

# Bank of Cyprus Group

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Final Audited Financial Results 2011

Income Statement and Balance Sheet Review

Performance by Geographic Market

Strategic Priorities for 2012

Appendices

## Final Audited Financial Results 2011

24 April 2012

# Disclaimer

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# **Final Audited Financial Results 2011**

## Impairment of Greek Government Bonds by 74% of nominal value

- At 31 December 2011, the nominal value of the GGBs was €2.088 mn
- The Group impaired the book value of the Greek Government Bonds by 74% of their nominal value
- GGBs impairment, including related hedging cost, of €1.729 mn (post-tax €1.682 mn) represents 83% of their nominal value
- At 31 December 2011, the book value of the GGBs after the impairment was €616 mn

	Nominal Value	Impairment recognised in Profit and Loss	Book value post-impairment
	€ mn	€ mn	€ mn
Available for Sale	13	9	3
Loans and Receivables	1.828	1.538	545
Held to maturity	247	182	68
<b>Total impaired bonds</b>	<b>2.088</b>	<b>1.729</b>	<b>616</b>

## Profit and Loss highlights – Based on GGBs impairment of 74%

Amounts in €mn	FY11	FY10	Change
Total Income	1.541	1.450	+6%
<b>Profit before provisions and Greek Government Bonds impairment</b>	<b>805</b>	<b>725</b>	<b>+11%</b>
Profit before tax excluding the impairment of Greek Government Bonds	378	348	+8%
<b>Profit after tax excluding the impairment of Greek Government Bonds</b>	<b>312</b>	<b>306</b>	<b>+2%</b>
Impairment of Greek Government Bonds and change in fair value of related hedging instruments (after tax)	(1.682)	--	--
<b>(Loss)/Profit after tax and the impairment of Greek Government Bonds</b>	<b>(1.371)</b>	<b>306</b>	<b>--</b>

# Improving capital position

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## The Group has been improving its capital position

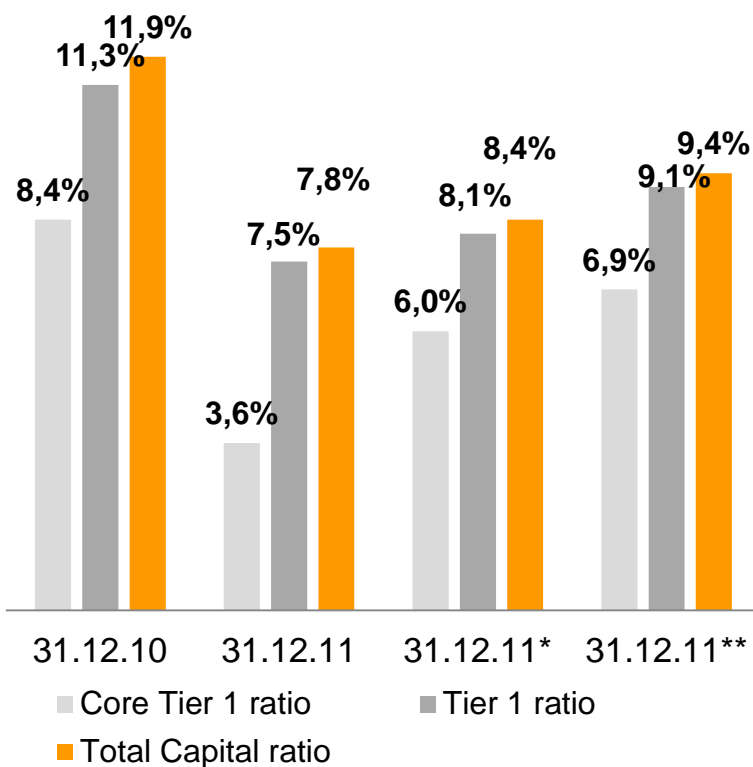
- **Capital Strengthening Plan improved Core Tier 1 by €92 mn**
  - **€160 mn from the Subscription to the Rights Issue**
  - **€432 mn from the Conversion of Convertible Enhanced Capital Securities (CECS) to shares**
    - **Remaining CECS of €455 mn counting in Tier 1**
- **Sale of Bank of Cyprus Australia Ltd improved Core Tier 1 by approximately €80 mn**

## Further enhancement of capital via:

- **Completion of the Capital Strengthening Plan by the placement of up to €237 mn of capital relating to the Rights that have not been subscribed by their holders and have not been exercised by 19 March 2012**
  - According to the Prospectus, the Bank has the right until 18 June 2012 (within 60 working days from 19 March 2012) to place the above amount
- **Profitability**
- **Effective management of risk weighted assets**

# Significant Capital Strengthening

## Capital adequacy ratios



\* Pro-forma taking into account the €592 mn increase in Core Tier 1 capital from Capital Strengthening Plan

\*\* Pro-forma taking into account the full completion of the remaining Rights issue of the Capital Strengthening Plan

Including GGBs impairment of 74%, Tier 1 capital ratio at 7,5% and Core Tier 1 capital ratio at 3,6%

Taking into account the €592 mn increase in Core tier 1 capital from the Capital Strengthening Plan

- the pro-forma Tier 1 capital ratio is estimated at 8,1% and the pro-forma Core Tier 1 capital ratio is estimated at 6,0%

Taking into account the full completion of the Capital Strengthening Plan with the additional placement of up to €237 mn

- the pro-forma Tier 1 capital ratio is estimated at 9,1% and the pro-forma Core Tier 1 capital ratio is estimated at 6,9%

(€mn)	31.12.10	31.12.11	31.12.11*
Shareholders' equity	2.737	2.345	2.505
Core Tier I capital	2.204	892	1.484
Hybrid capital (Tier I)	752	957	524
Tier I capital	2.956	1.849	2.008
Tier II capital	313	239	239
Total regulatory capital	3.129	1.925	2.085
Risk weighted assets	26.277	24.790	24.790

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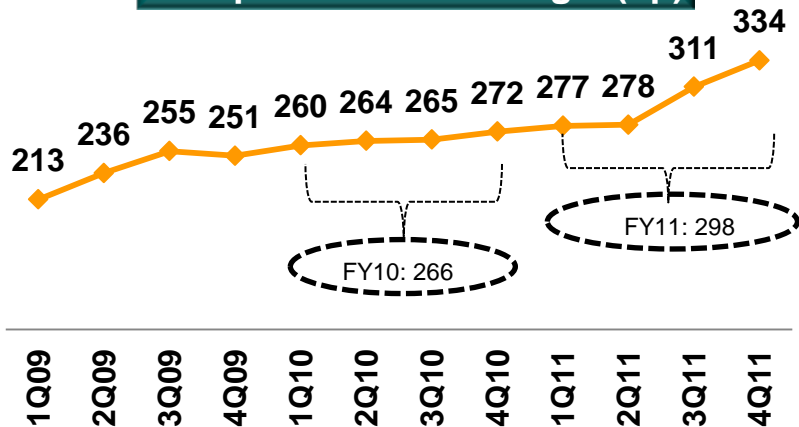
# **Income Statement and Balance Sheet Review**

# Profit and Loss

(€mn)	FY11	FY10	yoy %	4Q11	3Q11	qoq %
Net interest income	1.168	1.041	+12%	313	302	+4%
Net fee & commission income	232	231	+1%	61	58	+5%
FX income and net gains from financial instruments	49	110	-56%	16	7	+133%
Insurance income net of insurance claims	61	59	+3%	14	15	-4%
Other income	31	9	+251%	10	8	+15%
<b>Total income</b>	<b>1.541</b>	<b>1.450</b>	<b>+6%</b>	<b>414</b>	<b>390</b>	<b>+6%</b>
<b>Total expenses</b>	<b>736</b>	<b>725</b>	<b>+2%</b>	<b>206</b>	<b>169</b>	<b>+22%</b>
<b>Profit before provisions</b>	<b>805</b>	<b>725</b>	<b>+11%</b>	<b>208</b>	<b>221</b>	<b>-6%</b>
Provisions	426	375	+14%	132	112	+18%
Share of loss of associates	(1)	(2)	+26%	-	-	-
<b>Profit before tax</b>	<b>378</b>	<b>348</b>	<b>+8%</b>	<b>76</b>	<b>109</b>	<b>-30%</b>
Taxation	73	46	+59%	15	20	-27%
Non-controlling interest loss/(profit)	7	4	+93%	5	1	+334%
<b>Profit after tax excluding GGBs impairment</b>	<b>312</b>	<b>306</b>	<b>+2%</b>	<b>66</b>	<b>90</b>	<b>-26%</b>
Impairment of GGBs and change in fair value of related hedging derivatives (after tax)	(1.682)	-	-	(636)	(778)	-
<b>(Loss)/profit after tax including GGBs impairment</b>	<b>(1.371)</b>	<b>306</b>	<b>--</b>	<b>(570)</b>	<b>(688)</b>	<b>+17%</b>
Cost to Income Ratio	47,8%	50,0%	-2,2 p.p.	49,9%	43,4%	+6,5 p.p.
Return on Equity	10,6%	11,9%	-1,3 p.p.	8,8%	12,7%	-3,9 p.p.

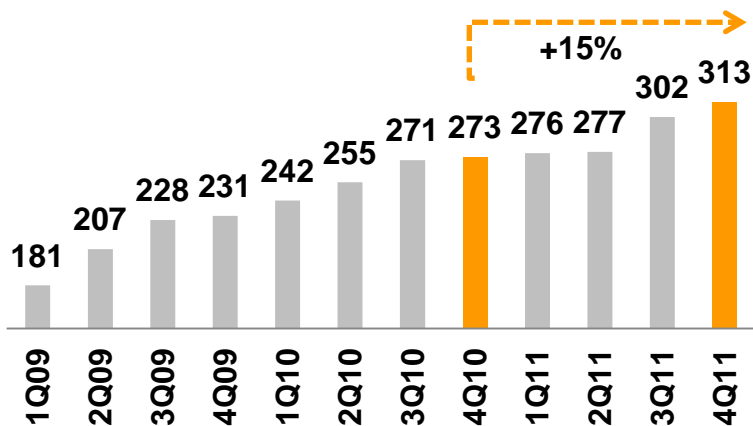
# Higher Interest Margins and Increasing Net Interest Income

Group Net Interest Margin (bp)

