

**Financial results 2007 - Highlights**

**Success in beating targets**

**2008-2010 Strategic direction**

**Financial targets 2008-2010**

***Appendix: Detailed financial information***

## **Financial Results 2007 and Strategy & Targets 2008-2010**

**27 February 2008**

# Disclaimer

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# Financial Results 2007 - Highlights

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Reclassifications to comparative information were made to conform to changes in the presentation in 2007. Such reclassifications relate mainly to the presentation of the Group's insurance operations and to facilitate disclosures required by IFRS 7 which has been adopted as of 1 January 2007. These reclassifications had no impact on profit after tax or the equity of the Group.

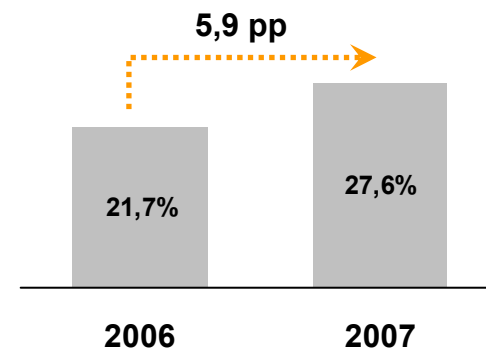
# Another spectacular year

## Income & Expense Analysis

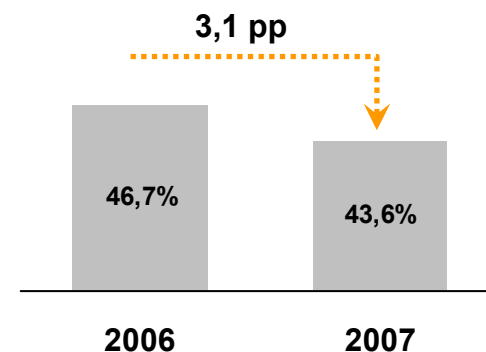
(€mn)

	2006	2007	Change
Net interest income	613	752	+23%
Fee & commission income	173	198	+15%
Net operating income from insurance operations	45	56	+25%
Other operating income	76	109	+42%
<b>Total income</b>	<b>907</b>	<b>1.115</b>	<b>+23%</b>
<b>Total expenses</b>	<b>424</b>	<b>486</b>	<b>+15%</b>
Provisions	99	56	-44%
Share of profit of associate	-	9	
<b>Profit before tax</b>	<b>384</b>	<b>582</b>	<b>+52%</b>
Tax	71	92	+30%
Minority Interest	-	5	
<b>Profit after tax</b>	<b>313</b>	<b>485</b>	<b>+55%</b>

## Return on equity



## Cost/income



# Balance Sheet overview

€mn	2006	2007	% growth
Cash and balances with central banks	1.169	1.325	+13%
Placements with banks	4.265	6.158	+44%
Debt securities, T-bills, equity investments	4.011	4.070	+1%
Net loans to customers	14.336	18.921	+32%
Other assets	1.116	1.289	+16%
<b>Total assets</b>	<b>24.897</b>	<b>31.763</b>	<b>+28%</b>
Amounts due to banks	471	1.668	+254%
Customer deposits	20.726	25.179	+21%
Debt securities in issue	742	1.254	+69%
Other liabilities	861	988	+15%
Subordinated loan stock	551	669	+21%
<b>Shareholders' equity</b>	<b>1.546</b>	<b>2.005</b>	<b>+30%</b>

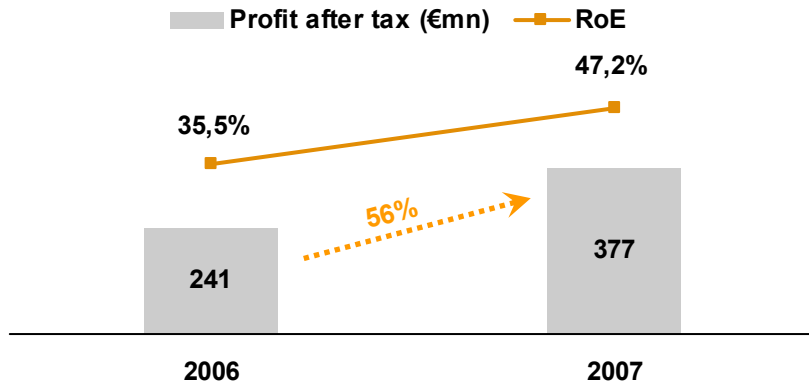
# Continued commitment to dividend policy

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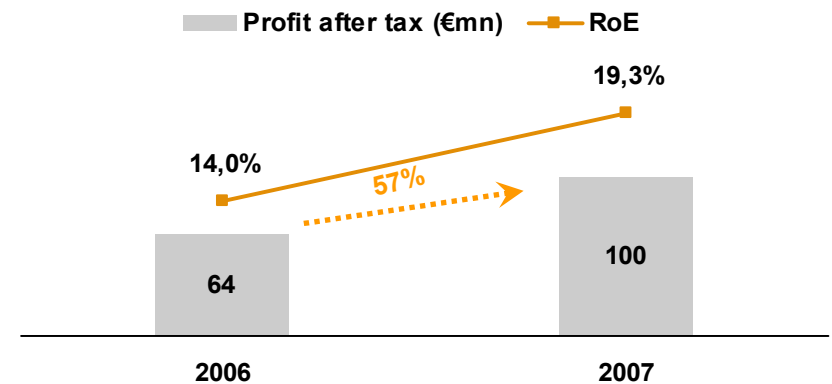
- **Final dividend of €0,25 per share**
- **Total dividend of €0,44 per share**  
(incl. interim dividend already paid)
  - **52% increase on 2006 total dividend**
- **Important dates**
  - **Annual General Meeting 14 May 2008**
  - **Ex-dividend date on 19 May 2008**
  - **Payment date on 3 June 2008**
- **Attractive dividend reinvestment plan at 10% discount**

