

# Bank of Cyprus Group

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## Audited Financial Results for the year ended 31 December 2013

Financial Results FY2013 – Highlights

Income Statement Review

Balance Sheet Review

Restructuring

Appendices

27 March 2014

# Disclaimer

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Following the Eurogroup decisions to recapitalise Bank of Cyprus (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 the decrees issued by the Central Bank of Cyprus in its capacity as Resolution Authority.

In this context, the banking and leasing operations of the Bank in Greece were sold to Piraeus Bank S.A. as per the *Sale of Greek Operations of Bank of Cyprus Public Company Ltd Decree of 2013*. Hence, the financial results of the Greek operations are presented as discontinued operations.

The Bank acquired the operations of Cyprus Popular Bank Public Co Ltd (Laiki Bank) in Cyprus as per the *Sale of certain operations of Cyprus Popular Bank Public Co Ltd Decree of 2013*. Hence the financial results of Laiki Bank are fully consolidated as from the date of the transfer, 29 March 2013. It is noted that the fair value of the transferred assets and liabilities for the purposes of accounting for the business combination of the Group is provisional in accordance with IFRSs.

# Financial Results FY2013 Highlights

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## Financial Results FY2013 – Highlights

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Following the Eurogroup decisions to recapitalise Bank of Cyprus 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 the decrees issued by the Central Bank of Cyprus in its capacity as Resolution Authority. Due to the corporate actions that took place during this period, it is not possible to compare figures and results of the Group with past financial periods.

# Financial Results FY2013 Highlights

- **Loss from continuing operations €77 mn for 4Q2013**; including restructuring costs of €26 mn, loss attributable to shareholders €103 mn
- **Loss from continuing operations €426 mn for FY2013**; including restructuring costs of €168 mn and €1.456 mn losses from discontinued operations and from disposal of Greek operations, loss attributable to shareholders €2.050 mn
- **Profit before impairments, restructuring costs and discontinued operations €184 mn for 4Q2013** (€622 mn for FY2013)
- **Net interest income €274 mn for 4Q2013** (€999 mn for FY2013) and **Net Interest Margin 3,87% for 4Q2013** (3,62% for FY2013)
- **Cost to income ratio at 47%** for FY2013
- **Deposit base showing signs of stabilisation** during 4Q2013, with deposits in Cyprus reduced by 2% (compared to a 10% reduction during 3Q2013)
- **ELA funding reduced to €9,56 bn**; ECB funding at €1,40 bn
- **90+ DPD\* showing signs of stabilisation**, with growth rate contained to 0,2% for 4Q2013 (compared to growth rate of 18% during 3Q2013)
- **Core tier 1 capital ratio sustained at 10,2%**; Ratio affected negatively by a 2% reduction in core tier 1 capital (a negative impact of 0,2 percentage points) and benefited by a 2% reduction in RWA (a positive impact of 0,2 percentage points)

# Recent Developments

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- Integration of ex-Laiki business on track
- Branches in Cyprus **reduced to 130 from 203 in May 2013**; another 3 branches to be closed during 2014
- Next milestone for integration process is the **IT banking system unification** scheduled to be completed by end of 1H2014
- Implementation of new **organisational structure** for simplification and for organising along **functional, domestic, international** and **restructuring** lines
- Establishment of **Restructuring and Recoveries Division** to focus management on collections and recovery efforts in line with the recent Directive on Arrears Management
- **Improving liquidity** position and stabilizing signs of deposit base allowed the release of the 6-month blocked deposits maturing end-January 2014
- **Deleveraging progressing well** with the sale of the Ukrainian business; though a negative impact of 0,2%\* on Core tier 1 capital ratio, the transaction facilitates the de-risking of balance sheet and eliminates future potential risks relating to the Group's investment in Ukraine given political and economic conditions in the country

# Income Statement Review

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Financial Results FY2013 – Highlights

**Income Statement Review**

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# Income Statement Review

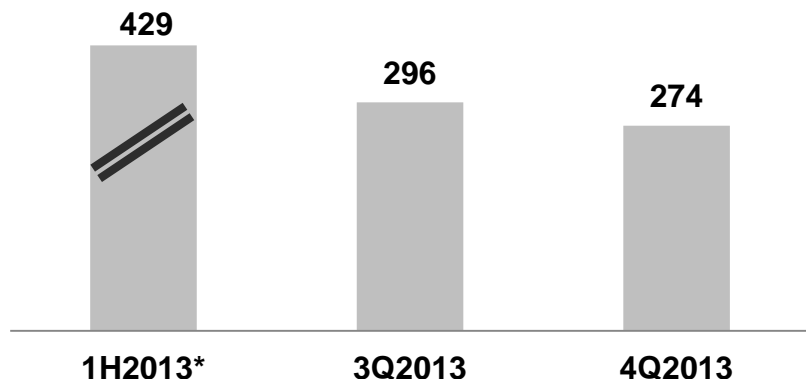
Selected lines from Income Statement (€ mn )	FY2013	FY2012	Change	4Q2013	3Q2013	Change
Net Interest income	999	702	+42%	274	296	-8%
Net fee & commission income	169	173	-2%	43	41	+6%
Other income	6	45	-87%	(3)	24	-113%
<b>Total income</b>	<b>1.174</b>	<b>920</b>	<b>+28%</b>	<b>314</b>	<b>361</b>	<b>-13%</b>
<b>Total expenses</b>	<b>(552)</b>	<b>(545)</b>	<b>+2%</b>	<b>(130)</b>	<b>(137)</b>	<b>-5%</b>
<b>Profit before impairments, restructuring costs and discontinued operations</b>	<b>622</b>	<b>375</b>	<b>+66%</b>	<b>184</b>	<b>224</b>	<b>-18%</b>
Provisions for impairment of loans and advances	(1.067)	(1.339)	-20%	(268)	(261)	+3%
Share of profit/(loss) from associates	2	-	-	-	(1)	-
Tax	5	43	-	2	1	-
Loss attributable to non-controlling interests	12	9	-	5	2	-
<b>Loss after tax and before restructuring costs and discontinued operations</b>	<b>(426)</b>	<b>(912)</b>	<b>-53%</b>	<b>(77)</b>	<b>(35)</b>	<b>+118%</b>
Restructuring costs	(168)	(10)	-	(26)	(107)	-
Loss from discontinued operations, on disposal of Greek operations, impairment on GGBs and impairment of goodwill	(1.456)	(1.292)	-	-	-	-
<b>Loss after tax</b>	<b>(2.050)</b>	<b>(2.214)</b>	<b>-7%</b>	<b>(103)</b>	<b>(142)</b>	<b>-28%</b>
<b>Net interest margin</b>	<b>3,62%</b>	<b>2,94%</b>	<b>+68 b.p.</b>	<b>3,87%</b>	<b>4,02%</b>	<b>-15 b.p.</b>
<b>Cost-to-Income (%)*</b>	<b>47%</b>	<b>59%</b>	<b>-12 p.p.</b>	<b>41%</b>	<b>38%</b>	<b>+3 p.p.</b>

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

\*Excluding the restructuring costs, the losses from discontinued operations and from the disposal of the Greek operations.

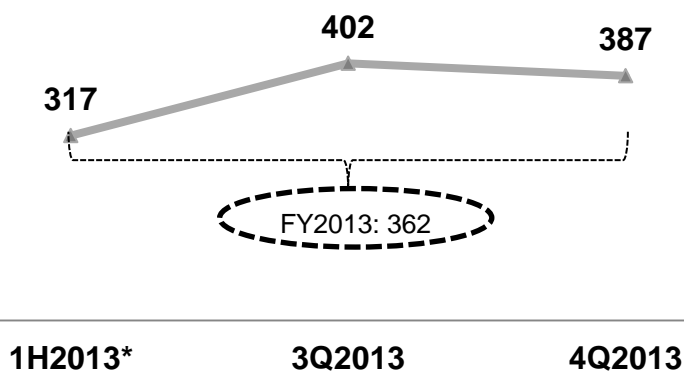
# Net Interest Income (NII) and Net Interest Margin (NIM)

## Net Interest Income (€mn)



- 4Q2013 NII at €274 mn (compared to €296 mn for 3Q2013), mainly due to lower customer spread (i.e. lower yield on loans); FY2013 NII at €999 mn
- 4Q2013 Group NIM at 3,87% (compared to 4,02% for 3Q2013) due to lower net interest income; FY2013 NIM at 3,62%
- NII and NIM continue to be affected by conditions in Cyprus and by the fact that 36% of assets is funded by ELA and ECB funding

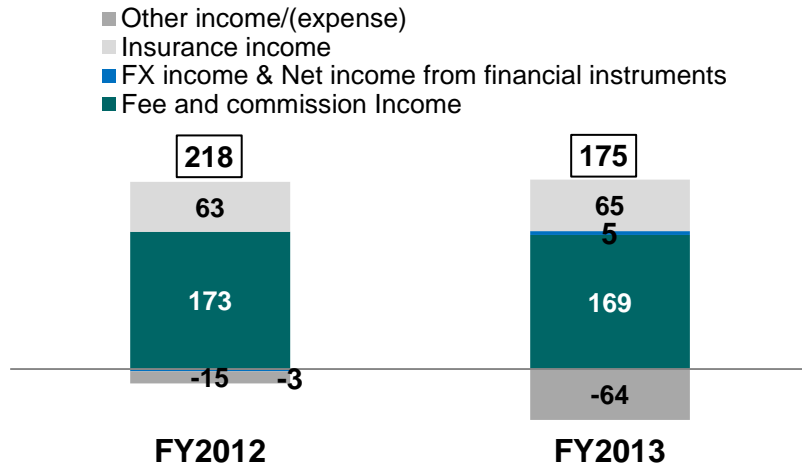
## Net Interest Margin (bp)



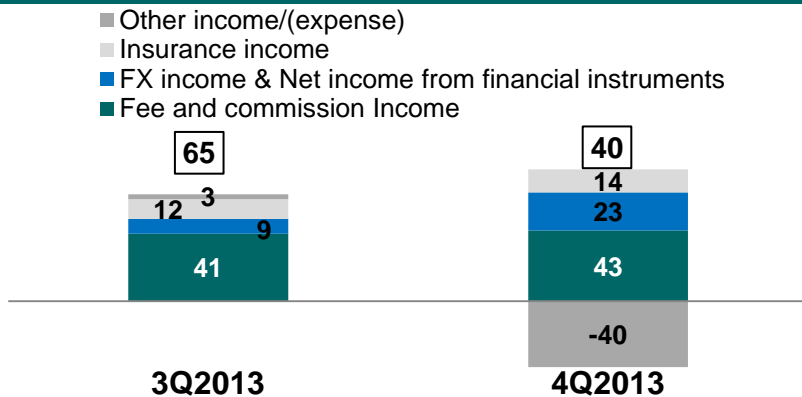


# Analysis of Non Interest Income

## Non Interest Income (€mn)



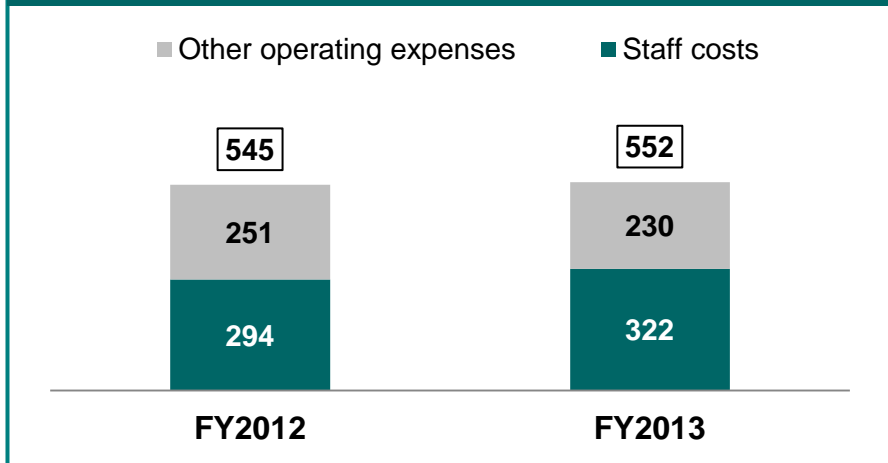
## Quarterly Non Interest Income (€mn)



