

## Group Financial Results for the year ended 31 December 2014

**2014 Overview**

**Income Statement Review**

**Balance Sheet Review**

**Key Performance Indicators**

**Key Takeaways**

**Additional Information**

**31 March 2015**

# Group Financial Results FY2014 – Key Highlights

**Common Equity Tier 1 capital (CET1) ratio at 14,0%**

**Further balance sheet deleverage by €694 mn during 4Q2014;  
Completion of sale of excess UK loan portfolio**

**Recurring profitability stabilising; Profit before provisions and impairments for 4Q2014 and for FY2014 totalled €167 mn and €745 mn, respectively**

**Completion of review of AQR results and methodological alignments and reduction of net exposure to Russia leads to non-recurring increase in provisions**

**Loss after tax for 4Q2014 totalled €337 mn, negatively affected by non-recurring items;  
Loss after tax for FY2014 totalled €261 mn**

**Stabilising deposit base; First quarterly increase in deposits in Cyprus since bail-in;  
Release of all decree deposits; ELA reduced to €6,9 bn**

**Loan portfolio quality stabilisation signs; 90+ DPD reduced by 3% during 4Q2014; imperative for legal environment to be clarified the soonest in order to effectively engage with borrowers**

**Capital position shields the Group from further shocks and helps in regaining trust of counterparties**

## 2014 Overview

### Income Statement Review

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### Additional Information

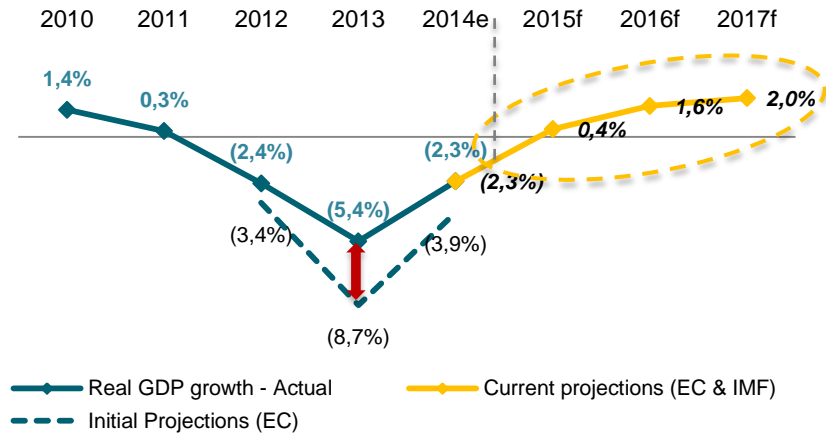
As from the fourth quarter of 2014, the Group's operations in Russia are treated as a disposal group held for sale and results have been presented accordingly as discontinued operations in accordance with IFRSs. Hence comparatives for the earlier financial quarters of 2014 and FY2013 have been re-presented.

In order to better reflect its operating results, the Group changed its presentation for impairments of assets and for gains on derecognition and changes in expected cash flows on loans acquired. Specifically, impairments of other financial and non-financial assets and gains on derecognition and changes in expected cash flows on loans acquired from Laiki Bank are presented in line with provisions for impairment of customer loans. Comparatives have been reclassified accordingly to conform with changes in the presentation of the current period.

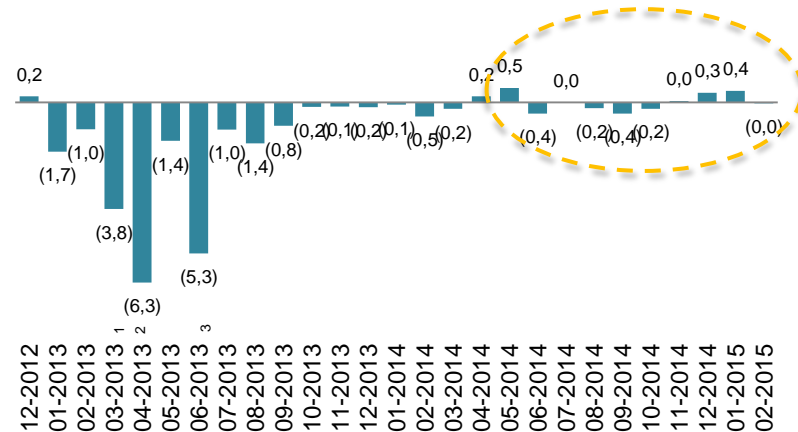
Following the Eurogroup decisions to recapitalise the Bank via a bail-in of depositors, the Bank was placed under resolution from 25 March 2013 until 30 July 2013, a period during which it was recapitalised and restructured in accordance with a number of decrees issued by the Central Bank of Cyprus in its capacity as Resolution Authority. As a result of a number of transactions relating to these decrees, figures and financial results of the Group are not comparable with past financial results.

# 2014 overview: Cyprus economy proving resilient & on recovery path

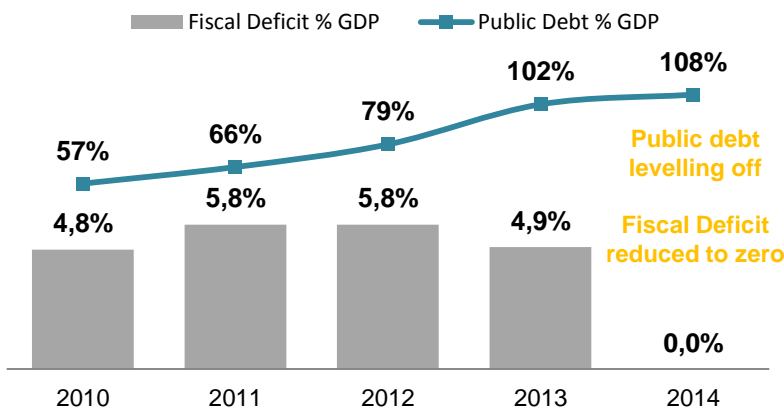
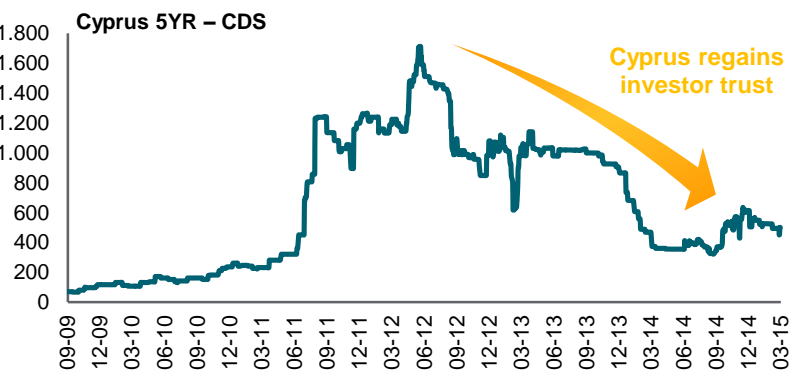
## GDP growth expected to be positive from 2015E – faster recovery than other peripheral countries



## Banking system deposits outflow arrested (€ bn)



## Improved credit outlook with significant adjustment in fiscal situation

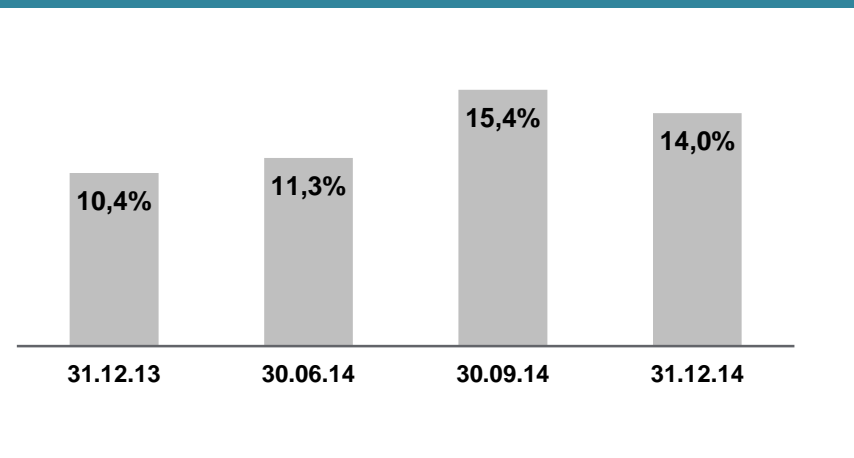


(1) Includes impact of bail-in of BoC – 37,5% of uninsured deposits (>€100k) converted to equity  
(2) Includes impact of Laiki resolution - €3,9 bn  
(3) Includes impact of bail-in of BoC – additional 10% of uninsured deposits converted to equity

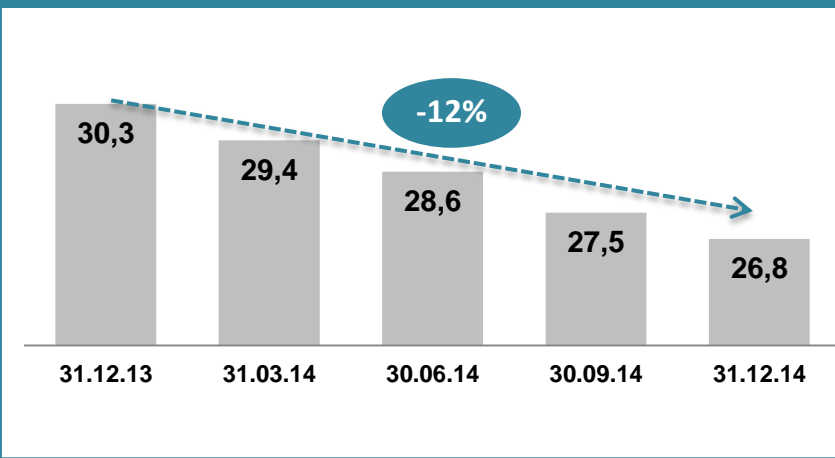
# 2014 overview: BOC Group

## Strengthened capital position – Passed 2014 ECB Comprehensive Assessment

Common Equity Tier 1 capital ratio (transitional basis)



Total Assets (€ bn)



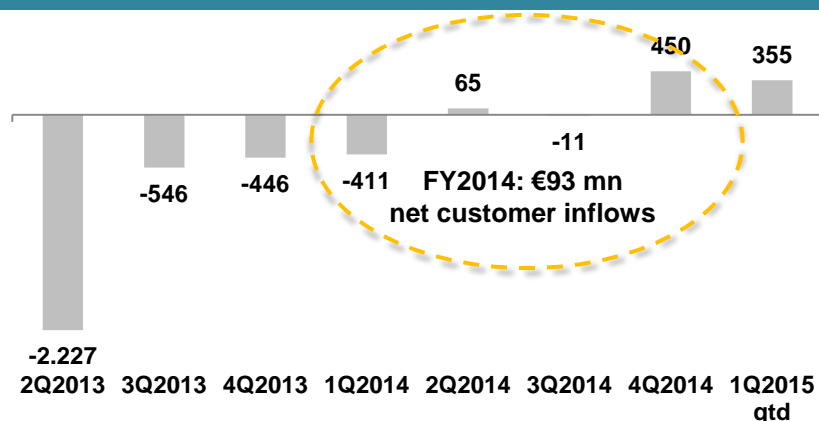
- CET1 ratio (transitional basis) at 14% at 31 December 2014, despite the increased level of provisions in 4Q2014 related to the methodological alignments and changes in certain estimates following the completion of the review of the AQR results and to the Russian operations
- Balance Sheet reduced by €3,5 bn (12%) during 2014 due to the disposal of non-core assets and the deleverage of customers
- Passed the 2014 ECB comprehensive assessment

**Capital position shields the Group from further shocks**

# 2014 overview: BOC Group

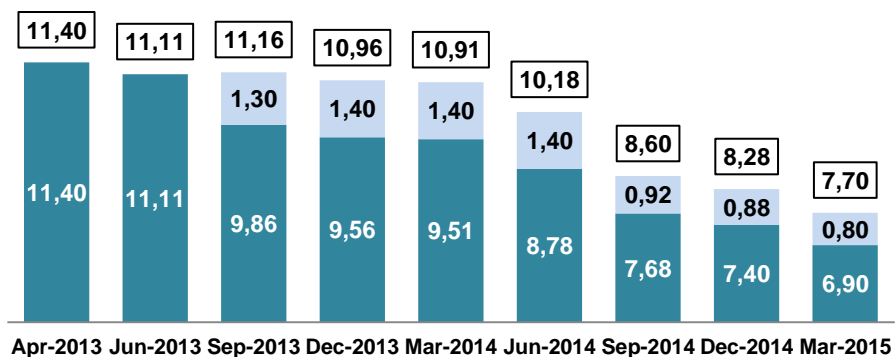
## Improved liquidity position

### Total customer flows per quarter (€ mn)



### Reduced Eurosystem funding

■ ELA funding (€ bn) ■ ECB funding (€ bn)



- Customer inflows\* in Cyprus for FY2014; Customer inflows have continued into the first quarter of 2015 despite the release of decree deposits and the full abolition of internal controls
- First quarterly increase in deposits in Cyprus during 4Q2014
- ELA funding reduced by €4,5 bn since peak in April 2013 and at the same time managing to absorb a significant reduction in customer deposits

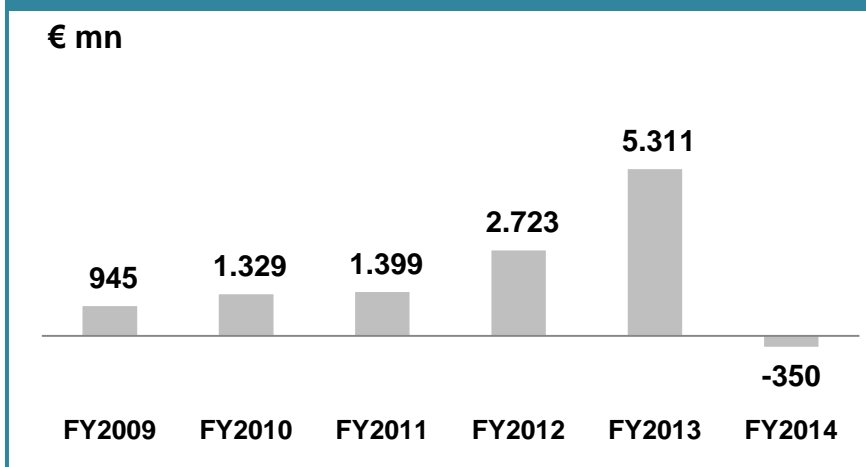
## Stabilising deposit base; Reduced Eurosystem funding

\* Customer flows are defined as the difference between changes in stock of customer deposits and changes in stock of gross customer loans.

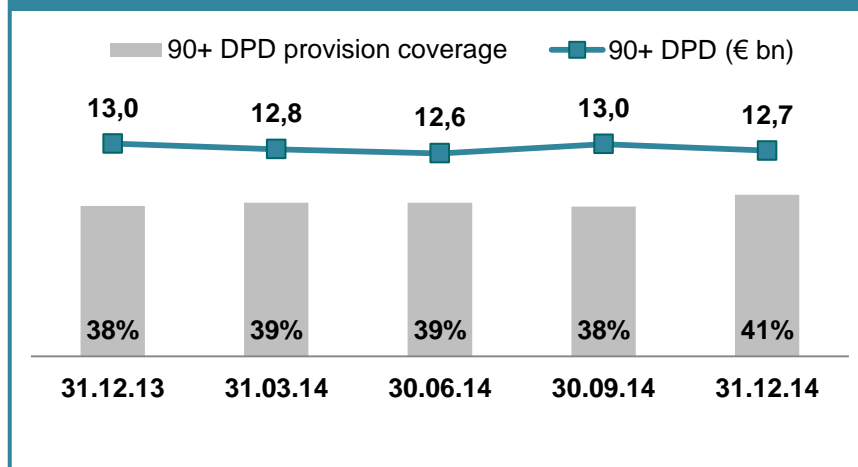
# 2014 overview: BOC Group

## Loan portfolio quality stabilisation signs; 90+ DPD reduced during 2014

### 90+ DPD formation slows down sharply



### Loan Quality Indicators



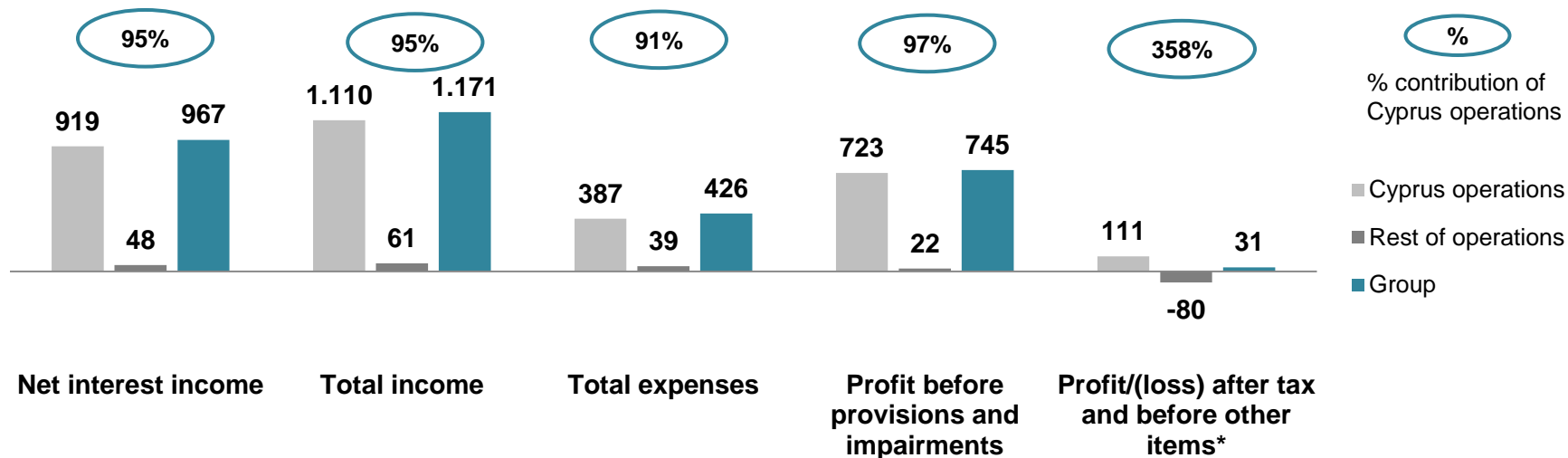
- Formation of 90+ DPD\* has slowed down sharply during FY2014. 90+ DPD decreased by €350 mn during FY2014, indicating a progress in arresting the deterioration of the loan portfolio quality
- 90+ DPD stabilised below €13 bn during the last few quarters
- 90+ DPD provisioning coverage ratio improved to 41%, up from 38% at 30 September 2014

**Restructuring and Recoveries Division showing some early successes despite the adverse legal environment**

\* 90+ DPD are loans with a specific provision (i.e. impaired loans) and loans past-due for more than 90 days but not impaired

# 2014 overview: BOC Group

FY2014 Cyprus Vs Group performance (€ mn)



