

# Financial Information for the Period from 1 January 2014 to 30 September 2014

as stipulated by Decision 4/507/28.04.2009 of  
the Board of Directors of the Greek Capital Markets Commission

The financial information presented below is aiming to provide a general awareness about the financial position and results of the Bank of Cyprus Group (the 'Group') and the holding company Bank of Cyprus Public Company Ltd (the 'Company'). We recommend to the reader, before any investment decision or transaction is performed with the Group, to visit the Group's website where the financial statements prepared in accordance with International Financial Reporting Standards are available, together with the independent auditors' report, and the detailed explanatory statement of results. These documents are also available at the Registered Office of the Company (51 Stassinou Street, Ayia Paraskevi, Strovolos, P.O. Box 24884, CY-1398 Nicosia, Cyprus, Telephone: +357 22 122128, Fax: +357 22 378422).

Website: [www.bankofcyprus.com](http://www.bankofcyprus.com) - Investor Relations/Financial Information.

Date of approval of the interim financial statements for the period ended 30 September 2014 by the Board of Directors: 26 November 2014.

BANK OF CYPRUS GROUP

Extracts from the Interim Consolidated Income Statement  
and Statement of Comprehensive Income

	Nine months ended 30 September		Three months ended 30 September	
	2014	2013 (restated and represented)	2014	2013 (restated and represented)
	€000	€000	€000	€000
<b>Continuing operations</b>				
Net interest income	790.394	708.673	244.426	290.009
Net Fee and commission income	130.748	124.183	42.970	40.545
Net foreign exchange (losses)/gains	(17.206)	(1.279)	(14.827)	15.420
Net gains/(losses) on financial instrument transactions	169.734	(16.066)	9.211	(6.759)
Insurance income net of claims and commissions	35.442	50.785	10.394	11.921
Other income/(expenses)	5.458	(24.571)	(2.144)	3.547
	1.114.570	841.725	290.030	354.683
Staff costs	(202.634)	(371.930)	(67.236)	(179.608)
Other operating expenses	(196.338)	(181.414)	(65.569)	(61.188)
<b>Profit before impairment of loans and advances to customers</b>	715.598	288.381	157.225	113.887
Provisions for impairment of loans and advances to customers	(492.289)	(790.413)	(163.169)	(257.917)
<b>Profit/(loss) before share of profit/(loss) from associates and joint ventures</b>	223.309	(502.032)	(5.944)	(144.030)
Share of profit/(loss) from associates and joint ventures	1.637	(4.277)	(2.474)	(4.630)
<b>Profit/(loss) before tax from continuing operations</b>	224.946	(506.309)	(8.418)	(148.660)
Tax	(14.988)	3.152	(5.397)	663
<b>Profit/(loss) after tax from continuing operations</b>	209.958	(503.157)	(13.815)	(147.997)
<b>Discontinued operations</b>				
Loss after tax from discontinued operations	(150.215)	(1.456.871)	-	(67)
<b>Profit/(loss) for the period</b>	59.743	(1.960.028)	(13.815)	(148.064)
<b>Attributable to:</b>				
Owners of the Company - continuing operations	225.826	(496.055)	(5.774)	(146.237)
Owners of the Company - discontinued operations	(150.176)	(1.456.869)	-	(65)
Total profit/(loss) attributable to the owners of the Company	75.650	(1.952.924)	(5.774)	(146.302)
Non-controlling interests - continuing operations	(15.868)	(7.102)	(8.041)	(1.760)
Non-controlling interests - discontinued operations	(39)	(2)	-	(2)
<b>Profit/(loss) for the period</b>	59.743	(1.960.028)	(13.815)	(148.064)
<b>Basic and diluted earnings/(losses) per share (€) – continuing operations</b>	0,0459	(0,1543)	(0,0011)	(0,0308)
<b>Basic and diluted earnings/(losses) per share (€)</b>	0,0154	(0,6076)	(0,0011)	(0,0309)
<b>Profit/(loss) for the period</b>	59.743	(1.960.028)	(13.815)	(148.064)
Other comprehensive income after tax	17.067	7.671	14.475	18.315
<b>Total comprehensive income/(loss) for the period</b>	76.810	(1.952.357)	660	(129.749)
<b>Attributable to:</b>				
Owners of the Company	94.138	(1.942.483)	9.379	(127.340)
Non-controlling interests	(17.328)	(9.874)	(8.719)	(2.409)
<b>Total comprehensive income/(loss) for the period</b>	76.810	(1.952.357)	660	(129.749)

