



## **MARFIN PANK EESTI AS**

(Marfin Bank Estonia Ltd.)

### **Public Interim Report III Quarter 2009**

*Translation from original in Estonian*

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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	30.09.2009
Report period	01.01.2009 – 30.09.2009
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 III 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	808,880	51,697
Net profit / loss	-25,887	-1,654
Return on equity (ROE)	-64.04%	-64.04%
Asset utilisation (AU)	22.59%	22.59%
Overdue claims and loans	102,544	6,554
Loan loss provisions	45,931	2,936
Net own funds	155,637	9,947
Capital adequacy	24.94%	24.94%

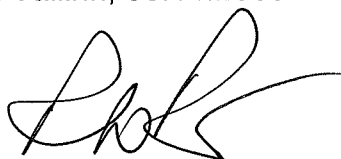
“Public Interim Report III Quarter 2009” of MARFIN PANK EESTI AS is available in the office of MARFIN PANK EESTI in Tallinn, Pärnu mnt 12 and on the Bank's internet web page [www.marfinbank.ee](http://www.marfinbank.ee) from 30.11.2009.

## DECLARATION OF THE MANAGEMENT BOARD

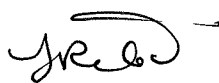
The Management Board of MARFIN PANK EESTI AS is, after examining the information presented in this Public Interim Report, of opinion that:

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, 30.11.2009



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 9,000 employees. Year 2008 net profit of the Marfin Popular Bank group totalled 94.6 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 May 2009. Additional information about the Marfin Popular Bank Group can be found on internet page [www.laiki.com](http://www.laiki.com).

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 has been 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 has been 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

Total assets of the Bank increased 4% in the 3rd quarter, reaching 808.9 million kroons (51.7 million euros) as of 30.09.2009. Worsening economic environment resulted in the decrease of loan volumes in the third quarter, but at a slower pace than in the 2nd quarter. Gross loan portfolio (excluding deposits with financial institutions and accrued interests) totalled 623.8 million kroons (39.9 million euros), decreasing 1% in 3 months and forming 77% of total assets as at quarter-end. 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 1.55 as of 30.09.2009 (1.83 at year-end 2008).

Despite of the worsening economic environment the Bank has managed to increase its client base continuously. Number of customers of the Bank increased 16% from the beginning of the year, number of actual depositors grew also more than 15%. Client (excluding credit institutions) deposits volume increased 12% from beginning of the year, mainly due to companies. Client deposits with the Bank totalled 401.5 million kroons i.e. 25.7 million euros as of 30.09.2009 (357.0 million kroons i.e. 22.8 million euros as of 31.12.2008). Client deposits grew 8% in 3 months, thus the increase in deposits has speeded up significantly. 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.

Conservative loan loss provisions and decrease in interest income caused the net loss of the Bank in 2009, although no loans were directly written off. Total net loss from the beginning of 2009 comprised 25.9 million kroons i.e. 1.7 million euros. From this the net loss of the 3rd quarter 2009 was 8.3 million kroons i.e. 0.5 million euros (net loss of the 3rd quarter 2008 was 0.9 million kroons i.e. 0.1 million euros).

Net interest income of the reporting period was 6.8 million kroons (0.4 million euros), earned mostly on loans. Net fees and commissions income totalled 0.9 million kroons (0.1 million euros). 1.1 million kroons (0.1 million euros) was earned as dealing profits from FX and securities' transactions. Total operating income from banking activities comprised 8.5 million kroons i.e. 0.5 million euros in the 3rd quarter 2009. Administrative expenses of the same period totalled 8.5 million kroons (0.5 million euros).

Total of 0.2 million kroons (0.01 million euros) of membership fees were calculated to the Supervisory Board members in the 3rd 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 3.2 million kroons (0.2 million euros) in the 3rd quarter 2009. Average number of employees was 47 (48 year earlier), number of employees was 47 at 30.09.2009 (47 year earlier).

