

Group Financial Results for the quarter ended 31 March 2014

A Year After

Income Statement Review

Balance Sheet Review

Restructuring

Key Takeaways

Additional Information

30 May 2014

1Q2014 Financial Results - Highlights

Common Equity Tier 1 capital (CET1) ratio* improved to 10,6% driven by adoption of CRD IV/CRR methodology, deleveraging and 1Q2014 profitability

Group reports its first profit after seven consecutive loss making quarters. Profit from continuing operations and profit after tax of €72 mn and €31mn, respectively, for 1Q2014**

Loan quality stabilising; 90+DPD* loans reduced for the first time after sixteen consecutive quarterly increases**

Cyprus operations: Laiki integration almost complete, deleveraging proceeding quickly, reorganisation along business lines, increasing profitability

Improved liquidity, reduced Eurosystem funding, release of decree deposits ahead of plan

Improved operational efficiency with 1Q2014 cost to income ratio less than 40%

Good progress on overseas deleveraging: Ukraine, Banca Transilvania, loans in Serbia

Positive 1Q2014 results - Challenges remain

*As from 1 January 2014, the new Capital Requirements Regulations (CRR) and amended Capital Requirements Directive IV (CRD IV) became effective. The adoption has had a 0,3 percentage points positive impact on the Group's CET1 ratio.

** Defined as profit after tax and before restructuring costs and discontinued operations

*** 90+ DPD are loans with a specific provision and loans past-due for more than 90 days.

Agenda

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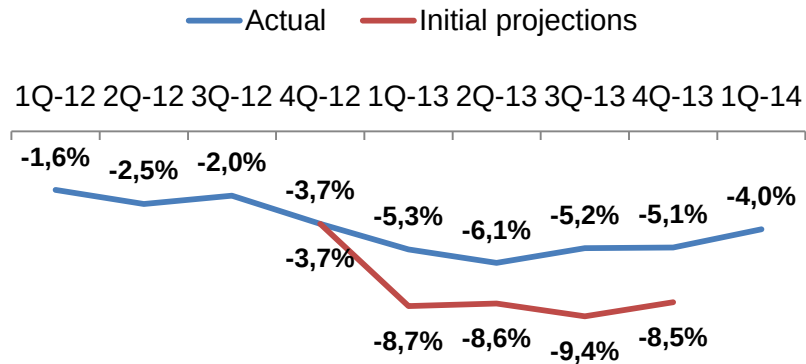
Following the Eurogroup decisions to recapitalise Bank of Cyprus (Bank) via a bail-in of depositors, the Bank was placed under resolution from 25 March 2013 until 30 July 2013, a period during which it was recapitalised and restructured in accordance with the decrees issued by the Central Bank of Cyprus in its capacity as Resolution Authority. 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. In this context, the Bank acquired the operations of Cyprus Popular Bank Public Co Ltd (Laiki Bank) in Cyprus. Hence the financial results of Laiki Bank are fully consolidated as from the date of the transfer, 29 March 2013. The Bank has completed the fair valuation of the assets and liabilities acquired from Laiki Bank and has included final amounts and all the final adjustments on net assets of €7,1 mn were recognised retrospectively as if the accounting recognition of a business combination was completed on the acquisition date.

The Ukrainian operations sold in April 2014 are classified as discontinued operations in 1Q2014 with comparatives being restated for comparison purposes. The Consolidated financial statements of the Group have not been reviewed by the Bank's external auditors.

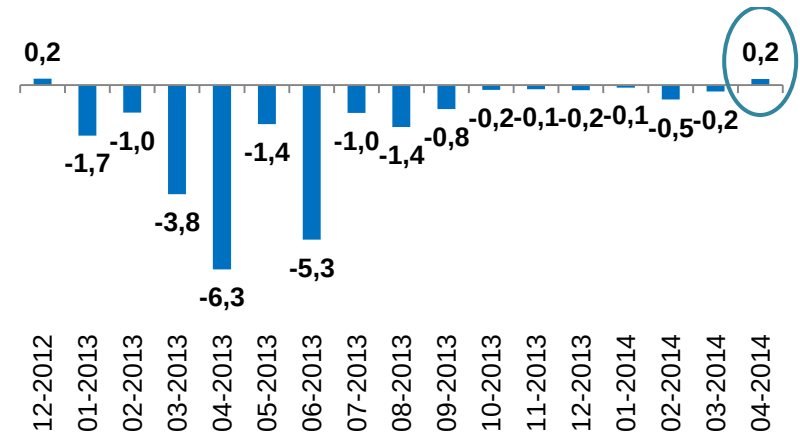
A Year After: Cyprus economy

Resilient Cyprus economy - Economic performance exceeds expectations

GDP growth quarterly: actual vs projections



Banking system deposit flows (€ bn)

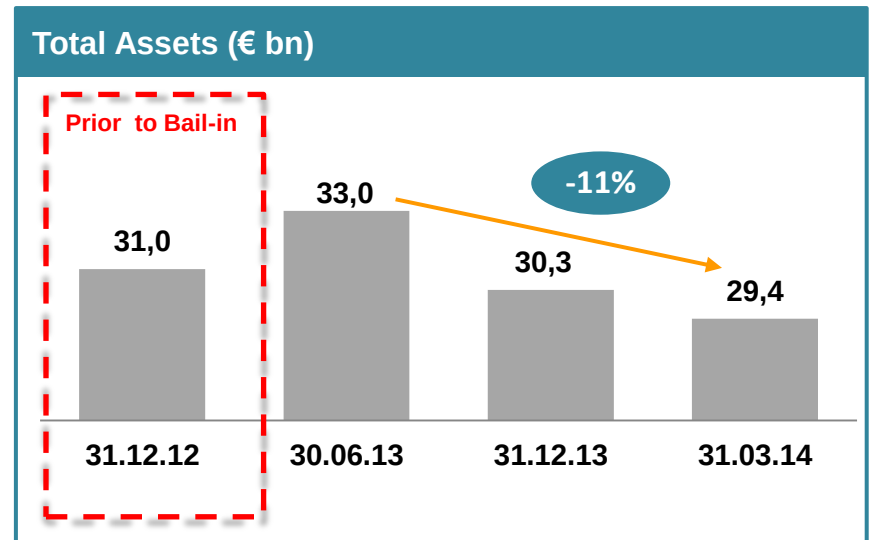
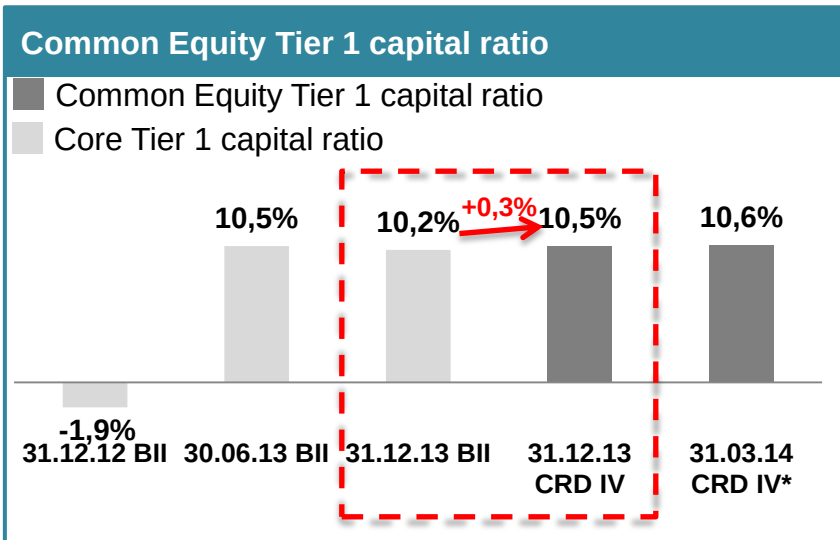


- GDP contraction less severe than originally anticipated
- Banking system deposit outflows significantly abated in 2014; the first monthly increase in banking system deposits recorded in April 2014 since December 2012
- Republic of Cyprus sovereign ratings upgraded for the first time after 15 consecutive downgrades

Positive 4th Troika review: ... "Cyprus' program remains on track. Fiscal targets met with considerable margin... Progress has been made with the recapitalisation and consolidation of the cooperative credit banking sector...banks are advancing with their restructuring plans." Troika statement 17/05/2014

A Year After: BOC Group

Strengthened capital position – Deleveraging progressing quickly



- Common Equity Tier 1 capital (CET1) ratio increased by 0,3 percentage points due to CRD IV adoption as from 1 January 2014
- During 1Q2014, CET1 ratio improved to 10,6% due to deleverage and profitability
- Balance Sheet reduced by €3,6 bn (11%) since June 2013; 1Q2014 reduction of €964 mn
- Deleveraging actions of April and May 2014 have a 0,3 percentage points positive impact on the CET1 ratio

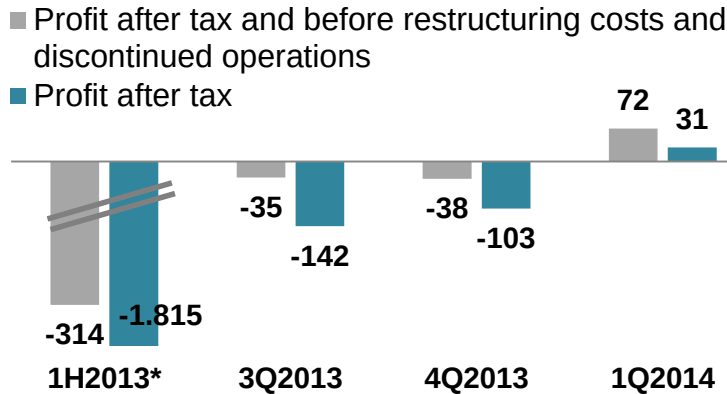
The Group will continue to enhance its liquidity and capital position throughout 2014

* Includes unaudited profits for the quarter amounting to €18 mn.

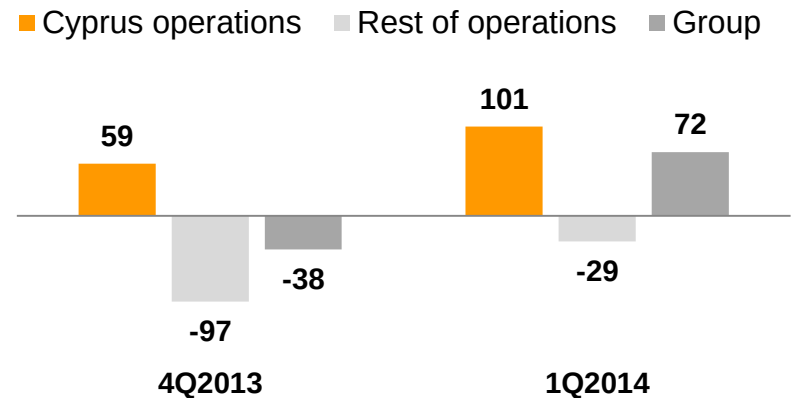
A Year After: BOC Group

1Q2014 profitable – Cyprus operations main engine for Group profitability

Group Profitability (€ mn)



Profit after tax and before restructuring costs and discontinued operations (€ mn)



- 1Q2014 Group profit after tax and before restructuring costs and discontinued operations (profit from continuing operations) at €72 mn
- 1Q2014 Group profit after tax at €31 mn; first profitable quarter since 1Q2012
- Cyprus operations are the main engine for Group profitability

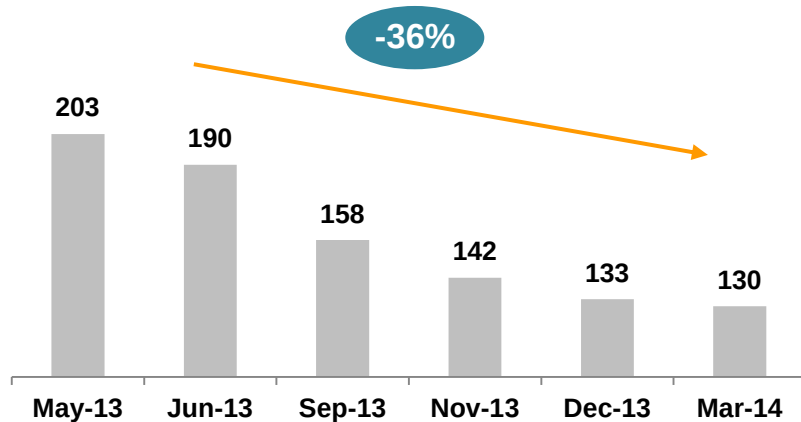
Profitable after seven consecutive quarterly losses

* Information for 1Q2013 and 2Q2013 is not available as it has not been possible to publish the financial results for the three months ended 31 March 2013.

