



MARFIN PANK EESTI AS

(Marfin Bank Estonia Ltd.)

Public Interim Report IV Quarter 2008

Translation from original in Estonian

Registration code: 10586461
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SUMMARY INFORMATION

General Data of Credit Institution

Business name	MARFIN PANK EESTI AS
Location and address	Pärnu mnt 12, 10148 Tallinn, Estonia
Country of registration	Republic of Estonia
Registration date	14.10.1999
Registration code	10586461 (Estonian Commercial Register)
Telephone	(+372) 6 802 500
Fax	(+372) 6 802 501
S.W.I.F.T. BIC code	SBMBEE22
E-mail	info@marfinbank.ee
Internet home page	http://www.marfinbank.ee

Auditor

Business name of auditor	Aktsiaselts PricewaterhouseCoopers
Registration code of auditor	10142876
Auditor's location and address	Pärnu mnt 15, 10141 Tallinn, Estonia
Partner in charge	Tiit Raimla
Engagement leader	Relika Mell

Report balance sheet date	31.12.2008
Report period	01.01.2008 – 31.12.2008
Report currency and units	Estonian kroon (EEK), in thousands of kroons
Comparison currency and units	Euro (EUR), in thousands of euros

Bank has not been rated by international rating agencies.

Public Interim Report IV Quarter 2008 of MARFIN PANK EESTI AS is unaudited. Only the credit institution data and figures are disclosed in the report.

	EEK ths.	EUR ths.
Total assets	829,350	53,005
Net profit / loss	-12,370	-791
Return on equity (ROE)	-7.88%	-7.88%
Asset utilisation (AU)	9.66%	9.66%
Overdue claims and loans	51,070	3,264
Loan loss provisions	22,893	1,463
Net own funds	182,848	11,686
Capital adequacy	30.06%	30.06%

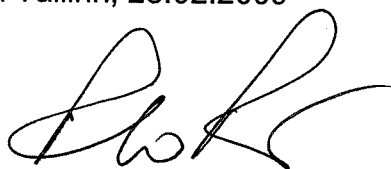
“Public Interim Report IV Quarter 2008” of MARFIN PANK EESTI AS is available in the office of MARFIN PANK EESTI in Tallinn, Pärnu mnt 12 and on the bank's web page www.marfinbank.ee from 23.02.2009.

DECLARATION OF THE MANAGEMENT BOARD

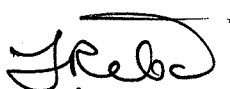
The Management Board of MARFIN PANK EESTI AS is, after examining the information presented in this Public Interim Report, of opinion that:

1. Public Interim Report, consisting of summary information, declaration of the Management Board, management report and financial statements, discloses information meeting the requirements set by the rules of "Public Interim Report".
2. The data and additional information presented in the Public Interim Report is true and complete.
3. Nothing is missing or omitted from the data and information presented in the Public Interim Report, which could influence their content or meaning.
4. Financial statements have been compiled in accordance with International Financial Reporting Standards as adopted by the European Union, and give a true and fair view of the financial position of the bank and of the results of its operations and its cash flows.
5. MARFIN PANK EESTI AS is operating on a going concern basis.

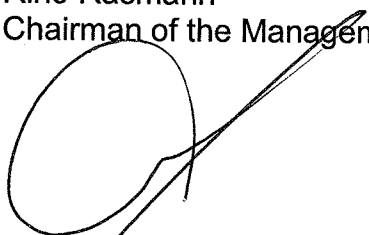
In Tallinn, 23.02.2009



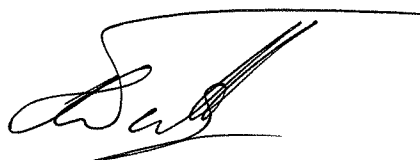
Riho Rasmann
Chairman of the Management Board



Sven Raba
Member of the Management Board



Mart Veskimägi
Member of the Management Board



Roul Tutt
Member of the Management Board

MANAGEMENT REPORT

Description of Credit Institution and Management Bodies

MARFIN PANK EESTI AS is a credit institution, established in 1999 and operating in Estonia. MARFIN PANK EESTI AS (hereinafter: the Bank) holds the activity license issued by Estonian Central Bank (the Bank of Estonia), which allows the Bank to engage in all banking operations. Bank has an account manager status of Estonian Central Depository for Securities and is the member of SWIFT and pan-Baltic member of Baltic stock exchanges. Bank has joined SEPA (Single Euro Payments Area) systems as an indirect member and on 19 May 2008 also the cross-border clearing system TARGET2-Eesti. MARFIN PANK EESTI AS uses the trademark MARFIN BANK, which is globally used by Marfin Popular Bank group in all international markets.

