



CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED
30 SEPTEMBER 2007

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

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

	Note	9 months	9 months	Supplementary	
		ended	ended	9 months	9 months
		30.09.2007	30.09.2006	30.09.2007	30.09.2006
		C£ '000	C£ '000	Euro '000	Euro '000
Net interest income		289.415	150.271	495.403	257.224
Net fee and commission income		134.873	45.693	230.868	78.214
Profit on disposal and revaluation of securities	6	68.205	5.702	116.749	9.761
Foreign exchange income		14.149	10.037	24.219	17.181
Other income		31.275	15.368	53.535	26.306
Operating income		537.917	227.071	920.774	388.686
Staff costs		(131.870)	(78.101)	(225.727)	(133.688)
Depreciation and amortisation		(20.404)	(8.786)	(34.926)	(15.040)
Administrative expenses		(58.025)	(31.718)	(99.324)	(54.292)
Profit before provision for impairment of advances		327.618	108.466	560.797	185.666
Provision for impairment of advances	10	(39.948)	(32.530)	(68.381)	(55.683)
Profit before share of profit from associates		287.670	75.936	492.416	129.983
Share of profit from associates		987	1.085	1.690	1.857
Profit before tax		288.657	77.021	494.106	131.840
Tax		(40.184)	(12.020)	(68.784)	(20.576)
Profit after tax from continuing operations		248.473	65.001	425.322	111.264
Profit after tax from discontinued operations due to reduction in participation	7	50.443	-	86.345	-
Profit for the period		298.916	65.001	511.667	111.264
Attributable to:					
Minority interest		16.657	2.388	28.512	4.088
Equity holders of the Bank		282.259	62.613	483.155	107.176
		298.916	65.001	511.667	111.264
Earnings per share – for profit attributable to the equity holders of the Bank					
Earnings per share - cent	4	36,3	19,6	62,2	33,5
Earnings per share - for profit after tax from continuing operations attributable to the equity holders of the Bank					
Earnings per share - cent	4	31,0		53,0	

The notes on pages 7 to 24 are an integral part of these condensed interim consolidated financial statements.

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

	Note	3 months ended		Supplementary information (Note 22)	
		30.09.2007 C£ '000	30.09.2006 C£ '000	30.09.2007 Euro '000	30.09.2006 Euro '000
Net interest income		94.688	54.537	162.081	93.353
Net fee and commission income		69.764	15.115	119.418	25.873
Profit on disposal and revaluation of securities		4.805	2.712	8.225	4.642
Foreign exchange income		16.171	3.385	27.681	5.794
Other income		8.107	4.877	13.877	8.348
Operating income		193.535	80.626	331.282	138.010
Staff costs		(44.901)	(26.621)	(76.859)	(45.568)
Depreciation and amortisation		(6.988)	(2.954)	(11.962)	(5.056)
Administrative expenses		(20.851)	(10.873)	(35.691)	(18.612)
Profit before provision for impairment of advances		120.795	40.178	206.770	68.774
Provision for impairment of advances		(14.093)	(9.619)	(24.124)	(16.465)
Profit before share of profit from associates		106.702	30.559	182.646	52.309
Share of profit from associates		505	687	865	1.176
Profit before tax		107.207	31.246	183.511	53.485
Tax		(20.806)	(5.464)	(35.614)	(9.353)
Profit for the period		86.401	25.782	147.897	44.132
Attributable to:					
Minority interest		4.385	1.365	7.506	2.336
Equity holders of the Bank		82.016	24.417	140.391	41.796
		86.401	25.782	147.897	44.132
Earnings per share – for profit attributable to the equity holders of the Bank					
Earnings per share - cent	4	10,3	6,8	17,6	11,7

The notes on pages 7 to 24 are an integral part of these condensed interim consolidated financial statements.

