Bank of Cyprus Group

Preliminary Group Financial Results
for the nine months ended 30 September 2016

EUROMONEY AWARDS FOR EXCELLENCE 2016

Bank of Cyprus
The Best Bank in Cyprus 2016

15 November 2016

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The Financial Statements for the nine months ended 30 September 2016 have been reviewed by the Bank’s external auditors.

London-Cyprus Listing – Overview

Delivering on key commitments	✓ Another significant milestone in journey back to strength ✓ Positive signal for our investors, regulators and depositors ✓ First step in the long-term plan to achieve eligibility for inclusion in FTSE UK index series
Greater visibility for the Bank and the Cypriot economy	✓ Enhance the Bank's visibility ✓ Position the Bank amongst a broader group of international peers ✓ Enhance interest in the Bank and draw attention to Cyprus's well performing economy
Expanded shareholder base	✓ Access to a broad investor base in a deep capital market capable of supporting the Bank in the long term ✓ Expected to improve liquidity of the Bank's stock ✓ Possibility for our shareholders to trade in their market of choice, LSE or CSE
Focus remains on Cyprus	✓ A new Irish holding company a step in achieving potential FTSE UK Index series inclusion ✓ However, no change to operations or the location of the headquarters and management
Highest standard of corporate governance	✓ No change to our regulators: the ECB / CBC will continue to regulate our activities ✓ Voluntary adoption of the UK Corporate Governance Code ✓ Committed to maintaining the highest standards of transparency and governance
Process and timing	✓ The new corporate structure will be implemented via a scheme of arrangement ✓ Shareholders will be able to vote on the scheme at an EGM ✓ Further details and information will be made available to all shareholders in due course

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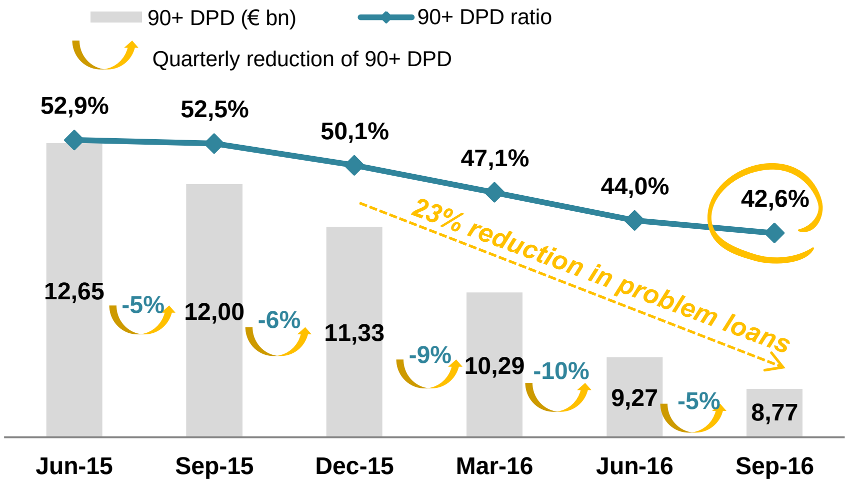
9M2016 Financial Results – Highlights

Declining Non performing exposures	• Positive momentum continued in 3Q2016 • Problem loans (90+ DPD)[1] down by €501 mn (or 5%) qoq and by €2,6 bn (or 23%) in 9M2016 • 90+ DPD ratio reduced to 43% and provisioning coverage ratio increased to 54% • NPE reduction of €592 mn (or 5%) qoq; €2,1 bn or 15% reduction during 9M2016. • Loan restructurings of €3,4 bn in 9M2016
Nearly Normalised Funding Structure	• ELA reduced by €3,0 bn ytd to €0,8 bn • Customer deposits increased by €896 mn (or 6%) qoq; €1,5 bn or 10% increase during 9M2016 • Customer deposits increased to 70% of total assets in 3Q2016 • Ratio of Loans to Deposits (L/D) improved to 102%
Maintaining Strong Capital Position	• CET1 ratio strengthened further to 14,6%; 60 basis points added during 9M2016; Total Capital ratio at 14,7% • RWA intensity at 84% • Conservative leverage ratio[2] of 13%
Profitable Quarter	• Profit before provisions of €138 mn for 3Q2016 directed at increased provisions and impairment charges, to faster de-risk balance sheet; • Profit after tax of €5 mn for 3Q2016; €62 mn for 9M2016 • Sustained NIM at 3,51%
Dominant position in a recovering economy	• Increased loans and deposit market shares[3] at 41,1% and 30,3%, respectively indicating return of confidence • New lending of over €1 bn, since the beginning of the year, to promising sectors of the domestic economy through its core operations and to entrepreneurs in the UK through its UK subsidiary

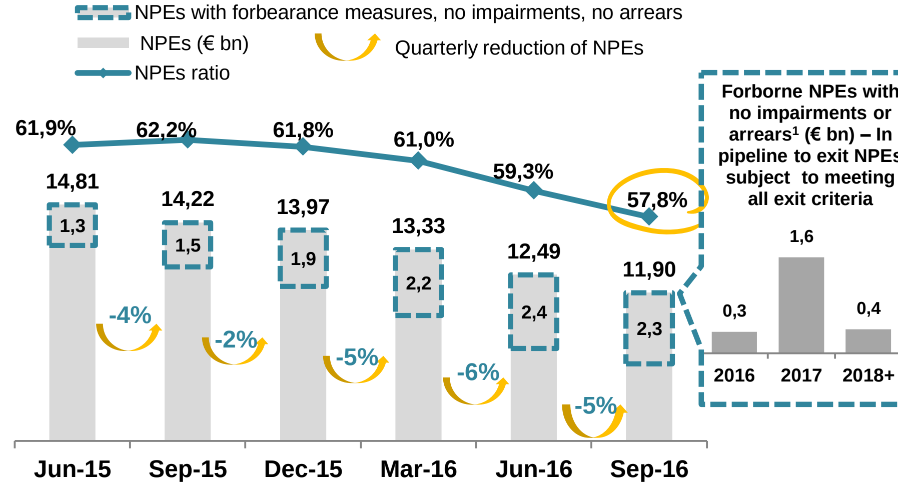
(1) Problem loans (90+ DPD) are loans in arrears for more than 90 days (90+ DPD) and are defined as loans past-due for more than 90 days and those that are impaired (impaired loans are those which are not considered fully collectable and for which a provision for impairment has been recognised on an individual basis or for which incurred losses exist at their initial recognition or customers in Debt Recovery).
(2) Leverage ratio = Tangible Total Equity over Total Assets (3) As at 30 September 2016

Significant reduction in Problem Loans…

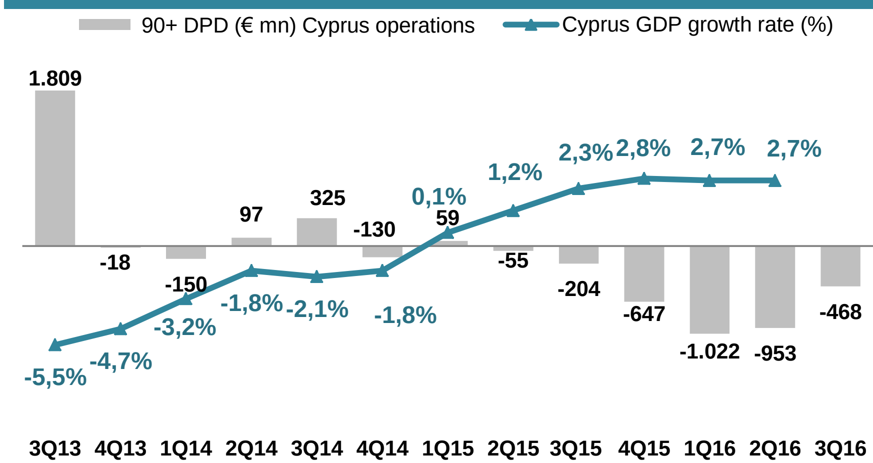
€2,6 bn or 23% drop in 90+ DPD during 9M2016 to €8,8 bn



€2,1 bn or 15% reduction in NPEs during 9M2016



Economic improvement underpins asset quality



- **Non performing loans (90+ DPD)** reduced by €0,5 bn (or 5%) qoq and by €2,6 bn (or 23%) in 9M2016
- Non Performing Exposures (NPEs), as per EBA definition, reduced by €2,1 bn or 15% in 2016 and totalled €11,9 bn at 30 September 2016
- **For the first time, the reduction of NPEs during 3Q2016 exceeded the reduction of 90+ DPD loans** mainly as a result of restructured loans meeting the NPE exit criteria following satisfactory performance
- **NPEs with forbearance measures, no impairments and no arrears[1] totalled €2,3 bn** at 30 September 2016 of which **c. 84% are in the pipeline to exit the NPE classification** subject to meeting all exit criteria

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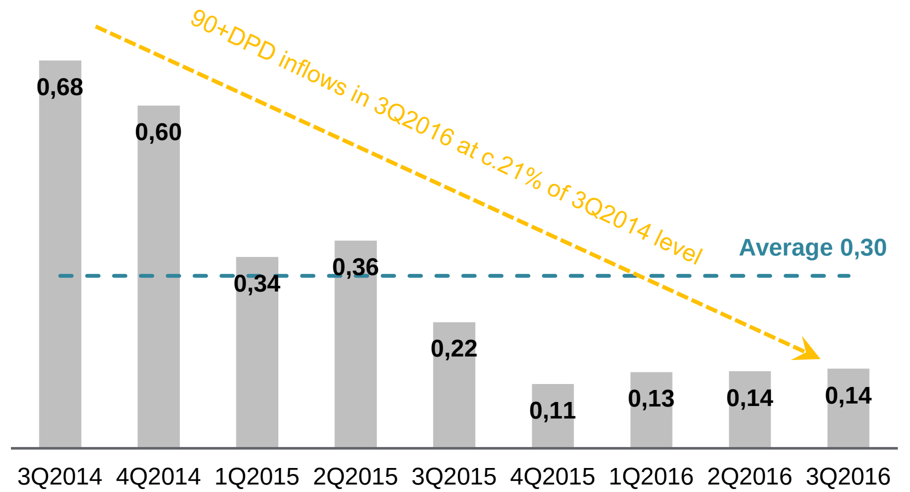
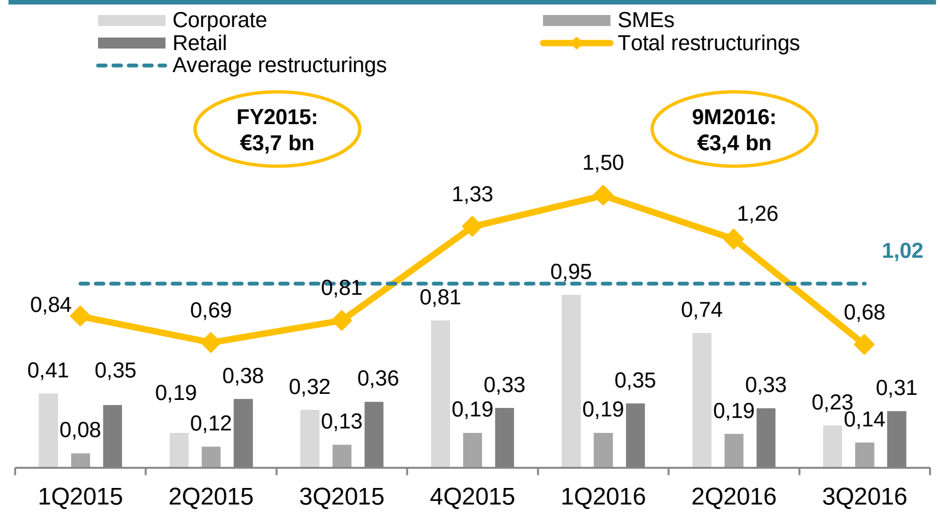
(1) Analysis provided on account basis. Accounts will not exit NPE status if not all exit criteria are met.

…driven by slower formation of new problem loans and ramp up in restructuring activity

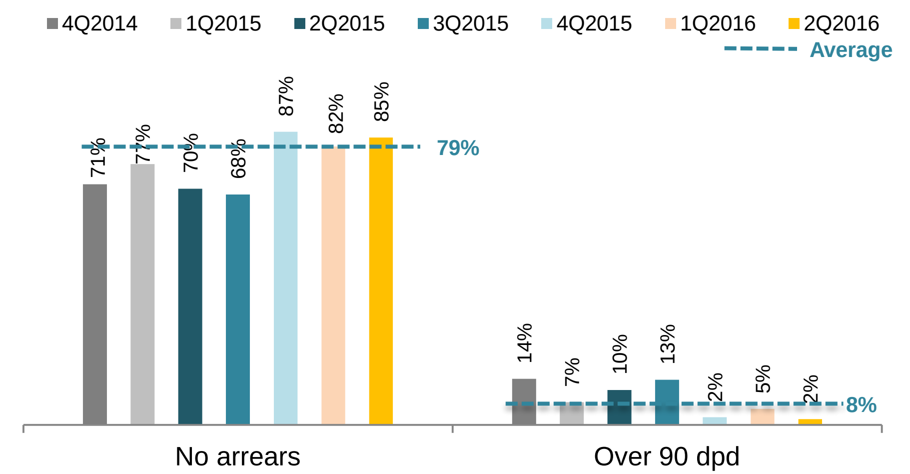
90+ DPD inflows in Cyprus operations (€ bn)



Quarterly evolution of restructured loans



79% of Restructured loans have suffered no arrears[1]

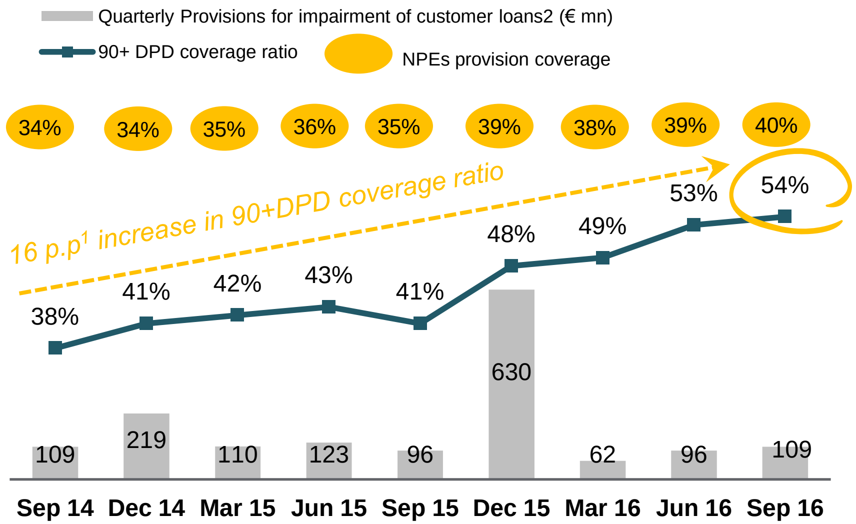


- 90+DPD inflows at €0,14 bn for 3Q2016
- Slower formation of new problem loans (90+ DPD) across all business segments
- €3,4 bn of restructurings in 9M2016
- As at 30 September 2016, **79% of loans restructured post 2013 for Cyprus operations have no arrears**

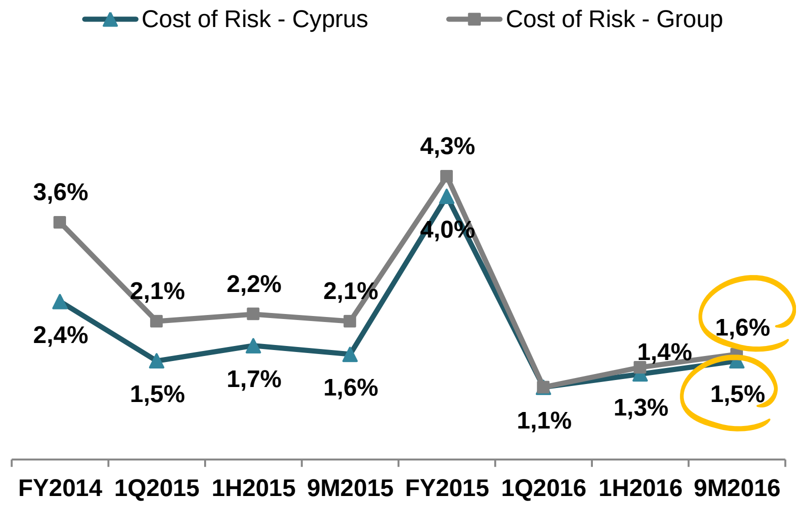
(1) The performance of loans restructured during 3Q2016 is not presented in this graph as it is too early to assess .

Conservative provisioning policy leading to increased coverage levels

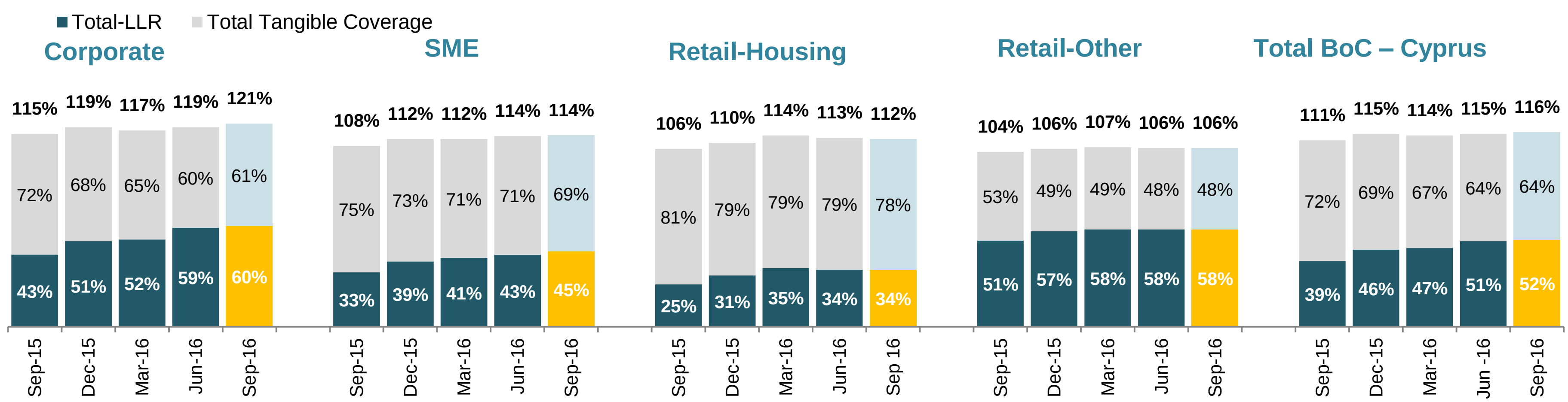
Coverage ratio improvement of 16 p.p[1] driven by over €1,6 bn additional cumulative provisions since September 2014



Continuing high cost of risk[3]



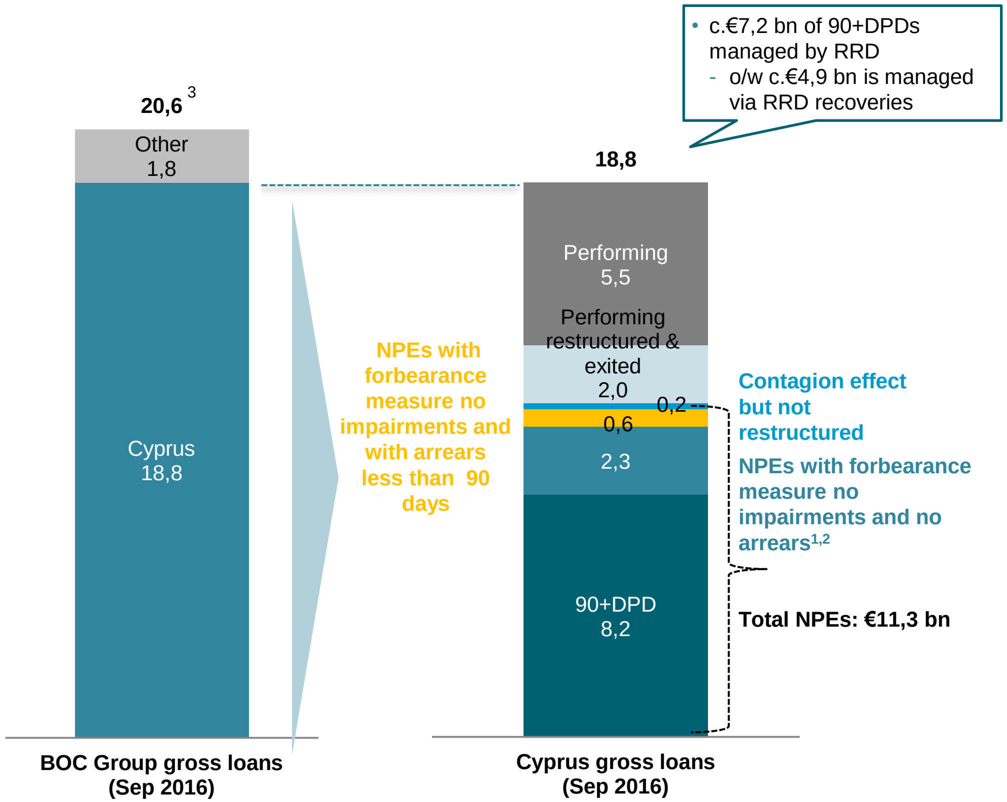
90+ DPD Fully Covered by Provisions & Tangible collateral (Cyprus operations)



(1) p.p. = percentage points
(2) Provisions for impairment of customer loans and gains/(losses) on derecognition of loans and changes in expected cash flows
(3) 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

Bulk of the 90+DPD stock is managed by the RRD

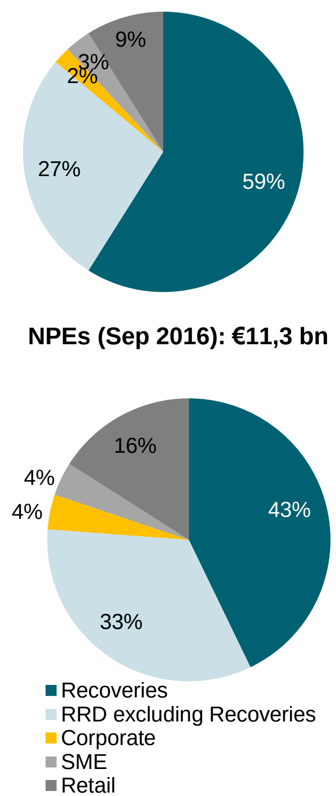
Gross loans breakdown by asset quality (€ bn)



90+DPD and NPE split in Cyprus

90+DPD (Sep 2016): €8,2 bn

NPEs (Sep 2016): €11,3 bn



- **90+DPD of €8,2 bn and 90+DPD ratio of 44% in Cyprus as at 30 September 2016**
- NPEs in Cyprus totalled €11,3 bn as at 30 September 2016

(1) In pipeline to exit NPEs subject to meeting all exit criteria
(2) Analysis based on account basis
(3) Other countries: Russia, Romania and Greece

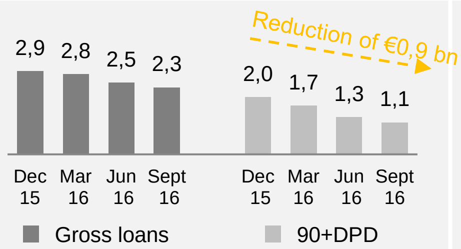
Sustainable asset quality improvement across the RRD

Bespoke tactical plans in place for each segment within RRD

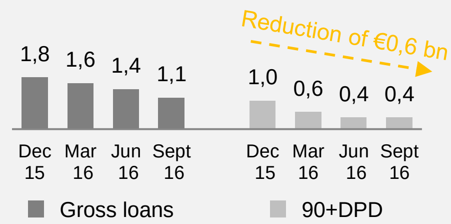
RRD (Excluding recoveries)	Major corporate	Corporate	SME
Business unit summary	• Large diversified groups • 23 connections • >€100 mn debt	• Mid market businesses • c.150 connections • €6 - €100 mn debt	• Small OMBs[1] • c.1.900 connections • <€6 mn debt

Key metrics evolution (€ bn)