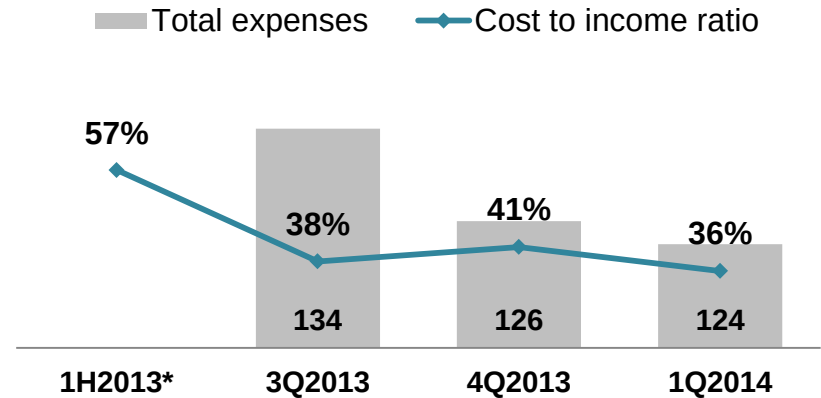
A Year After: BOC Group

Laiki integration on track - Significant reduction of operating expenses

Branch rationalisation – branch numbers



Cost to income ratio – Total expenses (€ mn)



- Branch rationalization almost completed with branch numbers reduced by 36%
- IT migration to be completed in early June 2014, with Laiki customers to be transferred to the Bank of Cyprus core banking system; IT migration to be completed faster than the average time needed for similar mergers in European banking
- 1Q2014 Total expenses reduced to €124 mn, with Group cost to income ratio hovering around 40%

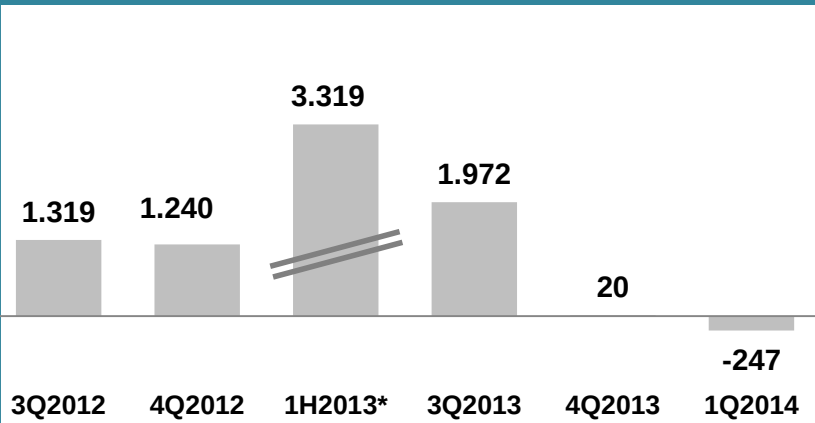
Cost efficiency measures close to completion; Seamless Laiki integration

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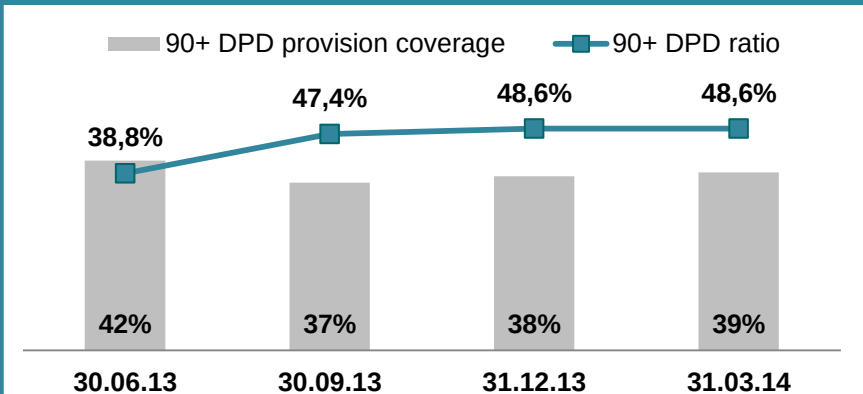
A Year After: BOC Group

Loan portfolio quality stabilizing, with 90+ DPD reduced for the first time

90+ DPD quarterly change (€ mn)



Loan Quality Indicators



- First quarterly decline in 90+ DPD following sixteen consecutive quarterly increases; too early to call this a sustainable trend
- Provisioning coverage improved to 39%
- Provisioning charges and cost of risk reduced to €146 mn and to 2,2% (on an annualised basis), respectively, for 1Q2014

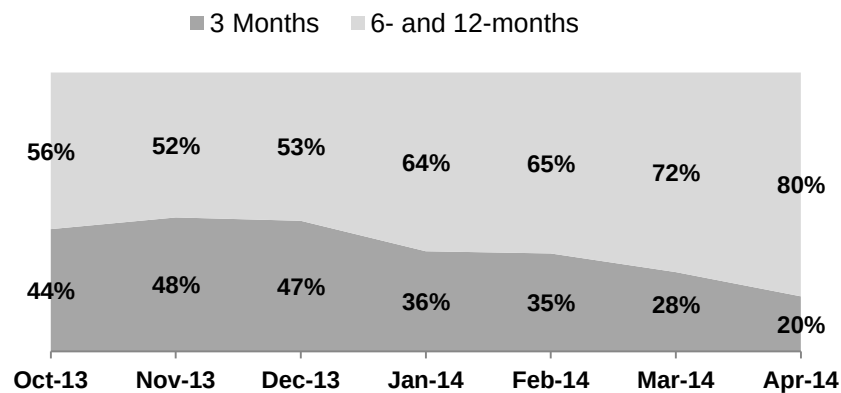
Restructuring and Recoveries Division set up and fully staffed: efforts beginning to yield results but imperative that the Bank is given the tools to engage effectively with borrowers

* Information for 1Q2013 and 2Q2013 is not available as it has not been possible to publish the financial results for the three months ended 31 March 2013.

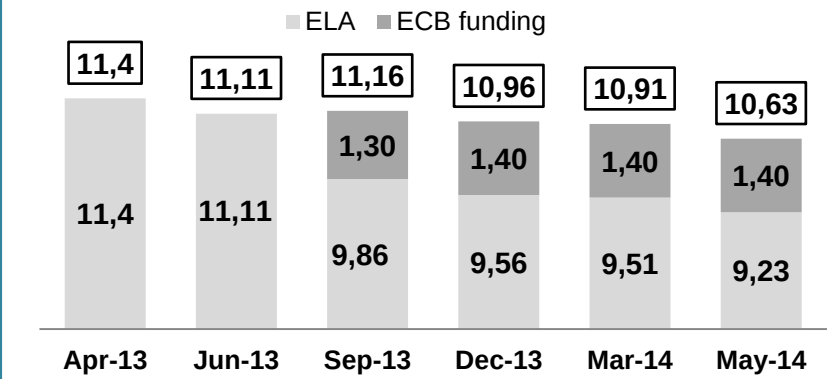
A Year After: BOC Group

Improved liquidity position - Reduced Eurosystem funding

Maturity analysis of New Accounts by Month*



Reduced Eurosystem funding



- Customer outflows have significantly abated
- Clients shifting their interest from the shorter term deposit accounts of 3-months to the longer term deposit accounts of 6- and 12-months
- Eurosystem funding reduced by €0,8 bn since peak and at the same time managing to absorb a significant reduction in customer deposits
- Release of 6- and 9-month decree deposits ahead of plan

Deposit base stabilizing signs; reduced Eurosystem funding, early release of decree deposits

* As per retail deposit campaign launched in October 2013

A Year After: BOC Group

Regaining customer trust by demonstrating solid and tangible progress

Capital

Capital position strengthened through deleverage and 1Q2014 profitability

Cyprus operations

Deleveraging proceeding quickly, reorganisation in core and non-core, main engine for Group profitability

Laiki integration

Branch rationalisation almost completed, IT migration will be completed early June; Significant improvement in efficiency

Restructuring and Recoveries Division

RRD set up and staffed, efforts are yielding results as 90+ DPD are reduced for the first time during 1Q2014

Funding

Eurosystem funding reduced by €0,8 bn since peak and signs of stabilising deposit base

Deleverage

Non-core asset disposal progressing fast: Ukrainian operations, investment in Banca Transilvania, loans in Serbia

Building customer trust and confidence

Financial Results 1Q2014 – Highlights

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Income Statement Review*

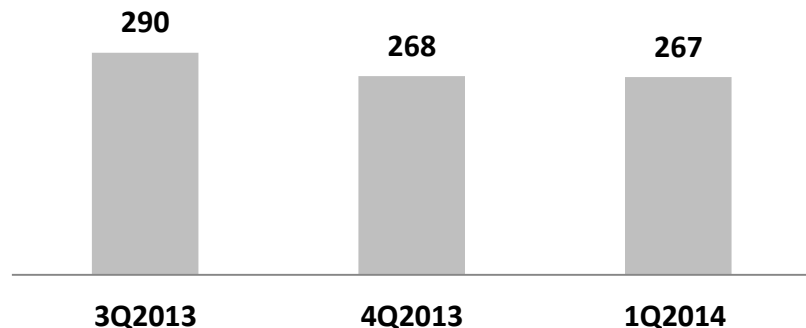
Selected lines from Income Statement (€ mn)	1Q2014	4Q2013	Change	3Q2013
Net Interest income	267	268	-	290
Net fee & commission income	45	43	+5%	41
Other income	28	(1)	n/a	24
Total income	340	310	+10%	355
Total expenses	(124)	(126)	-2%	(134)
Profit before impairments, restructuring costs and discontinued operations	216	184	+17%	221
Provisions for impairment of loans and advances	(146)	(229)	-36%	(258)
Share of profit/(loss) from associates	2	-	-	(5)
Profit/(loss) before tax, restructuring costs and discontinued operations	72	(45)	n/a	(42)
Tax	(2)	2	-	1
Loss attributable to non-controlling interests	2	5	-	2
Profit/(loss) after tax and before restructuring costs and discontinued operations	72	(38)	n/a	(39)
Restructuring costs	(5)	(15)	-	(107)
Loss from discontinued operations	(36)	(50)	-	-
Profit/(loss) after tax	31	(103)	n/a	(146)
Net interest margin	3,99%	3,80%	+19 b.p.	3,94%
Cost-to-Income (%)	36%	41%	-5 p.p.	38%

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

The Ukrainian operations sold in April 2014 have been classified as discontinued operations in 1Q2014.
Relevant reclassification made in previous quarters for comparison purposes.

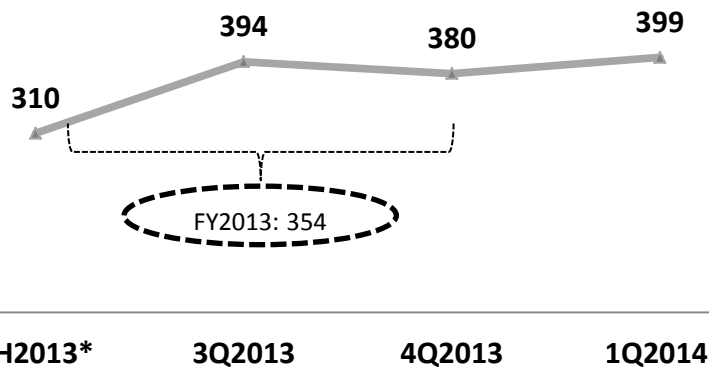
Net Interest Income (NII) and Net Interest Margin (NIM)

Net Interest Income (€ mn)



- 1Q2014 NII maintained at €267 mn (compared to €268 mn for 4Q2013). NII for 4Q2013 affected by lower customer spread compared to 3Q2013
- 1Q2014 Group NIM improved to 3,99% on the back of improved funding cost
- NII and NIM continue to be affected by conditions in Cyprus and by the fact that 37% of assets is funded by ELA and ECB funding

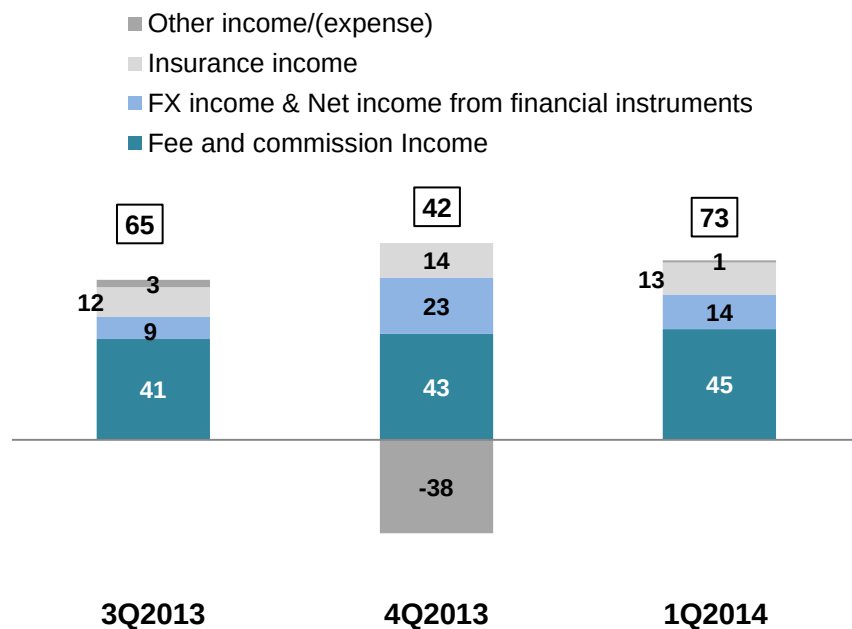
Net Interest Margin (bp)



* Information for 1Q2013 and 2Q2013 is not available as it has not been possible to publish the financial results for the three months ended 31 March 2013.