- Group profitability driven by Cyprus operations
- Profit before provisions and impairments for the Cyprus operations of €723 mn for FY2014, compared to a Group total of €745 mn for the same period
- Profit after tax before restructuring costs, discontinued operations and net profit/ (loss) on disposal of non-core assets for the Cyprus operations of €111 mn for FY2014, compared to a Group profit of €31 mn for the same period

**Cyprus operations are the main engine for Group profitability**

\* Profit after tax before restructuring costs, discontinued operations and net profit on disposal of non-core assets

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# Income Statement Review

Selected lines from Income Statement (€ mn)	FY2014	4Q2014	3Q2014	qoq change %	2Q2014
Net interest income	967	225	231	-3%	263
Other income	204	56	32	+96%	55
<b>Total income</b>	<b>1.171</b>	<b>281</b>	<b>263</b>	<b>+9%</b>	<b>318</b>
<b>Total expenses</b>	<b>(426)</b>	<b>(114)</b>	<b>(103)</b>	<b>+14%</b>	<b>(104)</b>
<b>Profit before provisions and impairments, gains on derecognition and changes in expected cash flows on acquired loans, restructuring costs and discontinued operations</b>	<b>745</b>	<b>167</b>	<b>160</b>	<b>+6%</b>	<b>214</b>
Provisions for impairment of customer loans	(666)	(248)	(115)	+116%	(173)
Gains on derecognition and changes in expected cash flows on acquired loans	47	29	6	-	4
Impairments of other financial and non financial assets	(89)	(57)	1	-	(33)
Share of profit/(loss) from associates	5	3	(2)	-	2
<b>Profit/(loss) before tax, restructuring costs and discontinued operations</b>	<b>42</b>	<b>(106)</b>	<b>50</b>	<b>-</b>	<b>14</b>
Tax	(11)	(1)	(6)	-	(2)
(Loss)/profit attributable to non-controlling interests	(0)	0	(0)	-	(0)
<b>Profit/(loss) after tax and before restructuring costs, discontinued operations and net profit on disposal of non-core assets</b>	<b>31</b>	<b>(107)</b>	<b>44</b>	<b>-</b>	<b>12</b>
Restructuring costs	(36)	(3)	(12)	-60%	(16)
Loss from disposal group held for sale/discontinued operations	(303)	(214)	(37)	-468%	(6)
Net gain/(loss) on disposal of non-core assets*	47	(13)	-	-	60
<b>(Loss)/profit after tax</b>	<b>(261)</b>	<b>(337)</b>	<b>(5)</b>	<b>-</b>	<b>50</b>
<b>Net interest margin</b>	<b>3,94%</b>	<b>3,81%</b>	<b>3,82%</b>	<b>-1 b.p.</b>	<b>4,23%</b>
<b>Cost-to-Income ratio</b>	<b>36%</b>	<b>41%</b>	<b>39%</b>	<b>+2p.p.</b>	<b>33%</b>

\* Relates to the disposal of the Ukrainian operations, the disposal of the stake in Banca Transilvania, the disposal of the loans in Serbia, the early part repayment of the Cyprus Government Bond by the Republic of Cyprus and the sale of the Laiki UK loan portfolio.

b.p. = basis points, p.p. = percentage points ; 100 b.p. = 1 p.p.

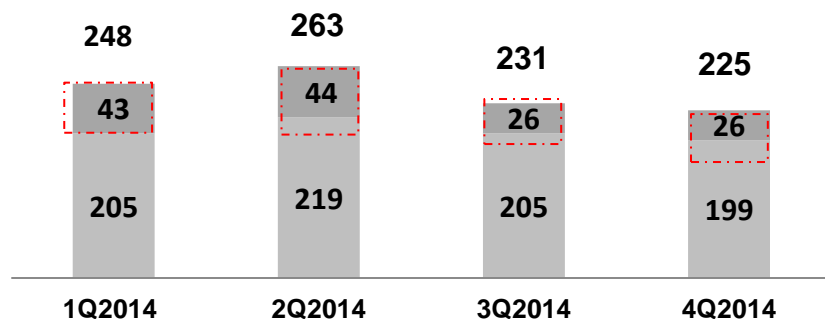
Bank of Cyprus



# Net Interest Income and Net Interest Margin

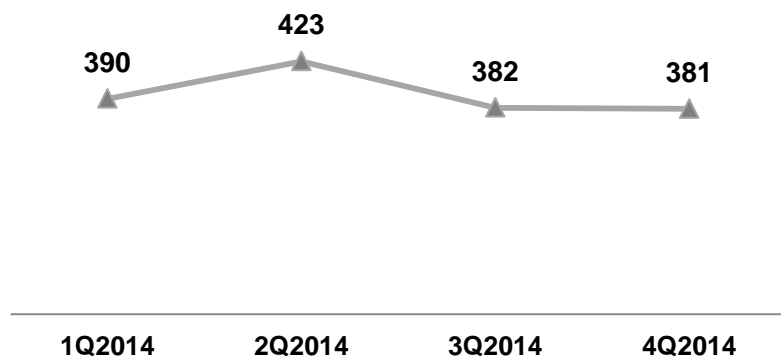
## Net Interest Income (€ mn)

Interest income from Laiki Recapitalisation Bond



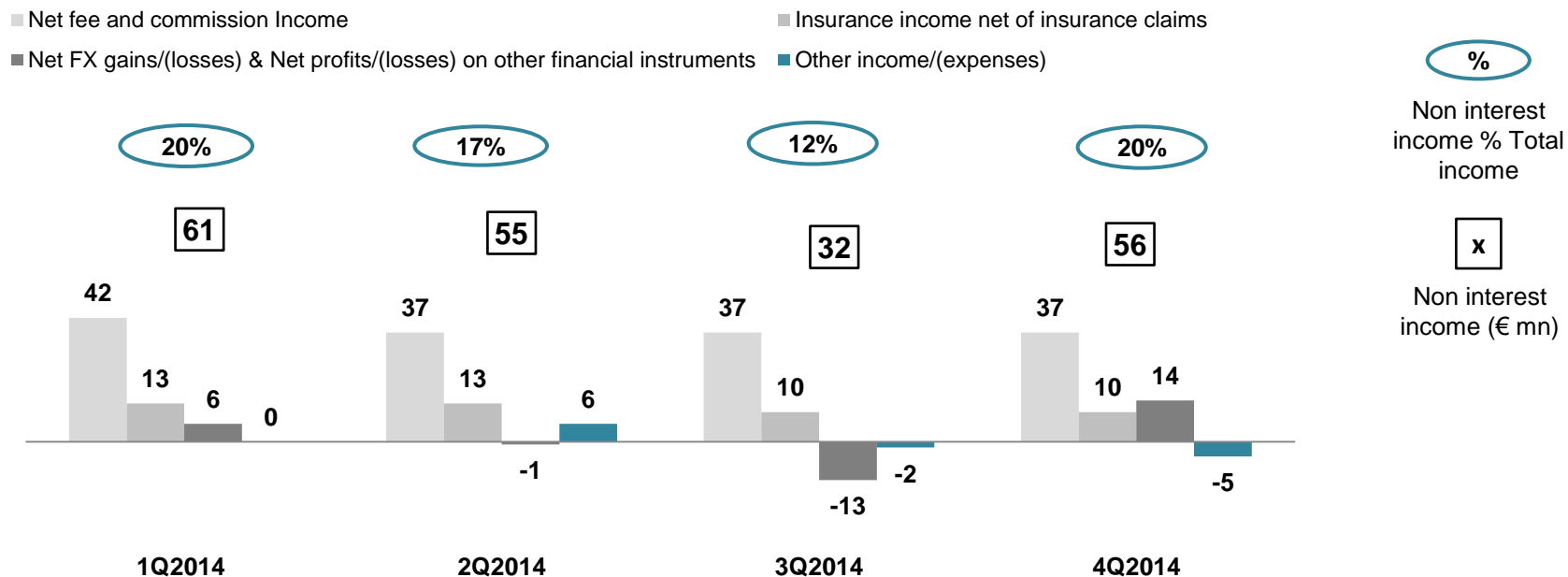
- 4Q2014 Group Net Interest Income (NII) at €225 mn (compared to €231 mn for 3Q2014) primarily due to deleveraging actions
- Group Net Interest Margin (NIM) at 3,81% for 4Q2014 and 3,94% for FY2014.
- NII and NIM continue to reflect the competitive environment in Cyprus and the composition of the Group's funding, with Eurosystem funding accounting for 31% of assets as at 31 December 2014.

## Net Interest Margin (bp)



# Analysis of Non-interest income

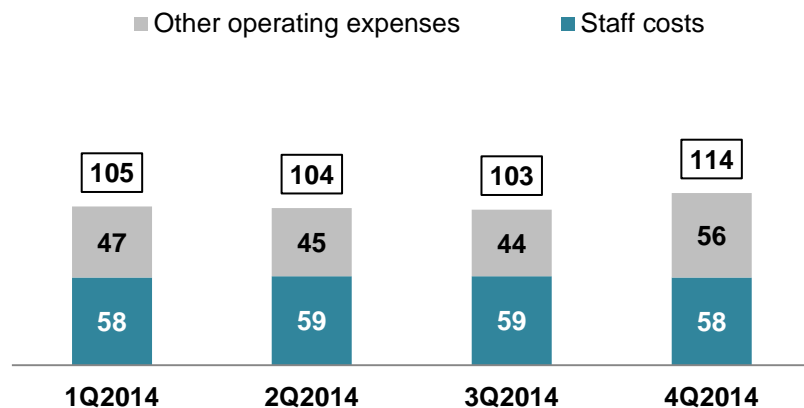
## Analysis of Non Interest Income (€ mn)



- 4Q2014 non-interest income of €56 mn, compared to €32 mn for 3Q2014
- Recurring non-interest income from fee and commission income and income from the insurance business averaging around €50 mn per quarter (about 17% of total income)
- Recurring income from insurance business reflecting the Group's leading position in the insurance business in Cyprus

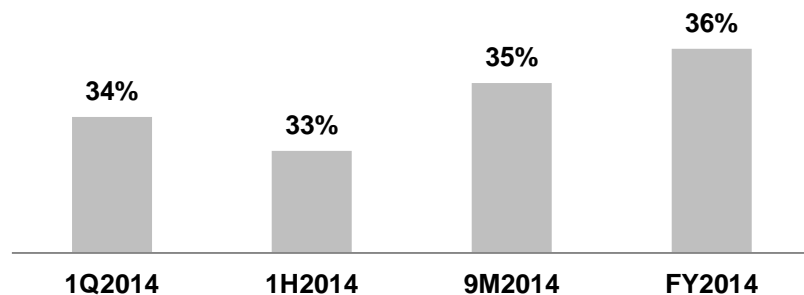
# Total expenses

## Total expenses (€ mn)



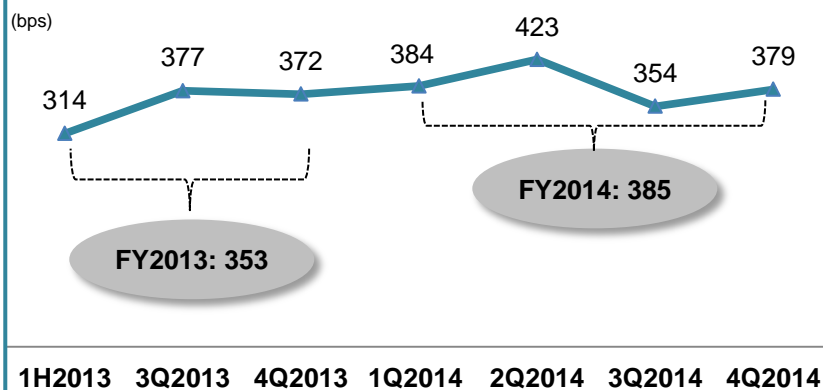
- 4Q2014 Total expenses increased to €114 mn compared to €103 mn for 3Q2014 mainly due to advertising, regulatory and ECB Comprehensive Assessment related costs, listing costs, and other advisory fees
- Staff costs for 4Q2014 at €58 mn broadly at the same level as in the previous quarters
- The cost-to-income ratio for FY2014 stands at 36% compared to 35% for the 9M2014, partly due to the increase of other operating expenses during 4Q2014

## Group Cost to Income Ratio

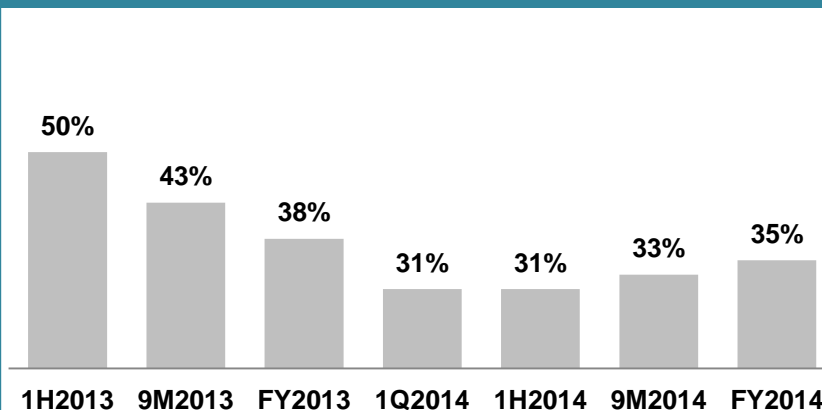


# Cyprus operations key driver of Group performance

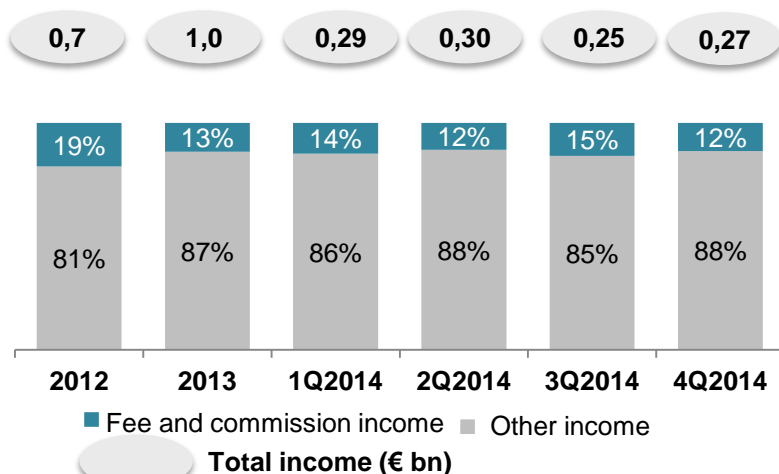
## High net interest margins for Cyprus operations – supported by cheap Eurosystem funding



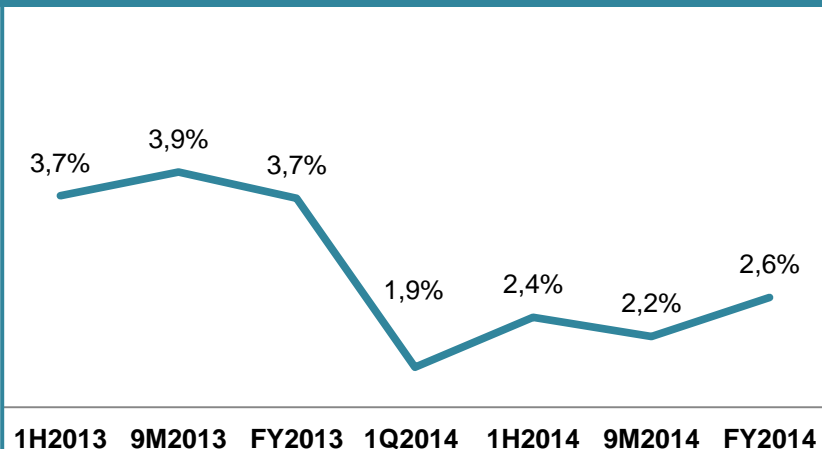
## Lower Cost to income ratio for Cyprus operations



## Historical fee and commission income / total income for Cyprus operations



## Evolution of Cost of risk\* for Cyprus operations



\* Cost of risk for the Cyprus operations has been calculated as provisions for impairment of loans / average gross loans. Gross loans are before the deduction of the fair value adjustment on initial recognition relating to loans acquired from Laiki Bank.

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# Balance Sheet\* Deleverage - Shrinking to Strength

€ mn	Jun 2013	Dec 2013	Mar 2014	Jun 2014	Sep 2014	Dec 2014	Change Since Jun 2013
Cash & bank placements	3.012	2.530	2.105	1.973	2.417	2.908	-104
Investments	3.413	3.433	3.475	3.538	2.578	2.541	-872
Net Loans	23.769	21.764	21.234	20.063	19.794	18.632	-5.137
Other assets	2.762	2.622	2.564	2.984	2.694	2.708	-54
<b>Total assets</b>	<b>32.956</b>	<b>30.349</b>	<b>29.378</b>	<b>28.558</b>	<b>27.483</b>	<b>26.789</b>	<b>-6.167</b>
Customer deposits	16.970	14.971	14.066	13.803	13.330	13.169	-3.801
ECB funding	-	1.400	1.400	1.400	920	880	880
ELA	11.107	9.556	9.506	8.785	7.684	7.404	-3.703
Interbank funding	983	790	753	802	707	772	-211
Other liabilities	976	895	894	954	1.057	1.083	107
Total equity	2.920	2.737	2.759	2.814	3.785	3.481	561
<b>Total liab. &amp; equity</b>	<b>32.956</b>	<b>30.349</b>	<b>29.378</b>	<b>28.558</b>	<b>27.483</b>	<b>26.789</b>	<b>-6.167</b>

Net loans reduction driven by disposal of non-core assets and the ongoing deleveraging

Deposit reduction less than reduction in net loans

Overall ELA reduction from peak about €4,5 bn

<b>Balance sheet deleverage qoq</b>		<b>-1.048</b>	<b>-971</b>	<b>-820</b>	<b>-1.075</b>	<b>-694</b>
<b>CET1 ratio (transitional basis)</b>	<b>n/a</b>	<b>10,4%</b>	<b>10,6%</b>	<b>11,3%</b>	<b>15,4%</b>	<b>14,0%</b>
<b>Leverage ratio (Assets/Equity)</b>	<b>11,3x</b>	<b>11,1x</b>	<b>10,6x</b>	<b>10,1x</b>	<b>7,3x</b>	<b>7,7x</b>

Steady reduction of total assets

CET1 ratio and Leverage ratio strengthened by Share Capital Increase and deleverage

