Bank of Cyprus Group

Announcement

Group Financial Results
for the Six months ended 30 June 2011

- Profitability excluding the impairment of Greek Government Bonds (GGBs)
    - Profit before provisions €377 mn, an increase of 15% compared to 1H2010
    - Profit after tax €155 mn (€163 mn in 1H2010)

- After tax and including the GGBs impairment of 26%, losses of €112 mn
    - The negative impact on equity from the implementation of the support plan for Greece is estimated at only €20 mn

- Capital position
    - Tier 1 capital ratio of 11,6%
    - Successfully passed the Stress Tests of the European Banking Authority

- Liquidity
    - Loans to deposits ratio of 86%
    - Minimal repayments of debt obligations in the next two years

Nicosia, 30 August 2011

Founded in 1899, the Bank of Cyprus Group is the leading Cypriot banking and financial services group. In addition to retail and commercial banking, the Group's activities include finance, factoring, investment banking, brokerage, fund management, life and general insurance. The Group currently operates through a total of 610 branches, of which 219 operate in Russia, 185 in Greece, 141 in Cyprus, 35 in Ukraine, 12 in Romania, 13 in Australia 4 in the United Kingdom and 1 in the Channel Islands. Bank of Cyprus also has 9 representative offices in Russia, Romania, Ukraine, Canada, Serbia and South Africa. The Bank of Cyprus Group employs 11.841 staff worldwide.

At 30 June 2011, the Group's Total Assets amounted to €41,80 bn and the Shareholders' Funds were €3,70 bn. The Bank of Cyprus shares are listed on the Cyprus and Athens Stock Exchanges. Additional information can be found on the Group's website www.bankofcyprus.com.

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A. Summary of Results

The Group remains in a strong position to face the challenges of the ongoing negative environment in the main European markets in which it operates, enjoying strong liquidity (**loans to deposits ratio** 86%), minimal repayments of debt obligations in the next two years and a **Tier 1 capital ratio of** 11,6% following the issue of Convertible Enhanced Capital Securities (CECS) and the impairment of Greek Government Bonds (GGBs).

The issue of €890 mn Convertible Enhanced Capital Securities in May 2011 has further strengthened the capital position of the Group in order to face the challenges of the difficult economic environment. In addition, Bank of Cyprus successfully passed the EU-wide stress test conducted by the European Banking Authority (EBA). Bank of Cyprus ranked 24th out of 90 European banks with a supervisory recognised capital ratio of 9,5% for 2012, under the adverse scenario and after taking into account the measures to strengthen its capital position. Bank of Cyprus had already implemented the actions for strengthening its capital that were included in the 2011 stress test before its completion.

Excluding the impairment of GGBs, the Group's total income reached €737 mn for the first half of 2011 noting an increase of 8% and demonstrating the Group's ability to achieve increasing recurring income even in adverse economic conditions. Excluding the impairment of GGBs, the Group's profit before provisions for the first half of 2011 reached €377 mn recording an annual increase of 15%. Profit after tax excluding the impairment of GGBs reached €155 mn compared to €163 mn in the first half of 2010. It is noted that profit after tax was affected by the higher loan impairment charge and the higher tax charge due to the levy of a special tax (€9 mn) in Cyprus on financial institutions based on their deposits. Profit after tax excluding the impairment of the GGBs and the special tax on banks, totalled €165 mn compared to €163 mn in the first half of 2010.

The Group intends to participate in the plan to exchange GGBs, based on the decisions of the EU Summit on 21st July 2011 for the support of Greece and considering the current terms of the plan. At 30 June 2011 the nominal value of the GGBs eligible for the plan totalled €1.076 mn, which the Group has impaired by €281 mn or 26%.

As a result, the Group's profit and loss statement for the 2nd quarter of 2011 includes losses after tax of €268 mn from the impairment of GGBs, of which €171 mn were already recognised in the Group's revaluation reserves and were transferred to the profit and loss statement. As a result, the impact from the impairment of GGBs on the Group's equity totalled €97 mn. The Group estimates that with the completion of the exchange of GGBs, based on the current terms of the plan[1], a gain of about €77 mn will arise and, as a result, the impact from participating in the plan on the Group's equity will be reduced from €97 mn to only about €20 mn.