MARFIN PANK EESTI AS belongs to the banking group of Marfin Popular Bank, registered in Cyprus, and operating in 11 countries with more than 450 branches. Group has more than 8000 employees. Year 2007 net profit of the Marfin Popular Bank group totalled 563.4 million euros and total assets 30.3 billion euros. Marfin Popular Bank has a BBB / A-3 (outlook: negative) counterparty credit rating by Standard & Poor's from December 2008.

The owners of MARFIN PANK EESTI AS, as of the report date, are:

52.8379% of shares are owned by Marfin Popular Bank Public Company Ltd. (location Nicosia, Cyprus);

32.4229% of shares are owned by Mr. Nikolaos Sarros (place of residence Athens, Greece);

4.8883% of shares are owned by Sigma Real Estate OÜ (location Tallinn, Estonia), a private limited company under control of Mr. Nikolaos Sarros;

4.8883% is owned by Frösundaviksparken AB (location Ängelholm, Sweden), under control of Mr. Ulrich John;

2.4938% of shares are owned by Mirage Investments OÜ (location Tallinn, Estonia) and 2.4688% is owned by Mr. Emmanouil Karavelakis (place of residence Athens, Greece).

During the year 2008, one transaction was made with the shares. Koumbas Holdings S.A. sold and Marfin Popular Bank Public Company Ltd. bought 544,000 Bank shares (2.7132% of total shares) on 10 November 2008. As a result Koumbas Holdings S.A. stepped out of owners of the Bank and the shareholding of Marfin Popular Bank Public Company Ltd. increased to 52.8379% of the share capital of the Bank.

The Supervisory Board of the Bank has seven members. Mr. Fotios Karatzenis (Chairman of the Supervisory Board), Mr. Nikolaos Sarros (Vice-Chairman of the Supervisory Board), Mr. Efthymios Bouloutas, Mr. Achillefs Giannisis, Mr. Frank Ulrich John, Mr. Emmanouil Karavelakis and Mr. Christos Stylianides were the members of the Supervisory Board as of report date. There were no changes in the Supervisory Board in the year 2008.

The Management Board of the Bank has four members. Mr. Riho Rasmann is the Chairman of the Management Board, and the members of the Management Board are Mr. Sven Raba, Mr. Mart Veskimägi and Mr. Roul Tutt. The Chairman of the Management Board and the members of the Management Board do not own shares neither hold options to acquire shares of the Bank. There were no changes in the Management Board in the year 2008.

The Bank has neither subsidiaries nor participating interests, exceeding 20% shareholding in any company. Bank owns 16% of business development company European Business Development AS.

Major Economic Events

Year 2008 has been a year of fast growth for the Bank, both in terms of customer numbers as well as volumes of loans and deposits. Total assets of the Bank grew 1.4 times from beginning of the year, reaching 829.4 million kroons (53.0 million euros) as of 31.12.2008.

Number of customers of the Bank increased 1.5 times during the year, the growth in the number of depositors was as high. Both, the growth rate of deposits as well as growth rate of loans, were significantly higher than the market average, being 1.3 times in client (excluding credit institutions) deposits and 1.5 times in loans. Volumes of transactions grew even more, the Bank is still offering free of charge normal EEK payments within Estonia to its customers in its internet bank.

Client deposits with the Bank totalled 357.0 million kroons i.e. 22.8 million euros as of 31.12.2008 (280.2 million kroons i.e. 17.9 million euros as of 31.12.2007). Bank continues to pay higher than Estonian average market interest rates to time deposits.

Gross loan portfolio (excluding deposits with financial institutions and accrued interests) comprised 654.0 million kroons (41.8 million euros), growing 1.5 times from beginning of the year and forming 78.9% of total assets as at the end of financial year. Gross loan portfolio amounted 450.3 million kroons i.e. 28.8 million euros as of 31.12.2007. Loans to deposits ratio stood at 1.83 at year-end 2008 (1.61 at year-end 2007).

