



CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED
30 JUNE 2007

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

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

Introduction

We have reviewed the interim condensed consolidated financial statements of Marfin Popular Bank Public Co Ltd (the "Bank") and its subsidiaries (the "Group") on pages 2 to 25, which comprise of the interim condensed consolidated balance sheet as at 30 June, 2007, and the related interim condensed consolidated 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 Group'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 consolidated financial statements. Management is responsible for the preparation and presentation of these interim condensed consolidated 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 consolidated 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 the interim financial information consists of making inquiries, primarily of persons responsible for 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 consolidated 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 GROUP
CONDENSED INTERIM CONSOLIDATED INCOME STATEMENT
for the six months ended 30 June 2007

	Note	6 months	6 months	Supplementary	
		ended	ended	6 months	6 months
		30.06.2007	30.06.2006	ended	ended
		£ '000	£ '000	30.06.2007	30.06.2006
				Euro '000	Euro '000
Net interest income		194.727	95.734	333.618	164.017
Net fee and commission income		65.109	30.578	111.549	52.388
Profit on disposal and revaluation of securities	6	52.033	2.990	89.147	5.123
Foreign exchange income		9.344	6.652	16.009	11.396
Other income		23.168	10.491	39.692	17.974
Operating income		344.381	146.445	590.015	250.898
Staff costs		(86.968)	(51.480)	(149.000)	(88.199)
Depreciation and amortisation		(13.416)	(5.832)	(22.986)	(9.992)
Administrative expenses		(37.174)	(20.845)	(63.688)	(35.712)
Profit before provision for impairment of advances		206.823	68.288	354.341	116.995
Provision for impairment of advances	10	(25.855)	(22.911)	(44.296)	(39.252)
Profit before share of profit from associates		180.968	45.377	310.045	77.743
Share of profit from associates		482	399	826	683
Profit before tax		181.450	45.776	310.871	78.426
Tax		(19.378)	(6.557)	(33.200)	(11.234)
Profit after tax from continuing operations		162.072	39.219	277.671	67.192
Profit after tax from discontinued operations due to reduction in participation	7	50.443	-	86.422	-
Profit for the period		212.515	39.219	364.093	67.192
Attributable to:					
Minority interest		12.272	1.023	21.025	1.753
Equity holders of the Bank		200.243	38.196	343.068	65.439
		212.515	39.219	364.093	67.192
Earnings per share – for profit attributable to the equity holders of the Bank					
Earnings per share - cent	4	26,1	12,4	44,7	21,2
Earnings per share - for profit after tax from continuing operations attributable to the equity holders of the Bank					
Earnings per share - cent	4	20,7		35,5	

The notes on pages 7 to 25 are an integral part of these condensed interim consolidated financial statements.

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

	Note			<i>Supplementary information (Note 22)</i>	
		3 months ended 30.06.2007 C£ '000	3 months ended 30.06.2006 C£ '000	3 months ended 30.06.2007 Euro '000	3 months ended 30.06.2006 Euro '000
Net interest income		99.977	47.959	171.288	82.166
Net fee and commission income		29.298	15.725	50.195	26.941
Profit on disposal and revaluation of securities		16.008	838	27.426	1.436
Foreign exchange income		4.656	3.695	7.976	6.331
Other income		14.734	5.684	25.243	9.738
Operating income		164.673	73.901	282.128	126.612
Staff costs		(44.180)	(26.398)	(75.691)	(45.227)
Depreciation and amortisation		(6.804)	(3.435)	(11.658)	(5.885)
Administrative expenses		(20.342)	(9.594)	(34.851)	(16.437)
Profit before provision for impairment of advances		93.347	34.474	159.928	59.063
Provision for impairment of advances		(14.850)	(13.080)	(25.442)	(22.409)
Profit before share of profit from associates		78.497	21.394	134.486	36.654
Share of profit from associates		406	242	695	414
Profit before tax		78.903	21.636	135.181	37.068
Tax		(10.432)	(3.297)	(17.873)	(5.649)
Profit after tax from continuing operations		68.471	18.339	117.308	31.419
Profit after tax from discontinued operations due to reduction in participation		41.749	-	71.527	-
Profit for the period		110.220	18.339	188.835	31.419
Attributable to:					
Minority interest		8.867	405	15.192	694
Equity holders of the Bank		101.353	17.934	173.643	30.725
		110.220	18.339	188.835	31.419
Earnings per share – for profit attributable to the equity holders of the Bank					
Earnings per share - cent	4	12,8	5,8	21,9	9,9
Earnings per share - for profit after tax from continuing operations attributable to the equity holders of the Bank					
Earnings per share - cent	4	8,3		14,2	

The notes on pages 7 to 25 are an integral part of these condensed interim consolidated financial statements.