Taking into consideration the impairment of GGBs, profit before provisions for the first half of 2011 totalled €96 mn, while the losses after tax amounted to €112 mn.

The main financial highlights for the first half of 2011 are set out in the tables below:

[1] For more information on the plan see section C.4

Table 1

Main financial highlights for the first half of 2011 **excluding the impairment of Greek Government Bonds**				
€ mn	**Change**	**1H2011**	**1H2010**	FY2010
Total Income	+8%	737	681	1.450
Profit before provisions	+15%	377	328	725
Profit before tax	+7%	193	180	348
Profit after tax excluding the special tax on banks	**+1%**	**165**	**163**	**306**
Profit after tax	**-4%**	**155**	**163**	**306**
Earnings per share	**-5,7 cent**	**17,4 cent**	**23,1 cent**	**40,4 cent**

Return on Equity	-2,4 p.p*	11,2%	13,6%	11,9%
Cost / Income	-3,0 p.p.*	48,9%	51,9%	50,0%
Net Interest Margin	+16 b.p.*	2,78%	2,62%	2,66%

Table 2

Main financial highlights for the first half of 2011 **including the impairment of Greek Government Bonds**				
€ mn	**Change**	**1H2011**	**1H2010**	FY2010
Total Income	-33%	456	681	1.450
Profit before provisions	-71%	96	328	725
Profit before tax	-149%	(88)	180	348
(Loss)/Profit after tax	**-169%**	**(112)**	**163**	**306**
(Losses)/Earnings per share	**-35,7 cent**	**-12,6 cent**	**23,1 cent**	**40,4 cent**

Table 3

Main financial highlights for the first half of 2011				
	Change	**30 June 2011**	**30 June 2010**	31 Dec. 2010
Total Loans (€ bn)	+5,3%	29,4	28,0	28,9
Total Deposits (€ bn)	+0,3%	32,6	32,6	33,0
Loans to Deposits[2]	+3,4 p.p.*	86,2%	82,8%	84,1%
Non-performing loans ratio	+2,0 p.p *	8,2%	6,2%	7,3%

* p.p. = percentage points, 1 percentage point = 1%

- **Significant increase in total income excluding the impairment of GGBs**: Total income for the first half of 2011 noted an increase of 8% reaching €737 mn, demonstrating the Group's ability to achieve increasing recurring income even in adverse economic conditions.

- **Significant increase in profit before provisions excluding the impairment of GGBs**: Profit before provisions for the first half of 2011 reached €377 mn recording an increase of 15% compared to the first half of 2010 (€328 mn).

- **Improvement of interest margin**: The Group's net interest margin reached 2,78% for the first half of 2011, an increase of 16 basis points compared to 2,62% for the first half of 2010.

[2] Net loans to deposits

- **Profit after tax excluding the impairment of GGBs and the special tax on banks** reached €165 mn for the first half of 2011, recording an increase of 1% compared to the first half of 2010 (€163 mn). Profit after tax was affected by the higher charges for provisions and the higher tax charge due to the levy of a special tax in Cyprus on financial institutions based on their deposits.

- **Improved efficiency:** The cost to income ratio excluding the impairment of GGBs has improved to 48,9% for the first half of 2011 from 51,9% in the first half of 2010.

- **Strong liquidity position**: The Bank of Cyprus Group has strong liquidity with a loans to deposits ratio of 86%, minimal repayments of debt obligations in the next two years and minimal reliance on wholesale funding (deposits to total assets ratio of 78% at 30 June 2011). In addition, the Group has substantially reduced European Central Bank funding which at 30 June 2011 amounted to €1,4 bn compared to €3,3 bn at 30 June 2010 (58% reduction).

- **Satisfactory return on equity:** The return on equity excluding the impairment of GGBs (11,2% in 1H2011) was maintained at high levels in a particularly demanding and negative environment.

