

## Financial Information for the Period from 1 January 2016 to 31 March 2016

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.

Members of the Board of Directors: Josef Ackermann (Chairman), Wilbur L. Ross Jr. (Vice Chairman), Maksim Goldman (Vice Chairman), Arne Berggren, Marios Kalochoritis, Christodoulos Patsalides, Michalis Spanos, Ioannis Zographakis and John Patrick Hourican.

Date of approval of the Interim Condensed Consolidated Financial Statements for the period ended 31 March 2016 by the Board of Directors: 31 May 2016.

Independent auditors: Ernst & Young Cyprus Ltd.

Type of auditor's report: Unqualified opinion, emphasis of matter.

BANK OF CYPRUS GROUP

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

	<b>Three months ended 31 March</b>	
	<b>2016</b>	2015 (represented)
	<b>€000</b>	€000
<b>Continuing operations</b>		
Net interest income	<b>184.793</b>	226.795
Net fee and commission income	<b>35.966</b>	43.299
Net foreign exchange gains/(losses)	<b>7.429</b>	(2.248)
Net losses on financial instrument transactions	<b>(655)</b>	(1.248)
Insurance income net of claims and commissions	<b>13.593</b>	11.887
Gains/(losses) from revaluation and disposal of investment properties	<b>3.692</b>	(7.589)
(Losses)/gains on disposal of stock of property	<b>(2.422)</b>	208
Other income	<b>1.846</b>	2.684
	<b>244.242</b>	273.788
Staff costs	<b>(64.083)</b>	(59.115)
Other operating expenses	<b>(51.950)</b>	(51.148)
	<b>128.209</b>	163.525
(Loss)/gain on derecognition of loans and advances to customers and changes in expected cash flows	<b>(15.441)</b>	43.006
Provisions for impairment of loans and advances to customers and other customer credit losses	<b>(46.892)</b>	(153.445)
Impairment of other financial instruments	<b>(976)</b>	(813)
Impairment of non-financial instruments	<b>(7.003)</b>	-
<b>Profit before share of profit from associates and joint ventures</b>	<b>57.897</b>	52.273
Share of profit from associates and joint ventures	<b>801</b>	1.840
<b>Profit before tax from continuing operations</b>	<b>58.698</b>	54.113
Income tax	<b>(8.136)</b>	(7.974)
<b>Profit after tax from continuing operations</b>	<b>50.562</b>	46.139
<b>Discontinued operations</b>		
Loss after tax from discontinued operations	-	(22.493)
<b>Profit for the period</b>	<b>50.562</b>	23.646
<b>Attributable to:</b>		
Owners of the Company - continuing operations	<b>50.225</b>	46.443
Owners of the Company - discontinued operations	-	(17.919)
<b>Total profit attributable to the owners of the Company</b>	<b>50.225</b>	28.524
Non-controlling interests - continuing operations	<b>337</b>	(304)
Non-controlling interests - discontinued operations	-	(4.574)
Total profit/(loss) attributable to non-controlling interests	<b>337</b>	(4.878)
<b>Profit for the period</b>	<b>50.562</b>	23.646
<b>Basic and diluted earnings per share (€) attributable to the owners of the Company - continuing operations</b>	<b>0,0056</b>	0,0052
<b>Basic and diluted earnings per share (€) attributable to the owners of the Company</b>	<b>0,0056</b>	0,0032
<b>Profit for the period</b>	<b>50.562</b>	23.646
Other comprehensive (loss)/income after tax	<b>(3.563)</b>	2.500
<b>Total comprehensive income for the period</b>	<b>46.999</b>	26.146
<b>Attributable to:</b>		
Owners of the Company	<b>46.667</b>	35.718
Non-controlling interests	<b>332</b>	(9.572)
<b>Total comprehensive income for the period</b>	<b>46.999</b>	26.146

