



MARFIN PANK EESTI AS

(Marfin Bank Estonia Ltd.)

Public Interim Report II Quarter 2010

Translation from original in Estonian

Registry 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	Stan Nahkor
Report balance sheet date	30.06.2010
Report period	01.01.2010 – 30.06.2010
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 II Quarter 2010 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	726,697	46,444
Net profit / loss	-19,113	-1,222
Return on equity (ROE)	-56.96%	-56.96%
Asset utilisation (AU)	13.03%	13.03%
Overdue claims and loans	158,636	10,139
Loan loss provisions	96,793	6,186
Net own funds	127,529	8,151
Capital adequacy	31.25%	31.25%

“Public Interim Report II Quarter 2010” 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 09.08.2010.

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, 09.08.2010

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 the Credit Institution and its 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, is the member of S.W.I.F.T. and pan-Baltic member of NASDAQ OMX Baltic stock exchanges. Bank has joined SEPA (Single Euro Payments Area) systems as an indirect member and the cross-border clearing system TARGET2-Estonia.

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 515 branches. Group has more than 8800 employees. Year 2009 net profit of the Marfin Popular Bank group totalled 186.7 million euros and total assets 41.8 billion euros. Marfin Popular Bank has a Baa2/Prime-2 (outlook: negative) rating by Moody's Investors Service, and BBB+ (outlook: negative) rating by Fitch Ratings.

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

63.0183% of shares are owned by Marfin Popular Bank Public Company Ltd. (location Nicosia, Cyprus);

25.4242% of shares are owned by Mr. Nikolaos Sarros (place of residence Athens, Greece);

3.8331% of shares are owned by Sigma Real Estate OÜ (location Tallinn, Estonia), a private limited company under control of Mr. Nikolaos Sarros;

3.8331% is owned by Frösundaviksparken AB (location Ängelholm, Sweden), under control of Mr. Ulrich John;

1.9555% of shares are owned by Mirage Investments OÜ (location Tallinn, Estonia) and

1.9359% 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 2010.

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 2010.

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

Total balance sheet of the Bank has decreased 1.7% compared with beginning of the year, totalling 726.7 million kroons (46.4 million euros) as of 30.06.2010. The paid-in share capital of the Bank increased by 5.3 million kroons (0.3 million euros) to 205.8 million kroons (13.2 million euros) in total, and the accumulated loss of previous periods decreased significantly following the March 2010 changes in share capital. Current year is characterized by fast growth of client deposits (17% compared with beginning of the year) and loan portfolio standstill at the same level.

Number of Bank's customers increased 24% during one year, the number of active depositors increased 23%. Significant growth has taken place in transfers. The Bank is still offering free of charge normal EEK payments within Estonia to its customers in its internet bank, and many other fees and commissions are more favourable as well.

Client deposits with the Bank totalled 497.8 million kroons i.e. 31.8 million euros as of 30.06.2010 (370.8 million kroons i.e. 23.7 million euros as of 30.06.2009). Bank continues to pay higher interest rates on time deposits, than the market average. Bank equalized the EEK and EUR time deposit interest rates from 05.04.2010, thus increasing all EUR interest rates. Interest rates were also increased starting from 2-month EEK deposits, decreased for shorter periods. 3-year time deposit was added to price list.

Gross loan portfolio (excluding deposits with financial institutions and accrued interests) comprised 616.1 million kroons (39.4 million euros), forming 84.8% of total assets as at the end of reporting period. Gross loan portfolio amounted 631.5 million kroons i.e. 40.4 million euros as of 30.06.2009. Loans to deposits ratio stood at 1.24 at 30.06.2010 (1.70 at 30.06.2009).

Conservative loan loss provisions and decreased interest income caused the net loss for the Bank in beginning of 2010. Net loss of 2nd quarter comprised 11.2 million kroons i.e. 0.7 million euros (net loss of 2nd quarter 2009 was 15.8 million kroons i.e. 1.0 million euros).