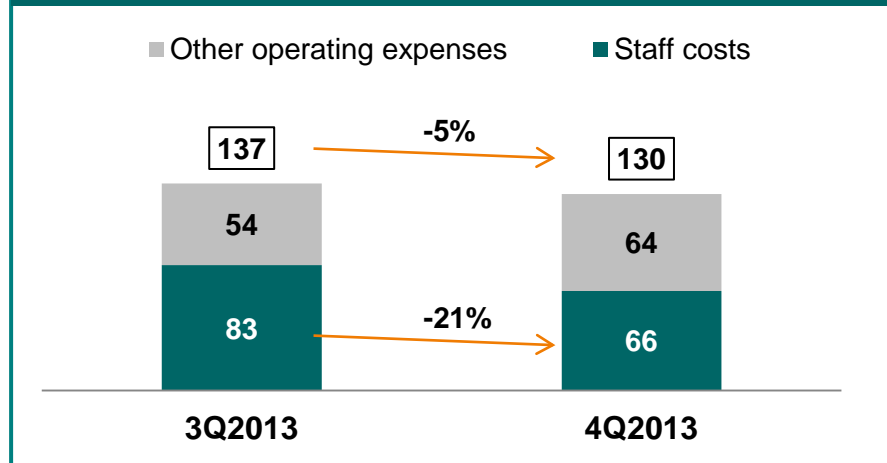
- FY2013 Non interest income of €175 mn
- 4Q2013 Non interest income of €40 mn compared to €65 mn for 3Q2013
- 6% increase in fee and commission income during 4Q2013 relating to higher commissions in Cyprus due to seasonality
- Recurring income from insurance business reflecting the Group's leading position in the insurance business in Cyprus
- FY2013 other income negatively affected by losses of €78 mn on the revaluation of investment properties (primarily repossessed assets)

# Total expenses

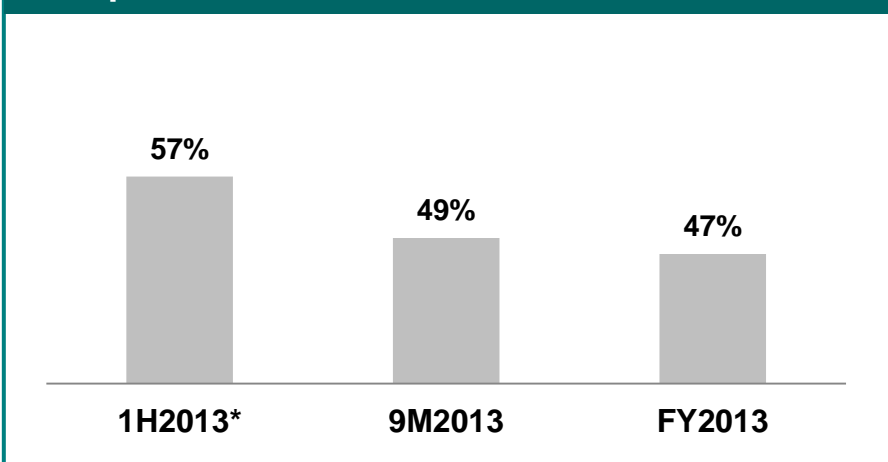
## Total expenses (€mn)



## Quarterly Total expenses (€mn)



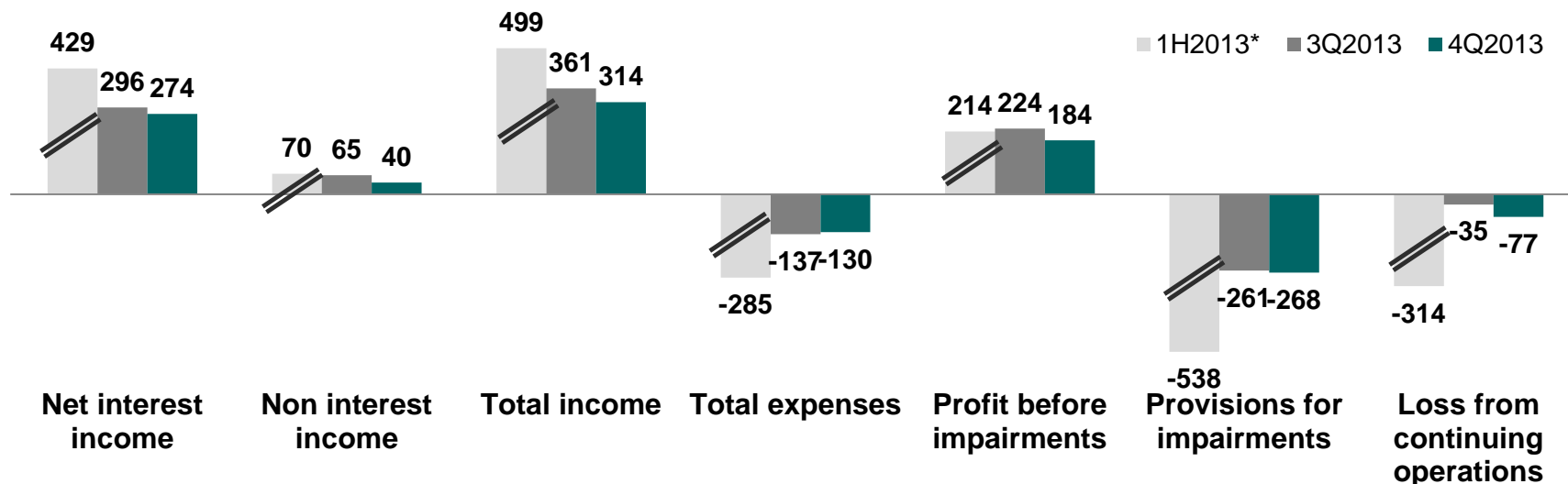
## Group Cost to income ratio



- 4Q2013 Total expenses of €130 mn compared to €137 mn for 3Q2013; 5% reduction reflecting primarily the impact of the VRS, with staff costs reduced by 21% during 4Q2013 to €66 mn
- Taking into account the impact of the VRS and salary cuts, the cost-to-income ratio has been reduced to 47% for FY2013 (about 40% for the 2H2013 compared to 57% for 1H2013)

# Income Statement Highlights

## Income Statement Highlights (€ mn)



- 4Q2013 Total income of €314 mn, compared to €361 mn for 3Q2013; negatively affected by reduced net interest income and by the losses related to the revaluation of investment properties
- 4Q2013 Profit before impairments of €184 mn, compared to €224 mn for 3Q2013
- 4Q2013 Loss from continuing operations of €77 mn, compared to a loss of €35 mn for 3Q2013

# Balance Sheet Review

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**Financial Results FY2013 – Highlights**