Bank's equity totalled 156.3 million kroons (10.0 million euros) as of 30 September 2009 and the capital adequacy stood at 24.94% (Estonian market average being 21.39%). Bank took a 10-year subordinated loan of 4.0 million euros (i.e. 62.6 million kroons) on 30 October 2009, after the balance sheet date, from a group bank Marfin Egnatia Bank S.A. in order to broaden the capital base and ensuring the fulfillment of other prudential ratios.

## Ratios

		01.01.2009- 30.09.2009	01.01.2008- 30.09.2008
Return on equity	ROE	-64.04%	-1.88%
Equity multiplier	EM	4.97	4.15
Profit margin	PM	-57.06%	-4.06%
Asset utilisation	AU	22.59%	11.19%
Net interest margin	NIM	7.80%	6.81%
Basic earnings per share	Basic EPS	-5.16	-1.74
Diluted earnings per share	Diluted EPS	-5.16	-1.74
Spread	SPREAD	3.02%	5.56%
Yield on interest-earning assets	YIEA	13.84%	10.51%
Cost of interest-bearing liabilities	COL	10.82%	4.96%

## 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

As of 30 September 2009 the Bank has submitted one statement of claim to the Harju County Court against a legal person, where the time of the second hearing has not yet been determined, and one statement of claim against the legal entity guarantors, where the time of the first hearing has not yet been determined by the court. Eight petitions to initiate bankruptcy proceedings against legal persons are pending in courts. Third persons have submitted bankruptcy petitions against two legal entities, bankruptcy proceedings have commenced for one and bankruptcy declared for the other. Bankruptcy proceedings were abated for one private person without assets. Four applications for mandatory payment order regarding private persons have been submitted, and one bankruptcy petition against private person. Execution proceedings are taking place against one private person and in two claims against legal persons.

## **FINANCIAL STATEMENTS**

## Balance Sheet

	EEK ths. 30.09.2009	EEK ths. 31.12.2008	EUR ths. 30.09.2009	EUR ths. 31.12.2008
<b>ASSETS</b>				
<b>Cash</b>	<b>1,541</b>	<b>1,889</b>	<b>98</b>	<b>121</b>
<b>Loans and advances</b>				
Balances with central bank	50,542	112,187	3,230	7,170
Due from other credit institutions	134,031	47,972	8,566	3,066
Due from customers	592,294	640,107	37,854	40,910
o/w allowance (-)	-45,931	-22,893	-2,936	-1,463
o/w interest	9,461	5,555	605	355
<b>Financial assets held for trading</b>	<b>2,016</b>	<b>291</b>	<b>129</b>	<b>19</b>
<b>Available-for-sale financial assets</b>	<b>17,926</b>	<b>19,041</b>	<b>1,146</b>	<b>1,217</b>
<b>Property and equipment</b>	<b>3,205</b>	<b>4,518</b>	<b>205</b>	<b>289</b>
<b>Investment properties</b>	<b>5,082</b>	<b>0</b>	<b>325</b>	<b>0</b>
<b>Intangible assets</b>	<b>681</b>	<b>931</b>	<b>44</b>	<b>60</b>
<b>Other assets</b>	<b>1,562</b>	<b>2,414</b>	<b>100</b>	<b>154</b>
<b>TOTAL ASSETS</b>	<b>808,880</b>	<b>829,350</b>	<b>51,697</b>	<b>53,005</b>
<b>LIABILITIES</b>				
<b>Financial liabilities held for trading</b>	<b>525</b>	<b>103</b>	<b>34</b>	<b>7</b>
<b>Financial liabilities measured at amortised cost</b>	<b>644,328</b>	<b>623,550</b>	<b>41,180</b>	<b>39,852</b>
Due to credit institutions	242,798	266,519	15,518	17,034
incl. interest payable	171	353	11	23
Due to customers	401,530	357,031	25,662	22,818
Government	1	0	0	0
Financial institutions	31	33	2	2
Companies	226,840	189,943	14,498	12,140
Non-profit organisations	14,152	26,277	904	1,679
Private persons	153,469	136,960	9,808	8,753
incl. interest payable	7,037	3,817	450	244
<b>Borrowed funds from government and foreign aid</b>	<b>1,575</b>	<b>0</b>	<b>101</b>	<b>0</b>
<b>Taxes</b>	<b>814</b>	<b>802</b>	<b>52</b>	<b>51</b>
<b>Other liabilities</b>	<b>5,320</b>	<b>21,116</b>	<b>340</b>	<b>1,350</b>
<b>TOTAL LIABILITIES</b>	<b>652,562</b>	<b>645,571</b>	<b>41,706</b>	<b>41,260</b>
<b>SHAREHOLDERS' EQUITY</b>				
Share capital	200,500	200,500	12,814	12,814
Fair value reserve of available-for-sale financial assets	-5,131	-3,557	-328	-227
Statutory legal reserve	559	559	36	36
Retained earnings	-13,723	-1,353	-877	-86
Profit / loss for the financial year	-25,887	-12,370	-1,654	-791
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>156,318</b>	<b>183,779</b>	<b>9,991</b>	<b>11,746</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>808,880</b>	<b>829,350</b>	<b>51,697</b>	<b>53,005</b>



