



Bank of Cyprus Group

Group Financial Results

For the quarter ended 31 March 2021

Bank of Cyprus Holdings



DISCLAIMER

This presentation has not been audited by the Group's external auditors.

This financial information is presented in Euro (€) and all amounts are rounded as indicated. A comma is used to separate thousands and a dot is used to separate decimals.

Important Notice Regarding Additional Information Contained in the Investor Presentation

The presentation for the Group Financial Results for the quarter ended 31 March 2021 (the "Presentation"), available on <https://www.bankofcyprus.com/en-GB/investor-relations-new/reports-presentations/financial-results/>, includes additional financial information not presented within the Group Financial Results Press Release (the "Press Release"), primarily relating to (i) NPE analysis (movements by segments and customer type), (ii) rescheduled loans analysis, (iii) details of historic restructuring activity including REMU activity, (iv) analysis of new lending, (v) Income statement by business line, (vi) NIM and interest income analysis and (vii) Loan portfolio analysis in accordance with the three-stages model for impairment of IFRS 9. Moreover, the Investor Presentation includes additional financial information not presented in the Results Announcement of current and expected medium term levels for (i) NPE coverage and (ii) ESG performance metrics. Except in relation to any non-IFRS measure, the financial information contained in the Investor Presentation has been prepared in accordance with the Group's significant accounting policies as described in the Group's Annual Financial Report 2020. The Investor Presentation should be read in conjunction with the information contained in the Press Release and neither the financial information in the Press Release nor in the Investor Presentation constitutes statutory financial statements prepared in accordance with International Financial Reporting Standards.

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Highlights

1Q2021 - Highlights

COVID-19 Developments

**€487 mn
New lending**

- Cypriot economy gradually recovering
- Continuing to support this recovery; new lending of €487 mn, up 30% qoq
- Cyprus ranks 4th in the EU in COVID-19 vaccine doses administered per 100 people¹
- 48% of adult population in Cyprus already vaccinated² with first dose; on track to reach 65% by end of June

Positive Organic Performance

**€45 mn
Operating Profit**

- Total income of €136 mn, down 3% qoq
- Cost of risk of 66 bps, improved by 33 bps qoq
- Organic profit after tax of €14 mn, up €12 mn qoq
- Profit after tax of €8 mn, vs loss after tax of €49 mn in 4Q2020

Operating Efficiency

**60%
Cost/Income³**

- Total operating expenses³ of €82 mn down 9% qoq driven by seasonality
- Cost to income ratio³ at 60%, down 4 p.p. qoq

Good Capital Strong Liquidity

**14.6%
CET1 ratio^{4,5}**

- CET1 ratio of 14.6%^{4,5} and Total Capital ratio of 18.3%^{4,5}
- Successful refinancing of Tier 2 in April 2021 at a significantly lower coupon rate; Total Capital ratio expected to increase to 19.2%^{4,5,6}
- Deposits at €16.3 bn, broadly flat qoq; Significant surplus liquidity of €4.9 bn (LCR at 284%)

Balance Sheet Repair Continuing

**7%
Net NPE ratio⁴**

- €0.5 bn NPE sale (Helix 2 Portfolio B) signed in January 2021
- NPEs at €1.7 bn⁴ (€0.7 bn net⁴)
- Gross NPE ratio at 16%⁴ stable qoq⁴ (7% net⁴); organic NPE reduction impacted by lockdown
- Coverage maintained at 59%⁴
- 95% of performing loans⁷ under expired payment deferrals with an instalment due by 14 May 2021, presented no arrears

1) According to ECDC; <https://vaccinetracker.ecdc.europa.eu/public/extensions/COVID-19/vaccine-tracker.html#uptake-tab>

2) Data as at 21 May 2021. 20% have completed their vaccination regime (Source: Ministry of Health)

3) Excluding Special Levy and contributions to SRF and DGF

4) Pro forma for Helix 2 (Portfolio A and B). Calculations on a pro forma basis assume legal completion of the transaction

5) Allowing for IFRS 9 and temporary treatment for certain FVOCI instruments transitional arrangements

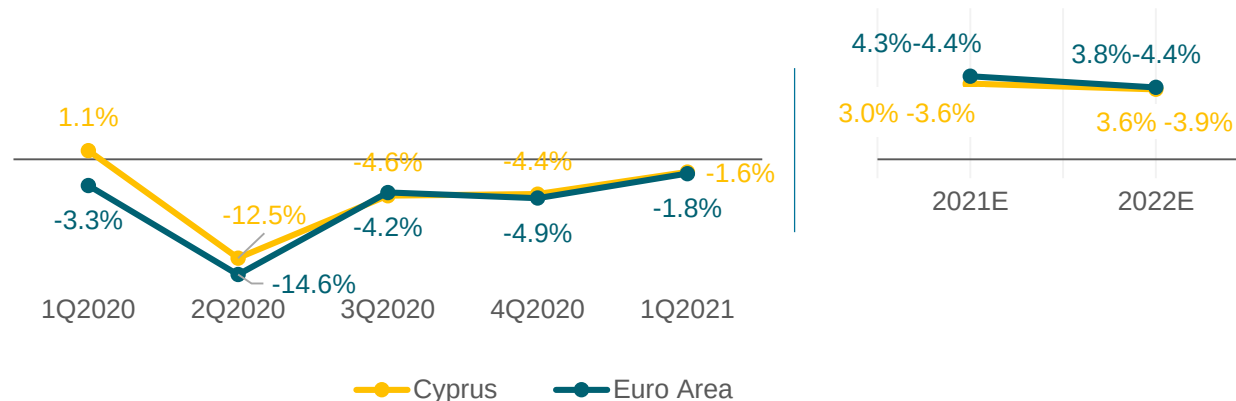
6) On the basis of 31 March 2021 figures. Together with the Existing Notes that remain outstanding after the Tender Offer of €43 mn, the Total Capital ratio pro forma for Helix 2 is expected to increase to 19.5%, including 28 bps relating to the outstanding Existing Notes. The Existing Notes are redeemable at the option of the Bank (subject to applicable regulatory consents) in January 2022.

7) As at 31 March 2021

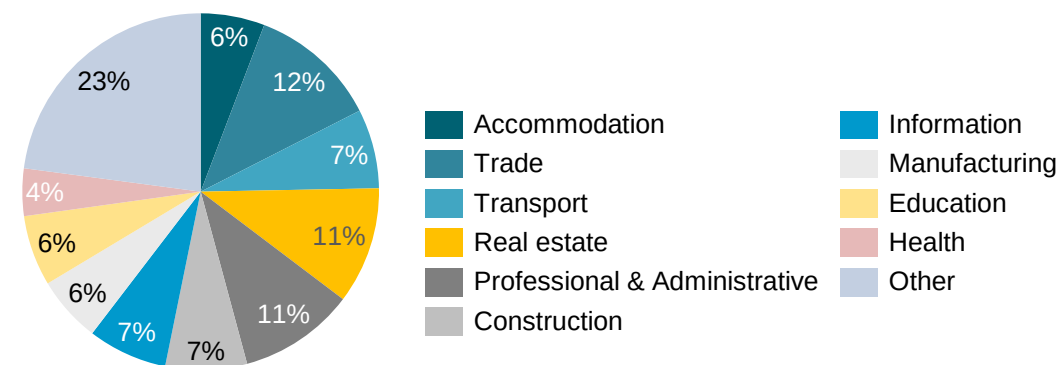
GDP contraction of 1.6% in 1Q2021, continuing to outperform Euro area

- **Open, small and flexible economy which has demonstrated historically that it can quickly recover from economic crises**
- Small GDP contraction of 1.6% in 1Q2021 resulting from reintroduction of restrictive measures
- Gradual recovery underway; Cypriot economy expected to grow by 3.0%-3.6% during 2021 and 3.6%-3.9% in 2022
- Successful management of the pandemic to date, enabling substantial lifting of restrictive measures as of 17 May 2021
 - Fewest days of lockdown in EU
 - Cyprus ranks 4th in the EU in COVID-19 vaccine doses administered per 100 people¹
 - 48% of adult population already vaccinated²; on track to reach 65% by end of June
- A recovery in tourist activity is expected from 2H2021; reduction in international tourist arrivals in 2021 vs 2019, expected to be partly offset by domestic tourism
- UK, Russia and Israel account for >60% of tourism arrivals, which are well progressed with vaccination plans

Economy contracted by 1.6% in 1Q2021; significant rebound expected in 2021



Gross Value Added by sector of economic activity (2019)



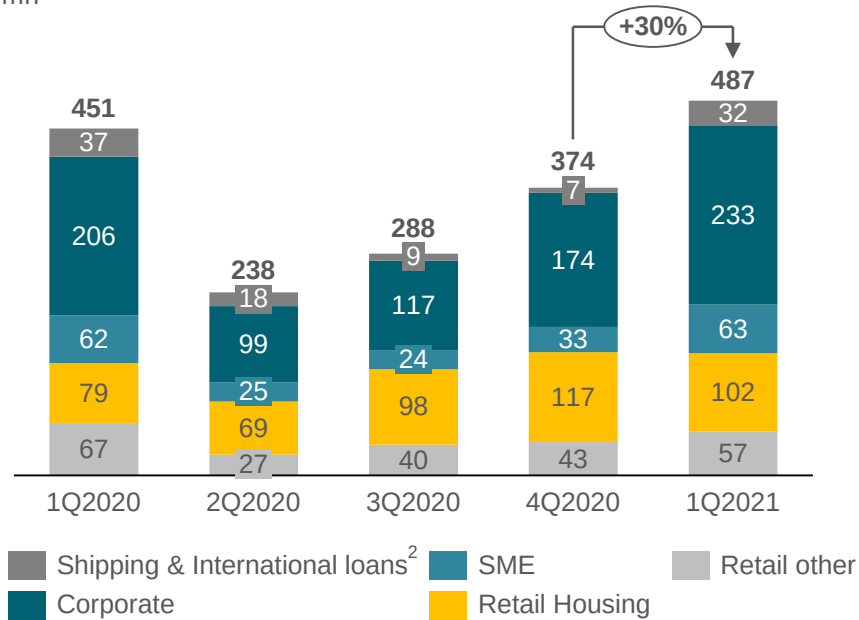
1) According to ECDC; <https://vaccinetracker.ecdc.europa.eu/public/extensions/COVID-19/vaccine-tracker.html#uptake-tab>
 2) Data as at 21 May 2021. 20% have completed their vaccination regime (Source: Ministry of Health)

Sources: Cyprus Statistical Service, IMF, European Commission and Economics Research centre of University of Cyprus

New lending¹ of €487 mn in 1Q2021, up 30% qoq

Strongest new lending¹ quarter since the pandemic outbreak

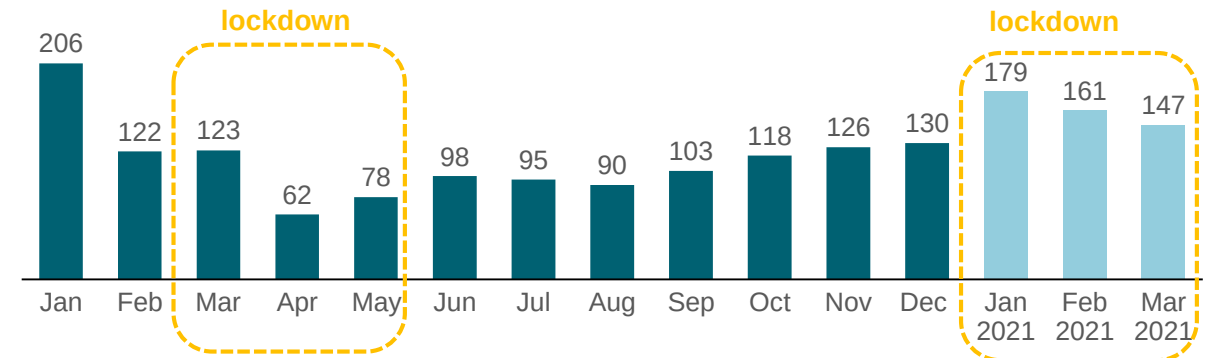
€ mn



1) Refer to slide 70 for definition of new lending
 2) Includes syndicated loans
 3) As at 31 March 2021

Monthly new lending data showing improving trend yoy

€ mn

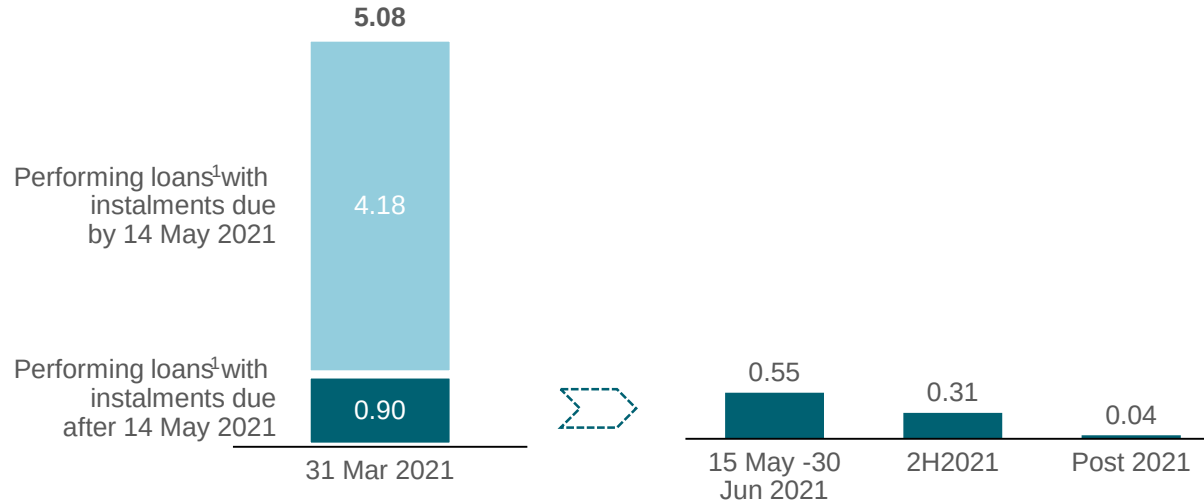


- Corporate up 34% qoq, as economic activity continues to improve
- Demand for business loans expected to increase in line with economic recovery
- Retail housing remain above pre-COVID 19 levels, supported by government interest rate subsidy scheme; €117 mn new housing loans approved since the beginning of the scheme; pipeline of c.€104 mn as at mid-May 2021
- **High quality origination via prudent underwriting standards**
 - Strong assessment of repayment capability
 - Strict origination standards

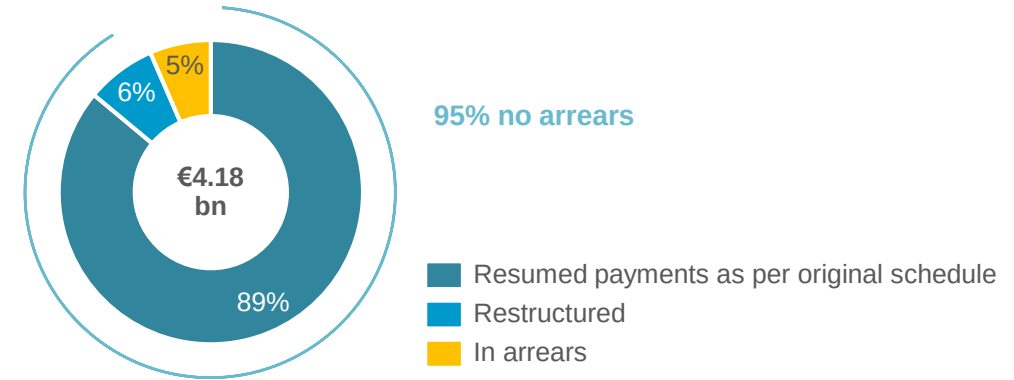
Strong performance of moratorium portfolio

Performing loans¹ under expired payment deferrals of €5.08 bn

€ bn



95% of performing loans¹ under expired payment deferrals² with no arrears



- Cautiously optimistic based on customer behaviour by 14 May 2021
- 82% of performing loans¹ under payment deferrals that expired on 31 Dec 2020, had instalments due by 14 May 2021:
 - 95% (€3.97 bn) present no arrears, of which €0.26 bn have been restructured
 - 5% (€0.21 bn) in arrears

- Restructurings:
 - Strong track record in dealing with restructurings
 - Targeted restructuring solutions to alleviate pandemic-related short-term cash flow burden, following rigorous assessment of repayment ability
 - Mostly in the tourism sector
- Arrears:
 - In close contact with customers with early arrears to offer solutions as necessary

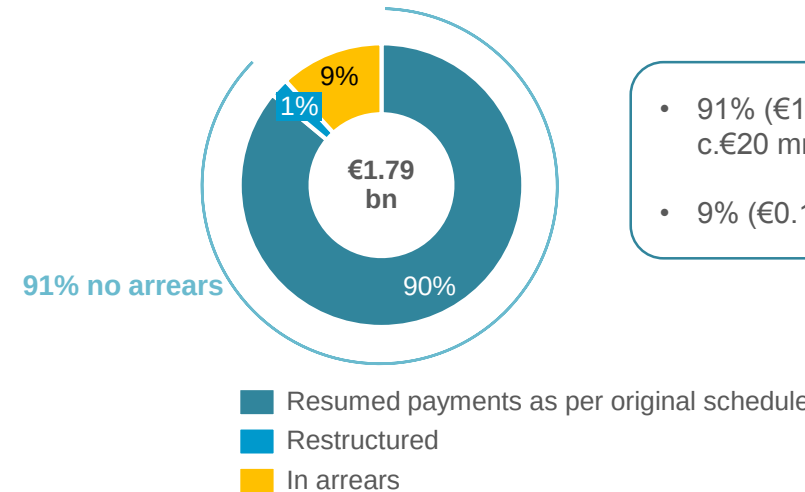
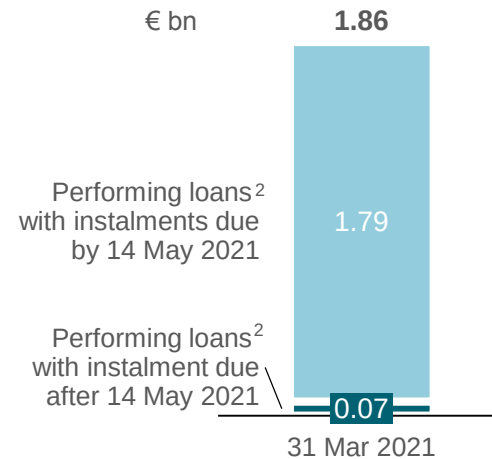
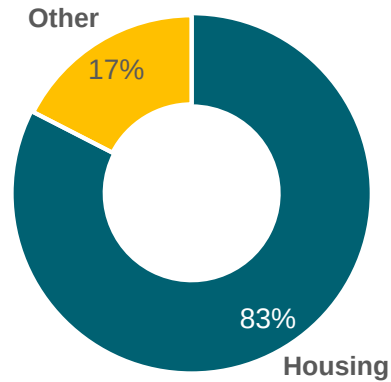
1) As at 31 March 2021

2) With instalment due by 14 May 2021

Private individuals loan portfolio, highly collateralised

Private Individuals: €4.12 bn

96% of performing loans² to private individuals under expired payment deferrals had instalments due by 14 May 2021; 91% with no arrears



- 91% (€1.62 bn) present no arrears, of which c.€20 mn have been restructured
- 9% (€0.17 bn) in arrears

LTV ¹	Housing €3.43 bn	Other €0.69 bn
< 60%	64%	30%
60%-80%	21%	5%
80-100%	7%	7%
>100%	8%	58%

- **Housing performing loans: €3.43 bn**
 - Low LTV¹ housing portfolio
 - 64% of portfolio with LTV¹<60%
 - Only 8% of portfolio with LTV¹>100%

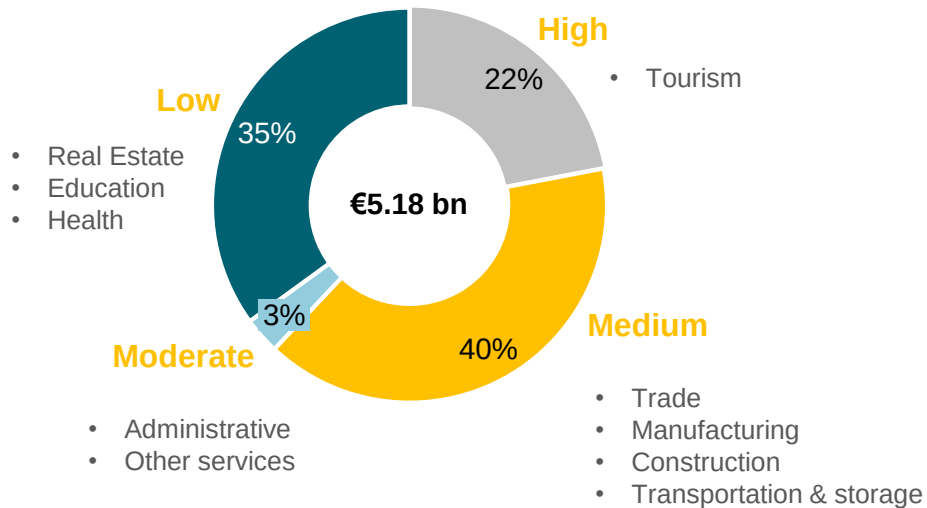
- **Other: €0.69 bn**
 - 62% secured portfolio
 - of which 59% with property
 - of which 41% with other type of collateral

1) Loan to Value (LTV) is calculated as the Gross IFRS Balance to the indexed market value of the property. Under Pillar 3 disclosure, LTV is calculated as the Gross IFRS Balance to the indexed market value of collateral. Collateral takes into consideration the mortgage amount registered in the land registry plus legal interest from registration date to the reference date

2) As at 31 March 2021

Business portfolio well diversified, with high quality collateral

Breakdown of Non legacy loans¹ by Covid-19 impact

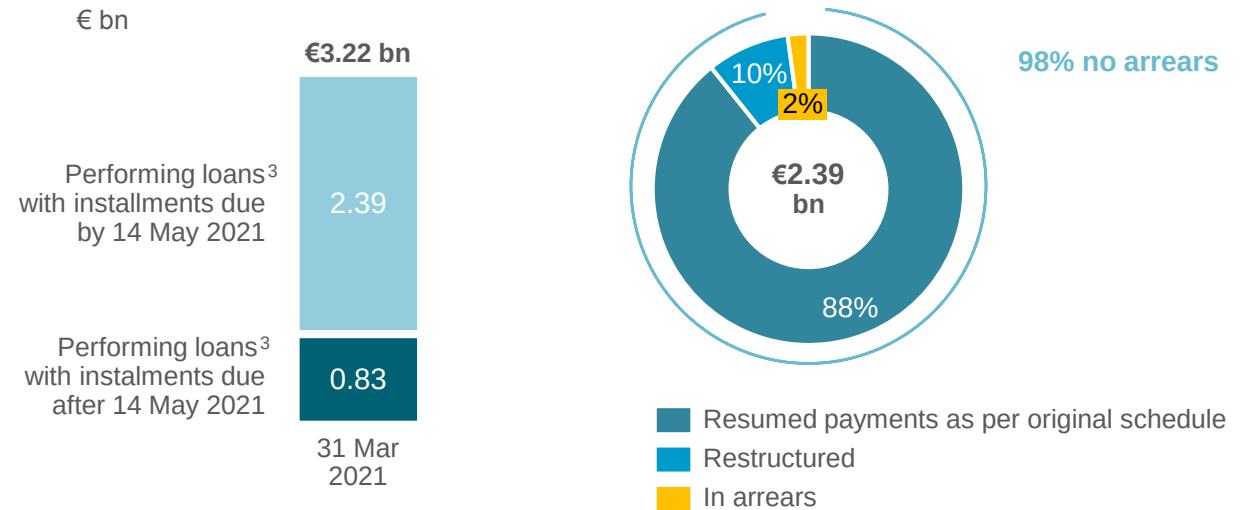


73% of the portfolio with LTV²<80%

LTV ²	High	Medium	Moderate	Low	Total
< 80%	94%	61%	57%	76%	73%
>80%	6%	39%	43%	24%	27%
Total	100%	100%	100%	100%	100%

- 1) Gross loans as at 31 March 2021 of Corporate (incl. IB and W&M and Global Corporate), SME, Retail and H/O
- 2) Loan to Value (LTV) is calculated as the Gross IFRS Balance to the indexed market value of the property. Under Pillar 3 disclosures LTV is calculated as the Gross IFRS Balance to the indexed market value of collateral. Collateral takes into consideration the mortgage amount registered in the land registry plus legal interest from registration date to the reference date
- 3) As at 31 March 2021
- 4) Restructurings for the period Mar 2017-Jun 2019

74% of performing business³ loans under expired payment deferrals had instalments due by 14 May 2021; 98% present no arrears



- 74% of business performing loans³ under expired payment deferrals had instalments due by 14 May 2021:
 - 98% (€2.35 bn) present no arrears, of which €0.24 bn have been restructured; Mostly in the tourism sector
 - 2% (c.€40 mn) present arrears
- Targeted restructuring solutions to alleviate pandemic-related short-term cash flow burden, following rigorous assessment of repayment ability
- Strong track record in dealing with restructurings; 92%⁴ of corporate restructured loans prior to moratorium presented no arrears

Portfolio exposure to businesses most impacted by COVID-19

Tourism: €1.15 bn

Hotels & Catering	31 Dec 2020 € bn	31 Mar 2021 € bn	% of portfolio
Food services	0.06	0.06	5%
Accommodation	1.06	1.09	95%
Total	1.12	1.15	
Unutilised Liquidity¹	0.32	0.32	
- of which deposits	0.26	0.26	22%

- A recovery in tourist activity is expected from 2H2021; reduction in international tourist arrivals in 2021 vs 2019, expected to be partly offset by domestic tourism
- Majority of Accommodation customers entered the crisis with significant liquidity, following strong performance in recent years
- 98% of tourism portfolio is secured by property
- 94% of tourism portfolio with LTV <80%
- c.€1.0 bn performing loans² under expired payment deferrals; 60% had instalments due by 14 May 2021;
 - 99% present no arrears, of which c.€190 mn have been restructured
 - 1% in arrears

Trade: €0.89 bn

Trade	31 Dec 2020 € bn	31 Mar 2021 € bn	% of portfolio
Supermarkets, pharmacies and other essential retail businesses	0.26	0.26	30%
All other	0.63	0.63	70%
Total	0.89	0.89	
Unutilised Liquidity¹	0.95	0.88	
- of which deposits	0.60	€0.56	63%

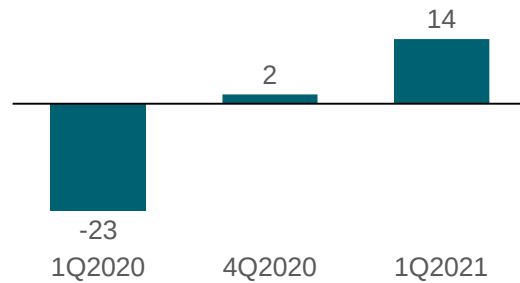
- 30% tied up to lower risk essential retail services, not materially impacted by COVID-19
- €0.33 bn performing loans² under expired payment deferrals; 90% had instalments due by 14 May 2021;
 - 96% present no arrears, of which €6 mn have been restructured
 - 4% in arrears

