Bank of Cyprus Group

Announcement

Group Financial Results for the six months ended 30 June 2013

Nicosia, 26 November 2013

Bank of Cyprus' Group CEO Statement:

"The Group's Core Tier 1 capital ratio has been restored to 10,5%. The restructuring plans are underway and the Group is taking decisive steps to deal with non-performing loans, strengthen risk management and defend its deposit franchise.

Although the Group faces some unprecedented challenges, we are clear on what needs to be done. Our priority remains to restore investor and customer confidence in the Bank. This can only be achieved through our focusing on arresting asset quality deterioration, making progress on non-core disposals and maintaining capital ratios so as to build a strong platform for the safe return of depositors to the Bank."

John Patrick Hourican, Group Chief Executive Officer

Group Profile

Founded in 1899, Bank of Cyprus Group is the leading banking and financial services group in Cyprus. The Group provides a wide range of financial products and services which include retail and commercial banking, finance, factoring, investment banking, brokerage, fund management, private banking, life and general insurance. The Group currently operates through a total of 377 branches, of which 187 operate in Russia, 142 in Cyprus, 42 in Ukraine, 1 in Romania, 4 in the United Kingdom and 1 in the Channel Islands. Bank of Cyprus also has 6 representative offices in Russia, Ukraine, China and South Africa. The Bank of Cyprus Group employs 8.323 staff worldwide. At 30 June 2013, the Group's Total Assets amounted to €32,96 bn and Equity was €2,92 bn. Faced with an intensifying economic crisis and the consequences of the Eurogroup decisions, Bank of Cyprus has defined its strategy, business model and risk appetite so as to be able to best serve client needs and contribute to the recovery of the Cyprus economy.

Note regarding the Financial Results for the six months ended 30 June 2013:
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.
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 Decrees 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.
Due to the above transactions, the figures and financial results of the Group are not comparable with past financial results.

A. Summary of Financial Results for the six months ended 30 June 2013

Balance Sheet

- **Following its recapitalisation through a bail-in of depositors, the Bank's core tier 1 capital ratio and its total capital ratio were restored to 10,5% and 10,7% respectively, as at 30 June 2013.**

- **At 30 June 2013, gross loans and deposits were €28,3 bn and €17,0 bn respectively, with a net loans to deposits ratio of 140%. Following the acquisition of certain assets and insured deposits, as well as Emergency Liquidity Assistance (ELA) funding of €9 bn of Cyprus Popular Bank Public Co Ltd (Laiki), the Group's funding from the ELA reached €11,15 bn at 30 June 2013.**

- **Loans in arrears for more than 90 days (90+ DPD ratio)[1] accounted for 38,8% of gross loans compared to 27,4% at 31 December 2012. The provision coverage ratio of 90+ DPD was 42%. Non-performing loans based on the new Directive of the Central Bank of Cyprus[2] accounted for 36,0% of gross loans. Loan quality deterioration continues into the second half of 2013 affected by the challenging economic and operating conditions in the Bank's primary market, Cyprus.**

Income Statement

- **Total Income for the six months ended 30 June 2013 was €500 mn, with Net Interest Income (NII) at €430 mn and Net Interest Margin (NIM) at 3,17%. Both NII and NIM are affected by the bail-in of depositors which impacted the Bank's deposit base and its cost of deposits. Total income was negatively affected by losses related to foreign exchange and other financial instruments (€26 mn) as well as by revaluation losses from investment properties (€34 mn).**

- **Total expenses were €285 mn with staff costs and other operating costs €173 mn and €112 mn respectively and the cost to income ratio at 57,0%.**

- **Profit before impairments and restructuring costs was €215 mn.**

- **Provisions for impairment of loans were €539 mn, with the provisioning charge accounting for 3,9% of gross loans on an annualised basis. The elevated provisioning reflects the continued deterioration in the loan portfolio due to the advancing recession and the ongoing reduction in collateral values in Cyprus.**

- **Loss before restructuring expenses, discontinued operations and the disposal of Greek operations totalled €314 mn.**

- **Disposal of Greek operations resulted in a loss on disposal of €1,4 bn. For the acquisition of Laiki' operations the Bank issued shares to Laiki amounting to 18,1% of the Bank's share capital.**

- **Loss after tax attributable to the owners of the company totalled €1,8 bn.**

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[1] Defined as loans with a specific provision and loans past-due for more than 90 days, as per IFRS.

