

FINANCIAL INFORMATION

FOR THE PERIOD FROM 1 JANUARY 2011 TO

31 MARCH 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 31 March 2011 by the Board of Directors: 23 May 2011.

Bank of Cyprus Group

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

for the three months ended 31 March 2011

	Three months ended 31 March	
	2011	2010
	€000	€000
Net interest income	275.647	241.542
Net fee and commission income	55.971	52.272
Foreign exchange (losses)/profit	(3.792)	7.976
Net gains on sale, revaluation and impairment of investments, derivative financial instruments and subsidiaries	9.195	19.031
Insurance income net of insurance claims	16.919	15.072
Other income	2.540	1.776
	356.480	337.669
Staff costs	(115.207)	(107.663)
Other operating expenses	(69.274)	(64.574)
Profit before provisions	171.999	165.432
Provisions for impairment of loans and advances	(78.707)	(73.498)
Profit before share of loss of associates	93.292	91.934
Share of loss of associates	(36)	(473)
Profit before tax	93.256	91.461
Taxation	(21.621)	(12.061)
Profit after tax	71.635	79.400
Attributable to:		
Non-controlling interests ((loss)/profit)	451	(1.962)
Owners of the Company	71.184	81.362
Basic earnings per share (€)	0,0797	0,1158
Profit after tax	71.635	79.400
Other comprehensive income/(expense) after tax	30.974	(12.583)
Total comprehensive income for the period	102.609	66.817
Attributable to:		
Non-controlling interest	1.060	2.002
Owners of the Company	101.549	64.815

Bank of Cyprus Group
Extracts from the Interim Consolidated Balance Sheet

as at 31 March 2011

		31 March 2011	<i>31 December 2010</i>
	Notes	€000	€000
Assets			
Cash and balances with central banks		970.754	2.241.825
Placements with banks		5.219.948	5.264.628
Reverse repurchase agreements		120.166	120.166
Investments	3	5.542.392	5.345.594
Derivative financial assets		41.000	76.278
Loans and advances to customers		27.925.801	27.725.451
Life insurance business assets attributable to policyholders		565.036	561.695
Property and equipment		413.982	418.781
Intangible assets		482.631	479.058
Other assets		430.294	400.459
Investment in associates		4.235	3.805
Total assets		41.716.239	42.637.740
Liabilities			
Obligations to central banks and amounts due to banks		3.239.785	3.706.975
Repurchase agreements		1.041.727	913.109
Derivative financial liabilities		292.901	240.412
Customer deposits		32.194.149	32.952.567
Insurance liabilities		659.276	658.309
Debt securities in issue		69.561	83.957
Other liabilities	4	345.374	323.120
Subordinated loan stock		940.278	930.942
Total liabilities		38.783.051	39.809.391
Equity			
Share capital		894.948	894.948
Share premium		1.159.819	1.159.819
Revaluation and other reserves		(152.935)	(186.253)
Retained earnings		938.992	868.531
Equity attributable to the owners of the Company		2.840.824	2.737.045
Non-controlling interests		92.364	91.304
Total equity		2.933.188	2.828.349
Total liabilities and equity		41.716.239	42.637.740

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

for the three months ended 31 March 2011

	Three months ended 31 March	
	2011	2010
	€000	€000
Total equity at 1 January	2.828.349	2.485.498
Total comprehensive income for the period	102.609	66.817
Disposal of shares of the Company	510	249
Purchase of shares of the Company	(824)	-
Cost of share-based payments	2.544	856
Total equity at 31 March	2.933.188	2.553.420

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

for the three months ended 31 March 2011

	Three months ended 31 March	
	2011	2010
	€000	€000
Profit after tax	71.635	79.400
Foreign currency translation reserve	2.626	54.486
Available-for-sale investments	28.882	(67.744)
Cash flow hedges	(536)	679
Property revaluation	2	(4)
Total comprehensive income for the period	102.609	66.817

Bank of Cyprus Group
Extracts from the Interim Consolidated Statement of Cash Flows

for the three months ended 31 March 2011

	Three months ended 31 March	
	2011	2010
	€000	€000
Net cash flow used in operating activities	(393.372)	(420.225)
Net cash flow used in investing activities	(225.359)	(762.980)
Net cash flow used in financing activities	(25.051)	(498)
Net decrease in cash and cash equivalents for the period	(643.782)	(1.183.703)
Exchange adjustments	25.442	(2.860)
Total cash outflow for the period	(618.340)	(1.186.563)
Cash and cash equivalents at 1 January	6.339.767	6.156.656
Cash and cash equivalents at 31 March	5.721.427	4.970.093