## Income Statement

	EEK ths. 01.01.2009- 30.09.2009	EEK ths. 01.07.2009- 30.09.2009	EEK ths. 01.01.2008- 30.09.2008	EEK ths. 01.07.2008- 30.09.2008
<b>Interest income</b>	<b>39,868</b>	<b>12,005</b>	<b>54,047</b>	<b>19,984</b>
From loans	36,465	11,023	46,745	17,579
From deposits	1,115	310	2,666	1,104
From debt securities	1,512	489	4,005	1,438
From derivatives	463	156	128	-307
Other income	313	27	503	170
<b>Interest expense</b>	<b>17,687</b>	<b>5,184</b>	<b>19,468</b>	<b>7,488</b>
On demand deposits	1,127	278	1,672	481
On time deposits	16,046	4,800	16,951	6,660
On derivatives	494	86	845	347
From borrowings	20	20	0	0
<b>Net interest income</b>	<b>22,181</b>	<b>6,821</b>	<b>34,579</b>	<b>12,496</b>
<b>Fees and commissions income</b>	<b>3,051</b>	<b>1,522</b>	<b>1,560</b>	<b>873</b>
Account opening and maintenance fees	231	87	225	87
Bank transaction fees	2,071	918	1,100	667
Securities' transaction fees	619	428	199	107
Other fees and commissions income	130	89	36	12
<b>Fees and commissions expense</b>	<b>1,443</b>	<b>640</b>	<b>1,946</b>	<b>388</b>
Securities' transactions expenses	411	288	76	46
Bank transaction expenses	653	218	461	242
S.W.I.F.T. expenses	379	134	229	101
Other fees and commissions expense	0	0	1,180	0
<b>Net fees and commissions expense</b>	<b>1,608</b>	<b>882</b>	<b>-386</b>	<b>485</b>
<b>Net trading income / expense</b>	<b>2,452</b>	<b>1,102</b>	<b>3,088</b>	<b>1,268</b>
From foreign exchange	2,404	1,061	3,049	1,270
From fin. assets and liabilities held for trading	48	41	39	-2
<b>Other operating expenses</b>	<b>850</b>	<b>292</b>	<b>2,053</b>	<b>355</b>
Guarantee Fund payments	11	3	855	5
Financial Supervisory Authority fees	649	222	629	209
Stock Exchange fees	140	47	140	47
Other	50	20	429	94
<b>Operating income</b>	<b>25,391</b>	<b>8,513</b>	<b>35,228</b>	<b>13,894</b>
<b>Administrative expenses</b>	<b>25,948</b>	<b>8,503</b>	<b>26,488</b>	<b>8,905</b>
Personnel expense, payroll related taxes	17,000	5,781	16,095	5,414
Other administrative expense	8,948	2,722	10,393	3,491
<b>Depreciation and amortisation of tangible and intangible assets</b>	<b>-1,892</b>	<b>-601</b>	<b>-1,956</b>	<b>-783</b>
<b>Impairment loss on assets (+/-)</b>	<b>-23,438</b>	<b>-7,660</b>	<b>-15,492</b>	<b>-5,104</b>
<b>Total operating expenses</b>	<b>51,278</b>	<b>16,764</b>	<b>43,936</b>	<b>14,792</b>
<b>NET PROFIT / LOSS FOR THE PERIOD</b>	<b>-25,887</b>	<b>-8,251</b>	<b>-8,708</b>	<b>-898</b>
Basic earnings/loss per share	-5.16 EEK		-1.74 EEK	
Diluted earnings/loss per share	-5.16 EEK		-1.74 EEK	