[2] These are defined as per the new Directive issued by the Central Bank of Cyprus for the *Definition of Non-performing and Restructured Credit Facilities*, effective as of 1 July 2013. The directive is available on the website of the Central Bank of Cyprus.

B. Analysis of Financial Results for the six months ended 30 June 2013

B.1 Key developments

The results of the first six months of 2013 reflect the consequences of the Eurogroup decisions. On 25 March 2013, the Cypriot government and the Eurogroup reached an agreement on a financial assistance facility of up to €10 bn to be granted to Cyprus, conditioned upon the implementation of an extensive programme of policy reform. A Memorandum of Understanding (MoU) has been agreed between the Republic of Cyprus and the Troika (European Commission, European Central Bank and the International Monetary Fund) on a package of measures for the years 2013-2016 which includes financial sector reform, fiscal policy and fiscal structural measures, labour market reforms and improvements in goods and services markets.

In its statement on 25 March 2013[3], the Eurogroup noted that Laiki (second largest bank in Cyprus) would be resolved, that Bank of Cyprus (Bank) would be recapitalised via a bail-in of its depositors and that none of the programme's money would be used for the Bank's recapitalisation.

The Bank was 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 accordance with the *Resolution of Credit Institutions and Other Institutions Law of 2013*.

The recapitalisation was implemented via the bail-in of depositors, through the conversion of 47,5% of unsecured deposits into equity. In addition, the holders of ordinary shares and debt securities issued by the Bank as of 29 March 2013 have contributed to the recapitalisation through the absorption of losses.

During the period under Resolution, the Bank has:

- Disposed loans, fixed assets and deposits of its Greek operations to Piraeus Bank S.A. Piraeus Bank acquired assets of €7,9 bn and liabilities of €7,7 bn. The Group made a cash payment to Piraeus Bank of €1,2 bn, resulting in a loss on disposal of €1,4 bn.
- Acquired assets of €15,1 bn and liabilities of €14,6 bn, mainly insured deposits of €4,2 bn as well as ELA funding of €9 bn from Laiki Bank.[4]
- Acquired the customer deposits of Laiki Bank's branch operations in the United Kingdom.
- Disposed the majority of deposits and the retail loans of Bank of Cyprus branch operations in Romania to Marfin Bank (Romania) S.A.

Following its recapitalisation and exit from Resolution the Bank took decisive measures for the restructuring of its Cyprus operation and the management of its funding position. Branch rationalisation, staff cost reduction, harmonisation of procedures and integration of ex-Laiki's operations as well as review of end to end credit processes have been the main priorities of the Bank.

[3]See link http://eurozone.europa.eu/newsroom/news/2013/03/eg-statement-cyprus-25-03-13/

[4] 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.

B.2 Balance Sheet Analysis

B.2.1 Capital Base

As per the decisions of the Eurogroup, the Bank was recapitalised via a bail-in of depositors. The recapitalisation was implemented through the conversion of 47,5% of uninsured deposits into equity. In addition, the holders of ordinary shares and debt securities in issue by the Bank as of 29 March 2013 have contributed to the recapitalisation of the Bank through the absorption of losses.

As a result, the Group's equity at 30 June 2013 amounted to €2,92 bn and its core tier 1 and total capital ratios stood at 10,5% and 10,7% respectively. The Group aims to preserve and enhance its capital adequacy by retaining internally generated capital, while the restructuring and disposal of non-core assets will be driven by risk mitigation and capital considerations.

As per the MoU signed between the Cyprus and the Troika, the minimum core tier 1 capital ratio will be set at 9% by 31 December 2013.

B.2.2 Deposits and Loans

The Group's total deposits were €17,0 bn at 30 June 2013 compared with €28,4 bn at 31 December 2012. The significant reduction in the Group's deposits is primarily due to a) the disposal of €7,7 bn deposits in Greece, b) the acquisition of €4,5 bn of deposits from Laiki (Cyprus and UK) and c) the conversion of €3,8 bn of deposits to equity as per the Bank's recapitalisation.

