

FINANCIAL INFORMATION

FOR THE PERIOD FROM 1 JANUARY 2011 TO

30 SEPTEMBER 2011

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' review report, when required. These 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 - Investor Relations/Financial Information.

Date of approval of the interim financial statements for the period ended 30 September 2011 by the Board of Directors: 29 November 2011.

Bank of Cyprus Group

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

for the nine months ended 30 September 2011

	Nine months ended 30 September	
	2011	2010
	€000	€000
Net interest income	854.478	767.556
Net fee and commission income	170.902	170.635
Foreign exchange profit	35.087	27.654
Impairment of Greek Government Bonds (GGBs)	(1.048.100)	-
Net (losses)/gains on other financial instrument transactions	(2.169)	26.792
Insurance income net of insurance claims	46.862	45.656
Other income	21.891	4.862
	78.951	1.043.155
Staff costs	(329.618)	(323.327)
Other operating expenses	(200.008)	(208.240)
(Loss)/profit before provisions	(450.675)	511.588
Provisions for impairment of loans and advances	(294.564)	(229.001)
(Loss)/profit before share of loss of associates	(745.239)	282.587
Share of loss of associates	(1.209)	(1.818)
(Loss)/profit before tax	(746.448)	280.769
Taxation	(56.423)	(36.786)
(Loss)/profit after tax	(802.871)	243.983
Attributable to:		
Non-controlling interests (loss)	(1.704)	(3.818)
Owners of the Company ((loss)/profit)	(801.167)	247.801
Basic earnings/(losses) per share (€)	(0,8947)	0,3511
(Loss)/profit after tax	(802.871)	243.983
Other comprehensive income/(expense) after tax	135.261	(226.885)
Total comprehensive (expense)/income for the period	(667.610)	17.098
Attributable to:		
Non-controlling interests (loss)	(4.575)	(2.551)
Owners of the Company ((loss)/profit)	(663.035)	19.649

Bank of Cyprus Group

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

for the three months from 1 July to 30 September 2011

	<i>Three months ended 30 September</i>	
	<i>2011</i>	<i>2010</i>
	<i>€000</i>	<i>€000</i>
Net interest income	301.706	271.391
Net fee and commission income	58.408	58.843
Foreign exchange profit	29.507	9.492
Impairment of Greek Government Bonds (GGBs)	(767.166)	-
Net (losses)/gains on other financial instrument transactions	(22.710)	7.835
Insurance income net of insurance claims	14.923	15.416
Other income	8.230	(812)
	(377.102)	362.165
Staff costs	(110.470)	(106.219)
Other operating expenses	(58.800)	(72.221)
(Loss)/profit before provisions	(546.372)	183.725
Provisions for impairment of loans and advances	(111.509)	(83.396)
(Loss)/profit before share of (loss)/profit of associates	(657.881)	100.329
Share of (loss)/profit of associates	(677)	229
(Loss)/profit before tax	(658.558)	100.558
Taxation	(31.450)	(13.959)
(Loss)/profit after tax	(690.008)	86.599
Attributable to:		
Non-controlling interests ((loss)/profit)	(1.238)	1.430
Owners of the Company ((loss)/profit)	(688.770)	85.169
Basic earnings/(losses) per share (€)	(0.7671)	0,1199
(Loss)/profit after tax	(690.008)	86.599
Other comprehensive expense after tax	(43)	(77.300)
Total comprehensive (expense)/income for the period	(690.051)	9.299
Attributable to:		
Non-controlling interests (loss)	(4.632)	(2.345)
Owners of the Company ((loss)/profit)	(685.419)	11.644

