



**MARFIN PANK EESTI AS**  
(Marfin Bank Estonia Ltd.)

**Public Interim Report  
I Quarter 2010**

*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	Stan Nahkor

Report balance sheet date	31.03.2010
Report period	01.01.2010 – 31.03.2010
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 I 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	760,716	48,619
Net profit / loss	-7,881	-504
Return on equity (ROE)	-23.98%	-23.98%
Asset utilisation (AU)	5.96%	5.96%
Overdue claims and loans	180,695	11,549
Loan loss provisions	88,930	5,684
Net own funds	138,672	8,863
Capital adequacy	31.96%	31.96%

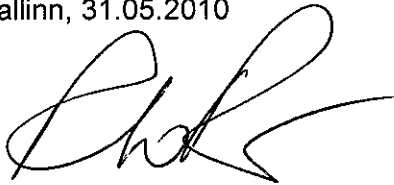
"Public Interim Report I Quarter 2010" of MARFIN PANK EESTI AS is available in the office of MARFIN PANK EESTI in Tallinn, Pärnu mnt 12 and on the Bank's internet web page [www.marfinbank.ee](http://www.marfinbank.ee) from 31.05.2010.

## 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.

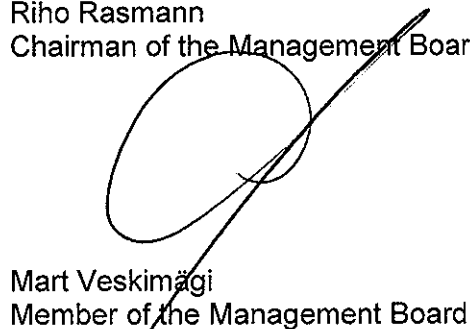
In Tallinn, 31.05.2010



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 according to preliminary results. Marfin Popular Bank has a A-3/Prime-1 (outlook: stable) rating by Moody's Investors Service, and BBB+ (outlook: stable) rating by Fitch Ratings.

Shareholders of the Bank decided on 12 March 2010 to decrease Bank's share capital by 39 116 500 Estonian kroons by cancellation of 3 911 650 ordinary shares, with the intention to cover Bank's net loss in amount of 39 116 500 Estonian kroons. Bank's share capital was simultaneously with the decrease increased by 44 425 690 Estonian kroons. New amount of share capital is 205 809 190 Estonian kroons. Shares were issued with the price 10 Estonian kroons per share. Marfin Popular Bank Public Co Ltd. subscribed the share capital issue in full on 30 March 2010 and paid in 44 425 690 Estonian kroons as a monetary payment on 31 March.

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**

The paid-in share capital of the Bank increased by 5.3 million kroons (0.3 million euros) in total, and the accumulated loss of previous periods decreased significantly following the March 2010 changes in share capital. Shareholders' equity increased by the total of 36.6 million kroons (2.3 million euros) compared with beginning of the year. Total balance sheet of the Bank increased by 21.7 million kroons (1.4 million euros) i.e. 2.9% at the same period. Regulatory capital adequacy ratio of the Bank increased to 31.96% (31.12.2009: 24.81%).

Number of Bank's customers increased 1.2 times 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 413.7 million kroons i.e. 26.4 million euros as of 31.03.2010 (401.5 million kroons i.e. 25.7 million euros as of 31.03.2009). Bank continues to pay higher interest rates on time deposits, than the market average.

Gross loan portfolio (excluding deposits with financial institutions and accrued interests) comprised 626.9 million kroons (40. million euros), increasing 1.5% from beginning of year and forming 82.4% of total assets as at the end of reporting period. Gross loan portfolio amounted 639.6 million kroons i.e. 40.9 million euros as of 31.03.2009. Loans to deposits ratio stood at 1.52 at 31.03.2010 (1.59 at 31.03.2009).

Conservative loan loss provisions and decreased interest income caused the net loss for the Bank in beginning of 2010. Net loss of 1st quarter comprised 7.9 million kroons i.e. 0.5 million euros (net loss of 1st quarter 2009 was 1.8 million kroons i.e. 0.1 million euros).