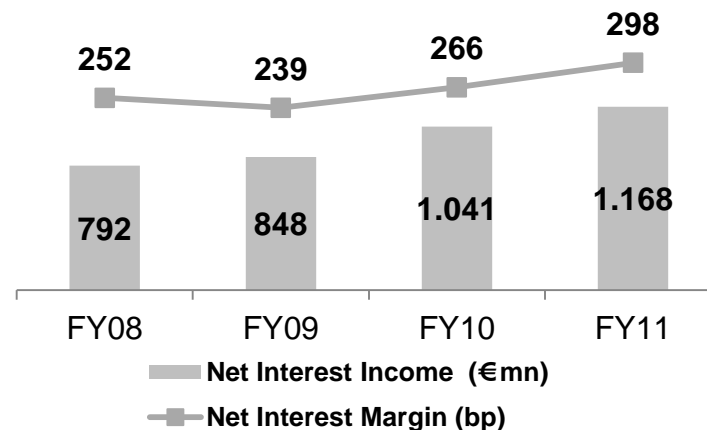


- FY11 Group NIM at 2,98%, an increase of 32 basis points compared to FY10 (2,66%)
- 4Q11 Net Interest Income at €313 mn (+15% yoy and +4% qoq)
- FY11 Net Interest Income €1.168 mn which is an increase of 12% yoy

Quarterly Net Interest Income (€mn)

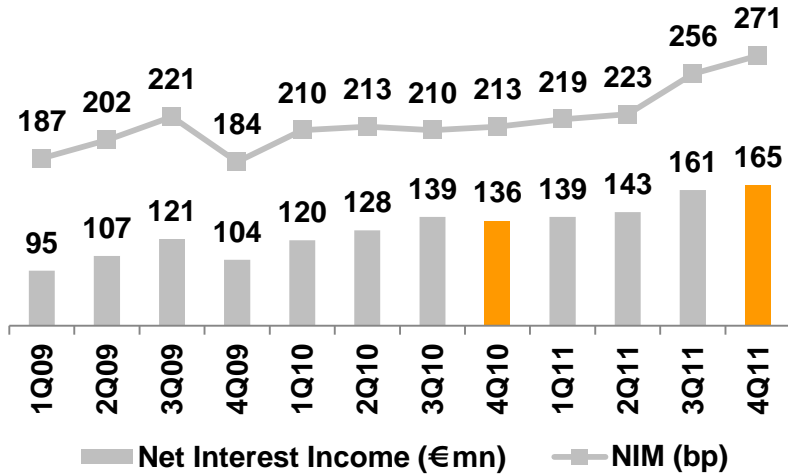


Net Interest Income and NIM



# Solid Net Interest Income and Net Interest Margin trends in main markets

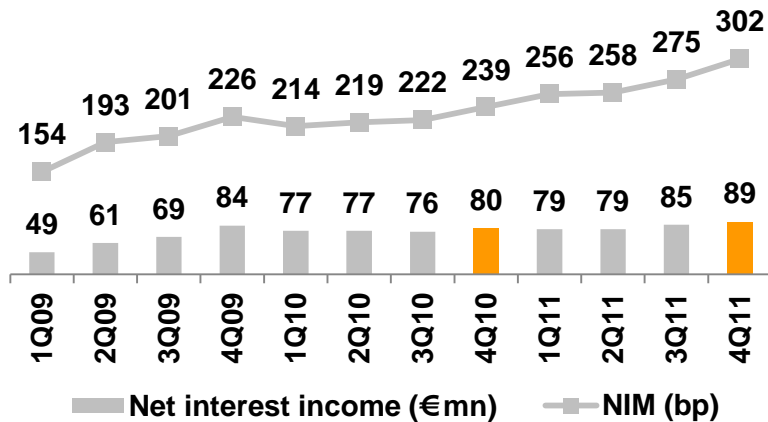
Net Interest Income and NIM - Cyprus



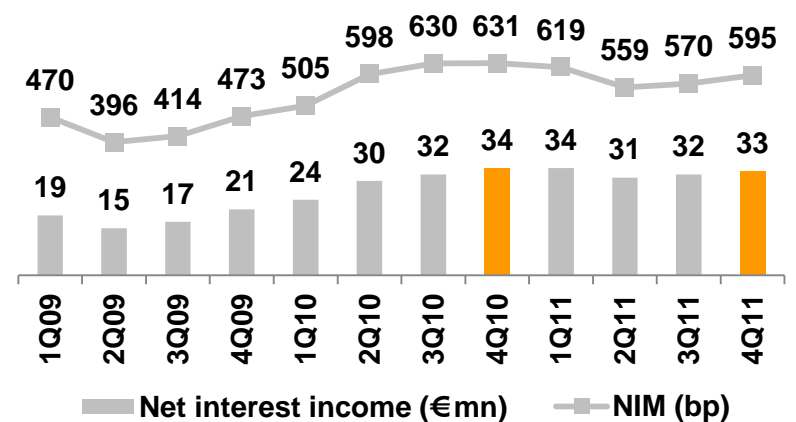
Increasing Net Interest Income and Net Interest Margin in main markets

- Cyprus – FY11 NII at €609 mn (+16% yoy)
- Greece – FY11 NII at €332 mn (+7% yoy)
- Russia – FY11 NII at €130 mn (+9% yoy)

Net Interest Income and NIM - Greece

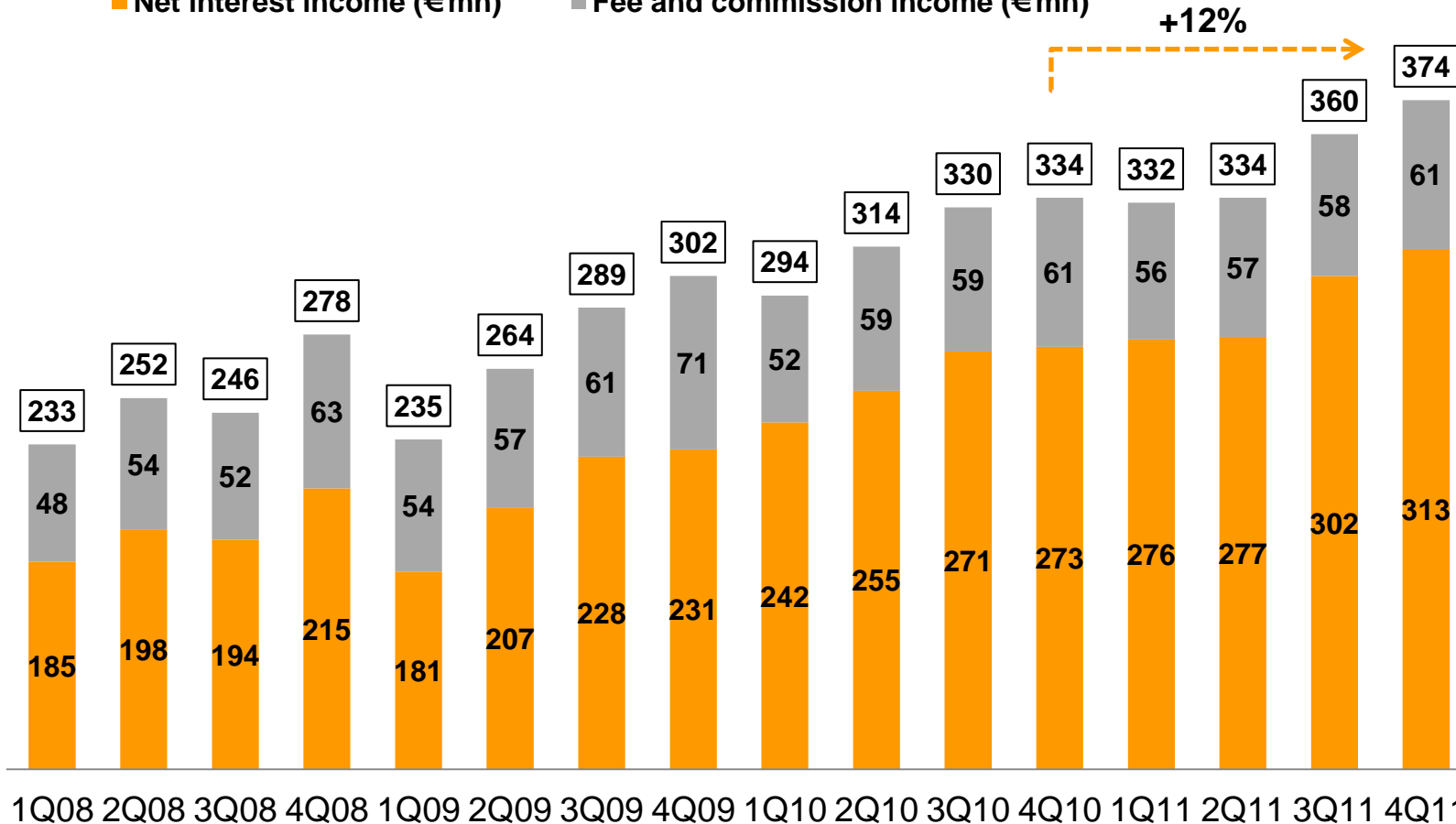


Net Interest Income and NIM - Russia

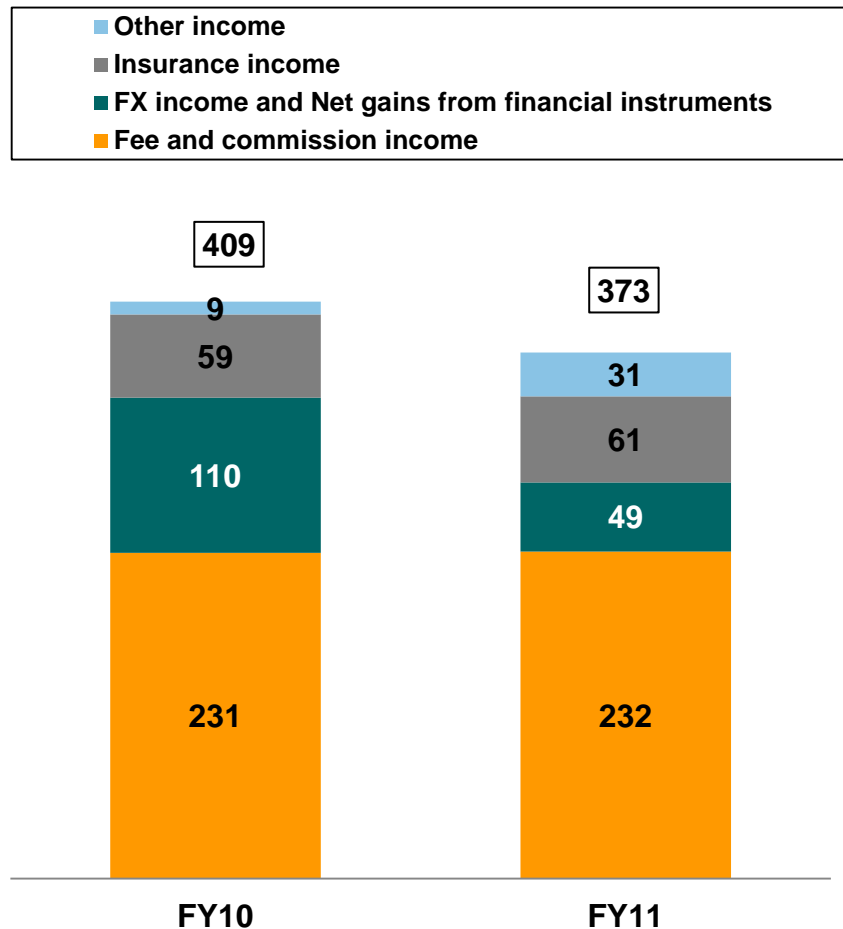


# Increasing recurring income

■ Net interest income (€mn)    ■ Fee and commission income (€mn)