Analysis of Non Interest Income

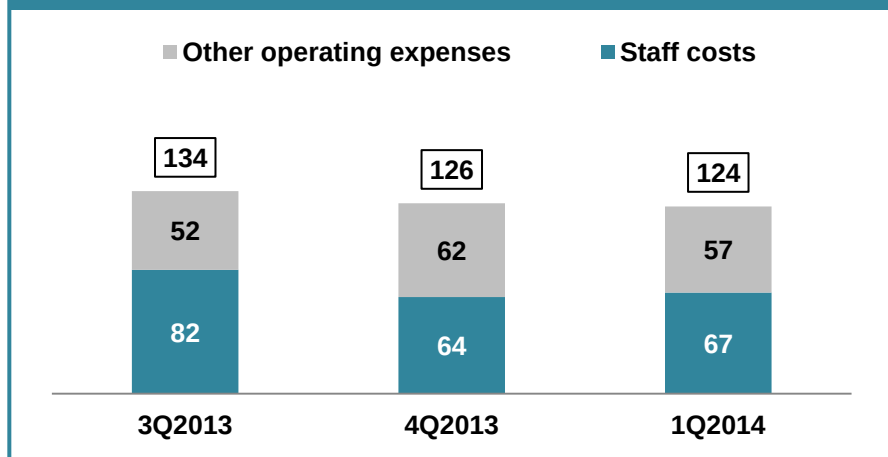
Quarterly Non Interest Income (€ mn)



- 1Q2014 Non interest income of €73 mn compared to €42 mn for 4Q2013;
- A 5% increase in fee and commission income during 1Q2014 relating to higher commissions in Cyprus
- All businesses are focusing on increasing fee income; e.g. International Banking Services (IBS), a significant contributor of fee income in the past, is making efforts to reactivate incoming and outgoing payments to boost fees
- 4Q2013 Other income affected by one-off losses on investment property revaluation of €42 mn
- Recurring income from insurance business reflecting the Group's leading position in the insurance business in Cyprus

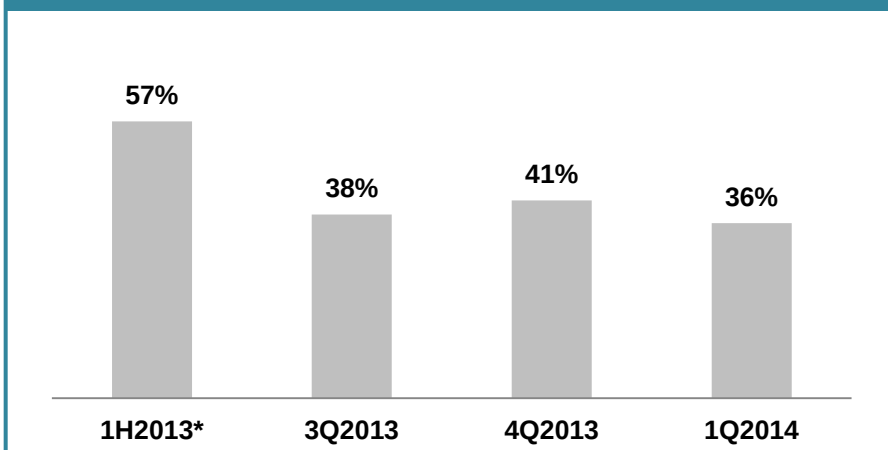
Total Expenses

Quarterly Total expenses (€ mn)



- 1Q2014 Total expenses of €124 mn compared to €126 mn for 4Q2013;
- Staff costs for 1Q2014 at €67mn. 4Q2013 staff costs positively affected by one-off items.
- The cost-to-income ratio has been reduced to 36% for 1Q2014 compared to 41% for the 4Q2013 and 38% for 3Q2013.

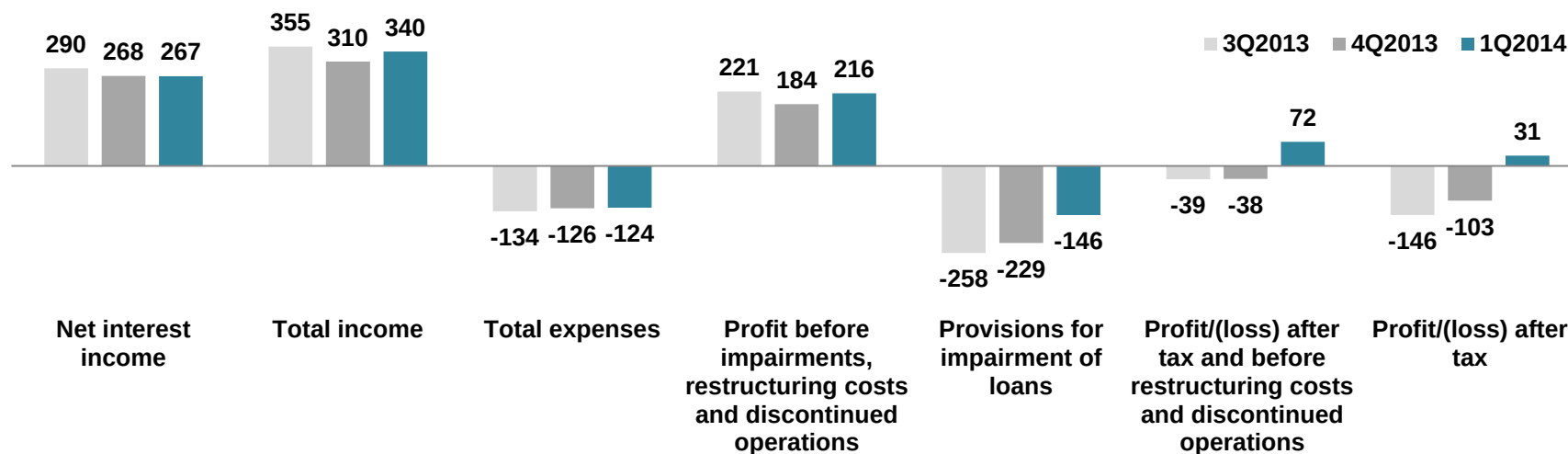
Group Cost to Income Ratio



* Information for 1Q2013 and 2Q2013 is not available as it has not been possible to publish the financial results for the three months ended 31 March 2013.

Group Income Statement Highlights

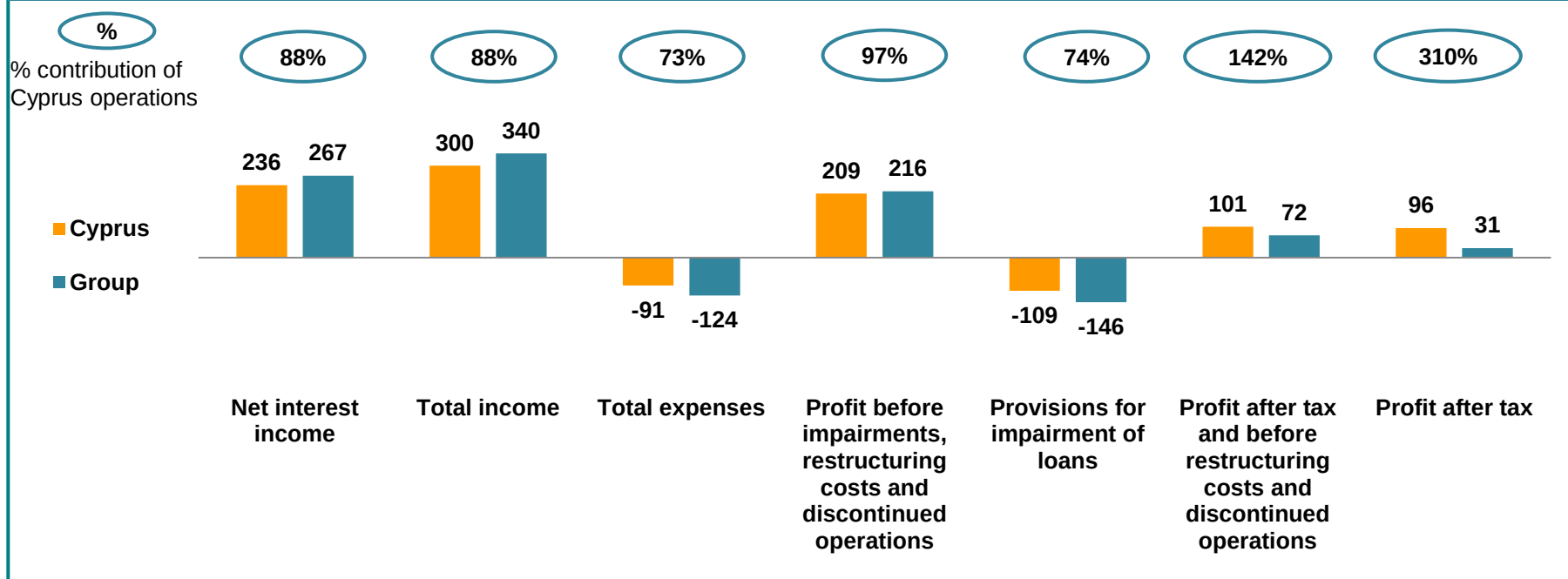
Group Income Statement Highlights (€ mn)



- 1Q2014 Total income of €340 mn
- 1Q2014 Profit before impairments, restructuring costs and discontinued operations of €216 mn, 17% higher compared to 4Q2013
- 1Q2014 Provisions for impairment of loans reduced to €146 mn, reflecting the stabilising signs in the loan portfolio quality
- 1Q2014 Profit after tax and before restructuring costs and discontinued operations of €72 mn compared to a loss of €38 mn for 4Q2013
- 1Q2014 Profit after tax of €31 mn, compared to a loss of €103 mn for 4Q2013

1Q2014 Income Statement Highlights: Group vs Cyprus

1Q2014 Group Income Statement Highlights (€ mn)



- Group profitability driven by core Cyprus operations
- Profit before impairments, restructuring costs and discontinued operations for the Cyprus operations of €209 mn for 1Q2014, compared to a Group total of €216 mn for the same quarter
- Profit after tax for the Cyprus operations of €96 mn for 1Q2014, compared to a Group total of €31 mn for the same quarter

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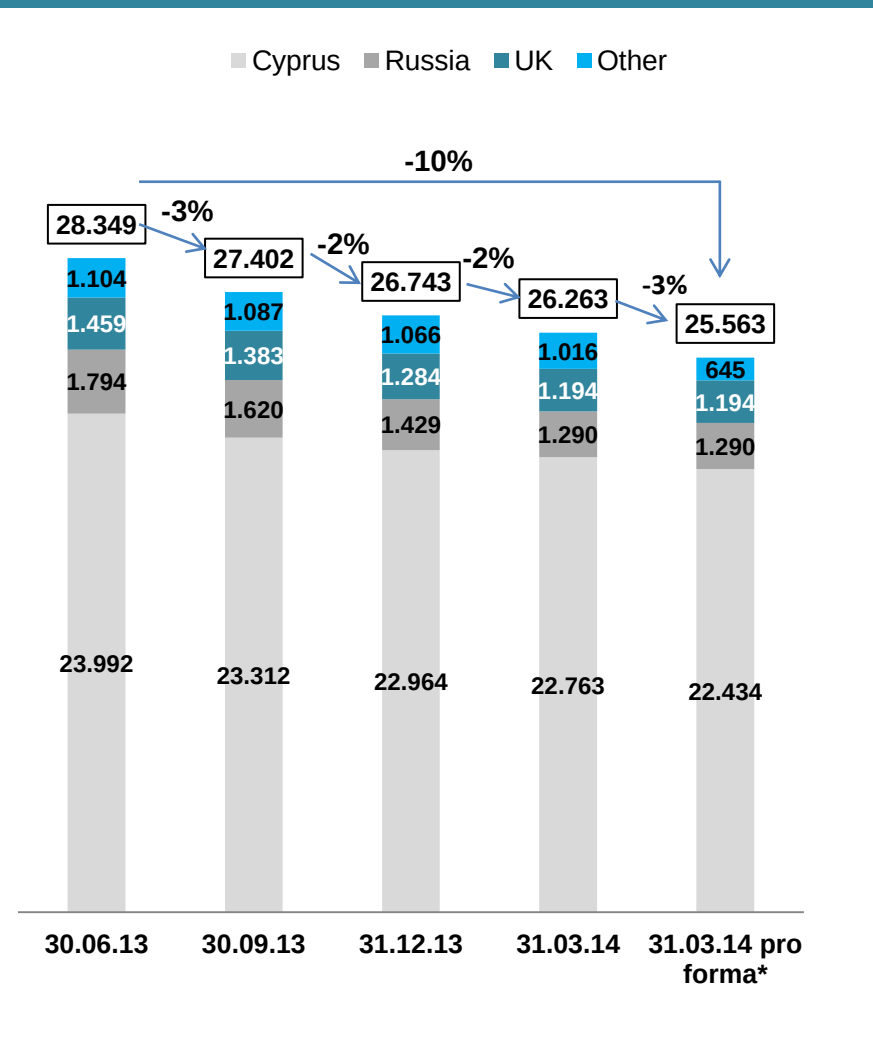
Additional Information

Shrinking to Strength

	31.12.13 € mn	31.03.14 € mn	Change € mn	Change %	
Cash & bank placements	2.530	2.105	-425	-16,8%	Reduction of cash and bank placements by €425 mn during 1Q2014; Disposal of Ukrainian operations, of investment in Banca Transilvania and of loans in Serbia enhances cash position during 2Q2014
Investments	3.433	3.475	+42	+1,2%	
Net Loans	21.764	21.234	-530	-2,4%	Reduction of net loans by €530 mn due to deleverage process, loan repayments and provisions
Other assets	2.622	2.564	-58	-2,2%	
Total assets	30.349	29.378	-971	-3,2%	
Customer deposits	14.971	14.066	-905	-6,0%	Deposit reduction reflecting 1Q2014 seasonality, payment of taxes, general negative publicity, release of 6m decree deposits and relaxation of restrictive measures
ECB funding	1.400	1.400	-	-	
ELA	9.556	9.506	-50	-0,5%	Reduction of ELA by €50 mn during 1Q2014. An additional reduction by €270 mn during 2Q2014
Interbank funding	790	753	-37	-4,7%	
					Interbank funding reduction by €37 mn
Other liabilities	895	894	-1	-	
Total equity	2.737	2.759	+22	+1%	
Total Liabilities and Equity	30.349	29.378	-971	-3,2%	
Common Equity Tier 1 capital ratio (CRD IV)	10,5%	10,6%	+0,1%		Enhancement of CET1 ratio by 0,1%
Leverage ratio (Assets/Equity)	11,1x	10,6x	-0,5		Improvement of Leverage ratio by 0,5

Gross Loans

Gross Loans by Geography (€ mn)

