



## Announcement

### Group Financial Results for the quarter ended 31 March 2016

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Nicosia, 31 May 2016

#### Key Highlights

- Problem loans (90+ DPD) down by €1 bn or 9% during 1Q2016
- ELA reduced year-to-date by €1 bn to €2,8 bn
- Capital stronger, with CET1 ratio up by 30 basis points to 14,3%
- Profit after tax of €50 mn

#### Statement by Bank of Cyprus Group CEO:

*"We are satisfied with the overall progress we made during the first quarter of 2016.*

*We continue to drive loan restructuring momentum from the previous quarter by completing €1,5 bn of restructurings during the quarter. We made very good progress in reducing the stock of loans with arrears greater than 90 days by €1,0 bn or 9% during the quarter and we expect to drive further reduction during the coming quarters of 2016.*

*Our funding position continues to improve. We intend to fully repay ELA as soon as we can. It was pleasing that we were able to make meaningful progress towards this ambition in the year to date. ELA now stands at €2,8 bn, €1 bn lower since the beginning of the year.*

*The net interest margin remains healthy and the cost to income ratio for the quarter was a satisfactory 40%. Profit before provisions and impairments and profit after tax for the first quarter of 2016 were €145 mn and €50 mn, respectively.*

*We have bolstered the Group's capital ratio (CET1) by 30 basis points to 14,3% due to organic capital generation and decrease of risk weighted assets."*

**John Patrick Hourican**

#### Group Profile

Founded in 1899, Bank of Cyprus Group is the leading banking and financial services group in Cyprus. The Group provides a wide range of financial products and services which include retail and commercial banking, finance, factoring, investment banking, brokerage, fund management, private banking, life and general insurance. The Group operates through a total of 136 branches, of which 130 operate in Cyprus, 1 in Romania, 4 in the United Kingdom and 1 in the Channel Islands. Bank of Cyprus also has representative offices in Russia, Ukraine and China. The Bank of Cyprus Group employs 4.550 staff worldwide. At 31 March 2016, the Group's Total Assets amounted to €22,7 bn and Total Equity was €3,1 bn.



## A. Analysis of Financial Results for the quarter ended 31 March 2016

### A.1 Balance Sheet Analysis

#### A.1.1 Capital Base

Shareholders' equity totalled €3.101 mn at 31 March 2016. The **CET1 ratio**<sup>1</sup> totalled 14,3% at 31 March 2016, compared to 14,0% at 31 December 2015. Adjusting for Deferred Tax Assets<sup>2</sup>, the **CET1 ratio on a fully-loaded basis** totalled 13,5% at 31 March 2016. During 1Q2016, the CET1 ratio was positively affected by the profits for the quarter and the reduction of Risk Weighted Assets (RWA) but was negatively affected by the phasing-in of transitional adjustments (mainly deferred tax).

Post 31 March 2016 the Bank has reached an agreement to sell Kermia Hotels Ltd<sup>3</sup>. The transaction is expected to result in an estimated net profit after tax of €1,8 mn, based on carrying values as at 31 March 2016, and a net capital benefit of c. €18 mn, as a result of the capital treatment of these assets. The CET1 ratio is expected to improve by 0,1 percentage points.

#### A.1.2 Customer Deposits and Loans

Group customer deposits totalled €14.128 mn at 31 March 2016, compared to €14.181 mn at 31 December 2015. In constant exchange rates, Group customer deposits increased by €152 mn, with customer deposits in Cyprus increasing by €98 mn. During the quarter, deposits remained broadly at the same levels due to seasonality factors and the impact from the foreign exchange fluctuations. Customer deposits in Cyprus stood at €12.691 mn at 31 March 2016, accounting for 90% of Group customer deposits. Post 31 March 2016, deposit inflows have picked up resulting in an improved liquidity position. The Bank's deposit market share<sup>4</sup> in Cyprus reached 28,2% at 31 March 2016, compared to a low of 24,6% at 30 November 2014.