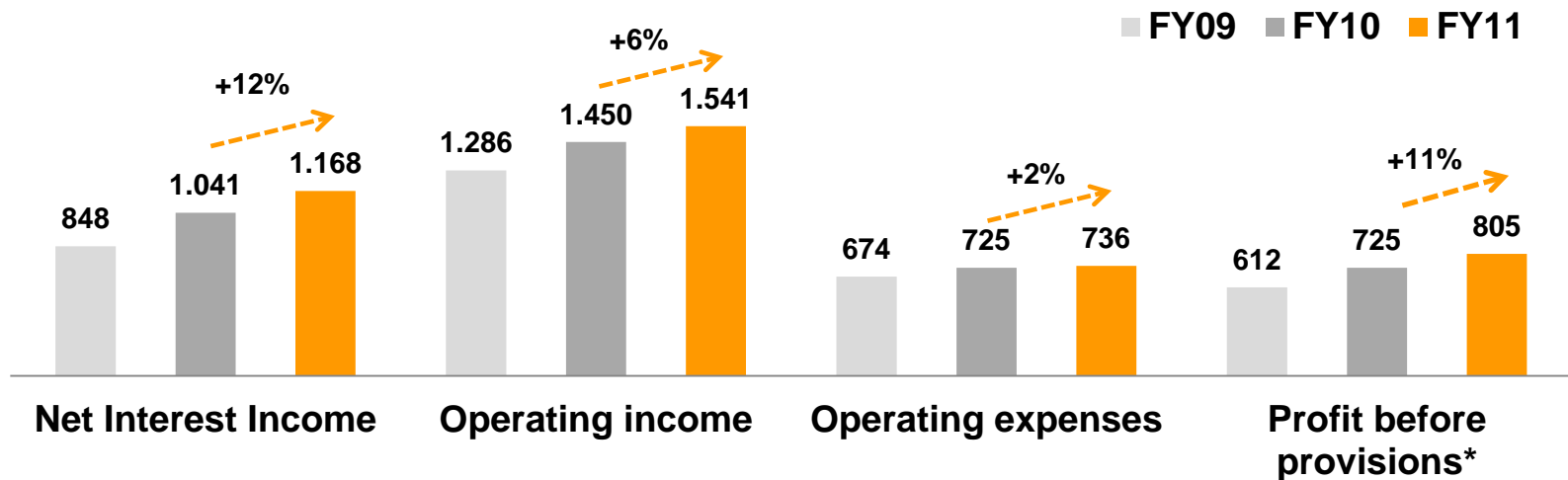
# Analysis of Non interest income



- Fee and commission income flat
- FX income higher in FY11 (€45 mn in FY11, compared to €39 mn in FY10)
- Gains from financial instruments of €4 mn in FY11 (compared to gains of €71 mn in FY10)

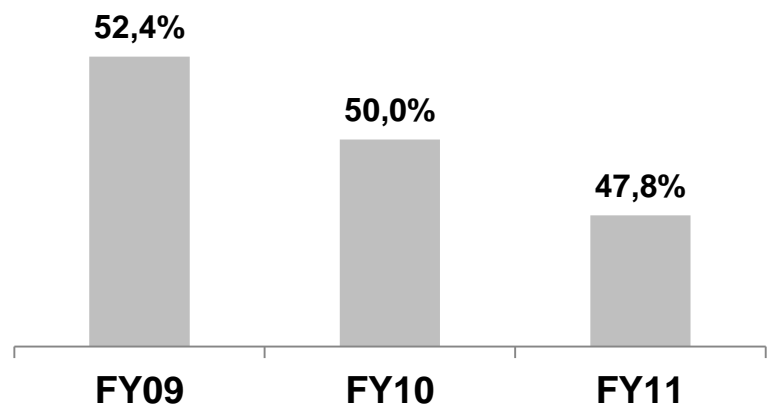
# Increased Pre-provision Profitability and High Efficiency

## Profit & Loss highlights (€mn)



- Higher recurring income and contained cost growth lead to increased pre-provision profitability
  - FY11 Profit before provisions at €805\* mn (+11% yoy)
  - FY11 Cost-to-income ratio at 47,8% compared to 50,0% in FY10

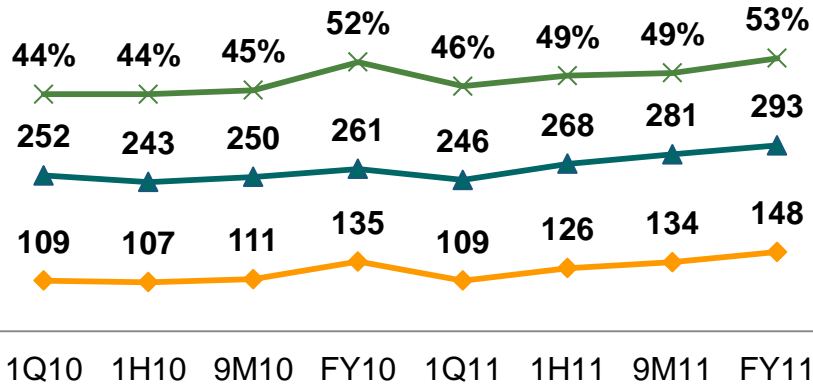
## Cost to Income ratio (%)



\* Profit before provision is shown before the impairment of the Greek Government Bonds

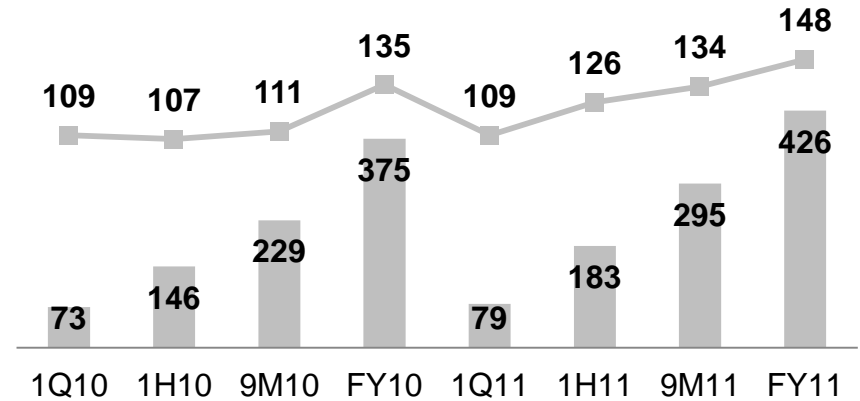
# High Ability to Manage Through Credit Cycle Due to Increased Pre-provision Profit Margin

Pre-provision profit margin



- ◆ Provision charge/Avg Gross Loans (bp)
- ▲ Profit before provisions/Net Loans (bp)
- × Provisions % Pre-provision profit

Provision charge



- Provision charge (€ mn)
- Charge/Avg Gross Loans (bp)

- Capacity to absorb provisions remains high
- Pre-provision profit margin at 293 basis points or 2 times higher than provision charge for FY11

- Credit costs remain high due to challenging credit conditions
  - FY11 provision charge of €426 mn (+14% yoy)
  - FY11 credit costs 148 basis points compared to 135 basis points in FY10

# Balance Sheet Overview

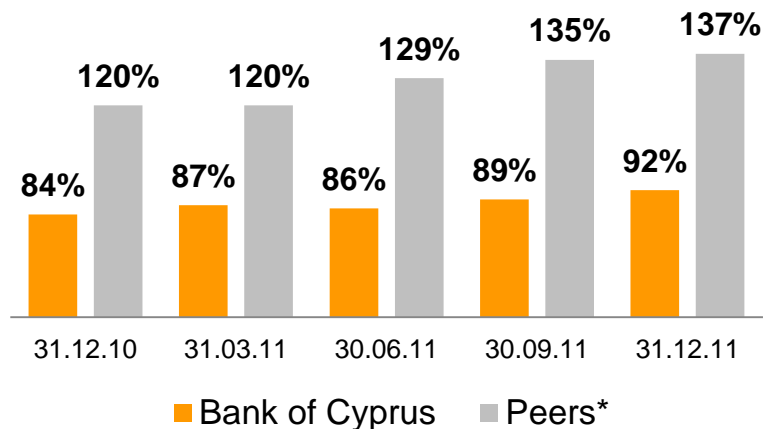
€mn	% yoy	31.12.11*	31.12.10	€mn	% yoy	31.12.11*	31.12.10
Cash and balances with central banks	-39%	1.375	2.242	Amounts due to banks and repurchase agreements	-17%	3.852	4.620
Placements with banks and reverse repurchase agreements	-47%	2.844	5.385	Customer deposits	-10%	29.654	32.953
Debt securities, Treasury bills and equity investments	-33%	3.567	5.346	Debt securities in issue	-41%	50	84
Net loans and advances to customers	-1%	27.367	27.725	Other liabilities	+11%	1.362	1.222
Other assets	+20%	2.322	1.940	Subordinated loans stock	-86%	128	931
<b>Total assets</b>	<b>-12%</b>	<b>37.475</b>	<b>42.638</b>	<b>Total liabilities</b>	<b>-12%</b>	<b>35.046</b>	<b>39.810</b>
				Share Capital	+1%	900	895
				Share premium	0%	1.165	1.160
				CECS**	-	862	-
				Revaluation and other reserves	-	3	(186)
				(Accumulated losses)/ retained earnings	-167%	(585)	868
				Shareholders' equity	-14%	2.345	2.737
				Non controlling interests	-8%	84	91
				<b>Total equity</b>	<b>-14%</b>	<b>2.429</b>	<b>2.828</b>
				<b>Total liabilities and equities</b>	<b>-12%</b>	<b>37.475</b>	<b>42.638</b>

\* Excludes operations in Australia

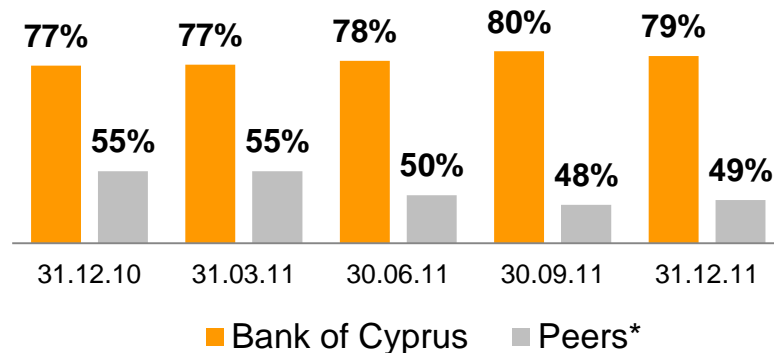
\*\* Convertible Enhanced Capital Securities