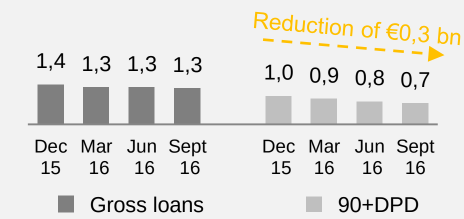
Major corporate



Corporate



SME



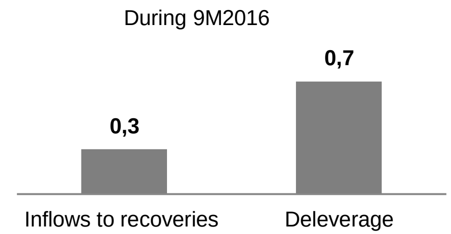
RRD (Excluding recoveries)	Major corporate & Corporate	SME
Management actions	• c.70 experienced restructuring officers • Portfolios assigned based on size/complexity • Sustainable solutions: debt-equity & debt-asset swaps; re-tranching, including "equity like" PIK; mezzanine financing • Support from internationally experienced restructuring specialists and external lawyers (UK & CY) used extensively • Improvements to lending documents, security, step in rights, monitoring & covenants	• 7 specialist geographically spread BU's • A central team added in 1Q2016 adds to pace of restructuring • Portfolio analysis with targeted campaigns • Product range enhanced e.g. split & freeze in addition to rescheduling of payments • Close monitoring & clearing of early arrears
Progress	• €350 mn of portfolio transferred back to Corporate line • Restructuring of major corporate clients largely completed. Remaining 90 +DPD relate to parts of groups where negotiations continue and exposures that hold provisions • Restructuring of corporate clients largely completed. Close monitoring of clients and early measures to avoid redefaults	• Pace improved qoq • Redefaults confined to small amounts • Active negotiations with borrowers • Underlying economic improvements supportive

(1) Owned Medium Businesses

Enhanced focus on unlocking the Recoveries portfolio

Key developments / action points from the private auction process

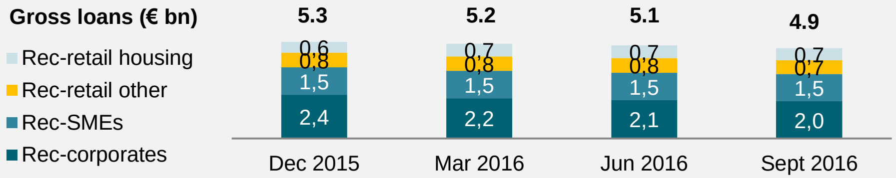
- Commencement of private foreclosures in late June 2016
- 42 assets auctioned with 12 assets sales been achieved as at 30 September 2016
- Foreclosure Task Force is up and running, aiming to standardise process and boost foreclosure volumes
- Servicing either completed or in progress for over 650 assets from the private auction process and additional auction venues planned



RRD – recoveries

Customers
- **Corporate:** c.250 connections
- **SME:** 17.500 connections
- **Retail:** 1.900 connections

Key metrics evolution



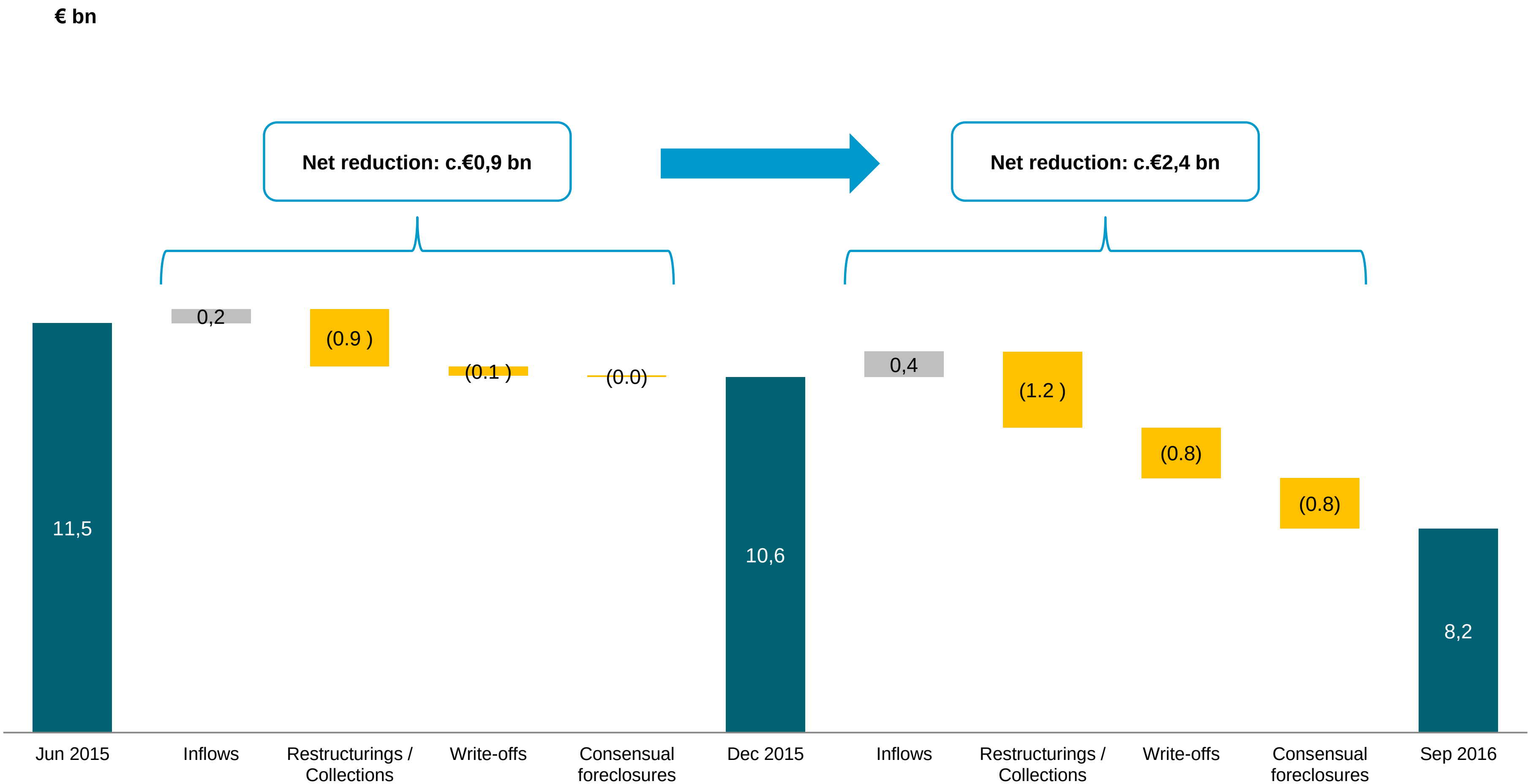
Use of foreclosures as an additional tool to the armoury used to unlock solutions for problematic cases and non cooperative borrowers

Management actions
- Specialised units have been set up/enhanced – i.e. receivership and foreclosure teams
- Additional skills/experience transferred internally from other teams
- Additional support from international specialists
- Increased focus on faster consensual deals (e.g. debt: asset swaps)
- Step up aggressive actions for non co-operative borrowers, ramping up the pace in dealing with old unworkable portfolio

Progress
- Refreshed approach in corporate delivering results contributing to NPE reduction
- Retail/ SME showing slower but improving progress, next quarters important in keeping momentum
- Foreclosure actions important to building and maintaining pace

Increased reduction of Cypriot 90+DPD stock in 9M2016

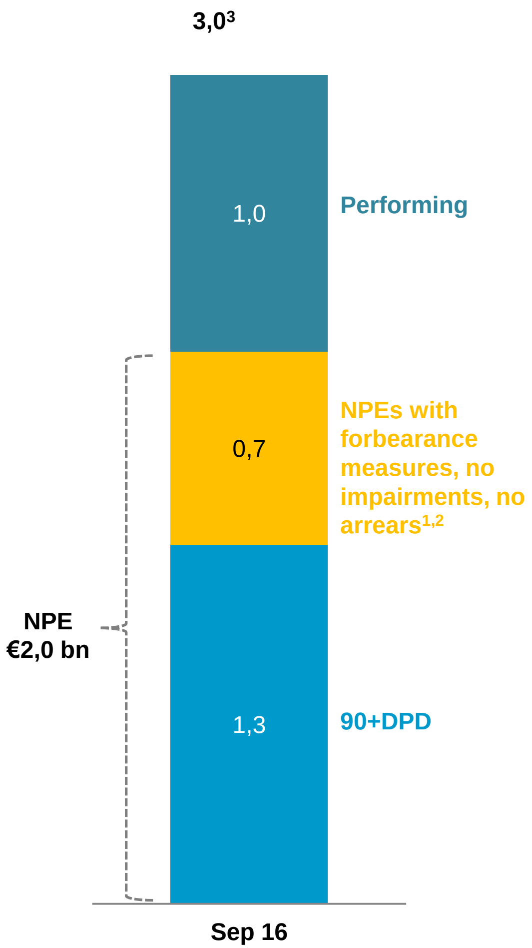
90+DPD evolution by movement of stock of loans and solutions applied (Cyprus)



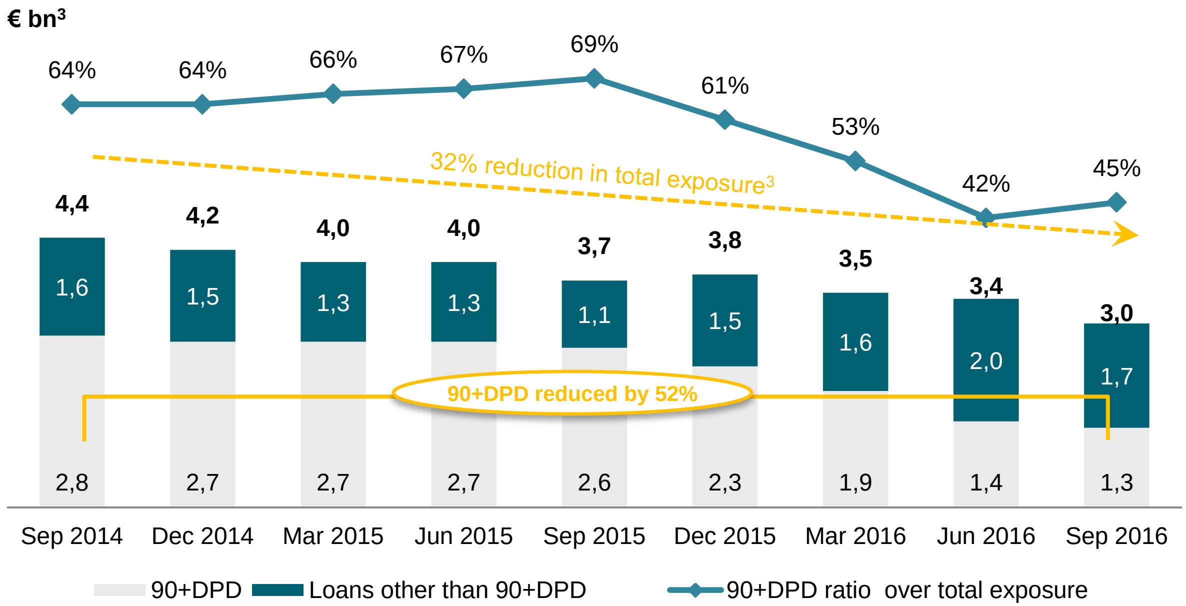
Reduction in 9M2016 involved application of more difficult solutions, as focus shifts towards tackling the recoveries portfolio

Progress on top 20 group exposures

Top 20 - total exposure split (€ bn)



Top 20 exposures down by €1,4 bn since 30 Sep 2014

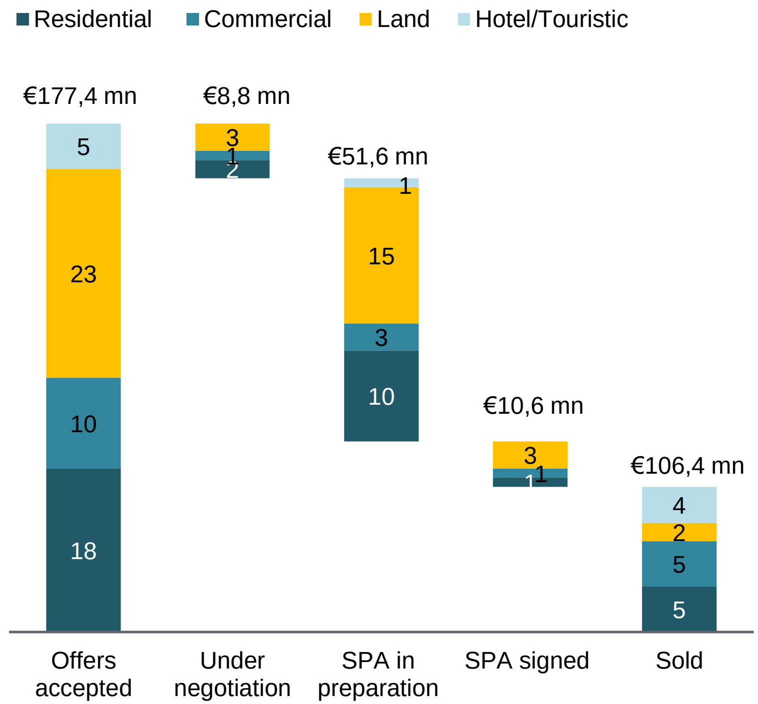


- **Top 20 group exposures were reduced by €0,4 bn** and totalled €3,0 bn as at 30 Sept 2016, mainly due to increased restructuring activity, including debt for asset swaps
- 90+ DPD ratio over total exposure at 45% at 30 September 2016
- **Taking into account the provisions and tangible collateral, top 20 exposures are fully covered**
  - Total coverage (Provisions and MV of collateral over total exposure) of 107% as at 30 Sept 2016
- **As at 30 Sept 2016, c.65% of the top 20 group exposures were restructured**

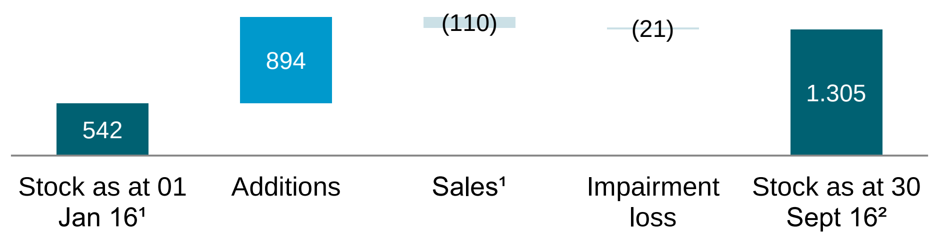
(1) In pipeline to exit NPEs subject to meeting all exit criteria
(2) Analysis based on account basis
(3) Total exposures include on balance sheet and off balance sheet items

Real estate sales gathering momentum via REMU

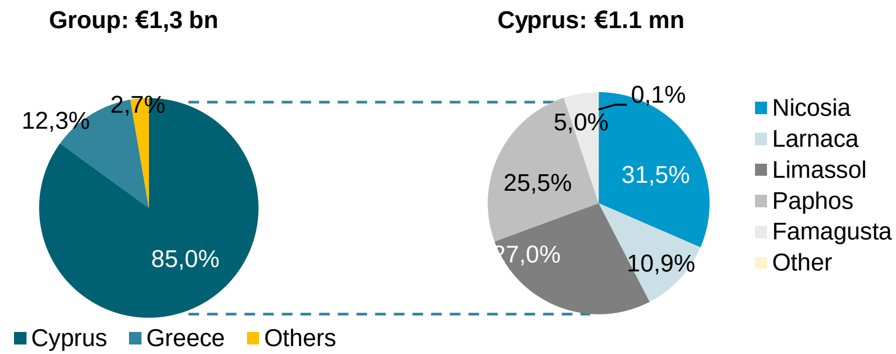
Property Sales Dynamics in Cyprus for 9M2016



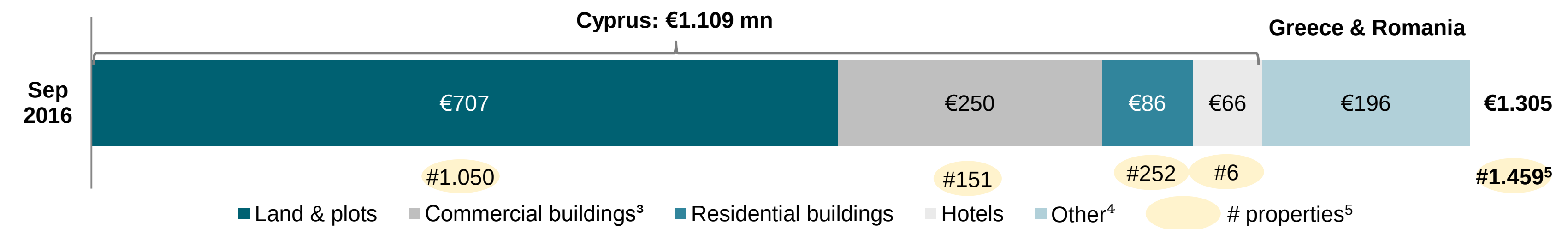
Property stock movement (Group) (€ mn)



Property stock analysis (30 September 2016)



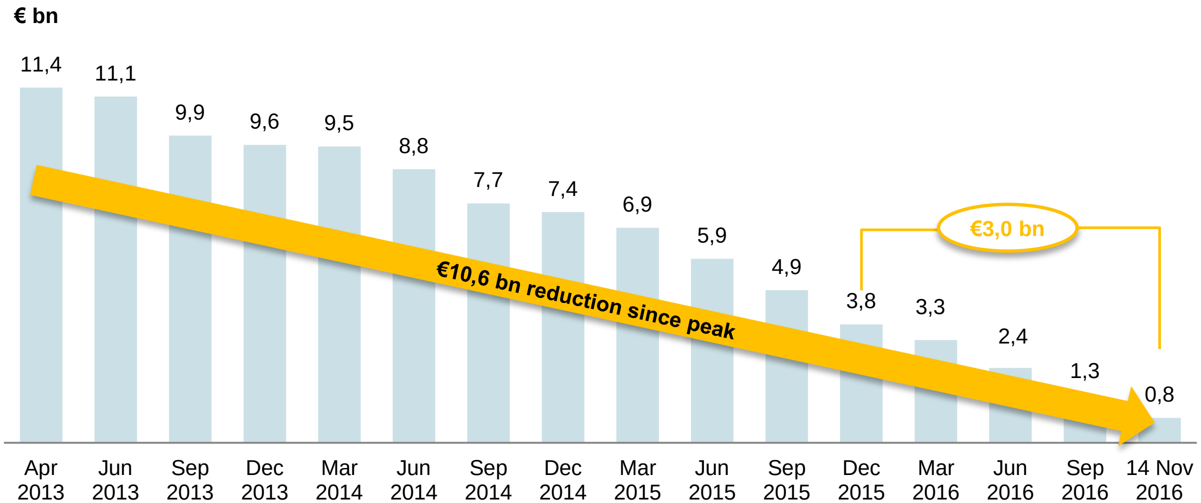
On-boarded property stock split (carrying value, € mn)



(1) Includes Kermia Hotels Limited where disposal completed in June 2016
(2) Total Stock as at 30 September 2016 excludes investment properties and investment properties held for sale
(3) Includes manufacturing, industrial and under construction
(4) Relates to Greece and Romania (5) Number of properties shown for Cyprus only

Significant reduction in ELA achieved with plans to fully repay early 2017

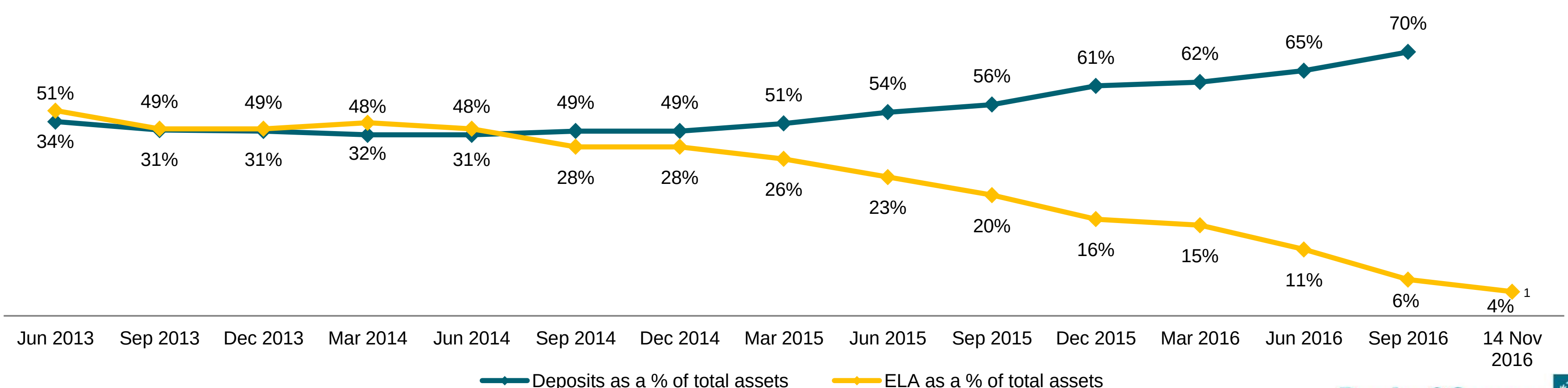
Over €10 bn reduction in ELA achieved since peak, with €3,0 bn reduction during 2016…



Plans to fully eliminate ELA

- Deposit Growth
- Wholesale and interbank market access
- Retention of cash profits from operations
- Proceeds from deleveraging
- Increase loan pool for the Additional Credit Claim ECB framework

…reflected in an improving funding profile with continuous reduction in ELA to total assets since March 2014



(1) Ratio of ELA funding as a % of total assets for 14 November 2016 is based on total assets as at 30 September 2016

