

Bank of Cyprus Group

Financial Results 1Q 2012 – Highlights

Income Statement Review

Balance Sheet Review and Capital position

Performance by Geographic Market

Strategic Priorities for 2012

Appendices

Financial Results 1Q 2012

10 May 2012

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1Q 2012 Financial Highlights

Increasing Profitability

- 1Q12 Net Interest Income **€295 mn (+7% yoy)**
- 1Q12 Profit before provisions **€219 mn (+25% yoy)**
 - Excluding non-recurring credit in employee costs of €13 mn profit before provisions up by 18% yoy
- 1Q12 Profit after tax and excluding the change in fair value of hedging derivatives related to GGBs and tax related to GGBs impairment **€99 mn (+33% yoy)**
- 1Q12 Profit after tax **€295 mn**, positively benefiting by €197 mn relating to change in fair value of hedging derivatives related to GGBs and tax related to GGBs impairment

Strengthening Capital Position

- Tier 1 ratio at 8,9%* and Core Tier 1 ratio at 6,8%*
- Taking into account expected profitability by 30 June 2012, capital needs for complying with EBA by 30 June 2012 reduced to about €200 mn

1Q 2012 Financial Highlights

Healthy Liquidity

- Group loans to deposits ratio at 93% (peers* at 137%)
- Deposits to total assets 76% (peers* at 49%)
- Minimal debt repayments in the next two years

Asset Quality

- NPLs ratio at 11,9%
- NPLs provisioning coverage at 46%
- NPLs coverage at 114% taking into account tangible collateral

Key performance indicators

- Return on equity at 15,1%**
- Cost to income ratio at 42,0%
- 1Q12 Net Interest Margin at 3,31%; 54bps higher than 1Q11 and 3bps lower than 4Q11

* Weighted average of major Greek and Cypriot banks using 31 December 2011 data

** Excluding the impairment of GGBs and change in fair value of GGB related hedging instruments and taxation for GGBs impairment

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Performance by Geographic Market

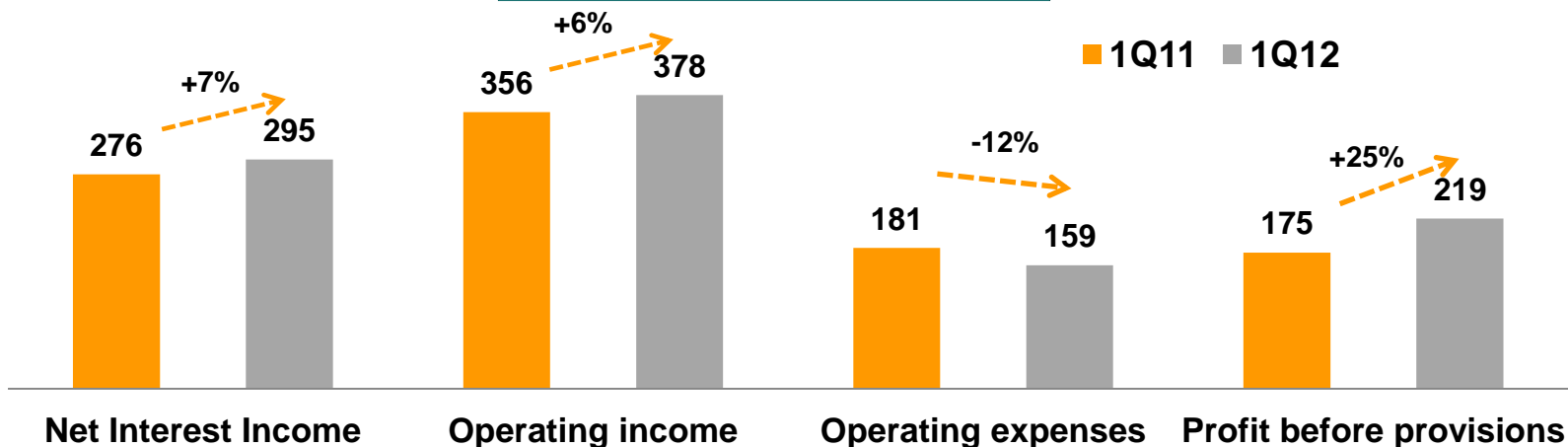
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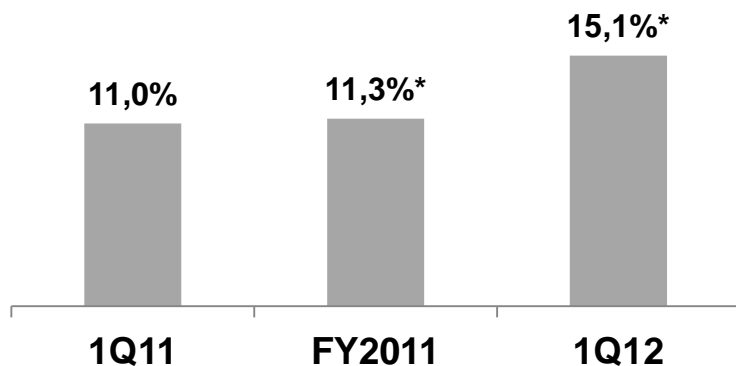
Income Statement Review

Increased Pre-provision Profitability and High Efficiency

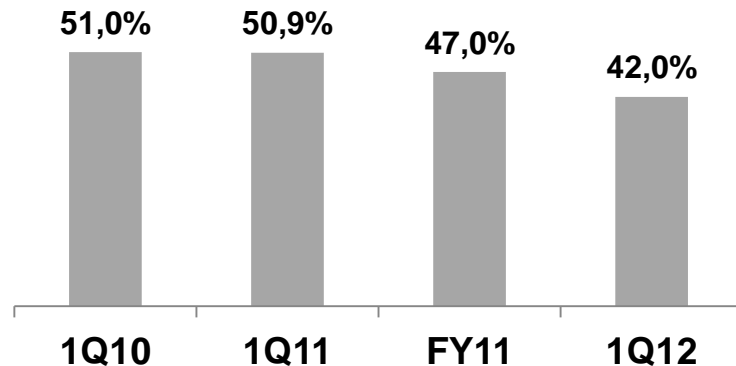
Profit & Loss highlights (€ mn)



Return on Equity



Cost to Income ratio



* Excluding the impairment of GGBs and change in fair value of GGBs related hedging instruments and taxation for GGBs impairment

Profit and Loss highlights

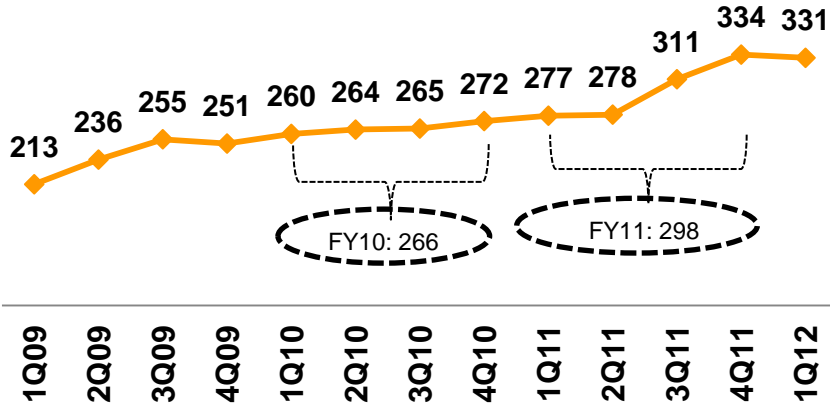
Amounts in € mn	1Q12	1Q11	Change
Total Income	378	356	+6%
Profit before provisions	219	175	+25%
Profit after tax excluding GGBs impairment and related tax	99	74	+33%
Change in fair value of related hedging derivatives for GGBs and tax for GGBs impairment *	197	--	--
Profit after tax	295	74	+299%

*Change in fair value of related hedging instruments for GGBs and tax for GGBs impairment amounting to €197 mn is the net amount of:

- €231 mn relating to the recognition of a deferred tax asset for the impairment of GGBs
- €34 mn loss relating to changes in the fair value of hedging derivatives used to hedge the interest rate risk of GGBs

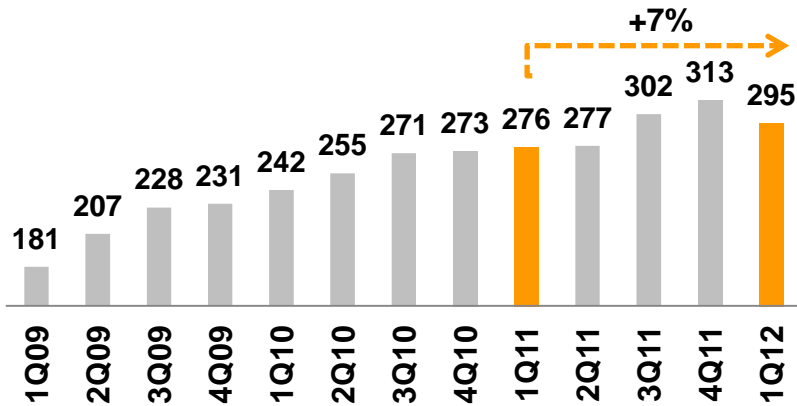
Higher Interest Margins and Increasing Net Interest Income