Net interest income of the reporting period was 4.9 million kroons i.e. 0.3 million euros (1st quarter 2009: 12.4 million kroons i.e. 0.8 million euros), earned mostly on loans. Net fees and commissions income totalled 0.5 million kroons i.e. 0.03 million euros (1st quarter 2009: 0.4 million kroons i.e. 0.03 million euros). 0.9 million kroons i.e. 0.06 million euros was earned as dealing profits from FX and securities' transactions (1st quarter 2009: 0.8 million kroons i.e. 0.05 million euros). Total operating income from banking activities comprised 6.0 million kroons i.e. 0.4 million euros in 1st quarter 2010 compared with 13.4 million kroons i.e. 0.9 million euros year earlier. Administrative expenses of 1st quarter of 2010 and 2009 were respectively 9.1 million kroons (0.6 million euros) and 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 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 1st quarter 2010, of employees 3.1 million kroons i.e. 0.2 million euros. Calculated salaries of the members of the Management Board totalled the same in 1st quarter of year 2009 as in 2010, of employees 3.0 million kroons (0.2 million euros). Average number of employees was 47 (year earlier also 47), number of employees as of 31.03.2010 was 47 (31.03.2009: 47).

## Ratings

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

## Ratios

		01.01.2010 - 31.03.2010	01.01.2009 - 31.03.2009
Return on equity	ROE	-23.98%	-3.99%
Equity multiplier	EM	5.90	4.37
Profit margin	PM	-68.15%	-8.91%
Asset utilisation	AU	5.96%	10.24%
Return on assets	ROA	-4.06%	-0.91%
Net interest margin	NIM	2.43%	6.29%
Basic earnings per share	Basic EPS	-1.53	-0.37
Diluted earnings per share	Diluted EPS	-1.53	-0.37
Spread	SPREAD	1.76%	5.31%
Yield on interest-earning assets	YIEA	4.68%	9.50%
Cost of interest-bearing liabilities	COL	2.92%	4.19%

### 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

The Bank has submitted three statements of claim to the Harju County Court, as of 31 March 2010. Courts are proceeding with sixteen bankruptcy proceedings against both principal obligors and guarantors. Bankruptcy proceedings have ended with abatement due to lack of assets of one legal entity. Four statements against private persons have been filed for payment order. Execution proceedings are taking place against five private persons and two legal entities.

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**

## Balance Sheet

	EEK ths.	EEK ths.	EUR ths.	EUR ths.
	31.03.10	31.12.09	31.03.10	31.12.09
<b>ASSETS</b>				
<b>Cash</b>	<b>1,688</b>	<b>2,076</b>	<b>108</b>	<b>133</b>
<b>Loans and advances</b>				
Balances with central bank	65,213	107,592	4,168	6,876
Due from other banks	114,001	61,057	7,286	3,902
Due from customers	564,084	555,113	36,052	35,478
o/w allowance (-)	-88,930	-84,658	-5,684	-5,411
o/w interest	21,517	19,101	1,375	1,221
<b>Financial assets held for trading</b>	<b>2,463</b>	<b>245</b>	<b>157</b>	<b>16</b>
<b>Available-for-sale financial assets</b>	<b>2,986</b>	<b>2,972</b>	<b>191</b>	<b>190</b>
<b>Property and equipment</b>	<b>2,549</b>	<b>2,853</b>	<b>163</b>	<b>182</b>
<b>Investment properties</b>	<b>4,382</b>	<b>4,382</b>	<b>280</b>	<b>280</b>
<b>Intangible assets</b>	<b>497</b>	<b>621</b>	<b>32</b>	<b>40</b>
<b>Other assets</b>	<b>2,853</b>	<b>2,118</b>	<b>182</b>	<b>135</b>
<b>TOTAL ASSETS</b>	<b>760,716</b>	<b>739,030</b>	<b>48,619</b>	<b>47,233</b>
<b>LIABILITIES</b>				
<b>Financial liabilities held for trading</b>	<b>406</b>	<b>112</b>	<b>26</b>	<b>7</b>
<b>Financial liabilities measured at amortised cost</b>				
Due to credit institutions	125,394	141,043	8,014	9,014
Interest payable on credit institutions deposits	63	62	0	0
Due to customers	413,661	425,737	26,438	27,210
Government	1	1	0	0
Financial institutions	71	29	5	2
Companies	241,517	246,011	15,436	15,723
Non-profit organisations	16,965	16,148	1,084	1,032
Private persons	150,762	159,547	9,635	10,197
Interest payable	4,345	4,001	278	256
<b>Subordinated debt</b>	<b>62,586</b>	<b>63,018</b>	<b>4,000</b>	<b>4,028</b>
<b>Borrowed funds from government and foreign aid</b>	<b>630</b>	<b>1,158</b>	<b>40</b>	<b>74</b>
<b>Tax liabilities</b>	<b>797</b>	<b>825</b>	<b>51</b>	<b>53</b>
<b>Other liabilities</b>	<b>18,073</b>	<b>4,527</b>	<b>1,155</b>	<b>289</b>
<b>TOTAL LIABILITIES</b>	<b>621,547</b>	<b>636,420</b>	<b>39,724</b>	<b>40,675</b>
<b>SHAREHOLDERS' EQUITY</b>				
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	-323	-338	-21	-22
Accumulated deficit	-58,995	-13,723	-3,770	-877
Profit / loss for the financial year	-7,881	-84,388	-504	-5,393
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>139,169</b>	<b>102,610</b>	<b>8,895</b>	<b>6,558</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>760,716</b>	<b>739,030</b>	<b>48,619</b>	<b>47,233</b>



