

FINANCIAL INFORMATION FOR THE PERIOD FROM 1 JANUARY 2007 TO 31 DECEMBER 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 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, Ayia Paraskevi, Strovolos, P.O. Box 24884, CY-1398 Nicosia, Cyprus, Telephone: +357 22 842128, Fax: +357 22 378422). Website: www.bankofcyprus.com - Investor Relations/Financial Information. Date of approval of the Financial Statements by the Board of Directors: 27 February 2008.

BANK OF CYPRUS GROUP

CONDENSED CONSOLIDATED INCOME STATEMENT for the year ended 31 December 2007

	2007	2006
Notes	€000	€000
Turnover	2,170,650	1,664,673
Net interest income	752,379	612,754
Net fee and commission income	198,123	172,759
Foreign exchange income	46,711	35,520
Net gains on sale, change in fair value and impairment of financial instruments	29,050	25,593
Insurance income	174,826	210,267
Insurance claims	(118,376)	(165,157)
Other income	32,372	14,897
	1,115,085	906,633
Staff costs	(295,597)	(266,342)
Other operating expenses	(190,397)	(156,959)
Profit before provisions	629,091	483,332
Provisions for impairment of loans and advances	(55,877)	(99,712)
Profit before share of profit of associates	573,214	383,620
Share of profit of associates	9,148	-
Profit before tax	582,362	383,620
Taxation	(91,843)	(70,765)
Profit after tax	490,519	312,855
Profit after tax attributable to:		
Shareholders of the Company	485,168	312,855
Minority interest	5,351	-
	490,519	312,855
Basic earnings per share (cent)	86.8	56.9
Diluted earnings per share (cent)	86.8	56.9

CONDENSED CONSOLIDATED BALANCE SHEET as at 31 December 2007

	2007	2006
Notes	€000	€000
Assets		
Cash and balances with central banks	1,325,191	1,169,280
Placements with banks	6,158,367	4,265,176
Investments at fair value through profit or loss	521,118	404,241
Life assurance business assets attributable to policyholders	530,610	490,637
Loans and advances to customers	18,920,921	14,336,277
Investments available-for-sale and held-to-maturity	3,548,646	3,606,325
Property and equipment	319,662	262,805
Intangible assets	82,127	70,348
Other assets	339,230	291,672
Investment in associate	17,318	-
Total assets	31,763,190	24,896,761
Liabilities		
Amounts due to banks	1,233,337	471,031
Repurchase agreements	435,140	-
Customer deposits	25,178,966	20,725,951
Insurance liabilities	608,566	561,489
Debt securities in issue	1,253,690	742,182
Other liabilities	379,553	299,240
Subordinated loan stock	668,748	551,231
Total liabilities	29,758,000	23,351,124
Equity		
Share capital	483,726	473,144
Share premium	688,349	583,257
Revaluation and other reserves	186,327	164,721
Retained earnings	607,666	324,515
Equity attributable to shareholders of the Company	1,966,068	1,545,637
Minority interest	39,122	-
Total equity	2,005,190	1,545,637
Total liabilities and equity	31,763,190	24,896,761

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. Kypril, Group Chief General Manager
Chr. Hadjimitsis, Group General Manager Finance and Strategy

INFORMATION EXTRACTED FROM THE CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the year ended 31 December 2007

	2007	2006
	€000	€000
Total equity, at 1 January	1,545,637	1,301,358
Profit after tax	490,519	312,855
Dividend paid and dividend reinvestment	(115,966)	(83,754)
Dividend paid by subsidiaries, net of reinvestment	(812)	-
Exercise of share options	30,938	11,164
Cost of share-based payments	3,730	3,870
Shares of the Company held by subsidiaries and associates	(17,334)	-
Acquisition of subsidiary	34,582	-
Net profit recognised directly in equity	33,896	144
Total equity, at 31 December	2,005,190	1,545,637

INFORMATION EXTRACTED FROM THE CONSOLIDATED CASH FLOW STATEMENT for the year ended 31 December 2007

	2007	2006
	€000	€000
Net cash flow from operating activities	1,780,696	375,680
Net cash flow from/(used in) investing activities	183,708	(147,277)
Net cash flow from/(used in) financing activities	15,892	(167,046)
Net increase in cash and cash equivalents for the year	1,980,296	61,357
Cash and cash equivalents		
At 1 January	4,812,201	4,750,353
Exchange adjustments	1,139	491
Net increase in cash and cash equivalents for the year	1,980,296	61,357
At 31 December	6,793,636	4,812,201

