the period of retention, that is, after 16 January, 2008. The sale will be carried out with private placement, preferably, to one strategic investor. On 1 November, 2007 the Bank announced that it was informed of Dubai Financial Group LLC interest to acquire the aforementioned stake at euro 7 per share and that it intends to hold an Extraordinary General Meeting to approve the sale to Dubai Financial Group LLC.

On 16 October, 2007 the Bank announced that it has reached an agreement for the acquisition of 43% of the share capital of Lombard Bank Malta Plc (LBM) by the major shareholders BSI SA Lugano and other international investors against the sum of euro 48,3 m. LBM is Malta's third largest bank listed in the local stock exchange and operates under the supervision of the Central Bank of Malta. It was established in 1969 in Valetta and it offers complete banking services via a network of 6 branches. LBM will also offer services via Malta Post, in which it is a major shareholder. According to its unaudited accounts, on 30 June, 2007, LBM had capital and reserves of euro 47,2 m, while its total deposits and loans stood at euro 410,4 m and euro 331,6 m respectively. The agreement is subject to the safeguard of the necessary approvals by the supervisory authorities of Cyprus and Malta.

On the same date, the Bank confirmed the reports according to which it examines the acquisition of a bank in Russia.

Up to 17 October, 2007 the Bank had sold all of its shares in Bank of Cyprus Public Company Ltd.

On 31 October, 2007 it was announced that Dubai Financial Group will increase its stake in the Bank up to 30%. In this regard Dubai Financial Group purchased 19,8 m shares of the Bank at the price of euro 12 per share from Mr. Andreas Vgenopoulos increasing its economic stake in the Bank from 17,4% to 19,9%. It also entered in a derivative structure with a market participant in relation to 8,2 m shares of the Bank, whilst maintaining the economic interests in such shares. Finally, Dubai Financial Group is applying to Central Bank of Cyprus in order to obtain its approval to increase its economic stake in the Bank over time, subject to market conditions, up to 30%.

On the same date, it was announced that Mr. Andreas Vgenopoulos will be joining Dubai Financial Group as the Chairman of its subsidiary Dubai Financial Group South Eastern Europe for a period of five years. He will also be nominated by Dubai Financial Group and voted for serving in a top executive position in the Bank for a period of five years. During his term, Mr. Vgenopoulos is expected to lead an aggressive expansion and appoint and supervise his successors and an expanding management team.

MARFIN POPULAR BANK PUBLIC CO LTD
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

20. POST BALANCE SHEET EVENTS (continued)

On 20 November, 2007 the Bank announced that the Board of Directors decided to hold an Extraordinary General Meeting on 17 December, 2007 to examine and approve: (a) The replacement of the regulations of the Articles of Association that involve the duty of chairman at general meetings and Board meetings, (b) The approval of the sale to Dubai Financial Group LLC of 53.532.184 shares, that is, 6,45% of the share capital that the Bank holds in Marfin Investment Group S.A. at the price of euro 7 per share and (c) The conversion of the Bank's share capital from Cyprus pounds to euro. The nominal value of the share will be converted and will increase from C£ 0,50 to euro 0,86. The nominal capital of the Bank will be converted and will increase from C£ 475 m divided into 950 m shares of nominal value C£ 0,50 each to euro 817 m divided into 950 m shares of nominal value euro 0,86 each. The issued share capital will be converted and will increase from C£ 398.341.382 (euro 680.606.659,44) to euro 685.147.177,04 divided into 796.682.764 shares of nominal value euro 0,86 each and this increase will be carried out with the capitalization of part of the share premium.

21. SUPPLEMENTARY INFORMATION

The condensed interim income statement for the nine months ended 30 September, 2007, and 30 September, 2006, the condensed interim income statement for the three months ended 30 September, 2007, and 30 September, 2006, the condensed interim balance sheet as at 30 September, 2007, and 31 December, 2006, as well as, the condensed interim cash flow statement for the nine months ended 30 September, 2007, and 30 September, 2006, in euro, constitute supplementary information. The supplementary information is presented in Euro in accordance with paragraph 57 of IAS 21 "The Effects of Changes in Foreign Exchange Rates". The exchange rate used is the exchange rate announced by the Central Bank of Cyprus as at the balance sheet date of the current period (that is CYP 1 = Euro 1,71174 on 30 September, 2007) and is applied to both current year and comparative amounts according to Circular No. 25 of the Institute of Certified Public Accountants of Cyprus.

22. APPROVAL OF FINANCIAL STATEMENTS

The condensed interim financial statements of the Bank were approved by the Board of Directors of the Bank on 28 November, 2007.