# Growth across all main geographic markets

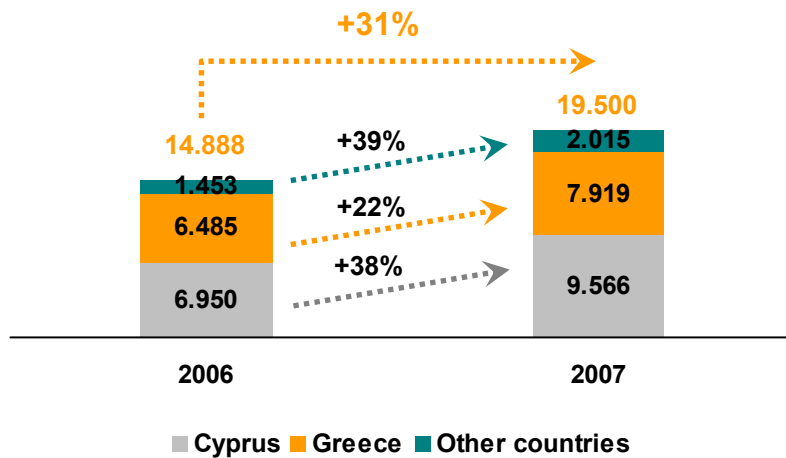
## Cyprus



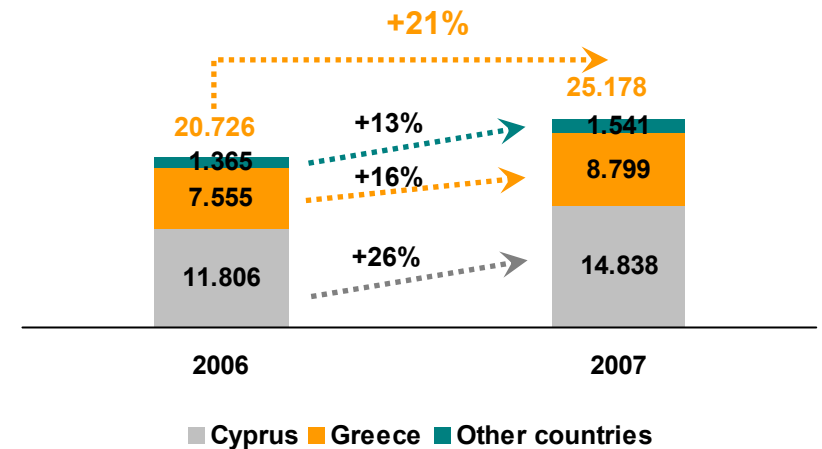
## Greece



## Total loans (€mn)

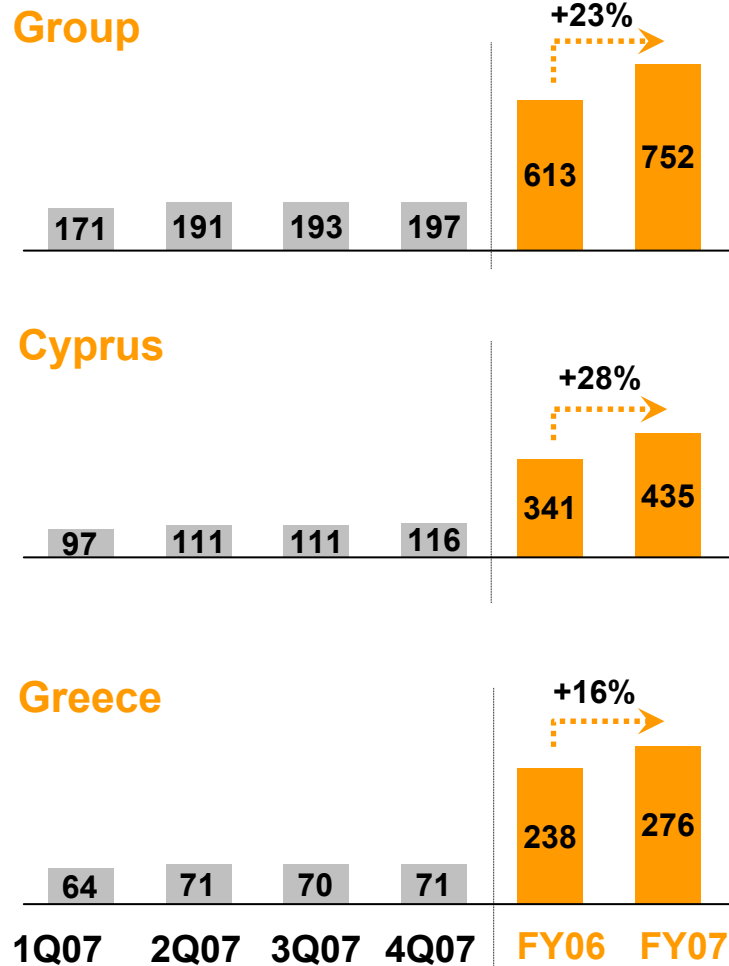


## Total customer deposits (€mn)



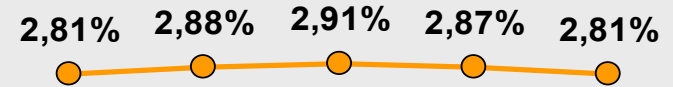
# Strong increase in net interest income

## Net interest income (€mn)

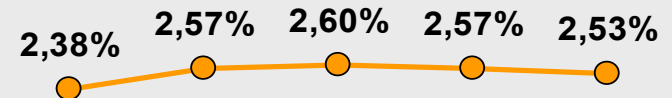


## Net interest margin

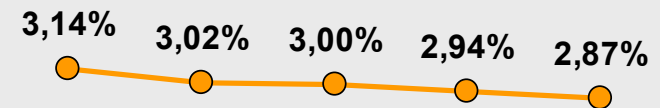
### Group



### Cyprus



### Greece

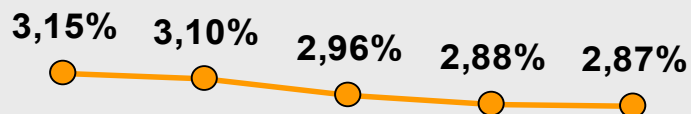


FY06 1Q07 1H07 9M07 FY07

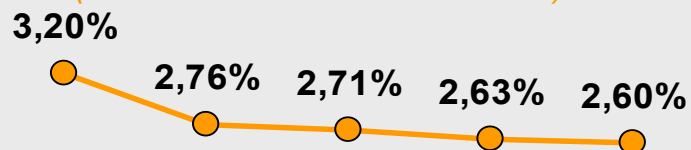
# Evolution of spreads and basis risk

## Loan spreads

### Cyprus (with reference to Cyp base rate)



### Greece (with reference to 1M Euribor)

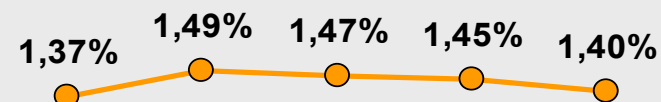


FY06 1Q07 1H07 9M07 FY07

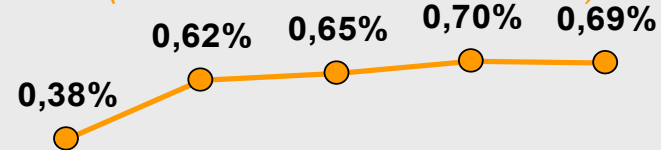
- **Greece lending spread declined yoy**
  - Shift towards more mortgages
  - Increased competition in first half of year
  - Time lag in repricing loans following widening of basis risk
- **Greece deposit spread increased yoy**
  - Benefited by Euro base increases in 1H07
  - Benefited by time lag in repricing deposits following widening of basis risk
  - Increased competition from 4Q07 onwards

## Deposit spreads

### Cyprus (with reference to Cyp base rate)

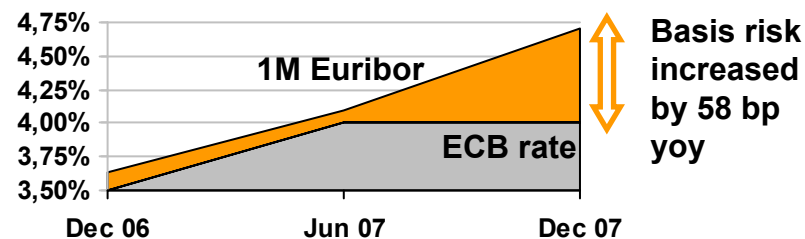


### Greece (with reference to 1M Euribor)



FY06 1Q07 1H07 9M07 FY07

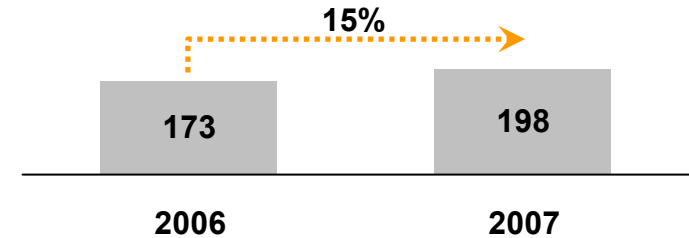
- **Cyprus lending spread declined yoy**
  - Shift towards more mortgages
  - Increased competition
- **Cyprus stable deposit spread yoy**



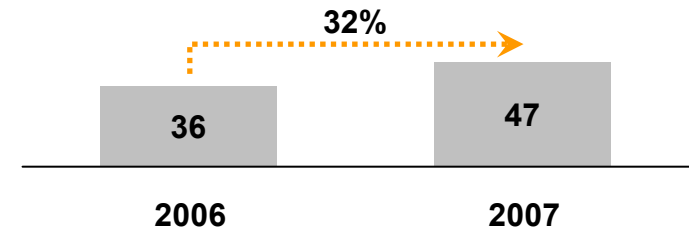
# High double digit growth in non interest income sources

- **Fees and commissions growth mainly driven by:**
  - Volume growth
- **Foreign exchange income increase mainly driven by:**
  - Volume growth in Cyprus, especially in international banking activities
  - Volume growth in Greece
- **Growth in income from insurance business mainly driven by:**
  - Good production volumes in Cyprus
  - Increased bancassurance penetration in Greece
  - Good mortality experience
  - Good stockmarket performance boosts sales

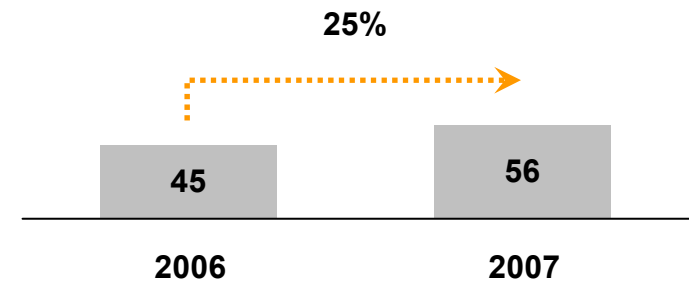
## Fees and commissions (€mn)



## Foreign exchange income (€mn)

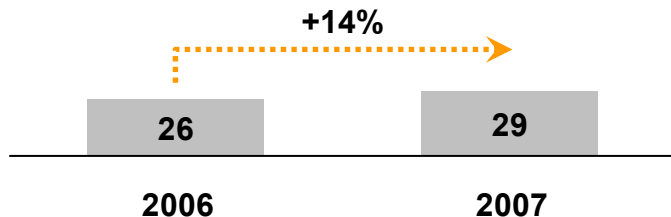


## Income from insurance business (€mn)



# Gains on sale and change in fair value of financial instruments

## Net gains on sale and change in fair value of financial instruments (€mn)



### Net gain of €29mn includes

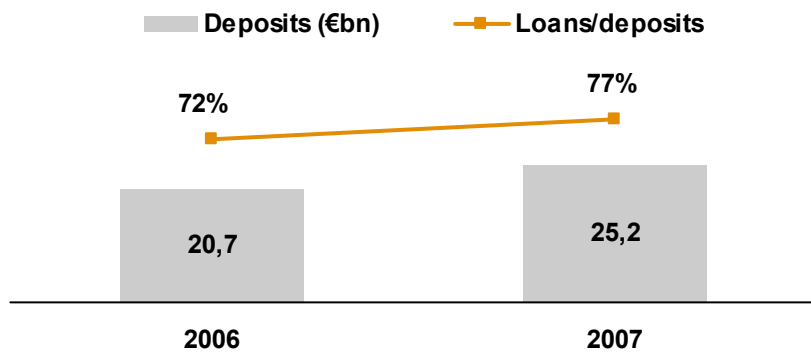
- €9mn impairment of available-for-sale bonds in 4<sup>th</sup> quarter
  - Prudent policy of booking impairment on all bonds showing more than a 10% drop in market value
- Disposal gains from available-for-sale investments of €19mn

## Debt securities and treasury bills

- Average rating of portfolio is Aa3
  - 60% is rated Aaa-Aa3
  - 40% is rated A1-A3
- Issued by governments and banks
  - 44% issued by sovereigns
  - 56% issued by European banks and other organisations
- Average life 3,6 years
- Asset classes allowed
  - Sovereign
  - Supranational
  - Bank senior
  - US agencies
  - Covered bonds
  - Bank subordinated bonds (ceiling 3%, actual 0,5%)
  - Corporate bonds (ceiling of 7%, actual 0,4%)