Bank of Cyprus Group
Extracts from the Interim Consolidated Balance Sheet

as at 30 September 2011

		30 September 2011	31 December 2010
	Notes	€000	€000
Assets			
Cash and balances with central banks		1.674.073	2.241.825
Placements with banks		2.920.024	5.264.628
Reverse repurchase agreements		304.238	120.166
Investments	3	2.506.607	4.307.558
Investments pledged as collateral	3	1.713.729	1.038.036
Derivative financial assets		195.387	76.278
Loans and advances to customers		28.386.320	27.725.451
Life insurance business assets attributable to policyholders		506.451	561.695
Property and equipment		415.743	418.781
Intangible assets		459.648	479.058
Other assets		485.657	400.459
Investment in associates		3.113	3.805
Total assets		39.570.990	42.637.740
Liabilities			
Obligations to central banks and amounts due to banks		2.813.703	3.706.975
Repurchase agreements		397.693	913.109
Derivative financial liabilities		380.667	240.412
Customer deposits		31.852.468	32.952.567
Insurance liabilities		600.276	658.309
Debt securities in issue		64.823	83.957
Other liabilities	4	344.792	323.120
Subordinated loan stock		128.845	930.942
Total liabilities		36.583.267	39.809.391
Equity			
Share capital		899.173	894.948
Share premium		1.164.087	1.159.819
Convertible Enhanced Capital Securities		860.405	-
Retained earnings		27.148	868.531
Revaluation and other reserves		(50.230)	(186.253)
Equity attributable to the owners of the Company		2.900.583	2.737.045
Non-controlling interests		87.140	91.304
Total equity		2.987.723	2.828.349
Total liabilities and equity		39.570.990	42.637.740

Bank of Cyprus Group
Extracts from the Interim Consolidated Statement of Changes in Equity

for the nine months ended 30 September 2011

	<i>Nine months ended 30 September</i>	
	2011	2010
	€000	€000
Total equity at 1 January	2.828.349	2.485.498
Total comprehensive income for the period	(667.610)	17.098
Disposal of shares of the Company by subsidiaries and associates	705	1.460
Purchase of shares of the Company by subsidiaries and associates	(1.634)	(58)
Cost of share-based payments	2.611	2.620
Dividend paid and reinvested	(18.463)	(30.368)
Defence contribution on deemed dividend distribution	-	(570)
Issue of Convertible Enhanced Capital Securities (CECS) less buybacks	857.081	-
Exchange of Convertible Capital Securities and Capital Securities with CECS	(13.902)	-
Change in ownership percentage of subsidiary	581	-
Conversion of convertible bonds and convertible capital securities	5	136
Total equity at 30 September	2.987.723	2.475.816

Bank of Cyprus Group
Extracts from the Interim Consolidated Statement of Comprehensive Income

for the nine months ended 30 September 2011

	<i>Nine months ended 30 September</i>	
	2011	2010
	€000	€000
(Loss)/profit after tax	(802.871)	243.983
Foreign currency translation reserve	(22.440)	25.274
Available-for-sale investments	159.112	(253.937)
Cash flow hedges	(1.502)	1.778
Property revaluation	91	-
Total comprehensive (expense)/income for the period	(667.610)	17.098

Bank of Cyprus Group

Extracts from the Interim Consolidated Statement of Comprehensive Income

for the three months from 1 July to 30 September 2011

	Three months ended 30 September	
	2011	2010
	€000	€000
(Loss)/profit after tax	(690.008)	86.599
Foreign currency translation reserve	(21.909)	(57.498)
Available-for-sale investments	22.636	(20.214)
Cash flow hedges	(770)	412
Total comprehensive (expense)/income for the period	(690.051)	9.299

Bank of Cyprus Group

Extracts from the Interim Consolidated Statement of Cash Flows

for the nine months ended 30 September 2011

	Nine months ended 30 September	
	2011	2010
	€000	€000
Net cash flow (used in)/from operating activities	(3.084.464)	762.379
Net cash flow used in investing activities	208.218	(816.235)
Net cash flow used in financing activities	(11.913)	(500.096)
Net decrease in cash and cash equivalents for the period	(2.888.159)	(553.952)
Exchange adjustments	26.839	48.329
Total cash outflow for the period	(2.861.320)	(505.623)
Cash and cash equivalents at 1 January	6.339.767	6.156.656
Cash and cash equivalents at 30 September	3.478.447	5.651.033

Bank of Cyprus Public Company Ltd
 Extracts from the Interim Income Statement and
 Statement of Comprehensive Income

for the nine months ended 30 September 2011

	<i>Nine months ended</i>	
	<i>30 September</i>	
	2011	2010
	€000	€000
Net interest income	721.629	648.449
Net fee and commission income	136.671	129.423
Foreign exchange profit	28.219	21.940
Dividends from subsidiaries	14.500	24.277
Impairment of Greek Government Bonds (GGBs)	(1.041.009)	-
Net gains on other financial instrument transactions	4.994	40.248
Other income	6.696	2.705
	(128.300)	867.042
Staff costs	(253.107)	(249.538)
Other operating expenses	(145.270)	(141.820)
(Loss)/profit before provisions	(526.677)	475.684
Provisions for impairment of loans and advances	(259.498)	(205.836)
(Loss)/profit before tax	(786.175)	269.848
Taxation	(46.362)	(24.624)
(Loss)/profit after tax	(832.537)	245.224
Basic earnings/(losses) per share (€)	(0,9282)	0,3469
(Loss)/profit after tax	(832.537)	245.224
Other comprehensive income/(expense) after tax	171.460	(251.509)
Total comprehensive expense for the period	(661.077)	(6.285)