BANK OF CYPRUS GROUP  
Extracts from the Interim Consolidated Balance Sheet

	<i>Notes</i>	<b>30 September 2014</b>	31 December 2013 (restated)
		<b>€000</b>	€000
<b>Assets</b>			
Cash and balances with central banks		<b>839.936</b>	1.240.043
Placements with banks		<b>1.576.836</b>	1.290.102
Investments	3	<b>1.904.027</b>	2.759.855
Investments pledged as collateral	3	<b>673.770</b>	672.809
Derivative financial assets		<b>43.502</b>	28.765
Loans and advances to customers		<b>19.352.151</b>	21.764.338
Life insurance business assets attributable to policyholders		<b>468.540</b>	443.579
Property and equipment		<b>354.817</b>	414.404
Intangible assets		<b>134.830</b>	130.580
Assets held for sale		<b>517.401</b>	-
Other assets		<b>1.400.960</b>	1.401.833
Investments in associates and joint ventures		<b>216.100</b>	203.131
<b>Total assets</b>		<b>27.482.870</b>	30.349.439
<b>Liabilities</b>			
Amounts due to banks		<b>129.985</b>	196.422
Funding from central banks		<b>8.603.680</b>	10.956.277
Repurchase agreements		<b>577.478</b>	594.004
Derivative financial liabilities		<b>71.754</b>	83.894
Customer deposits		<b>13.329.795</b>	14.971.167
Insurance liabilities		<b>575.526</b>	551.829
Debt securities in issue		<b>4.715</b>	1.515
Other liabilities	4	<b>400.134</b>	251.979
Subordinated loan stock		<b>5.178</b>	4.676
<b>Total liabilities</b>		<b>23.698.245</b>	27.611.763
<b>Equity</b>			
Share capital		<b>892.238</b>	4.683.985
Share premium		<b>553.373</b>	-
Capital reduction reserve		<b>1.952.486</b>	-
Shares subject to interim orders		<b>297</b>	58.922
Revaluation and other reserves		<b>95.531</b>	72.251
Retained earnings/(accumulated losses)		<b>233.726</b>	(2.151.835)
<b>Equity attributable to owners of the Company</b>		<b>3.727.651</b>	2.663.323
<b>Non-controlling interests</b>		<b>56.974</b>	74.353
<b>Total equity</b>		<b>3.784.625</b>	2.737.676
<b>Total liabilities and equity</b>		<b>27.482.870</b>	30.349.439

## BANK OF CYPRUS GROUP

## Extracts from the Interim Consolidated Statement of Changes in Equity

	Nine months ended 30 September	
	2014	2013
	€000	€000 (restated)
<b>Total equity at 1 January</b>	<b>2.730.594</b>	335.275
Finalisation of accounting for Laiki Bank acquisition	<b>7.082</b>	-
<b>Total equity at 1 January (restated)</b>	<b>2.737.676</b>	335.275
Profit/(loss) for the period	<b>59.743</b>	(1.960.028)
Other comprehensive income for the period	<b>17.067</b>	7.671
Bail-in of deposits and structured products	<b>150</b>	3.786.624
Disposal of subsidiary	<b>(51)</b>	-
Issue of share capital	<b>1.000.000</b>	-
Shares issue costs	<b>(29.960)</b>	-
Bail-in of Convertible Bonds 2013/2018, Capital Securities 12/2007 and Convertible Capital Securities	-	122.535
Shares subject to interim orders	-	60.182
Acquisitions	-	443.918
<b>Total equity at 30 September</b>	<b>3.784.625</b>	2.796.177

## BANK OF CYPRUS GROUP

## Extracts from the Interim Consolidated Statement of Comprehensive Income

	Nine months ended 30 September		Three months ended 30 September	
	2014	2013 (restated)	2014	2013 (restated)
	€000	€000	€000	€000
<b>Profit/(loss) for the period</b>	<b>59.743</b>	(1.960.028)	<b>(13.815)</b>	(148.064)
Foreign currency translation differences	<b>54.561</b>	4.014	<b>14.234</b>	2.147
Available-for-sale investments	<b>(37.821)</b>	17.314	<b>235</b>	16.243
Property revaluation	<b>327</b>	(13.657)	<b>6</b>	(75)
<b>Total comprehensive income/(loss) for the period</b>	<b>76.810</b>	(1.952.357)	<b>660</b>	(129.749)