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

for the three months ended 31 March 2011

	Three months ended 31 March	
	2011	2010
	€000	€000
Net interest income	231.858	205.520
Net fee and commission income	45.534	41.983
Foreign exchange (losses)/profit	(5.482)	5.836
Net gains on sale, revaluation and impairment of investments and derivative financial instruments	8.935	21.637
Other income	1.491	503
	282.336	275.479
Staff costs	(88.251)	(83.879)
Other operating expenses	(47.310)	(44.366)
Profit before provisions	146.775	147.234
Provisions for impairment of loans and advances	(68.838)	(66.791)
Profit before tax	77.937	80.443
Taxation	(18.644)	(8.865)
Profit after tax	59.293	71.578
Basic earnings per share (€)	0,0663	0,1017
Profit after tax	59.293	71.578
Other comprehensive income/(expense) after tax	43.408	(10.045)
Total comprehensive income for the period	102.701	61.533

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

as at 31 March 2011

		31 March 2011	<i>31 December 2010</i>
	Notes	€000	€000
Assets			
Cash and balances with central banks		784.043	2.018.869
Placements with banks		4.750.648	4.762.425
Reverse repurchase agreements		120.166	120.166
Investments	3	5.440.993	5.237.866
Derivative financial assets		40.315	75.214
Loans and advances to customers		23.841.440	23.619.514
Bank accounts of Group Companies		3.532.073	4.400.993
Investments in Group Companies		982.770	972.000
Property and equipment		274.941	277.361
Intangible assets		17.239	17.141
Other assets		117.708	110.405
Investment in associates		9.268	9.189
Total assets		39.911.604	41.621.143
Liabilities			
Obligations to central banks and amounts due to banks		3.161.025	3.634.560
Repurchase agreements		1.041.727	913.109
Derivative financial liabilities		292.106	239.212
Customer deposits		29.931.554	30.828.311
Bank accounts of Group Companies		1.510.078	2.147.789
Debt securities in issue		27.264	32.698
Other liabilities	4	176.154	167.699
Subordinated loan stock		934.018	924.358
Total liabilities		37.073.926	38.887.736
Equity			
Share capital		894.948	894.948
Share premium		1.159.819	1.159.819
Revaluation and other reserves		(104.790)	(147.524)
Retained earnings		887.701	826.164
Total equity		2.837.678	2.733.407
Total liabilities and equity		39.911.604	41.621.143

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

for the three months ended 31 March 2011

	Three months ended 31 March	
	2011	2010
	€000	€000
Total equity at 1 January	2.733.407	2.386.134
Total comprehensive income for the period	102.701	61.533
Purchase of shares of the Company	(824)	
Cost of share-based payments	2.394	811
Total equity at 31 March	2.837.678	2.448.478

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

for the three months ended 31 March 2011

	Three months ended 31 March	
	2011	2010
	€000	€000
Profit after tax	59.293	71.578
Foreign currency translation reserve	4.121	(182)
Available-for-sale investments	39.588	(10.542)
Cash flow hedges	(301)	679
Total comprehensive income for the period	102.701	61.533

Bank of Cyprus Public Company Ltd
Extracts from the Interim Statement of Cash Flows

for the three months ended 31 March 2011

	Three months ended 31 March	
	2011	2010
	€000	€000
Net cash flow used in operating activities	(245.651)	(245.611)
Net cash flow used in investing activities	(225.529)	(806.989)
Net cash flow used in financing activities	(16.599)	(37.284)
Net decrease in cash and cash equivalents for the period	(487.779)	(1.089.884)
Exchange adjustments	25.458	(29.511)
Total cash outflow for the period	(462.321)	(1.119.395)
Cash and cash equivalents at 1 January	5.758.237	5.609.211
Cash and cash equivalents at 31 March	5.295.916	4.489.816

Bank of Cyprus Group

Notes

1. The Interim Condensed Consolidated Financial Statements for the three months ended 31 March 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 three months ended 31 March 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:

	31 March 2011	31 December 2010
Group	€000	€000
Investments at fair value through profit or loss	198.872	200.855
Investments available-for-sale	2.493.905	2.320.239
Investments held-to-maturity	996.721	1.022.850
Investments classified as loans and receivables	1.852.894	1.801.650
	5.542.392	5.345.594
Company		
Investments at fair value through profit or loss	180.001	182.469
Investments available-for-sale	2.419.072	2.238.565
Investments held-to-maturity	989.026	1.015.182
Investments classified as loans and receivables	1.852.894	1.801.650
	5.440.993	5.237.866

4. Other liabilities at 31 March 2011 include provisions for pending litigation or claims of €3.288 thousand for the Group and the Company and other provisions of €14.701 thousand for the Group and €13.400 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.