- **Capital position**: The Group completed the issue of €890 mn of Convertible Enhanced Capital Securities during the second quarter of 2011 which further strengthened its capital position in order to face the challenges of the difficult economic environment. As a result, the capital adequacy ratio including the impairment of GGBs reached 12,0% at 30 June 2011 with the tier 1 capital ratio and the core tier 1 capital ratio reaching 11,6% and 8,0% respectively. The Group estimates that with the completion of the exchange of GGBs, based on the current terms of the plan, the pro-forma core tier 1 ratio and tier 1 ratio will amount to 8,3% and 11,9% respectively.

- **Successful in the Stress Test Exercise:** Bank of Cyprus successfully passed the EU-wide stress test conducted by the European Banking Authority. Bank of Cyprus ranked 24th out of 90 European banks with a supervisory recognised capital ratio of 9,5% for 2012, under the adverse scenario and after taking into account the measures to strengthen its capital position. Bank of Cyprus had already implemented the actions for strengthening its capital that were included in the 2011 stress test before its completion.

- **Volume growth: At 30 June 2011 Group** loans and deposits recorded an annual increase of 5,3% and 0,3% respectively.

- **Effective credit risk management**: The non-performing loans ratio reached 8,2% at 30 June 2011 compared to 7,6% at 31 March 2011. The provisions coverage ratio (provisions as % of non-performing loans) was 54% at 30 June 2011. The coverage ratio including tangible collateral amounted to 116%.

B. Prospects

The Group has achieved the profitability target for the first half, excluding the impairment of GGBs and remains in a strong position to face the challenges of the uncertain economic environment. The Group continues to focus on maintaining healthy liquidity, high capital adequacy and effective risk management. Regarding its profitability for the year 2011, the Group, based on its performance to date and the current conditions, maintains the targets set at the beginning at the year. Profitability is expected to exceed the impact from the exchange plan of GGBs, based on its current terms, resulting in the Group reporting significant net profitability for the full year 2011.

C. Analysis of Results for the 1st Half of 2011

C.1 Geographical analysis of profitability excluding the impairment of Greek Government Bonds

The **Group,** having achieved increased recurring income recorded satisfactory profitability for the first half of 2011, with **profit before provisions** excluding the impairment of GGBs for the first half of 2011 reaching €377 mn, noting an increase of 15% compared to the first half of 2010.

Despite the satisfactory increase in pre-provision profitability, the Group's high provisions due to the worsening of the macro environment as well as the higher tax due to the levy of a special tax in Cyprus on financial institutions based on their deposits, of approximately €9 mn, resulted in profit after tax excluding the impairment of GGBs of €155 mn compared to €163 mn in the first half of 2010. Profit after tax, excluding the impairment of GGBs and the special tax on banks totalled €165 mn compared to €163 mn in the first half of 2010.

In **Cyprus**, profit before provisions for the first half of 2011 excluding the impairment of GGBs reached €229 mn which is an increase of 20% compared to the first half of 2010, while profit after tax excluding the impairment of GGBs reached €142 mn. In **Greece**, profit before provisions excluding the impairment of GGBs for the first half of 2011 reached €95 mn compared to €98 in the first half of 2010. Increased provisions (€95 mn for the first half of 2011 compared to €70 mn for the first half of 2010) resulted in profit after tax of €93 thousand and a loss after tax excluding the impairment of GGBs of €7 mn for the first half of 2011.

In **Russia**, profit before provisions for the first half of 2011 reached €28 mn compared to €15 mn in the first half of 2010 while profit after tax for the first half of 2011 reached €10 mn compared to €3 mn in the first half of 2010.

Profit after tax for **other countries** (Australia, United Kingdom, Ukraine and Romania) reached €10 mn.

C.2 Net Interest Income and Net Interest Margin

By adjusting its pricing policy for the new economic environment, the Group increased its net interest income for the first half of 2011. **Net interest income** for the first half of 2011 reached €553 mn, recording a significant annual increase of 11% compared to the first half of 2010, demonstrating the Group's ability to achieve increased recurring income despite the continuing competition and the adverse economic environment.