## BANK OF CYPRUS GROUP

## Extracts from the Interim Consolidated Statement of Cash Flows

	<b>Nine months ended 30 September</b>	
	<b>2014</b>	2013 (restated and represented)
	<b>€000</b>	€000
<b>Net cash flow from/(used in) operating activities</b>	<b>607.711</b>	(2.654.003)
<b>Net cash flow from investing activities</b>	<b>1.324.358</b>	1.160.805
<b>Net cash flow (used in)/from financing activities</b>	<b>(1.569.529)</b>	1.911.225
<b>Net increase in cash and cash equivalents for the period</b>	<b>362.540</b>	418.027
Exchange adjustments	<b>10.568</b>	33.714
<b>Total cash inflow for the period</b>	<b>373.108</b>	451.741
Cash and cash equivalents at 1 January	<b>1.463.243</b>	1.337.956
<b>Cash and cash equivalents at 30 September</b>	<b>1.836.351</b>	1.789.697

BANK OF CYPRUS PUBLIC COMPANY LTD  
Extracts from the Interim Income Statement and Statement  
of Comprehensive Income

	Nine months ended 30 September		Three months ended 30 September	
	2014	2013 (represented)	2014	2013 (represented)
	€000	€000	€000	€000
<b>Continuing operations</b>				
Net interest income	<b>752.684</b>	634.207	<b>226.222</b>	263.123
Net fee and commission income	<b>102.773</b>	89.485	<b>32.617</b>	28.008
Net foreign exchange (losses)/gains	<b>(19.207)</b>	(6.301)	<b>(15.960)</b>	17.612
Net gains/(losses) on financial instrument transactions	<b>119.640</b>	(14.846)	<b>(5.489)</b>	(6.142)
Other (expenses)/income	<b>(14.661)</b>	(6.868)	<b>(6.836)</b>	812
	<b>941.229</b>	695.677	<b>230.554</b>	303.413
Staff costs	<b>(153.269)</b>	(301.228)	<b>(51.096)</b>	(156.197)
Other operating expenses	<b>(139.121)</b>	(124.413)	<b>(43.844)</b>	(41.364)
<b>Profit before impairment of loans and advances to customers</b>	<b>648.839</b>	270.036	<b>135.614</b>	105.852
Provisions for impairment of loans and advances to customers	<b>(404.111)</b>	(714.293)	<b>(119.295)</b>	(232.206)
<b>Profit/(loss) before tax from continuing operations</b>	<b>244.728</b>	(444.257)	<b>16.319</b>	(126.354)
Tax	<b>(1.001)</b>	5.076	-	4
<b>Profit/(loss) after tax from continuing operations</b>	<b>243.727</b>	(439.181)	<b>16.319</b>	(126.350)
<b>Discontinued operations</b>				
Loss after tax from discontinued operations	<b>(16.863)</b>	(1.325.566)	-	(1.110)
<b>Profit/(loss) for the period</b>	<b>226.864</b>	(1.764.747)	<b>16.319</b>	(127.460)
<b>Basic and diluted earnings/(losses) per share (€) - continuing</b>	<b>0,0493</b>	(0,1360)	<b>0,0031</b>	(0,0266)
<b>Basic and diluted earnings/(losses) per share (€)</b>	<b>0,0459</b>	(0,5466)	<b>0,0031</b>	(0,0268)
<b>Profit/(loss) for the period</b>	<b>226.864</b>	(1.764.747)	<b>16.319</b>	(127.460)
Other comprehensive (loss)/income after tax	<b>(19.723)</b>	(200.049)	<b>17.584</b>	(556)
<b>Total comprehensive income/(loss) for the period</b>	<b>207.141</b>	(1.964.796)	<b>33.903</b>	(128.016)