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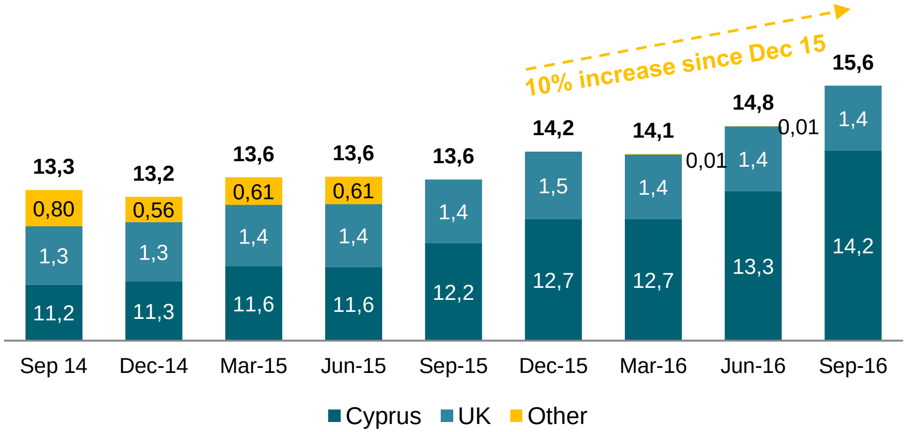
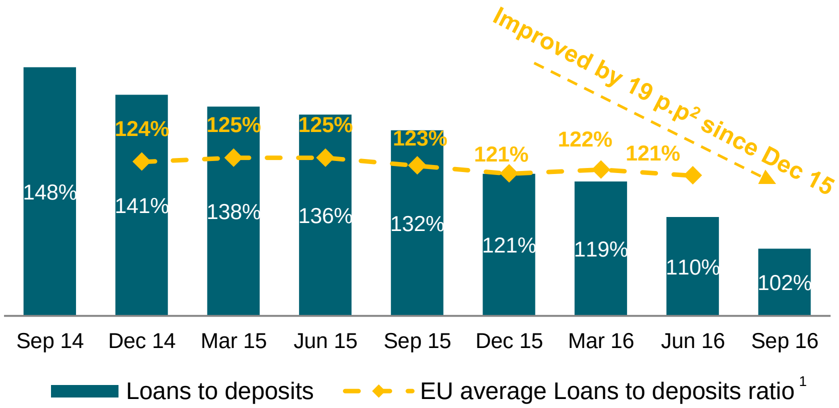
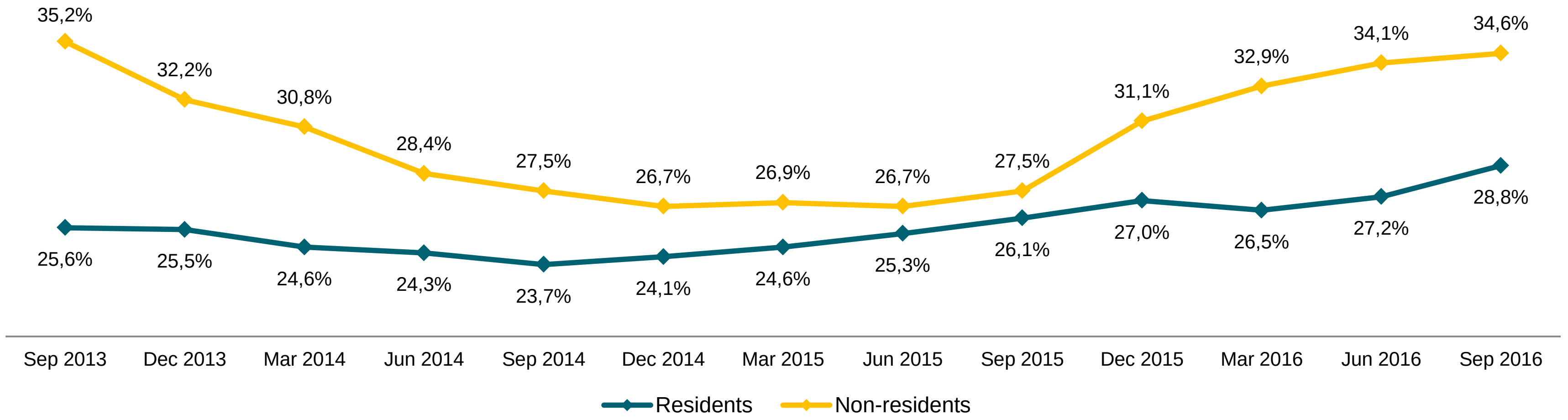
Growing deposit base resulting in improving liquidity and increasing market shares

€1,46 mn or 10% growth of deposits in 9M2016 to 70% of total assets with sequential improvement in loans to deposits ratio





Increasing market share in resident and non-resident deposits



(1) Based on EBA Risk Dashboard Report, Data as at 30 June 2016
(2) Percentage Points

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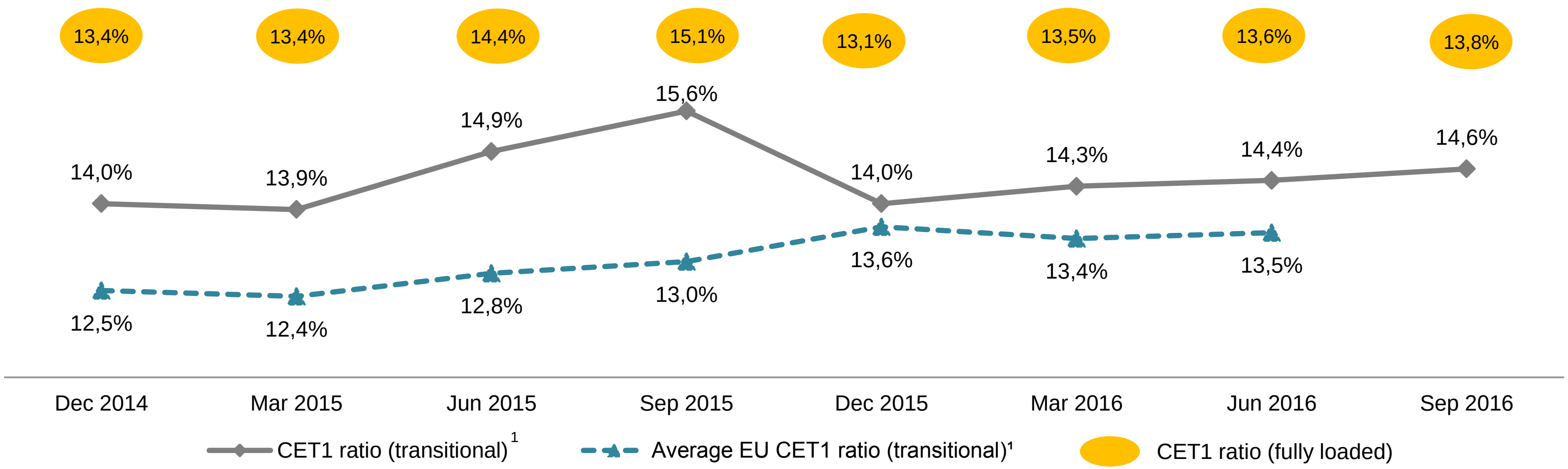
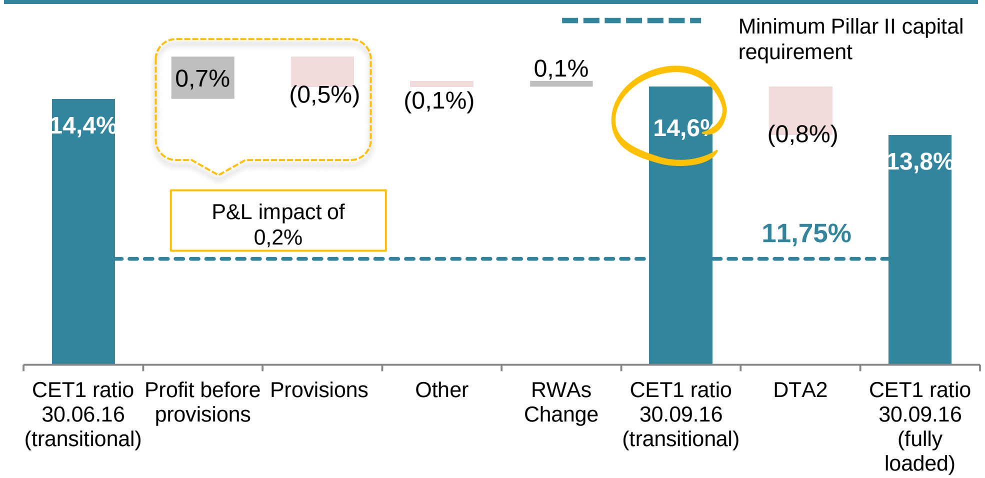
Strong Capital Adequacy ratios

CET 1 ratio (transitional) of 14,6% compares favorably with European peers



Evolution for CET1 ratio[1] during 3Q2016

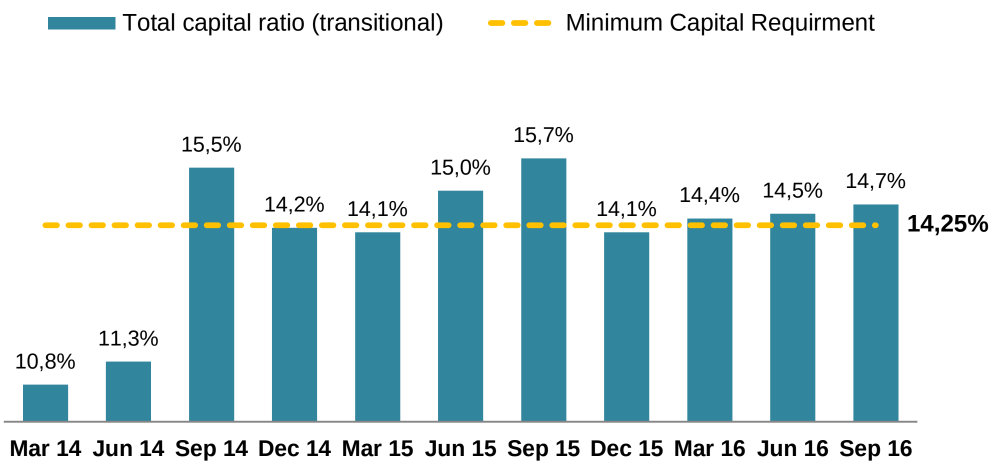


- CET 1 (transitional basis) stood at 14,6% at 30 September 2016, well above the average of European peers of 13,5% at 30 September 2016
- CET 1 ratio increased by 20 basis points during the quarter mainly due to the drop of Risk Weighted Assets driven by balance sheet movement
- Following SREP[3] performed by the ECB in 2016, effective as from 1 January 2017, **the Group's minimum phased-in Common Equity Tier 1 capital (CET1) ratio was set at 10,75%**[3]

(1) Transitional basis; includes unaudited profits for the nine months ended 30 September 2016
(2) Based on EBA Risk Dashboard Report, Data as at 30 June 2016
(3) The new SREP requirements as at the date of the publication of 3Q2016 results announcement, remain subject to ECB final confirmation, which is expected by end of 2016

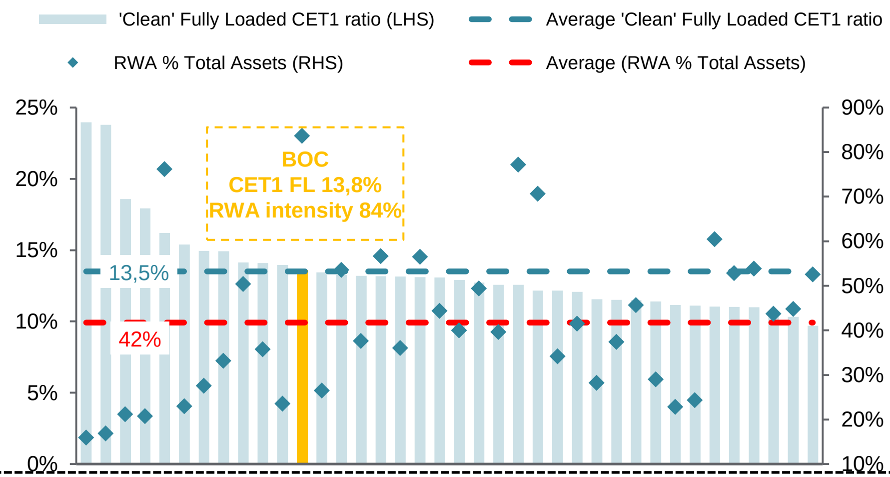
Capital Position

Capital Adequacy Ratios

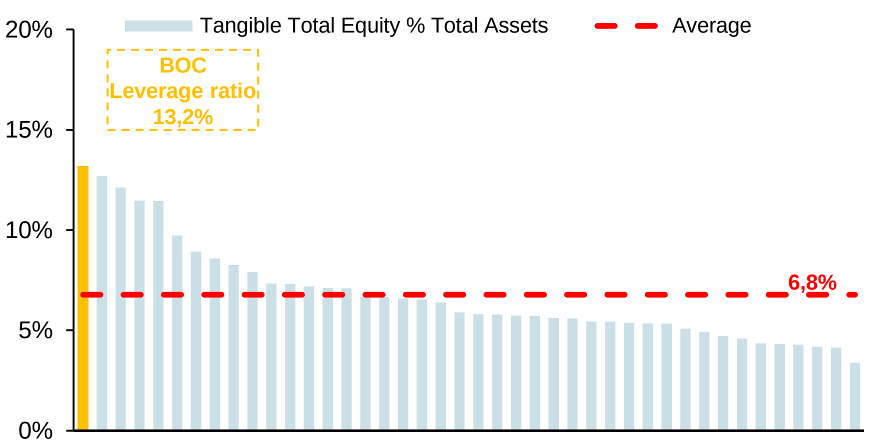


- **Overall Total Capital ratio stood at 14,7% as at 30 September 2016** compared to 14,5% as at 30 June 2016
- Following SREP[1] performed by the ECB in 2016, effective as from 1 January 2017, **the overall Total Capital Requirement has been set at 14,25%**[1]

'Clean' Fully Loaded CET1 ratio[2,3]



Leverage ratio[4,5]



(1) The new SREP requirements as at the date of the publication of 3Q2016 results announcement, remain subject to ECB final confirmation, which is expected by end of 2016
(2) As per SNL Financial Database, 'Clean' Fully Loaded CET1 ratio as 30 June 2016, excludes Deferred Tax Credits, AFS and Danish Compromise Estimated Impact
(3) The data used is based on 9M2016 financial results for 17 out of 38 EU Banks, including Bank of Cyprus, the data for the rest of the banks is based on 1H2016 financial results
(4) Leverage ratio is defined as Tangible Total Equity over Total Assets
(5) The data used is based on 9M2016 financial results for 18 out of 42 EU Banks, including Bank of Cyprus, the data for the rest of the banks are based on 1H2016 financial results

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Income Statement Review

€ mn	9M2016	9M2015	yoy %	3Q2016	2Q2016	qoq %	1Q2016
Total income	**717**	**786**	**-9%**	**235**	**238**	**-1%**	**244**
Total expenses	**(299)**	**(296)**	**1%**	**(97)**	**(103)**	**-5%**	**(99)**
Profit before provisions and impairments[1]	**418**	**490**	**-15%**	**138**	**135**	**2%**	**145**
Provisions for impairment of customer loans net of gains/(losses) on loan derecognition and changes in expected cash flows	(267)	(329)	-19%	(109)	(96)	14%	(62)
Impairments of other financial and non financial assets	(34)	(37)	-9%	(12)	(14)	-10%	(8)
Share of profit from associates and joint ventures	3	3	-12%	1	1	96%	1
Profit before tax, restructuring costs, discontinued operations and net profit on disposal of non-core asset	**120**	**127**	**-5%**	**18**	**26**	**-32%**	**76**
Tax	(16)	(18)	-7%	(4)	(4)	0%	(8)
(Loss)/profit attributable to non-controlling interests	(3)	6	-162%	2	(5)	-142%	(1)
Profit after tax and before restructuring costs, discontinued operations and net profit on disposal of non-core asset	**101**	**115**	**-13%**	**16**	**17**	**-4%**	**67**
Advisory, VEP and other restructuring costs[2]	(98)	(27)	267%	(11)	(70)	-84%	(17)
Loss from disposal groups held for sale/discontinued operations	-	(38)	-100%	-	-	-	-
Net gain on disposal of non-core assets	59	23	154%	0	59	-100%	-
Profit after tax	**62**	**73**	**-16%**	**5**	**6**	**-15%**	**50**
Net interest margin	**3,51%**	**3,82%**	**-31 bps**	**3,35%**	**3,55%**	**-20 bps**	**3,63%**
Return on tangible equity (annualised)	**2,8%**	**2,9%**	**-1 p.p**	**0,7%**	**0,8%**	**-1 p.p**	**6,7%**
Return on Average Assets (annualised)	**0,4%**	**0,4%**	**-**	**0,1%**	**0,1%**	**-**	**0,9%**
Cost-to-Income ratio	**42%**	**38%**	**+4 p.p**	**41%**	**43%**	**-2 p.p**	**40%**

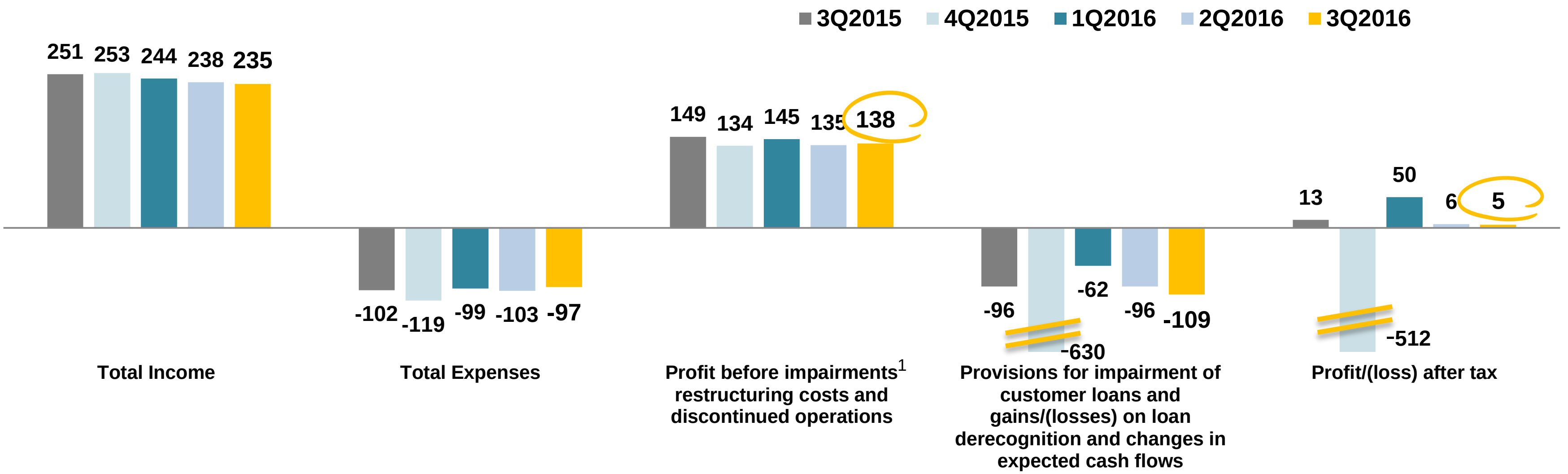
Key Highlights QoQ change

- **NIM** at 3,51% for 9M2016 compared to 3,59% for 1H2016 reflecting the reduction in customer loan balance primarily as a result of the elevated loan restructuring activity, including DFAs[3]
- **Total Income** down by 1% qoq due to lower NII
- **Total Expenses** down by 5% qoq primarily driven by the 7% decrease in staff costs reflecting the effect of the voluntary exit plan (VEP) completed in 2Q2016
- **Profit before provisions of €138 mn for 3Q2016,** up by 2%, a net result of the lower NII, the higher gains of financial instruments and the lower staff costs.
- **Impairments of other financial and non-financial assets for 3Q2016 totalled €12 mn,** compared to €14 mn for 2Q2016, including impairment losses of stock of properties in Cyprus, Greece and in Romania.
- **Profit after tax of €5 mn for 3Q2016**

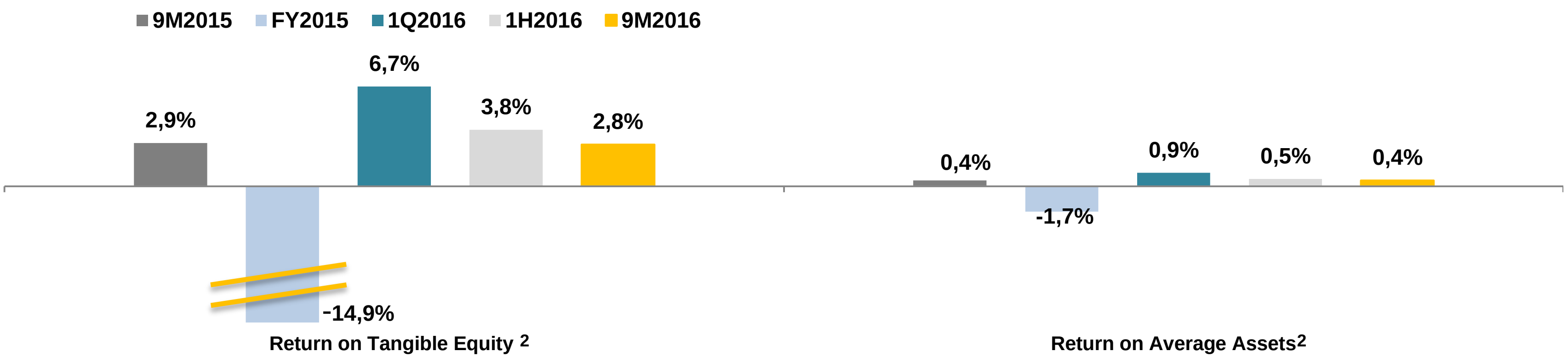
(1) Profit before provisions and impairments, gains/(losses) on derecognition and changes on expected cash flows , restructuring costs and discontinued operations.
(2) Advisory, VEP and other restructuring costs comprise mainly: 1) fees of external advisors in relation to: (i) disposal of operations (ii) customer loan restructuring activities which are not part of the effective interest rate and (iii) the contemplated listing on the London stock exchange and 2) voluntary exit plan cost.
(3) Debt for Asset swaps

Good underlying profitability continues in 3Q2016

Group Income Statement Highlights (€ mn)



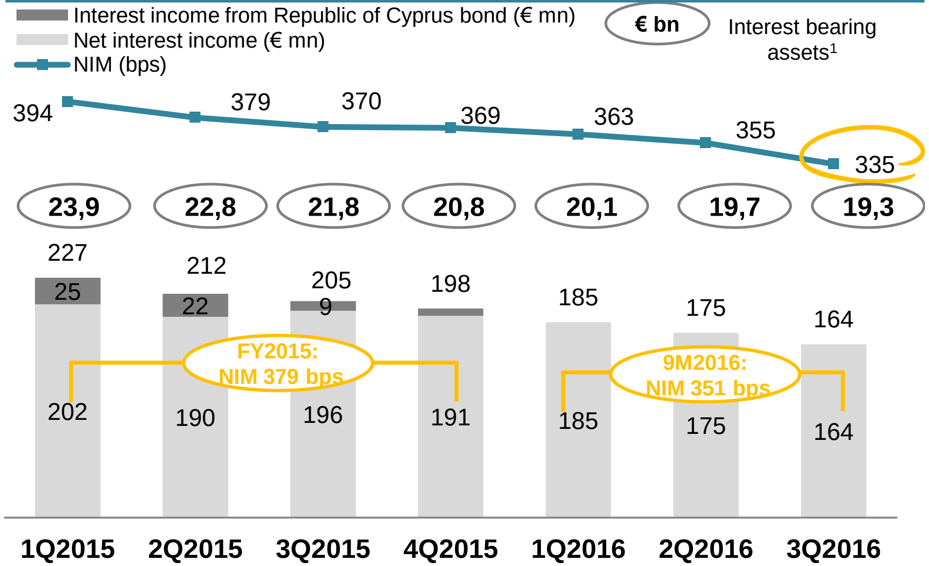
Return on Tangible Equity (RoTE) (%) & Return on Average Assets (RoAA)



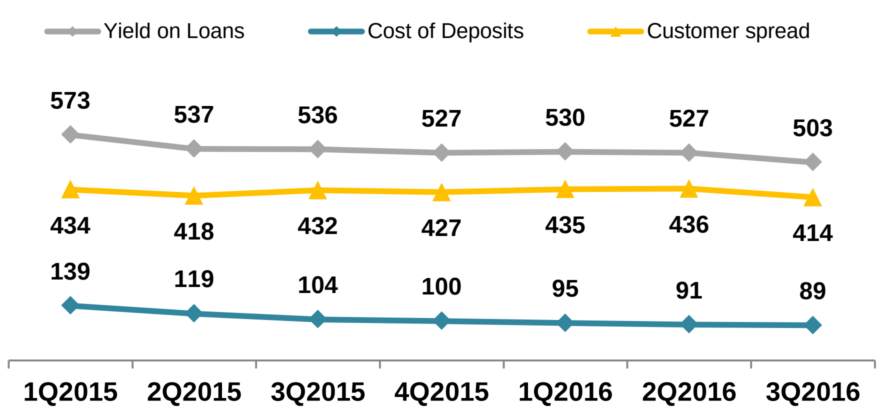
(1) Profit before provisions and impairments, gains/(losses) on loan derecognition and changes on expected cash flows, restructuring costs and discontinued operations.
(2) RoTE and RoAA are on an annualised basis.