1) Unutilised overdraft amounts and deposits
2) As at 31 March 2021

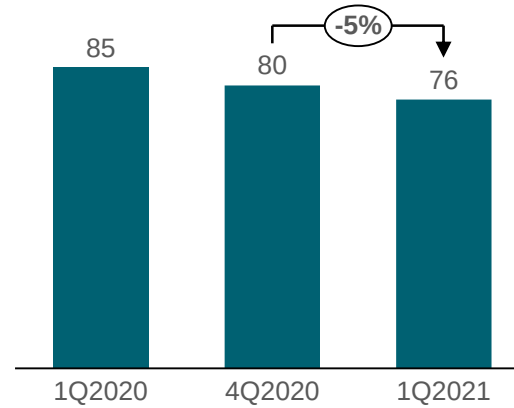
Profitability

Positive Organic Performance in 1Q2021

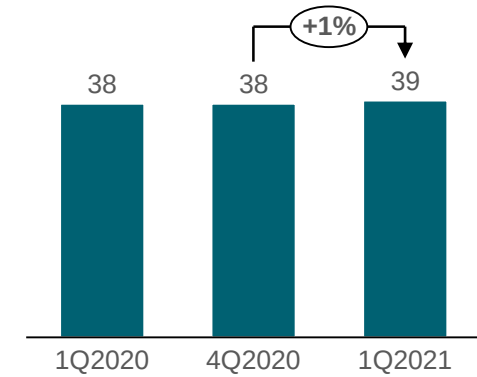
Positive Organic Performance in 1Q2021



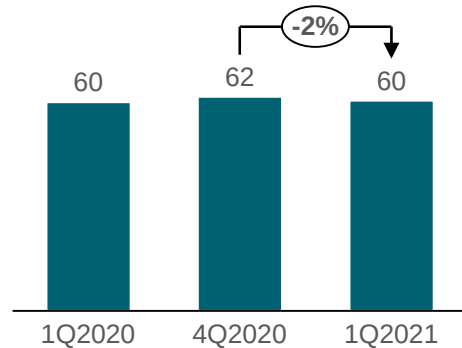
Net Interest Income down 5% qoq



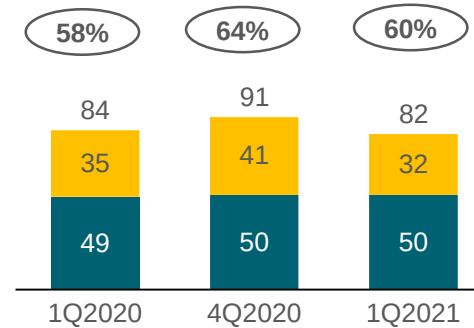
Net Fee and Commission broadly flat qoq



Non Interest Income down 2% qoq

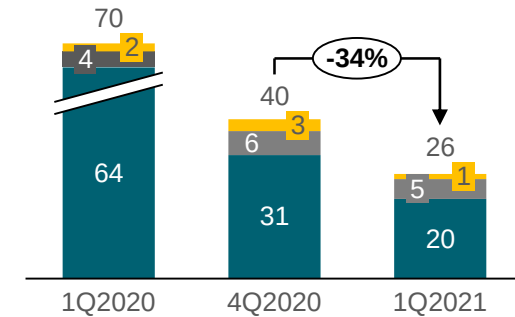


Total Operating Expenses¹ down 9% qoq



- Operating expenses
- Staff costs
- Cost to Income ratio¹

Provisions and Impairments down 34% qoq



- Provisions for litigations and other
- Impairments²
- Loan credit losses

1) Excluding Special Levy and contributions to SRF and DGF
 2) Impairments of financial and non-financial assets

Income Statement

€ mn	1Q2021	1Q2020	4Q2020	qoq%	yoy%
Net Interest Income	76	85	80	-5%	-10%
Non interest income	60	60	62	-2%	-0%
Total income	136	145	142	-3%	-6%
Total operating expenses ¹	(82)	(84)	(91)	-9%	-1%
Operating profit	45	52	45	1%	-15%
Total loan credit losses, impairments and provisions	(26)	(70)	(40)	-34%	-63%
Profit/(loss) after tax-Organic (attributable to the owners)	14	(23)	2	-	-
Exceptional items ²	(6)	(3)	(51)	-89%	99%
Profit/(loss) after tax-attributable to owners	8	(26)	(49)	-	-

Key Ratios

Net Interest margin (annualised)	1.63%	1.95%	1.75%	-12 bps	-32 bps
Cost to income ratio	67%	64%	69%	-2 p.p.	3 p.p.
Cost to income ratio excluding special levy and contributions to SRF and DGF	60%	58%	64%	-4 p.p.	2 p.p.
Cost of Risk (annualised)	0.66%	2.00%	0.99%	-33 bps	-134 bps
EPS – Organic (€ cent)	3.16	-5.14	0.42	2.74	8.30

- NII for 1Q2021 reduced to €76 mn mainly due to higher interest collections in 4Q2020 of c.€2.5 mn not previously recognised and continuing pressure from the low interest rate environment
- NIM reduced to 1.63% for 1Q2021, negatively impacted mainly by the increase in liquid assets following the participation in TLTRO III in 1Q2021, with €1.7 bn
- Non interest income for 1Q2021 reduced to €60 mn, driven mainly by lower REMU gains
- Total operating expenses¹ decreased to €82 mn for 1Q2021, down 9% qoq, driven by seasonally lower operating expenses, and down 1% yoy
- Provisions and impairments for 1Q2021 reduced to €26 mn, due to lower loan credit losses; cost of risk at 66 bps. Provisions and impairments down 63% yoy as a result of the impact of IFRS 9 Forward Looking Information (FLI) of €28 mn in 1Q2020
- **Profit after tax at €8 mn for 1Q2021, representing an ROTE³ of 2%**

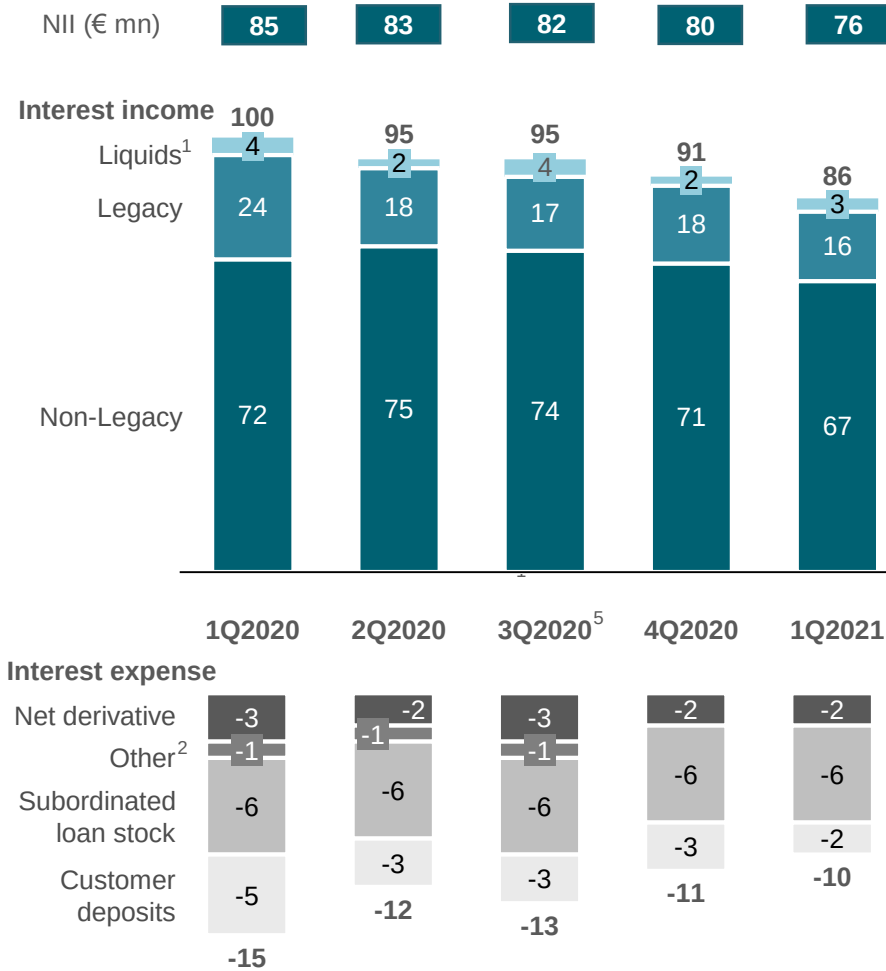
1) Excluding Special Levy and contributions to SRF and DGF

2) Exceptional items for 1Q2021 relate to €6 mn provisions/net loss of NPE sales including restructuring expenses, compared to €3 mn for 1Q2020. For 4Q2020 exceptional items of €51 mn relate to provisions/net loss of NPE sales including restructuring expenses of €42 mn, cost of targeted Voluntary Exit Plan of €6 mn and DTC levy of €3 mn

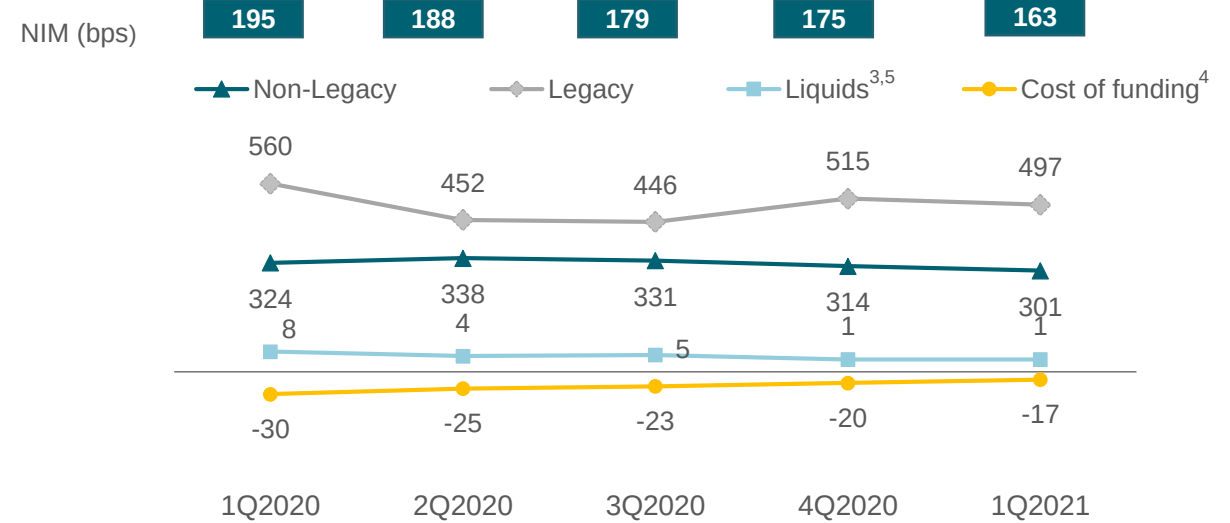
3) Return on Tangible Equity (ROTE) is calculated as Profit after Tax (annualised) divided by Shareholders' equity minus intangibles assets

Drivers of NIM

NII for 1Q2021 at €76 mn



Effective yield on assets & cost of funding



- Challenging interest rate outlook continues to put pressure on the effective yield of liquids
- Non-Legacy book yields remain under pressure mainly due to the sustained low interest rate environment and competition pressure
- Higher-yielding, higher-risk legacy loans are reducing as we successfully exit NPEs
- TLTRO III borrowing of €1.7 bn in 1Q2021, increasing funding from central banks to €2.7 bn
 - Based on current ECB rates, NII benefit for the period Jun 2020-Jun 2021 estimated at c.€7 mn, recognised over the respective period in the income statement
 - Potential NII benefit for the period Jun 2021-Jun 2022 at c.€13.5 mn⁶

1) Cash, placements with banks, balances with central banks and bonds

2) Other includes funding from central banks and deposits by banks and repurchase agreements. For further details, please see slide 60

3) Effective yield of liquid assets: Interest income on liquids after hedging, over average liquids (Cash and balances with central banks, placements with banks and bonds)

4) Effective yield of cost of funding: Interest expense of all interest bearing liabilities after hedging, over average interest bearing liabilities (customer deposits, funding from the central bank, interbank funding, subordinated liabilities)

5) Interest income of non-legacy book for 3Q2020 increased from €73 mn to €74 mn since previously disclosed on 27 November 2020, following a transfer of €1 mn from liquids to non-legacy interest income

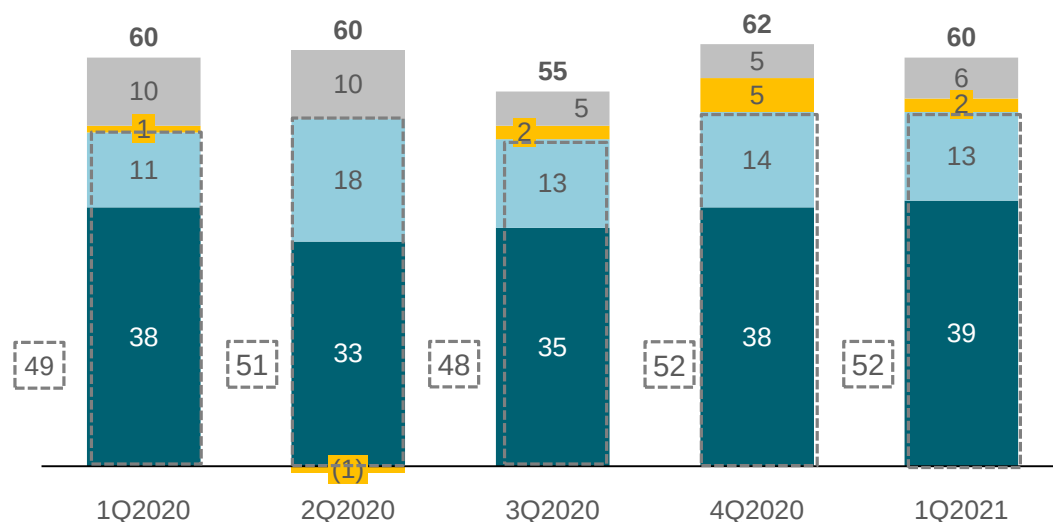
6) Based on current ECB rates and provided the Bank meets the lending thresholds

Non interest income at €60 mn in 1Q2021

Net fee & Commission % of Total Income

26%	23%	26%	27%	28%
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(€ mn)



Net FX and other income¹ Insurance income net of insurance claims

REMU² Net fee & commission

Recurring income

1) Net FX gains/(losses) & Net gains/(losses) on financial instruments, and other income

2) Gains/(losses) from revaluation and disposal of investment properties and on disposal of stock of properties

- Non interest income for 1Q2021 reduced to €60 mn qoq, reflecting mainly lower REMU gains²
- Net fee and commission income increased to €39 mn mainly due to extension of liquidity fees and introduction of revised price list in Feb 2021, partially offset by lower transactional fees due to lockdown in 1Q2021
- Net insurance income at €13 mn down 9% qoq, mainly driven by seasonally lower premiums, partially offset by lower claims
- REMU gains² decreased to €2 mn in 1Q2021 mainly due to higher net revaluation gains relating to specific properties in Greece in 4Q2020; REMU sales remain volatile

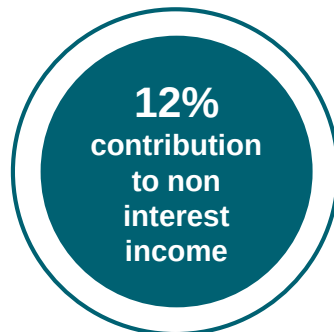
Profitable Life and Non-life Insurance business with further opportunities to grow



Sustainable healthy profitability in 1Q2021

€ mn	1Q2021	1Q2020	yoy%
Total regular income ¹	33.2	31.9	4%
(of which GWP ²)	32.6	31.3	4%
Costs and claims	(17.4)	(20.5)	-15%
Net insurance income	7.4	5.6	32%

- Market leader in Life Insurance with market share of 25%³
- Assets under management increased to €500 mn, up 4% since 31 Dec 2020
- GWP² increased to €33 mn up 4% yoy
- Robust solvency capital ratio of 231% as at 31 Dec 2020



1) Total regular income includes yearly renewable gross written premiums and occupational pension contributions
 2) Gross written premium
 3) As at 31 December 2020 (based on market statistics)



Sustainable healthy profitability in 1Q2021

€ mn	1Q2021	1Q2020	yoy%
Insurance income	13.4	12.8	5%
(of which GWP ²)	12.4	11.7	5%
Costs and claims	(7.6)	(7.0)	9%
Net insurance income	5.7	5.8	0%

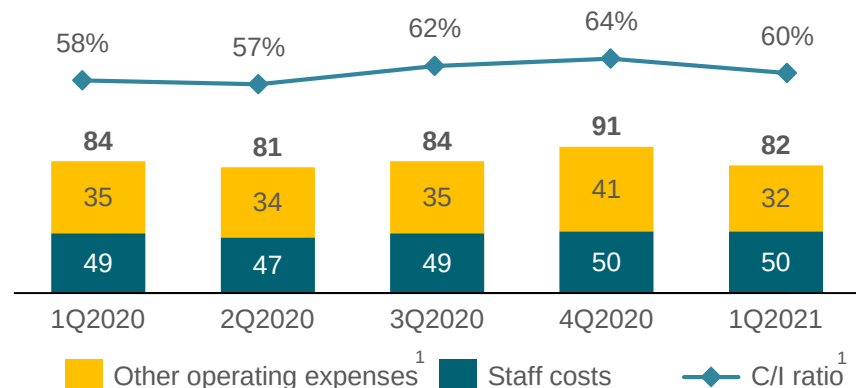
- Market share of 13%³ in a highly fragmented market with >20 companies
- Net insurance income of €6 mn for 1Q2021, flat yoy
- Robust solvency capital ratio of 173% as at 31 Dec 2020



Total Operating Expenses down 9% qoq

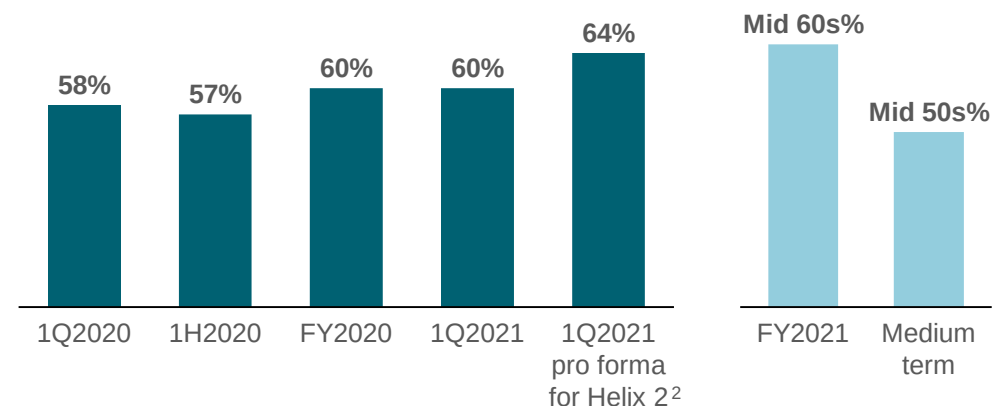
Total operating expenses¹ down 9% qoq and broadly flat yoy

(€ mn)



- Staff costs of €50 mn for 1Q2021, flat qoq
- Operating expenses of €32 mn for 1Q2021, down 21% qoq, mainly due to seasonally lower marketing, consultancy and professional fees
- C/I ratio of 60%¹ for 1Q2021 down 4 p.p. qoq, mainly due to lower operating expenses
- C/I ratio¹ for 1Q2021 pro forma for Helix² at 64%

Cost to income ratio¹ at 60% for 1Q2021



- C/I ratio¹ expected to rise in the near term as revenues remain under pressure and operating expenses increase due to higher IT/digitisation investment costs
- C/I ratio¹ to reduce to mid 50s% in the medium term

1) Excluding Special Levy and contributions to SRF and DGF

2) Pro forma for Helix 2 (Portfolio A and B). Calculations on a pro forma basis assume legal completion of the transaction

Leverage leading Digital Capabilities to serve customers and the economy

Vision

Leverage technology to sustain a competitive advantage through digital banking

Serve customer needs anywhere and at any time, through an agile technology ecosystem

Be the driver of digital economy, in support of national efforts for structural economic reform

Creating shareholder value

- Improving operational efficiency through:
 - further automation
 - further branch rationalisation
- Opportunities to cross-sell through:
 - modelling customers' needs and behaviours
 - offering tailored products and services



Digital Transactions ratio¹

Mar 2020	Mar 2021
78.5%	85.1%



Digitally Engaged² Customers

Mar 2020	Mar 2021
69.7%	75.4%



Average mobile logins per month

Mar 2020	Mar 2021
15.4x	18.6x



Active users of Internet and/or Mobile Banking

Mar 2020	Mar 2021
256k	299k

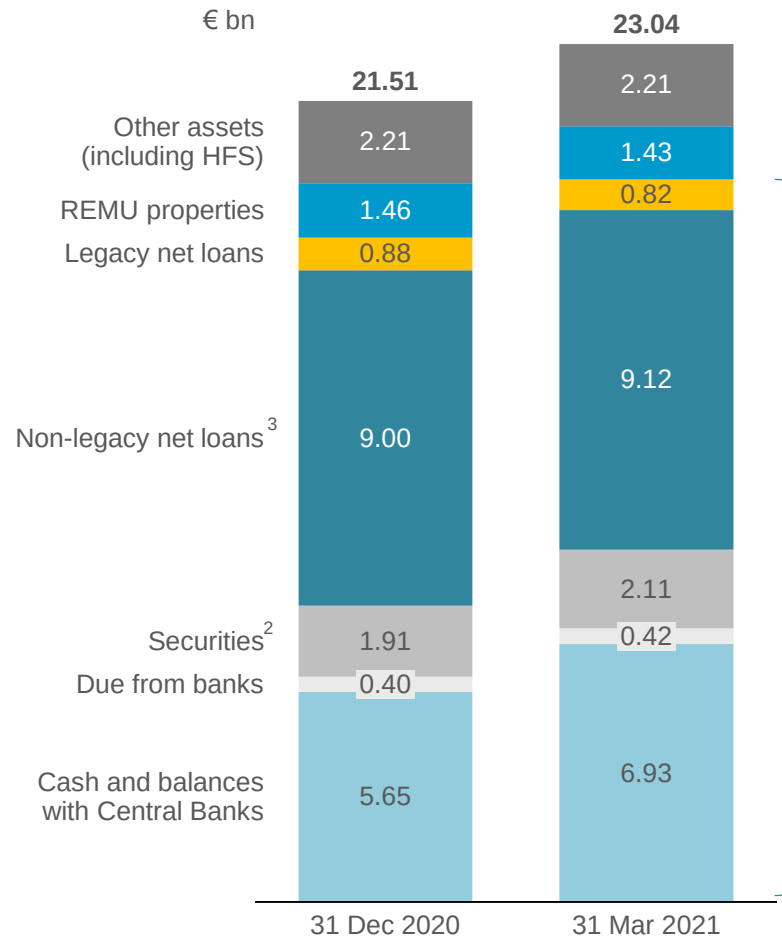
¹) This is the ratio of the number of digital transactions performed by individuals and legal entity customers to the total number of transactions. Transactions include deposits, withdrawals, internal and external transfers. Digital channels include mobile, browser and ATMs

²) This is the ratio of digitally engaged individual customers to the total number of individual customers. Digitally engaged customers are the individuals who use the digital channels of the Bank (mobile banking app, browser and ATMs) to perform banking transactions, as well as digital enablers such as a bank-issued card to perform online card purchases

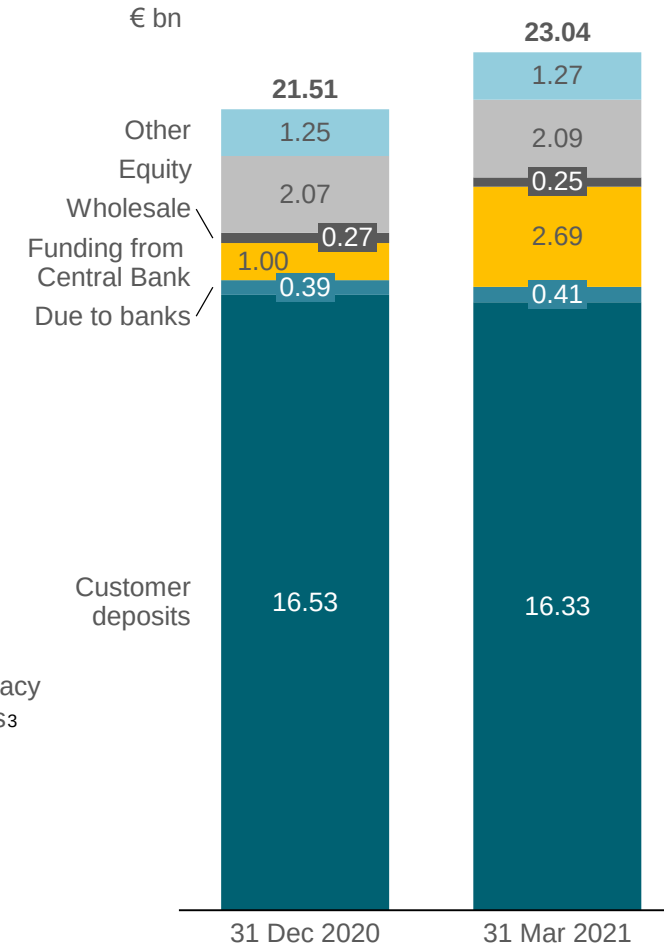
Balance Sheet

Balance sheet composition

Total assets



Total equity & liabilities



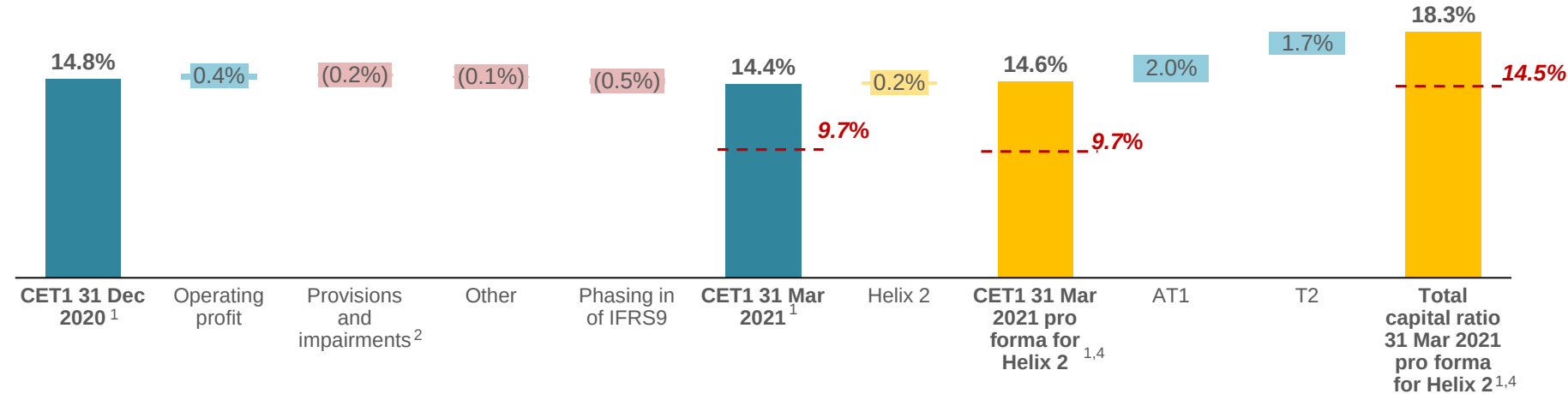
1) AIEA: Average Interest Earning Assets. Please refer to slide 68 for the definition