BANK OF CYPRUS PUBLIC COMPANY LTD  
Extracts from the Interim Balance Sheet

		<b>30 September 2014</b>	31 December 2013 (restated)
	<i>Notes</i>	<b>€000</b>	€000
<b>Assets</b>			
Cash and balances with central banks		<b>273.321</b>	550.740
Placements with banks		<b>1.333.558</b>	1.064.654
Investments	3	<b>1.867.498</b>	2.722.328
Investments pledged as collateral	3	<b>673.770</b>	672.809
Derivative financial assets		<b>43.481</b>	28.723
Loans and advances to customers		<b>17.739.066</b>	19.714.705
Group intercompany accounts		<b>973.183</b>	1.115.708
Investments in Group companies		<b>442.335</b>	442.335
Investments in associates and joint ventures		<b>204.777</b>	204.777
Property and equipment		<b>223.330</b>	243.908
Intangible assets		<b>13.993</b>	16.975
Assets held for sale		<b>428.939</b>	-
Other assets		<b>977.921</b>	904.507
<b>Total assets</b>		<b>25.195.172</b>	27.682.169
<b>Liabilities</b>			
Amounts due to banks		<b>81.997</b>	124.152
Funding from central banks		<b>8.603.680</b>	10.956.277
Repurchase agreements		<b>577.478</b>	594.004
Derivative financial liabilities		<b>71.590</b>	83.957
Customer deposits		<b>11.257.106</b>	12.745.743
Group intercompany accounts		<b>660.670</b>	563.579
Debt securities in issue		<b>687</b>	674
Other liabilities	4	<b>305.799</b>	154.949
<b>Total liabilities</b>		<b>21.559.007</b>	25.223.335
<b>Equity</b>			
Share capital		<b>892.238</b>	4.683.985
Share premium		<b>553.373</b>	-
Capital reduction reserve		<b>1.952.486</b>	-
Shares subject to interim orders		<b>297</b>	58.922
Revaluation and other reserves		<b>27.344</b>	43.086
Retained earnings/(accumulated losses)		<b>210.427</b>	(2.327.159)
<b>Total Equity</b>		<b>3.636.165</b>	2.458.834
<b>Total liabilities and equity</b>		<b>25.195.172</b>	27.682.169



BANK OF CYPRUS PUBLIC COMPANY LTD  
Extracts from the Interim Statement of Changes in Equity

	<b>Nine months ended 30 September</b>	
	<b>2014</b>	2013
	<b>€000</b>	€000
<b>Total equity at 1 January</b>	<b>2.451.752</b>	259.445
Finalisation of accounting for Laiki Bank acquisition	<b>7.082</b>	-
<b>Total equity at 1 January (restated)</b>	<b>2.458.834</b>	259.445
Profit/(loss) for the period	<b>226.864</b>	(1.764.747)
Other comprehensive loss for the period	<b>(19.723)</b>	(200.049)
Bail-in of deposits and structured products	<b>150</b>	3.806.541
Issue of share capital	<b>1.000.000</b>	-
Shares issue costs	<b>(29.960)</b>	-
Bail-in of Convertible Bonds 2013/2018, Capital securities 12/2007 and Convertible Capital Securities	-	122.535
Shares subject to interim orders	-	60.182
Acquisitions	-	423.378
<b>Total equity at 30 September</b>	<b>3.636.165</b>	2.707.285

BANK OF CYPRUS PUBLIC COMPANY LTD  
 Extracts from the Interim Statement of Comprehensive Income

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	Nine months ended 30 September		Three months ended 30 September	
	2014	2013	2014	2013
	€000	€000 (restated)	€000	€000 (restated)
<b>Profit/(loss) for the period</b>	<b>226.864</b>	(1.764.747)	<b>16.319</b>	(127.460)
Foreign currency translation differences	<b>(357)</b>	2.038	<b>(1.728)</b>	804
Available-for-sale investments	<b>(19.366)</b>	(191.316)	<b>19.312</b>	(1.360)
Property revaluation	-	(10.771)	-	-
<b>Total comprehensive income/(loss) for the period</b>	<b>207.141</b>	(1.964.796)	<b>33.903</b>	(128.016)

BANK OF CYPRUS PUBLIC COMPANY LTD  
 Extracts from the Interim Statement of Cash Flows

	<b>Nine months ended 30 September</b>	
	<b>2014</b>	2013
	<b>€000</b>	€000
<b>Net cash flow from/(used in) in operating activities</b>	<b>629.008</b>	(2.190.492)
<b>Net cash flow from investing activities</b>	<b>1.312.347</b>	11.089
<b>Net cash flow (used in)/from financing activities</b>	<b>(1.572.599)</b>	2.007.071
<b>Net increase/(decrease) in cash and cash equivalents for the period</b>	<b>368.756</b>	(172.332)
Exchange adjustments	<b>(8.463)</b>	12.322
<b>Total cash inflow/(outflow) for the period</b>	<b>360.293</b>	(160.010)
Cash and cash equivalents at 1 January	<b>900.181</b>	993.410
<b>Cash and cash equivalents at 30 September</b>	<b>1.260.474</b>	833.400