**Income Statement Review**

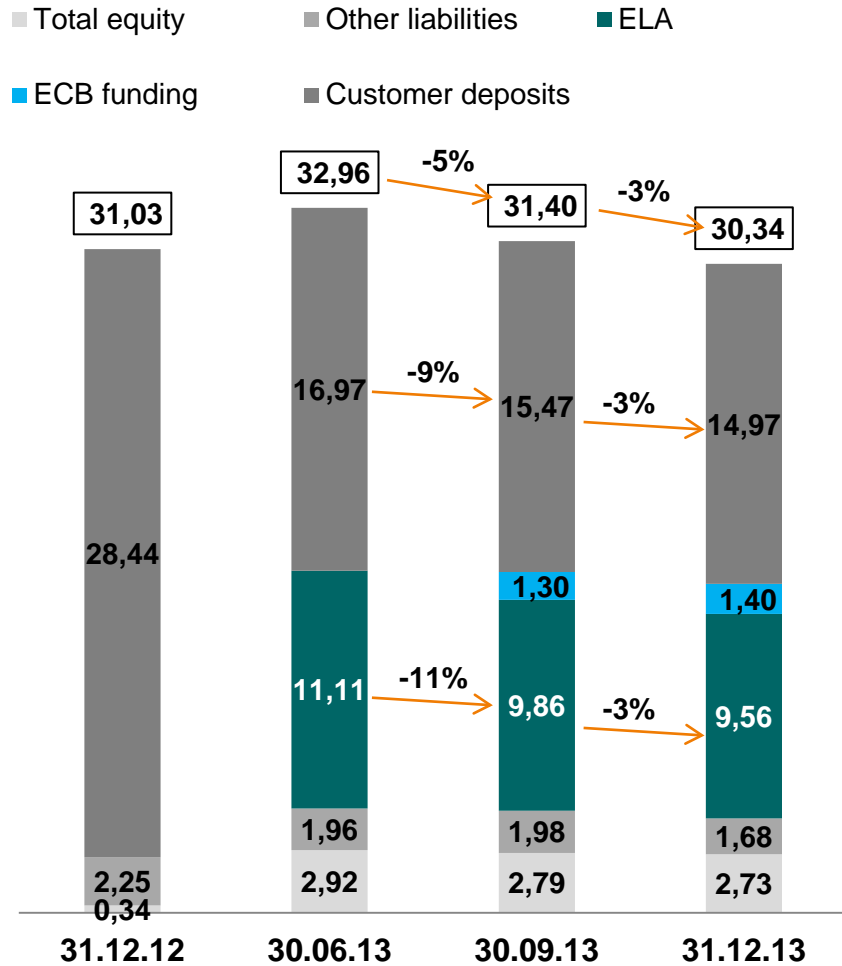
**Balance Sheet Review**

**Restructuring**

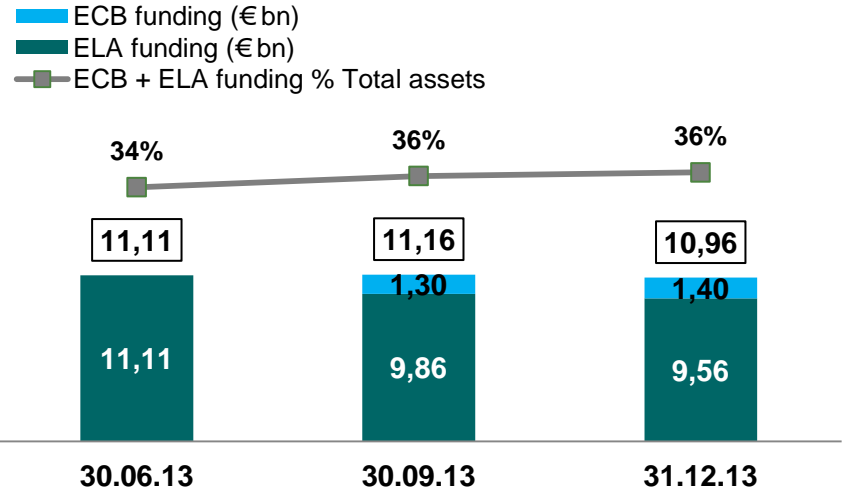
**Appendices**

# Funding Structure

## Analysis of Liabilities and Equity (€bn)



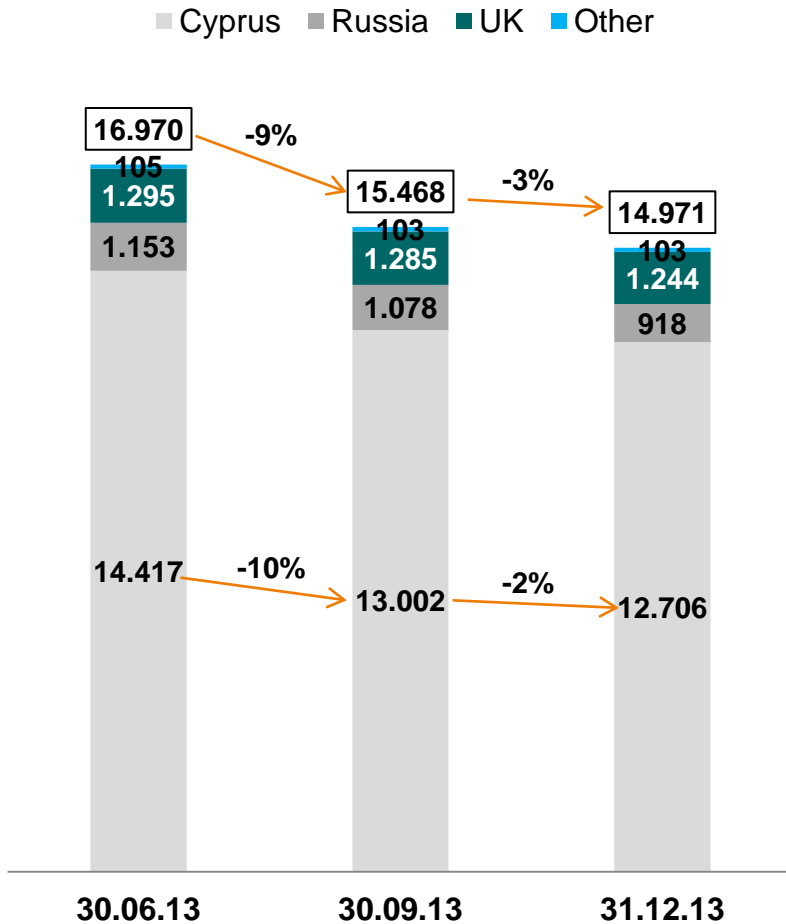
## Funding from Central Banks



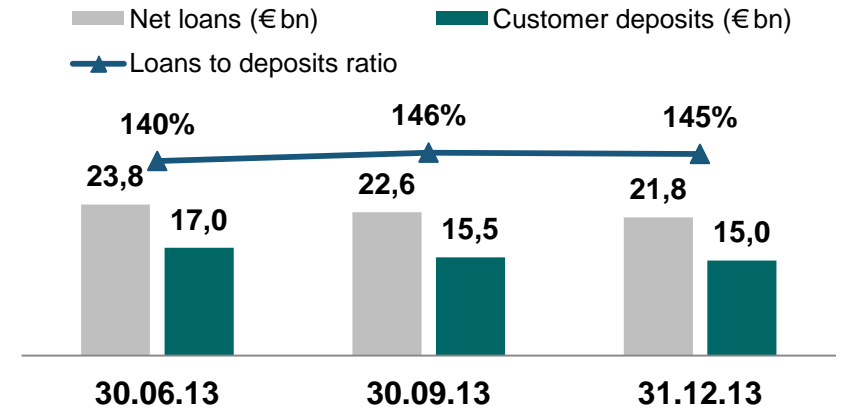
- Funding structure dented by the bail-in and the acquisition of Laiki
- Deposits accounted for 49% of total assets at 31 December 2013, compared to 92% a year earlier
- At 31 December 2013 Eurosystem funding at €10,96 bn, comprising ELA of €9,56 bn and ECB funding of €1,4 bn; Between April 2013 and 31 December 2013, the Bank reduced the Eurosystem funding by €450 mn from €11,4 bn (comprising solely ELA) to €10,96 bn and at the same time managed to absorb a significant reduction in its deposit base

# Customer Deposits

## Deposits by Geography (€mn)



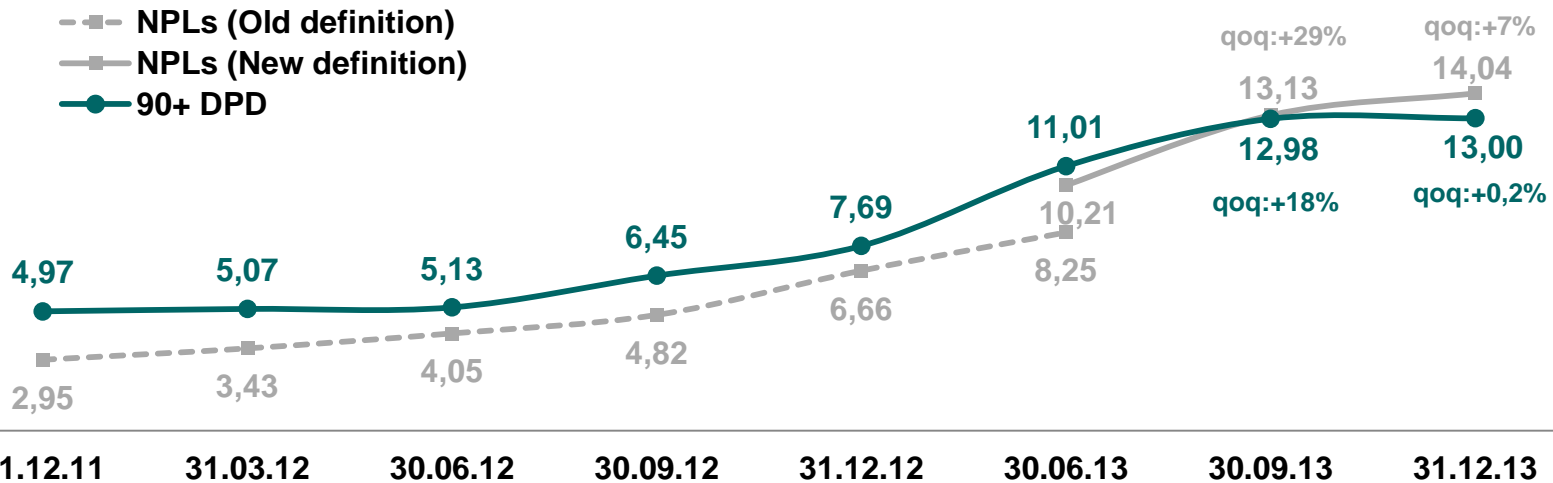
## Loans to deposits ratio



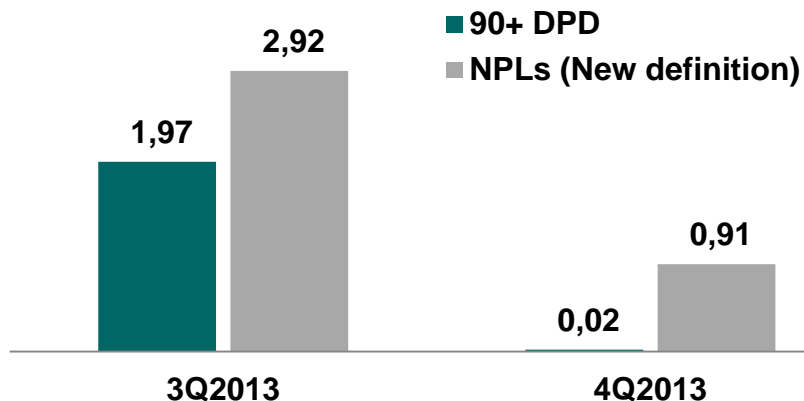
- During 4Q2013, the Cypriot operations experienced customer inflows and the deposit base showed signs of stabilisation, with the deposit reduction contained to 2% during the quarter, compared to a 10% reduction in 3Q2013
- Overall, Group deposits declined by 3% during 4Q2013, compared to a reduction of 9% during 3Q2013
- Loans to deposits ratio at 145% at 31 December 2013

# Loan Quality

## Problem Loans (€bn)



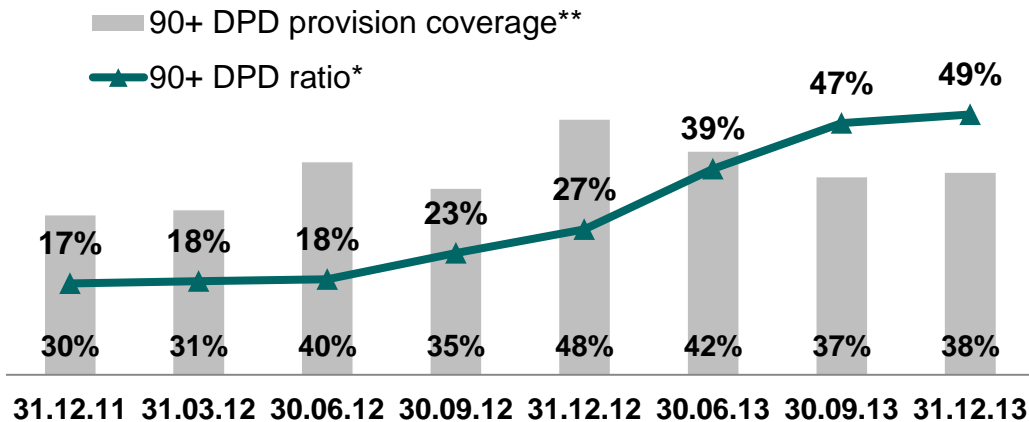
## Quarterly change in problem loans (€bn)



- Loan quality challenges continued in 4Q2013. 90+ DPD\* show signs of stabilisation, but new-definition NPLs continue to rise as restructured loans remain classified as NPLs for longer
- 90+ DPD totalled €13.003 mn at 31 December 2013 (vs. €12.983 mn at 30 September 2013), with 4Q2013 growth rate contained to a mere 0,2% (vs. 3Q2013 growth rate of 18%)
- NPLs growth rate decelerated to 7% for 4Q2013 (vs. 3Q2013 growth rate of 29%)

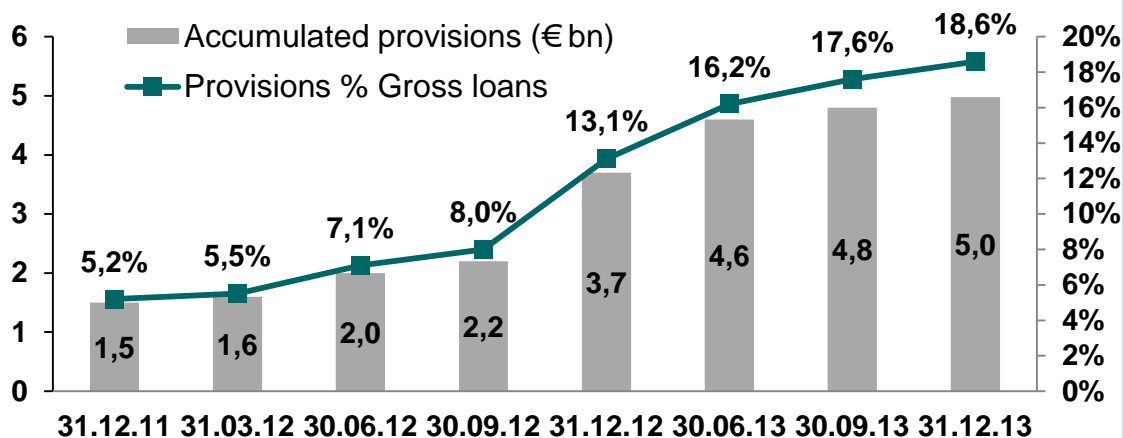
# Loan Quality

## Group loan quality indicators



- 90+ DPD ratio at 49%
- 90+ DPD provision coverage improved to 38%; Taking into account tangible collateral the 90+ DPD are fully covered
- Accumulated provisions at €4,98 bn or 18,6% of gross loans
- Conservative provisioning assessment took into consideration the further expected decline in collateral values following March 2013 events
- Assumptions have been made about the future changes in property values in Cyprus, as well as the timing for the realisation of the collateral and for taxes and expenses on the repossession and subsequent sale of the collateral