Bank of Cyprus Public Company Ltd
Extracts from the Interim Income Statement and
Statement of Comprehensive Income

for the three months from 1 July to 30 September 2011

	Three months ended	
	30 September	
	2011	2010
	€000	€000
Net interest income	256.017	229.118
Net fee and commission income	47.059	43.122
Foreign exchange profit	26.199	7.155
Dividends from subsidiaries	14.500	316
Impairment of Greek Government Bonds (GGBs)	(760.075)	-
Net (losses)/gains on other financial instrument transactions	(23.971)	7.487
Other income	2.842	420
	(437.429)	287.618
Staff costs	(86.190)	(82.046)
Other operating expenses	(48.578)	(49.270)
(Loss)/profit before provisions	(572.197)	156.302
Provisions for impairment of loans and advances	(99.559)	(75.689)
(Loss)/profit before tax	(671.756)	80.613
Taxation	(27.550)	(10.605)
(Loss)/profit after tax	(699.306)	70.008
Basic earnings/(losses) per share (€)	(0,7797)	0,0990
(Loss)/profit after tax	(699.306)	70.008
Other comprehensive income/(expense) after tax	14.302	(57.158)
Total comprehensive (expense)/income for the period	(685.004)	12.850

Bank of Cyprus Public Company Ltd
Extracts from the Interim Balance Sheet

as at 30 September 2011

		30 September 2011	<i>31 December 2010</i>
	Notes	€000	€000
Assets			
Cash and balances with central banks		1.527.527	2.018.869
Placements with banks		2.572.734	4.762.425
Reverse repurchase agreements		304.238	120.166
Investments	3	2.437.208	4.199.830
Investments pledged as collateral	3	1.713.729	1.038.036
Derivative financial assets		195.387	75.214
Loans and advances to customers		24.240.196	23.619.514
Bank accounts of Group Companies		3.294.197	4.400.993
Investments in Group Companies and joint ventures		986.589	972.000
Property and equipment		271.432	277.361
Intangible assets		17.945	17.141
Other assets		169.801	110.405
Investments in associates		7.982	9.189
Total assets		37.738.965	41.621.143
Liabilities			
Obligations to central banks and amounts due to banks		2.706.512	3.634.560
Repurchase agreements		397.693	913.109
Derivative financial liabilities		380.010	239.212
Customer deposits		29.455.175	30.828.311
Bank accounts of Group Companies		1.529.695	2.147.789
Debt securities in issue		19.638	32.698
Other liabilities	4	229.278	167.699
Subordinated loan stock		122.274	924.358
Total liabilities		34.840.275	38.887.736
Equity			
Share capital		899.173	894.948
Share premium		1.164.087	1.159.819
Convertible Enhanced Capital Securities		860.405	-
(Accumulated losses)/Retained earnings		(40.921)	826.164
Revaluation and other reserves		15.946	(147.524)
Total equity		2.898.690	2.733.407
Total liabilities and equity		37.738.965	41.621.143

Bank of Cyprus Public Company Ltd
Extracts from the Interim Statement of Changes in Equity

for the nine months ended 30 September 2011

	<i>Nine months ended 30 September</i>	
	<i>2011</i>	<i>2010</i>
	<i>€000</i>	<i>€000</i>
Total equity at 1 January	2.733.407	2.386.134
Total comprehensive expense for the period	(661.077)	(6.285)
Disposal of shares of the Company by subsidiaries and associates	(822)	-
Cost of share-based payments	2.461	2.475
Dividend paid and reinvested	(18.463)	(30.368)
Defence contribution on deemed dividend distribution	-	(570)
Issue of Convertible Enhanced Capital Securities (CECS) less buybacks	857.081	-
Conversion of Convertible Bonds and Convertible Capital Securities	5	136
Exchange of Convertible Capital Securities and Capital Securities with CECS	(13.902)	-
Total equity at 30 September	2.898.690	2.351.522