2) Debt securities, treasury bills and equity investments

3) Net loans of Corporate (incl. IB and W&M and Global Corporate), SME, Retail, and H/O

CET1 at 14.6% pro forma for Helix 2⁴

----- min OCR (SREP) requirement for 2020 post ECB Announcement³



- CET1 ratio¹ **positively** impacted by:
 - c.40 bps organic capital generation from operating profitability
- CET1 ratio¹ **negatively** impacted by:
 - c.20 bps from provisions and impairments
 - c.45 bps from the phasing in of IFRS 9
- The CET1 ratio fully loaded of 13.1% and 13.3% pro forma for Helix 2⁴
- Onsite inspection and review by the SSM on the stock of REMU properties completed. Findings relating to a prudential charge of up to 44 bps, the majority of which is expected to be taken at 30 Jun 2021, depending on the Bank's progress in disposing the properties impacted by the prudential charge
- Successful refinancing of Tier 2 in April 2021; Total capital ratio expected to increase by c.100 bps to 19.2%^{1,4,5}

1) Allowing for IFRS 9 and starting from 3Q2020, also for temporary treatment for certain FVOCI instruments transitional arrangements

2) Loan credit losses and other impairments include the net change of the prudential charges relating to specific credits and other items

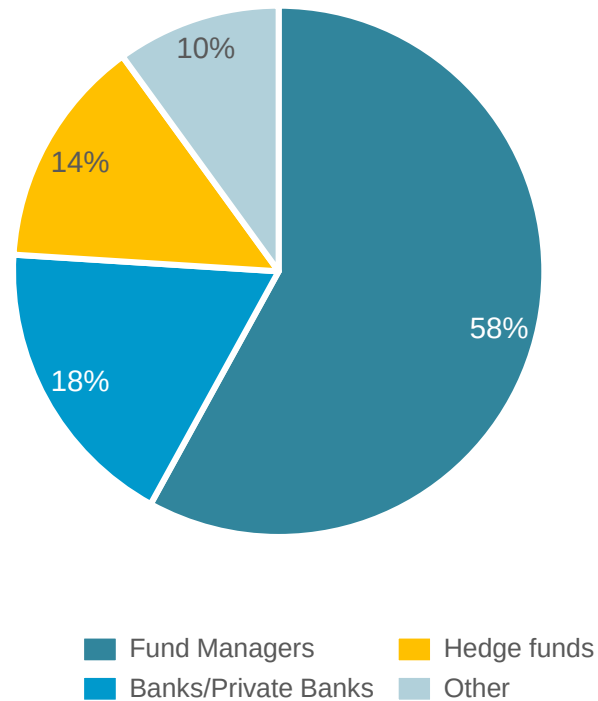
3) OCR(SREP)- Overall Capital Requirement comprises the Total SREP Capital Requirement (Pillar 1 and Pillar 2 Requirement) plus combined buffer requirements (capital conservation buffer, countercyclical buffer and systemic buffers)

4) Pro forma for Helix 2 (Portfolio A and B). Calculations on a pro forma basis assume legal completion of the transaction

5) On the basis of 31 March 2021 figures. Together with the Existing Notes that remain outstanding after the Tender Offer of €43 mn, the Total Capital ratio pro forma for Helix 2 is expected to increase to 19.5%, including 28 bps relating to the outstanding Existing Notes. The Existing Notes are redeemable at the option of the Bank (subject to applicable regulatory consents) in January 2022.

Successful €300 mn Tier 2 issuance repositions Bank of Cyprus

Orderbook oversubscribed almost 4x with more than 140 investors



• Key highlights

- Issuance of €300 mn Tier 2 notes in April 2021 to refinance outstanding €250 mn 9.25% Tier 2 issued in 2017
- Final orderbook oversubscribed almost 4x with more than 140 investors
- More than 65% of orders from new investors
- Coupon of 6.625% is more than 250 bps lower than the previous Tier 2 issue
- Total capital ratio expected to increase by c.100 bps to 19.2%^{1,2,3}
- Tender offer to repurchase the €250 mn 9.25% Tier 2 announced alongside new issue
- The tender was extremely successful achieving a participation of 83% at a modest premium to market

• The transaction represents a major milestone for the Group, and has helped to

- ... diversify the Group's investor base
- ... re-rate the Group's pricing in the international credit markets
- ... establish a foundation for future issuance (e.g. MREL)
- ... **demonstrate Group's proactive capital management: refinancing the existing Tier 2 at a significantly lower coupon and reducing carry cost**

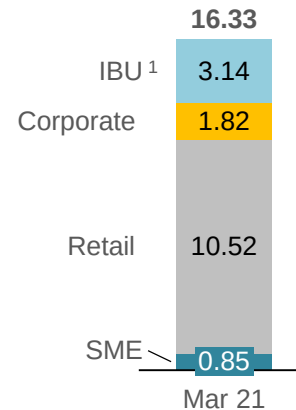
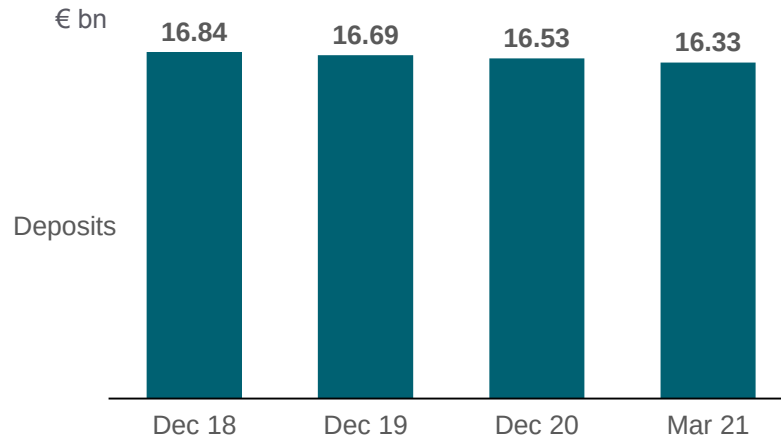
• The highly successful Tier 2 capital refinancing will allow the Group to focus on evaluating opportunities for an MREL issuance, in terms of capital markets activity

1) Allowing for IFRS 9 and starting from 3Q2020, also for temporary treatment for certain FVOCI instruments transitional arrangements

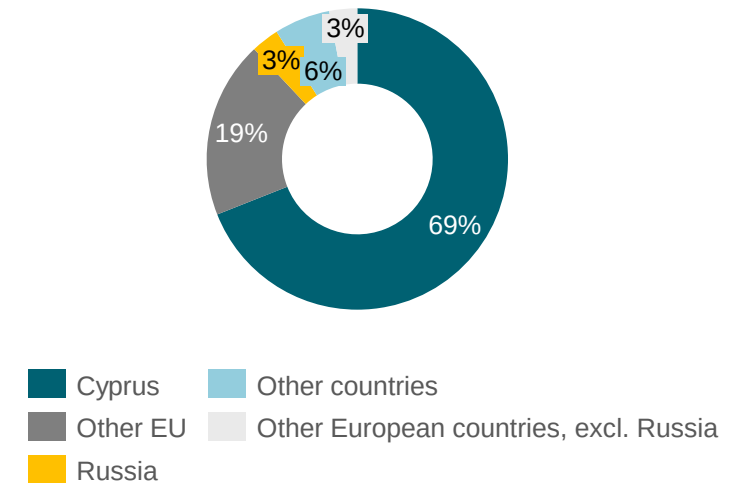
2) Pro forma for Helix 2 (Portfolio A and B). Calculations on a pro forma basis assume legal completion of the transaction

3) On the basis of 31 March 2021 figures. Together with the Existing Notes that remain outstanding after the Tender Offer of €43 mn, the Total Capital ratio pro forma for Helix 2 is expected to increase to 19.5%, including 28 bps relating to the outstanding Existing Notes. The Existing Notes are redeemable at the option of the Bank (subject to applicable regulatory consents) in January 2022.

Deposits at €16.3 bn broadly flat qoq and significant liquidity surplus of €4.9 bn



Cyprus deposits by passport origin³



Significant surplus liquidity of €4.9 bn

Liquidity ratio	Minimum required	31 Mar 2021	Surplus
LCR (Group)	100%	284%	€4,874 mn
NSFR ²	100%	140%	€5,322 mn

- Strong deposit market share of 35% as at 31 Mar 2021
- Flexibility to operate below 100% LCR limit at least until end 2021
- In Mar 2021 the Bank borrowed €1.7 bn from TLTRO III, increasing funding from central banks to €2.7 bn

1) Servicing exclusively international activity companies registered in Cyprus and abroad and not residents

2) The NSFR has not yet been introduced. The NSFR is calculated as the amount of "available stable funding" (ASF) relative to the amount of "required stable funding" (RSF), on the basis of Basel III standards. Its calculation is a SREP requirement. The EBA NSFR will be enforced as a regulatory ratio under CRR II in June 2021

3) Origin is defined as the country of passport by the Ultimate Beneficiary Owner

Asset Quality

€1.4 bn NPE sales agreed since Dec 2019, reducing NPE ratio to 16%¹

Helix 2 Portfolio B

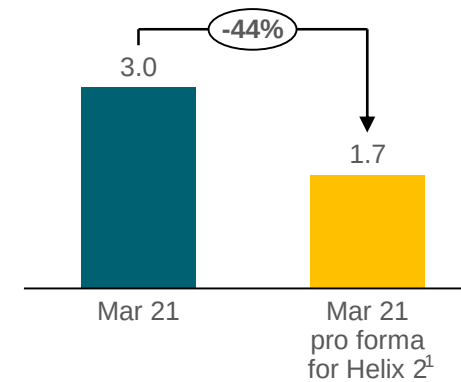
- Agreement for the sale of €529 mn NPEs (with reference date 30 Sep 2020) in Jan 2021
- Gross consideration of 44% of gross book value (based on 30 Sep 2020) and 31% of contractual balance³, payable in cash, of which 50% is deferred unconditionally up to Dec 2025
- Loan credit losses of €27 mn recorded in 4Q2020

Helix 2 Portfolio A

- Agreement for the sale of €886 mn NPEs (with reference date 30 Jun 2020) in Aug 2020
- Gross consideration of 46% of gross book value (based on 30 Jun 2020) and 29% of contractual balance³, payable in cash, of which 65% is deferred unconditionally to 3 broadly equal instalments over 48 months
- Loss of €68 mn recorded in 2Q2020

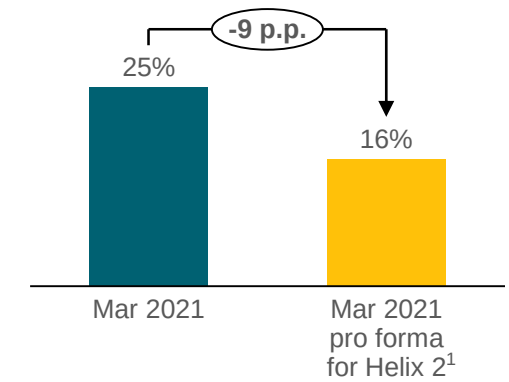
44% NPE reduction

NPEs (€ bn)

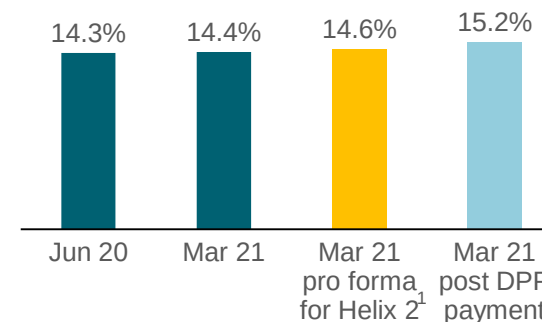


9 p.p. reduction in NPE ratio

NPE ratio



CET1 ratio at 14.6%² pro forma for Helix 2¹



Total CET1 impact +16 bps:
 -48 bps impact in FY2020 and 2021 until completion
 +64 bps upon full payment of deferred consideration

(1) Calculations on a pro forma basis assume legal completion of both Helix 2 Portfolio A and Helix 2 Portfolio B

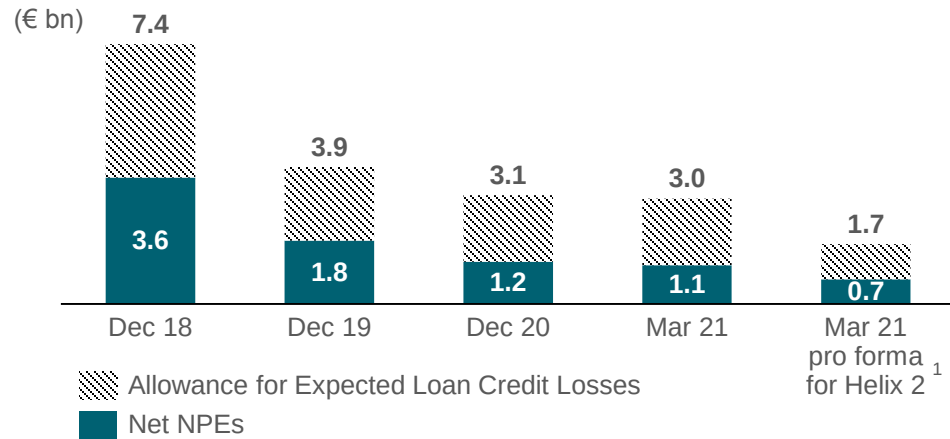
(2) Allowing for IFRS 9 and temporary treatment for certain FVOCI instruments transitional arrangements

(3) As at 30 September 2019

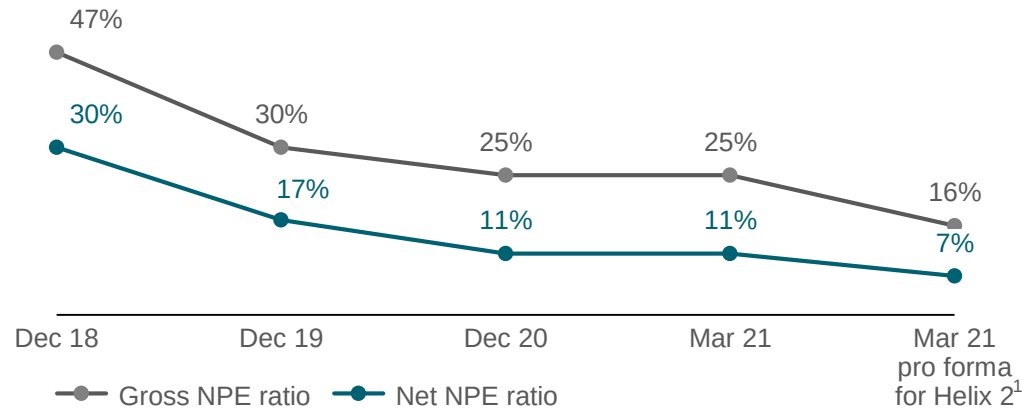
(4) Deferred Purchase Price

NPE ratio at 16% pro forma for Helix 2; Coverage maintained at 59%

Organic NPE reduction of c.€60 mn in 1Q2021

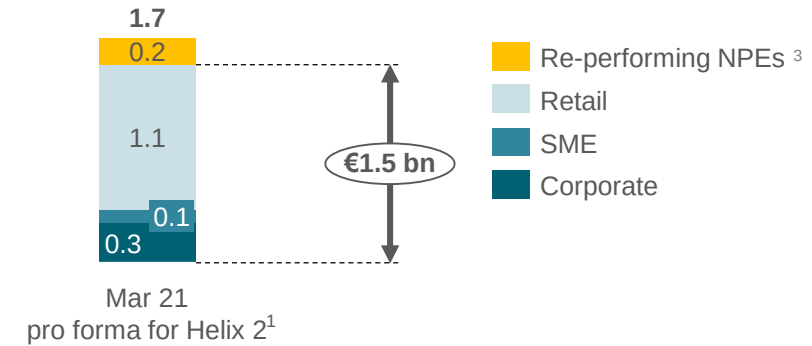


Gross NPE ratio reduced to 16%; 7% on a net basis

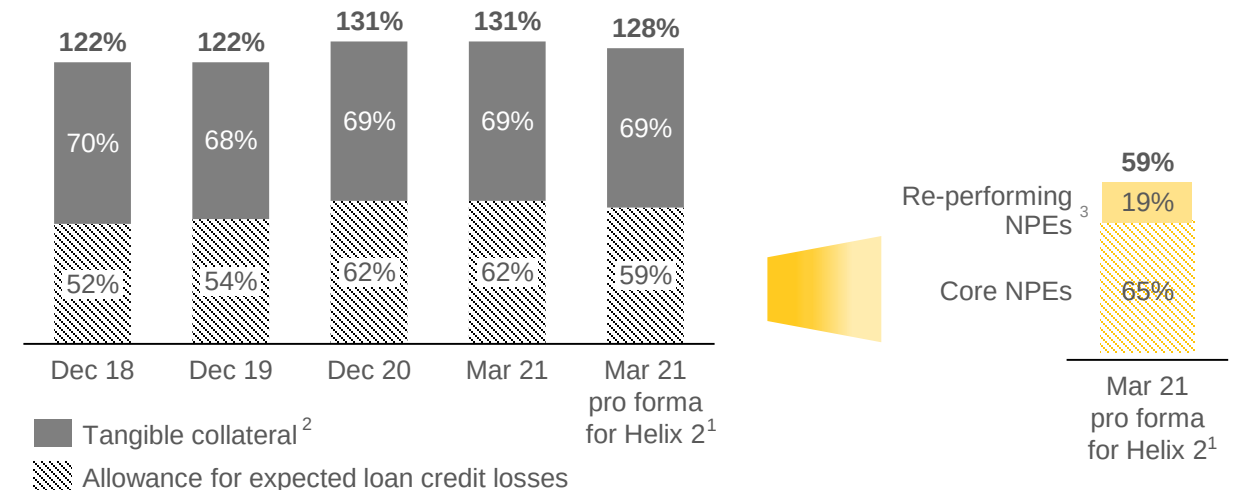


- 1) Calculations on a pro forma basis assume legal completion of both Helix 2 Portfolio A and Helix 2 Portfolio B
 2) Restricted to Gross IFRS balance
 3) In pipeline to exit NPEs subject to meet all exit criteria; the analysis is performed on a customer basis (formerly called Non-core NPEs)

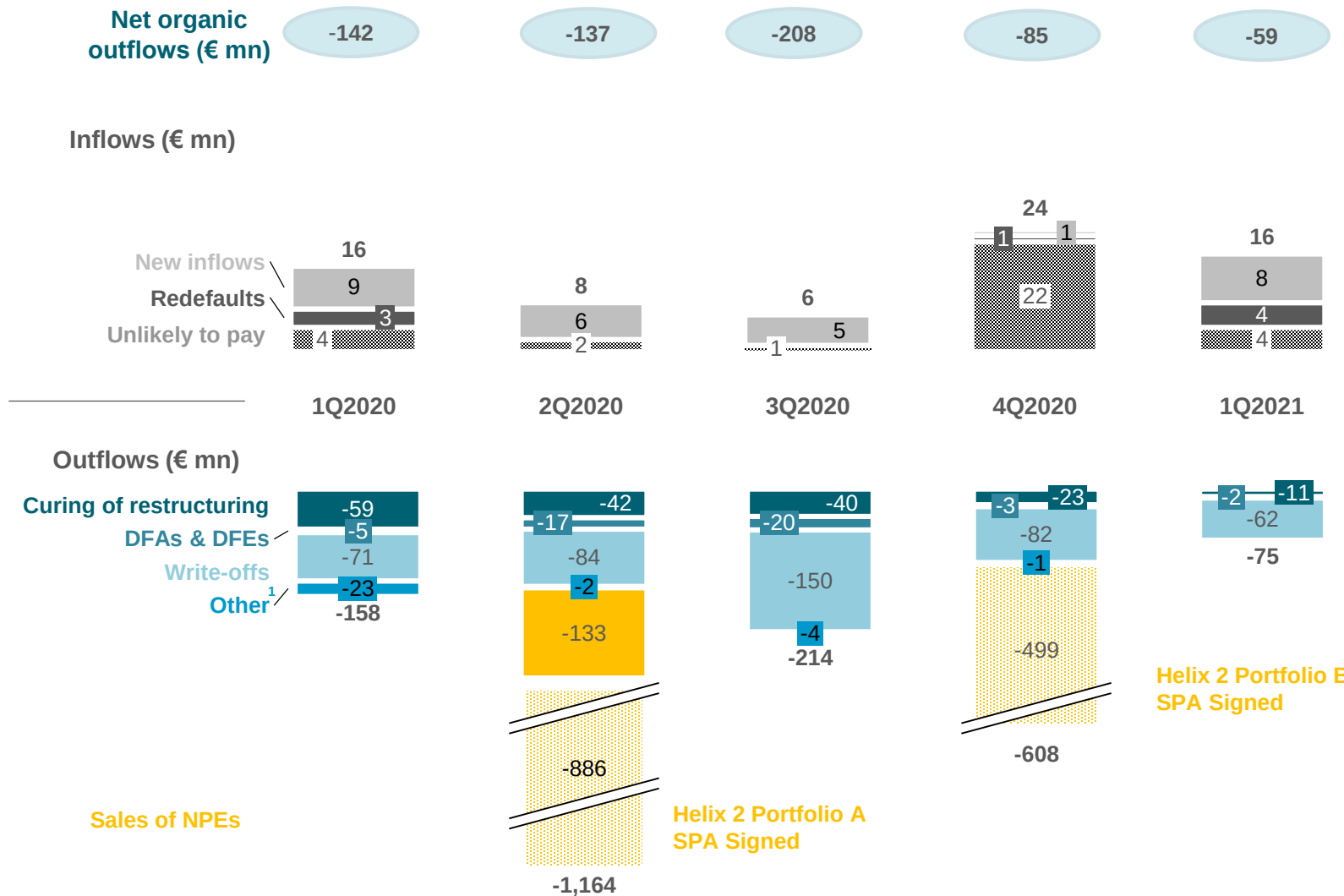
Residual NPEs comprises mainly Retail



NPE coverage maintained at 59% post Helix 2



€75 mn organic NPE outflows in 1Q2021, leading to €59 mn organic NPE reduction

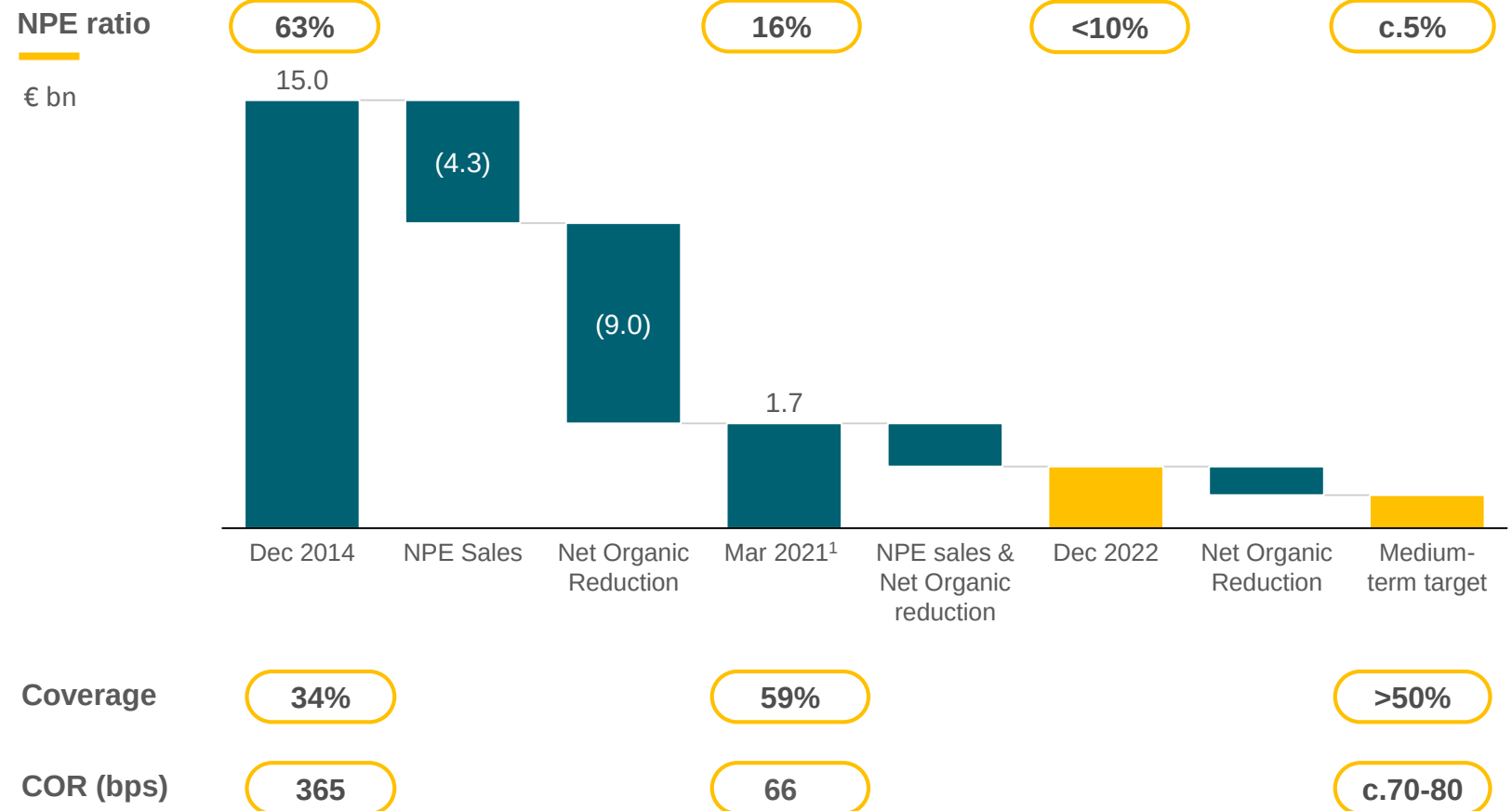


- €14 mn NPE inflows relate to the loans that were under expired payment deferral
- Net organic NPE reduction of €59 mn for 1Q2021 impacted by COVID-19 lockdown
- Additionally there were €15 mn net NPE reduction relating to NPE sales lockbox (4Q2020: €67 mn)