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

		30.09.2007	31.12.2006	<i>Supplementary information (Note 22)</i>	
	Note	€ '000	€ '000	30.09.2007	31.12.2006
				Euro '000	Euro '000
Assets					
Cash and balances with Central Banks		609.228	611.916	1.042.840	1.047.441
Due from other banks		2.800.874	2.403.761	4.794.368	4.114.614
Financial assets at fair value					
through profit or loss	8	396.599	375.823	678.874	643.311
Advances to customers	9	9.624.090	6.947.124	16.473.940	11.891.670
Government bonds and treasury bills		545.927	471.608	934.485	807.270
Available-for-sale financial assets		1.540.795	936.503	2.637.441	1.603.050
Held-to-maturity financial assets		24.327	27.499	41.641	47.071
Other assets		361.439	226.851	618.690	388.310
Investments in associates		8.607	8.856	14.733	15.159
Intangible assets		962.359	901.571	1.647.308	1.543.255
Property and equipment	11	144.348	136.460	247.086	233.584
		17.018.593	13.047.972	29.131.406	22.334.735
Assets held for sale	7	-	127.181	-	217.701
Total assets		17.018.593	13.175.153	29.131.406	22.552.436
Liabilities					
Due to other banks		807.744	440.095	1.382.648	753.328
Customer deposits		12.314.199	9.373.738	21.078.707	16.045.402
Senior debt	12	539.836	304.018	924.059	520.400
Loan capital	13	361.812	365.224	619.328	625.169
Other liabilities	8	974.544	791.636	1.668.166	1.355.075
		14.998.135	11.274.711	25.672.908	19.299.374
Liabilities directly related to assets held for sale	7	-	122.735	-	210.090
Total liabilities		14.998.135	11.397.446	25.672.908	19.509.464
Share capital and reserves attributable to the Bank's equity holders					
Share capital	14	398.341	395.159	681.856	676.409
Share premium	14	1.180.862	1.113.055	2.021.329	1.905.261
Treasury shares	14	-	(105.957)	-	(181.371)
Reserves	15	384.230	280.716	657.701	480.513
		1.963.433	1.682.973	3.360.886	2.880.812
Minority interest		57.025	94.734	97.612	162.160
Total equity		2.020.458	1.777.707	3.458.498	3.042.972
Total equity and liabilities		17.018.593	13.175.153	29.131.406	22.552.436

The notes on pages 7 to 24 are an integral part of these condensed interim consolidated financial statements.

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

	Note	Attributable to equity holders of the Bank				Revenue reserves C£ '000	Minority interest C£ '000	Total C£ '000
		Share capital C£ '000	Share premium C£ '000	Treasury shares C£ '000	Fair value and currency translation reserves C£ '000			
Nine months ended 30 September 2007								
Balance 1 January 2007		395.159	1.113.055	(105.957)	45.919	234.797	94.734	1.777.707
Revaluation of available-for-sale financial assets	15	-	-	-	(26.009)	-	1.535	(24.474)
Transfer to results on disposal of available-for-sale financial assets	15	-	-	-	(38.493)	-	-	(38.493)
Transfer of reserves due to transfer of subsidiary to available-for-sale financial assets due to reduction in participation	15	-	-	-	(1.940)	1.940	-	-
Deferred tax	15	-	-	-	7.079	-	370	7.449
Exchange differences arising in the period	15	-	-	-	14.355	-	634	14.989
Profit recognized directly in equity Profit for the period		-	-	-	(45.008)	1.940	2.539	(40.529)
		-	-	-	-	282.259	16.657	298.916
Total recognized profit for the period		-	-	-	(45.008)	284.199	19.196	258.387
Dividend	16	-	-	-	-	(143.403)	-	(143.403)
Shares issued	14	3.182	15.911	-	-	-	-	19.093
Treasury shares sold	14	-	53.970	105.957	-	-	-	159.927
Share issue costs	14	-	(2.074)	-	-	-	-	(2.074)
Cost of share-based payments to employees	15	-	-	-	-	1.693	-	1.693
Dividend paid by subsidiaries		-	-	-	-	-	(4.255)	(4.255)
Reduction of capital by subsidiary		-	-	-	-	-	(10.325)	(10.325)
Effect of change in minority interest from group restructuring and other movements	15	-	-	-	-	6.033	(24.619)	(18.586)
Effect of transfer of subsidiary to available-for-sale financial assets due to reduction in participation		-	-	-	-	-	(17.706)	(17.706)
		3.182	67.807	105.957	-	(135.677)	(56.905)	(15.636)
Balance 30 September 2007		398.341	1.180.862	-	911	383.319	57.025	2.020.458