# Solid Funding Structure: Strong Deposit Franchise and Limited Dependence on Wholesale Funding

Net Loans % Customer deposits

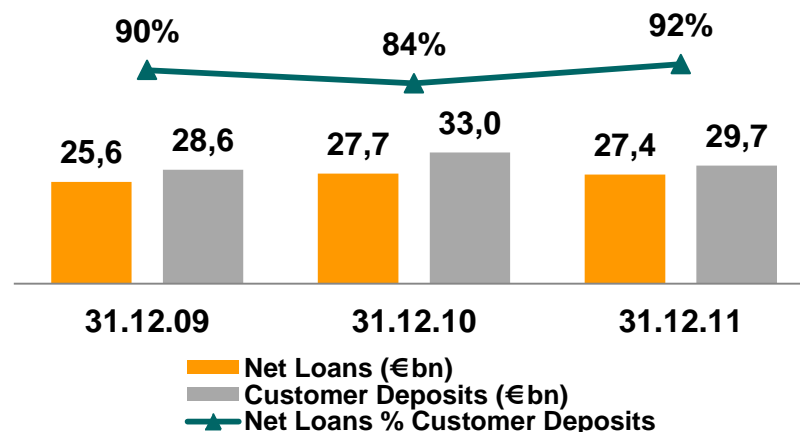


Customer deposits % Total Assets



- **Healthy liquidity; one of the best loans/deposits ratios in Europe at 92%**
  - Cyprus L/D ratio 75%, Greece L/D ratio 121%
- **Primarily deposit funded: 79% of assets funded by customer deposits**
- **Limited reliance on wholesale funding and minimal repayments: only €23 mn due in 2012 (first call date) and €85 mn due in 2013**
- **ECB funding at €2,1 bn**
- **Completion of two covered bond issues of €700mn and €1bn**

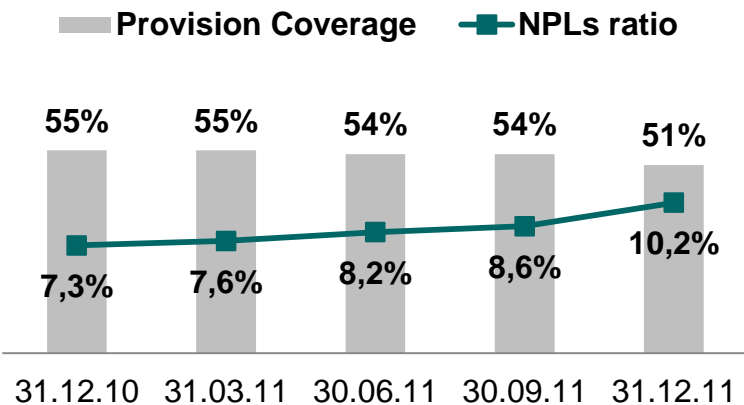
Balanced business expansion



•Peers: Weighted average of major Greek and Cypriot banks  
 •Loans and deposits exclude the sale of BOC Australia

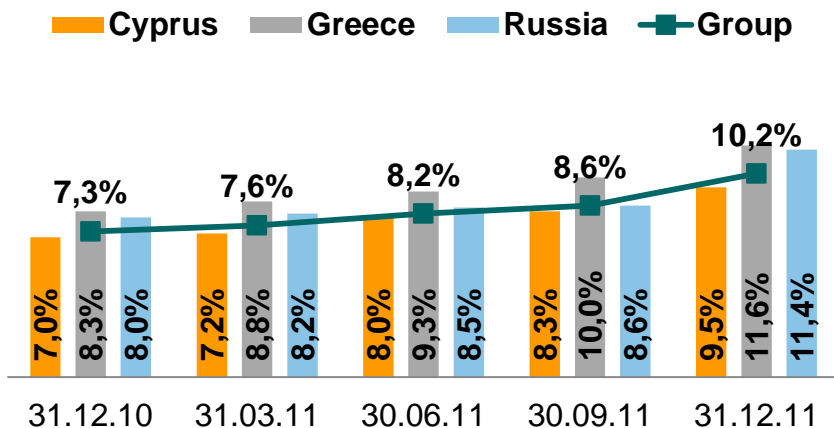
# Adequate loan quality

## Group NPLs ratio and Provision coverage

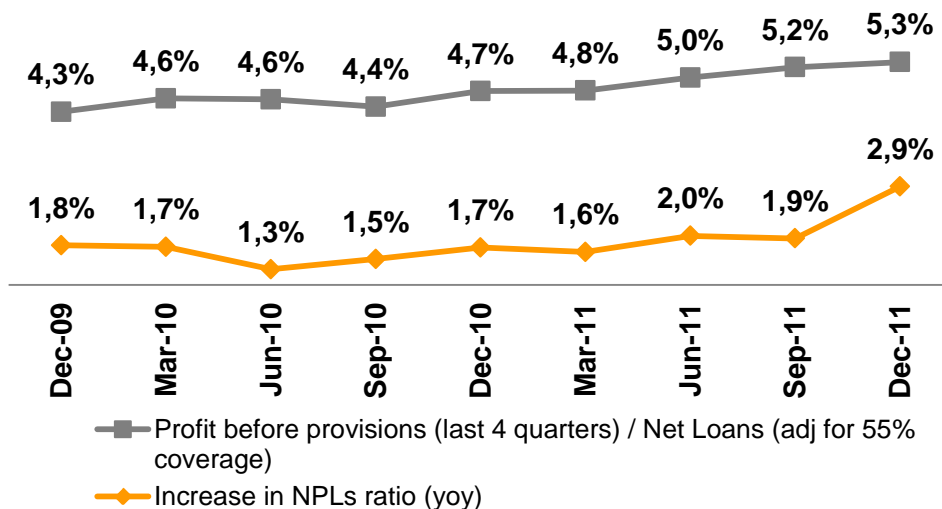


- Adequate loan quality
  - Group NPLs ratio at 10,2%
- Adequate provision coverage at 51%
- NPLs coverage increases to 118% taking into account tangible collateral

## NPLs ratio in main markets



## High capacity to absorb higher provisions



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**Final Audited Financial Results 2011**

**Income Statement and Balance Sheet Review**

**Performance by Geographic Market**

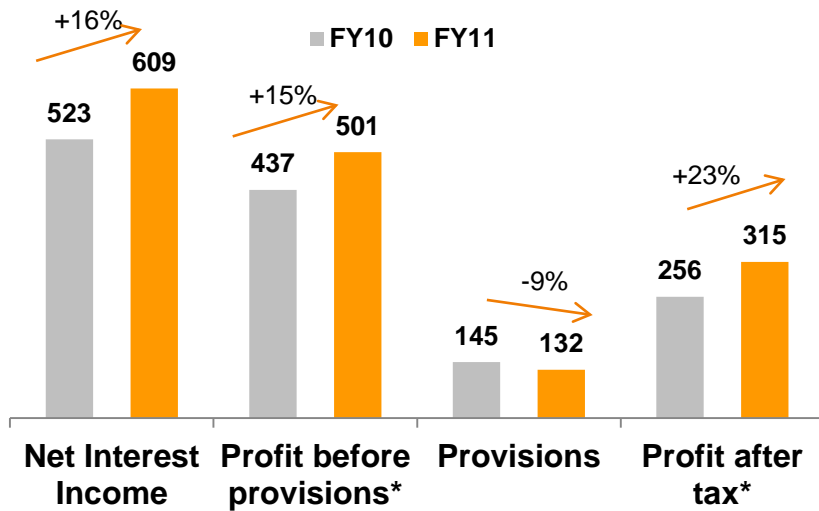
**Strategic Priorities for 2012**

**Appendices**

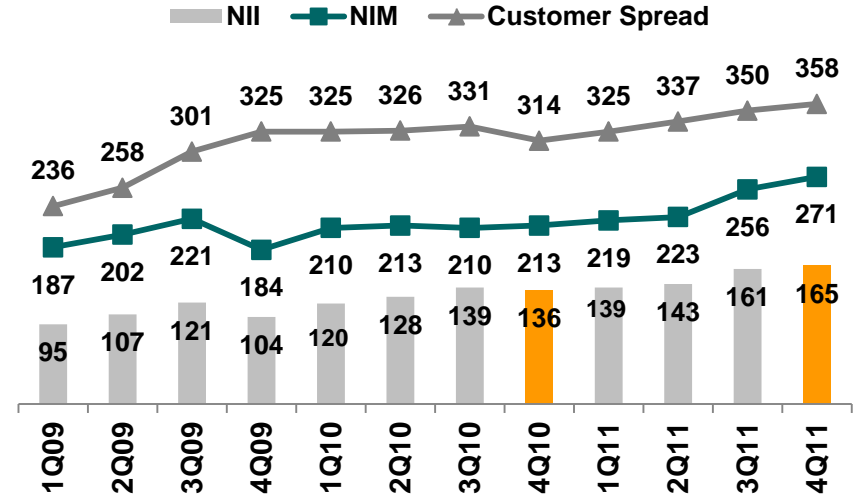
# **Performance by Geographic Market**

# Resilient Cypriot operations

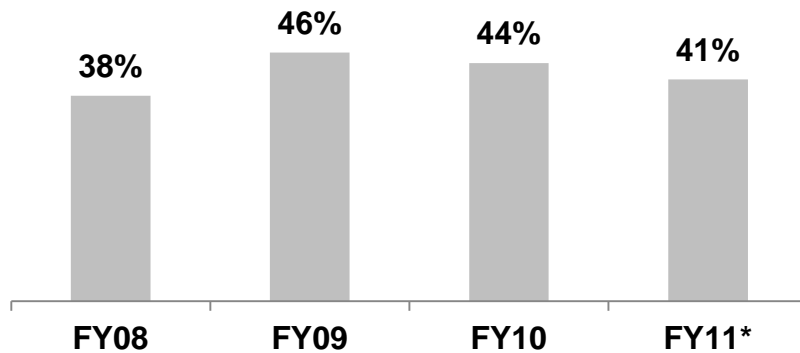
Profit & Loss Highlights (€mn)



Cyprus NII (€mn), NIM and Spread (bp)



Cost to Income ratio (%)