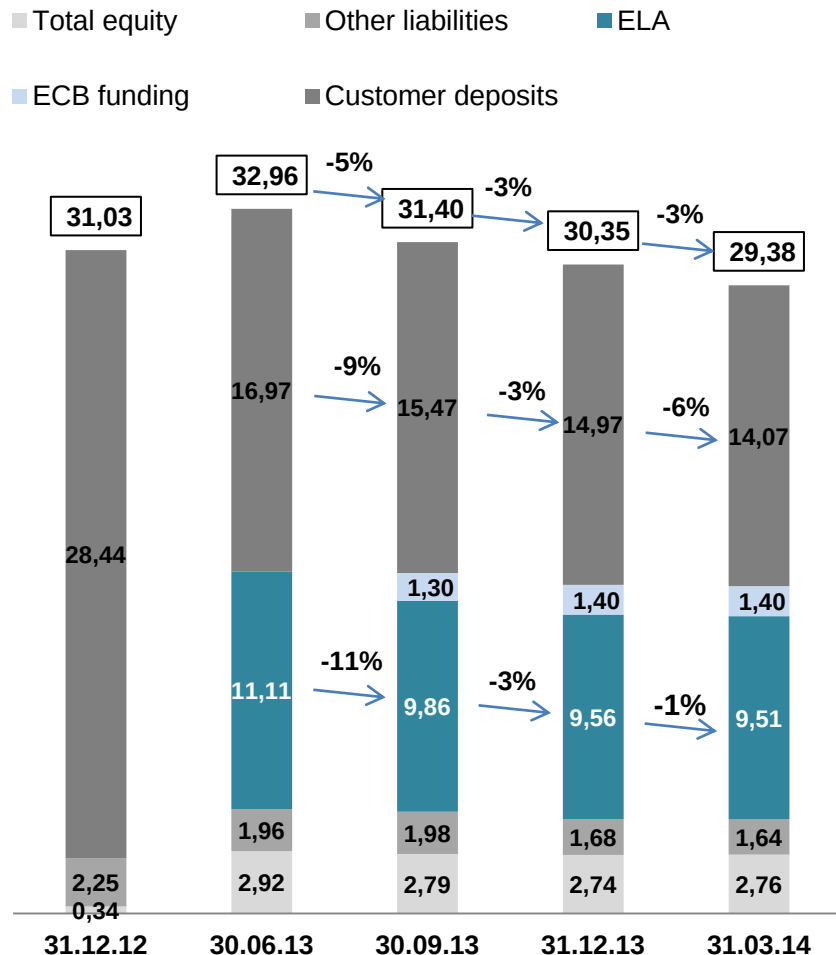


- Stable reduction of Gross Loans on a quarterly basis
- Following the deleveraging actions completed in April and May 2014, Gross Loans are reduced by a further 3%
- Overall, a reduction of 10% in gross loans since June 2013

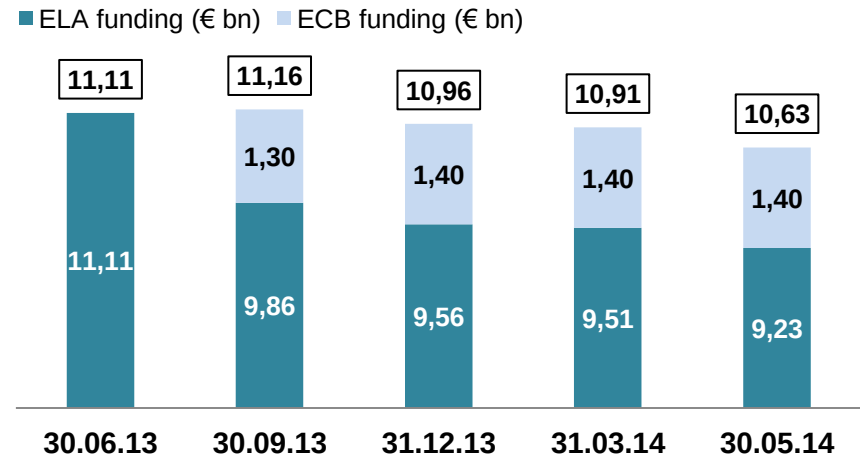
* Pro forma for the deleveraging actions completed in April and May 2014

Funding Structure

Analysis of Liabilities and Equity (€ bn)



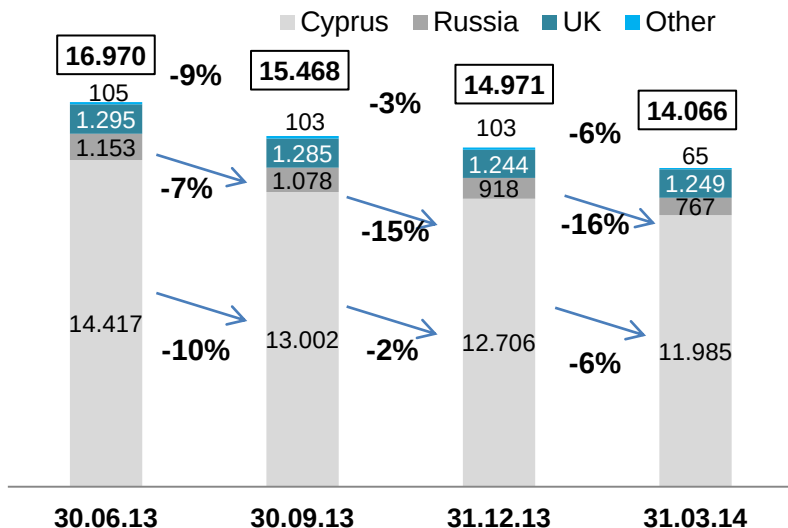
Funding from Central Banks



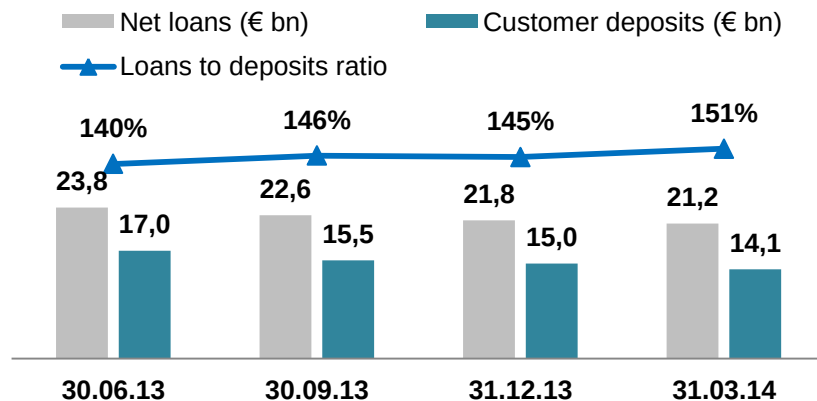
- Funding structure dented by the bail-in and the acquisition of Laiki
- At 31 March 2014 Eurosystem funding at €10,91 bn, with ELA at €9,51 bn and ECB funding at €1,4 bn;
- At 30 May 2014 Eurosystem funding at €10,63 bn, with ELA at €9,23 bn and ECB funding at €1,4 bn
- The Group has reduced its Eurosystem funding by €0,8 bn since peak and at the same time managed to absorb a significant reduction in its deposit base

Customer Deposits

Deposits by Geography (€ mn)



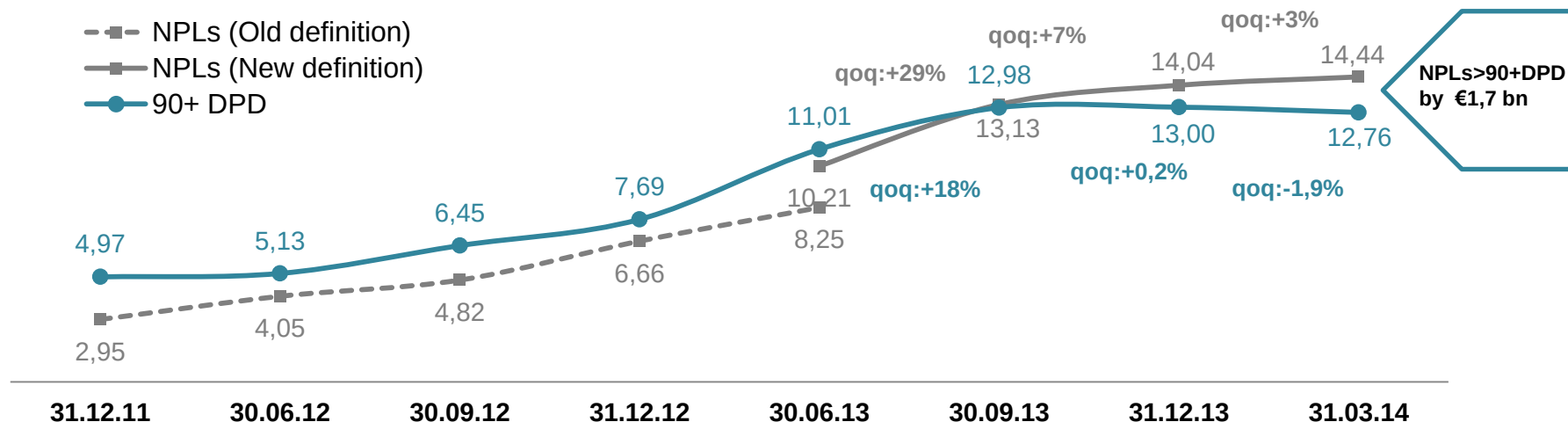
Loans to deposits ratio



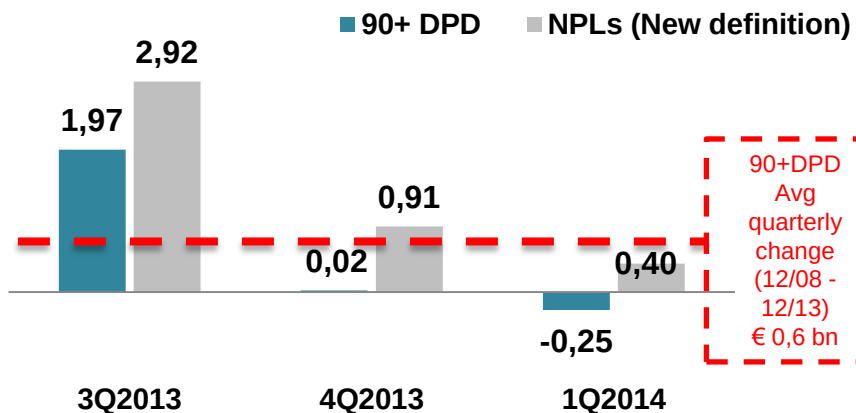
- Deposits in Cyprus and Russia declined in 1Q2014 whereas deposits in the UK remain stable
- Group deposits declined by 6% during 1Q2014, compared to a reduction of 3% during 4Q2013
- Deposits in Cyprus were affected by seasonality, payment of taxes and dividends, the release of the 6-month decree deposits and the general relaxation of restrictive measures
- Loans to deposits ratio at 151% at 31 March 2014 ; Following deleverage actions completed in April and May 2014 the loans to deposits ratio stands at 148%

Loan Quality

Problem Loans (€ bn)



Quarterly change in problem loans (€ bn)



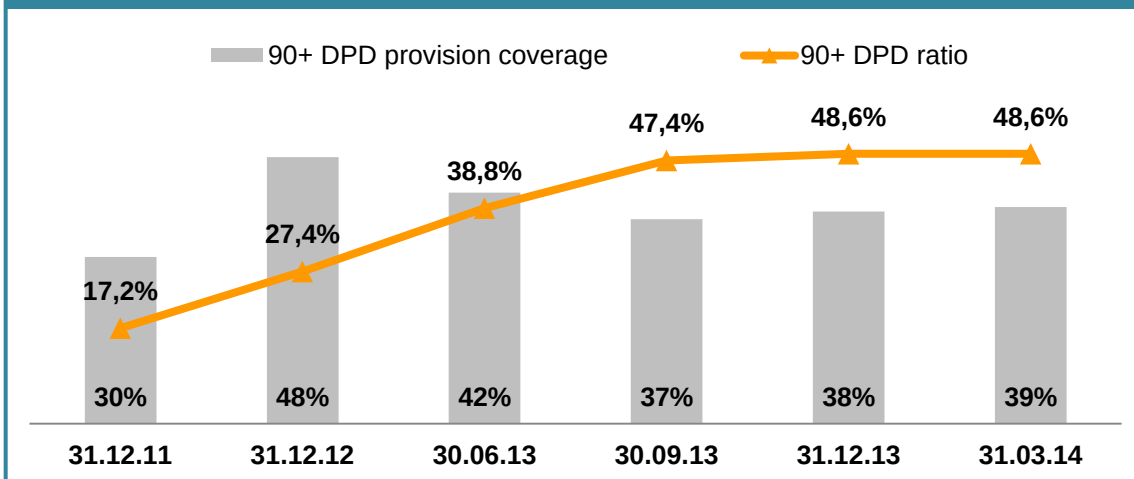
- 90+ DPD* reduced by €247 mn during 1Q2014; too early to ascertain whether a sustainable trend
- First quarterly reduction after sixteen consecutive quarterly increases
- New-definition NPLs continue to rise as restructured loans remain classified as NPLs for longer
- NPLs growth rate decelerated to 3% for 1Q2014 (vs. 4Q2013 growth rate of 7%)

* 90+ DPD are loans with a specific provision (i.e. impaired loans) and loans past-due for more than 90 days as per IFRS.