Group Net Interest Margin (bp)

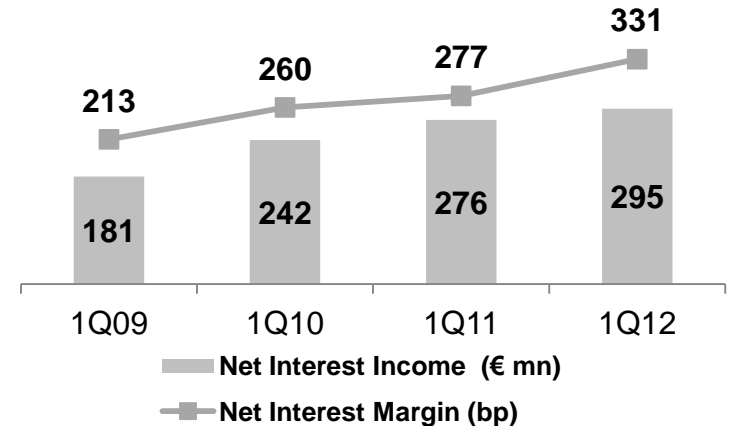


- 1Q12 Group NIM at 3,31%, an increase of 54 basis points compared to 1Q11 (2,77%)
- 1Q12 Net Interest Income at €295 mn (+7% yoy)

Quarterly Net Interest Income (€ mn)

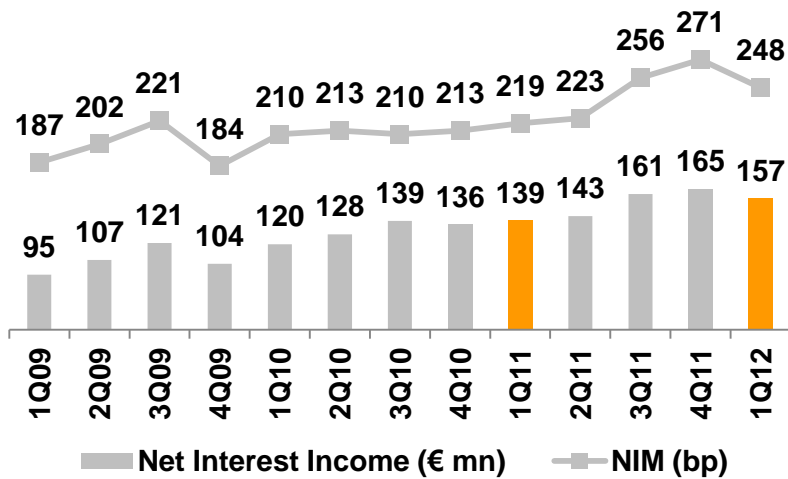


Net Interest Income and NIM



Net Interest Income and Net Interest Margin trends in main markets

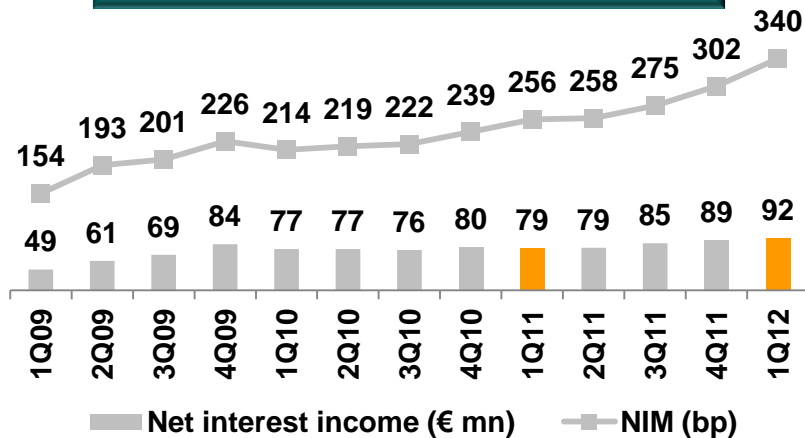
Net Interest Income and NIM - Cyprus



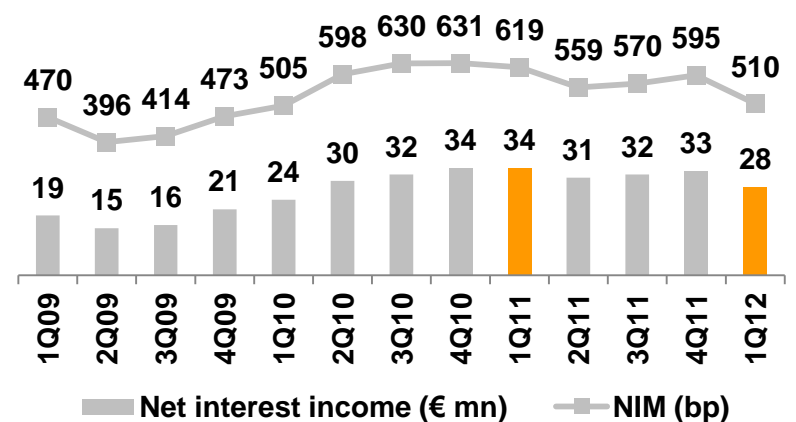
Net Interest Income and Net Interest Margin in main markets

- Cyprus – 1Q12 NII at €157 mn (+13% yoy)
- Greece – 1Q12 NII at €92 mn (+17% yoy)
- Russia – 1Q12 NII at €28 mn (-16% yoy)

Net Interest Income and NIM - Greece



Net Interest Income and NIM - Russia



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Balance Sheet and Capital position

Performance by Geographic Market

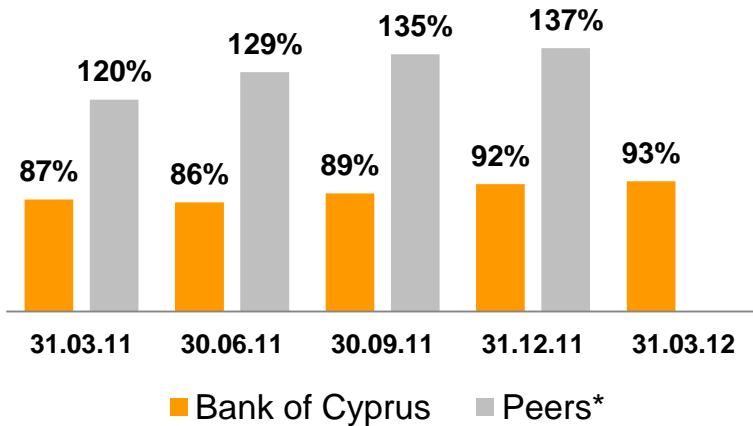
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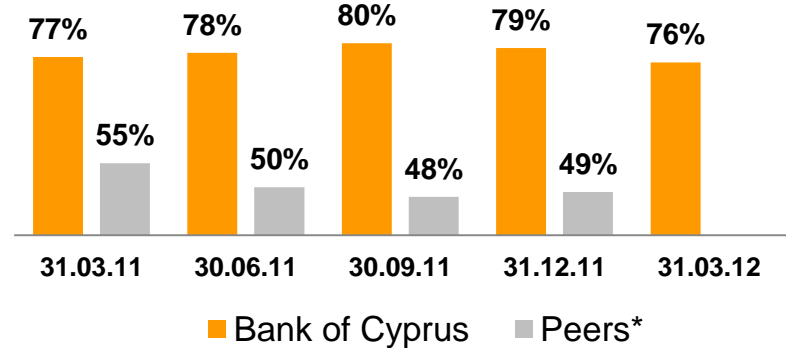
Balance Sheet and Capital position

Solid Funding Structure: Strong Deposit Franchise and Limited Dependence on Wholesale Funding

Net Loans % Customer deposits

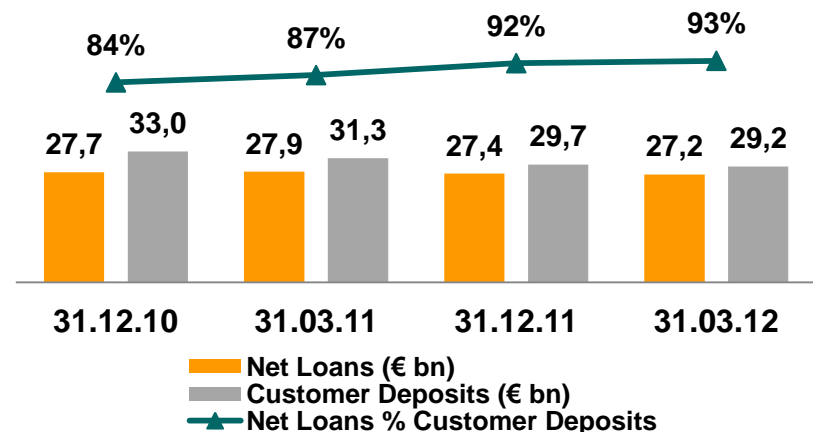


Customer deposits % Total Assets



- Healthy liquidity; one of the best loans/deposits ratios in Europe at 93%
- Primarily deposit funded: 76% of assets funded by customer deposits
- Limited reliance on wholesale funding and minimal repayments: only €28 mn due in 2012 and €29 mn due in 2013
- ECB funding at €3,5 bn comprising LTRO funding, while Net ECB funding was around €2,5 bn