Net interest income of the reporting period was 5.6 million kroons i.e. 0.4 million euros (2nd quarter 2009: 2.9 million kroons i.e. 0.2 million euros), earned mostly on loans. Net fees and commissions income totalled 0.9 million kroons i.e. 0.1 million euros (2nd quarter 2009: 0.3 million kroons i.e. 0.02 million euros). 0.9 million kroons i.e. 0.1 million euros was earned as dealing profits from FX and securities' transactions (2nd quarter 2009: 0.6 million kroons i.e. 0.04 million euros). Total operating income from banking activities comprised 7.0 million kroons i.e. 0.4 million euros in 2nd quarter 2010 compared with 3.5 million kroons i.e. 0.2 million euros year earlier. Administrative expenses of 2nd quarter of 2010 and 2009 were respectively 9.6 million kroons (0.6 million euros) and 8.7 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 during reporting period, in the same volume as year earlier. 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 i.e. 0.06 million euros in 2nd quarter 2010, of employees 3.3 million kroons i.e. 0.2 million euros. Calculated salaries of the members of the Management Board totalled the same in 2nd quarter of year 2009 as in 2010, of employees 3.1 million kroons (0.2 million euros). Average number of employees was 47 (year earlier also 47), number of employees as of 30.06.2010 was 46 (30.06.2009: 47).

Ratings

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

Ratios

		01.01.2010 - 31.06.2010	01.01.2009 - 30.06.2009
Return on equity	ROE	-56.96%	-40.41%
Equity multiplier	EM	5.47	4.52
Profit margin	PM	-79.87%	-57.37%
Asset utilisation	AU	13.03%	15.57%
Return on assets	ROA	-10.41%	-8.93%
Net interest margin	NIM	5.34%	7.93%
Basic earnings per share	Basic EPS	-3.71	-3.52
Diluted earnings per share	Diluted EPS	-3.71	-3.52
Spread	SPREAD	3.77%	6.14%
Yield on interest-earning assets	YIEA	9.74%	14.14%
Cost of interest-bearing liabilities	COL	5.97%	8.00%

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
ROA	Net profit (loss) / 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

Legal Disputes

Courts are proceeding with seventeen bankruptcy proceedings against legal persons as of 30 June 2010. One private person bankruptcy proceeding is taking place against guarantor. Courts are proceeding with actions against two legal persons and two private persons as guarantors. One application has been filed with the police against one legal person's manager to identify grave error in management. Execution proceedings are taking place against six legal entity debtors with regard to collateral assets pledged to guarantee proper fulfillment of loan obligations. Execution proceedings are taking place against three private person debtors and actions against four private person debtors.

There are no court actions filed against the Bank, and Bank's management is not aware, as of report preparation date, of any significant claims for compensation of damages what the third parties would be planning to file against the Bank.

FINANCIAL STATEMENTS

Statement of Financial Position

	EEK ths.	EEK ths.	EUR ths.	EUR ths.
	30.06.10	31.12.09	30.06.10	31.12.09
ASSETS				
Cash	1,724	2,076	110	133
Loans and advances				
Balances with central bank	69,955	107,592	4,471	6,876
Due from other banks	94,437	61,057	6,036	3,902
Due from customers	543,837	555,113	34,758	35,478
o/w allowance (-)	-96,793	-84,658	-6,186	-5,411
o/w interests	18,775	19,101	1,200	1,221
Financial assets held for trading	4,581	245	293	16
Available-for-sale financial assets	2,995	2,972	191	190
Property and equipment	2,298	2,853	147	182
Investment properties	4,382	4,382	280	280
Intangible assets	417	621	27	40
Other assets	2,071	2,118	132	135
TOTAL ASSETS	726,697	739,030	46,444	47,233
LIABILITIES				
Financial liabilities held for trading	122	112	8	7
Financial liabilities measured at amortised cost				
Due to credit institutions	15,764	141,043	1,008	9,014
Interest payable on credit institutions deposits	3	62	0	0
Due to customers	497,766	425,737	31,813	27,210
Government	1	1	0	0
Financial institutions	28	29	2	2
Companies	292,639	246,011	18,703	15,723
Non-profit organisations	47,324	16,148	3,025	1,032
Private persons	153,307	159,547	9,798	10,197
Interest payable	4,467	4,001	285	256
Subordinated debt	62,586	63,018	4,000	4,028
Borrowed funds from government and foreign aid	1,695	1,158	108	74
Tax liabilities	818	825	52	53
Other liabilities	20,000	4,527	1,278	289
TOTAL LIABILITIES	598,751	636,420	38,267	40,675
SHAREHOLDERS' EQUITY				
Share capital	205,809	200,500	13,154	12,814
Statutory legal reserve	559	559	36	36
Fair value reserve of available-for-sale financial assets	-314	-338	-20	-22
Accumulated deficit	-58,995	-13,723	-3,770	-877
Profit / loss for the financial year	-19,113	-84,388	-1,222	-5,393
TOTAL SHAREHOLDERS' EQUITY	127,946	102,610	8,177	6,558
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	726,697	739,030	46,444	47,233

