

## FINANCIAL INFORMATION FOR THE PERIOD FROM 1 JANUARY 2007 TO 31 MARCH 2007

as stipulated by Decision 2/396/31.8.2006 of The Board of Directors of the Greek Capital Markets Commission (expressed in Euro)

The financial information presented below is aiming to provide a general awareness about the financial position and financial results of the Bank of Cyprus Group (the "Group") and the holding company Bank of Cyprus Public Company Ltd (the "Company"). We recommend to the reader, before any investment decision or transaction is performed with the Group, to visit the Group's website where the interim financial statements prepared in accordance with International Financial Reporting Standards are available, together with the auditor's review report when required, and the detailed explanatory statement of results. These documents are also available at the Registered Office of the Company (51 Stassinou Street, Aya Paraskevi, Strovolos, P.O. Box 24864, 1398 Nicosia, Cyprus, Telephone: +357 22 842128, Fax: +357 22 378422). Website: www.bankofcyprus.com - Investor Relations/Financial Information. Date of approval of the three month Interim Condensed Financial Statements by the Board of Directors: 10 May 2007.

### BANK OF CYPRUS GROUP

#### INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT for the three months ended 31 March 2007

	Notes	Three months ended 31 March	
		2007 €000	2006 €000
Turnover		480.196	372.131
Net interest income		172.824	134.977
Net fee and commission income		49.509	41.045
Foreign exchange income		8.478	6.593
Net gains on sale and change in fair value of financial instruments		5.986	14.451
Income from insurance business		13.489	12.209
Other income	3	5.483	1.734
		<u>255.769</u>	<u>211.009</u>
Staff costs		(71.171)	(65.725)
Other operating expenses	4	(41.319)	(37.674)
<b>Profit before provisions</b>		<b>143.279</b>	<b>107.610</b>
Provisions for impairment of loans and advances		(19.552)	(31.239)
<b>Profit before tax</b>		<b>123.727</b>	<b>76.371</b>
Tax		(16.722)	(12.274)
<b>Profit after tax</b>		<b>107.005</b>	<b>64.097</b>
<b>Basic earnings per share (cent)</b>		<b>19.3</b>	<b>11.7</b>
<b>Diluted earnings per share (cent)</b>		<b>19.3</b>	<b>11.7</b>

### BANK OF CYPRUS PUBLIC COMPANY LTD

#### INTERIM CONDENSED INCOME STATEMENT for the three months ended 31 March 2007

	Notes	Three months ended 31 March	
		2007 €000	2006 €000
Turnover		424.376	327.061
Net interest income		165.210	130.636
Net fee and commission income		43.782	36.386
Foreign exchange income		8.466	6.560
Dividends from subsidiary companies		1.314	-
Net gains on sale and change in fair value of financial instruments		4.492	14.264
Other income	3	425	482
		<u>223.689</u>	<u>188.328</u>
Staff costs		(65.350)	(60.710)
Other operating expenses	4	(37.504)	(34.215)
<b>Profit before provisions</b>		<b>120.835</b>	<b>93.403</b>
Provisions for impairment of loans and advances		(17.998)	(29.930)
<b>Profit before tax</b>		<b>102.837</b>	<b>63.473</b>
Tax		(14.184)	(10.010)
<b>Profit after tax</b>		<b>88.653</b>	<b>53.463</b>
<b>Basic earnings per share (cent)</b>		<b>16.0</b>	<b>9.8</b>
<b>Diluted earnings per share (cent)</b>		<b>16.0</b>	<b>9.8</b>

#### INTERIM CONDENSED CONSOLIDATED BALANCE SHEET as at 31 March 2007

	Notes	31 March 2007 €000	31 Dec. 2006 €000
<b>Assets</b>			
Cash and balances with central banks		736.072	1.176.318
Placements with banks		4.494.986	4.281.841
Investments at fair value through profit or loss		472.693	407.426
Loans and advances to customers		15.306.957	14.405.295
Investments available-for-sale and held-to-maturity		3.904.483	3.634.730
Property and equipment		262.797	264.876
Intangible assets		16.540	17.710
Other assets	5	498.497	395.614
Investment in associated company		11.374	-
		<u>25.704.399</u>	<u>24.583.810</u>
Life assurance business net assets attributable to policyholders		501.880	494.501
<b>Total assets</b>		<b>26.206.279</b>	<b>25.078.311</b>
<b>Liabilities</b>			
Amounts due to banks		446.956	450.023
Customer deposits and other accounts		21.556.021	20.836.466
Debt securities in issue		1.007.830	746.990
Other liabilities	6	478.786	441.452
		<u>23.489.593</u>	<u>22.474.931</u>
Life assurance business liabilities to policyholders		501.880	494.501
Subordinated loan stock		559.087	551.068
<b>Total liabilities</b>		<b>24.550.560</b>	<b>23.520.500</b>
<b>Equity</b>			
Share capital		477.155	476.871
Reserves		1.178.564	1.080.940
		<u>1.655.719</u>	<u>1.557.811</u>
<b>Total liabilities and equity</b>		<b>26.206.279</b>	<b>25.078.311</b>