Net interest income recorded an increase compared to the first half of 2010 in all the countries where the Group operates. In Cyprus net interest income reached €282 mn for the first half of 2011, increasing by 14% compared to the first half of 2010, while in Greece net interest income improved to €158 mn recording an increase of 3% compared to the first half of 2010. In Russia net interest income reached €65 mn versus €53 mn for the first half of 2010 noting an increase of 21% and in the other countries net interest income reached €48 mn for the first half of 2011 noting an increase of 16% compared to the first half of 2010.

The **net interest margin** of the Group in the second quarter of 2011 reached 2,78% compared to 2,64% for the second quarter of 2010 and 2,77% for the first quarter of 2011. As a result, the net interest margin for the first half of 2011 reached 2,78% recording a significant increase of 16 basis points compared to the first half of 2010 (2,62%).

The net interest margin in Cyprus reached 2,23% for the second quarter of 2011, compared to 2,19% for the first quarter of 2011. As a result, the net interest margin for the first half of 2011 reached 2,21% compared to 2,11% for the first half of 2010.

The net interest margin in Greece improved to 2,58% for the second quarter of 2011 versus 2,56% for the first quarter of 2011. As a result, the net interest margin for the first half of 2011 reached 2,57% recording an increase of 40 basis points compared to the first half of 2010 (2,17%).

The net interest margin in Russia reached 5,59% in the second quarter of 2011 (compared to 6,19% for the first quarter of 2011), while the net interest margin for the first half of 2011 reached 5,88% recording an increase of 35 basis points compared to the first half of 2010 (5,53%).

The net interest margin for other countries reached 2,60% for the first half of 2011, compared to 2,52% for the first half of 2010.

C.3 Income from fees and commissions, foreign exchange income and gains from financial instruments excluding the impairment of Greek Government Bonds

Net fee and commission income amounted to €113 mn for the first half of 2011, compared to €112 mn for the first half of 2010.

Foreign exchange income and gains from financial instruments excluding the impairment of GGBs for the first half of 2011 amounted to €26 mn versus €37 mn for the first half of 2010.

C.4 Greek Government Bonds

The Group intends to participate in the plan to exchange GGBs, based on the decisions of the EU Summit on 21st July 2011 for the support of Greece and considering the current terms of the plan. At 30 June 2011 the nominal value of the GGBs eligible for the plan totalled €1.076 mn, which the Group has impaired by €281 mn or 26%.

As a result, the Group's profit and loss statement for the 2nd quarter of 2011 includes losses after tax of €268 mn from the impairment of GGBs, of which €171 mn were already recognised in the Group's revaluation reserves and were transferred to the profit and loss statement. As a result, the impact from the impairment of GGBs on the Group's equity totalled €97 mn. The Group estimates that with the completion of the exchange of GGBs, based on the current terms of the plan, a gain of about €77 mn will arise and, as a result, the impact from participating in the plan on the Group's equity will be reduced from €97 mn to only about €20 mn. The Group estimates that with the completion of the exchange of GGBs, based on the current terms of the plan the pro-forma core tier 1 ratio and tier 1 ratio will amount to 8,3% and 11,9% respectively.

The impairment of GGBs classified as Available For Sale was based on market values as at 30 June 2011. The impairment of GGBs classified as Held to Maturity and as Loans and Receivables was based on the current value of the expected future cash flows, in accordance with the GGB exchange plan.

Information regarding the impaired GGBs which are eligible for the plan as at 30 June 2011 is set out in below table.

Table 4

€ mn	Nominal Value	Total impairment recognised in Profit and Loss*	Post-impairment Book Value	Transfer from Revaluation Reserves
Available for Sale	400	161	239	161
Loans and Receivables	425	78	326	10
Held to Maturity	247	42	204	-
Total of bonds which have been impaired	**1.072**	**281**	**769**	**171**
Fair Value through Profit and Loss	4			
Total of bonds which are eligible for exchange	**1.076**			

*Before tax

GGBs that are not eligible for the exchange plan are classified as Loans and Receivables and have not been impaired. As at 30 June 2011, the book value of GGBs not eligible for the exchange plan amounted to €857 mn which represents a discount of 16% of their nominal value (nominal value €1.025 mn).

