MARFIN EGNATIA BANK S.A.

ANNUAL REPORT

FOR THE YEAR 2007

In Accordance with the C.M.C. rule 7/372/15.2.2006

May 2008

MARFIN EGNATIA BANK

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CONSOLIDATED MANAGEMENT REPORT FOR THE YEAR ENDING 31 DECEMBER, 2007

Contrary to prudent estimates the global economy in 2007 outplayed the initial forecasts with a significant growth rate increase of 3,4%. The positive climate was mainly triggered by the European and the Emerging markets that balanced the low U.S. market growth rate. In spite of its high growth record, the world economy was faced with adverse conditions especially during the last quarter due to the shrinkage of credit spreading, the immense increase in the oil prices, as well as the turning point in the U.S. real estate market.

The Greek economy in 2007 achieved a high growth rate of 4%, almost double than the one in the Eurozone (2,2%). The general government debt has noticeably decreased to 93,4% of the GDP from 95,3% in 2006, while the unemployment rate has been on a steep downward trend and reached 8,3% from 9,3% in 2006. The country has gradually made a significant progress in the real convergence process of the Eurozone, with per capita GDP reaching 98,4 in 2007 up from 96,9 in 2006 and measured in constant prices with reference to the average of the Eurozone (100).

In this favorable economic environment the Greek banks have preserved their brisk economic growth, parallel to their expansion programme in the southeastern European markets. Typical of this healthy economic environment is the growth rate in Cyprus that has reached 3,7% in 2007, while the economies of Russia and Ukraine experienced a growth rate increase of more than 6,5%. The growth rate in Romania, a country within which the Bank operates a network of 19 branches, is expected to exceed 7,5% in 2007.

In 2007, that has been yet another profit-bearing year for the Greek banking sector, and following the successful completion of the legal and functional merger of the three banks, the Group of Marfin Egnatia Bank has seen great success and significant growth. At the end of the year, the Group enjoyed total assets of € 13,7 billion, a network of 179 branches in Greece and Romania, and human potential consisting of 3.256 employees. Furthermore, the Management successfully overcame its initial business objectives for the year 2007 and announced a revised business plan for the period 2008-2010.

The consolidated net profit after tax and minority interest has reached the amount of € 135,1 million, an increase of 174% with reference to the comparative period. Net profit after tax before minority interest has increased by €69,3 million (an increase of 96%) with reference to results in 2006.

The Group's total assets have reached the amount of € 13,7 billion with an increase rate of 47% compared to the comparative period as at the end of 2006. Total loans and advances issued by the Group have had a significant annual increase of 54% and have reached €9,6 billion. Loans to entities abroad have reached the amount of € 0,5 billion and correspond to 5,2% of total loans and advances issued by the Group. Respectively, the Group's total deposits have increased by 29% and have reached the amount of € 9,3 billion. This increase is mainly due to the network's extension, the gradual ripeness of the braches, as well as the Group's customer base expansion.

Total operating income has increased by 38,5% and has reached the amount of € 514,4 million. The strengthening in both the loans and the deposits portfolio has led to a significant increase in net interest income that has reached the amount of € 267,4 million with an overall increase by 27% compared to results in 2006.

Fee and commission income has had a remarkable increase by 84% and has reached the amount of € 197,4 million. The increase was mainly due to the rise in banking, broking and investing services, as well as in customers' portfolio management.

Total operating expenses have also increased by 26% to the amount of € 258,3 million. The increase in operating expenses is mainly due to the reestablishment of 10 braches, the opening of 10 new banking centers and 16 new branches in Greece, as well as 11 new branches in Romania. Furthermore, the increase in operating expenses is also due to expenditure for the merger of the three banks and a small voluntary retirement programme.

The Group's operational effectiveness rate has reached 50,2% compared to 55,2% at the end of 2006.

The Group's profitability increase has led to a significant strengthening of Return on Assets to 1,23% with reference to 0,84% in 2006, while Return on Tangible Equity has reached 19,6%.

The Bank in 2007 will not recommend distribution of dividend in the context of the realization of its business plan and the strengthening of its development policies.

During 2007 a series of strategic decision-making has commenced with main objective the improvement of the Bank's position in the local market and the further strengthening of its position abroad.

The most important of these decisions concern:

- Successful completion of the functional and legal merger with absorption of "Marfin Bank S.A." and "Laiki Bank (Hellas) S.A." by Marfin Egnatia Bank. The new Bank is a subsidiary of Marfin Popular Bank by 95,66%.
- Network expansion: Within 2007, 16 new branches in Greece and 10 new banking centers in Romania came into operation, while 11 new braches further expanded the network in Romania.

The outcome of the above mentioned decisions was realized immediately vis-à-vis the significant improvement in market shares for all product lines. The Bank has raised its share in total loans issued to 4,4% in 2007 compared to 3,6% in 2006 and in deposits to 4,8% compared to 3,9% respectively. Equally significant was the improvement of market shares in specific loan categories. In particular Marfin Egnatia bank has improved its market share in mortgage loans to 2,6% in 2007 compared to 1,8% on the prior year and in business loans to 5,3% from 4,3% respectively. Furthermore, in 2007, the Group's subsidiary Investment Bank of Greece S.A. took over the second position in the trading market with a market share of 18,1% from 12,1 in 2006, while in the derivative market it remained in the first position with a market share of 21% in 2007.

The Group exploits all modern capital adequacy management methods. It has issued a 10year Bond loan as secondary capital (Tier II capital) for capital adequacy purposes, utilises the Schuldschein programme, and has approved of a Covered Bonds programme consisting of mortgage and shipping loans, which is scheduled to commence during 2008.

In such a manner, the Group has succeeded in maintaining a strong and stable capital basis that traditionally exceeds compliance with the capital requirements of the Bank of Greece (BoG). The Capital Adequacy ratio as at the end of the year has reached 10,79% (compared to 8% of regulatory requirements), while the Tier ratio has reached 7,95% (compared to required 4%).

The issue of consultation papers by the Bank of Greece on the implementation of the Basel II framework gave drive to the reorganization of the Group's traditional risk assessment units (credit and market risks), the implementation of an operational risk department, and the formulation of a special unit for the application of the Basel II framework. Also, a Risk Management Committee has been introduced to supervise the aforementioned activities.

Risk Management Committee takes part in the processes of product/service development and modification. Its participation is aimed at evaluation and consultation before the actual products/ services are introduced, so that existing risks be recognized and blocked.

Following the completion of the merger of the three banks on June 30, 2007, common structures for credit risk systems and a unified credit policy handbook have been implemented. Furthermore the increased requirements from the Basel II framework have been incorporated. A single methodology for the identification and the measurement of the Group's credit risk has been introduced with a common two-dimensional risk grading system and a single risk provisions methodology. The credit policy determines the basic principles concerning risk undertaking, risk grades with reference to risk assessment tools, and the strategic plan on the Bank's development, and constitutes a dynamic handbook that accommodates specific parameters to current events. The assessment of unexpected risks is implemented with the conduct of crisis conditions' simulation and the production of reports aiming either at the reduction of risks through action plans produced by the risk management units, or at planning for the allocation of necessary resources.

For managing the Group's market risks, a recorded policy is available, as well as specific procedures and grades with reference to its constituent components (fluctuation and volatility of prices, interest rate risks, currency risks, liquidity risks, counterparty risks, etc) which are backed by specialized risk management systems and automated reports. Market risk measurement reports are produced on a daily basis according to a "Value at Risk" model, while crisis simulations are conducted periodically.

For monitoring the Group's operational risk the newly established department has layed foundations for its three most important tools, Operational Loss Event Collection (Loss Database), Risk Control Self Assessment workshops, and key Risk Indicators. At the same time it has systematized controls for outsourcing in accordance with regulatory requirements.

A special unit for information systems' security has also been established and implements a specific security policy for the Group.

As far as insurance coverage is concerned, the Bank is covered by the "Bankers Blanket Bond", while the members of the Boards of Directors and executives of the Group's companies are covered for negligence in the exercise of their duties.

Following the completion of the merger of the three banks which nowadays constitute Marfin Egnatia Bank, and the formulation of its new strong shareholder synthesis, FITCH international agency reassessed the bank's credit rating which at the end of the year was as follows: long term rating: BBB, short-term rating: F3, financial strength: C and outlook: positive. At the same time Moody's agency has reassessed deposits in foreign currency and results are as follows: long term rating: Baa1, short-term rating: P-2, financial strength- : D+ and outlook: stable. The Bank has also been assessed by Standard & Poor's and has received the following credit ratings: long-term issuer: BBB+, short-term-issuer: A2 and outlook: stable.

Apart from its effective business activities, the Group of Marfin Egnatia Bank promotes the principles of corporate governance and invests in corporate social responsibility considerations. The corporate social responsibility programme applied by the Group includes human aid initiatives as well as the development of local communities and the protection of the environment. The most significant of such initiatives include the annual organization of a radio marathon for children, the revenues of which reinforce nursing, medical treatment and rehabilitation institutions for children with serious health problems. It is worth mentioning that the programme also provides financial support to Parnitha National Park protection and development projects, as well as to sporting associations which maintain teams for children and teenagers.

Thessaloniki, 28 February 2008

THE PRESIDENT OF
THE BOARD OF DIRECTORS

VASSILIOS N.THEOCHARAKIS

Attached: Explanatory Report of the Board of Directors to the General Assembly of the Shareholders.

EXPLANATORY REPORT

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

a) Structure of the Company's Share Capital

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

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

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

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

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

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

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

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

The Bank's shares are ordinary, nominal and undivided, registered and listed for trading under the Special Stock Exchange Characteristics category in the Athens Stock Exchange, and have been issued in accordance with Law 2190/1920 and the Bank's Articles of Association.
Each share provides privileges prescribed by the Law and the Articles of Association. In particular, every shareholder has privileges over the receipt of a minimum mandatory dividend distributed annually in accordance with the Law and the Articles of Association of the Bank, as well as the decisions of the General Assemblies of the Bank's Shareholders.
They are also entitled to return of the capital paid up by holders of shares from the product of the liquidation of the Bank's assets in the event of the Bank being wound up, in accordance with Law provisions and the Articles of Association.
Shareholders exercise their privileges in connection with the Bank's Management only vis-à-vis the General Assembly. Each share grants privileges for a single vote. The liability of the Shareholders is limited to the nominal value of the shares they hold.

b) Limits on transfer of the Bank's shares

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

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

On 5.1.207 the parent company MARFIN POPULAR BANK PUBLIC CO LTD held 80.634 960 ordinary shares and voting rights that corresponded to the percentage of 86, 21% of the Bank's total share capital and the 86, 44% of total voting rights.

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

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

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

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

d) Shares conferring special control rights

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

e) Limitations on voting rights

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

f) Agreements among the Bank's shareholders

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

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

The Bank is managed by the Board of Directors that comprises of at least five (5) members, and not more than fifteen (15) members, which are elected during the General Assembly for a three-year term extendable up to the Annual General Assembly conducted within the year of the term's expiration. The Members of the Board of Directors are re-appointable indefinitely.
Individuals sentenced for theft, misappropriation, usury, profiteering, deception, blackmail, forgery, issue of dud cheques, bribery, bankruptcy, smuggling or attempts of such violations, as well as, individuals which lack political rights, are under inhibition or judicial apprehension, or have declared bankrupt and have not been reinstated, cannot be appointed members of the

Board of Directors. Any elected member of the Board of Directors which will find itself in one or more of the aforementioned positions will be discharged of duties.

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

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

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

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

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

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

2. Auditor’s Report for the Consolidated Financial Statements of the group as at 31/12/2007

INDEPENDENT AUDITOR'S REPORT

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

Report on Financial Statements

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

Responsibility of the Management for the Financial Statements

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

Responsibility of the Auditor

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

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

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

Opinion

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

Report on Other Legal and Regulatory Requirements

The information included in the Board of Director's report, contains all information required by article 107, paragraph 3 of Law 2190/20 and article 11a of Law 3371/2005 and is consistent with the consolidated financial statements.

Athens, February 28th, 2008
The Certified Public Accountant

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Sotiris A. Constantinou
SOEL Reg. No. 13 671

Grant Thornton

44 Vasileos Constantinou
116 35 Athens

SOEL Reg. No.127

3. Consolidated Financial Statements of the Group as at 31/12/2007

MARFIN EGNATIA BANK

Consolidated Income Statement
For the year ended 31 December 2007
(In thousands of Euro)

	Notes	2007	2006
Interest and similar income		746,829	458,330
Interest and similar expense		(479,476)	(247,482)
Net interest income	**7**	**267,353**	**210,848**
Fee and commission interest		257,662	139,333
Fee and commission expense		(60,237)	(31,957)
Net fee and commission income	**8**	**197,425**	**107,376**
Net trading income	**9**	37,505	46,152
Net income from financial instruments designated at fair value through profit or loss		455	568
Dividend income	**10**	2,059	1,033
Other income	**11**	9,605	5,346
Operating income		**514,402**	**371,323**
Impairment of loans and advances	**21**	(59,846)	(63,629)
Impairment of losses	**12**	(744)	-
Staff costs	**13**	(156,757)	(119,282)
Depreciation and amortization	**24, 25**	(13,141)	(14,045)
Operating expenses	**14**	(87,878)	(71,862)
Analogy of profit (Loss) from subsidiaries		193	49
Profit (Loss) before taxes		**196.229**	**102.554**
Income tax	**15**	(54.883)	(30.495)
Profit (Loss) after taxes		**141.346**	**72.059**
<u>Distributed to:</u>			
Shareholders of the company		135,086	49,296
Minority interests		6,260	22,763
Prifit (Loss) per share	**16**		
Basic		0.48	0.23
Adjusted		0.47	0.23

Athens, 28 February 2008

The Chairman Of the Board of Directors	**The Managing Director**	**The Manager of the Finance Department**
Vassilios N. Theocharakis I.D. No AB 340063/06	Efhimios T. Bouloutas I.D. No X 501092/02	Aggelos N. Sapranidis I.D. No AA 273117/05 Permit No. 0016834/18-07-2001

Consolidated Balance Sheet
31 December 2007
(In thousands of Euro)

Assets	**Notes**	**2007**	**2006**
Cash and balances in Central Bank	**17**	585,464	363,405
Loans and advances to Banks	**18**	1,933,596	1,529,478
Trading securities	**19**	340,274	280,788
Derivative financial instruments – assets	**20**	10,935	8,064
Loans and advances to customers (net of impairment)	**21**	9,648,283	6,274,701
Investment securities	**22**	680,369	506,045
Investment in associates	**23**	1,988	2,327
Intangible assets	**24**	62,181	55,473
Property, plant and equipment	**25**	90,209	89,931
Deferred tax asset	**26**	34,141	13,646
Investment properties		31,856	26,161
Reinsurance assets	**27**	628	344
Other assets	**28**	295,037	147,510
Total assets		**13,714,961**	**9,297,873**
Liabilities			
Due to other banks	**29**	2,415,322	762,773
Due to customers	**30**	9,300,747	7,185,956
Derivative financial instruments – liabilities	**20**	33,869	4,058
Debt securities in issue and other borrowed funds	**31**	530,803	331,389
Employee benefits	**32**	11,317	10,705
Other provisions	**33**	16,128	673
Tax payble		41,567	25,823
Deferred tax liability	**26**	17,023	4,929
Insurance contract liabilities	**27**	18,557	1,442
Other liabilities	**34**	501,263	240,659
Total liabilities		**12,886,596**	**8,568,407**
Share capital	**35**	366,556	353,520
Share premium	**35**	327,261	312,125
Reserves	**36**	(3,411)	34,705
Retained earnings		122,091	8,114
Capital and reserves attributable to equity holders		**812,497**	**708,464**
Minority interest		15,868	21,002
Total equity		**828,365**	**729,466**
Total equity and liabilities		**13,714,961**	**9,297,873**

Consolidated Statement of Changes in Shareholders' Equity
For the year ended 31 December 2007
(In thoudand of Euro)

	Share Capital	Share Premium	Reserves	Investment Valuation Differences	Retained earnings	Net Equity of Shareholders of the Company	Minority Interest	Total Net Equity
Balance as at December 31, 2005	107,840	138,479	18,308	(475)	(22,036)	242,116	7,287	249,403
Add adjustments for merger (pulling of interests method)	132,792	76,235	18,445	(1,547)	19,705	245,630	103,177	348,807
Balance as at January 1, 2006	**240,632**	**214,714**	**36,753**	**(2,022)**	**(2,331)**	**487,746**	**110,464**	**598,210**
Increase of Share Capital	112,888	121,054				233,942	(22,358)	211,584
Dividends for the fiscal year 2005			1,458		(14,087)	(12,629)	(343)	(12,972)
Revaluation of available for sale portfolio				(1,544)		(1,544)		(1,544)
Results for the period					49,296	49,296	22,763	72,059
Offsetting (capitalization of reserves)		(23,643)			23,643			
Offsetting (preference shares)					2,745	2,745		2,745
Impact through Percentage of participation in subsidiaries and other movements				61	(51,153)	(51,092)	(89,524)	(140,616)
Balance as at December 31, 2006	**353,520**	**312,125**	**38,211**	**(3,505)**	**8,113**	**708,464**	**21,002**	**729,466**
Balance as at January 1, 2007	**353,520**	**312,125**	**38,211**	**(3,505)**	**8,113**	**708,464**	**21,002**	**729,466**
Share capital increase from conversion of preferense to common shares and conversion of bonds	13,036	15,136				28,172		28,172
Dividends for the fiscal year 2006			9,033		(13,697)	(4,664)	(1,323)	(5,987)
Revaluation of available for sale portfolio				(54,684)		(54,684)	82	(54,602)
Results for the period					135,086	135,086	6,260	141,346
Stock option plan reserve			1,599			1,599	31	1,630
Impact through Percentage of participation in subsidiaries and other movements			5,965	(29)	(7,412)	(1,476)	(10,184)	(11,660)
Balance as at December 31, 2007	**366,556**	**327,261**	**54,808**	**(58,218)**	**122,090**	**812,497**	**15,868**	**828,365**

Consolidated Cash Flow Statement
For the year ended 31 December 2007
(In thousands of Euro)

	2007	2006
Cash flows from operating activities		
Profit/Loss before taxes	196,230	102,554
Adjustments for non-cash items		
Depreciation	13,141	14,045
Impairment loss and advances	59,846	63,629
Other provisions	23,633	0
Employee benefits	1,894	1,600
Valuation trading portfolio	(1,143)	(7,312)
Transfer to investing activities	(38,080)	(1,210)
Transfer to financing activities	14,706	13,086
	270,227	**186,392**
Changes in operating assets		
Loans and advances to banks	(82,999)	(96,809)
Trading securities and derivatives	(62,356)	64,650
Loans and advances to customers	(3,433,428)	(1,167,921)
Other liabilities	(194,462)	61,816
Changes in operating liabilities		
Deposits from banks	1,652,549	320,010
Deposits from customers	2,114,792	957,437
Other liabilities	338,714	170,493
Net cash flow from operating activities before taxes	**603,037**	**496,068**
Tax paid	(33,449)	(19,426)
Net cash flow from operating activities	**569,588**	**476,642**
Cash flows from Investing Activities		
Investments in subsidiaries and associates	0	(183,638)
Sale / Liquidation of subsidiaries-associates	(8,508)	0
Net (increase)/decrease in investments	(263,449)	(203,781)
Dividents received	179	73
Purchase of Assets	(30,159)	(21,524)
Sale of assets	7,255	787
Interest from investing activities	35,860	5,490
Other flows from investing activities	1,585	219
Net Cash flows from from Investing Activities	**(257,237)**	**(402,374)**
Cash flows from Financing Activities		
Dividents distributed	(5,342)	(12,972)
Issue (payment) of debt	236,205	(21,618)
Increase in share capital	0	187,941
Other flows from financing activities	(7)	27,490
Net Cash flows from financing Activities	**230,856**	**180,841**
Total net Cash Flows	**543,207**	**255,109**
Effect of exchange rate changes on cash and cash equivalents	(29)	696
Net cash flow increase (decrease)	**543,178**	**255,805**
Cash and cash equivalents, opening	**1,892,883**	**1,637,078**
Cash and cash equivalents, closing	**2,436,061**	**1,892,883**
Cash and Cash equivalents consist of :		
Cash and cash balances with Central Bank	585,464	363,405
Due from Banks	1,850,597	1,529,478

1. General information on the Group

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

The Group of companies of Marfin Egnatia Bank, "the Group", operates mainly in the financial sector and provides a broad range of financial and banking services to individuals and businesses.
The Group's primary activities are in Greece, but it also has subsidiaries that operate in Romania and Cyprus. The Group employs a total of 3.256 persons.

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

The merger was completed and is considered valid since June 29, 2007, the date of incorporation into the Registry of Societe Anonyme companies, following K-2 9985/29.06.2007 decision of the Authority in charge, which approved the merger of the above mentioned banks. Following the completion of the aforementioned Merger, in every legal respect and without any further statement, the Bank is in charge of all the rights and liabilities of the Absorbed Companies that are regarded as legally terminated as independent bodies with no independent legal performance without liquidation requirement in due succession (Article 75 of the Law 2190/1920).

The Bank's Credit Committee approved with N. 245/3/08.06.2007 decision validated the Merger through absorption of "LAIKI BANK (HELLAS) S.A." and "MARFIN BANK S.A." by "EGNATIA BANK S.A."

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

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

Group's structure

In the consolidated financial statements, the Group, apart from the partent company also consists of the following companies:

Under full consolidation method:

			31/12/2007			31/12/2006		
	Name	Country of incorporation	Percentage of Direct Participation	Percentage of Indirect Participation	Total Participation percentage	Percentage of Direct Participation	Percentage of Indirect Participation	Total Participation percentage
1.	Marfin Egnatia Bank S.A.	Greece	-	-	-	-	-	-
2.	Egnatia Bank Romania S.A.	Romania	98.98%	-	98.98%	98.98%	-	98.98%
3.	Egnatia Leasing Romania S.A.	Romania	99.00%	-	99.00%	99.00%	-	99.00%
4.	Marfin Leasing S.A. (1)	Greece	100.00%	-	100.00%	-	-	-
5.	Egnatia Leasing S.A. (1)	Greece	-	-	-	99.90%	-	99.90%
6.	Laiki Leasing S.A (1)	Greece	-	-	-	100.00%	-	100.00%
7.	Egnatia Fin S.A.	Greece	99.00%	-	99.00%	99.00%	-	99.00%
8.	EUROCAMBIO Foreign Exchange S.A. (2)	Greece	90.29%	-	90.29%	90.29%	-	90.29%
9.	Marfin Insurance Brokers S.A. (3)	Greece	100.00%	-	100.00%	-	-	-
10.	Egnatia Insurance Brokers S.A. (3)	Greece	-	-	-	60.00%	-	60.00%
11.	Laiki Insurance Brokers S.A.(3)	Greece	-	-	-	100.00%	-	100.00%
12.	Egnatia Finance PLC	United Kingdom/ London	99.998%	0.002%	100.00%	99.998%	0.002%	100.00%
13.	Egnatia Bank Travel S.A.	Greece	-	99.00%	99.00%	-	99.00%	99.00%
14.	Egnatia Consumer Services S..A (4)	Greece	-	-	-	-	99.00%	99.00%
15.	Obafemi Holdings LTD	Κύπρος	100.00%	-	100.00%	100.00%	-	100.00%
16.	Egnatia Properties SRL	Romania	-	100.00%	100.00%	-	100.00%	100.00%
17.	Investment Bank of Greece (5)	Greece	92.04%	-	92.04%	90.99%	-	90.99%
18	Εγνατία Finance S.A. (5)	Greece	-	-	-	70.00%	-	70.00%
14.	MFG Capital Partners Ltd (6)	United Kingdom/ London	70.00%	-	70.00%	100.00%	-	100.00%
15.	Marfin Global Asset Management S.A. (7)	Greece	94.5148%	4.0504%	98.5652%	-	-	-
	Marfin Global Asset Management S.A. (7)	Greece	-	-	-	100.00%	-	100.00%
	Marfin Mutual Funds Management S.A.(7)	Greece	-	-	-	47.18%	43.42%	90.11%
	Egnatia Mutual Funds Management S.A. (7)	Greece	-	-	-	51.00%	-	51.00%
	Laiki Mutual Funds Management S.A. (7)	Greece	-	-	-	97.62%	-	97.62%
16.	AVC Consulting S.A (8)	Greece	-	-	-	-	59.14%	59.14%
17.	IBG Investments S.A.	British Virgin Island	-	92.04%	92.04%	-	90.99%	90.99%
18.	IBG Mutual Funds Management S.A.	Greece	-	92.04%	92.04%	-	90.99%	90.99%
19.	Marfin Securities (Cyprus) Ltd	Cyprus	-	92.04%	92.04%	-	90.99%	90.99%
20.	IBG Mutual Funds S.A.	Greece	-	92.03%	92.03%	-	90.99%	90.99%
21.	Marfin Life Insurance S.A.	Greece	100.00%	-	100.00%	100.00%	-	100.00%
22.	Laiki ATTALOS S.A.	Greece	97.51%	-	97.51%	97.51%	-	97.51%
23.	Marfin Factors & Forfaiters S.A. (9)	Greece	100.00%	-	100.00%	100.00%	-	100.00%
24.	Egnatia Financial Services Ltd (10)	Cyprus	-	-	-	5.00%	46.00%	51.00%

(1) The company arose following the merger of Egnatia Leasing S.A. and Laiki Leasing S.A. with absorption of the latter by the former in accordance with 22870/07 resolution of Athens Prefecture. Under the 28522/08.08.2007 Resolution of Athens Prefecture, it was approved the company's name change from "Egnatia Leasing Société Anonyme of Financing Leasing" to "Marfin Financing Leasing Société Anonyme" and the discreet name "Marfin Leasing S.A.". On 8.11.07 Marfin Leasing S.A. proceeded with an increase in its share capital by 7.326 thousand Euro through capitalization of an equal amount from its "retained earinings"account.

(2) The company Eurocambio is not included in the consolidation as at 31.12.2007 due to its state of liquidation. In the corresponding period of 31.12.2006 it was consolidated under full consolidation method. The aforementioned change has not caused changes higher than 25% to the turnover or/and earnings after taxes and minority rights of the company and/or the equity of the company's shareholders.

(3) The company arose following the merger of Egnatia Insurance Brokers LTD and Laiki Insurance Brokers LTD, with absorption of the latter by the former in accordance with the K3 – 6176/22.06.2007 of the Ministry of Development. Under the aforementioned resolution, it was approved the company's name change from "Egnatia Insurance Brokers S.A." to "Marfin Insurance Brokers Société Anonyme" and the discreet name "Marfin Insurance S.A."

(4) Egnatia Consumer Services S.A. is not included in the consolidation of 31.12.2007 due to liquidation. In the corresponding period of 31.12.2006 they were consolidated under total consolidation method. The aforementioned change has not caused changes higher than 25% to the turnover or/and earnings after taxes and minority rights of the company and/or the equity of the company's shareholders.

(5) The company arose following the merger of Investment Bank of Greece S.A. and Egnatia Finance S.A., with absorption of the latter by the former in accordance with the K2 – 9485/22.06.2007 of the Ministry of Development.

(6) On July, MFG Capital Partners Ltd issued a split on its shares. During the split, 500,100 shares with nominal value 1 GBP were split into 500,100 ordinary shares (with voting right), with nominal value 0.25 GBP, and 500,100 deferred shares (no voting right) with nominal value 0.75 GBP. During the same period, the company proceeded with an increase in its share capital, where 214,328 new ordinary shares were issued, with nominal value 0.25 GBP per share, and issue price 0.43 GBP per share, and were contracted by "Employee Benefit Trust". As a result, the Bank's percentage on voting rights of ordinary shares was reduced from 100% to 70%.

(7) The Company arose following the merger of "Marfin Mutual Funds Management S.A." and Marfin Global Asset Management Investment Services S.A., Laiki Mutual Funds Management S.A. and Egnatia Mutual Funds Management S.A. with the absorption of the last three companies by the first one in accordance with the K2 – 10866/20.07.2007 resolution of Ministry of Development.Under the aforementioned resolution, it was approved the company's name change from "Marfin Mutual Funds Management S.A." to "Marfin GAM Mutual Funds Management S.A." and the discreet name "Marfin GAM AEDAK".

(8) AVC A.E. is not included in the consolidation of 31.12.2007 due to liquidation. In the corresponding period of 31.12.2006 they were consolidated under total consolidation method. The aforementioned change has not caused changes higher than 25% to the turnover or/and

earnings after taxes and minority rights of the company and/or the equity of the company's shareholders.

(9) On 24.12.07 Marfin Factors & Forfaiters S.A. proceeded proceeded with an increase in its share capital by 5,010 thousand Euro. The increase was covered in total by the Bank.

(10) Egnatia Financial Services Ltd was consolidated for the first time under the full consolidation method on 31.12.2006, after acquisition of control. The compasny is not included in the consolidation of 2007, due to disposal of the total holding to the parent company Marfin Popular Bank Public Co Ltd. on 27.06.2007. Consolidated income statement includes profits attributable to the company for the period until the date of disposal.

Under equity method:

			31/12/2007			31/12/2006		
	Name	Country of Incorporation	Percentage of Direct Participation	Percentage of indirect Participation	Total Participation percentage	Percentage of Direct Participation	Percentage of indirect Participation	Total Participation percentage
1.	ARIS Capital Management	Η.Π.Α.	30.00%	-	30.00%	30.00%	-	30.00%

Sale / Liquidation of Subsidiaries-Associates

Sale of Subsidiary

On 27.06.2007 the sale of the 5% and the 46% of the share capital of Egnatia Financial Services Ltd respectively owned by Egnatia Bank S.A. and Egnatia Finance S.A. to the parent company Marfin Popular Bank (Cyprus) Public Co Ltd. was completed. The overall amount of the sale totaled EUR 1,859,660.78 and was covered entirely by cash. Consolidated income statement includes profits attributable to the company for the period until the date of disposal. The financial information of the company as at 31/12/2006 was as follows:

Amounts in thousand Euro	31/12/2006
Cash and balances in Central Bank	
Loans and advances to Banks	9,245
Trading securities	83
Derivative financial instruments – assets	
Loans and advances to customers (net of impairment)	419
Investment securities	124
Property, plant, equipment and intangible assets	220
Other assets	1,052
Deposits from banks	
Deposits from customers	
Derivative financial instruments – liabilities	
Other liabilities	(7,235)
Minority interest	-
Total net assets	**3,908**

Net Cash Outflows deriving from the sale of the subsidiary are as follows:

Amounts in thousand Euro	
Sale price	1,860
Less: Cash and Cash equivalents on the sale date	(9,245)
Net Cash Flows (outflow) from sale/liquidation of subsidiaries	**(7,386)**

Total Cash Flows from sale/liquidation of subsidiaries are as follows:

Amounts in thousand Euro	
Net Cash Outflow from the sale of subsidiary	(7,386)
Less: Cash and cash equivalents from companies under liquidation	(1,122)
Disposals/(Purchases) to/(from) minority interest of subsidiaries	-
Total Cash Flows from sale/liquidation of subsidiaries	**(8,508)**

Management

The Board of Directors at its meeting on 30.10.2007 reorganized its body as follows:

The Chairman (Non executive member) :	Vassilios N. Theocharakis	
The Vice Chairman (Non executive member) :	Alexandros K. Mpakatselos	
The Managing Director (Executive member) :	Efthimios T. Bouloutas	
Deputy Managing Director (Executive member):	Konstantinos I. Vasilakopoulos	As of 30.10.2007
Executive members :	Andreas E. Vgenopoulos	
	Eleftherios A. Chiliadakis	Resigned on 30.10.2007
	Androniki. D. Plakomichelaki	
	Fotios D. Karatzenis	
Non executive members:	Panagiotis I. Theocharakis	
	Despina V. Theocharaki	
Non executive independent members :	Panagiotis K. Throuvalas	
	Markos A. Foros	

The auditors of the annual financial statements are as follows:

Regular :	Sotiris A. Constantinou	SOEL Reg. No. 13671
Deputy :	Vassilis K. Kazas	SOEL Reg. No. 13281
Of the auditing firm:	Grant Thornton S.A.	SOEL Reg. No. 127

2. Basis of preparation

2.1 Basis of preparation of consolidated financial statements

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (I.F.R.S), as these have been adopted by the European Union, including all amendments issued by the International Accounting and Auditing Board (I.A.S.B.).

The current consolidated financial statements were approved by the Board of Directors on February 28, 2008 and are subject to final approval by the General Assembly of the Shareholders.

2.2 Basis of presentation

The consolidated financial statements are prepared in thousand Euro which is the reporting currency and are rounded to the nearest thousand, unless noticed otherwise in the Explanatory Notes.

The consolidated financial statements are prepared on historic cost basis except for:

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

2.3 Adoption of new accounting principles

The current financial statements have been prepared in accordance with the International Financial Reporting Standards (I.F.R.S.) and all amendments which have been adopted by the European Union and are effective as at January 1st, 2007 for the preparation of financial statements. Moreover, the Group proceeded with the adoption of a new accounting policy as that of pooling of interest method. The accounting policies are applied within all the reporting periods.

(i) Pooling of interests method

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

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

Business combinations § D11-D18) and UK GAAP accept for business combinations (merger accounting method or pooling of interests method).

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

Pooling of interests method also requires reformation of the financial statements for the comparative period to be analytically presented so that they can be comparable to the current period's financial statements.

(ii) Standards, amendments and interpretations effective since January 1st 2007

The Group has adopted for the first time the following standards and amendments which are effective for the preparation and presentation of financial statements in 2007:

(a) IFRS 7, "Financial Instruments: Disclosures"

IFRS 7 introduces new disclosures for the improvement of information relating to financial instruments. It has replaced IAS 30 "Disclosures in the Financial Statements of Banks and similar Financial Institutions", as well as, all IAS 32 provisions on disclosures, while IAS 32 has been revised to IAS 32 "Financial Instruments: Presentation". All disclosures concerning financial instruments, as well as, comparative period financial information have been reformulated in order to respond to the requirements of the new standard.

The most significant additional information presented in the consolidated financial statements of the Group is a sensitivity analysis, for the justification of the Group's exposure to market risks in relation to its financial intruments, an analysis of the maturity of financial obligations which identifies conventional remaining debts, as well as qualitative and quantitative analyses of credit risks that the Group is exposed to.

The aforementioned first implementation of the IFRS 7 standard, has not led to adjustments in prior years' entries, as far as, cash flows, net results, or any other entry in the Balance Sheet are concerned.

(b) IAS 1 Presentation of Financial Statements: "Disclosures in relation to owner changes in equit"
The amendment to IAS 1 affects the presentation of owner changes in equity and of comprehensive income

(c) IFRIC 7, " Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies".
IFRIC 7 provides guidance on how to apply the requirements of IAS 29 in a reporting period in which an entity identifies the existence of hyperinflation in the economy of its functional currency, when the economy was not hyperinflationary in the prior period. As none of the group subsidiaries have a currency of a hyperinflationary economy as its functional currency, IFRIC 7 is not relevant to the Group's operations.