Income Statement

	EEK ths. 01.01.2010 - 30.06.2010	EEK ths. 01.04.2010 - 30.06.2010	EEK ths. 01.01.2009 - 30.06.2009	EEK ths. 01.04.2009 - 30.06.2009
Interest income	19,233	9,681	27,863	8,873
From loans	19,030	9,566	25,442	7,692
From deposits	156	89	805	520
From debt securities	34	17	1,023	501
From derivatives	0	0	307	155
Other income	13	9	286	5
Interest expense	8,735	4,120	12,503	5,940
On demand deposits	176	86	849	454
On time deposits	7,248	3,380	11,246	5,273
On derivatives	42	21	0	0
From borrowings	1,269	633	408	213
Net interest income	10,498	5,561	15,360	2,933
Fees and commissions income	2,892	1,738	1,529	728
Account opening and maintenance fees	181	108	144	86
Bank transaction fees	1,569	952	1,153	471
Securities' transaction fees	1,084	645	191	153
Other fees and commissions income	58	33	41	18
Fees and commissions expense	1,481	811	803	438
Securities' transactions expenses	680	396	123	92
Bank transaction expenses	550	279	435	201
S.W.I.F.T. expenses	251	136	245	145
Other fees and commissions expense	0	0	0	0
Net fees and commissions expense	1,411	927	726	290
Net trading income/expense	1,806	947	1,350	563
From foreign exchange	1,783	954	1,343	559
From shares and debt securities in trading portfolio	23	-7	7	4
Other operation expenses	735	434	558	278
Guarantee Fund payments	111	107	8	4
Financial Supervision Authority fees	431	216	427	213
Stock Exchange fees	150	89	93	47
Other operating expenses	43	22	30	14
Total income	12,980	7,001	16,878	3,508
Administrative expenses	18,768	9,632	17,445	8,679
Personnel expense, payroll related taxes	11,957	6,087	11,219	5,775
Other administrative expenses	6,811	3,545	6,226	2,904
Depreciation and amortisation of tangible and intangible assets	-791	-362	-1,291	-648
Impairment loss on assets (+/-)	-12,534	-8,240	-15,778	-9,982
Total operating expenses	32,093	18,234	34,514	19,309
NET PROFIT / LOSS FOR THE PERIOD	-19,113	-11,233	-17,636	-15,801
Basic earnings/loss per share	-3.71 EEK		-3.52 EUR	
Diluted earnings/loss per share	-3.71 EEK		-3.52 EUR	