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

Note	Attributable to equity holders of the Bank					Minority interest	Total
	Share capital C£ '000	Share premium C£ '000	Treasury shares C£ '000	Fair value and currency translation reserves C£ '000	Revenue reserves C£ '000	C£ '000	C£ '000
Nine months ended 30 September 2006							
Balance 1 January 2006	153.648	4.843	-	18.306	170.042	35.735	382.574
Revaluation of available-for-sale financial assets	-	-	-	16.640	-	(53)	16.587
Transfer to results on disposal of available-for-sale financial assets	-	-	-	(143)	-	-	(143)
Transfer of fair value reserves to revenue reserves	-	-	-	(85)	85	-	-
Deferred tax	-	-	-	(175)	-	-	(175)
Exchange differences arising in the period	-	-	-	1.132	-	171	1.303
Profit recognized directly in equity	-	-	-	17.369	85	118	17.572
Profit for the period	-	-	-	-	62.613	2.388	65.001
Total recognized profit for the period	-	-	-	17.369	62.698	2.506	82.573
Dividend	-	-	-	-	(21.448)	-	(21.448)
Exercise of rights	25.528	35.740	-	-	-	-	61.268
Expenses on the issue of rights	-	(1.053)	-	-	-	-	(1.053)
Acquisition of subsidiary	-	-	-	-	-	977	977
Change in minority interest from changes in shareholdings in subsidiaries	-	-	-	-	-	(398)	(398)
Equity element of convertible debentures repaid	(444)	-	-	-	-	-	(444)
	25.084	34.687	-	-	(21.448)	579	38.902
Balance 30 September 2006	178.732	39.530	-	35.675	211.292	38.820	504.049

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

	Note	30.09.2007	30.09.2006	Supplementary information (Note 22)	
		C£ '000	C£ '000	30.09.2007 Euro '000	30.09.2006 Euro '000
Cash generated from operations		646.589	523.749	1.106.792	896.522
Tax paid		(89.402)	(8.531)	(153.033)	(14.603)
Net cash from operating activities		557.187	515.218	953.759	881.919
Cash flows from investing activities					
Purchase less proceeds from disposal of property and equipment		(8.361)	(3.501)	(14.312)	(5.993)
Purchase less proceeds from disposal of computer software		(4.243)	(1.821)	(7.263)	(3.117)
Purchase less proceeds from disposal of investment property		9.205	-	15.757	-
Additions less proceeds from disposal/redemption of available-for-sale financial assets		(396.715)	(136.502)	(679.073)	(233.657)
Income from available-for-sale financial assets		42.140	20.611	72.132	35.281
Acquisition of subsidiary net of cash acquired		(32.010)	(5.757)	(54.793)	(9.854)
Changes in shareholding in subsidiaries		(6.944)	-	(11.886)	-
Dividend received from investments in associates		497	-	851	-
Net cash used in investing activities		(396.431)	(126.970)	(678.587)	(217.340)
Cash flows from financing activities					
Proceeds from sale of treasury shares	14	159.927	-	273.753	-
Proceeds from exercise of rights		-	60.215	-	103.073
Share issue costs	14	(2.074)	-	(3.550)	-
Proceeds from the issue of senior debt and loan capital		425.631	259.712	728.570	444.559
Repayment of senior debt and loan capital		(183.054)	(36.806)	(313.341)	(63.002)
Interest paid on senior debt and loan capital		(28.241)	(7.268)	(48.341)	(12.442)
Dividend paid	16	(143.403)	(21.448)	(245.469)	(36.713)
Dividend and capital return paid by subsidiaries to minority holders		(14.581)	-	(24.959)	-
Net cash from financing activities		214.205	254.405	366.663	435.475
Effects of exchange rate changes on cash and cash equivalents		12.742	1.715	21.811	2.936
Net increase in cash and cash equivalents		387.703	644.368	663.646	1.102.990
Cash and cash equivalents at beginning of period		2.897.985	1.770.138	4.960.597	3.030.017
Cash and cash equivalents at end of period		3.285.688	2.414.506	5.624.243	4.133.007

The notes on pages 7 to 24 are an integral part of these condensed interim consolidated financial statements.

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

1. INFORMATION FOR THE GROUP

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

Marfin Popular Bank Public Co Ltd is the parent company of Marfin Popular Bank Public Co Ltd Group. The principal activities of the Group, which are unchanged from last year, are the provision of banking, financial and insurance services.