Customer deposits are the primary source of funding, with their contribution towards the Group's overall funding gradually increasing. Customer deposits accounted for 62% of total assets at 31 March 2016, compared to 61% at 31 December 2015 and a low of 48% at 31 March 2014. The Loans to Deposits ratio (L/D) improved to 119% at 31 March 2016, compared to 121% at 31 December 2015 and a high of 151% at 31 March 2014.

Group gross loans<sup>5</sup> totalled €21.849 mn at 31 March 2016, compared to €22.592 mn at 31 December 2015. Gross loans in Cyprus totalled €19.984 mn at 31 March 2016, and accounted for 91% of Group gross loans. The Bank is the single largest credit provider in Cyprus with a 40,4% loan market share at 31 March 2016, compared to 37,9% at 31 December 2015. Loans in the UK amounted to €1.174 mn and accounted for 5% of total loans, compared to €1.207 mn at 31 December 2015.

#### A.1.3 Eurosystem Funding

At 31 March 2016, the Bank's Eurosystem funding totalled €3,8 bn, comprising ELA of €3,3 bn and European Central Bank (ECB) funding of €501 mn. Post 31 December 2015 ELA funding was reduced by €1 bn to a current level of €2,8 bn. In total, ELA has been reduced by €8,6 bn since its peak of €11,4 bn in April 2013.

<sup>1</sup> Transitional basis; Includes independently verified profits for the quarter ended 31 March 2016.

<sup>2</sup> The DTA adjustments relate to Deferred Tax Assets totalling €451 mn and recognised on tax losses totalling €3,6 bn and can be set off against future profits of the Bank until 2028 at a tax rate of 12,5%. Furthermore, there are tax losses of approximately €8,5 bn for which no deferred tax asset has been recognised. Recognition of deferred tax asset is supported by management's business forecasts and takes into account the recoverability of the deferred tax assets within their expiry period.

<sup>3</sup> See relevant announcement dated 5 April 2016:

[http://www.bankofcyprus.com/Documents/Investor%20Relations/Press%20Releases/ENG/20160405\\_Kermia\\_Announcement%20-Final.pdf](http://www.bankofcyprus.com/Documents/Investor%20Relations/Press%20Releases/ENG/20160405_Kermia_Announcement%20-Final.pdf)

<sup>4</sup> Based on data from the Central Bank of Cyprus.

<sup>5</sup> Gross loans are reported before the fair value adjustment on initial recognition relating to loans acquired from Laiki Bank (difference between the outstanding contractual amount and the fair value of loans acquired) amounting to €1.130 mn at 31 March 2016 (compared to €1.207 mn at 31 December 2015).

## A.1.4 Loan portfolio quality

Addressing the asset quality remains the Group's main priority. The adoption of the foreclosure legislation and insolvency framework for the effective management of problem loans, the intensive restructuring and workout activity by the Bank's Restructuring and Recoveries Division (RRD), the Bank's more effective interaction with borrowers and the improving fundamentals of the Cypriot economy, are playing a significant role in reducing the level of problem loans.

**Loans in arrears for more than 90 days (90+ DPD)<sup>6</sup> were reduced by €1,04 bn during 1Q2016** (9% reduction qoq). The decrease was primarily due to increased restructuring activity, including debt for property swaps. 90+ DPD stood at €10.289 mn at 31 March 2016, accounting for 47% of gross loans (90+ DPD ratio), compared to 50% mn a quarter earlier. The provisioning coverage ratio of 90+ DPD<sup>7</sup> improved to 49% at 31 March 2016, compared to 48% at 31 December 2015. 90+ DPD are fully covered, when taking into account tangible collateral at fair value. The provisioning coverage ratio of 90+ DPD, calculated in line with local peers with reference to the contractual balances of the customers, totalled 61%<sup>8</sup> at 31 March 2016, compared to 58% at 31 December 2015.