Balanced business expansion **

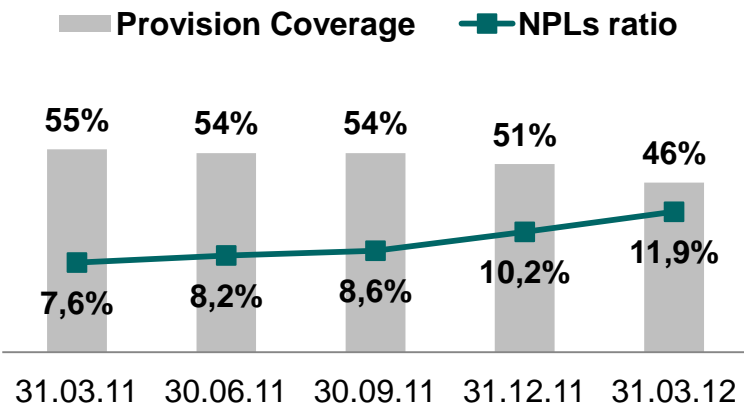


* Peers: Weighted average of major Greek and Cypriot banks

** Loans and deposits exclude the sale of BOC Australia

Loan quality

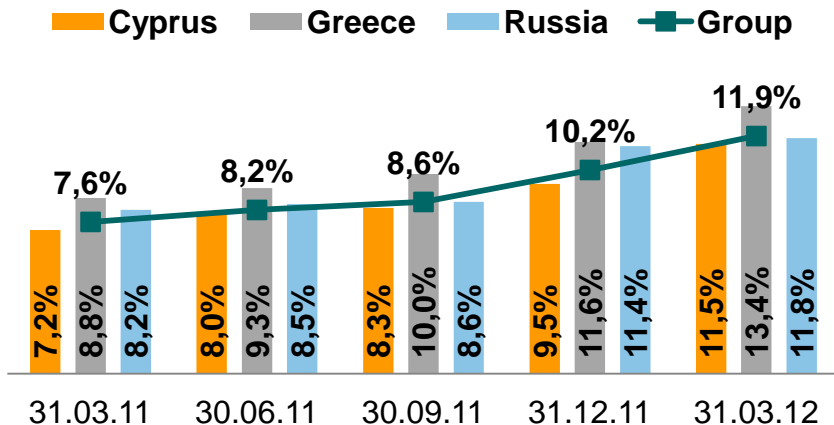
Group NPLs ratio and Provision coverage



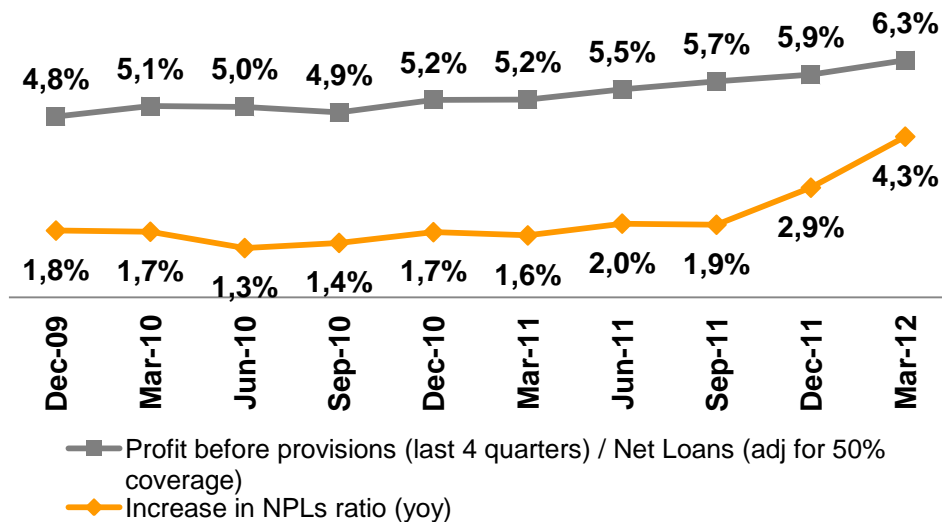
- Loan quality
 - Group NPLs ratio at 11,9%
 - NPLs ratio in Cyprus 11,5%
 - NPLs ratio in Greece 13,4
 - NPLs ratio in Russia 11,8%

- Provision coverage at 46%
- NPLs coverage increases to 114% taking into account tangible collateral

NPLs ratio in main markets

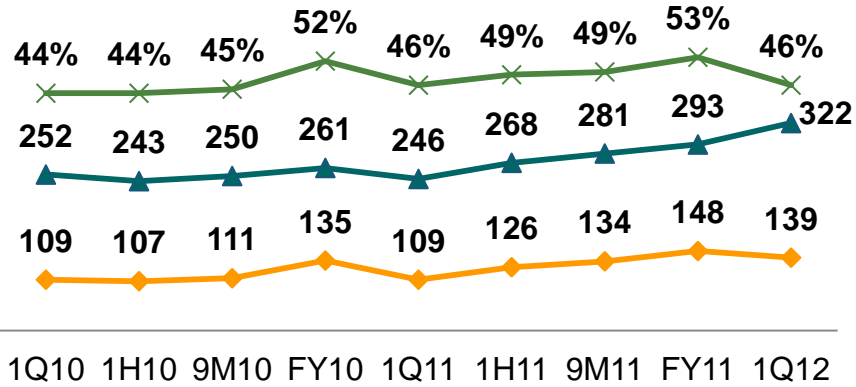


High capacity to absorb higher provisions



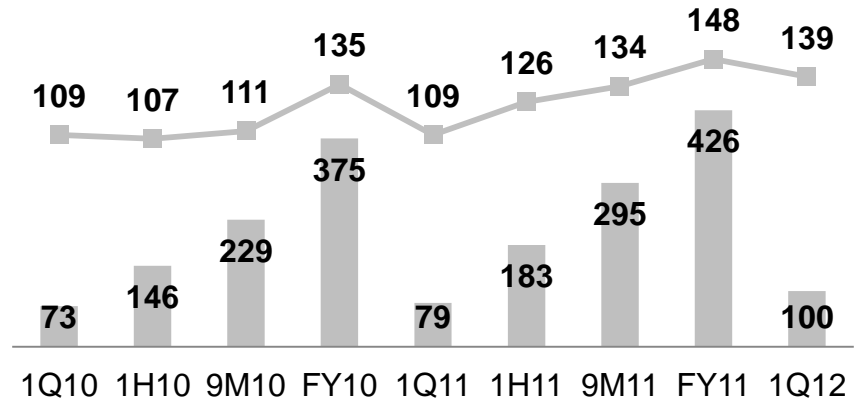
High Ability to Manage Through Credit Cycle Due to Increased Pre-provision Profit Margin

Pre-provision profit margin



- ◆ Provision charge/Avg Gross Loans (bp)
- ▲ Profit before provisions/Net Loans (bp)
- ✕ Provisions % Pre-provision profit

Provision charge



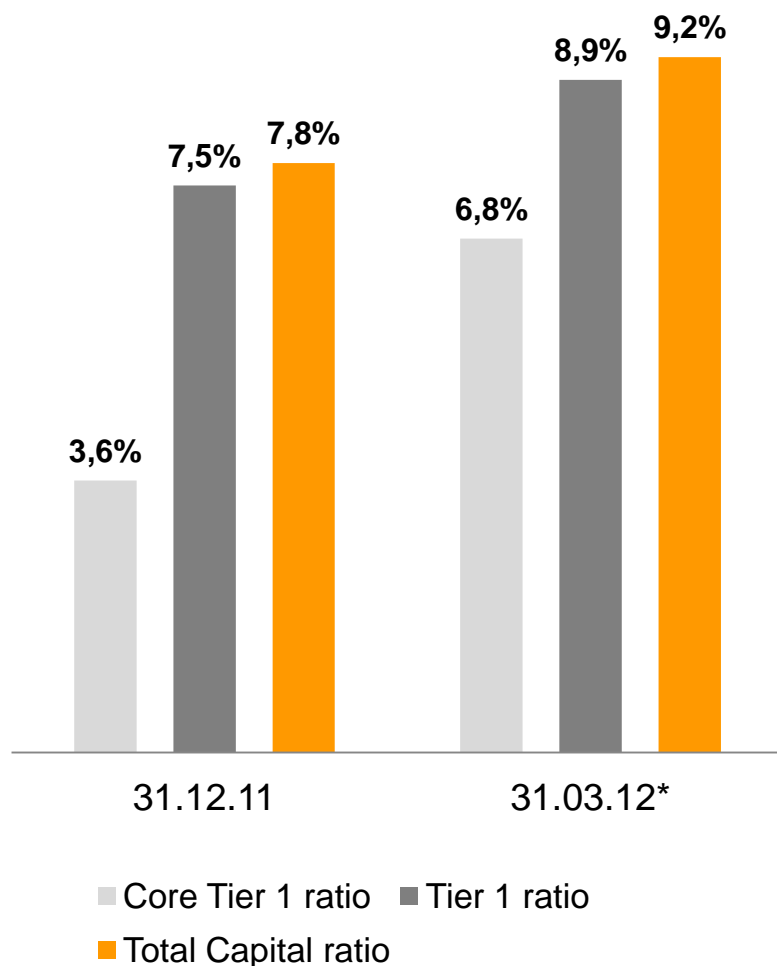
- Provision charge (€ mn)
- Charge/Avg Gross Loans (bp)