(d) IFRIC 8, "IFRS 2 Share Based Payments"
IFRIC 8 requires consideration of transactions involving the issuance of equity instruments – where the identifiable consideration received is less than the fair value of the equity instruments issued – to establish whether or not they fall within the scope of IFRS 2. The Group has adopted IFRIC 8 since January 1st, 2007, but this does not have any impact on the Group's accounts.

(e) IFRIC 9, "Reassessment of Embedded Derivatives"
According to IFRIC 9, an entity, in general, can assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative only at first recognition, while a subsequent reassessment is prohibited. The Group has adopted IFRIC 9 since January 1st, 2007, but this does not have any impact on the Group's accounts.

(f) IFRIC 10, "Interim Financial Reporting and Impairment"
IFRIC 10 prohibits impairment losses to be recognised in an interim period on goodwill, investments in equity instruments as well as investments in financial assets to be carried at cost, and be reversed at a subsequent balance sheet date. The Group applies IFRIC 10 since January 1st, 2007, but this does not have any impact on the Group's accounts.

(iii) Interpretation early adopted by the Group

IFRIC 11, "Group and treasury share transactions"
The Group has already adopted IFRIC 11 since January 1st, 2007, while effective from March 1st, 2007. IFRIC 11 provides guidance on three cases: a) the accounting of share based payment arrangements involving an entity's own equity instruments, b) the accounting of share based payment arrangements involving equity instruments of a subsidiary and c) the accounting of share based payment arrangements involving options over a parent's equity instruments. The outcome of the adoption of the interpretation by the Group was the recognition in the financial statements of the option premiums that the parent offers to the members of staff of the Group.

(iv) New standards, amendments and interpretations that are not yet effective and have not been early adopted by the Group

At the approval date of the consolidated financial statements the following standards, amendments and interpretations were issued and were endorsed by the European Union but have no effect for the current financial statements:

(a) IFRS 8, "Operating segments" (effective from January 1st, 2009).

IFRS 8 replaces IAS 14 "Segment Reporting". The new IFRS requires a "management approach" to the Group's presentation of financial information under segment reporting. Information disclosed is basically information that the Management uses for internal reporting so as to assess the productivity of segments, as well as the manner in which resources are allocated. Such reporting might differentiate from information used during the preparation of the balance sheet and the income statement. Furtheremore, the standard requires that explanatory notes on the basis of preparation of segment reporting, as well as traces to entries in financial statements should also be disclosed.

Moreover, the following standars, amendments and interpretations have been issued and are subject to endorsement by the European Union.

(b) IFRIC 12, "Service concession arrangements" (effective for annual periods beginning on or after 1 January 2008).

This interpretation has no application to the Group's activities.

(c) IFRIC 13, "Customer Loyalty Programmes (effective for annual accounting periods beginning on or after July 1st, 2008)"

IFRIC 13 is applied on customer loyalty programmes. This interpretation is applicable to credit card cutomer loyalty programmes, nevertheless, its adoption will not have a significant impact on the Group's financial position.

(d) IFIRC 14: " IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction" (effective from January 1st, 2008).

This interpretation has no application to Group activities.

(e) IAS 23: (Revised 2007) "Borrowing Costs" (effective from January 1st, 2009):

The revised IAS 23 removes the option of immediately expensing borrowing costs directly attributable to the acquisition, construction, or production of a qualifying asset as part of the cost of that asset. The adoption of the revised IAS will have no significant impact on the Group's financial statements.

(f) IAS 1: "Presentation of Financial Statements" – revised 2007 (effective from January 1st, 2009):

The fundamental change in IAS 1 is concerned with the segregation of the presentation of owner changes in equity in those which are due to transanctions with owners and because of their capacity as owners (e.g. dividents, capital increase), from those which are due to other changes in equity (e.g. reserves). The revision of the Standard produces changes in both the terminology and the presentation of financial statements.

However, the new terms do not affect the rules of recognition, measurment and disclosure of equity transanctions and all other events which are required by other standards. The adoption

of the revised standard is expected to transform the structure and description in the presentation of financial statements without, however, causing any alternations to the financial position of an entity.

(g) IFRS 3: "Business Combinations" – Revised 2007 and subsequent amendments in IAS 27, 28 and 31 (effective the first annual reporting period beginning on or after July 1st, 2009):

The revised standard introduces significant amendments for the application of the acquisition method for business combinations. Among other changes the standard introduces the possibility of minority interests being measured at fair value. Furthermore, the revised standard requires that the acquirer of a subsidiary recognizes the assets acquired and liabilities assumed as a transanction with owners of the business and any difference should be recognized in equity. The revised IFRS 3 applies for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning gon or after July 1st, 2009, while no consolidation adjustments are required for the period before the revised standard will become effective. Thus, the adoption of the revised standards will have no significant impact on the Group's financial statements.

(h) IFRS 2: "Share-based Payment" – Amendment 2008: Vesting Conditions and Cancellations (effective from January 1st, 2009)

This amendement clarifies that only service conditions and performance conditions are vesting conditions, while all other features need to be included in the grant date fair value. The Group is currently assessing the implications from the adoption of the aforementioned amendment.

(i) IAS 32 Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements – Amendment 2008: Puttable Financial Instruments and Obligations Arising on Liquidation (effective from January 1st, 2009)

These amendments address the classifications of some puttable financial instruments as well as intruments or their components that impose to the entity an obligation to deliver to another party a *pro rata* share of the net assets of the entity only on liquidation. The above mentioned amendements are not applicable at present for Group activities.

2.4 Summary of judgements

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and requires Management to exercise its judgement in the process of applying the Group's accounting policies. Such policies might affect the balances of Assets and Liabilities, as well as Income and Expense. Actual results might differ from assessments.

Judgements and similar affairs are based on past experience and other factors that are considered reasonable in current circumstances. The outcome of all the above mentioned factors constitutes the basis for decision making on accounting values in assets and liabilities which cannot be tracable otherwise.

Such judgements and assessments are in a constant revision process. Divergence from accounting estimates affects only the revision period and future period if the revision is aimed at present and future accounting periods.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

2.5 Consolidation

Subsidiaries

Subsidiaries are all entities over which the Group, directly or indirectly, has the power to govern the financing and operating policies. Usually in these entities there is a shareholding of more than 50% of the voting rights.

Subsidiaries are consolidated under full consolidation method from the date of acquisition, which is, the date on which control is transferred to the Group and cease to be consolidated from the date on which control ceases. The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of an asset given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired, liabilities and contigent liabilities, assumed during a business combination, are measured initially at fair value on the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets of the subsidiary acquired is recorded as goodwill. When the cost of the subsidiary is less than the fair value of the net assets of the subsidiary acquired, then the difference is recognized directly in the consolidated income statement. Goodwill is annually tested for impairment, and the difference between its book and its recoverable value is recognized as impairment loss in the period's results.

Intercompany transanctions, balances, and unrealized gains on transanctions between group companies are eliminated on consolidation. Unrealized losses are also eliminated but considered an impairnement indicator of the asset transferred. Where necessary, the accounting policies of the subsidiaries have been modified to ensure consistency with those adopted by the Group.

Transactions with minority interests

The Group treats transactions with minority interests as transactions with parties external to the Group. Disposals to minority rights result in gains and losses for the Group that are recorded in the consolidated income statement. Purchases from minority interests result in goodwill, being the diferrence between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary.

Associates

Associates are all entities over which the Group has significant influence but not control. Usually, in these entities the Group has a shareholding between 20% and 50% of voting rights. Investments in associates are initially recognized at cost and are then accounted for using the equity method of accounting.

The Group's investments in associates include goodwill identified on acquisition, net of any impairment loss. The Group's share of post-acquisition profits or losses od associates is recognized in the income statement and its share of post-acquisition movements in reserves is recognized in reserves. When the Group's share of losses in an associate equals or

exceeds its interest in the associate, including any other unsecured receivables, then it does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the assets transferred. Where necessary, the accounting policies of associates have been modified to ensure consistency with those adopted by the Group.

3. Basic Accounting Policies

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

3.1 Foreign currency transactions

(a) Foreign currency transactions

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

Monetary assets and liabilities denominated in foreign currencies, at the balance sheet date are translated to euro at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognized in the income statement.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated to euro using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to euro at foreign exchange rates ruling at the dates the fair value was determined.

Foreign exchange differences resulting from the changes of non-monetary items are reported as part of the change of their fair value. Translation differences of non-monetary items, such as elements classified in trading security, are recognised in the income statement.

(b) Financial Assets of Subsidiaries

Assets and liabilities including the Goodwill and fair value adjustments on the entities of foreign country are translated to Euro, using the exchange rates ruling at the balance sheet date.

Income and expenses of subsidiaries, none of which has the currency of a hyperinflationary economy, are translated to Euro according to the exchange rates ruling at the dates of the transactions. Any foreign exchange differences are transferred directly to equity.

3.2 Investments in Financial Instruments

(a) Classification

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

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

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

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

(b) Recording

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

(c) Measurement

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

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

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

(d) Fair Value Measurement

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

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

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

(e) Gains and losses on subsequent measurement

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

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

(f) Derecognition

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

3.3 Hedge accounting

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

A hedging relationship exists where:

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

The fair value of derivative hedging instruments is calculated in the same way as the fair value of trading instruments (see accounting principle 3.2d)

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

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

3.4 Sale and repurchase agreements

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

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

The Group enters into purchases of shares under agreement to resell at certain date (stock reverse repos) through Athens Derivative Exchange. Shares purchased are sold at the Athens Stock Exchange. Shares are not recognized as assets, however, the commitment to resell is recognized as liability in the balance sheet and it is valued at the fair value on which the group is committed to rebuy and return them at the Clearing Transactions over Derivatives Company (ΕΤΕΣΕΠ).

3.5 Property, plant and equipment

Property, plant and equipment are stated at cost or deemed cost less accumulated depreciation and accumulated impairment losses.

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

Buildings	40	Years
Furniture and other equipment	6-9	Years
Vehicles	6-7	Years
Computer hardware and software	4	Years

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

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

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount at cost may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

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

3.6 Investment property

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

3.7 Intangible Assets

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

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

3.8 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired undertaking at the date of acquisition. The cost of acquisition is adjusted for changes in the purchase consideration contingent on future events. Goodwill on acquisitions of subsidiaries is included in 'intangible assets'. The carrying amount of goodwill is re-assessed annually and if found to be impaired it is written down to its recoverable amount. Goodwill is allocated to cash generating units for the purpose of impairment testing. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

3.9 Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment property and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.
An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.10 Cash and cash equivalents

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

3.11 Impairment of financial assets

(a) Assets carried at amortised cost

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred and only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the Bank about the following loss events:

i. Significant financial difficulty of the issuer or obligator;

ii. A breach of contract, such as a default or delinquency in interest or principal payments;

iii. The Bank granting to the borrower, for economic or legal reasons relating to the borrower's financial difficulty, a concession that the lender would not otherwise consider;

iv. It becoming probable that the borrower will enter bankruptcy or other financial reorganization;

v. The disappearance of an active market for that financial asset because of financial difficulties; or

vi. Observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition ofthose assets, although the decrease cannot yet be identified with the individual financial assets in the group, including:

- adverse changes in the payment status of borrowers in the group; or
- national or local economic conditions that correlate with defaults on the assets in the group.

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

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

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

For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics (i.e., on the basis of the Group’s grading process that considers asset type, industry, geographical location, collateral type, past-due status and other relevant factors). Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors’ ability to pay all amounts due according to the contractual terms of the assets being evaluated.

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

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

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

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

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the income statement.

(b) Assets carried at fair value

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

3.12 Financial Liabilities

Financial liabilities are stated at amortised cost which occurs using the effetive interest method. Deposits from banks, deposits from customers and debt securities in issue are classified in this category.

3.13 Financial guarantee contracts

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument.

Commission from financial guarantee contracts are initially recognized as liability (at fair value) and they are taken to the income statement gradually through contract's duration.

Subsequent to initial recognition, the Group's liabilities under such guarantees are measured at the higher of the initial measurement, less amortisation calculated to recognise in the income statement the fee income earned on a straight line basis over the life of the guarantee and the best estimate of the expenditure required to settle any financial obligation arising at the balance sheet date. Financial guarantee contracts are included in the entry "Other liabilities".

3.14 Employee benefits

Short-term benefits: Short-term benefits to personnel (except for termination of employment benefits) in cash and kind are recognised as an expense when considered accrued. Any unpaid amount is recognised as a liability, whereas in case the amount already paid exceeds the benefits' amount, the entity identifies the excessive amount as an asset (prepaid expense) only to the extent that the prepayment shall lead to a future payments' reduction or refund.

Retirement Benefits: Benefits following termination of employment include lump-sum severance grants, pensions and other benefits paid to employees after termination of employment in exchange for their service. The Group's liabilities for retirement benefits cover both defined contribution schemes and defined benefit plans.

i) Defined contribution plans

For defined contribution plans, the Group pays contributions to publicly administered pension insurance funds (i.e. Social Security Foundation) and therefore the Group has no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to pension obligations. The regular contributions constitute net periodic costs for the year in which they are due and as such they are included in line 'staff costs' of the Income Statement.

ii) Defined benefit plans

The Group's defined benefit plan regards the legal commitment to pay lump-sum severance grant, pursuant to L.2112/1920. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as years of service and compensation. The liability recognized in the balance sheet for defined benefit plans is the present value of the liability for the defined benefit less the plan assets' fair value (reserve from payments to an insurance company), the changes deriving from any actuarial profit or loss and the service cost. The defined benefit commitment is calculated on an annual basis by an independent actuary with the use of the projected unit credit method.

The present value of the liability which incurs from the defined benefit plan is calculated by discounting the future cash outflows with the long-term Greek bonds' rate.

Actuarial profits and losses form part of the Company's commitment to grant the benefit and of the expense which shall be recognized in the income statement. The adjustments' outcome based on historical data, if below or above a 10% accumulated liability margin, is recognized in the income statement within the expected insurance period of the plan's participants. The service cost is directly recognized in the income statement except for the case where plan's changes depend on employees' remaining years of service. In such a case, the service cost is recognized in the income statement using the fixed method during the maturity period.

Employment Termination Benefits: Benefits due to employment termination are paid when employees step down prior to the retirement date. The Group recognizes these benefits upon committing itself that it terminates employees' employment according to a detailed plan for which there is no withdrawal possibility.

Remuneration based on Equity Instruments: The Group, through the Parent Company Marfin Popular Bank, grants the personnel stock options for the acquisition of Parent Company shares. These benefits are settled by issuing new shares from the Parent Company, on the condition that the employee fulfils certain vesting conditions linked to his/her performance and exercises his/her options.

Services rendered by employees are measured according to the fair value of the options granted on the grant date. Option fair value is calculated by using a widely accepted option-pricing model and taking into account the share's closing price on grant date. Options' fair value, following their issue, is readjusted in case there is a modification in the plan favourable for employees. Employees' services residual value is recognized as an expense in the income statement by an equal credit amount ın equity, in the share premium account. The relative amount is divided throughout the vesting period and is calculated on the basis of the number of options set to vest in each year.

During the exercise of stock options, the net collected amount (after subtracting direct costs) is recognized in share capital (new shares nominal value) and in share premium (difference between the stock option exercise price and the share's nominal value).

3.15 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and reliable estimates of the amount of the obligation can be made.

If the effect is significant, provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

3.16 Insurance contracts

The Group issues life insurance contracts to customers, through its subsidiary which provides such services. As a result, the Group undertake the risk to reimburse the contractor when a particular, probable, future event occurs.

(a) Revenue from insurance contracts

Revenue from insurance contracts is recognized when it becomes payable.

The result of reinsurance contracts is recognised in the income statement at the same period as the related revenue from insurance contracts.

(b) Claims for reimbursement and recoveries from reinsurers

The gross claims for reimbursement in relation to life insurance contracts represent the total cost of claims for reimbursement which incur during the accounting period, including expenses realized during the settlement of claims and every surplus which is going to be allocated to the contractors. The benefits of the Group from reinsurance contracts are recognised as assets. The recoverable amounts from or to the reinsurers are calculated based on the terms of the reinsurance contract and the amounts related to the insurance contract which is covered from the reinsurance contract.

(c) Life insurance contracts' liabilities

The technical reserves for insurance contravts liabilities are based on annual acruarial estimates of liabilities.

3.17 Leased Agreements

Group Undertaking as the Lessee: Leases of fixed assets where all the risks and rewards related to the ownership of an asset have been transferred to the Group, irrespective of whether the title of the said asset is finally transferred or not, are classified as finance leases. The said leases are capitalized at inception of the lease at the lowest between the fair value of the fixed asset or the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant fixed rate on the remaining financial liability. The corresponding rental obligations, net of finance charges, are included in liabilities. The part of the finance charge related to financial leases is recognized in the income statement over the lease term. The fixed assets acquired under finance leases are depreciated over the shortest between the useful life of the fixed assets or the lease term thereof.
Leases where the lessor transfers the right to use an asset for an agreed period of time, without transferring the risks and rewards of ownership thereof, are classified as operating leases. Payments made under operating leases (net of any incentives offered by the lessor) are recognized in the income statement proportionally over the lease term.

Group Undertaking as the Lessor: When assets are leased out under a capital lease, the present value of the lease payments is recognized as a claim. The difference between the gross amount of the claim and the present value of the claim is recognized as unearned financial income. Lease income is recognized in the income statement over the lease term using the net investment method, which reflects a constant periodic rate of return.

Assets leased out under operating leases are included in property, plant and equipment in the balance sheet. They are depreciated over their anticipated useful lives on a basis consistent with similar owned property. Rental income (net of any incentives offered to lessees) is recognized using the straight-line method over the lease term.

3.18 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. Offsetting income with expenses is allowed only if they are part of the same entry.

3.19 Interest income and expenses

Interest income and expenses are recognized in the income statement for all interest bearing instruments on an accruals basis, using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

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

3.20 Fees and commissions

Fee and commission income are recognized on an accrual basis when the relevant service has been provided unless they influence the effective interest rate.

3.21 Net trading income

Net trading income comprises gains less losses related to trading assets and liabilities, and includes all realised and unrealised fair value changes of trading financial assets and liabilities.

3.22 Dividend income

Dividend income is recognized when the right to receive income is established.

3.23 Income Tax and Deferred Tax

The income tax charge involves current taxes, deferred ones and the differences of preceding financial years' tax audit.

Income tax is recognized in the financial year's income statement, except for the tax on transactions recognized directly in equity, in which case it is recognized accordingly to equity. To assess the annual tax charge, all the required adjustments on the accounting result are taken into account in order to establish the final taxable income.

The current income taxes include short-term liabilities or claims vis-à-vis fiscal authorities pertaining to the payable taxes on the year's taxable income and any additional income taxes regarding previous financial years.

Current taxes are measured on the basis of tax rates and fiscal regulations in force during the corresponding financial years, based on the yearly taxable profit.

Deferred taxes are the taxes or the tax relieves from the financial encumbrances or benefits of the financial year in question, which have been allocated or shall be allocated to different financial years by tax authorities.Deferred income tax is provided by using the liability method which is determined by the temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. In case it is not possible to clearly determine the time needed to invert the temporary differences, the tax rate to be applied is the one in force on the financial year after the balance sheet date.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

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

Tax audit differences regard additional income taxes and additional charges on behalf of the fiscal authorities due to the Group taxable income redenomination in the framework of the ordinary or extraordinary tax audit.

3.24 Share Capital

(a) Incremental costs of share capital increase

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

(b) Dividend

Dividend distribution on ordinary shares is recognised as a deduction in the Group's equity when approved by the Company's shareholders.

(c) Equity share capital

Where any Group company purchases the Company's equity share capital (treasury shares), the consideration paid including any directly attributable incremental costs (net of income taxes), is deducted from shareholders' equity. Where such shares are subsequently sold or reissued, any consideration received is included in shareholders' equity.

3.25 Segment reporting

A segment is a distinguishable component of the Group that is engaged in providing products or services within a particular economic environment. The definition of business and geographical Group segments is based on the risks and returns which relate to the services and products provided by each segment of the Group.

4. Critical accounting estimates and judgements

The preparation of financial statements in accordance with the I.F.R.S. requires estimates and assumptions being made by Management during the implementation of the Group's accounting policies.

The following areas are effected by Management's estimates and assumptions:

(1) Classification of Financial Instruments

The Group's accounting policies require classification upon initial recognition of financial assets and liabilites in the following categories:

- Financial instruments held to maturity. Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity.
- Financial instruments held for trading. This category consists of investments and derivatives which are held for achieving profits in the near term.
- Financial assets and liabilities at fair value though profit or loss. The classification of an investment in this category depends on the way Management estimates its profitablitiy and risk. This category also comprises of certain investments, such as equity investments, that are managed and evaluated on a fair value basis in accordance with a documented risk management or investment strategy and which are reported to key management personnel.

(2) Hedge Accounting

The Group documents, at the inception of the transaction, the relationship between hedged items and hedging instruments, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the instruments (derivatives) that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

(3) *Impairment of available for sale financial assets*

The Group follows the IAS 39 guidance to determine whether the value of an investment is impaired when there has been a significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires judgment. In making this judgment, the Group evaluates among other factors, the normal volatility in share price. In addition, impairment may be appropriate when there is evidence of a deterioration in the financial health of the investee, industry and sector performance, changes in technology, and operational and financing cash flows.

In the following part the segments in which estimates and assumptions by Management have a significant effect are assessed:

(1) Credit risκ provisions

The financial assets measured at amortised cost are subject to impairment testing on each balance sheet date, according to section 3.2.7. For the claims examined on a case by case basis the impairment test is based on the Management's assessment for the present value of cash flows set to inflow from the loan servicing by the debtor and from any cover liquidation. Calculating these cash flows, Management makes assessments on the counter-party's financial position, on the possibility of a settlement and on the net value of any guarantees. With regard to loans monitored on a collective basis, the necessary provision depends on assessments regarding each loan group credit risk, the market's economic factors, and the inherent portfolio risks. The parameters required are defined based on historical data and present economic conditions. Provisions' accuracy is determined by how well future cash flows of specific counterparties have been estimated and how well all hypotheses and parameters have been used to define all the provisions.

(2) Estimates on fair value of financial instruments

Financial assets and liabilities fair value calculation for which there are no published market prices requires the use of specific measurement techniques. Fair value calculation calls for various kinds of assessments. The most important ones involve assessment of various risks an instrument is subject to, such as business risk, liquidity risk etc. and businesses profitability future perspectives assessment in case of equity instrument measurement.

(3) Goodwill impairment testing

The Group tests for impairment of goodwill on acquired subsidiaries on an basis. In order to ascertain whether there is evidence for impairment, the value in use and the fair value of a business unit need to be calculated. Usually the methods used are the cash flows present value method, future dividends present value method and measurement on the basis of similar entity indicators. To apply the specific methods, Management needs to use data, such as the subsidiary's estimated future profitability, business plans and market data, such as interest rates.

(4) Income tax

The Group is subject to income tax in various jurisdictions in which it operates. In order to establish the current and deferred tax, as presented in the balance sheet, significant assumptions are required. For specific transactions and calculations the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(5) Defined Benefit Plans

The liability recognized in the balance sheet for defined benefit plans is the present value of the liability for the defined benefit less the plan assets' fair value (reserve from payments to an insurance company), the changes deriving from any actuarial profit or loss and the service cost. The defined benefit commitment is calculated on an annual basis by an independent actuary with the use of the projected unit credit method. Long-term Greek bonds' rate is used for discounting.

5. Restatement of Comparative Period

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

In the following part, the financial statements of the three banks and the elimination records that have been operated upon them are analytically indicated, in order for the comparative financial statements to be established.The first three columns concern historical financial statements of the three banks, the next column contains eliminations and the last column includes the published comparative financial statement for the period.

5.1 Amendments for the Preparation of Financial Statements for the period ended 31/12/2006

Income Statement for the period ended 31/12/2006	**Publicized Financial Statements of the Bank**	**Absorption of Laiki Bank**	**Absorption of Marfin Bank**	**Intercompany Adjustments**	**Marfin Egnatia Bank**
(Amounts in thousand Euro)					
Interest and similar income	204,383	180,765	76,594	(3,412)	458,330
Interest and similar expense	(100,946)	(95,705)	(54,243)	3,412	(247,482)
Net interest income	**103,437**	**85,060**	**22,351**	**0**	**210,848**
Fee and commission interest	54,598	16,605	68,207	(77)	139,333
Fee and commission expense	(12,277)	(2,752)	(17,005)	77	(31,957)
Net fee and commission income	**42,321**	**13,853**	**51,202**	**0**	**107,376**
Profit/(Loss) from Investing Activities	8,580	1,661	35,911		46,152
Net income from financial instruments designated at fair value through profit or loss	568	0	0		568
Income from dividends	166	40	827		1,033
Other income	3,869	940	537		5,346
Operating income	**158,941**	**101,554**	**110,828**	**0**	**371,323**
Provisions for credit risks	(19,675)	(36,071)	(7,883)		(63,629)
Staff costs	(70,064)	(28,943)	(20,275)		(119,282)
Depreciation	(8,777)	(4,391)	(877)		(14,045)
Other operating expense	(34,859)	(26,467)	(10,536)		(71,862)
Analogy of profit (Loss) from subsidiaries	0	0	49		49
Profit (Loss) before taxes	**25,566**	**5,682**	**71,306**	**0**	**102,554**
Income tax	4,565	2,943	18,018		25,526
Deferred tax	27	(851)	1,847		1,023
Reserve tax	313	1,302	464		2,079
Tax inspection diferrences	832	(22)	1,057		1,867
Profit (Loss) after taxes	**19,829**	**2,310**	**49,920**	**0**	**72,059**
Distributed to:					
Shareholders of the company	18,382	1,731	29,183		49,296

Balance Sheet as at 31/12/2006 *(Amounts in thousand Euro)*	**Publicized Financial Statements of the Bank**	**Absorption of Laiki Bank**	**Absorption of Marfin Bank**	**Intercompany Adjustments**	**Marfin Egnatia Bank**
ASSETS					
Cash and balances with Central Bank	183,318	126,655	53,432		363,405
Loans and advances to banks	553,959	595,427	614,158	(234,066)	1,529,478
Trading securities	16,417	39,906	224,465		280,788
Derivative financial instruments – assets	937	3,078	4,049		8,064
Loans and advances to customers (net of provisions)	2,742,114	2,532,026	1,000,561		6,274,701
Investment securities	242,120	8,141	255,784		506,045
Investment in subsidiaries and associates	0	0	2,327		2,327
Intangible assets	7,606	985	46,882		55,473
Tangible assets	56,800	14,995	18,136		89,931
Deferred tax	7,937	3,790	1,919		13,646
Investment properties	19,106	275	6,780		26,161
Other assets	59,171	37,080	52,283	(680)	147,854
TOTAL ASSETS	**3,889,485**	**3,362,358**	**2,280,776**	**(234,746)**	**9,297,873**
LIABILITIES					
Deposits from banks	330,654	474,791	191,394	(234,066)	762,773
Deposits from customers	2,829,634	2,592,082	1,764,240		7,185,956
Derivative financial instruments – liabilities	2,332	964	762		4,058
Debt securities in issue and other borrowed funds	331,389	0	0		331,389
Employess benefits	8,213	1,666	826		10,705
Provisions	673	0	0		673
Income tax	2,864	3,260	19,699		25,823
Deferred tax	687	0	4,242		4,929
Other liabilities	111,509	66,234	65,038	(680)	242,101
TOTAL LIABILITIES	**3,617,955**	**3,138,997**	**2,046,201**	**(234,746)**	**8,568,407**
Share capital	109,146	99,707	144,667		353,520

Share premium	116,827	86,831	108,467		312,125
Reserves	19,397	12,480	2,828		34,705
Retained earnings	15,995	24,175	(32,056)		8,114
Equity of the Company shareholders	**261,365**	**223,193**	**223,906**	**0**	**708,464**
Minority Interest	10,165	169	10,668		21,002
Total Equity (b)	**271,530**	**223,362**	**234,574**	**0**	**729,466**
TOTAL EQUITY AND LIABILITIES	**3,889,485**	**3,362,359**	**2,280,775**	**(234,746)**	**9,297,873**

Cash Flows Statement as at 31/12/2006 *(Amounts in thousand Euro)*	**Publicized Consolidated Financial Statements**	**Absorption of LAIKI BANK Group**	**Absorption of MARFIN BANK Group**	**Intercompany Adjustments**	**Marfin Egnatia Bank**
Cash flows from operating activities					
Profit/Loss before taxes	25,566	5,682	71,306		102,554
Adjustments for non-cash items					
Depreciation	8,777	4,391	877		14,045
Impairment loss and advances	19,675	36,071	7,883		63,629
Employee benefits	1,178	233	189		1,600
Valuation trading portfolio	(2,932)	(797)	(3,583)		(7,312)
Transfer to investing activities	(5,918)	(264)	4,972		(1,210)
Transfer to financing activities	13,086	0	0		13,086
	59,432	**45,316**	**81,644**	**0**	**186,392**
Net (increase) decrease in operating assets					
Loans and advances to banks	8,715	0	33,374	(138,898)	(96,809)
Trading securities and derivatives	4,402	(26,138)	86,386		64,650
Loans and advances to customers	(355,614)	(298,166)	(474,482)	(39,659)	(1,167,921)
Other assets	9,287	(5,272)	(6,232)	64,033	61,816
Net (increase) decrease in operating liabilities					
Deposits from banks	306,666	190,434	56,871	(233,961)	320,010
Deposits from customers	173,584	181,673	602,180		957,437
Other liabilities	(33,953)	9,584	25,002	169,860	170,493
Net cash flows from operating activities before taxes	**172,519**	**97,431**	**404,743**	**(178,625)**	**496,068**
Income tax paid	(11,123)		(8,303)		(19,426)
Net cash flows from operating activities	***161,396***	***97,431***	***396,440***	***(178,625)***	***476,642***

Cash flows from investing activities

Investments in subsidiaries and associates	1,533	0	(185,171)		(183,638)
Net (increase) decrease in investment securities	(104,919)	(5,820)	(93,042)		(203,781)
Dividends received	73	0	0		73
Purchase of assets	(18,359)	(2,328)	(837)		(21,524)
Sale of assets	784	0	3		787
Other flows from investing activities	5,709	0	0		5,709
Net cash flows from investing activities	***(115,179)***	***(8,148)***	***(279,047)***	***0***	***(402,374)***
Cash Flows from Financing activities					
Dividends distributed	(4,805)	0	(8,167)		(12,972)
Issue (payment) of debt	(21,618)	0	0		(21,618)
Increase in share capital	(20,346)	0	208,287		187,941
Other flows from financing activities	27,490	0	0		27,490
Net Cash Flows from Financing activities	***(19,279)***	***0***	***200,120***	***0***	***180,841***
Total net Cash Flows	***26,938***	***89,283***	***317,513***	***(178,625)***	***255,109***
Foreign exchange difference	700		(4)	0	696
Net cash flows increase (decrease)	***27,638***	***89,283***	***317,509***	***(178,625)***	***255,805***
Cash and cash equivalents, opening	**704,621**	**632,799**	**350,081**		**1,637,078**
Cash and cash equivalents, closing	**732,259**	**722,082**	**667,590**	**(178,625)**	**1,892,883**
Cash is distributed to:					
Cash in Central Bank	**183,318**	**126,655**	**53,432**		**363,405**
Loans and advances to banks	**548,941**	**595,427**	**614,158**	**(229,048)**	**1,529,478**

Statement of Changes in Equity as at 31/12/2006 *(Amounts in thousand Euro)*	**Publicized Consolidated Financial Statements**	**Merger LAIKI BANK Group**	**Merger MARFIN BANK Group**	**Intercompany Adjustments**	**MARFIN EGNATIA BANK**
Balance at the beginning of the period (01/01/2006)	**249,403**	**222,425**	**126,383**	**(1)**	**598,210**
Profit for the period after tax	19,829	2,310	49,920		72,059
Share capital increase/decrease	(20,346)	(224)	208,287		187,717
Dividends distribution	(4,805)	0	(8,167)		(12,972)
Reserve available for sale of portfolio (at fair value)	(12)	(1,149)	(383)		(1,544)
Other Changes	27,461	0	(141,466)	1	(114,004)
Total Change of Balance of the period	**22,127**	**937**	**108,191**	**1**	**131,256**
Balance at the end of the period	**271,530**	**223,362**	**234,574**	**0**	**729,466**

5.2 Amendment for the Preparation of the Statement of Changes in Equity as at 01/01/2006

(Amounts in thousand Euro)	Publicized Consolidated Financial Statements	Merger LAIKI BANK Group	Merger MARFIN BANK Group	Intercompany Adjustments	MARFIN EGNATIA BANK
Share capital	107,840	89,156	43,636		240,632
Share premium	138,479	75,024	1,211		214,714
Reserves	17,833	13,629	3,270		34,732
Retained earnings	(22,036)	20,458	(753)		(2,331)
Capital and reserves attributable to equity holders	**242,116**	**198,267**	**47,364**	**0**	**487,747**
Minority interest	7,287	24,158	79,019		110,464
Total Equity	**249,403**	**222,425**	**126,383**	**0**	**598,211**

6. Segment reporting

Geographical segments

The Group operates mainly in Greece. The bank network of the Group has 179 branches, 160 of which operate in Greece and 19 in Romania. 94% of its operating income are from Greece while the assets constitute 96% of the Group.

Business segment

The Group is organized into the following business segments:

a) Investment and corporate banking

b) Retail banking

c) Asset Management

d) Treasury

e) Investments and participations

31 December 2007						
Amounts in thousand Euro	**Investment and corporate banking**	**Retail banking**	**Asset Management**	**Treasury**	**Investments and participatios**	**Total**
Operating revenue	148,673	201,076	80,757	81,356	2,540	**514,402**
Profit before tax	82,259	3,626	48,257	62,375	(288)	**196,229**
Income tax						**(54,883)**
Profit after tax						**141,346**
Total Assets	3,445,251	6,031,046	1,156,946	3,062,742	18,976	13,714,961
Total Liabilities	1,577,863	6,205,635	1,207,015	3,894,914	1,169	12,886,596
Fixed Assets additions	10,300	14,704	1,558	1,383	37	27,982
Depreciation	1,589	9,698	1,083	572	199	13,141
Impairment on loans and investments	16,176	43,311	359		744	60,590

31 December 2006						
Amounts in thousand Euro	**Investment and corporate banking**	**Retail banking**	**Asset Management**	**Treasury**	**Investments and participatios**	**Total**
Operating revenue	86,541	159,434	44,947	78,032	2,369	**371,323**
Profit before tax	33,131	(4,591)	14,825	61,676	(2,487)	**102,554**
Income tax						**(30,495)**
Profit after tax						**72,059**
Total Assets	2,951,447	4,456,638	500,773	1,233,946	155,069	9,297,873
Total Liabilities	2,291,886	4,409,398	553,202	1,165,664	148,257	8,568,407
Fixed Asset additions	3,141	14,114	919	586	7,341	26,100
Depreciation	3,085	7,931	2,335	551	143	14,045
Impairment on loans and investments	21,931	40,633	1,065			63,629

7. Net interest income

(Amounts in thousand Euro)

	2007	2006
Interest income		
Interest from bonds	49,036	28,533
Interest from advances to customers	556,004	372,684
Interest from other banks	96,961	40,149
Other interest	44,828	16,964
	746,829	**458,330**
Interest expense		
Interest on customer deposits	(369,847)	(204,903)
Interest to other banks	(65,885)	(14,522)
Interest on loan capital	(14,511)	(11,525)
Other interest	(29,233)	(16,532)
	(479,476)	**(247,482)**
Net interest income	**267,353**	**210,848**

Trading portfolio bonds equal to € 7,007 (€ 3,484 in 2006) and net interest equal to € 9,158 from interest rate derivatives classified as fair value hedging instruments have been included in net interest income.