Significant increase in conservative loan loss provisions caused the net loss of the Bank in year 2008, although no loans were directly written off. Net loss of 2008 comprised 12.4 million kroons i.e. 0.8 million euros (net profit of 2007 was 3.2 million kroons i.e. 0.2 million euros).

Net interest income of the reporting period was 43.9 million kroons (2.8 million euros), earned mostly on loans. Net fees and commissions income totalled 0.1 million kroons (0.01 million euros). 4.4 million kroons (0.3 million euros) was earned as dealing profits from FX and securities' transactions. Total operating income from banking activities comprised 46.3 million kroons i.e. 3.0 million euros in year 2008. Administrative expenses of the same period totalled 37.0 million kroons (2.4 million euros).

Total of 0.8 million kroons (0.1 million euros) of membership fees were calculated to the Supervisory Board members in year 2008. No membership fees have been paid to the members of the Management Board. Calculated salaries of the members of the Management Board totalled 3.7 million kroons (0.2 million euros), of employees 11.9 million kroons (0.8 million euros) in year 2008. Average number of employees was 47 (31 year earlier), number of employees at the end of year 2008 was 48.

Bank's equity totalled 183.8 million kroons (11.7 million euros) as of 31 December 2008 and the capital adequacy stood at 30.06%.

Bank filed an application to join international card organisation Visa Europe Limited in August 2008, with the intention to start issuing international debit cards by the end of 2009, later followed by credit cards. Associate Membership has been approved by VISA in December 2008.

Ratios

		01.10.08- 31.12.08	01.10.07- 31.12.07
Return on equity	ROE	-7.88%	1.11%
Equity multiplier	EM	4.44	2.87
Profit margin	PM	-18.39%	4.11%
Asset utilisation	AU	9.66%	9.44%
Net interest margin	NIM	4.67%	6.31%
Basic earnings per share	Basic EPS	-2.47	-0.19
Diluted earnings per share	Diluted EPS	-2.47	-0.19
Spread	SPREAD	3.46%	5.17%
Yield on interest-earning assets	YIEA	8.53%	8.75%
Cost of interest-bearing liabilities	COL	5.07%	3.58%

Explanations to ratios

Total income includes the following income items: interest income, fees and commissions income, dealing profits, income from financial investments, other operating income, extraordinary income, income from value adjustments of fixed and intangible assets (+), income from value adjustments of advances and off-balance sheet commitments (+), income from value adjustments of long term financial investments.

ROE	Net profit (loss) / Average equity * 100
EM	Average assets / Average equity
PM	Net profit (loss) / Total income * 100
AU	Total income / Average assets * 100
NIM	Net interest income / Average interest earning assets * 100
Basic EPS	Net profit (loss) / Average number of shares
Diluted EPS	Net profit (loss) / Average number of shares (considering all convertible securities)
SPREAD	Yield on interest earning assets - Cost of interest bearing liabilities = YIEA - COL
YIEA	Interest income / Average interest earning assets * 100
COL	Interest expense / Average interest bearing liabilities * 100

Ratings

MARFIN PANK EESTI AS has not been rated by international rating agencies.

Legal Disputes

The Bank has submitted one statement of claim to the Harju County Court, as of 31 December 2008, where the time of the first hearing has not yet been determined, and two applications for mandatory payment order to Harju County Court and Pärnu County Court. Execution proceedings are taking place against five claims, including three execution proceedings against private persons, having time-to-time payments to the bank, and two execution proceedings without payments received.