Bank of Cyprus Public Company Ltd
Extracts from the Interim Statement of Comprehensive Income

for the nine months ended 30 September 2011

	<i>Nine months ended 30 September</i>	
	<i>2011</i>	<i>2010</i>
	<i>€000</i>	<i>€000</i>
(Loss)/profit after tax	(832.537)	245.224
Foreign currency translation reserve	(608)	(12.250)
Available-for-sale investments	155.770	(243.316)
Investments in Group Companies	16.876	2.279
Cash flow hedges	(657)	1.778
Property revaluation	79	-
Total comprehensive expense for the period	(661.077)	(6.285)

Bank of Cyprus Public Company Ltd
Extracts from the Interim Statement of Comprehensive Income

for the three months from 1 July to 30 September 2011

	Three months ended 30 September	
	2011	2010
	€000	€000
(Loss)/profit after tax	(699.306)	70.008
Foreign currency translation reserve	(5.126)	(2.196)
Available-for-sale investments	22.706	(22.951)
Investments in Group Companies	(3.066)	(32.423)
Cash flow hedges	(212)	412
Total comprehensive (expense)/income for the period	(685.004)	12.850

Bank of Cyprus Public Company Ltd

Extracts from the Interim Statement of Cash Flows

for the nine months ended 30 September 2011

	Nine months ended 30 September	
	2011	2010
	€000	€000
Net cash flow (used in)/from operating activities	(3.785.675)	1.013.998
Net cash flow from/(used in) investing activities	1.148.418	(794.175)
Net cash flow used in financing activities	(5.646)	(499.190)
Net decrease in cash and cash equivalents for the period	(2.642.903)	(279.367)
Exchange adjustments	27.678	30.555
Total cash outflow for the period	(2.615.225)	(248.812)
Cash and cash equivalents at 1 January	5.758.237	5.609.211
Cash and cash equivalents at 30 September	3.143.012	5.360.399

Bank of Cyprus Group

Notes

1. The Interim Condensed Consolidated Financial Statements for the nine months ended 30 September 2011 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 nine months ended 30 September 2011 are consistent with those followed for the preparation of the annual financial statements for the year 2010, except for the adoption by the Group of the following standards, amendments and interpretations as of 1 January 2011, which did not have any material impact on the Group's financial statements:
 - Revised IAS 24 'Related Party Disclosures'
 - IAS 32 'Financial Instruments: Presentation'
 - Amendment to IFRIC 14 'Prepayments of a Minimum Funding Requirement'
 - Improvements to IFRSs (issued in May 2010)
 - IFRS 1 'First-time adoption'
 - IFRS 7 'Financial Instruments: Disclosures'
 - IAS 1 'Presentation of Financial Statements'
 - IAS 34 'Interim Financial Reporting'
 - IFRS 3 'Business Combinations'
 - IAS 27 'Consolidated and Separate Financial Statements'
 - IFRIC 13 'Customer Loyalty Programmes'
3. Investments of the Group and the Company are analysed as follows:

	30 September 2011	<i>31 December 2010</i>
Group	€000	€000
Investments		
Investments at fair value through profit or loss	29.248	174.043
Investments available-for-sale	851.734	1.549.345
Investments held-to-maturity	800.386	811.970
Investments classified as loans and receivables	825.239	1.772.200
	2.506.607	4.307.558
Investments pledged as collateral		
Investments at fair value through profit or loss	25.955	26.812
Investments available-for-sale	821.871	770.894
Investments held-to-maturity	146.431	210.880
Investments classified as loans and receivables	719.472	29.450
	1.713.729	1.038.036
	4.220.336	5.345.594

Bank of Cyprus Group Notes

	30 September 2011	<i>31 December 2010</i>
Company	€000	€000
Investments		
Investments at fair value through profit or loss	19.073	155.657
Investments available-for-sale	798.565	1.467.671
Investments held-to-maturity	794.331	804.302
Investments classified as loans and receivables	825.239	1.772.200
	2.437.208	4.199.830
Investments pledged as collateral		
Investments at fair value through profit or loss	25.955	26.812
Investments available-for-sale	821.871	770.894
Investments held-to-maturity	146.431	210.880
Investments classified as loans and receivables	719.472	29.450
	1.713.729	1.038.036
	4.150.937	5.237.866

4. Other liabilities at 30 September 2011 include provisions for pending litigation or claims of €3.372 thousand for the Group and €3.228 thousand for the Company and other provisions of €16.492 thousand for the Group and €14.852 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 30 September 2011 was 11.551 persons (30 September 2010: 11.929) and by the Company was 6.559 persons (30 September 2010: 6.576).
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 2011 was 8.230 thousand and their cost of acquisition was €30.903 thousand.
7. The Group subsidiaries, branches, associates and joint venture as at 30 September 2011 and the method of consolidation used are set out in Note 24 of the Interim Condensed Consolidated Financial Statements.