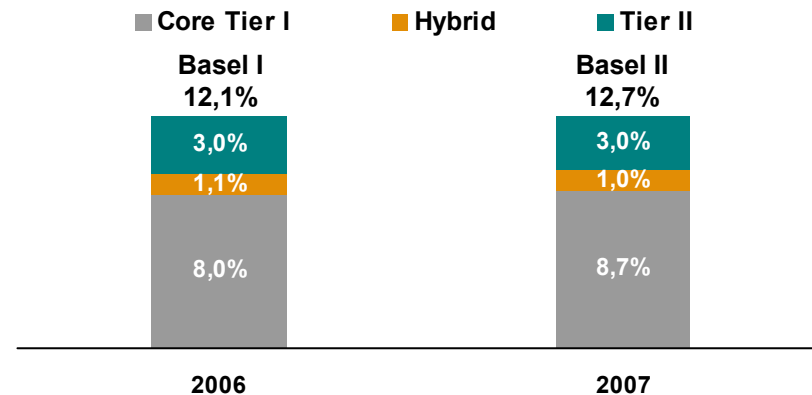
# Strong liquidity and capital to fund planned growth

## Liquidity



- Strong deposit base and flows
- Comfort in growing loan portfolio across geographies, especially in new markets
- Dependence on wholesale funding is minimal
  - 11% of total assets

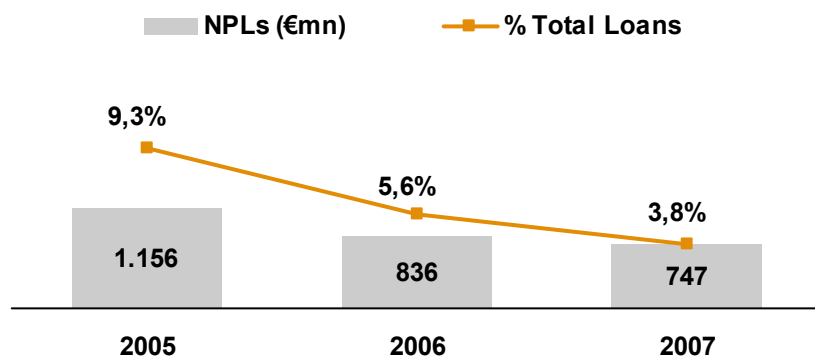
## Capital



- Strong core Tier I position
  - upside potential from non-core asset disposals
- Basel II (standardised approach)

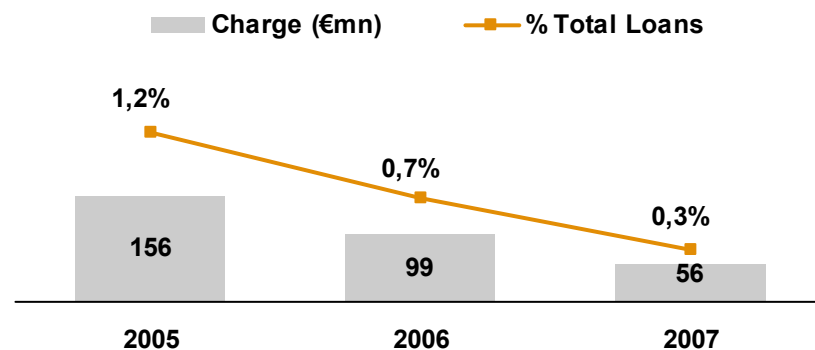
# Continued improvement in loan quality

## NPLs (1) Development

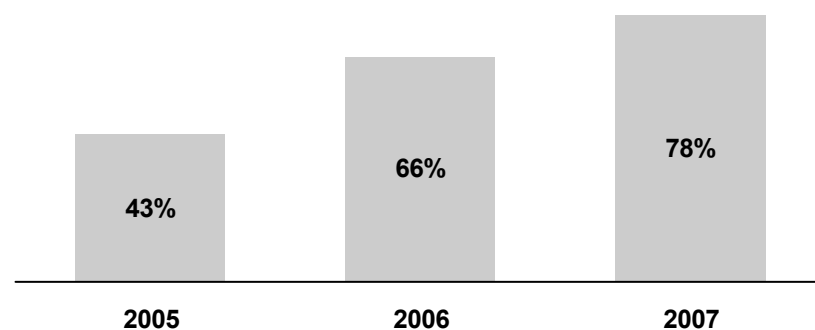


- Improvement of loan quality
- Absolute NPL reduction
- Increased provision coverage
  - Adequacy of current provisioning levels
- Normalised P&L charges

## Provision Charge



## Provision Coverage (2)



(1) NPL classification criteria based on over 3 months arrear not fully covered by collateral.

(2) The remainder of the NPLs is fully covered by tangible collateral.

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# Success in beating targets

*1 Jan 2005 – 31 Dec 2007*

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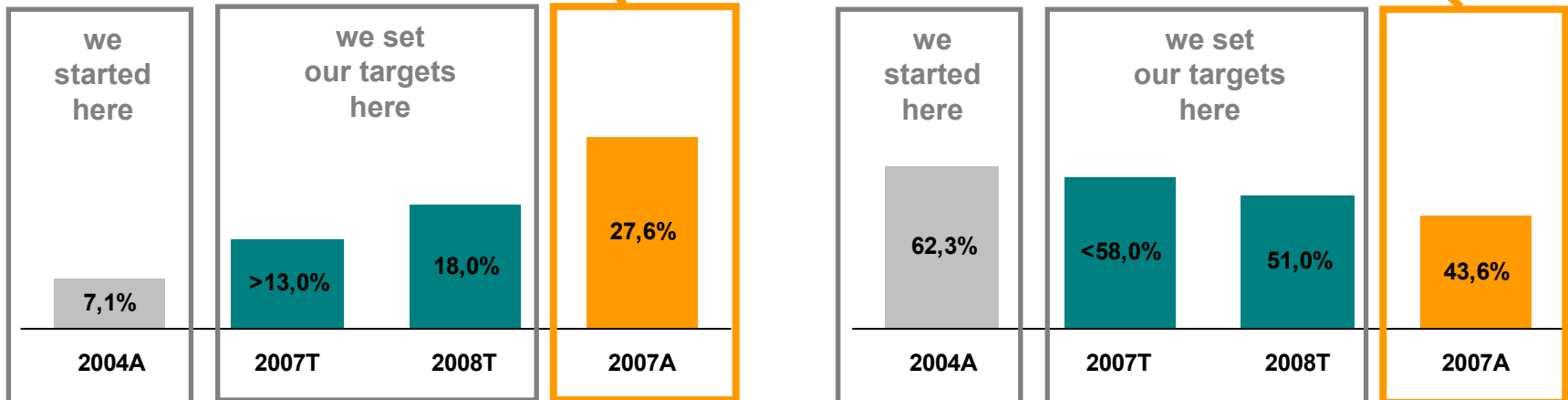
*Appendix: Detailed financial information*

# Delivered on targets well ahead of plan

## Return on equity

## Cost to income ratio

we  
achieved  
much,  
sooner



# Compelling growth

	2004	2007	% growth
Loans	€10,8bn	€19,5bn	+81%
Deposits	€14,8bn	€25,2bn	+70%
Shareholders' equity	€955mn	€2,0bn	+106%
Total income	€625mn	€1,115mn	+79%
Profit after tax	€66mn	€485mn	+637%
Market share (Cyprus)	24,3%	29,0%	+4,7pp
Employees	5.890	6.909	+17%

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# 2008-2010 Strategic direction

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***Appendix: Detailed financial information***

# Our strategy is to grow further

## in diversified growth markets

- **Developed growth**

- **Cyprus**
- **Greece**

- **Developing higher-growth economies with underpenetrated banking sectors**

- **Russia**
- **Romania**
- **Ukraine**

## leveraging on BOC's competitive advantage

- **Leading position in Cyprus**
- **Efficient and maturing branch network in Greece**

- **Existing clients with known risks in new markets**

## grasping opportunities of internationality

- **Cost savings and revenue enhancement**

- **Leverage on links between markets**
- **Transfer skills and best practice**
- **Manage resources globally**

- **“One bank” concept**

- **Common infrastructure, procedures, staff, systems**
- **Extract value internationally out of existing relationships**

## We are present in growth economies with excellent banking sector prospects

%	Real GDP growth			Loans/ GDP 2007E
	2006	2007E	2008E	
<b>World economy</b>	<b>5,4%</b>	<b>5,2%</b>	<b>4,8%</b>	<b>n/a</b>
<b>European Union</b>	<b>3,2%</b>	<b>3,0%</b>	<b>2,5%</b>	<b>n/a</b>
<b>Eurozone</b>	<b>2,8%</b>	<b>2,5%</b>	<b>2,1%</b>	<b>114%</b>
<b>Cyprus</b>	<b>3,8%</b>	<b>4,2%</b>	<b>4,0%</b>	<b>187%</b>
<b>Greece</b>	<b>4,0%</b>	<b>3,9%</b>	<b>4,0%</b>	<b>80%</b>
<b>Russia *</b>	<b>6,7%</b>	<b>7,7%</b>	<b>6,5%</b>	<b>33%</b>
<b>Romania *</b>	<b>7,7%</b>	<b>6,0%</b>	<b>4,9%</b>	<b>32%</b>
<b>Ukraine *</b>	<b>7,4%</b>	<b>7,0%</b>	<b>5,5%</b>	<b>59%</b>

\* Data published by Citigroup quoting the following sources: IMF, Central Banks and CIR