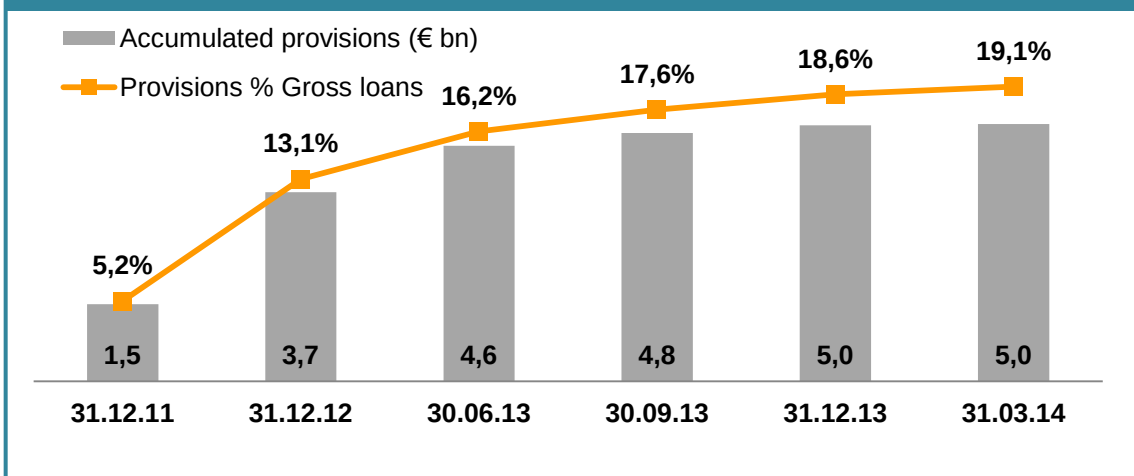
Loan Quality

Trends in 90+DPD and provisions

Group loan quality indicators



Accumulated provisions

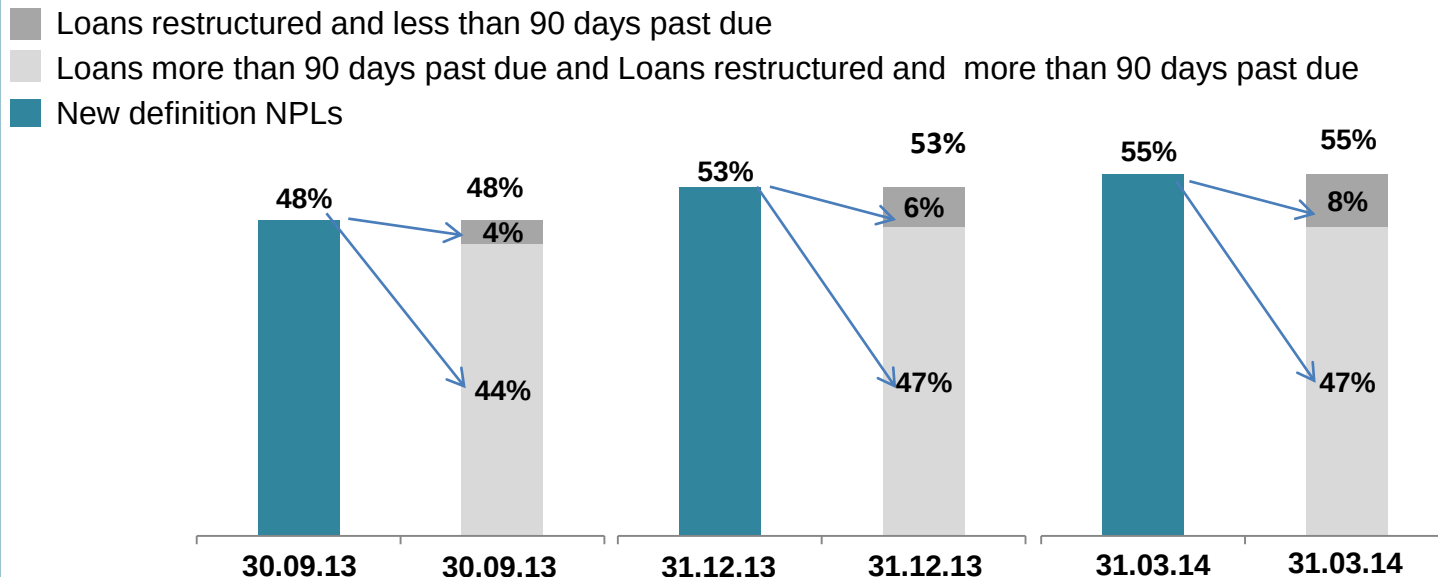


- 90+ DPD ratio at 48,6%;
- 90+ DPD provision coverage improved to 39%; Taking into account tangible collateral, 90+ DPD are fully covered
- Accumulated provisions at €5,0 bn or 19,1% of gross loans
- Conservative provisioning assessment took into consideration the further expected decline in collateral 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 realization of the collateral and for taxes and expenses on the repossession and subsequent sale of the collateral

Loan Quality

Trends in Non-performing loans (New definition)

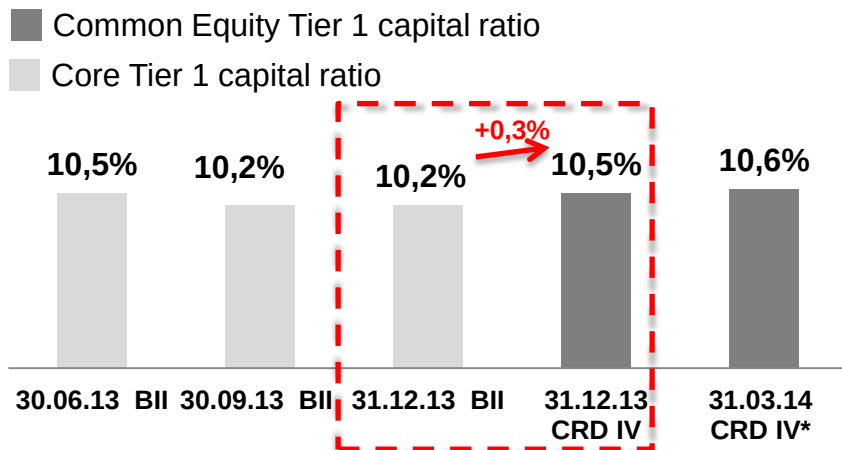
New definition of NPLs



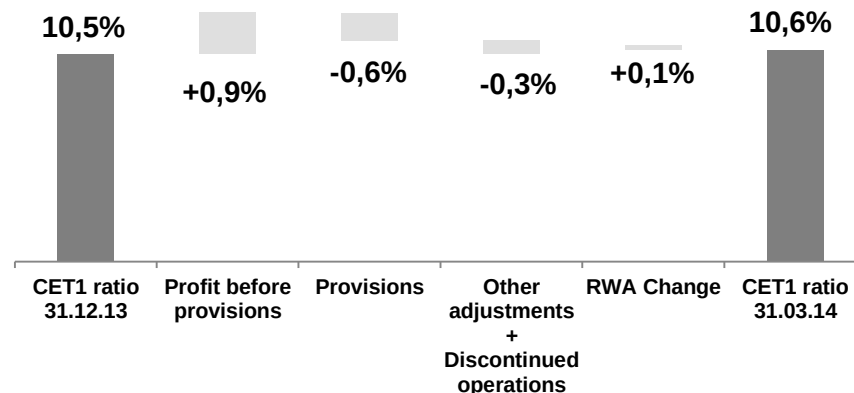
- New definition of NPLs as from 1 July 2013; new definition NPLs ratio at 55% at 31 March 2014
- With restructured loans remaining classified as NPLs for a longer period, there will be a growing difference between 90+ DPD and NPLs in the future
- NPLs provisioning coverage ratio at 35% at 31 March 2014; taking into account tangible collateral, NPLs are fully covered
- At 31 March 2014, the NPLs ratio comprises **Loans restructured and less than 90 days past due** (8% of gross loans) and **Loans more than 90 days past due and Loans restructured and more than 90 days past due** (47% of gross loans)

Capital Position – Under CRD IV/CRR

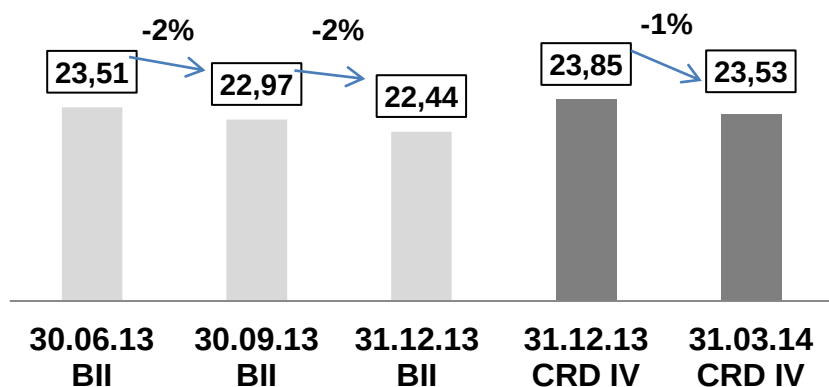
Common Equity Tier 1 capital (CET1) ratio



Evolution of CET1 ratio



Risk weighted assets (RWA)



* Includes unaudited profits for the quarter amounting to €18 mn.

- Group's provisional capital position based on CRD IV/CRR, by applying the new rules including the transitional arrangements introduced on 1 January 2014 (see appendix for more information)
- CET1 ratio improved to 10,6% at 31 March 2014**, up from 10,5% at 31 December 2013
- The combined impact of the deleveraging actions completed in April and May is an improvement of 0,3 percentage points on the **CET 1 ratio**
- Steady risk weighted asset reduction** on a quarterly basis for the past 3 quarters

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Restructuring Plan charts future strategic direction

Restructuring Plan objectives

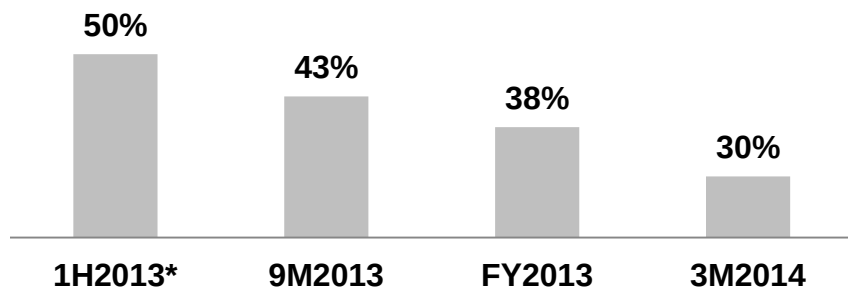
- Restoring trust and confidence of both depositors and investors
- Preserving status as the cornerstone of the domestic economy, continuing to support businesses and households
- Building a resilient institution, able to effectively manage its portfolio of assets and withstand further external shocks and economic turbulence
- Smoothly integrating ex-Laiki operations, to maximise bottom-line impact through synergies

Key pillars of BoC's strategy

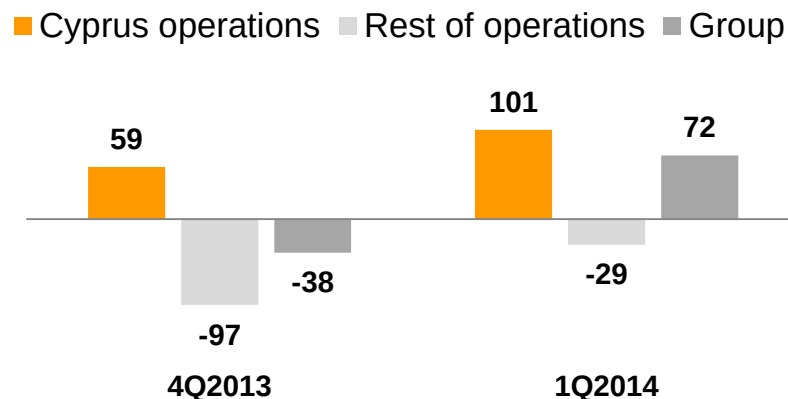
- Redefine the Group's **business model and objectives**:
 - Revamp **domestic core business lines** by protecting **deposits** through an enhanced service and product offering; focusing prudent **new lending** growth on the most promising business sectors for SMEs and Corporates and on lower-risk individual customers; enhancing **fee generation capacity** in International Banking Services, bancassurance and Financial Markets
 - Set up a **special projects division/ corporate finance unit** to maximise long-term value and **restructure** viable projects. This division has evolved into the Major Corporate Management Department and is part of the **Restructuring and Recoveries Division (RRD)**
 - Enhance **dedicated delinquency and recovery units** to effectively manage the non-performing portfolio. With the integration of the Major Corporate Management Department, the RRD is handling all activity related to (a) exposures greater than €100 mn, (b) debt restructuring, and (c) debt collection and NPLs recovery across all customer segments
- Implement a constrained Group **risk appetite** and strengthen **risk management** capacity, capabilities, processes and infrastructure
- Develop a **lean operating model** in distribution and central operations, capturing full synergies from the integration of ex-Laiki
- Normalise **funding** conditions, progressively reducing ELA funding
- Further **enhance capital position** by returning to profitability and taking restructuring measures, including the disposal of non-core operations

Restructuring of Cypriot operations

Cost to income ratio of Cyprus operations



Profit after tax and before restructuring costs and discontinued operations (€ mn)



- Integration of ex-Laiki business on track
- Branch network in Cyprus reduced to 130 branches from 203 branches in May 2013; 2 branches expected to close during 2014.
- Next milestone for the integration process is the unification of the IT banking system (early June 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 (FTE) reduction by 24% and staff costs by 35% on an annual basis
- Cost to income ratio of the Cyprus operations at 30% for 1Q2014; Cyprus operations drive Group profitability
- Changes in organizational structure for simplification and for organizing along functional, domestic, international and restructuring lines

* Information for 1Q2013 and 2Q2013 is not available as it has not been possible to publish the financial results for the three months ended 31 March 2013.

Creation of Restructuring and Recoveries Division

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 and NPLs recovery across all customer segments
- 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.

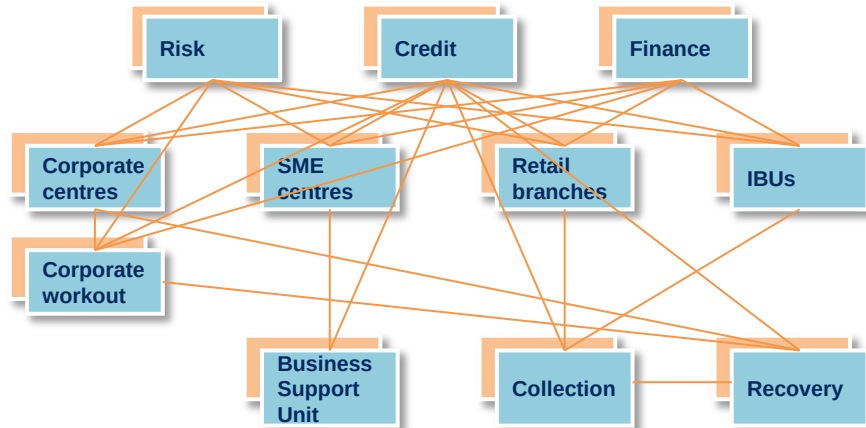
The establishment of a centralised arrears management unit is in line with the recently issued Directive on Arrears Management of 2013 issued by the Central Bank of Cyprus. The Directive includes inter alia a Code of Conduct on the handling of borrowers in financial difficulties, the development of a 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

Restructuring and Recoveries Division

The RRD has brought a major change in the way BOC is managing its delinquent portfolio

From...