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

		30.06.2007	31.12.2006	<i>Supplementary information (Note 22)</i>	
	Note	€ '000	€ '000	30.06.2007	31.12.2006
				Euro '000	Euro '000
Assets					
Cash and balances with Central Banks		785.225	611.916	1.345.294	1.048.371
Due from other banks		3.183.662	2.403.761	5.454.441	4.118.268
Financial assets at fair value					
through profit or loss	8	393.641	375.823	674.410	643.882
Advances to customers	9	8.887.533	6.947.124	15.226.655	11.902.230
Government bonds and treasury bills		556.473	471.608	953.383	807.987
Available-for-sale financial assets		1.497.540	936.503	2.565.675	1.604.474
Held-to-maturity financial assets		25.255	27.499	43.268	47.113
Other assets		294.832	226.851	505.122	388.654
Investments in associates		8.162	8.856	13.984	15.173
Intangible assets		918.314	901.571	1.573.311	1.544.628
Property and equipment	11	136.967	136.460	234.660	233.791
		16.687.604	13.047.972	28.590.203	22.354.571
Assets held for sale	7	276.976	127.181	474.533	217.893
Total assets		16.964.580	13.175.153	29.064.736	22.572.464
Liabilities					
Due to other banks		1.114.257	440.095	1.909.011	753.997
Customer deposits		11.736.855	9.373.738	20.108.285	16.059.650
Senior debt	12	730.346	304.018	1.251.272	520.862
Loan capital	13	368.506	365.224	631.347	625.724
Other liabilities	8	864.319	791.636	1.480.804	1.356.279
		14.814.283	11.274.711	25.380.719	19.316.512
Liabilities directly related to assets held for sale	7	140.087	122.735	240.005	210.278
Total liabilities		14.954.370	11.397.446	25.620.724	19.526.790
Share capital and reserves attributable to the Bank's equity holders					
Share capital	14	398.341	395.159	682.462	677.010
Share premium	14	1.181.648	1.113.055	2.024.470	1.906.953
Treasury shares	14	-	(105.957)	-	(181.532)
Reserves	15	359.329	280.716	615.625	480.939
		1.939.318	1.682.973	3.322.557	2.883.370
Minority interest		70.892	94.734	121.455	162.304
Total equity		2.010.210	1.777.707	3.444.012	3.045.674
Total equity and liabilities		16.964.580	13.175.153	29.064.736	22.572.464

The notes on pages 7 to 25 are an integral part of these condensed interim consolidated financial statements.

MARFIN POPULAR BANK PUBLIC CO LTD GROUP
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the six months ended 30 June 2007