E. P. Ioannou, Chairman  
A. Artemis, Vice-Chairman  
A. Eliades, Group Chief Executive Officer

C. G. Stavrakis, Chief Executive Officer-Cyprus and  
Deputy Group Chief Executive Officer  
Y. Kyprri, Group Chief General Manager  
Chr. Hadjimitsis, Group General Manager Finance

#### INFORMATION EXTRACTED FROM THE INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the three months ended 31 March 2007

	Three months ended 31 March	
	2007 €000	2006 €000
Total equity, at 1 January	1.557.811	1.311.608
Profit after tax	107.005	64.097
Exercise of share options	1.848	1.818
Net profits recognised directly in equity	(10.945)	(462)
Total equity, at 31 March	<u>1.655.719</u>	<u>1.377.061</u>

#### INFORMATION EXTRACTED FROM THE INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT for the three months ended 31 March 2007

	Three months ended 31 March	
	2007 €000	2006 €000
<b>Net cash flow used in operating activities</b>	(165.421)	(780.748)
<b>Net cash flow used in investing activities</b>	(246.844)	(135.292)
<b>Net cash flow used in financing activities</b>	(4.887)	(7.772)
<b>Net decrease in cash and cash equivalents for the three months</b>	<b>(417.152)</b>	<b>(923.812)</b>
<b>Cash and cash equivalents</b>		
At 1 January	4.847.934	4.787.503
Exchange adjustments	43	49
Net decrease in cash and cash equivalents for the three months	(417.152)	(923.812)
<b>At 31 March</b>	<b>4.430.825</b>	<b>3.863.740</b>