BANK OF CYPRUS PUBLIC COMPANY LTD

CONDENSED INCOME STATEMENT for the year ended 31 December 2007

	2007	2006
Notes	€000	€000
Turnover	1,975,347	1,486,413
Net interest income	716,373	589,890
Net fee and commission income	176,928	156,370
Foreign exchange income	46,200	35,471
Dividends from subsidiaries	44,900	22,531
Net gains on sale, change in fair value and impairment of financial instruments	15,223	31,120
Other income	8,188	6,421
	1,007,632	841,803
Staff costs	(269,745)	(245,090)
Other operating expenses	(174,232)	(143,256)
Profit before provisions	563,655	453,457
Provisions for impairment of loans and advances	(51,471)	(94,974)
Profit before tax	512,184	358,483
Taxation	(76,472)	(62,629)
Profit after tax	435,712	295,854
Basic earnings per share (cent)	78.1	53.8
Diluted earnings per share (cent)	78.1	53.8

CONDENSED BALANCE SHEET as at 31 December 2007

	2007	2006
Notes	€000	€000
Assets		
Cash and balances with central banks	1,320,130	1,168,654
Placements with banks	6,004,318	4,148,597
Investments at fair value through profit or loss	454,539	395,398
Loans and advances to customers	17,104,049	12,766,885
Bank accounts of Group companies	1,632,109	1,404,744
Investments available-for-sale and held-to-maturity	3,498,235	3,544,600
Investments in Group companies	418,814	336,830
Investment in associates	22,405	-
Property and equipment	265,414	217,968
Intangible assets	15,694	15,417
Other assets	221,592	184,799
Total assets	30,957,299	24,183,892
Liabilities		
Amounts due to banks	1,211,154	448,773
Repurchase agreements	435,140	-
Customer deposits	24,711,887	20,271,589
Bank accounts of Group companies	416,774	418,934
Debt securities in issue	1,253,198	741,690
Other liabilities	276,600	205,639
Subordinated loan stock	668,748	551,231
Total liabilities	28,973,501	22,637,856
Equity		
Share capital	483,726	473,144
Reserves	1,500,072	1,072,892
Total equity	1,983,798	1,546,036
Total liabilities and equity	30,957,299	24,183,892

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. Kypril, Group Chief General Manager
Chr. Hadjimitsis, Group General Manager Finance and Strategy

INFORMATION EXTRACTED FROM THE STATEMENT OF CHANGES IN EQUITY for the year ended 31 December 2007

	2007	2006
	€000	€000
Total equity, at 1 January	1,546,036	1,301,758
Profit after tax	435,712	295,854
Dividend paid and dividend reinvestment	(116,332)	(83,754)
Exercise of share options	30,938	11,164
Cost of share-based payments	3,465	3,597
Net profit recognised directly in equity	83,979	17,417
Total equity, at 31 December	1,983,798	1,546,036

INFORMATION EXTRACTED FROM THE CASH FLOW STATEMENT for the year ended 31 December 2007

	2007	2006
	€000	€000
Net cash flow from operating activities	1,605,020	301,922
Net cash flow from/(used in) investing activities	193,122	(117,594)
Net cash flow from/(used in) financing activities	16,338	(167,047)
Net increase in cash and cash equivalents for the year	1,814,480	17,281
Cash and cash equivalents		
At 1 January	4,737,752	4,720,345
Exchange adjustments	1,598	126
Net increase in cash and cash equivalents for the year	1,814,480	17,281
At 31 December	6,553,830	4,737,752