FINANCIAL STATEMENTS

Balance Sheet

	EEK ths.	<i>adjusted*</i> EEK ths.	EUR ths.	<i>adjusted*</i> EUR ths.
	31.12.08	31.12.07	31.12.08	31.12.07
ASSETS				
Cash	1,889	1 372	121	88
Loans and advances				
Balances with central bank	112,187	89,981	7,170	5,751
Due from other credit institutions	47,972	12,143	3,066	776
Due from customers	640,107	458,068	40,910	29,276
o/w allowance (-)	-22,893	-3,940	-1,463	-252
o/w interest	5,555	3,550	355	227
Financial assets held for trading	291	1,027	19	66
Available-for-sale financial assets	19,041	28,232	1,217	1,804
Property and equipment	4,518	4,931	289	315
Intangible assets	931	1,312	60	84
Other assets	2,414	2,659	154	170
TOTAL ASSETS	829,350	599,725	53,005	38,329
LIABILITIES				
Financial liabilities held for trading	103	0	7	0
Financial liabilities measured at amortised cost				
Due to credit institutions	266,519	114,926	17,034	7,345
Interest payable on credit institutions deposits	353	675	23	43
Due to customers	357,031	282,039	22,818	18,026
Government	0	10	0	1
Financial institutions	33	7,127	2	455
Companies	189,943	139,745	12,140	8,931
Non-profit organisations	26,277	3,925	1,679	251
Private persons	136,960	129,370	8,753	8,268
Interest payable	3,817	1,862	244	119
Taxes	802	1,041	51	67
Other liabilities	21,116	2,013	1,350	129
TOTAL LIABILITIES	645,571	400,019	41,260	25,566
SHAREHOLDERS' EQUITY				
Share capital	200,500	200,500	12,814	12,814
Fair value reserve of available-for-sale financial assets	-3,557	0	-227	0
Statutory legal reserve	559	446	36	29
Retained earnings	-1,353	-4,424	-86	-283
Profit / loss for the financial year	-12,370	3,184	-791	203
TOTAL SHAREHOLDERS' EQUITY	183,779	199,706	11,746	12,764
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	829,350	599,725	53,005	38,329

Income Statement

	EEK ths.	EEK ths.	<i>adjusted*</i> EEK ths.	EEK ths.
	01.01.2008- 31.12.2008	01.10.2008- 31.12.2008	01.01.2007- 31.12.2007	01.10.2007- 31.12.2007
Interest income	71,509	17,462	50,317	13,936
From loans	62,874	16,129	43,621	11,409
From deposits	4,007	1,341	3,029	1,031
From debt securities	3,670	-335	2,641	899
From derivatives	285	157	430	430
Other income	673	170	596	167
Interest expense	27,578	8,110	13,227	4,577
On demand deposits	2,515	843	2,530	731
On time deposits	23,935	6,985	9,376	3,687
On debt securities issued	0	0	1,202	40
On derivatives	1,128	283	119	119
Net interest income	43,931	9,352	37,090	9,359
Fees and commissions income	2,621	1,061	1,466	336
Account opening and maintenance fees	339	114	354	85
Bank transaction fees	1,845	745	644	160
Securities' transaction fees	346	147	425	71
Other fees and commissions income	91	55	43	20
Fees and commissions expense	2,536	590	858	202
Securities' transactions expenses	143	67	169	28
Bank transaction expenses	787	326	385	98
S.W.I.F.T. expenses	426	197	302	76
Other fees and commissions expense	1,180	0	2	2
Net fees and commissions expense	85	471	608	134
Net trading income/expense	4,473	1,386	2,950	827
From foreign exchange	4,486	1,437	2,769	721
From shares and debt securities in trading portfolio	-13	-51	181	106
Other operation expenses	2,188	135	1,835	552
Guarantee Fund payments	858	3	821	264
Financial Supervision Authority fees	844	215	749	212
Tallinn Stock Exchange fees	186	46	186	59
Other operating expenses	300	-129	79	17
Total income	46,301	11,073	38,813	9,769
Administrative expenses	36,965	10,477	30,125	9,134
Salaries expense	16,939	4,847	13,049	4,001
Social insurance tax, unemployment insurance premium	5,733	1,729	4,143	1,147
Other administrative expense	14,293	3,901	12,933	3,986
Depreciation and amortisation of tangible and intangible assets	-2,628	-672	-1,914	-533
Impairment loss on assets (+/-)	-19,078	-3,586	-3,590	-3,080
Total operating expenses	58,671	14,735	35,629	12,747
Profit before taxation	-12,370	-3,662	3,184	-2,978
NET PROFIT / LOSS FOR THE PERIOD	-12,370	-3,662	3,184	-2,978