	31.03.2016		31.12.2015	
	(€ mn)	% of gross loans	(€ mn)	% of gross loans
<b>90+ DPD</b>	<b>10.289</b>	<b>47,1%</b>	<b>11.329</b>	<b>50,1%</b>
Of which:				
impaired with no arrears	860	3,9%	875	3,9%
impaired with arrears less than 90 days	93	0,4%	103	0,5%

**Non-performing exposures<sup>9</sup> (NPEs) as defined by the European Banking Authority (EBA) declined by €641 mn or 5% during 1Q2016 to €13.327 mn at 31 March 2016**, accounting for 61% of gross loans. The provisioning coverage ratio of NPEs stood at 38% at 31 March 2016, compared to 39% at 31 December 2015. The provisioning coverage ratio of NPEs, calculated in line with local peers with reference to the contractual balances of the customer, stood at 49%<sup>10</sup> at 31 March 2016 (49% at 31 December 2015).

	31.03.2016		31.12.2015	
	(€ mn)	% of gross loans	(€ mn)	% of gross loans
<b>Non-performing exposures (NPEs) as per EBA definition</b>	<b>13.327</b>	<b>61,0%</b>	<b>13.968</b>	<b>61,8%</b>
Of which:				
NPEs with forbearance measures, no impairments and no arrears	2.181	10,0%	1.862	8,2%
NPEs with forbearance measures, no impairments and arrears <90 days	643	2,9%	551	2,4%

During 4Q2015, as part of the Group's efforts to provide solutions to distressed borrowers the **Real Estate Management Unit (REMU)** has been set up to take on board assets through debt for property swaps and to manage those assets (including selective investment and development) and to execute exit strategies in order to monetise those assets. As at 31 December 2015, the carrying value of properties held as inventories was €516 mn. During 1Q2016, REMU acquired €285 mn of assets via the execution of debt for property swaps. As at 31 March 2016, REMU had inventories with total carrying value of €746 mn. During the quarter, the Bank completed the disposal of assets acquired from distressed customers amounting to €48 mn.

<sup>6</sup>Loans in arrears for more than 90 days (90+ DPD) are defined as loans past-due for more than 90 days and those that are impaired (impaired loans are those which are not considered fully collectable and for which a provision for impairment has been recognised on an individual basis or for which incurred losses exist at their initial recognition or customers in Debt Recovery).

<sup>7</sup> Provisioning coverage ratio for 90+ DPD is calculated as the sum of accumulated provisions for impairment of customer loans, fair value adjustment on initial recognition and provision for off-balance sheet exposures, over 90+ DPD.

<sup>8</sup> This ratio is calculated by adjusting both the provisions stock and the customer balances to include any unrecognised interest income due on contractual balances.

<sup>9</sup> In 2014 the European Banking Authority (EBA) published its reporting standards on forbearance and non-performing exposures (NPEs). According to the EBA standards, a loan is considered a non-performing exposure if: (i) the debtor is assessed as unlikely to pay its credit obligations in full without the realisation of the collateral, regardless of the existence of any past due amount or of the number of days past due, for example in case of a write off, a legal action against the borrower, or bankruptcy, or (ii) the exposures are impaired i.e. in cases where there is a specific provision, or (iii) there are material exposures which are more than 90 days past due, or (iv) there are performing forbearance exposures under probation for which additional forbearance measures are extended, or (v) there are performing forbearance exposures under probation that present more than 30 days past due within the probation period.

<sup>10</sup> See Note 8.

## A.1.5 Non-core overseas exposures

As part of its **deleveraging strategy**, and through specific, deliberate and well-timed actions, the Bank has managed to reduce its risk profile, to enhance its liquidity position and to improve its capital position.

The remaining non-core overseas exposures at 31 March 2016 are as follows:

- Greece: The net exposure comprised (a) net on-balance sheet exposures (excluding foreclosed properties) totalling €16 mn (compared to €22 mn at 31 December 2015), (b) 640 foreclosed properties with a book value of €168 mn (compared to 641 foreclosed properties with a book value of €173 mn at 31 December 2015), (c) off-balance sheet exposures totalling €122 mn (compared to €131 mn at 31 December 2015) and (d) lending exposures to Greek entities in the normal course of business in Cyprus totalling €87 mn (compared to €81 mn at 31 December 2015) and lending exposures in Cyprus with collaterals in Greece totalling €71 mn (compared to €70 mn at 31 December 2015).
- Romania: The overall net exposure is €274 mn (compared to €312 mn at 31 December 2015).
- Serbia: The overall net exposure is €54 mn (compared to €54 mn at 31 December 2015).
- Russia: The remaining net exposure (on and off balance sheet) in Russia is €119 mn, (compared to €114 mn at 31 December 2015).