# How we will implement our strategy

## Cyprus

### Domestic banking

- Market share gain
- Increase cross-selling
- Efficiency gains

### International banking

- Strong growth, benefiting from Euro adoption
- Maintain high standard of service and excellent relationships with introducers

### Insurance

- Enhance product offering
- Emphasis on bancassurance
- Group synergies

## Greece

### Banking

- Market share gain
- Expand network to 220 branches by end-2010 from 135 branches network
- Increase fee income through further development of wealth & asset management services
- Enhanced cross-selling
- Efficiency gains

### Insurance

- Enhance product offering
- Emphasis on bancassurance
- Exploit Group synergies

## New markets

### Russia

- Extract value from existing client relationships
- Build infrastructure to expand client relationships
- 16 branches by end-2010

### Romania

- 40 branches by 2010
- Focus on project financing and syndicated lending
- Enter retail sector in 2008

### Ukraine

- Completion of acquisition of AvtoZazBank in 1H08
- Restructuring of systems
- Expand loan book and extract value from existing client relationships

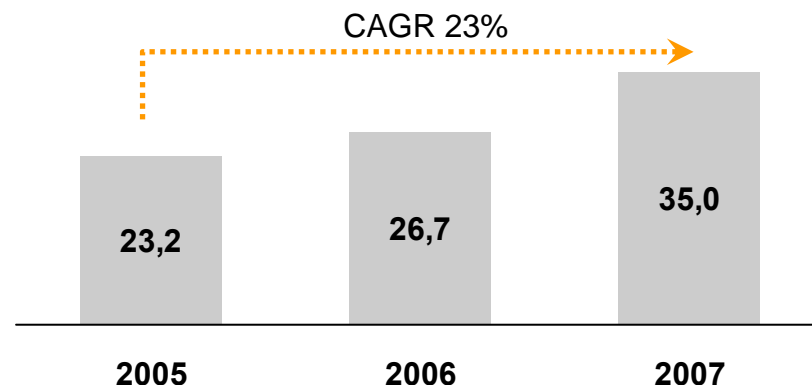
Cost savings through “one bank” concept

# Strong economy and structural changes to yield growth and market share gain

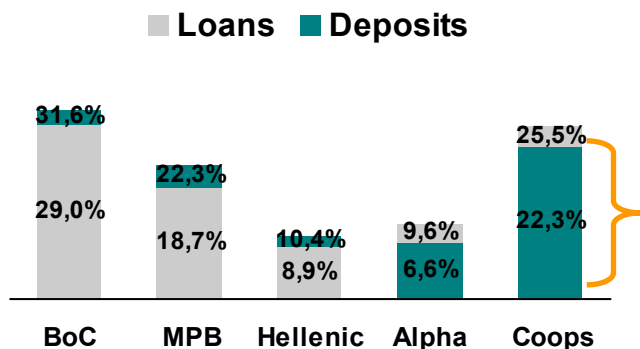
## Strong macroeconomic growth

- Real economic growth forecasted at 4,0%
- Euro adoption on 1/1/2008
- Growing population driven by influx of foreigners
- Construction activity
- Continued booming

## System loan growth (to residents) (€bn)



## Market shares



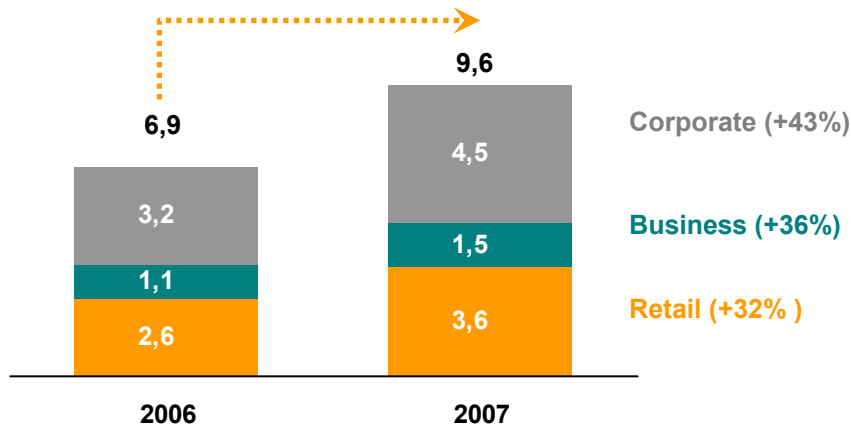
## Structural changes in coop sector

- Enhanced supervision as of 1/1/2008
- 160 entities at end-2007 with a target to reduce down to 80 by end-2009
- Opportunities to grasp market share

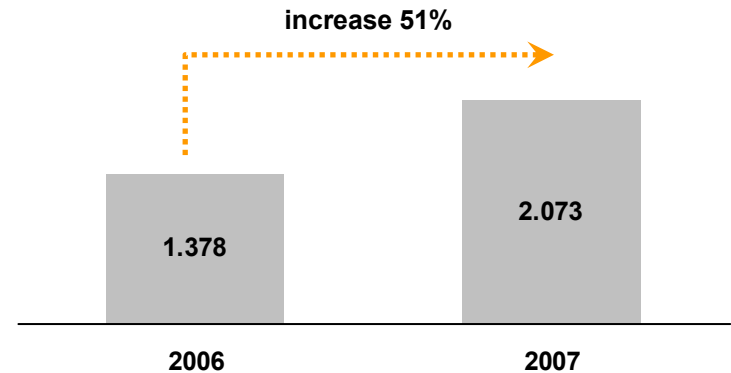
Source: Central Bank of Cyprus (all market shares as of 31 December 2007)

# Increase cross-selling

## Cypriot loan book (€bn)



## Mortgage loan balance increase (€mn)



- Increase business from existing customers
- Cross-sell to relatively “new” clients
  - 17.500 new retail clients in 2007
  - Mortgage loan book increased 51%
- Further penetration of higher margin sectors
  - Retail
  - Small businesses

through

- Continuous improvement in level of service
- Enhance relationship with customers
- Flexible products
- Simplification of documents and procedures at front office
- Centralisation of branch back-office procedures

# International banking background

## Tax advantages

- **Lowest corporate tax rate in the EU**
  - **0% for shipping companies**
  - **4,25% for maritime management companies**
  - **10% for all other companies**
- **No taxation on capital gains**
- **No withholding tax on dividends received**
- **No withholding tax on payment of dividends, interest and royalties to non-residents**

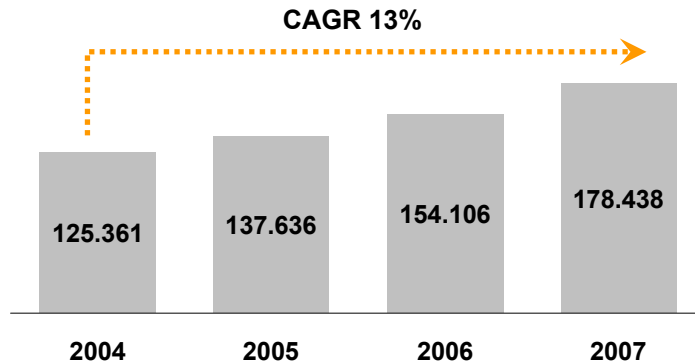
## Advantageous double tax treaty with Russia & most ex-CIS countries

- **5% tax rate on dividends received in Cyprus from Russian companies**
- **No withholding tax on interest or royalties received in Cyprus from Russian/ex-CIS countries**

- **EU membership**
- **Well educated and multilingual workforce**
- **Strong legal and accounting infrastructure**
- **Advanced banking infrastructure**

# Cyprus is a flourishing business and financial centre

## Companies registered in Cyprus



Source: Cyprus Registrar of Companies

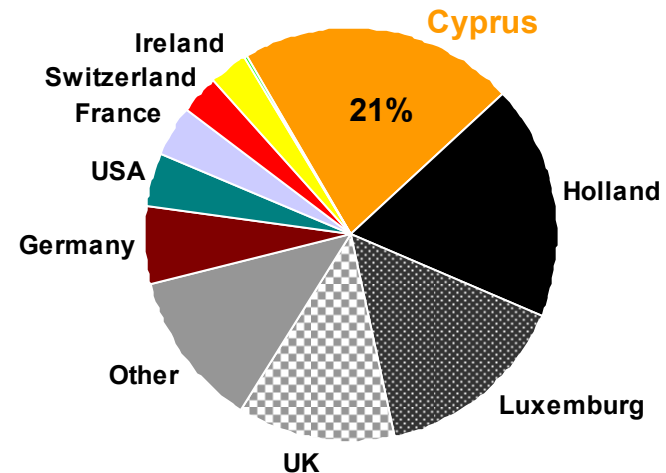
## Establishment of various company structures

- Holding company
- Finance company
- Royalty company

## Mainly operating in the areas of

- International trade
- Marketing and distribution
- Ship management
- Maritime operations

## Source of foreign investment in Russia



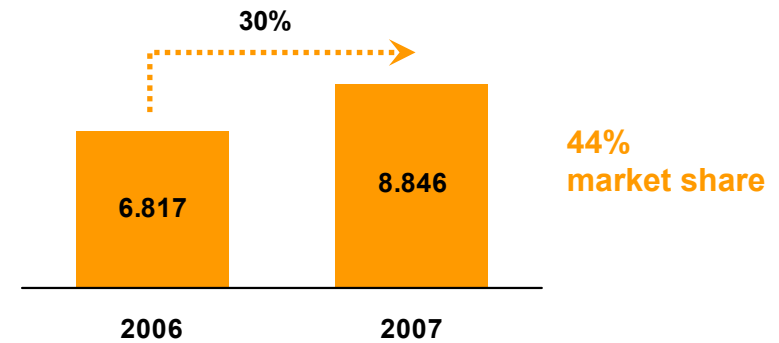
## Cyprus ranks first in contribution of foreign investment in Russia