8. Net fee and commission income

(Amounts in thousand Euro)

	2007	2006
Fee and commission income		
Loans	31,930	15,347
Letters of guarantee	3,942	3,491
Consumer	11,995	8,513
Custodians	2,497	1,490
Asset management	5,408	11,720
Import – Export	1,742	1,887
Stock exchange transactions – income	102,891	62,190
Cash management	5,187	5,960
Investment Bank	82,583	18,075
Tourist services rendering	4,957	3,472
Other income	4,530	7,188
	257,662	**139,333**
Fee and commission expense		
Consumer	(2,825)	(2,636)
Stock exchange transactions – expense	(11,009)	(23,402)
Investment Bank	(34,626)	(64)
Tourist services rendering	(4,193)	(3,021)
Other expense	(7,584)	(2,834)
	(60,237)	**(31,957)**
Net fee and commission income	**197,425**	**107,376**

9. Trading income

(Amounts in thousand Euro)

	2007	2006
F/X translation differences	6,633	7,713
Profit / (loss) from sale / valuation of trading portfolio	8,616	37,061
Profit / (loss) from dividends	22,256	1,378
Trading income	**37,505**	**46,152**

10. Dividend income

(Amounts in thousand Euro)

	2007	2006
Dividends from subsidiaries	-	134
Dividends from securities in available for sale portfolio	124	899
Dividends from trading securities	1,935	-
Dividend income	**2,059**	**1,033**

11. Other income

(Amounts in thousand Euro)

	2007	2006
Income from investment properties	1,223	78
Insurance services income	2,001	1,736
Other	6,381	3,532
Other income	**9,605**	**5,346**

Insurance services income could be analytically presented as follows:

	2007	2006
Insurance contracts and similar income	6,830	3,275
Less: Reinsurance contracts	(1,136)	(619)
Insurance contracts commission	(678)	(120)
Reimbursement provisions	(3,397)	(894)
Add: Reimbursement covered by reinsurance contracts	382	94
Net insurance services income	**2,001**	**1,736**

12. Impairment losses

(Amounts in thousand Euro)

	2007	2006
Impaiment losses on the value of available for sale shares	744	-
Total	**744**	

13. Staff costs

(Amounts in thousand Euro)

	2007	2006
Wages and salaries	(106,446)	(93,919)
Defined contribution plans	(22,905)	(19,220)
Defined benefit plans (Note 32)	(7,552)	(2,205)
Share-based payment compensation	(1,630)	-
Other staff costs	(18,224)	(3,938)
Staff costs	**(156,757)**	**(119,282)**

The number of staff as at the end of period was 3.256 (2006 : 3.012)

Stock Options Plan

In May 2007, the Extraordinary General Meeting of the shareholders of the parent company Marfin Popular Bank (hereinafter the "parent Bank") approved of the introduction of a Share Options Scheme (the "Scheme") for the members of the Board of Directors of the parent Bank and the Group's employees. Following the aforementioned approval and the ensuant decision of the parent Bank's Board of Directors on May 8, 2007, 70,305,000 Options were granted, from which 33,600,000 where allocated to the Board of Directors and the employees of Marfin Egnatia Bank and its subsidiaries. The Options with an exercise price of € 10 on the parent company's shares and maturity date December 15, 2011 can be exercised by the holders during the years 2007 to 2011 according to the allocation determined by the parent company's Board of Directors, following a recommendation by the Remuneration and Employment Committee, based on the holders performance being up to the Group's expectations.

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 € 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 3.58%. The weighted average fair value of options granted during the period was € 0.19. The total expense recognised in the income statement for Options granted to employees and directors amounts to € 1,630 thousand.

14. Other operating expenses

(Amounts in thousand Euro)

	2007	2006
Rental expense	(20,075)	(19,827)
Expenses for premises	(6,345)	(5,534)
Taxes and Duties (excl. income tax)	(8,411)	(3,059)
Repairs and Maintenance	(3,569)	(4,611)
Fees relating to lawyers, advisory, auditors, etc	(13,976)	(8,200)
Telephone service and Postal expences	(6,811)	(6,850)
Advertising and promotion expenses	(8,951)	(6,351)
Provisions	(5,339)	(447)
Subscriptions – Contributions	(5,386)	(2,552)
Other expenses	(9,015)	(14,431)
Other operating expenses	**(87,878)**	**(71,862)**

15. Income tax

(Amounts in thousand Euro)

	2007	2006
Tax for the financial year	42,975	25,526
Deferred tax	10,281	1,023
Reserves tax	-	2,079
Differencies of Tax Audit of preceding financial years	1,627	1,867
Income tax	**54,883**	**30,495**

Detailed information on deferred tax is available in Note 26. The reconciliation between tax based on the tax rate and income tax recognized in the income statement for the financial year is indicated as follows :

	%	2007	%	2006
Profits before tax		**196,229**		**102,554**
Tax calculated at the applicable tax rates	25%	48,540	29%	29,741
Tax effect of expenses not deductible for tax purposes	1%	1,486	5%	5,294
Tax effect of income not subject to tax	(1%)	(1,584)	(6%)	(6,532)
	1%	1,627	2%	1,911
Reserves tax	0%	0	2%	2,079
Other tax effects	2%	3,469	(1%)	(741)
Tax effect of different tax rates in other countries	1%	1,385	(1%)	(1,257)
Income tax	**29%**	**54,883**	**30%**	**30,495**

In Greece the results disclosed to the tax authorities are considered temporary and can be modified until the accounting books and data are examined by tax authorities and the tax declarations are considered conclusive. Consequently, the companies are subject to probable penalties and taxes which can be imposed during the assessment of the books and data. In calculating the tax expense for the current financial year, the Group took into consideration the additional tax obligations which would occur from a possible tax audit. The relevant provision for contingent additional tax differences is included in the “Deferred tax liabilities” account.

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

As far as the companies of the former group of Egnatia Bank are concerned, applications have been made for tax inspection as follows:

Company	Non tax inspected fiscal years for which application for tax inspection has been made	Responsible Tax Authority	Number of application Protocol
Egnatia Finance S.A.	2002-2007	Athens Tax Authorities	6452/20.09.2006
Egnatia Mutual Funds Management S.A.	2003-2007	Athens Tax Authorities	628/29.05.2007
Egnatia Leasing S.A.	2005-2007	Athens Tax Authorities	4.613/26.06.2007
Egnatia Insurance Brokers S.A.	2005-2007	Piraeus Tax Authorities	16.596/25.06.2007
Eurocambio Foreign Exchange S.A.	2003-2007	Athens Tax Authorities	6.477/31.05.2007
Egnatia Fin S.A. (1)	2000-2007	Piraeus Tax Authorities	16.595/25.06.2007
Egnatia Bank Travel LTD	2005-2007	Athens Tax Authorities	15.527/26.06.2007
Egnatia Consumer Services S.A. (2)	2005-2006	Piraeus Tax Authorities	16.597/25.06.2007

(1) During 2008 the tax inspection for the period 2000-2006 was concluded and total tax differences of € 31,296.03 arose, from tax differences of € 15,.539.25 short of surcharges of € 15,756.78. The total amount of € 31,296.03 was paid as lump sum on 10/02/2008 at a discount of € 6,925.39.

(2) The company is in the process of liquidation and no tax was accrued.

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

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

Following the tax inspection of the fiscal years 2004 – 2005, that was completed in May 2007, there were defined accounting differences of total amount of € 2,403,628.60 and total tax differences amounting to € 449,428.90 apart from increases amounting to € 125,609.03. The total amount of € 575,037.93 was paid as lump sum on 09/05/2007 at a discount of 5%.

The tax inspection of the fiscal year 2006 was completed in June 2007, and there were defined accounting differences totally amounting to € 900,625.00 and total tax differences amounting to € 277,543.02 apart from increases amounting to € 6,194.33 and further advances amounting to € 209,113.00. The total amount of € 492,850.35 was paid as lump sum on 28/06/2007 at a discount of 5%.

Furthermore, within the first nine month period of 2007, the tax inspection of the fiscal years 2000 – 2006 was completed for Laiki Leasing S.A., of the fiscal years 2005 – 2006 for Marfin Factors & Forfaiters S.A., of the fiscal years 2000 – 2006 for Laiki Mutual Funds Management S.A., of the fiscal years 2003 – 2006 for Marfin Life Insurance S.A., of the fiscal years 2000 – 2006 for Laiki Attalos S.A, and of the fiscal years 2002 – 2006 for Laiki Insurance Factoring LTD.

Tax Inspection of the absorbed company Marfin Bank S.A. and its subsidiaries

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

Following the tax inspection of the fiscal year 2006 that was completed in June 2007, there were defined accounting differences of total amount of € 993,793.35 and further total tax differences amounting to € 280,361.00 and further advance amounting to € 230,560.00 arose. The total amount of taxes of € 510,921.00 was paid as lump sum on 28/06/2007.

Furthermore, within the first nine month period of 2007, the tax inspection of the fiscal year 2006 was completed for Investment Bank of Greece S.A., of the fiscal years 2003 – 2006 for Marfin Mutual Funds Management S.A., of the fiscal years 2003 – 2006 for Marfin Global Asset Management S.A., of the fiscal years 2003 – 2006 for IBG Mutual Funds Management S.A., *of the fiscal years 2003 – 2006 for Investments S.A., and of the fiscal years of 2003 – 31.03.2007 for AVC S.A.*

16. Earnings per share

Basic earnings per share is calculated through net profits attributable to Shareholders, minority interests and the weighted average number of shares in issue during the year and.

Diluted earnings per share is calculated through net profits attributable to Shareholders, minority interests as well as interest accrued from the Convertible Bond Loan (C.B.L.) and the weighted average number of shares in issue during the year, increased by the weighted average number of the convertible bonds.

	2007	2006
Basic earnings per share		
Net Profits attributable to Shareholders	135,086	49,296
Weighted average number of shares	284,349,215	212,599,751
Basic earnigs per share	**0.48**	**0.23**
Diluted earnings per share		
Net Profits attributable to Shareholders	135,142	49,376
Weighted average number of shares	284,651,197	213,206,749
Diluted earnings per share	**0.47**	**0.23**

The financial information of the comparative period has been adjusted to the number of shareholders that resulted from the merger.

17. Cash and Balances in Central Banks

(Amounts in thousand Euro)

	2007	2006
Cash	53,586	48,349
Balances with Central Banks	262,437	136,353
Deposits in Central Bank	269,441	178,703
Cash and Balances in Central Banks	**585,464**	**363,405**

18. Loans and advances to Banks

(Amounts in thousand Euro)

	2007	2006
Sight accounts	80,588	60,126
Loans to other Banks	19,000	13,000
Nostro accounts	1,834,008	1,456,352
Απαιτήσεις κατά Πιστωτικών Ιδρυμάτων	**1,933,596**	**1,529,478**

19. Trading securities

(Amounts in thousand Euro)

	2007	2006
Greek government treasury bills (fixed interest)	43,412	46,708
Other government treasury bills (fixed interest)	8,667	20,627
Greek government trasury bills (floating interest)	1,009	40,446
Other government treasury bills (floating interest)	1,508	3,589
Corporate entity bonds(fixed interest)	19,716	14,082
Corporate entity bonds (floating interest)	70,258	54,100
Bonds	**144,570**	**179,552**
Shares listed in Athens Stock Exchange	86,979	44,358
Shares listed in foreign stock exchanges	190	1,393
Mutual Funds (local)	8,317	16,750
Mutual Funds (abroad)	100,218	38,735
Trading securities	**340,274**	**280,788**

20. Derivative financial instruments

(Amounts in thousand Euro)

December 31ST, 2007

		Fair value	
	Nominal value	**Assets**	**Liabilities**
Derivatives held for trading			
FX Forwards	134,928	822	11,545
Currency swaps	579,870	2,611	10,004
Index / Equity Derivatives			
Futures	144,682	-	420
Options	244,272	489	272
CDS	93,776	111	1,494
Repos	2,242	12	7
Interest rate derivatives			
Intrest Rate Swaps	339,895	4,582	1,660
Derivatives held for trading		**8,627**	**25,402**
Derivatives designated at fair value hedges			
Options	64,759		447
Futures	137,048	13	
Deposits with embedded derivative	70,871	2,295	2,399
Interest Rate Swaps	952,649	-	5,621
Derivatives designated at fair value hedges		**2,308**	**8,467**
Derivative financial instruments		**10,935**	**33,869**

December 31st, 2006

		Fair value	
	Nominal value	**Assets**	**Liabilities**
Derivatives held for trading			
FX Forwards	83,908	152	169
Currency swaps	835,157	1,409	3,312
Index / Equity Derivatives			
Futures	84,073	497	-
Options	117,157	611	116
CDS	68,797	304	412
Interest rate derivatives			
Intrest Rate Swaps	486,686	5,042	-
Derivatives held for trading		**8,015**	**4,009**
Derivatives designated at fair value hedges			
Deposits with embedded derivative	1,223	49	49
Derivatives designated at fair value hedges		**49**	**49**
Derivative financial instruments		**8,064**	**4,058**

21. Loans and advances to customers

(Amounts in thousand Euro)

	2007	2006
Retail:		
Consumer	1,457,712	922,244
Credit Cards	162,082	143,615
Housing	1,797,699	1,017,911
Other	25,190	23,450
	3,442,683	**2,107,220**
Corporate:	**6,427,598**	**4,337,285**
Total loans and advances to customers	**9,870,281**	**6,444,505**
Less: loans impairment	**(221,998)**	**(169,804)**
Loans and advances to customers	**9,648,283**	**6,274,701**

Provisions account movements:

	2007	2006
Balance at the beginning of the year	169,804	171,213
Impairment	59,846	63,629
Loans written-off	(7,652)	(65,038)
Balance at the end of the year	**221,998**	**169,804**

Loans to customers include leasing:

	2007	2006
Gross investment in leasing:		
Less than 1 month	67,273	59,849
Over 1 but less than 3 months	22,231	16,566
Over 3 but less than 12 months	97,420	72,599
Over 1 but less than 5 years	282,951	216,036
Over 5 years	234,783	218,245
Total investment in leasing	**704,658**	**583,295**
Unearned leasing income	(138,635)	(121,191)
Investment in leasing at present value:	**566,023**	**462,104**

Net investment in leasing is analysed in maturity dates as follows:

	2007	2006
Less than 1 month	53,964	39,418
Over 1 but less than 3 months	17,473	34,194
Over 3 but less than 12 months	77,481	66,754
Over 1 but less than 5 years	232,848	193,299
Over 5 years	184,257	128,439
Total	**566,023**	**462,104**

22. Investment securities

(Amounts in thousand Euro)

	2007	2006
Investment securities available for sale		
Mutual funds (local)	13,462	2,299
Mutual funds (abroad)	-	37,965
Shares listed in Athens Stock Exchange	7,043	3,129
Shares listed in Athens Stock Exchange (pledged)	414	-
Entries to shares currenty not issued (local)	31	-
Shares listed in foreign stock exchanges	2,069	1,260
Not-listed shares	1,110	1,090
Greek government treasury bills (fixed interest)	161,528	68,721
Greek government treasury bills (floating interest)	115,553	40,579
Other government treasury bills (fixed interest)	97,559	57,861
Corporate entity bonds(fixed interest)	105,822	98,161
Corporate entity bonds (floating interest)	83,952	85,218
Investment securities available for sale	**588,543**	**396,283**
Investments held to maturity		
Greek government treasury bills (fixed interest)	53,314	61,159
Greek government treasury bills (floating interest)	10,000	13,074
Corporate entity bonds(fixed interest)	2,025	5,984
Corporate entity bonds (floating interest)	26,487	29,545
Investments held to maturity	**91,826**	**109,762**
Investment securities	**680,369**	**506,045**

23. Investments in associates

(Amounts in thousand Euro)

	2007	2006
Entity	**ARIS Capital Management (USA)**	
Total participation percentage	30.00%	30.00%
Assets	1,684	1,554
Liabilities	909	1,176
Income	1,671	1,727
Profit /(Loss)	672	643
Share capital	8	8
Investment in associates	**1,988**	**2,327**

24. Intangible assets

(Amounts in thousand Euro

	Goodwill	Software	Total
Acquisition			
Balance as at January 1st, 2006	46,667	30,319	76,985
Additions	-	3,306	3,306
Disposals	-	(243)	(243)
Balance as at January 31st, 2006	**46,667**	**33,382**	**80,048**
Balance as at January 1st, 2007	46,667	33,382	80,048
Additions	3,602	6,264	9,867
Disposals	-	(261)	(261)

Balance as at January 31st, 2007	**50,269**	**39,385**	**89,654**
Accumulated amortization			
Balance as at January 1st, 2006	71	21,739	21,810
Amortization	-	2,773	2,773
Disposals	-	(7)	(7)
Balance as at January 31st, 2006	**71**	**24,505**	**24,576**
Balance as at January 1st, 2007	71	24,505	24,576
Amortization	-	2,906	2,906
Disposals	-	(9)	(9)
Balance as at January 31st, 2007	**71**	**27,403**	**27,474**
Balance Sheet entries			
As at January 1st, 2006	46,596	8,579	55,175
As at January 31st, 2006	**46,596**	**8,877**	**55,473**
As at January 1st, 2007	46,596	8,877	55,473
As at January 31st, 2007	**50,198**	**11,983**	**62,181**

Goodwill

Changes in goodwill book value in relation to the previous period arose from the acquisition of 30% of Egnatia Finance S.A. which was absorbed by Investment Bank of Greece.

Goodwill impairment testing

Goodwill is allocated to cash-generating units (CGUs) for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The Group allocates goodwill using the country of operation and economic segment as the allocation basis.Goodwill almost in total is allocated to Investment Bank of Greece a sybsidiary which operates mainly in the financial sector and provides a broad range of financial and investment services to individuals and businesses.

The recoverable amounts of the subsidiary have been determined based on value in use calculations. These calculations require the use of estimates and assumptions and use calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. The growth rates do not exceed the long-term average growth rate for the business in which each CGU operates. Estimates and assumptions used for calculating cash flow projections from the Group’s participation in the Investment Bank of Greece are as follows:

Average income growth from fees and commissions for the period 2007-2012	16.67%
Group’s annual dividend as a percentage in subsidiary’s net profits	75%
Average dividend growth (cash flows) for the period 2007-2012	15.29%
Growth rate after 2012	2%
Returns in equity after 2012	25%
Discount rate	14.15%

Due to the significant growth in the subsidiary's activities, the recoverable amounts as at 31/12/2007 exceed its book value inclusive of goodwill (around 300%), thus, any revision in estimates will have no significant impact on goodwill impairment testing.

25. Property, plant and equipment

(Amounts in thousand Euro)

	Land	Buildings	Leasehold improvements	Furniture and other equipment	Other	Total
Acquisition Cost						
Balance as at January 1, 2006	23,714	21,576	49,568	63,638	7,216	165,712
Additions	609	7,171	4,113	9,291	1,611	22,795
Disposals	-		(2,814)	(2,998)	(547)	(6,359)
Balance as at December 31, 2006	**24,323**	**28,747**	**50,867**	**69,931**	**8,280**	**182,148**
Acquisition Cost						
Balance as at January 1, 2007	24,323	28,747	50,867	69,931	8,280	182,148
Additions	337	663	8,402	7,962	751	18,115
Disposals	(2,294)	(47)	(1,822)	(7,888)	(2,775)	(14,826)
Balance as at December 31, 2006	**22,366**	**29,363**	**57,447**	**70,005**	**6,256**	**185,437**
Depreciation						
Balance as at January 1, 2006	-	4,666	28,515	48,528	3,093	84,802
Annual depreciation	-	579	3,684	5,323	1,686	11,272
Deductions	-		(2,708)	(1,025)	(124)	(3,857)
Balance as at December 31, 2006	**-**	**5,245**	**29,491**	**52,826**	**4,655**	**92,217**
Depreciation						
Balance as at January 1, 2007	-	5,245	29,491	52,826	4,655	92,217
Annual depreciation	-	575	3,726	5,138	795	10,234
Deductions	-	(80)	(1,591)	(4,281)	(1,271)	(7,223)
Balance as at December 31, 2007	**-**	**5,740**	**31,626**	**53,683**	**4,179**	**95,228**
Amounts in the Balance Sheet						
As at January 1, 2006	23,714	16,910	21,053	15,110	4,123	80,910
As at December 31, 2006	**24,323**	**23,502**	**21,376**	**17,105**	**3,625**	**89,931**
As at January 1, 2007	24,323	23,502	21,376	17,105	3,625	89,931
As at December 31, 2007	**22,366**	**23,623**	**25,821**	**16,322**	**2,077**	**90,209**

26. Deferred tax

(Amounts in thousand Euro)

Recognised deferred tax asset and liability

Deferred tax asset and liability arise from:

	2007	2006
Deferred Tax Asset		
Intangible assets	319	489
Employee benefits	2,708	2,598
Impairment on loans and advances	3,170	3,985
Impairment on investment securities	20,803	2,051
Accruals	3,199	1,640

Valuation of securities and derivatives	-	245
Preference Shares	-	226
Other	3,942	2,412
	34,141	**13,646**
Deferred Tax Liability		
Property, plant and equipment	1,572	1,386
Impairment on loans and advances	4,683	
Commissions	5,740	
Valuation of securities and derivatives	2,059	209
Intangible assets	614	303
Other	2,355	3,031
	17,023	**4,929**

Change of temporary differences during the accounting period

	Balance as at January 1, 2006	Recognition in the income statement	Recognition in the equity	Balance as at December 31, 2006
Intangible assets	643	(485)	-	158
Employee benefits	2,465	659	-	3,124
Impairment on loans	2,851	1,336	-	4,187
Impairment on investments	35	1,362	-	1,397
Accruals	1,154	201	-	1,355
Preference Shares	-	227	-	227
Property, plant and equipment	(2,315)	110	-	(2,205)
Valuaiton of derivatives	453	(1,042)	-	(589)
Valuation of trading securities	(385)	283	-	(102)
Available for sale financial instruments	269	405	(21)	653
Other	4,591	(4,079)	-	512
	9,761	**(1,023)**	**(21)**	**8,717**

	Balance as at January 1, 2007	Recognition in the income statement	Recognition in the equity	Balance as at December 31, 2007
Intangible assets	159	(462)	-	(303)
Employee benefits	3,124	125	-	3,249
Impairment on loans	4,187	(5,590)	-	(1,403)
Impairment on investments	1,397	(646)	-	751
Accruals	1,355	1,149	-	2,504
Effective Rate loans	-	(5,740)	-	(5,740)
Preference Shares	227	(227)	-	-
Property, plant and equipment	(2,206)	(200)	-	(2,406)
Finance leases	-	(91)	-	(91)
Valuaiton of derivatives	(589)	-	-	(589)
Valuation of trading securities	(103)	-	-	(103)
Available for sale financial instruments	654	-	18,682	19,336
Other	512	1,401	-	1,913
	8,717	**(10,281)**	**18,682**	**17,118**

27. Insurance Contract Liabilities and Reinsurance Assets

(Amounts in thousand Euro)

	(Liabilities)		Reinsurance (Assets)		Net	
	2007	**2006**	**2007**	**2006**	**2007**	**2006**
Short-term Life Insurance Contracts						
Outstanding loss reserves	707	569	352	209	355	360
Un-earned premiums	518	288	188	117	330	171
Long-term Life Insurance Contracts						
Provisions	2,778	97	88	18	2,689	80
Total life insurance contract liabilities	**4,003**	**954**	**628**	**344**	**3,374**	**611**
Reserves for investments held at risk of the company	674	487				
Reserves for investments held on behalf and at risk of policy holders	13,880	1				
Total investment contract liabilities	**14,554**	**489**				
Total liabilities from insurance contracts	**18,557**	**1,442**				

Insurance provisions are analysed as follows:

	2007			2006		
	Total	Reinsurance	Group	Total	Reinsurance	Group
Outstanding loss provisions						
Balance as at January 1st	569	209	360	330	81	249
Reimbursement	(98)	(39)	(59)	(42)	(14)	(28)
Claims reported	302	182	120	283	143	140
Foreign exchange differences	(67)		(67)	(2)		(2)
Balance as at January 31st	**706**	**352**	**354**	**569**	**210**	**359**
Provisions for un-earned premiums						
Balance as at January 1st	288	117	171	161	46	115
Provisions used during the period	230	70	160	127	72	55
Balance as at January 31st	**518**	**187**	**331**	**288**	**118**	**170**
Provisions for long-term life insurance contracts						
Balance as at January 1st	97	17	80	42	11	31
Increase in the year	2,637	46	2,591	53	7	46
Reimbursement	(1)		(1)	(1)		(1)
Other provisions	45	25	20	2		2
Balance as at January 31st	**2,778**	**88**	**2,690**	**96**	**18**	**78**

28. Other assets

(Amounts in thousand Euro)

	2007	2006
Guarantees	37,397	20,195
Prepaid expenses	4,332	3,219
Clearing accounts for securities transactions of ASE, ADEX and foreign stock exchanges	61,592	20,423
Earned income	104,994	42,728
Other	86,722	60,945
Other Assets	**295,037**	**147,510**

29. Due to other banks

(Amounts in thousand Euro)

	2007	2006
Deposits to Central Banks	180,000	210,000
Sight deposits	13,512	44,523
Time deposits	24,551	19,893
Interbank deposits	1,884,112	452,726
Due to financial institutions	313,148	35,631
Due to Other Banks	**2,415,322**	**762,773**

30. Due to Customers

(Amounts in thousand Euro)

	2007	2006
Retail:		
Sight deposits	728,612	901,495
Savings account	763,119	810,944
Time deposits	4,095,186	2,640,872
	5,586,918	**4,353,311**
Corporate:		
Sight deposits	1,179,977	876,617
Time deposits	2,442,817	1,861,738
	3,622,793	**2,738,355**
Public:		
Sight deposits	77,754	26,570
Time deposits	13,282	67,720
	91,036	**94,290**
Due to Customers	**9,300,747**	**7,185,956**

31. Debt securities in issue and other borrowed funds

(Amounts in thousand Euro)

	2007	2006
Preference share	-	13,026
Share premium	-	15,130
Convertible Bond loan of limited collateral maturity 2013	862	852
Bond loan of limited collateral maturity 2015	80,000	80,000

Bond loan of 5 years duration	-	22,537
Bond loan of limited collateral maturity 2017	200,000	-
Bond loan maturity 2010	50,000	-
Intercompany loan maturity 2008	199,941	199,843
Debt securities in issue and other borrowed funds	**530,803**	**331,389**

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

The convertible bond was issued on 21st January 2003 and has a maturity of 10 years with the right of first redemption after 5 years. It has a rate of interest of Euribor plus 1.75% up to the date of redemption and 3.25% until maturity. Interest accrues every 3 months starting 21 January 2003.

The Board of Directors via authorization among other issues discussed at 27.4.2007 Assembly of convertible debt holders of the convertible bond issued by the Bank following the decision of 28.6.2001 of the First Repetitive General Assembly following the postponement of the Ordinary General Assembly of common shares shareholders, the First Repetitive Special General Assembly preferred shares shareholders of 28.6.2001 as well as the decisions of the Board of Directors as of 3.10.2002 and 19.11.2002, at its meeting on 26.7.2007 decided on the adjustment of the aforementioned change as the convertible bond so that after the completion of the merger through absorption by the Bank of "MARFIN BANK S.A." and "LAIKI BANK (HELLAS) S.A , and on the cancellation of benefits and and the transition of preferred shares without voting rights into ordinary nominal shares with voting rights as well as on the amendment of Article 7 par.1 of the Charter of Incorporation of the Bank, ten (10) bonds, convertible into either ordinary or preferred shares should be hereafter the highest time point 1 of convertible into ten (10) new ordinary nominal shares of the Bank of nominal value of one Euro and twenty seven cents (1.27 €). It was also established that following the cancellation of benefits and transition of preferred shares without voting rights into ordinary shares with voting rights the aforementioned convertible bond issued by the Bank will be composed of a number of bonds convertible into new ordinary nominal shares of the Bank.

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

The subordinated debt with maturity 2015 was issued 4 May 2005 and has a 10 year term with the right to fixed redemption after the end of the fifth year. It has an interest rate of Euribor plus 1.10% up to redemption date and 2.40% up to maturity. It accrues interest quarterly starting 4 August 2005.

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

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

Debt security matures in 2008 (3 years) and pays Euribor plus 0.55% until maturity. The interest rate period is 3 months, with the effective date of 11 November 2005.

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

32. Employee benefits

(Amounts in thousand Euro)

	2007	2006
Present value of funded obligations	8,911	12,811
Present value of non-funded obligations		1,751
Total present value	8,911	14,562
Fair value of plan assets		(1,874)
Limitations to plan assets		378
Unrecognized past service costs		(1,029)
Unrecognized actuarial (losses) / gains	2,406	(1,332)
Recognized obligation for defined benefit plan	**11,317**	**10,705**
Movement in the value of plan assets are as follows:		
Balance at the beginning of year	1,874	1,682
Expected return on plan assets	49	73
Contributions	-	240
Benefits paid	(1,335)	(257)
Amounts recognized in income statement	-	(2)
Settlement result	(589)	-
Acturial (losses) / gains	-	139
Balance at the end of year	-	1,874

Net obligation for defined benefit plans as at January 1st, 2007	10,705	9,588
Contributions	-	(223)
Benefits paid	(6,940)	(864)
Expenses recognized in income statement	7,552	2,205
Net obligation for defined benefit plans as at January 31st, 2007	**11,317**	**10,705**

Expense recognized in income statement

Current service costs	1,413	1,142
Expected return on plan assets	-	(73)
Actuarial losses		68
Effect from the limitations on recognized assets from insurance contract	-	22
Termination cost - Settlement	5,658	521
Interest on obligation	481	524
	7,552	**2,205**

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

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

33. Other provisions

(amounts in thousand Euro)

	2007	2006
Provisions for risks and liens	5,585	-
Provisions for taxes	800	-
Other personnel provisions	9,744	673
Other provisions	**16,128**	**673**

34. Other liabilities

(amounts in thousand Euro)

	2007	2006
Taxes and duties (non income tax)	9,586	5,482
Due to social security funds	5,588	4,489
Suppliers and other creditors	24,712	27,192
Third parties participation in SC increases of the companies	189,303	-
Amounts collected on behalf and due to third parties	26,440	13,261
Deferred income	52,239	16,221
Due to customers / ASE for stock exchanges	98,421	55,612
Accrued expenses	15,629	26,493
Cheques and orders payable	63,365	68,370
Other liabilities	15,980	23,538
Other liabilities	**501,263**	**240,659**

35. Share capital

	31.12.2007	31.12.2006
Number of ordinary shares	**288,626,666**	**277,490,132**
Nominal value	**1.27**	***1.27**
Share capital paid (in thousand Euro)	**366,556**	**353,520**
Share premium (in thousand Euro)		
Number of ordinary shares	**327,261**	**312,125**

* The nominal value of share of Egnatia Bank as at 31/12/2006 (prior to merger) was 1.17 Euro, the above amount of 1.27 arises following the absorption of Marfin Bank and Laiki Bank.

SHARE CAPITAL OF ABSORBING COMPANY BEFORE AND AFTER THE MERGER (in €)	**Number of shares**	**Share capital**
I. Share capital OF EGNATIA BANK S.A. before the merger	**93,286,729**	**109,145,472.93**
II. Changes of share capital due to the merger :		

Increase in capital by the arising share capital of LAIKI BANK (HELLAS) S.A. (31/12/2006) (6.796.661 ordinary nominal shares of nominal value € 14,67)	88,635,383	99,707,016.87
Increase in capital by the arising share capital of MARFIN BANK S.A. (31/12/2006) (482.224.763 ordinary nominal shares of nominal value € 0,30)	95,568,020	144,667,428.90
Increase in capital from Reserves account from conversion of share capital into Euro of the absorbing company for approximation purposes of the nominal value of the shares of the absorbing company..		6,042.34
Total increases in capital due to merger		**244,380,488.11**
Share capital of the new bank after the merger (I+II)		**353,525,961.04**
Issue of new ordinary shares	2,930	3,588.10
Transformation of preference shares into ordinary shares	11,133,604	13,026,316.68
Share Capital of Marfin Egnatia Bank as at 31.12.2007	**288,626,666**	**366,555,865.82**

Exchange correlation

For the shareholders of EGNATIA BANK S.A .	**One (1) old ordinary or preferred share of EGNATIA BANK S.A. as against 1 new ordinary nominal share of MARFIN EGNATIA BANK S.A.**
For the shareholders of LAIKI BANK (HELLAS) S.A.	**One (1) share of LAIKI BANK (HELLAS) S.A. as against 13.041018670786 new ordinary nominal shares of MARFIN EGNATIA BANK S.A.**
For the shareholders of MARFIN BANK S.A.	**One (1) share of MARFIN BANK S.A. as against 0.198181485757 new ordinary nominal shares of MARFIN EGNATIA BANK S.A.**
Trading unit at Athens Stock Exchange	Title of 1 share

In compliance with Schedule of Contract Merger, as approved by the Extraordinary General Assemblies of the Merging Companies as at 21/06/2007, the share capital of the Absorbing Company is totally increased by an amount of 244,380,488.11 Euro, that refers, on one hand, to the total share capital of the Absorbed Companies amounting to 244,374,445.77 Euro, and, on the other hand, to the capitalized portion of Reserve Balance Account arising from the transition of share capital of the Absorbing Company to Euro of the amount of 6,042.34 Euro for the new Absorbing Company shares approximation purposes and, at the same time, there is increased the nominal value of the Absorbing Company total shares from 1.17 Euro to 1.27 Euro.

The BoD of the Athens Stock Exchange during its meeting on 23.08.2007 has approved theintroduction of 11.133.604 new ordinary shares of the Bank arising from the transformation of the equal number of preference ordinary shares.August 29, 2007 has been set as the date of suspension for the old preferred shares andconvertible bonds, while September 5, 2007 the date of renegotiation of the new ordinary shares and bonds.At the same date, 05.09.2007, the Bank's 184,203,403 new ordinary shares, which replaced the old shares during the merger with Marfin Bank and Laiki Bank, have also been listed to the stock exchange**.**

As of September 5, 2007 the total amount of listed shares of the Bank is 288,625,066 ordinary shares with voting rights.

Therefore, following the completion of the merger, the Absorbing Company share capital amounted to **Euro 366,553,833.82** three hundred sixty six million, five hundred fifty three thousand eight hundred thirty three Euro and eighty two cents divided into **288,625,066** two hundred eighty eight million six hundred twenty five thousand and sixty six common nominal shares of each share value amounting to **Euro 1.27** one Euro and twenty seven cents.