BANK OF CYPRUS GROUP  
Extracts from the Interim Consolidated Balance Sheet

		<b>31 March 2016</b>	31 December 2015
<b>Assets</b>	<i>Notes</i>	<b>€000</b>	€000
Cash and balances with central banks		<b>1.141.275</b>	1.422.602
Loans and advances to banks		<b>1.272.704</b>	1.314.380
Derivative financial assets		<b>3.498</b>	14.023
Investments	3	<b>520.218</b>	588.255
Investments pledged as collateral	3	<b>393.442</b>	421.032
Loans and advances to customers		<b>16.820.668</b>	17.191.632
Life insurance business assets attributable to policyholders		<b>475.885</b>	475.403
Prepayments, accrued income and other assets		<b>258.218</b>	281.780
Stock of property		<b>745.610</b>	515.858
Investment properties		<b>35.391</b>	34.628
Property and equipment		<b>263.556</b>	264.333
Intangible assets		<b>140.645</b>	133.788
Investments in associates and joint ventures		<b>108.367</b>	107.753
Deferred tax assets		<b>450.602</b>	456.531
Non-current assets and disposal group held for sale		<b>39.461</b>	48.503
<b>Total assets</b>		<b>22.669.540</b>	23.270.501
<b>Liabilities</b>			
Deposits by banks		<b>313.117</b>	242.137
Funding from central banks		<b>3.802.700</b>	4.452.850
Repurchase agreements		<b>339.091</b>	368.151
Derivative financial liabilities		<b>76.804</b>	54.399
Customer deposits		<b>14.127.589</b>	14.180.681
Insurance liabilities		<b>558.296</b>	566.925
Accruals, deferred income and other liabilities	4	<b>281.639</b>	282.831
Debt securities in issue		<b>661</b>	712
Deferred tax liabilities		<b>41.636</b>	40.807
Non-current liabilities and disposal group held for sale		<b>3.677</b>	3.677
<b>Total liabilities</b>		<b>19.545.210</b>	20.193.170
<b>Equity</b>			
Share capital		<b>892.294</b>	892.294
Share premium		<b>552.618</b>	552.618
Capital reduction reserve		<b>1.952.486</b>	1.952.486
Revaluation and other reserves		<b>263.052</b>	258.709
Accumulated losses		<b>(558.828)</b>	(601.152)
<b>Equity attributable to the owners of the Company</b>		<b>3.101.622</b>	3.054.955
<b>Non-controlling interests</b>		<b>22.708</b>	22.376
<b>Total equity</b>		<b>3.124.330</b>	3.077.331
<b>Total liabilities and equity</b>		<b>22.669.540</b>	23.270.501

## BANK OF CYPRUS GROUP

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

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	Three months ended 31 March	
	2016	2015
	€000	€000
<b>Total equity at 1 January</b>	<b>3.077.331</b>	3.481.047
Profit for the period	<b>50.562</b>	23.646
Other comprehensive (loss)/income after tax for the period	<b>(3.563)</b>	2.500
Issue of shares	-	135
Disposals of treasury shares	-	465
<b>Total equity at 31 March</b>	<b>3.124.330</b>	3.507.793

## BANK OF CYPRUS GROUP

## Extracts from the Interim Consolidated Statement of Comprehensive Income

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	Three months ended 31 March	
	2016	2015
	€000	€000
<b>Profit for the period</b>	<b>50.562</b>	23.646
Foreign currency translation reserve	<b>1.008</b>	(433)
Available-for-sale investments	<b>(870)</b>	2.933
Actuarial loss for the defined benefit plans	<b>(3.701)</b>	-
<b>Total comprehensive income for the period</b>	<b>46.999</b>	26.146

## BANK OF CYPRUS GROUP

## Extracts from the Interim Consolidated Statement of Cash Flows

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	Three months ended 31 March	
	2016	2015
	€000	€000
<b>Net cash flow from operating activities</b>	<b>242.271</b>	343.319
<b>Net cash flow from investing activities</b>	<b>93.783</b>	72.722
<b>Net cash flow used in financing activities</b>	<b>(661.929)</b>	(603.520)
<b>Net decrease in cash and cash equivalents for the period</b>	<b>(325.875)</b>	(187.479)
Foreign exchange adjustments	<b>3.816</b>	4.555
<b>Total cash outflow for the period</b>	<b>(322.059)</b>	(182.924)
Cash and cash equivalents at 1 January	<b>2.406.344</b>	2.238.601
<b>Cash and cash equivalents at 31 March</b>	<b>2.084.285</b>	2.055.677

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

	Three months ended 31 March	
	2016	2015 (represented)
	€000	€000
Net interest income	178.293	218.954
Net fee and commission income	31.506	39.650
Net foreign exchange gains/(losses)	19.487	(13.161)
Net losses on financial instrument transactions and disposal of subsidiaries	(317)	(2.111)
Gains/(losses) from revaluation and disposal of investment properties	4.134	(7.682)
Losses on disposal of stock of property	(20)	-
Other income	1.283	1.425
	234.366	237.075
Staff costs	(56.180)	(51.390)
Other operating expenses	(44.621)	(44.212)
	133.565	141.473
(Loss)/gain on derecognition of loans and advances to customers and changes in expected cash flows	(15.441)	43.006
Provisions for impairment of loans and advances to customers and other customer credit losses	(47.222)	(146.694)
Impairment of other financial instruments	(5.119)	(813)
Impairment of non-financial instruments	(4.086)	-
<b>Profit before tax</b>	<b>61.697</b>	<b>36.972</b>
Income tax	(5.900)	(7.180)
<b>Profit for the period</b>	<b>55.797</b>	<b>29.792</b>
<b>Basic and diluted earnings per share (€)</b>	<b>0,0063</b>	<b>0,0033</b>
<b>Profit for the period</b>	<b>55.797</b>	<b>29.792</b>
Other comprehensive (loss)/income after tax	(4.944)	14.734
<b>Total comprehensive income for the period</b>	<b>50.853</b>	<b>44.526</b>