Bank of Cyprus Group

Notes

5. The number of persons employed by the Group at 31 March 2011 was 11.892 persons (31 March 2010: 12.127) and by the Company was 6.579 persons (31 March 2010: 6.577).
6. The number of shares of the Company held by its subsidiaries and associates (including shares that are held by life insurance subsidiaries which hold the shares as part of financial assets that are invested for the benefit of insurance policyholders) at 31 March 2011 was 7.672 thousand and their cost of acquisition was €31.174 thousand.
7. The Group subsidiaries and branches as at 31 March 2011 and the method of consolidation used are set out in Note 17 of the Interim Condensed Consolidated Financial Statements.

Acquisition of subsidiary

On 1 April 2010, in the context of an arrangement in debt satisfaction with a customer, the Company acquired control of Gosman Properties Ltd which owns 94% of the share capital of S.C. ONT Carpati S.A., incorporated in Romania.

Disposal of subsidiary

On 9 June 2010 the Group sold 100% of the share capital of Leadbank LLC (previously LLC CB Bank of Cyprus).

Dissolution of subsidiary

On 10 December 2010, the business and the assets and liabilities of the subsidiary company Mortgage Bank of Cyprus Ltd were transferred to the Company, with a parallel dissolution without liquidation of the subsidiary.

8. On 28 February 2011, the Board of Directors decided to propose the payment of a final dividend of €0,03 per share amounting to €26.848 thousand, which will be proposed for approval at the Annual General Meeting of the shareholders on 24 May 2011. The proposed ex-dividend date will be 31 May 2011, that is buy transactions that will take place before market close of the Cyprus Stock Exchange and Athens Exchange on 30 May 2011 will be eligible to receive the dividend. The dividend will be paid on 16 June 2011.
9. Related party transactions:
 - (a) Loans and other advances to members of the Board of Directors and key management personnel: €7.447 thousand for the Group and the Company.
 - (b) Loans and other advances to other connected persons: €242.039 thousand for the Group and €3.774.112 thousand for the Company.
 - (c) Contingent liabilities and commitments (mainly documentary credits, guarantees and commitments to lend): €135.619 thousand for the Group and the Company.
 - (d) Deposits by members of the Board of Directors and key management personnel: €66.026 thousand for the Group and the Company.
 - (e) Deposits by other connected persons: €35.722 thousand for the Group and €1.545.800 thousand for the Company.

9. Related party transactions: (continued)

- (f) Income (mainly interest income): €3.125 thousand for the Group and €42.993 thousand for the Company.
- (g) Expense (mainly interest expense): €1.227 thousand for the Group and €16.072 thousand for the Company.
- (h) Remuneration and other transactions of members of the Board of Directors, key management personnel and connected persons: €1.707 thousand for the Group and €1.609 thousand for the Company.
- (i) Debt securities in issue and subordinated loan stock to members of the Board of Directors and key management personnel: €17.876 thousand for the Group and the Company.
- (j) Debt securities in issue and subordinated loan stock to other connected persons: €2.407 thousand for the Group and the Company.

10. On 4 May 2011, the Company exercised its option to call in whole, the €200 million 2011/2016 Bonds maturing in May 2016.

On 28 February 2011, the Board of Directors of the Company, decided to propose at an Extraordinary General Meeting of shareholders the issue of Convertible Enhanced Capital Securities (CECS) of up to €1.342 million. The issue of CECS was approved at the Extraordinary General Meeting held on 23 March 2011. The CECS were offered via a priority right to subscribe to the existing shareholders of the Company ('Eligible Shareholders'). Eligible Shareholders and other applicants could subscribe to the Convertible Enhanced Capital Securities issue by paying the corresponding consideration for the CECSs either in cash or in the form of 'Eligible Securities' of the Company and specifically (i) Convertible Bonds 2013/18 (ii) Convertible Capital Securities and (iii) Capital Securities 12/2007, of an equal nominal value. The holders of these securities had priority after the Eligible Shareholders and before any other applicants.

In the context of the CECS issue, the Company has received subscriptions amounting to €890 million approximately. Subscriptions totalling €696 million were in the form of exchange of Existing Eligible Securities (Convertible Bonds 2013/2018, Convertible Capital Securities and Capital Securities 12/2007). The issue date of the CECS is 18 May 2011.