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

2. SIGNIFICANT ACCOUNTING POLICIES

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

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

The same accounting policies as for the annual consolidated financial statements for the year 2006 have been adopted in the preparation of the condensed interim consolidated financial statements. In addition, during the period the Group adopted an accounting policy for share-based compensation in relation to the newly implemented share options scheme (Note 14) as set out below.

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

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

The Group has applied IFRIC 10, which requires an entity not to reverse an impairment loss recognized in a previous interim period in respect of goodwill or an investment in either an equity instrument or a financial asset carried at cost. The application of the Interpretation had no effect on these condensed interim consolidated financial statements.

3. COMPARATIVES

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

4. EARNINGS PER SHARE

	9 months ended 30.09.2007 C£ '000	9 months ended 30.09.2006 C£ '000	3 months ended 30.09.2007 C£ '000	3 months ended 30.09.2006 C£ '000
Profit attributable to the equity holders of the Bank	282.259	62.613	82.016	24.417
	9 months ended 30.09.2007 '000	9 months ended 30.09.2006 '000	3 months ended 30.09.2007 '000	3 months ended 30.09.2006 '000
Weighted average number of shares in issue during the period	776.518	320.256	796.683	357.465
Earnings per share – cent	36,3	19,6	10,3	6,8

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

4. EARNINGS PER SHARE (continued)

	9 months ended 30.09.2007 C£ '000
Profit after tax from continuing operations	248.473
Minority interest	(7.901)
	240.572
	9 months ended 30.09.2007 '000
Weighted average number of shares in issue during the period	776.518
Earnings per share – cent	31,0

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

5. SEGMENTAL ANALYSIS

By business class – primary segment

	Banking services C£ '000	Insurance services C£ '000	Financial and other services C£ '000	Eliminations C£ '000	Total C£ '000
Nine months ended 30 September 2007					
Total revenues	854.835	87.185	113.812	(25.668)	1.030.164
Profit before tax	195.754	20.460	72.443		288.657
Tax					(40.184)
Profit after tax from continuing operations					248.473
Profit after tax from discontinued operations due to reduction in participation					50.443
Profit for the period					298.916
Nine months ended 30 September 2006					
Total revenues	387.390	15.869	40.139	(36.021)	407.377
Profit before tax	53.826	7.301	15.894		77.021
Tax					(12.020)
Profit for the period					65.001

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

6. PROFIT ON DISPOSAL AND REVALUATION OF SECURITIES

Included within the profit on disposal and revaluation of securities is an amount of C£ 7 m which relates to the profit from the sale of shares of Universal Life Insurance Public Co Ltd, an amount of C£ 22,4 m which relates to the profit from the sale of shares and warrants of Hellenic Bank Public Company Ltd, and an amount of C£ 12,6 m which relates to the profit from the sale of shares of Bank of Cyprus Public Company Ltd held by the Group.

7. DISCONTINUED OPERATIONS DUE TO REDUCTION IN PARTICIPATION

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

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

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

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

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

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

8. DERIVATIVE FINANCIAL INSTRUMENTS

Included within financial assets at fair value through profit or loss is an amount of C£ 19,5 m which relates to the positive fair value of derivative financial instruments. Included within other liabilities is an amount of C£ 33,7 m, which relates to the negative fair value of derivative financial instruments.

9. ADVANCES TO CUSTOMERS

	30.09.2007
	C£ '000
Advances to customers	9.471.497
Instalment finance and leasing	<u>541.860</u>
	10.013.357
Provision for impairment of advances (Note 10)	<u>(389.267)</u>
	<u>9.624.090</u>

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

10. PROVISION FOR IMPAIRMENT OF ADVANCES

Movement in the nine months to 30 September 2007:

	Provisions C£ '000	Suspension of income C£ '000	Total C£ '000
Balance 1 January 2007	294.174	69.812	363.986
Provision for impairment of advances from acquisition of subsidiaries	4.660	-	4.660
Provision for impairment of advances for the period	71.173	-	71.173
Release of provision and recoveries	(31.225)	(21.365)	(52.590)
Advances written-off	(10.469)	(3.640)	(14.109)
Exchange differences	1.260	-	1.260
Suspension of income for the period	-	14.887	14.887
	<u>329.573</u>	<u>59.694</u>	<u>389.267</u>
Balance 30 September 2007	329.573	59.694	389.267

11. PROPERTY AND EQUIPMENT

Movement in the nine months to 30 September 2007:

	C£ '000
Net book value at 1 January 2007	136.460
Property and equipment from acquisition of subsidiaries	7.873
Additions less disposals of property and equipment	7.148
Depreciation	(7.481)
Exchange differences	<u>348</u>
Net book value at 30 September 2007	<u>144.348</u>

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

12. SENIOR DEBT

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

13. LOAN CAPITAL

	30.09.2007 C£ '000
Convertible debentures 2003/2013	213
Non-convertible debentures 2003/2007	8.968
Non-convertible debentures 2005/2015	46.736
Eurobonds due 2016	255.895
Capital securities	<u>50.000</u>
Total loan capital	<u>361.812</u>

The repayment date of the non-convertible debentures 2003/2007 falls in the period of “three months or less” from the balance sheet date. The repayment date of the convertible debentures 2003/2013, the non-convertible debentures 2005/2015 and the eurobonds due 2016, falls in the period of “over five years” from the balance sheet date. The capital securities are perpetual.

Convertible debentures 2003/2013

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

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

Non-convertible debentures 2003/2007

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

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

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

13. LOAN CAPITAL (continued)

Non-convertible debentures 2005/2015

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

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

The debentures which are not secured and which rank for payment after the claims of depositors and other creditors, are listed on the Luxembourg Stock Exchange and their market value at 30 September, 2007 was euro 80,0 m, C£ 46,7 m.

Eurobonds due 2016

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

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

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

Capital securities

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

The capital securities are perpetual, but can be repurchased in full at the option of the Bank at nominal value plus accrued interest on 30 June, 2008 or at any interest payment date thereafter, after approval from the Central Bank of Cyprus. In case the capital securities are not repurchased by the Bank 10 years after their issue, then the holder has the right to exchange the securities with ordinary shares of the Bank at any interest payment date thereafter, at a discount of 10% on the average price of the ordinary share as this will be traded on the Cyprus Stock Exchange for a period of one month before the respective exchange date.

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

Preference shares

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

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

14. SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES

	Number of shares '000	Share capital C£ '000	Share premium C£ '000	Treasury shares C£ '000	Total C£ '000
Balance 1 January 2007	790.319	395.159	1.113.055	(105.957)	1.402.257
Shares issued (a)	6.364	3.182	15.911	-	19.093
Treasury shares sold (b)	-	-	53.970	105.957	159.927
Share issue costs	-	-	(2.074)	-	(2.074)
	<hr/>				
Balance 30 September 2007	796.683	398.341	1.180.862	-	1.579.203

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

- (a) The shares issued during the period relate to shares issued to the shareholders of Marfin Investment Group Holdings S.A., who exercised their right to exit. These shares and 18.138.000 shares, which were in the process of being issued as at 31 December, 2006 were issued on 17 April, 2007 and were listed on the Cyprus Stock Exchange and Athens Exchange on 23 April, 2007.
- (b) The treasury shares, which were held as at 31 December, 2006 by Marfin Investment Group Holdings S.A. in Marfin Popular Bank Public Co Ltd were sold during 2007 and the gain from the disposal was taken to the share premium account in the consolidated financial statements of the Group.

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

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

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

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

15. RESERVES

Movement in the nine months to 30 September 2007:

	C£ '000
Revenue reserves	
Balance 1 January 2007	234.797
Profit for the period attributable to equity holders of the Bank	282.259
Dividend paid (Note 16)	(143.403)
Cost of share-based payments to employees	1.693
Effect of change in minority interest from group restructuring	6.033
Transfer of fair value and currency translation reserves due to transfer of subsidiary to available-for-sale financial assets due to reduction in participation	1.940
	<u>383.319</u>
Balance 30 September 2007	<u>383.319</u>
Property fair value reserves	
Balance 1 January and 30 September 2007	<u>15.545</u>
Available-for-sale financial assets fair value reserves	
Balance 1 January 2007	30.770
Revaluation for the period	(26.009)
Transfer to results on disposal of available-for-sale financial assets	(38.493)
Deferred tax	7.079
Transfer to revenue reserves due to transfer of subsidiary to available-for-sale financial assets due to reduction in participation	44
	<u>(26.609)</u>
Balance 30 September 2007	<u>(26.609)</u>
Currency translation reserves	
Balance 1 January 2007	(396)
Exchange differences arising in the period	14.355
Transfer to revenue reserves due to transfer of subsidiary to available-for-sale financial assets due to reduction in participation	(1.984)
	<u>11.975</u>
Balance 30 September 2007	<u>11.975</u>
Total reserves 30 September 2007	<u><u>384.230</u></u>