Stable NIM and Customer Spread in a Competitive Market

Net Interest Income and Net Interest Margin



Yield on Loans and Cost of Deposits in Cyprus[2] (bps)



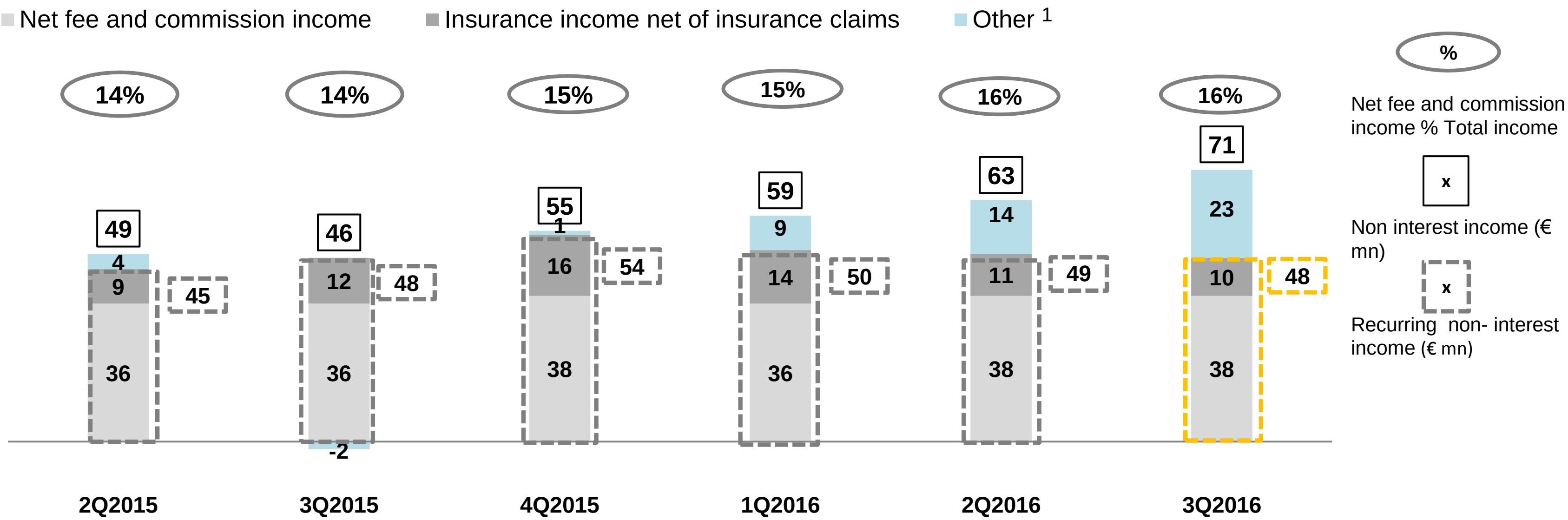
- **Net Interest Income (NII) at €164 mn**, compared to €175 mn for 2Q2016, reflecting the reduction in customer loan balance primarily due to the increased activity in loan restructuring, including Debt for Assets swaps (DFAs)
- Net Interest Margin (NIM) was marginally reduced to 3,51% for 9M2016 compared to 3,59% for 1H2016 mainly due to DFAs
- **Interest bearing assets** of €19,3 bn

- **Customer spread at 414 bps in 3Q2016** despite the increased competitive pressure
- **New lending of over €1 bn,** since the beginning of the year, to promising sectors of the domestic economy through its core operations and entrepreneurs in the UK through our UK subsidiary
- In Cyprus 41% of new lending relates to corporate loans, 33% to retail loans and 17% to SME loans

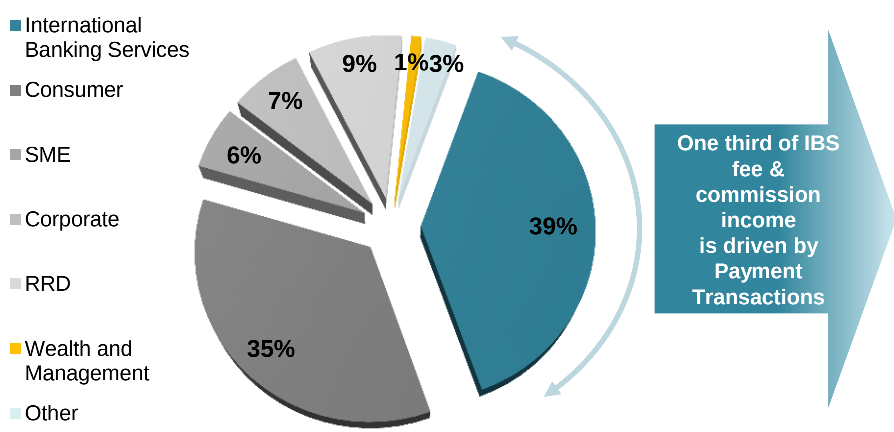
(1) Interest bearing assets include placements with banks and central banks, reverse repurchase agreements and net loans and advances to customers and investments excluding equity and mutual funds.
(2) Includes all currencies

Growing Non-interest Income as percentage of Total Income

Analysis of Non Interest Income (€ mn) – Quarterly

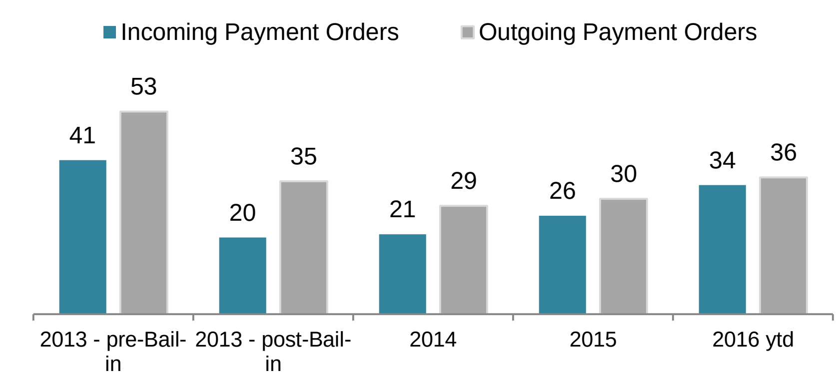


Fee & commission income in Cyprus by business line



Payment Transactions are increasing

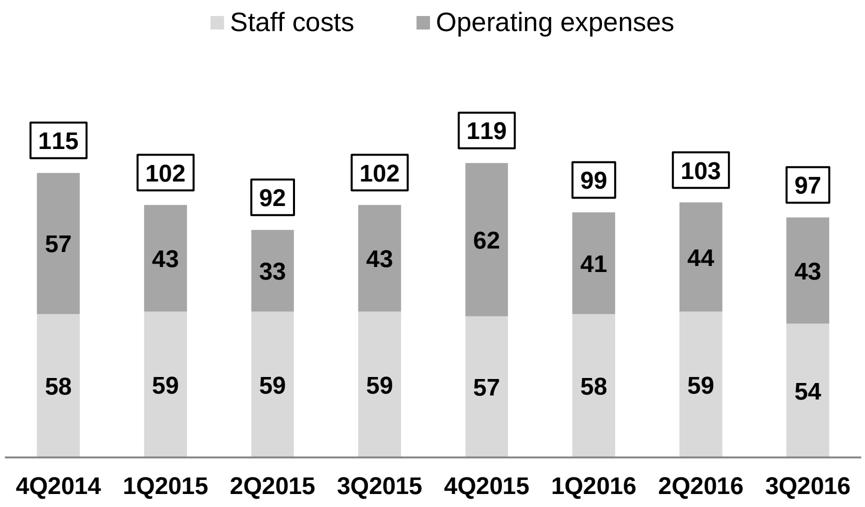
Average Number of Payment Transactions per month (thousands)



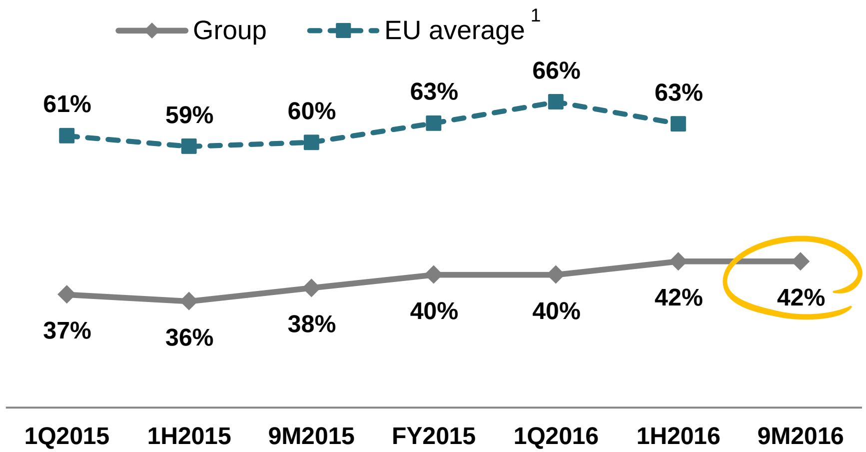
(1) Comprising (a) Net FX gains / (losses) & Net gains/(losses) on other financial instruments, (b) Losses from revaluation and disposal of investment properties and (c) other income.

Costs under control

Total expenses (€ mn)



Cost to Income Ratio

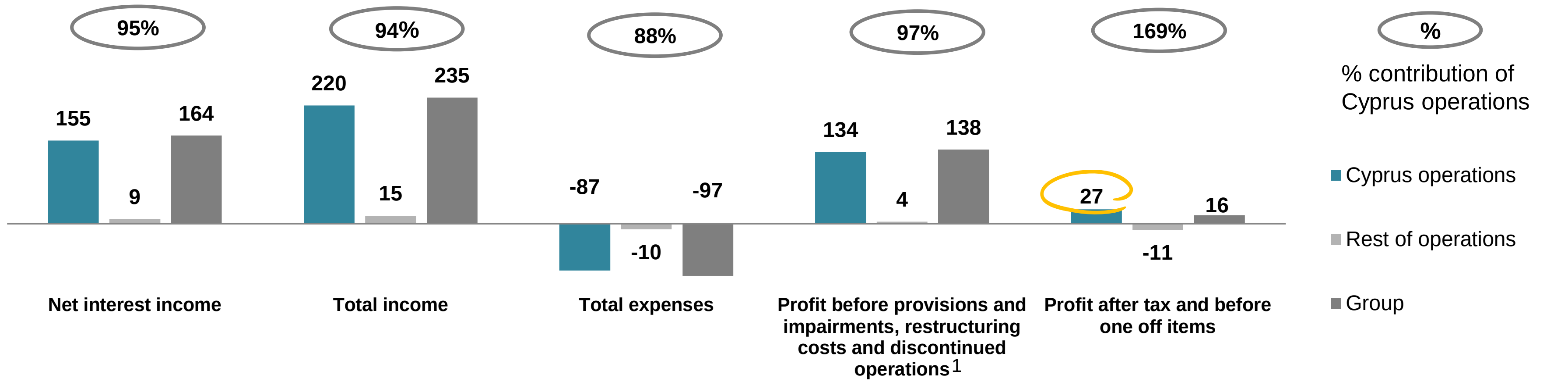


- **Total expenses for 3Q2016** were €97 mn, compared to €103 mn a quarter earlier, down 5% qoq **primarily driven by the 7% decrease in staff costs** reflecting the effect of the voluntary exit plan (VEP) completed in 2Q2016.
- **Operating expenses** for 3Q2016 in line with previous quarters
- **Cost to income ratio** stable at 42% for 9M2016
- **Actions for focused, targeted cost containment:**
  - Tangible savings through a targeted cost reduction program for operating expenses
  - Introduction of appropriate technology/ processes to enhance product distribution channels and reduce operating costs
  - Introduction of HR policies aimed at enhancing productivity

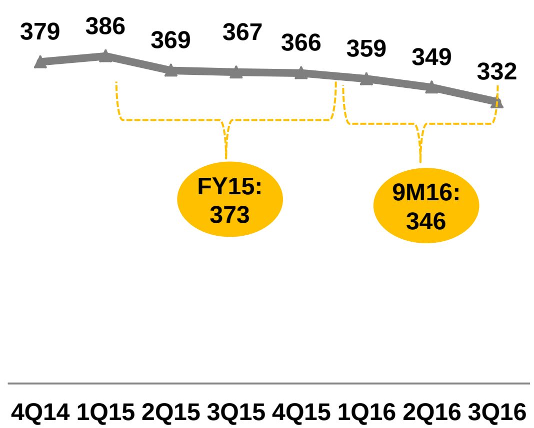
(1) Based on EBA Risk Dashboard Report, Data as at 30 June 2016

Profitable Core Cypriot business

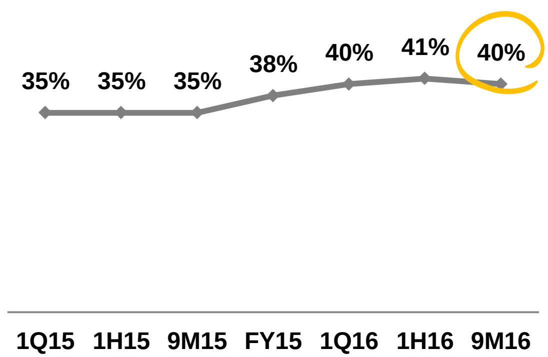
3Q2016 Cyprus Vs Group performance (€ mn)



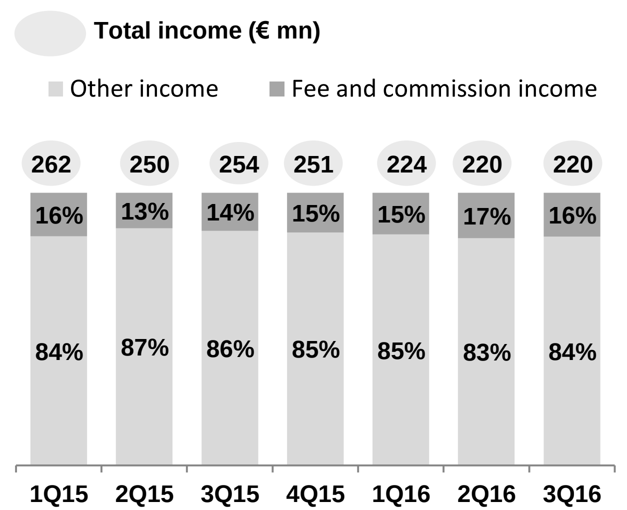
Stable NIM in Cyprus operations



Healthy Cost to Income ratio for Cyprus operations



Improving Fee and commission income for Cyprus operations

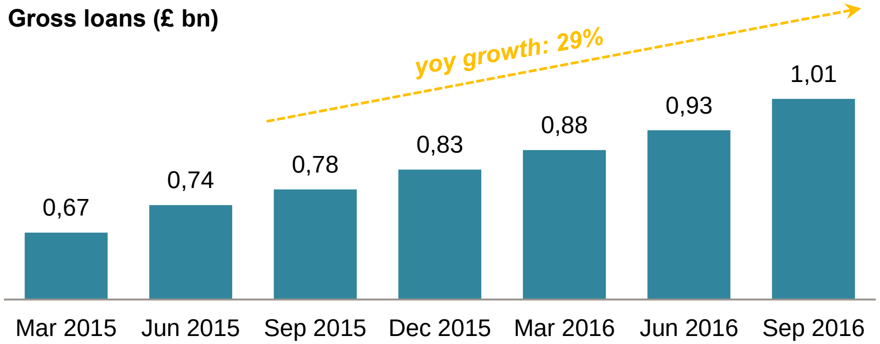


(1) Profit before provisions and impairments, gains/(losses) on loan derecognition and changes on expected cash flows, restructuring costs and discontinued operations.

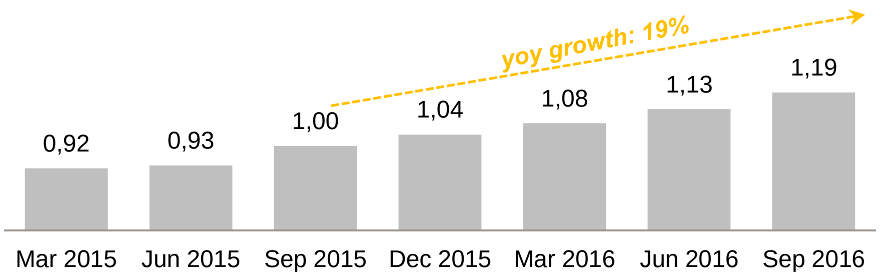
Expansion of BOC UK operations

Gross loans and customer deposits

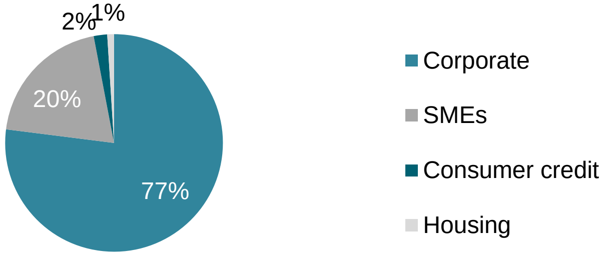
Gross loans (£ bn)



Customer deposits (£ bn)

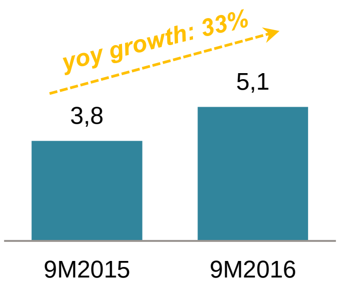


Loans by sector as at 30 September 2016

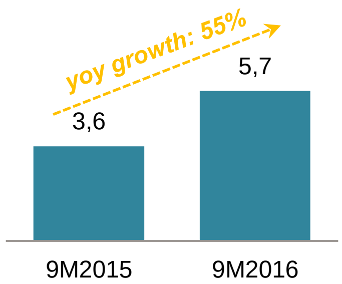


Profitability

Operating profit (£ mn)



Profit before tax (£ mn)



- Gross loans and customer deposits in the UK increased by 29% and 19% yoy to £1,01 bn and to £1,19 bn, respectively
- **New lending of £296 mn since the beginning of the year**
- **Operating profitability increased by 33% to £5,1 bn for the 9M2016**
- **Profit before tax increased by 55% to £5,7 bn for the 9M2016**

Bank of Cyprus

Significant Progress made on Group KPIs

A clear plan of action to achieve *Medium Term Targets*

Category	Key performance indicators	Dec-2015	Sept-2016	Medium Term Targets
Asset quality	90+ DPD ratio	50%	43%	**<30%**
	90+ DPD coverage	48%	54%	**>50%**
	Provisioning charge [1]	4,3%	1,6%[2]	**<1,0%**
Funding	ELA % Assets; € bn	16%; €3,8 bn	6%; €1,3 bn	**Fully repay**
	Net Loans % Deposits	121%	102%	**100%-120%**
Capital	CET1 (transitional)	14,0%	14,6%	**>15%**
Margins and efficiency	Net interest margin	3,8%	3,5%	**~3,00%**
	Fee and commission income/total income	15%	16%	**>20%**
	Cost to income ratio	40%	42%	**40%-45%**
Balance Sheet	Total assets	€23,3 bn	€22,4 bn	**>€25 bn**

Key Pillars & Plan of action

1. Significantly reduce problem loans
- Intensify restructuring and workout activity of delinquent borrowers
- Maintain increased pace of restructurings and focus on more complex and older cases on the back of the foreclosure law
- REMU to on-board, manage and dispose of properties acquired

2. Normalise funding structure; Eliminate ELA
- Eliminate ELA; Boost deposit franchise
- Access debt capital markets
- Access wholesale and interbank market
- Increase loan pool for the Additional Credit Claim ECB framework
- Retention of cash profits from operations

3. Focus on core markets
- Targeted lending in Cyprus into promising sectors to fund recovery
- New loan origination, while maintaining lending yields
- Revenue diversification via fee income from international business, wealth, and insurance
- Expand UK franchise by leveraging the UK subsidiary

4. Achieve a lean operating model
- Tangible savings through a targeted reduction program for operating expenses
- Introduce appropriate technology/processes to enhance product distribution channels and reduce operating costs
- Introduce HR policies aimed at enhancing productivity

5. Deliver returns
- Deliver appropriate medium-term risk-adjusted returns

(1) IFRS9 impact, which is effective as from 1 January 2018, has not been taken into account for the purpose for the targets. Targets are set on the basis of the present regulatory environment.
(2) 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.

Key Takeaways

- The Bank announced its **intention to apply for a listing on the LSE in addition to its existing listing on the CSE**; Significant milestone to increase the visibility of the Bank's stock
- BOC **franchise** remains dominant in an economy that continues to perform better than expected
- Problem loans (90+ DPD) down by €501 mn (or 5%) qoq and by €2,6 bn (or 23%) during 9M2016 ; Provision coverage improved to 54%
- **The success of the restructurings performed is starting to yield results; For the first time, the reduction of NPEs during the three months ended 30 September 2016 exceeded the reduction of 90+ DPD loans** mainly as a result of restructured loans meeting the NPE exit criteria following satisfactory performance
- Strong restructuring momentum continues with €3,4 bn of restructurings in 9M2016
- **Further normalisation of funding structure;** Loans to Deposits ratio (L/D) at 102% and customer deposits increased by €896 mn (or 6% qoq) accounting for 70% of total assets
- **ELA reduced by €3,0 bn year to date to €0,8 bn; Intention to fully repay ELA by early next year**
- **CET1 ratio (transitional basis) at 14,6%**;
- **Pre-provision profitability** of €138 mn for 3Q2016 directed at increased provisions and impairment charges to faster de-risk balance sheet
- Profit after tax of €5 mn for 3Q2016 and €62 mn for 9M2016

Key Information and Contact Details

Credit Ratings:

Fitch Ratings:
Long-term Issuer Default Rating: upgraded to “B-" on 25 April 2016 (stable outlook)
Short-term Issuer Default Rating: upgraded to “B" on 25 April 2016
Viability Rating: upgraded to “b-” on 25 April 2016

Moody’s Investors Service:
Baseline Credit Assessment: Affirmed at caa3 on 15 June 2016 (positive outlook)
Short-term deposit rating: Affirmed at “Not Prime” on 15 June 2016
Long-term deposit rating: Affirmed at Caa3 on 15 June 2016 (positive outlook)
Counterparty Risk Assessment: Assigned at Caa1(cr) / Not-Prime (cr) on 15 June 2016

Listing:

ATHEX – BOC, CSE – BOCY, ISIN CY0104810110

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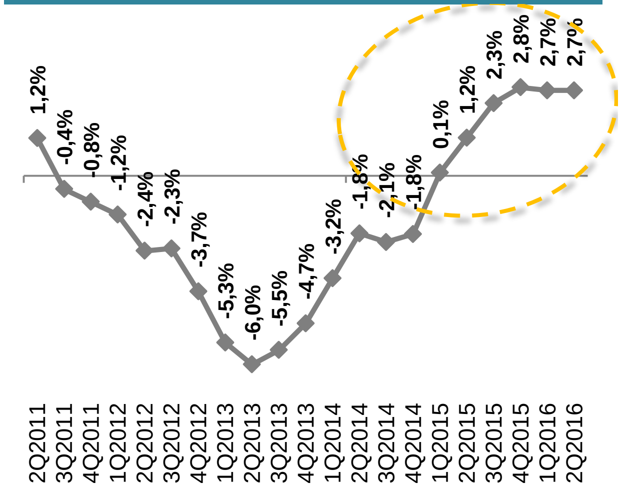
Visit our website at: www.bankofcyprus.com

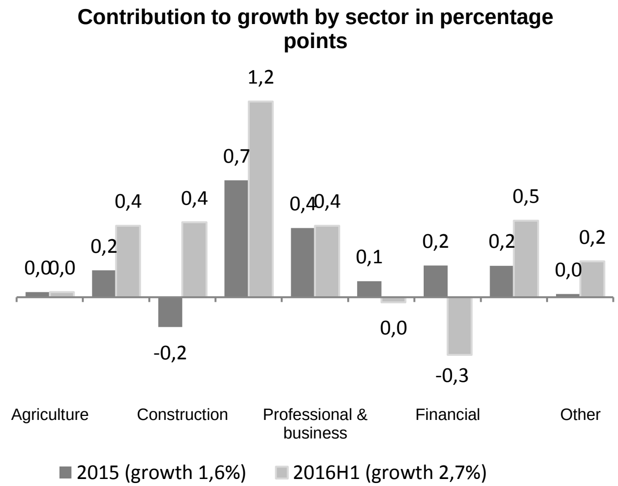
Appendix – Macroeconomic overview

Growth accelerated with broad sector participation

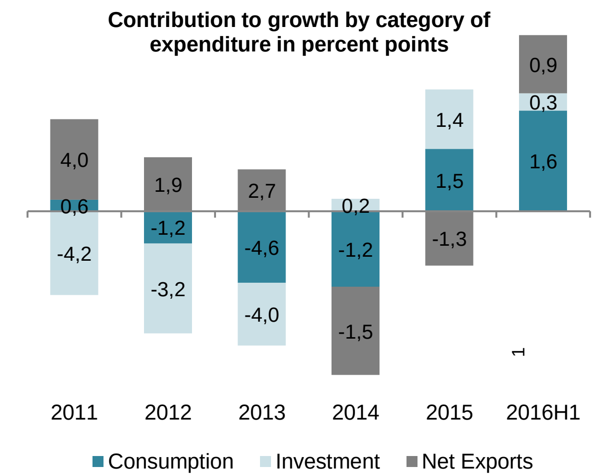
Real GDP continued to expand in the first half of the year …



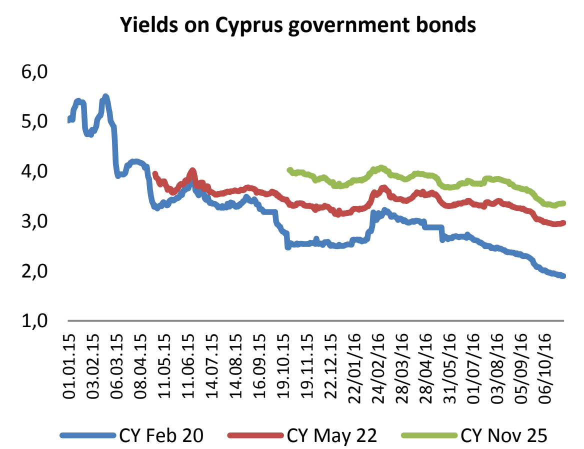
... with broad sector participation particularly from trade , tourism, and professional services, whilst….