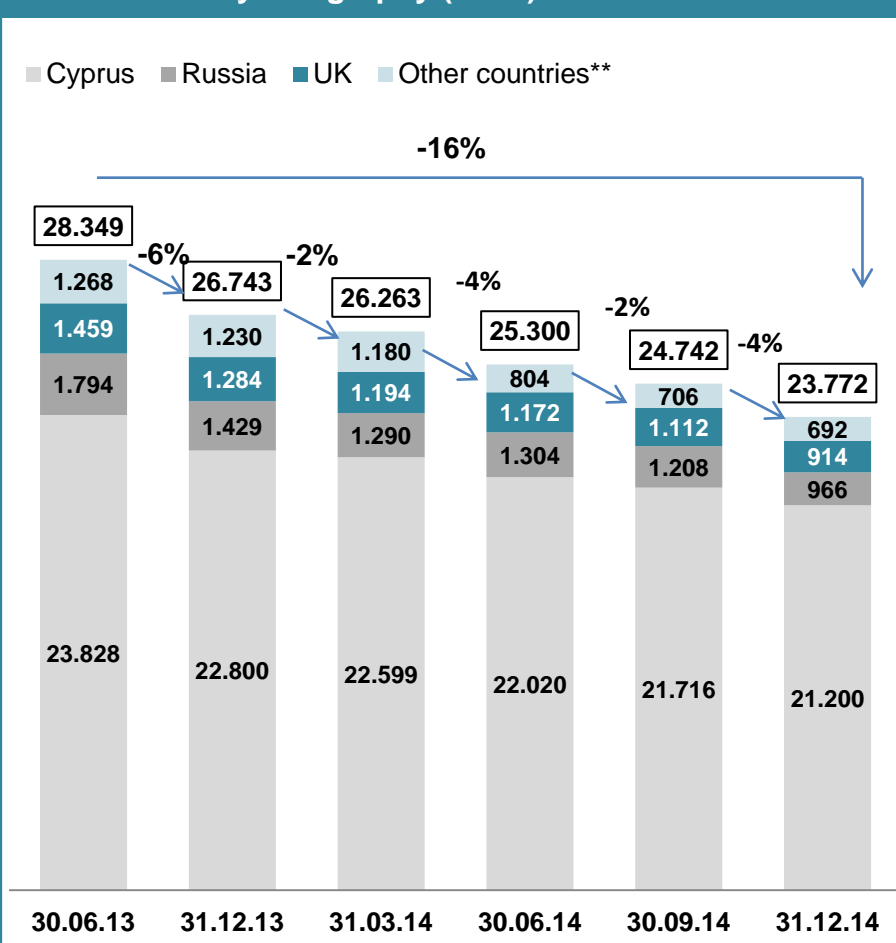
\* Consolidated Balance Sheet – ignoring classification of disposal groups as Held for Sale

Bank of Cyprus



# Gross Loans

Gross Loans by Geography (€ mn)



- Gross Loans\* were reduced by €0,97 bn in 4Q2014 mainly reflecting the disposal of loans in the UK and the reduction of loans in Cyprus. In constant exchange rates, gross loans were reduced by €676 mn
- Overall, a 16% reduction in Group gross loans since June 2013
- Overseas loan book reduced by 43% since June 2013, reflecting the deliberate disposal of non-core overseas operations and assets
- Domestic loan book reduced by 11% since June 2013, reflecting primarily customers' efforts to deleverage by using their deposits to pay down debt

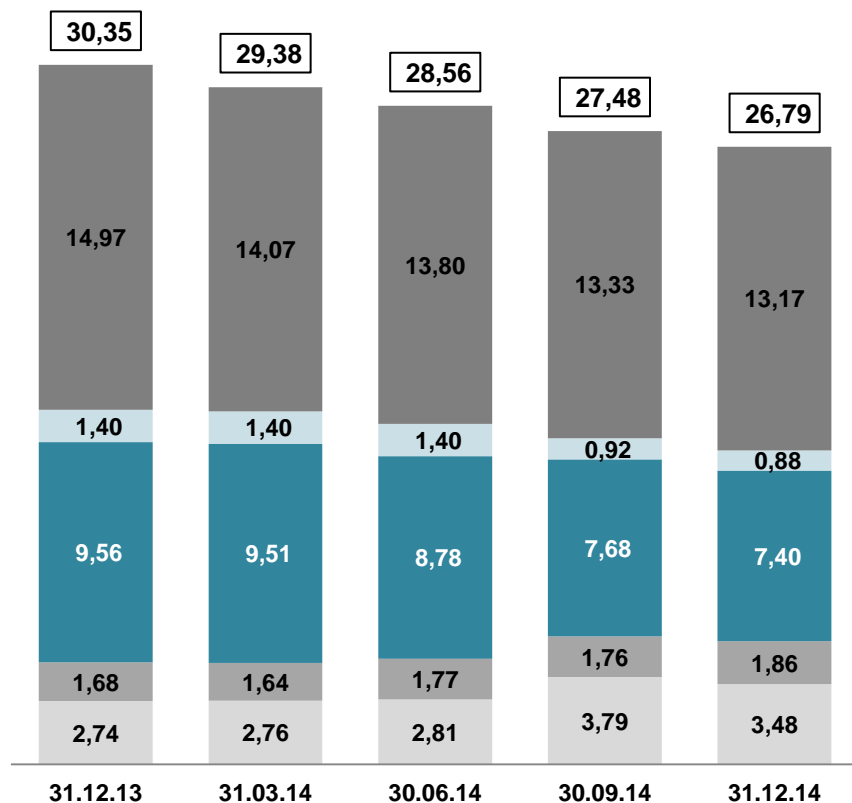
\*Gross loans are reported before fair value adjustment on initial recognition relating to loans acquired from Laiki Bank (difference between the outstanding contractual amount and the fair value of loans acquired) amounting to €1,6 bn (compared to €1,9 bn at 31 December 2013), including loans of discontinued operations/disposal group held for sale.

\*\* Other countries: Romania, Ukraine (until March 2014) and Greece. Furthermore, certain loans and advances in Romania are included, that previously were reported under Cyprus.

# Funding Structure

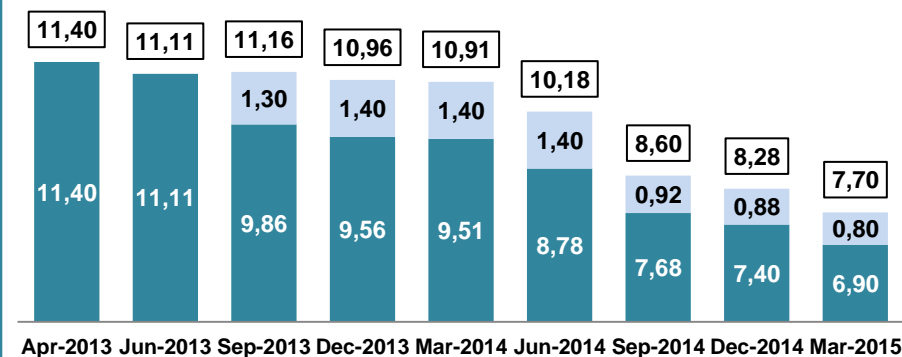
## Analysis of Liabilities and Equity (€ bn)

■ Total equity    ■ Other liabilities    ■ ELA  
 ■ ECB funding    ■ Customer deposits



## Funding from Central Banks

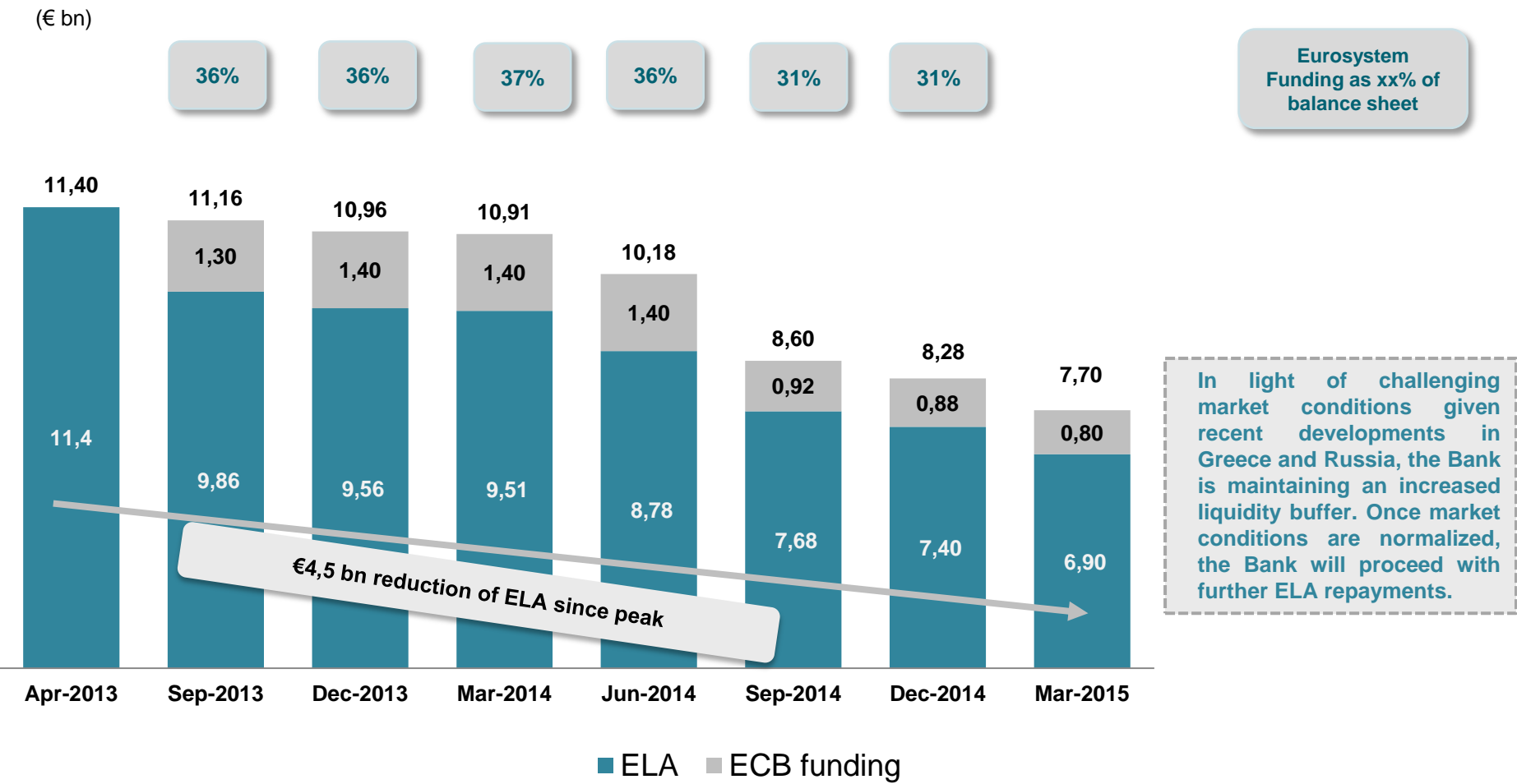
■ ELA funding (€ bn)    ■ ECB funding (€ bn)



- Funding structure dented by the bail-in and the Laiki acquisition. At 31 December 2014, customer deposits and Eurosystem funding accounted for 49% and 31% of assets, respectively
- At 31 December 2014, Eurosystem funding at €8,28 bn, comprising ELA of €7,4 bn and ECB funding of €880 mn; ELA and ECB funding were reduced further by €500 mn and €80 mn, respectively, post 31 December 2014
- The Group has reduced ELA by €4,5 bn since the peak of €11,4 bn at April 2013 and in tandem managed to absorb a significant reduction in its deposit base

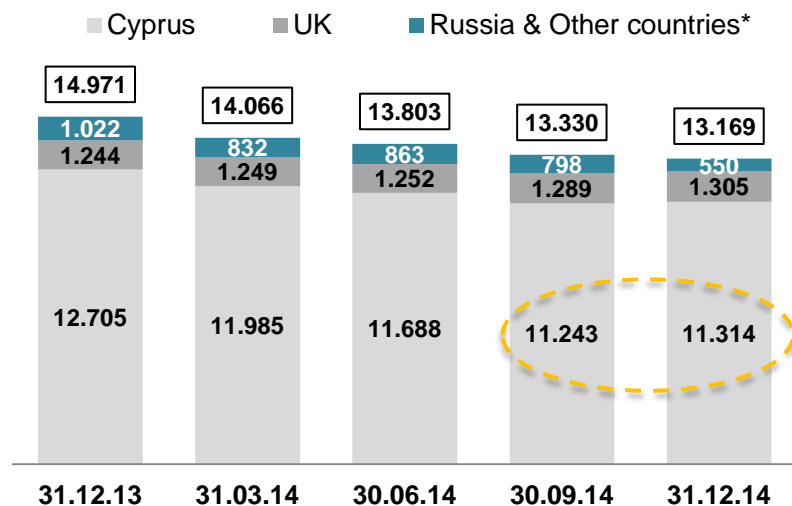
# Eurosystem Funding Reliance reducing fast

Continuous reduction of ELA and ECB funding with further potential going forward

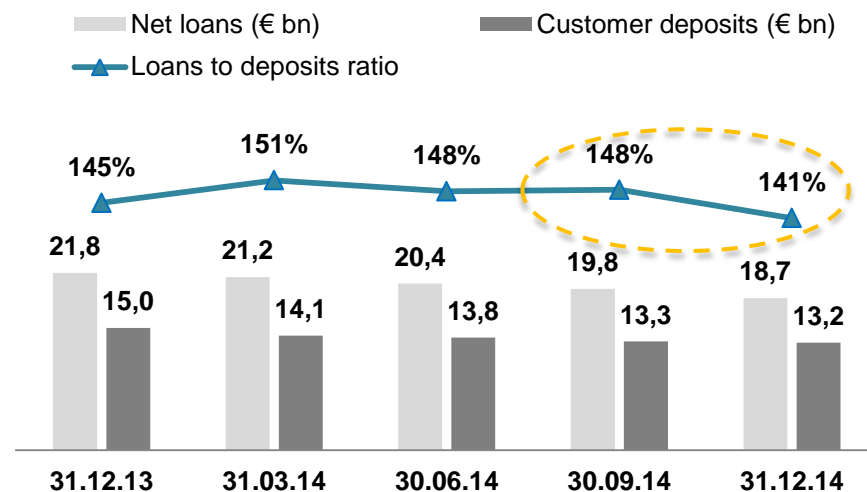


# Customer Deposits

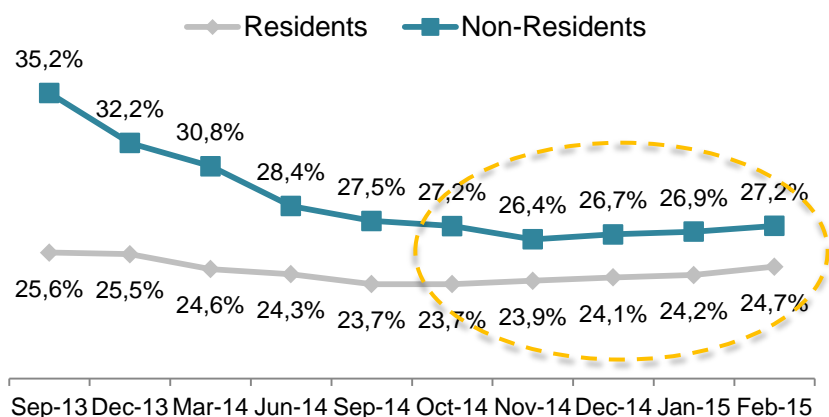
## Customer Deposits by Geography (€ mn)



## Loans to deposits ratio



## Deposit market shares in Cyprus



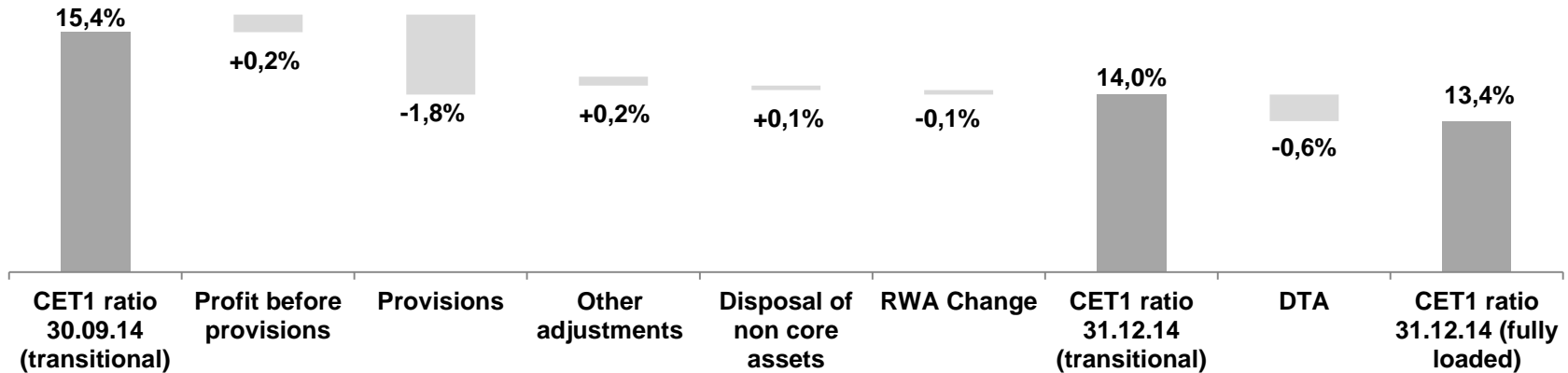
- Group customer deposits\*\* declined by 1% during 4Q2014, compared to a 3% reduction in 3Q2014. At constant exchange rates, Group customer deposits increased by €80 mn during 4Q2014
- Customer deposits in Cyprus increased for the first time since bail-in during 4Q2014.
- Deposit market shares in Cyprus (both for Residents and non Residents) have been increasing since November of 2014
- Loans to deposits ratio improved by 7 percentage points to 141% during 4Q2014

\* Other countries comprise Romania, Greece, Ukraine (until March 2014)

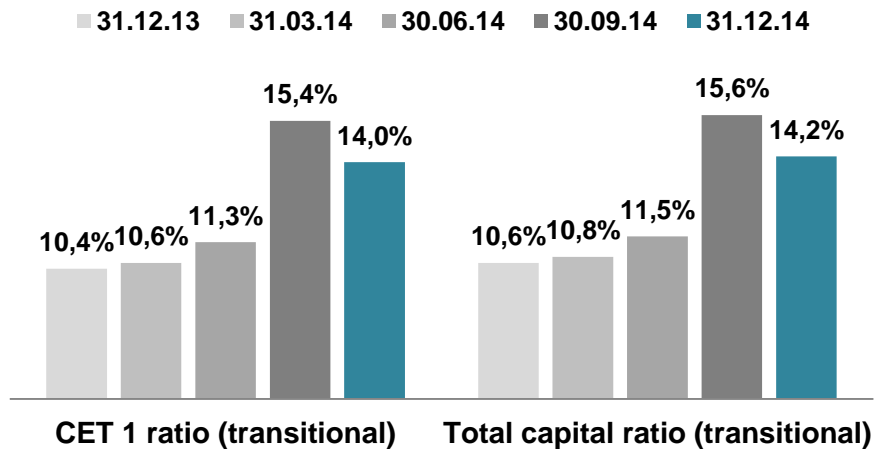
\*\* Including deposits of discontinued operations/disposal group held for sale.