175

FTEs focused on delinquency management, mainly focusing on recoveries and spread across Cyprus

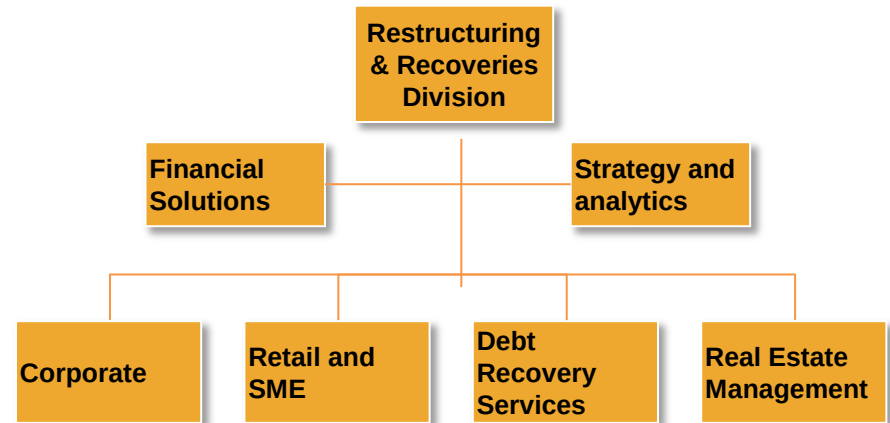
€5 bn

of portfolio under recoveries only was owned and managed by a dedicated division

3K

customers called through the call centers per month in November 2013

...to



450

FTEs with clear roles and responsibilities dedicated to NPL management

€12 bn

of delinquent portfolio managed by RRD separately from the business

12K

customers called through the call centers in March 2014

8

dedicated BSUs fully operational across Cyprus to manage delinquent SME customers

3

dedicated Corporate centers fully operational to manage delinquent corporate customers

1

Financial Solutions team working on corporate finance, asset disposal projects, etc

Bank of Cyprus



Deleveraging progressing ahead of plan

- **Deleveraging process through specific, deliberate and well-timed actions**, progressing ahead of plan:
 - Disposal of **Ukrainian business** completed
 - Sale of stake in **Banca Transilvania** completed
 - Sale **of loans to Rubne Koce Beograd** in Serbia completed
 - Combined impact of the above transactions is an improvement on the Group's CET1 ratio of 0,3 percentage points and an immediate improvement in Group liquidity by €350 mn post March 2014. The combined accounting loss of these transactions of about €40 mn, based on 31 March 2014 financial statements, will affect the Group's financial results for the second quarter of 2014.
- HSBC Bank plc engaged to offer **financial advise** concerning **sale of real estate-backed portfolio in the UK**
- **Progress** with the disposal of assets in Cyprus and overseas

Financial Results 1Q2014 – Highlights

A Year After

Income Statement Review

Balance Sheet Review

Restructuring

Key Takeaways

Additional Information

Key Takeaways

- **Leading financial institution** in an economy that has been proven quite resilient and is on the road to economic recovery
- MoU implementation on track with the **4th Troika review mission being another positive one**
- **Ahead of Restructuring Plan**, with Laiki integration on track to be completed with IT migration in early June 2014
- RRD up and running with **early signs that measures are yielding results**, despite the lack of the appropriate legal infrastructure
- **First profitable quarter** for the Group after seven consecutive quarterly losses
- Near completion of cost efficiency measures; Group **cost to income ratio reduced to around 40%**
- **Deposit base showing signs of stabilization**, with 1Q2014 deposit outflows influenced by seasonality, relaxation of restrictive measures and release of decree deposits
- **ELA funding reduced** through deleveraging actions
- **90+ DPD showing signs of stabilisation**, recording the first drop after sixteen consecutive quarterly increases; Provisioning coverage improving and cost of risk declining
- **CET1 ratio at 1Q2014 improved to 10,6%** driven by adoption of CRD IV, successful deleveraging efforts and 1Q2014 profitability
- Deleverage through **specific, deliberate and well-timed actions** that reduce risk profile, enhance liquidity and positively affect CET1 ratio by 0,3 percentage points post March 2014

Financial Results 1Q2014 – Highlights

A Year After

Income Statement Review

Balance Sheet Review

Restructuring

Key Takeaways

Additional Information

Key Information and contact details

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

Contacts

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Transition from CRD III to CRD IV/CRR

Provisional Capital base and Risk Weighted Assets from CRD III to CRD IV/CRR	
€ mn	
Core Tier 1 31.12.2013	2.282
Add back deductions (mainly investments in FSEs within 15% of CET1)	135
Other (mainly revaluation reserve available to cover risks or losses)	79
CET1 31.12.2013	2.496
Risk weighted assets per CRD III 31.12.2013	22.441
Less: deferred tax asset	(461)
Add: deferred tax asset and investment in FSEs up to 15% of CET1	936
Other credit risk increases of RWAs	933
Risk weighted assets per CRDIV/CRR 31.12.2013	23.849

Consolidated Balance Sheet

€ mn	% qoq	31.03.14	31.12.13
Cash and balances with Central Banks	-22%	964	1.240
Placements with banks	-12%	1.141	1.290
Debt securities, Treasury bills and equity investments	+1%	3.475	3.433
Net loans and advances to customers	-2%	21.234	21.764
Other assets	-2%	2.564	2.622
Total assets	-3,2%	29.378	30.349

€ mn	% qoq	31.03.14	31.12.13
Amounts due to banks	-13%	171	196
Funding from Central Banks	-	10.906	10.956
Repurchase agreements	-2%	582	594
Customer deposits	-6%	14.066	14.971
Debt securities in issue	-	1	1
Other liabilities	-	888	889
Subordinated loan stock	-	5	5
Total liabilities	-4%	26.619	27.612
Share capital	-	4.700	4.684
Shares subject to interim orders	-	46	59
Revaluation and other reserves	-	67	72
Accumulated losses	-	(2.124)	(2.152)
Shareholders' equity	+1%	2.689	2.663
Non controlling interests	-5%	70	74
Total equity	+1%	2.759	2.737
Total liabilities and equity	-3,2%	29.378	30.349

Loans and Deposits by Geography

Gross Loans by Geography			
€ mn	30.09.13	31.12.13	31.03.14
Cyprus	23.312	22.964	22.763
UK	1.383	1.284	1.194
Russia	1.620	1.429	1.290
Other countries*	1.087	1.066	1.016
<u>Group</u>	<u>27.402</u>	<u>26.743</u>	<u>26.263</u>
<u>As % of Group</u>			
<i>Cyprus</i>	85,1%	85,9%	86,7%
<i>UK</i>	5,0%	4,8%	4,5%
<i>Russia</i>	5,9%	5,3%	4,9%
<i>Other countries*</i>	4,0%	4,0%	3,9%

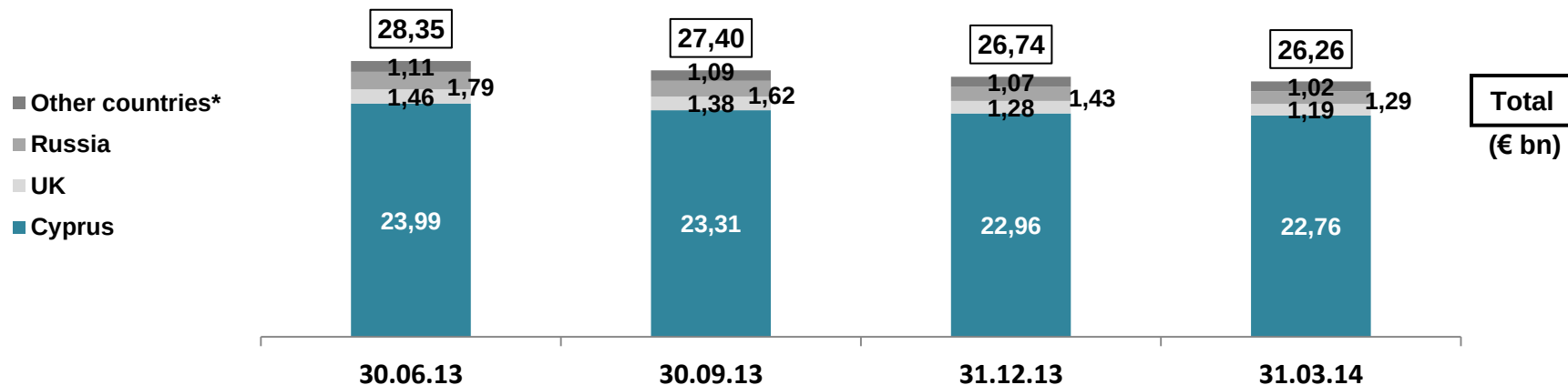
* Other countries: Greece, Romania and Ukraine

Deposits by Geography			
€ mn	30.09.13	31.12.13	31.03.14
Cyprus non-IBU	8.948	8.658	8.196
Cyprus IBU	4.054	4.047	3.789
Cyprus – Total	13.002	12.705	11.985
UK	1.285	1.244	1.249
Russia	1.078	919	767
Other countries**	103	103	65
<u>Group</u>	<u>15.468</u>	<u>14.971</u>	<u>14.066</u>
<u>As % of Group</u>			
<i>Cyprus non-IBU</i>	57,8%	57,8%	58,3%
<i>Cyprus IBU</i>	26,3%	27,1%	26,9%
<i>Cyprus – Total</i>	84,1%	84,9%	85,2%
<i>UK</i>	8,2%	8,3%	8,9%
<i>Russia</i>	7,0%	6,1%	5,4%
<i>Other countries**</i>	0,7%	0,7%	0,5%

** Other countries: Romania and Ukraine

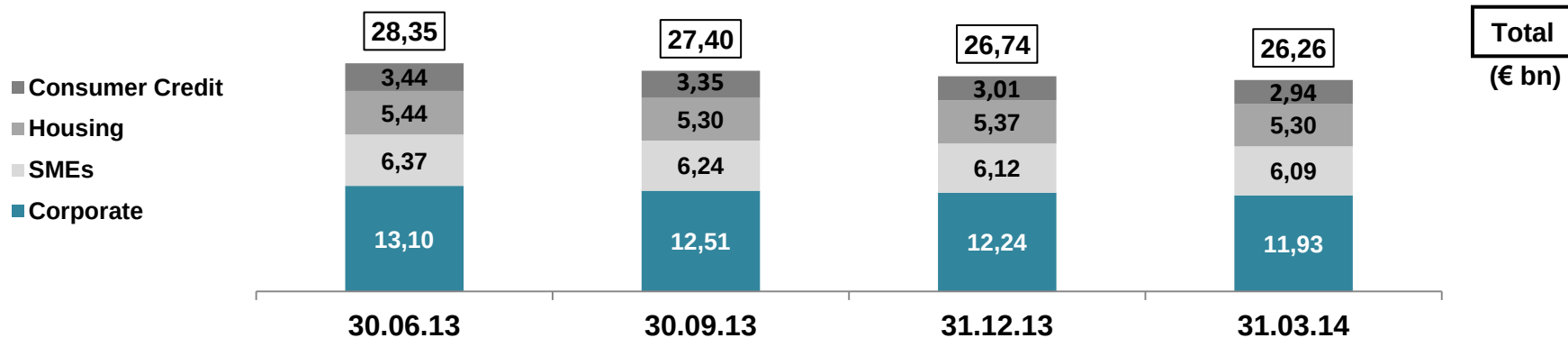
Analysis of Gross Loans by Geography and Customer Type

Gross loans by geography



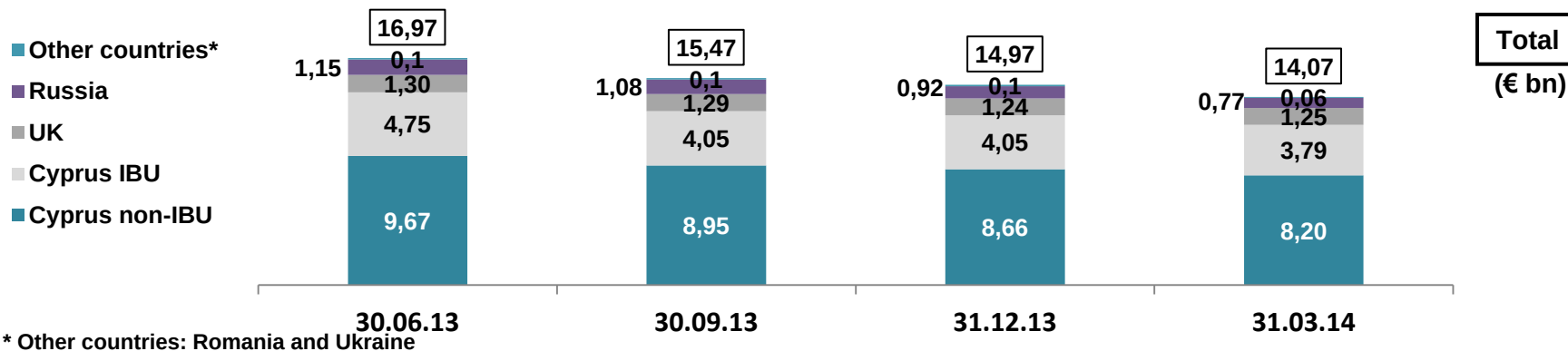
*Other countries: Greece, Romania and Ukraine