## Accumulated provisions

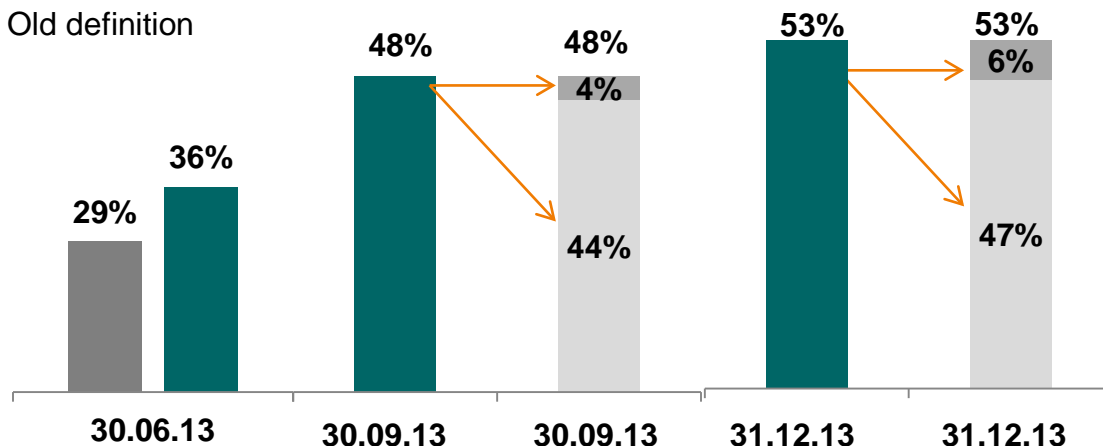




# Loan Quality

## New definition of NPLs

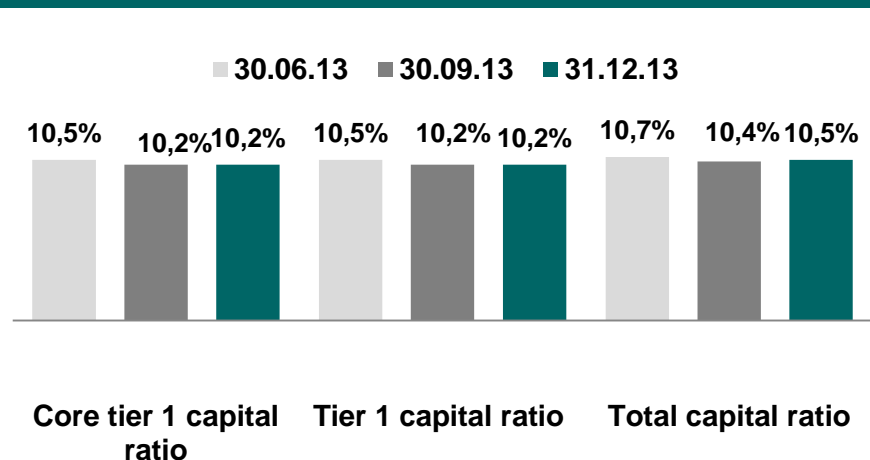
- Loans restructured and less than 90 days past due
- Loans more than 90 days past due or Loans restructured and more than 90 days past due
- New definition
- Old definition



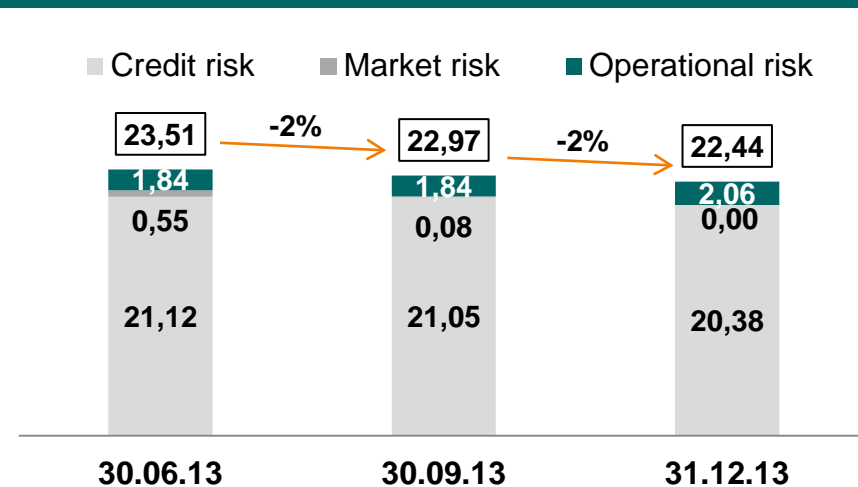
- New definition of NPLs as from 1 July 2013; new definition NPLs ratio at 53% at 31 December 2013
- With restructured loans remaining classified as NPLs for a longer period, there will be a growing difference between 90+ DPD and NPLs in the future
- NPLs provisioning coverage ratio at 35% at 31 December 2013; taking into account tangible collateral, NPLs are fully covered
- At 31 December 2013, the NPLs ratio comprises **Loans restructured and less than 90 days past due** (6% of gross loans) and **Loans more than 90 days past due or Loans restructured and more than 90 days past due** (47% of gross loans)

# Capital position

## Capital adequacy ratios



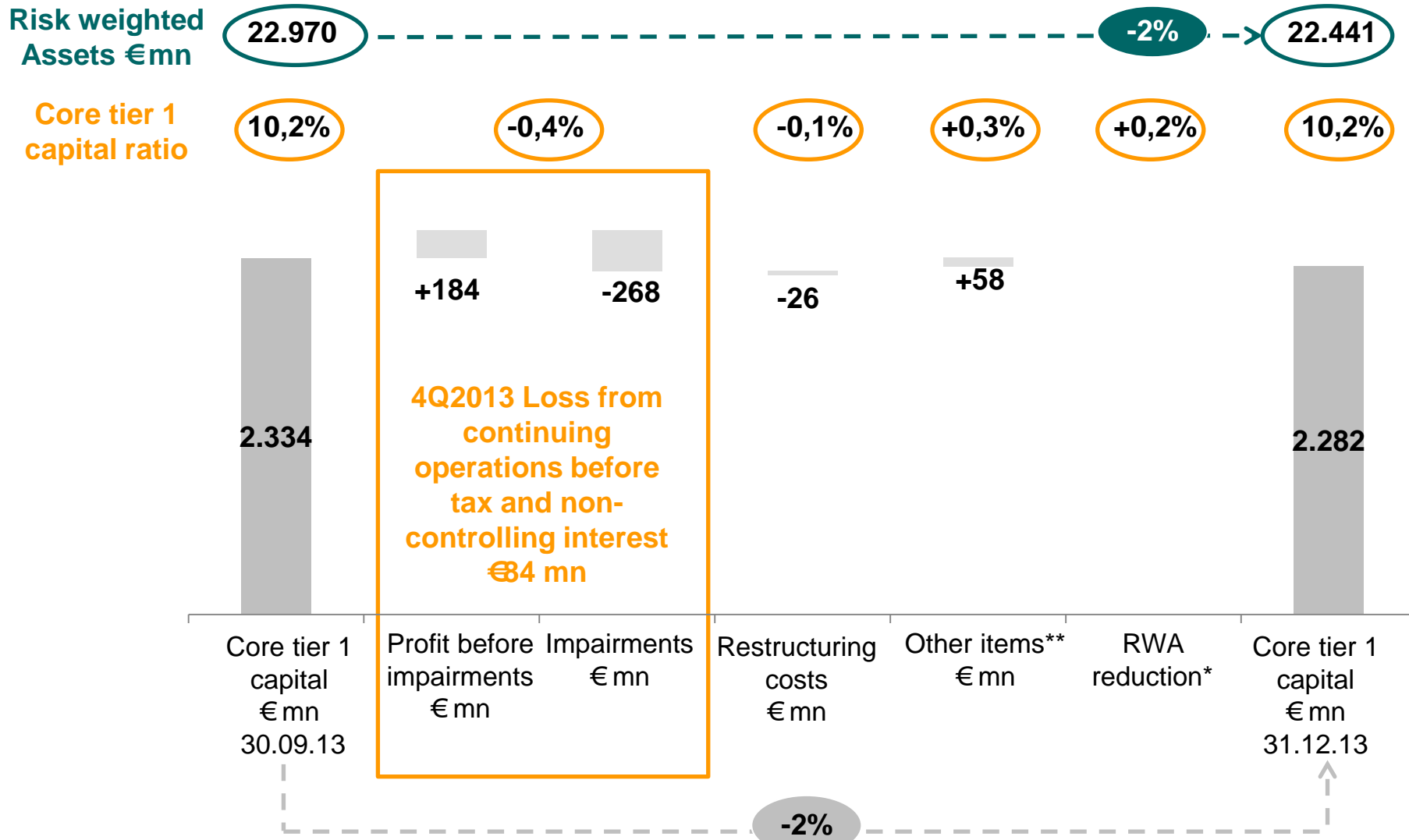
## Analysis of Risk weighted assets (RWA) (€bn)



(€mn)	30.06.13	30.09.13	31.12.13
Shareholders' equity	2.838	2.690	2.656
Core tier I capital*	2.478	2.334	2.282
Hybrid capital (Tier I)	0	0	0
Tier I capital	2.478	2.334	2.282
Tier II capital	42	59	76
Total regulatory Capital	2.520	2.392	2.357

- Core tier 1 capital ratio sustained at 10,2%, at the same level as at 30 September 2013. Although negatively affected by a 2% reduction in the core tier 1 capital during the fourth quarter of 2013, the core tier 1 capital ratio was sustained at 10,2% due to a 2% decrease in RWA.
- Aiming to preserve and enhance capital adequacy by retaining internally generated capital, while the activity for restructuring and disposal of non-core assets will be driven by risk mitigation and capital considerations

# Evolution of Core tier 1 capital ratio in 4Q2013



\* Reduction in Risk weighted assets due to deleveraging and optimisation of risk weighted assets

\*\* Mainly due to other equity movements.

# Restructuring

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# Restructuring Plan charts the future strategic direction

Restructuring Plan defines actions to create a **safer, smaller, more focused institution** capable of supporting the recovery of the Cypriot economy

Rebuilding trust and confidence of both depositors and investors

Preserving the Bank's status as the cornerstone of the domestic economy, continuing to support both businesses and households

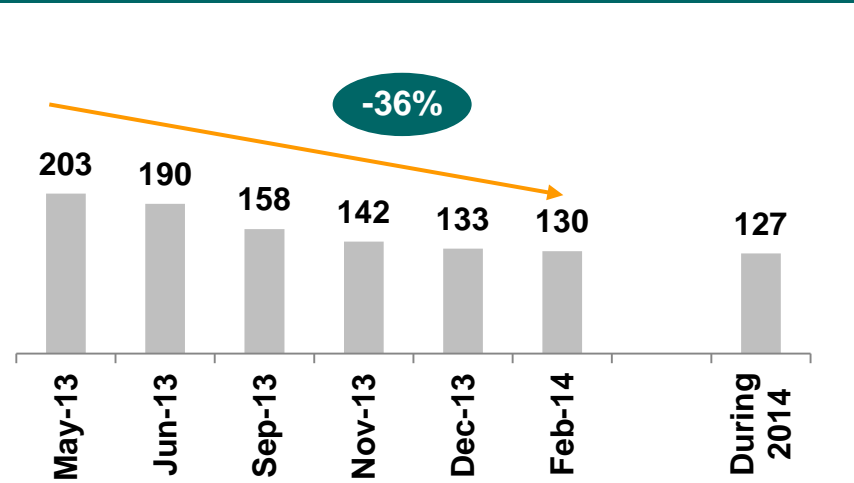
Building a resilient institution, able to effectively manage its portfolio of assets and withstand further external shocks and economic turbulence

Smoothly integrating Laiki's operations, maximising impact on profitability for the combined entity through the realisation of synergies

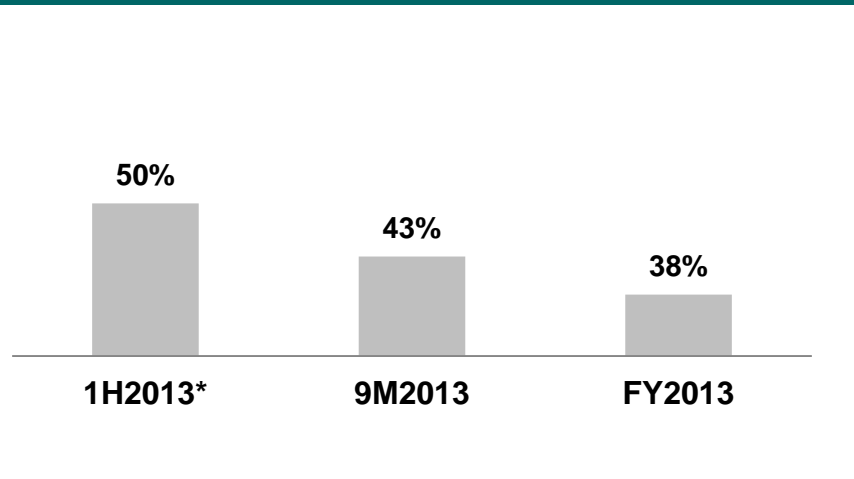
Enhance the capital adequacy of the Group by internally generating capital through profitability, deleveraging and disposal of non-core assets