- 21% of foreign investment into Russia routed from Cyprus
- Total foreign investment for 2007 estimated at \$110bn

# Bank of Cyprus to remain the market leader in profitable international business sector

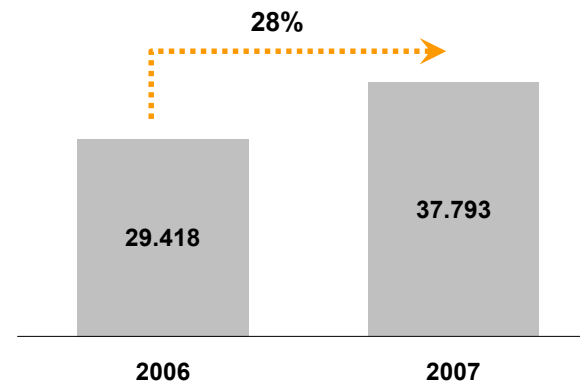
- **High quality standard of service & skilled employees coupled with continued sponsorship of introducers**
- **Leverage on 38.000 client relationships**
  - Low-cost deposits (non price sensitive)
  - Fees on inbound and outbound payments
  - Liquidity management and foreign exchange services
- **Euro adoption acts as a boost**

## Foreign currency deposits (€mn)



Source: Central Bank of Cyprus

## Bank of Cyprus Number of International Business customers



# Sustain growth in insurance sector

## Life insurance

- **Enhance product offering**
  - Flexibility and transparency
  - Life, health, disability and critical illness
- **Further development of bancassurance**
- **Group synergies**
  - Target corporate clients
- **Cost containment**

## General insurance

- **Enhance product offering**
- **Further development of bancassurance**
- **Direct marketing**
- **Selective expansion of agency**
- **Internet insurance**
- **Establishment of specialised teams/departments**
  - Car accident inspection
  - Reinsurance
  - Actuarial
- **Group synergies**
  - Branch, business and corporate centres
  - Direct banking
  - Eurolife

# Growth dynamics supported by branch expansion

## Growth dynamics

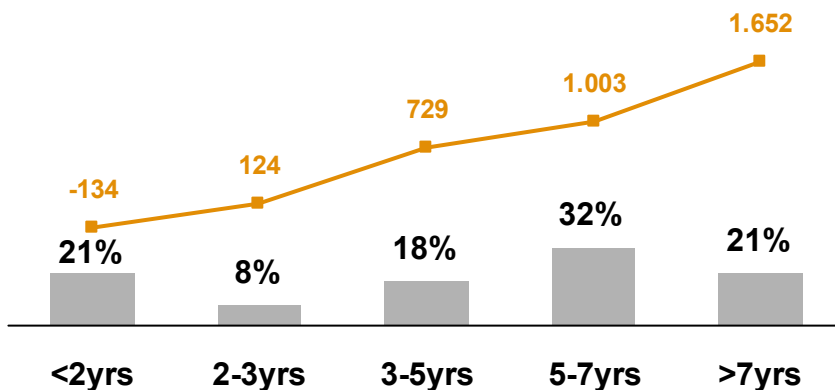
- Underpenetrated banking sector
- Increase fee income through enhancement of asset management and investment products units

## Branch network

- Branch network expansion
  - 220 branches by end-2010 (135 today)
  - Greater population coverage
  - Economies of scale
- New branches
  - Break-even point = 11 - 17 months
  - Payback period = 18 - 35 months

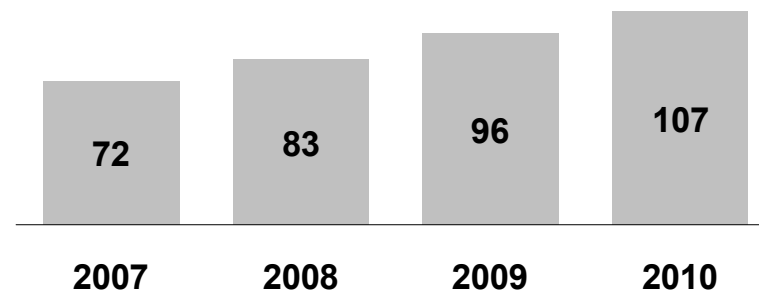
## Branch network contribution

■ Number of branches — Operating Contribution



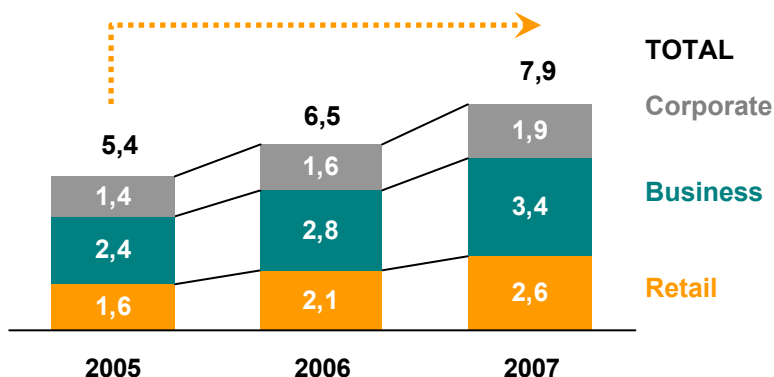
## Maturity roll-out

Mature branch is a branch that is > 5 years old

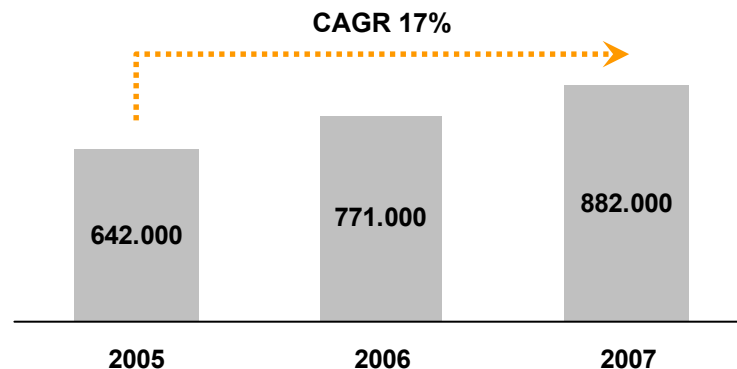


# Increase cross-selling

## Greek loan book (€bn)



## Number of active customers



- Increase business from existing customers
- Cross-sell to relatively “new” clients
  - 105.000 new clients in 2007
  - Mortgage loan book increased 31% in 2007
- Further penetration of higher margin sectors
  - Retail
  - SMEs

through

- Efficient structure and flexible products
- Emphasis on training in sales skills and technical knowledge
- Segregation of sales effort by product
- Simplification and centralisation of branch back-office procedures

# Sustain growth in insurance sector

## Life insurance

- **Increase penetration, focusing on**
  - Credit insurance products
  - Existing loan portfolio
- **Further development of bancassurance**

## General insurance

- **Enhance product offering**
- **Further development of bancassurance**
  - Recruitment of more front-office personnel
- **Targeted marketing campaigns**
- **Revenue synergies**
  - Branch and business centres

# “One bank” concept to generate benefits

## Homogeneity and adoption of “Common Banking Model”

- **Target full integration of the Cyprus and Greek banks**
- **Consolidate systems and create common platform**
- **Restructuring by creation of centralised services**
  - **Human resources**
  - **IT and Organisation & Methods**
  - **Operations**
  - **International banking services**
  - **Treasury & Private Banking**
  - **Asset management, Investment banking & Brokerage**

## Benefits

- **Cost savings/synergies**
  - **Common core and front-end systems**
  - **Common network infrastructure/communications**
  - **Common technical infrastructure**
  - **Target areas**
    - Loan origination
    - Credit cards processing
    - ATM management/monitoring/campaigns
    - Internet banking
    - Online trading
    - Call centre
    - HR system
    - Global Treasury back office
    - Payments system
- **Staff development**
- **Solid ground for expansion to new markets**
- **Effective and competitive in the international arena**

# Successfully expand recently established Russian banking subsidiary

## Reminder of environment & Bank of Cyprus' competitive advantage

- **Environment**

- Real GDP growth estimated at 6,5%
  - Low banking penetration  
Loans/GDP=30%
  - Large population of 143mn
    - Moscow Metropolitan area (~10mn)
    - St. Petersburg (~5mn)
- 

- **Bank of Cyprus**

- Large customer base through international business in Cyprus
- Brand recognition
- 10-year presence through rep office

## Expansion of network and operations

### Plan for 2010

<b>Branch network</b>	<b>16</b>
Moscow	13
St Petersburg	3

*5 new branches in each of the following 3 years*

<b>Loan Portfolio (€mn)</b>	<b>2.500</b>
Corporate	75%
SMEs	20%
Retail	5%

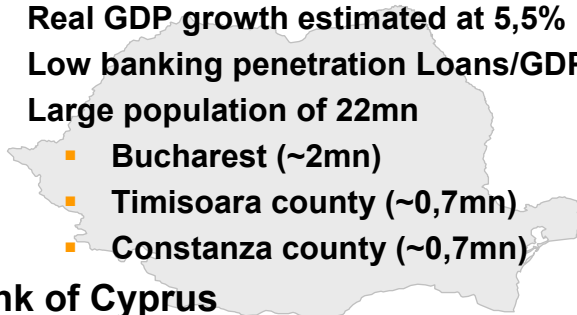
- Selective penetration of SME and retail sector in 2008
- Lending mainly in US\$ at healthy spreads ranging from 3-5%