## A.2 Income Statement Analysis

**Net interest income (NII) and net interest margin (NIM)** for 1Q2016 amounted to €185 mn and 3,63% respectively. NII was down by 7% compared to €198 mn for 4Q2015. The decrease reflects lower volume of loans, the increased activity in loan restructurings, the deleveraging actions and the full effect of repayment of a high yielding bond by the Republic of Cyprus, in December 2015. Adjusting for the interest income relating to the Republic of Cyprus bond, 1Q2016 NII was reduced by 3% qoq and 1Q2016 NIM increased by 8 basis points, compared to the 4Q2015 NIM<sup>11</sup>.

**Non-interest income** for 1Q2016 was €59 mn (compared to €55 mn for 4Q2015), with the recurring income comprising net fee and commission income of €36 mn and net insurance income of €14 mn. The remaining component of non-interest income (comprising net foreign exchange gains/(losses), net gains/(losses) on other financial instruments, gains/(losses) from revaluation of investment properties and disposal of stock of properties and other income) for 1Q2016 was €9 mn, compared to a net profit of €1 mn for 4Q2015 and a net loss of €8 mn for 1Q2015.

**Total Income**<sup>12</sup> for 1Q2016 amounted to €244 mn, compared to €253 mn for 4Q2015 (4% reduction qoq) and €274 mn for 1Q2015 (11% reduction yoy). The reduction of total income primarily relates to the reduction in NII.

**Total expenses** for 1Q2016 amounted to €99 mn, of which €59 mn related to staff costs and €40 mn to other operating expenses. Other operating expenses remained relatively stable yoy, but decreased by 35% compared to 4Q2015, as expenses for 4Q2015 were elevated due to higher non-recurring advisory and professional expenses and increased provisions for litigation and legal settlements. The cost to income ratio for 1Q2016 improved to 40%, compared to 47% for 4Q2015.

**Profit before provisions and impairments**<sup>13</sup>, **restructuring costs and discontinued operations** for 1Q2016 was €145 mn, compared to €134 mn for 4Q2015 and €172 mn for 1Q2015.

**Provisions for impairment of customer loans (continuing operations) net of gains/(losses) on derecognition and changes in expected cash flows** for 1Q2016 totalled €62 mn. Provisions for impairment of customer loans (continuing operations) net of gains/(losses) on derecognition and changes in expected cash flows for 1Q2016 were significantly lower qoq, as the provisions for 4Q2015 were significantly elevated reflecting the assumption changes in the Bank's provisioning methodology taking into account the regulatory dialogue with the ECB. The annualised provisioning charge for 1Q2016 was 1,1%<sup>14</sup> of gross loans, compared to 4,3% for FY2015. At 31 March 2016, accumulated provisions, including fair value adjustment on initial

<sup>11</sup> Excluding the interest income from the Republic of Cyprus bond, the NIM for 4Q2015 was 3,55%.

<sup>12</sup> Total income includes Net Interest Income and Non Interest Income.

<sup>13</sup> Comprising provisions for impairments of customer loans and impairments of other financial and non-financial assets, net of gains/(losses) on derecognition and changes in expected cash flows.

<sup>14</sup> That is Provisions for impairment of customer loans and gains/(losses) on derecognition of loans and changes in expected cash flows on acquired loans over average gross loans (as defined in Note 5).

recognition<sup>15</sup>, totalled €5.076 mn<sup>16</sup> (compared to €5.445 mn at 31 December 2015) and accounted for 23,2% of gross loans (compared to 24,1% at 31 December 2015).

**Impairments of other financial and non-financial assets** for 1Q2016 totalled €8 mn, compared to €24 mn for 4Q2015. Impairments for 4Q2015 were higher due to further impairments of overseas non-core assets as part of the Bank's de-risking efforts and a change in measurement basis of real estate assets acquired from customers.