# Capital Position

## Evolution of CET1 ratio since 30.09.2014



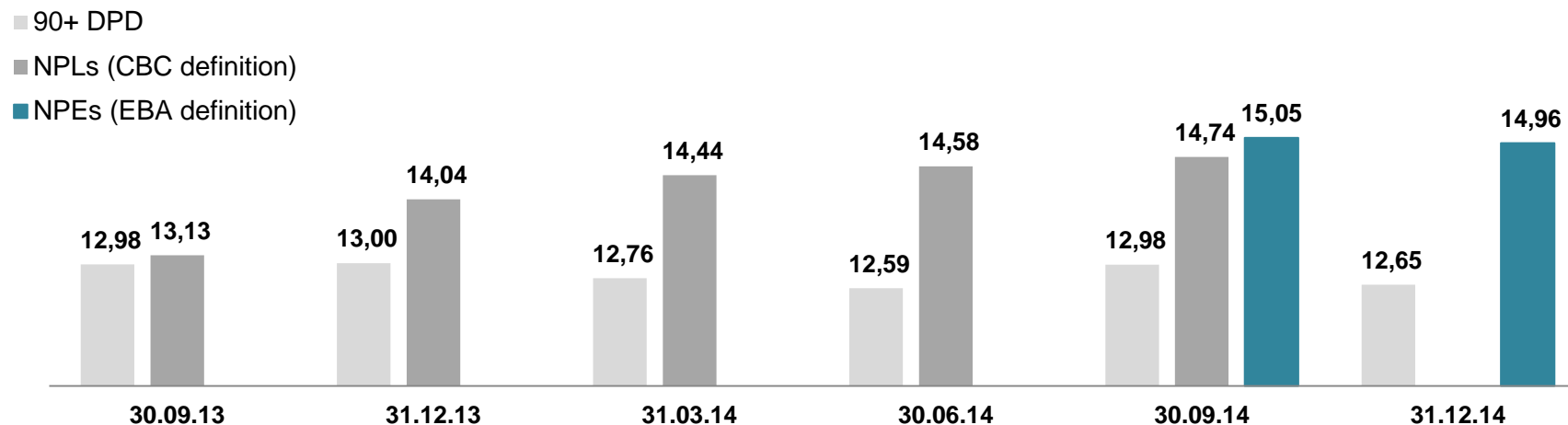
## Capital Adequacy Ratios



- CET1 ratio (transitional) at 14% at 31 December 2014, compared to 15,4% at 30 September 2014 mainly due to increased provisions in 4Q2014 related to the methodological alignments and changes in certain estimates following the completion of the review of the AQR results and to the Russian operations
- CET1 ratio (fully loaded) at 13,4% at 31 December 2014
- Total capital ratio totalled 14,2% at 31 December 2014

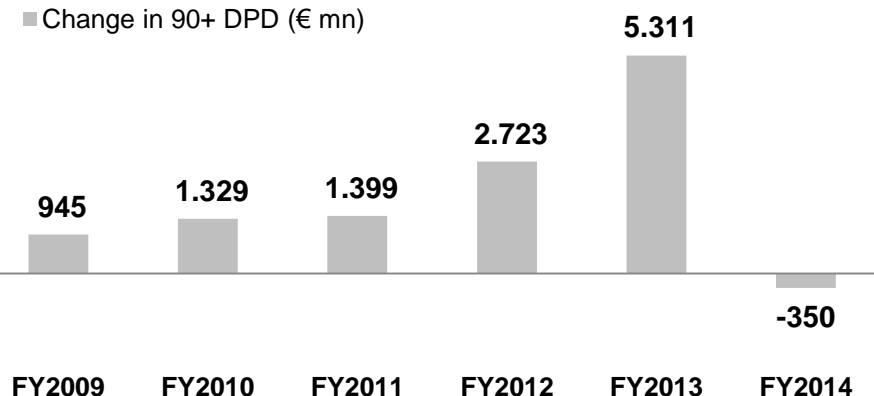
# Credit Risk – Quality of Loan portfolio

## Problem Loans (€ bn)



## 90+ DPD formation slows down sharply

Change in 90+ DPD (€ mn)

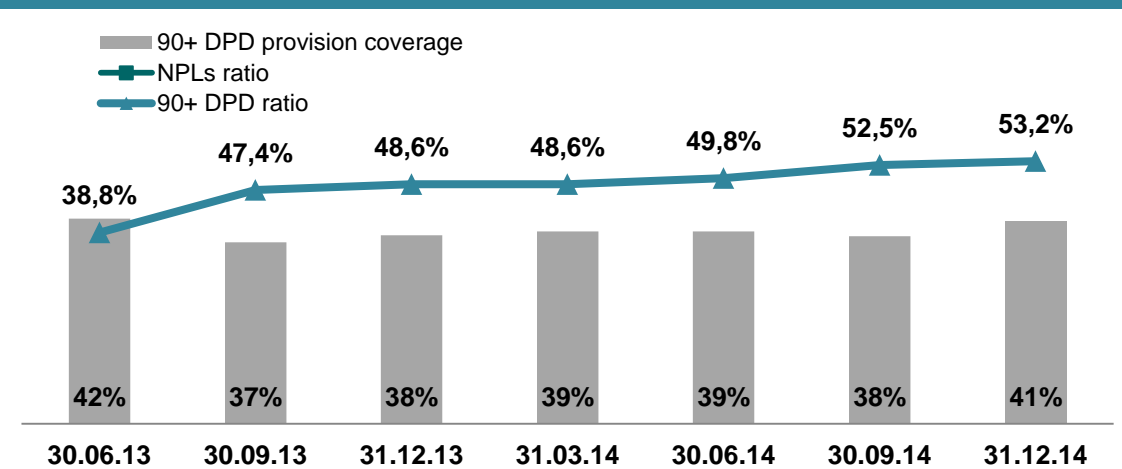


- 90+ DPD\* **decreased** by €325 mn during 4Q2014. The decrease primarily relates to the Cypriot operations and to the disposal of the UK loan portfolio
- 90+ DPD formation in 2014 has slowed down sharply
- Non-performing exposures (NPEs) as per European Banking Authority (EBA) totalled €14,96 bn and accounted for 63% of gross loans

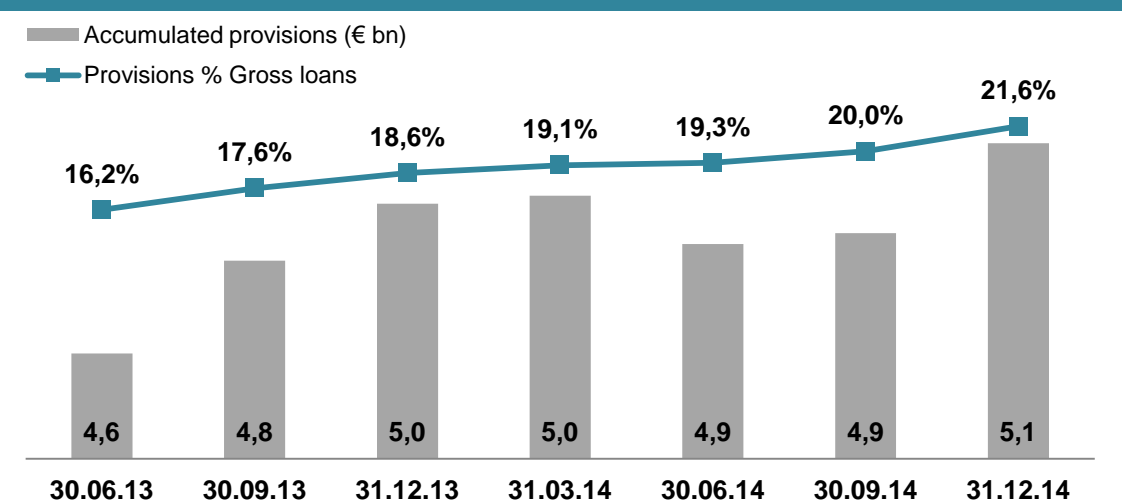
\* 90+ DPD are loans with a specific provision (i.e. impaired loans) and loans past-due for more than 90 days but not impaired

# Credit Risk – Provisions

## Group loan quality indicators



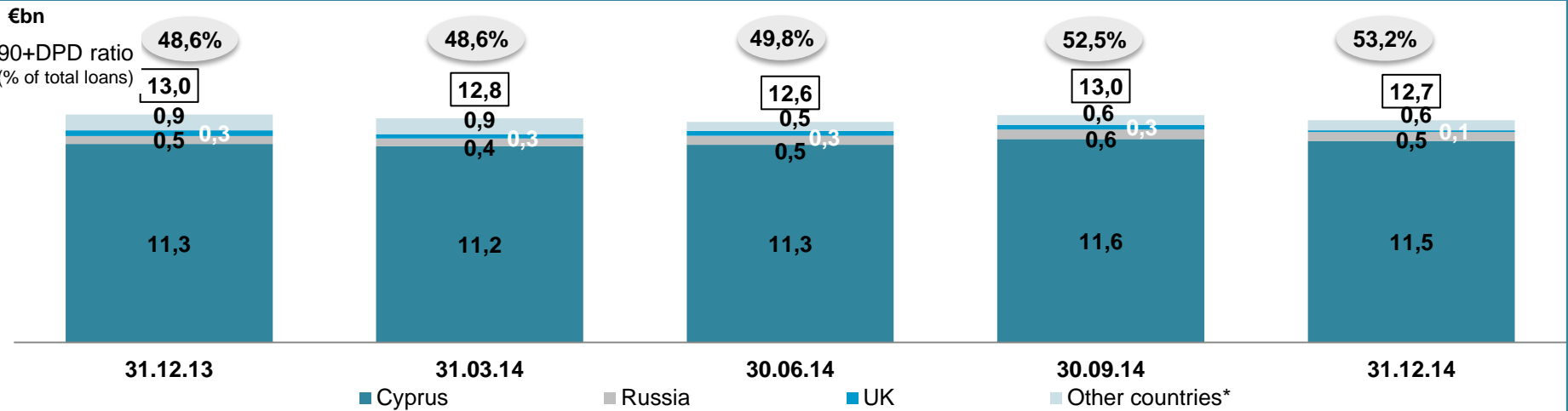
## Accumulated provisions



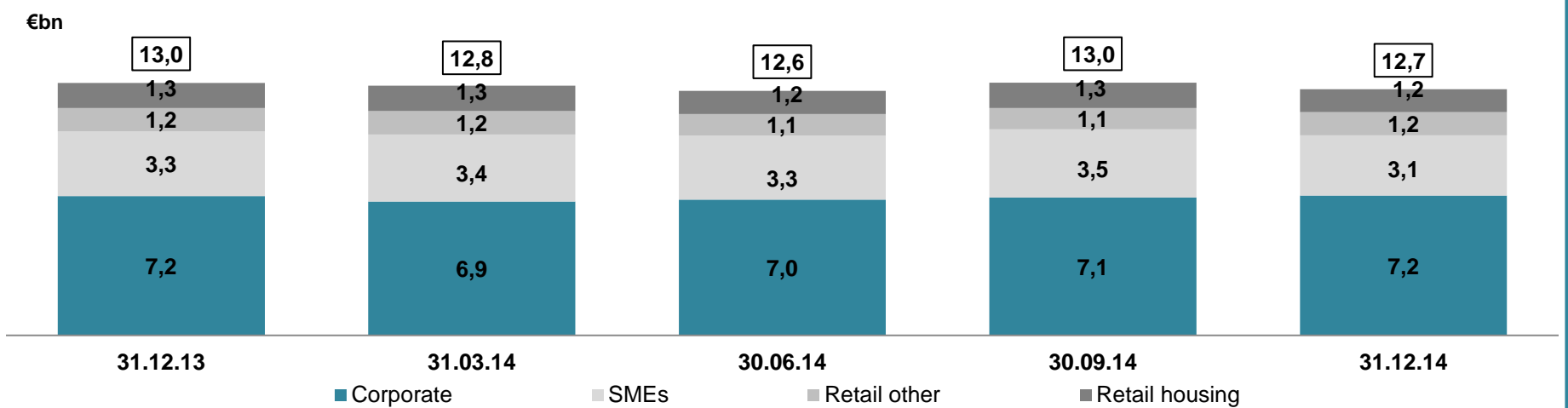
- 90+ DPD ratio at 53,2%
- 90+ DPD provision coverage improved to 41%; Taking into account tangible collateral at fair value, 90+ DPD are fully covered
- Accumulated provisions at €5,1 bn or 21,6% of gross loans
- The Group has completed a review of its accounting estimates and methodologies in an effort to more closely align them with the observations and adjustments suggested by the SSM, resulting in an additional provisions charge for 4Q2014

# Credit Risk – 90+ DPD by Geography and by customer type

Group 90+ DPD loans by geography

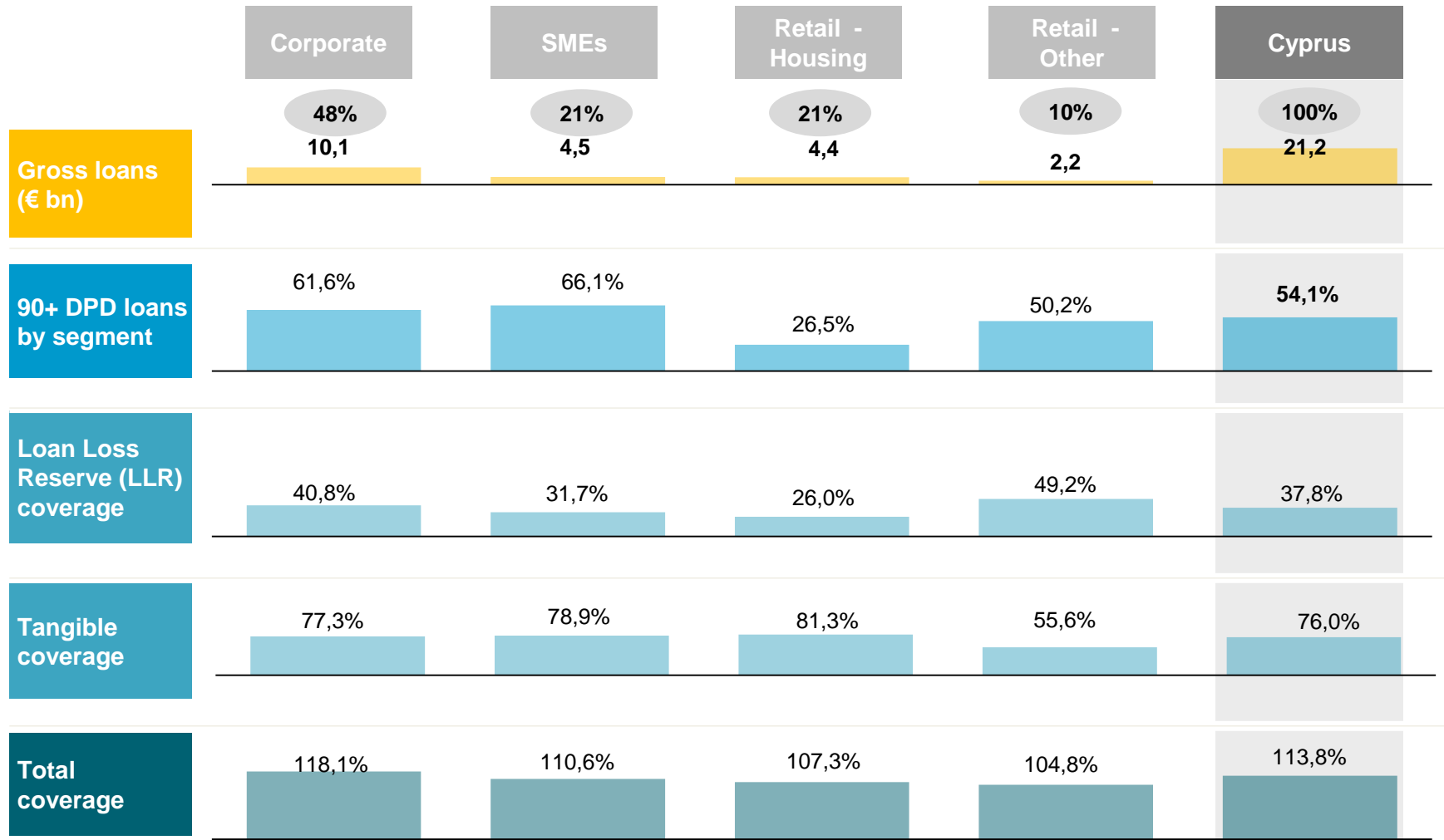


Group 90+ DPD loans by customer type



\* Other countries include certain loans and advances in Romania that previously were reported under Cyprus

# Credit Risk by customer type – 90+ DPD fully covered by provisions & tangible collateral

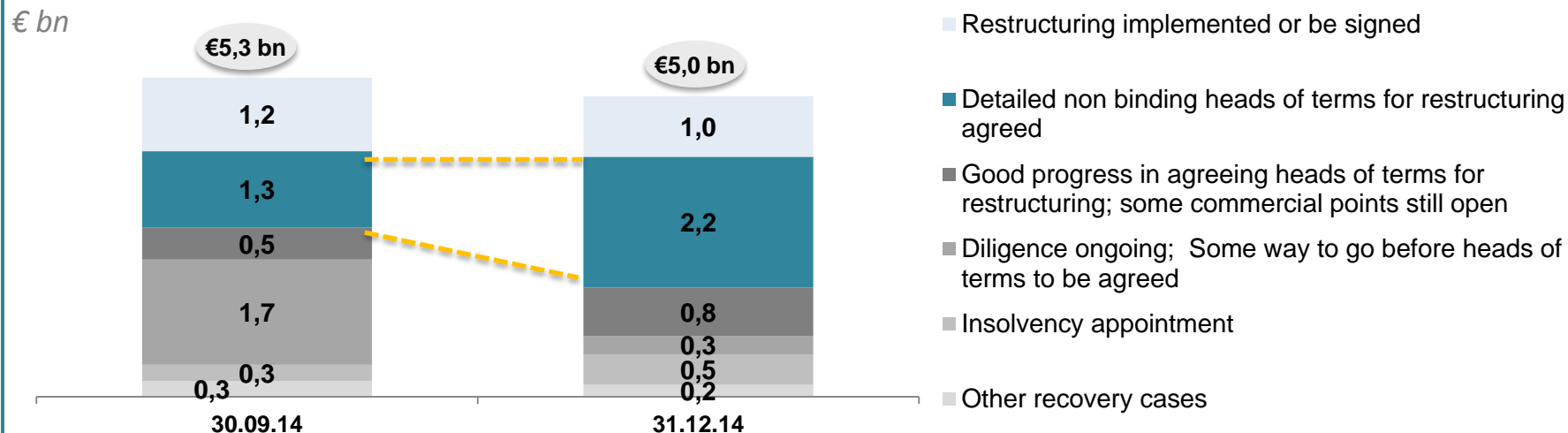


Significant provision and collateral coverage, with additional comfort from personal guarantees

