

## Financial Information for the Period from 1 January 2012 to 31 March 2012

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 31 March 2012 by the Board of Directors: 10 May 2012.

BANK OF CYPRUS GROUP

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

for the three months ended 31 March 2012

	Three months ended 31 March	
	2012	2011 (restated)
	€000	€000
Net interest income	294.995	275.647
Net fee and commission income	55.505	55.971
Foreign exchange income/(loss)	5.350	(3.792)
Net gains on financial instrument transactions and disposal of subsidiaries	4.974	9.195
Insurance income net of insurance claims	16.068	16.919
Other income	1.460	2.540
	<b>378.352</b>	356.480
Staff costs	(92.862)	(112.349)
Other operating expenses	(66.193)	(69.274)
<b>Profit before provisions for impairment of loans and advances and the impairment of Greek Government Bonds (GGBs)</b>	<b>219.297</b>	174.857
Provisions for impairment of loans and advances	(100.129)	(78.707)
<b>Profit before impairment of GGBs</b>	<b>119.168</b>	96.150
Impairment of GGBs and change in fair value of related hedging derivatives	(34.265)	-
<b>Profit before share of profit of associates</b>	<b>84.903</b>	96.150
Share of profit/(loss) of associates	77	(36)
<b>Profit before tax</b>	<b>84.980</b>	96.114
Taxation	209.608	(21.621)
<b>Profit after tax</b>	<b>294.588</b>	74.493
Attributable to:		
Non-controlling interests ((loss)/profit)	(820)	451
<b>Owners of the Company</b>	<b>295.408</b>	74.042
<b>Basic earnings per share (€)</b>	<b>0,2963</b>	0,0828
<b>Basic earnings per share excluding the impairment of GGBs (€)</b>	<b>0,0990</b>	0,0828
<b>Profit after tax</b>	<b>294.588</b>	74.493
Other comprehensive income after tax	58.265	30.974
<b>Total comprehensive income for the period</b>	<b>352.853</b>	105.467
Attributable to:		
Non-controlling interests	2.001	1.060
<b>Owners of the Company</b>	<b>350.852</b>	104.407

BANK OF CYPRUS GROUP

Extracts from the Interim Consolidated Balance Sheet

as at 31 March 2012

		31 March 2012	31 December 2011 (restated)
	Notes	€000	€000
<b>Assets</b>			
Cash and balances with central banks		1.574.582	1.375.047
Placements with banks		3.857.291	2.627.831
Reverse repurchase agreements		166.060	215.936
Investments	3	2.497.718	2.629.124
Investments pledged as collateral	3	931.627	938.070
Derivative financial assets		91.369	193.734
Loans and advances to customers		27.210.831	27.366.917
Life insurance business assets attributable to policyholders		518.411	504.579
Property and equipment		476.960	473.188
Intangible assets		492.406	472.510
Other assets		834.857	674.439
Investments in associates		2.897	2.820
<b>Total assets</b>		<b>38.655.009</b>	<b>37.474.195</b>
<b>Liabilities</b>			
Obligations to central banks and amounts due to banks		4.404.522	3.065.756
Repurchase agreements		839.347	785.993
Derivative financial liabilities		276.530	488.111
Customer deposits		29.186.556	29.654.498
Insurance liabilities		625.384	611.264
Debt securities in issue		36.569	49.791
Other liabilities	4	302.363	347.697
Subordinated loan stock		129.590	128.380
<b>Total liabilities</b>		<b>35.800.861</b>	<b>35.131.490</b>
<b>Equity</b>			
Share capital		1.795.141	899.528
Share premium		861.160	1.164.903
Convertible Enhanced Capital Securities		428.576	862.233
Revaluation and other reserves		59.308	2.585
Accumulated losses		(376.482)	(670.988)
<b>Equity attributable to owners of the Company</b>		<b>2.767.703</b>	<b>2.258.261</b>
Non-controlling interests		86.445	84.444
<b>Total equity</b>		<b>2.854.148</b>	<b>2.342.705</b>
<b>Total liabilities and equity</b>		<b>38.655.009</b>	<b>37.474.195</b>