1) Other includes interest, cash collections and changes in balances

De-risking: Clear path to reduce NPE ratio to single digit by 2022

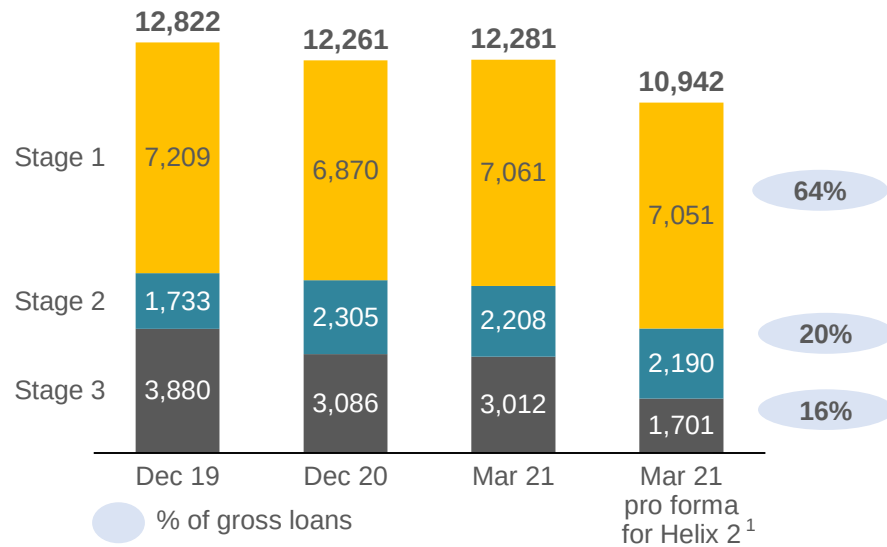
- Gross NPE reduction in 2021, through both organic and inorganic actions, expected to more than offset NPE inflows
- Continue to assess potential to accelerate NPE reduction through additional NPE sales



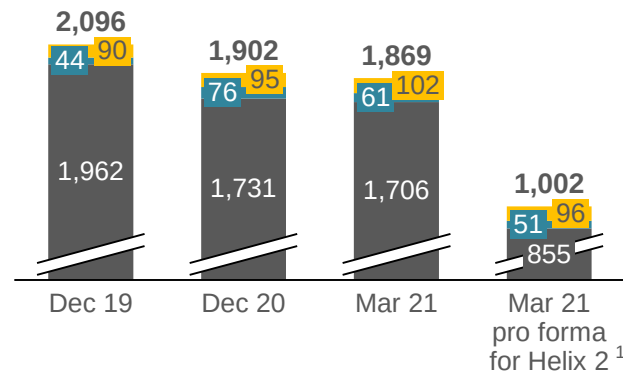
1) Pro forma for Helix 2: Calculations on a pro forma basis assume legal completion of both Helix 2 Portfolio A and Helix 2 Portfolio B

Gross loans and coverage by IFRS 9 staging

Gross loans by IFRS 9 stage (€ mn)



Allowance for expected loan credit losses (€ mn)



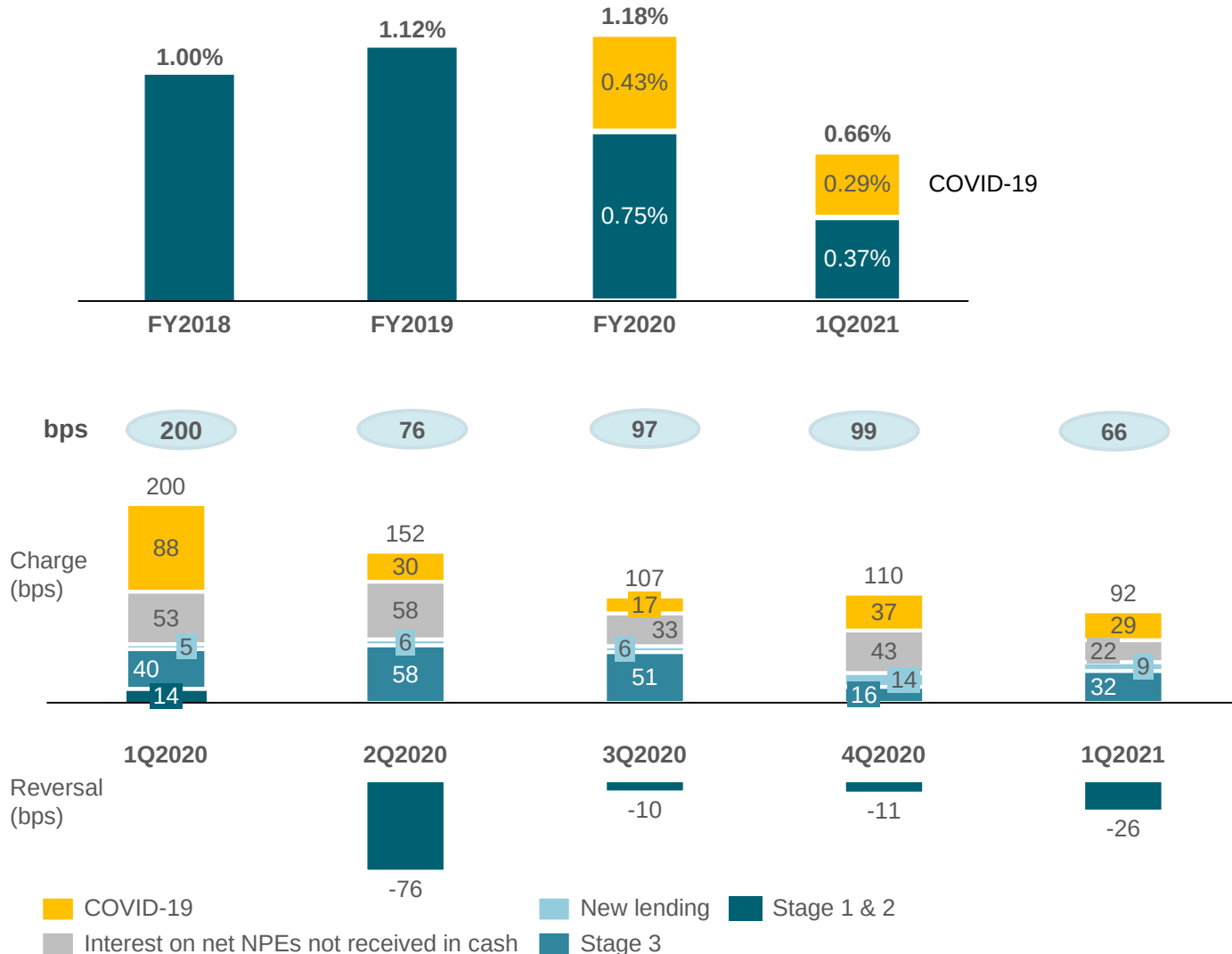
Coverage ratio

	Dec 19	Dec 20	Mar 21	Mar 21 pro forma for Helix 2 ¹
Stage 1	1.2%	1.4%	1.4%	1.4%
Stage 2	2.5%	3.3%	2.7%	2.3%
Stage 3	50.6%	56.1%	56.7%	50.3%

- Coverage for stage 3 loans remains at c.50% post Helix 2
- Net transfer of €53 mn of loans under expired payment deferrals from Stage 2 to Stage 1:
 - Transfer of €304 mn of loans under expired payment deferrals from Stage 1 to Stage 2 as a result of management overlays and restructurings
 - Migration of €357 mn of loans under expired payment deferrals from Stage 2 to Stage 1, mainly due to good performance of loans to private individuals after the end of the payment deferrals
- Transfer of €14 mn of loans were under expired payment deferrals mainly from Stage 2 to Stage 3

1) Calculations on a pro forma basis assume legal completion of both Helix 2 Portfolio A and Helix 2 Portfolio B

Cost of risk¹ of 66 bps for 1Q2021



Bank's IFRS 9 Macroeconomic assumptions

Base line	GDP rate	Unemployment rate
2021	3.9%	9.0%
2022	3.4%	8.1%

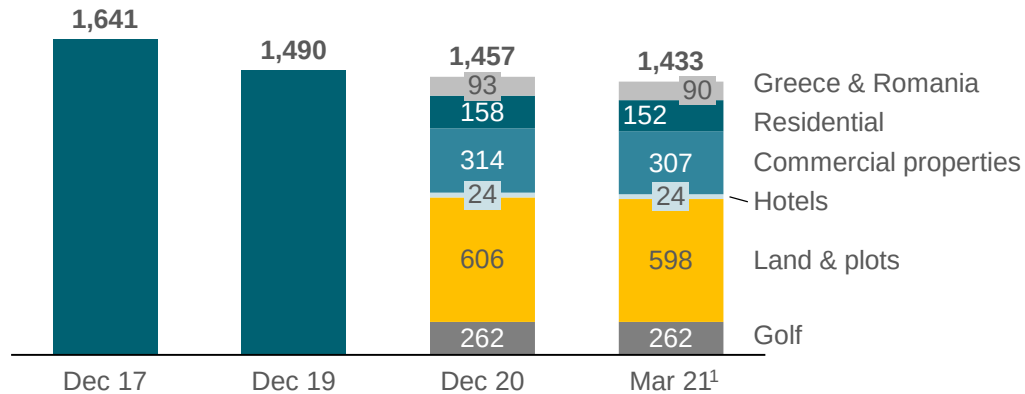
- Cost of risk of 66 bps for 1Q2021 (€20 mn), of which 29 bps (€9 mn) reflect the impact of IFRS 9 Forward Looking Information (FLI) driven by the update of macroeconomic assumptions in 1Q2021
- Cost of risk includes a reversal of 26 bps driven mainly by the migration of €357 mn loans that were under expired moratorium from Stage 2 to Stage 1 (refer to slide 29)
- Interest on net NPEs not received in cash fully provided; reduced to 22 bps in 1Q2021 following Helix 2 sale (€8 mn in 1Q2021)

1) Loan credit losses charge (cost of risk) (year to date) is calculated as the annualised 'loan credit losses' (as defined) divided by average gross loans. The average gross loans are calculated as the average of the opening balance and the closing balance for the reporting period/year

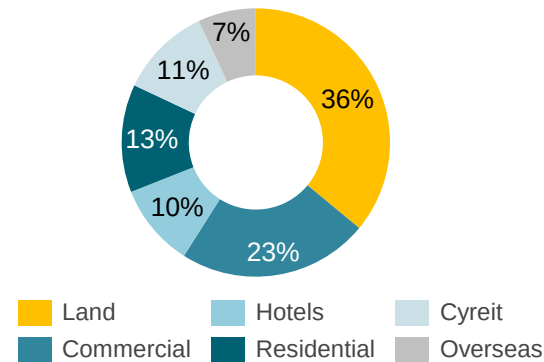
REMU: Asset disposal strategy tackles both value and volume of assets

REMU stock at €1.4 bn; signs of gradual reduction

Group BV (€ mn)

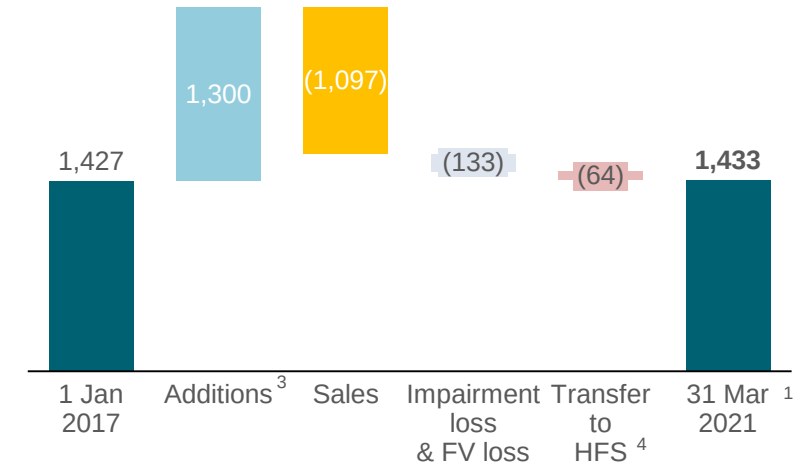


Cumulative sales by property type



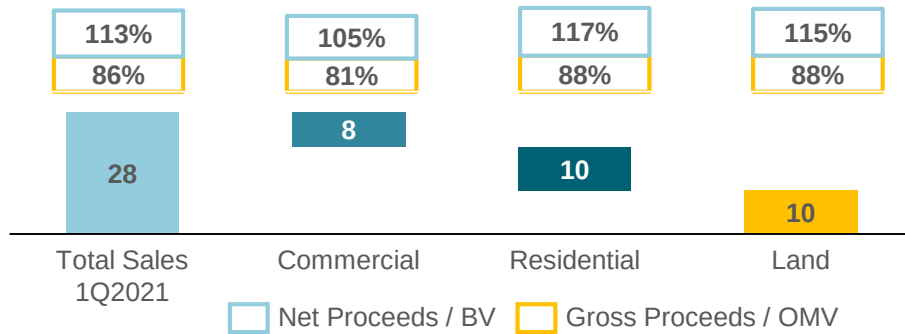
c.€1.1 bn REMU sales (Book Value) since 2017

Group BV (€ mn)



€28 mn sales in 1Q2021 comfortably above Book Value

Sales contract prices² – Organic (€ mn)



- REMU sales impacted by 1Q2021 lockdown
- Asset disposals across all property classes
 - 36% of sales (by value) relate to land
- Visible pipeline for €49 mn (SPAs signed) as at 31 Mar 2021
- Offers accepted for €29 mn as at 31 Mar 2021

1) In addition to assets held by REMU, properties classified as "Investment properties" with carrying value of €21 mn as at 31 March 2021 relate to legacy properties

2) Amounts as per Sales purchase Agreements (SPAs)

3) Additions include €21 mn transfer from own properties

4) Stock of property with a carrying value of €64 mn as at 31 March 2021 was transferred to non-current assets and disposal groups held for sale as it was included in the Helix 2 (both portfolios A & B)

Organizational resilience & ESG agenda: ESG Performance

Environmental



583k kWh
of energy savings in 1Q2021



€0.1 mn
investment in energy-saving in 1Q2021



1,929 tones
paper recycled in 2020, c.4x times more than 2019



Introduction of environmentally friendly loan products

Social



c.8,500
cancer patients received treatment and other services at the Bank of Cyprus Oncology Centre for 1Q2021



c.€70 mn
cumulative investment for the Bank of Cyprus Oncology Centre



>5,000 entrepreneurs educated via IDEA innovation centre, a non-profit organization, established in 2015, acting as incubator accelerator for start-ups

Governance



30%
of the board of directors are female as at 31 Mar 2021



15
internal audits finalised in 1Q2021



633
customer relationships suspended for compliance reasons in 1Q2021

People



>3,500
employees



>8 ths
hours of training conducted in 1Q2021



Certificate by the Ministry of Labour, Welfare and Social Insurance for applying good practices for gender equality in the working environment

Responsible services



c.€0.5 bn
new lending for 1Q2021



85%
of total transactions in 1Q2021 are through digital channels



75%
of customers are digitally engaged as at 31 Mar 2021

#SupportCy¹ Network Initiative



€620k
total contribution to the Society by all members (monetary, products and services) since March 2020

ESG Ratings

MSCI ESG Ratings²

A

Scale: AAA to CCC
Rating action date: Jun 2020

MSCI
ESG RATINGS



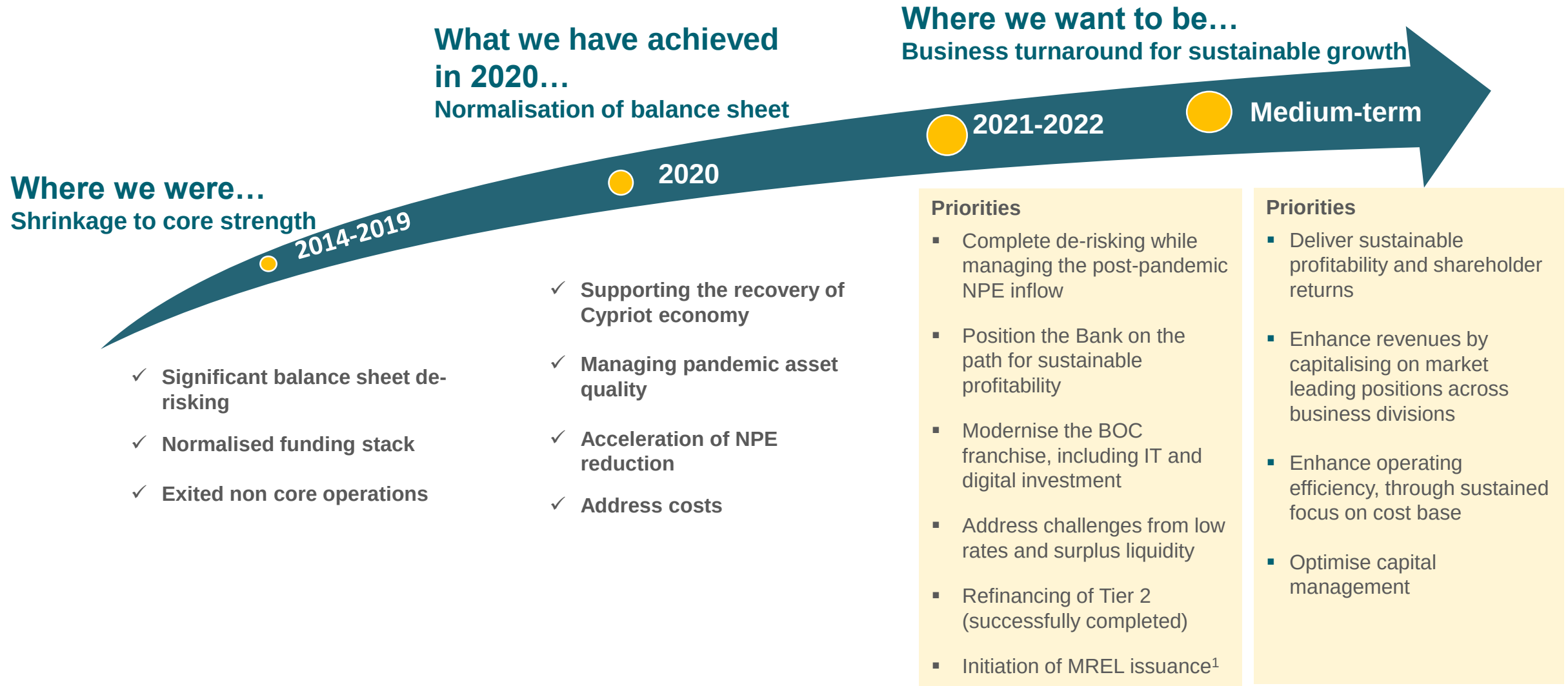
CCC B BB BBB A AA AAA

1) #SupportCY is a network of 117 companies and NGOs, initiated by Bank of Cyprus, during March 2020, with the aim to support the public services performing frontline duties during the Pandemic and the Society, in general

2) Please refer to slide 70 in the definitions

Medium Term Outlook

Our journey



1) Subject to market conditions

Medium-term strategic targets

Profitability



Return on Tangible Equity (ROTE)¹

2022

Medium Term

c.7%

Total Operating Expenses²

<€350 mn

Asset Quality



NPE Ratio

<10%

c.5%

Cost of risk

c.70-80 bps

Capital



Supported by CET1 ratio of

at least 13%

1) ROTE is calculated as Profit after Tax divided by (Shareholders' equity minus Intangible assets)

2) Total operating expenses comprise staff costs and other operating expenses. Total operating expenses do not include the special levy or contributions to the Single Resolution Fund (SRF) or Deposit Guarantee Fund (DGF) or any advisory or other restructuring costs

Key Information and Contact Details

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Credit Ratings

Standard & Poor's Global Ratings:

Long-term issuer credit rating: Affirmed at "B+" on 16 July 2020 (stable outlook)

Short-term issuer credit rating: Affirmed at "B" 16 July 2020

Fitch Ratings:

Long-term Issuer Default Rating: Affirmed at "B-" on 29 January 2021 (negative outlook)

Short-term Issuer Default Rating: Affirmed at "B" on 29 January 2021

Viability Rating: Affirmed at "b-" on 29 January 2021

Moody's Investors Service:

Baseline Credit Assessment: Affirmed at "caa1" on 10 November 2020

Short-term deposit rating: Affirmed at "Not Prime" on 10 November 2020

Long-term deposit rating: Affirmed to "B3" on 10 November 2020 (positive outlook)

Counterparty Risk Assessment: Affirmed at B1(cr) / Not-Prime (cr) on 10 November 2020

Listing:

LSE – BOCH, CSE – BOCH/TPKH, ISIN IE00BD5B1Y92

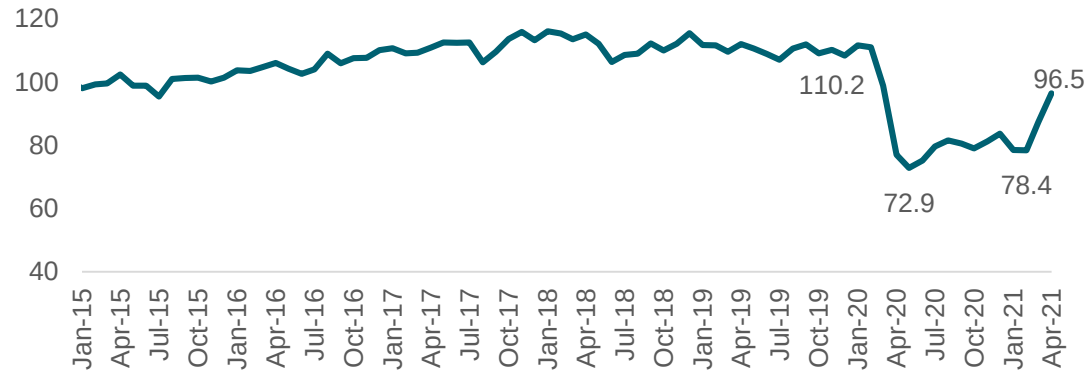
Visit our website at: www.bankofcyprus.com

APPENDIX

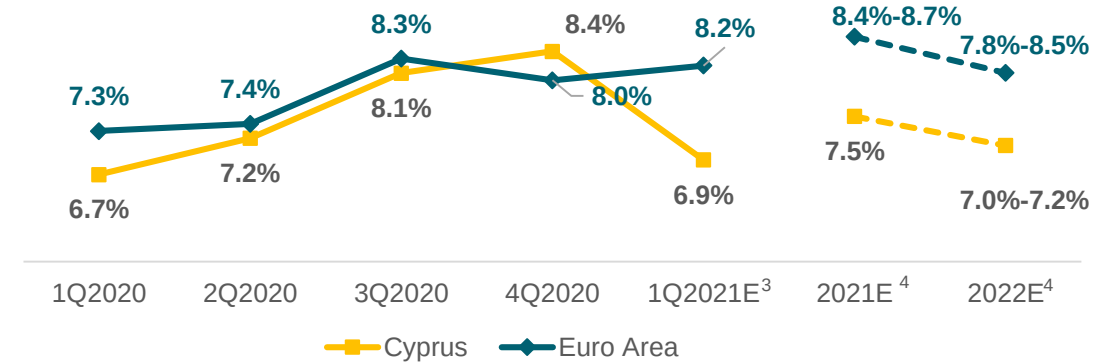
Macroeconomic overview

Cypriot economy gradually recovering

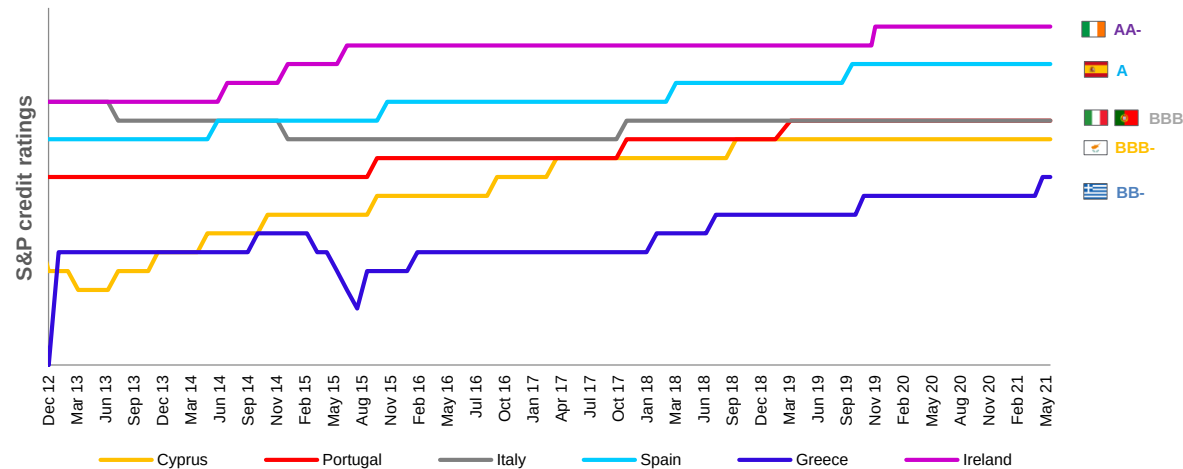
Confidence returning despite 1Q2021 lockdown



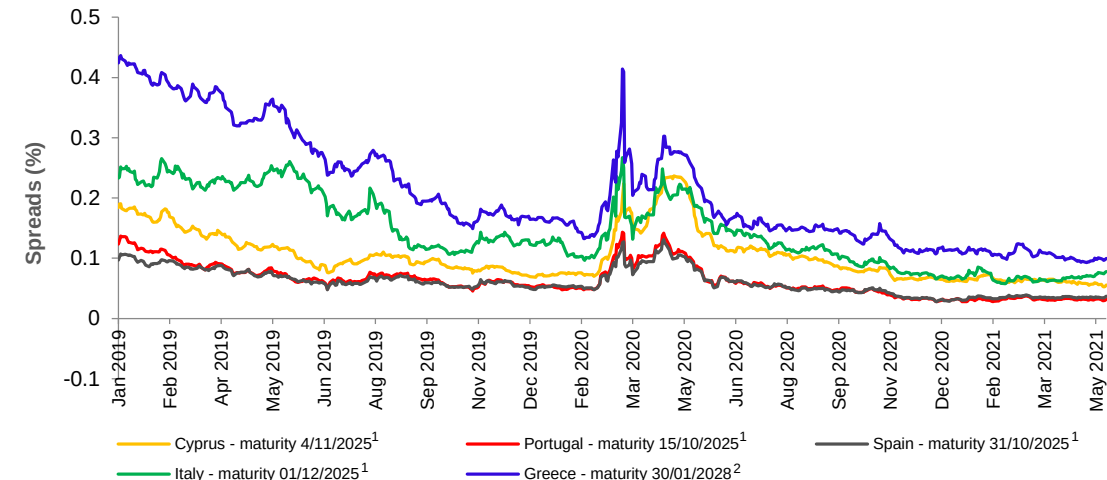
Unemployment rate increased to 8.4% in 4Q2020