Income Statement

	EUR ths. 01.01.2010 - 30.06.2010	EUR ths. 01.04.2010 - 30.06.2010	EUR ths. 01.01.2009 - 30.06.2009	EUR ths. 01.04.2009 - 30.06.2009
Interest income	1,229	619	1,781	567
From loans	1,216	611	1,626	492
From deposits	10	6	51	33
From debt securities	2	1	65	32
From derivatives	0	0	20	10
Other income	1	1	18	0
Interest expense	558	263	799	380
On demand deposits	11	5	54	29
On time deposits	463	216	719	337
On derivatives	3	1	0	0
From borrowings	81	40	26	14
Net interest income	671	355	982	187
Fees and commissions income	185	111	98	47
Account opening and maintenance fees	12	7	9	5
Bank transaction fees	100	61	74	30
Securities' transaction fees	69	41	12	10
Other fees and commissions income	4	2	3	1
Fees and commissions expense	95	52	51	28
Securities' transactions expenses	43	25	8	6
Bank transaction expenses	35	18	28	13
S.W.I.F.T. expenses	16	9	16	9
Other fees and commissions expense	0	0	0	0
Net fees and commissions expense	90	59	46	19
Net trading income/expense	115	61	86	36
From foreign exchange	114	61	86	36
From shares and debt securities in trading portfolio	1	0	0	0
Other operation expenses	47	28	36	18
Guarantee Fund payments	7	7	1	0
Financial Supervision Authority fees	28	14	27	14
Stock Exchange fees	10	6	6	3
Other operating expenses	3	1	2	1
Total income	830	447	1,079	224
Administrative expenses	1,199	616	1,115	555
Personnel expense, payroll related taxes	764	389	717	369
Other administrative expenses	435	227	398	186
Depreciation and amortisation of tangible and intangible assets	-51	-23	-83	-41
Impairment loss on assets (+/-)	-801	-527	-1,008	-638
Total operating expenses	2,051	1,165	2,206	1,234
NET PROFIT / LOSS FOR THE PERIOD	-1,222	-718	-1,127	-1,010
Basic earnings/loss per share	-0.24 EUR		-0.22 EUR	
Diluted earnings/loss per share	-0.24 EUR		-0.22 EUR	

Statement of Cash Flows

	EEK ths.	EEK ths.	EUR ths.	EUR ths.
	01.01.2010 - 30.06.2010	01.01.2009 - 30.06.2009	01.01.2010 - 30.06.2010	01.01.2009 - 30.06.2009
Cash flows from operating activities	-42,315	-12,592	-2,704	-805
Interests received	19,233	18,529	1,229	1,184
Interests paid	-8,735	-5,630	-558	-360
Fees and commissions received	2,892	1,346	185	86
Fees and commissions paid	-1,481	-803	-95	-51
Administrative expenses	-18,768	-15,829	-1,199	-1,012
Trading income received	1,806	1,350	115	86
Other operating expenses	-735	-558	-47	-36
Change in operating assets:				
Deposits with credit institutions	7,225	3,642	462	233
Loans and claims to customers	-8,971	23,143	-573	1,479
Other assets	3,400	6,915	217	442
Change in operating liabilities:				
Deposits of credit institutions	-125,220	-31,299	-8,003	-2,000
Other deposits	71,563	10,781	4,574	689
Other liabilities	15,476	-24,179	989	-1,545
Cash flows from financing activities	44,962	0	2,874	0
Subordinated loan received	1,095	0	70	0
Borrowings repaid	-558	0	-36	0
Proceeds from issuance of ordinary shares	44,425	0	2,839	0
Cash flows from investing activities	-32	-303	-2	-19
Purchase of property and equipment	-32	-166	-2	-11
Purchase of intangible assets	0	-137	0	-9
Total cash flows	2,615	-12,895	167	-824
Cash and cash equivalents at the beginning of year	76,840	67,765	4,911	4,331
Net change in cash and cash equivalents	2,615	-12,895	167	-824
Cash and cash equivalents at the end of the year	79,455	54,870	5,078	3,507

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

	EEK ths.	EEK ths.	EUR ths.	EUR ths.
	30.06.2010	30.06.2009	30.06.2010	30.06.2009
Cash	1,724	2,067	110	132
Surplus of the reserve in the Bank of Estonia	-16,706	-49,550	-1,068	-3,167
Deposits with credit institutions	94,437	102,352	6,036	6,542
Total	79,455	54,870	5,078	3,507

Statement of Changes in Equity

	EEK ths.	EEK ths.	EUR ths.	EUR ths.
	01.01.2010 - 30.06.2010	01.01.2009 - 30.06.2009	01.01.2010 - 30.06.2010	01.01.2009 - 30.06.2009
Share capital				
Balance at the beginning of period	200,500	200,500	12,814	12,814
Reduction of share capital by cancellation of shares)	-39,116	0	-2,500	0
Issue of share capital	44,425	0	2,839	0
Balance at the end of period	205,809	200,500	13,154	12,814
Other reserves				
Balance at the beginning of period	559	559	36	36
Change in fair value reserve	-314	-4,673	-20	-299
Balance at the end of period	245	-4,114	16	-263
Accumulated deficit				
Balance at the beginning of period	-98,111	-13,723	-6,270	-877
Transfer to retained earnings	39,116	0	2,500	0
Profit/loss for the financial year	-19,113	-17,636	-1,222	-1,127
Balance at the end of period	-78,108	-31,359	-4,992	-2,004
Total shareholders' equity:				
at the beginning of period	165,027	190,602	10,547	12,182
at the end of period	127,946	165,027	8,177	10,547