## BANK OF CYPRUS GROUP

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

for the three months ended 31 March 2012

	Three months ended 31 March	
	2012	2011 (restated)
	€000	€000
<b>Total equity at 1 January</b>	<b>2.429.079</b>	2.828.349
Change of accounting policy	<b>(86.374)</b>	(97.347)
<b>Total equity at 1 January (restated)</b>	<b>2.342.705</b>	2.731.002
Total comprehensive income for the period	<b>352.853</b>	105.467
Disposal of shares of the Company by subsidiaries and associates	<b>554</b>	510
Purchase of shares of the Company by subsidiaries and associates	<b>(1.647)</b>	(824)
Cost of share-based payments	-	2.544
Issue of bonus shares	<b>159.683</b>	-
<b>Total equity at 31 March</b>	<b>2.854.148</b>	2.838.699

BANK OF CYPRUS GROUP  
 Extracts from the Interim Consolidated Statement of  
 Comprehensive Income  
 for the three months ended 31 March 2012

	Three months ended 31 March	
	2012	2011 (restated)
	€000	€000
<b>Profit after tax</b>	<b>294.588</b>	74.493
Foreign currency translation reserve	<b>17.665</b>	2.626
Available-for-sale investments	<b>40.600</b>	28.882
Cash flow hedges	-	(536)
Property revaluation	-	2
<b>Total comprehensive income for the period</b>	<b>352.853</b>	105.467

BANK OF CYPRUS GROUP  
 Extracts from the Interim Consolidated Statement of Cash Flows  
 for the three months ended 31 March 2012

	Three months ended 31 March	
	2012	2011 (restated)
	€000	€000
<b>Net cash flow from/(used in) operating activities</b>	<b>1.382.004</b>	(392.626)
<b>Net cash flow from/(used in) investing activities</b>	<b>287.983</b>	(225.359)
<b>Net cash flow from/(used in) financing activities</b>	<b>143.138</b>	(25.797)
<b>Net increase/(decrease) in cash and cash equivalents for the period</b>	<b>1.813.125</b>	(643.782)
Exchange adjustments	<b>714</b>	25.442
<b>Total cash inflow/(outflow) for the period</b>	<b>1.813.839</b>	(618.340)
Cash and cash equivalents at 1 January	<b>3.189.218</b>	6.339.767
<b>Cash and cash equivalents at 31 March</b>	<b>5.003.057</b>	5.721.427

BANK OF CYPRUS PUBLIC COMPANY LTD  
Extracts from the Interim Income Statement  
and Statement of Comprehensive Income  
for the three months ended 31 March 2012

	<b>Three months ended 31 March</b>	
	<b>2012</b>	2011 (restated)
	<b>€000</b>	€000
Net interest income	<b>260.148</b>	231.858
Net fee and commission income	<b>46.497</b>	45.534
Foreign exchange gains/(loss)	<b>1.893</b>	(5.482)
Net gains on financial instrument transactions and disposal of subsidiaries	<b>4.286</b>	8.935
Other income	<b>958</b>	1.491
	<b>313.782</b>	282.336
Staff costs	<b>(69.268)</b>	(85.396)
Other operating expenses	<b>(46.304)</b>	(47.310)
<b>Profit before provisions for impairment of loans and advances and the impairment of Greek Government Bonds (GGBs)</b>	<b>198.210</b>	149.630
Provisions for impairment of loans and advances	<b>(92.259)</b>	(68.838)
<b>Profit before impairment of GGBs</b>	<b>105.951</b>	80.792
Impairment of GGBs and change in fair value of related hedging derivatives	<b>(34.265)</b>	-
<b>Profit before tax</b>	<b>71.686</b>	80.792
Taxation	<b>211.918</b>	(18.644)
<b>Profit after tax</b>	<b>283.604</b>	62.148
<b>Basic earnings per share (€)</b>	<b>0,2841</b>	0,0694
<b>Basic earnings per share excluding the impairment of GGBs (€)</b>	<b>0,0871</b>	0,0694
<b>Profit after tax</b>	<b>283.604</b>	62.148
Other comprehensive income after tax	<b>66.609</b>	43.408
<b>Total comprehensive income for the period</b>	<b>350.213</b>	105.556

