



MARFIN BANK

MARFIN PANK EESTI AS

(Marfin Bank Estonia Ltd.)

**Public Interim Report
I Quarter 2009**

Translation from original in Estonian

Registry code: 10586461
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Internet home page: www.marfinbank.ee

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	31.03.2009
Report period	01.01.2009 – 31.03.2009
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 I Quarter 2009 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	751,400	48,023
Net profit / loss	-1,835	-117
Return on equity (ROE)	-3.99%	-3.99%
Asset utilisation (AU)	10.24%	10.24%
Overdue claims and loans	139,054	8,887
Loan loss provisions	28,546	1,824
Net own funds	180,654	11,546
Capital adequacy	29.18%	29.18%

"Public Interim Report I Quarter 2009" of MARFIN PANK EESTI AS is available in the office of MARFIN PANK EESTI in Tallinn, Pärnu mnt 12 and on the bank's internet web page www.marfinbank.ee from 18.05.2009.

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.

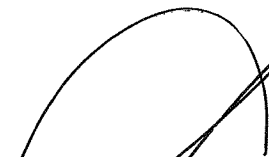
In Tallinn, 18.05.2009




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 500 branches. Group has more than 8000 employees. Year 2008 net profit of the Marfin Popular Bank group totalled 394.6 million euros and total assets 38.4 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).

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 2009.

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 2009.

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

Fast growth of the Bank continued in the beginning of year 2009 in terms of customer numbers and deposit volumes. Number of customers of the Bank increased 7% from beginning of the year, number of depositors grew 6%. Client (excluding credit institutions) deposits volume grew even 12%. Volumes of transactions increased even more. Client deposits with the Bank totalled 401.5 million kroons i.e. 25.7 million euros as of 31.03.2009 (357.0 million kroons i.e. 22.8 million euros as of 31.12.2008). Bank continues to pay higher than Estonian average market interest rates to time deposits. The Bank is still offering free of charge normal EEK payments within Estonia to its customers in its internet bank.

Both, loan and total assets volumes decreased in the I quarter influenced by worsening of economic environment. Total assets of the Bank decreased 9% from beginning of the year, comprising 751.4 million kroons (48.0 million euros) as of 31.03.2009. Gross loan portfolio (excluding deposits with financial institutions and accrued interests) totalled 639.6 million kroons (40.9 million euros), decreasing 2% in 3 months and forming 85% of total assets as at the end of quarter. Gross loan portfolio amounted 654.0 million kroons i.e. 41.8 million euros as of 31.12.2008. Loans to deposits ratio stood at 1.59 at 31.03.2009 (1.83 at year-end 2008).

Conservative loan loss provisions and decrease in interest income caused the net loss of the Bank in the beginning of year 2009, although no loans were directly written off. Net loss of 3 months 2009 comprised 1.8 million kroons i.e. 0.1 million euros (net profit of I quarter 2008 was 1.8 million kroons i.e. 0.1 million euros).

Net interest income of the reporting period was 12.4 million kroons (0.8 million euros), earned mostly on loans. Net fees and commissions income totalled 0.4 million kroons (0.03 million euros). 0.8 million kroons (0.1 million euros) was earned as dealing profits from FX and securities' transactions. Total operating income from banking activities comprised 13.4 million kroons i.e. 0.9 million euros in the I quarter 2009. Administrative expenses of the same period totalled 8.8 million kroons (0.6 million euros).

Total of 0.2 million kroons (0.01 million euros) of membership fees were calculated to the Supervisory Board members in the I quarter 2009. No membership fees have been paid to the members of the Management Board. Calculated salaries of the members of the Management Board totalled 0.9 million kroons (0.06 million euros), of employees 3.0 million kroons (0.2 million euros) in the I quarter 2009. Average number of employees was 47 (44 year earlier), number of employees at 31.03.2009 was 47.

Bank's equity totalled 181.5 million kroons (11.6 million euros) as of 31 March 2009 and the capital adequacy stood at 29.18%.

Ratios

		01.01.2009- 31.03.2009	01.01.2008- 31.03.2008
Return on equity	ROE	-3.99%	3.52%
Equity multiplier	EM	4.37	13.16
Profit margin	PM	-8.91%	44.89%
Asset utilisation	AU	10.24%	9.53%
Net interest margin	NIM	6.29%	4.99%
Basic earnings per share	Basic EPS	-0.37	0.35
Diluted earnings per share	Diluted EPS	-0.37	0.35
Spread	SPREAD	5.31%	4.00%
Yield on interest-earning assets	YIEA	9.50%	7.54%
Cost of interest-bearing liabilities	COL	4.19%	3.54%

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 March 2009, where the time of the first hearing has not yet been determined, and two applications for mandatory payment order regarding private persons. Execution proceedings are taking place against legal persons in two claims, and against private persons in three claims, having time-to-time payments to the bank, and where expropriation of property is pending in execution proceedings.