**Profit after tax for continuing operations**<sup>17</sup> for 1Q2016 totalled €67 mn, compared to a loss of €509 mn for 4Q2015.

**Advisory and other restructuring costs**<sup>18</sup> for 1Q2016 totalled €17 mn, of which €6 mn related to the voluntary exit plan (VEP) and €11 mn to other professional and restructuring costs. Adjusting for the one off cost of voluntary exit plan, restructuring costs were reduced by 29% qoq (€16 mn for 4Q2015).

**Profit after tax attributable to the owners of the Bank** for 1Q2015 totalled €50 mn, compared to a loss of €512 mn for 4Q2015.

## B. Outlook

The Group continues to focus on implementing its strategic objectives aiming to become **a stronger, safer and more focused institution capable of supporting the recovery of the Cypriot economy** and delivering appropriate shareholder returns in the medium term.

The key pillars of the Group's strategy are to:

- **Materially reduce** the level of delinquent loans
- **Normalise the funding structure and fully repay the ELA**
- Focus on the **core Cyprus market and on the UK operations**
- **Achieve a lean operating model**
- **Maintain an appropriate capital position** by internally generating capital
- **Deliver value** to shareholders and other stakeholders

With the Cypriot operations accounting for 91% and 90% of gross loans and customer deposits respectively, the **Group's financial performance is highly correlated to the economic and operating conditions in Cyprus**. According to the flash estimate<sup>19</sup> published on 13 May 2016, real GDP in Cyprus increased by 2,7% yoy in the first quarter of 2016 (when seasonally adjusted). The outlook for the Cypriot economy for 2016 remains positive as confidence strengthens and sentiment improves. Downside risks to growth projections relate to the high level of non-performing loans, more delays in the implementation of structural reforms and a worsening of the external environment.

**Tackling the Group's loan portfolio quality is a top priority for management.** The RRD is making strides in reducing the level of problem loans with the strong momentum in the loan restructuring activities continuing. Further reduction in 90+ DPD is expected during the coming quarters of 2016, reflecting the restructuring momentum and the improving economic and operating conditions in Cyprus.

**In order to normalise its funding structure and to fully repay ELA**, the Bank is **stepping up its marketing efforts to attract deposits**, leveraging on increasing customer confidence towards the Bank and improving macroeconomic conditions. The Bank's strong capital position and overall improvement in its financial position **enhance its funding options and facilitate access to the debt capital markets for wholesale funding**, subject to market conditions and investor appetite. In this context, the Bank successfully accessed the international markets for financing in May 2016 for the first time since the events of March 2013, completing a secured financing transaction (in the form of a repurchase agreement transaction) with a major international bank.

<sup>15</sup> Including the fair value adjustment on initial recognition (difference between the outstanding contractual amount and the fair value of loans acquired from Laiki Bank) and provisions for off balance sheet exposures.

<sup>16</sup> The decrease in accumulated provisions of €369 mn primarily relates to increased restructuring activity for the quarter.

<sup>17</sup> Defined as Profit after tax excluding restructuring costs, discontinued operations and net profit on disposal of non-core assets.

<sup>18</sup> Advisory and other restructuring costs comprise mainly fees of external advisors in relation to: (i) disposal of operations (ii) customer loan restructuring activities which are not part of the effective interest rate and (iii) the listing on a European stock exchange.

<sup>19</sup> Based on the Statistical Service of the Republic of Cyprus.

The Bank managed to **solidify its leading position in the Cypriot banking system and to be a key player in the recovery of the Cypriot economy**. The Bank's strengthened capital position and its improving liquidity underline its efforts to **provide credit to promising sectors of the domestic economy that will support and diversify further economic activity**.

The Bank will continue to strive to **ensure that appropriate capital levels are maintained** taking into account its risk profile, its high level of problem loans, its declining overseas non-core exposures, the challenges faced and the economic and regulatory environment.

### C. Key Performance Indicators – New Medium Term Targets

The below table shows the Group's performance vis-à-vis the set of Medium Term Targets, including targets relating to 90+ DPD ratio, ELA, Loans to Deposit ratio and Total Assets.