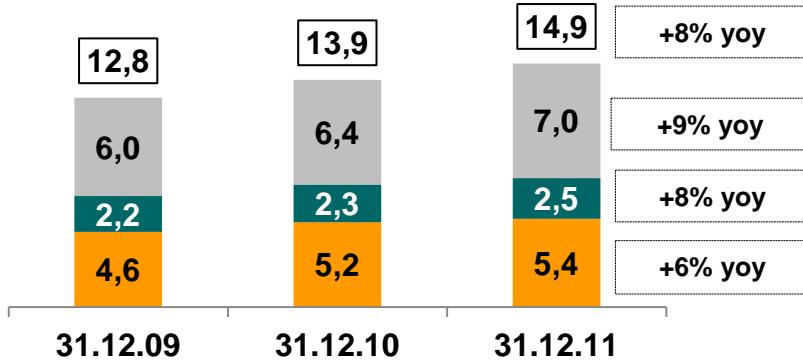
FY11 Cyprus profitability affected by:

- Strong increase of net interest income (+16% yoy)
- Higher NIM (FY11: 2,40% vs FY10: 2,12%)
- +15% yoy increase in Profit before Provisions\*
- Profit after tax at €315mn\* (+23% yoy)

# Leading financial institution in Cyprus with an unrivalled deposit franchise

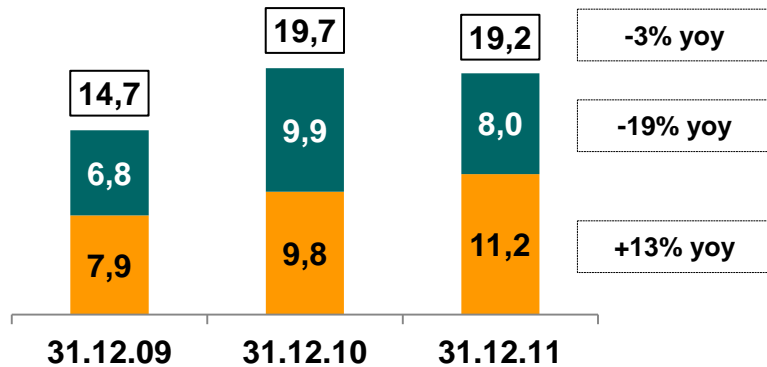
## Gross Loans (€bn)

■ Retail ■ SMEs ■ Corporate



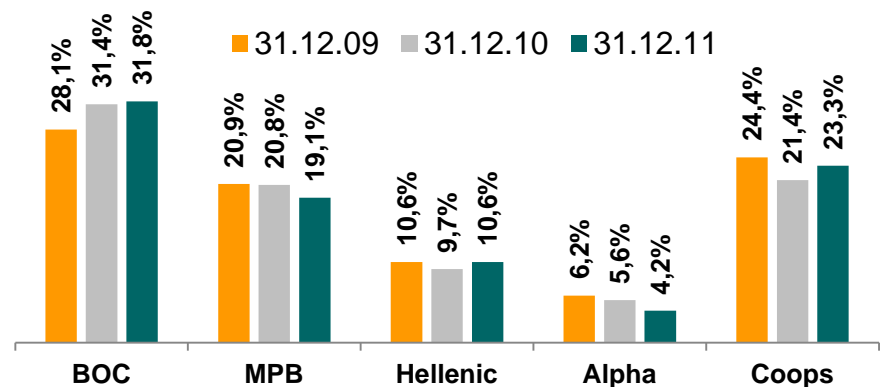
## Deposits (€bn)

■ Non-IBUs ■ IBUs



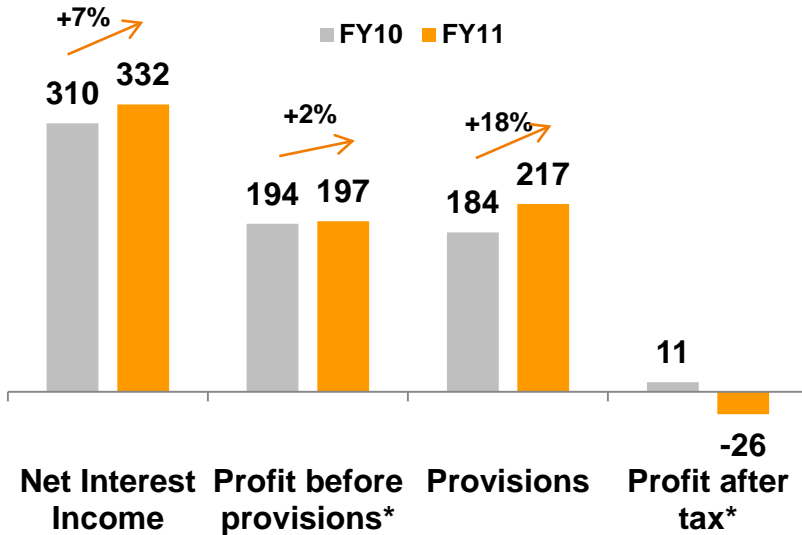
- A strong deposit franchise benefiting from a flight to quality; 31,8% deposit market share (bigger than the combined share of 2<sup>nd</sup> and 3<sup>rd</sup> largest banks); a 3,7% percentage points expansion of market share since December 2009
- Leading IBU position with 41% market share in foreign currency deposits
- IBU Sector continues to expand: Registered companies in Cyprus increased by 7% and active IBU customers increased by 16% during 2011
- Assets Under Management increased by €1,4 bn during 2011, reaching €3,2 bn in December 2011

## Deposit market share (%)

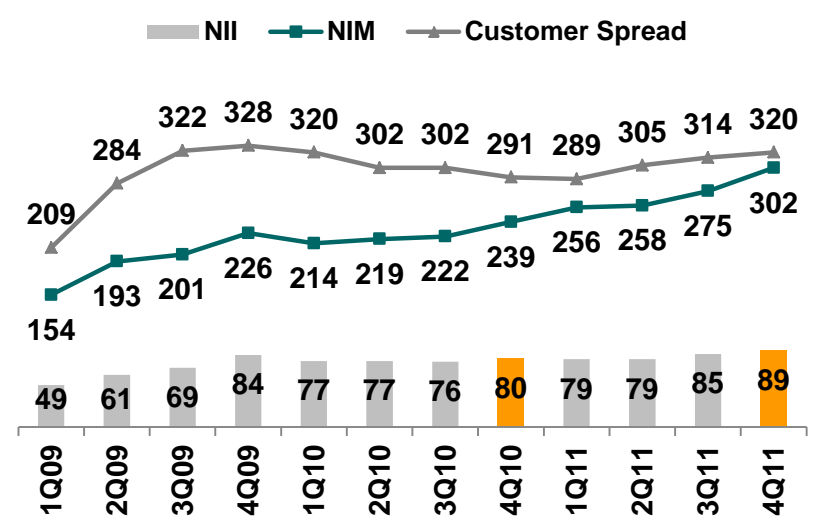


# Facing a challenging market

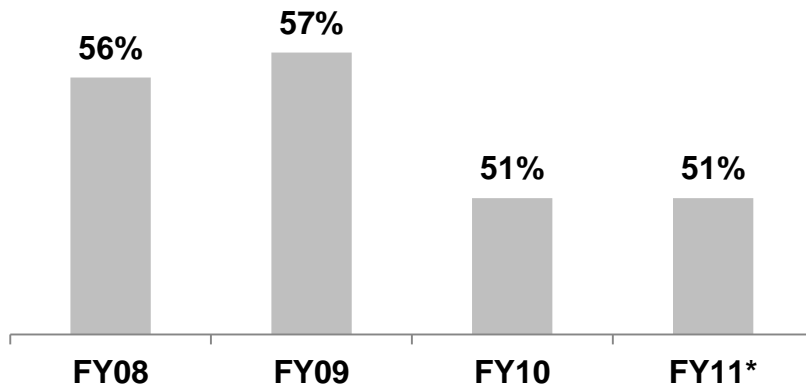
Profit & Loss Highlights (€mn)



Greece NII (€mn), NIM and Spread (bp)



Cost to Income ratio (%)



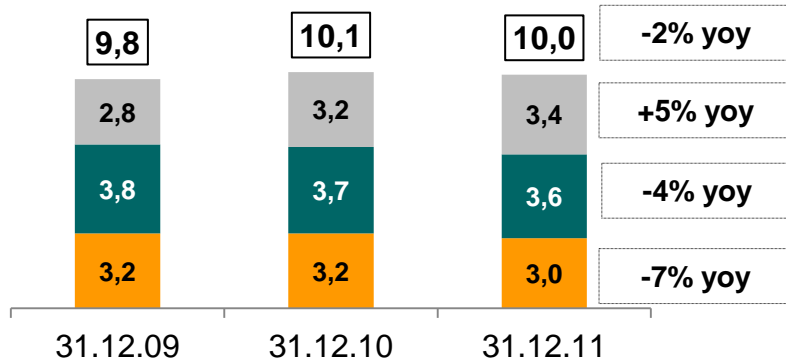
FY11 Greece profitability affected by:

- Increase in net interest income (+7% yoy)
- Higher NIM (FY11: 2,74% vs FY10: 2,23%; +51 bps)
- Higher provisions (+18% yoy)

# Managing portfolio through difficult economic conditions

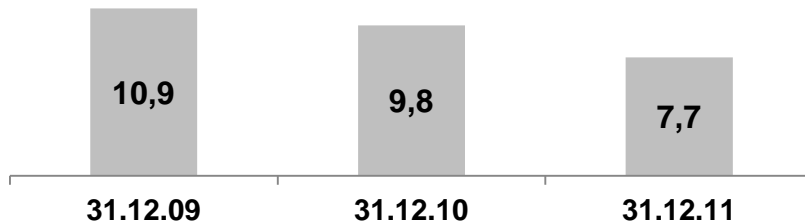
## Gross Loans (€bn)

■ Retail ■ SMEs ■ Corporate



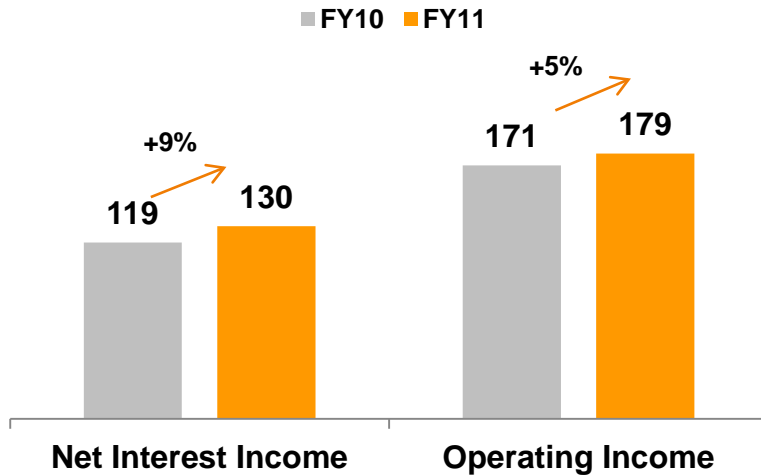
- Loans to deposits ratio 121%
- Selective increase in Corporate loans, reduction in SMEs and Retail
- Loans market share at 4,2% at the end of December 2011
- Deposits market share at 3,9% at end of December 2011
- Small exposure to shipping