	Note	Attributable to equity holders of the Bank				Revenue reserves C£ '000	Minority interest C£ '000	Total C£ '000
		Share capital C£ '000	Share premium C£ '000	Treasury shares C£ '000	Fair value and currency translation reserves C£ '000			
Six months ended 30 June 2007								
Balance 1 January 2007		395.159	1.113.055	(105.957)	45.919	234.797	94.734	1.777.707
Revaluation of available-for-sale financial assets	15	-	-	-	23.032	-	(896)	22.136
Transfer to results on disposal of available-for-sale financial assets	15	-	-	-	(24.642)	-	-	(24.642)
Deferred tax	15	-	-	-	4.006	-	210	4.216
Exchange differences arising in the period	15	-	-	-	11.039	-	597	11.636
Profit recognized directly in equity Profit for the period		-	-	-	13.435	-	(89)	13.346
		-	-	-	-	200.243	12.272	212.515
Total recognized profit for the period		-	-	-	13.435	200.243	12.183	225.861
Dividend	16	-	-	-	-	(143.403)	-	(143.403)
Shares issued	14	3.182	15.911	-	-	-	-	19.093
Share issue costs	14	-	(1.288)	-	-	-	-	(1.288)
Disposal of treasury shares	14	-	53.970	105.957	-	-	-	159.927
Cost of share-based payments to employees	15	-	-	-	-	876	-	876
Dividend paid by subsidiaries		-	-	-	-	-	(4.326)	(4.326)
Reduction of capital by subsidiary		-	-	-	-	-	(10.325)	(10.325)
Effect of change in minority interest from group restructuring and other movements		-	-	-	-	7.462	(21.374)	(13.912)
		3.182	68.593	105.957	-	(135.065)	(36.025)	6.642
Balance 30 June 2007		398.341	1.181.648	-	59.354	299.975	70.892	2.010.210
Six months ended 30 June 2006								
Balance 1 January 2006		153.648	4.843	-	18.306	170.042	35.735	382.574
Revaluation of available-for-sale financial assets		-	-	-	11.604	-	(55)	11.549
Transfer to results on disposal of available-for-sale financial assets		-	-	-	(143)	-	-	(143)
Deferred tax		-	-	-	(175)	-	-	(175)
Exchange differences arising in the period		-	-	-	115	-	98	213
Profit recognized directly in equity Profit for the period		-	-	-	11.401	-	43	11.444
		-	-	-	-	38.196	1.023	39.219
Total recognized profit for the period		-	-	-	11.401	38.196	1.066	50.663
Exercise of rights		25.528	35.740	-	-	-	-	61.268
Expenses on the issue of rights		-	(1.053)	-	-	-	-	(1.053)
Acquisition of subsidiary		-	-	-	-	-	1.253	1.253
Change in minority interest from changes in shareholdings in subsidiaries		-	-	-	-	-	(428)	(428)
		25.528	34.687	-	-	-	825	61.040
Balance 30 June 2006		179.176	39.530	-	29.707	208.238	37.626	494.277

The notes on pages 7 to 25 are an integral part of these condensed interim consolidated financial statements.

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

	Note	30.06.2007	30.06.2006	<i>Supplementary information (Note 22)</i>	
		C£ '000	C£ '000	30.06.2007 <i>Euro '000</i>	30.06.2006 <i>Euro '000</i>
Cash generated from operations		1.054.499	4.121	1.806.632	7.060
Tax paid		(64.005)	(3.339)	(109.657)	(5.720)
Net cash from operating activities		990.494	782	1.696.975	1.340
Cash flows from investing activities					
Purchase less proceeds from disposal of property and equipment		(4.763)	(2.442)	(8.161)	(4.184)
Purchase less proceeds from disposal of computer software		(3.144)	(1.198)	(5.386)	(2.052)
Purchase less proceeds from disposal of investment property		(121)	-	(208)	-
Additions less proceeds from disposal/redemption of available-for-sale financial assets		(504.117)	(19.769)	(863.684)	(33.869)
Income from available-for-sale financial assets		28.201	12.595	48.316	21.578
Acquisition of subsidiary net of cash acquired		-	(5.022)	-	(8.604)
Changes in shareholding in subsidiaries		(4.514)	-	(7.734)	-
Dividend received from investments in associates		497	-	851	-
Net cash used in investing activities		(487.961)	(15.836)	(836.006)	(27.131)
Cash flows from financing activities					
Proceeds from sale of treasury shares	14	159.927	-	273.997	-
Proceeds from exercise of rights		-	60.215	-	103.164
Share issue costs	14	(1.288)	-	(2.206)	-
Proceeds from the issue of senior debt and loan capital		437.984	258.313	750.380	442.557
Repayment of loan capital		(14.253)	-	(24.419)	-
Interest paid on senior debt and loan capital		(17.185)	(4.836)	(29.442)	(8.285)
Dividend paid	16	(143.403)	-	(245.686)	-
Net cash from financing activities		421.782	313.692	722.624	537.436
Effects of exchange rate changes on cash and cash equivalents		12.571	(2.208)	21.537	(3.783)
Net increase in cash and cash equivalents		936.886	296.430	1.605.130	507.862
Cash and cash equivalents at beginning of period		2.897.985	1.770.138	4.965.001	3.032.706
Cash and cash equivalents at end of period		3.834.871	2.066.568	6.570.131	3.540.568

The notes on pages 7 to 25 are an integral part of these condensed interim consolidated financial statements.