# Restructuring of Cypriot operations

## Branch rationalisation – (branch numbers)



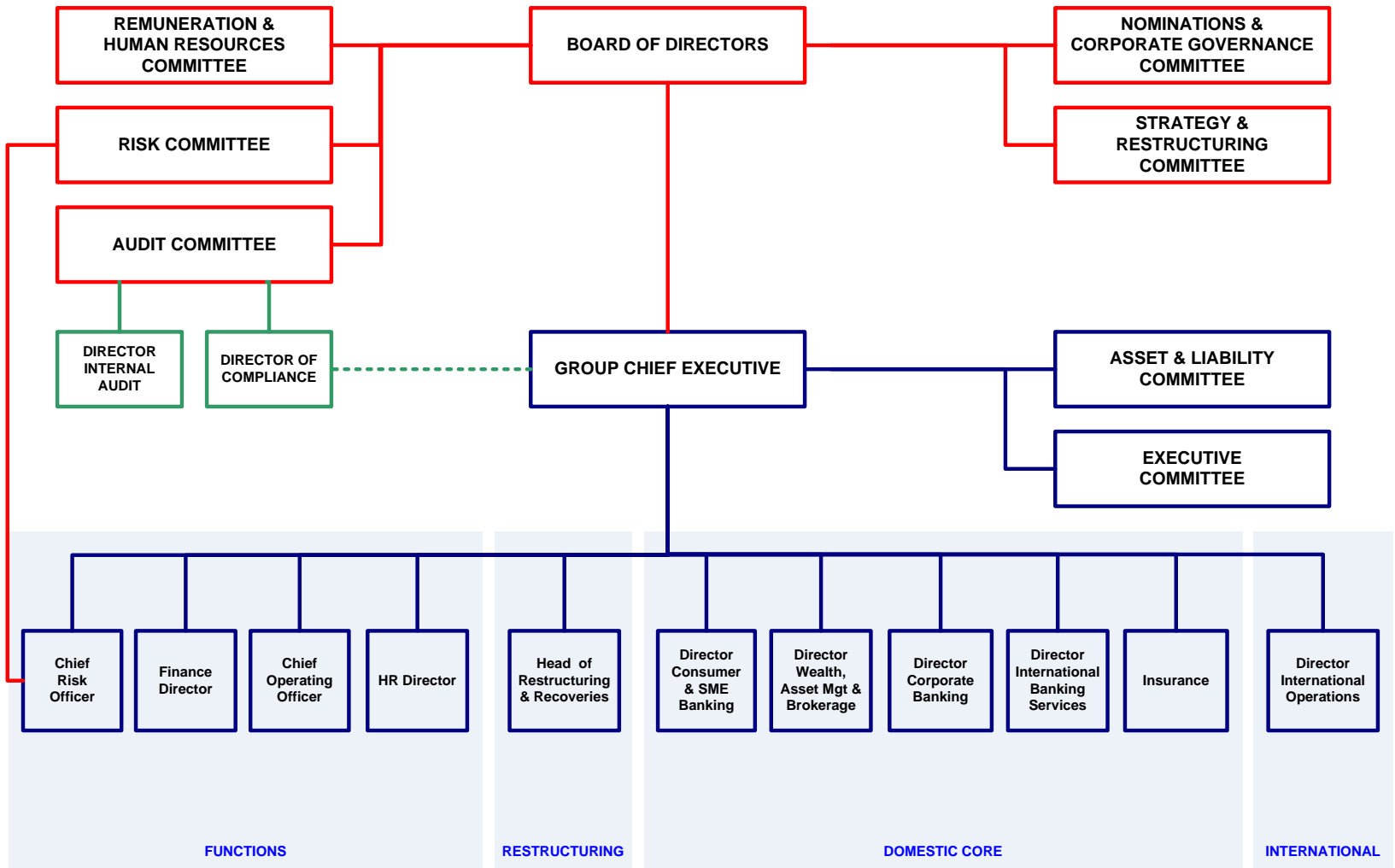
## Cost to income ratio of Cyprus operations



- Integration of ex-Laiki business on track
- Branch network in Cyprus reduced to 130 branches from 203 branches in May 2013; 3 branches expected to close during 2014.
- Next milestone for the integration process is the unification of the IT banking system (by end of the first half of 2014). This will facilitate the further utilisation of synergies and cost minimisation
- Staff costs reduced through salary cuts and a Voluntary Retirement Scheme (VRS). FT Employee reduction by 24% and staff costs by 35% on an annual basis
- Cost to income ratio of the Cyprus operations at 38% for FY2013
- Changes in organisational structure for simplification and for organising along functional, domestic, international and restructuring lines
- Establishment of Restructuring and Recovery Division to focus management on collections and recovery efforts

# New organisational structure

STRUCTURE CHART – BANK OF CYPRUS GROUP



# Creation of Restructuring and Recoveries Division (RRD)

## Division handles delinquent customers in all sectors

- Most significant change is the **establishment of a strong restructuring and recovery area**. The Bank had a fragmented approach to the management of stressed, distressed and delinquent clients
- A structure that houses these clients under one umbrella unit, creating **a centralized arrears management area** that allows the Bank to manage clients in a much more robust, focused and logical manner
- The creation of the **Restructuring and Recoveries Division (RRD)** is a major step in the Bank's recovery path, as swiftly and professionally addressing problem lending positions is absolutely critical
- The Special Project Division (as per the Restructuring Plan) has evolved into the Major Corporate Management Department and is now part of the RRD. Hence, the RRD handles all activity relating to (a) Exposures greater than €100 mn, (b) debt restructuring and (c) debt collection.
- This Division will become very much the **high powered engine room of the recovery**, driving down NPL levels within the Bank and removing provisions from its balance sheet.
- The RRD has developed end to end strategies and responsibility for managing delinquent customers in each business line. Delinquent portfolio segments based on risk profile and exposure and tailored strategies for collections and restructurings have been defined accordingly.

The establishment of a centralised arrears management unit is in line with the recently issued Directive on Arrears Management of 2013 issued by the Central Bank of Cyprus. The Directive includes inter alia a Code of Conduct on the handling of borrowers in financial difficulties, the development of a robust arrears management strategy, the utilisation of relevant, effective and sustainable debt restructuring techniques and options.

**Effective NPL recovery and management is vital for the Bank's future**



# Main Challenges

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**Managing loan quality deterioration – Recovery of NPLs**

**Integrating Laiki Bank – Achieving operational efficiencies**

**Enhance capital position while making progress on non-core disposals**



**Managing liquidity – Defending deposit franchise – Regaining trust**

Exogenous factors such as the failure to implement the policy reforms requested by Troika that could affect and/or delay the disbursement of the financial assistance to Cyprus, a deeper and prolonged economic recession, further significant increase in unemployment, a sharper reduction in real estate prices, as well as factors that could dent the fragile confidence of customers and delay the return of confidence to the Cyprus banking system could derail and affect the execution of the Restructuring Plan

# Key information and contact details

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## **Credit Ratings:**

### **Fitch Ratings:**

Long-term Issuer Default Rating: affirmed at “Restricted Default” on 5 March 2014

Short-term Issuer Default Rating: affirmed at “Restricted Default” on 5 March 2014

Viability Rating: upgraded to “cc” from “f” on 5 March 2014

### **Moody’s Investors Service:**

Long-term deposit ratings: Affirmed at Ca, outlook changed to positive from negative on 26 March 2014

Senior unsecured debt ratings: Upgraded to (P)Ca, no outlook, from (P)C on 26 March 2014

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

Standalone BFSR: Affirmed at E, no outlook, equivalent to a BCA of ca

## **Listing:**

ATHEX – BOC, CSE – BOCY, ISIN CY0000100111

Since 19 March 2013, the shares of the Bank have been suspended from trading on ATHEX and CSE

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## **Contacts**

### **Investor Relations**

Constantinos Pittalis, Investor Relations Manager, Tel: +35722122466, Email: [constantinos.pittalis@bankofcyprus.com](mailto:constantinos.pittalis@bankofcyprus.com)

Irene Constantinou, Investor Relations, Tel: +35722122121, Email: [irene.constantinou@bankofcyprus.com](mailto:irene.constantinou@bankofcyprus.com)

Elena Hadjikyriacou, Investor Relations, Tel: +35722122239, Email: [elena.hadjikyriacou@bankofcyprus.com](mailto:elena.hadjikyriacou@bankofcyprus.com)

### **Chief Financial Officer**

Eliza Livadiotou, Tel: +35722122344, Email: [eliza.livadiotou@bankofcyprus.com](mailto:eliza.livadiotou@bankofcyprus.com)

### **Group Finance Director**

Dr. Chris Patsalides, Tel: +35722122456, Email: [christakis.patsalides@bankofcyprus.com](mailto:christakis.patsalides@bankofcyprus.com)

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# Group Income Statement

(€mn)	FY2013	FY2012	yoy %	4Q2013	3Q2013	qoq%
Net interest income	999	702	+42%	274	296	-8%
Net fee & commission income	169	173	-2%	43	41	+6%
Net foreign exchange income and gains/(losses) from financial instruments	5	(3)	-	23	9	+169%
Insurance income net of insurance claims	65	63	+3%	14	12	+19%
Other (expenses)/income	(64)	(15)	+326%	(40)	3	-
<b>Total income</b>	<b>1.174</b>	<b>920</b>	<b>+28%</b>	<b>314</b>	<b>361</b>	<b>-13%</b>
Staff costs	(322)	(294)	+10%	(66)	(83)	-21%
Other operating expenses	(230)	(251)	-8%	(64)	(54)	+18%
<b>Total expenses</b>	<b>(552)</b>	<b>(545)</b>	<b>+2%</b>	<b>(130)</b>	<b>(137)</b>	<b>-5%</b>
<b>Profit before impairments, restructuring costs and discontinued operations</b>	<b>622</b>	<b>375</b>	<b>+66%</b>	<b>184</b>	<b>224</b>	<b>-18%</b>
Provisions for impairment of loans and advances	(1.067)	(1.339)	-20%	(268)	(261)	+3%
Share of profit/(loss) from associates	2	-	-	-	(1)	-
<b>Loss before tax, restructuring costs and discontinued operations</b>	<b>(443)</b>	<b>(964)</b>	<b>-54%</b>	<b>(84)</b>	<b>(38)</b>	<b>+122%</b>
Tax	5	43	-	2	1	-
Loss attributable to non-controlling interests	12	9	-	5	2	-
<b>Loss after tax and before restructuring costs and discontinued operations</b>	<b>(426)</b>	<b>(912)</b>	<b>-53%</b>	<b>(77)</b>	<b>(35)</b>	<b>+118%</b>
Restructuring costs	(168)	(10)	-	(26)	(107)	-
Loss from discontinued operations	(90)	(789)	-	-	-	-
Loss on disposal of the Greek operations	(1.366)	-	-	-	-	-
Impairment of GGBs and impairment of goodwill	-	(503)	-	-	-	-
<b>Loss after tax</b>	<b>(2.050)</b>	<b>(2.214)</b>	<b>-7%</b>	<b>(103)</b>	<b>(142)</b>	<b>-28%</b>

# Consolidated Balance Sheet

€mn	% yoy	31.12.13	31.12.12	€mn	% yoy	31.12.13	31.12.12
Cash and balances with Central Banks	-3%	1.240	1.272	Amounts due to banks	-42%	196	341
Placements with banks	-27%	1.290	1.769	Funding from Central Banks	-	10.956	-
Debt securities, Treasury bills and equity investments	+89%	3.532	1.870	Repurchase agreements	-2%	594	608
Net loans and advances to customers	-11%	21.764	24.375	Customer deposits	-47%	14.971	28.442
Other assets	+44%	2.516	1.746	Debt securities in issue	-98%	1	45
<b>Total assets</b>	<b>-2%</b>	<b>30.342</b>	<b>31.032</b>	Other liabilities	-21%	889	1.128
				Subordinated loan stock	-96%	5	133
				<b>Total liabilities</b>	<b>-10%</b>	<b>27.612</b>	<b>30.697</b>
				Share capital	+161%	4.684	1.795
				Shares subject to interim orders	-	59	-
				Share premium	-	-	428
				CECS*	-	-	429
				Revaluation and other reserves	-	65	106
				Accumulated losses	-	(2.152)	(2.500)
				<b>Shareholders' equity</b>	<b>+929%</b>	<b>2.656</b>	<b>258</b>
				Non controlling interests	-4%	74	77
				<b>Total equity</b>	<b>+714%</b>	<b>2.730</b>	<b>335</b>
				<b>Total liabilities and equity</b>	<b>-2%</b>	<b>30.342</b>	<b>31.032</b>