## Deposits (€bn)

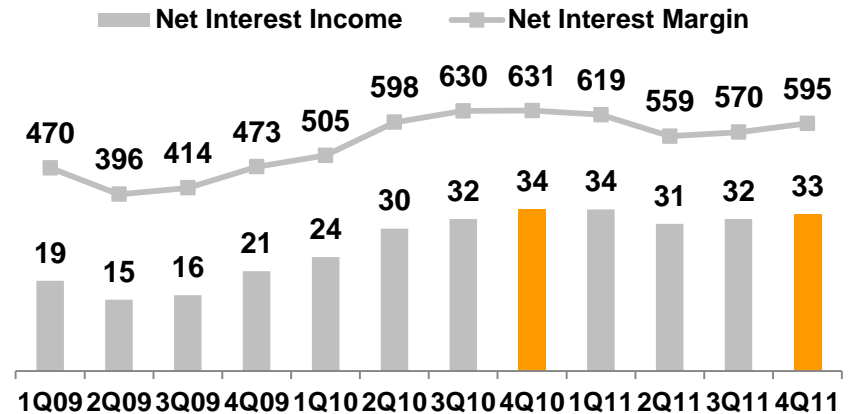


# Performance to benefit from business expansion

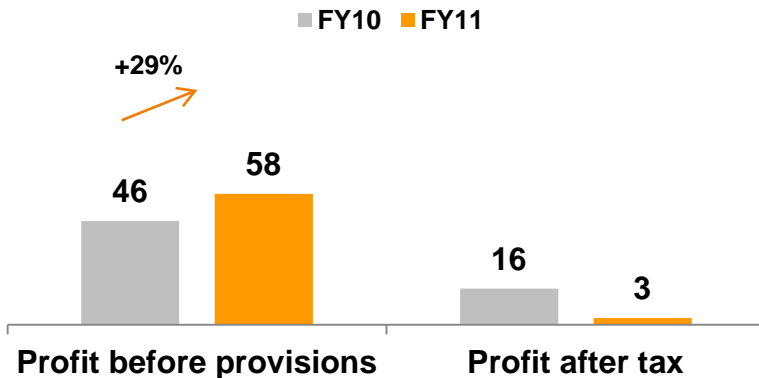
## Profit and Loss Highlights (€mn)



## Russia NII (€mn) & NIM (bp)



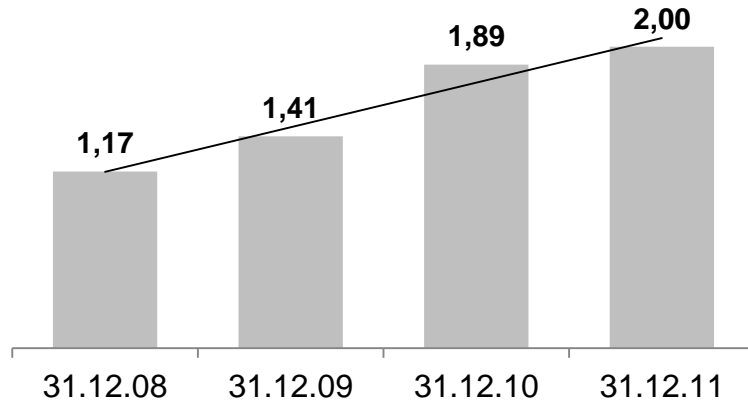
## Profitability affected by higher provisions (€mn)



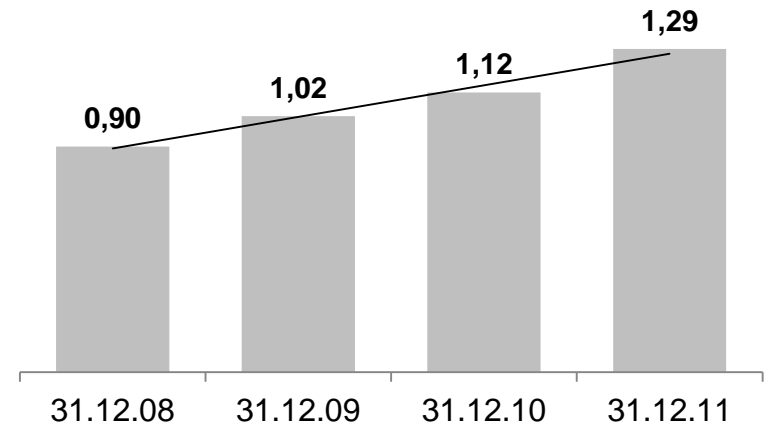
- Continuous improvement in Net Interest Income – FY11 NII +9% yoy
- NIM FY11 at 584 basis points which is flat with 2010
- Higher income along with cost containment, leading to higher pre provision profitability - profit before provisions +29% yoy to €58 mn

# Continuing business expansion

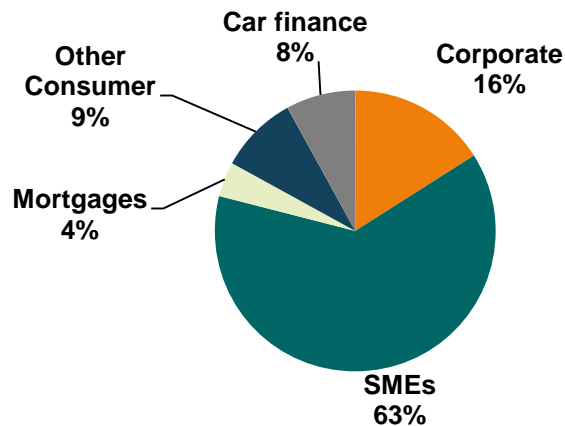
Gross Loans (€bn)



Customer Deposits (€bn)



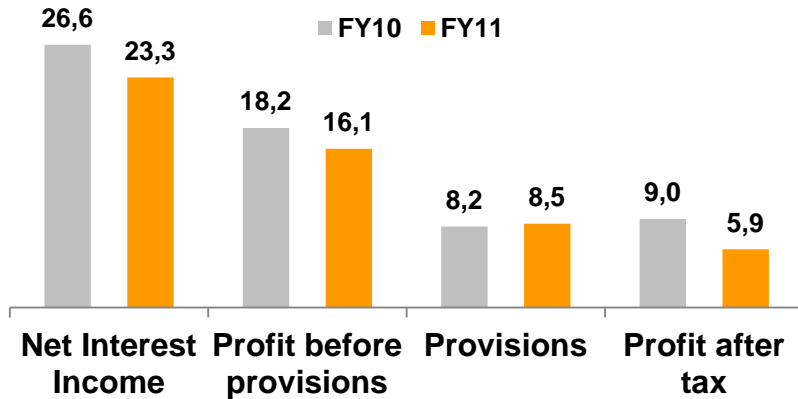
Loan diversification



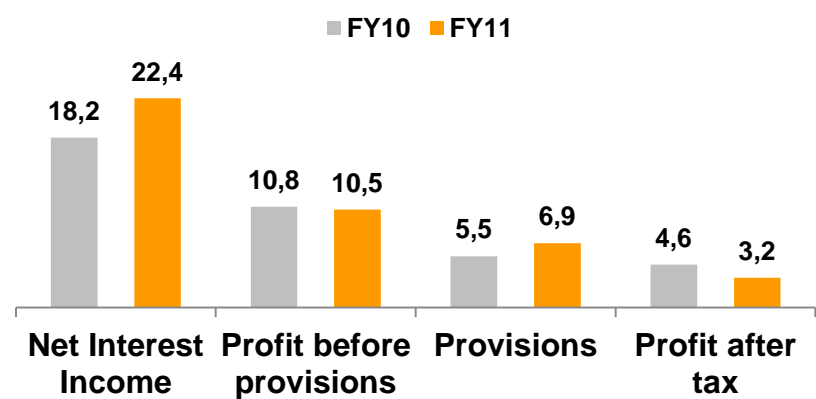
- Business expansion continued in FY11
- Strong increase in deposits (+16% yoy, +19% yoy in local currency)
- Increase in loans (+6% yoy, +9% yoy in local currency)

# Resilient EE operations

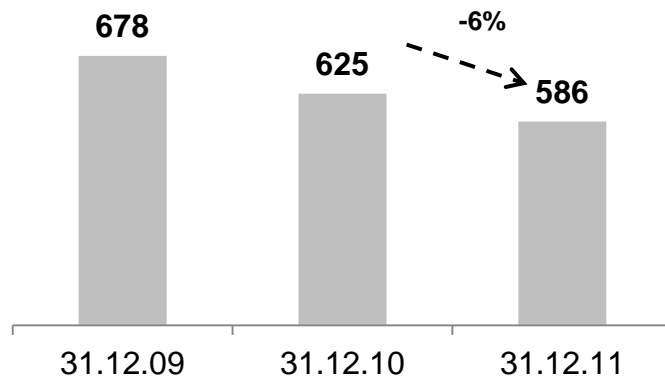
**Profit and Loss Highlights Romania (€mn)**



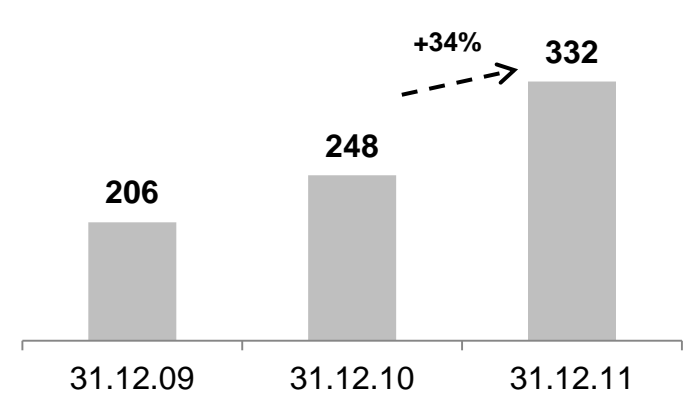
**Profit and Loss Highlights Ukraine (€mn)**



**Romania Loans (€mn)**



**Ukraine loans (€mn)**



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**Final Audited Financial Results 2011**

**Income Statement and Balance Sheet Review**

**Performance by Geographic Market**

**Strategic Priorities for 2012**

**Appendices**

# **Strategic priorities for 2012**

# Strategic priorities for 2012

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## Strategic priorities for 2012

**Safeguard healthy liquidity**

**Strengthen capital position**

**Maintain organic profitability**

**Manage risks effectively**

# Key information and contact details

## **Credit Ratings:**

Fitch: BB+ / F-2 / B

Moody's : B1 / NP / E+

## **Listing:**

ATHEX – BOC

CSE – BOCY

ISIN CY0000100111

## **Participation in indices:**

CSE General Index , FTSE/CySE 20

FTSE/ATHEX Top 20

FTSE Med 100

FTSE New EU

DJ STOXX EU Enlarged TMI

## Contacts

Yiannis Kypri

Deputy Group CEO

Tel: +357 22 122126

Email: [yiannis.kypri@cy.bankofcyprus.com](mailto:yiannis.kypri@cy.bankofcyprus.com)