Gross loans by customer type

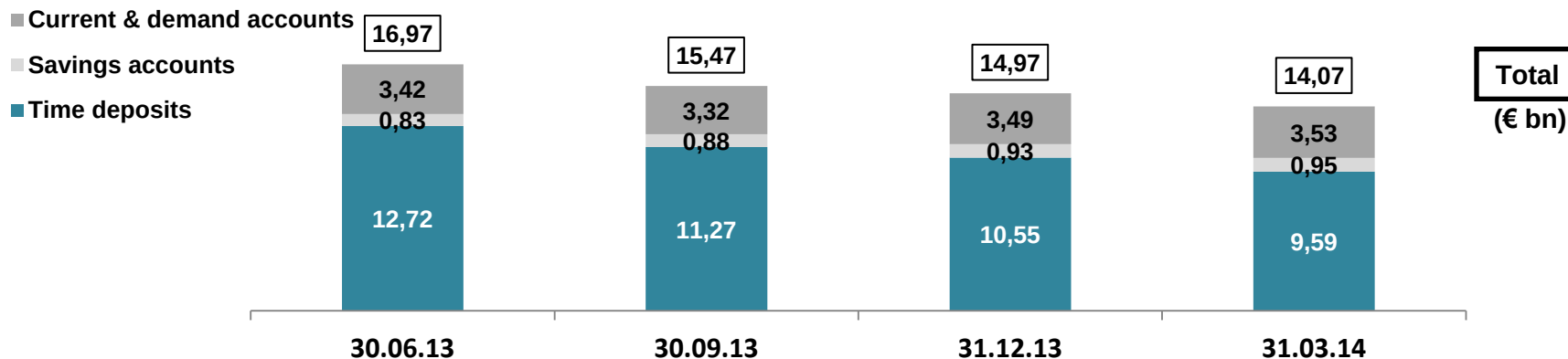


Analysis of Deposits by Geography and by Type

Deposits by geography



Deposits by type of deposit



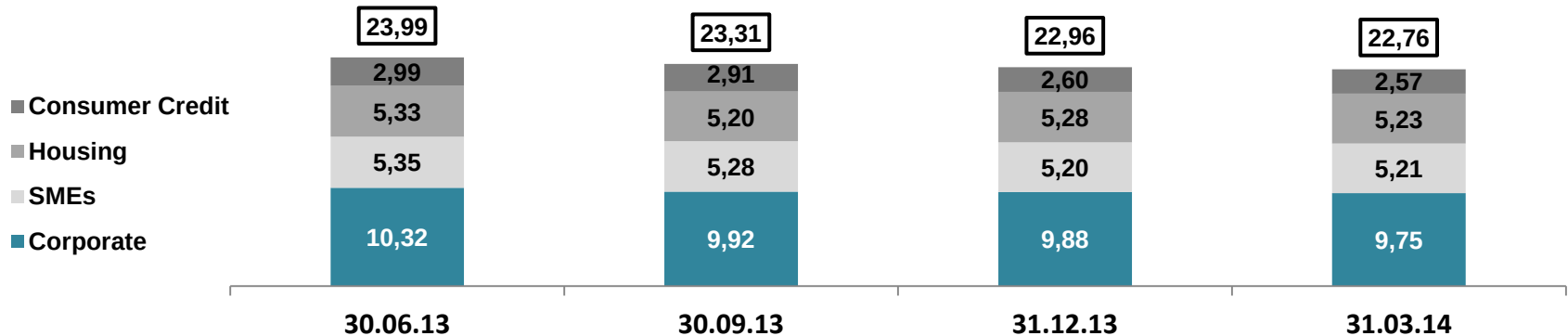
Cyprus: Summary income statement and key indicators

(€ mn)	1Q2014	4Q2013	qoq (%)	3Q2013
Net interest income	236	240	-2%	254
Net fee & commission income	40	35	+13%	31
Net foreign exchange income and net gains from financial instruments	13	36	-65%	11
Insurance income net of insurance claims	12	12	-6%	11
Other (expenses)/income	(1)	(17)	-95%	3
Total income	300	306	-2%	310
Staff costs	(55)	(48)	+14%	(66)
Other operating expenses	(36)	(38)	-8%	(38)
Total expenses	(91)	(86)	+4%	(104)
Profit before provisions	209	220	-5%	206
Provisions for impairment of loans and advances	(109)	(159)	-32%	(240)
Share of profit/(loss) from associates	2	(1)	-	(4)
Profit/(loss) before tax	102	60	+70%	(38)
Tax	(1)	-	-	(1)
Profit attributable to non-controlling interests	(0)	(1)	-	0
Profit /(loss) after tax and before restructuring costs and discontinued operations	101	59	+71%	(39)
Cost to income ratio	30%	28%	+2 p.p.	33%

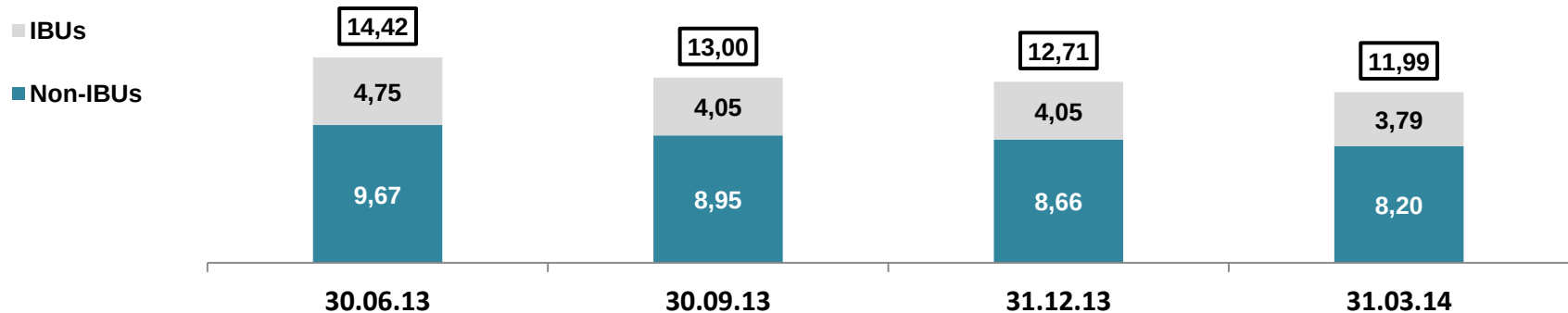
b.p. = basis points, p.p. = percentage points ; 100 b.p. = 1 p.p.

Loans and Deposits in Cyprus

Cyprus Loans by customer type (€ bn)



Cyprus Deposits (€ bn)



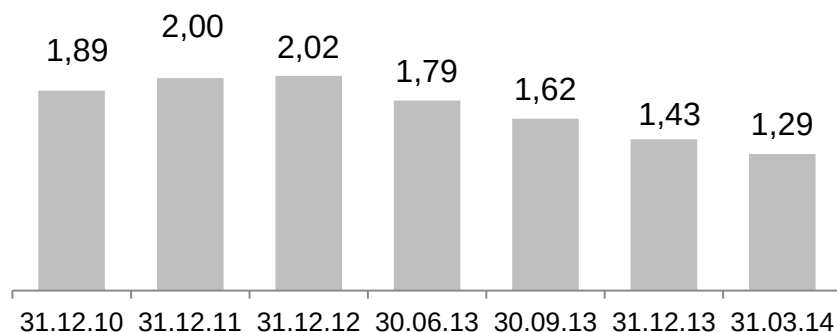
Russia: Summary income statement and key indicators

(€ mn)	1Q2014	4Q2013	qoq (%)	3Q2013
Net interest income	19	22	-15%	23
Net fee & commission income	4	7	-36%	7
Net foreign exchange income and net gains from financial instruments	1	-	-	1
Other income/(expenses)	-	(1)	-	-
Total income	24	28	-13%	31
Staff costs	(9)	(12)	-21%	(11)
Other operating expenses	(10)	(14)	-32%	(11)
Total expenses	(19)	(26)	-27%	(22)
Profit before provisions	5	2	+235%	9
Provisions for impairment of loans and advances	(17)	(27)	-35%	(17)
Loss before tax	(12)	(25)	-46%	(8)
Tax	-	2	-	1
Loss attributable to non-controlling interest	2	6	-55%	1
Loss after tax and before restructuring costs and discontinued operations	(10)	(17)	-43%	(6)
Cost to income ratio	80%	95%	-15 p.p.	73%

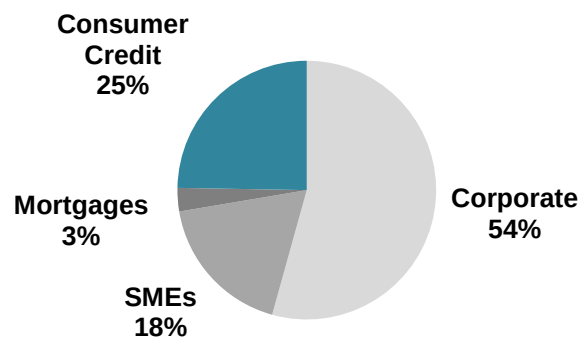
b.p. = basis points, p.p. = percentage points ; 100 b.p. = 1 p.p.

Russian operations

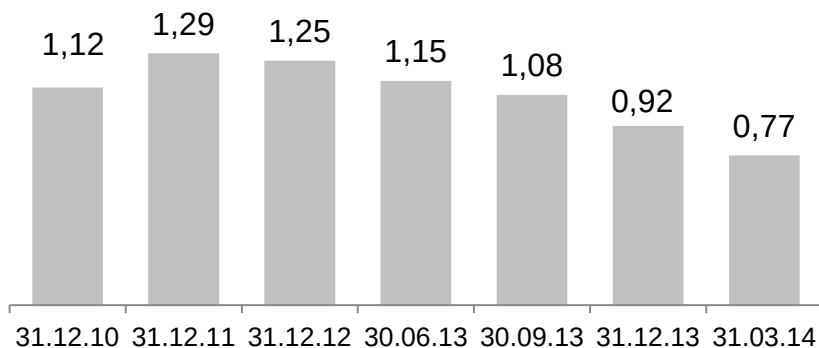
Russian Loans (€ bn)



Loans by sector



Russian Deposits (€ bn)



UK: Summary income statement and key indicators

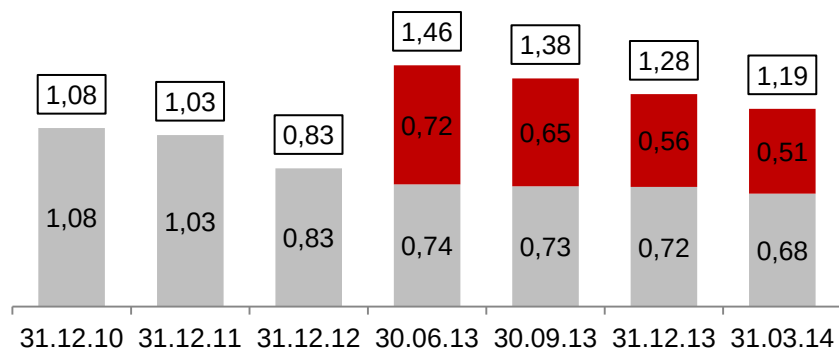
(€ mn)	1Q2014	4Q2013	qoq (%)	3Q2013
Net interest income	7	5	+63%	10
Net fee & commission income	1	1	+19%	1
Net foreign exchange income and (losses)/gains from financial instruments	-	(2)	-	2
Other income	-	(0)	-	0
Total income	8	4	+151%	13
Staff costs	(3)	(3)	+20%	(3)
Other operating expenses	(3)	(2)	+59%	(3)
Total expenses	(6)	(5)	+38%	(6)
Profit before provisions	2	(1)	-	7
Provisions for impairment of loans and advances	(21)	(5)	+365%	1
(Loss)/profit before tax	(19)	(6)	+206%	8
Tax	-	(1)	-	0
Loss after tax and before restructuring costs and discontinued operations	(19)	(7)	+206%	8
Cost to income ratio	70%	127%	-57 p.p.	43%

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

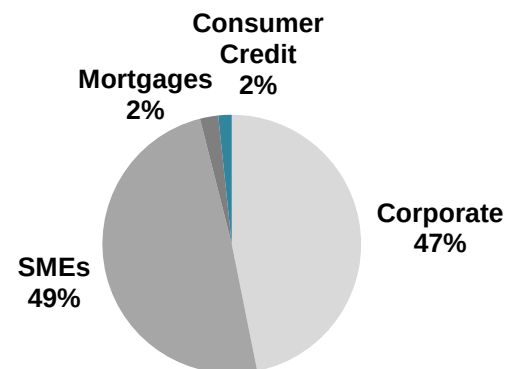
UK operations

UK Loans (€ bn)

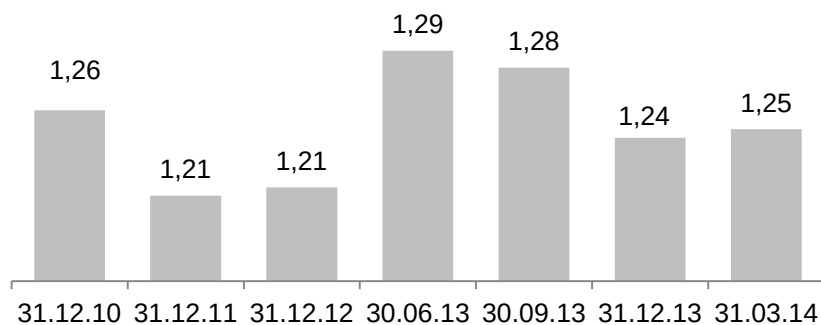
■ ex-Laikei UK loans



Loans by sector



UK Deposits (€ bn)



