

Financial Information for the period from 1 January 2015 to 30 September 2015

as stipulated by Decision 4/507/28.04.2009 of
the Board of Directors of the Greek Capital Markets Commission

The financial information presented below is aiming to provide a general awareness about the financial position and results of the Bank of Cyprus Group (the 'Group') and the holding company Bank of Cyprus Public Company Ltd (the 'Company'). We recommend to the reader, before any investment decision or transaction is performed with the Group, to visit the Group's website where the financial statements prepared in accordance with International Financial Reporting Standards are available, together with the independent auditors' report, and the detailed explanatory statement of results. These documents are also available at the Registered Office of the Company (51 Stassinou Street, Ayia Paraskevi, Strovolos, P.O. Box 24884, CY-1398 Nicosia, Cyprus, Telephone: +357 22 122128, Fax: +357 22 378422).

Website: www.bankofcyprus.com - Investor Relations/Financial Results.

Members of the Board of Directors: Josef Ackermann (Chairman), Wilbur L. Ross Jr. (Vice Chairman), Maksim Goldman, (Vice Chairman), Arne Berggren, Marios Kalochoritis, Christodoulos Patsalides, Michalis Spanos, Ioannis Zographakis and John Patrick Hourican.

Date of approval of the interim condensed consolidated financial statements for the period ended 30 September 2015 by the Board of Directors: 23 November 2015.

Independent auditors: Ernst & Young Cyprus Ltd.

Type of auditor's report: Unqualified opinion and emphasis of matter.

BANK OF CYPRUS GROUP

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

	Nine months ended 30 September		Three months ended 30 September	
	2015	2014 (represented)	2015	2014 (represented)
	€000	€000	€000	€000
Continuing operations				
Net interest income	644.348	743.223	205.763	231.496
Net Fee and commission income	115.037	116.787	35.920	37.506
Net foreign exchange gains/(losses)	30.963	(20.239)	7.671	(16.012)
Net gains/(losses) on financial instrument transactions	28.254	185.370	(463)	2.051
Insurance income net of claims and commissions	31.818	35.442	11.549	10.394
Losses from revaluation and disposal of investment properties	(36.128)	(2.999)	(12.744)	(4.210)
Other income	12.692	7.672	3.603	1.809
	826.984	1.065.256	251.299	263.034
Staff costs	(176.599)	(176.402)	(58.582)	(59.083)
Other operating expenses	(146.585)	(162.911)	(49.184)	(50.840)
	503.800	725.943	143.533	153.111
Gains on derecognition of loans and advances to customers and changes in expected cash flows on acquired loans	263.392	17.600	33.353	6.352
Provisions for impairment of loans and advances to customers and other customer credit losses	(592.764)	(417.618)	(128.838)	(127.862)
(Impairment)/reversal of impairment of other financial instruments	(37.105)	(33.205)	(5.937)	795
Impairment of non-financial instruments	-	(4.351)	-	(4.351)
Profit before share of profit from associates and joint ventures	137.323	288.369	42.111	28.045
Share of profit/(loss) from associates and joint ventures	3.641	1.637	203	(2.474)
Profit before tax from continuing operations	140.964	290.006	42.314	25.571
Tax	(17.631)	(10.033)	(7.156)	(5.527)
Profit after tax from continuing operations	123.333	279.973	35.158	20.044
Discontinued operations				
Loss after tax from discontinued operations	(65.107)	(220.230)	(28.841)	(33.859)
Profit/(loss) for the period	58.226	59.743	6.317	(13.815)
Attributable to:				
Owners of the Company - continuing operations	129.048	281.838	39.724	21.799
Owners of the Company - discontinued operations	(55.839)	(206.188)	(26.735)	(27.573)
Total profit/(loss) attributable to the owners of the Company	73.209	75.650	12.989	(5.774)
Non-controlling interests - continuing operations	(5.715)	(1.865)	(4.566)	(1.755)
Non-controlling interests - discontinued operations	(9.268)	(14.042)	(2.106)	(6.286)
Total loss attributable to non-controlling interests	(14.983)	(15.907)	(6.672)	(8.041)
Profit/(loss) for the period	58.226	59.743	6.317	(13.815)
Basic and diluted earnings per share (€) attributable to the owners of the Company – continuing operations	0,0145	0,0573	0,0045	0,0041
Basic and diluted earnings/(losses) per share (€) attributable to the owners of the Company	0,0082	0,0154	0,0015	(0,0011)
Profit/(loss) for the period	58.226	59.743	6.317	(13.815)
Other comprehensive income after tax	14.829	17.067	31.649	14.475
Total comprehensive income for the period	73.055	76.810	37.966	660
Attributable to:				
Owners of the Company	84.729	94.138	37.314	9.379
Non-controlling interests	(11.674)	(17.328)	652	(8.719)
Total comprehensive income for the period	73.055	76.810	37.966	660