1. The Interim Condensed Consolidated Financial Statements for the nine months ended 30 September 2014 have been prepared in accordance with the International Accounting Standard applicable to interim financial reporting as adopted by the European Union ('IAS 34').
2. The accounting policies adopted for the preparation of the Interim Condensed Consolidated Financial Statements for the nine months ended 30 September 2014 are consistent with those followed for the preparation of the annual Consolidated Financial Statements for the year ended 31 December 2013. In addition, the Group has adopted the following new standards, amendments and interpretations, which did not have a material impact on the Interim Condensed Consolidated Financial Statements:
  - IAS 27 Separate Financial Statements (Revised)
  - IAS 28 Investments in Associates and Joint Ventures (Revised)
  - IFRS 10 Consolidated Financial Statements
  - IFRS 11 Joint Arrangements
  - IFRS 12 Disclosures of Involvement with Other Entities
  - Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12)
  - Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)
  - IAS 32 Financial Instruments: Presentation (Amended) - Offsetting Financial Assets and Financial Liabilities
  - Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36)
  - Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39)

3. Investments of the Group and the Company are analysed as follows:

	<b>30 September 2014</b>	31 December 2013
<b>Group</b>	<b>€000</b>	€000
<b>Investments</b>		
Investments at fair value through profit or loss	<b>30.672</b>	25.160
Investments available-for-sale	<b>74.984</b>	161.258
Investments classified as loans and receivables	<b>1.798.371</b>	2.573.437
	<b>1.904.027</b>	2.759.855
<b>Investments pledged as collateral</b>		
Investments available-for-sale	<b>673.770</b>	672.809
	<b>2.577.797</b>	3.432.664

	<b>30 September 2014</b>	31 December 2013
<b>Company</b>	<b>€000</b>	€000
<b>Investments</b>		
Investments at fair value through profit or loss	<b>19.445</b>	16.973
Investments available-for-sale	<b>49.682</b>	132.115
Investments classified as loans and receivables	<b>1.798.371</b>	2.573.240
	<b>1.867.498</b>	2.722.328
<b>Investments pledged as collateral</b>		
Investments available-for-sale	<b>673.770</b>	672.809
	<b>2.541.268</b>	3.395.137

4. Other liabilities at 30 September 2014 include provisions for pending litigation or claims of €64.784 thousand for the Group and €55.978 thousand for the Company and other provisions of €16.542 thousand for the Group and €14.874 thousand for the Company. The Group's provision for pending litigation or claims at 30 September 2014 is set out in Note 22 of the interim condensed consolidated financial statements. There are no other significant pending litigation, claims or assessments against the Group, the outcome of which would have a material effect on the Group's financial position or operations.
5. The number of persons employed by the Group at 30 September 2014 was 6.639 (30 September 2013: 8.323) and by the Company was 4.031 (30 September 2013: 4.109).
6. Shares of the Company held by entities controlled by the Group and by associates (including shares that are held by life insurance subsidiary which holds the shares as part of financial assets that are invested for the benefit of insurance policyholders) at 30 September 2014 were 36.798 thousand and their cost of acquisition was €109.514 thousand.
7. The Group subsidiaries, branches and associates as at 30 September 2014 and the method of consolidation used are set out in Note 34 of the interim condensed consolidated financial statements.

## 8. Related party transactions:

- (a) Loans and other advances to members of the Board of Directors and key management personnel: €3.646 thousand for the Group and the Company.
- (b) Loans and other advances to other connected persons: €740 thousand for the Group and €973.923 thousand for the Company.
- (c) Contingent liabilities and commitments (mainly documentary credits, guarantees and commitments to lend): €827 thousand for the Group and the Company.
- (d) Deposits by members of the Board of Directors and key management personnel: €15.425 thousand for the Group and the Company.
- (e) Deposits by other connected persons: €11.799 thousand for the Group and €672.469 thousand for the Company.
- (f) Interest income: €110 thousand for the Group and €22.834 thousand for the Company.
- (g) Interest expense: €321 thousand for the Group and €6.252 thousand for the Company.
- (h) Remuneration and other transactions of members of the Board of Directors, key management personnel and connected persons: €3.107 thousand for the Group and €2.742 thousand for the Company.