Group Key Performance Indicators		Actual Dec-2015	Actual Mar-2016	Medium-Term Targets
Asset Quality	90+ Days Past Due ratio	50%	47%	<30%
	90+ Days Past Due coverage	48%	49%	>50%
	Provisioning charge <sup>20</sup> (Cost of Risk)	4,3%	1,1% <sup>21</sup>	<1,0%
Funding	ELA % Assets; € bn	16% €3,8 bn	15% €3,3 bn	Fully Repay
	Net Loans % Deposits	121%	119%	100%-120%
Capital	CET 1 (transitional) <sup>22</sup>	14,0%	14,3%	>15%
Efficiency	Net Interest margin	3,8%	3,6%	~3,00%
	Fee and Commission income / total income	15%	15%	>20%
	Cost to Income ratio	40%	40%	40%-45%
Balance Sheet	Total assets	€23,3 bn	€22,7 bn	>€25 bn

<sup>20</sup> IFRS 9 impact, which is effective as from 1 January 2018, has not been taken into account for the purpose of the targets. Targets are set on the basis of the present regulatory environment.

<sup>21</sup> See Note 9.

<sup>22</sup> See Note 1.

## D. Appendix

<b>Consolidated Income Statement</b>					
€ mn	1Q2016	4Q2015	qoq ±%	1Q2015	yoq ±%
Net interest income	185	198	-7%	227	-19%
Net fee and commission income	36	38	-6%	43	-17%
Net foreign exchange gains/(losses) and net gains/(losses) on other financial instruments	6	13	-47%	(3)	-
Insurance income net of insurance claims	14	16	-16%	12	14%
Gains/(losses) from revaluation of investment properties and disposal of stock of properties	1	(17)	-107%	(8)	-
Other income	2	5	-62%	3	-
<b>Total income</b>	<b>244</b>	<b>253</b>	<b>-4%</b>	<b>274</b>	<b>-11%</b>
Staff costs	(59)	(57)	2%	(59)	-1%
Other operating expenses	(40)	(62)	-35%	(43)	-6%
<b>Total expenses</b>	<b>(99)</b>	<b>(119)</b>	<b>-17%</b>	<b>(102)</b>	<b>-3%</b>
<b>Profit before provisions and impairments, gains/(losses) on derecognition and changes in expected cash flows, restructuring costs and discontinued operations</b>	<b>145</b>	<b>134</b>	<b>9%</b>	<b>172</b>	<b>-15%</b>
<b>Provisions for impairment of customer loans net of gains/(losses) on loan derecognition and changes in expected cash flows</b>	<b>(62)</b>	<b>(630)</b>	<b>-90%</b>	<b>(110)</b>	<b>-44%</b>
Impairments of other financial and non-financial assets	(8)	(24)	-67%	(1)	-
Share of profit from associates and joint ventures	1	2	-65%	1	-57%
<b>Profit/(loss) before tax, restructuring costs and discontinued operations</b>	<b>76</b>	<b>(518)</b>	<b>-</b>	<b>62</b>	<b>22%</b>
Tax	(8)	8	-	(8)	2%
(Loss)/profit attributable to non-controlling interests	(1)	1	-	1	-
<b>Profit/(loss) after tax and before restructuring costs, discontinued operations and net profit on disposal of non-core assets</b>	<b>67</b>	<b>(509)</b>	<b>-</b>	<b>55</b>	<b>24%</b>
Advisory and other restructurings costs <sup>23</sup>	(17)	(16)	7%	(8)	112%
Loss from disposal groups held for sale/discontinued operations	-	(0)	-	(18)	-
Net gain on disposal of non-core assets	-	13	-	-	-
<b>Profit/(loss) after tax</b>	<b>50</b>	<b>(512)</b>	<b>-</b>	<b>29</b>	<b>76%</b>