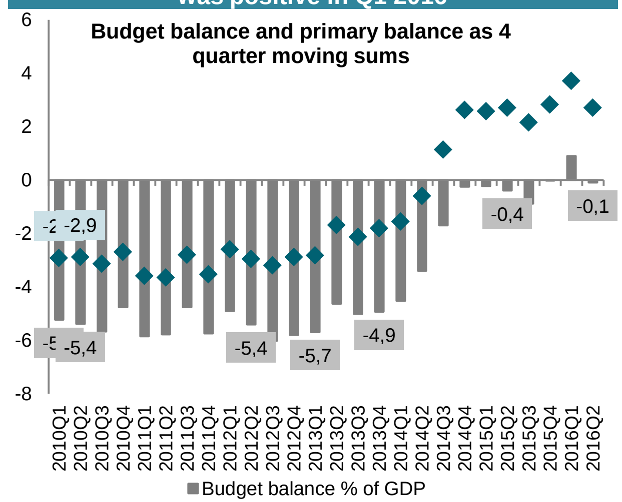
... on the expenditure side growth came from both domestic demand and net exports



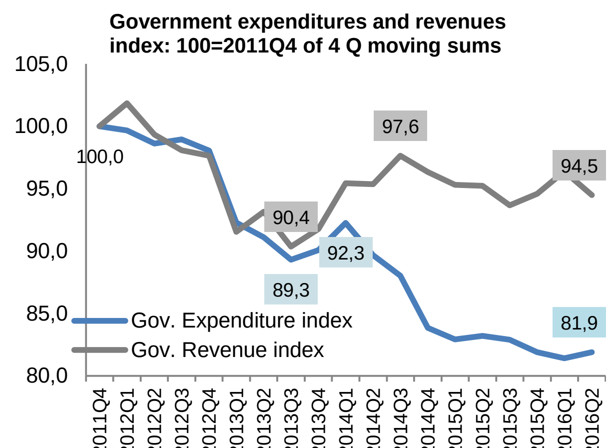
Improved rating and credit outlook, demonstrated by benchmark sovereign bond yields



The budget was totally balanced in 2015 on a yearly basis excluding recapitalisation costs, and was positive in Q1 2016



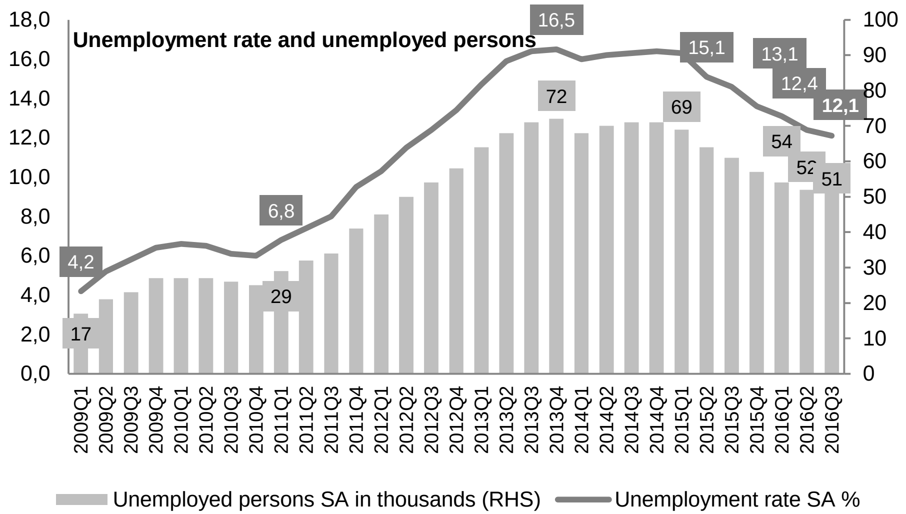
Expenditures dropped by 18,1% and revenues only by4,5% between 2011Q4 and 2016Q1 on a 4Q moving sums basis



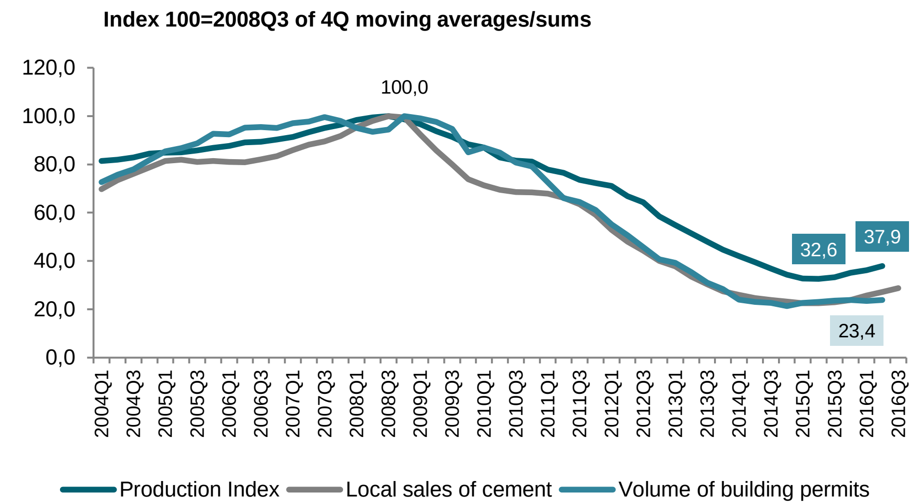
SOURCE: Statistical Service of Republic of Cyprus; Bloomberg; Calculations by BOC Economic Research

Key economic sectors are performing well

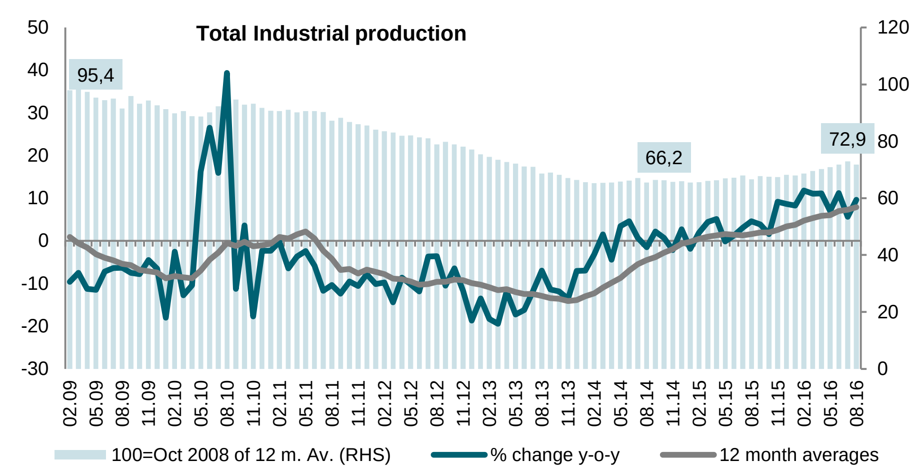
The unemployment rate dropped to 12,4% in Q2 from 13,2% in Q1 and a peak rate of 16,5% in Q4 of 2013.



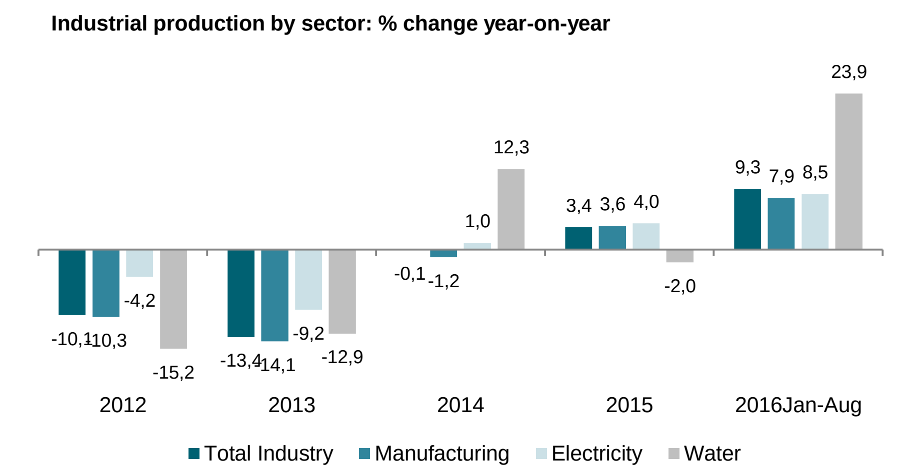
In construction the main indices may have bottomed in the first half of 2015 and started to rise from there



Industrial production bottomed in February 2014 on a 12 month basis, from a peak in 2008, and has been rising since ...



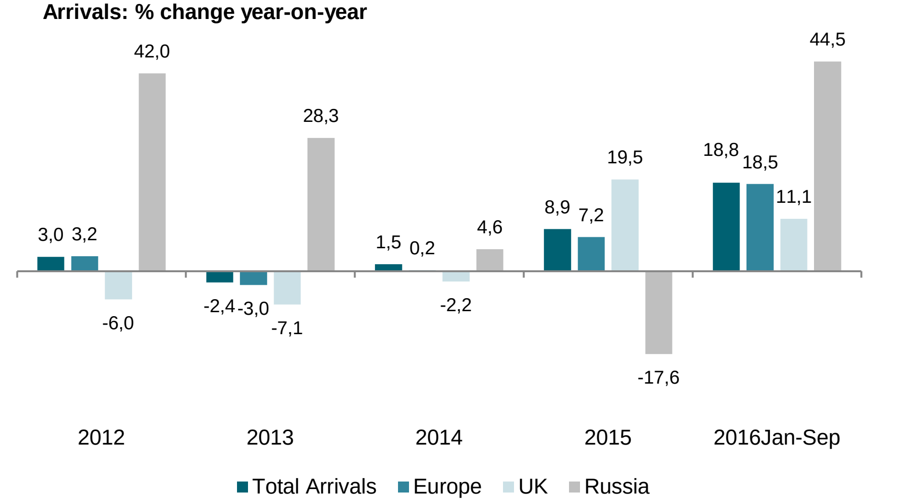
... were the rebound has been relatively uniform across sectors with the total production index up by 9,3% year-on-year in January-August



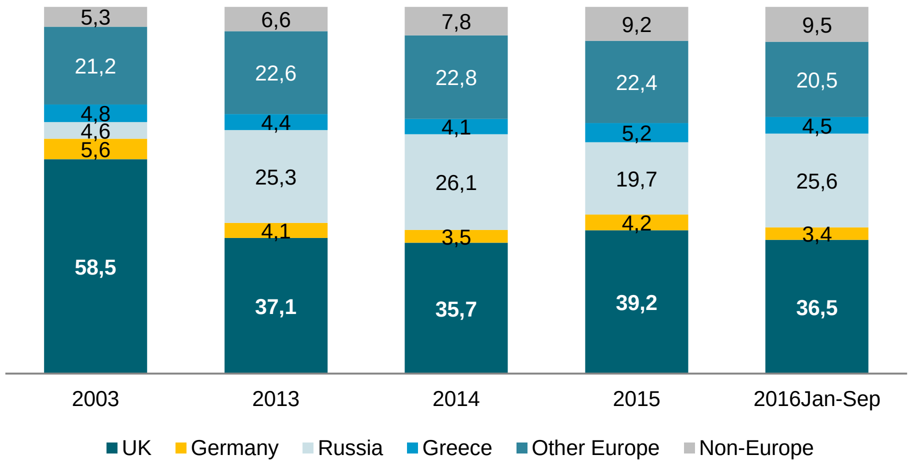
SOURCES: Statistical Service of Republic of Cyprus, Eurostat; Calculations by BOC Economic Research

Tourism is expanding & Residential Property Index is stabilising

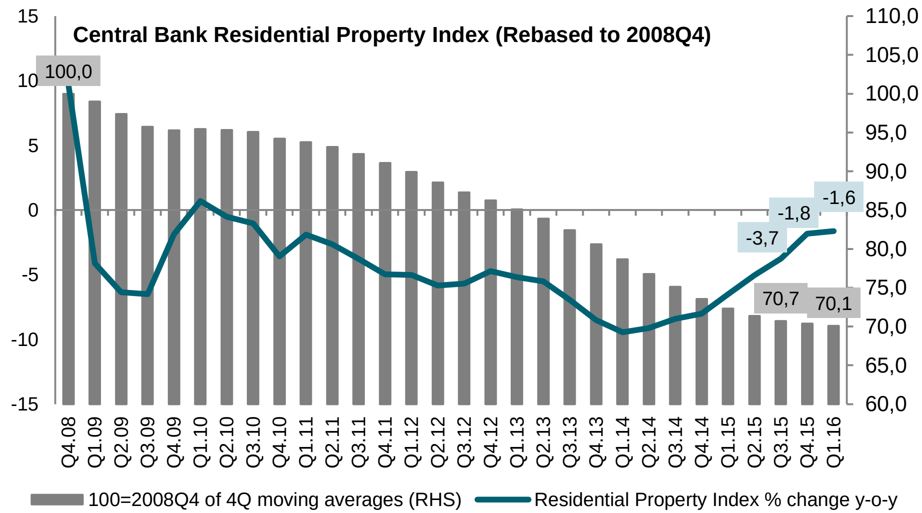
Tourist activity accelerated in 2015 and 2016 with total arrivals up 18,8% in the first nine months driven by a 44,5% increase from Russia and 11% from the UK



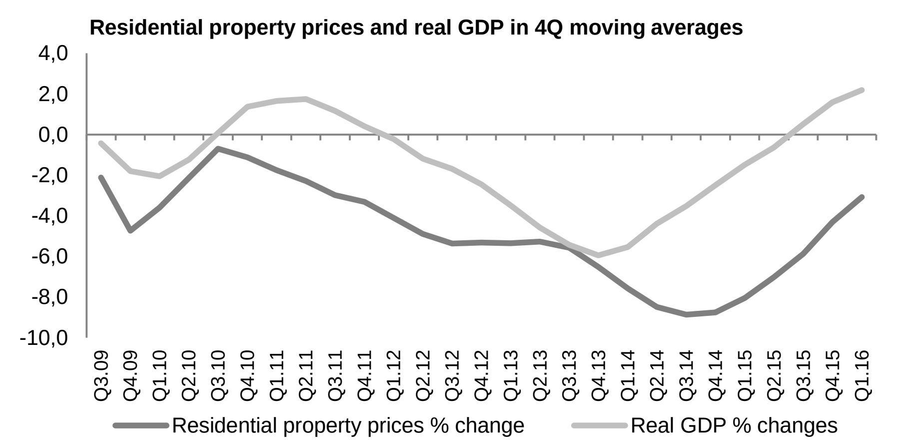
The distribution of tourist arrivals has been shifting over time with the UK now at 37,1% and Russia at 23,8%



Residential property prices declined by a cumulative 30% from their peak and started to stabilise from the second half of 2015



Residential property prices appear correlated with GDP growth with a lag, and might thus turn higher in the next few quarters



SOURCES: Statistical Service of Republic of Cyprus; Calculations by BOC Economic Research

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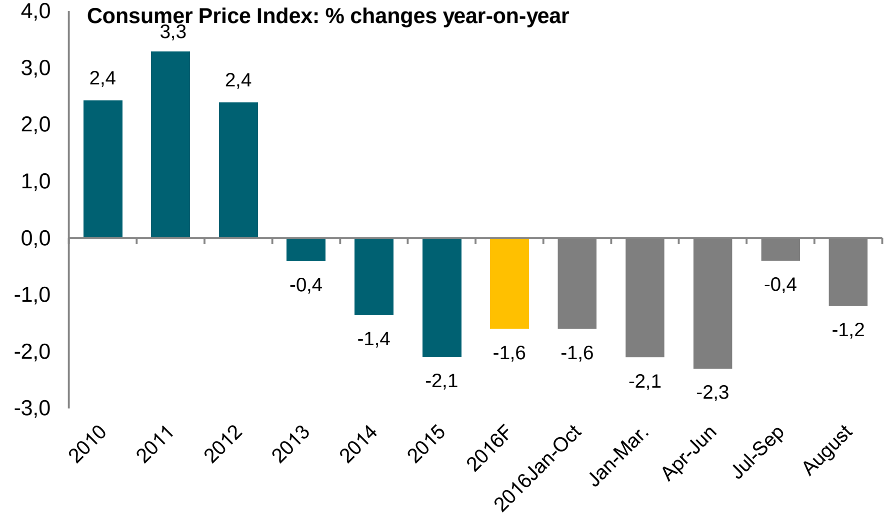
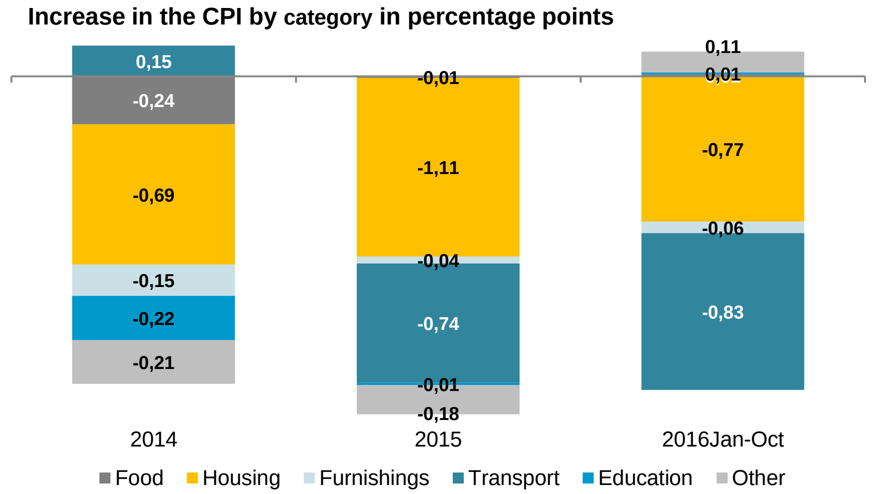
Consumer prices continued to drop while on the demand side of the economy, retail trade volumes continued to increase

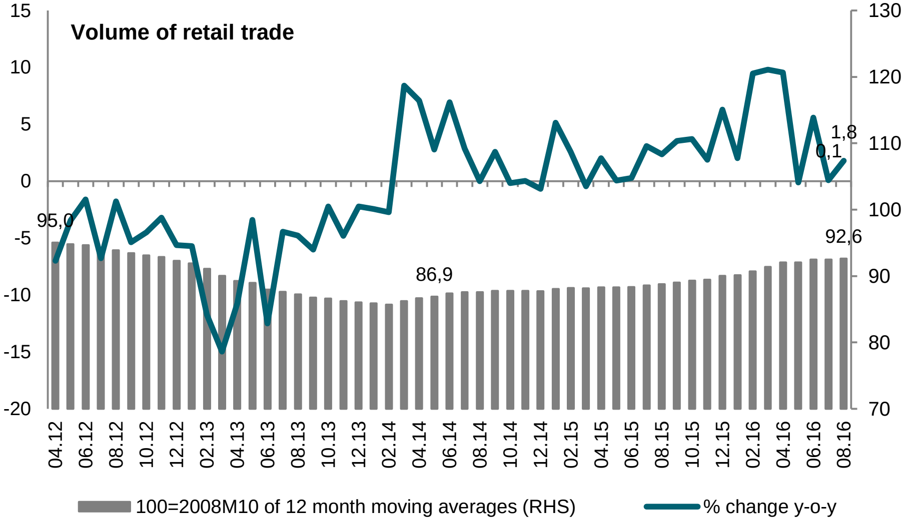
Following three consecutive years of decline, consumer prices dropped 1,6% in January-October, the decline slowing in Q3 but accelerating in October…



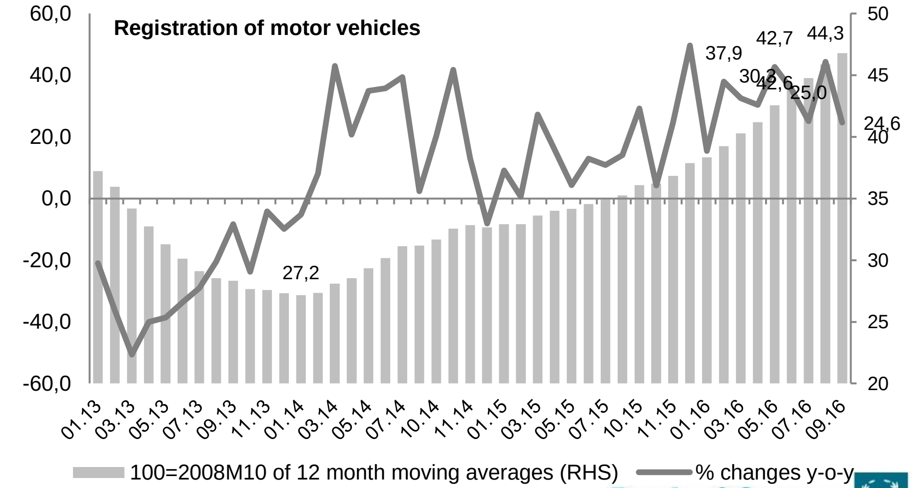
… driven mainly by housing and transport expenditures which are energy related.