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

		<b>31 March 2016</b>	31 December 2015
<b>Assets</b>	<i>Notes</i>	<b>€000</b>	€000
Cash and balances with central banks		<b>842.923</b>	1.111.354
Loans and advances to banks		<b>1.105.838</b>	1.112.337
Derivative financial assets		<b>3.494</b>	14.022
Investments	3	<b>446.978</b>	512.631
Investments pledged as collateral	3	<b>393.442</b>	421.032
Loans and advances to customers		<b>15.646.213</b>	16.005.878
Balances with Group companies		<b>910.812</b>	735.579
Prepayments, accrued income and other assets		<b>152.107</b>	167.486
Stock of property		<b>331.034</b>	276.095
Investment properties		<b>11.688</b>	11.688
Property and equipment		<b>198.782</b>	198.227
Intangible assets		<b>15.615</b>	14.773
Investments in associates and joint ventures		<b>97.293</b>	97.293
Investments in Group companies		<b>207.781</b>	207.781
Deferred tax assets		<b>450.579</b>	456.479
Non-current assets held for sale		<b>1.072</b>	9.767
<b>Total assets</b>		<b>20.815.651</b>	21.352.422
<b>Liabilities</b>			
Deposits by banks		<b>308.549</b>	237.860
Funding from central banks		<b>3.802.700</b>	4.452.850
Repurchase agreements		<b>339.091</b>	368.151
Derivative financial liabilities		<b>77.218</b>	54.408
Customer deposits		<b>12.695.682</b>	12.694.130
Balances with Group companies		<b>562.267</b>	568.486
Accruals, deferred income and other liabilities	4	<b>235.889</b>	233.084
Debt securities in issue		<b>661</b>	712
Deferred tax liabilities		<b>19.868</b>	19.868
<b>Total liabilities</b>		<b>18.041.925</b>	18.629.549
<b>Equity</b>			
Share capital		<b>892.294</b>	892.294
Share premium		<b>551.368</b>	551.368
Capital reduction reserve		<b>1.952.486</b>	1.952.486
Revaluation and other reserves		<b>74.940</b>	76.462
Accumulated losses		<b>(697.362)</b>	(749.737)
<b>Total equity</b>		<b>2.773.726</b>	2.722.873
<b>Total liabilities and equity</b>		<b>20.815.651</b>	21.352.422



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

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	Three months ended 31 March	
	2016	2015
	€000	€000
<b>Total equity at 1 January</b>	<b>2.722.873</b>	3.128.679
Profit for the period	<b>55.797</b>	29.792
Other comprehensive (loss)/income after tax for the period	<b>(4.944)</b>	14.734
Issue of shares	-	135
<b>Total equity at 31 March</b>	<b>2.773.726</b>	3.173.340

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

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	Three months ended 31 March	
	2016	2015
	€000	€000
<b>Profit for the period</b>	<b>55.797</b>	29.792
Foreign currency translation reserve	<b>(917)</b>	12.698
Available-for-sale investments	<b>(605)</b>	2.036
Actuarial loss on defined benefit plans	<b>(3.422)</b>	-
<b>Total comprehensive income for the period</b>	<b>50.853</b>	44.526

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

	Three months ended 31 March	
	2016	2015
	€000	€000
<b>Net cash flow from operating activities</b>	<b>291.849</b>	390.011
<b>Net cash flow from investing activities</b>	<b>98.239</b>	57.948
<b>Net cash flow used in financing activities</b>	<b>(661.929)</b>	(603.974)
<b>Net decrease in cash and cash equivalents for the period</b>	<b>(271.841)</b>	(156.015)
Foreign exchange adjustments	<b>(2.662)</b>	41
<b>Total cash outflow for the period</b>	<b>(274.503)</b>	(155.974)
Cash and cash equivalents at 1 January	<b>1.902.429</b>	1.486.608
<b>Cash and cash equivalents at 31 March</b>	<b>1.627.926</b>	1.330.634