BANK OF CYPRUS GROUP
Extracts from the Interim Consolidated Balance Sheet

		30 September 2015	31 December 2014 (represented)
	Notes	€000	€000
Assets			
Cash and balances with central banks		986.263	1.139.465
Placements with banks		1.398.647	1.646.886
Derivative financial assets		50.620	62.598
Investments	4	1.001.682	1.871.136
Investments pledged as collateral	4	426.028	669.786
Loans and advances to customers		17.979.722	18.168.323
Life insurance business assets attributable to policyholders		468.757	472.992
Other assets		341.815	336.262
Property and equipment		293.778	316.101
Investment properties		539.020	488.598
Intangible assets		130.970	127.402
Investments in associates and joint ventures		112.859	116.776
Deferred tax assets		443.492	456.871
Non-current assets and disposal groups classified as held for sale		23.027	916.206
Total assets		24.196.680	26.789.402
Liabilities			
Amounts due to banks		322.752	161.896
Funding from central banks		5.402.601	8.283.773
Repurchase agreements		367.690	579.682
Derivative financial liabilities		54.205	71.967
Customer deposits		13.608.325	12.623.558
Insurance liabilities		565.038	576.701
Other liabilities	5	289.526	350.431
Debt securities in issue		1.199	1.185
Deferred tax liabilities		47.270	47.963
Non-current liabilities and disposal groups classified as held for sale		-	611.199
Total Liabilities		20.658.606	23.308.355
Equity			
Share capital		892.294	892.238
Share premium		552.618	552.539
Capital reduction reserve		1.952.486	1.952.486
Shares subject to interim orders		-	441
Revaluation and other reserves		208.226	146.809
Accumulated losses		(87.163)	(79.021)
Equity attributable to owners of the Company		3.518.461	3.465.492
Non-controlling interests		19.613	15.555
Total equity		3.538.074	3.481.047
Total liabilities and equity		24.196.680	26.789.402

BANK OF CYPRUS GROUP

Extracts from the Interim Consolidated Statement of Changes in Equity

	Nine months ended 30 September	
	2015	2014
	€000	€000
Total equity at 1 January	3.481.047	2.737.676
Profit for the period	58.226	59.743
Other comprehensive income for the period	14.829	17.067
Bail-in of deposits and structured products	-	150
Disposal of subsidiaries	(18.112)	(51)
Issue of share capital	135	1.000.000
Dividend paid to non-controlling interests	(918)	-
Disposal of treasury shares	2.867	-
Share issue costs	-	(29.960)
Total equity at 30 September	3.538.074	3.784.625

BANK OF CYPRUS GROUP

Extracts from the Interim Consolidated Statement of Comprehensive Income

	Nine months ended 30 September		Three months ended 30 September	
	2015	2014	2015	2014
	€000	€000	€000	€000
Profit/(loss) for the period	58.226	59.743	6.317	(13.815)
Foreign currency translation differences	18.687	54.561	33.620	14.234
Available-for-sale investments	(3.603)	(37.821)	(1.538)	235
Property revaluation	(255)	327	(433)	6
Total comprehensive income for the period	73.055	76.810	37.966	660

BANK OF CYPRUS GROUP

Extracts from the Interim Consolidated Statement of Cash Flows

	Nine months ended 30 September	
	2015	2014 (represented)
	€000	€000
Net cash flow from operating activities	1.639.225	607.711
Net cash flow from investing activities	1.087.841	1.324.358
Net cash flow used in financing activities	(2.944.667)	(1.569.529)
Net (decrease)/increase in cash and cash equivalents for the period	(217.601)	362.540
Foreign exchange adjustments	18.373	10.568
Total cash (outflow)/inflow for the period	(199.228)	373.108
Cash and cash equivalents at 1 January	2.238.601	1.463.243
Cash and cash equivalents at 30 September	2.039.373	1.836.351

BANK OF CYPRUS PUBLIC COMPANY LTD
Extracts from the Interim Income Statement
and Statement of Comprehensive Income