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

1. INFORMATION FOR THE GROUP

The condensed interim consolidated financial statements consolidate the financial statements of Marfin Popular Bank Public Co Ltd (the "Bank") and its subsidiaries (the "Group"), for the six months ended 30 June, 2007.

Marfin Popular Bank Public Co Ltd is the parent company of Marfin Popular Bank Public Co Ltd Group. The principal activities of the Group, which are unchanged from last year, are the provision of banking, financial and insurance 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 consolidated 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 consolidated 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 consolidated financial statements for the year 2006 have been adopted in the preparation of the condensed interim consolidated financial statements. In addition, during the period the Group adopted an accounting policy for share based compensation in relation to the newly implemented share options scheme (Note 14) as set out below.

The Group's share option 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 Group 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 consolidated financial statements do not include all the information and disclosures required for the annual consolidated financial statements and should be read in conjunction with the audited consolidated financial statements of the Group for the year ended 31 December, 2006.

The condensed interim consolidated financial statements of the Group for the six months ended 30 June, 2007 have not been audited by the Group's external independent auditors. The Group'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 Group 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 GROUP
NOTES TO THE CONDENSED INTERIM CONSOLIDATED 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 consolidated financial statements of the Group for 2007.

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

The Group 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. The consolidated balance sheet at 31 December, 2006 has been restated to reflect the classification of Marfin Investment Group Holdings S.A. non-banking activities as discontinued operations due to reduction in participation (Note 7) and to reflect the adjustments to the initial accounting in relation to the initial results of the purchase price allocation regarding the acquisition of Marfin Investment Group Holdings S.A. and Egnatia Bank S.A. as explained in Note 19 (a) (iv).

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 attributable to the equity holders of the Bank	200.243	38.196	101.353	17.934
	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	765.771	307.387	792.327	310.379
Earnings per share – cent	26,1	12,4	12,8	5,8

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

4. EARNINGS PER SHARE (continued)

	6 months ended 30.06.2007 C£ '000	3 months ended 30.06.2007 C£ '000
Profit after tax from continuing operations	162.072	68.471
Minority interest	(3.516)	(2.386)
	<u>158.556</u>	<u>66.085</u>
	6 months ended 30.06.2007 '000	3 months ended 30.06.2007 '000
Profit after tax from continuing operations attributable to the equity holders of the Bank	<u>158.556</u>	<u>66.085</u>
	<u>765.771</u>	<u>792.327</u>
Weighted average number of shares in issue during the period	<u>765.771</u>	<u>792.327</u>
Earnings per share – cent	<u>20,7</u>	<u>8,3</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.

5. SEGMENTAL ANALYSIS

By business class – primary segment

	Banking services C£ '000	Insurance services C£ '000	Financial and other services C£ '000	Eliminations C£ '000	Total C£ '000
Six months ended 30 June 2007					
Total revenues	522.470	62.585	72.563	(18.655)	638.963
Profit before tax	127.194	17.461	36.795		181.450
Tax					<u>(19.378)</u>
Profit after tax from continuing operations					162.072
Profit after tax from discontinued operations due to reduction in participation					<u>50.443</u>
Profit for the period					<u>212.515</u>
Six months ended 30 June 2006					
Total revenues	245.438	10.899	25.762	(20.858)	261.241
Profit before tax	32.333	5.252	8.191		45.776
Tax					<u>(6.557)</u>
Profit for the period					<u>39.219</u>

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

6. PROFIT ON DISPOSAL AND REVALUATION OF SECURITIES

Included within the profit on disposal and revaluation of securities is an amount of C£ 7 m which relates to the profit from the sale of shares of Universal Life Insurance Public Co Ltd and an amount of C£ 22,4 m which relates to the profit from the sale of shares and warrants of Hellenic Bank Public Company Ltd held by the Group.