Cyprus maintains investment grade



Tightening of spreads as market confidence improves



SOURCE: Statistical Service of Republic of Cyprus; Bloomberg, Economics Research Centre of University of Cyprus, Eurostat

1) Normalised against Germany Government bond with maturity 15/8/2025 except Greece

2) Due to the Debt swap of the Hellenic Republic, from November 2017 onwards data for the new Hellenic Republic Bond with maturity

30/01/2028 was used and normalised against the closest maturity of German Government bond (DBR) 15/08/2027

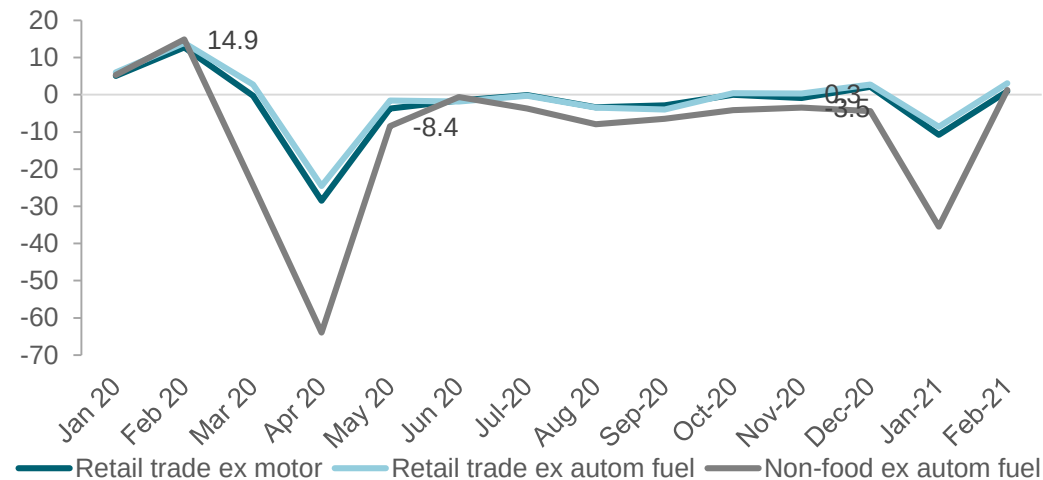
3) Estimate from Eurostat

4) Forecast by IMF and European Commission

Economic activity improving despite 1Q2021 lockdown

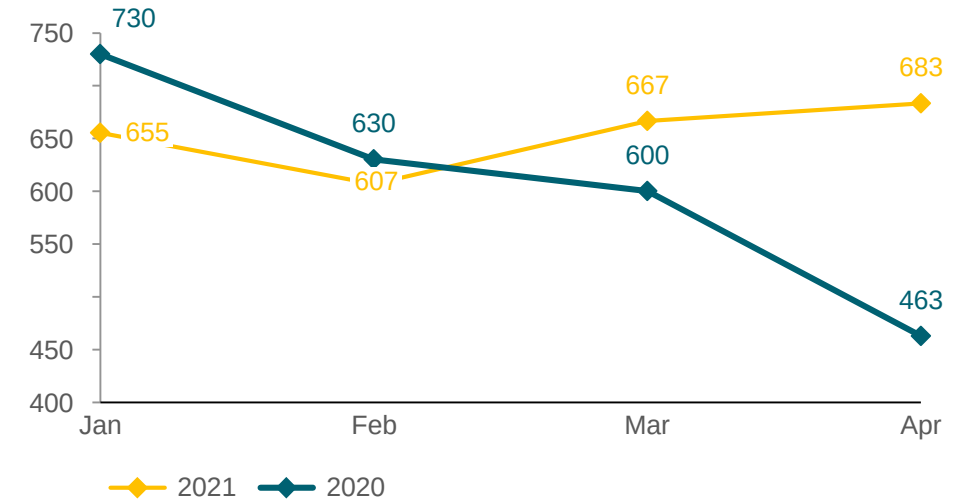
Retail sales rebounded, after hitting low in Jan 2021

Retail trade volume % change -3m average



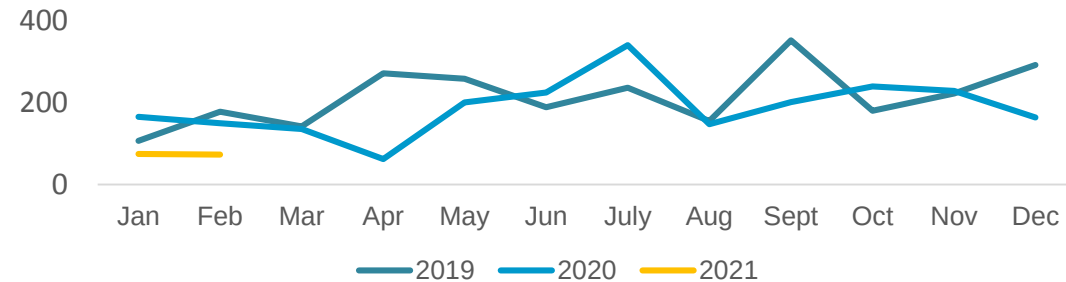
Card spending picking up

ths



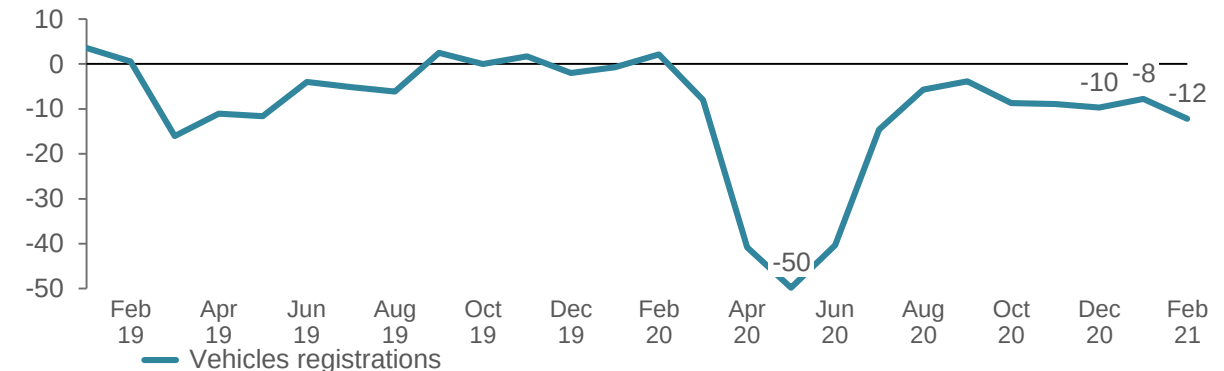
Volume of building permits impacted by restrictive measures in 1Q2021

ths



Motor vehicles registrations stabilised

Motor vehicles registrations % change -3m average



Source: Cyprus Statistical Service

Timely and strong response by the Government of Cyprus

Comprehensive and far reaching measures to support performing businesses and the wider economy 2021

- **Additional package of measures with fiscal impact of c.€750 mn¹ for the support of the businesses and the self employed, according**
 - Subsidy plan for businesses and self employed impacted by lockdowns:
 - Coverage of rents and other operational expenses
 - Second loan moratorium for business and private individuals impacted by the second lockdown up to 30 Jun 2021
 - Eligible borrowers entitled to total moratorium of up to 9 months, inclusive of any time spent on moratorium during 2020
 - Extension of subsidy of interest rate of new business and housing loans to 31 Dec 2021
 - Subsidy of interest rate for 4 years
 - Employment compensation schemes for businesses impacted by the second lockdown to protect jobs and avoid layoffs
 - Strengthening of the public health sector
- **Loan government guarantee scheme of c.€1.0 bn to facilitate liquidity (guarantee of 70%)**
 - c.€550 mn to small businesses,
 - c.€350 mn to medium-size businesses and;
 - c.€150 mn to large companies
- **€1.0 bn of government funding raised in Feb 2021**

2020

- **The package of measures with fiscal impact amounted to €766 mn or 3.6% of GDP²:**
 - Moratorium of loan instalment for 9 months until Dec 2020
 - Liquidity support to businesses and households
 - Employment compensation schemes for businesses impacted by COVID-19, to protect jobs and avoid layoffs
 - Subsidy of interest rate of new Business and Housing Loans
 - Financing of SMEs through CYPEF¹ (€800 mn)
- **€3.0 bn of government funding raised in Apr 2020; vote of confidence to the Cypriot economy**
- **European Authorities measures-Implications for Cyprus**
 - EU Recovery Fund (€1.2 bn)
 - Pan-European Guarantee Fund (PEGF) (€300-€400 mn)
 - EU SURE Programme (€479 mn)

1) Based on the Stability Programme Update 2021-24, published in April 2021
 2) Estimation of Bank of Cyprus' Economic Research Department

APPENDIX

Additional asset quality slides

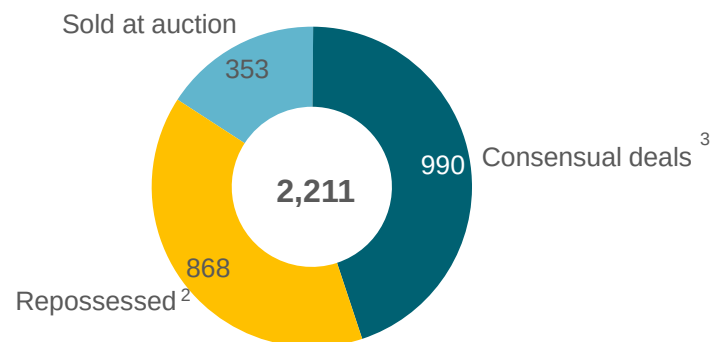
Suspension of foreclosures for primary residences extended until 31 July 2021

	Cumulative 2016 – 2018 ¹	FY2019	FY2020	1Q2021
Foreclosures commenced	1,437	1,829	1,553 ²	274
Auctions held	470	807	632 ²	83



1Q2020	2Q2020	3Q2020	4Q2020	1Q2021
593 ²	-	227	733	274
164 ²	-	-	468	83

2,211 properties were resolved since 2016

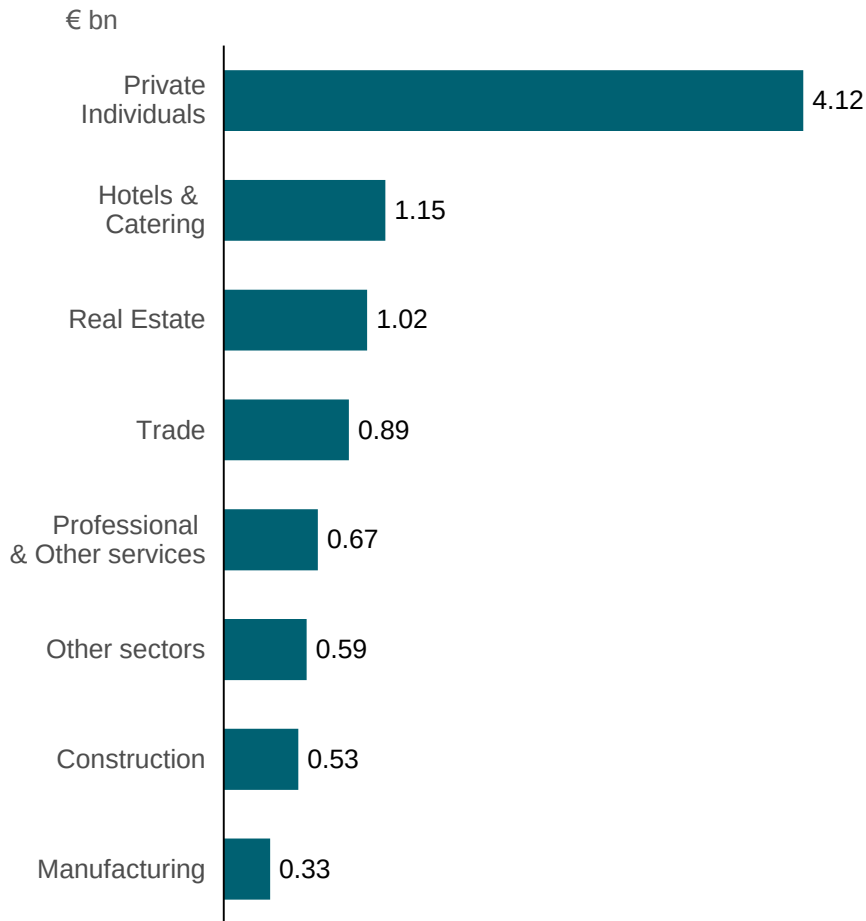


- Following outbreak of the pandemic, foreclosures for primary residences <€350k and “very small business premises”⁴ suspended until the end of Mar 2021, via a legislation enacted on 29 December 2020 by the Cyprus Parliament
- In early May, further legislation was enacted extending the suspension of foreclosures until 31 July 2021 for primary residences with <€500k, very small business premises⁴ and agricultural fields with value up to €250k

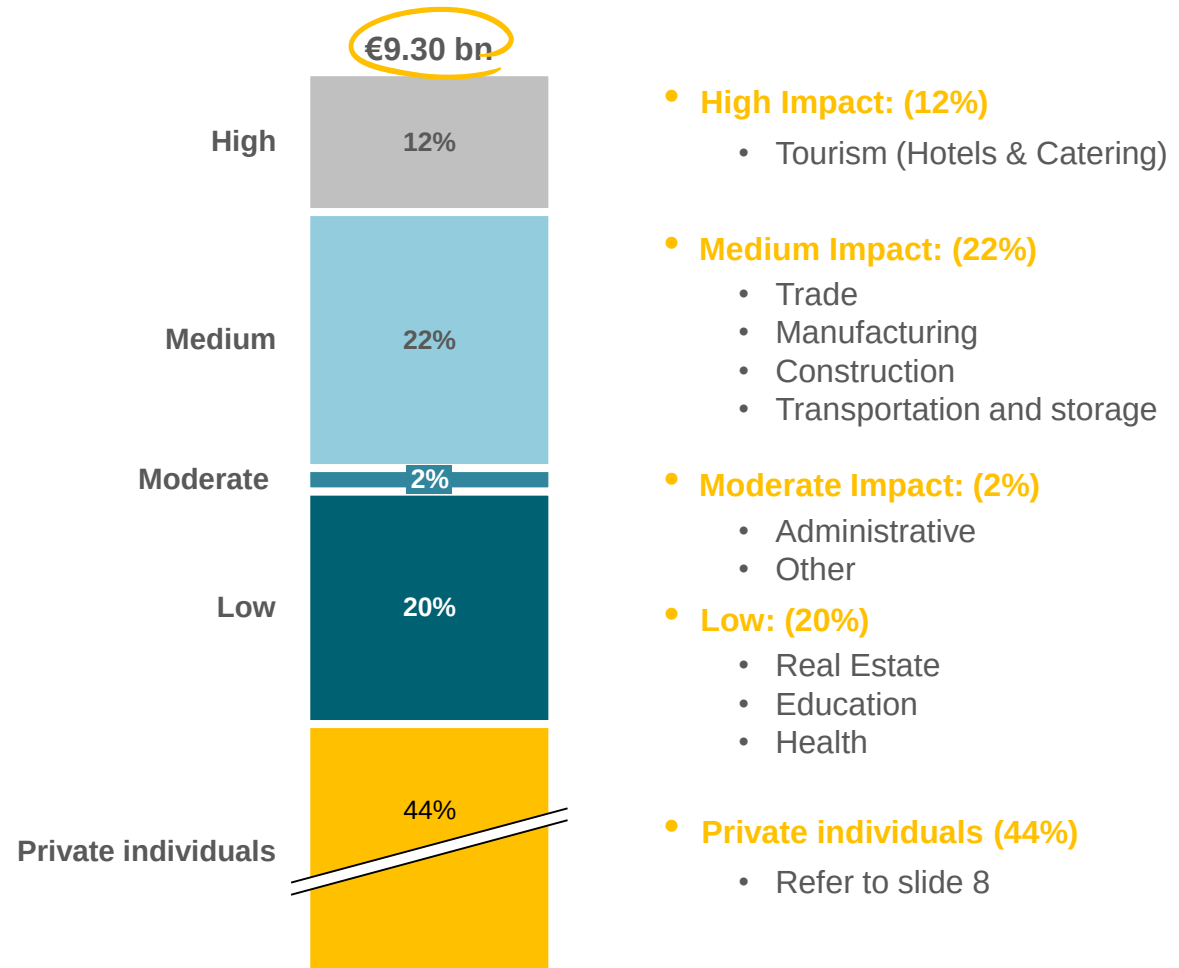
1) Excluding Helix 1
 2) Properties that have been auctioned unsuccessfully at least once
 3) Includes DFAs, restructurings and settlements
 4) With revenue of up to €2 mn per annum and less than 10 employees

Well diversified loan portfolio; close monitoring and set up of strategies to prevent further asset quality deterioration

Gross loans (excluding legacy)¹ by business sector of €9.30 bn



Breakdown by COVID-19 impact assessment on business sectors

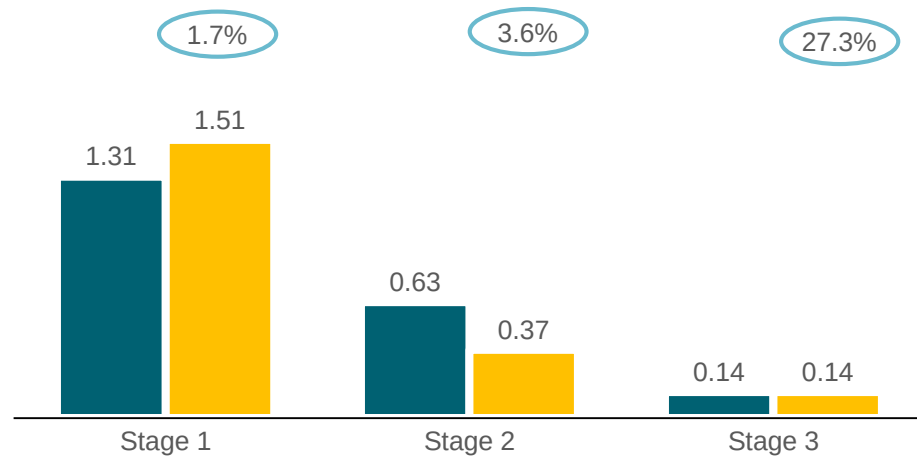


¹⁾ Gross loans as at 31 March 2021 of Corporate (incl. IB and W&M and Global Corporate), SME, Retail, and H/O

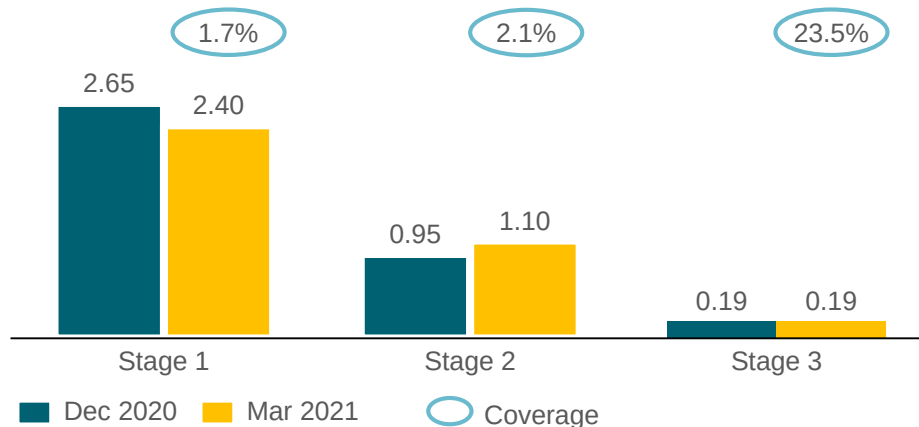
Decomposition of payment deferrals

IFRS 9 staging for expired loan payment deferrals

Private individuals: €2.02 bn¹



Businesses: €3.69 bn¹



1) As at 31 March 2021; includes current accounts and overdrafts of c. €0.3 bn

2) Re-performing: pipeline to exit NPEs subject to meet all exit criteria; the analysis is performed on a customer basis (formerly called Non-core NPEs)

Private Individuals

- Reclassifications of €26 mn from Stage 1 to Stage 2 in 1Q2021, mainly due to management overlays
- Migration of c.€266 mn from Stage 2 to Stage 1 mainly due to good performance of housing loans after the expiry of payment deferrals

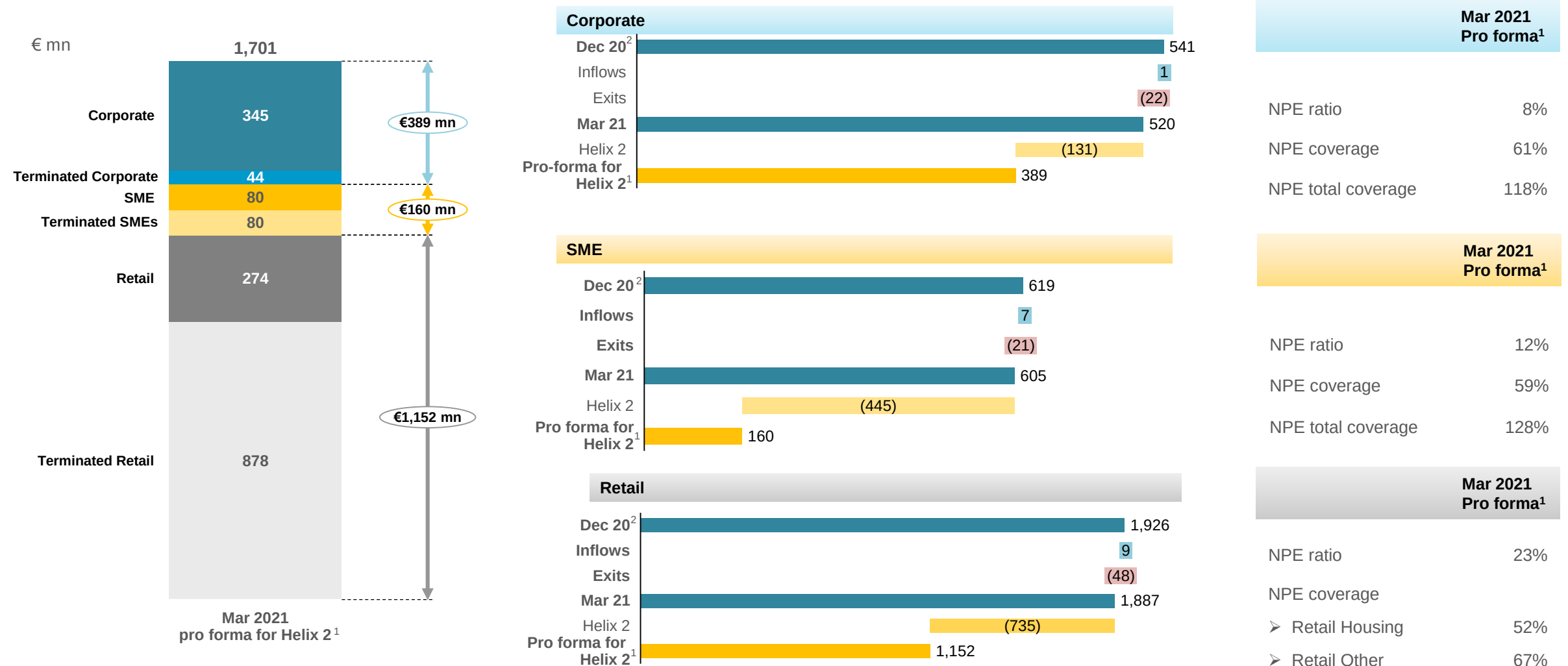
Businesses

- Reclassifications of €278 mn from Stage 1 to Stage 2 in 1Q2021, mainly due to management overlays and restructurings
- Migration of €91 mn from Stage 2 to Stage 1 mainly due to good performance after the end of payment deferrals

Adequate coverage of Stage 3 expired payment deferrals; higher than the coverage of re-performing NPEs¹ (slide 26)

Continuous progress across all segments

Focus shifts to Retail and SME after intense Corporate attention

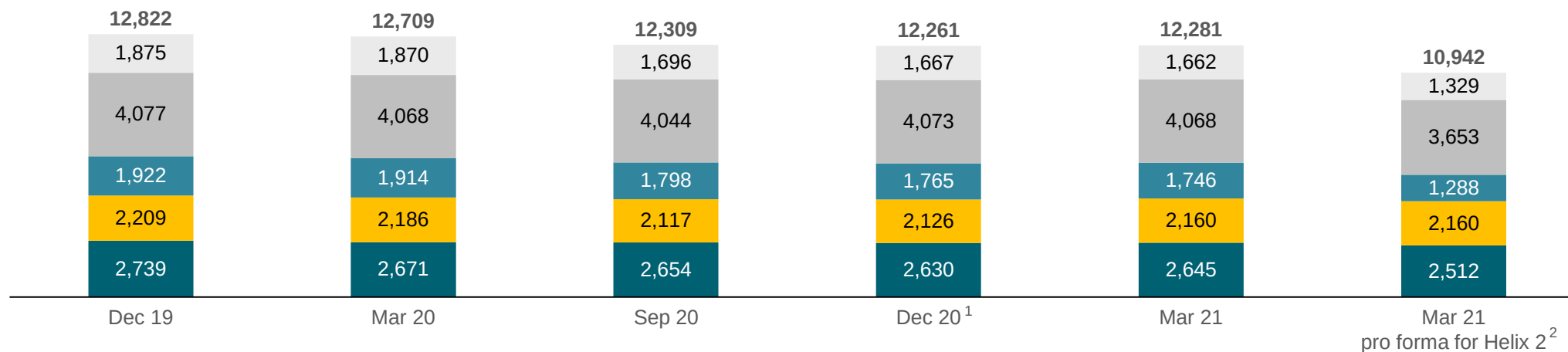


1) Calculations on a pro forma basis assume legal completion of both Helix 2 Portfolio A and Helix 2 Portfolio B

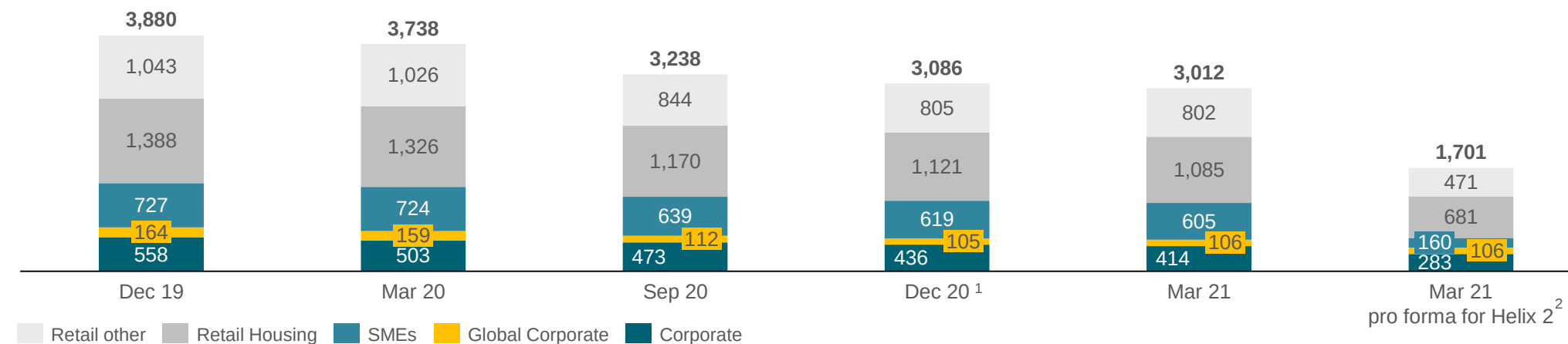
2) Following a reorganisation of the RRD portfolio and mainly of the terminated exposures, certain gross loans were reclassified between the business lines, resulting an increase of €92 mn in the Retail line and a reduction of €32 mn and €60 mn of the SME and Corporate line respectively. In addition, certain NPEs were reclassified between the business lines, resulting an increase of €84 mn in the Retail line and a reduction of €24 mn and €60 mn of the SME and Corporate line respectively.