Following the merger, 1,600 ordinary bonds were transformed into the corresponding ordinary shares. Following the aforementioned transformation, the share capital of the Company amounted to **Euro 366,555,865.82** three hundred sixty six million, five hundred fifty five

thousand eight hundred sixty five Euro and eighty two cents divided into **288,626,666** two hundred eighty eight million six hundred twenty six thousand six hundred sixty six common nominal shares of each share value amounting to **Euro 1.27** one Euro and twenty seven cents.
The shares of the Bank are nominal, indivisible and are traded in Big Capitalization Category of ASE and have been issued based on the requirements of the Law 2190/1920 and the Charter of Incorporation of the Bank.

36. Reserves

(amounts in thousand Euro)

	2007	2006
Statutory reserve	19,346	12,819
Untaxed reserves	5,449	3,483
Extraordinary reserves	30,013	21,909
Revaluation reserve available-for-sale securities	(59,848)	(3,505)
Reserves for Stock Options plan	1,630	-
Reserves	**(3,411)**	**34,705**

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

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

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

37. Contigent liabilities and Commitments

37.1 Litigation

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

37.2 Credit Commitments

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

	2007	2006
Letters of guarantees	499,750	405,859
Letters of credit	5,069	12,886

37.3 Operating lease

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

	2007	2006
Up to 1 year:	19,000	17,186
1 to 5 years:	61,408	55,053
Over 5 years:	32,876	19,516

38. Related parties transactions

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

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

A) Management and Board of Directors	31 December 2007	31 December 2006
Loans and advances to customers	3,907	7,862
Deposits and similar liabilities	149,565	42,845
Income	**1/1 - 31/12/2007**	**1/1 - 31/12/2006**
Interest - Commission	82	126
Expense		
Interest - Commission	2,011	1,516
Wages	6,328	5,903
Employer contributions	384	239
Other employee benefits	435	242
Share based payments	720	0
Total benefits	**7,867**	**6,384**

B) Group of the parent Marfin Popular Bank	31 December 2007	31 December 2006
Assets		
Loans and advances to banks	264,458	31,710
Other loans and advances	20,952	0
Total assets	**285,410**	**31,710**
Liabilities		
Deposits from customers	18,633	15,006
Deposits from banks	355,944	242,527
Debt securities	200,000	0
Other liabilities	5,421	722
Total liabilities	**579,998**	**258,255**
Income	**1/1 - 31/12/2007**	**1/1 - 31/12/2006**
Interest and similar income	8,137	539
Commission income	3,826	0
Other income	82	0

Total income	**12,045**	**539**
Expenses		
Interest and similar expense	21,921	3,323
Commission expenses	341	0
Other operating expenses	58	252
Total expenses	**22,320**	**3,575**

C) Other related parties	**31 December 2007**	**31 December 2006**
Assets		
Loans and advances to customers	37,500	23,441
Other loans and advances	245	28
Property, plant and equipment	1,100	1,552
Total assets	**38,845**	**25,021**
Liabilities		
Deposits from customers	19,359	57,106
Deposits from banks	0	91
Other liabilities	0	1,362
Total liabilities	**19,359**	**58,559**

Income	**1/1 - 31/12/2007**	**1/1 - 31/12/2006**
Interest and similar income	1,105	2,086
Commission income	75	176
Total income	**1,180**	**2,262**
Expenses		
Interest and similar expenses	347	899
Other operating expenses	238	958
Total expenses	**585**	**1,857**

39. Transactions with Marfin Investment Group

(amounts in thousand Euro)

	31 December 2007	**31 December 2006**
Assets		
Loans and advances to customers	136,122	0
Liabilities		
Deposits from customers	461,787	0

Income	**1/1 - 31/12/2007**	**1/1 - 31/12/2006**
Interest and similar income	3,076	0
Commission income	86,294	0
Total income	**89,370**	**0**
Expenses		
Interest and similar expenses	33,697	0

40. Fair value of financial assets and liabilities

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

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

(a) Loans and advances to banks

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

(b) Loans and advances to customers

Loans and advances to customers are presented following the deduction of the corresponding provision for their impairment. The vast majority of loans (78%) refer to loans of fluctuating interest that will be re-estimated (or the loan will mature) within three months as from the balance sheet date. Furthermore, the biggest part of the loans with fixed interest for the period over one year have been hedged for changes of the interests. The carrying amount of the aforementioned loans has been adjusted at profit amounting to € 5,621 thousand so that they should reflect fair value changes arising from changes in interest (hedged risk). Thus, the carrying amount of the loans and advancers to customers does not materially differ from their fair value as at balance sheet date.

(c) Held-to-maturity securities

The fair value of held-to-maturity securities amounts to € 90,890 thousand (2006: € 109,401 thousand). The fair value of the aforementioned securities is defined through reference to secondary acquisition or prices provided by brokers/agents. In the event no such information is available, the fair value is calculated using the market price of the securities similar to those in question, maturity period and return characteristics.

(d) Deposits

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

(e) Debt securities

As described in Note 31, all bonds and loans bear fluctuating interest rate at a re-evaluating period of within three months. Therefore, the fair value of the bonds is quite similar to their carrying amount. The bonds of carrying amount of € 280,803 thousand (2006: € 308,852 thousand) are traded on organized market and their financial value has been defined as that of € 281,472 thousand (2006: 310,868). Furthermore, the remaining borrowed funds amounting to € 250,000 refer to the bonds issued during the last working days of the year.

The bonds in question, as well as all the financial liabilities, were initially recognized at their fair value.

41. Financial risk management

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

41.1 Credit risk

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

Credit Risk Management

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

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

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

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

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

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

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

Balancing the relation between profit and risk is a matter of vital importance for the Group's profitability. The aforementioned relation is analyzed at customer and product level through

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he system of profitability measurement as well as pricing definition that has been developed with the aim of connecting the incurred risk with the expected returns.

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

Credit rating system

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

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

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

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

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

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

Loans and advances to customers credit rating

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

(amounts in thousand Euro)

	2007 Loans and advances to customers %	2007 Provision for loans impairment %	2006 Loans and advances to customers %	2006 Provision for loans impairment %
Credit rating category:				
Low risk	53.18	0.20	50.74	0.16
Medium risk	42.13	0.40	43.54	0.54
High risk	4.69	42.11	5.72	40.56
Total	**100**	**2.25**	**100**	**2.63**

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

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

(amounts in thousand Euro)

	2007	2006
Exposure to credit risk of the Balance Sheet items:		
Loans and advances to banks	1,933,596	1,529,478
Transaction portfolio securities	144,570	179,722
Financial derivatives - assets	10,935	8,064
Loans and advances to customers (after provisions)		
Loans to retail customers	3,365,728	2,062,478
Corporate loans:		
Bid size entities and organizations	3,522,841	2,087,255
Small and medium size entities	2,759,714	2,124,968
Investing portfolio securities:		
Available for sale	564,413	350,539
Held to maturity	91,826	109,761
Other Assets (Clearing accounts for securities transactions of ASE, ADEX and foreign stock exchanges)	61,592	20,423
Total Balance Sheet Items	**12,455,215**	**8,472,688**
Exposure to credit risk pertaining to off Balance Sheet items:		
Letters of guarantee	499,750	405,859
Letters of credit	5,069	12,886
Total	**12,960,034**	**8,891,434**

Loans and advances

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

(amounts in thousand Euro)

	2007 Loans and advances to customers	2007 Loans and advances to banks	2006 Loans and advances to customers	2006 Loans and advances to banks
Loans without delay and impairment (a)	8,284,296	1,933,596	5,748,740	1,529,478
Delayed but not impaired (b)	1,172,413	0	404,525	0
Impaired (c)	413,572	0	291,240	0
Loans before provisions	9,870,281	1,933,596	6,444,512	1,529,478
Provision for impairment	(221,998)	0	(169,804)	0
Loans after provisions	**9,648,283**	**1,933,596**	**6,274,701**	**1,529,478**

(a) Loans and advances without delay and impairment

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

(amounts in thousand Euro)

	Loans and advances to customers				Loans and advances to banks
	Retail	Corporate Large size entities and organizations	Corporate Small and medium size entities	Total	
2007					
Credit rating category:					
Low risk	2,147,384	2,093,985	960,666	**5,202,035**	1,933,596
Medium risk	678,039	1,149,271	1,254,484	**3,081,794**	**0**
High risk	0	467	0	**467**	**0**
Total	**2,825,423**	**3,243,723**	**2,215,150**	**8,284,296**	**1,933,596**
2006					
Credit rating category:					
Low risk	932,502	1,250,574	1,061,749	**3,244,826**	1,529,478
Medium risk	806,364	795,523	897,338	**2,499,225**	0
High risk	156	1,150	3,384	**4,690**	0
Total	**1,739,022**	**2,047,247**	**1,962,472**	**5,748,741**	**1,529,478**

(b) Loans and advances delayed but not impaired

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

(amounts in thousand Euro)

	Loans and advances to customers			
	Retail	Large size entities and organizations	Corporate Large size entities and organizations	Corporate
2007				
Delay up to 30 days	278,350	194,703	280,989	**754,042**
Delay from 31 to 60 days	122,605	9,341	70,805	**202,751**
Delay from 61 to 90 days	67,423	61,985	86,212	**215,620**
Total	**468,378**	**266,029**	**438,006**	**1,172,413**
Fair value of collaterals	**261,697**	**186,153**	**235,218**	**683,068**
2006				
Delay up to 30 days	200,212	13,505	56,624	**270,341**
Delay from 31 to 60 days	47,026	519	14,132	**61,677**
Delay from 61 to 90 days	37,778	2,577	32,151	**72,506**
Total	**285,017**	**16,602**	**102,907**	**404,525**
Fair value of collaterals	**665**	*	*	**665**

(c) Impaired loans and advances

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

(amounts in thousand Euro)

	Loans and advances to customers			
	Retail	Large size entities and organizations	Corporate Large size entities and organizations	Corporate
2007				
Loans defined on individual basis as impaired	148,882	70,051	194,639	**413,572**
Fair value of collaterals	36,359	12,118	68,111	**116,588**
2006				
Loans defined on individual basis as impaired	83,182	77,238	130,820	**291,240**
Fair value of collaterals	33,761	28,223	63,175	**125,159**

Investment in securities, state bonds and bonds accepted as refinancing

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

(amounts in thousand Euro)

	State bonds and treasury bills	Other transaction portfolio securities	Other investing securities	Total
31 December, 2007				
AAA	15,763	3,699	26,903	**46,365**
AA- to AA+	0	40,990	23,711	**64,701**
A- to A+	406,711	31,565	79,665	**517,940**
Lower than A-	70,074	13,628	81,335	**165,037**
Non rated	0	93	6,673	**6,765**
Total	**492,549**	**89,974**	**218,286**	**800,809**
31 December, 2007				
AAA	16,942	2,850	29,708	49,500
AA- to AA+	0	8,725	13,579	22,304
A- to A+	270,688	14,329	15,989	301,006
Lower than A-	65,134	37,466	137,049	239,649
Non rated	0	4,812	22,583	27,395
Total	**352,764**	**68,182**	**218,908**	**639,854**

Acquisition of ownership of gained collaterals

The carrying amount of the assets that came to the ownership of the Group during the year, either through acquisition of ownership or through activation of other credit measures that meet the recognition criteria of other standards amount to 4,223 thousand Euro in 2007 and to 705 thousand Euro in 2006.

Concentration of credit risk

(a) Geographical segment

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

(amounts in thousand Euro)

	Greece	Other countries	Total
Loans and advances to banks	991,190	942,406	**1,933,596**
Transaction portfolio securities	64,784	79,786	**144,570**
Derivative financial instruments - assets	0	10,935	**10,935**
Loans and advances to customers (after provisions)			
Loans to retail customers	3,317,874	47,854	**3,365,728**
Corporate loans:			
Big size entities and organizations	2,212,070	1,310,771	**3,522,841**
Small and medium size entities	2,394,946	364,768	**2,759,714**
Investing portfolio securities:			
Available for sale	288,057	276,356	**564,413**
Held to maturity	83,256	8,570	**91,826**
Other Assets	61,592	0	**61,592**
31 December, 2007	**9,413,769**	**3,041,446**	**12,455,215**
31 December, 2006	**6,608,155**	**1,864,532**	**8,472,688**

(b) Business segment

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

(amounts in thousand Euro)

	Industry	Tourism	Commerce	Property and Constructions	Shipping	Retail customers, professional and self occupancy	Other segments	Total
Loans and advances to banks							1,933,596	**1,933,596**
Transaction portfolio securities							144,570	**144,570**
Derivative financial instruments - assets							10,935	**10,935**
Loans and advances to customers (after provisions):								
Loans to retail customers						3,359,998	5,730	**3,365,728**
Corporate loans:								
Big size entities and organizations	128,462	52,468	137,042	171,332	1,218,675		1,814,861	**3,522,841**
Small and medium size entities	397,208	145,575	949,862	286,289	26,453		954,326	**2,759,714**
Investing portfolio securities:								
Available for sale							564,412	**564,412**
Held to maturity							91,827	**91,827**
Other Assets							61,592	**61,592**
31 December, 2007	**525,670**	**198,043**	**1,086,904**	**457,622**	**1,245,128**	**3,359,998**	**5,581,849**	**12,455,215**
31 December, 2006	**547,431**	**257,149**	**1,250,854**	**493,828**	**608,132**	**2,069,210**	**3,246,083**	**8,472,688**

Counter party banks risk

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

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

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

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

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

Country risk

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

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

41.2 Market risk

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

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

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

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

The Group has established a market risk management policy that applies to the Group and its subsidiaries including financial and credit counterparty risk assessment. The Risk Department is responsible for the development of suitable systems for the evaluation of its customers' credit rating in order to minimise credit risk. It applies modern methods and sensitivity testing for market risk and counterparty risk assessment and uses relevant evaluation procedures for operation monitoring in order to minimise operational risk.

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

The approved policies are monitored and assessed systematically and are reviewed on an annual basis. They are reformulated whenever the Group's strategy and current market trends stipulate such actions. For evaluating counterparty risk assessment and market risk results in relation to the approved policies, reports are produced on a daily basis from the Risk department with the use of relevant evaluation procedures for operation monitoring in order to minimise operational risk.

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

The Group, through its subsidiaries, holds open positions in various financial products and is therefore exposed to income risks (fixed income book), foreign currency risks (FX trading book), as well as fluctuation risks on the value of shares and other securities (Equities/Equity and Index Derivatives book). Market risk, in terms of VaR, for the aforementioned positions as at 31 December 2007, amounted to 1,0 million Euro as analyzed in the table below.

	2007	2006
Currency risk	€ 0.3 mil.	€ 0.1 mil.
Security portfolio interest risk	€ 0.9 mil.	€ 0.1 mil.
Financial products portfolio market risk	€ 0.6 mil.	€ 4.2 mil.
Decreases due to portfolio modification	€ (0.8) mil.	€ (0.7) mil.
Total (Net Market Risk)	**€ 1.0 mil.**	**€ 3.7 mil.**

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

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

41.3 Interest Risk Rate

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

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

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

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

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

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

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

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

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

Interest rate risk

(amounts in thousand Euro)

	Up to 1 month	Up to 3 months	From 3 months to 1 year	From 1 year to 5 years	Over 5 years	Non-interest items	Total
2007							
Assets							
Cash and balances with Central Bank	530,111	0				55,353	**585,464**
Loans and advances to banks	1,876,081	16,871	13,630	0	0	27,014	**1,933,596**
Trading securities	147,020	29,362	44,234	18,679	6,038	94,942	**340,274**
Derivative financial instruments - assets	15					10,920	**10,935**
Loans and advances to customers	5,747,69	1,742,648	712,407	1,190,333	238,475	17,151	**9,648,283**
Investment securities	59,125	66,395	282,556	85,913	183,366	3,015	**680,369**
Other assets					11	516,030	**516,040**
Total assets	**8,359,621**	**1,855,276**	**1,052,827**	**1,294,925**	**427,889**	**724,424**	**13,714,961**
Liabilities							
Loans and Advances to banks	1,735,459	671,543	0	0	0	8,320	**2,415,322**
Loans and advances to customers	6,490,329	1,472,994	1,041,721	123,443	13,288	158,972	**9,300,747**
Derivative financial instruments - liabilities	447	0	0	0	0	33,422	**33,869**
Bonds issued and other borrowings	50,862	279,941	200,000	0	0	0	**530,803**
Other liabilities	0	0	0	0	14,554	591,300	**605,855**
Total liabilities	**8,277,099**	**2,424,477**	**1,241,721**	**123,443**	**27,843**	**792,013**	**12,886,596**
Nominal value of swaps and other interest rate	**0**	**343,210**	**549,102**	**-36,500**	**-838,812**	**-17,000**	**0**
Net interest rate gap	**82,523**	**-569,201**	**-188,894**	**1,171,481**	**400,046**	**-67,590**	**828,365**
2007							
Assets							
Cash and balances with Central Bank	329,915	1	0	0	0	33,489	**363,405**
Loans and advances to banks	1,476,478	34,061	12,023	0	0	6,915	**1,529,478**
Trading securities	7,237	46,831	29,936	61,921	38,258	96,607	**280,788**
Derivative financial instruments - assets	7,127	0	0	0	0	937	**8,064**
Loans and advances to customers	3,939,748	1,449,514	438,011	250,743	161,032	35,654	**6,274,701**
Investment securities	78,083	73,410	69,254	153,142	84,762	47,394	**506,045**
Other assets	477	0	0	6,550	0	328,366	**335,392**
Total assets	**5,839,064**	**1,603,816**	**549,224**	**472,356**	**284,051**	**549,362**	**9,297,873**
Liabilities							
Loans and Advances to banks	163,225	549,616	9,346	37,816	0	2,770	**762,773**
Loans and advances to customers	4,834,053	1,422,777	843,310	19,076	223	66,516	**7,185,956**
Derivative financial instruments - liabilities	0	0	0	0	0	4,058	**4,058**
Bonds issued and other borrowings	852	279,843	22,537	0	0	28,157	**331,389**
Other liabilities	6,134	0	0	188	0	277,909	**284,231**
Total liabilities	**5,004,263**	**2,252,237**	**875,194**	**57,081**	**223**	**379,409**	**8,568,407**
Net interest rate gap	**834,801**	**-648,421**	**-325,970**	**415,275**	**283,829**	**169,952**	**729,466**

Furthermore, the Group in the frame of the interest rate risk assessment, estimates the negative effect on the annual interest rate results of a parallel change in the interest rate fluctuation on all the currencies. The aforementioned measurements, conducted on the balances of December 2007 showed that in the event of interest rate increases by 100 units, the Group will incur losses amounting to € 0.3 million.

41.4 Currency Risk

Currency risk is the risk of fluctuating value of financial instruments as well as assets and liabilities caused by changes in currency rates. Foreign currency transactions risk arises from

an open position, positive or negative, which exposes the Group to currency exchange risk. Such risk can be created in the event the assets are carried in one currency financed by liabilities in another currency or can arise from forwards and swaps or derivatives including options.

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

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

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

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

Currency risk

(amounts in thousand Euro)

	Euro	USD	GBP	CHF	JPY	Other	Total
2007							
Assets							
Cash and balances with Central Bank	556,683	1,239	266	118	4	27,154	**585,464**
Loans and advances to banks	1,055,772	780,374	36,344	3,075	16,222	41,809	**1,933,596**
Trading securities	233,170	107,098	0	0	0	6	**340,274**
Derivative financial instruments - assets	9,410	1,525	0	0	0	0	**10,935**
Loans and advances to customers	8,510,965	949,612	20,547	79,946	31,986	55,227	**9,648,283**
Investment securities	594,343	67,498	0	0	0	18,528	**680,369**
Other assets	476,181	15,021	796	487	91	23,464	**516,040**
Total assets	**11,436,524**	**1,922,367**	**57,953**	**83,626**	**48,303**	**166,188**	**13,714,961**
Liabilities							
Loans and Advances to banks	1,754,758	364,546	296	7,823	244,345	43,554	**2,415,322**
Loans and advances to customers	7,003,364	1,692,757	83,072	4,068	248,919	268,567	**9,300,747**
Derivative financial instruments - liabilities	31,737	2,132	0	0	0	0	**33,869**
Bonds issued and other borrowings	530,803	0	0	0	0	0	**530,803**
Other liabilities	575,933	15,625	1,947	2,230	272	9,848	**605,855**
Total liabilities	**9,896,595**	**2,075,060**	**85,315**	**14,121**	**493,536**	**321,969**	**12,886,596**
Net on balance sheet position	**1,539,929**	**-152,693**	**-27,362**	**69,505**	**-445,233**	**-155,781**	828,365
Forwards and other currency derivatives	-749,652	167,282	26,469	-68,740	448,214	176,427	**0**
Net currency position	790,277	14,589	-893	765	2,981	20,646	**828,365**
2006							
Total assets	7,872,014	1,158,088	29,978	62,347	29,262	146,184	**9,297,873**
Total liabilities	6.560.780	1.095.507	110.414	14.301	490.907	296.497	**8.568.407**

Net on balance sheet position	1,311,235	62,580	-80,436	48,045	-461,645	-150,313	**729,466**
Forwards and other currency derivatives	-520,344	29,173	83,074	-36,375	290,141	154,331	**0**
Net currency position	790,890	91,753	2,638	11,670	-171,504	4,018	**729,466**

Moreover, the Group in the frame of the highest possible currency risk, estimates the negative effect on the annual results of change in the currency variations. The aforementioned measurements, conducted on the balances of December 2007 showed that in the event of changes in the currency market as that by +/- 10% as far as the main currency is concerned and by + / - 20% as far as secondary currency is concerned, the Group will incur losses amounting to € 5.6 million.

41.5 Risk arising from share prices changes

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

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

The Group in the frame of the highest possible prices risk, estimates the negative effect on the annual results of change in the share prices. The aforementioned measurements, conducted on the balances of December 2007 showed a decreases of share prices as that by 30% will cause to the Group losses amounting to € 11.2 million.

41.6 Liquidity Risk

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

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

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

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

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

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

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

The Group conducts similar measurements in liquidity.

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

The presented amounts are contractual non-discounted cash flows.

Liquidity risk

(amounts in thousand Euro)

	Up to 1 month	Up to 3 months	From 3 months to 1 year	From 1 year to 5 years	Over 5 years	Total
2007						
Liabilities						
Deposits from banks	1,569,664	518,396	5,000	333,098	2	**2,426,159**
Deposits from customers	6,292,045	1,434,892	1,208,973	461,228	235	**9,397,374**
Issued bonds and other borrowed funds	2,504	6,977	217,521	122,125	362,017	**711,144**
Other liabilities	377,529					**377,529**
Total liabilities	8,241,742	1,960,266	1,431,495	916,452	362,254	12,912,207
Total assets	**5,521,315**	**419,573**	**1,154,861**	**3,058,318**	**3,560,894**	**13,714,961**

	Up to 1 month	Up to 3 months	From 3 months to 1 year	From 1 year to 5 years	Over 5 years	Total
2006						
Liabilities						
Deposits from banks	375,796	379,995	6,145	3,004	2	**764,943**
Deposits from customers	3,513,605	2,274,267	697,553	709,920	38,352	**7,233,697**
Issued bonds and other borrowed funds	1,075	3,885	18,307	325,767	46,909	**395,943**
Other liabilities	137,243					**137,243**
Total liabilities	**4,027,720**	**2,658,147**	**722,005**	**1,038,691**	**85,263**	**8,531,826**
Total assets	**2,241,182**	**1,632,535**	**1,099,430**	**1,867,172**	**2,477,555**	**9,297,873**

Cash flows from derivative financial instruments

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

(a) Derivative financial instruments of offsetting settlement

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

(amounts in thousand Euro)

	On first demand	Up to 3 months	From 3 months to 1 year	From 1 year to 5 years	Over 5 years	Total
2007						
Trading derivatives:						
Derivatives on ratios/securities	(865)	0	0	0	0	(865)
Total	**(865)**	**0**	**0**	**0**	**0**	**(865)**
2006	497	0	0	0	0	497
Total	**497**	**0**	**0**	**0**	**0**	**497**

(b) Derivative financial instruments of mixed base settlement

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

(amounts in thousand Euro)

	On first demand	Up to 3 months	From 3 months to 1 year	From 1 year to 5 years	Over 5 years	Total
2007						
Trading derivatives:						
Currency derivatives						
Outflow	(510,299)	(924,832)	(41,070)	(18,278)	0	(1,494,477)
Inflow	509,276	905,762	41,413	18,395	0	1,474,848
Interest rate derivatives						
Outflow	(177)	(2,527)	(6,778)	(21,244)	(4,947)	(35,673)
Inflow	177	2,266	7,154	21,978	4,930	36,504
Hedging derivatives:						
Currency derivatives						
Outflow	(267)	0	0	0	0	(267)
Inflow	269	0	0	0	0	269
Interest rate derivatives						
Outflow	(432)	(11,025)	(33,021)	(78,751)	(1,616)	(124,846)
Inflow	69	11,311	33,027	75,087	1,857	121,351
Total outflows	**(511,174)**	**(938,384)**	**(80,868)**	**(118,273)**	**(6,563)**	**(1,655,263)**
Total inflows	**509,791**	**919,339**	**81,594**	**115,460**	**6,787**	**1,632,971**
2006						
Trading derivatives:						
Currency derivatives						
Outflow	0	(192,442)	(1,714)	0	0	(194,156)
Inflow	0	193,198	1,739	0	0	194,937
Interest rate derivatives						
Outflow	0	(774)	(2,916)	(13,182)	(2,686)	(19,558)
Inflow	0	817	2,808	12,917	2,686	19,227
Hedging derivatives:						
Currency derivatives						
Outflow	0	(347,571)	(13,619)	(10,497)	0	(371,686)
Inflow	0	343,665	13,785	10,501	0	367,951
Interest rate derivatives						
Outflow	0	(217)	(815)	(2,430)	0	(3,462)
Inflow	0	151	724	2,229	0	3,104
Total outflows	**0**	**(541,004)**	**(19,064)**	**(26,109)**	**(2,686)**	**(588,862)**
Total inflows	**0**	**537,832**	**19,055**	**25,647**	**2,686**	**585,219**

42. Managing exposure to insurance risks

The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable.

For a portfolio of insurance contracts, the principal risk that the Group faces under its insurance contracts is that the actual claim and benefit payments exceed the carrying amount of the insurance liabilities. The Group has developed its insurance underwriting strategy to diversify the type and geographical location of insurance risks accepted.

(a) Long-term life insurance contracts

These contracts (individual or/and team contracts) are issued on specified conditions and usually for a long period. The benefits assured are provided for the determined, by the insurance contract, period, without vindicating the notice of termination, unless the insurance rate is paid or there is specific or significant reason for the termination which is determined by the insurance contract.

For contracts where death is the insured risk, the main source of uncertainty is that epidemics such as AIDS and wide-ranging lifestyle changes (eating, smoking and exercise habits), could result in future mortality being significantly worse than in the past.

This risk is taken into account when the periodical adjustment of the mortality risk charges takes place, in accordance with the provisions of the insurance contracts.

The Group manages this risk through reinsurance arrangements and its underwriting strategy. The underwriting strategy is intended to ensure that the risks underwritten are well diversified in terms of type of risk and the level of insured benefits and to reflect the medical history of the applicant.

The table below presents the concentration of insured benefits before reinsurance arrangements across five bands of insured benefits per individual life assured, at the balance sheet date: The majority concerns risk below 200 thousand Euro.

(Amounts in thousand Euros)

	2007		2006	
Benefits assured				
0 – 200	331,676	96,7%	59,440	88.0%
200 – 400	6,536	1,9%	4,192	6.2%
400 – 800	4,835	1,4%	2,775	4.1%
Over 800	-	-	1,150	1.7%
	343,047		**67,557**	

(b) Short-term life insurance contracts

These contracts are mainly team contracts for which benefits assured are provided for the period determined by the insurance contract. However, the right of notice of termination is preserved for every reason except the non-payment of the insurance.

The insurance risk is affected by the factors affecting long-term life insurance contracts, as mentioned above. Additionally it depends on the industry in which each insured party operates.

The following tables analyse the aggregated insured benefits for short-term life insurance contracts before and after reinsurance arrangements at the balance sheet date by industry sector (disability benefits under the terms of the insurance contract are equal or smaller than death benefits).

	2007		2006	
	Before reinsurance	After reinsurance	Before reinsurance	After reinsurance
Benefits assured	1,608,498	343,719	1,925,795	440,312

43. Capital adequacy

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

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

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

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

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

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

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

	2007	2006
Share capital	366,556	109,145
Share premium	327,261	116,827
Other reserves	(4,078)	19,397
Retained earnings	135,326	26,160

Goodwill and other intangible assets	(62,020)	(7,606)
Other supervisory bodies adjustments	39,298	(15,804)
Total Tier I	**802,343**	**248,119**
Reduced securement of certain duration obligations	280,862	80,852
Other supervisory bodies adjustments	4,664	37,699
Total Tier I	**285,526**	**118,551**
Other capital items		(3,087)
Total supervisory capitals	**1,087,869**	**363,583**
Weighed assets		
- balance sheet items	9,409,572	2,855,423
- off balance sheet items	360,787	146,149
- transaction portfolio items	315,974	34,695
Total	**10,086,333**	**3,036,267**
Capital Adequacy Ratio	**10.79%**	**11.97%**

* There are no proforma consolidated data of capital adequacy for the three banks together. The figures quoted are those as they were presented from Egnatia Bank S.A. in group level as at 31/12/2006.

4. Auditor's Report for the Financial Statements of the Bank as at 31/12/2007

INDEPENDENT AUDITOR'S REPORT

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

Report on Financial Statements

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

Responsibility of the Management for the Financial Statements

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

Responsibility of the Auditor

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

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

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

Opinion

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

Report on Other Legal and Regulatory Requirements

The information included in the Board of Director's report, contains all information required by article 107, paragraph 3 of Law 2190/20 and article 11a of Law 3371/2005 and is consistent with the consolidated financial statements.

Athens, February 28th, 2008
The Certified Public Accountant

Sotiris A. Constantinou
SOEL Reg. No. 13 671

Grant Thornton

44 Vasileos Constantinou
116 35 Athens

SOEL Reg. No.127

5. Financial Statements of the Bank as at 31/12/2007

Income Statement
For the year ended 31 December 2007
(In thousands of Euro)

	Note	2007	2006
Interest and similar income		692.432	424.264
Interest and similar expense		(461.185)	(240.424)
Net interest income	**7**	**231.247**	**183.840**
Fee and commission income		82.579	53.312
Fee and commission expense		(7.605)	(4.205)
Net fee and commission income	**8**	**74.974**	**49.107**
Net trading income	**9**	27.951	31.556
Income from assets disposal apart from trading portfolio		531	568
Income from dividends	**10**	3.989	568
Other income	**11**	5.484	3.764
Operating income		**344.176**	**269.403**
Impairment of loans	**21**	(51.078)	(52.975)
Impairment loss of assets	**12**	(744)	(5,449)
Staff costs	**13**	(119,692)	(93,952)
Depreciation	**25,26**	(11,197)	(10,278)
Other operating expense	**14**	(76,788)	(58,349)
Profit before taxes		**84,677**	**48,400**
Taxes	**15**	(24,087)	(16,769)
Profit after taxes		**60,590**	**31,631**
Earnings per share (in Euro)	**16**		
Basic and adjusted		0.21	0.15

Athens 28 February 2008

The Chairman Of the board of Directors	The Managing Director	The Manager of the Finance Department
Vassilios N. Theocharakis I.D. No AB 340063/06	Efhimios T. Bouloutas I.D. No X 501092/02	Aggelos N. Sapranidis I.D. No AA 273117/05 Permit No. 0016834/18-07-2001

Balance Sheet
31 December 2007
(Amounts in thousands of Euro)

Assets	**Note**	**2007**	**2006**
Cash and balances with Central Bank	**17**	474.968	284.846
Loans and advances to credit institutions	**18**	2.092.706	1.570.803
Trading securities	**19**	245.332	214.554
Derivative financial instruments - assets	**20**	10.920	8.056
Loans and advances to customers	**21**	8.854.923	5.798.113
Investment securities	**22**	675.736	498.486
Investment in subsidiaries	**23**	293.534	286.411
Investment in associates	**24**	2.278	2.278
Intangible assets	**25**	11.898	8.772
Property, plant and equipment	**26**	60.767	61.120
Deferred tax assets	**27**	28.310	10.047
Investment property		26.548	20.853
Other assets	**28**	147.509	72.189
Total Assets		**12.925.429**	**8.836.528**
Liabilities			
Deposits from credit institutions	**29**	2.473.095	730.260
Deposits from customers	**30**	8.698.300	6.862.243
Derivative financial instruments - liabilities	**20**	33.422	4.023
Debt securities in issue and other borrowed funds	**31**	530.803	308.852
Provisions for staff	**32**	10.153	9.718
Other provisions	**33**	12.168	620
Current tax		10.729	11.965
Deferred tax liability	**27**	14.259	3.013
Other liabilities	**34**	362,475	156,268
Total liabilities		**12,145,404**	**8,086,962**
Share capital	**35**	366,556	353,520
Share premium	**35**	327,261	312,125
Reserves	**36**	(13,811)	34,006
Retained earnings		100,019	49,915
Total equity		**780,025**	**749,566**
Total liabilities and equity		**12,925,429**	**8,836,528**

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

	Share capital	Share premium	Reserves	Revaluation reserves available-for-sale	Retained earnings	Total
Equity as publicized on December 31, 2005	107.840	138.479	17.593	(404)	(13.849)	**249.659**
Further adjustment arising from the merger of the Banks through pooling of interest method	132.792	76.235	18.433	**(1.453)**	19.784	**245.791**
New balance as at 01 January 2006	**240.632**	**214.714**	**36.026**	**(1.857)**	**5.935**	**495.450**
Increase of share capital	112.888	121.054				233.942
Dividends for the fiscal year 2005			1.409		(14.038)	(12.629)
Revaluation of available-for-sale portfolio				(1,573)		(1,573)
Results for the period					31,631	31,631
Offset of losses through capitalization of reserves		(23,643)			23,643	
Offset of losses through preferred shares					2,745	2,745
Balance as at 31 December 2006	**353,520**	**312,125**	**37,435**	**(3,430)**	**49,916**	**749,566**
Balance as at 01 January 2007	**353,520**	**312,125**	**37,435**	**(3,430)**	**49,916**	**749,566**
Increase of share capital through transformation of preferred shares into ordinary shares and transformation of bonds	13,036	15,136				28,172
Dividends for the fiscal year 2006			5,871		(10,535)	(4,664)
Revaluation of available-for-sale portfolio				(54,789)		(54,789)
Results for the period					60,590	60,590
Reserves for the stock option plan			1,157			1,157
Other items			(56)		49	(7)
Balance as at 31 December 2007	**366,556**	**327,261**	**44,407**	**(58,219)**	**100,020**	**780,025**

Cash Flow Statement
For the year ended 31 December 2007

	2007	2006
Cash flows form operating activities		
Profit before taxes	84,677	48,400
Adjustment for non-cash items		
Depreciation	11,197	10,278
Impairment of loans	51,078	52,975
Other provisions	12,078	0
Employee benefits	1,682	1,369
Valuation trading portfolio	(1,136)	(6,661)
Transfer to investing activities	(40,211)	2,276
Transfer to financing activities	14,468	13,021
	133,833	**121,658**
Changes in operating assets		
Loans and advances to banks	(78,322)	(86,631)
Trading securities and derivatives	(32,506)	70,360
Loans and advances to customers	(3,107,888)	(934,954)
Other assets	(74,827)	8,654
Net increase (decrease) in operating assets		
Deposits from banks	1,742,832	314,331
Deposits from customers	1,836,057	758,685
Other liabilities	231,378	134,971
Net cash flow from operating activities before taxes	**650,557**	**387,074**
Income tax paid	(10,862)	(18,226)
Net cash flow from operating activities	**639,695**	**368,848**
Cash flows from investing activities		
Investments in subsidiaries and associates	(17,097)	(188,750)
Disposal (liquidation) of subsidiaries-associates and their cash available	182	0
Net (increase) decrease in investments	(251,551)	(223,955)
Dividends received	13,602	496
Purchase of assets	(25,058)	(11,352)
Sale of assets	5,847	86
Investment portfolio interest received	35,860	5,490
Other flows from investing activities	1,220	219
Net cash flows from investing activities	**(236,995)**	**(417,766)**
Cash flows from financing activities		
Dividends distributed	(4,664)	(12,629)
Issue (payment) of debt	235,658	(18,138)
Increase in share capital	0	187,941
Other flows from financing activities	(7)	26,389
Net cash flows from financing activities	**230,987**	**183,563**
Total net cash flows	**633,687**	**134,645**
Foreign exchange difference	16	700
Net cash flow increase (decrease)	**633,703**	**135,345**
Cash and cash equivalents, opening	**1,802,631**	**1,667,286**
Cash and cash equivalents, closing	**2,436,334**	**1,802,631**
Cash and cash equivalents consist of :		
Cash and Cash and Balances with Central Bank	474,968	284,846
Due from Banks	1,961,366	1,517,785
	2,436,334	**1,802,631**

1. General Information on the Bank

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

The Bank operates mainly in Greece, while it has subsidiaries, operating in Romania and Cyprus. The bank employs a total of 2,482 people.