7. DISCONTINUED OPERATIONS DUE TO REDUCTION IN PARTICIPATION

According to IFRS 5 “Non-Current Assets Held for Sale and Discontinued Operations”, the Group’s investment in the non-banking activities of the Group of Marfin Investment Group Holdings S.A. is presented as discontinued operations due to reduction in participation and as held for sale at the date of acquisition. The criteria for classification as a disposal group held for sale have been fulfilled within a short period following the acquisition according to the provisions of IFRS 5. Consequently, the assets and liabilities which relate to the non-banking activities of the Group of Marfin Investment Group Holdings S.A. are presented as held for sale at 30 June, 2007 and 31 December, 2006 and the results for the six-monthly and three-monthly period ended 30 June, 2007 are presented as profit after tax from discontinued operations due to reduction in participation.

It is noted that 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% (Note 21) and the investment will be classified as an available-for-sale financial asset.

Although the percentage holding of Marfin Popular Bank Public Co Ltd Group in Marfin Investment Group Holdings S.A. decreased to 6,45% in July, 2007 (Note 21), the Group will continue to receive significant annual income from its cooperation with Marfin Investment Group Holdings S.A. in the form of advisory investment services which will be provided by Investment Bank of Greece S.A., one of the Group’s subsidiaries. The fee that the Group will receive will amount to 1% of Marfin Investment Group Holdings S.A. Net Asset Value in accordance with the provisions of an investment advisory agreement, which will be renewed annually (one year rolling term).

Profit after tax from discontinued operations due to reduction in participation as presented on the condensed interim consolidated income statement is analysed as follows:

	6 months ended 30.06.2007 C£ '000
Net interest income	193
Net fee and commission expense	(58)
Profit on disposal and revaluation of securities	48.800
Foreign exchange income	(124)
Other income	7.070
Operating income	55.881
Staff costs	(455)
Depreciation and amortisation	(7)
Administrative expenses	(1.035)
Profit before share of profit from associates	54.384
Share of profit from associates	177
Profit before tax	54.561
Tax	(4.118)
Profit after tax from discontinued operations due to reduction in participation	50.443

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

7. DISCONTINUED OPERATIONS DUE TO REDUCTION IN PARTICIPATION (continued)

Assets held for sale and liabilities directly related to assets held for sale as presented on the condensed interim consolidated balance sheet are analysed as follows:

	30.06.2007 C£ '000
Due from other banks	190
Financial assets at fair value through profit or loss	202.331
Advances to customers	1.237
Available-for-sale financial assets	7.962
Other assets	61.498
Investments in associates	3.721
Property and equipment	37
Assets held for sale	<u>276.976</u>
Senior debt	10
Other liabilities	140.077
Liabilities directly related to assets held for sale	<u>140.087</u>

8. DERIVATIVE FINANCIAL INSTRUMENTS

Included within financial assets at fair value through profit or loss is an amount of C£ 12 m which relates to the positive fair value of derivative financial instruments. Included within other liabilities is an amount of C£ 14 m, which relates to the negative fair value of derivative financial instruments.

9. ADVANCES TO CUSTOMERS

	30.06.2007 C£ '000
Advances to customers	8.732.445
Instalment finance and leasing	<u>526.618</u>
Provision for impairment of advances (Note 10)	9.259.063 <u>(371.530)</u>
	<u>8.887.533</u>

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

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

10. PROVISION FOR IMPAIRMENT OF ADVANCES

Movement in the six months to 30 June 2007:

	Provisions C£ '000	Suspension of income C£ '000	Total C£ '000
Balance 1 January 2007	294.174	69.812	363.986
Provision for impairment of advances for the period	50.705	-	50.705
Release of provision and recoveries	(24.850)	(19.141)	(43.991)
Advances written-off	(7.808)	(3.010)	(10.818)
Exchange differences	1.210	-	1.210
Suspension of income for the period	-	10.438	10.438
	<hr/>		
Balance 30 June 2007	313.431	58.099	371.530

11. PROPERTY AND EQUIPMENT

Movement in the six months to 30 June 2007:

	C£ '000
Net book value at 1 January 2007	136.460
Additions less disposals of property and equipment	4.716
Depreciation	(4.897)
Exchange differences	688
	<hr/>
Net book value at 30 June 2007	136.967

12. 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.