BANK OF CYPRUS PUBLIC COMPANY LTD  
 Extracts from the Interim Balance Sheet  
 as at 31 March 2012

		<b>31 March 2012</b>	31 December 2011 (restated)
	Notes	€000	€000
<b>Assets</b>			
Cash and balances with central banks		<b>1.444.270</b>	1.242.705
Placements with banks		<b>3.684.239</b>	2.425.778
Reverse repurchase agreements		<b>166.060</b>	215.936
Investments	3	<b>2.437.939</b>	2.566.223
Investments pledged as collateral	3	<b>931.627</b>	938.070
Derivative financial assets		<b>91.369</b>	193.734
Loans and advances to customers		<b>23.926.933</b>	24.145.674
Bank accounts of Group Companies		<b>3.190.870</b>	3.321.270
Investments in Group Companies and joint ventures		<b>978.711</b>	938.567
Investments in associates		<b>7.799</b>	7.722
Property and equipment		<b>320.278</b>	322.226
Intangible assets		<b>18.038</b>	18.266
Other assets		<b>468.407</b>	314.930
<b>Total assets</b>		<b>37.666.540</b>	36.651.101
<b>Liabilities</b>			
Obligations to central banks and amounts due to banks		<b>4.334.995</b>	2.999.470
Repurchase agreements		<b>839.347</b>	785.993
Derivative financial liabilities		<b>276.521</b>	488.102
Customer deposits		<b>27.699.815</b>	28.223.101
Bank accounts of Group Companies		<b>1.393.914</b>	1.503.851
Debt securities in issue		<b>20.465</b>	20.319
Other liabilities	4	<b>211.463</b>	251.509
Subordinated loan stock		<b>122.820</b>	121.452
<b>Total liabilities</b>		<b>34.899.340</b>	34.393.797
<b>Equity</b>			
Share capital		<b>1.795.141</b>	899.528
Share premium		<b>861.160</b>	1.164.903
Convertible Enhanced Capital Securities		<b>428.576</b>	862.233
Revaluation and other reserves		<b>112.763</b>	46.155
Accumulated losses		<b>(430.440)</b>	(715.515)
<b>Total equity</b>		<b>2.767.200</b>	2.257.304
<b>Total liabilities and equity</b>		<b>37.666.540</b>	36.651.101

BANK OF CYPRUS PUBLIC COMPANY LTD  
 Extracts from the Interim Statement of Changes in Equity  
 for the three months ended 31 March 2012

---

	<b>Three months ended 31 March</b>	
	<b>2012</b>	2011 (restated)
	<b>€000</b>	€000
<b>Total equity at 1 January</b>	<b>2.343.458</b>	2.837.678
Change of accounting policy	<b>(86.154)</b>	(92.517)
<b>Total equity at 1 January (restated)</b>	<b>2.257.304</b>	2.745.161
Total comprehensive income for the period	<b>350.213</b>	105.556
Purchase of shares of the Company by subsidiaries and associates	-	(824)
Cost of share-based payments	-	2.394
Issue of bonus shares	<b>159.683</b>	-
<b>Total equity at 31 March</b>	<b>2.767.200</b>	2.852.287



BANK OF CYPRUS PUBLIC COMPANY LTD  
 Extracts from the Interim Statement of Comprehensive Income  
 for the three months ended 31 March 2012

	<b>Three months ended 31 March</b>	
	<b>2012</b>	2011 (restated)
	<b>€000</b>	€000
<b>Profit after tax</b>	<b>283.604</b>	62.148
Foreign currency translation reserve	<b>1.180</b>	1.095
Available-for-sale investments	<b>40.410</b>	29.174
Investments in Group Companies	<b>25.019</b>	13.440
Cash flow hedges	-	(301)
<b>Total comprehensive income for the period</b>	<b>350.213</b>	105.556

BANK OF CYPRUS PUBLIC COMPANY LTD  
 Extracts from the Interim Statement of Cash Flows  
 for the three months ended 31 March 2012