Income Statement

	EUR ths.	EUR ths.	<i>adjusted*</i> EUR ths.	EUR ths.
	01.01.2008- 31.12.2008	01.10.2008- 31.12.2008	01.01.2007- 31.12.2007	01.10.2007- 31.12.2007
Interest income	4,570	1,116	3,216	891
From loans	4,018	1,031	2,788	729
From deposits	256	86	194	66
From debt securities	235	-21	169	57
From derivatives	18	10	27	27
Other income	43	11	38	11
Interest expense	1,763	518	845	292
On demand deposits	161	54	162	47
On time deposits	1,530	446	599	236
On debt securities issued	0	0	77	3
On derivatives	72	18	8	8
Net interest income	2,808	598	2,370	598
Fees and commissions income	168	68	94	21
Account opening and maintenance fees	22	7	23	5
Bank transaction fees	118	48	41	10
Securities' transaction fees	22	9	27	5
Other fees and commissions income	6	4	3	1
Fees and commissions expense	162	38	55	13
Securities' transactions expenses	9	4	11	2
Bank transaction expenses	50	21	25	6
S.W.I.F.T. expenses	27	13	19	5
Other fees and commissions expense	75	0	0	0
Net fees and commissions expense	5	30	39	9
Net trading income/expense	286	89	189	53
From foreign exchange	287	92	177	46
From shares and debt securities in trading portfolio	-1	-3	12	7
Other operation expenses	140	9	117	35
Guarantee Fund payments	55	0	52	17
Financial Supervision Authority fees	54	14	48	14
Tallinn Stock Exchange fees	12	3	12	4
Other operating expenses	19	-8	5	1
Total income	2,959	708	2,481	624
Administrative expenses	2,362	670	1,925	584
Salaries expense	1,083	310	834	256
Social insurance tax, unemployment insurance premium	366	111	265	73
Other administrative expense	913	249	827	255
Depreciation and amortisation of tangible and intangible assets	-168	-43	-122	-34
Impairment loss on assets (+/-)	-1,219	-229	-229	-197
Total operating expenses	3,750	942	2,277	815
Profit before taxation	-791	-234	203	-190
NET PROFIT / LOSS FOR THE PERIOD	-791	-234	203	-190

Statement of Cash Flows

	EEK ths.	EEK ths.	EUR ths.	EUR ths.
	2008	2007	2008	2007
Cash flows from operating activities	23,283	58,474	1,488	3,737
Interests received	65,007	46,129	4,155	2,948
Interests paid	-23,186	-10,690	-1,482	-683
Fees and commissions received	2,371	1,176	152	75
Fees and commissions paid	-2,536	-858	-162	-55
Administrative expenses	-35,028	-27,859	-2,239	-1,781
Trading income received	4,473	2,950	286	189
Other operating expenses	-2,188	-1,835	-140	-117
Change in operating assets:				
Deposits with credit institutions	-37,104	-25,166	-2,371	-1,608
Loans and claims to customers	-192,024	-101,426	-12,273	-6,482
Other assets	4,262	8,740	272	559
Securities purchased/sold	363	-15,402	23	-984
Change in operating liabilities:				
Deposits of credit institutions	151,562	0	9,687	0
Other deposits	70,500	186,098	4,506	11,894
Other liabilities	16,811	-3,383	1,074	-216
Cash flows from investing activities	-1,835	-3,268	-117	-209
Purchase of property and equipment	-1,732	-2,672	-111	-171
Purchase of intangible assets	-103	-596	-7	-38
Cash flows from financing activities	0	-53,190	0	-3,399
Redeemed bonds	0	-53,190	0	-3,399
Total cash flows	21,448	2,016	1,371	129
Cash and cash equivalents at the beginning of year	46,317	44,301	2,960	2,831
Net change in cash and cash equivalents	21,448	2,016	1,371	129
Cash and cash equivalents at the end of the year *	67,765	46,317	4,331	2,960

* Cash and cash equivalents at the end of the year comprise:

	EEK ths.	EEK ths.	EUR ths.	EUR ths.
	2008	2007	2008	2007
Cash	1,889	1,372	121	88
Surplus of the reserve in the Bank of Estonia	17,904	32,802	1,144	2,096
Deposits with credit institutions	47,972	12,143	3,066	776
Total	67,765	46,317	4,331	2,960

Statement of Changes in Equity

	EEK ths.	EEK ths.	EUR ths.	EUR ths.
	01.01.2008- 31.12.2008	01.01.2007- 31.12.2007	01.01.2008- 31.12.2008	01.01.2007- 31.12.2007
Share capital				
Balance at the beginning of period	200,500	200,500	12,814	12,814
Balance at the end of period	200,500	200,500	12,814	12,814
Other reserves				
Balance at the beginning of period	446	271	29	17
Change in fair value reserve	-3,557	0	-227	0
Increase in statutory legal reserve	113	175	7	11
Balance at the end of period	-2,998	446	-192	29
Retained earnings				
Balance at the beginning of period	-1,353	-4,424	-86	-283
Profit/loss for the financial year	-12,370	3,184	-791	203
Balance at the end of period	-13,723	-1,240	-877	-79
Total shareholders' equity:				
at the beginning of period	199,706	196,522	12,764	12,560
at the end of period	183,779	199,706	11,746	12,764

Share capital is divided into 20,500,000 common shares with nominal value of 10 Estonian kroons each, and has been paid-in in cash. According to the articles of association, the minimum share capital of the Bank is 100,000,000 Estonian kroons and maximum share capital is 400,000,000 Estonian kroons. Each registered share gives one vote to the shareholder, which gives shareholder' a right to participate in the management of the company, in profit distribution and in case of liquidation in distribution of remaining assets, also other rights stipulated in law and articles of association.