# Selective Romanian expansion

## Reminder of environment & Bank of Cyprus' competitive advantage

### Environment

- Real GDP growth estimated at 5,5%
- Low banking penetration Loans/GDP=26%
- Large population of 22mn
  - Bucharest (~2mn)
  - Timisoara county (~0,7mn)
  - Constanza county (~0,7mn)



### Bank of Cyprus

- Existing customer base through Greek and Cyprus clientele
- Operational synergies with Greece and Cyprus
- Successful Greece greenfield experience

## Expansion of operations

### Plan for 2010

#### Branch network

**40**

Bucharest	22
Other cities	18

*New branches: 7 in 2008, 15 in 2009, 15 in 2010*

#### Loan Portfolio (€mn)

**1.500**

Corporate	46%
SMEs	28%
Retail	26%

## BOC's focus areas in Romania

### Corporate banking

- Project financing
- Large syndicated deals
- Referrals from accounting and legal firms
- Referrals from companies consulting on EU programs

### Full retail infrastructure in mid-2008

- Target professionals
- Enter card market in 2008
- Internet banking in 2008
- Competitive pricing for first year of lending products

# Entering the Ukrainian market

## Reminder of environment & Bank of Cyprus' competitive advantage

- **Environment**
  - Real GDP growth estimated at ~6%
  - Low banking penetration Loans/GDP=60%
  - Large population of 46mn
- **Bank of Cyprus**
  - Existing customer base through international business in Cyprus

## Acquisition of AvtoZazBank

- **Completion expected in 1H08**
- **Highlights of AvtoZazBank**
  - Net Assets = €15mn
  - Loans = €85mn
  - Deposits = €82mn
  - 365 employees
  - 26 branches and 18 seasonal offices in 4 main regions

## Strategy

- **Incorporate AvtoZazBank in the Bank of Cyprus Group**
  - Systems
  - Culture
  - Products
- **Rationalisation of branch network**
  - Review and rationalise current network of AvtoZaz
  - Expand network
- **Extract value from existing client relationships of international business in Cyprus**
- **Loan portfolio to exceed €800mn by end-2010, according to preliminary plan**

# Possible acquisitions

## In parallel to organic growth plans

- **Continue to evaluate on an ongoing basis acquisition opportunities**
  - in targeted markets
  - aim of accelerating penetration
- **Available support for further expansion**
  - Strong capital base
  - Healthy liquidity
  - Undistributed profits projected to increase

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# Financial Targets 2008-2010

Financial results 2007 - Highlights

Success in beating targets

2008-2010 Strategic direction

**Financial targets 2008-2010**

*Appendix: Detailed financial information*

The targets and assumptions outlined in this section of the presentation assume that no acquisitions are made by Bank of Cyprus Group, other than the completion of the acquisition of AvtoZazBank in Ukraine

# Key targets 2008-2010

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**efficient**

**Cost to income ratio**  
(2010)

**<40%**

**value-adding**

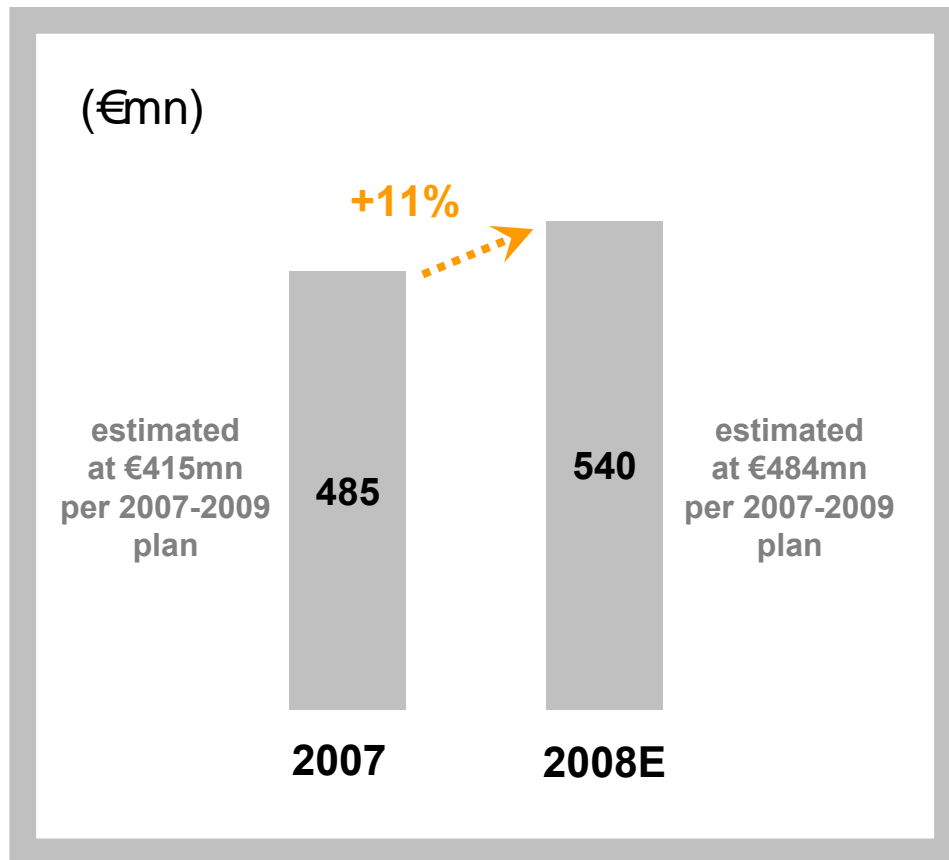
**Average return on equity**  
(2008-2010)

**26%**

**growing**

**Double loan portfolio**  
(2010)

# Profit target for 2008



- **Euro adoption in Cyprus on 1/1/2008**
  - Loss of foreign exchange and fee & commission income ~€20-25mn
- **Change of reference rate in Cyprus as of 1/1/2008**
  - ECB rate Vs CYP base rate (4,0% Vs 4,5%)
  - Inflexibility in using Euribor on existing loans
- **Significant investments in 2008 to deliver significant volume and profitability in next three years**
  - build infrastructure in the three new targeted markets
  - Expand network in Greece

## Profit target for 2009 and 2010

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**Increase in profit after tax  
for 2009 and 2010  
at rates >25% per annum**

# Targets 2008-2010

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<b>Cost to income ratio</b>	<b>&lt;40%</b>
<b>Average return on equity</b>	<b>26%</b>

## Average annual growth rates 2008-2010

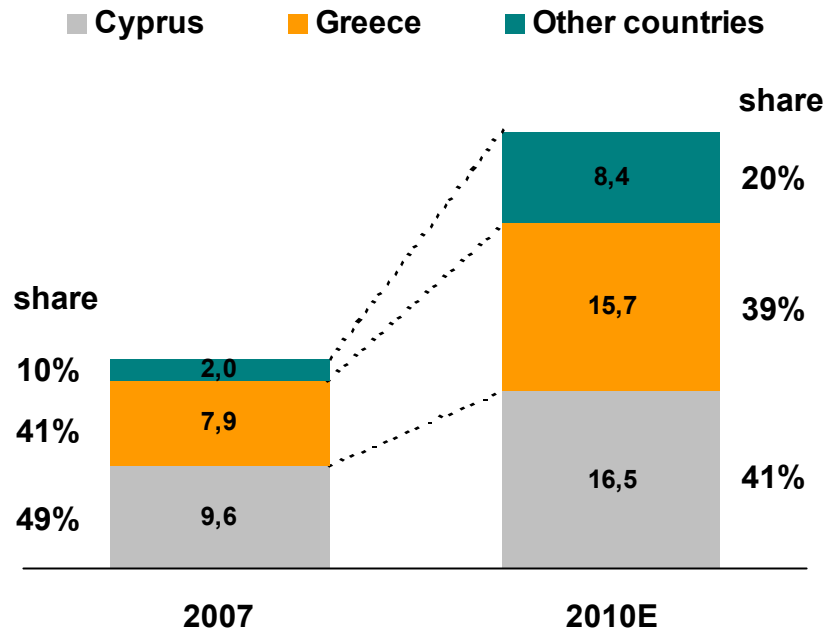
<b>Net interest income</b>	<b>21%</b>
<b>Total income</b>	<b>18%</b>
<b>Total expenses</b>	<b>12%</b>
<b>Loans</b>	<b>28%</b>
<b>Deposits</b>	<b>16%</b>

**Maintain strong capital adequacy ratio at levels >11%**

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# Loan portfolio – expected evolution

## Country analysis (€bn)



### In 2010

- Double portfolio size
- 20% of portfolio outside Cyprus and Greece

# Other assumptions of 2008-2010 plan

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## **Net interest margin**

**Drop in 2008 by 25 bp**

**Gradually recover in 2009 and 2010**

- Convergence of Cyprus Pound rate to ECB rate on 1/1/08
- Competitive pressures in Cyprus and Greece to be mitigated by entry into higher margin geographies

**Provision charge at 30 basis points of average loan balances**

**No issue of new shares**

# Value creation is our top priority

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**Clear  
strategic directions**

**Continue successful course  
through**

- **Autonomous growth**
- **Increased profitability**
- **Fast expansion in the new markets**
- **Remaining alert in grasping acquisition and strategic alliance opportunities**

**Maximise value for our shareholders**

# Contacts

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## Website

[www.bankofcyprus.com](http://www.bankofcyprus.com)

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# ***Appendix: Detailed Financial Information***