## 9. Other information

The total capital expenditure of the Group for the nine months ended 30 September 2014 amounted to €16.377 thousand.

As at 30 September 2014 and 26 November 2014 9,62%, 5,46%, 5,23% and 5,02% of the share capital of the Company was held by Cyprus Popular Bank Public Co Ltd, Renova Group, TD Asset Management and European Bank for Reconstruction and Development respectively.

## 10. Events after the reporting date

### ECB Comprehensive Assessment

Following the share capital increase of €1 billion in September 2014, the Group passed the 2014 ECB Comprehensive Assessment run prior to the inception of the Single Supervisory Mechanism in November 2014. The Comprehensive Assessment was conducted by the ECB in cooperation with the CBC and it comprised of two pillars, an Asset Quality Review (AQR) and a stress test.

The Comprehensive Assessment was based on a capital benchmark of 8% CET1 ratio, including transitional arrangements of CRR/CRD IV, for both the AQR and the Baseline stress test scenario. For the purposes of the EU-wide stress test, the minimum ratios applied across all participating banks were set at 8% CET1 ratio for the baseline scenario and 5,5% CET1 ratio for the adverse scenario.

As a result of the application of the AQR and the stress test, the AQR Adjusted CET1 ratio (based on transitional arrangements as of 1.1.2014) of the Group was estimated at 7,28%, the Adjusted CET1 ratio after the Baseline Scenario was estimated at 7,73% and the Adjusted CET1 ratio after the Adverse Scenario was estimated at 1,51%. Based on these estimated capital ratios, the theoretical Aggregated Capital Shortfall of the Comprehensive Assessment was estimated at €919 million. Taking into account the successful capital increase of €1 billion completed on 18 September 2014, the theoretical shortfall is covered leading to a capital surplus of €81 million and, therefore, the Group is not obliged to proceed with any capital enhancing actions. As such, adjusting the above mentioned ratios for the capital increase, the AQR Adjusted CET1 ratio (based on transitional arrangements as of 1.1.2014) rises to 11,53%, the Adjusted CET1 ratio after the Baseline Scenario rises to 11,62% and the Adjusted CET1 ratio after the Adverse Scenario rises to 5,85%.

The total AQR adjustments as at 31 December 2013 amounted to €731 million, of which €277 million related to specific provisions and €454 million related to collective provisions. These adjustments had a negative impact on the prudential Common Equity Tier 1 (CET1) ratio of the Company. The Company considers that the AQR adjustments calculated as part of the Comprehensive Assessment in no way indicate that the Company was not in compliance with International Financial Reporting Standards. Moreover, it is noted that the Company has not been made aware, in the context of the AQR, of any accounting errors or of any of its accounting policies not being in compliance with International Financial Reporting Standards.

## **10. Events after the reporting date (continued)**

### **ECB Comprehensive Assessment (continued)**

Following the Comprehensive Assessment, which was fundamentally a prudential exercise, the SSM has requested the Group to review certain of its accounting estimates relating to provisions in light of the higher degree of conservatism applied in the AQR. If required, any such changes in estimates would be reflected in the Group's financial statements for year 2014. Further, while the AQR and stress test did not show a capital shortfall for the Group after giving effect to the Capital Raising, in connection with the AQR, the SSM has requested the Company to review certain of its accounting estimates, such those relating to provisions, on a prospective basis. This may adversely affect the Company's capital position and the financial results of the Company going forward.

### **Resolutions of Annual General Meeting**

The shareholders at the Annual General Meeting (AGM) held on 20 November 2014 considered and approved all the special resolutions included in the Notice convening the AGM for the amendment of the Company's Articles of Association.

Following the AGM, the Board of Directors convened a meeting in which Dr. Josef Ackermann was elected as Chairman and Messrs Wilbur Ross and Vladimir Strzhalkovskiy were elected as Vice-Chairmen.

The composition of the Board of Directors, following the above, is as follows: Dr. Josef Ackermann (Chairman), Mr. Wilbur Ross (Vice Chairman), Mr. Vladimir Strzhalkovskiy (Vice Chairman), Mr. Arne Berggren, Mr. Maxim Goldman, Mr. John Patrick Hourican, Mr. Marios Kalochoritis, Dr. Christodoulos Patsalides, Mr. Michalis Spanos, Mr. Ioannis Zographakis.