## Income Statement

	EUR ths.	EUR ths.	EUR ths.	EUR ths.
	01.01.2009- 30.09.2009	01.07.2009- 30.09.2009	01.01.2008- 30.09.2008	01.07.2008- 30.09.2008
<b>Interest income</b>	<b>2,548</b>	<b>767</b>	<b>3,454</b>	<b>1,277</b>
From loans	2,331	704	2,988	1,124
From deposits	71	20	170	71
From debt securities	97	31	256	92
From derivatives	30	10	8	-20
Other income	20	2	32	11
<b>Interest expense</b>	<b>1,130</b>	<b>331</b>	<b>1,244</b>	<b>479</b>
On demand deposits	72	18	107	31
On time deposits	1,026	307	1,083	426
On derivatives	32	5	54	22
From borrowings	1	1	0	0
<b>Net interest income</b>	<b>1,418</b>	<b>436</b>	<b>2,210</b>	<b>799</b>
<b>Fees and commissions income</b>	<b>195</b>	<b>97</b>	<b>100</b>	<b>56</b>
Account opening and maintenance fees	15	6	14	6
Bank transaction fees	132	59	70	43
Securities' transaction fees	40	27	13	7
Other fees and commissions income	8	6	2	1
<b>Fees and commissions expense</b>	<b>92</b>	<b>41</b>	<b>124</b>	<b>25</b>
Securities' transactions expenses	26	18	5	3
Bank transaction expenses	42	14	29	15
S.W.I.F.T. expenses	24	9	15	6
Other fees and commissions expense	0	0	75	0
<b>Net fees and commissions expense</b>	<b>103</b>	<b>56</b>	<b>-25</b>	<b>31</b>
<b>Net trading income/expense</b>	<b>157</b>	<b>70</b>	<b>197</b>	<b>81</b>
From foreign exchange	154	68	195	81
From shares and debt securities in trading portfolio	3	3	2	0
<b>Other operating expenses</b>	<b>54</b>	<b>19</b>	<b>131</b>	<b>23</b>
Guarantee Fund payments	1	0	55	0
Financial Supervision Authority fees	41	14	40	13
Stock Exchange fees	9	3	9	3
Other	3	1	27	6
<b>Operating income</b>	<b>1,623</b>	<b>544</b>	<b>2,251</b>	<b>888</b>
<b>Administrative expenses</b>	<b>1,658</b>	<b>543</b>	<b>1,693</b>	<b>569</b>
Personnel expense, payroll related taxes	1,086	369	1,029	346
Other administrative expense	572	174	664	223
<b>Depreciation and amortisation of tangible and intangible assets</b>	<b>-121</b>	<b>-38</b>	<b>-125</b>	<b>-50</b>
<b>Impairment loss on assets (+/-)</b>	<b>-1,498</b>	<b>-490</b>	<b>-990</b>	<b>-326</b>
<b>Total operating expenses</b>	<b>3,277</b>	<b>1,071</b>	<b>2,808</b>	<b>945</b>
<b>NET PROFIT / LOSS FOR THE PERIOD</b>	<b>-1,654</b>	<b>-527</b>	<b>-557</b>	<b>-57</b>
Basic earnings/loss per share	-0.33 EUR		-0.02 EUR	
Diluted earnings/loss per share	-0.33 EUR		-0.02 EUR	