1. The Interim Condensed Consolidated Financial Statements for the three months ended 31 March 2016 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 three months ended 31 March 2016 are consistent with those followed for the preparation of the annual Consolidated Financial Statements for the year ended 31 December 2015. 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 16 Property, Plant and Equipment and IAS 38 Intangible Assets (Amendment): Clarification of Acceptable Methods of Depreciation and Amortisation
  - IFRS 11 Joint arrangements: Accounting for Acquisitions of Interests in Joint Operations
  - IAS 27 Separate Financial Statements
  - IAS 1: Disclosure Initiative (Amendment)
  - Annual Improvements 2012-2014 Cycle issued by the International Accounting Standards Board (IASB) which is a collection of amendments to International Financial Reporting Standards (IFRS). These improvements are effective from 1 January 2016 and include:
    - IFRS 5 Non-current Assets Held for Sale and Discontinued Operations – Amendments
    - IFRS 7 Financial Instruments: Disclosures – Amendments
    - IAS 19 Employee Benefits – Amendments
    - IAS 34 Interim Financial Reporting – Amendments
3. Investments of the Group and the Company are analysed as follows:

	<b>31 March 2016</b>	31 December 2015
<b>Group</b>	<b>€000</b>	€000
<b>Investments</b>		
Investments at fair value through profit or loss	<b>50.125</b>	50.785
Investments available-for-sale	<b>98.814</b>	100.535
Investments classified as loans and receivables	<b>371.279</b>	436.935
	<b>520.218</b>	588.255
<b>Investments pledged as collateral</b>		
Investments available-for-sale	<b>393.442</b>	421.032
	<b>913.660</b>	1.009.287

	<b>31 March 2016</b>	31 December 2015
<b>Company</b>	<b>€000</b>	€000
<b>Investments</b>		
Investments at fair value through profit or loss	<b>19.206</b>	19.727
Investments available-for-sale	<b>56.493</b>	55.969
Investments classified as loans and receivables	<b>371.279</b>	436.935
	<b>446.978</b>	512.631
<b>Investments pledged as collateral</b>		
Investments available-for-sale	<b>393.442</b>	421.032
	<b>840.420</b>	933.663

4. Accruals, deferred income and other liabilities at 31 March 2016 include provisions for pending litigation and claims of €25.156 thousand for the Group and €24.238 thousand for the Company and other provisions of €18.387 thousand for the Group and €18.948 thousand for the Company. The Group's provision for pending litigation and claims at 31 March 2016 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 as at 31 March 2016 was 4.550 (31 March 2015: 6.715) and by the Company was 4.001 (31 March 2015: 4.030).
6. Shares of the Company held by entities controlled by the Group (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 2016 were 8.025 thousand and their cost of acquisition was €66.634 thousand.
7. The Group subsidiaries, branches, associates and joint ventures as at 31 March 2016 and the method of consolidation used are set out in Notes 31 and 33 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: €3.317 thousand for the Group and the Company.
  - (b) Loans and other advances to other connected persons: €921 thousand for the Group and €911.733 thousand for the Company.
  - (c) Contingent liabilities and commitments (mainly documentary credits, guarantees and commitments to lend): €935 thousand for the Group and the Company.
  - (d) Deposits by members of the Board of Directors and key management personnel: €3.298 thousand for the Group and the Company.
  - (e) Deposits by other connected persons: €3.123 thousand for the Group and €565.390 thousand for the Company.
  - (f) Interest income: €30 thousand for the Group and €5.702 thousand for the Company.
  - (g) Interest expense: €20 thousand for the Group and €1.327 thousand for the Company.
  - (h) Remuneration and other transactions of members of the Board of Directors, key management personnel and connected persons: €1.739 thousand for the Group and €1.458 thousand for the Company.

**9. Other information**

The total capital expenditure of the Group for the period ended 31 March 2016 amounted to €6.835 thousand.

**10. Events after the reporting date**

**10.1 Disposal of Kermia Hotels Ltd**

The Group has agreed to dispose of Kermia Hotels Ltd, for a sale consideration of €26.5 million and expected profit after tax of €1.8 million. The sale is expected to be completed following relevant regulatory approvals.

**10.2 Repayment of ELA**

In the period since 31 March 2016, the Company repaid €500 million of ELA funding.

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

**10.3 Pursue of Premium Listing on the London Stock Exchange**

The Group announced its intention to pursue a premium listing on the London Stock Exchange (LSE). The Group also intends to maintain a listing on the Cyprus Stock Exchange. The Group does not intend to maintain a listing on the Athens Exchange, as it no longer has banking operations in Greece.

The Group is currently working towards a listing in the second half of 2016, subject to relevant approvals, an assessment of various technical aspects and market conditions.