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

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

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

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

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

2. Basis of preparation

2.1 Statement of compliance

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

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

2.2 Basis of presentation

The financial statements are presented in euro which is the reported currency rounded to the nearest thousand. They are prepared on a historic cost basis except for:
• Revaluations of available-for-sale securities,
• Revaluations of assets and liabilities that constitute part of trading securities,
• Revaluations of derivative financial instruments and
• Revaluations of investment property.

2.3 New Accounting Policies

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

(i) *Pooling of interest method*

As far as business combinations and acquisition of entities that are under joint control and that are out of the scope of IFRS 3, the Bank applies the 'pooling of interest method', as described below:
The three merged banks, EGNATIA, LAIKI and MARFIN, have no investment relation among each other, they all constitute subsidiaries of Marfin Popular Bank Public Co LTD. Therefore, the three banks as at the date of merger are under joint control as defined in IFRS 3 «Business Combinations par 10. The Management assumes that business combinations under joint control are out of scope of IFRS 3 "Business Combinations" and that no guidance is foreseen concerning such kind of transactions in International Financial Reporting Standards. In accordance with par 10-12 of IAS 8 «Accounting Policies, Changes in Accounting Estimates and Errors» that among others mention that «In the absence of a Standard or an Interpretation that specifically applies to a transaction, other event or condition, management shall use its judgment in developing and applying an accounting policy that results in information that is relevant to the economic decision-making needs of users and reliable», the Management applied the accounting principles that US GAAP (SFAS 141 Business combinations § D11-D18) and UK GAAP accept for business combinations (merger accounting method or pooling of interests method).
In accordance with 'pooling of interest method', assets and liabilities of the absorbed companies are presented at their book value prior to merger without taking into consideration the acquisition cost of the companies and their equities. Therefore, goodwill from consolidation of the companies included in the merger is not recognized.

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

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

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

(a) IFRS 7: Financial Instruments: Disclosures

IFRS 7 introduces new disclosures aimed at the improvement of reporting as far as financial instruments are concerned. It replaces IAS 30 «Disclosures in the Financial Statements of Banks and Similar Financial Institutions» as well as all the requirements of IAS 32 referred to in the disclosures, further renamed as IAS 32 «Financial Instruments: Disclosure and Presentation». All the disclosures referring to financial instruments as well as the items of the comparative period have been updated so that they should comply with the requirements of the new standard.
The most significant additional information presented in the financial statements of the Bank includes sensitivity analysis with the view to estimating the exposure of the Bank to the market risks related to its financial instruments, analysis of feasibility of the financial obligations it has thus presenting the remaining contractual obligations as well as quality and quantity analysis of credit risk to which the Bank is exposed.

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

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

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

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

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

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

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

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

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

(f) IFRIC 10, "Interim Financial Reporting and Impairment"
In compliance with the Interpretation, an entity shall not reverse an impairment loss recognized in a previous interim period in respect of goodwill or an investment in either an equity instrument or a financial asset carried at cost on a date subsequent to Balance Sheet. The Bank has applied the Interpretation as from January 1st, 2007, but it has had no effect of the accounts of the Bank.

(iii) *Early adoption of new interpretations*

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

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

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

(a) IFRS 8 Operating Segments (due from 1 January 2009)
IFRS 8 replaces IAS 14 «Segment Reporting». The new requires the adoption of a management approach for the presentation of financial reporting as concerning the efficiency of the operating departments of the Bank. The information disclosed is that used by the Management in order to estimate the efficiency of every department as well as the way the financial resources are distributed within the departments. Such reporting might be different from the data used for the preparation of the Balance Sheet and Income Statement. Finally, there are to be provided explanations concerning the basis of preparation of segment reporting as well as the conciliation with the items of the financial statements.

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

(b) IFRIC 12 Service Concession Arrangements (due for periods starting from 1 January 2009
The interpretation is not applicable to the operations of the Bank.

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

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

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

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

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

The revised IAS 23 removes the option of immediately recognising as an expense borrowing costs that relate to assets that take a substantial period of time to get ready for use or sale. The application of the revised standard is not expected to have effect on the financial statements of the Bank.

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

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

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

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

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

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

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

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

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

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

2.4 Estimates

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

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

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

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

3. Basic accounting principles

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

3.1 Investment in subsidiaries

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

3.2 Foreign currency transactions

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

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

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

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

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

3.3 Investments in financial instruments

(a) Classification

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

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

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

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

(b) Recognition

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

(c) Measurement

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

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

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

(d) Fair value measurement

The fair value of financial instruments is based on their quoted market price at the balance sheet date without any deduction for transaction costs. If a quoted market price is not available, the fair value of the instrument is estimated using pricing models or discounted cash flow techniques.
Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimate and the discount rate is a market related rate at the balance sheet date for an instrument with similar terms and conditions. Where pricing models are used, inputs are based on market related measures at the balance sheet date.

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

(e) Gains and losses on subsequent measurement

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

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

f) Derecognition

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

3.4 Hedge accounting

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

A hedging relationship exists where:

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

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

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

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

3.5 Repurchase agreements

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

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

3.6 Property, plant and equipment

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

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

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

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

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

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

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

3.7 Investment property

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

3.8 Intangible assets

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

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

3.9 Cash and cash equivalents

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

3.10 Impairment

(a) Assets carried at amortized cost

The Bank assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the Bank about the following loss events:
(i) significant financial difficulty of the issuer or obligator;
(ii) a breach of contract, such as a default or delinquency in interest or principal payments;
(iii) the Bank granting to the borrower, for economic or legal reasons relating to the borrower's financial difficulty, a concession that the lender would not otherwise consider;
(iv) it becoming probable that the borrower will enter bankruptcy or other financial reorganization;
(v) the disappearance of an active market for that financial asset because of financial difficulties; or
(vi) observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group, including:

- adverse changes in the payment status of borrowers in the group; or
- national or local economic conditions that correlate defaults on the assets in the groups.

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

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

interest rate determined under the contract. As a practical expedient, the Bank may measure impairment on the basis of an instrument's fair value using an observable market price.

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

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

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

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

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

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

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

(b) Assets carried at fair value

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

3.11 Financial liabilities

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

3.12 Financial guarantees

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

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

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

3.13 Employee benefits

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

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

i) Defined contribution plans

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

ii) Defined benefit plans

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

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

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

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

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

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

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

3.14 Provisions

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

3.15 Offsetting

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

3.16 Leases

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

at a lower price, then the depreciable period is the asset's useful life. Lease payments are distinguished in the amount referring to interest repayment and capital repayment. The distinction is made in order to achieve a fixed repayment schedule. Interest payments are charged to the income statement.

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

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

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

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

3.17 Interest income and expense

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

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

3.18 Fees and commission income

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

3.19 Net trading income

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

3.20 Dividend income

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

3.21 Income tax and deferred taxation

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

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

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

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

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

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

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

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

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

3.22 Share capital

(a) Share issues costs

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

(b) Dividends on ordinary shares

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

(c) Treasury shares

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

3.23 Segment reporting

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

4. Estimates and assumptions

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

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

(1) Classification of Financial Instruments

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

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

(2) Hedge accounting

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

(3) Impairment of financial assets available for sale

The Bank follows the requirements of IAS 39 in order to decide whether a financial asset is impaired. Such a decision requires exercise of material judgment. While exercising the aforementioned judgment, the Bank estimates, among other factors, the duration or the extent to which the fair value of an investment is lower than the cost – an event that might constitute an objective indication of impairment as well as financial viability and short-term future of such an investment, including factors such as the performance of the industry or the business sector, the changes in technology and operating and financing cash flows.

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

(1) Credit Risk Provisions

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

(2) Estimation of Fair Value of Financial Instruments

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

(3) Goodwiil Impairment Test

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

(4) Taxation

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

(5) Defined benefit plan

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

5. Restatement of Comparative Period

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

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

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

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

Income statement of the period 1/1 - 31/12/2006 *Amounts in thousand Euro*	**Publicized Financial Statements of the Bank**	**Absorption of Laiki Bank**	**Absorption of MARFIN BANK**	**Intercompany Adjustments**	**MARFIN EGNATIA BANK**
Income and similar income	192,573	170,559	64,134	(3,002)	424,264
Interest and similar expense	(97,642)	(96,117)	(49,667)	3,002	(240,424)
Net interest income	**94,931**	**74,442**	**14,467**	**0**	**183,840**
Fee and commission income	23,838	12,175	17,299		53,312
Fee and commission expense	(2,089)	(1,832)	(284)		(4,205)
Net fee and commission income	**21,749**	**10,343**	**17,015**	**0**	**49,107**
Net trading income/expense	5,144	1,829	24,583		31,556
Income from assets disposal apart from trading portfolio	568	0	0		568
Income from dividends	496	37	35		568
Other operating income	2,218	1,178	368		3,764
Operating income	**125,106**	**87,829**	**56,468**	**0**	**269,403**
Impairment of loans	(18,495)	(28,046)	(6,434)		(52,975)
Impairment losses on assets	(5,449)	0	0		(5,449)
Staff costs	(57,366)	(26,545)	(10,041)		(93,952)
depreciation	(5,737)	(4,082)	(459)		(10,278)
Other operation costs	(26,450)	(25,980)	(5,919)		(58,349)
Profits/losses before taxes	**11,609**	**3,176**	**33,615**	**0**	**48,400**
Income tax	2,425	2,311	7,479		12,215
Deferred tax	444	(1,297)	1,780		927
Reserves tax	313	1,302	464		2,079
Tax inspection differences	788	0	760		1,548
Profits/losses after taxes	**7,639**	**860**	**23,132**	**0**	**31,631**

Balance Sheet of the period 1/1 - 31/12/2006 *Amounts in thousand Euro*	Publicized Financial Statements of the Bank	Absorption of Laiki Bank	Absorption of MARFIN BANK	Intercompany Adjustments	MARFIN EGNATIA BANK
ASSETS					
Cash and balances with Central Bank	108,028	126,653	50,165		284,846
Loans and advances to banks	585,721	592,348	626,800	(234,066)	1,570,803
Trading securities	13,037	39,449	162,068		214,554
Derivative financial instruments - assets	937	3,078	4,041		8,056
Loans and advances to customers	2,601,090	2,498,971	698,052		5,798,113
Investment securities	241,995	7,365	249,126		498,486
Investments in subsidiaries and associates	41,496	35,993	211,200		288,689
Intangible assets	7,264	757	751		8,772
Property, plant and equipment	44,162	14,833	2,125		61,120
Deferred tax assets	7,302	1,623	1,122		10,047
Investment property	19,106	275	1,472		20,853
Other assets	26,173	24,917	21,779	(680)	72,189
TOTAL ASSETS	**3,696,311**	**3,346,262**	**2,028,701**	**(234,746)**	**8,836,528**
LIABILITIES					
Deposits from banks	277,022	466,496	220,808	(234,066)	730,260
Deposits from customers	2,759,631	2,614,738	1,487,874		6,862,243
Derivative financial instruments - liabilities	2,331	964	728		4,023
Debt securities in issue and other borrowed funds	308,852	0	0		308,852
Employee benefits	7,695	1,550	473		9,718
Other provisions	620	0	0		620
Income tax	2,175	2,311	7,479		11,965
Deferred tax liabilities	652	0	2,361		3,013
Other liabilities	78,523	50,489	27,936	(680)	156,268
Total Liabilities	**3,437,501**	**3,136,548**	**1,747,659**	**(234,746)**	**8,086,962**
Share capital	109,145	99,707	144,667		353,520
Share premium	116,827	86,831	108,467		312,125
Reserves	18,605	12,480	2,921		34,006
Retained earnings	14,233	10,696	24,987		49,915
Equity attributable to Bank’s equity holders	**258,810**	**209,714**	**281,042**	**0**	**749,566**
TOTAL LIABILITIES	**3,696,311**	**3,346,262**	**2,028,701**	**(234,746)**	**8,836,528**

Cash Flow Statement 31/12/2006 ***Amounts in thousand Euro***	Publicized Financial Statements of the Bank	Absorption of Laiki Bank	Absorption of MARFIN BANK	Intercompany Adjustments	MARFIN EGNATIA BANK
Cash flows from operating activities					
Profit before taxes	11,609	3,176	33,615		48,400
Adjustment profit before taxes					
Depreciation	5,737	4,082	459		10,278
Impairment of loans	18,495	28,046	6,434		52,975
Employee benefits provisions	1,031	224	114		1,369
Valuation of trading portfolio	(2,587)	(788)	(3,286)		(6,661)
Transfer to investing activities	(856)	(128)	3,260		2,276
Transfer to financing activities	11,902	12	1,107		13,021
	45,331	**34,624**	**41,703**	**0**	**121,658**
Changes in operating assets					
Loans and advances to banks	(4,285)		32,374	(114,720)	(86,631)
Trading securities and derivatives	4,236	(26,313)	92,437		70,360
Loans and advances to customers	(304,116)	(291,848)	(299,744)	(39,246)	(934,954)
Other assets	(7,307)	(25,692)	3,720	37,933	8,654
Net increase in operating liabilities					
Deposits from banks	271,337	182,968	93,985	(233,959)	314,331
Deposits from customers	135,244	192,911	430,530		758,685
Other liabilities	(31,652)	31,642	17,055	117,926	134,971
Net cash flows from operating activities before taxes	**108,788**	**98,292**	**412,060**	**(232,066)**	**387,074**
Income tax paid	(10,577)		(7,649)		(18,226)
Net cash flows from operating activities	***98,211***	***98,292***	***404,411***	***(232,066)***	***368,848***

Cash flows from investing activities					
Investments in subsidiaries and associates	(2,900)	0	(185,850)		(188,750)
Net increase (decrease) in investment securities	(114,720)	(5,477)	(103,758)		(223,955)
Dividends received	496	0	0		496
Purchase of assets	(8,723)	(2,245)	(384)		(11,352)
Sale of assets	85	0	1		86
Other flows from investing activities	5,709	0	0		5,709
Net cash flows from investing activities	***(120,053)***	***(7,722)***	***(289,991)***	***0***	***(417,766)***
Cash flows from financing activities					
Dividends distributed	(4,462)	0	(8,167)		(12,629)
Issue (payment) of debt	(18,138)	0	0		(18,138)
Increase in share capital	(20,346)	0	208,287		187,941
Other flows from financing activities	26,389	0	0		26,389
Net cash flows from financing activities	***(16,557)***	***0***	***200,120***	***0***	***183,563***
Total net cash flows	***(38,399)***	***90,570***	***314,540***	***(232,066)***	***134,645***
Foreign exchange difference	700	0	0		700
Net cash flow increase (decrease)	***(37,699)***	***90,570***	***314,540***	***(232,066)***	***135,345***
Cash and cash equivalents, opening	**677,430**	**628,431**	**361,425**		**1,667,286**
Cask and cash equivalents, closing	**639,731**	**719,001**	**675,965**	**(232,066)**	**1,802,631**
Cash and cash equivalents consist of :					
Cash and cash equivalents with Central Bank	**108,028**	**126,653**	**50,165**		**284,846**
Loans and advances to banks	**531,703**	**592,348**	**625,800**	**(232,066)**	**1,517,785**

Statement of changes in Equity 31/12/2006 *Amounts in thousand Euro*	**Publicized Financial Statements of the Bank**	**Absorption of Laiki Bank**	**Absorption of MARFIN BANK**	**Intercompany Adjustments**	**MARFIN EGNATIA BANK**
Balance at the beginning of the period (01/01/2006)	**249,659**	**187,645**	**58,146**		**495,450**
Profit (loss) for the period after taxes	7,639	860	23,132		31,631
Share capital increase / decrease	(20,346)	22,358	208,287		210,299
Dividends paid	(4,462)	0	(8,167)		(12,629)
Net income recorded directly in Equity	(69)	(1,149)	(356)	1	(1,573)
Other changes	26,389	0	0	(1)	26,388
Total change of balance for the period	**9,151**	**22,069**	**222,896**		**254,116**
Balance at the end of the period	**258,810**	**209,714**	**281,042**	**0**	**749,566**

5.2 Equity Adjustment 01/01/2006

Amounts in thousand Euro	Publicized Financial Statements of the Bank	Absorption of Laiki Bank	Absorption of MARFIN BANK	Intercompany Adjustments	MARFIN EGNATIA BANK
Share capital	107,840	89,156	43,636		240,632
Share premium	138,479	75,024	1,211		214,714
Reserves	17,189	13,629	3,352		34,170
Retained earnings	(13,849)	9,836	9,947		5,934
Net Equity	**249,659**	**187,645**	**58,146**		**495,450**

6. Segment Reporting

Geographical segments

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

Business segment

The Bank is organized into the following business segments:
a) Investment and corporate banking
b) Retail banking
c) Asset Management
d) Treasury
e) Investments and participations

31 December 2007						
Amounts in thousand Euro	**Investment and corporate banking**	**Retail banking**	**Asset Management**	**Treasury**	**Investments and Participations**	**Total**
Operating revenue	83,234	182,554	11,425	66,963		**344,176**
Profit before taxes	35,184	(3,311)	3,356	49,448		**84,677**
Income tax						**(24,087)**
Profit after taxes						**60,590**
Total assets	3,062,006	5,670,343	1,130,894	3,062,186	-	12,925,429
Total liabilities	1,156,924	6,203,100	1,172,613	3,612,767	-	12,145,404
Additional assets	3,679	13,748	581	1,355	-	19,363
Depreciation	1,049	9,316	399	433	-	11,197
Impairment of loans and investments	14,310	36,548	220		744	51,822

	31 December 2006					
Amounts in thousand Euro	**Investment and corporate banking**	**Retail banking**	**Asset Management**	**Treasury**	**Investments and Participations**	**Total**
Operating revenue	64,866	143,409	2,211	58,917		**269,403**
Profit before taxes	18,243	(8,039)	(3,004)	47,758	(6,558)	**48,400**
Income tax						**(16,769)**
Profit after taxes						**31,631**
Total assets	2,055,105	4,002,771	267,658	2,510,994	-	8,836,528
Total liabilities	693,035	5,337,502	935,871	1,120,554	-	8,086,962
Additional assets	1,270	12,169	232	448	-	14,119
Depreciation	2,780	7,006	98	394	-	10,278
Impairment of loans and investments	20,457	32,445	73	-	5,449	58,424

7. Net Interest Income

(amounts in thousand Euro)

	2007	2006
Interest income		
Securities	41,838	24,075
Loans and advances to customers	507,359	329,934
Loans and advances to banks	102,361	54,972
Other interest income	40,874	15,283
	692,432	**424,264**
Interest expense		
Customers deposits	(338,140)	(199,155)
Deposits from banks	(80,710)	(15,398)
Debt securities	(14,468)	(11,902)
Other interest expense	(27,867)	(13,969)
	(461,185)	**(240,424)**
Net interest income	**231,247**	**183,840**

Interest income includes the interest on the amount of € 5,978 (2006: € 2,940) on the bonds of trading securities. Furthermore, there are included net interests amounting to ***€ 7,921*** from derivative interest that has been defined as effective fair value hedging means**.**

8. Net fee and commission income

(Amounts in thousand Euro)

	2007	2006
Fee and commission income		
Loans	21,326	11,691
Letters of guarantee	3,934	3,499
Credit cards	11,995	8,513
Consumer credit	31,344	8,226
Custodian	2,497	1,736
Working capital	4,758	14,133
Imports-exports	1,742	1,887
Equity brokerage activities	1,431	449
Other	3,552	3,178
	82,579	**53,312**
Fee and commission expense		
Credit cards	(2,825)	(2,636)
Consumer credit	(3,217)	(64)
Other/Λοιπά	(1,563)	(1,505)
	(7,605)	**(4,205)**
Net fee and commission income	**74,974**	**49,107**

9. Net trading income

(amounts in thousand Euro)

	2007	2006
Foreign exchange differences	6,443	4,360
Gains from sale and revaluation of trading securities	167	21,884
Gains from derivative financial instruments	21,341	5,312
Net trading income	**27,951**	**31,556**

10. Dividend income

(amounts in thousand Euro)

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

11. Other operating income

(amounts in thousand Euro)

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

12. Assets impairment losses

(amounts in thousand Euro)

	2007	2006
Impairment of shares available-for-sale	744	-
Impairment of investment in subsidiaries	-	5,449
	744	**5,449**

13. Staff costs

(amounts in thousand Euro)

	2007	2006
Wages and salaries	(82,766)	(72,581)
Social security contributions	(18,568)	(16,391)
Defined benefit plan expense (Note.32)	(7,287)	(1,998)
Stock option plan expense	(1,157)	-
Other costs	(9,914)	(2,982)
Personnel expenses	**(119,692)**	**(93,952)**

The number of employees as at the end of the year was 2,482 (2006 : 2,365).

Share based payments

In May 2007, the Management of the parent Marfin Popular Bank, prepared a stock option provision plan to the employees of all the companies of the Group, based on the as at 5/4/07 decision of the Extraordinary General Assembly of its shareholders. In particular, on 8/5/2007 the Board of Directors of the parent, following the corresponding decision of the Nomination and Remuneration Committee, proceeded to the provision of a total of 70,305,000 stock options, out of which 33,600,000 stock options were allocated to the members of the Board of Directors and the personnel of Marfin Egnatia Bank as well as its subsidiaries.

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

The fair value of the options provided to the personnel has been measured as at the provision date based on the estimation model of Black & Scholes. The elements used as at the implementation of the model are as follows: α) fair value (closing price) of the share as at provision date € 8.48, b) expected fluctuation of the share price. The expected fluctuation of the share price was defined as that of 12% based on the estimation of historical data on European listed banks, c) exercising price € 10, d) interest without risk based on the fluctuation of interest of Euro during the plan 4.15% (average), e) dividend performance that was defined as that of 3.58% and f) expected duration of options that fluctuates between 1-2 years.

The average of the fair value of the provided options amounts to € 0.19. The total fair value of all the options provided that burdens the results of the year 2007, was computed as that of € 1,157 thousand.

14. Operating expenses

(amounts in thousand Euro)

	2007	2006
Rent (operating leases)	(17,631)	(16,002)
Operating expenses of building	(4,927)	(3,667)
Tax, stamps and duties	(7,495)	(2,416)
Repairs and maintenance	(2,648)	(2,621)
Third party fees (legal, engineers, etc)	(11,598)	(7,205)
Telephone and postage	(5,488)	(4,949)
Promotion and advertisement	(8,736)	(6,144)
Provisions for other risks	(4,473)	(305)
Contributions - payments	(4,306)	(1,812)
Other expenses	(9,486)	(13,228)
Operating expenses	**(76,788)**	**(58,349)**

15. Income tax

(amounts in thousand Euro)

	2007	2006
Income tax	(11,322)	(12,215)
Deferred tax	(11,750)	(926)
Tax on reserves	-	(2,079)
Tax inspection differences	(1,015)	(1,549)
Income tax	**(24,087)**	**(16,769)**

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

	%	2007	%	2006
Profit before tax		**84.677**		**48,400**
Tax based on tax rate	25%	21.169	29%	14,036
Non-deductable expense	1%	780	6%	2,800
Tax exempt revenues	(1%)	(997)	(5%)	(2,243)
Prior years taxes	1%	1.015	3%	1,548
Tax on reserves	-	-	4%	2,079
Other	3%	2.120	(3%)	(1,451)
Income tax	**29%**	**24.087**	**34%**	**16,769**

In Greece, the results reported to the tax authorities by an entity are provisional and subject to revision until such time as the tax authorities examine the books and records of the entity and the related tax returns are accepted as final. Therefore entities remain contingently liable for

additional taxes and penalties, which may be assessed upon such examination. Because of the method under which the tax obligations are ultimately concluded in Greece, the Bank remains contingently liable for additional taxes and penalties for its open tax years (2005-2007) for which adequate provisions have been made.

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

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

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

Following the tax inspection of the fiscal years 2004 – 2005, that was completed in May 2007, there were defined accounting differences of total amount of € 2,403,628.60 and total tax differences amounting to € 449,428.90 apart from increases amounting to € 125,609.03 arose. The total amount of € 575,037.93 was paid as lump sum on 09/05/2007 at a discount of 5%.

The tax inspection of the fiscal year 2006 was completed in June 2007, and there were defined accounting differences totally amounting to € 900,625.00 and total tax differences amounting to € 277,543.02 apart from increases amounting to € 6,194.33 and further advance amounting to € 209,113.00 arose. The total amount of € 492,850.35 was paid as lump sum on 28/06/2007 at a discount of 5%.

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

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

Following the tax inspection of the fiscal year 2006 that was completed in June 2007, there were defined accounting differences of total amount of € 993,793.35 and further total tax differences amounting to € 280,361.00 and further advance amounting to € 230,560.00 arose. The total amount of taxes of € 510,921.00 was paid as lump sum on 28/06/2007.

16. Earnings per share

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

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

	2007	2006
Basic earnings per share		
Profit attributable to shareholders of the Bank	60,590	31,631
Weighted average number of outstanding ordinary shares	284,349,215	212,599,751
Basic earnings per share	**0.21**	**0.15**
Diluted earnings per share		
Profit attributable to shareholders of the Bank	60,645	31,711
Weighted average number of outstanding ordinary shares	284,651,197	213,206,749
Diluted earnings per share	**0.21**	**0.15**

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

17. Cash and balances with Central Bank

(Amounts in thousand Euro)

	2007	2006
Cash	49,891	46,099
Other placements with Central Bank	252,814	112,129
Obligatory reserve deposits with the central Bank	172,263	126,618
Cash and balances with Central Bank	**474.968**	**284.846**

18. Loans and advances to banks

(Amounts in thousand Euro)

	2007	2006
Current accounts	38,408	27,434
Loans to banks	19,000	27,000
Placements with banks	2,035,298	1,516,369
Loans and advances to banks	**2,092,706**	**1,570,803**

19. Trading securities

(Amounts in thousand Euro)

	2007	2006
Fixed rate Greek Government bonds	43,412	38,588
Fixed rate foreign government bonds	8,667	16,383
Floating rate Greek Government bonds	1,009	40,257
Floating rate foreign government bonds	1,508	2,850
Fixed rate corporate bonds	19,716	13,263
Floating rates corporate bonds	70,258	51,185
Bonds	**144,570**	**162,526**
Equity securities listed on ASE	474	2,746
Equity securities listed on foreign Stock Exchange	70	-
Domestic mutual funds units	-	10,545
Foreign mutual funds units	100,218	38,737
Trading securities	**245,332**	**214,554**

20. Derivative financial instruments

(Amounts in thousand Euro)

31 December 2007

		Fair value	
	Nominal amount	**Assets**	**Liabilities**
Foreign currency derivatives			
Currency deposits	134,928	822	11,545
Currency swaps	577,839	2,609	10,004
Deposits in index options			
Futures	144,682	-	420
Options	244,272	489	272
CDS	93,776	111	1,494
Assets swaps	2,242	12	7
Interest derivatives			
IRS	339,895	4,582	1,660
Trading derivatives		**8,625**	**25,402**
Fair value hedging			
Customers deposits in embodied derivatives	70,871	2,295	2,399
IRS	952,649	-	5,621
Risk hedging derivatives		**2,295**	**8,020**
Total derivatives		**10,920**	**33,422**

31 December 2006

		Fair value	
	Nominal amount	**Assets**	**Liabilities**

Foreign currency derivatives			
Currency deposits	83,908	152	169
Currency swaps	835,157	1,409	3,312
Deposits in index options			
Futures	84,073	497	-
Options	117,157	603	81
CDS	68,797	304	412
Interest derivatives			
IRS	486,686	5,042	-
Trading derivatives		**8,007**	**3,974**
Fair value hedging			
Customers deposits in embodied derivatives	1,223	49	49
Risk hedging derivatives		**49**	**49**
Total derivatives		**8,056**	**4,023**

21. Loans and advances to customers

(Amounts in thousand Euro)

	2007	2006
Retail customers:		
Customer	1,330,664	871,776
Credit cards	162,082	143,615
Housing	1,782,279	1,008,041
Other	22,455	3,567
	3,297,480	**2,026,999**
Corporate customers:	**5,738,826**	**3,907,662**
Total loans and advances to customers	**9,036,306**	**5,934,661**
Less: impairment of loans	**(181,383)**	**(136,548)**
Loans and advances to customers	**8,854,923**	**5,798,113**

Movement in impairment :

	2007	2006
Balance as at 1 January	136,548	147,575
Impairment	51,078	52,975
Write offs	(6,243)	(64,002)
31 December	**181,383**	**136,548**

22. Investment securities

(Amounts in thousand Euro)

	2007	2006
Investment securities available for sale		
Mutual funds (local)	13,145	1,921
Mutual funds (abroad)	-	37,965
Shares listed in Athens Stock Exchange	5,302	1,261
Shares listed in Athens Stock Exchange (pledged)	414	-
Entries to shares currently not issued (local)	31	-
Shares listed in foreign stock exchanges	2,069	1,136
Not-listed shares	708	628
Greek government treasury bills (fixed interest)	161,528	68,721
Greek government treasury bills (floating interest)	115,553	40,579
Other government treasury bills (fixed interest)	97,559	57,861
Corporate entity bonds(fixed interest)	-	
Corporate entity bonds (floating interest)	105,822	95,959
Investment securities available for sale	83,952	83,471
Investment securities available for sale	**586,083**	**389,502**
Investments held to maturity		
Greek government treasury bills (fixed interest)	52,848	60,532
Greek government treasury bills (floating interest)	10,000	13,074
Corporate entity bonds(fixed interest)	2,025	5,833
Corporate entity bonds (floating interest)	24,780	29,545
Investments held to maturity	**89,653**	**108,984**
Investment securities	**675,736**	**498,486**

23. Investment in subsidiaries

(amounts in thousand Euro)

31/12/2007

Name	Country of incorporation	% Direct participation	% Indirect participation	Total % Participation	Total participation
Egnatia Bank Romania S.A.	Romania	98,98%	-	98,98%	18,317
Egnatia Leasing Romania S.A.	Romania	99,00%	-	99,00%	218
Marfin Leasing S.A. (1)	Greece	100,00%	-	100,00%	27,106
Marfin Egnatia Fin S.A.	Greece	99,00%	-	99,00%	291
EUROCAMBIO Foreign Exchange S.A. (2)	Greece	90,29%	-	90,29%	0
Marfin Insurance Brokers S.A.(3)	Greece	100,00%	-	100,00%	612
Egnatia Finance PLC	United Kingdom/London	99,998%	0,002%	100,00%	18
Egnatia Bank Travel S.A.	Greece	-	99,00%	99,00%	-
Obafemi Holdings LTD	Cyprus	100,00%	-	100,00%	2
Egnatia Properties SRL	Romania	-	100,00%	100,00%	-

Investment Bank of Greece S.A.(5)	Greece	92,04%	-	92,04%	212,647
MFG Capital Partners Ltd (6)	United Kingdom/London	70,00%	-	70,00%	723
Marfin Global Asset Management S.A. (7)	Greece	94,5148%	4,0504%	98,5652%	12,787
IBG Investments S.A.	British Virgin Island	-	92,04%	92,04%	-
IBG Mutual Funds S.A.	Greece	-	92,04%	92,04%	-
Marfin Securities (Cyprus) Ltd (8)	Cyprus	-	92,04%	92,04%	-
Investment S.A.	Greece	-	92,03%	92,03%	-
Marfin Life Insurance S.A. .	Greece	100,00%	-	100,00%	3,181
Laiki ATTALOS S.A.	Greece	97,51%	-	97,51%	5,347
Marfin Factors & Forfaiters S.A. (9)	Greece	100,00%	-	100,00%	12,285
					293,534

31/12/2006

Name	**Country of incorporation**	**% Direct participation**	**% Indirect participation**	**Total % Participation**	**Total participation**
Egnatia Bank Romania S.A.	Romania	98,98%	-	98,98%	18,317
Egnatia Leasing Romania S.A.	Romania	99,00%	-	99,00%	218
Egnatia Finance S.A. (5)	Greece	70,00%	-	70,00%	13,002
Egnatia Asset Management S.A. (7)	Greece	51,00%	-	51,00%	307
Egnatia Leasing (1)	Greece	99,90%	-	99,90%	9,001
Egnatia Fin S.A. .	Greece	99,00%	-	99,00%	291
EUROCAMBIO Foreign Exchange S.A. (2)	Greece	90,290%	-	90,29%	0
Egnatia Insurance Brokers S.A. (3)	Greece	60,00%	-	60,00%	180
Egnatia Finance PLC	United Kingdom/London	99,998%	0,002%	100,00%	19
Egnatia Bank Travel S.A.	Greece	-	99,00%	99,00%	-
Egnatia Consumer Services S.A. (4)	Greece	-	99,00%	99,00%	-
Obafemi Holdings LTD	Cyprus	100,00%	-	100,00%	2
Egnatia Properties SRL	Romania	-	100,00%	100,00%	-
Egnatia Financial Services Ltd (11)	Cyprus	5,00%	46,00%	51,00%	161
Investment Bank of Greece S.A. (5)	Greece	90,99%	-	90,99%	199,938
Marfin A.E.Δ.A.K. (7)	Greece	47,18%	43,42%	90,11%	1,130
MFG Capital Partners Ltd (6)	United Kingdom/London	100,00%	-	100,00%	742
Marfin Global Asset Management S.A. (7)	Greece	100,00%	-	100,00%	7,109

AVC Consulting S.A. (10)	Greece	-	59,14%	59,14%	-
IBG Investments S.A.	British Virgin Island	-	90,99%	90,99%	-
IBG Mutual Funds S.A.	Greece	-	90,99%	90,99%	-
Marfin Securities (Cyprus) Ltd (8)	Cyprus	-	90,99%	90,99%	
Investment S.A.	Greece		90,99%	90,99%	-
Laiki Asset Management S.A. (7)	Greece	97,62%	-	97,62%	1,913
Laiki Life Insurance S.A. .	Greece	100,00%	-	100,00%	3,181
Laiki Leasing S.A. (1)	Greece	100,00%	-	100,00%	18,095
Laiki ATTALOS S.A.	Greece	97,51%	-	97,51%	5,347
Laiki Factoring S.A. (9)	Greece	100,00%	-	100,00%	7,276
Laiki Factors & Forfaiters Ltd (3)	Greece	100,00%	-	100,00%	182
					286,411

(1) The company arose following the merger of Egnatia Leasing S.A. and Laiki Leasing S.A. with the absorption of the latter by the former in compliance with N 22870/07 decision of the Prefecture of Athens. Following the No. 28522/08.08.2007 decision of the Prefecture of Athens, there was approved the change of the name as from « EGNATIA LEASING FINANCE LEASES S.A.» to «MARFIN FINANCE LEASES S.A» under the discrete title «MARFIN LEASING S.A.». On 8.11.07, Marfin Leasing S.A. increased its share capital by 7,326 Euro with the equal capitalization from the account “Retained earnings”.

