

BANK OF CYPRUS GROUP
CONSOLIDATED INCOME STATEMENT
for the year ended 31 December 2004

	2004 C€000	2003 C€000
Turnover	691 411	593 564
Interest income	512 293	432 436
Interest expense	(266 413)	(233 906)
Net interest income	245 880	198 530
Fee and commission income	90 941	79 518
Fee and commission expense	(5 028)	(4 008)
Foreign exchange income	15 489	14 216
Losses on sale and revaluation of financial instruments	(2 778)	(792)
Income from insurance business	18 106	15 437
Other income	4 720	4 211
	367 330	307 112
Staff costs	(138 288)	(123 337)
Other operating expenses	(89 504)	(83 198)
Profit before provisions	139 538	100 577
Provisions for bad and doubtful debts	(83 695)	(110 190)
Profit/(loss) before provision for impairment of available-for-sale-investments	55 843	(9 613)
Provision for impairment of available-for-sale-investments	(5 927)	(7 799)
Profit/(loss) before tax	49 916	(17 412)
Tax	(12 408)	(11 391)
Profit/(loss) after tax	37 508	(28 803)
Basic and diluted earnings/(loss) per share (cent)	8,1	(6,5)

BANK OF CYPRUS GROUP
CONSOLIDATED BALANCE SHEET
as at 31 December 2004

	2004	2003
	C€000	C€000
Assets		
Cash and balances with central banks	439 314	545 602
Placements with banks	1 511 577	1 325 309
Trading investments	72 190	142 450
Loans and advances to customers	5 979 252	5 279 892
Non-trading investments	1 713 253	1 220 469
Property and equipment	157 531	162 768
Intangible assets	13 296	15 881
Other assets	83 291	82 141
Prepayments and accrued income	94 728	98 246
	<u>10 064 432</u>	<u>8 872 758</u>
Life assurance business net assets attributable to policyholders	<u>195 551</u>	<u>189 070</u>
Total assets	<u>10 259 983</u>	<u>9 061 828</u>
Liabilities		
Amounts due to banks	131 380	263 234
Customer deposits	8 655 882	7 390 059
Debt securities in issue	148 612	151 263
Other liabilities	134 799	128 272
Accruals and deferred income	67 053	75 872
	<u>9 137 726</u>	<u>8 008 700</u>
Life assurance business liabilities to policyholders	<u>195 551</u>	<u>189 070</u>
Subordinated loan stock	<u>367 593</u>	<u>340 774</u>
Equity		
Share capital	232 385	232 385
Share premium	238 955	238 955
Revaluation reserves	54 063	54 140
Exchange adjustments reserve	(2 828)	(2 379)
Retained earnings	36 538	183
	<u>559 113</u>	<u>523 284</u>
Total liabilities and equity	<u>10 259 983</u>	<u>9 061 828</u>
Contingent liabilities and commitments		
Contingent liabilities	<u>710 600</u>	<u>689 832</u>
Commitments	<u>1 184 972</u>	<u>1 015 169</u>

S. A. Triantafyllides, *Chairman*
V. G. Rologis, *Vice Chairman*

A. Eliades, *Group Chief Executive Officer*
Y. Kypri, *Group Chief General Manager*
Ch. Hadjimitsis, *Group General Manager Finance*

NOTES

1. The consolidated income statement and the consolidated balance sheet are extracts from the financial statements of the Bank of Cyprus Group for the year ended 31 December 2004. The financial statements of the Group are prepared in accordance with the International Financial Reporting Standards.
 2. The financial statements for the year ended 31 December 2004 have been audited by the external auditors of the Group.
 3. The Board of Directors recommends the payment of a final dividend for the year 2004 amounting to 4 cent per share (total proposed dividend amounts to C£18 591 thousand). The proposed dividend will be submitted to the Annual General Meeting of the shareholders which will be held on 18 May 2005 for approval. The proposed dividend is not incorporated in the results until its approval at the Annual General Meeting and its payment to shareholders.
 4. The explanatory statement as required by Paragraphs 25 and 27(5) of Part IV of Appendix 6 (Regulation 81(1)) of the Cyprus Stock Exchange Law as well as the complete set of financial statements for the year ended 31 December 2004, are available at the Registered Office of Bank of Cyprus Public Company Ltd and at the Group's website as follows:
 - Registered Office 51 Stassinou Street, Ayia Paraskevi, Strovolos,
P.O. Box 24884, 1398 Nicosia, Cyprus
Telephone: 22842128 Fax: 22378112
 - Website www.bankofcyprus.com (Investor Relations)
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