	Nine months ended 30 September		Three months ended 30 September	
	2015	2014 (represented)	2015	2014 (represented)
	€000	€000	€000	€000
Continuing operations				
Net interest income	624.364	752.684	198.865	226.222
Net fee and commission income	103.165	102.773	31.620	32.617
Net foreign exchange gains/(losses)	9.691	(19.207)	3.690	(15.960)
Net gains/(losses) on financial instrument transactions	5.388	149.299	(22.631)	1.683
Losses from revaluation and disposal of investment properties	(30.489)	(16.618)	(7.472)	(6.389)
Other income/(expenses)	11.565	1.957	3.275	(447)
	723.684	970.888	207.347	237.726
Staff costs	(153.179)	(153.269)	(50.777)	(51.096)
Other operating expenses	(125.776)	(139.121)	(42.172)	(43.844)
	444.729	678.498	114.398	142.786
Gains on derecognition of loans and advances to customers and changes in expected cash flows on acquired loans	263.392	17.600	33.354	6.351
Provisions for impairment of loans and advances to customers and other customer credit losses	(559.393)	(404.111)	(100.829)	(119.295)
Impairment of other financial instruments	(51.120)	(47.259)	(9.120)	(13.523)
Profit before tax from continuing operations	97.608	244.728	37.803	16.319
Tax	(13.296)	(1.001)	(4.762)	-
Profit after tax from continuing operations	84.312	243.727	33.041	16.319
Discontinued operations				
Loss after tax from discontinued operations	-	(16.863)	-	-
Profit for the period	84.312	226.864	33.041	16.319
Basic and diluted earnings per share (€) – continuing operations	0,0094	0,0493	0,0037	0,0031
Basic and diluted earnings per share (€)	0,0094	0,0459	0,0037	0,0031
Profit for the period	84.312	226.864	33.041	16.319
Other comprehensive (losses)/income after tax	(592)	(19.723)	(10.570)	17.584
Total comprehensive income for the period	83.720	207.141	22.471	33.903

BANK OF CYPRUS PUBLIC COMPANY LTD
Extracts from the Interim Balance Sheet

		30 September 2015	31 December 2014
	Notes	€000	€000
Assets			
Cash and balances with central banks		618.705	668.292
Placements with banks		1.222.101	1.462.824
Derivative financial assets		50.617	62.585
Investments	4	960.519	1.831.297
Investments pledged as collateral	4	426.028	669.786
Loans and advances to customers		16.812.762	17.329.208
Balances with group companies		782.126	809.959
Other assets		185.649	182.574
Property and equipment		203.768	221.106
Investment properties		307.997	250.888
Intangible assets		13.548	13.105
Investments in associates and joint ventures		97.293	102.615
Investments in Group companies		237.450	236.369
Deferred tax assets		443.189	456.479
Non-current assets held for sale		14.357	114.060
Total assets		22.376.109	24.411.147
Liabilities			
Amounts due to banks		319.152	159.765
Funding from central banks		5.402.601	8.283.773
Repurchase agreements		367.690	579.682
Derivative financial liabilities		53.992	71.761
Customer deposits		12.173.917	11.329.157
Balances with Group companies		582.696	550.683
Other liabilities	5	239.601	283.735
Debt securities in issue		707	693
Deferred tax liabilities		23.219	23.219
Total liabilities		19.163.575	21.282.468
Equity			
Share capital		892.294	892.238
Share premium		551.369	551.289
Capital reduction reserve		1.952.486	1.952.486
Shares subject to interim orders		-	441
Revaluation and other reserves		5.968	5.506
Accumulated losses		(189.583)	(273.281)
Total Equity		3.212.534	3.128.679
Total liabilities and equity		22.376.109	24.411.147

BANK OF CYPRUS PUBLIC COMPANY LTD
 Extracts from the Interim Statement of Changes in Equity

	Nine months ended 30 September	
	2015	2014
	€000	€000
Total equity at 1 January	3.128.679	2.458.834
Profit for the period	84.312	226.864
Other comprehensive losses for the period	(592)	(19.723)
Bail-in of deposits and structured products	-	150
Issue of share capital	135	1.000.000
Shares issue costs	-	(29.960)
Total equity at 30 September	3.212.534	3.636.165

BANK OF CYPRUS PUBLIC COMPANY LTD
 Extracts from the Interim Statement of Comprehensive Income

	Nine months ended 30 September		Three months ended 30 September	
	2015	2014	2015	2014
	€000	€000	€000	€000
Profit for the period	84.312	226.864	33.041	16.319
Foreign currency translation differences	(422)	(357)	(11.748)	(1.728)
Available-for-sale investments	(170)	(19.366)	1.178	19.312
Total comprehensive income for the period	83.720	207.141	22.471	33.903

BANK OF CYPRUS PUBLIC COMPANY LTD
 Extracts from the Interim Statement of Cash Flows

	Nine months ended 30 September	
	2015	2014
	€000	€000
Net cash flow from operating activities	1.864.057	629.008
Net cash flow from investing activities	1.099.378	1.312.347
Net cash flow used in financing activities	(2.944.858)	(1.572.599)
Net increase in cash and cash equivalents for the period	18.577	368.756
Foreign exchange adjustments	(197)	(8.463)
Total cash inflow for the period	18.380	360.293
Cash and cash equivalents at 1 January	1.486.608	900.181
Cash and cash equivalents at 30 September	1.504.988	1.260.474