The book value of the total GGB portfolio of the Group at 30 June 2011 amounts to €1.629 mn and represents a discount of 22% of the total nominal value.

C.5 Expenses

Total expenses for the first half of 2011 amounted to €360 mn, recording an annual increase of 2% compared to €353 mn for the first half of 2010 and the **cost to income ratio** excluding the impact from the impairment of GGBs was 48,9% (51,9% for the first half of 2010).

Employee costs amounted to €219 mn recording a marginal increase of 1% compared to the first half of 2010 while **other operating expenses** (excluding employee costs) amounted to €141 mn recording an increase of 4% compared to the first half of 2010.

D. Credit Risk Management

The quality of the Group's loan portfolio remains at satisfactory levels taking into consideration the continuing economic crisis. At 30 June 2011, the ratio of loans in arrears for longer than three months which are not fully covered by tangible collateral ("non-performing loans") over the total loans of the Group (non-performing loans ratio) was 8,2%, compared to 7,6% at 31 March 2011 noting an increase of 60 basis points.

At 30 June 2011, the relevant ratio was 8,0% in Cyprus (31 March 2011: 7,2%) and 9,3% in Greece (31 March 2010: 8,8%).

The Group, taking into consideration the macro-economic environment and the partial deterioration of the loan portfolio, increased the charge for impairment of loans, which reached 1,26% of total loans on an annual basis (first half of 2010: 1,07%).

As a result of the relatively high provisions, the provision coverage ratio (provisions/NPLs) was 54% at 30 June 2011. The remaining balance of NPLs is fully covered by tangible collateral. The coverage ratio including tangible collateral amounted to 116%.

E. Balance Sheet Analysis

E.1 Group Loans

At 30 June 2011 Group loans amounted to €29,44 bn recording an annual increase of 5% as well as an increase of 2% from 31 December 2010.

Table 5

Analysis of Loans by Geographic Sector at 30.06.2011			
	€ mn	**annual change +%**	**Contribution**
Cyprus	14.392	+7%	49%
Greece	10.166	+3%	35%
Russia	1.991	+6%	7%
Other countries	2.892	+5%	9%
Group	**29.441**	**+5%**	**100%**

E.2 Group Deposits

The Group's total deposits at 30 June 2011 reached €32,64 bn recording an annual increase of 0,3% and an increase of 1% from 31 March 2011.

The Group's strong liquidity position, with a loans to deposits ratio of 86% and its minimal reliance on wholesale funding (deposits to total assets ratio of 78% at 30 June 2011) provide the Group with a strong competitive advantage particularly in the adverse conditions prevailing in international money markets and the intense competition on deposits evident in the main markets in which the Group operates.

On 19th July 2011, the Group completed the issue of €700 mn Covered Bonds which further strengthened the Group's liquidity position.

Table 6

Analysis of Deposits by Geographic Sector at 30.06.2011				
	€ mn	**annual change +%**	**Contribution**	**Loans to Deposits ratio[3]**
Cyprus	20.213	+7%	62%	68%
Greece	8.713	-16%	27%	111%
Russia	1.322	+21%	4%	142%
Other countries	2.395	+9%	7%	113%
Group	**32.643**	**+0,3%**	**100%**	**86%**

E.3 Capital Base

At 30 June 2011, the Group's shareholder funds including the issue of Convertible Enhanced Capital Securities (CECS) amounted to €3,60 bn increasing by 52% on an annual basis. The Group's total capital adequacy ratio based on Basel II requirements, including the impairment of GGBs, reached 12,0% with the core tier 1 ratio at 8,0% and the tier 1 ratio at 11,6%. The Group estimates that with the completion of the exchange of GGBs, based on the current terms of the plan the pro-forma core tier 1 ratio and tier 1 ratio will amount to 8,3% and 11,9% respectively.