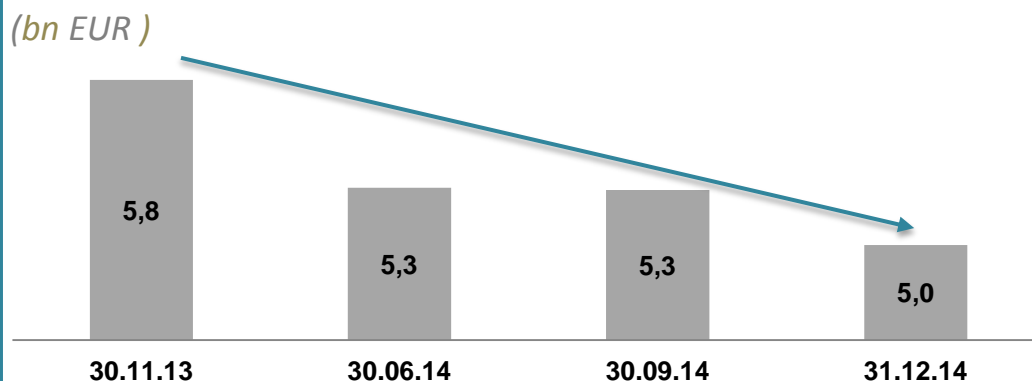
xx % of total gross loans (Cyprus only)

# Restructuring and Recoveries Division

## Good progress has been made with Restructuring efforts of top exposures<sup>1</sup>



## Reduction of top exposure balance



Key achievements include:

- Sale of loans €355 mn
- Sale of assets €97 mn
- Cancellation of undrawn facilities of €144 mn
- Material Repayments of €109 mn

<sup>1</sup> funded and unfunded exposures as of 31 December 2014

# Overseas non-core operations

## Disposing of overseas operations considered as non-core

- As part of its **Deleveraging strategy**, and through specific, deliberate and well-timed actions, the Bank has managed to reduce its risk profile, to enhance its liquidity position and to improve its capital position through the disposal of operations that are considered as non-core.
- During 2014, the Group sold its Ukrainian operations, its investment in Romanian Banca Transilvania, its loans in Serbia, assets in Romania and part of the UK loan portfolio acquired from Laiki Bank.
- The remaining non-core overseas operations as at 31 December 2014 are as follows:
  - **Greece:** The net exposure comprised (a) net on-balance sheet exposures (excluding foreclosed properties) totalling €120 mn, (b) about 600 foreclosed properties with a book value of €179 mn, and (c) off-balance sheet exposures totalling €185 mn.
  - **Romania:** The overall net exposure is €520 mn.
  - **Russia:** In light of the deteriorating economic conditions since mid-December 2014, the Bank has proceeded to reassess its operations in that country and increased the level of provisions for impairment of its loans and other assets. This action reflects a deliberately more conservative stance regarding the Russian economic outlook and significantly reduces the Group's exposure to Russia. Post the announcement of the preliminary FY2014 Financial Results, the Bank increased the provisions for impairment of customer loans in Russia by €30 mn due to further information which became available, reducing the Group's overall net exposure to €130 mn

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# Significant progress made on Group KPIs, with a clear plan of action to achieve medium-term targets

Category	Key performance indicators	Group 2013	Group 2014	Cyprus 2014	Medium-term target (2017) *	Key Pillars & Plan of action	
Asset quality	90+ DPD coverage	38%	41%	38%	40%-50%	1. Reverse trend on overdue loans	<ul style="list-style-type: none"> <li>Continue re-structuring capitalising on the foreclosure law</li> <li>Seek FDI to enhance business viability</li> <li>Re-cycle re-structured loans into the lending business for continued support and service</li> </ul>
	Provisioning charge	4,0%	3,6%**	2,6%	<1,0%	2. Normalise funding; Eliminate ELA	<ul style="list-style-type: none"> <li>Boost deposits by leveraging on stronger capital position</li> <li>Access Debt Capital Markets on the back of improved ratings, stronger financial soundness and better prospects</li> <li>Proceeds from exiting non-core overseas activities</li> </ul>
Funding	Eurosystem funding % total balance sheet	36%	31%	n.a.	<25%	3. Focus on core markets in Cyprus	<ul style="list-style-type: none"> <li>Direct lending into promising sectors with a view to funding the recovery of the Cypriot economy</li> <li>Further diversify income stream by boosting fee income from new sources in international business and wealth</li> </ul>
Capital	Basel 3 transitional CET1	10.4%	14,0%	n.a.	>12%	4. Achieve a lean operating model	<ul style="list-style-type: none"> <li>Set-out a digital vision and introduce appropriate technology to enhance product distribution channels</li> <li>Introduce technology and processes to reduce operating costs</li> <li>Introduce HR policies aimed at enhancing productivity</li> </ul>
Margins and efficiency	Net interest margin	3,5%	3,9%	3,8%	~3,25%	5. Deliver returns	<ul style="list-style-type: none"> <li>Strengthen governance and risk- management to deliver appropriate medium-term risk-adjusted returns</li> </ul>
	Fee and commission income/ total income	14%	13%	13%	Increase		
	Cost to income ratio	43%	36%	35%	40%-45%		

\* Medium term target refers to the targets set as per the latest NDR presentation that this available on the Group's website.

\*\* Calculated as the provisions for impairment of customer loans, including provisions of discontinued operations, (in total €969 mn) net of gains on derecognition and changes in expected cash flows on acquired loans (totalling €47 mn) over average gross loans

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# Key Takeaways

- **Leading financial institution** in an economy that is on the road to economic recovery
- **CET1 ratio at 14,0% (transitional basis)**; capital position shields the Group from further shocks and helps in regaining trust of counterparties
- **Completion of review of AQR results** and **reduction of net exposure to Russia** results in increased provisions for 4Q2014
- **Stabilising deposit base**, with 4Q2014 deposits in Cyprus increasing for the first time since bail-in; all blocked decree deposits released ahead of plan and majority of them retained with the Bank
- **ELA reduced to €6,9 bn** through deleveraging actions, capital proceeds and customer inflows
- RRD up and running with **signs that actions are yielding results**, despite the lack of the appropriate legal infrastructure
- **Loan quality showing signs of stabilisation; 90+ DPD reduced by 3% during 4Q2014**; imperative that the Bank is given the tools to engage effectively with borrowers
- **Recurring profitability** stabilising

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# Key Information and Contact Details

## Credit Ratings:

### **Fitch Ratings:**

Long-term Issuer Default Rating: upgraded to "CC" on 4 July 2014

Short-term Issuer Default Rating: upgraded to "C" on 4 July 2014

Viability Rating: affirmed at "cc" on 4 July 2014

### **Moody's Investors Service:**

Long-term deposit ratings: Raised to Caa3 (stable outlook) from Ca on 17 November 2014

Senior unsecured debt ratings: Upgraded to (P)Caa3 (stable outlook) from (P)Ca on 17 November 2014

Short-term deposit and commercial paper ratings: Affirmed at Not Prime, no outlook

Standalone BFSR: Affirmed at E, stable outlook, equivalent to a BCA of caa3

## Listing:

ATHEX – BOC, CSE – BOCY, ISIN CY0104810110

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## Contacts

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# Consolidated Balance Sheet

€ mn	% change	31.12.14	31.12.13
Cash and balances with Central Banks	-8%	1.139	1.240
Placements with banks	+28%	1.647	1.290
Debt securities, treasury bills and equity investments	-26%	2.541	3.433
Net loans and advances to customers	-17%	18.168	21.764
Other assets	-10%	2.351	2.622
Non current assets and disposal groups classified as held for sale	-	943	-
<b>Total assets</b>	<b>-12%</b>	<b>26.789</b>	<b>30.349</b>

**Note:**

As from the fourth quarter of 2014, the Group's operations in Russia are treated as a disposal group held for sale and results have been presented accordingly as discontinued operations in accordance with IFRSs.

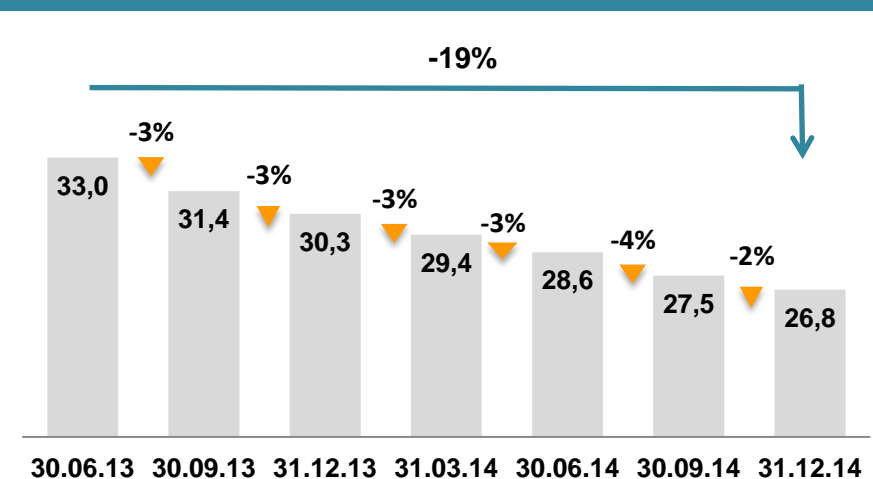
€ mn	% change	31.12.14	31.12.13
Amounts due to banks	-18%	162	196
Funding from Central Banks	-24%	8.284	10.956
Repurchase agreements	-2%	580	594
Customer deposits	-16%	12.624	14.971
Debt securities in issue	-	1	2
Other liabilities	+17%	1.043	888
Subordinated loan stock	-	-	5
Non current liabilities and disposal groups classified as held for sale	-	614	-
<b>Total liabilities</b>	<b>-16%</b>	<b>23.308</b>	<b>27.612</b>
Share capital	-81%	892	4.743
Capital reduction reserve and share premium	-	2.505	-
Revaluation and other reserves	+103%	147	72
Accumulated losses	-	(79)	(2.152)
<b>Shareholders' equity</b>	<b>+30%</b>	<b>3.465</b>	<b>2.663</b>
Non controlling interests	-79%	16	74
<b>Total equity</b>	<b>+27%</b>	<b>3.481</b>	<b>2.737</b>
<b>Total liabilities and equity</b>	<b>-12%</b>	<b>26.789</b>	<b>30.349</b>

# Consolidated Balance Sheet — ignoring classification of disposal groups as Held for Sale

€ mn	% change	31.12.14	31.12.13
Cash and balances with Central Banks	-1%	1.225	1.240
Placements with banks	+30%	1.683	1.290
Debt securities, treasury bills and equity investments	-26%	2.541	3.433
Net loans and advances to customers	-14%	18.632	21.764
Other assets	+3%	2.708	2.622
<b>Total assets</b>	<b>-12%</b>	<b>26.789</b>	<b>30.349</b>

€ mn	% change	31.12.14	31.12.13
Amounts due to banks	-2%	192	196
Funding from Central Banks	-24%	8.284	10.956
Repurchase agreements	-2%	580	594
Customer deposits	-12%	13.169	14.971
Debt securities in issue	-	3	2
Other liabilities	+21%	1.078	888
Subordinated loan stock	-	2	5
<b>Total liabilities</b>	<b>-16%</b>	<b>23.308</b>	<b>27.612</b>
Share capital	-81%	892	4.743
Capital reduction reserve and share premium	-	2.505	-
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## Balance sheet (€ bn)



# Consolidated Income Statement

€ mn	FY2014	FY2013	4Q2014	3Q2014	2Q2014	1Q2014
Net interest income	967	880	225	231	263	248
Net fee and commission income	153	140	37	37	37	42
Net foreign exchange gains/(losses) and net profits/(losses) on other financial instruments	6	(2)	14	(13)	(1)	6
Insurance income net of insurance claims	46	65	10	10	13	13
Other income/(expenses)	(1)	(64)	(5)	(2)	6	0
<b>Total income</b>	<b>1.171</b>	<b>1.019</b>	<b>281</b>	<b>263</b>	<b>318</b>	<b>309</b>
Staff costs	(234)	(265)	(58)	(59)	(59)	(58)
Other operating expenses	(192)	(170)	(56)	(44)	(45)	(47)
<b>Total expenses</b>	<b>(426)</b>	<b>(435)</b>	<b>(114)</b>	<b>(103)</b>	<b>(104)</b>	<b>(105)</b>
<b>Profit before provisions and impairments, gains on derecognition and changes in expected cash flows on acquired loans, restructuring costs and discontinued operations</b>	<b>745</b>	<b>584</b>	<b>167</b>	<b>160</b>	<b>214</b>	<b>204</b>
Provisions for impairment of customer loans	(666)	(941)	(248)	(115)	(173)	(130)
Gains on derecognition and changes in expected cash flows on acquired loans	47	27	29	6	4	8
Impairments of other financial and non-financial assets	(89)	(23)	(57)	1	(33)	(0)
Share of profit/ (loss) from associates and joint ventures	5	(5)	3	(2)	2	2
<b>Profit/(loss) before tax, restructuring costs and discontinued operations</b>	<b>42</b>	<b>(358)</b>	<b>(106)</b>	<b>50</b>	<b>14</b>	<b>84</b>
Tax	(11)	(2)	(1)	(6)	(2)	(2)
(Loss)/profit attributable to non - controlling interests	(0)	1	0	(0)	(0)	(0)
<b>Profit /(loss) after tax and before restructuring costs, discontinued operations and net profit on disposal of non-core assets</b>	<b>31</b>	<b>(359)</b>	<b>(107)</b>	<b>44</b>	<b>12</b>	<b>82</b>
Restructuring costs	(36)	(157)	(3)	(12)	(16)	(5)
Loss from disposal group held for sale / discontinued operations	(303)	(174)	(214)	(37)	(6)	(46)
Net gain(loss) on disposal of non-core assets	47	(1.366)	(13)	-	60	-
<b>(Loss)/profit after tax</b>	<b>(261)</b>	<b>(2.056)</b>	<b>(337)</b>	<b>(5)</b>	<b>50</b>	<b>31</b>

As from the fourth quarter of 2014, the Group's operations in Russia are treated as a disposal group held for sale and results have been presented accordingly as discontinued operations in accordance with IFRS. Hence comparatives for the earlier financial quarters of 2014 and FY2013 have been re-presented. In order to better reflect its operating results, the Group changed its presentation for impairments of assets and for gains on derecognition and changes in expected cash flows on loans acquired. Specifically, impairments of other financial and non-financial assets and gains on derecognition and changes in expected cash flows on loans acquired from Laiki Bank are presented in line with provisions for impairment of customer loans. Comparatives have been reclassified accordingly to conform with changes in the presentation of the current period.

# Consolidated Income Statement – Pre classification\*

€ mn	FY2014	FY2013	4Q2014	3Q2014	2Q2014	1Q2014
Net interest income	1.025	977	235	244	279	267
Net fee and commission income	170	167	39	43	43	45
Net foreign exchange gains/(losses) and net profits/(losses) on other financial instruments	6	2	11	(12)	(0)	7
Insurance income net of insurance claims	46	65	11	10	12	13
Other income/(expenses)	(1)	(63)	(7)	(1)	6	1
<b>Total income</b>	<b>1.246</b>	<b>1.148</b>	<b>289</b>	<b>284</b>	<b>340</b>	<b>333</b>
Staff costs	(268)	(316)	(66)	(67)	(68)	(67)
Other operating expenses	(233)	(221)	(68)	(55)	(53)	(57)
<b>Total expenses</b>	<b>(501)</b>	<b>(537)</b>	<b>(134)</b>	<b>(122)</b>	<b>(121)</b>	<b>(124)</b>
<b>Profit before provisions and impairments, gains on derecognition and changes in expected cash flows on acquired loans, restructuring costs and discontinued operations</b>	<b>745</b>	<b>611</b>	<b>155</b>	<b>162</b>	<b>219</b>	<b>209</b>
Provisions for impairment of customer loans	(930)	(1.019)	(438)	(163)	(183)	(146)
Gains on derecognition and changes in expected cash flows on acquired loans	47	27	30	6	4	7
Impairments of other financial and non-financial assets	(174)	(23)	(141)	1	(34)	(0)
Share of profit/(loss) from associates and joint ventures	5	(5)	3	(2)	2	2
<b>(Loss)/Profit before tax, restructuring costs and discontinued operations</b>	<b>(307)</b>	<b>(409)</b>	<b>(391)</b>	<b>4</b>	<b>8</b>	<b>72</b>
Tax	(25)	5	(10)	(5)	(8)	(2)
Loss attributable to non - controlling interests	60	12	45	7	6	2
<b>(Loss)/Profit after tax and before restructuring costs, discontinued operations and net profit on disposal of non-core assets</b>	<b>(272)</b>	<b>(392)</b>	<b>(356)</b>	<b>6</b>	<b>6</b>	<b>72</b>
Restructuring costs	(36)	(157)	(4)	(11)	(16)	(5)
Loss from disposal group held for sale / discontinued operations	0	(141)	36	-	-	(36)
Net gain/(loss) on disposal of non-core assets	47	(1.366)	(13)	-	60	-
<b>(Loss)/profit after tax</b>	<b>(261)</b>	<b>(2.056)</b>	<b>(337)</b>	<b>(5)</b>	<b>50</b>	<b>31</b>

\* As from the fourth quarter of 2014, the Group's operations in Russia are treated as a disposal group held for sale and results have been presented accordingly as discontinued operations in accordance with IFRS. Hence comparatives for the earlier financial quarters of 2014 and FY2013 have been re-presented. In order to better reflect its operating results, the Group changed its presentation for impairments of assets and for gains on derecognition and changes in expected cash flows on loans acquired. Specifically, impairments of other financial and non-financial assets and gains on derecognition and changes in expected cash flows on loans acquired from Laiki Bank are presented in line with provisions for impairment of customer loans. Comparatives have been reclassified accordingly to conform with changes in the presentation of the current period.