- Capacity to absorb provisions remains high
- Pre-provision profit margin at 322 basis points or more than 2,3 times higher than provision charge for 1Q12

- Credit costs remain high due to challenging credit conditions
 - 1Q12 provision charge of €100 mn (+27% yoy)
 - 1Q12 credit costs 139 basis points compared to 109 basis points for 1Q11 and 148 basis points in FY11

Strengthening of capital position

Capital adequacy ratios



Taking into account the €592 mn increase in Core tier 1 capital in March 2012 (comprising €160 mn from Rights Issue and €432 from conversion of Convertible Enhanced Capital Securities (CECS) to shares), Tier 1 capital ratio at 8,9% and Core Tier 1 capital ratio at 6,8%

(€ mn)	31.12.11	31.03.12
Shareholder's equity	2.259	2.768
Core Tier I capital	892	1.711
Hybrid capital (Tier I)	957	524
Tier I capital	1.849	2.235
Tier II capital	239	261
Total regulatory capital	1.925	2.323
Risk weighted assets	24.790	25.189

Improving capital position

The Group has been improving its capital position

- Capital Strengthening Plan improved Core Tier 1 by €592 mn in March 2012 (€160 mn from Rights Issue and €432 from conversion of CECS to shares)
- Sale of Bank of Cyprus Australia Ltd in 2011 improved Core Tier 1 by approximately €80 mn

Further enhancement of capital position via:

- Profitability
- Effective management of risk weighted assets

European Banking Authority (EBA) 30 June 2012 deadline:

- Remaining capital needs of around €200 mn* taking into consideration
 - CECS of €455 mn which EBA eligible for capital buffer
 - Estimated profitability by 30 June 2012
- The Group plans to cover the remaining shortfall through the effective management of risk weighted assets and other actions

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Balance Sheet Review and Capital position

Performance by Geographic Market

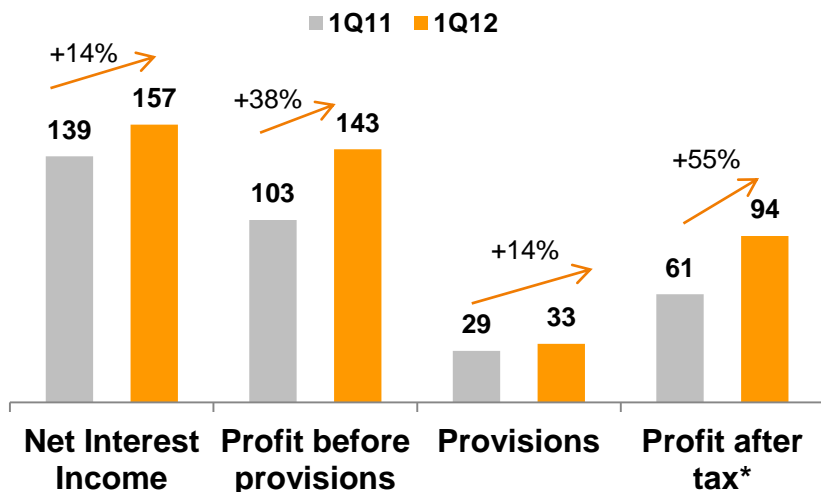
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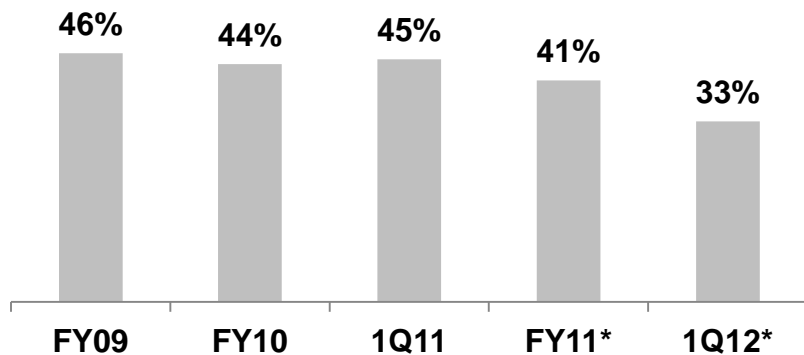
Performance by Geographic Market

Resilient Cypriot operations

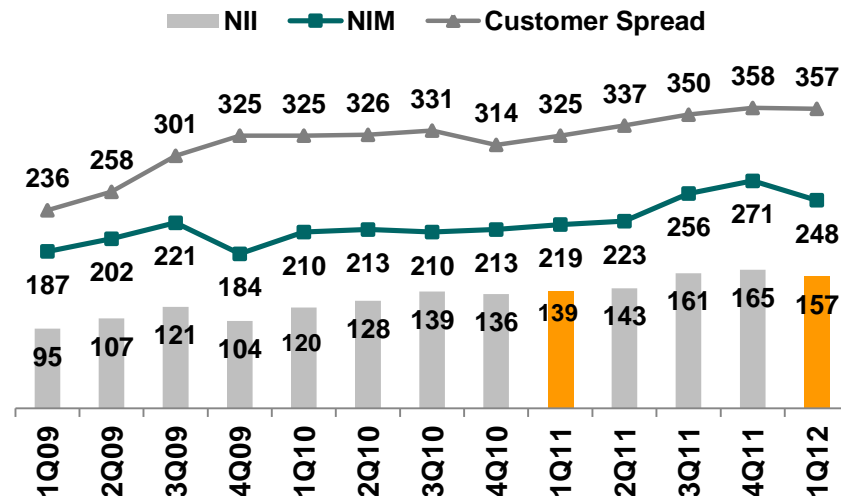
Profit & Loss Highlights (€ mn)



Cost to Income ratio (%)



Cyprus NII (€ mn), NIM and Spread (bp)

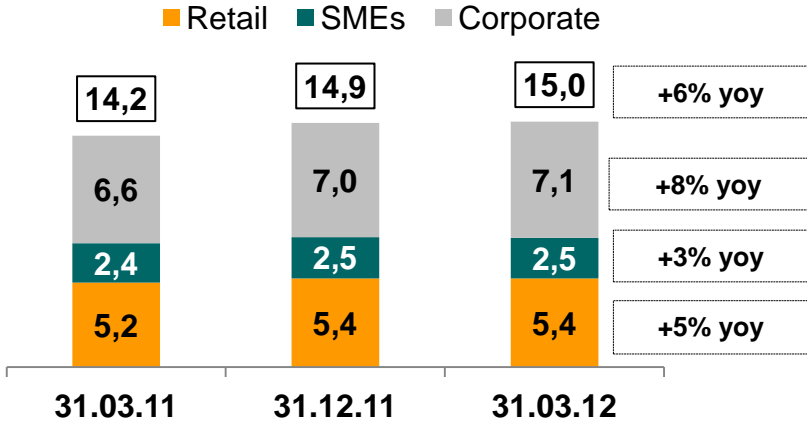


1Q12 Cyprus profitability affected by:

- Strong increase of Net Interest Income (+14% yoy)
- Changes in accounting policy and provident fund scheme had a positive no recurring impact of €13 mn
- Profit before Provisions at €143 mn (+38% yoy)
- Profit after tax at €94 mn* (+55% yoy)

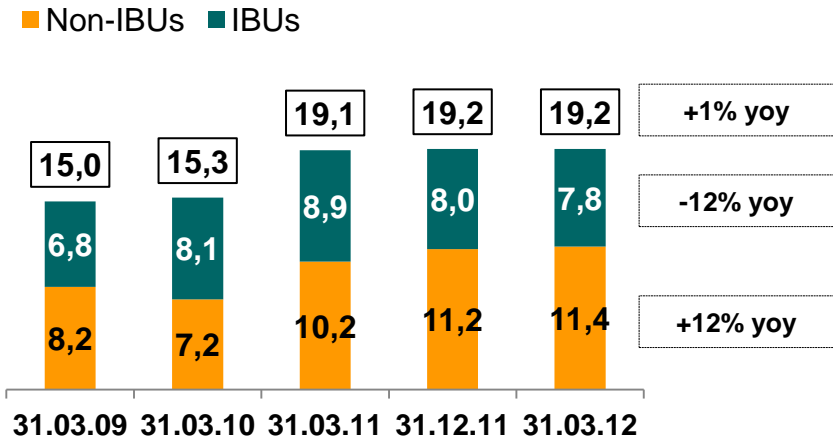
Leading financial institution in Cyprus with an unrivalled deposit franchise

Gross Loans (€ bn)

