



CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED

30 JUNE 2007

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

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**Report by the Independent Auditors on Review of Interim Condensed Financial Statements
to the Board of Directors of Marfin Popular Bank Public Co Ltd**

Introduction

We have reviewed the interim condensed financial statements of Marfin Popular Bank Public Co Ltd (the "Bank") on pages 2 to 21, which comprise of the interim condensed balance sheet as at 30 June, 2007 and the related interim condensed statements of income, changes in equity and cash flows for the six-month period then ended, and other explanatory notes. Our review was restricted to financial information for the six-month period as a whole and did not include a review of financial information in relation to the Bank's financial performance for the three-month period from 1 April, 2007 to 30 June, 2007 as a separate quarter, as presented on page 3 in the accompanying interim condensed financial statements. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting" as issued by the International Accounting Standards Board and adopted by the European Union. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for the financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34 "Interim Financial Reporting".

PricewaterhouseCoopers Limited
Chartered Accountants

Grant Thornton
Chartered Accountants

Nicosia, 29 August, 2007

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

	Note	6 months	6 months	<i>Supplementary</i>	
		ended	ended	<i>information (Note 21)</i>	
		30.06.2007	30.06.2006	6 months	6 months
		C£ '000	C£ '000	ended	ended
				30.06.2007	30.06.2006
				Euro '000	Euro '000
Net interest income		97.434	60.063	166.930	102.903
Net fee and commission income		27.015	22.204	46.284	38.041
Profit/(loss) on disposal and revaluation of securities	6	27.449	(933)	47.027	(1.598)
Foreign exchange income		5.611	5.454	9.613	9.344
Other income	7	58.898	1.208	100.908	2.070
Operating income		216.407	87.996	370.762	150.760
Staff costs		(38.589)	(34.718)	(66.113)	(59.481)
Depreciation and amortisation		(2.375)	(2.872)	(4.069)	(4.921)
Administrative expenses		(12.580)	(11.825)	(21.552)	(20.259)
Profit before provision for impairment of advances		162.863	38.581	279.028	66.099
Provision for impairment of advances	10	(9.297)	(10.025)	(15.929)	(17.175)
Profit before tax		153.566	28.556	263.099	48.924
Tax		(8.467)	(3.797)	(14.507)	(6.505)
Profit for the period		145.099	24.759	248.592	42.419
Earnings per share – cent	4	18,5	8,1	31,7	13,9

The notes on pages 7 to 21 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 June 2007

	Note	3 months	3 months	<i>Supplementary</i>	
		ended	ended	<i>information (Note 21)</i>	
		30.06.2007	30.06.2006	3 months	3 months
		C£ '000	C£ '000	ended	ended
				30.06.2007	30.06.2006
				Euro '000	Euro '000
Net interest income		47.512	30.321	81.400	51.948
Net fee and commission income		13.569	11.311	23.247	19.378
Profit/(loss) on disposal and revaluation of securities		6.803	(1.186)	11.655	(2.032)
Foreign exchange income		1.792	3.177	3.070	5.443
Other income	7	55.849	949	95.684	1.626
Operating income		125.525	44.572	215.056	76.363
Staff costs		(20.285)	(17.899)	(34.753)	(30.666)
Depreciation and amortisation		(1.267)	(1.505)	(2.171)	(2.578)
Administrative expenses		(6.473)	(5.429)	(11.089)	(9.301)
Profit before provision for impairment of advances		97.500	19.739	167.043	33.818
Provision for impairment of advances		(5.979)	(6.415)	(10.244)	(10.991)
Profit before tax		91.521	13.324	156.799	22.827
Tax		(3.365)	(1.657)	(5.765)	(2.838)
Profit for the period		88.156	11.667	151.034	19.989
Earnings per share – cent	4	11,1	3,8	19,0	6,5

The notes on pages 7 to 21 are an integral part of these condensed interim financial statements.