NOTES

- The consolidated financial statements for the year ended 31 December 2007 have been prepared in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU). Additionally, these financial statements have been prepared in accordance with IFRSs as issued by the International Accounting Standards Board. The financial statements are presented in Cyprus Pounds (€). For information purposes, extracts from the financial statements of the Group and the Company are presented in this announcement in Euro (€). The translation from Cyprus Pounds to Euro for 2007 and 2006 was carried out using the conversion rate of €1=€0.585274.
- The accounting policies that have been followed for the preparation of the financial statements for the year ended 31 December 2007 are consistent with those followed for the preparation of the financial statements for year 2006, except for the adoption of the following new and amended IFRSs and IFRIC Interpretations as of 1 January 2007: IFRS 7, IAS 1, IFRIC 7, IFRIC 8, IFRIC 9, IFRIC 10 and IFRIC 11, 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 year ended 31 December 2007 includes dividend income of €4,620 thousand (2006: €1,707 thousand) for the Group and €2,782 thousand (2006: €1,403 thousand) for the Company.
- Other operating expenses for the year ended 31 December 2007 include depreciation of property and equipment and amortisation of intangible assets of €30,996 thousand (2006: €32,007 thousand) for the Group and €28,949 thousand (2006: €30,018 thousand) for the Company.
- Other assets at 31 December 2007 for the Group and the Company include the positive fair value of derivative financial instruments of €55,642 thousand (2006: €36,352 thousand).
- Other liabilities at 31 December 2007 for the Group and the Company include the negative fair value of derivative financial instruments of €30,396 thousand (2006: €17,346 thousand) and provisions for pending litigation or claims of €3,330 thousand (2006: €4,225 thousand).
- The number of persons employed by the Group at 31 December 2007 was 6,909 (2006: 6,192) and by the Company was 6,257 (2006: 5,656).
- The financial statements of the Group at 31 December 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, Cytrotrusts Investment Public Company Ltd and Interfund Investments Plc. **Greece:** Bank of Cyprus Public Company Ltd (branch of the Company), 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 Astalistsiki (branch of General Insurance of Cyprus Ltd). **United Kingdom:** Bank of Cyprus United Kingdom (branch of the Company). **Channel Islands:** Bank of Cyprus (Channel Islands) Ltd and Tefkros Investments (CI) Ltd. **Australia:** Bank of Cyprus Australia Ltd. **Romania:** Bank of Cyprus Romania (branch of the Company) and Cyprus Leasing Romania IFN SA. **Russia:** LLC CB 'Bank of Cyprus' and 'Bank of Cyprus Leasing Co' 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, Interfund Investments Plc (22.83% participation) which is accounted for using the equity method and Cytrotrusts Investment Public Company Ltd (49.98% participation), which is accounted for as a subsidiary. The investment in Cytrotrusts Investment Public Company Ltd was included in the financial statements as an associate during the period from 8 February to 26 April 2007 using the equity method. Following the acquisition of additional shares by the Group on 27 April 2007, the company is accounted for as a subsidiary, in accordance with the provisions of the IFRSs. The investment in Interfund Investments Plc was acquired on 21 May 2007 and is accounted for as an associate using the equity method. The subsidiary company LLC CB 'Bank of Cyprus' obtained its license of operation in Russia on 6 June 2007 and was included in the financial statements as from that date. The subsidiary company 'Bank of Cyprus Leasing Co' Ltd was incorporated on 16 October 2007 and was included in the financial statements as from that date. The subsidiary company Cyprus Leasing Romania IFN SA and the branch of the Company in Romania (Bank of Cyprus Romania) were included in the financial statements for the first time during the three months ended 31 December 2006. The above companies commenced operations in 2007. In November 2007 the Company signed an agreement for the acquisition of 95% of the share capital of the Ukrainian bank AvtoZABank. The agreement is subject to the relevant approvals being obtained from the supervisory authorities in Ukraine. The subsidiary BOC International Fund Management Ltd, incorporated in Ireland, was dissolved on 9 November 2007 and is no longer included in the financial statements. The subsidiary Old Company (BCL) Ltd has been liquidated in 2007 and is not included in the financial statements. There were no other changes in the companies that were consolidated or in their accounting treatment compared to 31 December 2006.
- The Board of Directors proposes the payment of a final dividend of €0.25 per share, amounting to €141,556 thousand which will be submitted for approval at the Annual General Meeting of the shareholders scheduled for 14 May 2008. The proposed ex-dividend date is 19 May 2008. As a result, registered shareholders on 16 May 2008 will be eligible to receive the dividend, which will be paid on 3 June 2008.
- There are no fixed charges in favour of third parties over the Group's property and equipment at 31 December 2007.
- The provision for pending litigation or claims at 31 December 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 €9,814 thousand for the Group and the Company. (b) Loans and other advances to other connected persons of €132,000 thousand for the Group and €1,764,109 thousand for the Company. (c) Contingent liabilities and commitments (mainly documentary credits, guarantees and commitments to lend) of €85,343 thousand for the Group and the Company. (d) Tangible security of €223,641 thousand for the Group and the Company. (e) Deposits by members of the Board of Directors and key management personnel of €85,765 thousand for the Group and the Company. (f) Deposits by other connected persons of €42,654 thousand for the Group and €459,428 thousand for the Company. (g) Sales (interest income) of €8,032 thousand for the Group and €99,441 thousand for the Company. (h) Purchases (interest expense) of €3,677 thousand for the Group and €24,964 thousand for the Company. (i) Remuneration and other transactions of members of the Board of Directors, key management personnel and connected persons of €9,356 thousand for the Group and €7,837 thousand for the Company.