(2) The company is at liquidation stage.

(3) The company arose following the merger of «Egnatia Insurance Brokers LTD» and «Laiki Insurance Brokers LTD” with the absorption of the latter by the former in compliance with No K3 – 6176/22.06.2007 decision of the Ministry of Development. In compliance with the

aforementioned decision, there was approved the change of the name from « Egnatia Insurance Brokers LTD» to «Marfin Insurance Brokers LTD» and the discrete title «Marfin Brockers LTD».

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

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

(6) In July, MFG Capital Partners Ltd issued a split on its shares. During the split, 500,100 shares with nominal value 1 GBP were split into 500,100 ordinary shares (with voting right), with nominal value 0.25 GBP, and 500,100 deferred shares (no voting right) with nominal value 0.75 GBP. During the same period, the company proceeded with an increase in its share capital, where 214,328 new ordinary shares were issued, with nominal value 0.25 GBP per share, and issue price 0.43 GBP per share, and were contracted by “Employee Benefit Trust”.

As a result, the Bank's percentage on voting rights of ordinary shares was reduced from 100% to 70%.

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

MANAGEMENT MUTUAL FUNDS MANAGEMENT S.A » under the discrete title «MARFIN G.A.M. MUTUAL FUNDS MANAGEMENT S.A.».

(8) Investment Bank of Greece S.A. purchased 50,000 shares of the subsidiary Marfin Securities Cyprus Ltd that correspond to the percentage of 2.86% of the share capital, as against the price of 87.4 thousand Euro. Therefore, the percentage of Investment Bank of Greece in the subsidiary has increased from 97.14% to 100% while the indirect percentage of the Group – from 90.99% to 92.04%.

(9) On 24.12.07 Marfin Factors & Forfaiters increased its share capital by 5,010 Euro. The increases was covered in total by the Bank.

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

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

24. Investment in associates

(amounts in thousand Euro)

	2007	2006
Company	**ARIS Capital Management (USA)**	
Total % Participation	30.00%	30.00%
Assets	1,684	1,554
Liabilities	909	1,176
Income	1,671	1,727
Gains	672	643
Share capital	8	8
Participation	**2,278**	**2,278**

25. Intangible assets

(amounts in thousand Euro)

	Goodwill	Software	Total
Cost			
Balance as at January 1, 2006	713	25,071	25,784
Additions	-	1,663	1,663
Disposals	-	-	-
Balance as at 31 December 2006	**713**	**26,734**	**27,447**
Balance as at 1 January 2007	713	26,734	27,447
Additions	-	5,689	5,689
Disposals	-	-	-
Balance as at 31 December 2007	**713**	**32,423**	**33,136**
Accumulated amortization			
Balance as at 1 January 2006	71	16,641	16,712
Additions	-	1,963	1,963
Disposals	-	-	-
Balance as at 31 December 2006	**71**	**18,604**	**18,675**
Balance as at 1 January 2007	71	18,604	18,675
Additions	-	2,563	2,563
Disposals	-	-	-
Balance as at 31 December 2007	**71**	**21,167**	**21,238**
Carrying amounts			
As at 1 January 2006	642	8,430	9,072
As at 31 December 2006	**642**	**8,130**	**8,772**
As at 1 January 2007	642	8,130	**8,772**
As at 31 December 2007	**642**	**11,256**	**11,898**

26. Property, plant and equipment

(amounts in thousand Euro)

	Land	Building	Leasehold improvements	Furniture and equipment	Other	Total
Acquisition Cost						
Balance as at 1 January 2006	11,923	17,633	44,418	50,967	4,850	129,791
Additions	-	360	3,022	8,772	302	12,456
Disposals	-		(2,078)	(44)	(112)	(2,234)
Balance as at 31 December 2006	**11,923**	**17,993**	**45,362**	**59,695**	**5,040**	**140,013**
Acquisition Cost						
Balance as at 1 January 2007	11,923	17,993	45,362	59,696	5,040	140,014
Additions	338	659	5,735	6,665	277	13,674
Disposals/Transfers	(1,984)	-	(1,662)	(6,692)	(323)	(10,661)
Balance as at 31 December 2007	**10,277**	**18,652**	**49,435**	**59,669**	**4,994**	**143,027**
Depreciation						
Balance as at 1 January 2006	-	4,509	25,322	39,997	2,949	72,777
Depreciation	-	454	3,088	4,257	516	8,315
Decreases	-		(2,076)	(43)	(80)	(2,199)
Balance as at 31 December 2006	**-**	**4,963**	**26,334**	**44,211**	**3,385**	**78,893**
Depreciation						
Balance as at 1 January 2007	-	4,962	26,334	44,211	3,385	78,892
Depreciation	-	401	3,179	4,527	527	8,634
Decreases	-	(47)	(1,547)	(3,407)	(265)	(5,266)
Balance as at 31 December 2007	**-**	**5,316**	**27,966**	**45,331**	**3,647**	**82,260**
Amounts in the Balance Sheet						
As at 1 January 2006	11,923	13,124	19,096	10,970	1,901	**57,014**
As at 31 December 2006	11,923	13,030	19,028	15,484	1,655	**61,120**
As at 1 January 2007	11,923	13,030	19,028	15,484	1,655	**61,120**
As at 31 December 2007	10,277	13,336	21,469	14,338	1,347	**60,767**

27. Deferred tax

(amounts in thousand Euro)

Recognized deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	2007	2006
Deferred tax assets		
Intangible assets	312	324
Employee benefit obligations	2,514	2,387
Impairment of loans and advances	-	1,869
Impairment of investments	20,803	2,035
Deferred income	2,121	1,968
Preference shares	-	227
Valuation of transaction and derivative portfolio	-	232
Other	2,560	1,005
	28,310	**10,047**
Deferred tax liabilities		
Property, plant and equipment	226	129
Impairment of loans and advances	4,683	-
Provisions	5,740	-
Valuation of transaction and derivative portfolio	1,930	1,196
Intangible assets	591	275
Other	1,089	1,413
	14,259	**3,013**

Movement in temporary differences during the year

	Balance 1 January 2006	Recognized in income	Recognized in Equity	Balance 31 December 2006
Intangible assets	364	(315)	-	49
Employee benefit obligations	2,299	88	-	2,387
Impairment of loans	2,186	(316)	-	1,870
Impairment of investments	35	1,362	-	1,397
Deferred income	1,154	203	-	1,357
Preference shares	-	227	-	227
Property, plant and equipment	(352)	(60)	-	(412)
Valuation of derivatives	(123)	(1,183)	-	(1,306)
Valuation of transaction portfolio	(390)	291	-	(99)
Financial instruments available for sale	639	-	(1)	638
Other	2,150	(1,224)	-	926
Total	**7,962**	**(927)**	**(1)**	**7,034**

	Balance 1 January 2007	Recognized in income	Recognized in Equity	Balance 31 December 2007
Intangible assets	49	(328)	-	(279)
Employee benefit obligations	2,387	127	-	2,514
Impairment of loans	1,870	(6,553)	-	(4,683)
Impairment of investments	1,397	-	-	1,397
Deferred income	1,357	787	-	2,144
Effective Rate of loans	-	(5,740)	-	(5,740)
Preference shares	227	(227)	-	-
Property, plant and equipment	(412)	(98)	-	(510)
Valuation of derivatives	(1,306)	796	-	(510)
Valuation of transaction portfolio	(99)	(1,320)	-	(1,419)
Financial instruments available for sale	638	-	18,767	19,405
Other	926	806	-	1,732
Total	**7,034**	**(11,750)**	**18,767**	**14,051**

28. Other assets

(amounts in thousand Euro)

	2007	2006
Prepayment	3,414	2,924
Accrued income	88,285	40,743
Other	55,810	28,522
Other assets	**147,509**	**72,189**

29. Deposits from banks

(amounts in thousand Euro)

	2007	2006
Deposits with Central Bank	180,000	205,000
Current	17,628	36,862
Term	7,051	5,279
Placements in banks	1,963,988	447,988
Loans from banks	304,428	35,131
Due to banks	**2,473,095**	**730,260**

30. Deposits from customers

(amounts in thousand Euro)

	2007	2006
Retail customers		
Current accounts	686,642	890,188
Saving accounts	756,771	801,072
Term deposits	3,995,842	2,583,166
	5,439,255	**4,274,426**
Corporate customers		

On demand	822,036	782,273
Term	2,347,226	1,734,622
	3,169,262	**2,516,895**
Government entities		
On demand	76,501	26,484
Term	13,282	44,438
	89,783	**70,922**
Deposits from customers and due from customers	**8,698,300**	**6,862,243**

31. Debt securities in issue and other borrowed funds

(Amounts in thousand Euro)

	2007	2006
Preference shares	-	13,026
Share premium on preference shares	-	15,130
Convertible subordinated debt maturity - 2013	862	852
Subordinated debt maturity - 2015	80,000	80,000
Subordinated debt maturity - 2017	200,000	-
Bond loan maturity - 2010	50,000	-
Intercorporate loan maturity - 2008	199,941	199,844
Debt securities in issue and other borrowed funds	**530,803**	**308,852**

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

The convertible bond was issued on 21st January 2003 and has a maturity of 10 years with the right of first redemption after 5 years. It has a rate of interest of Euribor plus 1.75% up to the date of redemption and 3.25% until maturity. Interest accrues every 3 months starting 21 January 2003.

The Board of Directors via authorization among other issues discussed at 27.4.2007 Assembly of convertible debt holders of the convertible bond issued by the Bank following the decision of 28.6.2001 of the First Repetitive General Assembly following the postponement of the Ordinary General Assembly of common shares shareholders, the First Repetitive Special General Assembly preferred shares shareholders of 28.6.2001 as well as the decisions of the Board of Directors as of 3.10.2002 and 19.11.2002, at its meeting on 26.7.2007 decided on the adjustment of the aforementioned change as the convertible bond so that after the completion of the merger through absorption by the Bank of "MARFIN BANK S.A." and "LAIKI BANK (HELLAS) S.A , and on the cancellation of benefits and and the transition of preferred shares without voting rights into ordinary nominal shares with voting rights as well as on the amendment of Article 7 par.1 of the Charter of Incorporation of the Bank, ten (10) bonds, convertible into either ordinary or preferred shares should be hereafter the highest time point 1 of convertible into ten (10) new ordinary nominal shares of the Bank of nominal value of one Euro and twenty seven cents (1.27 €). It was also established that following the cancellation of benefits and transition of preferred shares without voting rights into ordinary shares with voting rights the aforementioned convertible bond issued by the Bank will be composed of a number of bonds convertible into new ordinary nominal shares of the Bank.

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

The subordinated debt with maturity 2015 was issued 4 May 2005 and has a 10 year term with the right to fixed redemption after the end of the fifth year. It has an interest rate of Euribor plus 1.10% up to redemption date and 2.40% up to maturity. It accrues interest quarterly starting 4 August 2005.

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

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

Debt security matures in 2008 (3 years) and pays Euribor plus 0.55% until maturity. The interest rate period is 3 months, with the effective date of 11 November 2005.

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

32. Employee benefits

(amounts in thousand Euro)

	2007	2006
Present value of unfunded obligations	7,828	11,665
Present value of funded obligations	-	1,751
Total present value	7,828	13,416
Fair value of plan assets	-	(1,874)
Limitation on assets that can be recognized	-	378
Unrecognized past service cost	-	(1,008)
Unrecognized actuarial gains and losses	2,325	(1,195)

Recognized liability for defined benefit obligations	**10,153**	**9,718**
Movement in plan assets		
Opening balance	1,874	1,682
Expected return	49	73
Contributions received	-	240
Contributions paid	(1,335)	(257)
Amounts in income statement	-	(2)
Settlement-termination	(589)	-
Actuarial (loss)/gain	-	139
Closing balance	-	1,874

Net liability for defined benefit obligations at 1 January	9,718	8,735
Contributions received	-	(225)
Benefits paid	(6,853)	(790)
Expense recognized in the income statement	7,287	1,998
Net liability for defined benefit obligation at 31 December	**10,153**	**9,718**

Expense recognized in the income statement

Current service costs	1,245	998
Expected return on plan assets	-	(73)
Actuarial loss recognition	-	60
Effect from the limitations on recognized assets from insurance contract	-	22
Termination cost - Settlement	5,605	507
Interest on obligation	437	484
	7,287	**1,998**

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

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

33. Other provisions

(amounts in thousand Euro)

	2007	**2006**
Provisions for risks and liens	5,584	-
Provisions for taxes	800	-
Other personnel provisions	5,784	620
Other provisions	**12,168**	**620**

34. Other liabilities

(amounts in thousand Euro)

	2007	2006
Taxes and duties (non income tax)	5,110	4,389
Due to social security funds	4,409	3,762
Suppliers and other creditors	9,814	11,711
Third parties participation in SC increases of the companies	189,303	-
Amounts collected on behalf and due to third parties	26,440	12,534
Deferred income	49,841	15,726
Accrued expenses	9,770	20,184
Cheques and orders payable	62,303	60,519
Other liabilities	5,485	27,443
Other liabilities	**362,475**	**156,268**

35. Share capital

	31.12.2007	31.12.2006
Number of ordinary shares	**288,626,666**	**277,490,132**
Nominal value	**1.27**	***1.27**
Share capital paid (in thousand Euro)	**366,556**	**353,520**
Share premium (in thousand Euro)	**327,261**	**312,125**

* The nominal value of share of Egnatia Bank as at 31/12/2006 (prior to merger) was 1.17 Euro, the above amount of 1.27 arises following the absorption of Marfin Bank and Laiki Bank.

SHARE CAPITAL OF ABSORBING COMPANY BEFORE AND AFTER THE MERGER (in €)	Number of shares	Share capital
I. Share capital OF EGNATIA BANK S.A. before the merger	**93,286,729**	**109,145,472.93**
II. Changes of share capital due to the merger : Increase in capital by the arising share capital of LAIKI BANK (HELLAS) S.A. (31/12/2006) (6,796,661 ordinary nominal shares of nominal value € 14.67)	88,635,383	99,707,016.87
Increase in capital by the arising share capital of MARFIN BANK S.A. (31/12/2006) (482,.224,763 ordinary nominal shares of nominal value € 0.30)	95,568,020	144,667,428.90
Increase in capital from Reserves account from conversion of share capital into Euro of the absorbing company for approximation purposes of the nominal value of the shares of the absorbing company..		6,042.34
Total increases in capital due to merger		**244,380,488.11**
Share capital of the new bank after the merger (I+II)		**353,525,961.04**
Issue of new ordinary shares	2,930	3,588.10
Transformation of preference shares into ordinary shares	11,133,604	13,026,316.68

Share Capital of Marfin Egnatia Bank as at 31.12.2007	**288,626,666**	**366,555,865.82**

Exchange correlation

For the shareholders of EGNATIA BANK S.A .	**One (1) old ordinary or preferred share of EGNATIA BANK S.A. as against 1 new ordinary nominal share of MARFIN EGNATIA BANK S.A.**
For the shareholders of LAIKI BANK (HELLAS) S.A.	**One (1) share of LAIKI BANK (HELLAS) S.A. as against 13.041018670786 new ordinary nominal shares of MARFIN EGNATIA BANK S.A.**
For the shareholders of MARFIN BANK S.A.	**One (1) share of MARFIN BANK S.A. as against 0.198181485757 new ordinary nominal shares of MARFIN EGNATIA BANK S.A.**
Trading unit at Athens Stock Exchange	Title of 1 share

In compliance with Schedule of Contract Merger, as approved by the Extraordinary General Assemblies of the Merging Companies as at 21/06/2007, the share capital of the Absorbing Company is totally increased by an amount of 244,380,488.11 Euro, that refers, on one hand, to the total share capital of the Absorbed Companies amounting to 244,374,445.77 Euro, and,

on the other hand, to the capitalized portion of Reserve Balance Account arising from the

transition of share capital of the Absorbing Company to Euro of the amount of 6,042.34 Euro for the new Absorbing Company shares approximation purposes and, at the same time, there is increased the nominal value of the Absorbing Company total shares from 1.17 Euro to 1.27 Euro.

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

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

At the same date, 05.09.2007, the Bank's 184,203,403 new ordinary shares, which replaced the old shares during the merger with Marfin Bank and Laiki Bank, have also been listed to the stock exchange**.**

As of September 5, 2007 the total amount of listed shares of the Bank is 288,625,066 ordinary shares with voting rights.

Therefore, following the completion of the merger, the Absorbing Company share capital amounted to **Euro 366,553,833.82** three hundred sixty six million, five hundred fifty three thousand eight hundred thirty three Euro and eighty two cents divided into **288,625,066** two hundred eighty eight million six hundred twenty five thousand and sixty six common nominal shares of each share value amounting to **Euro 1.27** one Euro and twenty seven cents.

Following the merger, 1,600 ordinary bonds were transformed into the corresponding ordinary shares. Following the aforementioned transformation, the share capital of the Company amounted to **Euro 366,555,865.82** three hundred sixty six million, five hundred fifty five thousand eight hundred sixty five Euro and eighty two cents divided into **288,626,666** two hundred eighty eight million six hundred twenty six thousand six hundred sixty six common nominal shares of each share value amounting to **Euro 1.27** one Euro and twenty seven cents.

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

36. Reserves

(amounts in thousand Euro)

	2007	2006
Statutory reserve	13,010	11,469
Untaxed reserves	4,311	2,145
Extraordinary reserves	25,929	23,821
Revaluation reserve available-for-sale securities	(58,218)	(3,429)
Reserves for Stock Options plan	1,157	-
Reserves	**(13,811)**	**34,006**

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

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

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

37. Contingent liabilities and commitments

37.1 Litigations

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

37.2 Credit commitments

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

	2007	2006
Letters of guarantees	493,313	401,722
Letters of credit	5,069	12,723

37.3 Operating lease

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

	2007	2006
Up to 1 year:	17,926	14,269
1 to 5 years:	55,816	50,558
Over 5 years:	32,195	18,742

38. Related parties transactions

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

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

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

Assets		
Loans and advances to banks	213,740	128,238
Loans and advances to customers	652,063	167,496
Other assets	29,401	6,203
Total assets	**895,204**	**301,937**
Liabilities		
Deposits from banks	192,831	41,743
Deposits from customers	35,597	254,394
Debt securities	279,941	279,843
Other liabilities	4,924	3,911
Total liabilities	**513,293**	**579,891**

Income	**1/1 - 31/12/2007**	**1/1 - 31/12/2006**
Interest and similar income	36.040	18.589
Commission income	32.074	2.251
Dividend income	3.720	357
Other operating income	498	1.501
Total income	**72.332**	**22.698**
Expenses		
Interest and similar expenses	34.918	15.427
Commission expenses	607	49
Other operating expenses	3.848	1.577
Total expenses	**39.373**	**17.053**

C) Group of the parent Marfin Popular Bank	**31 December 2007**	**31 December 2006**
Assets		
Loans and advances to banks	264.227	26.683
Total assets	**264.227**	**26.683**
Liabilities		
Deposits from customers	14.609	15.006
Deposits from banks	348.086	242.527
Debt securities	200.000	0
Other liabilities	32	722
Total liabilities	**562.727**	**258.255**

Income	**1/1 - 31/12/2007**	**1/1 - 31/12/2006**
Interest and similar income	7.951	419
Commission income	23	0
Other income	47	0
Total income	**8.021**	**419**
Expenses		
Interest and similar expense	20.273	3.323
Other operating expenses	0	252

Total expenses	**20.273**	**3.575**

D) Other related parties	31 December 2007	31 December 2006
Assets		
Loans and advances to customers	37,500	23,441
Other loans and advances	245	28
Property, plant and equipment	1,100	1,552
Total assets	**38,845**	**25,021**
Liabilities		
Deposits from customers	19.359	57.106
Deposits from banks	0	91
Other liabilities	0	1.362
Total liabilities	**19.359**	**58.559**

Income	1/1 - 31/12/2007	1/1 - 31/12/2006
Interest and similar income	1,105	2,086
Commission income	75	176
Total income	**1,180**	**2,262**
Expenses		
Interest and similar expenses	347	899
Other operating expenses	238	958
Total expenses	**585**	**1,857**

39. Transactions with Marfin Investment Group

(amounts in thousand Euro)

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

Income	1/1 - 31/12/2007	1/1 - 31/12/2006
Interest and similar income	1,746	0
Commission income	105	0
Total income	**1,851**	**0**
Expenses		
Interest and similar expenses	18,381	0

40. Fair value of financial assets and liabilities

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

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

(a) Loans and advances to banks

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

(b) Loans and advances to customers

Loans and advances to customers are presented following the deduction of the corresponding provision for their impairment. The vast majority of loans (78%) refer to loans of fluctuating interest that will be re-estimated (or the loan will mature) within three months as from the balance sheet date. Furthermore, the biggest part of the loans with fixed interest for the period over one year have been hedged for changes of the interests. The carrying amount of the aforementioned loans has been adjusted at profit amounting to € 5,621 thousand so that they should reflect fair value changes arising from changes in interest (hedged risk). Thus, the

carrying amount of the loans and advancers to customers does not materially differ from their fair value as at balance sheet date.

(c) Held-to-maturity securities

The fair value of held-to-maturity securities amounts to € 88,742 thousand (2006: € 108,624 thousand). The fair value of the aforementioned securities is defined through reference to secondary acquisition or prices provided by brokers/agents. In the event no such information is available, the fair value is calculated using the market price of the securities similar to those in question, maturity period and return characteristics.

(d) Deposits

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

(e) Debt securities

As described in Note 31, all bonds and loans bear fluctuating interest rate at a re-evaluating period of within three months. Therefore, the fair value of the bonds is quite similar to their carrying amount. The bonds of carrying amount of € 280,803 thousand (2006: € 308,852 thousand) are traded on organized market and their financial value has been defined as that of € 281,472 thousand (2006: 310,868). Furthermore, the remaining borrowed funds amounting to € 250,000 refer to the bonds issued during the last working days of the year. The bonds in question, as well as all the financial liabilities, were initially recognized at their fair value.

41. Financial risk management

As all the other credit institutions, the Bank is exposed to risks. Those risks are constantly monitored in various ways in order to avoid undue risk concentrations. The nature of the aforementioned risks as well as the ways of risk management are explained below. There is

further presented information on the description of extent and nature of financial risks faced by the Bank together with the comparative data concerning the prior period. The comparative reporting is presented in a consolidated way on the three Banks that have merged, while it is to be noted that risk management did not use to be common in the prior period.

41.1 Credit risk

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

Credit Risk Management

Credit risk methodology is defined in order to reflect the economic environment. Various methods that are used, are annually, or whenever considered necessary, revised and

adjusted in compliance with the Bank's strategy as well as with the Bank's short term and long term objectives.

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

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

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

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

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

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

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

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

Credit rating system

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

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

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

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

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

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

Loans and advances to customers credit rating

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

(amounts in thousand Euro)

	2007		2006	
	Loans and advances to customers	**Provision for loans impairment**	**Loans and advances to customers**	**Provision for loans impairment**
	%	**%**	**%**	**%**
Credit rating category:				
Low risk	56.51	0.14	30.81	0.16
Medium risk	39.61	0.17	64.46	0.33
High risk	3.88	47.92	4.73	44.07
Total	**100.00**	**2.01**	**100.00**	**2.30**

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

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

(Amounts in thousand Euro)

	Highest Exposure	
	2007	**2006**
Exposure to credit risk of the Balance Sheet items:		
Loans and advances to banks	2,092,706	1,570,803
Transaction portfolio securities	144,570	162,526
Financial derivatives - assets	10,920	8,056

Loans and advances to customers (after provisions)		
Loans to retail customers	3,228,231	1,989,012
Corporate loans:		
Bid size entities and organizations	3,788,956	2,260,836
Small and medium size entities	1,837,736	1,548,264
Investing portfolio securities:		
Available for sale	564,413	346,589
Held to maturity	89,654	108,985
Total Balance Sheet Items	**11,757,186**	**7,995,071**
Exposure to credit risk pertaining to off Balance Sheet items:		
Letters of guarantee	493,313	401,722
Letters of credit	5,069	12,723
Total	**12,255,569**	**8,409,517**

Loans and advances

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

(amounts in thousand Euro)

	2007		2006	
	Loans and advances to customers	**Loans and advances to banks**	**Loans and advances to customers**	**Loans and advances to banks**
Loans without delay and impairment (a)	7,913,942	2,092,706	5,352,955	1,570,803
Delayed but not impaired (b)	782,249	0	338,414	0
Impaired (c)	340,115	0	243,292	0
Loans before provisions	9,036,306	2,092,706	5,934,662	1,570,803
Provision for impairment	(181,383)	0	(136,549)	0
Loans after provisions	**8,854,923**	**2,092,706**	**5,798,113**	**1,570,803**

(a) Loans and advances without delay and impairment

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

(amounts in thousand Euro)

	Loans and advances to customers				Loans and advances to banks
	Retail	Corporate		Total	
		Large size entities and organizations	Small and medium size entities		
2007					
Credit rating category:					
Low risk	2,059,478	2,519,096	527,782	**5,106,356**	2,092,706
Medium risk	632,494	1,056,954	1,118,138	**2,807,586**	0

High risk	0	0	0	**0**	0
Total	**2,691,972**	**3,576,050**	**1,645,920**	**7,913,942**	**2,092,706**
2006					
Credit rating category:					
Low risk	918,541	1,509,320	798,134	**3,225,995**	1,570,803
Medium risk	748,088	712,768	664,039	**2,124,896**	0
High risk	156	1,020	889	**2,065**	0
Total	**1,666,785**	**2,223,108**	**1,463,062**	**5,352,955**	**1,570,803**

(b) Loans and advances delayed but not impaired

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

	Loans and advances to customers			
	Retail	**Corporate**		**Total**
		Large size entities and organizations	**Small and medium size entities**	
2007				
Delay up to 30 days	275,559	151,829	44,610	**471,998**
Delay from 31 to 60 days	121,686	9,341	18,403	**149,430**
Delay from 61 to 90 days	67,423	39,708	53,690	**160,821**
Total	**464,668**	**200,878**	**116,703**	**782,249**
Fair value of collaterals	259,647	161,707	64,152	**485,506**
2006				
Delay up to 30 days	199,635	13,117	26,719	**239,471**
Delay from 31 to 60 days	46,745	364	7,668	**54,777**
Delay from 61 to 90 days	35,172	2,070	6,923	**44,166**
Total	**281,552**	**15,551**	**41,310**	**338,414**
Fair value of collaterals	**83,337**	**2,658**	**9,406**	**95,401**

(c) Impaired loans and advances

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

(Amounts in thousand Euro)

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

		entities and organizations	**Small and medium size entities**	
2007				
Loans defined on individual basis as impaired	140,840	60,065	139,210	**340,115**
Fair value of collaterals	35,958	11,056	39,831	**86,845**
2006				
Loans defined on individual basis as impaired	78,662	67,100	97,530	**243,292**
Fair value of collaterals	32,261	25,624	45,593	**103,478**

Investment in securities, state bonds and bonds accepted as refinancing

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

(Amounts in thousand Euro)

	State bonds and treasury bills	**Other transaction portfolio securities**	**Other investing securities**	**Total**
31 December, 2007				
AAA	15,763	3,699	26,903	**46,365**
AA- to AA+	0	40,990	23,711	**64,700**
A- to A+	406,246	31,565	79,665	**517,475**
Lower than A-	70,074	13,628	79,628	**163,331**
Non rated	0	93	6,673	**6,765**
Total	**492,084**	**89,974**	**216,579**	**798,637**
31 December, 2006				
AAA	16,942	2,850	29,708	49,500
AA- to AA+	0	8,725	13,579	22,304
A- to A+	256,768	14,296	15,839	286,903
Lower than A-	65,134	33,765	133,099	231,998
Non rated	0	4,812	22,583	27,395
Total	**338,844**	**64,447**	**214,808**	**618,100**

Acquisition of ownership of gained collaterals

The carrying amount of the assets that came to the ownership of the Bank during the year, either through acquisition of ownership or through activation of other credit measures that meet the recognition criteria of other standards amount to 4,223 thousand Euro in 2007 and to 705 thousand Euro in 2006.

Concentration of credit risk

(a) Geographical segment

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

(Amounts in thousand Euro)

	Greece	Other countries	Total
Loans and advances to banks	782,211	1,310,495	**2,092,706**
Transaction portfolio securities	64,784	79,786	**144,570**
Derivative financial instruments - assets	0	10,920	**10,920**
Loans and advances to customers (after provisions)			
Loans to retail customers	3,228,185	46	**3,228,231**
Corporate loans:			
Big size entities and organizations	2,493,526	1,295,429	**3,788,956**
Small and medium size entities	1,785,869	51,867	**1,837,736**
Investing portfolio securities:			
Available for sale	288,057	276,356	**564,413**
Held to maturity	82,632	7,022	**89,654**
31 December, 2007	**8,725,264**	**3,031,922**	**11,757,186**
31 December, 2006	**5,803,224**	**2,191,847**	**7,995,071**

(b) Business segment

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

(amounts in thousand Euro)

	Industry	Tourism	Commerce	Property and Constructions	Shipping	Retail customers, professional and self occupancy	Other segments	Total
Loans and advances to banks							2,092,706	**2,092,706**
Transaction portfolio securities							144,570	**144,570**
Derivative financial instruments - assets							10,920	**10,920**
Loans and advances to customers (after provisions):								
Loans to retail customers						3,228,231		**3,228,231**
Corporate loans:								
Big size entities and organizations	106,119	51,218	103,076	107,056	1,218,675		2,202,811	**3,788,956**
Small and medium size entities	247,776	77,986	743,710	223,631	19,167		525,465	**1,837,736**
Investing portfolio securities:								
Available for sale							564,413	**564,413**
Held to maturity							89,654	**89,654**
31 December, 2007	**353,895**	**129,204**	**846,786**	**330,688**	**1,237,842**	**3,228,231**	**5,630,539**	**11,757,186**
31 December, 2006	**465,247**	**202,989**	**1,150,340**	**357,564**	**604,147**	**1,995,748**	**3,219,035**	**7,995,071**

Counter party banks risk

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

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

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

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

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

Country risk

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

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

41.2 Market risk

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

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

The Risk Management Committee (RMC), which is a body responsible for the definition of market risk management policy, has approved the procedures of the market risk management and has defined the corresponding limits of incurring the aforementioned risk per product and portfolio. The limits in question are monitored systematically examined and revised once annually and modified in compliance with the Bank's strategy and the existing market conditions.

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

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

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

	2007	2006
Currency risk	€ 0.3 million	€ 0.1 mil.
Security portfolio interest risk	€ 0.9 million	€ 0.1 million
Financial products portfolio market risk	€ 0.3 million	€ 0.2 mil.
Decreases due to portfolio modification	€ (0.5) million	-
Total (Net Market Risk)	**€ 1.0 million**	**€ 0.4 million**

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

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

41.3 Interest rate risk

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

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

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

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

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

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

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

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

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

Interest rate risk

(amounts in thousand Euro)

	Up to 1 month	Up to 3 months	From 3 months to 1 year	From 1 year to 5 years	Over 5 years	Non-interest items	Total
2007							
Assets							
Cash and balances with Central Bank	423.309	0	0	0	0	51.659	**474.968**
Loans and advances to banks	2.031.604	21.000	13.630	0	0	26.472	**2.092.706**
Trading securities	147.020	29.362	44.234	18.679	6.038	0	**245.332**
Derivative financial instruments - assets	0	0	0	0	0	10.920	**10.920**
Loans and advances to customers	5.352.544	1.583.031	590.456	1.094.728	223.724	10.441	**8.854.923**
Investment securities	59.125	64.688	282.556	85.859	182.954	554	**675.736**
Other assets	0	0	0	0	0	570.844	**570.844**
Total assets	**8.013.602**	**1.698.080**	**930.875**	**1.199.266**	**412.716**	**670.890**	**12.925.429**
Liabilities							
Loans and Advances to banks	1.793.301	671.474	0	0	0	8.320	**2.473.095**
Loans and advances to customers	5.956.837	1.408.072	1.038.428	122.935	13.056	158.972	**8.698.300**
Derivative financial instruments - liabilities	0	0	0	0	0	33.422	**33.422**
Bonds issued and other borrowings	50.803	280.000	200.000	0	0	0	**530.803**
Other liabilities	0	0	0	0	0	409.784	**409.784**
Total liabilities	**7.800.941**	**2.359.546**	**1.238.428**	**122.935**	**13.056**	**610.498**	**12.145.404**
Nominal value of swaps and other interest rate	343.210	549.102	(36.500)	(838.812)	(17.000)	0	**0**
Net interest rate gap	**212.661**	**(661.466)**	**(307.553)**	**1.076.331**	**399.660**	**60.392**	**780.025**
2006							
Assets							
Cash and balances with Central Bank	253,602	0	0	0	0	31,244	**284,846**
Loans and advances to banks	1,499,762	59,383	6,126	0	0	5,533	**1,570,803**
Trading securities	6,627	35,187	20,799	61,784	35,049	55,108	**214,554**
Derivative financial instruments - assets	7,118	0	0	0	0	937	**8,056**
Loans and advances to customers	3,874,676	988,662	360,005	443,135	120,012	11,624	**5,798,113**
Investment securities	78,082	77,501	65,270	153,142	84,761	39,730	**498,486**
Other assets	0	603	93	137	3,208	457,629	**461,670**
Total assets	**5,719,867**	**1,161,335**	**452,292**	**658,198**	**243,031**	**601,804**	**8,836,528**
Liabilities							
Loans and Advances to banks	450,908	273,237	3,346	0	0	2,769	**730,260**
Loans and advances to customers	4,882,338	1,340,867	556,168	16,354	0	66,516	**6,862,243**
Derivative financial instruments - liabilities	0	0	0	0	0	4,023	**4,023**
Bonds issued and other borrowings	0	0	0	0	0	308,852	**308,852**
Other liabilities	0	0	0	0	0	181,584	**181,584**
Total liabilities	**5,333,246**	**1,614,104**	**559,514**	**16,354**	**0**	**563,744**	**8,086,962**

Net interest rate gap	**386,621**	**(452,769)**	**(107,221)**	**641,844**	**243,031**	**38,060**	**749,566**

Furthermore, the Bank in the frame of the interest rate risk assessment, estimates the negative effect on the annual interest rate results of a parallel change in the interest rate fluctuation on all the currencies. The aforementioned measurements, conducted on the balances of December 2007 showed that in the event of interest rate increases by 100 units, the Bank will incur losses amounting to € 1.9 million.