1. The Interim Condensed Consolidated Financial Statements for the nine months ended 30 September 2015 have been prepared in accordance with the International Accounting Standard applicable to interim financial reporting as adopted by the European Union ('IAS 34').
2. The accounting policies adopted for the preparation of the Interim Condensed Consolidated Financial Statements for the nine months ended 30 September 2015 are consistent with those followed for the preparation of the annual Consolidated Financial Statements for the year ended 31 December 2014. In addition, the Group has adopted the following new standards, amendments and interpretations, which did not have a material impact on the Interim Condensed Consolidated Financial Statements:
 - IFRIC 21 Levies
 - Annual Improvements 2011 – 2013 Cycle issued by the IASB which is a collection of amendments to IFRS. These improvements are effective from 1 July 2014 and include:
 - IFRS 3 Business Combinations - Amendments
 - IFRS 13 Fair Value Measurement - Amendments
 - IAS 40 Investment Properties - Amendments
3. The significant judgments, estimates and assumptions are set out in Note 6 of the Interim Condensed Consolidated Financial Statements for the nine months ended 30 September 2015.
4. Investments of the Group and the Company are analysed as follows:

	30 September 2015	31 December 2014
Group	€000	€000
Investments		
Investments at fair value through profit or loss	34.740	34.347
Investments available-for-sale	50.352	53.480
Investments classified as loans and receivables	916.590	1.783.309
	1.001.682	1.871.136
Investments pledged as collateral		
Investments available-for-sale	426.028	669.786
	1.427.710	2.540.922

	30 September 2015	31 December 2014
Company	€000	€000
Investments		
Investments at fair value through profit or loss	19.316	19.168
Investments available-for-sale	24.613	28.820
Investments classified as loans and receivables	916.590	1.783.309
	960.519	1.831.297
Investments pledged as collateral		
Investments available-for-sale	426.028	669.786
	1.386.547	2.501.083

5. Other liabilities at 30 September 2015 include provisions for pending litigation or claims of €28.864 thousand for the Group and €27.883 thousand for the Company and other provisions of €16.542 thousand for the Group and €14.874 thousand for the Company. The Group's provision for pending litigation or claims at 30 September 2015 is set out in Note 23 of the Interim Condensed Consolidated Financial Statements. There are no other significant pending litigation, claims or assessments against the Group, the outcome of which would have a material effect on the Group's financial position or operations.
6. The number of persons employed by the Group at 30 September 2015 was 4.610 (30 September 2014: 6.729) and by the Company was 4.035 (30 September 2014: 4.031).
7. Shares of the Company held by entities controlled by the Group and by associates (including shares that are held by life insurance subsidiary which holds the shares as part of financial assets that are invested for the benefit of insurance policyholders) at 30 September 2015 were 8.516 thousand and their cost of acquisition was €67.272 thousand.
8. The Group subsidiaries, branches and associates as at 30 September 2015 and the method of consolidation used are set out in Note 32 of the Interim Condensed Consolidated Financial Statements.
9. **Related party transactions:**
 - (a) Loans and other advances to members of the Board of Directors and key management personnel: €3.518 thousand for the Group and the Company.
 - (b) Loans and other advances to other connected persons: €934 thousand for the Group and €778.520 thousand for the Company.
 - (c) Contingent liabilities and commitments (mainly documentary credits, guarantees and commitments to lend): €951 thousand for the Group and the Company.
 - (d) Deposits by members of the Board of Directors and key management personnel: €2.743 thousand for the Group and the Company.
 - (e) Deposits by other connected persons: €4.003 thousand for the Group and €586.699 thousand for the Company.
 - (f) Interest income: €106 thousand for the Group and €19.393 thousand for the Company.
 - (g) Interest expense: €164 thousand for the Group and €6.148 thousand for the Company.
 - (h) Remuneration and other transactions of members of the Board of Directors, key management personnel and connected persons: €3.887 thousand for the Group and €3.660 thousand for the Company.

10. Events after the reporting date

10.1 Covered bonds upgrade

The covered bonds were upgraded to an investment grade rating and have become eligible collateral for the Eurosystem credit operations. As from 2 October 2015 the covered bond has been placed as collateral for accessing funding from the ECB. Through this transaction, the Company has raised €550.000 thousand of ECB funding for the repayment of ELA. Prior to the rating upgrade, the covered bonds were used as collateral for ELA.

10.2 Repayment of ELA

In the period since 30 September 2015, the Company repaid €600 million of ELA funding.