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

			<i>Supplementary information (Note 21)</i>		
	Note	30.06.2007 C£ '000	31.12.2006 C£ '000	30.06.2007 Euro '000	31.12.2006 Euro '000
Assets					
Cash and balances with Central Bank		322.271	370.702	552.134	635.109
Due from other banks		1.971.890	1.456.597	3.378.361	2.495.529
Financial assets at fair value					
through profit or loss	8	60.123	118.891	103.006	203.691
Advances to customers	9	3.455.086	2.827.591	5.919.460	4.844.398
Balances with subsidiary companies		545.932	332.153	935.323	569.064
Government bonds and treasury bills		249.766	261.914	427.913	448.727
Available-for-sale financial assets		1.340.376	782.250	2.296.413	1.340.198
Held-to-maturity financial assets		6.508	6.586	11.151	11.284
Other assets		54.790	47.786	93.870	81.870
Investments in subsidiary companies	11	1.737.137	1.688.346	2.976.168	2.892.576
Investments in associates		6.894	6.874	11.811	11.777
Intangible assets		3.029	3.314	5.189	5.678
Property and equipment	12	66.613	65.452	114.126	112.136
Total assets		9.820.415	7.968.456	16.824.925	13.652.037
Liabilities					
Due to other banks		464.712	173.907	796.173	297.948
Customer deposits		5.876.441	5.122.405	10.067.871	8.776.012
Senior debt	13	612.812	173.460	1.049.907	297.182
Loan capital	14	321.601	319.157	550.988	546.799
Balances with subsidiary companies		296.351	125.270	507.726	214.620
Other liabilities	8	240.797	218.535	412.547	374.407
Total liabilities		7.812.714	6.132.734	13.385.212	10.506.968
Share capital and reserves					
Share capital	15	398.341	395.159	682.462	677.010
Share premium	15	1.128.893	1.113.055	1.934.087	1.906.953
Reserves	16	480.467	327.508	823.164	561.106
Total equity		2.007.701	1.835.722	3.439.713	3.145.069
Total equity and liabilities		9.820.415	7.968.456	16.824.925	13.652.037

The notes on pages 7 to 21 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 six months ended 30 June 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
Six months ended 30 June 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	-	-	167.539	-	167.539
Transfer to results on disposal of available-for-sale financial assets	16	-	-	(16.241)	-	(16.241)
Exchange differences arising in the period	16	-	-	(911)	-	(911)
Profit recognized directly in equity		-	-	150.387	-	150.387
Profit for the period		-	-	-	145.099	145.099
Total recognized profit for the period		-	-	150.387	145.099	295.486
Dividend	17	-	-	-	(143.403)	(143.403)
Shares issued	15	3.182	15.911	-	-	19.093
Share issue costs	15	-	(73)	-	-	(73)
Cost of share-based payments to employees	16	-	-	-	876	876
		3.182	15.838	-	(142.527)	(123.507)
Balance 30 June 2007		398.341	1.128.893	286.568	193.899	2.007.701
Six months ended 30 June 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		-	-	22.754	-	22.754
Exchange differences arising in the period		-	-	1.323	-	1.323
Profit recognized directly in equity		-	-	24.077	-	24.077
Profit for the period		-	-	-	24.759	24.759
Total recognized profit for the period		-	-	24.077	24.759	48.836
Exercise of rights		25.528	35.740	-	-	61.268
Expenses on the issue of rights		-	(1.053)	-	-	(1.053)
		25.528	34.687	-	-	60.215
Balance 30 June 2006		179.176	39.530	114.766	158.940	492.412

The notes on pages 7 to 21 are an integral part of these condensed interim financial statements.