As a result, deposits in Cyprus account for 85% of Group deposits, deposits in Russia for 7% and deposits in the United Kingdom for 8%. The Bank's deposit market share in Cyprus was 30% at 30 June 2013.

Customer deposits remain the Bank's primary source of funding and accounted for 51% of assets as at 30 June 2013, while the Bank's net loans to deposits ratio totalled 140%. Following the absorption of Laiki Bank, ELA funding as at 30 June 2013 amounted to €11,15 bn. The Bank aims to increase the contribution of deposits towards its funding and to reduce the reliance on funding from Central Banks, and in particular its reliance on ELA.

The decisions of the Eurogroup have significantly dented the trust and confidence of customers towards the Cypriot banking system in general. As a result, restrictive measures and capital controls with respect to banking and cash transactions were introduced by the authorities in March 2013 to prevent large deposit outflows and to preserve the solvency and liquidity of the credit institutions in Cyprus. These measures include restrictions on cash withdrawals, compulsory renewal of maturing deposits and restrictions on capital movements and are constantly being reviewed and revised.

The temporary restrictive measures and capital controls are allowing the Bank some headroom to contain the risk of significant deposit outflows. In addition to the restrictive measures applicable for the Cypriot banking system as a whole, there are additional restrictive measures applicable to the Bank's deposits affected by the bail-in[5]. About 37,4% of the uninsured deposits[6] (totalling €3,0 bn) have been converted into three equal fixed term deposits with terms of 6, 9, and 12 months respectively. These fixed term deposits bear higher interest rates and the Bank is allowed to renew them for a further equal term at the same interest rates, depending on market conditions. Once these deposits are unblocked, the funds will be subject to the general restrictive measures applicable at the time.

[5] The *Enforcement of Temporary Restrictive Measures on Transactions of Bank of Cyprus Public Co Ltd in case of Emergency of 2013 issued by the Ministry of Finance on 30 July 2013.*

[6] Uninsured deposits are calculated pursuant to the provisions of the *Bailing-in of Bank of Cyprus Public Company Limited Decrees of 2013 up to (No. 3)*, issued by the Central Bank of Cyprus in its capacity as Resolution Authority.

Gross loans were €28,3 bn at 30 June 2013, with loans in Cyprus totaling €24,2 bn and accounting for 85% of gross loans. The gross loans are presented before the deduction of the fair value adjustment on initial recognition relating to Laiki's loans amounting to €2 bn. As at 30 June 2013 Laiki's gross loans amounted to €10,4 bn.

Following the absorption of Laiki's loan portfolio in Cyprus, the Bank is the single largest provider of credit in Cyprus with a market share of 37% of loans as at June 2013 and as such, the Bank's future financial performance is interlinked with the Cypriot economy and is highly correlated to the trajectory of economic activity in Cyprus. Loans in Russia (€1,8 bn) accounted for 6% of total loans, while loans in the UK operations accounted for 5% of total loans.

In terms of type of customer exposure, corporate loans represent 46% of gross loans, SME loans represent 23% of gross loans, whereas mortgages and consumer loans represent 19% and 12% of gross loans respectively. In addition, loans are mainly concentrated in the sectors of construction which represent 15% of gross loans and real estate which represent 16% of gross loans.

B.2.3 Loan portfolio quality

The quality of the Group's loan portfolio continues to deteriorate affected by rising unemployment, a continuing credit crunch due to a shortage of liquidity and declining property prices which affect the value of collaterals held by the Group. These conditions have led to a significant dislocation of the market during the months following the March 2013 events, and a consequent a sharp increase in loans in arrears. This trend continues and threatens the Bank's recovery.

Loans past due for more than 90 days (including impaired loans which are loans with a specific provision) (90+ DPD ratio), accounted for 38,8% of gross loans as at 30 June 2013 compared to 27,4% at 31 December 2012. The provisioning coverage ratio of 90+ DPD[7]was 42%.

Non-performing loans calculated based on the new definition of the Central Bank of Cyprus effective from 1 July 2013, amounted to 36,0% as at 30 June 2013.