## Statement of Cash Flows

	EEK ths.	EEK ths.	EUR ths.	EUR ths.
	01.01.2009- 30.09.2009	01.01.2008- 30.09.2008	01.01.2009- 30.09.2009	01.01.2008- 30.09.2008
<b>Cash flows from operating activities</b>	<b>28,578</b>	<b>-40,036</b>	<b>1,826</b>	<b>-2,559</b>
Interests received	29,216	54,047	1,867	3,454
Interests paid	-10,544	-19,468	-674	-1,244
Fees and commissions received	2,393	1,560	153	100
Fees and commissions paid	-1,443	-1,947	-92	-124
Administrative expenses	-24,207	-26,488	-1,547	-1,693
Trading income received	2,452	3,088	157	197
Other operating expenses	-850	-2,053	-54	-131
<b>Change in operating assets:</b>				
Deposits with credit institutions	-24,414	-23,743	-1,560	-1,517
Loans and claims to customers	47,813	-241,022	3,056	-15,404
Other assets	10,055	-13,004	643	-831
Securities purchased/sold	0	1,439	0	92
<b>Change in operating liabilities:</b>				
Deposits of credit institutions	-23,721	136,437	-1,516	8,720
Other deposits	37,356	79,822	2,387	5,102
Borrowings	1,575	0	101	0
Other liabilities	-17,103	11,296	-1,093	722
<b>Cash flows from investing activities</b>	<b>-5,411</b>	<b>-1,547</b>	<b>-346</b>	<b>-99</b>
Purchase of property and equipment	-192	-1,444	-12	-92
Purchase of investment properties	-5,082	0	-325	0
Purchase of intangible assets	-137	-103	-9	-7
<b>Total cash flows</b>	<b>23,167</b>	<b>-41,583</b>	<b>1,481</b>	<b>-2,658</b>
<b>Cash and cash equivalents at the beginning of year</b>	<b>67,765</b>	<b>46,317</b>	<b>4,331</b>	<b>2,960</b>
<b>Net change in cash and cash equivalents</b>	<b>23,167</b>	<b>-41,583</b>	<b>1,481</b>	<b>-2 658</b>
<b>Cash and cash equivalents at the end of the year *</b>	<b>90,932</b>	<b>4,734</b>	<b>5,812</b>	<b>303</b>

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

	EEK ths.	EEK ths.	EUR ths.	EUR ths.
	30.09.2009	30.09.2008	30.09.2009	30.09.2008
Cash	1,541	2,326	98	149
Surplus of the reserve in the Bank of Estonia	-44,640	-44,945	-2,853	-2,873
Deposits with credit institutions	134,031	47,353	8,566	3,026
<b>Total</b>	<b>90,932</b>	<b>4,734</b>	<b>5,812</b>	<b>303</b>

## Statement of Changes in Equity

	EEK ths. 01.01.2009- 30.09.2009	EEK ths. 01.01.2008- 30.09.2008	EUR ths. 01.01.2009- 30.09.2009	EUR ths. 01.01.2008- 30.09.2008
<b>Share capital</b>				
Balance at the beginning of period	200,500	200,500	12,814	12,814
<b>Balance at the end of period</b>	<b>200,500</b>	<b>200,500</b>	<b>12,814</b>	<b>12,814</b>
<b>Other reserves</b>				
Balance at the beginning of period	559	446	36	29
Change in fair value reserve	-5,130	-1,370	-328	-88
Increase in statutory legal reserve	0	113	0	7
<b>Balance at the end of period</b>	<b>-4,571</b>	<b>-811</b>	<b>-292</b>	<b>-52</b>
<b>Retained earnings</b>				
Balance at the beginning of period	-13,723	-2,296	-877	-147
Profit/loss for the financial year	-25,887	-8,708	-1,654	-557
<b>Balance at the end of period</b>	<b>-39,610</b>	<b>-11,004</b>	<b>-2,532</b>	<b>-703</b>
<b>Total shareholders' equity:</b>				
<b>at the beginning of period</b>	<b>188,685</b>	<b>202,655</b>	<b>12,059</b>	<b>12,952</b>
<b>at the end of period</b>	<b>156,319</b>	<b>188,685</b>	<b>9,991</b>	<b>12,059</b>