<b>Key Performance Ratios</b>	1Q2016	4Q2015	qoq ±%	1Q2015
Net Interest Margin (annualised)	3,63%	3,69%	-6 bps*	3,94%
Cost to income ratio	40%	47%	-7 p.p.*	37%
Return on average assets (annualised)	0,9%	-8,6%	+9,5 p.p.*	0,4%
Return on average equity (annualised)	6,5%	-62,3%	+68,8 p.p.*	3,3%
Basic earnings/(losses) per share (€ cent)	0,56	(5,74)	6,3	0,32

\* p.p. = percentage points, bps = basis points, 100 basis points = 1 percentage point

<sup>23</sup> See Note 18

<b>Condensed Consolidated Balance Sheet</b>			
<b>€ mn</b>	<b>31.03.2016</b>	<b>31.12.2015</b>	<b>±%</b>
Cash and balances with Central Banks	1.141	1.423	-20%
Placements with banks	1.273	1.314	-3%
Debt securities, treasury bills and equity investments	914	1.009	-9%
Net loans and advances to customers	16.821	17.192	-2%
Other assets	2.482	2.284	9%
Non-current assets and disposal groups classified as held for sale	39	49	-19%
<b>Total assets</b>	<b>22.670</b>	<b>23.271</b>	<b>-3%</b>
Amounts due to banks	313	242	29%
Funding from Central Banks	3.803	4.453	-15%
Repurchase agreements	339	368	-8%
Customer deposits	14.128	14.181	-0%
Debt securities in issue	1	1	-7%
Other liabilities	958	944	1%
Non-current liabilities and disposal groups classified as held for sale	4	4	-
<b>Total liabilities</b>	<b>19.546</b>	<b>20.193</b>	<b>-3%</b>
Share capital	892	892	0%
Capital reduction reserve and share premium	2.505	2.505	0%
Revaluation and other reserves	263	259	2%
Accumulated losses	(559)	(601)	-7%
<b>Shareholders' equity</b>	<b>3.101</b>	<b>3.055</b>	<b>2%</b>
Non-controlling interests	23	23	1%
<b>Total equity</b>	<b>3.124</b>	<b>3.078</b>	<b>2%</b>
<b>Total liabilities and equity</b>	<b>22.670</b>	<b>23.271</b>	<b>-3%</b>

<b>Key Balance Sheet figures and ratios</b>	<b>31.03.2016</b>	<b>31.12.2015</b>	<b>±%</b>
Gross loans (€ mn)	21.849	22.592	-3%
Customer deposits (€ mn)	14.128	14.181	-0%
Loans to deposits ratio (net)	119%	121%	-2 p.p.*
90+ DPD ratio	47%	50%	-3 p.p.*
90+ DPD provisioning coverage ratio <sup>24</sup>	49%	48%	+1 p.p.*

\* p.p. = percentage points, 100 basis points = 1 percentage point

<b>Capital</b>	<b>31.03.2016</b>	<b>31.12.2015</b>	<b>±%</b>
Common Equity Tier 1 capital ratio (CET1) (transitional) <sup>25</sup>	14,3%	14,0%	+3 p.p. *
Total capital ratio	14,4%	14,1%	+0,3 p.p.*
Risk weighted assets (€ mn)	19.374	19.666	-1%

\* p.p. = percentage points, 100 basis points = 1 percentage point

**Notes to the Interim Condensed Consolidated Financial Statements of the Group for the quarter ended 31 March 2016:**

The Interim Condensed Consolidated Financial Statements for the quarter ended 31 March 2016 have been reviewed by the Group's external auditors.

The Interim Condensed Consolidated Financial Statements will be available at the Bank of Cyprus Public Company Ltd Registered Office (at 51 Stassinou Street, Ayia Paraskevi, Strovolos, P.O. Box 24884, 1398 Nicosia, Cyprus) and on the Group's website [www.bankofcyprus.com](http://www.bankofcyprus.com) (Investor Relations/Financial Results).

The announcement and the presentation of the Financial Results of the Group for the quarter ended 31 March 2016 have been posted on the Group's website [www.bankofcyprus.com](http://www.bankofcyprus.com) (Investor Relations/Financial Results).

<sup>24</sup> See Note 4.

<sup>25</sup> See Note 1.