The volume index of retail trade peaked in Oct. 2008 on a 12 month basis and dropped by about 15% by the first half of 2014 and has been rising since



Regarding vehicle registration, after a 73% drop from their peak in late 2008 to early 2014, they started to rebound sharply in 2015-2016



Bank of Cyprus

SOURCES: Statistical Service of Republic of Cyprus; Calculations by BOC Economic Research

Appendix – Additional financial information

Consolidated Balance Sheet

€ mn	% change	30.09.16	31.12.15
Cash and balances with Central Banks	12%	1.587	1.423
Loans and advances to banks	-10%	1.184	1.314
Debt securities, treasury bills and equity investments	-41%	595	1.009
Net loans and advances to customers	-7%	15.939	17.192
Other assets	34%	3.065	2.284
Non current assets and disposal group held for sale	-76%	12	49
Total assets	**-4%**	**22.382**	**23.271**

€ mn	% change	30.09.16	31.12.15
Deposits by banks	53%	371	242
Funding from central banks	-56%	1.950	4.453
Repurchase agreements	-11%	329	368
Customer deposits	10%	15.643	14.181
Debt securities in issue	-100%	0	1
Other liabilities	4%	986	944
Non current liabilities and disposal group held for sale	-100%	0	4
Total liabilities	**-5%**	**19.279**	**20.193**
Share capital	0%	892	892
Capital reduction reserve and share premium	0%	2.505	2.505
Revaluation and other reserves	-7%	241	259
Accumulated losses	-4%	(575)	(601)
Shareholders' equity	**0%**	**3.063**	**3.055**
Non controlling interests	79%	40	23
Total equity	**1%**	**3.103**	**3.078**
Total liabilities and equity	**-4%**	**22.382**	**23.271**

Income Statement Review

€ mn	9M2016	9M2015	yoy +%	3Q2016	2Q2016	qoq +%	1Q2016
Net interest income	524	644	-19%	164	175	-7%	185
Net fee and commission income	112	115	-3%	38	38	1%	36
Insurance income net of insurance claims	35	32	9%	10	11	-9%	14
Core income	*671*	*791*	*-15%*	*212*	*224*	*-6%*	*235*
Other income	46	-5	-	23	14	75%	9
Total income	**717**	**786**	**-9%**	**235**	**238**	**-1%**	**244**
Total expenses	**(299)**	**(296)**	**1%**	**(97)**	**(103)**	**-5%**	**(99)**
Profit before provisions and impairments[1]	**418**	**490**	**-15%**	**138**	**135**	**2%**	**145**
Provisions for impairment of customer loans net of gains on derecognition of loans and changes in expected cash flows	(267)	(329)	-19%	(109)	(96)	14%	(62)
Impairments of other financial and non financial assets	(34)	(37)	-9%	(12)	(14)	-10%	(8)
Share of profit from associates and joint ventures	3	3	-12%	1	1	96%	1
Profit before tax, restructuring costs and discontinued operations	**120**	**127**	**-5%**	**18**	**26**	**-32%**	**76**
Tax	(16)	(18)	-7%	(4)	(4)	0%	(8)
(Loss)/profit attributable to non-controlling interests	(3)	6	-162%	2	(5)	-142%	(1)
Profit after tax from continuing operations[2]	**101**	**115**	**-13%**	**16**	**17**	**-4%**	**67**
Advisory, VEP and other restructuring costs[3]	(98)	(27)	267%	(11)	(70)	-84%	(17)
Loss from disposal group held for sale/discontinued operations	-	(38)	-100%	-	-	-	-
Net gain on disposal of non-core assets	59	23	154%	0	59	-100%	-
Profit after tax	**62**	**73**	**-16%**	**5**	**6**	**-15%**	**50**
Net interest margin	**3,51%**	**3,82%**	**-31bps**	**3,35%**	**3,55%**	**-20bps**	**3,63%**
Cost-to-Income ratio	**42%**	**38%**	**+4p.p.**	**41%**	**43%**	**-2p.p.**	**40%**

(1) Profit before provisions and impairments, gains/(losses) on derecognition and changes on expected cash flows, restructuring costs and discontinued operations.
(2) Profit after tax and before restructuring costs, discontinued operations and net profit on disposal of non-core assets.
(3) Advisory, VEP and other restructuring costs comprise mainly: 1) 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 contemplated listing on the London stock exchange and 2) voluntary exit plan cost.

Income Statement bridge for 9M2016

€ mn	Per presentation	Reclassification	Per financial statements
Net interest income	524	-	524
Net fee and commission income	112	-	112
Net foreign exchange gains and net gains on other financial instruments	35	59	94
Insurance income net of insurance claims	35	-	35
Gains/(losses) from revaluations/disposals of investment properties	3	3	6
Losses on disposal of stock properties	-	(3)	(3)
Other income	8	2	10
Total income	**717**	61	**778**
Total expenses	**(299)**	(98)	**(397)**
Profit before provisions and impairments, gains/(losses) on derecognition of loans and changes in expected cash flows, restructuring costs and discontinued operations	**418**	(37)	**381**
Provisions for impairment of customer loans	(305)	-	(305)
Gains on derecognition of loans and changes in expected cash flows	38	-	38
Impairments of other financial and non-financial assets	(34)	-	(34)
Share of profit from associates	3	-	3
Profit before tax, restructuring costs and discontinued operations	**120**	**(37)**	**83**
Tax	(16)	(2)	(18)
Loss attributable to non-controlling interests	(3)	-	(3)
Profit after tax and before restructuring costs, discontinued operations and net profit from disposal of non-core assets	**101**	**(39)**	**62**
Advisory, VEP and other restructuring costs[1]	(98)	98	-
Net gain on disposal of non-core assets	59	(59)	-
Profit after tax	**62**	-	**62**

(1) Advisory, VEP and other restructuring costs comprise mainly: 1) 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 contemplated listing on the London stock exchange and 2) voluntary exit plan cost.

Cyprus: Income Statement by business line for 9M2016

€ mn	Consumer Banking	SME Banking	Corporate Banking	International Banking	Wealth & Brokerage & Asset Management	RRD	REMU	Insurance	Other	Total Cyprus
Net interest income	187	48	60	46	6	160	(9)	-	(7)	491
Net fee & commission income	34	6	7	38	2	9	-	(3)	14	107
Other income	3	0	1	5	3	0	(2)	35	21	66
Total income	**224**	**54**	**68**	**89**	**11**	**169**	**(11)**	**32**	**28**	**664**
Total expenses	**(87)**	**(9)**	**(8)**	**(19)**	**(3)**	**(25)**	**(7)**	**(10)**	**(99)**	**(267)**
Profit/(loss) before provisions and impairments	**137**	**45**	**60**	**70**	**8**	**144**	**(18)**	**22**	**(71)**	**397**
Provisions for impairment of customer loans net of gains/(losses) on derecognition of loans and changes in expected cash flows	32	(14)	20	0	0	(263)	-	-	(1)	(226)
Impairment of other financial and non financial assets	-	-	-	-	-	-	(10)	-	(15)	(25)
Share of profits from associates	-	-	-	-	-	-	-	-	3	3
Profit/(loss) before tax	**169**	**31**	**80**	**70**	**8**	**(119)**	**(28)**	**22**	**(84)**	**149**
Tax	(18)	(4)	(10)	(8)	(1)	17	4	(2)	8	(14)
Profit attributable to non controlling interest	-	-	-	-	-	-	-	-	(4)	(4)
Profit/(loss) after tax and before one off items	**151**	**27**	**70**	**62**	**7**	**(102)**	**(24)**	**20**	**(80)**	**131**

Risk Weighted Assets – Regulatory Capital

Risk weighted assets by Geography (€ mn)

	30.06.15	30.09.15	31.12.15	31.03.16	30.06.16	30.09.16
Cyprus	19.607	19.473	18.438	18.276	17.845	17.675
Russia	708	46	21	25	16	15
United Kingdom	667	663	685	650	695	725
Romania	318	315	269	198	195	205
Greece	180	173	208	182	176	140
Other[1]	47	47	45	43	41	43
Total RWA	**21.527**	**20.717**	**19.666**	**19.374**	**18.968**	**18.803**
RWA intensity(%)	**85%**	**86%**	**85%**	**85%**	**84%**	**84%**

Equity and Regulatory Capital (€ mn)

	30.06.15	30.09.15	31.12.15	31.03.16	30.06.16	30.09.16
Shareholders' equity	3.506	3.518	3.055	3.101	3.054	3.063
CET1 capital	3.205	3.231	2.748	2.769	2.735	2.736[2]
Tier I capital	3.205	3.231	2.748	2.769	2.735	2.736
Tier II capital	32	22	30	20	21	21
Total regulatory capital (Tier I + Tier II)	**3.237**	**3.253**	**2.778**	**2.789**	**2.756**	**2.757**

Risk weighted assets by type of risk (€ mn)

	30.06.15	30.09.15	31.12.15	31.03.16	30.06.16	30.09.16
Credit risk	19.426	18.830	17.618	17.326	16.921	16.747
Market risk	16	7	8	8	7	6
Operational risk	2.085	1.880	2.040	2.040	2.040	2.050
Total	**21.527**	**20.717**	**19.666**	**19.374**	**18.968**	**18.803**

Reconciliation of Group Equity to CET 1

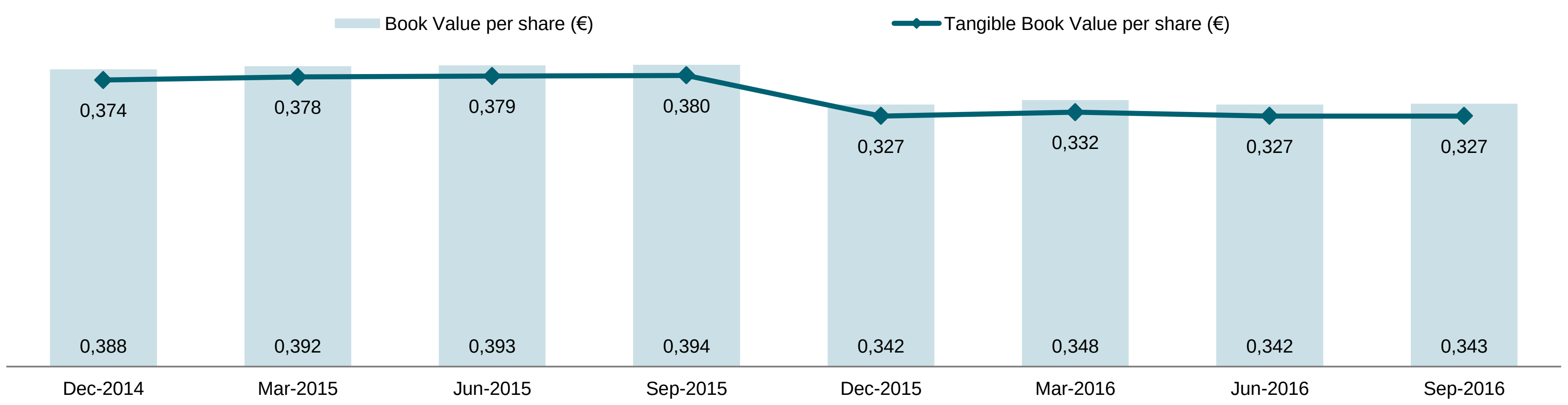
€ mn	**30.09.16**
Group Equity per financial statements	3.103
Less: Intangibles and other deductions	(19)
Less: Deconsolidation of insurance and other entities	(220)
Less: Regulatory adjustments (Minority Interest, DTA and other items)	(75)
Less: Revaluation reserves and other unrealised items transferred to Tier II	(53)
CET 1 (transitional)	**2.736**
Less: Adjustments to fully loaded (mainly DTA)	**(155)**
CET 1 (fully loaded)	**2.581**
Risk Weighted Assets	**18.803**
CET 1 ratio (fully loaded)	**13,8%**
CET 1 ratio (transitional)[1]	**14,6%**

(1) Other countries primarily relates to exposures in Channel Islands
(2) Transitional basis; includes unaudited profits for the nine months ended 30 September 2016.

BOC - Main performance indicators

	Ratios	Group 9M2016
Performance	ROAA (annualised)	0,4%
	ROTE (annualised)	2,8%
	Net Interest Margin	3,51%
	Cost to income ratio	42%
	Loans to deposits	102%
Asset Quality	90+ DPD / 90+ DPD ratio	€8.768 mn (43%)
	90+ DPD coverage	54%
	Cost of risk (annualised)	1,6%[1]
	Provisions / Gross Loans	22,8%
Capital	Transitional Common Equity Tier 1 capital	2.736
	CET1 ratio (transitional basis)	14,6%
	Total Shareholders' Equity / Total Assets	13,7%

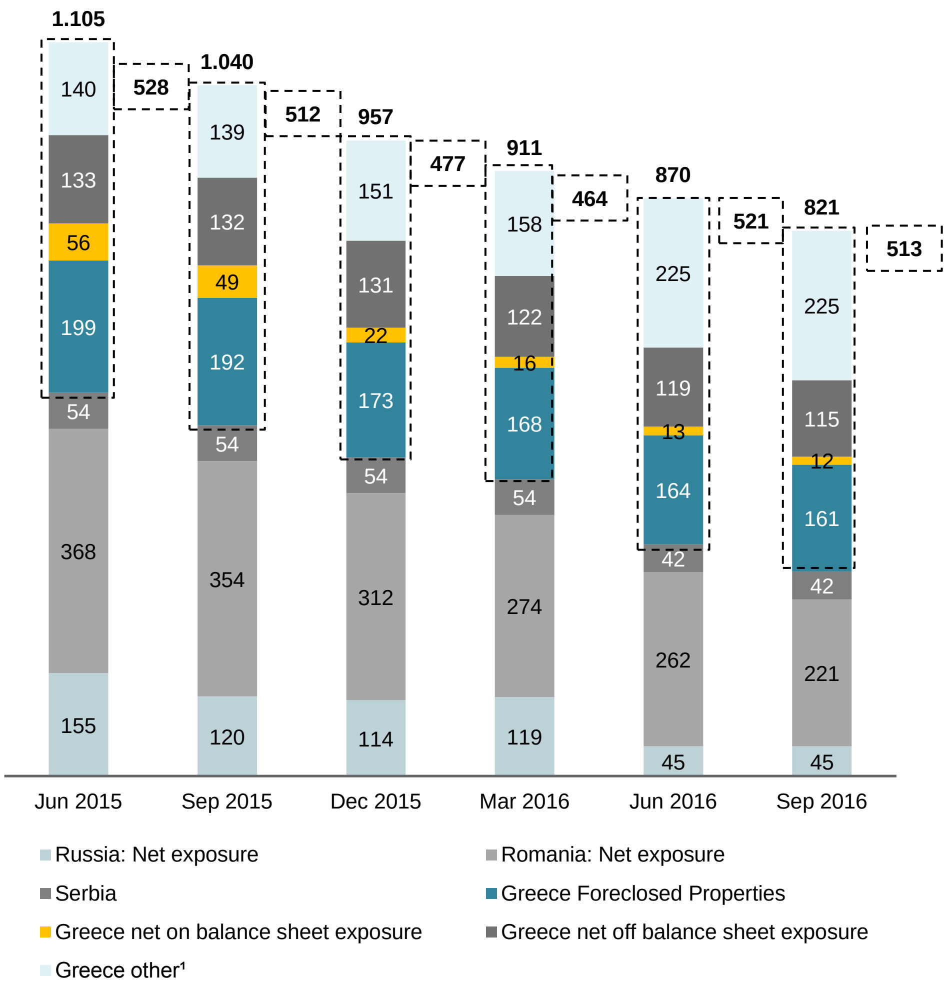
Book value evolution



(1) Provisions for impairment of customer loans and gains/(losses) on derecognition of loans and changes in expected cash flows

Reduction in Overseas Non-Core Exposures

Overseas non-core exposures (€ mn)



The non-core overseas exposures at 30 September 2016 were as follows:

Greece: Net exposure comprised:

a. Net on-balance sheet exposures (excluding foreclosed properties) totalling €12 mn;

b. 636 foreclosed properties with a book value of €161 mn;

c. off-balance sheet exposures of €115 mn; and

d. lending exposures to Greek entities in the normal course of business in Cyprus of €80 mn, and lending exposures in Cyprus with collaterals in Greece of €145 mn.

Romania: Overall net exposure of €221 mn

Serbia: Overall net exposure of €42 mn, in line with the previous quarter

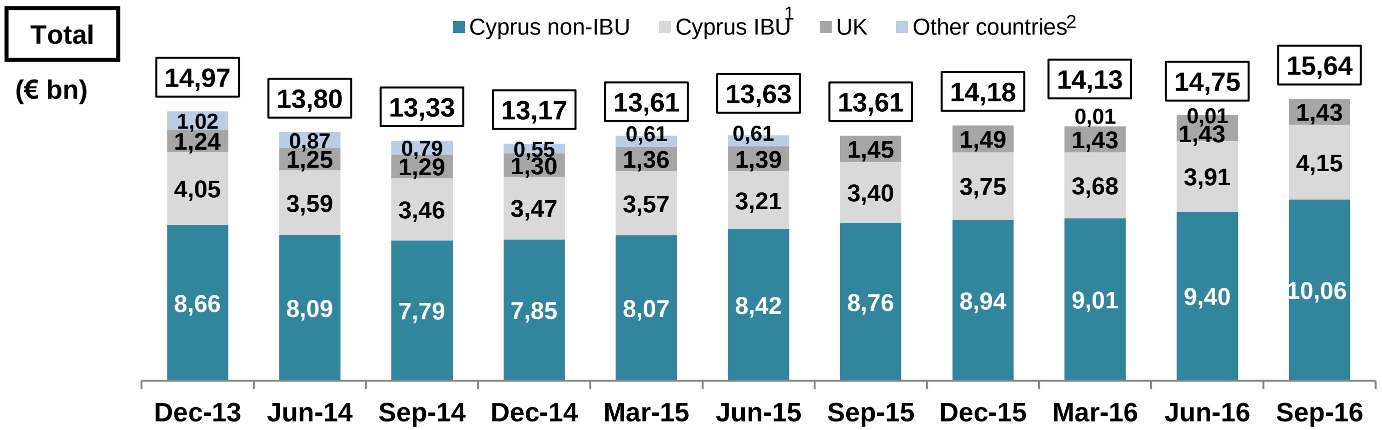
Russia: Remaining net exposure (on and off balance sheet) in Russia remained unchanged at €45 mn during 3Q2016 in line with the previous quarter.

As part of the Group's strategy of focusing on its core businesses and markets, the Group decided to close the operations of Bank of Cyprus Channel Islands Ltd (BOC CI) and to relocate its business to other Group locations.

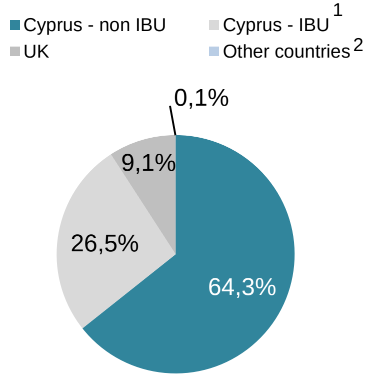
(1) Lending exposures to Greek entities in the normal course of business in Cyprus and lending exposures in Cyprus with collaterals in Greece

Analysis of Deposits by Geography and by Type

Deposits by geography

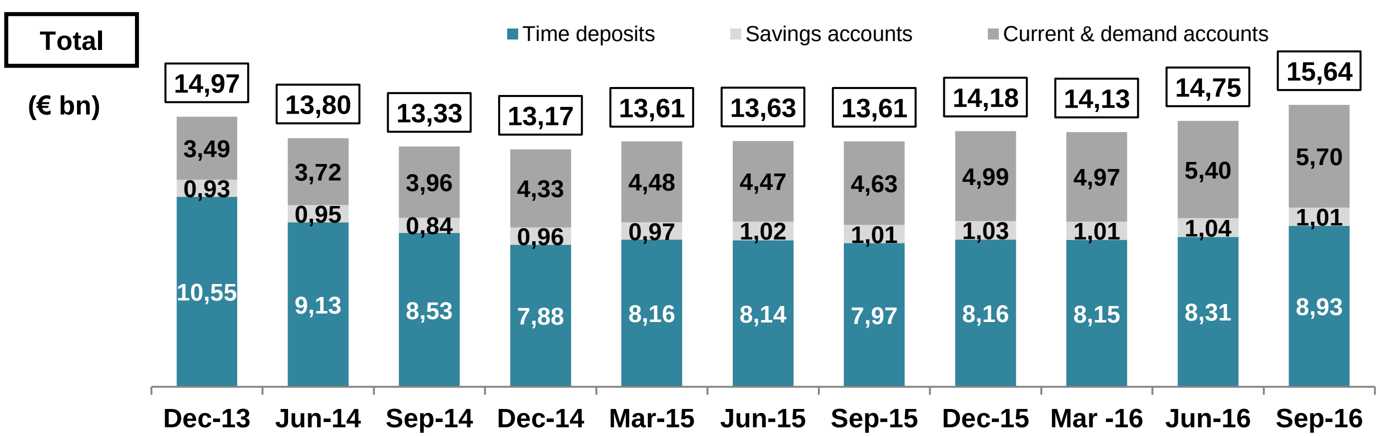


30 September 2016 (%)

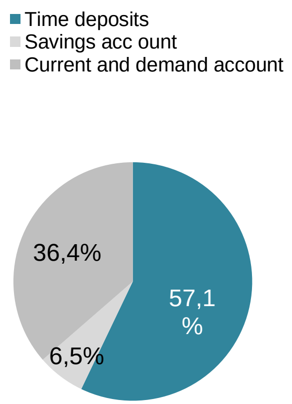


Total Cyprus 90,8%

Deposits by type of deposits



30 September 2016 (%)

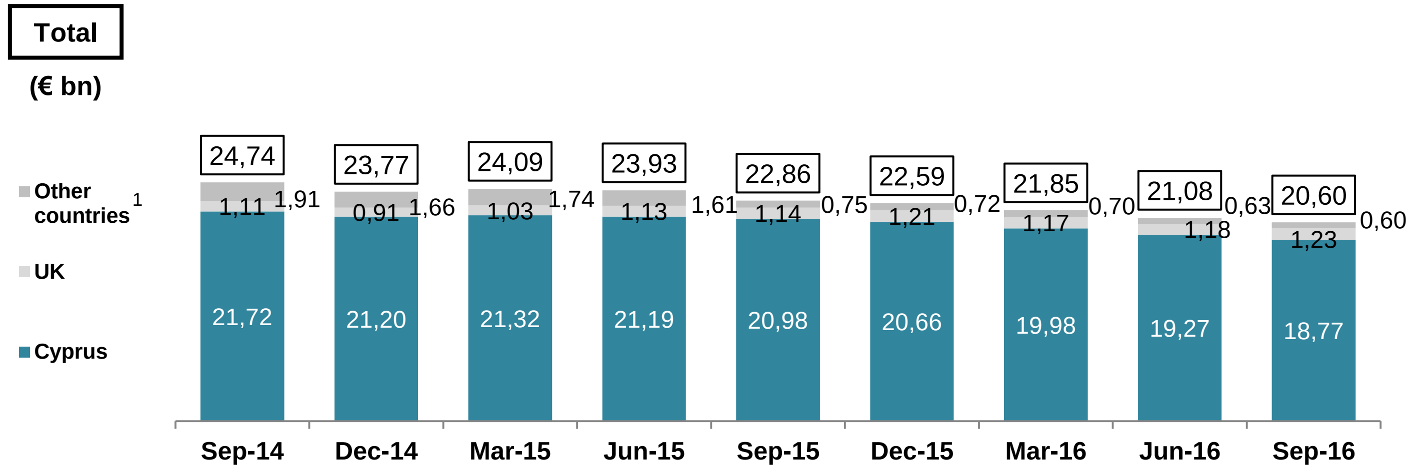


(1) IBU- Division servicing exclusively international activity companies registered in Cyprus and abroad and non-residents
(2) Other countries: Russia (until June 2015), Romania, and Ukraine (until March 2014).