## Income Statement

	EEK ths. 01.01.2010	EEK ths. 01.01.2009	EUR ths. 01.01.2010	EUR ths. 01.01.2009
	31.03.2010	31.03.2009	31.03.2010	31.03.2009
<b>Interest income</b>	<b>9,552</b>	<b>18,990</b>	<b>610</b>	<b>1,214</b>
From loans	9,464	17,750	605	1,134
From deposits	67	285	4	18
From debt securities	17	522	1	33
From derivatives	0	152	0	10
Other income	4	281	0	18
<b>Interest expense</b>	<b>4,615</b>	<b>6,563</b>	<b>295</b>	<b>419</b>
On demand deposits	90	395	6	25
On time deposits	3,868	5,973	247	382
On derivatives	21	195	1	12
From borrowings	636	0	41	0
<b>Net interest income</b>	<b>4,937</b>	<b>12,427</b>	<b>316</b>	<b>794</b>
<b>Fees and commissions income</b>	<b>1,154</b>	<b>801</b>	<b>74</b>	<b>51</b>
Account opening and maintenance fees	73	58	5	4
Bank transaction fees	617	682	39	44
Securities' transaction fees	439	38	28	2
Other fees and commissions income	25	23	2	1
<b>Fees and commissions expense</b>	<b>670</b>	<b>365</b>	<b>43</b>	<b>23</b>
Securities' transactions expenses	284	31	18	2
Bank transaction expenses	271	234	17	15
S.W.I.F.T. expenses	115	100	7	6
Other fees and commissions expense	0	0	0	0
<b>Net fees and commissions</b>	<b>484</b>	<b>436</b>	<b>31</b>	<b>28</b>
<b>Net trading income/expense</b>	<b>859</b>	<b>787</b>	<b>55</b>	<b>50</b>
From foreign exchange	829	784	53	50
From shares and debt securities in trading portfolio	30	3	2	0
<b>Other operating expenses</b>	<b>301</b>	<b>280</b>	<b>19</b>	<b>18</b>
Guarantee Fund payments	4	4	0	0
Financial Supervision Authority fees	215	214	14	14
Tallinn Stock Exchange fees	61	46	4	3
Other operating expenses	21	16	1	1
<b>Total operating income</b>	<b>5,979</b>	<b>13,370</b>	<b>382</b>	<b>854</b>
<b>Administrative expenses</b>	<b>9,136</b>	<b>8,766</b>	<b>584</b>	<b>560</b>
Personnel expense, payroll related taxes	5,870	5,444	375	348
Other administrative expense	3,266	3,322	209	212
<b>Depreciation and amortisation of tangible and intangible assets</b>	<b>-429</b>	<b>-643</b>	<b>-27</b>	<b>-41</b>
<b>Impairment loss on assets (+/-)</b>	<b>-4,294</b>	<b>-5,796</b>	<b>-274</b>	<b>-370</b>
<b>Total operating expenses</b>	<b>13,859</b>	<b>15,205</b>	<b>886</b>	<b>972</b>
<b>NET PROFIT / LOSS FOR THE PERIOD</b>	<b>-7,881</b>	<b>-1,835</b>	<b>-504</b>	<b>-117</b>
Basic earnings/loss per share	-1.53 EEK	-0.37 EEK	-0.10 EUR	-0.02 EUR
Diluted earnings/loss per share	-1.53 EEK	-0.37 EEK	-0.10 EUR	-0.02 EUR

