

Financial Information for the Period from 1 January 2014 to 31 March 2014

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 - Investor Relations/Financial Information.

Members of the Board of Directors: Christis Hassapis (Chairman), Vladimir Strzhalkovskiy (Vice Chairman), Anjelica Anshakova, Dmitry Chichikashvili, Marinos Gialelis, Marios Kalochoritis, Konstantinos Katsaros, Eriskhan Kurazov, Adonis Papaconstantinou, Anton Smetanin, Xanthos Vrachas, Andreas Yiasemides, Ioannis Zographakis and John Patrick Hourican.

Date of approval of the interim financial statements for the period ended 31 March 2014 by the Board of Directors:
30 May 2014

BANK OF CYPRUS GROUP

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

for the three months ended 31 March 2014

	Three months ended 31 March 2014 €000
Continuing operations	
Net interest income	266.958
Net fee and commission income	45.279
Net foreign exchange losses	(5.571)
Net gains on financial instrument transactions	19.570
Insurance income net of claims and commissions	13.126
Other income	491
	339.853
Staff costs	(67.456)
Other operating expenses	(61.043)
Profit before impairment of loans and advances	211.354
Provisions for impairment of loans and advances	(146.465)
Profit before share of profit of associates and joint ventures	64.889
Share of profit of associates and joint ventures	2.135
Profit before tax	67.024
Tax	(2.232)
Profit after tax	64.792
Discontinued operations	
Loss after tax from discontinued operations	(35.987)
Profit for the period	28.805
Attributable to:	
Owners of the Company – continuing operations	67.257
Owners of the Company – discontinued operations	(35.948)
Total profit attributable to the owners of the Company	31.309
Non-controlling interests – continuing operations	(2.465)
Non-controlling interests – discontinued operations	(39)
Profit for the period	28.805
Basic and diluted earnings per share (€) - continuing operations	0,0144
Basic and diluted earnings per share (€)	0,0066
Profit for the period	28.805
Other comprehensive loss after tax	(6.961)
Total comprehensive income for the period	21.844
Attributable to:	
Owners of the Company	25.962
Non-controlling interests	(4.118)
Total comprehensive income for the period	21.844

No comparative information has been presented since no reliable information was available for the three months ended 31 March 2013 due to the increased level of uncertainty and changes which were prevailing at the time of the Eurogroup events in March 2013.

BANK OF CYPRUS GROUP

Extracts from the Interim Consolidated Balance Sheet

as at 31 March 2014

		31 March 2014	31 December 2013 (restated)
	Notes	€000	€000
Assets			
Cash and balances with central banks		963.963	1.240.043
Placements with banks		1.141.169	1.290.102
Investments	3	2.809.356	2.759.855
Investments pledged as collateral	3	665.382	672.809
Derivative financial assets		27.877	28.765
Loans and advances to customers		21.233.958	21.764.338
Life insurance business assets attributable to policyholders		449.907	443.579
Property and equipment		403.424	414.404
Intangible assets		129.967	130.580
Other assets		1.347.334	1.401.833
Investments in associates and joint ventures		205.932	203.131
Total assets		29.378.269	30.349.439
Liabilities			
Amounts due to banks		171.236	196.422
Funding from central banks		10.905.788	10.956.277
Repurchase agreements		582.489	594.004
Derivative financial liabilities		77.662	83.894
Customer deposits		14.065.675	14.971.167
Insurance liabilities		556.143	551.829
Debt securities in issue		1.493	1.515
Other liabilities	4	253.482	251.979
Subordinated loan stock		4.743	4.676
Total liabilities		26.618.711	27.611.763
Equity			
Share capital		4.699.503	4.683.985
Shares subject to interim orders		46.244	58.922
Revaluation and other reserves		67.099	72.251
Accumulated losses		(2.123.523)	(2.151.835)
Equity attributable to owners of the Company		2.689.323	2.663.323
Non-controlling interests		70.235	74.353
Total equity		2.759.558	2.737.676
Total liabilities and equity		29.378.269	30.349.439

BANK OF CYPRUS GROUP**Extracts from the Interim Consolidated Statement of Changes in Equity**for the three months ended 31 March 2014

	Three months ended 31 March
	2014
	€000
Total equity at 1 January	2.730.594
Finalisation of accounting for Laiki Bank acquisition	7.082
Total equity at 1 January (restated)	2.737.676
Profit for the period	28.805
Other comprehensive loss for the period	(6.961)
Bail-in of deposits and structured products	38
Total equity at 31 March	2.759.558

No comparative information has been presented since no reliable information was available for the three months ended 31 March 2013 due to the increased level of uncertainty and changes which were prevailing at the time of the Eurogroup events in March 2013.