13. LOAN CAPITAL

	30.06.2007 C£ '000
Convertible debentures 2003/2013	210
Non-convertible debentures 2003/2007	8.968
Non-convertible debentures 2005/2015	46.695
Eurobonds due 2016	262.633
Capital securities	50.000
	<hr/>
Total loan capital	368.506

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

13. LOAN CAPITAL (continued)

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 the convertible debentures 2003/2013, the non-convertible debentures 2005/2015 and the eurobonds due 2016, falls in the period of "over five years" from the balance sheet date. The capital securities are perpetual.

Convertible debentures 2003/2013

In January 2003 Egnatia Bank S.A. issued euro 30 m convertible debentures due 2013. The debentures pay interest every three months on 31 March, 30 June, 30 September and 31 December of each year. Interest is equal to the three-monthly rate of euro (Euribor) plus 1,75% until repurchase date and thereafter 3,25% to maturity.

The debenture holders have the right to convert one debenture into one share. The issuing bank has the right to repurchase the debentures after the end of the fifth year. The debentures are not secured and they rank for payment after the claims of depositors and other creditors.

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.

Non-convertible debentures 2005/2015

In May 2005, Egnatia Bank S.A. issued euro 80 m non-convertible debentures due on 4 May, 2015. The debentures pay interest every three months on 4 February, 4 May, 4 August and 4 November of each year. Interest is set at 1,1% above the three-month rate of euro (Euribor) until its redemption date and after this day interest will be set at 2,4% above Euribor.

Egnatia Bank S.A. has the right to wholly redeem the bonds on or after 4 May, 2010.

The debentures which are not secured and which rank for payment after the claims of depositors and other creditors, are listed on the Luxembourg Stock Exchange and their market value at 30 June, 2007 was euro 81,6 m, C£ 47,6 m.

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.

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

13. LOAN CAPITAL (continued)

Eurobonds due 2016 (continued)

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.

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.

Preference shares

The preference shares of Egnatia Bank S.A. were extinguished and converted into ordinary shares with voting right according to the share for share exchange terms of the merger procedure of the three banks and according to a decision by the Extraordinary General Meeting of the ordinary shareholders dated 21 June, 2006. Specifically, every shareholder of the absorbing company Egnatia Bank S.A. exchanged one existing ordinary or preference share of nominal value of euro 1,17 with a newly issued ordinary share of nominal value of euro 1,27.

14. SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES

	Number of shares '000	Share capital C£ '000	Share premium C£ '000	Treasury shares C£ '000	Total C£ '000
Balance 1 January 2007	790.319	395.159	1.113.055	(105.957)	1.402.257
Shares issued (a)	6.364	3.182	15.911	-	19.093
Treasury shares sold (b)	-	-	53.970	105.957	159.927
Share issue costs	-	-	(1.288)	-	(1.288)
Balance 30 June 2007	796.683	398.341	1.181.648	-	1.579.989

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).

- (a) 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.

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

14. SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES (continued)

- (b) The treasury shares, which were held as at 31 December, 2006 by Marfin Investment Group Holdings S.A. in Marfin Popular Bank Public Co Ltd were sold during 2007 and the gain from the disposal was taken to the share premium account in the consolidated financial statements of the Group.

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%.

15. RESERVES

Movement in the six months to 30 June 2007:

	C€ '000
Revenue reserves	
Balance 1 January 2007	234.797
Profit for the period attributable to equity holders of the Bank	200.243
Dividend paid (Note 16)	(143.403)
Cost of share-based payments to employees	876
Effect of change in minority interest from group restructuring	7.462
	<hr/>
Balance 30 June 2007	299.975
Property fair value reserves	
Balance 1 January and 30 June 2007	15.545
	<hr/>
Available-for-sale financial assets fair value reserves	
Balance 1 January 2007	30.770
Revaluation for the period	23.032
Transfer to results on disposal of available-for-sale financial assets	(24.642)
Deferred tax	4.006
	<hr/>
Balance 30 June 2007	33.166
Currency translation reserves	
Balance 1 January 2007	(396)
Exchange differences arising in the period	11.039
	<hr/>
Balance 30 June 2007	10.643
	<hr/>
Total reserves 30 June 2007	359.329

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

16. 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.