[3] Net loans to deposits

Table 7

Analysis of Group Results and Other Financial Information						
€ mn	1H11	1H10	Annual change ±%	2Q11	1Q11	Quarterly change ±%
Net interest income	553	496	+11%	277	276	+1%
Net fee and commission income	113	112	+1%	57	56	+1%
Foreign exchange income and gains from financial instruments	26	37	-30%	21	5	+283%
Impairment of Greek Government Bonds	(281)	-	-	(281)	-	-
Insurance income net of insurance claims	32	30	+6%	15	17	-11%
Other income	13	6	+141%	11	2	+338%
Total income	**456**	**681**	**-33%**	**100**	**356**	**-72%**
Personnel expenses	(219)	(217)	+1%	(104)	(115)	-10%
Other operating expenses	(141)	(136)	+4%	(72)	(69)	+4%
Total expenses	**(360)**	**(353)**	**+2%**	**(176)**	**(184)**	**-5%**
Profit before provisions	**96**	**328**	**-71%**	**(76)**	**172**	**-144%**
Provisions for impairment of loans and advances	(183)	(146)	+26%	(104)	(79)	+33%
Share of (loss)/ profit of associate	(1)	(2)	-74%	(1)	0	--
(Loss)/Profit before tax	**(88)**	**180**	**-149%**	**(181)**	**93**	**-294%**
Taxation	(24)	(22)	+9%	(3)	(21)	-85%
Non - controlling interests (loss/(profit))	-	5	-	1	(1)	-
(Loss)/Profit after tax	**(112)**	**163**	**-169%**	**(183)**	**71**	**-358%**
Excluding the impairment of Greek Government Bonds						
Total Income	**737**	**681**	**+8%**	**381**	**356**	**+7%**
Profit before provisions	**377**	**328**	**+15%**	**205**	**172**	**+19%**
Profit before tax	**193**	**180**	**+7%**	**100**	**93**	**+7%**
Profit after tax	**155**	**163**	**-4%**	**84**	**71**	**+18%**
Cost to Income	**48,9%**	**51,9%**	**-3,0 p.p.***	**46,2%**	**51,8%**	**-5,6 p.p.***
Return on equity	**11,2%**	**13,6%**	**-2,4 p.p.***	**11,9%**	**10,2%**	**+1,7 p.p.***

* b.p. = basis points, 100 b.p. = 1 percentage point (1%)