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

			<i>Supplementary information (Note 21)</i>	
	30.06.2007	30.06.2006	<u>30.06.2007</u>	<u>30.06.2006</u>
Note	£ '000	£ '000	Euro '000	Euro '000
Cash generated from operations	481.530	(65.764)	824.987	(112.671)
Tax paid	<u>(1.752)</u>	(1.332)	<u>(3.002)</u>	(2.282)
Net cash from/(used in) operating activities	479.778	(67.096)	821.985	(114.953)
Cash flows from investing activities				
Purchase less proceeds from disposal of property and equipment	(2.599)	(1.417)	(4.452)	(2.428)
Purchase less proceeds from disposal of computer software	(611)	(928)	(1.046)	(1.590)
Additions less proceeds from disposal/redemption of available-for-sale financial assets	(513.571)	(18.200)	(879.881)	(31.181)
Income from available-for-sale financial assets	28.459	12.370	48.758	21.193
Dividends from subsidiary companies and associates	191.100	-	327.403	-
Payments less proceeds for changes in shareholdings and capital of subsidiary companies	<u>(31.650)</u>	(23.034)	<u>(54.225)</u>	(39.463)
Net cash used in investing activities	(328.872)	(31.209)	(563.443)	(53.469)
Cash flows from financing activities				
Dividend paid	17 (143.403)	-	(245.686)	-
Interest paid on senior debt and loan capital	(13.051)	(4.836)	(22.360)	(8.285)
Proceeds from exercise of rights	-	60.215	-	103.164
Share issue costs	15 (73)	-	(126)	-
Proceeds from the issue of senior debt and loan capital	<u>437.984</u>	258.313	<u>750.380</u>	442.557
Net cash from financing activities	281.457	313.692	482.208	537.436
Effects of exchange rate changes on cash and cash equivalents	<u>123</u>	(729)	<u>211</u>	(1.249)
Net increase in cash and cash equivalents	432.486	214.658	740.961	367.765
Cash and cash equivalents at beginning of period	1.769.534	1.405.398	3.031.672	2.407.812
Cash and cash equivalents at end of period	2.202.020	1.620.056	3.772.633	2.775.577

The notes on pages 7 to 21 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 six months ended 30 June, 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 Stock Exchange. The Bank's registered office is at 154, Limassol Avenue, 2025 Nicosia.

2. SIGNIFICANT ACCOUNTING POLICIES

The condensed interim financial statements for the six months ended 30 June, 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 six months ended 30 June, 2007 have not been audited by the Bank's external independent auditors. The Bank's external independent auditors have conducted a review in accordance with the International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

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 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

	6 months ended 30.06.2007 C£ '000	6 months ended 30.06.2006 C£ '000	3 months ended 30.06.2007 C£ '000	3 months ended 30.06.2006 C£ '000
Profit for the period	<u>145.099</u>	<u>24.759</u>	<u>88.156</u>	<u>11.667</u>
	6 months ended 30.06.2007 '000	6 months ended 30.06.2006 '000	3 months ended 30.06.2007 '000	3 months ended 30.06.2006 '000
Weighted average number of shares in issue during the period	<u>782.254</u>	<u>307.387</u>	<u>792.327</u>	<u>310.379</u>
Earnings per share – cent	<u>18,5</u>	<u>8,1</u>	<u>11,1</u>	<u>3,8</u>

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 market price of Marfin Popular Bank Public Co Ltd shares at the Cyprus Stock Exchange and Athens Stock Exchange during the period ended 30 June, 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
Six months ended 30 June 2007				
Total revenues	327.656	37.309	(15.142)	349.823
Profit before tax	<u>147.937</u>	<u>5.629</u>		153.566
Tax				<u>(8.467)</u>
Profit for the period				<u>145.099</u>
Six months ended 30 June 2006				
Total revenues	156.525	24.444	(7.027)	173.942
Profit before tax	<u>25.333</u>	<u>3.223</u>		28.556
Tax				<u>(3.797)</u>
Profit for the period				<u>24.759</u>

6. PROFIT ON DISPOSAL AND REVALUATION OF SECURITIES

Included within profit on disposal and revaluation of securities is an amount of C£ 21 m which relates to the profit from the sale of shares of Universal Life Insurance Public Co Ltd and shares and warrants of Hellenic Bank 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 receivable from Cyprus Popular Bank (Finance) Ltd and Egnatia Bank S.A., subsidiary companies of the Bank (Note 19).

Other income for the period from 1 January, 2007 to 31 March, 2007 in the condensed interim financial statements for the three months ended 31 March, 2007, included dividend of C£ 138 m paid by Marfin Investment Group Holdings S.A. The treatment of this dividend has been revised in these interim financial statements and it has been deducted from the cost of the Bank's investment in the subsidiary company (Note 11).