BANK OF CYPRUS GROUP

Extracts from the Interim Consolidated Statement of Comprehensive Income

for the three months ended 31 March 2014

	Three months ended 31 March
	2014
	€000
Profit for the period	28.805
Foreign currency translation reserve	(14.263)
Available-for-sale investments	7.292
Property revaluation	10
Total comprehensive income for the period	21.844

No comparative information has been presented since no reliable information was available for the three months ended 31 March 2013 due to the increased level of uncertainty and changes which were prevailing at the time of the Eurogroup events in March 2013.

BANK OF CYPRUS GROUP**Extracts from the Interim Consolidated Statement of Cash Flows**

for the three months ended 31 March 2014

	Three months ended 31 March
	2014
	€000
Net cash flow from operating activities	56.312
Net cash flow from investing activities	97.100
Net cash flow used in financing activities	(93.103)
Net increase in cash and cash equivalents for the period	60.309
Exchange adjustments	27.089
Total cash inflow for the period	87.398
Cash and cash equivalents at 1 January	1.463.243
Cash and cash equivalents at 31 March	1.550.641

No comparative information has been presented since no reliable information was available for the three months ended 31 March 2013 due to the increased level of uncertainty and changes which were prevailing at the time of the Eurogroup events in March 2013.

BANK OF CYPRUS PUBLIC COMPANY LTD
Extracts from the Interim Income Statement
and Statement of Comprehensive Income
for the three months ended 31 March 2014

	Three months ended 31 March
	2014
	€000
Continuing operations	
Net interest income	243.250
Net fee and commission income	37.950
Net foreign exchange losses	(6.451)
Net gains on financial instrument transactions	19.302
Other income	(2.342)
	291.709
Staff costs	(50.746)
Other operating expenses	(41.181)
Profit before impairment of loans and advances	199.782
Provisions for impairment of loans and advances	(141.735)
Profit before tax	58.047
Tax	(1.000)
Profit for the period	57.047
Basic and diluted profits per share (€)	1,2139
Profit for the period	57.047
Other comprehensive income after tax	14.066
Total comprehensive income for the year	71.113

No comparative information has been presented since no reliable information was available for the three months ended 31 March 2013 due to the increased level of uncertainty and changes which were prevailing at the time of the Eurogroup events in March 2013.

BANK OF CYPRUS PUBLIC COMPANY LTD
Extracts from the Interim Balance Sheet
as at 31 March 2014

		31 March 2014	31 December 2013 (restated)
	Notes	€000	€000
Assets			
Cash and balances with central banks		321.151	550.740
Placements with banks		933.446	1.064.654
Investments	3	2.773.504	2.722.328
Investments pledged as collateral	3	665.382	672.809
Derivative financial assets		27.856	28.723
Loans and advances to customers		19.342.451	19.714.705
Group intercompany accounts		1.094.036	1.115.708
Investments in Group companies		443.419	442.335
Investments in associates and joint ventures		204.777	204.777
Property and equipment		240.662	243.908
Intangible assets		15.744	16.975
Other assets		874.190	904.507
Total assets		26.936.618	27.682.169
Liabilities			
Amounts due to banks		104.011	124.152
Funding from central banks		10.905.788	10.956.277
Repurchase agreements		582.489	594.004
Derivative financial liabilities		77.656	83.957
Customer deposits		12.012.863	12.745.743
Group intercompany accounts		560.069	563.579
Debt securities in issue		674	674
Other liabilities	4	163.083	154.949
Total liabilities		24.406.633	25.223.335
Equity			
Share capital		4.699.503	4.683.985
Shares subject to interim orders		46.244	58.922
Revaluation and other reserves		57.155	43.086
Accumulated losses		(2.272.917)	(2.327.159)
Total Equity		2.529.985	2.458.834
Total liabilities and equity		26.936.618	27.682.169

BANK OF CYPRUS PUBLIC COMPANY LTD
 Extracts from the Interim Statement of Changes in Equity
 for the three months ended 31 March 2014

	Three months ended 31 March
	2014
	€000
Total equity at 1 January	2.451.752
Finalisation of accounting for Laiki Bank acquisition	7.082
Total equity at 1 January (restated)	2.458.834
Profit for the period	57.047
Other comprehensive income for the period	14.066
Bail-in of deposits and structured products	38
Total equity at 31 March	2.529.985

No comparative information has been presented since no reliable information was available for the three months ended 31 March 2013 due to the increased level of uncertainty and changes which were prevailing at the time of the Eurogroup events in March 2013.