17. CONTINGENCIES AND COMMITMENTS

Capital expenditure for the Group at 30 June, 2007 amounted to C£ 11,7 m.

As at 30 June, 2007 there were pending litigations against the Group 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 Group will suffer any significant loss. Therefore, no provision has been recognised in the financial statements regarding these cases.

18. NET ASSETS ATTRIBUTABLE TO LIFE POLICYHOLDERS

The net assets attributable to life policyholders, which are included in the condensed interim consolidated balance sheet are presented below:

	30.06.2007
	C£ '000
Deposits with banks	93.880
Financial assets at fair value through profit or loss	149.971
Advances to policy holders	17.733
Reinsurance assets and other assets	4.940
Investment property	14.194
Liabilities	(3.184)
	<hr/>
Net assets attributable to life policy holders	277.534

The aforementioned assets and liabilities attributable to life policy holders of the insurance subsidiaries of the Group are included in the assets and liabilities of the condensed interim consolidated balance sheet.

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

19. INVESTMENTS IN SUBSIDIARY COMPANIES

The main subsidiary companies of the Group, as at 30 June 2007 were as follows:

Company name	Effective shareholding	Country of incorporation	Activity sector
	(1)		
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.

The Group performs full consolidation for all of its subsidiaries.

(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 GROUP
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

19. 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) Preliminary results of Purchase Price Allocation for the acquisition of Marfin Investment Group Holdings S.A. and Egnatia Bank S.A.

The Bank is in the process of completing the fair valuation and purchase price allocation for the acquisition of Marfin Investment Group Holdings S.A. and Egnatia Bank S.A. as at the date of acquisition. Consequently, the Group has applied initial accounting determined provisionally according to IFRS 3 "Business Combinations". Based on adjustments to the preliminary accounting adopted in the consolidated financial statements for the year ended 31 December, 2006, the Group recognised C£ 210 m intangible assets, which relate to the estimated fair value for trade names, customers' relationships, core deposits, software and asset management. The results were charged with amortisation of the intangible assets recognised amounting to C£ 5,6 m. A deferred tax liability of C£ 52,4 m in relation to the aforementioned intangible assets has also been recognised.

The Group's investment in the non-banking activities of the Group of Marfin Investment Group Holdings S.A. is presented as discontinued operations due to reduction in participation and as held for sale at the date of acquisition as explained in Note 7. This classification has been included in the adjustments to the initial accounting. A reduction to the deferred tax asset of C£ 10,1 m and an increase to the deferred tax liability of C£ 46,6 m with corresponding adjustments to goodwill have also been recognised in relation to the non-banking activities of the Group of Marfin Investment Group Holdings S.A. The adjustments to the deferred tax asset and liability are included in the following table in the assets held for sale and liabilities directly related to assets held for sale respectively.

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

19. INVESTMENTS IN SUBSIDIARY COMPANIES (continued)

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

(iv) Preliminary results of Purchase Price Allocation for the acquisition of Marfin Investment Group Holdings S.A. and Egnatia Bank S.A. (continued)

In view of the merger by absorption of Marfin Bank S.A. with Egnatia Bank S.A., the assets and liabilities of the Groups of Marfin Investment Group Holdings S.A. and Egnatia Bank S.A. acquired at the acquisition date are presented in aggregate as follows:

	Fair value C€ '000	Carrying value C€ '000
Cash and cash equivalents	679.589	679.589
Due from other banks	176.205	176.205
Financial assets at fair value through profit or loss	100.080	100.080
Government bonds and treasury bills	175.027	175.027
Advances to customers	2.163.756	2.163.756
Available-for-sale financial assets	127.019	127.019
Held-to-maturity financial assets	20.913	20.913
Investments in associates	1.976	1.976
Other investments	105.957	105.957
Intangible assets	256.877	47.395
Investment property	14.968	14.968
Property and equipment	43.470	43.470
Other assets	69.932	69.932
Assets held for sale	127.181	137.317
Due to other banks	(326.662)	(326.662)
Customer deposits	(2.484.959)	(2.484.959)
Senior debt	(130.559)	(130.559)
Loan capital	(48.958)	(48.958)
Other liabilities	(122.263)	(122.263)
Deferred tax	(55.221)	(2.850)
Liabilities directly related to assets held for sale	(122.735)	(76.104)
Net assets	771.593	671.249
Minority interest	(81.866)	(68.693)
Net assets acquired	<u>689.727</u>	<u>602.556</u>
		C€ '000
Consideration for acquisition:		
Fair value of shares issued		1.238.046
Costs directly related to the acquisition		<u>4.159</u>
Total consideration for acquisition		1.242.205
Fair value of net assets acquired		<u>(689.727)</u>
Goodwill		<u>552.478</u>