8. DERIVATIVE FINANCIAL INSTRUMENTS

Included within financial assets at fair value through profit or loss is an amount of C£ 8,5 m which relates to the positive fair value of derivative financial instruments. Included within other liabilities is an amount of C£ 6,3 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

	30.06.2007
	C£ '000
Advances to customers	3.644.781
Provision for impairment of advances (Note 10)	(189.695)
	<u>3.455.086</u>

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

10. PROVISION FOR IMPAIRMENT OF ADVANCES

Movement in the six months to 30 June 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	30.678	-	30.678
Release of provision and recoveries	(21.381)	(18.647)	(40.028)
Advances written-off	(4.430)	(2.710)	(7.140)
Exchange differences	15	-	15
Suspension of income for the period	-	10.064	10.064
	<u>135.748</u>	<u>53.947</u>	<u>189.695</u>
Balance 30 June 2007			

11. INVESTMENTS IN SUBSIDIARY COMPANIES

Movement in the six months to 30 June 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	34.569
Dividend from Marfin Investment Group Holdings S.A. (Note 7)	(137.980)
Revaluation for the period	129.098
	<u>1.737.137</u>
Balance 30 June 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 June, 2007 were as follows:

Company name	(1)		
	Effective shareholding	Country of incorporation	Activity sector
Marfin Investment Group Holdings S.A. (a)	97%	Greece	Investment company
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 (j)	62%	Cyprus	Investment and brokerage services and investments
Laiki Bank (Australia) Ltd	100%	Australia	Banking
Euroline S.A. (c)	44%	Greece	Brokerage
Marfin Capital S.A.	97%	British Virgin Islands	Investment company
Laiki Leasing S.A.	95%	Greece	Leasing
Egnatia Finance S.A. (b)	94%	Greece	Brokerage
Laiki Bank a.d. (k)	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 (l)	48%	Estonia	Banking
Laiki Cyprialife Ltd	100%	Cyprus	Life insurance
Philiki Insurance Co Ltd	100%	Cyprus	Investment company
Egnatia Leasing S.A. (e)	95%	Greece	Leasing
Laiki Bank (Guernsey) Ltd	100%	Guernsey	Banking
Cyprialife Ltd	100%	Cyprus	Investment company
Marfin Factors & Forfaiters S.A.	95%	Greece	Factoring, invoice discounting
The Cyprus Popular Bank (Finance) Ltd	100%	Cyprus	Instalment finance, leasing
Laiki Factors Ltd	100%	Cyprus	Factoring, invoice discounting
MFG Capital Partners Ltd	95%	United Kingdom	Investment company

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

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) Purchases and sales of shares in Marfin Investment Group Holdings S.A.

The shareholders of Marfin Investment Group Holdings S.A. who had shares that were not exchanged within the framework of the Public Offer in 2006, had the right to exit either in cash or payment in kind in the first quarter of 2007. The alternatives were (a) sale of their shares at the price of euro 37,24 per share or (b) exchange of each share with 5,7570 new shares of Marfin Popular Bank Public Co Ltd. The result of the offer, which expired on 27 March, 2007, was the acquisition of a 2% extra share in Marfin Investment Group Holdings S.A.

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)

(i) Purchases and sales of shares in Marfin Investment Group Holdings S.A. (continued)

During the second quarter of 2007 the Bank proceeded with sales of its shares in Marfin Investment Group Holdings S.A. reducing its shareholding in the company by 0,6%.

(ii) 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.

(iii) 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.

(iv) 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 will be classified as an available-for-sale financial asset.

(b) Increase in shareholding in Egnatia Finance S.A. and merger by absorption of Egnatia Finance S.A. with Investment Bank of Greece S.A.

On 19 January, 2007 Egnatia Bank S.A. acquired 1.824.150 shares in its subsidiary company Egnatia Finance S.A., which corresponds to 30% of its share capital. These were acquired for euro 9,5 m, C£ 5,5 m and increase the Egnatia Bank S.A. holding in the company from 70% to 100%.

The Boards of Directors of Egnatia Finance S.A. and Investment Bank of Greece S.A. decided the merger by absorption of Egnatia Finance S.A. with Investment Bank of Greece S.A.

(c) Decrease in shareholding in Euroline S.A.