41.4 Currency risk

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

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

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

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

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

Currency risk

(amounts in thousand Euro)

	Euro	USD	GBP	CHF	JPY	Other	Total
2007							
Assets							
Cash and balances with Central Bank	472,858	988	204	116	4	798	**474,968**
Loans and advances to banks	1,208,802	771,578	35,340	761	14,021	62,204	**2,092,706**
Trading securities	138,234	107,098	0	0	0	0	**245,332**
Derivative financial instruments - assets	9,217	1,703	0	0	0	0	**10,920**
Loans and advances to customers	7,786,235	944,004	20,455	72,132	31,962	135	**8,854,923**
Investment securities	589,710	67,498	0	0	0	18,528	**675,736**
Other assets	556,473	12,010	1,133	305	59	861	**570,844**
Total assets	**10,761,529**	**1,904,879**	**57,132**	**73,314**	**46,046**	**82,526**	**12,925,429**
Liabilities							
Loans and Advances to banks	1,673,690	553,892	298	0	244,346	869	**2,473,095**
Loans and advances to customers	6,668,845	1,492,908	82,653	3,845	248,897	201,152	**8,698,300**
Derivative financial instruments - liabilities	31,290	2,132	0	0	0	0	**33,422**
Bonds issued and other borrowings	530,803	0	0	0	0	0	**530,803**
Other liabilities	397,374	9,431	1,076	19	239	1,643	**409,784**
Total liabilities	**9,302,002**	**2,058,363**	**84,027**	**3,864**	**493,482**	**203,664**	**12,145,404**
Net on balance sheet position	**1,459,527**	**(153,484)**	**(26,895)**	**69,450**	**(447,436)**	**(121,138)**	**780,025**
Forwards and other currency derivatives	(713,219)	167,282	26,647	(68,740)	448,214	139,816	**0**
Net currency position	**746,308**	**13,798**	**(248)**	**710**	**778**	**18,678**	**780,025**
2006							
Total assets	**7,560,527**	**1,090,310**	**28,900**	**43,981**	**46,454**	**66,356**	**8,836,528**
Total liabilities	**6,162,567**	**1,086,207**	**109,972**	**6,244**	**490,898**	**231,075**	**8,086,962**
Net on balance sheet position	**1,397,961**	**4,103**	**(81,072)**	**37,737**	**(444,444)**	**(164,719)**	**749,566**
Forwards and other currency derivatives	(680,112)	70,039	78,384	(17,878)	399,490	150,076	**0**
Net currency position	**717,849**	**74,142**	**(2,688)**	**19,860**	**(44,954)**	**(14,642)**	**749,566**

Moreover, the Bank in the frame of the highest possible currency risk, estimates the negative effect on the annual results of change in the currency variations. The aforementioned measurements, conducted on the balances of December 2007 showed that in the event of changes in the currency market as that by +/- 10% as far as the main currency is concerned and by + / - 20% as far as secondary currency is concerned, the Bank will incur losses amounting to € 5.1 million.

41.5 Risk arising from share prices changes

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

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

The Bank in the frame of the highest possible prices risk, estimates the negative effect on the annual results of change in the share prices. The aforementioned measurements, conducted on the balances of December 2007 showed a decreases of share prices as that by 30% will cause to the Bank losses amounting to € 6.5 million.

41.6 Liquidity risk

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

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

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

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

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

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

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

The Bank conducts similar measurements in liquidity.

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

The presented amounts are contractual non-discounted cash flows.

Liquidity risk

(amounts in thousand Euro)

	Up to 1 month	Up to 3 months	From 3 months to 1 year	Rom 1 year to 5 years	Over 5 years	Total
2007						
Liabilities						
Deposits from banks	1,753,843	431,934	0	294,348	2	**2,480,127**
Deposits from customers	6,023,663	1,424,883	1,205,804	167,065	0	**8,821,415**
Issued bonds and other borrowed funds	2,504	6,977	217,521	122,125	362,017	**711,144**
Other liabilities	287,860	0	0	0	0	**287,860**
Total liabilities	**8,067,869**	**1,863,794**	**1,423,326**	**583,538**	**362,019**	**12,300,547**
Total assets	**5,293,287**	**306,428**	**791,630**	**3,172,384**	**3,361,700**	**12,925,428**
2006						
Liabilities						
Deposits from banks	274,454	458,288	0	2	2	**732,746**
Deposits from customers	3,324,076	2,246,020	608,745	690,288	38,129	**6,907,259**
Issued bonds and other borrowed funds	1,075	3,885	14,307	307,230	46,909	**373,406**
Other liabilities	86,807					**86,807**
Total liabilities	**3,686,412**	**2,708,193**	**623,052**	**997,521**	**85,040**	**8,100,218**
Total assets	**2,240,984**	**1,506,151**	**1,260,100**	**1,654,307**	**2,174,986**	**8,836,528**

Cash flows from derivative financial instruments

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

(a) Derivative financial instruments of offsetting settlement

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

(amounts in thousand Euro)

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

2006	497	0	0	0	0	497
Total	**497**	**0**	**0**	**0**	**0**	**497**

(b) Derivative financial instruments of mixed base settlement

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

(amounts in thousand Euro)

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

Outflow	0	(217)	(815)	(2.430)	0	(3.462)
Inflow	0	151	724	2.229	0	3.104
Total outflows	**0**	**(541,004)**	**(19,064)**	**(26,109)**	**(2,686)**	**(588,862)**
Total inflows	**0**	**537,832**	**19,055**	**25,647**	**2,686**	**585,219**

42. Capital adequacy

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

member of Marfin Popular Bank Group, is subject to indirect supervision of the Central Bank of Cyprus.

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

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

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

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

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

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

	2007	2006
Share capital	366,556	109,145
Share premium	327,261	116,827
Other reserves	(13,811)	18,605
Retained earnings	100,019	14,233
Goodwill and other intangible assets	(11,898)	(7,264)
Other supervisory bodies adjustments	45,973	(14,418)
Total Tier I	**814,100**	**237,128**
Reduced securement of certain duration obligations	280,862	80,852
Other supervisory bodies adjustments	7,339	37,825
Total Tier I	**288,201**	**118,677**
Other capital items		
Total supervisory capitals	**1,102,301**	**355,805**
Weighed assets		
- balance sheet items	8,993,567	2,705,298
- off balance sheet items	314,422	143,655
- transaction portfolio items	228,347	17,088
Total	**9,536,336**	**2,866,041**
Capital Adequacy Ratio	**11.56%**	**12.41%**

6. Information Requested According to Article 10 of Law 3401/2005

Date	Announcement	Web Address
12/12/2007	Announcement according to Law 3556/2007	www.marfinegnatiabank.gr
10/12/2007	Announcement of regulated information pursuant to article 9 para. 5 of law 3556/2007	www.marfinegnatiabank.gr
10/12/2007	Announcement of regulated information pursuant to article 9 para. 5 of law 3556/2007	www.marfinegnatiabank.gr
4/12/2007	Announcement according to Law 3556/2007	www.marfinegnatiabank.gr
28/11/2007	Announcement according to Law 3556/2007	www.marfinegnatiabank.gr
27/11/2007	Announcement according to Law 3556/2007	www.marfinegnatiabank.gr
26/11/2007	Announcement according to Law 3556/2007	www.marfinegnatiabank.gr
7/11/2007	Announcement of regulated information pursuant to article 9 para. 5 of law 3556/2007	www.marfinegnatiabank.gr
25/10/2007	Notification procedure of significant changes in voting rights pursuant to L. 3556/2007	www.marfinegnatiabank.gr
27/9/2007	Mr. K. Vasilakopoulos new Deputy CEO	www.marfinegnatiabank.gr
27/9/2007	Interest Rate for the next quarterly period (October 1, 2007 - December 31, 2007) of the Convertible Loan	www.marfinegnatiabank.gr
10/9/2007	Publication of regulated information pursuant to article 9 para. 5 of law 3556/2007 - New share capital of Marfin Egnatia Bank S.A.	www.marfinegnatiabank.gr
10/9/2007	Publication of regulated information pursuant to article 16 para. 2 of law 3556/2007 - Abolition of a series of bonds convertible into privileged shares	www.marfinegnatiabank.gr
10/9/2007	Announcement of regulated information	www.marfinegnatiabank.gr
29/8/2007	First Half 2007 Financial Results	www.marfinegnatiabank.gr
29/6/2007	Interest Rate for the next quarterly period (Jule 1, 2007 - September 30, 2007) of the Convertible Loan	www.marfinegnatiabank.gr
29/3/2007	Interest Rate for the next quarterly period (1 April 2007- 30 June 2007) of the Convertible Loan	www.marfinegnatiabank.gr
27/3/2007	Dividend Announcement for the Financial Year 2006	www.marfinegnatiabank.gr
23/3/2007	Introduction of shares from the conversion of bonds of the Convertible Bond (issued 21-1-2003) into shares	www.marfinegnatiabank.gr
14/3/2007	Availability of the Annual Report 2006 (C.M.C. rule 7/372/2006)	www.marfinegnatiabank.gr
28/2/2007	Schedule of Intended Corporate Actions 2007	www.marfinegnatiabank.gr
27/2/2007	Completed the Ordinary Tax Audit of the Fiscal Years 1999 till 2004	www.marfinegnatiabank.gr
27/2/2007	2006 Financial Results	www.marfinegnatiabank.gr
27/2/2007	Publication of the Summary Annual Financial Statements of the Year 2006	www.marfinegnatiabank.gr
26/2/2007	Announcement Regarding the Introduction of Shares from the Conversion of Bonds	www.marfinegnatiabank.gr
30/1/2007	Announcement Regarding the Introduction of Shares from the Conversion of Bonds	www.marfinegnatiabank.gr
11/1/2007	Disclosure of Change in Shareholders' Percentage in Voting Rights	www.marfinegnatiabank.gr
9/1/2007	Disclosure of Change in Shareholders' Percentage in Voting Rights	www.marfinegnatiabank.gr
9/1/2007	Disclosure of Change in Shareholders' Percentage in Voting Rights	www.marfinegnatiabank.gr
9/1/2007	Disclosure of Change in Shareholders' Percentage in Voting Rights	www.marfinegnatiabank.gr
2007	Transactions' Notifications	www.marfinegnatiabank.gr

7. Transactions between the Bank and its Subsidiaries (According to Article 2 § 4 of Law 3016/2002)

Table of Transactions between the Bank and its Subsidiaries

(In thousands of Euro)

Company Name	Receivables	Payables	Income	Expenses
EGNATIA BANK ROMANIA S.A.	151,430	109	5,829	1,282
INVESTMENT BANK OF GREECE S.A.	89,655	193,299	35,686	19,326
MARFIN GLOBAL ASSET MANAGEMENT S.A.	87	3,618	892	203
MARFIN LEASING S.A.	349,686	3,450	17,664	253
MARFIN FIN S.A.	9,771	384	522	2,170
MARFIN INSURANCE BROKERS S.A.	974	1,909	1,249	45
EGNATIA FINANCE Plc	-	282,136	-	13,959
EGNATIA LEASING ROMANIA S.A.	107,885	-	4,914	-
EGNATIA BANK TRAVEL Ltd	873	98	50	-
MARFIN FACTORS & FORFAITERS S.A..	174,536	595	3,571	65
MARFIN LIFE S.A.	939	23,752	1,310	1,882
LAIKI ATTALOS S.A.	1,831	3,823	223	187
IBG INVESTMENTS S.A.	-	104	-	1
OBAFEMI HOLDINGS Ltd	7,537	16	422	-
Total	**895,204**	**513,293**	**72,332**	**39,373**

8. Condensed Financial Data and Information of the Group and the Bank

MARFIN EGNATIA BANK

MARFIN EGNATIA BANK

MARFIN EGNATIA BANK S.A.

FINANCIAL DATA AND INFORMATION

FOR THE PERIOD FROM JANUARY 1st, 2007 TO DECEMBER 31th, 2007

(In accordance with the law 2190, art. 135, for the companies that draw up annual financial statements, consolidated and non-consolidated, under IFRS)

The financial information set out below provides a general presentation of the financial position and results of Marfin Egnatia Bank S.A. and the Group. The reader, who wishes to have an integral view of Bank's financial position and its results, may have access to the annual financial statements prepared in accordance with International Financial Reporting Standards (I.F.R.S) and to the Auditor's Report. Indicatively, the reader is recommended to visit the Bank website, where the aforementioned financial information is posted.

Company Information	
Head Office	**4 Danaidon street, 546 26, Thessaloniki**
Company Registration Number	**6072/06/B/86/11**
Responsible Regulatory Body	**Bank of Greece, Ministry of Development**
Date of approval of the annual financial statements from which the condensed information has been extracted	**February 28, 2008**
Certified Auditor Accountant	**Sotiris A. Konstantinou, SOEL Reg. No. 13671**
Audit company	**Grant Thornton S.A., SOEL Reg. No. 127**
Type of Auditor's Report	**Unqualified Opinion**
Company Website	www.marfinegnatiabank.gr

BOARD OF DIRECTORS COMPOSITION	
Chairman - Non-Executive member	**Vassilios N. Theocharakis**
Vice-chairman - Non-executive member	**Alexandros K. Bakatselos**
Managing Director - Executive member	**Efthimios T.Bouloutas**
Deputy Managing Director - Executive member	**Konstantinos I.Vassilakopoulos**
Executive members	**Andreas E. Vgenopoulos**
	Androniki D.Plakomichelaki
	Fotios D. Karatzenis
Non-executive members	**Panagiotis I. Theocharakis**
	Despina V. Theocharaki
Independent - Non-executive members	**Panagiotis K. Throuvalas**
	Markos A. Foros

BALANCE SHEET

(Amounts in thousands of Euros)

	GROUP		**BANK**	
ASSETS	**31 December 2007**	**31 December 2006**	**31 December 2007**	**31 December 2006**
Cash and balances with Central Bank	585,464	363,405	474,968	284,846
Loans and advances to banks	1,933,596	1,529,478	2,092,706	1,570,803
Trading securities	340,274	280,788	245,332	214,554
Derivative financial instruments - Assets	10,935	8,064	10,920	8,056
Loans and advances to customers	9,648,283	6,274,701	8,854,923	5,798,113
Investment securities	680,369	506,045	675,736	498,486
Investments in subsidiaries	0	0	293,534	286,411
Investments in associates	1,988	2,327	2,278	2,278
Intangible assets	62,181	55,473	11,898	8,772
Property, plant and equipment	90,209	89,931	60,767	61,120
Other assets	361,662	187,661	202,367	103,089
TOTAL ASSETS	**13,714,961**	**9,297,873**	**12,925,429**	**8,836,528**

INCOME STATEMENT

(Amounts in thousands of Euros)

	GROUP		**BANK**	
	1/1 - 31/12/2007	**1/1 - 31/12/2006**	**1/1 - 31/12/2007**	**1/1 - 31/12/2006**
Interest and similar income	746,829	458,330	692,432	424,264
Interest expense and similar changes	479,476	247,482	461,185	240,424
Net interest income	**267,353**	**210,848**	**231,247**	**183,840**
Fee and commission income	257,662	139,333	82,579	53,312
Fee and commission expense	60,237	31,957	7,605	4,205
Net fee and commission income	**197,425**	**107,376**	**74,974**	**49,107**
Dividend income	2,059	1,033	3,989	568
Net trading income / (expense)	37,960	46,720	28,482	32,124
Other income	9,605	5,346	5,484	3,764
Total income	**514,402**	**371,323**	**344,176**	**269,403**
Impairment losses on loans and advances	59,846	63,629	51,078	52,975
Staff costs	156,757	119,282	119,692	93,952

MARFIN EGNATIA BANK

LIABILITIES				
Deposits from banks	2,415,322	762,773	2,473,095	730,260
Deposits from customers	9,300,747	7,185,956	8,698,300	6,862,243
Derivative financial instruments - Liabilities	33,869	4,058	33,422	4,023
Debt securities in issue and other borrowed funds	530,803	331,389	530,803	308,852
Other provisions	27,445	11,378	22,321	10,338
Other liabilities	578,410	272,853	387,463	171,246
Total Liabilities (a)	**12,886,596**	**8,568,407**	**12,145,404**	**8,086,962**
Share Capital	366,556	353,520	366,556	353,520
Share premium	327,261	312,125	327,261	312,125
Other reserves and accumulated deficit	118,680	42,819	86,208	83,921
Equity attributable to the Bank's equity holders (b)	**812,497**	**708,464**	**780,025**	**749,566**
Minority interest (c)	15,868	21,002	0	0
Total Equity (d) = (b) + (c)	**828,365**	**729,466**	**780,025**	**749,566**
TOTAL LIABILITIES AND EQUITY (a) + (d)	**13,714,961**	**9,297,873**	**12,925,429**	**8,836,528**

Other operating expenses	87,878	71,862	76,788	58,349
Depreciation	13,141	14,045	11,197	10,278
Impairment losses from property	744	0	744	5,449
Share of loss of associates	193	49	0	0
Profit before tax	**196,229**	**102,554**	**84,677**	**48,400**
Taxes	54,883	30,495	24,087	16,769
Profit after tax	**141,346**	**72,059**	**60,590**	**31,631**
Attributable to:				
Equity holders of the Bank	135,086	49,296	60,590	31,631
Minority interest	6,260	22,763		
Earnings per share (Euro per share)				
Basic	0.48	0.23	0.21	0.15
Diluted	0.47	0.23	0.21	0.15

STATEMENT OF CHANGES IN EQUITY	**GROUP**		**BANK**	
from 01 January 2007 to 31 December 2007	**31 December 2007**	**31 December 2006**	**31 December 2007**	**31 December 2006**
(Amounts in thousands of Euros)				
Balance at 1 January 2007 and 2006	729,466	598,210	749,566	495,450
Profit for the period after tax	141,346	72,059	60,590	31,631
Share capital increase/decrease	28,172	211,584	28,172	233,942
Dividends paid	(5,987)	(12,972)	(4,664)	(12,629)
Net income recognised directly in equity	(54,602)	(1,544)	(54,789)	(1,573)
Other movements	(10,030)	(137,871)	1,150	2,745
Balance at the end of year	**828,365**	**729,466**	**780,025**	**749,566**

CASH FLOW STATEMENT	**GROUP**		**BANK**	
from 01 January 2007 to 31 December 2007	**1/1 - 31/12/2007**	**1/1 - 31/12/2006**	**1/1 - 31/12/2007**	**1/1 - 31/12/2006**
(Amounts in thousands of Euros)				
Net cash flows from operating activities (a)	569,588	476,642	639,695	368,848
Net cash flows from investing activities (b)	(257,237)	(402,374)	(236,995)	(417,766)
Net cash flows from financing activities (c)	230,856	180,841	230,987	183,563
Net increase (decrease) in cash and cash equivalents (a) + (b) + (c)	**543,207**	**255,109**	**633,687**	**134,645**
Effect of exchange rate fluctuations on cash and cash equivalents	(29)	696	16	700
Total cash flow for the period	**543,178**	**255,805**	**633,703**	**135,345**
Cash and cash equivalents at beginning of the period	1,892,883	1,637,078	1,802,631	1,667,286
Cash and cash equivalents at end of the period	**2,436,061**	**1,892,883**	**2,436,334**	**1,802,631**

Notes :

1) a. Marfin Egnatia Bank S.A. (R. No. 6072/06/B/86/11) arose following the merger of: a) MARFIN BANK S.A. (R. No. 6079/06/B/86/18), and b) LAIKI BANK (HELLAS) S.A. (R.No. 27084/06/B/92/16) with EGNATIA BANK S.A. The Merger was completed and is considered as final starting from 29/06/2007, the date of recording in the Registry under the K-2 9985/29.06.2007 approving decision of the Authority on the merger of the aforementioned S.A. Following the completion of the aforementioned Merger, in every legal way and without any further statement, the Bank is in charge of all the rights and liabilities of the Absorbed Companies that are regarded as legally terminated as independent bodies with no independent legal performance without liquidation requirement in due succession (Article 75 of the Law 2190/1920).
b. Following the absorption of two bank groups, the comparative financial items have been modified concernings the items that were publicized in the corresponding last fiscal year period. Explanations concerning the aforementioned modifications are analitically presented in the note 5 of the Bank and the Group financial statements .

2) The below mentioned companies are included in the consolidation of Decemberr 31st, 2007 :

Under total consolidation method :

Name *	Country of incorporation	Group percentage	Tax non-inspected fiscal years
Marfin Egnatia Bank S.A.	Greece	Parent company	2005 – 2007 (2.1)
Egnatia Bank Romania S.A.	Romania	98,98%	-
Egnatia Leasing Romania S.A.	Romania	99,00%	-
Marfin Leasing S.A. (2.2)	Greece	100,00%	2005 - 2007
Marfin Egnatia Fin S.A.	Greece	99,00%	2007
EUROCAMBIO Foreign Excange S.A. (2.3)	Greece	90,29%	2003 - 2007
Marfin Insurance Brokers S.A. (2.4)	Greece	100,00%	2007
Egnatia Finance PLC	United Kingdom / London	100,00%	-
Egnatia Bank Travel LTD	Greece	99,00%	2005 - 2007
Obafemi Holdings LTD	Cyprus	100,00%	-
Egnatia Properties SRL	Romania	100,00%	-
Investment Bank of Greece S.A. (2.5)	Greece	92,04%	2007
MFG Capital Partners Ltd	United Kingdom / London	70,00%	-
Marfin Global Asset Management S.A. (2.6)	Greece	100,00%	2007
IBG Investments S.A.	British Virgin Island	92,04%	-
IBG Mutual Funds Management S.A.	Greece	92,04%	2007
Marfin Securities (Cyprus) Ltd	Greece	92.04%	-
IBG Capital S.A.	Greece	92,03%	2007
Marfin Life Insurance S.A	Greece	100,00%	2007
Laiki ATTALOS Securities S.A.	Greece	97,51%	2007
Marfin Factors & Forfaiters S.A.	Greece	100,00%	2007

(2.1) Refers only to the absorbing bank Egnatia Bank S.A. The absorbed Marfin Bank and Laiki Bank (Hellas) have been tax inspected till the fiscal year 2006 inclusively.
(2.2) The company arose following the merger of Egnatia Leasing S.A. (non inspected tax fiscal years 2005 – 2007) and Laiki Leasing S.A. (tax inspected fiscal years untiln 2006 inclusively) with absorption of the latter by the former in accordance with 22870/07 resolution of Athens Prefecture.Under the 28522/08.08.2007 Resolution of Athens Prefecture, it was approved the company's name change from "Egnatia Leasing Société Anonyme of Financing Leasing" to "Marfin Financing Leasing Société Anonyme" and the discreet name "Marfin Leasing S.A.".
(2.3) The company Eurocambio is not included in the consolidation as at 30.09.2007 due to its state of liquidation. In the corresponding period of 31.12.2006 it was consolidated under total consolidation method. The aforementioned change has not caused changes higher than 25% to the turnover or/and earnings after taxes and minority rights of the company and/or the equity of the company's shareholders.
(2.4) The company arose following the merger of Egnatia Insurance Brokers LTD (non inspected tax fiscal years 2005 – 2006) and Laiki Insurance Brokers LTD (tax inspected fiscal years till 2006 inclusively), with absorption of the latter by the former in accordance with the K3 – 6176/22.06.2007 of the Ministry of Development.
Under the aforementioned resolution, it was approved the company's name change from "Egnatia Insurance Brokers S.A." to "Marfin Insurance Brokers Société Anonyme" and the discreet name "Marfin Insurance S.A."
(2.5) The company arose following the merger of Investment Bank of Greece S.A. (tax inspected fiscal years till 2006 inclusively) and Egnatia Finance S.A. (non inspected tax fiscal years 2002 – 2006), with absorption of the latter by the former in accordance with the K2 – 9485/22.06.2007 of the Ministry of Development.
(2.6) The Company arose following the merger of "Marfin Mutual Funds Management S.A." and Marfin Global Asset Management Investment Services S.A., Laiki Mutual Funds Management S.A. and Egnatia Mutual Funds Management S.A. with the absorption of the last three companies by the first one in accordance with the K2 – 10866/20.07.2007 resolution of Ministry of Development.Under the aforementioned resolution, it was approved the company's name change from "Marfin Mutual Funds Management S.A." to "Marfin GAM Mutual Funds Management S.A." and the discreet name "Marfin GAM AEDAK".
(2.7) The company Egnatia Financial Services Ltd was consolidated for the first time under total consolidation method on 31.12.2006, due to obtaining control. On 31.12.2007 there was received only the proportion of the result due to disposal of the total holding percentage to the parent company Marfin Popular Bank Public Co Ltd. on 27.06.2007.
3) The companies "AVC Consulting S.A." and "Egnatia Consumer Services S.A." are not included in the consolidation as at 31.12.2007 due to liquidation. In the corresponding period of 31.12.2006 they were consolidated under total consolidation method. The aforementioned change has not caused changes higher than 25% to the turnover or/and earnings after taxes and minority rights of the company and/or the equity of the company's shareholders.
4)There are no liens on the assets of the Group.
5) There are no legal cases or litigations as well as decisions of the court or other legal institutions that will have material effect on the financial position or operation of the Group.
6) The number of employees at the closing of the current period : Group 3.256, Bank 2.482, (31/12/2007: 3.012, 2.365).
7) The transactions of the Group with the related parties are as follows : Receivables 324.255 thousand Euro, liabilities 599.357 thousand Euro, income 13.225 thousand Euro, expenses 22.905 thousand Euro. The transactions of the Bank with the related parties (including subsidiaries), are as follows : Receivables 1.198.276 thousand Euro, liabilities 1.095.379 thousand Euro , income 81.533 thousand Euro , expenses 60.231 thousand Euro. The transactions of the Bank and the Group with the members of the management and executives are as follows : Receivables 3.907 thousand Euro, liabilities 149.565 thousand Euro , income 82 thousand Euro, expenses 9.878 thousand Euro out of which – fees 7.867 thousand Euro.
8) There have been observed the accounting principles that the Group and the parent company have adoprted under IFRSs.
9) The consolidated financial statements of the Bank are included in the consolidated financial statements of Marfin Popular Bank Public Company Ltd, Lemesou Avenue, 154, PC 22032, 1598 Nicosia, Cyprus, under total consolidation method. Marfin Popular Bank participates in the share capital of the company with the percentage of 95,12%.

Egnatia Financial Services Ltd (2.7)	Greece	51,00%	-

* The companies numbered 19-21 arise from the merger of LAIKI Group while the companies numbered 12-18 and the company "ARIS Capital Management" arise from the merger of MARFIN Group.

Under Equity method :

Name *	Country of incorporation	Group percentage	Tax non-inspected fiscal years
ARIS Capital Management	U.S.A.	30,00%	-

-

Thessaloniki, February 28, 2008

THE PRESIDENT OF THE BOARD OF DERECTORS

VASSILIOS N.THEOCHARAKIS
Reg. No AB 340063/06

MANAGING DIRECTOR

EFTHIMIOS T.BOULOUTAS
Reg. No X 501092/02

CHIEF FINANCIAL OFFICER

AGGELOS N. SAPRANIDIS
Reg. No AA 273117/05
Permit 0016834/18-07-2001

MARFIN EGNATIA BANK S.A.
4 Danaidon Street, 546 26 Thessaloniki
Company Reg. No. 6072/06/B/86/11
FINANCIAL DATA AND INFORMATION
FOR THE PERIOD FROM JANUARY 1st, 2007 TO SEPTEMBER 30th 2007
(In accordance with the decision 2/396/31.08.2006 of the Capital Market Commission's Board of Directors)

The financial information set out below provides a general presentation of the financial position and results of Marfin Egnatia Bank S.A. and the Group. We recommend to the reader, before any investment decision or transaction is performed with the Bank to visit the web site where both the interim financial statements prepared in accordance with International Financial Reporting Standards (I.F.R.S) and Auditors' Review Report, when requested, are available.

Company Information	
Web site address	www.marfinegnatiabank.gr
Date of approval of the Interim Financial Statements by the Board of Directors	30/10/2007

BALANCE SHEET
(Amounts in thousands of Euros)

	GROUP		BANK	
ASSETS	**30 September 2007**	**31 December 2006**	**30 September 2007**	**31 December 2006**
Cash and balances with Central Bank	428,295	363,405	229,439	284,846
Loans and advances to banks	1,912,084	1,529,478	2,002,810	1,570,803
Trading securities	363,667	280,788	244,324	214,554
Derivative financial instruments - Assets	10,599	8,064	10,586	8,056
Loans and advances to customers	8,968,054	6,274,701	8,218,548	5,798,113
Investment securities	677,083	506,045	669,297	498,486
Investments in subsidiaries	0	0	288,518	286,411
Investments in associates	2,029	2,327	2,116	2,278
Intangible assets	61,493	55,473	11,376	8,772
Property, plant and equipment	85,987	89,931	57,440	61,120
Other assets	412,398	187,661	187,714	103,089
TOTAL ASSETS	**12,921,689**	**9,297,873**	**11,922,168**	**8,836,528**
LIABILITIES				
Deposits from banks	940,826	762,773	1,638,597	730,260
Deposits from customers	10,413,390	7,185,956	8,942,030	6,862,243
Derivative financial instruments - Liabilities	35,294	4,058	34,638	4,023
Debt securities in issue and other borrowed funds	280,779	331,389	280,779	308,852
Other provisions	13,360	11,378	12,158	10,338
Other liabilities	397,448	272,853	206,582	171,246
Total Liabilities (a)	**12,081,097**	**8,568,407**	**11,114,784**	**8,086,962**
Share Capital	366,554	353,520	366,554	353,520
Share premium	327,257	312,125	327,257	312,125
Other reserves and accumulated deficit	132,072	42,819	113,573	83,921
Equity attributable to the Bank's equity holders (b)	**825,883**	**708,464**	**807,384**	**749,566**
Minority interest (c)	14,709	21,002	0	0
Total Equity (d) = (b) + (c)	**840,592**	**729,466**	**807,384**	**749,566**
TOTAL LIABILITIES AND EQUITY (a) + (d)	**12,921,689**	**9,297,873**	**11,922,168**	**8,836,528**

INCOME STATEMENT
(Amounts in thousands of Euros)

	GROUP				BANK			
	1/1 - 30/09/2007	**1/1 - 30/09/2006**	**1/07 - 30/09/2007**	**1/07 - 30/09/2006**	**1/1 - 30/09/2007**	**1/1 - 30/09/2006**	**1/07 - 30/09/2007**	**1/07 - 30/09/2006**
Interest and similar income	534,111	328,427	213,097	118,850	500,377	303,984	202,017	109,272
Interest expense and similar changes	335,417	177,076	146,338	66,031	328,209	171,954	145,963	64,093
Net interest income	**198,694**	**151,351**	**66,759**	**52,819**	**172,168**	**132,030**	**56,054**	**45,179**
Fee and commission income	191,223	108,235	111,635	23,723	67,655	42,803	36,606	9,777
Fee and commission expense	41,353	23,340	21,342	6,340	6,095	2,547	4,054	965
Net fee and commission income	**149,870**	**84,895**	**90,293**	**17,383**	**61,560**	**40,256**	**32,552**	**8,812**
Dividend income	1,680	832	538	78	3,967	568	157	32
Net trading income / (expense)	37,439	39,712	9,138	27,753	27,695	27,243	6,493	20,863
Other income	8,384	4,464	1,674	1,160	5,664	3,992	1,403	1,105
Total income	**396,067**	**281,254**	**168,402**	**99,193**	**271,054**	**204,089**	**96,659**	**75,991**
Impairment losses on loans and advances	44,908	35,354	15,458	9,279	37,578	30,420	14,500	7,805
Staff costs	101,312	88,722	33,900	29,214	81,303	70,477	26,850	23,033
Other operating expenses	58,392	48,106	20,509	16,518	50,465	39,688	17,354	13,676
Depreciation	9,804	9,385	3,333	3,107	8,353	7,663	2,841	2,534
Impairment losses from property	0	0	0	0	0	2,659	0	0
Share of loss of associates	(87)	374	(28)	125	0	0	0	0
Profit before tax	**181,564**	**100,061**	**95,174**	**41,200**	**93,355**	**53,182**	**35,114**	**28,943**
Income tax expense	39,889	28,957	22,314	13,062	16,320	14,261	5,938	7,931
Deferred tax	4,149	(951)	(4)	(1,559)	4,923	1,273	1,159	62
Tax-audit differences	1,423	844	99	779	1,015	800	0	800
Profit after tax	**136,103**	**71,211**	**72,765**	**28,918**	**71,097**	**36,848**	**28,017**	**20,150**
Attributable to:								
Equity holders of the Bank	131,124	50,200	69,397	23,675	71,097	36,848	28,017	20,150
Minority interest	4,979	21,011	3,368	5,243			0	0
Earnings per share (Euro per share)								
Basic	0.46	0.35	0.23	0.13	0.25	0.18	0.10	0.09
Diluted	0.46	0.35	0.23	0.13	0.25	0.18	0.10	0.09

STATEMENT OF CHANGES IN EQUITY

from 01 January 2007 to 30 September 2007 *(Amounts in thousands of Euros)*	GROUP		BANK	
	30 September 2007	**30 September 2006**	**30 September 2007**	**30 September 2006**
Balance at 1 January 2007 and 2006	729,466	598,210	749,566	495,450
Profit for the period after tax	136,103	71,211	71,097	36,848
Share capital increase/decrease	28,166	29,865	28,166	29,865
Dividends paid	(5,987)	(12,972)	(4,664)	(12,629)
Net income recognised directly in equity	(36,522)	(1,241)	(36,774)	(1,330)
Other movements	(10,634)	4,061	(7)	26,406

CASH FLOW STATEMENT

from 01 January 2007 to 30 September 2007 *(Amounts in thousands of Euros)*	GROUP		BANK	
	1/1 - 30/09/2007	**1/1 - 30/09/2006**	**1/1 - 30/09/2007**	**1/1 - 30/09/2006**
Net cash flows from operating activities (a)	662,110	31,969	503,216	113,940
Net cash flows from investing activities (b)	(199,622)	(152,897)	(184,192)	(162,991)
Net cash flows from financing activities (c)	(15,417)	4,575	(15,067)	6,530
Net increase (decrease) in cash and cash equivalents (a) + (b) + (c)	**447,071**	**(116,353)**	**303,957**	**(42,521)**
Effect of exchange rate fluctuations on cash and cash equivalents	425	565	63	574
Total cash flow for the period	**447,496**	**(115,788)**	**304,020**	**(41,947)**

Balance at the end of period	**840,592**	**689,134**	**807,384**	**574,610**

Cash and cash equivalents at beginning of the period	1,892,883	1,637,078	1,802,631	1,667,287
Cash and cash equivalents at end of the period	**2,340,379**	**1,521,290**	**2,106,651**	**1,625,340**

Notes :

1) a. Marfin Egnatia Bank S.A. (R. No. 6072/06/B/86/11) arose following the merger of: a) MARFIN BANK S.A. (R. No. 6079/06/B/86/18), and b) LAIKI BANK (HELLAS) S.A. (R.No. 27084/06/B/92/16) with EGNATIA BANK S.A. The Merger was completed and is considered as final starting from 29/06/2007, the date of recording in the Registry under the K-2 9985/29.06.2007 approving decision of the Authority on the merger of the aforementioned S.A. Following the completion of the aforementioned Merger, in every legal way and without any further statement, the Bank is in charge of all the rights and liabilities of the Absorbed Companies that are regarded as legally terminated as independent bodies with no independent legal performance without liquidation requirement in due succession (Article 75 of the Law 2190/1920).
b. Following the absorption of two bank groups, the comparative financial items have been modified as concerns the items that were publicized in the corresponding last fiscal year period. Explanations concerning the aforementioned modifications are analitically presented in the note 3 of the INTERIM financial statements of the Bank and the Group .
c. For comparison reasons, the comparative financial data of 30/06/2006 and 30/06/2007 have been reclassified compared to the financial data that were published the respective periods. Explanations on the reclassifications are analytically stated in note 3 of Bank and Group interim Financial statements.