Adjustment of Comparative Figures

Comparative figures for year 2007 were adjusted in year 2008 in the amount of 942 thousand kroons (60 thousand euros). Correction affected interest income from available-for-sale debt securities, which was incorrectly disclosed as fair value reserve. Total balance sheet nor total equity was changed by the adjustment.

Effect of adjustment to balance sheet	<i>adjusted</i>	<i>initial</i>	<i>adjusted</i>	<i>initial</i>
	EEK ths.	EEK ths.	EUR ths.	EUR ths.
	2007	2007	2007	2007
SHAREHOLDERS' EQUITY				
Fair value reserve	0	942	0	60
Retained earnings	-4,424	-4,424	-283	-283
Profit / loss for the financial year	3,184	2,242	203	143
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	599,725	599,725	38,329	38,329
Effect of adjustment to income statement				
	<i>adjusted</i>	<i>initial</i>	<i>adjusted</i>	<i>initial</i>
	EEK ths.	EEK ths.	EUR ths.	EUR ths.
	2007	2007	2007	2007
Interest income	50,317	49,375	3,216	3,156
Net interest income	37,090	36,148	2,370	2,310
NET PROFIT / LOSS	3,184	2,242	203	143

Capital Adequacy

	EEK ths.	EUR ths.
	31.12.2008	31.12.2008
Share capital paid-in	200,500	12,814
Other reserves	559	36
Retained profit/loss of the previous years	-1,353	-86
Intangible assets	-931	-60
Net loss of the period	-12,370	-791
Total tier 1 own funds	186,405	11,913
Available-for-sale financial instruments	-1,601	-102
Minimum own funds	184,804	11,811
Tier 1 own funds after deductions	186,405	11,913
Tier 2 own funds after deductions	-1,601	-102
Own funds for capital adequacy calculations	186,405	11,913
Credit institutions and investment companies under standard method	3,308	211
Companies under standard method	15,714	1,004
Mass claims under standard method	29,959	1,915
Claims backed by mortgages under standard method	3,203	205
Overdue claims under standard method	4,852	310
Other assets under standard method	851	54
Total capital requirement for credit risk and counterparty credit risk	57,888	3,700
Operational risk base method	4,116	263
Total capital requirement for operational risk	4,116	263
Capital requirements for adequacy calculations	62,004	3,963
Capital adequacy	30.06%	30.06%

	EEK ths.	EUR ths.
	31.12.2007	31.12.2007
First level equity	195,210	12,476
Paid-in share capital	200,500	12,814
Other reserves	446	29
Retained profit/loss of the previous years	-4,424	-283
Intangible assets (minus)	-1,312	-84
Total net own funds	195,210	12,476
Risk weighted asset	455,530	29,114
I category (risk adjustment 0%)	91,353	5,839
II category (risk adjustment 20%)	12,143	776
III category (risk adjustment 50%)	27,083	1,731
IV category (risk adjustment 100%)	439,560	28,093
Risk weighted off-balance sheet transactions	26,721	1,708
Group I	25,056	1,601
Group II	1,665	106
Capital requirement for trading portfolio risks	652	42
For covering interest position risk	643	41
For covering share position risk	9	1
Capital adequacy	39.81%	39.81%

Minimum capital adequacy ratio, as required by the Bank of Estonia, is 10%.

New capital adequacy calculation directive Basel II is in force from 01.01.2008. Interim report IV Quarter 2008 has been calculated in accordance with the valid directive. Bank uses standard method for calculating capital requirements for credit risk and base method for calculating capital requirement for operational risk.

Estonian Financial Supervisory Authority has made an exemption freeing the Bank from capital requirement to cover trading portfolio risks as per credit institutions act § 79 clause 2 sub-clauses 2 and 3 from 01.01.2008.