In March 2007, Marfin Global Asset Management S.A., a subsidiary of Marfin Investment Group Holdings S.A., disposed of 2% of its shares in Euroline S.A. for euro 478 thousands, C£ 279 thousands. Loss on disposal was euro 134 thousands, C£ 78 thousands.

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

11. INVESTMENTS IN SUBSIDIARY COMPANIES (continued)

(d) Increase in shareholding in Egnatia Mutual Fund Management Company S.A.

On 19 January, 2007 Egnatia Bank S.A. acquired 28.700 shares in its subsidiary company Egnatia Mutual Fund Management Company S.A. which corresponds to 18% of its share capital. These were acquired for euro 400 thousands, C£ 233 thousands. On 22 June, 2007 Egnatia Bank S.A. acquired 46.396 extra shares in its subsidiary company Egnatia Mutual Fund Management Company S.A. which corresponds to 29% of its share capital. These were acquired for euro 1.464 thousands, C£ 854 thousands. Therefore, Egnatia Bank S.A. holding in the company increased from 51% to 98%.

(e) Increase in shareholding in Egnatia Leasing S.A.

On 22 June, 2007 Egnatia Bank S.A. acquired 307 shares in its subsidiary company Egnatia Leasing S.A. which corresponds to 0,1% of its share capital. These were acquired for euro 10 thousands, C£ 6 thousands and bring Egnatia Bank S.A. holding in the company from 99,9% to 100%.

(f) Increase in shareholding in Egnatia Insurance Services S.A. and merger of Laiki Insurance Agencies S.A. and Egnatia Insurance Services S.A.

On 12 March, 2007 Egnatia Bank S.A. acquired 4.000 shares in its subsidiary company Egnatia Insurance Services S.A. which corresponds to 40% of its share capital. These were acquired for euro 250 thousands, C£ 146 thousands and increase Egnatia Bank S.A. holding in the company from 60% to 100%.

The General Meeting of Egnatia Insurance Services S.A. held on 23 May, 2007 and the General Meetings of Laiki Insurance Agencies S.A., which belongs to the Group of Laiki Bank (Hellas) S.A., which were held on 26 March, 2007 and 23 May, 2007 decided the merger by absorption of Laiki Insurance Agencies S.A. with Egnatia Insurance Services S.A.

(g) 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%.

(h) Increase in shareholding in Marfin Global Asset Management S.A.

On 13 June, 2007 Marfin Bank S.A. acquired 9.996 shares in its subsidiary company Marfin Global Asset Management S.A., which corresponds to 6% of its share capital. These were acquired for euro 410 thousands, C£ 239 thousands and bring Marfin Bank S.A. holding in the company from 94% to 100%.

(i) 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 subsidiaries 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 100% of the share capital of the company was C£ 2,9 m.

(j) 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%.

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

11. INVESTMENTS IN SUBSIDIARY COMPANIES (continued)

(k) 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%.

(l) 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 AS SBM Pank from Marfin Investment Group Holdings S.A. against the sum of euro 6,4 m, C£ 3,7 m. The acquisition is subject to the Cypriot and Estonian competent authorities approval.

(m) 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 Ukraine (MTB) for US\$ 137,4 m, C£ 59,6 m. Simultaneously the Bank will acquire three affiliated companies of MTB operating in the area of leasing for US\$ 0,7 m, C£ 0,3 m. 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. It has its headquarters in the Odessa region and has a total of 81 branches.

The acquisition of MTB has not been included in the financial statements for the first six months of 2007 as the transaction is subject to the necessary approvals being obtained from the regulatory authorities in Cyprus and Ukraine.

12. PROPERTY AND EQUIPMENT

Movement in the six months to 30 June 2007:

	C£ '000
Net book value at 1 January 2007	65.452
Additions less disposals of property and equipment	2.604
Depreciation	(1.477)
Exchange differences	34
	<hr/>
Net book value at 30 June 2007	66.613
	<hr/>

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.

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

14. LOAN CAPITAL

	30.06.2007 C£ '000
Non-convertible debentures 2003/2007	8.968
Eurobonds due 2016	262.633
Capital securities	50.000
	<hr/>
Total loan capital	321.601
	<hr/>

The repayment date of the non-convertible debentures 2003/2007 falls in the period of "over three months but less than one year" 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 June, 2007 was euro 453,3 m, C£ 264,6 m.