FINANCIAL STATEMENTS

Balance Sheet

	EEK ths. 31.03.2009	EEK ths. 31.12.2008	EUR ths. 31.03.2009	EUR ths. 31.12.2008
ASSETS				
Cash	1,901	1,889	121	121
Loans and advances				
Balances with central bank	48,634	112,187	3,108	7,170
Due from other credit institutions	45,984	47,972	2,939	3,066
Due from customers	627,840	640,107	40,126	40,910
o/w allowance (-)	-28,546	-22,893	-1,824	-1,463
o/w interest	12,061	5,555	771	355
Financial assets held for trading	1,333	291	85	19
Available-for-sale financial assets	18,593	19,041	1,188	1,217
Property and equipment	4,037	4,518	258	289
Intangible assets	805	931	51	60
Other assets	2,273	2,414	145	154
TOTAL ASSETS	751,400	829,350	48,023	53,005
LIABILITIES				
Financial liabilities held for trading	376	103	24	7
Financial liabilities measured at amortised cost				
Due to credit institutions	164,572	266,519	10,518	17,034
Interest payable on credit institutions deposits	113	353	7	23
Due to customers	401,500	357,031	25,661	22,818
Government	1	0	0	0
Financial institutions	31	33	2	2
Companies	205,264	189,943	13,119	12,140
Non-profit organisations	25,999	26,277	1,662	1,679
Private persons	164,451	136,960	10,510	8,753
Interest payable	5,754	3,817	368	244
Taxes	708	802	45	51
Other liabilities	2,785	21,116	178	1,350
TOTAL LIABILITIES	569,941	645,571	36,426	41,260
SHAREHOLDERS' EQUITY				
Share capital	200,500	200,500	12,814	12,814
Fair value reserve of available-for-sale financial assets	-4,042	-3,557	-258	-227
Statutory legal reserve	559	559	36	36
Retained earnings	-13,723	-1,353	-877	-86
Profit / loss for the financial year	-1,835	-12,370	-117	-791
TOTAL SHAREHOLDERS' EQUITY	181,459	183,779	11,597	11,746
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	751,400	829,350	48,023	53,005

Income Statement

	EEK ths. 01.01.2009- 31.03.2009	EEK ths. 01.01.2008- 31.03.2008	EUR ths. 01.01.2009- 31.03.2009	EUR ths. 01.01.2008- 31.03.2008
Interest income	18,990	14,800	1,214	946
From loans	17,750	12,035	1,134	769
From deposits	285	552	18	35
From debt securities	522	1,784	33	114
From derivatives	152	264	10	17
Other income	281	165	18	11
Interest expense	6,563	5,137	419	328
On demand deposits	395	469	25	30
On time deposits	5,973	4,452	382	285
On derivatives	195	216	12	14
Net interest income	12,427	9,663	794	618
Fees and commissions income	801	257	51	16
Account opening and maintenance fees	58	55	4	4
Bank transaction fees	682	158	44	10
Securities' transaction fees	38	35	2	2
Other fees and commissions income	23	9	1	1
Fees and commissions expense	365	147	23	9
Securities' transactions expenses	31	11	2	1
Bank transaction expenses	234	84	15	5
S.W.I.F.T. expenses	100	52	6	3
Other fees and commissions expense	0	0	0	0
Net fees and commissions expense	436	110	28	7
Net trading income/expense	787	632	50	40
From foreign exchange	784	575	50	37
From shares and debt securities in trading portfolio	3	57	0	4
Other operation expenses	280	653	18	42
Guarantee Fund payments	4	341	0	22
Financial Supervision Authority fees	214	210	14	13
Tallinn Stock Exchange fees	46	47	3	3
Other operating expenses	16	55	1	4
Total income	13,370	9,752	854	623
Administrative expenses	8,766	7,435	560	475
Personnel expense, payroll related taxes	5,444	4,965	348	317
Other administrative expense	3,322	2,470	212	158
Depreciation and amortisation of tangible and intangible assets	-643	-567	-41	-36
Impairment loss on assets (+/-)	-5,796	11	-370	1
Total operating expenses	15,205	7,991	972	511
NET PROFIT / LOSS FOR THE PERIOD	-1,835	1,761	-117	113
Basic earnings/loss per share	-0.37 EEK	0.35 EEK	-0.02 EUR	0.02 EUR
Diluted earnings/loss per share	-0.37 EEK	0.35 EEK	-0.02 EUR	0.02 EUR

Statement of Cash Flows

	EEK ths.	EEK ths.	EUR ths.	EUR ths.
	01.01.2009- 31.03.2009	01.01.2008- 31.03.2008	01.01.2009- 31.03.2009	01.01.2008- 31.03.2008
Cash flows from operating activities	-60,893	108,574	-3,892	6,939
Interests received	8,225	13,785	526	881
Interests paid	-429	-2,388	-27	-153
Fees and commissions received	453	257	29	16
Fees and commissions paid	-365	-147	-23	-9
Administrative expenses	-7,096	-7,435	-454	-475
Trading income received	787	632	50	40
Other operating expenses	-280	-653	-18	-42
Change in operating assets:				
Deposits with credit institutions	2,613	-885	167	-57
Loans and claims to customers	13,120	-85,074	839	-5,437
Other assets	11,254	-5,714	719	-365
Securities purchased/sold	383	5,281	24	338
Change in operating liabilities:				
Deposits of credit institutions	-101,707	42,215	-6,500	2,698
Other deposits	42,532	118,238	2,718	7,557
Other liabilities	-30,383	30,462	-1,942	1,947
Cash flows from investing activities	-35	-207	-2	-13
Purchase of property and equipment	-35	-207	-2	-13
Total cash flows	-60,928	108,367	-3,894	6,926
Cash and cash equivalents at the beginning of year	67,765	46,317	4,331	2,960
Net change in cash and cash equivalents	-60,928	108,367	-3,894	6,926
Cash and cash equivalents at the end of the year *	6,837	154,684	437	9,886