Bank of Cyprus Group

Notes

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.

In June 2010 the final dividend for year 2009 of €0,08 per share, amounting to €47.856 thousand was paid to shareholders.

9. Related party transactions:

- (a) Loans and other advances to members of the Board of Directors and key management personnel: €7.866 thousand for the Group and the Company.
- (b) Loans and other advances to other connected persons: €260.363 thousand for the Group and €3.554.560 thousand for the Company.
- (c) Contingent liabilities and commitments (mainly documentary credits, guarantees and commitments to lend): €132.628 thousand for the Group and the Company.
- (d) Deposits by members of the Board of Directors and key management personnel: €64.458 thousand for the Group and the Company.
- (e) Deposits by other connected persons: €48.558 thousand for the Group and €1.578.253 thousand for the Company.
- (f) Income (mainly interest income): €10.606 thousand for the Group and €108.560 thousand for the Company.
- (g) Expense (mainly interest expense): €3.296 thousand for the Group and €37.764 thousand for the Company.
- (h) Remuneration and other transactions of members of the Board of Directors, key management personnel and connected persons: €3.707 thousand for the Group and €3.404 thousand for the Company.
- (i) Debt securities in issue and subordinated loan stock to members of the Board of Directors and key management personnel: €22.706 thousand for the Group and the Company.
- (j) Debt securities in issue and subordinated loan stock to other connected persons: €3.034 thousand for the Group and the Company.

Bank of Cyprus Group Notes

10. On 2 November 2011 the Group examined, among other issues, the latest developments in the Eurozone, the general economic environment in the main markets in which the Group operates, the structure of the Group's capital base in light of the increased regulatory capital requirements and the potential impact on the Group from possible further impairment of the Greek Government Bonds portfolio and has decided to strengthen the Group's capital base through a Capital Strengthening Plan. The Plan includes' share capital increase through a pre-emptive rights offering to raise up to €396 million and a voluntary exchange of Convertible Enhanced Capital Securities (CECS) via the issue of up to €600 million Mandatory Convertible Notes (MCN) of nominal value €1,00 each and tender exchange offer offered exclusively to existing CECS holders.

The rights (Rights) will be issued and allocated to shareholders and to holders of eligible securities of the Company as if they were shareholders on the basis of their current conversion price into shares, in the ratio of one Right for each existing ordinary share. Every three Rights that are exercised will be converted into one new ordinary share of nominal value €1,00 (New Share) at the subscription price of €1,00 per New Share. In addition, Bonus Shares will be issued and granted as fully paid in the ratio of one Bonus Share for each New Share arising from the exercise of the Rights.

The holders of CECS may exchange their CECS with MCN of equivalent nominal value. The MCN will not bear interest and will mature eight calendar days following their date of issue. On maturity of the MCN, the Company will redeem each MCN with the issue of one fully paid New Share. In addition, Bonus Shares will be issued and granted in the ratio of one Bonus Share for every three New Shares arising from the conversion of MCN.

The Board of Directors has called an Extraordinary General Meeting to obtain the relevant approvals from shareholders including waiving of pre-emption rights by shareholders and the increase of the authorised share capital of the Company from €1.500 million to €3.000 million with the creation of 1.500 million new ordinary shares of the Company of nominal value €1,00 each.

Upon completion of the Rights Offering, the Company will issue up to 792.600 thousand New Shares (up to 396.300 thousand new ordinary shares from the exercise of Rights and up to 396.300 thousand New Shares from the subsequent issue and granting of Bonus Shares).

Upon the completion of the MCN issue in its entirety and their conversion into shares, the Company will issue up to 800 million shares (up to 600 million new ordinary shares from the conversion of MCN and up to 200 million new ordinary shares from the subsequent issue and granting of Bonus Shares).