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.

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

14. LOAN CAPITAL (continued)

Capital securities (continued)

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	-	-	(73)	(73)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance 30 June 2007	796.683	398.341	1.128.893	1.527.234

The total authorised share capital of the Bank at 30 June, 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 Stock 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 80.000.000 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.

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%.

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

16. RESERVES

Movement in the six months to 30 June 2007:

	C£ '000
Revenue reserves	
Balance 1 January 2007	191.327
Profit for the period	145.099
Dividend paid (Note 17)	(143.403)
Cost of share-based payments to employees	876
	<hr/>
Balance 30 June 2007	193.899
Property fair value reserves	
Balance 1 January and 30 June 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	167.539
Transfer to results on disposal of available-for-sale financial assets	(16.241)
	<hr/>
Balance 30 June 2007	275.759
Currency translation reserves	
Balance 1 January 2007	429
Exchange differences arising in the period	(911)
	<hr/>
Balance 30 June 2007	(482)
Total reserves 30 June 2007	<hr/> 480.467 <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 June, 2007 amounted to C£ 5,6 m.

As at 30 June, 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

	30.06.2007 C£ '000
Advances to Directors and their connected persons	47.968
Advances to other key management personnel and their connected persons	2.867
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Total advances	50.835
	<hr/>
Guarantees to Directors and their connected persons	12.408
Letters of credit to Directors and their connected persons	7.232
Guarantees to other key management personnel and their connected persons	80
Letters of credit to other key management personnel and their connected persons	96
	<hr/>
Total contingencies and commitments for guarantees and letters of credit	19.816
	<hr/>
Total advances and other liabilities	70.651
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Tangible securities	97.360
	<hr/>
Interest income	1.001
	<hr/>
Deposits	3.313
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Interest expense	49
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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 June, 2007 amounts to C£ 1,5 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 associates at 30 June, 2007 were C£ 9,3 m, and the interest on these deposits was C£ 340 thousands. In addition, during the first six 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£ 8,3 m as at 30 June, 2007.

Other transactions with related parties

During the first six months of 2007 the Bank purchased goods and received services amounting to C£ 92 thousands from companies connected to Lanitis Group.

The above transactions are carried out as part of the normal activities 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

	30.06.2007 C£ '000
Fees paid to Directors as members of the Board	40
Remuneration of Directors under executive role:	
Salaries and other short-term benefits	48
Employer's social insurance contributions	10
Retirement benefits scheme expense	15
Total remuneration of Directors under executive role	73
Consultancy services fees of Directors under non-executive role	96
Compensation of other key management personnel	
Salaries and other short-term benefits	185
Employer's social insurance contributions	42
Retirement benefits scheme expense	56
Total compensation of other key management personnel	283
Total compensation of key management personnel	492

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

	C£ '000
Remuneration under executive role:	
Salaries and other short-term benefits	38
Employer's social insurance contributions	3
Retirement benefits scheme expense	11
Total remuneration under executive role	52
Total compensation	52

Key management personnel for the first six months of 2007 include fourteen 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

	30.06.2007 C£ '000
Interest income	7.881
Interest expense	5.108
Dividends received (Note 7)	52.622
Other income	332
Other expenses	609

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

	30.06.2007
	C€ '000
Placements	545.932
Deposits	296.351

20. POST BALANCE SHEET EVENTS

On 3 July, 2007 the Board of Directors decided to proceed with significant reclassifications in the leadership of Marfin Popular Bank Public Co Ltd. Specifically, the Board of Directors has been strengthened by the appointment of Panayiotis Kounnis and Efthymios Bouloutas, while Kyriacos Mageiras resigned and will undertake the post of Executive Vice Chairman of the subsidiary Investment Bank of Greece S.A. The Group appointed three Deputy Managing Directors. Christos Stylianides will be the Deputy Managing Director of subsidiaries of other countries and international activities, Efthymios Bouloutas will be the Deputy Managing Director in Greece and Panayiotis Kounnis the Deputy Managing Director in Cyprus. The Board of Directors also elected a new Executive Committee, Chairman of which is Eleftherios Hiliadakis and members Andreas Vgenopoulos, Christos Stylianides, Efthymios Bouloutas and Panayiotis Kounnis. For strategic issues, the Executive Committee will also include Matteo Stefanel and Demetris Spanodimos.