The ratio of non-performing loans as previously reported based on the previous definition of the Central Bank of Cyprus (loans in arrears for more than three months which are not fully covered by tangible collateral) reached 29,1% at 30 June 2013 compared to 23,7% at 31 December 2012. The difference at 30 June 2013 between NPLs as per the new and the old-definition of NPLs of about €1,9 bn is mainly due to not taking into account the availability of tangible collateral.

New definition of Non-Performing Loans (NPL) as per the Central Bank Directive[8]

In accordance with the new directive, a loan is considered as non-performing when it shows arrears of more than 90 days or if it has been restructured and at the time of restructuring presented arrears for a period of more than 60 days, regardless of tangible or other collateral.

More specifically a NPL is defined as a loan which has arrears (of interest or capital or any other charges) for a period of more than 90 days, an overdraft in excess of its contractual limit on a continuous basis for a period of more than 90 days by more than 5% of the contractual limit (threshold of 5% to be withdrawn as from 1/1/2014) and a restructured facility which at the time of restructuring was classified as NPL or has arrears/excesses for a period of more than 60 days.

[7] Defined as accumulated provisions as a percentage of gross loans in arrears from more than 90 days.
[8] For more information on the directive, please see http://www.centralbank.gov.cy/media/pdf/EN_Dir_Non_Performing_Restructured_credit_facilities.pdf

Restructured loans remain as NPLs for 6 months following the commencement of the new repayment schedule of capital instalments or in the case of gradual increasing instalments, six months from the first month from which the higher instalment is due. In case of lump-sum payments at maturity, the loan remains an NPL until its maturity.

B.3 Income Statement Analysis

B.3.1 Analysis of income and expenses

The Group's Net Interest Income (NII) was €430 mn for the six months ended 30 June 2013. It should be noted that both NII and Net Interest Margin (NIM) of 3,17% continue to be affected by the current situation in Cyprus. Although the Bank's funding cost has benefited from the decrease in the cost of deposits in Cyprus, blocked deposits, amounting to around €3 bn bear a higher interest rate, as explained above.

Other income amounted in total, to a net expense of €27 mn, mainly due to loss on the revaluation of investment properties (primarily repossessed assets) of €34 mn.

The Group's operating expenses amounted to €285 mn, of which 61% related to staff costs (€173 mn) and 39% to other operating expenses (€112 mn). Following the absorption of Laiki's operations in Cyprus, the Bank proceeded with a rapid branch rationalisation programme with branch numbers reduced from 203 in May 2013 to 142 at 26 November 2013. Furthermore, the Group offered a Voluntary Retirement Scheme (VRS) in Cyprus whereby the number of staff was reduced from 5.725 to 4.355 (24% reduction). Following the VRS and salary cuts, personnel expenses in Cyprus has been significantly reduced by about 35% on an annualised basis.

The cost to income ratio (calculated excluding the restructuring costs and the loss of the disposal and discontinuation of the Greek operations) was 57,0%.

B.3.2 Restructuring expenses

Restructuring costs totaling €35 mn, includes cost of VRS (€22 mn) which was offered in January 2013. The cost of VRS which was offered during the 3rd quarter of 2013 amounted to about €96 mn.

B.3.3 Provisions for the impairment of loans

The increase in loans in arrears is reflected in the provision charge for the impairment of loans of €539 mn for the first half of 2013, with the annualised charge for impairment of loans for the period amounting to 3,9% of gross loans. As at 30 June 2013 accumulated provisions reached €4,6 bn amounting to 16% of gross loans.

The ratios are calculated before the deduction of the fair value adjustment on initial recognition relating to Laiki's loans amounting to €2 bn.

C. Prospects for 2013

The Group has prepared a Restructuring Plan which was approved by the Central Bank of Cyprus in November 2013. As per the MoU between the Republic of Cyprus and the Troika, the Bank is required to publish selected features of its Restructuring Plan by year-end, and to identify Key Performance Indicators, that will be monitored on a quarterly basis by the Authorities.

The Restructuring plan defines the strategic objectives and actions the Bank should take to create **a safer, smaller, more focused institution capable of supporting the recovery of the Cypriot economy** by:

- **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 ex-Laiki Bank operations**, maximising synergies and bottom-line impact 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.