BANK OF CYPRUS PUBLIC COMPANY LTD
Extracts from the Interim Statement of Comprehensive Income
for the three months ended 31 March 2014

	Three months ended 31 March
	2014
	€000
Profit for the period	57.047
Foreign currency translation reserve	7.679
Available-for-sale investments	6.387
Total comprehensive profit for the period	71.113

No comparative information has been presented since no reliable information was available for the three months ended 31 March 2013 due to the increased level of uncertainty and changes which were prevailing at the time of the Eurogroup events in March 2013.

BANK OF CYPRUS PUBLIC COMPANY LTD
 Extracts from the Interim Statement of Cash Flows
 for the three months ended 31 December 2014

	Three months ended 31 March
	2014
	€000
Net cash flow used in operating activities	(142.426)
Net cash flow from investing activities	93.809
Net cash flow used in financing activities	(93.082)
Net decrease in cash and cash equivalents for the period	(141.699)
Exchange adjustments	(8.758)
Total cash outflow for the period	(150.457)
Cash and cash equivalents at 1 January	900.181
Cash and cash equivalents at 31 March	749.724

No comparative information has been presented since no reliable information was available for the three months ended 31 March 2013 due to the increased level of uncertainty and changes which were prevailing at the time of the Eurogroup events in March 2013.

1. The Interim Condensed Consolidated Financial Statements for the three months ended 31 March 2014 have not been prepared in accordance with the International Accounting Standard applicable to interim financial reporting as adopted by the European Union ('IAS 34'), since the Group has not presented comparative information since no information was available for the three months ended 31 March 2013 due to the increased level of uncertainty and changes which were prevailing at the time of the Eurogroup events of March 2013.
2. The accounting policies adopted for the preparation of the Interim Condensed Consolidated Financial Statements for the three months ended 31 March 2014 are consistent with those followed for the preparation of the annual Consolidated Financial Statements for the year ended 31 December 2013. 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 27 Separate Financial Statements (Revised)
 - IAS 28 Investments in Associates and Joint Ventures (Revised)
 - IFRS 10 Consolidated Financial Statements
 - IFRS 11 Joint Arrangements
 - IFRS 12 Disclosures of Involvement with Other Entities
 - Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12)
 - Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)
 - IAS 32 Financial Instruments: Presentation (Amended) - Offsetting Financial Assets and Financial Liabilities
 - Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36)
 - Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39)

Comparatives have been re-presented to conform with changes in the presentation in the current period and to reflect the reclassification of the Ukrainian operations disposed on 18 April 2014, from continuing to discontinued operations.

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

	31 March 2014	31 December 2013
Group	€000	€000
Investments		
Investments at fair value through profit or loss	27.178	25.160
Investments available-for-sale	163.273	161.258
Investments classified as loans and receivables	2.618.905	2.573.437
	2.809.356	2.759.855
Investments pledged as collateral		
Investments available-for-sale	665.382	672.809
	3.474.738	3.432.664

	31 March 2014	31 December 2013
Company	€000	€000
Investments		
Investments at fair value through profit or loss	18.467	16.973
Investments available-for-sale	136.328	132.115
Investments classified as loans and receivables	2.618.709	2.573.240
	2.773.504	2.722.328
Investments pledged as collateral		
Investments available-for-sale	665.382	672.809
	3.438.886	3.395.137