## Statement of Cash Flows

	EEK ths.	EEK ths.	EUR ths.	EUR ths.
	01.01.2010 - 31.03.2010	01.01.2009 - 31.03.2009	01.01.2010 - 31.03.2010	01.01.2009 - 31.03.2009
<b>Cash flows from operating activities</b>	<b>-79,679</b>	<b>-60,893</b>	<b>-5,092</b>	<b>-3,892</b>
Interests received	9,552	8,225	610	526
Interests paid	-4,615	-429	-295	-27
Fees and commissions received	1,154	453	74	29
Fees and commissions paid	-670	-365	-43	-23
Administrative expenses	-9,136	-7,096	-584	-454
Trading income received	859	787	55	50
Other operating expenses	-301	-280	-19	-18
<b>Change in operating assets:</b>				
Deposits with credit institutions	-46,390	2,613	-2,965	167
Loans and claims to customers	-10,867	13,120	-695	839
Other assets	-5,007	11,254	-320	719
Securities purchased/sold	0	383	0	24
<b>Change in operating liabilities:</b>				
Deposits of credit institutions	-15,650	-101,707	-1,000	-6,500
Other deposits	-12,420	42,532	-794	2,718
Other liabilities	13,812	-30,383	883	-1,942
<b>Cash flows from financing activities</b>	<b>43,465</b>	<b>0</b>	<b>2,778</b>	<b>0</b>
Subordinated loan received	0	0	0	0
Other borrowings received	0	0	0	0
Borrowings repaid	-960	0	-61	0
Proceeds from issuance of ordinary shares	44,425	0	2,839	0
<b>Cash flows from investing activities</b>	<b>0</b>	<b>-35</b>	<b>0</b>	<b>-2</b>
Purchase of property and equipment	0	-35	0	-2
<b>Total cash flows</b>	<b>-36,214</b>	<b>-60,928</b>	<b>-2,314</b>	<b>-3,894</b>
<b>Cash and cash equivalents at the beginning of year</b>	<b>76,840</b>	<b>67,765</b>	<b>4,911</b>	<b>4,331</b>
<b>Net change in cash and cash equivalents</b>	<b>-36,214</b>	<b>-60,928</b>	<b>-2,314</b>	<b>-3,894</b>
<b>Cash and cash equivalents at the end of the year *</b>	<b>40,626</b>	<b>6,837</b>	<b>2,596</b>	<b>437</b>

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

	EEK ths.	EEK ths.	EUR ths.	EUR ths.
	31.03.2010	31.03.2009	31.03.2010	31.03.2009
Cash	1,688	1,901	108	121
Surplus of the reserve in the Bank of Estonia	-33,913	-41,048	-2,167	-2,623
Deposits with credit institutions	72,851	45,984	4,656	2,939
<b>Total</b>	<b>40,626</b>	<b>6,837</b>	<b>2,596</b>	<b>437</b>