Table 8

Geographical Sector Analysis of Results and Other Financial Information												
Analysis does not include the impairment of Greek Government Bonds												
€ mn	**Cyprus**			**Greece**			**Russia**			**Other countries**		
	±%	**1H11**	**1H10**	**±%**	**1H11**	**1H10**	**±%**	**1H11**	**1H10**	**±%**	**1H11**	**1H10**
Net interest income	+14%	282	248	+3%	158	154	+21%	65	53	+16%	48	41
Net fee and commission income	+5%	64	61	-3%	25	26	-12%	17	19	+10%	6	6
Foreign exchange income and gains from financial instruments	+3%	20	19	-77%	3	13	-21%	3	4		0	1
Insurance income net of insurance claims	+5%	26	25	+10%	6	5	-	-	-		-	-
Other income	+74%	4	2	+161%	4	1	+340%	5	1	+31%	1	1
Total income	**+12%**	**396**	**355**	**-2%**	**196**	**199**	**+15%**	**90**	**77**	**+14%**	**55**	**49**
Personnel expenses	-1%	(110)	(111)	0%	(59)	(59)	+1%	(33)	(33)	+20%	(17)	(14)
Other operating expenses	+7%	(57)	(53)	-1%	(42)	(42)	-2%	(29)	(29)	+19%	(14)	(12)
Total expenses	**+2%**	**(167)**	**(164)**	**-1%**	**(101)**	**(101)**	**0%**	**(62)**	**(62)**	**+19%**	**(31)**	**(26)**
Profit before provisions	**+20%**	**229**	**191**	**-3%**	**95**	**98**	**+77%**	**28**	**15**	**+8%**	**24**	**23**
Contribution		*61%*	*58%*		*25%*	*30%*		*7%*	*5%*		*7%*	*7%*
Provisions for impairment of loans and advances	+3%	(62)	(60)	+36%	(95)	(70)	+54%	(15)	(9)	+85%	(11)	(6)
Share of loss of associate	-74%	-	(2)	-	-	-	-	-	-	-	-	-
Profit before tax	**+29%**	**167**	**129**	**-**	**(0)**	**28**	**+114%**	**13**	**6**	**-20%**	**13**	**17**
Contribution		*86%*	*72%*		*0%*	*16%*		*7%*	*3%*		*7%*	*9%*
Taxation	+78%	(26)	(14)	+129%	(7)	(3)	-24%	(2)	(3)	+34%	(3)	(3)
Non - controlling interests (loss/(profit))	-69%	1	5		-	-		(1)	(0)		(0)	(0)
Profit after tax	**+19%**	**142**	**120**	**-128%**	**(7)**	**25**	**+196%**	**10**	**3**	**-29%**	**10**	**14**
Contribution		*92%*	*74%*		*-4%*	*15%*		*6%*	*2%*		*6%*	*9%*
Net Interest Margin	**+10 b.p.***	**2,21%**	**2,11%**	**+40 b.p.***	**2,57%**	**2,17%**	**+35 b.p.***	**5,88%**	**5,53%**	**+8 b.p.***	**2,60%**	**2,52%**
Cost to Income	**-4,0 p.p.***	**42,2%**	**46,2%**	**+0,6 p.p.***	**51,3%**	**50,7%**	**-10,8 p.p.***	**69,2%**	**80,0%**	**+2,5 p.p.***	**55,4%**	**52,9%**
Return of Equity	**+1,9 p.p.***	**23,7%**	**21,8%**	**-9,5 p.p.***	**-2,0%**	**7,5%**	**+7,1 p.p.***	**10,8%**	**3,7%**	**-5,3 p.p.***	**10,7%**	**16,0%**

* b.p. = basis points, 100 b.p. = 1 percentage point (1%)

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Table 9

Balance Sheet Overview				
In € mn	+%	30.06.2011	30.06.2010	31.12.2010
Cash and balances with central banks	-18%	1.909	2.337	2.242
Placements with banks and reverse repurchase agreements	-20%	4.605	5.788	5.385
Debt securities, Treasury bills and equity investments	-18%	5.115	6.201	5.346
Net loans and advances to customers	+4%	28.135	26.968	27.725
Other assets	+4%	1.986	1.903	1.940
Total assets	**-3%**	**41.750**	**43.197**	**42.638**
Amounts due to banks and repurchase agreements	-33%	3.918	5.861	4.620
Customer deposits	0%	32.643	32.554	32.953
Debt securities in issue	-1%	88	89	84
Other liabilities	+1%	1.297	1.282	1.222
Subordinated loan stock	-88%	116	946	931
Non-controlling interests	-1%	91	92	91
Equity attributable to the owners of the Company	**+52%**	**3.597**	**2.373**	**2.737**

Notes:

1. All geographical sector analyses are shown following restatements made to bring each sector's capital to the same percentage level of the sector's risk weighted assets.

2. The Mid-year financial report for the six months ended 30 June 2011, is available at the Bank of Cyprus Public Company Ltd Registered Office and on the Group's website, as follows:

    - Registered Office: 51 Stassinos Street, Ayia Paraskevi, Strovolos,
      P.O. Box 24884, 1398 Nicosia, Cyprus
      Telephone: +357 22 122128, Fax: +357 22 378422
    - Website: www.bankofcyprus.com (Inv. Relations/Financial Information)

3. The detailed presentation of the financial results for the first half 2011 has been posted on the Group's website www.bankofcyprus.com (Inv. Relations/Presentations)