- The Interim Condensed Consolidated Financial Statements for the three months ended 31 March 2007 have been prepared in accordance with the International Accounting Standard 34 'Interim Financial Reporting' as adopted by the European Union (EU) and as issued by the International Accounting Standards Board. The financial statements are presented in Cyprus pounds (€). For information purposes, extracts from these financial statements of the Group and the Company are presented in this announcement in Euro. The translation from Cyprus Pounds to Euro for information relating to the current period as well as prior periods presented, was carried out using the average Euro-Cyprus Pound exchange rate as at 31 March 2007, which was €1=€0.5807.
- The accounting policies that have been followed for the preparation of the Interim Condensed Consolidated Financial Statements for the three months ended 31 March 2007 are consistent with those followed for the preparation of the financial statements for year 2006, except for the adoption by the Group of the following new and amended International Financial Reporting Standards as of 1 January 2007: IFRS 7, IFRIC 10, IFRIC 11 and IFRS 2 and the adoption of an accounting policy for recording investments in associates as the Group had no such investments in the previous year.
- Other income for the three months ended 31 March 2007 includes dividend income of €90 thousand (corresponding period of 2006: €29 thousand) for the Group and €55 thousand (corresponding period of 2006: €28 thousand) for the Company.
- Other operating expenses for the three months ended 31 March 2007 include depreciation of property and equipment and amortisation of intangible assets of €7.703 thousand (corresponding period of 2006: €8.130 thousand) for the Group and €7.229 thousand (corresponding period of 2006: €7.550 thousand) for the Company.
- Other assets as at 31 March 2007 include the positive fair value of derivative financial instruments of €32.488 thousand (31 December 2006: €36.640 thousand) for the Group and the Company.
- Other liabilities as at 31 March 2007 for the Group and the Company include the negative fair value of derivative financial instruments of €10.906 thousand (31 December 2006: €17.482 thousand) and provisions for pending litigation or claims of €4.259 thousand (31 December 2006: €4.259 thousand).
- The number of persons employed by the Group as at 31 March 2007 was 6.351 (31 December 2006: 6.192) and by the Company was 5.764 (31 December 2006: 5.656).
- The Interim Condensed Consolidated Financial Statements of the Group as at 31 March 2007 include the following companies, by country of incorporation: **Cyprus:** Bank of Cyprus Public Company Ltd, Mortgage Bank of Cyprus Ltd, Cyprus Investment and Securities Corporation Ltd (CISCO), General Insurance of Cyprus Ltd, EuroLife Ltd, Kermia Ltd, Kermia Properties & Investments Ltd, Kermia Hotels Ltd, BOC Ventures Ltd, Tefkros Investments Ltd, Bank of Cyprus Mutual Funds Ltd, JCC Payment Systems Ltd and Cytrotrustees Investment Public Company Ltd (branch). **Greece:** Bank of Cyprus Public Company Ltd (branch), Kyprou Leasing SA, Kyprou Commercial SA, Kyprou Securities SA, Kyprou Mutual Fund Management Company (AEDAK), Kyprou Properties SA, Kyprou Insurance Services Ltd, Kyprou Zois (branch of EuroLife Ltd) and Kyprou Asfalistikí (branch of General Insurance of Cyprus Ltd). **United Kingdom:** Bank of Cyprus United Kingdom (branch of Bank of Cyprus Public Company Ltd). **Channel Islands:** Bank of Cyprus (Channel Islands) Ltd and Tefkros Investments (CI) Ltd. **Australia:** Bank of Cyprus Australia Pty Ltd. **Romania:** Bank of Cyprus Romania (branch of Bank of Cyprus Public Company Ltd) and Cyprus Leasing (Romania) IFN SA. **Ireland:** BOC International Fund Management Ltd. All companies are wholly owned subsidiaries (100%) of the Group, except for JCC Payment Systems Ltd (45% participation), which is accounted for using proportional consolidation and Cytrotrustees Investment Public Company Ltd (25% participation), which is accounted for using the equity method. The Group decided to terminate the activities of BOC International Fund Management Ltd and has started the dissolution process. The subsidiary Old Company (BCL) Ltd has been liquidated and is no longer included in the consolidation as from the three months ended 31 March 2007. On 1 January 2006, the operations, assets and liabilities of the Group subsidiary companies Bank of Cyprus Finance Corporation Ltd and Bank of Cyprus Factors Ltd were transferred to Bank of Cyprus Public Company Ltd, with the parallel dissolution, without receivership, of the two subsidiaries. The company Cyprus Leasing (Romania) IFN SA and the branch of the Company in Romania (Bank of Cyprus Romania) were included in the consolidation for the first time during the three months ended 31 December 2006. The investment in the associated company Cytrotrustees Investment Public Company Ltd was acquired during the three months ended 31 March 2007 and is included in the consolidation for the first time. There was no other change in the companies that were consolidated or in the method of consolidation compared to 31 March and 31 December 2006.
- On 27 February 2007, the Board of Directors of the Company decided to propose the payment of a dividend of 10 cent per share (approximately €0.17), amounting to €95.431 thousand. The proposed dividend will be submitted for approval at the Annual General Meeting of the shareholders scheduled for 6 June 2007. The proposed ex-dividend date is 11 June 2007. As a result, registered shareholders on 8 June 2007 will be eligible to receive the dividend. The proposed dividend is not recognised as a liability until its approval by the Annual General Meeting and its subsequent payment to shareholders.
- There are no fixed charges in favour of third parties over the Group's property and equipment as at 31 March 2007.
- The Group's provision for pending litigation or claims as at 31 March 2007 is set out in Note 6. There are no other significant pending litigation, claims or assessments against the Group, the outcome of which would have a material effect on the Group's financial position or operations.
- Related party transactions: (a) Loans and other advances to members of the Board of Directors and key management personnel of €9.392 thousand for the Group and the Company. (b) Loans and other advances to other connected persons of €135.152 thousand for the Group and €1.616.051 thousand for the Company. (c) Contingent liabilities and commitments (mainly documentary credits, guarantees and commitments to lend) of €85.101 thousand for the Group and the Company. (d) Tangible security of €250.506 thousand for the Group and the Company. (e) Deposits by members of the Board of Directors and key management personnel of €8.343 thousand for the Group and the Company. (f) Deposits by other connected persons of €21.810 thousand for the Group and €450.916 thousand for the Company. (g) Sales (interest income) of €2.046 thousand for the Group and €21.968 thousand for the Company. (h) Purchases (interest expense) of €152 thousand for the Group and €4.520 thousand for the Company. (i) Remuneration and other transactions of members of the Board of Directors, key management personnel and connected persons of €1.669 thousand for the Group and €1.354 thousand for the Company.

<sup>1</sup> The payment of the dividend will be based on the exchange rate in force on the working date immediately preceding the ex-dividend date, which may be different than the rate used for the purposes of this announcement.