Contingent Liabilities

	30.06.2010	
	EEK ths.	EUR ths.
	Liabilities	Liabilities
Irrevocable transactions	4,931	315
Guarantees and similar irrevocable transactions	456	29
Unused part of credit lines and overdraft limits	4,475	286

	30.06.2009	
	EEK ths.	EUR ths.
	Liabilities	Liabilities
Irrevocable transactions	7,265	464
Guarantees and similar irrevocable transactions	4,199	268
Unused part of credit lines and overdraft limits	3,066	196

Currency Risk

30.06.2010					
EEK and EUR joint position	Balance sheet position		Off-balance sheet position		Net position
	long	short	long	short	
Position, EEK ths.	633,619	500,715	282,726	291,852	123,777
Position, EUR ths.	40,496	32,002	18,069	18,653	7,911

30.06.2009					
EEK and EUR joint position	Balance sheet position		Off-balance sheet position		Net position
	long	short	long	short	
Position, EEK ths.	742,698	574,048	52,734	63,623	157,761
Position, EUR ths.	47,467	36,688	3,370	4,066	10,083

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

Risk Concentration

30.06.2010				
	no.	EEK ths.	EUR ths.	% of net own funds
Number of customers (client groups) with high risk concentration	14			
Due from customers with high risk concentration		255,603	16,336	134.22%
Due from persons related with credit institution		8,408	537	4.42%

30.06.2009				
	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		312,074	19,945	187.11%
Due from persons related with credit institution		7,799	498	4.68%

Capital Adequacy

	EEK ths.	EUR ths.	EEK ths.	EUR ths.
	30.06.10	30.06.09	30.06.10	30.06.09
Share capital paid-in	205,809	200,500	13,154	12,814
Other reserves	559	559	36	36
Retained profit/loss of the previous years	-58,995	-13,723	-3,770	-877
Intangible assets	-417	-811	-27	-52
Net loss of the period	-19,113	-17,636	-1,222	-1,127
Total tier 1 own funds	127,843	168,889	8,171	10,794
Subordinated debt	62,586	0	4,000	0
Available-for-sale financial instruments	0	-2,103	0	-134
Tier 2 own funds, which exceed the limits	0	0	0	0
Second level equity	62,586	-2,103	4,000	-134
Minimum own funds	190,429	166,786	12,171	10,660
Tier 1 own funds after deductions	127,843	168,889	8,171	10,794
Tier 2 own funds after deductions	62,586	-2,103	4,000	-134
Own funds for capital adequacy calculations	190,429	168,889	12,171	10,794
Credit instit. and investment companies under standard method	2,182	4,178	139	267
Companies under standard method	16,471	13,807	1,053	882
Mass claims under standard method	16,816	18,927	1,075	1,210
Claims backed by mortgages under standard method	2,477	2,919	158	187
Overdue claims under standard method	15,622	19,018	998	1,215
Other assets under standard method	880	549	56	35
Total capital requirement for credit risk and counterparty credit risk	54,448	59,398	3,480	3,796
Capital requirement for currency risk	0	0	0	0
Operational risk base method	6,484	5,797	414	370
Total capital requirement for operational risk	6,484	5,797	414	370
Capital requirements for adequacy calculations	60,932	65,195	3,894	4,167
Capital adequacy	31.25%	25.91%	31.25%	25.91%

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

Bank is publishing information on risk management, own funds and capital adequacy in the annual reports and interim reports on the web page of the Bank following the decree of the Governor of the Bank of Estonia. Capital adequacy requirement is applied to MARFIN PANK EESTI AS; there is no consolidation group as the Bank has no subsidiaries. Consolidation group definition applied in capital adequacy calculation does not differ from the consolidation group definition used in the compilation of the financial statements.

The amount of capital requirement to cover currency risk and commodities risk is zero.

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.