# Income Statement bridge for FY2014

€ mn	Per financial statements	Reclassification	Per presentation
Net interest income	967		967
Net fee and commission income	153		153
Net foreign exchange gains(losses) and net profits (losses) on other financial instruments	214	(208)	6
Insurance income net of insurance claims	46		46
Other income/(expenses)	0		0
<b>Total income</b>	<b>1.380</b>		<b>1.171</b>
<b>Total expenses</b>	<b>(462)</b>	<b>36</b>	<b>(426)</b>
<b>Profit before provisions and impairments, gains on derecognition and changes in expected cash flows on acquired loans, restructuring costs and discontinued operations</b>	<b>918</b>		<b>745</b>
Provisions for impairment of customer loans	(666)		(666)
Gains on derecognition and changes in expected cash flows on acquired loans	0	47	47
Impairments of other financial and non-financial assets	(90)		(90)
Share of profit /(loss) from associates	5		5
<b>Profit/(loss) before tax, restructuring costs and discontinued operations</b>	<b>167</b>		<b>41</b>
<b>Tax</b>	<b>(11)</b>		<b>(11)</b>
Loss attributable to non-controlling interests	0		0
<b>Profit after tax and before restructuring costs, discontinued operations and net profit from disposal of non-core assets</b>	<b>156</b>		<b>31</b>
Restructuring costs	0	(36)	(36)
Net gain(loss) on disposal of non-core assets	0	47	47
Loss from disposal group held for sale / discontinued operations , net of minority interest	(417)	114	(303)
<b>Loss/profit after tax</b>	<b>(261)</b>		<b>(261)</b>

# Income Statement by Geography

(€ mn)	CYPRUS		RUSSIA		UK		ROMANIA	GREECE
	FY2014	FY2013	FY2014	FY2013	FY2014	FY2013	FY2014	FY2014
Net interest income	919	834	58	97	31	29	15	1
Net fee & commission income	145	132	17	28	5	5	-	3
Net FX income/(losses) and net gains/(losses) from financial instruments	7	18	0	3	1	1	(2)	(1)
Insurance income net of insurance claims	43	57	-	-	-	-	-	3
Other income /(expenses)	(4)	(19)	2	(0)	(0)	-	4	2
<b>Total income</b>	<b>1.110</b>	<b>1.022</b>	<b>77</b>	<b>128</b>	<b>37</b>	<b>35</b>	<b>17</b>	<b>8</b>
Staff costs	(220)	(247)	(33)	(51)	(12)	(10)	(2)	(1)
Other operating expenses	(167)	(147)	(39)	(50)	(16)	(14)	(3)	(8)
<b>Total expenses</b>	<b>(387)</b>	<b>(394)</b>	<b>(72)</b>	<b>(101)</b>	<b>(28)</b>	<b>(24)</b>	<b>(5)</b>	<b>(8)</b>
<b>Profit before provisions and impairments</b>	<b>723</b>	<b>628</b>	<b>5</b>	<b>27</b>	<b>9</b>	<b>11</b>	<b>12</b>	<b>0</b>
Provisions for impairment	(580)	(856)	(265)	(79)	(30)	(21)	(46)	(10)
Gains on derecognition and changes in expected cash flows on acquired loans	47	27	-	-	-	-	-	-
Impairment of other financial assets and non financial assets	(81)	(24)	(84)	-	-	-	-	(8)
Share of profit/(loss) from associates	5	2	-	-	-	-	-	-
<b>Profit before tax</b>	<b>114</b>	<b>(223)</b>	<b>(344)</b>	<b>(52)</b>	<b>(21)</b>	<b>(10)</b>	<b>(34)</b>	<b>(18)</b>
Tax	(4)	3	(14)	7	(1)	(1)	(1)	(5)
Profit attributable to non-controlling interests	1	1	59	11	-	-	-	-
<b>Profit after tax and before one off items</b>	<b>111</b>	<b>(219)</b>	<b>(299)</b>	<b>(34)</b>	<b>(22)</b>	<b>(11)</b>	<b>(35)</b>	<b>(23)</b>

# Income Statement – Impact from reclassification of held for sale

(€ mn)	Income Statement as published FY2014	Held for sale classification FY2014	Consolidated Income Statement *
Net interest income	967	58	1.025
Net fee & commission income	153	17	170
Net foreign exchange income/(losses) and net gains/(losses) from financial instruments	6	-	6
Insurance income net of insurance claims	46	-	46
Other income /(expenses)	(1)	-	(1)
<b>Total income</b>	<b>1.171</b>	<b>75</b>	<b>1.246</b>
Staff costs	(234)	(34)	(268)
Other operating expenses	(192)	(41)	(233)
<b>Total expenses</b>	<b>(426)</b>	<b>(75)</b>	<b>(501)</b>
<b>Profit before provisions and impairments</b>	<b>745</b>	<b>0</b>	<b>745</b>
Provisions for impairment	(666)	(264)	(930)
Gains on derecognition and changes in expected cash flows on acquired loans	47	-	47
Impairment of other financial assets and non financial assets	(89)	(85)	(174)
Share of profit/(loss) from associates	5	-	5
<b>Profit before tax</b>	<b>42</b>	<b>(349)</b>	<b>(307)</b>
Tax	(11)	(14)	(25)
Profit attributable to non-controlling interests	-	60	60
<b>Profit after tax and before one off items</b>	<b>31</b>	<b>(303)</b>	<b>(272)</b>
Restructuring costs	(36)	-	(36)
Loss from disposal group held for sale/ discontinued operations	(303)	303	0
Net gain on disposal of non-core assets	47	-	47
<b>Loss after tax</b>	<b>(261)</b>	<b>-</b>	<b>(261)</b>

\* Without reflecting Russian operations as a disposal group held for sale.

# Risk Weighted Assets by Geography – Regulatory Capital

## Risk weighted assets by Geography (€ mn)

	31.03.14	30.06.14	30.09.14	31.12.14
Cyprus	20.124	19.807	20.296	20.452
Russia	1.318	1.276	1.203	706
United Kingdom	976	616	633	986
Romania	369	358	316	308
Greece	240	381	367	217
Other*	223	47	48	46
<b>Total</b>	<b>23.249</b>	<b>22.485</b>	<b>22.863</b>	<b>22.715</b>

## Equity and Regulatory Capital (€ mn)

	30.06.14	30.09.14	31.12.14
Shareholders' equity	2.748	3.728	3.465
CET1 capital	2.547	3.512	3.191
Tier I capital	2.547	3.512	3.191
Tier II capital	3	39	42
<b>Total capital (Tier I + Tier II)</b>	<b>2.550</b>	<b>3.551</b>	<b>3.233</b>

\* Other countries include Ukraine, Channel Islands and Netherlands

# Reconciliation of Group Equity to CET 1

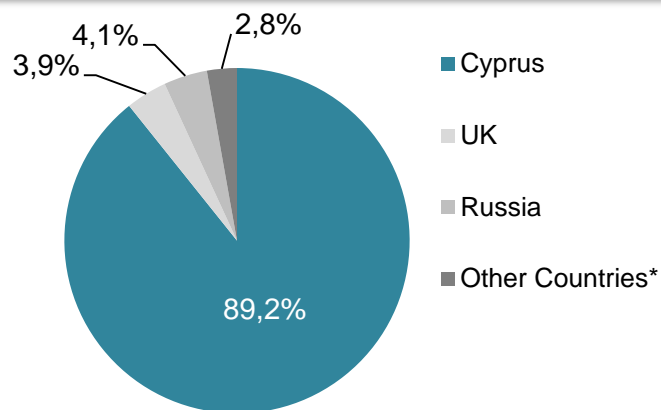
(€ mn)	31.12.14
Group Equity per financial statements	3.481
Less : Intangibles and other deductions	(16)
Less: Deconsolidation of insurance and other entities	(199)
Less: Regulatory adjustments (Minority Interest and other items)	(23)
Less: Revaluation reserves and other unrealised items transferred to Tier 2	(52)
<b>CET 1 (transitional)</b>	<b>3.191</b>
<b>Less : Adjustments to fully loaded (mainly DTA)</b>	<b>(138)</b>
<b>CET 1 (fully loaded)</b>	<b>3.055</b>
<b>RWA</b>	<b>22.715</b>
<b>CET 1 ratio (fully loaded)</b>	<b>13,4%</b>

# Loans and Deposits by Geography

## Gross Loans by Geography

€ mn	31.12.13	30.06.14	30.09.14	31.12.14
Cyprus	22.800	22.020	21.716	21.200
UK	1.284	1.172	1.112	914
Russia	1.429	1.304	1.208	966
Other countries*	1.230	804	706	692
<b>Group</b>	<b><u>26.743</u></b>	<b><u>25.300</u></b>	<b><u>24.742</u></b>	<b><u>23.772</u></b>

## Gross Loans by Geography

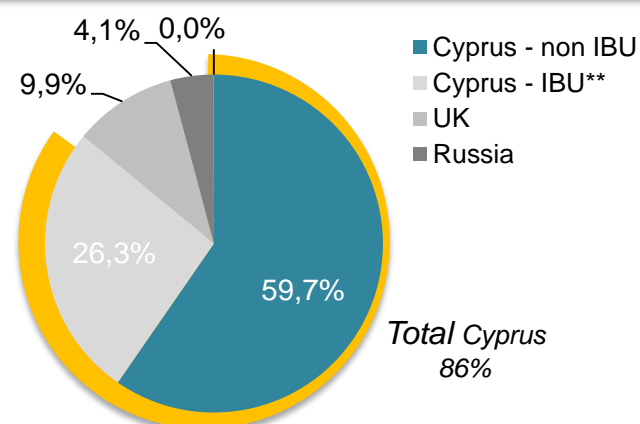


\* Other countries: Romania, Ukraine (until March 2014) and Greece

## Deposits by Geography

€ mn	31.12.13	30.06.14	30.09.14	31.12.14
Cyprus non-IBU**	8.658	8.094	7.785	7.847
Cyprus IBU**	4.047	3.594	3.458	3.467
<b>Cyprus – Total</b>	<b>12.705</b>	<b>11.688</b>	<b>11.243</b>	<b>11.314</b>
UK	1.244	1.252	1.289	1.305
Russia	919	845	794	545
Other countries***	103	18	4	5
<b>Group</b>	<b><u>14.971</u></b>	<b><u>13.803</u></b>	<b><u>13.330</u></b>	<b><u>13.169</u></b>

## Deposits by Geography



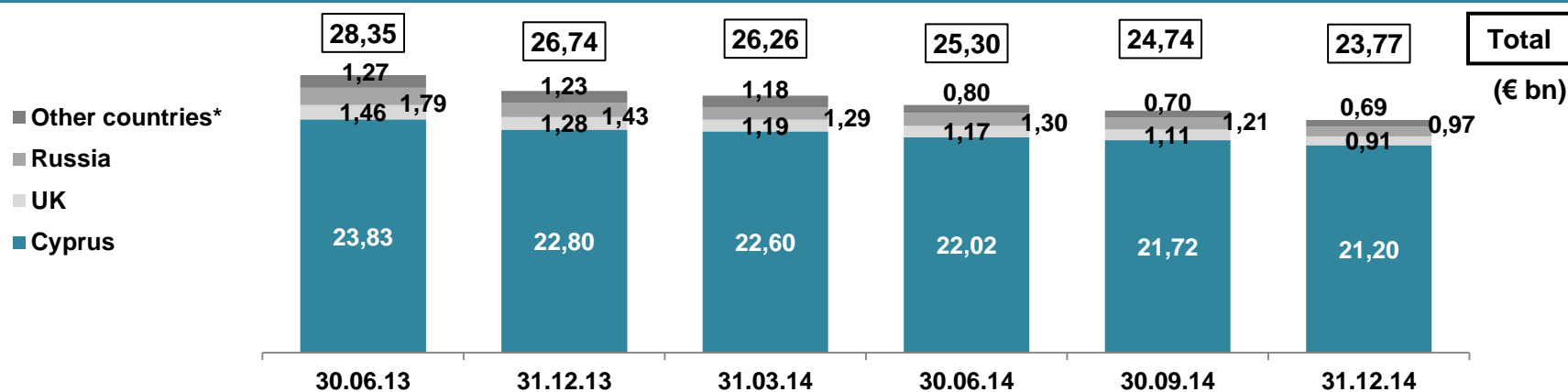
\*\* IBU- Division servicing exclusively international activity companies registered in Cyprus and abroad and non-residents  
 \*\*\* Other countries: Romania and Ukraine (until March 2014)

Bank of Cyprus



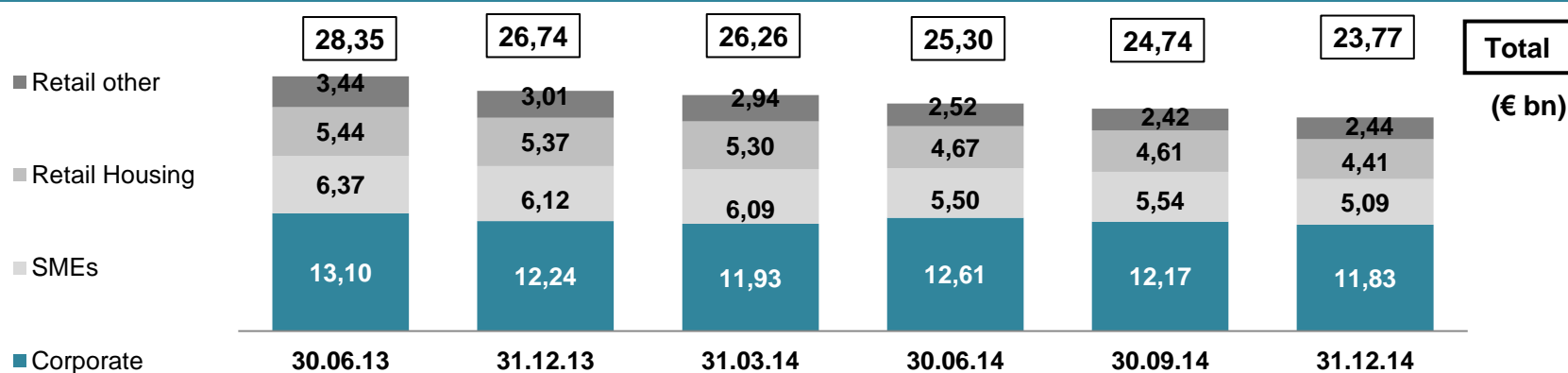
# Gross loans by Geography and by Customer Type

## Gross loans by geography



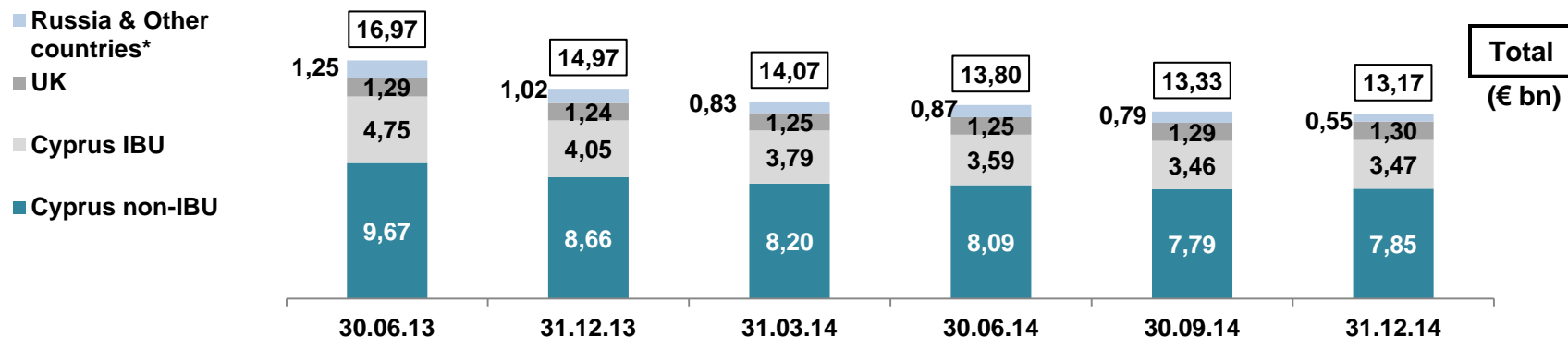
\*Other countries: Greece, Romania and Ukraine (until March 2014)

## Gross loans by customer type



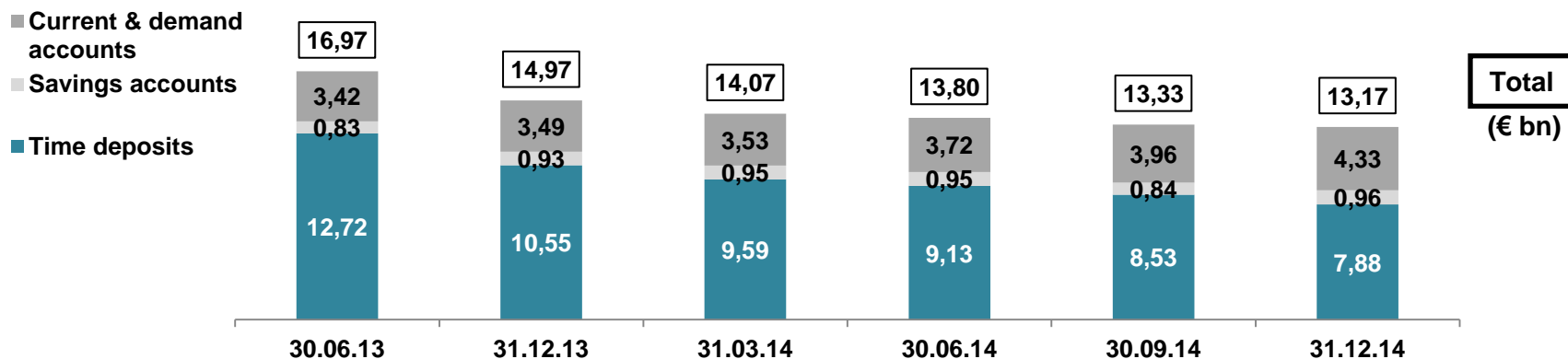
# Analysis of Deposits by Geography and by Type

## Deposits by geography



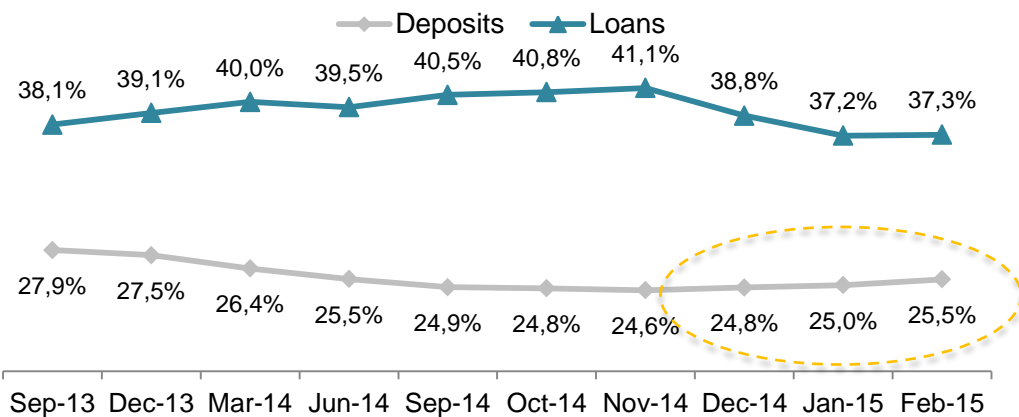
\* Other countries: Romania and Ukraine

## Deposits by type of deposit



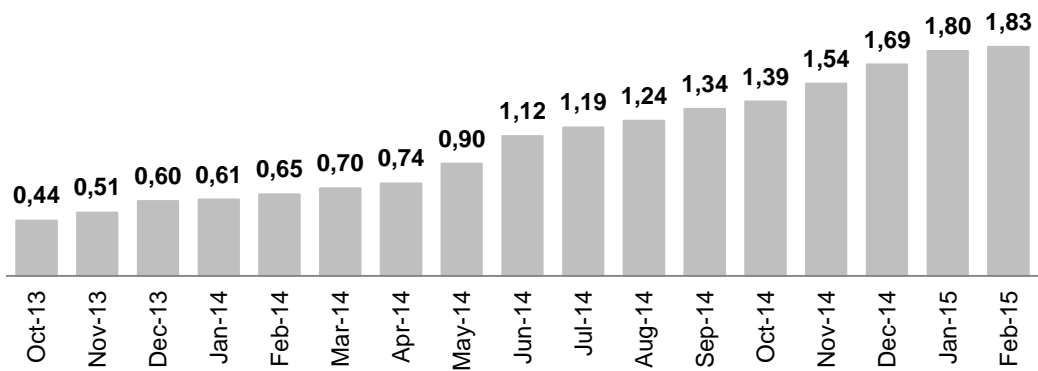
# Market Shares in Cyprus – Fresh funds

## Market share evolution in Cyprus



- Around 1% increase in the Bank's market share in deposits since the bottom. The Bank's market share in loans remains around 37%