\*Convertible Enhanced Capital Securities

# Loans and Deposits by Geography

Gross Loans by Geography			
€mn	30.06.13	30.09.13	31.12.13
Cyprus	23.992	23.312	22.964
UK	1.459	1.383	1.284
Russia	1.794	1.620	1.429
Other countries*	1.104	1.087	1.066
<b>Group</b>	<b><u>28.349</u></b>	<b><u>27.402</u></b>	<b><u>26.743</u></b>
<b><u>As % of Group</u></b>			
<i>Cyprus</i>	<i>84,6%</i>	<i>85,1%</i>	<i>85,9%</i>
<i>UK</i>	<i>5,1%</i>	<i>5,0%</i>	<i>4,8%</i>
<i>Russia</i>	<i>6,3%</i>	<i>5,9%</i>	<i>5,3%</i>
<i>Other countries*</i>	<i>4,0%</i>	<i>4,0%</i>	<i>4,0%</i>

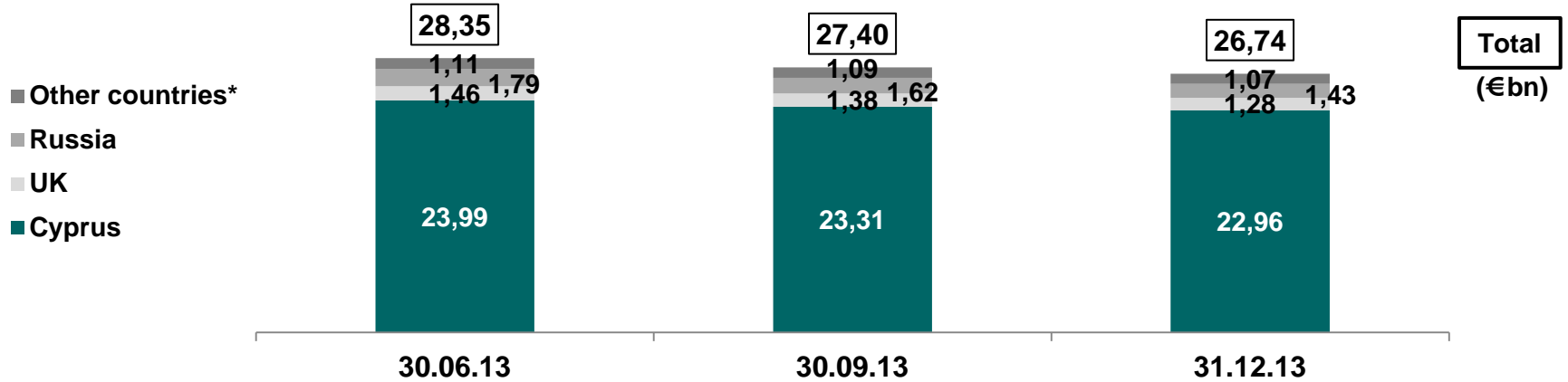
Deposits by Geography			
€mn	30.06.13	30.09.13	31.12.13
Cyprus non-IBU	9.665	8.948	8.658
Cyprus IBU	4.752	4.054	4.047
<b>Cyprus – Total</b>	<b>14.417</b>	<b>13.002</b>	<b>12.706</b>
UK	1.295	1.285	1.244
Russia	1.153	1.078	918
Other countries*	105	103	103
<b>Group</b>	<b><u>16.970</u></b>	<b><u>15.468</u></b>	<b><u>14.971</u></b>
<b><u>As % of Group</u></b>			
<i>Cyprus non-IBU</i>	<i>57,0%</i>	<i>57,8%</i>	<i>57,8%</i>
<i>Cyprus IBU</i>	<i>28,0%</i>	<i>26,3%</i>	<i>27,1%</i>
<b><i>Cyprus – Total</i></b>	<b><i>85,0%</i></b>	<b><i>84,1%</i></b>	<b><i>84,9%</i></b>
<i>UK</i>	<i>7,6%</i>	<i>8,2%</i>	<i>8,3%</i>
<i>Russia</i>	<i>6,8%</i>	<i>7,0%</i>	<i>6,1%</i>
<i>Other countries**</i>	<i>0,6%</i>	<i>0,7%</i>	<i>0,7%</i>

\* Other countries: Greece, Romania and Ukraine

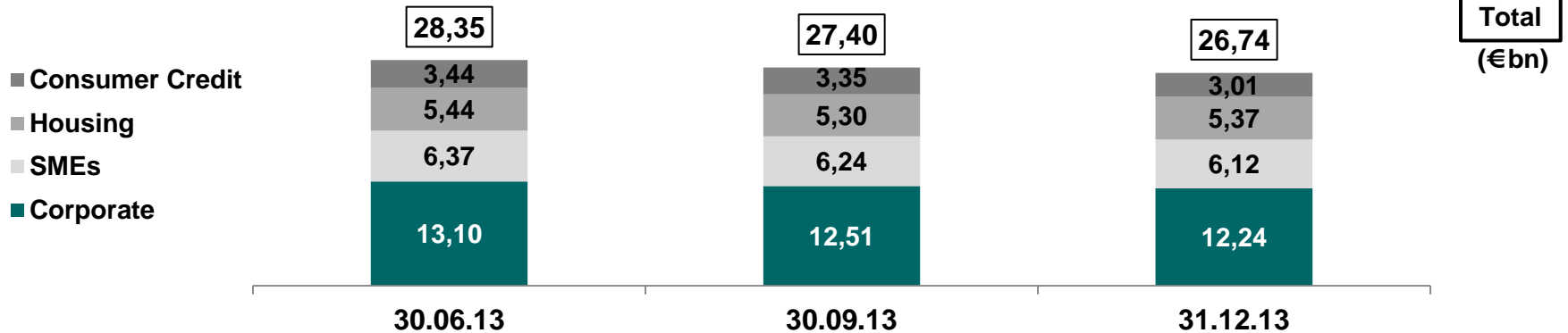
# Analysis of Gross Loans by Geography and Customer Type