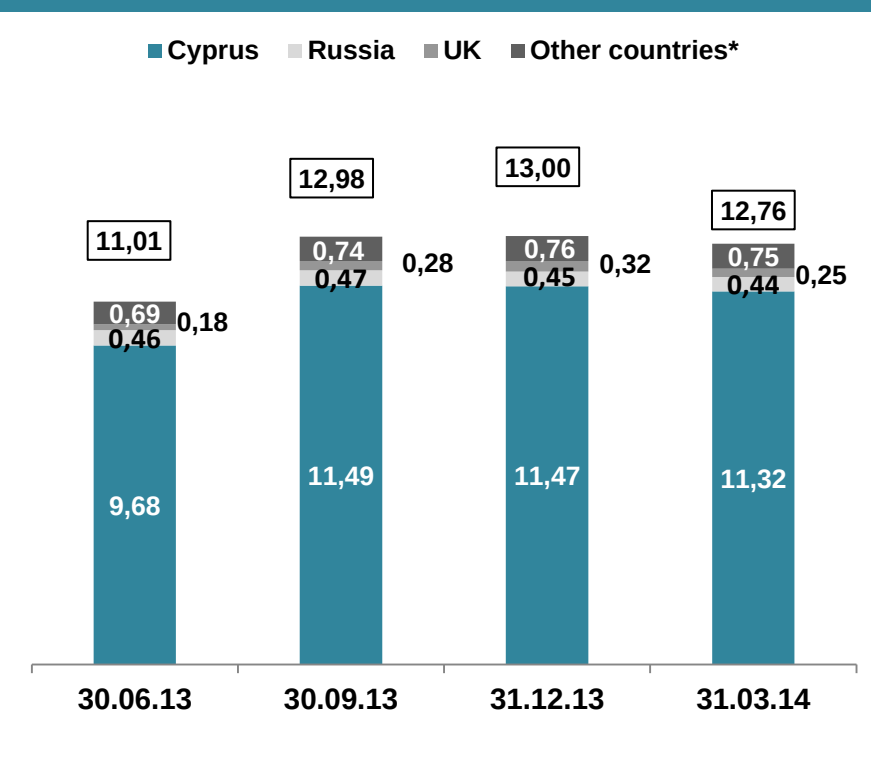
Other countries*: Summary income statement

(€ mn)	1Q2014	4Q2013	qoq (%)	3Q2013
Net interest income	5	1	+198%	3
Net fee & commission income	-	-	-	2
Net foreign exchange losses and losses from financial instruments	-	(11)	-	(5)
Insurance income net of insurance claims	1	2	-19%	1
Other income/(expenses)	2	(20)	+106%	-
Total income	8	(28)	-129%	1
Staff costs	-	(1)	-77%	(2)
Other operating expenses	(8)	(8)	+14%	-
Total expenses	(8)	(9)	-6%	(2)
Loss before provisions	-	(37)	-98%	(1)
Provisions for impairment of loans and advances	1	(38)	-103%	(2)
Share of profit from associates	-	1	-	(1)
Profit/(loss) before tax	1	(74)	-101%	(4)
Tax	(1)	1	-	1
Profit attributable to non-controlling interest	-	-	-	1
Loss after tax and before restructuring costs and discontinued operations	-	(73)	-99%	(2)

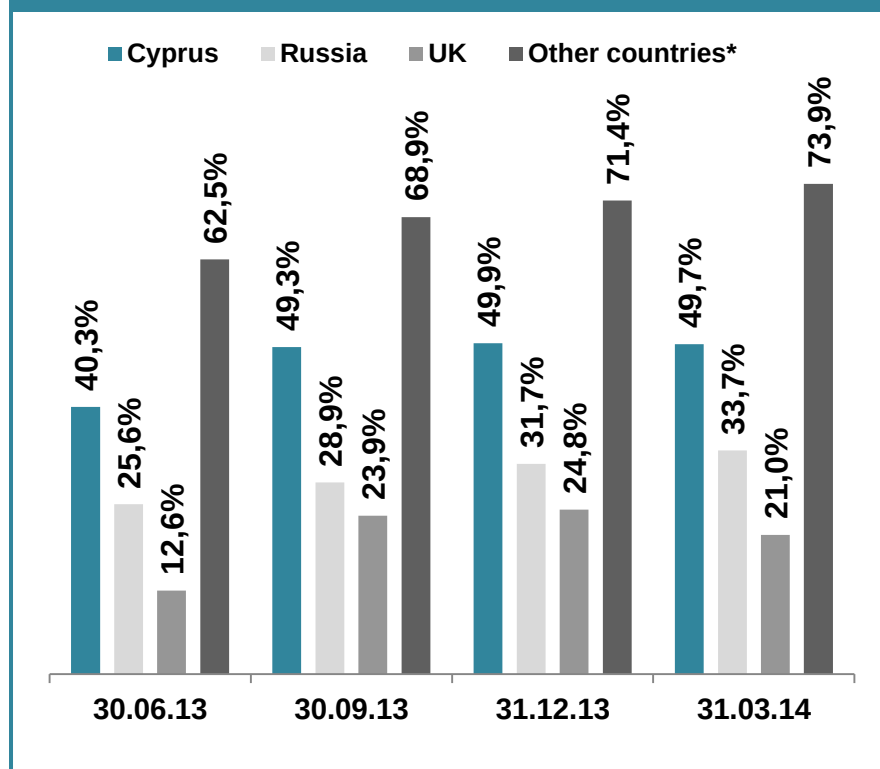
* Other countries: Romania, Ukraine and Greece

90+ DPD by Geography

90+ DPD by Geography (€ bn)



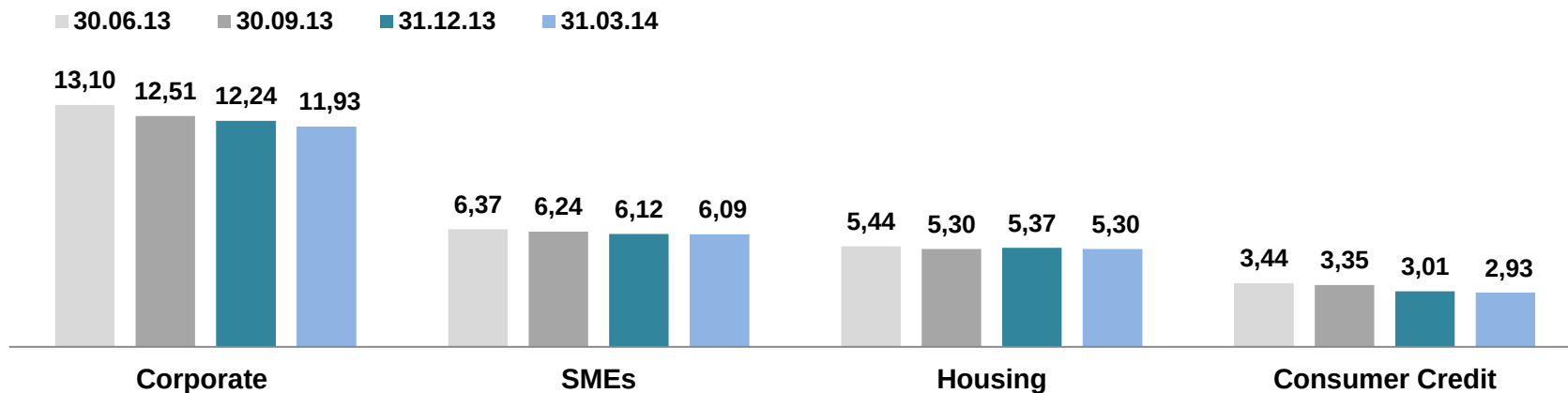
90+ DPD ratios by Geography



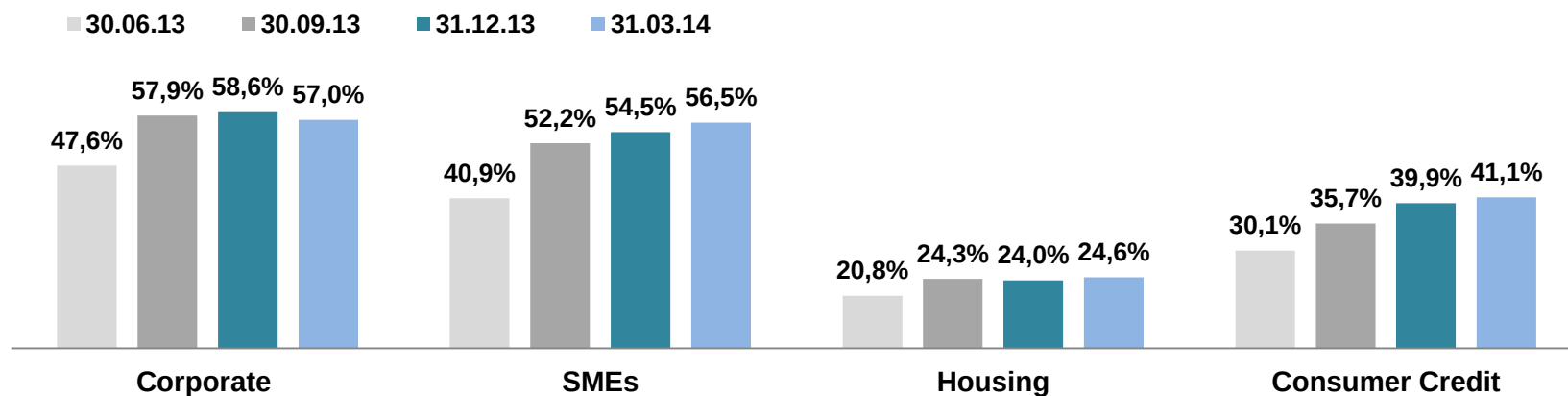
* Other countries: Romania, Ukraine and Greece

Analysis of loans and 90+ DPD ratios by customer type

Gross loans by customer type (€ bn)

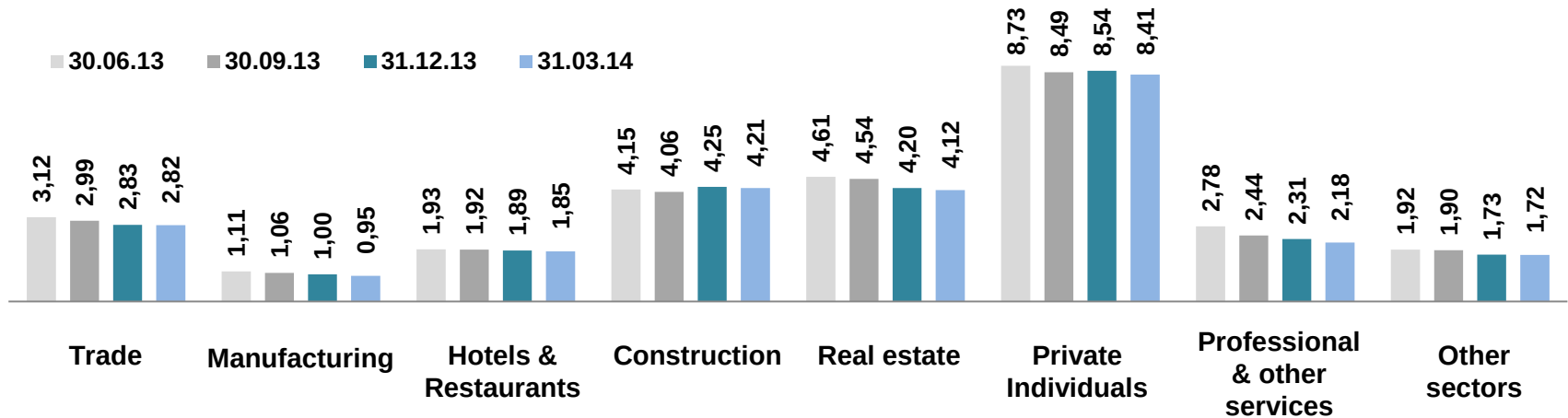


90+ DPD ratios by customer type

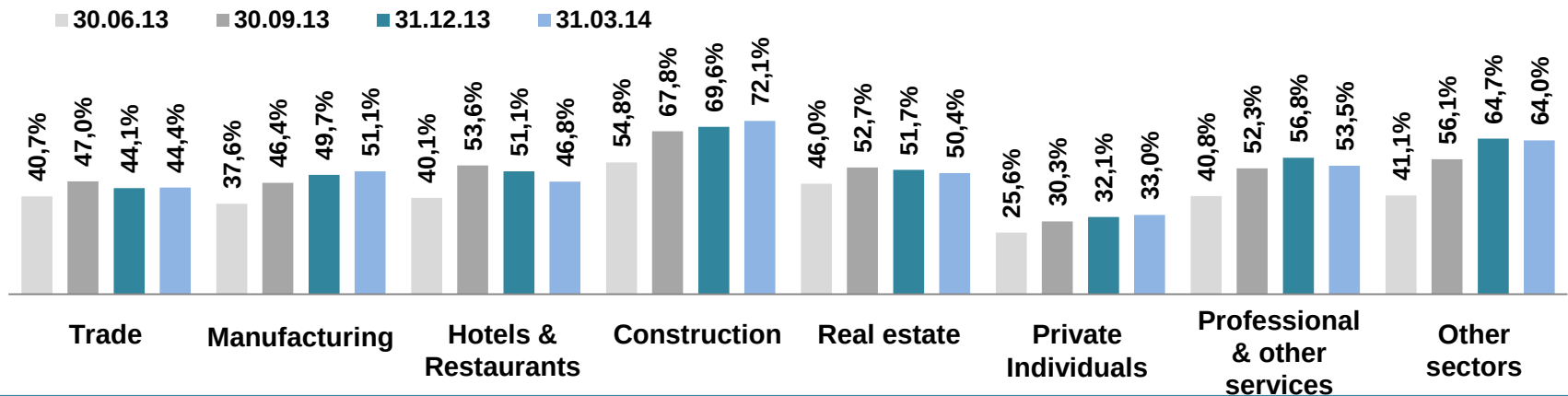


Analysis of Loans and 90+ DPD ratios by economic activity

Gross loans by economic activity (€ bn)



90+ DPD ratios by economic activity



Disclaimer

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