The Group will recognize any further adjustments to the preliminary values within a period of 12 months from the acquisition date, as prescribed by IFRS 3.

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

19. INVESTMENTS IN SUBSIDIARY COMPANIES (continued)

(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%. Goodwill from this increase was euro 3,2 m, C£ 1,9 m.

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.

(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%. Goodwill from these increases was euro 284 thousands, C£ 166 thousands.

(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 increase 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 bring Egnatia Bank S.A. holding in the company from 60% to 100%. Goodwill from this increase was euro 114 thousands, C£ 67 thousands.

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%.

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

19. INVESTMENTS IN SUBSIDIARY COMPANIES (continued)

(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 the aforementioned holdings was C£ 2,9 m and goodwill arising was C£ 623 thousands.

(j) Increase in shareholding in Laiki Investment 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%. Goodwill arising on the additional shares acquired was C£ 1,2 m.

(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%. Goodwill arising on the additional shares acquired amounted to C£ 330 thousands.

(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.

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

20. RELATED PARTY TRANSACTIONS

	30.06.2007 C£ '000
Advances to Directors and their connected persons	70.343
Advances to other key management personnel and their connected persons	3.736
	<hr/>
Total advances	74.079
	<hr/>
Guarantees to Directors and their connected persons	14.336
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	21.744
	<hr/>
Total advances and other liabilities	95.823
	<hr/>
Tangible securities	105.267
	<hr/>
Interest income	1.020
	<hr/>
Deposits	10.856
	<hr/>
Interest expense	156
	<hr/>

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£ 19,3 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 by associates of the Group at 30 June, 2007 were C£ 9,5 m, and the interest on these deposits was C£ 340 thousands. During the first six months of 2007 the Group received dividend of C£ 497 thousands from associated companies. The deposits of the provident funds of the employees of the Group, which are also regarded as related parties, were C£ 8,3 m.

Other transactions with related parties

During the first six months of 2007 the Group received commissions on stock exchange transactions from key management personnel amounting to C£ 38 thousands and 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 banking and investment operations of the Group, on commercial terms.

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20. RELATED PARTY TRANSACTIONS (continued)

Group key management personnel compensation

	30.06.2007 C£ '000
Fees paid to Directors as members of the Board	42
Remuneration of Directors under executive role:	
Salaries and other short-term benefits	229
Employer's social insurance contributions	15
Retirement benefits scheme expense	15
Total remuneration of Directors under executive role	259
Consultancy services fees of Directors under non-executive role	96
Compensation of other key management personnel	
Salaries and other short-term benefits	412
Employer's social insurance contributions	51
Retirement benefits scheme expense	56
Total compensation of other key management personnel	519
Total compensation of key management personnel	916

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

	C£ '000
Fees paid as members	67
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	119

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.

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21. 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 the 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 Group 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 Group announced that the discussions for the merger are expected to be completed within the first weeks of September.

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. following the increase 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.

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21. POST BALANCE SHEET EVENTS (continued)

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.

22. SUPPLEMENTARY INFORMATION

The condensed interim consolidated income statement for the six months ended 30 June, 2007, and 30 June, 2006, the condensed interim consolidated income statement for the three months ended 30 June, 2007, and 30 June, 2006, the condensed interim consolidated balance sheet as at 30 June, 2007, and 31 December, 2006, as well as, the condensed interim consolidated 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.

23. APPROVAL OF FINANCIAL STATEMENTS

The condensed interim consolidated financial statements were approved by the Board of Directors of the Bank on 29 August, 2007.