## Gross loans by geography

\*Other countries: Greece, Romania and Ukraine



## Gross loans by customer type

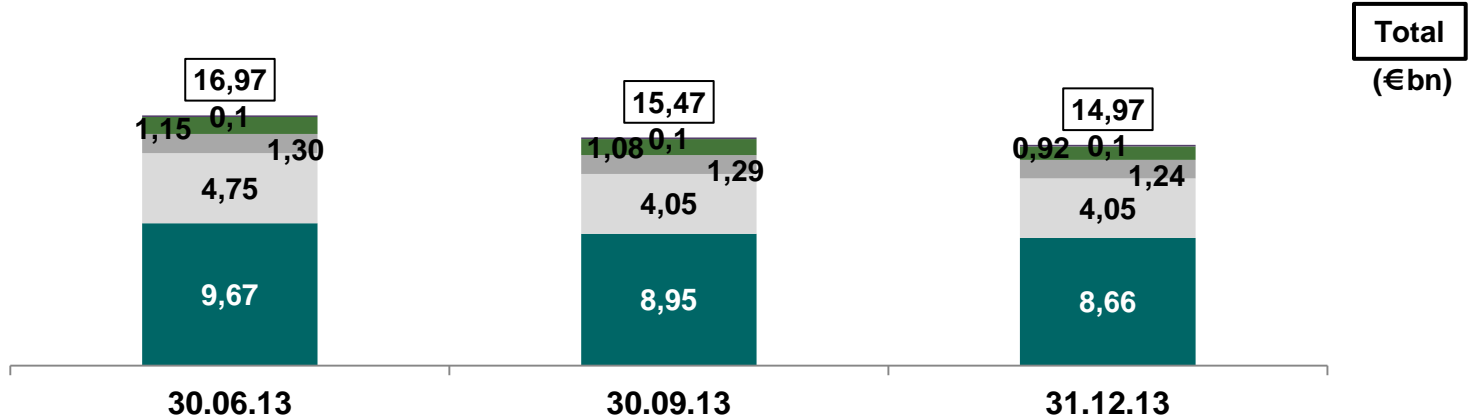


# Analysis of Deposits by Geography and by Type

## Deposits by geography

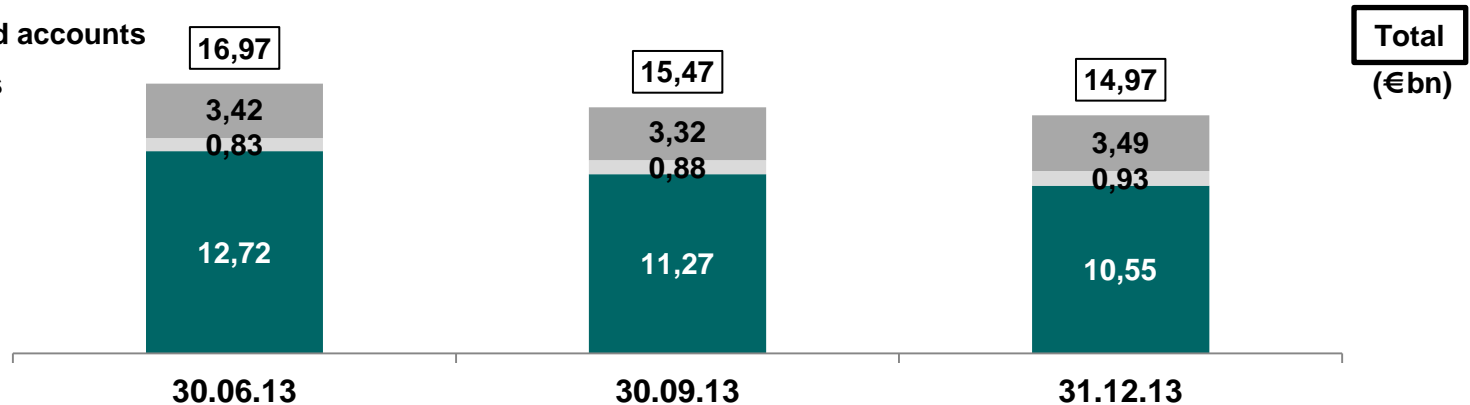
\* Other countries: Romania and Ukraine

- Other countries\*
- Russia
- UK
- Cyprus IBU
- Cyprus non-IBU



## Deposits by type of deposit

- Current & demand accounts
- Savings accounts
- Time deposits



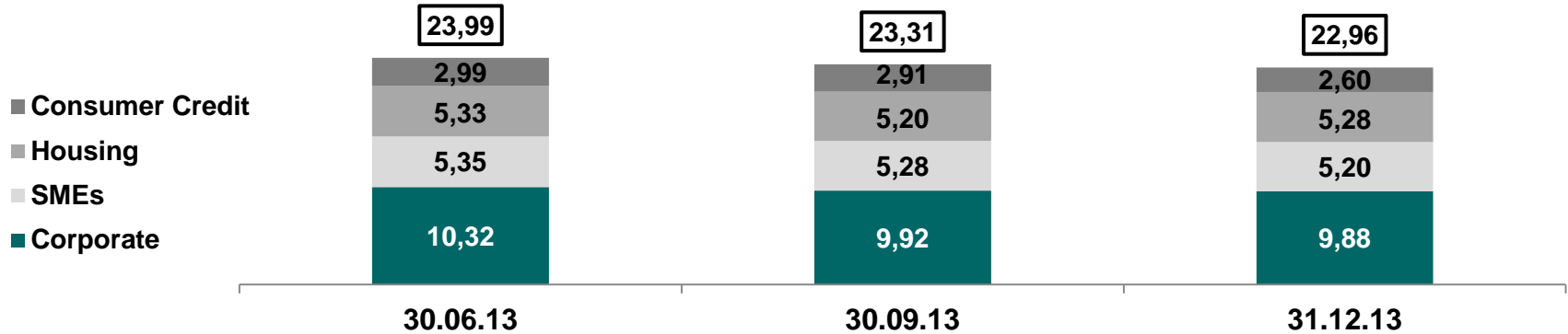


# Cyprus: Summary income statement and key indicators

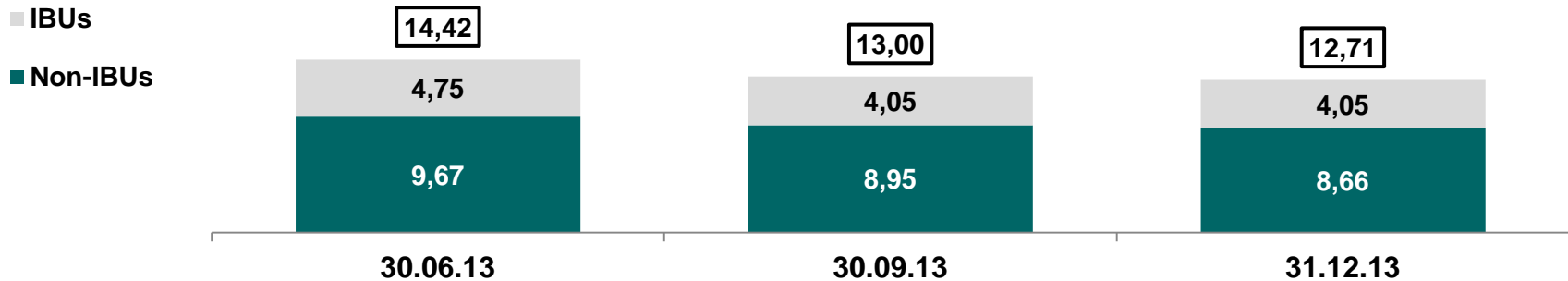
(€mn)	FY2013	FY2012	yoy (%)	4Q2013	3Q2013	qoq (%)
Net interest income	834	514	+62%	240	254	-6%
Net fee & commission income	132	133	-1%	35	31	+12%
Net foreign exchange income and gains/(losses) from financial instruments	21	(13)	-264%	36	11	+249%
Insurance income net of insurance claims	57	53	+7%	12	11	+22%
Other (expenses)/income	(19)	-	-	(17)	3	-
<b>Total income</b>	<b>1.025</b>	<b>687</b>	<b>+49%</b>	<b>306</b>	<b>310</b>	<b>-1%</b>
Staff costs	(247)	(205)	+21%	(48)	(66)	-27%
Other operating expenses	(147)	(172)	-15%	(38)	(38)	+2%
<b>Total expenses</b>	<b>(394)</b>	<b>(377)</b>	<b>+5%</b>	<b>(86)</b>	<b>(104)</b>	<b>-16%</b>
Profit before provisions	631	310	+104%	220	206	+7%
Provisions for impairment of loans and advances	(856)	(1.186)	-28%	(159)	(240)	-34%
Share of profit/(loss) from associates	2	-	-	(1)	(0)	-
<b>(Loss)/profit before tax</b>	<b>(223)</b>	<b>(876)</b>	<b>-75%</b>	<b>60</b>	<b>(34)</b>	<b>+278%</b>
Tax	3	43	-	-	(1)	-
Loss/(profit) attributable to non-controlling interests	1	2	-	(1)	0	-
<b>(Loss)/profit after tax and before restructuring costs and discontinued operations</b>	<b>(219)</b>	<b>(831)</b>	<b>-74%</b>	<b>59</b>	<b>(35)</b>	<b>+270%</b>
<b>Cost to income ratio</b>	<b>38%</b>	<b>55%</b>	<b>-17 p.p.</b>	<b>28%</b>	<b>33%</b>	<b>-5 p.p.</b>

# Loans and Deposits in Cyprus

## Cyprus Loans by customer type (€bn)



## Cyprus Deposits (€bn)

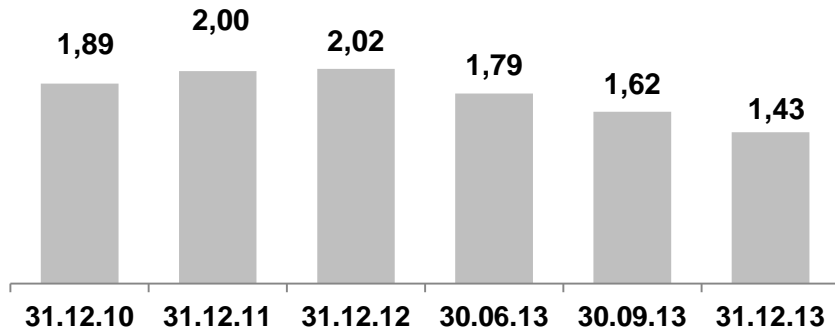


# Russia: Summary income statement and key indicators

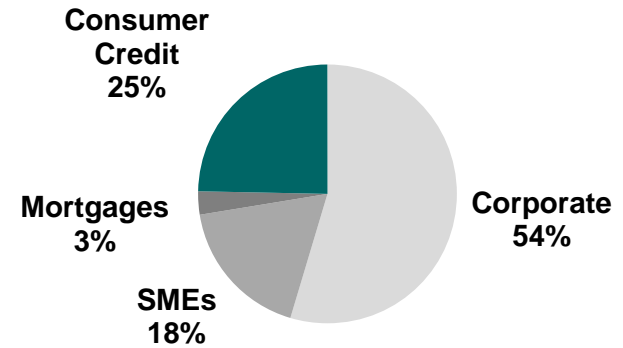
(€mn)	FY2013	FY2012	yoy (%)	4Q2013	3Q2013	qoq (%)
Net interest income	97	120	-19%	22	23	-6%
Net fee & commission income	28	33	-16%	7	7	-3%
Net foreign exchange income and gains/(losses) from financial instruments	4	6	-33%	0	1	-
Other income/(expenses)	-	1	-	(1)	0	-
<b>Total income</b>	<b>129</b>	<b>160</b>	<b>-20%</b>	<b>28</b>	<b>31</b>	<b>-13%</b>
Staff costs	(51)	(62)	-17%	(12)	(11)	-1%
Other operating expenses	(50)	(52)	-5%	(14)	(11)	+30%
<b>Total expenses</b>	<b>(101)</b>	<b>(114)</b>	<b>-11%</b>	<b>(26)</b>	<b>(22)</b>	<b>+14%</b>
Profit before provisions	28	46	-41%	2	9	-83%
Provisions for impairment of loans and advances	(79)	(89)	-11%	(27)	(17)	+62%
<b>Loss before tax</b>	<b>(51)</b>	<b>(43)</b>	<b>+21%</b>	<b>(25)</b>	<b>(8)</b>	<b>+216%</b>
Tax	7	1	-	2	1	-
Loss attributable to non-controlling interest	11	7	-	6	1	-
<b>Loss after tax and before restructuring costs and discontinued operations</b>	<b>(33)</b>	<b>(35)</b>	<b>-4%</b>	<b>(17)</b>	<b>(6)</b>	<b>+234%</b>
<b>Cost to income ratio</b>	<b>79%</b>	<b>71%</b>	<b>+8 p.p.</b>	<b>95%</b>	<b>73%</b>	<b>+22 p.p.</b>

# Russian operations

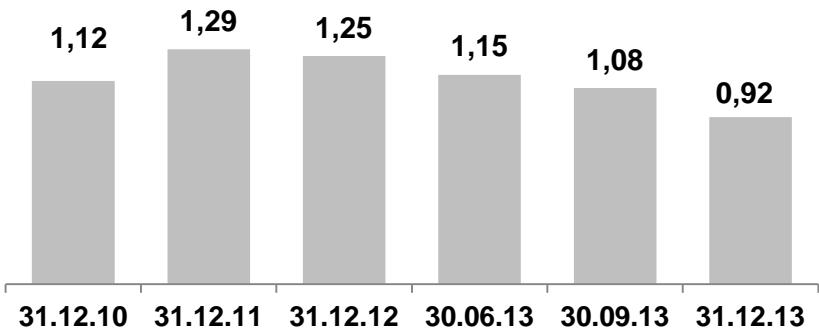
## Russian Loans (€bn)



## Loans by sector



## Russian Deposits (€bn)



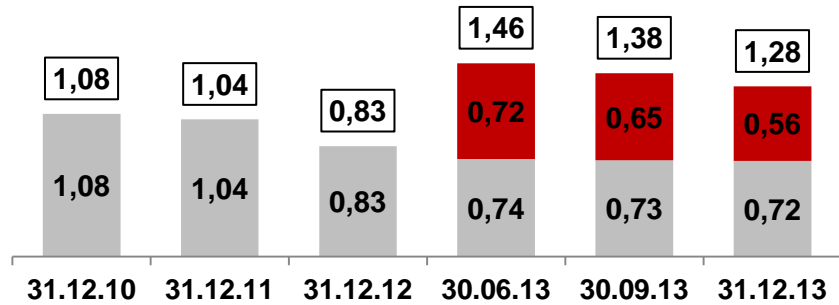
# UK: Summary income statement and key indicators

(€mn)	FY2013	FY2012	yoy (%)	4Q2013	3Q2013	qoq (%)
Net interest income	29	22	+30%	5	10	-54%
Net fee & commission income	5	4	+8%	1	1	-27%
Net foreign exchange income and gains/(losses) from financial instruments	1	2	-68%	(2)	2	-
Other income	0	0	-	(0)	0	-
<b>Total income</b>	<b>35</b>	<b>28</b>	<b>+20%</b>	<b>4</b>	<b>13</b>	<b>-74%</b>
Staff costs	(10)	(10)	-	(3)	(3)	-11%
Other operating expenses	(14)	(9)	+47%	(2)	(3)	-34%
<b>Total expenses</b>	<b>(24)</b>	<b>(19)</b>	<b>+22%</b>	<b>(5)</b>	<b>(6)</b>	<b>-23%</b>
Profit before provisions	11	9	+16%	(1)	7	-112%
Provisions for impairment of loans and advances	(21)	(12)	+70%	(5)	1	-698%
<b>(Loss)/profit before tax</b>	<b>(10)</b>	<b>(3)</b>	<b>+213%</b>	<b>(6)</b>	<b>8</b>	<b>-167%</b>
Tax	(1)	1	-	(0)	0	-
<b>Loss after tax and before restructuring costs and discontinued operations</b>	<b>(11)</b>	<b>(2)</b>	<b>+442%</b>	<b>(6)</b>	<b>8</b>	<b>-174%</b>
<b>Cost to income ratio</b>	<b>69%</b>	<b>68%</b>	<b>+1 p.p.</b>	<b>127%</b>	<b>43%</b>	<b>+84 p.p.</b>