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

	EEK ths.	EEK ths.	EUR ths.	EUR ths.
	31.03.2009	31.03.2008	31.03.2009	31.03.2008
Cash	1,901	1,190	121	76
Surplus of the reserve in the Bank of Estonia	-41,048	-17,230	-2,623	-1,101
Deposits with credit institutions	45,984	170,724	2,939	10,911
Total	6,837	154,684	437	9,886

Statement of Changes in Equity

	EEK ths.	EEK ths.	EUR ths.	EUR ths.
	01.01.2009- 31.03.2009	01.01.2008- 31.03.2008	01.01.2009- 31.03.2009	01.01.2008- 31.03.2008
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	559	446	36	29
Change in fair value reserve	-4,042	-191	-258	-12
Increase in statutory legal reserve	0	0	0	0
Balance at the end of period	-3,483	255	-223	16
Retained earnings				
Balance at the beginning of period	-13,723	-2,183	-877	-140
Profit/loss for the financial year	-1,835	1,761	-117	113
Balance at the end of period	-15,558	-422	-994	-27
Total shareholders' equity:				
at the beginning of period	200,333	196,522	12,804	12,560
at the end of period	181,459	200,333	11,597	12,804

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.

Contingent Liabilities

	31.03.2009	
	EEK ths.	EUR ths.
	Liabilities	Liabilities
Irrevocable transactions	2,210	141
Guarantees and similar irrevocable transactions	199	13
Unused part of credit lines and overdraft limits	2,011	129

	31.03.2008	
	EEK ths.	EUR ths.
	Liabilities	Liabilities
Irrevocable transactions	82,771	5,290
Guarantees and similar irrevocable transactions	25,495	1,629
Unused part of credit lines and overdraft limits	57,276	3,661

Currency Risk

31.03.2009					
EEK and EUR joint position	Balance sheet position		Off-balance sheet position		Net position
	long	short	long	short	
EEK position, EUR ths.	710,053	519,394	25,441	50,359	165,742
EUR position, EUR ths.	45,381	33,195	1,626	3,219	10,593

31.03.2008					
EEK and EUR joint position	Balance sheet position		Off-balance sheet position		Net position
	long	short	long	short	
EEK position, EUR ths.	732,351	493,496	535,788	647,629	127,014
EUR position, EUR ths.	46,806	31,540	34,243	41,391	8,118

The net position of other currencies does not exceed 1% of own funds.

Risk Concentration

31.03.2009				
	no.	EEK ths.	EUR ths.	% of net own funds
Number of customers (client groups) with high risk concentration	11			
Due from customers with high risk concentration		316,343	20,218	175.11%
Due from persons related with credit institution		8 180	523	4.53%

31.03.2008				
	no.	EEK ths.	EUR ths.	% of net own funds
Number of customers (client groups) with high risk concentration	11			
Due from customers with high risk concentration		309,777	19,798	156.96%
Due from persons related with credit institution		10,080	644	5.11%

Capital Adequacy

	EEK ths. 31.03.2009	EEK ths. 31.03.2008	EUR ths. 31.03.2009	EUR ths. 31.03.2008
Share capital paid-in	200,500	200,500	12,814	12,814
Other reserves	559	446	36	29
Retained profit/loss of the previous years	-13,723	-2,183	-877	-140
Intangible assets	-805	-1,210	-51	-77
Net loss of the period	-1,835	0	-117	0
Total tier 1 own funds	184,696	197,553	11,804	12,626
Available-for-sale financial instruments	-1,819	0	-116	0
Minimum own funds	182,877	197,553	11,688	12,626
Tier 1 own funds after deductions	184,696	197,553	11,804	12,626
Tier 2 own funds after deductions	-1,819	0	-116	0
Own funds for capital adequacy calculations	184,696	197,553	11,804	12,626
Credit institutions and investment companies under standard method	3,107	4,816	199	308
Companies under standard method	4,485	15,000	287	959
Mass claims under standard method	30,664	28,061	1,960	1,793
Claims backed by mortgages under standard method	2,860	1,753	183	112
Overdue claims under standard method	14,427	4,187	922	268
Other assets under standard method	641	958	41	61
Total capital requirement for credit risk and counterparty credit risk	56,184	54,774	3,591	3,501
Capital requirement for currency risk	1,373	0	88	0
Capital requirement for operational risk (base method)	5,747	4,116	367	263
Capital requirements for adequacy calculations	63,304	58,889	4,046	3,764
Capital adequacy	29.18%	33.55%	29.18%	33.55%

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. 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.