Christis Hadjimitsis

Senior Group General Manager

Tel: +357 22 122127

Email: [ch.hadjimitsis@cy.bankofcyprus.com](mailto:ch.hadjimitsis@cy.bankofcyprus.com)

## Investor Relations

Constantinos Pittalis, Head of Investor Relations, Tel: +357 22 121883, Email: [constantinos.pittalis@cy.bankofcyprus.com](mailto:constantinos.pittalis@cy.bankofcyprus.com)

Argiro Papadopoulou, Investor Relations, Tel: +357 22 121725, Email: [argiro.papadopoulou@cy.bankofcyprus.com](mailto:argiro.papadopoulou@cy.bankofcyprus.com)

Ioanna Shaili, Investor Relations, Tel: +357 22 121740, Email: [ioanna.shaili@cy.bankofcyprus.com](mailto:ioanna.shaili@cy.bankofcyprus.com)

## Group Finance Division

Eliza Livadiotou, Manager Group Finance and Tax Planning, Tel: +357 22 122344, Email: [eliza.livadiotou@cy.bankofcyprus.com](mailto:eliza.livadiotou@cy.bankofcyprus.com)

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

**Final Audited Financial Results 2011**

**Income Statement and Balance Sheet Review**

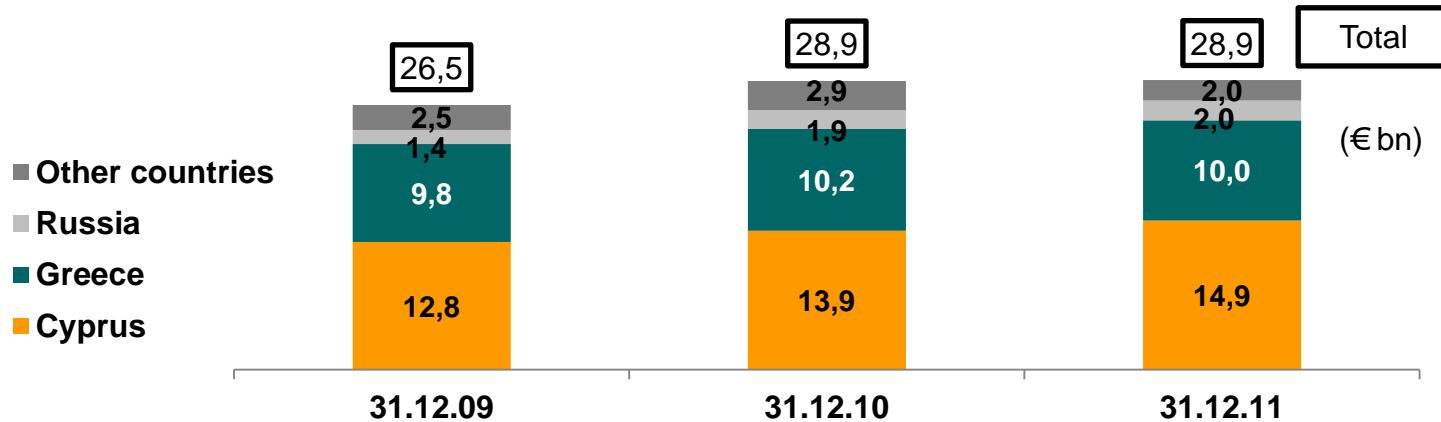
**Performance by Geographic Market**

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# Appendices

# Gross Loans by Geography

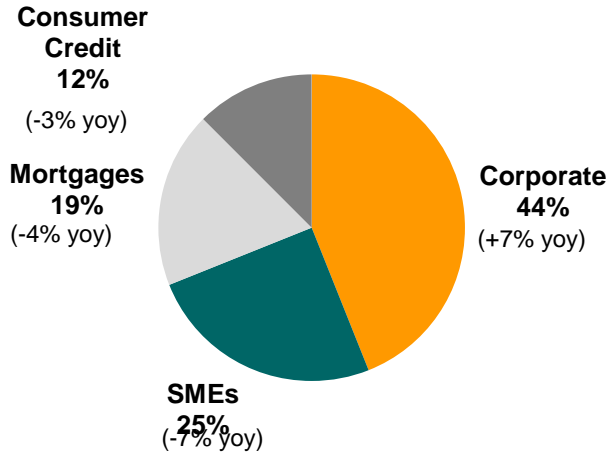


	31.12.10 (Eur mn)	As % of total	31.12.11 (Eur mn)	As % of total	YoY (%)	Market Share (%)
Cyprus	13.883	48%	14.931	52%	+8%	28,4%
Greece	10.154	35%	9.983	35%	-2%	4,2%
Russia	1.887	7%	2.004	7%	+6%	
Other countries*	2.962	10%	1.954	6%	-34% **	
<b>TOTAL</b>	<b>28.886</b>		<b>28.872</b>		<b>0% ***</b>	
United Kingdom	1.077		1.036		-4%	
Australia	1.012		--		--	
Romania	625		586		-6%	
Ukraine	248		332		+34%	

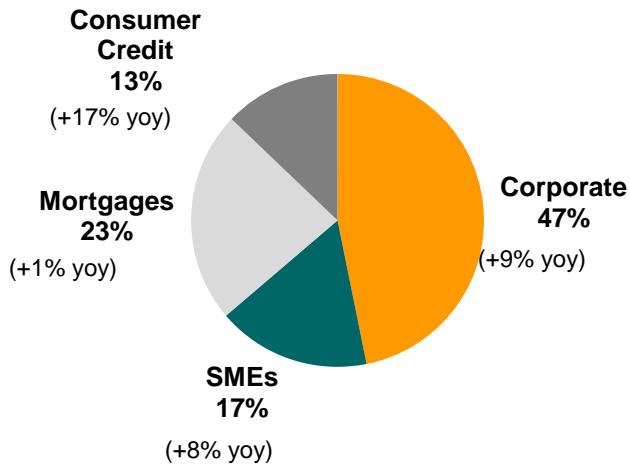
\* Other countries: Australia, Romania, Ukraine and United Kingdom; Australia is not included in the Dec-2011 data  
 \*\* Adjusting for sale of BOC Australia, growth rate of 0%  
 \*\*\* Adjusting for sale of BOC Australia, growth rate of +4%

# Gross Loans Segmental Diversification

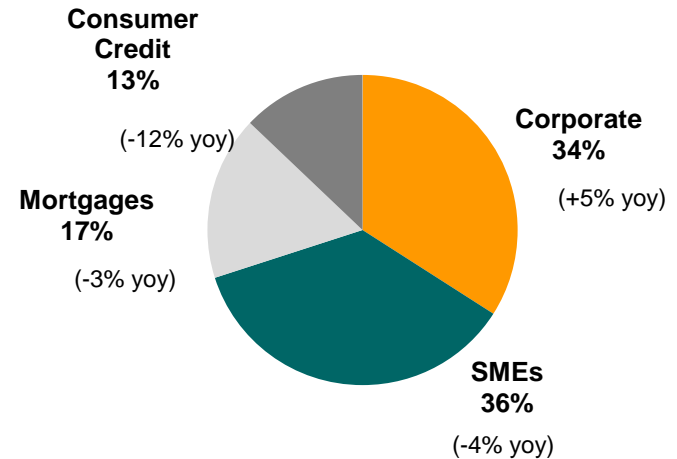
**Group: €28.872 mn**



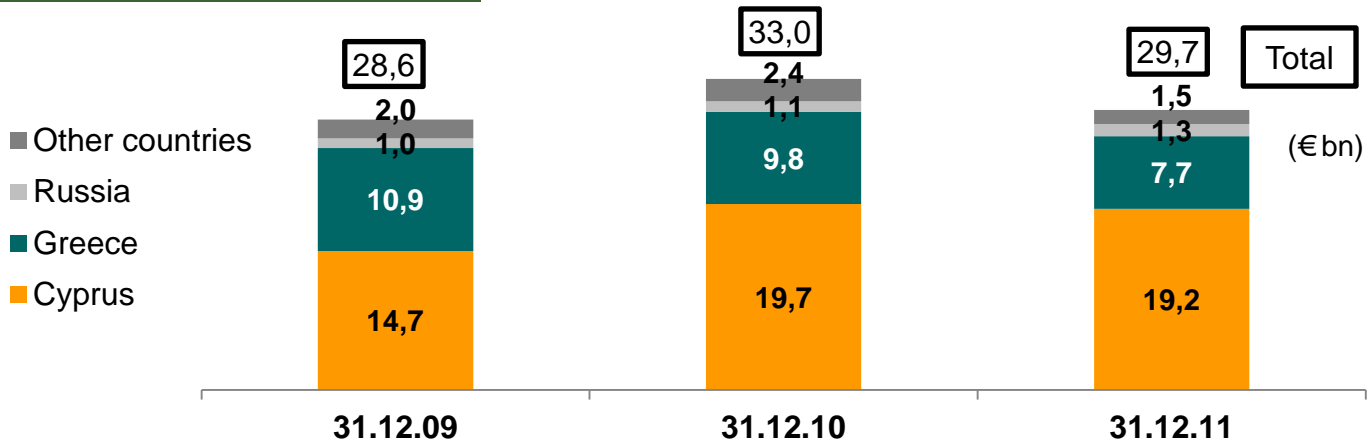
**Cyprus: €14.931 mn**



**Greece: €9.983 mn**



# Customer Deposits by Geography



	31.12.10 (Eur mn)	As % of total	31.12.11 (Eur mn)	As % of total	YoY (%)	Market Share (%)
<b>Cyprus</b>	<b>19.695</b>	<b>60%</b>	<b>19.166</b>	<b>65%</b>	<b>-3%</b>	<b>31,8%</b>
<b>Greece</b>	<b>9.791</b>	<b>30%</b>	<b>7.699</b>	<b>26%</b>	<b>-21%</b>	<b>3,9%</b>
<b>Russia</b>	<b>1.116</b>	<b>3%</b>	<b>1.294</b>	<b>4%</b>	<b>+16%</b>	
<b>Other countries*</b>	<b>2.351</b>	<b>7%</b>	<b>1.495</b>	<b>5%</b>	<b>-36% **</b>	
<b>TOTAL</b>	<b>32.953</b>		<b>29.654</b>		<b>-10% ***</b>	
<b>United Kingdom</b>	<b>1.260</b>		<b>1.210</b>		<b>-4%</b>	
<b>Australia</b>	<b>897</b>		<b>--</b>		<b>--</b>	
<b>Romania</b>	<b>153</b>		<b>202</b>		<b>+32%</b>	
<b>Ukraine</b>	<b>41</b>		<b>83</b>		<b>+104%</b>	