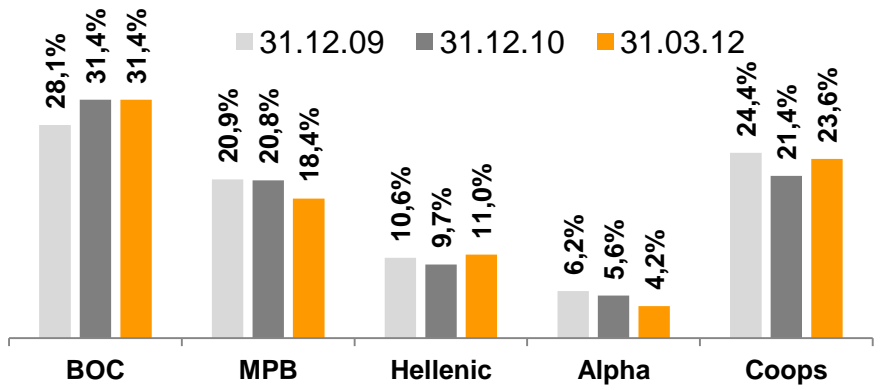


- A strong deposit franchise benefiting from a flight to quality; 31,4% deposit market share (bigger than the combined share of 2nd and 3rd largest banks); a 3,3 percentage points expansion of market share since December 2009
- Leading IBU position with 41% market share in foreign currency deposits
- IBU Sector continues to expand: Registered companies in Cyprus increased by 6% and active IBU customers increased by 13% on annual basis

Deposits (€ bn)



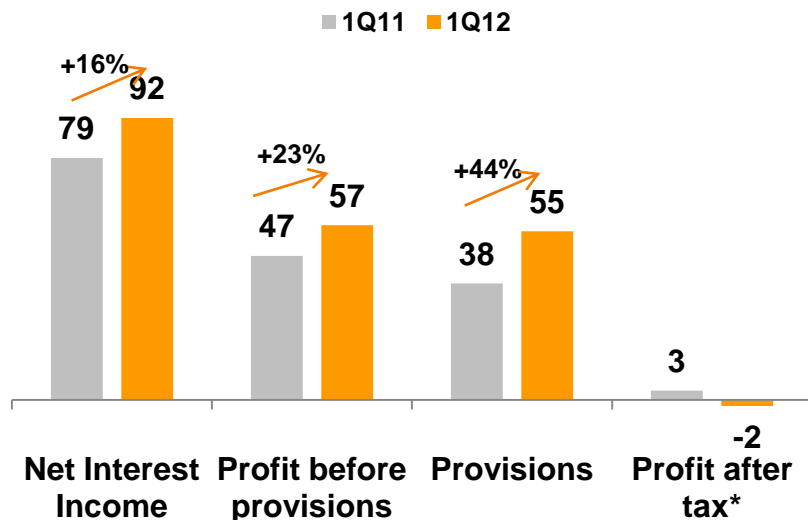
Deposit market share (%)



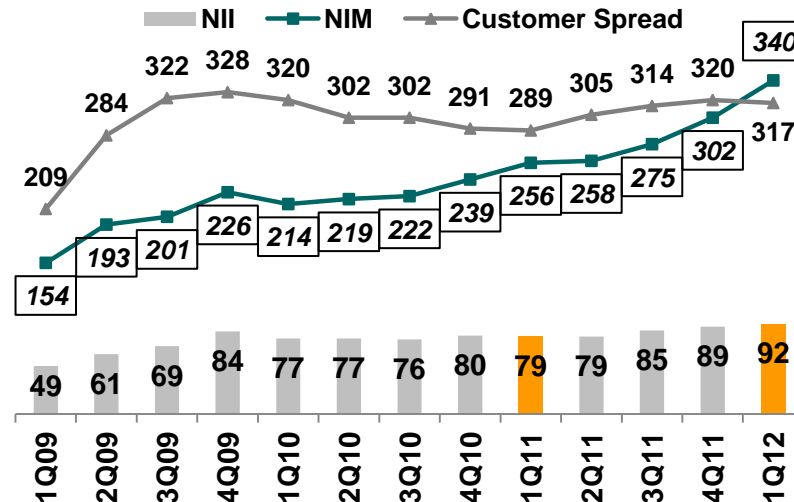
Source: Central Bank of Cyprus, market shares between commercial banks and Co-ops

Facing a challenging market

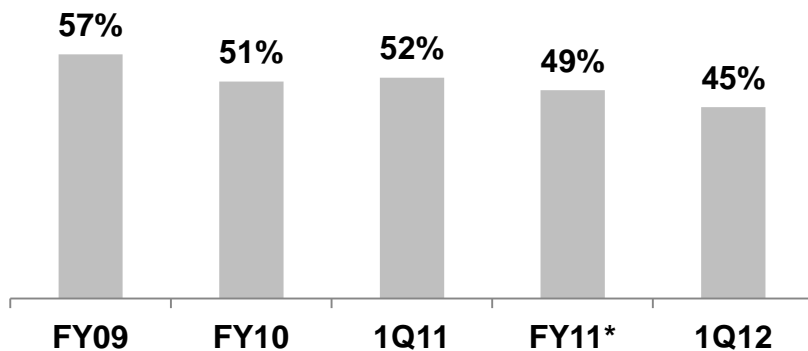
Profit & Loss Highlights (€mn)



Greece NII (€mn), NIM and Spread (bp)



Cost to Income ratio (%)



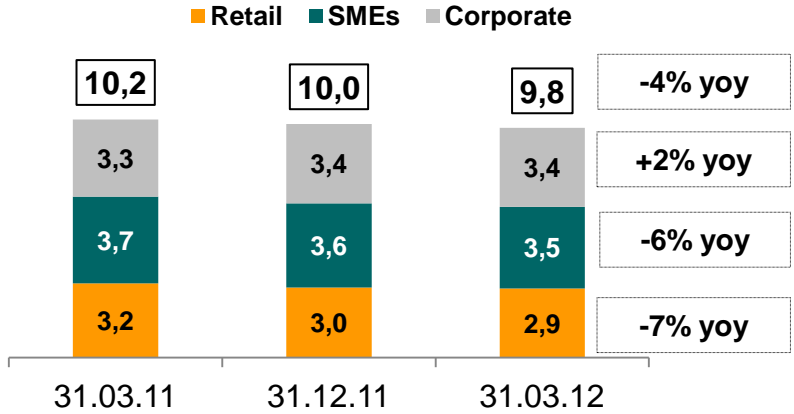
1Q12 Greece profitability affected by:

- Increase in net interest income (+16% yoy)
- Higher NIM (1Q12: 3,40% vs FY11: 2,74%)
 - NIM affected by the transfer of GGBs in the Greek book
- Higher provisions (+44% yoy)

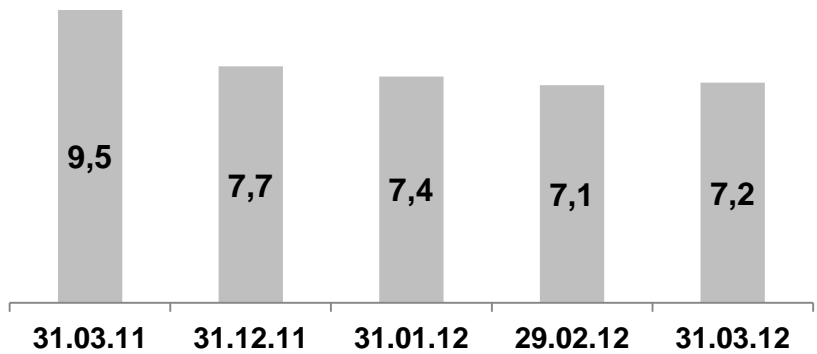
* Excluding the deferred tax asset for GGBs impairment

Managing portfolio through difficult economic conditions

Gross Loans (€ bn)



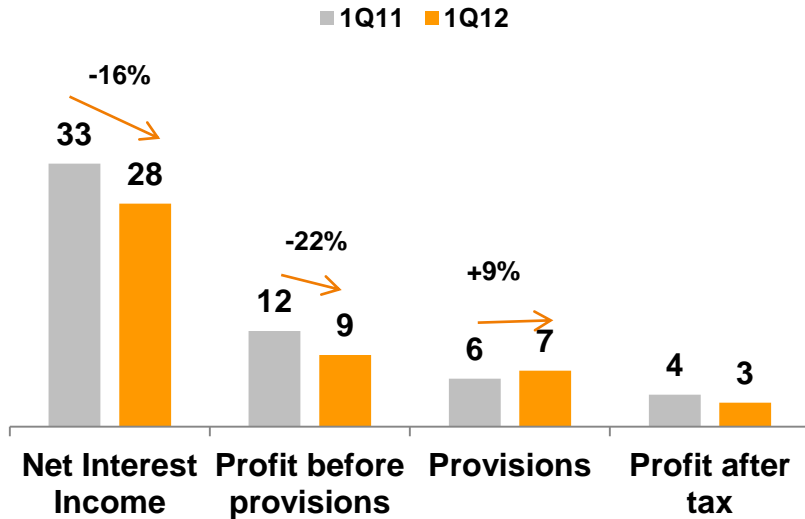
Deposits (€ bn)