	<b>Three months ended 31 March</b>	
	<b>2012</b>	2011 (restated)
	<b>€000</b>	€000
<b>Net cash flow from/(used in) operating activities</b>	<b>1.463.403</b>	(245.651)
<b>Net cash flow from/(used in) investing activities</b>	<b>268.874</b>	(225.529)
<b>Net cash flow from/(used in) in financing activities</b>	<b>158.087</b>	(16.599)
<b>Net increase/(decrease) in cash and cash equivalents for the period</b>	<b>1.890.364</b>	(487.779)
Exchange adjustments	<b>(14.347)</b>	25.458
<b>Total cash inflow/(outflow) for the period</b>	<b>1.876.017</b>	(462.321)
Cash and cash equivalents at 1 January	<b>2.899.119</b>	5.758.237
<b>Cash and cash equivalents at 31 March</b>	<b>4.775.136</b>	5.295.916

1. The Interim Condensed Consolidated Financial Statements for the three months ended 31 March 2012 have been prepared in accordance with the International Financial Reporting Standard IAS 34 'Interim Financial Reporting' as adopted by the European Union.
2. The accounting policies adopted for the preparation of the Interim Condensed Consolidated Financial Statements for the three months ended 31 March 2012 are consistent with those followed for the preparation of the annual financial statements for the year ended 31 December 2011, except for the change in accounting policy as of 1 January 2012 in respect of the recognition of actuarial gains or losses on the defined benefit pension plans, as explained below. In addition, the Group has adopted the following new standards, amendments and interpretations, which did not have any material impact on the Group's Interim Condensed Consolidated Financial Statements:
  - IAS 12 'Income Taxes' (amended) – Recovery of Underlying Assets
  - IFRS 7 'Financial Instruments: Disclosures' (amended) - Enhanced Derecognition Disclosure Requirements
  - IFRS 1 'Severe Hyperinflation and Removal of Fixed Dates for First-Time Adopters' (amended)

#### **Change in accounting policy regarding employee retirement benefits**

The Group has assessed its accounting policy with regard to IAS 19 'Employee Benefits' and the recognition of actuarial gains or losses arising from the defined benefit plans. The Group had previously recognised these gains or losses as income or expense if the net cumulative unrecognised actuarial gains and losses at the end of the previous reporting period exceeded the greater of 10% of the present value of the defined benefit obligations of the plan or 10% of the fair value of plan assets as at that date. As a consequence, the balance sheet did not reflect a significant part of the net actuarial assets and liabilities.

As of 1 January 2012, the Group having assessed its accounting policy followed, decided to change it. According to the new accounting policy, actuarial gains or losses are recognised in full in the period in which they occur, in the consolidated statement of comprehensive income.

The aforementioned change in accounting policy has been applied retrospectively in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors', resulting in the restatement of financial information for prior periods. As a result, the Group's profit after tax for the three months ended 31 March 2011 was increased by €2.858 thousand and amount to €74.493 thousand (previously €71.635 thousand) and for the year 2011 it was increased by €11.431 thousand and amounted to a loss of €1.366.413 thousand (previously loss of €1.377.844 thousand). The impact on the Group's equity as at 31 March 2011 was a reduction of €94.489 thousand (from €2.933.188 thousand to €2.838.699 thousand) and on 31 December 2011 a reduction of €86.374 thousand (from €2.429.079 thousand to €2.342.705 thousand).

More information for the change in the accounting policy is set out in Note 4 of the Interim Condensed Financial Statements.

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

	<b>31 March 2012</b>	31 December 2011
<b>Group</b>	<b>€000</b>	€000
<b>Investments</b>		
Investments at fair value through profit or loss	<b>25.543</b>	26.345
Investments available-for-sale	<b>391.464</b>	534.803
Investments held-to-maturity	<b>1.214.082</b>	1.055.406
Investments classified as loans and receivables	<b>866.629</b>	1.012.570
	<b>2.497.718</b>	2.629.124
<b>Investments pledged as collateral</b>		
Investments at fair value through profit or loss	<b>15.773</b>	26.544
Investments available-for-sale	<b>727.959</b>	718.719
Investments held-to-maturity	<b>148.683</b>	148.698
Investments classified as loans and receivables	<b>39.212</b>	44.109
	<b>931.627</b>	938.070
	<b>3.429.345</b>	3.567.194