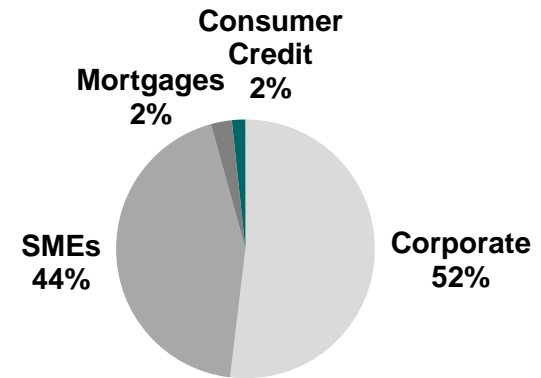
# UK operations

## UK Loans (€bn)

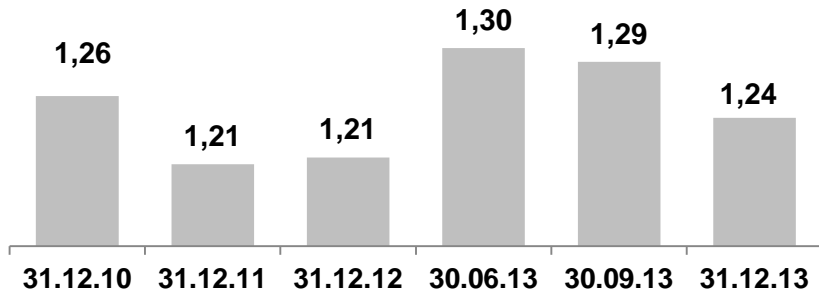
■ ex-Laiki UK loans



## Loans by sector



## UK Deposits (€bn)



# Other countries\*: Summary income statement

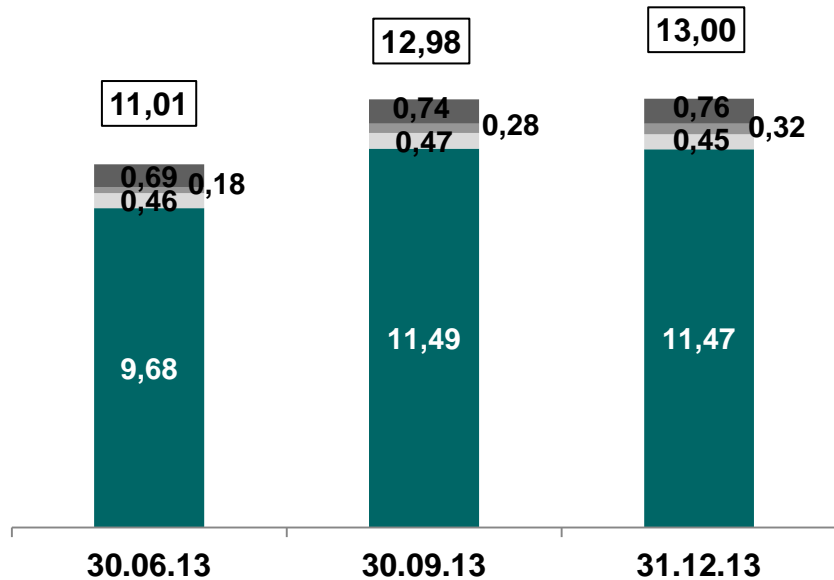
(€mn)	FY2013	FY2012	yoy (%)	4Q2013	3Q2013	qoq (%)
Net interest income	39	46	-12%	7	8	-9%
Net fee & commission income	4	3	+54%	1	2	-53%
Net foreign exchange income and gains/(losses) from financial instruments	(21)	2	-	(11)	(5)	-
Insurance income net of insurance claims	8	10	-20%	1	1	-
Other expenses	(45)	(16)	+197%	(23)	0	-
<b>Total income</b>	<b>(15)</b>	<b>45</b>	<b>-134%</b>	<b>(25)</b>	<b>6</b>	<b>-517%</b>
Staff costs	(14)	(17)	-28%	(3)	(3)	1%
Other operating expenses	(19)	(18)	+16%	(9)	(2)	+233%
<b>Total expenses</b>	<b>(33)</b>	<b>(35)</b>	<b>-7%</b>	<b>(12)</b>	<b>(5)</b>	<b>+119%</b>
Profit before provisions	(48)	10	-608%	(37)	1	-
Provisions for impairment of loans and advances	(111)	(52)	+114%	(77)	(5)	-
Share of profit from associates	-	-	-	1	(0)	-
<b>Loss before tax</b>	<b>(159)</b>	<b>(42)</b>	<b>+275%</b>	<b>(113)</b>	<b>(4)</b>	<b>-</b>
Tax	(4)	(1)	-	0	1	-
<b>Loss after tax and before restructuring costs and discontinued operations</b>	<b>(163)</b>	<b>(43)</b>	<b>-</b>	<b>(113)</b>	<b>(3)</b>	<b>-</b>

\* Other countries: Romania, Ukraine, Greece

# 90+ DPD by Geography

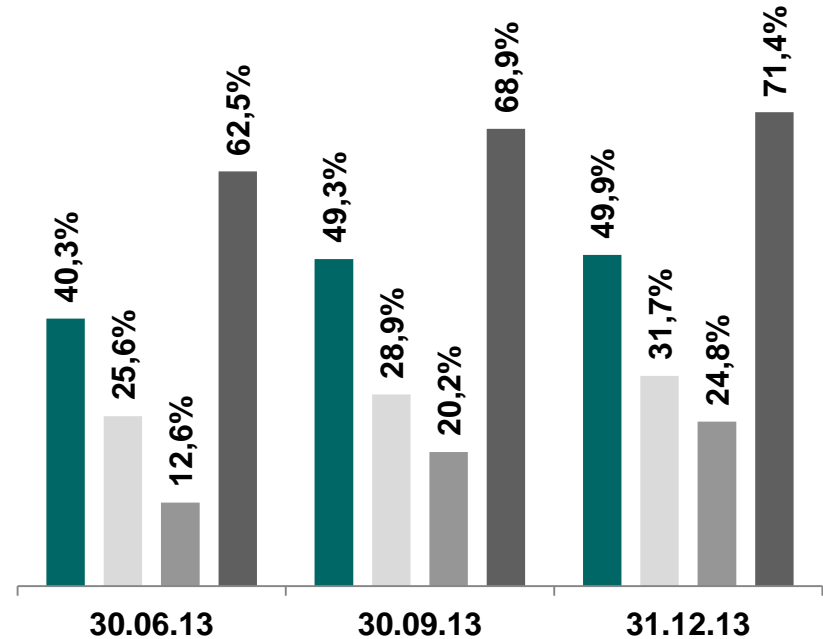
## 90+ DPD by Geography (€bn)

■ Cyprus ■ Russia ■ UK ■ Other countries\*



## 90+ DPD ratios by Geography

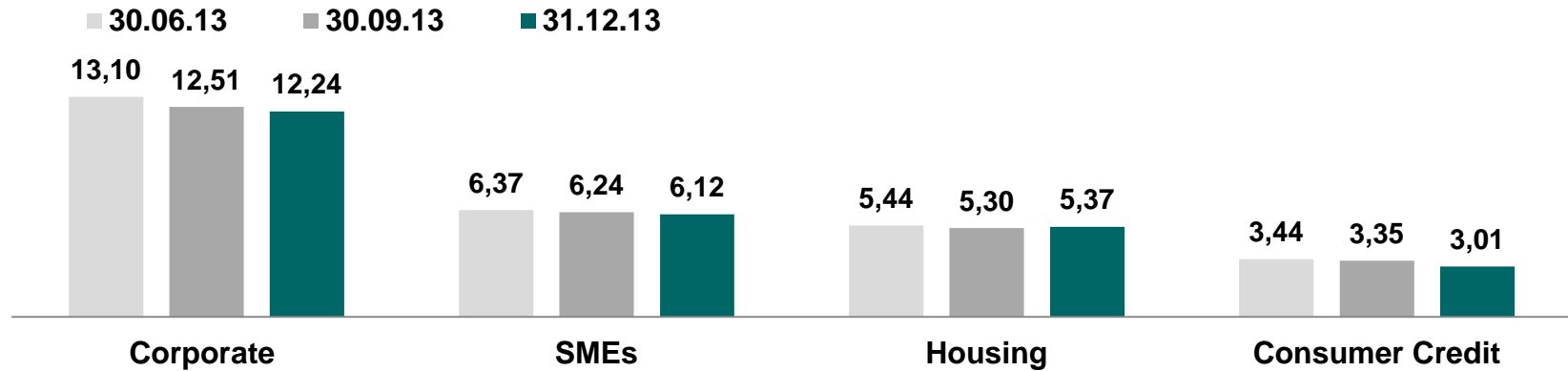
■ Cyprus ■ Russia ■ UK ■ Other countries\*



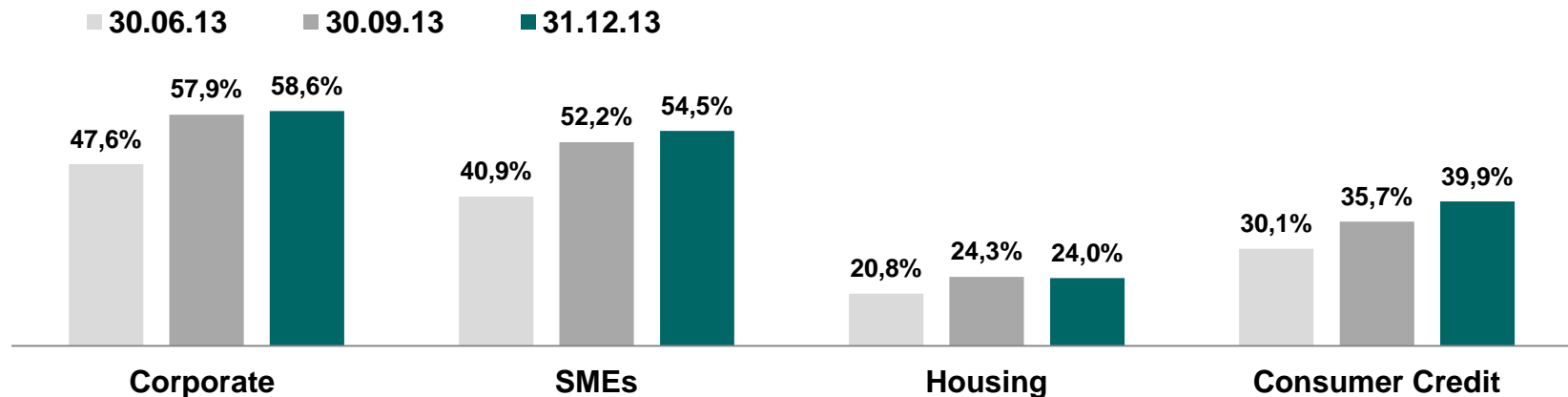


# Analysis of loans and 90+ DPD ratios by customer type

## Gross loans by customer type (€bn)

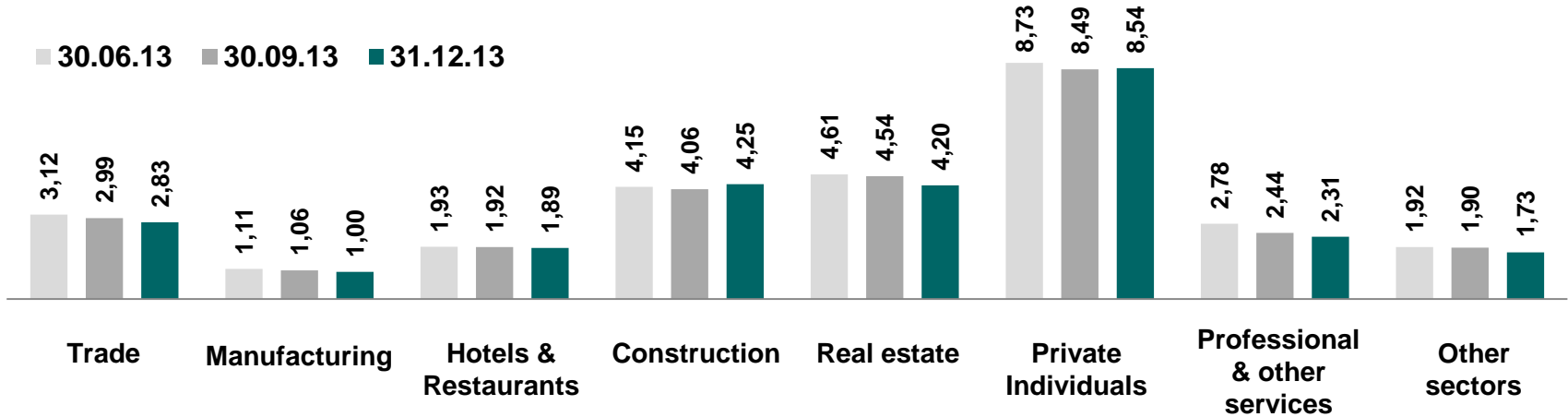


## 90+ DPD ratios by customer type



# Analysis of Loans and 90+ DPD ratios by economic activity

## Gross loans by economic activity (€bn)



## 90+ DPD ratios by economic activity