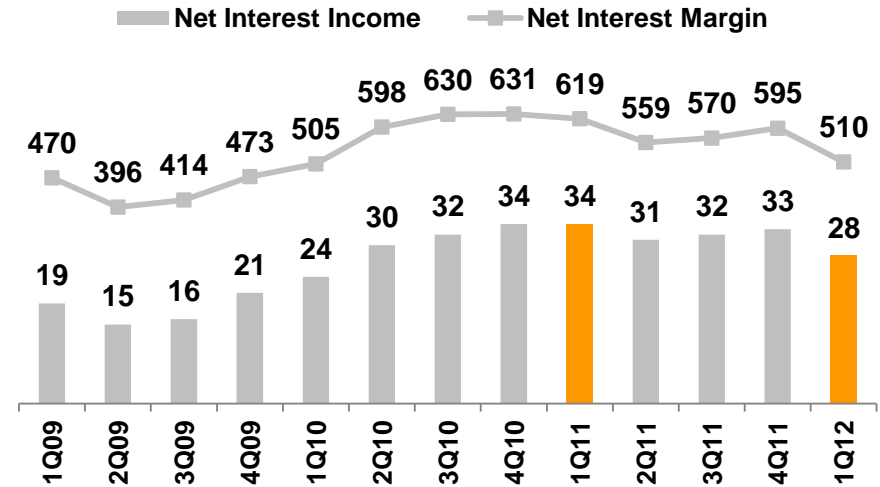
- Loans to deposits ratio 127%
- Bigger reduction of loan book compared to the market
- Based on Bank of Greece statistics,
 - Annual change in consumer loans of -13,9% vs a system change of -6,3%
 - Annual change in mortgage loans -3,6% vs a system change of -2,7%
 - Annual change in business loans -3,0% vs a system change of -3,7%
- Loans market share at 4,2% at the end of March 2012
- Deposits market share at 3,8% at end of March 2012
- Small exposure to shipping

Performance to benefit from business expansion

Profit & Loss Highlights (€ mn)



Russia NII (€ mn) & NIM (bp)

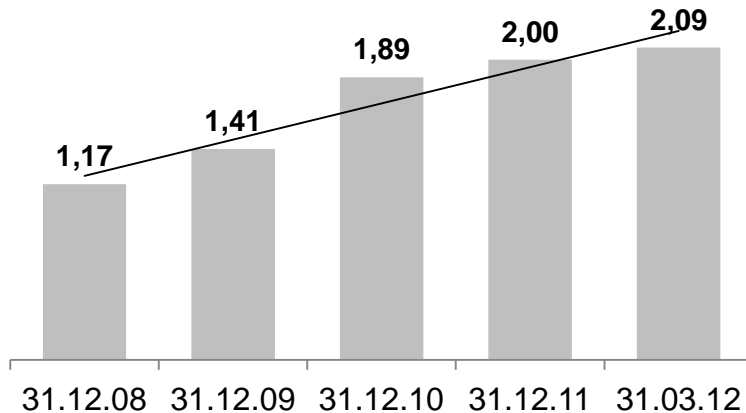


1Q12 Russia profitability affected by:

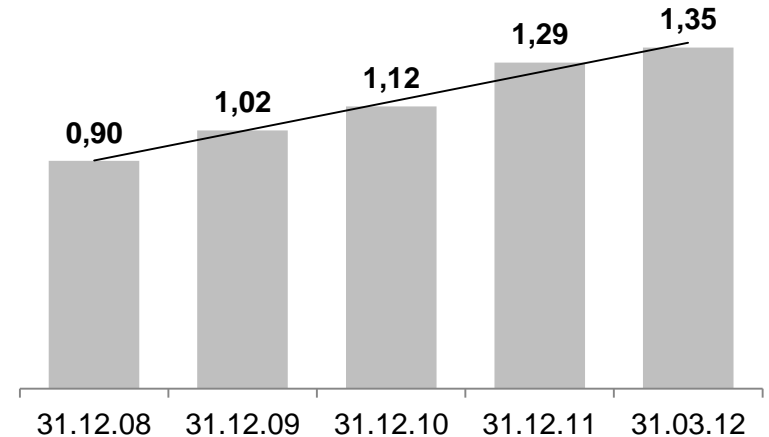
- Reduction in net interest income (-16% yoy)
- Lower NIM (1Q12: 5,10% vs FY11: 5,84%)
- Higher provisions (+9% yoy)

Continuing business expansion

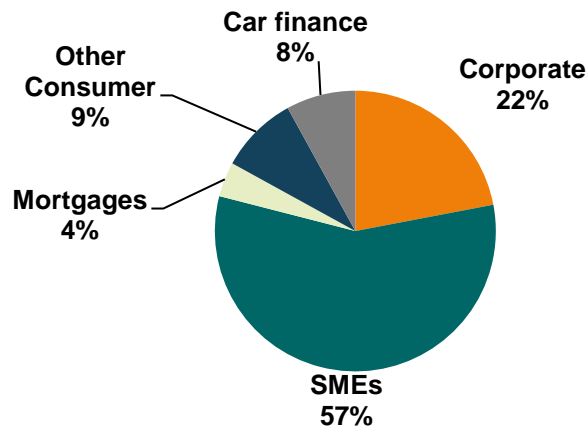
Gross Loans (€ bn)



Customer Deposits (€ bn)



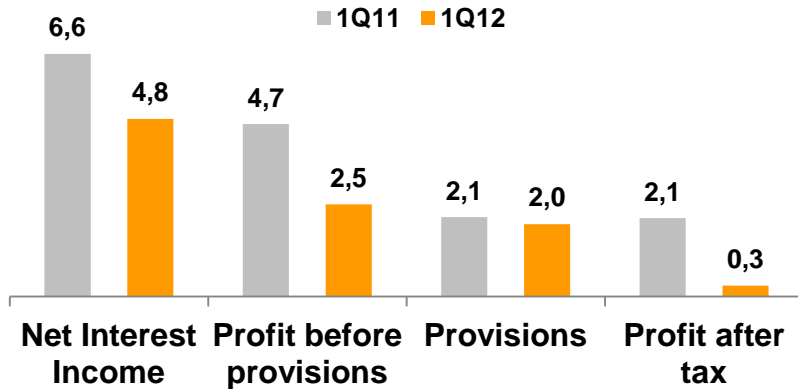
Loan diversification



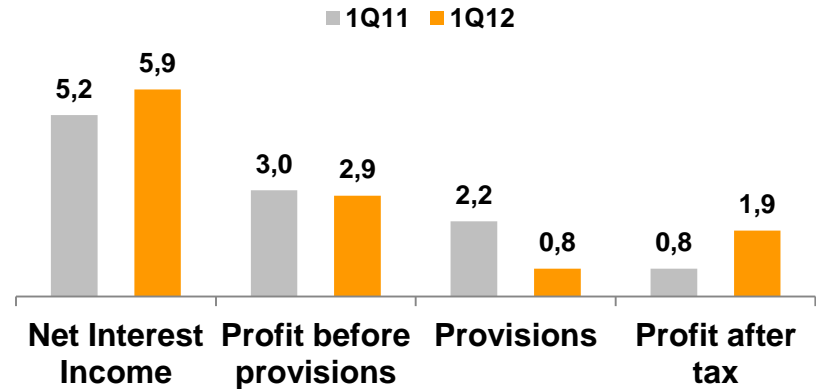
- Business expansion continued in 1Q12
- Increase in deposits (10% yoy, +7% yoy in local currency)
- Increase in loans (+9% yoy, +6% yoy in local currency)

Resilient EE operations

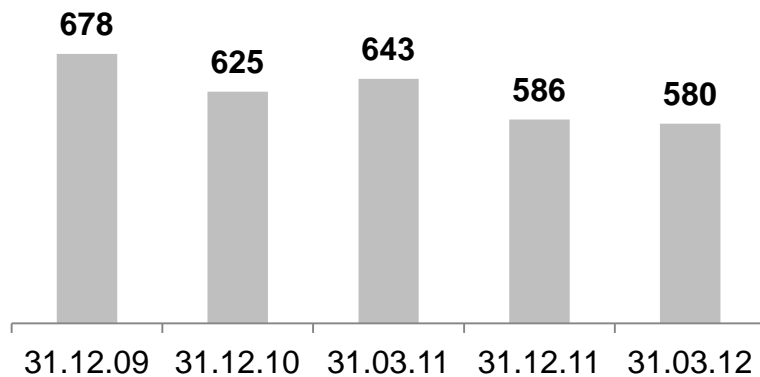
Profit and Loss Highlights Romania (€ mn)



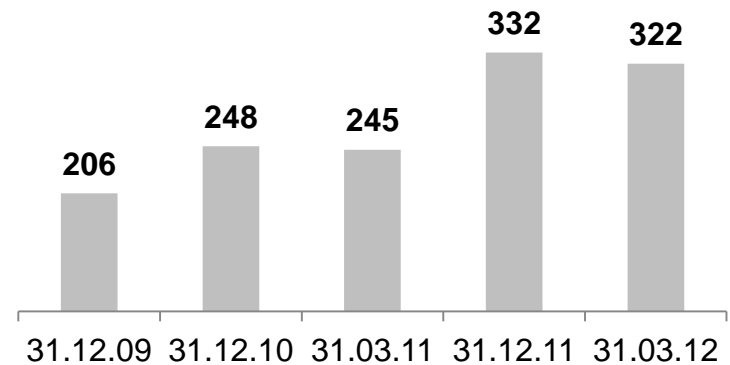
Profit and Loss Highlights Ukraine (€ mn)