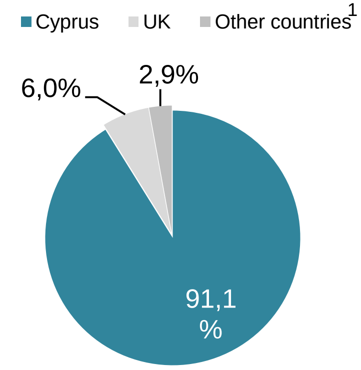
Bank of Cyprus

Gross loans by Geography and by Customer Type

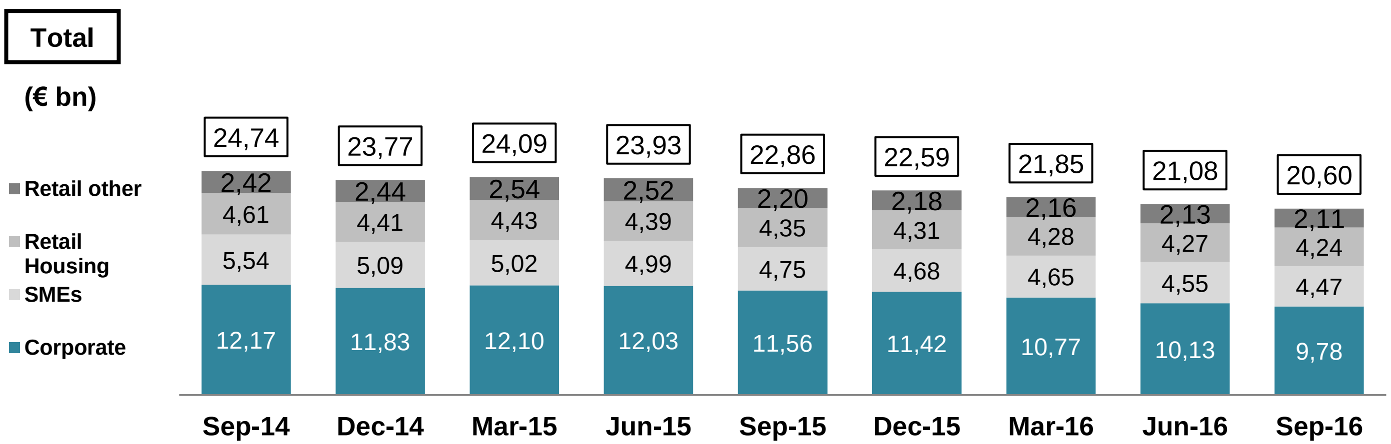
Gross loans by geography



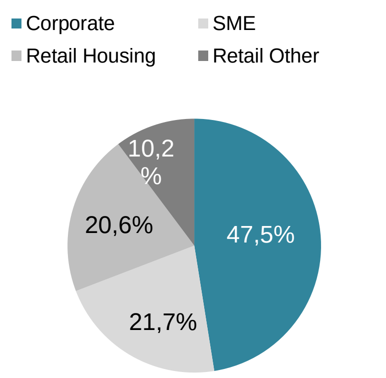
30 September 2016 (%)



Gross loans by customer type



30 September 2016 (%)

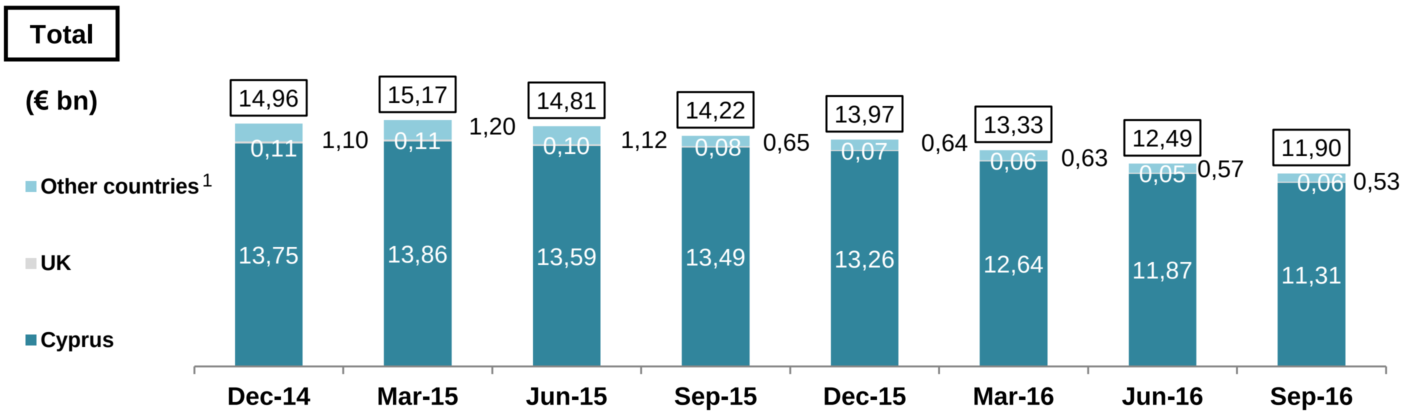


(1) Other countries: Russia, Greece and Romania

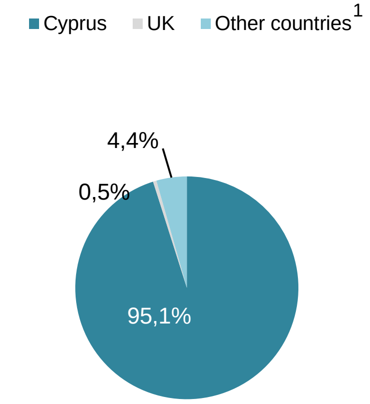
Bank of Cyprus

NPEs by Geography and by Customer Type

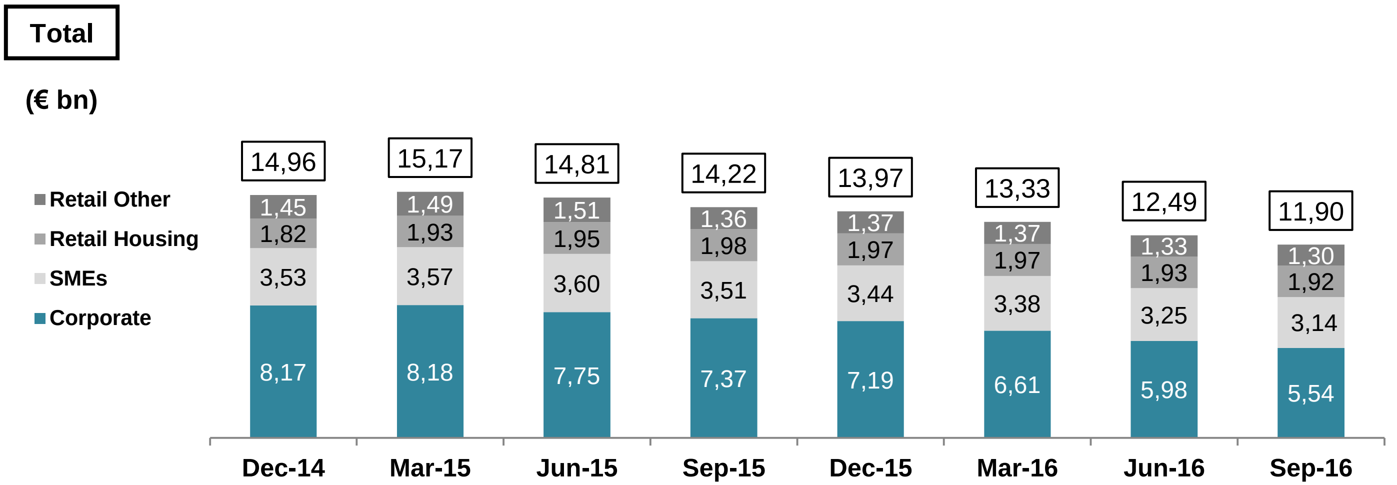
NPEs by geography



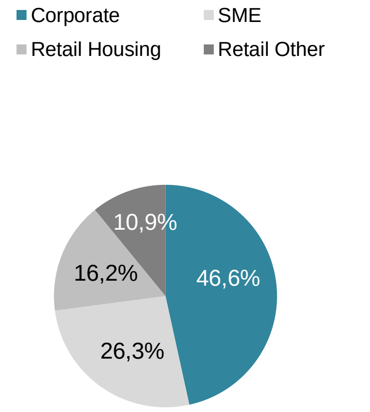
30 September 2016 (%)



NPEs by customer type



30 September 2016 (%)



(1) Other countries: Russia (until June 2015) and Romania

Asset Quality- 90+ DPD analysis

(€ mn)	Sept-16	Jun - 16	Mar-16	Dec-15	Sept-15
A. Gross Loans after Fair value on Initial recognition	**19.607**	**20.040**	**20.719**	**21.385**	**21.597**
Fair value on Initial recognition	989	1.043	1.130	1.207	1.266
B. Gross Loans	**20.596**	**21.083**	**21.849**	**22.592**	**22.863**
B1. Loans with no arrears	**10.897**	**10.879**	**10.551**	**10.443**	**9.925**
B2. Loans with arrears but not impaired	**2.488**	**2.607**	**2.901**	**3.049**	**3.611**
Up to 30 DPD	587	574	623	469	585
31-90 DPD	344	361	386	351	355
+ 91-180 DPD	146	121	133	144	200
+ 181-365 DPD	144	175	183	259	374
+ Over 1 year DPD	1.267	1.376	1.576	1.826	2.097
+ **B3. Impaired Loans**	**7.211**	**7.597**	**8.397**	**9.100**	**9.327**
With no arrears	514	647	860	876	848
Up to 30 DPD	22	25	36	78	66
31-90 DPD	52	41	57	24	60
91-180 DPD	15	95	49	65	152
181-365 DPD	106	123	157	310	464
Over 1 year DPD	6.502	6.666	7.238	7.747	7.737
= **(90+ DPD)[1]**	**8.768**	**9.269**	**10.289**	**11.329**	**11.998**
90+ DPD ratio (90 + DPD / Gross Loans)	**42,6%**	**44,0%**	**47,1%**	**50,1%**	**52,5%**
Accumulated provisions (including fair value adjustment on initial recognition[2])	**4.703**	**4.875**	**5.076**	**5.445**	**4.933**
Gross loans provision coverage	**22,8%**	**23,1%**	**23,2%**	**24,1%**	**21,6%**
90+ DPD provision coverage	**53,6%**	**52,6%**	**49,3%**	**48,1%**	**41,1%**

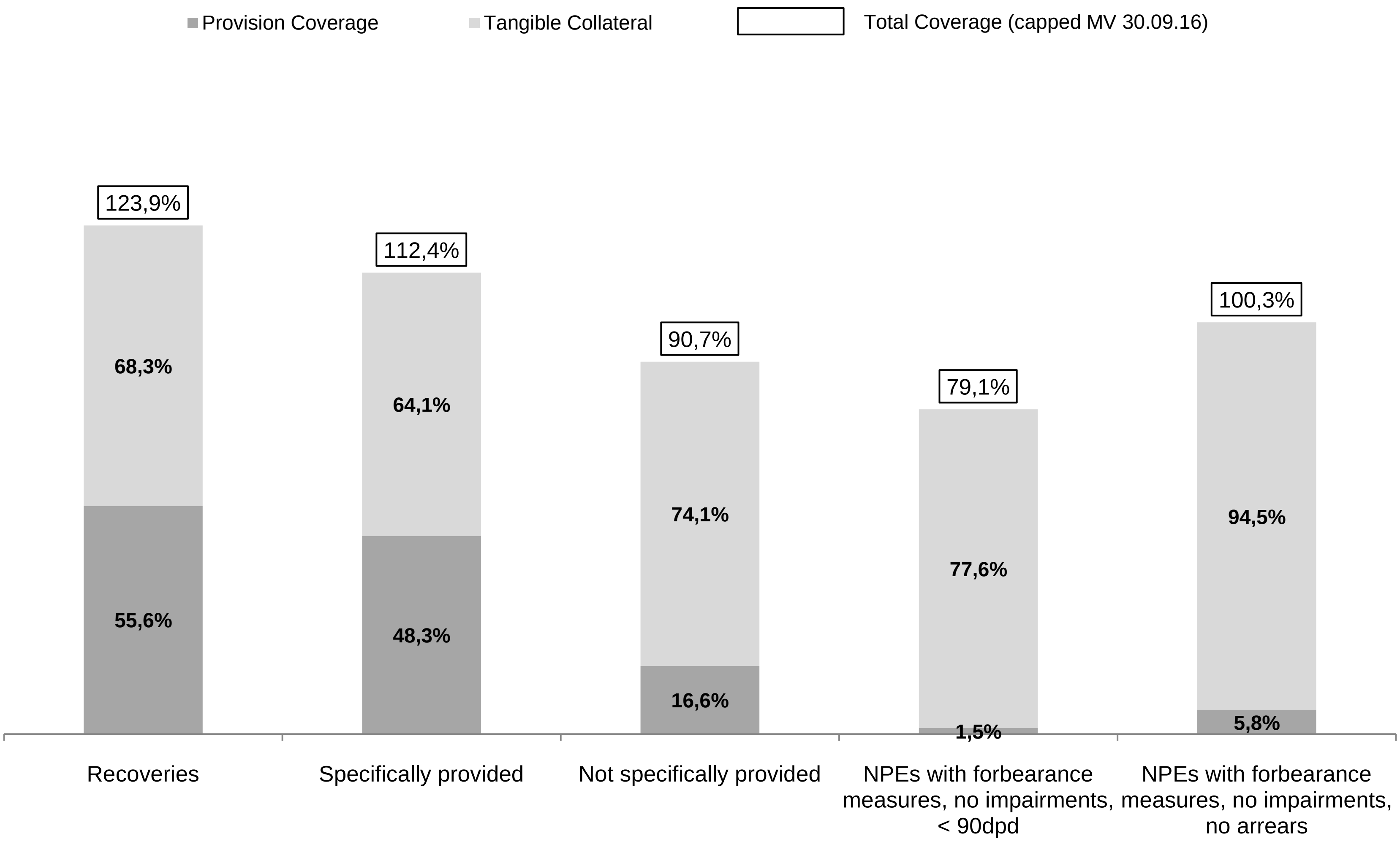
(1) Loans in arrears for more than 90 days (90+ DPD) are defined as loans past-due for more than 90 days and those that are impaired (impaired loans are those which are not considered fully collectable and for which a provision for impairment has been recognised on an individual basis or for which incurred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

(2) 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.

Bank of Cyprus

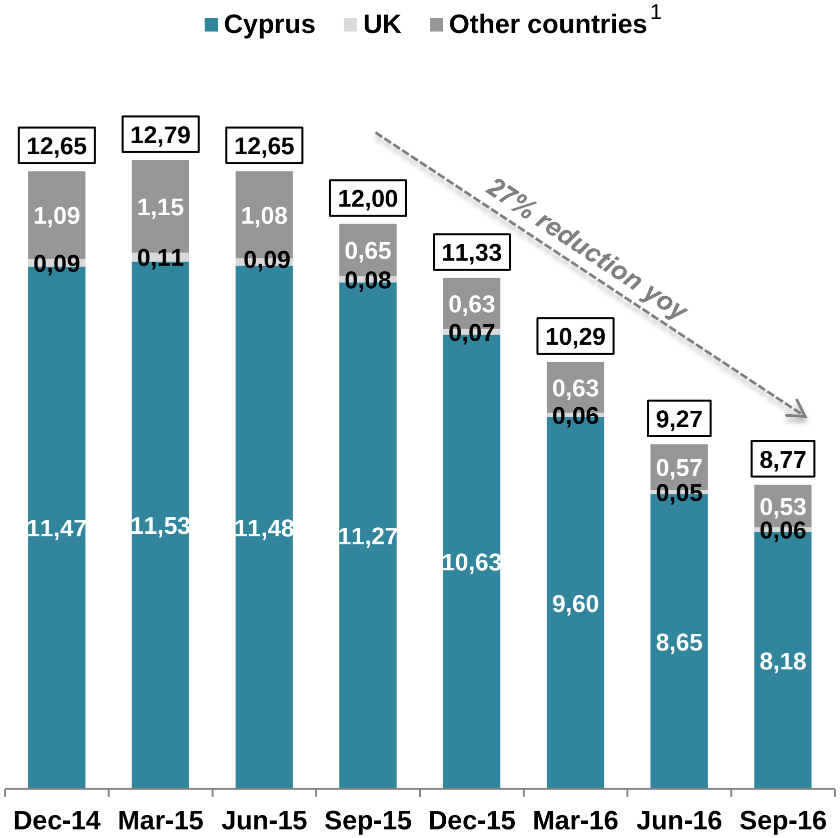
Asset Quality – NPEs analysis

Total Coverage for NPES Cyprus – Adequately provided

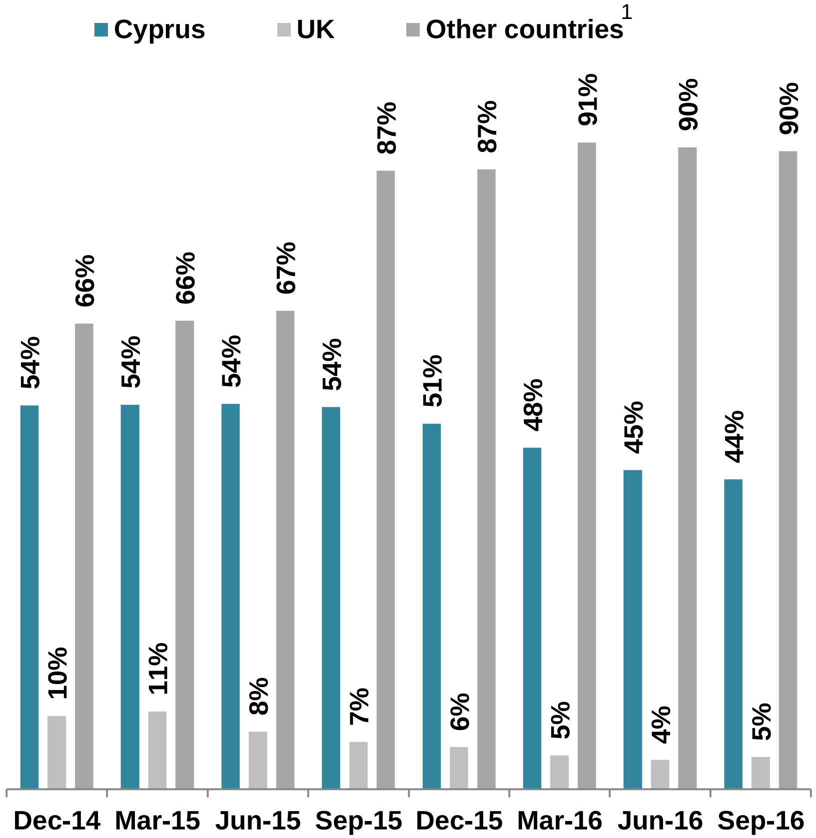


90+ DPD by Geography

90+ DPD by Geography (€ bn)



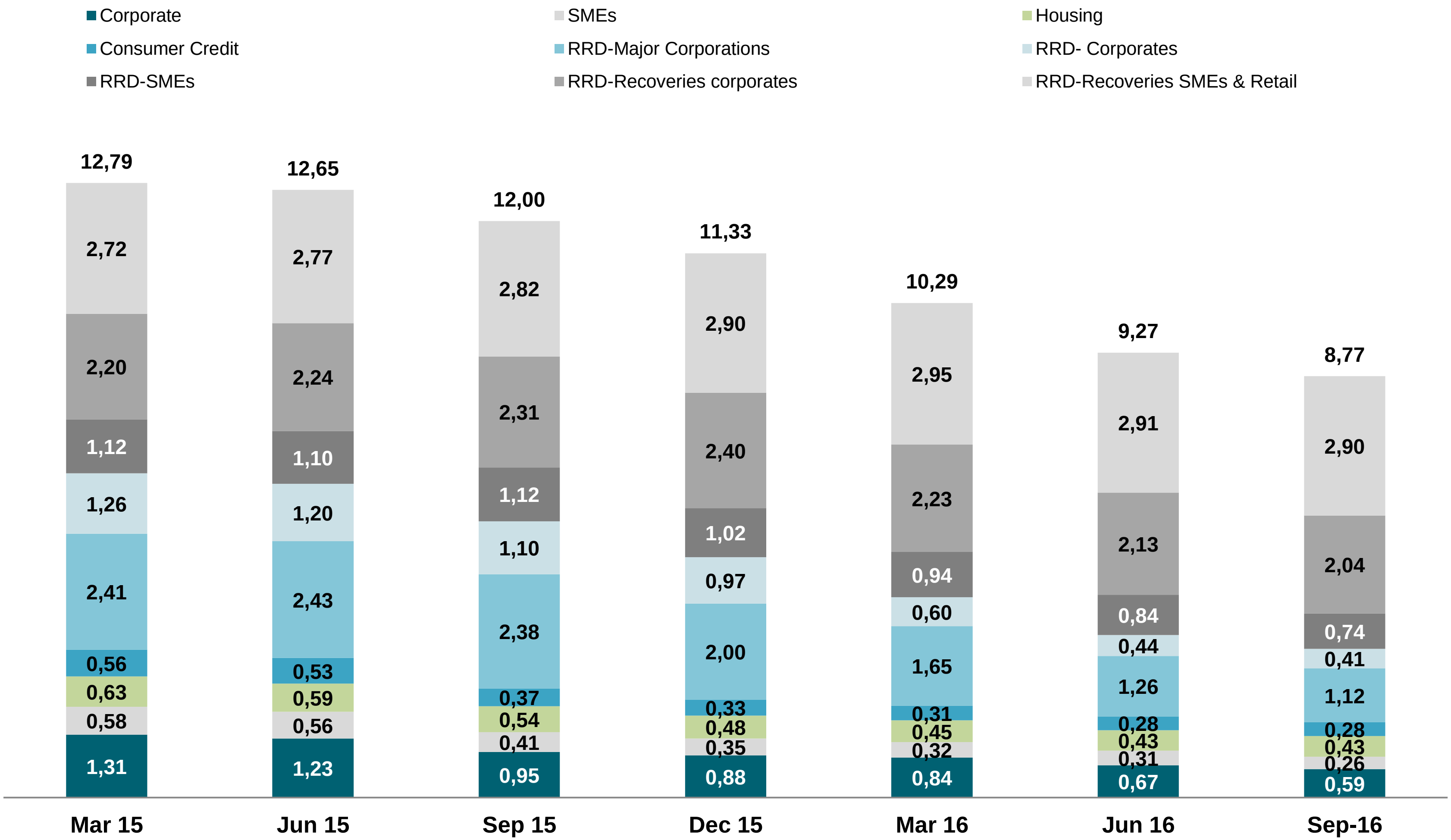
90+ DPD ratios by Geography



(1) Other countries:, Russia Romania and Greece

Analysis 90+ DPD ratios by Business Line[1]

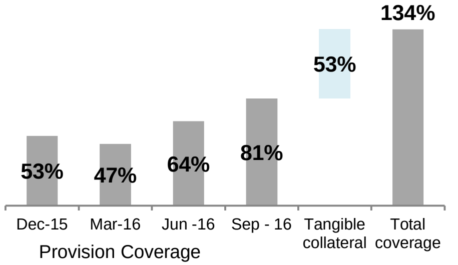
90+ DPD by business line (€ bn)



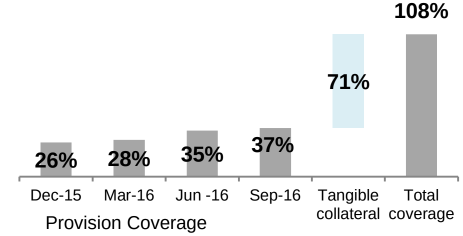
(1) As part of the restructuring of the Group, management is currently monitoring the loan portfolio of the Group using new business line definitions. An important component of the Group's new operational structure is the establishment of the RRD for the purposes of centralising and streamlining the management of its delinquent loans.