## Increasing fresh funds balance<sup>1</sup> (€ bn)



- An on-going increase in fresh funds balance<sup>1</sup> totalling €1,83 bn at end-February 2015. The amount of fresh money is approximately 14% of total customer deposits

<sup>1</sup> Funds received from abroad minus funds sent abroad per customer, post March 2013 and not subject to restrictive measures

# Cyprus: Summary Income Statement and Key Indicators

€ mn	FY2014	FY2013	4Q2014	3Q2014	2Q2014	1Q2014
Net interest income	919	834	216	216	251	236
Net fee and commission income	145	132	34	35	36	40
Net foreign exchange gains/(losses) and net profits/(losses) on other financial instruments	7	18	12	(10)	(1)	6
Insurance income net of insurance claims	43	57	10	9	12	12
Other income/(expenses)	(6)	(19)	(5)	(5)	5	(1)
<b>Total income</b>	<b>1.108</b>	<b>1.022</b>	<b>267</b>	<b>245</b>	<b>303</b>	<b>293</b>
Staff costs	(221)	(247)	(56)	(55)	(55)	(55)
Other operating expenses	(168)	(147)	(54)	(38)	(40)	(36)
<b>Total expenses</b>	<b>(389)</b>	<b>(394)</b>	<b>(110)</b>	<b>(93)</b>	<b>(95)</b>	<b>(91)</b>
<b>Profit before provisions and impairments, gains on derecognition and changes in expected cash flows on acquired loans, restructuring costs and discontinued operations</b>	<b>719</b>	<b>628</b>	<b>157</b>	<b>152</b>	<b>208</b>	<b>202</b>
Provisions for impairment of customer loans	(580)	(856)	(207)	(101)	(163)	(109)
Gains on derecognition and changes in expected cash flows on acquired loans	47	27	30	6	4	7
Impairments of other financial and non-financial assets	(81)	(24)	(48)	1	(34)	(0)
Share of profit from associates	5	2	3	(2)	2	2
<b>Profit/(loss) before tax, restructuring costs and discontinued operations</b>	<b>110</b>	<b>(223)</b>	<b>(65)</b>	<b>57</b>	<b>16</b>	<b>102</b>
Tax	(4)	3	0	(2)	(1)	(1)
(Loss)/profit attributable to non - controlling interests	1	1	1	(0)	(0)	(0)
<b>Profit/(loss) after tax and before restructuring costs, discontinued operations and net profit on disposal of non-core assets</b>	<b>107</b>	<b>(219)</b>	<b>(64)</b>	<b>55</b>	<b>15</b>	<b>101</b>

# UK: Summary Income Statement and Key Indicators

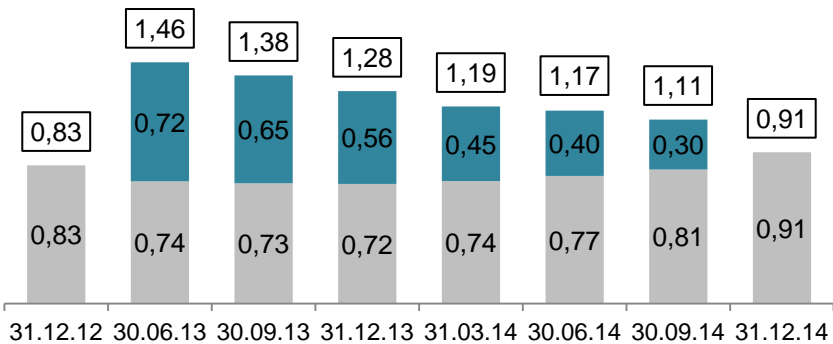
(€ mn))	FY2014	FY2013	4Q2014	3Q2014	2Q2014	1Q2014
Net interest income	31	29	5	10	9	7
Net fee & commission income	5	5	2	1	1	1
Net foreign exchange income and (losses)/gains from financial instruments	1	1	0	-	1	-
Other (expenses)/income	(0)	-	0	1	(1)	-
<b>Total income</b>	<b>37</b>	<b>35</b>	<b>7</b>	<b>12</b>	<b>10</b>	<b>8</b>
Staff costs	(12)	(10)	(3)	(3)	(3)	(3)
Other operating expenses	(16)	(14)	(6)	(3)	(3)	(3)
<b>Total expenses</b>	<b>(28)</b>	<b>(24)</b>	<b>(9)</b>	<b>(6)</b>	<b>(6)</b>	<b>(6)</b>
<b>Profit before provisions</b>	<b>9</b>	<b>11</b>	<b>(2)</b>	<b>6</b>	<b>4</b>	<b>2</b>
Provisions for impairment of loans and advances	(30)	(21)	(2)	2	(9)	(21)
<b>Loss before tax</b>	<b>(21)</b>	<b>(10)</b>	<b>(4)</b>	<b>8</b>	<b>(5)</b>	<b>(19)</b>
Tax	(1)	(1)	(0)	-	(1)	-
<b>Loss after tax and before restructuring costs and discontinued operations</b>	<b>(22)</b>	<b>(11)</b>	<b>(4)</b>	<b>8</b>	<b>(6)</b>	<b>(19)</b>

b.p. = basis points, p.p. = percentage points ; 100 b.p. = 1 p.p.

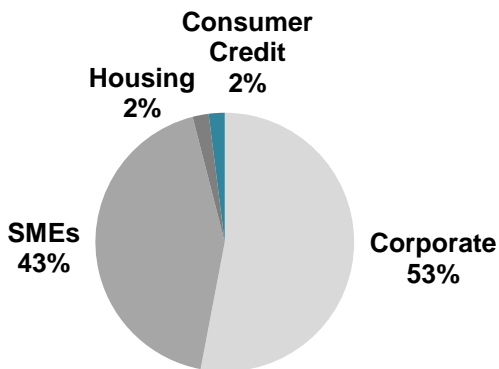
# UK Operations

UK Loans (€ bn)

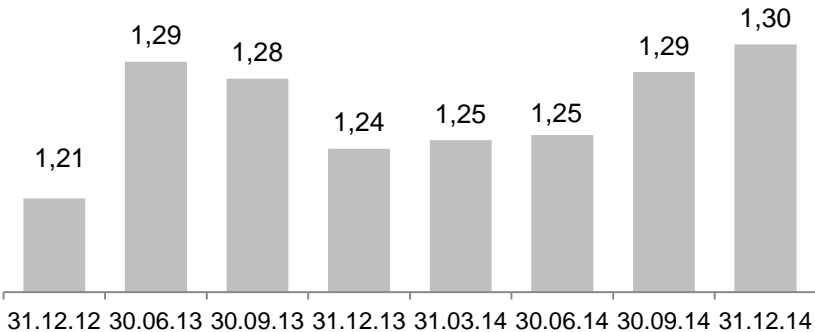
■ ex-Laikei UK loans



Loans by sector

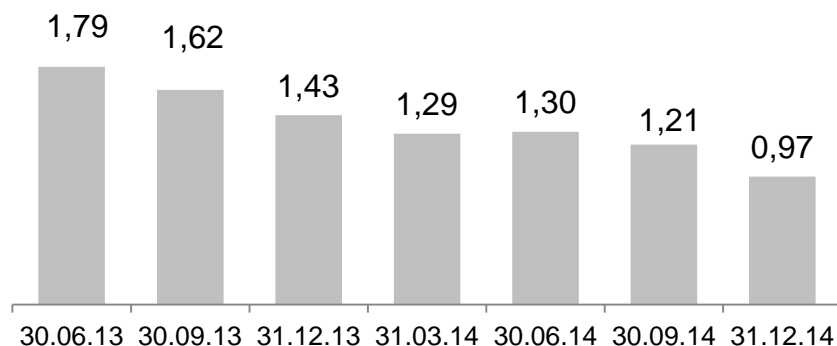


UK Deposits (€ bn)

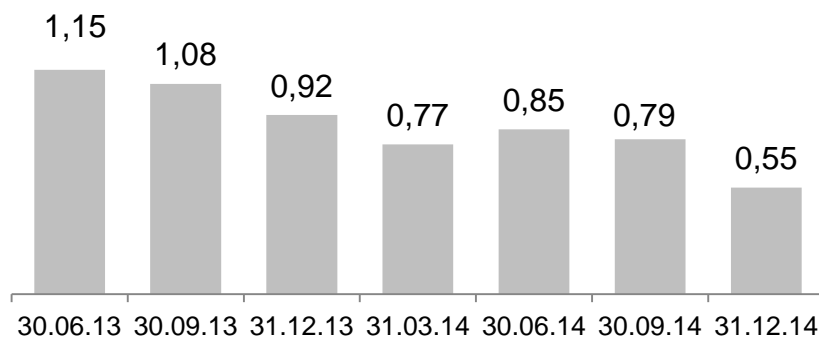


# Russian Operations

Russian Loans (€ bn)



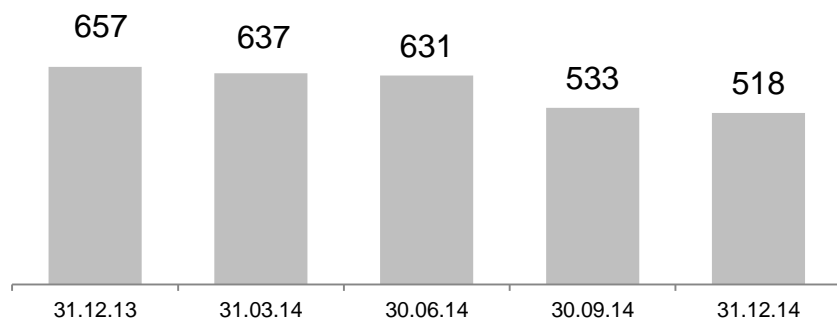
Russian Deposits (€ bn)



- Based on the progress of the disposal process of the Russian operations, the said operations have been classified as a disposal group held for sale. In line with the Group's accounting policy, an impairment loss of up to the carrying value of non-current assets within IFRS 5 measurement scope (e.g. tangible and intangible assets and other non-financial assets) is recognised. As a result, the Bank has recognised an impairment loss of €84 mn, which is included in losses from discontinued operations in the Group's Income Statement.
- The total loss of discontinued operations for the fourth quarter was €214 mn. The total loss of discontinued operations for the year ended 31 December 2014 amounted to €303 mn. €299 mn of this loss relates to the Russian operations.
- Following the announcement of the Preliminary FY2014 Financial Results and as part of the disposal process, the Group's net exposure was reduced by a further €30 mn due to the increase in provisions for impairment of customer loans, reducing the Group's overall net exposure to €130 mn

# Overseas Operations – Romania & Greece

## Romanian Gross loans (€ mn)



## Total exposure in Greece

**31 December 2014**

**€ mn**

Net Exposure from on balance sheet financial assets	120
Exposure from off balance sheet financial assets	185
About 600 foreclosed properties (book value)	179

- The Bank has decided to gradually run down the Romanian operations (over a period of 3 years from 2015-2017) and to proceed with piecemeal sales of selected loans
- The overall net exposure as at 31 December 2014 totalled €520 mn.

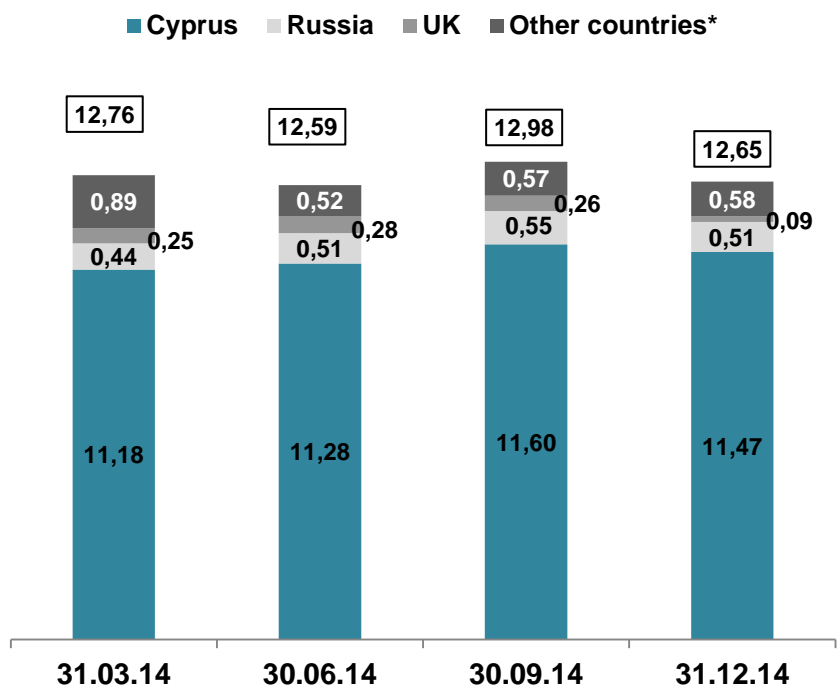
# Asset Quality

(€ mn)	Dec-14	Sep-14	Jun-14	Mar-14	Dec-13
<b>A. Gross Loans after Fair value on Initial recognition</b>	<b>22.206</b>	<b>23.136</b>	<b>23.685</b>	<b>24.450</b>	<b>24.840</b>
Fair value on Initial recognition	1.566	1.606	1.615	1.813	1.903
<b>B. Gross Loans</b>	<b>23.772</b>	<b>24.742</b>	<b>25.300</b>	<b>26.263</b>	<b>26.743</b>
<b>B1. Loans with no arrears</b>	<b>10.065</b>	<b>10.298</b>	<b>10.964</b>	<b>11.491</b>	<b>11.855</b>
<b>B2. Loans with arrears but not impaired</b>	<b>4.413</b>	<b>5.222</b>	<b>5.285</b>	<b>6.037</b>	<b>6.733</b>
Up to 30 DPD	562	750	919	865	823
31-90 DPD	492	716	826	1.151	1.063
+ 91-180 DPD	440	718	674	682	1.316
+ 181-365 DPD	926	1.058	1.145	1.635	2.099
+ Over 1 year DPD	1.993	1.980	1.721	1.704	1.432
+ <b>B3. Impaired Loans</b>	<b>9.294</b>	<b>9.221</b>	<b>9.051</b>	<b>8.735</b>	<b>8.155</b>
With no arrears	1.153	1.145	1.133	1.051	934
Up to 30 DPD	149	66	104	53	168
31-90 DPD	142	168	122	344	352
91-180 DPD	143	233	398	317	423
181-365 DPD	685	828	1.551	1.495	1.426
Over 1 year DPD	7.022	6.781	5.743	5.475	4.852
= <b>(90+ DPD)*</b>	<b>12.653</b>	<b>12.977</b>	<b>12.591</b>	<b>12.756</b>	<b>13.002</b>
<b>90+ DPD ratio (90 + DPD / Gross Loans )</b>	<b>53,2%</b>	<b>52,5%</b>	<b>49,8%</b>	<b>48,6%</b>	<b>48,6%</b>

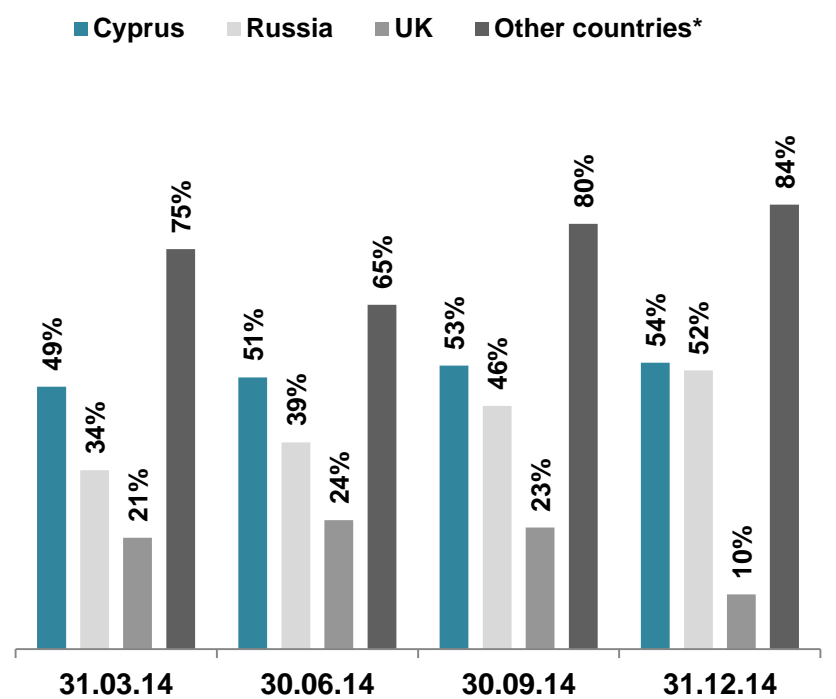
\* Loans in arrears for more than 90 days (90+ DPD) = Loans with arrears over 90 days but not impaired + Impaired Loans

# 90+ DPD by Geography

90+ DPD by Geography (€ bn)