Romania Loans (€ mn)



Ukraine loans (€ mn)



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Strengthen capital position

Safeguard healthy liquidity

Maintain organic profitability

Manage risks effectively

Key information and contact details

Credit Ratings:

Fitch: BB+ / F-2 / B

Moody's : B1 / NP / E+

Listing:

ATHEX – BOC

CSE – BOCY

ISIN CY0000100111

Participation in indices:

CSE General Index , FTSE/CySE 20

FTSE/ATHEX Top 20

FTSE Med 100

FTSE New EU

DJ STOXX EU Enlarged TMI

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Profit and Loss

(€ mn)	1Q12	1Q11	yoy %	4Q11	1Q12v4Q11 %
Net interest income	295	276	+7%	313	-6%
Net fee & commission income	56	56	-1%	61	-10%
FX income and net gains from financial instruments	10	4	+91%	16	-35%
Insurance income net of insurance claims	16	17	-5%	14	+12%
Other income	1	3	-43%	10	-85%
Total income	378	356	+6%	414	-9%
Total expenses	159	181	-12%	203	-22%
Profit before provisions	219	175	+25%	211	+4%
Provisions	100	79	+27%	132	-24%
Share of loss of associates	-	-	-	-	-
Profit before tax	119	96	+24%	79	+52%
Taxation	21	22	-1%	15	+45%
Non-controlling interest profit	1	-	--	5	-85%
Profit after tax excluding GGBs impairment	99	74	+33%	69	+43%
Impairment of GGBs and change in fair value of related hedging derivatives including tax	197	-	-	(636)	-
(Loss)/profit after tax including GGBs impairment	295	74	+299%	(567)	-
Cost to Income Ratio	42,0%	50,9%	-8,9 p.p.	49,2%	-7,2 p.p.
Return on Equity	15,1%	11,0%	+4,1 p.p.	9,1%	+6,0 p.p.

Balance Sheet Overview

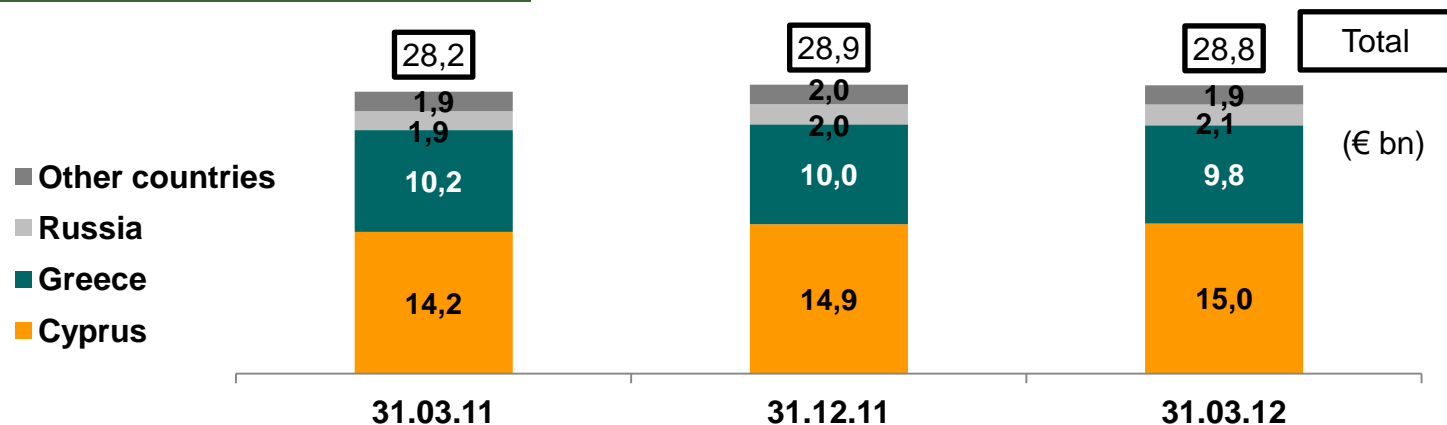
€ mn	% yoy	31.03.12*	31.03.11***	€ mn	% yoy	31.03.12	31.03.11***
Cash and balances with central banks	+62%	1.575	971	Amounts due to banks and repurchase agreements	+22%	5.244	4.282
Placements with banks and reverse repurchase agreements	-25%	4.023	5.340	Customer deposits	-9%	29.187	32.194
Debt securities, Treasury bills and equity investments	-38%	3.429	5.542	Debt securities in issue	-47%	37	70
Net loans and advances to customers	-3%	27.211	27.926	Other liabilities	-13%	1.203	1.391
Other assets	+25%	2.417	1.937	Subordinated loans stock	-86%	130	940
Total assets	-7%	38.655	41.716	Total liabilities	-8%	35.801	38.877
				Share Capital	+101%	1.795	895
				Share premium	-26%	861	1.160
				CECS**	-	429	--
				Revaluation and other reserves	+139%	59	(153)
				(Accumulated losses)/ retained earnings	-145%	(376)	845
				Shareholders' equity	+1%	2.768	2.747
				Non controlling interests	-6%	86	92
				Total equity	+1%	2.854	2.839
				Total liabilities and equities	-7%	38.655	41.716

* Australia is not included

**Convertible Enhanced Capital Securities

*** Restated due to change in accounting policy

Gross Loans by Geography

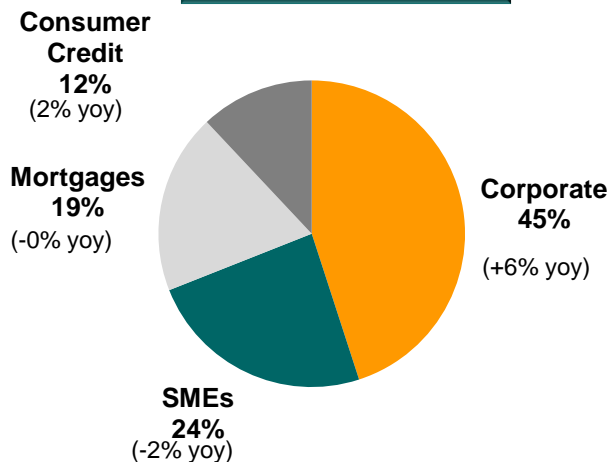


	31.03.11 (Eur mn)	As % of total	31.03.12 (Eur mn)	As % of total	YoY (%)	Market Share (%)
Cyprus	14.151	50%	15.009	52%	+6%	28,0%
Greece	10.167	36%	9.810	34%	-4%	4,2%
Russia	1.915	7%	2.085	7%	+9%	
Other countries*	1.928	7%	1.896	7%	-2%	
TOTAL	28.161		28.800		+2%	
United Kingdom	1.041		993		-5%	
Romania	643		580		-10%	
Ukraine	244		323		+32%	

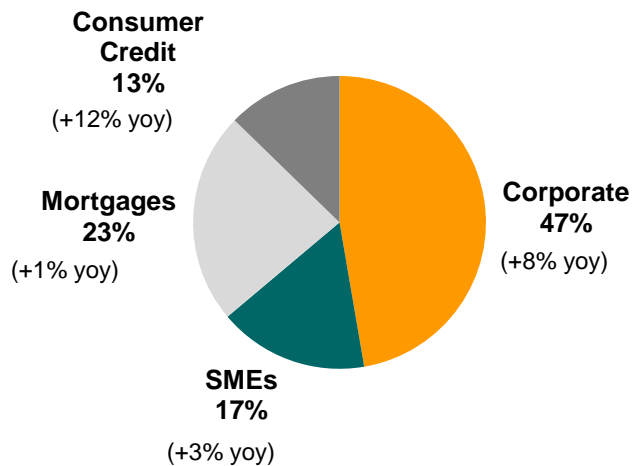
* Other countries: Romania, Ukraine and United Kingdom;