**Financial results 2007 - Highlights**

**Success in beating targets**

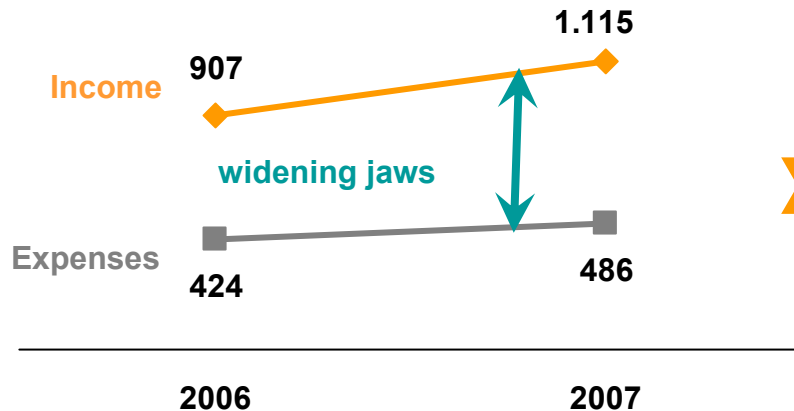
**2008-2010 Strategic direction**

**Financial targets 2008-2010**

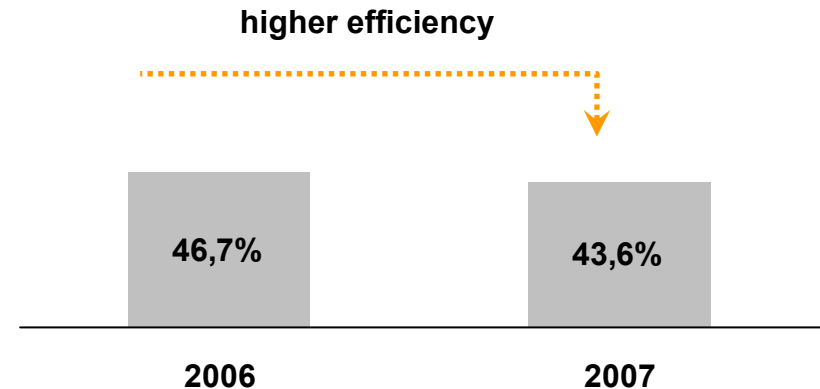
***Appendix: Detailed financial information***

# Spectacular efficiency improvement...

## Income vs. expense growth (€mn)



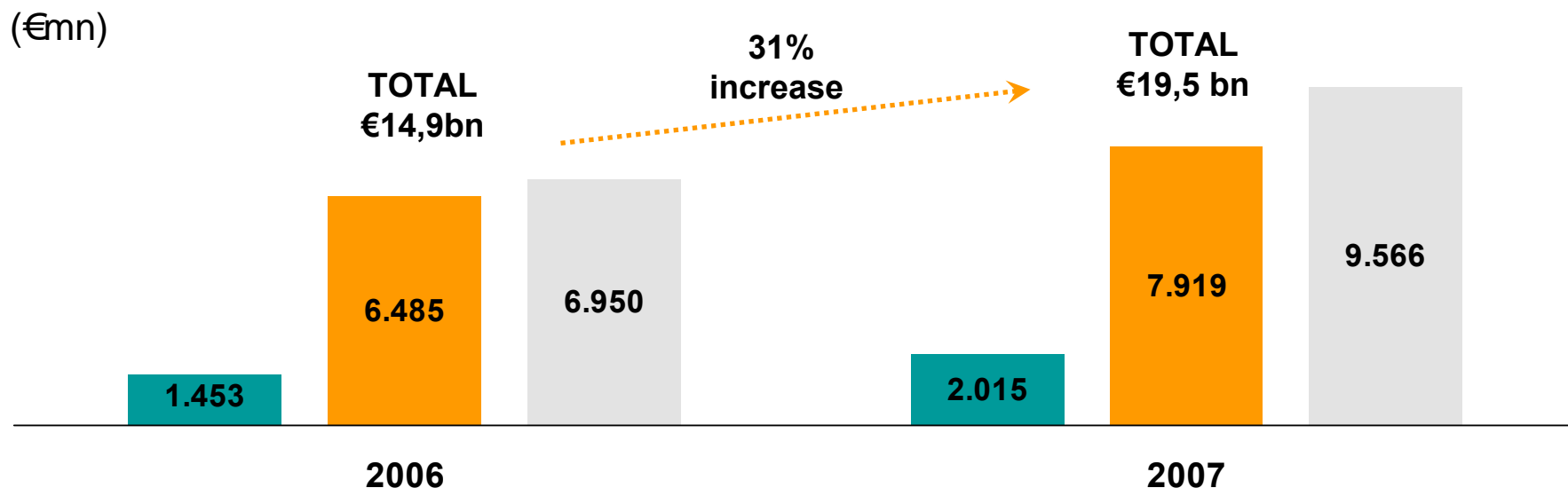
## Cost to income ratio



## Despite investments for future growth

- **Romania**
  - €6mn total costs in 2007  
Set-up costs of branches and leasing subsidiary
- **Russia**
  - €5mn total costs in 2007  
Set-up costs of corporate branch in Moscow
- **Greece**
  - Opening of 15 new branches in 2007
  - Staff recruitment, refurbishment, pre-opening period rentals

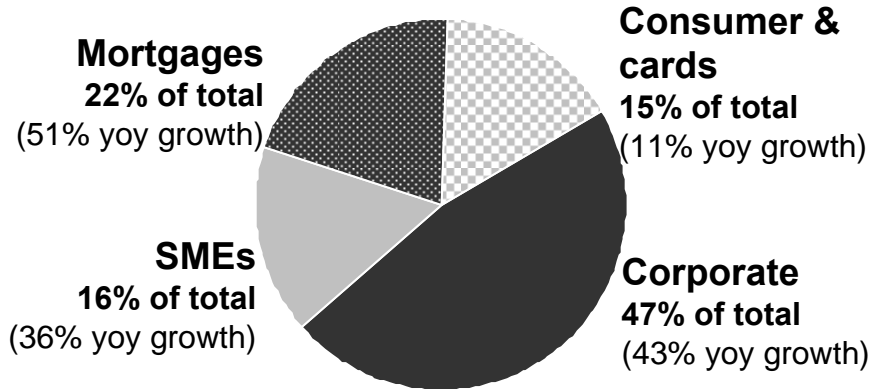
# Loans by geographic sector



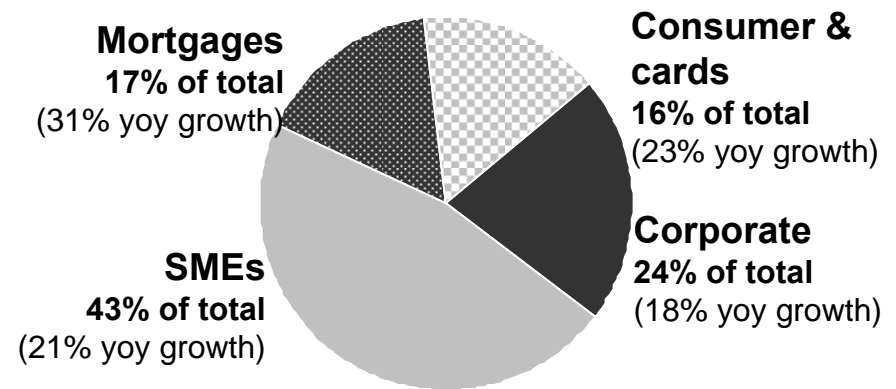
	2006	2007	Annual increase	Market share
	Share in the Group total			
■ Cyprus	47%	49%	38%	29,0%
■ Greece	43%	41%	22%	3,7%
■ Other countries	10%	10%	39%	
- United Kingdom	€1.165mn	€1.271mn	9%	
- Australia	€289mn	€401mn	39%	
- Romania	nil	€298mn		
- Russia	nil	€44mn		

# Well diversified loan portfolio

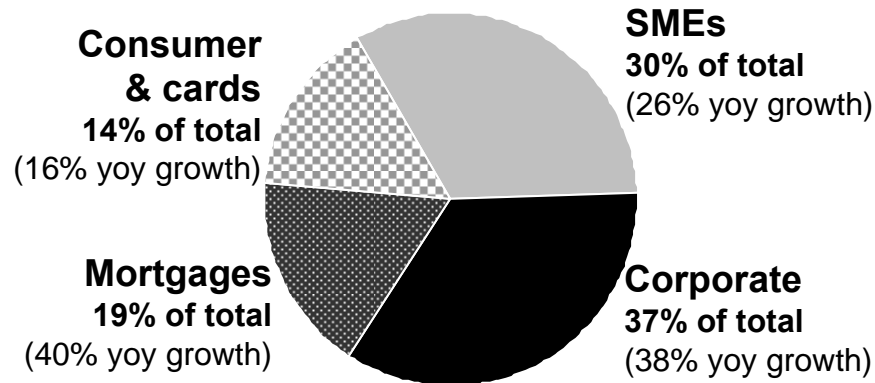
## Cyprus



## Greece



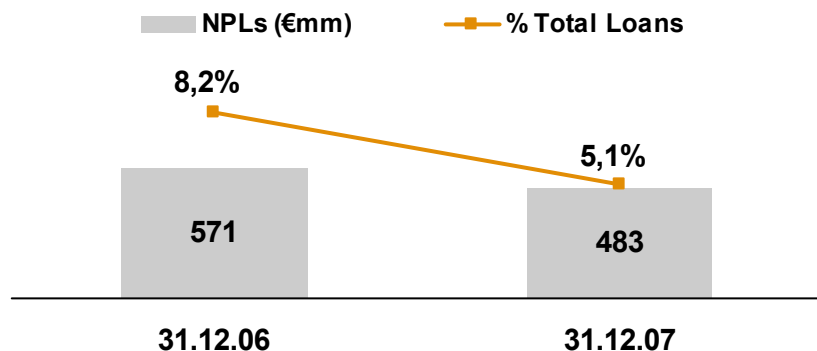
## Group



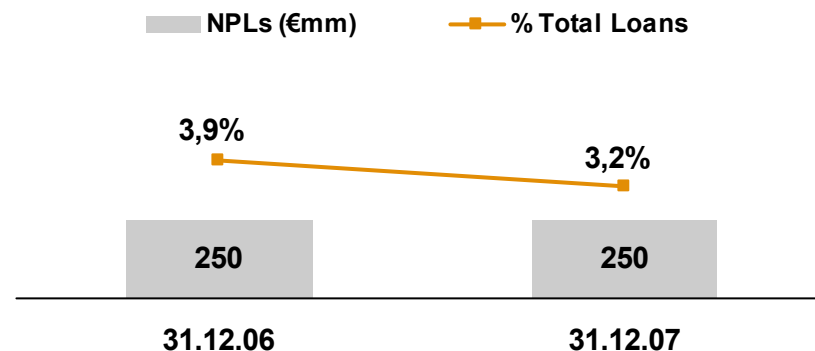
# Loan quality improved across the board