16. DIVIDEND

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

17. CONTINGENCIES AND COMMITMENTS

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

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

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

18. NET ASSETS ATTRIBUTABLE TO LIFE POLICY HOLDERS

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

	30.09.2007
	C€ '000
Deposits with banks	119.411
Financial assets at fair value through profit or loss	137.512
Advances to policy holders	17.649
Reinsurance assets and other assets	5.830
Investment property	4.667
Liabilities	<u>(2.765)</u>
Net assets attributable to life policy holders	<u>282.304</u>

19. INVESTMENTS IN SUBSIDIARY COMPANIES

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

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

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

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

The Group performs full consolidation for all of its subsidiary companies.

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

19. INVESTMENTS IN SUBSIDIARY COMPANIES (continued)

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

The Bank has completed the fair valuation and purchase price allocation for the acquisition of Marfin Investment Group Holdings S.A. and Egnatia Bank S.A. as at the date of acquisition. Based on adjustments to the preliminary accounting adopted in the consolidated financial statements for the year ended 31 December, 2006, the Group recognised C£ 210 m intangible assets, which relate to the estimated fair value for trade names, customers' relationships, core deposits, software and asset management. The results were charged with amortisation of the intangible assets recognised amounting to C£ 8,3 m. A deferred tax liability of C£ 52,4 m in relation to the aforementioned intangible assets has also been recognised.

The Group's investment in the non-banking activities of the Group of Marfin Investment Group Holdings S.A. is presented on 31 December, 2006 as discontinued operations due to reduction in participation and as held for sale at the date of acquisition as explained in Note 7. This classification has been included in the adjustments to the initial accounting. A reduction to the deferred tax asset of C£ 10,1 m and an increase to the deferred tax liability of C£ 46,6 m with corresponding adjustments to goodwill have also been recognised in relation to the non-banking activities of the Group of Marfin Investment Group Holdings S.A. The adjustments to the deferred tax asset and liability are included in the following table in the assets held for sale and liabilities directly related to assets held for sale respectively.

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

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

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

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

19. INVESTMENTS IN SUBSIDIARY COMPANIES (continued)

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

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

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

- (i)** As from 30 June, 2006 Egnatia Finance S.A. merged by absorption with Investment Bank of Greece S.A.
- (ii)** As from 31 December, 2006 Laiki Leasing S.A. merged by absorption with Egnatia Leasing S.A. The new form was named Marfin Leasing S.A.

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

19. INVESTMENTS IN SUBSIDIARY COMPANIES (continued)

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

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

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

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

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

(d) Reduction in shareholding in MFG Capital Partners Ltd

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

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

In June 2007, the Bank acquired 49% of the share capital of Egnatia Financial Services (Cyprus) Ltd from a number of shareholders and the remaining 51% from its subsidiary companies Egnatia Bank S.A. and Egnatia Finance S.A. As a result, the total share capital of Egnatia Financial Services (Cyprus) Ltd is held directly by the Bank.

The total price for the acquisition of the aforementioned holdings was C£ 2,9 m and goodwill arising was C£ 623 thousands.

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

In April 2007, 9,5 m shares of Laiki Investments E.P.E.Y Public Company Ltd were acquired by the Bank for C£ 2,5 m. This acquisition brings the Bank's holding in the company to 62%. Goodwill arising on the additional shares acquired was C£ 1,2 m.

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

In June 2007, the Bank acquired the new shares issued by Laiki Bank a.d. in Serbia for C£ 17,6 m (euro 30 m) increasing its shareholding to 97%. Goodwill arising on the additional shares acquired amounted to C£ 330 thousands.

(h) Transfer of AS SBM Pank

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

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

19. INVESTMENTS IN SUBSIDIARY COMPANIES (continued)

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

The Bank announced on 19 March, 2007 that it signed an agreement for the purchase of 99% of the share capital of Marine Transport Bank (MTB) in Ukraine for C£ 58.9 m. The acquisition was completed on 18 September, 2007 following the safeguard of the necessary approvals by the competent authorities of Cyprus and Ukraine.