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.

The provisions for the impairment of loans are expected to remain elevated for the remainder of the year, as more borrowers default and collateral values decline further. In order to stabilise and improve its asset base the Bank is taking measures to effectively manage it delinquencies. Targeted measures initiated recently are yielding some results, though it is too early to assess whether these actions are effective. Tackling the Bank's loan portfolio quality is of utmost importance and is a top priority for the Bank's management.

In addition, the Bank is focusing on completing the integration of ex-Laiki Bank operations. The total number of branches will be further reduced from the current 142 to 135 by year end.

The Bank aims to restore confidence in the Cyprus Banking system in general and in the Bank in particular. Following its exit from Resolution, the Bank was reinstated by the ECB as an eligible counterparty for monetary policy operations. As a result, the Bank has regained access to funding under monetary policy operations at a rate that further supports the Bank's profitability. Hence, the Bank has raised about €1,35 bn of funding under monetary policy operations and has reduced its ELA funding accordingly, the level of which stands today at €9,8 bn. The Bank is stepping up its marketing efforts, both locally and internationally, launching new products to attract new deposits.

Notes to the Financial Results:
Following the Eurogroup decisions to recapitalise Bank of Cyprus via a bail-in of depositors, Bank of Cyprus 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 following decrees issued by the Central Bank of Cyprus in its capacity as Resolution Authority:

1) Sale of Greek operations as per the *Sale of the Greek operations of Bank of Cyprus Public Company Ltd Decree of 2013*.
2) Acquisition of Laiki's operations as per the *Sale of certain operations of Cyprus Popular Bank Public Co Ltd Decrees of 2013.*
3) *Compensation for assets and liabilities acquired from Laiki* as per the *Bank of Cyprus Share Capital Issue for Compensation of Cyprus Popular Bank Public Co Ltd Decree of 2013.*
4) Recapitalisation of Bank of Cyprus as per the *Bailing-in of Bank of Cyprus Public Company Limited Decrees of 2013 up to (No. 3)*. Unsecured deposits are also calculated pursuant to the provisions of the Decrees.
5) Acquisition of Laiki's branch operations in the UK as per the *Sale of certain operations in the United Kingdom of Cyprus Popular Bank Public Co Ltd Decree of 2013*.
6) Disposal of the Bank's operations in Romania to Marfin Romania as per the *Sale of certain operations in Romania of Bank of Cyprus Public Company Ltd Decree of 2013*.

The Company has not been able to measure the fair value of the shares issued by it pursuant to the bail-in Decree as well as the shares issued as consideration for the acquisition of certain assets and liabilities from Cyprus Popular Bank Public Company Ltd as required by IFRS, due to the specific conditions and significant uncertainties that existed at the date of the transactions. The Group's equity and balance sheet are not affected by the way the Company has accounted for the above transactions.

The independent auditors of the Company have conducted a review of the interim condensed consolidated financial statements, in accordance with the International Standard on Review Engagements 2410, ‘Review of Interim Financial Information Performed by the Independent Auditor of the Entity’. Their review conclusion has been qualified, as a result of the Company’s inability to measure, as required by IFRS, the fair value of the shares issued by it.

The Mid-year Financial Report of the Group for the six months ended 30 June 2013 is available at the Bank of Cyprus Public Company Ltd Registered Office at 51 Stassinos Street, Ayia Paraskevi, Strovolos, P.O. Box 24884, 1398 Nicosia, Cyprus. The Report as well as the detailed presentation of the financial results for the 1H2013 have been posted on the Group’s website **www.bankofcyprus.com**.