## Statement of Changes in Equity

	EEK ths.	EEK ths.	EUR ths.	EUR ths.
	01.01.2010 - 31.03.2010	01.01.2009 - 31.03.2009	01.01.2010 - 31.03.2010	01.01.2009 - 31.03.2009
<b>Share capital</b>				
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
Increase of share capital by monetary payment	44,425	0	2,839	0
<b>Balance at the end of period</b>	<b>205,809</b>	<b>200,500</b>	<b>13,154</b>	<b>12,814</b>
<b>Other reserves</b>				
Balance at the beginning of period	559	559	36	36
Change in fair value reserve	-323	-4,042	-21	-258
<b>Balance at the end of period</b>	<b>236</b>	<b>-3,483</b>	<b>15</b>	<b>-223</b>
<b>Accumulated deficit</b>				
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	-7,881	-1,835	-504	-117
<b>Balance at the end of period</b>	<b>-66,876</b>	<b>-15,558</b>	<b>-4,274</b>	<b>-994</b>
<b>Total shareholders' equity:</b>				
<b>at the beginning of period</b>	<b>181,459</b>	<b>8,895</b>	<b>11,597</b>	<b>568</b>
<b>at the end of period</b>	<b>139,169</b>	<b>181,459</b>	<b>8,895</b>	<b>11,597</b>

## Contingent Liabilities

	31.03.2010	
	EEK ths.	EUR ths.
	Liabilities	Liabilities
<b>Irrevocable transactions</b>	<b>5,581</b>	<b>357</b>
Guarantees and similar irrevocable transactions	325	21
Unused part of credit lines and overdraft limits	5,256	336

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

## Currency Risk

EEK and EUR joint position	31.03.2010				Net position
	Balance sheet position		Off-balance sheet position		
	long	short	long	short	
Position, EEK ths.	706,863	577,766	252,634	246,346	135,384
Position, EUR ths.	45,177	36,926	16,146	15,744	8,653

EEK and EUR joint position	31.03.2009				Net position
	Balance sheet position		Off-balance sheet position		
	long	short	long	short	
Position, EEK ths.	710,053	519,394	25,441	50,359	165,741
Position, EUR ths.	45,381	33,195	1,626	3,219	10,593

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

## Risk Concentration

	no.	31.03.2010		
		EEK ths.	EUR ths.	% of net own funds
Number of customers (client groups) with high risk concentration	12			
Due from customers with high risk concentration		262,672	16,788	130.31%
Due from persons related with credit institution		8,493	543	4.21%

	no.	31.03.2009		
		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%

## Capital Adequacy

	EEK ths.	EEK ths.	EUR ths.	EUR ths.
	31.03.10	31.03.09	31.03.10	31.03.09
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	-496	-805	-32	-51
Net loss of the period	-7,881	-1,835	-504	-117
<b>Total tier 1 own funds</b>	<b>138,996</b>	<b>184,696</b>	<b>8,883</b>	<b>11,804</b>
Subordinated debt	62,586	0	4,000	0
Available-for-sale financial instruments	0	-1,819	0	-116
Tier 2 own funds, which exceed the limits	0	0	0	0
<b>Second level equity</b>	<b>62,586</b>	<b>-1,819</b>	<b>4,000</b>	<b>-116</b>
Minimum own funds	201,582	182,877	12,883	11,688
Tier 1 own funds after deductions	138,996	184,696	8,883	11,804
Tier 2 own funds after deductions	63,586	-1,819	4,064	-116
<b>Own funds for capital adequacy calculations</b>	<b>201,582</b>	<b>184,969</b>	<b>12,883</b>	<b>11,822</b>
Credit instit. and investment companies under standard method	2,536	3,107	162	199
Companies under standard method	20,613	4,485	1,317	287
Mass claims under standard method	15,996	30,664	1,022	1,960
Claims backed by mortgages under standard method	2,500	2,860	160	183
Overdue claims under standard method	13,955	14,427	892	922
Other assets under standard method	984	641	63	41
<b>Total capital requirement for credit risk and counterparty credit risk</b>	<b>56,585</b>	<b>56,184</b>	<b>3,616</b>	<b>3,591</b>
<b>Capital requirement for currency risk</b>	<b>0</b>	<b>1,373</b>	<b>0</b>	<b>88</b>
Operational risk base method	6,484	5,747	414	367
<b>Total capital requirement for operational risk</b>	<b>6,484</b>	<b>5,747</b>	<b>414</b>	<b>367</b>
<b>Capital requirements for adequacy calculations</b>	<b>63,069</b>	<b>63,304</b>	<b>4,031</b>	<b>4,046</b>
<b>Capital adequacy</b>	<b>31.96%</b>	<b>29.18%</b>	<b>31.96%</b>	<b>29.18%</b>

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.