### **Agreement for the sale of a loan portfolio in the UK**

On 31 October 2014 the Company completed the sale of a UK loan portfolio owned by the Group and largely composed of residential and commercial real estate-backed facilities (the 'Loan Portfolio') to Mars Capital Finance Limited, which is a mortgage lender and administrator, regulated by the Financial Conduct Authority of the UK, and to Camael Mortgages Limited, which were selected as the successful bidders through a competitive process. The nominal value of the Loan Portfolio, as at the cut-off date for this transaction was £289 million.

The Loan Portfolio is not related to the Group's wholly-owned subsidiary, Bank of Cyprus UK Ltd, but is part of the wider UK loan portfolio transferred to the Group following the acquisition of certain operations of Laiki Bank in March 2013, pursuant to the relevant decrees issued by the Central Bank of Cyprus.

The transaction enhanced the Group's liquidity, with a small positive impact on the Group's Common Equity Tier 1 capital due to the release of risk weighted assets.

### **Change in terms of issue of Guaranteed Bonds**

In November 2014, the maturity of the Bonds Guaranteed by the Cyprus Government of nominal value €1 billion was extended from November 2014 to November 2017.

### **Aphrodite Hills acquisition**

As part of the Company's management of its large exposures, in November 2014, the Company acquired through its 100% subsidiary, Iperi Properties Ltd, 75% shareholding of the below companies, from RREEF G.O. II Malta Limited:

- Aphrodite Holdings Limited, a private limited liability company incorporated and registered under the laws of Malta and
- Aphrodite Hills (Lakkos tou Frangou) Limited, a private limited liability company incorporated and registered under the laws of Cyprus.

The acquisition has been approved by the Commission for the Protection of Competition of Cyprus. The subsidiaries have been acquired with a view to sale in the foreseeable future.

## **10. Events after the reporting date (continued)**

### **Listing of shares and lifting of the trading suspension**

The Company has issued a prospectus with respect to the Retail Offer and the applications for the listing and trading of its issued unlisted ordinary shares and the shares arising from the Retail Offer on the Cyprus Stock Exchange (CSE) and the Athens Exchange (ATHEX).

Also, following the issue of the prospectus and the provision of the relevant information to the investors, the Company anticipates that the Cyprus Securities and Exchange Commission will proceed to the lifting of the trading suspension on the ordinary shares of the Company already listed on the CSE and the ATHEX.

Subject to the regulatory approvals, these are expected to occur in December 2014.

### **Application for admission and listing on CSE and ATHEX of issued unlisted shares**

The Company expects to file the application for admission to listing and trading on the CSE and ATHEX of the issued, unlisted shares of the Company, which comprise:

- 3.873.269.066 ordinary shares issued to bailed in holders of uninsured deposits and other products of the Company in accordance with the Bail-in Decrees;
- 5.781.443 ordinary shares issued to bailed in holders of subordinated debt securities of the Company in accordance with the Bail-in Decrees;
- 858.708.764 ordinary shares issued to Laiki Bank pursuant to the Laiki Transfer Decrees; and
- 4.166.666.667 new ordinary shares issued pursuant to the Placing and Open Offer. The Placing and Open Offer constitute phases 1 and 2 of the Company's share capital increase which was approved at the Extraordinary General Meeting held on 28 August 2014.

The listing of the above issued unlisted ordinary shares is expected to take place on or around 16 December 2014, following the commencement of the registration for the Retail Offer, which is expected to take place on 15 December 2014.

### **Retail offer**

The Retail Offer comprises the third and final phase of the Share Capital Increase which, if subscribed in full, will result in the Company raising gross proceeds of €100 million and account for 4,46% of the enlarged share capital of the Company following the completion of the Retail Offer.

Subject to the terms and conditions set out in the prospectus, each qualifying shareholder is being invited to subscribe for up to a maximum of 416,666,667 Retail Shares at the subscription price of €0,24 per Retail Share.

The record date for the purposes of the Retail Offer is 21 November 2014. The Retail Shares will be fully fungible and rank pari passu with each other and with all other ordinary shares. Qualifying shareholders must submit their application forms within the subscription period commencing on 15 December 2014 up to 9 January 2015. Assuming there are Retail Shares which are validly subscribed under the Retail Offer, the Company expects to file the Retail Shares Application with the CSE and ATHEX on or around 14 January 2015. It is expected that any admission of the Retail Shares to listing and trading on the CSE and ATHEX will become effective, and that dealings in the Retail Shares will commence, on or about 28 January 2015.