D. Appendix[1]

Analysis of Group Income Statement			
€ mn	**1H2013**	**1H2012**	**Annual change ±%**
Net interest income	430	387	+11%
Net fee and commission income	84	88	-4%
Net foreign exchange expenses and net losses on other financial instruments	(26)	(8)	+225%
Insurance income net of insurance claims	39	32	+22%
Other (expenses)/income	(27)	3	-
Total income	**500**	**502**	**-**
Staff costs	(173)	(140)	+23%
Other operating expenses	(112)	(108)	+4%
Total expenses	**(285)**	**(248)**	**+15%**
Profit before impairments and restructuring costs	**215**	**254**	**-15%**
Provisions for impairment of loans and advances	(539)	(251)	+115%
Share of profit from associate	3	-	-
(Loss)/profit before tax and impairments and restructuring costs	**(321)**	**3**	**-**
Tax	2	(12)	-120%
Loss attributable to non - controlling interests	5	4	+40%
Loss after tax and before discontinued operations, impairments and restructuring costs	**(314)**	**(5)**	**-**
Restructuring Costs	(35)	-	-
Loss from discontinued operations	(90)	(209)	-
Loss on disposal of the Greek operations	(1.366)	-	-
Impairment of GGBs and change in fair value of related hedging instruments including taxation	-	80	-
Loss after tax	**(1.805)**	**(134)**	**-**

Performance Summary			
	1H2013	**1H2012**	**Annual change**
Net Interest margin	3,17%	3,17%	-
Cost to income ratio	57,0%	49,4%	+7,6 p.p.*
Provision coverage on 90+ DPD loans[2]	42%	40%	+2 p.p.*

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

Condensed Balance Sheet			
€ mn	**30.06.2013**	**31.12.2012**	**±%**
Cash and balances with central banks	1.301	1.272	+2%
Placements with banks	1.711	1.769	-3%
Debt securities, Treasury bills and equity investments	3.413	1.870	+82%
Net loans and advances to customers	23.769	24.375	-2%
Other assets	2.762	1.746	+58%
Total assets	**32.956**	**31.032**	**+6%**
Amounts due to banks	363	341	+7%
Funding from central banks	11.107	-	-
Repurchase agreements	620	608	+2%
Customer deposits	16.970	28.442	-40%
Debt securities in issue	7	45	-84%
Other liabilities	962	1.127	-15%
Subordinated loan stock	7	133	-95%
Total liabilities	**30.036**	**30.696**	**-2%**
Share capital	4.674	1.795	+160%
Shares subject to interim orders	60	-	-
Share premium	-	428	-100%
Convertible Enhanced Capital Securities	-	429	-100%
Revaluation and other reserves	27	106	-75%
Accumulated losses	(1.923)	(2.500)	-22%
Shareholder's equity	**2.838**	**258**	**+998%**
Non-controlling interests	82	78	+7%
Total equity	**2.920**	**336**	**+770%**
Total liabilities and equity	**32.956**	**31.032**	**+6%**

Key Balance Sheet figures and ratios			
	30.06.13	**31.12.12**	**±%**
Gross customer loans (€ bn)	28,3	28,1	+1%
Customer Deposits (€bn)	17,0	28,4	-40%
Net loans to deposits ratio	140%	86%	+54 p.p.
90+ DPD ratio	38,8%	27,4%	+11,4 p.p.
Capital			
Core Tier 1 ratio	10,5%	-1,9%	+12,4 p.p.*
Tier 1 ratio	10,5%	0,6%	+9,9 p.p.*
Total capital ratio	10,7%	0,9%	+9,8 p.p.*
Risk weighted assets (€ mn)	23.510	21.580	+8,9 %

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

Group Deposits			
€ mn	**30.06.2013**	**31.12.2012**	**Change ±%**
Cyprus: Non-IBU	9.665	10.741	-10%
Cyprus: IBU	4.752	7.771	-39%
Cyprus –Total	**14.417**	**18.512**	**-22%**
United Kingdom	1.295	1.215	+7%
Russia	1.153	1.254	-8%
Greece	--	7.152	-100%
Other countries	105	309	-66%
Total Deposits	**16.970**	**28.442**	**-40%**
As percentage of Total Deposits			
Cyprus: Non-IBU	57,0%	37,8%	--
Cyprus: IBU	28,0%	27,3%	--
Cyprus –Total	**85,0%**	**65,1%**	**--**
United Kingdom	7,6%	4,3%	--
Russia	6,8%	4,4%	--
Greece	--	25,1%	--
Other countries	0,6%	1,1%	--
Total Deposits	**100%**	**100%**	**--**

Note 1: 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. Therefore, it is not possible to compare the figures and financial results of the Group with past financial periods.

Note 2: Loan quality and provision coverage ratios are calculated as a percentage of gross loans.