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

	30.09.2009	
	EEK ths.	EUR ths.
	Liabilities	Liabilities
<b>Irrevocable transactions</b>	<b>10,503</b>	<b>671</b>
Guarantees and similar irrevocable transactions	199	13
Unused part of credit lines and overdraft limits	10,304	659

	30.09.2008	
	EEK ths.	EUR ths.
	Liabilities	Liabilities
<b>Irrevocable transactions</b>	<b>35,036</b>	<b>2,239</b>
Guarantees and similar irrevocable transactions	25,495	1,629
Unused part of credit lines and overdraft limits	9,541	610

## Currency Risk

	30.09.2009				Net position
	Balance sheet position		Off-balance sheet position		
EEK and EUR joint position	long	short	long	short	
EEK position, EUR ths.	721,757	590,305	193,109	178,578	145,982
EUR position, EUR ths.	46,129	37,727	12,342	11,413	9,330

	30.09.2008				Net position
	Balance sheet position		Off-balance sheet position		
EEK and EUR joint position	long	short	long	short	
EEK position, EUR ths.	724,509	249,715	76,358	67,170	483,982
EUR position, EUR ths.	46,305	15,960	4,880	4,293	30,932

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

## Risk Concentration

	no.	30.09.2009		% of net own funds
		EEK ths.	EUR ths.	
Number of customers (client groups) with high risk concentration	11			
Due from customers with high risk concentration		293,012	18,727	184.91%
Due from persons related with credit institution		7,666	490	4.84%

	no.	30.09.2008		% of net own funds
		EEK ths.	EUR ths.	
Number of customers (client groups) with high risk concentration	13			
Due from customers with high risk concentration		370,299	23,666	197.36%
Due from persons related with credit institution		8,949	572	4.77%

## Capital Adequacy

	EEK ths. 30.09.2009	EEK ths. 30.09.2008	EUR ths. 30.09.2009	EUR ths. 30.09.2008
Share capital paid-in	200,500	200,500	12,814	12,814
Other reserves	559	559	36	36
Retained profit/loss of the previous years	-13,723	-2,296	-877	-147
Intangible assets	-681	-1,059	-44	-68
Net loss of the period	-25,887	-8,708	-1,654	-557
<b>Total tier 1 own funds</b>	<b>160,768</b>	<b>188,996</b>	<b>10,275</b>	<b>12,079</b>
Available-for-sale financial instruments	-2,309	-617	-148	-39
Minimum own funds	158,459	188,380	10,127	12,040
Tier 1 own funds after deductions	160,768	188,996	10,275	12,079
Tier 2 own funds after deductions	-2,309	-617	-148	-39
<b>Own funds for capital adequacy calculations</b>	<b>158,459</b>	<b>188,996</b>	<b>10,127</b>	<b>12,079</b>
Credit institutions and investment companies under standard method	4,823	3,963	308	253
Companies under standard method	12,831	20,170	820	1,289
Mass claims under standard method	20,600	32,082	1,317	2,050
Claims backed by mortgages under standard method	3,003	2,974	192	190
Overdue claims under standard method	15,495	1,606	990	103
Other assets under standard method	995	825	64	53
<b>Total capital requirement for credit risk and counterparty credit risk</b>	<b>57,747</b>	<b>61,619</b>	<b>3,691</b>	<b>3,938</b>
Capital requirement for currency risk	0	0	0	0
Capital requirement for operational risk (base method)	5,797	4,116	370	263
<b>Capital requirements for adequacy calculations</b>	<b>63,544</b>	<b>65,735</b>	<b>4,061</b>	<b>4,201</b>
<b>Capital adequacy</b>	<b>24.94%</b>	<b>28.75%</b>	<b>24.94%</b>	<b>28.75%</b>

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

Capital adequacy directive applies to MARFIN PANK EESTI AS, which has no consolidation group due to the absence of 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.

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.