Gross Loans Segmental Diversification

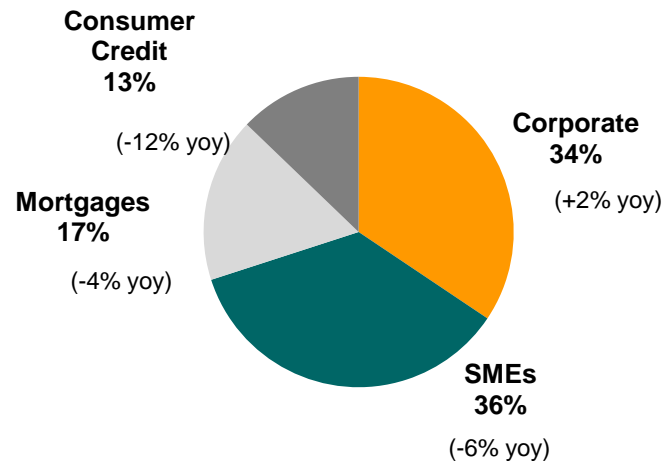
Group: €28.800 mn



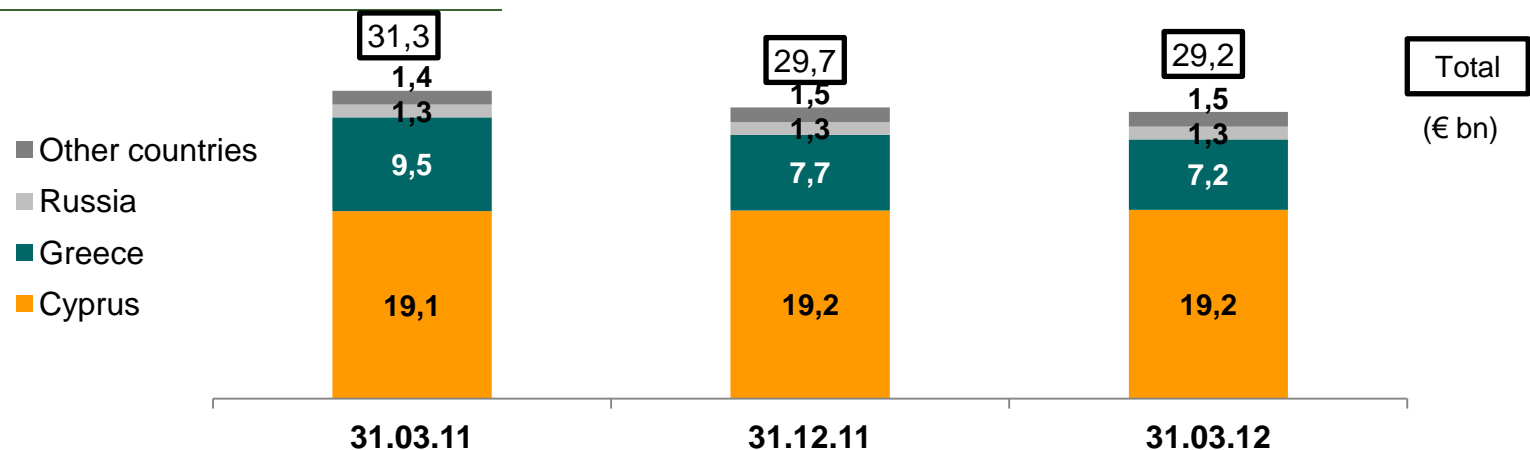
Cyprus: €15.009 mn



Greece: €9.810 mn



Customer Deposits by Geography



	31.03.11 (Eur mn)	As % of total	31.03.12 (Eur mn)	As % of total	YoY (%)	Market Share (%)
Cyprus	19.096	61%	19.220	66%	+1%	31,4%
Greece	9.538	30%	7.173	24%	-25%	3,8%
Russia	1.224	4%	1.349	5%	+10%	
Other countries*	1.410	5%	1.445	5%	+2%	
TOTAL	31.268		29.187		-7%	
United Kingdom	1.185		1.158		-2%	
Romania	186		203		+9%	
Ukraine	39		84		+116%	

* Other countries: Romania, Ukraine and United Kingdom

Cyprus: Summary profit & loss and key indicators

Excluding the change in fair value of related hedging instruments and taxation for GGBs impairment

(€ mn)	1Q12	1Q11	1Q12 versus 1Q11 (%)
Net interest income	157	139	+14%
Net fee & commission income	35	33	+6%
Foreign exchange income and gains from financial instruments	7	1	+447%
Insurance income net of insurance claims	14	14	-3%
Other income	1	1	-21%
Total income	214	188	+14%
Personnel expenses	42	59	-28%
Other operating expenses	29	26	+12%
Total expenses	71	85	-16%
Profit before provisions	143	103	+38%
Provisions	33	29	+14%
Share of loss of associate	0	0	--
Profit before tax	110	74	+48%
Taxation	16	13	+17%
Non-controlling interest loss/(gain)	0	0	--
Profit after tax	94	61	+55%
Net Interest Margin (NIM)	2,48%	2,19%	+29 b.p.
Return on Equity (ROE)	31,5%	20,9%	+10,6 p.p.
Cost/Income Ratio	33,3 %	45,0%	-11,7 p.p.

Greece: Summary profit & loss and key indicators

Excluding the change in fair value of related hedging instruments and taxation for GGBs impairment

(€ mn)	1Q12	1Q11	1Q12 versus 1Q11 (%)
Net interest income	92	79	+16%
Net fee & commission income	12	12	+5%
Foreign exchange income and gains from financial instruments	(1)	2	-157%
Insurance income net of insurance claims	2	3	-16%
Other income	0	1	-75%
Total income	105	97	+8%
Personnel expenses	29	28	+1%
Other operating expenses	19	22	-13%
Total expenses	48	50	-5%
Profit before provisions	57	47	+23%
Provisions	55	38	+44%
Share of loss of associate	--	--	--
Profit before tax	2	9	-76%
Taxation	4	6	-23%
Non-controlling interest gain	--	--	--
(Loss)/Profit after tax	(2)	3	-185%
Net Interest Margin (NIM)	3,40%	2,56%	+84 b.p.
Return on Equity (ROE)	-1,4%	+1,6%	-3,0 p.p.
Cost/Income Ratio	45,3%	51,7%	-6,4 p.p.

Russia: Summary profit & loss and key indicators

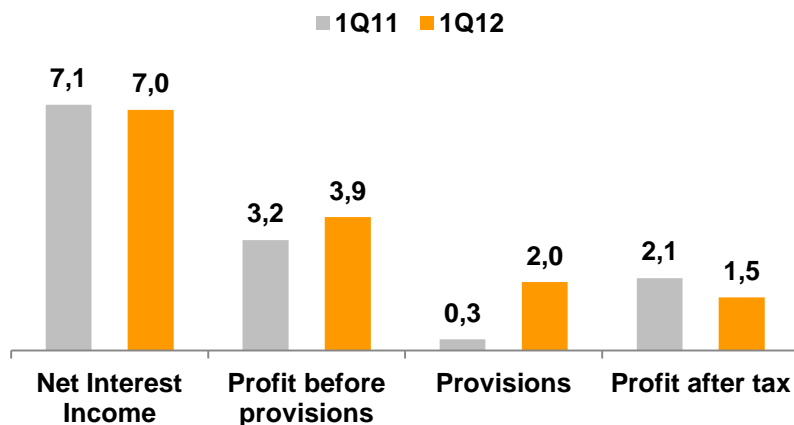
(€ mn)	1Q12	1Q11	1Q12 versus 1Q11 (%)
Net interest income	28	33	-16%
Net fee & commission income	7	8	-18%
Foreign exchange income and gains from financial instruments	3	1	+157%
Insurance income net of insurance claims	--	--	--
Other income	0	1	-40%
Total income	38	43	-12%
Personnel expenses	16	17	-6%
Other operating expenses	13	14	-10%
Total expenses	29	31	-8%
Profit before provisions	9	12	-22%
Provisions	7	6	+9%
Share of loss of associate	--	--	--
Profit before tax	2	6	-58%
Taxation	0	1	-57%
Non-controlling interest gain	1	(1)	--
Profit after tax	3	4	-39%
Net Interest Margin (NIM)	5,10%	6,19%	-109 b.p.
Return on Equity (ROE)	5,8%	9,7%	-3,9 p.p.
Cost/Income Ratio	75,7%	72,5%	+3,2 p.p.

Other countries: Summary profit & loss and key indicators

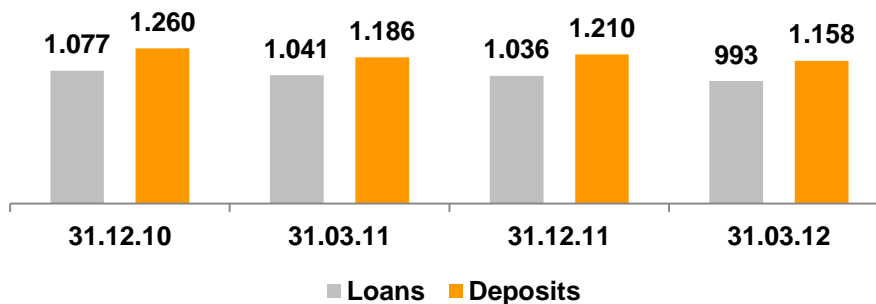
(€ mn)	1Q12	1Q11	1Q12 versus 1Q11 (%)
Net interest income	18	24	-27%
Net fee & commission income	2	3	-47%
Foreign exchange income and gains from financial instruments	1	0	+316%
Insurance income net of insurance claims	--	--	--
Other income	0	0	--
Total income	21	27	-26%
Personnel expenses	6	8	-28%
Other operating expenses	5	7	-25%
Total expenses	11	15	-27%
Profit before provisions	10	12	-26%
Provisions	5	5	-6%
Share of loss of associate	--	--	--
Profit before tax	5	7	-39%
Taxation	1	2	-48%
Non-controlling interest gain	--	--	--
(Loss)/Profit after tax	4	5	-36%
Net Interest Margin (NIM)	2,89%	2,63%	+26 b.p.
Return on Equity (ROE)	11,9%	12,0%	-0,1 p.p.
Cost/Income Ratio	54,7%	55,0%	-0,3 p.p.

Operations in United Kingdom

Profit and Loss Highlights UK (€ mn)



UK Loans and Deposits (€ mn)



BOC Australia disposed in December 2011