**Group NPL ratio improved to 3,8% (against 5,6% a year ago)**

## Cyprus NPLs development



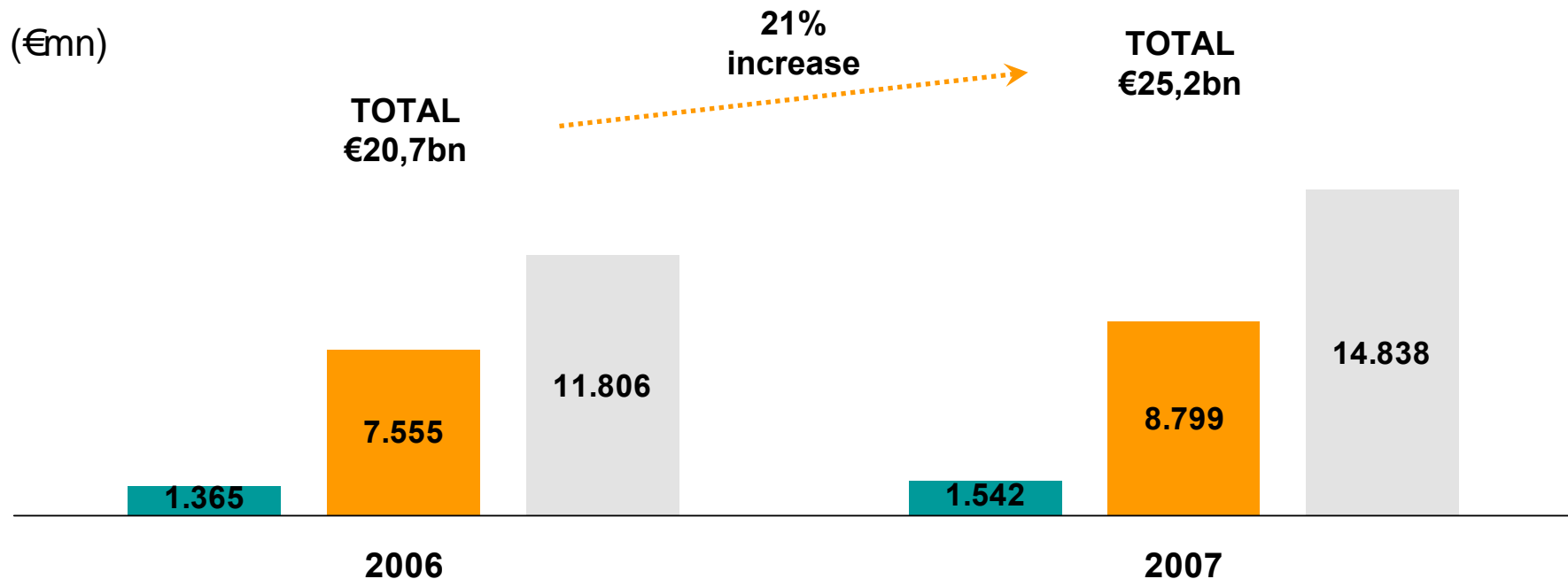
## Greece NPLs development



- **Best NPL ratio of all Cypriot banks**
- **High ratio by international standards**
  - Prolonged period for recovery of collateral

- **NPL ratio much better than average of banking system in Greece (5,1% at 30 June 2007)**
- **NPL improvement despite high growth rates**

# Deposits by geographic sector



	Share in the Group total		Annual increase	Market share
	2006	2007		
■ Cyprus	57%	59%	26%	31,6%
■ Greece	36%	35%	16%	3,6%
■ Other countries	7%	6%	13%	

# Cyprus operations delivered strong financial performance

(€mn)	FY07	FY06	% growth	4Q07	3Q07	% growth
Net interest income	435	341	+28%	116	111	+5%
Fees and commissions	135	120	+12%	36	36	0%
Income from insurance operations	47	40	+18%	13	12	+12%
Profit from disposal and revaluation of financial instruments	28	30	-7%	(5)	21	-126%
Foreign exchange and other income	75	47	+61%	22	22	-4%
<b>Total income</b>	<b>720</b>	<b>578</b>	<b>+25%</b>	<b>182</b>	<b>202</b>	<b>-10%</b>
Staff costs	(181)	(176)	+3%	(49)	(44)	+11%
Other operating expenses	(89)	(80)	+12%	(26)	(22)	+17%
<b>Total expenses</b>	<b>(270)</b>	<b>(256)</b>	<b>+6%</b>	<b>(75)</b>	<b>(66)</b>	<b>+13%</b>
Provisions for impairment of loans and advances	(25)	(45)	-43%	(9)	(6)	+62%
Share of profit of associate	9	0		0	2	
Profit before tax	434	277	+56%	96	132	-27%
Tax	(52)	(36)	+43%	(12)	(12)	-2%
Minority Interest	(5)	0		0	(2)	
<b>Profit after tax</b>	<b>377</b>	<b>241</b>	<b>+56%</b>	<b>84</b>	<b>118</b>	<b>-29%</b>
Net Interest Margin	2,53%	2,38%	+15 b.p.			
Return on Equity	47,2%	35,5%	+11,7 p.p.			
Cost/Income	37,6%	44,3%	-6,7 p.p.			

# Greek operations experienced strong performance enhancement

(€mn)	FY07	FY06	% growth	4Q07	3Q07	% growth
Net interest income	276	238	+16%	70	71	0%
Fees and commissions	51	42	+20%	15	13	+12%
Income from insurance operations	9	5	+82%	3	2	+23%
Profit from disposal and revaluation of financial instruments	0	2	-96%	1	(6)	-114%
Foreign exchange and other income	4	3	+67%	1	1	-3%
<b>Total income</b>	<b>340</b>	<b>290</b>	<b>+17%</b>	<b>90</b>	<b>80</b>	<b>+12%</b>
Staff costs	(92)	(72)	+28%	(27)	(21)	+25%
Other operating expenses	(81)	(66)	+23%	(21)	(23)	-10%
<b>Total expenses</b>	<b>(173)</b>	<b>(138)</b>	<b>+25%</b>	<b>(48)</b>	<b>(45)</b>	<b>+7%</b>
Provision for bad debts	(30)	(58)	-48%	5	(12)	-139%
Profit before tax	137	94	+45%	47	24	+99%
Tax	(37)	(30)	+21%	(17)	(5)	+248%
Profit after tax	100	64	+57%	30	19	+61%
<b>Net Interest Margin</b>	<b>2,87%</b>	<b>3,14%</b>	<b>-27 b.p.</b>			
<b>Return on Equity</b>	<b>19,3%</b>	<b>14,0%</b>	<b>+5,3 p.p.</b>			
<b>Cost/Income</b>	<b>50,9%</b>	<b>47,7%</b>	<b>+3,2 p.p.</b>			

# Operations in Other Countries

(€mn)	FY07	FY06	% growth	4Q07	3Q07	% growth
Net interest income	41	35	+19%	11	12	-5%
Fees and commissions	12	10	+21%	3	3	+1%
Profit from disposal and revaluation of financial instruments	1	(7)	-111%	0	0	-403%
Foreign exchange and other income	0	1	-74%	0	0	-51%
<b>Total income</b>	<b>54</b>	<b>39</b>	<b>+40%</b>	<b>14</b>	<b>15</b>	<b>-3%</b>
Staff costs	(22)	(18)	+23%	(6)	(6)	-3%
Other operating expenses	(20)	(11)	+82%	(6)	(5)	+14%
<b>Total expenses</b>	<b>(42)</b>	<b>(29)</b>	<b>+29%</b>	<b>(12)</b>	<b>(11)</b>	<b>+5%</b>
Provision for bad debts	(1)	2	-121%	0	0	
Profit before tax	11	12	-5%	2	4	-37%
Tax	(3)	(4)	-15%	(1)	(1)	+105%
Profit after tax	8	8	+2%	1	3	-64%
<b>Net Interest Margin</b>	<b>1,85%</b>	<b>1,97%</b>	<b>-12 b.p.</b>			
<b>Return on Equity</b>	<b>6,9%</b>	<b>8,6%</b>	<b>-1,7 p.p.</b>			
<b>Cost/Income</b>	<b>68,7%</b>	<b>74,7%</b>	<b>-6,0 p.p.</b>			