Name *	Country of incorporation	Group percentage	Tax non-inspected fiscal years
			2005 – 2006
Marfin Egnatia Bank S.A.	Greece	Parrent company	(2.1)
Egnatia Bank Romania S.A.	Romania	98,98%	-
Egnatia Leasing Romania S.A.	Romania	99,00%	-
Marfin Leasing S.A. (2.2)	Greece	100,00%	2005 - 2006
Egnatia Fin S.A.	Greece	99,00%	2000 - 2006
EUROCAMBIO Foreign Excange S.A. (2.3)	Greece	90,29%	2003 - 2006
Marfin Insurance Brokers S.A. (2.4)	Greece	100,00%	2005 – 2006
Egnatia Finance PLC	United Kingdom / London	100,00%	-
Egnatia Bank Travel LTD	Greece	99,00%	2005 - 2006
Egnatia Consumer Services S.A.	Greece	99,00%	2005 - 2006
Obafemi Holdings LTD	Cyprus	100,00%	-
Egnatia Properties SRL	Romania	100,00%	-
Investment Bank of Greece S.A. (2.5)	Greece	92,04%	-
MFG Capital Partners Ltd	United Kingdom / London	70,00%	-
Marfin Global Asset Management S.A. (2.6)	Greece	100,00%	-
AVC Consulting S.A. (2.7)	Greece	59,82%	-
IBG Investments S.A.	British Virgin Island	92,04%	-
IBG Mutual Funds Management S.A.	Greece	92,04%	-
Marfin Securities (Cyprus) Ltd	Greece	92.04%	-
IBG Capital S.A.	Greece	92,03%	-
Marfin life insurance S.A	Greece	100,00%	-
Laiki ATTALOS Securities S.A.	Greece	97,51%	-
Marfin Factors & Forfaiters S.A.	Greece	100,00%	-
Egnatia Financial Services Ltd (2.8)	Greece	51,00%	-

* The companies numbered 21 - 23 arise from the merger of LAIKI Group while the companies numbered 13 - 20 and the company "ARIS Capital Management" arise from the merger of MARFIN Group.

Under Equity method :

Name *	Country of incorporation	Group percentage	Tax non-inspected fiscal years
ARIS Capital Management	U.S.A.	30,00%	-

(2.1) Refers only to absorbing Bank Egnatia Bank S.A. The absorbed Marfin Bank and Laiki Bank (Hellas) have been tax inspected till the fiscal year 2006 inclusively.
(2.2) The company arose following the merger of Egnatia Leasing S.A. (non inspected tax fiscal years 2005 – 2006) and Laiki Leasing S.A. (tax inspected fiscal years till 2006 inclusively) with absorption of the latter by the former in accordance with 22870/07 resolution of Athens Prefecture.
Under the 28522/08.08.2007 Resolution of Athens Prefecture, it was approved the company's name change from "Egnatia Leasing Société Anonyme of Financing Leasing" to "Marfin Financing Leasing Société Anonyme" and the discreet name "Marfin Leasing S.A.".
(2.3) The company Eurocambio was not included in the consolidation as at 30.09.2007 due to its state of liquidation. In the corresponding period of 30.09.2006 it was consolidated under total consolidation method. The aforementioned change did not cause changes higher than 25% to the turnover or/and earnings after taxes and minority rights of the company and/or the equity of the company's shareholders.
(2.4) The company arose following the merger of Egnatia Insurance Brokers LTD (non inspected tax fiscal years 2005 – 2006) and Laiki Insurance Brokers LTD (tax inspected fiscal years till 2006 inclusively), with absorption of the latter by the former in accordance with the K3 – 6176/22.06.2007 of the Ministry of Development.
Under the aforementioned resolution, it was approved the company's name change from "Egnatia Insurance Brockers S.A." to "Marfin Insurance Brockers Société Anonyme" and the discreet name "Marfin Insurance S.A."
(2.5) The company arose following the merger of Investment Bank of Greece S.A. (tax inspected fiscal years till 2006 inclusively) and Egnatia Finance S.A. (non inspected tax fiscal years 2002 – 2006), with absorption of the latter by the former in accordance with the K2 – 9485/22.06.2007 of the Ministry of Development.
(2.6) The Company arose following the merger of "Marfin Mutual Funds Management S.A." (tax inspected fiscal years till 2006 inclusively) and Marfin Global Asset Management Investment Services S.A. (tax inspected fiscal years till 2006 inclusively), Laiki Mutual Funds Management S.A. (tax inspected fiscal years till 2006 inclusively) and Egnatia Mutual Funds Management S.A. (non inspected tax fiscal years 2003-2006) with the absorption of the last three companies by the first one in accordance with the K2 – 10866/20.07.2007 resolution of Ministry of Development.
Under the aforementioned resolution, it was approved the company's name change from "Marfin Mutual Funds Management S.A." to "Marfin GAM Mutual Funds Management S.A." and the discreet name "Marfin GAM AEDAK".
(2.7) AVC Consulting S.A. is not included in the consolidation as at 30.09.2007 due to its state of liquidation.In the corresponding period of 30.09.2006 it was consolidated under total consolidation method. The aforementioned change did not cause changes higher than 25% to the turnover or/and earnings after taxes and minority rights of the company and/or the equity of the company's shareholders.
(2.8) The company Egnatia Financial Services Ltd within the period of 01.01-30.09.2006 was consolidated under equity method. On 31.12.2006 it was consolidated for the first time under total consolidation method due to obtaining control. On 30.09.2007 there was received only the proportion of the result due to sale of the total percentage to the parent company Marfin Popular Bank Public Co Ltd. on 27.06.2007
3) There are no liens on the assets of the Group.
4) There are no legal cases or litigations as well as decisions of the court or other legal institutions that will have material effect on the financial position or operation of the Group.
5) The number of employees at the closing of the current period : Group 3.234, Bank 2.481, (30/09/2006: 2.996, 2.365).
6) The transactions of the Group with the related parties are as follows : Receivables 234.735 thousand Euro, liabilities 316.810 thousand Euro, income 9.064 thousand Euro, expenses 10.682 thousand Euro. The transactions of the Bank with the related parties (including subsidiaries), are as follows : Receivables 989.470 thousand Euro, liabilities 1.407.328 thousand Euro , income 67.215 thousand Euro , expenses 43.923 thousand Euro . The transactions of the Bank and the Group with the members of the management and executives are as follows : Receivables 3.519 thousand Euro , liabilities 26.833 thousand Euro , income 42 thousand Euro , expenses 3.628 thousand Euro out of which – fees 2.944 thousand Euro
7) The accounting policies followed by the Group and the Bank for the preparation of the brief interim financial statements of 30/9/2007 are the same as those mentioned in the corresponding financial statements of the fiscal year ended as at 31/12/2006.
8) The consolidated financial statements of the Bank are included in the consolidated financial statements of Marfin Popular Bank Public Company Ltd, Lemesou Avenue, 154, PC 22032, 1598 Nicosia, Cyprus, under total consolidation method. Marfin Popular Bank participates in the share capital of the company with the percentage of 95,04%.

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Thessaloniki, Octomber 30, 2007

THE PRESIDENT OF THE BOARD OF DERECTORS

VASSILIOS N.THEOCHARAKIS
Reg. No AB 340063/06

MANAGING DIRECTOR

EFTHIMIOS T.BOULOUTAS
Reg. No X 501092/02

CHIEF FINANCIAL OFFICER

AGGELOS N. SAPRANIDIS
Reg. No AA 273117/05
Permit 0016834/18-07-2001

MARFIN EGNATIA BANK

MARFIN EGNATIA BANK

MARFIN EGNATIA BANK S.A.
Danaidon 4, PC 546 26 Thessalonica
Reg. No. 6072/06/B/86/11
INFORMATION AND ITEMS OF THE PERIOD
From 01 January 2007 to 30 June 2007
(according to the decision 2/396/31.08.2006 of the Board of Directors of Capital Market Commission)

The below information and items aim at providing general information about the financial position and the results of MARFIN EGNATIA BANK S.A. and its Group. Therefore, we advise the readers before proceeding to any kind of investment or other transaction with the Bank to make use of the website www.marfinegnatiabank.gr, where there are presented the brief financial statements of the period of 30th June 2007 prepared in compliance with International Financial Reporting Standards (IFRS) as well as the report of the Charted Accountant whenever required .

COMPANY'S INFORMATION

Web site address	www.marfinegnatiabank.gr
Date of approval of the Interim Financial Statements by the Board of Directors	29/8/2007
The Certified Auditor	Sotiris A.Constantinou, SOEL Reg. No. 13671
Audit company	Grant Thornton S.A.
Type of Auditor's Report	Unqualified opinion

BALANCE SHEET
(Amounts in thousands of Euros)

	GROUP		BANK	
ASSETS	**30 June 2007**	**31 December 2006**	**30 June 2007**	**31 December 2006**
Cash and balances with Central Bank	700,550	363,405	569,872	284,846
Loans and advances to banks	2,137,027	1,529,478	2,239,142	1,570,803
Trading securities	340,294	280,788	237,156	214,554
Derivative financial instruments	5,178	8,064	5,178	8,056
Loans and advances to customers (net of provisions)	8,327,037	6,274,701	7,769,954	5,798,113
Investment securities	731,204	506,045	723,278	498,486
Investments in subsidiaries	0	0	288,543	286,411
Investments in associates	2,163	2,327	2,221	2,278
Intangible assets	61,653	55,473	11,519	8,772
Property, plant and equipment	86,473	89,931	58,519	61,120
Other assets	308,180	187,661	171,730	103,089
TOTAL ASSETS	**12,699,759**	**9,297,873**	**12,077,112**	**8,836,528**
LIABILITIES				
Deposits from banks	1,615,909	762,773	2,794,206	730,260
Deposits from customers	9,664,990	7,185,956	7,985,516	6,862,243
Derivative financial instruments	12,528	4,058	12,387	4,023
Debt securities in issue and other borrowed funds	280,787	331,389	280,787	308,852
Other provisions	12,026	11,378	10,882	10,338
Other liabilities	328,856	272,853	197,246	171,246
Total Liabilities (a)	**11,915,096**	**8,568,407**	**11,281,024**	**8,086,962**
Share Capital	366,554	353,520	366,554	353,520
Share premium	327,257	312,125	327,257	312,125
Other reserves and accumulated deficit	79,438	42,819	102,277	83,921
Equity attributable to the Bank's equity holders (b)	**773,249**	**708,464**	**796,088**	**749,566**
Minority interest (c)	11,414	21,002	0	0
Total Equity (d) = (b) + (c)	**784,663**	**729,466**	**796,088**	**749,566**
TOTAL LIABILITIES AND EQUITY (a) + (d)	**12,699,759**	**9,297,873**	**12,077,112**	**8,836,528**

INCOME STATEMENT
(Amounts in thousands of Euros)

	GROUP				BANK			
	1/1 - 30/06/2007	**1/1 - 30/06/2006**	**1/04 - 30/06/2007**	**1/04 - 30/06/2006**	**1/1 - 30/06/2007**	**1/1 - 30/06/2006**	**1/04 - 30/06/2007**	**1/04 - 30/06/2006**
Interest and similar income	323,702	209,577	178,002	113,159	301,047	194,712	165,955	102,424
Interest expense and similar charges	191,850	111,045	107,287	60,851	185,016	107,861	103,350	56,413
Net interest income	**131,852**	**98,532**	**70,715**	**52,308**	**116,031**	**86,851**	**62,605**	**46,011**
Fee and commission income	79,201	84,512	33,224	39,772	30,662	33,026	11,899	10,388
Fee and commission expense	20,040	17,000	10,161	7,816	2,070	1,582	1,216	799
Net fee and commission income	**59,161**	**67,512**	**23,063**	**31,956**	**28,592**	**31,444**	**10,683**	**9,589**
Dividend income	1,142	754	1,139	735	3,810	536	3,810	536
Net trading income / (expense)	29,046	11,959	16,058	4,158	21,948	6,380	13,640	1,539
Other operating income	6,031	3,305	4,784	993	3,585	2,887	2,942	2,007
Total income	**227,232**	**182,062**	**115,759**	**90,150**	**173,966**	**128,098**	**93,680**	**59,682**
Impairment losses on loans and advances	29,450	26,075	15,278	12,866	23,078	22,615	12,059	10,925
Staff costs	67,406	59,508	32,918	31,038	54,447	47,444	27,254	24,119
Other operating expenses	37,413	31,590	20,664	15,530	32,645	26,012	19,071	13,483
Depreciation	6,471	6,278	3,239	3,115	5,512	5,129	2,826	2,547
Impairment losses from property	0	0	0	0	0	2,659	0	0
Share of loss of associates	(59)	249	70	(733)	0	0	0	0
Profit before tax	**86,433**	**58,860**	**43,730**	**26,868**	**58,284**	**24,239**	**32,470**	**8,608**
Income tax expense	17,619	15,895	7,642	6,789	10,426	6,330	4,918	725
Deferred tax	4,152	608	3,664	933	3,763	1,211	3,093	1,235
Tax-audit differences	1,324	65	1,324	18	1,015	0	1,015	0
Profit after tax	**63,338**	**42,292**	**31,100**	**19,128**	**43,080**	**16,698**	**23,444**	**6,648**
Attributable to:								
Equity holders of the Bank	61,727	26,525	30,583	8,315	43,080	16,698	23,444	6,648
Minority interest	1,611	15,767	517	10,813				
Earnings per share (Euro per share)								
Basic and Diluted	0.23	0.22	0.12	0.12	0.15	0.09	0.08	0.04

STATEMENT OF CHANGES IN EQUITY

	GROUP		BANK	
from 01 January 2007 to 30 June 2007	**30 June 2007**	**30 June 2006**	**30 June 2007**	**30 June 2006**
(Amounts in thousands of Euros)				
Balance at 1 January 2007 and 2006	729,466	598,210	749,566	495,450
Profit for the period after tax	63,338	42,292	43,080	16,698

CASH FLOW STATEMENT

	GROUP		BANK	
from 01 January 2007 to 30 June 2007	**1/1 - 30/06/2007**	**1/1 - 30/06/2006**	**1/1 - 30/06/2007**	**1/1 - 30/06/2006**
(Amounts in thousands of Euros)				
Net cash flows from operating activities (a)	1,223,084	88,459	1,211,026	157,219
Net cash flows from investing activities (b)	(260,210)	(144,112)	(246,981)	(156,388)

Share capital increase/decrease	28,166	53,583	28,166	53,583
Dividends paid	(5,958)	(12,972)	(4,664)	(12,629)
Net income recognised directly in equity	(19,943)	(1,115)	(20,053)	(1,102)
Other movements	(10,406)	(22,677)	(7)	0
Balance at the end of period	**784,663**	**657,321**	**796,088**	**552,000**

Net cash flows from financing activities (c)	(18,069)	39,448	(10,886)	40,407
Net increase (decrease) in cash and cash equivalents (a) + (b) + (c)	**944,805**	**(16,205)**	**953,159**	**41,238**
Effect of exchange rate fluctuations on cash and cash equivalents	(111)	387	206	387
Total cash flow for the period	**944,694**	**(15,818)**	**953,365**	**41,625**
Cash and cash equivalents at beginning of the period	1,892,883	1,664,674	1,855,649	1,671,372
Cash and cash equivalents at end of the period	**2,837,577**	**1,648,856**	**2,809,014**	**1,712,997**
-	-	-	-	-

Notes :

1) a. Marfin Egnatia Bank S.A. (R. No. 6072/06/B/86/11) arose following the merger of: a) MARFIN BANK S.A. (R. No. 6079/06/B/86/18), and b) LAIKI BANK (HELLAS) S.A. (R.No. 27084/06/B/92/16) with EGNATIA BANK S.A. The Merger was completed and is considered as final starting from 29/06/2007, the date of recording in the Registry under the K-2 9985/29.06.2007 approving decision of the Authority on the merger of the aforementioned S.A. Following the completion of the aforementioned Merger, in every legal way and without any further statement, the Bank is in charge of all the rights and liabilities of the Absorbed Companies that are regarded as legally terminated as independent bodies with no independent legal performance without liquidation requirement in due succession (Article 75 of the Law 2190/1920).
b. Following the absorption of two bank groups, the comparative financial items have been modified as concerns the items that were publicized in the corresponding last fiscal year period. Explanations concerning the aforementioned modifications are analitically presented in the note 3 of the financial statements of the Bank and the Group .
The aforementioned merger caused changes at both consolidated and individual levels :

	Group EGNATIA Bank before absorption	Group MARFIN EGNATIA Bank	Change	% of change
Turnover	158,429	404,044	245,615	155.03%
Earnings after taxes and minority rights	23,503	61,727	38,224	162.64%
Equity of the company shareholders	301,897	773,250	471,353	156.13%

	EGNATIA Bank before absorption	MARFIN EGNATIA Bank	Change	% of change
Turnover	143,014	335,520	192,505	134.61%
Earnings after taxes	17,827	43,080	25,253	141.65%
Equity of the company shareholders	295,208	796,088	500,881	169.67%

2) The below companies are included in the consolidation of 30 June 2007.
Under Full Consolidation Method:

Name *	Country of incorporation	Group percentage	Tax non-inspected fiscal years
Marfin Egnatia Bank S.A.	Greece	Parrent company	2005 – 2006 (2.1)
Egnatia Bank Romania S.A.	Romania	98,98%	-
Egnatia Leasing Romania S.A.	Romania	99,00%	-
Egnatia Mutual Fund Management Company S.A.	Greece	97,955%	2003 - 2006
Egnatia Leasing S.A.	Greece	100,00%	2005 - 2006
Egnatia Fin S.A.	Greece	99,00%	2000 – 2006
EUROCAMBIO Foreign Excange S.A. (2.2)	Greece	90,29%	2003 – 2006
Marfin Insurance Brokers S.A. (2.3)	Greece	100,00%	2005 - 2006
Egnatia Finance PLC	United Kingdom / London	100,00%	-
Egnatia Bank Travel LTD	Greece	99,00%	2005 - 2006
Egnatia Consumer Services A.E.	Greece	99,00%	2005 - 2006
Obafemi Holdings LTD	Cyprus	100,00%	-
Egnatia Properties SRL	Romania	100,00%	-
Investment Bank of Greece (2.4)	Greece	92,04%	-

Under Equity method :

Name *	Country of incorporation	Group percentage	Tax non-inspected fiscal years
ARIS Capital Management	**U.S.A.**	30%	-

(2.1) Refers only to absorbing Bank Egnatia Bank S.A. The absorbed Marfin Bank and Laiki Bank (Hellas) have been tax inspected till the fiscal year 2006 inclusively.
2.2) The company Eurocambio was not included in the consolidation as at 30.06.2007 due to its state of liquidation. In the corresponding period of 30.06.2006 it was consolidated under total consolidation method. The aforementioned change did not cause changes higher than 25% to the turnover or/and earnings after taxes and minority rights of the company and/or the equity of the company's shareholders.
(2.3) The company arose following the merger of Egnatia Insurance Brokers LTD (non inspected tax fiscal years 2005 – 2006) and Laiki Insurance Brokers LTD (tax inspection of the fiscal years 2002 – 2006 under negotiation), with absorption of the latter by the former in accordance with the K3 – 6176/22.06.2007 of the Ministry of Development.
(2.4) The company arose following the merger of Investment Bank of Greece S.A. (tax inspected fiscal years till 2006 inclusively) and Egnatia Finance S.A. (non inspected tax fiscal years 2002 – 2006), with absorption of the latter by the former in accordance with the K2 – 9485/22.06.2007 of the Ministry of Development.
(2.5) The company Egnatia Financial Services Ltd within the period of 01.01-30.06.2006 was consolidated under equity method. On 31.12.2006 it was consolidated for the first time under total consolidation method due to obtaining control. On 30.06.2007 there was received only the proportion of the result due to sale of the total percentage to the parent company Marfin Popular Bank Public Co Ltd. on 27.06.2007.
3) There are no liens on the assets of the Group.
4) There are no legal cases or litigations as well as decisions of the court or other legal institutions that will have material effect on the financial position or operation of the Group.
5) The number of employees at the closing of the current period : Group 3.051, Bank 2.415, (30/06/2006: 3.002, 2.373).
6) The transactions of the Group with the related parties are as follows : Receivables 237.322 thousand Euro, liabilities 710.450 thousand Euro, income 5.434 thousand Euro, expenses 9.175 thousand Euro. The transactions of the Bank with the related parties (including subsidiaries), are as follows : Receivables 912.190 thousand Euro, liabilities 2.303.372 thousand Euro , income 2.098 thousand Euro , expenses 21.008 thousand Euro . The transactions of the Bank and the Group with the members of the management and executives are as follows : Receivables 252 thousand Euro , liabilities 18.589 thousand Euro , income 6 thousand Euro , expenses 2.261 thousand Euro out of which – fees 1.753 thousand Euro
7) The accounting policies followed by the Group and the Bank for the preparation of the brief interim financial statements of 30/6/2007 are the same as those mentioned in the corresponding financial statements of the fiscal year ended as at 31/12/2006.
8) The consolidated financial statements of the Bank are included in the consolidated financial statements of Marfin Popular Bank Public Company Ltd, Lemesou Avenue, 154, PC 22032, 1598 Nicosia, Cyprus, under total consolidation method. Marfin Popular Bank participates in the share capital of the company with the percentage of 95,01%.

Marfin Mutual Fund Management Company S.A.	Greece	90,60%	-
MFG Capital Partners Ltd	United Kingdom / London	100,00%	-
Marfin Global Asset Management S.A.	Greece	100,00%	-
AVC Consulting S.A.	Greece	59,82%	-
IBG Investments S.A.	British Virgin Island	92,04%	-
IBG Mutual Funds S.A.	Greece	92,04%	-
Marfin Securities (Cyprus) Ltd	Cyprus	92.04%	-
Investment S.A.	Greece	92,03%	-
Laiki Mutual Fund Management Company S.A.	Greece	100.00%	-
Laiki life insurance S.A.	Greece	100,00%	-
Laiki Finance Leases S.A.	Greece	100,00%	-
Laiki ATTALOS Securities S.A.	Greece	97,51%	-
Marfin Factors & Forfaiters S.A.	Greece	100,00%	-
Egnatia Financial Services LTD (2.5)	Cyprus	51,00%	-

*** The companies numbered 23 - 27 arise from the merger of LAIKI Group while the companies numbered 4 - 22 and the company "ARIS Capital Management" arise from the merger of MARFIN Group.**

- - -

Thessaloniki, August 29, 2007

THE PRESIDENT OF THE BOARD OF DIERECTORS

VASSILIOS N.THEOCHARAKIS
ID No AB 340063/06

MANAGING DIRECTOR

EFTHIMIOS T.BOULOUTAS
ID No X 501092/02

CHIEF FINANCIAL OFFICER

AGGELOS N. SAPRANIDIS
ID No AA 273117/05
Permit 0016834/18-07-2001

EGNATIA BANK S.A.

4 Danaidon Street, 546 26 Thessaloniki

Company Reg. No. 6072/06/B/86/11

FINANCIAL DATA AND INFORMATION

FOR THE PERIOD FROM JANUARY 1st, 2007 TO MARCH 31th 2007

(In accordance with the decision 2/396/31.08.2006 of the Capital Market Commission's Board of Directors)

The financial information set out below provides a general presentation of the financial position and results of Egnatia Bank S.A. and the Group. We recommend to the reader, before any investment decision or transaction is performed with the Bank to visit the web site where both the interim financial statements prepared in accordance with International Financial Reporting Standards (I.F.R.S) and Auditors' Review Report, when requested, are available.

COMPANY INFORMATION

Web site address	www.Egnatiabank.gr
Date of approval of the Interim Financial Statements by the Board of Directors	25/4/2007

BALANCE SHEET

(Amounts in thousands of Euros)

	EGNATIA GROUP		EGNATIA BANK	
ASSETS	**31 March 2007**	**31 December 2006**	**31 March 2007**	**31 December 2006**
Cash and balances with Central Bank	217,669	183,318	129,005	108,028
Loans and advances to banks	700,167	553,960	768,180	585,721
Trading securities	54,440	16,417	51,142	13,037
Derivative financial instruments	1,184	937	1,184	937
Loans and advances to customers	3,210,360	2,742,114	3,037,854	2,601,090
Investment securities	228,513	242,119	228,365	241,995
Investments in subsidiaries	0	0	51,646	41,496
Investments in associates	0	0	0	0
Intangible assets	10,904	7,606	7,441	7,264
Property, plant and equipment	55,747	56,801	44,639	44,162

INCOME STATEMENT

(Amounts in thousands of Euros)

	EGNATIA GROUP		EGNATIA BANK	
	1/1 - 31/03/2007	**1/1 - 31/03/2006**	**1/1 - 31/03/2007**	**1/1 - 31/03/2006**
Interest and similar income	62,139	45,639	58,497	43,312
Interest expense and similar changes	34,551	22,305	33,729	21,628
Net interest income	**27,588**	**23,334**	**24,768**	**21,684**
Fee and commission income	15,075	14,982	7,093	5,761
Fee and commission expense	3,189	3,608	507	477
Net fee and commission income	**11,886**	**11,374**	**6,586**	**5,284**
Dividend income	3	0	0	0
Net trading income / (expense)	4,259	1,498	3,764	585
Other income	896	626	511	304
Total income	**44,632**	**36,832**	**35,629**	**27,857**

Other assets	98,466	86,214	54,289	52,581
TOTAL ASSETS	**4,577,450**	**3,889,486**	**4,373,745**	**3,696,311**
LIABILITIES				
Deposits from banks	624,701	330,655	566,296	277,022
Deposits from customers	3,213,059	2,829,634	3,136,715	2,759,631
Derivative financial instruments	1,583	2,331	1,583	2,331
Debt securities in issue and other borrowed funds	331,727	331,389	308,876	308,852
Other provisions	8,993	8,886	8,388	8,315
Other liabilities	130,197	115,061	92,774	81,350
Total Liabilities (a)	**4,310,260**	**3,617,956**	**4,114,632**	**3,437,501**
Share Capital	109,147	109,145	109,147	109,145
Share premium	116,830	116,827	116,830	116,827
Other reserves and accumulated deficit	37,864	35,393	33,136	32,838
Equity attributable to the Bank's equity holders (b)	**263,841**	**261,365**	**259,113**	**258,810**
Minority interest (c)	3,349	10,165	0	0
Total Equity (d) = (b) + (c)	**267,190**	**271,530**	**259,113**	**258,810**
TOTAL LIABILITIES AND EQUITY (a) + (d)	**4,577,450**	**3,889,486**	**4,373,745**	**3,696,311**

Impairment losses on loans and advances	4,772	7,341	4,495	7,341
Staff costs	19,704	16,457	16,251	14,244
Other operating expenses	8,519	7,713	6,506	5,570
Depreciation	2,014	1,746	1,648	1,365
Impairment losses from property	0	0	0	2,659
Share of loss of associates	0	99	0	0
Profit (Loss) before tax	**9,623**	**3,674**	**6,729**	**(3,322)**
Income tax expense	1,606	785	1,015	(74)
Deferred tax	610	284	587	168
Tax-audit differences	0	26	0	0
Profit (Loss) after tax	**7,407**	**2,579**	**5,127**	**(3,416)**
Attributable to:				
Equity holders of the Bank	7,203	1,954	5,127	(3,416)
Minority interest	204	625		
Earnings per share (Euro per share)				
Basic	0.08	0.02	0.05	(0.04)
Diluted	0.08	0.02	0.05	(0.04)

STATEMENT OF CHANGES IN EQUITY

from 01 January 2007 to 31 March 2007	EGNATIA GROUP 31 March 2007	EGNATIA GROUP 31 March 2006	EGNATIA BANK 31 March 2007	EGNATIA BANK 31 March 2006
(Amounts in thousands of Euros)				
Balance at 1 January 2007 and 2006	271,530	249,403	258,810	249,659
Profit for the period after tax	7,407	2,579	5,127	(3,416)
Share capital increase/decrease	4	2,604	4	2,604
Dividends paid	(4,664)	0	(4,664)	0

Additional data and information:

1) Companies presented below have been included in the consolidated financial statements as at 31 March 2007 under the method

fully consolidated :

Company name	Registered office	Participation %	Open tax years
1. EGNATIA BANK ROMANIA S.A.	Romania	98.99%	2003-2006
2. EGNATIA FINANCE STOCK BROKERS & INVESTMENT ADVISORS S.A.	Greece	100.00%	2002-2006
3. EGNATIA MUTUAL FUND MANAGEMENT COMPANY S.A.	Greece	68.95%	2003-2006
4. EGNATIA LEASING S.A.	Greece	99.90%	2005-2006

Net income recognised directly in equity	(163)	527	(163)	521
Other movements	(6,924)	(14)	(1)	0
Balance at the end of period	**267,190**	**255,099**	**259,113**	**249,368**

CASH FLOW STATEMENT	**EGNATIA GROUP**		**EGNATIA BANK**	
from 01 January 2007 to 31 March 2007	**1/1 - 31/03/2007**	**1/1 - 31/03/2006**	**1/1 - 31/03/2007**	**1/1 - 31/03/2006**
(Amounts in thousands of Euros)				
Net cash flows from operating activities (a)	184,891	8,830	203,164	(14,477)
Net cash flows from investing activities (b)	11,745	6,300	3,560	1,765
Net cash flows from financing activities (c)	(16,152)	(2,671)	(8,112)	(2,611)
Net increase (decrease) in cash and cash equivalents (a) + (b) + (c)	**180,484**	**12,459**	**198,612**	**(15,323)**
Effect of exchange rate fluctuations on cash and cash equivalents	74	193	74	193
Total cash flow for the period	**180,558**	**12,652**	**198,686**	**(15,130)**
Cash and cash equivalents at beginning of the period	732,261	704,620	639,731	677,430
Cash and cash equivalents at end of the period	**912,819**	**717,272**	**838,417**	**662,300**

5. EGNATIA FIN S.A.	Greece	99.00%	2000-2006
6. EUROCAMBIO - FOREIGN EXCHANGE & TOURIST ENTERPRISES S.A.	Greece	90.29%	2003-2006
7. EGNATIA INSURANCE SERVICES S.A.	Greece	100.00%	2005-2006
8. EGNATIA FINANCE Plc	United Kingdom	100.00%	2005-2006
9. EGNATIA LEASING ROMANIA S.A.	Romania	99.00%	2003-2006
10. EGNATIA BANK TRAVEL Ltd	Greece	99.00%	2005-2006
11. EGNATIA CONSUMER SERVICES S.A.	Greece	99.00%	2005-2006
12. OBAFEMI HOLDINGS Ltd	Cyprus	100.00%	2006
13. EGNATIA PROPERTIES SRL	Romania	100.00%	2006
14. EGNATIA FINANCIAL SERVICES Ltd	Cyprus	51.00%	2001-2006

On 31/03/2006, the company No.14 was consolidated under the Equity method. On 31/12/2006, the company No.14 was consolidated for the first time under the method of Full Consolidation due to the control acquisition. The aforementioned change has brought about a total change of no more than 25% on the turnover, or/and the results after tax and company's minority interest or/and the company shareholders' equity.
2) “EGNATIA BANK S.A.” has been audited by the tax authorities up to and including the year 2004.
3) No Group fixed assets have been pledged from others.
4) There are no pending legal cases or issues in progress, which may have a material impact on the financial statements of the Group and the Bank.
5) The total number of employees of the Group as at March 31, 2007 was 1.792 and the total number of employees of the Bank as at March 31, 2007 was 1.385, (31/03/2006: 1.713, 1.378).
6) The Group balances as at 31.03.2007 arising from transactions with the related parties are as follows (in thousands of Euros): a) Receivables 261.136, b) Payables 331.525, c) Income 1.489 and d) Expenses 3.513. The Bank balances arising from transactions with the related parties (including subsidiaries) are as follows (in thousands of Euros): a) Receivables 511.537, b) Payables 663.536, c) Income 4.907, d) Expenses 7.488. The Bank and Group balances arising from transactions with the members of Board of Directors and the executive managers are as follows (in thousands of Euros): a) Receivables 1.799, b) Payables 30.050, c) Income 33, d) Expenses 1.038 out of which 826 account for remuneration.
7) For comparison reasons, the financial figures as at 31/03/2006 have been reclassified compared to the financial figures published for the respective period last year. Explanations on the changes are analytically referred in the note 11 of the Bank and Group financial statements.
8) The accounting principles adopted by the Bank and the Group for the drawing up of the condensed interim financial statements as at 31/03/2007 are consistent with the accounting principles referred in the respective financial statements for the period ended 31/12/2006.
9) The consolidated financial statements of the Bank are included in the consolidated financial statements of Marfin Popular Bank Public Company Ltd, 154 Lemesou Avenue, P.O. Box 22032, 1598 Nicosia, Cyprus, under the method of full consolidation. Marfin Popular Bank participates in the company's share capital by 86.44% by 22/12/2006.

Thessaloniki, April 25, 2007

THE PRESIDENT OF THE BOARD OF DERECTORS

VASSILIOS N.THEOCHARAKIS
Reg. No S 231179/98

MANAGING DIRECTOR

ELEFTHERIOS A.CHILIADAKIS
Reg. No P 073667/90

CHIEF FINANCIAL OFFICER

AGGELOS N. SAPRANIDIS
Reg. No AA 273117/05
Permit 0016834/18-07-2001

9. Availability of the Financial Statements

The annual Financial Statements of the Bank and of the Group as well as the Auditor's Reports and Board of Directors' Report are available at the web site address www.marfinegnatiabank.gr.

The annual Financial Statements as well as the Auditor's Reports and Board of Directors' Report of the companies that are included in the consolidated financial statements, are available after their publishing at the web site address www.marfinegnatiabank.gr.