Gross loans and NPEs by Customer Type

Gross loans by customer type (€ mn)



NPEs by customer type (€ mn)

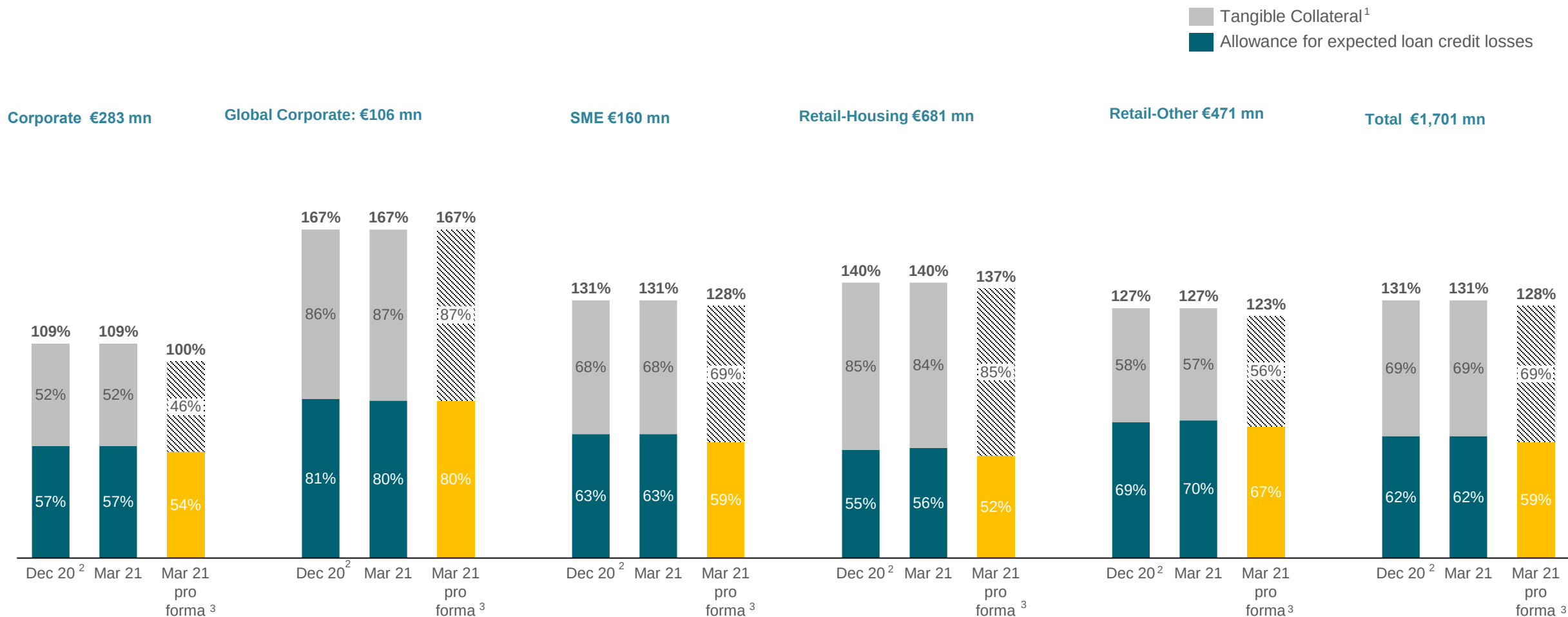


1) Following a reorganisation of the RRD portfolio and mainly of the terminated exposures, certain gross loans were reclassified between the business lines, resulting an increase of €92 mn in the Retail line and a reduction of €32 mn and €60 mn of the SME and Corporate line respectively. In addition, certain NPEs were reclassified between the business lines, resulting an increase of €84 mn in the Retail line and a reduction of €24 mn and €60 mn of the SME and Corporate line respectively.

2) Calculations on a pro forma basis assume legal completion of both Helix 2 Portfolio A and Helix 2 Portfolio B

NPE Coverage and Total coverage by segment

Coverage and collateral maintained post Helix 2³



1) Restricted to Gross IFRS balance

2) Following a reorganisation of the RRD portfolio and mainly of the terminated exposures, certain gross loans were reclassified between the business lines, resulting an increase of €92 mn in the Retail line and a reduction of €32 mn and €60 mn of the SME and Corporate line respectively. In addition, certain NPEs were reclassified between the business lines, resulting an increase of €84 mn in the Retail line and a reduction of €24 mn and €60 mn of the SME and Corporate line respectively.

3) Calculations on a pro forma basis assume legal completion of both Helix 2 Portfolio A and Helix 2 Portfolio B

Asset quality- NPE analysis

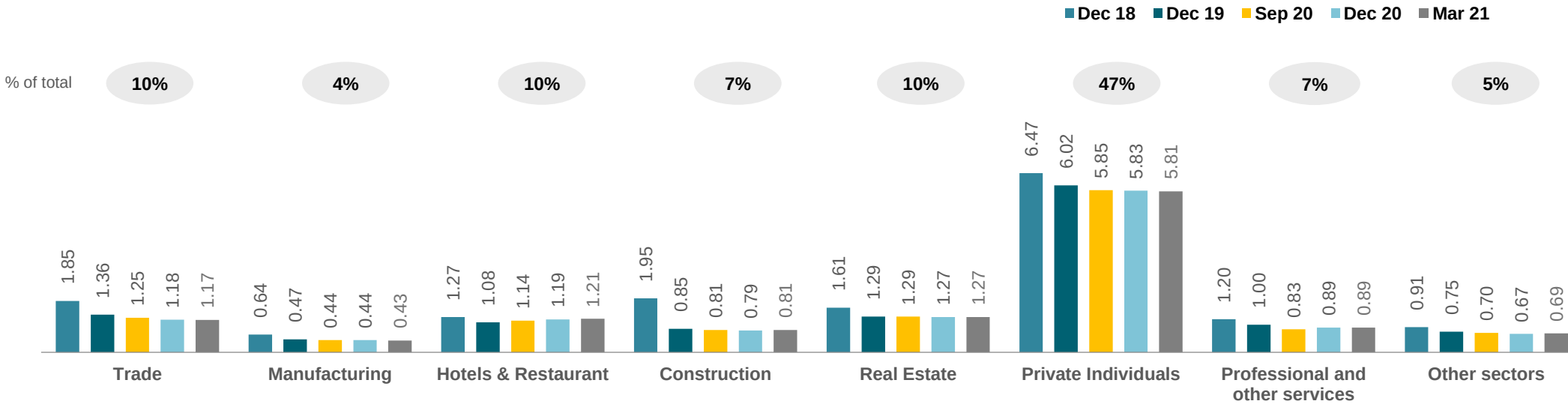
(€ mn)	Mar-21	Dec-20	Sep-20	Jun-20	Mar-20	Dec-19	Dec-18
A. Gross Loans after Residual Fair value adjustment on initial recognition	12,055	12,031	12,066	12,243	12,457	12,551	15,438
Residual Fair value adjustment on initial recognition	226	230	243	248	252	271	462
B. Gross Loans	12,281	12,261	12,309	12,491	12,709	12,822	15,900
B1. Loans with no arrears	9,230²	9,149	9,028	8,954	8,706	8,820	8,260
B2. Loans with arrears but not NPEs	39	26	43	69	265	122	221
1-30 DPD	27	21	34	54	209	88	166
31-90 DPD	12	5	9	15	56	34	55
B3. NPEs	3,012	3,086	3,238	3,468	3,738	3,880	7,419
With no arrears	536	548	533	603	601	722	1,482
Up to 30 DPD	15	16	19	28	52	54	136
31-90 DPD	35	26	29	39	72	76	231
91-180 DPD	18	18	35	48	79	121	178
181-365 DPD	31	81	101	178	255	263	393
Over 1 year DPD	2,377	2,397	2,521	2,572	2,679	2,644	4,999
NPE ratio (NPEs / Gross Loans)	25%	25%	26%	28%	29%	30%	47%
Allowance for expected loan credit losses (including residual fair value adjustment on initial recognition¹)	1,869	1,902	1,933	2,043	2,109	2,096	3,852
Gross loans coverage	15%	16%	16%	16%	17%	16%	24%
NPEs coverage	62%	62%	60%	59%	56%	54%	52%

1) Comprise (i) loan credit losses for impairment of customer loans and advances, (ii) the residual fair value adjustment on initial recognition of loans acquired from Laiki Bank and on loans classified at FVPL, and (iii) loan credit losses on off-balance sheet exposures disclosed on the balance sheet within other liabilities

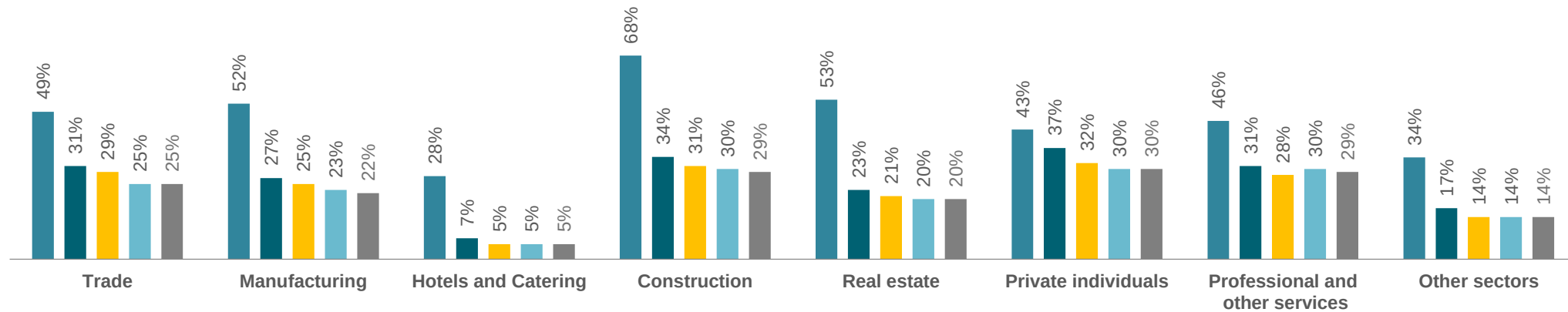
2) Includes c.€171 mn loans with "non-material" arrears which are calculated based on the new EBA regulation on Definition of Default implemented as of 1 Jan 2021, affecting the calculation of Days-Past-Due

Analysis of gross loans and NPE ratio by Economic activity

Gross loans by economic activity (€ bn)

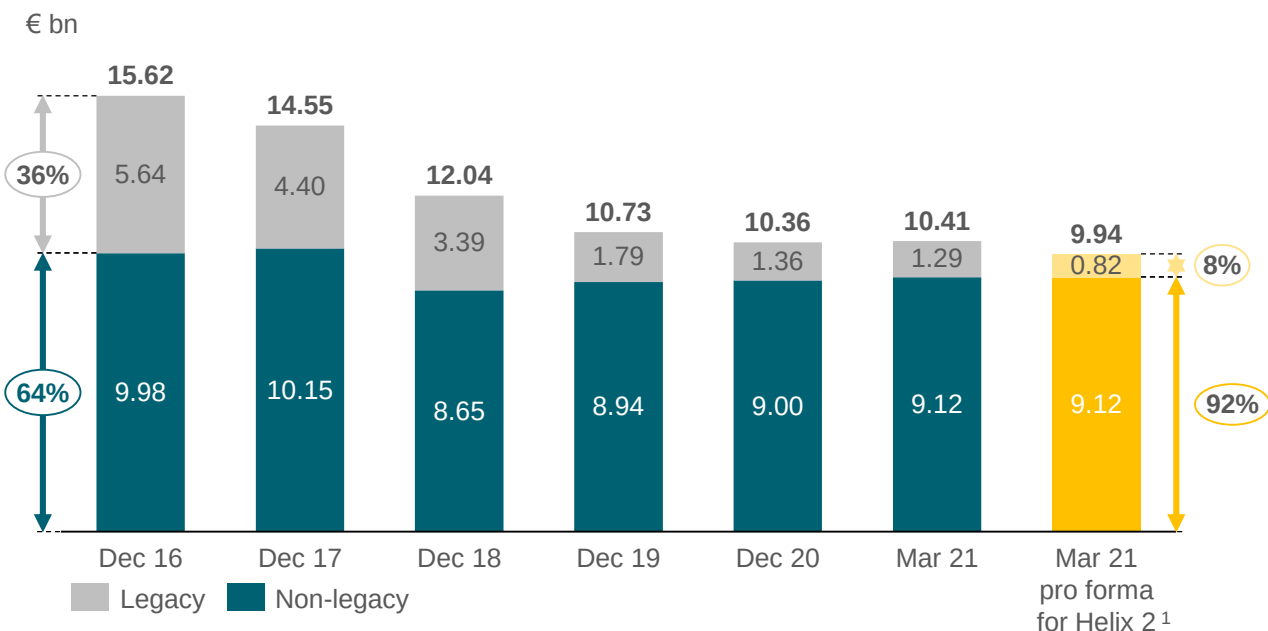


NPE ratio by economic activity

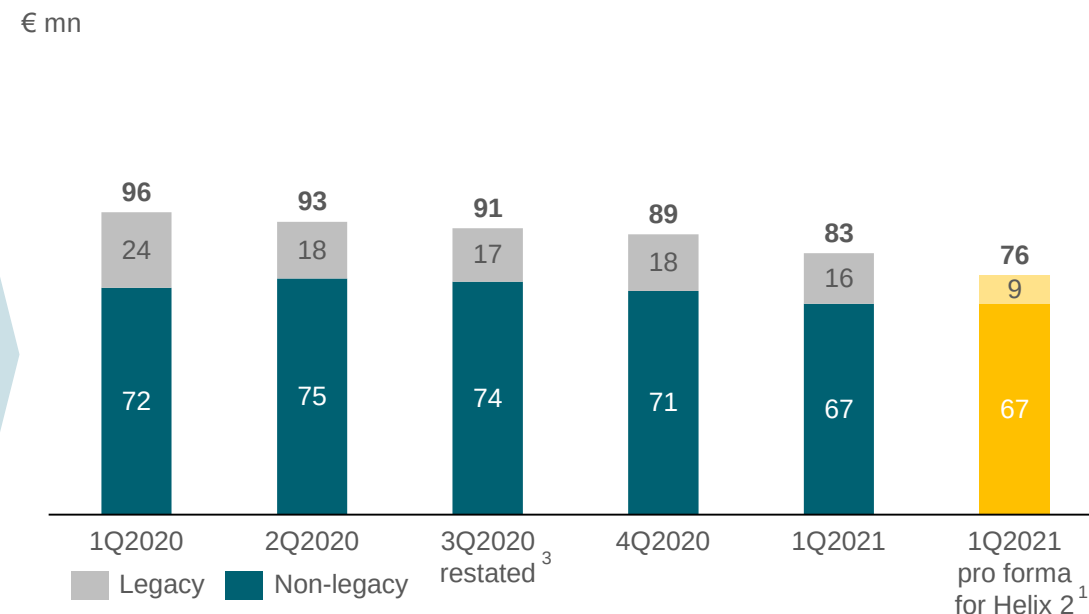


Balance sheet de-risking results in a smaller but safer loan book

Net Loans: Non-legacy² vs Legacy



Interest Income on Loans: Non-legacy² vs Legacy



- Lower but higher quality income resulting from balance sheet de-risking
- Interest income of non-legacy book decreased by €4 mn qoq as non-Legacy book yields remain under pressure mainly due to the sustained low interest rate environment and competition pressure
- Interest income of legacy book decreased by €2 mn qoq due to higher cash collections not previously recognised in 4Q2020
- **Interest on Net NPEs not received in cash, fully provided**

1) Calculations on a pro forma basis assume legal completion of both Helix 2 Portfolio A and Helix 2 Portfolio B

2) Gross loans of Corporate (incl. IB and W&M and Global Corporate), SME, Retail, and H/O

3) Interest income of non-legacy book for 3Q2020 increased from €73 mn to €74 mn since previously disclosed on 27 November 2020, following a transfer of €1 mn from liquids to non-legacy interest income

Risk adjusted yield will rise as Legacy book reduces

		Non-Legacy	Legacy	Group
		1Q2021	1Q2021	1Q2021
Profitability	Interest Income on loans (€ mn) (pre FTP)	67	16	83
	Loan credit/reversal (losses) (€ mn)	8	(28)	(20)
	Interest Income net of loan credit losses (€ mn)	75	(12)	63
	Cost of Risk	(0.35%)	3.77%	0.66%
	Effective Yield	3.01%	4.97%	3.26%
	Risk adjusted Yield ¹	3.36%	(3.62%)	2.47%
Capital & balance Sheet	Average Net Loans (€ mn)	9,062	1,323	10,386
	RWA Intensity ²	44%	98%	50%
		Global corporate, Corporate IB, W&M	RRD	
		SME and Retail Banking	REMU	
			Overseas non core	

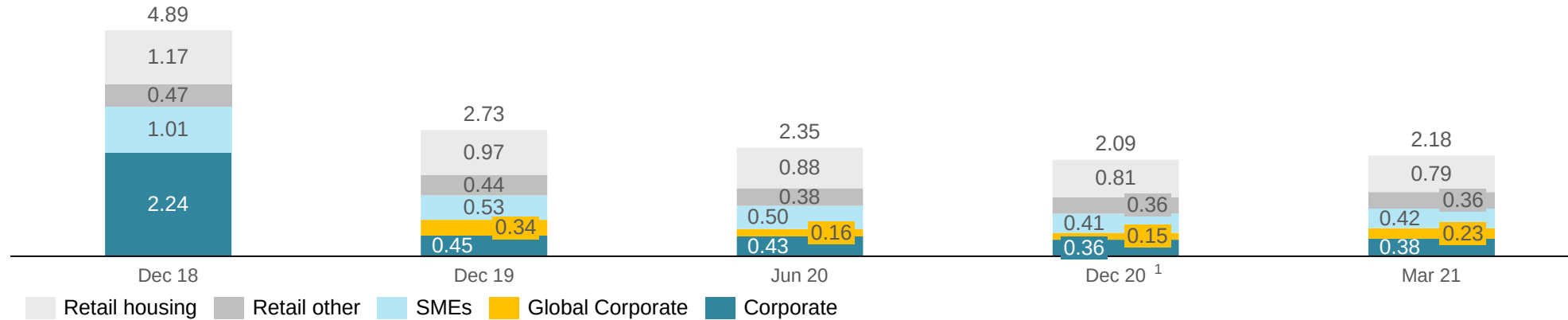
- Non-Legacy Book is expected to grow and to increasingly drive Group results
- Legacy book revenues predominantly driven by loan credit losses unwinding (but offset via loan credit losses)
- Interest on Net NPEs not received in cash, fully provided (€8 mn in 1Q2021)
- As Legacy book reduces:
 - Group risk adjusted yield expected to rise
 - Group Risk intensity expected to fall supporting CET1 ratio build

1) Interest Income on loans net of allowance for expected loan credit losses/ Average Net Loans

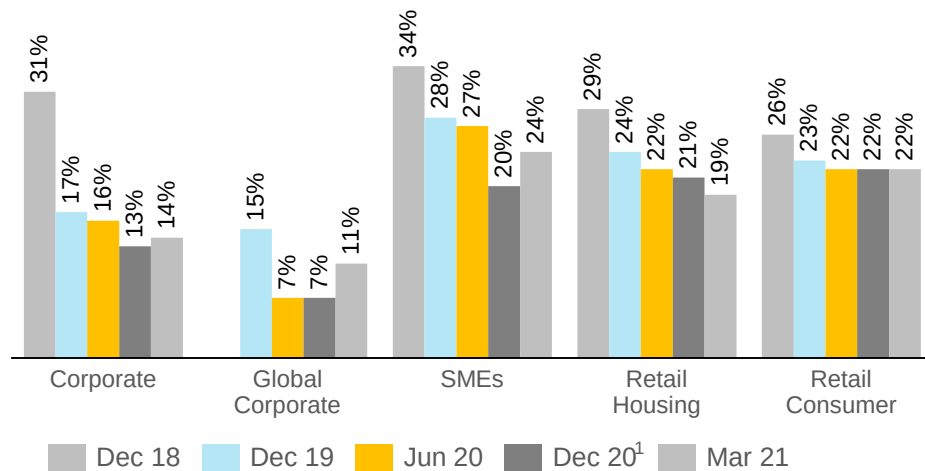
2) Risk Weighted Assets over Total Assets

Rescheduled Loans

Rescheduled loans by customer type (€ bn)



Rescheduled loans % gross loans by customer type



Rescheduled loans-Asset Quality

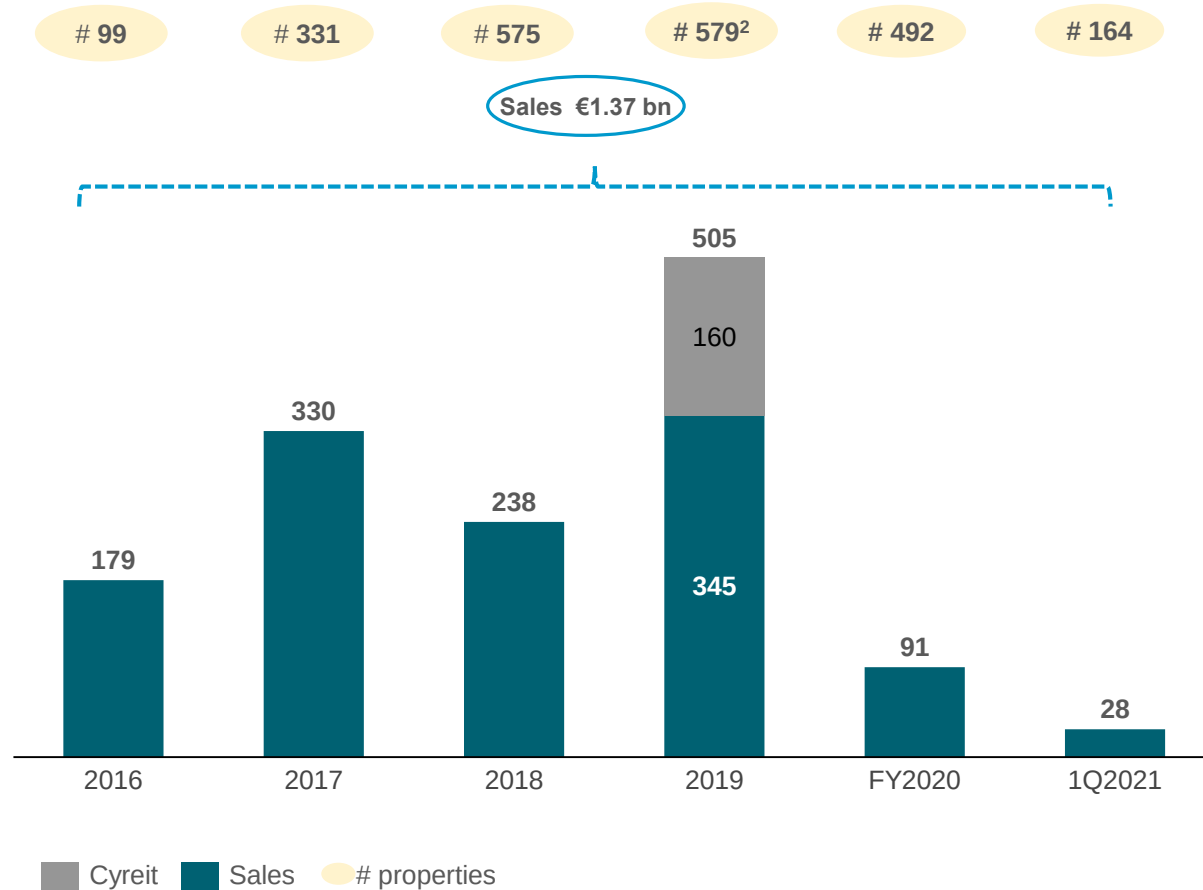
31 March 2021	€ '000
Stage 1	174,417
Stage 2	306,303
Stage 3	1,304,470
POCI	169,630
FVPL	227,707
Total	2,182,527

1) Following a reorganisation of the RRD portfolio and mainly of the terminated exposures, certain gross loans were reclassified between the business lines, resulting an increase of €58 mn in the Retail line and a reduction of €39 mn and €19 mn of the SME and Corporate line respectively.