\* Other countries: Australia, Romania, Ukraine and United Kingdom; Australia is not included in the Dec-2011 data

\*\* Adjusting for sale of BOC Australia, growth rate of +3%

\*\*\* Adjusting for sale of BOC Australia, growth rate of -7%

# Cyprus: Summary profit & loss and key indicators

Excluding the impact from the impairment of GGBs in FY11

(€ mn)	FY11	FY10	y/y %	4Q11	q/q %
Net interest income	609	523	+16%	165	+3%
Net fee & commission income	135	127	+6%	37	+10%
Foreign exchange income and gains from financial instruments	39	76	-49%	14	+177%
Insurance income net of insurance claims	51	48	+6%	12	-5%
Other income	15	5	+190%	8	+141%
<b>Total income</b>	<b>849</b>	<b>779</b>	<b>+9%</b>	<b>236</b>	<b>+10%</b>
Personnel expenses	227	225	+1%	58	+0%
Other operating expenses	121	117	+3%	48	+187%
<b>Total expenses</b>	<b>348</b>	<b>342</b>	<b>+2%</b>	<b>106</b>	<b>+41%</b>
Profit before provisions	501	437	+15%	130	-7%
Provisions	132	145	-9%	28	-32%
Share of loss of associate	(1)	(2)	+26%	--	--%
Profit before tax	368	290	+27%	102	+4%
Taxation	57	39	+45%	16	+0%
Non-controlling interest loss/(gain)	4	5	-22%	1	--
<b>Profit after tax</b>	<b>315</b>	<b>256</b>	<b>+23%</b>	<b>87</b>	<b>+3%</b>
Net Interest Margin (NIM)	2,40%	2,12%	+28 b.p.	2,71%	+15 b.p.
Return on Equity (ROE)	26,6%	22,8%	+3,8 p.p.		
Cost/Income Ratio	41,0%	44,0%	-3,0 p.p.	44,7%	+9,9 p.p.

# Greece: Summary profit & loss and key indicators

Excluding the impact from the impairment of GGBs in FY11

(€ mn)	FY11	FY10	y/y %	4Q11	q/q %
Net interest income	332	310	+7%	89	+4%
Net fee & commission income	52	51	+2%	14	+4%
Foreign exchange income and gains from financial instruments	1	22	-96%	(1)	+43%
Insurance income net of insurance claims	10	11	-9%	2	+1%
Other income	6	1	+500%	1	+116%
<b>Total income</b>	<b>401</b>	<b>395</b>	<b>+2%</b>	<b>105</b>	<b>+6%</b>
Personnel expenses	121	113	+6%	32	+10%
Other operating expenses	83	88	-5%	21	+4%
<b>Total expenses</b>	<b>204</b>	<b>201</b>	<b>+2%</b>	<b>53</b>	<b>+8%</b>
Profit before provisions	197	194	+2%	52	+3%
Provisions	217	184	+18%	68	+27%
Share of profit/(loss) of associate	--	--	--	--	--
<b>(Loss)/Profit before tax</b>	<b>(20)</b>	<b>10</b>	<b>-305%</b>	<b>(16)</b>	<b>+358%</b>
Taxation	6	(1)	-487%	(2)	-271%
Non-controlling interest loss/(gain)	--	--	--	--	--
<b>(Loss)/Profit after tax</b>	<b>(26)</b>	<b>11</b>	<b>-329%</b>	<b>(14)</b>	<b>+169%</b>
Net Interest Margin (NIM)	2,74%	2,23%	+51 b.p.	3,02%	+27 b.p.
Return on Equity (ROE)	-3,8%	1,6%	-5,4 p.p.		
Cost/Income Ratio	50,8%	50,8%	--	50,8%	+1,0 p.p.

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

# Russia: Summary profit & loss and key indicators

(€ mn)	FY11	FY10	y/y %	4Q11	q/q %
Net interest income	130	119	+9%	33	+4%
Net fee & commission income	34	41	-16%	9	-2%
Foreign exchange income and gains from financial instruments	8	9	-14%	2	-35%
Insurance income net of insurance claims	--	--	--	--	--
Other income	7	2	+376%	--	-82%
<b>Total income</b>	<b>179</b>	<b>171</b>	<b>+5%</b>	<b>44</b>	<b>-4%</b>
Personnel expenses	62	63	-1%	15	+5%
Other operating expenses	59	62	-7%	16	+13%
<b>Total expenses</b>	<b>121</b>	<b>125</b>	<b>-4%</b>	<b>31</b>	<b>+9%</b>
Profit before provisions	58	46	+29%	13	-23%
Provisions	54	25	+123%	29	+172%
Share of profit/(loss) of associate	--	--	--	--	--
Profit before tax	4	21	-79%	(16)	-318%
Taxation	4	4	+11%	1	-16%
Non-controlling interest loss/(gain)	(3)	(1)	-	(5)	--
<b>Profit after tax</b>	<b>3</b>	<b>16</b>	<b>-81%</b>	<b>(12)</b>	<b>-323%</b>
Net Interest Margin (NIM)	5,84%	5,85%	-1 b.p.	5,95%	+25 b.p.
Return on Equity (ROE)	1,7%	9,4%	-7,7 p.p.		
Cost/Income Ratio	67,2%	73,3%	-6,1 p.p.	69,2%	+8 p.p.

## Other countries: Summary profit & loss and key indicators

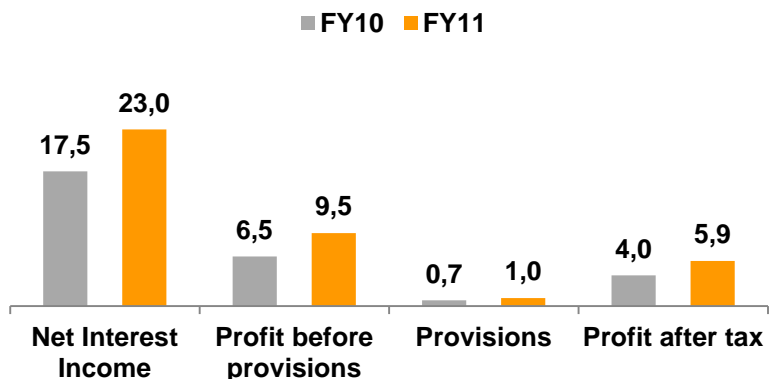
(€ mn)	FY11	FY10	y/y %	4Q11	q/q %
Net interest income	97	89	+10%	26	+8%
Net fee & commission income	11	12	-8%	2	-20%
Foreign exchange income and gains from financial instruments	1	3	-56%	1	
Insurance income net of insurance claims	--	--	--	--	--
Other income	3	1	+151%	(1)	-128%
<b>Total income</b>	<b>112</b>	<b>105</b>	<b>+8%</b>	<b>28</b>	<b>-2%</b>
Personnel expenses	33	29	+15%	8	-4%
Other operating expenses	30	28	+12%	8	+8%
<b>Total expenses</b>	<b>63</b>	<b>57</b>	<b>+14%</b>	<b>16</b>	<b>+2%</b>
Profit before provisions	49	48	+1%	12	-6%
Provisions	23	21	+13%	6	+6%
Share of (loss)/profit of associate	--	--	--	--	--
<b>Profit before tax</b>	<b>26</b>	<b>27</b>	<b>-8%</b>	<b>6</b>	<b>-17%</b>
Taxation	6	4	+31%	1	-63%
Non-controlling interest loss/(gain)	0	--	--	--	--
<b>Profit after tax</b>	<b>20</b>	<b>23</b>	<b>-16%</b>	<b>5</b>	<b>+0%</b>
Net Interest Margin (NIM)	2,62%	2,56%	+6 b.p.	2,76%	+24 b.p.
Return on Equity (ROE)	10,1%	12,9%	-2,8 p.p.		
Cost/Income Ratio	56,8%	53,7%	+3,1 p.p.	59,1%	+2,1 p.p.

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

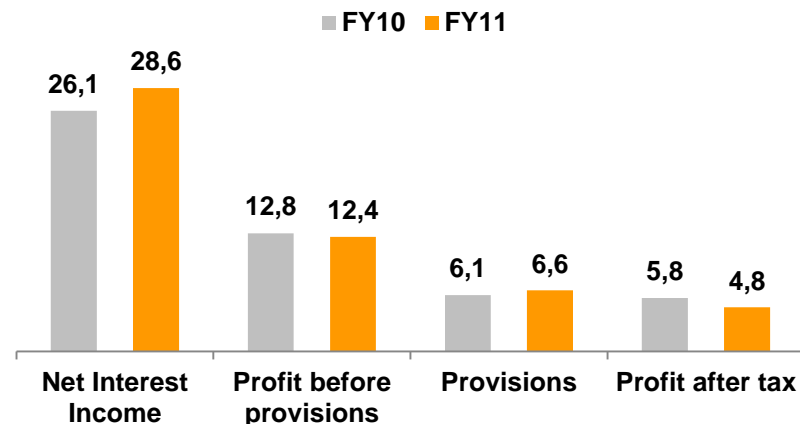
Other countries: Australia, Romania, Ukraine and United Kingdom

# Operations in Australia and United Kingdom

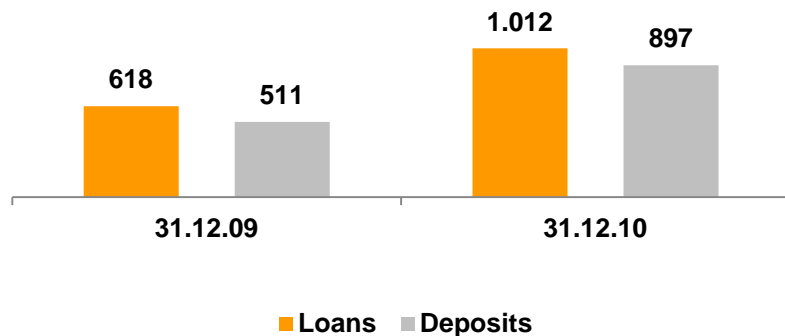
## Profit and Loss Highlights Australia (€mn)



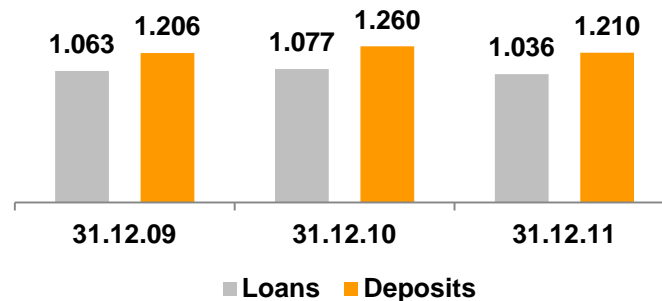
## Profit and Loss Highlights UK (€mn)



## Australia Loans and Deposits (€mn)



## UK Loans and Deposits (€mn)



BOC Australia disposed in December 2011