

MARFIN POPULAR BANK PUBLIC CO LTD

ANNOUNCEMENT

Marfin Popular Bank Public Co Ltd (Marfin Popular Bank) notes the announcements made today by the European Banking Authority (EBA) and the Central Bank of Cyprus regarding the capital exercise, which demonstrate the following [result](#) for Marfin Popular Bank.

The capital exercise proposed by the EBA and agreed by the Council on 26 October 2011 requires banks to strengthen their capital positions by building up a temporary capital buffer against sovereign debt exposures to reflect current market prices. In addition, it requires them to establish a buffer such that the Core Tier 1 ratio reaches a level of 9% by the end of June 2012. The amount of any final capital shortfall identified is based on 30 September 2011 figures. The amount of the sovereign capital buffer will not be revised.

71 banks across Europe, including Marfin Popular Bank, were subject to the capital exercise whose objective is to create an exceptional and temporary capital buffer to address current market concerns over sovereign risk and other residual credit risk related to the current difficult market environment. This buffer would explicitly not be designed to cover losses in sovereigns but to provide added assurance to markets about banks' ability to withstand a range of shocks and still maintain adequate capital.

Following completion of the capital exercise conducted by the EBA, in close cooperation with the Central Bank of Cyprus, the exercise has determined that:

The additional capital shortfall for Marfin Popular Bank is estimated to be €1,971m which is to be addressed by the bank by end June 2012.

Moreover, Marfin Popular Bank will ensure that by the end of June 2012 the bank will adhere to the 9% core tier ratio and, to this end, the Bank will submit by January 20, 2012 a comprehensive capital enhancement plan to the Central Bank of Cyprus. In this plan Marfin Popular Bank will set out the proposed mix of actions to meet the required 9% target thereby reducing the capital shortfall to zero by June 2012. The plan will be discussed with the Central Bank of Cyprus, in consultation with the relevant college of supervisors and the EBA.

Marfin Popular Bank's capital enhancement plan is expected to further uplift confidence in market participants, further facilitate the bank's access to the funding markets as well as allow the bank to continue its significant role of providing financial support to the real economy.

The methodology underlying the capital exercise was outlined by the EBA prior to its announcement to ensure consistency across all banks in the EU banking system involved in the exercise.

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Stelios Hadjiosif
Secretary

Nicosia, 8 December 2011