REMU- the engine for dealing with foreclosed assets

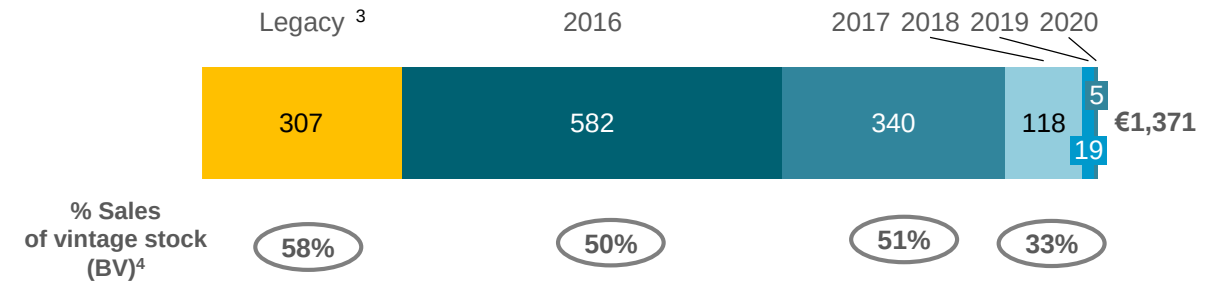
€1.37 bn sales of 2,240 properties across all property classes since set-up

Sales contract prices¹ (€ mn)



Breakdown of cumulative sales¹

by on-boarding year (€ mn)

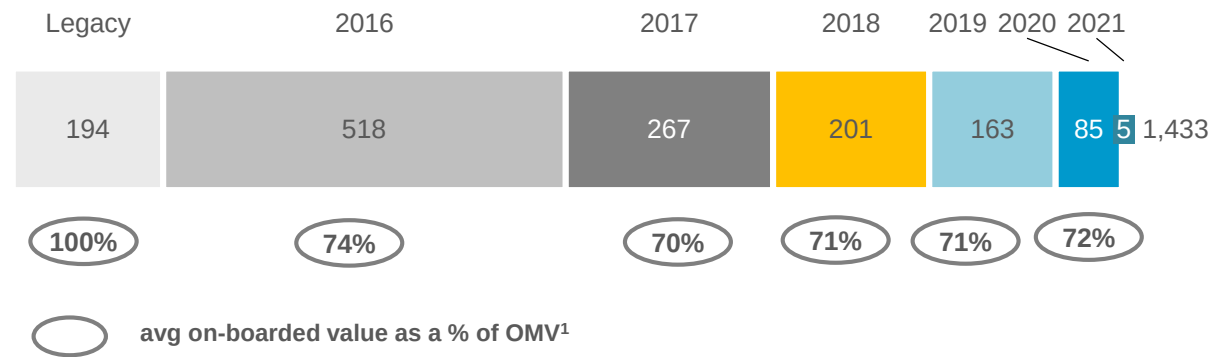


- 1) Amounts as per Sales purchase Agreements (SPAs)
- 2) Number of properties sold include 21 properties from the disposal of Cyreit and 23 properties from NPE sale (Helix)
- 3) Legacy properties relate to properties that were on-boarded before REMU set-up in January 2016
- 4) The BV of the properties disposed at the date of disposal as a proportion of the: BV of the properties disposed at the time of the disposal plus the BV of the residual properties managed by REMU as at 31 December 2020

REMU- the engine for dealing with foreclosed assets

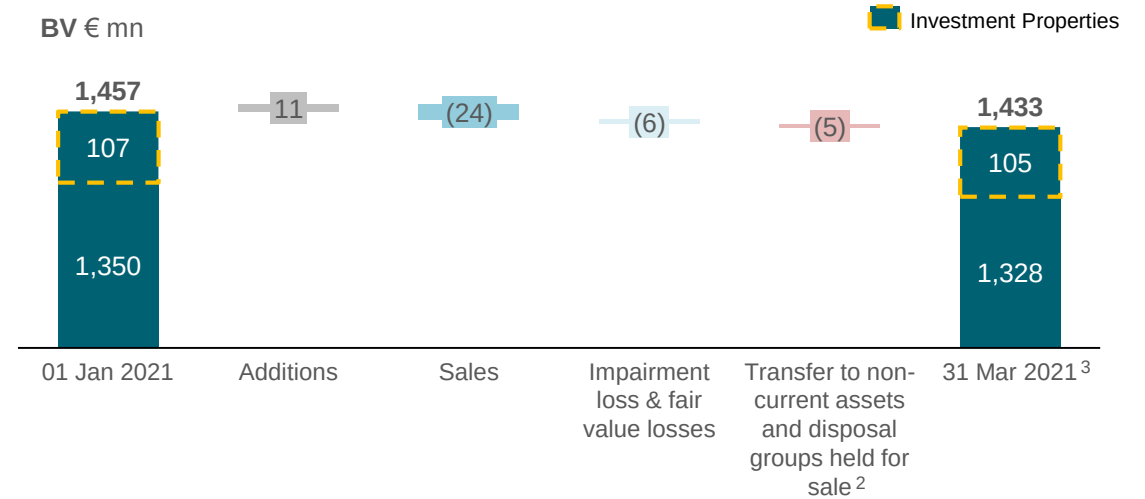
On-board assets in REMU at conservative c.25%-30% discount to OMV

BV € mn

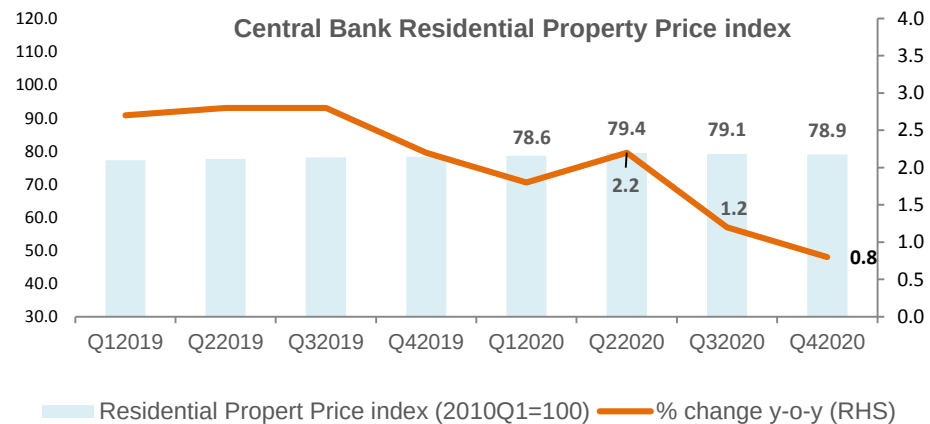


Evolution of properties managed by REMU

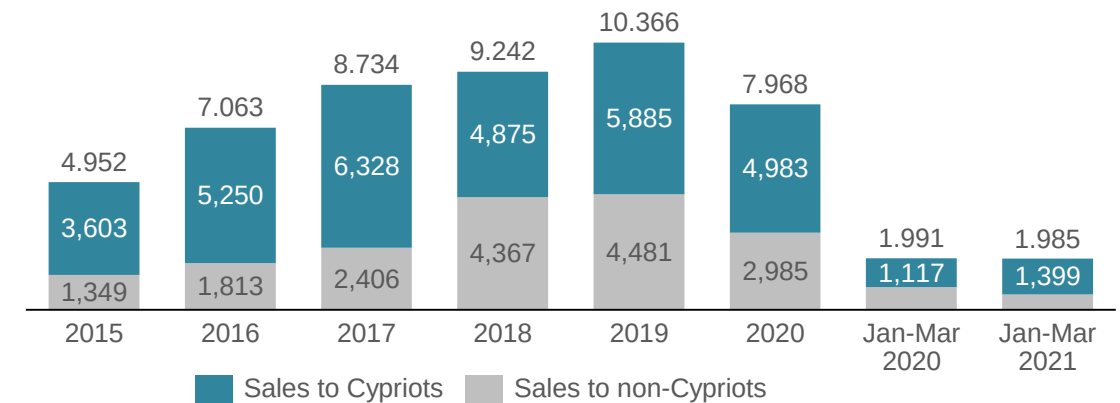
BV € mn



Real Estate Market property prices up 0.8% qoq in 4Q2020⁴



Sales contracts (excl. DFAs)⁵ for 1Q2021 broadly flat yoy



- 1) Open market value at on-boarding date
- 2) Stock of property with a carrying value of €5 mn as at 31 March 2021 was transferred to non-current assets and disposal groups held for sale as it was included in the Helix 2 (both portfolios A & B)
- 3) In addition to assets held by REMU, properties classified as "Investment properties" with carrying value of €21 mn as at 31 March 2021

- 4) relate to legacy properties
- 5) Based on Residential price index published by Central Bank, dated 29 April 2021

APPENDIX

Additional financial information

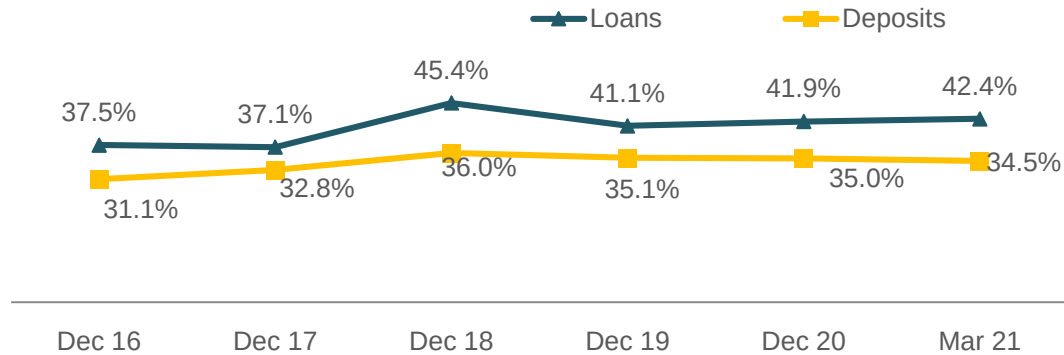
Consolidated Balance Sheet

Assets (€ mn)	31.03.2021	31.12.2020	% change
Cash and balances with Central Banks	6,926	5,653	23%
Loans and advances to banks	421	403	4%
Debt securities, treasury bills and equity investments	2,113	1,913	10%
Net loans and advances to customers	9,960	9,886	1%
Stock of property	1,328	1,350	-2%
Investment properties	126	128	-2%
Other assets	1,544	1,550	-0%
Non current assets and disposal groups held for sale	626	631	-1%
Total assets	23,044	21,514	7%

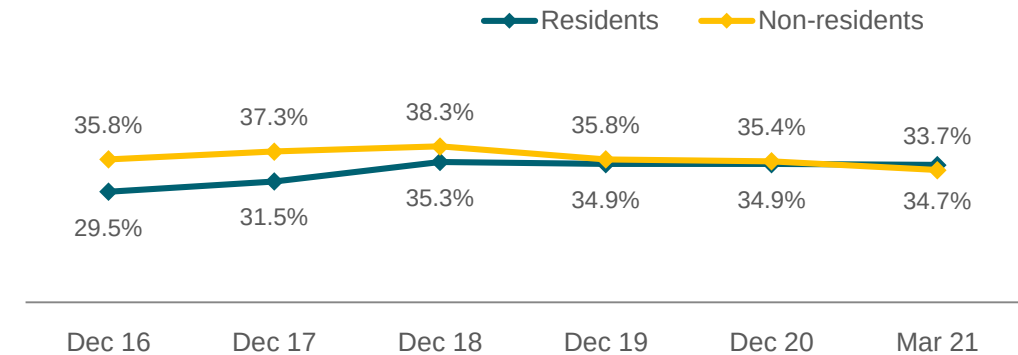
Liability and Equity (€ mn)	31.03.2021	31.12.2020	% change
Deposits by banks	412	392	5%
Funding from Central Bank	2,692	995	-
Customer deposits	16,332	16,533	-1%
Subordinated loan stock	254	272	-7%
Other liabilities	1,266	1,247	1%
Total liabilities	20,956	19,439	8%
Shareholders' equity	1,844	1,831	1%
Other equity instruments	220	220	-
Total equity excluding non-controlling interests	2,064	2,051	1%
Non controlling interests	24	24	1%
Total equity	2,088	2,075	1%
Total liabilities and equity	23,044	21,514	7%

Cypriot business

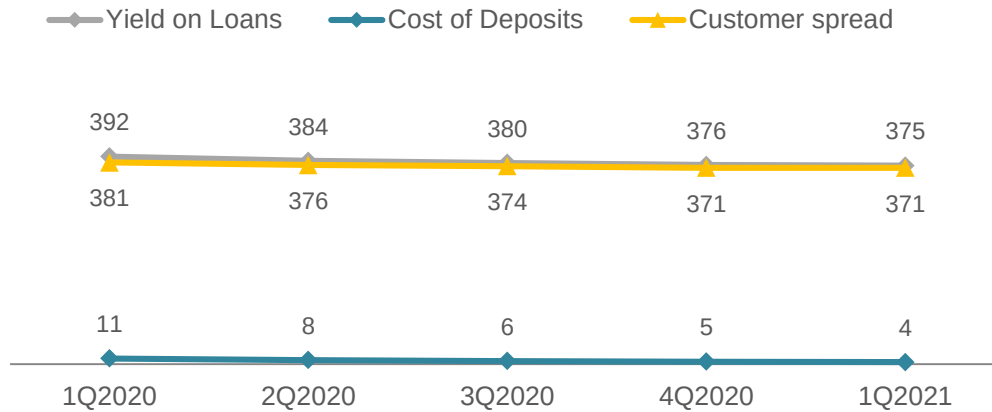
Market shares¹



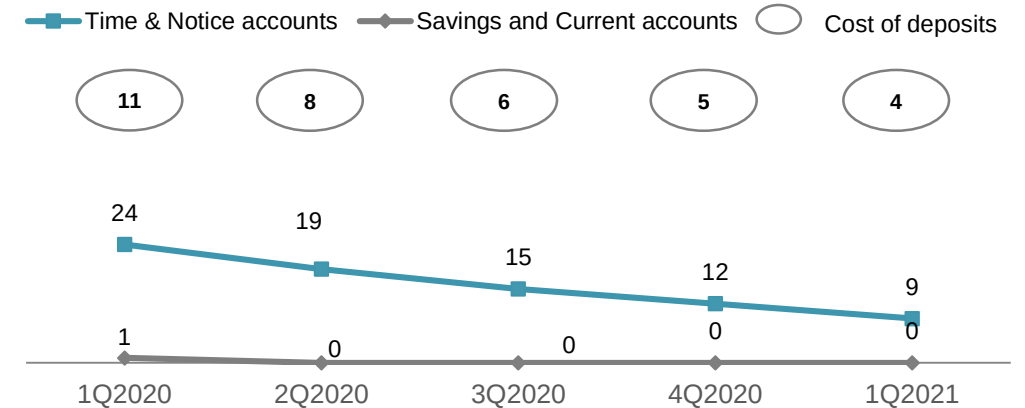
Strong market shares in resident and non-resident deposits



Average contractual interest rates (bps) (Cy)



Customer deposit rates decline further (bps) (Cy)



1) The market share on loans was affected as from 30 September 2018 following a decrease in total loans in the banking sector, mainly attributed to €6 bn non-performing loans of Cyprus Cooperative Bank (CyCB) which remained to SEDIPES (a legal entity without license to operate as a credit institution) as a result of the agreement between CyCB and Hellenic Bank

Income Statement bridge¹ for 1Q2021

€ mn	Underlying basis	NPE sales	Other	Statutory Basis
Net interest income	76	-	-	76
Net fee and commission income	39	-	-	39
Net foreign exchange gains and net losses on financial instrument transactions and disposal/dissolution of subsidiaries	2	-	1	3
Insurance income net of claims and commissions	13	-	-	13
Net gains/(losses) from revaluation and disposal of investment properties and on disposal of stock of properties	2	-	-	2
Other income	4	-	-	4
Total income	136	-	1	137
Total expenses	(91)	(4)	(4)	(99)
Operating profit	45	(4)	(3)	38
Loan credit losses	(20)	(2)	(1)	(23)
Impairments of other financial and non-financial instruments	(5)	-	-	(5)
Provisions for litigation, claims, regulatory and other matters	(1)	-	1	-
Profit before tax and non-recurring items	19	(6)	(3)	10
Tax	(2)	-	-	(2)
Profit attributable to non-controlling interests	-	-	-	-
Profit after tax and before non-recurring items (attributable to the owners of the Company)	17	(6)	(3)	8
Advisory and other restructuring costs - organic	(3)	-	3	-
Profit after tax – Organic (attributable to the owners of the Company)	14	(6)	-	8
Provisions/net loss relating to NPE sales, including restructuring expenses	(6)	6	-	-
Profit after tax - attributable to the owners of the Company	8	-	-	8

1) Please refer to section F1 "Reconciliation of income statement between statutory and underlying basis of the Group Financial Results for the quarter 31 March 2021"

Income Statement

€ mn	1Q2021	4Q2020	qoq%
Net Interest Income	76	80	-5%
Net fee and commission income	39	38	1%
Net foreign exchange gains and net losses on financial instrument transactions and disposal/dissolution of subsidiaries and associates	2	1	-
Insurance income net of claims and commissions	13	14	-9%
Net gains/(losses) from revaluation and disposal of investment properties and on disposal of stock of properties	2	5	-46%
Other income	4	4	-5%
Total income	136	142	-3%
Staff costs	(50)	(50)	1%
Other operating expenses	(32)	(41)	-21%
Special levy and contributions to Single Resolution Fund (SRF) and Deposit Guarantee Fund (DGF)	(9)	(6)	48%
Total expenses	(91)	(97)	-5%
Operating profit	45	45	1%
Loan credit losses	(20)	(31)	-35%
Impairments of other financial and non-financial assets	(5)	(6)	-15%
Provisions for litigation, claims, regulatory and other matters	(1)	(3)	-71%
Total loan credit losses, impairments and provisions	(26)	(40)	-34%
Profit before tax and non-recurring items	19	5	-
Tax	(2)	(1)	18%
Loss/ (profit) attributable to non-controlling interests	0	(1)	-
Profit after tax and before non-recurring items (attributable to the owners of the Company)	17	3	-
Advisory and other restructuring costs – organic	(3)	(1)	-
Profit after tax – organic (attributable to the owners of the Company)	14	2	-
Provisions/net loss relating to NPE sales, including restructuring expenses	(6)	(42)	-86%
Restructuring costs – Voluntary Staff Exit Plan (VEP)	0	(6)	-
DTC levy	0	(3)	-
Profit/ (loss) after tax (attributable to the owners of the Company)	8	(49)	-

Analysis of Interest Income and Interest Expense

Analysis of Interest Income (€ mn)	1Q2020	2Q2020	3Q2020 restated ¹	4Q2020	1Q2021
Loans and advances to customers	96	93	91	89	83
Loans and advances to banks and central banks	0	0	3	2	3
Investment at amortised costs	3	2	2	2	2
Investments FVOCI	5	4	4	4	3
Investments classified as loans and receivables	-	-			
	104	99	100	97	91
Trading Investment	-	-			
Derivative financial instruments	9	9	8	8	8
Other investments at fair value through profit or loss	-	-			
Total Interest Income	113	108	108	105	99

Analysis of Interest Expense (€ mn)					
Customer deposits	(5)	(3)	(3)	(3)	(2)
Funding from central banks and deposits by banks	(0)	(0)	0	0	0
Subordinated loan stock	(6)	(6)	(6)	(6)	(6)
Repurchase agreements	(1)	(1)	(1)	0	0
Negative interest on loans and advances to banks and central banks	(4)	(4)	(5)	(6)	(5)
	(16)	(14)	(15)	(15)	(13)
Derivative financial instruments	(12)	(11)	(11)	(10)	(10)
Total Interest Expense	(28)	(25)	(26)	(25)	(23)

1) Interest income of non-legacy book for 3Q2020 increased from €73 mn to €74 mn since previously disclosed on 27 November 2020, following a transfer of €1 mn from liquids to non-legacy interest income

Income Statement by business line for 1Q2021

€ mn	Consumer Banking	SME Banking	Corporate Banking	Global corporate	International Banking	Wealth & Markets	RRD	REMU	Insurance	Treasury	Other	Overseas	Total
Net interest income/(expense)	20	8	14	14	2	-	15	(1)	-	3	1	-	76
Net fee & commission income/(expense)	10	2	3	2	13	1	3	-	(2)	1	6	-	39
Other income	1	0	0	0	1	1	0	4	13	0	1	-	21
Total income	31	10	17	16	16	2	18	3	11	4	8	-	136
Total expenses	(42)	(6)	(4)	(3)	(8)	(2)	(11)	(4)	(4)	(3)	(3)	(1)	(91)
Operating (loss)/ profit	(11)	4	13	13	8	0	7	(1)	7	1	5	(1)	45
Loan credit losses of customer loans net of gains/(losses) on derecognition of loans and changes in expected cash flows	6	2	(1)	0	1	0	(28)		-	-	-	-	(20)
Impairment of other financial and non financial instruments	-	-	-	-	-	-	-	(4)	-	-	-	(1)	(5)
Provision for litigation, claims, regulatory and other matters	-	-	-	-	-	-	-	-	-	-	(1)	-	(1)
(Loss)/profit before tax	(5)	6	12	13	9	0	(21)	(5)	7	1	4	(2)	19
Tax	1	(1)	(2)	(2)	(1)	-	2	1	(1)	-	1	-	(2)
Profit attributable to non controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	-
(Loss)/ profit after tax and before non-recurring items (attributable to the owners of the Company)	(4)	5	10	11	8	0	(19)	(4)	6	1	5	(2)	17

Risk Weighted Assets– Regulatory Capital

Risk Weighted Assets by Geography (€ mn)

	31.12.18	31.12.19	31.12.20	31.03.21	Helix 2	31.03.21 pro forma ³
Cyprus	15,070	12,678	11,477	11,397	-260	11,137
Russia	24	8	-	-		-
United Kingdom	84	48	23	23		23
Romania	38	29	26	24		24
Greece	144	121	105	96		96
Other	13	6	5	6		6
RWAs	15,373	12,890	11,636	11,546	-260	11,286
RWA intensity	70%	61%	54%	50%		49%

Risk Weighted Assets by type of risk (€ mn)

	31.12.18	31.12.19	31.12.20	31.03.21	Helix 2	31.03.21 pro forma ³
Credit risk	13,833	11,547	10,505	10,415	-260	10,155
Market risk	2	-	-	-		-
Operational risk	1,538	1,343	1,131	1,131		1,131
Total	15,373	12,890	11,636	11,546	-260	11,286

Reconciliation of Group Equity to CET1

€ mn	31.03.21
Group Equity per financial statements	2,088
Less: Intangibles ²	(27)
Less: Deconsolidation of insurance and other entities	(195)
Add: Regulatory adjustments (IFRS 9 and other items)	53
Less: Revaluation reserves and equity instruments transferred to AT1	(251)
CET1¹	1,668
Risk Weighted Assets	11,546
CET1 ratio¹	14.4%
CET1 ratio pro forma for Helix 2³	14.6%

Equity and Regulatory Capital (€ mn)

	31.12.19	31.12.20	31.03.21 ⁴
Total equity excl. non-controlling interests	2,260	2,051	2,064
CET1 capital	1,909	1,723	1,668
Tier I capital	2,129	1,943	1,888
Tier II capital	190	192	196
Total regulatory capital (Tier I + Tier II)	2,319	2,135	2,084

1) Allowing for IFRS 9 and temporary treatment for certain FVOCI instruments

2) As per amendments introduced with Regulation 2020/873

3) Calculations on a pro forma basis assume legal completion of both Helix 2 Portfolio A and Helix 2 Portfolio B

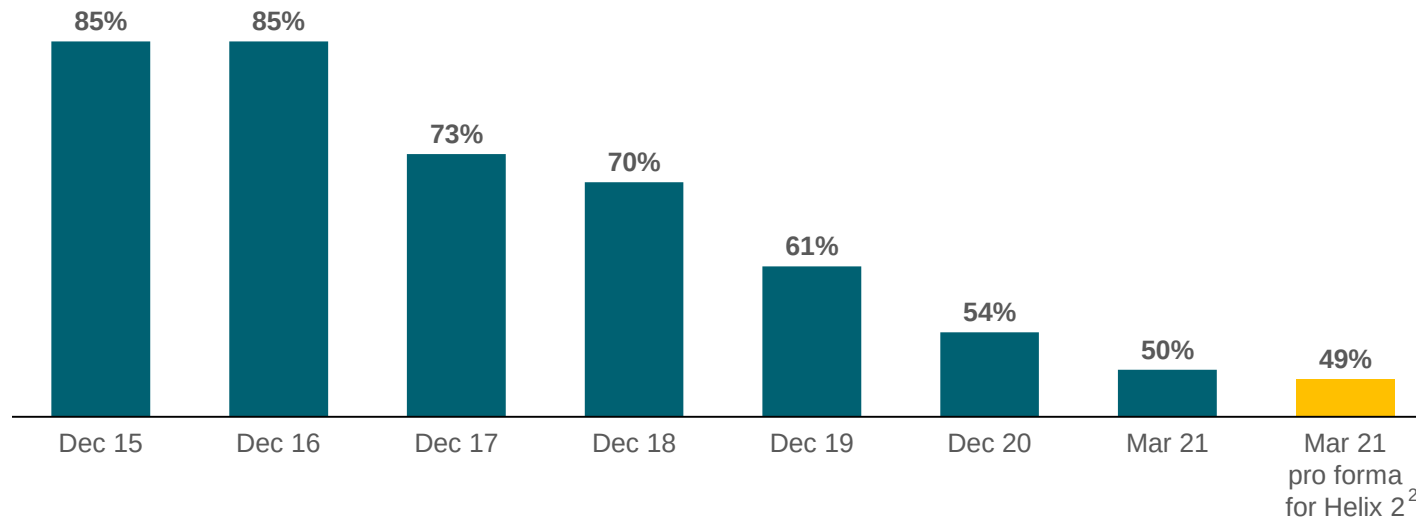
4) Capital ratios include unaudited/un-reviewed profits for 1Q2021

RWA intensity¹ reduced to 49%²

RWAs reduced by €90 mn ytd

RWAs	Dec 15	Dec 16	Dec 17	Dec 18	Dec 19	Dec 20	Mar 21	Helix 2	Helix 2 DPP ³	Pro forma ²
€ bn	19,666	18,865	17,260	15,373	12,890	11,636	11,546	(641)	381	11,286

RWA intensity¹ decreased to 49%²



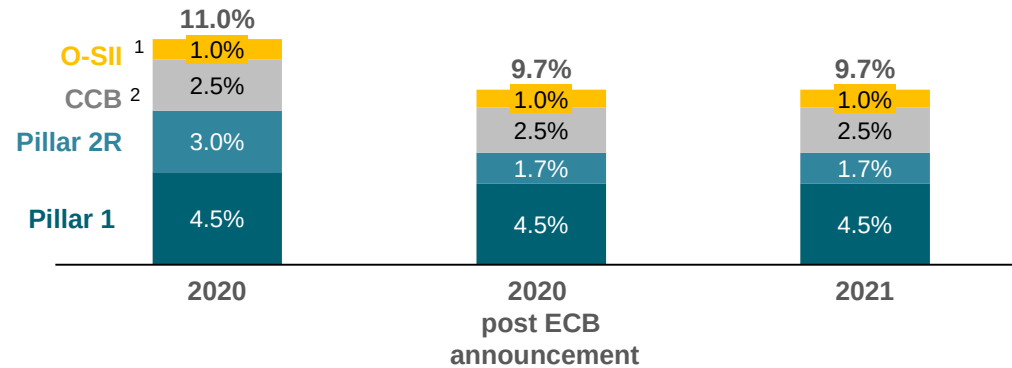
- RWA intensity¹ decreased to 49% pro forma for Helix 2², down 5 p.p. ytd, driven mainly by the increase in total assets following the additional participation of TLTRO III of €1.7 bn

(1) Risk Weighted Assets over Total Assets

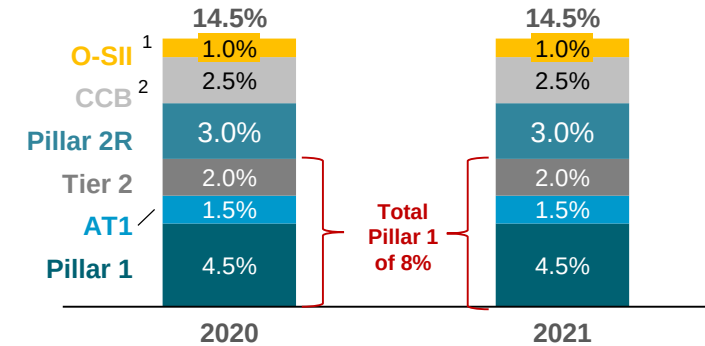
(2) Pro forma for Helix 2 (Portfolio A and B). Calculations on a pro forma which assume legal completion of the transaction