Further break down of 90+ DPD coverage by business line - Cyprus

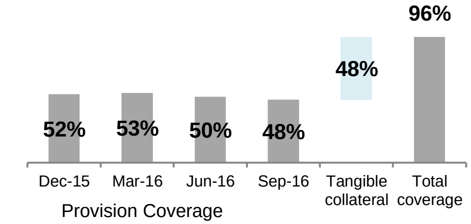
Corporate



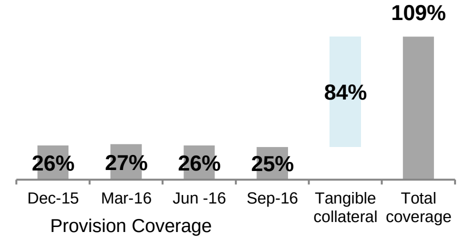
SMEs



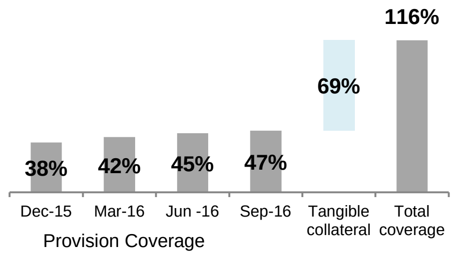
Consumer



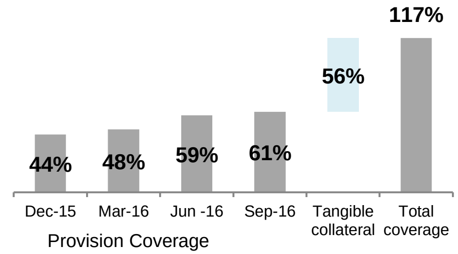
Housing



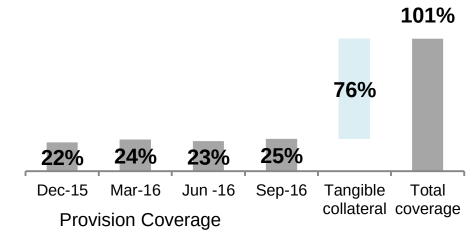
RRD Corporations



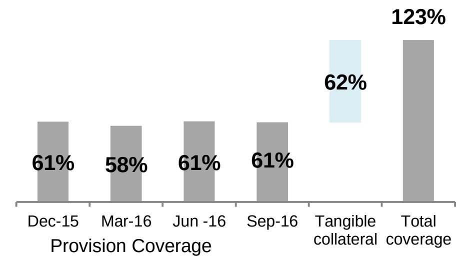
RRD Major Corporations



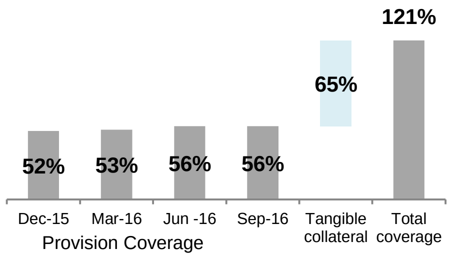
RRD- SMEs



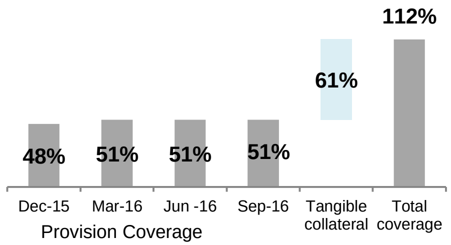
RRD Recoveries Corporate



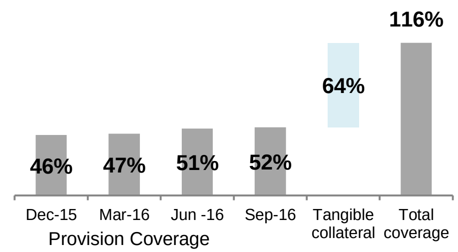
RRD Recoveries SMEs



RRD Recoveries Retail

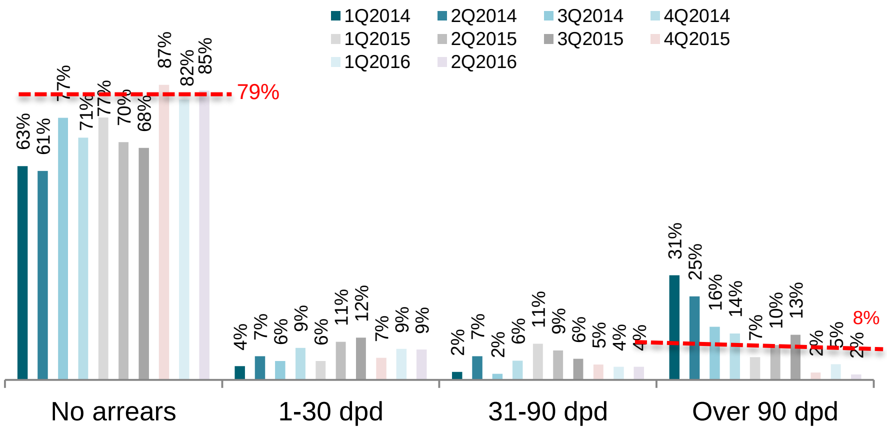


Total Cyprus

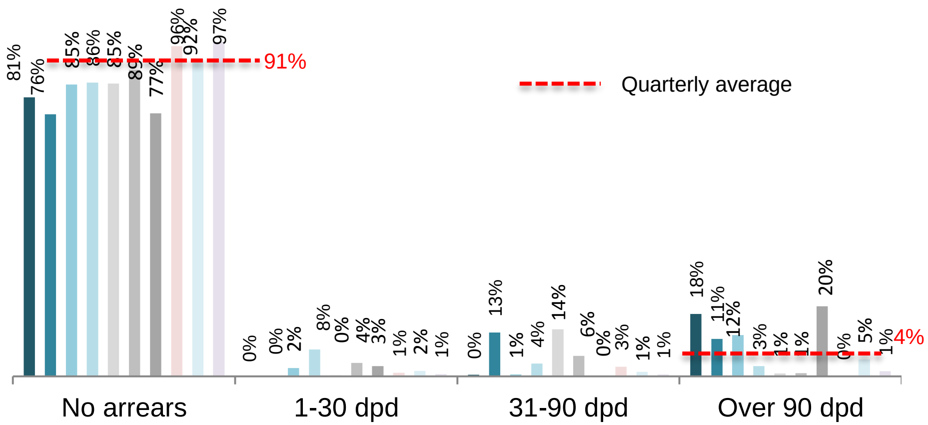


Performance of Restructured Loans[1]

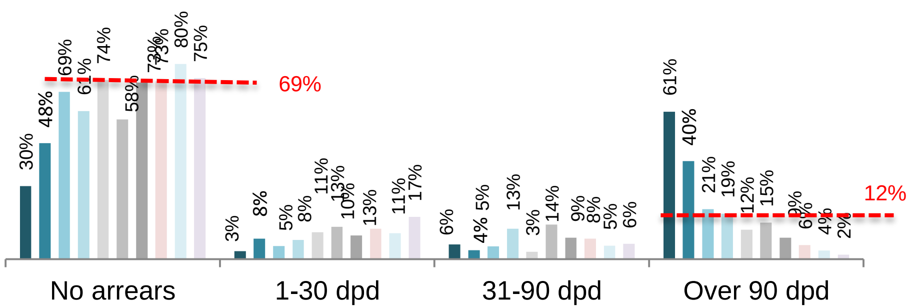
Total Bank – Cyprus



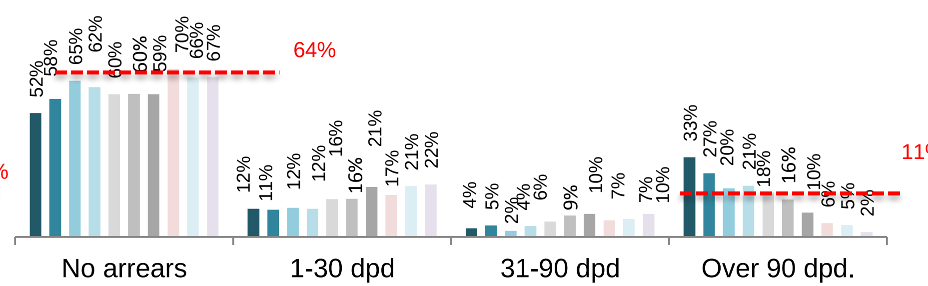
Corporate



SMEs



Retail

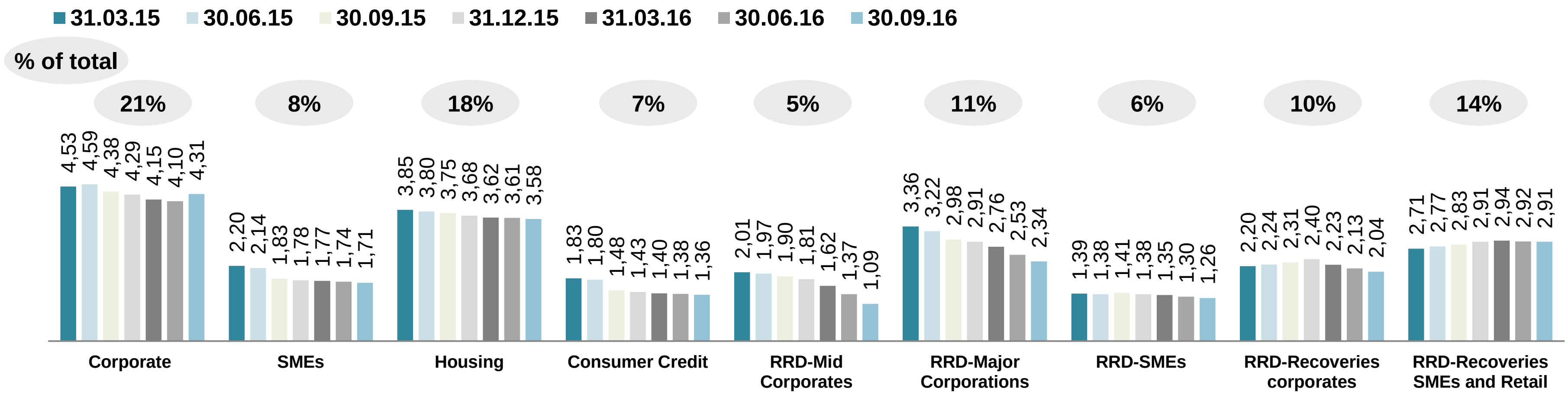


- An analysis performed as at 30 September 2016 indicates that on average 79% of the loans restructured post 31 December 2013 for Cyprus operations, have no arrears (restructurings performed in 3Q2016 were excluded); The average percentage of restructured loans with arrears more than 90 days stands at 8%
- Corporate restructured loans exhibit the best performance with an average percentage of restructured loans with no arrears of 91%

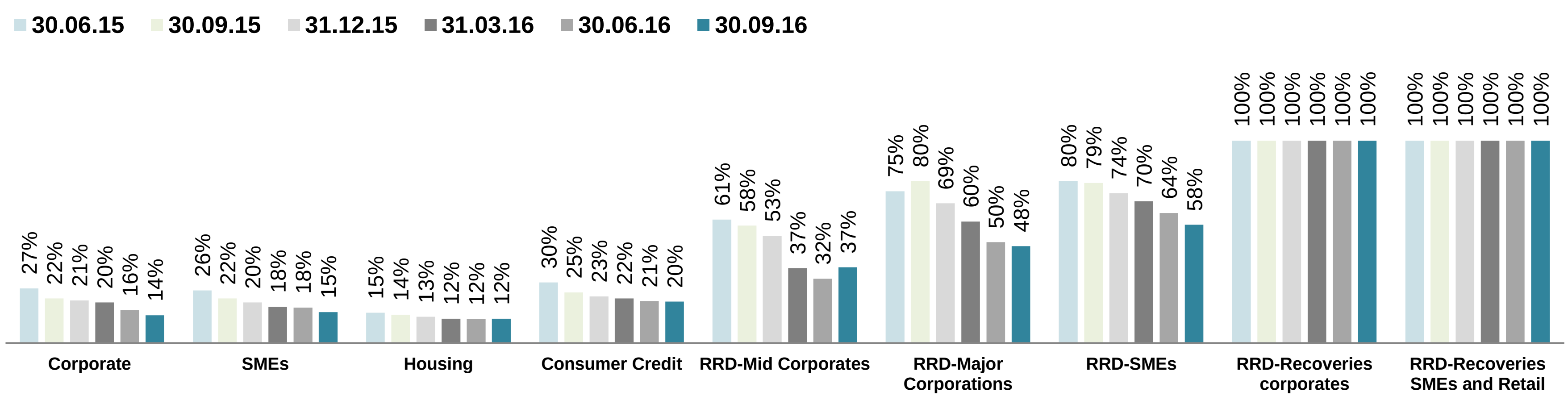
(1) The performance of loans restructured during 3Q2016 is not presented in this graph as it is too early to assess it.

Analysis of Loans and 90+ DPD ratios by Business Line[1]

Gross loans by business line (€ bn)



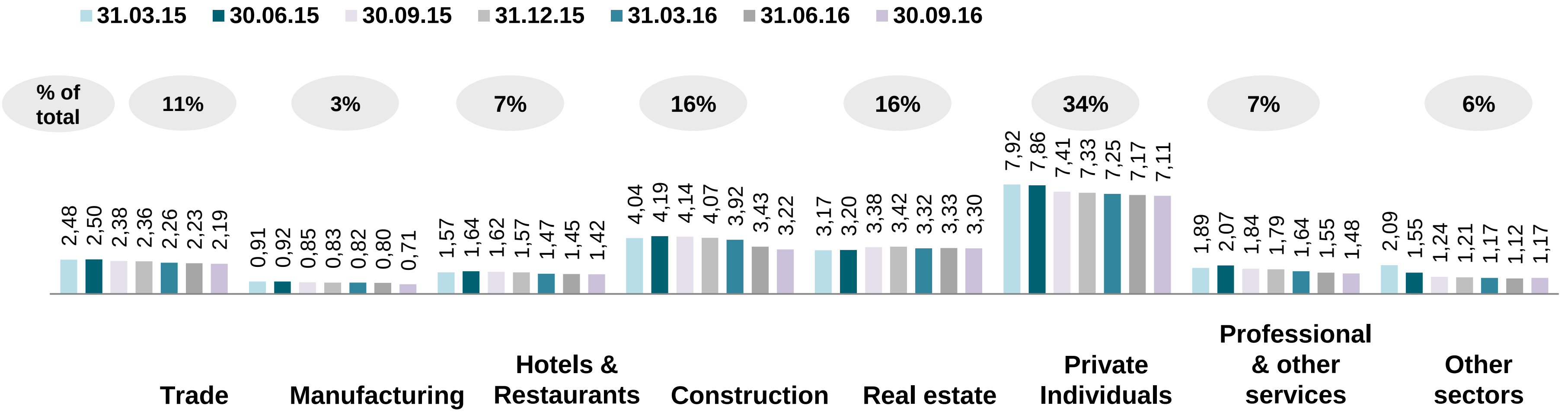
90+ DPD ratios by business line



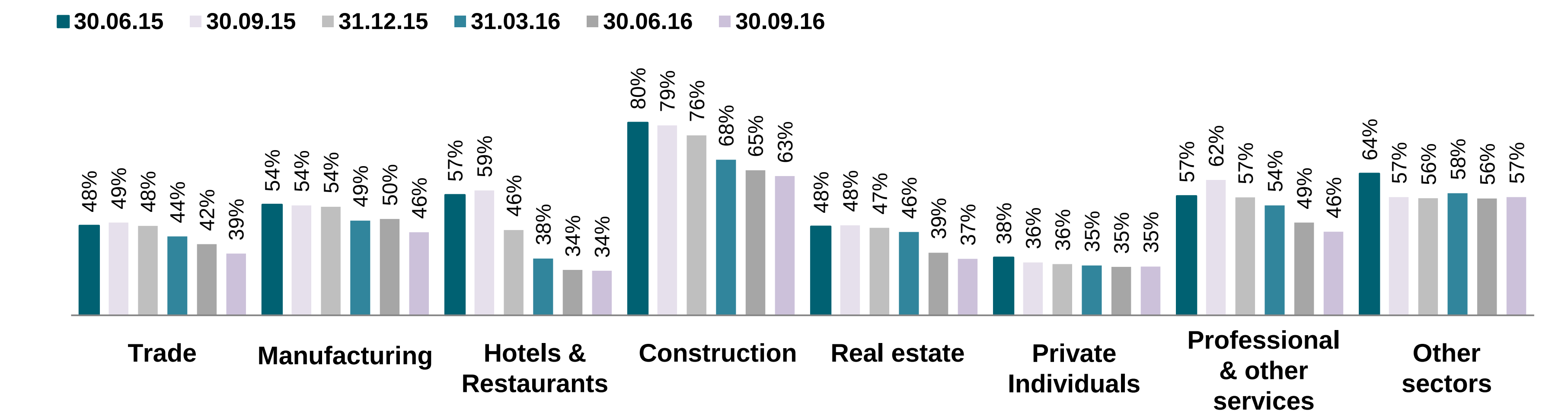
(1) As part of the restructuring of the Group, management is currently monitoring the loan portfolio of the Group using new business line definitions. An important component of the Group's new operational structure is the establishment of the RRD for the purposes of centralising and streamlining the management of its delinquent loans.

Analysis of Loans and 90+ DPD ratios by Economic Activity

Gross loans by economic activity (€ bn)

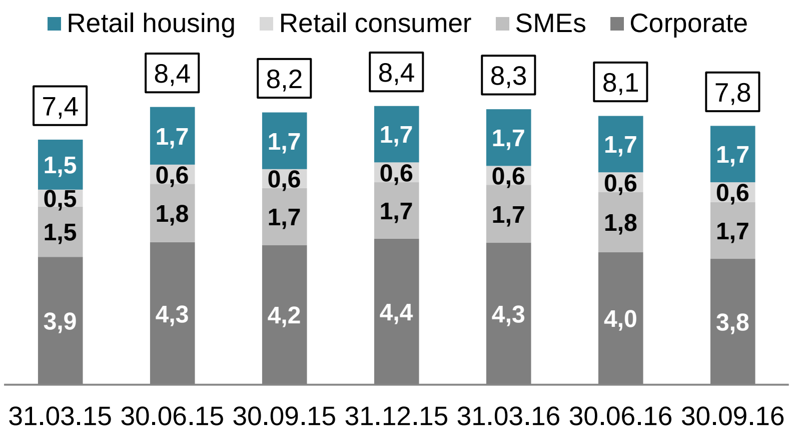


90+ DPD ratios by economic activity

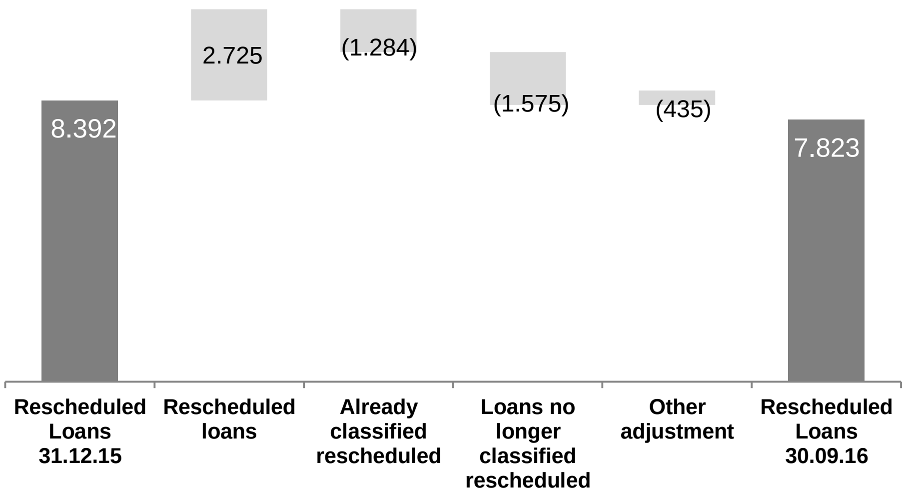


Rescheduled Loans for the Cyprus Operations

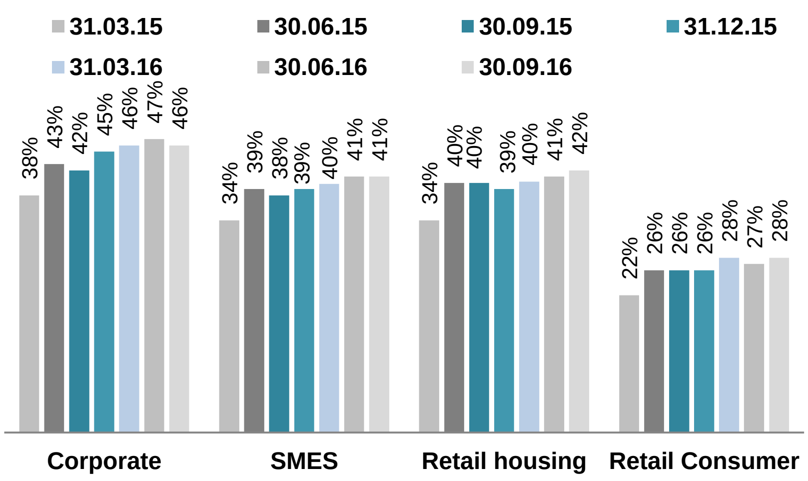
Rescheduled Loans by customer type (€ bn)



Rescheduled Loans (€ bn)

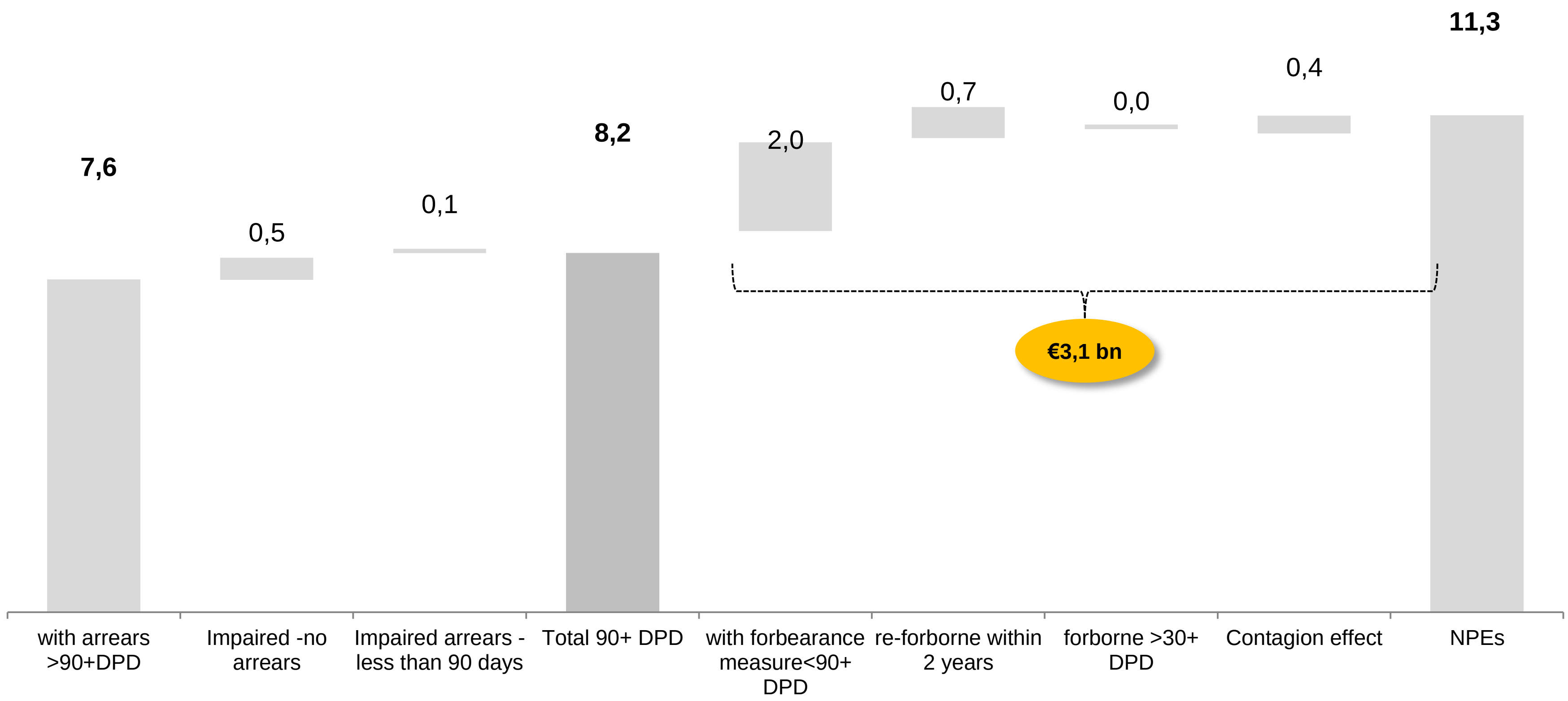


Rescheduled loans % gross loans[1] by customer type



(1) Before 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 €989 mn for gross loans and to €475 mn for rescheduled loans (compared to €1.043 mn and €497 mn respectively at 30 June 2016), including loans of discontinued operations/disposal group held for sale.

Reconciliation of 90+ DPD to NPES Cyprus Operations (€ bn) (Sep-16)



Non-Performing Loans definition

Non-Performing Exposures (NPEs) –as per the EBA definition: 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
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 forborne exposures under probation for which additional forbearance measures are extended, or
v. there are performing forborne exposures under probation that present more than 30 days past due within the probation period.

The exit criteria of NPE forborne are the following:

1. The extension of forbearance measures does not lead to the recognition of impairment or default
2. One year has passed since the forbearance measures were extended
3. There is not, following the forbearance measures, any past due amount or concerns regarding the full repayment of the exposure according to the post forbearance conditions.

90+DPD: 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).

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