On 4 July, 2007 the Commission for the Protection of Competition (CPC) informed Marfin Popular Bank Public Co Ltd of its decision on the violation of article 9(a) of the Law on Control of Concentrations between Undertakings 22(I)99 as regards to the concentration act between the Bank and Marfin Financial Group Holdings S.A. and Egnatia Bank S.A., prior to obtaining the necessary and required by the law approval by CPC. CPC unanimously decided that Marfin Popular Bank Public Co Ltd, Marfin Financial Group Holdings S.A. and Egnatia Bank S.A. proceeded to the concentration act prior to obtaining its approval as is required by the law. CPC imposed a £ 3 thousands administrative fine for the ascertained violation.

On the same day, CPC announced to the Bank its decision on the violation of article 9(a) of the Law on Control of Concentrations 22(I)99 regarding the concentration action of Marfin Popular Bank Public Co Ltd through the acquisition of the stake held by the Bank of Piraeus S.A. in the Bank of Cyprus Public Co Ltd, prior to obtaining the necessary and required by the law approval by CPC, and of the Article 13(1)(a) of the Law regarding failure to inform CPC of the aforementioned concentration act. CPC unanimously found violation of the above articles and set an administrative fine of C€ 5 thousands. Following the aforementioned decisions of CPC the Bank filed appeals to the Supreme Court with numbers 959/07 and 960/07.

On 4 July, 2007 CPC announced that the procedure of the preliminary evaluation of the Bank's concentration action with the acquisition of the stake held by the Bank of Piraeus S.A. in the Bank of Cyprus Public Co Ltd is still in effect with the submission of certain information and documents by Marfin Popular Bank Public Co Ltd. On 6 August, 2007 the Committee unanimously decided to proceed with full investigation of the aforementioned concentration action.

On 18 July, 2007 the Bank announced that it is in negotiations for the merger of its subsidiary Laiki Investments E.P.E.Y. Public Company Ltd with CLR Capital Public Ltd and that it will inform the investing public on the progress of the deliberations at a later stage. On 20 August, 2007 the Bank announced that the discussions for the merger are expected to be completed within the first weeks of September.

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

20. POST BALANCE SHEET EVENTS (continued)

On 12 July, 2007 Marfin Investment Group Holdings S.A. completed the share capital increase amounting to euro 5,19 bln. Following the increase its share capital amounts to euro 448.196.303,70 divided into 829.993.155 registered shares with a nominal value of euro 0,54 per share. The new shares started trading on the Athens Stock Exchange on 16 July, 2007. The Bank did not participate in the increase and 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%.

On 23 July, 2007 it was announced that the agreement signed between Marfin Popular Bank Public Co Ltd and Aspis Holdings Plc for the disposal of 35% of the shares of Universal Life Insurance Public Company Ltd, has been renewed for another 14 months.

On 24 August, 2007 Marfin Egnatia Bank S.A. announced that the 184.203.403 new ordinary shares of the bank will start trading on the Athens Stock Exchange as from 5 September, 2007. These shares were issued from the increase of the share capital of the bank due to the merger by absorption with Marfin Bank S.A. and Laiki Bank (Hellas) S.A. The trading of the 11.133.604 new ordinary shares of the bank, which arose from the conversion of an equivalent number of preference shares will also start trading on the same date.

On 27 August, 2007 it was announced that the Group examines the possibility of a strategic cooperation with an international insurance organisation in order to boost further its insurance activities to all countries that it has a presence.

21. SUPPLEMENTARY INFORMATION

The condensed interim income statement for the six months ended 30 June, 2007, and 30 June, 2006, the condensed interim income statement for the three months ended 30 June, 2007, and 30 June, 2006, the condensed interim balance sheet as at 30 June, 2007, and 31 December, 2006, as well as, the condensed interim cash flow statement for the six months ended 30 June, 2007, and 30 June, 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 1,71326 on 30 June, 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 29 August, 2007.