SREP and MREL requirements

SREP requirements for 2021: CET1 ratio at 9.7%



SREP requirements for 2021: Total Capital ratio at 14.5%



MREL requirements

- Based on BRRD II
- The Bank (BOC) is the resolution entity
- Final Target of 23.32% of RWAs and 5.91% of Leverage Ratio Exposure (LRE) to be met by 31 Dec 2025
- Interim Target of 14.94% of RWAs and 5.91% of LRE to be met by 01 Jan 2022

MREL ratio

- 15.03% of RWAs and c.9% of LRE as at 31 Mar 2021
- 15.27% of RWAs as at 31 Mar 2021 pro forma for Helix 2³
- Does not include capital used to meet the CBR, currently at 3.5% and expected to increase to 4% on 1 Jan 2022

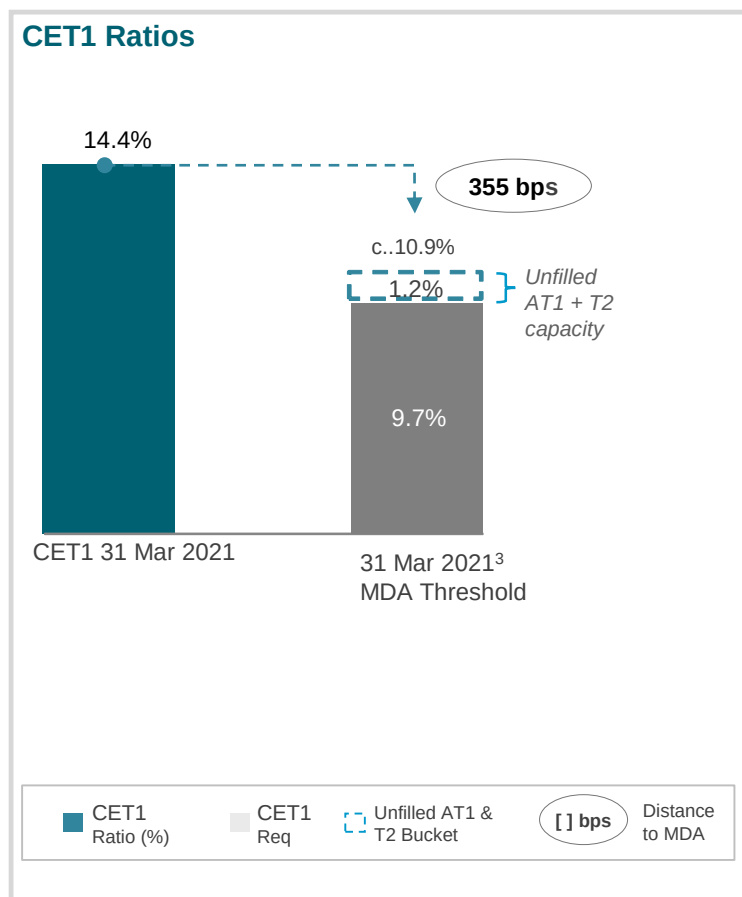
1) The Central Bank of Cyprus (CBC) set the O-SII buffer for the Group at 2%. This buffer will be phased-in gradually, having started from 1 January 2019 at 0.5% and increasing by 0.5% every year thereafter, until being fully implemented (2.0%). In April 2020 the CBC, as part of the COVID measures, decided to delay the phasing-in by 12 months (1 January 2023). As a result, the phasing-in of 0.5% on 1 January 2021 has been delayed for 12 months

2) In accordance with the legislation in Cyprus which has been set for all credit institutions the applicable rate of the CCB was fully phased in at 2.5% in 2019

3) Calculations on a pro forma basis assume legal completion of both Helix 2 Portfolio A and Helix 2 Portfolio B

Buffer to MDA Restrictions Level & Distributable Items¹

Maximum Distributable Amount for BOCH



- The Bank and BOCH having obtained approval by their shareholders, the ECB and the Court of Cyprus and Irish High Court respectively, implemented a capital reduction process in Oct 2020, which resulted in the reclassification of c.€619 mn and €700 mn of share premium to distributable reserves respectively
- No prohibition applies to the payment of coupons on any AT1 capital instruments issued by the Company and the Bank²
- Significant CET1 MDA buffer³ (31 Mar 2021) : c.355 bps (c.€410 mn)

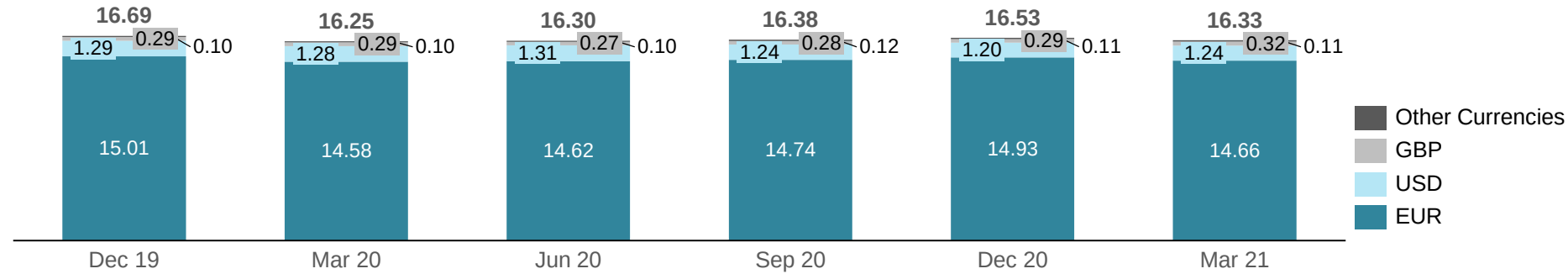
1) Distributable Items definition per CRR

2) Based on the SREP decisions of prior years, the Company and the Bank were under a regulatory prohibition for equity dividend distribution and therefore no dividends were declared or paid during 2019. Following the 2019 SREP decision, which will continue to be in effect in 2021, the Company and the Bank are still under equity dividend distribution prohibition. This prohibition does not apply if the distributions are made via the issuance of new ordinary shares to the shareholders which are eligible as CET1 capital

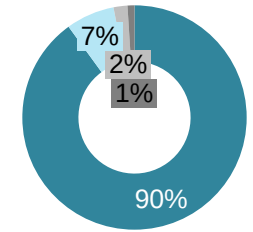
3) Including phasing in of O-SII buffer (+50 bps). The Central Bank of Cyprus (CBC) set the O-SII buffer for the Group at 2%. This buffer will be phased-in gradually, having started from 1 January 2019 at 0.5% and increased by 0.5% every year thereafter, until being fully implemented on 1 January 2022. In April 2020 the CBC, as part of the COVID measures, decided to delay the phasing-in by 12 months (1 January 2023). As a result, the phasing-in of 0.5% on 1 January 2021 has been delayed for 12 months

Analysis of Deposits

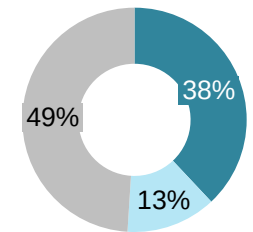
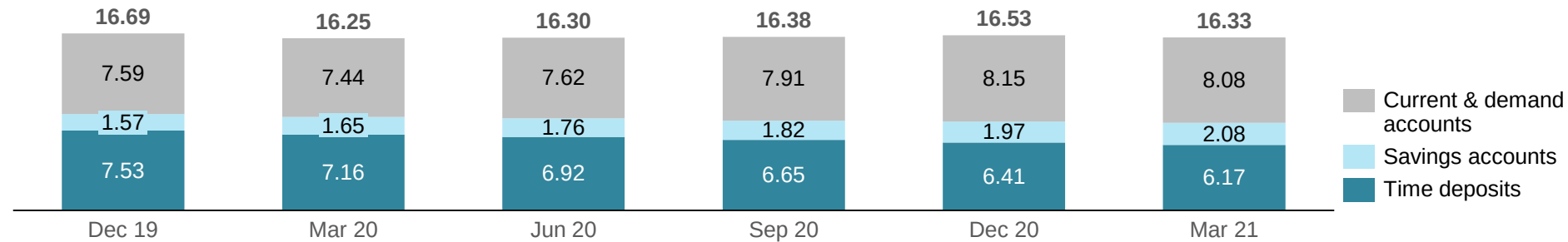
Deposits by Currency (€ bn)



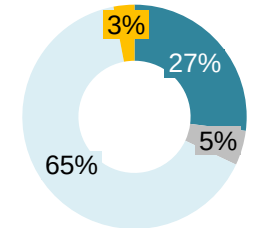
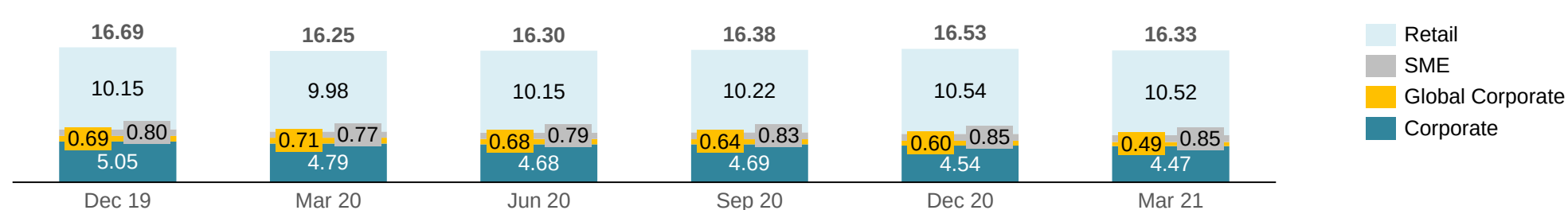
Mar 21



Deposits by Type (€ bn)



Deposits by customer Sector (€ bn)



APPENDIX

Glossary & Definitions

Glossary & Definitions

Allowance for expected loan credit losses (previously 'Accumulated provisions')	Comprises (i) allowance for expected credit losses (ECL) on loans and advances to customers (including allowance for expected credit losses on loans and advances to customers held for sale), (ii) the residual fair value adjustment on initial recognition of loans and advances to customers, (iii) allowance for expected credit losses for off-balance sheet exposures (financial guarantees and commitments) disclosed on the balance sheet within other liabilities, and (iv) the aggregate fair value adjustment on loans and advances to customers classified and measured at FVPL.
Advisory and other restructuring costs	Comprise mainly: fees of external advisors in relation to: (i) disposal of operations and non-core assets, and (ii) customer loan restructuring activities.
AIEA	This relates to the average of 'interest earning assets' as at the beginning and end of the relevant quarter. Average interest earning assets exclude interest earning assets of any discontinued operations at each quarter end, if applicable. Interest earning assets include: cash and balances with central banks, (including cash and balances with central banks classified as non-current assets held for sale), plus loans and advances to banks, plus net loans and advances to customers (including loans and advances to customers classified as non-current assets held for sale), plus investments (excluding equities and mutual funds).
AT1	AT1 (Additional Tier 1) is defined in accordance with Articles 51 and 52 of the Capital Requirements Regulation (EU) No 575/2013, as amended by CRR II applicable as at the reporting date
Average contractual interest rates	Interest rates on cost of deposits were previously calculated as the Interest Expense over Average Balance. The current calculation which the Bank considers more appropriate is based on the weighted average of the contractual rate times the balance at the end of the month. The rates are calculated based on the month end contractual interest rates. The quarterly rates are the average of the three quarter month end contractual rates.
Book Value	BV= book value = Carrying value prior to the sale of property.
CET1 capital ratio (transitional basis)	CET1 capital ratio (transitional basis) is defined in accordance with the Capital Requirements Regulation (EU) No 575/2013, as amended by CRR II applicable as at the reporting date.
CET1 fully loaded (FL)	The CET1 fully loaded (FL) ratio is defined in accordance with the Capital Requirements Regulation (EU) No 575/2013, as amended by CRR II applicable as at the reporting date.
Cost of Funding	Effective yield of cost of funding: Interest expense of all interest bearing liabilities after hedging, over average interest bearing liabilities (customer deposits, funding from the central bank, interbank funding, subordinated liabilities). Historical information has been adjusted to take into account hedging.
Contribution to DGF	Relates to the contribution made to the Deposit Guarantee Fund.
Contribution to SRF	Relates to the contribution made to the Single Resolution Fund.
Cost to Income ratio	Cost-to-income ratio comprises total expenses (as defined) divided by total income (as defined).
Cost of Risk	Loan credit losses charge (cost of risk) (year to date) is calculated as the annualised 'loan credit losses' (as defined) divided by average gross loans. The average gross loans are calculated as the average of the opening balance and the closing balance, for the reporting period/year.
CRR DD	Default Definition.
DFAs	Debt for Asset Swaps.
DFEs	Debt for Equity Swaps.
DTA	Deferred Tax Assets.

Glossary & Definitions

Digitally engaged customers ratio	This is the ratio of digitally engaged individual customers to the total number of individual customers. Digitally engaged customers are the individuals who use the digital channels of the Bank (mobile banking app, browser and ATMs) to perform banking transactions, as well as digital enablers such as a bank-issued card to perform online card purchases, based on an internally developed scorecard.
Digital transactions ratio	This is the ratio of the number of digital transactions performed by individuals and legal entity customers to the total number of transactions. Transactions include deposits, withdrawals, internal and external transfers. Digital channels include mobile, browser and ATMs.
DTC	Deferred Tax Credit
EBA	European Banking Authority
ECB	European Central Bank
Effective yield	Interest Income on Loans/Average Net Loans
Effective yield of liquid assets	Interest Income on liquids after hedging, over average liquids (Cash and balances with central banks, placements with banks and bonds). Historical information has been adjusted to take into account hedging
ESMA	European Securities and Markets Authority
Foreclosures	Value of on-boarded assets is set at a conservative 25%-30% discount from open market valuations, by two independent sources; Includes consensual and non consensual DFAs and DFEs
FTP	Fund transfer pricing methodologies applied between the business lines to present their results on an arm's length basis
GBV	Gross Book Value
Gross Loans	Gross loans comprise: (i) gross loans and advances to customers measured at amortised cost before the residual fair value adjustment on initial recognition (including loans and advances to customers classified as non-current assets held for sale) and (ii) loans and advances to customers classified and measured at FVPL adjusted for the aggregate fair value adjustment Gross loans are reported before the residual fair value adjustment on initial recognition relating mainly to loans acquired from Laiki Bank (calculated as the difference between the outstanding contractual amount and the fair value of loans acquired) amounting to €226 mn at 31 March 2021 (compared to €230 mn at 31 December 2020). Additionally, gross loans include loans and advances to customers classified and measured at fair value through profit or loss adjusted for the aggregate fair value adjustment of €329 mn at 31 March 2021 (compared €326 mn at 31 December 2020).
Gross Sales Proceeds	Proceeds before selling charge and other leakages
GVA	Gross Value Added
Group	The Group consists of Bank of Cyprus Holdings Public Limited Company, “BOC Holdings” or the “Company”, its subsidiary Bank of Cyprus Public Company Limited, the “Bank” and the Bank’s subsidiaries.
H/O	Head Office

Glossary & Definitions

IB, W&M	International Banking, Wealth and Markets
IBU	Servicing exclusively international activity companies registered in Cyprus and abroad and not residents
Legacy exposures	Legacy exposures are exposures relating to (i) Restructuring and Recoveries Division (RRD), (ii) Real Estate Management Unit (REMU), and (iii) non-core overseas exposures.
Loan credit losses (PL) (previously 'Provision charge')	Loan credit losses comprise: (i) credit losses to cover credit risk on loans and advances to customers, (ii) net gains on derecognition of financial assets measured at amortised cost and (iii) net gains on loans and advances to customers at FVPL, for the reporting period/year.
Loan to Value ratio (LTV)	Loan to Value (LTV) is calculated as the Gross IFRS Balance to the indexed market value of the property. Under Pillar 3 disclosures LTV is calculated as the Gross IFRS Balance to the indexed market value of collateral. Collateral takes into consideration the mortgage amount registered in the land registry plus legal interest from registration date to the reference date
Market shares	Both deposit and loan market shares are based on data from the CBC. The Bank is the single largest credit provider in Cyprus with a market share of 42.4x% at 31 March 2021, compared to 41.9% at 31 December 2020.
MSCI ESG Rating	The use by the Bank of any MSCI ESG Research LLC or its affiliates ('MSCI') data, and the use of MSCI Logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation or promotion of the Bank by MSCI. MSCI Services and data are the property of MSCI or its information providers and are provided "as-is" and without warranty. MSCI Names and logos are trademarks or service marks of MSCI.
Net Proceeds	Proceeds after selling charges and other leakages
Net fee and commission income over total income	Fee and commission income less fee and commission expense divided by total income (as defined).
Net interest margin (NIM)	Net interest margin is calculated as the net interest income (annualised) divided by the 'quarterly average interest earning assets' (as defined).
Net loans and advances to customers	Net loans and advances to customers comprise gross loans (as defined) net of allowance for expected loan credit losses (as defined, but excluding allowance for expected credit losses on off-balance sheet exposures disclosed on the balance sheet within other liabilities).
Net loans to deposits ratio	Net loans to deposits ratio is calculated as gross loans (as defined) net of allowance for expected loan credit losses (as defined) divided by customer deposits.
New lending	New lending includes the disbursed amounts of the new and existing non-revolving facilities (excluding forbore or re-negotiated accounts) as well as the average year to date change (if positive) of the current accounts and overdraft facilities between the balance at the beginning of the period and the end of the period. Recoveries are excluded from this calculation since their overdraft movement relates mostly to accrued interest and not to new lending.

Glossary & Definitions

Non-interest income	Non-interest income comprises Net fee and commission income, Net foreign exchange gains and net gains on financial instrument transactions and disposal/dissolution of subsidiaries and associates (excluding net gains on loans and advances to customers at FVPL), Insurance income net of claims and commissions, Net gains/(losses) from revaluation and disposal of investment properties and on disposal of stock of properties, and Other income.
Non-recurring items	Non-recurring items as presented in the 'Unaudited Consolidated Income Statement – Underlying basis' relate to the following items, as applicable: (i) advisory and other restructuring costs - organic, (ii) restructuring costs – Voluntary Staff Exit Plan (VEP), (iii) Provisions/net loss relating to NPE sales, including restructuring expenses, (iv) DTC levy.
NPEs	According to the EBA standards and ECB's Guidance to Banks on Non-Performing loans, NPEs are defined as those exposures that satisfy one of the following conditions: (i) The borrower 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. (ii) Defaulted or impaired exposures as per the approach provided in the CRR, which would also trigger a default under specific credit adjustment, diminished financial obligation and obligor bankruptcy. (iii) Material exposures as set by the CBC, which are more than 90 days past due. (iv) Performing forbore exposures under probation for which additional forbearance measures are extended. (v) Performing forbore exposures under probation that present more than 30 days past due within the probation period. Exposures include all on and off balance sheet exposures, except those held for trading, and are categorised as such for their entire amount without taking into account the existence of collateral. The following materiality criteria are applied: • For retail debtors, when a specific part of the exposures of a customer that fulfils the NPE criteria set out above is greater than 20% of the gross carrying amount of all on balance sheet exposures of that customer, then the total customer exposure is classified as non-performing; otherwise only the problematic part of the exposure is classified as non-performing. • For non-retail debtors, when an exposure fulfils the NPE criteria set out above then the total customer exposure is classified as non-performing. • Material arrears/excesses are defined as follows: - Retail exposures: Total arrears/excesses amount greater than €100 - Exposures other than retail: Total arrears/excesses are greater than €500 and the amount in arrears/excess in relation to the customer's total exposure is at least 1%. • If unlikelihood to pay is not identified at an earlier stage, it is deemed to occur when an exposure is 90 days past due, even where regulatory rules permit default to be defined based on 180 days past due. • The definitions of credit impaired and default are aligned so that stage 3 represents all loans which are considered defaulted or otherwise credit impaired. • When a financial asset has been identified as credit impaired, ECLs are measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the instrument's original effective interest rate.

Glossary & Definitions

NPEs (continued)	NPEs may cease to be considered as non-performing only when all of the following conditions are met: (i) The extension of forbearance measures does not lead to the recognition of impairment or default. (ii) One year has passed since the forbearance measures were extended. (iii) Following the forbearance measures and according to the post-forbearance conditions, there is no past due amount or concerns regarding the full repayment of the exposure. (iv) No unlikely-to-pay criteria exist for the debtor. (v) The debtor has made post-forbearance payments of a non-insignificant amount of capital (different capital thresholds exist according to the facility type). Non-performing non-forborne exposures cease to be considered as NPEs and in such case are transferred out of Stage 3, only when all conditions for which the exposures were classified originally as NPEs, cease to apply. When an account exits Stage 3, it is transferred to Stage 2 for a probationary period of 6 months. At the end of this period, the significant increase in credit risk (SICR) trigger is activated and the loan is either transferred to Stage 1 or remains in Stage 2. The reversal of previous unrecognised interest on loans and advances to customers that no longer meet Stage 3 criteria is presented in 'Credit losses to cover credit risk on loans and advances to customers'. New default definition effective from 1 January 2021 From 1 January 2021 two regulatory guidelines came into force that affect NPE classification and Days-Past-Due calculation. More specifically, these are the RTS on the Materiality Threshold of Credit Obligations Past Due (EBA/RTS/2016/06), and the Guideline on the Application of the Definition of Default under article 178 (EBA/RTS/2016/07). As a result of the above, the following changes came into effect as from 1 January 2021: 1. New Days-past-Due (DPD) counter: The new counter will begin counting DPD as soon as the arrears or excesses of an exposure reach the materiality threshold (rather than the first day of presenting any amount of arrears in excesses). Similarly, the counter will be set to zero when the arrears or excesses drop below the materiality threshold. Payments towards the exposure that do not reduce the arrears/excesses below the materiality threshold, will not impact the counter. 2. Additionally to the above criteria for the exit of non-performing exposures the following condition should also be met: A period of one year has passed since the latest of the following events: a. The restructuring date b. The date the exposure was classified as non-performing c. The payment of interest and capital for at least 12 months 3. Non-performing non-forborne exposures cease to be considered as NPEs only when all of the following conditions are met: (i) At least three months have passed since the moment that the conditions for which the exposure was classified as non-performing, cease to be met and no trigger of default continues to apply (ii) During the three month period, the behaviour of the obligor should be taken into account (iii) During the three month period, the financial situation of the obligor should be taken into account (iv) No Unlikely to Pay criteria exist for the debtor 4. As per the new definition of default, the 20% materiality threshold and the 90 days past due counter, will no longer apply for non-retail exposures i.e. any non-performing exposure of the customer, for any reason, will result in a non-performing classification at customer level.
	NPE coverage ratio (previously 'NPE Provisioning coverage ratio') The NPE coverage ratio is calculated as the allowance for expected loan credit losses (as defined) over NPEs (as defined).
	NPE ratio NPEs ratio is calculated as the NPEs as per EBA (as defined) divided by gross loans (as defined).
	NPEs sales NPE sales refer to sales of NPE portfolios completed in each period and contemplated sale transactions, as well as potential further NPE sales, at each reporting date, irrespective of whether or not they met the held for sale classification criteria at the reporting dates. They include both Project Helix and Project Helix 2, as well as other portfolios.

Glossary & Definitions

Non-legacy	Relates to all business lines excluding Restructuring and Recoveries Division (“RRD”), REMU and non-core overseas exposures
Phased-in Capital Conservation Buffer (CCB)	In accordance with the legislation in Cyprus which has been set for all credit institutions, the applicable rate of the CCB is 1.25% for 2017, 1.875% for 2018 and 2.5% for 2019 (fully phased-in).
NSFR	The NSFR is calculated as the amount of “available stable funding” (ASF) relative to the amount of “required stable funding” (RSF), on the basis of Basel III standards. Its calculation is a SREP requirement. The EBA NSFR will be enforced as a regulatory ratio under CRR II in June 2021.
OMV	Open Market Value
Operating profit	The operating profit comprises profit before Total loan credit losses, impairments and provisions (as defined), tax, (profit)/loss attributable to non-controlling interests and non-recurring items (as defined).
p.p.	percentage points
Project Helix 2	Project Helix 2 refers to the portfolio of loans with a gross book value of €898 mn as at 30 June 2020 for which an agreement for sale was reached in August 2020 (Portfolio A) and to the portfolio of loans with a gross book value of €545 mn as at 30 September 2020 for which an agreement for sale was reached in January 2021 (Portfolio B). For further information please refer to section B.2.5 Loan portfolio quality of the press release.
Qoq	Quarter on quarter change
Restructured loans	Restructuring activity within quarter as recorded at each quarter end and includes restructurings of NPEs, performing loans and re-restructurings.
Risk adjusted yield	Interest Income on Loans net of allowance for expected loan credit losses/Net Loans.
RRD	Restructuring and Recoveries Division.
RWAs	Risk Weighted Assets.
RWA Intensity	Risk Weighted Assets over Total Assets.
Special levy	Relates to the special levy on deposits of credit institutions in Cyprus.
Stage 2 & Stage 3 Loans	Include purchased or originated credit-impaired.

Glossary & Definitions

Tangible Collateral	Restricted to Gross IFRS balance.
Total Capital ratio	Total capital ratio is defined in accordance with the Capital Requirements Regulation (EU) No 575/2013, as amended by CRR II applicable as at the reporting date.
Total expenses	Total expenses comprise staff costs, other operating expenses and the special levy and contributions to the Single Resolution Fund (SRF) and Deposit Guarantee Fund (DGF). It does not include (i) 'advisory and other restructuring costs-organic', or (ii) any restructuring costs relating to NPE sales, or (iii) any restructuring costs relating to the Voluntary Staff Exit Plan, or (iv) the DTC levy. (i) 'Advisory and other restructuring costs-organic' amounted to €13 mn for 4Q2020/1Q2021 (compared to €3 mn for 3Q2020, €3 mn for 2Q2020, €3 mn for 1Q2020 and €8 mn for 4Q2019). 1 mn for 4Q2020, (ii) Restructuring costs relating to NPE sales amounted to €4 mn for 1Q2021 (compared to c.€1.5 mn for 4Q2020 (compared to Nil for 3Q2020, €1 mn for 2Q2020, €3 mn for 1Q2020 and €10 mn for 4Q2019).), (iii) Restructuring costs relating to the Voluntary Staff Exit Plan amounted to €6 mn for 4Q2020 and FY2020 (compared to €81 mn for 4Q2019 and FY2019)., (iv) The DTC levy amounted to €3 mn for 4Q2020 and FY2020 (compared to nil for FY2019).
Total income	Total income comprises net interest income and non-interest income (as defined).
Total loan credit losses, impairments and provisions	Total loan credit losses, impairments and provisions comprises loan credit losses (as defined), plus impairments of other financial and non-financial assets, plus provisions for litigation, claims, regulatory and other matters.
T2	Tier 2 Capital
Underlying basis	This refers to the statutory basis after being adjusted for certain items as explained in the Basis of Presentation.
Write offs	Loans together with the associated loan credit losses are written off when there is no realistic prospect of future recovery. Partial write-offs, including non-contractual write-offs, may occur when it is considered that there is no realistic prospect for the recovery of the contractual cash flows. In addition, write-offs may reflect restructuring activity with customers and are part of the terms of the agreement and subject to satisfactory performance.
Yoy	Year on year change