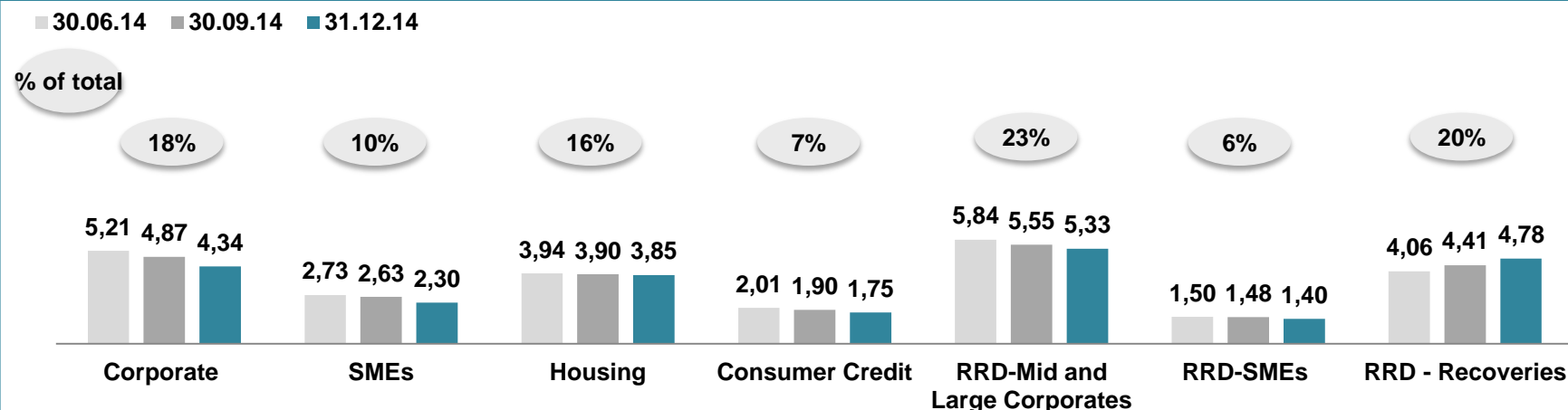
90+ DPD ratios by Geography



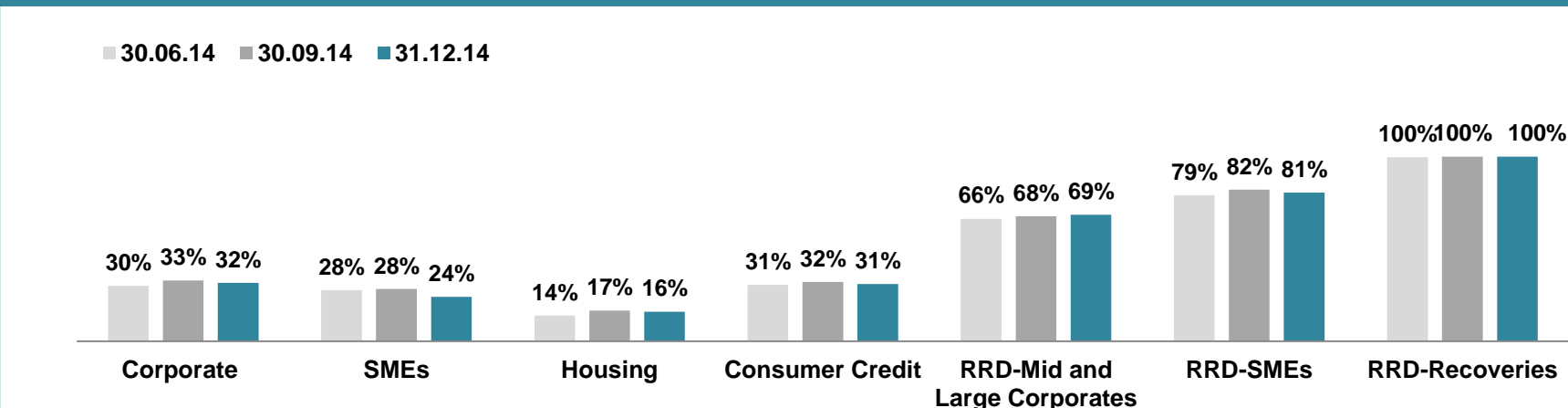
\* Other countries: Romania, Ukraine (until March 2014) and Greece

# Analysis of Loans and 90+ DPD ratios by Business Line\*

## Gross loans by business line (€ bn)

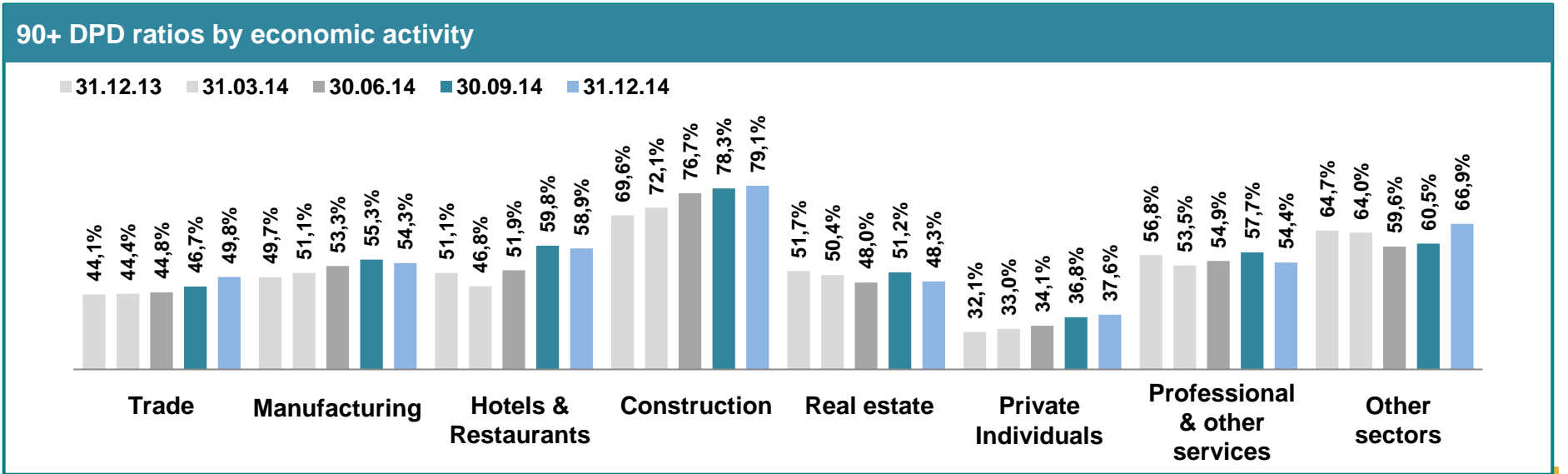
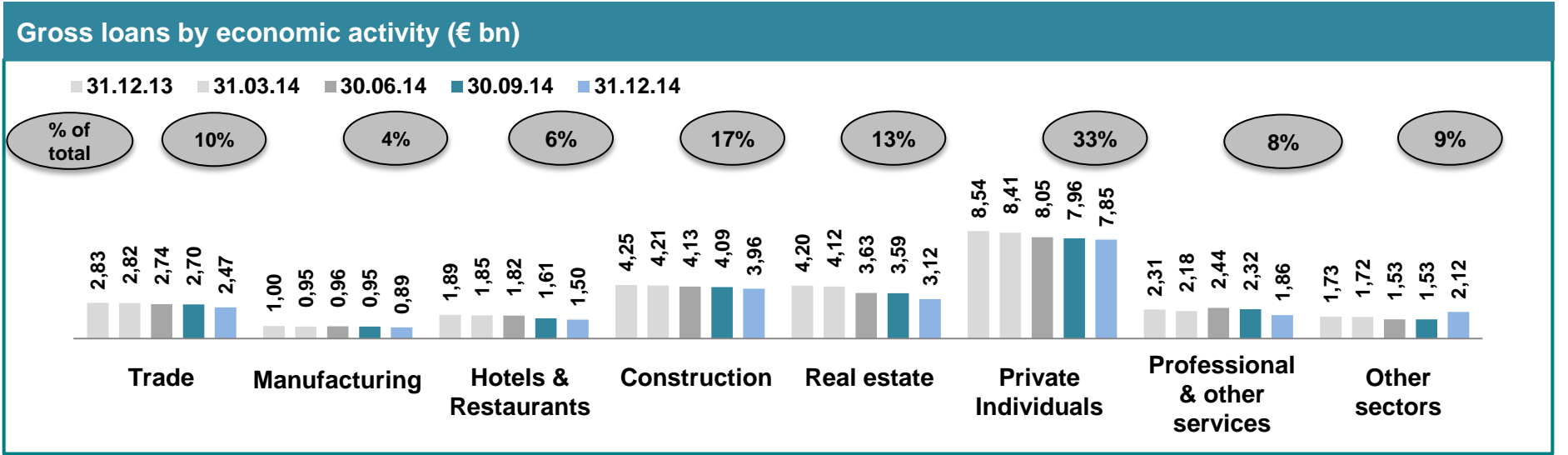


## 90+ DPD ratios by business line

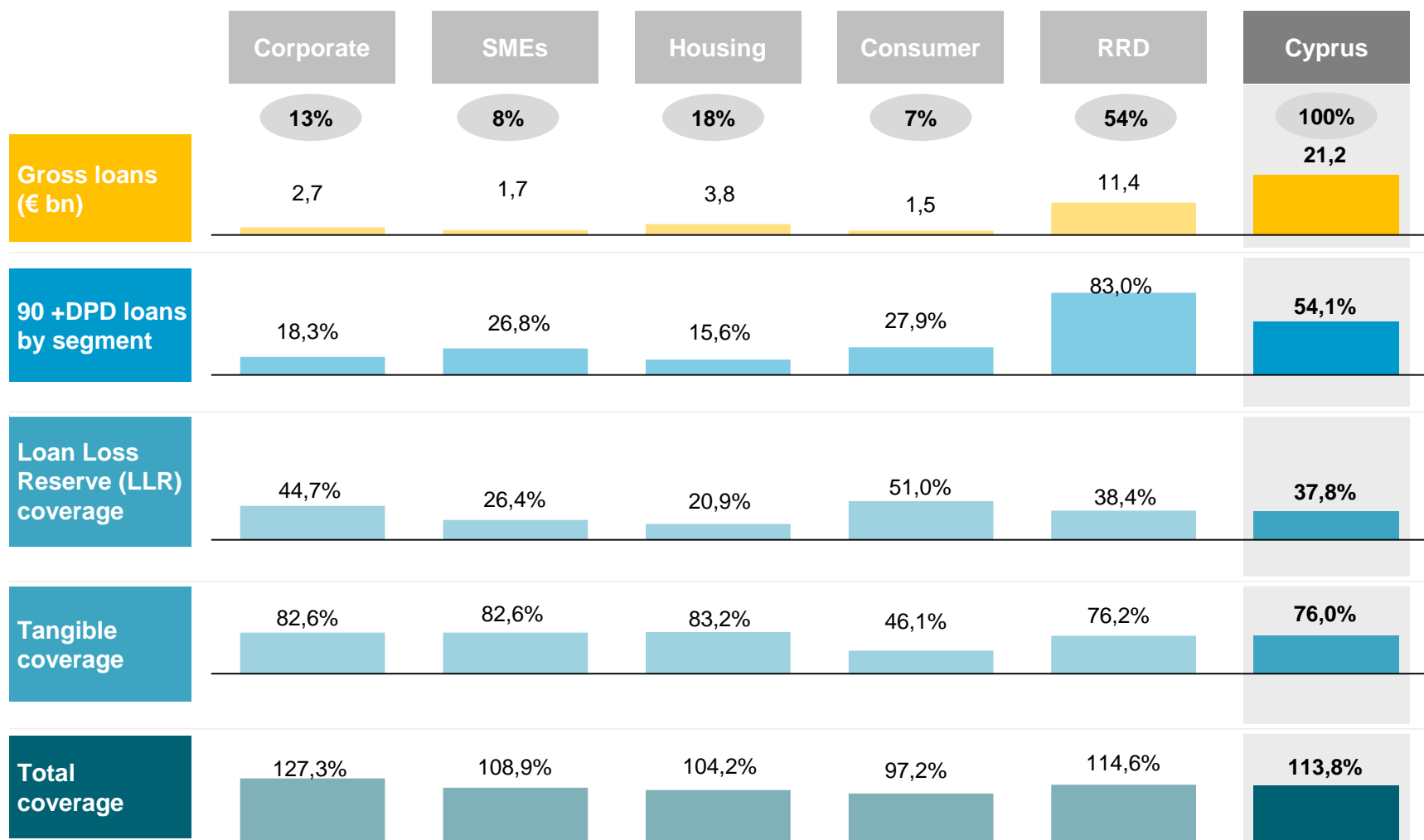


\*As part of the restructuring of the Group, management is currently monitoring the loan portfolio of the Group using new business line definitions. An important component of the Group's new operational structure is the establishment of the RRD for the purposes of centralising and streamlining the management of its delinquent loans. No comparative information is available prior to June 2014.

# Analysis of Loans and 90+ DPD ratios by Economic Activity



# Credit Risk by line of business – 90+ DPD fully covered by provisions & tangible collateral

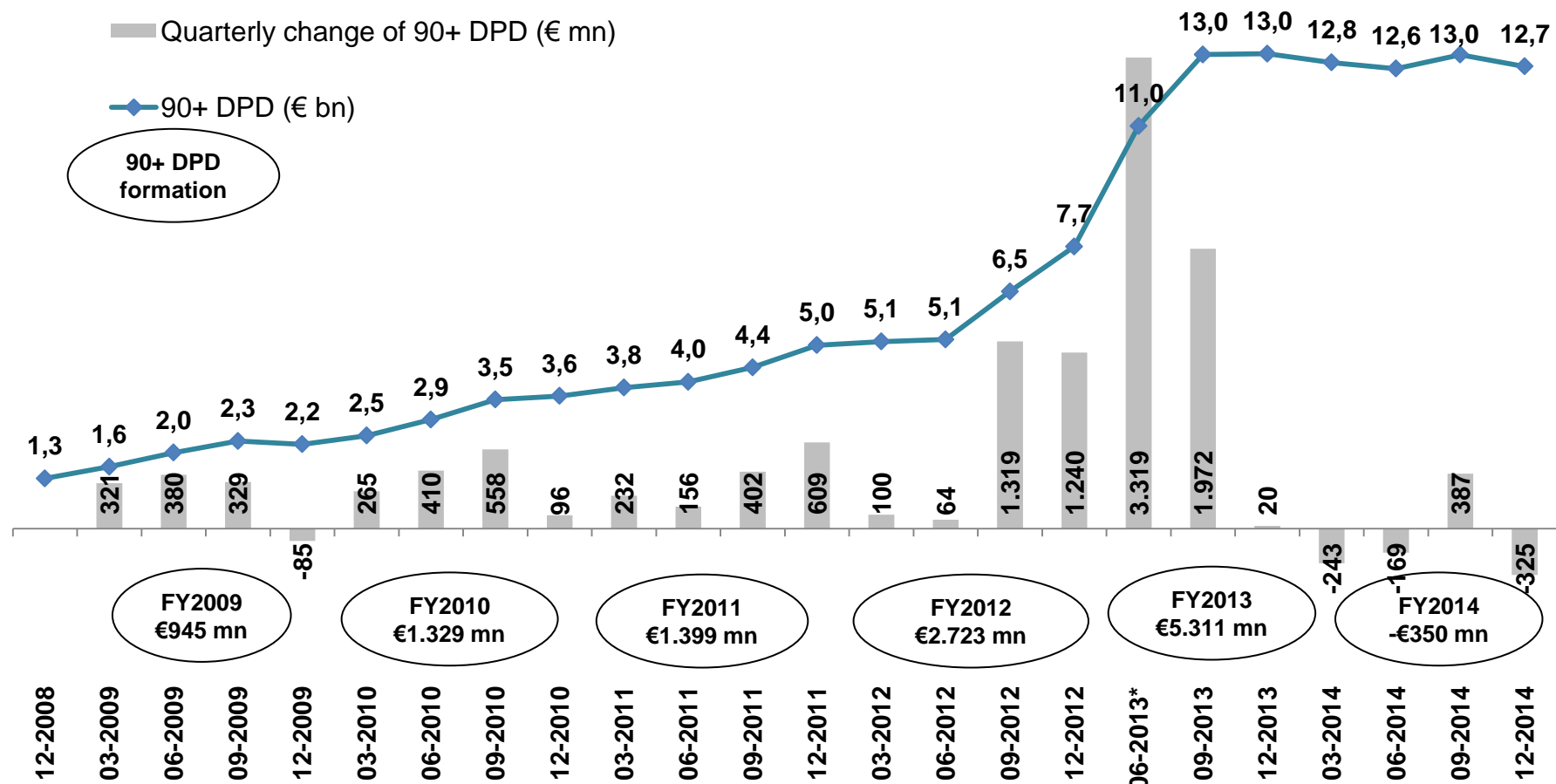


Significant provision and collateral coverage, with additional comfort from personal guarantees

xx % of total gross loans (Cyprus only)

# 90+ DPD and Quarterly Change of 90+ DPD

## 90+ DPD (€ bn) and Quarterly change of 90+ DPD (€ mn)



\* Information for 1Q2013 and 2Q2013 is not available as it has not been possible to publish the financial results for the three months ended 31 March 2013.

# Non-Performing Loans definition

**Non-Performing Loans (NPLs) –as per the Central Bank of Cyprus Directive:** In accordance with the directive, a loan is considered as non-performing when it shows arrears of more than 90 days or if it has been restructured and at the time of restructuring presented arrears for a period of more than 60 days, regardless of tangible or other collateral or it has been restructured more than 2 times in a period of 18 months. More specifically a NPL is defined as a loan which has arrears (of interest or capital or any other charges) for a period of more than 90 days, an overdraft in excess of its contractual limit on a continuous basis for a period of more than 90 days and a restructured facility which at the time of restructuring was classified as NPL or has arrears/excesses for a period of more than 60 days, or has been restructured more than 2 times in the last 18 months. Restructured loans remain as NPLs for 6 months following the commencement of the new repayment schedule of capital installments or in the case of gradual increasing installments, six months from the first month from which the higher installment is due. In case of lump-sum payments at maturity, the loan remains as NPL until its maturity.

**Non-Performing Exposures (NPEs) –as per the EBA definition:** The European Banking Authority (EBA) has published its reporting standards on forbearance and non-performing exposures. In accordance with the EBA definition, the below exposures are considered as non-performing if:

- (i) The debtor is assessed as unlikely to pay its credit obligations in full without the realisation of the collateral, regardless of the existence of any past due amount or of the number of day past due or
- (ii) impaired exposures i.e. a) specific provision is kept, b) write off, c) legal, d) bankrupt, or
- (iii) material exposures which are more than 90 days past due or
- (iv) performing forbore exposures that re-restructured within 2 year probation period or
- (v) performing forbore exposures under probation (2 years) that present more than 30 days past due after the restructuring date.

**-90+DPD:** 90+ DPD are loans with a specific provision (i.e. impaired loans) and loans past-due for more than 90 days but not impaired

# Disclaimer

Certain statements, beliefs and opinions in this presentation are forward-looking. Such statements can be generally identified by the use of terms such as “believes”, “expects”, “may”, “will”, “should”, “would”, “could”, “plans”, “anticipates” and comparable terms and the negatives of such terms. By their nature, forward-looking statements involve risks and uncertainties and assumptions about the Group that could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements. These risks, uncertainties and assumptions could adversely affect the outcome and financial effects of the plans and events described herein. We have based these forward-looking statements on our current expectations and projections about future events. Any statements regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. Readers are cautioned not to place undue reliance on forward-looking statements, which are based on facts known to and/ or assumptions made by the Group only as of the date of this presentation. We assume no obligation to update such forward -looking statements or to update the reasons that actual results could differ materially from those anticipated in such forward-looking statements. This presentation does not constitute an offer to sell, or a solicitation of an offer to buy, any security in any jurisdiction in the United States, to United States Domiciles or otherwise. The delivery of this presentation shall under no circumstances imply that there has been no change in the affairs of the Group or that the information set forth herein is complete or correct as of any date. This presentation shall not be used in connection with any investment decision regarding any of our securities, which should only be made based on expressly authorised materials from us identified as such, nor in connection with any decision whether or how to vote on any matter submitted to our stockholders. The securities issued by Bank of Cyprus Public Company Ltd have not been, and will not be, registered under the US Securities Act of 1933 (“the Securities Act”), or under the applicable securities laws of Canada, Australia or Japan.