4. Other liabilities at 31 March 2014 include provisions for pending litigation or claims of €63.138 thousand for the Group and €54.328 thousand for the Company and other provisions of €16.542 thousand for the Group and €14.874 thousand for the Company. The Group's provision for pending litigation or claims at 31 March 2014 is set out in Note 19 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 at 31 March 2014 was 7.400 (31 December 2013: 7.752) and by the Company was 4.060 (31 December 2013: 4.264).
6. Shares of the Company held by entities controlled by the Group and by associates (including shares that are held by life insurance subsidiary which holds the shares as part of financial assets that are invested for the benefit of insurance policyholders) at 31 March 2014 were 36.798 thousand and their cost of acquisition was €109.514 thousand.
7. The Group subsidiaries, branches and associates as at 31 March 2014 and the method of consolidation used are set out in Note 31 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: €3.278 thousand for the Group and the Company.
- (b) Loans and other advances to other connected persons: €645 thousand for the Group and €1.094.681 thousand for the Company.
- (c) Contingent liabilities and commitments (mainly documentary credits, guarantees and commitments to lend): €797 thousand for the Group and the Company.
- (d) Deposits by members of the Board of Directors and key management personnel: €1.952 thousand for the Group and the Company.
- (e) Deposits by other connected persons: €33.266 thousand for the Group and €593.335 thousand for the Company.
- (f) Interest income: €26 thousand for the Group and €7.137 thousand for the Company.
- (g) Interest expense: €130 thousand for the Group and €1.656 thousand for the Company.
- (h) Remuneration and other transactions of members of the Board of Directors, key management personnel and connected persons: €995 thousand for the Group and €865 thousand for the Company.

9. Other information

The total capital expenditure of the Group for the three months ended 31 March 2014 amounted to €4.511 thousand.

On 4 April 2014 Mr Marios Yiannas resigned from the Board of Directors.

10. Events after the reporting date

10.1 Disposal of the Group's Ukrainian business

On 18 April 2014 the Group completed the sale of its Ukrainian business, comprising (i) its holding of 99,77% in its subsidiary bank in Ukraine, PJSC Bank of Cyprus, (ii) the funding provided by the Group to PJSC Bank of Cyprus, and (iii) its loans with Ukrainian exposures, to Alfa Group.

The sale consideration was €202.500 thousand, comprising €102.500 thousand received and €100.000 thousand deferred up to 31 March 2015.

The disposal will be reflected in the Group's second quarter results. The accounting loss from the sale is estimated at €115.000 thousand and represents the difference of the consideration and the net book value of the assets and liabilities disposed as at 31 March 2014, as well as the unwinding of the related foreign currency reserve of €56.000 thousand as at the disposal date. The impact of this disposal on the Group's capital which will be recognised during the second quarter of 2014 is estimated at €24.000 thousand or 0,1 percentage points negative on the Group's capital ratios.

10.2 Disposal of the Group's investment in Romanian Banca Transilvania

On 18 April 2014 the Group sold its investment in Romanian Banca Transilvania comprising 220.461.952 shares, representing 9,99% of the issued share capital of Banca Transilvania. The disposal took place on the Bucharest Stock Exchange at a transaction price of RON 1,67.

The sale consideration amounted to approximately €82.000 thousand and the realised accounting gain from the transaction was €47.000 thousand. The impact on the Group's capital is estimated to be €55.000 thousand or 0,2 percentage points positive on the Core Tier 1 capital ratio.

10. Events after the reporting date (continued)

10.3 Release of the nine-month time deposits

On 30 April 2014 the Group after witnessing improved liquidity positions and within the scope of further enhancing its liquidity through deleveraging released the nine-month time deposits that were blocked as per the decrees relating to the recapitalisation of the Company in July 2013 and matured on 30 April 2014.

In order to normalise the maturity profile of its deposit base, the Company decided the gradual release as follows: (i) one third of the nine-month time deposits to be immediately released and available in clients' current accounts, (ii) one third of the nine-month time deposits to be converted into a three-month time deposit maturing and automatically released on 31 July 2014, and (iii) one third of the nine-month time deposits to be converted into a six-month time deposit maturing and automatically released on 31 October 2014.

The released funds are subject to the general restrictive measures currently applicable in the Cypriot banking system.

10.4 Disposal of loans in Serbia

On 22 May 2014 the Group sold loans extended to Robne Kuce Beograd, a Serbian real estate management company, to Piraeus Bank S.A., thereby enhancing the Company's liquidity position.

The sale consideration amounts to approximately €165.000 thousand and the realised accounting gain from the transaction is €27.000 thousand. The impact on the Group's capital is estimated to be €46.000 thousand or 0,2 percentage points positive on the Core Tier 1 capital ratio.