	<b>31 March 2012</b>	31 December 2011
<b>Company</b>	<b>€000</b>	€000
<b>Investments</b>		
Investments at fair value through profit or loss	<b>18.224</b>	18.655
Investments available-for-sale	<b>346.758</b>	485.929
Investments held-to-maturity	<b>1.207.509</b>	1.049.069
Investments classified as loans and receivables	<b>865.448</b>	1.012.570
	<b>2.437.939</b>	2.566.223
<b>Investments pledged as collateral</b>		
Investments at fair value through profit or loss	<b>15.773</b>	26.544
Investments available-for-sale	<b>727.959</b>	718.719
Investments held-to-maturity	<b>148.683</b>	148.698
Investments classified as loans and receivables	<b>39.212</b>	44.109
	<b>931.627</b>	938.070
	<b>3.369.566</b>	3.504.293

4. Other liabilities at 31 March 2012 include provisions for pending litigation or claims of €3.618 thousand for the Group and €3.228 thousand for the Company and other provisions of €17.661 thousand for the Group and €16.697 thousand for the Company. There are no other significant pending litigation, claims or assessments against the Group or the Company, the outcome of which would have a material effect on the Group's or Company's financial position or operations.
5. The number of persons employed by the Group at 31 March 2012 was 11.175 (31 March 2011: 11.892) and by the Company was 6.462 (31 March 2011: 6.579).
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 31 March 2012 was 19.750 thousand and their cost of acquisition was €26.013 thousand.
7. The Group subsidiaries, branches, associates and joint venture as at 31 March 2012 and the method of consolidation used are set out in Note 24 of Consolidated Financial Statements.
8. The payment of the final dividend for 2010 of €0,03 per share amounting to €26.848 thousand, was approved at the Annual General Meeting of shareholders on 24 May 2011 and was paid to shareholders on 16 June 2011.

## 9. Related party transactions:

- (a) Loans and other advances to members of the Board of Directors and key management personnel: €7.542 thousand for the Group and the Company.
- (b) Loans and other advances to other connected persons: €322.699 thousand for the Group and €3.513.569 thousand for the Company.
- (c) Contingent liabilities and commitments (mainly documentary credits, guarantees and commitments to lend): €68.779 thousand for the Group and the Company.
- (d) Deposits by members of the Board of Directors and key management personnel: €60.418 thousand for the Group and the Company.
- (e) Deposits by other connected persons: €37.784 thousand for the Group and €1.431.698 thousand for the Company.
- (f) Income (mainly interest income): €3.790 thousand for the Group and €30.662 thousand for the Company.
- (g) Expense (mainly interest expense): €989 thousand for the Group and €7.295 thousand for the Company.
- (h) Remuneration and other transactions of members of the Board of Directors, key management personnel and connected persons: €1.273 thousand for the Group and €1.181 thousand for the Company.
- (i) Debt securities in issue, subordinated loan stock and CECS to members of the Board of Directors and key management personnel: nil for the Group and the Company.
- (j) Debt securities in issue, subordinated loan stock and CECS to other connected persons: €409 thousand for the Group and the Company.

## 10. Other information

- The total capital expenditure of the Group for the three months ended 31 March 2012 amounts to €8.920 thousand (corresponding period of 2011: €8.381 thousand).
- The Group's provision for pending litigation or claims at 31 March 2012 is set out in Note 14. 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.
- In September 2009, an action was filed against the Company in Cyprus by the Trustees of the AremisSoft Corporation Liquidating Trust, their main claim being that the Company, in breach of its obligations to AremisSoft, permitted the principal owner of AremisSoft to execute transactions leading to the appropriation by him of significant sums belonging to AremisSoft. This action is similar to an action filed in New York in 2006, which was dismissed. In the detailed statement of claim filed in October 2010 the Trustees, on behalf of the investors of AremisSoft, claim the amount of approximately USD 550 million (€412 million) plus interest and costs, in damages, which according to their allegations, have resulted from, inter alia, an alleged conspiracy between the Company and two of the major shareholders of AremisSoft, alleged fraudulent transactions through bank accounts held with the Company in Cyprus and the United Kingdom, alleged breach of contract and alleged negligence. The Group does not expect to have any material financial impact as a result of this action.