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

There has been no material effect on the income and the net profit of the Group from the acquisition of MTB for the period ended 30 September, 2007 as the acquisition date was the 18 September, 2007. The details regarding the net assets acquired are as follows:

	C£ '000
Consideration for acquisition	58.950
Fair value of net assets acquired	<u>(15.468)</u>
Goodwill	<u>43.482</u>

The assets and liabilities acquired at the acquisition date were as follows:

	Fair value C£ '000	Book value C£ '000
Cash and cash equivalents	27.999	27.999
Advances to customers	71.897	71.897
Property and equipment	7.731	7.731
Other assets	3.520	3.520
Due to other banks	(2.447)	(2.447)
Customer deposits	(89.570)	(89.570)
Other liabilities	<u>(3.538)</u>	<u>(3.538)</u>
Net assets	15.592	15.592
Minority interest	<u>(124)</u>	<u>(124)</u>
Net assets acquired	<u>15.468</u>	<u>15.468</u>

On 18 September, 2007 the acquisition of three affiliated companies of MTB operating in the area of leasing was also completed; 100% of the share capital of Investment Lease Company Renta, 91% of the share capital of Premier Capital and 81% of the share capital of Sintez Autoservice were acquired for C£300 thousands. The acquisitions gave rise to C£6 thousands positive goodwill and C£56 thousands negative goodwill. The negative goodwill was taken to the results for the period.

The aforementioned information is based on initial accounting determined provisionally according to IFRS 3. The Group is in the process of completing the fair valuation of the net assets acquired, including intangible assets, and the purchase price allocation. The accounting will be completed within twelve months from the date of acquisition and as a result any adjustment to the preliminary values and to the purchase price allocation will be recognized within a period of twelve months from the acquisition date according to the provisions of IFRS 3.

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

20. RELATED PARTY TRANSACTIONS

	30.09.2007 C£ '000
Advances to Directors and their connected persons	123.848
Advances to other key management personnel and their connected persons	267
Total advances	124.115
Guarantees to Directors and their connected persons	14.725
Letters of credit to Directors and their connected persons	9.726
Total contingencies and commitments for guarantees and letters of credit	24.451
Total advances and other liabilities	148.566
Tangible securities	151.367
Interest income	1.468
Deposits	14.328
Interest expense	147

The total amount of securities is presented in aggregate in the preceding table. Therefore, it is possible that some individual facilities are not fully covered with tangible securities. The total amount of facilities that are unsecured at 30 September, 2007 amounts to C£ 28,7 m.

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

The deposits by associates of the Group at 30 September, 2007 were C£ 10,1 m, and the interest on these deposits was C£ 339 thousands. In addition, during the first nine months of 2007 the Group received dividend of C£ 497 thousands from associated companies. The deposits of the provident funds of the employees of the Group, which are also regarded as related parties, were C£ 9,2 m as at 30 September, 2007.

Other transactions with related parties

During the first nine months of 2007 the Group received commissions on stock exchange transactions from key management personnel amounting to C£ 57 thousands and purchased goods and received services amounting to C£ 100 thousands from companies connected to Lanitis Group.

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

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

20. RELATED PARTY TRANSACTIONS (continued)

Group key management personnel compensation

	30.09.2007 C£ '000
Fees paid to Directors as members of the Board	56
Remuneration of Directors under executive role:	
Salaries and other short-term benefits	347
Employer's social insurance contributions	27
Retirement benefits scheme expense	29
Total remuneration of Directors under executive role	403
Consultancy services fees of Directors under non-executive role	144
Compensation of other key management personnel:	
Salaries and other short-term benefits	436
Employer's social insurance contributions	48
Retirement benefits scheme expense	60
Total compensation of other key management personnel	544
Total compensation of key management personnel	1.147

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

	C£ '000
Fees paid as members	69
Remuneration under executive role:	
Salaries and other short-term benefits	79
Employer's social insurance contributions	6
Retirement benefits scheme expense	11
Total remuneration under executive role	96
Total compensation	165

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

21. POST BALANCE SHEET EVENTS

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

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

21. POST BALANCE SHEET EVENTS (continued)

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

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

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

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

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

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

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

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

22. SUPPLEMENTARY INFORMATION

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

23. APPROVAL OF FINANCIAL STATEMENTS

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